



JUNE QUARTERLY REPORT

Exploration Activities Report

Quarter ended 30th June 2017

- During the June quarter, Avira Energy Limited ('Avira Energy') focused on capital restructuring, the repayment of debt owing to Taimetco International Co., Limited and pursuing approvals for the proposed Niflheim Resources Pte Ltd transaction with MGT Mining Limited.

HIGHLIGHTS

- On 24 March 2017 Avira Energy announced that MGT Mining Limited (MGTM) (89.48% subsidiary of Avira Energy) had entered into a \$1.8m Conditional Secured Converting Note ('Note') and Option Agreement with Niflheim Resources Pte Ltd (a Company located in Singapore) ('Niflheim')
- On 6 April 2017 Avira Energy announced that MGTM had fully repaid the Taimetco International Co., Limited \$1.5m secured loan plus interest, using the funds received from the issue of the Niflheim Note.
- On 17 May 2017 Niflheim extended a \$200,000 secured loan to Avira Energy secured against the 95,638,256 shares that Avira Energy holds in MGTM. The loan expires on 17 August 2017.
- On 22 June 2017, Avira Energy announced that Armstrong Industries HK Limited ('Armstrong') had signed a termination deed and subscription agreement agreeing to the termination of the \$1,500,000 Convertible Note via the conversion of the Convertible Note to preference shares on a dollar for dollar basis at the conversion price of \$0.19 per preference share.
- Avira Energy also announced on 22 June 2017 that Joseph Capital (Hong Kong) Limited ('Joseph Capital') has signed a Termination Deed relating to the Unsecured Convertible Note Deed agreeing to extinguish the \$500,000 Convertible Note via the transfer of 16,949,176 Cauldron Energy Limited ordinary shares held by Avira Energy, to Joseph Capital or its nominee.
- On 28 June 2017 MGT Mining Limited held a general meeting to approve the conversion of the \$1.8m Niflheim Note into MGTM shares. Shareholders did not approve the resolution. As announced earlier today, Niflheim has agreed to a further extension of the expiry date of the Niflheim Note from 31st July 2017 until 15th August 2017.

Avira Energy has cash reserves of \$215,000 as at 30th June 2017.

QUARTERLY REPORT

June 2017

ASX CODE

AVW

REGISTRY

Computershare

SHARES ON ISSUE

48,306,640

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1. SUMMER HILLS TIN PROJECT, QUEENSLAND (Avira 89.48%)

Includes: Summer Hills ML20547; Mt Veteran Mill ML4349; Nanyetta EPM25433; Valetta ML20066

No significant exploration work was undertaken on the Summer Hills Project during the June quarter.

2. NYMBOOL PROJECT, QUEENSLAND (Avira 89.48%)

Includes Heads or Tails ML20655; Nymbool EPM16948; Nymbool West EPM25690; Fuzzy Hill EPM25716; Nymbool Extended EPM25347

No significant exploration work was undertaken on the Nymbool Project during the June quarter.

3. SOUTHERN QUEENSLAND PROJECTS (Avira 89.48%)

Includes Yarrol EPM 8402; Mt Steadman EPM 12834; Gooroolba EPM 15426

No significant exploration work was undertaken on the Southern Queensland Project during the June quarter.

4. PYRAMID GOLD PROJECT, QUEENSLAND (Avira 89.48%)

Includes Pyramid EPM 12887; Pyramid 2 EPM25154; Pyramid 3 EPM 19554

No significant exploration work was undertaken on the Pyramid Project during the June quarter.

5. MGT CORPORATE

Cash

Cash at hand as at 30th June 2017 was \$215,000.

The Mt Garnet tin project continues to be on care and maintenance.

General meeting

MGT Mining Limited held a General Meeting on 28 June 2017. The resolutions put to shareholders were not passed.

As announced earlier today, Niflheim has agreed to a further extension of the Niflheim Note from 31st July 2017 until 15th August 2017 to allow for time for an alternative agreement to be structured. An announcement will be made in due course once an agreement is reached.

Further Capital Restructuring and Funding Required

On 22 June 2017, Avira Energy announced that Armstrong Industries HK Limited ('Armstrong') had signed a termination deed and subscription agreement agreeing to the termination of the \$1,500,000 Convertible Note due for redemption on 11 November 2017 plus interest due and payable thereunder via the conversion of the Convertible Note to preference shares on a dollar for dollar basis at the conversion price of \$0.19 per preference share.

Avira Energy also announced on 22 June 2017 that Joseph Capital (Hong Kong) Limited ('Joseph Capital') has signed a Termination Deed relating to the Unsecured Convertible Note Deed agreeing to extinguish the \$500,000 Convertible Note due for redemption on 19 October 2017 and all remaining interest due and payable via the transfer of 16,949,176 Cauldron Energy Limited ordinary shares held by Avira Energy, to Joseph Capital or its nominee.

Conversion and extinguishment of the Armstrong and Joseph Capital convertible notes are conditional upon shareholder approval. A notice of meeting will be circulated to shareholders in due course.

Directors are working towards further debt restructuring solutions for the \$200,000 secured loan owing from Avira Energy to Niflheim Resources Pte Ltd which is due and payable on 17 August 2017.

Directors are also aware of need for further funding for working capital purposes and are working on solutions and will update the market in due course.

ENDS

Investor and media enquiries:

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Avira Energy Limited and its Controlled Entities

ABN

38 131 715 645

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(47)	(205)
(b) development	-	-
(c) production	-	-
(d) staff costs (including Directors Fees)	(76)	(458)
(e) administration and corporate costs	(117)	(717)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(1)	(562)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(240)	(1,939)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	10	10
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	10	10

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	850	2,300
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(5)
3.5	Proceeds from borrowings	200	200
3.6	Repayment of borrowings	(750)	(1,500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	300	1,995

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	145	149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(240)	(1,939)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	10	10
4.4	Net cash from / (used in) financing activities (item 3.10 above)	300	1,995
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	215	215

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	215	422
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	215	422

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(12)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	(118)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(55)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(55)
9.5 Administration and corporate costs	(218)
9.6 Other (Interest payments)	-
9.7 Total estimated cash outflows	(328)*

* Directors are working towards capital raising solutions and will update the market in due course.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 31st July 2017

Print name: Jacqueline Butler.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.