



Activities Report for the Quarter Ending 31st December 2016

- **Successful completion of a Rights Issue and subsequent shortfall placement raising \$1.1Million**
- **Mining Entry Permit granted by the Minister for Aboriginal Affairs which will enable the Company to initiate exploration on its prospective Cosmo Newberry Gold project.**
- **Exploration programs for Cosmo Newberry and Halls Creek finalized.**

1. Cosmo Newberry Gold Project (3D Resources 100% (except E38/2274 3D Resources 75%))

As previously announced, the Company has entered into an access agreement with the Cosmo Newberry Aboriginal Corporation, (which manages the Aboriginal reserve over the Cosmo Newberry project). Following this agreement, a presentation was made to a meeting of the Aboriginal Land Trust in December and with their recommendation, the Minister for Aboriginal Affairs granted the Company a Mining Entry Permit. This is an important step forward for the Company as access to this project area has been the main barrier to the company exploring this highly prospective greenstone belt.

The company has already defined some initial targets for exploration at Cosmo Newberry and plans to initiate exploration over the next quarter. These targets are based on a geological interpretation of airborne geophysical data designed to highlight potential areas of interest having regard to the geophysical “signatures” and the success of the gold discoveries of Gruyere by Gold Road Resources in the nearby Yamarna Greenstone Belt. The Company has also carried out a reassessment of some early geochemical anomalies generated in the 1990’s.

The initial reconnaissance exploration program is proposed to start in late March and is designed to assist in evaluating some of these targets and to better understand the access and logistics for operating in this area. This is expected to lead to further programs in the winter months.

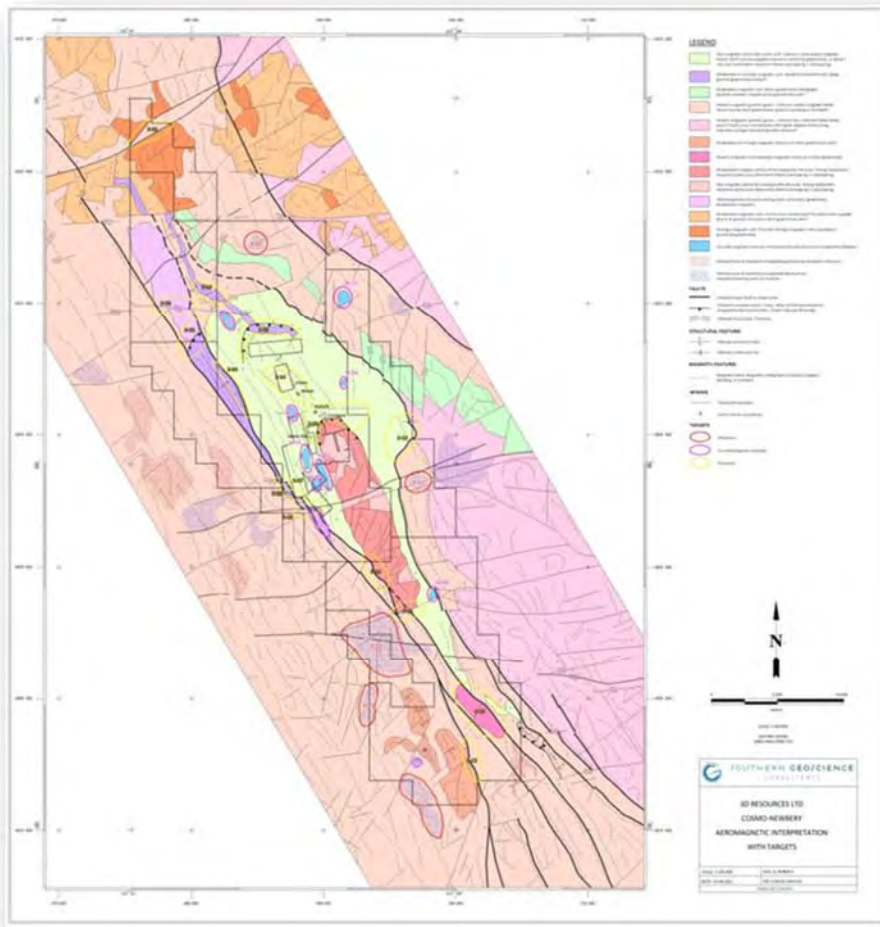


Figure 1 shows the geological interpretation of the Cosmo Newberry Greenstone Belt and the 31 target areas defined for follow up investigation.

