



## QUARTERLY ACTIVITIES REPORT

### COMPANY INFORMATION

Mustang Resources Ltd  
ABN 34 090 074 785

### COMPANY DIRECTORS

Ian Daymond : Chairman  
Cobus van Wyk : Director  
Frank Petruzzelli : Director  
Andrew Law : Director

### STOCK EXCHANGE LISTING

Australian Securities  
Exchange  
ASX Code: MUS

Current Shares on Issue:  
155,568,098  
Market Capitalisation  
\$7.79 M as at 28 April 2016

### CURRENT PROJECTS

#### RUBIES

- Montepuez Ruby Project

#### GRAPHITE

- Balama Graphite Project

#### DIAMONDS

- Save River Diamond Project

### 29 April 2016

The Board of Directors of Mustang Resources Ltd (ASX: MUS) ("Mustang" or "the Company") is pleased to provide shareholders with the Company's Quarterly Activities Report for the period ended 31 March 2016.

### MONTEPUEZ RUBY PROJECT

- Mustang's flagship project following its acquisition of a net 75% of the issued capital of Montepuez Minerals Pty Ltd, which holds rights to earn majority interests of 70%/80% in 3 prospecting & exploration licences in Northern Mozambique, on 26 February 2016
- Geological interpretation shows that ruby mineralisation (both primary and secondary) may extend through large parts of Licences 4143L, 5030L and 4258L
- Ruby targets identified with geological features similar to nearby world-class Gemfields deposits to the east
- Initial ruby targets identified for bulk sampling program which will be a key value driver for unlocking significant underlying value
- Processing plant and supporting equipment from the Save River Diamond Project will be used for bulk sampling program resulting in significantly lower cost
- Bulk sampling start-up scheduled for June 2016

### BALAMA GRAPHITE PROJECT

- Exceptional laboratory results from recently completed RC drilling program confirm wide, high grade intervals of up to 22% Total Graphitic Carbon (TGC)
- Field assessment has highlighted the potential of large flake sizes – awaiting further results from laboratory
- 2015 sample analysis showed >50% Super Jumbo flakes larger than +1180µm on Licence 5873L

## SAVE RIVER DIAMOND PROJECT

- Project placed on care and maintenance in February 2016 to preserve capital and to focus on near-term development of Montepuez Ruby Project
- Diamonds successfully recovered from initial sampling program proving the geological model that diamonds were transported from Kimberlites in Zimbabwe
- Project to be re-evaluated in Q4-2016 with potential for joint venture opportunity and the possible expansion of activities to be further assessed

## CORPORATE HIGHLIGHTS

- Concluded acquisition of majority interest in Montepuez Minerals Pty Ltd following EGM approval on 26 February 2016
- Appointed Mr Robert Marusco as Company Secretary and Chief Financial Officer
- Exercised option to acquire two additional licences covering 205km<sup>2</sup> in world-class Mozambique graphite province
- Subsequent to end of the quarter Mustang successfully raised ~A\$3 million from investors in Australia, Hong Kong and the United Kingdom through a placement of approximately 75.5 million shares in two tranches – the second tranche being subject to shareholder approval
- Mustang also agreed an A\$850,000 follow-on investment from UK institutional investor, Lanstead Capital LP, subject to shareholder approval
- As part of the capital raising, Mustang also agreed with Directors and vendors to convert A\$589,000 of outstanding fees and project acquisition costs to MUS scrip at a 25% premium to the 28 April 2016 net capital raising issue price of 4 cents per share

**Mustang Resources Managing Director Christiaan Jordaan commented,** “The Board would like to thank shareholders for their continued support, during what has been a key quarter for the Company’s effort to re-focus on the highly prospective Montepuez Ruby Project in Mozambique.

“At an operational level, the Company completed a number of key steps towards the commencement of bulk sampling at Montepuez, including systematic fieldwork and the mobilising of existing equipment to site.

“After the end of the quarter a significant corporate outcome was also achieved with the successful recapitalisation of the Company to ensure we have sufficient capital to execute our robust work program for the rest of the year in Mozambique and to grow shareholder value.

