



RESOURCES
LIMITED

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30 October 2015

ASX ANNOUNCEMENT
(ASX: AJR)

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2015

Spirit Telecom acquisition Highlights:

- Acquisition of a fast growing profitable telecommunications business in a high growth industry
- Spirit is a provider of Ultra-Fast Internet into Multi-Dwelling Units (MDU's)
- Providing internet speeds up to 200/200Mbps into residential buildings
- Servicing approximately 150 buildings at present
- Large corporate development pipeline
- Spirit has a robust network infrastructure and highly experienced, successful and long standing management
- Acquisition will allow Spirit to expand its sales & marketing activities, invest further in infrastructure and fulfil substantial growth.

Hatches Creek Highlights:

- 10 additional bulk samples weighing in total 5046Kg were collected for ongoing metallurgical testwork
- An unmanned aerial vehicle ("UAV") was flown over 5 areas to collect high quality 3D imagery, which will allow accurate volumes of the historic mine dumps to be calculated and facilitate the creation of a GIS based database of the historical mines and workings

Davenport corporate highlights:

- To acquire 100% of East Exploration, the owner of the exciting South Harz potash project located within Germany
- In-specie distribution to Arunta shareholders for nil-consideration; and raise \$480,000 in pre-IPO share placement
- To raise a minimum of \$4 million for Initial Public Offering (IPO) Capital Raising
- Intends to list on ASX subject to satisfying conditions of Term Sheet, IPO Capital Raising and regulatory approvals
- Davenport and Potash West shareholders to have a priority to participate for up to \$1.5 million in IPO Capital Raising



HATCHES CREEK TUNGSTEN PROJECT

As announced on 19 January 2015, GWR signed a binding Heads of Agreement with fellow ASX listed Arunta Resources Limited (ASX:AJR) (“Arunta”) and agreed to sole fund \$1,500,000 of Joint Venture Expenditure to earn a 50% Joint Venture interest in the Hatches Creek tungsten, which is located 375km north east of Alice Springs in the Northern Territory of Australia (Figure 1)

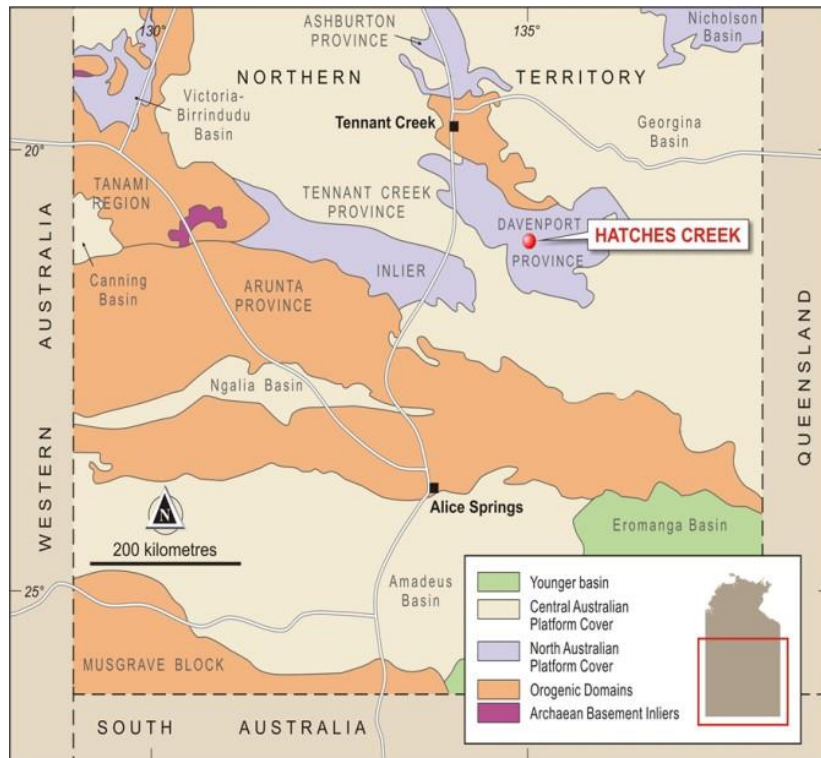


Figure 1: Hatches Creek Location

The Hatches Creek project consists of two granted tenements occupying 31.4 km² (EL22912 and EL23462), which cover the entire historic Hatches Creek tungsten mining centre. Hatches Creek is a large historical high grade tungsten mining centre where mining was undertaken between 1915 and 1957. Previous production is approximately 3000 tonnes of 65% WO₃.

