

30 October 2015

## **ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

### **HIGHLIGHTS:**

- ◀ **All assays returned from the recently completed phase one air core drilling program on Mandoum.**
- ◀ **Several holes, on multiple plateau targets recorded further highly encouraging, significant available alumina assays:**
  - ◀ **14m @ 40.9% AvAl and 4.3% RxSiO<sub>2</sub> (MBRC015) from surface, including**
    - ◀ **2m @ 50.3% AvAl and 1% RxSiO<sub>2</sub>, and**
    - ◀ **1m @ 50.8% AvAl and 0.8% RxSiO<sub>2</sub>**
  - ◀ **3m @ 40.1% AvAl and 5.9% RxSiO<sub>2</sub> (MBRC036) from 1m**
- ◀ **Consultants engaged to provide bauxite mining, logistical, port and rail expertise to advance the development of the Birsok Project.**
- ◀ **\$250,000 raised with a further \$1,000,000 placement subsequent to the end of the quarter.**

The Directors of **Canyon Resources Ltd** (ASX: CAY) are pleased to report on the Company's activities for the quarter ending 31 September 2015.

Canyon Resources ("Canyon" or the "Company") has continued to advance the development of the Birsok Bauxite Project in Cameroon with the return of all assays from the first phase of the previously announced drilling program on the Mandoum permit. Several highly encouraging assays were returned, from multiple drill holes, on four of the six tested plateaux (Figure 1).

In addition to the exploration work on the Project, Canyon continues to work with consultants with recent West African DSO (Direct Shipping Ore) bauxite expertise to assist the Company to advance the development of the Project and create an optimal logistical solution utilising the existing infrastructure in the country. The work completed to date, supported by the existing MOU with Bolloré Africa Logistics Cameroon SA and Camrail SA continues to give the Company confidence that a realistic and commercially viable logistical solution is achievable utilising the existing rail line and the newly built Kribi deep water port.

Canyon has been advised by the Cameroon Government that feasibility studies are under way on the extension of the existing rail line to the new Kribi Port, which will improve the possibility of accessing the newly built Kribi deep water port for the direct ship loading of DSO bauxite exports.

Canyon continues to assess and review advanced project opportunities in Cameroon that are consistent with Company's strategy of developing a profitable mining operation utilising existing infrastructure in the country.

## Exploration Results

The results of this first phase, wide spaced drilling, has confirmed the presence of significant high grade available alumina intersections, and is positive for the potential delineation of DSO bauxite at Mbon prospect plateaux. The results require further investigation, modelling and drilling to test adequately the full potential of the prospects.

All pit and drilling samples were sent to ALS laboratory in Cameroon for preparation and available alumina/reactive silica analysis was performed by ALS in Brisbane, Australia. The analysis of the drilling results from this recent program measured Available  $\text{Al}_2\text{O}_3$  rather than Total  $\text{Al}_2\text{O}_3$  which was the analysis technique used in the previous drilling program and rock chip analysis. While this gives a lower  $\text{Al}_2\text{O}_3$  reading it is more reflective of the likely recovery of alumina in a refinery utilising the Bayer process.

Work continues on interpreting the results and planning potential new exploration work on the various prospects, as well as further drilling at Birsok permit, to commence after the current wet season rains dissipate.

