



Activities and Cash Flow Report September Quarter 2015

Highlights

Marg Project, Yukon Canada

- An updated mineral resource estimate was completed for the Marg Project resulting in the grade of the Marg mineral resource increasing by 10%.
- The new 2015 total mineral resource for the Marg, at a 0.5% Cu cut-off is
 - 9.8Mt at 1.3% Cu, 3.5% Zn, 1.8% Pb, 0.75g/t Au and 46g/t Ag
- The upgraded mineral resource was completed using a refined geological interpretation of the Marg deposit, which identified a high-grade core to the deposit. This high-grade core is likely to significantly enhance the overall economics of the project.
- MinQuest is currently utilising the new mineral resource to complete a Scoping Study, the results of which will be announced within the next 4-6 weeks.
- Provided the Scoping Study is positive MinQuest will look to undertake a Pre-Feasibility Study on the Marg Project in 2016.

Fyre Lake Project, Yukon Canada

- MinQuest has been a stakeholder in the Companies Creditor Arrangement Act ('CCAA') process for Yukon Zinc Corporation ('Yukon Zinc'), through its bid for the Wolverine Zinc mine, adjacent to the Fyre Lake project.
- MinQuest's bid for Wolverine was treated under Canadian law as a back up plan which would have come into effect in the event that Yukon Zinc was not able to pay its creditors under its approved Creditor Restructuring Plan.
- On 5 October 2015 Yukon Zinc paid their creditors and consequently, MinQuest's bid for the Wolverine Zinc mine lapsed.
- PwC, the Monitor of the Yukon Zinc CCAA process, has highlighted that Yukon Zinc are C\$2M under funded and that Yukon Zinc may emerge from the CCAA process and soon thereafter may be unable to fund its ongoing operations.
- MinQuest's opinion is that for a viable long term operation to be sustained at Wolverine, an integrated project combining the copper mineral resource on the Fyre Lake project and the remaining zinc mineral resources at Wolverine is required. MinQuest continues to explore several options to bring about this combined project.

Coober Pedy Project, South Australia

- A drilling program was completed during during May and June, with two holes drilled for 1065m, testing the Cyclops Iron Oxide Copper Gold target.
- MinQuest will complete age dating of the rocks intersected at Cyclops to determine if the rocks are the same age as those hosting the Prominent Hill Copper-Gold mine. The age dating could take 6 months to complete. Further drilling could be undertaken if the rocks at Cyclops are confirmed as the same age as the host rocks at Prominent Hill.

Corporate

- A fund raising of up to AUD\$2.29M was announced in August through a US\$1 million Convertible Loan Facility and A\$935,000 via an issue of ordinary shares
- A \$500,000 placement was completed in July.

26 October 2015

DIRECTORS

David Deloub
Chairman

Jeremy Read
Managing Director

Paul Niardone
Non-Executive Director

Adam Davey
Non-Executive Director

Stephen Kelly
Company Secretary

SHARE INFORMATION

ASX Code: MNQ
Issued Capital:
203,064,511 Fully Paid
Shares
72,816,669 Listed Options
15,619,853 Unlisted
Options

CONTACT INFORMATION

Registered Office:
Suite 1, 47 Park Road
Milton, QLD 4064
T: +61 7 3511 6570
F: +61 7 3369 3305
www.minquest.com.au

MinQuest Limited
ACN: 146 035 127

MARG PROJECT, Yukon Territory (MinQuest earning up to 75%)

MinQuest announced on 17 March, 2015 that it had entered into a farm-in joint venture agreement to earn up to a 75% interest in the Marg VMS Project in the Yukon Territory. The property consists of 402 quartz mining claims covering over 8,400 hectares in the central part of the Yukon Territory.



