

11 July 2016

ASX ANNOUNCEMENT



AVALON MINERALS LTD JUNE 2016 QUARTERLY REPORT

ASX: AVI

Lithium Portfolio, Scandinavia (Avalon - 80%)

- Avalon entered into two agreements over known lithium properties in Finland and Sweden;
- The flagship property includes the known high grade Kietyönmäki lithium pegmatite and surrounding area which includes 24m at 1.3% Li₂O in historical diamond drilling by the Finnish Geological Survey. Peak assays include 3m at 4.35% Li₂O;
- Drilling at Kietyönmäki is expected to commence in Q3, 2016 and is aimed at delivering a maiden Resource estimate;
- Avalon's move into the lithium sector builds on its Scandinavian expertise and network, and is a complementary business to its advanced Viscaria Copper Project.

Viscaria Copper Project, Sweden (Avalon - 100%)

- The Viscaria Copper Project Environmental and Social Impact Assessment (ESIA) process is progressing, and represents the critical path to final permitting;
- Work continues on increasing the scale of the Viscaria Copper Project.
- Additional geological and mine modelling studies on A and B Zone have enabled delineation of a larger open pit and captured more Mineral Resource into Mining Inventory to support a larger scale mining operation;
- In addition, further growth of the D Zone Mineral Resource estimate is expected with additional drilling in 2016 and 2017 (see ASX announcement 5/4/16).

Corporate Highlights

- A\$0.6 million in cash at 30 June 2016;
- Placement of approximately \$1.9M to new sophisticated investors and existing cornerstone shareholders announced 6 July 2016.

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Exploration and Development Activities

Lithium Portfolio

During the quarter Avalon entered into agreements to secure interests over known lithium properties in Finland and Sweden.

In Finland Avalon, through subsidiary Scandian Metals Pty Ltd (Scandian), finalised an earn-in joint venture with Canadian company Nortec Minerals Corp. over the Kietyönmäki lithium occurrence in southern Finland. The terms of that agreement were announced on 19 May 2016.

Tammela (Somero) Lithium Project

Lithium mineralisation at Kietyönmäki is hosted in a spodumene-bearing pegmatite dyke swarm. The Kietyönmäki lithium pegmatite deposit was drilled during the period 1987 and 1988 by GTK. Seventeen shallow diamond drill holes were completed to test down to 70m below surface across three traverses, including one traverse of very shallow holes to identify bedrock. Assay results are tabulated in table below.

Assays from drill holes completed by the Geological Survey of Finland (GTK), and confirmed by Nortec, **included 9m at 2.2% Li₂O** within a broader zone of **24m at 0.1.3% Li₂O** within R310.

Drill hole	From (m)	To (m)	Interval (m)	Li ₂ O %
R307	14.1	37.1	23.0	1.53
<i>including</i>				
	14.1	16.4	2.3	1.78
	18.0	21.8	3.8	1.77
	24.2	37.1	12.9	1.83
R308	3.7	11.3	7.6	1.37
<i>including</i>				
	3.7	6.0	2.3	2.01
	8.3	11.3	3.0	1.63
R309	3.0	10.5	7.5	1.49
<i>including</i>				
	3.0	4.2	1.2	1.40
	6.0	10.5	4.5	1.99
R310	11.7	14.7	3.0	1.23
	65.0	83.0	18.0	1.79
<i>including</i>				
	68.0	77.0	9.0	2.60
	70.0	73.0	3.0	4.35
R311	20.3	41.9	21.6	1.42
R315	24.1	36.8	12.7	1.10
R316	86.0	99.0	13.0	1.66
<i>including</i>				
	86.0	95.0	9.0	1.88
	98.0	99.0	1.0	3.90
R317	41.4	45.3	3.9	1.28

Table 3: Kietyönmäki assay results

The Kietyönmäki lithium deposit is held under approved claims and field work is planned to commence in July with drilling expected to commence in August-September 2016. Avalon has also lodged further Exploration Reservation applications in the Somero district in southern Finland.

Avalon has included an Exploration Target of 8-15Mt at 1.4% – 1.8% Li₂O (refer to ASX announcement dated 14 June 2016). The potential quantity and grade is conceptual in nature. There has to date been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Corporate Presentation released on 14 June 2016 provides further background on this target.

The Exploration Target is comprised of:

- 4 -6Mt at the Main dyke drilled to a depth of 300m below surface. Existing drilling has tested the dyke to 65m below surface
- 2 -5Mt from outcropping and lithium bearing pegmatite dykes immediately south-west of the Main Dyke, where there has not been previous drilling
- 2 -5Mt from lithium pegmatite dykes, partially drill tested, to the north-east of the Main Dyke
- 2 -3Mt from mapped dykes within a 1km radius, and primarily along strike, of the Main Dyke, where there has not been previous drilling

Tammela Gold Opportunity

The Nortec JV also includes two defined gold opportunities (Satulinmäki and Riukka) held within the claim areas and further exploration will be undertaken to assess these areas. All historical drilling is shallow and has only tested to ~70m below surface. Historical assays by GTK **included 22m @ 3.6 g/t Au from 50 metres** (hole 391) at Satulinmäki.

Kaustinen Lithium Project

In the Kaustinen district in central Finland Avalon, through Scandian, has lodged an Exploration Reservation application covering up to 500 km², within the Central Ostrobothnia district, home to several known lithium pegmatites some of which are at an advanced stage of PFS and held by private Finnish company Keliber Oy. The area of the Exploration Reservation application by Scandian does overlap in part with competing applications and these are yet to be resolved.

Avalon has also applied for smaller Exploration Permit applications directly adjacent to defined lithium deposits.

Seinäjoki Lithium Project

One Exploration Reservation application has been lodged by Scandian over an area of 207 km² covering a documented lithium pegmatite occurrence, and at the southern end of the regional geological province that includes the Kaustinen district in the north. Reconnaissance exploration will commence upon approval of the Exploration Reservation.

