

DIRECTORS

Non-executive Chairman:
Jonathan Murray

Managing Director:
Darren Townsend

Technical Director:
Dave Hammond

Non-Executive Directors:
Robin Mills
John Jetter

Company Secretary:
Graeme Scott

Highlights:

Strategic Funding Partners

- Formal documentation completed and agreements signed with Appian Natural Resources Fund (“**Appian**”) and International Finance Corporation (“IFC”) for ~A\$29.5 million to fund the Ngualla Project and the Company through Bankable Feasibility Study (‘BFS’).
- An additional A\$5 million loan provided by Appian to allow Peak to continue Ngualla development activities whilst awaiting final regulatory approval.

Appointments

- Experienced Mining Industry board members Robin Mills and John Jetter join Peak as Non-Executive Directors.
- AMEC Foster Wheeler appointed as Lead Study Engineer.
- Gavin Beer appointed as General Manager of Metallurgy.
- Environmental consultants appointed to commence studies required to support a mining licence application.

Rare Earth Market and Project Development

- Peak is to increase Ngualla’s planned production focus on Magnet Metal rare earths through a cerium rejection strategy demonstrated in testwork that is expected to lead to reduced costs and improved margins.
- The Magnet Metal rare earths, particularly neodymium and praseodymium, are of increasing importance to the global rare earth market. By value, the Magnet Metals have risen sharply from 47% of the world rare earth market in 2011 to 74% in 2014 ^(1 & 2).
- At current prices and Ngualla’s revised rare earth production profile, **81% of Ngualla’s projected revenue** will be derived from neodymium and praseodymium.

Further Beneficiation Success

- Beneficiation testwork in China on the Ngualla weathered bastnaesite mineralisation produced a 53% high-grade rare earth oxide (REO) concentrate.
- An alternative beneficiation flowsheet testwork in Australia also produced a high grade concentrate of 47% REO. Further work is in progress to identify which flowsheet would provide the greatest reduction in operating costs for the overall Ngualla operation.

Planned Activities – June Quarter

- Key development programs in progress:
 - Beneficiation upscaling and optimisation programs in Australia and China.
 - Leach recovery development and optimisation on high grade mineral concentrate.
 - Location study for hydrometallurgical section of process plant.

*1) Roskill: Market Outlook to 2020. 15th Edition 2015 and 2) Prof. Dudley Kingsnorth, Curtin-IMCOA.

Strategic Funding Partners

On 3 February 2015, Peak announced the completion and signing of formal agreements with its funding partners, Appian and IFC for the previously announced transaction for ~A\$29 million (ASX Announcements “**Peak secures BFS funding for Ngualla Rare Earth Project**” of 29 September 2014 and “**Peak attracts IFC as potential Cornerstone Investor**” of 24 October 2014).

The majority of conditions precedent for the completion of this funding are now complete and Formal Closing is expected to occur upon receipt of a final regulatory approval and the issuance of final legal opinions.

On 23 March, Peak announced that Appian would provide an unsecured A\$5 million loan to allow the Company to continue to advance Ngualla development activities.

Peak will use this interim funding to continue development studies while final Tanzanian regulatory approval is obtained. The loan has a period of six months with an interest rate of 8%. Peak intends to repay the loan facility out of the initial tranches of the ~A\$29.5 million strategic funding that will be received once the funding formally closes.

Immediately after Quarter end on 1 April 2015 Peak was pleased to announce the appointment of two Appian nominated representatives to the board, as contemplated under the financing agreements (see Corporate section following for further details).

About Appian

Appian Natural Resources Fund is a private equity fund which has been established to invest specifically in the metals and mining sector. Appian has a uniquely collaborative investment approach that seeks to partner with local owners, managers and investors to leverage its world-class operational and corporate finance expertise.

