

ASX RELEASE

Friday, 30 January 2015

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 31 DECEMBER 2014

A-Cap Resources Limited (“A-Cap” or “the Company”) (ASX: ACB) is pleased to provide its Quarterly Activities Report for the quarter ended 31 December 2014.

HIGHLIGHTS

- 🏗️ Completion of infill RC drilling programme consisting of 2812 metres
- 🏗️ Excellent results confirm the presence and continuity of high grade uranium mineralisation including:
 - 3.25m @2386 ppm eU3O8 in hole SERC0364
 - 2.05m @2124 ppm eU3O8 in hole MOKR2582
 - 1.25m @2123 ppm eU3O8 in hole SERC0362
 - 2.95m @1514 ppm eU3O8 in hole MOKR2571
 - 2.20m @904 ppm eU3O8 in hole SERC0358
 - 2.55m @772 ppm eU3O8 in hole MOKR2584
 - 2.60m @588 ppm eU3O8 in hole MOKR2596
 - 1.90m @798 ppm eU3O8 in hole MOKR2603
- 🏗️ Ongoing feasibility studies on track for the submission of our Letlhakane Mining Licence application during Quarter 1, 2015
- 🏗️ Ongoing evaluation of surface miners proving to be positive with potential for further reductions in mining costs
- 🏗️ Environmental and Social Impact Assessment (ESIA) on track to be completed for submission in Quarter 1, 2015
- 🏗️ Metallurgical and process design work is progressing very well with final data for recoveries and operating costs to be finalised during Quarter 1, 2015
- 🏗️ An estimated JORC compliant coal resource at the Foley Project of 148 million tonnes total tonnes in-situ (TTIS)



Figure 1

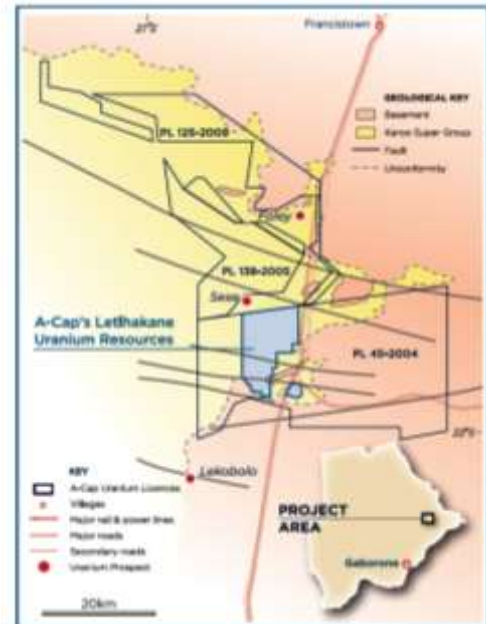


Figure 2

Figure1: Location Map of A-Cap’s main project areas. The Letlhakane Project hosts the Serule Uranium Deposit on PL45/2004

Figure 2: Demonstrates the relative locations of the Letlhakane Uranium resources within PL45/2004. Also highlighted is the excellent infrastructure in the area, which includes a dual lane highway, railway and high tension power lines.

QUARTERLY ACTIVITIES

A-Cap has continued to remain focussed during the December quarter on the Letlhakane Uranium Project's feasibility studies and finalising the coal evaluation work at the Mea and Bolau Coal Projects. These efforts have yielded excellent results with value added to the Company's mineral assets. The Letlhakane Mining Licence application is well on track in meeting our submission requirements.

Work is ongoing on the uranium process modelling and 4 metre columns to ensure the leachability, acid consumption and recoveries are in line with expectations. The Process design is almost complete in optimising uranium recovery and minimising processing costs.

Resource and mining information has been assessed through grade control scale drilling and infill drilling to improve on the understanding of the mineralisation continuity especially at the higher grades.

The ESIA conducted by SLR has been progressing well to ensure that A-Cap addresses all environmental and social issues that may arise

Significant value has been added to our coal projects at a relatively low cost. The new indicated resource at Foley has defined a mineable volume of coal that is in line with a potential local power station's demand requirements and within the current capacity of transport infrastructure for export considerations. The recent acquisition into the nearby Sese Coal Project by First Quantum Minerals demonstrates that securing electricity supply from coal is a priority consideration of many companies within the region.

Mea results have been received and the resource is currently being compiled. A-Cap expects a new resource during the first quarter of 2015 for the Mea Coal Project.

LETLHAKANE URANIUM PROJECT

The Letlhakane Uranium Project is one of the world's largest undeveloped Uranium Deposits and is located in the safe and stable jurisdiction of Botswana. The Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all weather highway, railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low.

