



ASX ANNOUNCEMENT
25 July 2014

Quarterly Activities Report
to 30 June 2014

- **Pre-Feasibility Study confirms strong and rapid returns from underground mining at Blue Vein**
- **Blue Vein Feasibility Study on track and progressing well**
- **Mt Holland operations expected to operate at a competitive cash cost level of A\$722/oz gold**
- **Existing and significant infrastructure minimizes capital cost**
- **Potential for resource expansion at Blue Vein underground mine considered real and achievable**
- **Long-term growth expected from future development of the multiple gold deposits in the Mt Holland Goldfield**

On 24 June 2014, Convergent Minerals Limited (**ASX:CVG**) announced the positive outcomes from the Pre-Feasibility Study ("PFS") into commencing gold production from the Blue Vein Project at Mt Holland, 100km south of Southern Cross in Western Australia.

The PFS demonstrated a quick payback and strong positive returns from the development of the Blue Vein underground mine and construction of a new carbon-in-pulp ("CIP") plant at Mt Holland.

Blue Vein's key advantages of being high grade (5.5g/t Au) and high recovery (94%) provide the project with very competitive cash operating costs of A\$722 per ounce.

The PFS estimates gold production during the first three years of mining to average approximately 42,800 ounces per annum.

Convergent expects to increase the planned mine life by extending Blue Vein along strike and at depth. Long-term growth is anticipated from future development of the other 11 gold deposits making up the Mt Holland Goldfield.

The PFS envisages re-establishing much of the surface infrastructure at the Mt Holland site including use of existing power, water, tailings storage, concrete footings and raw water storage facilities.

The key financial outcomes of the PFS are summarised in Table 1 below.

Table 1: Key financial parameters for Blue Vein PFS

Total gold produced	128,504oz (42,800oz pa)
Life-of-mine	initial 3 years
Revenue (A\$1,400/oz gold price)	\$179.9m
Plant capital cost	\$23.3m
Underground capital cost	\$28.7m
Other capital costs	\$7.8m
Total life-of-mine capital cost	\$59.8m (\$78/t ore)
Total operating cost	\$92.8m (\$121/t ore)
All-in Cost	\$1,188/oz
Total project cashflow (after capital)	\$22.6m
NPV (7.5% discount)	\$10.7m

Note: all amounts are in AUD unless stated otherwise

The key PFS mining parameters are summarised in Table 2 over the page.

Table 2: Key Mining parameters for Blue Vein PFS

Mine access	Portal and decline
Mining method	Uphole benching
Mine operator	Mining contractor
Decline size	5.5m x 5m
Total decline length	2,440m
Total ore tonnes	769,787t at 5.52g/t
Total waste tonnes	378,769t
Mined grade	5.52g/t Au
Haulage to plant	8.5km
Delivered gold	136,706 oz

Sedgman Limited designed and estimated the costs for a new CIP processing facility. Ore from the Blue Vein underground mine will be delivered to the run-of-mine ore pad and then fed to a primary crusher at a rate of 300,000 tonnes per annum. Three stages of crushing will reduce the ore to 80% passing 10mm in size before being fed into a 1,200kW ball mill and reducing the size further to 80% passing 75µm.

Metallurgical test work demonstrates that up to 25% of gold may be won from gravity separation. Overall gold recoveries of 94% are expected from a combination of gravity concentration followed by conventional CIP cyanide leaching. Further test work is currently being undertaken to potentially increase gold recoveries. Gold doré bars will be produced on site with approximately 42,800 ounces of gold expected to be produced annually.

The Mt Holland Goldfield has substantial and valuable infrastructure already established including mains electricity, water borefield, haul roads, tailings dams, airstrip, raw water storage facilities and waste dumps (See Figure 1). This infrastructure significantly reduces the Project's capital costs.

Further metallurgical test work and other required surveys which are part of the Blue Vein Feasibility Study are scheduled to be completed by December 2014. In parallel with this, Convergent will call for tenders for underground development and construction of surface infrastructure so these works can be triggered shortly after completion of the Feasibility Study.

