

Quarterly Report

December 2013



Eagle Downs - Portal Arches



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HIGHLIGHTS

COAL

There were no LTIs for the Coal Division during the Quarter. The 12 month rolling average LTI Frequency Rate for the Coal Division is now zero.

Eagle Downs Hard Coking Coal Project

- The drifts construction contract with an estimated cost of \$142.8 million was awarded in December 2013. Mobilisation is expected in the March Quarter 2014 with work expected to be completed by the end of CY2015.
- Work continued on progressing major work packages including site power supply, raw water supply and construction accommodation.
- Tenders are being finalised for drilling within the project area to determine coal quality and to further define the planned mining areas.
- Costs for the project to date are under budget and project construction remains on track to be completed in H1 of CY2017.
- An application for the Eagle Downs South Mineral Development Licence (MDLa 519) was made.

Washpool Hard Coking Coal Project

- The yield optimisation study was completed indicating that an increase of 6-9% in yield was possible which equates to approximately 15-23% more product coal for a similar mining cost.
- Revised mine plans have been developed to optimise production and minimise stripping costs while delaying the requirement for the introduction of levees.
- Work commenced on blending tests to confirm the coking characteristics of Washpool coking blends with a certain Rangal coking coal.
- A supplementary report to the Definitive Feasibility Study is scheduled to be completed during the March Quarter and will include the results of the yield optimisation study, the blending study, a revision of the mine plan, surface infrastructure and an approvals update. The supplementary report will also include revised capital and operating costs.

IRON ORE

West Pilbara Iron Ore

- There were no LTIs during the Quarter, with the 12 month rolling average LTI Frequency Rate now declining to zero during the Quarter.
- Heritage fieldwork involving section 16 phase 1 assessments was completed within the mine area.
- A number of reports fulfilling conditions of the mine and rail environmental approval and the Anketell Port environmental approval were submitted.
- A Mining Lease application covering the Hardey Project Resources and associated facilities was submitted.
- Exploration work continued targeting Channel Iron Deposits, with a total of 247 RC drill holes for 9,668m completed across multiple prospect areas.

Thabazimbi Iron Ore Project

- There were no LTIs during the Quarter with the 12 month rolling average LTI Frequency Rate remaining at zero.
- The Environmental Scoping Report was submitted to the Department of Mineral Resources.
- Approval was received from the Limpopo Province Department of Economic Development, Environment and Tourism to proceed with the Environmental Scoping and EIA phases.
- The project's volume requirements have been included in Transnet's study scope for the planned Waterberg heavy haul line.
- Geological mapping and rock chip sampling continued at the Randstephanie South Prospect, approximately 1km southwest of the Meletse Iron Ore Deposit, with assays received ranging up to 67% Fe from iron ore outcrops extending over a 600m strike.
- A new iron ore outcrop has been mapped at Randstephanie North, approximately 500m west of the Meletse Deposit, with assays pending and geological mapping in progress.

HIGHLIGHTS

Northern Cape Iron Ore Project

- There were no LTI's during the Quarter and the 12 month rolling average LTI Frequency Rate remains at zero.
- Geological mapping and rock chip sampling commenced at the Waterkloof Prospect, within the Blackridge Prospecting Right.
- Four target areas with outcropping iron ore have been identified and assays received from one of the target areas ranged up to 67% Fe from iron ore outcrops extending over a 750m strike.

MANGANESE

Avontuur Manganese Project

- There were no LTIs during the Quarter and the 12 month rolling average LTI Frequency Rate remains at zero.
- An open pit and underground mining optimisation study was completed, based on the updated Resource released during the previous Quarter. The study indicates that there is potential to significantly increase the current Reserve, subject to additional work being undertaken.
- As previously advised, the Company commenced an internal appeal to the South African Department of Mineral Resources to set aside a purported overlapping prospecting right at the Gravenhage Manganese Deposit held by PAMDC. The South African Minister of Mineral Resources has suspended PAMDC's overlapping prospecting right while this internal appeal is heard.

CORPORATE

- Mr Zhaoming Lu and Mr Tim Netscher were appointed to the Company's Board of Directors, following the resignation of Mr Zhihao Dai and Mr Charles Bass.
- Following a A\$66.1 million payment for the Company's FY13 income taxes, cash reserves and liquid investments total approximately A\$516.3 million at the end of the Quarter.



EAGLE DOWNS HARD COKING COAL PROJECT

(Aquila Resources Limited 50%)

Eagle Downs Hard Coking Coal Project (“Eagle Downs”) is one of only two underground longwall hard coking coal mines currently under construction in Australia. It is located to the south of Moranbah in Queensland’s Bowen Basin immediately adjacent to and down dip of BMA’s Peak Downs Mine. Eagle Downs is the flagship asset of the Bowen Central Coal Joint Venture, which is focused on metallurgical coal assets in Central Queensland. The joint venture also contains several earlier stage prospective projects.

Project work completed during the Quarter

Following completion of the installation of the portal arches in August 2013, work continued on the key critical path items, with particular focus on the completion of the tender process for the drift construction and associated contracts.

Gas drainage continued from the established wells throughout the Quarter. The gas monitoring program will be used to characterise the gas reservoir and underpin the design of the project gas drainage system. The application process for the petroleum lease (PLa 485) over the Eagle Downs project area is ongoing.

Contracts

The drifts construction contract was awarded to WDS Limited in December 2013. With an estimated cost of \$142.8 million, the drifts contract covers the construction of two drifts extending on a decline approximately 2km to a vertical depth of 270m to provide access for men and materials and the drift conveyor. Mobilisation is expected in the March Quarter 2014 with construction of the drifts expected to be completed by the end of CY2015.

Further work was undertaken to progress major work packages including site power supply, raw water supply and construction accommodation. In addition, tenders are being finalised for drilling within the project area to determine coal quality and to further define the planned mining areas.

It is expected that work will commence in the March Quarter on preparation for tendering work packages covering ventilation shafts, development and longwall equipment underground conveyors and the coal handling and preparation plant (including rail loop and loading facilities).

Project Costs and Schedule

Costs for the project to date are under budget and project construction remains on track to be completed in H1 of CY2017.

Exploration

Eagle Downs South

The Eagle Downs South tenement represents the balance of the original Eagle Downs Coal Exploration Permit (EPC 755). Work during the Quarter included tendering the management, drilling and support for the exploration program relating to the Eagle Downs South tenement to determine the extent of the Resource in that area. The drilling program will target similar measures and seams as targeted at Eagle Downs which are continuous through the area. It is expected that this drilling program will be completed by the end of the financial year. In addition an application was made for a Mineral Development Licence (MDLa 519) to cover Eagle Downs South during the Quarter.

Exevale

The Exevale Project represents a number of tenements located immediately north of Rio Tinto’s Hail Creek mine and has an identified Resource in the Rangal measures. The Exevale Mineral Development Licence (MDL 442) was granted in the Quarter and will commence for a term of five years from 1 January 2014.



Figure 1 : Raw water dam at Eagle Downs



WASHPPOOL HARD COKING COAL PROJECT

(Aquila Resources Limited 100%)

The Washpool Hard Coking Coal Project (“Washpool”) is a proposed open cut coal mine situated in the Bowen Basin, Central Queensland. It is located 200km west of Rockhampton, 60km to the north-east of Emerald and 24km to the northwest of Blackwater and is positioned between the Curragh Coal Mine (to the east) and Ensham Coal Mine (to the west).

Yield Optimisation Study

Utilising the coal samples from the large diameter core taken from Washpool in the September Quarter 2013, liberation studies were undertaken to evaluate the impacts of increased crushing on the product yield and ash. This has involved testing yield improvements and ash optimisation with a range of various sized samples and understanding the washability implications of this process. Cost benefits were evaluated for various options which indicated an approximate 6-9% increase in yield is possible which equates to approximately 15-23% more product coal for a similar mining cost.

Mine Planning

Revised mine plans have been developed to optimise production and minimise stripping costs while delaying the requirement for the introduction of levees. It is expected that the impact of these changes will be to reduce mining costs, which when accompanied by the improved yield, are expected to improve the FOB project costs.

Blending Study

Work commenced on confirmatory blending tests utilising the Washpool coking coal mixed with a complementary Rangals coking coal. The test involves mixing the Washpool coal with a softer coking coal to achieve not only a marketable product but also verify the potential upside achievable from blending other coals with the Washpool coal. The testing will culminate in a full scale coking oven test to identify the coke strength and other properties of the blend. Results are expected in the March Quarter 2014.

Supplementary Report

A supplementary report to the Definitive Feasibility Study is scheduled to be completed during the March Quarter and will include the results of the yield optimisation study, the blending study, a revision of the mine plan, surface infrastructure and an approvals update. The supplementary report will also include revised capital and operating costs.

Approvals

Negotiations are continuing with the Department of Environment and Heritage Protection to finalise the outstanding elements of the Environmental Management Plan prior to receiving the Draft Environmental Authority (“EA”).

Field work and studies on the outstanding elements were completed during the Quarter with both soil and ecological surveys performed within the project area, in addition to the construction of another four groundwater monitoring bores to further review and confirm the groundwater model results. These studies are expected to be finalised early in the March Quarter. Following receipt of the Draft EA, the Mining Leases are expected to be granted in the December Quarter 2014, subject to landholder compensation.



Figure 2 : Washpool coal undergoing coke testing



WEST PILBARA IRON ORE PROJECT

(Aquila Resources Limited 50%)

The West Pilbara Iron Ore Project (“West Pilbara”), located in Western Australia, is one of Australia’s most substantial greenfield iron ore projects. Stage 1 will involve the construction and development of eight mines, approximately 282km of heavy haul rail infrastructure and a multi user deep water port at Anketell Point.

There were no LTIs during the Quarter, with the 12 months rolling average LTI Frequency Rate now declining to zero during the Quarter.

Project work completed during the Quarter

Mine and Rail

- Heritage fieldwork under the section 16 permit obtained in the June Quarter 2013 involving phase 1 assessments was completed within the mine area.
- Native title negotiations continue with the Kuruma Marthudunera and Puutu Kunti Kurrama & Pinkura people.
- To fulfil conditions of the mine and rail environmental approval, a number of reports were submitted, including:
 - the Mine and Rail Compliance Assessment Report (Condition 4, Ministerial Statement 881); and
 - the Triodia sp. Robe River PEC Impact Minimisation Report (Condition 7, Ministerial Statement 881).

Port

- A State of the Marine Environment Survey Plan (Condition 10, Ministerial Statement 930) was approved by the Environmental Protection Authority (“EPA”).
- To fulfil conditions of the Anketell Port environmental approval, a number of reports fulfilling conditions were submitted, including:
 - Coastal Habitat Management Plan (Condition 11, Ministerial Statement 930); and
 - Introduced Marine Pests Monitoring Program (Condition 15, Ministerial Statement 930).

Hardey Project

- A Mining Lease application covering the Resources and associated facilities was submitted to the Department of Mines and Petroleum.
- The EPA approved a Compliance Assessment Plan on 12 November 2013 in fulfilment of Condition 4, Ministerial Statement 944.

Exploration

Exploration work continued targeting Channel Iron Deposits (“CID”) and included RC drilling, geological mapping and rock chip sampling with 1,076 samples collected across the broader project area. A total of 247 RC drill holes for 9,668m were completed across multiple prospect areas (Figure 1). CID have been formed by the alluvial and chemical deposition of iron rich sediments in palaeo-river channels after erosion and weathering of lateratized Hamersley Group sediments.

Better intercepts included ($\geq 30\text{m}$ thick):

- 36m @ 58.86% Fe from 2m in KBRC1124.
- 30m @ 58.56% Fe from 4m in KBRC1125.
- 34m @ 57.83% Fe from surface in KBRC1126.
- 32m @ 58.04% Fe from 44m in YARC276.
- 30m @ 55.67% Fe from 44m in YARC285.

Intercepts are true widths and calculated for greater than 54% Fe. A full set of intercepts (intercepts $\geq 15\text{m}$ thick) are reported in Table 1 and Figures 2, 3 and 4 show the location of drill holes.

