



5 July 2018

AVIRA RESOURCES LIMITED QUARTERLY ACTIVITIES REPORT (JUNE 2018)

Highlights

- *Results of first phase of Pyramid exploration program.*
 - The Four-hole infill and extension drilling at the Gettysberg Prospect, part of the West Pyramid Range area, returned shallow high-grade mineralisation:
 - 2.0m @ 4.79g/t Au from 9.0m in MGTRC036, and
 - 7.0m @ 3.94g/t Au from 70m in MGTRC037
 - High grade mineralisation contained within broad lower grade mineralised zones of:
 - 11m @ 1.39g/t Au from surface in MGTRC036, and
 - 20m @ 1.59g/t Au from 58m in MGTR037
- *Commencement of Phase 2 of AVW's exploration program on the Pyramid gold project in North QLD*
- *Establishment of a series of Convertible Loans raising a total of \$519,000 before fees.*
- *Mandate in place to raise an additional \$916,250 before fees via a share placement subject to re-quotations of the ordinary shares.*

Avira Resources Limited (ASX: AVW) (**Avira** or the **Company**) wishes to advise on the following activities during the quarter ending 30 June 2018.

Corporate Activities

Capital raising.

Convertible Loans.

The Company has entered into a series of Convertible Loans. The Convertible Loans totalling \$519,000 before fees have a maturity date of 31 August 2019 and an interest rate of 12% calculated daily, accrued monthly and payable in cash on maturity or conversion.

The conversion price is equal to the issue price of shares under the Placement, being \$0.003, which would result in 173,000,000 shares being issued on conversion of the maximum principal amount of \$519,000.

The Convertible Loans are convertible at the election of the lender subject to the Company obtaining all necessary shareholder approvals required under the Corporations Act and the ASX Listing Rules to issue the shares with the issue to occur 7 days after the conversion election is made by the lender.

Placement

The company agreed a mandate with CPS Capital Group Pty Ltd to assist with the completion of a share placement to raise approximately \$916,250. via the issue of up to 305,416,667 new shares at \$0.003. The Placement is conditional on the ASX reinstating the Company's securities to quotation.

In addition, it is noted that \$746,000 (248,666,667 shares) of the Placement is subject to shareholder approval with a notice of meeting to be lodged on re quotation of the Company's securities.

Use of Funds

Funds raised under the Capital Raising will be used to satisfy the Company's working capital requirements including funding the proposed follow on phases of the Pyramid exploration program.

Capital Raised	Amount
Converting Loans	\$519,000
Capital Raising funds	\$916,250
TOTAL	\$1,435,250
Expenses of the Capital Raising	\$111,115
Exploration Program Costs (Phased Geo chemical and drilling program on Pyramid)	\$470,000
Exploration Program Costs (Technical analysis on Mt Steadman and Yarrol)	\$85,000
Administration Costs	\$600,275
Working capital	\$168,860
TOTAL	\$1,435,250

Table 1. Proposed use of funds.

Board & management.

There were no changes made to the Board or management at Avira or its subsidiaries during the June 2018 quarter.

Suspension from official quotation

The Company is continuing to address this issue and work with the ASX to have the securities re-instated to quotation as soon as practicable. The Company will continue to update the market with any developments to this timing.

Operational Activities.

Pyramid Gold Project, Queensland

Overview

The Pyramid Gold Project is located approximately 120 km southeast of Charters Towers, northern Queensland, in the Burdekin Dam – Sellheim River region, and comprises EPM 12887, EPM 25154 and EPM 19554 which are close to the north eastern margin of the Drummond Basin, near its contact with the Bulgonunna Block. Basement sequences of the Anakie Inlier are

located to the west and within the eastern portion of the project area. The majority of historical exploration work has focused on EPM 12887.

The topography of the EPC 12887 is dominated by the West Pyramid Range and the parallel East Pyramid Range. The West Pyramid Range contains a plus 6km mineralized structure which extends from the Gettysberg and Sellheim prospects in the NNE to the Marrakesh and Pradesh prospects to the SSE. Gold and base metal mineralization, as defined by geological prospecting and surface sampling, occurs along the extent of this structure.

The East Pyramid Range is characterized by Late Carboniferous to Permian age intrusive related hydrothermal systems, which are associated with prominent bulk tonnage gold systems in North Queensland. Mt Leyshon, Ravenswood-Mt Wright and Kidston are multi-million ounce examples of this style of mineralisation in North Queensland.

