



Quarterly Activities Report June 2015

ASX ANNOUNCEMENT

29 July 2015

Perth-based copper developer **Metallum Limited (ASX: MNE)** is pleased to provide its activities and cash flow report for the quarter ended 30 June 2015.

Operational Highlights

El Roble Project, Chile

- Metallum now operating three underground mines – San Sebastian, Viuda and Paraguay
- 9,845 tonnes of material moved during June quarter at a cost of \$86/t with 2,987 tonnes trucked to the processing facility
- 1,772 tonnes processed at an average grade of 3.13% Cu for gross proceeds of A\$236,710¹
- Breakeven production estimated at 1,700 tonnes per month for Chile and 2,500 tonnes per month company-wide based on average YTD sale price of A\$168/t and June quarter costs
- Thick, high grade stoping area (40m x 2m x 40m) delineated at San Sebastian post quarter end

Corporate

- Tranche 1 of \$1.5 million capital raising completed, with Tranche 2 approved by shareholders on 16 July 2015
- Potential to raise a further \$280,000 via issue of priority options to MNEOB option holders
- Non-Executive Director Colin “Cobb” Johnstone converts A\$250,000 loan to equity following site visit

El Roble Copper Project, Chile

1. Background

Metallum’s El Roble Copper Project is located approximately 25 kilometres east of the port city of Caldera, within Region III of Chile. The project is ideally located close to the coast in the vicinity of an operating port, within 80 kilometres of Copiapo, a major regional mining centre, and within 90 kilometres of three copper toll treatment facilities. The El Roble Copper Project consists of more than 7,800 hectares of granted concessions and applications covering a strike extensive, IOCG associated copper/gold vein system. Historic production within the project area during the latter half of the 19th century is reportedly between 500,000 and 1,000,000 tonnes of copper-bearing ore at a cut-off grade of 9% copper.

¹ Average exchange rate AUD1:CLP476

Metallum recently completed the acquisition of a 100% interest in the San Sebastian concession covering 50 hectares and holds an option to acquire up to 90% in the remaining concession area. The Company is now producing ore from three underground mines at El Roble – San Sebastian, Viuda and Paraguay.

During the June 2015 quarter, the Company worked towards reducing dilution and improving copper grades from its three operating mines. Unplanned dilution resulted in lower delivered grades and higher tonnages of material stockpiled. Stockpiles and mining methods were adjusted during the quarter in order to maintain a higher grade and maximise the efficiency of the mining operations. This work will continue into the September quarter.

