



QUARTERLY REPORT FOR 3 MONTH PERIOD ENDING 31 MARCH 2016

29 April 2016

The Board of Black Mountain Resources Limited ("**Black Mountain**" or the "**Company**") provides the following operations report and quarterly cash flow report (Appendix 5B) of its activities during the three months ended 31 March 2016.

CORPORATE

1. Agreement to Acquire Producing Vermiculite Mine and Phosphate Project

During the quarter ended 31 March 2016, the Company announced that it had entered into a Binding Heads of Agreement with African Phosphate Pty Limited ("**African Phosphate**") to acquire Namakera Mining Company Limited ("**Namakera Mining**") which operates a producing vermiculite mine and a phosphate project with historical production located in Uganda (refer to ASX Announcement dated 5 February 2016).

The acquisition of the operating Namakera Vermiculite Mine and the Busumbu Phosphate Project is considered by the Board to provide the Company with an opportunity to acquire a producing cashflow asset with expansion and development upside.

Under the terms of Binding Heads of Agreement, the Company has agreed to acquire the option that African Phosphate has secured to purchase 100% of the share capital in GLF Holdings Limited ("**Gulf**") from its existing shareholders – Richmond Partners Masters Limited (81%) and Jonah Resource Holdings Limited (19%). Gulf is the 100% shareholder of Namakera Mining.

Namakera Vermiculite Mine

The Namakera Vermiculite Mine is located in Eastern Uganda near the towns of Mbala and Tororo, approx. 190 km from the Uganda capital, Kampala and close to the border with Kenya.

It is on major central African road and rail networks and is 10km from a rail spur that connects to the Kenyan port of Mombasa.



Figure 1. Regional location of the Namakera Vermiculite Mine and the Busumbu Phosphate Project

The Namakera Vermiculite deposit is hosted in the Bukusu Complex, one of a number of carbonatites in the Uganda/Kenya border area and the only one known to host commercially viable vermiculite.

Namakera Mining is the registered holder of Mining License ML 4651, upon which it operates the Namakera Vermiculite Mine and conducts exploration activities on the Busumbu Phosphate Project.

Namakera Mining is also the registered holder of Exploration License EL 1534 that covers the majority of the Bukusu Complex and which is considered highly prospective for vermiculite, phosphate, copper, iron, zircon and rare earths mineralisation.

Tenement	Interest	Area	Expiry Date	Other Conditions
Mining License ML 4651	100%	17.2498 km ²	14/05/24	Option to extend up to a further 15 years
Exploration License EL 1534	100%	30.8335 km ²	23/11/17	Two options to extend each for a further 2 years

The Bukusu Complex extends over about 50 km² and consists principally of intrusive carbonatites and silicate rocks. The complex is composed of alkaline and ultrabasic rocks forming ring dyke structures surrounding a central vent agglomerate. The Bukusu Complex is one of Africa's largest alkaline carbonatite complexes.