Project Geology

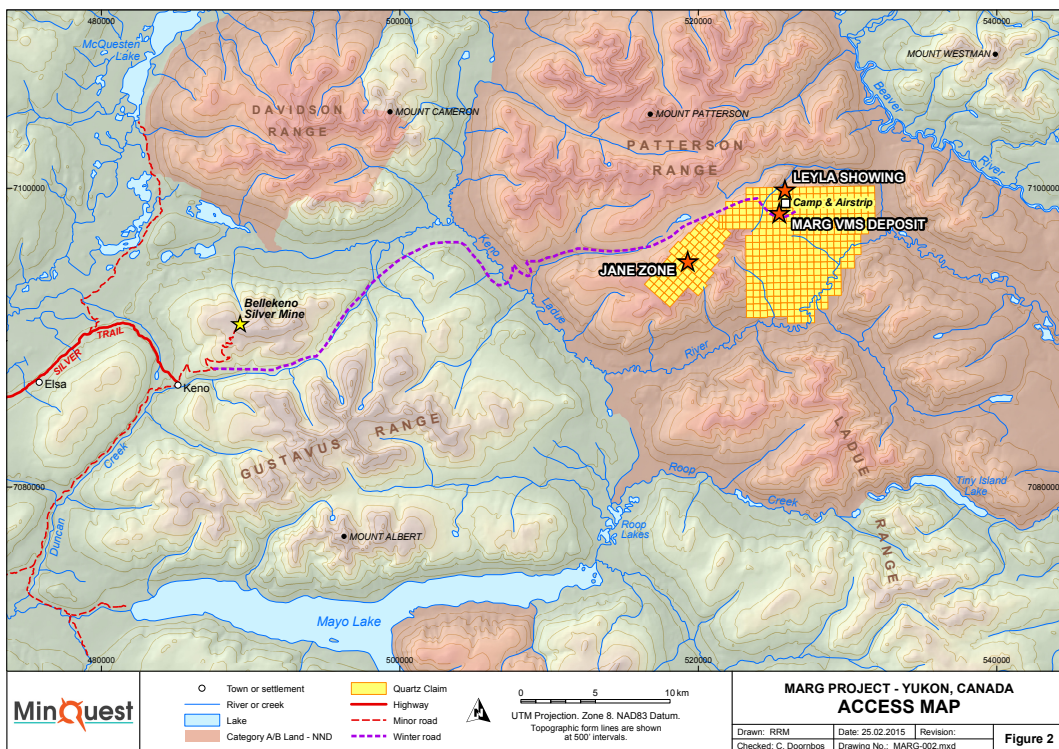
The Marg Project contains the main Marg deposit, which is a VMS deposit made up of three continuous units that contain the majority of the total defined Mineral Resource. The deposit is open along strike and at depth. The main economic mineral species are chalcopyrite, sphalerite and galena associated with pyrite occurring as massive to semi-massive lenses up to 20m thick (averaging 3m to 4m).



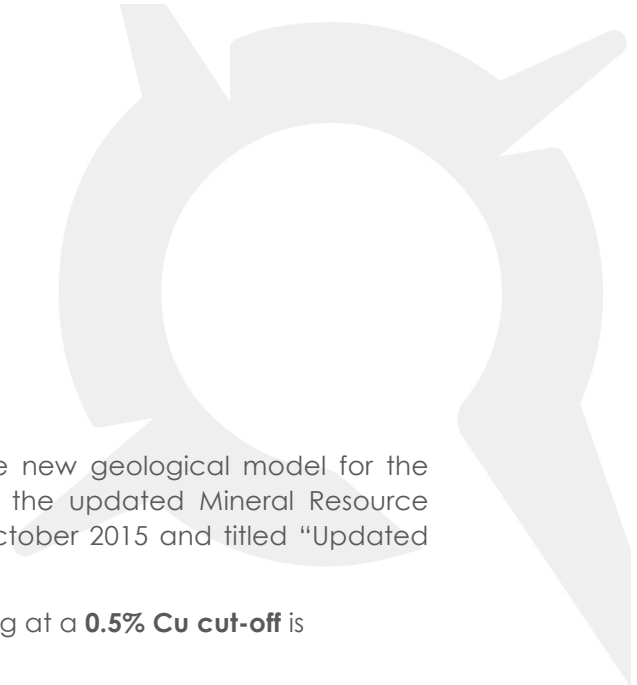
A simple evaluation of the deposit in terms of the mining potential shows that the higher-grade mineralisation is associated with the thicker zones of mineralisation and tend to cluster in the central area of the deposit, plunging to the east. To further understand the relationship between the higher grade and thicker mineralisation MinQuest completed an re-interpretation of the geology of the Marg deposit and produced a three dimensional model of the deposit geology. The new geological model was used to constrain a revision of the Mineral Resource for the Marg deposit (see below).

Exploration History and Mineral Resources

The Marg deposit has been explored by nine diamond drill exploration programs from 1988 to 2008. At total of 33,876 metres of diamond drilling in 117 holes has been completed on the Project. This drilling has defined mineralisation over 1400 metres strike distance, a down-dip distance of 700 metres and across a stratigraphic thickness of approximately 100 metres.



IMC Mining Pty Ltd (IMC) was engaged by MinQuest Limited (MinQuest) to undertake an independent Mineral Resource estimate of the Marg VMS Cu-Au-Zn deposit under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore



Reserves (2012 JORC Code) guidelines, utilising the new geological model for the Marg deposit. Detailed information in relation to the updated Mineral Resource estimate is provided in the ASX release dated 6 October 2015 and titled "Updated Mineral Resource for the Marg Project".

The new 2015 total Resource estimate for the for Marg at a **0.5% Cu cut-off** is

Indicated

3.7 Mt @ 1.5% Cu, 2.0% Pb, 3.8% Zn, 48 g/t Ag, 0.76 g/t Au, 3.8% CuEq

Inferred

6.1 Mt @ 1.2% Cu, 1.7% Pb, 3.4% Zn, 44 g/t Ag, 0.74 g/t Au, 3.3% CuEq

Total

9.8 Mt @ 1.3% Cu, 1.8% Pb, 3.5% Zn, 46 g/t Ag, 0.75 g/t Au, 3.5% CuEq

There has been no additional drilling at the Marg deposit since the last resource estimate published within the NI43-101 report in 2013.

