



Quarterly Activities Report – June 2016

QUARTERLY HIGHLIGHTS

- The Company entered into a Terms Sheet to acquire Manitoba Minerals Pty Ltd and subsequently completed due diligence and entered a binding Share Sale Agreement with each of the Manitoba Minerals vendors. The Company will shortly seek shareholder approval and is otherwise seeking to progress and complete the final conditions to the acquisition
- Funding of \$688,000 via equity placement and loan facility
- Variation to Joint Venture terms with Newmont

Activities

Quantum Resources Limited (“**Quantum**” or “the **Company**”) is a progressive explorer with a suite of projects in Western Australia and the Northern Territory (Figure 1 & Table 1). The projects are all located on granted titles and are prospective for gold and base metals.

In addition to the Australian assets, the Company is working towards acquiring the rights to earn an interest in up to 95% of the Thompson Brothers Lithium Project in Manitoba, Canada (Figure 5).

TELFER PROJECT (Quantum 100%)

The Company's Telfer Project comprises a single exploration licence in a tightly held area 6km from the Telfer Gold Mine within the world class Paterson Province in Western Australia, which is host to significant deposits of various styles of mineralisation including the Telfer Mine, O'Callaghans tungsten and base metals skarn deposit, the Kintyre uranium deposit and the Nifty copper deposit. The Telfer deposit is one of Australia's largest deposits with a reported Ore Reserve of 6.3 million ounces of gold and 0.295 million tonnes of copper within a Mineral Resource of approximately 15 million ounces of gold (December 2013). The O'Callaghan's ore body, 10km south east of Telfer mine, is also owned by Newcrest and hosts significant resources of tungsten, copper, lead and zinc.

Reprocessing and interpretation of historic airborne electromagnetic and magnetic data by an external consultant identified the extension of a dome structure, which hosts the 17 Mile hill deposit, into the tenement area. The consultant identified a new target area associated with the structure and a potential granite intrusion satisfying a number of important exploration criteria in the Telfer region.

A limited amount of wide-spaced geochemical drilling has been undertaken in the target area (see Figure 2). The drill holes are relatively shallow and typically terminated at the base of the transported overburden. Geological logs reveal that anomalous gold values in some holes may be associated with lateritic residuum at the base of the transported overburden and have not been adequately followed up. This is encouraging and represents an opportunity for immediate investigation through either extending the grid or drilling closer spaced holes to test the fresh bedrock.

