

**SIRIUS RESOURCES NL**

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**Projects**

**Fraser Range:** nickel, copper, gold

**Polar Bear:** gold, nickel, platinum



## HIGHLIGHTS

- **Agreement to acquire Mark Creasy's 30% interest in Nova-Bollinger project (subject to shareholder approval)**
- **ASX waiver received for cash and royalty components of transaction**
- **General meeting of shareholders to approve transaction set for 9<sup>th</sup> May 2014**
- **Rob Dennis appointed as Chief Operating Officer**
- **Definitive Feasibility Study (DFS) proceeding on schedule for completion by end June and release in July following board review**
- **Finance and offtake discussions proceeding with numerous parties**
- **A\$96.8 million cash at end of quarter**
- **Drilling recommenced on Western trend at Nova**
- **Crux and Centauri nickel targets now drill ready**
- **New nickel targets defined at Talbot and Southern Hills**
- **New nickel target (Taipan) at Polar Bear**
- **More gold in drilling at Polar Bear**

Key events of the March 2014 quarter included: Sirius Resources NL (Sirius or Company) signing an agreement to acquire Mark Creasy's 30% of the Nova-Bollinger project (subject to shareholder approval in May); appointing Rob Dennis as Chief Operating Officer (COO) to oversee the feasibility, development and operation of the Nova-Bollinger project; progression of the definitive feasibility study; and identification of several new nickel targets to a drill readiness stage.

### CORPORATE

#### Creasy transaction

As announced to the ASX on 14<sup>th</sup> February 2014, the Company entered into an agreement with Mark Creasy to acquire his 30% interest in Exploration Licence 28/1724 (EL 28/1724) including that part of it which forms the area that is the subject of Mining Lease Application 28/376 (MLA 28/376), within which the Nova-Bollinger deposits are located (Acquisition). The consideration for the acquisition comprises 70.6

million fully paid ordinary Sirius shares, A\$28 million in cash, and a 0.5% net smelter royalty payable only on any production resulting from future discoveries made within that portion of EL 28/1724 outside of MLA 28/376. No royalty is payable to Mark Creasy on production from Nova-Bollinger or any future discoveries within MLA 28/376.

Upon completion, the Acquisition will lift Sirius' ownership of the Nova-Bollinger resource from 70% to 100%, thereby significantly increasing Sirius' existing resource inventory, forecast future production and cash flow from production.

Sirius expects to derive significant financial and timing benefits from having 100% control of the development of Nova-Bollinger and to achieve further operational cost savings by avoiding the need for a production joint venture. Sirius also anticipates the Acquisition will enable the Company to secure enhanced financing and off-take terms, and will provide a strong strategic advantage through its sole ownership of any future processing infrastructure.

Further value may also be derived from future exploration success within the area of EL 28/1724 (143km<sup>2</sup>) which includes MLA 28/376 (47km<sup>2</sup>), within which Sirius will hold a 100% interest in any future discoveries. Significant prospectivity remains throughout MLA 28/376, including existing targets within the Eye, the recently discovered Western Mafic Complex and the Eyelet.

Any production from future discoveries made within that portion of EL 28/1724 not covered by MLA 28/376 will be subject to the Balance Area Royalty, but any production from Nova-Bollinger or other future discoveries within the MLA 28/376 will not be subject to this royalty. Mr Creasy will retain a 30% free carried interest in the remainder of the Fraser Range Joint Venture outside of E 28/1724 and MLA 28/376.

The cash and royalty components of the consideration were subject to waiver by the ASX, which was granted on 26<sup>th</sup> February 2014 (see ASX announcement of that date).

The transaction is also subject to shareholder approval at a general meeting of shareholders which is to be held on 9<sup>th</sup> May 2014.

## **Finance**

During the quarter, approximately A\$7.9 million was spent on exploration, feasibility activities and corporate costs. At the end of the quarter, cash at bank totalled approximately A\$96.8 million.

Expenditure for the coming quarter is anticipated to total approximately A\$50 million, which will include the cash component of the Creasy transaction (subject to shareholder approval), transaction costs, expenditure to complete the definitive feasibility study and ongoing exploration and corporate costs. On this basis, cash as of end June is expected to be approximately A\$46 million.

## **Capital structure**

During the quarter 50,000 A\$0.20 options were exercised, providing income of A\$10,000, and increasing the total number of ordinary shares on issue to 261,980,167.

