ASX: FRC

Forte Consolidated Limited
ABN 37 148 168 825

Board of Directors

Chairman
Executive Director
John Terpu

Non-Executive Director
Bruno Firriolo

Non-Executive Director
Joe Radici

Company Secretary
Bruno Firriolo

Website
forteconsolidated.com.au

Registered Office
Suite 4, 213 Balcatta Road
BALCATTA WA 6021
Phone: 61 8 9240 4111
Fax: 61 8 9240 4054

Postal Address
PO Box 572
BALCATTA WA 6914

Share Capital
FRC ordinary shares
179,078,187

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

Telephone
(within Australia): 1300 554 474
(outside Australia): +61 1300 554 474
Facsimile: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

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

- **First phase reconnaissance drill programme at Sledgehammer has demonstrated widespread alteration along with gold and silver anomalism;**
- **Trench sampling program at Sledgehammer has demonstrated in situ high grade gold and silver at surface, along with anomalous copper and molybdenum;**
- **Hylogger analysis of the first phase reconnaissance drilling at Szarbs has given shape to a clear gradation through a classic epithermal alteration sequence, updating the mineralisation model and establishing mineralisation vectors at Szarbs**

Johnnycake (EPM 18986) - background

Forte has applied first principles geoscience at its Johnnycake Project. As previously reported, exploration already undertaken in 2014 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 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**.

A ground IP survey conducted in late 2014 identified a series of chargeable and resistive anomalies at each of the Prospects. The recently completed reconnaissance phase of the drilling program, along with surface trench sampling, targeted these anomalies with the aim of refining the mineralisation model and providing vectors to mineralisation. High grade gold and silver in surface trench samples at Sledgehammer, along with definition of a classic epithermal alteration sequence in the drilling at Szarbs, have enhanced the prospectivity of these two prospects.

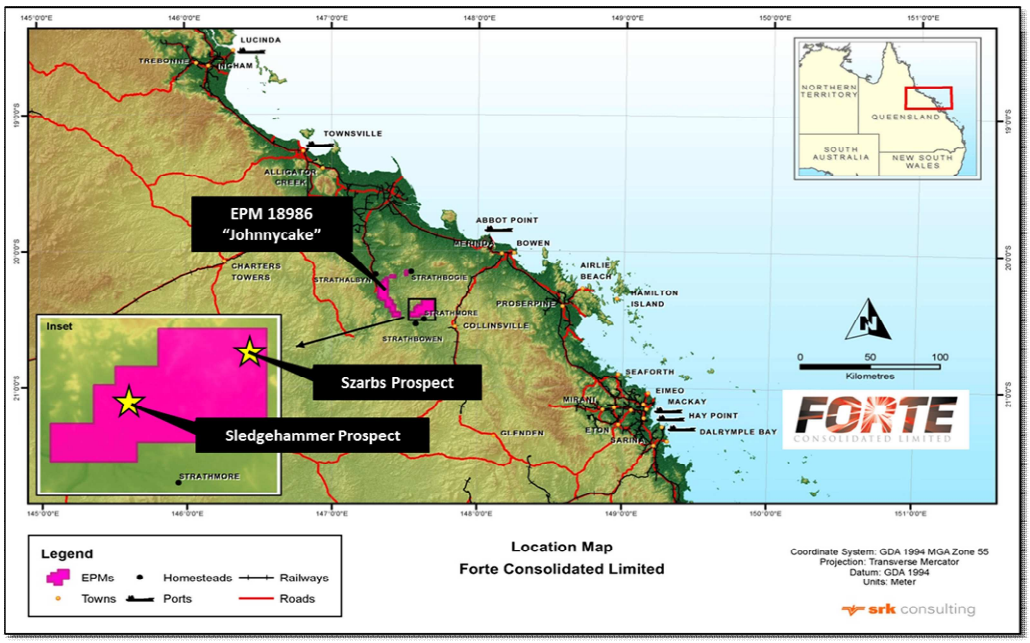

Figure 1: Location Map for Sledgehammer and Szarbs Prospects

Activities for the quarter

During the June 2015 quarter the company conducted its maiden reconnaissance drilling program at the Johnnycake project. Drilling commenced as scheduled on 1 May 2015. A total of 18 Reverse Circulation (RC) drill holes for 2,630 m were drilled to reconnaissance test the IP targets with the holes positioned and angled to optimally intersect the chargeable and resistive anomalism. All drill holes were undertaken using RC 5'25" diameter holes. Hole depths ranged from 107 to 197m.

In addition, a total of 160 trench samples were collected from an area at the Sledgehammer Prospect centred on an outcrop of silicified hydrothermal breccia with significant outcropping gold and silver mineralisation (outlined in the 2014 rock chip sampling program included in Figures 2 and 3). 1-2 kg of in situ rock chip samples were collected along continuous 1 metre intervals from 7 trenches cut 15-20cm through soil to expose in situ rock.

The weights of evidence of exploration conducted to date at the Sledgehammer and Szarbs Prospects indicate that both systems remain undiminished in prospectivity for economic mineralisation. These weights of evidence have been added to by the recent RC drilling program. They are:

Sledgehammer:

- High grade gold and silver in surface rock chip samples, plus anomalous copper and molybdenum (indicating a potential porphyry mineralisation model may be appropriate);
- High grade gold and silver in in situ trench samples, plus anomalous copper and molybdenum;
- Hydrothermal brecciation in outcrop at Sledgehammer Hill, coincident with the high grade rock chip and trench samples, indicating a local mechanism/model for economic mineralisation and exploration focus;
- Definition of alteration system demonstrated via Hylogger analysis of RC drill chips from the recent program; and
- Strong evidence of regional scale structures, coincident with the high grade rock chips, transecting the area, providing a source for mineralizing fluids.

Szarbs:

- Highly anomalous (up to 10 g/t) silver in surface rock chip samples, plus elevated associated indicator elements (Mo, Te and Bi)
- Clear gradation through a classic epithermal alteration sequence, from propylitic through phyllic to argillic, evidenced by Hylogger analysis of RC drill chips and petrographic analysis of surface rock samples. This is the typical alteration progression peripheral to the high temperature core of a high sulphidation epithermal system.
- The above vectors indicate that the core of the system may be a zone 250m to 750m east of the recent drilling, situated between two regional scale faults capable of providing the mineralising fluid pathways

DETAIL OF ACTIVITIES

Sledgehammer Prospect

Trench Sampling

The geochemical results showing the combined 2015 trench sampling and 2014 rock chip sampling and soil sampling programs are shown geographically in Figures 2 and 3. A number of 'significant' sample assays from the 2015 trench sampling program are presented in Table 1. The trench sampling

builds on results from 2014 rock chip sampling from an outcrop of silicified hydrothermal breccia in the north of the prospect which assayed significant outcropping gold and silver mineralisation in many samples, including one assay (RCW041) returning 47g/t Au and 38g/t Ag. More distal quartz-pyrite altered volcaniclastics (e.g., RCW047, RCW042) show significant anomalism in Au (up to 0.3 g/t) and Ag defining a broader area.

