

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

**ASX Code**

ENR

**Market Cap (26/07/13)**

A\$26.5m (\$0.20/share)

**Issued Capital (30/06/13)**132.5 million ordinary shares  
9.5 million employee options**Cash (30/06/13)**

A\$4.8M

**Board of Directors & Management**Mr. Paul Chapman  
Non-Executive ChairmanMr. Will Robinson  
Managing DirectorMr. Peter Bewick  
Exploration DirectorDr. Jon Hronsky  
Non-Executive DirectorMr. Kevin Hart / Mr. Dan Travers  
Joint Company Secretary[www.enrl.com.au](http://www.enrl.com.au)Level 7, 600 Murray Street  
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**HIGHLIGHTS****YENEENA COPPER PROJECT  
Paterson Province, WA**

*The Yeneena Copper 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-cobalt discoveries that demonstrate the potential for large tonnage deposits.*

**Earn-in Agreement Antofagasta**

- On 23 April 2013 the Company announced that it had completed a farm-in agreement and a private placement with a wholly owned subsidiary of London Stock Exchange listed Antofagasta plc.
- Antofagasta can earn a 51% interest in the two tenements that host the BM1, BM6 and BM7 copper system by sole funding US\$20M of exploration expenditure over the next five years.
- Exploration under the farm-in agreement with Antofagasta commenced during the quarter.

**BM7 Copper - Cobalt Discovery (Antofagasta earning in)**

- An 11 hole shallow RC program at BM7 has outlined a +800m long zone of copper sulphide mineralisation with end of hole (EOH) intersections of:
  - 6m @ 0.7% Cu from 150m to EOH
  - 30m @ 0.4% Cu from 118m to EOH
- A 2,200m diamond drill program has commenced at BM7 to test below the zone of sulphide mineralisation intersected in the RC program.

**Yeneena Regional Targets**

A 1,250 line km airborne VTEM survey was completed during the quarter which included data collection over the Antofagasta farm-in tenements and also tenements held 100% by Encounter.

**BM2 Copper/Zinc**

During the quarter the Company was successful in an application for WA Government EIS co-funded diamond drilling at the BM2 prospect (up to \$150,000). Drilling is planned for October 2013.

**Cash**

The opportunity was provided to existing eligible Encounter shareholders to subscribe for additional shares at the same price as the Antofagasta private placement (US\$2M @ A\$0.21 per share). The share purchase plan was well supported by shareholders and raised an additional \$1.4M.

The company is well funded with a cash balance at 30 June 2013 of \$4.8M.

## EXPLORATION

### PATERSON PROVINCE

#### YENEENA COPPER - COBALT PROJECT

- 100% Encounter - E45/2500, E45/2501, E45/2502, E45/2503, E45/2561, E45/2657, E45/2806
- Antofagasta earning into E45/2658 and E45/2805
- Encounter 70%, Independence Group NL (IGO) 30% ELA45/4215
- Encounter earning into ELA45/3232 and ELA45/3308 from St Barbara Ltd (SBM)

Yeneena covers a 1,400km<sup>2</sup> 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).

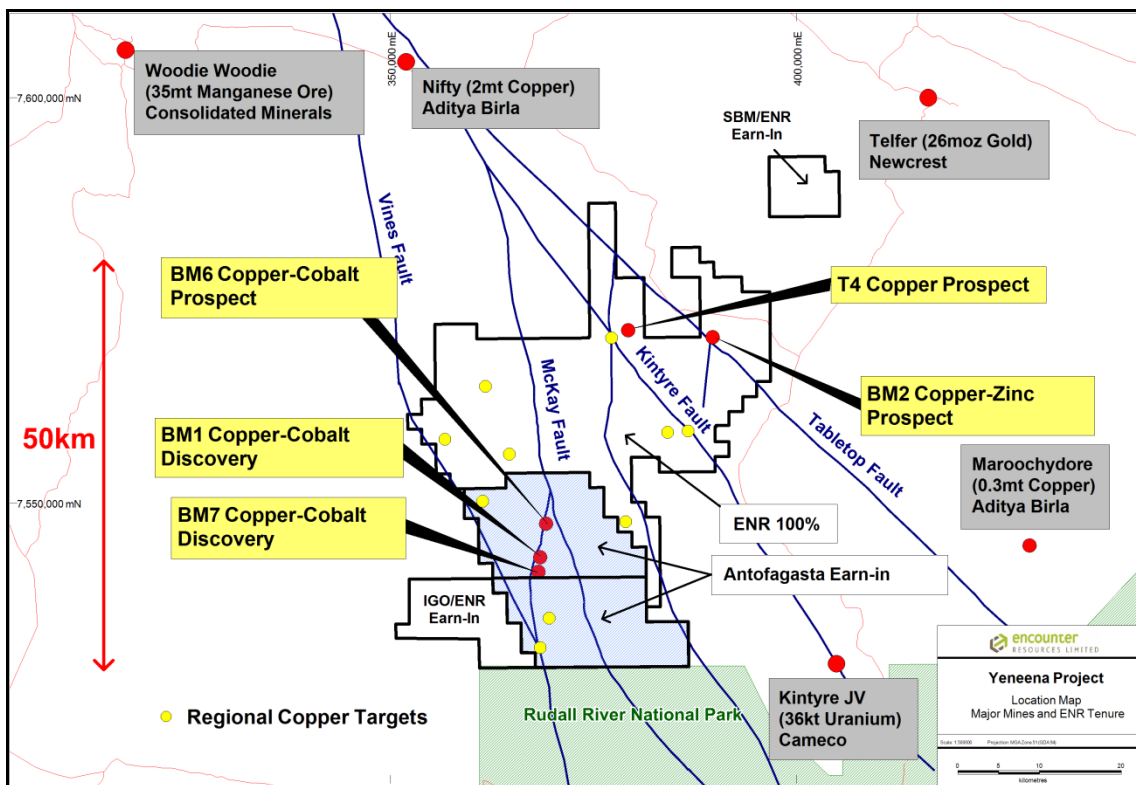


Figure 1: Yeneena project leasing and target areas with major regional faults

Exploration activities conducted in the last quarter include:

- A 15 hole, 3200m RC drilling program was completed to test for primary copper sulphides below strong base metal regolith anomalism at the BM1, BM6 and BM7 prospects.
- 7 RC drill holes were completed at BM2 to test for extensions to the copper and zinc sulphides discovered in 2012.
- A 1,250 line km VTEM survey over prospective Broadhurst Formation NW of the BM1-BM6-BM7 mineralised corridor.
- Compilation of historical exploration data over the St Barbara earn in (Encounter earning in) tenements in the Paterson.