This update is based on MinQuest's improved geological interpretation which now includes the known structural understanding of the deposit and a more selective lens interpretation more suited for underground mining assessments.

A copper equivalent formulae was developed and is based on the relative price, recovery, concentrate grade and smelter payable factors as follows:

$$\text{CuEq} = \text{Cu} + 0.28 \text{ Pb} + 0.32 \text{ Zn} + 0.39 \text{ Au} + 0.0055 \text{ Ag}$$

This is based on

- Cu price of 2.5 US\$/lb and recovery of 80% (96.5% payable)
- Pb price of 0.8 US\$/lb and recovery of 70% (95% payable)
- Zn price of 0.8 US\$/lb and recovery of 90% (85% payable)
- Au price of 1100 US\$/oz and recovery of 50% (90% payable)
- Ag price of 16 US\$/oz and recovery of 50% (90% payable)

The Mineral Resource is presented at a 0.5% Cu cut-off. This is consistent with the previous reported resource in 2013 and it approximates the marginal cost of processing sulphide ores. This could effectively be reduced if the other potentially economic elements are considered but presents a reasonable basis for material likely to be considered for processing.

Given the discrete lens type mineralisation style of VMS deposits the geological interpretation has a considerable bearing on the effective cut-off grade. That is there are no broad halo or disseminated low-grade zones, instead the low-grade zones comprise smaller lenses within waste or largely barren material. At Marg the

reinterpretation of the deposits at a high-grade 2.0% CuEq cut-off has concentrated the majority of the significant intercepts to within the high-grade zones. As a result within the high-grade zone virtually all blocks are estimated above the 0.5% Cu cut-off used for reporting and the effective cut-off grade is that used for the interpretation, 2.0% CuEq.

The area of consistent coverage of drilling in the eastern upper and lower outer limb zones, that demonstrate continuity in the mineralization extent, was considered for Indicated Mineral Resource classification.

The resource classification process has the effect of defining:

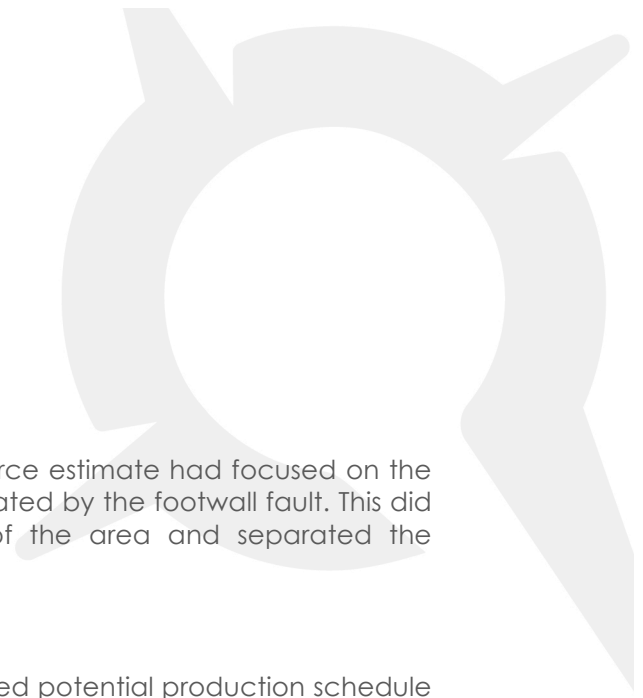
- Indicated Resources by areas with demonstrated continuity in the eastern outer limb zones where the drilling is roughly 80 m by 40 m or better in spacing within the plane of the mineralisation.
- Inferred Resources including:
 - High-grade domains with limited extent
 - High-grade areas with broader drilling
 - All low-grade lenses interpreted

A full geological review of the available data for the Marg Project was completed in order to develop the new mineral resource. This included the geologic surface mapping from 2000 and 2005 and the drilling data (lithological, assay, etc.) that was completed between 1988 and 2008. There is no down hole structural data captured on the project. The structural data and interpretation completed during the surface mapping campaign added significantly to the updated geological interpretation.

A total of 21 north-south oriented cross sections were used for the geological modeling. Cross-section orientations were selected based on drill hole orientation, which are generally perpendicular to the strike of mineralization. The sections vary between 50 to 150 m.

The geological logs for each drill hole in the sections were examined to clarify the geological interpretation and to identify missing or erroneous lithology codes, which could affect the interpretation.

The geological model was utilized as a guide to the mineralization model, which was completed using a nominal section spacing of 50 m, though in places 25 m and 10 m sections were used where complex geometry required more detail. Two mineralisation models were completed, one of which encompasses the high-grade mineralised core whilst the other comprises a low-grade envelope surrounding the high-grade core. Both grade and width criteria were used in assigning material into either the high- or low-grade wireframes. For the high-grade mineralisation a minimum CuEq percentage of 2.0% and a minimum width of 2 m downhole were utilized. The criteria for the low-grade wireframe consisted of a minimum 0.5% CuEq over a minimum width of 1 m downhole. Using the above criteria, a total of seventeen high-grade and 9 low-grade discrete wireframes were created.



