

*A highly active, well funded exploration company advancing a suite of greenfield discoveries in the Paterson Province of Western Australia*

**ASX Code**

ENR

**Market Cap (30/7/15)**

A\$17.5m (\$0.13/share)

**Issued Capital (30/6/15)**

134.5 million ordinary shares

7.4 million employee options

**Cash (30/6/15)**

A\$1.4M

**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**

*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 greenfield base metal discoveries that demonstrate the potential of the area for large tonnage, high quality deposits.*

**Millennium Zinc (Hampton earning up to 25%)**

- Five diamond drill holes completed under the earn-in agreement with Hampton Hill Mining NL ("HHM")
- Assays results from drill holes EPT2201 and EPT2203 that intersected a depth extensive iron rich gossan zone have confirmed broad intervals of weathered zinc mineralisation:
  - EPT2203 - 91.8m @ 1.6% Zn from 344.4m
  - EPT2201 - 38.7m @ 0.9% Zn from 255.8m
- This gossan unit has now been intersected in three drill holes, across two sections and is interpreted to be over 250m in strike extent and plunging to the south-east.
- This gossan unit may transition at depth into a body of zinc sulphide mineralisation.
- Drilling to recommence in September 2015 following receipt of remaining chemical assays, completion of petrology reports and rock property testing from the five completed holes.

**BM1-BM7 Copper Project (100% ENR)**

- Encounter has regained 100% interest, unencumbered, in the advanced BM1 and BM7 Copper Projects following the termination of the existing earn-in agreement with Antofagasta.
- Encounter intends to complete a RC drill campaign over a number of near surface, drill ready copper targets in October 2015.

**Lookout Rocks Copper Project (Antofagasta earning in)**

- Heritage survey completed with an initial 5,000m aircore/RC program to commence in August 2015 under the new earn-in agreement with Antofagasta (see below).

**CORPORATE**

- A\$1.4M cash balance as at 30 June 2015.
- New US\$6 million earn-in agreement with Antofagasta covering the Lookout Rocks Copper Project.
- Earn-in agreement completed with HHM to provide up to A\$2 million exploration funding at Millennium Zinc Project
- HHM has issued to Encounter 30,748,903 ordinary shares in HHM.
- Successful with two applications for EIS co-funding (totalling A\$300,000) for planned drill programs at Yeneena.

## EXPLORATION

### PATERSON PROVINCE

#### YENEENA COPPER / ZINC PROJECT

- 100% Encounter - E45/2500, E45/2502, E45/2503, E45/2657, E45/2658, E45/2805, E45/2806, E45/3768, E45/4091, E45/4230 and E45/4408
- 90% Encounter / 10% HHM - E45/2501, E45/2561 and the four eastern sub-blocks of E45/2500 with HHM earning up to 25%
- Antofagasta earning into E45/3768, E45/4091, E45/4230 and E45/4408

Yeneena covers a 1,850km<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).

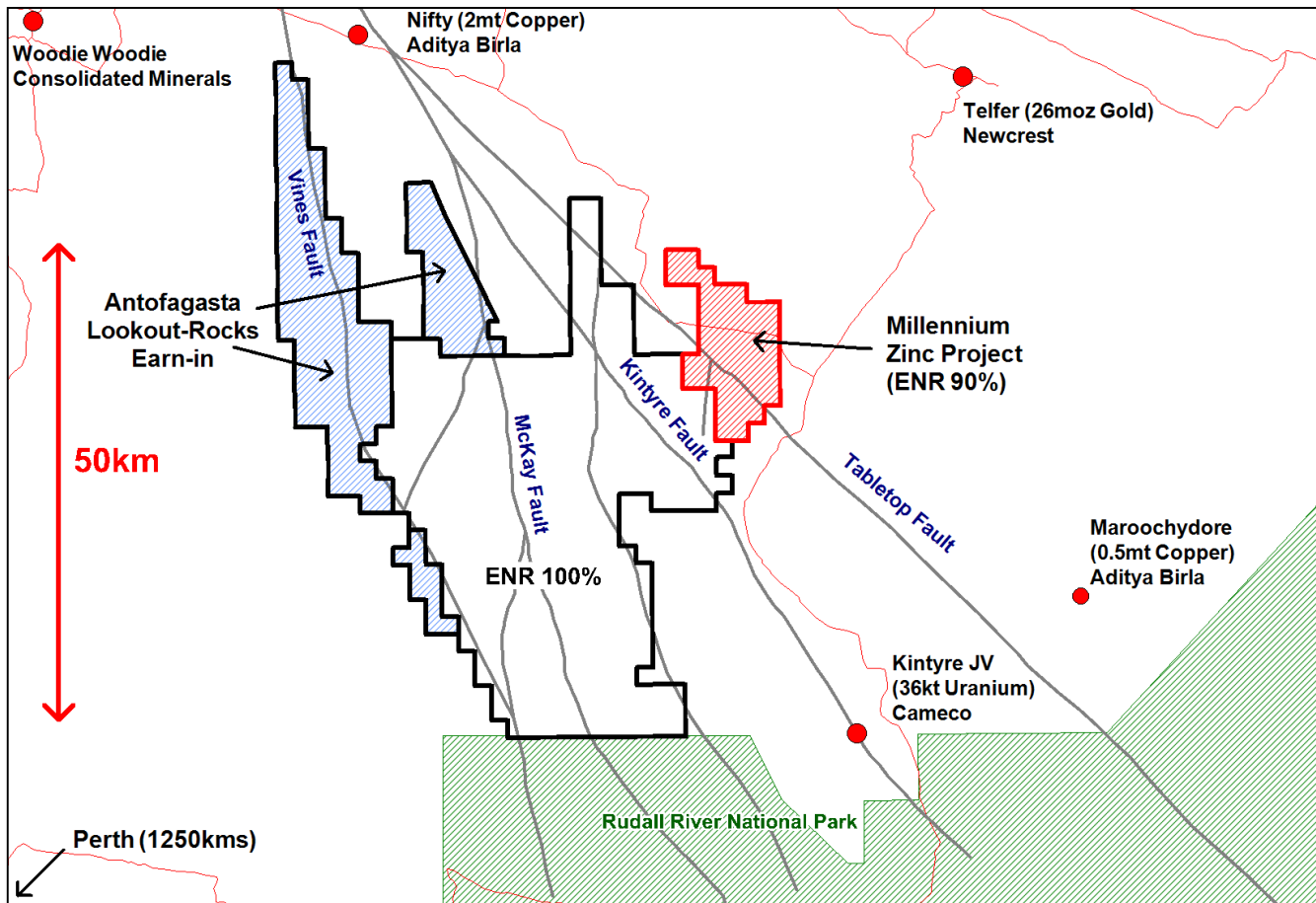


Figure 1: Yeneena project leasing and Earn-In areas with major regional faults

A diamond drilling program was completed with 5 holes drilled at the Millennium Prospect and one hole drilled at the BM7 prospect during the quarter. At Lookout Rocks a heritage survey was completed in preparation for the upcoming aircore/RC drill program planned to begin in early August 2015. At the Fishhook prospect, a geological mapping, lag and rock chip sampling program was conducted.