In July, 2013, A-Cap announced a major JORC Mineral Resource Upgrade at Letlhakane completed by Optiro Pty Ltd, an independent expert. The updated Global Mineral Resource, reported in compliance with the JORC code, currently stands at 662 million tonnes at 211ppm U₃O₈ for a contained 308 MLbs of U₃O₈ (100ppm cut-off). Importantly, within the Letlhakane Resource, a significant higher-grade component at a 300ppm U₃O₈ cut-off contains 83.7Mt at 447ppm U₃O₈ for 82.5 MLbs of U₃O₈.

Cut-off (U ₃ O ₈ ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (MLbs)	Mt	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (MLbs)	Mt	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (MLbs)
100	131.9	198	57.5	530.5	215	250.9	662.4	211	308.1
200	49.4	269	29.4	198.6	319	139.7	248.1	309	168.9
250	23.4	322	16.6	114.9	390	98.7	138.3	378	115.2
300	11.3	376	9.4	72.4	458	73.2	83.7	447	82.5

Table 1 - 2013 Mineral resource estimates for ALL DEPOSITS at various U₃O₈ cut-offs

The project has the distinct advantage of having all the major infrastructure in place and is one of the only major undeveloped uranium projects in the world capable of being in production in 3 years at a low capital cost and competitive operating costs in a safe and stable jurisdiction.

A programme of feasibility work necessary for a Mining Licence application in the first quarter of 2015 is currently underway.

This includes a major RC and Diamond drilling programme designed to infill and extend known areas of high grade uranium mineralisation and provide further data for mine planning and resource modelling. In parallel, feasibility work including metallurgy, process design and environmental work necessary for a mining licence application is being conducted. This work is progressing well and is based on low risk, shallow open pit mining and heap leach processing aiming to produce 3 million pounds of uranium per annum over a mine life in excess of 20 years.

The aim is to prepare the project for early development to enable the company to fully capitalise on an expected recovery in the uranium price.

Drilling

An infill drilling programme following up on the recently completed major RC and Diamond drilling programme to further define potential early start pits was successfully completed in November with results confirming the presence and continuity of high grade uranium mineralisation. These results will now be incorporated into a new resource model.

