

Health Corporation Limited

(to be renamed "Erin Resources Limited")

ABN: 30 116 800 269

30 July 2012

ASX Release

ASX Code: HEA

June 2012 Quarterly Report

QUARTERLY HIGHLIGHTS

- HEA entered into a binding agreement to acquire 100% of Erin Mineral Resources Limited (**Erin**), which in turn holds various interests in seven (7) prospective gold assets located in the Republic of Senegal
- On completion HEA will become a West African gold focused exploration company
- Initial exploration programmes at Woye and Bouroubourou were completed during July 2012
- Appointment of Managing Director, Exploration Manager and Senior Site Geologist

Acquisition of Erin

On 14 May the Company has executed a Merger Implementation Agreement (**MIA**) to acquire 100% of the issued capital of Erin, an unlisted Australian public company with gold exploration assets in Senegal, West Africa (**Acquisition**). Settlement was subject to completion of due diligence by 31 May 2012, which has been satisfied, and satisfaction of other conditions under the MIA.

As detailed in the Prospectus announced 26 July 2012, Erin holds various interests in seven (7) prospective gold assets located in the Republic of Senegal, being the Lingokoto, Bouroubourou, Wassadou, Woye, Garaboueya South and Balakonko gold projects (**Projects**) (Figure 1).

Erin holds 100% of the issued share capital in Erin Resources Pty Ltd (ACN 128 242 464) (**Erin Resources**), and Erin Resources in turn holds a 100% interest in Erin Senegal S.A.U (NINEA 004480349), a company incorporated and registered in Senegal (**Erin Senegal**).

The Acquisition is deemed a significant change in the nature and scale of the Company's activities and, as a result, the Company will be required to re-comply with Chapters 1 & 2 of the ASX Listing Rules and is subject to HEA shareholder approval on 17 August 2012.

The Company has to provide a loan facility to Erin for up to \$900,000 which has been applied towards advancing the priority exploration activities on the Projects during the period up to completion. Both parties have pre-agreed where the funds will be applied on the Projects under the Loan facility. The Loan will be interest-free and unsecured with the Loan being treated as an intercompany loan between the parties following completion of the Acquisition.