## BM1 – BM6 – BM7 – BM7 East Copper Prospects

### Background

In April 2013, Encounter completed its first earn-in agreement with a wholly owned subsidiary of Antofagasta plc, covering two JV tenements (E45/2658 and E45/2805) that contain a number of advanced copper prospects including BM1, BM6, BM7 and BM7 East. Subsequent to the end of the quarter, Antofagasta notified Encounter of their withdrawal from this earn-in and refocused their exploration investment at Yeneena to the Lookout Rocks Prospect. Since the commencement of the first earn-in, Antofagasta have sole funded over A\$7.5M of exploration expenditure on the two tenements. Encounter has regained a 100% unencumbered interest in the advanced BM1 & BM7 copper targets located within a defined 14km long mineralised system.

Encounter intends to complete a RC drill campaign over a number of near surface, drill ready copper targets at BM7 and BM1 in October 2015. This campaign will be performed either alone or in conjunction with a new joint venture partner.

### BM7 Prospect

Since the commencement of the Antofagasta funded program in April 2013 to the beginning of 2015, a total 11 diamond drill holes have been completed at BM7. These holes provide a broad spaced, 3D dataset covering an area that extends over 3km of strike.

A review late in 2014 of the Nifty copper sulphide deposit, located 65km to the north, identified siderite (Fe carbonate) and apatite (phosphorous mineral) in association with trace copper sulphide mineralisation as the diagnostic halo that extends laterally from the Nifty sulphide deposit (see Figure 2). This provides a template of key mineralisation vectors to high grade copper mineralisation in the Paterson Province. An evaluation of the drill data from the Yeneena copper prospects highlighted that a number of the key features of the Nifty alteration signature are evident within the BM1 – BM7 area.

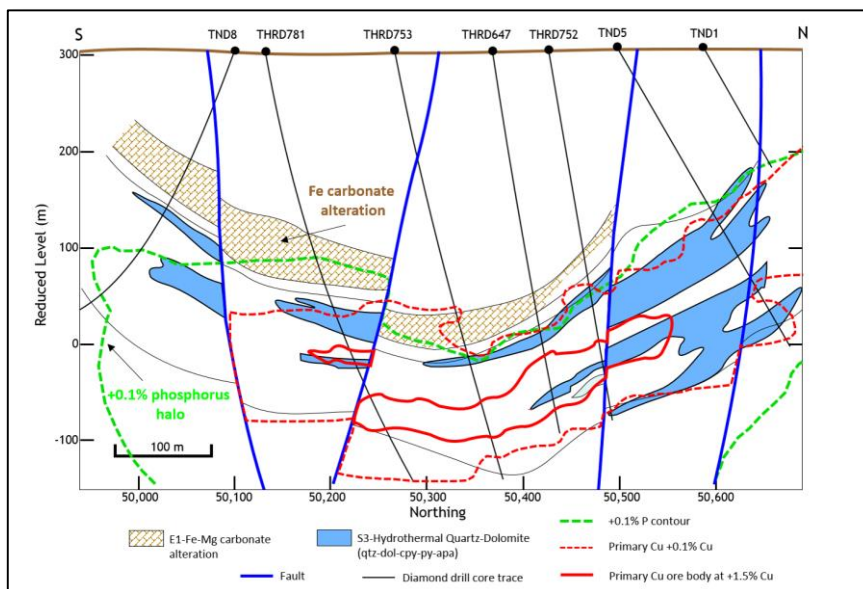


Figure 2: Cross section through Nifty copper deposit after Anderson (1999)

Drill hole (EPT2199) was completed during the quarter. EPT2199 was positioned (see Figure 3) to test a geochemical and structural vector identified north-east of the final hole of 2014 (EPT2158) that intersected 140m @ 0.2% Cu, including 1.3m @ 3.2% Cu from 250.4m. Encounter believes the intersection in EPT2158 forms part of a proximal halo to a potentially large scale copper sulphide system

(refer to ASX announcement 31 October 2014). The area to the east of EPT2158 contains a number of interpreted NW trending structures that may represent possible steep feeder to the BM7 copper mineralisation (see Figure 4).

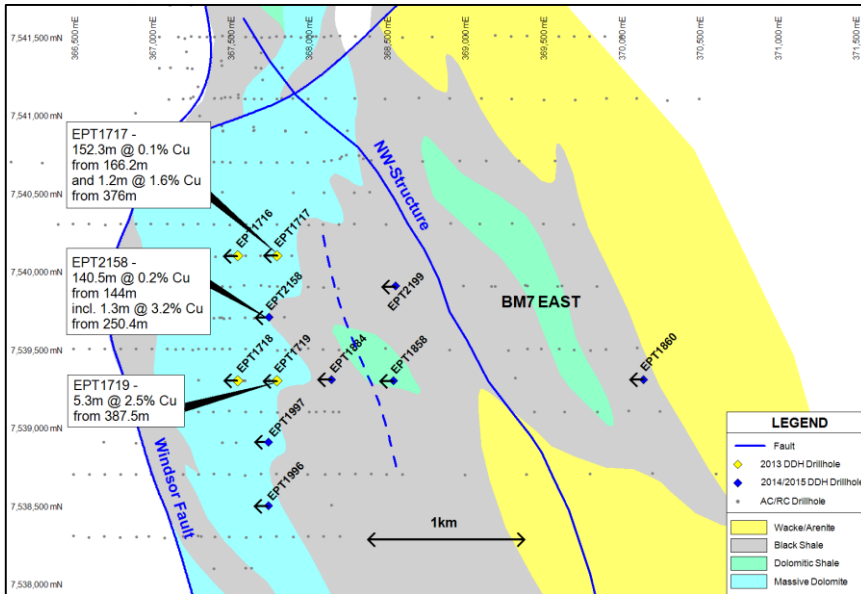


Figure 3: BM7 Diamond drilling status plan over magnetics (update with EPT2199)

EPT2199 was collared 800m east and 200m north of EPT2158 (see Figure 3). The hole intersected a thick package of fine grained sediments (shales, calcareous shales, pyritic black shales and minor very fine grained arenites). The expected thick packages of carbonate were not intersected indicating the hole may have ‘stepped over’ the targeted feeder structure. Sporadic disseminated copper sulphide mineralisation was noted within a 5m wide band of highly silicified sediments (assays pending) although the majority of the hole was unaltered and unmineralised. EPT2199 was stopped at a depth of 391.5m.

