

## QUARTERLY ACTIVITIES REPORT & APPENDIX 5B 3 MONTHS TO 30 SEPTEMBER 2014

Highlights of the activities for the Quarter ending 30 September 2014 included:

### Los Calatos

- The Ministry of Energy and Mines, Perú, passed MINISTERIAL RESOLUTION N° 416-2014-MEM / DM, recommending that the National Superintendent of Public Assets or SBN (the Peruvian government body that controls all Peruvian public assets) approve the reservation of the surface title required for the planned development of the Company's wholly owned Los Calatos Project for a period of six years.
- Work has commenced on further constraining the high grade copper and molybdenum zones developed within the Los Calatos Porphyry Complex to create the basis for investigating alternative development options such as an initial, smaller, high grade mining operation.
- Recent work on two of the regional exploration targets indicates that the Los Calatos Porphyry Complex extends to the southeast of the presently defined mineral resource. The Company proposes to systematically explore these targets to determine the extent of the porphyry complex in this area.

### Mollacas

- The Company's legal advisors anticipate that the Chilean Constitutional Tribunal ("Tribunal") will hand down a decision on the Company's appeal with respect to the interpretation of various mining and civil codes by the end of the year. In March 2014 the Appeal Court in La Serena ruled that the Company's First Easement Extension, which would have enabled the Company to engage in mining activities, was invalid on the basis of its interpretation of various mining and civil codes.
- The Company's application to the Chilean Supreme Court is on hold pending determination by the Tribunal.
- Further work on the Mollacas Feasibility Study has been delayed pending the decision by the Tribunal.

### Corporate

- Cash position as at 30 September 2014 was approximately A\$2.5 million (US\$2.2 million).
- On 22 October 2015 the Company appointed RFC Ambrian as its Nominated Advisor to the AIM market and joint broker.
- Metminco continues with its strategy to acquire a near term cash flow project, having evaluated several potential opportunities during the quarter in Australia and South America.
- During the quarter the Company raised A\$524,000 net of costs through the Bergen Global Opportunity Fund, to provide funding for short term working capital. The agreement with Bergen extends over a 24 month period, but can be terminated by the Company at any time at no cost.

Mr William Howe, Managing Director, commented: *"We have initiated further investigative work at Los Calatos aimed at assessing the potential to deliver a more robust and cost efficient mining operation that focuses initially on the high grade zones developed within the porphyry complex."*

*The Ministerial Resolution relating to the reservation of surface title re-affirms the Ministry's belief and support in the future of the Los Calatos Project. Final endorsement by the SBN will secure the right to purchase the surface titles required for development of the Los Calatos Project for a period of six years.*

*We continue to make encouraging progress in Chile with the Constitutional Tribunal's recent decision to hear the Company's appeal on the Mollacas land access dispute. It is anticipated that the Tribunal will hand down a decision by the end of 2014, potentially enabling the Company to progress its development plans for the robust Mollacas Project in early 2015."*

## LOS CALATOS PROJECT

### Introduction

Metminco announced on 12 August 2013, the results of a Mining Scoping Study on Los Calatos completed by Ingeniería y Construcción Ltda and optimised by Runge Pincock Minarco (the "Optimised L3\_Model"). Based on information available at that time the preferred scenario was to treat 811mt of ore at 0.48% copper and 0.03% molybdenum producing 3.4mt copper (7.5 billion lbs Cu); 169kt molybdenum; 547koz gold; 18.4moz silver and 405t rhenium at a cash operating cost of US\$1.12/lb after by-product credits from a combined open pit and underground mining operation with a mine life of 34 years. The cost of pre-production capital was estimated to be US\$1,320 million.

The Company has recently initiated a detailed drill core re-logging program aimed at better constraining, and estimating, the high-grade mineral resources associated with the Los Calatos Porphyry Complex. In addition, work continues on improving the Company's understanding of the targets identified within the broader project area, particularly to the southeast of the presently defined mineral resource. It is anticipated that this work will introduce additional optionality for the development of Los Calatos.

### Developments over the quarter

#### Commissioning of detailed re-logging program

Work has commenced on the detailed re-logging of the Los Calatos drill core (108 drill holes totalling 125,000 metres) in order to further evaluate the geological controls on the high-grade copper and molybdenum zones developed within the Los Calatos Porphyry Complex, and the continuity thereof.

Prior logging of the drill core served to record major lithologies, alteration types and sulphide mineralisation. However, recent work has confirmed that the high grade mineralisation occurs within hydrothermal breccias that developed in association with the intrusion of a suite of porphyritic dykes. Hence, the re-logging of the drill core will focus on determining the exact nature of the association between the dykes and the high grade mineralisation, as well as their geometry and continuity, with a view to undertaking resource modeling of these high grade zones. The ultimate aim of this exercise is to determine whether a coherent, high grade core exists within the Los Calatos Porphyry Complex that can be mined as a smaller, high grade, lower capital, starter operation. Annexure 1 provides a summary of the potential tonnes at increasing copper equivalent (CuEq) cut-off grades to demonstrate this.