2. Halls Creek Joint Venture(3D Resources 80%)

Exploration focus for the Halls Creek joint venture has shifted towards locating additional resources to those outlined by drilling of the Mt Angelo North deposit and is aimed at exploring the highly prospective Koongie Park Formation for additional VMS Style Copper-Lead Zinc deposits. This follows on from the extension granted to the three exploration licenses granted by the Department of Mines and Petroleum as announced in November.

Work to date by the Joint Venture has defined a large number of EM anomalies identified by the HeliTEM survey as well as geochemical anomalies generated by the regional and detailed geochemical surveys. The company has set a program of work to be completed over the forthcoming March quarter aimed at prioritizing these targets, and preparing the program for the 2017 field season which is expected to start in April.

To help focus this exploration and prioritize these targets, 3D Resources as manager of the joint venture has initiated a total reassessment of the exploration data, including:

1. Reassessing the geological interpretation of many of the poorly mapped soil covered areas using the detailed magnetic data generated by the HeliTEM survey. A feature of the key prospective horizons in the Koongie Park Formation is that it contains banded iron units that generate a magnetic response. A byproduct of the HeliTEM survey has been quite detailed airborne magnetic data which when combined with field mapping, allows the geology to be re-interpreted which in turn identifies the position of the prospective horizon. Work in the December quarter has identified a number of quite prospective areas that warrant testing and a thorough re-interpretation is underway of the entire regional interpretation.

Figure 2 and Figure 3 show the magnetic data for the two exploration areas held under exploration licenses and highlight the presence of these banded iron units throughout the area.