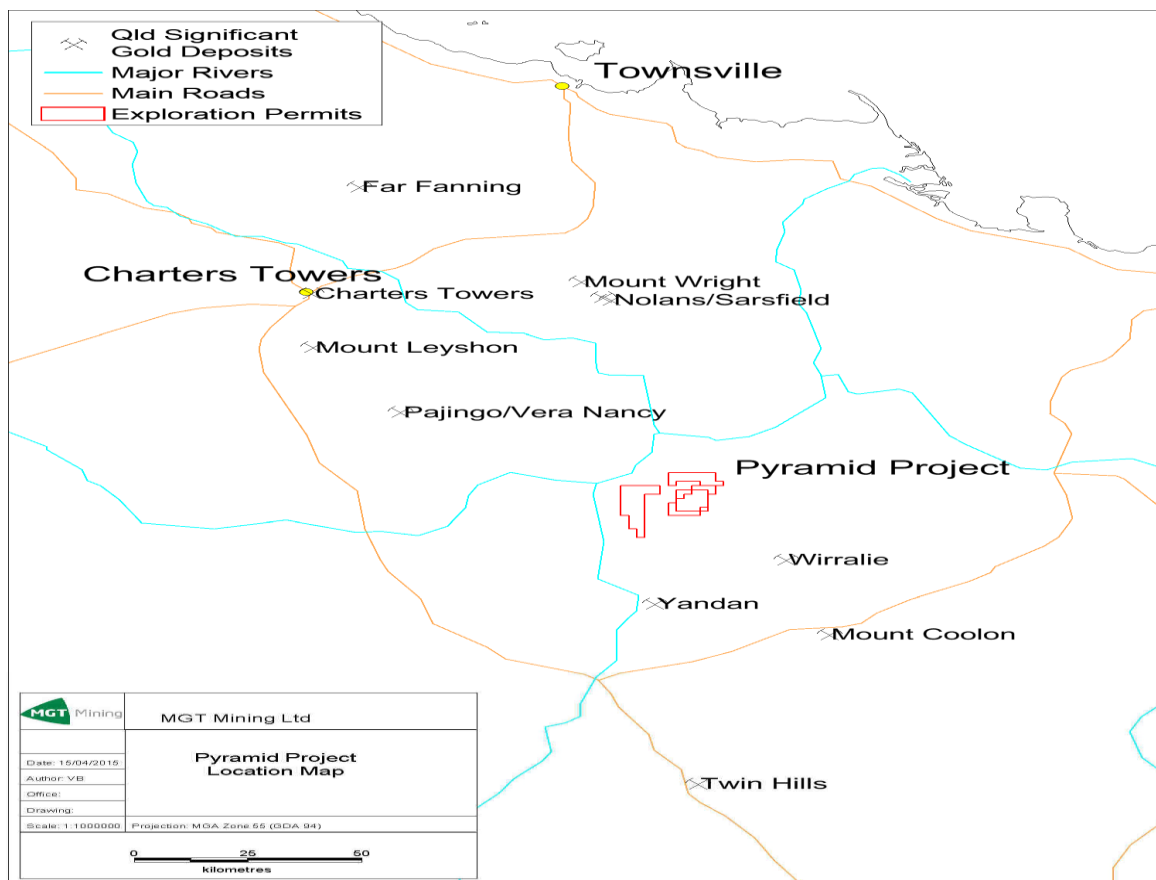


Figure 1. Location of the Pyramid Project.

Phase 1 of Pyramid exploration program

Avira Resources Limited (ASX: **AVW**) (**Avira** or the **Company**) has completed its phase 1 reverse circulation (RC) drilling program at the Gettysberg Prospect, part of its wholly owned Pyramid Gold Project (EPM12887) in the highly productive Drummond Basin of Queensland. The drilling program was planned and managed by Terra Search Pty Ltd (a Townsville based minerals exploration contractor). The phase 1 RC program consisted of four (4) holes for 550m (see Figure 1 and Table 1 for collar details).

The drilling program was designed to infill and extend the previously defined mineralisation at Gettysberg, using the updated 3D model of the Gettysberg prospect, which combined structural and lithological mapping and re-evaluation of two diamond core holes drilled in 2015,

to identify areas of mineralisation with scope for extensions to known lenses and shoots. Gettysberg was previously drilled by the Company in 2012 and 2015.

The phase 1 Reverse Circulation (RC) drilling program, completed during the June quarter 2018, returned broad zones of high grade gold mineralisation within and adjacent to a low-grade envelope, consistent with results from earlier drilling.

