



**ORECORP**  
LIMITED

## ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

### September 2015 Quarterly Report

The Board of OreCorp Limited (**OreCorp** or the **Company**) is pleased to present its quarterly report for the period ended 30 September 2015. Highlights include:

#### Tanzania - Nyanzaga Gold Project

- On 22 September 2015 the Company announced that it had entered into a binding agreement with Acacia Mining plc (formerly African Barrick plc) to earn an interest in the Nyanzaga Gold Project (**Nyanzaga** or the **Project**) in northwest Tanzania.
- Nyanzaga hosts an in-pit indicated and inferred Foreign Estimate of 4.2Moz @ 1.3g/t Au (**Foreign Estimate**; refer **Table 1** and cautionary statement on following page).
- Over 237,000m of drilling completed.
- Conventional metallurgy with CIL gold recoveries of 92% for oxide and 86% for sulphide.
- Proximal infrastructure including power, water and skilled labour.
- Located in the Lake Victoria Goldfields (**LVG**) that host a number of major operating gold mines and >50 Mozs of gold in foreign estimates, including Nyanzaga.
- Additional regional prospects and targets on JV tenements.
- JV has low upfront entry costs and OreCorp will manage the JV through to at least completion of the Definitive Feasibility Study.
- OreCorp personnel have now assumed control of the site and key consultants have been appointed.

#### Mauritania - Akjoujt South Project

- Induced polarisation (**IP**) geophysical survey (dipole lines and gradient array) commenced in late September and will be completed in the December quarter. The IP survey is focused on Anomaly 5, targeting disseminated nickel-copper sulphide mineralisation.
- Mineralised trench and geochemical anomalism associated with Anomaly 5 is up to 1.6km in length with soil results of up to 0.26% nickel and 0.23% copper.

#### Corporate

- OreCorp remains in a strong financial position finishing the quarter with \$6.97m. Post the initial US\$1m payment to Acacia in early October, OreCorp has approximately \$5.5m cash and no debt.

#### *For further information please contact:*

Matthew Yates  
**CEO & Managing Director**  
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#### ASX RELEASE:

30 October 2015

#### ASX CODE:

ORR

#### BOARD & MANAGEMENT:

Craig Williams  
*Non-Executive Chairman*

Matthew Yates  
*CEO & Managing Director*

Alastair Morrison  
*Non-Executive Director*

Mike Klessens  
*Non-Executive Director*

Luke Watson  
*CFO & Company Secretary*

#### ISSUED CAPITAL:

Shares: 113.4 million

\$0.40 Unlisted Options: 1.9 million

#### ABOUT ORECORP:

OreCorp Limited is a Western Australian based mineral company focussed on the Nyanzaga Gold Project in Tanzania & also has a base metals project in Mauritania.

## TANZANIA

### Nyanzaga Project (Au) [OreCorp Earning up to 51% - refer Exploration Interests section for further details]

On 22 September 2015, the Company announced that it had entered into a conditional, binding earn-in and JVA to earn up to a 51% interest in the Nyanzaga Project in the LVG of Tanzania. The Project hosts an in-pit indicated and inferred Foreign Estimate of 4.2Moz @ 1.3g/t Au at a 0.4g/t lower cut-off, in the Nyanzaga and Kilimani deposits.

**Table 1: Foreign Estimate of Resources as at December 2013 and at 31 December 2014**

Cut-off	Indicated			Inferred			Total Indicated + Inferred		
g/t Au	Mt	g/t Au	Moz Au	Mt	g/t Au	Moz Au	Mt	g/t Au	Moz Au
0.40	97.35	1.31	4.10	3.04	0.93	0.09	100.39	1.30	4.19
0.75	70.33	1.60	3.61	1.03	1.74	0.06	71.36	1.60	3.67
1.00	49.15	1.91	3.01	0.66	2.25	0.05	49.81	1.91	3.06
1.50	25.35	2.57	2.09	0.24	4.07	0.03	25.59	2.58	2.12
2.00	14.43	3.20	1.48	0.15	5.45	0.03	14.58	3.22	1.51
3.00	5.89	4.39	0.83	0.11	6.52	0.02	6.00	4.43	0.85

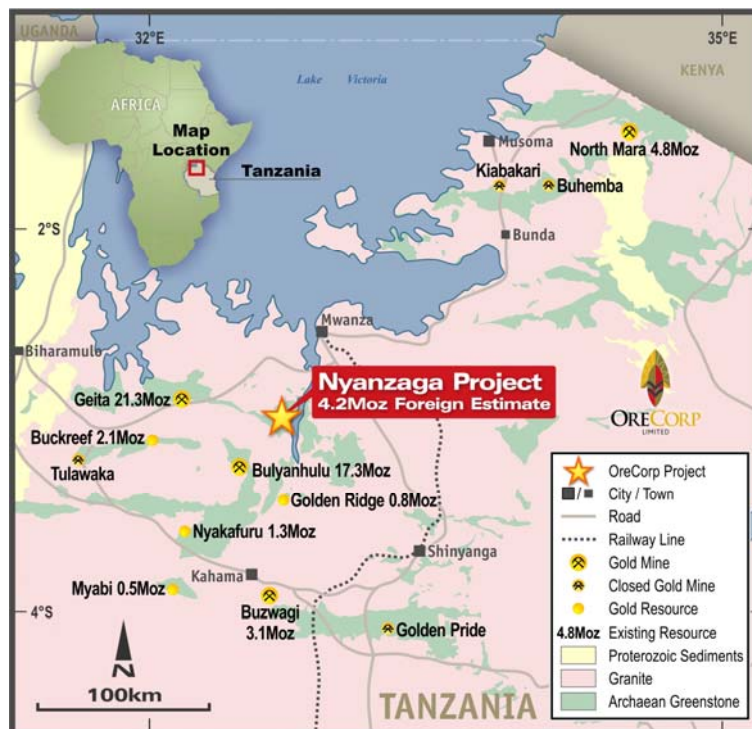
Source: Acacia, 1 July 2013 (used as a basis for the 2013 Annual Report, and re-stated in the 2014 Annual Report).

