

28 October 2016



## Quarterly Report for the period ended 30 September 2016

### Fast Facts

ASX Code: EMR  
Shares on issue: 2,200 million  
Market Cap: ~\$110 million  
Cash & Investments: \$15.5 million  
Enterprise Value: \$94.5 million

### Board & Management

Simon Lee AO, Non-Exec Chairman  
Morgan Hart, Managing Director  
Justin Tremain, Executive Director  
Ross Stanley, Non-Exec Director  
Ross Williams, Non-Exec Director  
Mick Evans, Chief Operating Officer  
Mark Clements, Co. Secretary

### Company Highlights

- Targeting large gold systems in an emerging Intrusive Related Gold province in Cambodia
- First mover in an emerging gold province in Cambodia
- Okvau Deposit (100% owned): Indicated and Inferred Mineral Resource Estimate of 1.13Moz at 2.2g/t Au (Refer Appendix One)
- PFS completed and demonstrates high grade, low cost, compelling development economics:
  - 830,000ozs in single pit
  - Production to 100,000ozs pa over 8yr mine life (average 91,500oz pa LOM)
  - AISC US\$611/oz first 5 years (average US\$735/oz LOM)
  - NPV<sub>(5%)</sub> US\$174M
  - IRR 35% pa
  - Payback ~2.6 years
- Clear pathway to development
- Significant resource growth potential. Okvau Deposit remains 'open' and multiple nearby high priority, untested targets

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### Highlights

#### Successful Merger with Renaissance

- Emerald's off-market takeover for all the shares of Renaissance Minerals Ltd ('Renaissance') closed on 30 September 2016 with Emerald becoming the holder of 96.0% of Renaissance shares on issue and 100% of the Renaissance options on issue
- Emerald is proceeding to compulsorily acquire the remaining Renaissance shares which is expected to be completed during November 2016
- The merger has created a well-funded gold development company with a strong board and management team which is well placed to develop the Cambodian Gold Project and pursue other value enhancing opportunities

#### Cambodian Gold Project Activities

- Definitive Feasibility Study ('DFS') on track for completion in early 2017
- Successful completion of a shallow resource infill drilling program of 77 holes for 7,424m (approximately 50 holes for 5,724m completed during the Quarter) to infill the top 120 vertical metres of the 1.13Moz Okvau Deposit (Refer Appendix One)
- Assays from the initial 46 holes received with numerous +50 gram metre intersections including (Refer ASX announcement dated 18 October 2016 and Table One):

○ 16m @ 3.90g/t gold from 19m	○ 8m @ 10.25g/t gold from 81m
○ 5m @ 13.16g/t gold from 74m	○ 2m @ 33.91g/t gold from 14m
○ 31m @ 3.11g/t gold from 81m	○ 2m @ 25.38g/t gold from 109m
○ 9m @ 5.69g/t gold from 34m	○ 9m @ 15.09g/t gold from 35m
○ 3m @ 17.99g/t gold from 81m	
- Geotechnical and hydrogeology studies advanced and nearing completion at end of the Quarter
- Assays received for the five diamond holes drilled for metallurgical samples which included 36m @ 4.57g/t from 95m (Refer Table Two). Samples exported and received in Perth for final metallurgical test work to optimize proposed process flowsheet
- Community and provincial consultation completed as part of Environmental & Social Impact Assessment ('ESIA') which is expected to be completed for submission during November 2016
- Okvau remains 'open' and step-out drilling has commenced to test for strike and dip extensions with a ~4,000m program
- Discussions were held with the Ministry of Mines & Energy regarding the mining license to be supplemented with a 'Mineral Investment Agreement'

#### Corporate

- The Company's consolidated cash position (including approximately \$0.4 million of liquid investments) at 30 September 2016 was approximately \$15.5 million
- Mr Justin Tremain joined the Board as Executive Director

## Cambodian Gold Project

### Background

The 100%<sup>1</sup> owned Okvau and adjoining O'Chhung licences cover approximately 400km<sup>2</sup> of project area and are located within the core of a prospective Intrusive Related Gold ('IRG') province in the eastern plains of Cambodia. The Project is located in the Mondulkiri Province of Cambodia approximately 265 kilometres north-east of the capital Phnom Penh (Refer Figure One).

The topography is relatively flat with low relief of 80 metres to 200 metres above sea level. There are isolated scattered hills rising to around 400 metres. The area is sparsely populated with some limited historical small scale mining activity. An all-weather gravel haulage road servicing logging operations in the area provides good access to within 25 kilometres of the Okvau exploration camp site. The current access over the remaining 25 kilometres is sufficient for exploration activities but is planned to be upgraded to an all-weather road as part of any project development.

A revised independent JORC Indicated and Inferred Resource estimate of 15.8Mt at 2.2g/t for 1.13Moz of gold was completed for the Okvau Deposit in July 2015. Importantly, approximately 85% the resource estimate is in the Indicated category. The resource estimate comprises 13.2Mt at 2.3g/t gold for 0.96Moz of gold in the Indicated resource category plus 2.7Mt at 2.0g/t gold for 0.17Moz of gold in the Inferred resource category (Refer Appendix One).

The mineralised vein system of the Okvau Deposit has a current strike extent of 500 metres across a width of 400 metres. The depth and geometry of the resource make it amenable to open pit mining with 73%, or 830,000 ounces of the total resource estimate within the single open pit mine design.