Work Completed in September Quarter

Work undertaken during the quarter ending 30th September included the collection of 10 additional bulk samples, flying of a detailed UAV survey and continuation of the Scoping Study

10 additional bulk samples totalling 5046 kg, have been collected; 4 from Pioneer, 2 from Treasure and 1 each from Hit or Miss, Hens & Chickens, Green Diamond and Black Diamond. These samples have been submitted to Nagrom Laboratories in Perth for size fraction analysis and bulk density determination. It is also planned to undertake additional testwork to determine if ore sorting technology can be applied. Re4sults

Ausurv Surveyors Pty Ltd carried out an unmanned aerial vehicle (“UAV”) aerial photography survey over 5 areas at Hatches Creek. The purpose of the survey was to collect high quality 3D imagery of the major mining areas which will allow very accurate volumes of the historical mine dumps to be collected and as such increase confidence in the Inferred Resource (Figures 4 and 5). The high quality

aerial photography / photogrammetry will also facilitate the creation of a GIS based database of the historical mines and workings as defined in Bulletin 6 (1961).



Figure 4: UAV, photo Treasure Mine, South End

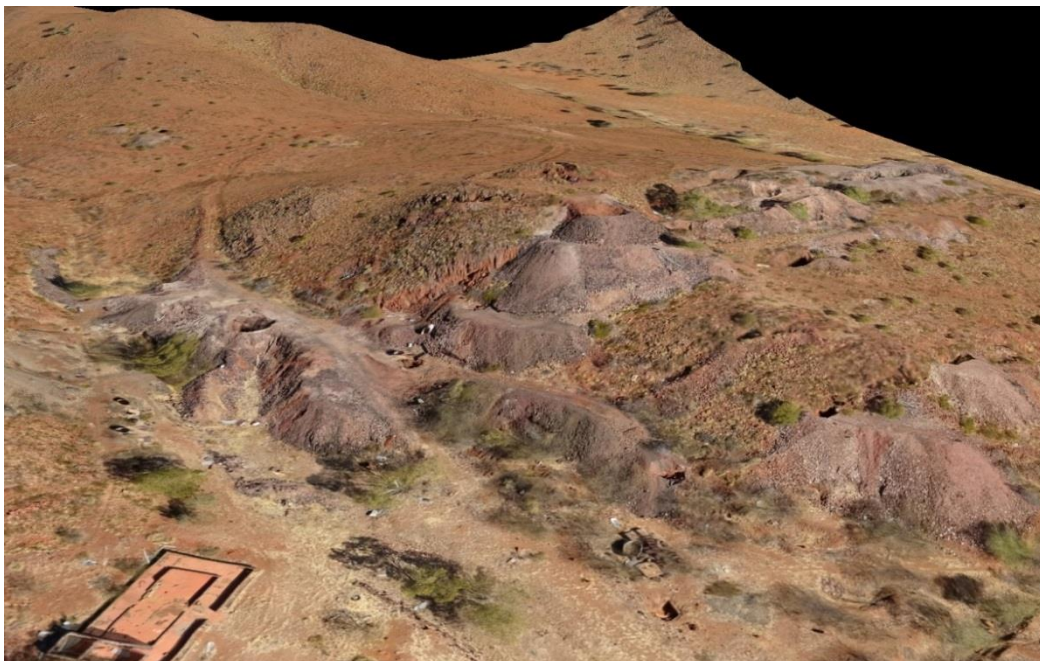


Figure 5: UAV, photo Treasure Mine, North End

Work continued on compiling data for the Scoping Study assessment of the viability of the dumps project. It is anticipated that the study will be completed during the December 2015 Quarter

Southern Cross Bore Project (100% AJR)

No field work was completed at Southern Cross Bore during the September quarter.



CORPORATE

ACQUISITION OF SPIRIT TELECOM

In June, the Company announced that it had entered into a binding term Sheet to acquire 100% of Spirit Telecom. AJR has assessed a number of opportunities in the past seven months with a view to seeking to enhance shareholder value. The AJR Board believes the proposed transaction with Spirit is an excellent opportunity for the Company.

ABOUT SPIRIT

Spirit is a modern telecommunications provider, utilising the infrastructure of key carriers and cloud service providers, to market ultra-fast Internet access and telephony services.

