

## Highlights

### ▪ Akoko Project Sale Agreement Signed

Castle executed a sale agreement with London based, Goldcrest Resources PLC for the sale of Castle's Akoko Gold Project in south west Ghana. Under the terms of the agreement Castle is entitled to receive US\$482,500 (~A\$600,000) consideration in a number of staged cash and scrip payments over the next 20 months. The sale is conditional upon the transfer of the Akoko Prospecting Licence to Goldcrest and Goldcrest listing on the London AIM exchange within 12 months.

### ▪ Wa South Project Heads Of Agreement Signed with Dundee Precious Metals

A conditional Heads of Agreement with Canadian listed gold producer Dundee Precious Metals Inc. was signed during the quarter. Dundee may earn an 80% interest in two of Castle's Wa Project concessions in north west Ghana by spending up to \$US8M over six years. The HOA is subject to a 60 day due diligence period that is currently underway.

### ▪ Julie West Mining Study Completed

Evaluation of the Julie West deposit shows that **recovered gold of 29,700 ounces could be achieved at a total cost of US\$711/ounce for an operating surplus of US\$14.5M.** Total capital expenditure is estimated to be \$US4.2M. An application for a Mining Licence is being finalised for lodgement with the Ghana Minerals Commission.

### ▪ Corporate

End of quarter cash was \$0.17M. Castle also holds two million Minquest shares (ASX:MNQ) representing a 2.4% holding in MNQ. Castle has 131 M shares on issue. Overhead, corporate and exploration cost reductions continue to be implemented.

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Capital Structure  
Quoted Shares: 131 million  
Unlisted Options: 1.05m @ 40c

ASX Code: CDT

Board Members  
Michael Ashforth  
Non Executive Chairman

Michael Ivey  
Managing Director & CEO

Campbell Ansell  
Non Executive Director

Des Kelly  
Company Secretary

## Ghana Gold Projects (Castle Minerals 100%)

Castle continued to focus its efforts on its 100% owned gold projects in Ghana. Castle's concessions are located within the historic Ashanti and Sefwi gold belts of South West Ghana and in the Wa–Lawra and Bolgatanga greenstone belts in the north. Castle has five distinct projects known as Antubia, Bondaye, Akoko, Wa and Opon Mansi. **Castle has defined gold resources that total 362,000 ounces**, within the Wa and Akoko Projects that remain the focus of exploration activities.

### Wa Project

Castle's large Wa Gold Project (~10,000km<sup>2</sup>) in north west Ghana hosts two Birimian greenstone belts covering over 200 strike kilometres of prospective rocks. Since 2008 Castle has explored this previously untested area and discovered six new areas of gold mineralisation with five of these having a defined gold resource; (Julie West, Danyawu, Kandia (2) and Kpali).

### Wa South Joint Venture with Dundee Precious Metals Inc.

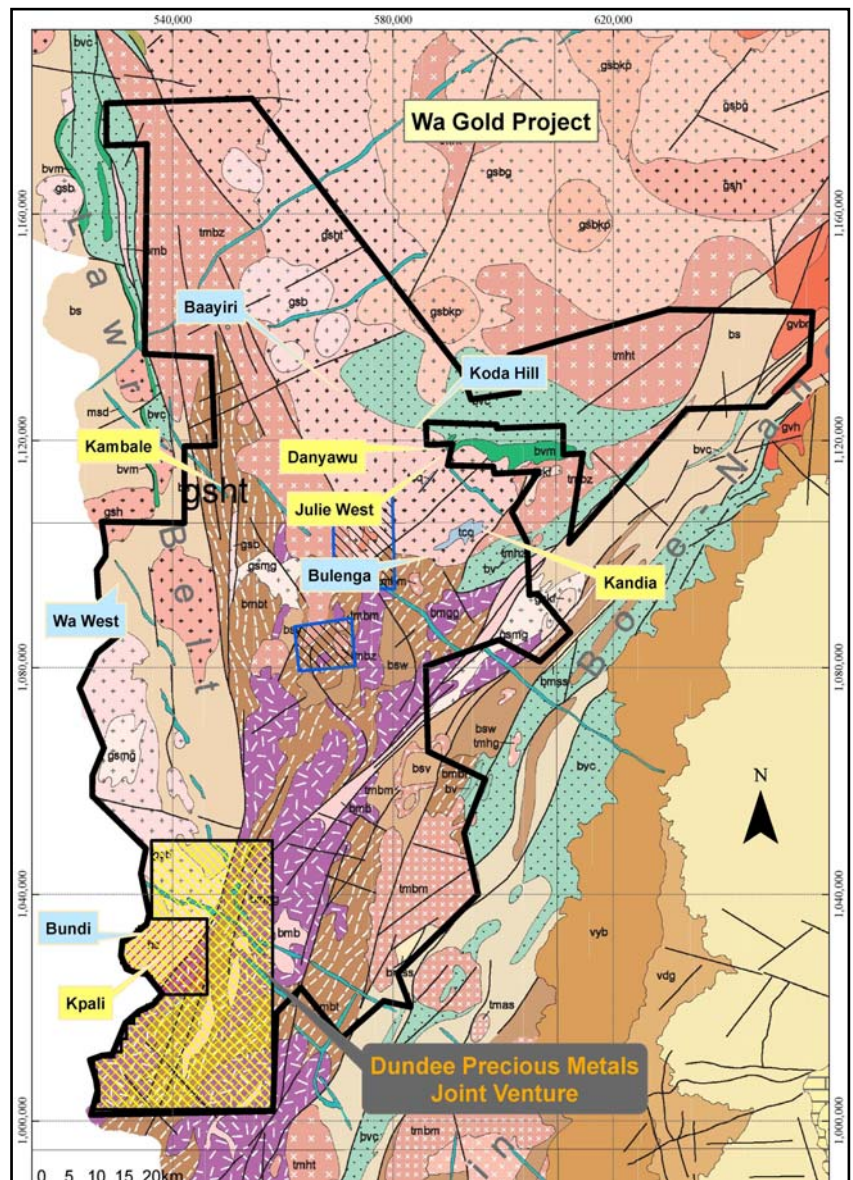
During the quarter Castle announced that it executed a conditional Heads of Agreement with Canadian listed gold producer Dundee Precious Metals Inc. over two of Castle's concessions in north west Ghana.