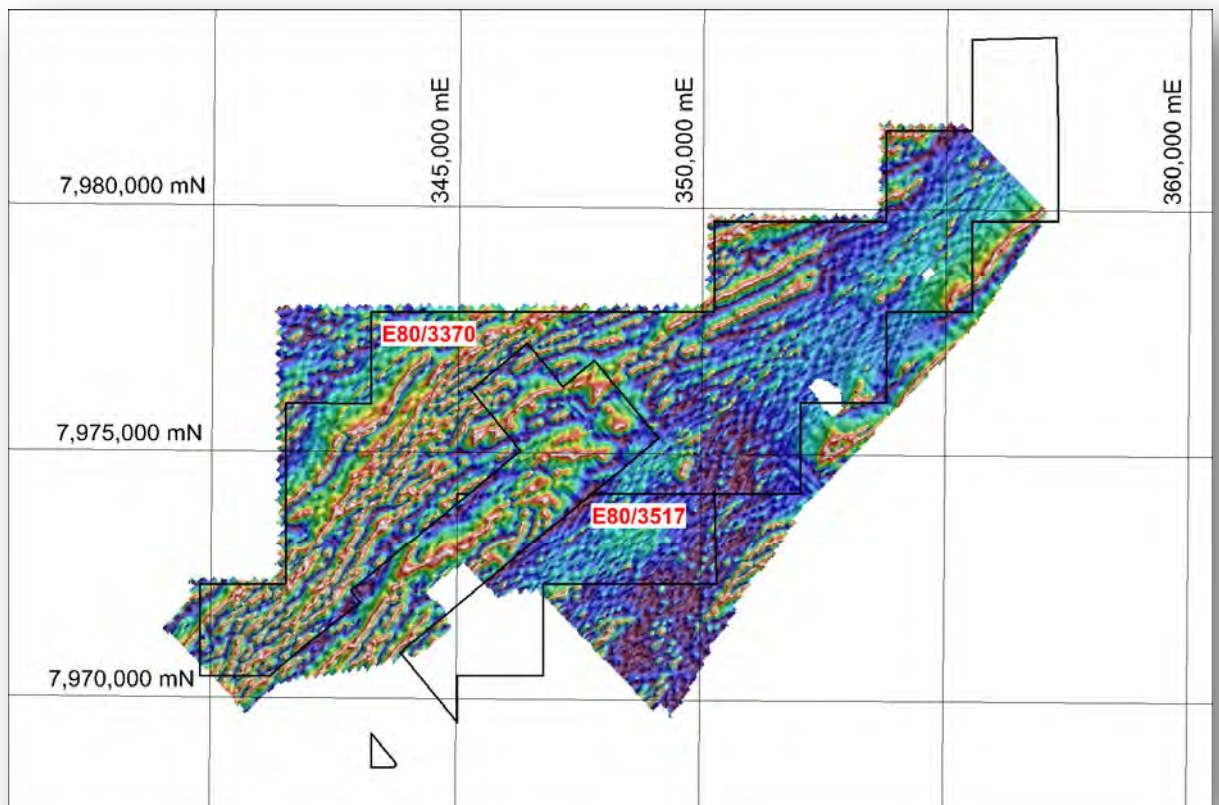


Figure 2 Shows the magnetics (TMI image) of the Northern Area generated by the HeliTEM program. This image shows a series of repetitive folding in the Koongie Park Formation and is expected to help unravel the complex geology of this area. Much of the area held is soil covered.

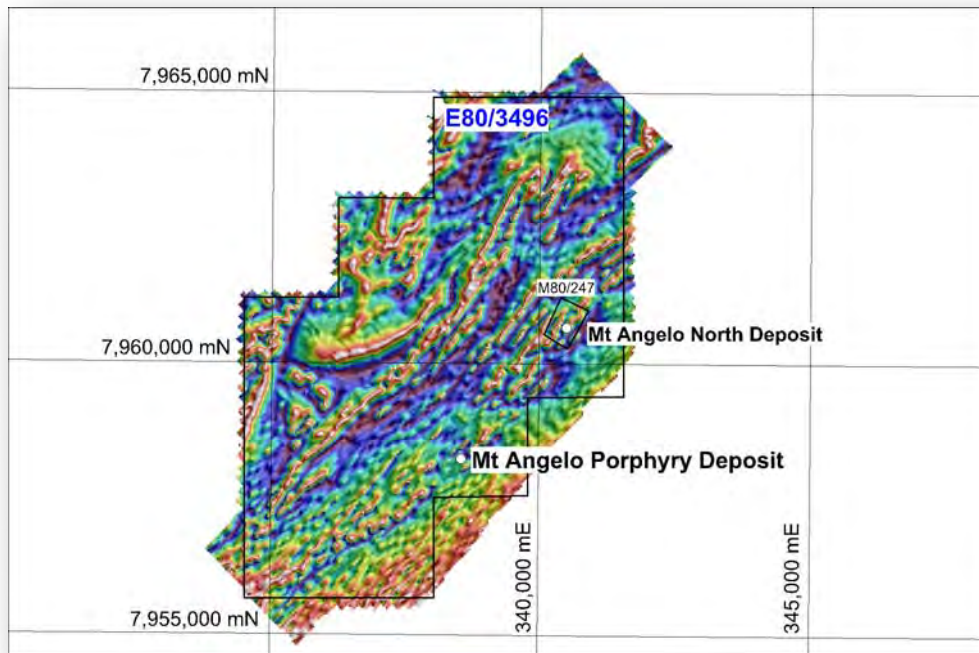


Figure 3 Shows a similar complexity to the geology for the Southern Area covering the Mt Angelo North deposit and Mt Angelo Porphyry. Some of the critical area north and west from Mt Angelo North are soil covered so poorly explored yet clearly are quite prospective.

