

# BAUXITE RESOURCES LIMITED

## SEPTEMBER 2014 QUARTERLY REPORT

### Highlights:

- Upgrade of Athena Resource resulting in 36.2Mt @ 32.8% low temp available alumina (41.8% total) and 2.8% reactive silica under the HD Mining Joint Venture
- Fortuna DSO Scoping Study progressing with preliminary findings due in November 2014
- Felicitas resource upgrade leads to increased grade and movement of approximately 54% of resources into Measured category - Felicitas now stands at 227.9Mt @ 39.7% Total Al<sub>2</sub>O<sub>3</sub> (31.3% available @ 148°C), 8.7% SiO<sub>2</sub> (2.0% reactive @148°C) - Measured category 122.7Mt @ 39.9% Total Al<sub>2</sub>O<sub>3</sub> (31.6% available @ 148°C), 7.7% SiO<sub>2</sub> (1.7% reactive @148°C)
- Bauxite resources held by Bauxite Resources Limited and its joint venture partner's total 396.5Mt. Resources are near surface, situated close to existing road and rail and port infrastructure
- Fortuna & Felicitas Level 2 Flora, Vegetation and Fauna Baseline Survey to commence in October 2014
- Capital Return of 4 cents per share approved by shareholders and paid to shareholders on 11 September 2014
- Company executed a conditional agreement to settle a proposed shareholder class action prior to any proceedings being commenced without any admission of liability. Settlement of \$5.25 million subject to certain conditions being met by the group members. These settlement conditions have now been met and settlement has now occurred
- Cash at bank A\$30.6 million and no debt

### DATE:

28 October  
2014



ASX Code: BAU

BAUXITE RESOURCES LTD

ABN: 72 119 699 982

### DIRECTORS:

**Robert Nash**  
Non Executive Chairman  
**Peter Canterbury**  
CEO & Executive Director  
**Luke Atkins**  
Non Executive Director  
**Cunliang Lai**  
Non Executive Director  
**Neil Lithgow**  
Non Executive Director  
**John Sibly**  
Non Executive Director  
**Zhaozhong Wang**  
Non Executive Director  
**Sam Middlemas**  
Company Secretary

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## ACTIVITY SUMMARY FOR SEPTEMBER 2014 QUARTER

Bauxite Resources Limited (“BRL” or the “Company”) continues to focus on the evaluation of development options for the Company's 100% owned Fortuna project in Western Australia's Darling Range, in conjunction with the identification and study of quality bauxite projects within our joint ventures to ensuring a pipeline of projects to provide longevity to future operations. The Darling Range remains the largest bauxite and alumina producing region in the world. Currently the Company and its Joint Venture partners hold ~6,588km<sup>2</sup> (3,825m<sup>2</sup> granted) of exploration tenements. Through a process of low cost targeting and exploration activities the Company and its partners has now identified 396.5 million tonnes (Mt) of refinery grade bauxite.

### DEVELOPMENT ACTIVITIES ON 100% BRL TENEMENTS

#### **Fortuna - 100% BRL**

One of the Company's key strategic objectives is the commercialisation of the Fortuna bauxite resource. During the quarter the Company commenced a concept study, covering the geology, mining, infrastructure and economics of the Fortuna deposit. The study, to be completed by AMC Consultants Pty Ltd, will examine the viability of a bauxite export operation at a rate in the range of 2-4 million tonnes per annum. This study is still in progress and is scheduled for completion in November 2014.

During the quarter the Company also commenced a technical bauxite market evaluation of the Fortuna bauxite to enable targeting of specific refineries on a value in use basis and support the commencement of off take discussions. This study is still in progress and scheduled for completion in November 2014.

A Level 2 Flora, Vegetation and Fauna Baseline Survey has been commissioned to commence in October. The study, is being undertaken by MWH Global (incorporating Outback Ecology), will expand on the Level 1 survey completed in 2013, and provide baseline biological information to support future environmental impact assessment and applications and regulatory approval for the project.

The Fortuna resource currently stands at 40.2Mt and displays very low reactive silica making it attractive for refining. The resource to date, unlike many other bauxite resources in Australia, has not required any beneficiation. The current resource grade of 32.1% available alumina is in line with that currently being mined economically in the southern Darling Range.

