

Forte Consolidated Limited  
 ABN 37 148 168 825

**Board of Directors**

Chairman  
 Executive Director  
 John Terpu

Non-Executive Director  
 Bruno Firriolo

Non-Executive Director  
 Joseph Radici

Company Secretary  
 Bruno Firriolo

**Website**

[forteconsolidated.com.au](http://forteconsolidated.com.au)

**Registered Office**

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 BALCATT, WA 6021  
 Phone: 61 8 9240 4111  
 Fax: 61 8 9240 4054

**Postal Address**

PO Box 572  
 BALCATT, WA 6914

**Share Capital**

**FRC ordinary shares**  
 178,578,187

**Share Registry**

Link Market Services Limited  
 Level 4, Central Park  
 152 St Georges Terrace  
 Perth WA 6000

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If you wish to view your holdings online please login using the following link:  
<https://investorcentre.linkmarketservices.com.au/Login.aspx/Login>

**EPM 18986 Johnnycake Highlights**

- All stakeholder agreements are in place for an RC drilling program to commence on 1 May 2015.
- Drilling is planned on five 'drill ready' anomalies that have been identified at the Sledgehammer and Szarbs Prospects, commencing with IP1, a 600m long coincident chargeable and resistive anomaly associated with a 47g/t gold rock chip assay result.
- The drilling programme for both prospects will consist of up to 65 RC holes for a total of 9,920m between 120m and 200m deep.

**Johnnycake (EPM 18986) - background**

As previously reported, Forte has applied first principles geoscience at its Johnnycake Project. This approach has resulted in the identification of a number of drill ready anomalies which will be tested in an RC drilling program scheduled to commence on 1 May 2015. Exploration already undertaken by Forte commenced with a high resolution airborne magnetic and radiometric survey from which a number of anomalous areas were highlighted. On the strength of this, SRK Consulting (Australasia) Pty Ltd ("SRK") undertook tenement scale mapping which identified multiple layers of evidence of a hydrothermal system at the Sledgehammer and Szarbs Prospects. The location of these prospects is provided in Figure 1.

Subsequent prospect scale mapping was completed with the aim of refining these prospects into 'drill ready' targets. Rock chip and PIMA sampling at each prospect has enhanced this objective, yielding rock chip results at Sledgehammer including **47g/t Au** and **38g/t Ag**, 1.52g/t Au and 6.2g/t Ag, 3.79g/t Au and **32.3g/t Ag**. The Szarbs Prospect also yielded a number of strongly geochemically anomalous silver results with a highest assay of 9.35g/t Ag. The rock chip results at each prospect are supported by a number of co-incident geophysical anomalies and broad halos of hydrothermal alteration consistent with the target style of epithermal mineralisation.

A ground IP survey conducted in late 2014 has identified 3 chargeable and resistive anomalies at each of the Prospects. Five of these represent 'drill-ready' targets and form the basis of the proposed 2015 drilling program.

A video presentation of exploration conducted to date is available from the Homepage of the Company's website at [www.forteconsolidated.com.au](http://www.forteconsolidated.com.au)

