NSL CONSOLIDATED LTD

QUARTERLY ACTIVITIES REPORT

JUNE 2015

Issued 31 July 2015

JUNE QUARTER HIGHLIGHTS

IRON ORE

- NSL executes its first two non-exclusive fines and lump offtake agreements with BMM Ispat, a significant and expanding producer of pellets, power and steel.
- NSL executes a non-exclusive fines offtake agreement with India's leading integrated steel producer, JSW Steel. JSW Steel is India's leading private sector steel producer and among the world's most illustrious steel companies.
- JSW Steel is a circa US$9 billion global conglomerate spread over six locations in India and a footprint that extends to the US, South America and Africa.
- NSL enhance existing +53%Fe lump stockpile to +57%Fe, despatch to BMM and receive payment.
- Critical milestone achieved for the existing Phase One dry beneficiation plant and future Phase Two wet beneficiation plant in Kurnool.
- NSL executes a Memorandum of Understanding (MoU) with Andhra Pradesh Government. MoU covers collaboration for the beneficiation and value addition of iron ores within the State.
- Andhra Pradesh Government recognises NSL's capability and success in India to date. MoU provides clear pathway for the Company to significantly expand its Andhra Pradesh operational base.
- NSL Management meet with Central Government Steel and Mines Minister and key advisors to progress AP 14 approvals process through Delhi.

- AP14 has been sponsored by the Government of India Prime Minister's Office through the Project Monitoring Group to remove implementation bottlenecks with the project on a fast-track basis.

- State Government Mining Lease approval already granted.

IRON ORE - INDIA

OFFTAKE AGREEMENT - FINES

During the quarter, the Company was pleased to advise that it entered into non-exclusive offtake agreements for its first 200,000 tonnes of future Phase Two 58-62% Fe wet beneficiation plant fines product.

The offtake agreements with JSW Steel (JSW) and BMM Ispat (BMM), reflect the demand of the Indian steel industry for the Phase Two wet beneficiation plant material. Importantly, they are achieved directly with the end users, avoiding the need for traders and the uncertain credit worthiness inherent with this channel to market, and therefore reducing the sales transactional risk.

JSW is India's leading private sector steel producer and among the world's most illustrious steel companies. JSW Steel is a circa $9 billion global conglomerate spread over six locations in India and a footprint that extends to the US, South America and Africa.

As the flagship company of the $11 billion JSW Group, JSW is testament to decades of experience and a dynamic culture that have culminated in the company becoming the leading provider of specialised steels in India.

The offtake agreement, executed with JSW is for 200,000 tonnes per annum of future Phase Two 58-62% Fe wet beneficiation plant fines product. The agreement has the capability of absorbing all the expected output from our wet plant, but being non-exclusive, it allows the Company to also diversify its customer base with other existing or future offtakers going forward. Commercial terms are market based.

Importantly during the course of the offtake discussions, JSW considered the NSL fines product to be a premium product due to its size, grade and low level contaminants. Specifically the NSL wet plant fines product is able to be inserted into the steel process further downstream creating operational, cost and quality advantages. In addition the low Alumina, Phosphorous and Sulphur offer blending opportunities for the steel manufacturing process.

The JSW steel complex is approximately 160kms from NSL operations and located within the Hospet region of Karnataka, southern India's main steel producing belt.

Production facilities located at the JSW steel complex include; Beneficiation Plant, Pellet Plant, Coke Plant, Hot Metal Plant, Steel Plant, Mill Plant and a R&D Facility. The plant consumes in excess of 20 million tonnes of iron ore per annum and is the largest steel producer in Southern India. The complex has been awarded numerous awards and accolades, including the Prime Ministers special commendation as the Best Integrated Steel Plant in 2012-13.

Executed with BMM, the offtake agreement also has the capability of absorbing all the expected output from our wet plant, but being non-exclusive, it allows the Company to also diversify its customer base going forward. Commercial terms are market based, availing the Company to access the current robust market conditions in the domestic Indian iron ore sector, a market of circa 150 million tonnes supplying the world's fourth largest steel industry. The Indian domestic steel industry is planning to triple in size over the next 10 years.

BMM's current and future expanding production of steel can easily absorb 100% of the Company's fines production. During detailed evaluations, both parties confirmed the strong alignment in the Company's iron ore specifications and BMM's required iron ore raw material specification.