As part of the Company's commercialisation strategy for the Fortuna deposit, subject to favourable project economics and regulatory approvals, the Company intends to undertake the additional activities on the Fortuna DSO bauxite project with a targeted development timeframe from now (subject to economics, regulatory approvals and final investment decision) of 2-3 years. The activities and the targeted timings are:

- Environmental Baseline studies – Commence October 2014
- Commence Offtake discussions – Q4 2014
- Infill/Expansion drilling at Fortuna – Q1 2015
- Community Engagement & Consultation – Commence Q1 2015
- Preparation and submission of Mining Proposal – Q1-Q2 2015

Feasibility Study to support final investment decision – Q3-Q4 2015



## **EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING**

In 2010 the Company entered into a joint venture (JV) with HD Mining & Investment Pty Ltd (HD Mining) a wholly-owned subsidiary of the Shandong Bureau No1 Institute for Prospecting of Geology & Minerals (Shandong) to explore for bauxite. The JV allows for HD Mining to fund 100% of exploration and feasibility costs for HD Mining to earn 60% interest of the bauxite rights upon a decision to mine.

During the reporting period, the Company announced a resource upgrade for the Athena deposit (36.2Mt, ASX announcement 15/07/14) in the Wandering region, approximately 120km southeast of Perth. Athena is situated approximately 20km north of the 15Mt Ceres resource, for a combined total in the eastern Darling Range in excess of 50Mt, suggesting to the Company the emergence of a new bauxite district.

The Company is currently working with HD Mining to progress the Athena & Dionysus projects into feasibility studies to provide two projects for development as part of the Company's pipeline of bauxite projects.

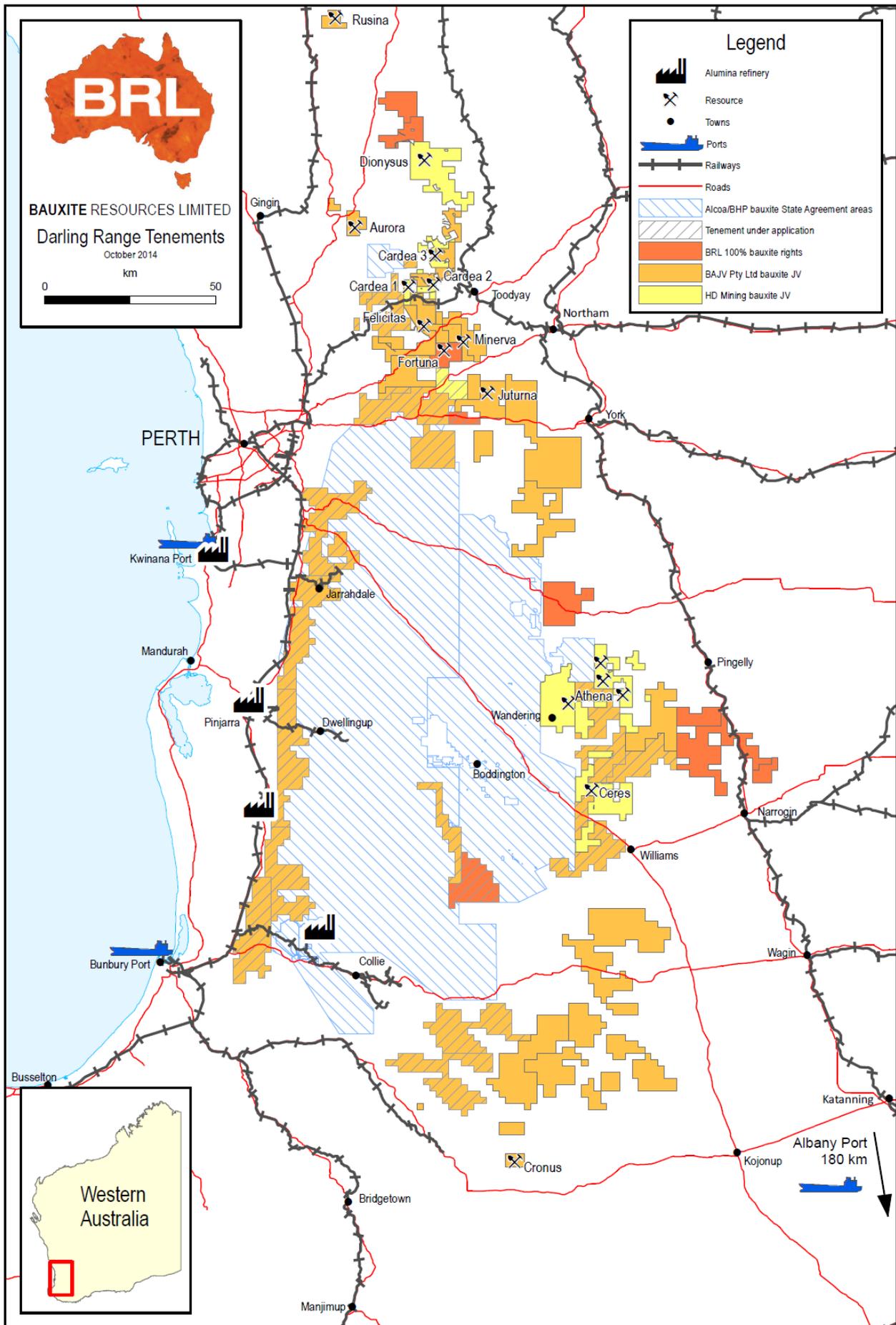
## **EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH YANKUANG RESOURCES**