With this value-add approach and long-term investment horizon, it aims to generate significant value for the investors and other stakeholders. For more information visit www.appiancapitaladvisory.com

About IFC

IFC, a member of the World Bank Group, is the largest source of loan and equity financing for the emerging markets private sector. Working with private enterprises in about 100 countries, IFC use their capital, expertise and influence to help eliminate poverty and boost shared prosperity. In FY14, IFC provided more than US\$22 billion in financing to improve lives in developing countries and tackle the most urgent challenges of development. For more information visit www.ifc.org

Photo: Peak Technical Director Dave Hammond and appointed Feasibility Study Lead Engineers AMECFW personnel reviewing proposed mining and plant sites, Ngualla, March 2015.

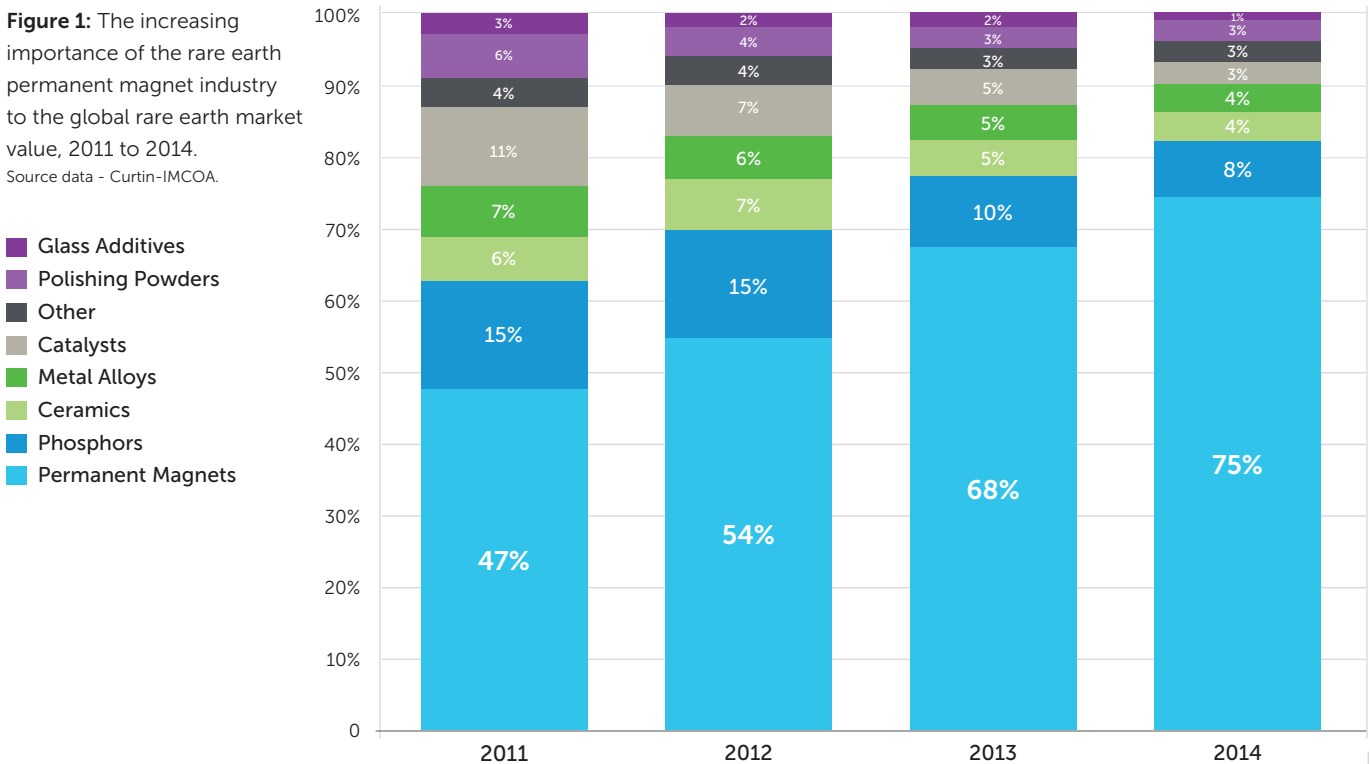


Magnet Metals and the Rare Earth Market

Post Quarter end on 23 April 2015 Peak was pleased to report the growing importance of the Magnet Metal rare earths, particularly neodymium and praseodymium, to the global rare earth market (ASX announcement “**Peak to increase focus on Magnet Metal rare earths for Ngualla**”).

