

Quarterly Activities Report & Appendix 5B

Quarter Ending June 30, 2018

Lustrum Minerals Limited (ASX: **LRM**) (**Lustrum**) (**Company**) is pleased to provide a summary of its activities for the three (3) months ending 30 June 2018 (**Period**). Lustrum's Consuelo Project is comprised of three (3) Exploration Permits for Coal (EPCs 2327, 2318 and 2332, together the **EPCs** or **Project**) in Queensland's Bowen Basin, located south of the town of Rolleston and the operating Rolleston high quality thermal coal mine.

HIGHLIGHTS DURING THE PERIOD:

- Drilling completed and reported confirming Bandanna Formation is present at Consuelo.
- Further high quality coal identified at Consuelo with confirmed continuity.
- Ongoing Share Buy-Back and General Meeting planned for current Period.

DRILLING AND EXPLORATION ACTIVITIES

On 25 June 2018, the Company reported an update of "High Quality Coal Confirmed at Consuelo" at the Consuelo Project. The Company completed its first drilling campaign at Consuelo early in 2018, which consisted of three drill holes on EPC 2327 and one on EPC 2318 for a total of 2,103.2 meters. Holes CON001, CON002 and CON003 were open hole percussion and the recently completed CON004Q was a partially cored hole that gathered coal seam samples for coal quality analysis.

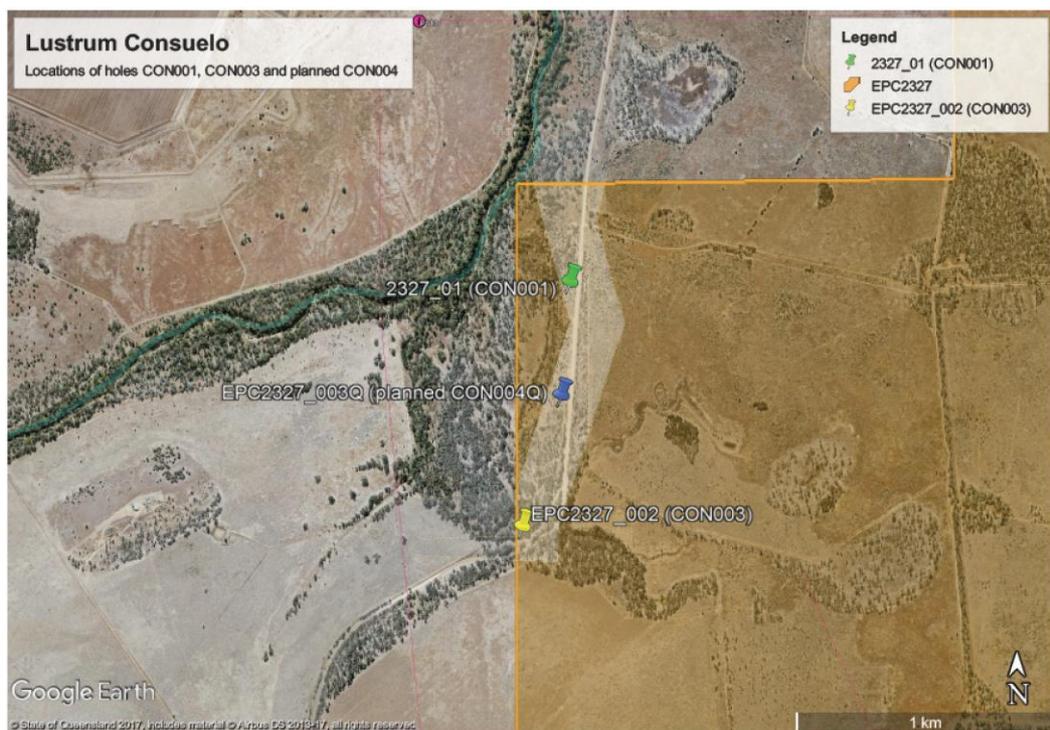


Figure 1: Locations of Drill Holes on EPC 2327



As reported, there was generally excellent correlation of the coal sequence recorded on the single traverse completed on EPC 2327, which covered a broadly north – south strike length of approximately 1 km.

