encounter RESOURCES LIMITED
ABN 47 109 815 796

QUARTERLY REPORT JUNE 2012

A highly active exploration company advancing a suite of greenfields copper discoveries in the Paterson Province of Western Australia

ASX Code

ENR

Market Cap (30/7/12)

A$30.8m ($0.27/share)

Issued Capital (30/6/12)

114.2 million ordinary shares
8.1 million employee options

Cash (30/6/12)

A$5.2M

Board of Directors & Management

Mr. Paul Chapman
Non-Executive Chairman

Mr. Will Robinson
Managing Director

Mr. Peter Bewick
Exploration Director

Dr. Jon Hronsky
Non-Executive Director

Mr. Kevin Hart / Mr. Dan Travers
Joint Company Secretary

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HIGHLIGHTS

YENEENA PROJECT – Paterson Province, WA (100%)

The Yeneena project ("Yeneena") consists of a major ground position between the Nifty copper mine, the Telfer gold/copper mine and the Kintyre uranium deposit where Encounter has made a series of new copper discoveries that demonstrate the potential of the area for large tonnage copper deposits.

BM7
RC and diamond drilling during the quarter confirmed a new copper discovery located 3km south of the BM1 discovery. Intersections during the quarter include:

- 34m @ 0.6% copper incl. 10m @ 1.6% copper
- 22m @ 0.4% copper incl. 2m @ 2.9% copper
- 34m @ 0.5% copper incl. 14m @ 0.8% copper
- 33m @ 0.4% copper incl. 19m @ 0.5% copper
- 16m @ 0.4% copper incl. 7m @ 0.7% copper

VTEM survey identified a 3km long target zone at BM7 coincident with a major flexure in the McKay Fault

BM2
Copper and zinc sulphide mineralisation intersected in WA government EIS co-funded drilling at BM2.

- 26m @ 0.6% copper from 100m
- 201m @ 0.6% zinc from 233m to end of hole

VTEM survey completed with conductor modelled down dip to the west of the intersected copper sulphide mineralisation at BM2

T4
Diamond drilling intersected visible disseminated and blebby copper sulphide mineralisation associated with a 4km long magnetic anomaly within Rudall Complex metamorphic rocks. Assay results pending.

A track mounted aircore rig has commenced a 10,000m drill program at Yeneena.

CORPORATE

- Agreement with Independence Group to expand land holding at Yeneena
- The Company's cash balance at the end of the quarter was A$5.2 million.

EXPLORATION

PATERSON PROVINCE

YENEENA (100% Encounter)

Yeneena covers a 1,400km^2 tenement package in the Paterson Province of WA located between the Nifty copper mine, the Woodie Woodie manganese mine, the Telfer gold/copper mine and the Kintyre uranium deposit (Figure 1). Yeneena is highly prospective for different styles of mineralisation including: sediment-hosted copper; silver-lead-zinc; Woodie Woodie style manganese and unconformity related uranium.

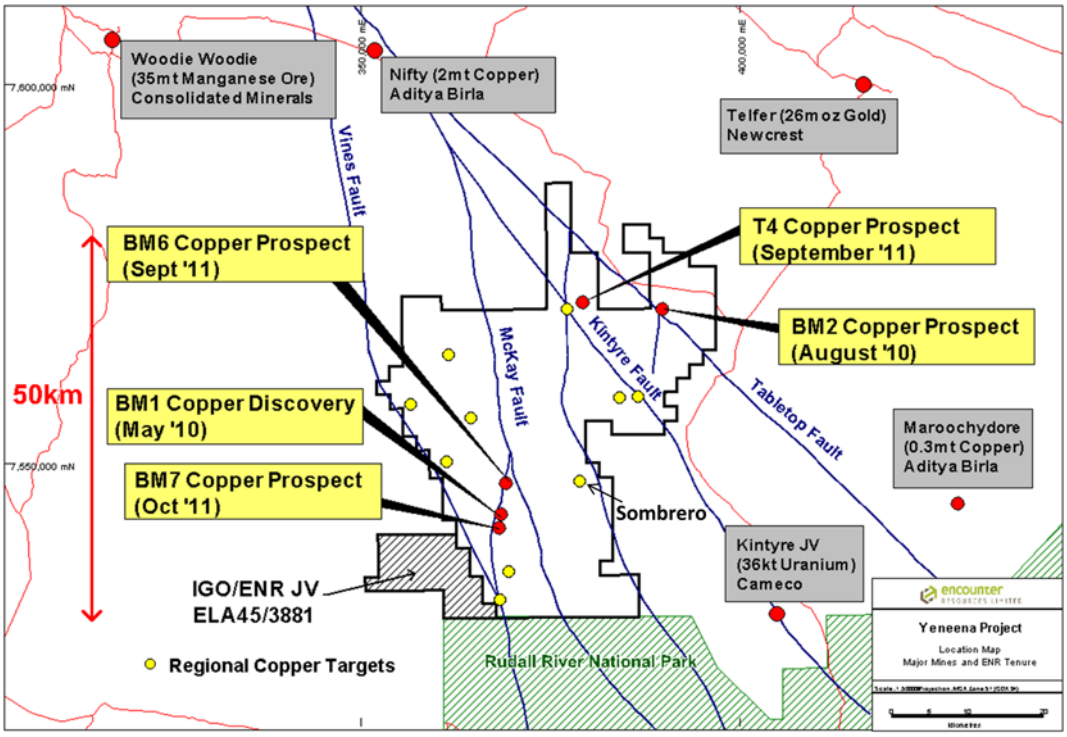


Figure 1: Yeneena project leasing and target areas with major regional faults

Exploration activities in the June 2012 quarter included:

