

## ASX RELEASE

Friday 30<sup>th</sup> October, 2015

## QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 30<sup>TH</sup> SEPTEMBER 2015

A-Cap Resources Limited (“A-Cap” or “the Company”) (ASX: ACB) is pleased to provide its Quarterly Activities Report for the quarter ended 30<sup>th</sup> September 2015.

### HIGHLIGHTS

- ▲ The Letlhakane Mining Licence Application was submitted to the Botswana Department of Mines on the 18<sup>th</sup> August 2015;
  - ▲ Positive economics from the technical study based on forecast uranium average contract price;
  - ▲ Initial construction CAPEX of US\$351 million and initial working capital of US\$40 million;
  - ▲ Targeting up to 3.75 million lb U<sub>3</sub>O<sub>8</sub> p.a. over first 5 years;
  - ▲ Pre-Tax NPV of US\$383 million at a discount rate of 8% and IRR of 29%;
  - ▲ Operating costs of US\$35/lb U<sub>3</sub>O<sub>8</sub> over first 5 years and approximately \$40/lb U<sub>3</sub>O<sub>8</sub> over 18 year process life.
- ▲ Uranium resource upgrade completed utilising Localised Uniform Conditioning incorporating excellent results from the 2014 drilling programme;
  - ▲ Better grade definition at the mining scale based on using surface miners and grade control methodology;
  - ▲ A large increase in lbs of uranium at a 300ppm cut-off;
- ▲ Submission of 2015 Financial Statements, confirmation of short-term funding plan.

### QUARTERLY ACTIVITIES

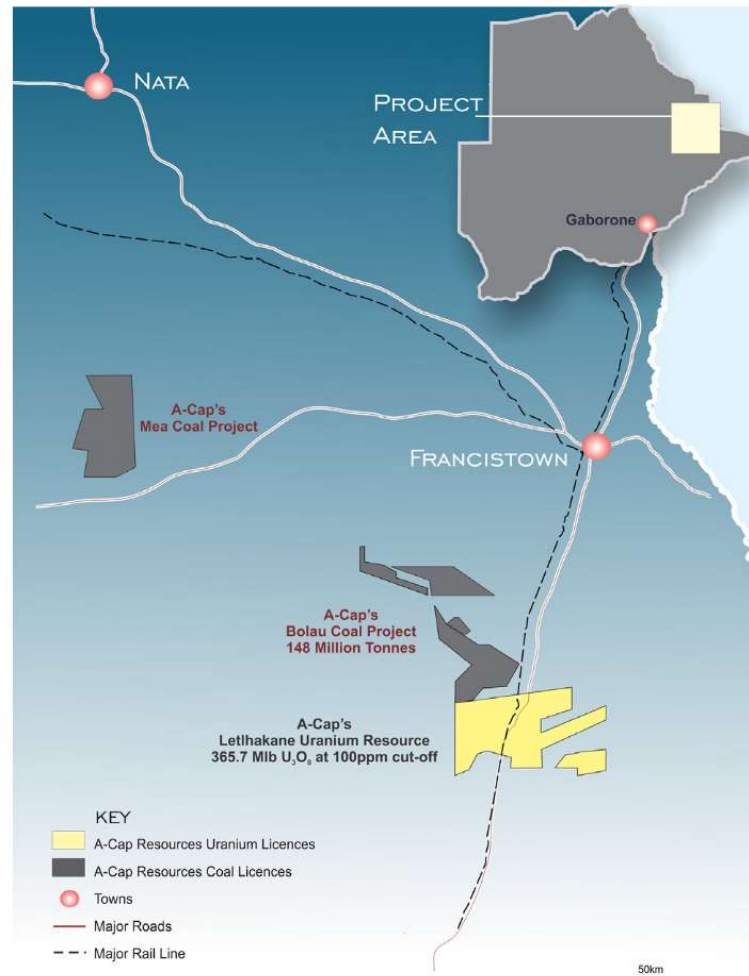
A-Cap reached an important milestone during the quarter ended 30<sup>th</sup> September 2015, with the Letlhakane Uranium Project’s Mining Licence Application (MLA) submitted to the Botswana Department of Mines on the 18<sup>th</sup> August 2015. The feasibility work required to prepare a technical study for the MLA highlighted positive economics for the project based on a forecast uranium average contract price. A new Letlhakane uranium resource upgrade was completed, resulting in an uplift in the Project’s grade, pounds and continuity, rounding off a successful period for the Company.