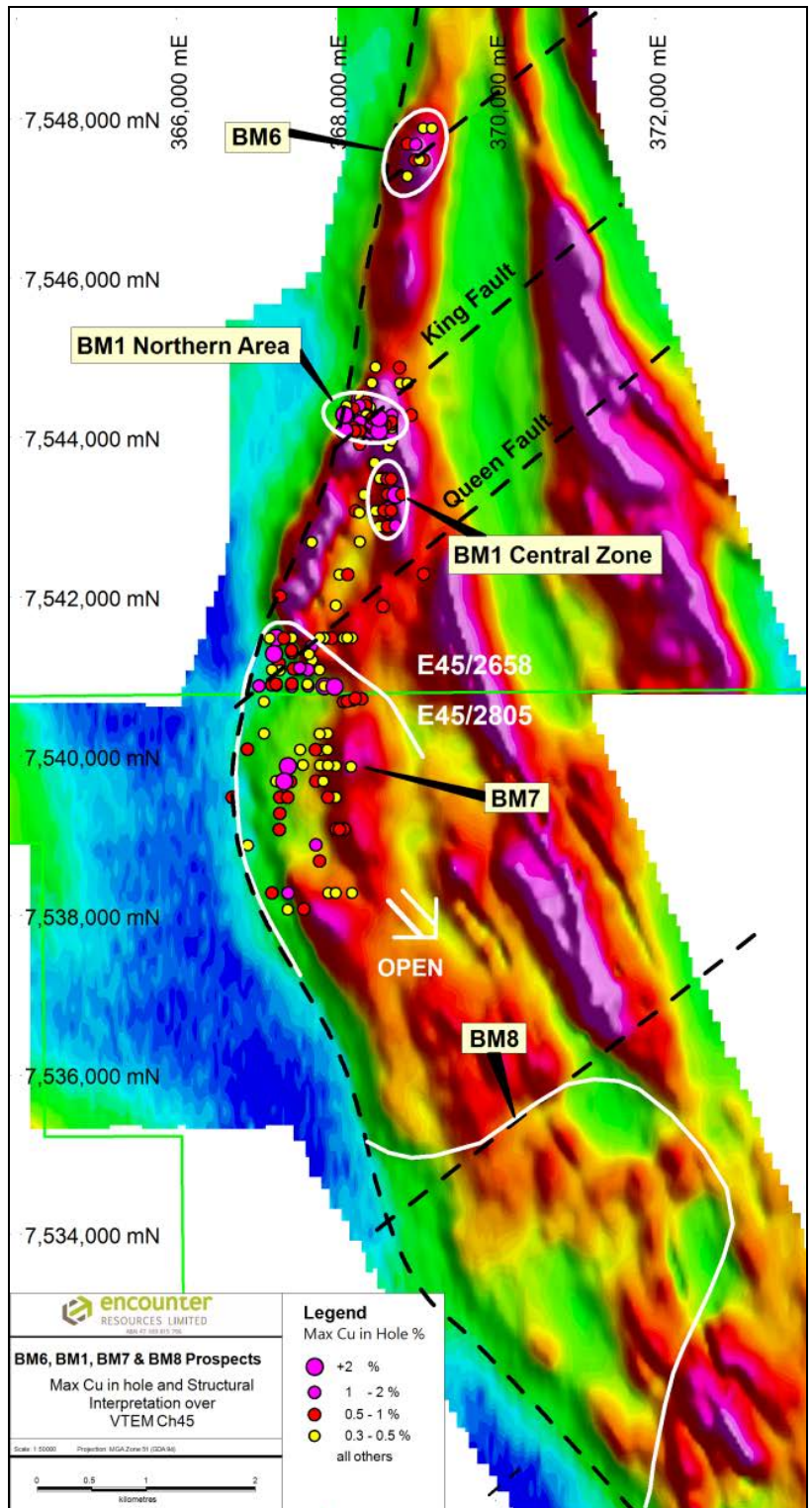
**BM1-BM6-BM7-BM8  
(Antofagasta Earning In)**

The June quarter saw the commencement of activities within the Antofagasta earn-in tenements. The two earn-in tenements, E45/2658 and E45/2805, host the BM1, BM6, BM7 and BM8 prospects. Activities during the quarter included an RC drilling program, a VTEM airborne geophysical survey and preparation for a heritage survey.

A 15 hole, 3200m RC drill program was completed within the earn in area with two holes drilled at both BM1 and BM6 and the remaining 11 holes drilled at BM7.

A 500 line km helicopter based VTEM survey was completed over the northwest corner of E45/2658.

Plans for the completion of a heritage survey over the area to the east of BM7 and the BM8 prospect were finalized during the quarter with the survey to be completed in July 2013.



**Figure 2: BM6 - BM1 - BM7 – BM8 prospects maximum copper in hole (>0.3%) over VTEM Channel 45**

### BM7 Prospect

The BM7 prospect is situated at the intersection of the north-east trending Queen fault and the regionally-extensive McKay fault (Figure 2).

A small RC drilling campaign completed in late 2012 intersected strong copper cobalt mineralisation of up to 52m @ 0.55% Cu and 378ppm Co from 42m including 8m @ 1.97% Cu and 1,076ppm Co beneath a 3.5km long, 1.5km wide +0.1% copper regolith anomaly.

Drilling completed to date supports the potential for a world-class sediment-hosted copper deposit at BM7. Intense dolomite alteration and highly anomalous pathfinder elements (Bi, As, Mo, Co) observed at BM7 map out a large-scale hydrothermal alteration system. Recent work has suggested analogies between BM7 and the copper-cobalt deposits of the Mt Isa and parts of the Central African Copper Belt, with each sharing similar alteration patterns, host sediments and age of mineralisation.

An 11 hole RC drill program was completed in May 2013 and was designed to test for primary copper sulphides beneath the broad regolith anomaly and along the margins of the dolomite alteration zone. A number of the RC holes did not reach their planned target depth with several holes finishing in altered sediments containing disseminated copper sulphide mineralisation.

Assay results have been received for the RC program and confirmed that the zone of intensely dolomite altered shale at BM7 is anomalous in primary copper sulphide mineralisation over at least 800m in strike and remains open north and south and at depth (Figure 3). Within this dolomite alteration zone a number of the RC drill holes ended in sulphide copper mineralisation including:

- EPT1709 - 6m @ 0.7% Cu from 150m to EOH
- EPT1712 - 30m @ 0.4% Cu from 118m to EOH

A follow up diamond drill program has commenced. This initial four hole program has been designed in conjunction with Antofagasta to target below the 800m long zone of copper sulphide mineralisation identified in the RC program (Figures 3, 4 & 5). This program will provide the first drill core into the new sulphide zone at the BM7 discovery.

