

Quarterly Activities Report Quarter Ended 31 March 2016

Kimsa Orcco Project – Peru

(Patacancha Tenements – 100% Laconia)

As previously reported, on 20 August 2015 shareholders approved the disposal of the Company's Peruvian mineral interests to Andes Exploration of Peru Numero Dos Sac (**Andes**) and Salka Uno Y Dos Sac (**Salka**).

The Peruvian tenement portfolio comprises the Kimsa Orcco Project:

- Patacancha N° 1;
- Patacancha N° 2;
- Patacancha N° 3; and
- Patacancha N° 4.

Further particulars of the disposal can be found in the Company's announcement dated 30 June 2015. The Company is currently working through the final tenement transfer process in Peru and has been advised by its Peruvian legal advisers that the tenements are now in the final stage of transfer.

701 Mile Project – Precious and Base Metals, Pilbara WA

(E52/2688 – 80% Laconia: mineral rights excluding manganese and iron and 70% Laconia: manganese and iron rights)

No field work was carried out during the quarter.

Corporate

The Company is actively seeking potential new project opportunities, including possible investment opportunities outside of the Company's existing principal activity of mineral exploration. Dependant on the nature and scale of any investment, the Company may be required, pursuant to ASX Listing Rules, to obtain shareholder approval to any transaction and to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

As part of this process of reviewing new project opportunities, the Company has been in ongoing discussion with a group in the health and nutrition sector which has the potential for worldwide distribution, including sales distribution into China.

These discussions are incomplete and subject to final negotiation and agreement on terms and consideration, including preliminary due diligence.

With the resurgence of interest in the resource sector, the Company is also entertaining potential mineral exploration transactions.

Tenement Information as required by Listing Rule 5.3.3

The following is a table setting out the information as required by ASX Listing Rule 5.3.3, namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Location	Mining Tenement	Ownership	Acquired or Disposed
Peru (Ayacucho)	Patacancha No 1 – (i)	100%	(i)
Peru (Ayacucho)	Patacancha No 2 – (i)	100%	(i)
Peru (Ayacucho)	Patacancha No 3 – (i)	100%	(i)
Peru (Ayacucho)	Patacancha No 4 – (i)	100%	(i)
Peru (Puno)	Jess Gold 1	100%	N/A
Peru (Moquegua)	Jess Iron 1	100%	N/A
Western Australia (Northern Gascoyne)	E52/2688-I*	80%**	N/A

* I = Iron Ore Endorsement

** Mineral rights held by Laconia Resources Ltd (80%) and Pandell Pty Ltd (20%). Manganese and iron ore rights held by Laconia Resources Ltd (70%) and Pandell Pty Ltd (30%).

(i) Subject to disposal as approved by shareholders on 20 August 2015.