A-Cap’s 2015 Financial Statements were finalised and released to the market at the end of September 2015, which also set out the Company’s funding plan to meet its short-term working capital requirements.

### **LETLHAKANE URANIUM PROJECT**

The Letlhakane Uranium Project is one of the world’s largest undeveloped Uranium Deposits. The Project lies adjacent to Botswana’s main North-South infrastructure corridor that includes a sealed all-weather highway, railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low.

The project has the distinct advantage of having all the major infrastructure in place and is one of the few major undeveloped uranium projects in the world capable of being in production in 3 years at a low capital cost and competitive operating costs in a safe and stable jurisdiction. The strategy is to prepare the project for early development to enable the company to fully capitalise on an expected recovery in the uranium price.



**Figure 1:** Location of A-Caps major projects.

### Mining Licence Application, Technical Study

In August 2015 A-Cap submitted the Mining Licence application for PL 45/2004 (Lethakane) to the Botswana Department of Mines. The application was based on the results of a technical study and financial modelling. The technical study was based on shallow open pit mining and heap leach processing to produce up to 3.75 million pounds of uranium per annum over a mine life of 18 years, incorporating the most up to date metallurgical results and process route, optimised mineral resources, mining, capital and operating costs developed by our feasibility specialists in Australia and internationally.

The technical study confirms that the Project has the right mix of a good resource, low capital and operating costs and is well positioned to be taken into early production, reaping the benefits of projected shortfalls in supply in the uranium market and forecast rising uranium prices.

The outcomes of the technical study were released to the market (refer ASX release 11<sup>th</sup> September 2015) which highlighted the following:

- ▲ Positive economics based on forecast uranium average contract price
- ▲ Initial construction CAPEX of US\$351 million
- ▲ Initial working capital of US\$40 million
- ▲ Pre-tax NPV of US\$383 million at a discount rate of 8% and IRR of 29%
- ▲ Operating costs of US\$35/lb U3O8 over first 5 years, approximately \$40/lb U3O8 over 18 year process life.

The technical study and financial modelling was completed with the assistance and in collaboration with a world-class team of consultants including Optiro, Cube Consulting, SLR Consulting (South Africa), Kappes Cassiday & Associates, OMC Hydromet and Lycopodium Minerals Pty Ltd. The key parameters for the project are summarised in Table 1.

Project Economics			Pre-tax	Post-tax
	NPV	\$US	\$383M	\$240M
	IRR	%	29%	24%
	Pay-back period from start of production	yrs	3	3
<b>Capital Costs</b>				
	Construction	\$US	351M	
<b>Working Capital</b>				
		\$US	40M	
<b>Inputs &amp; Assumptions</b>				
	Price of Uranium (flat price over LOM)	U <sub>3</sub> O <sub>8</sub> US \$/lb	\$81	
	Discount rate		8%	
	Life of mine (LOM)	yrs	18	
<b>Project Summary</b>				
	Average Mining cost	\$US /lb	\$18	
	Average Processing Cost	\$US /lb	\$23	
		\$US /lb	<b>\$41</b>	
<b>Cash Flows</b>				
	Total Revenue	\$US	\$3,499M	
	Project Cash flow	\$US	\$841M	\$539M

**Table 1: Summary of outcomes of the technical study**

*The Technical Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from indicated mineral resources and partly from inferred mineral resources. The Technical Study is based on lower level technical and economic assessments and is insufficient to support estimation of ore reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Technical Study will be realised. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.*

## Resources

A-Cap announced a new JORC Mineral Resource Upgrade at Letlhakane completed by Optiro Pty Ltd, an independent expert. The updated resource uses a recoverable resource methodology which takes into account the proposed Standard Mining Unit (SMU). The SMU is defined by the proposed mining method utilising surface miners and the proposed grade control system using in-pit surface gamma radiation measurements.

