



Altech Chemicals
Limited

QUARTERLY REPORT

June 2016

HIGHLIGHTS

Altech secures another quality cornerstone investor

- Altech secures Malaysian publicly listed MAA Group Berhad (MAAG) as cornerstone investor
- MAAG is an insurance, investment, credit and finance group with total assets of RM1.45 billion
- Placement of \$1.0 million of March 2016 shortfall shares

Meckering mining lease grant

- Meckering mining lease M70/1334 granted on 19 May 2016
- 250+ years kaolin feedstock for 4,000tpa Malaysian HPA plant

Altech sells EL for \$2 million cash

- Dana legal action resolved
- Sale of surplus exploration licence for \$2 million
- Altech retains 100% ownership of ML (M70/1334)

Update to kaolin resource for mining lease

- JORC 2012 kaolin resource estimated for mining lease M70/1334
- Indicated Mineral Resource of 11Mt of kaolin @ 82.7% ISO brightness
- Sufficient to support high purity alumina plant for >250 years mine life at 4,000tpa production

HPA demand driven by lithium-ion batteries

- HPA demand for lithium-ion batteries forecast to increase at 30% per year to 2025
- Demand forecast to increase from ~1,000tpa in 2016 to ~15,000tpa in 2025
- Equivalent to four (4) of Altech's proposed HPA plant required to satisfy 2025 demand

International Battery Fair

- Interest generated by Altech as an emerging supplier of HPA for lithium-ion battery separators
- Lithium-ion batteries with 99.99% HPA-coated separators demanded by electric vehicle manufacturers
- HPA-coated separators improve battery safety and stability
- Altech's price assumption for HPA in its BFS is US\$23/kg

Breakaway Research Report

- Updated research report titled 'Excellent progress on the finance and off-take front' released by Breakaway Research
- \$0.50 per share midpoint price target for Altech shares

\$10m capital raising

- \$10 million raised via share placement to institutions, professional and sophisticated investors
- Placement was heavily oversubscribed
- A range of quality institutional investors join Altech's share register

Altech secures another quality cornerstone investor

During the quarter the Company secured another quality cornerstone investor, MAA Group Berhad (MAAG). MAAG is a Malaysian publicly listed insurance, investment, credit and finance group with total assets of RM1.45 billion and annual turnover of RM484 million. MAAG has agreed to subscribe to \$1 million of Altech shares, subject to the approval of Altech shareholders. Altech had previously agreed with MAAG for participation in the March 2016 share placement, however its participation was subject to the completion by MAAG of internal governance requirements and due diligence processes, which have now been satisfied.

A total of 11,627,907 shares will be issued to MAAG at \$0.086 per share, which was the March 2016 share placement price. The issue of the shares is subject to the approval of Altech shareholders because Tunku Ya'acob bin Tunku Tan Sri Abdullah (a non-executive director of Altech) is the executive chairman and a majority shareholder of MAAG.

Upon approval of the share issue, MAAG will hold approximately 6% of the issued shares of Altech. Melewar International Investment Company Limited, a company also controlled by Tunku Ya'acob bin Tunku Tan Sri Abdullah, will hold approximately 9% of the Company.

The share issue to MAAG will bring the total amount raised by the Company during the quarter to approximately \$5 million (including \$2 million from the sale of an exploration licence E70/3923). All funds raised will be applied towards finalising the detailed design of Altech's proposed Malaysia high purity alumina (HPA) plant, finalising debt funding for the HPA project, and for general working capital purposes.

Altech managing director, Mr Iggy Tan said, *"We are very excited to have a cornerstone investor with the pedigree of MAAG join our share register. Altech continues to be most appreciative of the support for the Company and its HPA project by Tunku Ya'acob bin Tunku Tan Sri Abdullah and his associated companies"*, Mr Tan concluded.

Altech presents at the 3rd International Sapphire Industry Technology Expo

During the quarter the Company attended the 3rd International Sapphire Industry Technology Exhibition (Sapphire Expo) in Shenzhen, China. The Sapphire Expo is an annual trade show held over three days (22-24 June 2016), which attracts hundreds of sapphire industry participants from around the world. Participants included sapphire glass and wafer manufacturers, sapphire substrate producers, high purity alumina suppliers, and importantly, representatives from the LED lighting and lithium-ion battery manufacturing sectors. Altech's attendance and presentation at the Sapphire Expo was an opportunity to showcase the advanced stage of its Malaysian high purity alumina (HPA) project, and build international brand awareness for Altech's proposed HPA product – the key ingredient to synthetic sapphire production. As previously announced, Altech executed a 10-year off-take sales arrangement with Mitsubishi Corporation's Australian subsidiary, Mitsubishi Australia Ltd (Mitsubishi) for 100% of HPA production from its proposed Malaysian HPA plant. The current forecast demand growth profile for HPA indicates that near term future demand is well in excess of current and known planned supply capacity increases.