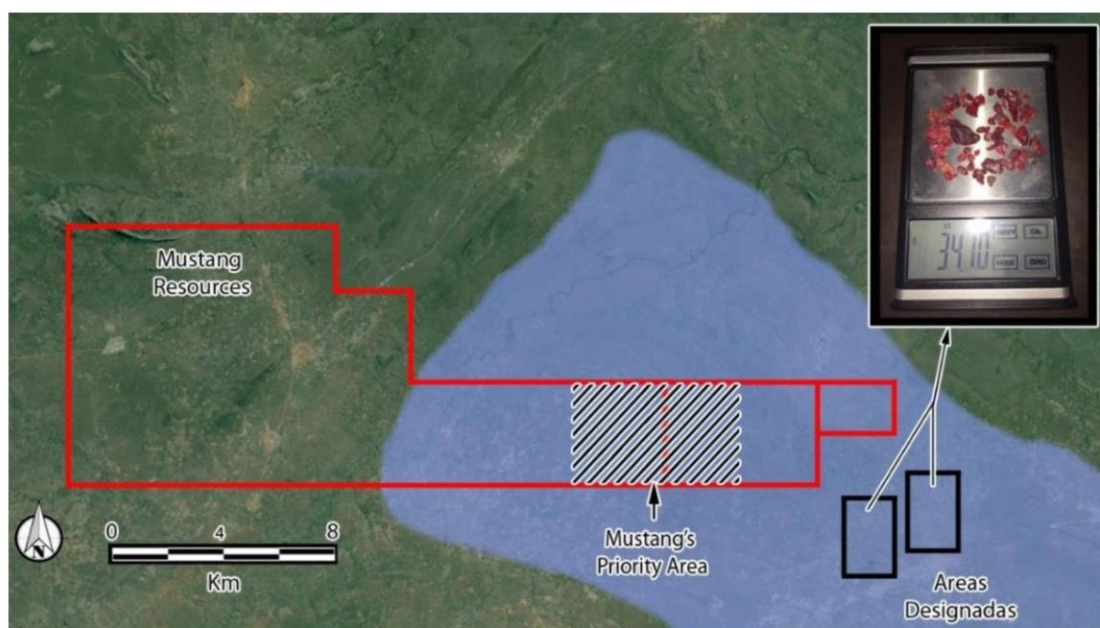
“Furthermore, management is very confident that the Montepuez Ruby Project has the potential to host a world-class deposit with significant scope for rapid growth, high margins and relatively low capital expenditure. Recent fieldwork on the Montepuez Ruby Project has confirmed this potential and the Company looks forward to updating shareholders on progress shortly.”



## MONTEPUEZ RUBY PROJECT

During the quarter Mustang successfully completed a close-spacing helicopter survey over the Montepuez Project area as well as detailed analysis of the data gathered, resulting in a significantly improved geological understanding of the project area.

At present, Mustang is focused on advancing exploration in conjunction with the near term commencement of bulk sampling in the northern region of 5030L and 4143L (labelled as Mustang's Primary Target/Area in Figure 1). This region is considered highly prospective as known artisanal workings have been documented within the northern section of Licences 4143L and 5030L.



**Figure 1. Mustang's Exploration Target based on the Q1 fieldwork with known artisanal workings in the Mustang licences and within the artisanal licences to the South East**

The Company is further encouraged by the fact that all three licences sit in favourable geology along strike from Gemfields' licences and artisanal licences 5281 AD and 5284 AD referred to as "areas designadas" in Figure 1. The rubies shown in Figure 1 are from the artisanal diggings within the Western "areas designadas" operated by a local artisanal ("garimpeiro") association (not Mustang).

The helicopter survey completed by the Company together with independent consultant Paul Allan in February 2016 indicated numerous artisanal diggings in the area. A detailed aerial survey on a 500 metre grid basis was completed on all three licences. Owing to the intensive rains and flooding in the area during the helicopter survey in February, exploration pit excavations and further fieldwork were not feasible (as seen in **Error! Reference source not found.** below).