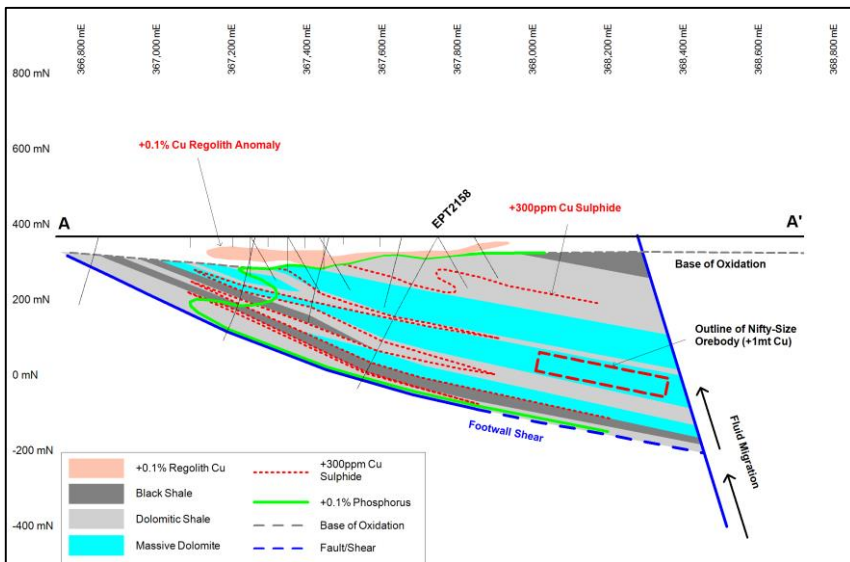


Figure 4: Interpreted cross section 7539700mN through BM7 with conceptual drill target

Future drilling at BM7 will test the area immediately east of EPT2158 and EPT1717 where the geochemical alteration vectors are strongest and indicative of the alteration seen proximal to the Nifty copper deposit.

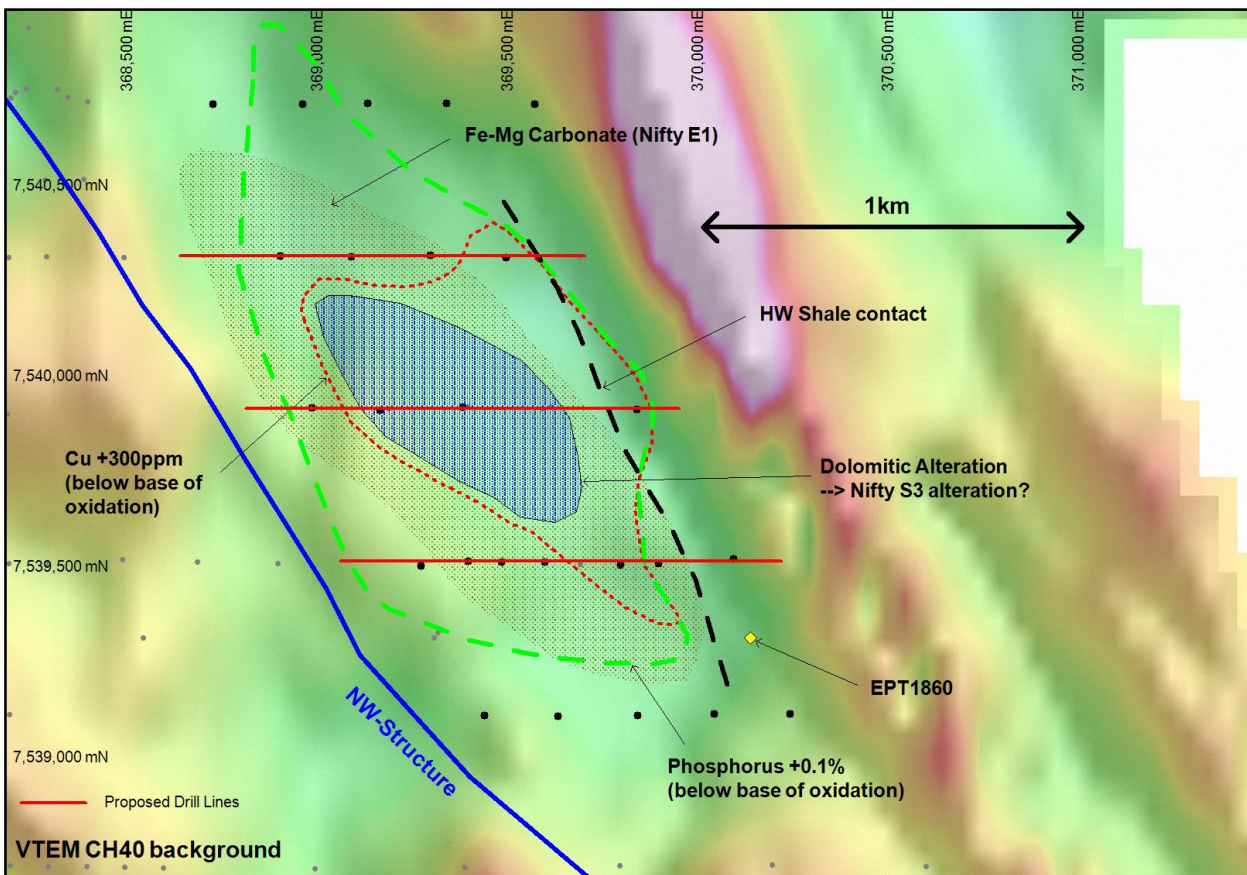
**BM7 East Prospect**

The BM7 East Prospect was identified in 2013 during wide-spaced aircore drilling east of the BM7 prospect. An RC drill program over BM7 East was completed in September 2014 with results reported in the previous quarterly report.

