

June 2016 Quarterly Activities Report

Musgrave Minerals Ltd is an Australian focused gold and base metal exploration company. Musgrave plans to grow through the discovery and development of gold and base metal resources within Australia.

ASX Code: MGV
Issued Shares: 125M (30 June 2016)
Cash Balance: \$2.1M (30 June 2016)
ABN: 12 143 890 671

Directors

Graham Ascough
 Robert Waugh
 Kelly Ross
 John Percival

Top shareholders

Silver Lake Resources Ltd
 Independence Group NL
 ABN AMRO Clearing Sydney Nominees
 Barrick (Australia Pacific) Ltd

Head Office

28 Richardson Street
 West Perth, 6005
 Western Australia
 T: +61 (8) 9324 1061
 F: +61 (8) 9324 1014
info@musgraveminerals.com.au
www.musgraveminerals.com.au

Highlights

Cue Project

Gold

- Follow-up RC drilling to commence in late July at Break of Day and Purple Rain

Break of Day

- RC drilling at the Break of Day Prospect intersected:
 - o 2m @ 25.2g/t Au from 96m down hole including 1m @ 46.7g/t Au; and
 - o 2m @ 22.0g/t Au from 137m down hole; and
 - o 6m @ 12.8g/t Au from 158m down hole including 3m @ 24.3g/t Au
- Break of Day mineralisation is open down dip and down plunge

Purple Rain

- New untested gold target 2km south-east of Break of Day where historical RAB drilling intersected:
 - o 2m @ 8.02g/t Au from 29m down hole within broader interval of 6m @ 3.25g/t Au; and
 - o 5m @ 0.44g/t Au from 39m down hole
- Target untested down dip and along strike

Lady Stardust

- New surface gold and copper soil anomaly extends over a strike of 700m

Copper-Gold

- RC drilling to commence in early August at Mt Eelya to follow-up recent mineralisation intersected in RC drilling
- DHEM surveys have identified off-hole basement conductors at Mt Eelya and Hunky Dory for further drill testing
- Surface copper and zinc anomaly extended over 700m strike at Mt Eelya

Corporate

- Fully underwritten Share Purchase Plan (SPP) to raise \$1,250,000 is underway closing Friday 5 August 2016
- \$750,000 raised via an oversubscribed share placement to sophisticated and professional investors
- Cash position post raising and SPP will be in excess of \$3.7M
- The additional funds will be applied to fast track drilling at the high grade Break of Day gold and Mt Eelya copper-gold prospects

Quarterly Activities Report for the period ended 30 June 2016

Introduction

Musgrave Minerals Ltd (“Musgrave” or “the Company”) (ASX:MGV) is an Australian gold and base metal exploration company focused on growth through the discovery and development of gold and base metal resources within Australia.

The Company’s focus is on gold and base metal exploration at the new Cue Project in the Murchison Province of Western Australia. Our aim is to advance targets through discovery and extensional drilling to define sufficient resources to underpin a profitable near-term development scenario.

Exploration for the quarter focused on drilling of gold and base metal targets at the Cue Project in Western Australia. This drilling identified further high grade gold at Break of Day and down hole electromagnetic (“DHEM”) surveys identified an off-hole conductor at Mt Eelya for further drill testing.

Musgrave also has projects in the Fraser Range region of Western Australia and the Musgrave Geological Province and Southern Gawler Craton regions of South Australia (Figure 1).

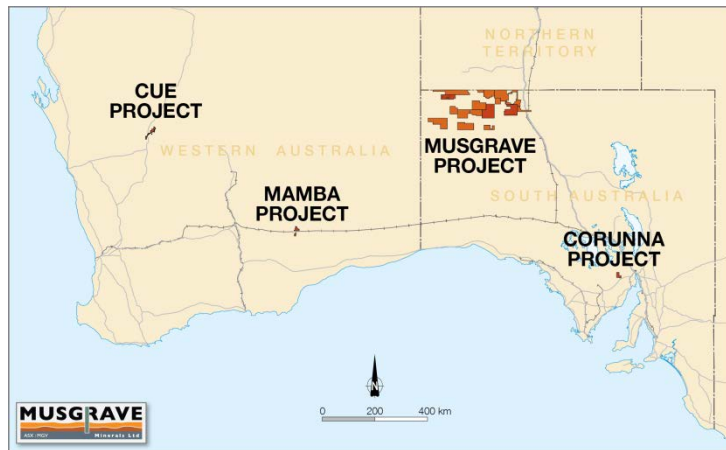


Figure 1: Musgrave Minerals’ Project Location Map

Corporate

During the period, the Company progressed exploration as summarised in the Exploration Activities section of this report. At the end of the June 2016 quarter, the Company held \$2.07 million in cash.