- (1) Acacia owns 100% of the key Nyanzaga Project licences through various wholly owned subsidiaries, including Nyanzaga Mining Company Ltd (refer ASX Announcement dated 22 September for further details).
- (2) CIM definitions were followed for the Foreign Estimate.
- (3) The Foreign Estimate was estimated at a lower cut-off grade of 0.4g/t Au.
- (4) Cut-off grade is estimated using an average long-term gold price of US\$1,500 per ounce.
- (5) Numbers may not add due to rounding.
- (6) The Foreign Estimate does not include mineral reserves and does not have demonstrated economic viability.

The LVG host an exceptional endowment of gold mineralisation, with five operating (or recently operating) commercial scale gold mines nearby that collectively produced >1.2Mozs in 2014 and host >50 Mozs of gold in foreign estimates (**Figure 1**). Tanzania is the third largest gold producer in Africa ([www.gold.org](http://www.gold.org)) with an internationally respected mining industry, a Mining Act revised in 2010 and English language based commerce.

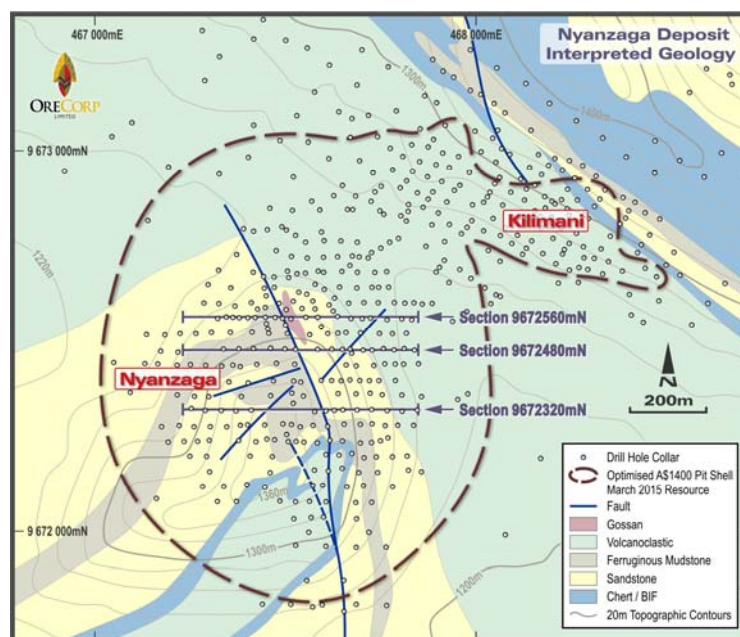
The Tanzanian Ministry of Energy and Minerals has confirmed in writing that it will support the joint venture to advance the Project.

The Nyanzaga Project comprises 27 contiguous Prospecting Licences covering a combined area of 299km<sup>2</sup> and in addition to the Foreign Estimate, includes a number of other exploration targets at varying stages of development.



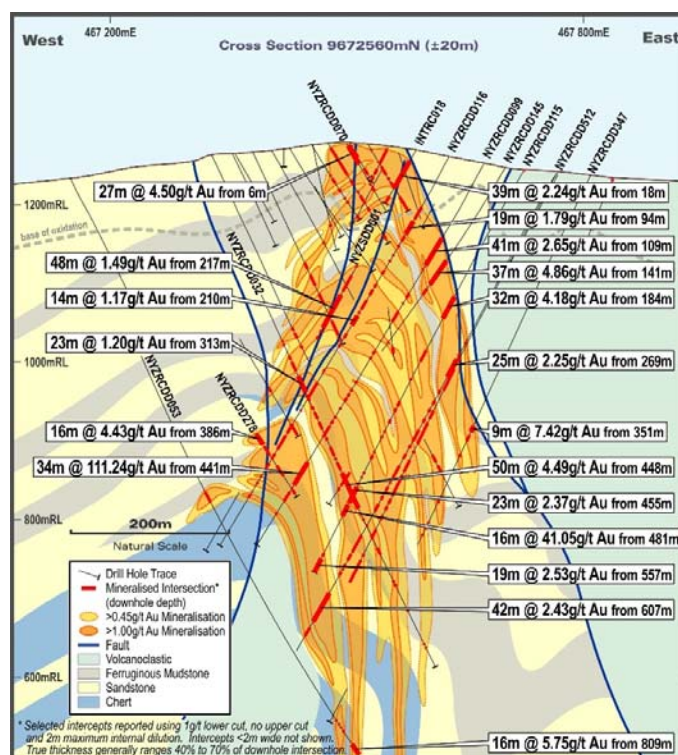
**Figure 1: Lake Victoria Goldfields, Tanzania – Existing Resources**

The Project is at an advanced exploration stage, with considerable drilling and associated mining information. The Nyanzaga (also known as Tusker) and Kilimani deposits (collectively, the Nyanzaga Deposit) offer scalability and have the potential to be developed as a large-scale, single open pit gold mine (**Figures 2 and 3**). OreCorp intends to advance the Project to the completion of a Scoping Study by 31 December 2016 and through to at least completion of the Definitive Feasibility Study.