The previous 2013 interpretation and NI43-101 resource estimate had focused on the stacked echelon nature of the mineralization, truncated by the footwall fault. This did not adequately consider the pervasive folding of the area and separated the mineralization in broad zones.

Scoping Study and New Mineral Resource

Utilising the revised Mineral Resource, a new optimised potential production schedule will be developed for the Marg deposit. This schedule and the revised Mineral Resource will be the key inputs into a desk-top Scoping Study to be completed within the next 4-6 weeks. Subject to the successful completion of the Scoping Study MinQuest anticipates undertaking a Pre-Feasibility Study on the Marg Project in 2016.

Provided that the Pre-Feasibility Study commences in 2016, an exploration drilling program will be undertaken from mid 2016 with the objective of increasing the Marg Mineral Resource by extending the known mineralisation along strike and at depth.

FYRE LAKE PROJECT, Yukon Territory (MinQuest earning up to 80%)

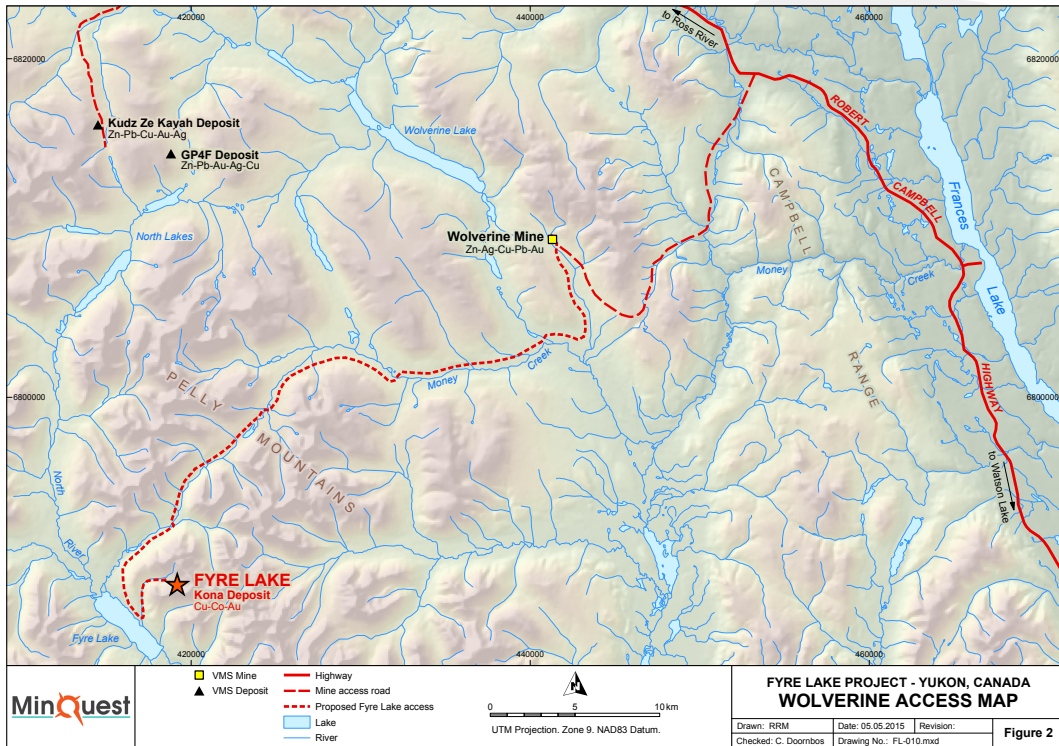
The Fyre Lake project is located in the Finlayson Lake District, south east Yukon Territory, Canada. The project contains the Kona Mineral Resource, a Volcanogenic Massive Sulphide deposit and over nine kilometres of favourable host rocks with geochemical and geophysical targets indicative of VMS mineralization.

WOLVERINE MINE (YUKON ZINC CORP., YUKON TERRITORY, CANADA)

The Finlayson Lake District also hosts the Wolverine VMS deposit, currently owned by the Yukon Zinc Corporation. Wolverine is 28km to the north-east of Fyre Lake and commenced production in 2013 with a Canadian NI 43-101 compliant proven and probable remaining reserves of 5.2Mt @ 9.66% Zn, 0.91% Cu, 1.26% Pb, 281.8 g/t Ag and 1.36 g/t Au. Wolverine was discovered in 1995, slightly preceding the commencement of the drilling which initially defined the Kona deposit on the Fyre Lake project.

MinQuest has examined the possibility of utilising the existing processing and tailings management facilities at Wolverine to fast-track development of the Kona Mineral Resource on the Fyre Lake Copper Project.

