



Altech Chemicals
Limited

QUARTERLY REPORT

September 2015

- **\$1.13 million share placement for detailed design of High Purity Alumina plant**
- **Agreement signed with Mitsubishi Australia Ltd for High Purity Alumina sales into the Japanese market**
- **Malaysian diversified industrial group Melewar IIC Limited joins the Company as a strategic shareholder with an initial investment of \$1.0 million**
- **Company's Board expanded to include Prince Ya'acob bin Tunku Tan Sri Abdullah as a non-executive director**
- **Land for the Company's proposed High Purity Alumina plant secured in the Tanjung Langsat Industrial Complex, Johor, Malaysia**
- **Permitting for Meckering kaolin mining operations commenced**
- **Experienced chemicals industry operations executive Dr Jingyuan Liu appointed as General Manager Operations**
- **Annual General Meeting completed with all resolutions carried**

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) presents the quarterly activity report for the three months ended 30 September 2015.

\$1.13 Million Share Placement

In early August, 2015 the Company announced that it had raised \$1.13 million via share placement for the commencement of detailed design work for its proposed high purity alumina (HPA) project and for corporate and general working capital purposes.

A total of 19,144,068 fully paid ordinary shares have been issued at \$0.059 per share, representing a ~10% discount to the 5 day VWAP of the Company's shares as traded on the ASX on the date on which the share placement price was set.

The majority of the placement (\$1.0 million) was to Malaysian cornerstone investor Melewar IIC Limited (Melewar). Melewar is a diversified Malaysian industrial firm with interests in steel, energy and engineering businesses, and as a result of the placement Melewar has become the second largest shareholder of the Company, holding approximately 11.98% of shares on issue following the completion of the placement. The Company has invited Melewar to nominate a Malaysian based non-executive director to join the Altech Board, this will provide Altech with invaluable insight into the Malaysian business and operating environments as it progresses the development of its HPA plant.



\$1.13 million share placement (cont.)

The share placement was made in two tranches, an initial tranche of 8,974,576 shares (\$0.530 million) was issued in accordance with the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A; 8,474,576 shares to Melewar and 500,000 shares to the professional investor. A second tranche of 10,169,492 shares (\$0.600 million) was issued post quarter end, following shareholder approval at the Company's Annual General Meeting on 15 October 2015.

Commenting on the share placement at the time, executive chairman of Melewar IIC Limited, Royal Highness Prince Ya'acob Bin Tunku Tan Sri Abdullah, said that Altech's HPA project is a very exciting, and that he looked forward to assisting the Company with its development plans: **"The potential for Altech to be one of the worlds leading producers of high purity alumina at a low cost, with its plant in Malaysia is what attracted our attention and has culminated in this investment. The rapid growth in demand for sapphire based products from LED lighting manufacturers, and the electronics and smart phone sectors is compelling. Altech management team, led by Mr Iggy Tan with his proven track record of developing these type of projects, was another key consideration."**

Altech managing director, Iggy Tan welcomed Melewar as an Altech shareholder. Mr Tan said that Melewar was a high calibre Malaysian company: **"Royal Highness Prince Ya'acob Bin Tunku Tan Sri Abdullah is executive chairman and part owner of the Melewar Industrial Group, a diversified Malaysian industrial firm operating successful iron and steel, energy and engineering businesses in Malaysia. The Prince is a very successful businessman in his own right and is the grandson of the first King of Malaysia. We are pleased to have such a great partner to help develop our project in Malaysia."**

Company's Board expanded to include Prince Ya'acob bin Tunku Tan Sri Abdullah as a non-executive director

On 23 October 2015, it was announced that His Royal Highness Price Ya'acob bin Tunku Tan Sri Abdullah had been appointed to the Company's Board as a non-executive director and that the Prince had nominated Mr Uwe Ahrens as his alternate director.



Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah is the Executive Chairman of the Melewar Khyra Group of Companies (Melewar), a Malaysian base diversified financial and industrial services group. He is the major owner and shareholder of Melewar. Tunku Dato' Ya'acob sits on the Boards of Khyra Legacy Berhad, Mycron Steel Berhad, MAA Group Berhad, Melewar Industrial Group Berhad, Ithmaar Bank B.S.C.(listed on Bahrain Stock Exchange) and several other private companies.

Tunku Dato' Ya'acob graduated with a Bachelor of Science (Hons) Degree in Economics and Accounting from City University, London. An accountant by training, he is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He started his career as an Auditor with Price Waterhouse, London from 1982 to 1985 and subsequently joined Price Waterhouse Kuala Lumpur from 1986 to 1987. He joined Malaysian Assurance Alliance Berhad in 1987 and retired as its Chief Executive Officer in 1999.

Mr Uwe Ahrens – Alternate Director

Mr Uwe Ahrens is executive director of Melewar Industrial Group Berhad and managing director of Melewar Integrated Engineering Sdn Bhd. He also sits on the Board of several other private limited companies. Mr Ahrens holds Masters in both Mechanical Engineering and Business Administration from the Technical University Darmstadt, Germany. Upon graduation, Mr Ahrens joined the international engineering and industrial plant supplier, KOCH Transporttechnik GmbH in Germany, now belonging to FLSmidth Group, where he held a senior management position for 12 years, working mainly in Germany, USA and South Africa.



In 1997, he was based in Kuala Lumpur as General Manager of KOCH in South East Asia and became its Managing Director in 1999. He joined Melewar Group in 2002 and is also currently chief technical officer of the Melewar group of companies.

Altech Chairman, Mr Luke Atkins welcomed the appointment of Tunku Dato' Ya'acob and his alternate Mr Uwe Ahrens to the Altech Chemicals Limited Board. "These gentlemen are successful businessman in their own right and their experience and knowledge in building businesses in Malaysia is a very important to the Company's plans to construct and operate its HPA plant in Johor, Malaysia. We look forward to their involvement and guidance through Altech's exciting growth phase".

Agreement signed with Mitsubishi Australia Ltd for High Purity Alumina sales into the Japanese market

On 24 September 2015, Altech announced that it had executed a sales and distribution agreement (Agreement) with Mitsubishi Corporation's Australian subsidiary, Mitsubishi Australia Ltd (Mitsubishi) for its proposed high purity alumina (HPA) product.

The Agreement appointed Mitsubishi as the exclusive seller and distributor of Altech's final HPA product to the Japanese market. Mitsubishi is Japan's largest general trading company with more than 200 bases of operations in approximately 90 countries worldwide. Mitsubishi employs a multinational workforce of approximately 70,000 people across some 600 companies. Mitsubishi has been engaged in long-term business with customers from around the world in virtually every industry, including energy, metals, machinery, chemicals, food and general merchandise.

In 2014, consumption of HPA in Japan was an estimated to represent 21% of estimated total global HPA demand for the year. The Japanese market will be important for Altech and the agreement reached with Mitsubishi provides the Company with the required marketing and distribution experience for its HPA in this market.

Altech's managing director, Mr Iggy Tan said at the time that, "the Agreement with Mitsubishi marks another important milestone for the Company's HPA project". Mr Tan went on to say, "Altech are delighted to partner with one of Japan's largest companies and a very reputable name worldwide". "Altech's 4,000tpa HPA plant will position the Company not only as one of the world's largest producers of HPA, but also as one of the world's lowest cost producers of HPA", Mr Tan concluded.



Altech's reserved site for its HPA plant, Tanjung Langsat, Malaysia



Land for the Company's proposed High Purity Alumina plant secured in the Tanjung Langsat Industrial Complex, Johor, Malaysia

During the quarter, the Company announced that it has now secured land in the Tanjung Langsat Industrial Complex, Johor, Malaysia for its proposed high purity alumina (HPA) plant.