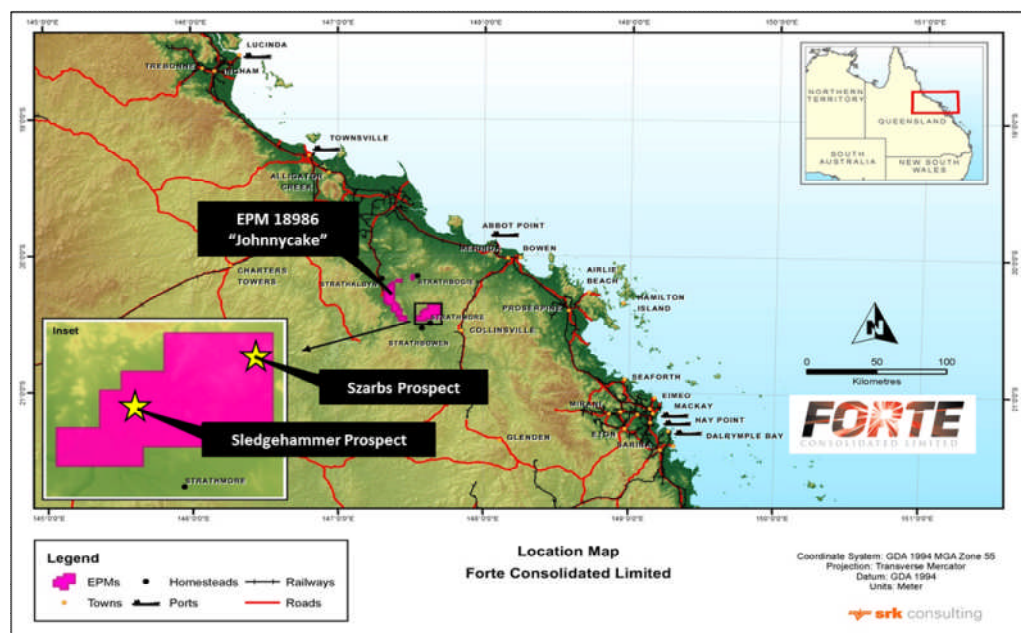


Figure 1: Location Map for Sledgehammer and Szarbs Prospects

## Activities for the quarter

During the Queensland wet season the company has focussed on site preparation and gaining all necessary approvals to commence drilling at Sledgehammer on 1 May 2015. The company is pleased to advise that all negotiations with landholders, indigenous representatives, government authorities and drilling contractors have been successfully completed for each prospect.

### Sledgehammer Prospect

During the quarter the company completed an indigenous cultural heritage survey and terms were agreed with a highly regarded drill contractor to undertake the RC drilling programme. All approvals and agreements are in place for drilling to commence at Sledgehammer on 1 May 2015.

Drilling has been planned to test 3 drill-ready anomalies (Figure 2) commencing at the IP1 anomaly, a 600m long coincident chargeable and resistive anomaly associated with a previously reported 47g/t Au rock chip assay result (Figure 3). The company has planned a minimum programme of 14 holes for a total of 2,300m covering 3 drill-ready anomalies. Depending on results this program can be extended to up to 33 holes for a total of 5,120m. Hole depths range from 120m to 200m.

#### Sledgehammer Drill Targets

**IP1** – This is a weak linear chargeability anomaly with associated high resistivity. It corresponds to a gold anomaly in soils and is close to outcrop with anomalous rock chips. This anomaly may be due to a NS trending epithermal vein and is a high priority drill target.

**IP2** – This is a broad area of weak anomalous chargeability and high resistivity that could be due to a high sulphidation epithermal system. It underlies black soils which mask geochemistry and warrants drilling.

**IP3** – This is an anomaly on a single line in the southern part of the ground IP survey area without the 200m infill. It is particularly interesting in that it corresponds with a discrete magnetic anomaly and a relative conductor. The cause of the anomalies may be alteration associated with a porphyry system and will be tested via drilling.

