ASX RELEASE

Thursday 30 October 2014

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 30TH SEPTEMBER 2014

A-Cap Resources Limited ("A-Cap" or "the Company") (ASX: ACB) is pleased to provide its Quarterly Activities Report for the quarter ended 30 September 2014.

HIGHLIGHTS

- Results of a major RC and Diamond drilling programme consisting of 3,734m of RC drilling and 617m of diamond drilling were announced during the quarter. The results support excellent grade in 3 areas planned for early mining; Kraken, Gorgon South and Serule West.
- Drilling of 9 holes at the Mea Coal Project all intersected the targeted BC coal horizon. Samples are currently at the laboratory for analysis.
- Drilling of 10 holes at the Bolau Coal Project, where 7 holes were drilled in the up-dip portion and 3 holes in the down-dip portion all intersected the coal horizon. Results are imminent.
- A-Cap continues to progress the feasibility studies required to submit a mining licence application for the Letlhakane Uranium Project in the first half of 2015, and to prepare the project for early production and capitalise on a recovery in the uranium price.
- The spot price of uranium increased by 28% during the quarter.

QUARTERLY ACTIVITIES

LETLHAKANE URANIUM PROJECT

Letlhakane is one of the world's largest undeveloped uranium deposits with a JORC resource of 308.1 million pounds U_3O_8 with a high grade resource of 83.7Mt at 447ppm U_3O_8.

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 half 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 license 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

A major RC and Diamond drilling programme which in-filled and extended known areas of high grade uranium mineralisation was completed, with results released during the quarter. These results were positive and will provide further data for mine planning and resource modelling.

The initial results from the drilling consisting of:

- 17 metres PQ diamond drilling completed to collect samples for lithological gamma studies and comminution test-work

- 3734 metres RC drilling to establish mining scale uranium variability and selected infill drilling to improve information in higher grade areas

This drilling was completed and announced during the quarter. The best intervals at 200 ppm eU_3O_8 cut-off include:

9.85m	@571 ppm eU_3O_8 in hole SERC0341
10.35m	@368 ppm eU_3O_8 in hole SERC0335
2.25m	@1354 ppm eU_3O_8 in hole SERC0344
3.05m	@979 ppm eU_3O_8 in hole MOKD0112
2.45m	@1214 ppm eU_3O_8 in hole SERC0336
8.1m	@355 ppm eU_3O_8 in hole SEDD0026
1.95m	@1224 ppm eU_3O_8 in hole SEDD0023

Drilling was conducted with the purpose of defining the resource at a mining scale. The resultant information will be required for the pit optimisation as part of the feasibility study to enable application for a mining licence during the first half of 2015.

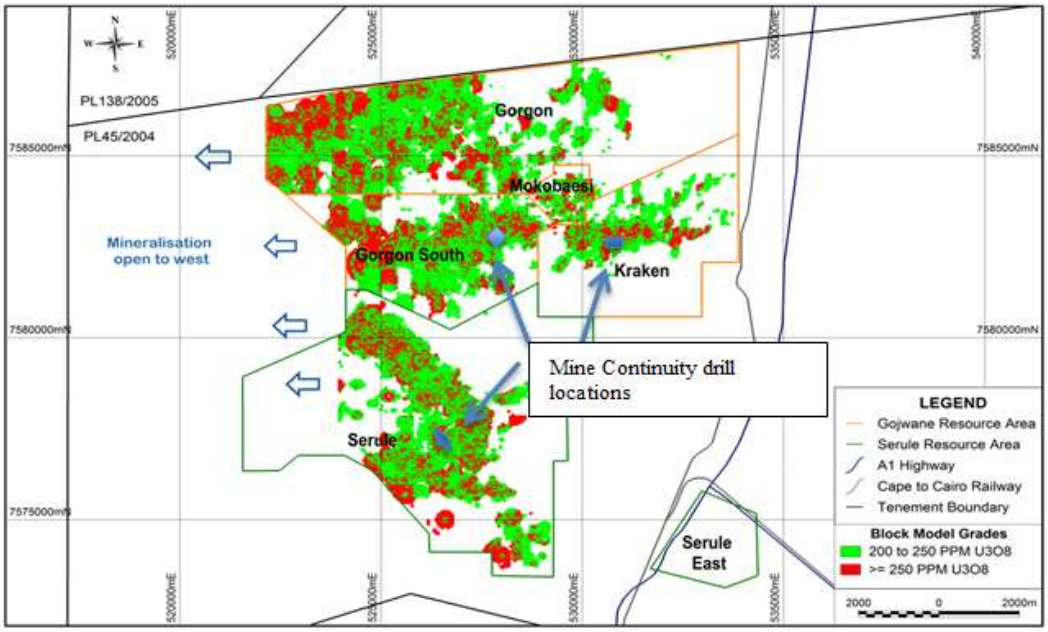

Figure 1 - Letlhakane project areas, block model outlines, and mine continuity drilling locations