Infill RC drilling will recommence across several prospect areas and outstanding assay results from the recent drilling programme will be reported in the March Quarter.

Infill RC drilling was completed at the Kens Bore deposit to provide greater definition to the defined ore zones. Drilling has validated the geological model used in the resource estimation in those areas drilled.

RC drilling completed at Kens Bore East continues to define an area of enriched CID. The remnant CID flanks the current day drainage and extends to a depth of approximately 30m. Further drilling and interpretation of results is required prior to a resource estimate being undertaken.



Infill RC drilling completed at the Ward prospect targeted areas of remnant CID along the flank of the current day drainage. The majority of the CID has been eroded by the current drainage; isolated remnants have been targeted and assessed where access could be established. Further work, including mapping and drilling, is required to determine the extent and geometry of the remnant blocks of CID.

The programme of infill RC drilling completed at Robe Exit CID targeted the limits of the defined ore zones used for resource estimation. Results have confirmed the geological interpretation and validated the defined ore zones. Drill holes YARC276 & 285 established the continuation of a deeper mineralised zone, from approximately

40m. Further drilling is required in this area to confirm the limits of the enriched CID. Widths and grades of the enriched CID returned from the drilling are consistent to earlier drilling.

FY2014 Budget Dispute

As previously reported in the June 2013 Quarterly Report, the West Pilbara Iron Ore Project has moved to minimum expenditure in FY2014, as AMCI (IO) Pty Ltd would not support the proposed budget recommended by the management company, which Aquila Steel supported (subject to the addition and re-sequencing of certain works).

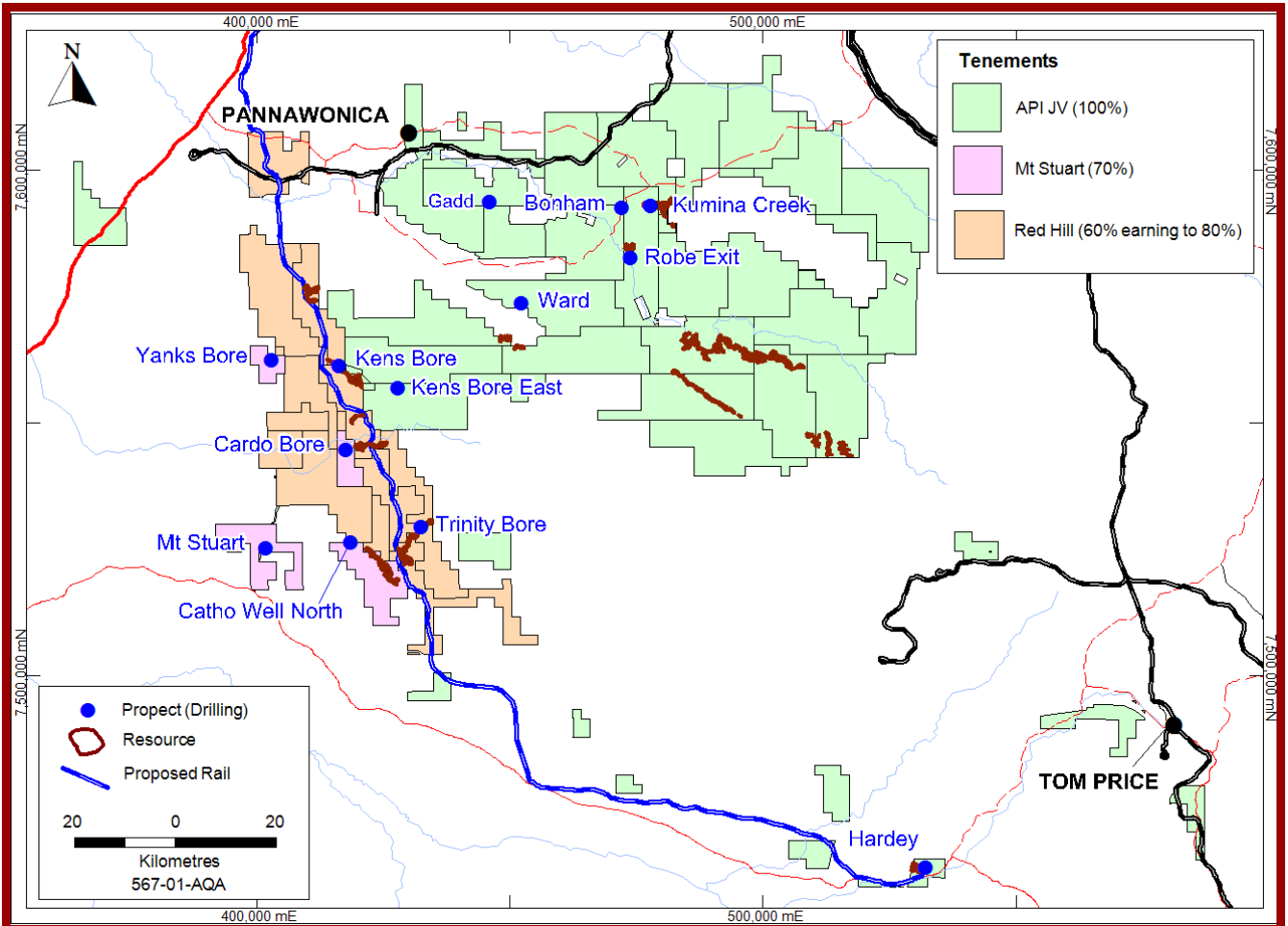


Figure 3 : West Pilbara – prospects and current Resources

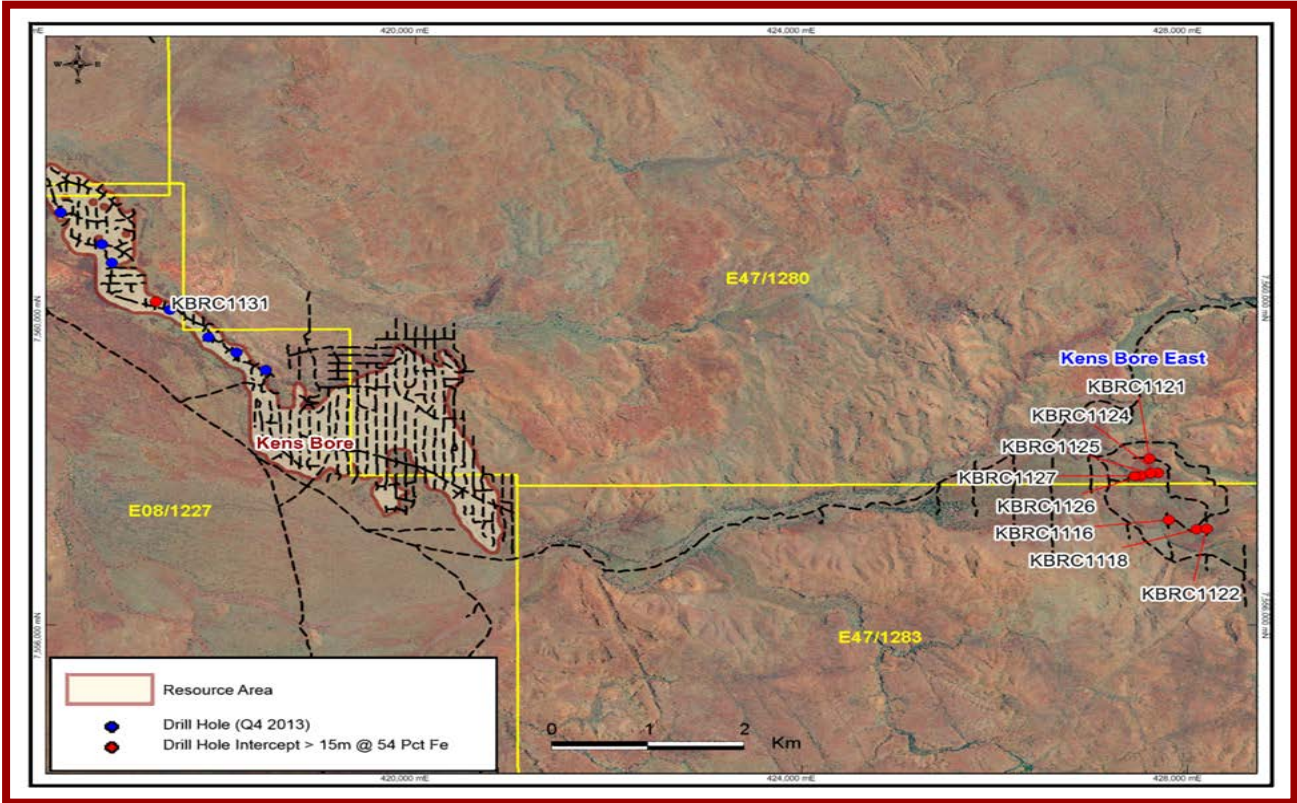


Figure 4 : Kens Bore and Kens Bore East - Drill hole location plan and assay results