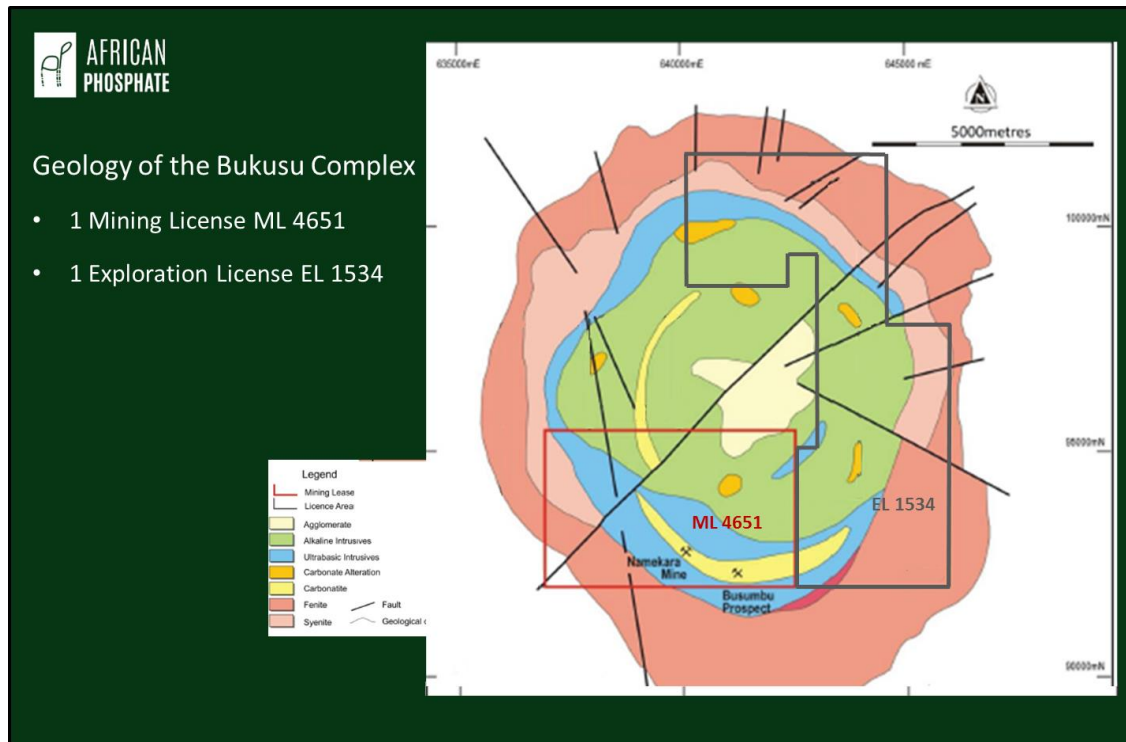


Figure 2. Project geology and tenure (Source Namakera Mining Company)

The Bukusu Complex is surrounded by a broad zone of feldspathisation or fenites in which leucocratic granite, syenite and quartz-pegmatoid have been developed from alteration of the granodiorite gneiss country rocks.

The vermiculite occurs within an approx. 34 m thick sub-horizontal tabular zone and is derived by weathering of phlogopite within coarse-grained to pegmatoidal pyroxenite.

Vermiculite mineralisation was first discovered in the Bukusu Complex in the 1950s but commercial development only commenced in the 1990s, when TSX listed IBI Corporation conducted a series of exploration programs and commenced development of a small scale mining and vermiculite flake production plant.

The Namakera Vermiculite deposit and surrounding licenses were acquired by Rio Tinto in 2007 for C\$5m and further drilling, resource definition work, pit optimisation and design, plant optimisation, transport and infrastructure studies and market research work was subsequently undertaken. ASX listed Gulf Industrial Limited subsequently acquired the mining operation in 2009 from Rio Tinto.

Gulf Industrial recommissioned and ramped up the mining operation in 2010, achieving several successive quarters of increased production and increased sales. Conventional open pit “free-dig” mining methods were employed using an owner-operator standard truck and shovel operation.

Throughput and recoveries through the single stage crushing circuit, magnetic separation, air drying, two stage screening and winnowing processing plant were reported to produce up to the planned steady state levels of 30,000tpa of vermiculite flake product.



Figure 3. The Namakera Vermiculite Mine Open Pit (Source Namakera Mining Company)



Figure 4. The Namakera Processing Plant – rotary dryer and dryer feed and discharge (Source Namakera Mining Company)

Vermiculite flake product was bagged in 1.15t bulk bags and transported by road in “back-loads” to the Kenyan port of Mombasa where it was sold under a long term and exclusive offtake agreement to the European export markets.



Figure 5. Loading of bulk bagged 1.15t Namakera Vermiculite (Source Namakera Mining Company)

In 2011 Gulf Industrial commenced a Bankable Feasibility Study to increase product sales to 80,000 tpa.