Spirit is an Australian private company which commenced operations in 2005 and has evolved to become one of the more exciting brands in the Telecommunications sector. Spirit has recognised the ever growing demand for better Internet services and has seized the opportunity to provide Ultra-Fast Internet, through the popular Spirit Ufi offering.

Spirit *Ufi* comfortably coexists with other NBN, ADSL and/or PSTN technologies residents may utilise.

Spirit provides one of Australia's fastest residential Internet, with speeds in selected buildings reaching 200/200Mbps. The symmetrical speed, where the upload is as fast as the download, provides not only a better user experience, when accessing the Internet, but also delivers the important integration with cloud services for the growth areas of productivity and entertainment.

In addition to residential services, Spirit also provides Ultra-Fast Fibre based Internet to small business and corporates. Through the combined residential and commercial offerings, Spirit currently supplies Internet into approximately 150 Multi-Dwelling Units in Victoria, New South Wales and Queensland.

Spirits' recent history has seen it sell off divisions at the end of their life cycle, acquire new and EBITDA accretive companies to expand and diversify. Most recently the acquisition of 'My Telecom' has brought a solid customer base as well as new technical capabilities, utilising radio communications to transfer Ultra-Fast Internet, thereby extending fibre points of interconnect, improving gross margin, and enabling service reach across the suburbs to connect buildings.

Spirits' 'Anchor & Expand' in-building distribution strategy, in both commercial and residential markets, has seen it acquire on-net buildings at a fast rate with a positive ROI and subsequently exploiting the long term expansion opportunity, within those buildings.

Spirit's entire network has been designed and built with speed and reliability as the main priority.

Spirit offers an expanding suite of cloud based products to its commercial and consumer customer base.

Spirit's network peers with most major content providers such as Google, Microsoft, Yahoo, Apple, Amazon and Akamai to ensure super-fast direct access to vast volumes of on-demand applications and content.

Spirit has been recognised by BRW & Deloitte, as one of Australia's fastest growing companies.



TRANSACTION OVERVIEW

The transaction with Spirit will proceed on the basis of a valuation of the Company of \$1.826 million and a valuation of Spirit of \$12.225 million.

The acquisition of Spirit will, among other things, be conditional upon: each party completing due diligence investigations; shareholder, regulatory and third-party approvals; the execution of formal documentation with the Spirit shareholders (as vendors); completion of the Capital Raising ; and ASX conditionally confirming that it will re-instate the Company to quotation following completion of the transaction.

The Company has completed its due diligence investigations in respect of the proposed acquisition of Spirit and is proceeding with the implementation of the acquisition process.

As part of its due diligence, and as a condition of the transaction, Spirit will seek advice (to its satisfaction) regarding the taxation implications of the transaction and AJR will seek confirmation (to its satisfaction) that Spirit has all necessary approvals or exemptions required to enable it to continue to operate its retail services business.

Upon completion of the transaction Spirit shall be entitled to appoint 3 suitably qualified directors to the AJR Board. It is intended that all existing members of the AJR Board will resign on completion of the transaction other than Angus Edgar. Further details regarding the qualifications of the proposed directors will be set out in a forthcoming notice of meeting.

As part of the transaction AJR intends to complete a consolidation of its issued share capital on a 20:1 basis and thereafter conduct a capital raising by way of a placement of ordinary AJR shares to raise not less than \$2.75 million at an issue price of \$0.02 per share. Assuming a 20:1 consolidation, the consideration payable to the Spirit vendors would be satisfied through the issue of:

- 611,250,000 post-consolidation AJR shares; and
- 197,594,357 post-consolidation AJRO options.

The indicative post-transaction capital stature of AJR, assuming the transaction proceeds on the above basis, is set out on page 5 of this announcement.

Funds raised through the Capital Raising (after costs) are intended to be applied in part to reduce secured borrowings of Spirit and otherwise as working capital for the development of the Spirit business.

The consolidation ratio and capital raising proposal are subject to AJR obtaining appropriate waivers and shareholder approvals and consultation with ASX. The consideration payable to the Spirit vendors, and the issue price and the number of shares to be issued under the Capital Raising will be adjusted in the event that the consolidation ratio is revised by the ASX.