The Localised Uniform Conditioning (LUC) estimate best reflects the mining methodology envisaged, taking into account the surface miners selective mining capability combined with the proposed grade control methodology. The accurate mining characteristics of surface miners and the ability to measure the gamma radiation on the surface during mining will ensure the optimum grade delivery to the process heap. The SMU of 20m x 4m x 0.25m forms the basis for the LUC estimation. Historic resource estimations were more reflective of conventional open pit mining and therefore had averaged resource data into blocks of bigger mining panels which smoothed or averaged the grade data.

Uniform conditioning (UC) and LUC is used for assessing recoverable resources inside a mining panel when the drill spacing does not provide sufficient coverage for direct grade estimation at the SMU scale. UC provides the proportion of SMUs inside a panel that are above cut-off and its corresponding average grade. LUC takes the UC result and spatially corrects the blocks making it more suited to extraction and optimisation studies.

The new global resource estimate is as follows:

Cut-off (U <sub>3</sub> O <sub>8</sub> ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub>	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub>	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub>
<b>100</b>	197.1	197	85.5	625	203	280.1	822.1	202	365.7
<b>200</b>	59.2	323	42.2	209.7	321	148.2	268.9	321	190.4
<b>300</b>	22.2	463	22.7	81.6	446	80.3	103.8	450	102.9

*Table 2 - 2015 Mineral resource estimates for ALL DEPOSITS at various U<sub>3</sub>O<sub>8</sub> cut-offs*

The 2014 drilling programmes targeted the early optimised shells which typically represents the earliest production potential. Previous results as reported to the ASX during 2014 (August 27th and December 15th) highlighted some of the better grade intersections which would come early on in the potential production sequence. The results of the drilling programme increased confidence in these early production areas within Letlhakane, namely Kraken, Gorgon South and Serule West. The global resource area is 14km long and 11km wide and is divided into the aforementioned main prospect areas. The Letlhakane Uranium Project is divided into prospect areas as defined in the table below:

At a 200 ppm U<sub>3</sub>O<sub>8</sub> cut-off the resource by prospect is:

2015 Mineral resource estimate for the Gojwane and Serule deposits - 200 ppm U <sub>3</sub> O <sub>8</sub> cut off (LUC)											
Ore Type	Deposit	Prospect	Indicated			Inferred			Total		
			Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlbs	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlbs	Mt	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> Mlbs
Secondary	Gojwane	Gorgon Main/West									
		Mokobaesi	2.0	371	1.6				2.0	371	1.6
		Kraken	0.1	261	0.0	0.0	202	0.0	0.1	261	0.0
		<b>Total Secondary</b>	2.1	367	1.7	0.0	202	0.0	2.1	367	1.7
Oxide	Gojwane	Gorgon Main/West	6.1	313	4.2	9.3	280	5.7	15.4	293	10.0
		Mokobaesi	3.4	365	2.7				3.4	365	2.7
		Kraken	3.9	310	2.6	0.7	280	0.4	4.5	306	3.1
		Gorgon South	4.4	323	3.1	2.6	292	1.6	7.0	312	4.8
	Serule	Serule East				0.5	246	0.3	0.5	246	0.3
		Serule West	0.4	302	0.2	11.7	322	8.3	12.1	322	8.6
		<b>Total Oxide</b>	18.1	324	13.0	24.8	301	16.4	42.9	311	29.4
Primary	Gojwane	Gorgon Main/West	15.4	280	9.5	98.2	313	67.7	113.5	309	77.2
		Mokobaesi	0.5	359	0.4	0.3	330	0.2	0.8	347	0.6
		Kraken	7.7	350	5.9	1.0	349	0.8	8.7	349	6.7
		Gorgon South	12.1	337	9.0	22.8	309	15.5	34.9	319	24.5
	Serule	Serule East				0.4	259	0.2	0.4	259	0.2
		Serule West	3.3	376	2.8	62.4	345	47.4	65.7	346	50.2
		<b>Total Primary</b>	39.0	321	27.5	185.0	323	131.8	223.9	323	159.4
		<b>Total</b>	59.2	323	42.2	209.7	321	148.2	268.9	321	190.4