Applications for Exploration Reservations in the Tammela, Kaustinen and Seinäjoki areas are still being processed by the Finnish Safety and Chemicals Agency (Tukes; the government department responsible for administering mining tenure in Finland), and some of the areas under application have competing applications, but these do not compromise Avalon's exploration and proposed resource definition drilling program at the Kietyönmäki deposit.



In Sweden Avalon, through subsidiary Scandian Metals Pty Ltd (Scandian), has entered into a Heads of Agreement with private Australian interests to explore two approved Exploration Concessions and an application for an Exploration Concession in Vasternorrlands, referred to as the Ladum Project.

The Australian interests include a private company held by well-known and highly respected geologist and analyst David Ransom, with a 20% equity position in Scandian, and the issuance of 5 million shares in Avalon being granted to the private Australian interests in exchange for vending these prospects into Scandian.

The Ladum Project covers areas within a regional pegmatite district that has seen minor historical exploration primarily for tin. Most of this exploration was undertaken by LKAB in the 1980's. The exploration included geophysics, till-sampling, and general geological mapping and investigations. This work resulted in a number of tin, niobium, tantalum and lithium bearing pegmatites being defined. After this initial program LKAB ceased all exploration and focussed its business on iron ore developments in northern Sweden near Kiruna.

The main prospect secured under approved Exploration Concession consists of a NE-trending lithium-bearing pegmatite dyke swarm.

The main prospect area is within forested terrain with easy access through logging roads. Main roads, power lines and local towns such as Sollefteå are all nearby. Ports are located approximately 75km to the south-east. The climate in the area is relatively mild due to proximity to the Baltic Sea.

Data compilation and an initial field program on the Ladum Project, Sweden is scheduled for July.

Avalon, through Scandian Metals, assumes responsibility for a 1% net smelter royalty payable to the original Swedish claim owner.

Avalon will fund exploration on the Scandian portfolio of lithium projects and standard dilution clauses apply once expenditure thresholds are exceeded.

All exploration areas within the Scandinavian portfolio are supported by high quality infrastructure. Good quality open file data exists and compilation and interpretation of this data has commenced. Data from joint venture partners is also undergoing review.

Low sovereign risk in Finland and Sweden, and Avalon's operating base from Kiruna in northern Sweden, together with local partnerships, support this initiative. Securing an advanced, drill ready lithium deposit at Kietyönmäki, and documented lithium-bearing pegmatites in all other areas held and under application, allows for rapid advancement towards definition of a maiden resource.

Tenements

During the quarter, the following lithium tenements were obtained, or applications lodged in Sweden and Finland, by Avalon's 80% owned subsidiary Scandian Metals Pty Ltd (through its 100% owned Swedish subsidiary Scandian Metals AB):

- Ladumyrberget nr 1 Exploration Concession, Vasternorrlands, Sweden – Granted[^]
- Ojaklacken nr 1 Exploration Concession, Vasternorrlands, Sweden - Granted[^]
- Fannbyasen nr 1 Exploration Concession, Vasternorrlands, Sweden – Application[^]
- Niinimäki Exploration Reservation, Somero, Finland - Application
- Ypäjä Exploration Reservation, Somero, Finland - Application
- Kaila Exploration Reservation, Somero, Finland - Application
- Loulus Exploration Reservation, Kaustinen, Finland - Application

- Kivijärvi Exploration Reservation, Seinäjoki, Finland - Application
- Rehumäki Exploration Reservation, Somero, Finland – Application*
- Somero 1-12 Claims, Somero, Finland – Granted*
- Tammela 1-3 Claims, Somero, Finland – Granted *

^Applications lodged for transfer of tenements from Orezone AB to Scandian Metals AB

*Subject to earn-in joint venture with Nortec Minerals Corp. (Tammela Minerals Oy)

Viscaria Copper Project

Environmental and Social Impact Assessment (ESIA) and Permitting

The Viscaria ESIA process is being progressed. These activities will deliver the necessary documents for application for a Permit to Mine from the Swedish Land and Environmental Court. The process is focussed on the immediate Viscaria area and supports planning for mine development within the approved Exploitation Concessions K3, K4, and K7.

The environmental permitting is the primary focus of activities at this stage to further de-risk the project and support ongoing scoping and feasibility studies.

Subsequent to the end of the quarter, the approved, but under appeal, K7 Exploitation Concession at Viscaria has been returned to the Swedish Mines Inspectorate for further review as part of an industry wide review of appealed exploitation concessions in Sweden. Approved Exploitation Concessions K3 and K4 which cover the main areas of Viscaria copper mineralisation remain in force and are not affected by this development.

Viscaria Scoping Study

The findings of the Viscaria Copper Project (VCP) Scoping Study were presented in an ASX announcement dated 14 December 2015. Further geological and mine modelling studies on A and B Zone have enabled delineation of a larger open pit over a combined A and B Zone. This has captured more Mineral Resource into Mining Inventory and supports the target case of a 2.0Mtpa mining operation and production of over 20,000 tonnes of copper per annum. These results, and demonstration of potential further upside with inclusion of hangingwall and footwall lodes captured in the enlarged open pit, were presented in a corporate update released on 5 April 2016.

The exploration upside is considered to be very strong to further extend the D Zone orebody by defining high grade mineralisation outside of the resource area as has been demonstrated in drilling results in late 2015.

Additional drilling is planned on proposed D Zone underground areas, and proposed A and B Zone open pit areas. A resource update will occur at the completion of this drilling, together with an update to the Scoping Study, with several key areas undertaken to a feasibility study level.

Corporate

Cash Resources - The Company's unaudited cash position for 30 June, 2016 is A\$0.6 million.