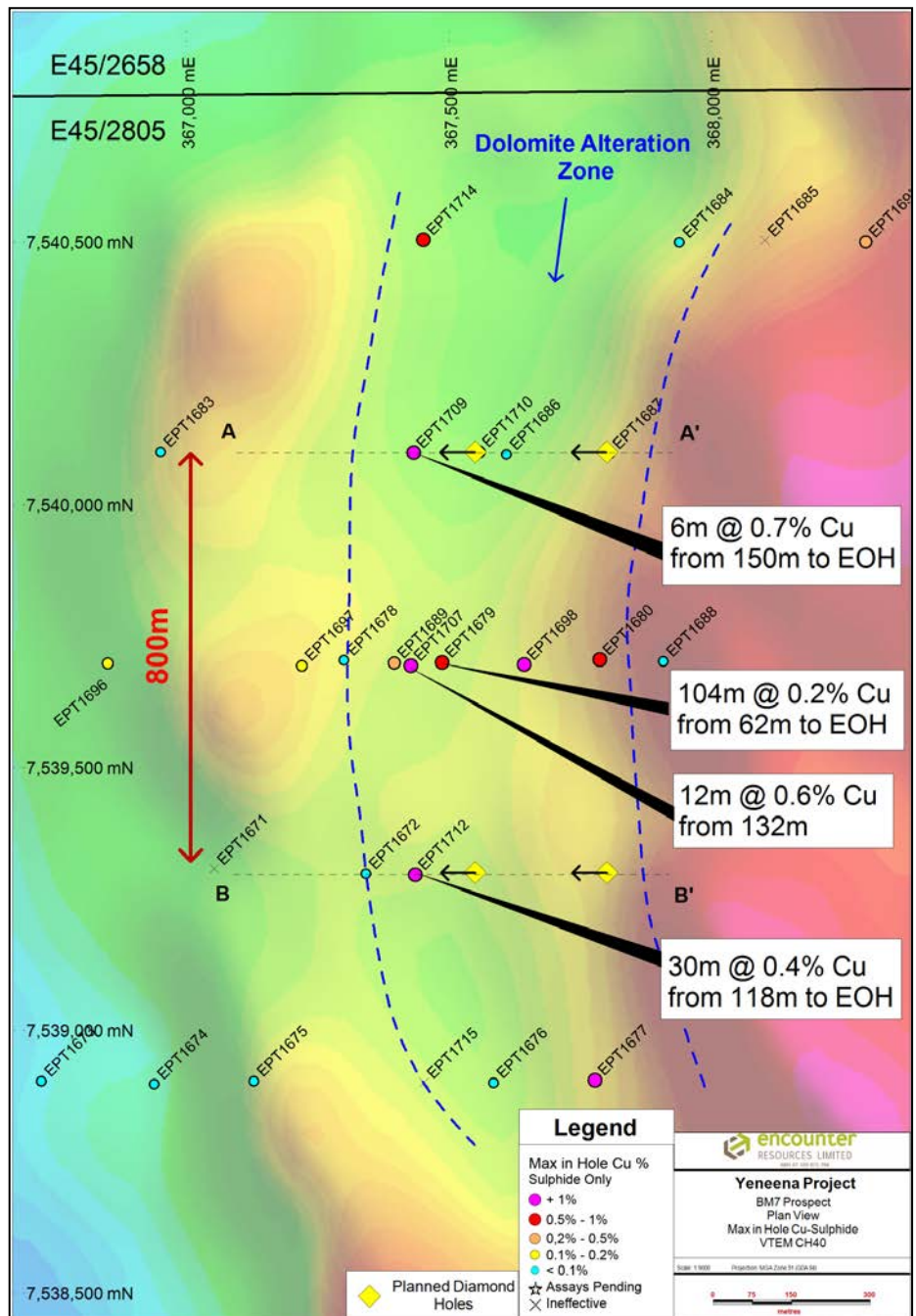


Figure 3: BM7 prospect RC drill status plan and proposed diamond holes

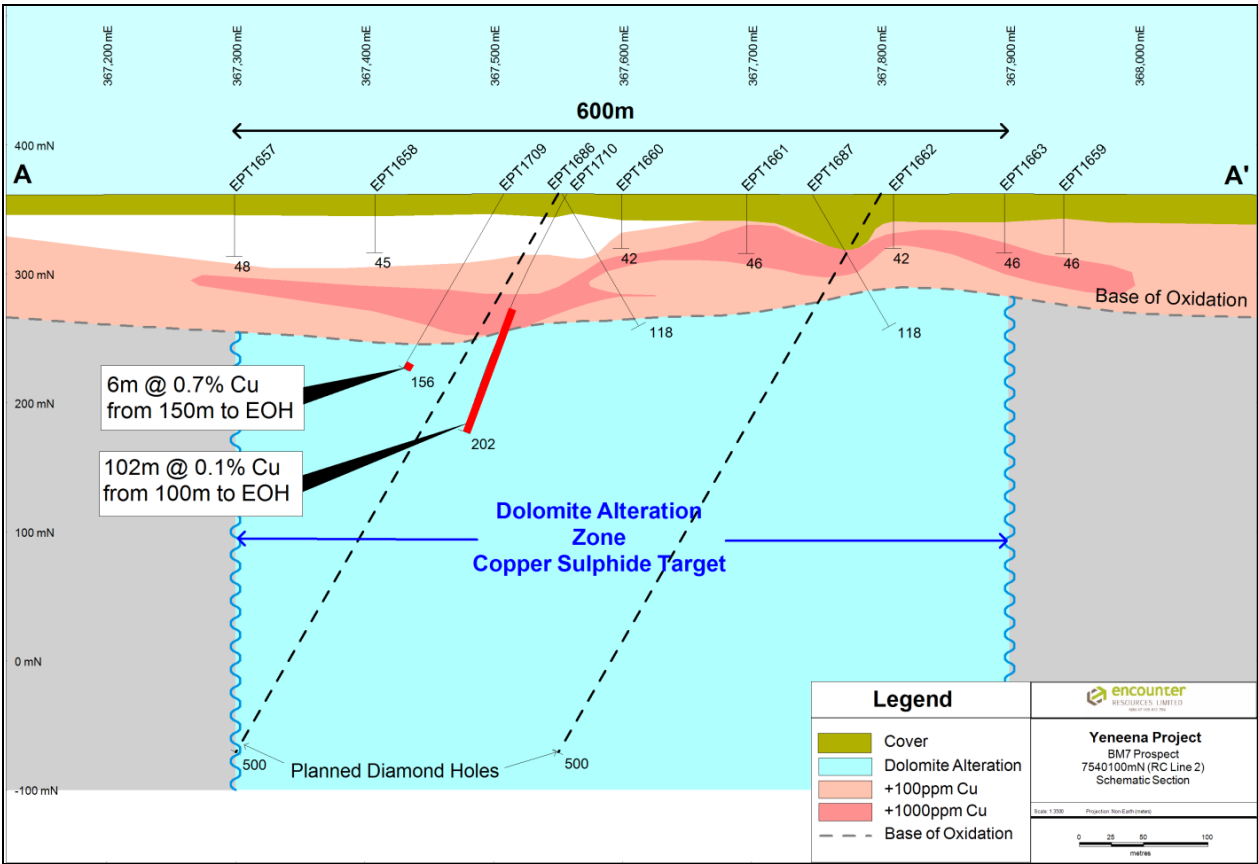


Figure 4: BM7 Schematic cross-section of A – A' (RC Line 2)

