



FIRST QUARTER ACTIVITY & CASHFLOW REPORT 31 DECEMBER 2015

HIGHLIGHTS

WESTERN AUSTRALIA

- **Red Bore Copper-Gold Project, Murchison Region (THX 90%)**
 - *Diamond / reverse circulation drill programme commenced and still underway*
 - *~1,700m diamond and ~2,100m RC drilling planned*
 - *Testing at depth below the established mineralisation at Gossan and Impaler*

- **Sophie Downs, East Kimberley Region (THX 100%)**
 - *87m at 1.0% Zn from surface to 87m in TSDRC014*
 - *including 3m at 5.1% Zn and 15 gpt Ag from 56m*
 - *Numerous occurrences of graphitic horizons (conductors) within the project area*
 - *Several major conductors remain to be drill tested*

- **Red Dragon Gold Prospects, Murchison Region (THX 100%)**
 - *Shareholders approved acquisition of Red Dragon Mines NL*
 - *Four projects with walk-up drill targets in prospective greenstone terrain*
 - *Located in areas of intense current gold exploration activity and interest*
 - *Adds gold to Thundelarra's exploration focus*

CORPORATE

- **Cash position at end of quarter: \$3.059 million (excludes equity investments)**
- **Current marked to market value of equity investments: \$0.163 million**
- **Morgans (stockbrokers) initiated research coverage**

SUBSEQUENT EVENTS SINCE 31 DECEMBER

- **Deep diamond drilling continuing at Impaler and Gossan**
- **Downhole EM surveys in preparation**
- **Review and reinterpretation of gravity data over Red Bore**
- **PoWs in preparation for first exploration at Red Dragon prospects**

Doolgunna Projects, WA Red Bore (THX 90%); and Curara Well (THX 90%)

Red Bore is a granted Mining Licence (M52/597), two square kilometres in area, located about 900km NNE of Perth in the Doolgunna region of Western Australia. It is situated less than 1,500m from the processing plant at Sandfire Resources NL's operating DeGrussa copper-gold mine.



Figure 1. Location map of Red Bore and Curara Well Projects showing proximity to DeGrussa copper-gold mine (Sandfire Resources NL). Scale: grid spacing is 30 km.

Curara Well is a granted Exploration Licence (E52/2402), approximately 83 square kilometres in area, located just a few kilometres north of Red Bore (Figure 1).

During the Quarter a programme of follow-up drilling began at Red Bore, that will include both Reverse Circulation (RC) and Diamond (DD) holes.

The programme has three main objectives:

- To improve the understanding, and extent, of the Impaler mineralisation;
- To test the extensions of the mineralisation at Gossan, particularly the off-hole DHEM anomaly previously announced and its apparent coincidence with the interpreted position of the downhole magnetic anomaly that we consider to be the extension of the “pipe”; and
- To re-test the magnetic anomaly to the south-east of Gossan. Initial drilling of that anomaly encountered jaspilitic units containing disseminated magnetite. The presence of magnetite was interpreted at the time as explaining the magnetic anomaly. The subsequent Monty discovery, with the interpreted association of jaspilites with the VMS mineralisation there, means that we need to re-examine this anomaly.

The programme contemplates three diamond holes for approximately 1,700m and fifteen RC holes for approximately 2,100m. The exact composition of the completed programme will depend on the

geology intersected in the planned holes and any on-site adjustments that may need to be made to accommodate technical issues that are encountered.

Deep diamond drilling beneath the Impaler and Gossan prospects is planned, both to provide improved understanding of the geological setting at each location (including controlling structures and any indicator geochemistry); and also to deliver a platform for high powered DHEM (down-hole ElectroMagnetic) surveys to test for the presence of any conductors close to the holes drilled.

The results of all the work carried out to date continue to support the conceptual geological model, particularly at Gossan and Impaler prospects (Figure 2). The programmes currently underway are part of the systematic, rigorous and patient approach that we believe is the key to unlocking the potential that we are confident still remains to be uncovered at Red Bore.