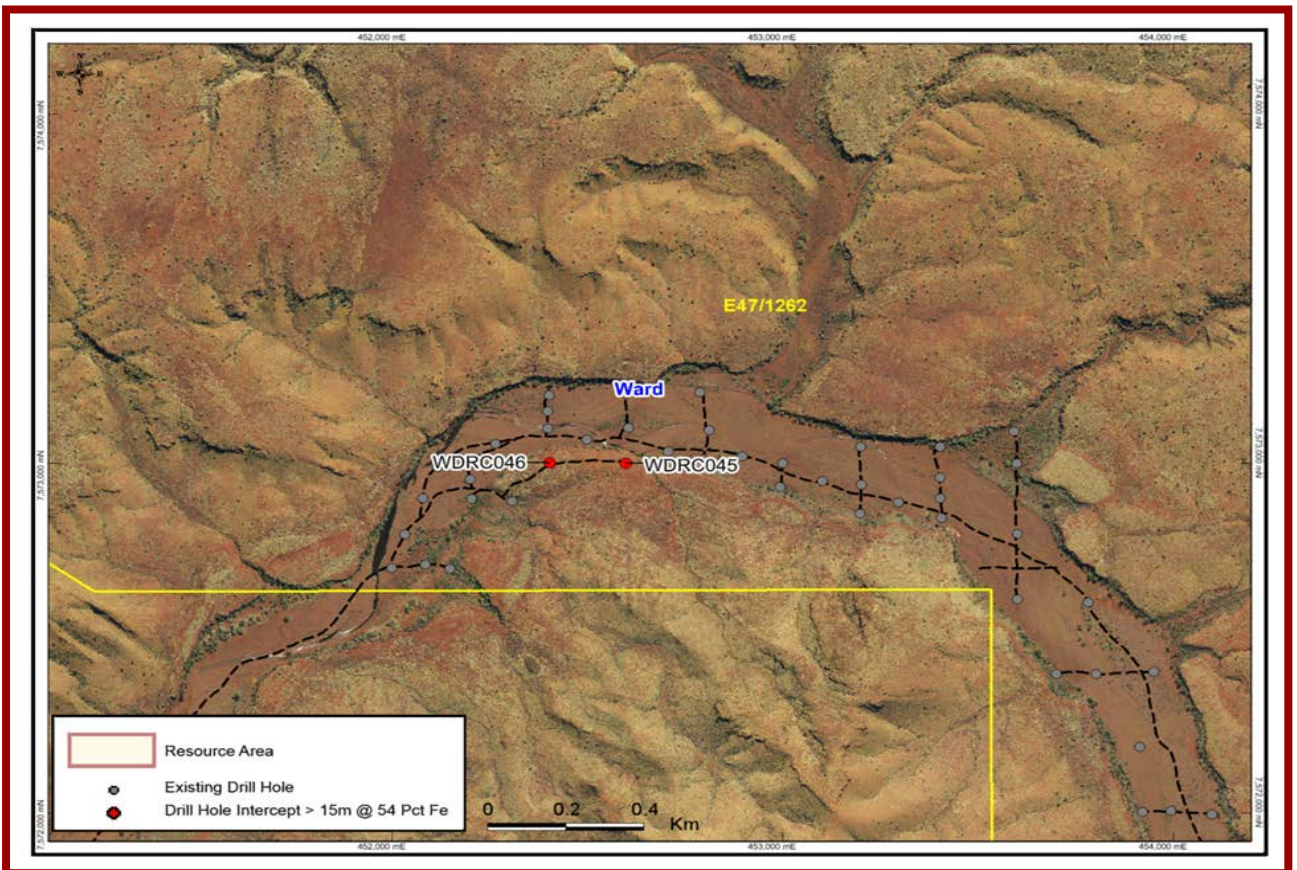


Figure 5: Ward- drill hole location plan

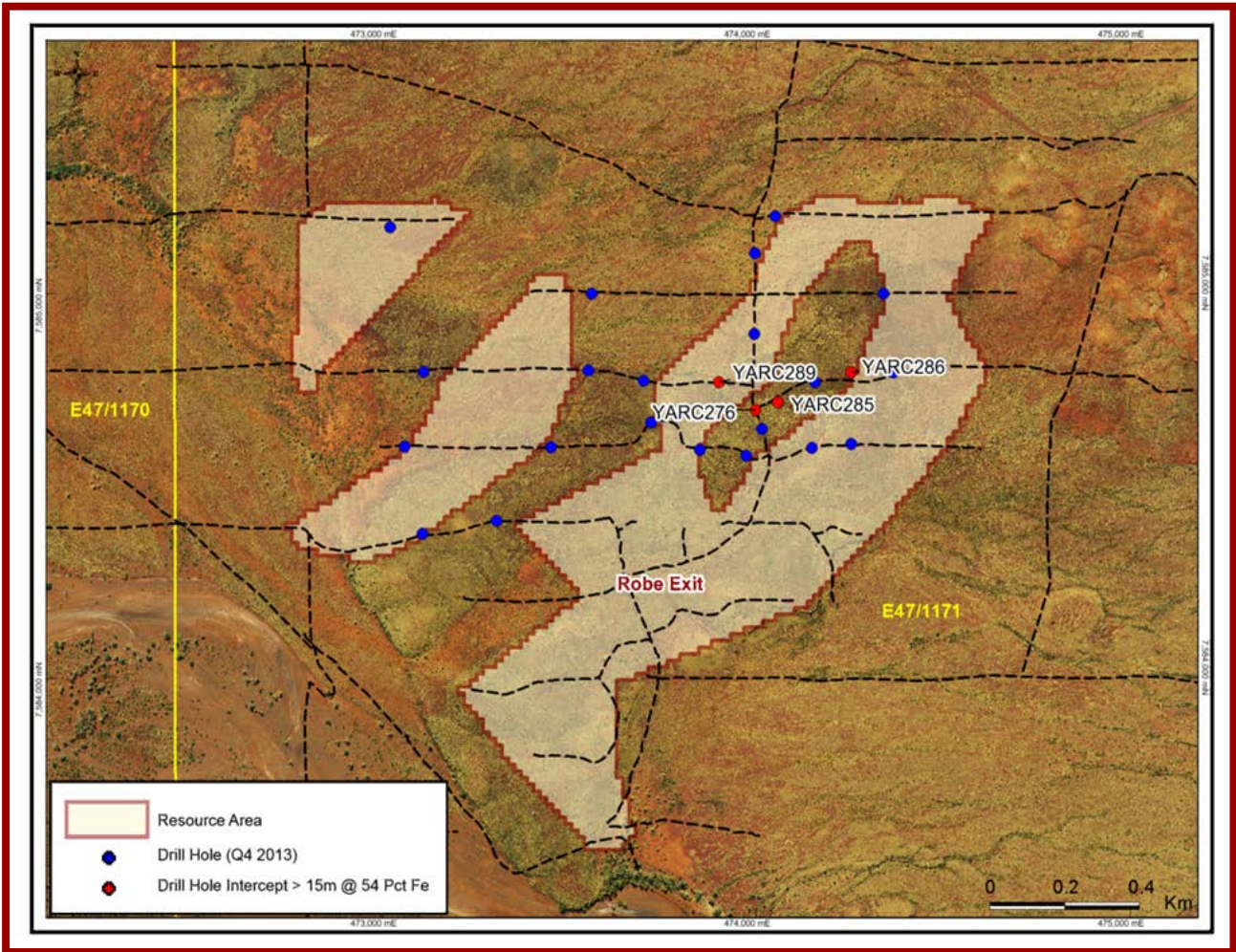


Figure 6 : Robe Exit - drill hole location plan



THABAZIMBI IRON ORE PROJECT

(Aquila Resources Limited 74%)

The Thabazimbi Iron Ore Project (“Thabazimbi”) is located in a traditional iron ore mining area approximately 30km east of the town of Thabazimbi in the Limpopo Province, South Africa, approximately 230km north of Johannesburg, and comprises five New Order prospecting rights or tenements, with the Meletse Deposit located on the Donkepoort Prospecting Right.

There were no LTIs during the Quarter, with the 12 month rolling average LTI Frequency Rate remaining at zero.

Project work completed during the Quarter

The Environmental Scoping Report was submitted to the Department of Mineral Resources in accordance with the timelines specified in the Department’s acceptance letter for the Meletse Mining Right application.

An environmental authorisation application for the Meletse Deposit was submitted to, and accepted by, the Limpopo Department of Economic Development, Environment and Tourism. Following that acceptance, the project can now proceed with the Environmental Scoping and EIA phases.

The Company was invited to attend a volumes validation session with Transnet’s Iron Business Unit. Transnet plans to use information discussed during this session in its market demand strategy which drives Transnet’s export channel development activities.

Transnet has confirmed that the Company will also be invited to participate in further study progress meetings regarding the Waterberg Heavy Haul line, as the Meletse Deposit’s volume requirements have been included in the study scope.

Exploration

Geological mapping and rock chip sampling programs continued west and south of the Meletse Deposit (Figure 7). At Randstephanie South Prospect, iron ore outcrops have been defined over a 600m east-west strike, dipping moderately south at the basal contact between the Penge Banded Iron Formation (“BIF”) and Dolomite. Rock chip assays received from Randstephanie South range up to 67% Fe with very low deleterious minor elements (see Figure 9 and Table 2).

A new iron ore outcrop has been identified at Randstephanie North (Figure 7). A 250m long iron ore outcrop, approximately 20m thick is located at the favourable Penge BIF-dolomite contact and is scree covered further west and fault bound to the east. It is interpreted that the two Randstephanie outcrops represent a thrust and duplicated sequence of related iron ore mineralization that is separated from the Meletse ore body by secondary thrust faults. Detailed geological mapping and rock chip sampling is in progress.

A program of scout drilling to test both Randstephanie North and South prospects is scheduled for early to mid 2014.