In this programme, a series of holes at a 20m spacing were drilled at three deposits; Serule West, Kraken and Gorgon South, with RC and diamond drilling to establish the mining scale variability of the uranium mineralisation, defined by down hole gamma probing. Independent resource experts Optiro will complete the continuity analysis in the coming weeks and incorporate it into the resource model. The lithological and facies changes will also be defined at the mine scale.

The drilling also concentrated on areas that have been identified as higher grade and early in a potential mining plan. The increased spacing may allow certain targeted areas to be classified as measured resources and will support the required information to progress to a reserve definition.

The Diamond core PQ will be utilised for gamma disequilibrium studies and analysis will be conducted by lithological types to determine if there are any gamma factors for differing lithological types. Changes in this respect would be related to porosity differences. A-Cap's previous studies have determined that there are no overall disequilibrium issues in the deposit.

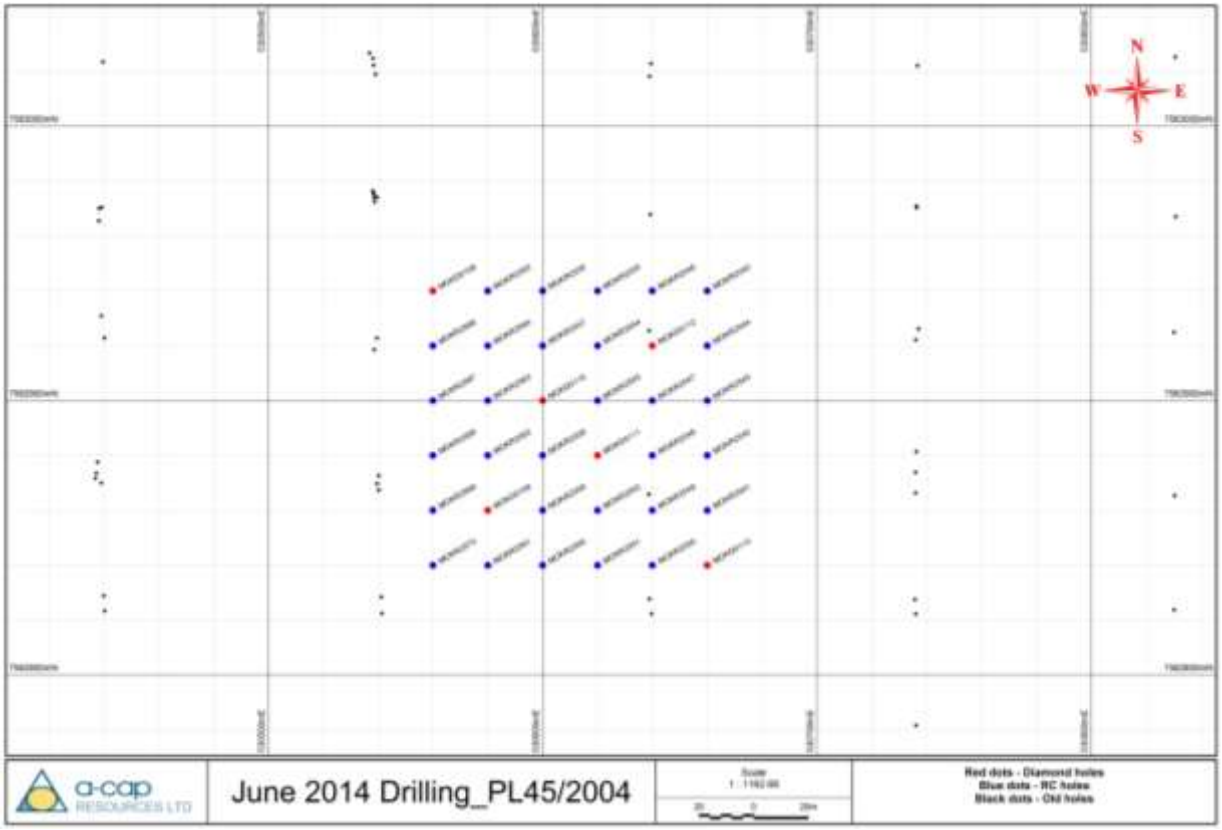

Figure 2 - Kraken Mine Scale Continuity Drill Plan

A grade control pattern at Kraken was undertaken consisting of 36 holes in a grid pattern with hole spacing of 20m. Continuity analysis which is to be undertaken by Optiro will be incorporated into the resource definition.

