

ASX RELEASE

Thursday 28th January, 2016

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 31ST DECEMBER 2015

A-Cap Resources Limited (“A-Cap” or “the Company”) (ASX: ACB) is pleased to provide its Quarterly Activities Report for the quarter ended 31st December 2015.

HIGHLIGHTS

- ▲ A new resource estimate was completed utilising Localised Uniform Conditioning;
- ▲ Potential pit areas show higher grade;
- ▲ Large increase in lbs of uranium at 300ppm cut-off;
- ▲ \$1 million drawdown of financial accommodation facility to fund short term working capital requirements;
- ▲ Fully underwritten, non-renounceable rights issue to raise AUD \$5 million;
- ▲ Meetings held with Department of Mines;
- ▲ Expiry of unlisted options, issue of new shares.

QUARTERLY ACTIVITIES

Following the submission of A-Cap’s Mining Licence Application for the Letlhakane Uranium Project (the Project) and the completion of the Project’s technical study which yielded positive outcomes during the September quarter, the Company has made good progress during the December quarter and prioritised our efforts towards securing the Project from a technical, financial and licencing perspective.

On the 2nd October 2015, A-Cap announced a new global resource estimate utilising Localised Uniform Conditioning which takes into account mining and grade control selectivity. Furthermore, the positive results from the 2014 drilling programme were incorporated into the resource estimate, with the outcome being an increase in both tonnes (particularly at a 300ppm cut-off) and grade. This is discussed in greater detail later in this report. A-Cap has been assessing the implications of the new resource estimate on resource optimisations. Initial optimisations look encouraging, and further work will be prioritised in 2016.

The 2015 Annual Report released at the end of September 2015 confirmed that A-Cap would be entering into a financial accommodation facility of up to \$2 million. The facility is on an arm’s length basis at an interest rate of 10% per annum. On the 13th November 2015 A-Cap drew down \$1 million from the facility to fund the Company’s short term working capital requirements.

In December A-Cap was pleased to announce a non-renounceable entitlement offer to shareholders to issue approximately 250 million new shares on the basis of 1 new share for every 1.9 shares held at an issue price of 2 cents per new share, to raise up to \$5 million. Importantly an Underwriting Agreement was entered into with Jiangsu Chixiang Precision Gear Co., Ltd, who hold a 1% interest in A-Cap as at the Record Date of the entitlement. This capital raising is an important milestone for the Company, which will enable us to recommence work to finalise the bankable feasibility study for the Project, including mine plan and optimisations, process design work and infill drilling to refine reserves. In addition, trial mining and a pilot plant study are also planned.

A-Cap continues to build on its excellent working relationship with the Botswana Government and the Department of Mines. Following the submission of the Project's Mining Licence Application, the Company have held positive meetings and discussions with the Botswana Department of Mines (DoM) and the Department of Environmental Affairs during the quarter. While A-Cap awaits environmental approval, the DoM is concurrently assessing the Mining Licence Application.

Under advice from the DoM, an application was submitted and subsequently granted for an extension of PL45's prospecting licence up to the 31st December 2016. This is a compliance requirement under the Botswana Mines and Minerals Act that a valid prospecting licence must be in place for all Mining Licence Applications. A-Cap is working with all government departments to ensure all approvals are in place and information is readily available to facilitate the approvals process.

A-Cap's Annual General Meeting was held on the 30th November 2015 in Brisbane. Unlisted options expired in October and December 2015 (4 million and 1 million respectively). On the 10th December 2015, shares in the Company were issued pursuant to resolutions passed at the AGM and pursuant to ASX Listing Rule 7.1.

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.

Mining Licence Application, Technical Study

In August 2015 A-Cap submitted the Mining Licence application for PL 45/2004 (Letlhakane) 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 Botswana Department of Mines is examining the application in parallel while awaiting the ESIA approval of the Department of Environmental Affairs. Whilst this is occurring the tenure of PL45 was officially extended to ensure tenure continuity till 31st December 2016.

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 11th 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.

