

ASX: ARE

CAPITAL STRUCTURE:

Issued shares: 443,791,701

Listed options: 38,004,957
(6c, Mar 2017)

Unlisted options: 10,000,000
(15c, Dec 2015)

Unlisted options: 7,000,000
(10c, Dec 2015)

Cash on hand: \$690,000

DIRECTORS:

Patrick Elliott,
Non-Exec Chairman

Lindsay Owler,
Director/CEO

Andrew Bursill,
Director/Secretary

Malcolm Richmond,
Non-Exec Director

COPPER FOCUS

Lumwana West, Zambia

- Copper, cobalt (bulk tonnage)
- Advanced exploration stage
- Funding by option agreement
- Antofagasta earning 70%
- Argonaut operator

Torrens, South Australia

- Copper, gold (large IOCG)
- Access negotiation/ exploration stage
- Pro-rata funding under JV
- Straits Resources Ltd 70%, Argonaut 30%
- Argonaut operator

Alford, South Australia

- Copper (IOCG)
- Exploration stage
- Funding via farm-out
- Sandfire Resources NL earning 70%
- Sandfire operator



Quarterly report

FOR THE PERIOD ENDING 30 SEPTEMBER 2015

Argonaut Resources NL (Argonaut or the Company) (ASX: ARE) is pleased to provide the following report for the three months to 30 September 2015 (the Quarter).

Highlights

Lumwana West, Zambia

Exploration program:

- An 11 hole diamond core drilling program for a total of 2,006m was completed in July 2015 at five prioritised copper targets.
- The collection and analysis of over 1,000 new soil samples was completed in the Quarter.
- This program substantially completed the first phase of an option agreement with Antofagasta. The results of this program are being assessed.

Kabikupa prospect:

- 2015 drilling at Kabikupa prospect sought to extend the mineralised strike extent to 1,800m.
- Significant copper mineralisation was not intercepted by drilling outside of the main surface anomaly, meaning subsurface copper mineralisation is likely to be confined to a strike length of approximately 1,000m.

Kamafamba prospect:

- Three drill holes for 409m were drilled at the Kamafamba prospect. Highlights from this drilling included:
 - KMDD001: 15.85m at 0.30% copper from 41m
 - KMDD003: 17.6m at 0.40% copper from 134.5m, including 5.6m at 0.67% copper from 146.5m

Regional drilling program:

- Three additional targets known as Sharamba, Luamvunda and Mufuka that were defined by soil sampling and structural geology interpretation were drill tested between May and July 2015.
- No significant mineralised intercepts were returned from these targets.

Outlook

- Argonaut's major projects benefit from farm-in or joint venture arrangements with funding partners.
- Current low asset valuations is providing a unique opportunity to secure additional high quality exploration projects.
- Argonaut is evaluating numerous opportunities with a view to adding new assets to the Company's portfolio.

Registered Office

Suite 4, Level 9, 341 George Street
Sydney, NSW, 2000, Australia
T +61 2 9299 9690
F +61 2 9299 9629
E sydney@argonautresources.com

Adelaide Office

Level 1, 63 Waymouth Street
Adelaide, SA, 5000, Australia
T +61 8 8231 0381
F +61 8 8231 6092
E adelaide@argonautresources.com

Zambia

Lumwana West (Argonaut 90%)

The Lumwana West project is located in the Central African Copperbelt, North-Western Province, Zambia (Figure 1). The area is prospective for large tonnage, low to medium grade copper deposits. There are several major mines nearby to Lumwana West that are hosted in similar geological settings.

Argonaut, via its 90% held subsidiary, Mwombezhi Resources Ltd, has been successful in intercepting broad copper intercepts at the Nyungu deposit and has defined a series of large, prospective targets that have now undergone first-pass drill testing.