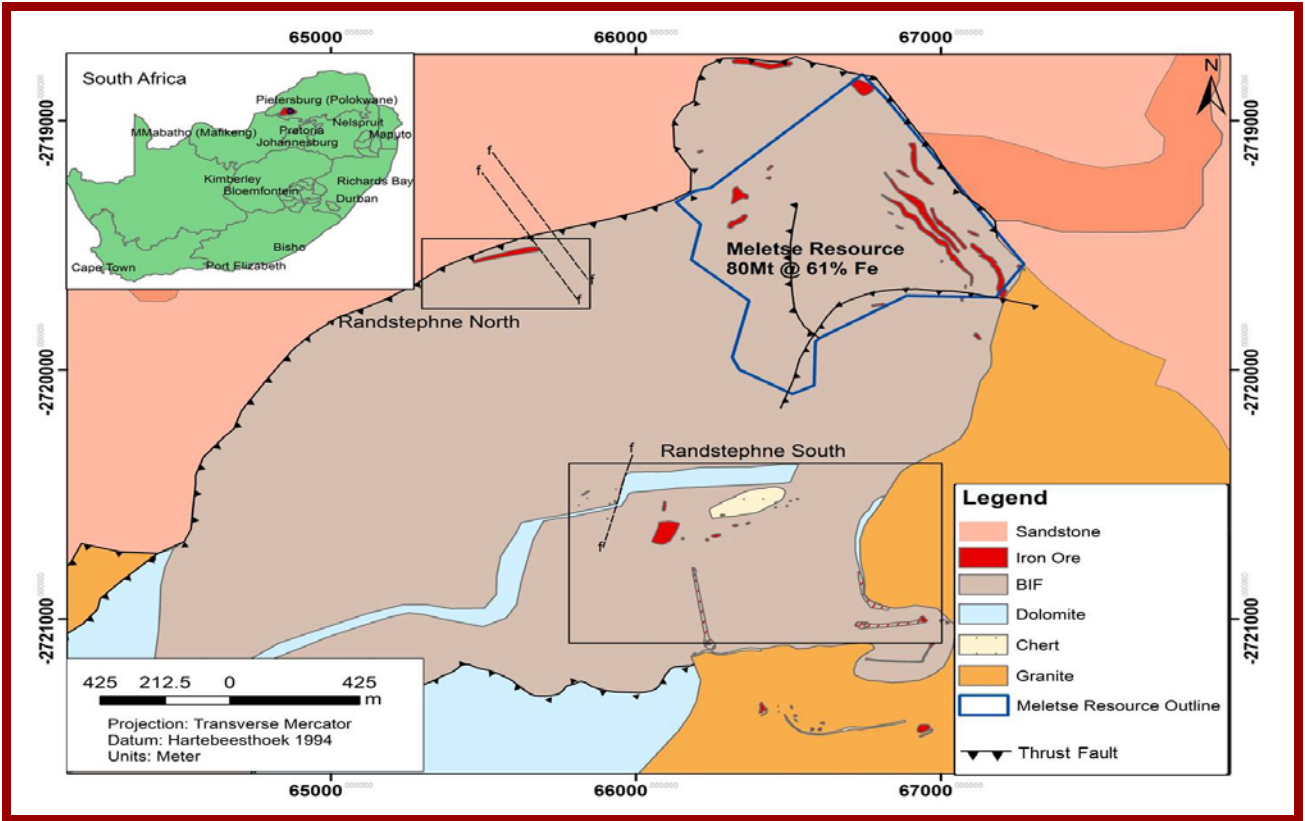


Figure 7 : Meletse Deposit and Randstephanie Prospects – location and geology

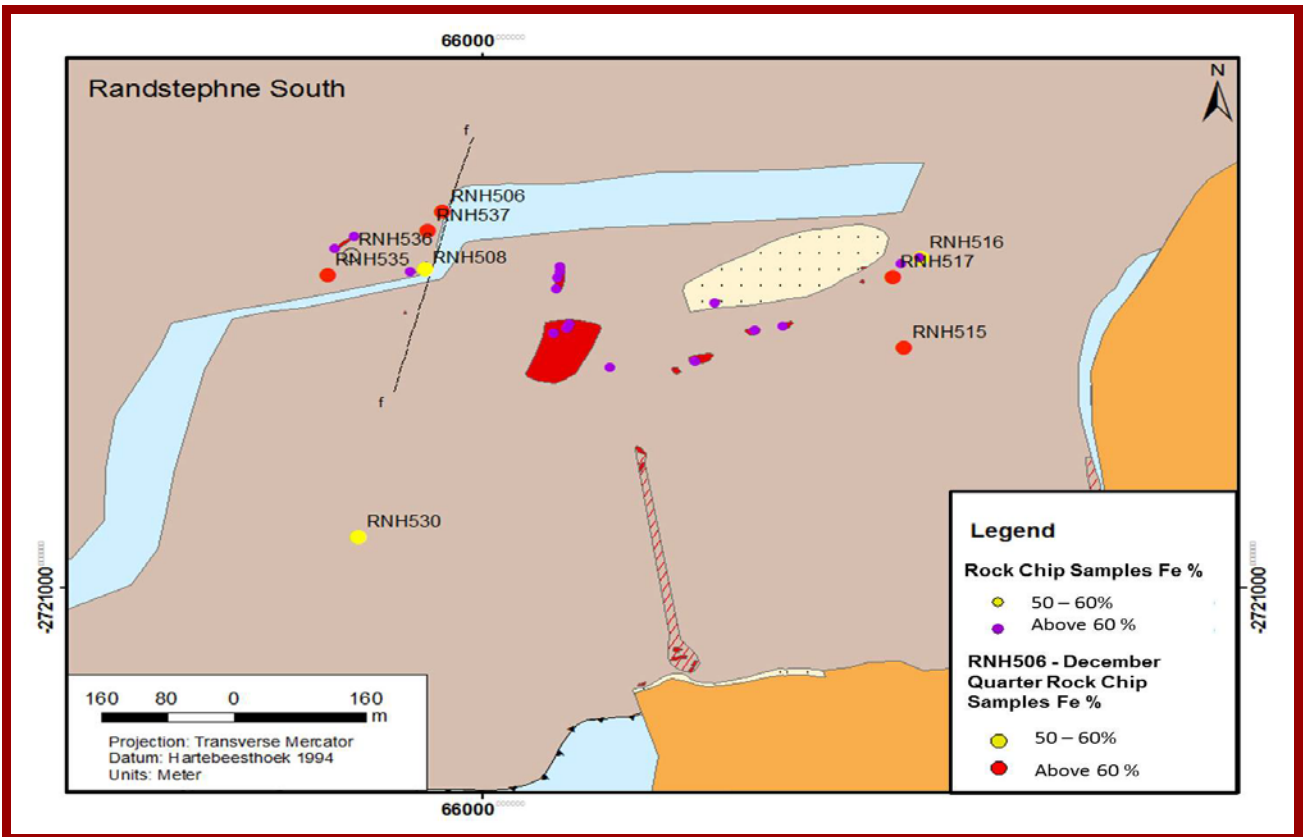


Figure 8 : Randstephanie South Prospects – location and geology

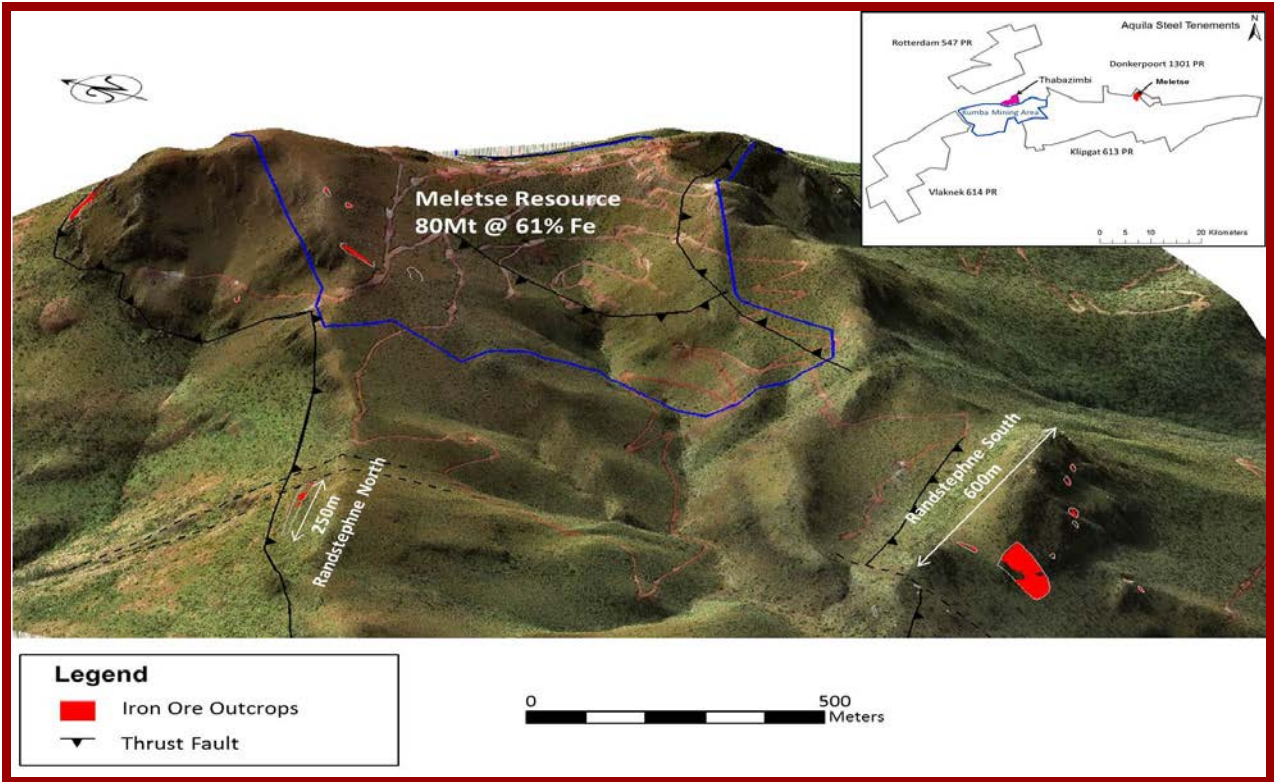


Figure 9 : Meletse Deposit and Randstephanie Prospects – iron ore outcrops and topography



NORTHERN CAPE IRON ORE PROJECT

(Aquila Resources Limited 74%)

The Company is exploring for iron ore deposits over extensive areas of BIF outcrops within the Orange River and Blackridge Prospecting Rights in the Northern Cape Province of South Africa.

Exploration

Geological mapping and outcrop sampling commenced at the Waterkloof Prospect located within the Blackridge Prospecting Right (Figure 10). 100 rock chip samples were collected and significant Fe assays are listed in Appendix 3.

Four areas of iron ore outcrops have been identified (see Figure 11) and in Area C, Aquila drillhole WKEX008 reported earlier in 2013, intersected 25m at 62% Fe from surface.

Geological mapping focussed upon Area A where iron ore outcrops have been defined over a 750m north trending strike, with assays ranging up to 67% Fe with low deleterious minor elements (Appendix 3 and Figure 12). The iron ore outcrop zones occur along structural corridors within weakly to moderately folded Roinekke BIF. Detailed geological mapping and systematic rock chip sampling is continuing and a scout RC drilling program is scheduled for the March Quarter.