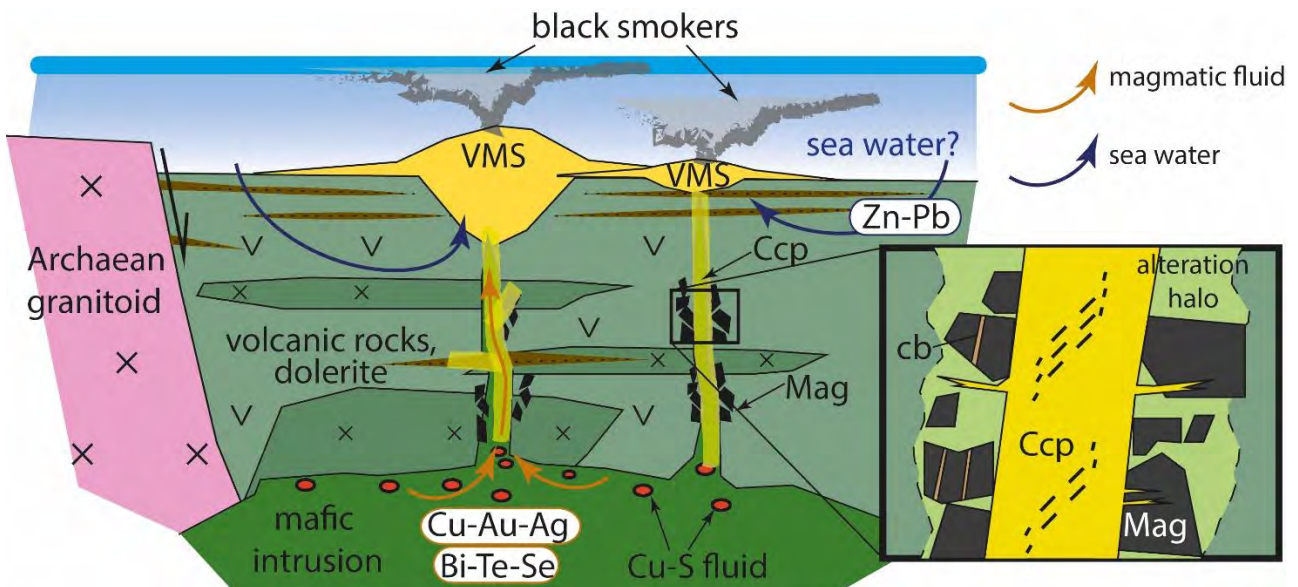


Figure 2. Magmatic Input into VMS deposits. Image from "Massive chalcopyrite mineralisation at Red Bore, WA. The magmatic roots of a Palaeoproterozoic sea floor hydrothermal system". A Agangi, C Vieru, S Reddy, D Plavska, V Selvaraja; Dept of Applied Geology, Curtin University of Technology; Thundelarra; Centre for Exploration Targeting and Core to Crust Fluid Systems, University of Western Australia. 30 September 2015.

As previously advised, researchers at Curtin and the CET have concluded that the Gossan mineralisation is consistent with a location within the theoretical mineralising system as shown in the inset at the right in Figure 2. Thundelarra's exploration focus at Gossan is to continue to follow the "path" represented by the known mineralisation towards the source we believe to be somewhere deeper below. The geochemical characteristics of the mineralisation at Impaler appear to be indicative of a position "higher" in the such a system, potentially closer to the VMS style of mineralisation shown in the schematic. The drill programmes currently underway will improve our geological understanding of the factors controlling the mineralisation, bringing us closer to what we are confident will be an eventual discovery.

We remain very excited by the potential at Red Bore, and we believe that its prospectivity has only been enhanced by the continuing successes reported by Sandfire at Monty to the east.

No field work was carried out at the Curara Well project during the Quarter.

Sophie Downs, East Kimberley, WA (THX 100%)

Sophie Downs is approximately 30km to the north-east of Halls Creek in the East Kimberley region of Western Australia on Thundelarra’s 100%-owned exploration license EL 80/3673.

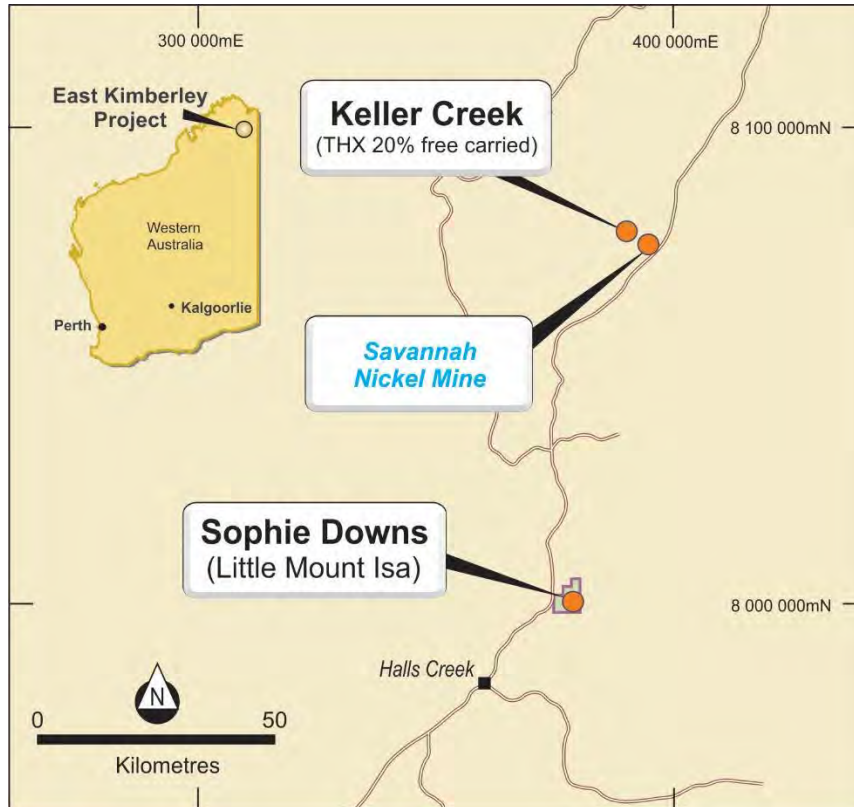


Figure 3. Sophie Downs regional location map.