Between 2011 and 2013 Gulf Industrial produced and sold 42,045 tonnes of vermiculite flake product >0.5mm size into the European markets. Approx. 60% of sales were in the premium large and medium flake products at prices in excess of US\$300/t with the balance of sales in the fine and super fine flake products.

The mining operation was placed on care and maintenance in late 2012, as a result of the terms of its 25 year exclusive distribution offtake agreement with a UK based group who were unable to guarantee future purchases of vermiculite flake.

In 2013 Gulf Industrial's secured debt holders assumed ownership of the mining operation in exchange for approx. US\$4.1m of debt forgiveness and they have maintained and operated the mine and processing plant since then. The exclusive marketing agreement was terminated, following a US\$1.2m termination payment by them, which allowed them to then freely market its vermiculite product independently rather than exclusively.

Mining and processing operations recommenced at the Namakera Vermiculite Mine in the second half of 2013 with 2,620t of sales of vermiculite flake being made under two non-exclusive marketing agreements up to 31 December 2014.

Production continued in 2015 but was halted in February 2015 when temporary restrictions were placed on the export of a number of mineral commodities in Uganda including vermiculite. These restrictions were lifted in August 2015 and production and processing operations have continued since that date with export sales made into Europe, Asia and Australia.

The Company is proposing to increase mine production through additional new capital investment in the mining fleet and in mine planning. The proposed increased mine production levels are anticipated to allow the Company to achieve the previous steady state product sales levels achieved of 30,000t of vermiculite flake product >0.5mm size into the European, Asian and European export markets.

Busumbu Phosphate Project

The Busumbu Phosphate Project is located on the Busumbu ridge approx. 3km east of the Namakera Vermiculite Mine and on the existing Mining License held. A phosphate mine operated intermittently at Busumbu during the period from 1944 to 1963.

Research on the Busumbu Phosphate Project in 1995 described the formation of calcium-aluminium phosphates such as crandallite in the regolith to form “soft phosphate rock” and re-precipitation of apatite to form “hard phosphate rock”.

Exploration work was also completed by Gulf Industrial at the Busumbu Phosphate Project in 2011 and 2012. The work comprised soil sampling to delineate the potential mineralised target, followed by six diamond drill holes to test for depth extent, determine tenor of phosphate mineralisation and to identify phosphate minerals present.

The Company is proposing to complete further detailed exploration work at the Busumbu Phosphate Project including, resource definition drilling, preliminary mine planning and optimisation studies, broad sampling and metallurgical testwork and preliminary processing plant optimisation studies.

Acquisition Terms

The Binding Heads of Agreement (**Agreement**) executed by the Company during the quarter ended 31 March 2016, secured the right to acquire African Phosphate’s option to complete the acquisition of Namakera Mining. The Agreement is subject to satisfaction of a number of conditions precedent outlined below, and including regulatory and shareholder approval.

The key terms of the Agreement are as follows:

- completion of due diligence by the Company on African Phosphate, on Gulf, on Namakera Mining Company Limited on the businesses, its fixed and floating assets and exploration and mining assets to the absolute satisfaction of the Company on or before 31 January 2016 or such other date as agreed by the parties;
- completion of an equity and/or debt capital raising by the Company to raise up to A\$4.5m to be used to fund amongst other things, investment into the Namakera Vermiculite Mine, fund a Bankable Feasibility Study to expand existing mining and processing operation, complete further exploration work at the Busumbu Phosphate Project, meet ongoing funding requirements at the US Silver Projects and meet general working capital requirements; and
- the Company obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other applicable law or regulations, including but not limited to, approval to reinstatement to official quotation on ASX of the Company, and all necessary third party consents to allow the Company to lawfully complete the Acquisition.

Consideration

At completion of the proposed acquisition, the Company will provide the following in consideration:

- a. 400,000,000 Shares at completion of the Transaction (**Consideration Shares**) payable to the vendors financiers and advisors; and
- b. a 1.00% p.a. royalty on revenue received from mineral production by NMCL (**Royalty**).