The sampled outcrop sits central to, and is consistent with, the broader Au and Ag in soil anomaly. The samples also show zones of elevated concentrations of Cu (up to 423ppm) and Mo (up to 200 ppm), which are not always correlated with Au and Ag grades.

The anomalous rock chip results within the breccia zone, in conjunction with the adjacent broader Au anomalism in soil and more distal Au anomalism in rock chip results throughout the broader prospect (Figure 4) highlight the potential of the area to host economic Au ± Ag mineralisation.

Table 1: Trench chip sampling details and summary of significant assay results

Sample ID	Rock Type	Easting	Northing	Au g/t	Ag g/t
T1001	Volcaniclastic breccia/ignimbrite	561879	7739828	**0.12**	**0.11**
T1008	Volcaniclastic breccia/ignimbrite	561446	7739454	**7.49**	**5.1**
T1013	Volcaniclastic breccia/ignimbrite	561447	7739459	**2.07**	**4.4**
T1016	Volcaniclastic breccia/ignimbrite	561403	7739751	**0.92**	**1.4**
T1017	Volcaniclastic breccia/ignimbrite	561890	7739845	**0.18**	**0.5**
T1020	Volcaniclastic breccia/ignimbrite	561905	7739832	**0.18**	**-**
T1034	Volcaniclastic breccia/ignimbrite	561897	7739782	**0.29**	**-**
T1093	Volcaniclastic breccia/ignimbrite	561880	7739826	**0.16**	**5.9**
T1094	Volcaniclastic breccia/ignimbrite	561881	7739826	**0.54**	**0.6**
T1095	Volcaniclastic breccia/ignimbrite	561882	7739827	**1.15**	**1.3**
T1096	Volcaniclastic breccia/ignimbrite	561883	7739827	**0.16**	**0.7**
T1160	Volcaniclastic breccia/ignimbrite	561886	7739817	**0.17**	**-**
T1173	Volcaniclastic breccia/ignimbrite	561880	7739819	**0.19**	**0.3**

Trenches were excavated to hard rock (~15-20cm), with a pick. Samples of 1-2kg were taken over a continuous 1m interval using a geological pick.

These results have been selected to illustrate the mineralisation potential at Sledgehammer. They are depicted graphically in Figure 2 and Figure 3. For context, results not depicted in the table above are all contained within Figure 2 and Figure 3 and are below 0.10g/t Au and 0.5g/t Ag.

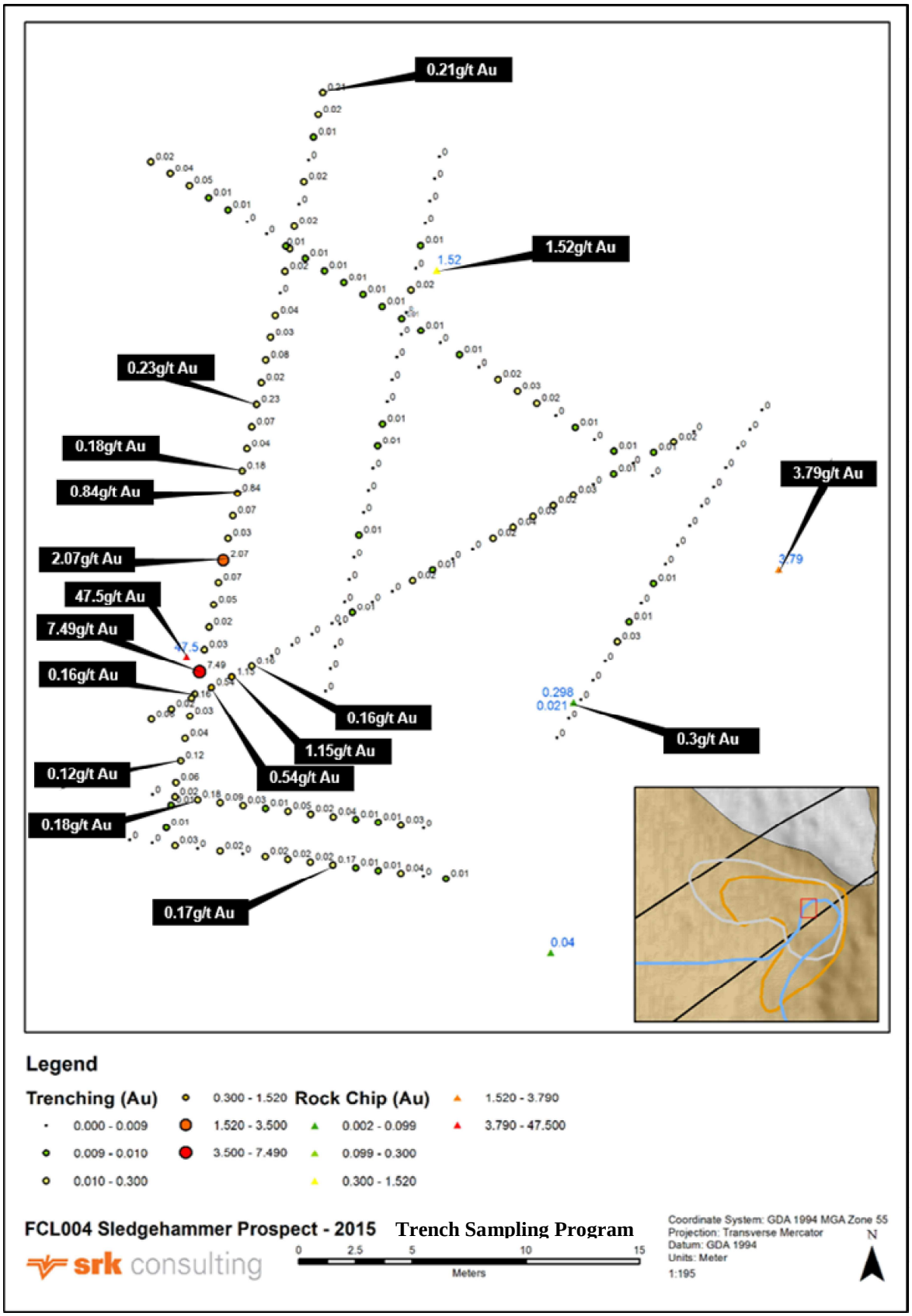

Figure 2: Au assay results from 2015 trench sampling program, also showing 2014 rock chip results