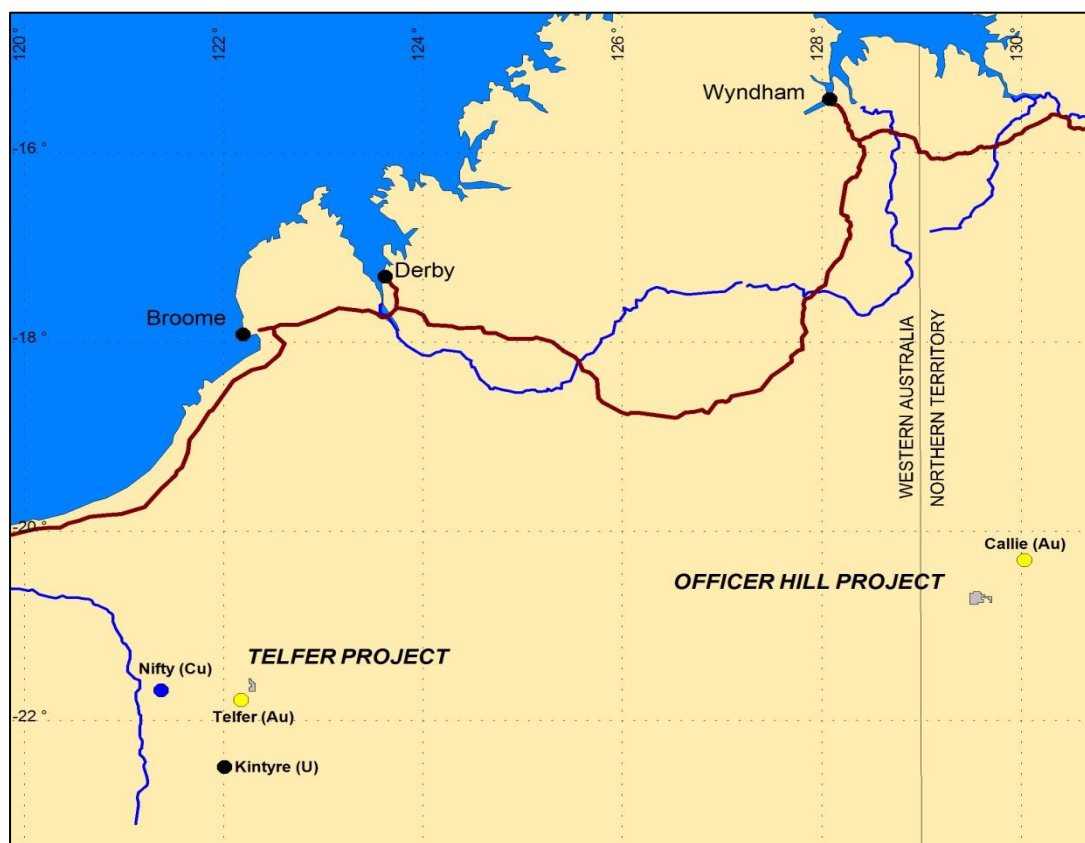


FIGURE 1 – Project Location Plan

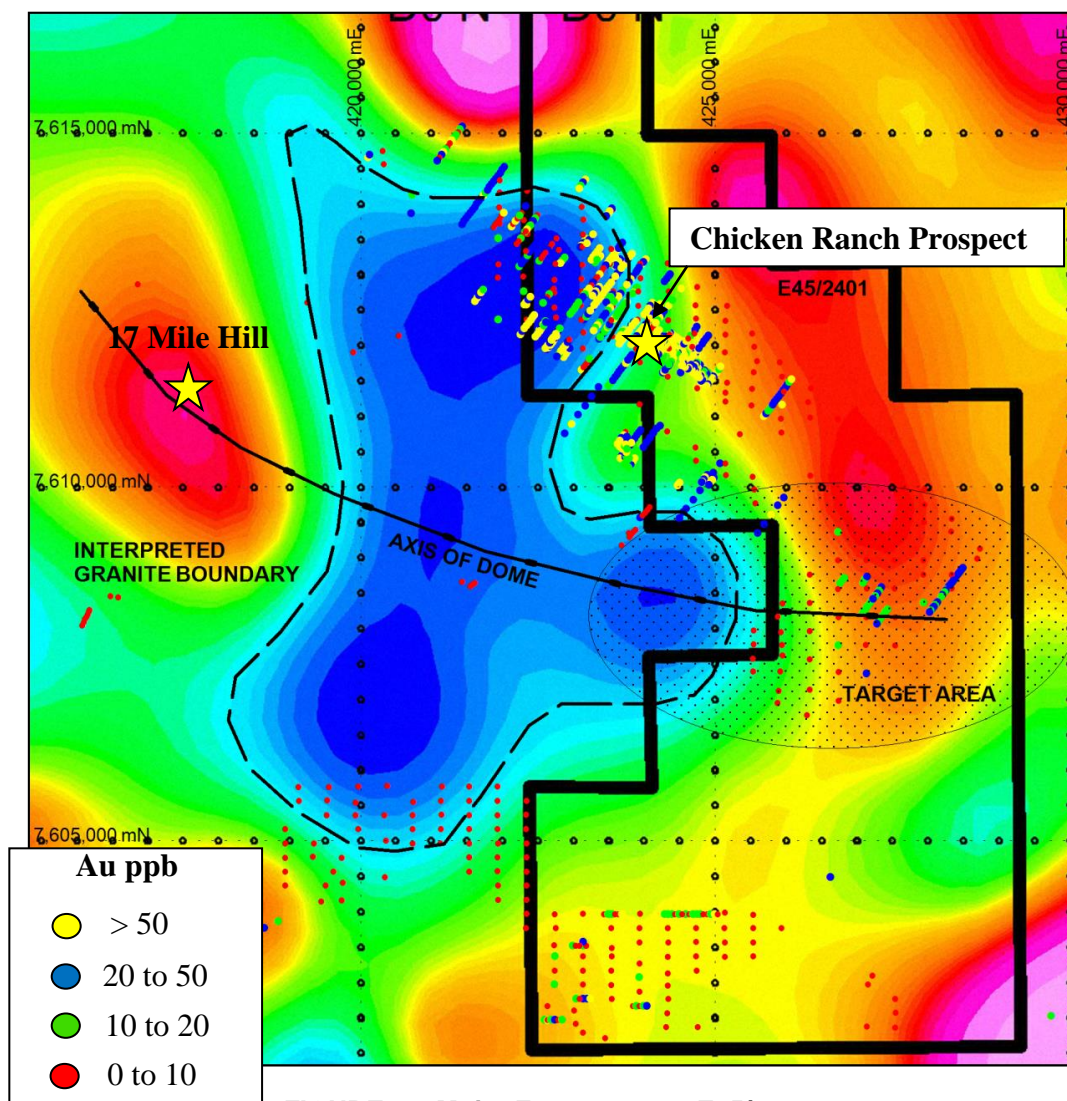


FIGURE 2 – Major Features over E45/2401.