#### Prospectivity – Satellite targets

As previously reported, the Company has re-evaluated the prospectivity of the broader project area which resulted in the definition and refinement of several exploration targets. These targets have been classified into those targets which are drill-ready, and those which require further exploration to better constrain the targets for follow-up drill testing.

Four drill-ready targets were identified, all of which are located within two kilometres of the known extent of the main Los Calatos deposit. In addition, four target areas were identified which require further exploration work (geochemical sampling, geophysical surveys and geological mapping) in order to better define the extent of these targets prior to drill testing. These areas are located up to 7km from the existing main Los Calatos deposit but, importantly, lie along the same northwest-southeast trending corridor which is known to control the main elements comprising the Los Calatos Porphyry Complex.

Of significance is the fact that a recent site inspection of one of the targets to the southeast of the main Los Calatos deposit suggests that the Los Calatos Porphyry Complex extends in a south-easterly direction into the target area (Annexures 2 and 3).

#### Exclusive Reservation of freehold rights – Project of National Interest ("PNI")

The Ministry of Energy and Mines, Perú, has passed MINISTERIAL RESOLUTION N° 416-2014-MEM / DM, which recommends that the National Superintendent of Public Assets or SBN (the Peruvian government body that controls all Peruvian public assets) approve the reservation of the surface title required for the planned development of the Company's wholly owned Los Calatos Project for a period of six years.

Key aspects of the Resolution are as follows:

- a) The Resolution acknowledges the Project of National Interest ("PNI") status of the Los Calatos Project, owned by Metminco's wholly owned subsidiary, Minera Hampton Peru S.A.C.;

- b) The Resolution provides for a total area of 12,700 hectares, which incorporates sixteen mining concessions, as summarised in Annexure 4 and Figure 1; and
- c) The Resolution reserves the Company's right to purchase the surface titles on which the planned mining development is to take place for an effective term of six years, commencing from the date of issue of the abovementioned Resolution.

In accordance with Supreme Decree N° 007-2008-VIVIENDA, the SBN, acting on behalf of the Peruvian State, and at the request of the relevant Peruvian Department (in this case the Ministry of Energy and Mines), is required to identify and approve the reservation of property to be allocated to projects of National Interest.

#### Pipeline Access Corridor

Work continues on finalising the position of the Access Corridor for the pipeline and associated infrastructure to the coast, which will extend over a distance of some 73km. The dual pipeline will serve to transport seawater to the Los Calatos site and to transport concentrate as a slurry to a filtration plant located at the coast.

The Company plans to submit an application to the government in early 2015 for the grant of a Right of Access (Servidumbre) that covers the extent of the Access Corridor. The Company is not aware of any competing land usage along the length of the preferred pipeline route.

#### Application lodged for additional Exploration Concessions

In September 2014, two additional Exploration Concessions (Celeste 18 and 19) were applied for, with the objective of providing the Company with additional flexibility regarding the location and development of strategic infrastructure. These concessions are located strategically along the proposed pipeline route and at the coast to provide for the development and operation of the sea water pumping and concentrate handling facilities. Once granted the Company will apply to the Ministry of Energy and Mines to have these concessions added to the PNI to facilitate their acquisition from the state.

### **Way Forward**

The focus of the Company for the next quarter will be on the detailed re-logging of the Los Calatos drill core (125,000 metres), in addition to further regional work on the identified exploration targets.

The Company continues to engage with interested parties regarding the Los Calatos Project with a view to securing funding for the further development of the project. To date no acceptable offer for participation in the project by outside parties has been received by the Company.

## **MOLLACAS PROJECT**

### **Introduction**

The Company holds title to 20 Exploitation Licences covering the Mollacas deposit and surrounding area, as well as 179 ha of surface rights adjacent to the proposed open pit operation. The infrastructure for the mine will be located on Company owned land including the leach pads, processing plant, administration facilities and mine workshops. Metminco also owns water rights to approximately 175 litres/sec from two canals which traverse the properties. The estimated water usage for the mining operation will be 40 litres/sec. However, the surface rights which cover the planned open pit are held by a third party, which necessitates the grant of an Easement (Servidumbre) (Annexure 4).

In March 2014 the Company announced the results of the updated Scoping Study, which confirmed the robust nature of the Mollacas Project, which has an after tax, unlevered, NPV at a 8% discount rate of US\$74.9 million, and an IRR of 37.2%.

However, the planned Feasibility Study was delayed following an adverse decision by the Court of Appeal in La Serena relating to mining access to the property on which the Mollacas deposit is located.

### **Legal**

On 28 March 2014 the Court of Appeal of the IV Region, Chile (the "Court of Appeal"), ruled that the Company's First Easement Extension (the "First Extension"), which would have enabled the Company to engage in mining activities, was invalid. The Company's wholly owned subsidiary Minera Hampton Chile

Limitada (“MHC”) lodged an application seeking leave to appeal the ruling with the Supreme Court of Chile in Santiago (the “Supreme Court”) on 3 April 2014 (the “Appeal”) on a number of grounds.