During the Quarter results were received from the nine hole drilling programme which delivered a total advance of 1,366m (two DD holes for 407m; and seven RC holes for 959m).

The work programme was designed to test for high-grade/deep plunging shoots of base metals mineralisation previously delineated within the area; and graphite potential within the proximity of the mineralisation. Details of the holes drilled are provided in Table 1 below.

Hole	East	North	RL	Depth	Dip	Azimuth	Prospect	Licence
TSDDD001	377777	8000122	439m	170m	-60°	110°	Little Mount Isa	E80/3673
TSDDD002	379709	8001896	478m	238m	-60°	300°	Ilmars	E80/3673
TSDRC014	379743	8002154	491m	181m	-60°	250°	Ilmars	E80/3673
TSDRC015	379793	8002268	497m	187m	-60°	330°	Ilmars	E80/3673
TSDRC016	377769	8000388	432m	61m	-60°	120°	Little Mount Isa	E80/3673
TSDRC017	377593	8000089	422m	121m	-50°	120°	Little Mount Isa	E80/3673
TSDRC018	377742	7999947	442m	84m	-60°	130°	Little Mount Isa	E80/3673
TSDRC019	377860	8000196	436m	127m	-70°	110°	Little Mount Isa	E80/3673
TSDRC020	377967	8000204	433m	198m	-60°	330°	Little Mount Isa	E80/3673

Table 1. Details of the holes drilled. All locations on Australian Geodetic Grid MGA94-52.

Significant intercepts are given in Tables 2 and 3 below. Full details of the programme and all assay results were reported in the announcement dated 26 November 2015.

Hole No	From	To	Interval	Zn (%)	Cu (%)	Ag (g/t)	Prospect
TSDDD001	139m	146m	7m	1.0	0.07		Little Mount Isa
TSDRC014	0m	87m	87m	1.0	0.09		Ilmars
incl'g	51m	85m	34m	1.7	0.16	7	
incl'g	52m	68m	16m	2.4	0.06	8	
incl'g	56m	58m	3m	5.1	0.05	15	
TSDRC015	124m	151m	27m	1.0	0.16	2	Little Mount Isa
incl'g	125m	141m	16m	1.4	0.16	2	
and	155m	173m	18m	0.6	0.52	5	
TSDRC019	67m	88m	21m	1.3	0.22	4	Little Mount Isa
TSDRC020	156m	171m	15m	0.7	0.14	2	Little Mount Isa

Table 2. Significant drill intercepts – base metal results.

All samples were first tested using hand-held XRF to identify zones of significant anomalism to warrant submission for assay.

Hole No	From	To	Interval	TGC (%)	Prospect
TSDDD01	71m	75m	4m	3.4	Little Mount Isa
incl'g	86m	93m	7m	3.1	
incl'g	98m	125m	27m	2.5	
TSDRC016	24m	58m	34m	3.2	Little Mount Isa
TSDRC017	117m	121m	4m	5.9	Little Mount Isa
TSDRC019	22m	60m	38m	2.1	Little Mount Isa

Table 3. Significant drill intercepts – graphite results. See Appendix 1 for all assays.

The purpose of the programme was three-fold:

- 1) To test at Little Mount Isa for down-plunge extensions of the massive zinc sulphide mineralisation discovered and reported by Thundelarra (ASX releases: 20 August 2013; and 19 February 2014);
- 2) To test the graphite mineralisation known to occur both locally at Little Mount Isa and regionally in the vicinity of the Halls Creek Fault Zone; and
- 3) To test new theoretical models at Ilmars. The Ilmars prospects have yielded numerous mineralised occurrences and drill intercepts for previous explorers, none of which could be translated to a commercial occurrence.