Subsequent to the end of the quarter Musgrave announced details of a \$2M capital raising to accelerate drilling at the Cue Project in Western Australia. The capital raising comprised a \$750,000 placement to sophisticated & professional investors and a \$1.25M fully underwritten Share Purchase Plan (“SPP”) (the underwriting being subject to the approval of Shareholders to be sought at a General Meeting to be convened on 15 August 2016). The SPP is currently underway and closes on Friday 5 August 2016. On completion the Company expects to have approximately 159 million shares on issue and \$3.7M cash at bank.

During the quarter Musgrave received \$513,162 from the Australian Tax Office under the Federal Government’s Research and Development Tax Incentive Scheme for its research and development activities during the 2014-15 financial year. Musgrave has strong links with government and research organisations in the regions in which it operates including the Geological Survey of South Australia and the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”).

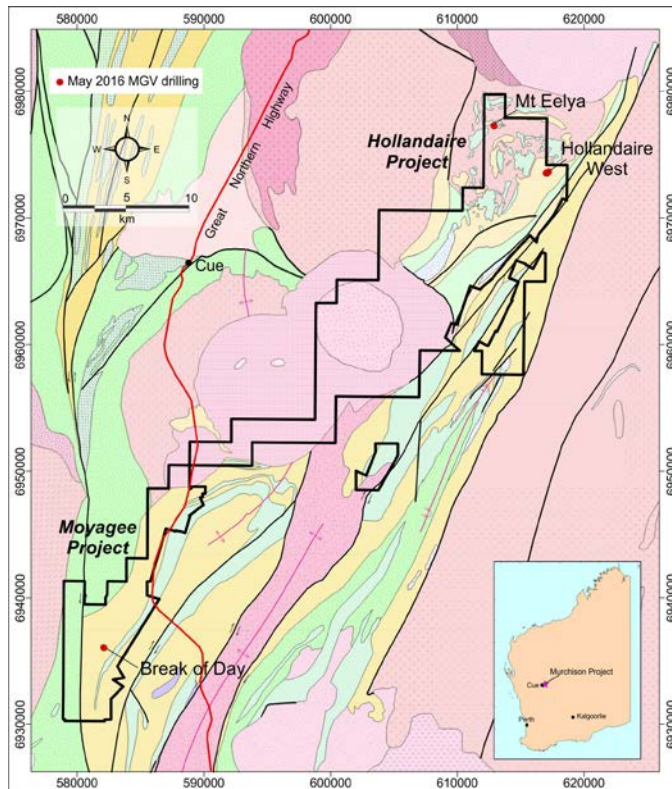


Figure 2: Cue project location plan comprising Hollandaire & Moyagee

The Company successfully secured an Exploration Incentive Scheme (“EIS”) co-funded drilling grant of \$150,000



Quarterly Activities Report for the period ended 30 June 2016

for the Cue Project in 2016-17 to drill test new copper-gold targets.

Musgrave, under the Federal Government’s Exploration Development Incentive Scheme advised shareholders that exploration credits would be distributed to eligible shareholders at 0.08 cents per share as a tax credit.

Exploration Activities

Murchison

Cue Project

Musgrave Minerals Ltd earning up to 80%

During the quarter the Company undertook a detailed geochemical survey over a number of target areas including Mt Eelya and Lady Stardust and defined broad base metal and gold anomalism at the respective targets.

A reverse circulation (“RC”) drill program was completed in May 2016. The drill program consisted of 6 drill holes for a total of 1,147m testing extensions of gold mineralisation at Break of Day, Hollandaire West and Mt Eelya. DHEM surveys were completed on five drill holes. Off-hole conductors were identified at Mt Eelya and Hunky Dory.

Break of Day

The Break of Day prospect is part of the Moyagee Project and hosts a combined JORC (2012) and JORC (2004) compliant Mineral Resource of 1.93Mt @ 2.0g/t Au for 126,900oz contained gold within four separate deposits; Lena, Leviticus, Numbers and Break of Day.