The transaction is also conditional upon AJR divesting itself of its wholly owned subsidiary Davenport Resources Limited (**Davenport**) which holds the Company's Hatches Creek Tungsten project and Southern Cross Bore (SXB) gold/copper Project, both located in Northern Territory, Australia (**Davenport Spin Out**). Subject to shareholder and regulatory approval, AJR intends to implement the **Davenport Spin Out via a pro-rata in-specie distribution of the shares of Davenport to its shareholders at a record date to be determined in consultation with ASX**. AJR and Spirit have agreed that, other than as set out below, all cash, receivables and other liquid assets of AJR will be transferred to



Davenport as part of the Davenport Spin Out. An amount equal to the anticipated costs of legal and other advisors and experts engaged by AJR in connection with implementation the Spirit transaction will be retained in AJR together with an additional sum of \$50,000.

Completion of the acquisition of Spirit is conditional upon there being no breach of agreed financial warranties given by Sprit and there otherwise being no event or circumstance which has a material adverse effect on AJR or Sprit prior to completion.

RE-COMPLIANCE WITH CHAPTERS 1 & 2 OF ASX LISTING RULES

The Company anticipates that the transaction with Spirit will constitute a significant change in the nature and scale of the Company's activities which will be require the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. The Company therefore intends to seek approval for the transaction from shareholders under ASX Listing Rule 11.1.2. The Company will, however, consult with ASX regarding the structure of the proposed transaction.

ANTICIPATED TIMELINE

The completion of the transaction under the Terms Sheet continues to progress, including the preparation and lodgement of the Notice of Meeting with the regulatory authorities. Updates will be provided as they come to hand.

EFFECT ON THE COMPANY

Set out below is a summary of the approximate impact that the transaction will have on the issued capital, assets and liabilities of AJR. The indicative capital structure and pro-forma statement of financial position each assume the transaction proceeds on the basis of a 20:1 consolidation and a capital raising of \$2.7 million at an issue price per share of \$0.02. As noted earlier in this announcement, the consolidation ratio and capital raising proposal are subject to consultation with ASX.

INDICATIVE CAPITAL STRUCTURE

SHARES	
Existing	91,347,801 (10.87%)
Spirit Vendor Consideration	611,250,000 (72.76%)
Capital Raising	137,500,000 (16.37%)
TOTAL:	840,097,801 (100%)

AJRO LISTED OPTIONS	
Existing	29,529,342
Spirit Vendor Consideration	197,594,357
TOTAL:	227,123,699

Notes:

- All shares and options are presented in the tables above on a post-consolidation basis.
- Following a 20:1 consolidation the exercise price of the Company's existing listed AJRO options will be adjusted to \$0.04 per AJRO option.
- AJR would also have 750,000 unlisted post-consolidation options exercisable at \$0.60 on issue at completion of the transaction.



ACQUISITION OF SOUTH HARZ POTASH PROJECT

In August 2015, Arunta Resources Limited's wholly owned subsidiary Davenport Resources Pty Ltd ("Davenport") entered a binding terms sheet with East Exploration Pty Ltd ("East Exploration") to acquire all the shares of East Exploration.

East Exploration is the registered owner of the **South Harz Potash Project**, comprising two exploration licences, Küllstedt and Grafentonna, in Thuringia, Central Germany. Potash West NL [ASX: PWN] is a part owner of East Exploration and has made previous announcements about East Exploration's South Harz project.

The South Harz Project Summary

East Exploration holds exploration licences having an area of 457km² in the southwestern edge of the South Harz Potash District in central Germany. Germany is the 5th largest potash producing country. The Küllstedt Exploration Licence extends over 241 km² while the Gräfentonna Exploration Licence has an area of 216km². Both licences are located in the north-western part of the Federal State of Thuringia, bordering the city of Mühlhausen to the south (Figure 1 below). A world class infrastructure network exists throughout the region and is being utilised by current potash producers, including K+S, to get product to key markets in Europe and offshore.

A total of 34 drill holes were drilled in the Küllstedt licence, and its immediate surrounds, in the period 1960 to 1980. There is a well-documented history of production on the licences and very long history of extensive production on neighboring properties from Sylvinitic and Carnallitic ores (100M tonnes of potash prior to 1993, and over \$20b USD in today's value). Three shafts were sunk in the Küllstedt licence extracting Potash early last century.

Historical resource estimates were carried out in 1964 and 1980. The distribution of potash salts in the Küllstedt area has been well documented through over a century of exploration and mining and the geology of the area is well understood. Planning for a confirmatory drilling programme is in progress with consultants and will be finalised in the next few months. The programme will target areas of thick mineralisation at shallower depths.

The Company is particularly encouraged by the extent of potential mineralisation within the licence area's containing both sylvinitic and carnallitic ores and by the fact that it has been the site of successful potash mining operations in the past. Current potash mining in the region exploits sylvinitic, and carnallitic, utilising both large scale underground and solution mining / extraction methods.