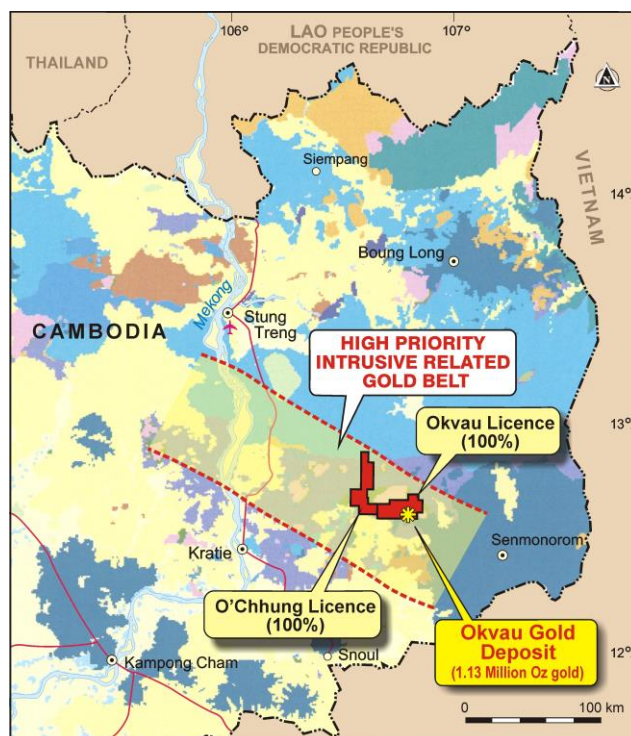
The Okvau Deposit remains open. There is significant potential to define additional ounces from both shallow extensions along strike to the north-east and at depth. The current resource estimate is underpinned by 132 drill holes for 33,351 metres, of which 100 holes or 30,046 metres is diamond core drilling with the remainder being reverse circulation drilling. Drill hole spacing is nominally 30 metres by 30 metres.

The Okvau Deposit and other gold occurrences within the exploration licences are directly associated with diorite and granodiorite intrusions and are best classed as Intrusive Related Gold mineralisation. Exploration to date has demonstrated the potential for large scale gold deposits with the geology and geochemistry analogous to other world class Intrusive Related Gold districts, in particular the Tintina Gold Belt in Alaska (Donlin Creek 38Moz, Pogo 6Moz, Fort Knox 10Moz, Livengood 20Moz).

There are numerous high priority exploration prospects based upon anomalous geochemistry, geology and geophysics which remain untested with drilling. These targets are all located within close proximity to the Okvau Deposit.

Renaissance completed a Pre-Feasibility Study ('PFS') in July 2015 (Refer Renaissance ASX announcement dated 27 July 2015) for the development of a 1.5Mtpa operation based only on the Okvau Deposit via an open pit mining operation. The PFS demonstrated the potential for a robust, low cost development with an initial Life of Mine of 8 years, producing on average 91,500 ounces of gold per annum via conventional open pit mining methods from a single pit.

Figure One | Cambodian Gold Project Location



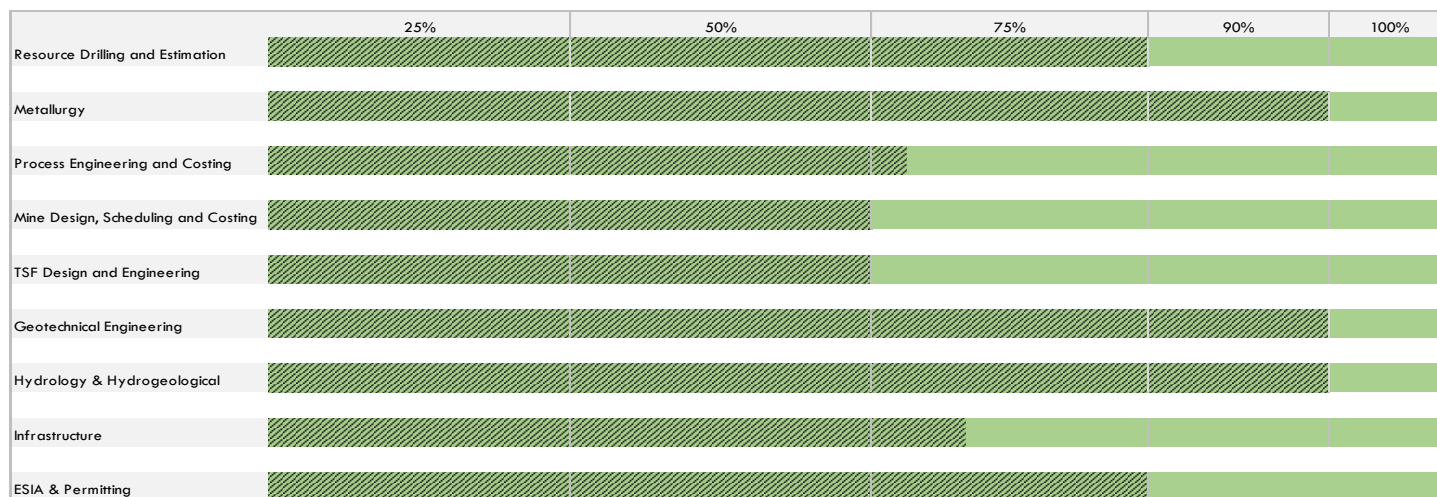
<sup>1</sup> Assumes successful completion of the compulsory acquisition process of Renaissance

## Activities during the September Quarter

### Definitive Feasibility Study

Emerald is completing a DFS on the development of the Okvau Deposit following on from Renaissance's positive Pre-Feasibility Study completed in July 2015. As part of the DFS a resource infill program has recently been completed with assay results received for approximately two thirds of the program. Other aspects of the DFS are progressing on schedule for completion in early 2017. In particular a final metallurgical test work program is underway to optimize the flowsheet proposed in the Renaissance PFS which is expected to be completed by end of the year.