2. A review of all the HeliTEM anomalies and line data to prioritize anomalies for field testing. The HeliTEM survey generated more than 60 Magnetic and EM anomalies but also a vast number of “picks” (circles) which represented more subtle anomalies/possible anomalies. Most remain untested. A feature of the VMS deposits found in this area are that many of the orebodies show quite subtle EM responses so it is important to review these anomalies in the light of the geological re-interpretation in order to define which of these targets are located within the highly prospective horizon and so warrant immediate testing/follow up exploration during the next field season.

Figures 4 and 5 show the Anomalies identified by Southern Geoscience’s interpretation of the HeliTEM survey and also the “picks” (possible anomalies) that the geophysicist identified from an analysis of the data. As can be seen, there are a vast number of anomalies and potential anomalies that require follow up and so the focus now is to prioritize these and highlighting those that are within the most prospective geological horizon.

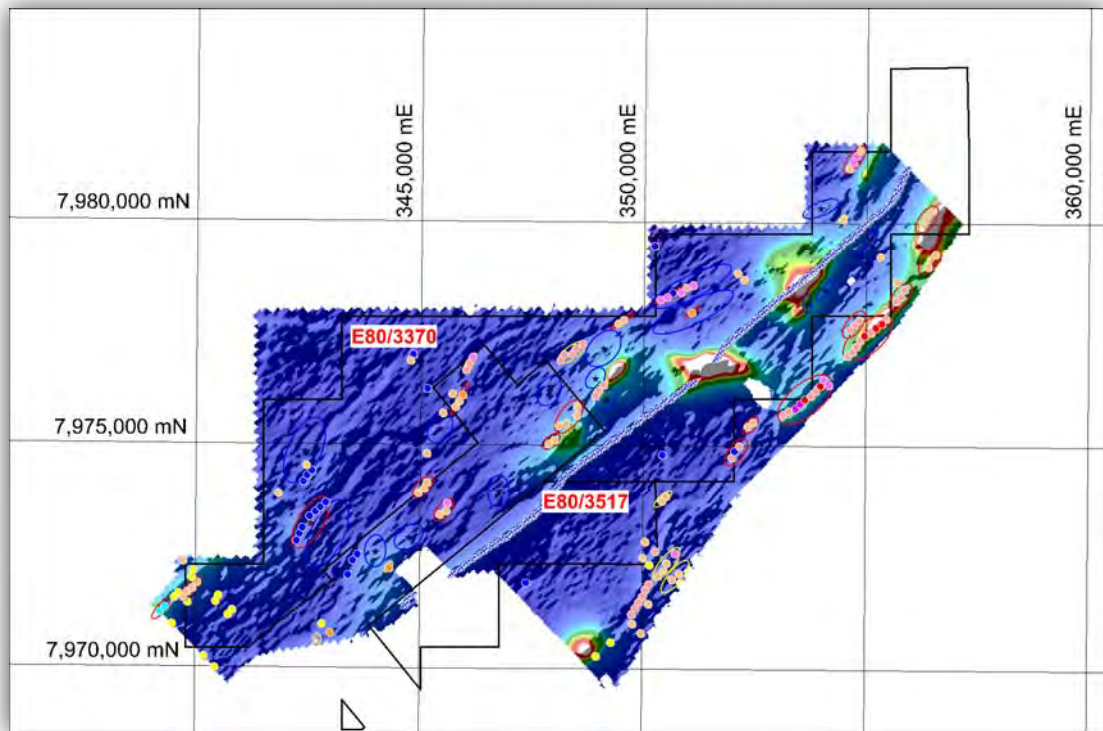


Figure 4 shows the anomalies identified by the HeliTEM survey of the Northern Licenses overlain on a background image of the Channel 20 emz response. A number of these anomalies fell outside the geological units that host the VMS deposits but many targets within the Koongie Park formation have had limited follow up testing.