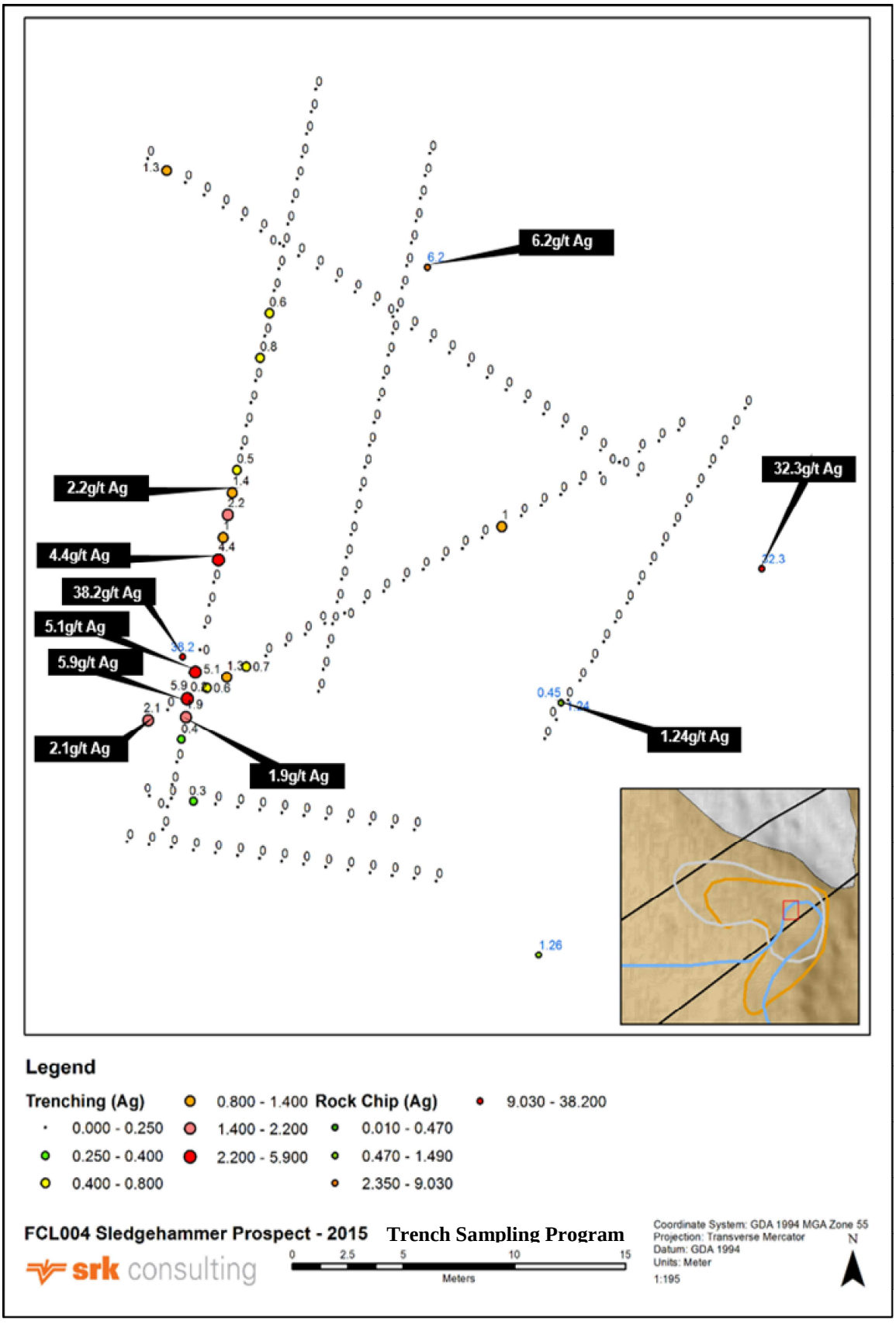

Figure 3: Ag assay results from 2015 trench sampling program also showing 2014 rock chip results

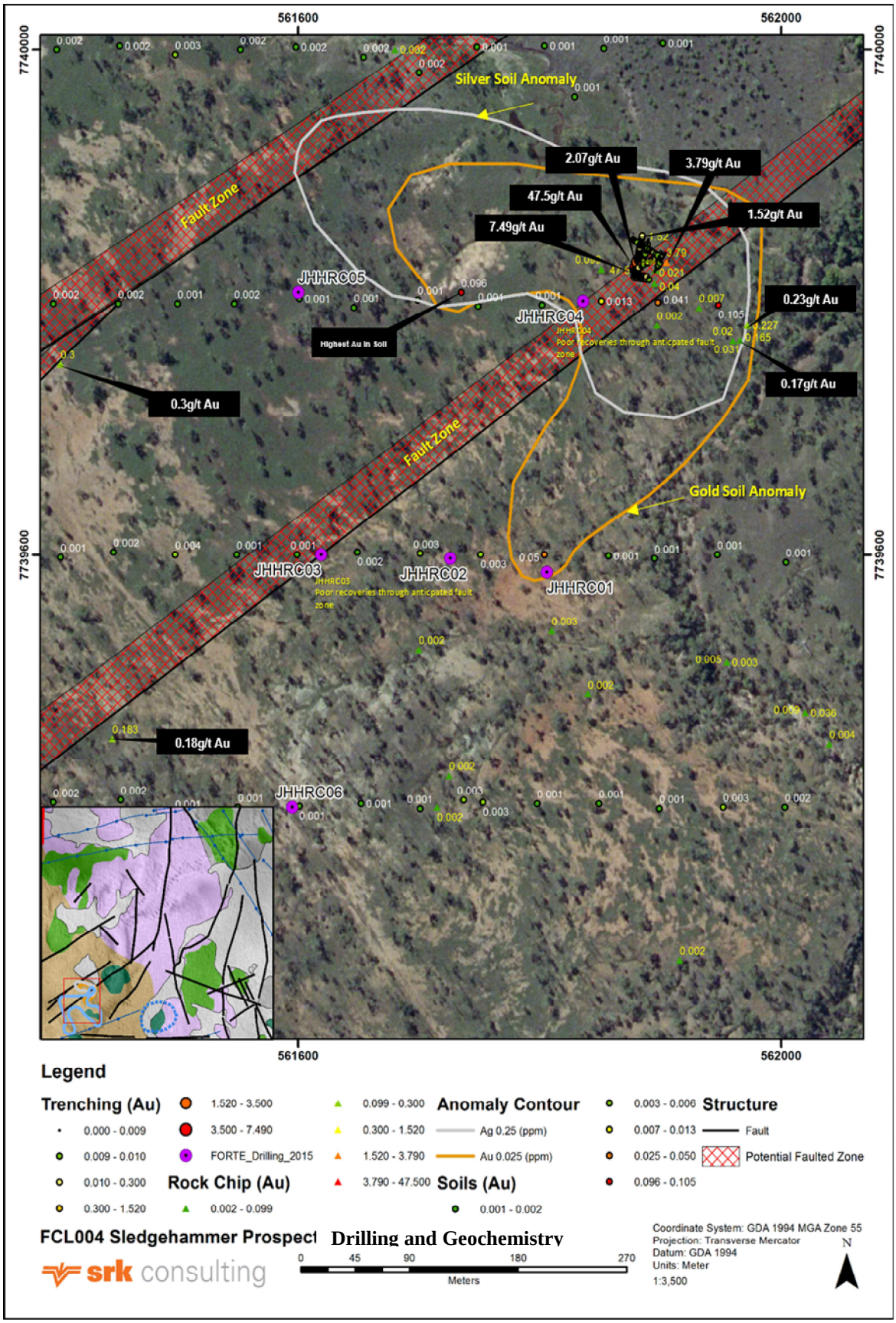

Figure 4: Sledgehammer – overview of rock chip, soil samples and drill hole locations