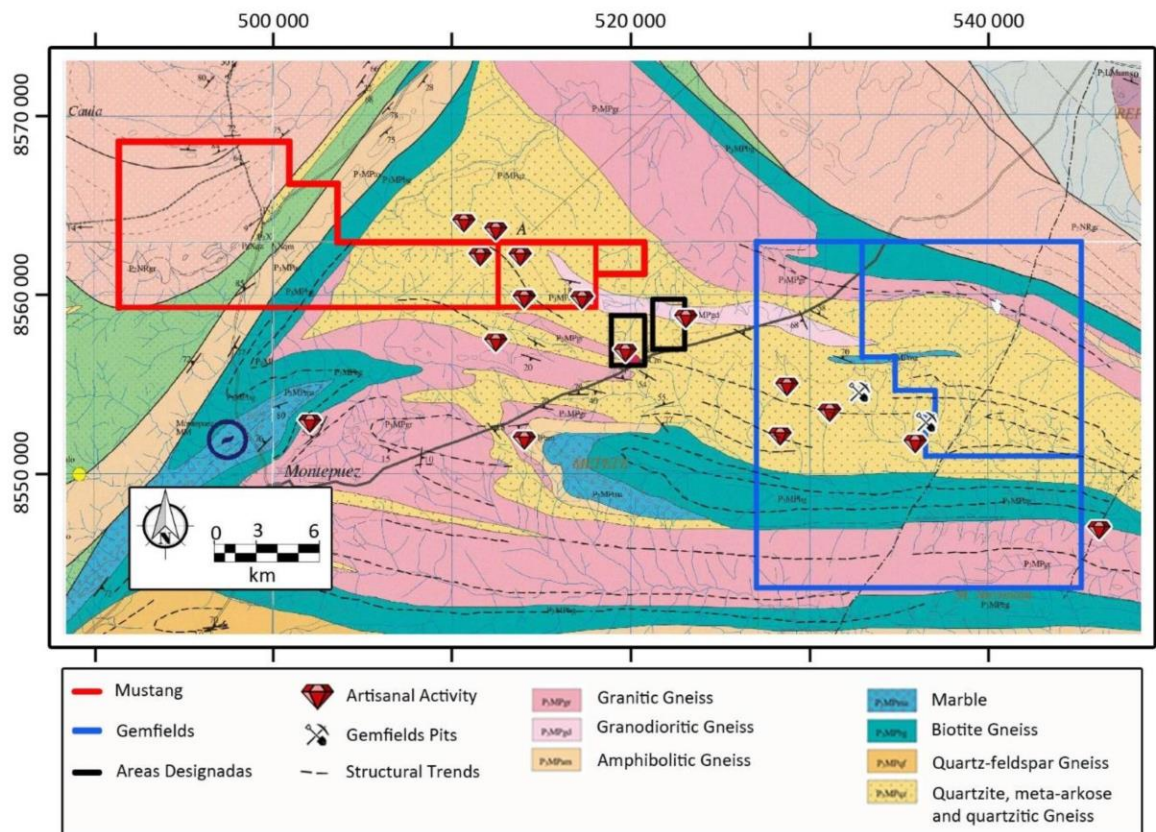
### ARTISANAL MINING AND MINERALISATION GEOLOGICAL MODEL

Extensive primary mineralisation (ruby mineralised amphibolite & secondary ruby mineralisation) is present immediately to the SE of Licence 4143L close to the village of Namahaka. This occurrence lies along the established NW-SE ruby mineralisation trend of the general area which also transects the Gemfields licence areas and other known artisanal diggings to the SE of the Gemfields licences.

In addition, the known ruby occurrences at Namahaka and Gemfields appear associated with NW-SE trending structural lineaments as noted on the regional geological map which is largely interpolated

from aerial geophysical surveys. It is thus particularly relevant that one of these lineaments transects Licence 4143L, with a measured distance of 5.3 km, as illustrated clearly in Figure 2 and 3.

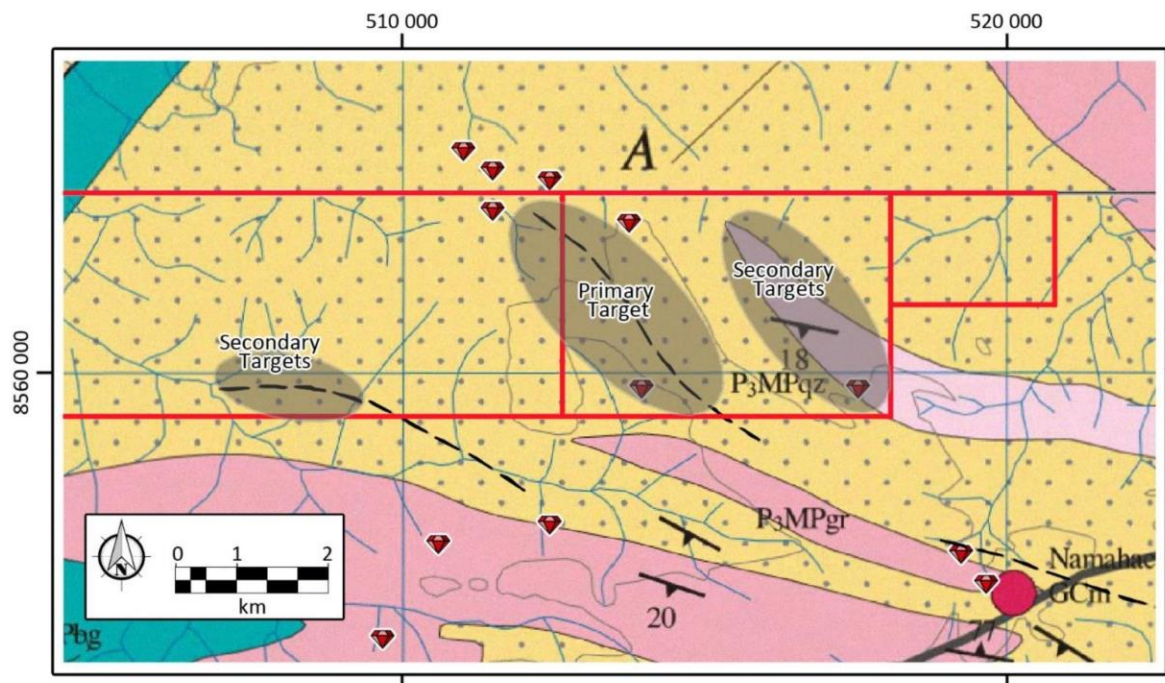
Ruby mineralisation in the amphibolite has been demonstrated to be associated with crosscutting feldspar / carbonate veining within the amphibolite. This metasomatic veining is considered by the Company to be the aluminium-rich source for the corundum / ruby crystallisation whilst the amphibolite is considered by the Company to have supplied the source of chromium responsible for the rubies' red colorisation.



