HILL END GOLD LIMITED

ACN 072 692 365

Report for March Quarter 30 April 2015

ASX Code: HEG, HEGOA

CORPORATE

- Discussions with investors continue for a possible farm-in, joint venture or significant investment in the Company with the objective of progressing all projects and, in particular, funding the Hargraves Gold Project through feasibility, approval and construction.
- 50 million ordinary shares were placed with AXF Resources Pty Ltd at 0.5 cent per share to raise $250,000 before costs for the funding of on-going exploration, development, investment and corporate operations.
- A Subscription Agreement with AXF was entered into whereby AXF would invest an additional $4.75 million at 0.5 cents per share (before costs), however the Agreement was terminated as announced on 17 April 2015.

HARGRAVES PROJECT

- Gold mineralisation at surface at the Reef Hill prospect has been mapped and sampled. The Reef Hill – Blue Spec – Tuckers Hill area has some potential to contribute to an at-surface resource near Hargraves.

MT MARGARET PROJECT

- Work has started on a large scale soil sampling program to identify specific drill targets. The program will continue into June quarter.

Hill End Gold Limited is an ASX-listed gold exploration and resource investment company with projects and investments that have advanced development potential as drivers for share price growth.

HEG has a substantial investment in ASX-listed Bassari Resources Limited, which has over one million ounces in resources in Senegal. Bassari has announced the results of a Feasibility Study for the profitable development of a low cost open project, which is currently being permitted.

HEG continues to seek out and acquire project and corporate acquisition opportunities in Australia, and in selected countries throughout the world to increase its asset value apart from its projects in the historically gold-rich region of Hill End in central New South Wales, Australia. Existing gold resources estimated under JORC 2004 by the Company total 581,000 ounces.

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Investment

The Hargraves and Boiga wholly-owned projects are located approximately 30 km south-west of Mudgee in central New South Wales (Figure 1). HEG is in discussions regarding possible farm-in, joint venture or significant investment with interested parties in order to fund Hill End Gold's projects, but particularly the Hargraves Gold Project through feasibility, approval and construction.

A placement of 50 million HEG shares at 0.5 cent per share ($250,000 before costs) was made to AXF Resources Pty Ltd for the funding of on-going exploration, development, investment and corporate operations. A Subscription Agreement with AXF was entered into whereby AXF would invest an additional $4.75 million at 0.5 cents per share (before costs), however the Agreement was terminated as announced on 17 April 2015.

A significant shareholder of HEG, Infiniti Premium Resources Limited, is a fund that was managed by Infiiti Asset Management Pte Ltd of Singapore. The latter has been sold together with the fund's investments and the investments are being redistributed, which has resulted in minor sales of shares.