Localised drilling at a mine scale - grade control spacing will set the geological and grade parameters for future resource modelling. The continuity results within the mineralised horizon will also be utilised in ongoing pit optimisations, mining equipment selection and grade control methods. Drilling will initially target the shallow primary resources at Serule West, Kraken and Gorgon South. The location of the drilling is within potential pit areas that would be early in a proposed mining operation.

Initial grade quantified from downhole gamma logging continued to deliver to expectations. At a 200 eU_3O_8 ppm cut off, the better intersections at Kraken include:

3.15m @609 ppm eU_3O_8 in hole MOKR2551
1.2m @1554 ppm eU_3O_8 in hole MOKR2541
2.35m @706 ppm eU_3O_8 in hole MOKR2567
2.1m @786 ppm eU_3O_8 in hole MOKR2561
2.05m @780 ppm eU_3O_8 in hole MOKR2561

At Serule West and Gorgon South a cross pattern was drilled with one axis parallel with the strike of the basement channel systems.

At Gorgon South a total of 13 holes were drilled, the better intersections at 200 ppm eU_3O_8 ppm cut off include:

3.05m @979 ppm eU_3O_8 in hole MOKD0112
2.4m @768 ppm eU_3O_8 in hole GODD0090
4.6m @317 ppm eU_3O_8 in hole MOKD0110
2.2m @466 ppm eU_3O_8 in hole GODD0090
1.7m @378 ppm eU_3O_8 in hole MOKD0112

At Serule West a total of 23 holes were drilled in a cross pattern and a further 5 were drilled as infill holes. The better intersections at 200 ppm eU_3O_8 ppm cut off include:

9.85m @571 ppm eU_3O_8 in hole SERC0341
10.35m @368 ppm eU_3O_8 in hole SERC0335
2.25m @1354 ppm eU_3O_8 inhole SERC0344
2.45m @1214 ppm eU_3O_8 in hole SERC0336
8.1m @355 ppm eU_3O_8 in hole SEDD0026
1.95m @1224 ppm eU_3O_8 in hole SEDD0023

20m spaced drilling will allow:

- Spatial variograms to be developed for different grade cut-offs
- Increased confidence in potential in-pit resources
- Correlation of lithology
- Selection of grade control parameters, including costing and selectivity

Down-hole gamma surveys collected at 0.05m resolution was completed on site using Auslog gamma tools. The ability to collect gamma data at a small scale and calculate the equivalent U_3O_8 grade (eU_3O_8) will drive the eventual mining methodology.

The PQ Diamond drilling over the areas will be used for:

- Lithological bases disequilibrium studies
- Porosity differences in lithologies and related gamma corrections
- Comminution test-work
- Coal definition
- Increased understanding of mineralisation

Comminution test-work on selected PQ samples will confirm the primary and secondary crushing parameters as well as assist in determining mining costs.

Additional infill drilling covering areas that coincide with initial optimisations will be completed during Q4, 2014 to build inventory for the probable JORC reserve category.

Resources

The results from the geostatistical drilling are currently being reviewed and will assist in providing further data for mine planning (determining the variability and continuity of the deposit at a mine scale), pit optimisations and resource modelling as part of the feasibility programme. This includes:- Trials using uniform conditioning (UC) and localised uniform conditioning (LUC), in conjunction with a Standard Mining Unit (SMU) derived from the proposed continuous surface miners will give a better estimate of recoverable resources at differing cut-off grades. A trial area is underway, and if warranted the total resource will be estimated with LUC following the infill drilling.

Metallurgy and Process Design

The testwork is based on an 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. Solvent extraction (SX) testwork was completed successfully at ANSTO's Lucas Heights' facility using the pregnant liquor solutions produced from column leaches. Process modelling work was also completed during the year indicating that a two stage leach has significant advantages over a single stage leach in terms of cost effectiveness. 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 now underway. The feasibility work was awarded to groups, ANSTO in NSW and SGS in Perth.

ANSTO has been awarded the contract to complete the final two (2) campaigns of primary and oxide columns.

The test programme on the secondary ore was awarded to SGS and commenced in mid-June 2014 and is progressing well. One 4 metre acid leach column has commenced at SGS using all 4 ore types (Kraken Primary, Gorgon South Primary, Serule West Primary and Mixed Oxide) for use by SLR to supply geotechnical and geochemical samples for the engineering study.