The Company will further commit to investing up to US\$2.5m in new capital investment into the operation (exploration, evaluation, mine development and the purchase/upgrade of mine and processing plant equipment) over the next two years and will also assume vendor finance obligations of US\$3.0m that is to be repaid from a percentage of net profits over the first 5 years of operations.

The Consideration Shares will be subject to a 12 month escrow period.

Mr Jason Brewer, a non-executive Director of the Company, is also Chief Executive Officer of African Phosphate. Subject to the Transaction proceeding, Mr Brewer is defined as a “related party” under Chapter 10 of the ASX Listing Rules.

As a result Listing Rule 10.1 applies to the acquisition of the option from African Phosphate and the acquisition of 100% of the share capital in Gulf, and shareholder approval will be sought.

ASX Listing Rule Chapter 11 and Chapter 10 Submissions

The Company made a submission to the ASX in relation to the application of ASX Listing Rule 11.1.2 and 11.1.3 to the proposed acquisition and in respect to ASX Listing Rule 10.1.

During the quarter ended 31 March 2016, ASX confirmed to the Company that based solely on the information provided to ASX, the Company will not be required to re re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to Listing Rule 11.1.3. However, the Company will be required to obtain approval of its shareholders for the proposed acquisition of 100% of the share capital in Gulf for the purpose of Listing Rule 11.1.2.

The Company will despatch a notice of meeting to shareholders seeking the relevant approvals to proceed with the proposed acquisition, with such notice to contain detailed information relating to the acquisition including amongst other things an Independent Technical Report.

The ASX has confirmed that Listing Rule 10.1 applies to the acquisition of the option from African Phosphate and the acquisition of 100% of the share capital in Gulf, and shareholder approval under that rule must be obtained. To that end, listing rule 10.10 requires that the Notice of Meeting contains an Independent Expert’s Report and a voting exclusion statement.

Following satisfaction of the above, ASX has advised that it would be likely to reinstate the Company’s securities to trading on completion of the transaction, provided that the Company can demonstrate to ASX at that time that it complies with Chapter 12 of the Listing Rules.

Capital Raising

As part of the acquisition of Namakera, the Company will work with its advisors to seek to raise up to A\$4.5m for investment in the mining operation and exploration ground with approval to be received from its shareholders under Listing Rule 7.1 and by way of a full-form prospectus required under section 710 of the Corporations Act 2001.

In conjunction with its advisors, the Company completed investor presentations in Johannesburg Cape Town, Sydney, Melbourne, Perth and London. Further investor presentations are scheduled for the quarter ended 30 June 2016.

Share Sale Agreement and Associated Documentation Executed

Subsequent to 31 March 2016, the Company announced that it had executed formal documentation for the Acquisition of the Namakera Vermiculite Mine and Busumbu Phosphate Project (refer ASX Announcement dated 11 April 2016).

The execution of the Share Sale Agreement and Deed of Assignment of Debt with Namakera’s shareholders Richmond Partners Masters Limited and Jonah Resource Holdings Limited, followed completion of a detailed legal, financial and technical due diligence by the Company and its consultants in Australia, Africa and the United Kingdom and the finalisation of negotiations with all key stakeholders.

With the technical, legal and financial due diligence and a number of key conditions precedent satisfied, the acquisition now remains subject to the Company obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) and other applicable law or regulations, including but not limited to, approval to reinstatement to official quotation on ASX of the Company.

2. Appointment of Corporate Advisors and Lead Broker

During the quarter ended 31 March 2016, the Company appointed Sanlam Private Wealth Australia and Verdant Capital as advisors to the Company in connection with its future capital requirements and implementation of its strategic initiatives.

Sanlam Private Wealth is a leading global financial services and investment house with extensive experience in serving the needs of private investors, corporate clients and institutional investors. It is part the Sanlam Group, one of the largest financial services groups in South Africa, and with 23 international offices managing over ZAR240 billion in assets under management and administration for 30,000 clients.

