

Quarterly Report for the Quarter Ended 30 September 2016

Rocklands Copper Mine (CDU 100%)

Subsequent Events Post Quarter End

- Official opening of the Rocklands Copper mine on 28 October 2016.
- First shipment of sulphide copper concentrate announced on 17 October 2016. Approximately 4,635 wet metric tonnes shipped via the Port of Townsville.

Quarter Highlights

Process Plant Commissioning

- Focus during the quarter on the process plant and the transition to ore commissioning in preparation for production ramp up.
- Production of sulphide copper concentrate with copper grades well above the minimum specification of 25% copper
- Stockpiles of sulphide copper concentrate increased in anticipation of first shipment in October.

Mining

- Mining remains suspended to conserve funds and align mining rates with process feed scheduling.

Health and Safety

- There was no Lost Time Injuries (LTI) recorded during the period giving a zero LTI Frequency Rate (LTIFR).

Human Resources

- At the end of September 2016, the Rocklands workforce stood at approximately 162, consisting of 116 CuDeco employees and approximately 46 contractors.

Head Office

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Cloncurry Operations

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Environment

- Finalised regulated dams operational management plans
- Compiled all documentation and certification for regulated dams and supplied to the Department of Environment and Heritage Protection
- Wet season rehabilitation survey data collection
- Quarterly environmental field monitoring of groundwater, surface water and air quality activities

Exploration

- Several rounds of bedrock RAB drilling were completed on EPM18054 and EPM25426 targeting Rocklands style copper mineralisation associated with high total magnetic intensity and SAM conductivity in the eastern part of the tenement.
- Plans have been finalised and drill pads constructed in readiness for 20-hole 1900m program of RC drilling.

Corporate

- The sub-underwriters subscribe for remaining 12,500,000 shares in the company, completing the Right Issue
- The appointment of a new Chief Financial Officer
- New corporate office opened in Brisbane