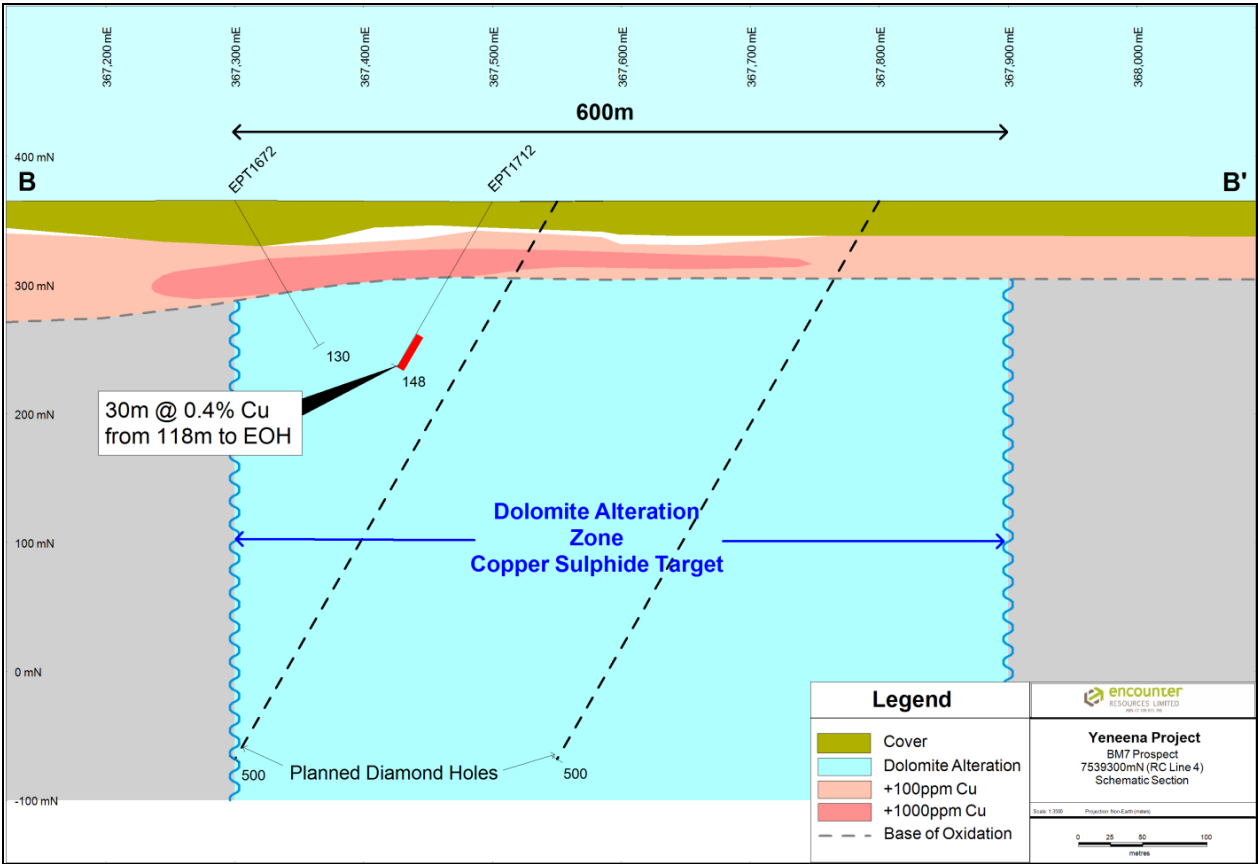


Figure 5 – Schematic cross-section of B – B' (RC Line 4)

Hole ID	Depth from (m)	Depth to (m)	Interval (m)	Copper (%)	Cobalt (ppm)
EPT1694	24	40	16	0.13	130
EPT1695	42	100	58	0.20	129
incl.	50	56	6	0.58	413
EPT1696	110	112	2	0.11	92
EPT 1697	30	66	36	0.22	215
incl.	32	44	12	0.46	335
and	144	148	4	0.12	44
and	172	182	10	0.10	82
and	202	208	6	0.16	105
EPT 1698	24	42	18	0.36	333
and	94	108	14	0.16	131
and	120	124	4	0.16	66
and	142	176	34	0.13	56
EPT1707	42	92	50	0.16	76
and	132	144	12	0.60	63
incl.	134	136	2	2.81	166
EPT1709	62	64	2	0.18	51
and	74	76	2	0.13	57
and	86	118	32	0.21	196
and	142	156*	14	0.40	299
incl.	150	156*	6	0.71	488
EPT1710	88	122	34	0.16	245
and	130	132	2	0.13	72
and	142	164	22	0.15	124
and	178	180	2	0.10	47
EPT1712	42	68	26	0.12	140
and	118	148*	30	0.38	88
incl.	118	134	16	0.49	89
EPT1714	112	130	18	0.14	48
EPT1715	52	122*	70	0.14	101

**Table 1: BM7 RC Drill Hole Assay Summary**

*Intervals listed are composited from individual assays using a nominal cut off of 0.1% copper. Zones of below 0.1% copper have been included in some composite calculations. \*=End of Hole intersection.*

*BM7 RC Drill hole location information - Please see ASX announcement 31 May 2013*

## BM8 Prospect

Recent aircore and RC drilling at BM7 indicates the 11km long copper system that parallels the McKay Fault zone is strengthening to the south and remains open. Encounter holds the next 8 kms of strike along the McKay Fault zone. Within this 8km lies a newly identified prospect named BM8 located about 3 km south of BM7 (Figures 6 & 7).

The BM8 target has a number of similarities with the BM7 copper-cobalt discovery. The area of subdued EM response at BM8 is interpreted to relate to an alteration event that has reduced the conductivity of the host rock. This is akin to the dolomitisation event at BM7 that is associated with the copper-cobalt mineralisation. A discordant magnetic anomaly at BM8 located within the broad zone of low conductance is of particular interest (Figures 6 & 7). The testing of the targets east and south of BM7 and at BM8 will be completed following a heritage survey in July 2013. RC drilling at BM8 is scheduled to commence in August 2013.