**Figure 2: Nyanzaga Deposit Interpreted Geology, FE Outline and Cross Section Locations**





**Figure 3: Cross Section 9672560mN – Nyanzaga Deposit derived from Independent Consultant's 2012 Global Estimate**

The interest in the Project is being acquired from Acacia Mining plc (formerly African Barrick Gold plc), a FTSE250 company with three operating gold mines in the LVG. Acacia presently holds the Project via its wholly owned subsidiaries.

The consideration comprises US\$1 million in an upfront cash payment, followed by staged earn-in expenditure and completion of a Definitive Feasibility Study (DFS) to earn a 25% interest. Dependent upon the Net Present Value (NPV) generated by the DFS, Acacia may elect to retain a 75% interest by paying OreCorp an NPV-based multiple of expenditure, or failing Acacia's election, OreCorp may increase to a 51% interest by making cash and royalty payments up to a total of US\$15 million based on the achievement of defined project milestones (**Table 2**).

**Table 2: Estimated Earn-in Expenditure and JV Interest Milestones**

Item	Period (Months)	Completion Date <sup>1</sup>	Payments (US\$M)	Estimated Earn-in Expenditure (US\$M)	JV Interest (%)	Cumulative JV Interest (%)
Execution of JV agreement and initial payment	-	~30 Sept 2015	1	-	5	5
Complete review, geological modelling and estimation of JORC 2012 MRE	10	31 Jul 2016	-	1	-	5
Scoping Study <sup>3</sup>	5	31 Dec 2016	-	1.5	5	10
Pre-feasibility study <sup>3</sup>	10	31 Oct 2017	-	2.5	5	15
Definitive feasibility study <sup>2&amp;3</sup>	14	31 Dec 2018	-	9	10	25
<b>Subtotal</b>			<b>1</b>	<b>14</b>		<b>25</b>

**Notes:**

- i. The timetable may be extended by mutual consent.
- ii. Should either (i) the PFS not deliver an IRR of >15%, or (ii) where the volume weighted average price for gold recorded on the London Metals Exchange for the two month period immediately following completion of the PFS is less than US\$1,200 per ounce, the parties may agree that the DFS should be postponed for a period of time and that the target completion date of 31 July 2018 should be deferred. This decision will be by mutual agreement at the time.
- iii. The total estimated earn-in expenditure of US\$14M includes regional exploration expenditure of US\$1M.
- iv. If the cost of the payment at completion, studies and related work increases above US\$15M, Acacia and OreCorp will co-fund pro-rata the incremental cost up to a maximum combined investment of US\$5M.

At completion of the DFS, if the NPV from the DFS is >US\$200 million, Acacia will have 60 business days to notify OreCorp that it intends to resume management of the Project and that it will retain a 75% participating interest in the Project, in which case OreCorp will retain a 25% interest in the Project and be compensated by Acacia in accordance with the mechanism set out in **Table 3** below:

**Table 3: Expenditure Multiple to be Paid by Acacia to OreCorp if Acacia Retain 75% Interest**

NPV from the DFS (US\$M)	Uplift Multiple on a Straight-line Basis (Based on US\$15m earn-in spend)
0 – 200	Not applicable
200 – 250	x3
250 – 500	x3 – x4
500 – 750	x4 – x5
750 – 1,000	x5 – x6
>1,000	An additional x1 for every additional US\$250M increment in NPV

If the NPV from the DFS is <US\$200 million, or if Acacia elects not to retain a 75% participating interest in the Project, then OreCorp will have 60 business days (or 120 Business Days if the NPV is below US\$200 million) to make an election to increase to a 51% interest in the Project. This interest will be achieved by OreCorp making staged payments to Acacia totalling US\$15 million (US\$3 million on election, US\$2 million on commencement of construction, and a 2% net smelter royalty (NSR) capped at US\$10 million).