RC Drilling

Gold and silver anomalism was present but weak in most of the drill holes, however pronounced propylitic and phyllic alteration was observed indicating that a mineralisation system may be present.

RC chips trays from 6 holes (JHHRC01-06) were submitted to ALS Laboratories in Wangara, WA for alteration mineral analysis using the Hylogging™ spectral scanning system (Hylogger Terra Spec Spectrometer). High density spectral reflectance measurements were taken on approximately 496 samples. Mineral identification and subsequent analysis was undertaken by Ausspec International using aiSIRISTM (Spectral Infrared Interpretive System), developed by AusSpec International.

The fence line of holes JHHRC01 to JHHRC02 were drilled to test a weak chargeability anomaly with JHHRC03 also positioned to target a weak resistivity zone. JHHRC01 and JHHRC02 are interpreted to have intersected the outer margin of the chargeability anomaly, which is interpreted to reflect the weakly disseminated pyrite intervals present in the lower sections of these holes. These intersected zones are interpreted as propylitic altered with weak patchy Au anomalism (0.01 – 0.04 g/t) associated with more strongly altered zones predominantly within the trachyte. The extensive shale/siltstone horizon appears less altered and contains negligible to no mineralisation,

JHHRC03 intersected the more chargeable core of the IP anomaly which corresponds well with trace amounts of disseminated pyrite consistently observed below ~110m in this hole. The weak resistive anomaly may be associated with an interpreted NE-trending fault zone which connects the hole with the Au and Ag mineralisation at Sledgehammer Hill (Figure 4). Alteration assemblages down hole are consistent with propylitic alteration and weak Au grades (0.01 – 0.04 g/t) are observable in the more altered trachytes. Consistent with holes JHHRC02 and JHHRC01, the shale / siltstone intersection is largely barren of Au mineralisation and appears to be unreactive. Interestingly, the most anomalous zone through the hole is toward the base, drawing closer to the interpreted fault zone (Figure 4), which may be significant, or could reflect a change with depth, as the chargeable anomaly increases, and is open, at depth. However, the core recoveries below the water table through this hole are low, consistent with a fault zone and the assay results are not representative of the section.

JHHRC04 was targeted beneath the surface geochemical anomalism identified from historic soil and rock ship sampling. JHHRC04 is interpreted to be parallel to the NE trending fault (Figure 4) which is currently believed to be the source of Au anomalism recorded at surface. Interestingly, broken ground is reported below 80m which is consistent with proximity to a fault zone. Additionally, a large anomalous zone of Au grades (16m @ 0.01-0.03 g/t) was encountered between 114 - 132 m; whilst grades were still low recovery through this zone below the water table was very poor, possibly due to the fault, and estimated to be only 10-25%.

Holes JHHRC05 and JHHRC06 were both targeted to test weak chargeability and resistivity anomalies.

Hole JHHRC05 changes from a broadly phyllic to propylitic alteration assemblage down hole. Anomalous Au values (0.01-0.04 g/t @ 36 – 42m) generally correlates with the more altered phyllic intervals which were also noted to contain pyrite, quartz and haematite. The lower half of the hole is generally less altered and the resistive anomaly cannot be adequately explained.

The predominant alteration assemblage in JHHRC06 is propylitic with a localised phyllic zone between ~40 – ~80 m. The resistive anomaly correlates well with the lower trachyte lithological unit and may be lithological in origin. Anomalous Au is generally not present in rhyolite in this hole. A zone of increased Au anomalism towards the EOH may correlate with the chargeability anomaly anticipated but not intersected below the EOH.

Conclusions

The prospectivity of the zone around Sledgehammer Hill has been enhanced by detailed trench sampling which has returned Au grades up to ~7 g/t and further supports the results of the 2014 rock chip program.

Recent drilling has focussed predominantly on the weak IP anomalism and has shown that the IP targets correspond to zones of alteration characterised by neutral propylitic and phyllic alteration assemblages with weak Au and Ag mineralisation. The chargeability and resistivity are therefore explained by the presence of pyrite and silica respectively which constitute propylitic alteration assemblages.

The intensity and extent of the propylitic alteration and the enigmatic high level of the Au and Ag noted at Sledgehammer within that alteration style, albeit brecciated, suggests a strong structural control on the mineralisation and deviation from the classic epithermal mineralisation model initially contemplated. Therefore the mineralisation model for Sledgehammer should be updated. Forte believes that a porphyry model should now be considered.

The fact that the high grade surface assays are not replicated in the drilling is further suggestive of a strong structural control, which has not been adequately tested by the reconnaissance drilling which targeted the IP anomalism. It is Forte's opinion that the prospectivity of the broader area is not diminished and that a modified approach is warranted.

Future Programs

Given the evidence of mineralisation, but lack of adequate outcrop exposure to assess the orientation of controlling faults, future programs will focus in on the area of the regional fault interpreted to transect the Sledgehammer Hill mineralisation.

As the mineralisation is exposed at surface, a shallow drill program (50-100 holes; 10-15m depth per hole) is being considered to provide adequate coverage on poorly defined structural controls and progress the project from rock chip grade (g/t) to downhole continuity (g/t) from surface.

Opportunistic rock chip and selected soil sampling will also be planned in conjunction with this program, particularly away from Sledgehammer Hill, to guide the drill program.

Szarbs Prospect

A total of 6 Reverse Circulation (RC) drill holes for 950 m were drilled to reconnaissance test the IP targets at Szarbs. The holes were positioned and angled to optimally intersect the chargeable and resistive anomalism, with consideration given to site accessibility in hilly terrain. All drill holes were undertaken using RC 5'25" diameter holes. Hole depths ranged from 149 to 160m.

