



28<sup>th</sup> April 2017

MARCH QUARTERLY ACTIVITIES REPORT 2017

ASX Symbol: **NMM**

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#### BOARD OF DIRECTORS AND MANAGEMENT

Mr William Hayden  
Non-Executive Chairman

Mr Miguel Palomino  
Managing Director

Mr Andrew Johnstone  
Non-Executive Director

Mr Jay Stephenson  
Company Secretary

#### ISSUED CAPITAL

Shares on Issue: 148,128,458  
Unlisted Options: 20,575,000

#### HIGHLIGHTS

- During the quarter, GPS filled its first order for specialty platinum products to CEMEX, the world's second largest cement and building products company.
- Also during the quarter GPS produced its first commercial quantity of gold wire. A single draw of 5000 ft with a diameter of 50  $\mu\text{m}$  was delivered to a Taiwanese distributor.

#### Half Yearly Report - Update

Noble Metals is working with auditors in Australia and Colombia to finalise the half-yearly report. Noble Metals regrets the delay, which has largely arisen from the acquisition of the GPS Metals Group (GPS Metal Lab, Inc. and Global Products Manufacture & Services S.A.S.) in period end 31 Dec 2016, and complex matters such as differences in multi-jurisdictional Generally Accepted Accounting Principles and the assessment of the accounting treatment/valuation of the acquisition. The Board is continuing to work with advisers to resolve these matters to ensure Noble Metals is reinstated on the ASX as soon as practicable.

#### Summary

Wider recognition of the GPS Metals Lab Cali Facility capabilities is still in its infancy, however during the March 2017 quarter new enquiries were received including two orders from customers that were previously testing products.

Pleasingly, GPS filled an order for 5000 feet (ft) of 50 micron ( $\mu\text{m}$ ) gold wire from a Taiwanese distributor, which followed their assessment of both 23  $\mu\text{m}$  and 50  $\mu\text{m}$  wire in late 2016. Noble Metals hopes this will be the first of many orders for gold wire used in the electronics industry.

Additionally, an initial order of platinum crucibles and casting dishes was filled for CEMEX during the March quarter. CEMEX is the world's second largest cement and building materials company. Initial contact came from Noble Metals attending the International FICEM (Cement) Technical Congress in Sept. 2016.

In the Choco Department, during the March quarter, Noble Metals began alluvial sampling/testing in a number of areas both proximal to Novita township and to the north of Novita. 150 concentrates have been produced using the mobile concentrator to be assessed at the GPS Metals Lab in Cali.

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**GPS Metals Lab Cali Refinery, Smelter and Manufacturing Facility**

The GPS Metals Lab precious metals, smelter, refinery and manufacturing facility is located in the city of Cali in southwestern Colombia. The GPS Metals Lab Cali facility has a smelting capacity of over one tonne of gold per month and can refine gold to 99.99% purity. GPS has sophisticated manufacturing equipment that can produce platinum crucibles, precious metal wire, sputtering targets and other precious metal specialty products.

During the March 2017 quarter GPS Metals Lab received and filled its first order from CEMEX, which followed from attending the International FICEM (Cement) Technical Congress in September 2016. GPS used the conference as a platform to introduce its capabilities, particularly production of platinum crucibles and platinum casting moulds, to the global cement industry. CEMEX is the second largest cement and building products company in the world. The initial CEMEX order included both platinum crucibles and casting dishes.



**GPS Metals Lab Booth, International FICEM Technical Congress 2016 and Platinum Crucible**

GPS Metals Lab also filled an order for 5000 ft of 50  $\mu\text{m}$  diameter gold wire during the March quarter for a Taiwanese distributor. This followed qualification/ testing of both 23 $\mu\text{m}$  and 50 $\mu\text{m}$  wire by the distributor in late 2016. The wire was produced on GPS Metals Lab's refurbished/upgraded German Niehoff automated wire drawing machine.



**Niehoff automated wire drawing machine/equipment, GPS Metals Lab, Cali Colombia**

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## MARCH QUARTERLY ACTIVITIES REPORT 2017

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During the March quarter, GPS continued to refine lower grade gold to improve grade/purity before being smelted. The margin for refining and smelting gold is considerably larger than simply smelting gold.