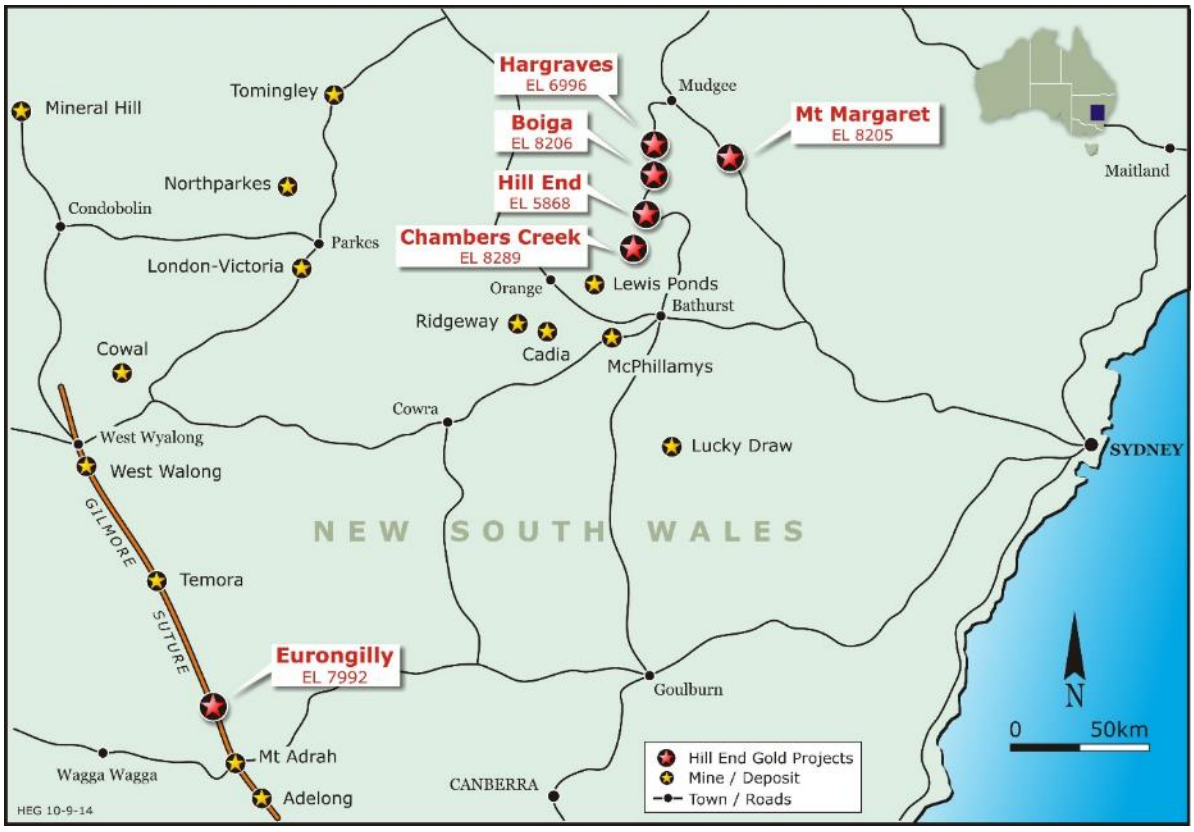

Figure 1. Hill End Gold Project locations

Bassari Resources Limited Investment

At the end of the quarter, HEG's wholly owned subsidiary, HEGL Investments Pty Ltd, held 86.4m shares in Bassari Resources Limited (BSR.ASX). Following the BSR Share Purchase Plan in April, this represents 6.7% of shares issued. BSR owns 70% of extensive tenements in Senegal incorporating the high grade Makabingui Gold Project that is being permitted for development.

The Makabingui Gold Project Feasibility Study envisages an initial high grade open pit development of 1Mt at 5.7g/t gold for 171,000 oz production inventory. The estimated average cash cost is US$680/oz, and after tax cash flow in the first three years is projected to be US$88m at a gold price of $1,200/oz.

The Makabingui Gold Project Mineral Resource, which was prepared and disclosed under JORC Code 2004 by BSR and remains unchanged, is 1 Moz in 11.9 Mt at 2.6 g/t gold (0.5 g/t cut-off).

- Indicated Resource: 336,000 contained oz in 2.6 Mt at 4.0g/t
- Inferred Resource: 669,000 contained oz in 9.3 Mt at 2.2g/t

The Makabingui Gold Project open pit JORC 2012 Probable Ore Reserve is 158,000 oz in 0.86 Mt at 5.7 g/t.

The Project is expected to expand along strike and at depth adjacent to the planned pits, as well as from underground extension and new deposits. The tenements also contain 80km strike of prospective rocks containing partially drilled mineralisation. and additional mine development is anticipated after infill drilling of the 8km long Makabingui South zone, the Konkoutou prospect and other well-mineralised prospects may lead to additional mine development.

Bassari is fast-tracking the Project and is reviewing development funding options.

PROJECTS

Hargraves Project - EL 6996 & EL 8206 (HEG 100%)

The wholly-owned Hargraves Project is located approximately 30 km south-west of Mudgee in central New South Wales (Figure 1, Figure 2).

HEG proposes to develop a staged open pit mine on the BNH Deposit to recover 1.2 Mt with an average grade of 2.5 g/t gold. It is proposed to mine two initial open pits, the Central Pit and the Southern Pit, for a combined production of 300,000 tonnes per year. The Southern Pit will be approximately 70m deep and the Central Pit about 165m deep. There is excellent potential for extensions to the current pit optimisation design.

The Project can be developed at relatively low capital cost, as liberation of native gold from quartz veins requires only coarse grinding and gold can subsequently be recovered by low cost, simple gravity methods.

During the quarter, mapping and sampling of the Reef Hill area was completed. This area is along strike to the north of Blue Spec and east of the Tuckers Hill mineralisation (Figure 2). The mapping was done to identify additional mineralisation that could add to the current Hargraves Project resources. 15 samples of quartz veins exposed at surface were collected and sent to ALS Laboratories in Orange, NSW for gold determination by fire assay (Table 1). One sample from a residual quartz ore stockpile near a shaft returned 1.1 g/t gold. The quartz is a remnant coarse reject from early mining of the area. The result is encouraging, given that the stockpile would have had the high grade quartz picked out by the early miners and the remnants would have been re-sorted a number of times to recover additional gold. Work is on-going to establish the tonnage potential and vein spacing across strike to determine if there is a viable drill target in the Reef Hill area.