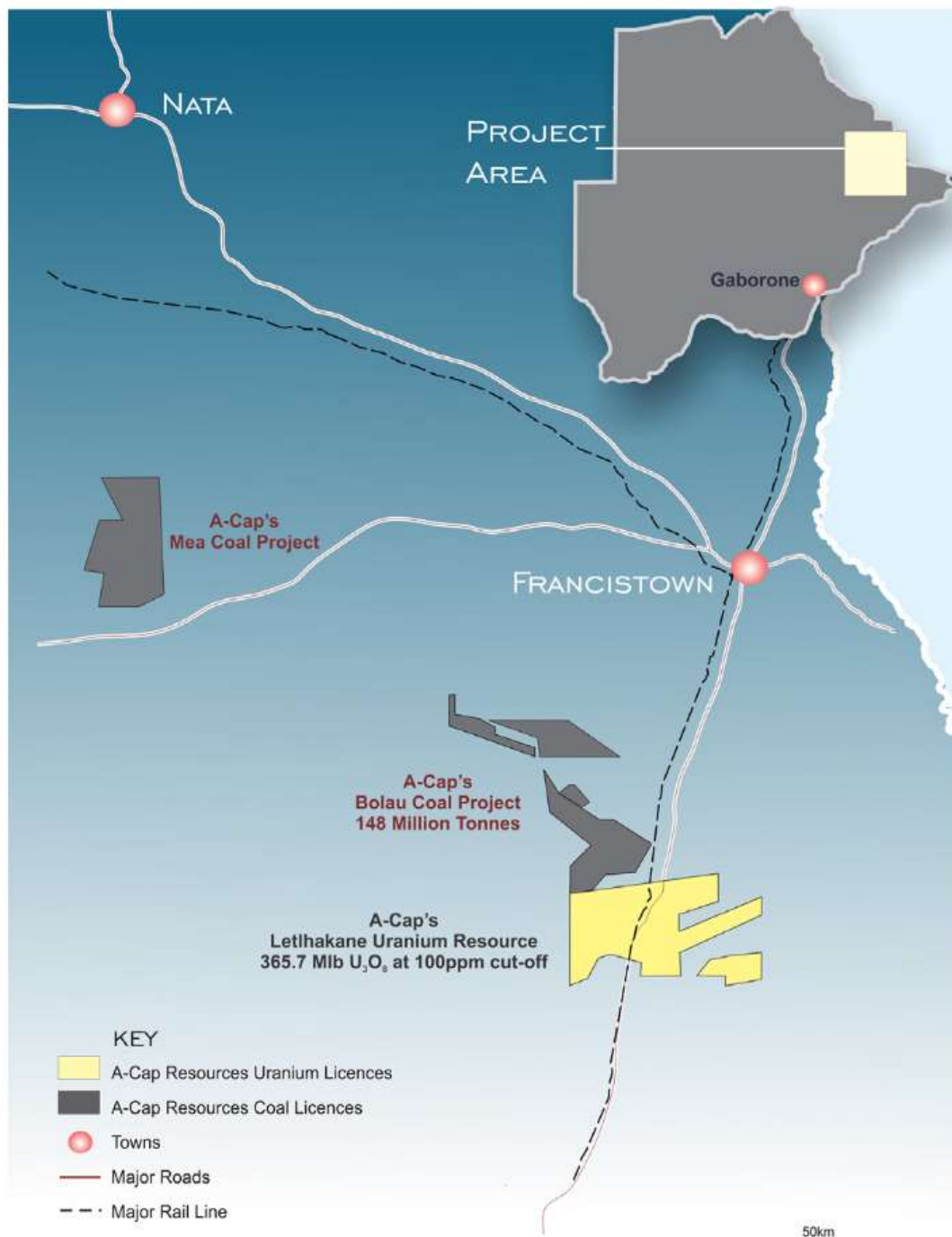


Figure 1: Location of A-Caps major projects.

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 below.