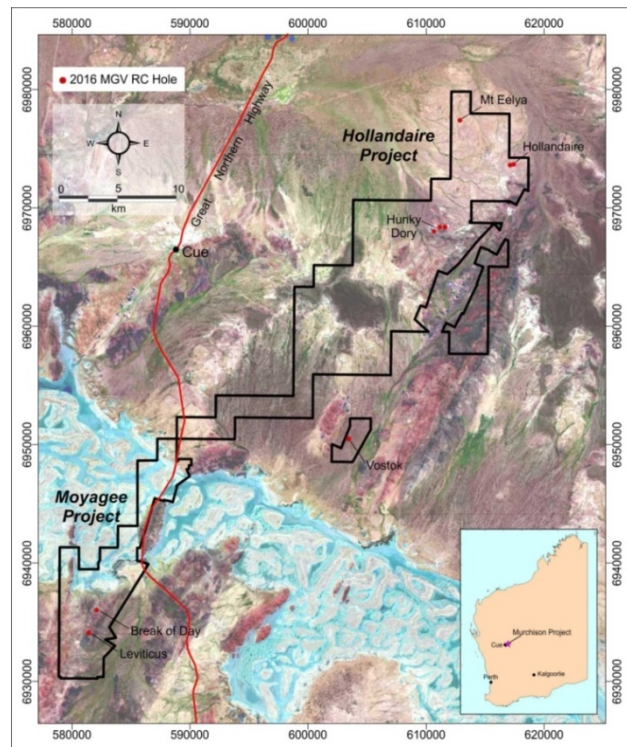


Figure 3: Musgrave RC drill hole locations on false colour landsat image

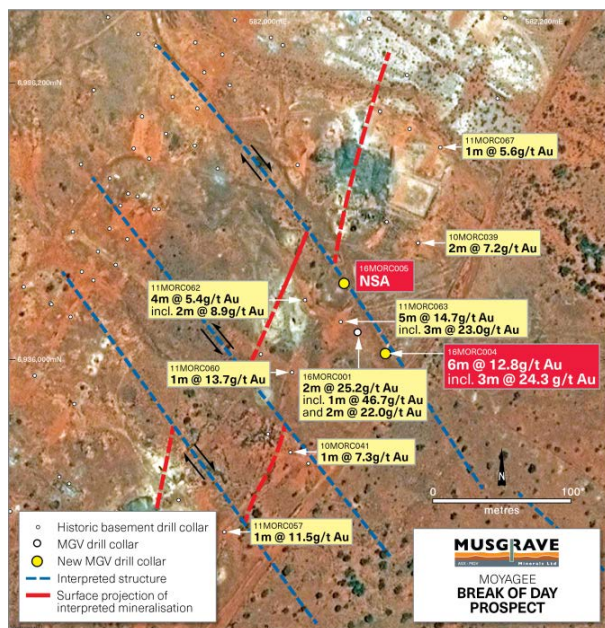


Figure 4: Musgrave RC drill hole locations at Break of day on landsat image

Break of Day has a JORC 2004 compliant Inferred Mineral Resource of 335,700t @ 1.91g/t for 20,600oz of contained gold (MGV ASX announcement 25 November 2015: “Musgrave Secures Advanced Gold and Copper Project”).

During the quarter Musgrave received assays results for MORC001 which returned two significant high grade gold intersections; 2m @ 25.2g/t Au (including 1m @ 46.7g/t Au) from 96m and 2m @ 22.0g/t Au from 135m down hole (see ASX announcement 13 April 2016, “High Grade Gold at Break of Day”).

In May Musgrave completed two RC drill holes at Break of Day and confirmed an extension of the gold mineralisation down dip (Figure 4 and 5). Assay results for drill hole 16MORC004 returned 6m @ 12.8g/t gold from 158m to 164m down hole including 3m @ 24.3g/t gold from 158m (see ASX announcement 6 June 2016; “More High Grade Gold at Break of Day”).

The drill hole was targeting the extension of high grade gold intersected in MORC001 and successfully demonstrates the continuity of the mineralisation