Background image is 1VD Bouguer Gravity. GDA94.

Magnetic Target Areas

Further review of the drill hole geochemical assay data identified that maximum down-hole gold values are spatially associated with areas of subdued magnetic response such as Area 1 in Figure 3. The subdued magnetic response possibly represents destruction of magnetite due to hydrothermal alteration, which may be associated with mineralisation. Additional areas with a subdued magnetic response have been identified (eg Area 2 and Area 3), which have not been adequately drilled and are considered valid targets for reconnaissance geochemical drilling.

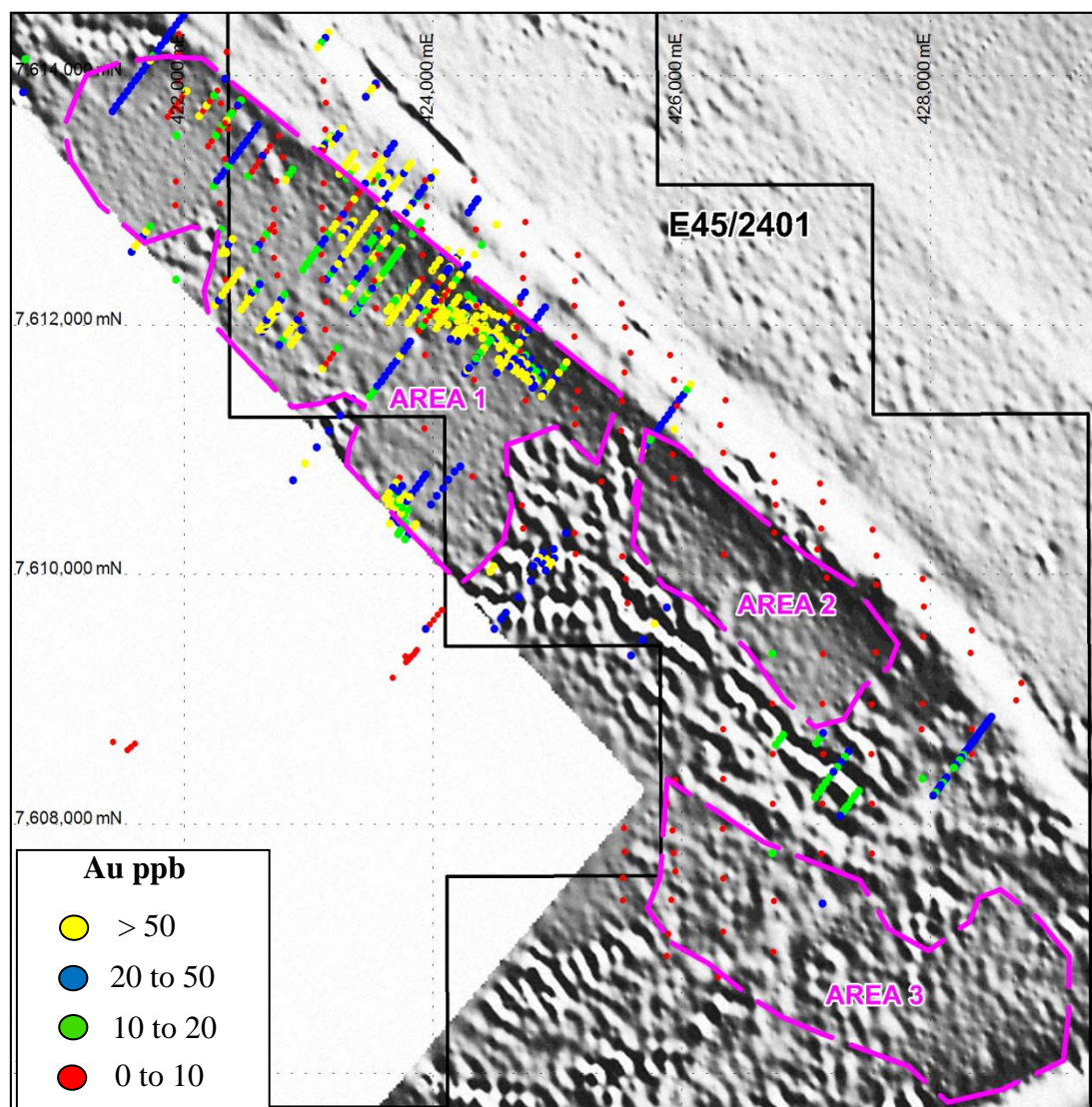


FIGURE 3 – Historical Drilling over Reduced to Pole Magnetics. Areas of subdued magnetic response defined by pink polygons.