Under the terms of the agreement (which is subject to a 60 day due diligence period) Dundee may earn an 80% interest in two of Castle's Wa South concessions by spending up to \$US8M over six years.

Dundee's initial obligation is a minimum exploration spend of US\$500,000 in the first 12 months. Under the key agreement terms Dundee will earn a 51% interest if it continues to fund exploration up to US\$2.3M (Phase 1) and can then earn an additional 14% by expenditure of US\$1M and a final 15%, to take its interest to 80%, by funding exploration expenditure of a further US\$5M.

Castle will be the operator of the joint venture project during Phase I and receive a management fee plus a cash payment of US\$50,000. The JV area covers the Degbiwu Prospecting Licence and the

Gbiniyiri Reconnaissance Licence for a total area of 1,200km<sup>2</sup>. Castles' Kpali gold discovery (107,200 ounces)<sup>1</sup> and the Bundi gold/zinc discovery are located within the JV area and will be the initial focus of exploration by Dundee.



## Akoko Project Sale Agreement

A sale agreement was executed with London based, Goldcrest Resources PLC for the sale of Castle's Akoko Gold Project in south west Ghana.

Under the terms of the agreement Castle is entitled to receive US\$482,500 (~A\$600,000) consideration in a number of staged payments over the next 20 months. Castle is also eligible to receive payments of US\$500,000 in cash/equity (at Goldcrest's discretion) if a 0.5Moz resource is defined and for every additional 0.5Moz resource defined thereafter up to a maximum of 2M ounces. The sale is conditional upon the transfer of the Akoko Prospecting Licence to Goldcrest and Goldcrest listing on the London AIM exchange within 12 months. The US\$482,500 consideration comprises US\$282,500 cash and US\$200,000 in Goldcrest scrip.



Under the terms of the sale agreement Goldcrest is responsible for the Akoko Project tenure including paying all fees, rents, rates and other charges levied or assessed under the Mining Act and to comply with the requirements of the Mining Act and Mining Regulations.

## Julie West Gold Deposit

The Julie West prospect in NW Ghana has a defined gold resource of 56,200 ounces (415,000t @ 4.2g/t gold). Two kilometres north an additional high grade gold resource of 72,100 tonnes @ 5.5 g/t gold for 12,800 ounces has been defined by Castle at the Danyawu prospect. These high grade shallow resources total 487,100t @ 4.4 g/t gold for 69,000 ounces<sup>2</sup>.