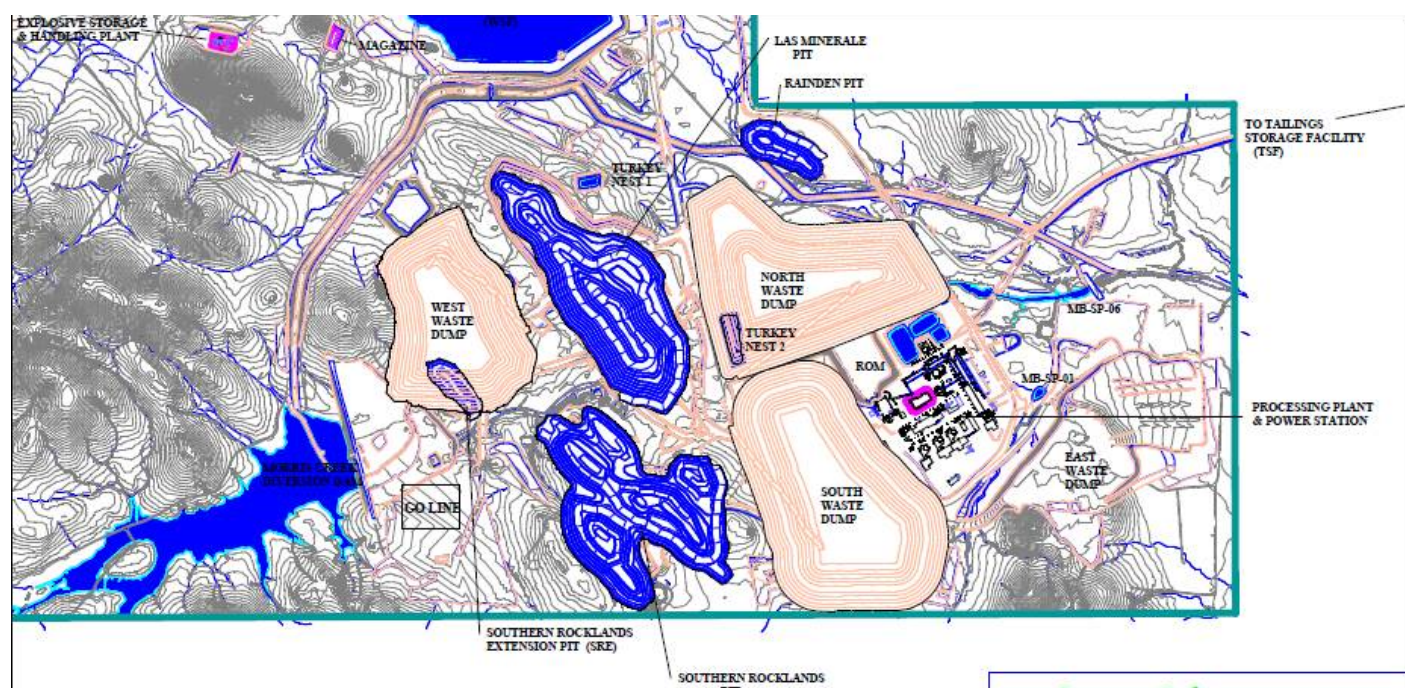
Quarter 1 2016/2017 Operational Report

MINING

Mining operations continue to be suspended with recommencement scheduled for the beginning of Q3 2016/2017.

The Rocklands operation reassessed operational budgets following a review of costs and revenues associated with production. At this stage the company proposes not to commission the Cobalt and Magnetite circuits as to focus on Copper and Gold production. This review necessitated a re-optimisation of the pits, mine designs and the mine schedule which was completed in Q1 for the four (4) open pits;

- Las Minerale
- Rocklands South
- South Rocklands Extended
- Rainden



Commenced recruitment of key mine management and mine technical staff in preparation of mining recommencement.

Stockpiles

Due to the continued suspension of Mining activities, ore control is focussed on reducing ore loss and dilution during stockpile rehandle and ROM operations. Stockpiles are being reclaimed using geological ore spotting controls and high precision GPS guidance to ensure maximum metal recovery and minimum dilution. Stockpile reclaiming also presents opportunities to further validate and improve our understanding of material densities and swell factors.

During Q1 2016 (Jul-Sep);

- Stockpiles have been depleted by 247,207 wet metric tonnes @ 2.23% for 5,516t Cu metal
- The depletion accounts for sheeting ROM with low grade material, bulk density and swell factor adjustments and ore fed to the process plant.
- Stockpiles totalled 2,193,260 @ 0.87%Cu for 19,133t Cu metal at the end of Q1

End of Month		Sep-16			
STOCKPILES		Tonnes	Cu (%)	Au (g/t)	Cu_(t)
	ALL High Grade	716,706	1.59	0.27	11,421
	ALL Low Grade	807,064	0.68	0.12	5,497
	TOTAL STOCKPILE	1,523,770	1.11	0.19	16,918
	Blend_Grade	651,560	0.24	0.05	1,564
	TOTAL STOCKPILE- inc BG	2,175,330	0.85	0.15	18,482
ROM		Tonnes	Cu (%)	Au (g/t)	Cu_(t)
	TOTAL ROM	17,929	3.6341	0.7017	311.50
	STOCKPILE + ROM (inc BG)	2,193,260	0.87	0.15	19,133
	STOCKPILE + ROM (no BG)	1,541,699	1.14	0.19	17,569

PROCESS PLANT

The 2016/2017 first quarter focus of the process plant has been the transition to ore commissioning in preparation for production ramp up.

Continual improvements are being implemented that incrementally increase throughput to nameplate capacity. In addition, metallurgical testing is being done to improve the final product grade and recovery of metal from the ore.

141,746 dry metric tonnes of ore was fed to the plant during this period at a head grade of 2.26%.

Month	Tonnes (dry metric)	Head Grade (%)
July	25,987	3.12
August	47,209	2.57
September	68,550	1.72
Total	141,746	2.26

The copper production from the plant was:

Product	Concentrate	Concentrate Grade	Metal in Concentrate
Coarse Native Copper	2,020 tonnes	71%	1,440 tonnes
Fine Native Copper	708 tonnes	26%	187 tonnes
Sulphide Concentrate	3,480 tonnes	22%	781 tonnes
Total	6,208 tonnes		2,408 tonnes

Metal in circuit at the end of the quarter was estimated at 335 tonnes.

The overall indicative metal recovery performance of the plant was 73.98%.