Electromagnetic Target Areas

Historic airborne electromagnetic data (Time Domain Electromagnetic Survey) was reprocessed to produce a number of images. Figure 4 shows the Channel 10 survey data, which highlights the stratigraphy folding around the interpreted dome structure.

Maximum down-hole gold values appear to be associated with the northern arm of a conductive zone within the Punta Punta Formation. The southern arm has not been drilled and is considered a valid target for reconnaissance geochemical drilling.

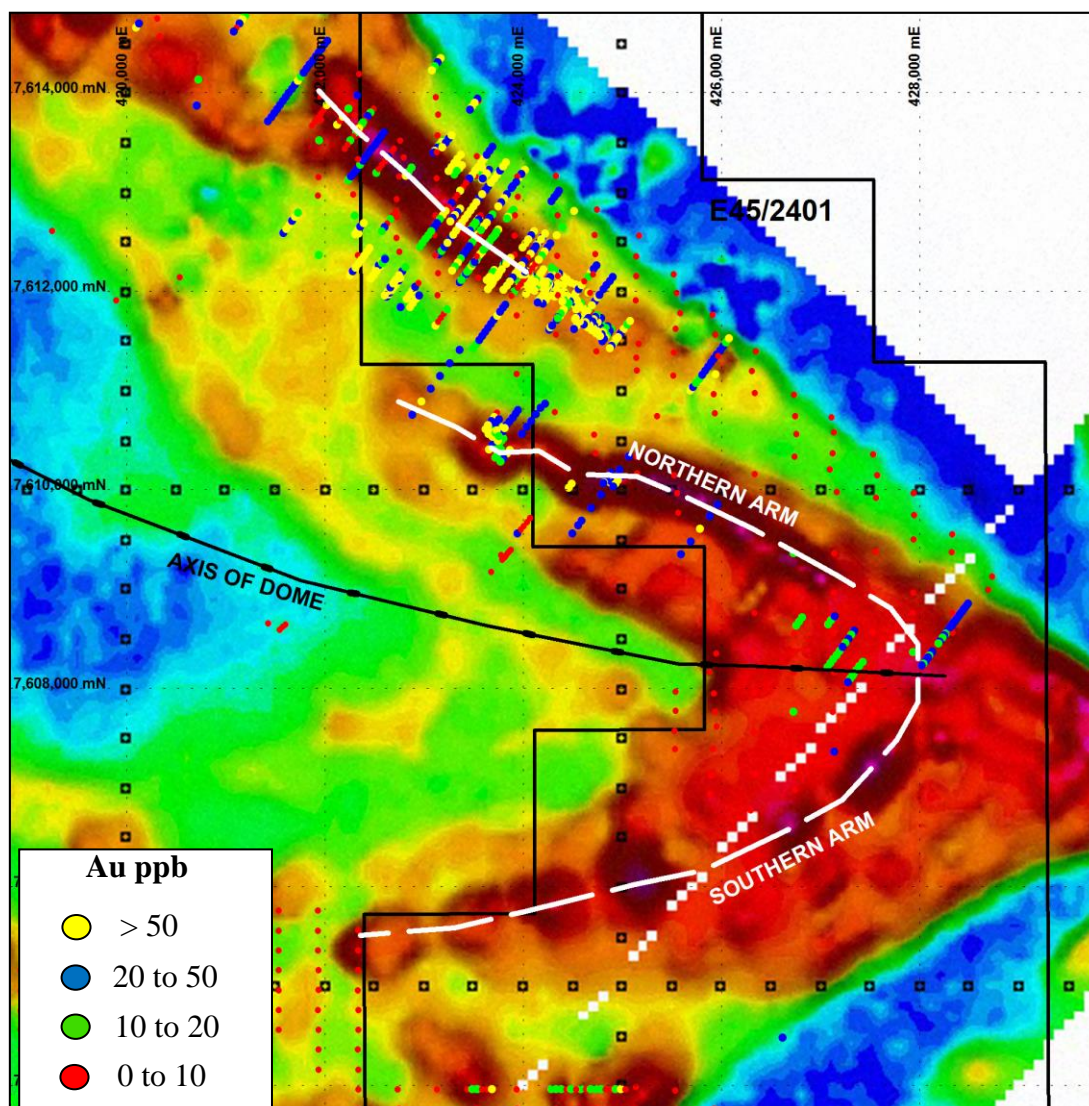


FIGURE 4 – Historical Drilling over Electromagnetics

Background image is Channel 10 TDEM Survey Data. GDA94.