Fe-Mg carbonate (siderite) and phosphorus alteration haloes (apatite), which have been shown to be proximal alteration signatures to the Nifty hypogene high grade mineralisation, are found in high concentrations at BM7 East. The alteration halos underlie the core of a laterally extensive copper oxide blanket found at BM7 East that extends over 2km in strike (see Figure 5).

Drilling at depth at BM7 East will identify the extent of the alteration halos and potentially provide vectors to high grade hypogene copper mineralisation. The alteration and mineralisation intersected in the shallow drilling completed at BM7 East is similar to what is seen in the immediate hangingwall of the Nifty copper deposit.

Planning is underway for a deep RC drilling program to be completed in October 2015.



**Figure 5: Plan view of alteration and mineralisation through BM7 East – background image Ch40 VTEM**

**Millennium Zinc Prospect** – Encounter 90%/HHM 10% in E45/2501, E45/2561 and the four eastern sub-blocks of E45/2500. HHM may earn up to 25% interest.

### Background

The Millennium Prospect is located in the north-east of the Yeneena project (see Figure 1) and is subject to an Earn In Agreement with Hampton Hill Mining (“HHM”) (see ASX announcement 23 April 2015).

The Millennium Prospect lies in contact and is adjacent to 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 and RC drilling by Encounter has defined a +3km long zinc regolith anomaly that remains open to the south-east. Initial diamond drilling at the northern and southern ends of the regolith anomaly has intersected high grade zinc sulphide mineralisation including 0.7m @ 36.5% Zn in EPT1854 and 7m @ 5% Zn in EPT2198. A thick gossan intersection in EPT1831 demonstrated intense preferential weathering of sulphides along the shale – carbonate contact at Millennium.

### June 2015 Quarter Activity

In the June 2015 quarter five diamond holes were completed at the Millennium Prospect (see Figure 6). Three diamond holes (EPT2201, EPT2203 and EPT2206) were drilled in the north of the prospect and two holes have been drilled in the south (EPT2200 and EPT 2202)

EPT2201 was designed to target the carbonate-shale contact approximately 250m south-east of the high grade sulphide intersection EPT1854. EPT2201 intersected a thick zone of zinc rich gossan (Photo 1) from 255m to 300m downhole, before the hole failed at a depth of 334.2m above the targeted shale-carbonate contact. Assays from this intersection returned 38.7m @ 0.9% Zn from 255.8m incl. 8.6m @ 2.2% Zn from 285.9m (refer ASX announcement 9 July 2015). The gossan in this hole shows strong similarities to the intersection in EPT1831 and confirmed a significant strike extension of the gossan zone.

EPT2203 was drilled to test the mineralised contact position 150m down dip of EPT2201, at a similar depth from surface as the high grade zinc sulphide intersection in EPT1854. EPT2203 intersected a thicker and more competent zone of gossan material from 344m to 432m downhole, again with highly elevated zinc anomalism (see Photo 2 and Table 1). Assays from EPT 2203 returned 91.8m @ 1.6% Zn from 344.4m incl. 26.3m @ 2.1% Zn from 345.1m.

The three gossan intersections in EPT 1831, EPT 2201 and EPT 2203 demonstrate that the targeted zone has a significant thickness with continuous and consistent geometry (see Figures 7 and 8). The highly anomalous zinc mineralisation contained within the gossan supports the interpretation that it is likely to have formed by the oxidation of primary zinc sulphide mineralisation and that the targeted zone may transition at depth into a significant body of zinc sulphide mineralisation.

The final hole on the northern section, EPT2206, was drilled 200m directly down dip of EPT2203 (Figure 7), to target the sulphide zone on a possible steep plunge. This hole intersected a deformation zone/fluid conduit with alteration similar to that in EPT1854 but intersected only traces of disseminated zinc sulphides. Accordingly, it is interpreted that the mineralised shoot intersected in EPT1831, EPT2201 and EPT2203 has a shallow south-east plunge and that EPT2206 has drilled beneath the plunging shoot (see Figure 8 long section).

The gossan zone intersected at Millennium has been preferentially oxidised down to a depth of approximately 400m from surface. The sulphide intersection in EPT1854, located approximately 250m

north-west and along strike of EPT2201 and EPT2203, intersected narrow zones of brecciated and laminated massive zinc sulphide mineralisation that may be representative of the primary precursor zone to the gossan. Its occurrence at similar depths to that of the gossan in EPT2203 indicates the potential for accumulations of high-grade zinc sulphide within 500m of the surface at Millennium.

This interpretation is supported by the occurrence of transitional sulphides near the base of the gossan intersected in EPT2203, which is interpreted to be close to the sulphide interface. The boundary between oxide and sulphide mineralisation is expected to vary along strike at Millennium. This variation ranges from significant sulphide mineralisation intersected within 200m from surface in the south of the prospect in EPT2198, to preferential weathering up to 400m from surface in EPT2203 in the north.

The two southern diamond holes targetted a key structural intersection of the regionally significant Tabletop Fault and the southern margin of an interpreted sedimentary sub-basin.

The first of the southern holes (EPT2202) was collared 400m to the west of EPT2198. EPT2198 intersected zinc mineralisation associated with the shale-carbonate contact including 7m @ 4.76% Zn from 233m which included 1.4m @ 10% Zn from 234.55m (refer ASX release 12 January 2015). The hole intersected a structurally disrupted carbonate–shale contact at the expected depth. No high grade zinc sulphide mineralisation was intersected at the contact or within the brecciated carbonate hangingwall. It is interpreted that EPT2202 was drilled below the plunge of the possible high grade shoot (see Figure 8).

The second southern hole (EPT2200) was designed to test a modeled gravity anomaly well to the south of the mineralised shale-carbonate contact. Modeling of the ground gravity data had highlighted an 800m by 550m, 0.5mgal density anomaly along an interpreted NE trending transfer fault. The gravity feature had been modeled to be 80m thick and commencing from a depth of approximately 140m to 200m from surface. EPT2200 intersected a thick package of fine grained sediments consisting mostly of sulphidic shales and argillite which appeared to coarsened with depth. The hole was stopped at a depth of 414.7m. Minor traces of copper and zinc sulphide mineralisation were intersected in the hole. Selected samples have been taken for density measurements in order to help explain the source of the gravity anomaly and to use in refining the gravity model. Re-modelling of the gravity anomaly and the chemical analysis of these samples are in progress.