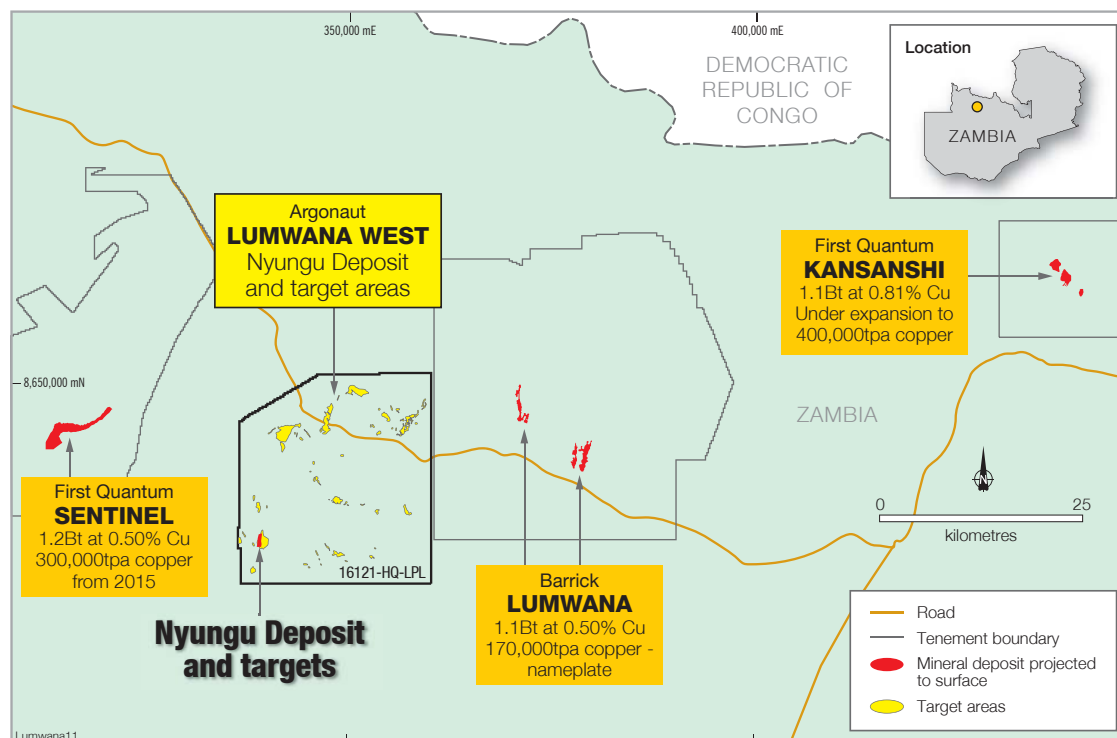


Figure 1: The Domes Region has an international scale copper endowment and is host to the new generation of mines in the Central African Copperbelt

Exploration Program

Key points

- The drilling program completed in early July 2015 was designed to test large footprint copper targets defined by surface geochemistry, geological mapping and structural geology interpretation.
- The 2014/15 program now comprises over 8,100m of drilling, plus geological mapping and soil sampling. To date, 36 diamond core drill holes have been completed and 12,947 soil samples collected and analysed.
- 2,006m of additional diamond core drilling was completed between May and July 2015.
- The 2015 exploration program completes the first phase of an option agreement with Antofagasta.
- Antofagasta can earn a 25% interest in the Lumwana West project at the completion of the first phase by funding US\$3.9m of exploration.

The 2014/15 program was the first exploration phase under the option agreement between Argonaut and a wholly owned subsidiary of Antofagasta plc (Antofagasta), dated 28 April 2014 (the Overlying Agreement). According to the Overlying Agreement, exploration expenditure of US\$3.9m in the first period earns Antofagasta a 25% interest in the project.

The 2014/2015 program was jointly planned by Argonaut and Antofagasta. The first phase exploration program was completed in July 2015 and included a total of 8,129m of diamond core drilling plus the collection and analysis of 12,947 soil samples.

The focus of the program was on testing major target areas, previously defined by Argonaut, as well as new targets that were progressively generated by an extensive regional soil sampling program.

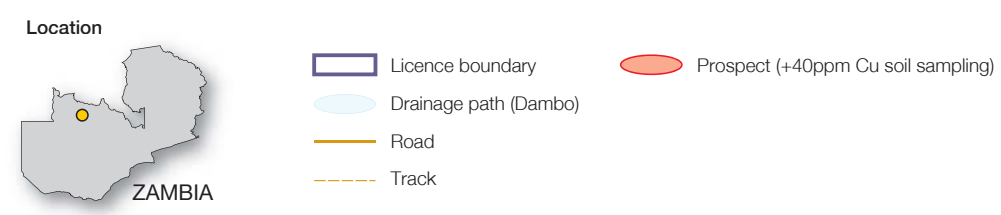
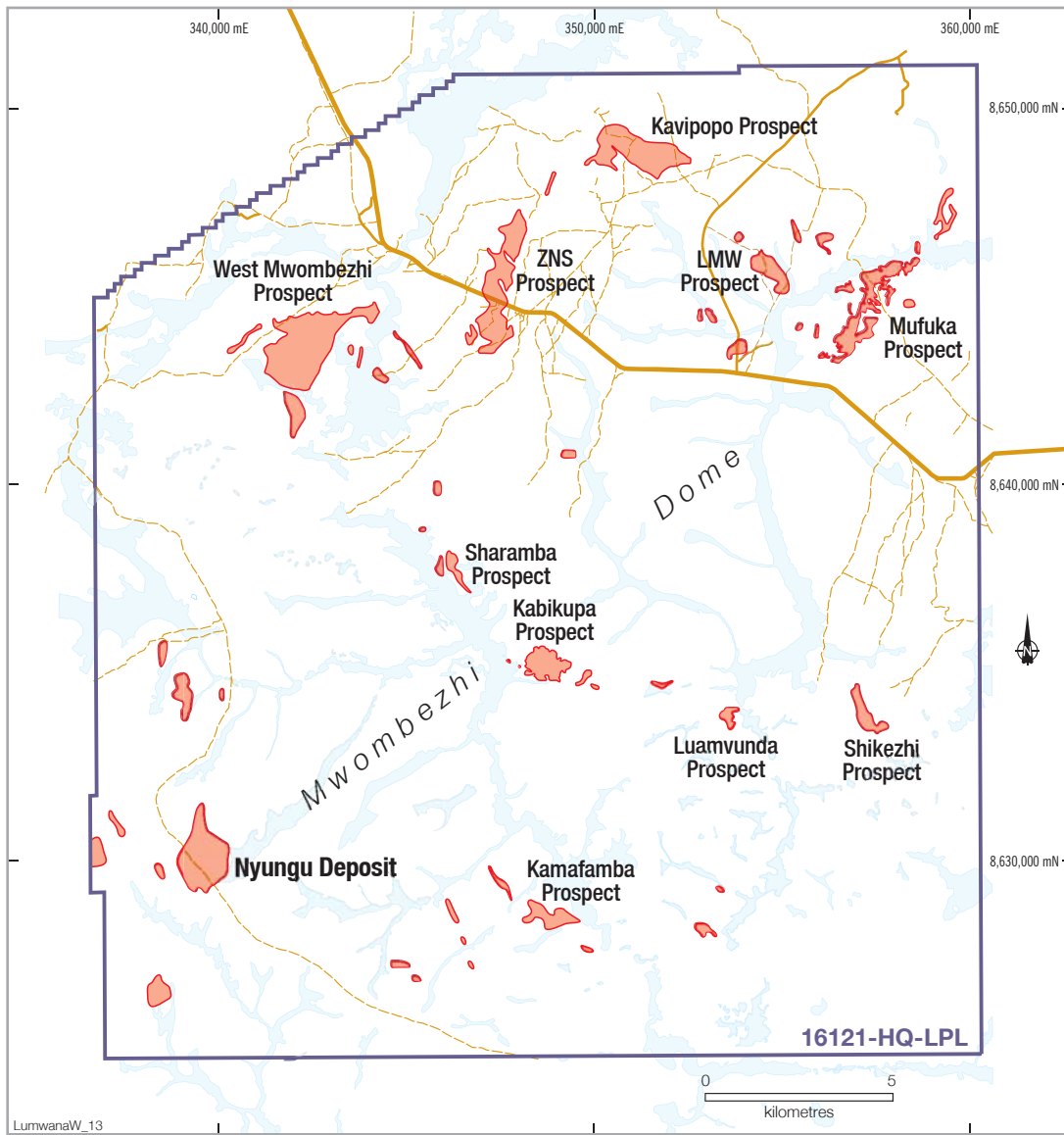


