

Quarterly report

FOR THE PERIOD ENDING 31 DECEMBER 2013

Argonaut Resources NL (Argonaut or the Company) (ASX: ARE) is pleased to release the following report for the three months to 31 December 2013 (the Quarter).

Highlights

Lumwana West, Zambia

- Major upgrade to the Exploration Target for Lumwana West: **1,090 to 1,560Mt at 0.45 to 0.65% copper.**
- Drill testing of Exploration Targets to commence in May.
- Completed Phase 2 exploration spend of US\$2.4M, may now acquire 90% interest in Lumwana West by paying Mwombezi Resources Ltd shareholders US\$1.1M before 31 December 2014.
- Farm-out Joint Venture or Private Equity investment being considered to fund major drilling programs and a feasibility study. Argonaut board will only execute an agreement if the terms deliver value to shareholders.

Alford, South Australia

- Argonaut's partner, Sandfire Resources NL, commenced geophysical surveys in December 2013 over a major mineralised system identified at the Alford East area.
- Aircore drilling commencing late January.

Outlook

- Argonaut believes copper is the preferred commodity in the current economic and metals markets.
- Targeting large tonnage copper deposits to provide the best potential upside.
- The Company has refined its exploration focus and asset portfolio to focus solely on this style of target which includes Lumwana West and Torrens.
- Actively pursuing the sale of non-core assets to supplement its existing cash resources. Argonaut has agreed terms for the sale of real estate in Sydney for \$425,000. The Company expects to receive the proceeds of this sale in early March.
- The Zambian Government confirmed a VAT refund of \$233,000 in January. Part payment was made in January 2014 and the remainder is expected in February 2014.

Zambia

Lumwana West

(Argonaut 51%, earning 90%)

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

Via its 51% held subsidiary, Mwombezhi Resources Ltd, Argonaut has been successful in intercepting broad copper intercepts at the Nyungu deposit and has defined large, prospective targets at the West Mwombezhi and Kavipopo prospects.

Lumwana West Exploration Targets

On 12 December 2013, Argonaut announced an updated global Exploration Target for the Lumwana West project of **1,090 to 1,560Mt at 0.45 to 0.65% copper**. The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target was updated to include a revised Exploration Target for the Kavipopo anomaly and a maiden Exploration Target for the West Mwombezhi anomaly. Grades and tonnages are expressed as ranges for potential copper mineralisation at three target areas shown in Table 1 and Figure 1.

Table 1: Updated Exploration Target ranges for the Lumwana West project

	Cu Grade (%)	West Mwombezhi (t)	Kavipopo (t)	Nyungu (t)*	Global Exploration Target (t)
Min Case	0.65	240,000,000	720,000,000	130,000,000	1,090,000,000
Mid Case	0.5	430,000,000	860,000,000	155,000,000	1,345,000,000
Max Case	0.45	490,000,000	890,000,000	180,000,000	1,560,000,000

* See *RungePincockMinarco (RPM) report released 9 April 2013, Schedule 1*.

The potential mineralisation is interpreted to be hosted in a biotite kyanite graphite schist. It is interpreted that the targeted areas feature the same original geological unit prior to metamorphism and that this unit has been folded around the margin of the Western Mwombezhi Dome and offset by faulting. Disseminated mineralisation at the Nyungu Deposit is typically 1% to 5% sulphide dominated by chalcopyrite. Minor bornite, pyrite and localised carrollite has also been noted.

Table 1 is based on the assumption that the measured chargeability response at West Mwombezhi and Kavipopo is derived from copper-bearing disseminated sulphide mineralisation plus graphite, as found at Nyungu and nearby at the Chimiwungo deposit at Barrick Gold Corporation's Lumwana mine (Figure 2). Chargeability responses like those used to estimate the Exploration Target shown in Table 1 can also be caused by:

- non-copper bearing sulphide minerals;
- graphite;
- major lithological contrasts; or
- a combination of these causes.

Argonaut has not yet conducted a discovery phase drilling program at the West Mwombezhi or Kavipopo targets. Drilling programs are required to test the targets.

Proposed drilling to test Exploration Target

To test the Exploration Targets, Argonaut proposes the following exploration work:

West Mwombezhi discovery drilling:

2,500m of combined RC and diamond core drilling for a total of 10 drill holes testing coincident IP chargeability and soil geochemistry anomaly. 400m drill traverse spacing. Holes to be drilled to the east, assuming potential mineralisation dips moderately to the west (Figure 4).