In January 2011, BRL executed a JV with Yankuang Resources Pty Ltd (Yankuang) for the development of both bauxite mining and alumina refining in Western Australia. Under the Resources Joint Venture Yankuang fund 70% of all resource development costs for a 70% interest in the resources of the joint venture. To date this JV has defined in excess of 260Mt of bauxite, of which 227.9Mt is located in the JV's flagship Felicitas Deposit in the Northern Darling Range Region.

During the quarter a resource upgrade was completed at the Felicitas resource, moving substantial resources into the Measured category, and demonstrating an increase in grade (See Table 1 and ASX announcement 23/09/14).

Felicitas represents the largest single bauxite resource in Australia outside that of current producers, and requires no beneficiation. The resource currently stands at 227.9Mt @ 31.3% low temperature available alumina (39.7% total) and 2.0% reactive silica. A Level 2 Flora, Vegetation and Fauna Baseline Survey is scheduled to commence in October. The study, to be completed by MWH Global (incorporating Outback Ecology), will provide baseline biological information to support future environmental impact assessment and applications and regulatory approval for the project.

**Figure1: Bauxite Resources Ltd tenement holding**



**Table 1: BRL Bauxite Projects in south west Western Australia – Resource Summary Table**

Deposit & Classification	Size Mt	Al <sub>2</sub> O <sub>3</sub> (total) %	Al <sub>2</sub> O <sub>3</sub> (available) %	SiO <sub>2</sub> (total) %	SiO <sub>2</sub> (reactive) %	JV & Resource Details
Fortuna						
Indicated	6.3	40.2	34.0	5.7	1.9	BRL JORC 2012
Inferred	33.9	38.5	31.8	5.6	1.7	
<b>BRL 100% sub-total</b>	<b>40.2</b>	<b>38.8</b>	<b>32.1</b>	<b>5.6</b>	<b>1.8</b>	
Felicitas						
Measured	122.7	39.9	31.6	7.7	1.7	BAJV JORC 2012
Indicated	77.1	39.6	31.0	9.8	2.2	BAJV JORC 2012
Inferred	28.2	38.9	30.6	10.5	2.3	BAJV JORC 2012
Cardea 3 (BAJV)						
Indicated	4.7	42.5	31.1	11.6	3.2	BAJV JORC 2012
Inferred	9.5	41.0	30.1	12.6	3.5	E70/3432
Minerva						
Inferred	2.2	38.7	28.9	20.3	3.9	BAJV JORC 2004
Aurora						
Indicated	7.6	43.5	33.0	9.1	3.1	BAJV JORC 2012
Inferred	1.8	41.3	30.2	14.4	4.0	
Rusina						
Inferred	3.7	40.3	29.1	15.7	5.3	BAJV JORC 2004
Juturna						
Inferred	8.2	40.2	29.9	23.1	3.9	BAJV JORC 2004
Cronus						
Inferred	2.8	39.3	28.3	13.3	2.8	BAJV JORC 2004
<b>BAJV sub-total</b>	<b>268.5</b>	<b>39.9</b>	<b>31.1</b>	<b>9.7</b>	<b>2.2</b>	
Athena						
Inferred	36.2	41.8	32.8	18.1	2.8	HDMJV JORC 2012
Dionysus						
Inferred	20.3	42.1	32.6	12	3.4	HDMJV JORC 2012
Cardea (1&2)						
Inferred	6.4	41.8	29.3	15.7	4.3	HDMJV JORC 2004
Cardea 3 (HDM)						
Indicated	1.5	42.8	30.0	16.8	4.0	HDMJV JORC 2012
Inferred	8.4	40.3	28.9	17.0	4.4	E70/3160
Ceres						
Inferred	15.0	40.9	31.7	19.5	3.0	HDMJV JORC 2004
<b>HDM sub-total</b>	<b>87.8</b>	<b>41.6</b>	<b>31.9</b>	<b>16.6</b>	<b>3.3</b>	
<b>Total Measured</b>	<b>122.7</b>	<b>39.9</b>	<b>31.6</b>	<b>7.7</b>	<b>1.7</b>	
<b>Total Indicated</b>	<b>97.2</b>	<b>37.9</b>	<b>31.7</b>	<b>11.5</b>	<b>2.6</b>	
<b>Total Inferred</b>	<b>176.6</b>	<b>40.4</b>	<b>31.3</b>	<b>13.6</b>	<b>2.9</b>	
<b>South West WA TOTAL Bauxite</b>	<b>396.5</b>	<b>40.2</b>	<b>31.4</b>	<b>10.8</b>	<b>2.4</b>	