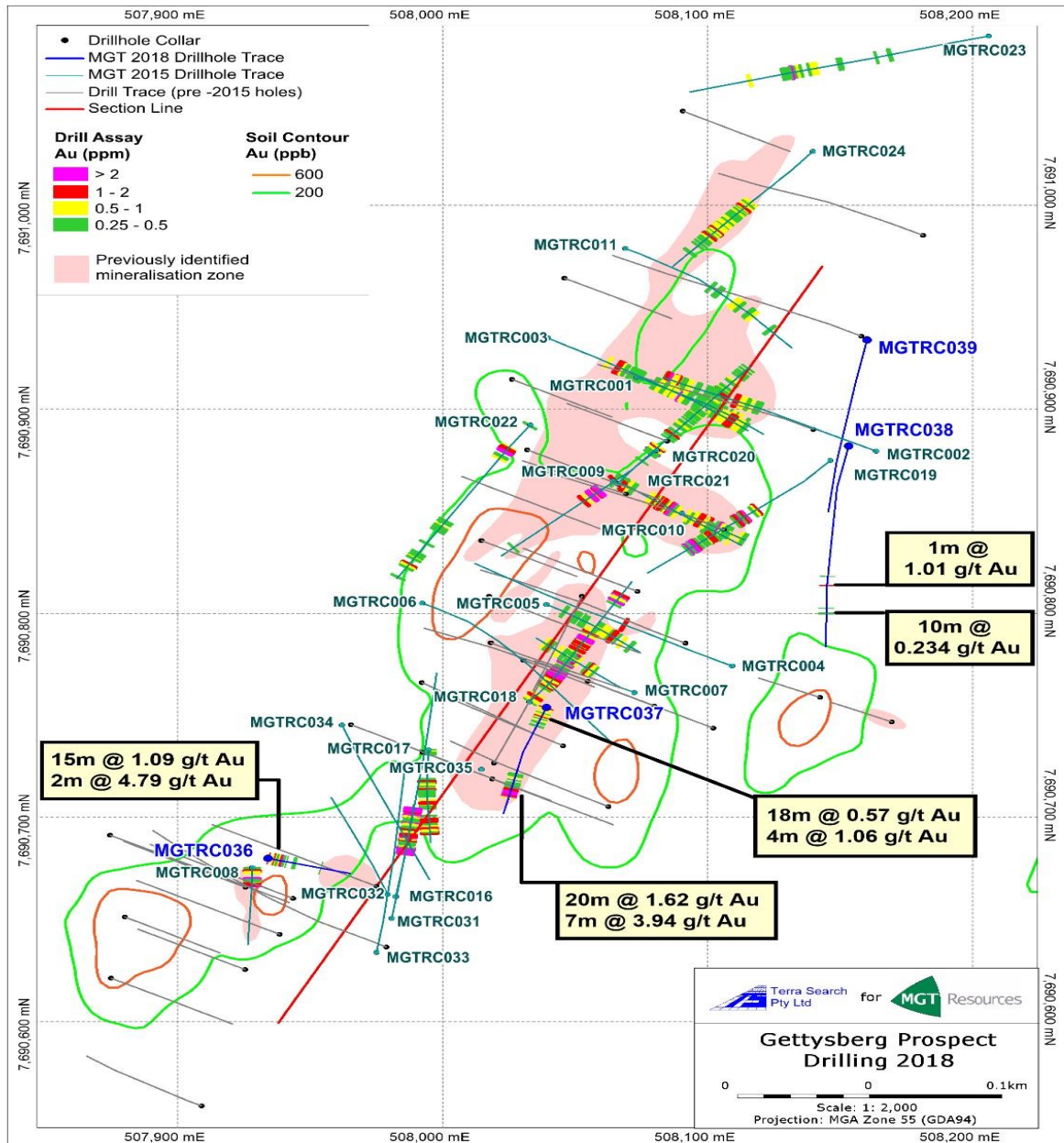
The drilling intersected two high grade zones of mineralisation (2m at 4.79g/t from 9m in MGTRC036 and 7m at 3.94g/t from 70m in MGTRC037) that extended zones of previously identified high grade shoots (see Table 2, Figures 2 and 3).

These high grade zones were contained within broad zones of lower grade mineralisation; 11m at 1.39g/t from surface in MGTRC036 and 20m at 1.59g/t from 58m in MGTRC037. A broad low grade zone of mineralisation (18m at 0.57g/t) was also intersected from surface in MGTRC037.

Hole ID	From (m)	To (m)	Interval (m)	Au g/t
MGTRC036	0	11	11	1.39
incl.	9	11	2	4.79
MGTRC037	0	18	18	0.57
incl.	6	10	4	1.06
And	58	78	20	1.59
incl.	70	77	7	3.94
incl.	74	75	1	15.4
MGTRC038	146	147	1	1.01
MGTRC039	NSI	NSI	NSI	NSI

Table 2: Gettysberg RC Drilling Results Table (Note: Intervals have been nominally defined using a 0.3g/t lower cut-off grade, length weighted average grades and including no more than 2m of consecutive lower grade mineralisation). **These are downhole widths which may not reflect true width. The geometry of mineralisation at parts of the prospects is still uncertain.*

Samples from the phase 1 RC drilling program were collected as 1m sub-samples via a cyclone at the drill site, with all single meter samples submitted to the ALS laboratory in Townsville for analysis for gold by fire assay with an AA finish. No multi-element analysis has been completed on these samples to date.



MGS_PYR_0042_Gettysberg_2018_ASX_Announcement.wor

Figure 2: Map showing 2018 drill hole traces and Au assays at Gettysberg over previous drilling. MGTRC036 and MGTRC037 following up previous intersection in MGTRC016 (35m at 6.1g/t from 33m).