- 7,700m of RC drilling at BM2 and BM7
- 4,100m of diamond drilling at T4, BM2, BM1 and BM7
- Airborne EM surveys at BM2, BM7 and MN1
- Geochemical sampling at MN1 and Sombrero prospects

BM1 Region (includes BM1, BM6 and BM7)

Aircore ("**AC"**) drilling in the BM1 region, approximately 60km south of the Nifty copper mine, has defined copper oxide mineralisation over an 8km section of the McKay fault zone from BM6 in the north to the BM7 prospect in the south. Copper mineralisation appears to be concentrated at the intersection of north-east trending late structures and the McKay fault zone (Figure 2). Diamond drilling has focused on these key structural intersections, interpreted to be foci for the ore bearing fluids that generate large scale sediment-hosted copper deposits. Mineralisation in this region is hosted within the Broadhurst sediments and is almost entirely overlain by 2-10m of transported cover.

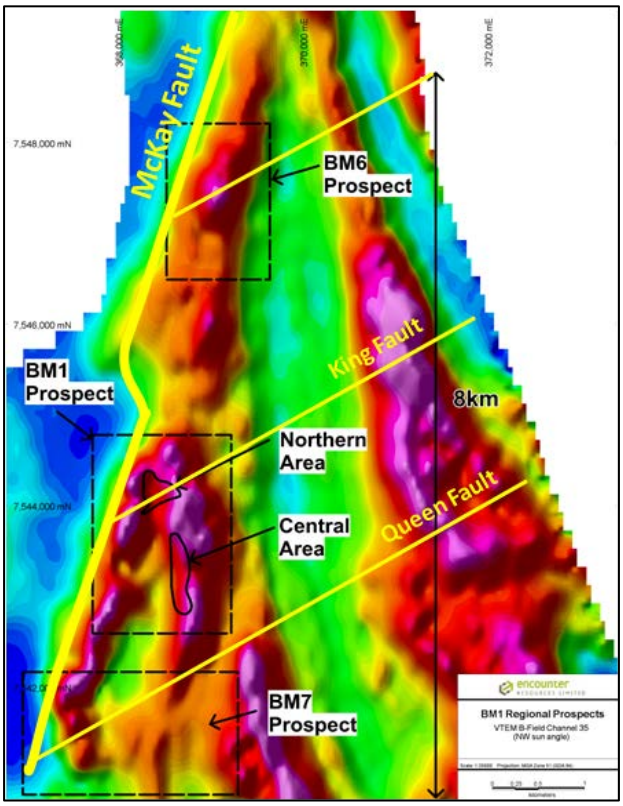


Figure 2: Prospect location plan BM1, BM6 and BM7

BM1

Aircore and reverse-circulation ("**RC**") drilling has defined two zones of coherent near surface copper oxide mineralisation named the Northern and Central Areas. This mineralisation lies adjacent to the intersection of the King and McKay faults (Figure 2). At the Northern Area the flat lying copper oxide mineralisation extends over an area 500m by 250m and is interpreted to be the weathered remnants of a primary copper sulphide position.

Diamond drilling in late 2011 focused along a steep dipping fault breccia zone identified on the western margin of BM1 Northern Area.

At the end of the 2011 field campaign, EPT1128, was in progress and at a downhole depth of 534m. Visual inspection noted copper sulphide mineralisation in the last few trays of drill core.

Drillhole EPT1128 was completed during the quarter to a depth of 690.6m. The bands of disseminated copper sulphide mineralisation noted at the bottom of the hole at the end of the 2011 drilling continued for a further 40m downhole. Assay results from this extended hole are expected to be received in the September 2012 quarter.

A zone of silver mineralisation intersected in EPT880 (13m @ 26g/t silver), which is the westernmost hole drilled at BM1, was also followed up with a single RC hole in the June 2012 quarter. EPT1172 was drilled 50m west of EPT880 and was designed to be drilled to a depth of 250m. This RC hole failed at 160m and further drilling is required to adequately test this position.

BM7 Prospect

The BM7 prospect is located 3km south of the BM1 discovery and situated at the intersection of the north-east trending Queen fault and the regionally-extensive McKay fault. Copper oxide mineralisation has been defined by aircore drilling over 3.5km along the Queen fault and remains open both along strike and to the south. Copper oxide mineralisation at BM7 in shallow aircore drilling is best developed at the intersection of the Queen and McKay faults.

The first diamond hole beneath the large scale copper oxide anomaly, EPT 1109, was completed in December 2011. The hole intersected an extensive hydrothermal stockwork system containing broad zones of finely disseminated, locally blebby and stringer copper sulphide mineralisation. Assay results included a zone of 102m @ 0.2% Cu and 243ppm Co from 274m (see ASX announcement 17 January 2012). These results indicated the presence of a large-scale, depth-extensive, primary copper-mineralisation system at BM7.