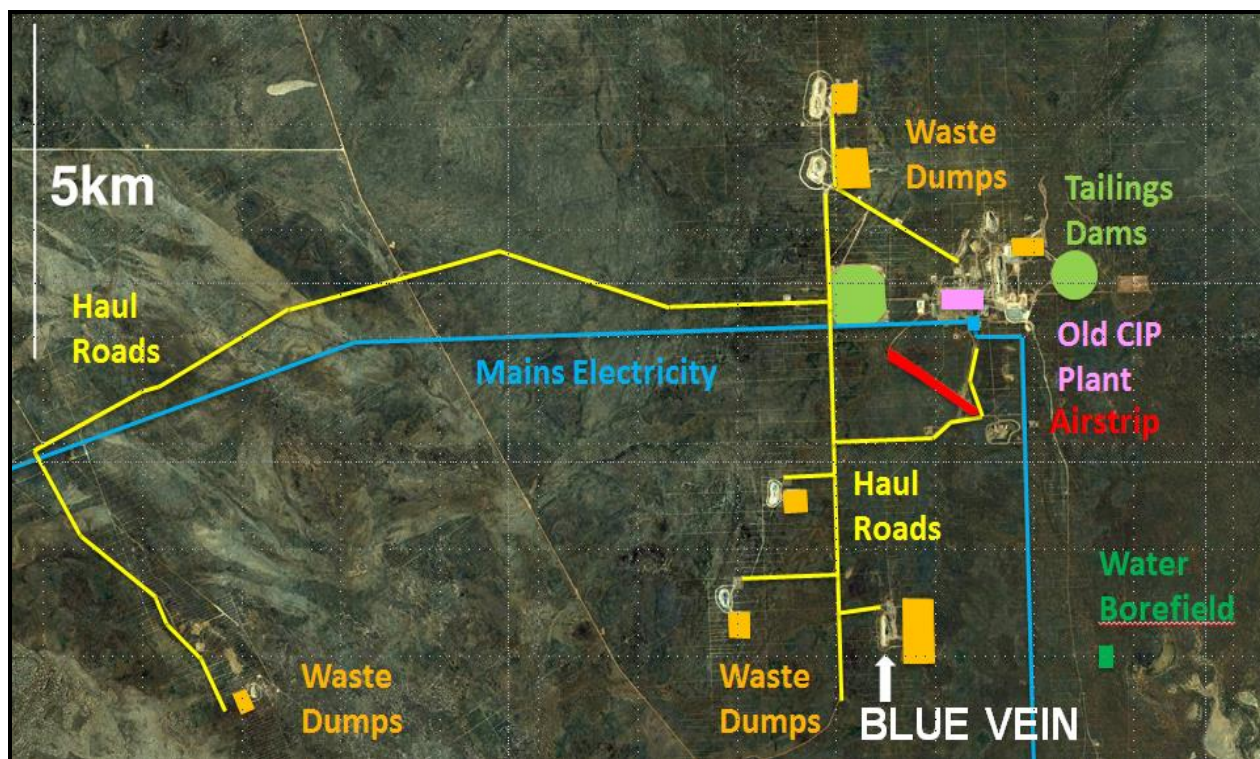


Figure 1: Existing Mt Holland infrastructure

Characterisation of waste rock has commenced to determine the acid forming potential of waste material from the underground mine.

Additional comminution, gravity and cyanidation tests are now being undertaken to optimise the processing flow sheet.

A low-level drone has recently flown the area encompassing the future plant, as well as the Blue Vein open cut, tailings dams, waste dumps and other infrastructure. This survey will be used to produce accurate topographic images for the detailed design and final planning of all components of the operation.

A flora and fauna survey has recently been commissioned in order to satisfy the requirements of the Environmental Department and the Department of Mineral Resources. These surveys have been completed previously during the operating gold mine history and no threatened or endangered fauna and flora are expected to be identified.