Capital Raising

On 6 July 2016 the Company announced a placement to raise approximately A\$1.9 million. Proceeds from the equity raising will be used to fund:

- A 3,000m diamond drilling programme at the Kietymäki lithium occurrence, with the objective of defining a maiden JORC Resource;
- Other exploration activities on the Company's Swedish and Finnish lithium exploration assets including geophysics, geochemistry and metallurgical test work;
- Progressing the Environmental and Social Impact Assessment ('ESIA') in relation to its Viscaria Copper Project, Sweden; and
- Working capital, including corporate costs to manage the exploration programme and costs of the offer.

The placement consists of shares at 1.6 cents per share, and one (1) attaching option for each share subscribed in the placement, with the options having an exercise price of 3 cents each and expiry date of 3 years from the date of issue. Subject to satisfying the listing criteria of the ASX, the options will be quoted on ASX.

Tranche 1 of the placement is the issue of 94,525,000 shares to new sophisticated investors under the Company's available capacity, to raise approximately A\$1.5 million. Tranche 2 involves issuing further shares to existing long term cornerstone shareholders in Europe and the UK as well as Avalon's Chairman and Managing Director under the same terms as Tranche 1.

A General Meeting will be called, anticipated to be held in August 2016, seeking shareholder approval for the Tranche 2 issue of shares and the issue of all options under the placement.

Discovery Zone Update

As announced on 9 October 2015, the Heads of Agreement ('HoA') for the acquisition of the Discovery Zone copper-iron deposit has not been extended. Since the exploitation concession application had not been granted by 8 October 2015 (being two years from the initial payment), the initial A\$1 million payment made by Avalon was refundable by Hannans Ltd ('Hannans'), and a Refund Notice was issued.

The 90 day period for Hannans to make the refund payment expired on 7 January 2016. Hannans did not pay that amount or any other amount after receiving that Notice.

Avalon has filed proceedings in the WA Supreme Court seeking to recover all sums due under the HoA.

Hannans have filed a defence and counterclaim. Hannans has also indicated that it will apply for summary judgment.

Avalon will pursue its claim and vigorously defend the counterclaim.

As announced on 28 October 2015, the Mines Inspectorate advised that the Discovery Zone exploitation concession application had been removed from further processing. Avalon appealed this decision and that appeal was subsequently dismissed by the Swedish Courts.

Research and Development Claim

During the June quarter, Innovation Australia undertook an internal review of its earlier decision that Avalon's Research and Development ("R&D") activities for the years ended 30 June 2013 and 30 June 2014, were deemed to not be core or supporting activities.

Representatives of Innovation Australia met with Avalon staff and advisors to provide further details on the R&D activities and visited the laboratory where experimentation was being conducted.

As at the date of this report the final result of the review has not yet been advised, however Avalon remains confident that all activities undertaken are valid R&D activities.

Shareholder Information

As at 30 June 2016, the Company had 383,101,936 fully paid ordinary shares on issue and 428 shareholders.

In relation to the acquisition of the Ladum Project in Sweden, 5 million shares in Avalon are yet to be issued to the agreement partners.

Notes Specific – June 2016 Quarter ASX Announcements

The following announcements, which relate to information in this Quarterly Report, were lodged with the ASX during the Quarter. Further details (including JORC 2012 Code Reporting Tables, where applicable) for the results summarised above can be found in the announcements:

<i>Investor Update and Presentation</i>	<i>5 April 2016</i>
<i>Notice of General Meeting</i>	<i>6 April 2016</i>
<i>Results of Meeting</i>	<i>10 May 2016</i>
<i>Avalon Builds Lithium Portfolio in Finland</i>	<i>19 May 2016</i>
<i>Appendix 3B Placement</i>	<i>26 May 2016</i>
<i>Lithium Portfolio Update and Presentation</i>	<i>14 June 2016</i>

