



22 January 2019

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(3 pages by email)

Dear Madam

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 31 DECEMBER 2018

- **Sale of the Company's entire interest (debt and equity) in its wholly owned subsidiary, Planet Gas USA Inc.**
- **Heads of Agreement to acquire Big Sky Metals Pty Ltd.**
- **Suspension from Official Quotation.**

Completion of the Sale of Planet Gas USA Inc.

During the quarter, following shareholder approval, the Company completed the sale of the Company's entire interest (debt and equity) in its wholly owned subsidiary, Planet Gas USA Inc. ('PGS USA') which owned an overriding royalty interest on certain oil and gas producing assets in Kansas, Pennsylvania and New York states in the USA.

Consideration for the sale was \$1 and resulted in the Company being released from all indebtedness (primarily as guarantor of PGS USA) owed to Macquarie Bank Limited pursuant to a loan facility agreement with PGS USA of approximately US\$2.75 million.

Heads of Agreement to Acquire Big Sky Metals Pty Ltd

On 22 November 2018, the Company announced that it had signed a Binding Terms Sheet ('Agreement') to acquire 100% of Big Sky Metals Pty Ltd ('BSM') which holds a 100% interest in exploration tenements which include historical mines and workings prospective for tin and tungsten in New South Wales ('BSM Projects'). The Company considers the BSM Projects to be a suite of attractive exploration and development assets.

The transaction is subject to the satisfaction of various conditions precedent as set out below.

The BSM Projects

The BSM projects include the high quality Tallebung and Doradilla tin-tungsten exploration tenements assets in NSW. The assets were most recently advanced by YTC Resources (now Aurelia Metals ASX:AMI) prior to Aurelia's focus on the Hera Project. A short asset summary is presented below:

Planet Gas Limited ABN 46 098 952 035

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W www.planetgas.com

Tallebung Project (NSW EL6699) – BSM 100%

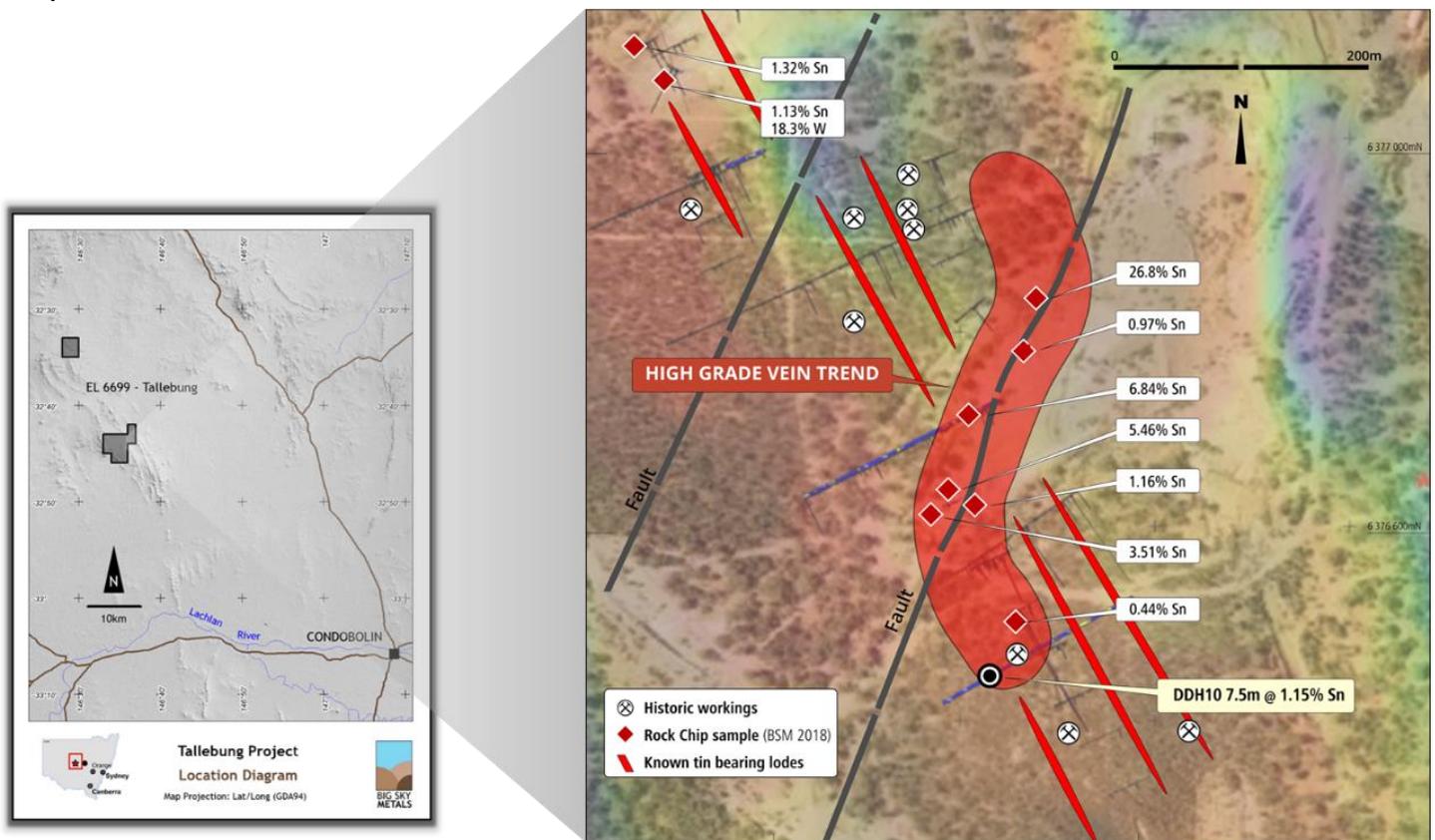
The Tallebung Project is located ~50km north-west of Condobolin in central NSW and is prospective for high-grade lode and porphyry style tin-tungsten mineralisation.