Major activities during the period were:

- The first shipments of native copper concentrates to our customers occurred in this period
- The first delivery of sulphide concentrates was transported to the Port of Townsville and subsequently post 1st quarter period shipped to our offtake customer.
- Crushing recommenced to blend broken primary ore stocks with previously crushed transitional ore to improve material movement through the plant
- Continued to address premature wear areas within the scrubber and conveyor tripper areas
- Increased speed of fine and intermediate jigs to reduce bottlenecking

Upcoming activities:

- Optimisation of process plant to ramp up to nameplate capacity
- Construction of process plant workshop
- Relocation of laboratory and purchase of laboratory equipment
- Installation of reagents storage shed
- Upgrade wear materials within scrubber area to increase service life
- Fitment of upgraded scrapers to reduce carry back on conveyors
- Manufacture grizzly over ROM feed chute and tunnel feeder to reduce oversize material entering circuit

PROJECTS AND MAINTENANCE SERVICES

Civils

Works on the major MCD/Tailing line intersection was completed with only rock armouring and localized rainfall channelling to be completed. Commenced installation of the tailings return water line which was completed in October 2016. Completed the hydrocarbon and contaminated soil facility.

Services

Large scale site clean-up commenced in the old exploration compound along with all old redundant plant and equipment relocated to the metal recycling location.

Outlook

Redesign the large carparks and access roads to the mine office to improve the traffic management plan.

Install temporary lift pump and pipeline in LM pit to assist in dewatering of pit prior to mining recommencing.

Finalise overhaul of Excavator # 07 and complete preparation of Excavator # 04 overhaul.

Commission newly acquired rock breaker to commence breaking of oversize material to feed the crusher.

Finalise overhaul of Komatsu WA700 FEL front axle and commission newly acquired Cat 992G loader for ROM feed to the crusher.

SAFETY

There was no Lost Time Injuries (LTI) recorded during the period giving us a zero LTI Frequency Rate (LTIFR). The site's Total Recordable Injury Frequency Rate (TRIFR) rose slightly from 9.1 to 10.9 due to a soft tissue injury sustained to an operator whilst shovelling.

Safety, health and emergency management systems continue to be the focus for full operational readiness. With a further internal auditing process continuing in the entire Health and Safety system to identify areas for improvement ensuring that we meet our legislative requirements.

The HSEC System is being developed to meet AS 4801 in 22 key areas with the inclusion of the Environment and Development of a Community portfolio. Further inclusions have been the development of a number of new site procedures and processes. This internal review process that is still continuing has been following the change management process.

HUMAN RESOURCES "HR" and COMMUNITY SUPPORT

CuDeco's recruitment program continues to focus on local participation and encourage people to live in Cloncurry. At the end of September 2016 the Rocklands workforce stood at approximately 162, consisting of 116 CuDeco employees and approximately 46 contractors.

CuDeco continues to place a priority on working with the Cloncurry community by actively participating in

the community and engaging local suppliers of employment and training. The Company continues to promote community inclusion by encouraging locals to apply for vacancies or encouraging new recruits to relocate to Cloncurry. CuDeco has maintained its no fly-in/fly-out (FIFO) policy.

Key activities in addition to recruitment have been the review of HR policies and procedures with Corporate HR.

The CuDeco workforce, which has a residential ratio of 60:40, supports the local community by participating and utilising local services.

ENVIRONMENT –

The Environment team continued to introduce systems at Rocklands during the year to manage the site's obligations as it transitions from a construction site an operation mine and process plant.

Highlights include:

- Finalised regulated dams operational management plans
- Compiled all documentation and certification for regulated dams and supplied to the Department of Environment and Heritage Protection
- Wet season rehabilitation survey data collection
- Quarterly environmental field monitoring of groundwater, surface water and air quality activities

Forecast Initiatives:

- Annual Department of Environment and Heritage Protection pre wet season site inspection for November
- Amend the current Environmental Authority and update the Plan of Operations as the site commences full operations.
- Finalise recruitment of environmental staff.

CORPORATE DEVELOPMENT & GROWTH

CuDeco's Corporate Development and Growth Group was formed in November 2015, as part of the Company's initial corporate restructure and change of focus from a single-project to one of future growth and development, and is tasked with focussing on the following key pursuits:

Development: Source new business opportunities including new mines and acquisition of assets aligned with CuDeco's strategic direction (Merger and Acquisition).