Quarterly Activities Report for the period ended 30 June 2016

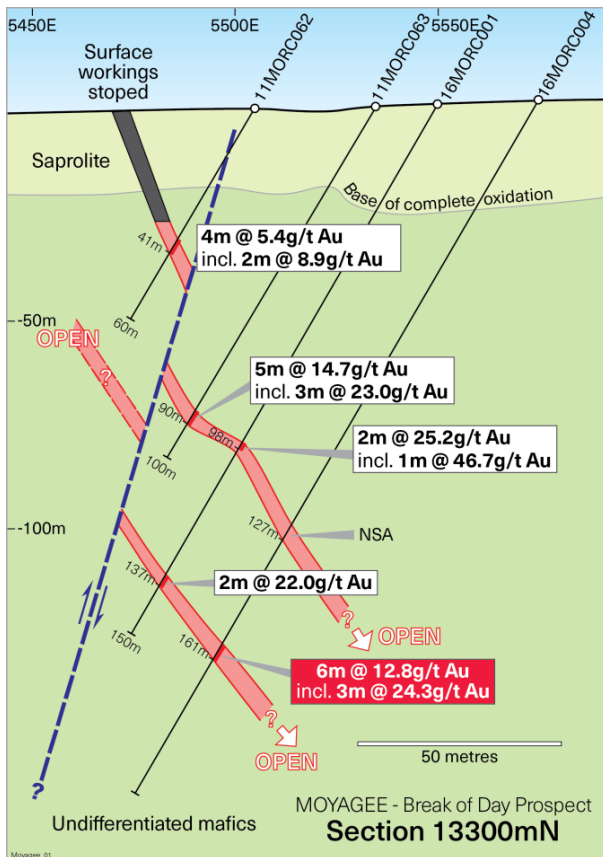


Figure 5: Break of Day cross section showing RC drill holes on section 13300mN (local grid)

which remains open at depth. The gold mineralisation has the potential to extend over a strike length of more than 400m (Figure 4) and is open down dip (Figure 5) and down plunge. The mineralisation at Break of Day is interpreted to be moderately dipping quartz vein hosted gold mineralisation with minor (1-2%) pyrite, hosted within a basaltic stratigraphic sequence. Break of Day is on a granted mining lease and Musgrave is planning further drilling to commence in late July aiming to delineate a high grade gold resource.

Hunky Dory

At the Hunky Dory prospect, Musgrave undertook a DHEM survey on drill hole 16HDRC002 where gold (1m @ 1.6g/t Au and 1m @ 3.4g/t Au) was intersected in initial drilling (see ASX announcement 24 March 2016, "Further Strong Results from Initial Drilling at Cue"). An off-hole late time basement conductor has been identified below the drill hole at a depth of approximately 90m. The conductor could represent an accumulation of sulphide within the anomalous shear zone. There is a strong historical association between sulphide content and higher grade gold mineralisation in this area. Further drilling is required to test this conductor.

Purple Rain

Subsequent to the end of the quarter Musgrave identified a new untested gold target named Purple Rain only 2km south-west of the Break of Day high grade gold prospect (Figure 6).

The new target was identified through analysis of historical data. Two anomalous rotary air blast ("RAB") drill holes approximately 25m apart are highly anomalous in gold. Drill hole MRB1559 intersected 6m @ 3.25g/t Au from 28m down hole including a high grade zone of 2m @ 8.02g/t Au from 29m down hole. A second drill hole (MRB1560) 25m to the south-east intersected 5m @ 0.44g/t Au from 39m down hole and ended in mineralisation at 44m (see ASX announcement 13 July 2016; "New Untested Gold Target").

Both intersections are in the weathered zone. No follow-up or basement drilling has been undertaken on the target to

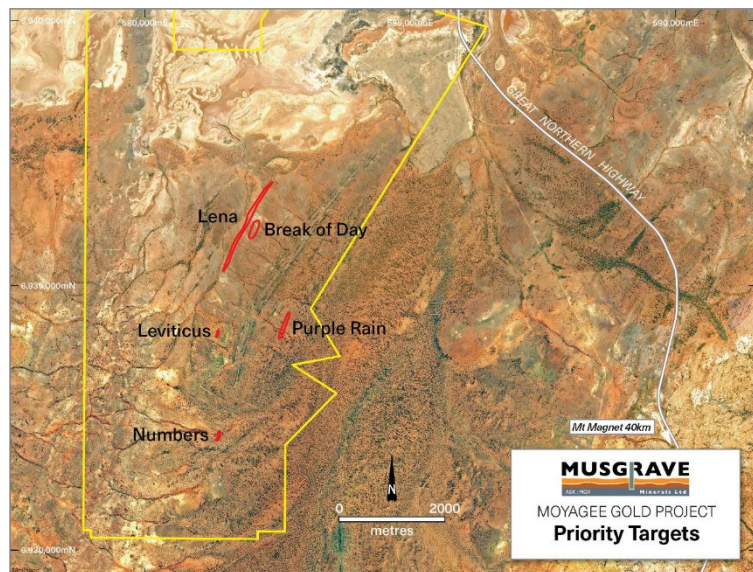


Figure 6: Location plan of Purple Rain target



date.