Tin-tungsten mineralisation is developed in outcrop over ~1km as sheeted/stockwork quartz-cassiterite-wolframite ± sulphide veins above a mineralising granite.

The Tallebung mining history includes numerous selective historic mining of high-grade quartz-lode tin-tungsten mineralisation as well as more recent (1963-1972), large-scale alluvial/colluvial mining.

Tallebung Tin Field represents an immediate shallow, high grade target above an excellent large scale, low grade, 'tin porphyry' exploration target.

The Tallebung Project prospectivity is highlighted by the recent discovery (BSM, 2018) of high-grade tin bearing quartz veins where rock chip samples (7) averaged 5.3% tin over a 250m strike



Tallebung Project, with map inset highlighting high grade vein trend identified from recent BSM rock chip sampling.

Doradilla Project (NSW EL 6258) – BSM 100%

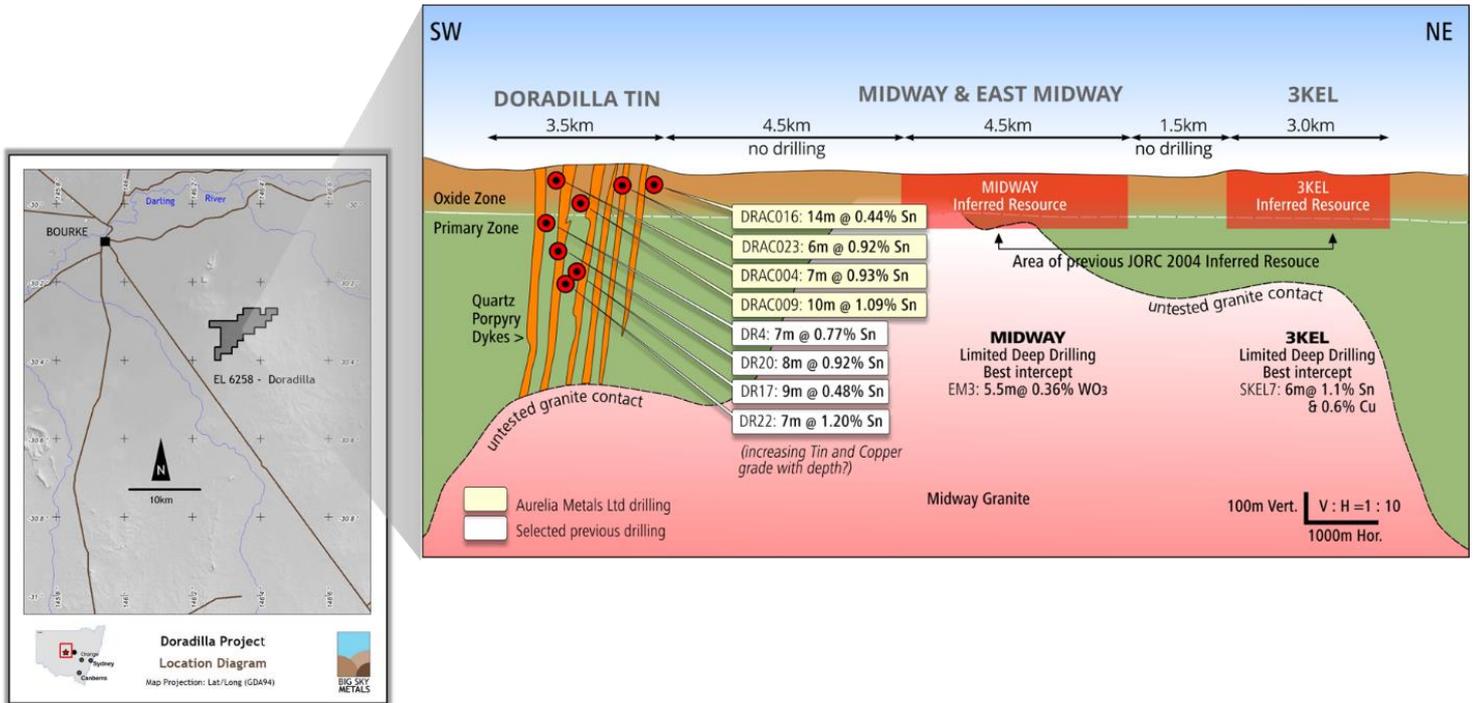
Located in north-western NSW, ~30km from Bourke, the Doradilla hosts extensive specialty metals (tin, tungsten, copper, bismuth, indium, nickel and cobalt) mineralisation associated with the recently dated Triassic aged Midway Granite.

Mineralisation is hosted within the large scale, Doradilla-Midway-3KEL ('DMK') skarn which extends for a known strike length of 14km.

The DMK skarn is metallurgically complex and includes a substantial large, oxide JORC 2004 resource (2008) at Midway-3KEL, with size limited only by drilling.

Existing drilling at the 3KEL deposit includes zones of high-grade tin ± copper, zinc and indium:

- 10m @ 4.4% Sn and 107ppm In; and
- 18m @ 3.0% Sn, 230ppm In, 0.85% Cu and 0.73% Zn



Doradilla Project, with map inset showing a long section along the DMK skarn with highlight drill results at Doradilla and location of the 2008 Resources.

The transaction is subject to a number of Conditions Precedent:

- the BSM minority shareholders each accepting an offer from the Company for their respective BSM shares they hold, free from encumbrances;
- completion of financial, legal and technical due diligence on BSM's business and operations to the absolute satisfaction of the Company;