Column leach cyanidation testwork by AMMTEC in Perth<sup>3</sup> from a 200kg hard rock sample collected at surface resulted in an excellent gold extraction level of 83% after thirty seven days of leaching. Heap leaching offers a viable treatment option for the Julie West ore. Castle has completed a mining study to determine the viability of developing a commercial heap leach gold operation at Julie West. This study indicates that a staged low cost mining operation could be undertaken at Julie West with the following key outcomes:

- Eight month mine life with approximately 12 month leach cycle
- 29,700 ounces recovered @ \$711/oz total cost
- EBIT of US\$14.5M and Post Tax US\$9.4M
- The remaining Julie West resource and the nearby Danyawu deposit (72,100 tonnes @ 5.5 g/t gold<sup>2</sup>) offer excellent potential extensions to the mine life
- High-grade Stage 1 phase offers attractive low risk, high return scenario

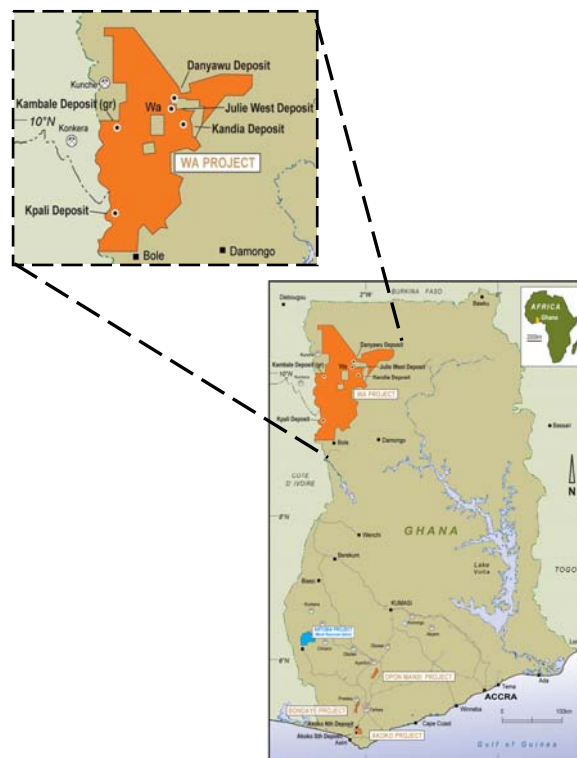
|                      | Tonnes  | Grade | Ounces | Gold Rec. | Gold Produced | Revenue @ \$1200/oz | Opex   | Capex | Govt Royalty | EBIT          | Cost/ Oz   | Mine Life <sup>1</sup> | Strip Ratio | Pit depth | Break Even Recovery <sup>2</sup> | Break even Grade <sup>3</sup> | After Tax Profit |
|----------------------|---------|-------|--------|-----------|---------------|---------------------|--------|-------|--------------|---------------|------------|------------------------|-------------|-----------|----------------------------------|-------------------------------|------------------|
|                      | t       | g/t   | ozs    | %         | ozs           | US\$M               | US\$M  | US\$M | US\$M        | US\$M         | US\$       | Mths                   | W:O         | m         | %                                | g/t                           | US\$M            |
| <b>Stage 1</b>       | 90,100  | 6.9   | 19,942 | 83%       | 16,552        | \$19.9              | \$5.9  | \$2.7 | \$1.0        | <b>\$10.3</b> | <b>580</b> | 4                      | 4.7         | 25        | 40%                              | 3.3                           | <b>\$6.7</b>     |
| <b>Total Project</b> | 249,300 | 4.9   | 39,595 | 75%       | 29,696        | \$35.6              | \$15.2 | \$4.2 | \$1.8        | <b>\$14.5</b> | <b>711</b> | 8                      | 6.6         | 50        | 44%                              | 2.9                           | <b>\$9.4</b>     |

<sup>1</sup> Mine life is estimated for drill and blast and load and haul operations. Leach pad operations will extend beyond mining

<sup>2</sup> Break even grade recovery based on base case Stage1 (6.9g/t) and Total Project (4.9g/t) head grades

<sup>3</sup> Break even grade based on base case Stage1 (83%) and Total Project (75%) leach recoveries

Castle holds a 100% interest in the Julie West Prospecting Licence which is proposed to be converted to a Mining Lease over the area containing the Julie West and Danyawu deposits. The mining study includes the government gold royalty of 5% and also includes payment of 17.5% VAT on contractor provided services and capital purchases. Due to the short project life, the VAT amount (US\$2.1M) is included in this study as an expense. The Ghana Government has a right to a free-carried 10% interest in the project payable when a dividend is declared. This analysis is based upon cashflows to Castles Ghana subsidiary company and any dividend distribution has not been included.