Exploration: Pursue new discoveries and opportunities via existing or new mining leases and EPM's. With the prospect of near-term revenue, and with the Company now in control of a major producing asset in one of the world's premium base metal producing regions, the focus is to optimise the use of these assets and maximise ongoing profitability through project longevity.

In-house capability

CuDeco's in-house capability adequately covers the requirements of high-level project identification, assessment and evaluation, and includes advanced exploration, resource estimation and drill-out expertise.

Key in-house capabilities include:

- Management and/or generation of comprehensive high-level project viability and value assessment to Feasibility Study level;
- Asset optimisation including comprehensive cause-and-effect value analysis;
- Resource modelling and estimation (Competent Person to JORC 2012 Guidelines);
- Comprehensive Exploration capability and reporting of results (Competent Person to JORC 2012 Guidelines);
- Database and tenement management including EPM submissions;
- QA/QC reporting and analysis of exploration, grade control and concentrate results; and

- Strong local knowledge and regional contacts.

Other activities of the Group of a general nature include:

- Managed new Pit Optimisation Study update.
- Managed Independent Engineers Report on Rocklands mine plans and activities.
- Audit of Process Plant performance including assessment of QA/QC procedures.
- Contributed to Research and Development Tax Refund assessment.

Development

Discussions are currently underway with numerous local groups regarding options for collaborative activity, however to date none are sufficiently advanced to warrant disclosure.

Material developments will be announced to the market as and when they occur.

EPM acquisition:

As part of a long term regional strategy, CuDeco intends to add to its existing EPM position within the Cloncurry area and will announce the acquisition, or granting via direct application, of new EPM's as they are awarded.

Exploration

Several rounds of bedrock RAB drilling were completed on EPM18054 (Morris Creek) and EPM25426 (Camelvale) targeting Rocklands style copper mineralisation associated with high total magnetic intensity and SAM conductivity in the eastern part of the tenement.

Results to date at Morris Creek have included 16 of 877 holes returning $\geq 0.05\%$ Cu with best result of 0.31% Cu and 38 holes intersecting traces of native copper. No significant results were encountered on Camelvale.

Plans have been finalised and drill pads constructed in readiness for 20-hole 1900m program of RC drilling, split between the Morris Creek Cu prospect and Camelvale Priceless Cu-Au prospect.

A review of previous work on ML90177 (Rocklands) has defined 4 zones prospective for shallow Cu mineralisation that will also be targeted by the planned RC drilling programme.

Morris Creek (EPM18054) Cu prospect

- Magnetic and conductivity anomalies
- +300ppm Cu in RAB anomalism to maximum 0.3% Cu and several holes with visible trace native copper
- Max 9 angle holes (100m to 150m) planned.

Camelvale (EPM25426) Priceless Au-Cu Prospect

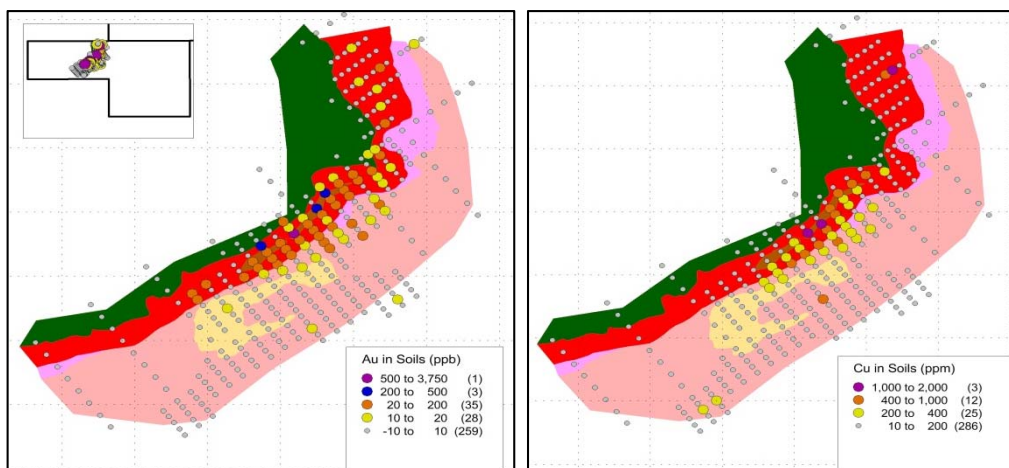


Figure XX: Camelvale Priceless Prospect showing copper and gold results from previous soils sampling programmes by Dominion and North Ltd.