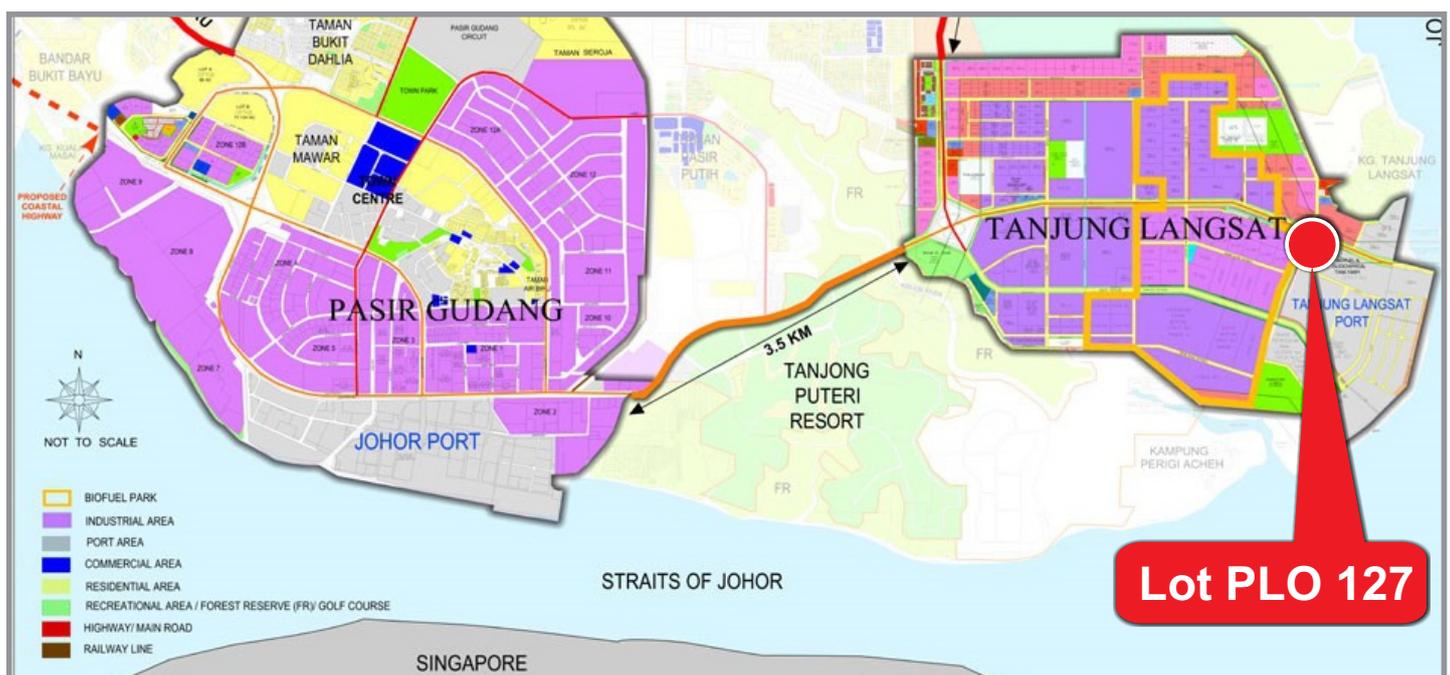
The Company has reserved a ~4 hectare site in a section of the industrial complex that is set aside for chemical facilities. The site is initially reserved until 30 December 2015 and upon execution of an option to lease, will be leased for a period of thirty years, with an option to renew. The land reservation and option to lease has been secured with a non-refundable deposit of MYR300,000, that is credited against the 30-year lease payment on exercise of the option.

As previously announced, the Company selected Tanjung Langsat as the location for its proposed HPA plant based on significant economic and developmental benefits, including the ready availability of required consumables such as hydrochloric acid, limestone, quicklime, power and natural gas – all at highly competitive prices. The availability of skilled labour, proximity to an international container sea-port and international airports (Johor Bahru and Singapore) and the various investment incentives on offer were additional benefits.