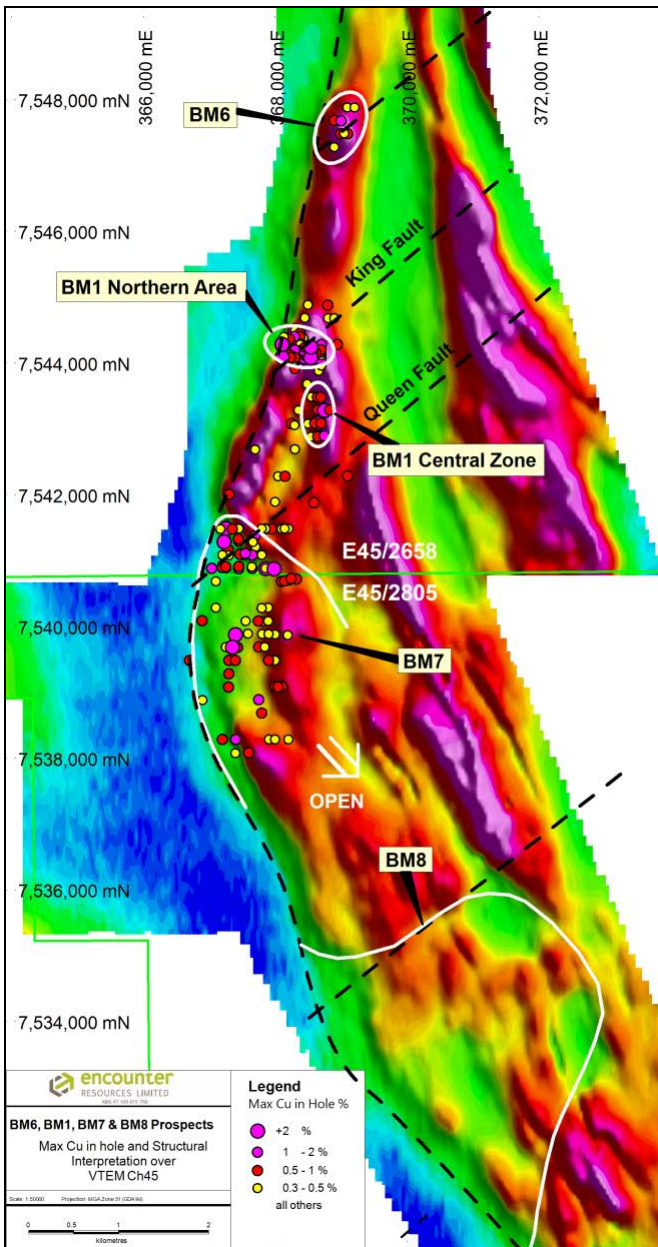


Figure 6. BM6 to BM8 Electromagnetics (EM)

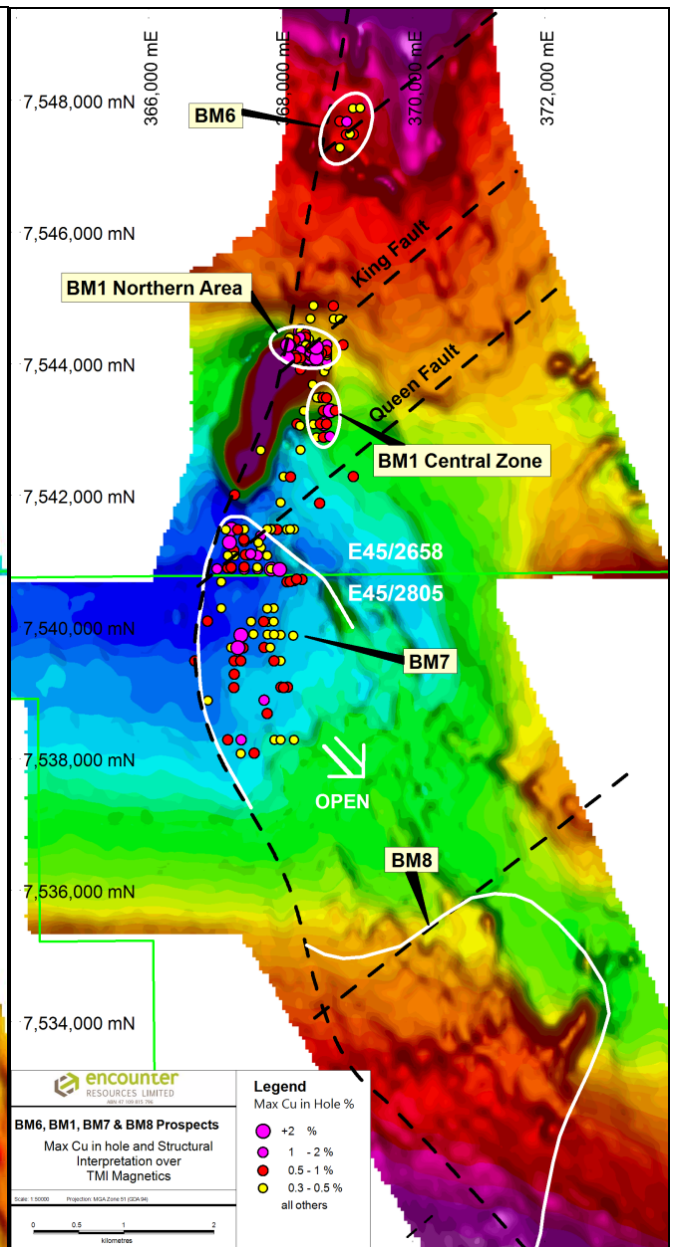


Figure 7. BM6 to BM8 TMI Magnetics

### BM1 Prospect

Two deep RC holes totaling 656m were drilled at BM1 during the quarter. The holes were drilled to test a target approximately 500m north of the BM1 Northern Zone (high grade copper oxide zone) at the intersection of an interpreted NNE trending structure and the northerly plunging fold hinge of the BM1 anticline.

The holes intersected broad zones of low level (100-500ppm Cu) primary copper anomalism within weakly altered black shales. The holes ended at the depth capacity of the rig with the last 50m of the hole showing an increase in copper anomalism and alteration of the sediments. This level of copper sulphide anomalism is encouraging with the last 2m sample in EPT1693 returning 0.12% copper. The drilling has confirmed the merits of the conceptual target and further work is required to determine the potential of the area.

### BM6 Prospect

Located 3km NNE of BM1 Northern Area, BM6 was discovered during reconnaissance aircore drilling in 2011, which delineated an 800m long, 400m wide +0.1% copper regolith anomaly adjacent to the McKay Fault (with grades up to 1.4% Cu). The regolith anomaly coincides with a VTEM conductor, which has been modeled to dip shallowly to the west (towards the McKay Fault).

The two hole, RC drill program confirmed the modelled conductor appeared to map out a block of shallower conductive shale. The holes intersected elevated copper anomalism below the base of oxidation which is considered highly anomalous and confirms the copper system remains open to the north of BM6. A detailed review of the downhole geochemistry will be completed to define vectors to potential higher grade mineralisation.

