



QUARTERLY ACTIVITIES REVIEW

For the period ending 30 September 2014

Talga Resources Ltd

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Corporate Information

ASX Code **TLG/TLGO**

Shares on issue **124.6m**

Options (listed) **7.72m**

Options (unlisted) **10.85m**

Company Directors

Keith Coughlan

Non-Executive Chairman

Mark Thompson

Managing Director

Grant Mooney

Non-Executive Director

 **ASX Code: TLG**

SUMMARY

Talga Resources Ltd (ASX: TLG) ("Talga" or "the Company") is pleased to summarise its activities for the quarter ending 30 September 2014.

Several milestones were announced in the quarter which saw continued metallurgical work to support the Vittangi graphite project scoping study, historic first sale of graphene to a German technology group, and further Swedish graphite exploration success along with tenure expansion and drilling programmes. Much of this work contributed towards the release of the Company's scoping study shortly after the quarter.

Specific highlights of the quarter included:

- Talga appointed Independent Metallurgical Operations and Curtin University to expand the scale of Talga's unique processing route for Vittangi graphite mineralisation. The CSIRO also entered into an agreement with Talga to collaborate on the characterisation of graphite and graphene products from Vittangi.
- Expansion of Talga's scoping study to include the Company's dual graphite-graphene production and breakthrough one-step processing route.
- Design and permitting continued on test mining program to extract a bulk ore sample from the Nunasvaara deposit of the Vittangi project. Dual graphite/graphene production through a pilot plant is slated for mid 2015.
- Presentations and meetings overseas with industry participants, end users and investors were well received and responsible for a marked increase in enquiry about the Company and its activities and products.
- First sale of graphene to German Nano-to-3D printing technology company announced late in July.
- Project development advancements triggered the employment of a full time Commercial Manager. Evolving status from developer to future high tech materials producer warrants more resources to manage business development.
- 4 diamond holes were completed at Talga's Kiskama IOCG project to provide further information on cobalt, copper, gold and other minerals in the system. Results are pending.
- At Vittangi, drilling of 10 holes for 1,200m at 5 sites was completed targeting extensions to Nunasvaara style graphite mineralisation. Graphite was visually logged in every hole. Results are pending. New ground was secured at the Vittangi project to expand project strike length to 32km.
- Graphene produced from Jalkunen graphite project using Talga's one step process. Findings suggest Jalkunen originally part of the same geological unit hosting Vittangi - scale implications for graphene footprint in Sweden. New tenements secure expanded project strike length to 28km.
- Post quarter release of Vittangi scoping study demonstrates robust returns.

SWEDEN GRAPHITE PROJECTS

Talga wholly owns five graphite projects located in the Fennoscandian Shield of northern Sweden, a historic graphite producing area of Europe. Work by Talga has defined two mineral resources¹ for graphite at the Nunasvaara and Raitajärvi graphite projects (see Fig 1 for location and Appendix 1 for resource details).

Vittangi Graphite Project - Nunasvaara Deposit (Talga 100%)

Background

The Nunasvaara deposit ("Nunasvaara") within the Vittangi project ("Vittangi") contains the highest grade graphite resource in the world defined under JORC or NI43-101 codes (Ref: Technology Metals Research Advanced Graphite Projects Index, updated 18 July 2014) and is favourably located 3km from a sealed highway and 20km from rail direct to major European graphite and graphene markets. The project's JORC resource¹ estimate totals **7.6 million tonnes at 24.4% graphitic carbon ("Cg")** (see Appendix 1 and ASX:TLG 8 November 2012) and less than 10% of the mapped outcropping graphite unit has been drilled to date (see ASX:TLG 15 November 2012).

At Nunasvaara, Talga's work has demonstrated that high quality graphene can be produced directly from raw ore in the same single step process that liberates graphite but without expensive crushing, grinding, flotation, leaching or purification. The products therefore retain a state of high quality but can potentially be produced in bulk scale at low cost. Graphene is renowned as the world's strongest material, a million times thinner than paper but 200 times stronger than steel. Discovered only 10 years ago, it is a material with an extremely wide range of applications that are in the early stages of commercialisation.