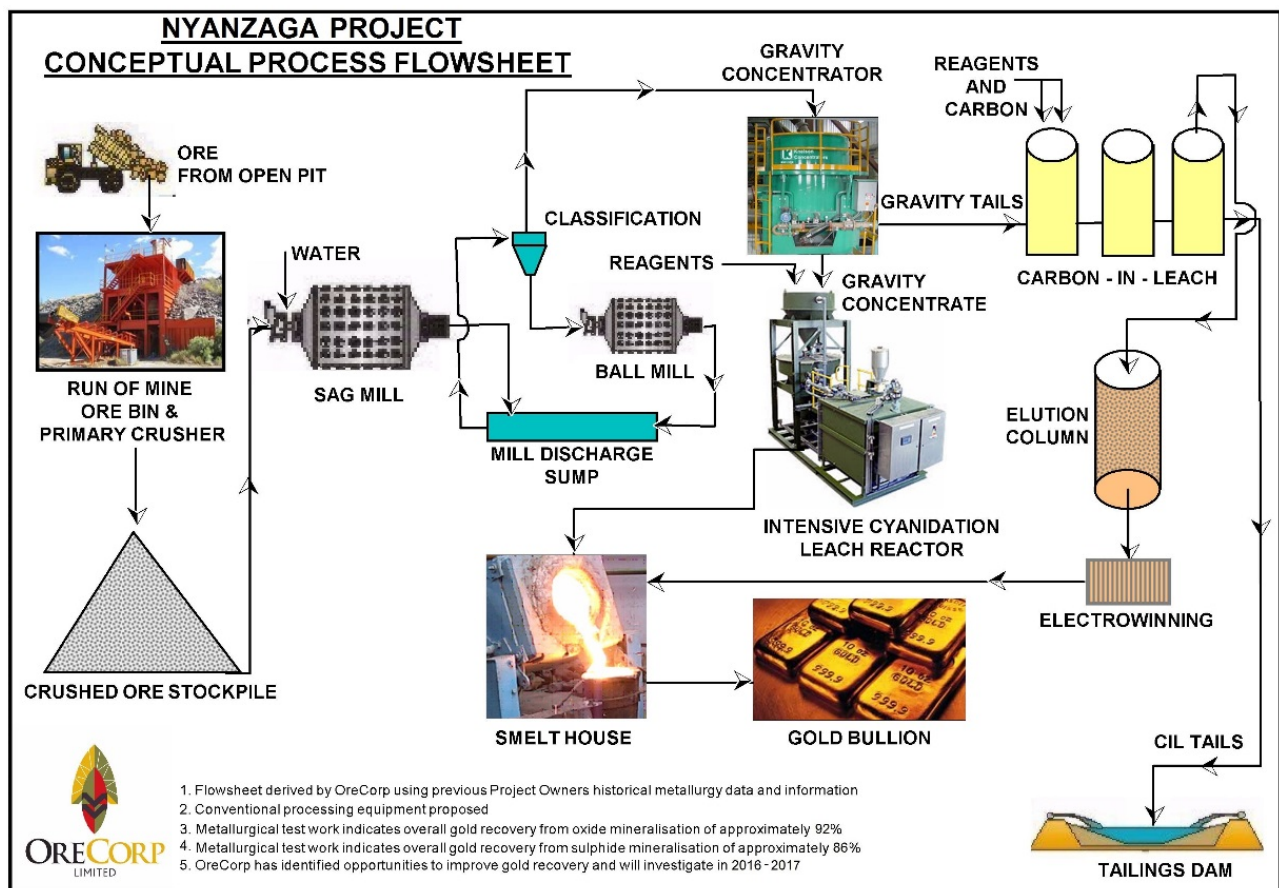
Further resource estimation, mine design, metallurgical test work and process flow sheet optimisation will be completed with the objective to conclude a Scoping Study. Please refer to the information provided in the Appendices to the ASX Announcement dated 22 September with respect to the details and timing of this work, as required by ASX Listing Rule 5.12.

**OreCorp Metallurgical Test Work Going Forward**

It is proposed to carry out additional test work with a view to optimising recoveries, reagents consumption and operating costs, particularly in the sulphide material. However, OreCorp is of the view that sufficient metallurgical test work has been carried out by Acacia to develop a conceptual process plant flow sheet, utilising conventional processing equipment, while also indicating opportunities for possible improvement. As such, this has allowed OreCorp to develop a conceptual process flow sheet as demonstrated in **Figure 4**. Based on historical metallurgical test work by an independent metallurgical laboratory, the current overall gold recoveries utilising the flow sheet below are expected to be approximately 92% for oxide and 86% for sulphide mineralisation (refer **Table 1** for further details).



*Nyanzaga diamond drill core*



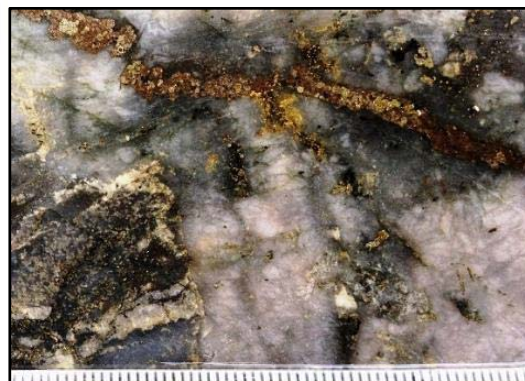
**Figure 4: Nyanzaga Project Conceptual Process Flow Sheet**



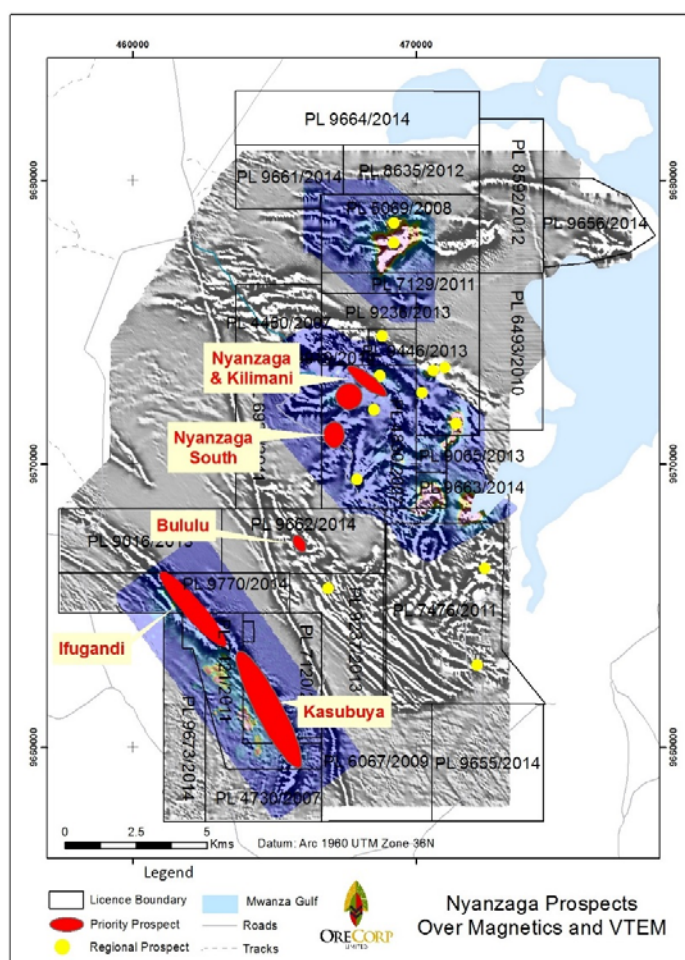
### Regional Targets & Prospectivity

Exploration over the last 20 years has identified gold mineralisation at four additional priority prospects on JV tenements within 13km of the Nyanzaga Deposit. Additionally 13 largely untested regional targets on JV tenements within a 10km radius of Nyanzaga have been identified by OreCorp and previous work and will require further assessment (**Figure 5**).