East Exploration commissioned ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (ERCOSPLAN) to carry out a review of all the geological data relating to the Küllstedt licence and to estimate an Exploration Target for the area. **This was achieved, with an Exploration Target estimated at between 4 and 5 Billion tonnes of mineralised rock, as shown in table 1 below:**

Table 1 - Küllstedt Exploration Target			
Tonnage (MMT) ¹	Grade Range %K ₂ O ²	Grade Range %KCl ³	Potash (K ₂ O) Tonnage (MMT) ⁴
4,055 – 5,141	7.2 - 25	11.8 – 41	292 – 1,285

1 - The volume of the potash seam was estimated from the geological model which has been constructed using historical drillhole data. The tonnage was derived from the style of mineralisation and its characteristic density which can vary between 1.83 t/m³ and 2.32 t/m³. This amounts to a tonnage range of between 4,055 million metric tonnes and 5,141 million metric tonnes of mineralized rock.

2 - The grade range was estimated from assayed drill intersections of the potash seam which range from 7.2% to 25% K₂O

3 - Conversion of assay K₂O to KCl product multiply by 1.6393

4 - The tonnages of K₂O were obtained by multiplying the tonnage of mineralized material with the corresponding K₂O grade of the potash seam, which range from 7.2% to 25%. Accordingly, the minimum K₂O tonnage is 292 million metric tonnes and the maximum K₂O tonnage is 1,285 million metric tonnes.

In the licence area the potash unit has a maximum drill defined thickness of 58m. The thickness is variable, decreasing to the west and increasing to the southeast. Potash grades intercepted in drillholes through the potash seam vary from averages of around 18% K₂O in the southwest to between 10% and 14% K₂O in the northwest of the licence. This was reported to ASX by Potash West in an ASX release dated 4 March 2015 (*ASX:PWN 04 March 2015 – Significant Exploration Target Identified at K llstedt within South Harz Project, Germany*). The ERCOSPLAN technical report is available on the PWN and Company's website.

East Exploration is working with ERCOSPLAN and other geologists familiar with the South Harz field to develop a program of work to advance the K llstedt project. ERCOSPLAN is currently engaged on ongoing work to locate and analyse detailed historical exploration records as well as define possible drill hole locations, in order to verify the historical drill hole data and to increase the chemical, mineralogical and lithological data density in the K llstedt tenement. If successful, these programs will underpin upgrades to the estimates of mineralisation. East Exploration anticipates that all necessary planning and approvals will be complete by early 2016 with confirmation drilling and data analysis to be completed within the following 12-18 months period.

As a result of the divestment of Davenport to Arunta shareholders, the South Harz Potash Project brings a significant and advanced project to become the main focus of an IPO and listing of Davenport on ASX as a stand-alone funded entity. Of great importance is the project's location to world-class logistical infrastructure enabling mined product from within the South Harz region to be easily transported for use within the European Union and for export. The extensive previous exploration and known past potash production on East Exploration's tenements is particularly encouraging. The Project has adjoining and nearby tenements where both sylvinitite and carnallitite are mined utilising underground and solution mining techniques.