Economic Studies

During the quarter, the original Vittangi scoping study (commenced in 2013) was re-commissioned and expanded to include Talga's proposed dual graphite-graphene production route. Globally renowned Snowden Mining Industry Consultants ("Snowden's") was engaged to complete the expanded scoping study and associated financial modelling. The study's processing and engineering routes were developed by Independent Metallurgical Operations Pty Ltd ("IMO"). Early in October, (post the quarter) the study outcomes were finalised and announced (see ASX:TLG 30 September 2014 and the Corporate section below).

Test Mining/Pilot Plant

The scoping study considers full-scale production. However, an interim trial mining program is planned to assess the one-step mining and processing techniques proposed. During the period, Talga continued its work associated with its bulk sample and trial mining permitting to extract up to 2,000m³ of graphite mineralisation from Nunasvaara at Vittangi (see Fig 2). The Company's wholly owned Swedish subsidiary Talga Mining Pty Ltd Filial Sweden has commenced its official public consultation process, a statutory requirement for a bulk sample permit application. The Swedish

Fig 1. Talga Resources project locations in north Sweden.

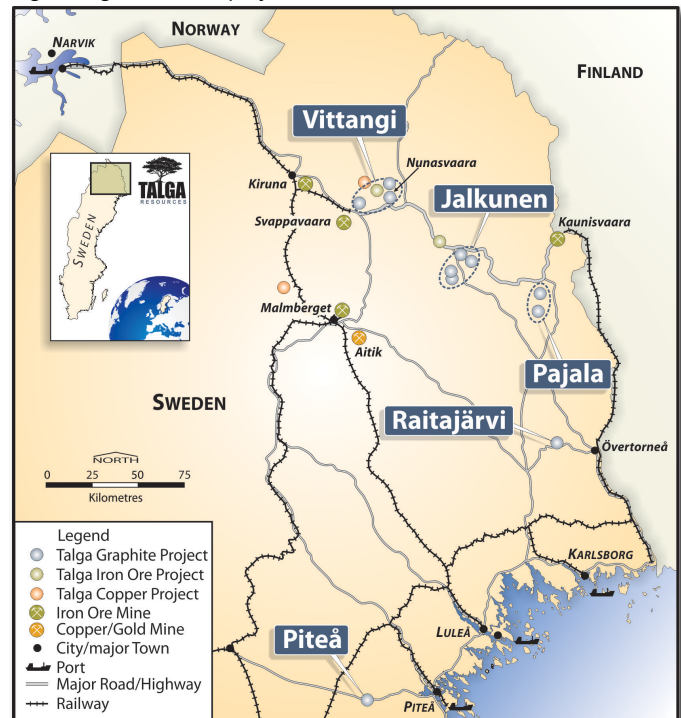


Fig 2. Proposed test mining site at Nunasvaara will utilise historic graphite bulk sample pits to minimise environmental footprint.



language consultation document is available on Talga's website. Upon completion of the consultation process, the application can be submitted. If the permit is granted, Talga aims to complete the 6-week trial mining program in mid-2015 with a view to processing test samples through a locally built pilot plant over the remainder of the year.

Fig 3. Diamond drilling underway approximately 2km north along strike from Nunasvaara, September 2014.



Exploration

Recognition of the ability for Nunasvaara-type graphite mineralisation to produce high quality graphene and graphite in a one step process spurred a review at Vittangi to locate further such deposits. Historic airborne and ground electromagnetic ("EM") data was acquired over the greater Vittangi project and adjacent surrounds. Analysis of this data revealed strong conductors to the northeast and southeast of the Nunasvaara resource and fieldwork during the period confirmed outcropping graphite mineralisation at some of these conductors. The EM data was combined with recent and historic drilling, test mining, rock chip sampling and geological mapping to model new exploration targets, several of which were drilled during the period (see below). During the quarter, several exploration licences were applied for and granted over targets adjacent to but outside the previous project tenement boundaries. These ensure Talga controls 100% of all graphite units considered to be suitable for the one-step processing method, and which are now expanded to 32km strike at Vittangi alone.