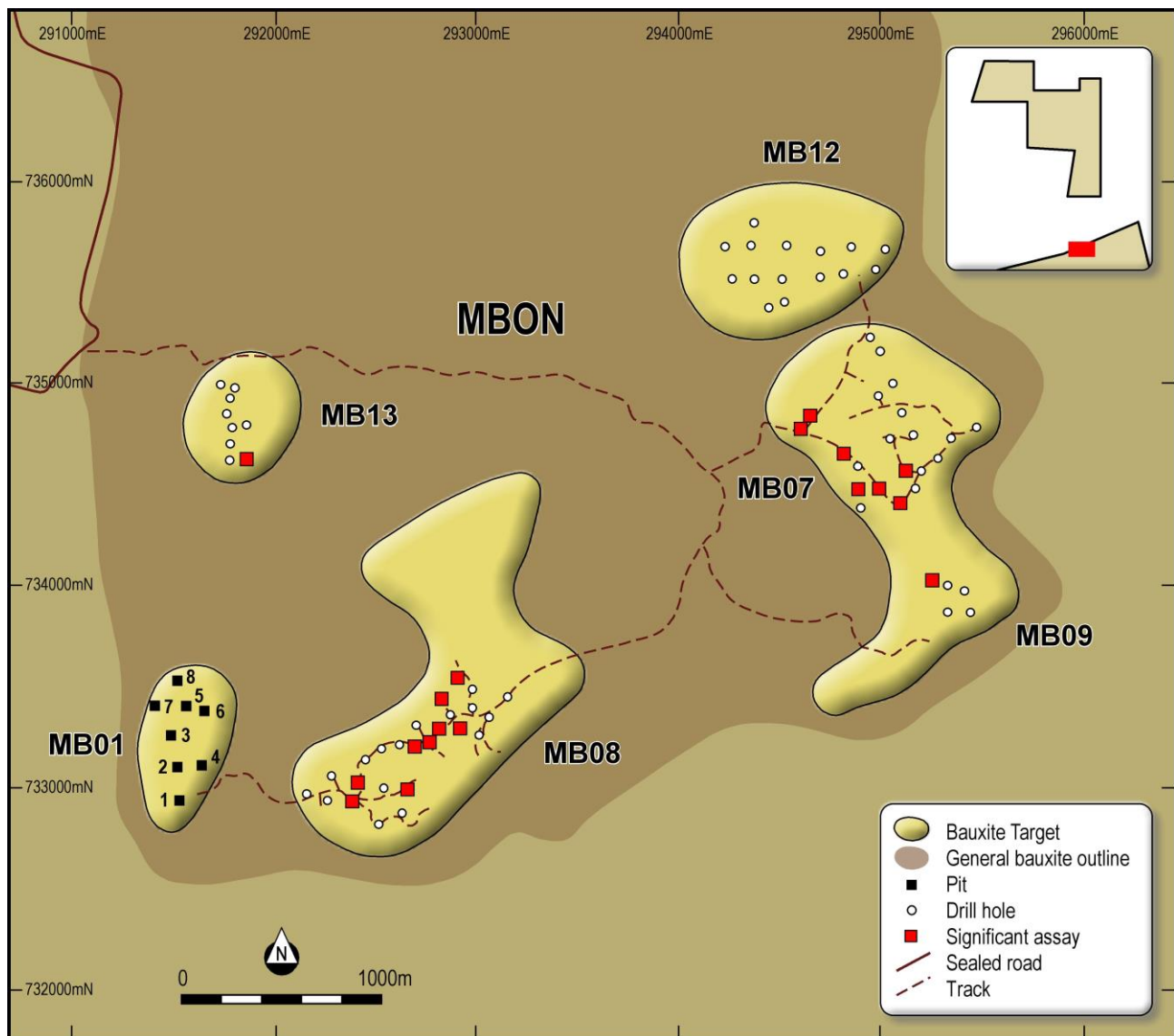
**Table 1– Significant Assays Mbon prospect**

HOLE	PLATEAU	EOH (m)	UTM_E	UTM_N	RL	FROM	TO	INT	Av.AI %	Rx.SiO <sub>2</sub> %
MBRC003*	MB08	12	292905	733552	1090	1	3	2	30.0	8.5
MBRC004*	MB08	9	292913	733299	1106	2	5	3	33.8	8.2
MBRC005*	MB08	9	292824	733438	1109	0	6	6	34.4	6.4
MBRC006*	MB08	18	292757	733242	1124	0	3	3	32.1	7.6
MBRC010*	MB08	15	292385	732936	1175	0	2	2	34.0	5.2
MBRC015	MB08	21	292654	732995	1150	0	14	14	40.9	4.3
<b>incl.</b>						<b>1</b>	<b>3</b>	<b>2</b>	<b>50.3</b>	<b>1.0</b>
<b>incl.</b>						<b>11</b>	<b>12</b>	<b>1</b>	<b>50.8</b>	<b>0.7</b>
MBRC018	MB08	12	292424	733030	1165	3	5	2	30.3	11.8
MBRC020	MB08	15	292696	733216	1137	1	3	2	36.4	8.2
MBRC021	MB08	12	292817	733295	1124	1	3	2	30.6	9.1
MBRC028	MB09	12	295254	734027	1111	7	9	2	30.4	11.9
MBRC033	MB07	12	294883	734487	1106	0	4	4	29.9	9.1
MBRC034	MB07	12	294811	734652	1093	1	3	2	32.3	6.7
MBRC035	MB07	18	294999	734477	1126	1	9	8	30.8	7.4
MBRC036	MB07	18	295097	734415	1139	1	4	3	40.1	5.9
MBRC042	MB07	18	295120	734581	1137	3	11	8	33.1	10.2
<b>incl.</b>						<b>6</b>	<b>8</b>	<b>2</b>	<b>42.1</b>	<b>5.0</b>
MBRC065	MB07	12	294599	734777	1086	1	4	3	32.1	6.2
MBRC066	MB07	9	294644	734838	1087	0	3	3	30.4	8.6
MBRC069	MB13	12	291791	734789	1110	0	2	2	29.9	8.6