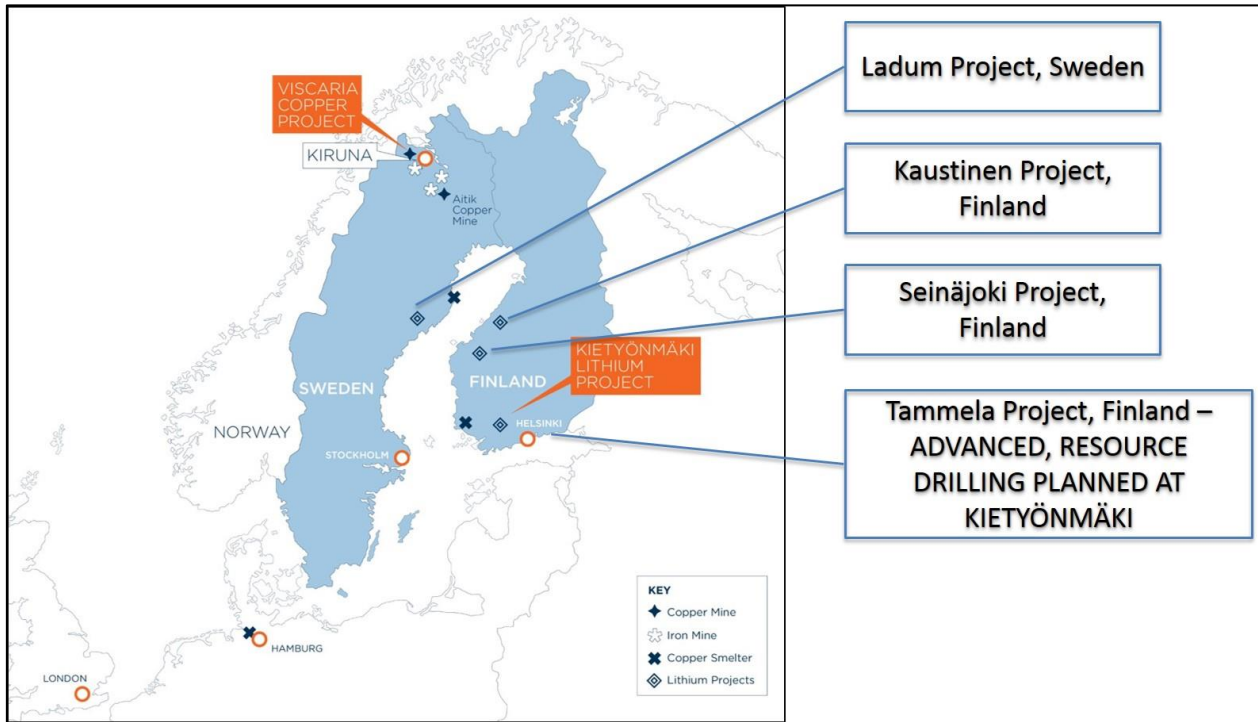


Figure 1: Project Locations

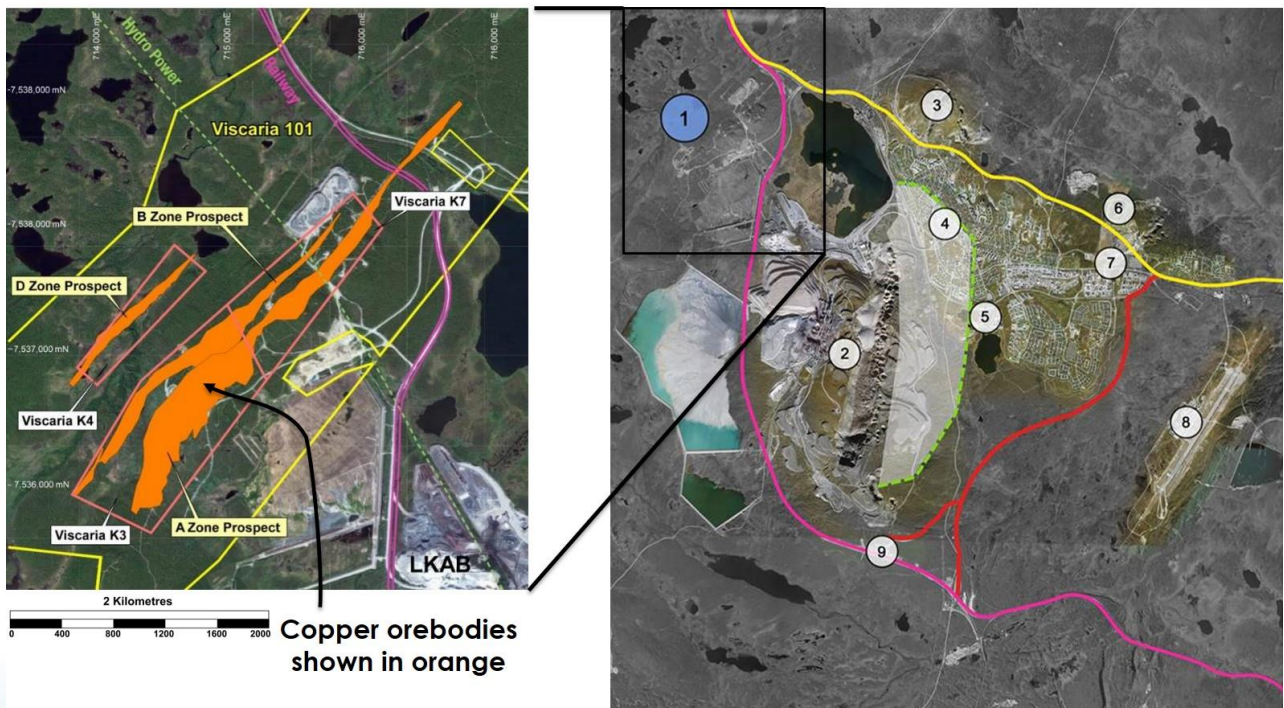


Figure 2: Location of the Viscaria Copper Project.