The Supreme Court review panel, having reviewed only one of the arguments raised by MHC, rejected MHC’s application on the basis that the Court of Appeal did not err at law in its interpretation of Mining Code 15, when it determined that the extension of an easement to permit mining activities cannot be granted without the land holder’s permission should a ‘plantation’ exist in the specified area.

MHC appealed the Supreme Court review panel’s determination on the basis that the review panel only considered one of the arguments presented in MHC’s Appeal. Under Chilean law the Supreme Court is required to address all arguments prior to making such a determination.

Further, in making its determination, the Supreme Court did not consider the rules of evidence followed by the Court of Appeal in accepting the land holder’s assertions that a ‘plantation’ existed on the land in 2007 when the First Extension was lodged, and in the Court of Appeal’s interpretation of the application of Civil and Mining Codes, in particular Mining Code 15.

MHC also lodged an appeal to the Chilean Constitutional Tribunal (“Tribunal”) for a determination on the Court of Appeal’s application of various Civil and Mining Codes in making its ruling, following which the Tribunal has put a “stay order” on the Supreme Court proceedings while it determines the admissibility of the Company’s application to the Tribunal.

During the quarter, the MHC appeal was determined as “Admissible” by the Tribunal, and written and verbal submissions were subsequently presented to the Tribunal. A final determination on the case by the Tribunal is expected by the end of the year.

### **Way Forward**

As the Original Easement remains in full force and effect, the Company is permitted to continue with its plans to progress the Feasibility Study and Environmental Impact Study at Mollacas. However, until such time as the land access dispute has been resolved through the Supreme Court, it is deemed prudent that minimal work be conducted.

Alternative approaches to resolving the dispute are being advanced by the Company. The Company remains confident that this dispute can be resolved with the subsequent resumption of work leading to the development of the project.

## **CORPORATE**

### **Funding**

During the quarter the Company raised A\$524,000 net of costs by issue of 34,052,422 fully paid ordinary shares (“Shares”) in accordance with the funding agreement (“Agreement”) with New York based Bergen Global Opportunity Fund, LP (the “Fund”) announced 31 July 2014 (“Share Purchase Plan”). A further 12,786,097 Shares and 5 million options exercisable at A\$0.0302 and expiring 1 August 2017 were issued in lieu of fees.

The Share Purchase Plan is providing funds for short term working capital, including potential acquisition related costs, such as due diligence, expert reports and documentation. Under the Agreement, the Fund will, subject to certain conditions, provide the Company with minimum funding of US\$250,000 per month for up to 24 months by way of the purchase of Shares.

The Company has the right to terminate the Share Purchase Plan at no cost at any time and the flexibility to regularly pause the monthly Share tranches. Further the Fund has entered into various undertakings including the commitment not to short sell Shares, and has agreed to substantial limitations on its ability to sell Shares purchased from the Company.

### **Change of Nomad and Broker**

On 22 October 2015 the Company appointed RFC Ambrian as Metminco’s Nominated Advisor to the AIM market and joint broker to the Company.

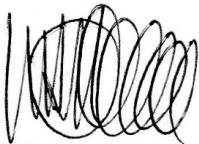
RFC Ambrian is a leading independent global mining and energy corporate advisory business and provides highly-rated equity research. RFC Ambrian has particular focus on the Australian and London equity markets.

**Cash Position**

During the quarter the Company progressed negotiations with respect to acquisition of a near term cash flow. At the project level work commenced on an evaluation of the Los Calatos Project with a view to increasing the Company's development options for the project. The Company also incurred legal and other costs associated with pursuing mining access rights at its Mollacas copper leach project in Chile.

Expenditure during the September 2014 quarter was approximately A\$1.4 million, with approximately A\$0.7 million having been incurred on evaluation and exploration activities, and approximately A\$0.7 million on overheads.

Metminco's cash position as at 30 September 2014 was A\$2.5 million (US\$2.2 million).



**William Howe**  
**Managing Director**

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## Company Background

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

## Projects and Mineral Resources

The Los Calatos Project, located in southern Peru, has an open pittable Mineral Resource of 493 million tonnes at 0.38% Cu and 0.023% Mo (at cut-off grade of 0.15% CuEq) to a vertical depth of 700 metres below surface and an underground bulk mining Mineral Resource of 926 million tonnes at 0.51% Cu and 0.022% Mo (at a cut-off grade of 0.35% CuEq) commencing at an elevation of 2,300 metres (approximately 700 metres below surface).

The Chilean assets include the Mollacas Copper Project with a Mineral Resource of 15.5 million tonnes consisting of a Measured Resource of 11.2 million tonnes at 0.55% Cu and 0.12g/t Au and an Indicated Resource of 4.3 million tonnes at 0.41% Cu and 0.14g/t Au (at a 0.2% copper cut-off); and the Vallecillo Project with a Mineral Resource of 8.9 million tonnes consisting of a Measured Resource of 5.5 million tonnes at 0.84g/t Au, 9.99g/t Ag, 1.12% Zn and 0.32% Pb, an Indicated Resource of 2.6 million tonnes at 0.80g/t Au, 10.23g/t Ag, 0.94% Zn and 0.35% Pb and an Inferred Resource of 0.8 million tonnes at 0.50g/t Au, 8.62g/t Ag, 0.48% Zn and 0.17% Pb (at a cut-off grade of 0.2g/t Au).