A total of 29 RC holes were completed at BM7 during the June quarter in a broad 200m x 200m pattern. This drill program was expanded from the original 2500m program following the identification of significant extensions to the zone of copper oxide mineralisation defined by the aircore drill program.

The assay results from the RC program include several zones of oxide, transitional and sulphide copper mineralisation:

- 34m @ 0.64% copper and 793ppm cobalt from 156m incl. 10m @ 1.64% copper and 1616ppm cobalt from 166m
- 22m @ 0.38% copper and 185ppm cobalt incl. 2m @ 2.87% copper and 518ppm cobalt
- 34m @ 0.48% copper from 20m incl. 14m @ 0.83% copper from 28m
- 18m @ 0.38% copper and 298ppm cobalt from 46m incl. 2m @ 2.24% copper from 50m
- 40m @ 0.21% copper and 143ppm cobalt from 100m incl. 12m @ 0.40% copper from 100m
- 12m @ 0.40% copper and 318ppm cobalt from 40m
- 12m @ 0.24% copper and 116ppm cobalt from 18m

The 2012 diamond drilling program at BM7 commenced during the June quarter. To date eight diamond drill holes have been completed. The program has successfully intersected zones of copper sulphide mineralisation below the depth of the RC drilling. The copper sulphide mineralisation intersected varies from coarse blebby copper sulphide mineralisation in stockwork style vein arrays to narrower, strongly brecciated and sheared zones containing pervasive disseminated copper sulphide mineralisation.

Assays results have been received from the first two diamond holes drilled and from a narrow zone sampled in a third hole. Results include:

- 33m @ 0.37% copper and 221ppm cobalt from 410m incl. 19m @ 0.47% copper and 220ppm cobalt from 423m
- 46m @ 0.21% copper from 148m* in EPT1160
- 16m @ 0.41% copper and 324ppm cobalt from 498m incl. 7m @ 0.69% copper and 319ppm cobalt from 506m in EPT 1167[#]

*includes pre-collar intersection [#]samples from a 22m interval reported, remaining assays from EPT1167 are pending

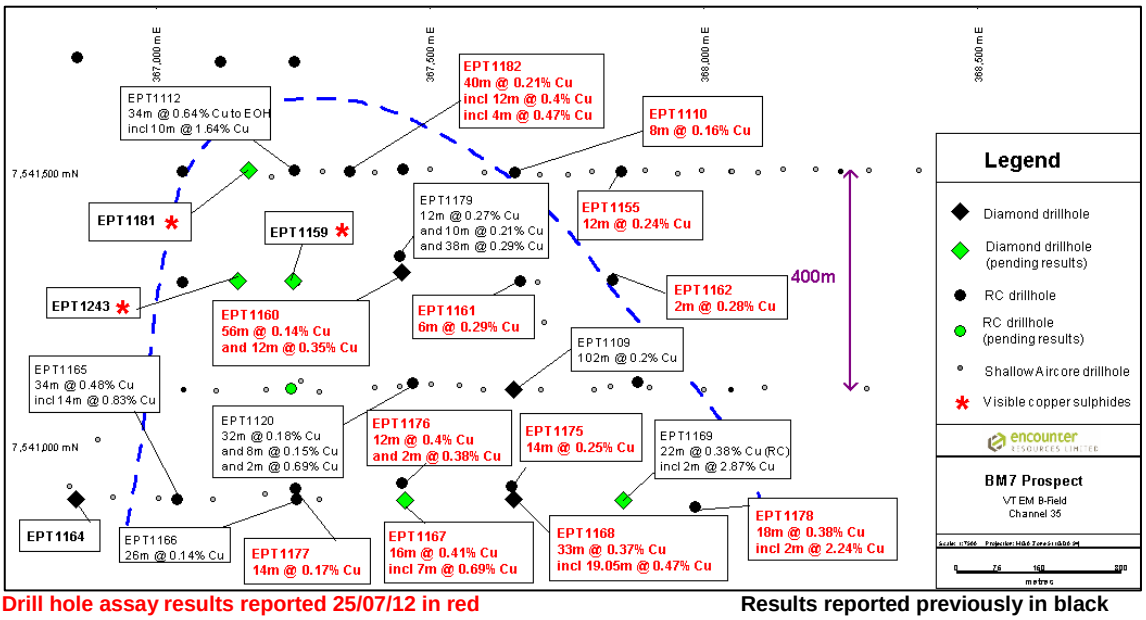


Figure 3: BM7 prospect drill status plan

The RC and diamond drilling programs at BM7 have confirmed a new copper discovery at the Yeneena project. The drilling extends over an area 800m in strike extent that remains open to the south. The system appears to widen and strengthen to the south where copper mineralisation has been intersected in drill holes across an area over 1km wide (Figure 3).

The shales at BM7 are highly dolomite and silica altered and this alteration process appears to have subdued the conductance of the host rocks. The recently flown VTEM survey indicates that BM7 drilling to date is situated at the northern end of a substantial target area of low conductance (Figure 4).

It is interpreted that the dolomite-silica alteration process is intimately associated with the copper mineralisation event. It is therefore interpreted that the BM7 copper system may extend a further 2.5km south of the current area of drilling.