#Available Alumina figures were based on low temperature (148°) caustic digest- High temperature digestion may result in higher available alumina however the exact extent of this increase is not known at this time

BRL - BRL retain 100% beneficial interest in bauxite

BAJV - Bauxite Alumina Joint Venture area with Yankuang Resources Ltd where the BRL retains 30% beneficial interest in the bauxite rights.

HDMJV – Resources within joint venture with HD Mining & Investments Pty Ltd, the wholly owned subsidiary of Shandong Bureau No.1 Institute for Prospecting of Geology & Minerals. At the time of writing the Company retains 100% beneficial interest. HD Mining can earn up to 60 % of bauxite rights upon completion of certain milestones including completion of a BFS leading to a decision to mine



## COMPETENT PERSON STATEMENT

The information in this report that relates to **Cardea1&2, Juturna, Minerva and Rusina** Mineral Resources is based on information compiled by Peter Senini who is a Member of the Australian Institute of Geoscientists. Mr Senini was an employee of the Company at the time of resource estimation and remains competent person for the above mentioned resources. He 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 Senini consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to **Felicitas, Cardea3, Aurora, Ceres, Cronus, Fortuna, Dionysus and Athena** Mineral Resources is based on information compiled by Graham de la Mare who is a Member of the Australian Institute of Geoscientists. Mr de la Mare is employed by RungePincocKMinarco (RPM). Mr de la Mare 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 de la Mare consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

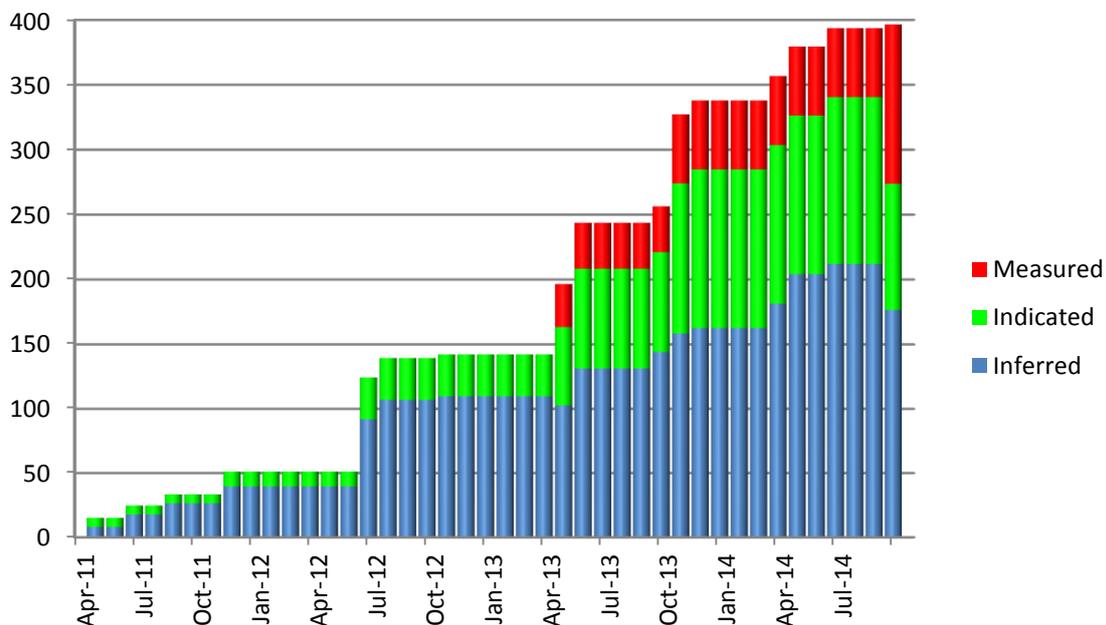
The information in this announcement that relates to **Exploration results** is based on information compiled by Mark Menzies, who is a member of the Australian Institute of Geoscientists. Mr Menzies is a qualified geologist and a full time employee, and has sufficient experience which is relevant to 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 Menzies has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