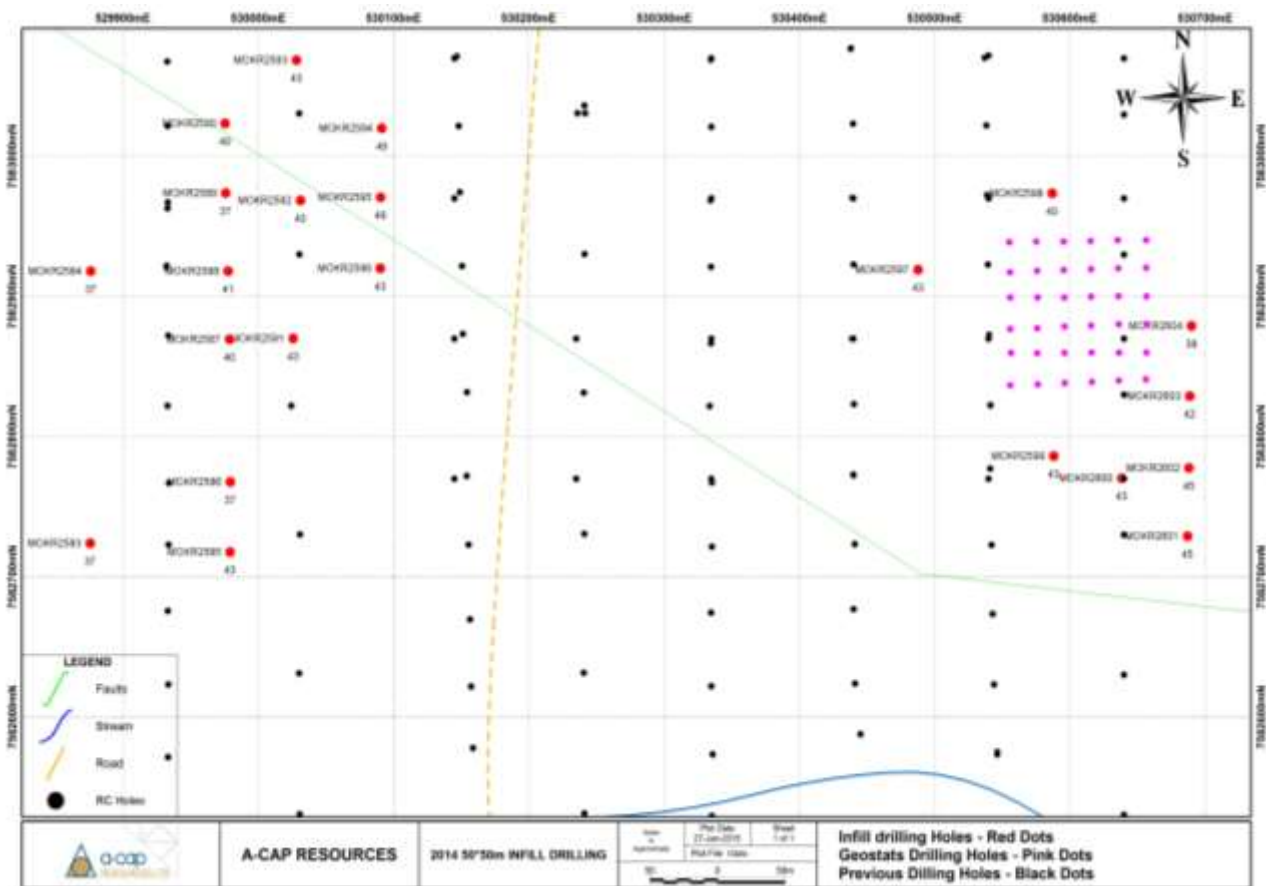


Figure 3: 2014 (Red) Infill and Geostat drilling at Kraken on potential early start areas. Previous years holes are in Grey

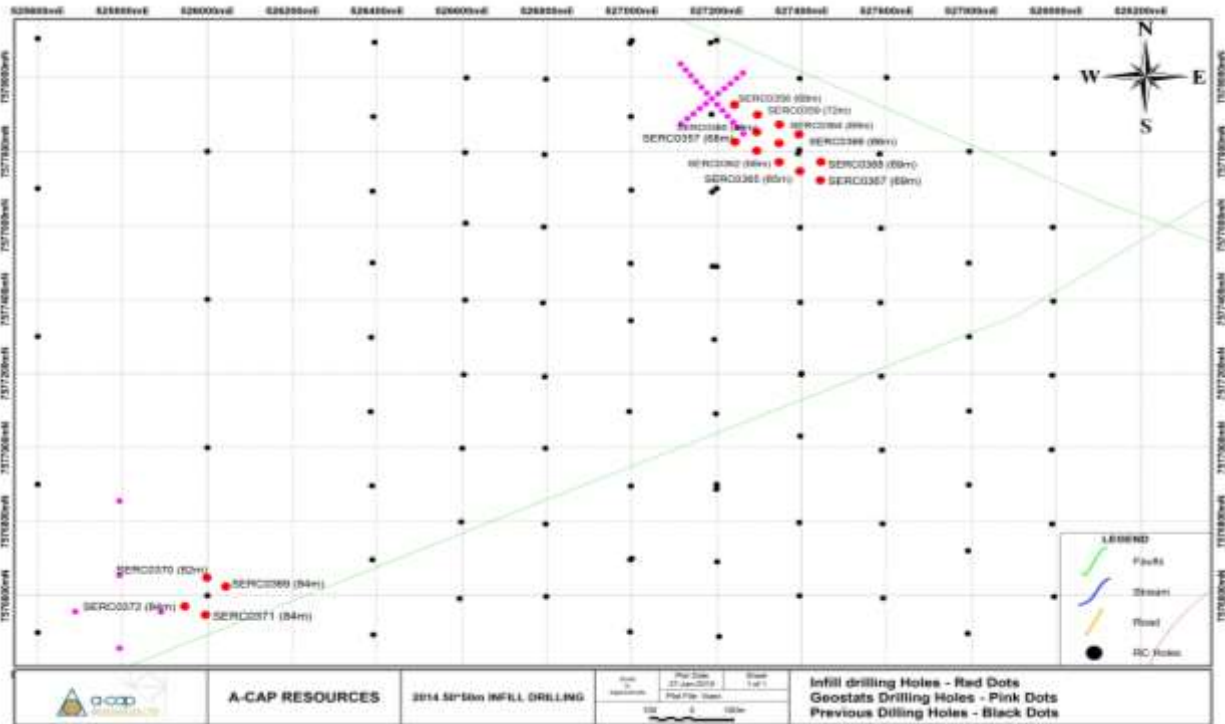


Figure 4: 2014 (Red) Infill and Geostat drilling at Serule West on potential early start areas. Previous years holes are in Grey

Best intervals* at 200ppm eU₃O₈ cut-off include:

- 3.25m @2386 ppm eU₃O₈ in hole SERC0364
- 2.05m @2124 ppm eU₃O₈ in hole MOKR2582
- 1.25m @2123 ppm eU₃O₈ in hole SERC0362
- 2.95m @1514 ppm eU₃O₈ in hole MOKR2571
- 2.20m @904 ppm eU₃O₈ in hole SERC0358
- 2.55m @772 ppm eU₃O₈ in hole MOKR2584
- 2.60m @588 ppm eU₃O₈ in hole MOKR2596
- 1.90m @798 ppm eU₃O₈ in hole MOKR2603

*all intervals are reported above 200ppm eU₃O₈ with a maximum internal dilution of 0.5m.

Resources

Recent trials utilising Uniform Conditioning (UC) and Localised Uniform Conditioning (LUC) resource modelling techniques have been successful. The LUC uses the proposed mining unit which has been reduced in size due to the selectivity of the surface miners that will be utilised. Drilling was focussed in areas where initial optimisation runs delineated possible early pits. The results have been successful in increasing the confidence in these areas.

Metallurgy and Process Design

The Metallurgical testwork and Process Design is based on a 2 stage acid heap leach route for all the primary, oxide and lower mudstone secondary ores with a modified solvent extraction system being the principal uranium recovery method. The remaining calcrete and upper mudstone secondary ores will be treated using a separate alkali leach circuit once the main acid heap circuit is in operation.

The remaining metallurgical testwork to finalise our feasibility studies is almost complete and the final 3 x 4m acid column leaches at Australian Nuclear Science and Technology Organisation using Serule West Primary ore, Mixed Gorgon South & Kraken Primary ore and Mixed Oxide ore were closed down in early January 2015 and are currently

being washed and drained. These columns will supply the final recoveries and acid consumption data to determine process operating costs.

Process Design, capital cost and operating cost estimations are well advanced and will be completed by Lycopodium Minerals Pty Ltd during Quarter 1, 2015

SLR Consulting is well advanced with the detailed engineering and environmental study of the heap leach facility which includes an expanding permanent pad utilising grasshoppers to convey the agglomerated ore onto the pad. This study will be complete in Quarter 1 2015 and will form part of the input into the ESIA and Feasibility Study.

Mining

Studies undertaken as part of the mining evaluation and ESIA have included the dust and noise impact of the proposed mining schedule. In addition a recent re-run of the Optimisations to evaluate the use of different surface miners at the estimated acid consumptions and metallurgical recoveries for the various ore types, expected acid prices, and mining costs has provided guidance as to the preferred equipment to be used.

These decisions will be tested in a trial mining programme to be undertaken later this year.

During the coming quarter revised models incorporating the most recent drilling results and metallurgical data will be used to carry out new Pit Optimisations, an updated Schedule and preliminary mine design.

The results of these will be used along with Capex and Opex data from Lycopodium to produce an Updated Project Cash Flow Model.

Environmental and Social Impact Assessment (ESIA)

The ESIA has been progressing well with a number of specialist studies underway providing input on bio-physical, social and cultural aspects. There have been key interactions between interlinking specialist teams such as water, radiation, air and health. The ESIA is on time and will be finalised for submission in Quarter 1, 2015.

COAL PROJECTS

A modest drilling programme on both of our coal discoveries at Bolau and Mea was recently completed with the aim of defining small JORC compliant resources on each of these deposits, and produce independent reports on the commercial viability of these projects.

While the global market for coal is depressed, there is an energy shortage in Southern Africa, with Botswana well positioned to supply power domestically and to neighbouring countries using thermal coal. At the same time there remains an opportunity to export coal as long as the production is small and high quality and tonnages kept within the existing export rail capacity.

Mea Coal Project

The Mea Coal deposit is located approximately 120km west of Francistown on PL134/2005. The project is situated 5KM north of the A30 highway that links Francistown to Orapa with all-weather roads and grid power lines passing through the prospect area.

The Mea Coal Project on PL134/2005 contains multiple coal seams within a thicker carbonaceous unit that extends to over 100m true thickness. Initial results are very promising with Raw Coal Quality at Mea potentially higher than the typical coal found elsewhere in Botswana. A JORC compliant inferred resource of 335 million tonnes of coal in multiple seams has been announced.