Verdant Capital is an independent corporate finance firm focused on assisting companies and projects on a pan-Africa basis. It has offices in Johannesburg, Ebene and Accra and is licenced by the Financial Services Commission in Mauritius and authorised by the Financial Services Board in South Africa. Over the last two years Verdant Capital has been one the most active corporate finance firms in Africa in the agriculture and fertiliser sector.

Subsequent to 31 March 2016, the Company announced the appointment of London based merchant bank Brandon Hill Capital as the Company's UK broker and advisor (refer ASX Announcement dated 19 April 2016). Brandon Hill Capital is an independent Merchant Bank that provides its clients with integrated, independent advice on corporate finance, equity research, equity sales and corporate broking services to UK and overseas publicly-quoted companies and financial institutions.

The Company's management will work with Sanlam Private Wealth Australia, Verdant Capital and Brandon Hill Capital to finalise the proposed Namakera Acquisition and to ensure the Company's future capital requirements are met.

3. Board Changes

Subsequent to 31 March 2016, the Company announced the appointment of Mr Julian Ford as a Non-Executive Director of the Company and the resignation of Mr Peter Landau as a Director of the Company (refer ASX Announcement dated 13 April 2016).

Mr Ford has over 25 years' experience in the mining sector spanning precious metals, base metals, and bulk commodities in Australia, Africa, South America, Europe and South East Asia. Mr Ford has performed a number of functional and operational management roles which include exploration, mining, mineral beneficiation, hydrometallurgical processing, marketing and shipping. He has founded, developed and led a number of junior mining companies listed on both the ASX and AIM markets.

Mr Ford holds a Bachelor of Chemical Engineering, Bachelor of Commerce (Operations Research) and Graduate Diploma – Business Administration. He is a member of the Australian Institute of Mining and Metallurgy, the Project Management Institute and the Australian Institute of Company Directors.

In addition, at completion of the acquisition, it is proposed that Mr Simon Grant-Rennick will be appointed as Chairman of the Company and Mr Luca Bechis will be appointed as a Non-Executive Director of the Company and as a representative of the existing Namakera shareholders.

Mr Grant-Rennick is a mining engineer with over 38 years' experience in exploration, mining and mining geology specialising in industrial minerals. Mr Grant-Rennick is the principal of IMFH a UK based industrial minerals

consultancy group providing specialist operations, investment and financial analysis and advice. In addition, Mr Grant-Rennick has owned and managed vermiculite mining and marketing operations in the United States.

Mr Bechis has extensive experience in international finance and international capital markets with 25 years' experience. He holds a Master's in Business Administration with Honours and a Business Administration Degree with Honours from Università Bocconi. Mr Bechis is the Founding Partner, Chief Executive Officer, and Advisor at Richmond Capital LLP and Richmond Partner Masters Limited, the major shareholder of Namakera Mining.

Mr Bechis was also Chairman and Non-Executive Director of ASX listed Gulf Industrials Limited in 2013 and 2014 when they operated the Namkera Vermiculite Mine. Mr Bechis was a Partner at Egerton Capital Limited from 1997 to 2004 and prior to that was European Equity Analyst at Cazenove Group Limited and Head of Italian and French markets at Cazenove & Co in London from 1991 to 1997. Mr Bechis is currently Chairman of HAMC, an Independent Director of Novo Resources Corp. since November 18, 2014 and is a Director of The Richmond Environmental Charitable Foundation.

4. Appointment of New Company Secretary

Subsequent to 31 March 2016, the Company announced the appointment of Ms Amy Fink as Company Secretary and the resignation of Ms Jane Flegg (refer ASX Announcement dated 7 April 2016).

