



31 January 2020

## AVIRA RESOURCES LIMITED QUARTERLY ACTIVITIES REPORT (DECEMBER 2019)

Avira Resources Limited (ASX: AVW) (**Avira** or the **Company**) wishes to advise on the following activities during the quarter ending 31 December 2019.

### Corporate Activities

In addition to progressing both the existing exploration program within the Pyramid project in Northern Queensland and its Throssell Range project in the Paterson Range province of the Pilbara in Western Australia, the Company entered into a conditional Sale Agreement with Mount Macpherson Pty Ltd (**Mount Macpherson**), under which it agreed to acquire the Company and the Mount Macpherson Project (being, E45/5572) (the **Tenement**) (and all mining information and licences associated with the Tenement) (together, the **Assets**) located within the Paterson Province of Western Australia (refer ASX announcement dated 18/11/19).

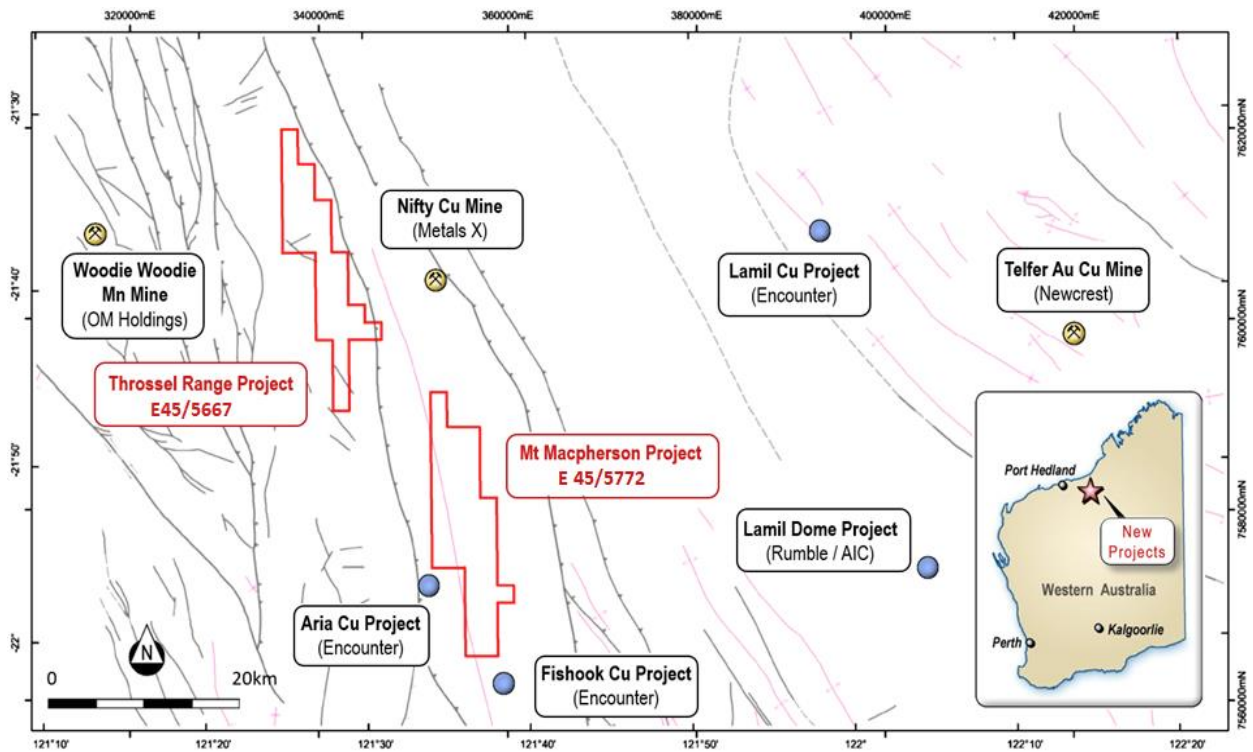
The Company's Annual General Meeting was held on the 22<sup>nd</sup> November 2019 will all Resolutions tabled successfully passed including, the Adoption of the Remuneration Report, Re-election of David Deloub as a Director, Refreshment of the 10% Placement Capacity and Replacement of the Company Constitution (refer ASX announcement dated 22/11/19). The Company also adopted a new Share Trading Policy within its Corporate Governance Plan (refer ASX announcement dated 30/12/19) with in the fourth quarter of 2019.

### Operational Activities

#### **Throssell Range & Mount Macpherson (Paterson Range Project) Western Australia**

– The company completed the acquisition of both projects over the course of the fourth quarter. The addition of the Mount Macpherson project will complement the Company's existing Throssell Range project located in the Paterson province and will enhance what the company believes to be a significant opportunity to explore and develop these projects located in one of the most highly prospective and underexplored mineral provinces in Australia.

Both Projects are located in the Paterson Orogen, in the East Pilbara district of Western Australia. The tenements cover rocks of the Paterson Orogen, a Neoproterozoic metamorphosed and deformed sedimentary basin which hosts significant deposits of gold, copper, tungsten, cobalt and manganese.



**Figure 1. Location of the Mount Macpherson and Throssell Range Projects**

The Company's geological consultants Gneiss Results Pty Ltd were engaged to review the prospectivity of the tenements in relation to the known metallogeny and geology of the tenement, and to propose an exploration program for the tenements in the first two years of grant.

The tenements are considered prospective for copper-cobalt mineralization of a style similar to Nifty or Maroochydore, or similar styles of mineralization focused along basin margin faults or transcurrent faults, and/or potentially other styles identified within the region.