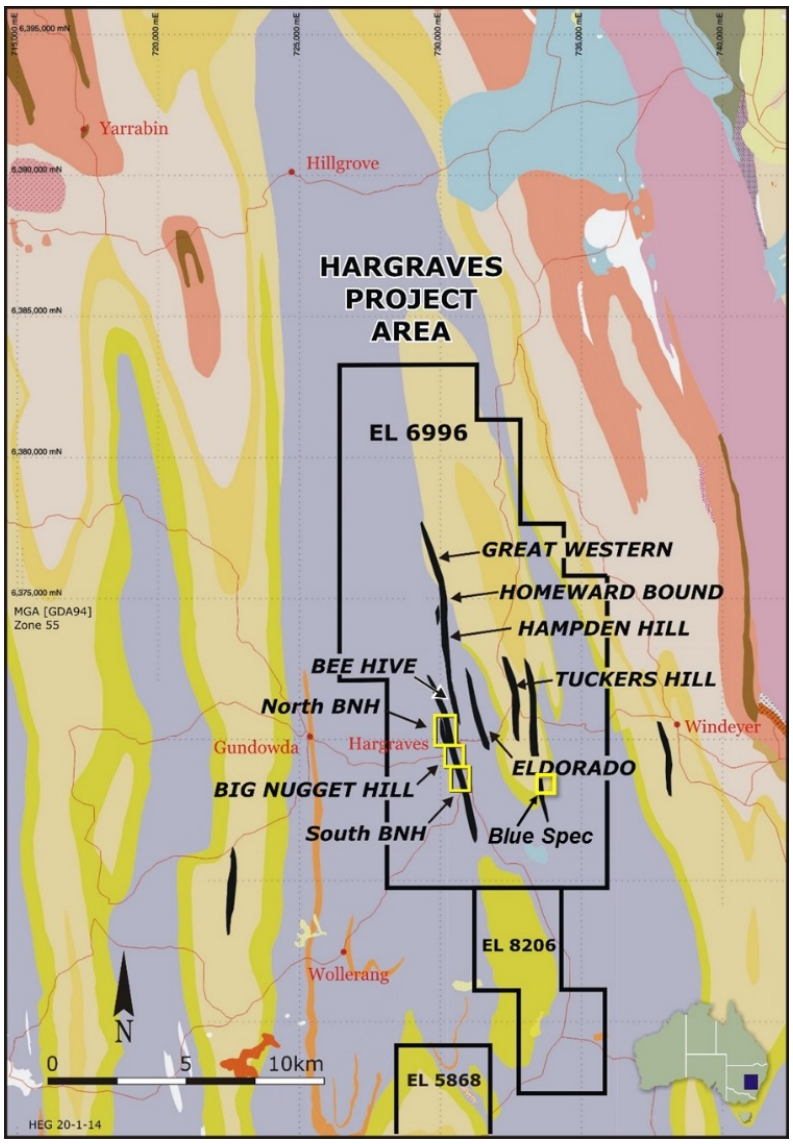

Figure 2. Hargraves tenement location plan showing location of Blue Spec prospect

Figure 3. Quartz ore coarse reject stockpile from early mining at Reef Hill (main shaft out of picture to the left). A sample of the quartz returned 1.1 g/t gold.

Hill End Project - EL 5868 (and Mining Leases) (HEG minimum 85%) & EL 8289 (HEG 100%)

The Hill End Project is located approximately 50 kilometres north of Bathurst in central New South Wales (Figure 1).

Hawkins Hill - Reward

A significant gold resource exists at Hawkins Hill – Reward which requires additional drilling and an engineering scoping study to provide a scaled-up mining scenario that levarages from the bulk mining completed from May 2008 to June 2010. 5,650 m of development and 7,446 m of drilling was completed until May 2010. 35,446 t of ore with a head grade of 11 g/t gold was removed and processed.

The trial mining and processing of the Mica, Paxton's and other veins through a 5tph gravity plant was to confirm that the Hawkins Hill, Patriarch and Reward areas can be economically mined by narrow vein mining and/or bulk mining. The recovery at the plant averaged 90.4% and 11,300 ounces of gold were recovered from the plant.

