



29 July 2016

Quarterly Report For the Period Ending 30 June 2016

Summary

- Mozambique business administration subsidiary PacMoz remains cash flow positive;
- Training subsidiary Futuro Skills continues to develop several revenue-generating projects, primarily in Mozambique and Australia;
- The United Kingdom government's Department for International Development (DFID) will officially launch their JOBA Employment Fund on 4 August 2016, after which funding for Futuro Skills' vocational training proposal can commence;
- RBR Group Limited (RBR) has entered into a Strategic Alliance with Site Group International Limited (Site, ASX: SIT) to pursue the development and delivery of high end technical training services to Mozambique's emerging resources sector;
- Completion of non-renounceable pro rata Entitlements Offer on the basis of 1 new share for every 3 shares held, in July 2016.

Futuro Skills:

- DFID will launch its JOBA Employment Fund in Maputo on 4 August 2016. In addition to the training proposal mentioned in the ASX announcement on 8 June 2016, Futuro Skills has submitted another training proposal for fast-tracked funding under a second DFID programme named Training for Resilience;
- As the significant efforts in establishing Futuro Skills in Mozambique are now delivering tangible results, the company is pursuing a number of promising training opportunities in Australia.



The Futuro Skills and PacMoz Facility in Maputo

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Mozambique Investment Environment:

- Notwithstanding the protracted delays in the LNG projects in Mozambique, activities relating to the Rovuma basin gas resources are gaining momentum. This is giving credence to recent press articles suggesting a final investment decision to proceed by one or more of the developers may take place this year;
- The following background information is provided based on RBR's in-country knowledge and recent public releases:

LNG Projects:

- An Anadarko spokesman reconfirmed the company's commitment to their Mozambique Offshore Area 1 Project. The company has also recently appointed a new country manager;
- Exxon Mobil Corp. is considering buying stakes in both Anadarko's and Eni's projects, potentially giving a tax windfall of about US\$1.3 billion to the Mozambique government. More importantly, this would likely accelerate the development of the LNG projects;
- Eni confirmed that the company is in talks on selling a stake in its Mozambique discovery and expects to reach a final investment decision on an LNG project this year;
- Exxon Mobil and Qatar Petroleum have joined forces to search for energy assets in Mozambique;
- Canadian-based oil and gas company Wentworth Resources announced that the Mozambican government has approved its appraisal plan for the Rovuma Onshore concession.

Mining Projects:

- Mozambique's coal exports are expected to grow significantly with Vale's new Nacala terminal fully operational. Essar is concluding a 20 Mt/a new terminal agreement with the Mozambique government;
- Syrah Resources continues to make progress on the development of their Balama graphite mine in Cabo Delgado;
- Gemfields raises funds for the US\$45 million expansion of their ruby mine in Montepuez.

Infrastructure Projects:

- Maputo:
 - The port is being dredged to increase draft to accommodate the more competitive panama-sized ships;
 - The Matola coal terminal is experiencing a revival in export volumes;
 - The construction of the 680m long Catembe suspension bridge across the Maputo Bay is making excellent progress. Upon completion, it will be Africa's longest suspension bridge.
- Nacala, Nampula Province:
 - The new Nacala international airport is operational;
 - The Nacala port reconstruction project commences in 2017.
- Pemba/Palma area of Cabo Delgado Province:
 - Mocimboa da Praia, a small port about 80km south of the proposed construction site for the LNG projects, reports a record number of parties expressing interest in utilising the port and local storage facilities;
 - The construction of the first hotel in the northern town of Palma is well underway, and the first shopping mall is being built in Pemba, with major South African retailers as anchor tenants.

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Restoring Investor Confidence:

- Mozambique's critical shortage of skilled labour is well documented. The Mozambique government wants to attract more skilled expatriate workers and ensure the growth of local human capital, which together underpin the economic and social development of the country. To this end, on 19 July 2016, Cabinet approved a revision of regulations governing the hiring of foreign labour. The aim is to promote the employment of foreign skilled labour where required, and properly value Mozambican labour;
- Recent devaluation in the Mozambican Metical has significantly reduced the costs of locally-sourced labour, products and services, when expressed in foreign currencies. This is having a positive impact on foreign-funded projects.

RBR Corporate:

- Capital raising: as announced on 15 July 2016, \$350,116.78 was raised in the Company's 1:3 non renounceable rights issue. Whilst the quantum failed to meet expectations, a number of off-shore shareholders who were unable to participate in the offer have expressed interest in contributing via any Shortfall offer. The directors are now considering the issue of additional shortfall shares;
- Strategic Alliance: RBR has entered into a strategic alliance with Site to pursue the development and delivery of technical training services to Mozambique's emerging resources sector. The focus of the Alliance will be on offering high end Operations and Maintenance (O&M) skills training through the simulation of a live process plant environment, referred to as a **Safe Live Process Plant (SLPP)**. Futuro Skills will provide local infrastructure and support for the joint delivery of Site's specialist skills and capability and, ultimately, a SLPP facility.



SLPP Training - Myanmar

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Media and Investors

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AUSTRALIAN PROJECT INTERESTS

RBR Group Limited (RBR) retains tenure at the Yindarlgooda Project located east of Kalgoorlie in Western Australia, and the Canobie Project in the Mt Isa district of Queensland.

