

*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 (28/04/16)**

~A\$19m (\$0.125/share)

**Issued Capital (31/03/16)**

155.6 million ordinary shares

12.7 million options

**Cash (31/03/16)**

~A\$4.0M

**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

**[www.enrl.com.au](http://www.enrl.com.au)**

Level 7, 600 Murray Street  
West Perth WA 6005

P: 08 9486 9455  
F: 08 6210 1578

[contact@enrl.com.au](mailto:contact@enrl.com.au)

**HIGHLIGHTS****YENEENA - Paterson Province, WA**

*The Yeneena Region ("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.*

Field operations have recommenced at Yeneena with diamond drilling planned at the BM1-BM7 and Lookout Rocks Copper Projects and the Millennium Zinc Project in the coming months:

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

- A cover corrected gravity model has been produced over 6km of the BM1-BM7 copper trend. The model has highlighted three, previously untested density anomalies situated along strike of bedrock geochemical alteration anomalies and copper mineralisation that are consistent with a halo to a potential high grade copper system.
- Drill testing of these targets is to commence in early May 2016. This drilling will be 50% funded (up to \$150,000) under the WA Government Exploration Incentive Scheme.

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

- A passive seismic survey trial was recently completed at Millennium. The objective of this survey is to map cover depth and potentially provide additional structural information at the project to assist with drill planning.
- Based on the encouraging outcomes at BM1-BM7, an exercise of removing cover interference from the gravity modelling at Millennium is in progress and will be completed in May 2016.
- Drilling at Millennium is scheduled to re-commence in June 2016.

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

- Late in 2015, Encounter identified a sub-cropping gossan adjacent to broad zones of copper anomalism drilled in aircore/RC drilling at Lookout Rocks South. These gossanous outcrops together with strongly leached Broadhurst sediments intercepted in shallow drilling at Lookout Rocks South and Lookout Rocks East indicate the presence of copper sulphides within the Broadhurst Formation sequence.
- An initial 1-2 diamond hole program is scheduled to commence in May 2016. Exploration at Lookout Rocks is currently 100% funded by Antofagasta.

**CORPORATE**

- ~A\$4.0 million cash balance as at 31 March 2016.

## 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 1,950km<sup>2</sup> of granted exploration licenses 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).

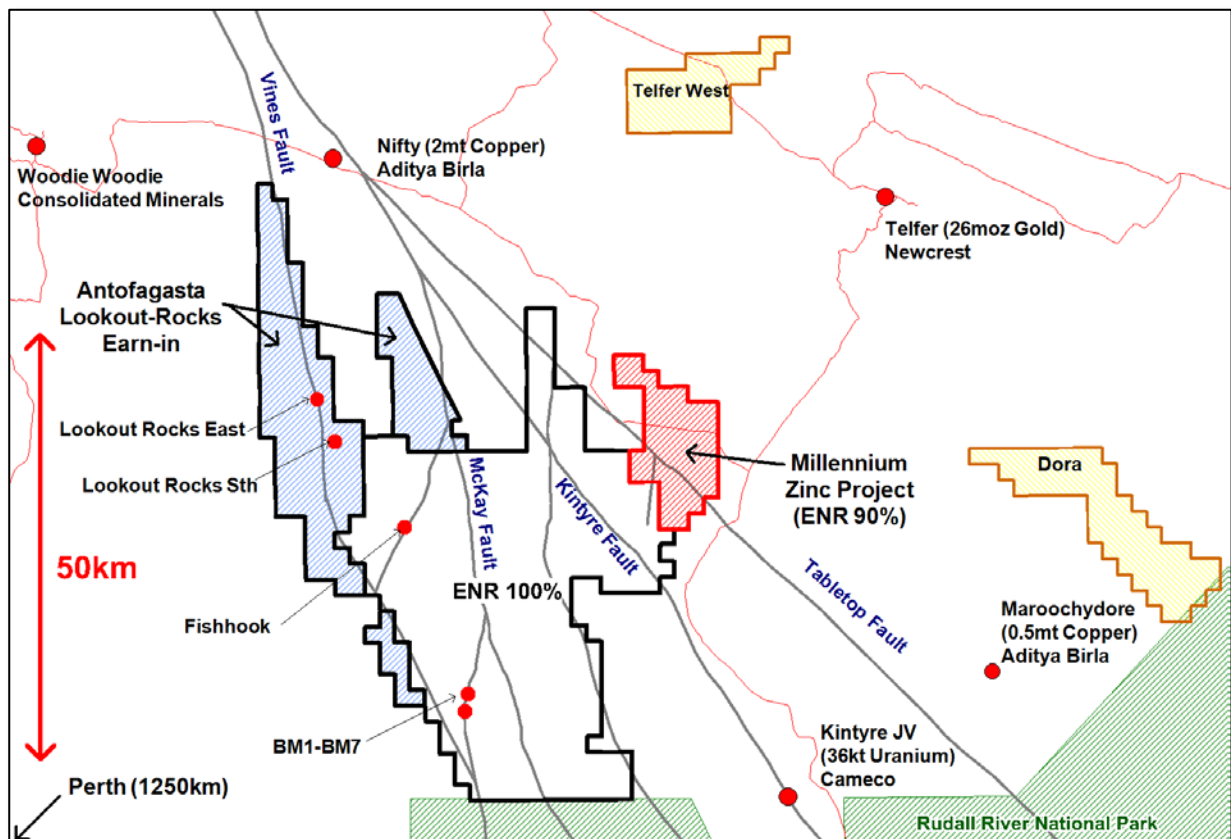


Figure 1: Yeneena tenements: Projects and Earn-In areas with major regional faults

**Millennium Zinc Project** – 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 Project is located in the north-east Yeneena (see Figure 1) and is subject to an Earn In Agreement with Hampton Hill Mining ("**HHM**") (*refer ASX release 23 April 2015*).