Szarbs Alteration Analysis

RC chips trays from 5 holes (JZ3RC01-05) were submitted to ALS Laboratories in Wangara, WA for alteration mineral analysis using the Hylogging™ spectral scanning system (Hylogger Terra Spec Spectrometer). High density spectral reflectance measurements were taken on approximately 496 samples. Mineral identification and subsequent analysis was undertaken by Ausspec International using aiSIRISTM (Spectral Infrared Interpretive System), developed by AusSpec International.

JZ3RC01 to JZ3RC04 form an east to west fence line of approximately 100m spacing positioned on the western flank of the Hill 345 ridge and designed to test a moderate resistivity (500 – 700+ ohm m) IP target (Target T2 Figure 5). Holes JZ3RC01, 02 and 03 are interpreted to have intersected the 500-700 isoshell, with hole JZ3RC04 located marginally to the west of the anomaly. Although none of the holes have adequately tested the core of the resistive anomaly, the resistive zone does not appear to correlate with an increase in mineralisation, which is weak throughout the 4 holes, although there is a co-incident increase in alteration intensity and transition to phyllic alteration with depth, whereby

accompanying increase in silicification of the units is interpreted to account for the resistive anomalism.

JZ3RC05 was positioned to test the transition from moderate resistivity (500 – 700+ ohm m)(IP target T2, Figure 5) into a weak to moderate chargeability anomaly (6-10 ms; IP target T3, Figure 5). Noted silicification throughout the hole is consistent with the resistivity response, however only minimal sulphide is noted and the source of the weaker outer chargeable response is still not known. The hole may have failed to adequately test IP target T3 as the hole failed to intersect the 10 ms chargeable isoshell. This chargeable response extends for over 500m to the south and could reflect a transition in alteration zonation which could be an important vector towards a potential deposit location. Interestingly, the chargeable anomaly is open to the south, toward a broad resistivity high.

Conclusions – Szarbs

Recent drilling focussed on the IP anomalism, which has been shown, via Hylogger analysis, to correspond to zones of alteration characterised by propylitic and phyllic alteration assemblages with weak Ag mineralisation. These assemblages, and the formative temperatures they indicate, vector towards the core of the system lying to the east of this drilling (Figure 6). The chargeability and resistivity are explained by the presence of pyrite and silica respectively which constitute part of the phyllic and propylitic alteration assemblages normally associated with a high sulphidation epithermal system.

Geochemically and structurally, the vectors provided by the drilling indicate very strongly that the most prospective part of the system is to the east of the current drilling centred on an area of:

- More acidic higher temperature alteration (weak alunite-jarosite-pyrite-silica), evidenced by a combination of Hylogger and petrographic analysis of rock specimens from Szarbs;
- A series of elevated elemental associations, i.e., elevated As, Ag, Te and Bi consistent with the proximal parts of an epithermal system;
- A zone of demagnetisation that is interpreted to reflect the effects of phyllic alteration associated with a hydrothermal system; and
- Adjacent an interpreted regionally significant fault structure, interpreted to be west dipping with alteration associated with hanging wall sequences.

Based on the above, the drilling conducted at Szarbs has given shape to the alteration sequence peripheral to the core of the system, which is now strongly defined as lying to the east (Figure 6).

Future Programs

The company is of the opinion that the current drilling results have given shape to a broader potential epithermal system in play at Szarbs, and rather than serve to discourage, exploration work should continue on to investigate the now defined core of the prospect. The drilling has served to understand the context of the IP anomalism and position the results within the broader system.

The Hylogger^{TM} data and 2014 rock chip results show there is good potential to define anomalism with a number of indicator elements which may help refine drill targets, particularly with respect to a number of larger interpreted structures which, based on the limited sampling to date, suggest a correlation with geochemistry.

Therefore the next focus will be detailed rock chip sampling and Hylogger analysis across the ridge to refine the drill targeting.

The company would then consider commencing a drilling program (basing on 4-5 holes) which should be focussed beneath the geochemical anomalism and proximal to the bounding eastern fault (Figure 6).