The 3km long target zone of low conductivity at BM7 coincides with a major flexure in the McKay Fault where it changes from a SSW to a SSE orientation. Conceptually such flexure zones are considered highly prospective positions as mineralising fluids are commonly focused at these locations in major ore systems.

The tenement to the south of the BM7 drilling, E45/2805, is an application owned 100% by Encounter. It is anticipated that the tenement will be granted in August 2012 following the finalisation of a Land Access and Heritage Agreement. A heritage survey is planned once the tenement is granted with drilling to commence shortly thereafter in areas cleared by the survey.

The cutting, sampling and assaying of drill core from BM7 continues. The next batch of analysis is expected in August 2012.

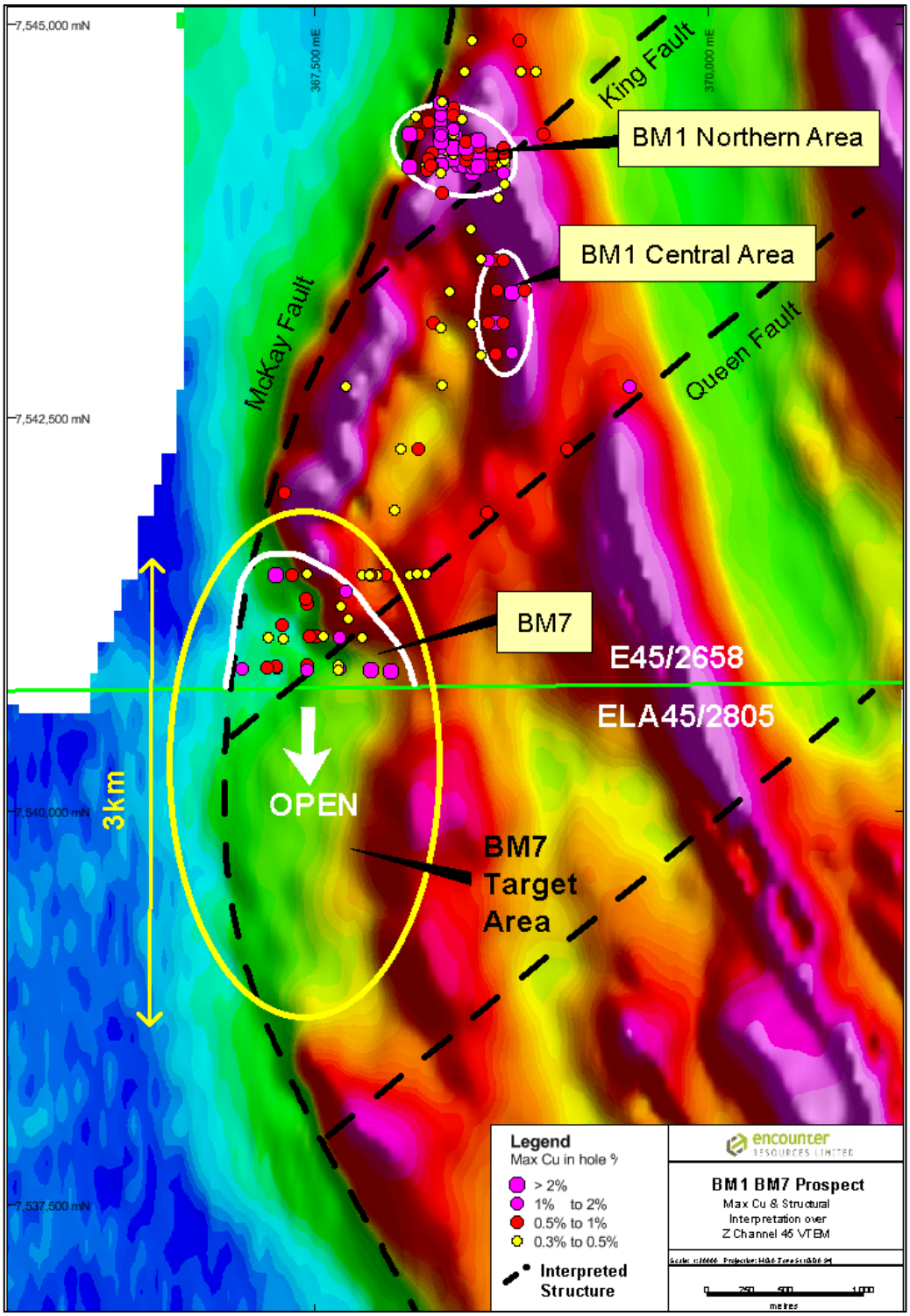


Figure 4: BM1 - BM7 prospects Maximum copper in hole (>0.3%) over VTEM Channel 45