East-north-east trending Cu-Au bearing magnetite ironstone can be traced for 500m. 200m strike-length tested by Dominion and North in early-mid 90s by 4 deep RC holes (161-200m depth range) with the best result from PRP03 of 8m at 0.32% Cu and 1.13 g/t Au in 36m wide zone of 0.36% Cu and 0.53 g/t Au. A 25-130m wide zone of weak-moderate Cu in soils (100-1000ppm) coincident with or downslope of ironstone as +100ppm trend both ENE and WSW covering approximately 1km of strike-length.

- Untested section of ironstone and +100ppm Cu soil anomaly will be targeted by 9 holes RC for max 885m along strike to WSW where an extensive sheet of colluvium is thought to act as cover to potential strike extension of gossan.

Other Exploration Activity

- UTS Geophysics Pty Ltd has been engaged to fly a 231km Helicopter-borne Time Domain Electromagnetic (VTEM MAX) geophysical survey over the Rocklands ML and EPM's over the coming months.
- Consultancies GMEX (Dr John McLellan - Managing Director & Principal Geoscientist) and HCOV Global (Dr Nick Oliver - Principal & Director) have undertaken a combined geomechanical modelling study of the Rocklands copper system, using Discrete Element Analysis to assist with targeting possible host sites conducive to mineralisation on the Rocklands ML and EPM's.

CORPORATE

During the quarter the company completed its rights Issue with the sub-underwriters subscribing for the remaining 12,500,000 shares on 15 August 2016. As a result the Rights Issue was completed fully subscribed raising a total of approximately \$63 million before costs.

The Company appointed David Wrigley as its new Chief Financial Officer effective 22 August 2016. Mr Wrigley is a chartered accountant and an accomplished senior finance executive with over 18 years' experience, having worked in private practice with PricewaterhouseCoopers and in listed and private entities across multiple industry sectors.

The company opened its new Corporate office in Brisbane situated at Suite 11A, Level 11, 100 Edward Street, Brisbane 4000. The new office was also the company's registered office.

For full details of resource statement, see ASX announcement 3 March 2016

The total mineral resource is based on the November 2013 Mineral Resource Estimate for Rocklands prepared by MA, restated using the surface levels as at 30 June 2015 and to allow for both open pit and underground mining, with copper equivalent calculations (CuEq and CuCoAu) changed to match updated commodity price forecasts as used for reserve definition. The mineral resource is reported inclusive of in situ ore reserves, but excludes mined material (stockpiles) and is presented in the table below:

Resource category	Assumed mining method	Cut-off grade ¹		Tonnes Mt	Estimated Grade				Copper Equivalents		Contained Metal Equivalent		
		CuCoAu ²	Cu		Cu	Co	Au	Mag	CuCoAu ²	CuEq ³	Cu	CuCoAu ²	CuEq ³
		%	%		%	ppm	ppm	%	%	%	Mlb	Mlb	Mlb
Measured	Open pit	0.2	0.1	38.4	0.64	309	0.14	5.8	0.9	1	544	729	814
	Underground	0.6	0.1	1.3	1.36	366	0.22	2	1.6	1.7	39	47	48
Sub Total				39.7	0.67	311	0.14	5.7	0.9	1	582	776	862
Indicated	Open pit	0.2	0.1	9.4	0.35	252	0.1	6.7	0.5	0.6	71	108	132
	Underground	0.6	0.1	7	0.92	257	0.23	1.2	1.1	1.2	142	178	181
Sub Total				16.4	0.59	255	0.16	4.4	0.8	0.9	213	286	313
	Open pit	0.2	0.1	47.7	0.58	298	0.13	6.01	0.8	0.9	615	837	946
	Underground	0.6	0.1	8.3	0.99	274	0.23	1.29	1.23	1.25	180	224	228
Total Measured and Indicated				56	0.64	295	0.15	5.31	0.86	0.95	796	1062	1175
Inferred	Open pit	0.2	0.1	0.2	0.36	203	0.14	4.9	0.5	0.6	2	3	3
	Underground	0.6	0.1	0.4	0.75	249	0.26	1.3	1	1	7	9	9
Sub Total				0.6	0.6	232	0.21	2.7	0.8	0.9	8	11	12
Total	Open pit	0.2	0.1	48	0.58	298	0.13	6	0.8	0.9	617	840	950
	Underground	0.6	0.1	8.7	0.98	273	0.23	1.3	1.2	1.2	187	233	237
Total Measured, Indicated & Inferred				56.7	0.64	294	0.15	5.3	0.9	1	804	1073	1187