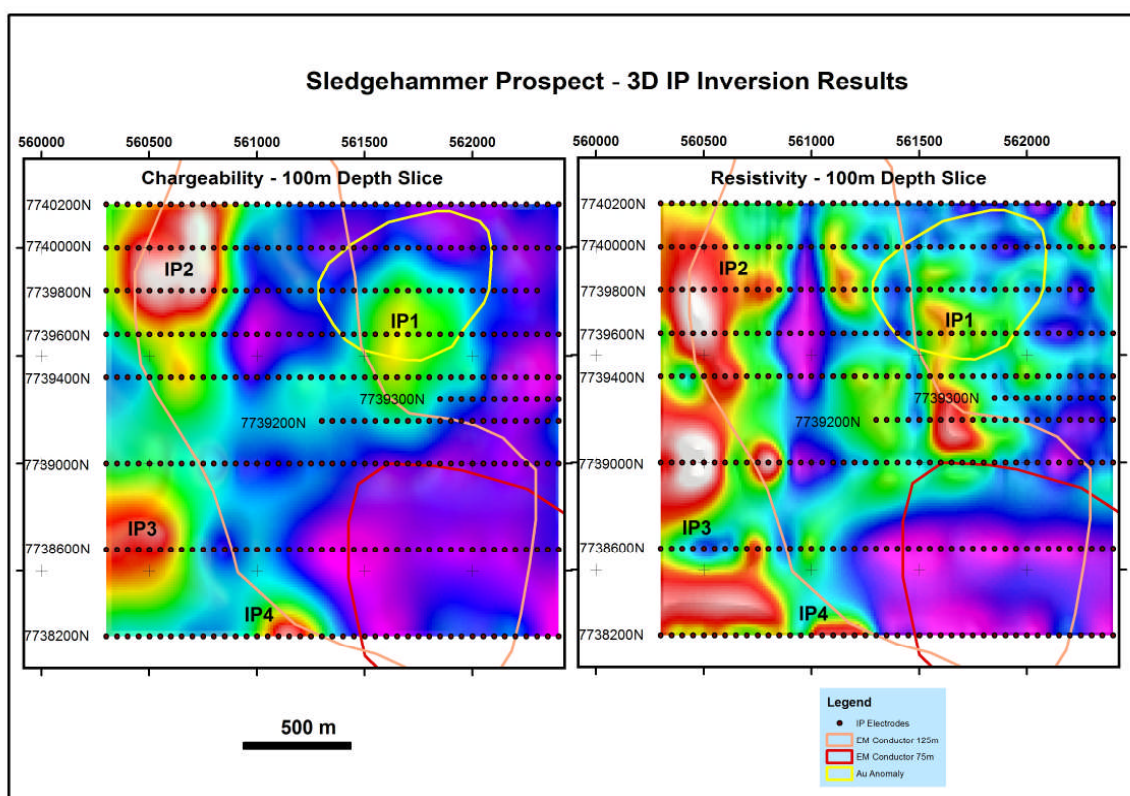


Figure 2: Sledgehammer Prospect showing chargeability and resistivity anomalies at the 100m depth slice