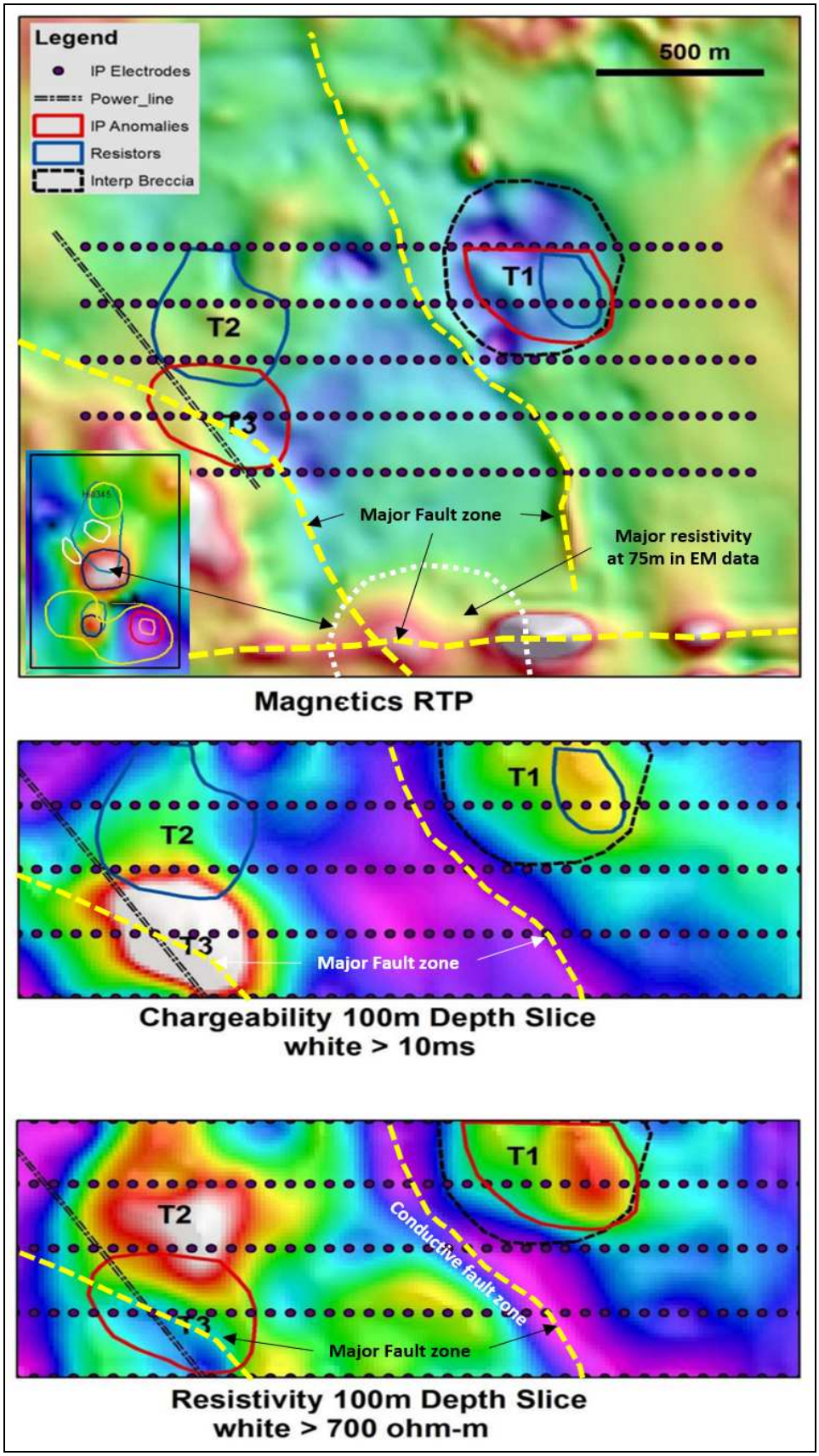

Figure 5: Szarbs IP survey results and observations

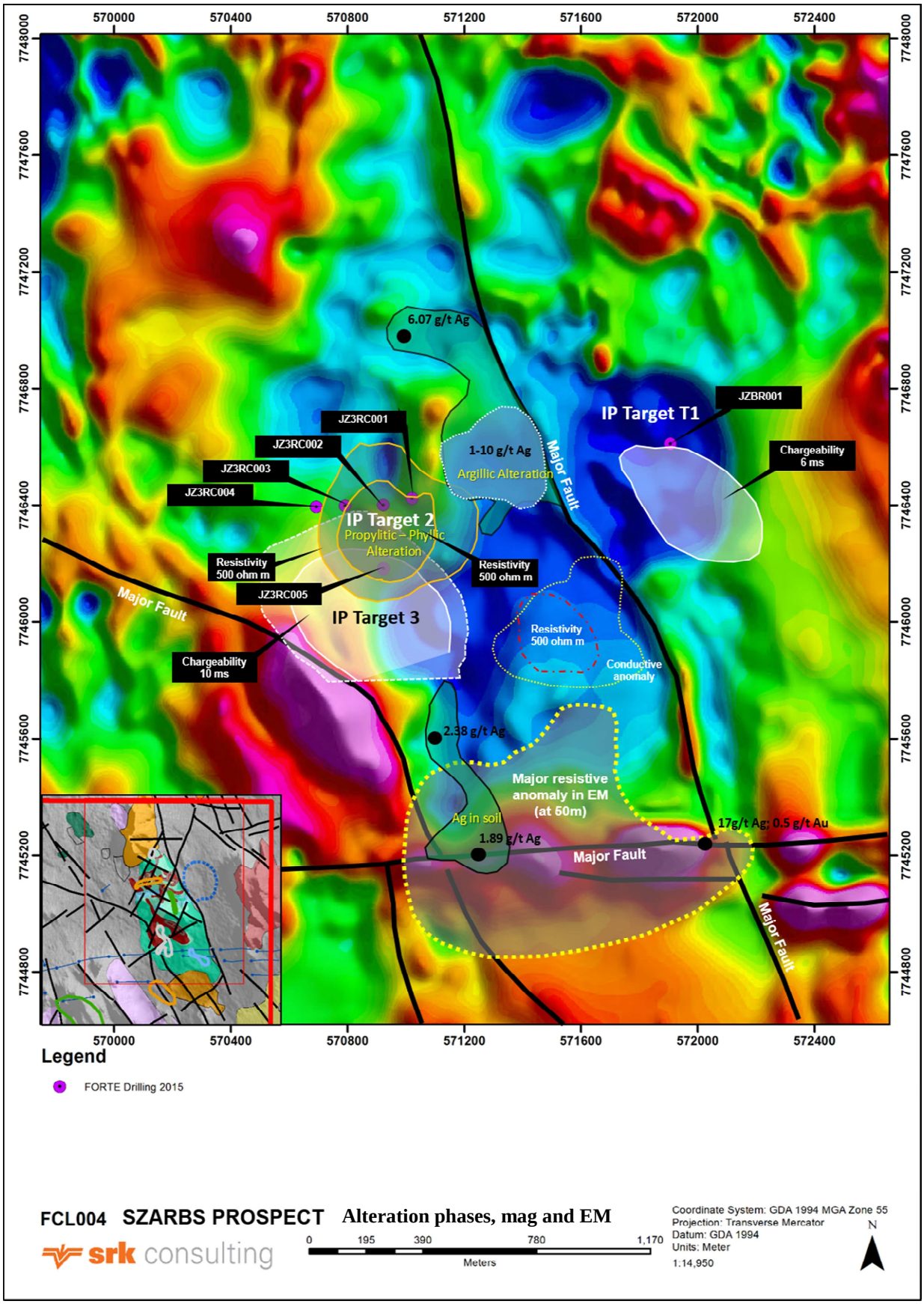

Figure 6: Plan view of the Szarbs prospect showing drill hole locations, anomalous rock chip results, IP anomalies, alteration phases, EM resistive anomaly, magnetic low and faults

Finance

At 30 June 2015 the Company had available cash totalling $1,887,000.

Exploration and evaluation expenditure for the quarter was $97,000.

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 RC drilling results and trench sampling results on EPM 18986 is based on information compiled by Mr James Pratt. Mr Pratt is the Exploration Manager for Forte Consolidated limited He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, is a Member of the Australasian Institute of Geoscientists and, as such, is a Competent Person for the Reporting of Exploration Results, Mineral Resources and Ore Reserves under the JORC Code (2012). Mr Pratt consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

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. 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 airborne magnetic and radiometric surveys, along with surface rock chip PIMA analysis and 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. 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 1: JORC Code compliance tables