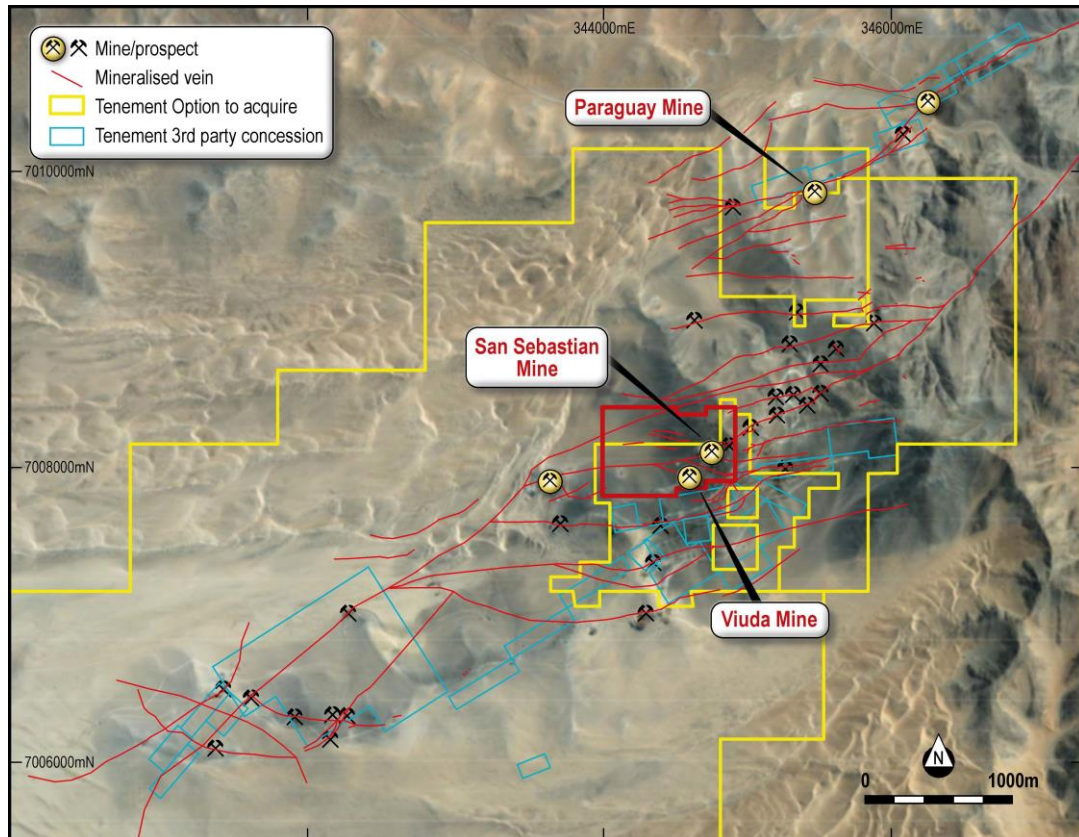


Figure 1 – Map of the north east sector of the El Roble Copper Project showing the location of the San Sebastian, Viuda and Paraguay mines within a strike continuous mineralised corridor where Metallum has mapped over 60km of prospective veins

2. San Sebastian concession (100% owned)

Since taking 100% ownership of the San Sebastian concession, obtaining a mining permit for the extraction of up to 5,000 tonnes per month² and commencing underground mine development in late 2014, the Company continues to ramp up production at the San Sebastian and Viuda mines (Figure 1).

² The mining permit for the extraction of up to 5,000 tonnes per month is not a production target.

San Sebastian mine

Mine development and production

During the June quarter, the Company continued hauling material from the San Sebastian 1030W stope with an estimated 500 tonnes of high grade material remaining to be blasted and extracted. A total of 4,739 tonnes of material was mined from San Sebastian with 2,058 tonnes trucked to the ENAMI processing facility and approximately 180 tonnes remaining in surface stockpiles at 30 June 2015.

Subsequent to quarter end, a thick, strike extensive shoot was delineated at the San Sebastian mine at the 1030E level, with over 40m of on-vein development completed by 21 July 2015. The focus for the Company during the September quarter will be on bringing this stoping panel into production as quickly as possible, which remains open down dip and along strike. Material extracted from the 1030E level will complement the last of the ore from the 1030W stope, which is nearing completion.

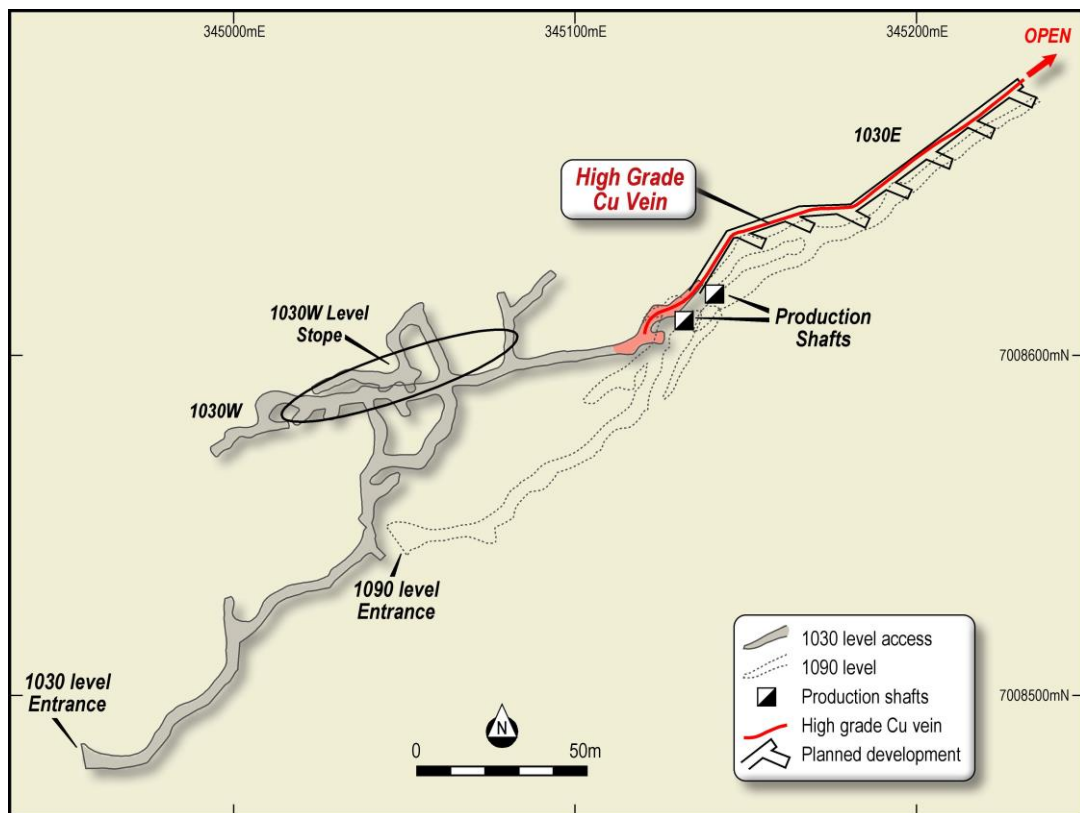


Figure 2 – Plan view of San Sebastian mine showing the 1030W stope and the recently delineated 1030E zone.