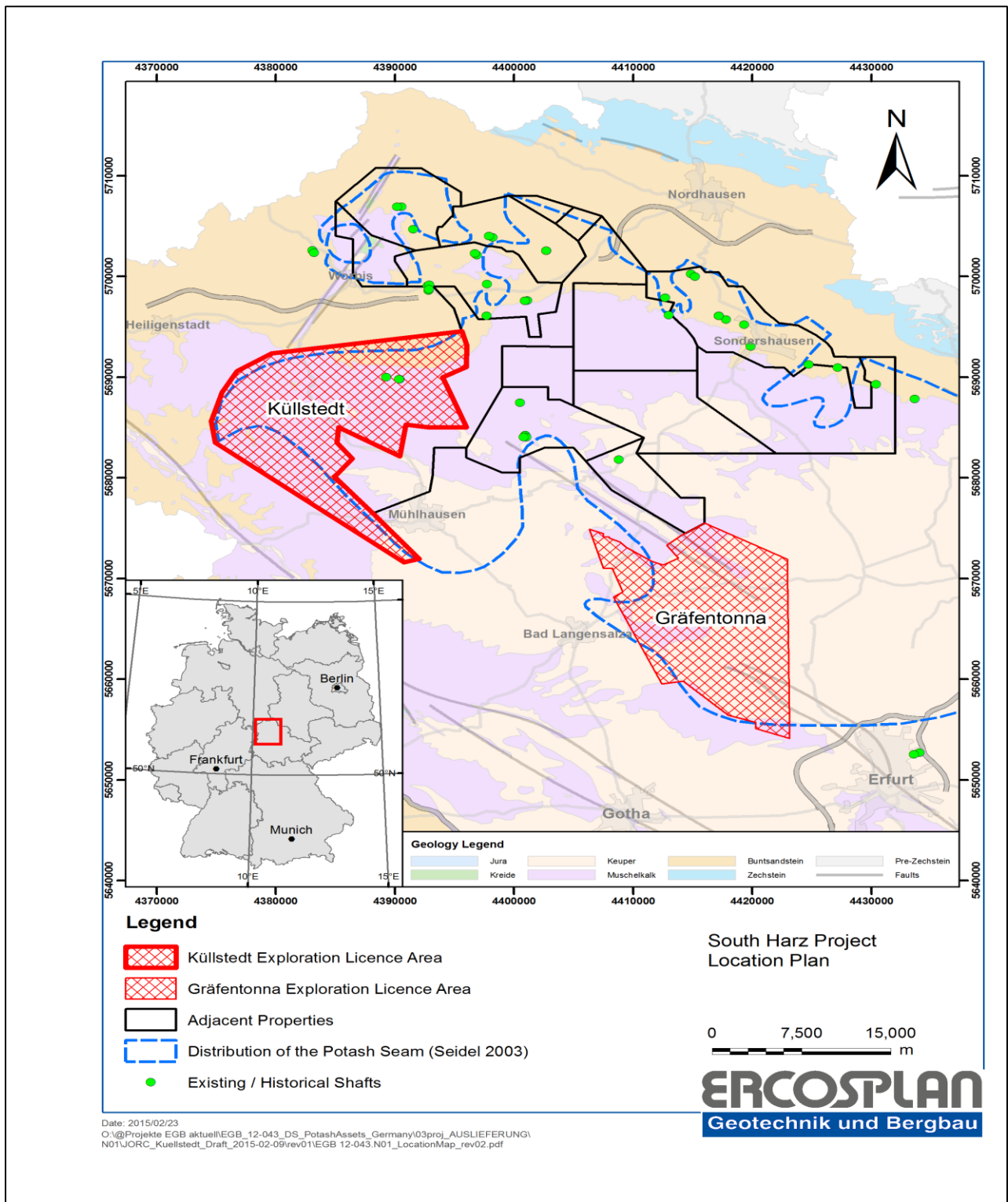


Figure 1: South Harz Project location plan

Corporate - Davenport

The consideration for the acquisition of East Exploration will be the issue of 36,458,333 fully paid ordinary Davenport shares plus two tranches of 33,854,167 performance shares each which will be subject to the milestones described below.

Davenport will pay an option and exclusivity fee to East Exploration of \$250,000, the first \$100,000 of which is payable within 5 business days of signing the Term Sheet with the balance payable by 1 November 2015 subject to prior satisfactory completion of due diligence. The option and exclusivity fee amount is to be applied by East Exploration solely to maintaining and advancing the South Harz Potash Project and does not form part of the consideration payable to the vendors of East Exploration.

Davenport completed its due diligence investigations in respect of the proposed acquisition of East Exploration Pty Ltd in September 2015.

The acquisition will occur after, and subject to, the proposed demerger of Davenport from Arunta, as announced on 24 June 2015. Davenport will seek to list on ASX as a condition of the acquisition.

Following the demerger, Davenport will seek to raise \$480,000 via the placement of 6 million shares at an issue price of 8 cents each for the purposes of funding the IPO process and for working capital.

As part of the IPO process, Davenport intends to raise \$4 million by issuing 20 million Davenport shares at 20 cents each with the ability to accept oversubscriptions for a further \$1 million by issuing up to 5 million further shares. Davenport and Potash West shareholders will be provided a priority to participate in the capital raising.

In addition, Davenport will hold interests in the Hatches Creek Tungsten project and Southern Cross Bore (SXB) gold/copper Project, both located in the Northern Territory. All cash, receivables and other liquid assets of Arunta Resources will be transferred to Davenport as part of the demerger except for \$50,000 in cash.