**Figure 2. Geological map showing similar geological features and rock types on Mustang Licences 4143L, 4258L and 5030L to that of Gemfields. Artisanal activity has a strong correlation to both structural trends (seen as dotted lines above) and granitoid units**

Whilst the origin of the aluminium-rich metasomatic fluids responsible for the ruby mineralisation within the amphibolite is yet to be ascertained, it is likely to be associated with pegmatitic activity following igneous intrusion. In particular, the contacts between the igneous intrusives and the country rock metasediments may be targets for pegmatite-related fluids. It may thus be relevant that Mustang has noted additional artisanal workings along the contact between granodiorite and the quartzitic gneisses both within Licence 4143 and within the areas to the SW.

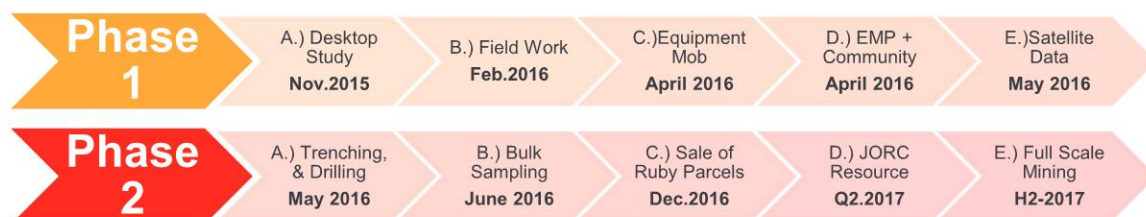




**Figure 3. Mustang's targets are based on the NW-SE trending structural lineaments where extensive artisanal activity (artisanal marked by red rubies in image above) occurs. These structural trends can be traced into Gemfields concessions to the south-east and show strong correlation to ruby mineralisation**

### MONTEPUEZ TWO-PHASE EXPLORATION WORK PROGRAM

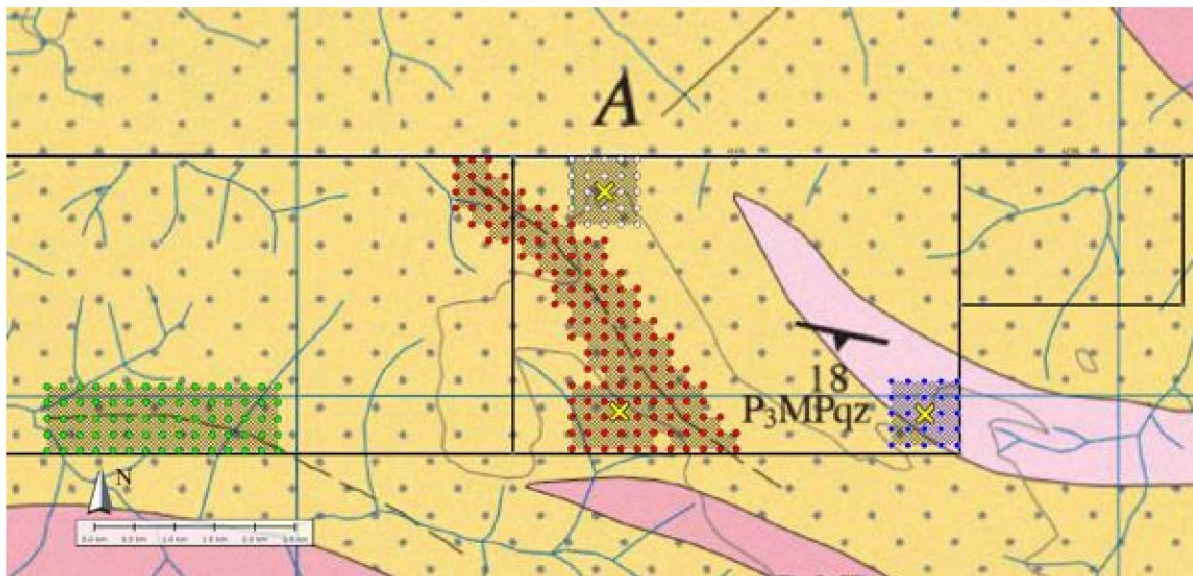
The exploration work program is intended to gather specific geological data regarding the project area including stratigraphy, refining of target regions followed by a full bulk sampling program with the goal of recovering rubies for sale as soon as marketable parcels are available. The data gathered during this program will be utilised to complete a planned JORC Compliant Resource Statement and feasibility study for full scale commercial mining.