\* - Denotes reported previously ASX release 21<sup>st</sup> August 2015

NB – Intersections included that average greater than 30% AvAI and generally less than 10% Rx.SiO<sub>2</sub>, max.2m internal waste, minimum 2m thick. Holes that are not listed do not satisfy these criteria. All assays in % by microwave digestion – ICP-AES.

All holes vertical (-90° dip) and therefore no azimuth



**Figure 1 – Mbon prospect plateaux - highlighted holes with significant assays (WGS84)**

The results from the Phase One program show there is high grade available alumina bauxite on the Mandom prospects and further exploration work is required to define the full extent and potential of the bauxite at Mandom,. The most recent results combined with the drilling results from the Birsole permit, continues Canyon on the pathway to delineating a bauxite resource and achieving the objective of developing a 2-3 million tonne per annum DSO mining operation utilising the existing rail and port infrastructure.

### **Burkina Faso**

On 16 September 2015, Acacia Mining PLC informed Canyon of a Force Majeure event in Burkina Faso due to political unrest resulting from a military coup. The Company continues to monitor the political and social situation in Burkina Faso.

## Corporate

On the 13<sup>th</sup> July the Company announced the completion of a strategic placement of 6.25 million shares to sophisticated and professional investors to raise \$250,000 before costs. The raising was priced at \$0.04 per share with 1 attaching unlisted option for every 2 shares issued. (Refer ASX announcement 13 July 2015)

Subsequent to the end of the quarter, Canyon announced a placement to sophisticated and professional investors to raise \$1,000,000 before costs.

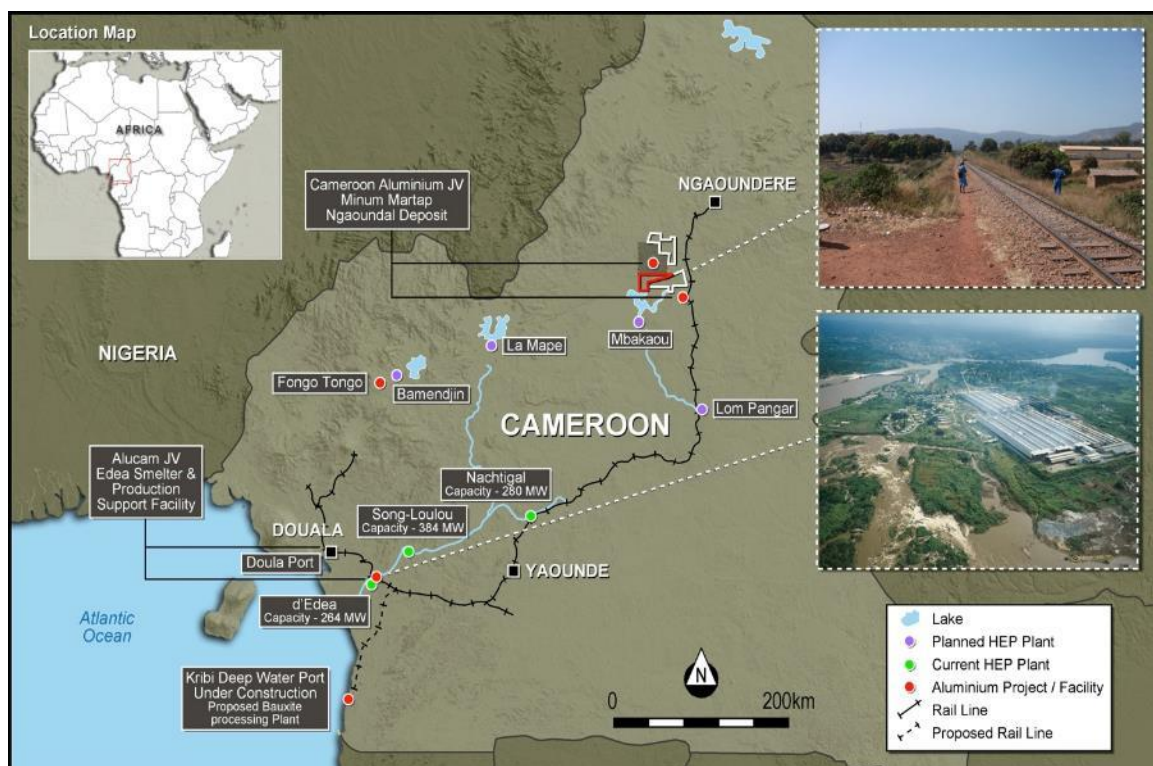
The Company has agreed to issue up to 10 million shares at a price of 5 cents each to raise \$500,000. A further \$500,000 will be raised through the issue of 10 million convertible notes (Notes) at an issue price of 5 cents each. An attaching unlisted option will, with shareholder approval, be issued for every two shares or Notes issued in the Placement. The options are exercisable at 6 cents each and expire 29 September 2017. (Refer ASX announcement 16 October 2015)