The anticipated capital structure of Davenport at the time of completing the acquisition and listing, if the seed capital placement, IPO capital raising and conditions for the acquisition and listing are successfully completed or satisfied, will be as follows:

Indicative capital structure of Davenport at Completion assuming the minimum IPO Capital Raising amount of \$4 million (before costs) is raised:

<i> Holders:</i>	<i> Davenport shares</i>	<i> Percentage</i>
Pre-completion Davenport shareholders (shares distributed by Arunta Resources)	6,000,000	8.76%
Placement participants	6,000,000	8.76
Vendors*	36,458,333	53.27%
IPO Capital Raising investors (minimum)	20,000,000	29.21%
TOTAL*	68,458,333	100.00%

*Plus the two tranches of performance shares (a total of 67,708,334 performance shares).

The milestones applicable to the two tranches of performance shares are:

Tranche 1 performance shares: the announcement to ASX by Davenport within four (4) years after completion of the Transaction (or such lesser period as is satisfactory to ASX) of the first JORC Code compliant Inferred Resource of one of the following:

- 1) 250 million tonnes of Potash at or above 11.0% K₂O by content, or
- 2) 150 million tonnes of Potash at or above 12.0% K₂O by content, or
- 3) 100 million tonnes of Potash at or above 13% K₂O by content, or
- 4) 75 million tonnes of Potash at or above 15% K₂O by content, or
- 5) 50 million tonnes of Potash at or above 18% K₂O by content;

Tranche 2 performance shares: the announcement to ASX by Davenport within six (6) years after completion of the Transaction (or such lesser period as is satisfactory to ASX) of satisfaction of all mining approvals and utility contracts required to construct and operate a minimum of 500,000 tonne per annum potash mine on the Project (including all Government approvals, water and energy contracts necessary to operate the mine).

Upon and subject to completion of the acquisition, East Exploration will be entitled to appoint 2 suitably qualified directors to the Board of Davenport, one of whom will be the Chairperson. Mr Angus Edgar will remain as a non-executive director of Davenport. East Exploration and Davenport will jointly select and appoint a Managing Director to the Board of Davenport.

The acquisition is conditional upon completion of due diligence by both parties, entry into formal documentation by East Exploration's shareholders for the sale of their shares, Arunta and Davenport being satisfied with any conditions imposed on the demerger of Davenport or subsequent listing of Davenport by ASX, the proposed seed capital placement and IPO capital raising by Davenport, and satisfaction of ASX and regulatory requirements including Arunta Resources, Davenport and Potash West NL shareholder approvals (if applicable).

The proposed terms of the acquisition, seed capital placement and IPO capital raising are subject to modification by agreement between Davenport and East Exploration where required to enable the transaction to proceed, including for example, altering the amount proposed to be raised by the IPO Capital Raising to satisfy ASX's requirements for a new listing.

The completion of the acquisition of East Exploration is not a condition of Arunta's proposed acquisition of Spirit Telecom (Australia) Pty Ltd. Details of that proposed acquisition, including the conditions for that acquisition, were set out in Arunta's announcement of 24 June 2015. Arunta is preparing a notice of meeting for seeking shareholder approvals for the demerger of Davenport and acquisition of Spirit which will contain further detail in relation to that transaction and the approvals sought.



OTHER CORPORATE

SMALL SHAREHOLDER HOLDER PARCEL ELIMINATION

In July 2015, the Company completed the sale of unmarketable parcels. In total 1,403 minority holders holding an aggregate of 32,727,537 shares in the Company, participated in the Sale. The holdings were sold for a price of \$0.001 per share, with the transfer taking effect in the coming weeks.

The Company will hold its 2015 AGM on 24 November 2015. An additional shareholders meeting will be sought for the acquisition of Spirit and the demerger of Davenport in due course.

~ END ~

For further information: Investors:
Arunta Resources Limited
Tel: +61 (3) 8610 8633

Competent Person's Statement – Davenport Resources Pty Ltd

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr John A Young (A consultant of Arunta Resources Limited). Mr Young is a shareholder of Arunta Resources Limited. Mr Young is a Corporate Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and 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. Specifically, Mr Young consents to the inclusion in this report of the matters based on his information in the form and context in which they appear

Competent Person's Statement – South Harz Potash project

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Andreas Jockel, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1018) and Dr Henry Rauche, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 729).

Andreas Jockel and Dr Henry Rauche are full-term employees of ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH (ERCOSPLAN). ERCOSPLAN, Andreas Jockel and Dr Henry Rauche are not associates or affiliates of East Exploration Pty Ltd, or of any associated company. ERCOSPLAN, Andreas Jockel and Dr Henry Rauche do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the Kllstedt Exploration Licence Area.