The status of key DFS components is shown below:



### Resource Drilling Program

A 7,424 metre resource infill drilling program was designed to improve the confidence in the resource estimate of the top 120 vertical metres of the Okvau Deposit by closing the drill spacing to approximately 25 metres by 25 metres. This program was completed shortly after the end of the September Quarter. This part of the deposit will represent the initial ~3 years of mill feed for the project. The program was designed to upgrade this area of mineralization from Indicated to Measured.

Assays results were received for 46 holes or approximately two thirds of the program. Results are confirming the existing geological and resource model. A summary of results from these holes are shown below in Table One (Refer ASX announcement dated 18 October 2016).

**Table One | Summary (+10 gram metre) Resource Drilling Results**

Hole Name	Intersection			Gold (g/t)
	From (m)	To (m)	Interval (m)	
RC16OKV258	<b>19</b>	<b>35</b>	<b>16</b>	<b>3.90</b>
	51	54	3	4.06
RC16OKV260	9	12	3	3.48
	25	30	5	8.32
RC16OKV261	45	52	7	3.12
RC16OKV263	2	5	3	3.41
	20	33	13	2.48
	39	42	3	3.91
RC16OKV266	27	29	2	6.63
RC16OKV269	18	26	8	3.36
	46	59	13	1.74
RC16OKV271	63	67	4	2.69
RC16OKV272	12	18	6	3.47
	<b>74</b>	<b>79</b>	<b>5</b>	<b>13.16</b>
	91	94	3	4.92
RC16OKV273	2	7	5	2.08
	65	78	13	2.25
RC16OKV274	53	58	5	5.43
	104	113	9	1.84
RC16OKV275	32	40	8	1.84
	<b>81</b>	<b>112</b>	<b>31</b>	<b>3.11</b>
RC16OKV279	<b>34</b>	<b>43</b>	<b>9</b>	<b>5.69</b>
	55	62	7	3.85
	<b>81</b>	<b>84</b>	<b>3</b>	<b>17.99</b>
	96	105	9	2.88
RC16OKV280	64	67	3	3.32
	94	97	3	4.56
RC16OKV281	32	36	4	4.67
RC16OKV284	29	39	10	1.90
RC16OKV285	<b>81</b>	<b>89</b>	<b>8</b>	<b>10.25</b>
	119	127	8	5.94
RC16OKV286	<b>14</b>	<b>16</b>	<b>2</b>	<b>33.91</b>
	33	45	12	1.89
RC16OKV287	50	59	9	3.09
	95	103	8	1.59
	<b>109</b>	<b>111</b>	<b>2</b>	<b>25.38</b>
	119	131	12	2.89
RC16OKV288	126	131	5	5.77
RC16OKV289	36	45	9	2.44
RC16OKV290	13	16	3	4.39
	52	55	3	3.77
	127	131	4	2.77
RC16OKV291	91	96	5	2.32
	101	109	8	4.01
RC16OKV292	30	37	7	1.57
DD16OKV294	<b>35</b>	<b>44</b>	<b>9</b>	<b>15.09</b>
	60	70	10	3.89
	99	101	2	16.76
	112	115	3	7.24
RC16OKV296	75	76	1	10.00
RC16OKV298	39	51	12	2.91
	68	72	4	5.63
	78	84	6	1.63

Hole Name	Intersection			Gold (g/t)
	From (m)	To (m)	Interval (m)	
RC16OKV302	117	123	6	4.00
	9	10	1	12.90
	21	29	8	3.09
RC16OKV303	61	64	3	14.32
	111	115	4	2.55
RC16OKV305	27	37	10	1.72
	47	72	25	1.39
RC16OKV306	48	55	7	2.36
	132	134	2	7.78
RC16OKV307	67	77	10	3.29
RC16OKV309	30	38	8	4.07
	87	92	5	2.31
	133	140	7	1.46
RC16OKV310	14	18	4	5.23
	123	129	6	5.07



A plan showing the collar locations of the resource drilling, along with historical exploration drill hole collars, is shown below in Figure Two.

Typical cross sections showing the new resource drilling are shown below in Figures Three and Four.

This infill drilling is being incorporated into a new resource estimate and a maiden reserve which will accompany the DFS in early 2017.