Figure 1. Altech's exhibition at the 3rd International Sapphire Industry Technology Exhibition

Altech generates interest at International Battery Fair

During the quarter the Company generated strong interest as an emerging high purity alumina (HPA) producer at the 12th China International Battery Fair (CIBF) in Shenzhen, China (May 24-26, 2016). The CIBF is held every two years and is a significant event for the lithium-ion battery industry. There is a growing application for HPA in lithium-ion batteries, where it is used as a coating on the ceramic separator sheets that divide the cathode and anode electrodes within the battery. The lithium-ion battery separator sheet membrane acts as a critical safety barrier inside the battery. HPA-coated separators withstand unusually high temperature incursions, increase battery separator shrinkage temperatures, reduce flammability during thermal runaways and thus make lithium-ion batteries much safer. HPA-coated separators also increase battery discharge rates, lower self-discharge, and lengthen battery life cycles. Based on discussions with various lithium-ion battery separator sheet manufacturers at the CIBF, electric vehicle manufacturers are demanding lithium-ion batteries with 99.99% (4N) HPA-coated separators. These manufacturers are reporting usage of between 40-120g of HPA per battery kilowatt-hour (kWh). According to CIBF delegate sources, 99.99% (4N) HPA is currently being supplied to Chinese lithium-ion battery separator sheet manufacturers at RMB180 to RMB200/kg (US\$27 to US\$30/kg). This supports the long-term price assumption for HPA used in Altech's bankable feasibility study (BFS), which is a conservative estimate of US\$23/kg. The particle size of the HPA product for lithium-ion battery separator sheets is required to be ultra-fine, less than 2 microns, which Altech's proposed HPA plant in Malaysia is designed to achieve.



Figure 2. 12th China International Battery Fair

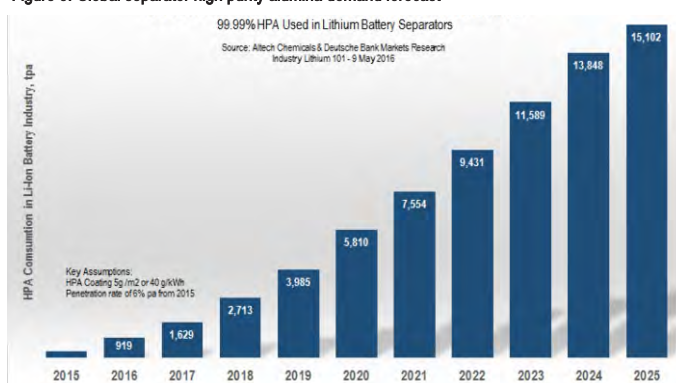


HPA demand driven by lithium-ion batteries

Following its announcement regarding the strong interest shown in the Company as an emerging high purity alumina (HPA) producer during the 12th China International Battery Fair, the Company announced its 10-year forecast of global demand for HPA used in the lithium-ion battery manufacturing sector.

Altech estimated that demand for HPA from lithium-ion battery manufacturers will grow significantly over the next decade from forecast usage of ~1,000tpa in 2016 to ~15,000tpa in 2025; representing an annual year-on-year demand growth of approximately 30% per year. In order to meet this demand, additional HPA production capacity equivalent to four (4) of Altech's proposed HPA plant would need to be constructed and commissioned during the forecast period, as illustrated in Figure 3 below.

Figure 3. Global separator high purity alumina demand forecast



Meckering mining lease granted

Altech's mining lease (ML) M70/1334 at its Meckering kaolin deposit was granted by the Department of Mines and Petroleum (DMP) on 19 May 2016. The grant of M70/1334 allows the Company to progress to the next stage of mine development, which is the submission of a mining proposal and a mine closure plan.