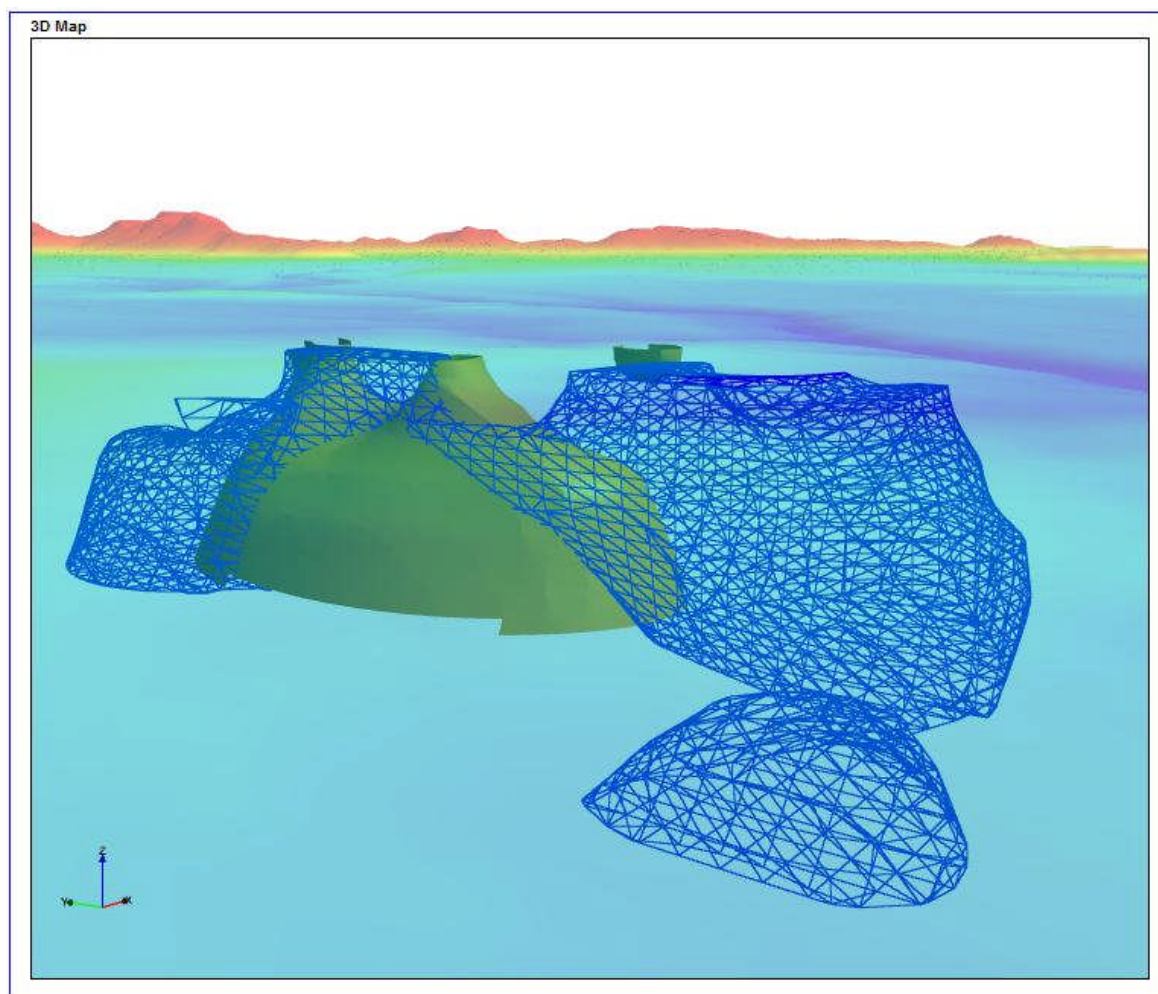


Figure 3: Anomaly IP1 at the Sledgehammer Prospect is associated with a 47g/t Au rock chip assay result reported in the June 2014 quarterly report. The solid frame represents chargeability while the blue wireframe represents resistivity.

### **Szarbs Prospect**

The company has completed negotiations with the landholder regarding suitable terms for a Conduct and Compensation Agreement. This is a requirement under Queensland law prior to commencing advanced activities.

Terms have been agreed with a highly regarded drill contractor and drill hole positions have been identified on the ground and relocated where required due to terrain conditions. Access has been analysed and optimised.

An indigenous cultural heritage survey was completed subsequent to the end of the quarter.

Drilling will commence on 2 drill ready anomalies upon completion of the Sledgehammer drilling program and will consist of a minimum programme of 10 holes for a total of 1,500m covering 2 drill ready anomalies. Depending on results this program can be extended to up to 32 holes for a total of 4,800m. Hole depths will be 150m.

#### **Szarbs Drill Targets**

Two chargeability anomalies and a resistivity anomaly were identified from the ground IP survey conducted in late 2014 (Figure 4):



**T1** - This is a weak chargeability anomaly that coincides with a circular low feature in the magnetics of about 600m diameter that may be due to a breccia pipe (Figure 4). The low is thought to be due to magnetite destruction although there may be remanently magnetised intrusions/alteration on the western side. This is a similar signature to the Mount Leyshon breccia complex although smaller. In addition, there is a coincident high resistivity anomaly. This anomaly underlies barren ignimbrite and will be tested with drilling.

**T2** - This is an intense resistive feature of more than 700 ohm-metres that could be due to silicification. It is immediately to the west of a hill with mapped silica alteration. This is a high priority drill target.