Downhole geophysical logging, geological logging of drill chips and core, and the coal quality analysis of seams intersected in CON004Q confirm the coal seams intersected correlate very well with coal seams hosted in the Bandanna Formation, the sequence being mined at the nearby Rolleston Coal Mine.

Seam samples submitted to ALS Global’s Emerald Laboratory for coal quality analysis confirmed that the main seams are generally:

- low in ash (8.7 to 14.4% ad),
- very low in sulphur (0.24 to 0.3% ad),
- moderate to high calorific value (5521 to 6126 kcal/kg ad),
- with relatively high inherent moisture (11.1 to 12.7% ad), and
- no reported coking coal properties.

Please see the Company’s announcement made 25 June 2018 “High Quality Coal Confirmed at Consuelo” for full and further details.

SHARE BUY-BACK

As announced 14 May 2018, the Company has embarked on a share buy-back to buy back up to 4,000,000 of its own shares (**Buy-Back**). As at the date of this announcement, the Company has spent \$555,375.34 to acquire 3,982,666 of its own shares under the Buy-Back. Please consult the Appendix 3Es lodged by the Company for further information.

Subsequent to the Period, the Company issued a Notice of General Meeting to its shareholders to consider increasing the Buy-Back by a further 6,000,000 shares; this meeting will be held at the Company’s office on 16 August 2018. The Company will update the market as to the outcome of the meeting.

EXPLORATION ACTIVITIES – NEXT STEPS

The Company is considering conducting a program of step out drilling in the north west portion of EPC 2327 to confirm the orientation, dip and aerial extent of the thicker seams intersected in holes CON001, CON003 and CON004Q.

Discussions are in progress with the Project’s landholder(s) as to access agreements to enable any proposed drilling. The completion of this drilling may lead to an initial JORC compliant Indicated Resource.

There also remains potential for the delineation of shallow coal bearing sequences elsewhere within the Consuelo Project area, with a number of “road reserve” drill hole locations identified to follow up prospective areas based on interpretation of 2D seismic data and previously reported shallow coal intersections adjacent to the project boundary.



The Company is considering a number of factors, including the state of financial and commodity markets in relation to the best deployment of the Company's capital to achieve its objective of creating shareholder value.

The Company will update the market accordingly.

For, and on behalf of the Board of the Company,

Loren King

Non-Executive Director and Secretary

Lustrum Minerals Limited

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Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Lustrum Minerals Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Lustrum Minerals Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Competent Persons Statement

The information in this report that relates to Exploration Results are based on information compiled by Mr Ian Prentice. Mr Prentice is a consulting geologist for Lustrum 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 report 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 report of the matters based on his information in the form and context in which it appears.

-END-

Appendix 5B

Mining exploration entity and oil and gas exploration entity monthly 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

Lustrum Minerals Limited

ACN

609 594 005

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	(298)	(693)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(127)	(631)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST Refund received during period)	150	150
1.9 Net cash from / (used in) operating activities	(272)	(1,171)

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	(69)	(69)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(69)	(69)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	(201)	4,799
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	-	(480)
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)	-	-
3.10 Net cash from / (used in) financing activities	(201)	4,319

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	3,834	213
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(272)	(1,171)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(69)	(69)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(201)	4,319
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	3,292	3,292

5. Reconciliation of cash and cash equivalents at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter (Jun 2018) \$A'000	Previous Quarter (Mar 2018) \$A'000
5.1 Bank balances	292	3,834
5.2 Call deposits	3,000	-
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)	3,292	3,834

6. Payments to directors of the entity and their associates	Current quarter (Jun 2018) \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(66)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 <i>Payment of directors' fees and corporate administration expenses including rent</i>	

7.	Payments to related entities of the entity and their associates	Current quarter (Jun 2018) \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	N/A
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 N/A	

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	N/A	N/A
8.2	Credit standby arrangements	N/A	N/A
8.3	Other (please specify)	N/A	N/A
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 month end, include details of those facilities as well. N/A		

9.	Estimated cash outflows for next quarter	Next quarter (Sept 2018) \$A'000
9.1	Exploration and evaluation	(200)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	(130)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(330)

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	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

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: 
Director and Company Secretary

Date: 31 July 2018

Print name: Loren King

Notes

1. The monthly report provides a basis for informing the market how the entity's activities have been financed for the past month 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 monthly 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 monthly 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.