Hole_ID	Northing (m)	Easting (m)	RL (m)	EOH(m)	Dip	Azi
EPT2200	7568847	390550	315	414.7	-60	180
EPT2201	7571150	389150	315	334.2	-55	180
EPT2202	7570010	390549	315	308.5	-60	180
EPT2203	7571163	389154	315	515.3	-78	180
EPT2204*	7571315	389147	315	183.4	-80	180
EPT2205*	7571318	389147	315	65	-80	180
EPT2206	7571324	389147	315	669.6	-80	180

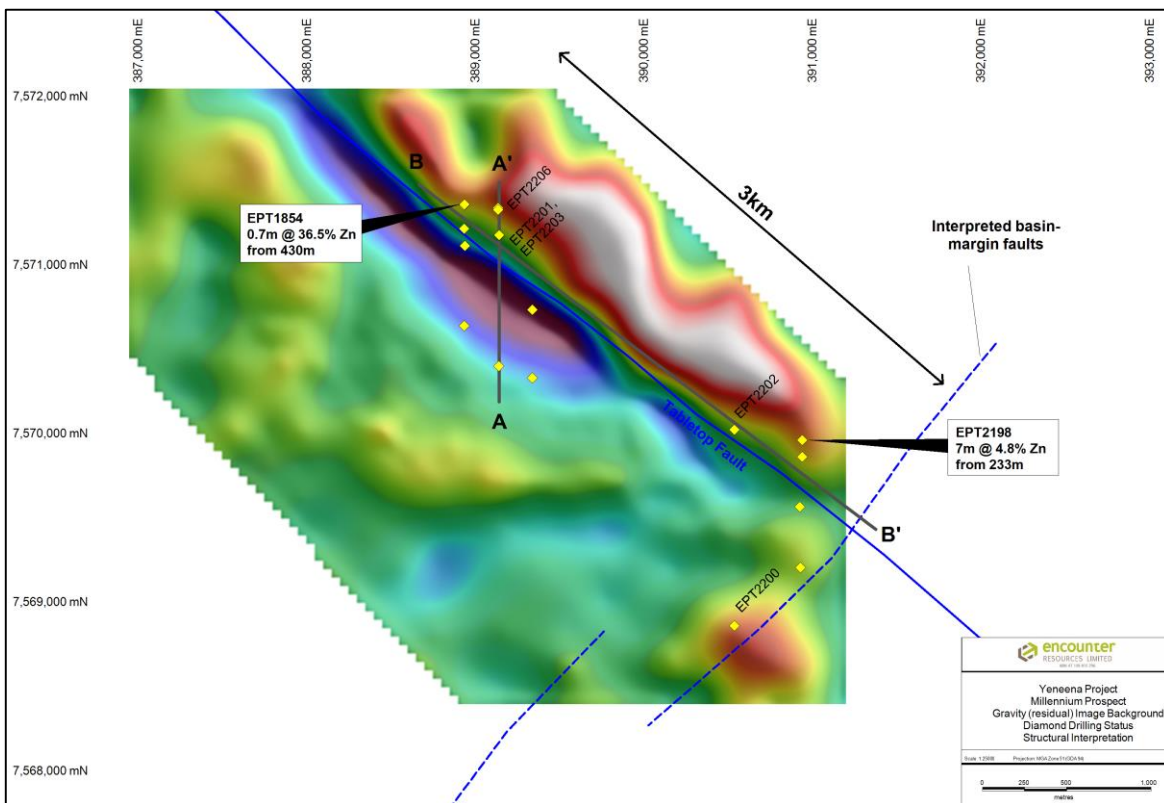
**Table 1: Diamond drilling collar location – Millennium**

*Estimated drill hole coordinates GDA94 zone 51 datum. Collars positioned via handheld GPS (+/-5m), EOH = End of hole depth; m=metre; azi=azimuth. \* Hole terminated following significant deflection of the RC pre-collar*

Hole ID	Prospect	From (m)	To (m)	Length (m)	Core Loss %	Cavities (m)	Zinc %
EPT2201	Millennium	255.8	294.5	38.7	54%	5.4	0.9%
Incl.		285.9	294.5	8.6	51%	-	2.2%
EPT2203	Millennium	344.4	436.2	91.8	38%	6.2	1.6%
Incl.		345.1	371.4	26.3	33%	-	2.1%
and		393.3	399.9	6.6	50%	-	1.2%
and		404.1	434.7	30.6	25%	1.1	1.7%
and		436.8	439	2.2	9%	-	0.1%

**Table 2: Diamond drilling assay results – Millennium**

Intervals are calculated at a 0.1% Zn lower cut-off, with internal higher grade intervals calculated at a 1% Zn lower cut-off. Core loss definition – percentage of drill core unrecovered/destroyed during the drilling process (excluding cavities). Significant cavities and core loss were encountered in EPT2201 and EPT2203. Where present, core loss was attributed to the end of the drill run, and sampling intervals do not span across core loss. All quoted intersections in this announcement are length-weighted amalgamations of sampling intervals (thus include core loss and cavities) quoted as broad intersections.



**Figure 6: Diamond drilling collar location – Millennium**

**Future Plans**

Reprocessing of the ground gravity data and inversions as well as a 2D forward model is currently being completed. This work is aimed at identifying structural shoots along the shale-carbonate contact at Millennium that may have acted as focused conduits for the mineralising fluids.

An RC drilling program is being designed to test the undrilled gap along the shale-carbonate contact between the mineralised sections in the north and south of the prospect. The RC holes will be designed to test for extensions to the gossanous zone and provide pre-collars for future diamond drilling.

Diamond drilling to test the interpreted south-east plunge to the zinc mineralisation will commence following the completion of the RC program.