Figure 1: Location of Erin's Senegal Gold Projects

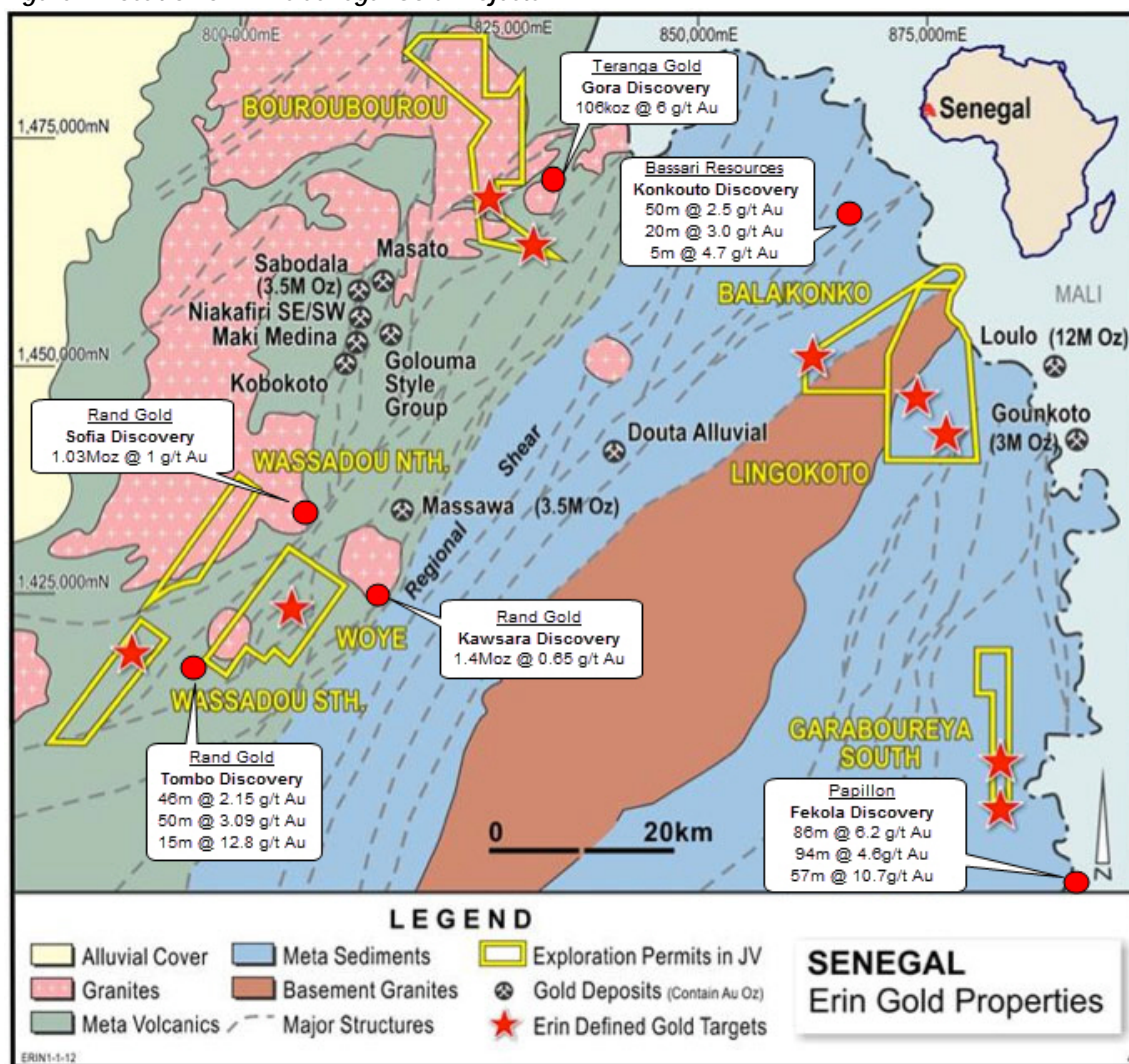


Table 1: Summary of Erin Licenses in Senegal

License	Area (km2)	License Issued	JV Partner	Erin Ownership of Final project
Bouroubourou	121.3	1/12/2010	AfriGem	80%
Lingokoto	157	1/12/2010	AfriGem	80%
Woye	94.45	26/02/2010	MRC	80%
Balakonko (renewal pending)	83.8	13/08/2009	MRC	80%
Garaboureira (renewal pending)	36.6	13/08/2009	MRC	80%
Wassadou North	40.3	1/02/2012	SODEMINES	77.5%
Wassadou South	52.4	18/11/2011	SODEMINES	77.5%
Total	585.85			

The Exploration Licences in Senegal are issued for an initial 3 year period and are able to be renewed twice after the initial period, with a minimum 25% reduction on renewal. These renewals are each for 3 year periods.

Exploration Programme

Soil Geochemistry

On 19 May 2012 an early stage exploration programme was initiated to establish drill targets for the 2012/2013 exploration season.

Infill soil geochemistry programmes were performed on Woye, Bouroubourou, Garaboueya South, Lingokoto and the Wassadou South projects.

The geological team will analyse the results from this programme to establish attractive gold anomalies that can be followed up during 2012/2013 exploration programme.

Drilling Programmes

Woye

The planned soil sampling and RAB and RC drilling is aimed to follow-up first order anomalies and has been designed to target two styles of gold mineralisation that are known to occur in the area:

- Gold mineralisation associated with regional structure-parallel shearing, hydrothermal alteration and quartz veined systems. These can be found in parallel or sub parallel gold bearing quartz vein systems which occupy narrow shear zones or lie within brittle fractures systems; and
- Broader sheared and alteration zones with silicified, carbonate altered and mineralised felsic dyke systems. Regionally, the felsic dykes are commonly found near or within known deposits such as Teranga's Sabodala deposit and Randgold's Massawa deposit.