Section 1: Sampling Techniques and Data for work detailed in this report

Criteria	Commentary
Sampling techniques	• Trench sampling:- In June 2015 1-2 kg of in situ rock chip sample was collected along continuous 1 metre intervals from 7 trenches cut 15-20cm through soil to expose in situ rock. Samples were transported to SGS Laboratories in Townsville for preparation and assay. The samples were assayed using conventional ME-ICP12S (aqua regia ICPMS) for an 11 element analytical suite (Ag (0.2), As (2), Au (0.01), Ba (2), Bi (5), Cu (2), K (50), Mo (1), Sb (2), Sn (10), Zn (2). The samples were then assayed using Fire assay fusion FAA303 finish for Au (0.01). Elemental lower limits of detection (LOD) for the above analytical methods are presented in brackets as ppm. • A Reverse Circulation drilling program was completed in May 2015. A total of 2,630 meters of drilling was completed across two prospects, Szarbs and Sledgehammer. • 2 metre composite samples were taken down the length of each hole • 2-3kg of sample was split from each 2 metre sample length via a cone splitter • All holes were sampled and 1,400 samples were collected and submitted for analysis at SGS Laboratories in Townsville. Field QC procedures involved the use of Certified Reference Materials (CRM's) as assay standards (57) and blanks (18). The samples were assayed using conventional ME-ICP41 (aqua regia ICP12S) for 10 element analytical suite (Ag (0.2), As (2), Ba (2), Bi (5), Cu (2), K (50), Mo (1), Sb (2), Sn (10), Zn (2)) and (IMS12S) for 5 element analytical suite (Ag (0.1), Hg (0.1), Sb (0.1), Se (1), Sn (0.3), Te (0.1). The samples were then assayed using Fire assay fusion ICP-AES finish for Au (0.01). Elemental lower limits of detection (LOD) for the above analytical methods are presented in brackets as ppm.. • RC chips trays from 11 holes (JHHRC01-06 and JZ3RC01-05) were submitted to ALS Laboratories in Wangara, WA for alteration mineral analysis using the Hylogging™ spectral scanning system (Hylogger Terra Spec Spectrometer). High density spectral reflectance measurements were taken on approximately 496 samples. Mineral identification and subsequent analysis was undertaken by Ausspec International using aiSIRISTM (Spectral Infrared Interpretive System), developed by AusSpec International.
Drilling techniques	• All drill holes were undertaken using RC 5'25" diameter holes and were drilled by drilling contractor Eagle Drilling.
Drill sample recovery	• Recoveries were generally above 85% except below the water table in the following holes where recoveries were often below 25%: JHHRC01 - Recovery drops abruptly from ~70% to 35% at 133m, rises to 50% at 142m but falls again below 153m to values ranging 10-35% to the EOH at 173m; JHHRC02 - Recovery in this hole was excellent to 113m, at which point it fell to 50% and progressively to values between 10% and 30% to the EOH at 197m; JHHRC03 - below 90m were mostly <20% to EOH at 161m. The overall poor recoveries in this hole may reflect the holes proximity to an interpreted fault; JHHRC04 – Recovery in this hole was good until ~80m depth and fell to between 25 and 60% between 80 and 87m. Below 87m recovery was in the range 10-25% to the EOH. Broken ground was recorded in the log at 68-72m, which along with the crush zone at 21m is consistent with the holes proximity to the same structure affecting JHHRC03; JHHRC05 – Recovery in this hole is generally good from 1-~110m, at which point it falls to 40-50% to the EOH at 149m; JHHRC06 - The recovery in this hole is recorded as 100% down to 148m where it falls to <50% to the EOH at 160m.

Logging	• All drill hole intervals were logged by an experienced geologist • All intervals were logged with a portable Niton XRF • All intervals from the Sledgehammer Target (JHH holes) and the Szarbs Target (JZ3 holes) were submitted to ALS Laboratories in Wangara, WA for alteration mineral analysis using the Hylogging™ spectral scanning system (Hylogger Terra Spec Spectrometer). High density spectral reflectance measurements were taken on approximately 496 samples. Mineral identification and subsequent analysis was undertaken by Ausspec International using aiSIRISTM (Spectral Infrared Interpretive System), developed by AusSpec International
Sub-sampling techniques and sample preparation	• 2 metre composite samples were taken down the length of each hole • 2-3kg of sample was split from each 2 metre sample length via a cone splitter • Field QC procedures involved the use of Certified Reference Materials (CRM's) as assay standards (57) and blanks (18). Field duplicates were collected for future analysis. • Samples of each 2m composite were collected in chip trays for subsequent Hylogger analysis
Quality of assay data and laboratory tests	• All holes and sample intervals were sampled and 1,400 samples (including blanks and standards) were collected and submitted for analysis at SGS Laboratories in Townsville. Field QC procedures involved the use of Certified Reference Materials (CRM's) as assay standards (57), along with blanks (18).
Verification of sampling and assaying	• Field QC procedures involved the use of Certified Reference Materials (CRM's) as assay standards (57) and blanks (18). Field duplicates were collected for future analysis.
Location of data points	• All data location points referred to in this report are in: Datum: Geodetic Datum of Australia 94 (GDA94)Projection: Map Grid of Australia (MGA) Zone: Zone 55
Data spacing and distribution	• Trench samples:- 1-2 kg of in situ rock chip sample was collected along 1 metre intervals from 7 trenches cut 15-20cm through soil to expose in situ rock. Samples were transported to SGS Laboratories in Townsville for preparation and assay. The samples were assayed using conventional ME-ICP12S (aqua regia ICPMS) for an 11 element analytical suite (Ag (0.2), As (2), Au (0.01), Ba (2), Bi (5), Cu (2), K (50), Mo (1), Sb (2), Sn (10), Zn (2). The samples were then assayed using Fire assay fusion FAA303 finish for Au (0.01). Elemental lower limits of detection (LOD) for the above analytical methods are presented in brackets as ppm unless stated otherwise. • RC drill holes were targeted to intersect what were interpreted to be the key parts of ground IP anomalies, except for JHHRC04 which was targeted at the Sledgehammer geochemical anomaly. Samples were taken at 2m intervals down each hole.
Orientation of data in relation to geological structure	• JHHRC03 and JHHRC04 are interpreted to have intersected an important regional fault.
Sample security	• All sample information is kept in paper and digital form. Digital data is backed up onto the Company server regularly and then externally backed up daily.
Audits or reviews	• No audits or reviews have been conducted.

Section 2: Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>

Forte has a 100% interest in EPM 18986 (Johnnycake). An Exploration Agreement has been signed with the relevant Native Title Claim Group.
The tenement is in good standing.
Conduct and Compensation Agreements are required with land holders before drilling can be undertaken. Terms have been agreed and Conduct And Compensation Agreements signed with the relevant land holders for each prospect.

</td></tr>
<tr><td>Exploration done by other parties</td><td>

Past exploration work by different mineral exploration companies is summarized by historical tenements below:

EL 5070 CRA Exploration (1987 to 1991).
EL 14783 Conquest Mining (2006 to 2010).

The exploration activities performed by CRA on EL 5070 over the period 1987 to 1991 included:

Airborne magnetic and radiometric survey (100m line space) of the eastern part of EPM18986; and
Minimal and non-systematic rockchip sampling , including sample with 71g/t Ag and 0.4g/t Au

During 2006 to 2010 exploration work was carried out by Conquest Mining in JV with Goldfields Australasia Pty Ltd and included:

extensive and systematic soil sampling (454 samples)
minor rock chip sampling, and
a broad (400m line space) Electromagnetic survey which partly covers EPM 18986.

</td></tr>
<tr><td>Geology</td><td>

Detailed information on the geology of EPM 18986 (Johnnycake) is provided in the text of the Company’s June 2014 quarterly activities report lodged with ASX on 31 July 2014.