Altech managing director Mr Iggy Tan said, *"The Company is delighted with the grant of the Meckering mining lease."*

"Altech can now progress to the next stage in preparation for mine development, the submission of what will be a relatively straightforward mining proposal and mine closure plan."

"Upon approval of these items, the site at Meckering will be ready for the development of the campaign mining and container loading operation to supply feedstock for Altech's proposed Malaysian HPA plant."

This marks another significant milestone in the advancement of the Company's HPA project", Mr Tan concluded.

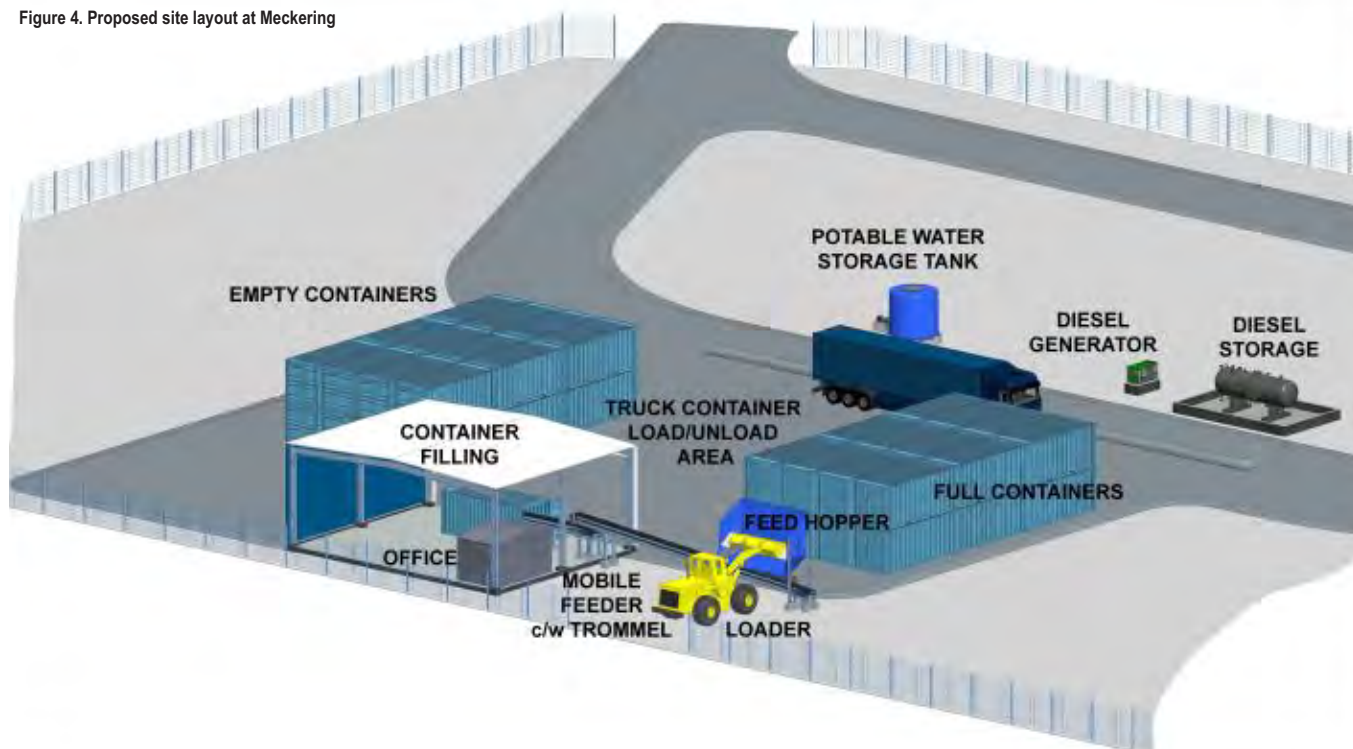
Altech sells EL for \$2 million cash

Altech executed an agreement with Dana Shipping and Trading S.A. (Dana) for the sale of its exploration licence (EL) E70/3923 (excluding mining lease M70/1334, owned by Altech) at Meckering for two million dollars. Having already received a non-refundable cash deposit of \$250,000, the balance of \$1.75m was paid upon the grant of Altech's M70/1334, which occurred during the quarter.

The EL is surplus to Altech's feedstock requirements for its proposed HPA plant. Feedstock for the plant will be sourced from within M70/1334, which contains an 11Mt Indicated Mineral Resource, representing in excess of 250 years of supply for the HPA plant. Altech continues to hold tenements E70/4852, 4856 and 4857 (pending) at Meckering.