*Table 3 – 2015 LUC resource estimate at 200ppm cut-off.*

Recent work completed by Perth-based resource specialists Optiro on a drill spacing study comparison at the Kraken deposit confirmed that at a starting drill spacing of 200m by 200m, the change of contained metal is within +/-10% when drilled down to 100m by 50m drill spacing. The current criteria for inferred resources is nominally greater than 100m by 100m drill spacing. A-Cap has confidence that the deposit will retain its mineralisation continuity when it is further drilled out.

### Metallurgy and Process Design

The Process Design is based on a 2 stage acid heap leach route for all the primary, oxide and lower mudstone secondary ores with a modified solvent extraction system being the principal uranium recovery method. It has also been decided to blend and treat the upper mudstone secondary ore through this acid circuit and to stockpile the secondary calccrete ore for treatment later in the project using an alkali leach.

### Mining

A-Cap is assessing the LUC resource in terms of mining optimisations. Potential savings on process OPEX costs can be realised from an increase of grade. The more selective LUC interpretation may result in a higher strip ratio than the 2.2 reported for the of 2012 resource optimisation results. OPEX costs from the technical study and the strip ratio were announced to the ASX on the 11th September 2015.

### Environmental and Social Impact Assessment (ESIA)

The Environmental and Social Impact Study (ESIA) conducted by SLR Consulting was submitted to the Botswana Department of Environmental Affairs (DEA) in May 2015. Following a June 2015 reference group feedback meeting conducted by the DEA, written submissions from key groups have been received. Written additions or clarifications have now be collated and given to the DEA for review. After a successful review, any changes and will need to be incorporated into the ESIA documentation.

## FOLEY COAL PROJECT

The Company discovered coal at the Foley Coal Project (which comprises two PLs Foley PL125/2009 and Bolau PL138/2005) during its ongoing regional uranium exploration program. The Foley Coal Project constitutes the up and down dip extension of African Energy's Sese Coal Project that extends into A-Cap's prospecting licences PL138/2005 and PL125/2009. The adjacent Sese thermal coal deposit contains a JORC compliant Mineral Resource of over 2.5 billion tonnes, comprising a Measured Resource of over 650 Mt coal, with an additional ~1,850 Mt in Indicated and Inferred Resource category.

A scoping study is being conducted on A-Cap's Foley project by Sedgman to determine the economic viability of the project. This study includes the maiden resource announcement in Dec 2014. An option of coal power generation is currently being considered. The deposit is near to surface and can be extracted at a low stripping ratio. In Situ Coal Tonnes at Foley total 148 million, of which 71 million tonnes are classified as Indicated (Table 4). The resource drilling covers a small percentage of the tenement area allowing for potential upside to the current resource tonnage.

SEAM	THICKNESS (m)	VOLUME (m3)	GTIS (Gross Tonnes In- Situ)	RD (Relative Density)	GEOLOGICAL LOSS (%)	TTIS (Total Tonnes In- Situ)	CATEGORY
SS	6.84	21 970 000	35 246 000	1.60	15%	29 959	INDICATED
SST	7.45	20 291 000	36 123 000	1.78	15%	30 705	INDICATED
SSU	3.17	6 675 000	12 174 000	1.82	15%	10 348	INDICATED
<b>TOTAL INDICATED</b>			<b>83 543 000</b>			<b>71 012 000</b>	
SS	7.07	30 390 000	48 930 000	1.61	25%	36 700 000	INFERRED
SST	7.08	2 360 000	39 580 000	1.77	25%	29 690 000	INFERRED
SSU	3.02	7 820 000	14 230 000	1.82	25%	10 670 000	INFERRED
<b>TOTAL INFERRED</b>			<b>102 740 000</b>			<b>77 060 000</b>	
<b>TOTAL FOLEY RESOURCES</b>			<b>186 283 000</b>			<b>148 072 000</b>	