Ansto - The 3 x 2m column leaches using Serule West Primary ore, Mixed Gorgon South & Kraken Primary ore & Mixed Oxide ore (Campaign One) were completed in late September. Their main function was to optimised the 2 stage acid leach process in order to achieve the correct acid balance between the 2 stage leach and recovery (SX) parts of the process. The results of these 2m columns have been used to optimise the acid levels for the 4m column leaches (Campaign Two).

Campaign Two column leaches, consisting of 3 x 4m columns, commenced during the last week of September using the same 3 ore types as in Campaign One. This series of leaches will use a modified SX collection system and data from these tests will determine recovery and operating costs for the financial model of the Feasibility Study.

SGS - The 4m acid leach column using all 4 ore types (Kraken primary, Gorgon South primary, Serule West primary and mixed oxide) was completed in late September. This column will supply SLR Consulting with geotechnical and geochemical samples for their engineering study.

SLR – SLR Consulting has completed a high level option study to determine the most cost effective and environmentally acceptable heap leach facility. Based on this study an expanding (permanent) pad using grasshoppers to convey the agglomerated ore to the pad was chosen, and a detailed engineering study using of this option is in progress. This study will form part of the input into the ESIA and Feasibility Study.

Mining

A mix of conventional mining equipment and surface miners are being evaluated to determine operating costs and production rates. As part of this exercise, a number of core samples were tested to obtain measurements of physical properties of several rock types for surface miners to evaluate the suitability of the machines for mining at Letlhakane. The results are encouraging and work is ongoing.

Environmental and Social Impact Assessment (ESIA)

The ESIA has been progressing well across the field components of groundwater, social impact studies, surface water and flood modelling. The ESIA is on time and will be finalised for submission in Quarter 1, 2015.

MEA COAL PROJECT

Drilling to define an indicated resource for the BC seam was completed during the quarter. The resource targeted is in proportion to the current constraints in the Botswana infrastructure. Drill locations are indicated below in Figure 3.

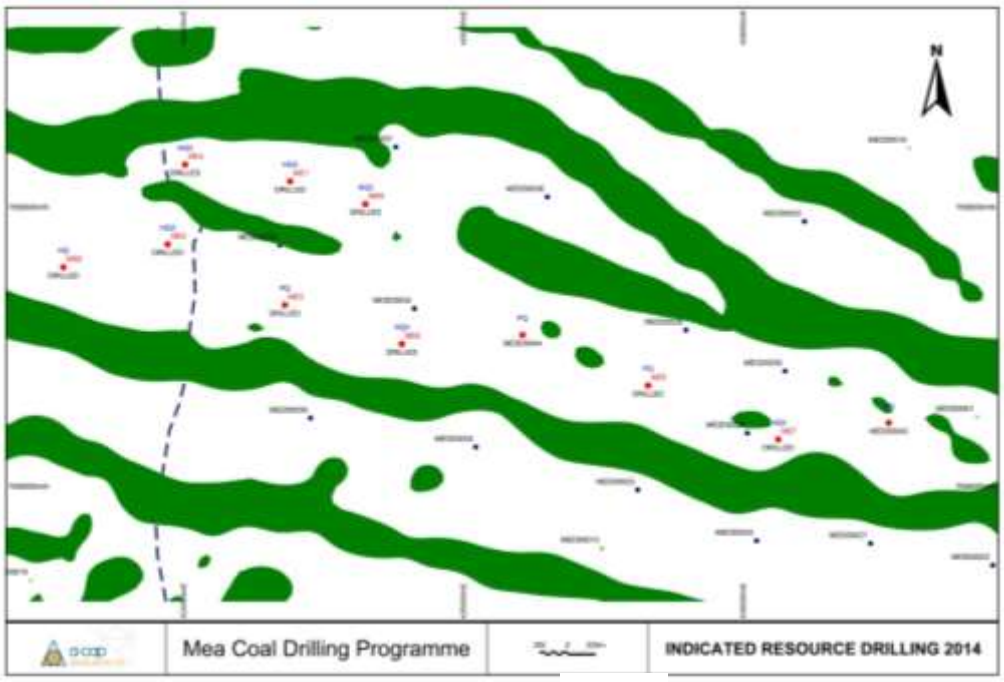

Figure 3: *2014 Resource coal drilling on an area between possible dolerite dykes modelled from geophysical surveys.*

Drill holes were a combination of HQ3 core and PQ core. All sampling has been completed with resource modelling due in the next quarter. Initial visual and downhole density logging indications of the coal supports the previous intersections defined in the current reported resource. The focus was the basal BC lens, however some of the top lenses will also be of interest.

The recent positive study by Sedgman 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 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. Drilling of 9 core drill holes was completed during quarter, with coal analysis results pending.