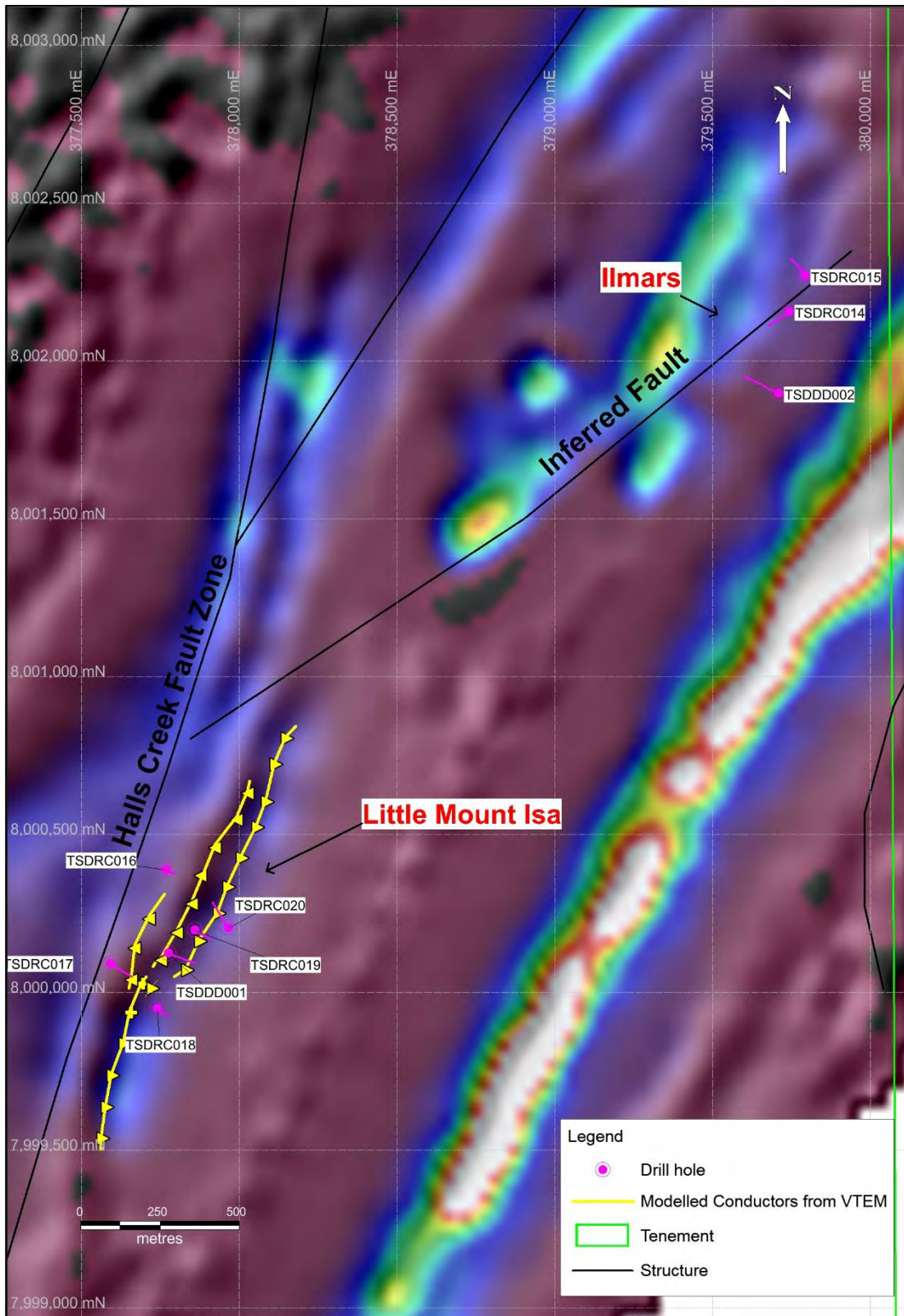


Figure 3: Sophie Downs: location of prospects and drill holes on conductivity image from 2007 VTEM survey.

The results of the programme encountered significantly anomalous base metal mineralisation at a number of the locations, consistent with previous exploration carried out at the project. The project retains potential and does warrant further work, but the results were neither sufficiently extensive nor of sufficiently high grade and thickness to elevate the project’s priority ahead of Red Bore at this point in time.

Petrographic and mineragraphic analyses were ordered to determine the flake size of the graphite intersected in several drill holes. Macroscopic observations of samples showed the graphitic schist to be generally fine-grained, which is not unexpected so close to the Halls Creek Fault Zone.

Only limited strike lengths of the total strike length of inferred conductors identified to date have been tested by drilling. These conductors represent the graphite targets in the project area and the strongest conductor, located on the south-eastern part of the tenement, remains untested.

Allamber Project, Pine Creek, NT (THX 100%)

Allamber is approximately 180km south-east of Darwin and is part of the Pine Creek Orogen. The project is very well served by regional infrastructure, with sealed road, rail, and a gas pipeline running within 25km of the project area.

No field work was carried out at Allamber during the Quarter

Copperfield Project, Pine Creek, NT (THX 100%)

The Copperfield Project is located adjacent to the Pine Creek town site. No fieldwork was carried out on this project during the Quarter.

Ngalia Uranium Project, NT (THX 100%)

No fieldwork was conducted on this project during the Quarter. Some further minor rehabilitation was carried out on at a few outstanding locations.

The landholdings, prospectivity, and expenditure requirements of the Ngalia Basin Uranium Project are under continual review in the context of the global market for exposure to uranium. Thundelarra continues to seek partners to assist in the exploration of this quality uranium exploration project.

RED DRAGON ACQUISITION

During the Quarter shareholders approved the acquisition of Red Dragon Mines NL, an unlisted company with a portfolio of West Australian early-stage gold exploration prospects. The portfolio comprises four main projects, located in active gold exploration provinces that are close to established infrastructure and to established and operating gold plants with surplus capacity.

- Garden Gully
- Mooloogool
- White Well
- Paynes Find

Garden Gully, Mooloogool and White Well are located in the vicinity of Meekatharra, close to the Andy Well gold plant (Doray Minerals; 200ktpa) and the Bluebird Gold Plant (Metals Ex; 3.1 Mtpa).