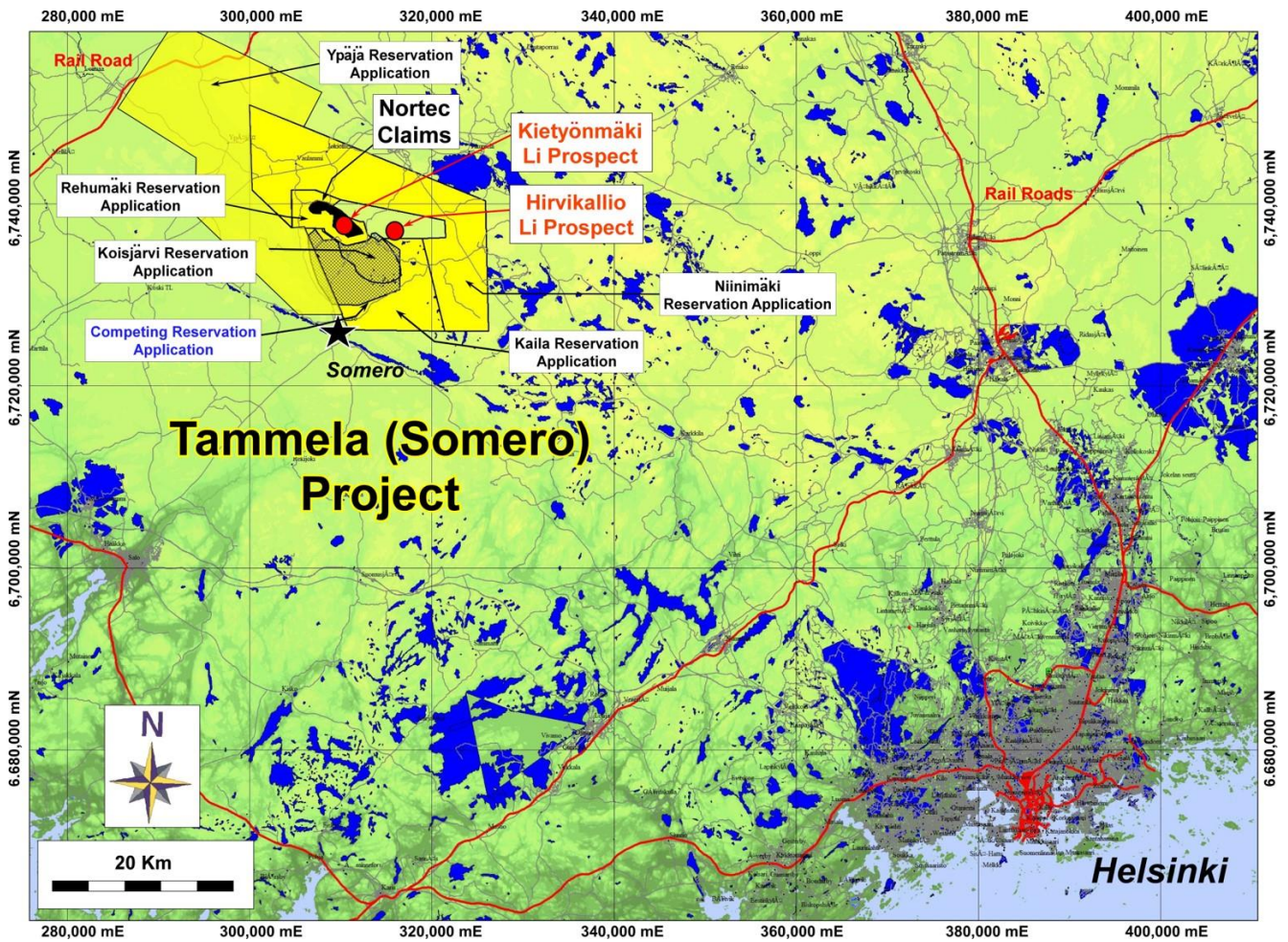


Figure 3: Areas of Exploration Reservation Applications by Avalon, and claims held through the Nortec JV. The Hirvikallio lithium prospect is surrounded by Natura 2000 environmental areas and hence is excluded from the current claim areas.