BOLAU COAL PROJECT

In May this year, the Bolau Coal Study was completed by Sedgman South Africa. This study was commissioned to assess the potential for development of the Bolau Coal Project covering geological, engineering and marketing. This study, which was detailed and comprehensive, was positive and highlighted the project's potential and recommended further drilling and test work.

The recent completed drilling campaign at Bolau followed this recommendation, focusing on defining an indicated resource on the basal seam of the shallow up dip extension of the Sese Coal deposit which is approximately 15 – 25 metres deep at this location. Drilling was also completed on the down dip extension of the Sese deposit within the Bolau tenement.

Drilling of 7 holes in the Northern (up-dip) portion on the Foley tenement (PL 125/2009), and 3 holes in the southern down-dip portion on the Bolau tenement (PL 138/2005) were completed during the quarter. All holes were HQ3 and PQ sized core holes and intersected the targeted coal horizon. Results are imminent with a maiden resource expected.

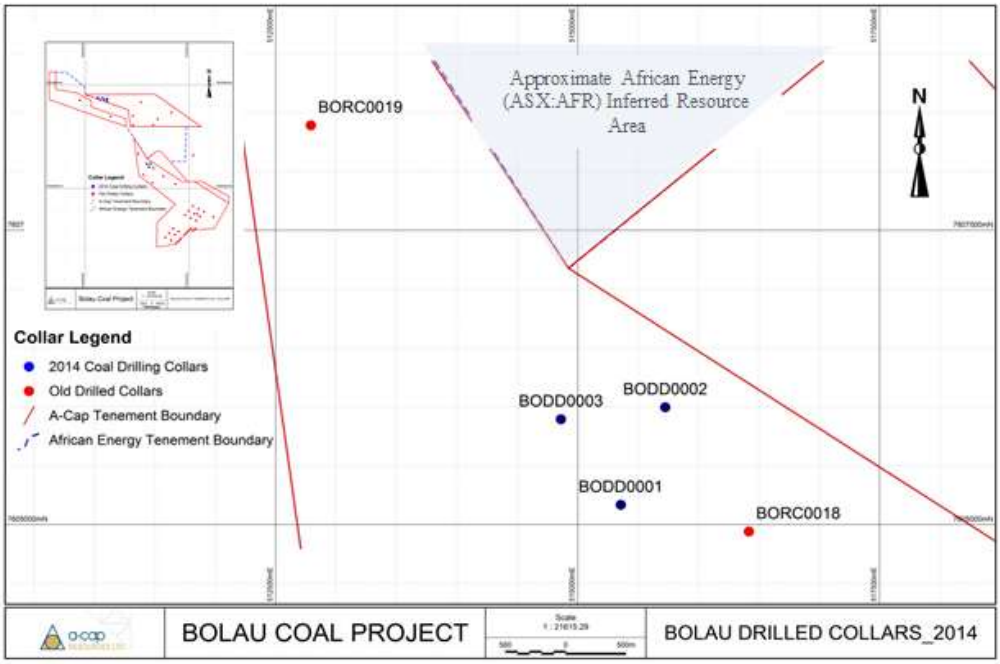

Figure 4: *Plan view of the Bolau Coal Project (Bolau tenement) showing the location of all drill holes to date and the recent drilling.*