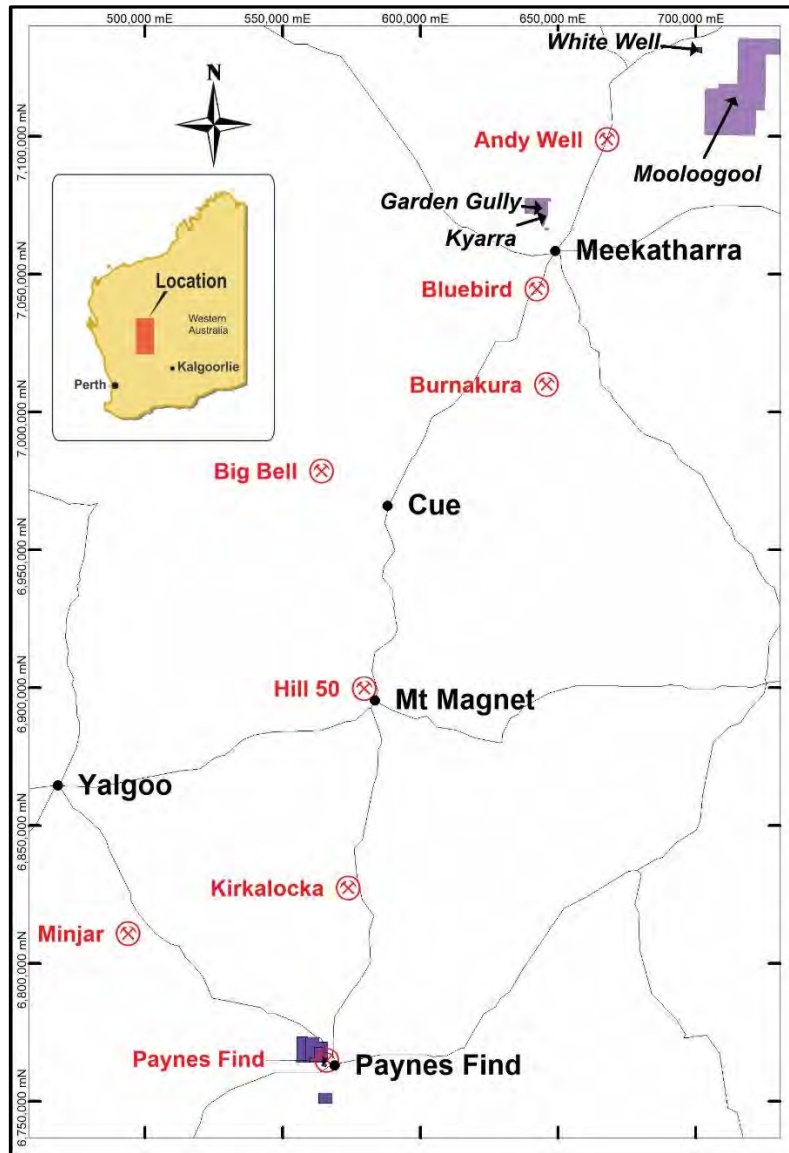


Figure 4. Western Australia: location map of Red Dragon Projects

The Paynes Find project is located further south, 140km south of Mount Magnet. It is next to the Great Northern Highway, with most of the project area less than 5 kms from the Paynes Find Battery. It is 85km south of the Kirkalocka gold plant, which has a nominal treatment capacity of 1.6-2.2 Mtpa and is currently on care and maintenance.

Garden Gully

Garden Gully comprises 1 EL and 12 PLs for a total area of approximately 65km². The project is located about 10km north-northwest of Meekatharra (Figure 2). The area encompasses a number of historic gold mines with aggregate recorded production of 20,718oz at an average grade of 21.7 gpt. Gold mineralisation is shear-related and hosted in mafic rocks of the Abbott Greenstone Belt.