Drilling

A diamond core drill program at Vittangi comprising 10 holes for 1,091m was completed at the end of September (see Fig 3). The program targeted 5 sites along 6 kilometres of strike centred around the Nunasvaara resource and drill collars were located proximal to a number of prominent EM anomalies. Visual logging of the diamond core has confirmed the presence of graphite in every hole (see Fig 4) over varying widths and confirmed the close relationship between the EM anomalies and the prospective high grade graphite units. Drill core was processed and despatched to the lab after the end of the quarter and assay results are pending.

Fig 4. Vittangi diamond drillcore racked and processed for sampling.



Graphene Metallurgy

Extensive metallurgical work on Nunasvaara samples was undertaken during the period. Much of the work completed fed directly into the scoping study. However, extensive metallurgical work is ongoing. Inter-related graphene characterisation work by Curtin University of Technology, the Commonwealth Scientific and Industrial Research Organisation ("CSIRO") and third party consultants have dovetailed into the testwork being undertaken by IMO. Metallurgical developments saw Talga's process for one step dual production make the transition from proof of concept at lab scale to commercial benchtop level. Going forward, the metallurgical program will swing more heavily towards design, optimisation and engineering of the pilot plant and full scale production pathway. It is intended that future testwork will be undertaken on progressively larger samples.

Jalkunen Graphite Project

The Jalkunen graphite project is located approximately 50km southeast from Vittangi and similarly comprises a cluster of graphite prospects defined by historic trenching, geophysics and drilling (see Fig 5). Talga previously completed geological logging and sampling on archived historic diamond drill cores from several of the Jalkunen prospects (see ASX:TLG 21 August 2012). During the period, Talga conducted fieldwork after an existing set of airborne EM survey data covering the Jalkunen project was acquired and analysed. The analysis revealed strong conductors extending from historic graphite prospects within and adjacent to the current tenement package, which was expanded with further exploration licences to cover 28km total strike.

Reconnaissance and rock chip sampling of historic workings and EM conductor targets returned very high grade results including 41.3%Cg at the Nybrannan prospect and 29.8%Cg from the Jalkunen conductor. A 5kg Jalkunen sample from the Nybrännan prospect was sent to Talga's metallurgical consultants in Perth (IMO) who successfully liberated graphene and graphite in exactly the same manner as the material processed from Vittangi. The Company now considers that the Jalkunen and Vittangi graphitic geological units were once spatially connected or formed under near identical conditions. Combined, the projects form a province with approximately 60km strike of graphite formation uniquely suited for low cost bulk graphene production methods. Post the quarter, Talga commenced the estimation of exploration targets and the planning of drilling on priority graphite and graphene targets with a view to expand its potential long term production profile outside Vittangi.

Other Graphite Projects

Minimal work was undertaken during the period on the Company's other graphite projects in Sweden.

SWEDEN COPPER-GOLD PROJECTS

Kiskama Project (Talga 100%)

Talga wholly owns several copper-gold prospects in Sweden with the most advanced being the Kiskama project located adjacent and west from the Vittangi graphite project (see TLG ASX 10th February 2014). At Kiskama mineralisation comprises copper and iron sulphide-magnetite-hematite as breccia infill and has been described as a shear-hosted iron-oxide copper-gold ("IOCG") style deposit.

Historic work at Kiskama suggests considerable potential for mineralised zones to be more extensive than previously assumed, both in width/length and grade. Historical intercepts are viewed as highly encouraging considering proximity to bulk scale transport, nearby mines and the presence of other metals in the system that may add economic credits (such as cobalt and iron).

Fig 5. Location of Vittangi and Jalkunen graphite-graphene projects over northern Sweden geology (Bergman 2001).