The Millennium Project lies on the north eastern margin of Yeneena at the intersection of the NNW trending Tabletop Fault and the NE orientated Tangadee structural lineament. This intersection of two metallogenically important structural corridors is a first order target and typical of the style of setting that is associated with large scale metal deposits.

Previous aircore and RC drilling by Encounter has defined a +3km long zinc regolith anomaly that remains open to the SE. Diamond drilling at Millennium has intersected a thick zinc gossan at the contact between a brecciated carbonate and a thick sequence of carbonaceous shales of the Broadhurst Formation. Previous assay results from the gossan include, (*refer ASX release 9 July 2015*):

38.7m @ 0.9% Zn in EPT2201 from 255.8m; and  
91.8m @ 1.6% Zn in EPT2203 from 344.4m

High tenor zinc sulphide mineralisation, in the form of sphalerite, has been intersected below the gossanous unit and returned assays of, (*refer ASX releases 12 January 2015 and 13 December 2013*):

0.7m @ 36.7% Zn in EPT1854 from 430m; and  
7m @ 4.8% Zn in EPT 2198 from 233m.

Three high priority target zones have been identified for follow up in 2016 (see Figure 3):

1. Target Zone Central – large untested target area south-east of the strongly mineralised gossan intersection EPT2260
2. Target Zone South-East - interpreted zone of coherent zinc sulphide mineralisation including EPT 2198 (7m @ 4.8% Zn) that is open and strengthening to the south-east
3. Target Zone North West – high-grade zinc sulphide mineralisation intersected in EPT1854 (0.7m @ 36.7% Zn) that remains open downdip and along strike to the north and west.

**Target Zone Central** - EPT2260 contained a broad interval of weathered zinc mineralisation that has extended the gossan zone at Millennium. This interval returned an assay of 70m @ 2.3% Zn from 182 metres down hole to end of hole. This is the strongest mineralised gossan intersection to date.

To follow up on this exciting result, a diamond drill hole EPT2278 was completed to test for a steep plunge targeting approximately 150 metres further down dip. This hole did not intersect significant zinc mineralization on the carbonate shale contact which indicates that any in depth extension to the strong zinc mineralization intersected in EPT2260 most likely has a relative flat plunge to the south-east. Supporting this interpretation, EPT2264 located approximately 600 metres south-east of EPT2260 also intersected a strongly mineralised gossan of 18m @ 1.1% Zn from 148 metres down hole to end of hole.

Accordingly, the large untested target area located south-east of the strongly mineralised intersection EPT2260 will be a key focus of exploration at Millennium in 2016.

**Target Zone South-East** - EPT2261 contained a sulphide intersection of 14m @ 1.8% Zn from 223 metres down hole. EPT2261 is located 100 metres north-west of an earlier hole, EPT 2198, which recorded 7m @ 4.8% Zn from 233 metres down hole (*refer ASX release 12 January 2015*). EPT2261 established the continuity of an interpreted zone of coherent zinc sulphide mineralisation located in the south-east of the Millennium Project that requires further drill testing.

EPT2262 was drilled to test a steep plunge position below EPT2198 and intersected the carbonate-shale contact but was not well mineralised. The contact area was heavily brecciated and altered and it is interpreted that this hole intersected a position where later faulting has offset the mineralised contact.

A ground gravity survey was completed in October 2015 in this area to extend gravity coverage to the south-east of the known mineralised trend at Millennium and to assist in drill planning. A follow up aircore or RC program is planned to provide initial subsurface information of this structurally compelling, shallow drill target.

**Target Zone North West** - EPT2257 was pre-collared with the RC rig and completed with diamond drilling during the December 2015 quarter. The hole was designed to test the hypothesis of a shallow south-east plunge of the zinc rich gossan intersected in EPT2201 and EPT2203. However, EPT2257 did not intersect any significant zinc at the carbonate shale contact which was heavily brecciated and altered. Accordingly, it is interpreted that EPT2257 either intersected a position where later faulting has offset the mineralised contact, or that the mineralised unit intersected in EPT2201 and EPT2203 is plunging in a north-westerly direction. The potential remains to define additional mineralisation down dip and up dip of the postulated late fault as well as along strike to the north-west towards EPT1854 (0.7m @ 36.7% Zn).

### **Next Steps**

At the south-east of Millennium, gravity data collected in the December 2015 quarter, is being interpreted in conjunction with other geophysical and geochemical datasets previously collected by Encounter.

A passive seismic trial was completed in April 2016 at Millennium. The objective of this survey was to map cover depth and potentially provide additional structural information to assist with drill planning.

An exercise of removing cover noise from the gravity model at Millennium has commenced. The objective is to produce a cover corrected gravity image similar to the encouraging work recently completed at BM1-BM7.

The comprehensive geochemical, structural and geophysical review of Millennium is progressing. The results of this review will be used to design a program of systematic drill testing of the three high priority target zones identified at Millennium.

Drilling based on the outcomes of the review at Millennium is scheduled to commence in early June 2016.