## Julie West Gold Resources

| Wa Project   | Indicated      |            |               | Inferred      |            | Total          |            |               |
|--------------|----------------|------------|---------------|---------------|------------|----------------|------------|---------------|
|              | Tonnes<br>t    | Au<br>g/t  | Au<br>Ounces  | Tonnes<br>t   | Au<br>g/t  | Tonnes<br>t    | Au<br>g/t  | Au<br>Ounces  |
| Julie West   | 383,000        | 4.2        | 52,100        | 32,000        | 4.0        | 415,000        | 4.2        | 56,200        |
| Danyawu      | 72,100         | 5.5        | 12,800        |               |            | 72,100         | 5.5        | 12,800        |
| <b>Total</b> | <b>455,100</b> | <b>4.4</b> | <b>64,900</b> | <b>32,000</b> | <b>4.0</b> | <b>487,100</b> | <b>4.4</b> | <b>69,000</b> |

Mineral Resource Summary for the Julie West Prospect Area

Runge Limited (Perth) completed the Julie West Mineral resource Estimate and the Mineral Resource estimate for the Danyawu Gold (Au) deposit was completed by RungePincockMinarco. Whittle optimisation shells of the Julie West resource were used to derive the Stage 1 and Total Project resource totals. These are based around the US\$350 and US\$600/ounce shells respectively. The ore zone is hard from surface and will require blasting. Ghana based earthmoving contractors submitted cost estimates for mining and crushing for the Total Project resource with mining to be completed over approximately 8 months. The mining contractor cost estimates included responsibility for earthmoving and crusher mobilisation, site setup as well as fuel and explosives supply.

Processing is proposed to be by conventional heap leach with recoveries based on column heap leach cyanidation test work that has achieved recoveries of 83% for oxide ore. Leach recoveries for primary ore (~0.3% sulphur) based upon RC chip testwork has been estimated at 56%. The Total Project Resource contains 71% oxide ore and 29% primary ore for an overall weighted recovery of 75%. Phase One contains oxide ore only.

Ore is proposed to be crushed to <6mm, and stacked in 6m lifts and drip/spray irrigated with dilute sodium cyanide solution. Gold from the leach solution will be adsorbed onto carbon and recovered via the atmospheric Zadra process using elution stripping, electrowinning and smelting to produce gold doré.

Site power requirements will require modular diesel-fired generators. Raw water will be supplied via dam collected rain water and bore water. Potable water will be sourced from

bore water. Accommodation will be provided onsite and in the regional capital of Wa. The mining contractor will be responsible for the provision of their own accommodation.

Mine operating costs for processing, maintenance, mining and administration have been estimated from a number of sources including, contractor supplied estimates, first principle estimates, and costs for similar operations in the West African region. Capital and operating cost estimates are summarised below.

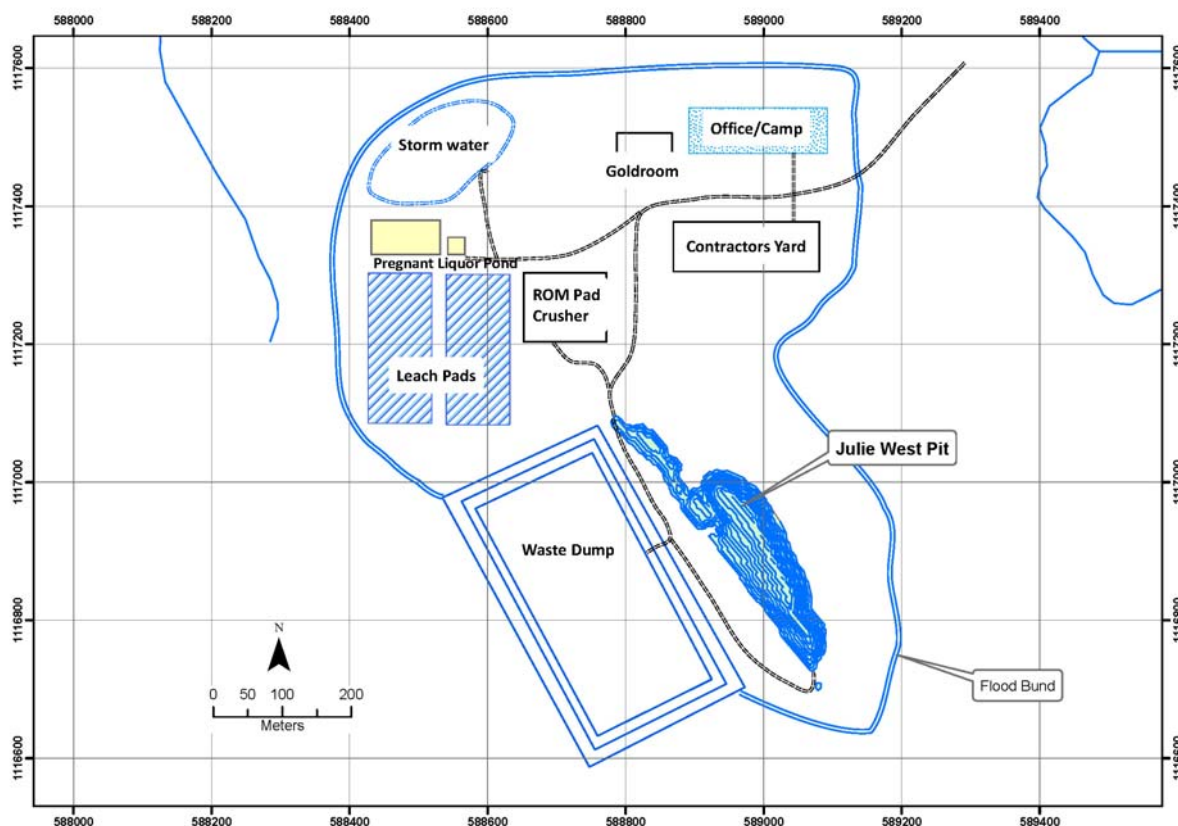
An application for a Mining Licence is being finalised for lodgement with the Ghana Minerals Commission.