The Mea Coal Study was completed by Sedgman South Africa in February 2014. It was a comprehensive study and the phases addressed in sequence included the review of geological data, resource modelling, mining suitability referencing other existing operations, conceptual mine design and block sequencing, high level mining costing, washability analysis and product selection, design of suitable coal handling and washing plant, capital cost definition, operating costs, high level financial model, marketing assessment and recommendations for future development. The Mea Coal Study focused on a low tonnage export coal development within current transport infrastructure capacity with scalability. This study indicated that the project could be robust and recommended the project proceed

to a definitive feasibility study. The drilling campaign completed last quarter at Mea followed this recommendation to establish a JORC compliant indicated resource on a portion of the known resource with the best potential for early mining. Coal analysis results have been received and are currently being evaluated and a new resource on the Mea coal project is expected during Quarter 1, 2015.



Figure 5: Plan view of the Mea Coal Project showing the location of all drill holes to date. Black stars are percussion holes, red stars are diamond core holes.

Bolau Coal Project

The Company discovered coal at the Bolau Project (which comprises two PLs Foley PL125/2209 and Bolau PL138/2005) during its ongoing regional uranium exploration program. The Bolau Coal Project constitutes the up and down dip extension of African Energy’s Sese Coal Project that extends into A-Cap’s prospecting licences PL138/2005 and PL125/2009. The adjacent Sese thermal coal deposit contains JORC compliant Mineral Resource of over 2.5 billion tonnes, comprising a Measured Resource of over 650 Mt coal, with an additional ~1,850 Mt in Indicated and Inferred Resource category.

In May 2014 the Bolau Coal Study, which encompassed the Bolau and Foley prospects, was completed by Sedgman South Africa. This study was commissioned to assess the potential for development of the Bolau Coal Project covering geology, engineering and marketing. The study was positive and highlighted the project’s potential and recommended further drilling and analyses.

The recently completed drilling campaigns at Bolau followed this recommendation, focusing on defining an Indicated Resource on the basal seam of the shallow up dip extension of African Energy Resources’ (AFR) Sese Coal deposit (‘Sese’), known as Foley, and the down dip extension of the Sese deposit, known as Bolau (Figure 6).

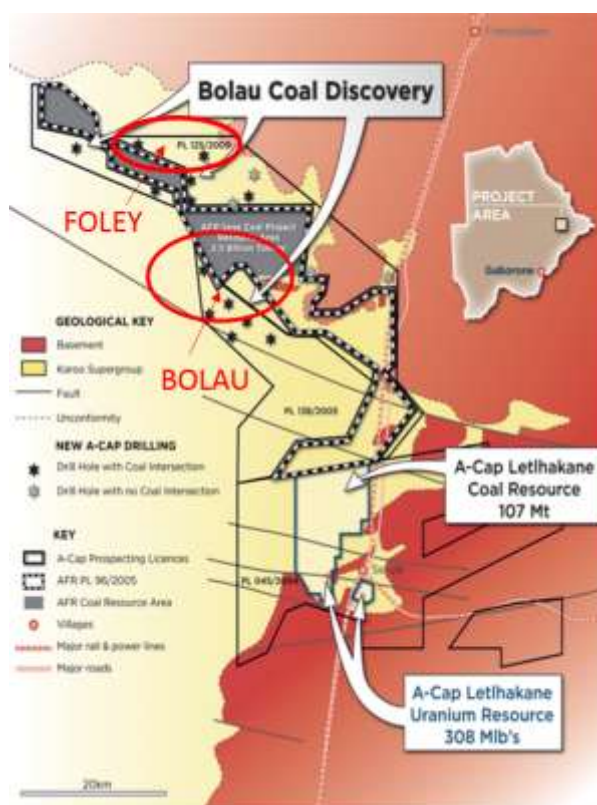


Figure 6: Bolau Coal Study location map

The Foley JORC indicated resource announced during the quarter brings this project to the stage where mining studies can rapidly define the economic potential. The resource of close to 30 million tonnes in the SS seam allows for a substantial mine life for export for power generation options.

All of the drill holes were geophysically logged and the coal seams were modelled in order to estimate resource tonnages. In Situ Coal Tonnes at Foley total 148 million tonnes of which 71 million tonnes is classified as Indicated (Table 2). The resource drilling covers a small percentage of the tenement area allowing for potential upside to the current declared resource tonnage.