- completion of financial, legal and technical due diligence on the Company's business and operations to the absolute satisfaction of BSM;
- completion of a consolidation of capital by the Company on a ratio of 1 for 10;
- completion of a capital raising by the Company to raise up to \$4.5 million (but in any event not less than the amount required to enable the Company to satisfy ASX Listing Rule 1.1);
- the Company entering into binding agreements to resolve certain debt obligations to the satisfaction of BSM (these creditors have indicated that they will provide their agreement to convert their debts into post-consolidation Shares);
- the Company obtaining all necessary third party approvals or consents to give effect to the matters set out in this document to allow the Company to lawfully complete the acquisition; and
- the Company obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the Company to lawfully complete the acquisition, including but not limited to, approval for a change in nature or scale and subsequent reinstatement to official quotation on ASX on conditions satisfactory to BSM.

Suspension from Official Quotation

As a result of the Company's announcement that it has signed a Binding Terms Sheet acquire BSM, ASX suspended the Company's securities from Official Quotation and exercised its discretion under Listing Rule 11.1.2 to require the acquisition to be conditional upon approval of the Company's ordinary security holders and under Listing Rule 11.1.3 to require the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

For further information, please contact Peter Nightingale on (61-2) 9300 3322.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PJN', written over a light blue horizontal line.

Peter J. Nightingale
Director

pjn9780

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of The Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of the Big Sky Metals Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For further information on Exploration Results see ASX announcement dated 22 November 2018.