**Regional targets landscape at the Nyanzaga Project**



**Visible gold mineralisation in drill core**



**Figure 5: Nyanzaga Prospects and Targets over Magnetics and VTEM**

### **Future Work**

The Company's technical and support staff have moved to site to commence data handover, compilation, mapping and sampling. This work will set the parameters for the completion of a 2012 JORC compliant Mineral Resource Estimate (**MRE**). Work will also focus on assessing existing drill core for metallurgical test work. It is anticipated that this work will lead to the commencement of a Scoping Study once the MRE has been completed and study parameters identified.

The Nyanzaga transaction is ideal for OreCorp and will allow the Company to leverage off its great depth of experience in both Tanzania and the development of mineral deposits in Africa. The Board believes that Nyanzaga presents an exciting opportunity on favourable terms at a low point in the resources cycle, with potential to add significant value going forward.

OreCorp is fully funded from existing cash reserves at early October 2015 of A\$5.5m (unaudited) through to the pre-feasibility study (PFS).

Pursuant to the requirements of ASX Listing Rule 5.12.9, OreCorp provides the following cautionary statement:

- 1. The Foreign Estimate of mineralisation included in this announcement is not compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and is a "Foreign Estimate" for the purpose of the ASX Listing Rules.*
- 2. An independent resource consulting group was commissioned by African Barrick Gold plc (ABG, now known as Acacia Mining plc (Acacia)) to prepare an independent Technical Report on the Nyanzaga Project suitable for reporting purposes under the standards of Canada's National Instrument (NI) 43-101 (NI 43-101). The estimation work was carried out during March and April 2012 incorporating all resource definition drilling available as of 1st March 2012. This reported a larger global estimate and was the basis for the most recent Foreign Estimate for Nyanzaga undertaken by ABG. The most recent Foreign Estimate was used as a basis for Acacia's Annual Report for the year ended 31 December 2013, and re-stated in the Annual Report for the year ended 31 December 2014. Acacia applied various modifying factors, which included the gold price and various other parameters, to the global estimate completed by the independent consultant in March. The application of these modifying factors generated the in-pit Foreign Estimate quoted in this announcement. The complete set of modifying factors used have not been made available to OreCorp.*
- 3. A Competent Person (under the ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code.*
- 4. It is uncertain that following evaluation and/or further exploration work, the Foreign Estimate will be able to be reported as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code (**MRE**).*

Further details in relation to the Nyanzaga Project and the JVA are available in the Company's ASX Announcements dated 22 September 2015.

### **MAURITANIA**

#### **Akjoujt South Project (Ni-Cu-Au: 90% interest in Licences 1415 & 1416, granted)**

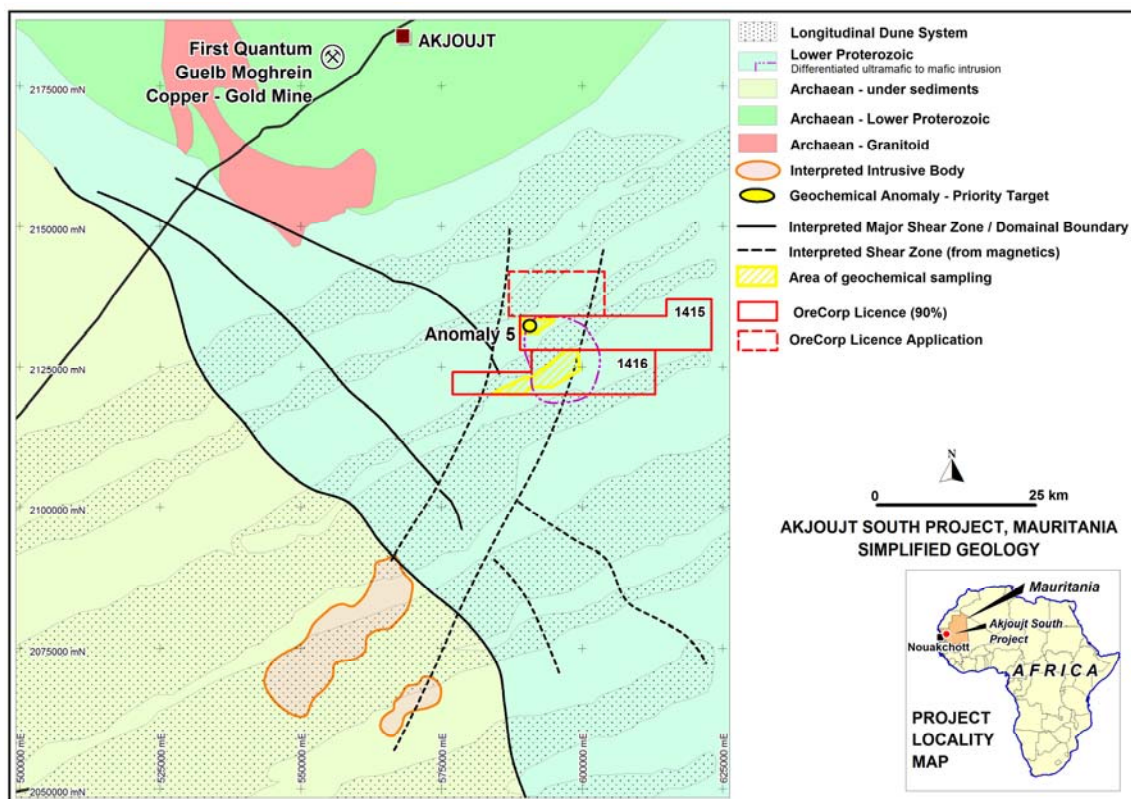
The Akjoujt South Project comprises two licences (1415 and 1416) and covers 460 km<sup>2</sup> (**Figure 6**). The licences were renewed for a period of three years, effective from 30 July 2015. An application has been lodged covering the 136 km<sup>2</sup> immediately to the north of licence 1415 and Anomaly 5.