ERCOSPLAN does not have, at the date of this Report, and has not had within the previous years, any shareholding in or other relationship with East Exploration Pty Ltd or the Kllstedt Exploration Licence Area and consequently considers itself to be independent of East Exploration Pty Ltd.

Andreas Jockel and Dr Henry Rauche have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Andreas Jockel and Dr Henry Rauche consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to an Exploration Target is based on, and fairly represents, the information and supporting documentation extracted from the report which was prepared by Andreas Jockel and Dr Henry Rauche in compliance with the JORC Code (2012) and released to the ASX by WMN on 04 March 2015 . (ASX:PWN 04 March 2015 – Significant Exploration Target Identified at Kllstedt within South Harz Project, Germany). The technical report "Final 12-043N01_JORC_Kullstedt_2015-03-15" and subsequent market release are both available on the PWN website.

Potash West has confirmed that it is not aware of any new information or data that materially affect the information included in the original announcement. All material assumptions and technical parameters underpinning the Exploration Target estimate in that previous ASX release continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



Arunta Resources Ltd/Davenport Resources Pty Ltd
 Tenement schedule for the quarter ending September 2015

NORTHERN TERRITORY

Title Number	Registered Holder	Interest held at start of quarter	Change in interest during the quarter	Interest held at end of quarter	Renewal Date	Annual Exp Req	Status (G - Grant, A - Applcn)	Area sq kms
EL 28045	Davenport Resources Limited	100	Nil	100	29/08/2016	149,500	G	73
EL 22912	Davenport Resources Limited	100	Nil	100	24/07/2016	141,450	G	25
EL 23463	Davenport Resources Limited	100	Nil	100	24/07/2016	89,700	G	6
EL 29827	Davenport Resources Limited	100	Nil	100	28/05/2019	12,500	G	16
EL 30090	Davenport Resources Limited	100	Nil	100	27/11/2020	36,000	G	557

EL 29026 was relinquished during the quarter (100% held in the previous quarter)

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

ARUNTA RESOURCES LIMITED

ABN

73 089 224 402

Quarter ended ("current quarter")

30 SEPTEMBER 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(11)	(11)
(b) development	-	-
(c) production	-	-
(d) administration	(199)	(199)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Rental income	9	9
Rent expense prepayment	(101)	(101)
Net Operating Cash Flows	(301)	(301)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(100)	(100)
(c) other fixed assets	-	-
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 - deposits	(101)	(101)
Net investing cash flows	(201)	(201)
1.13 Total operating and investing cash flows (carried forward)	(502)	(502)

+ 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)	(502)	(502)
	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 – capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(502)	(502)
1.20	Cash at beginning of quarter/year to date	597	597
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	95	95

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	
1.2	Aggregate amount of payments to the parties included in item 1.2	60
1.2	Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

Wages or consultancy fees paid to directors and director related entities during the quarter.

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

Nil

+ 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	37
4.2 Development	-
4.3 Production	-
4.4 Administration	279
Total	316

The Company will rely on its existing cash resources, liquid assets and future fund raising (either debt and/or equity) to fund its current activities.

Notwithstanding the Company's plans to raise seed capital pursuant to the East Exploration South Hatz Potash project and funding pursuant to the recapitalisation of both Davenport and Arunta as described in the activities section of this quarterly report, the Company will consider raising further funds from the placement of equity securities, including the utilisation of the equity available under Chapter 7 of ASX Listing Rules. The Company will also consider other fund raising alternatives such as debt instruments, if so required.

The Company will only undertake any corporate actions or outlays on other expenditure programs on the basis that it raised subsequent funds.

In light of the above factors, the Company believes that it will have sufficient cash to fund its existing activities (and future activities subject to future funds raised). The Company expects to have negative cashflows from operations of approximately \$316,000 for the forthcoming quarter. The Company's Board and Management is focused on meeting its current objectives and confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1.

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	45	547
5.2 Deposits at call	50	50
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	95	597

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

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	1,826,956,020	1,826,956,020		
7.4				
+Ordinary securities (description)				
7.5				
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.6				
+Convertible debt securities (description)				
7.7	15,000,000 590,586,829	- 590,586,829	Exercise price 3.0 0.2	Expiry date 18/12/2016 31/07/2019
Options (description and conversion factor)				

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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.

30 October 2015

Sign here: Date:
 Company Secretary

ADRIEN WING

Print name:

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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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.

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