**Table 4 – Foley Coal Resource**

*Cut-offs applied: >1m seam thickness, <50% ash and >8MJ/Kg CV, High geological loss applied due to occurrence of dolerite intrusions. Tonnes rounded according to resource confidence (Ind = 1000; Inf = 10,000).*

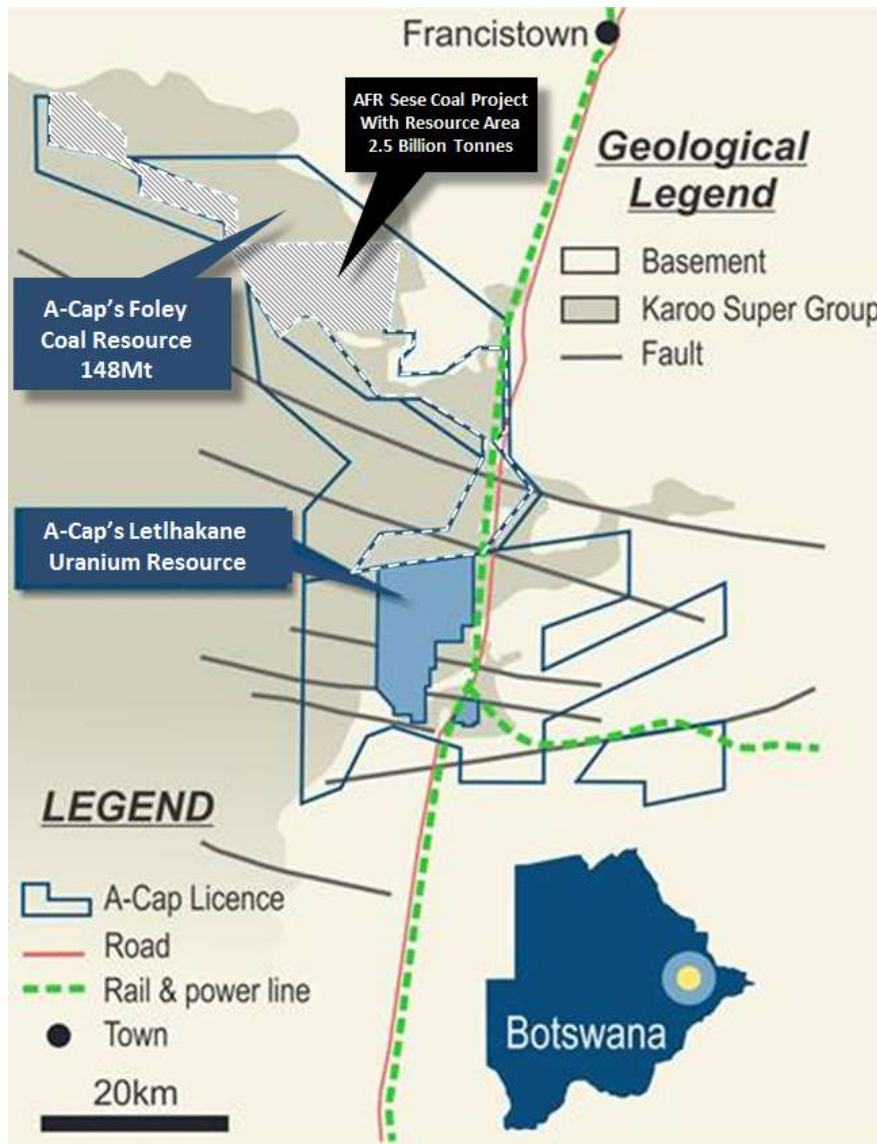


Figure 2: Foley Coal Study location

Once beneficiated, the quality of the coal improves to coal suitable for power generation, with increased Calorific Value ('CV'), lower Total Sulphur ('TS') and a promising yield. The yields averaged in Table 5 for the SS seam from the individual drill holes range from 66.8% to 85.7% at a 1.70 float fraction.