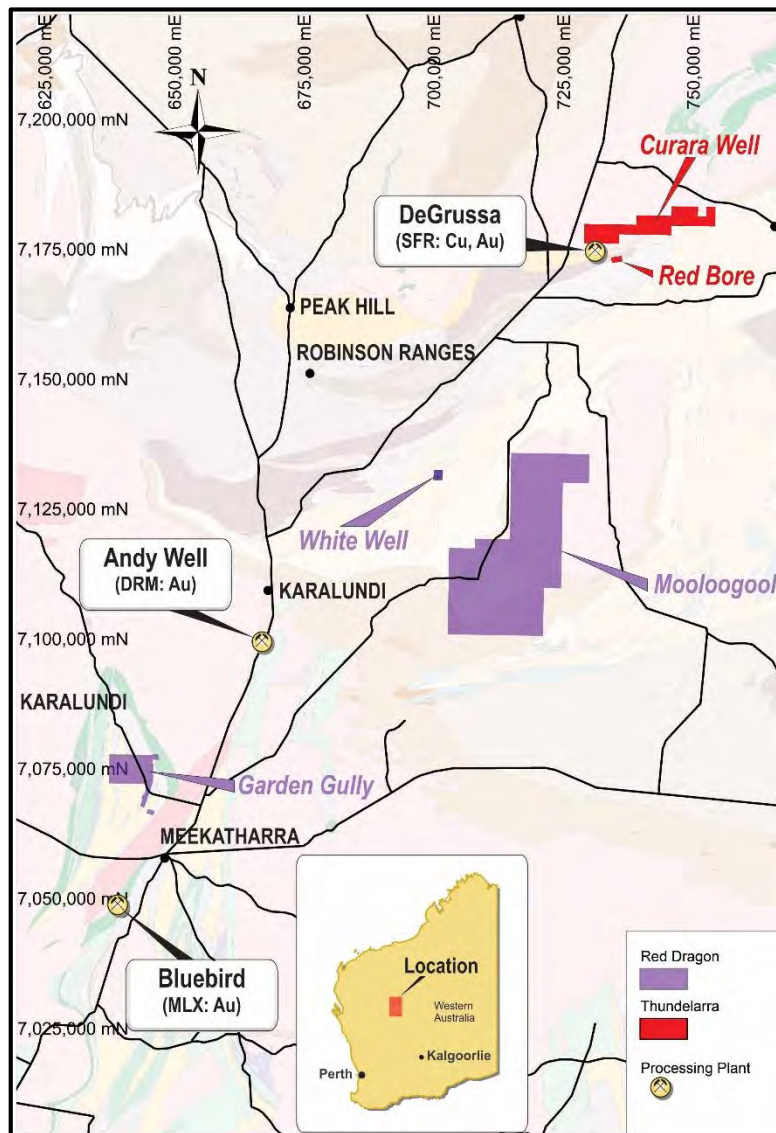


Figure 5: Location of Garden Gully, Mooloogool and White Well, and nearby processing plants.

The Garden Gully Project area is a prime area for the occurrence of Archaean shear-hosted lode gold deposits. The landholding is surrounded by tenements held by Doray Mining, who are actively exploring for additional mineralisation for their Andy Well gold plant which is 10km distant by road.

Mooloogool

Mooloogool comprises 3 ELs for a total area of approximately 554.5km², located about 100km northeast of Meekatharra (Figure 2). The area covers deformed metasediments in the Yerrida Basin around the Goodin Dome. It has undergone limited historical exploration but the area is currently the focus of extensive exploration activity by a number of companies.

White Well

White Well comprises 2 PLs for a total area of 308ha (~3km²). It is located approximately 90km northeast of Meekatharra (Figure 2). The area covers Palaeoproterozoic metasediments of the Yerrida Group and is surrounded by tenements the subject of current active exploration by Enterprise Metals (ENT).

Historical exploration at White Well and current exploration on adjacent ground appears to indicate the existence of chargeability anomalies at White Well that warrant drill testing. These represent walk-up drill targets that would be tested by a programme of reverse circulation drilling.

Paynes Find

Paynes Find comprises 4 ELs and 2 PLs for a total area of approximately 117km². The Project is located approximately 140km south of Mount Magnet along the Great Northern Highway (Figure 3). Evidence of modern exploration over the area is sparse, despite the Project being close to a number of significant old gold mines. Mineralisation at Paynes Find is shear-related hosted by gneiss. Recorded historical gold production totalled about 46,000 ounces from 60,000t grading 24 gpt from lodes in plunging shoots.