Completion of a final feasibility study will include some further limited drilling and column leach testwork.

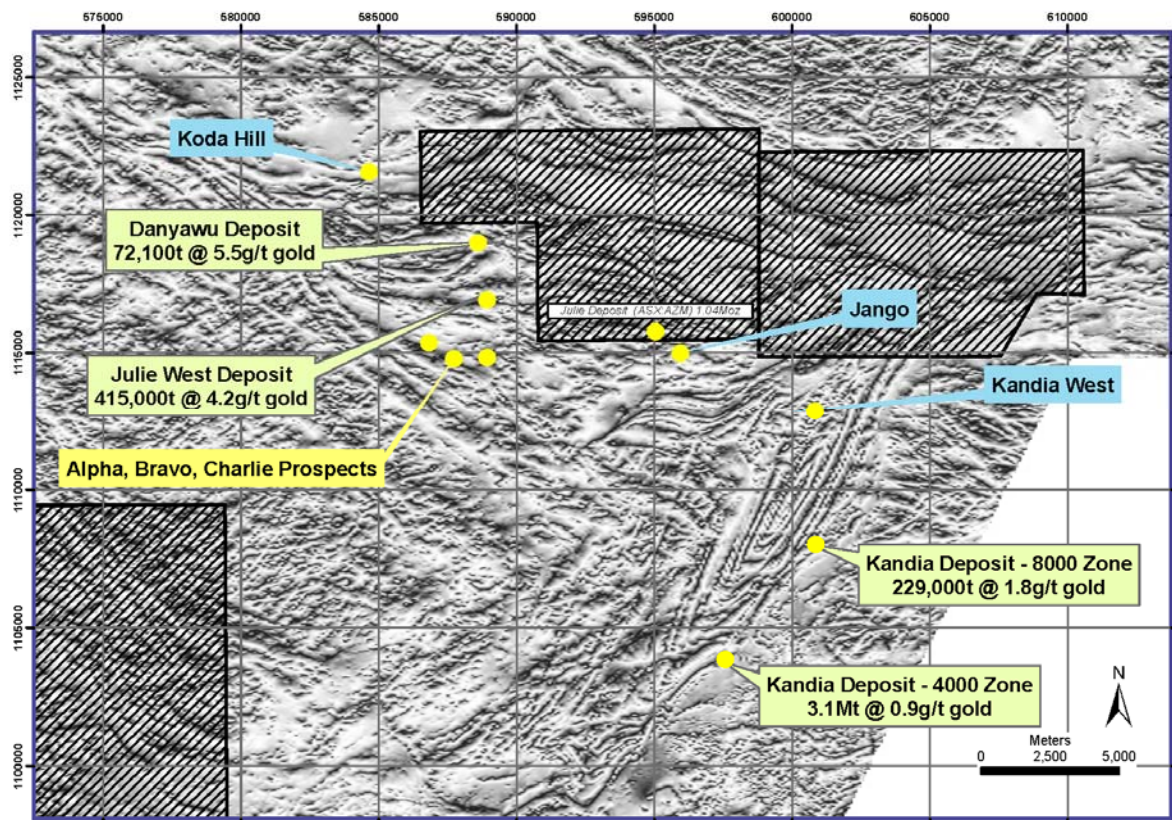
| Capital Costs            | Stage 1        | Total Project  |
|--------------------------|----------------|----------------|
|                          | US\$/t ore     | US\$/t ore     |
| Site Infrastructure      | \$1.30         | \$0.83         |
| Pad Construction         | \$3.13         | \$3.13         |
| Water Supply and Dams    | \$2.35         | \$1.66         |
| Site Office Power        | \$1.04         | \$0.61         |
| Stripping Plant/Goldroom | \$14.34        | \$6.83         |
| Vehicles and Plant       | \$2.87         | \$1.11         |
| Final Feasibility Costs  | \$3.19         | \$1.32         |
| Licence and fees         | \$2.14         | \$1.21         |
| <b>Total</b>             | <b>\$30.35</b> | <b>\$16.72</b> |