The Foley JORC indicated resource announced in December 2014 brings this project to the stage where mining studies can rapidly define the economic potential. The resource of close to 30 million tonnes in the SS seam allows for a substantial mine life for power generation. A Cap is actively engaging third parties on potential development options to progress the project.

SEAM	TTIS (Total Tonnes In- Situ)	IM (%) (Inherent Moisture)	AS (%) (Ash Content)	VM (%) (Volatile Matter)	FC (%) (Fixed Carbon)	CV (Calorific Value) (MJ/Kg)	TS (%) (Total Sulphur)	YIELD (%)	RESOURCE CATEGORY
SS	29 959 000	6.53	20.41	23.41	54.58	21.1	0.3	77.54	INDICATED
SST	30 705 000	5.65	26.86	21.17	46.32	19.3	0.2	39.10	INDICATED
SSU	10 348 000	5.89	23.83	25.25	45.03	20.1	0.5	26.36	INDICATED
<b>ALL SEAMS</b>	<b>71 012 000</b>	<b>6.06</b>	<b>23.70</b>	<b>22.71</b>	<b>49.62</b>	<b>20.2</b>	<b>0.3</b>	<b>53.46</b>	
SS	36 700 000	5.09	20.03	23.41	54.93	21.3	0.3	78.82	INFERRED
SST	29 690 000	5.09	27.00	19.60	47.47	19.5	0.2	41.34	INFERRED
SSU	10 670 000	5.72	24.90	24.75	44.59	20.0	0.4	29.06	INFERRED
<b>ALL SEAMS</b>	<b>77 060 000</b>	<b>5.18</b>	<b>23.39</b>	<b>22.13</b>	<b>50.62</b>	<b>20.4</b>	<b>0.3</b>	<b>57.49</b>	

**Table 5: Foley Coal Resource Washed Qualities**

*Cut-offs applied are >1m seam thickness, <50% ash and >20MJ/Kg CV, Washed cumulative qualities reported for the 1.7 float fraction. Tonnes rounded according to resource confidence (Ind = 1000; INF = 10,000).*

## MEA COAL PROJECT

The Mea Coal deposit is located approximately 120km west of Francistown on PL134/2005. The project is situated 5km north of the A30 highway that links Francistown to Orapa with all-weather roads and grid power lines passing through the prospect area. The Mea Coal Project on PL134/2005 contains multiple coal seams within a thicker carbonaceous unit that extends to over 100m true thickness. Initial results indicate that Raw Coal Quality at Mea is potentially higher than the typical coal found elsewhere in Botswana. A JORC compliant inferred resource of 335 million tonnes of coal in multiple seams has been announced.

The Mea Coal Study completed by Sedgman South Africa in February 2014 led to further drilling which was completed in the December quarter 2014. The study assessed the potential underground extraction of the BC seam at that time. The 2014 drilling has assessed the open pit resource, however the extraction costs are increased due to a dolerite sill ranging from 5 to 38m thick overlying the seams. Other extraction options are being considered, but accessing the coal via open pits is currently not viable with respect to current coal prices. No further drilling is planned at this stage.

## BASE METALS

Following collation of historical reports and data from the government libraries for the 14 new tenements for base metal exploration, results are being assessed and desktop reviews are being completed. The tenements overlay the inferred extents of the Kaapvaal Craton. The Kaapvaal Craton in South Africa is host to a number of platinum and PGEs, iron ore and manganese mines.