Feedstock for the HPA plant will be sourced from the Company's 100% owned aluminous clay (kaolin) deposit at Meckering, Western Australian. Approximately 18,565tpa of beneficiated kaolin will be containerised (using 2 tonne "bulka bags") and transported via road to the port of Fremantle, Western Australia (a distance of ~153kms). The containers will be shipped from Fremantle to the port of Tanjung Pelepas (a container port located in south-western Johor, Malaysia ~90kms by road from Tanjung Langsat) and then transported via road from Tanjung Pelepas to Tanjung Langsat.

Operating costs in Malaysia for the HPA plant are estimated to be in the region of 40% lower compared to an equivalent plant operated in Western Australia. In addition, the shipping of the Company's final HPA product from the Tanjung Langsat international sea container port to nearby Asian markets will provide both cost and delivery time advantages. Overall, Altech expects its proposed HPA plant to be in the bottom quartile of the operating cost curve for the world's HPA producers. Altech's HPA project has the potential to enhance the Malaysian region's HPA value-add chain, as sapphire glass producers such as Rubicon Technology currently operate a facility in Malaysia.

Tanjung Langsat Industrial Complex, Johor, Malaysia



Permitting for Meckering kaolin mining operations commenced

A project application for the Company's proposed aluminous clay (kaolin) mining operations was lodged with the Western Australian Department of Environment Regulation (DER) during the quarter, as part of the permitting requirements for the project.

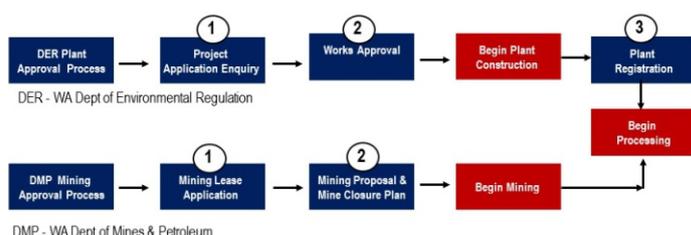
The DER has confirmed its acceptance of Altech's project application and confirmed that the next and final permitting requirement for the Meckering beneficiation plant as a Works Approval application, which will also be assessed by the DER. Once the Works Approval is granted, construction of the beneficiation plant can commence. Also, under DER regulations, based on the beneficiation plants processing rate of less than 50,000 tonnes per annum (tpa), the plant may only require registration post construction rather than an application for an Operating Licence.

Mining approvals are regulated by the Western Australian Department of Mines and Petroleum (DMP) and the Company has already submitted a mining lease application, the first step in the DMP approvals process. Following grant of the mining lease, the Company will submit a Mining Proposal (MP) and a Mine Closure Plan (MCP) and upon approval of these items (and subject to funding), mining operations at Meckering will commence with overburden removal for the establishment of an open pit mine.