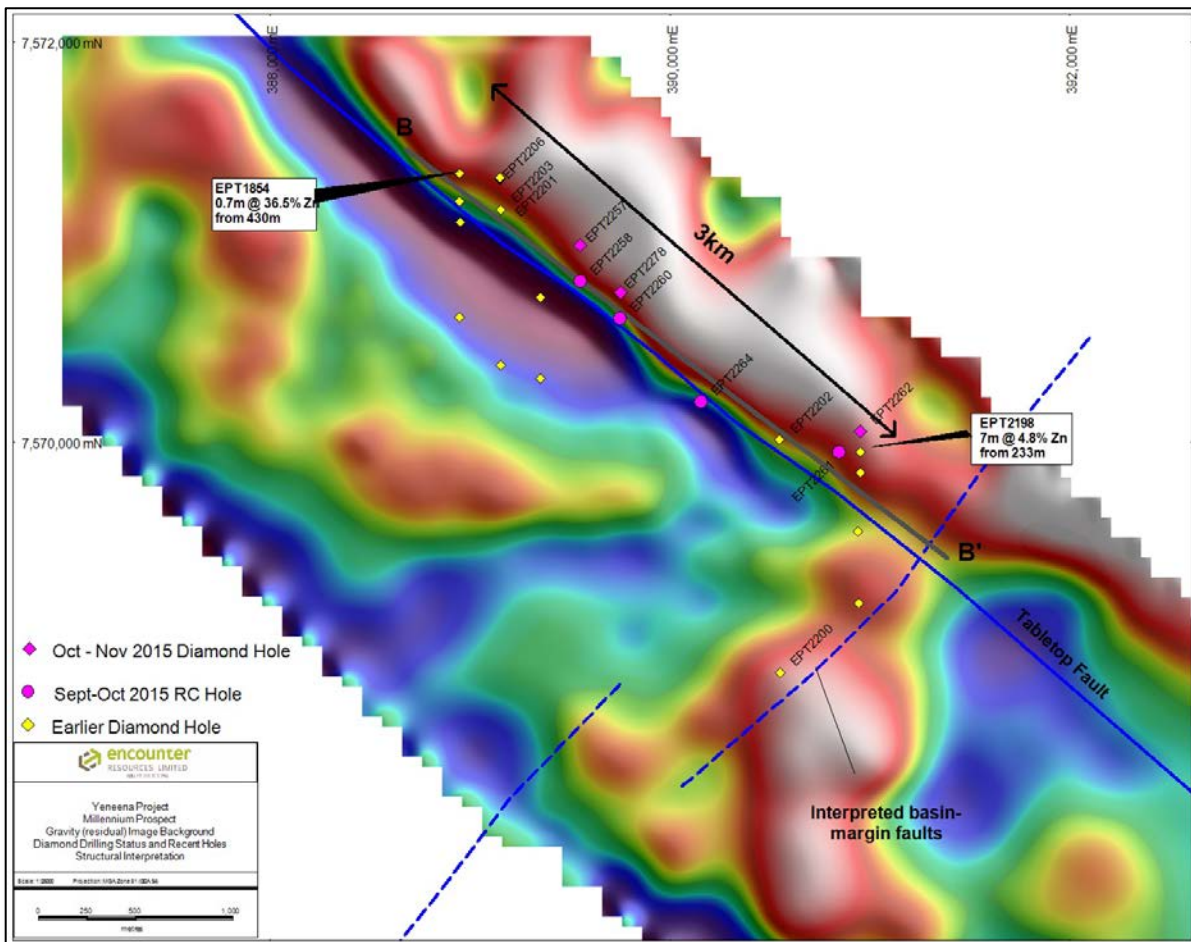


Figure 2: Drill hole collar location – Millennium

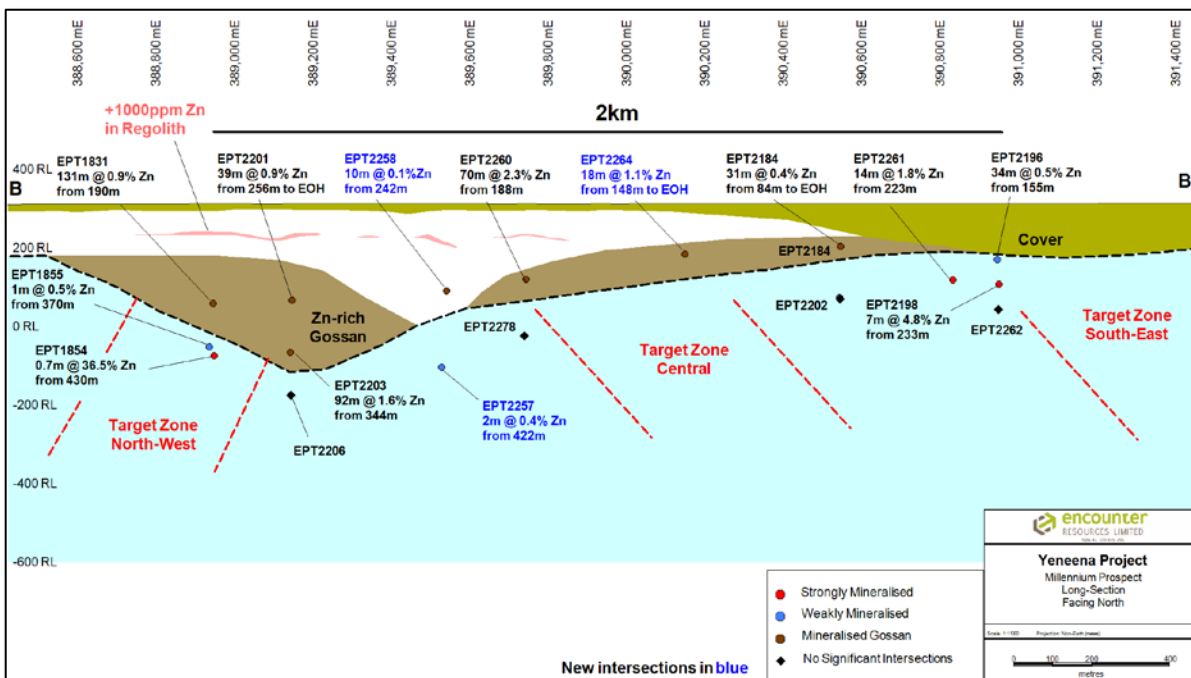


Figure 3: Drill hole long section (B – B') – Millennium showing diamond and recent RC holes only

## BM1–BM7 Copper Project

A 14km long copper system, discovered and wholly owned by Encounter, that contains high grade Cu sulphide at BM7 and a coherent zone of near surface Cu oxide mineralisation at BM1.

### Background

Between 2013 to 2015, a total of 13 diamond drill holes were completed at BM7. These holes provide a broad spaced, 3D dataset covering an area that extends over 3km of strike.

