

Quarterly Activities Report & Appendix 5B

Quarter Ending December 31, 2018

Lustrum Minerals Limited (ASX: **LRM**) (**Lustrum**) (**Company**) is pleased to provide a summary of its activities for the three (3) months ending 31 December 2018 (**Period**).

Highlights:

- Exploration target modelling
- Capital Management
- Business Development

PROJECT AND EXPLORATION SUMMARY

Lustrum's Consuelo Project is comprised of three (3) Coal Exploration Permits (EPCs 2327, 2318 and 2332, together the **EPCs** or **Project**) located south of the town of Rolleston in Queensland's Bowen Basin where Rolleston's high quality thermal coal mine operates.

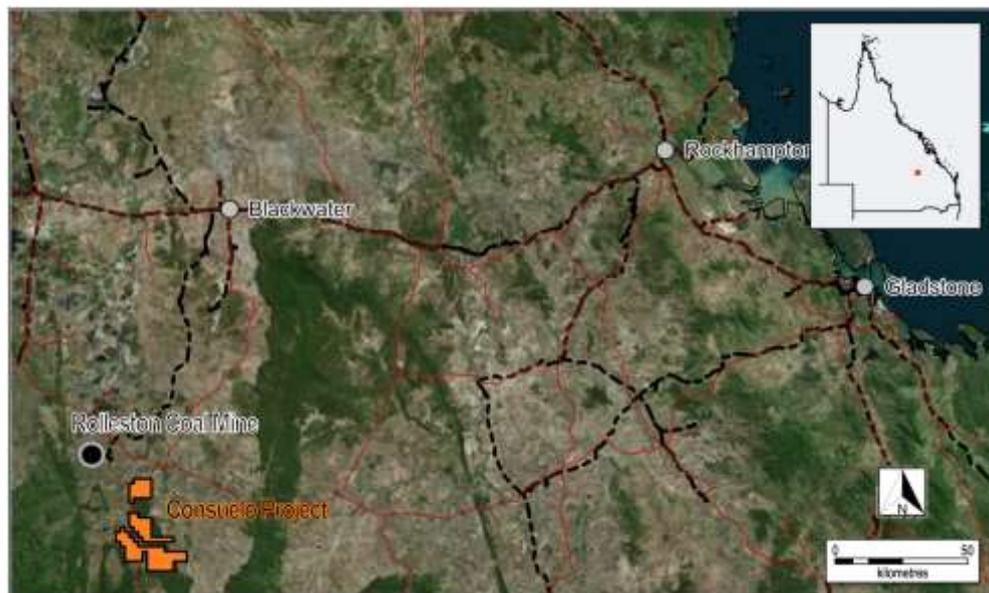


Figure 1: The Consuelo Project

Having completed multiple drilling campaigns in 2018, the Company has completed three drill holes on EPC 2327 and one at EPC 2318 for a combined total of over 2.1 km of drilling. Holes CON001, CON002 and CON003 have seen open hole percussion and CON004Q was a partially cored hole that gathered coal seam samples for coal quality analysis.

Generally, results which have been reported show an excellent correlation of the coal sequence on the single traverse completed at EPC 2327, covering a broad north to south traverse of approximately 1 km.

Downhole Geophysical logging of the drill chips and core combined with the coal quality analysis of seams intersected in CON004Q confirmed coal seams intersecting with high correlation as per the Bandanna Formation, a sequence being mined at the nearby Rolleston Coal Mine (see “High Quality Coal confirmed at Consuelo”, 25 June 2018).