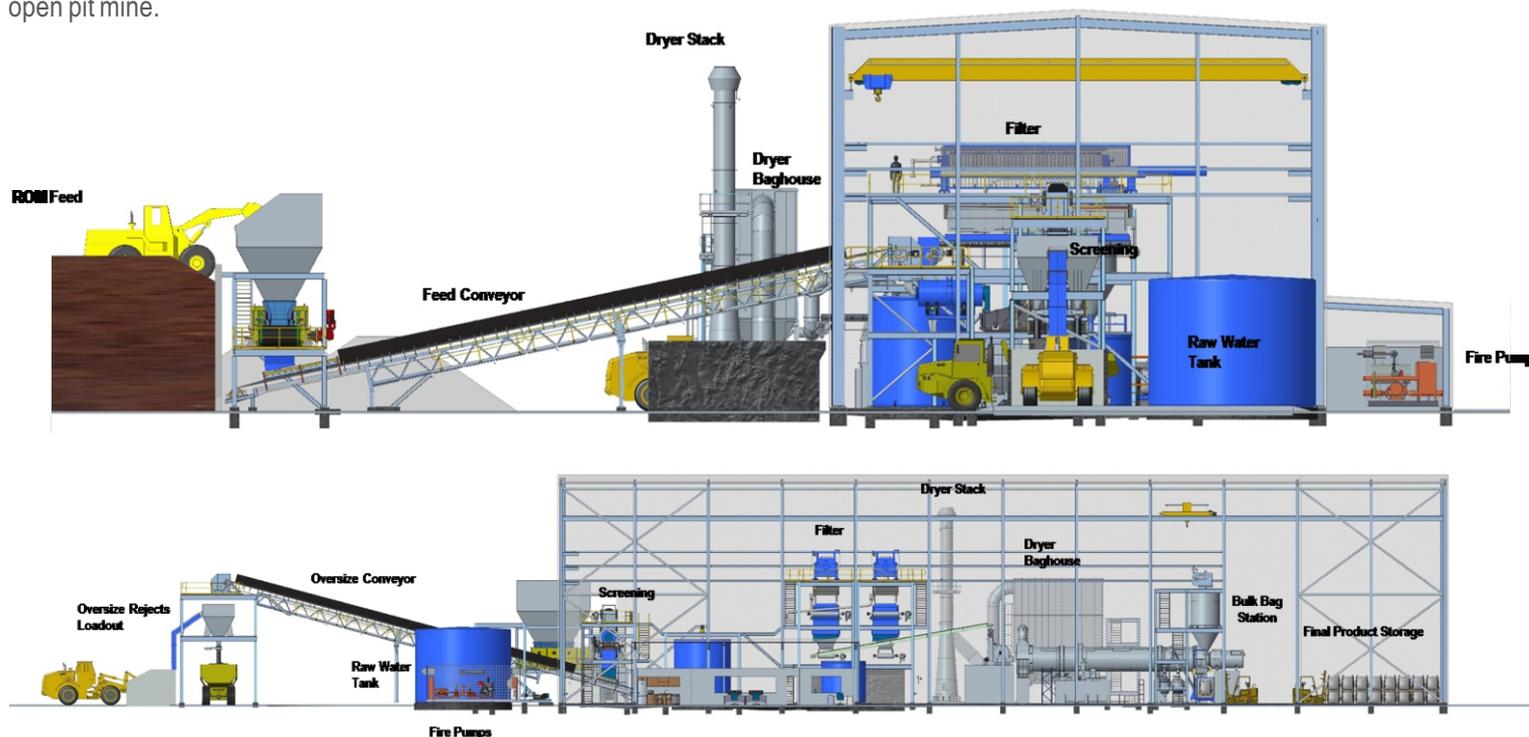
The ML grant is currently before the mining warden, with both the Company and the freehold landowner having lodged their respective submissions in relation to the application. At the same time, the Company is discussing an access compensation arrangement with the freehold landowner for the project pursuant to the Compensation Agreement announced to the Australian Securities Exchange on 14 February 2011.

The Company anticipates that both the DER and DMP approval processes will be relatively straightforward. There are no other permitting requirements for the Project.

Summary of the Permitting Processes



Proposed Meckering plant, North Elevation



Experience chemicals industry operations executive Dr Jingyuan Liu appointed as General Manager Operations

On 14 September 2015, Altech was pleased to announce the appointment of Dr Jingyuan Liu as General Manager Operations for its high purity alumina (HPA) project. This key executive appointment marked an important step for the Company as it progresses its HPA project to the next phase – detailed plant design and subject to funding, preparations for construction.

Initially based in Perth, Western Australia it is envisaged that Dr Liu will spend significant time at the Company's Malaysian HPA plant site during construction, commissioning and the transition to steady state operations.