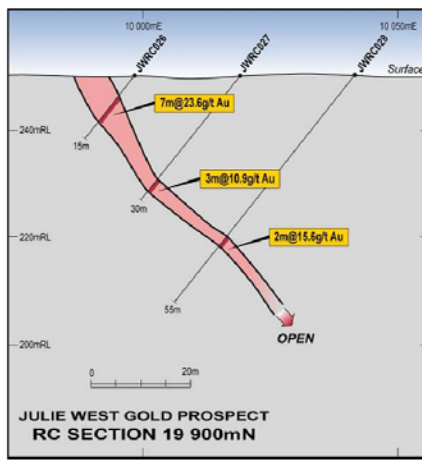
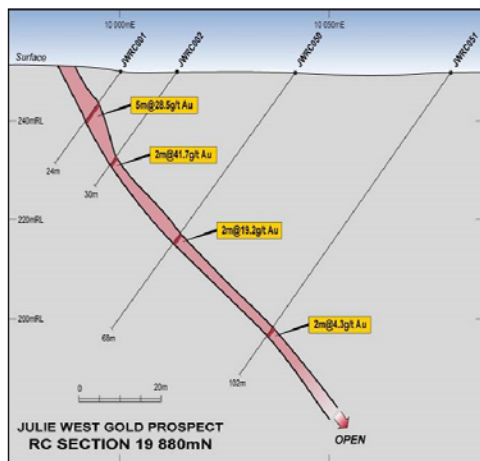
| Operating Costs       | Stage 1        | Total Project  |
|-----------------------|----------------|----------------|
|                       | US\$/t ore     | US\$/t ore     |
| Mining (L+H, D+B)     | \$30.27        | \$31.35        |
| Crushing              | \$15.73        | \$15.73        |
| Processing            | \$7.00         | \$5.90         |
| Site Management/Admin | \$12.05        | \$7.80         |
| <b>Total</b>          | <b>\$65.05</b> | <b>\$60.78</b> |



Julie West proposed site layout



Julie West prospects over magnetic image



The Julie West Resource is a high grade outcropping vein style gold mineralisation with 80% of the ounces within 50m of the surface (900 ounces gold per vertical metre). The vein is continuous over 500m, 1- 9m thick averaging 3.5m true thickness and is hosted within barren granodiorite.



## Corporate

### **Cash Position**

End of quarter cash of \$0.170M. Castle also holds two million Minquest shares (ASX:MNQ) (formerly Merah Resources) representing a 2.4% holding in MNQ. Castle has 131 M shares on issue. Overhead, corporate and exploration cost reductions continue to be implemented.

For further information please contact:

Michael Ivey

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### About Castle:

Castle Minerals listed on the Australian Stock Exchange in May 2006 (ASX code '**CDT**') and has five mineral projects in Ghana, West Africa including Akoko, Antubia, Bondaye, Opon Mansi (application) and Wa covering more than 11,000km<sup>2</sup>.

The Wa and Akoko projects are 100% owned by Castle Minerals (subject to Ghanaian Government right to a free-carried 10% interest). Bondaye and Opon Mansi are applications and the Akoko Project is subject to a sale agreement with Goldcrest Resources. Two of the Wa Project concessions are subject to a JV agreement with Dundee precious Metals. Castle's corporate objectives are exploration and development of its projects in Ghana and the acquisition and exploration of other mineral resource opportunities, particularly in West Africa. The country of Ghana has a long history of gold mining and exploration and is Africa's second largest gold producer behind South Africa.