The Magnet Metals used in the manufacture of high strength permanent magnets comprise neodymium, praseodymium, terbium, dysprosium, gadolinium and samarium. In recent years, the contribution of the Magnet Metals to the global rare earth market value has increased markedly - from 47% in 2011, to 74% in 2014 (Figure 1). Continued high growth rates of 7% per annum for these rare earths are forecast to 2020 by market forecasters Roskill and Prof. Dudley Kingsnorth, Curtin-IMCOA. The increase in demand is driven largely by growth in permanent magnet end use sectors including personal electronic mobile devices such as mobile phones, computer hard drives, audio equipment, hybrid and electric cars and wind energy turbines.

Figure 1: The increasing importance of the rare earth permanent magnet industry to the global rare earth market value, 2011 to 2014. Source data - Curtin-IMCOA.



The most important of these six rare earths in terms of both value and volume are neodymium and praseodymium, which together comprised 85% of the Magnet Metals market value in 2014 (Figure 2). The importance of dysprosium continues to decline as its use has been reduced or phased out completely in many permanent magnet applications due to high cost and uncertainty of supply.

The increasing importance of neodymium and praseodymium in the global rare earth market is especially important and favourable for the Ngualla Project, which is one of the world’s largest and highest grade neodymium-praseodymium development projects (Figure 3).

Figure 2: Magnet sector breakdown of individual rare earths by relative value contribution (2014). Source data - Curtin-IMCOA.

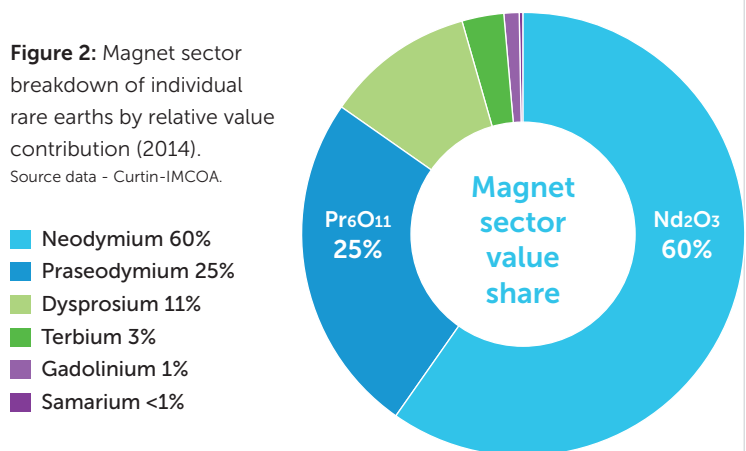
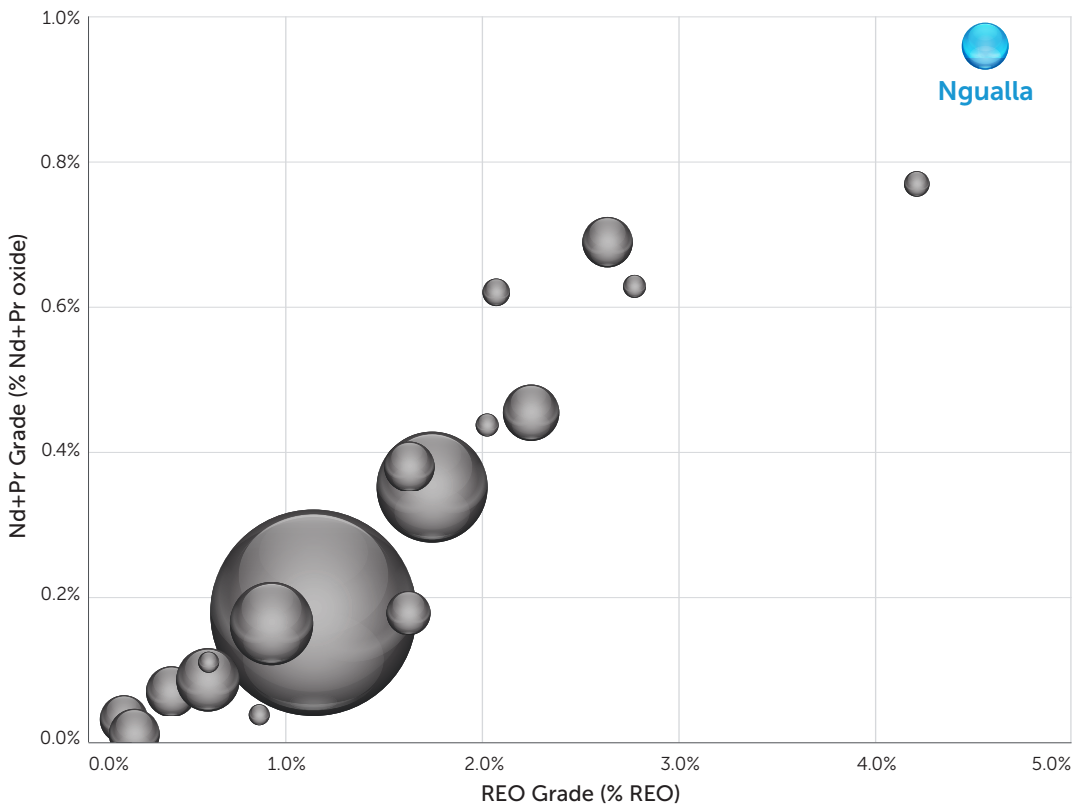