Exploration

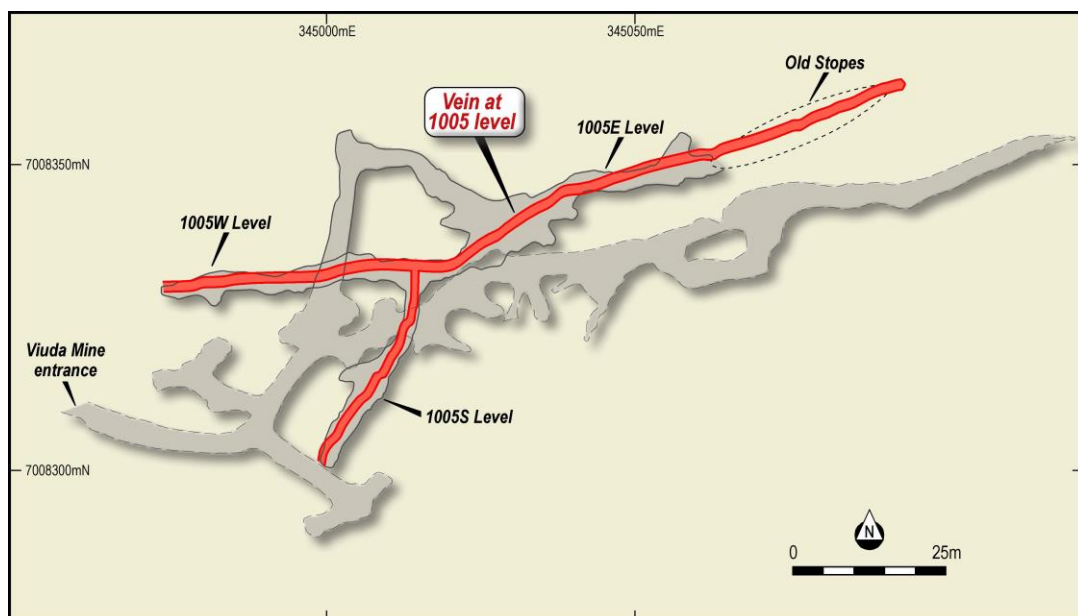
As reported last quarter, on 8 April 2015, Metallum announced an estimated exploration target³ for the immediate San Sebastian mine area of between approximately 280,000 tonnes and 360,000 tonnes of copper bearing material at a grade of approximately 2.90% Cu - 4.75% Cu based on data collected over six months.

Viuda mine

The Viuda mine is located on the San Sebastian concession, some 225 metres south-west of the San Sebastian mine. During the June quarter, the Company began trucking material from Viuda to the ENAMI processing facility. A total of 1,968 tonnes were mined at Viuda, 718 tonnes trucked for processing with approximately 230 tonnes contained in high grade surface stockpiles at 30 June 2015.

During the quarter, the Company encountered a second narrow, high grade cross cutting mineralised vein at the Viuda mine with approximately 25m of lateral development completed along this vein and the first stope access shafts installed late in June. The Company also continued strike development along the main vein on the 1005E level. Backfill in historic workings was encountered and development was stopped toward the end of the quarter. Development along the 1005W level was also stopped due its proximity to surface. In total, the 1005 level has had 90m of development completed along the east-west trending vein. Shafts are currently being installed along the drive in preparation for stoping.

The focus at Viuda is to produce lower tonnages of high grade material by minimising dilution by way of resuing (a mining method which blasts ore and waste rock separately in the face, resulting in cleaner ore) development and reducing stope widths.



³ The term "exploration target" should not be misconstrued as an estimate of Mineral Resources as defined by the JORC Code (2012), and therefore the term has not been used in this context. Exploration targets are conceptual in nature, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Figure 3 – Plan view of the Viuda mine showing the new high grade vein at the 1005S development drive

Paraguay Mine

The Paraguay mine is located approximately 1.9 kilometres northwest of the San Sebastian mine (Figure 1).

During the June 2015 quarter, focus was on developing the 995 level along strike and establishing the first stope. The first 995 level stope was successfully established with blasting and mining currently in progress.

A total of 540 tonnes were mined at Paraguay during the quarter, with 221 tonnes trucked for processing and approximately 300 tonnes remaining in surface stockpiles at 30 June 2015.

The Paraguay workforce has been relocated to San Sebastian subsequent to the end of the quarter to boost development and production from the recently outlined high grade zone.