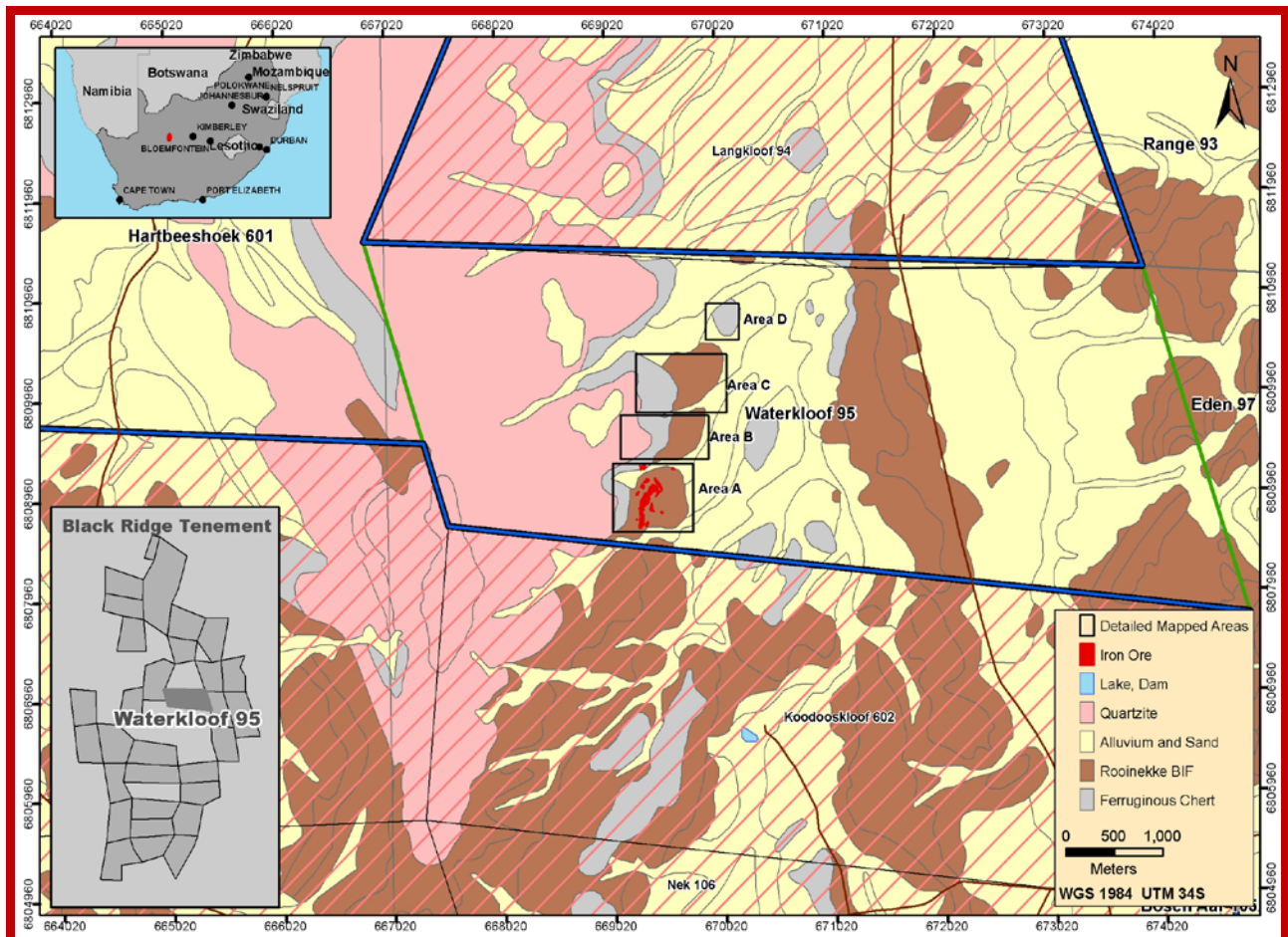


Figure 10: Waterkloof Prospect – location and geology

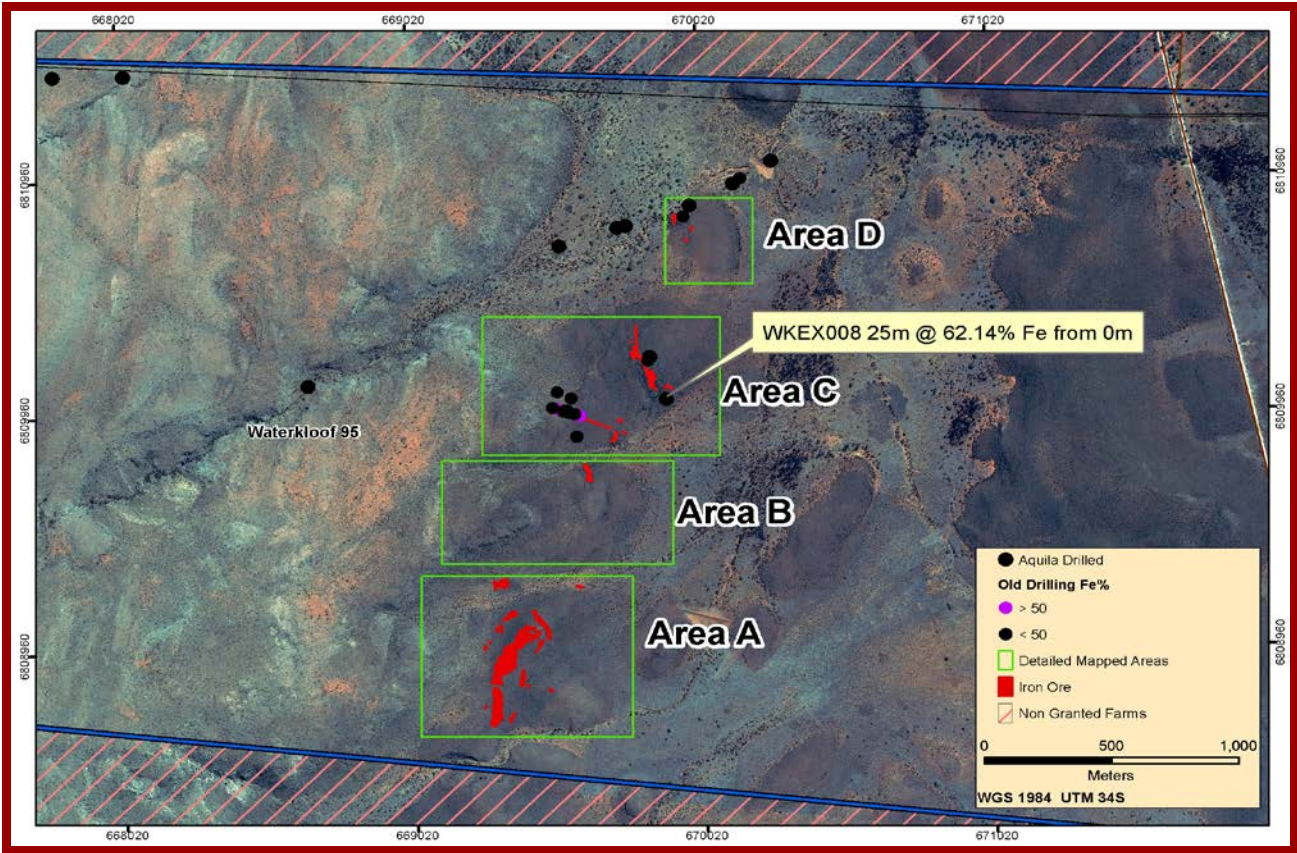


Figure 11: Waterkloof Prospect areas

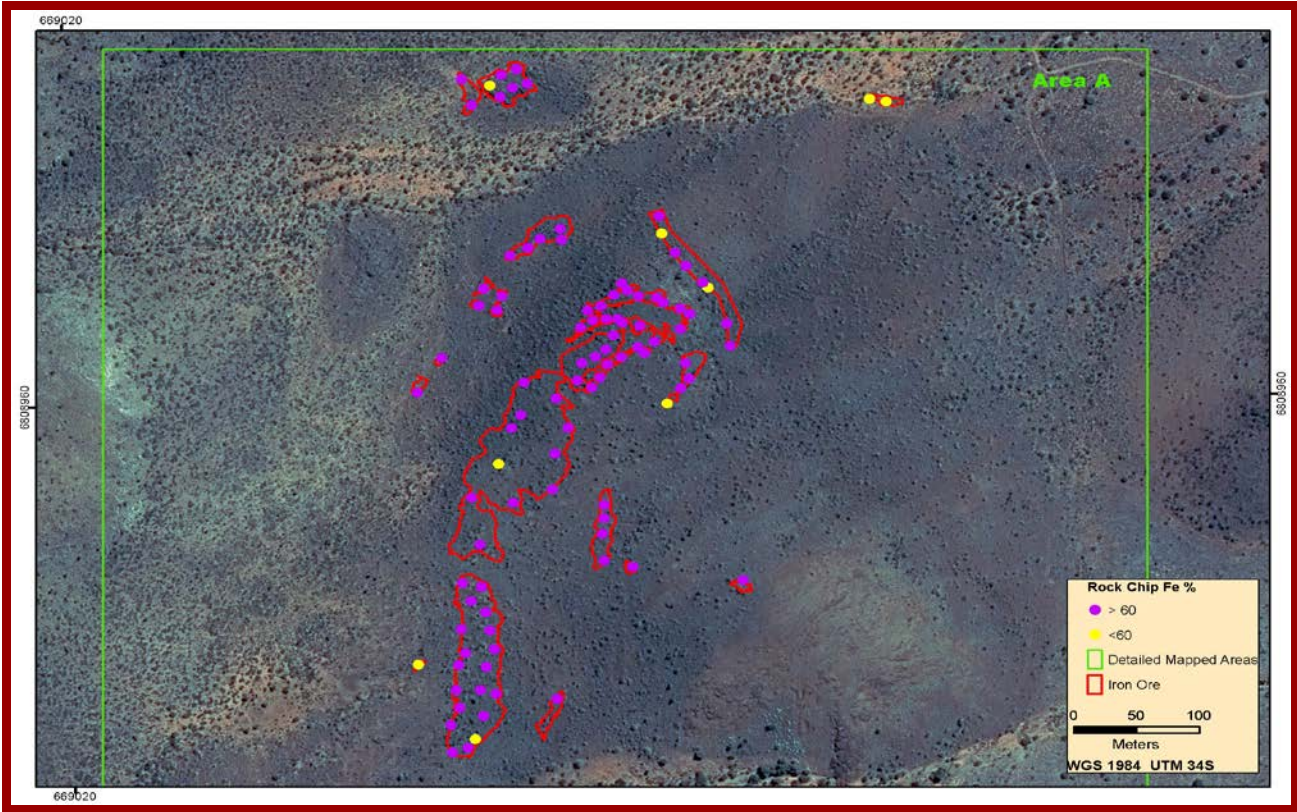


Figure 12: Waterkloof Prospect – area A rock chip outcrop sample assays



AVONTUUR MANGANESE PROJECT

(Aquila Resources Limited 74%)

The Gravenhage Manganese Deposit is situated at the northern end of the Company's Avontuur tenement, which is located approximately 30km north of the Kalahari Manganese Field, South Africa's premier manganese producing area.

There were no LTIs during the Quarter and the 12 month rolling average LTI Frequency Rate remains at zero.

Gravenhage Mining Right Application

As previously advised, the Company commenced an internal appeal to the South African Department of Mineral Resources ("DMR") to set aside a purported overlapping prospecting right held by PAMDC over the Company's Gravenhage Manganese Deposit. The South African Minister of Mineral Resources ("Minister") has suspended PAMDC's overlapping prospecting right while this internal appeal is heard. Regrettably, the DMR has failed to comply with a previously agreed timetable for concluding the internal appeal process, citing PAMDC's delay in responding to the Company's notice of internal appeal, and has declined to agree to a revised timetable. To avoid any further unnecessary delay, the Company will now consider commencing judicial review proceedings in the High Court of South Africa (Gauteng Division, Pretoria) seeking an order directing the Minister to make a decision on the grant of the mining right for the Company's Gravenhage Manganese Deposit.

Project work completed during the Quarter

An open pit and underground mining optimisation study was completed, based on the updated Resource released during the previous Quarter. The study indicates that there is potential to significantly increase the current Reserves, subject to further work being undertaken.

The Company was invited to submit a response to the MECA 2 Allocation Process Document issued by Transnet for interim capacity allocation on the manganese export channel. A response with supporting documents was submitted, requesting export allocation in line with the project's planned development schedule. Transnet plans for interim capacity allocations to be made during the March Quarter.

CORPORATE

BOARD

Mr Charles Bass retired from the Company's Board of Directors during the Quarter. Mr Bass was a non-executive director of the Company since its inception. Mr Zhihao Dai (being Baosteel's former board nominee) also retired as a non-executive director of the Company during the Quarter, following his appointment as President of Baoshan Iron and Steel Co. Ltd.

In addition, Mr Zhaoming Lu (being Baosteel's new board nominee) and Mr Tim Netscher were appointed as non-executive directors of the Company during the Quarter.

INSURANCE CLAIM

In relation to the insurance claim for property damage and business interruption resulting from the flooding event that occurred at the Isaac Plains Coal Mine in December 2010, the Company attended a meeting with the insurers to discuss the insurers' initial views on the claim. Failing an acceptable settlement, the Company will consider legal action to pursue the insurance claim.

CASH RESERVES AND LIQUID INVESTMENTS

Following a A\$66.1 million payment for the company's FY13 income taxes, cash reserves and liquid investments total approximately A\$516.3 million at the end of the Quarter.

For further information please contact:

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APPENDIX - 1

West Pilbara Iron Ore Project – Table 1

Better drilling intercepts

Project	Prospect	Hole ID	Easting	Northing	RL	From	Intercept	Al ₂ O ₃ %	SiO ₂ %	P %	S %	LOI %	Hole Depth
APIJV	KB East*	KBRC1116	427803	7557324	299	12	18m @ 58.25% Fe	2.88	4.84	0.141	0.007	8.36	58
APIJV	KB East*	KBRC1118	428093	7557209	336	0	28m @ 59.67% Fe	2.55	3.68	0.120	0.009	7.76	52
APIJV	KB East*	KBRC1121	427601	7558101	296	6	18m @ 55.81% Fe	3.68	5.89	0.110	0.012	9.79	58
APIJV	KB East*	KBRC1122	428196	7557215	312	0	26m @ 58.16% Fe	2.88	4.98	0.104	0.013	8.30	58
APIJV	KB East*	KBRC1124	427695	7557921	287	2	36m @ 58.86% Fe	2.72	3.90	0.120	0.010	8.56	52
APIJV	KB East*	KBRC1125	427609	7557912	296	4	30m @ 58.56% Fe	2.48	4.87	0.124	0.008	8.24	52
APIJV	KB East*	KBRC1126	427511	7557877	296	0	34m @ 57.83% Fe	2.88	6.00	0.112	0.009	7.69	52
APIJV	KB East*	KBRC1127	427451	7557878	288	4	26m @ 56.88% Fe	2.50	6.64	0.130	0.006	8.80	58
APIJV	Ward	WDRC045	452598	7573001	336	0	20m @ 58.87% Fe	2.48	4.19	0.110	0.015	8.64	66
APIJV	Ward	WDRC045	452598	7573001	336	24	16m @ 56.15% Fe	2.46	6.45	0.182	0.011	10.00	66
APIJV	Ward	WDRC046	452404	7573003	339	4	22m @ 58.21% Fe	2.49	5.14	0.117	0.015	8.57	66
RHIOJV	Kens Bore	KBRC1131	417305	7560081	252	0	16m @ 56.75% Fe	3.55	5.94	0.075	0.026	8.38	58
Yalleen	Robe Exit	YARC276	473998	7584697	319	44	32m @ 58.04% Fe	3.27	4.33	0.057	0.012	8.90	82
Yalleen	Robe Exit	YARC285	474057	7584717	320	44	30m @ 55.67% Fe	4.46	5.79	0.059	0.014	9.65	82
Yalleen	Robe Exit	YARC286	474254	7584795	308	40	18m @ 57.27% Fe	3.54	4.63	0.051	0.018	9.55	70
Yalleen	Robe Exit	YARC289	473900	7584770	305	38	28m @ 56.00% Fe	4.32	5.62	0.068	0.008	9.29	70

Intercepts shown are for intercepts ≥ 15m thick using a 54% Fe cut-off. KB East* = Kens Bore East.
All drill holes were drilled vertically.

APPENDIX - 2

Thabazimbi Iron Ore Project – Table 2

Randstephanie South Prospect – rock chip outcrop sample assays

Sample ID	Easting*	Northing*	Fe %	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	CaO %	MgO %	K ₂ O %	MnO %	P %	S %	LOI %
RNH506	-65951	2720450	64.14	6.17	1.46	91.68	0.02	0.27	<0.03	<0.01	0.04	0.02	<0.01	0.35
RNH508	-65930	2720535	59.87	11.63	1.17	85.58	0.07	0.24	<0.03	<0.01	0.06	0.14	<0.01	1.19
RNH515	-66509	2720649	62.54	0.75	0.44	90.39	0.01	0.05	<0.03	<0.01	5.59	0.07	<0.01	2.12
RNH516	-66530	2720518	59.96	13.05	0.16	85.70	<0.01	0.04	<0.03	<0.01	0.01	0.02	<0.01	0.30
RNH517	-66495	2720546	67.12	3.07	0.19	95.93	<0.01	0.07	<0.03	<0.01	0.02	<0.01	<0.01	0.16
RNH530	-65850	2720926	58.23	10.18	1.18	83.23	0.07	0.04	<0.03	<0.01	0.77	0.07	<0.01	3.52
RNH535	-65813	2720543	64.24	1.08	0.45	91.82	<0.01	0.07	<0.03	<0.01	0.09	0.19	<0.01	4.71
RNH536	-65841	2720514	46.94	27.62	1.35	67.09	0.11	<0.01	<0.03	0.02	2.13	0.04	<0.01	1.85
RNH537	-65934	2720479	64.50	1.33	0.85	92.63	0.02	0.05	<0.03	0.06	2.68	0.03	<0.01	1.05

* Coordinate system: South Africa, WG 27, Hartebeesthoek 94.