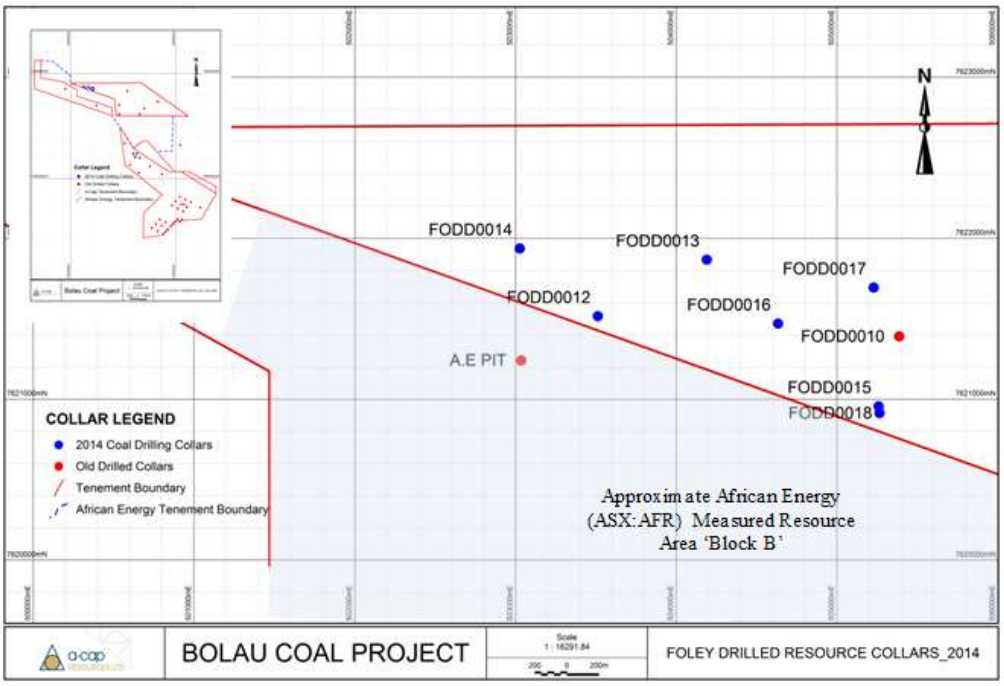

Figure 5: *Plan view of the Bolau Coal Project (Foley tenement) showing the location of all drill holes to date and the recent drilling.*

OVERVIEW OF PROJECTS

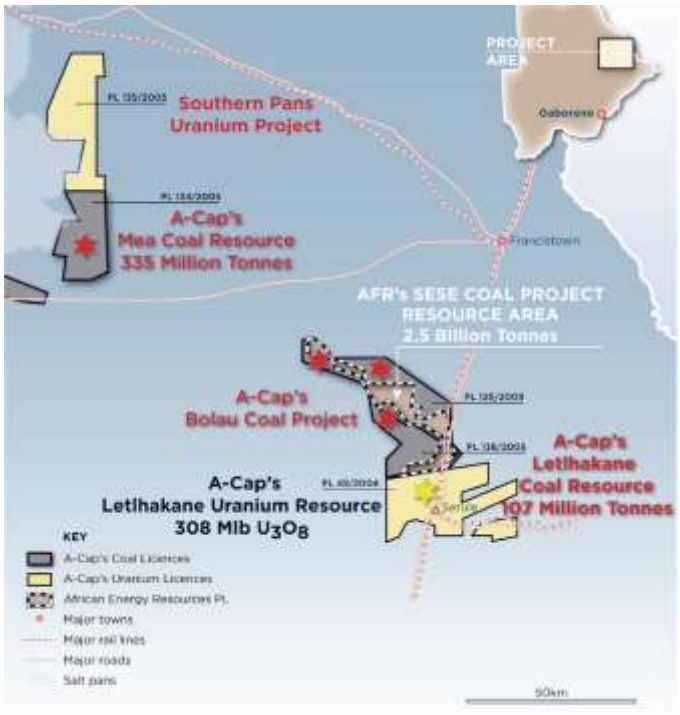

Figure 6

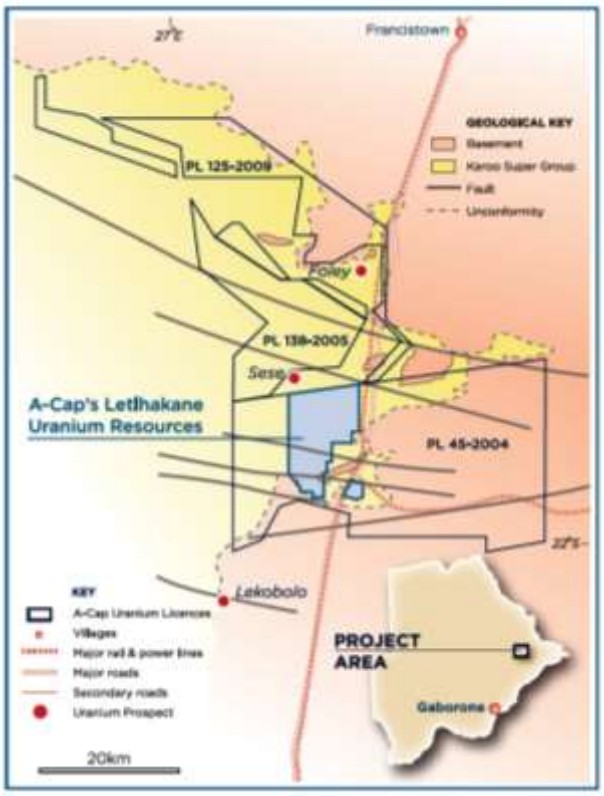

Figure 7

Figure 6: *Location Map of A-Cap's main project areas. The Letlhakane Project hosts the Serule Uranium Deposit on PL45/2004.*
Figure 7: *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.*

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 U_3O_8 for a contained 308 Mlbs of U_3O_8 (100ppm cut-off). Importantly, within the Letlhakane Resource, a significant higher-grade component at a 300ppm U_3O_8 cut-off contains *83.7Mt at 447ppm U_3O_8 for 82.5 Mlbs of U_3O_8*.