**Figure Two | Okvau Resource Drilling Collar Location**

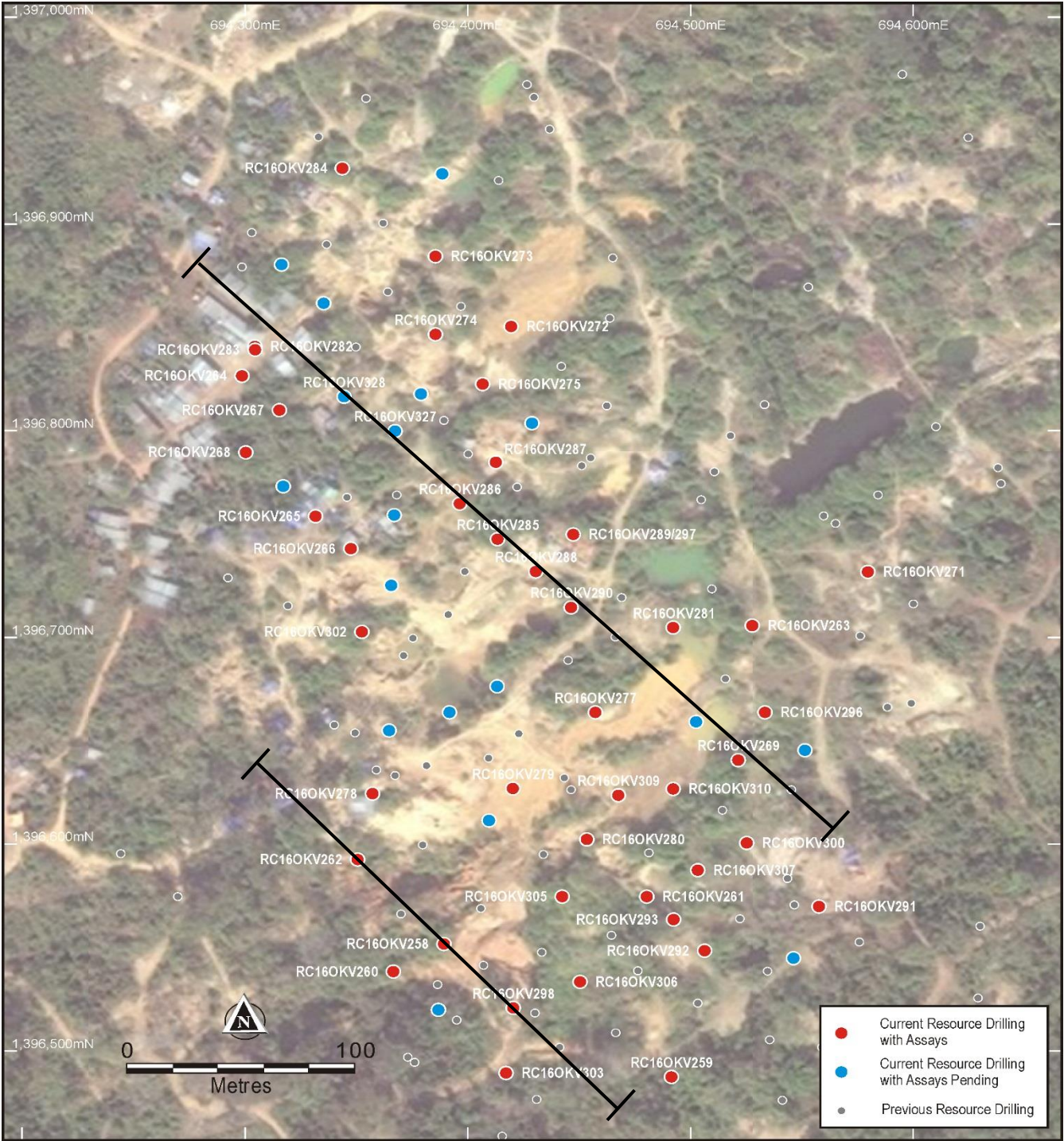




Figure Three | Cross Section RC16OKV269, 282, 283, 286, 288 & 290

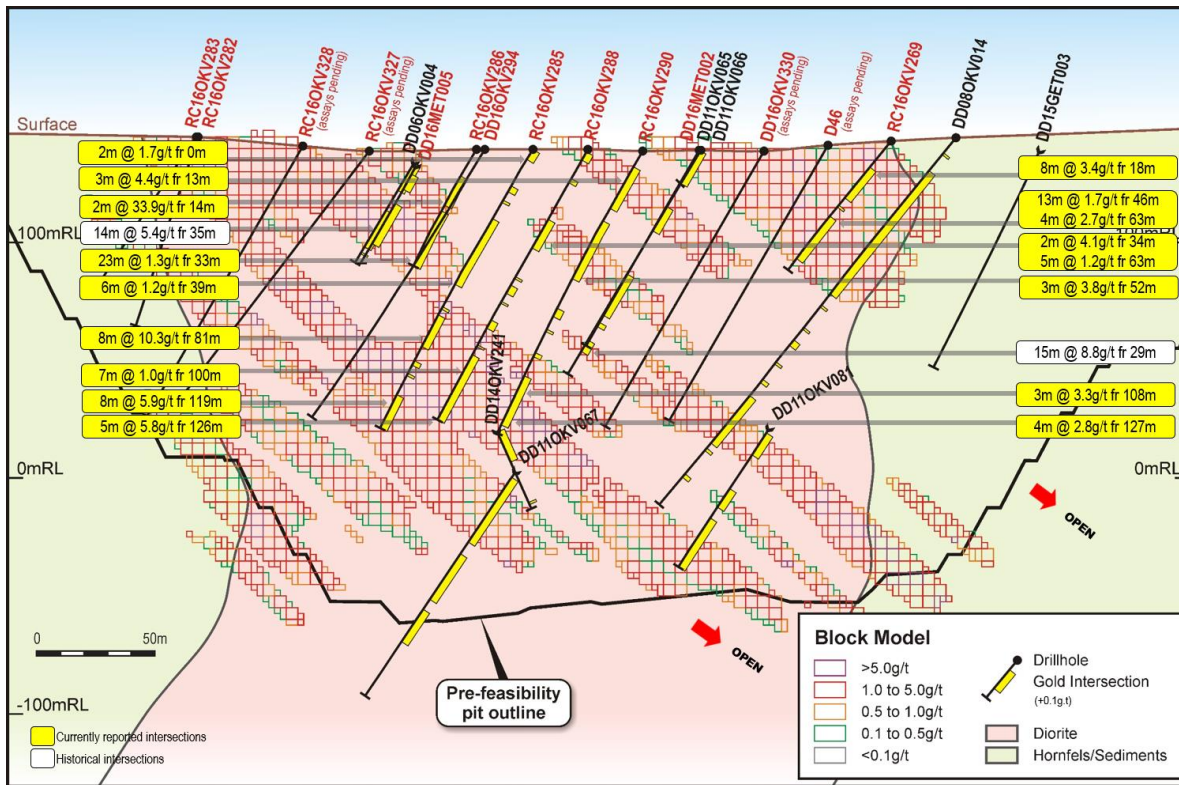
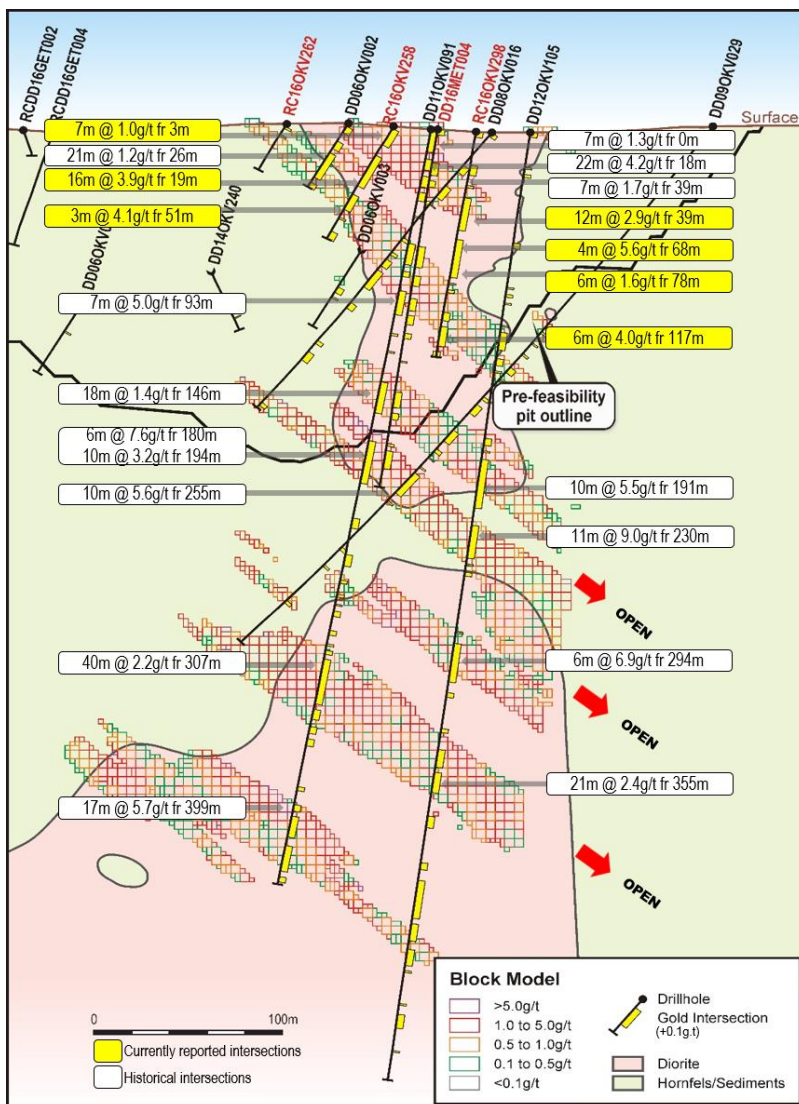


Figure Four | Cross Section RC16OKV258, 262, 298



## Metallurgy

Over 600 metres of diamond drilling was completed to provide additional representative samples from five holes for metallurgical test work. Results for the first two holes were included in the June 2016 Quarterly report (Refer ASX announcement dated 29 July 2016).

Significant results from the final three holes are shown below in Table Two (Refer ASX announcement dated 18 October 2016):

**Table Two | Summary (+10 gram metre) Metallurgical Drilling Results**

Hole Name	Intersection			Gold (g/t)
	From (m)	To (m)	Interval (m)	
DD16OKVMET004	19	26	7	3.09
	97	102	5	2.63
	156	164	8	2.18
	189	195	6	3.88
DD16OKVMET005	46	47	1	33.60
	87	90	3	6.63
	<b>95</b>	<b>131</b>	<b>36</b>	<b>4.57</b>
DD16OKVMET006	50	66	16	1.22
	74	79	5	2.34
	116	122	6	3.48
	127	132	5	3.52
	140	143	3	3.60
	155	165	10	4.56

These samples were exported and received in Perth, Western Australia and test work has commenced. This test work program is designed to optimize the process flow sheet. The work is expected to be completed by late December 2016.

## Geotechnical

Additional geotechnical holes were drilled and reviewed by Emerald's geotechnical consultant, in addition to the geotechnical drilling previously undertaken by Renaissance. Updated geotechnical parameters are expected to be finalised in the December Quarter. There are not expected to be any adverse changes from the Renaissance PFS parameters with the possibility of improved parameters which would potentially allow for both a deeper pit and lower strip ratio.