YINDARLGOODA PROJECT

The Yindarlgooda Project comprises approximately 296km² of tenure centred 55km east of Kalgoorlie on a felsic volcanic dome around Lake Yindarlgooda. The project area is subject to the Peters Dam Venture with Silver Lake Resources Limited (Silver Lake). RBR also retains a large tenement holding in the area in its own right.

Peters Dam Joint Venture (Silver Lake Resources Limited 69% (RBR diluting))

In July 2009, RBR entered into the Peters Dam Joint Venture with Silver Lake (then Integra Mining Limited); on tenements adjacent to Silver Lake's Salt Creek gold deposit. Following the initial expenditure of \$1.5 million, Silver Lake has earned its 51% interest in the project. RBR has elected not to contribute to exploration programs to date and its interest is being diluted under the terms of the joint venture agreement. RBR can elect to re-commence contributions to the joint venture on a six monthly basis.

No drilling or sampling work was conducted by Silver Lake during the reporting period.

CANOBIE PROJECT

The EPM covers Mt Isa Block Eastern Succession Proterozoic stratigraphy that is considered prospective for various styles of base metal mineralisation, including Ernest Henry style iron oxide copper gold (IOCG) and Broken Hill type (BHT) silver lead zinc mineralisation. The EPM falls within a major NNE striking structural corridor with the majority of the tenement masked by a thin veneer of younger sediments.

Tenement Schedule June 2016 Quarter

SUB-PROJECT	TENEMENT ID	EQUITY %	DATE GRANTED
YINDARLGOODA			
Yindarlgooda	E27/00430	100	25-Jan-2011
Yindarlgooda	E27/00431	100	Pending
Yindarlgooda	E27/00443	100	04-Jul-11
Yindarlgooda	E27/00449	100	12-Sep-2012
Yindarlgooda	E27/00454	100	Pending
Yindarlgooda	E27/00456	100	Pending
Yindarlgooda	P27/01949	100	22-Sep-2008
Yindarlgooda	E25/00326	100	1-Nov-2006
Peter Dam JV	E26/00153	31	6-May-2011
Peter Dam JV	E26/00154	31	6-May-2011
Peter Dam JV	E15/00869	31	21-Dec-2005
Peter Dam JV	E25/00376	31	30-Jan-2009
Peter Dam JV	E25/00434	31	22-Nov-2010
Peter Dam JV	P26/03819	31	15-Jun-2011
Peter Dam JV	P26/03820	31	15-Jun-2011
Peter Dam JV	P26/03821	31	15-Jun-2011
CANOBIE			
Canobie JV	EPM177767	100	9-May-2012

Competent Persons Statement

The information in this report that relates to Exploration is based on information compiled by Andrew Ford who is a Member of the Australasian Institute of Mining and Metallurgy. Andrew Ford is a consultant to RBR Group Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the exploration activity that is 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". Andrew Ford has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.

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Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

RBR Group Limited

ABN

38 115 857 988

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	June 2016 quarter \$A'000	Year to date (12 Mths) \$A'000
1.1 Receipts from product sales and related debtors	843	3,789
1.2 Payments for (a) exploration and evaluation	(7)	(31)
(b) development	-	-
(c) production	-	-
(d) administration	(253)	(1,069)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Mozambique operating outflows	(797)	(3,730)
Net Operating Cash Flows	(214)	(1,038)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(10)	(50)
(c) other fixed assets	(18)	(67)
1.9 Proceeds from sale of:		
(a) prospects	25	25
(b) equity investments	-	-
(c) other fixed assets	-	100
1.10 Loans from (to) other entities	150	100
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	147	108
1.13 Total operating and investing cash flows (carried forward)	(67)	(930)

+ See chapter 19 for defined terms.

Appendix 5B
RBR Group Limited – June 2016 quarterly report

1.13	Total operating and investing cash flows (brought forward)	(67)	(930)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares (net of costs)	-	868
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 (provide details if material)	-	-
Net financing cash flows		-	868
Net increase (decrease) in cash held		(67)	(62)
1.20	Cash at beginning of quarter/year to date	152	158
1.21	Exchange rate adjustments to item 1.20	(9)	(20)
1.22	Cash at end of quarter	76	76

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	85
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/a

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	255

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	21	29
5.2 Deposits at call	-	87
5.3 Bank overdraft	-	-
5.4 Other (provide details) – PacMoz subsidiary	55	36
Total: cash at end of quarter (item 1.22)	76	152

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	E27/291	Surrender	100%	0%
	E40/293	Surrender	100%	0%
6.2 Interests in mining tenements acquired or increased	Nil			

+ 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 (cents)	Amount paid up per security (cents)
7.1 Preference⁺securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
7.3 +Ordinary securities	318,016,038	318,016,038		
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Employee Options	6,000,000	-	2 cents	30 June 2017
Director Options	5,000,000	-	2 cents	30 June 2017
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired/Lapsed during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		
7.13 Performance Rights <i>(totals only)</i>	15,000,000	-		

+ 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



RS Middlemas
Company Secretary

Date: 29 July 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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