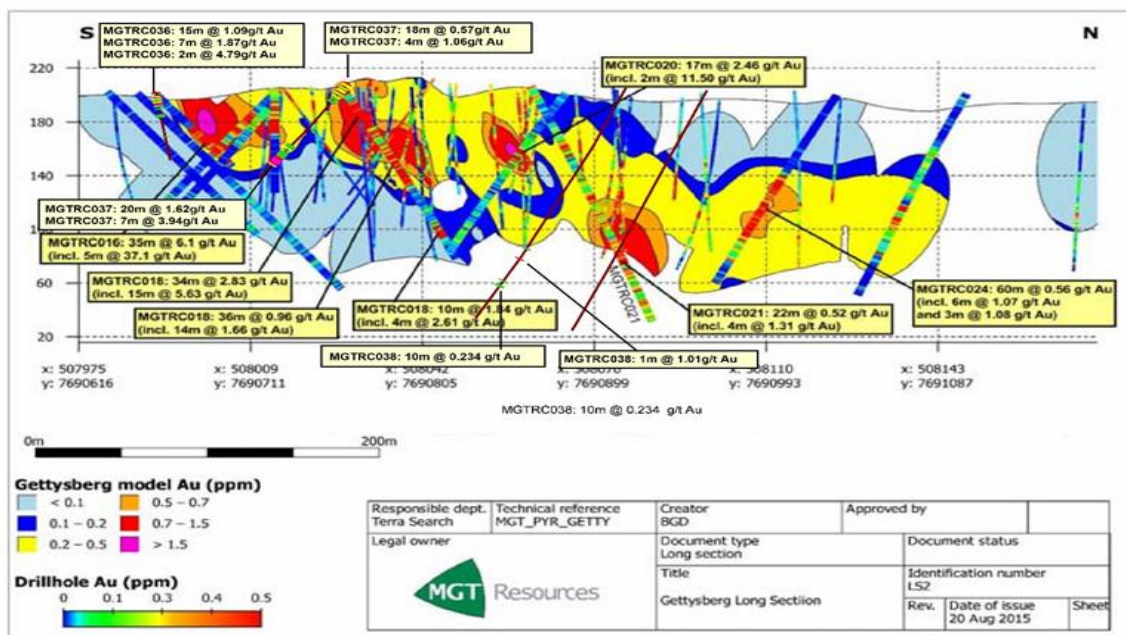


Figure 3: Long section along Gettysberg prospect showing all drill hole traces (2018 traces in brown). Note that MGTRC036 and MGTRC037 extended the near surface mineralisation at Devils Den, MGTRC038 and MGTRC039 drilled to the east of the interpreted high grade shoots.

Further details of these activities are set out in the Company's announcement dated 16th May 2018.

Phase 2 of Pyramid exploration program

This next phase of exploration to be undertaken in the current (September) quarter consists of detailed surface sampling and geological prospecting of the under explored East Pyramid Range area.

The East Pyramid Range Area

The geology of the East Pyramid Range is quite distinct from that of the West Pyramid Range. The East Pyramid Range is associated with a porphyry dike complex with several orientations of dikes. The main orientation is approximately NNE-SSW, parallel to the main topography of the range. Most of the dikes are located in the Ukalunda Formation, although southeast of Sugarloaf hill and Breccia Knoll, they clearly intrude the St Annes Formation along a NW trending fault. Many of the dikes curve into a more NW orientation at their southwestern ends. Southwest of the Pyramid Range a large ring dike terminates southeastwards against what appears to be a WNW trending fault.