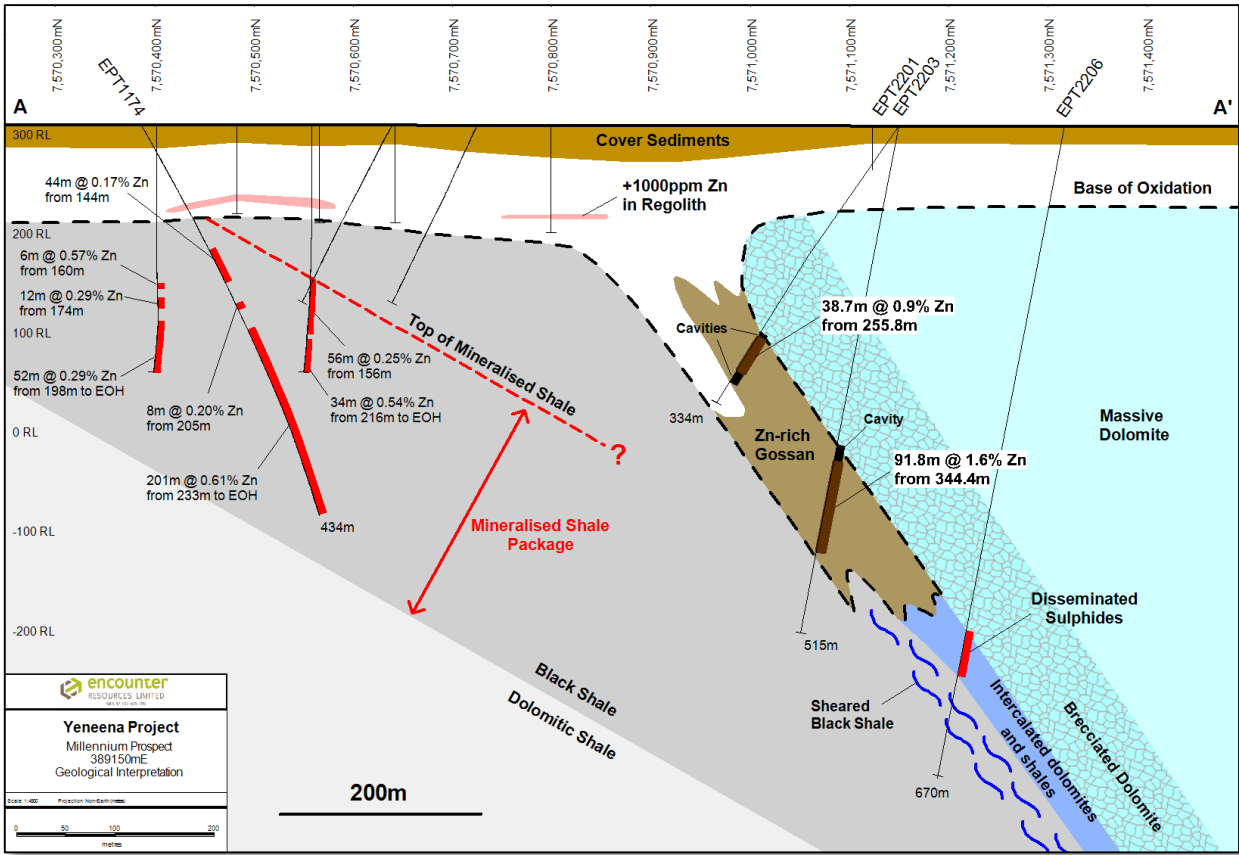


Figure 7: Cross Section 389150mE (A-A') – Millennium

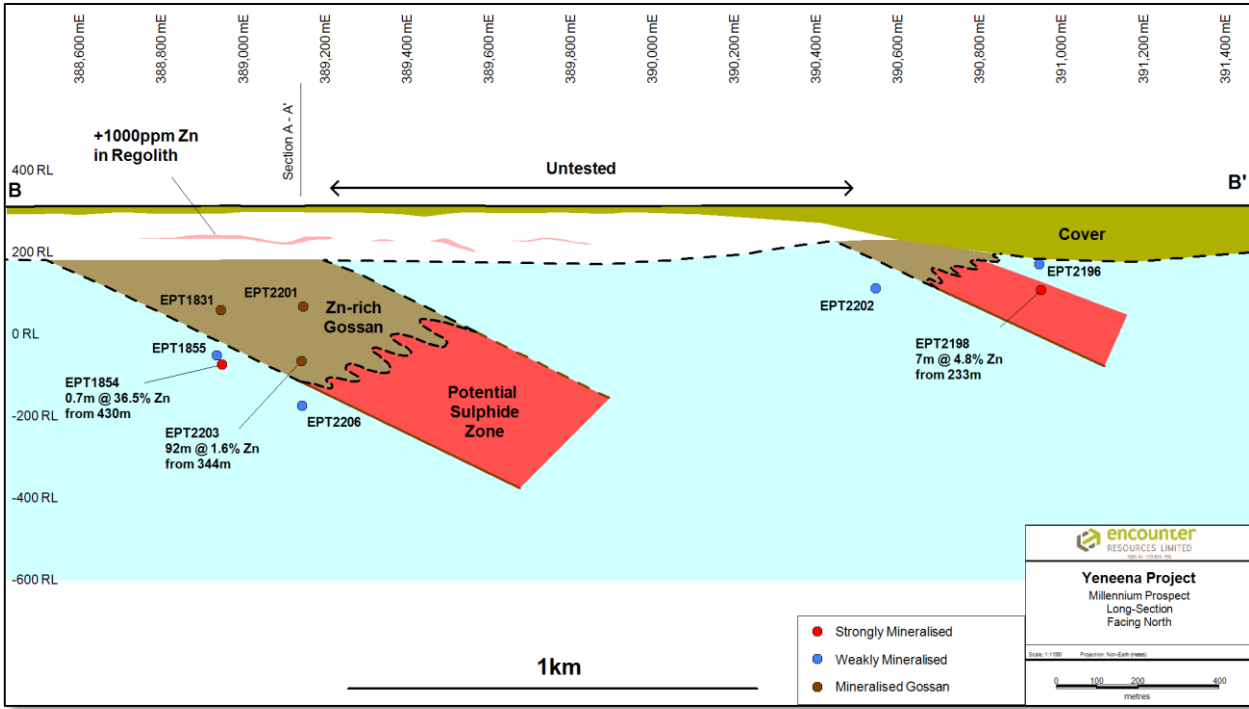


Figure 8: Diamond drilling long section (B – B') – Millennium



Photo 1: Gossan zone from ~ 281m in EPT 2201



Photo 2: Gossan zone from 408.9m to 419.2m in EPT2203

**Stirling Project  
(E45/3232 and E45/3308 – 100% St Barbara / Encounter earning in)**

Encounter completed 3 RC holes and 6 aircore holes at the Stirling project during the 2014 field season. This drilling was co-funded under the WA Government Exploration Incentive Scheme. The primary aim of the drilling was to determine the source of a subtle but discrete aeromagnetic anomaly located 10km SW of the Telfer gold deposit.

Petrology confirmed a Proterozoic dolerite dyke as the source of the magnetic anomaly and assays confirmed only minor geochemical anomalism. As the primary target has been tested Encounter has informed St Barbara Mines Ltd of our intension to withdraw from the Stirling earn-in agreement.