Using the existing infrastructure at Wolverine could reduce pre-production capital expenditure for Fyre Lake by as much as CAD\$150-200M.



Yukon Zinc Corporation acquired the Wolverine Zinc Project in 2008 and following acquisition of the project, invested in excess of CAD\$600M to acquire, develop, put into production and fund the ongoing operation of the zinc mine. Construction of the mine and processing facilities occurred throughout 2009 and 2010 with the mill commissioning commencing in late 2010. Commercial production commenced in March 2012 and full design capacity of the mine and processing mill (750,000tpa) was achieved in the first quarter of 2013. The mine was placed on Care and Maintenance in January 2015. On 13 March, the Supreme Court of British Columbia granted Yukon Zinc protection from its creditors pursuant to the Companies Creditors Arrangements Act. PricewaterhouseCoopers Inc. (PwC) has been appointed as Monitor of Yukon Zinc.

On 17 April, 2015 the Supreme Court of British Columbia, authorised PwC to proceed with a process for the solicitation of offers to invest in Yukon Zinc or to purchase Yukon Zinc's assets. As a result of the solicitation process MinQuest made a conditional offer to purchase the Wolverine zinc mine including the remaining Mineral Resources, processing mill, tailings management facility, workshops, mine office buildings, generator power plant, mine and operating leases and surrounding exploration claims.

On 5 October 2015 PwC advised that Yukon Zinc had paid their creditors and the Yukon Government in accordance with the creditor plan of compromise and arrangement ('the

Plan') that was sanctioned by the Supreme Court of British Columbia on 23 September 2015.

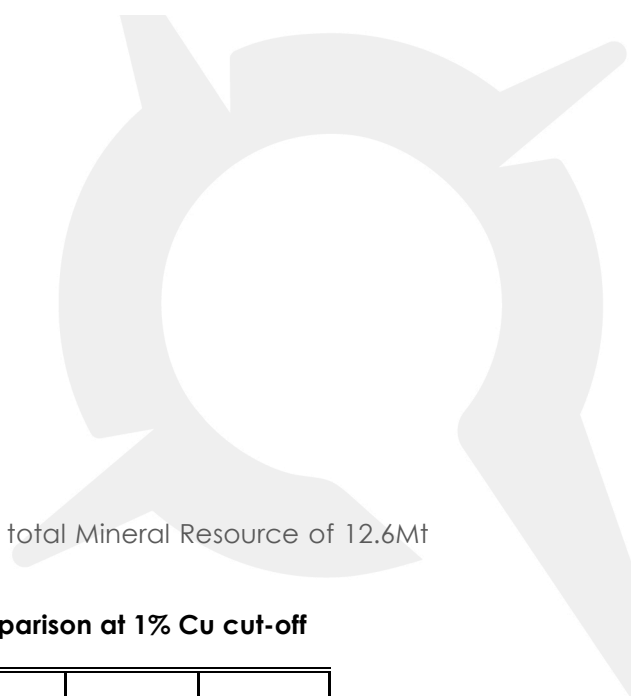
On 8 October 2015 (Pacific Standard Time) PwC published its 11th report in relation to the Yukon Zinc CCAA process. That report identified certain information that PwC considered relevant to be notified to the Court and other stakeholders in the CCAA process regarding the implementation of the Plan by Yukon Zinc. The key issues detailed by the Monitor in this report are as follows:

- Yukon Zinc was to receive C\$15M in funding from its parent company JDC Canada to fund its obligations under the Plan and to provide the required working capital to place the Wolverine Zinc mine on Care and Maintenance until December 2016. To date Yukon Zinc has only received C\$13M from JDC Canada.
- Due to the C\$2M funding shortfall, PwC estimates that Yukon Zinc now only has sufficient funds to keep the Wolverine Zinc mine on Care and Maintenance until early 2016.
- At the court hearing on 23 September Transamine Trading S.A ('Transamine'), a large unsecured creditor of Yukon Zinc, advised the Court that its claim had not been settled. Transamine has now advised the Monitor that its claim has increased by approximately C\$2M to C\$3.8M. PwC notes that Transamine voted against the Plan, and consequently the Plan would not meet the test of 67% of creditors by value voting in favour of the Plan if, with all other creditor claims remaining unchanged, the higher Transamine Claim was substantiated and voted against the Plan.
- The Monitor is concerned that Yukon Zinc will emerge from the CCAA process but shortly thereafter may be unable to fund its ongoing operations.

In addition to the issues detailed above it is a matter of public record that the Government of the Yukon Territory is currently reviewing the amount of the environmental reclamation bond attached to the Wolverine Mine.

MinQuest's bid for the Wolverine Zinc mine has lapsed, however MinQuest will continue to monitor the Yukon Zinc CCAA process and any further reports, if any, that are issued by the Monitor.

MinQuest believes that for viable, long term mining operations to be sustained using the existing infrastructure at Wolverine, an integrated project combining the remaining mineral resources at Wolverine and the Kona mineral resource on the adjacent Fyre Lake project is required. MinQuest continues to explore several options to obtain access to the infrastructure at Wolverine.