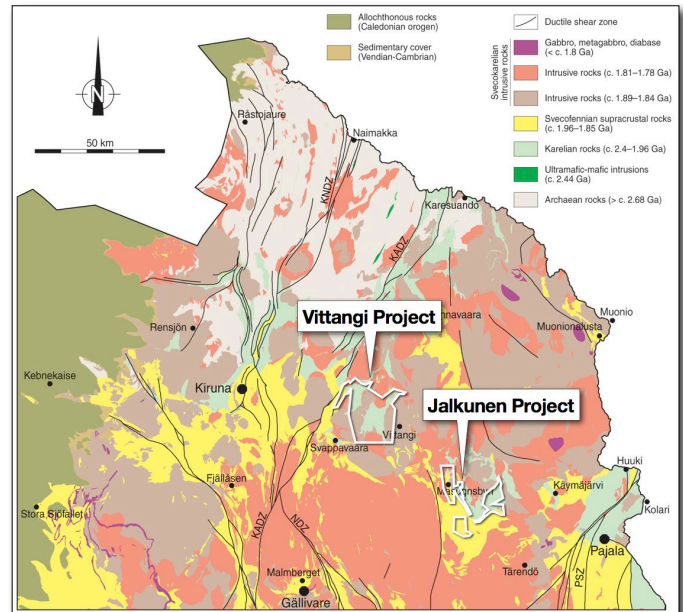


Fig 6. Shear hosted IOCG style high-sulphide zone intercepted by Talga at Kiskama.



Considering this potential, Talga drilled four diamond core holes for 425 metres at Kiskama before the drill rig was mobilised for Vittangi. The Kiskama program was completed early in September (see TLG ASX 4th September 2014). A highly brecciated magnetite rich sulphide body was intersected by Talga's drilling (see Fig 6) and samples were despatched at the end of the period. Results are pending.

The drill results are expected to provide valuable information on the full suite of minerals in the system, including cobalt which is historically recorded at the site and is a mineral that, along with graphite, is used in lithium-ion batteries. The expanded knowledge generated from the drill program and any associated metallurgical results will place Talga in a stronger position to advance commercial discussions and establish the best way to realise future value from the project.

SWEDEN IRON PROJECTS

Vittangi and Masugnsbyn Iron Projects (Talga 100%)

The Vittangi and Masugnsbyn iron projects host combined total (JORC 2004) Indicated and Inferred resources¹ of 235.6 Mt @ 30.7% Fe (iron) in skarn-style near surface magnetite deposits (see Figure 1 for location and Appendix 2 for resource details). Work during the quarter on the Company's iron ore assets in Sweden was restricted in order to minimise expenditure. Discussions with several potential partners or buyers of the iron projects were advanced during the period. These discussions are still at a preliminary stage and any outcome of these negotiations will be announced to market once confirmed.

GOLD PROJECTS - AUSTRALIA

Talga Talga, Warrawoona, Mosquito Creek (Pilbara) and Bullfinch (Yilgarn) Gold Projects (Talga 100%)

Work during the quarter on the Company's gold exploration assets in Western Australia was restricted to minimal field work in order to maintain statutory expenditure requirements. At Warrawoona and Bullfinch several tenements were pegged to consolidate Talga's existing project areas. Discussions with several potential partners or buyers of all the gold projects were advanced during the period but no definitively timed outcomes exist. All discussions are at a preliminary stage and any outcome will be announced once confirmed.

Fig 7. Managing Director Mr Mark Thompson holding a Graphene prototype mobile phone screen during a recent European commercial trip.