Cut-off (U_3O_8 ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)	Mt	U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)	Mt	U_3O_8 (ppm)	Contained U_3O_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 U_3O_8 cut-offs

MEA COAL PROJECT

The Mea Coal deposit is located approximately 120km west of Francistown on PL134/2005 (Figure 6). 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 this year. 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.

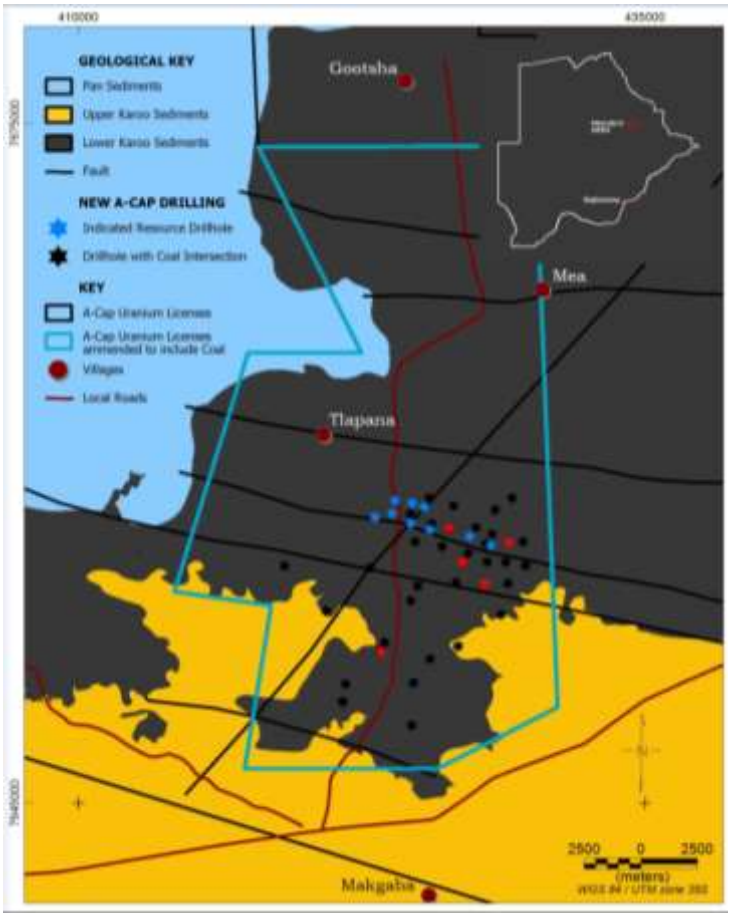

Figure 8: *Plan view of the Mea Coal Project showing the location of all drill holes to date. Black stars are percussion holes, red stars are diamond core holes.*

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. Initial drilling undertaken by the Company has discovered coal in seams of comparable thickness and quality to the Sese coal deposit.

LETLHAKANE COAL PROJECT

The Letlhakane 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/cm^3 or 1.60 g/cm^3 density wash (refer Table 2). 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 2. 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
Hukuntsi 002/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 003/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 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 was granted applications over 14 new tenements for base metal exploration. The tenements resulted from applications in 2013. Historical reports and data will be collated, and desktop studies on the new areas will be undertaken over the next two quarters.