The gold mineralisation is in an area of thin alluvial cover (3 to 6 metres) making surface geochemistry ineffective, and is open for a strike extent of up to 800m. Historical geological logging suggests the mineralisation is associated with quartz veining and hosted within a mafic/sedimentary Archaean sequence.

Follow-up drilling is planned for early August pending administrative approvals.

Mt Eelya

Musgrave drilled a single follow-up RC drill hole (16EHRC002) at Mt Eelya before heavy rain prevented further drilling. The drill hole was positioned to test approximately 60m down dip of 16EHRC001 where Musgrave intersected 8m @ 1.6% Cu, 0.6g/t Au and 4.5g/t Ag (see ASX announcement 3 March 2016, "Copper-Gold Mineralisation Confirmed at Mt Eelya"). 16EHRC002 intersected three zones of stringer and disseminated sulphide mineralisation with elevated base metals. A strong off-hole late time conductor has been identified to the east of the drill hole suggesting a south easterly plunge to the mineralisation (Figure 7 and 8).

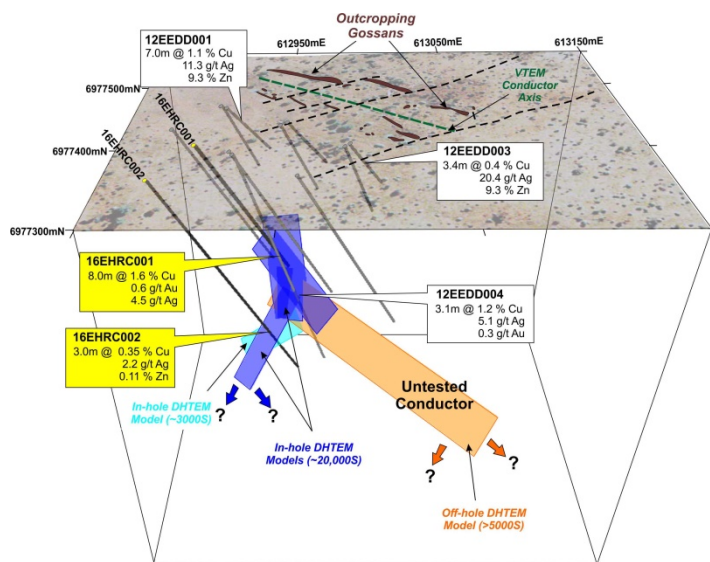


Figure 7: Three dimensional image of Mt Eelya drill hole location plan showing drill holes, significant intersections, outcropping gossans, VTEM conductors and DHEM model targets

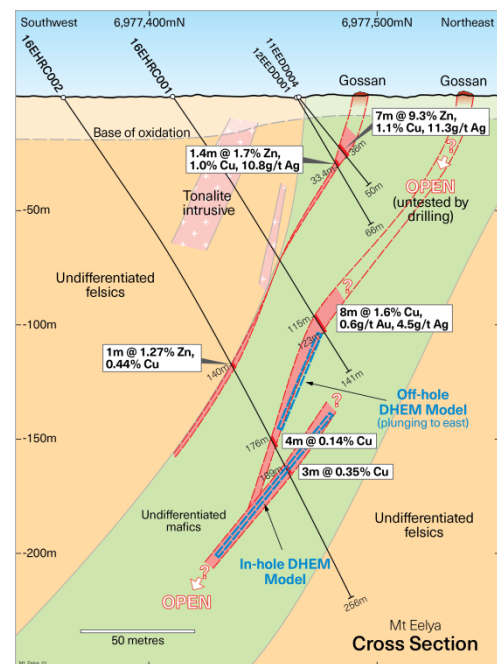


Figure 8: Mt Eelya cross section showing RC drill hole 16EHRC002

At Mt Eelya a new soil geochemical survey was completed using a portable x-ray fluorescence ("pXRF") analyser. to determine the potential extents of the anomalous zone. Anomalous copper (Figure 9) and zinc (Figure 10) has been confirmed over a strike extent of more than 700m.