Amy Fink has 15 years' of experience in the accounting profession, primarily in the area of corporate administration and financial reporting. Ms. Fink has worked in Australia and the United Kingdom for both listed and private companies and has been involved in a number of initial public offerings and capital raisings for resource companies on the ASX. Ms. Fink has a Bachelor of Commerce (Accounting and Finance) Degree and is a member of the Institute of Chartered Accountants, Australia.

The Company also announced the termination of its corporate advisory, company secretarial and financial management services agreement with OKAP Ventures Pty Ltd.

5. Financial Report for the Half Year Ended 31 December 2016

Subsequent to 31 March 2016, the Company released its financial report for the Half Year ended 31 December 2015 (refer ASX Announcement dated 5 April 2016).

The consolidated entity incurred a loss of A\$1,197,725 for the six month period and had net cash outflows from operating activities of A\$246,645 and net current liabilities and net liabilities of A\$4,865,755.

The Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors including but not limited to, plans to issue additional shares to raise funds as part of the Acquisition, renegotiation of repayment terms of interest bearing liabilities in its favour, and confirmations already received from creditors to defer the payment of their debts until the Company has sufficient cash on hand and the ability to make repayment.

6. ASIC Determination

Subsequent to 31 March 2016, an ASIC Delegate made a determination pursuant to s713(6) of the Corporations Act 2001 (the **Act**) which excludes the Company from relying upon s713 of the Act until 23 April 2017 (refer ASX Announcement dated 27 April 2016).

The practical effect of the determination is that the Company will be required to issue a full form prospectus for any capital raisings rather than being able to use a short-form prospectus under s713 until 23 April 2017.

The Company will continue to work with its advisors and brokers in the finalisation of the Acquisition of the Namakera Mine and Busumbu Phosphate Project, and as previously advised will seek to raise up to A\$4.5m with

approval from its shareholders under Listing Rule 7.1 and by way of a full-form prospectus required under section 710 of the Corporations Act 2001.

7. New Project Acquisitions

In addition to the Company's work associated with the Acquisition of the Namakera Vermiculite Mine and Busumbu Phosphate Project, management continued to review other new resource opportunities and acquisitions.

As at 31 March 2016, other than its advanced progress on the Namkera Acquisition, the Company had not made any further commitments or entered into any other agreements in respect to new resource project acquisitions.

US SILVER PROJECTS

No exploration or technical work was undertaken during the quarter ended 31 March 2016.

The Company met its requirements under the lease agreement with Chester Mining Company in respect to payment of the Conjecture Silver Project annual lease fees to keep the project in good standing. An amount of US\$28,473 was paid by the Company during the quarter ended 31 March 2016.

Given the prevailing silver price, the Company's financial resources its focus on refinancing its existing indebtedness and strengthening its balance, no site works are planned for the quarter ended 30 June 2016, the Company will however commence a detailed review of its historical activities and expenditures and its current obligations under its lease agreements.

ENDS



Jason Brewer
Director
Black Mountain Resources Ltd

Forward looking statements

Forward looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Mining Tenement (Claim)	Reference (BLM Serial No.)	Interest Held
New Departure Silver Project, Montana US		
IM 1- 12	MMC224987 – 224998	70%
IM 14 – 18	MMC225000 – 225004	70%
IM 24	MMC225010	70%
IM 27-30, 32, 34-70	MMC226248 – 226289	70%
MOTHER LODE – 8431	-	70%
DIRECTOR LODE – 5600	-	70%
PROTECTOR LODE – 5601	-	70%
SHIELD LODE – 5602	-	70%
CLIFF LODE – 2264	-	70%
GUARDIAN LODE – 2411	-	70%
QUIEN SABE LODE – 2265	-	70%
SIGNAL LODE – 2505A	-	70%
Conjecture Silver Project, Idaho US		
SPIDER – SURVEYOR GENERAL’S SURVEY #2683	-	70%
CONJECTURE – SURVEYOR GENERAL’S SURVEY #2683	-	70%
RAINBOW – SURVEYOR GENERAL’S SURVEY #2689	-	70%
COMET – SURVEYOR GENERAL’S SURVEY #3071	-	70%
LUCKY STRIKE – SURVEYOR GENERAL’S SURVEY #2744	-	70%
SILVER CORD – SURVEYOR GENERAL’S SURVEY #2744	-	70%
FEDS #1 - #4	IMC206019 - 206022	70%
FEDCO FR	IMC206023	70%
FEDCO #2	IMC206024	70%
NORTHSIDE #1 - #4	IMC206025 - 206028	70%
METEOR #6	IMC206029	70%
METEOR #7	IMC206030	70%
MET #3 - #5	IMC206031 - 206033	70%
UFCO #1	IMC206034	70%
UFCO #2	IMC206035	70%