Figure 3:
Neodymium+praseodymium rare earth oxide grades vs. total rare earth grades of potential rare earth development projects.

● Bubble size: Mineral Resource Tonnes.

Source: Company Reports and Technology Metals Research.

See Appendix Tables 1 and 2 for Ngualla's Mineral Resource classification and relative breakdown of individual rare earths.



The Company will increase the focus on a production profile tailored to these high value, high growth Magnet Metals by significantly reducing production of cerium. Cerium is a low value rare earth that is predicted to continue in oversupply. Laboratory scale testwork has demonstrated that it is possible to reject 80% of cerium early in the leach recovery process. The anticipated advantages of this are as follows:

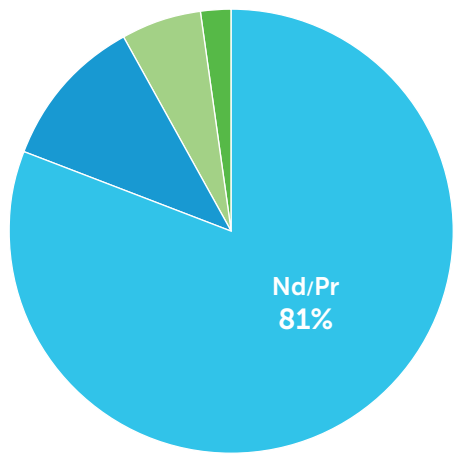
- Reducing the required production capacity of the subsequent separation plant by 40%, leading to a smaller plant
- Reducing hydrochloric, caustic soda and oxalic acid requirements (the major operating cost drivers) in the separation plant by up to 60%
- Reducing Ngualla's estimated overall projected revenue by only 6%
- Increasing expected operating margins

Marketing for Ngualla's product would be improved as cerium is currently (and expected to continue) in oversupply. As a low value product, where the production cost exceeds the sale price, operating margins would also be increased.

At current prices and with Ngualla's revised proposed rare earth production profile, **81% of Ngualla's projected revenue** will now be derived from neodymium and praseodymium (Figure 4).

Figure 4: Neodymium – praseodymium oxide constitute the majority, at 81%, of projected revenue from the cerium depleted rare earth production profile of Ngualla's planned four high purity rare earth oxide products.

- Nd/Pr Oxide 81%
- Mid-Heavy Oxide 11%
- Lanthanum Oxide 6%
- Cerium Oxide 2%



Further advances in Beneficiation

The focus on testwork targeting beneficiation improvements has been maintained during the Quarter as the ability to produce a high grade mineral concentrate has a profound impact on the downstream leach recovery process (Figure 5) and the potential to reduce both operating and capital costs for the project compared to the Preliminary Feasibility Study (PFS), (ASX Announcement “**Peak Resources Delivers Robust PFS for Ngualla**” of 19 March 2014).