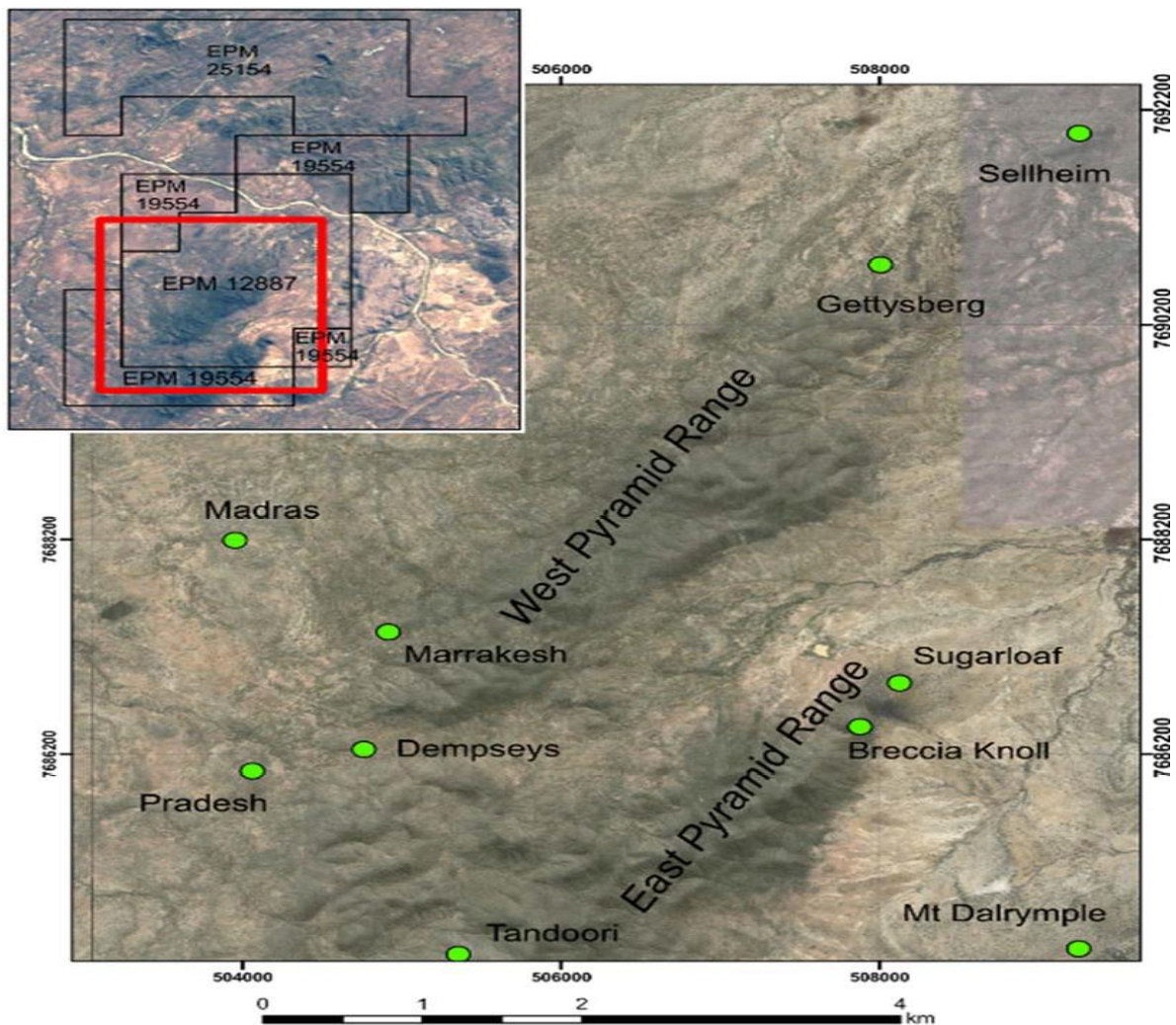


Fig 4. Location East Pyramid Range in relation to Pyramid Project area

The East Pyramid Range region includes the Breccia Knoll (Hill) to Tandoori (breccia) trend, which is prospective for intrusive related mineralisation with a number of rhyolite plugs / dykes and breccias identified from previous geological mapping and prospecting. This portion of the Pyramid Gold project has been subjected to limited past exploration activity, with prospecting / rock chip sampling and limited soil sampling leading to the completion of minor “wild-cat” exploration drilling.

The Company continues to engage Terra Search to complete a methodical prospecting and surface sampling program, which will be guided by the review of all past exploration activity, aimed at identifying high level intrusion related style gold mineralisation targets, similar to the Mt Leyshon and Mt Wright models.

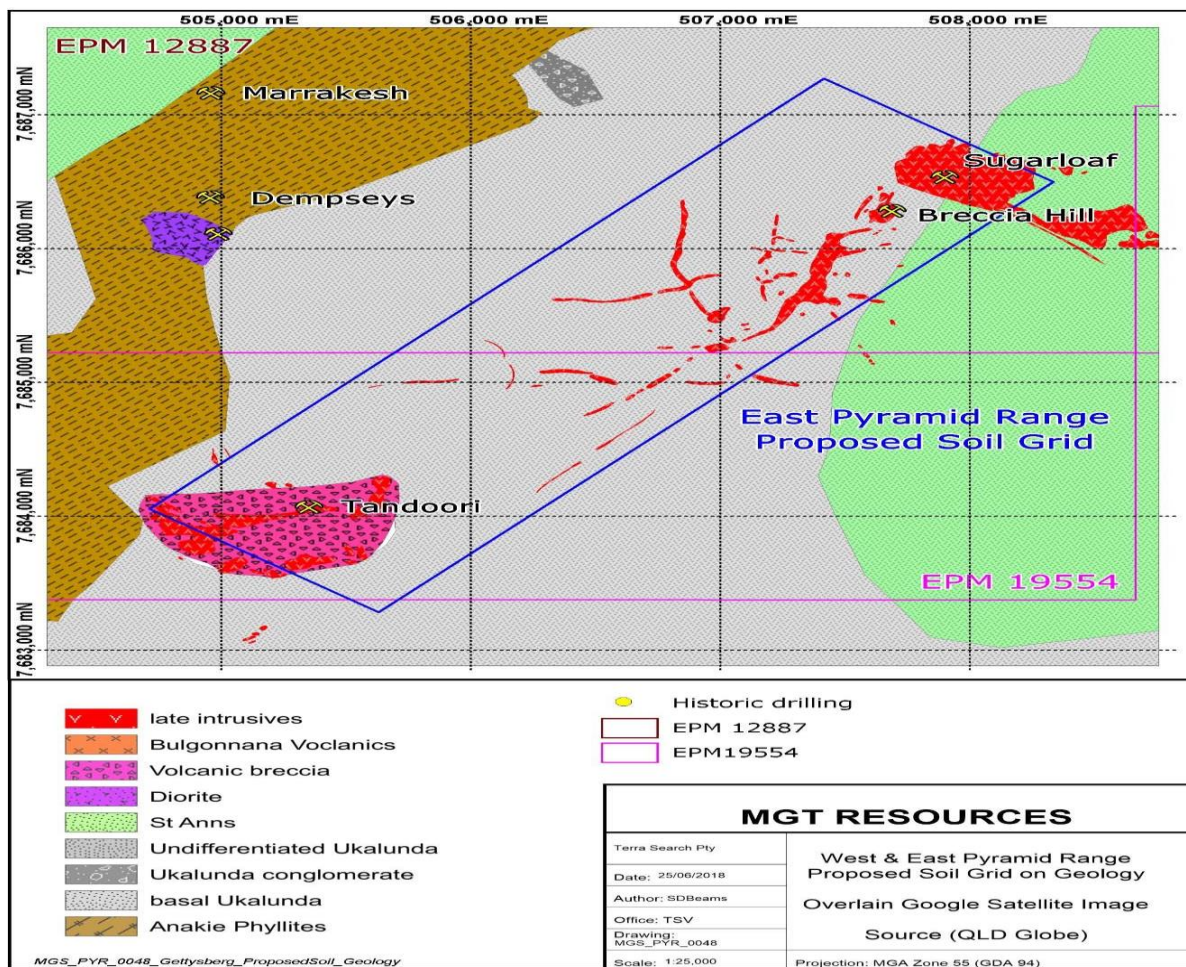
Proposed Soil Sampling Geological Prospecting East Pyramid Range

In order to delineate geochemical anomalism and drill targets in the East Pyramid Range area, Avira has initiated a surface sampling program to cover the Tandoori to Sugarloaf area, in a similar fashion to the 2014 coverage over the West Pyramid Range area.