Quarterly Activities Report for the period ended 30 June 2016

Gossanous float, the weathered product of sulphide mineralisation, can be traced at surface, intermittently over a strike of approximately 300m at Mt Eelya (*Figure 9 and 10*). The gossan forms two intermittent but sub-parallel zones. Interpretation of the recent versatile time domain electromagnetic (“VTEM”) survey data has identified three potential conductors aligned parallel with the gossans. The conductors at Mt Eelya have a strong association with massive sulphide copper-gold mineralisation. To date the drilling has been focused on testing only one of these three potential zones of mineralisation. Ground EM is planned to better define these potential new conductive targets.

Further drilling at Mt Eelya is currently being planned to commence in early August together with a ground EM survey to test for extensions to the massive copper-gold sulphide and zinc mineralisation intersected in earlier drilling.

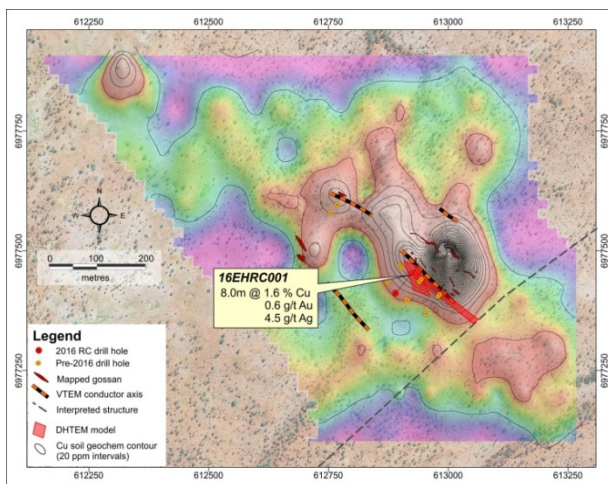


Figure 9: Mt Eelya pXRF copper soil anomaly with copper gossans, EM conductors and drill hole locations

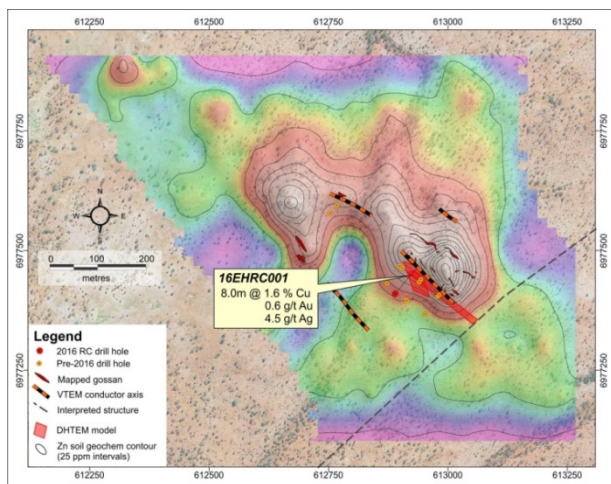


Figure 10: Mt Eelya pXRF zinc soil anomaly with copper gossans, EM conductors and drill hole locations

Hollandaire West

Musgrave completed three RC drill holes at Hollandaire West for a total of 542m. The mineralised zone was intersected in all three drill holes with assays returning an interval of 3m grading 0.45% Cu in 16HRC004 from 151m. DHEM surveys have been completed and the data is currently being interpreted.

Lady Stardust

A new surface gold anomaly has been identified at the southern end of the Lady Stardust VTEM target. The gold soil anomaly extends for approximately 700m in strike and is approximately 200m wide (*Figure 11*). The target is situated on a prospective lithological contact and favourable structural position and has not been drill tested. A copper soil anomaly (*Figure 12*) has been identified using a pXRF analyser. The anomaly is co-incident with the Lady Stardust VTEM target suggesting the source of the conductor may be related to base metal mineralisation. The VTEM target is modelled as a sub-vertical conductor with a strike extent of approximately 900m.

Aircore and RC drilling is planned to test both the gold and copper anomalies at Lady Stardust.