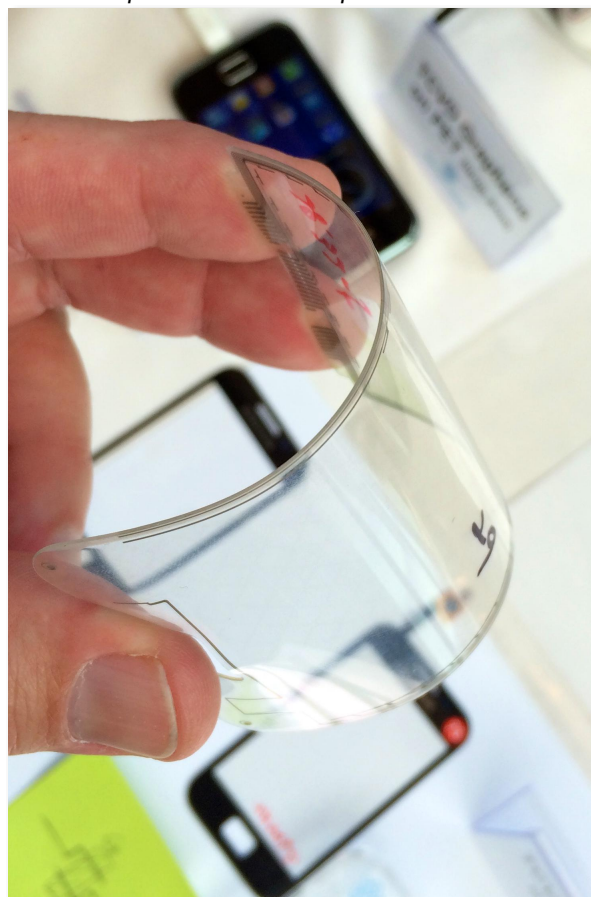
CORPORATE

Investor and Corporate Relations Activities

Representatives from Talga attended and presented at the Shaw's Stockbroking Graphite Conference held in Sydney at the beginning of September. Following the conference, Talga staff hosted a media site visit in Sweden with resource journalists and commentators from Germany, the United Kingdom and Australia in attendance.

Graphene Commercial Activities

During the period the Company undertook various commercial development initiatives within the European research and graphite / graphene markets. Resulting from some of this work, Talga was able to announce its first sale of graphene produced from Nunasvaara. The sale, on a non-exclusive basis, was made to Germany's Norderstedt-based Microdrop Technologies GmbH, a leading international provider of Nano-to-3D printing solutions (see ASX TLG: 23 July 2014). The Company is encouraged by this first sale of its graphene and looks forward to exploring further commercial opportunities during its ongoing development phase.



CSIRO Collaboration

In August, Talga announced its collaborative agreement with CSIRO to undertake analytical work on Vittangi mineralisation. The aim of the collaboration is to accelerate the mineralogical characterisation of graphite and graphene from Vittangi and to better interpret how the mineralisation formed and the conditions under which more may be found.

The outcomes of these studies are expected to provide crucial new insight into how Nunasvaara ore has an ability to provide high quality graphene direct from natural ore. Specifically, CSIRO is undertaking a multi-stage characterisation workflow which will provide very detailed analysis and insight into the mineralogy and chemistry of these graphite lodes. This work is a true collaboration where CSIRO and Talga are sharing costs to increase understanding (see ASX:TLG 18 August 2014).

New Management

The rapidly advancing status of project development has materially increased commercial demands, and during the quarter, Talga appointed Mr Jeremy McManus to a senior executive role as Commercial Manager. Mr McManus has strong resource focused capital markets experience and his role will see him managing commercial negotiations with third parties and business development. The appointment represents a significant step as the Company evolves from minerals explorer and developer to high-tech materials producer (see ASX:TLG 20 August 2014).

Post Period Corporate Activities

The quarter was a particularly busy one for Talga and a material portion of management efforts was dedicated to advancing the Vittangi scoping study which was announced post the quarter on 9 October 2014. The Study demonstrated robust returns with a low capital cost requirement of approximately \$29 million (at +/-30% accuracy) and an NPV in excess of \$490 million. The study contemplates a 19 year mine life operation (based only on the JORC Indicated level resource) producing approximately 47,000 tonnes per annum of graphite and graphene with a 1.4 year payback (including construction) using low environmental impact single-step comminution technology.

Extremely conservative study assumptions were adopted by Talga and importantly the Vittangi project is also viable as a standalone graphite operation. Having established economic viability, Talga is now in a position to improve project economics as it advances full scale production development. Specifically, there is immense upside if conservative graphene yields and prices can be improved upon and if sales volumes increase and costs are optimised. With only 1.2km of 32km Vittangi strike tested to resource level and further growth potential at the demonstrated graphene producing Jalkunen project, Talga is encouraged by the upside opportunities (see ASX:TLG 9 October 2014).