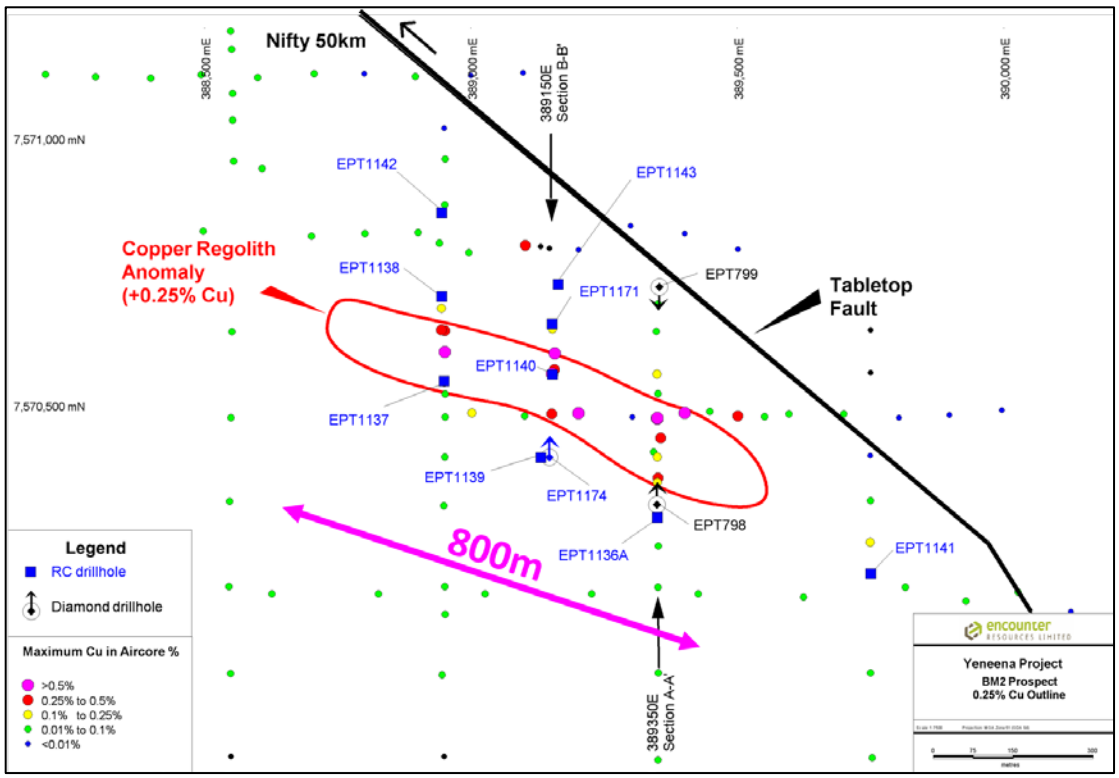
BM2 Prospect

The BM2 prospect is located on the regionally-extensive Tabletop Fault. This structure is known to be metallogenically important and is closely associated with the position of the Nifty Copper deposit, 50km along strike to the north-west (Figure 1). Previous aircore drilling defined a broad zone of copper anomalism (+0.25% Cu) over a strike extent of 800m (Figure 5). The identification of this significant base metal anomaly was made in an area of no outcrop, with up to 20m of transported overburden.

During the June quarter an RC and diamond drill program was completed at BM2. The program was designed to test for the source of the copper regolith anomaly.

A total of nine RC holes (EPT1136A-1143 and 1171 for 2024m) and one diamond drill hole (EPT1174 for 434m) were completed in this phase of drilling at BM2 (Figure 5).

Assay results have been received from all the RC holes. The RC drill program was designed to test up dip and to the west of section 389350mE (A-A' Figure 5) where previous diamond drilling had intersected a broad zone of zinc sulphide mineralisation (ASX announcement 28 November 2011). The initial six holes of the 2012 program were designed as vertical holes spaced 160m apart on 200m spaced sections (EPT1136A-1141). Three holes were later added to the program; EPT1142 and EPT1143 were drilled -60^0 to the south as pre-collars for later diamond drilling and EPT1171 was drilled at -65^0 to the south to test under the copper mineralisation intersected in EPT1140.



2012 RC and diamond collars in blue, 2011 diamond collars in black

Figure 5: BM2 maximum copper in aircore drilling and drill status plan

The program of RC drilling confirmed a heavily leached oxide profile with many holes showing a strengthening of mineralisation at depth. RC holes EPT1136A through to EPT 1141 all ended in anomalous zinc and lead and have mapped out an extensive area of base metal sulphide mineralisation that extends over 1km in strike.

Drill hole EPT 1140, collared in the core of the regolith copper anomaly, returned the first sulphide copper intersection at BM2.

26m @ 0.60% copper from 100m incl. 10m @ 0.92% copper from 100m

This intersection sits below the depth of the original aircore drilling and remains open to the west and at depth.

Diamond drill hole EPT1174 was collared from surface and drilled to the north at -60^0. The hole was designed to test for copper sulphide mineralisation at depth below EPT1140 and to test for extensions to the zinc sulphide mineralisation drilled in EPT798 and EPT799.

The hole intersected a broad zone of carbonate alteration and veining in the shale unit that contained visible zinc and lead sulphides. Assays from this hole have been received and have confirmed the increased thickness and grade of the primary zinc mineralisation. Assay results include:

201m @ 0.6% zinc from 233m to end of hole including:

- **13m @ 1.3% zinc from 295m; and**
- **8m @ 1.5% zinc from 349m; and**
- **29m @ 1.0% zinc from 400m.**

A helicopter based VTEM ("Versatile Time domain Electromagnetic") survey was also completed over the BM2 prospect during the quarter. A series of 150m spaced north-south lines were flown to assess whether any conductors could be mapped out within the area of the copper regolith anomalism.