The BMM steel complex is approximately 240kms from NSL operations and located within the Hospet region of Karnataka, southern India's main steel producing belt.

Production facilities located at the BMM steel complex are:

- Beneficiation Plant of 2.60Million Tonnes per annum (MTPA);
- Pellet Plant of 2.60 MTPA;
- Sponge Iron Plant of 0.73 MTPA;
- Induction Furnace of 0.10 MTPA;
- Rolling Mill of 0.09 MTPA; and
- Power Plant of 95 MW.

BMM has embarked upon an expansion projects which will result in new capacities for:

- Integrated Steel Plant of 1.25MTpa;
- Power Plant of 140 MW.

For further information on BMM, please refer to www.bmm.in

OFFTAKE AGREEMENT - LUMP

The Company was also pleased to advise that it had entered into an offtake agreement for up to 200,000 tonnes of the existing Phase One dry beneficiation plant lump product with typical specifications up to 58% Fe.

Executed with BMM, this agreement is similar to its fines agreement in that it has the capability of absorbing all the expected output from our existing plant, but being non-exclusive, it allows the Company to also diversify its customer base going forward. Commercial terms for the one year agreement are again market based, enabling the Company to access the current robust market conditions in the domestic Indian iron ore sector.

Importantly, this second offtake agreement with BMM was achieved as a result of the close working relationship the two companies have now developed and are continuing to develop. The offtake agreement again deals directly with the end user, thus minimising the sales transactional risk.

During the quarter, the Company and BMM worked together to finalise adding the Company as a vendor on the BMM system, leading to the first purchase order and delivery of material, technical trials through the DRI kilns, including development of KPI's and product specifications for further long term supply. This will also include the finalisation of supply logistics and longer term pricing mechanisms.

MARKETING

In an important step forward, the company has executed a Memorandum of Understanding (MoU) with the Government of Andhra Pradesh for collaboration in the mining, beneficiation and value addition of low grade iron ores that are abundant in the State.

The MoU was executed between NSL and the Andhra Pradesh Mineral Development Corporation (APMDC), the State owned enterprise charged with maximising utilisation of mineral resources within the State.

The signing was conducted by Mr Cedric Goode, the Managing Director of NSL Consolidated and Mr Girija Shankar, the Managing Director of APMDC. The signing was witnessed by Sri Chandrababu Naidu, the Honourable Chief Minister of Andhra Pradesh, The Hon. Steven Ciobo, Parliamentary Secretary to the Australian Trade and Investment Minister, and Mr Sean Kelly, Australian Consul General to South India.

The scope of the MOU is to define a collaboration between the Company and Andhra Pradesh whereby the Company will work with APMDC in the reconnaissance and exploration for minerals in the State. The Company has also agreed to provide State of the art testing, process flow development and technology for the setting up of value addition plants such as beneficiation and pellet plants for low grade iron ore located in the State of Andhra Pradesh and APMDC has agreed to assist NSL in this endeavour.

The execution of the MoU was conducted as part of the current Australian Trade Delegation visit to Hyderabad, being hosted by The Hon. Steven Ciobo, Parliamentary Secretary to the Australian Trade and Investment Minister.

"The Cuddapah Basin is a sedimentary formation that stretches more than 200 kilometres. The region is characterised by high silica content very low grade iron ores. The material is in fact by Indian Bureau of Mines (IBM) definitions not classified as iron ore, with grades averaging between 25-35% Fe content none of this material is economically viable for use in the steel industry" commented Mr Goode after the execution.

"NSL has spent 6 years progressing its iron ore strategy in India and developing a technology tailored specifically at the beneficiation of these low grade iron ores. This investment has been recognised by the State of Andhra Pradesh as a key enabler for unlocking the vast low grade mineral wealth."

The Company has developed a process flow and technology that is capable of beneficiating iron ores from as low as 27% Fe content to a saleable concentrate of between 60-62% Fe, which is ideal for the Indian domestic steel industry.

In addition to iron ore, the collaboration agreement allows for the expansion into other key minerals critical for the State and India's growth plans.

The continuing increasing levels of exposure and understanding of the Company, positions the Company to become an important participant in Indian and Australian bilateral trade process.