Anomaly 5 was identified in a regional soil sampling program which generated an anomalous soil sample of 0.26% nickel and 0.23% copper. The anomalism is associated with a circular intrusive body and alteration assemblage. Subsequent mapping, infill sampling and trenching has defined a zone of geochemical anomalism approximately 1.6km long. Trenching across this anomalism has intersected mineralised intervals of up to 160m in width of 0.24% nickel and 0.21% copper. Further mineralisation has been identified in Trench 9, three kilometres to the east (**Figure 7**).

The Company commenced an induced polarisation (**IP**) chargeability and resistivity survey over Anomaly 5, which has the potential to host intrusion related disseminated nickel-copper mineralisation. The survey will comprise high resolution dipole-dipole lines across the area of nickel/copper mineralisation identified from the previous trenching, as well as a regional gradient array survey covering an area to the northeast of the mapped intrusive, including the area of Trench 9 (values of up to 4m @ 0.44% nickel and 0.24% copper) and its associated geochemical anomalism. Targets identified from the gradient array survey may be followed-up with additional dipole lines. It is anticipated that the survey will refine target areas as a prelude to potential drill testing.

Contractor equipment failure has delayed the completion of the survey and it is anticipated that it will be completed in the December quarter. Results will be announced once the survey is complete and a final data set received and interpreted.



**Figure 6: Akjoujt South Project, Mauritania**

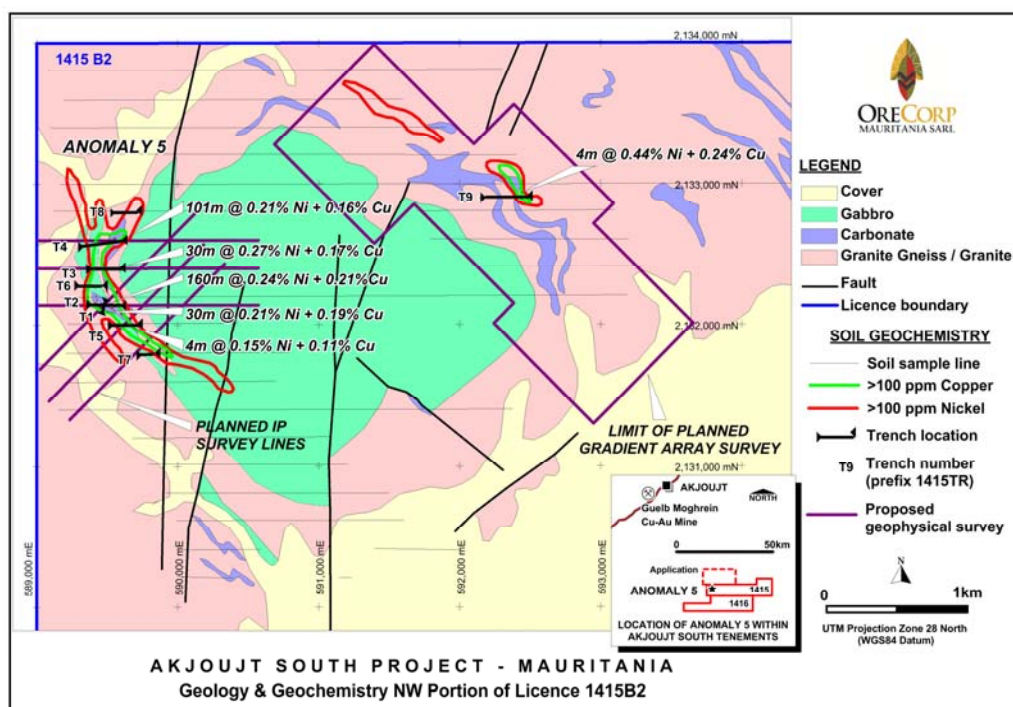


Figure 7: Akjoujt South Project - Geology and Geochemistry with Geophysical Survey Areas

## CORPORATE AND BUSINESS DEVELOPMENT

### Financial

OreCorp remains in a strong financial position finishing the quarter with A\$6.97m. Post the initial US\$1m (~A\$1.4) payment to Acacia in early October, OreCorp has approximately A\$5.5m cash and no debt.

### EXPLORATION INTERESTS

During the quarter, the Company had an interest in the following projects and exploration licences:

### Mining Tenements Held

Project	Licence Number	Status	Interest at beginning of Quarter	Interest at end of Quarter
<b>Mauritania</b>				
<i>Akjoujt South Project</i> <sup>1</sup>	1415B2	Granted	90%	90%
	1416B2	Granted	90%	90%
<b>Australia</b>				
<i>Cheriton's East Project</i> <sup>2</sup>	E77/1223	Granted	100%	100%

### Notes:

- 1) Licence renewal dates are approximately 30 July 2015, for a period of three years.
- 2) Minimal work was completed on the Cheriton's East Project during the quarter.