The Company also has a number of early stage exploration projects where initial exploration activities have identified anomalous copper, molybdenum and gold values.

## Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is employed by the Company in Chile.

Colin Sinclair has sufficient experience (over 30 years) which is relevant to the style of mineralisation, type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Sinclair, as Competent Person for this announcement, has consented to the inclusion of the information in the form and context in which it appears herein.

## Forward Looking Statement

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Metminco that could cause Metminco's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

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## ANNEXURE 1

## Los Calatos Project: Grade – Tonnage Table ( SRK Mineral Resource – February 2013)

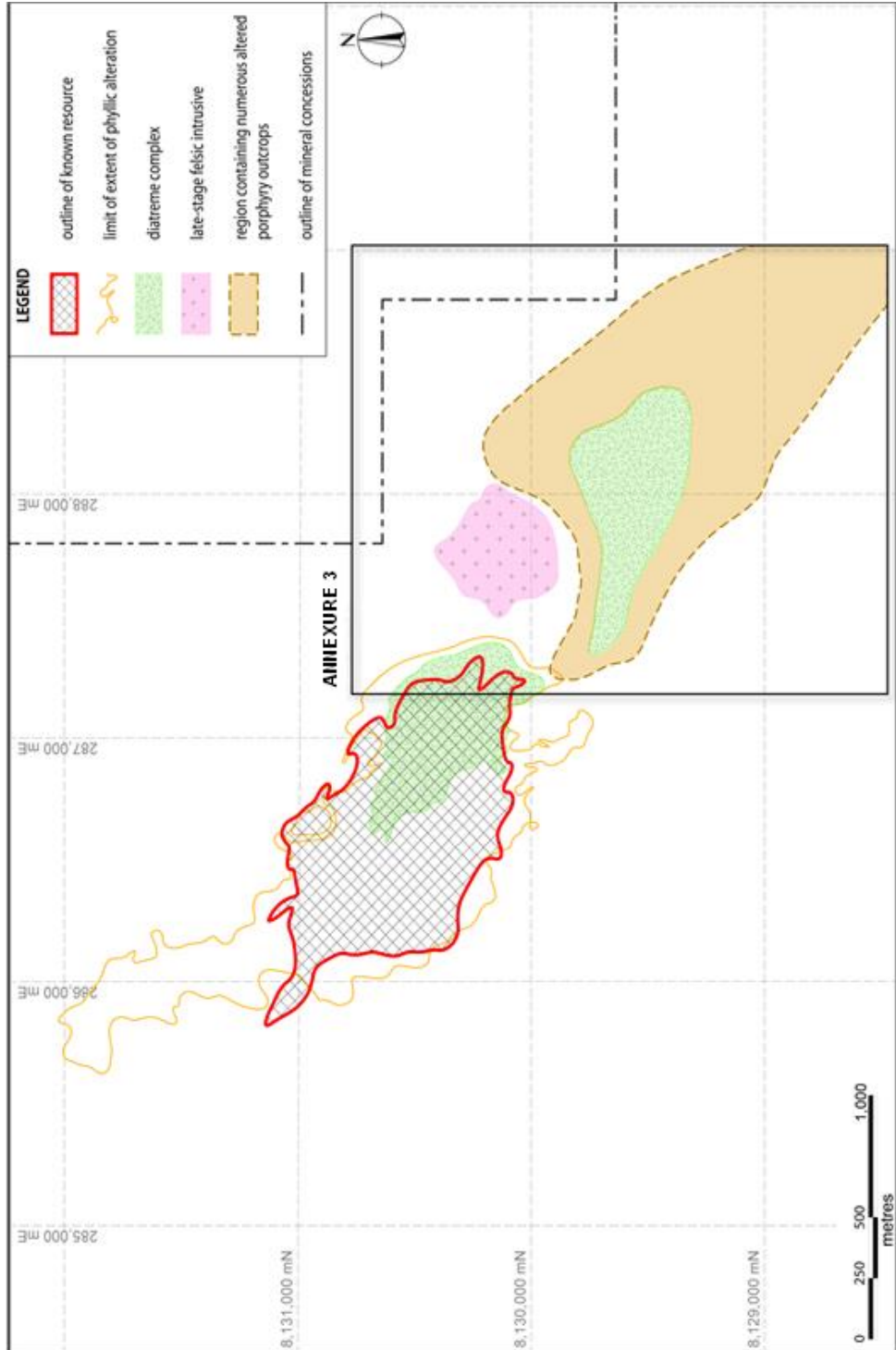
Cut-off CuEq (%)	Measured				Indicated				Total Measured + Indicated				Inferred				Total			
	Tonnes (Mt)	Cu (%)	Mo (%)	CuEq (%)	Tonnes (Mt)	Cu (%)	Mo (%)	CuEq (%)	Tonnes (Mt)	Cu (%)	Mo (%)	CuEq (%)	Tonnes (Mt)	Cu (%)	Mo (%)	CuEq (%)	Tonnes (Mt)	Cu (%)	Mo (%)	CuEq (%)
0.50	193.16	0.60	0.050	0.81	315.57	0.63	0.030	0.75	509	0.62	0.038	0.77	189.83	0.64	0.020	0.74	699	0.62	0.033	0.76
0.55	161.67	0.63	0.050	0.86	261.63	0.67	0.030	0.80	423	0.65	0.038	0.82	153.75	0.68	0.030	0.79	577	0.66	0.036	0.81
0.60	136.21	0.66	0.060	0.92	215.97	0.70	0.040	0.85	352	0.68	0.048	0.88	122.92	0.72	0.030	0.84	475	0.69	0.043	0.87
0.65	115.99	0.69	0.060	0.97	176.31	0.73	0.040	0.90	292	0.71	0.048	0.93	102.16	0.76	0.030	0.89	394	0.73	0.043	0.92