Bouroubourou

Infill soil sampling on two areas defined by the regional soil sampling programme was undertaken in late 2011/early 2012. A 4,000 metre RAB programme commenced on this tenement on Saturday 22 June 2012. A second RAB rig has been commissioned to ensure the completion of the drill programme before the end of July 2012, after which we believe access to the property will become difficult due to the heavy rains.

Erin is drill-testing another complex structural trend that is interpreted to be along strike from Teranga's Gora deposit. We believe that the previous good soil geochemistry gold anomalies in this area, located within a strong north-east structural trend, could further be associated with the contact of a granodiorite intrusive and a granitic body. This structural setting is interpreted to be highly favourable for gold deposition.

Key Appointments

On 21 June, the Company announced the appointment of Managing Director of Mr Grant Davey as Managing Director of the Company. Mr Davey is a Mining Engineer with over 20 years gold experience having worked in senior operational roles in Africa and Australia with AngloGold Ashanti, Anglo Coal and Forbes & Manhattan. Mr Davey was contracted by the Company earlier this year to oversee the technical and project due diligence process on Erin's Senegal joint venture properties and headed the Company's negotiations on the merger transaction with Erin.

Mr Mark Fleming was appointed as Exploration Manager, Mr Fleming has extensive African experience having worked in Africa for the last 10 years in senior geology operational roles.

In addition, Mr Daniel Courtney was appointed as Senior Site Geologist, Mr Courtney has vast experience in the south east Senegalese Birimian Greenstone Belts where he has worked for Oromin over the last 7 ½ years in Senegal.

Corporate

On 26 July the Company lodged a Prospectus for an offer of 12,500,000 Shares at an issue price of \$0.20 per Share to raise \$2,500,000. Oversubscriptions of up to a further 2,500,000 Shares at an issue price of \$0.20 each to raise a further \$500,000 may be accepted. The prospectus and application form are available to download from our website www.healthcorporation.com.au

Cash Position at 30 June 2012

The Company had \$516k cash in the bank at 30 June 2012.

For and on behalf of the Board

The information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr Mark Fleming who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fleming is a full time employee of the Company. Mr Fleming has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fleming consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Health Corporation Ltd

ABN

30 116 800 269

Quarter ended

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	(119)	(417)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	38
1.5 Interest and other costs of finance paid	-	-
1.6 TAX rebate for research and development	-	-
1.7 Other	-	-
Net operating cash flows	(109)	(379)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	(109)	(379)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities – Erin Mineral Resources Ltd	(388)	(388)
1.12 Loans repaid by other entities	-	-
1.13 Other - cash disposed of on disposal of subsidiaries following shareholder approval	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(497)	(767)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	250	250
1.16 Cost of share issue	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(38)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	250	212
Net increase (decrease) in cash held	(247)	(555)
1.21 Cash at beginning of quarter/year to date	762	1,071
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	516	516

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the director

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
1.25	Aggregate amount of loans to the parties included in item 1.11	388

1.26 Explanation necessary for an understanding of the transactions

On 14 May 2012, the Company entered into a financing and merger implementation agreement with Erin Mineral Resources Limited (Erin), an unlisted Australian public company, together with certain warrantors of Erin to acquire 100% of the issued share capital of Erin (Acquisition).

The Company is providing a loan facility to Erin up to \$900,000 to be applied towards advancing the priority exploration activities on the Projects during the period up to completion. The Loan is interest-free and unsecured with the Loan being treated as an intercompany loan between the parties following completion of the Acquisition.

During the quarter, a total of \$388k was advanced to Erin under the loan facility agreement.

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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
4.1	Cash on hand and at bank	516	112
4.2	Deposits at call	-	650
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		516	762

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [\(except to the extent that information is not required because of note 2\) or other standards acceptable to ASX.](#)
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
 Print name:



Rachel Jelleff
 Company Secretary

Date: 30 July 2012

+ 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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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.