Initial processing and modelling of the VTEM data has outlined a shallow NE dipping conductor centred to the west and downdip of EPT 1140.

Further drilling at the BM2 prospect is planned to test the modelled EM conductor located adjacent to the copper mineralisation intersected in EPT1140.

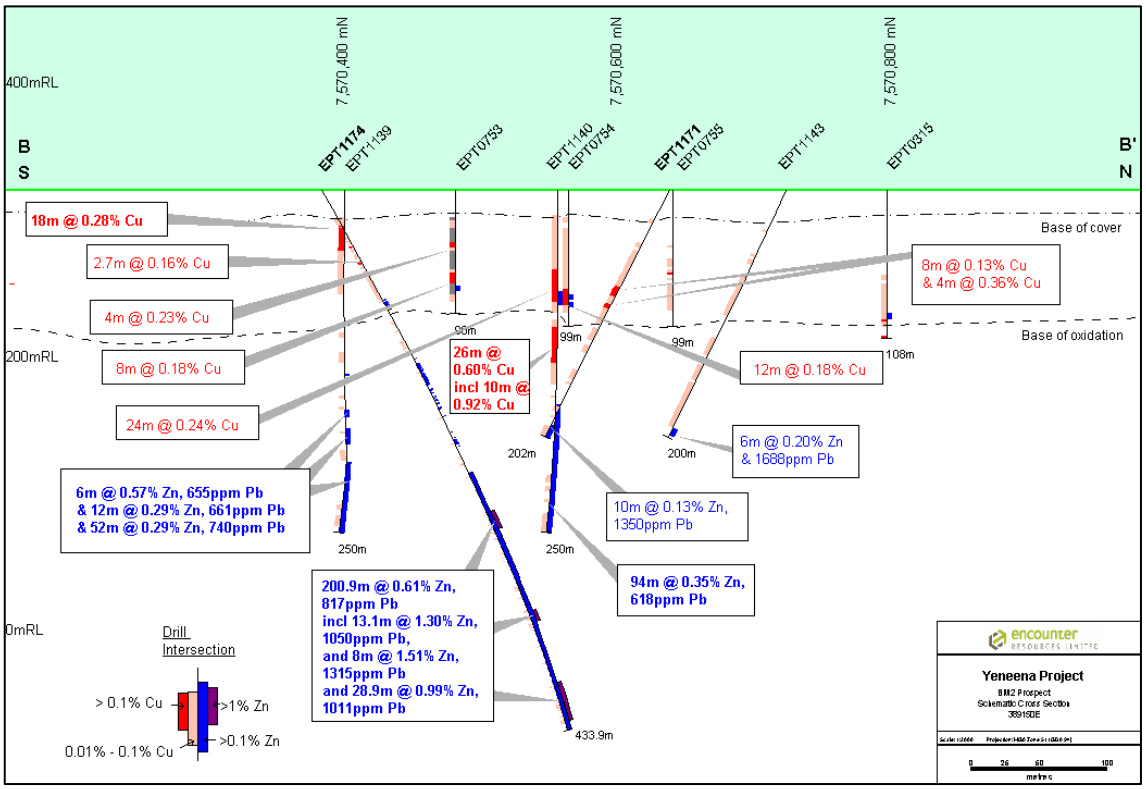


Figure 6: BM2 Cross Section 389150mE

Hole ID	Northing (m)	Easting (m)	RL (m)	EOH (m)	Dip	Azi
EPT1174	7541496	367171	320	433.9	60	000

Table 1: BM2 – Diamond Drill hole information

Hole ID	*From(m)*	*To(m)*	*Interval(m)*	*Copper (%)*	*Zinc (%)*	*Lead (ppm)*
EPT 1174	58.5	61.2	2.7	0.16		
and	140	187.9	47.9		0.16	261
and	204.5	212	7.5		0.20	733
and	233	433.9*	200.9		0.61	817
including	294.9	308	13.1		1.30	1050
and	349	357	8		1.51	1315
and	399.7	428.6	28.9		0.99	1011

Table 2: BM2 – Diamond Drill hole results

Drill hole coordinates GDA94 zone 51 datum and determined via handheld GPS (+/-5m),
*EOH = End of hole depth; * = assay interval extends to EOH, m=metre; azi=azimuth.*
Assay intervals reported are greater than 0.1% copper or 0.1% zinc and in excess of 2m in length.

T4 Prospect

The T4 prospect is located at the north of Yeneena, about 30km north-east of the BM1 copper discovery (Figure 1). The geology of the T4 area is dominated by an 8km by 5km dome-shaped uplifted block of Palaeo-Proterozoic Rudall Complex metamorphics. Base metal mineralisation is being targeted along structures internal to the basement block and along the margins of the dome. This area has significant scale potential and is totally sand-covered. There has been minimal prior exploration in the T4 region.

Two diamond drill holes were completed at T4 during the quarter for a total of 841m. The holes were drilled 1.6km north of EPT801 where disseminated chalcopyrite and bornite was intersected in stratigraphic drilling completed in 2011 (Figure 7). The two hole, follow up diamond drilling program was planned to test a 4km long, semi co-incident gravity, magnetic and surface geochemical anomaly located to the north of EPT801. The anomaly sits within an 8km by 5km block of Rudall Complex metamorphics.