Figure 2: Lumwana West Large-scale Prospecting Licence and prospect locations.

Of the total drill meterage, 6,123m were drilled during the 2014 field season with holes targeting the following areas: West Mwombezhi, Kavipopo, ZNS, LMW, Mufuka, and Kabikupa prospects plus the Nyungu deposit (Figure 2).

An additional 2,006m were drilled between May and July 2015 targeting geochemical anomalies and structural targets at Kabikupa, Kamafamba, Mufuka, Sharamba and Luamvunda prospects (Figure 2).

Kamafamba

The Kamafamba target sits near the southern margin of a large granite body. The prospect is defined by a 1,100m soil geochemistry anomaly. Structural interpretation indicates the geochemical anomaly is coincident with a thrust system related to the granite margin. The presence of the thrust system is interpreted to enhance the prospectivity of the target due to increased scope for the emplacement of mineralised fluids.

Drill intercepts reported in the Quarter for the Kamafamba prospect are shown in Figures 3–5 and in Table 1.

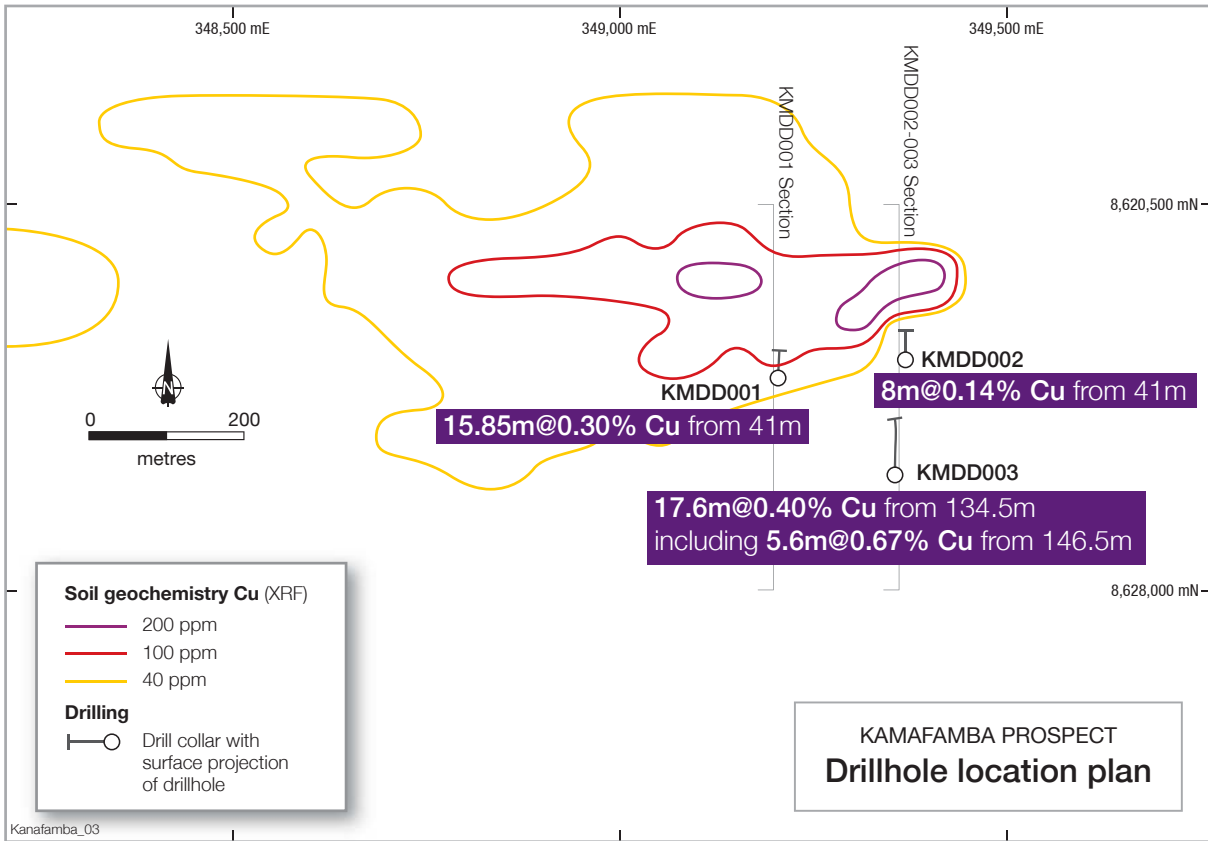


Figure 3: Kamafamba soil anomaly contours and drill intercepts.