## Engineering & Costings

Mining studies remain in progress which will incorporate an updated resource estimate based on the additional resource drilling, updated geotechnical design criteria, revised mining and processing assumptions and updated processing and mining cost inputs in the optimisation and mine design. Discussion were held with experienced international mining contractors that would be willing to establish a presence in country.

## ESIA

The final draft ESIA is expected to be completed by early November 2016 for submission to the Ministry of Environment. Public consultation at local district and provincial levels was conducted over the past few months. The feedback from Government and key stakeholders has all been very positive and the ESIA is being updated to address matters raised during these consultations.

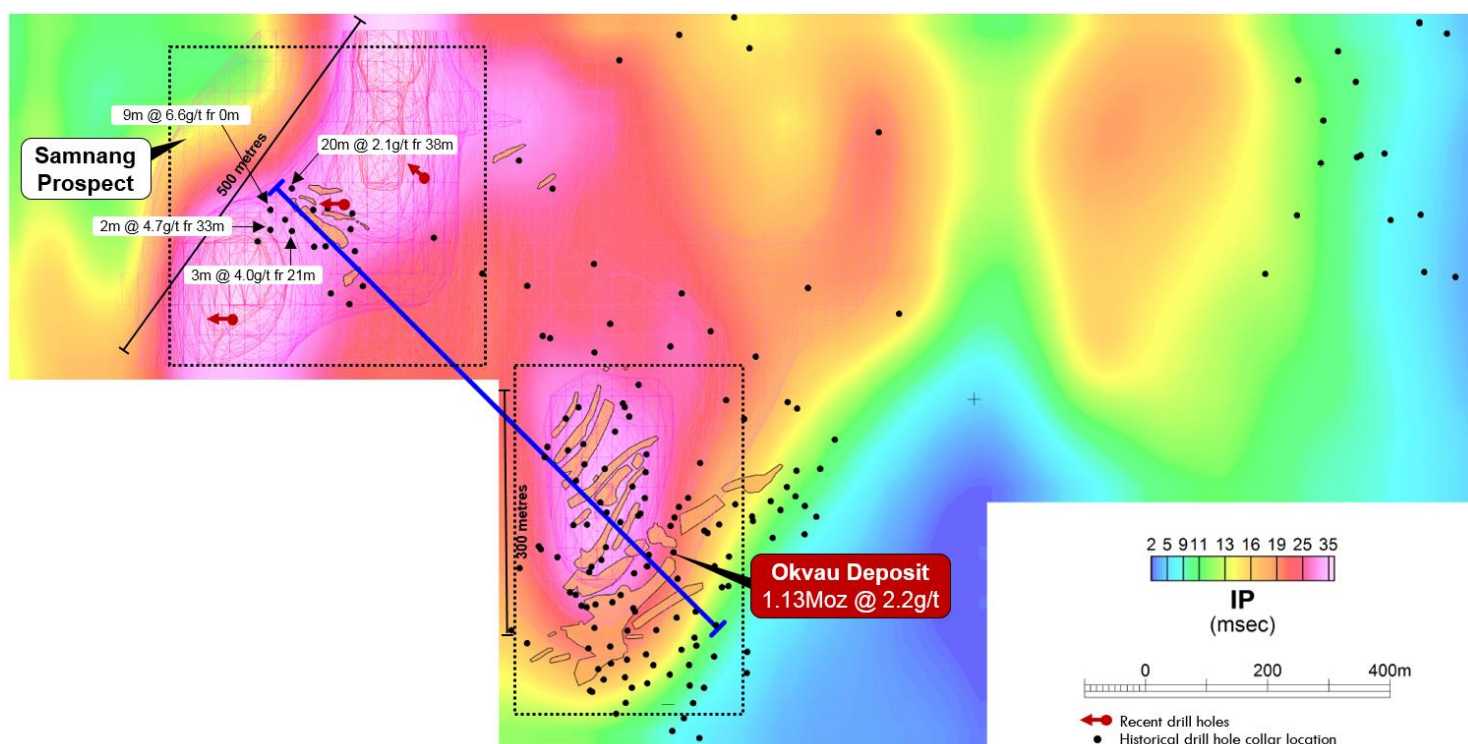
## Exploration

Emerald drilled three holes on the Samnang Prospect located adjacent to the Okvau Deposit to test the stratigraphy of the main northern and southern IP anomalies previously identified. Previous drilling by Renaissance only tested the upper margins of the IP anomaly and returned highly encouraging results such as (Refer Renaissance Minerals ASX announcement dated 4 February 2013):

- 9 metres @ 6.6g/t gold from 0 metres
- 3 metres @ 4.0g/t gold from 21 metres
- 2 metres @ 4.7g/t gold from 33 metres
- 20 metres @ 2.1g/t gold from 38 metres

Of the three latest holes drilled to test for favourable stratigraphy in the +500 metre IP anomaly at Samnang, two northern holes (DD16OKV256 and DD16OKV325) intersected 50-100 metre zones of pyrrhotite-chlorite skarn alteration within diorite (Refer Figure Four). Hole DD16OKV325 returned 2 metres @ 1.90g/t from 7 metres, 1 metre @ 3.32g/t from 22 metres and 1 metre @ 1.01g/t from 99 metres (Refer Table Four for full details). Further drilling is warranted and is being planned by Emerald given the stratigraphy and broad alteration in the central and northern part of this large IP anomaly is analogous with the Okvau Deposit. The third hole (DD16OKV257) drilled into the southern IP anomaly intersected black shales which downgraded the southern end of the IP anomaly.