Visible disseminated and blebby copper sulphide mineralisation has been intersected in the April 2012 drilling, associated with hydrothermal magnetite and intense silica alteration. The identification of copper mineralisation in association with the magnetite alteration provides a clear exploration target at T4.

It is interpreted that the copper mineralised system at T4 extends at least 1.6km in strike and potentially over the entire length of the +4km long magnetic anomaly. All cutting and sampling from the T4 core from the two diamond holes drilled in April 2012 has now been completed with assays results expected in August 2012.

The diamond program at T4 also intersected copper anomalism in the first 20m from surface and this could provide an efficient sampling medium to assess the magnetic anomaly at T4 where the mineralisation projects near surface. Shallow geochemical drilling along the magnetic anomaly could provide a vector into areas of strongest copper mineralisation.

A track mounted aircore rig has commenced a 10,000m drill program at the Yeneena project. The program at T4 has been designed to identify zones of stronger mineralisation within the 4km long magnetic anomaly and to test a series of geochemical targets around the margin of the Rudall Complex Inlier identified at T4.

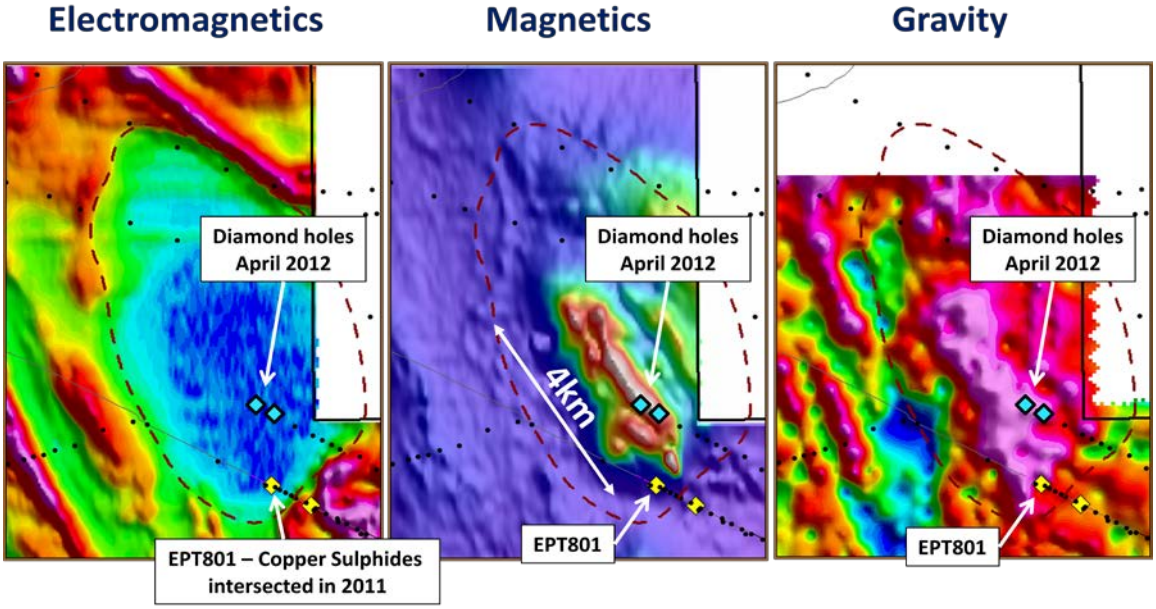


Figure 7: Electro-Magnetics ch45, TMI Magnetics and Bouguer Gravity overlain by interpreted outline of Palaeoproterozic block (dashed line).

Regional Geochemical Program

A program of surface geochemical sampling commenced during the quarter to test a series of greenfields copper targets at the Yeneena project. The partial leach program has been successfully trialled and orientated under 20m of cover at the BM2 prospect and the Company is using the technique to prioritise our regional target opportunities.

During this reconnaissance program an ironstone outcrop was discovered to the west of the AEM4 target in an area surrounded by windblown sands. A series of rock chips were taken over the outcrop that returned elevated copper, barium, cobalt, thallium and arsenic. It is interpreted that this ironstone is a base metal gossan and may represent the surface expression of a copper sulphide body.

The gossan is located 10kms east of BM1 has been named the Sombrero prospect. A series of aircore drill traverses will be completed Sombrero at the completion of the T4 aircore program.

CORPORATE

Agreement to expand land holding at Yeneena with IGO

The Company has entered into agreement with Independence Group NL ("**IGO"**), in relation to tenement ELA45/3881 ("the Tenement")**.** This Tenement covers an area of 114km^2 adjoining the south-west corner of the Yeneena project. The Tenement is located approximately 4km west of Encounter's BM7 copper discovery (Figure 1).

The Company has previously highlighted the significance of the north-east trending structures to the location of copper mineralisation at the Yeneena project. Specifically, the intersection of these structures with the major north-west trending structural corridors in the region is considered an important control on copper mineralisation. The Tenement includes the intersection of a number of these important north-east trending structures at their intersection with the regional Vines Fault. The Tenement covers a 12km long segment of the Vines Fault.