STAR #4	IMC206036	70%
STAR #5	IMC206037	70%
ROBIN	IMC206038	70%
MARS #1	IMC206039	70%
MARS #2	IMC206040	70%
MARS #4	IMC206041	70%
MARS #6	IMC206042	70%
METEOR #1	IMC206043	70%
METEOR #2	IMC206044	70%
METEOR #18	IMC206045	70%
LAKEVIEW 1-81	IMC210780 -210860	70%
LAKEVIEW 1-4,17,29-33,43-47,58-60	IMC210780-210783, IMC210796, IMC210808-210812, IMC210822-210826, IMC210837-210839	70%
CC 1-20	IMC212242-212261	70%
HEWER NO. 2-4	IMC13736-13738	100%
HEWER NO. 5	IMC13739	100%
BUNCO	IMC103971	100%
HEWER NO. 1 MILLSITE	IMC13743	100%
IDAHO LAKEVIEW NO. 6 MILLSITE	IMC13746	100%
IDAHO LAKEVIEW NO. 9 MILLSITE	IMC13749	100%
TIP TOP MILLSITE	IMC13753	100%

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

BLACK MOUNTAIN RESOURCES LIMITED

ABN

55 147 106 974

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration, permitting & evaluation	(158)	(394)
	(b) development & equipment	-	-
	(c) production	-	-
	(d) administration	2	(206)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other Receipts (refunds)	-	-
2.7	Other (return of restricted cash)	(50)	(50)
Net Operating Cash Flows		(206)	(650)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) new project acquisition	-	-
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans from other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Proceeds from underwriting	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(206)	(650)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(206)	(650)
	Cash flows related to financing activities		
1.14	Proceeds from raising	-	1,300
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	159	159
1.17	Repayment of borrowings	(2)	(821)
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	-
	Net financing cash flows	157	638
	Net increase (decrease) in cash held	(49)	(12)
1.20	Cash at beginning of quarter/year to date	50	13
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1	1

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

1.25 Explanation necessary for an understanding of the transactions

Nil

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

Nil

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

Nil

Appendix 5B
Mining exploration entity quarterly report

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	3,000 ¹	1,806
3.2 Credit standby arrangements	Nil	-

¹ Total Loan facilities available before drawdowns.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration, permitting and evaluation	250*
4.2 Development and equipment	-
4.3 Production	-
4.4 Administration	100*
Total	350*

* assumes acquisition of Namakera Mining proceeds and funding from Loan facilities.

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	1	50
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	1	50

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	N/A	N/A	N/A
6.2	Interests in mining tenements acquired or increased	N/A	N/A	N/A

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

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>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 *Ordinary securities	410,515,820	410,515,820		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil Nil	Nil Nil		
7.5 *Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7 Options <i>(description and conversion factor)</i>	500,000 1,000,000 3,000,000	- - -	<i>Exercise price</i> \$0.25 \$0.10 \$0.12	<i>Expiry date</i> 25/07/2016 30/11/2016 31/03/2017
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		
Performance Based Shares	Nil	Nil		
Changes during quarter (a) Increases	Nil	Nil	Nil	

+ 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.



Jason Brewer
29 April 2016

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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