Noble Metals also began to assess other low risk growth strategies including processing scrap precious metals and opening buying offices in key Colombian cities to better facilitate smelting activities and continually improve on supply providence.

### **Novita Exploration, Mining and Processing Operations**

During the March quarter, Noble Metals began alluvial testing in a number of areas both proximal to Novita township and to the north of Novita. 150 concentrates have been produced using the mobile concentrator to be assessed at the GPS Metals Lab in Cali.

Noble Metals also began discussions to access and assess new opportunities in the Choco region with the intention to establish alluvial operations. Community agreements are being negotiated and hope to be concluded in the June quarter 2017.



Surface alluvial sampling north of Novita in February/March 2017

### **Administration/Colombia/Corporate**

Revenue generated from activities at the GPS Metals Lab Cali Facility during the March 2016 quarter have again resulted in an operating surplus for the Company. Since the September 2016 quarter all company costs are being met by GPS Metals Lab Cali facility revenue, including:

- All operating costs at the Cali operation
- Retrofitting and setting up precious metal manufacturing equipment
- Acquisition and setup of additional testing equipment
- All operating expenses for Condoto Platinum Colombia (camp, payroll, vehicle and equipment maintenance)
- Condoto Platinum Colombia preliminary exploration expenses

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**MARCH QUARTERLY ACTIVITIES REPORT 2017**

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**Dewatering underground alluvial workings (Deep Leads) and sampling north of Novita in February 2017**

### **Half Yearly Report – Update**

Noble Metals Limited is continuing to work with the Group’s auditors in Australia and Colombia to finalise the Company’s half-yearly report. The Company regrets the delay in the finalisation of the report that has been due largely to complexities arising from the acquisition of the GPS Metals Group (GPS Metal Lab, Inc. and Global Products Manufacture & Services S.A.S.) that took place during the period ending 31 December 2016, including complex matters such as differences in multi-jurisdictional Generally Accepted Accounting Principles and the assessment of the accounting treatment and valuation of the acquisition.

### **Competent Persons Statement**

*The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Mr Andrew Johnstone 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 Andrew Johnstone who is a Director of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*This release may contain forward-looking statements. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information. Actual values, results or events could differ materially from any conclusion, forecast or projection expressed or implied in the forward-looking.*

# 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

**NOBLE METALS LIMITED (ASX:NMM)**

ABN

**43 131 213 824**

Quarter ended (Current quarter)

**31 March 2017**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	9,919	55,442
1.2 Payments for:		
(a) exploration and evaluation	(112)	(165)
(b) development	-	-
(c) Compliance costs	(9,945)	(57,503)
(d) Due diligence	(49)	(166)
(e) administration and corporate costs	(12)	(200)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(198)</b>	<b>(2,590)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(18)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets: Payment for subsidiary net of cash acquired	-	(341)
2.2 Proceeds from 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>(359)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 Months) \$A'000</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	750
3.2 Proceeds from issue of convertible notes	-	36
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(42)
3.5 Proceeds from borrowings	-	2,684
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>	-	3,428
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	885	237
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(198)	(2,590)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(359)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	3,428
4.5 Effect of movement in exchange rates on cash held	(12)	(41)
<b>4.6 Cash and cash equivalents at end of quarter</b>	675	675
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	675	885
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)	675	885
<b>6. 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	61	
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		
Directors salary, fees, superannuation, and exploration consultancy		
<b>7. 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		
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<b>8. Financing facilities available</b>	Add notes as necessary for an understanding of the position	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

Nil
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<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	(60)
9.2	Development	(75)
9.3	Production/ smelting	
	(a) Receipts from smelting customers	20,000
	(b) Payments for Production/smelting	(19,000)
9.4	Due Diligence	(60)
9.5	Administration and corporate costs	(60)
9.6	Other (provide details if material): Legal	-
9.7	<b>Total estimated cash outflows</b>	<b>745</b>

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

### 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.



Signed: \_\_\_\_\_ Dated: Friday, 28 April 2017  
Company Secretary

Print name: Jay Stephenson

**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 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 standard applies 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.