Re-evaluation of Chicken Ranch Prospect

Gold mineralisation at the Chicken Ranch prospect (Figure 2) is associated with deeply oxidised sediments of the Punta Punta Formation and includes mineralised intercepts of up to 7m @ 13 grams per tonne including a maximum of 1m @ 52 grams per tonne. The potential for the Punta Punta Formation to host economic mineralisation is considered high as shown by the Fallows Field deposit southwest of Telfer Mine. The Fallows Field deposit is hosted by Punta Punta Formation and in the 1980's Newcrest defined a mineral resource and mined approximately 50,000 ounces of gold.

Quantum considers a re-evaluation of the potential of the Chicken Ranch prospect to host economic mineralisation is warranted.

The Company has been advised that a third party has sought application for forfeiture of the licence. The Company is defending this action and will keep the market informed as matters progress.

No field work was carried out during the quarter.



TANAMI (OFFICER HILLS JV) PROJECT

(Quantum 100%, Newmont Option to earn up to 70%)

The Officer Hill JV Project is located within the Tanami geological province, which hosts world class orogenic gold deposits including the Granites gold deposits and the operating Callie Gold Mine owned by Newmont Mining (Figure 1). The Company holds a single Exploration Licence located 34 kilometres southwest of the Callie Gold Mine, which at the end of 2013 had 3.01 million ounces of gold reserves. The licence was granted on 29 July 2013 for a period of six years.

The project is prospective for gold mineralisation with historical drilling intercepts of 4 metres @ 4.64 g/t, multiple intervals of 1-4 g/t, and several wide intercepts of 0.1-1 g/t.

As advised during the quarter, the Company re-negotiated terms under the joint venture whereby Newmont are earning a 70% interest (previously 75% interest) by spending \$500,000 within three years. Under the terms of the agreement Newmont must spend \$100,000 within the first 12 months.

Newmont advised that no field work was completed during the quarter.

Quantum's Tenement Holdings as at 30 June 2016

PROJECT	TENEMENT NUMBER	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM ²)	CURRENT HOLDER	COUNTRY/ STATE
Telfer	E45/2401	100%	70.84 KM2	Quantum	WA
Tanami (Officer Hill)	EL23150	100%*	206.08 KM2	Quantum	NT

**Quantum 100%, Newmont Option to earn up to 70% under farm out arrangement*



CORPORATE UPDATES

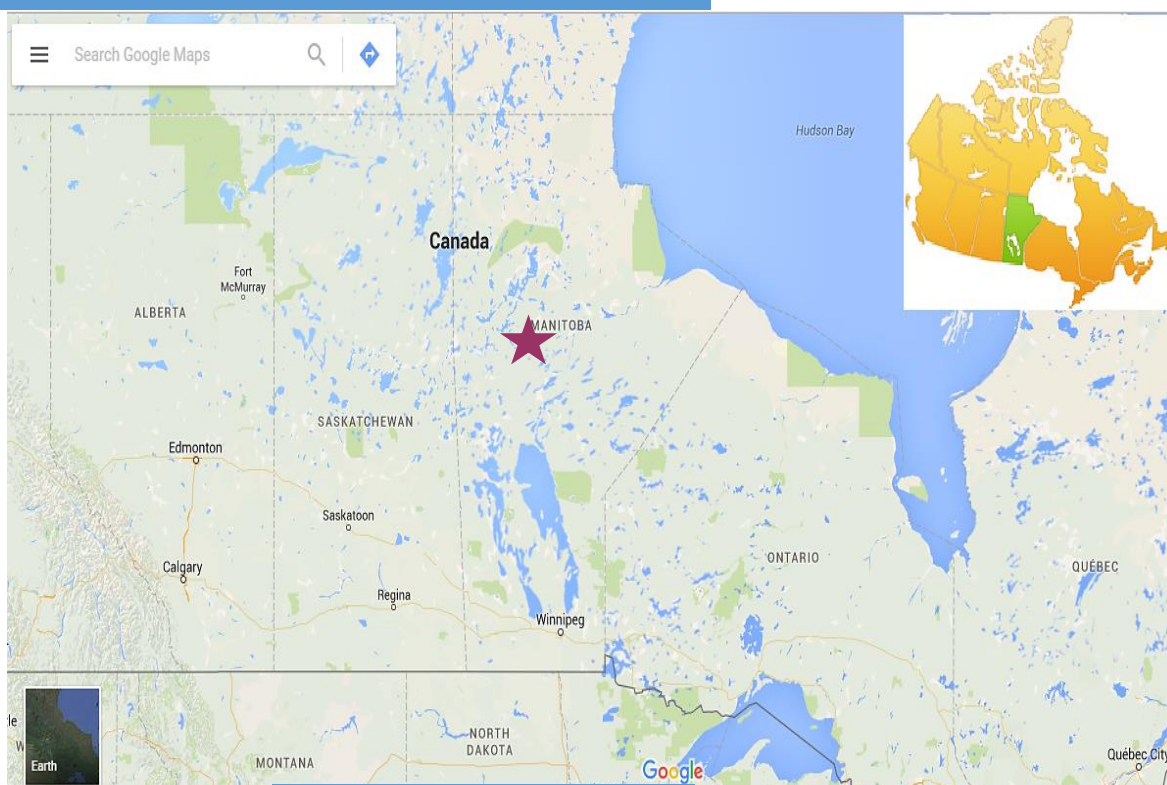
Acquisition of Manitoba Minerals Pty Ltd