Kona Mineral Resource

The Kona Mineral Resource is currently defined as a total Mineral Resource of 12.6Mt @ 1.56% Cu, 0.09% Co, 0.30% Zn and 0.63g/t Au

Table 1: Kona 2014 Resource estimate comparison at 1% Cu cut-off

Estimate Year	Classification	Mt	Cu %	Co %	Au g/t
2014	Indicated	3.53	1.55	0.10	0.63
	Inferred	9.05	1.56	0.09	0.63
	Total	12.57	1.56	0.09	0.63

* Refer to MinQuest announcement to the ASX dated 23 January, 2015

Exploration Objectives

Subject to progress with the Wolverine offer, MinQuest is aiming to undertake an exploration campaign at the Fyre Lake Project to increase the Mineral Resources to more than 16-17 Mt at copper and gold grades similar to the currently defined Kona Mineral Resource (1.52% Cu and 0.56g/t Au).

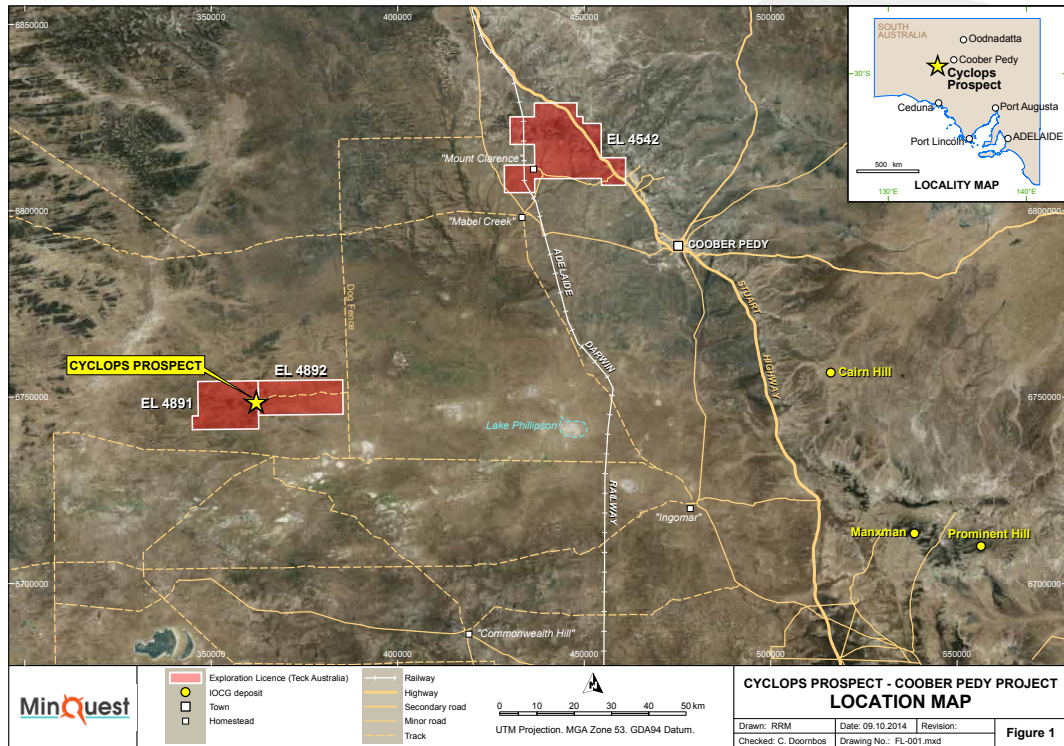
Three highly prospective targets have been identified through re-interpretation of the geology of the Kona Mineral Resource and from interpretation of magnetic and electromagnetic data from a VTEM survey flown over the Fyre Lake Project in October 2014 (see ASX Announcement of 16 October, 2014).

The exploration program has been delayed until mid 2016, due to the onset of winter and the uncertainty surrounding the Wolverine CCAA process.

COOPER PEDY PROJECT, South Australia (MinQuest earning to 100%)

The Coober Pedy Project is currently 100% owned by Teck Australia Pty Ltd (Teck) and comprises three exploration licenses in the Gawler Craton, South Australia. Under the terms of a joint venture agreement with Teck, MinQuest has the ability to earn up to a 100% interest in the Coober Pedy Project.