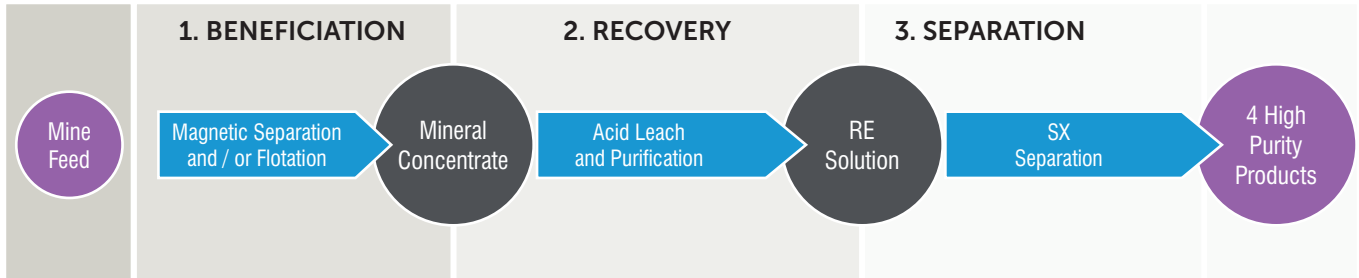


Figure 5: The three major steps in processing Ngualla’s weathered bastnaesite mineralisation from mine feed to high purity separated rare earth oxide products.

As reported in the December Quarterly Report, Peak announced on 15 January 2015 the production of a very high grade 53% REO mineral concentrate at an REO recovery of 52% from a feed sample of 5.93% REO. The testwork was commissioned at a leading Chinese Rare Earth Institute that has developed an alternative three stage flowsheet for Ngualla’s unique weathered bastnaesite mineralisation consisting of de-slime, wet magnetic separation and flotation.

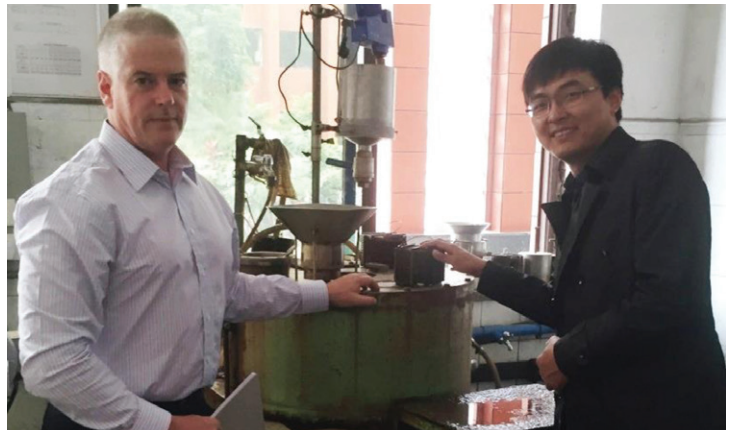


Photo: Peak GM Metallurgy Gavin Beer (left) reviewing wet magnetic separation and flotation testwork in China, January 2015.

Further testwork and optimisation of the original two stage float beneficiation flow sheet developed in Australia (ASX announcement “**Ngualla Rare Earth Project Beneficiation Breakthrough**”, 7 August 2014) was also completed during the Quarter and succeeded in producing a similar high grade concentrate of 47% REO at an REO recovery of 53% from a 5.35% REO grade sample.

The testwork results achieved by both alternative beneficiation flowsheets are approximately three times the concentrate grade of 16.3% REO assumed in the PFS and a significant advance on the 34.4% REO grade concentrate results announced in August 2014.

As well as reducing the mass of concentrate to be treated in the subsequent leach recovery stage, (requiring a smaller recovery plant), a significant additional benefit of a high grade concentrate is the more effective removal of acid consuming iron from the concentrate, which is expected to further reduce acid requirements.