Convergent has recently commissioned a review of the tailings dams which was completed on 8th July 2014. This review identified the west tailings dam to be suitable for a wall lift and capable of accepting further tailings. The report recommended a conventional upstream raise of the dam walls which should be

sufficient to accept all tailings generated for at least a 3 to 5 year period and beyond.

A groundwater study including surface run-off and in-pit-water will soon be commissioned. This study will also utilise the topographic information gathered by the drone to model expected groundwater run-off directions, volumes and rates. Water management is an important part of the planning stage and this is being addressed in preparation for permitting and construction.

The completion of the positive PFS is a major milestone for Convergent and highlights the viability of the Blue Vein Project. The Company is focused on delivering the Feasibility Study and progressing Blue Vein through development and into gold production during 2015.

Mt Holland regional work programs

On-going exploration work is evaluating numerous prospects in the Mt Holland Goldfield.

The Company's exploration team has recently identified the Exile Deposit as a potential source of high-grade ore. A total of 185 holes have been drilled at Exile by previous explorers. Some of the historical core has not been sampled, so our exploration team is in the process of cutting and sampling sections of the historical core for analysis. A preliminary assessment of the deposit indicates that much of the mineralisation may not have been included in previously quoted resource figures.

Expansion of Convergent holding in the Mt Holland Goldfield

Convergent added to its dominant tenement holding position in the Mt Holland Goldfield during the quarter by the acquisition of several tenements from Southern Cross Goldfields Limited as announced on the 28th May 2014. A full listing of tenements is included in Table 3.

Changes to Convergent Board of Directors

On 24 June 2014, Convergent announced the appointment of Mr. Roger Howe as a non-executive Director of the Company. Roger provides Convergent with broad financial and technical capability, as well as critical investor relations guidance. Roger is also currently Director, Investor Relations Australia for Alacer Gold.

On the same day, Mr. Glenn Goodacre resigned his position as a non-executive Director of the Company.



Cash and Working Capital

At the end of the quarter, Convergent held approximately \$2.0 million in cash.

In parallel with the technical work evaluating the Blue Vein Project, Convergent is also progressing the required funding.

During the quarter, Convergent put in place a \$5.0 million Bridge Facility that has enabled the Company to maintain momentum on feasibility work. A larger Project Finance Facility is expected to provide further funding for the development of Blue Vein. As announced on 30 April 2014, the Bridge Facility has been drawn to \$2.5 million.