Commencing May 2014

Kavipopo discovery drilling:

- 2,400m of combined RC and diamond core drilling for a total of 8 holes testing coincident IP chargeability and soil geochemistry anomaly. 400m drill traverse spacing. Holes to be drilled to the south, assuming potential mineralisation dips steeply to the north (Figure 6), with at least one hole drilled to the north, i.e. a scissored drill hole, to confirm the geometry of potential mineralisation.

- Commencing May 2014

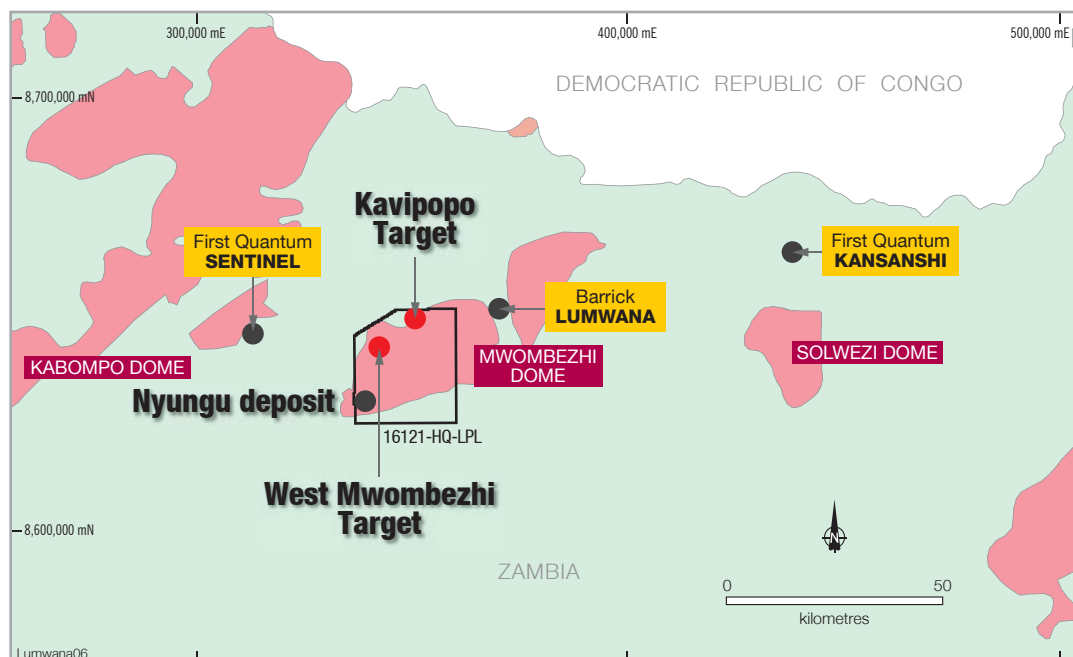
Nyungu extensional and follow-up drilling:

- 3,000m of combined RC and diamond core drilling for a total of nine holes. Holes will be drilled to the east and will test strike extensions plus two previously undrilled chargeability anomalies. Holes will be located at Nyungu Central, Nyungu South, Nyungu North as well as a discrete anomaly west of Nyungu Central.

- Commencing May 2014

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).



Location



- Katanga (conglomerate, quartzite, argillite, arkose, shale, greywacke, dolomite, banded iron fm, mixitite, limestone & schist)
- Pre-Katanga (schist, gneiss & granulite) & Basement Complex (granite, gneiss, migmatite, & granite)
- Licence boundary

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

The Domes Region is host to the new generation of Copperbelt mines (Figure 1 and Table 2) including 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 Sentinel Mine, currently under construction to the west, is also owned and operated by First Quantum.

Table 2: Geologically comparable Copper Deposits and Production in the Domes Region. All Ore Reserve and Mineral Resource figures dated 31 December 2012

	Lumwana Barrick	Kansanshi First Quantum	Sentinel First Quantum
Reserves	580Mt at 0.52% Cu	504Mt at 0.65% Cu	774Mt at 0.50%Cu
Resource*	915Mt at 0.49% Cu	1.1Bt at 0.81% Cu	1.2Bt at 0.50% Cu
Production	170,000tpa nameplate	Expansion to 400,000tpa	300,000tpa commencing 2015

Measured, Indicated and Inferred Resource estimations combined by weighted average