As of the end of the quarter, outstanding unlisted options totalled 48 million, comprising 1.95 million 20 cent options, 31.7 million 60 cent options, 0.4 million \$2.80 options, 8.75 million \$3.17 options, 1.7 million \$3.50 options, 0.5 million \$3.00 options, 1 million \$3.34 options and 2 million \$3.51 options.

## **Key Management Personnel**

The Company appointed Rob Dennis to the position of Chief Operating Officer (see ASX announcement of 3<sup>rd</sup> February 2014). Rob is a mining engineer with over 35 years' experience in the nickel, copper, gold and alumina industries, and is now leading the Sirius project team undertaking the Nova-Bollinger Feasibility Study. As COO, Rob will manage the Nova project from feasibility study stage, through construction and development into full production.

## **NOVA-BOLLINGER PROJECT**

### **Feasibility Study**

The Company has made substantial progress on the development of the Nova Bollinger Feasibility Study which remains targeted for completion in mid-2014.

As stated in the ASX announcement of 25<sup>th</sup> March 2014, key points are:

- Mine, decline and boxcut design and geotechnical testwork is nearing completion.
- Paste fill testwork and ventilation studies are ongoing, with paste fill testwork results to date being positive.
- Metallurgical testwork is largely complete, with extensive variability testwork having been concluded and the final phase of sensitivity testwork underway.
- Ore processing design including process flowsheet and equipment sizing is nearing completion, and plant layout is finalised, subject to geotechnical investigations.
- Infrastructure planning, including power generation, accommodation village and site access, is largely complete.
- Water studies, both in terms of mine dewatering investigations and process water supply investigations, are underway, with emphasis on pump testing to determine likely dewatering strategies, water balance, and storage scenarios.
- Capital and operating expenditure studies are continuing.

### **Permitting and approvals**

Drafting of the necessary statutory permitting documentation is progressing with focus on, the Mining Proposal, Works Approval, Project Management Plan and Native Vegetation Clearing Permitting. The various studies, testwork and site surveys to support the above approval applications are advanced and in most cases complete.

Native Title negotiations are continuing.

### **Project Financing**

The Company is in discussion with a number of financiers regarding the funding of the Nova-Bollinger project. As stated in the ASX announcement of 25<sup>th</sup> March 2014, Sirius has received numerous expressions of interest and is aiming to shortlist six banks for continuing negotiations.

The Company's philosophy is to keep the financing of the project simple, minimise dilution to shareholders whilst avoiding overgearing, maintain maximum exposure to a forecast rising nickel price, and maintain maximum flexibility with offtake agreements by keeping project finance independent of sales.

## Offtake

The Company is in discussion with numerous potential customers for the potential Nova-Bollinger nickel and copper concentrates. As stated in the ASX announcement of 25<sup>th</sup> March 2014, Sirius has received expressions of interest from 23 potential customers.

## EXPLORATION

Exploration was impacted during the quarter by weather-induced delays, but despite this, low impact activities such as soil sampling and geophysics recommenced and were able to define new targets to a point of drill readiness.