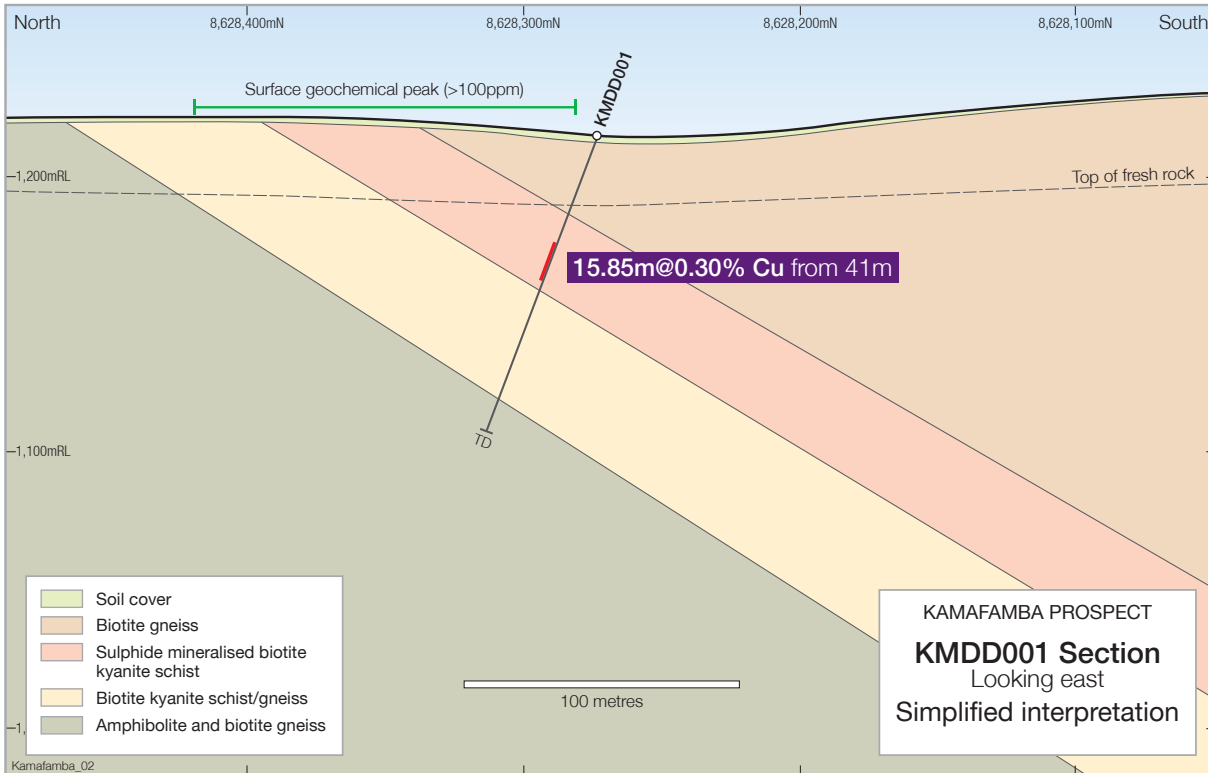


Figure 4: Kamafamba KMDD001 cross section.