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

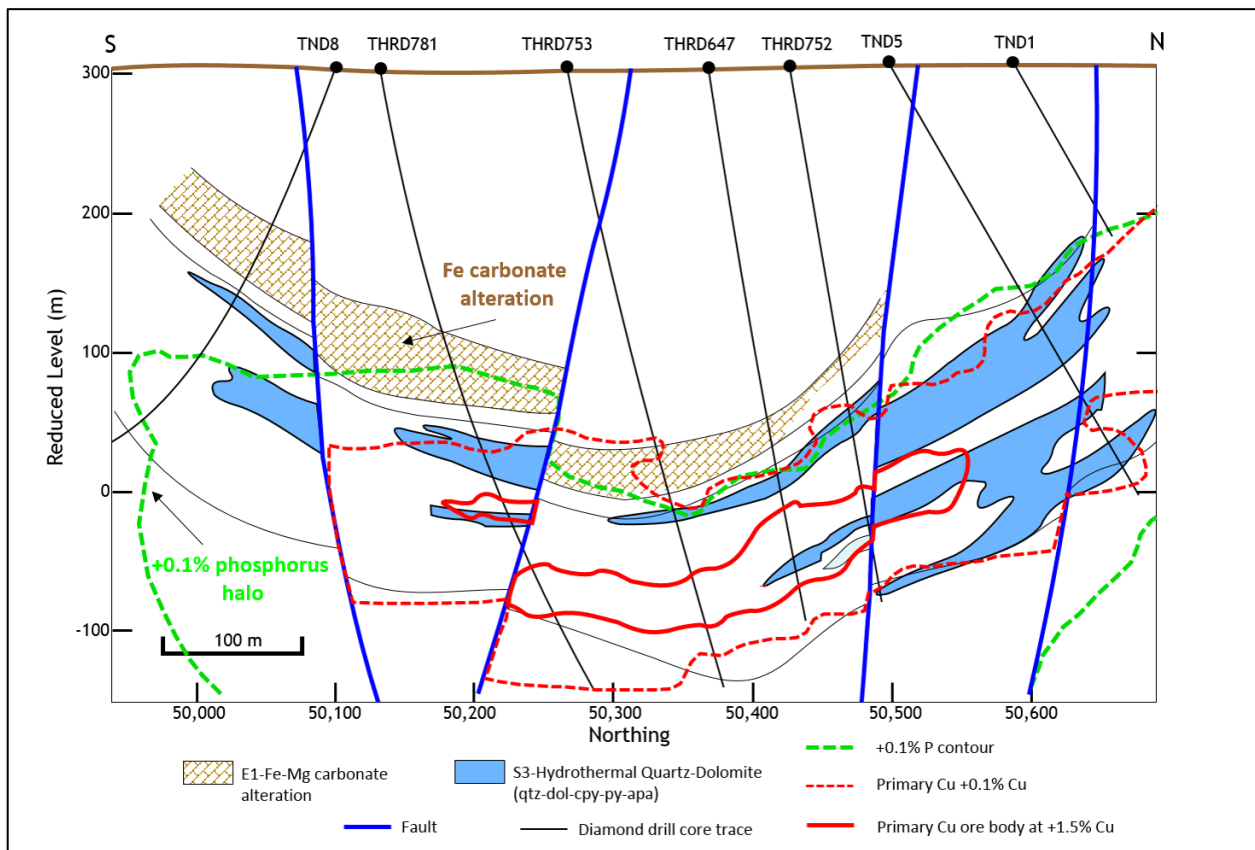


Figure 4: Cross section through Nifty copper deposit after Anderson (1999)

### March 2016 Quarter Activity.

A cover corrected gravity model has been produced over 6km of the BM1-BM7 copper trend. The model has highlighted three new, previously untested and significant density anomalies. The gravity anomalies are situated along strike of bedrock geochemical alteration anomalies and copper mineralisation that are consistent with a halo to a potential high grade copper system (see Figure 5). The anomalies also have the scale and amplitude that is consistent with the targeted large tonnage copper sulphide body. Drill testing of these targets is scheduled to commence in early May 2016. This drilling will be 50% funded (up to \$150,000) under the WA Government Exploration Incentive Scheme.