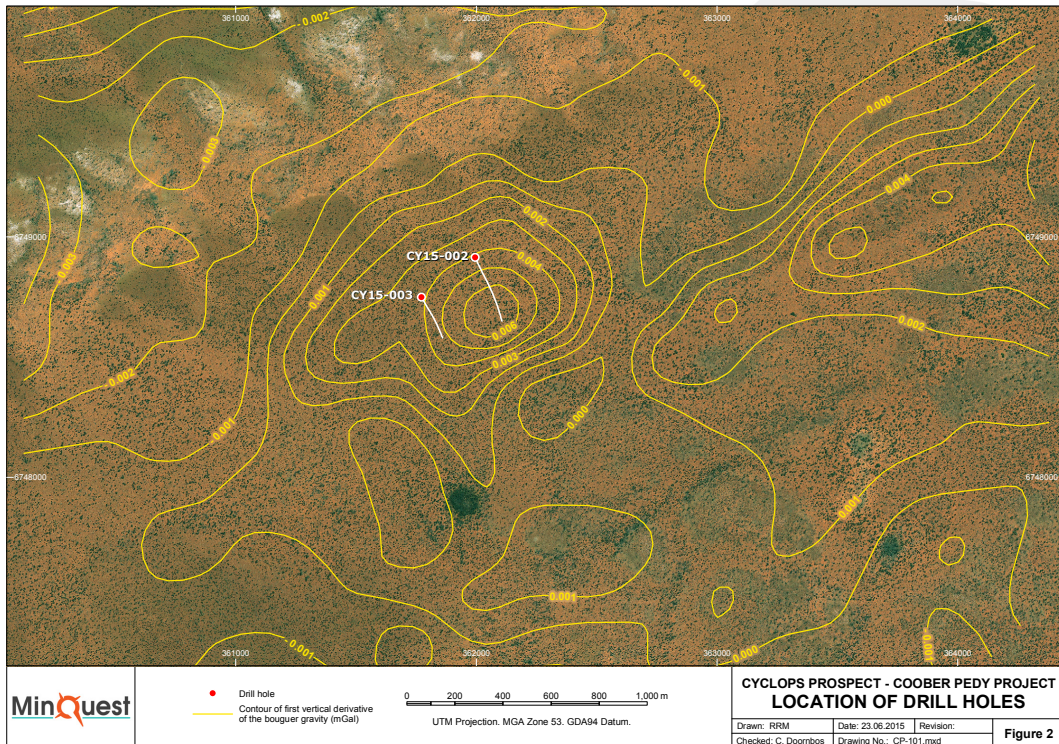
An exploration drilling program was completed at the Cyclops Target in May and June 2015.



Two drill holes were completed to test gravity and magnetic anomalies, with hole CY15-002 completed to a down hole depth of 600.60m and hole CY15-003 completed to a down hole depth of 464.10m.

Both drill holes intersected a sequence of metasediments with banded magnetite, specular haematite and haematite and potassic alteration from the basement contact. Both drill holes were completed in a felsic intrusive schist with pervasive potassic and haematitic alteration.

Trace to minor amounts of chalcopyrite were observed in both drill holes. Trace amounts of galena and sphalerite were also observed in CY15-002. The assay results confirmed the visual identification of trace amounts of copper, with a maximum of 337ppm Cu recorded.



The magnetite intersected in both drill holes is interpreted to be the causative source of the gravity and magnetic anomalies.

MinQuest will complete age dating of the felsic intrusive unit intersected in both drill holes at Cyclops. The objective of the age dating will be to determine if the rocks intersected at Cyclops are the same, or similar age, to the rocks hosting the copper-gold mineralisation at the Prominent Hill mine. If the age of the Cyclops rocks is similar to the host rocks at Prominent Hill, then further drilling could be warranted at the Cyclops Prospect. However, if the Cyclops rocks are significantly older than the host rocks at Prominent Hill it will be difficult to justify further drilling at Cyclops.

The age dating of rocks from the Cyclops prospect could take up to six months to complete.

CORPORATE

On 24 July the Company received funds of \$450,000 via a placement of new fully paid ordinary shares to prominent junior resource industry investor Mr. Robert Healy. In conjunction with the placement to Mr. Healy an additional placement of \$50,000 of new fully paid ordinary shares was completed.



MinQuest Limited (ASX: MNQ) completed a capital raising of up to approximately \$2.29 million to provide funds to progress the Company's non-binding, conditional offer to acquire the Wolverine zinc mine in the Yukon Territory, Canada, and for other corporate purposes. The funds were raised through a combination of a share placement and an issue of convertible notes.

The convertible notes are being issued to New York investment firm, Magna Equities II LLC (Magna). The facility is unsecured, bears no interest costs, can be repaid at any time by the Company with a 15% premium and can be converted into MNQ shares by Magna at any time during the term at the lower of (a) a 15% discount to the lowest VWAP of the Company's shares in the 5 trading days prior to the date of the conversion notice or (b) \$0.05 per share.

MinQuest received US\$160,000 on the date of closing and a further US\$340,000 will be made available following shareholder approval of the Magna facility, expected to be obtained at a shareholders meeting on 7 October, 2015.

In addition to the Magna facility a further A\$935,000 was raised through the placement of 37.4 million shares at an issue price of A\$0.025 per share.

Yours faithfully,

A handwritten signature in blue ink that reads "J Read".