#### PHASE 2:

##### A. Trenching, Pitting & Drilling

A preliminary grid for sampling pits, trenches and auger drill hole collars has been completed and set out in Figure 4 below. The targets identified were developed and planned based on Phase 1 work, including geological research, artisanal diggings, similarities identified between the Company's licences and that of known ruby mineralisation and the regional drainages. The grid layout is likely to be updated dependent on the outcome of Phase 1C satellite data analysis. Currently, approximately 800 metres of trenching and 2,500 metres of auger drilling has been planned for Phase 2A with work commencing end of April 2016.



**Figure 3. Preliminary grid for sampling pits, trenches and auger drill hole collars on Montepuez Ruby Project**

During Phase 2A the geologists will generate a detailed map of the geology and structures present within the primary targets zones to identify optimal bulk sampling sites primarily for gravel runs (alluvials) and, secondly, within identified host rock amphibolites. A handheld GPS will be used to mark the locations of the sites on the ground.

### **B. Bulk Sampling Program**

Bulk Sampling will be undertaken in block formation with a 45-ton excavator with stripping depth of between one metre and up to nine metres depending on the amount of overburden in the sidewalls with a three metre by three metre step formation. Overburden will be stripped and side-cast onto the flank of the sampling pit for later rehabilitation back into the same pit after all the gravel and/or amphibolite material has been removed. The gravel and/or amphibolite material will be transported to the plant by articulated dump trucks (ADTs).





**Figure 4. Example of Bulk Sampling/Bulk Sampling Process.**

Mustang will initially process sampled material through one 16-foot rotary pan operating for one 8 hour shift per day, giving it a 600 ton per day processing capacity. Upon (and subject to) confirming adequate ruby mineralisation the intention is to scale up the processing plant to two 16ft rotary pans, running for two 8 hour shifts with a processing capacity of approx. 2,400 tons per day.

Final ruby recoveries will be done through hand sorting in enclosed glove-boxes under high security. An onsite gemmologist will clean, sort, then class and grade all recovered rubies.

The bulk sampling program is scheduled to commence in June 2016 running for at least 6 months.

#### **C. Sale of Marketable Ruby Parcels**

Subject to the success of the Phase 2B bulk sampling operation, the Company intends to sell an initial parcel of representative rubies as soon as reasonably possible in order to gather important information on the market value of its rubies for inclusion in its planned JORC Resource Statement (Phase 2D).

Mustang is considering its options in respect of marketing of its rubies. Sales will typically be done through a tender/auction process which will see Mustang retain ownership of the rubies under an agreement which will incorporate a fee for the access to the auction sale process and for other services including heat treatment, grading, and insurance.

#### **D. Maiden JORC Resource Statement**

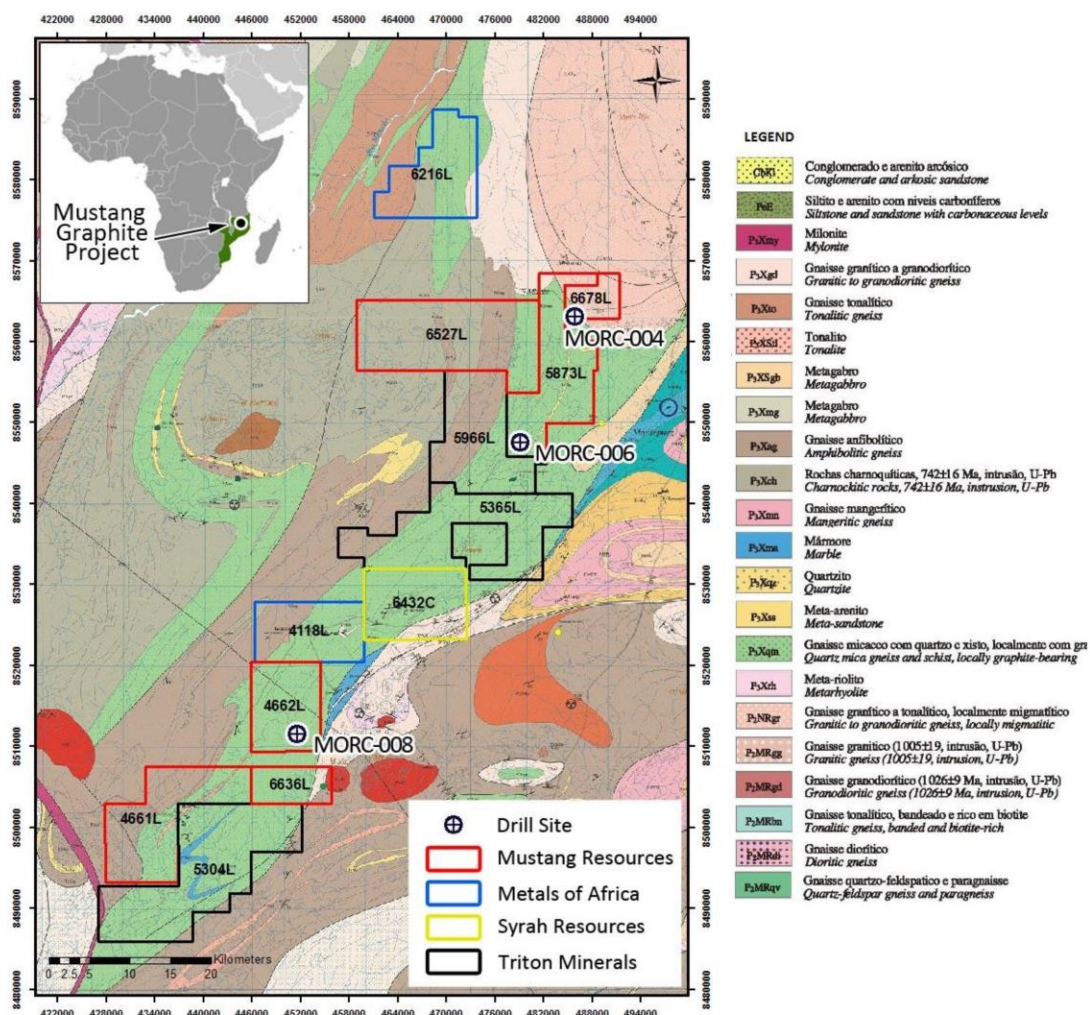
The planned bulk sampling program together with supporting auger drilling campaign will put the Company in a position to issue a maiden JORC compliant resource statement by Q2-2017 (subject to the successful recovery of rubies from the Mustang licences in the bulk sampling program).