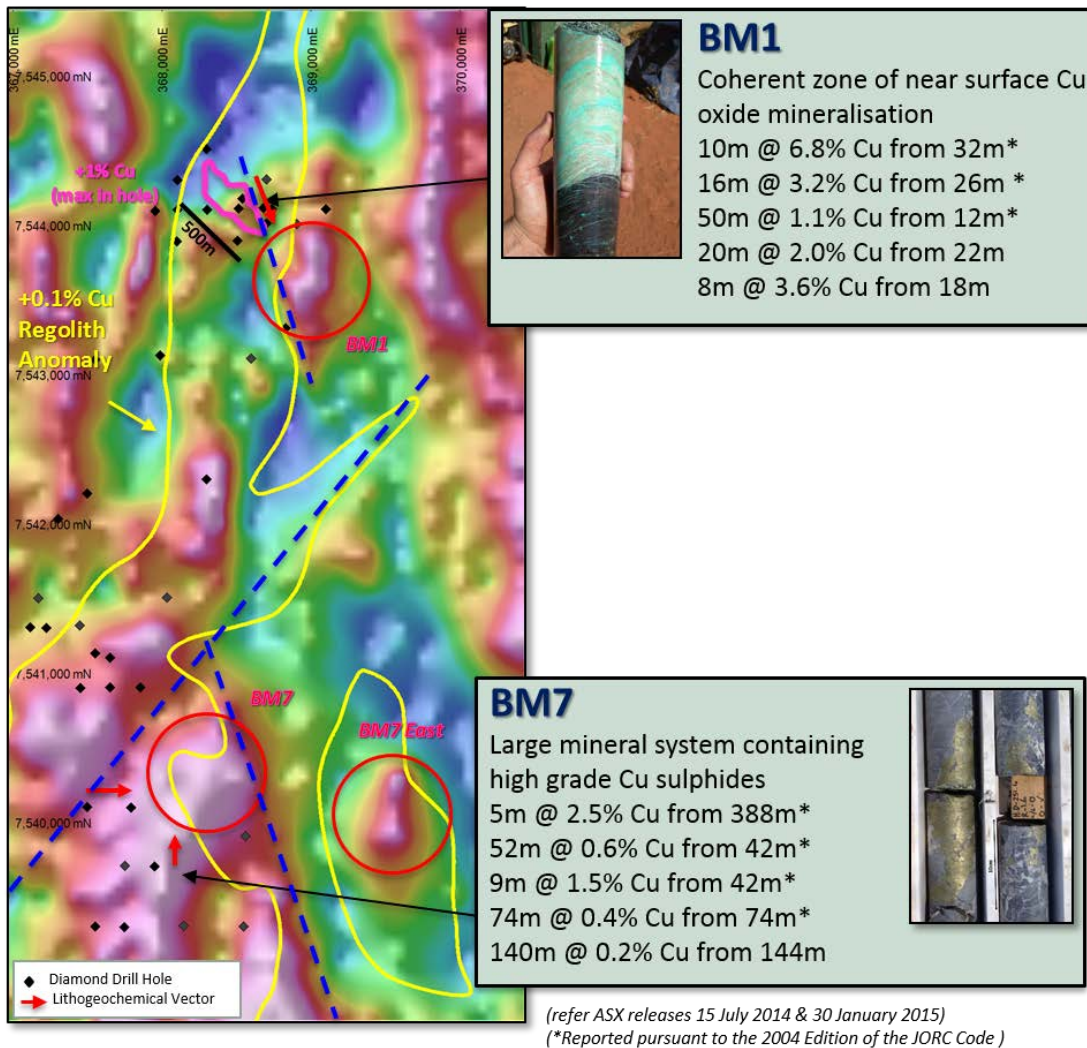


Figure 5: BM1-BM7 cover corrected gravity image (residual filter applied)

**Target 1 - BM1 Prospect**

The BM1 Northern Zone contains a significant accumulation of near surface, high grade copper oxide mineralisation over an area approximately 500m by 250m. Intersections from this zone include:

- 10m @ 6.8% Cu from 32m\*
- 16m @ 3.2% Cu from 26m
- 50m @ 1.1% Cu from 12m
- 20m @ 2.0% Cu from 22m\*
- 8m @ 3.6% Cu from 18m\*

(refer ASX announcements 15 July 2014 & 30 January 2015)  
 (\*Reported pursuant to the 2004 Edition of the JORC Code )

Diamond drill hole EPT2096, drilled to east of the BM1 Northern Zone intersected a complex brecciated zone containing strongly altered clasts and evidence of pre-depositional alteration. The breccia trends along a north south structural orientation and appears to be associated with a zone of massive pyrite approximately 1km south at the BM1 Central Zone. EPT2096 also included the first intersections of copper sulphide mineralisation associated with the BM1 Northern Zone oxide position with 3.3m @ 0.5% Cu from 56m and 5.8m @ 0.45% Cu from 70m. This copper sulphide mineralisation remains open to the south-east. (refer ASX announcement 31 October 2014)

The recent cover corrected gravity modelling has highlighted a discrete density anomaly located approximately 500m south east of the copper oxide zone. This density anomaly will be drill tested in the upcoming diamond drilling program.

### Target 2 - BM7 Prospect

BM7 is a large mineral system containing high grade Cu sulphide intersections including:

- 5m @ 2.5% Cu from 388m\*
- 52m @ 0.6% Cu from 42m\*
- 9m @ 1.5% Cu from 42m\*
- 74m @ 0.4% Cu from 74m\*
- 140m @ 0.2% Cu from 144m

Additional gravity data was collected at BM7 during the December 2015 quarter. Modelling of this new data was completed in the March 2016 quarter and has refined the structural interpretation of the BM7 area.

This modelling has improved the understanding of key structural architecture at BM7 and has also highlighted a density anomaly located north-east of the existing drilling at BM7 where broad zones of low grade copper sulphide mineralisation and important alteration signatures considered diagnostic of the Nifty model have been previously intersected.

The initial drilling will focus on a density anomaly located at the intersection of north-east structures and an important north-north-west structure at BM7 (see Figure 5).

### Target 3 - BM7 East Prospect

The BM7 East Prospect was identified in 2013 with wide-spaced aircore drilling followed by a short RC drill program in late 2014. Fe-Mg carbonate (siderite) and phosphorus alteration haloes (associated with 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 halo underlies the core of a laterally extensive copper oxide blanket found at BM7 East that extends over 2km in strike (see Figure 6).

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.

Two, 200m spaced, vertical RC holes (EPT2269 and EPT2270) were completed in October 2015 across the core of the regolith anomaly (see Figure 6). High water inflows resulted in the holes being terminated short of their planned depth. The eastern of the two holes, EPT2270, returned anomalous copper values below the base of oxidation, with associated high phosphorous assays.

The recent gravity survey and remodelling has highlighted a discrete density anomaly located coincident with the centre of the 2km long geochemical anomaly previously identified at BM7 East. This target will be drill tested in the upcoming diamond drill program scheduled to commence in May 2016.