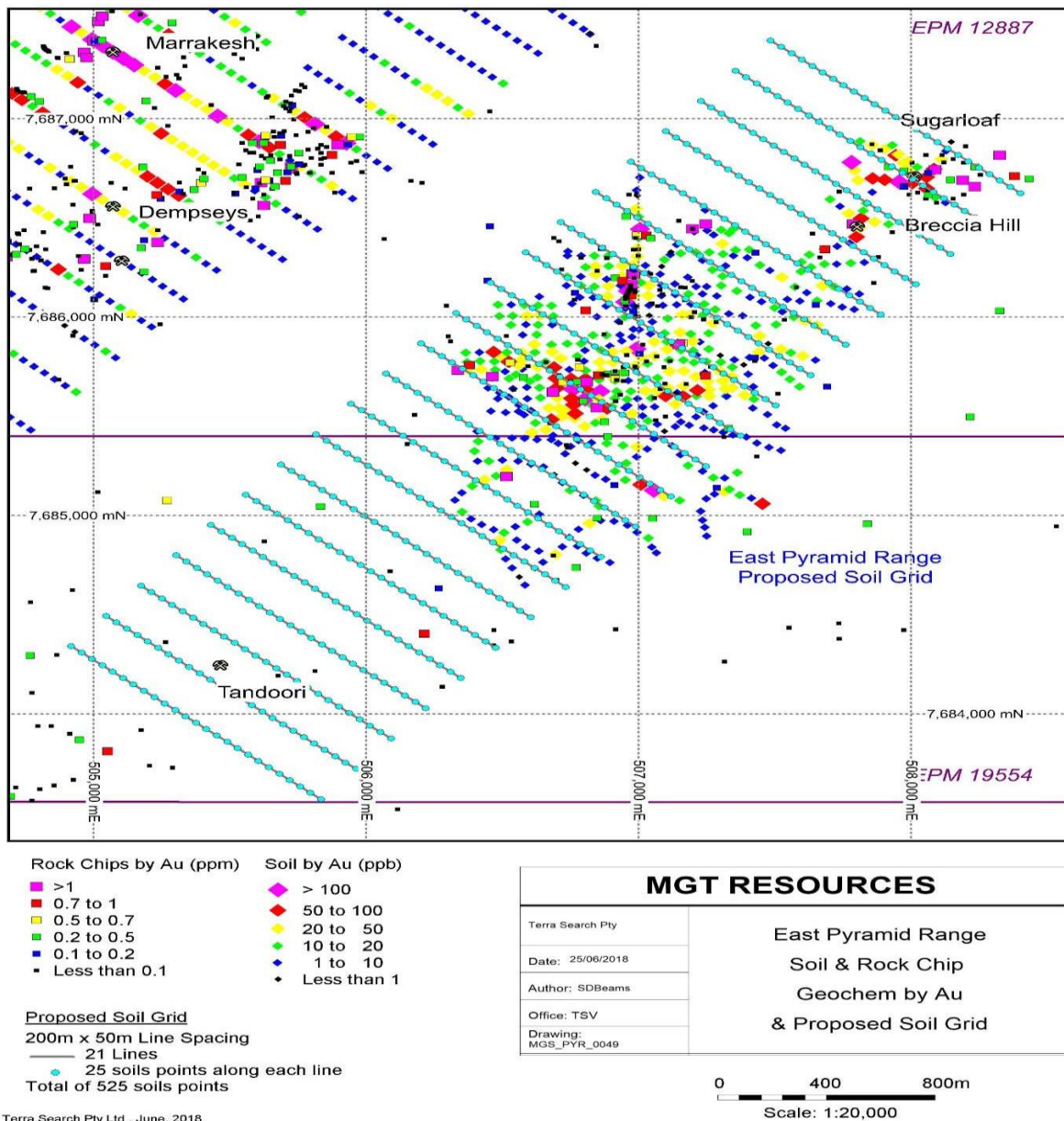
The key components of the latter survey were sieved soil samples at a 200m line spacing x 50m sample spacing, which delineated gold target areas and multi-element metal zoning along the 8km strike length of the West Pyramid Range. Sieved soils (-80 mesh) were analysed for low level gold (fire assay ICP) and multi elements by portable XRF (PXRF).

The objective is to obtain a full multi-element data set over the prospective area from Tandoori to Breccia Hill -Sugarloaf (see Figure 5). There is some data already available, but it is partial in coverage (see Figure 6) and has significant gaps in the elements available for interpretation.

Many of the elements were previously analysed by aqua regia digest and provide incomplete data from silicate minerals, which will affect interpretation of alteration and lithologies. A full PXRF major and trace element data set will enable efficient interpretation of the underlying lithology, alteration and mineralogy.