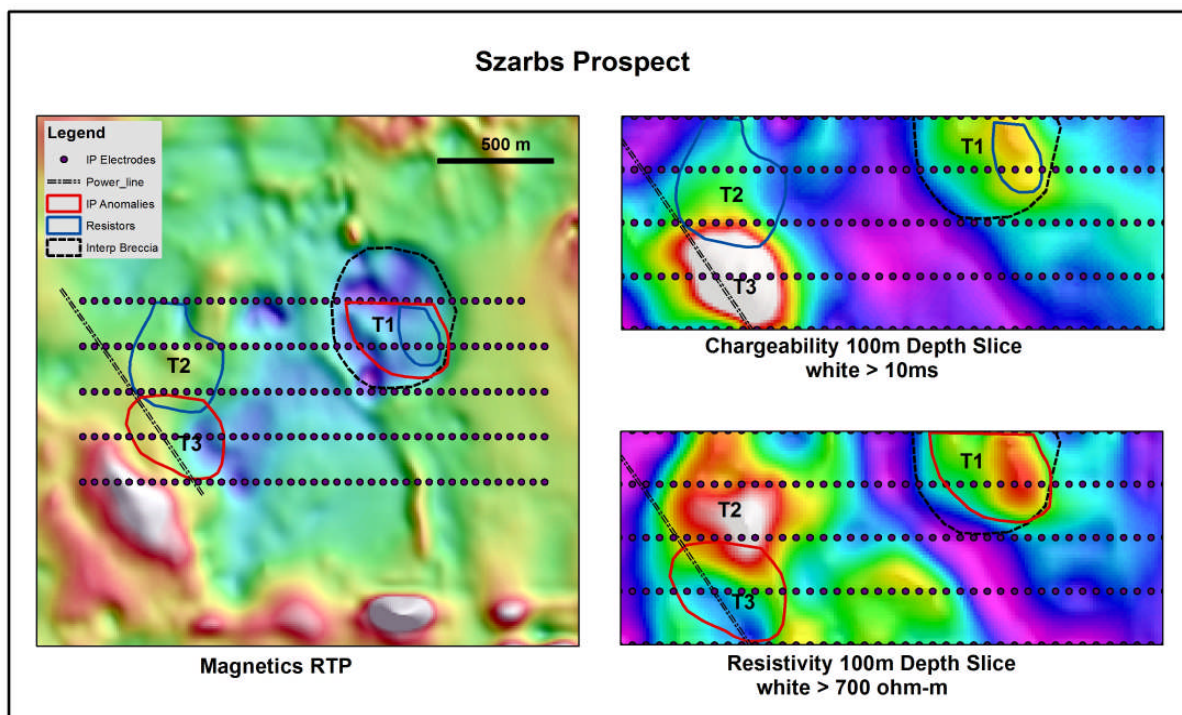


Figure 4: Dipole-dipole anomalies at the Szarbs Prospect showing chargeability and resistivity along with the underlying Mt Leyshon style magnetic anomaly.

### Work Planned for the June 2015 Quarter

Drilling will commence at the Sledgehammer Prospect on 1 May 2015, with 7 priority holes being drilled into the IP1 anomaly, 6 into the IP2 anomaly and 1 into the IP3 anomaly, totalling 2,300m. Depending on the success of these holes, the drilling programme may be extended to a maximum of 33 RC holes totalling approximately 5,120m. When this program is complete, drilling will commence at the Szarbs Prospect where 5 priority RC holes will be drilled into each of the T1 and T2 anomalies, totalling 1,500m. Depending on the success of these holes, the drilling programme may be extended to a maximum of 32 RC holes totalling approximately 4,800m.

### Finance

At 31 March 2015 the Company had available cash totalling \$2,114,000

Exploration and evaluation expenditure for the quarter was \$108,000

## Tenement Interests

Tenements held at end of quarter	Ownership	Project	Location
EPM18986 EPM25196	100%	Johnnycake	Collinsville, Queensland
EPM25755	100%	Kangaroo Hills	Kangaroo Hills, Queensland

Tenements acquired during the quarter	Ownership	Project	Location
NIL			

Tenements disposed during the quarter	Ownership	Project	Location
NIL			

Farm-in/out Agreements at end of quarter	Beneficial Interest	Project	Location
NIL			

Farm-in/out Agreements acquired/disposed during the quarter	Beneficial Interest	Project	Location
NIL			

The information in this report that relates to airborne magnetic and radiometric surveys and surface rock chip assay results is extracted from the report entitled "Quarterly Activities Report" created on 31 July 2014 and is available to view on [www.forteconsolidated.com.au](http://www.forteconsolidated.com.au). The Competent Person named in that report is Mr James Pratt. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to results of a ground IP survey is extracted from the report entitled "Quarterly Activities Report" created on 13 October 2014 and is available to view on [www.forteconsolidated.com.au](http://www.forteconsolidated.com.au). The Competent Person named in that report is Mr James Pratt. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

# 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

Forte Consolidated Limited

ABN

37 148 168 825

Quarter ended ("current quarter")

31 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		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(108)	(542)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	13	27
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) - Tenement Bonds (paid)refunded	-	3
<b>Net Operating Cash Flows</b>	(207)	(869)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	(20)
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)		
<b>Net investing cash flows</b>	-	(20)
1.13 Total operating and investing cash flows (carried forward)	(207)	(889)

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(207)	(889)
1.14	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,655	1,655
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 (provide details if material) – Issue costs	(19)	(19)
	<b>Net financing cash flows</b>	1,636	1,636
	<b>Net increase (decrease) in cash held</b>	1,429	747
1.20	Cash at beginning of quarter/year to date	685	1,367
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,114	2,114

**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	107
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

**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

### 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	
3.2 Credit standby arrangements	NIL	

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	692
4.2 Development	
4.3 Production	
4.4 Administration	154
<b>Total</b>	<b>846</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	218	60
5.2 Deposits at call	1,896	625
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,114</b>	<b>685</b>



## 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	NIL		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	NIL		

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

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	178,578,187	178,578,187	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	82,773,185	82,773,185	2 cents
7.5	<b>*Convertible debt securities</b> (description)			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 29 April 2015

Print name: Bruno Firriolo

## 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.

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+ See chapter 19 for defined terms.

- 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.

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