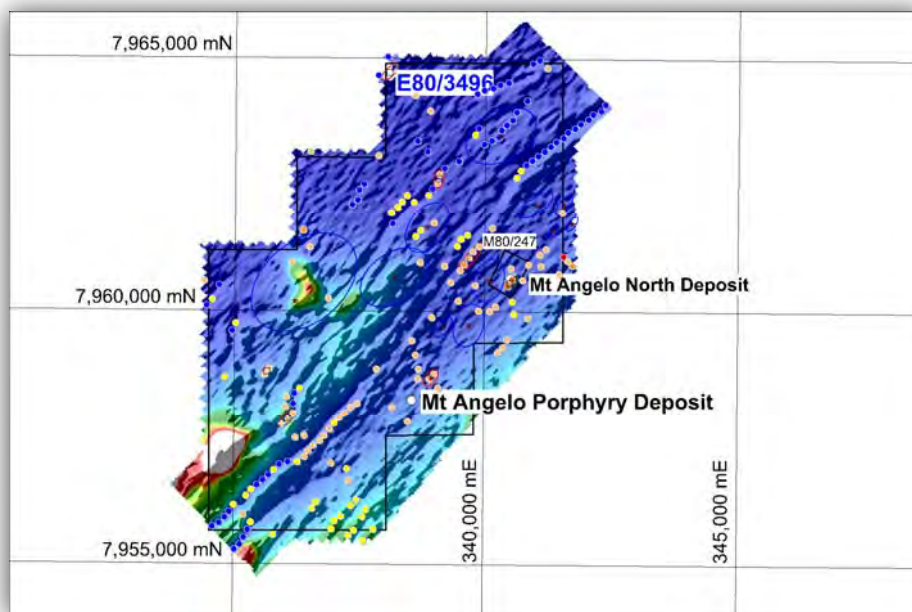


Figure 5 shows the anomalies identified by the HeliTEM survey of the Southern Licenses overlain on a background image of the Channel 20 emz response

3. Geochemical Data. Several phases of geochemical testing have been carried out over the exploration licenses of which the most detail work has been completed over the area south of the Mt Angelo North Deposit. The remaining areas have had regional geochemical sampling traverses with little follow up of anomalies.

Figure 6 shows the anomalies for copper generated by the geochemical surveys carried out over the southern exploration license covering the Mt Angelo Area (E80/3496). This clearly shows some significant geochemical anomalies associated with the Mt Angelo North and Mt Angelo Porphyry deposits. However it also highlights additional anomalies in the area that have not been followed up with geophysics or drilling. Equally the reconnaissance traverses in the Northern part of this license also generated anomalies that are located in the prospective Koongie Park Formation (based on an initial re-interpretation of the magnetic data), so potentially warrant a more detailed follow up exploration program and testing.