Key terms of the agreement are:

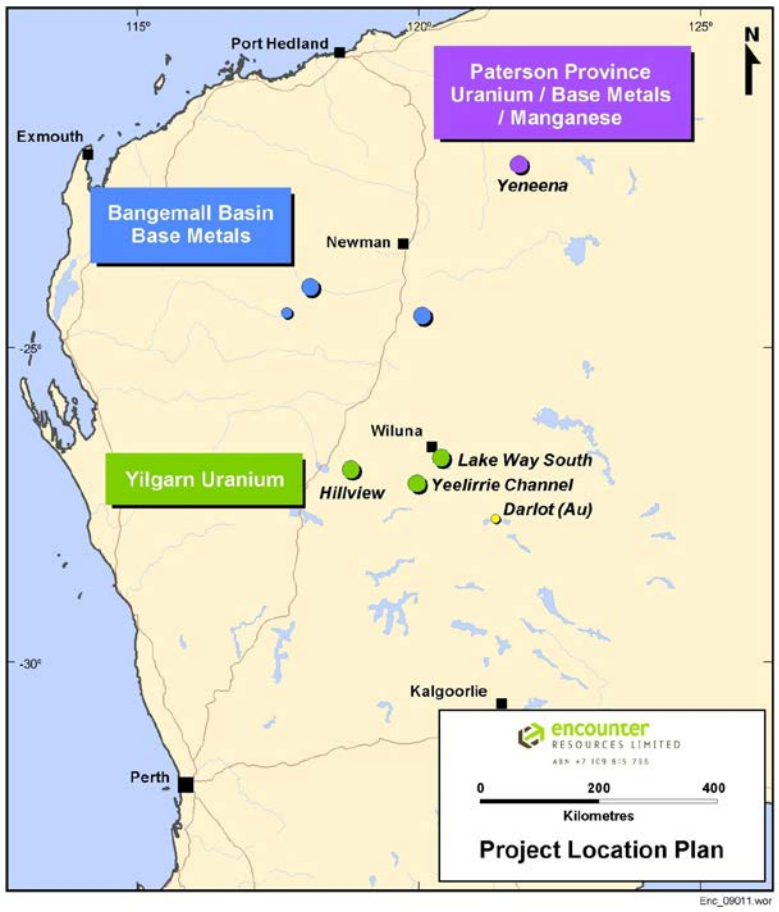
- Encounter will spend a minimum of A$100,000 on exploration within the first 12 months following grant of the Tenement ("Initial Expenditure")
- Encounter may spend A$500,000, which includes the Initial Expenditure, over three years to earn a 70% interest in the Tenement
- If IGO elects not to contribute then Encounter can earn a further 15% interest through the expenditure of an additional A$500,000, at which stage Encounter would have spent a total of A$1,000,000 to earn an 85% interest in the Tenement

The Company's cash balance at the end of the quarter was A$5.2 million.

NEXT QUARTER HIGHLIGHTS

Activities planned for the September 2012 quarter include:

1. Diamond drilling at BM7.
2. Aircore drilling at the T4 prospect.
3. Aircore drilling at the Sombrero prospect
4. Assay results from diamond drilling completed at T4, BM7 and BM1



Will Robinson
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources at Lake Way South is based on information compiled by Mr Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bewick is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

Encounter Resources Limited

ABN	Quarter ended ("current quarter")
47 109 815 796	30 June 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(1,635)	(7,074)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(233)	(838)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	24	240
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – R&D tax concession refund, drilling grant	121	143
	Net Operating Cash Flows	(1,723)	(7,529)
	Cash flows related to investing activities		
1.8	Payment for purchases: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(82)	(187)
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	(82)	(187)
1.13	Total operating and investing cash flows (carried forward)	(1,805)	(7,716)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,805)	(7,716)
	Cash flows related to financing activities		
1.14	Proceeds/(refunds) from issues of shares, options, etc.	-	5,940
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 – capital raising costs	(13)	(280)
	Net financing cash flows	(13)	5,660
	Net increase (decrease) in cash held	(1,818)	(2,056)
1.20	Cash at beginning of quarter/year to date	7,003	7,241
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	5,185	5,185

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	194
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 - Remuneration of Directors.

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

-

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

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	1,300
4.2	Development	-
4.3	Production	-
4.4	Administration	250
	Total	**1,550**

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	1,185	876
5.2	Deposits at call	4,000	6,127
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	5,185	7,003

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	E37/978	Relinquished	100%	0%
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

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)*	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -		
7.3	**+Ordinary securities**	114,194,360	114,194,360		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Released from Escow	- - -	- - -		
7.5	**+Convertible debt securities** (*description)*	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7	**Options** *(description and conversion factor)*	50,000 500,000 400,000 400,000 200,000 5,425,000 550,000 550,000	- - - - - - - -	*Exercise price* $0.50 $0.535 $0.55 $0.70 $0.30 $1.35 $0.80 $0.40	*Expiry date* 9/8/2012 30/11/2012 30/11/2012 30/11/2012 30/6/2013 22/11/2014 30/9/2015 31/5/2016
7.8	Issued during quarter	550,000	-	$0.40	31/5/2016
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		

+ See chapter 19 for defined terms.

7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

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 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 July 2012

(Company secretary)

Print name: Kevin Hart

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: Cash Flow Statements* 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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+ See chapter 19 for defined terms.