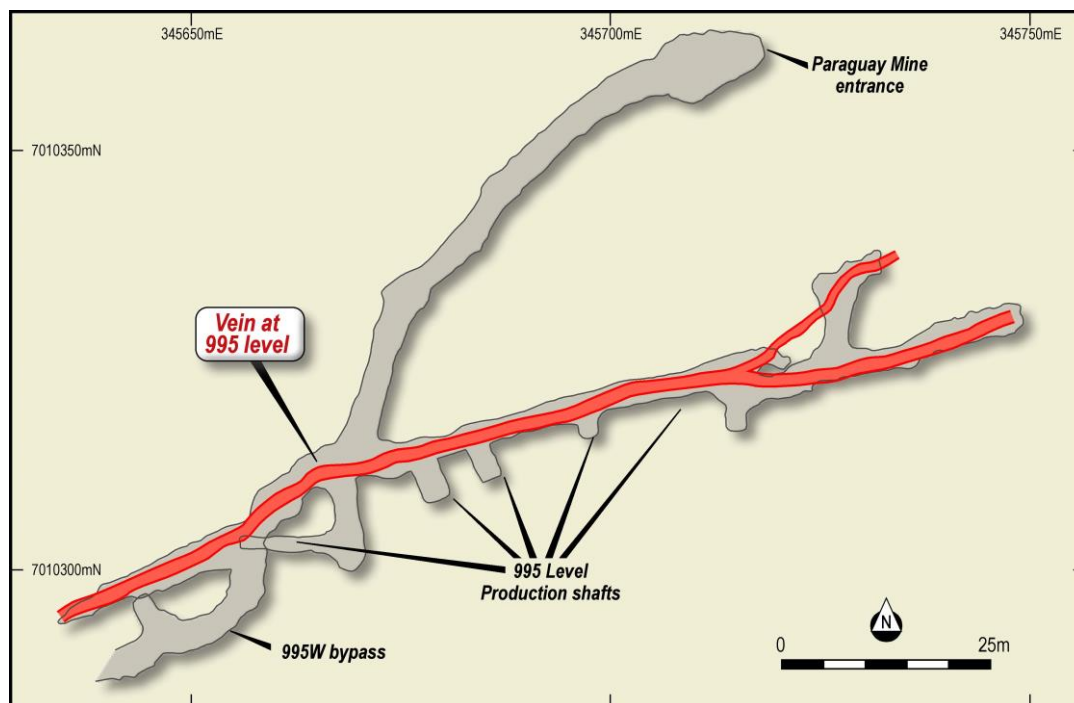


Figure 4 – Plan view of the Paraguay Mine showing the 995 bypass designed to bypass historic stopes and continue on-vein development to the south-west

3. Mine Production and Ore Sales

Consolidated production from the 3 underground mines along with total deliveries and ore sales to the ENAMI processing facility during the quarter total are summarised in Table 1.

Table 1 – Summary of mine performance during June 2015 quarter compared to March 2015 quarter

	March 15 Quarter	June 15 Quarter
Development	275 m	528m
Stope tonnes extracted and stockpiled	2,711 t	7,291 t
Material delivered to processing facility	1,263 t	2,987 t
Material processed	1,053 t	1,772 t
Processed grade	4.45% Cu	3.13% Cu
Average sale price ⁴	A\$197.71/t	A\$134/t
Revenue	A\$208,291	A\$236,710
Total production cost /t		A\$237/t

The average sale price received from ENAMI for the 1,772 tonnes processed at an average grade of 3.13% Cu was A\$134/t. The total production cost inclusive of on-site mining costs, Chilean general administrative costs, permitting, transport of material to the processing facility and all sustaining capital (inclusive of exploration costs and capitalised waste development) was A\$237/t.

On site and Chilean administrative costs are largely fixed. Based on current levels of personnel and equipment on site, 3,500 tonnes per month can be mined (waste and ore). The current mining schedule and mine design has estimated an ore to waste ratio of 3:1 for the coming quarter.

Using the June quarter costs and revenue per tonne, and the current mine plan, the Company has been able to estimate breakeven tonnage for the El Roble operation. The total Chilean operations (total production cost inclusive of on-site mining costs, Chilean general administrative costs, permitting, transport of material to the processing facility and all sustaining capital) are estimated to breakeven at 1,700 tonnes per month delivered for processing. At 2,500 tonnes per month delivered for processing, it is estimated that breakeven will be reached for the entire Company, covering all production, administrative and corporate costs in Chile and Australia.

An adjustment was made to the stockpile tonnages during June following the removal of 1,550 tonnes of lower grade material sourced from development drives which is unlikely to be processed in the near term. The high grade stockpile stands at 710 tonnes at the end of the quarter. Steps have also been taken to modify the mining method to reduce dilution and deliver as many mined tonnes to the processing facility as possible.

Deliveries and sales to the ENAMI processing facility were impacted by flood damage and maintenance shutdowns following the significant rain event in late March 2015. The year to date average grade delivered to the processing facility is 3.61% Cu.