Figs 5. East Pyramid Range Geological Setting



Figs 6. East Pyramid Range Proposed soil grid with Past Surface Geochemistry

The company has initiated a geochemical survey at the East Pyramid Range area to cover the breccia, porphyry intrusions and identified surface gold zones from Tandoori to Sugarloaf. with line spacing of 200m and 50m sample spacing. This work is expected to result in the collection and analysis of approximately 550 sieved soil samples (-80 mesh). Geological prospecting will follow up targets with mapping and rock chip sampling (budgeted for an estimated 85 samples). This program will provide Avira with additional data to determine and identify possible drill targets for a potential follow-on drilling campaign.

As completed for the West Pyramid area the samples will be analysed for low level gold by fire assay ICP (at laboratory) and multi elements by portable XRF (PXRF). It is believed that PXRF data will provide the most cost-effective methodology to collect the required multi-element data set and allow comparisons of this new survey of the East Pyramid Range to the successful 2014 sampling program completed at the West Pyramid Range. This multi-element data set will facilitate testing for all the possibilities of mineralisation in this area and produce a consistent multi-element data set for the Project. Targets generated from this surface sampling and geological prospecting program, which will also incorporate data from the previously

completed minor “wild-cat” exploration drilling, will be subject to internal review and analysis to determine the scope and parameters of the proposed RC drilling program (Phase 2(b)).

Additional phases of exploration planned for the Pyramid Project.

In addition to the exploration programs at Gettysberg-Sellheim and Breccia Hill -Tandoori, the Company has reviewed previous exploration data associated with two other prospects located within the greater Pyramid project at **Marrakesh-Madras** and **Pradesh**.

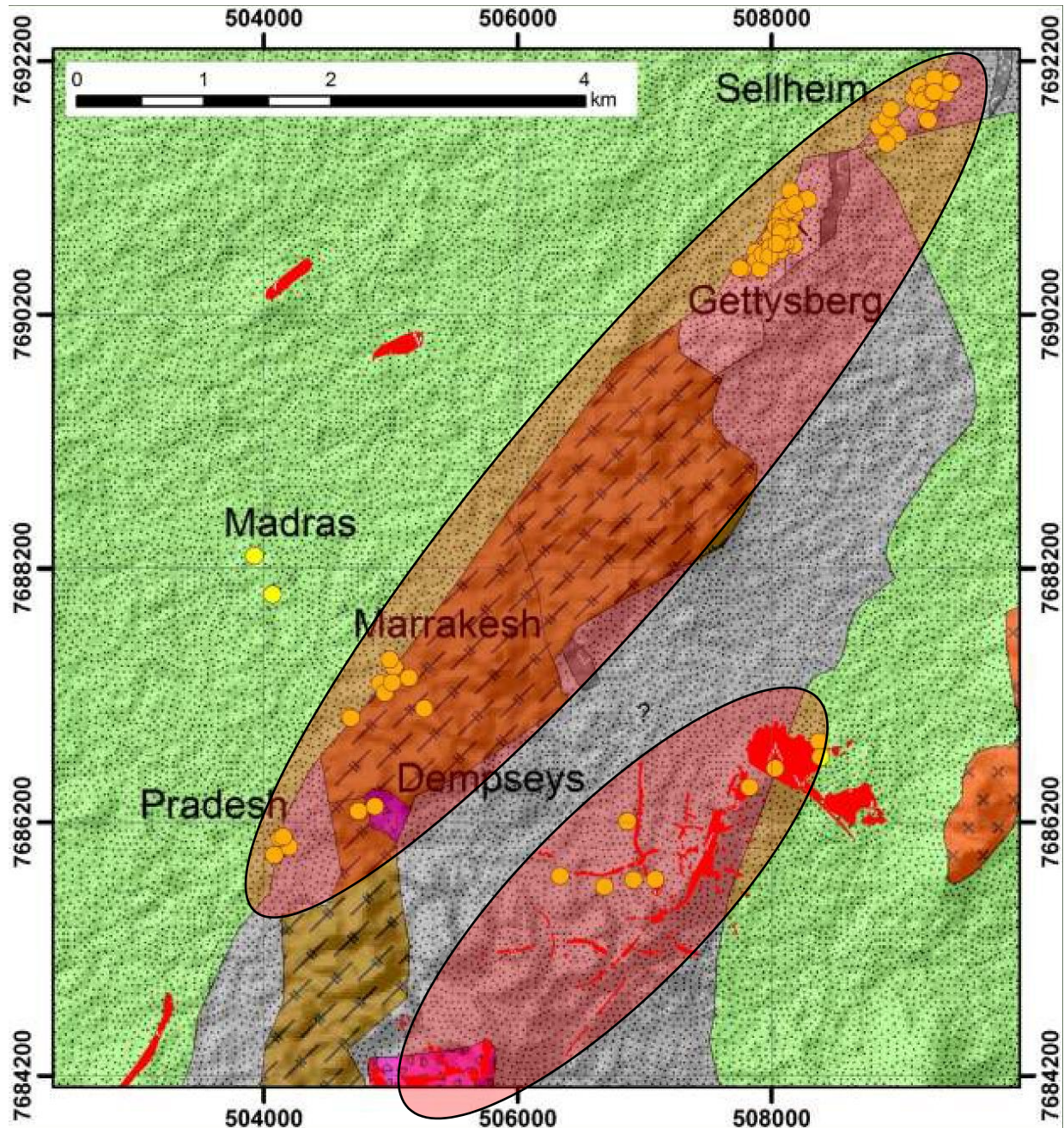


Fig 7. Western Pyramid range – 5 prospects. Eastern Pyramid range is relatively unexplored <10 drill holes

The Marrakesh area soil Au anomaly includes two cross-cutting structural trends that strike NE and NW and coincides with an area that was interpreted as a major cross-cutting fault zone by ERA Maptec (1996). There is a degree of structural complexity in this region, with conflicting evidence with regard to the orientation and relative movement of the interpreted faulting.