#### **E. Initiation of Full Scale Mining**

Subject to the positive outcome of Phases 2B to D, the Company will scale up its bulk sampling activities to that of a full-scale commercial gemstone mine. Current planning will see the Company in a position to make an investment decision on scaled up mining by H2-2017. In the period leading up to this point the intention would be to continue bulk sampling activities in order to continue generating revenues and gain additional confidence in the resource.

## BALAMA GRAPHITE PROJECT

During the quarter Mustang provided an update on results from its completed RC drilling program at the Company's high-grade Balama Graphite Project in the world-class graphite province in Northern Mozambique (see Figure 4 below) where it completed the drilling of 10 RC holes over six concessions, 4661L, 4662L, 5873L, 6526L, 6636L and 6678L. The drill program was designed as an initial phase, focusing on testing the most promising EM anomalies along strike from the world-class graphite deposits. Identification of graphite mineralisation was assisted by the systematic rock chip sampling in 1 metre composite samples. Samples from the drilling program at the Balama Project were submitted to SGS Laboratories in Johannesburg.



**Figure 4. Mustang's Balama Graphite Project, regional geological map depicting the graphitic schist strike through the exploration concessions**

Mustang has received the TGC assay results from three (3) of eight (8) batches of samples, further confirming the existence of large zones of shallow graphitic mineralisation across multiple areas within Mustang's concessions.



### LICENCE 6678L (“BALAMA NORTH PROJECT”)

Based on a 3% TGC cut off, drill hole MORC004 on Licence 6678L, has an average of 11.99% TGC within a 67m mineralised graphitic mineralisation zone (downhole width). A total of 23 samples returned results above 15% TGC (**Error! Reference source not found.**). The graphite mineralisation is shallow with high grades close to the surface, including 8.16% TGC at 1m from surface, 17.4% TGC at 11.6m from surface and 18.6%TGC at 35m. The highest TGC value recorded for this hole is 22% TGC at 45m below surface.

### LICENCE 5873L (“BALAMA NORTH PROJECT”)

Based on a 3% TGC cut off, drillhole MORC006 on Licence 5873L, has an average of 6.8%TGC within a 64m mineralised graphitic mineralisation zone (downhole width). A number of samples returned assay results above 10% TGC (**Error! Reference source not found.**). Graphite mineralisation is shallow with high grades close to the surface, including 7.72% TGC at 17m from surface, 10.1% TGC at 51m from surface, 11% TGC at 39m. The highest TGC value recorded for this hole is 11.6% TGC at 72m below surface.

### LICENCE 4662L (“BALAMA SOUTH PROJECT”)

Based on a 3% TGC cut off, drillhole MORC008 on Licence 4662L, has an average of 8.0%TGC within a 62m strong graphitic mineralisation zone (downhole width). A total of 15 samples returned results above 10% TGC (Table 1). Graphite mineralisation is shallow with high grades close to the surface, including 10% TGC at 4m from surface, 16.5%TGC at 29m from surface, 18.2%TGC at 61m and the highest TGC value recorded for this hole being 18.8%TGC at 63m below surface.