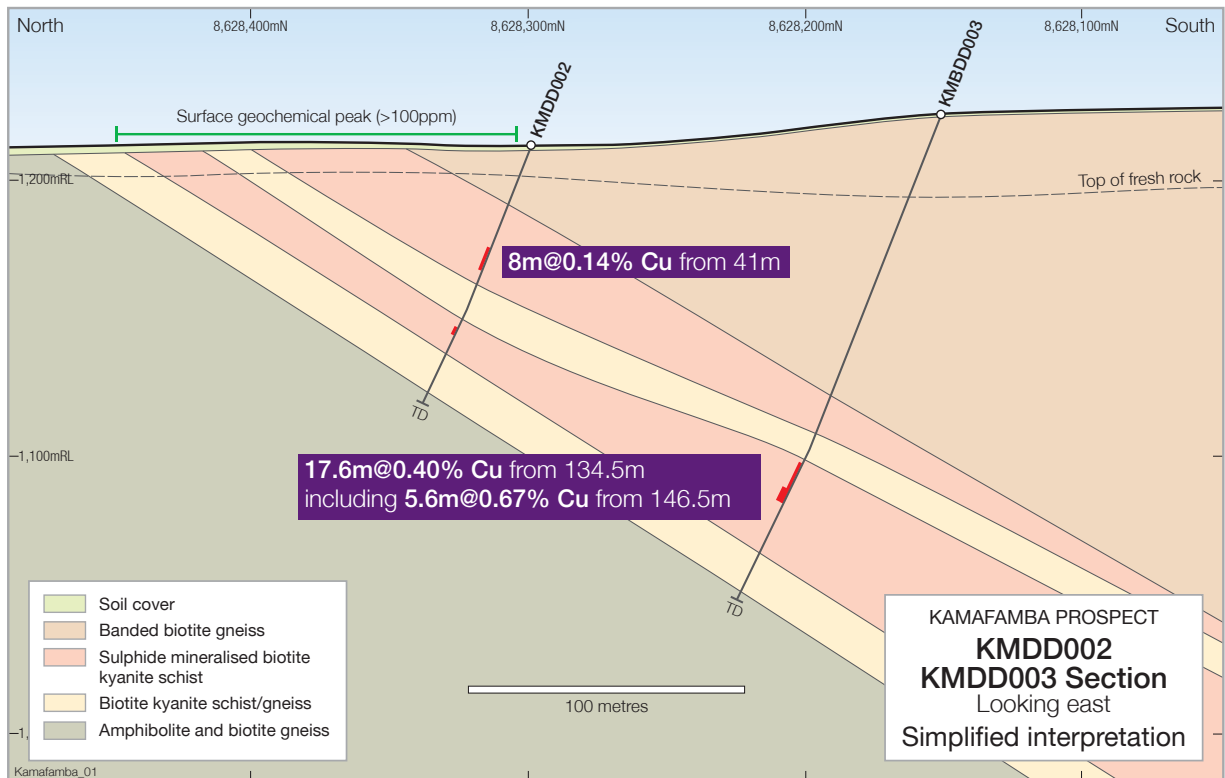


Figure 5: Kamafamba KMDD002-003 cross section

Kabikupa

The Kabikupa prospect was defined in 2014 by soil sampling and drilling. The soil geochemistry anomaly strikes south-east and measures approximately 1,000m by 500m. The peak soil sample is 0.13% copper, which is the highest copper-in-soil value returned within the licence area to date.

Previous Kabikupa Exploration Results

Four holes for 903m were completed in 2014.

- The first drill hole at Kabikupa prospect, KBDD001, returned **17.4m at 1.18% copper** from 102.6m within a broader intercept of **39m at 0.61% copper** from 81m¹ (Figure 6).
- Drill holes KBDD002 targeted the same mineralisation down-dip and intersected weaker copper mineralisation, interpreted to be the margin of the main mineralisation zone. The hole returned 17m at 0.22% copper from 230m and 10m at 0.27% copper from 266m (Figure 6).
- KBDD003, 800m along strike to the southeast, also intersected the interpreted margin of the main mineralised zone. KBDD003 intercepted 25m at 0.22% copper from 12m and 10.7m at 0.29% copper from 52m (Figure 6).
- KBDD004 intersected the main mineralised zone and returned **20.4m at 0.67% copper** from 151m including **7m at 0.92% copper** from 154m (Figure 6).

2015 Kabikupa Exploration Results

2015 drilling at Kabikupa prospect (Figure 6) sought to extend the mineralised strike extent to 1,800m. Significant copper mineralisation was not intercepted by drilling outside of the main surface anomaly, meaning subsurface copper mineralisation is likely to be confined to a strike length of approximately 1,000m (Figure 6) i.e. the approximate extent of the surface geochemical anomaly.

Kabikupa geology features the zonation of copper sulphide minerals and persistent alteration, indicating the mineralising system is well developed.

Drill intercepts reported in the Quarter for the Kabikupa prospect are shown in Figure 6 and in Table 1.

Regional Drilling

Three regional targets known as Sharamba, Kamafamba and Mufuka (Figure 2) that were defined by soil sampling and structural geology interpretation were drill tested during the 2015 program. No significant mineralised intercepts were returned from these targets.

¹ By weighted average. Cut-off grade not applied.

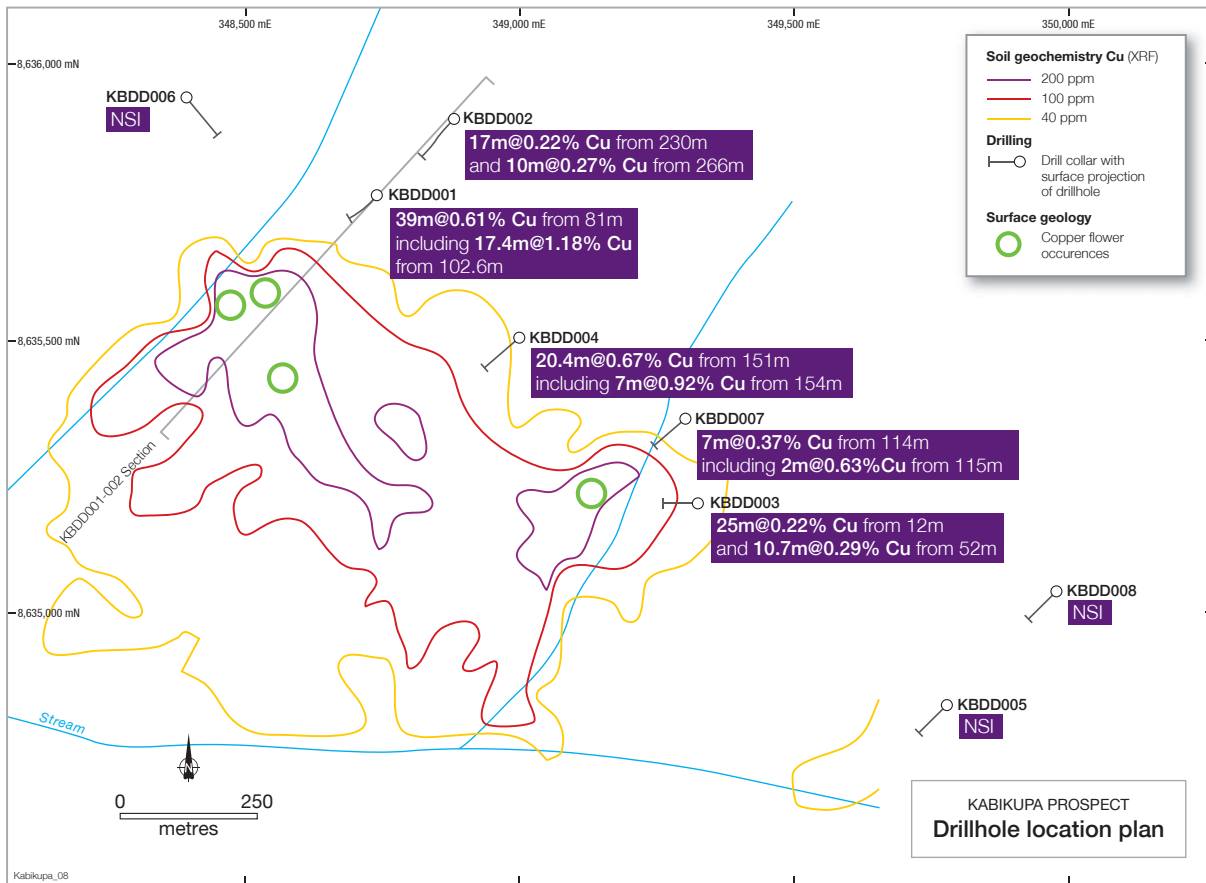


Figure 6: Kabikupa prospect soil anomaly contours and drill intercepts.