On 12 May 2016, the Company announced that it has signed a binding Terms Sheet (“**Terms Sheet**”) to acquire 100% of Manitoba Minerals Pty Ltd (“**MMPL**”). The Company has subsequently completed its due diligence and has entered into a formal Share Sale Agreement with the MMPL vendors. The Company will shortly seek shareholder approval for the acquisition and is otherwise seeking to progress and complete the remaining conditions.

MMPL is a private company which holds the rights to earn up to a 95% ownership interest in the Thompson Bros. Lithium Property in Wekusko Lake, Manitoba (the “**Project**”) from Ashburton Ventures Inc. (“**ABR**”), by financing ABR’s commitments under an Option Agreement with the current holder of the Project, Strider Resources Ltd (“**SRL**”).

Project Location

Thompson Bros. Lithium Project, Manitoba



Project Location

FIGURE 5 – Manitoba Project Location



About the Thompson Bros. Lithium Project

The Thompson Bros. Lithium Project is located 20 kilometres east of the mining community of Snow Lake, Manitoba. The main highway between Thompson and Flin Flon and rail connecting Winnipeg and the seaport of Churchill both pass 40 km south of the property.

The project consists of 18 contiguous claims covering 1829 hectares. Manitoba is consistently ranked one of the top mining jurisdictions in the world and electricity costs are amongst the lowest in North America.

As advised on 12 May 2016, the lithium mineralisation is hosted in a spodumene-rich pegmatite dike dipping subvertically and defined over a strike length greater than 800 meters. The dike was originally drilled in 1955 and 1956 by Combined Developments Limited, with two additional, small drilling campaigns in 1979 and 1997; resulting in a total of 32 drill holes. An historical estimation of the extent of mineralization (not in accordance with JORC Code) made by B. Ainsworth, P. Eng. in 1998, resulted in an *"undiluted drill indicated mineral resource"* of 3,968,000 tonnes with a weighted average value grade @ 1.29% LiO_2 to the 130 metre level, and an average width of 10 metres. Ainsworth suggested that a further 337,000 tonnes is indicated by the deepest hole (D.H. Car-97-2), to the 380 metre level, which is over 200 meters from the nearest hole, and which cut a horizontal width of 8 metres @ 1.3% LiO_2 . Thus, Ainsworth suggests a total drill indicated and possible total resource calculation of 4,305,000 tonnes @ 1.3% LiO_2 for the deposit (not in accordance with JORC Code), open to depth and along strike (Dufresne, 2009). **These estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources and/or reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.**

The parameters used to establish the tonnage estimates are largely unknown based on historical reports and sufficient work has not been done to complete the criteria in Table 1 of the JORC Code. Furthermore, the category referred to as "drill indicated", by Mr. Ainsworth in 1998, is not a category of mineralisation defined in the JORC Code and most likely has not been completed to the level of rigour associated with an "Inferred Mineral Resource" for the purposes of the JORC Code. As a result of the uncertainty of the data used the historical estimates are considered to be estimates of low reliability. As noted below, the Company intends to undertake a further exploration program to seek to verify the historic estimates.

Dufresne (2009) also described a metallurgical evaluation of the spodumene deposit by Dr. W. Dressler of Laurentian University which indicated that simple floatation would recover 92% of the spodumene and produce a concentrate grading 6.6% LiO_2 or 89.2% spodumene. Processing the concentrate further with a sulphuric acid roast process, produced lithium carbonate (Li_2CO_3), upgrading the concentrate to 98% Li_2CO_3 . Carta Resources completed a business plan to develop the Thompson Bros. Lithium Deposit for the production of lithium carbonate, but a decline in lithium carbonate prices stalled the Project in 1998. The only reported subsequent work conducted after 1998 was a single day field visit with a few due diligence grab sampling in historic trenches by Mr. Dufresne, which yielded assay results comparable with historically reported samples (Dufresne, 2009). This cursory sampling was not sufficient to update any of the historic estimate at that time.