## JORC Code Compliant Public Reports

The Company advises that this material contains summaries of Exploration Results and Mineral Resources as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). The JORC compliant Public Reports released to the ASX declaring exploration results or resources referred to can be viewed on both the ASX and the Company websites, free of charge.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

**Figure 2: Bauxite Resource growth chart – Refer Table 1 for resource summary details.**



## CORPORATE

### Bauxite Market Update

In January 2014, the Indonesian Government confirmed the ban on bauxite exports from Indonesia would remain. It is estimated ~42 million tonnes of bauxite was exported last year from Indonesia to China. Combined with other imports, China has built up an estimated 12 month stockpile of required bauxite imports.

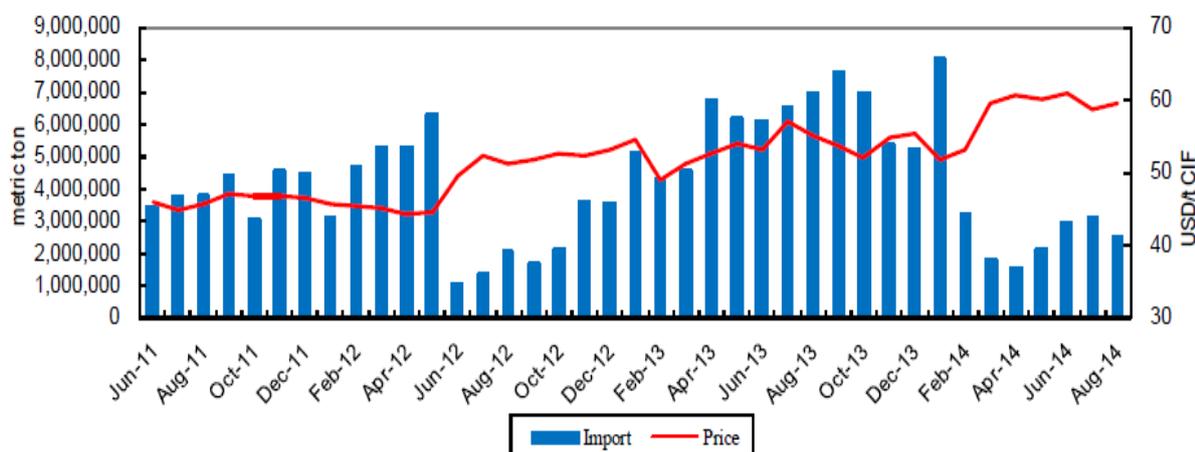
According to Antaika, China's imports of bauxite reached 2.496Mt in August 2014 compared to 6.979Mt a year ago. During the first eight months of this year, bauxite imports totalled 25.29Mt, down 45% year on year. Only 45,000 tonnes of Indonesian bauxite imports have been reported since April and imports of Indian bauxite have dropped 38% year to date to 2.95Mt.