Underground drilling and development intersected a steeply west dipping reverse fault which, appears to have been active post-mineralisation but may have been active earlier during mineralisation and is closely associated with high gold grades in the veins. This 'indicator' fault has been observed over a strike length of 400 m and in close association with very high grade mineralisation in the Paxton's and Mica Veins. The same fault is interpreted to be associated with very high grade thick, mineralisation previously mined in the Frenchman's and in an adjacent similar structure, the old Hawkins Hill bonanza grade mineralisation.

Drill holes that have previously been reported that indicate a 3 to 8m thick mineralised target grading 4 to 8 g/t gold on the Frenchmans Vein which was not targeted by the trial mining or intensive drilling. The Frenchmans Vein has previously been partially intersected in underground drill holes and workings. In addition, there is further potential on other upper level veins such as the Stevens, Calcite and Paxton's Veins.

Mt Margaret Project – EL 8205 (HEG 100%)

Exploration Licence 8205 (Mt Margaret) covers 26 km^2 at the eastern edge of the Hill End Trough, approximately 17 km south-east of Mudgee (Figure 1) where Silurian age volcanic rocks overlie Ordovician volcanic rocks of the Sofala – Gulgong volcanic belt. The geological setting of the Apple Tree Flat (ATF) prospect and the Mt Margaret prospect is similar to that east of Orange (NSW) where a number of gold deposits are associated with volcanogenic massive sulphide (VMS) Cu-Pb-Zn (Au-Ag) mineralisation.

High grade gold and some copper in quartz vein arrays at ATF and Mt Margaret have been reported. A radiometric anomaly within Silurian age volcanic rocks occurs between the two prospects (Figure 4). A soil survey has started on east-west lines, spaced 80m apart, with samples taken at 20m intervals along the lines as shown in Figure 4. The results of the survey will be used to assist in planning a drill program to test the mineralisation at shallow levels.

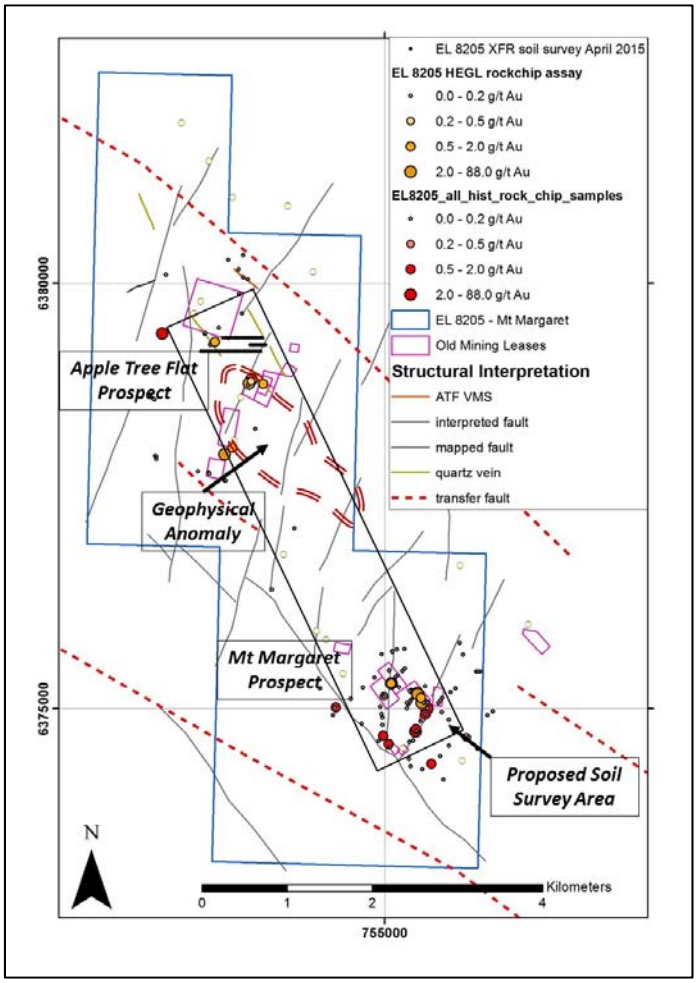

Figure 4. Rock chip sampling results for EL 8205 with location of geophysical anomaly (U- K radiometric).

Eurongilly Project – EL 7992 (HEG 100%)

Exploration Licence 7992 covers 62 km^2 and is located approximately 16 km east of Junee in southern New South Wales. The area is located near a major north-west striking fault (Gilmore Fault) that is associated with a number of significant gold deposits in a belt extending from Adelong to West Wyalong.

