

Quarterly Activities Report **Quarter ended 30 June 2016**

CUDDINGWARRA – WESTERN AUSTRALIA

EL20/742 (100%)
PL20/2095 (100%)
PL20/2096 (100%)
EL20/833 (100%)

The four leases are located in the Cue Mineral Field near the historic Big Bell and Cuddingwarra mining centres. Three of the leases are contiguous being E20/742 and P20/2095 and 2096. This project area is referred to as Milly Bore. EL20/833 is situated to the NW of Milly Bore and is referred to as the Berring Pool project.

The Milly Bore project is situated immediately to the north of the Cuddingwarra Mining Centre. Gold mineralisation is common in the area and there are numerous historical workings. The principal deposits are Black Swan, Black Swan South, Golden Gate, Chieftain and Rheingold.

The Berring Pool project is adjacent to the Big Bell-Coodardy gold trend that is interpreted to be on the northern margin of the lease.

Milly Bore

The project covers an area of approximately 100km² and is situated within the Archaean Meekatharra-Wyldgee Greenstone Belt. The greenstone belt is comprised of thick sequences of basalt and mafic rock with banded iron formation, ultramafic, felsic volcanic and volcanoclastic rocks. Felsic porphyries and granitoids have intruded the greenstones.

Berring Pool

The project covers an area of approximately 16km² and is also situated within the Archaean Meekatharra-Wyldgee Greenstone Belt.

Work Undertaken

No work was undertaken during the quarter.

CORPORATE

Acquisition of Zelda Therapeutics Pty Ltd

As previously reported, the Company has entered into a binding heads of agreement (**Heads of Agreement**) in relation to the acquisition of all of the shares in unlisted Australian company Zelda Therapeutics Pty Ltd (**Zelda**) (**Proposed Acquisition**).

Zelda is a Perth-based biotechnology company that has secured exclusive, global access to an extensive set of human data related to medicinal cannabis based formulations and treatment protocols. This human data has been generated over several years by a California-based group, Caziwell Inc., which operates the *Aunt Zelda's* group. *Aunt Zelda's* has a very high profile within the USA and a growing international profile based upon its deep knowledge of the scientific rationale for certain cannabis-based formulations and protocols to treat a variety of medical conditions.

Zelda has been granted a worldwide, exclusive and perpetual licence to this data, related systems, formulations and treatment protocols.

Zelda will use this information to design a series of Phase 2-ready human clinical trials that have a strong probability of success given the existing patient data and experiences it has access to.

Since the Proposed Acquisition will result in a significant change to the nature and scale of Gleneagle's activities, the Proposed Acquisition required Gleneagle shareholders' approval under ASX Listing Rule 11.1.2 and will also require Gleneagle to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

During the quarter, Zelda successfully raised AU\$1.05 million via the issue of Convertible Notes, ahead of its proposed acquisition by Gleneagle and listing on the Australian Securities Exchange.

Under the terms of the issue, the convertible notes automatically convert into ordinary shares at a 20% discount to the prospectus capital raising price as part of the re-compliance listing process.

The Convertible Notes form part of a broader equity raising that will fund the Company's planned clinical trial program and research initiatives, including key clinical trials in sleep disorders (insomnia) and certain dermatology indications (acne), as well as funding pre-clinical research in certain cancer indications with leading global groups including Complutense University Madrid.

Subsequent to the end of the quarter:

1. On 12 July 2016, the Company lodged a re-compliance Prospectus for an offer of up to 160,000,000 ordinary fully paid shares at an issue price of \$0.025 (post consolidation) to raise a minimum of \$3,000,000 and a maximum of \$4,000,000; and
2. On 25 July 2016, shareholders approved the acquisition of Zelda and related resolutions (*Refer ASX Announcement 25 July 2016*).

W Loxton
Director

Tenement Interests as at 30 June 2016

WESTERN AUSTRALIA

Cuddingwarra Project - Gold

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
EL20/742	Granted	100	-	-	100
PL20/2095	Granted	100	-	-	100
PL20/2086	Granted	100	-	-	100
ELA20/833	Granted	100	-	-	100