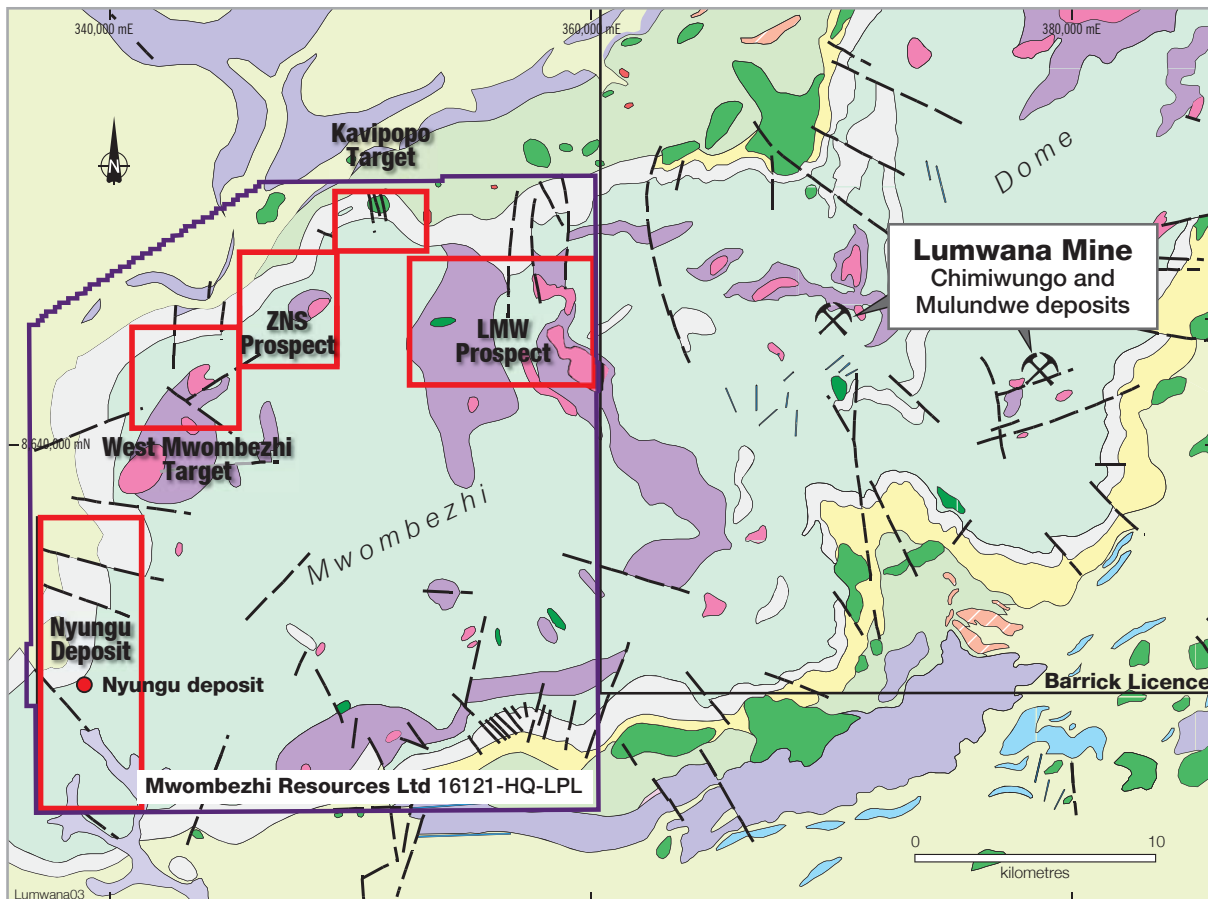


Figure 2: Lumwana West large scale prospecting licence, prospect locations and Lumwana mine location.

Lumwana West Joint Venture

The Lumwana West Joint Venture involves large scale prospecting licence 16121-HQ-LPL. Under recently varied terms of the joint venture, Argonaut's 100% held subsidiary, Lumwana West Resources Ltd, can earn up to 90% of Mwombezhi Resources Ltd which holds 16121HQ-LPL.

The Joint Venture is in two phases.

- In earning an initial 51%, LWR paid a US\$300,000 signing fee and funded US\$1.8 million in exploration works prior to 31 December 2012. The Company paid US\$600,000 to the initial shareholders on the first allotment of shares.
- To earn a further 39%, for a total of 90%, LWR spent an additional US\$2.4 million on exploration and must make a final cash payment of US\$1.1 million to the initial shareholders prior to 31 December 2014.

Discontinuation of litigation

On 17 October 2013, Argonaut announced that litigation between Argonaut's majority owned subsidiary, Mwombezhi Resources Ltd, and Equinox Zambia Ltd (EZL), has been discontinued by mutual consent.