## About Canyon Resources Limited

In 2013, Canyon announced a farm-in transaction to acquire up to 75% of the Birsok Bauxite Project in Cameroon, which is considered highly prospective for high grade DSO bauxite. The Birsok Bauxite Project is strategically located in an emerging bauxite region of Cameroon (Figure 4), contiguous with the world class Minim Martap bauxite deposit and approximately 10km from an operating rail line.

Canyon conducted an inaugural drilling program in 2014 which returned high grade, low impurity bauxite mineralisation over the key plateaux tested, with multiple intersections of  $>50\% \text{ Al}_2\text{O}_3$ . Canyon also commenced some early broad based laboratory testing of a selection of the drill samples to determine the suitability of the bauxite. Results on the priority plateaus were encouraging with good available  $\text{Al}_2\text{O}_3$  and low reactive silica.

In addition to the bauxite assets, Canyon has an established portfolio of highly prospective mineral exploration projects in Burkina Faso, which cover an area of approximately 2,400km<sup>2</sup> over 13 permits in the Birimian greenstone belts of the West African craton.



**Figure 2 – Location of Canyon's Birsok Bauxite Project, Cameroon, West Africa**

## Enquiries:

**Phil Gallagher**

Managing Director

T: +61 8 6143 4256

E: [pgallagher@canyonresources.com.au](mailto:pgallagher@canyonresources.com.au)

*The information in this report that relates to exploration results is based on information compiled by Mr Roger Speers, an employee of the Company and a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Speers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The exploration results are available on the Company website [www.canyonresources.com.au](http://www.canyonresources.com.au). The Company confirms it is not aware of any new information that materially affects the information included in the original announcement. The Company confirms that the form and context in which the Competent Person's findings are present, have not been materially modified from the original announcements. Mr Speers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## APPENDIX 1

### JORC TABLE 1

#### Section 1 Sampling Techniques and Data

Criteria	Explanation	Notes
<b>Sampling techniques</b>	<ul style="list-style-type: none"><li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li><li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li><li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li></ul>	<ul style="list-style-type: none"><li>Drill samples are taken every 1m vertically down the hole</li><li>Samples are passed through a cyclone mounted on the rig, put into a large plastic bag then 'spear' sampled by a hand-held PVC tube device, producing a sample (1-2kg) which is sent to the lab; the remainder (3-7kg) being collected in the plastic bag, clearly labelled and stored in a sample farm for as long as required.</li><li>The 1kg samples are split, crushed and pulverised in the lab to provide a charge for assay.</li><li>Pit samples were taken by vertical channel sampling of pit walls as the pit was being dug, by chisel &amp; geological hammer, in a strict continuous channel 10cm deep and 15cm across. A 1-2kg sample was sent to the lab, and the pit digging results in a large record sample maintained on the site of the pit.</li></ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"><li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li></ul>	<ul style="list-style-type: none"><li>Drilling was conducted using a wheel mounted 6WD Landcruiser rig, by aircore (AC) method with a 75mm clay cutting blade bit with 3m long rods.</li><li>The compressor produces 150-200psi air to the rig.</li></ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"><li>Method of recording and assessing core and chip sample recoveries and results assessed.</li><li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li><li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li></ul>	<ul style="list-style-type: none"><li>Samples are visually assessed for recovery, moisture and contamination and weighed with scales off the cyclone. The data is recorded digitally and on paper for later reference when looking at grades v recovery analysis.</li><li>Cyclone is regularly cleaned, sealed</li></ul>