Note - Figures have been rounded to reflect level of accuracy of the estimates

1 Block grade has to meet both cut-off grade criteria to be reported (eg CuCoAu > 0.2 AND Cu > 0.1)

2 Copper equivalent CuCoAu% = Cu % + Co ppm*0.000533 + Au ppm*0.431743

3 Copper equivalent CuEq% = Cu % + Co ppm *0.000533 + Au ppm *0.431743 + magnetite %*0.016711

Resource	Cut-off - either		Tonnes	Estimated Grade	Contained Metal
category	Mag	Co		Mag	Magnetite
	%	ppm	Mt	%	Mt
Measured	10	100	0.3	11.4	0.04
Indicated	10	100	0.1	19.6	0.02
Inferred	10	100	177.9	15.1	26.95
Total			178.3	15.1	27

Rocklands Group Copper Project Ore Reserves

Reserve Category	Ore Type	Million Tonnes	% Copper	ppm Cobalt	g/t Gold	% Magnetite	% Spec_CuEq
Proved	OX	1.1	0.89	308	0.16	3.1	0.76
	NC_OX	0.3	1.59	726	0.22	2.0	1.49
	NC_CC	1.8	1.82	768	0.24	2.6	1.88
	NC_CPY	2.0	0.93	617	0.15	3.8	1.16
	CC	0.3	0.83	300	0.18	3.4	0.91
	CPY	13.7	0.72	343	0.15	9.8	1.00
	BG	3.7	0.26	213	0.07	2.2	0.29
	Total	23	0.77	383	0.15	7.0	0.97
Probable	OX	0.02	0.58	400	0.06	3.6	0.52
	NC_OX	0.1	1.09	316	0.15	1.5	1.01
	NC_CC	0.4	0.78	313	0.10	2.7	0.84
	NC_CPY	0.5	0.66	267	0.11	2.9	0.74
	CC	0.1	0.47	266	0.11	2.8	0.53
	CPY	2.7	0.41	221	0.13	7.0	0.61
	BG	0.9	0.27	201	0.05	1.9	0.29
	Total	5	0.45	232	0.11	5.0	0.59
Proved and Probable	OX	1.1	0.89	309	0.16	3.1	0.76
	NC_OX	0.4	1.51	658	0.21	1.9	1.41
	NC_CC	2.2	1.62	679	0.22	2.6	1.68
	NC_CPY	2.5	0.88	548	0.14	3.6	1.08
	CC	0.4	0.76	293	0.17	3.2	0.83
	CPY	16.4	0.67	323	0.15	9.3	0.94
	BG	4.6	0.26	211	0.06	2.1	0.29
	Total	28	0.72	357	0.14	6.6	0.90

Competent Person Statement

Information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Andrew Day. Mr Day is employed by Geoday Pty Ltd, an entity engaged by Cudeco to provide independent consulting services. Mr Day has a BAppSc (Hons) in geology and is a Member of the Australian Institute of Mining and Metallurgy (Member #303598). Mr Day has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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" (JORC Code). Mr Day consents to 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 insofar as it relates to Metallurgical Test Results and Recoveries, is based on information compiled by Mr Peter Hutchison, MRACI Ch Chem, MAusIMM, a non-executive director of CuDeco Ltd. Mr Hutchison has sufficient experience in hydrometallurgical and metallurgical techniques which is relevant to the results under consideration and to the activity which he is undertaking to qualify as a competent person for the purposes of this report. Mr Hutchison consents to the inclusion in this report of the information, in the form and context in which it appears.