Project Economics		Pre-tax	Post-tax
NPV (\$US)		383M	240M
IRR (%)		29%	24%
Pay-back period from start of production (yrs)		3	
CAPITAL COSTS (\$US)			
Construction		351M	
WORKING CAPITAL (\$US)		40M	
INPUTS & ASSUMPTIONS			
Price of Uranium (flat price over LOM) (U ₃ O ₈ \$US/lb)		\$81	
Discount Rate		8%	
Life of Mine (LOM) (yrs)		18	
PROJECT SUMMARY			
Average Mining Cost (\$US/lb)		\$18	
Average Processing Cost (\$US/lb)		\$23	
CASH FLOWS			
Total Revenue (\$US)		\$3,499M	
Project Cash Flow (\$US)		\$841M	\$549M

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 on the 2nd October 2015 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 ₃ O ₈ ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)	Mt	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)	Mt	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)
100	197.1	197	85.5	625	203	280.1	822.1	202	365.7
200	59.2	323	42.2	209.7	321	148.2	268.9	321	190.4
300	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 U₃O₈ 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 U₃O₈ cut-off the resource by prospect is:

2015 Mineral resource estimate for the Gojwane and Serule deposits - 200 ppm U ₃ O ₈ cut off (LUC)												
Ore Type	Deposit	Prospect	Indicated			Inferred			Total			
			Mt	U ₃ O ₈ ppm	U ₃ O ₈ Mlbs	Mt	U ₃ O ₈ ppm	U ₃ O ₈ Mlbs	Mt	U ₃ O ₈ ppm	U ₃ O ₈ Mlbs	
Secondary	Gojwane	Gorgon Main/West	2.0	371	1.6				2.0	371	1.6	
		Mokobaesi	0.1	261	0.0	0.0	202	0.0	0.1	261	0.0	
		Kraken										
		Total Secondary	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	
			Total Oxide	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	
			Total Primary	39.0	321	27.5	185.0	323	131.8	223.9	323	159.4
		Total	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 were received. Written additions or clarifications were collated and resubmitted to the DEA.

COAL PROJECTS

A-Cap's Coal projects consists of the Foley Coal Project (which comprises two PLS Foley PL125/2009 and Bolau PL138/2005) and the Mea Coal Project (PL134/2005). The Company is considering options to release value and monetise our coal assets through joint venture participation, corporate re-organisation and assets sale.

Foley Coal Project

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.

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%	29 959 000	INDICATED
SST	7.45	20 291 000	36 123 000	1.78	15%	30 705 000	INDICATED
SSU	3.17	6 675 000	12 174 000	1.82	15%	10 348 000	INDICATED
TOTAL INDICATED			83 543 000			71 012 000	
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
TOTAL INFERRED			102 740 000			77 060 000	
TOTAL FOLEY RESOURCES			186 283 000			148 072 000	

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).