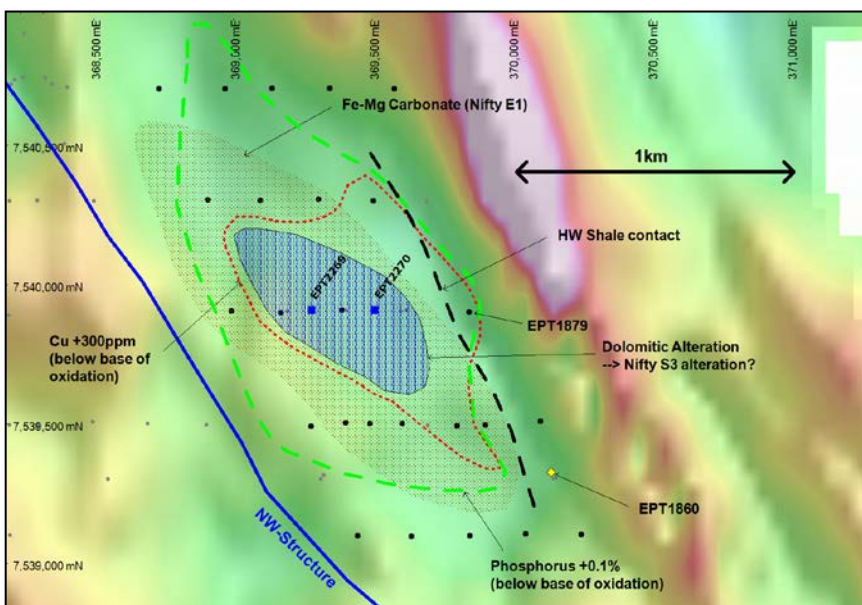


Figure 6: Plan view of alteration and mineralisation through BM7 East – background image Ch40 VTEM



**Lookout Rocks Project** - Encounter 100% in E45/3768, E45/4091, E45/4408 and E45/4230. Antofagasta may earn up to 70%.

### Background

Lookout Rocks includes four tenements (~450km<sup>2</sup>) of highly prospective exploration ground located in the north-west of Yeneena. Exploration at Lookout Rocks is being conducted as part of the US\$6m earn-in agreement with a wholly-owned subsidiary of Antofagasta plc ("**Antofagasta**") (refer ASX release 30 July 2015).

The Lookout Rocks project is in the north-west of Yeneena and covers over 30 strike kms of interpreted Broadhurst Formation sediments, the geological unit that hosts the Nifty copper deposit. Interpretation of the detailed airborne electromagnetic data indicates the prospective structures and Broadhurst lithologies extend into the project in an area that has seen minimal exploration activity.

In September 2015, an initial reconnaissance aircore and RC drilling program was completed at Lookout Rocks to test a number of key structural targets. The aim of this program was to test cover depth, refine the bedrock geological interpretation and test for any copper regolith anomalism within the defined targets.

The program included seven reconnaissance holes at a structural target along a covered belt of conductive stratigraphy situated at the western margin of a block of Coolbro Sandstone at the Lookout Rocks South Prospect (Figure 7 and 8). Drilling confirmed the presence of deeply oxidised Broadhurst Formation.

The drilling also intersected broad intervals of moderate copper and lead anomalism with a strengthening geochemical vector to the east and towards the bottom of hole. This included drill hole EPT 2256 which intersected 116m @ 290ppm Cu and 457ppm Pb from 16m to end of hole (refer ASX announcement 17 December 2015). The final end of hole sample returned 942ppm copper and importantly, iron oxide minerals interpreted to be derived from the weathering of disseminated copper sulphides.

The oxidised Broadhurst sediments in this area are heavily weathered and leached, indicating strongly acidic meteoric fluids were present. Intense leaching of the regolith material indicates it may have been significantly depleted primary copper mineralisation.

In addition, a surface gossan with boxwork textures after sulphide minerals has recently been identified to the east of the reconnaissance drilling at Lookout Rocks South. Iron rich shallow outcrop and gossanous float occurs in an area approximately 300m by 200m immediately to the east of EPT2220 (Figure 7). Samples taken from this gossan returned copper assays up to 0.2% copper (refer ASX announcement 17 December 2015) and exhibit similarities to iron rich surface samples taken at Nifty (refer to WAMEX historical reports).

These gossanous outcrops together with strongly leached Broadhurst sediments intercepted in shallow drilling at Lookout Rocks South and Lookout Rocks East (see ASX announcement 9 Dec 2015), indicate the presence of sulphides within the Broadhurst Formation sequence. A surface mapping program along a 12km zone between the Lookout Rocks East and Lookout Rocks South prospects was completed in April 2016, together with Antofagasta personnel.

An initial 1-2 diamond hole program at Lookout Rocks South is scheduled to commence in May 2016.

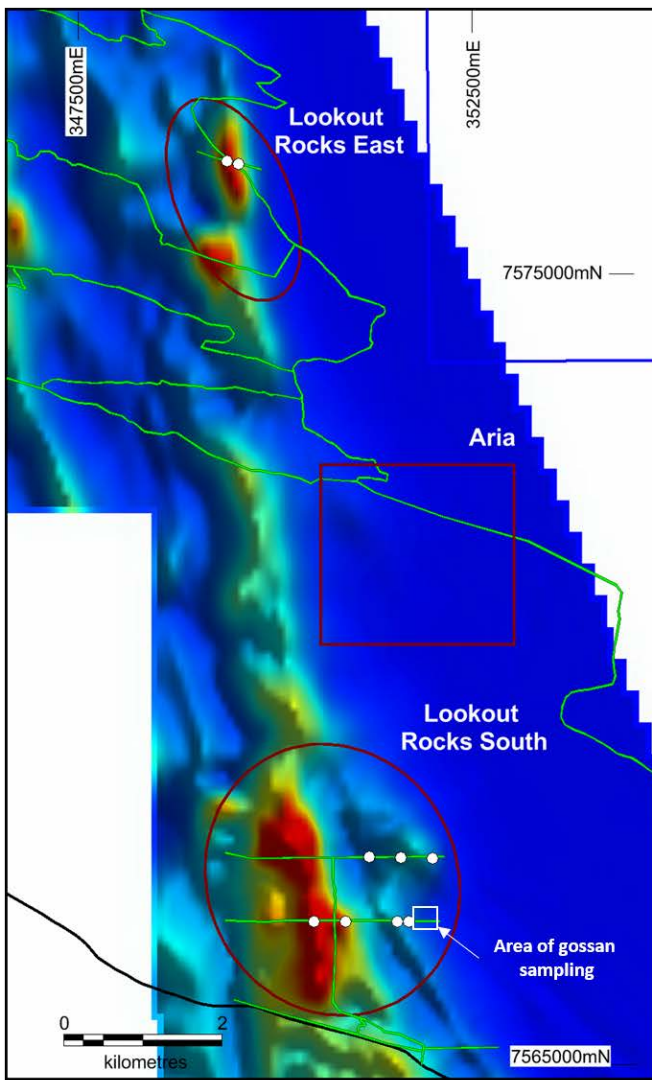


Figure 7: Lookout Rocks – Prospect locations (VTEM ch35 background)