0.70	100.33	0.72	0.070	1.02	147.80	0.76	0.040	0.94	248	0.74	0.052	0.97	84.44	0.80	0.030	0.93	333	0.76	0.047	0.96
0.75	86.62	0.75	0.070	1.06	119.76	0.80	0.050	0.99	206	0.78	0.058	1.02	66.41	0.85	0.030	0.99	273	0.80	0.051	1.01
0.80	73.90	0.77	0.080	1.11	94.93	0.83	0.050	1.05	169	0.80	0.063	1.08	53.07	0.90	0.030	1.04	222	0.83	0.055	1.07
0.85	62.20	0.81	0.080	1.17	74.43	0.87	0.060	1.11	137	0.84	0.069	1.14	41.90	0.95	0.040	1.10	179	0.87	0.062	1.13
0.90	52.46	0.84	0.090	1.22	60.07	0.91	0.060	1.17	113	0.88	0.074	1.19	32.56	1.01	0.040	1.16	145	0.91	0.066	1.19
0.95	44.76	0.86	0.100	1.27	47.29	0.95	0.070	1.24	92	0.91	0.085	1.25	24.14	1.10	0.040	1.25	116	0.95	0.075	1.25
1.00	37.61	0.89	0.100	1.33	38.24	0.99	0.070	1.30	76	0.94	0.085	1.31	18.17	1.20	0.030	1.34	94	0.99	0.074	1.32
1.05	32.23	0.92	0.110	1.38	31.99	1.03	0.080	1.35	64	0.97	0.095	1.37	14.55	1.28	0.030	1.42	79	1.03	0.083	1.38
1.10	27.77	0.95	0.110	1.43	26.88	1.06	0.080	1.41	55	1.00	0.095	1.42	10.96	1.39	0.030	1.53	66	1.07	0.084	1.44
1.15	23.21	0.98	0.120	1.48	22.59	1.09	0.090	1.46	46	1.03	0.105	1.47	9.76	1.44	0.030	1.58	56	1.11	0.092	1.49
1.20	19.70	1.02	0.120	1.54	19.10	1.11	0.090	1.51	39	1.06	0.105	1.53	8.87	1.48	0.030	1.62	48	1.14	0.091	1.54
1.25	16.38	1.05	0.130	1.60	15.57	1.13	0.100	1.58	32	1.09	0.115	1.59	8.22	1.50	0.030	1.65	40	1.17	0.098	1.60
1.30	13.69	1.10	0.130	1.67	12.48	1.15	0.120	1.65	26	1.12	0.125	1.66	7.40	1.53	0.040	1.69	34	1.21	0.106	1.67
1.35	11.30	1.14	0.140	1.74	10.05	1.16	0.130	1.73	21	1.15	0.135	1.74	6.72	1.56	0.040	1.73	28	1.25	0.112	1.73
1.40	9.50	1.18	0.150	1.81	8.35	1.17	0.150	1.81	18	1.18	0.150	1.81	5.86	1.59	0.040	1.79	24	1.28	0.123	1.81
1.45	8.11	1.23	0.150	1.88	7.05	1.18	0.160	1.88	15	1.21	0.155	1.88	5.55	1.61	0.050	1.81	21	1.31	0.127	1.86