SEAM	THICKNESS (m)	VOLUME (m3)	GTIS (Gross Tonnes In-Situ)	RD (Relative Density)	GEOLOGICAL LOSS (%)	TTIS (Total Tonnes In-Situ)	CATEGORY
SS	6.84	21 970 000	35 246 000	1.60	15%	29 959 000	INDICATED
SST	7.45	20 291 000	36 123 000	1.78	15%	30 705 000	INDICATED
SSU	3.17	6 675 000	12 174 000	1.82	15%	10 348 000	INDICATED
TOTAL INDICATED			83 543 000			71 012 000	
SS	7.07	30 390 000	48 930 000	1.61	25%	36 700 000	INFERRED
SST	7.08	2 360 000	39 580 000	1.77	25%	29 690 000	INFERRED
SSU	3.02	7 820 000	14 230 000	1.82	25%	10 670 000	INFERRED
TOTAL INFERRED			102 740 000			77 060 000	
TOTAL FOLEY RESOURCES			186 283 000			148 072 000	

Table 2: Foley Coal Resources

Cut-offs applied: >1m seam thickness, <50% ash and >8MJ/Kg CV.

High geological loss applied due to occurrence of dolerite intrusions.

Tonnes rounded according to resource confidence (Ind = 1000; Inf = 10,000).

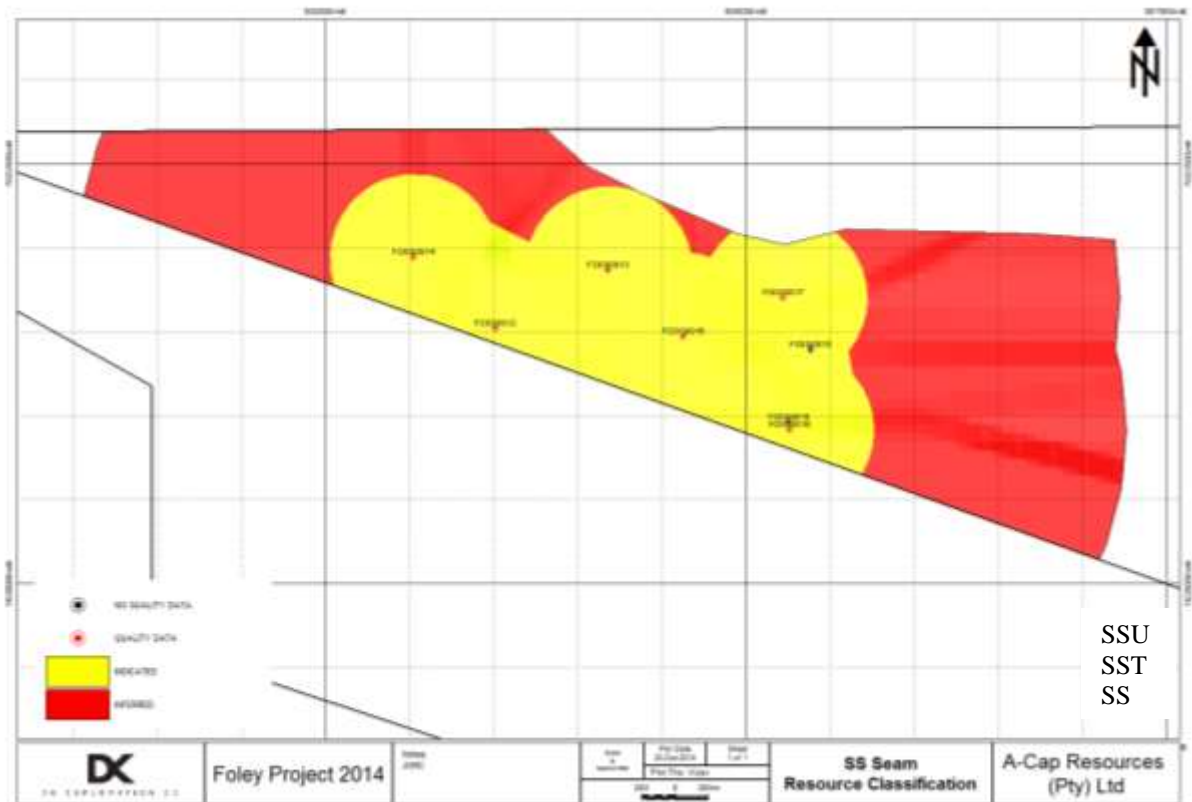


Figure 7: SS Seam JORC Resource Classification

While A-Cap is approaching development of its coal assets within existing transport capacity, the projects have potential to scale-up as further transport infrastructure is established. Holes drilled during uranium exploration in 2011 at a distance of approximately 6km to the east of Foley intersected a similar coal-bearing sequence. This area is immediately north of AFR’s ‘Block C’ measured resource. The Botswana Government has been proactive in paving the way for future infrastructure upgrades in the short term to Richards Bay and has recently signed the Trans Kalahari Railway (TKR) agreement with Namibia to deliver a dedicated high volume rail to Walvis Bay, with feasibility studies currently underway. The government and industry are also proactively engaging the Mozambique and Republic of South Africa rail entities regarding further increases in capacity.