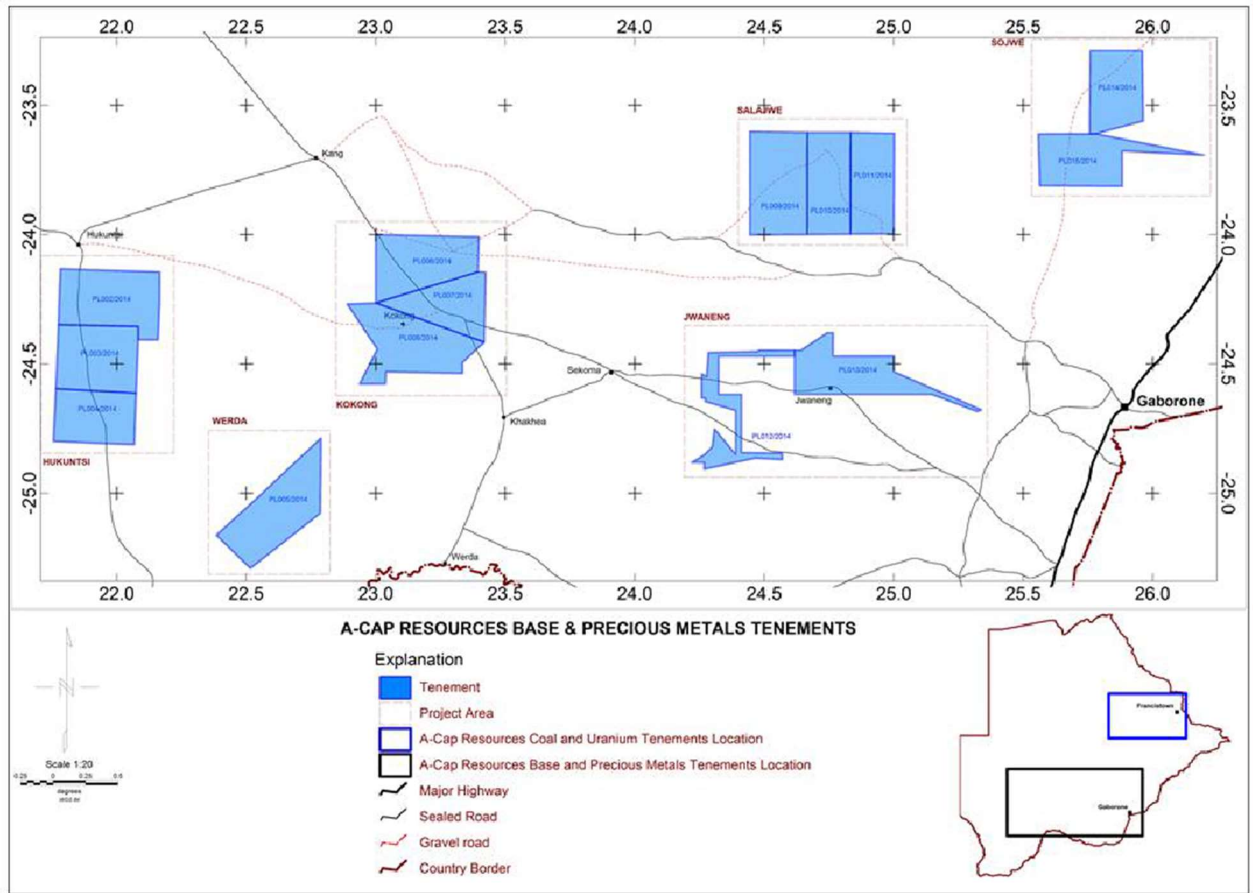


Figure 3: Locality Plan of A-Cap's base metal prospects

## SCHEDULE OF INTEREST IN MINING TENEMENTS

Tenement	Location	Percentage Holding	Title Holder
Letlhakane PL 45/2004	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Mea PL 134/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Bolau PL 138/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Foley PL 125/2009	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 002/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 003/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 004/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Werda 005/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 006/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 007/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 008/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 009/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 010/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 011/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 012/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 013/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 014/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 015/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd



## CORPORATE

### In July 2015:

- ▲ Mr Michael Liu was appointed to the Board of A-Cap as a Non-executive Director, bringing to the Company years of successful experience in public company management, corporate investment and finance, and international M&A;
- ▲ Mr Paul Ingram was appointed Deputy Chairman of the Company;
- ▲ Mr Nicholas Yeak was appointed to the position of Company Secretary, following the resignation of Mr Denis Rakich.

### In August 2015:

- ▲ A-Cap confirmed the change of its registered office to Level 38, 123 Eagle St, Brisbane QLD, 4000 and its principal place of business to Level 15, 140 St Georges Terrace, Perth WA, 6000;
- ▲ Mr John Fisher-Stamp was appointed Chairman of the Company's Audit Committee.