Criteria	Explanation	Notes
		<p>against fines loss and is speared across the entire sample to ensure a representative sample is sent to the lab.</p> <ul style="list-style-type: none"> <li>From assays to date, no relationship exists between recovery and grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All 1m drill samples were logged for lithology, colour, alteration and weathering by full time company geologists and correlated against assays and surface mapping. It is qualitative in nature.</li> <li>All samples are logged even if some are not sampled.</li> <li>No diamond core was drilled.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Dry 1m samples from the cyclone mounted on the rig are collected and spear sampled by a PVC tube, producing a ~1kg sample which is sent to the lab.</li> <li>No wet or moist samples were encountered in this program.</li> <li>A field duplicate is taken every 25 samples</li> <li>Sample sizes are considered appropriate for the style of mineralisation, thickness and consistency of the intersections, the sampling methodology and assay value ranges for bauxite.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Drill and pit samples were submitted to ALS Sample prep facility in Yaounde, Cameroon, then the pulps are sent by ALS to their Lab in Brisbane, Australia for Available Alumina and Reactive Silica analysis.</li> <li>Samples were weighed, dried in an oven at 60-120°C; crushed so 70% passed -2mm then oversize samples were riffle split to 250g samples and pulverised so 85% passed 75 micron. A 50-100g pulp is sent to ALS Brisbane from Yaounde for AvAl/RxSiO<sub>2</sub> analysis.</li> <li>Samples were analysed by ALS Global, an internationally recognised lab. For AvAl; the sample is microwave digested in NaOH; diluted in HCl, then analysed by ICP-AES technique. The remainder of the sample is acidified with concentrated HCl and analysed for RxSiO<sub>2</sub>; standard and internationally recognised tests for bauxite.</li> <li>Owner In-house QA-QC was conducted on the laboratory QC samples (Standards, Blanks and Lab Duplicates).</li> <li>Canyon inserts their own QA/QC samples into the sample train; 1 CRM, blank and field duplicate every 25 samples. Results to date are well within acceptable limits. Field duplicates correlate at above 95% to original samples. Standards have performed very well.</li> <li>No geophysical tools were used for any analysis. An Innovex Omega X HPXRF device was used purely for in house</li> </ul>

Criteria	Explanation	Notes
		comparison and test work. All published data is from laboratory analysis.
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>All drilled interval drill cuttings are recorded on the ground and photographed. Assay results and intersections are visually checked against this record and where possible, in the field, by company geologists and the competent person</li> <li>Observations were recorded in hard copy then electronically data entered in an auto-validating database structure against library of data codes for consistency.</li> <li>Hard copy is kept and digital copy is backed up. Sample pulps and coarse rejects have been retained. It is planned to use an umpire lab for independent verification of assay results once all initial results have been received.</li> <li>No twinned holes were drilled.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Hole collars and pits were located using a standard hand held GPS with reported accuracy of less than 5 metres in the X,Y plane using the WGS84 UTM z33N grid. This is appropriate for this stage of exploration.</li> <li>Down hole surveys have not been taken as drill holes are all less than 40m in depth and drilled vertically through the predominantly flat lying laterite.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Holes were nominally drilled on a wide spaced reconnaissance type grid of 320 x 160m, though commonly infilled down to a resource style spacing of up to 80m x 80m in places. Spacing is sufficient for Exploration Target to inferred resource size only.</li> <li>No sample compositing has been applied.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling was vertical, the best orientation to test targeted horizontal to mildly undulating surface weathered mineralisation.</li> <li>Drill patterns were orientated orthogonally across the broad orientation of the plateau targets, holes were staggered to produce a net like grid over the targets where possible</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were submitted by the permit owner's employees and chain of custody was recorded. Once submitted to the prep lab samples were tracked by the owner.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>The competent person conducted a review / visit of the Lab facilities in Yaounde in 2013 &amp; 14. And is in regular communication with the lab staff.</li> </ul>