Lethakane Coal Project

The Lethakane Coal Project is coincident with the uranium resource and a JORC compliant resource of 107 million tonnes has been reported.

The resource consists of an Inferred 107Mt of low sulphur, high ash coal capable of producing a domestic thermal product if beneficiated at either a 1.80 g/cm³ or 1.60 g/cm³ density wash (refer Table 3). The coal is coincident with the area of the uranium deposit.

The diamond drilling planned in this area as part of the uranium feasibility programme will assist in improving the definition of the coal component in this deposit. Downhole density will be run to define the coal seams accurately.

SEAM	Thick (m)	DOC (m)	Raw Ash %	Raw RD	Tonnes (Mt)
Top	0.67	41	41.2	1.80	13.0
MA	2.16	55	37.2	1.80	22.1
MB	0.68	52	35.3	1.79	12.8
MC	0.55	50	34.5	1.75	7.5
MD	0.78	44	45.5	1.87	10.1
BA	1.50	60	34.9	1.81	28.7
BB	1.58	49	40.9	1.84	10.2
BC	1.27	52	37.7	1.78	2.9
Total	9.19	52	37.8	1.81	107.3

Table 3. Inferred resource estimates RAW Coal for the Letlhakane Project

SCHEDULE OF INTEREST IN MINING TENEMENTS

Tenement	Location	Percentage Holding	Title Holder
Letlhakane PL 45/2004	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Mea PL 134/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sua PL 135/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Bolau PL 138/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Lebala PL 72/2008	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Diretse PL 73/2008	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Mmatshumo PL 74/2008	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Foley PL 125/2009	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukunsi 002/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukunsi 003/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukunsi 004/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Werda 005/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 006/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 007/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 008/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 009/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 010/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 011/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 012/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 013/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 014/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 015/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd

During the Quarter A-Cap historical reports and data were collated from the government libraries for the 14 new tenements (Figure 8) for base metal exploration. The tenements overlay the inferred extents of the Kaapvaal Craton. The Kaapvaal Craton in South Africa is host to a number of platinum and PGEs, iron ore and manganese mines. Desktop studies on the new tenements areas will be undertaken over the next two quarters.