Post the period end, Managing Director Mr Mark Thompson was also a presenting guest at Canaccord Genuity's annual conference in New York from 15-16th October 2014 (see ASX:TLG 17th October 2014). After this event Mark continued on to Europe to participate in meetings with nanomaterial research organisations, investors and potential graphene end users in the energy sector.

Tenement Interests

As required by ASX listing rule 5.3.3, please refer Table 1 for details of Talga's interests in mining tenements held by the Company. No joint ventures or farm-in/farm-out activity occurred during the quarter.

For further information, please contact:

Talga Resources Ltd.

Mark Thompson

Managing Director

Tel +61 (08) 9481 6667

Email admin@talgaresources.com

TABLE 1

Tenement Holdings

Project/Location	Tenements	Interest at end of quarter	Acquired during quarter	Disposed during quarter
Jalkunen Project Norrbotten County, Sweden	Jalkunen nr 1	100%	100%	
	Jalkunen nr 2	100%		
	Kursuvaara	100%		
	Lautakoski nr 1	100%		
	Lautakoski nr 2	100%		
	Lautakoski nr 3	100%		
	Nybrännan nr 1	100%		
	Nybrännan nr 2	100%		
	Suinavaara nr 1	100%		
	Suinavaara nr 2	100%		
Tiankijoki nr 1	100%			
Kiskama Project Norrbotten County, Sweden	Kiskama nr 1	100%		
Masugnsbyn Project Norrbotten County, Sweden	Masugnsbyn nr 1	100%		
	Masugnsbyn nr 2	100%		
Pajala Project Norrbotten County, Sweden	Lehtosölkä nr 3	100%		
	Liviövaara nr 2	100%		
Piteå Project Norrbotten County, Sweden	Grålidén nr 2	100%		
	Önusträsket nr 2	100%		
Raitajärvi Project Norrbotten County, Sweden	Raitajärvi nr 5	100%		
	Raitajärvi nr 6	100%		
Vittangi Project Norrbotten County, Sweden	Maltosrova nr 2	100%	100%	
	Maltosrova nr 3	100%		
	Mörttjärn nr 1	100%		
	Nälkävuoma nr	100%		
	Nunasvaara nr 2	100%		
	Vathanvaara nr 1	100%		
	Vittangi nr 2	100%		
	Vittangi nr 3	100%		
Vittangi nr 4	100%			
Bullfinch Project Western Australia	E77/2139	100%	100%	
	E77/2221	100%		
	E77/2222	100%		
	P77/4106	100%		
	E77/2251	100%		
Mosquito Creek Project Western Australia	P46/1632	100%	100%	
	P46/1633	100%		
	P46/1634	100%		
	P46/1635	100%		
	P46/1636	100%		
	P46/1637	100%		
	P46/1638	100%		
	P46/1666	100%		
	P46/1667	100%		
	P46/1668	100%		
	P46/1800	100%		
	E46/1035	100%		
	Talga Talga Project Western Australia	M45/618		
P45/2689		100%		
P45/2690		100%		
P45/2691		100%		
P45/2746		100%		
P45/2747		100%		
P45/2774		100%		

TABLE 1 (continued)

Tenement Holdings

Project/Location	Tenements	Interest at end of quarter	Acquired during quarter	Disposed during quarter
Warrawoona Project Western Australia	E45/3381 P45/2661 P45/2662 P45/2781 P45/2931	100% 100% 100% 100% 100%	100%	

APPENDIX 1

Graphite Resources

Nunasvaara Mineral Resource (10% Cg lower cut-off) Nov 2012

JORC 2004 Classification	Tonnes (Mt)	Grade %graphite
Indicated	5,600,000	24.6%Cg
Inferred	2,000,000	24.0%Cg
Total	7,600,000	24.4%Cg