### In 30<sup>th</sup> September 2015:

- ▲ A-Cap confirmed the terms of services agreements entered into with Non-executive Directors with respect to corporate advisory services provided by Mr Paul Ingram, Mr John Fisher-Stamp and Mr Michael Liu;
- ▲ Released its Financial Statements for the year ended 2015, and confirmed that a drawdown financial accommodation facility of up to AUD \$2 million will be put in place, commencing 15<sup>th</sup> November 2015 to fund working capital requirements. This facility will be on an arms-length basis, maturing on or before the 15<sup>th</sup> October 2016.

At quarter end, the Company held cash and marketable securities totalling \$1.106 million.



Paul Thomson  
CHIEF EXECUTIVE OFFICER

#### Competent person's statement

*Information in this report relating to Mineral Resources is based on information compiled by Mr Ian Glacken, the Principal Consultant of Optiro Pty Ltd and a Fellow of the AusIMM. Mr Glacken has sufficient experience that 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 under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Glacken consents to the inclusion of the data in the form and context in which it appears.*

*Information in this report relating to Uranium Exploration results, is based on information compiled by Mr Ashley Jones a full-time employee of A-Cap Resources Limited and a member of AusIMM. Mr Jones has sufficient experience that 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 under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion of the data in the form and context in which it appears.*

*The information presented in this report related to coal resources is based on a geological model that was produced in October 2014. Mrs L. de Klerk (BSc, MSc, Pr.Sci. Nat No. 400090/08, GSSA). Mrs L. de Klerk is Managing Director and Geologist with DK Exploration and has determined coal resource estimates for PL125/2009. Mrs de Klerk has over 12 years industry experience involving modelling and assessing coal resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which she 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". Mrs de Klerk consents to the inclusion in the report of the matters based on information in the form and context in which it appears.*

\*\*\*Ends\*\*\*

For Further information contact:  
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## Appendix 5B Mining 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

Name of entity

A-CAP RESOURCES LIMITED

ABN

28 104 028 542

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 (b) development (c) production (d) administration	(595) - - (608)	(595) - - (608)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Receipt of ATO R&D tax credit)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,198)</b>	<b>(1,198)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (3)	- - (3)
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 (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(3)</b>	<b>(3)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,201)</b>	<b>(1,201)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,201)	(1,201)
<b>Cash flows related to financing activities</b>			
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 (cost of capital raising)	(160)	(160)
	<b>Net financing cash flows</b>	<b>(160)</b>	<b>(160)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,361)</b>	<b>(1,361)</b>
1.20	Cash at beginning of quarter/year to date	2,217	2,217
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>856</b>	<b>856</b>

**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	(237)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director & Consulting fees, including expense reimbursements, paid to related entities

**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

N/A

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

N/A

**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	(643)
4.2 Development	-
4.3 Production	-
4.4 Administration	(521)
<b>Total</b>	<b>(1,164)</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	856	2,217
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>856</b>	<b>2,217</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	N/A	-	-	-
6.2 Interests in mining tenements acquired or increased	N/A	-	-	-

**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> <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL		
7.3 <b>+Ordinary securities</b>	475,056,253	475,056,253		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL	NIL		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	10,000	NIL	<i>Exercise price</i> 80% of market value	<i>Expiry date</i> On the day the employee ceases to be in the employ of the Company or subsidiary thereof.
	4,000,000	NIL	50 cents	15 October 2015
	1,000,000	NIL	40 cents	15 December 2015
	1,500,000	NIL	33 cents	31 January 2016
	5,700,000	NIL	9 cents	15 December 2016
7.8 Issued during quarter	NIL	NIL	-	-
7.9 Exercised during quarter	NIL	NIL	-	-
7.10 Expired during quarter	NIL	NIL	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	NIL	NIL		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	NIL	NIL		

**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: .....  
(Company Secretary)

Date: 30<sup>th</sup> October 2015

Print name: NICHOLAS YEAK

**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 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.