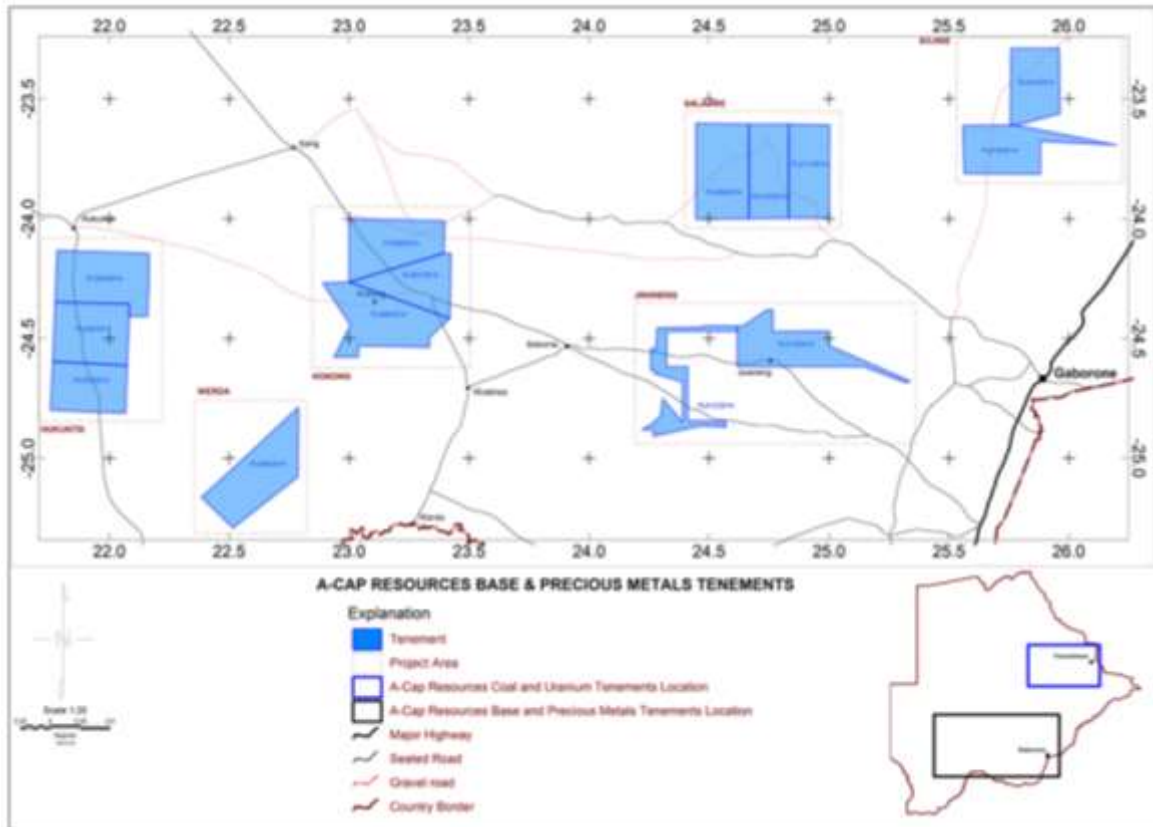


Figure 8: Locality plan of A-Caps granted tenements during the quarter

CORPORATE

At quarter end, the Company held cash and marketable securities totalling \$1.95 million.



Paul Thomson
CHIEF EXECUTIVE OFFICER

Competent person's statement

Information in this report relating to Exploration, is based on information compiled by Mr Ashley Jones a full-time employee of A-Cap Resources Limited and a member of MAusIMM. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to deconvolved Gamma Results and equivalent U_3O_8 grades, is based on information supplied by Mr David Wilson BSc MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of 3D Exploration Ltd, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Wilson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information presented in this report is based on a geological model that was produced in October 2014. Mrs L. de Klerk (BSc, MSc, Pr.Sci. Nat No. 400090/08, GSSA), Managing Director and Geologist with DK Exploration cc produced this model and has determined coal resource estimates for PL125/2009. Mrs de Klerk has over 12 years industry experience involving modelling and assessing coal resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mrs de Klerk consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information presented in this report is based on a geological model that was produced in June 2013. Michael Andrew MAusIMM, MAIG has 10 years' experience in modelling and assessing uranium resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to 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, Mineral Resources and Ore Reserves". Mr Andrew is a full time employee of Optiro Pty Ltd and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Ends

For Further information contact:
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Appendix 5B Mining exploration entity quarterly report

Introduced 01/07/96. Origin: Appendix 8. Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A-CAP RESOURCES LIMITED

ABN

28 104 028 542

Quarter ended ("current quarter")

31 December 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	-	-
1.2 Payments for (a) exploration & evaluation	(1,077)	(2,700)
(b) development	-	-
(c) production	-	-
(d) administration	(348)	(690)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	46
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Receipt of ATO R&D tax credit	-	-
	(1,411)	(3,344)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3)	(6)
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)	-	-
	(3)	(6)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,414)	(3,350)

1.13	Total operating and investing cash flows (brought forward)	(1,414)	(3,350)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (Costs of capital raising)	-	(180)
	Net financing cash flows	-	(180)
	Net increase (decrease) in cash held	(1,414)	(3,530)
1.20	Cash at beginning of quarter/year to date	2,956	5,072
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,542	1,542

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	(187)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director & Consulting fees paid to related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(1,528)
4.2 Development	-
4.3 Production	-
4.4 Administration	(451)
Total	(1,979)

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	185	6
5.2 Deposits at call	1,357	1,250
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	-	1,700
Total: cash at end of quarter (item 1.22)	1,542	2,956

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	-	-	-
6.2 Interests in mining tenements acquired or increased	N/A	-	-	-

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL		
7.3 +Ordinary securities	375,044,411	375,044,411		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,835,143	6,835,143		
7.5 +Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7 Options <i>(description and conversion factor)</i>	10,000	NIL	<i>Exercise price</i> 80% of market value	<i>Expiry date</i> On the day the employee ceases to be in the employ of the Company or subsidiary thereof.
	2,000,000	NIL	45 cents	15 March 2015
	4,000,000	NIL	50 cents	15 October 2015
	1,000,000	NIL	40 cents	15 December 2015
	1,500,000	NIL	33 cents	31 January 2016
	5,700,000	NIL	9 cents	15 December 2016
7.8 Issued during quarter	5,700,000	NIL	9 cents	15 December 2016

7.9	Exercised during quarter	NIL	NIL	-	-
7.10	Expired during quarter	5,000,000	NIL	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 31 October 2014
7.11	Debentures <i>(totals only)</i>	NIL	NIL		
7.12	Unsecured notes <i>(totals only)</i>	NIL	NIL		

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: 30 January 2015

Print name: DENIS RAKICH

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.