### Summary of Exploration Tenements at 30 June 2015

| Location          | Tenement Name     | Tenement Reference | % Held           |
|-------------------|-------------------|--------------------|------------------|
| Antubia, Ghana    | Boizan            | PL2/400            | 100              |
| Antubia, Ghana    | Antubia (Juabeso) | PL2/399            | 100              |
| Bondaye, Ghana    | Bondaye           | Application        | 100              |
| Akoko, Ghana      | Akoko             | PL. 2/398          | 100 <sup>#</sup> |
| Akoko, Ghana      | Akoko West        | PL. 2/425          | 100              |
| Opon Mansi, Ghana | Opon Mansi        | Application        | 100              |
| Wa, Ghana         | Wonachiyiri       | Application        | 100              |
| Wa, Ghana         | Jang              | RL. 10/23          | 100              |
| Wa, Ghana         | Julie West        | PL. 10/13          | 100              |
| Wa, Ghana         | Wa                | RL. 10/13          | 100              |
| Wa, Ghana         | Degbiwu           | PL 10/26           | 100 <sup>^</sup> |
| Wa, Ghana         | Bulenga           | PL 10/23           | 100              |
| Wa, Ghana         | Charingu          | PL 10/25           | 100              |
| Wa, Ghana         | Kandia            | Application        | 100              |
| Wa, Ghana         | Baayiri           | PL 10/24           | 100              |
| Wa, Ghana         | Kunche Trend 1    | Application        | 100              |
| Wa, Ghana         | Kunche Trend 2    | Application        | 100              |
| Wa, Ghana         | Sawla             | PL.10/34           | 100              |
| Wa, Ghana         | Sawla East        | PL.10/32           | 100              |
| Wa, Ghana         | Sawla South       | PL.10/29           | 100              |
| Wa, Ghana         | Jandra            | PL.10/33           | 100              |
| Wa, Ghana         | Jandra North      | PL 10/28           | 100              |
| Wa, Ghana         | Tuna              | PL.10/31           | 100              |
| Wa, Ghana         | Jang North        | PL.10/30           | 100              |
| Wa, Ghana         | Jang North West   | PL.10/27           | 100              |
| Wa, Ghana         | Gbinyiri          | RL. 8/27           | 100 <sup>^</sup> |
| Wa, Ghana         | Gurungu           | RL. 8/28           | 100              |
| Wa, Ghana         | Jumo              | RL. 8/31           | 100              |
| Wa, Ghana         | Chasia            | RL. 8/30           | 100              |
| Wa, Ghana         | Perisi            | RL. 8/29           | 100              |
| Wa, Ghana         | Funsi             | Application        | 100              |
| Wa, Ghana         | Kambale           | PL10/47            | 100              |

Government of Ghana has the right to acquire a 10% free carried interest in all licences. Licences are held in Carlie Mining Limited and Topago Mining Limited. Carlie and Topago are 100% owned subsidiaries of Castle Minerals Limited. Where required Castle has lodged applications for extension of the licences and in those cases is awaiting renewal or extension of the licences.

<sup>#</sup>A sale agreement has been executed with Goldcrest Resources where Goldcrest may acquire a 100% interest in the Akoko Project.

<sup>^</sup>A conditional Heads of Agreement with Canadian listed gold producer Dundee Precious Metals Inc. was signed during the quarter. Dundee may earn an 80% interest in two of Castle's Wa Project concessions in north west Ghana by spending up to \$US8M over six years.

#### COMPETENT PERSONS STATEMENT

Information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Michael Ivey, Castle Minerals Limited Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Ivey is a permanent consultant to Castle Minerals Limited and has sufficient experience that 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 JORC Code. Michael Ivey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

<sup>1</sup>ASX release 2 July 2014: *Maiden Resource Estimate for the Kpali Gold Prospect*

<sup>2</sup>ASX release 7 March 2013: *Gold Resource at Julie West Prospect Increased*

<sup>3</sup>ASX release 28 January 2010: *December 2009 Quarterly Report*

# 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

**Castle Minerals Limited**

ABN

83 116 095 802

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

|   |  | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|---|--|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b> |  |                            |                                       |
| 1.1   | Receipts from product sales and related debtors            | -                          | -                                     |
| 1.2   | Payments for (a) exploration & evaluation                  | (35)                       | (147)                                 |
|   | (b) development  | -                          | -                                     |
|   | (c) production   | -                          | -                                     |
|   | (d) administration   | (50)                       | (276)                                 |
| 1.3   | Dividends received   | -                          | -                                     |
| 1.4   | Interest and other items of a similar nature received      | 1                          | 7                                     |
| 1.5   | Interest and other costs of finance paid                   | -                          | -                                     |
| 1.6   | Income taxes paid  | -                          | -                                     |
| 1.7   | Other (provide details if material)                        |                            |                                       |
|   | • R&D tax concession                                       | 35                         | 171                                   |
|   | • Other  | 15                         | 50                                    |
| <b>Net Operating Cash Flows</b>                   |  | <b>(34)</b>                | <b>(195)</b>                          |
| <b>Cash flows related to investing activities</b> |  |                            |                                       |
| 1.8   | Payment for purchases of: (a) prospects                    | -                          | -                                     |
|   | (b) equity investments                                     | -                          | -                                     |
|   | (c) other fixed assets                                     | -                          | (1)                                   |
| 1.9   | Proceeds from sale of: (a) prospects                       | 9                          | 9                                     |
|   | (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>                   |  | <b>9</b>                   | <b>8</b>                              |
| 1.13  | Total operating and investing cash flows (carried forward) | <b>(25)</b>                | <b>(187)</b>                          |