As noted above, a competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code. However, given the historic work completed at the Project, the Company considers the historic estimate to be of relevance to its decision



to proceed with the proposed acquisition of MMPL. This historic estimate assisted the Company to evaluate the exploration potential on the property and, combined with the historic reports available, provided encouraging information for the potential further exploration of the Project. Further work will be required to seek to verify the historic findings and this is one of the main objectives of the Company in respect of the Project. An outline of the Company's intended exploration program is set out below.

The Board is confident that given the outlook for Lithium, there is a unique opportunity at the Thompson Bros. Property to follow up on previous historical results and rapidly advance the Project.

Proposed Exploration Program

The Company intends to undertake the following steps in exploration and development, with the goal of verifying the existing historic estimate as a mineral resource in accordance with JORC Code.

- A high-resolution airborne magnetic survey over the entire property.
- Due diligence drilling over the known dikes.
- Additional exploration drilling along strike and potentially to test new targets identified.
- Property-scale mapping, prospecting and sampling to explore larger property for other dikes / continued dike corridor.
- Take additional sample material for further metallurgical study.
- Resource estimate from drilling campaign and JORC-compliant report.

Due to the vintage nature of >80% of the drilling, evaluation of the drilling results, as they are collected, will be required to evaluate if additional infill drilling will be required, or if the above work plan is sufficient to verify the historical estimate in accordance with JORC.

The Company intends to fund the above program from the capital raisings to be completed in connection with the proposed acquisition and will aim to complete the program progressively over the next 12 months. This timeline should, however, be considered indicative and the Company will provide updates on progress in due course.

As noted above, it is uncertain that following the evaluation and further exploration work that the historical estimate will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code. Any further information or change to plans will be updated as they occur.

Key Acquisition Terms

The vendor consideration payable by the Company to the MMPL shareholders for the acquisition is the issue of 100,000,000 fully paid ordinary shares at a deemed issue price of \$0.02 per QUR share, subject to shareholder approval. These securities are to be issued at settlement of the acquisition, which is to occur no later than 14 days from the satisfaction of the last of the conditions precedent.

On 19 July 2016, the Company announced that it had satisfactorily completed due diligence investigations in respect of the proposed acquisition of MMPL and had further entered into a formal Share Sale Agreement with each of the shareholders of MMPL, the execution of which represents satisfaction of a key condition of completion of the MMPL acquisition. The Share Sale Agreement remains conditional upon:

- the parties obtaining various shareholder, regulatory and third party approvals;
- MMPL formalising (on terms satisfactory to the Company) its rights to the Project, which are currently subject of a Heads of Agreement with ABR;



- the Company completing a subscription for shares in ABR to enable it to satisfy certain financing commitments under the terms of the Option Agreement between ABR and Strider Resources Limited (which were outlined in the Company's ASX announcement on 12 May 2016), a condition which the Company expects to satisfy in the coming days; and
- completion by the Company of a capital raising, by way of share placement, of \$400,000.

Each of the above conditions are required to be satisfied no later than 31 August 2016, although MMPL and QUR have agreed to act reasonably to extend this deadline if required.

Funding

On 17 May 2016, the Company placed 21 million fully paid ordinary shares. 16 million shares were issued to sophisticated investors at an issue price of \$0.018 per share, raising \$288,000 before associated costs. The Company issued a further 5 million shares pursuant to the Term Sheet to acquire 100% of Manitoba Minerals.

On 19 July 2016, the Company, through its corporate advisor, announced that it was finalising loan funding totalling \$400,000 which is expected to be completed within the coming days ("**Loan Facility**"). The terms of the Loan Facility will provide for repayment, subject to shareholder approval, through the issue to the lenders of ordinary fully paid shares at an issue price of \$0.02 per share together with one free-attaching option for each ordinary share issued (each option having an exercise price of \$0.0325 (3.25 cents) and an expiry date of 17 November 2018). If shareholder approval is not obtained the Loan Facility will be repayable on, or before, 30 July 2017. Interest will accrue on the Loan Facility at a rate of 10% per annum, or 15% per annum if shareholder approval for repayment through an issue of shares and options is not obtained.

The repayment of the Loan Facility through an issue of shares and options will, subject to shareholder approval, satisfy the capital raising condition of the Company's proposed acquisition of MMPL.

The Company will shortly issue a notice of meeting seeking approvals required for implementation of the MMPL acquisition, including approval for repayment of the Loan Facility through an issue of shares and options.

Board appointment

On 30 April 2016, Mr Avi Kimelman was appointed to the Board.

Avi also maintains his position as CEO. Avi has held senior positions in both local and overseas listed entities across a diverse range of businesses, industries and investment disciplines.