Raitajärvi Mineral Resource (5% Cg lower cut-off) Aug 2013

JORC 2004 Classification	Tonnes (Mt)	Grade %graphite
Indicated	3,400,000	7.3%Cg
Inferred	900,000	6.4%Cg
Total	4,300,000	7.1%Cg

APPENDIX 2

Iron Resources

Deposit	Tonnes (Mt)	Grade %Fe	JORC 2004 Classification
Vathanvaara	51.2	36	Inferred Resource
Kuusi Nunasvaara	46.1	28.7	Inferred Resource
Mänty Vathanvaara	16.3	31	Inferred Resource
Sorvivuoma	5.5	38.3	Inferred Resource
Jänkkä	4.5	33	Inferred Resource
Masugnsbyn	87	28.3	Indicated Resource
Masugnsbyn	25	29.5	Inferred Resource
Total	235.6	30.7	

1 Note: This information was prepared and first disclosed under the JORC code 2004. It has not been updated since to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Mark Thompson, who is a member of the Australian Institute of Geoscientists. Mr Thompson is an employee of the Company and has sufficient experience which is relevant to the activity which is being undertaken to qualify as a "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Thompson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Resource Estimation is based on information compiled and reviewed by Mr Simon Coxhell. Mr Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Coxhell consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Talga Resources Limited

ABN

32 138 405 419

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Mths) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(412)	(412)
(b) development	-	-
(c) production	-	-
(d) administration	(329)	(329)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other:	-	-
R&D Rebate net of costs	259	259
Net Operating Cash Flows	(479)	(479)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7)	(7)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	4	4
Net investing cash flows	(3)	(3)
1.13 Total operating and investing cash flows (carried forward)	(482)	(482)

+ See chapter 19 for defined terms.

Appendix 5B
Talga Resources Limited – June 2014 quarterly report

1.13	Total operating and investing cash flows (brought forward)	(482)	(482)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares/options	29	29
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 – Share issue costs	(44)	(44)
	Net financing cash flows	(15)	(15)
	Net increase (decrease) in cash held	(497)	(497)
1.20	Cash at beginning of quarter/year to date	4,322	4,322
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,825	3,825

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	95
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amount included under 1.23 includes director's remuneration.

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

1,600,000 unlisted options were issued to employees on the 20 August 2014 that have a 54 cent conversion price and expire on the 20 August 2019.

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

N/a

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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation (includes R&D)	520
4.2	Development	-
4.3	Production	-
4.4	Administration	280
Total		800

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	3,804	4,301
5.2 Deposits at call	21	21
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,825	4,322

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	Nil		
6.2	Interests in mining tenements acquired or increased	Jalkunen Project Sweden		
	Kursuvaara	Direct Applied	0%	100%
	Suinavaara nr 2	Direct Applied	0%	100%
	Vittangi Project Sweden			
	Maltosrova nr 2	Direct Applied	0%	100%
	Vittangi nr 4	Direct Applied	0%	100%
	Bullfinch Project WA			
	E77/2139	Direct Applied	0%	100%
	Mosquito Creek Project WA			
	P46/1632	Direct Applied	0%	100%
	Warrawoona Project WA			
	P45/2662	Direct Applied	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 (cents)	Amount paid up per security (cents)
7.1 Preference⁺ securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
7.3 +Ordinary securities	124,582,079	124,582,079		
7.4 Changes during quarter (a) Increases through issues <i>Conversion of options</i>	15,982	15,982	35 cents	35 cents
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	2,750,000	-	40 cents	30 November 2014
	500,000	-	35 cents	21 July 2015
	500,000	-	45 cents	3 October 2016
	7,736,981	7,736,981	35 cents	30 November 2015
	2,500,000	-	54 cents	23 June 2019
	1,600,000	-	54 cents	20 August 2019
7.8 Issued during quarter	1,600,000	-	54 cents	20 August 2019
7.9 Exercised during quarter	15,982	15,982	35 cents	30 November 2015
7.10 Expired/Lapsed during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Lisa Wynne
Company Secretary

Date: 30 October 2014

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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