Further optimisation of the beneficiation flowsheets will be completed in China and Australia on additional samples of weathered Bastnaesite Zone mineralisation to demonstrate repeatability and target improved recoveries. Scale-up work using larger sized equipment is already in progress in both China and Australia to evaluate each of the two flowsheets further in preparation for pilot plant design on the final selected process.

Other Metallurgical Programs

Leach Recovery Development and Optimisation

The ability to produce a high grade mineral concentrate containing far lower levels of impurities, especially iron, may provide opportunities to improve the subsequent leach recovery process (Figure 5) by reducing reagent consumption and simplifying the extraction and purification process. Evaluation and testwork is continuing at NAGROM in Perth and at ANSTO Minerals in Sydney, to determine the optimum leach process and parameters applicable to the new high purity, high grade bastnaesite mineral concentrate prior to design of the leach recovery pilot plant.

The decision to reject a significant proportion of low value cerium prior to the separation stage also has the potential to lead to reduced reagent consumption at the recovery stage since less cerium would be taken into solution. This potential further reduction in reagents would be in addition to the estimated 60% reduction in hydrochloric, caustic soda and oxalic acid requirements during separation. Testwork is in progress to quantify these additional recovery stage reductions in reagents and the Company will keep the market informed of significant developments.

Mineral Concentrate Generation

Preparation of a high grade mineral concentrate from bulk samples of weathered Bastnaesite Zone mineralisation using the 'Beneficiation Breakthrough' two stage flotation flowsheet continues in Perth. The resulting mineral concentrate is being produced as feed for the leach recovery testwork described above.

Pilot Plants

The results of the beneficiation and leach recovery development, optimisation and upscaling programs will be used to design beneficiation and leach recovery pilot plants that will provide operating data to assist in the engineering of the developed processes into the commercial scale operation.



Photo: Geologist Girimu Mgasa in a trench excavated in Ngualla ore for 44t bulk sample collection, March 2015.

Design and operation of the two pilot plants will be completed in 2015 as part of the BFS.

The initial 22 tonne bulk sample of typical mineralisation from Ngualla collected to provide feed for these pilot plants arrived in Australia in March. An additional 44 tonnes of weathered bastnaesite mineralisation was collected during the Quarter and is currently in transit to Perth from site.

Appointments

The build out of the Peak team continues as feasibility study activity ramps up.

International engineering group AMEC Foster Wheeler (AMECFW) was appointed as Lead Study Engineers for the Feasibility Studies during the Quarter. An initial site visit was completed in March to review the area of proposed mining and alternative plant sites at Ngualla. AMECFW is an industry leader in global mining solutions, employing 29,000 people in over 40 countries. AMECFW has executed 100 major projects since 2000 totalling US\$56 billion in investment and including eleven major projects in Africa.

Gavin Beer was appointed as General Manager of Metallurgy in February after consulting to the Company since April 2012. Mr Beer has more than 25 years of experience in technical and operational roles in the industry. Since 2007 he has worked almost exclusively on rare earths projects and is a leading expert in the field.

Peak appointed environmental consultants Align Environment (Tanzania) ("**Align**") and Paulsam Geo-Engineering Company ("**Paulsam**") in January 2015. The appointment of the two specialist consultants marks the commencement of the regulatory permitting process for Ngualla through the completion of studies and reports required to support a mining licence application. Both companies are well respected with extensive experience in the field and have operational centres and registered companies in Tanzania.

Baseline Environmental and Social Surveys

The Ngualla Camp was re-opened in late January to support the completion of wet season environmental and social surveys in support of the Environmental and Social Impact Assessment that is required for the issue of an Environmental Certificate ("EC"). The EC is required prior to the grant of a mining licence. The project development area is free of any habitation, farming or grazing and there are no Reserves of any kind over the area. Dry season surveys were completed in 2014 with no endangered species identified.