	2012	2013	H1 2013	H2 2013	H1 2014	Jan-Aug 2013	Jan-Aug 2014
India	1,073	5,392	3,442	1,950	1,681	4,755	2,946
Indonesia	28,319	48,702	21,621	27,081	8,790	30,649	8,790
Australia	9,423	14,289	6,677	7,612	6,752	9,253	9,944
Guinea	-	828	582	246	184	706	184
Dominican Republic	-	302	-	302	1,023	-	1,309
Ghana	-	670	165	505	459	352	567
Brazil	-	767	160	607	462	320	633
Guyana	132	30	30	-	32	30	32
Fiji	286	459	154	305	114	269	180
Malaysia	-	93	45	48	203	45	707
Other	474	93	45	48	204	45	708
<b>Total</b>	<b>39,707</b>	<b>71,532</b>	<b>32,876</b>	<b>38,656</b>	<b>19,701</b>	<b>46,379</b>	<b>25,293</b>

Source: Various Antaika Reports

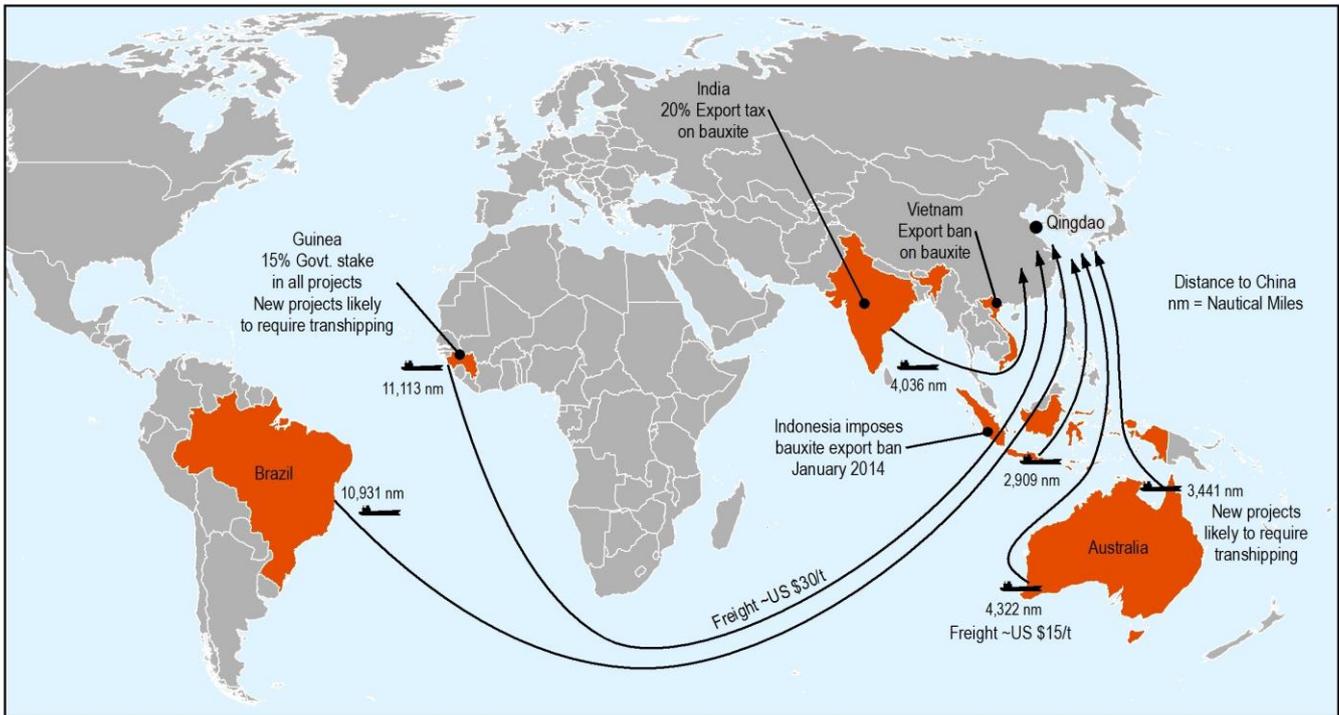
It is expected that China's bauxite import inventory will continue to shrink during the remainder of 2014 with an estimate nine months of bauxite inventories currently in China. Once these stockpiles are exhausted, it is expected that China will require several new significant sources of imported bauxite to satisfy demand out of China. This anticipated rise in demand has led to an increase in bauxite prices over the past quarter although spot prices are considerably higher than the import prices due to historical contracts pricing still being in place for some shipments.