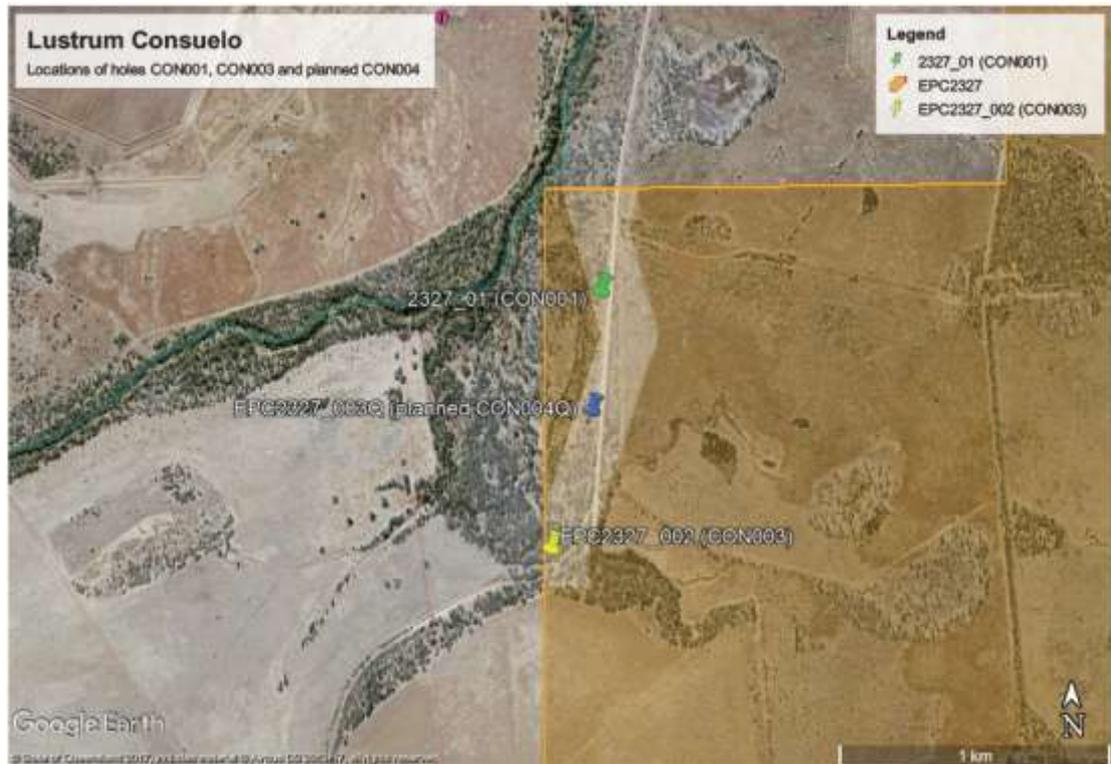


Figure 2: Location of drill holes on EPC 2327

Drilling completed on EPC 2327 has confirmed the presence of moderate to high quality thermal coal at relatively shallow depths within the Bandanna Formation, with the data from this drilling to be used to provide an Exploration Target for the western portion of EPC 2327. The Company has engaged an independent consultant to compile the data and estimate the Exploration Target for this portion of the Consuelo Project. A program of step out drilling will be required to further define the orientation, dip and aerial extent of the thicker seams intersected following the delivery of the Exploration Target.

Elsewhere within the Consuelo Project area, a number of locations have been identified as having the potential for the delineation of shallow coal-bearing sequences based on interpretation of 2D seismic data and previously reported shallow coal intersections adjacent to the project boundary. A series of “road reserve” drill hole locations have been identified to follow up on these prospective shallow coal target areas, with planning underway to implement an initial drilling campaign to test these targets.

During the Period the Company has considered and developed its next stage of exploration on the Project. This has included assessing a number of factors, including macro and micro economic conditions and the summarised exploration success to date. The Company's review of its next exploration steps is ongoing and it will inform the market in due course.

CAPITAL MANAGEMENT

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**). On 16 August 2018, shareholders approved a further 6,000,000 shares to be bought back under the Buy-Back. As at the date of this announcement, the Company has spent approximately \$851,313.12 to acquire 6,148,550 of its own shares under the Buy-Back. Please consult the Appendix 3Es lodged by the Company for further information. The Company maintains the capacity to buy up to 3,851,450 further shares and will update the market accordingly.

The Company maintains 33,851,450 fully paid ordinary shares on issue and \$2.3 million in net cash as at 31 December 2018.

BUSINESS DEVELOPMENT

During the Period the Company has spent significant time reviewing opportunities to create shareholder value via the acquisition of projects that would compliment the existing asset base. These potential acquisitions are natural developments of the Company's business strategy and operations and should any of these opportunities consummate, the Company's board believes they have the potential to create significant value for shareholders.

All discussions currently remain confidential, non-binding and incomplete – should this change, the Company will update the market accordingly.

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

Mr. Sonu Cheema

Joint Company 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")

31 December 2018

Consolidated statement of cash flows	Current Quarter (Dec 2018) \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for:		
(a) exploration & evaluation	(33)	(178)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(104)	(248)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	25
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)	-	-
1.9 Net cash from / (used in) operating activities	(131)	(401)

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	-	-

Consolidated statement of cash flows	Current Quarter (Dec 2018) \$A'000	Year to date (6 months) \$A'000
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
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	(141)	(657)
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)	-	-
3.10 Net cash from / (used in) financing activities	(141)	(657)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,575	3,292
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(131)	(401)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	69
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(141)	(657)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	2,303	2,303

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 (Dec 2018) \$A'000	Previous Quarter (Sept 2018) \$A'000
5.1 Bank balances	1,303	1,575
5.2 Call deposits	1,000	1,000
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)	2,303	2,575

6. Payments to directors of the entity and their associates	Current quarter (Dec 2018) \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	44
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 (Dec 2018) \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	33
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	

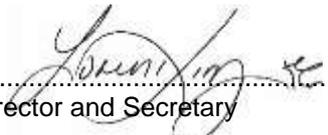
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	N/A	N/A
8.2 Credit standby arrangements	N/A	N/A
8.3 Other (please specify)	N/A	N/A
8.4 Include below 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 (Dec 2018) \$A'000
9.1	Exploration and evaluation	(150)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	(150)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(300)

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

- 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: 
Director and Secretary

Date: 31 January 2019

Print name: Loren King

Notes

- 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.
- 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.
- 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.