Summary of 2015 Drill Results

Results of 2015 drilling at Lumwana West are summarised in Table 1 below.

Table 1: 2015 Lumwana West drill intercepts

Hole	From	Interval	Cu (%)
KBDD005		NSI	
KBDD006		NSI	
KBDD007	102.18	0.82	0.32
	114.00	7.00	0.37
including	115.00	2.00	0.63
	176.00	4.00	0.14
KBDD008	188.00	2.00	0.26
KMDD001	41.00	15.85	0.30
including	48.85	6.25	0.44
KMDD002	34.00	1.00	0.19
	41.00	8.00	0.14
	64.00	1.00	0.20
	72.70	3.30	0.18

Hole	From	Interval	Cu (%)
KMDD003	113.50	1.00	0.12
	130.00	1.90	0.56
	134.50	17.60	0.40
including	146.50	5.60	0.67
including	148.50	1.20	1.41
	155.50	1.20	0.12
MFDD003		NSI	
LVDD001		NSI	
SHDD001		NSI	
SHDD002		NSI	

Soil Sampling

The 2015 exploration program included the collection and analysis of 1,028 soil samples. Of these samples, 626 were collected from an area covering a large granite pluton in the central area of the licence between Kabikupa and Kamafamba, and 402 surface geochemical samples were collected from across another granite body in the eastern area of the licence between Mufuka and Shikezhi. Results showed slightly elevated potential for mineralisation at the granite margins and no copper anomalism within the plutons.

Overlying Agreement

In April 2014, Argonaut announced the execution of the Overlying Agreement with Antofagasta for the exploration and development of the Lumwana West project in Zambia.

The Overlying Agreement covers all phases of the project's development from regional exploration to the completion of a feasibility study and, in the event the project is feasible and Argonaut elects not to fund its pro-rata share of the project, Argonaut will either be carried into production or bought-out at the value of its interest.

On 20 August 2015, Argonaut announced the extension of phase one of the option agreement with Antofagasta. This amendment to the Overlying Agreement extends the first option period to 28 October 2015.

OVERLYING AGREEMENT - PRINCIPAL COMMERCIAL TERMS

The Overlying Agreement between Antofagasta and Argonaut Resources NL is in five phases. The principal commercial terms are described below.

Phase I involves the input by Antofagasta of **US\$5M** within the first period in exchange for a 25% interest in the project. The funding is in two parts: US\$3.9M for exploration works nearing completion plus a US\$1.1M placement in Argonaut completed by the companies in May 2014. Placement funds were used by Argonaut to secure an additional 39% interest in the project via the underlying Lumwana West Joint Venture. This increased Argonaut's interest in the project to 90%.

Phase II involves **expenditure of US\$15M by Antofagasta within four years** of the completion of Phase I at a minimum expenditure rate of US\$2.5M per year. Antofagasta can earn an effective 51% interest in the project by completing Phase II.

Phase III involves the **completion of a feasibility study to international standards**. Antofagasta may conduct additional work necessary to commence the feasibility study, such as a preliminary feasibility study, prior to electing to commence the definitive study. Antofagasta will have up to two years to complete additional work and four years to complete the feasibility study. Antofagasta can earn an effective 70% interest in the project by completing the feasibility study.

Phase IV is the period following the delivery of the feasibility study, but prior to a development decision. Argonaut may elect not to contribute during this period provided it reimburses Antofagasta from future dividends.

Phase V is the period after a development decision when, if Argonaut decides not to fund its pro-rata share of the project, Antofagasta may elect to **either carry Argonaut into production**, with Argonaut's development costs being funded by 60% of future dividends, **or buy-out Argonaut's interest** for its pro-rata share of the project's net present value².

Antofagasta may elect to stop contributing at certain stages in which case various provisions including standard dilution and drag-along/tag-along rights will apply.

Argonaut will be the operator under the Agreement during Phase I and part of Phase II. Antofagasta may elect to become operator at any stage during Phase II.

The Underlying Agreement

The Lumwana West Joint Venture was executed in July 2011 (the Underlying Agreement) and involves large scale prospecting licence 16121-HQ-LPL. Under the terms of the Underlying Agreement, Argonaut's 100% held subsidiary, Lumwana West Resources Ltd, has earned a 90% shareholding in Mwombezhi Resources Ltd, the Zambian registered company that holds 16121-HQ-LPL.

Lumwana West – Project Setting

The Lumwana West project is located on the western lobe of the Mwombezhi Dome in the Central African Copperbelt. The Mwombezhi Dome is one of several domes in an area of the Copperbelt known as the Domes Region. (Figure 1).

The Domes Region is host to the new generation of Copperbelt mines (Figure 1 and Table 2) with copper production in the area set reach 870,000 tonnes per annum. Nearby mines include Barrick Gold Corporation's Lumwana Mine on the eastern lobe of the Mwombezhi Dome and First Quantum Minerals Ltd's Kansanshi, the largest copper mine in Africa. The recently commissioned Sentinel Mine located to the west is also owned and operated by First Quantum.