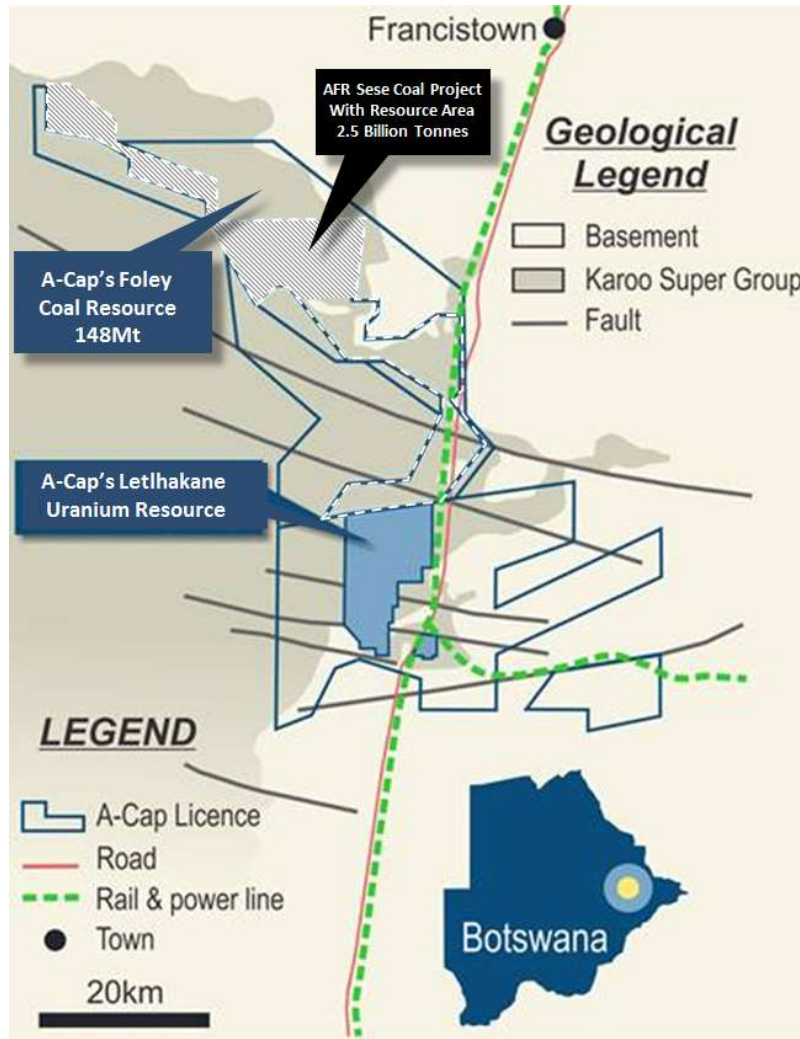


Figure 2: Foley Coal Study location

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

Historical reports and data from the government libraries have been compiled. A-Cap is currently looking to assess and relinquish some of these tenements. 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.