**Figure Five | Samnang Diamond Drill Hole Collar Location**



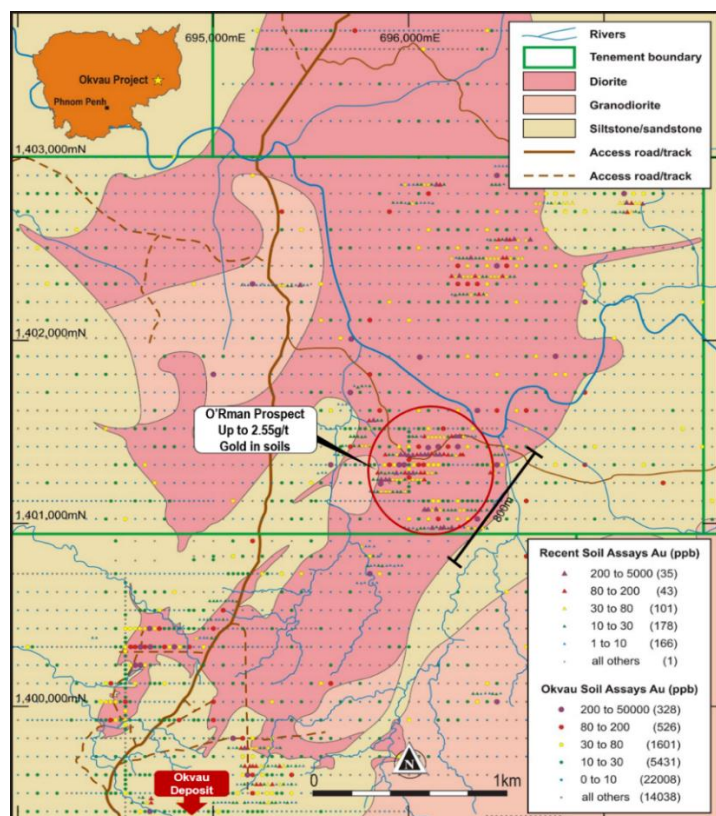
Two multipurpose rigs remain on site operating on double shift and have now commenced, following completion of the resource drilling, a step-out program to test for both strike extensions and down dip extensions of mineralisation outside the current resource model. A program of approximately 4,000 metres of drilling has been planned. This drilling will focus predominately to the north and north-east of the defined resources where soil geochemistry, local artisanal workings and limited shallow drilling has indicated the potential for continuation of the mineralisation.

Emerald is also planning to drill a limited number of deep diamond core holes to test for high grade mineralisation beneath the current limit of resource drilling at the Okvau Deposit. A number of high grade intersections including; 10 metres @ 5.5 g/t from 194 metres, 11 metres @ 9.0g/t from 230 metres (DD12OKV105), 6 metres @ 6.85g/t from 294 metres (DD12OKV105) and 17 metres @ 5.7g/t from 399 metres (DD12OKV091), remain 'open' beneath the bottom of the proposed open pit remain as shown in Figure Four.



Following the wet season (expected to abate during November), the Company is planning an initial RC drill program testing a number of regional exploration targets including the O'Rman Prospect located ~6 kilometres north of the Okvau Deposit which has not been subject to any previous drilling. A strong, coherent geochemical anomaly extending over an area of 800 metres by 600 metres has been defined at O'Rman by recent sampling with up to 2.55g/t gold in soils and provides an encouraging regional drill target (Refer Figure Five).

**Figure Five | O'Rman Prospect - Soil Geochemistry**



## About Cambodia

Cambodia is a constitutional monarchy with a constitution providing for a multi-party democracy. The population of Cambodia is approximately 14 million. The Royal Government of Cambodia, formed on the basis of elections internationally recognised as free and fair, was established in 1993. Elections are held every five (5) years with the last election held in July 2013.

Cambodia has a relatively open trading regime and joined the World Trade Organisation in 2004. The government's adherence to the global market, freedom from exchange controls and unrestricted capital movement makes Cambodia one of the most business friendly countries in the region.

The Cambodian Government has implemented a strategy to create an appropriate investment environment to attract foreign companies, particularly in the mining industry. Cambodia has a modern and transparent mining code and the government is supportive of foreign investment particularly in mining and exploration to help realise the value of its potential mineral value.

**Figure Six | Regional Cambodia**



## Corporate

On 19 July 2016, Emerald announced it had entered into a definitive Bid Implementation Agreement ('Implementation Agreement') in relation to a proposal to merge with Renaissance. The merger was to be implemented by Emerald making an off-market takeover offer in a share based transaction ('Offer') for all of the issued shares of Renaissance that it did not already own. On 23 September 2016, Emerald announced that it had received acceptances under the Offer giving it an interest of over 90% in Renaissance. The Offer closed on 30 September 2016 with Emerald holding a relevant interest in Renaissance of 96.0%. Subsequent to the end of the Quarter, Emerald has moved to compulsorily acquire the remaining outstanding Renaissance shares. The compulsory acquisition process is expected to be completed during November 2016 at which time Renaissance will become a wholly owned subsidiary of Emerald.

As a result of the successful implementation of the merger, Mr Justin Tremain joined the Board of Emerald as an Executive Director. Justin was previously the founding Managing Director of Renaissance and has overseen the Cambodian Gold Project since Renaissance acquired the project in 2012.