2kg Rock chip samples were taken from the outcrops, XRF analysis by SABS laboratory, Pretoria.

APPENDIX - 3

Northern Cape Iron Ore Project – Table 3

Waterkoolf Prospect - area A rock chip sample assays

Sample ID	Easting*	Northing*	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	CaO %	MgO %	K ₂ O %	Mn %	P %	LOI %	RD (g/cm ³)
L3101	669,483	6,809,009	63.47	5.07	0.65	0.19	0.03	0.15	0.09	0.08	0.100	1.40	4.87
L3102	669,481	6,809,029	66.03	2.07	0.73	0.08	0.03	0.15	0.09	0.05	0.030	1.34	5.06
L3103	669,468	6,809,062	57.88	2.67	1.25	0.11	0.03	0.15	0.09	6.45	0.070	2.65	4.99
L3104	669,465	6,809,066	65.41	2.01	1.06	0.08	0.03	0.15	0.09	0.05	0.090	1.41	5.05
L3105	669,453	6,809,081	64.43	3.55	0.72	0.07	0.07	0.15	0.09	0.03	0.060	1.92	4.89
L3106	669,446	6,809,093	65.49	3.36	0.92	0.09	0.06	0.15	0.09	0.04	0.020	1.12	4.95
L3107	669,436	6,809,111	54.30	17.41	0.71	0.08	0.03	0.15	0.09	0.16	0.110	1.92	4.32
L3108	669,435	6,809,126	66.29	2.31	0.56	0.06	0.03	0.15	0.09	0.01	0.020	0.48	5.18
L3109	669,366	6,809,116	65.76	2.37	0.53	0.09	0.03	0.15	0.09	0.04	0.080	1.63	4.89
L3110	669,367	6,809,106	65.63	1.43	0.64	0.09	0.03	0.15	0.09	0.02	0.130	2.15	4.93
L3111	669,352	6,809,107	61.30	3.64	1.91	0.13	0.03	0.15	0.09	1.48	0.120	3.05	4.66
L3112	669,343	6,809,099	63.68	2.64	0.99	0.12	0.03	0.15	0.09	0.62	0.110	3.50	4.70
L3113	669,331	6,809,092	66.46	2.37	0.20	0.06	0.03	0.15	0.09	0.06	0.050	0.42	5.13
L3114	669,308	6,809,047	63.31	2.94	0.60	0.06	0.17	0.15	0.09	0.05	0.250	3.76	4.66
L3115	669,312	6,809,062	66.33	1.69	0.63	0.07	0.03	0.15	0.09	0.05	0.110	1.44	4.95
L3116	669,324	6,809,056	65.94	3.36	0.10	0.03	0.03	0.15	0.09	0.04	0.060	0.38	5.08
L3117	669,321	6,809,043	66.54	1.87	0.30	0.06	0.09	0.15	0.09	0.02	0.070	1.11	5.07
L3118	669,408	6,809,066	65.32	4.66	0.10	0.10	0.03	0.15	0.09	0.02	0.050	0.99	4.93
L3119	669,384	6,809,042	65.13	2.90	0.45	0.07	0.03	0.15	0.09	0.03	0.120	1.52	4.94
L3120	669,393	6,809,046	65.21	3.96	0.29	0.06	0.03	0.15	0.09	0.03	0.030	0.51	5.02
L3121	669,402	6,809,056	67.39	1.73	0.44	0.09	0.03	0.15	0.09	0.03	0.050	1.18	5.05
L3122	669,412	6,809,059	66.30	1.77	0.63	0.10	0.03	0.15	0.09	0.02	0.060	0.85	5.05
L3123	669,420	6,809,054	64.51	3.55	0.83	0.07	0.03	0.15	0.09	0.02	0.070	1.89	4.81
L3124	669,432	6,809,053	66.42	3.02	0.64	0.13	0.03	0.15	0.09	0.05	0.040	0.63	5.05
L3125	669,437	6,809,048	65.61	3.54	0.25	0.05	0.03	0.15	0.09	0.08	0.050	0.42	5.05
L3126	669,379	6,809,027	65.08	2.48	0.69	0.07	0.08	0.15	0.09	0.03	0.100	1.66	4.77
L3127	669,387	6,809,033	64.17	3.06	0.64	0.05	0.07	0.15	0.09	0.04	0.150	3.11	4.68
L3128	669,397	6,809,034	62.86	7.92	0.10	0.03	0.03	0.15	0.09	0.02	0.020	0.39	4.88
L3129	669,405	6,809,034	66.09	2.67	0.75	0.10	0.03	0.15	0.09	0.06	0.040	1.03	5.02
L3130	669,408	6,809,031	66.03	2.83	0.75	0.11	0.03	0.15	0.09	0.05	0.040	1.00	5.03
L3131	669,420	6,809,028	63.93	4.08	0.64	0.10	0.03	0.15	0.09	0.04	0.080	1.90	4.85
L3132	669,430	6,809,013	66.08	1.66	0.69	0.09	0.03	0.15	0.09	0.27	0.040	0.91	5.09
L3133	669,438	6,808,957	43.78	34.77	0.28	0.05	0.03	0.15	0.09	0.20	0.090	0.91	3.88
L3134	669,448	6,808,971	66.22	1.95	0.70	0.10	0.03	0.15	0.09	0.03	0.050	0.63	5.09
L3135	669,454	6,808,980	66.97	1.80	0.43	0.08	0.03	0.15	0.09	0.06	0.080	0.68	5.13
L3136	669,451	6,808,993	66.19	2.44	0.86	0.13	0.03	0.15	0.09	0.05	0.160	0.92	5.05
L3137	669,448	6,809,024	65.26	2.37	0.53	0.09	0.03	0.15	0.09	0.04	0.150	1.70	4.95
L3138	669,455	6,809,038	63.38	3.60	1.24	0.09	0.08	0.15	0.09	0.05	0.120	2.52	4.80
L3139	669,448	6,809,043	63.94	4.23	1.22	0.09	0.03	0.15	0.09	0.07	0.130	1.55	4.90

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Sample ID	Easting*	Northing*	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	CaO %	MgO %	K ₂ O %	Mn %	P %	LOI %	RD (g/cm ³)
L3140	669,386	6,808,972	67.05	1.61	0.38	0.10	0.03	0.15	0.09	0.09	0.040	0.97	5.12
L3141	669,392	6,808,981	64.68	5.09	0.42	0.11	0.03	0.15	0.09	0.05	0.030	1.57	4.85
L3142	669,397	6,808,993	65.42	3.48	0.10	0.05	0.03	0.15	0.09	0.05	0.020	0.83	5.02
L3143	669,407	6,808,999	66.89	1.66	0.10	0.07	0.03	0.15	0.09	0.08	0.020	1.08	5.10
L3144	669,418	6,809,008	65.65	2.50	0.55	0.04	0.03	0.15	0.09	0.15	0.050	1.23	5.02
L3145	669,423	6,809,003	66.30	2.60	0.21	0.04	0.03	0.15	0.09	0.04	0.030	0.60	5.12
L3146	669,376	6,808,979	62.75	7.81	0.26	0.04	0.03	0.15	0.09	0.10	0.010	0.50	4.86
L3147	669,379	6,808,994	62.54	8.30	0.10	0.06	0.03	0.15	0.09	0.03	0.020	0.33	4.87
L3148	669,389	6,809,000	63.81	7.64	0.20	0.07	0.03	0.15	0.09	0.04	0.010	0.34	4.86
L3149	669,396	6,809,007	66.43	2.78	0.30	0.06	0.03	0.15	0.09	0.04	0.030	0.69	5.08
L3150	669,402	6,809,019	66.19	2.13	0.10	0.08	0.03	0.15	0.09	0.06	0.030	1.02	5.04
L3151	669,339	6,808,977	63.64	2.50	0.55	0.18	0.03	0.15	0.09	0.01	0.110	4.09	4.65
L3152	669,361	6,808,963	65.12	4.39	0.47	0.08	0.03	0.15	0.09	0.10	0.030	0.73	5.01
L3153	669,369	6,808,936	67.79	1.18	0.29	0.07	0.03	0.15	0.09	0.02	0.020	0.46	5.21
L3154	669,359	6,808,913	66.89	3.09	0.27	0.05	0.12	0.15	0.09	0.03	0.020	0.30	5.09
L3155	669,357	6,808,881	65.61	3.24	0.45	0.06	0.03	0.15	0.09	0.03	0.090	0.75	5.09
L3156	669,329	6,808,870	61.94	8.53	0.41	0.04	0.03	0.15	0.09	0.03	0.080	0.41	4.84
L3157	669,306	6,808,832	66.92	2.04	0.45	0.05	0.10	0.15	0.09	0.01	0.050	0.81	5.13
L3158	669,301	6,808,874	63.79	5.40	0.38	0.06	0.07	0.15	0.09	0.03	0.050	0.98	4.90
L3159	669,320	6,808,904	54.17	19.60	0.43	0.07	0.08	0.15	0.09	0.08	0.080	1.10	4.31
L3160	669,329	6,808,937	67.48	2.04	0.27	0.06	0.06	0.15	0.09	0.03	0.020	0.22	5.16
L3161	669,336	6,808,948	65.68	2.78	0.22	0.10	0.03	0.15	0.09	0.03	0.060	1.29	4.98
L3162	669,393	6,808,866	65.35	2.48	0.64	0.07	0.03	0.15	0.09	0.06	0.140	1.28	4.98
L3163	669,393	6,808,854	66.47	2.16	0.34	0.05	0.03	0.15	0.09	0.05	0.030	0.45	5.12
L3164	669,391	6,808,841	66.84	2.04	0.32	0.04	0.17	0.15	0.09	0.04	0.080	1.07	5.05
L3165	669,392	6,808,816	65.85	3.59	0.24	0.04	0.03	0.15	0.09	0.04	0.060	0.50	5.06
L3166	669,412	6,808,810	63.27	2.66	0.28	0.07	0.03	0.15	0.09	2.33	0.070	0.80	5.05
L3167	669,489	6,808,797	64.25	3.43	1.76	0.15	0.08	0.15	0.09	0.05	0.040	1.56	4.90
L3169	669,281	6,809,001	64.87	2.80	0.40	0.16	0.08	0.15	0.09	0.02	0.076	2.64	4.76
L3170	669,264	6,808,970	66.00	2.80	0.70	0.09	0.11	0.15	0.09	0.02	0.120	0.99	5.07
L3171	669,261	6,808,724	57.64	12.20	1.70	0.06	0.15	0.15	0.09	0.02	0.020	2.46	4.44
L3172	669,284	6,808,645	66.23	3.40	0.10	0.11	0.03	0.15	0.09	0.03	0.049	0.69	5.06
L3173	669,295	6,808,648	65.42	4.30	0.60	0.12	0.03	0.15	0.09	0.03	0.029	0.98	4.99
L3174	669,300	6,808,656	57.69	14.60	0.30	0.07	0.03	0.15	0.09	0.01	0.018	0.89	4.56
L3175	669,283	6,808,669	65.05	4.30	0.40	0.08	0.03	0.15	0.09	0.03	0.095	0.96	4.94
L3176	669,290	6,808,685	66.16	1.90	0.30	0.09	0.03	0.15	0.09	0.03	0.048	0.92	5.09
L3177	669,306	6,808,677	67.16	2.60	0.20	0.09	0.03	0.15	0.09	0.01	0.035	0.60	5.11
L3178	669,315	6,808,697	65.85	2.90	0.50	0.07	0.03	0.15	0.09	0.03	0.047	0.88	5.01
L3179	669,304	6,808,701	66.56	2.40	0.50	0.13	0.03	0.15	0.09	0.04	0.074	1.29	4.87
L3180	669,287	6,808,701	65.25	2.50	0.40	0.05	0.03	0.15	0.09	0.03	0.098	2.35	4.98
L3181	669,289	6,808,724	66.32	2.60	0.50	0.06	0.03	0.15	0.09	0.03	0.057	0.97	5.06