Execution of the agreement also settled the dispute with Dana over the Company's termination of the Kaolin Mining Rights Deed (refer ASX announcement dated 29 March 2016 for details).

Figure 4. Proposed site layout at Meckering



Altech updates kaolin resource for Meckering mining lease

Subsequent to quarter end, the Company announced an updated Indicated Mineral Resource of 11 million tonnes (Mt) of kaolin at 82.7% ISO brightness for its Meckering deposit, which sits within its 100%-owned mining lease (ML) M70/1334. The ML, which was granted on 19 May 2016 is estimated to contain sufficient kaolin mineral resources for over 250 years of feedstock supply for the Company's proposed high purity alumina (HPA) plant at Johor, Malaysia. The updated Mineral Resource for M70/1334 allows the Company to finalise the mine development, which includes the submission of a mining proposal and a mine closure plan. The estimation of a mineral reserve is currently being finalised following grade control drilling that commenced on 1 April 2016. At Meckering, Altech is planning to mine approximately 120,000 tonnes of kaolin once every three years in short two-month mining campaigns. The resultant raw kaolin ore will be stockpiled, then containerised into standard shipping containers at the rate of around 40,000tpa (770t per week) and transported to Johor, Malaysia via the port of Fremantle, Western Australia for processing into HPA at the Company's proposed plant.

Altech managing director Mr Iggy Tan said, "The Company is delighted with the updated resource statement for our recently granted ML. Altech can now progress to the next stage in preparation for mine development, the submission of what will be a relatively straightforward mining proposal and mine closure plan. Upon approval of these items, the site at Meckering will be ready for the development of the campaign mining and container loading operation to supply feedstock for Altech's proposed Malaysian HPA plant. This marks another significant milestone in the advancement of the Company's HPA project", Mr Tan concluded.

Table 1. Table showing Indicated Mineral Resource M70/1334

	Tonnage	% - 45 micron ¹	Brightness ²
Indicated Resource	10,998,127	45.0%	82.7%
TOTAL	10,998,127	45.0%	82.7%

¹ 30% minus 45um cut-off

² 80% brightness cut-off (ISO standard)

Figure 5. Indicated Mineral Resource area within M70/1334 (shaded yellow)