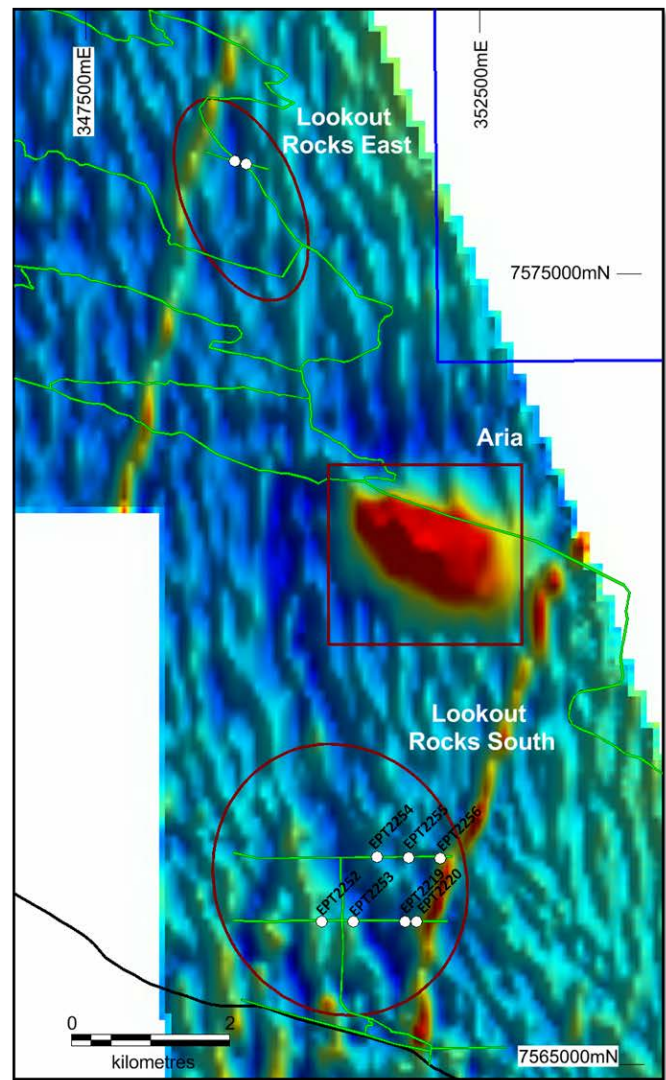


Figure 8: Lookout Rocks South – Collar locations and hole IDs (VTEM 1VDTRP magnetics background)

## PATERSON GOLD PROJECTS

Encounter continues to add to its strategic ground holding in the Yeneena region.

**Telfer West ELA45/4613 (100% Encounter):** In April 2014, Encounter secured a project located 25km north-west of Newcrest’s Telfer gold/copper operation. The project covers an area of ~121km<sup>2</sup>. Historical exploration was completed by WMC and Newmont from 1983-1993 targeting Telfer style gold/copper mineralisation. The last on-ground exploration was completed in 1993 where limited shallow drilling intersected gold mineralisation over a 4km long trend.

**Dora E45/4564 (100% Encounter):** In addition, the Dora gold/copper tenement, located approximately 40km south-east of the Telfer gold/copper operation, was granted in December 2015 (see Figure 1).

Initial field reconnaissance at the two Paterson gold projects is scheduled to commence in July 2016.

## CORPORATE

Encounter held cash reserves of approximately \$4.0 million at 31 March 2016.

During the March quarter the Company issued 600,000 options pursuant to the Company's employee option plan.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the June 2016 quarter include:

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

- Drill testing of the BM1, BM7 and BM7 East targets is scheduled to commence in early May 2016.

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

- A comprehensive review of the gossan geochemistry is progressing and will be completed.
- A passive seismic trial including modelling and interpretation will be completed. The objective of this survey is to map cover depth and potentially provide additional structural information at the project to assist with drill planning.
- A new gravity model will be prepared removing cover noise.
- Drilling based on the outcomes of the above work is scheduled to commence in early June 2016.

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

- A surface mapping program along a 12km zone between the Lookout Rocks East and Lookout Rocks South prospects will be completed.
- An initial 1-2 diamond hole program is scheduled to commence in May 2016.

## TENEMENT INFORMATION

Lease	Location	Project Name	Area km <sup>2</sup>	Interest at start of quarter (01/01/2016)	Interest at end of quarter (31/03/2016)
E51/1570	50km SSE of Meekatharra	Hillview	89.0	100%	0%
E70/4667	45km E of Moora	Bindi Bindi	316.9	100%	100%
E45/2500	266km NE of Newman	Paterson – Hampton Earning-in*	163.4	90-100%	90-100%
E45/2501	277km NE of Newman	Paterson – Hampton Earning-in	41.4	90%	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	90%	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%
E45/3768	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%
E45/4564	315km NE of Newman	Paterson Au/Cu - Dora	194.2	100%	100%