Where CuEq% = Cu% + [((PMo x RecMo) / (PCu x RecCu)) x Mo%] using a Cu Price (PCu) = US\$2.75/lb, Mo Price (PMo) = US\$15.00/lb, Cu Recovery (RecCu) = 87% and Mo Recovery (RecMo) = 68%. Thus, the formula used is: **CuEq% = Cu% + [4.2633 x Mo%]**



ANNEXURE 2

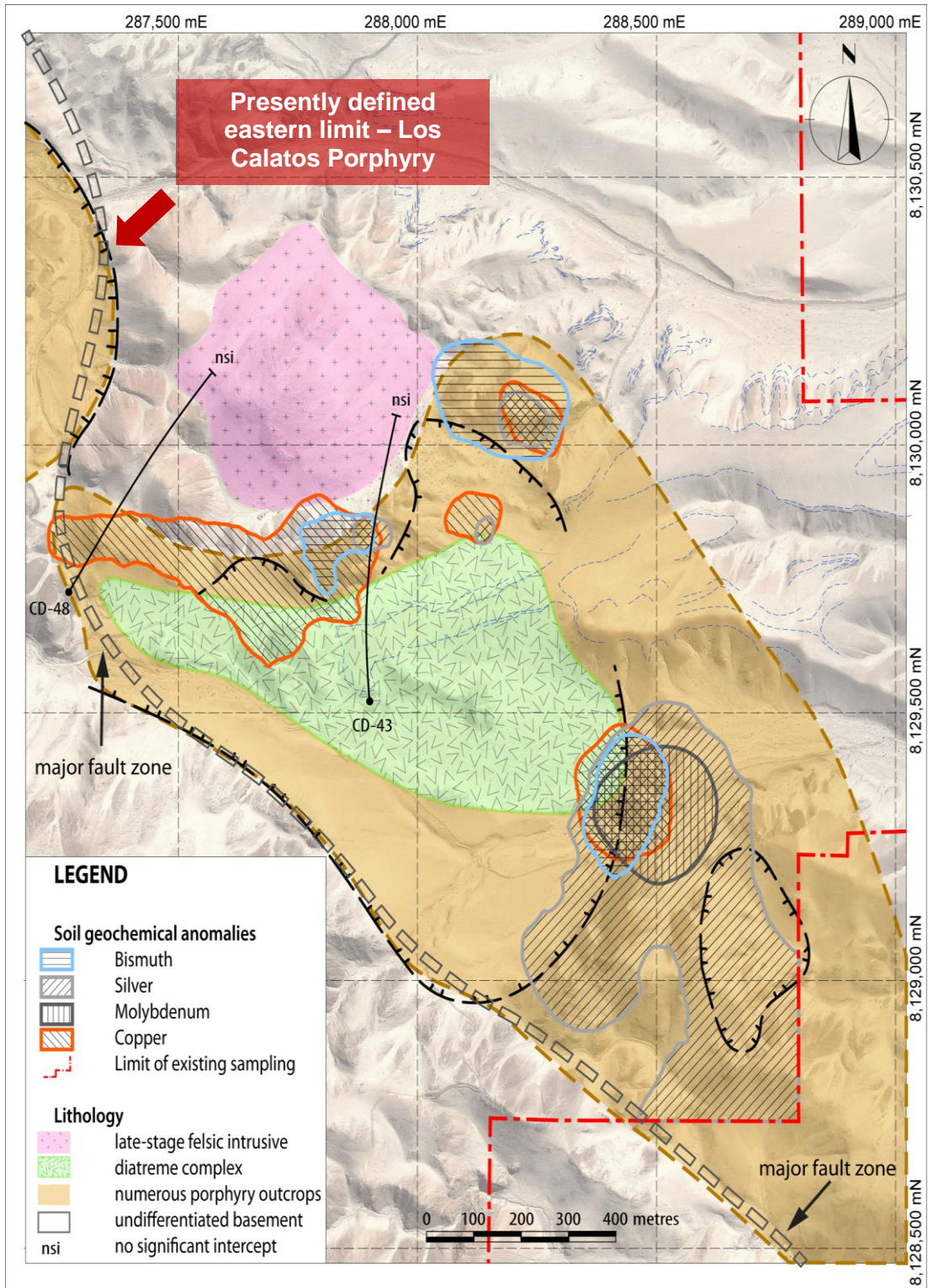
Los Calatos Project: Project area showing location of the south-eastern area of interest.



ANNEXURE 3

Los Calatos Project: Geology and soil geochemistry – Targets TD3 and TE2

(South-eastern extension of the Los Calatos Porphyry Complex)