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Sample ID	Easting*	Northing*	Fe %	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	CaO %	MgO %	K ₂ O %	Mn %	P %	LOI %	RD (g/cm ³)
L3182	669,308	6,808,722	62.07	7.10	0.50	0.05	0.10	0.15	0.09	0.03	0.181	1.25	4.83
L3183	669,314	6,808,738	65.64	3.40	0.40	0.06	0.03	0.15	0.09	0.03	0.031	0.65	5.09
L3184	669,294	6,808,734	61.07	10.40	0.30	0.04	0.03	0.15	0.09	0.01	0.058	0.69	4.71
L3185	669,291	6,808,756	66.57	2.70	0.40	0.05	0.03	0.15	0.09	0.01	0.043	1.14	5.04
L3186	669,312	6,808,754	67.32	1.60	0.50	0.05	0.03	0.15	0.09	0.04	0.027	0.82	5.13
L3187	669,309	6,808,771	64.39	5.50	0.50	0.06	0.03	0.15	0.09	0.06	0.025	0.84	4.89
L3188	669,299	6,808,781	61.18	8.20	1.10	0.12	0.10	0.15	0.09	0.05	0.030	1.15	4.74
L3189	669,293	6,808,797	65.41	3.00	0.30	0.10	0.12	0.15	0.09	0.04	0.017	0.74	5.06
L3190	669,306	6,808,794	61.03	8.20	0.50	0.09	0.14	0.15	0.09	0.03	0.172	2.15	4.63
L3191	669,358	6,808,692	66.59	1.90	0.60	0.07	0.03	0.15	0.09	0.03	0.103	1.37	4.82
L3192	669,299	6,809,252	62.35	8.60	0.40	0.04	0.03	0.15	0.09	0.03	0.004	0.55	5.03
L3193	669,306	6,809,228	65.85	3.10	0.40	0.10	0.08	0.15	0.09	0.04	0.112	1.15	5.00
L3194	669,319	6,809,246	59.56	9.80	0.30	0.04	0.06	0.15	0.09	0.03	0.207	2.41	4.57
L3195	669,326	6,809,235	64.04	2.60	0.70	0.09	0.03	0.15	0.09	0.04	0.240	2.75	4.78
L3196	669,327	6,809,255	66.71	1.40	0.40	0.05	0.03	0.15	0.09	0.02	0.153	1.48	5.12
L3197	669,334	6,809,243	63.82	5.10	0.70	0.06	0.03	0.15	0.09	0.04	0.188	2.25	4.77
L3198	669,337	6,809,260	65.91	3.00	0.30	0.05	0.09	0.15	0.09	0.02	0.096	0.84	5.03
L3199	669,345	6,809,247	65.32	4.90	0.40	0.07	0.03	0.15	0.09	0.03	0.082	0.45	5.04
L3200	669,584	6,809,230	46.52	29.60	1.00	0.04	0.03	0.15	0.09	0.03	0.080	0.62	4.00

* Coordinate system: Projection WGS 1984, UTM 34 South.

1-2kg Rock chip samples were taken from the outcrops, XRF analysis of fusion beads by Set Point Laboratory, Kempton Park, RSA.

APPENDIX - 4

West Pilbara Iron Ore Project – Table 4

JORC Code 2012 Edition Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Samples for analysis were collected every 2m down hole directly from the cyclone after passing through a three tier riffle splitter mounted on the RC drilling rig. Each sample represented 12% (by volume) of the drilling interval with an average weight of 4kg for a 2m interval. Standards and duplicates were inserted into the sample sequence at the rate of 1 in 50 samples, i.e. every 25th sample was a standard or a duplicate. These samples were used to test the precision and accuracy of the sampling method and laboratory analysis. Sample analysis was completed by SGS Laboratories in Welshpool, WA. Samples were sent direct to the laboratory, sorted, dried and pulverised using a ring mill. Samples were analysed for a suite of elements by X-Ray Fluorescence Spectrometry and gravimetrically for Loss on Ignition (LOI 1000° and LOI 371 °C). Assays were reported to API by email.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> RC drilling utilised a 5 ¼" face sampling hammer.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Sample recoveries and quality were recorded for each sampling interval by the geologist as part of the digital logging system. Samples were classified as dry, damp or wet. Sample recoveries were based on estimates of the size of drill spoil piles and were recorded as a percentage of the expected total sample volume. The majority of drilling was completed above the water table and sample recovery estimates of 100% were the norm. The cyclone was cleaned in between drill holes to minimise sample contamination. Previous twinned hole studies (diamond vs RC) at API project areas indicate minimal sample bias using RC drilling techniques.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All RC drill holes were sampled, assayed and geologically logged. All data and information was validated prior to being uploaded and stored in the API SQL-based geological database in Perth.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample recoveries and quality were recorded for each sampling interval by the geologist as part of the digital logging system. Samples were classified as dry, damp or wet. Sample recoveries were based on estimates of the size of drill spoil piles and were recorded as a percentage of the expected total sample volume. The majority of drilling was completed above the existing water table and recoveries of 100% were therefore the norm. Samples for analysis were collected every 2m down hole directly from the cyclone after passing through a three tier riffle splitter mounted on the RC drilling rig. Each sample represented 12% (by volume) of the drilling interval with an average weight of 4kg for a 2m interval. Duplicate samples were collected every 50th sample. Results were compared on receipt of results from laboratory.
Quality of assay data and laboratory	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<ul style="list-style-type: none"> Sample analysis was completed by SGS Laboratories in Welshpool, WA. Standards and duplicates were inserted into the sample sequence at the rate of 1 in 50 samples, i.e. every

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Criteria	JORC Code explanation	Commentary
Tests	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<p>25th sample was a standard or a duplicate. These samples were used to test the precision and accuracy of the sampling method and / or laboratory analysis. All results show an acceptable level of accuracy and precision.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Laboratory performance was monitored by the submission of analytical standards and the collection of duplicate samples. Standards and duplicates were inserted into the sample sequence at the rate of 1 in 50 samples, i.e. every 25th sample was a standard or a duplicate. Results from the standard and duplicate samples were monitored for any discrepancies throughout the drill programmes. QA/QC reports were routinely generated by API geological staff and any issues were addressed immediately. QA/QC reporting was completed by a Senior Geologist (API). No twinned holes were completed during the programme. No adjustments were made to any of the results. All data management procedures (field and office) are documented.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All drill holes are initially surveyed by handheld GPS and later surveyed by differential GPS utilising an independent contractor (MGA, Zone 50). Drill hole collar co-ordinates were verified in MapInfo GIS software utilising aerial photography as part of API's routine QA/QC procedures. Topographic coverage of all API projects has been established by aerial survey (LIDAR) with a vertical accuracy of $\pm 0.15\text{m}$.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drill hole spacing is sufficient for first pass and infill exploratory drilling to establish geological and grade continuity. No sample compositing has been undertaken.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Ore bodies and the geology described at the RC drilling locations described in this release are all flat lying. All drill holes were vertical. No sample biasing was observed.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> API and SGS communicate on a regular basis and standard chain of custody paperwork is used. Samples are despatched and transported to the laboratory on a regular basis.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> QA/QC procedures and rigorous database validation rules ensures sampling and logging data is validated prior to being used by API Geologists. Independent audits of API's sampling techniques and QA/QC data have been undertaken. Sampling procedures are consistent with industry standards. Any inconsistency within the QA/QC dataset were investigated and action taken as required. API monitors in house all QA/QC data as and when it is received from the laboratory.

APPENDIX - 5

Thabazimbi Iron Ore Project and Northern Cape Iron Ore Project – Table 5

JORC Code 2012 Edition Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Approximately 2kg rock chip grab sample of outcrop rock. Samples were collected at irregular selected intervals along the strike of the outcrop. Thabazimbi Rock Chip Samples were sent direct to the SABS laboratory, Pretoria, South Africa where they were sorted, dried and pulverised using a ring mill. Samples were analysed for a suite of elements by X-Ray Fluorescence Spectrometry and gravimetrically for Loss on Ignition (LOI 1000° and LOI 371 °C). Assays were reported to Aquila by email Northern Cape rock Chip Samples were sent direct to the Set Point Laboratory, Kempton Park, South Africa where they were sorted, dried and pulverised using a ring mill. Samples were analysed for a suite of elements by X-Ray Fluorescence Spectrometry and gravimetrically for Loss on Ignition (LOI 1000° and LOI 371 °C). Assays were reported to Aquila by email
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Not applicable
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not Applicable
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All samples were recorded as Iron Ore Rock Samples
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No external standards or duplicates were used. Sample data was recorded on a GPS tracker and transferred to a GBIS database. The sample size, sample preparation and sample analysis is appropriate for the results reported.

APPENDIX - 5

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Sample analysis was completed by SABS laboratory, Pretoria, South Africa for the Thabazimbi rock chip samples and Set Point Laboratory, Kempton Park, South Africa for the Northern Cape Rock Chip Samples. Laboratory Standards and duplicates were inserted into the sample sequence to test the precision and accuracy of laboratory analysis. All results show an acceptable level of accuracy and precision.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> QA/QC of primary and database protocols were supervised by a Senior Geologist and Database Manager. No discrepancies were reported. No adjustments were made to any of the results. All data management procedures (field and office) are documented.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All Rock Chip sample locations were surveyed by handheld Trimble GPS. Thabazimbi Rock Samples were recorded in coordinate system: South Africa, WG 27, Hartebeesthoek 94 Northern Cape Rock Samples were recorded in coordinate system: Projection WGS 1984, UTM 34 South. Sample locations were verified in MapInfo GIS software utilising aerial photography as part of Aquila's routine QA/QC procedures. Topographic coverage of all rock samples has been established by aerial photography with adequate accuracy for the results presented.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Rock samples were collected at irregular selected intervals along the strike of the rock outcrops and are sufficient to demonstrate grade continuity for first pass scout exploration. No sample compositing from different locations was applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Rock chip samples were collected at irregular intervals along the strike orientation of the rock outcrop. The sample frequency and locations are sufficient to reflect the iron ore mineralization in the area they were sampled.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Aquila field personnel and Project management communicate with the laboratories on a regular basis and standard chain of custody paperwork is used. Samples are dispatched and transported to the laboratory on a regular basis using Aquila personnel.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> QA/QC procedures and rigorous database validation rules ensures sampling and logging data is validated prior to being used by Aquila Geologists. Sampling procedures are consistent with industry standards. Any inconsistency within the QA/QC dataset were investigated and action taken as required. Aquila monitors in house all QA/QC data as and when it is received from the laboratory.