⁴ Sale price reported in AUD and is subject foreign exchange variations for each reporting period.

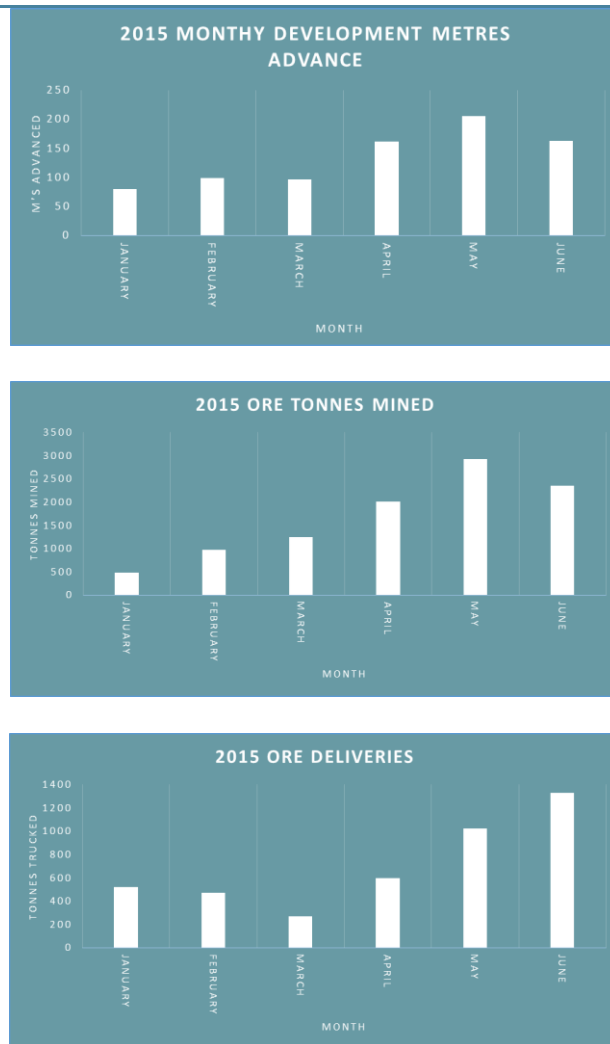


Figure 5 – Year to date mine performance

Comval Project, Philippines (80% interest)

The Company continues to hold the Comval project on care and maintenance.

Teutonic Project, Western Australia (Option to acquire up to 70%)

In 2014, Metallum successfully applied for a co-funded drilling grant under the Department of Mines and Petroleum's Exploration Incentive Scheme (EIS) with 50% of any drilling costs for the proposed program to test the Mustang EM conductor to be paid for under the EIS, up to a maximum of \$70,000.

Post the end of the quarter, Metallum announced that a contractor had been engaged to drill two initial diamond holes into the untested EM conductor. The drilling program is scheduled to commence following the receipt of all regulatory approvals.

The Teutonic Project is considered prospective for volcanogenic massive sulphide (VMS) style mineralisation in a similar geological setting to the deposits currently being mined at Jaguar and Bentley to the immediate north-west by Independence Group.

The Mustang bedrock conductor was identified following a Moving Loop Electromagnetic (MLEM) geophysical survey completed in 2014. The results indicated the presence of a strong bedrock conductor with a strike length of 350m and a depth extent of 250m. The top of the conductor sits approximately 135m from the surface and it dips at 75 degrees to the south-west.

The Company made application for an extension to the term of the Teutonic Project tenement (E37/1037) which expires in July to the Department of Minerals and Petroleum. The Company has no reason to believe the extension will not be granted.

CORPORATE

1. Financing

On 22 May 2015, the Company announced that firm commitments had been received for a share placement of 250 million shares to sophisticated and professional investors at \$0.006 per share to raise \$1.5 million before costs. The placement shares were to be issued in two tranches.

The issue of the Tranche 1 shares, comprising 136,141,226 shares pursuant to the Company's existing placement capacity under Listing Rules 7.1 and 7.1A, was completed on 2 June 2015, raising \$816,847 before costs. Settlement of the Tranche 2 share placement, which will raise a further \$683,153 before costs, was contingent upon shareholder approval received at a general meeting held on 16 July 2015.

During the quarter, repayment of US\$160,850 of the Company's outstanding Convertible Securities was made.

2. Bonus Option Offer

During the quarter, Metallum also announced its intention to undertake a Bonus Option Offer to eligible Shareholders upon successful completion of the share placement on the basis of 1 new option (exercisable at \$0.015 on or before 30 June 2017) for every 4 Shares held at the record date for nil consideration.

A Prospectus for the Bonus Option Offer will be despatched to Shareholders in due course.