**Lookout Rocks / Throssel Range Project  
(E45/3768, E45/4091, E45/4408 and E45/4230 – 100% Encounter / Antofagasta earning in)**

Subsequent to the June quarter Encounter completed a new earn-in agreement with a wholly owned subsidiary of Antofagasta plc whereby it may earn a 70% interest in Lookout Rocks / Throssel tenements within the Yeneena project by incurring expenditures of US\$6 million over a four year period. The Lookout Rocks / Throssel Range projects extends north-west of the 100% owned Fishhook prospect and cover over 30 strike kms of interpreted Broadhurst sediments. Interpretation of the detailed airborne electromagnetic data indicates the prospective structures and Broadhurst lithologies extend over the entire length of the project in an area that contains very little previous exploration activity.

During the quarter a Heritage Survey was conducted to provide access for the planned aircore and RC drill program scheduled to begin in early August 2015. The survey cleared access routes and planned drill lines across key structural targets.

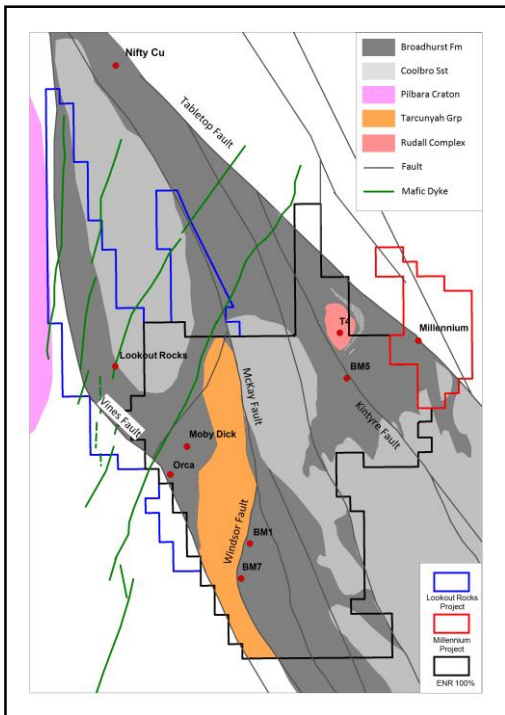


Figure 9: Lookout Rock / Throssel Range Project – Geological and structural interpretation with leasing

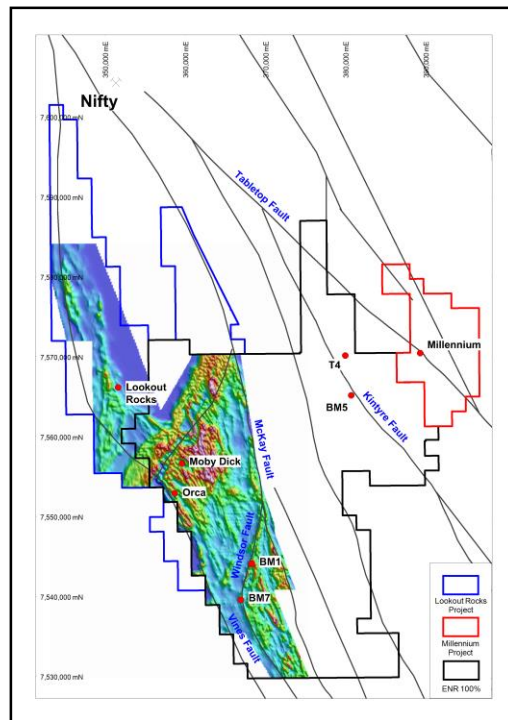


Figure 10: Yeneena project leasing over Ch35 VTEM image

**Fishhook Prospect (E45/2657 – 100% Encounter)**

The Fishhook prospect is located directly north of the Antofagasta Earn-In tenements and hosts the Moby Dick and Orca copper prospects identified in 2014.

During the quarter the company reviewed the various geophysical datasets as well as all other drilling and geological data as part of a target generation process over the Fishhook area. Key selected areas were then traversed in the field. Along each traverse lag sampling was completed at 400m spaced intervals. Outcropping bedrock was also sampled, geologically mapped and tested with a portable XRF (Niton) to check for anomalous geochemistry.

Geochemical results from the lag sampling and selected rock chips collected from the traverses identified a number of anomalous areas for follow up work which will be completed later in the year.

## CORPORATE

Encounter held cash reserves at \$1.4m at 30 June 2015.

In April 2015, an earn-in agreement was completed with HHM to provide up to \$2 million exploration funding for the Millennium Prospect. During the quarter HHM completed the Initial Earn In Phase by expending \$500,000 and has acquired a 10% interest in Millennium. Based on the results of the initial diamond drill program, HHM elected to sole fund the Second Earn-in Phase for an additional \$500,000 to preserve its initial 10% interest and to maintain the right to earn a further 15% interest in Millennium. During the quarter, HHM has issued to Encounter 30,748,903 ordinary shares in HHM.

Subsequent to the end of the quarter, Encounter completed a new US\$6 million earn-in agreement with Antofagasta Minerals Perth Pty Limited (“Antofagasta”), covering the Lookout Rocks Copper Prospect. The agreement with Antofagasta relates to tenements E45/4091, E45/4408, E45/4230 & E45/3768. Antofagasta also made the decision to withdraw from the existing earn-in agreement covering tenements E45/2658 and E45/2805 and to refocus their exploration approximately 35-50km to the north at Lookout Rocks.

Encounter made two successful applications for the WA Government Exploration Incentive Scheme (“EIS”). These co-funding grants provide up to A\$300,000 for planned drill programs at Yeneena and the Lookout Rocks/Throssell prospect.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the September 2015 quarter include:

1. Millennium – Complete 2D and 3D gravity modelling to assist in the definition of potential mineralised shoots (Hampton earn-in).
2. Millennium – Complete an RC drill program focusing on 2km long untested contact zone between the northern and southern mineralised positions and to provide pre-collars for planned diamond drilling program scheduled to commence in September/October 2015 (HHM earn-in).
3. Lookout Rocks / Throssell Range – Complete initial 5000 metre AC/RC drill program over priority structural targets (Antofagasta earn-in).
4. BM1, BM7 and BM7 East – Deep RC drill program targeting priority geochemical and structural targets. This drilling is scheduled to commence in October 2015.
5. Follow-up field reconnaissance of geochemical anomalies identified from the lag and rock chip sampling program at the Fishhook project.