### Chinese Bauxite Import and Average Price (CIF to Chinese Port)



Source: Antaika Alumina and Aluminium Monthly Oct 2014

## Shipping Routes to China



### Western Australia bauxite logical source for Chinese refineries

Currently India and Australia are the two major sources of bauxite into China. However India has recently increased taxes on bauxite exports in an attempt to promote local mineral development and internal use of bauxite.

Forecasts are showing that China will need to import some 85Mt of bauxite per annum by 2022 requiring around 45Mt of additional supply over 2012 levels. Australia and to a lesser extent West Africa contain the closest, largest sources of bauxite able to supply the forecast future demand for bauxite in China.

Australia, due to its location, is better situated from a logistics perspective to supply a large percentage of this additional demand. Darling Range bauxite is a very efficient bauxite to process and is located around 4,300 nautical miles from the Eastern Chinese ports compared to Guinea which is over 11,000 nautical miles from those same ports.

### Cash return to share holders

In June 2014 the Company announced that, subject to shareholder approval, it would make a four cents (\$0.04) per share capital return to shareholders. This decision was made after the Board satisfied itself that the Company's operating and funding requirements for the next few years were adequately funded and after considering the Company's potential exposure under the IMF funded claim. At the Company's EGM held on 29 August 2014 to consider the return of capital, the Company received more than 99% support from those shareholders who voted on the proposal. The return to shareholder was made on 11 September 2014.

### Proposed Legal Claim

During the quarter the Company announced that it has reached a conditional commercial settlement of the claim being advanced by IMF on behalf of a number of claimants who acquired shares in the Company in the October 2009 placement and subsequently on market. Subsequent to the end of the reporting period the Company can advise that the conditions of settlement have been satisfied and settlement of the claim has now been finalised.

### Cash Position

As at 30 September 2014, BRL had a cash balance of \$30.6 million and no debt.



**Peter Canterbury, CEO, Bauxite Resources Ltd**



## SCHEDULE OF MINING TENEMENTS HELD AS AT 30 SEPTEMBER 2014

### YANKUANG JOINT VENTURE INTERESTS

Bauxite Resources Limited has 30% interest in the bauxite rights on the tenements below.

BRL retain 100% interest in other minerals on tenements below except E70/3366 and E70/3730.

BRL retain 100% interest in other minerals except iron on E70/3900.

Tenement	Location/ Tenement Name	Status		Tenement	Location/ Tenement Name	Status
E70/3366	Mackrin Hill	Granted		E70/3651	Mt Talbot	Granted
E70/3730	Bakers Hill	Granted		E70/3487	Hotham	Granted
E70/3432	West Toodyay	Granted		E70/3488	Kokendin	Granted
E70/3002	Berry Brow	Granted		E70/4022	Boononging	Granted
E70/3007	Gillingarra	Granted		E70/3565	Dinninup	Granted
E70/3064	Bindoon	Granted		E70/4021	Miwana	Granted
E70/3159	Jimperding	Granted		E70/3573	Condinup	Granted
E70/3900	Jimperding Hill	Granted		E70/3624	Mokup Hill	Granted
E70/3598	Coolingoort	Granted		E70/3644	Moodiarrup	Granted
E70/3731	Bakers Hill	Granted		E70/3576	Darkan	Granted
E70/3485	Taurus	Application		E70/3471	Boyup Brook	Application
E70/3197	Pt Solid	Application		E70/3472	Mairdebring	Application
E70/3204	Wugong	Application		E70/3205	Hotham	Application
E70/3206	Mt Gorrie	Application		E70/3486	Coodjatotine	Application
E70/3193	Beechina	Application		E70/3746	Dryandra	Application
E70/3528	Avon Valley	Application		E70/3102	Collie Road	Application
E70/3537	Bald Hill	Application		E70/3194	Jarrahdale	Application
E70/3707	Trig Road	Application		E70/3195	Harvey	Application
E70/4010	Woorooloo	Application		E70/3196	Dandalup	Application
E70/4011	Keating Road	Application				

### HD MINING & INVESTMENTS JOINT VENTURE TENEMENTS (Farm out Agreement)

The JV requires HD Mining to fund 100% of all exploration and feasibility costs to earn up to 60% of the bauxite rights. HD Mining is currently working towards obtaining 40% interest in the bauxite rights on the tenements below. This will be triggered if HD Mining enters into a binding commitment to undertake a feasibility study on the tenements. Should HD Mining and BRL make a decision to mine, HD Mining will earn an additional 20% interest in bauxite rights. BRL maintains 100% interest in other minerals. At the date of this report BRL still has 100% interest in these tenements.