In August 2011, MRL made an application to the Zambian High Court for a declaration that MRL was the legal and beneficial holder of large-scale Prospecting Licence 19121-HQ-LPL (the Lumwana West project). In April 2013, following several months of unrelated technical discussions between the companies, EZL, via new owner Barrick, proposed the companies discontinue litigation.

Following agreement between the parties on the process for discontinuation, Argonaut received confirmation that all required notices had been filed with the courts.

Argonaut acknowledges the professional and good-natured manner in which Barrick management handled the matter following its takeover of Equinox Minerals Ltd and the Lumwana mine in 2011.

Australia

Alford, South Australia

(Argonaut 100%)

The Alford Project on South Australia's Yorke Peninsular lies 20km north-east of Wallaroo, in the Olympic Domain near the south-eastern margin of the Gawler Craton. The tenement is prospective for iron oxide copper-gold mineralisation as found at Prominent Hill, Olympic Dam and Hillside.

Argonaut's partner, Sandfire Resources NL, commenced geophysical surveys in December 2013 over a strongly mineralised system identified at the Alford East area. Contingent aircore and diamond drilling is planned for the March quarter, 2014, with the initial 4,000m aircore program commencing in late January.

Ongoing interpretation of drilling and IP chargeability results by Sandfire indicates a large, anomalous copper and gold mineralised system with IOCG associations.

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 in relation to the Company's 100% owned 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 period). In the first 14 months of the earn-in period Sandfire has met certain requirements under the letter agreement and is progressing steadily towards the first \$4,000,000 expenditure target.

If Sandfire meets the minimum commitment during the First Earn-in Period, it then has the right to 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 Period).

Torrens, South Australia

(Argonaut 30%)

The Torrens Joint Venture

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources and relates to the Torrens Project, EL 4296.

The Torrens Joint Venture is exploring for iron oxide-copper-gold (IOCG) 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.

Litigation

The Company previously announced that the Full Court of the Supreme Court of South Australia had overturned the decision of 14 January 2011 by the Environment, Resource and Development Court of South Australia that Mining Operations (exploration) may not be conducted on EL4296.

During the Quarter, the Full Court decided that parties to the Full Court appeal will bear their own costs. This was the final legal process prior to the commencement of a retrial in the ERD Court. A date for the 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.

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.

Musgrave Minerals

(Argonaut 2.1%)

Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, vended four mineral Exploration Licence Applications in the Musgrave Block into Musgrave Minerals Ltd. Argonaut holds 2.1% of the ordinary shares in Musgrave Minerals.

Musgrave Minerals has a large footprint in the Musgrave Block – one of the least explored geological provinces in Australia – with tenements covering an area totalling 50,000km², approximately 5% of the State of South Australia.

Musgrave Minerals is also earning up to 75% of the Menninnie Dam silver-zinc-lead project in South Australia. The Project covers a contiguous area of 2,471km² in the Southern Gawler Craton. The project hosts an inferred mineral resource of 7.7Mt at 27g/t silver, 3.1% zinc and 2.6% lead.

Kroombit

(Argonaut 100%)

No field based work was undertaken on the Kroombit project during the Quarter.

Aroona

(Argonaut 100%)

EL4358 and EL5336, Aroona, are subject to a joint venture agreement with Perilya Limited.

Field work by Perilya on the project during the Quarter included reconnaissance XRF soil surveying and rock chip sampling over the NW Aroona prospect on EL5336. The target was previously defined by a potential hematite colour anomaly from Landsat satellite imagery and was also identified in iron ratios from Aster Multispectral data.

No significant hematite alteration was noted during reconnaissance mapping with the colour anomaly likely due to a local topographic depression displaying strong limonitic alteration. Bedrock lithologies consisted exclusively of Precambrian quartzites with no prospective Cambrian carbonate rocks visible. A total of 705 XRF soil readings were taken over the target on 400m spaced north-south survey lines.

No significant zinc or other base metal anomalies were defined in the area with iron showing erratically elevated values over the target. A total of 15 rock chip samples were also collected and submitted for major and trace element analysis. Results of these samples are pending.

Laos

Century

(Argonaut 70%)

During the period, Argonaut's Joint Venture partner, Aurum Resources Pty Ltd, continued programs of geological and geochemical sampling at the Century concession in Laos.

Century Joint Venture

The Century tenement is subject to a Management and Shareholders Agreement with Aurum.

Under the terms of the agreement, Aurum has been appointed the manager of the Century Thrust Joint Venture Agreement and will have the right to earn a 51% beneficial interest in the Century concession.

In order to acquire this interest, Aurum must spend US\$6.5 million on exploration within five years. The five year period includes an initial one year assessment period. At the completion of this earn-in Argonaut Resource's interest in the Century concession will be 19%.