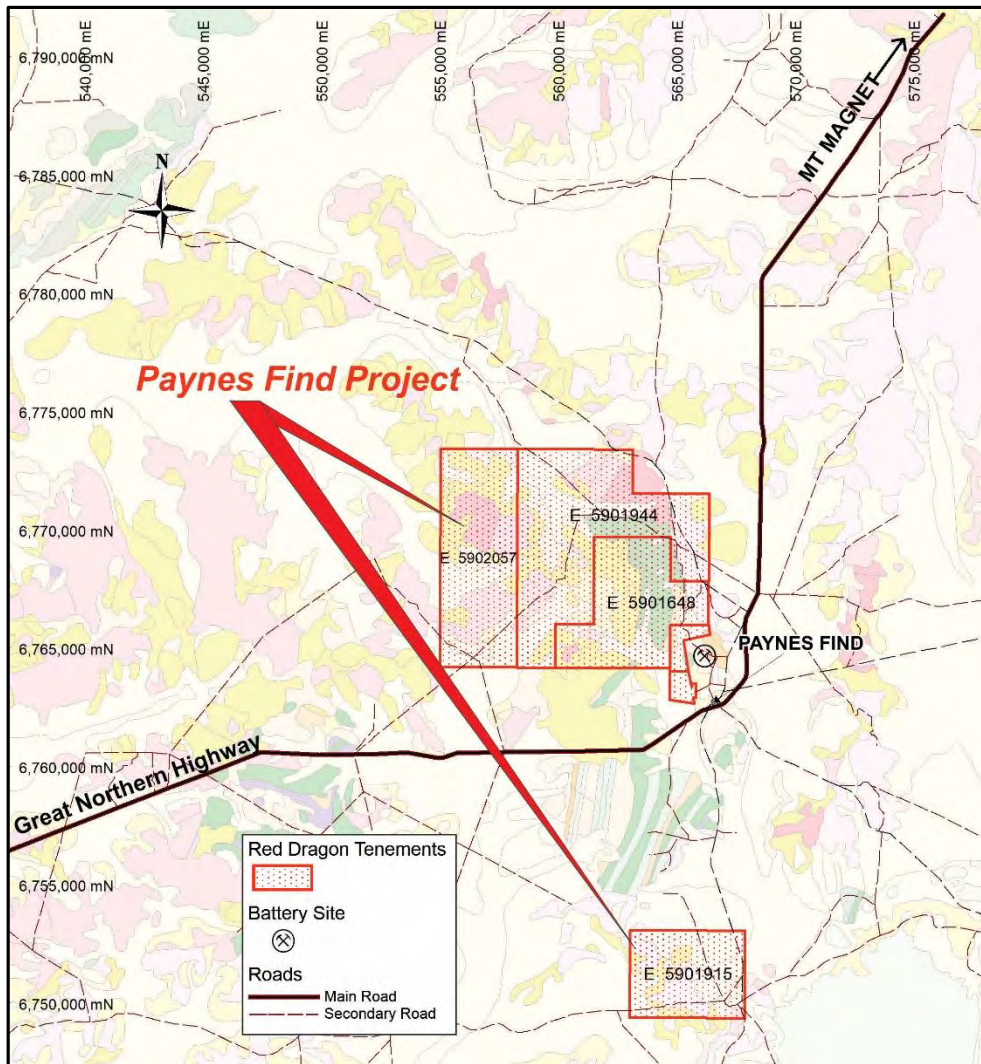


Figure 6: Location of Paynes Find project.

The Paynes Find Shear Zone in the eastern part of the main project area is considered prospective for recurrences of the structurally-controlled, shear-hosted high grade historical gold mineralisation exploited in the past. A programme of reverse circulation drilling is proposed to test initial targets.

Programmes of Work (PoWs) are currently being prepared for lodgement with the DMP so that exploration can commence as soon as approvals are received.

SCHEDULE OF TENEMENTS

During the Quarter further blocks at the Allamber Project were relinquished. The surrendered blocks covered areas no longer considered to hold any potential for mineralisation of commercial scale.

Project / Tenement		Interest at Beginning of Quarter	Interest at End of Quarter	Acquired During the Quarter	Disposed During the Quarter	Joint Venture Partner/Farm-in Party
Western Australia						
Sophie Downs	E80/3673	100%	100%	-	-	-
Keller Creek	E80/2836	20% fci	20% fci	-	-	Panoramic (PAN)
Red Bore	M52/597	90%	90%	-	-	WR Richmond
Curara Well	E52/2402	90%	90%	-	-	WR Richmond
Northern Territory						
Ngalia Basin Project						
Mt Wedge	EL24561	100%	100%	-	-	-
Walbiri Range	EL25283	100%	100%	-	-	-
Jabangardi Hill	EL25334	100%	100%	-	-	-
Allamber Project						
Brumby Gap	EL10043	100%	100%	-	-	-
Frances Creek	EL10167	100%	100%	-	-	-
McKeddies	EL23506	100%	100%	-	-	-
Allamber 1	EL24549	100%	100%	-	-	-
Mary River	EL25868	100%	100%	-	-	-
Mount Saunders	EL27365	100%	0%	-	3 of 3 blocks	Surrendered
Second Chance	EL28857	100%	100%	-	-	-
Copperfield Project						
Copperfield	EL29523	100%	100%	-	-	-

Table 3. Schedule of Tenements showing changes during the December 2015 Quarter.

CORPORATE

Thundelarra remains well funded for the planned 2016 exploration programmes. We continue to explore aggressively, while managing expenditures carefully and prudently. Our target, broadly met for the last 16 quarters, is that at least two thirds of all dollars spent go into the ground.

At 31st December 2015, our cash balance was \$3.059 million. The marked to market valuation of equity investments held at the date of this report was \$0.163 million and is additional to the reported cash balance. We are well-placed to continue aggressive exploration of our exciting prospects.

During the Quarter shareholders approved the acquisition of Red Dragon Mines. The addition of prospective gold targets is considered timely given the current market interest in the gold sector, and the location of Red Dragon's prospects close to areas of currently very active gold exploration and production augurs well for the possibility of exploration success.

Our few remaining non-core exploration assets continue to be the subject of discussions on a number of fronts in our efforts to deliver the best possible value for shareholders from them.

Thundelarra continues to evaluate opportunities that are consistent with our core commodity focus of copper and gold. Such projects must offer the potential for Thundelarra to be able to deliver positive returns to shareholders, either through direct exploration success or by adding geological value to the project to attract interest prior to subsequent sale or disposal.