3. Expiry of Listed Options and Priority Option Offer to MNEOB holders

During the quarter, 140,042,820 quoted options exercisable at \$0.05 each on or before 30 June 2015 (MNEOB) expired unexercised. Subject to the successful completion of the share placement and satisfaction of any required regulatory approvals, the Company intends to undertake a Priority Option Offer to holders of MNEOB options on the basis of 1 new option (on the same terms as the Bonus Option Offer) for every 1 MNEOB option held at 30 June 2015 at an issue price of \$0.002 per new option to raise up to a further \$280,000 (before costs).

A Prospectus for the Priority Option Offer will be despatched in due course.

4. Conversion of Director Loan to Equity

As announced to ASX on 10 December 2014, the Company borrowed \$250,000 from Non-Executive Director Colin “Cobb” Johnstone on arms’ length commercial terms. Following Mr Johnstone’s recent visit to the El Roble Project, he agreed subject to shareholder and regulatory approvals, to vary the terms of the loan such that the principal amount is converted into Metallum shares on the same terms as the share placement announced on 22 May 2015 and options.

Shareholders approved the conversion of the loan to shares and options at the general meeting of shareholders held on 16 July 2015.

5. Retirement of Director

Mr Robert Butchart resigned as Non-Executive Director, on 24 April 2015. The Company is appreciative of Mr Butchart’s contribution and wishes him well in his future endeavours.

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About Metallum Limited

Metallum Limited (ASX: MNE) is an Australian-based company that acquires and develops copper and gold projects around the world, with a focus on Chile. The Company has an interest in the highly prospective, high-grade El Roble Copper Project in Region III of Chile, targeting IOCG-style copper and gold mineralisation. The Company is focused on achieving growth and shareholder value through the development of near-term, small-scale mining operations at El Roble which will enable self-funded growth into the future. El Roble is ideally located 25km from the port of Caldera and within 80km of two copper toll treatment plants within the world class Atacama IOCG region, which has a history of high-grade copper production.

Metallum also has an interest in the Comval Copper Project in the Philippines, and its Australian-based project, Teutonic, which is prospective for gold and base metal mineralisation.

Metallum has a strong Board and management team with considerable technical, commercial and corporate experience in the resources sector.

For more information visit the Metallum website at www.metallum.net.au

Competent Person’s Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Zeffron Reeves (BAppSc (Hons) (Applied Geology) MBA, MAIG), a member of the Australian Institute of Geoscientists and is an employee of the Company. Mr Reeves 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 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement.

Tenement Schedule

Tenement	Name	Location	Size (ha)	Grant Date	Expiry Date	% Ownership
E37/1037	Teutonic	Western Australia	1,613	23/07/2010	22/07/2015	70%
EP-000001-00-XI	Comval	Mindanao, Philippines	2,171	30/01/2009	30/01/2011 ¹	80%
EP -000002-09-XI	Comval	Mindanao, Philippines	2,139	04/01/2012	04/01/2014	80%
El Roble Concessions ²	El Roble	Region III, Chile	7,600			68% ³
San Sebastian	El Roble	Region III, Chile	50	n/a	n/a	100%
Panga Mine	El Roble	Region III, Chile	11	n/a	n/a	n/a ⁴
Paraguay Mine	El Roble	Region III, Chile	5	n/a	n/a	n/a ⁴
Total			13,745 ha			

Notes:

1. EP-000001-00-XI expired on the 30/01/2011. The Company's Philippines subsidiary has applied to the Philippines Mines and Geosciences Bureau for a 2 year renewal.
2. The El Roble Concessions consist of exploration and mining concessions covering approximately 7,800 hectares (see below for a complete list).
3. Pursuant to the El Roble Option Agreement, the Company can earn an initial 68% interest pursuant to specific milestone payments as detailed in the ASX Announcement dated 15 August 2013. Following the satisfaction of certain conditions precedent the Company has the ability to increase its interest to 90%.
4. As announced on 4 December 2013, the Company has signed a production lease agreement over four concessions (Bolivia, Uruguay, Ecuador and Argentina) which comprise the Panga Mine. As further announced on 28 May 2014, the Company has signed a production lease agreement over an additional concession comprising the Paraguay Mine. These concessions are 100% owned by Sociedad Minera Panga De El Roble, an unrelated party.