Field mapping would be required to verify the existence of the interpreted structures as well as clarify kinematics and any offsets. An intriguing aspect of the faulting at Marrakesh, and elsewhere in the Project area, is the lack of clear evidence for offsetting of one fault system by the other.

Subject to the outcomes of field mapping and any associated surface sampling and geological modelling / targeting, a follow-on drill program is planned to occur in the fourth quarter of 2018.

Pradesh, at the southern end of the West Pyramid Range area, is located along the boundary between the Drummond Basin and the Anakie Inlier or Ukalunda beds. ERA Maptec (1999) considered it to be associated with primarily NNE trending sinistral faulting, based on Anakie foliation trends along the Anakie-St Anns boundary. Their interpretation of NNE trending sinistral faulting is consistent with reported outcrops of breccia and cataclasite in the area .

These outcrops are located about 750 m southeast of Pradesh on a trend parallel to the identified faulting . Pradesh also seems to be located westwards along the projection of an indeterminate fault. Overall, the geology and structural context of the substantial soil anomaly located at Pradesh is poorly understood

A program of geological prospecting and surface geochemical sampling is required to augment existing sampling to assist in identifying further drill targets at Pradesh. A phase of drill testing is proposed to be undertaken on completion of the surface program, data analysis and geological modelling /targeting, with this drill program currently planned to occur in the first quarter of 2019.

Phase	Program	Description	# Holes	Total meters	Estimated Cost	Timetable
Phase 2(a)	Breccia Hill - Tandoori	Surface program and modelling including geo-chem, XRF and areal mapping	n/a	n/a	\$55,000	July 2018
Phase 2(b)		Estimated drilling program	6	900	\$135,000	Sept 2018
Phase 3(a)	Marrakesh - Madras	Surface program and modelling including geo-chem, XRF and areal mapping	n/a	n/a	\$55,000	Sept 2018
Phase 3(b)		Estimated drilling program	4	600	\$90,000	Nov 2018
Phase 4	Pradesh	In-fill and step-out drilling program	6	900	\$135,000	Jan 2019
TOTAL			16	2,400	\$470,000	

Table 3. Summary of proposed phases of Pyramid exploration program.

Southern Queensland Projects

(Includes; Yarrol EPM8402, Mt Steadman EPM12834). No significant exploration work was undertaken on the Southern Queensland Project during the March quarter.

Tenement Status

Lease		Current Area	Area Units	Grant Date	Expiry Date	Holder	EA
Pyramid							
EPM12887		16	Sub-Blocks	5-Aug-04	4-Aug-20	MGTM	EPSX00705113
EPM19554		14	Sub-Blocks	16-Dec-14	15-Dec-19	MGTM	EPSX00705113
EPM25154		49	Sub-Blocks	23-Feb-15	22-Feb-20	AVIR	EPSX00899513
Southern Queensland							
EPM12834		4	Sub-Blocks	17-Dec-99	16-Dec-18	MGTM	EPSX00600613
EPM8402		4	Sub-Blocks	13-Nov-91	12-Nov-18	MGTM	EPSX0060071

-ENDS-

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Ian Prentice. Mr Prentice is a consultant geologist for AVW and a member of the Australian Institute of Mining and Metallurgy. Mr Prentice has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Prentice consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

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 Resources Limited

ABN

38 131 715 645

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter (Jun 2018) \$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	(162)	(335)
(b) development	-	-
(c) production	-	-
(d) staff costs (including Director Fees)	(14)	(140)
(e) administration and corporate costs	(44)	(534)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	23	21
1.9 Net cash from / (used in) operating activities	(197)	(987)

Consolidated statement of cash flows	Current quarter (Jun 2018) \$A'000	Year to date (12 months) \$A'000
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	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	919
3.2 Proceeds from issue of convertible notes	519	519
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(34)	(85)
3.5 Proceeds from borrowings	-	205
3.6 Repayment of borrowings	-	(309)
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	485	1,249

Consolidated statement of cash flows		Current quarter (Jun 2018) \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	112	138
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(987)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	485	1,249
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	400	400

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	<i>At the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>		
5.1	Bank balances	400	112
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)	400	112

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	15
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	

Payment of director's fees, reimbursements and corporate administration expenses including rent.

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	-
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	

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.		

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	190
9.2	Development	-
9.3	Production	-
9.4	Staff costs	48
9.5	Administration and corporate costs	55
9.6	Other	-
9.7	Total estimated cash outflows¹	293

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: Date: 5 July 2018
Company Secretary

Print name: Sonu Cheema

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.