This area has been the focus of a lot of new exploration and corporate activity recently, led by tier one mining companies Rio Tinto (RIO), Fortescue Metals Group (FMG), Independence Group (IGO), Newmont Goldcorp (Newmont) and Newcrest Mining Limited (Newcrest). Exploration by junior explorers Encounter Resources (Encounter), Rumble Resources (Rumble) and Antipa Minerals (Antipa) also continues to generate targets that attract investment into the area.

Avira has engaged geophysical and geological consultants to plan early stage exploration and review the very limited past exploration work on and adjacent to the tenure. Further detailed budgets and logistical planning and timetabling are currently being developed in anticipation of grant of the exploration license.

#### Airborne EM Survey

The primary method of exploration for the area is suggested to be a 200m line spacing AEM survey. A modern AEM survey will map conductive stratigraphy, provide some structural information, identify prospective conductors and map conductive regolith (eg; Permian channels), and provide areas of interest for ground truthing and drilling.

## Regional Geochemistry

Regional scale geochemistry will also be considered for the tenement area. As previously mentioned, the size fraction and method of analysis would need to be investigated via a limited orientation survey, preferably over a site of known, deeply buried mineralization, prior to engaging in a more substantial regional scale geochemical program.

## Drilling

Based on the results, drilling of geochemically anomalous areas with conductive targets are expected to be identified.

**Pyramid Gold Project, Queensland** - The Company has now completed its geo-chemical exploration program on its exploration assets located in the East Pyramid Range in North Eastern Queensland.

The soil and rock chip multi-element geochemistry sampling program completed by Terra Search has confirmed some prospectivity for large scale intrusive related gold systems along the East Pyramid Range.

Gaps in coverage and anomalous zones from the 2018 survey were respectively infilled and extended with soil coverage extended to the SE over breccia, porphyry intrusions and identified surface gold zones from Tandoori to Sugarloaf. Closer sample spacing was completed around the highlighted anomalous zones resulting in 261 sample sites and 512 -80 mesh and coarse fraction -2mm, +80 mesh soil samples. Geological prospecting followed up targets, including the collection of 13 additional rock chip samples.

Results from this exploration program have been interpreted to represent a strongly altered and leached system, supporting the potential of gold and/or base metal (eg copper) mineralised zones at depth.

A possible work program would ultimately involve drill testing of the untested intrusive and hydrothermal centres. Ground geophysical surveys including ground magnetics and IP/EM, as well as some follow up geological prospecting and anomaly evaluation would ensure that drill targeting is optimized.

Indicative estimated costings of these follow-on exploration programs are currently being worked up and will be presented and considered in due course as AVW continues to identify and assess the value of additional exploration expenditure in the East Pyramid Range against other opportunities consistent with the Company's focus on creating value for its shareholders in the resource exploration space.

## Southern Queensland Projects

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

## Tenement Status

LEASE	NAME	AREA	AREA UNITS	RENEW	GRANT DATE	EXPIRY DATE	HOLDER	EA
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### Mount Garnet

ML 20066	Valetta - Sugarbag	1.5	Hectares		30-Jan-92	30-Jun-21	AVIRA	EPSL00266113
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### Pyramid

EPM 12887	Pyramid	16	Sub-Blocks		5-Aug-04	4-Aug-20	MGTM	EPSX00705113
EPM 19554	Pyramid 3	14	Sub-Blocks		16-Dec-14	15-Dec-22	MGTM	EPSX00705113
EPM 25154	Pyramid 2	49	Sub-Blocks		23-Feb-15	22-Feb-20*	AVIRA	EPSX00899513

### Southern Queensland

EPM 12834	Mount Steadman	4	Sub-Blocks		17-Dec-99	16-Dec-20	MGTM	EPSX00600613
EPM 8402V	Yarrol	2	Sub-Blocks		13-Nov-91	12-Nov-20	MGTM	EPSX00600713

\*Renewal application lodged.

-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.

### ASX Listing Rules Compliance

*In preparing the Quarterly Report for the period ended 31 December 2019 and to date, the Company has relied on the following ASX announcements*

ASX Announcement	29/11/19	ACQUISITION SETTLEMENT FOR MOUNT MACPHERSON PROJECT
ASX Announcement	18/11/19	AVW ENTERS INTO SALE AGREEMENT FOR TENEMENT ACQUISITION
ASX Announcement	30/10/19	Quarterly Activities Report and Appendix 5B
ASX Announcement	29/10/19	AVW Completes Surface Geochemical Survey on East Pyramid
ASX Announcement	8/10/19	AVW ESTABLISHES A FOOTHOLD IN PROSPECTIVE PATERSON BELT
ASX Announcement	27/09/19	AVW - Annual Report 30 June 2019
ASX Announcement	30/07/19	Quarterly Activities Report and Appendix 5B

### Compliance Statement

*This report contains information extracted from reports cited herein. These are available to view on the website [www.aviraresourcesltd.com.au](http://www.aviraresourcesltd.com.au). In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 31 December 2019 and to date.*

## 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")

31 Dec 2019

Consolidated statement of cash flows	Current quarter (Dec 2019) \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(73)	(138)
(b) development	-	-
(c) production	-	-
(d) staff costs (including Director Fees)	(30)	(57)
(e) administration and corporate costs	(37)	(94)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	32	32
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(108)</b>	<b>(257)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter (Dec 2019) \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	720	869
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(108)	(257)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter (Dec 2019) \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>612</b>	<b>612</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> <i>At the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	612	720
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>612</b>	<b>720</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	34
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. This is apportioned for time allocated to exploration and administrative activities.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	130
9.2 Development	-
9.3 Production	-
9.4 Staff costs	38
9.5 Administration and corporate costs	52
9.6 Other	-
<b>9.7 Total estimated cash outflows<sup>1</sup></b>	<b>220</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	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	E45/5667 Throssell Range	Application	N/A	N/A

**Compliance statement**

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

Sign here:  .....

Company Secretary

Date: 31 January 2020

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.