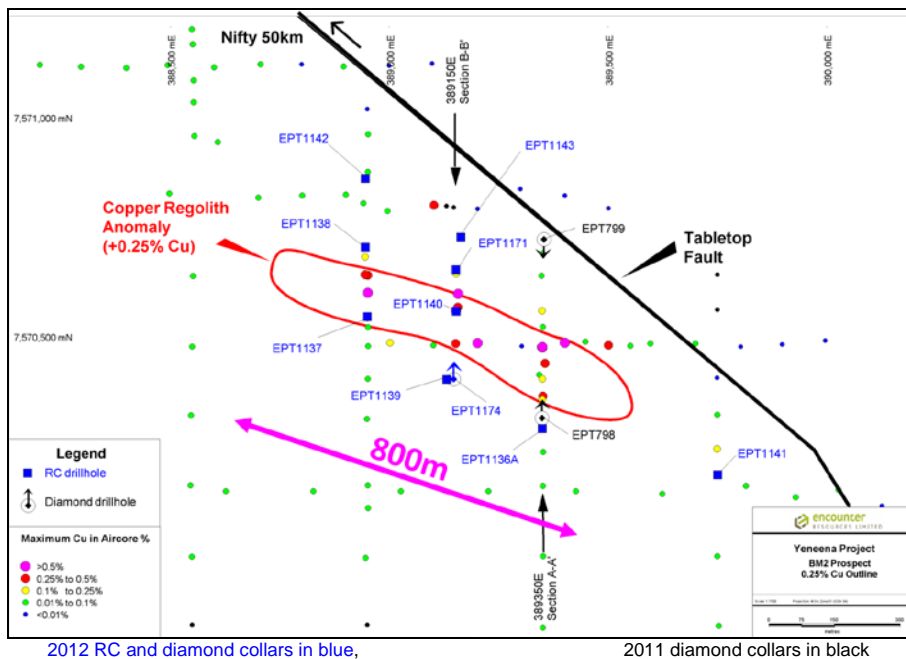
**Table 2: BM1 and BM6 RC drill hole locations and results**

Hole ID	Prospect	Northing	Easting	RL	EOH	From (m)	To (m)	Interval (m)	Copper (ppm)	Cobalt (ppm)
EPT 1690	BM6	7547503	368589	355	226	182	226*	44	436	45
EPT 1691	BM6	7547501	368903	356.3	250	116	250*	134	413	66
incl.						146	158	12	1595	162
EPT 1692	BM1	7544803	368449	359	322	256	322*	66	309	65
EPT 1693	BM1	7544802	368551	359.9	334	312	334*	22	518	61
						332	334*	2	1190	70

Note: Datum MGA94 z51. Holes drilled at BM1 were drilled vertically and holes at BM6 were drilled -60 to 090. EOH = End of hole, m=metres, \* denotes EOH interval. Intervals calculated at a +100ppm Cu cut off

**BM2 Prospect (Encounter 100%)**

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 8). The identification of this significant base metal anomaly was made in an area of no outcrop, with up to 20m of transported overburden.



**Figure 8: BM2 maximum copper in aircore drilling and drill status plan**

RC and diamond drilling in June 2012 confirmed a heavily leached oxide profile with many holes showing a strengthening of zinc mineralisation at depth. RC holes EPT1136A through to EPT1141 all ended in anomalous zinc and lead sulphides and have mapped out what is interpreted as the upper contact of a stratabound base metal horizon that extends over 1km in strike.

Drill hole EPT1140, collared in the core of the regolith copper anomaly, returned the first sulphide copper intersection at BM2:

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



Diamond drill hole EPT1174 (Figure 9) was collared from surface and drilled to the north at -60°. The hole was designed to test for copper sulphide mineralisation at depth below EPT1140. The hole intersected a broad zone of carbonate alteration and veining in a shale unit that contained visible zinc and lead sulphides. Assay results include:

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

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

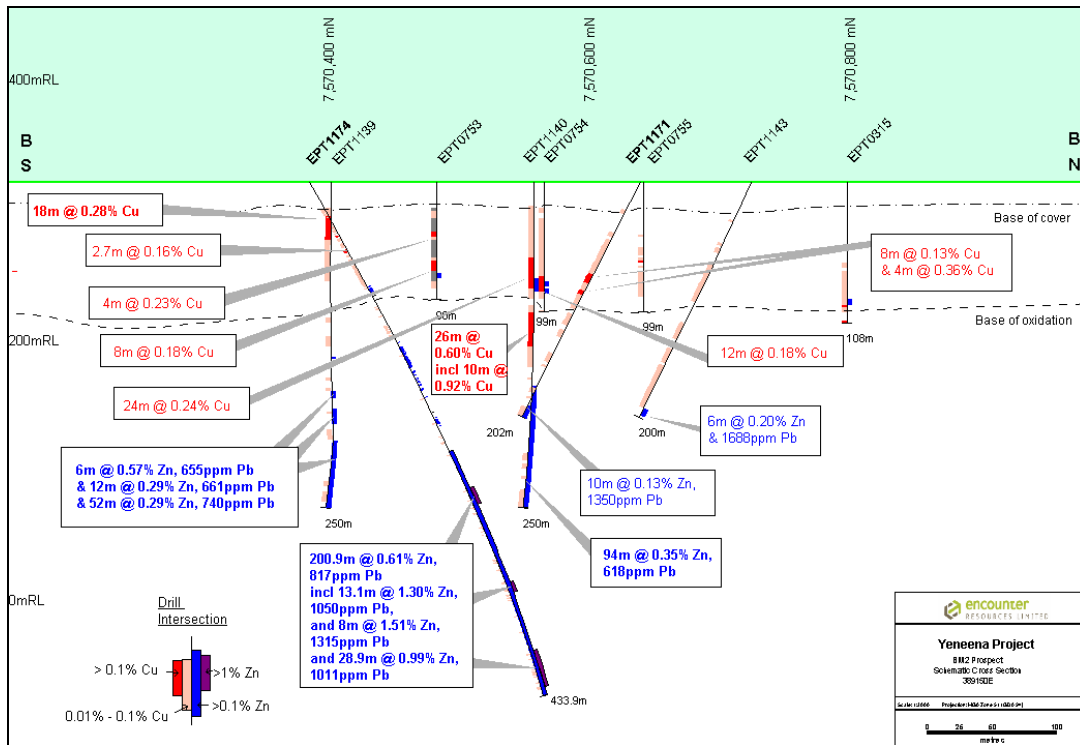


Figure 9: BM2 Cross Section B-B' (389150ME)

The Company completed 7 RC holes in April 2013 at BM2 adjacent to the copper sulphide intercept in EPT1140. The program was designed to test for both lateral and depth extensions of the copper sulphides previously intersected. Drilling intersected copper oxide mineralisation adjacent to EPT1140 but no extensions to the copper sulphide zone were encountered.