KURNOOL IRON ORE BENEFICIATION PLANT

Phase One Plant (Dry)

During the course of the quarter, subsequent to the execution of the BMM lump offtake agreement, the Company and BMM have continued working together to finalise and agree the scope of the technical testing process through the DRI kilns of a production scale batch of iron ore. This includes the development of KPI's, broad production schedule and logistics for the first delivery.

In order to meet the current end user requirements, BMM required a +56% Fe lump product for its DRI kilns. NSL had produced a 500 tonne batch for BMM, which was previously beneficiated from circa 22%Fe to 53%Fe and stockpiled on site. This was subsequently further enhanced to produce +57% lump product for direct feed into BMM's DRI kiln process.

BMM has already successfully completed laboratory scale testing through their process simulators of small batches of the Company's iron ore. Post this, the larger full production test aims to further strengthen the alignment of offtake requirements between the Company and BMM, with a key outcome being to be able to finalise product specifications for further long term supply.

Upon completion of the +57% Fe lump processing the Company received a Purchase Order from BMM for its successfully enhanced +57% Fe lump product, despatched the product and received payment for the product.

Material despatch to BMM

Phase Two Plant (Wet)

The Phase Two wet beneficiation plant proposed for the existing NSL stockyard will be fed material from NSL's Kuja and Mangal mines. It is anticipated that the construction of this plant will commence in the 12 months post recommencement of NSL Phase One dry beneficiation plant processing operations or when alternative funding can be arranged. The project has all approvals in place for construction and operations.

The Phase Two wet beneficiation plant process, which is anticipated to be capable of producing final product grades of between 58-62% Fe, has a design capacity of 200,000 tonnes per annum of iron ore fines.

Given the strong interest in the Phase Two Plant material, evidenced by the offtake agreements with both BMM and JSW, the company is actively pursuing project financing opportunities to enable the construction, commissioning and operation of the Phase Two wet plant as quickly as possible.

AP 14 MINING LEASE

As announced during the quarter, during early May NSL's Managing Director Mr Cedric Goode was able to sit with the Honourable Narendra Singh Tomar, the Central Government Minister for Steel and Mines.

During the detailed session the Minister offered some key insights into the project, specifically:

- The Government is highly supportive of foreign investment into the mining industry in India and supportive of the NSL business strategy;
- The application of technology and global best practice into unlocking value from low grade deposits is strongly aligned with the country's National Mineral Policy and as a result support is offered for the NSL business; and
- The Minister gave assurances to support the timely processing of AP14 through Delhi.

The Company is buoyed by the engagement at all levels of Indian Government, translating now is the support for foreign investment by the new Modi government translating into action. The continuing increasing levels of exposure and understanding of the Company, positions NSL to become an important participant in the Indian and Australian bilateral trade process.

NSL Representatives with Honourable Narendra Singh Tomar

Since the Mining Lease application was recommended for grant by the State Government there have been significant positive engagements with both State level and Central Government representatives. During April, representatives of NSL have been able to meet with both the local Member (MLA) and State Parliamentary (MP) representatives to continue both consultation and forward work plans with the State Government.

In addition the Company is pleased to see the frequent and meaningful support offered by the Project Monitoring Group. Since the start of 2015 at least 4 meetings have been held in Delhi to further progress the AP14 project.

The Department of Industrial Policy and Promotion (DIPP), coming under the Central Government's Ministry of Commerce and Industry in India is sponsoring the AP14 Project with the PMG.

The PMG has been set up by the Prime Minister's Office, Government of India to proactively pursue new major infrastructure projects and any stalled projects to ensure that the projects are commissioned on time.

The PMG restricts its interest to projects deemed critical to the National Interest or involving more than 1,000 Indian Crores (approximately A$180 million) of total investments.

Project Summary

As announced on 1st February 2013, the AP14 exploration target is 134 million to 377 million tonnes of magnetite at grades ranging from 20% to 50% Fe.

It should be noted that the exploration target quoted above is conceptual in nature and there has been insufficient exploration to define a Mineral Resource under the JORC Code. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Contained within this exploration target there exists potential for a high grade core of Direct Ship Ore (DSO) quality enriched magnetite, with estimates from 5 million to 10 million tonnes with a grade range from 55% to 65% Fe.