Quarterly Activities Report for the period ended 30 June 2016

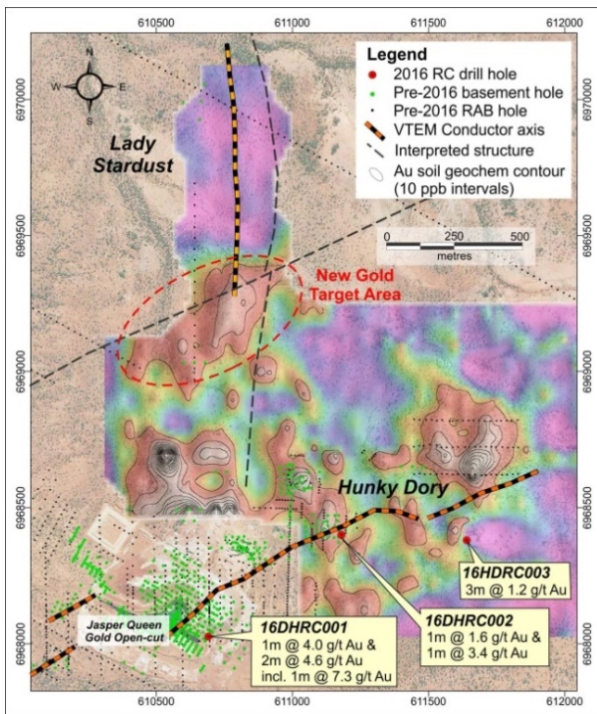


Figure 11: Lady Stardust gold (25g fire assay) soil anomaly

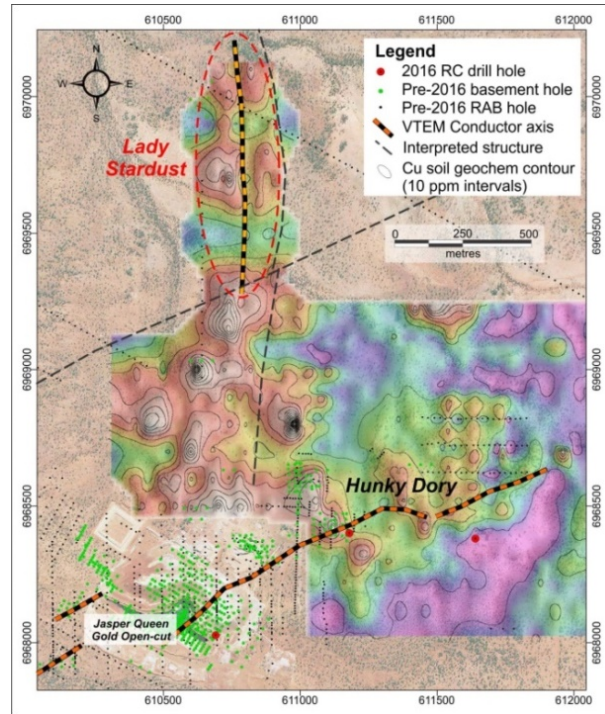


Figure 12: Lady Stardust pXRF copper soil anomaly

About the Cue Project

Musgrave Minerals Ltd entered into a Farm-In and Joint Venture Agreement with Silver Lake Resources Limited (“Silver Lake”) (ASX: SLR) to earn up to an 80% interest in the Cue Project (previously part of SLR’s Murchison Operation) consisting of the Moyagee Gold and Hollandaire Copper Projects (“Project”) in the highly prospective Murchison province of Western Australia (Figure 2).

The Project hosts the Moyagee and Hollandaire Mineral Resources and Reserves (refer *MGV ASX announcement 25 November 2015: “Musgrave Secures Advanced Gold and Copper Project”*):

- 1.9Mt @ 2.0g/t Au (126,900oz contained Au) in Resources at Moyagee*,
- 0.7Mt @ 1.6g/t Au (34,300oz contained Au) in Resources at Hollandaire and Rapier*,
- 2.0Mt @ 1.9% Cu (38,800t contained Cu) in Resources at Hollandaire*, and
- 0.4Mt @ 3.3% Cu (14,700t contained Cu) in Reserves at Hollandaire*.

*Note: Gold and Copper Resources and Reserves are estimated by Silver Lake and reported in SLR ASX Announcement 28 August 2015; “Mineral Resources and Reserves Update”.

Other Projects

Musgrave currently holds tenements in the Fraser Range region of Western Australia and the Musgrave and Southern Gawler Craton regions of South Australia. No field activity was completed on these projects during the quarter.