+ See chapter 19 for defined terms.

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

| <b>Cash flows related to financing activities</b>  |      |       |
|--|------|-------|
| 1.14 Proceeds from issues of shares, options, etc. | -    | 30    |
| 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)           | -    | -     |
| <b>Net financing cash flows</b>                    | -    | 30    |
| <b>Net increase (decrease) in cash held</b>        | (25) | (157) |
| 1.20 Cash at beginning of quarter/year to date     | 198  | 330   |
| 1.21 Exchange rate adjustments to item 1.20        | -    |       |
| 1.22 <b>Cash at end of quarter</b>                 | 173  | 173   |

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

|  | Current quarter<br>\$A'000 |
|--|----------------------------|
| 1.23 Aggregate amount of payments to the parties included in item 1.2  | 34                         |
| 1.24 Aggregate amount of loans to the parties included in item 1.10  | -                          |
| 1.25 Explanation necessary for an understanding of the transactions  |                            |
| Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation |                            |

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

|  |
|--|
|  |
|--|

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

|  |
|--|
|  |
|--|

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | Nil                         | Nil                    |
| 3.2 Credit standby arrangements | Nil                         | Nil                    |

### Estimated cash outflows for next quarter

|                                | \$A'000   |
|--------------------------------|-----------|
| 4.1 Exploration and evaluation | 30        |
| 4.2 Development                | -         |
| 4.3 Production                 | -         |
| 4.4 Administration             | 40        |
| <b>Total</b>                   | <b>70</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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 73                         | 38                          |
| 5.2 Deposits at call                             | 100                        | 160                         |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>173</b>                 | <b>198</b>                  |

### Changes in interests in mining tenements and petroleum tenements

|   | Tenement<br>reference<br>and location | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|---|---------------------------------------|----------------------------------|--|----------------------------------|
| 6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed |                                       |                                  |  |                                  |
| 6.2 Interests in mining tenements and petroleum tenements acquired or increased           |                                       |                                  |  |                                  |

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

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

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+ See chapter 19 for defined terms.

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

|   | 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 <sup>+</sup>securities</b> <i>(description)</i> |              |               |   |  |
| 7.2 Changes during quarter  |              |               |   |  |
| (a) Increases through issues                                      |              |               |   |  |
| (b) Decreases through returns of capital, buy-backs, redemptions  |              |               |   |  |
| 7.3 <b>*Ordinary securities</b>                                   | 130,992,519  | 130,992,519   |   |  |
| 7.4 Changes during quarter  | 2,500,000    | 2,500,000     | 1.2 cents                                     |  |
| (a) Increases through issues                                      |              |               |   |  |
| (b) Decreases through returns of capital, buy-backs               |              |               |   |  |
| 7.5 <b>*Convertible debt securities</b> <i>(description)</i>      |              |               |   |  |
| 7.6 Changes during quarter  |              |               |   |  |
| (a) Increases through issues                                      |              |               |   |  |
| (b) Decreases through securities matured, converted               |              |               |   |  |
| 7.7 <b>Options</b> <i>(description and conversion factor)</i>     | 1,050,000    | -             | <i>Exercise price</i><br>40 cents             | <i>Expiry date</i><br>1 September 2016           |
| 7.8 Issued during quarter   |              |               |   |  |
| 7.9 Exercised during quarter                                      |              |               |   |  |
| 7.10 Expired during quarter                                       |              |               |   |  |
| 7.11 <b>Performance Rights</b>                                    | 2,000,000    | -             | <i>Expiry date</i><br>22 November 2016        |  |
| 7.12 Issued during quarter  |              |               |   |  |
| 7.13 Exercised during quarter                                     |              |               |   |  |
| 7.14 Expired/cancelled during quarter                             |              |               |   |  |

**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: 27 July 2015

(Company secretary)

Print name:

**Desmond J Kelly**

+ See chapter 19 for defined terms.

## Notes

- 1        The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2        The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements 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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