He has developed a reputation within the resources sector for identifying valuable assets and projects around the globe, raising capital for these projects through his extensive investor network as well as successfully negotiating the related transactions, particularly in the mining/oil and gas sector. He has been active in sourcing and securing various projects overseas whilst maintaining interests in both printing and manufacturing plants in Australia.

Avi is presently the Chairman of Bisan Limited.



Securities on issue as at 30 June 2016:

CLASS OF SECURITIES	NO. OF SECURITIES ON ISSUE
Quoted fully paid ordinary shares	165,139,826
Unquoted fully paid ordinary shares	24,000,000
Total fully paid ordinary shares	189,139,826
Options exercisable at \$0.0325 each on or before 17 November 2018	32,000,000

Board as at the date of this Report

Mr Eliahu Bernstein	Non-Executive Chairman
Mr Ari Herszberg	Non-Executive Director
Mr Avi Kimelman	CEO
Mr Adrien Wing	Company Secretary

Competent Person

The geological information in this report that relates to Australian exploration results is based on information previously compiled by Dr DS Tyrwhitt who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr DS Tyrwhitt is a consulting geologist employed by DS Tyrwhitt & Associates Pty Ltd. Dr DS Tyrwhitt has 50 years' experience in the industry and has more than 5 years' experience which is relevant to the style of mineralisation being reported upon to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Tyrwhitt has previously consented to the inclusion of the matters based on the information in the form and context to which it appears.

The geologic information in this report that relates to the Canadian exploration results is based on and fairly represents information compiled by Mr. Rory Kutluoglu (P.Geo), who is employed as a Consultant to the Company through OCD Consultancy Ltd. Mr Kutluoglu is a Registered Member of the Association of Professional Engineers and Geoscientists of British Columbia and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The information in this market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the Project. Mr Kutluoglu consents to the inclusion in the report of matters based on information in the form and context in which it appears.

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

QUANTUM RESOURCES LIMITED

ABN

84 006 690 348

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	(7)	(27)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(147)	(1,262)
	(e) capital raising	-	(122)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(24)	(24)
1.6	Income taxes paid	-	-
1.7	Other (GST credits)	20	90
Net Operating Cash Flows		(158)	(1,345)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	(89)	(89)
	(b) equity investments	-	(500)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(89)	(589)
1.13	Total operating and investing cash flows (carried forward)	(247)	(1,934)

+ 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)	(247)	(1,934)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	289	2,292
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(296)	(296)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(7)	1,996
	Net increase (decrease) in cash held	(254)	62
1.20	Cash at beginning of quarter/year to date	325	9
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	71	71

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	25
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 paid during the quarter.	

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

-

- 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	9
4.2 Development	-
4.3 Production	-
4.4 Administration	135
4.5 Prospects	130
Total	274

On 19 July 2016, the Company, through its corporate advisor, announced that it is currently finalising loan funding totalling \$400,000 which is expected to be completed within the coming days ("**Loan Facility**"). The terms of the Loan Facility will provide for repayment, subject to shareholder approval, through the issue to the lenders of ordinary fully paid shares at an issue price of \$0.02 per share together with one free-attaching option for each ordinary share issued (each option having an exercise price of \$0.0325 (3.25 cents) and an expiry date of 17 November 2018). If shareholder approval is not obtained the Loan Facility will be repayable on, or before, 30 July 2017. Interest will accrue on the Loan Facility at a rate of 10% per annum, or 15% per annum if shareholder approval for repayment through an issue of shares and options is not obtained. Refer to "Corporate" section of the attached quarterly activities report for further information.

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	71	325
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	71	325

+ 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 Preference *securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	189,139,826	165,139,826	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	21,000,000	21,000,000	1.8	1.8
7.5 *Convertible debt securities (description)	-	-	-	-

+ 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	Options (description and conversion factor)	32,000,000 options exercisable at \$0.0325 each on or before 17 Nov 2018 (Options)	-	Exercise price \$0.0325	Expiry date 17 Nov 2018
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

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.



Avi Kimelman
Director
29 July 2016

+ See chapter 19 for defined terms.

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. The Company will rely on its existing cash resources and future capital raising (either debt and/or equity) to fund its current activities.
The Company will consider raising further funds from the placement of equity securities, including the utilisation of the equity available under Chapter 7 of ASX Listing Rules. The Company will also consider other fund raising alternatives such as debt instruments, and other equity raising facilities (rights issues, etc) if so required. In light of the above factors, the Company believes that it will have sufficient cash to fund its existing activities. The Company expects to have negative cashflows from operations of approximately \$115,000 for the forthcoming quarter. The Company's Board and Management is focused on meeting its current objectives and confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1.
- 6 **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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