In a Finance News Network interview, the CEO outlined the current exploration activities and plans for future work programmes. A video of the interview was posted on the Thundelarra website.

Stockbroker Morgans Financial Ltd initiated research coverage of Thundelarra in mid-November. The note is available on our website and makes interesting reading, supporting our approach to our exploration and re-iterating the geological potential that we believe our projects represent.

PRODUCTION AND DEVELOPMENT

None of Thundelarra's projects are at a production or development stage and consequently there were no activities during the quarter relating to production or development.

SUBSEQUENT EVENTS

Since the end of the December Quarter, the most significant event that has occurred is the recommencement of the drilling programme at Red Bore. Other events include:

- Diamond drilling re-started at Red Bore after the Christmas break. A deep hole (500m) was drilled below Impaler and a deep hole below Gossan is currently underway. Severe local thunderstorms and local flooding, usual for this time of the year, have interrupted drilling but fortunately to date we have not had to suspend the programme. The adverse weather has however impacted the practical aspects of logging the holes. Logging continues and the findings will be reported in due course.
- Core was cut from the diamond holes drilled before Christmas and samples of both the cut core and of the chips from RC holes also drilled before Christmas, were submitted for assay. At the time of this report, assays from these first holes are still pending.

- A geophysical survey team is being arranged to carry out DHTEM on the deep Impaler hole and various other holes completed at Red Bore. DHTEM will also be carried out on the deep hole under Gossan in due course.
- Thundelarra is undertaking a review and re-processing of gravity data originally collected in 2010. The drill programmes and geophysical surveys undertaken since April 2104 have improved our understanding of the geological setting significantly. Revisiting the gravity data may now add to that understanding and enhance our mineralisation model.
- Programmes of Work are being prepared for gold targets that came with Thundelarra's acquisition of Red Dragon Mines. We believe that the addition of gold prospects to Thundelarra's exploration portfolio is very timely. Furthermore, the location of these prospects close to operating gold plants at Meekatharra, and in prospective geological settings, offers excellent exploration upside potential.

We remain enthusiastic and excited by the potential that we are gradually uncovering at Impaler and Gossan through our systematic and patient approach to exploration there. The gold potential of our Red Dragon portfolio of prospects adds further to the investment attraction that we believe Thundelarra represents for shareholders and investors.

Tony Lofthouse
Chief Executive Officer

THUNDELARRA LTD

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ASX CODE: THX

Issued Shares: 337.3M (at 31 December 2015)

Market Cap: \$23M (at 28 January 2016)

Competent Person Statement

The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, are based upon, and fairly represent, information and supporting documentation compiled by Mr Costica Vieru, a Member of the Australian Institute of Geoscientists and a full-time employee of the Company. Mr Vieru has sufficient experience which is relevant to the style(s) of mineralisation and type(s) of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Vieru consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

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

Thundelarra Limited

ABN

74 950 465 654

Quarter ended ("current quarter")

31 December 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 (b) development (c) production (d) administration	(633) - - (396)	(633) - - (396)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	34	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – research and development refund	-	-
Net Operating Cash Flows	(995)	(995)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Redemption/(placement) of security deposits	50	50
Net investing cash flows	50	50
1.13 Total operating and investing cash flows (carried forward)	(945)	(945)

+ 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)	(945)	(945)
	Cash flows related to financing activities		
1.14	Proceeds from issues 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	Other – share issue cost	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(945)	(945)
1.20	Cash at beginning of quarter/year to date	4,004	4,004
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,059	3,059

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	148
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Thundelarra's financial year is from 1 October 2015 to 30 September 2016.

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

On 18 December 2015 the Company completed the acquisition of Red Dragon Mines NL (and its wholly owned subsidiary – Zeus Mining Pty Ltd). As a result of completion, The Company issued 17,927,166 fully paid ordinary shares in the capital of the Company at a deemed issue price of \$0.077 per share to the vendors of Red Dragon Mines NL. 6,038,382 of these shares were issued to entities associated with directors of the Company, Mr Crabb and Mr DeMarte and in accordance with ASX Listing Rules, will be escrowed for a period of 12 months from the date of issue.

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

Not applicable.

+ See chapter 19 for defined terms.

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	600
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	900

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	405	304
5.2 Deposits at call	2,654	3,700
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,059	4,004

+ 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	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	337,315,665	331,277,283	
7.4	Changes during quarter			
	(a) Increases through issues	17,927,166	11,888,784	-
	(b) Decreases through returns of capital, buy-backs			-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-

+ 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)	6,750,000 2,000,000 11,500,000 500,000 3,150,000	- - - - -	<i>Exercise price</i> \$0.84 \$0.23 \$0.06 \$0.06 \$0.08	<i>Expiry date</i> 27/02/2016 28/02/2017 28/02/2019 18/03/2017 4/09/2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	1,150,000	-	\$0.09	31/10/2015
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 give a true and fair view of the matters disclosed.



Sign here:

Date: 28 January 2016

Print name: Frank DeMarte
Company Secretary

Notes

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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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