Table 2 Geologically comparable copper deposits and production in the Domes Region, Central African Copperbelt.

	Barrick LUMWANA [^]	First Quantum KANSANSHI [#]	First Quantum SENTINEL [#]
Resource*	1.1Bt at 0.50% Cu	1.1Bt at 0.81% Cu	1.2Bt at 0.50% Cu
Reserves	594Mt at 0.56% Cu	504Mt at 0.65% Cu	774Mt at 0.50% Cu
Production	120,000t in 2013 170,000tpa nameplate	262,000t in 2014 Planned expansion to 400,000tpa	Production commenced Jan 2015. Est 150,000 to 200,000tpa in 2015 increasing to 300,000tpa

[^] Lumwana Ore Reserve and Mineral Resource at 31 December 2013

[#] Kansanshi and Sentinel Ore Reserve and Mineral Resource at 31 December 2012

* Measured, Indicated and Inferred Resource estimations combined by weighted average

Australia

Alford, South Australia (Argonaut 100%)

The Alford Project on South Australia's Yorke Peninsula lies 20km north-east of Wallaroo within the geological province known as the Olympic Domain. The tenement is prospective for iron oxide copper-gold mineralisation as found at Prominent Hill, Olympic Dam and Hillside.

Exploration Program

During the Quarter the Alford exploration area was under crop, therefore no fieldwork was undertaken by Argonaut's partner, Sandfire Resources NL. The main work undertaken on the project was a petrological review of Netherleigh Park drill core. This review assisted in better categorising the nature of the Netherleigh Park copper mineralisation.

Re-logging of Netherleigh Park drill core was also completed in the period on the basis of the petrological findings. Geological conclusions resulting from the re-logging are pending.

Alford Farm-in Joint Venture

On 9 November 2012, Argonaut announced it had signed a farm-in joint venture letter agreement with Sandfire Resources NL (ASX: SFR) for the exploration of the Company's 100% owned exploration licence 5212 (previously EL3969), Alford, on the Yorke Peninsula in South Australia.

Under the terms of the letter agreement, Sandfire may earn a 49% interest in the Alford tenement by sole funding \$4,000,000 of exploration within three years (the First Earn-in).

In the event conditions of the First Earn-in are satisfied, Sandfire has the right to either form a joint venture with Argonaut's subsidiary, Kelaray Pty Ltd, to jointly explore the tenement or to proceed to earn an additional 26% interest in the project by spending a further \$4,000,000 on exploration within an additional three years (the Second Earn-in).

Torrens, South Australia (Argonaut 30%)

The Torrens Joint Venture

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources Limited (ASX: SRQ) and relates to the Torrens Project, EL5614 (previously EL4296).

The Torrens Joint Venture is exploring for iron oxide-copper-gold systems in the highly prospective Stuart Shelf region of South Australia. The Torrens Project is located near the eastern margin of South Australia's Gawler Craton (Stuart Shelf), within 50 kilometres of Oz Minerals' Carrapateena copper-gold deposit and 75 kilometres from BHP Billiton's Olympic Dam mine.

In its role as manager of the joint venture, Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, is working to secure access to the tenement for the purpose of a planned seven-hole drilling program targeting areas which have been geophysically modelled as having the physical properties of large iron oxide-copper-gold deposits.

Litigation

The Company previously announced that the Full Court of the Supreme Court of South Australia had set aside the decision of 14 January 2011 by the Environment, Resource and Development Court of South Australia (the ERD Court) that Mining Operations (exploration) may not be conducted on EL5614.

A date for the ERD Court retrial has not been set. It is important to note that in overturning the original decision, the Full Court provided considerable guidance for the purpose of an ERD Court retrial including disallowing the original ERD Court Judge from re-hearing the matter.

In the meantime, the Federal Court of Australia commenced an overlap proceeding over the area of Lake Torrens, including the area of EL5614. This proceeding aims firstly to determine which of three Aboriginal groups with claimed interests over the lake may seek rights to the area and secondly determine at trial which claimed rights, if any, can be granted.

The Torrens Joint Venture is participating in the overlap proceeding to the extent that it has engaged an expert anthropologist who has provided opinion on anthropological matters that relate to Lake Torrens.

The Torrens Joint Venture partners remain open to a negotiated settlement with regard to land access for the purposes of proposed drilling activities on Andamooka Island and Lake Torrens.

Kroombit, Queensland (Argonaut 100%)

An application for a Mineral Development Licence over the area required to develop the Kroombit zinc-copper deposit has been lodged with the Queensland Government. No field based work was undertaken during the Quarter.

Background

Argonaut holds a 100% interest in the Kroombit zinc-copper deposit in Central Queensland via its interest in ML5631 and EPM15705. Mining on ML5631 is subject to a 2% net smelter royalty, payable to Straits Resources Ltd.

On 11 June 2009 Argonaut announced a maiden resource estimation for the Kroombit deposit. The Indicated and Inferred Resources at Kroombit comprise:

- a **Zinc Resource of 5.2 million tonnes at 1.9% zinc and 0.15% copper** using a cut-off of 1.0% Zn, for **98,800 tonnes of zinc** and 7,800 tonnes of copper; and
- a **Copper Resource of 0.9 million tonnes at 1.0% copper** at a cut-off of 0.5% Cu for 9,000 tonnes of copper.

In addition, Exploration Results are reported comprising a **defined Exploration Potential** of between:

- 1 million and 1.5 million tonnes at 1.5% to 2.0% zinc, and between
- 0.5 million and 1 million tonnes at 0.7% to 1.3% copper.