### Mining Tenements Acquired/Disposed

Project	Licence Number	Status	Interest at beginning of Quarter	Interest at end of Quarter
<b><u>Acquired</u></b>				
Nil				
<b><u>Disposed</u></b>				
Nil				

### Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements

Project	Licence Number	Status	Interest at beginning of Quarter	Interest at end of Quarter
<b>Tanzania</b>				
<b><i>Nyanzaga Project</i><sup>1</sup></b>	PL 4830/2007	Granted	Nil	5%
	PL 4450/2007	Granted	Nil	5%
	PL 5069/2008	Granted	Nil	5%
	PL 6067/2009	Granted	Nil	5%
	PL 6493/2010	Granted	Nil	5%
	PL 6922/2011	Granted	Nil	5%
	PL 7129/2011	Granted	Nil	5%
	PL 7476/2011	Granted	Nil	5%
	PL 8592/2012	Granted	Nil	5%
	PL 8635/2012	Granted	Nil	5%
	PL 9016/2013	Granted	Nil	5%
	PL 9065/2013	Granted	Nil	5%
	PL 9236/2013	Granted	Nil	5%
	PL 9237/2013	Granted	Nil	5%
	PL 9446/2013	Granted	Nil	5%
	PL 9655/2014	Granted	Nil	5%
	PL 9656/2014	Granted	Nil	5%
	PL 9661/2014	Granted	Nil	5%
	PL 9662/2014	Granted	Nil	5%
	PL 9663/2014	Granted	Nil	5%
	PL 9664/2014	Granted	Nil	5%
	PL 9770/2014	Granted	Nil	5%
	PL 9919/2014	Granted	Nil	5%
	PL 4730/2007	Granted	Nil	3%
	PL 7120/2011	Granted	Nil	3%
	PL 7121/2011	Granted	Nil	3%
	PL 9673/2011	Granted	Nil	5%

#### Notes:

1. Pursuant to a whole of company earn-in agreement with Acacia Mining plc, under which the Company has contractual rights to earn beneficial interests in the tenements and, upon completion of a DFS, acquire shares in the direct holding company of the tenements.



### Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed

Project	Licence Number	Status	Interest at beginning of Quarter	Interest at end of Quarter
<b>Acquired</b>				
<b>Tanzania</b>				
<b><i>Nyanzaga Project</i><sup>1</sup></b>				
	PL 4830/2007	Granted	Nil	5%
	PL 4450/2007	Granted	Nil	5%
	PL 5069/2008	Granted	Nil	5%
	PL 6067/2009	Granted	Nil	5%
	PL 6493/2010	Granted	Nil	5%
	PL 6922/2011	Granted	Nil	5%
	PL 7129/2011	Granted	Nil	5%
	PL 7476/2011	Granted	Nil	5%
	PL 8592/2012	Granted	Nil	5%
	PL 8635/2012	Granted	Nil	5%
	PL 9016/2013	Granted	Nil	5%
	PL 9065/2013	Granted	Nil	5%
	PL 9236/2013	Granted	Nil	5%
	PL 9237/2013	Granted	Nil	5%
	PL 9446/2013	Granted	Nil	5%
	PL 9655/2014	Granted	Nil	5%
	PL 9656/2014	Granted	Nil	5%
	PL 9661/2014	Granted	Nil	5%
	PL 9662/2014	Granted	Nil	5%
	PL 9663/2014	Granted	Nil	5%
	PL 9664/2014	Granted	Nil	5%
	PL 9770/2014	Granted	Nil	5%
	PL 9919/2014	Granted	Nil	5%
	PL 4730/2007	Granted	Nil	3%
	PL 7120/2011	Granted	Nil	3%
	PL 7121/2011	Granted	Nil	3%
	PL 9673/2011	Granted	Nil	5%
<b>Disposed</b>				
Nil				

#### Notes:

1. Pursuant to a whole of company earn-in agreement with Acacia Mining plc, under which the Company has contractual rights to earn beneficial interests in the tenements and, upon completion of a DFS, acquire shares in the direct holding company of the tenements.

Other than as disclosed above, no other tenements were acquired or disposed during the quarter (including beneficial interests in joint venture projects), nor were there any further changes to the beneficial interest in any tenements.

## ABOUT ORECORP LIMITED

OreCorp Limited is a Western Australian based mineral company with a gold project in Tanzania and a base metals project in Mauritania and is listed on the Australian Securities Exchange (**ASX**) under the code 'ORR'. The Company is well funded with approximately A\$5.5 million in cash (post the initial payment of US\$1m to Acacia in early October) and no debt. OreCorp's key project is the Nyanzaga Gold Project in northwest Tanzania.

## Competent Person's Statement

*The information in this release that relates to "exploration results" and "foreign estimates" for the Project is based on information compiled or reviewed by Mr Matthew Yates. Mr Yates is a full-time employee and beneficial shareholder of OreCorp Limited and is a member of the Australian Institute of Geoscientists. Mr Yates has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person under the ASX Listing Rules. Mr Yates consents to the inclusion in this release of the exploration results and "foreign estimates" for the Project in the form and context in which it appears. Mr Yates confirms that the information contained in Appendix A of this release that relates to the reporting of foreign estimates of mineralisation (including the information in Appendix A) is an accurate representation of the available data and studies for the Project.*