Notes Specific – June 2016 Quarter ASX Announcements

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following announcements lodged with the ASX during the quarter:

- 13/04/2016 High Grade Gold at Break of Day
- 21/04/2016 Quarterly Activities and Cash flow Report
- 16/05/2016 New Gold & Copper Targets – Lady Stardust and Mt Eelya
- 24/05/2016 Drilling Recommences on Key Targets at Cue
- 25/05/2016 Exploration Development Incentive Scheme
- 06/06/2016 More High Grade Gold at Break of Day
- 08/06/2016 AMEC Convention – Company Presentation
- 15/06/2016 EIS Drilling Grant for Cue
- 04/07/2016 Oversubscribed Placement and Fully U/W SPP to Raise \$2M
- 06/07/2016 BRR Interview – Exploration Update & Capital Raising
- 08/07/2016 Share Purchase Plan – Offer Document
- 12/07/2016 Notice of General Meeting & Proxy Form
- 13/07/2016 New Untested Gold Target

For enquiries contact:

Rob Waugh

Managing Director

Musgrave Minerals Ltd

info@musgraveminerals.com.au

08 9324 1061

About Musgrave Minerals

Musgrave Minerals Limited is an active Australian gold and base metals explorer. The Cue Project in the Murchison region of Western Australia is an advanced gold and copper project. Musgrave's focus is to increase gold and copper resources through discovery and extensional drilling to underpin studies that will demonstrate a viable path to development in the near term. Musgrave also holds the highly prospective Mamba Ni-Cu sulphide project in the Fraser Range of Western Australia and an active epithermal Ag-Pb-Zn-Cu project in the prospective silver and base metals province of the southern Gawler Craton of South Australia and a large exploration footprint in the Musgrave Province in South Australia. Musgrave has a powerful shareholder base with four mining and exploration companies currently participating as cornerstone investors.

Competent Person's Statement

Exploration Results

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled and/or thoroughly reviewed by Mr Robert Waugh, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Waugh is Managing Director and a full-time employee of Musgrave Minerals Ltd. Mr Waugh has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration 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 Waugh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Quarterly Activities Report for the period ended 30 June 2016

Tenement information in accordance with Listing Rule 5.3.3

Tenement ID	Previous Tenement ID	Project	State	Status	MGV Interest at start of quarter	MGV Interest at end of quarter
EL5317		Musgrave	SA	Granted	100%	100%
EL4850		Musgrave	SA	Granted	100%	100%
EL5172	EL3941	Musgrave	SA	Granted	100%	100%
EL5173	EL3942	Musgrave	SA	Granted	100%	100%
EL5175	EL3955	Musgrave	SA	Granted	100%	100%
EL5497		Corunna	SA	Granted	100%	100%
E28/2405		Mamba	WA	Granted	100%	100%
E20/606		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/608		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/616		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/630		Cue	WA	Granted	0%	0% (MGV earning up to 72%)
E20/659		Cue	WA	Granted	0%	0% (MGV earning up to 72%)
E20/836		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E21/144		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/629		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/698		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/699		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/700		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E20/779		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E21/129		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E21/163		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E21/177		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
E58/335		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M20/225		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M20/245		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M20/277		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M21/106		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M21/107		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M58/224		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
M58/225		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2038		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2039		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2040		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2041		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2042		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2094		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P20/2219		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P21/651		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P21/654		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P21/656		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P21/657		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P21/665		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P58/1372		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P58/1373		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P58/1374		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
P58/1375		Cue	WA	Granted	0%	0% (MGV earning up to 80%)
L20/57		Cue	WA	Granted	0%	0% (MGV earning up to 80%)

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

MUSGRAVE MINERALS LTD

ABN

12 143 890 671

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(447)	(1,668)
1.3 Dividends received	(146)	(694)
1.4 Interest and other items of a similar nature received	24	82
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) Recovery of misappropriated funds Research and Development Tax Incentive	- 513	100 513
Net Operating Cash Flows	(56)	(1,667)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - (2)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - 7
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	5
1.13 Total operating and investing cash flows (carried forward)	(56)	(1,662)

+ 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)	(56)	(1,662)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(56)	(1,662)
1.20	Cash at beginning of quarter/year to date	2,131	3,737
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,075	2,075

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	114
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, salary payments and superannuation.

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

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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

--

+ 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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	560
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	680

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	125	331
5.2 Deposits at call	1,950	1,800
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,075	2,131

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas 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>	-	-		
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 +Ordinary securities	125,032,258	125,032,258	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	375,000		Exercise Price	Expiry Date
	500,000		\$0.25	23 Jan 2017
	75,000		\$0.25	5 Mar 2018
	550,000		\$0.25	23 Mar 2018
	700,000		\$0.12	10 Mar 2019
	700,000		\$.045	22 Apr 2021
7.8 Issued during quarter	700,000	-	\$0.045	22 Apr 2021
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	7,750,000	-	\$0.25	19 Apr 2016
	500,000	-	\$0.36	8 May 2016
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ 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: 21 July 2016
(~~Director~~/Company Secretary)

Print name: Patricia Farr

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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