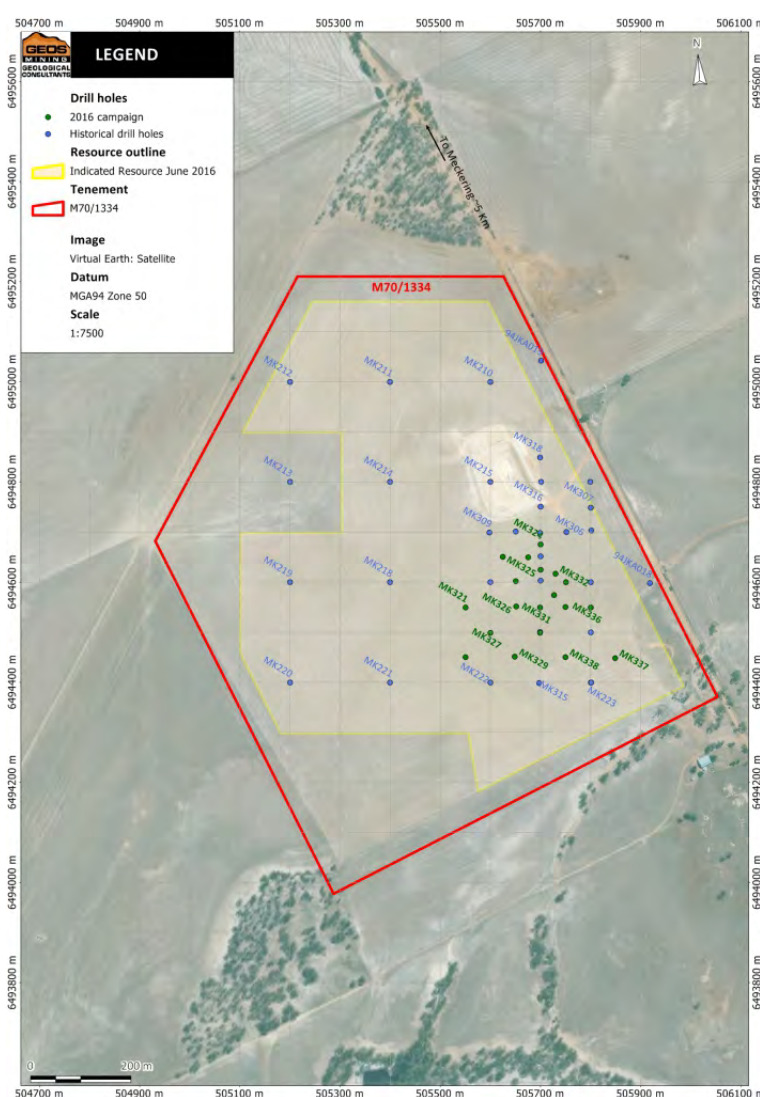


Figure 6. Grade control drilling at Altech's Meckering deposit



Altech raises \$10 million in oversubscribed share placement

Subsequent to quarter end the Company welcomed a number of institutional investors onto its share register as a result of a AU\$10 million oversubscribed share placement (the Placement). Placement shares will be issued at 14 cents per share, which represents a 14% discount to the price of the Company's shares at the close of trade on the Australian Securities Exchange (ASX) on 21 July 2016.

Funds raised from the Placement will be applied to finalising the detailed design of the Company's proposed Malaysian high purity alumina (HPA) plant, completion of independent due diligence associated with finalising debt financing, closure of debt financing and for general working capital purposes.

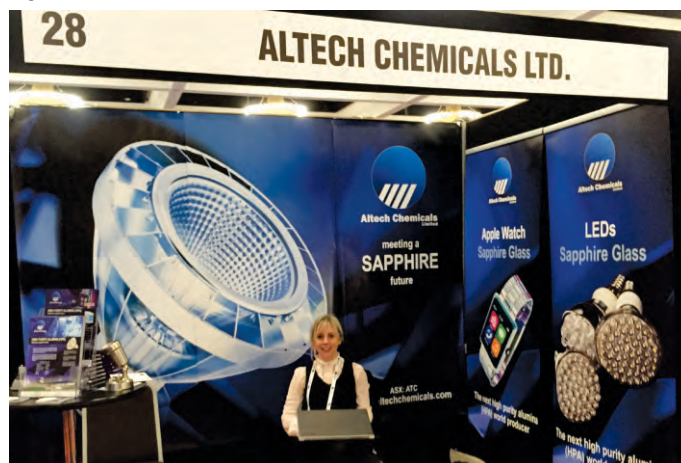
Approximately 71.4 million new shares will be issued under the Placement in two tranches. An initial tranche of approximately 39.2 million shares, in accordance with the Company's residual placement capacity under ASX Listing Rules 7.1 and 7.1A, will be settled on 3 August 2016. A second tranche for the balance of the shares will be subject to shareholder approval at a general meeting of the Company to be convened in mid-September 2016.

The Company is delighted that high-quality investment institutions predominantly from Australia, New Zealand, Hong Kong and Asia have participated in the Placement and now join the Company's share register. The Company will continue to focus on building institutional support for its HPA project in preparation for a project finance equity raising that will be required once debt funding arrangements have been finalised.

Altech managing director, Mr Iggy Tan said, *"The Company is extremely pleased with the quality and calibre of institutions that have joined our share register as part of the Placement. Most of the participants were surprised as to how advanced the Company is with its HPA project, with the bankable feasibility study completed, off-take in place and the advanced nature of debt funding, all of which has transferred directly into demand for the Placement, which was subsequently heavily oversubscribed."*

"Institutional investor representation on the Company's share register has increased from around 9% to closer to 23% following the Placement, with plans to grow it over time", Mr Tan concluded.

Figure 7. Altech's exhibition at the AMEC Convention



Perth stockbroking firm DJ Carmichael Pty Ltd and Empire Capital Partners with offices in Hong Kong and Perth were the respective lead and co-manager of the Placement. As the Company has already conducted a share purchase plan (SPP) during the proceeding 12-months (March 2016), the Company is unable to offer an SPP to existing shareholders as part of this capital raising (ASIC regulation of not more than \$15,000 per shareholder via an SPP each 12 month period).