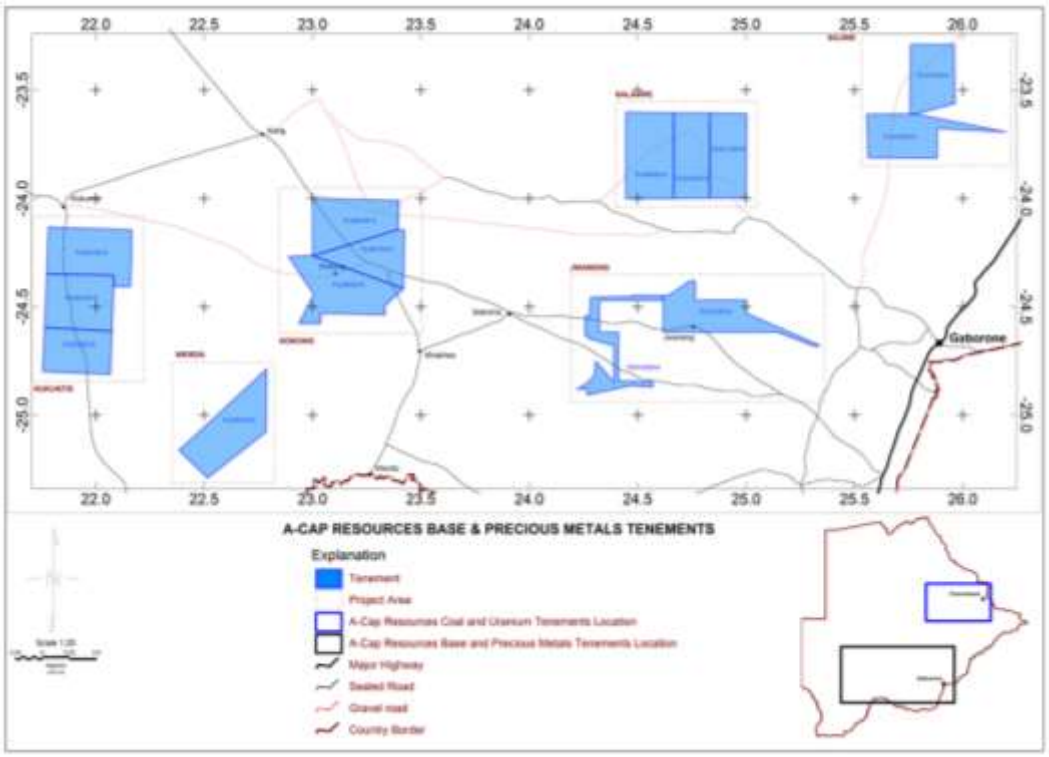

Figure 9: *Locality plan of A-Caps granted tenements during the quarter*

CORPORATE

At quarter end, the Company held cash and marketable securities totalling $3.8 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 Coal resources is based on information compiled by Mr Darryl Stevenson (Consulting Coal Geologist to A-Cap Resources). Mr Stevenson 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 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources. Mr Stevenson consents to the inclusion of the data 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:
Paul Thomson, A-Cap Resources + 61 8 9220 9850

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	Quarter ended ("current quarter")
28 104 028 542	30 September 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,623)	(1,623)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(342)	(342)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	32	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Receipt of ATO R&D tax credit	-	-
	Net Operating Cash Flows	(1,933)	(1,933)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(3)	(3)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(3)	(3)
1.13	Total operating and investing cash flows (carried forward)	(1,936)	(1,936)

1.13	Total operating and investing cash flows (brought forward)	(1,936)	(1,936)
	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)	(180)
	Net financing cash flows	(180)	(180)
	Net increase (decrease) in cash held	(2,116)	(2,116)
1.20	Cash at beginning of quarter/year to date	5,072	5,072
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,956	2,956

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	(148)
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	(1,613)
4.2	Development	-
4.3	Production	-
4.4	Administration	(502)
	Total	**(2,115)**

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	6	63
5.2	Deposits at call	1,250	1,209
5.3	Bank overdraft	-	-
5.4	Other – Term Deposits	1,700	3,800
	Total: cash at end of quarter (item 1.22)	2,956	5,072

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	PL 002/2014	Acquired	-	100%
		PL 003/2014	Acquired	-	100%
		PL 004/2014	Acquired	-	100%
		PL 005/2014	Acquired	-	100%
		PL 006/2014	Acquired	-	100%
		PL 007/2014	Acquired	-	100%
		PL 008/2014	Acquired	-	100%
		PL 009/2014	Acquired	-	100%
		PL 010/2014	Acquired	-	100%
		PL 011/2014	Acquired	-	100%
		PL 012/2014	Acquired	-	100%
		PL 013/2014	Acquired	-	100%
		PL 014/2014	Acquired	-	100%
		PL 015/2014	Acquired	-	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	**Preference +securities** *(description)*	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**	368,209,268	368,209,268		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*	NIL	NIL		

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7	**Options** *(description and conversion factor)*	10,000 5,000,000 2,000,000 4,000,000 1,000,000 1,500,000	NIL NIL NIL NIL NIL NIL	*Exercise price* 80% of market value 40 cents 45 cents 50 cents 40 cents 33 cents	*Expiry date* On the day the employee ceases to be in the employ of the Company or subsidiary thereof. 31 October 2014 15 March 2015 15 October 2015 15 December 2015 31 January 2016
7.8	Issued during quarter	NIL	NIL	-	-
7.9	Exercised during quarter	NIL	NIL	-	-
7.10	Expired during quarter	NIL	NIL	-	-
7.11	**Debentures** *(totals only)*	NIL	NIL		
7.12	**Unsecured notes** *(totals only)*	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: ..... Date: 30 October 2014
(Company Secretary)

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.