Metallurgical testing based on Davis Tube Recovery (DTR) methods of 25 grab samples provided the following averages for recovery, head grade and concentrate grade:

Magnetite Head Grade Quality

Fe %	FeO %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
33.89	7.62	50.66	0.23	0.03	0.02	0.31

Magnetite Concentrate Quality

Recovery %	Fe %	FeO %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
33.4	68.93	19.65	3.00	0.18	0.02	0.02	<0.10

For full details related to this AP14 exploration target and metallurgical testing please refer to the ASX announcement dated 1st February 2013.

Upon approval from the Central Government the Company will then be able to undertake further exploration activities, including drilling operations on the lease. Work continues on the development of the exploration program scope, including pre work on preferred supplier sourcing.

These important developments for NSL lay the foundations for the Company's future expansion plans.

THERMAL COAL - QUEENSLAND

During the quarter, the Company continued to work, as required, on its four thermal coal tenements.

NSL's coal tenements (EPCs 2198, 2336, 2337 and 2338) cover 2,585 km² in the Eromanga Basin in southwest Queensland and are adjacent to similar projects held by East Energy Resources (ASX: EER, Inferred Resource of 1.74 Billion Tonnes) and International Coal Limited (ASX: ICX, Inferred Resource of 1.2 Billion Tonnes).

JOINT VENTURE UPDATE

During the quarter, the Company continued to work with potential JV and alternative funding parties. Discussions remain ongoing.

CORPORATE

ARBITRATION AWARD

As announced on 20 August 14, the Arbitration between its wholly owned subsidiary, NSL Mining Resources India Private Limited ("Claimant") and Mega Logistics and Solutions ("Respondent") has now been concluded, with the arbitrator giving the award entirely in favour of the Claimant.

The award given was for approximately A$250,000 which is related to unrecovered advances (plus interest) paid to Mega Logistics and Solutions for the provision of transport and related services.

During the quarter, the Company has continued to further progress the recovery of the award.

SUPREME COURT WRIT OF SUMMONS

As announced on 16 February 2015, the Company received a writ of summons in relation to a Coal Acquisition Agreement dated 15 June 2011 with Birmanie Nominees Pty Ltd (the vendor under the agreement, Birmanie) relating to 4 coal EPCs in Queensland.

The writ alleges that NSL has failed to meet various obligations under the Coal Acquisition Agreement. Birmanie has claimed $2.5m in damages.

NSL has subsequently lodged its defence, in which it vigorously denies Birmanie's Claim. The Company is of the view that Birmanie is not entitled to the damages sought or to any other damages.

During the quarter, in line with the view above, the Company continued with the litigation process.

MAGNA CONVERTIBLE LOAN FUNDING

As announced on 15 January 2015 the Company advised it entered into a US$4,000,000, 24 month convertible loan funding agreement with Magna Equities, LLC ("Magna"), a New York based investment firm. The funding agreement will enable the Company to continue its focus on its unique position of being the only foreign company to own and operate iron ore mines in India.

During the quarter, the Company utilised a further US$250,000 under the Magna facility, bring the total funding utilised to US$750,000. As at 30 June 2015, Magna have elected to convert a total of US$225,000 of the loan balance into Shares in the Capital of the Company (refer to the Appendix 5B for details.)

POTENTIAL ACQUISITIONS

The Company continued to progress opportunities for either outright acquisition, royalty based acquisition and/or joint venture farm in structured agreements over multiple projects in India. These assessments remain ongoing.

CASH FLOW – APPENDIX 5B

At the commencement of the March quarter, the Company had an opening cash balance of approximately $449,000. The closing cash balance for the quarter ending 30 June 2015 was approximately $198,000.

During the quarter the Company continued any potential cost reduction initiatives in both India and Australia.