Aroona, South Australia (Argonaut 100%)

EL4358 and EL5336, Aroona, are subject to a joint venture agreement with Perilya Limited. No field based work was undertaken at Aroona during the Quarter.

Strategy

Argonaut has adapted its exploration strategy to suit prevailing market conditions. The main aspects of the Company's strategy are:

- ✓ Continue to progress exploration projects under agreements with farm-in partners which off-set or minimise direct exploration expenditure.
- ✓ Capitalise on current low asset valuations by seeking to secure additional high quality exploration projects, capable of delivering immediate exploration results and share price uplift as markets recover.
- ✓ Focus on Central Africa and Australia where the Company has demonstrated operating capacity.
- ✓ Preserve cash and lower company overheads by minimising costs related to essential services.

About Argonaut

Argonaut is an Australian Securities Exchange listed mineral exploration and development company focussed on large copper targets with projects in Zambia, South Australia and Queensland. Argonaut's projects are in the advanced exploration and feasibility stages.

The Company is exploring for copper at its flagship Lumwana West project in Zambia and copper (+/- gold and silver) at its Alford and Torrens projects in South Australia. The Company also owns a zinc-copper deposit at Mt Kroombit in Central Queensland.

Argonaut has a significant shareholding in Cuesta Coal Ltd.

Lindsay Owler

Director and CEO

Argonaut Resources NL

Sections of information contained in this report that relate to Exploration Results were compiled or supervised by Mr Lindsay Owler BSc, MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Argonaut Resources NL. Mr Owler holds shares and options in Argonaut Resources NL, details of which are disclosed in the Company's 2015 Annual Report. Mr Owler has sufficient experience which is relevant to the style of mineral deposits 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 Mineral Resources and Ore Reserves". Mr Owler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information regarding Resource definition and Exploration Potential for the Kroombit deposit is extracted from a report entitled 'Maiden resource estimate announced for Queensland zinc-copper project'. This report was released on 11 June 2009 and is available to view on www.asx.com.au. 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 or Ore Reserves that all material assumptions and technical parameters underpinning the estimates 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 been materially modified from the original market announcement.

Tenement Schedule

Table 1 - Summary of mining tenements

South Australian Mineral Exploration Licences						
Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
EL 5183	21/05/2012	20/05/2017	33	Campfire Bore	Coombedown Resources Pty Ltd	10% ¹
EL 5212 ²	05/11/2012	04/11/2015	481	Alford	Kelaray Pty Ltd	100%
EL 5336	04/06/2013	03/06/2018	27	Myrtle Springs	Kelaray Pty Ltd	100%
EL 5614	18/08/2014	17/08/2019	295	Lake Torrens	Kelaray Pty Ltd	30%
EL 5220	04/11/2014	03/11/2016	27	Mt Parry	Kelaray Pty Ltd	100%
EL 4577 ²	18/10/2010	17/10/2015	119	Sandstone	Coombedown Resources Pty Ltd	10% ¹
EL 5359	06/12/2013	05/12/2015	170	Yardea	Kelaray Pty Ltd	100%
Queensland Mineral Exploration Permit						
Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
EPM 15705	28/09/2006	27/09/2016	63	Kroombit Creek	Kelaray Pty Ltd	100%
Queensland Mining Lease						
Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
ML 5631	16/05/1974	31/05/2026	0.32	Kroombit	Kelaray Pty Ltd	100%
Queensland Mineral Development Licence Application						
Tenement	Granted	Expiry	Area (km ²)	Locality	Licensee	Interest
MDL 2002			0.64	Kroombit	Kelaray Pty Ltd	100%
Zambian Large Scale Prospecting Licences						
Tenement	Applied	Expiry	Area (km ²)	Locality	Licensee	Interest
16121-HQ-LPL	21/07/2011	20/07/2017	575	North Western Province	Mwombezhi Resources Ltd	90%

¹ Kelaray holds a 33% interest in Coombedown Resources Pty. Ltd.

² Renewal application

Table 2 - Summary of mining tenements acquired in Quarter

No tenements were acquired in the September 2015 Quarter.

Table 3 - Summary of mining tenements surrendered in Quarter

No tenements were surrendered in the September 2015 Quarter.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Argonaut Resources NL

ABN

97 008 084 848

For the period ending

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(56)	(56)
(b) development	-	-
(c) production	-	-
(d) administration	(89)	(89)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – abnormal costs, fraud related recovery	-	-
Net Operating Cash Flows	(145)	(145)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/interest in licences	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets (commercial property)	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(145)	(145)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(145)	(145)
	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	Joint venture contributions received	-	-
1.20	Share capital money received – shares not yet issued	-	-
1.20	Other (capital raising costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(145)	(145)
1.21	Cash at beginning of quarter/ year to date	835	835
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of the period	690	690

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
1.24	Aggregate amount of payments to the parties included in item 1.2	104
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Payment for directors fees and salaries(1.24)

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

NA

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

NA

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	125
4.2	Development	-
4.3	Production	-
4.4	Administration	135
Total		260

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	Previous quarter
	\$A'000	\$A'000
5.1 Cash on hand and at bank	690	835
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – short term deposits	-	-
Total: cash at end of period (item 1.22)	690	835

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 3 months
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

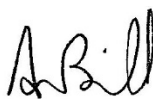
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	443,791,701	443,791,701		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,000,000 (Exp. 31/12/2015, \$0.10) 10,000,000 (Exp. 11/12/2015, \$0.15) 38,004,957 (Exp. 31/03/2017, \$0.06)	38,004,957 (Exp. 31/03/2017, \$0.06)		
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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 2015

Print name: Andrew Bursill
Company Secretary

Notes

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

== == == == ==