Century is located approximately 70km northwest of the capital city Vientiane on the highly prospective Loei-Luang Prabang fold belt, a prominent, regionally mineralised belt, which stretches from Thailand in the south, to Laos in the north.

Corporate

Net operating cash flow for the Quarter was \$524,000 including \$139,000 administration expenses and \$388,000 exploration expenditure. At the conclusion of the quarter, Argonaut's cash position was \$180,000.

In January 2014, the Company agreed the terms of sale for Sydney real estate and expects to receive proceeds of \$425,000 in early March 2014.

The Zambian Government confirmed a VAT refund of \$233,000 in January. Part payment was made following the period and the remainder is expected in February 2014.

The Company is actively pursuing the sale of other non-core assets and other capital raising activities to supplement its existing cash resources and, based on those activities, is confident of having sufficient cash resources to cover its ongoing operating costs. In considering the various funding options primarily for the proposed drilling program at Lumwana West the Directors are seeking to minimise the dilution of current Argonaut shareholders.

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, Queensland and Laos. 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) at its Alford and Torrens projects in South Australia. The Company also owns a zinc-copper deposit at Mt Kroombit in Central Queensland and a 70% interest in a gold exploration project in Laos.

Argonaut has a significant investment in Cuesta Coal Ltd which listed on the Australian Securities Exchange in May 2012.

Lindsay Owler

Director

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, as described on page 10 of the Company's 2013 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.

Appendix 5B

Mining exploration entity quarterly report

Summary

During January 2014 the Company has received confirmation of a Zambian VAT refund of \$233,000 and has agreed terms for the sale of its Sydney office for \$425,000, with expected settlement in February 2014. When added to the available cash balance of \$180,000, the Company is satisfied that it has sufficient available cash reserves to cover its ongoing operating costs.

Name of entity

Argonaut Resources NL

ABN

97 008 084 848

For the period ending

31 December 2013

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	(388)	(1,145)
(b) development	-	-
(c) production	-	-
(d) administration	(139)	(402)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	28
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	(514)	(1,519)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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	-	-

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(514)	(1,519)
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1.13	Total operating and investing cash flows (brought forward)	(514)	(1,519)
	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	213	351
1.20	Other (capital raising costs)	-	-
	Net financing cash flows	213	351
	Net increase (decrease) in cash held	(301)	(1,168)
1.21	Cash at beginning of quarter/ year to date	480	1,348
1.22	Exchange rate adjustments to item 1.20	1	-
1.23	Cash at end of the period	180	180

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	89
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 (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	100
4.2	Development	-
4.3	Production	-
4.4	Administration	150
Total		250

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	180	230
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) – short term deposits	-	250
Total: cash at end of period (item 1.22)		180	480

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	274,876,470	274,876,470		
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)			
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	7,000,000 (Exp. 31/12/2013, \$0.30)			

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: 31 January 2014
(Company secretary)

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.

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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	20/05/2014	36	Campfire Bore	Coombedown Resources Pty Ltd	10% ¹
EL 5212	05/11/2012	04/11/2015	481	Alford	Kelaray Pty Ltd	100%
EL 5336	04/06/2013	03/06/2015	27	Myrtle Springs	Kelaray Pty Ltd	100%
EL 4296	18/08/2009	17/08/2014	295	Lake Torrens	Kelaray Pty Ltd	30%
EL 4358	04/11/2009	03/11/2014	127	Mt Parry	Kelaray Pty Ltd	100%
EL 4577	18/10/2010	17/10/2015	134	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%

Laotian Exploration Licences						
Tenement	Granted	Expiry	Area Km ²	Locality	Licensee	Interest
174/MIH.DGM ²	08/10/2004	21/02/2013	226	Sangthong	Argonaut Resources Laos Co Ltd	70%

Zambian Large Scale Prospecting Licences						
Tenement	Applied	Expiry	Area Km ²	Locality	Licensee	Interest
16121-HQ-LPL	21/07/2011	20/07/2015	583	North Western province	Mwombezhi Resources Ltd	51%

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

² Renewal application

Table 2 - Summary of mining tenements acquired in December 2013 Quarter

South Australian Mineral Exploration Licences						
Tenement	Granted	Expiry	Area Km ²	Locality	Licensee	Interest
EL 5359	06/12/2013	05/12/2015	170	Yardea	Kelaray Pty Ltd	100%

Table 3 - Summary of mining tenements surrendered in December 2013 Quarter

No tenements were surrendered in the December 2013 Quarter.