INTERESTS IN MINING TENEMENTS

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Kuja	Andhra Pradesh, India	100%	-	-
Mangal	Andhra Pradesh, India	100%	-	-
AP14	Andhra Pradesh, India	100%	-	-
EPC 2198	Queensland, Australia	100%	-	-
EPC 2336	Queensland, Australia	100%	-	-
EPC 2337	Queensland, Australia	100%	-	-
EPC2338	Queensland, Australia	100%	-	-

Regards
NSL Consolidated Limited

Cedric Goode
Managing Director/CEO

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Competent Person's Statement

AP14
The information in this statement relating to the iron ore exploration results is based on information compiled by Mr Paul Blackney who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Blackney is employed by Optiro Pty Ltd. Mr Blackney has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Paul Blackney consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

AP23
The information in this report relating to the exploration results and exploration target is based on information assessed by Mr Anirudh Sharma who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Sharma is employed by Rock Geo Consulting Pvt Ltd. Mr Sharma has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sharma consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Queensland Coal
Technical information on NSL Consolidated Limited's Queensland coal projects discussed in this ASX Release has been compiled by Mr Mark Biggs, Principal Geologist of ROM Resources Pty Ltd. Mr Biggs is a member of the Australasian Institute of Mining and Metallurgy and has the experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2012. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The report is based on factual geological data acquired by NSL Consolidated Limited over a period of several months as well as pre-existing data from Government stratigraphic drilling and private company coal exploration. Interpolation and extrapolation of data has been avoided in most cases but where necessary it was done with due consideration of the JORC Coal Guidelines. Whilst significant coal intersections are present within most of the coal tenure discussed, insufficient data exists to estimate coal resource tonnages to the JORC standard at this time.

It should be noted that this information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Notwithstanding this it should also be noted that any resource tonnages implied in this release are conceptual in nature, that there has been insufficient exploration to define a Coal Resource and that it is uncertain if further exploration will result in the determination of a Coal Resource

782Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NSL Consolidated Limited

ABN	Quarter ended ("current quarter")
32 057 140 922	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	-	-
1.2	Payments for		
	(a) exploration and evaluation	(40)	(41)
	(b) development	(64)	(420)
	(c) production	-	-
	(d) administration (Aust, Sing & India)	(398)	(1,448)
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 (early part payment of Resources First fees in order to defer balance due Sept 15 to Jan 16)	(50)	(50)
	Net Operating Cash Flows	(552)	(1,952)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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	-	-
1.13	Total operating and investing cash flows (carried forward)	(552)	(1,952)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(552)	(1,952)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	318	1,296
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	-	-
	Net financing cash flows	318	1,296
	Net increase (decrease) in cash held	(234)	(656)
1.20	Cash at beginning of quarter/year to date	449	926
1.21	Exchange rate adjustments to item 1.20	(17)	(72)
1.22	**Cash at end of quarter**	198	198

Payments to directors of the entity and associates of the directors
Payments to 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	102
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

Wages, superannuation and car lease.

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

-

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 *	4,245,369	979,700
3.2	Credit standby arrangements	-	-

* Relates to the Magna Equities I LLC Convertible Loan Agreement as announced on 15 January 2015, (Remaining balance available of US$3,250,000 @ AUD/USD 0.76554). To the 30 June 2015 quarter, Magna have converted approx US$225k of the total drawn down amounts.

Estimated cash outflows for next quarter **

		$A'000
4.1	Exploration and evaluation	11
4.2	Development	84
4.3	Production	-
4.4	Administration	496
	Total	591

** Not included above, it is anticipated that estimated cash inflows for the next quarter stand at approximately A$665k, in relation to the Magna Equities Convertible Loan as per section 3 above.

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	198	449
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other	-	-
	Total: cash at end of quarter (item 1.22)	198	449

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter (continued)

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)	Amount paid up per security (see note 3)
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**	792,970,108	792,970,108		
7.4	Changes during quarter (a) Increases through issues	9,183,411 8,794,456 2,185,065 10,807,703	1,538,972 5,333,333 1,148,493 13,356,458	$0.0056 $0.0056 $0.007 $0.0048	$0.0056 $0.0056 $0.007 $0.0048
	(b) Exercise of options	-	-	-	-
	(c) Decreases through return of capital, buy-backs	-	-	-	-
	(d) Increase pursuant to underwriting of options	-	-	-	-
7.5	**+Convertible debt securities** *(description)*	1	-	US$2.5M	US$2.5M
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*
		305,420,062	305,420,062	$0.01	31/12/2016
		190,000,000	-	$0.0096	31/12/2016

7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/Forfeited during quarter	23,510,000 6,000,000	- -	$0.04 $0.07	$0.04 $0.07
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 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:.............Sean Henbury............. Date: 31 July 2015
(Company Secretary)

Print name: Sean Henbury

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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