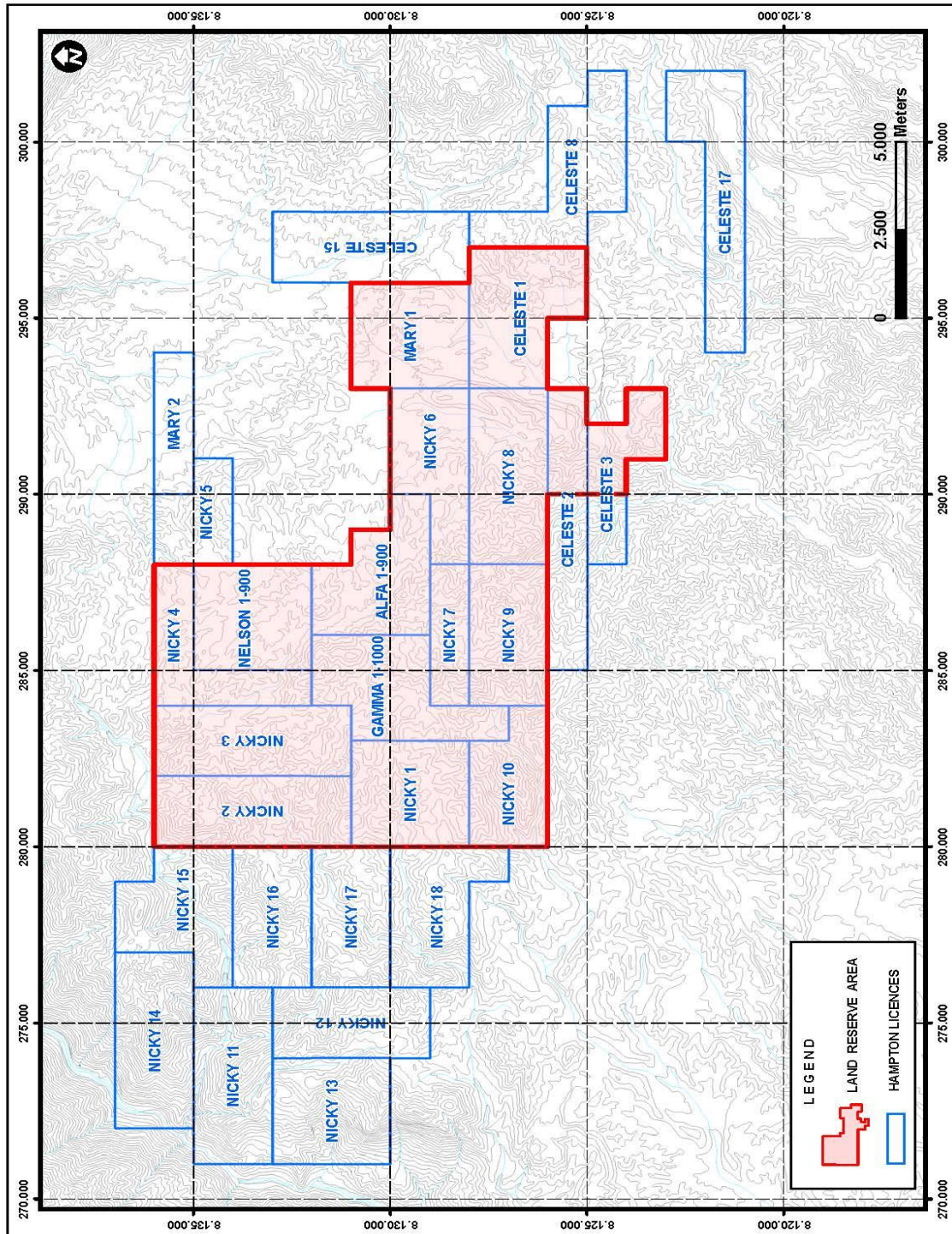
## ANNEXURE 4

## ANNEX to MINISTERIAL RESOLUTION N°416-2014-MEM / DM

Initial PNI (20 June 2011)			
Code	Mining Concession		Area Reserved (Ha)
	Name	Area (Ha)	
010062494	NELSON 1-900	900	900
010263293	ALFA 1-900	900	900
010336493	GAMMA 1-1000	1,000	1,000
			<b>2,800</b>
Extension to PNI (04 July 2014)			
Code	Mining Concession		Area Reserved (Ha)
	Name	Area (Ha)	
010570408	NICKY 1	900	900
010570508	NICKY 2	1,000	1,000
010570608	NICKY 3	1,000	1,000
010570708	NICKY 4	700	700
010570808	NICKY 6	800	800
010570908	NICKY 7	400	400
010080109	NICKY 8	1,000	1,000
010080209	NICKY 9	800	800
010080309	NICKY 10	700	700
010247410	CELESTE 1	1,000	1,000
010265710	CELESTE 2	800	300
010265810	CELESTE 3	600	400
010247510	MARY 1	900	900
			<b>9,900</b>
<b>Total Area Reserved (PNI)</b>			<b>12,700</b>