The merged entity has created a well-funded gold development company with a strong board and management team which is well placed to develop the Cambodian Gold Project and pursue other value enhancing opportunities.

As at 30 September 2016, the consolidated cash position of Emerald, including approximately \$0.4 million of liquid investments, was approximately \$15.5 million.

## Project Generation

The Company is continuously seeking to identify and review prospective opportunities and additional mineral exploration projects to satisfy the Company's objectives and offer value enhancing opportunities to its shareholders.

For further information please contact  
Emerald Resources NL  
Morgan Hart, Managing Director or Justin Tremain, Executive Director

## Cautionary Statement

Reference is made to the ASX release by Renaissance Minerals Limited ('Renaissance') dated 27 July 2015 titled 'Okvau PFS Demonstrates Compelling Project Economics'. All material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

The Pre-Feasibility Study (PFS) referred to in this announcement is based on Measured and Indicated Minerals Resources, plus a small proportion of Inferred Mineral Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The Company advises that the indicated resources provides 92% of the total recovered gold underpinning the forecast production target and financial projections, and that the additional life of mine plan material included in the PFS comprises less than 8% of the total recovered gold. As such, the dependence of the outcomes of the PFS and the guidance provided in this announcement on the lower confidence inferred mineral resource material contained in the life of mine plan is minimal.

## Forward Looking Statement

This announcement contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which Renaissance Minerals operates, and beliefs and assumptions regarding the Company's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known or unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, which reflect the view of Renaissance Minerals only as of the date of this announcement. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Renaissance Minerals will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

## Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Craig Johnson, who is an employee to the Company and who is a Member of The Australasian Institute of Geoscientists. Mr Craig Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Craig Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resources for the Okvau deposit was prepared by International Resource Solutions Pty Ltd (Brian Wolfe), who is a consultant to the Company, who is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience 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". Mr Wolfe consents to the inclusion of the matters based on his information in the form and context in which it appears.

## Appendix One | Okvau Mineral Resource Estimate - July 2015

July 2015 JORC Resource (0.6g/t gold cut-off)			
	<b>Tonnage (Mt)</b>	<b>Grade (g/t Au)</b>	<b>Gold (Koz)</b>
Indicated	13.2	2.3	962
Inferred	2.7	2.0	169
<b>Total</b>	<b>15.8Mt</b>	<b>2.2g/t</b>	<b>1,131</b>



## Appendix Two | Tenements

### Exploration tenements held at the end of September 2016 Quarter

Project	Location	Tenement	Interest at 30 Sept 2016
Cambodian Gold Project	Cambodia	Okvau	100%
	Cambodia	O'Chhung	100%
Pinjin Gold Project, Eastern Goldfields	Western Australia	E28/1634	80% <sup>1</sup>
Quicksilver Gold Project	Alaska	ADL660282 to ADL660351	90% <sup>2</sup>

<sup>1</sup> Subsequent to the end of the September 2016 Quarter, the Pinjin tenement was surrendered.

<sup>2</sup> The Quicksilver project encompasses leases ADL660282 to ADL660351 (inclusive) (a total of 70 blocks). Renaissance has entered into an agreement to dispose of its interest in the Quicksilver Gold Project. Renaissance has entered into an agreement with Afranex Gold Limited ('Afranex'), an unlisted public company, to dispose of its 90% interest in the Quicksilver Gold Project for 10 million shares in Afranex.

### Mining and exploration tenements and licenses acquired and disposed during the September 2016 quarter

Project	Location	Tenement	Interest at beginning quarter	Interest at end quarter
<u>Tenements Disposed</u>				
Nil				
<u>Tenements Acquired</u>				
Cambodian Gold Project	Cambodia	Okvau	0% <sup>1</sup>	100% <sup>1</sup>
		O'Chhung	0% <sup>1</sup>	100% <sup>1</sup>

<sup>1</sup> On 3 February 2016, Emerald announced it was entering into a Joint Venture Agreement with Renaissance whereby Emerald had the right to earn up to a 51% joint venture interest in the Cambodian Gold Project. On 19 July 2016, Emerald announced an off-market takeover offer for all the shares of Renaissance. This offer closed on 30 September 2016 with Emerald becoming the holder of 96.0% of Renaissance and is now in the process to compulsorily acquire the remaining Renaissance shares.

### Beneficial percentage interests in joint venture agreements at the end of the September 2016 quarter

Project	Location	Tenement	Interest at end of quarter
Cambodian Gold Project	Cambodia	Okvau	100% <sup>1</sup>
		O'Chhung	100% <sup>1</sup>
Pinjin, Eastern Goldfields	Western Australia	E28/1634	80% <sup>1</sup>

<sup>1</sup> Subsequent to the end of the September 2016 Quarter, the remaining Pinjin tenement that comprised the Pinjin Joint Venture was surrendered.

### Beneficial percentage interests in joint venture agreements acquired or disposed of during the September 2016 quarter

Project	Location	Tenement / Licence	Interest at beginning of quarter	Interest at end of quarter
<u>Joint Venture Interests Disposed</u>				
Nil				
<u>Joint Venture Interests Acquired</u>				
Nil				

### Interests in royalties

The Company has a 5% overriding royalty interest in all gas production from various oil and gas interests located in Magoffin County, Kentucky. During the Quarter, there was no product recovered and sold from the Leases and the royalty received for the period was Nil.