
SUMMARY OF ACTIVITIES

During the March 2017 quarter, activities were focussed on capital preservation and the seeking of shareholder approvals to ratify or approve the issue of shares to raise \$600,000, which was achieved at a general meeting held on 21 April 2017. The raising has been completed and the cash balance at the date of this report is \$736,198, including funds of \$130,000 received post quarter for the second tranche of the placement.

The only activity during the quarter on the proposed Mt Remarkable joint venture was seeking to progress obtaining the necessary native title and heritage agreements, which is a necessary condition for the granting of the tenement and completion of formal documentation with King River Copper. Flooding in the Kununurra region resulted in dispersal of the traditional owners and re-establishment of contact awaited their return to the area. Spectrum has completed its obligation to raise \$0.5 million.

Spectrum continues to review other mineral exploration opportunities that may be offered to the company.

CORPORATE

Finance

The 31 March 2017 cash balance of the Company was \$631k compared with a 31 December 2016 cash balance of \$154k.

Mr Alex Hewlett was appointed Non-executive chairman on 8 March 2017 and Mr A Barton retired as a director.

Capital Structure

Share Price (SPX): **\$0.008**; Issued Shares^{**}: 472.9M; Market Cap: **\$3.78M** (as at 24 April 2017).

***After allotment of all shares approved at EGM of 21 April*

TENEMENT STATUS

Mining Tenements held at the end of the quarter

Nil.

For further information please contact:

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NON-EXECUTIVE CHAIRMAN
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Company Management

Alex Hewlett: Non-Executive Chairman
Alexander Moyle: Non-Executive Director
Leon Charuckyj: Non-Executive Director
Graeme Boden: Company Secretary

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

SPECTRUM RARE EARTHS LIMITED

ABN

94 115 770 226

Quarter ended ("current quarter")

31 MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	(4)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(22)	(102)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	29	29
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	7	(76)
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	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	18
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	18

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares****	470	470
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	470	470

**** On 24 February 2017, the Company has mandated K2 Advisory Partners Pty Ltd to undertake a placement to raise \$600,000 in two tranches. 76,850,000 shares were allotted on 3 March 2017 for Tranche 1 to raise \$307,400. \$162,600 has been received to date for Tranche 2 which is subject to shareholder approval at the General Meeting on 21 April 2017. A further \$120,000 is yet to be received for Tranche 2.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	154	219
4.2	Net cash from / (used in) operating activities (item 1.9 above)	7	(76)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	18
4.4	Net cash from / (used in) financing activities (item 3.10 above)	470	470

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	631	631

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	631	154
5.2	Call deposits	-	-
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)	631	154

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
-
-

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7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
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-

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Mining exploration entity and oil and gas exploration entity quarterly report

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	-	-
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.		

NA

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	10
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	90
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	100

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:

(Company secretary)

Date: 26th April 2017

Print name: Graeme Boden

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 6: Exploration for and Evaluation of Mineral Resources and 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 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.