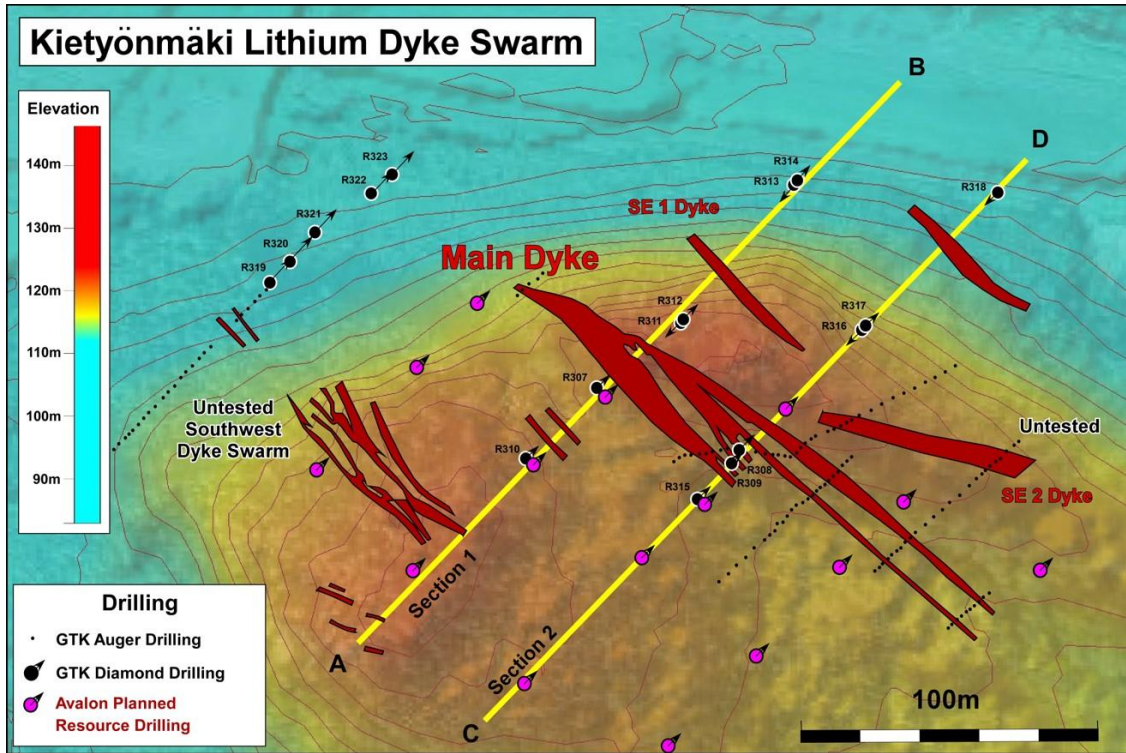


Figure 4: Resource drilling planned shown in pink – 15 holes: 3,000 metres

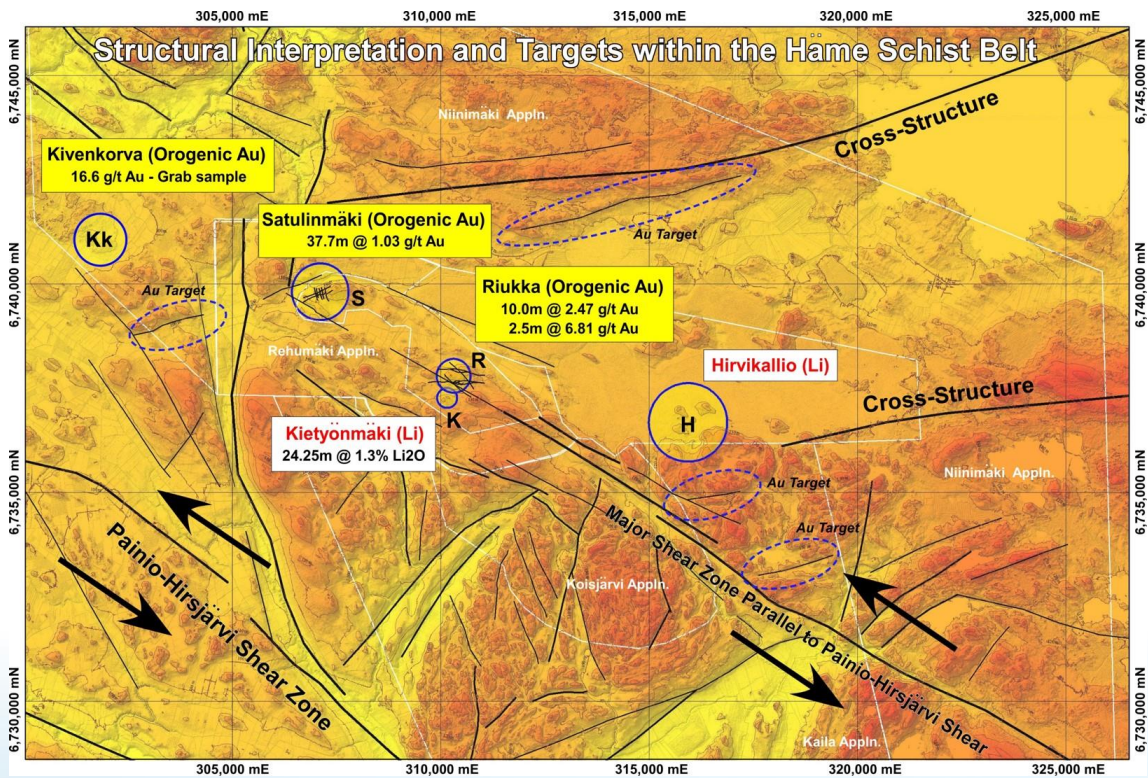


Figure 5: Tammela gold opportunity



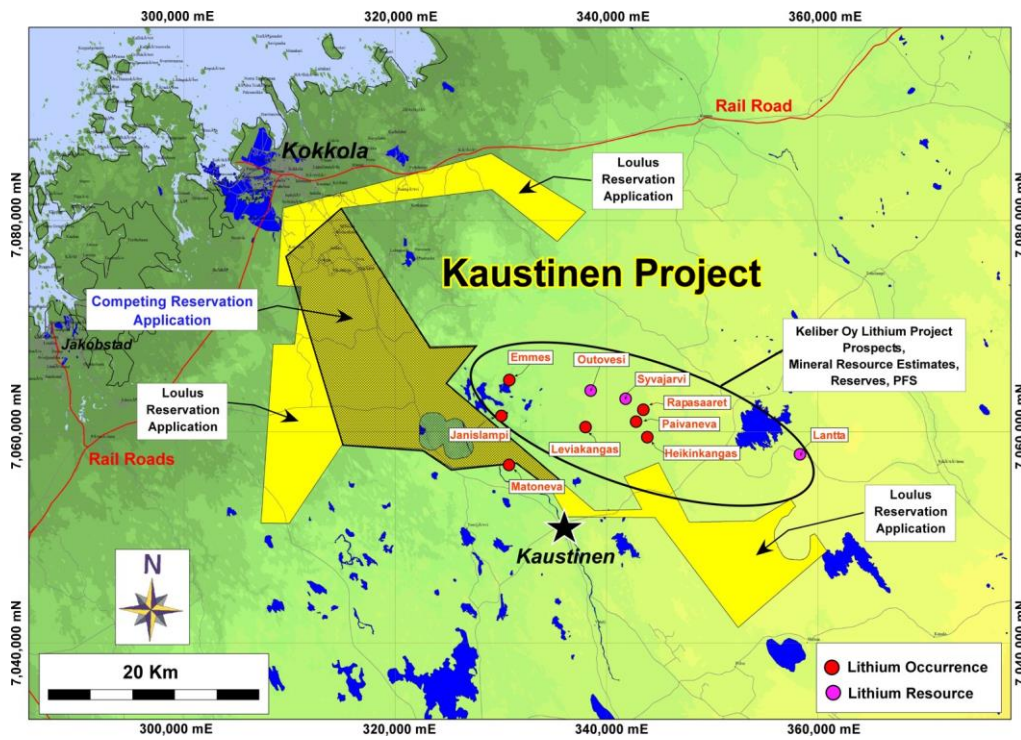


Figure 6: Kaustinen Project



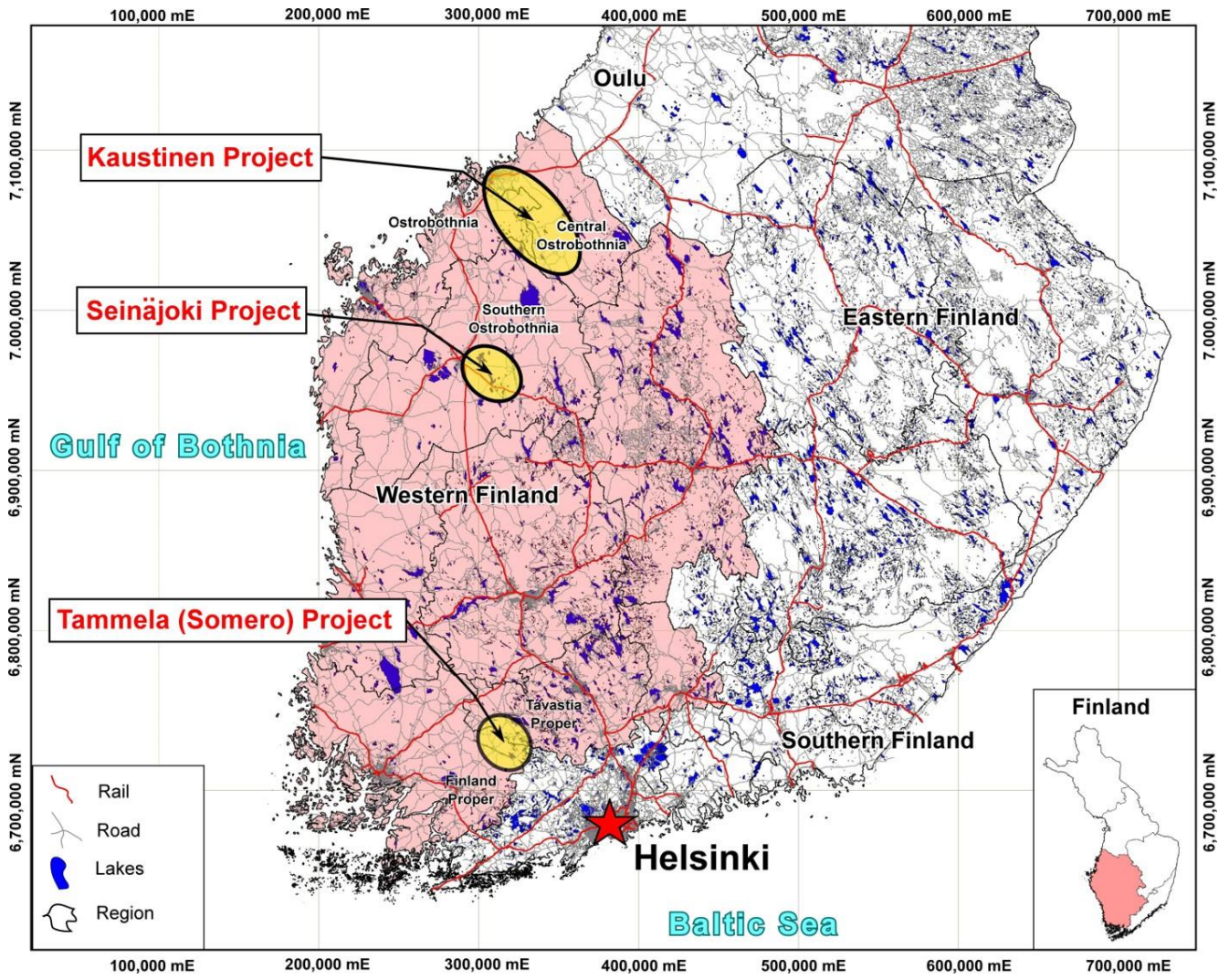