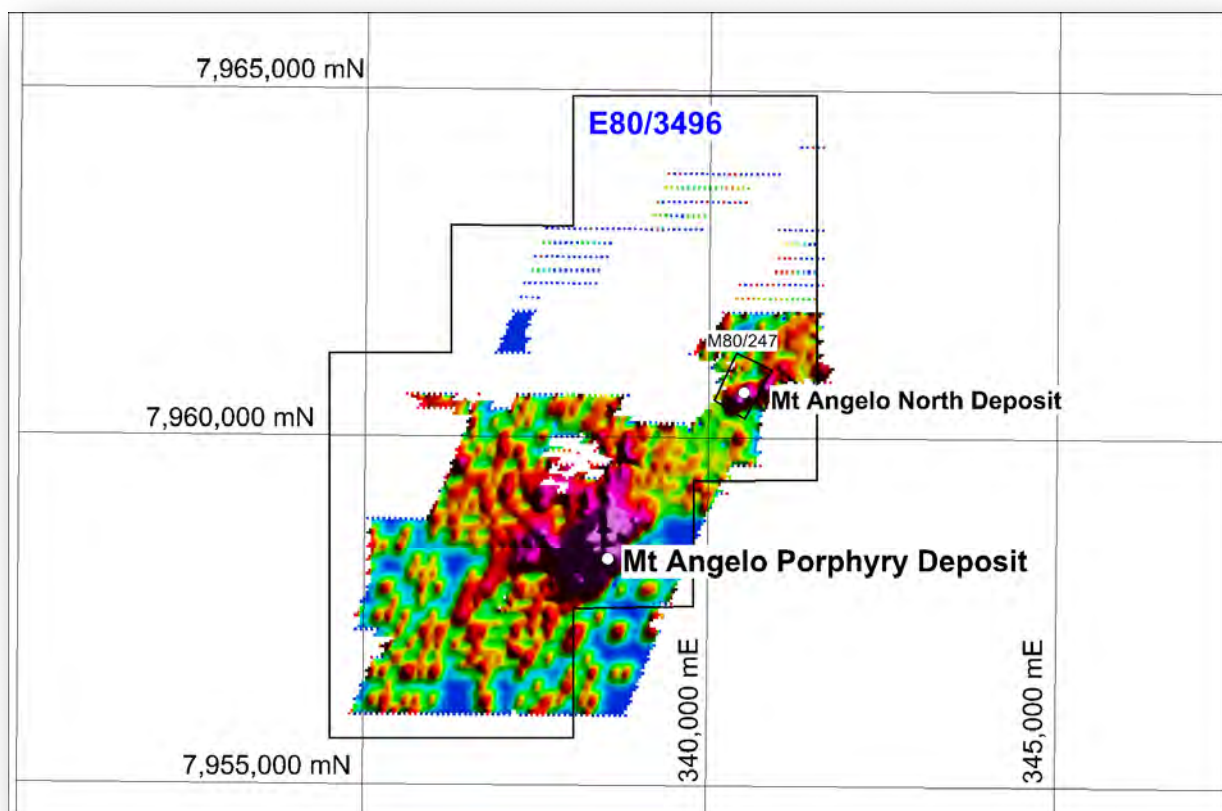


Figure 6 A Composite of Several Geochemical Programs carried out by the Halls Creek Joint Venture highlighting the Copper values/anomalies

The current reassessment of the exploration data is expected to enable the targets to be prioritized and lead to more detailed exploration during the forthcoming field season. The program planned for the dry season would involve an initial program of detailed geochemical sampling as well as ground geophysics to verify anomalies/targets and to better define them for drilling.

3. Corporate

The Company completed a 1 for 1 Rights Issue which closed on 8th December 2016 and which was partially underwritten by Paterson Securities. The company raised a total of \$0.89Million from the issue and successfully placed the shortfall immediately following the end of the quarter. The monies raised by the company is proposed to fund the initial exploration of the Cosmo Newberry project, on-going exploration of the Halls Creek Joint Venture and to provide working capital for the company.

TENEMENTS

Project and Location	Tenements Held At End at Commencement of Quarter	Tenements Acquired or Disposed of During Quarter	Beneficial Interest at End of Quarter	Notes
Halls Creek Joint Venture, East Kimberly WA	E80/3370, E80/3496, E80/3517, M80/247,	No Change, No Change, No Change, No Change	80%, 80%, 80%, 80%	Dept of Mines and Petroleum granted an extension to all three Exploration Licenses and a program now underway focused on expanding resources through additional VMS discoveries.
Cosmo Newberry, Laverton WA	E38/2274, E38/2627, E38/2774 E38/2850 E38/2851	No Change, No Change, No Change, No Change, No Change	75%, 100%, 100%, 100%, 100%	Agreement reached over Aboriginal Reserve and a Mining Entry Permit issued by Minister for Aboriginal Affairs at end of December. An initial exploration program planned for the next quarter

Information in this "ASX Announcement" relating to Exploration Results and geological data has been compiled by Mr. Peter Mitchell who is a Member of the Australian Institute of Mining and Metallurgy and is Managing Director of 3D Resources Ltd. He has sufficient experience that is relevant to the types of deposits being explored for and qualifies 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 2012 Edition). Peter Mitchell has consented to the release of the announcement.

For Further Information, Contact

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