Dr. Liu has over 20 years experience in project management, process and equipment design for minerals processing and in the chemicals, non-ferrous metals, iron & steel and energy industries, both in Australian and internationally. He was awarded a PhD in chemical engineering from the University of Newcastle, Australia. He has worked in senior chemical engineering roles with leading companies such as Hatch Engineering and Metso Minerals in Australia and Malaysia. Dr Liu was previously General Manager – Development and Technologies with Galaxy Resources Limited, a high purity lithium carbonate producer. Dr Liu's extensive chemicals and processing experience, including plant construction, commissioning and the manufacture of high purity chemicals will be invaluable for Altech's next phase of development.

Altech managing director, Mr Iggy Tan said "Dr Liu is a noteworthy addition to the Company's executive team that will be responsible for implementing the next stage of Altech's development and commercialising of its Meckering kaolin deposit via the construction and operation of a HPA plant in Malaysia. Altech continues to build a strong and experienced management team in preparation for its emergence as a significant producer of high purity alumina" he said.



Annual General Meeting completed with all resolutions carried

The Company held its 2015 Annual General Meeting of shareholders in its Perth office on Thursday 15 October 2015. The meeting was well attended and all 9 resolutions put to shareholders were carried on a show of hands, with proxy votes received also overwhelming in favour of each of the resolutions.

Exploration

EL70/4718 (application) (Kerrigan): A review of historical exploration data (kaolin mineralisation) during quarter was undertaken following the re-pegging of this tenement in May 2015. The Company anticipates the grant of the exploration lease in November 2015 and is assessing appropriate near term reconnaissance and test work to undertake, following grant.



Corporate

On 30 September 2015 the Company had approximately \$0.351 million cash on hand. Post quarter end, \$0.500 million was received by the Company in mid October 2015 from tranche 2 of the Melewar share placement, in addition \$0.849 million is receivable as at 30 October 2015 pertaining to the 2014/15 research and development taxation rebate, which the Company anticipates receiving in early November 2015 and \$0.100 million for a share placement to Company director Mr Dan Teneradi, as approved by shareholders on 15 October 2015. The Company's cash balance following receipt of the research and development rebate will be approximately \$1.6 million.

As at the date of this report the Company had 148,462,285 fully paid ordinary shares on issue. During the quarter, 28,750 ASX quoted options (Ex. \$0.10, Exp. 15-12-2015) were exercised and at the date of this report 3,998,985 ASX quoted options remain on issue, 6,100,000 unlisted options are on issue and 20,950,000 Performance Rights remain outstanding.

Schedule of Tenements

As per ASX Listing Rule 5.3.3, Altech Chemicals Limited held the following tenements (exploration and mining leases) as at 30 September 2015:

Tenement ID	Registered Holder	Location	Project	Grant Date	Interest start of quarter	Interest end of quarter
E70/3923	Altech Meckering Pty Ltd	WA Australia	Meckering	30/11/10	100%	100%
EMP183575	Altech Chemicals Ltd	Qld Australia	Constance Range	27/04/12	100%	100%
E70/4341	Australian Mineral Sands	WA Australia	Beenup	16/01/13	100%	100%
E70/4643	Australian Mineral Sands	WA Australia	SW Titanium	25/03/15	100%	100%
E70/4713	Altech Chemicals Ltd	WA Australia	Southdown	9/06/15	100%	100%
E70/4706	Yilgarn Iron Pty Ltd	WA Australia	Green Range	Application	100%	100%
E70/4707	Canning Coal Pty Ltd	WA Australia	Green Range	Application	100%	100%
E70/4708	Canning Coal Pty Ltd	WA Australia	Meckering	Application	100%	100%
E70/4716	Altech Meckering Pty Ltd	WA Australia	Meckering	Application	100%	100%
E70/4717	Altech Meckering Pty Ltd	WA Australia	Meckering	Application	100%	100%
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	Application	100%	100%
E70/4737	Yilgarn Iron Pty Ltd	WA Australia	Kerrigan	Application	100%	100%
E70/4718	Canning Coal Pty Ltd	WA Australia	Kerrigan	Application	100%	100%