Figure 7: Regional locations of lithium projects within the Avalon portfolio.



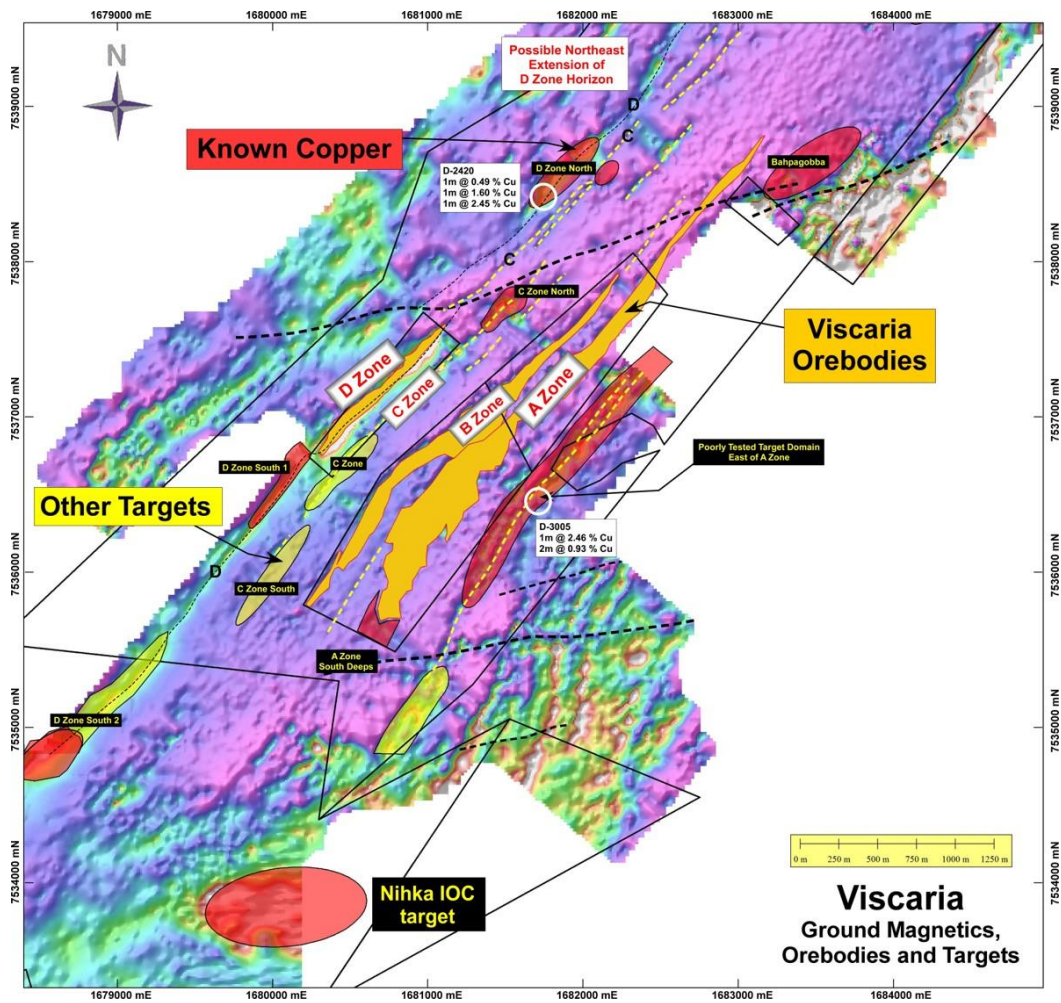


Figure 8: Location of targets relative to the Viscaria Copper Project development area (A, B and D Zones). Background image is airborne magnetic data.