El Roble constituted mining concessions to exploit (Chart N° 1)

N°	Name	Owner
1.	Roble 2, 1 al 11	SLM Roble 2
2.	Roble 2A, 1 al 11	SLM Roble 2A
3.	Roble 2B, 1 al 3	SLM Roble 2B
4.	Roble 3, 1 al 15	SLM Roble 3
5.	Roble 4, 1 al 23	SLM Roble 4
6.	Roble 4B, 1 al 10	SLM Roble 4B
7.	Roble 5, 1 al 10	SLM Roble 5

8.	Roble 5A, 1 al 9	SLM Roble 5A
9.	Roble 5B, 1 al 19	SLM Roble 5B
10.	Roble 5C, 1 al 20	SLM Roble 5C
11.	Roble 9, 1 al 9	Gunter Stromberger

El Roble mining concessions to exploit in process to be constituted (Chart N° 2)

N°	Name	Owner
1.	Angela Siete, 1 al 20	Gunter Stromberger
2.	Angela Siete A, 1 al 20	Gunter Stromberger
3.	Angela Siete B, 1 al 20	Gunter Stromberger
4.	Angela Ocho, 1 al 20	Gunter Stromberger
5.	Angela Ocho A, 1 al 20	Gunter Stromberger
6.	Angela Ocho B, 1 al 20	Gunter Stromberger
7.	Angela Nueve, 1 al 20	Gunter Stromberger
8.	Angela Nueve A, 1 al 20	Gunter Stromberger
9.	Angela Diez, 1 al 20	Gunter Stromberger
10.	Angela Diez A, 1 al 20	Gunter Stromberger
11.	Angela Doce, 1 al 20	Gunter Stromberger
12.	Angela Doce A, 1 al 20	Gunter Stromberger
13.	Angela Doce B, 1 al 20	Gunter Stromberger
14.	Angela Trece, 1 al 20	Gunter Stromberger
15.	Angela Trece A, 1 al 20	Gunter Stromberger
16.	Angela Trece B, 1 al 20	Gunter Stromberger
17.	Angela Catorce 1 al 20	Gunter Stromberger
18.	Angela Catorce A, 1 al 20	Gunter Stromberger
19.	Angela Catorce B, 1 al 20	Gunter Stromberger
20.	Angela Quince, 1 al 20	Gunter Stromberger

21.	Angela Quince A, 1 al 20	Gunter Stromberger
22.	Angela Quince B, 1 al 20	Gunter Stromberger
23.	Angela Dieciseis, 1 al 20	Gunter Stromberger
24.	Angela Dieciseis A, 1 al 20	Gunter Stromberger
25.	Angela Dieciseis B, 1 al 20	Gunter Stromberger
26.	Angela Diecisiete, 1 al 20	Gunter Stromberger
27.	Angela Diecisiete A, 1 al 20	Gunter Stromberger
28.	Angela Diecisiete B, 1 al 20	Gunter Stromberger
29.	Angela Dieciocho, 1 al 20	Gunter Stromberger
30.	Angela Dieciocho A, 1 al 20	Gunter Stromberger
31.	Angela Dieciocho B, 1 al 20	Gunter Stromberger
32.	Angela Diecinueve, 1 al 20	Gunter Stromberger
33.	Angela Diecinueve A, 1 al 20	Gunter Stromberger
34.	Angela Veinte, 1 al 20	Gunter Stromberger
35.	Angela Veinte A, 1 al 20	Gunter Stromberger
36.	Angela Veintiuno, 1 al 20	Gunter Stromberger
37.	Angela Veintiuno A, 1 al 20	Gunter Stromberger
38.	Angela Veintiuno B, 1 al 20	Gunter Stromberger
39.	Angela Veintidos, 1 al 20	Gunter Stromberger
40.	Angela Veintidos A, 1 al 20	Gunter Stromberger
41.	Angela Veintidos B, 1 al 20	Gunter Stromberger
42.	Angela Veintitres, 1 al 20	Gunter Stromberger
43.	Angela Veintitres A, 1 al 20	Gunter Stromberger
44.	Angela Veintitres B, 1 al 20	Gunter Stromberger
45.	Angela Veinticuatro A, 1 al 10	Gunter Stromberger
46.	Angela Veinticuatro B, 1 al 20	Gunter Stromberger
47.	Angela Veinticuatro C, 1 al 20	Gunter Stromberger

48.	Angela Veinticinco, 1 al 20	Gunter Stromberger
49.	Angela Veinticinco A, 1 al 20	Gunter Stromberger
50.	Angela Veinticinco B, 1 al 20	Gunter Stromberger
51.	Angela Veintiseis Uno, 1 al 10	Gunter Stromberger
52.	Angela Ventisiete Uno, 1 al 30	Gunter Stromberger
53.	Angela Veintisiete Uno, 1 al 30	Gunter Stromberger
54.	Angela Veintiocho Uno, 1 al 30	Gunter Stromberger
55.	Angela Veintinueve Uno, 1 al 30	Gunter Stromberger
56.	Angela Treinta Uno, 1 al 30	Gunter Stromberger
57.	Roble 2 C, 1 al 20	Gunter Stromberger
58.	Roble 5	Gunter Stromberger
59.	Roble 6, 1 al 20	Gunter Stromberger
60.	Roble 6A, 1 al 20	Gunter Stromberger
61.	Roble 7, 1 al 20	Gunter Stromberger
62.	Roble 8	Gunter Stromberger
63.	Roble 8A, 1 al 20	Gunter Stromberger
64.	Roble 8B, 1 al 20	Gunter Stromberger
65.	Roble 10, 1 al 6	Gunter Stromberger
66.	Roble 11, 1 al 2	Gunter Stromberger
67.	Roble 12, 1 al 3	Gunter Stromberger
68.	Roble 13, 1 al 20	Gunter Stromberger
69.	Roble 15, 1 al 40	Gunter Stromberger
70.	Roble 16, 1 al 35	Gunter Stromberger
71.	Roble 17, 1 al 20	Gunter Stromberger