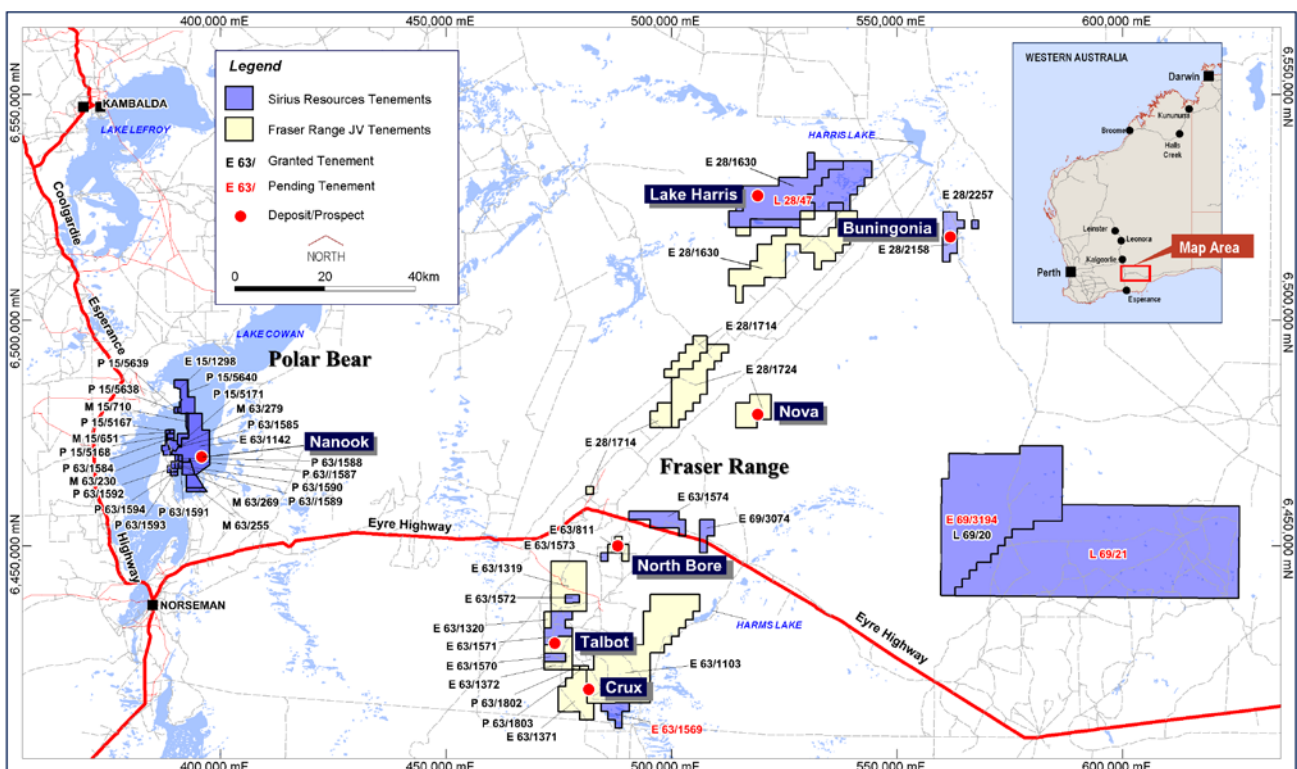


Figure 1. Sirius tenements and project areas.

### Fraser Range (100% Sirius\*)

Sirius has a 100% interest in various tenements in the Fraser Range region, including (subject to shareholder approval on 9<sup>th</sup> May 2014 of a transaction for Sirius to acquire Mark Creasy's 30% interest) the exploration licence and mining lease application containing the Nova-Bollinger deposits. These tenements include the Nova-Bollinger project (see above), the Talbot and Southern Hills soil anomalies, the Canopus target and the Buningonia intrusion. All of these are located in the Fraser Complex, considered to be highly prospective for mafic-ultramafic intrusion hosted magmatic nickel-copper-platinum group metal (PGM) and chromite deposits.

### Western Trend

Drilling has recommenced on the Western Trend – a zone of Nova-style rocks located just 3 kilometres to the west of Nova on the mining lease application. Drilling will initially test the near surface portion of this zone

where a few wide spaced previous drillholes have intersected strongly anomalous nickel and copper (eg, 9m @ 0.52% nickel and 0.05% copper from a depth of 20m, 16.9m @ 0.14% nickel and 0.05% copper from 48m and 15.1m @ 0.13% nickel and 0.025% copper from 75.25m, as stated in the ASX announcement of 2<sup>nd</sup> December 2013).

#### Deep penetration electromagnetic survey

A high powered electromagnetic (EM) survey, using a system known as “Samson”, will commence covering the entire mining lease application area in the first week of May. This system successfully identified the Bollinger deposit where conventional systems had failed to do so. It appears to be able to penetrate to depths of ~500 metres (twice the depth of previous surveys) and the aim of this survey is to identify any additional conductors in this depth range.

#### Talbot prospect

The Talbot area was first explored by Newmont who identified “steeply dipping lenses of basic and ultrabasic rocks”. Disseminated nickel copper sulphides were also identified in a range rocks throughout the prospect and one drillhole intersected a “veinlet of pyrrhotite with subordinate chalcopyrite and pentlandite with values of 1.8% nickel and 0.8% copper”.

Sirius has now identified a mafic intrusion at Talbot using a high-resolution airborne magnetic survey (see the ASX announcement of 25<sup>th</sup> March 2014). Soil sampling of this area has since identified a strong 1.4 kilometre long coincident nickel-copper soil anomaly.