**Table 1. Significant intersections from RC drill hole MORC-008 above 10%TGC. Note intervals are downhole depths.**

Depth (Downhole)		Total Carbon	Total Sulphur	Total Graphitic Carbon
From (m)	To (m)			
4	5	10.2	<0.01	10
28	29	14.2	0.02	14.1
29	30	16.7	0.06	16.5
30	31	12.5	0.08	12.3
52	53	15.7	0.5	15.4
53	54	11.3	0.8	11.1
57	58	13	0.96	12.6
59	60	12	1.24	11.4
60	61	17	1.6	16.5
61	62	19	1.78	18.2
62	63	18.4	2.18	17.9
63	64	19.3	1.78	18.8
64	65	18.2	1.71	18
65	66	10.5	2.2	10.2
66	67	11.9	2.03	11.8

### SUMMARY OF 2015 FLAKE SIZE DISTRIBUTION LABORATORY RESULTS

Mustang's exploration of the Balama North Project included geological mapping, grab sampling, airborne geophysical surveys, and most recently pitting, RC drilling and rock chip sampling. Preliminary flake size analyses undertaken on the samples collected in 2014 confirmed the presence of high percentages of both large and jumbo graphite flakes.

Flake size distribution results of submitted samples (GBS01, GES01, RC1, and RC2), and petrological analyses undertaken on selected samples, returned exceptional flake size results with up to 51.04% and 59.56% Super Jumbo flakes larger than +1180µm from RC001 (17-18m) and RC002 (42-43m) respectively. Grab sample GBS01 returned 66% of Jumbo & Super Jumbo flakes (larger than 425 µm), and GES01 returned 57.9% of Super Jumbo flake (larger than +1180µm).

High percentages large flake sizes is of the utmost importance due to higher prices being paid by end users for larger flake sizes.

### MUSTANG GRAPHITE GROWTH STRATEGY

In relation to the current analysis program, the Company will update shareholders with the laboratory analysis of the five remaining batches of samples from the completed drilling program in the near term.

Looking ahead, Mustang remains committed to growing shareholder value across its exciting graphite and gemstone asset base in Mozambique.

Furthermore, management will continue prudently to control exploration expenditure at Balama in the coming quarter as the Company focuses on the near-term development of its Montepuez Ruby Project, with the view to generating significant cash flows from the planned bulk sampling program.

### SAVE RIVER DIAMOND PROJECT

During the quarter the Board made the decision to place the Save River Diamond project on temporary care and maintenance as the Company focuses its capital and resources on the recently acquired Montepuez Ruby Project. The Board intends to re-evaluate the project in Q4 2016 and will assess a number of options including the introduction of potential joint venture partners and the possible expansion of activities.

### CORPORATE OVERVIEW

On 28 April 2016, Mustang was pleased to announce that it successfully raised \$3 million in two tranches (the second tranche being subject to shareholder approval) to fast track the development of its Montepuez Ruby Project as it nears the start of bulk sampling on the project in the current quarter.

In addition to the Placement, Mustang will proceed with a share purchase plan ("SPP") to raise up to \$500,000 on a first-come first-served basis to enable participation by all shareholders (excluding Placement participants) for an amount up to \$15,000 per shareholder at \$0.04 per share. Mustang reserves the right to accept oversubscriptions in the SPP. The record date for the SPP is 27 April 2016.

Mustang was also pleased to announce the appointment of Mr Robert Marusco as Company Secretary and Chief Financial Officer, following the resignation of Mr Chris Ritchie on 11 March 2016.

Furthermore, during the quarter Mustang reported that its application for a waiver by the ASX of Listing Rule 9.7 was granted on 3 March 2016. This allowed the Company to conclude the cancellation of approximately 34,716,418 performance rights as set out in Table 2 below.

**Table 2: Performance Rights Cancelled**

Performance Rights	Number
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Unquoted Class A Performance Rights	2,238,806
Unquoted Class B Performance Rights	1,119,403
Unquoted Class C Performance Rights	2,238,806
Unquoted Class D Performance Rights	1,119,403
Unquoted Class F Performance Rights	14,000,000
Unquoted Class G Performance Rights	14,000,000
<b>Total Performance Rights Cancelled</b>	<b>34,716,418</b>

For and on behalf of the Board of Directors;

**Christiaan Jordaan**  
**Managing Director**

## FOR FURTHER INFORMATION PLEASE CONTACT:

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[info@mustangresources.com.au](mailto:info@mustangresources.com.au)  
 +61 3 9347 2409

**Media & Investor Relations:**  
**Sam Burns**  
[sam.burns@sdir.com.au](mailto:sam.burns@sdir.com.au)  
 +61 (0)400 164 067

**For further information and updates please follow our corporate Twitter account @Mustang\_Res**

## COMPETENT PERSON STATEMENTS:

Information in this report that relates to the Save River Diamond Project and the Montepuez Ruby Project's Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr John Bristow, a Competent Person who is a registered member of the South African Council for Natural Scientific Professions (SACNASP), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Dr Bristow is an independent consultant who was engaged by the company to undertake this work. Dr Bristow 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 by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bristow consents to the inclusion of the data in the form and context in which it appears.