This information is extracted from the report entitled "Executive Summary - Feasibility Study, Rocklands Group Copper Project, Queensland, Australia" created on 3 March 2016 and released to the ASX on the same date. The Report is also available to view on www.cudeco.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

"The information in this release that relates to Ore Reserves is based on information compiled by Mr John Wyche, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wyche is employed by Australian Mine Design and Development Pty Ltd. Mr Wyche has sufficient experience which is relevant to the style of mineralisation, type of deposit and method of mining 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 Wyche consents to the inclusion in this release of the matters based on his information in the form and context in which it appears."

Rocklands style mineralisation

Dominated by dilational brecciated shear zones, throughout varying rock types, hosting coarse splashy to massive primary mineralisation, high-grade supergene chalcocite enrichment and bonanza-grade coarse native copper. Structures hosting mineralisation are sub-parallel, east-south-east striking, and dip steeply within metamorphosed volcano-sedimentary rocks of the eastern fold belt of the Mt Isa Inlier. The observed mineralisation, and alteration, exhibit affinities with Iron Oxide-Copper-Gold (IOCG) classification. Polymetallic copper-cobalt-gold mineralisation, and significant magnetite, persists from the surface, through the oxidation profile, and remains open at depth.

Resource Copper Equivalent Calculation

The formula for calculation of copper equivalent is based on the following metal prices and metallurgical recoveries:

Copper: \$3.20 US\$/lb; Recovery: 95.00%

Cobalt: \$18.00 US\$/lb; Recovery: 90.00%

Gold: \$1200.00 US\$/troy ounce; Recovery: 75.00%

Magnetite: \$140.00 US\$/tonne; Recovery 80.00%

$CuEq\% = Cu\% + Co\text{ ppm} * 0.000533 + Au\text{ ppm} * 0.431743 + magnetite\% * 0.016711$

The recoveries used in the calculations are the average achieved to date in metallurgical test-work on primary sulphide, supergene, oxide and native copper zones. The Company's opinion is that all of the elements included in the copper equivalent calculation have a reasonable potential to be recovered. This information is extracted from the report entitled "Executive Summary - Feasibility Study, Rocklands Group Copper Project, Queensland, Australia", created on 3 March 2016 and is available to view on www.cudeco.com.au.

Disclaimer and Forward-looking Statements

This report contains forward-looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

New information

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

CUDECO LIMITED

ACN

000 317 251

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	1,891	1,891
1.2	Payments for (a) exploration & evaluation	(175)	(175)
	(b) development	(5,526)	(5,526)
	(c) production	(4,016)	(4,016)
	(d) administration	(3,007)	(3,007)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	24	24
1.5	Interest and other costs of finance paid	(1,587)	(1,587)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(12,396)	(12,396)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5,483)	(5,483)
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	(Increase)/Decrease in security deposits	-	-
	Net investing cash flows	(5,483)	(5,483)
1.13	Total operating and investing cash flows (carried forward)	(17,879)	(17,879)

+ 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)	(17,879)	(17,879)
1.14	Proceeds from issues of shares, options, etc.	8,000	8,000
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 – Capital Raising costs	(466)	(466)
	Net financing cash flows	7,534	7,534
	Net increase (decrease) in cash held	(10,345)	(10,345)
1.20	Cash at beginning of quarter/year to date	16,400	16,400
1.21	Exchange rate adjustments to item 1.20	(268)	(268)
1.22	Cash at end of quarter	5,787	5,787

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	959
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 and salaries \$ 351
Balance of Termination Payment to P Hutchison \$ 608

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ 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 (USD facility)	88,000	88,000
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	630
4.3 Production	11,800
4.4 Administration	2,500
Total	15,130

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	45	1,282
5.2 Deposits at call	5,742	15,118
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,787	16,400

+ See chapter 19 for defined terms.

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

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	394,278,198	394,278,198		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,500,000	12,500,000	80	80
7.5 *Convertible debt securities (description)				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	-	-	Exercise price	Expiry date
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 ~~not~~ ^{not} ~~(delete one)~~ give a true and fair view of the matters disclosed.



Sign here: _____
(Director/Company secretary)

Date: 31 October 2016

Print name: Bruno Bamonte

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.

+ See chapter 19 for defined terms.

- 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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