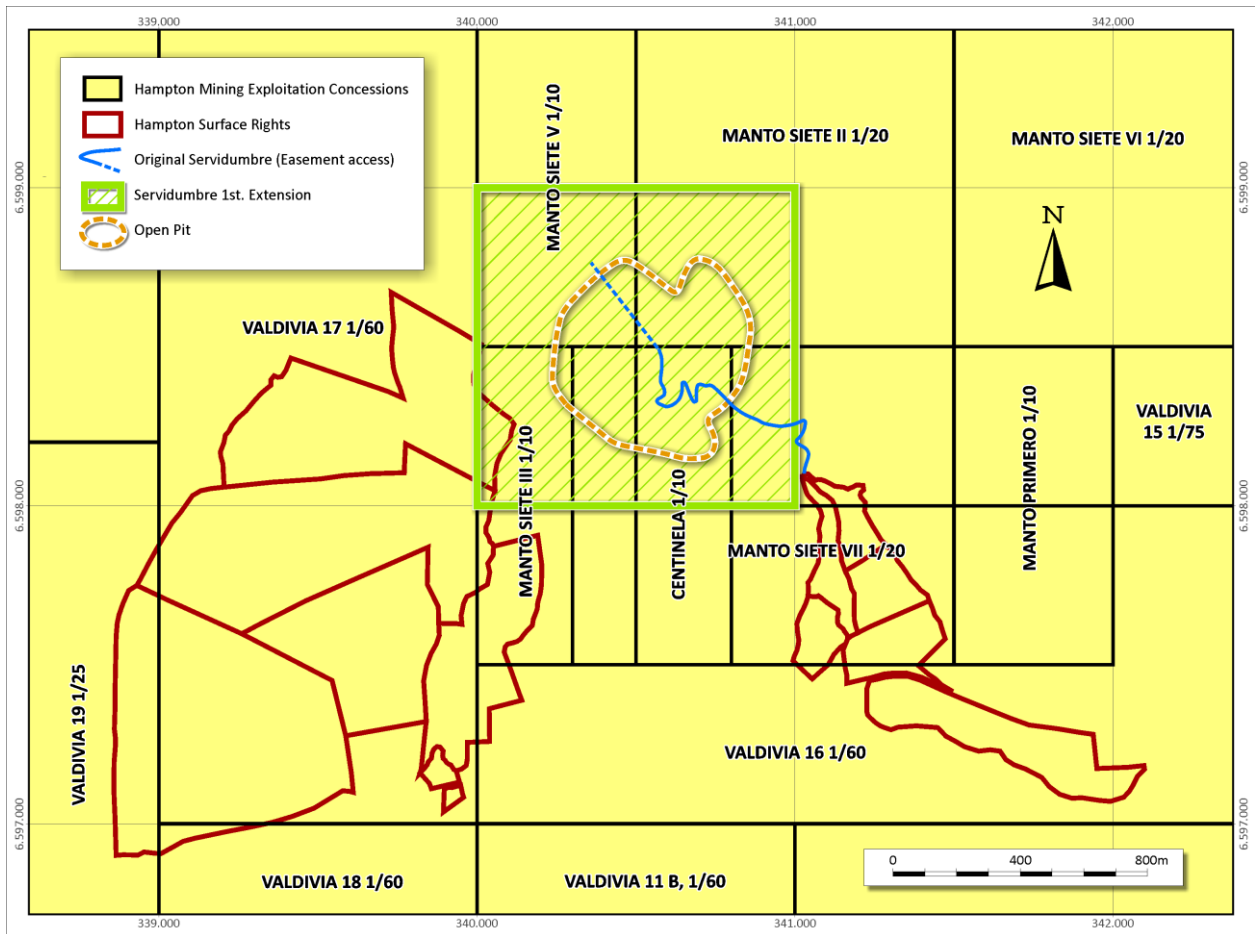


Figure 1: Los Calatos Project: Map Showing Mining Concessions and extent of Surface Title (and PNI) that has been reserved for purchase by Minera Hampton Peru S.A.C.



ANNEXURE 5

Mollacas Project: Mineral and surface rights held by Metminco.



# 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

**Metminco Limited**

ABN

43 119 759 349

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 9 months \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration and evaluation	(735)	(3,110)
(b) development	-	-
(c) production	-	-
(d) administration	(697)	(2,354)
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 (Peruvian IGV (GST) recovery)	99	230
<b>Net Operating Cash Flows</b>	<b>(1,333)</b>	<b>(5,231)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) other fixed assets	-	(12)
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	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(12)</b>
1.13 Total operating and investing cash flows (carried forward)	(1,333)	(5,243)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,333)	(5,243)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	536	536
	Costs of issue	(12)	(12)
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 (proceeds from equity swap)	-	-
	<b>Net financing cash flows</b>	<b>524</b>	<b>524</b>
	<b>Net increase (decrease) in cash held</b>	<b>(809)</b>	<b>(4,719)</b>
1.20	Cash at beginning of quarter/year to date	3,444	7,808
1.21	Exchange rate adjustments to item 1.20	(128)	(582)
1.22	<b>Cash at end of quarter</b>	<b>2,507</b>	<b>2,507</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	256
1.24	Aggregate amount of loans to the parties included in item 1.10	-

- 1.25 Explanation necessary for an understanding of the transactions  
 Item 1.23 includes aggregate amounts paid to directors for the period  
 01 Jul 14 – 30 Sep 14 for:  
 Directors' fees: \$256,500

**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

None

- 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

None

+ 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	700
4.2 Development	-
4.3 Production	-
4.4 Administration	700
<b>Total</b>	<b>1,400</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	2,507	3,444
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,507</b>	<b>3,444</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			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

		<u>Unlisted:</u>	<u>Unlisted:</u>	Exercise price:	Expiry date:
7.7	Options (description and conversion factor)	2,500,000	2,500,000	A\$ 0.215	05 Dec 2014
		2,500,000	2,500,000	A\$ 0.260	05 Dec 2014
		2,000,000	2,000,000	A\$ 0.175	15 Jun 2015
		2,000,000	2,000,000	A\$ 0.210	15 Jun 2015
		250,000	250,000	A\$ 0.075	28 Jan 2016
		250,000	250,000	A\$ 0.089	28 Jan 2016
		5,000,000	5,000,000	A\$0.0302	01 Aug 2017
7.8	Issued during quarter	5,000,000	5,000,000	A\$0.0302	01 Aug 2017
7.9	Exercised during quarter				
7.1	Expired during quarter				
7.1	Debentures(totals only)				
7.1	Unsecured notes (totals only)				

**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.



Sign here:

Date: 31.10.2014

(Company secretary)

Print name: Philip Killen

**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.

+ See chapter 19 for defined terms.