In this report, the information that relates to the Balama Graphite Project's Exploration Targets and Geophysical Exploration Results and analysis, is based on information compiled by Mr Christiaan Mouton or Mr Johan Erasmus, both Competent Persons. Mr Mouton is a registered member of the Australian Institute of Geoscientists and also a registered member of the South African Council for Natural Scientific Professions (SACNASP), which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Mouton is a consultant with Applied Scientific Services and Technology (ASST) which was engaged by the Company to undertake this work. Mr Mouton has sufficient experience in the application of geophysical methods and techniques that is relevant to the exploration of this 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 by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Mouton consents to the inclusion of the data in the form and context in which it appears.

Mr Erasmus is a registered member of the South African Council for Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO) included in a list posted on the ASX website. Mr Erasmus is a consultant of Sumsare Consulting, Witbank, South Africa who was engaged to undertake this work. Mr Erasmus 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 by the 2012 Edition of the Australasian Code for Reporting of Exploration Results. Mr Erasmus consents to the inclusion of the data in the form and context in which it appears.

## FORWARD-LOOKING STATEMENTS:

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to the Company's planned exploration program and other statements that are not historic facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company considers that its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.





# 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

Mustang Resources Limited

ABN

34 090 074 785

Quarter ended ("current quarter")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(410)	(1,050)
	(b) development	-	(2,509)
	(c) production	-	-
	(d) administration	(293)	(945)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid	-	(15)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	<b>Net Operating Cash Flows</b>	<b>(703)</b>	<b>(4,519)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	-	(636)
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	133	133
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	<b>Net investing cash flows</b>	<b>133</b>	<b>(503)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(570)</b>	<b>(5,022)</b>

+ 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)	(570)	(5,022)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	23	500
1.15	Costs of the Issue	(2)	(66)
1.16	Proceeds from borrowings	442	1,339
1.17	Repayment of borrowings	(360)	(479)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	103	1,294
	<b>Net increase (decrease) in cash held</b>	(467)	(3,728)
1.20	Cash at beginning of quarter/year to date	500	3,712
1.21	Exchange rate adjustments to item 1.20	18	67
1.22	<b>Cash at end of quarter</b>	51	51

**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	88
1.24 Aggregate amount of loans to the parties included in item 1.10	360
1.25 Explanation necessary for an understanding of the transactions	
Salaries, 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
- The Company entered into a funding agreement with Lanstead Capital LP for AU\$5.0 million. The Company has received \$442,362 as payment for tranche B. The Company issued 12,500,000 shares @ AU\$0.20 in respect to this tranche B.
- 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

+ 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	0	0
3.2 Credit standby arrangements	0	0

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	445
4.3 Production	-
4.4 Administration	720
<b>Total</b>	<b>1,765</b>

### 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	51	500
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>51</b>	<b>500</b>

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+ 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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

**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	<b>Preference</b>			
	<b>+securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	155,880,598	91,300,120	
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			
7.5	<b>*Convertible debt securities</b>			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options &amp; Performance Rights</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	7,140,000	Unlisted Class E Performance Rights Escrowed to 21 May 2016	<i>All Performance Rights convert to fully paid ordinary shares on a 1:1 basis if performance criteria are achieved</i>		31 December 2019
	6,860,000	Unlisted Class E Performance Rights Escrowed to 10 June 2017			31 December 2019
	31,324,181	Listed Options MUSO	<i>\$0.25</i>		30 June 2017
	149,253	Unlisted Options	<i>\$0.2412</i>		10 November 2017
	2,238,806	Unlisted Options	<i>\$0.21</i>		22 May 2017
	500,000	Unlisted Options	<i>\$0.20</i>		31 October 2016
	1,500,000	Unlisted Options	<i>\$0.20</i>		1 December 2016
	8,750,000	Unlisted Options	<i>\$0.25</i>		30 June 2017

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

7.8	Issued during quarter	51,139,001 Ordinary Shares	19,588,583 Quoted	\$0.20	
		8,750,000	Unlisted Options	\$0.25	30 June 2017
		4,500,000	Listed Options MUSO	\$0.25	30 June 2017
		1,097,815	Listed Options MUSO	\$0.25	30 June 2017
		5,256,353	Listed Options MUSO	\$0.25	30 June 2017
7.9	Exercised during quarter				
7.10	Expired & Cancelled during quarter	2,238,806	Unlisted Class A Performance Rights		
		1,119,403	Unlisted Class B Performance Rights		
		2,238,806	Unlisted Class C Performance Rights		
		1,119,403	Unlisted Class D Performance Rights		
		14,000,000	Unlisted Class F Performance Rights		
		14,000,000	Unlisted Class G Performance Rights		
7.11	<b>Debentures (totals only)</b>				
7.12	<b>Unsecured notes (totals only)</b>				

+ 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 /does not\* (~~delete one~~) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 April 2016  
(Company secretary)

Print name: Robert Marusco

## 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.