Breakaway Research Report

Altech featured in a research report titled "Excellent Progress on the Finance and Offtake Front" by Breakaway Research, which was released during the quarter and is available for viewing and download from the Company's website. In the report, Breakaway provide an updated indicative valuation of Altech, with a risked Company valuation of between \$40.5m and \$137.8m, with a midpoint of \$89.1m, which is an increase of around 100% from its August 2015 valuation. The valuation equates to an undiluted share price range of \$0.23 to \$0.78 per share, with a midpoint of \$0.50/share.

Altech participation at the AMEC

The Company exhibited at the Association of Mining and Exploration Companies (AMEC) Convention, which was held over two days (8 – 9 June 2016) in Perth. The conference attracted over 500 delegates from the Australian mining and exploration investment sector.

Corporate

Finance News Network conducted an interview with Altech managing director Mr Iggy Tan during the quarter. Mr Tan discussed the results from the recently optimised bankable feasibility study (BFS) for the Company's proposed Malaysian high purity alumina (HPA) project, as well as project financing progress, the 100% off-take sales agreement with Mitsubishi and the recently completed capital raising.

Altech participated in the Canary 'Stocks to Watch' Roadshows in Sydney and Melbourne during the quarter. During the Sydney roadshow, Canary Networks conducted an exclusive interview with Altech chief financial officer and company secretary, Mr Shane Volk. In the interview Mr Volk discusses the HPA project, project financing, as well as market opportunities for the Company's HPA product in general. Both interviews are available for viewing and download from the Company's website.

On 30 June 2016 the Company had approximately \$1.6 million cash on hand.

During the quarter 2,500,000 unlisted options to acquire fully paid shares were exercised at \$0.10 per option.

Schedule of Tenements

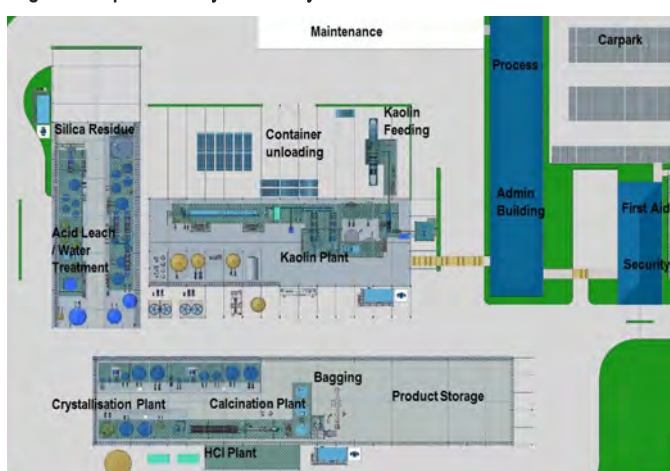
As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 30 June 2016:

Tenement ID	Registered Holder	Location	Project	Grant Date	Interest start of quarter	Interest end of quarter
EPM18375	Altech Chemicals Ltd	QLD Australia	Constance Range	27/04/2012	100%	100%
E70/4718	Canning Coal Pty Ltd	WA Australia	Kerrigan	01/12/2015	100%	100%
E70/3923	Altech Meckering Pty Ltd	WA Australia	Meckering	30/11/2010	100%	0%
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	19/05/2016	100%	100%
E70/4784	Altech Meckering Pty Ltd	WA Australia	Meckering		100%	0%
E70/4785	Canning Coal Pty Ltd	WA Australia	Meckering		100%	0%
E70/4786	Canning Coal Pty Ltd	WA Australia	Meckering		100%	0%
E70/4852	Altech Meckering Pty Ltd	WA Australia	Meckering		0%	100%
E70/4856	Canning Coal Pty Ltd	WA Australia	Meckering		0%	100%
E70/4857	Altech Meckering Pty Ltd	WA Australia	Meckering		0%	100%
E70/4713	Altech Chemicals Ltd	WA Australia	Southdown	09/06/2015	100%	100%
E70/4341	Australian Mineral Sands Pty Ltd	WA Australia	SW Titanium	16/01/2013	100%	100%
E70/4643	Australian Mineral Sands Pty Ltd	WA Australia	SW Titanium	25/03/2015	100%	100%

Figure 8. Altech at the Canary Stocks to Watch Roadshow in Sydney



Figure 9. Proposed site layout at Malaysia





Altech Chemicals
Limited

QUARTERLY REPORT

June 2016

Company Snapshot

Altech Chemicals Limited (ASX:ATC)
ABN 45 125 301 206

FINANCIAL INFORMATION:

(as at June 2016)

Share Price:	\$0.185
Shares:	180m
Unlisted Options:	3.6m
Performance Rights:*	17.2m
Market Cap:	\$33.12m
Cash:	\$1.6m

DIRECTORS:

Luke Atkins LLB
Chairman

Iggy Tan B.Sc MBA GAICD
Managing Director

Peter Bailey B.Sc(Hons) Elect.Eng MIEE C.Eng
Non-executive Director

Dan Tenardi
Non-executive Director

Prince Ya'acob Bin Tunku Tan Sri Abdullah
Non-executive Director

Uwe Ahrens
Alternate Director

Shane Volk BBus (ACC) GradDip (ACG) CSA
Company Secretary & CFO

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* Subject to vesting conditions

ABOUT ALTECH CHEMICALS (ASX: ATC)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al₂O₃).

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of artificial sapphire. Artificial sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant artificial sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of artificial sapphire.

Global HPA demand is approximately 19,040tpa (2014) and demand is growing at an annual rate of 28%, primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs. HPA demand is expected to at least double over the coming decade.

Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

COMPETENT PERSONS STATEMENT

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and resources has been reviewed by Llyle Sawyer M.App.Sc. and Sue Border B.Sc. Sue Border and Llyle Sawyer are not employees of the Company, but are employed by Geos Mining as contract consultants. Sue Border is a Fellow of the Australian Institute of Mining and Metallurgy as well as the Australian Institute of Geoscientists. Llyle Sawyer is a member of the Australian Institute of Geoscientists. Both have sufficient experience with the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as competent persons as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Sue Border and Llyle Sawyer consent to the inclusion in this report of the contained technical information in the form and context as it appears.

The information is extracted from the ASX announcement entitled 'Altech updates kaolin resource for its Meckering mining lease' lodged on 8 July 2016 and is available to view on the Company's website. 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.

CAUTIONARY STATEMENT

Readers should use caution when reviewing the data and historical information results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision. Potential quantity and grade is conceptual in nature, there has been sufficient exploration to define a Mineral Resource as defined in the 2012 edition of the JORC Code, and that it has not yet been determined if further work will result in the determination of a Mineral Reserve.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

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

ALTECH CHEMICALS LIMITED

ABN

45 125 301 206

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	(42)
	(b) development	(1,264)	(2,682)
	(c) production	-	-
	(d) administration	(1,204)	(2,236)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – R & D tax incentive	-	851
	Other – deposit paid	(151)	(151)
	Net Operating Cash Flows	(2,612)	(4,238)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1)	(10)
1.9	Proceeds from sale of: (a) prospects	2,000	2,000
	(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	1,999	1,990
1.13	Total operating and investing cash flows (carried forward)	(613)	(2,248)

+ 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)	(613)	(2,248)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,612	3,273
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	1,612	3,273
	Net increase (decrease) in cash held	999	1,025
1.20	Cash at beginning of quarter/year to date	601	575
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,600	1,600

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	294
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director remuneration

Non-cash financing and investing activities

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

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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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

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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	-
4.2 Development	3,000
4.3 Production	-
4.4 Administration	850
Total	3,850

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	1,446	598
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Security Deposit (Exploration Tenement)	3	3
Deposit – other	151	-
Total: cash at end of quarter (item 1.22)	1,600	601

+ 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	E70/3923 100% holder of exploration licence	100%	0%
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	179,781,733	179,781,733	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,415,951	25,415,951	2,500,000 at \$0.10 per share (Ex. of unlisted options) 22,915,951 at \$0.086 per share (Placement and SPP)
7.5	+Convertible debt securities (description)			Fully paid Fully paid

+ 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)	1,000,000	-	<u>Exercise price</u> \$0.20	<u>Expiry date</u> 18-Dec-2017
		1,000,000	-	\$0.25	18-Dec-2017
		1,000,000	-	\$0.30	18-Dec-2017
		600,000	-	\$0.20	31-Jan-2017
		17,300,000	-	nil	
	<i>Performance Rights</i> (employees & directors)				
7.8	Issued during quarter				
7.9	Exercised during quarter	2,500,000	-	\$0.10	9-27 June 2016
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 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).
- This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2016
(Director/Company Secretary)

Print name: Shane Volk
.....

+ 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 **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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