Jeremy Read
Managing Director



Competent Person Statement - Mineral Resource

This Mineral Resource estimates for Kona and the Marg are based upon and accurately reflects data compiled or supervised by Mr John Horton, Principal Geologist, who is a Fellow of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and contracted to IMC Mining Pty Ltd. Mr Horton has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Horton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration results is based upon information reviewed by Mr Jeremy Read BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Read is a full time employee of MinQuest Limited and 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 Read consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Read is the Managing Director of MinQuest and currently owns 2,525,253 Fully Paid Ordinary Shares and has the entitlement to a further 2,525,253 deferred consideration shares subject to relevant milestone events being achieved.

The information in this ASX Announcement relating to the 2006 Mineral Resource estimate for the Kona Deposit is extracted from the ASX Release entitled "Merah Resources to Acquire Copper Project in the Yukon, Canada" announced on 18 July 2014 and is available to view on the ASX website (ASX:MNQ), and the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements

This announcement contains "forward-looking statements". Such forward-looking statements include, without limitation: estimates of future earnings, the sensitivity of earnings to commodity prices and foreign exchange rate movements; estimates of future production and sales; estimates of future cash flows, the sensitivity of cash flows to commodity prices and foreign exchange rate movements; statements regarding future debt repayments; estimates of future capital expenditures; estimates of resources and statements regarding future exploration results; and where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to commodity price volatility, currency fluctuations, increased production costs and variances in resource or reserve rates from those assumed in the company's plans, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publicly any revisions to any "forward looking statement" to reflect events or circumstances after the date of this release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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

MINQUEST LIMITED

ABN

21 146 035 127

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 \$A'000
1.1 Receipts	-	-
1.2 Payments for (a) exploration & evaluation	(683)	(683)
(b) development	-	-
(c) production	-	-
(d) administration	(258)	(258)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(940)	(940)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(106)	(106)
(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 (Project acquisition)	-	-
Net investing cash flows	(106)	(106)
1.13 Total operating and investing cash flows (carried forward)	(1,046)	(1,046)

+ 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)	(1,046)	(1,046)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,657	1,657
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(250)	(250)
1.18	Dividends paid	-	-
1.19	Other (costs of raising capital)	(109)	(109)
	Net financing cash flows	1,298	1,298
	Net increase (decrease) in cash held	252	252
1.20	Cash at beginning of quarter/year to date	111	111
1.21	Exchange rate adjustments to item 1.20	7	7
1.22	Cash at end of quarter	370	370

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	105,749
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 paid to Non Executive Directors and salary payments to the Managing Director

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

+ 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	685 [#]	220 [#]
3.2 Credit standby arrangements	-	-

On 12 August 2015, the Company announced that it had entered into a US\$1 million convertible note facility with Magna Equities II LLC drawable in two tranches of US\$500,000. The Company has drawn down and received the USD160,000 of the first tranche with a further USD340,000 available to be received by the Company. The Company has elected not to draw the second tranche.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	319,811
4.2 Development	-
4.3 Production	-
4.4 Administration	234,537
Total	554,348

The above expenditure amounts do not reflect the following cash receipts anticipated to be received in the December quarter:

- i. In October 2015 the Company received \$250,000 in cash pursuant to the refund of a deposit paid by the Company in relation to its bid for the Wolverine zinc mine.*
- ii. In the December 2015 quarter the Company anticipates receiving \$50,000 in PACE grants from the South Australian government.*

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	343	343
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	27	-
Total: cash at end of quarter (item 1.22)	370	370

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/a		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/a		

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	-	-	-	-
7.2				
	(a) Increases through issues	-	-	
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	
7.3	202,064,510	202,064,510		
7.4				
	(a) Increases through issues	37,407,597 26,150,000 3,849,085 2,018,736 1,834,395 679,688	\$0.025 per share \$0.02 per share \$0.03366 per share \$0.0262 per share \$0.0153 per share \$0.01989 per share	\$0.025 per share \$0.02 per share \$0.03366 per share \$0.0262 per share \$0.0153 per share \$0.01989 per share
	(b) Decreases through returns of capital, buy-backs	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5	+Convertible debt securities (description)	1 <i>Convertible note expiring 10 August 2017 that may be converted into equity securities at the lower of 85% of the 5 day VWAP or \$0.05 per share.</i>	-	US\$154,000	US\$154,000
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	1 Partial conversion into ordinary shares	-	US\$174,000 US\$20,000	US\$174,000 US\$120,000
7.7	Options (description and conversion factor)	50,316,669 7,923,067 6,000,000 1,696,756	- - - -	<i>Exercise price</i> \$0.045 \$0.045 \$0.045 \$0.10	<i>Expiry date</i> 11 May 2017 11 February 2017 10 August 2017 10 August 2018
7.8	Issued during quarter	3,650,000 6,000,000 1,696,756	- - -	\$0.045 \$0.045 \$0.10	11 May 2017 10 August 2017 10 August 2018
7.9	Exercised during quarter	-	-	-	--
7.10	Expired during quarter	7,000,000	-	\$0.20	31 August 2015
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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 26 October 2015

Print name: Stephen Kelly
(Company Secretary)

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