Three of the RC holes were extended to determine geometry of the upper contact of the stratabound zinc sulphide mineralisation. Zinc sulphide mineralisation was intersected near the base of all three holes with the upper contact of the stratabound mineralisation interpreted to be dipping gently to the north.

Table 3: BM2 RC drill hole locations and results

Hole ID	Northing	Easting	RL	EOH	From (m)	To (m)	Interval (m)	Copper (%)	Zinc (%)
EPT 1699	7570534	389246	315.58	160	58	74	16	0.12	
and					134	144	10		0.16
EPT 1700	7570584	389050	315.38	208	50	80	30	0.26	
incl.							8	0.67	
and					176	208*	32		0.12
EPT 1701	7570871	388949	315.96	310	266	294	28		0.12
EPT 1702	7570621	388948	316.26	178	nsa				
EPT1703	7570563	389051	315.38	274	218	274*	56		0.35
EPT 1704	7570615	389054	315.18	136	84	88	4		0.22
EPT 1705	7570686	388748	316.47	262	nsa				

Note: Datum MGA94 z51. All holes drilled at BM2 were drilled vertically. EOH = End of hole, m=metres, \* denotes EOH interval  
Intervals calculated at a +0.1%Cu or +0.1%Zn cutoff

During the quarter, the Company was successful in an application for EIS co-funded diamond drilling of the BM2 prospect. Funding was approved for deep drilling at BM2 to test the basal contact of the zinc bearing unit (Figure 10). Traditionally this contact is considered the principle target for the accumulation of high grade base metals mineralisation. The EIS co-funded 1,300m diamond drilling will be completed in October 2013.

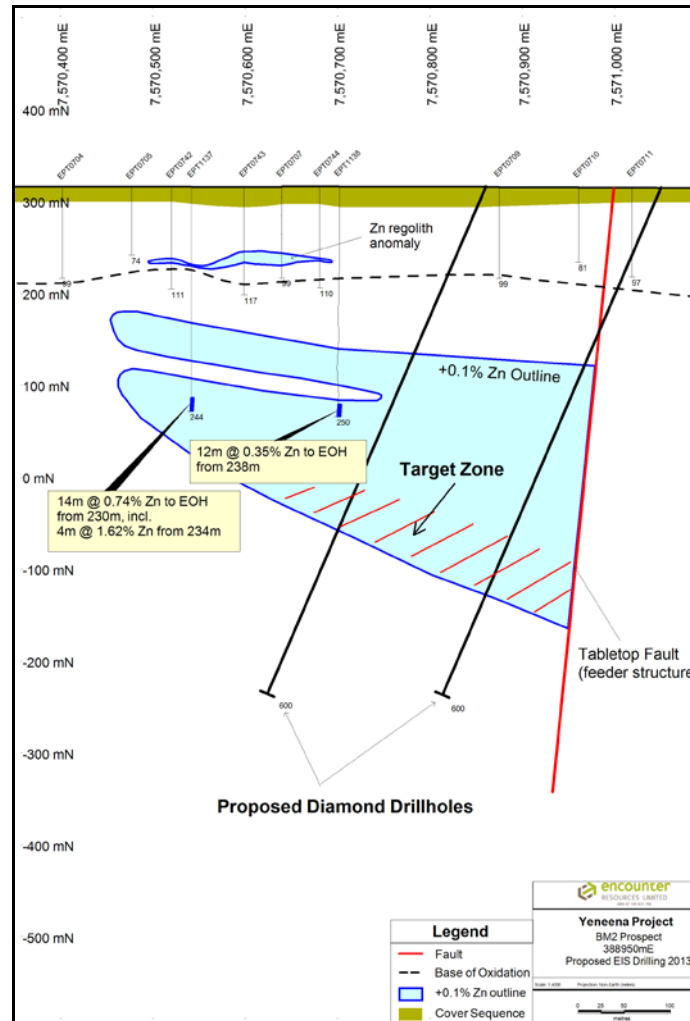


Figure 10: BM2 Proposed EIS Diamond Drill holes - cross Section 388950mE

### Yeneena Regional Targets (Encounter 100%)

The success of the copper exploration program at the Yeneena project and the discovery of a large copper-cobalt mineral system at BM1-BM6-BM7 has encouraged Encounter to expand the early stage assessment activities over the untested regional copper targets.

Three untested regional scale copper targets are located to the NW of the BM1–BM6-BM7 mineral system (see Figure 1). These targets are hosted within Broadhurst sediments and located along NE trending structures between the McKay and Vines Faults. These NE structures are highly prospective as they represent potential active zones of fluid flow within the structural architecture of the basin during inversion. These structural conduits allow basin fluids to migrate upwards into suitable trap sites for base metal deposits.

A 1,250 line km airborne VTEM survey was completed over the regional targets located in the northwest of the Yeneena project during the quarter. Approximately 500 line km of the survey was completed over the Antofagasta earn in tenements and the remaining 750 line km over ground held 100% by Encounter. Preliminary images from this survey have highlighted a number of targets along the NE structural corridors. Detailed aerial photography has been acquired and initial reconnaissance and geochemical sampling is planned for July-Aug 2013. No previous systematic exploration has been conducted on the area of interest. Final data and images from the VTEM survey will be delivered in August 2013.

## CORPORATE

### Farm-in and Joint Venture Agreement with Antofagasta

On 23 April 2013, the Company announced that it had completed a farm-in agreement and private placement, which was finalised on 26 April 2013, with Antofagasta Minerals Perth Pty Limited ("Antofagasta"), a wholly owned subsidiary of London Stock Exchange listed Antofagasta plc, one of the world's largest copper producers and explorers.

Key terms of the agreements with Antofagasta are:

- Antofagasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km<sup>2</sup>) within Encounter's highly prospective Yeneena project (approximately 30% of Encounter's Yeneena land holding) by incurring expenditures of US\$20 million over a five year period.
- Antofagasta completes a private placement to inject A\$1,940,805 (US\$2,000,000) into Encounter (9,241,931 shares at A\$0.21 per share).

The benefits of the farm-in and joint venture agreement and equity investment by Antofagasta into Encounter include:

- Encounter will be joining forces with one of the major global copper companies to advance the exciting BM1-BM7 copper discovery trend;
- The transaction represents a significant financial investment by Antofagasta that ameliorates financial risks to project advancement;
- Exploration at Yeneena will continue to be managed by Encounter throughout the earn-in period with valuable input from the highly credentialed, globally recognised technical expertise of Antofagasta;
- In the event of a Decision to Mine, Encounter has the opportunity to enter a production joint venture with an experienced developer and operator in Antofagasta;
- Encounter retains the majority of the extensive Yeneena land holdings adjacent to the earn-in Tenements;
- The equity injection provides Encounter with additional funding to advance its other highly prospective targets within the remaining ~1,000km<sup>2</sup> land holding 100% controlled by Encounter; and
- The agreements provide a platform for Encounter to apply the successful target generation methodologies used by the Company to its extensive portfolio of prospects within the Yeneena project and elsewhere.