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

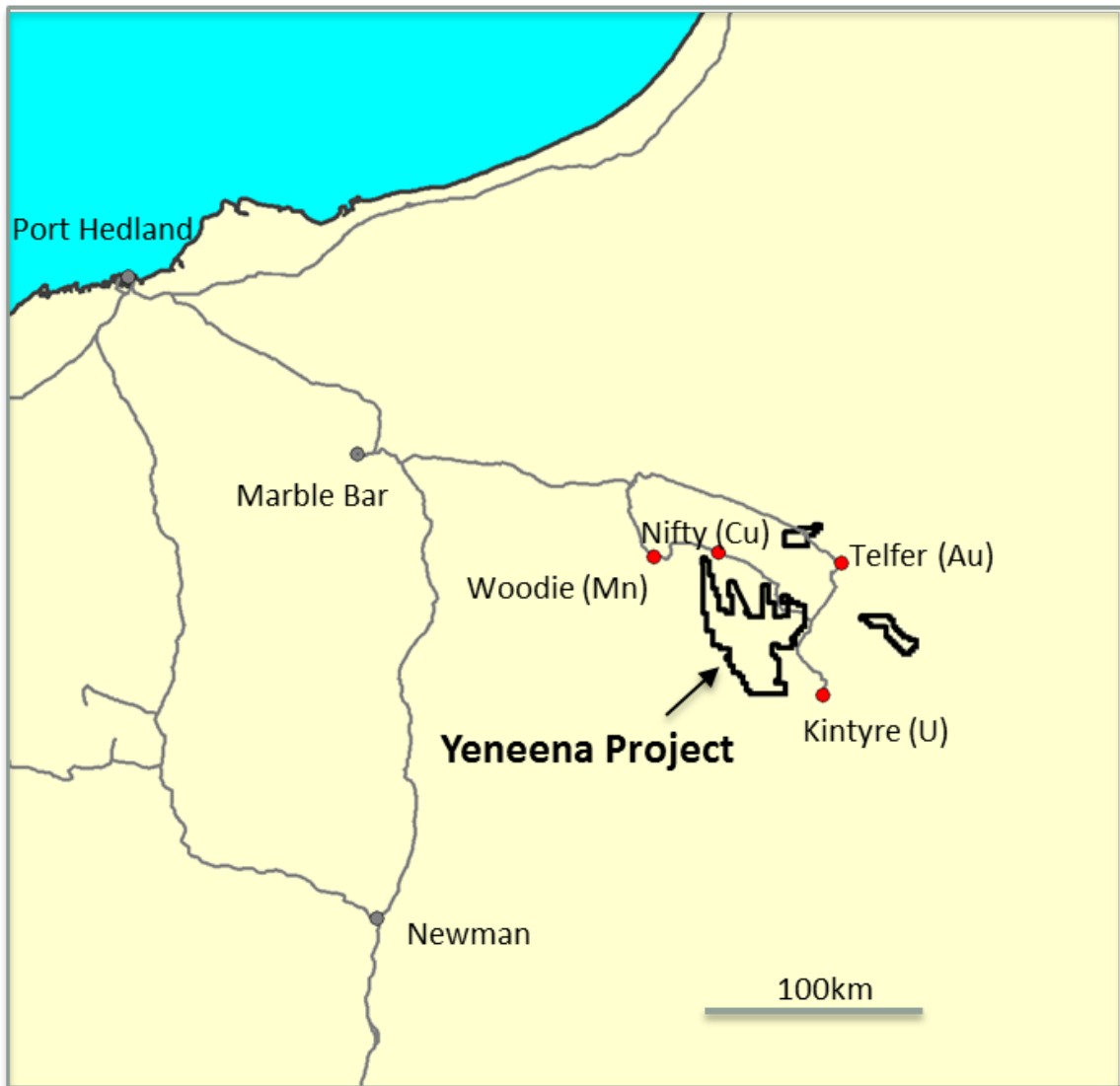


Figure 9: Yeneena Project Location Plan

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. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.*

# 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")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(708)	(3,038)
(b) development	-	-
(c) production	-	-
(d) administration	(124)	(495)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	23	47
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 - R&D tax concession refund	-	541
- Other (incl. EIS drilling grant)	-	227
<b>Net Operating Cash Flows</b>	<b>(809)</b>	<b>(2,718)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Farm-in cash calls received	-	2,417
<b>Net investing cash flows</b>	<b>-</b>	<b>2,417</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(809)</b>	<b>(301)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(809)	(301)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds/(refunds) from issues of shares, options, etc.	-	2,954
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	-	(24)
	<b>Net financing cash flows</b>	-	2,930
	<b>Net increase (decrease) in cash held</b>	(809)	2,629
1.20	Cash at beginning of quarter/year to date	4,810	1,372
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	4,001	4,001

**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	164
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 \$153,068 (\$1,922,945 year to date) has been incurred by other entities Pursuant to farm-in agreements on projects held by the Company.

**Financing facilities available**

+ See chapter 19 for defined terms.

*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	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>700</b>

Estimated exploration costs of the proposed farm-in work programs for the next 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	3,926	4,736
5.2 Deposits at call	75	74
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,001</b>	<b>4,810</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	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

### 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	-	-		
7.2				
	-	-		
7.3	155,644,044	155,644,044		
7.4				
	-	-		
	-	-		
	-	-		
7.5	-	-		
7.6				
	-	-		
	-	-		

+ See chapter 19 for defined terms.



7.7	<b>Options</b> <i>(description and conversion factor)</i>			<u>Exercise price</u>	<u>Expiry date</u>
		400,000		\$0.40	31/5/2016
		1,450,000	-	\$0.30	30/11/2016
		550,000	-	\$0.39	30/11/2017
		750,000	-	\$0.21	31/5/2017
		200,000	-	\$0.31	31/1/2018
		595,000	-	\$0.22	31/5/2018
		1,250,000	-	\$0.23	27/11/2018
		750,000	-	\$0.31	27/11/2019
		700,000	-	\$0.16	31/1/2019
		5,441,429	-	\$0.21	30/9/2018
		600,000	-	\$0.14	28/2/2020
7.8	Issued during quarter	600,000	-	\$0.14	28/2/2020
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	50,000	-	\$0.40	31/5/2016
		50,000	-	\$0.21	31/5/2017
		75,000	-	\$0.22	31/5/2018
		100,000	-	\$0.16	31/1/2019
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 29 April 2016

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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