#### Southern Hills prospect

The same high-resolution airborne magnetic survey has also identified another mafic intrusion termed Southern Hills. Soil sampling of this area has also identified a strong 1.2 kilometre long coincident nickel-copper soil anomaly (see the ASX announcement of 25<sup>th</sup> March 2014).

#### Canopus target

The high-resolution airborne magnetic survey also revealed a very strong and discreet magnetic anomaly, named Canopus (see the ASX announcement of 25<sup>th</sup> March 2014). This magnetic anomaly is coincident with an airborne electromagnetic (AEM) anomaly recorded in an old survey flown by INCO.

Ground EM is planned for the coming quarter.

#### Buningonia intrusion

No activity.

#### **Fraser Range Joint Venture (70% Sirius)**

*Sirius has a 70% interest in the Fraser Range Joint Venture, with Mark Creasy retaining a 30% free carried interest to the completion of a bankable feasibility study. The project covers over 100 kilometres strike length of the Albany-Fraser Belt – which contains the nickel prospective Fraser Complex and also the Tropicana trend. The package is considered highly prospective for Tropicana-style gold mineralisation as well as for the now demonstrated Nova-style magmatic nickel-copper-cobalt deposit style.*

## Centauri and Crux prospects

The Crux (announced in the previous quarter) and Centauri (announced this quarter) soil anomalies have been progressed to drill-ready stage during the quarter. Both have been subject to heritage and environmental surveys and approval has been granted by the Department of Parks and Wildlife for up to 100 drill holes.

A ground EM survey undertaken subsequent to the end of the quarter (see the ASX announcement of 16<sup>th</sup> April 2014) successfully identified a broad, diffuse EM anomaly associated with each soil anomaly. Preliminary modelling of these anomalies indicates the presence of flat lying conductors that could represent sulphides, graphite or saline groundwater.

Drilling of the Centauri prospect is scheduled to commence in mid-May, with the Crux prospect to be tested after that.

## Lake Harris gold

Rainfall led to the deferral of planned reconnaissance drilling program at Lake Harris. A Heritage survey was undertaken to allow further drilling to take place in the next quarter.

## **POLAR BEAR (100% Sirius)**

*Sirius owns 100% of the Polar Bear project. The project covers approximately 130 square kilometres of underexplored ground located between the world class gold producing centres of St Ives and Norseman – both ~10 million ounce camps – and southeast of the 2 million ounce Higginsville gold operations of Metals X Limited. It also covers the southern continuation of the ultramafic stratigraphy which hosts the Kambalda and Widgiemooltha nickel deposits. It is largely concealed beneath the salt lake sediments and sand dunes of Lake Cowan.*

## Nanook gold prospect

Infill drilling at the Nanook gold prospect recommenced during the quarter but only a small number of results have so far been received (see ASX announcement of 16<sup>th</sup> April 2014). The aim of this drilling is to tighten up the reconnaissance spacing to 100 metre spaced lines to continue to scope the extent of the supergene blanket of gold that may form a dispersion “halo” as a guide to a deeper, higher grade source. From the eight holes received, the following results define a continuous zone of supergene enrichment in three consecutive holes, with mineralisation persisting to the end of one:

- 16 metres @ 1.17g/t gold from 40 metres, including 4 metres @ 3.16g/t gold from 44 metres, in SPBA1474.
- 4 metres @ 4.93g/t gold from 40 metres in SPBA1475.
- 4 metres @ 2.32g/t gold from 44 metres, and 10 metres @ 1.03g/t gold (to end of hole) from 60 metres, including 4 metres @ 2.33g/t gold from 64 metres, in SPBA1476.

## Gold reconnaissance

Systematic regional reconnaissance drilling of several gold targets located beneath Lake Cowan (a dry salt lake) also recommenced during the quarter. Several encouraging intersections were identified in first-pass drilling of the northern part of the project area (see ASX announcement of 16<sup>th</sup> April 2014). These include:

- 4 metres @ 6.29g/t gold from 24 metres in SPBA1102.
- 4 metres @ 1.1g/t gold from 56 metres in SPBA1153.
- 20 metres @ 1.35g/t gold from 4 metres, including 4 metres @ 2.11g/t gold from 4 metres in SPBA1379.