Corporate

On 1 April 2015 Peak announced the appointment of Appian nominees Mr Robin Mills and Mr John Jetter as Non-Executive Directors to the board and as contemplated under the financing transaction (ASX announcement "**BFS Funding of A\$29.5million Finalised with Formal Agreements**" of 3 February 2015). Peak is pleased to welcome the new Directors, who complement and expand the qualities of the existing board through their deep operating experience in large international mining and financial corporations with companies that include Anglo American, De Beers, CRA (Rio Tinto) and JP Morgan.

With the addition of the new Directors, the Company's long standing Chairman, Mr Alastair Hunter announced his retirement from the board. The Company wishes to thank Mr Hunter for his stewardship, guidance and tireless efforts over the previous seven years, including extended periods as Executive Chair. Mr Hunter was instrumental in the acquisition of the Ngualla Project and the discovery of the Ngualla rare earth deposit.

During the Quarter the Company took advantage of the softening West Perth commercial property market, relocating to improved and larger premises able to accommodate the expanded project development team.

As noted above, on 23 March 2015 the company received a further A\$5 million interim loan funding from Appian.

As reported in the December 2014 quarterly report, on 5 January 2015, pursuant to shareholder approval obtained at a General Meeting held on 1 July 2014, the company issued 10.5 million performance rights and 19.15 million options under the company's Performance Rights Plan and Employee Option Plan respectively.

Corporate Structure and Cash on Hand

The corporate structure as at the 31 March 2015 was:

ASX: PEK

Ordinary Shares on Issue: 334.2 million

Cash at hand: \$5.4 million

Debt: \$8.9 million (US\$3m and A\$5m interim funding provided by Appian – repayable on closure of financing transaction)

52 week range: 6.4c – 10.5c*

Market Cap: \$24.1m (at 7.2c)

Listed 10c Options outstanding: 58.7 million (expiry 30 June 2015)

Unlisted Performance Rights: 10.5 million#

Unlisted Options outstanding: 25.6 million# (exercise prices A\$0.10 to A\$0.55)

Liquidity: 0.228 million shares per day (average over 3 months**)

* From 01 April 2014 to 31 March 2015 ** Average from 01 January 2015 to 31 March 2015 # Some subject to performance and vesting criteria



Darren Townsend Managing Director

The information in this report that relates to Metallurgical Test Work Results based on information compiled and / or reviewed by Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional. Gavin Beer is the General Manager, Metallurgy for Peak Resources Limited and is a Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Gavin Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to infrastructure, project execution and cost estimating is based on information compiled and / or reviewed by Lucas Stanfield who is a Member of the Australian Institute of Mining and Metallurgy. Lucas Stanfield is the Chief Development Officer for Peak Resources Limited and is a Mining Engineer with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Dave Hammond who is a Member of The Australasian Institute of Mining and Metallurgy. Dave Hammond is the Technical Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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'. Dave Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1

Table 1: Classification of Mineral Resources for the weathered Bastnaesite Zone mineralisation at a 3.0% cut off grade.

Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
3.0% REO	Measured	19	4.53	840,000
	Indicated	2.9	4.62	140,000
	Inferred	0.11	4.10	4,000
	Total	21.6	4.54	982,000

* REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 2 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision. Reported according to the JORC 2004 Code of Guidelines.

Table 2: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the weathered Bastnaesite Zone +3% REO Mineral Resource.

Oxide	Bastnaesite Zone Mineral Resource at 3.0% cut %	
Lanthanum	La ₂ O ₃	27.6
Cerium	CeO ₂	48.2
Praseodymium	Pr ₆ O ₁₁	4.73
Neodymium	Nd ₂ O ₃	16.6
Samarium	Sm ₂ O ₃	1.60
Europium	Eu ₂ O ₃	0.30
Gadolinium	Gd ₂ O ₃	0.61
Terbium	Tb ₄ O ₇	0.05
Dysprosium	Dy ₂ O ₃	0.08
Holmium	Ho ₂ O ₃	0.01
Erbium	Er ₂ O ₃	0.03
Thulium	Tm ₂ O ₃	0.00
Ytterbium	Yb ₂ O ₃	0.01
Lutetium	Lu ₂ O ₃	0.00
Yttrium	Y ₂ O ₃	0.20
Total %		100

Mineral Resources are reported according to the 2004 JORC Code and Guidelines, (ASX Announcement 'Increased Resource Estimate to Improve Ngualla Project Economics', 4 April 2013). The information and material assumptions underpinning the Mineral Resource estimates continue to apply and have not materially changed.