</td></tr>
<tr><td>Drill hole Information</td><td>
<table>
<tr><th>Hole ID</th><th>Easting</th><th>Northing</th><th>rl</th><th>EOH</th><th>Dip</th><th>Azi</th></tr>
<tr><td>JHHRC01</td><td>561806</td><td>7739586</td><td>109</td><td>173</td><td>-70</td><td>082</td></tr>
<tr><td>JHHRC02</td><td>561726</td><td>7739597</td><td>113</td><td>197</td><td>-70</td><td>082</td></tr>
<tr><td>JHHRC03</td><td>561619</td><td>7739600</td><td>108</td><td>161</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHHRC04</td><td>561836</td><td>7739801</td><td>110</td><td>149</td><td>-60</td><td>090</td></tr>
<tr><td>JHHRC05</td><td>561600</td><td>7739808</td><td>110</td><td>149</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHHRC06</td><td>561590</td><td>7739410</td><td>110</td><td>160</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHMRC01</td><td>560572</td><td>7738603</td><td>106</td><td>106</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHWRC01</td><td>560690</td><td>7740195</td><td>114</td><td>137</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHWRC02</td><td>560700</td><td>7740000</td><td>114</td><td>147</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHWRC03</td><td>560500</td><td>7739800</td><td>114</td><td>119</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHWRC04</td><td>560600</td><td>7739600</td><td>114</td><td>119</td><td>-90</td><td>Nil</td></tr>
<tr><td>JHWRC05</td><td>560500</td><td>7739000</td><td>106</td><td>107</td><td>-90</td><td>Nil</td></tr>
<tr><td>JZ3RC01</td><td>571021</td><td>7746423</td><td>215</td><td>149</td><td>-90</td><td>Nil</td></tr>
<tr><td>JZ3RC02</td><td>570922</td><td>7746400</td><td>189</td><td>149</td><td>-90</td><td>Nil</td></tr>
<tr><td>JZ3RC03</td><td>570791</td><td>7746397</td><td>182</td><td>149</td><td>-90</td><td>Nil</td></tr>
<tr><td>JZ3RC04</td><td>570693</td><td>7746394</td><td>152</td><td>149</td><td>-90</td><td>Nil</td></tr>
<tr><td>JZ3RC05</td><td>570923</td><td>7746182</td><td>184</td><td>149</td><td>-90</td><td>Nil</td></tr>
<tr><td>JZBRC01</td><td>571906</td><td>7746610</td><td>160</td><td>161</td><td>-90</td><td>Nil</td></tr>
</table>
</td></tr>
<tr><td>Data aggregation methods</td><td>

Not applicable

</td></tr>
</table>

Relationship between mineralization widths and intercept lengths	• Not yet established
Diagrams	• Appropriate diagrams, Figures 2 to 4, show the spatial distribution in plan view of the Sledgehammer results relevant to this report. Figures 5 and 6 show in plan view and cross section view the results of the work carried out at Szarbs.
Balanced reporting	• The competent person believes this report to be a balanced representation of exploration undertaken
Other substantive exploration data	• Detailed information on exploration undertaken at EPM 18986 (Johnnycake) is provided in the text of the Company's September 2014 quarterly activities report lodged with ASX on 13 October 2014.
Further work	• Further surface rock chip sampling and subsequent drill programs at both Szarbs and Sledgehammer

Appendix 2: Drillhole information and significant drilling results for the quarter

Table 2: Drillhole Information and significant drilling results for the Sledgehammer Prospect.

Drillhole ID	Easting	Northing	RL	Dip	Azimuth	EOH Depth (m)	Downhole From (m)	Downhole to (m)	Downhole Intersection (m)	Assay Result	Target
JHHRC01	561806	7739586	109	-70	82	173				*	IP1
JHHRC02	561726	7739597	113	-70	82	197				*	IP1
JHHRC03	561619	7739600	108	-90	0	161				*	IP1
JHHRC04	561836	7739801	110	-60	90	149	24	32	8	0.03 g/t Au	Au / Ag / As geochem
							114	132	18	0.01 g/t Au	Au / Ag / As geochem
JHHRC05	561600	7739808	110	-90	0	149	36	40	4	0.04 g/t Au	IP1
JHHRC06	561595	7739400	110	-90	0	160	80	84	4	0.025 g/t Au; 3 g/t Ag and 577ppm As	IP1
JHWRC01	560700	7740200	114	-90	0	137				*	IP2
JHWRC02	560700	7740000	114	-90	0	147				*	IP2
JHWRC03	560500	773980	114	-90	0	119				*	IP2
JHWRC04	560600	7739600	114	-90	0	119				*	IP2
JHWRC05	560500	7739000	106	-90	0	107				*	IP2
JHMRC01	560572	7738603	106	-90	0	107				*	IP3

Table 3: Drillhole Information and significant drilling results for the Szarbs Prospect.

Drillhole ID	Easting	Northing	RL	Dip	Aziumuth	EOH Depth (m)	Downhole From (m)	Downhole to (m)	Downhole Intersection (m)	Assay Result	IP Target
JZ3RC01	571021	7746423	215	-90	0	149				*	T2
JZ3RC02	570922	7746400	189	-90	0	149	68	72	4	0.02 g/t Au	T2
JZ3RC03	570791	7746397	182	-90	0	149				*	T2
JZ3RC04	570693	7746394	152	-90	0	149				*	T3
JZ3RC05	570923	7746182	184	-90	0	149				*	T3
JZBRC01	571906	7746610	160	-90	0	160				*	T1

*Significant Au and Ag results are provided to the extent that they are relevant to descriptions provided in this report. Au and Ag not included in this table are below detection limit

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

Forte Consolidated Limited

ABN

37 148 168 825

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(97)	(639)
	(b) development		
	(c) production		
	(d) administration	(145)	(502)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	7	34
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
	Net Operating Cash Flows	(235)	(1,104)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(2)	(22)
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)		
	Net investing cash flows	(2)	(22)
1.13	Total operating and investing cash flows (carried forward)	(237)	(1,126)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(237)	(1,126)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10	1,665
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)
	Net financing cash flows	10	1,646
	Net increase (decrease) in cash held	(227)	520
1.20	Cash at beginning of quarter/year to date	2,114	1,367
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	1,887	1,887

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	100
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	352
4.2	Development	
4.3	Production	
4.4	Administration	162
	Total	**514**

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	341	218
5.2	Deposits at call	1,546	1,896
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	1,887	2,114

+ See chapter 19 for defined terms.

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	179,078,187	179,078,187		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	500,000	500,000	2 cents	2 cents
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(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: ..... Date: 21 July 2015
(Director/Company secretary)

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.

+ 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.

== == == == ==