Tenement	Location/ Tenement Name	Status
E70/3160	Toodyay	Granted
E70/3405	Victoria Plains	Granted
E70/3179	Congelin	Granted
E70/3180	Dattening	Granted
E70/3890	Wandering	Granted
E70/3599	Goodenine Pool	Application



### **BRL TENEMENTS (100%)**

BRL retain 100% interest in bauxite and other minerals on the following Darling Range tenements

<b>Tenement</b>	<b>Location/ Tenement Name</b>	<b>Status</b>
E70/4619	Yarawindah	Granted
E70/3618	Popanyinning	Granted
E70/3652	Quanaming	Granted
E70/4342	Narrogin	Granted
E70/4586	Newdale	Granted
E70/4595	Narrogin East	Granted
E70/4565	Ebenazer Flats	Application
E70/4300	Quindanning	Application

BRL retain 100% interest in bauxite and other minerals on the following Northern Territory tenements

<b>Tenement</b>	<b>Location/ Tenement Name</b>	<b>Status</b>
EL27302	Drysdale Island	Application
EL27303	Raragala Island	Application

### **BRL TENEMENTS (bauxite rights only)**

BRL retain 100% bauxite interest on the following tenements

<b>Tenement</b>	<b>Location/ Tenement Name</b>	<b>Status</b>
E70/2230	Wundowie	Granted

## Appendix 5B

### Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

Bauxite Resources Limited

ABN

72 119 699 982

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 (3 Months) \$A'000
1.1 Receipts from product sales and related debtors	160	160
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(927) (1) (630)	(927) (1) (630)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	453	453
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(945)</b>	<b>(945)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
1.10 Loans to other entities	(155)	(155)
1.11 Loans repaid by other entities		
1.12 Other (increase in bonds)		
<b>Net investing cash flows</b>	<b>(156)</b>	<b>(156)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,101)</b>	<b>(1,101)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,101)	(1,101)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	(9,284)	(9,284)
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)		
	<b>Net financing cash flows</b>	(9,284)	(9,284)
	<b>Net increase (decrease) in cash held</b>	(10,385)	(10,385)
1.20	Cash at beginning of quarter/year to date	40,935	40,935
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	30,550	30,550

### Payments to directors of the entity, associates of the directors, 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	255
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 including salary, director's fees and consulting fees.

### 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

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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

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+ 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	776
4.2 Development	-
4.3 Production	
4.4 Administration	686
<b>Total</b>	<b>1,462</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	5,736	836
5.2 Deposits at call	24,814	40,099
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>30,550</b>	<b>40,935</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Darling Range WA E70/4565	Withdrawn Application	100%	Nil
	E70/4530	Withdrawn Application	100%	Nil
	E70/4151	Relinquished	100%	Nil
	E70/3826	Relinquished	30%	Nil
	E70/3835	Relinquished	30%	Nil
	E70/3688	Relinquished	30%	Nil
	E70/3643	Relinquished	30%	Nil
	E70/3597	Relinquished	30%	Nil
	E70/3574	Relinquished	30%	Nil
	E70/3572	Relinquished	30%	Nil
	E70/3564	Relinquished	30%	Nil
	E70/3491	Relinquished	30%	Nil
	E70/3652	Partial Surrender	100%	100%
	E70/3007	Partial Surrender	30%	30%
	E70/3488	Partial Surrender	30%	30%
	E70/3576	Partial Surrender	30%	30%
	E70/3487	Partial Surrender	30%	30%
E70/3565	Partial Surrender	30%	30%	
6.2 Interests in mining tenements and petroleum tenements acquired or increased	Darling Range WA E70/4619	Grant	Nil	100%

#### Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	231,897,696	231,897,696		

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.4	Changes during quarter (a) Increases through issues (Performance rights) (b) Decreases through returns of capital, buy-backs	414,200	414,200	Nil	Nil
7.5	<b>+Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	2,000,000	-	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 22/02/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Performance Rights</b> <i>(totals only)</i>	7,175,800			
7.13	<b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Appendix 5B Mining exploration entity and oil and gas exploration entity quarterly report

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### 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: 28 October 2014.

Print name: Sam Middlemas

### 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 and petroleum 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 or petroleum 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.