Table 3: List of Tenements held by Convergent and its subsidiaries

State	Project Name	Tenement Number	Lease Type	Percentage Ownership
Mt Holland Mining Leases & Exploration/Prospecting Licences				
WA	Mt Holland	M 77 1065	Mining	100%
WA	Mt Holland	M 77 1066	Mining	100%
WA	Mt Holland	M 77 1067	Mining	100%
WA	Mt Holland	M 77 1068	Mining	100%
WA	Mt Holland	M 77 1080	Mining	100%
WA	Mt Holland	E 77 1772	Exploration	100%
WA	Mt Holland	E 77 2011	Exploration	100%
WA	Mt Holland	E 77 2080	Exploration	100%
WA	Mt Holland	E 77 2097	Exploration	100%
WA	Mt Holland	P 77 4068	Prospecting	100%
WA	Mt Holland	P 77 4082	Prospecting	100%
WA	Mt Holland	P 77 4115	Prospecting	100%
WA	Mt Holland	P 77 4220	Prospecting	100%
WA	Mt Holland	M 77 477	Mining	80%
WA	Mt Holland	M 77 478	Mining	80%
WA	Mt Holland	M 77 522	Mining	80%
WA	Mt Holland	M 77 523	Mining	80%
WA	Mt Holland	E 77 1361	Exploration	80%
WA	Mt Holland	E 77 1463	Exploration	80%
WA	Mt Holland	E 77 1535	Exploration	80%
WA	Mt Holland	E 77 1536	Exploration	80%
WA	Mt Holland	E 77 1582	Exploration	80%
Mt Holland General Purpose & Miscellaneous Licences				
WA	Mt Holland	G 77 37	General Purpose	100%
WA	Mt Holland	G 77 38	General Purpose	100%
WA	Mt Holland	G 77 45	General Purpose	100%
WA	Mt Holland	G 77 47	General Purpose	100%
WA	Mt Holland	G 77 48	General Purpose	100%
WA	Mt Holland	G 77 49	General Purpose	100%
WA	Mt Holland	G 77 50	General Purpose	100%
WA	Mt Holland	G 77 68	General Purpose	100%
WA	Mt Holland	G 77 70	General Purpose	100%
WA	Mt Holland	G 77 71	General Purpose	100%
WA	Mt Holland	G 77 72	General Purpose	100%
WA	Mt Holland	G 77 73	General Purpose	100%
WA	Mt Holland	G 77 109	General Purpose	100%
WA	Mt Holland	G 77 110	General Purpose	100%
WA	Mt Holland	L 77 59	Miscellaneous	100%
WA	Mt Holland	L 77 85	Miscellaneous	100%
WA	Mt Holland	L 77 96	Miscellaneous	100%
WA	Mt Holland	L 77 107	Miscellaneous	100%
WA	Mt Holland	L 77 176	Miscellaneous	100%
WA	Mt Holland	L 77 193	Miscellaneous	100%
WA	Mt Holland	L 77 194	Miscellaneous	100%
WA	Mt Holland	L 77 198	Miscellaneous	100%
WA	Mt Holland	L 77 199	Miscellaneous	100%
WA	Mt Holland	L 77 200	Miscellaneous	100%
WA	Mt Holland	L 77 205	Miscellaneous	100%
WA	Mt Holland	L 77 206	Miscellaneous	100%
WA	Mt Holland	L 77 207	Miscellaneous	100%
WA	Mt Holland	L 77 208	Miscellaneous	100%
Other Projects				
QLD	Esmeralda	EPM 18050	Exploration	100%
QLD	Mt Macquarie	EPM 19023	Exploration	100%
QLD	Diamantina	EPM16515	Relinquished	0%
QLD	Diamantina	EPM16548	Relinquished	0%

About Convergent Minerals

Convergent Minerals Limited (ASX: CVG) is a Sydney-based, gold-focused resources company listed on the Australian Securities Exchange. The Company's main asset is the Mt Holland Goldfield, located approximately 100km south of the town of Southern Cross in Western Australia.

The Mt Holland Goldfield comprises 12 open cut gold mines where Convergent is aiming to define high grade gold beneath the open cut mines, with a view to mining from in-pit decline underground access.



The Mt Holland Goldfield includes a tenement package of 42 km² centered on the old Bounty Gold Mine, which produced more than 1.3 million ounces of gold over a 12-year period between 1989 and 2001.

The Company is strongly focused on near-term underground mining opportunities at the Blue Vein Gold Mine – part of the Mt Holland Goldfield.

Contact Details:

David Price (Chief Executive Officer)
Hamlet Hacobian (Chief Financial Officer)
Ph: (02) 9956 8750
Fax: (02) 9956 8751
Email: info@convergentminerals.com
Website: www.convergentminerals.com
Suite 702, Level 7
121 Walker Street
North Sydney NSW 2060

Market Snapshot:

Shares on Issue: 350 million
Current share price: ~\$0.018
Market capitalisation: ~\$6.3 million
ASX Code: CVG

Reference is made to the Company's ASX release dated June 24, 2014. Pursuant to ASX Listing Rule 5.19, Convergent confirms that all material assumptions underpinning the Blue Vein Project PFS production targets and forecast financial information continue to apply and have not materially changed.

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. David W. Price, who is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and a Member of the Australian Institute of Company Directors. Mr. Price has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Price, who is an officer of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.