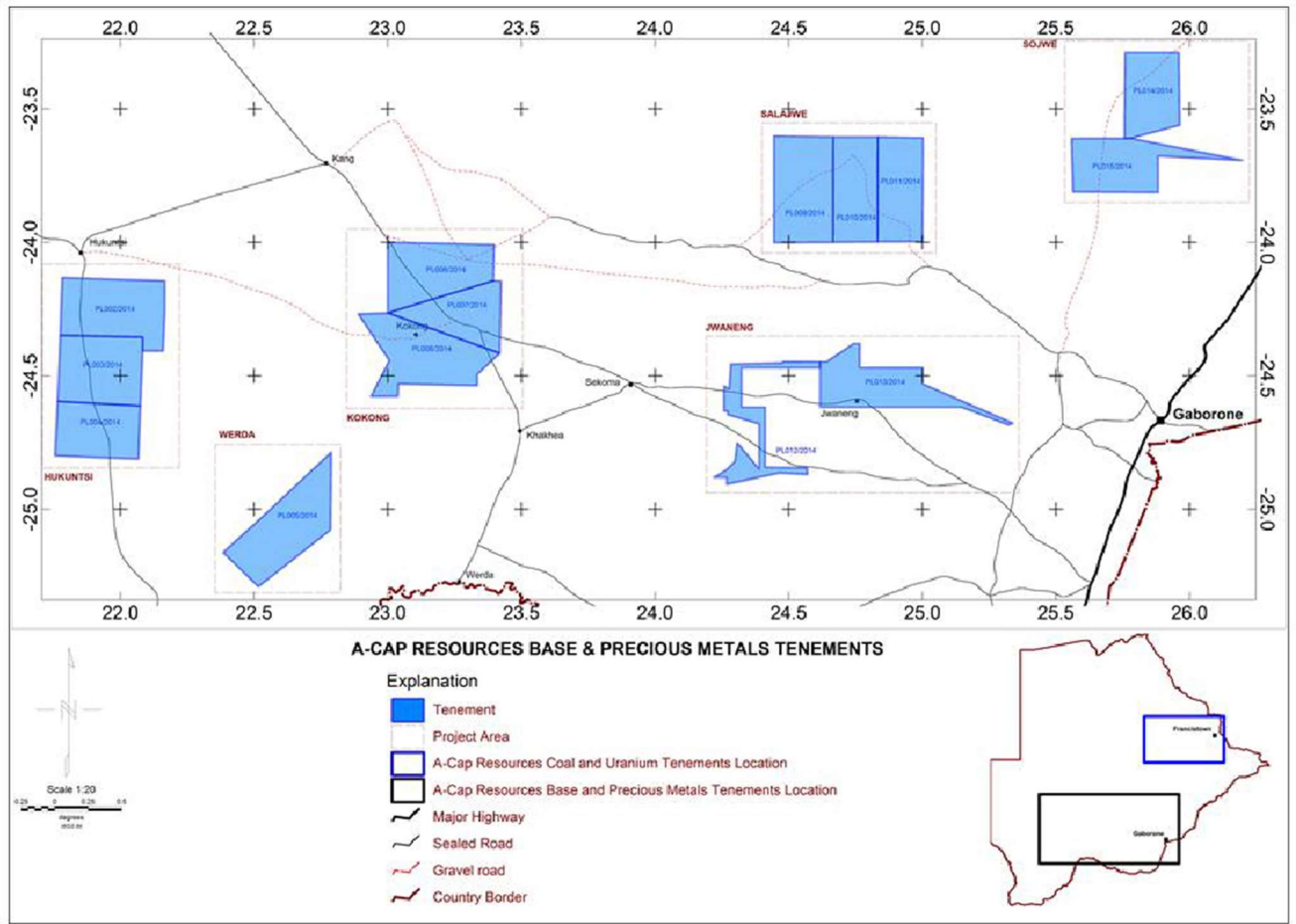


Figure 3: Locality Plan of A-Cap's base metal prospects

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

During the quarter ended December 2015:

- ▲ On the 15th October 2015, 4 million unlisted options exercisable at 50c each expired unexercised;
- ▲ During November A-Cap entered into a financial accommodation facility of up to \$2 million. The facility is on an arm's length basis at an interest rate of 10% per annum. On the 13th November 2015 A-Cap drew down \$1 million to fund the Company's short term working capital requirements.
- ▲ A Non-Renounceable Rights issue to raise \$5 million through the issue of approximately 250,000,000 new ordinary shares on the basis of 1 new ordinary share in the Company for every 1.9 ordinary shares held, at a price of 2 cents per share, was announced on the 18th November 2015. A prospectus was lodged on the 3rd December 2015 with the offer closing on the 8th January 2016;
- ▲ The Annual General Meeting was held in Brisbane on the 30th November 2015;
- ▲ On the 10th December 2015, shares in the Company were issued pursuant to resolutions passed at the AGM for 5,693,230 ordinary fully paid shares, and pursuant to ASX Listing Rule 7.1 for 1,320,519 ordinary fully paid shares.
- ▲ On the 15th December 2015 1 million unlisted options exercisable at 40 cents each expired unexercised;

Following the end of the quarter, on the 6th January 2016 it was announced that the Non-Renounceable entitlement offer Closing Date would be extended from the 8th January 2016 to the 18th February 2016 to allow eligible shareholders additional time to consider their participation in the offer.

At quarter end, the Company held cash totalling \$822,477.



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")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 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	(487) - - (532)	(1,082) - - (1,140)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Receipt of ATO R&D tax credit)	-	-
Net Operating Cash Flows	(1,017)	(2,215)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (1)	- - (4)
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)	-	-
Net investing cash flows	(1)	(4)
1.13 Total operating and investing cash flows (carried forward)	(1,018)	(2,219)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,018)	(2,219)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	13	13
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,000	1,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (cost of capital raising)	(29)	(189)
	Net financing cash flows	984	824
	Net increase (decrease) in cash held	(34)	(1,395)
1.20	Cash at beginning of quarter/year to date	856	2,217
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	822	822

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	(205)
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	2,000	1,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(358)
4.2 Development	-
4.3 Production	-
4.4 Administration	(633)
Total	(991)

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	151	856
5.2 Deposits at call	671	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	-	-
Total: cash at end of quarter (item 1.22)	822	856

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 Preference +securities <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 +Ordinary securities	482,070,002	482,070,002		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,013,749	7,013,749	2,528,631 @ 4.28c 279,916 @ 2.18c 297,232 @ 2.4c 393,571 @ 5.38c 373,716 @ 4.84c 1,157,992 @ 4.9c 1,982,691 @ 4.23c	
7.5 +Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7 Options <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.
	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	4,000,000	NIL	50 cents	15 October 2015
	1,000,000	NIL	40 cents	15 December 2015
7.11 Debentures <i>(totals only)</i>	NIL	NIL		
7.12 Unsecured notes <i>(totals only)</i>	NIL	NIL		

+ See chapter 19 for defined terms.
Appendix 5B

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: 28th January 2016

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.