Drilling is continuing.

Nickel reconnaissance

A review of historic data revealed a previously unknown intercept of 23.05m @ 0.56% nickel including 2.12m @ 1.27% nickel and 0.13% copper, drilled in the 1970's (see the ASX announcement of 25<sup>th</sup> March 2014). This area, termed Taipan, is located on the interpreted prospective basal contact of the ultramafic rocks that host the Company's Halls Knoll nickel prospect some 8 kilometres to the southeast. Follow up drilling is planned for the next quarter.

**Mark Bennett, Managing Director and CEO**

**For further information, please contact:**

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### **Competent Persons statement**

The information in this report that relates to Exploration Results is based on information compiled by Jeff Foster and Andy Thompson who are employees of the company and fairly represents this information. Mr Foster and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy. Mr Foster and Mr Thompson have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Foster and Mr Thompson consent to the inclusion in this report of the matters based on information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures. Reverse circulation (RC), aircore (AC) and rotary air blast (RAB) drilling samples are collected as composite samples of 4 or 2 metres and as 1 metre splits (stated in results). Mineralised intersections derived from composite samples are subsequently re-split to 1 metre samples to better define grade distribution. Core samples are taken as half NQ core or quarter HQ core and sampled to geological boundaries where appropriate. The quality of RC drilling samples is optimised by the use of riffle and/or cone splitters, dust collectors, logging of various criteria designed to record sample size, recovery and contamination, and use of field duplicates to measure sample representivity. For soil samples, PGM and gold assays are based on an aqua regia digest with Inductively Coupled Plasma (ICP) finish and base metal assays may be based on an aqua regia or four acid digest with inductively coupled plasma optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) finish. In the case of reconnaissance RAB, AC, RC or rock chip samples, PGM and gold assays are based on lead or nickel sulphide collection fire assay digests with an ICP finish, base metal assays are based on a four acid digest and inductively coupled plasma optical emission spectrometry (ICPOES) and atomic absorption spectrometry (AAS) finish, and where appropriate, oxide metal elements such as Fe, Ti and Cr are based on a lithium borate fusion digest and X-ray fluorescence (XRF) finish. In the case of strongly mineralised samples, base metal assays are based on a special high precision four acid digest (a four acid digest using a larger volume of material) and an AAS finish using a dedicated calibration considered more accurate for higher concentrations. Sample preparation and analysis is undertaken at Minanalytical, Genalysis Intertek and Ultratrace laboratories in Perth, Western Australia. The quality of analytical results is monitored by the use of internal laboratory procedures and standards together with certified standards, duplicates and blanks and statistical analysis where appropriate to ensure that results are representative and within acceptable ranges of accuracy and precision. Where quoted, nickel-copper intersections are based on a minimum threshold grade of 0.5% Ni and/or Cu, and gold intersections are based on a minimum gold threshold grade of 0.1g/t Au unless otherwise stated. Intersections are length and density weighted where appropriate as per standard industry practice. All sample and drill hole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated. Exploration results obtained by other companies and quoted by Sirius have not necessarily been obtained using the same methods or subjected to the same QAQC protocols. These results may not have been independently verified because original samples and/or data may no longer be available.

The information in this report that relates to Mineral Resource Estimation is based on information compiled by Mr Mark Drabble, Principal Consultant Geologist – Optiro Pty Ltd and Mr Andrew Thompson, a full time employee and General Manager Resources and Geology of Sirius Resources NL, and fairly represents this information. Mr Drabble and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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 Drabble and Mr Thompson consent to the inclusion in this report of the matters based on their information in the form and context in which they appear. Information in this presentation that relates to the Mineral Resource estimates for the Nova and Bollinger deposits is fully described in the ASX releases of 20th March 2013 and 15th July 2013 respectively.

**TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3**

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
E 63/811	FRJV	Dundas	70%	
E 63/1103	FRJV	Dundas	70%	
E 63/1319	FRJV	Dundas	70%	
E 63/1320	FRJV	Dundas	70%	
E 63/1371	FRJV	Dundas	70%	
E 63/1372	FRJV	Dundas	70%	
P 63/1803	FRJV	Dundas	70%	
P 63/1802	FRJV	Dundas	70%	
E 28/1724	FRJV	North East Coolgardie	70%	
E 28/1630	FRJV	North East Coolgardie	70%	
E 28/1714	FRJV	North East Coolgardie	70%	
M 28/376 (Application)	FRJV	North East Coolgardie	70%	
E 28/2158	FR_SIR	North East Coolgardie	100%	
E 63/1569 (Application)	FR_SIR	Dundas	100%	
E 63/1570	FR_SIR	Dundas	100%	
E 63/1571	FR_SIR	Dundas	100%	
E 63/1572	FR_SIR	Dundas	100%	
E 63/1573	FR_SIR	Dundas	100%	
E 63/1574	FR_SIR	Dundas	100%	
E 69/3074	FR_SIR	Nullabor	100%	
E 28/2257	FR_SIR	North East Coolgardie	100%	
E 69/3194 (Application)	FR_SIR	Nullabor	100%	
L 69/20	FR_SIR	Nullabor	100%	Granted
L 69/21 (Application)	FR_SIR	Nullabor	100%	
L 28/47	FR_SIR	North East Coolgardie	100%	Granted
E 63/1142	Polar Bear	Dundas	100%	
M 15/651	Polar Bear	Coolgardie	100%	
M 15/710	Polar Bear	Coolgardie	100%	
M 63/230	Polar Bear	Dundas	100%	
M 63/255	Polar Bear	Dundas	100%	
M 63/269	Polar Bear	Dundas	100%	
M 63/279	Polar Bear	Dundas	100%	
P 15/5167	Polar Bear	Coolgardie	100%	
P 15/5168	Polar Bear	Coolgardie	100%	
P 15/5171	Polar Bear	Coolgardie	100%	
P 63/1584	Polar Bear	Dundas	100%	
P 63/1585	Polar Bear	Dundas	100%	



P 63/1587	Polar Bear	Dundas	100%	
P 63/1588	Polar Bear	Dundas	100%	
P 63/1589	Polar Bear	Dundas	100%	
P 63/1590	Polar Bear	Dundas	100%	
P 63/1591	Polar Bear	Dundas	100%	
P 63/1592	Polar Bear	Dundas	100%	
P 63/1593	Polar Bear	Dundas	100%	
P 63/1594	Polar Bear	Dundas	100%	
E 15/1298	Polar Bear	Coolgardie	100%	
P 15/5638	Polar Bear	Coolgardie	100%	
P 15/5639	Polar Bear	Coolgardie	100%	
P 15/5640	Polar Bear	Coolgardie	100%	

**Table 1.** Tenements in which Sirius Resources has an interest. Note FRJV means Fraser Range Joint Venture and FR\_SIR is 100% SIR owned ground.

All locations above are in Western Australia.



## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Sirius Resources NL

ABN

46 009 150 083

Quarter ended ("current quarter")

31 March 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(6,793) - - (914)	(21,506) - - (4,027)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	882	1,782
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(6,825)</b>	<b>(23,751)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(196)	(2,472)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>(196)</b>	<b>(2,472)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(7,021)</b>	<b>(26,223)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(7,021)	(26,223)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	10	84,500
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 - Capital raising costs	-	(2,210)
	Other - Payments for cash backed guarantees	(500)	(600)
	<b>Net financing cash flows</b>	490	81,690
	<b>Net increase (decrease) in cash held</b>	(7,511)	55,467
1.20	Cash at beginning of quarter/year to date	104,357	41,379
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	96,846	96,846

**Payments to directors of the entity and associates of the directors  
Payments to 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	504
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries and fees paid to directors and company secretary in the quarter including superannuation

**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

None noted

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

+ See chapter 19 for defined terms.

## 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	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	14,537
4.2 Development	-
4.3 Production	-
4.4 Administration	1,621
<b>Total</b>	<b>16,158</b>

## 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	1,845	4,345
5.2 Deposits at call	95,001	100,012
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>96,846</b>	<b>104,357</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	L 69/20	100%	0%	100%
	L 28/47	100%	0%	100%

+ See chapter 19 for defined terms.

### 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	<b>Preference securities</b> (description)	N/A	N/A	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	261,980,167	261,980,167	N/A	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,000	50,000	\$0.20	Fully Paid
7.5	<b>+Convertible debt securities</b> (description)	N/A	N/A	N/A	N/A
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		

+ See chapter 19 for defined terms.



## 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

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+ See chapter 19 for defined terms.