Altech Chemicals Limited

Company Snapshot

Altech Chemicals Limited (ASX:ATC)
ABN 45 125 301 206

FINANCIAL INFORMATION (as at 30 September 2015)

Share Price:	\$0.12
Shares:	133m
Listed Options:	4.0m
Unlisted Options:	6.1m
Performance Rights*:	21m
Market Cap:	\$16m
Cash:	\$0.4m

DIRECTORS:

LUKE ATKINS LLB

Chairman

IGGY TAN B.Sc MBA GAICD

Managing Director

PETER BAILEY B.Sc(Hons) Elect.Eng MIEE C.Eng

Non-executive Director

DAN TENARDI

Non-executive Director

PRINCE YA'ACOB

BIN TUNKU TAN SRI ABDULLAH

Non-executive Director

UWE AHRENS

Alternate Director

SHANE VOLK

BBus (ACC) GradDip (ACG) CSA

Company Secretary & CFO

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ABOUT ALTECH CHEMICALS (ASX: ATC)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al₂O₃).

HPA is a high-value, high margin and highly demanded product because it is the critical ingredient required for the production of sapphire substrates which are used in the manufacture of LED lights, for the manufacture of alumina semiconductor wafers that are widely used in the electronics industry and for the manufacture of scratch resistant artificial glass used for scratch resistant watch faces, camera lenses and by various smartphone manufacturers. There is no substitute for HPA in the manufacture of sapphire substrates, sapphire semiconductor wafers or scratchproof sapphire glass.

Global HPA demand is approximately 19,040tpa (2014) and demand is growing at an annual rate of 28%, primarily driven by the growth in LED's as this energy efficient, longer lasting and lower operating cost lighting that replaces traditional incandescent bulbs. HPA demand is expected to at least double over the coming decade.

Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA manufacturing plant at Tanjung Langsat, Malaysia. The plant will produce HPA directly from kaolin clay which will be sourced from the Company's 100% owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrogen chloride (HCl) leaching process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in Q1-2016.

Altech is focused on manufacturing high quality HPA to supply the growing global demand for this vital ingredient for the LED industry and the next generation of high-performance technologies.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

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

ALTECH CHEMICALS LIMITED

ABN

45 125 301 206

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 (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(21)	(21)
(b) development	(458)	(458)
(c) production	-	-
(d) administration	(274)	(274)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
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	(750)	(750)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(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)	(3)
1.13 Total operating and investing cash flows (carried forward)	(753)	(753)

+ 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)	(753)	(753)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	530	530
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	530	530
	Net increase (decrease) in cash held	(223)	(223)
1.20	Cash at beginning of quarter/year to date	575	575
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	352	352

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	116
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Director remuneration	

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

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+ 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

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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	20
4.2 Development	230
4.3 Production	-
4.4 Administration	350
Total	600

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	352	575
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	352	575

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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	n/a		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	n/a		

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	132,869,456	132,869,456		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,856,339	20,856,339	15,754,239 at \$0.059 per share 5,102,100 at nil per share (vesting of director & employee performance rights)	Fully paid Fully paid
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)	4,027,735	4,027,735	<u>Exercise price</u>	<u>Expiry date</u>
		2,500,000	-	\$0.10	15-Dec-2015
		1,000,000	-	\$0.10	30-June-2016
		1,000,000	-	\$0.20	18-Dec-2017
		1,000,000	-	\$0.25	18-Dec-2017
		1,000,000	-	\$0.30	18-Dec-2017
		600,000	-	\$0.20	31-Jan-2017
	<i>Performance Rights (employees & directors)</i>	21,005,600	-	nil	
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 30 October 2015
 (Director/Company secretary)

Shane Volk

Print name:

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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