*The information in this release that relates to "metallurgical testwork and results" for the Project is based on information compiled by Mr Robert Rigo who is a mechanical engineer. Mr Rigo is a consultant and beneficial shareholder of OreCorp Limited and is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Rigo is also a member of the Institute of Engineers, Australia. Mr Rigo has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person under the ASX Listing Rules. Mr Rigo consents to the inclusion in this release of the information in this release of the metallurgical testwork and results for the Project in the form and context in which it appears. Mr Rigo confirms that the information contained in Appendix A of this release is an accurate representation of the available data and studies for the Project.*

## Forward Looking Statements

This release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to pre-feasibility and definitive feasibility studies, the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Prospectus dated January 2013.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

# 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

**ORECORP LIMITED**

ABN

24 147 917 299

Quarter ended ("current quarter")

30 September 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000 (3 months)
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(138)	(138)
	(b) development	-	-
	(c) production	-	-
	(d) corporate and administration	(152)	(152)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other receipts (refunds)	-	-
1.8	Other – business development	(120)	(120)
<b>Net Operating Cash Flows</b>		<b>(398)</b>	<b>(398)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	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	Proceeds from underwriting	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(398)</b>	<b>(398)</b>

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

		Current quarter \$A'000	Year to date \$A'000 (3 months)
1.13	Total operating and investing cash flows (brought forward)	(398)	(398)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issue of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase/(decrease) in cash held</b>	<b>(398)</b>	<b>(398)</b>
1.20	Cash at beginning of quarter/year to date	6,999	6,999
1.21	Exchange rate adjustments to item 1.20	366	366
1.22	<b>Cash at end of quarter</b>	<b>6,967</b>	<b>6,967</b>

#### Notes:

- Represents available-for-sale financial assets, investment in listed equity securities.

### 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	106
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

- Explanation necessary for an understanding of the transactions

Payments include non-executive directors' fees and the managing director's salary.

### Non-cash financing and investing activities

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

Nil

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

Nil

## Appendix 5B

### Mining exploration entity quarterly report

#### Financing facilities available

Add notes as necessary for an understanding of the position.

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

#### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (including business development)	(1,825) <sup>1</sup>
4.2 Development	-
4.3 Production	-
4.4 Corporate and administration	(145)
<b>Total</b>	<b>(1,970)</b>

#### Notes:

- Includes US\$1m (~A\$1.4m) paid to Acacia Mining plc in early October 2015, pursuant to the Nyanzaga JV Agreement.

#### 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	106	51
5.2 Deposits at call	540	922
5.3 Bank overdraft	-	-
5.4 Other – term deposit	6,321	6,026
<b>Total: cash at end of quarter (item 1.22)</b>	<b>6,967</b>	<b>6,999</b>

#### 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	N/A			

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.2 Interests in mining tenements acquired or increased	<b>Tanzania</b>			
	<b><i>Nyanzaga Project (see details below)</i></b>			
	PL 4830/2007	Joint venture	Nil	5%
	PL 4450/2007	Joint venture	Nil	5%
	PL 5069/2008	Joint venture	Nil	5%
	PL 6067/2009	Joint venture	Nil	5%
	PL 6493/2010	Joint venture	Nil	5%
	PL 6922/2011	Joint venture	Nil	5%
	PL 7129/2011	Joint venture	Nil	5%
	PL 7476/2011	Joint venture	Nil	5%
	PL 8592/2012	Joint venture	Nil	5%
	PL 8635/2012	Joint venture	Nil	5%
	PL 9016/2013	Joint venture	Nil	5%
	PL 9065/2013	Joint venture	Nil	5%
	PL 9236/2013	Joint venture	Nil	5%
	PL 9237/2013	Joint venture	Nil	5%
	PL 9446/2013	Joint venture	Nil	5%
	PL 9655/2014	Joint venture	Nil	5%
	PL 9656/2014	Joint venture	Nil	5%
	PL 9661/2014	Joint venture	Nil	5%
	PL 9662/2014	Joint venture	Nil	5%
	PL 9663/2014	Joint venture	Nil	5%
	PL 9664/2014	Joint venture	Nil	5%
	PL 9770/2014	Joint venture	Nil	5%
	PL 9919/2014	Joint venture	Nil	5%
	PL 4730/2007	Joint venture	Nil	3%
	PL 7120/2011	Joint venture	Nil	3%
	PL 7121/2011	Joint venture	Nil	3%
	PL 9673/2011	Joint venture	Nil	5%

#### Nyanzaga JV Agreement

On 22 September 2015 the Company announced that it had entered into a binding agreement with Acacia Mining plc (formerly African Barrick plc) to earn an interest in the Nyanzaga Gold Project in northwest Tanzania.

The key terms of the JV Agreement are summarised in the Company's ASX announcement dated 22 September 2015.

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

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

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference *securities</b> (description)	Nil			
7.2	Changes during quarter	Nil			
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	113,412,820	113,412,820		
7.4	Changes during quarter				
	(a) Increases through issues	Nil			
	(b) Decreases through returns of capital, buy-backs	Nil			
7.5	<b>*Convertible debt securities</b> (description)	Nil			
7.6	Changes during quarter				
	(a) Increases through issues	Nil			
	(b) Decreases through securities matured, converted	Nil			
7.7	<b>Options</b> (description and conversion factor)	1,875,000	Nil	Exercise price \$0.40	Expiry date 22 March 2016
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	<b>Debentures</b> (totals only)	Nil			
7.12	<b>Unsecured notes</b> (totals only)	Nil			
	<b>Performance Based Shares</b>	Nil			
	Changes during quarter	Nil			
	(a) Increases				

+ See chapter 19 for defined terms.

## 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: ..... Date: 30 October 2015  
(~~Director~~/Company secretary)

Print name: Luke Watson

## 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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+ See chapter 19 for defined terms.