Summary of Mining Tenements and Areas of Interest

Project/Tenement Held	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
Ngualla	Tanzania	PL6079/2009	100%	No Change
Mikuwo	Tanzania	PL9157/2013	100%	No Change

Peak Resources Limited has not disposed, acquired or made any changes to the beneficial interest of any tenements held during the March 2015 Quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Peak Resources Limited

ABN

72 112 546 700

Quarter ended ("current quarter")

March 2015

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	-	3
1.2 Payments for (a) exploration & evaluation	(331)	(833)
(b) development	(1,462)	(2,633)
(c) production	-	-
(d) administration	(423)	(2,050)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	15
1.5 Interest and other costs of finance paid	(230)	(428)
1.6 Income taxes paid - R&D Tax refund	402	402
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,040)	(5,524)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(6)	(6)
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) – Performance Bonds	5	5
Net investing cash flows	(1)	(1)
1.13 Total operating and investing cash flows (carried forward)	(2,041)	(5,525)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,041)	(5,525)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5,224	8,901
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	5,224	8,901
	Net increase (decrease) in cash held	3,183	3,376
1.20	Cash at beginning of quarter/year to date	2,218	2,040
1.21	Exchange rate adjustments to item 1.20	(26)	(41)
1.22	Cash at end of quarter	5,375	5,375

Payments to directors of the entity, associates of the directors, 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	275
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 includes salaries, directors fees paid to Directors and payments to Steinepreis Paganin Lawyers & Consultants, an entity related to Jonathan Murray

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

n/a

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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*	8,901	8,901
3.2 Credit standby arrangements – Bank Guarantee re office rent	100	100

*US\$3 million Bridge Loan Facility pursuant to the Appian Financing Agreement (see ASX announcement 29 September 2014 – Peak Secures BFS Funding For Ngualla Rare Earth Project) and A\$5 million unsecured loan provided by Appian (see ASX announcement 23 March 2015 – \$5M Funding Received and Lead Feasibility Study Engineer Appointed).

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	335
4.2 Development	1,883
4.3 Production	-
4.4 Administration	803
Total	3,021*

*Subject to completion of the Appian Financing Agreement (see ASX announcement 29 September 2014 – Peak Secures BFS Funding For Ngualla Rare Earth Project).

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	875	2,218
5.2 Deposits at call	4,500	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,375	2,218

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Refer Quarterly Activities Report		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer Quarterly Activities Report		

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	334,229,133	334,229,133	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			Fully Paid
7.5	+Convertible debt securities <i>(description)</i>			

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	6,250,000 150,000 58,672,247 6,383,334 6,383,333* 6,383,333*		<i>Exercise price</i> - \$0.55 - \$0.55 58,672,247 \$0.10 - \$0.10 - \$0.15 - \$0.20 - \$0.00 - \$0.00	<i>Expiry date</i> 20 February 2017 3 March 2018 30 June 2015 5 January 2017 5 January 2018 5 January 2018 5 January 2018 5 January 2018
	- Performance Rights	2,500,000		- \$0.00	5 January 2018
	- Performance Rights	8,000,000#		- \$0.00	5 January 2018
7.8	Issued during quarter	6,383,334 6,383,333* 6,383,333*		- \$0.10 - \$0.15 - \$0.20	5 January 2017 5 January 2018 5 January 2018
	- Performance Rights	2,500,000		- \$0.00	5 January 2018
	- Performance Rights	8,000,000#		- \$0.00	5 January 2018
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

* Options vest subject to length of service criteria

Performance Rights vest on satisfaction of performance milestones

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.

Sign here: *Graeme Scott*
Company secretary

Date: 29 April 2015

Print name: Graeme Scott

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum 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 or petroleum 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: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

== == == == ==