Drilling by previous explorers at the Kurrajong Prospect has established the presence of gold and copper mineralisation over an area of approximately 250 x 400 m which is open to the east.

No work was done on EL 7992 during the quarter. A gravity geophysical survey has been planned to identify the location of intrusions that may be driving the Kurrajong mineralisation and to provide drill targets.

Current Tenement Schedule

There were no changes in tenements held during the quarter. Table 2 contains details of tenements currently held by HEG.

Table 2. Details of All Tenements Currently Held by Hill End Gold Limited

Lease	Project	Lease Status	Application Date	Grant Date	Expiry Date	Current Area
EL 5868	HILL END	Granted	12/11/1999	18/06/2001	17/06/2015	32 Units
EL 6996	HARGRAVES	Granted	23/08/2007	21/12/2007	21/12/2015	48 Units
EL 8289	CHAMBERS CREEK	Granted	24/3/2013	20/8/2014	20/8/2017	3 Units
EL 7992	KURRAJONG	Granted	18/6/2012	23/10/2012	23/10/2015	22 Units
EL 8205	MT MARGARET	Granted	18/7/2013	26/11/2013	26/11/2016	9 Units
EL 8206	BOIGA	Granted	19/7/2013	26/11/2013	26/11/2016	8 Units
GL 5846	HILL END	Granted		15/02/1968	7/12/2019	2.044 Ha
ML 1116	HILL END	Granted		28/03/1984	16/10/2024	15.71 Ha
ML 1541	HILL END	Granted	26/11/1999	17/10/2003	16/10/2024	279.2 Ha
ML 315	HILL END	Granted		8/12/1976	7/12/2019	6.671 Ha
ML 316	HILL END	Granted		8/12/1976	7/12/2019	8.846 Ha
ML 317	HILL END	Granted		8/12/1976	7/12/2019	7 Ha
ML 49	HILL END	Granted		30/07/1975	7/12/2019	1.618 Ha
ML 50	HILL END	Granted		30/07/1975	7/12/2019	3.02 Ha
ML 913	HILL END	Granted		20/01/1981	19/01/2023	22 Ha
ML 914	HILL END	Granted		20/01/1981	19/01/2023	21.69 Ha
ML 915	HILL END	Granted		4/02/1981	3/02/2023	13.27 Ha

EL – Exploration Licence
ELA – Exploration Licence Application
ML / GL – Mining Lease

Philip Bruce
Managing Director

Competent Persons' Statement

The information in this report that relates to Reward and Red Hill Mineral Resources is based on information reviewed by Mr Philip Bruce, for Hargraves Mineral Resources and for Exploration results is based on information reviewed by Dr Stuart Munroe and Philip Bruce. Dr Munroe is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both are full-time employees of HEG. Dr Munroe and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Dr Munroe and Mr Bruce consent to the inclusion of the matters based on their information in the form and context in which it appears.

The Mineral Resource information referred to in this document was prepared and first disclosed under the JORC Code 2004.

Hill End Gold Limited
Reef Hill (EL 6996)

JORC Code (2012) - Table 1
Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg 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).* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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 (eg '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.*	• Chip samples from surface exposed rocks either in-situ (rock chip) or suspected to have been displaced (float) or discarded from an adjacent pit or shaft (cutting). • The sample is collected to include a representative sample of the material present to ensure the sample is typical of the material that presents at surface. • Gold mineralisation in EL 6996 is contained in quartz veins. • A 2-4 kg sample is collected in a calico bag and transported to the ALS Laboratory in Orange (NSW) by road. At the laboratory, the sample is dried, weighed and crushed to approximately 2mm before being pulverized to 80% passing 75 um. • A 50g sub sample is split from the pulverized sample for fire assay with AAS finish at ALS Laboratory in Orange. Coarse gold may present in the samples, so the entire sample is pulverized before splitting off the sub-sample for fire assay.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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.).*	• Not relevant – no drill samples reported.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Not relevant – no drill samples reported.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean,*	• A qualitative description of the sample is taken in the field and entered into a data base in the office before the sample is submitted to the laboratory.

	channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample collected is not sub-sampled. • The samples are taken so as to fairly represent the rock as it presents at surface. Usually this involved breaking rock chips with a hammer from multiple outcrops, float samples or discarded rock fragments. • Field duplicates have not been taken. • A 2-4kg sample size is appropriate for the quartz vein material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples have been analysed by 50g fire assay (ALS Laboratories in Orange). The assay is a partial analysis of a homogenized sample. The entire sample is pulverized and a sub-sample split off to ensure the partial analysis is a representative as possible. This technique is appropriate for these samples. • A sample of standard reference material and a blank sample (no gold) was inserted into the batches sent to the laboratory. The reference sample and blank sample assay results are checked against expected value ranges before the analysis is declared final. If the blank sample or standard samples return values outside the acceptable range the batch is repeat analysed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No repeat sampling or repeat analysis has been done. • Twinned hole not relevant - Sample are not from drill holes • Field data collected is transferred from notebook to excel spreadsheets, including sample number, location and description. Assays are received via e-mail and backed up onto hard drive. Assay data is copied to the location and description table using the sample number as the unique identifier. • There is no adjustment of the assay data.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample location is determined by hand held GPS which is commonly accurate to /- 5m in easting and northing and 10m in elevation and is subject to satellite availability. • Samples are recorded in East, North and height mASL according to MGA, zone 55. • Topographic control is provided by 1:25,000 scale and 1:50,000 scale plans provided by

		the NSW Department of Lands and by detailed LiDAR images and topography generated from the LiDAR.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Not relevant – there is no standard data spacing used. • Not relevant – samples not taken for *Mineral Resource and Ore Reserve estimation.* • *No sample interval compositing has been applied.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Rock chip sampling does not have an orientation. • Not relevant – sampling is not a result of drilling.
Sample security	• *The measures taken to ensure sample security.*	• Samples stored in calico bags are transported back to the field office in light vehicle and stored securely in the office compound. Samples are then transferred into polyweave bags which are tied using cable ties. Samples are transported to the laboratory in Orange via Hill End Gold Limited owned and operated vehicle. When samples are received they are counted and checked against dispatch order. If bags are damaged a note is received from the laboratory with the sample count.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There has been no external audit or review of sampling techniques and data.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• EL 6996 (Hargraves) – HEG 100%, • There are no third party agreements, joint ventures, partnerships, overriding royalties, native title interests, historic sites, wilderness or national park and environmental settings. • Exploration Licences are held with the NSW Department of Trade & Investment, Resources & Energy. There are no known impediments to obtaining a licence to operate.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Various amounts of exploration have been done by other parties. All previous exploration has been reviewed and taken into account in designing and undertaking exploration.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL 6996 is in the Hill End Trough. Gold mineralisation is associated with quartz veins in the hinge of anticlines, in faults near the hinge of anticlines and in bedding parallel veins.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not relevant. Data does not relate to drill hole information
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Data has not been aggregated and no metal equivalent values have been used.

Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not relevant. Intercept widths are not used.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Samples reported are not intercept samples. No drill resulted reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Numbers of samples, low and high grade results have been reported. Where widths are not reported, they are not known from surface information gained at this time.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other exploration information is relevant at this time
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will involve further mapping and sampling to determine the potential for a significant resource and drill testing sites. • Extensions to mineralisation not known at this stage.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced - 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HILL END GOLD LIMITED

ABN	Quarter ended ("current quarter")
74 072 692 365	**March 2015**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9..months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	253	268
1.2	Payments for		
	(a) exploration & evaluation	(164)	(334)
	(b) development and mine suspension	(13)	(59)
	(c) production		
	(d) administration	(564)	(762)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	-	3
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid		
1.7	Other (provide details if material)	-	299
	Net Operating Cash Flows	(489)	(588)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	3
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments	425	425
	(c) other fixed assets	-	-
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		10
	Net investing cash flows	425	438
1.13	Total operating and investing cash flows (carried forward)	(64)	(150)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(64)	(150)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	220	220
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	50
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	220	270
	Net increase (decrease) in cash held	156	120
1.20	Cash at beginning of quarter/year to date	18	54
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**174**	**174**

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	60
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors 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

N/A

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

N/A

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	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	200
	Total	**300**

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	174	18
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	174	18

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	-	-	-	-

+ See chapter 19 for defined terms.

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**	1,114,704,835 OFP	1,114,704,835 OFP		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	50,000,000	50,000,000	$0.005	$0.005
7.5	**+Convertible debt securities** (*description)*	20,000,000 at $0.005	-	Conversion price $0.005	Conversion price $0.005
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	**Options** *(description and conversion factor)*	35,000,000	Director	Exercise price 5 cents	Expiry date 29 Nov 2017
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)*	-	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: ..April 2015...
(Director/Company secretary)

Print name: Kevin Lynn.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.