### Completion of Share Placement and Share Purchase Plan

During the quarter the Company completed a Share Purchase Plan ("SPP") and raised a total of A\$1,412,482. Together with the private placements to Antofagasta (A\$1,940,805) and professional/sophisticated investors (A\$500,000 before costs) completed during the quarter, the Company raised a total of approximately **A\$3.85 million**. The shares were issued at A\$0.21 per share.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the September 2013 quarter include:

1. Diamond drilling at BM7 (Antofagasta earning in)
2. Preparations for October 2013 diamond drilling at BM2 (Encounter 100%)
3. Complete heritage survey at BM7 East and BM8
4. Initial RC drilling over BM7 East and BM8 targets (Antofagasta earning in)
5. Receipt of final data from 1,250 line km VTEM survey
6. Target generation within VTEM survey area

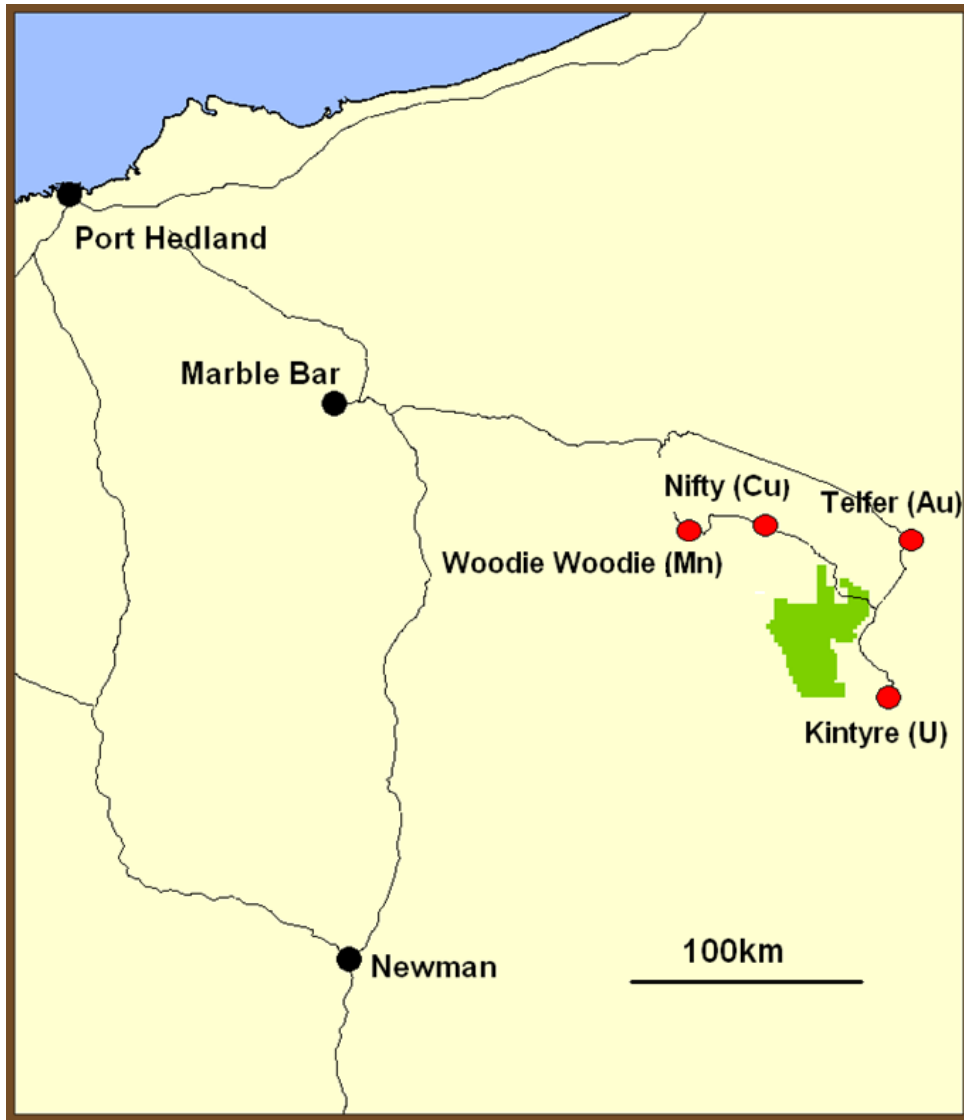


Figure 11: Yeneena Project Location Plan

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.*

## 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

47 109 815 796

Quarter ended ("current quarter")

30 June 2013

#### 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	(1,160)	(5,172)
(b) development	-	-
(c) production	-	-
(d) administration	(251)	(908)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	190
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 - R&D tax concession refund	-	209
- Other	104	140
<b>Net Operating Cash Flows</b>	<b>(1,290)</b>	<b>(5,541)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(16)	(29)
1.9 Proceeds from sale of: (a)prospects	-	20
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Farm-in cash calls received	1,379	1,379
<b>Net investing cash flows</b>	<b>1,363</b>	<b>1,370</b>
1.13 Total operating and investing cash flows (carried forward)	73	(4,171)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	73	(4,171)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds/(refunds) from issues of shares, options, etc.	3,853	3,853
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	(60)	(60)
	<b>Net financing cash flows</b>	<b>3,793</b>	<b>3,793</b>
	<b>Net increase (decrease) in cash held</b>	<b>3,866</b>	<b>(378)</b>
1.20	Cash at beginning of quarter/year to date	941	5,185
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>4,807</b>	<b>4,807</b>

**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	183
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

Expenditure for the quarter of \$922,453 (\$922,453 year to date) incurred by other entities pursuant to a farm-in agreement on projects held by the Company have been included at 1.2(a).

+ 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	1,500
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>1,750</b>

**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	1,307	941
5.2 Deposits at call	3,500	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,807</b>	<b>941</b>

**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			
6.2	Interests in mining tenements acquired or increased	Granted	0%	100%

+ 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 <b>Preference +securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	132,543,350	132,543,350		
7.4 Changes during quarter				
(a) Increases through issues	18,348,990	18,348,990		
(b) Decreases through returns of capital, buy-backs	-	-		
(c) Released from Escrow	-	-		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	5,425,000	-	\$1.35	22/11/2014
	550,000	-	\$0.80	30/9/2015
	550,000	-	\$0.40	31/5/2016
	1,450,000	-	\$0.30	30/11/2016
	750,000	-	\$0.39	30/11/2017
	750,000	-	\$0.21	31/5/2017
7.8 Issued during quarter	750,000	-	\$0.21	31/5/2017
7.9 Exercised during quarter	-	-		

+ See chapter 19 for defined terms.



7.10	Expired during quarter	200,000	-	\$0.30	30/6/2013
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (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:  
(Company secretary)

Date: 26 July 2013

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.