APPENDIX - 6

Schedule of Tenements – Table 6

As at 31 December 2013

Tenement No.	Project Name	Mineral	Notes	Ownership
WESTERN AUSTRALIA				
E45/2603	Mount Grant	All minerals	1	100%
E45/2647	Lever Well	All minerals	1	100%
E47/1376	Mount Bruce	All minerals	1	100%
E47/1412	Rocklea	All minerals	1	100%
E47/1413	Hardey	All minerals	1	100%
E47/1414	Hancock Range	All minerals	1	100%
E47/1415	Austin Creek East	All minerals	1	100%
E47/1416	Nammuldi	All minerals	1	100%
E47/1417	Meteorite Bore	All minerals	1	100%
E52/1747	Snowy Mountain	All minerals	1	100%
E52/1775	Western Creek	All minerals	1	100%
E52/1776	Innawalley Pool	All minerals	1	100%
E47/1129	Balmoral	All Minerals excluding Diamonds	1	100%
E47/1130	Balmoral	All Minerals excluding Diamonds	1	100%
E47/1255	Balmoral	All Minerals excluding Diamonds	1	100%
E47/1256	Balmoral	All Minerals excluding Diamonds	1	100%
E47/1257	Balmoral	All Minerals excluding Diamonds	1	100%
E47/1258	Balmoral	All Minerals excluding Diamonds	1,2	100%
E47/1259	Balmoral	All Minerals excluding Diamonds	1,2	100%
E47/1260	Balmoral	All Minerals excluding Diamonds	1,2	100%
E47/1261	Hamersley Range	All Minerals excluding Diamonds	1,2	100%
E47/1262	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1263	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1264	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1265	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1266	Hamersley Range	All Minerals excluding Diamonds	1,2	100%
E47/1267	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1278	Hamersley Range	All Minerals excluding Diamonds	1,2	100%
E47/1279	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1280	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1281	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1282	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1283	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1284	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1285	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1286	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1287	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1503	Balmoral	All Minerals excluding Diamonds	1,2	100%
E47/1504	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1505	Hamersley Range	All Minerals excluding Diamonds	1	100%
E47/1506	Hamersley Range	All Minerals excluding Diamonds	1,2	100%
E08/1135	Yanks Bore	Iron Ore	1	70%
E08/1292	Mount Stuart	Iron Ore	1	70%
E08/1330	Catho Well	Iron Ore	1	70%
E08/1341	Cardo Bore	Iron Ore	1	70%
E47/1169	Yalleen	Iron Ore	1	100%
E47/1170	Yalleen	Iron Ore	1	100%
E47/1171	Yalleen	Iron Ore	1	100%

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Tenement No.	Project Name	Mineral	Notes	Ownership
WESTERN AUSTRALIA (CONT.)				
E08/1227	Cardo	Iron Ore	1	60%, earning up to 80%
E08/1283	Cane River	Iron Ore	1	60%, earning up to 80%
E08/1289	Red Hill North	Iron Ore	1	60%, earning up to 80%
E08/1293	White Gate	Iron Ore	1	60%, earning up to 80%
E08/1294	Red Hill North	Iron Ore	1	60%, earning up to 80%
E08/1295	Red Hill	Iron Ore	1	60%, earning up to 80%
E08/1430	Red Hill	Iron Ore	1	60%, earning up to 80%
E08/1473	Red Hill	Iron Ore	1	60%, earning up to 80%
E08/1516	Red Hill / Mt Stuart	Iron Ore	1	60%, earning up to 80%
E08/1537	Red Hill	Iron Ore	1	60%, earning up to 80%
E08/2455	Peedamulla Hill	Iron Ore	1,2	100%
E47/1141	Upper Cane	Iron Ore	1	60%, earning up to 80%
E47/1693	Duck Creek	Iron Ore	1	60%, earning up to 80%
E08/2089	Chuerdoo Pool	All minerals	1,2	100%
E08/2140	Cheela Plains North	All minerals	1	100%
E45/3562	Yowarda Pool	All minerals	1	100%
E47/2205	Horse Well	All minerals	1	100%
E47/2332	Cheela Plains Central	All minerals	1	100%
E47/2341	Hamersley Range A	All minerals	1,2	100%
E52/2596	Windell Pool	All minerals	1	100%
E47/2501	Beasley River	All minerals	1,2	100%
E47/2633	Byong	All minerals	1,2	100%
E47/2653	Mt Virchow	All minerals	1,2	100%
M08/480	Kens Bore East	All minerals	1,2	100%
M08/481	Catho Well	Iron Ore	1,2	70%
M08/482	Cardo Bore	Iron Ore	1,2	70%
M08/483	Cochrane/Jewel	Iron Ore	1,2	60%, earning up to 80%
M08/484	Kens Bore	Iron Ore	1,2	60%, earning up to 80%
M08/485	Cardo West	Iron Ore	1,2	60%, earning up to 80%
M47/1472	Trinity Bore/ Catho North	Iron Ore	1,2	60%, earning up to 80%
P47/1653	Mt Elvire	All minerals	1,2	100%
M47/1495	Hardey	All minerals	1,2	100%
P47/1654	Mt Elvire	All minerals	1,2	100%
P47/1655	Mt Elvire	All minerals	1,2	100%
P47/1656	Hamersley Range	All minerals	1,2	100%
P47/1657	Hamersley Range	All minerals	1,2	100%
P47/1658	Hamersley Range	All minerals	1,2	100%
E45/4066	Hill Side	All minerals	1	100%
L08/67	Central Haul Road	N/A	1,3	60%, earning up to 80%
L08/68	Mine Village/Airstrip	N/A	1,3	60%, earning up to 80%
L08/69	Mine Access Road	N/A	1,2,3	60%, earning up to 80%
L08/74	Midway Camp	N/A	1,2,3	100%
L08/75	River Camp	N/A	1,2,3	100%
L08/79	Mt Stuart/Red Hill Road	N/A	1,2,3	60%, earning up to 80%
L47/562	Bunyip Camp	N/A	1,2,3	100%
QUEENSLAND				
MDL442	Exevale	Coal		50%
MDL444	Isaac River	Coal		50%
MDLa497	Cornwall	Coal	2	100%
EPC 752	Exevale	Coal		50%

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Tenement No.	Project Name	Mineral	Notes	Ownership
QUEENSLAND (CONT.)				
EPC 795	Peak Downs East	Coal		50%
ML 70389	Eagle Downs	Coal		50%
EPC 830	Isaac River	Coal		50%
EPC 883	Mount Gotthardt	Coal		50%
EPC 954	Mount Gotthardt South	Coal		50%
EPC 1077	Peak Downs East Extension	Coal		50%
PLa485	Eagle Downs	Coal Seam Gas	2	50%
MDLa 519	Eagle Downs South	Coal	2	50%
EPC 958	Washpool	Coal		100%
MDL 403	Washpool	Coal		100%
MLa 80164	Washpool	Coal	2	100%
MLa 80176	Washpool B	Coal	2	100%
MLa 80177	Washpool C	Coal	2	100%
MDLa 505	Walton	Coal	2	100%
EPC 959	Wilpeena	Coal		100%
EPC 960	Duarina	Coal		100%
EPC 965	Spring Vale	Coal		100%
EPC 966	Mt Crocker	Coal		100%
EPC 968	Bowen River	Coal		100%
EPC 985	Talwood	Coal		100%
EPC 995	Dawson Vale	Coal		100%
EPC 1013	Walton	Coal		100%
EPC 1032	Speculation Creek	Coal		100%
EPC 1153	Adler Downs	Coal		100%
EPC 1190	Bendoba	Coal		100%
EPC 1191	Box Creek	Coal		100%
EPC 1192	Cornwall	Coal		100%
EPC 1203	Forest Vale	Coal		100%
EPC 1211	Blenheim	Coal		100%
EPC 1214	Stragglers	Coal		100%
EPC 1219	Blenheim Ext	Coal		100%
EPC 1412	Cabbagetree	Coal		100%
EPCa 2179	Washpool West	Coal	2	100%
EPC 2302	Walton North	Coal		100%
EPC 2467	Cabbagetree West	Coal		100%
BOTSWANA				
P 55/2005	Dukwe	Coal		50%
P 56/2005	W Mmamabula B	Coal		50%
P 57/2005	W Mmamabula A	Coal		50%
SOUTH AFRICA				
LP30/5/1/1/2/547	Rotterdam	Iron Ore	4	74%
LP30/5/1/1/2/613	Klipgat	Iron Ore	4	74%
LP30/5/1/1/2/614	Vlaknek	Iron Ore	4	74%
LP30/5/1/1/2/1301	Donkerpoort	Iron Ore	4	74%
LP30/6/1/1/2/1730	Wachteenbietjiesdraai	Iron Ore	4	74%
NC30/5/1/1/2/478	Avontuur	Manganese	4	74%
NC30/5/1/1/2/479	Kathu	Iron Ore/Manganese	4	74%
NC30/5/1/1/2/1023	Blackridge	Iron Ore/Manganese	4	74%
NC30/5/1/1/2/1048	Orange River	Iron Ore	4	74%
MR Farm703/114	Gravenhage	Manganese	2,4	74%

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Notes

- 1 Australian Premium Iron Joint Venture (The Company – 50%). The Joint Venture's interest is only in relation to iron ore.
- 2 Under application.
- 3 This licence relates to infrastructure for the West Pilbara Iron Ore Project.
- 4 The Company holds these tenements on behalf of the Thabazimbi Joint Venture in which the Company holds a 74% interest.

COMPETENCY STATEMENTS

West Pilbara Iron Ore Project

The information in this report that relates to exploration results is based on information compiled by Mr Stuart Tuckey, who is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of API Management Pty Ltd. Mr Tuckey 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 Tuckey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Thabazimbi Iron Ore Project

The information in this report, insofar as it relates to Mineral Exploration activities, is based on information compiled by Mr Brent E Green who is a member of the Australian Institute of Geoscientists, and who has more than five years' experience in the field of activity being reported on. Mr Green is a full-time employee of the Company. Mr Green 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Green consents to the inclusion in this report of the matters based on the information, in the form and context in which it appears.

Northern Cape Iron Ore Project

The information in this report, insofar as it relates to Mineral Exploration activities, is based on information compiled by Mr Brent E Green who is a member of the Australian Institute of Geoscientists, and who has more than five years' experience in the field of activity being reported on. Mr Green is a full-time employee of the Company. Mr Green 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Green consents to the inclusion in this report of the matters based on the information, in the form and context in which it appears.

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, 01/05/2013

Name of entity

AQUILA RESOURCES LIMITED

ABN

81 092 002 769

Quarter ended ("current quarter")

DECEMBER 2013

Consolidated statement of cash flows

	Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3,286)	(8,558)
(b) development	(2,004)	(11,800)
(c) production	-	-
(d) administration	(5,271)	(8,921)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6,247	10,395
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(66,099)	(66,099)
1.7 Other (service charges and other income)	143	167
Net Operating Cash Flows	(70,270)	(84,816)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(105)	(148)
1.9 Proceeds from sale of: (a) prospects	384	384
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(47)	(47)
1.11 Loans repaid by other entities	-	-
1.12 Other (security deposits)	(11)	(196)
Net investing cash flows	221	(7)
1.13 Total operating and investing cash flows (carried forward)	(70,049)	(84,823)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(70,049)	(84,823)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Treasury share purchases	-	(800)
	Other – Payments for finance lease liabilities	(21)	(42)
	Net financing cash flows	(21)	(842)
	Net increase (decrease) in cash held	(70,070)	(85,665)
1.20	Cash at beginning of quarter/year to date	575,531	591,309
1.21	Exchange rate adjustments to item 1.20	(13)	(196)
1.22	Cash at end of quarter	505,448	505,448

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	315
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Management fees and directors' fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		
	- Contingent instrument facility	80,000	38,989

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	3,000
4.2	Development	10,000
4.3	Production	-
4.4	Administration	4,000
Total		17,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	10,494	7,523
5.2	Deposits at call	495,007	568,008
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		505,501	575,531

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed E47/1411 E47/1495	Iron Ore – Western Australia Sold	50%	0%
		Sold	50%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased MDL442 EPC 2467	Coal - Queensland Granted Granted	0% 0%	50% 100%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	411,804,442	411,804,442		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	1,930,000	-	Exercise price See note 6	Expiry date See note 6
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	100,000 75,000	- -	\$11.40 \$8.71	1 July 2014 7 August 2015
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				
7.13 Performance Rights (totals only)	363,989	-		
7.14 Share Appreciation Rights (totals only)	1,219,147	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 24 January 2014
(Director)

Print name: Tony Poli

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

- 6 Securities issued but not quoted as at 31 December 2013.

Number issued	Type	Expiry date	Exercise price
905,000	Options	1 July 2014	\$11.40
1,025,000	Options	7 August 2015	\$8.71

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+ See chapter 19 for defined terms.