El Roble mining concessions to explore in process to be constituted (Chart N° 3)

N°	Name	Owner
1.	Angelita Siete	Gunter Stromberger
2.	Angelita Ocho	Gunter Stromberger
3.	Angelita Nueve	Gunter Stromberger
4.	Angelita Doce	Gunter Stromberger
5.	Angelita Trece	Gunter Stromberger
6.	Angelita Catorce	Gunter Stromberger
7.	Angelita Quince	Gunter Stromberger
8.	Angelita Dieciseis	Gunter Stromberger
9.	Angelita Diecisiete	Gunter Stromberger
10.	Angelita Dieciocho	Gunter Stromberger
11.	Angelita Diecinueve	Gunter Stromberger
12.	Angelita Veinte	Gunter Stromberger
13.	Angelita Veintiuno	Gunter Stromberger
14.	Angelita Veintidos	Gunter Stromberger
15.	Angelita Veintitres	Gunter Stromberger
16.	Angelita Veinticuatro	Gunter Stromberger
17.	Angelita Veinticinco	Gunter Stromberger

San Sebastian mining concessions to exploit

N°	Name	Owner
1.	San Sebastian 1/16 (2/16)	Arturo Lionel Polgatti San Cristóbal
2.	San Sebastian 1/16 (1)	Sociedad Legal Minera San Sebastian Uno de la Sierra Algarrobo

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

METALLUM LIMITED

ABN

73 149 230 811

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	265	663
1.2	Payments for (a) exploration & evaluation	(65)	(807)
	(b) development	-	-
	(c) production	(425)	(1,827)
	(d) administration	(390)	(1,703)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(615)	(3,665)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	(225)
	(b) equity investments	-	-
	(c) other fixed assets	(3)	(3)
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		(3)	(228)
1.13	Total operating and investing cash flows (carried forward)	(618)	(3,893)

+ 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)	(618)	(3,893)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	371	1,494
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	250
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Share issues not yet allotted	-	-
1.20	Other – share issue costs	-	(92)
1.20	Other – Convertible debt security	270	712
	Net financing cash flows	641	2,364
	Net increase (decrease) in cash held	23	(1,529)
1.20	Cash at beginning of quarter/year to date	163	1,715
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	186	186

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	-

1.25 Explanation necessary for an understanding of the transactions

Payments made for consulting fees, director's fees, salaries 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

N/A

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	750
4.4 Administration	350
Total	1,150*

* At 30 June 2015, the Company had trade receivables of \$14,464 and inventories of \$33,412. A further \$680,000 is expected to be received pursuant to Tranche 2 of the Company's placement to raise \$1.5 million, as announced on 22 May 2015

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	166	143
5.2 Deposits at call	20	20
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	186	163

+ 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			
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.

	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	715,674,298	715,674,298	-
7.4	Changes during quarter			
	(a) Increases through issues	18,914,000	18,914,000	\$0.007 (deemed)
	(b) Decreases through returns of capital, buy-backs	56,368,667	56,368,667	\$0.006 (deemed)
		136,141,226	136,141,226	\$0.006
7.5	*Convertible debt securities	-	-	-
	(description)			

+ See chapter 19 for defined terms.

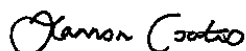
Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)	500,000 3,750,000 300,000 12,000,000 8,000,000 10,000,000 1,000,000 2,000,000 13,800,000 3,000,000 15,000,000	- - - - - - - - - - -	Exercise price \$0.45 \$0.20 \$0.25 \$0.05 \$0.034 \$0.037 \$0.05 \$0.05 \$0.0186 \$0.019 \$0.015	Expiry date 15/07/2015 01/07/2015 13/11/2015 30/06/2016 17/10/2016 17/10/2017 30/11/2016 30/06/2016 17/11/2017 09/03/2019 15/07/2017
7.8	Issued during quarter	15,000,000	15,000,000	\$0.015	15/07/2017
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	140,042,820 300,000 50,000	140,042,820 - -	\$0.05 \$0.60 \$0.60	30/06/2015 01/04/2015 14/05/2015
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	1 Convertible Security issued during quarter with US\$185,000 face value; Convertible Security partially converted during the quarter (US\$360,000)	-		

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 July 2015

+ See chapter 19 for defined terms.

SHANNON COATES
Print name:

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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