**JORC TABLE 1**  
**Section 2 Reporting of Exploration Results**

Criteria	Explanation
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Birsok Permis de Recherche 198 and Mandoum Permis de Recherche 174 are currently held by Aucam SA, signatory to the JV agreement with Canyon whereby Canyon can earn 75% in the parent company of Aucam SA or in the parent of any company to which these licences are transferred. All work reported was done on the Mandoum Permit.</li> <li>Mandoum is currently in the process of a standard renewal. All required documentation has been lodged with and accepted by the Ministry of Mines, Industry and Technological Development.</li> <li>Legal due diligence on the tenure and holding companies was conducted by independent Cameroon lawyers during Dec 2013.</li> <li>There are no impediments to exploration, as exploration can continue while Mandoum is subject to renewal. Renewal of Mandoum is a condition precedent of the agreement with the owners.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>The Birsok and Mandoum projects are adjacent to the Minim Martap bauxite deposit which was reportedly drilled in 2009. Bauxite plateaux continue onto the projects. Bauxite mineralisation was initially reported by the government and has been followed up by Aucam and Canyon with 719 bauxite samples from in excess of 2,500 observations, and now in excess of 3,000m of AC/RC drilling from over 300 holes.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Mineralisation type is laterite bauxite evident on and adjacent to plateaux.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>75 holes have been drilled for 848m on 5 plateau targets on Mandoum during Jun – July 2015. 8 geologically sampled pits were dug on one plateau target.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>No data aggregation methods have been used.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>All drill holes are vertical and intersect the tabular, flat lying mineralisation orthogonally, and represent close to true thickness.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Diagram provided show drill collar and therefore sample locations with reference to coordinates and a scale. This is appropriate for this early stage exploration and shallow vertical drilling.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Assays for all 874 samples from drilling and pitting of all 6 plateau target have been reported including standards and blanks. Results in table are reported with a minimum thickness of 2 metres and above 30% AvAI and generally below 10% Rx.SiO<sub>2</sub>, holes not reported do not satisfy this criteria..</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>None to report.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>Drilling completed to date indicates the presence of bauxite mineralisation only. Further drilling is required to verify any continuity of intersected bauxite.</li> <li>Further exploration will involve follow up infill drilling of currently targeted known plateau targets; detailed 3D interpretation of results, metallurgical testing of samples, geological mapping of other bauxite rich plateaux to confirm more primary targets; followed by RC or aircore drilling to test the strike/depth extent of the mineralisation. Access roads have been put in place and will continue to be developed' more detailed environmental approvals are underway.</li> <li>Additional permit applications have been made targeting more of the bauxite plateau margins of the Minim Martap bauxite plateau system. Country wide targeting is also taking place.</li> </ul>



# 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

CANYON RESOURCES LIMITED

ABN

13 140 087 261

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 and evaluation	(155)	(155)
	(b) new project evaluation	(45)	(45)
	(c) production	-	-
	(d) administration	(152)	(152)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5			
	<b>Net Operating Cash Flows</b>	<b>(351)</b>	<b>(351)</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	Other	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(351)</b>	<b>(351)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(351)	(351)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, exercise of options, etc.	260	260
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 – share issue costs	(19)	(19)
1.20			
	<b>Net financing cash flows</b>	<b>241</b>	<b>241</b>
	<b>Net increase (decrease) in cash held</b>	<b>(110)</b>	<b>(110)</b>
1.20	Cash at beginning of quarter/year to date	650	650
1.21	Exchange rate adjustments to item 1.20	(3)	(3)
1.22	<b>Cash at end of quarter</b>	<b>537</b>	<b>537</b>

**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	83
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Executive and non-executive Directors' salaries/fees	

**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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	105
4.2 Development	-
4.3 Acquisition of interests	-
4.4 Administration	295
<b>Total</b>	<b>400</b>

Subsequent to the reporting period the Company has raised \$1,000,000 before issue costs through the placement of shares and convertible notes to sophisticated and professional investors. The funds raised will be used to fund ongoing evaluation of the Company's Birsok bauxite project in Cameroon and the continuing identification and evaluation of advanced project opportunities within the region as well as working capital.

### 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	537	646
5.2 Term Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>537</b>	<b>646</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	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

**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)	Amount paid up per security (see note 3)
7.1	<b>Preference securities</b>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, etc.				
7.3	<b>*Ordinary securities</b>	144,079,928	144,079,928		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Shares released from escrow (c) Decreases through returns of capital, buy-backs	6,250,000 285,714	6,250,000 285,714	4 cents 3.5 cents	Fully paid Fully paid
7.5	<b>*Convertible securities</b>	10 Class B	-		
7.6	Changes during quarter (a) Increases (b) Decreases				
7.7	<b>Options</b> (description and conversion factor)	17,106,130 60,843,977 10,000,000 10,264,500	14,106,130 60,843,977 - -	<b>Exercise price</b> 16 cents 6 cents 6.8 cents 6 cents	<b>Expiry date</b> 29 February 2016 31 January 2017 22 February 2017 29 September 2017
7.8	Issued during quarter	3,267,857	-	6 cents	29 September 2017
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/lapsed during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (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 give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 30 October 2015

Print name: Phillip MacLeod

## 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.

== == == == ==