## TENEMENT INFORMATION

Lease	Location	Project Name	Area km <sup>2</sup>	Interest at start of quarter (01/04/2015)	Interest at end of quarter (30/06/2015)
E53/1232	26km SE of Wiluna	Wiluna South	30.2	60% of uranium rights	60% of uranium rights
E36/769	78km S of Wiluna	Yeelirrie South	48.8	100%	0%
E53/1685	50km SW of Wiluna	Bellah Bore East	46.0	100%	0%
E51/1570	50km SSE of Meekatharra	Hillview	89.0	100%	100%
E70/4667	45km E of Moora	Bindi Bindi	316.9	0%	100%
E45/2500	266km NE of Newman	Paterson – Hampton Earning-in*	163.4	100%	90-100%
E45/2501	277km NE of Newman	Paterson – Hampton Earning-in	41.4	100%	90%
E45/2502	261km NE of Newman	Paterson	216.3	100%	100%
E45/2503	253km NE of Newman	Paterson	76.3	100%	100%

E45/2561	276km NE of Newman	Paterson – Hampton Earning-in	86.0	100%	90%
E45/2657	246km NE of Newman	Paterson	222.8	100%	100%
E45/2658	245km NE of Newman	Paterson	222.8	100%	100%
E45/2805	242km NE of Newman	Paterson	209.7	100%	100%
E45/2806	251km NE of Newman	Paterson	63.7	100%	100%
E45/4230	246km NE of Newman	Lookout Rocks - Antofagasta Earning-in	92.4	100%	100%
E45/3232	295km NE of Newman	Paterson - St Barbara Earn-in	22.3	0%, ENR earning 70%	0%, ENR earning 70%
E45/3308	293km NE of Newman	Paterson - St Barbara Earn-in	38.3	0%, ENR earning 70%	0%, ENR earning 70%
E45/3768	241km NE of Newman	Lookout Rocks / Throssell Range - Antofagasta Earning-in	187.8	100%	100%
E45/4091	253km NE of Newman	Lookout Rocks - Antofagasta Earning-in	257.7	100%	100%
E45/4408	262km NE of Newman	Throssell Range - Antofagasta Earning-in	41.7	100%	100%

\* Hampton earning into the four eastern block of E45/2500

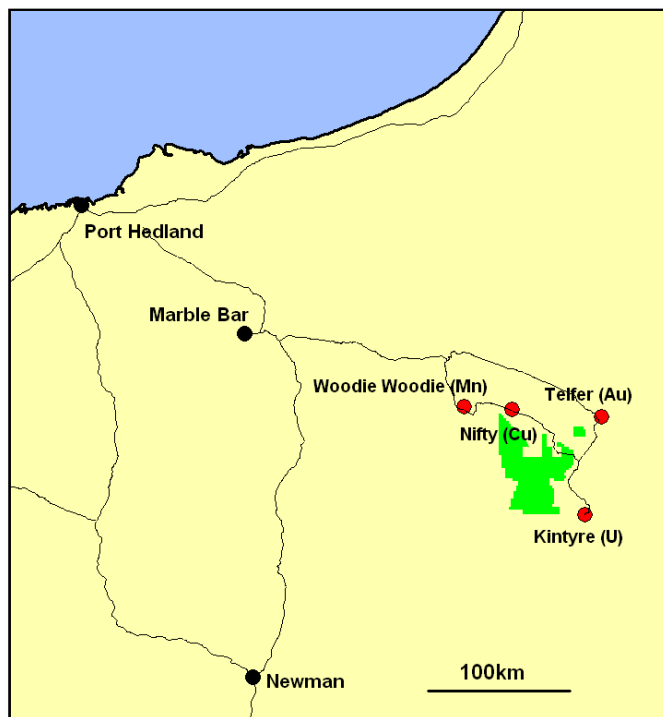


Figure 11: Yeneena Project Location Plan

Will Robinson  
Managing Director

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick holds shares and options in and 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 2012 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 the information compiled by him, in the form and context in which it appears.*

*The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.*

# 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 2015

### 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	(736)	(4,968)
(b) development	-	-
(c) production	-	-
(d) administration	(188)	(793)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	76
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 - R&D tax concession refund	-	-
- Other (incl. EIS drilling grant)	30	301
<b>Net Operating Cash Flows</b>	<b>(886)</b>	<b>(5,384)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(34)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	49
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Farm-in cash calls received	500	2,908
<b>Net investing cash flows</b>	<b>500</b>	<b>2,923</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(386)</b>	<b>(2,461)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(386)	(2,461)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds/(refunds) from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	-	(4)
	<b>Net financing cash flows</b>	-	(4)
	<b>Net increase (decrease) in cash held</b>	(386)	(2,465)
1.20	Cash at beginning of quarter/year to date	1,758	3,837
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,372	1,372

**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	176
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

During the quarter the Company received 30,748,903 ordinary fully paid shares in Hampton Hill Mining NL (Hampton) as consideration for Hampton to maintain the right to earn up to 25% in the Millennium Project in terms of the Earn-in and Joint Venture Agreement announced on 23 April 2015

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 \$771,889 (\$3,070,542 year to date) has been incurred by other entities Pursuant to farm-in agreements on projects held by the Company.

+ 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	700
4.2 Development	-
4.3 Production	-
4.4 Administration	230
<b>Total</b>	<b>930</b>

Estimated exploration costs for proposed work programs to be funded by other entities pursuant to farm-in agreements for the September quarter have been included in 4.1.

**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	1,173	1,505
5.2 Deposits at call	199	253
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,372</b>	<b>1,758</b>

+ See chapter 19 for defined terms.



**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	E36/769 E53/1685	Relinquished Relinquished	100% 100%	0% 0%
	6.2	Interests in mining tenements acquired or increased	E70/4667	Tenement Granted	0% 100%

**Issued and quoted securities at end of current quarter**

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<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>	134,543,350	134,543,350	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Released from Escrow	- - -	- - -	
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7	<b>Options</b> (description and conversion factor)			<u>Exercise price</u>	<u>Expiry date</u>
		450,000	-	\$0.80	30/9/2015
		450,000	-	\$0.40	31/5/2016
		1,450,000	-	\$0.30	30/11/2016
		600,000	-	\$0.39	30/11/2017
		750,000	-	\$0.21	31/5/2017
		200,000	-	\$0.31	31/1/2018
		670,000	-	\$0.22	31/5/2018
		1,250,000	-	\$0.23	27/11/2018
		750,000	-	\$0.31	27/11/2019
		800,000	-	\$0.16	31/1/2019
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
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: 31 July 2015

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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