TENEMENT SCHEDULE

At the end of the quarter, the Company holds the following tenements:

Tenement Holder	Tenement Name	Location	Status	Avalon Ownership
Avalon Minerals Viscaria AB	Viscaria No 1	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 2	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 101	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 107	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 112	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria No 113	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Huornas No 1	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Huornas No 2	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 3	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 4	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Viscaria K No 7	Norrbottn, Sweden	Granted	100%
Avalon Minerals Viscaria AB	Nihka East	Norrbottn, Sweden	Granted	100%
Avalon Minerals Adak AB	Rakkurijärvi No 1	Norrbottn, Sweden	Granted	100% #
Avalon Minerals Adak AB	Rakkurijärvi K No 1	Norrbottn, Sweden	Application Withdrawn from Processing	100% #
Avalon Minerals Adak AB	Goddevarri	Norrbottn, Sweden	Granted	100%
Scandian Metals AB	Ladumyrberget nr 1	Vasternorrlands, Sweden	Granted	80%^
Scandian Metals AB	Ojaklacken nr 1	Vasternorrlands, Sweden	Granted	80%^
Scandian Metals AB	Fannbyasen nr 1	Vasternorrlands, Sweden	Application	80%^
Scandian Metals AB	Niinimäki	Somero, Finland	Application	80%
Scandian Metals AB	Rehumäki	Somero, Finland	Application	0%*
Scandian Metals AB	Ypäjä	Somero, Finland	Application	80%

Scandian Metals AB	Kaila	Somero, Finland	Application	80%
Scandian Metals AB	Loulus	Kaustinen, Finland	Application	80%
Scandian Metals AB	Kivijärvi	Seinäjoki, Finland	Application	80%
Tammela Minerals Oy	Somero 1-12	Somero, Finland	Granted	0%*
Tammela Minerals Oy	Tammela 1-3	Somero, Finland	Granted	0%*

As at the date of this report Avalon holds 100% interest in this tenement and Exploitation Concession Application. Following dismissal of the appeal against Swedish Mines Inspectorate decision to remove the Exploitation Concession Application from processing, Avalon has until 15 July 2016 to appeal the decision.

^Applications lodged for transfer of tenements from Orezone AB to Scandian Metals AB

*Subject to earn-in joint venture with Nortec Minerals Corp. (Tammela Minerals Oy)

Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Mr Malcolm Norris who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of Avalon Minerals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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Stock Exchange Listing

Australian Stock Exchange

ASX Code: AVI

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Shareholder Enquiries:

Share registry matters should be directed to:

Computershare Investor Services
Phone: 1300 850 505
Website: www.computershare.com.au

Registered Office:

9 Gardner Close
Milton Queensland 4064
Phone: 07 3368 9888
Fax: 07 3368 9899

Issued capital:

Ordinary shares: 383,101,936 (AVI)
(at 30 June 2016)

Directors:

Graham Ascough – Non-Executive Chairman
Malcolm Norris – CEO/Managing Director
Crispin Henderson – Non-Executive Director
Don Hyma - Non-Executive Director

Company Secretary:

Gavin Leicht

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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

Avalon Minerals Limited

ABN

68 123 184 412

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(375)	(4,107)
(b) development	-	-
(c) production	-	-
(d) administration	(194)	(1,680)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes received	-	-
<i>(gross amount - R&D tax rebate)</i>	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(567)	(5,772)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(26)
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	-	(26)
1.13 Total operating and investing cash flows (carried forward)	(567)	(5,798)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(567)	(5,798)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	60	3,285
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	(37)
	Net financing cash flows	60	3,247
	Net increase (decrease) in cash held	(508)	(2,550)
1.20	Cash at beginning of quarter/year to date	1,184	3,209
1.21	Exchange rate adjustments to item 1.20	(45)	(27)
1.22	Cash at end of quarter	631	631

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	37.0
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's remuneration.	37.0

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	500
4.2 Development	-
4.3 Production	-
4.4 Administration	330
Total	830

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	174	413
5.2 Deposits at call	457	771
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	631	1,184

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	Ladumyrberget nr 1	80%	NIL	80%
		Ojaklacken nr 1	80%	NIL	80%
		Somero 1-12 and Tammela 1-3	0% (Subject to earn-in joint venture with Nortec Minerals Corp. (Tammela Minerals Oy)	NIL	0%
		Various other Tenements Under application but not yet granted			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	383,101,936	383,101,936		
7.4 Changes during quarter (a) Increases (b) Decreases through returns of capital, buy-backs	4,748,376	4,748,376	1.6 cents	1.6 cents
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	5,200,000	Nil	<i>Exercise Price</i> 6 cents	Nil
	5,600,000	Nil	8 cents	Nil
Performance Rights	6,804,000	Nil	Nil	
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter <i>Options</i>	Nil	Nil	-	-
<i>Performance Rights</i>	380,000			
	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

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



Sign here: Date: 11 July 2016
(Company Secretary)

Print name: GAVIN LEICHT

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.

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+ See chapter 19 for defined terms.