

ASX ACTIVITIES REPORT
3 months ended
30 September 2013

Spencer Resources Ltd
("Spencer")

ASX Code: **SPA**

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**Inquiries regarding this report
and company business may be
directed to :**

David Paterson – Chairman
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BOARD OF DIRECTORS

David Paterson - Chairman
Benjamin Miels - Director
Jay Stephenson - Director &
Secretary

EXPLORATION PROJECTS

South Australia

Mt Double

Pandurra Block

ISSUED CAPITAL

Shares on Issue: 19,933,000

Quoted shares: 16,013,000

Unlisted Options: 6,475,000

Investor Inquiries

info@spencerresources.com.au

OVERVIEW

Exploration

- [Mt Double EL 4776](#)
No field work during the reporting period.
- [Pandurra Project - South Australia](#)
No field work during the reporting period. Assessment of the best cost effective means of exploration (ie geophysics vs geochemistry) continued.
- [New Projects](#)
Refer to detail below concerning proposed acquisition of Bulletproof Networks Pty Ltd (Bulletproof).

Finance

Cash position (no debt) \$1.58 million (unaudited) at the end of the period. Estimated expenditure current quarter \$200,000.

Corporate – after period end

BULLETPROOF NETWORKS PTY LTD

ASX Release 28 October 2013 Headline
**SIGNIFICANT ACQUISITION,
CHANGE of Business and Name and
Capital Raising**

On 28 October 2013 Spencer advised shareholders that it had signed an agreement with Bulletproof Networks Pty Ltd ([Bulletproof](#)) that will see Spencer acquire 100% of the issued capital of Bulletproof. Consideration involves 41,666,667 Spencer ordinary shares, 16,666,667 Class A Performance Shares and 25,000,000 Class B Performance Shares (subject to ASX and other regulatory approval). There is no cash consideration and the performance shares are linked to financial hurdles.

[Bulletproof](#) is a very successful Sydney based company involved in Information Technology (IT) and Cloud Computing locally and overseas. Bulletproof's focus on technical expertise, highly reliable and secure infrastructure and world-class managed services has seen the company achieve over 40 per cent compound annual growth over the last five years. This impressive sustained growth has seen Bulletproof recognised as a Deloitte Fast 50 technology company every year since 2010 as well as being named in the CRN Fast 50 in 2012 and the BRW Fast 100 in 2013.

Spencer will change its name to Bulletproof following shareholder approval at an Extraordinary General Meeting planned for early December 2013.

Over the last 12 years, Bulletproof has consistently been first to market with public and private IT managed cloud-based services and innovations. Bulletproof was the first company in Australia to launch a public managed cloud IT service in 2006 and the first to launch a managed Amazon Web Services (AWS) offering in 2012. AWS is the world's largest and fastest growing unmanaged cloud provider. Additional background on Bulletproof accompanies this announcement.

The transaction includes the appointment of two new executive directors, being the founders of Bulletproof, Anthony Woodward (CEO elect) and Lorenzo Modesto (COO elect).

In addition, there will be an appointment of a new independent Chairman. Mr Stephe Wilks has agreed to take on this role post transaction completion. Mr Wilks brings with him a wealth of experience in publicly listed companies, particularly those in a high growth phase, including as chair of EFTEL Limited, which recently sold to M2 Communications Limited.

Additional background on each of the proposed new directors is contained in the Company's ASX release dated 28 October 2013, being the initial advice to shareholders of the proposed transaction.

Spencer may also undergo a capital consolidation after the acquisition of [Bulletproof](#) and will then raise additional capital of at least \$1,600,000 with share brokers Taylor Collison as lead manager. The capital raising will take total cash reserves to in excess of \$3.0 million.

The consolidation is the subject of ongoing discussion with the ASX, the outcome of which will be reflected in the notice of meeting regarding the proposed acquisition which will be sent to all shareholders. It is now possible that a capital consolidation will not be required given recent share price history.

Following a change in name to Bulletproof Limited a process will begin that sees your company actively but prudently divest its exploration interests. The Company will seek to maximize its position from the exit process, possibly via joint venture or outright sale should market conditions allow.

It is envisaged that in the first half of 2014 the Company will have a single focus and primarily be involved in Information Technology (IT) infrastructure and the managed cloud computing IT environment in which Bulletproof is an Australian leader.

The board believes the proposed acquisition and change of business post transaction are both very positive and in the interest of shareholders. An Independent Expert Report has been commissioned to assist all shareholders in understanding and voting on the proposed acquisition. This will be mailed to all Spencer shareholders and form part of a notice for an extraordinary general meeting.

Full details and terms relating to the issue of 16,666,667 Class A Performance Shares and 25,000,000 Class B Performance Shares referred to earlier will be provided in the Notice of Meeting sent to all shareholders. The financial hurdles that must be achieved for the Performance Shares to be converted to Ordinary Shares in Spencer relate to earnings before interest, tax, depreciation and amortisation (EBITDA). The hurdles apply for the years ending 30 June 2014 and 2015 and involve EBITDA trigger targets substantially in excess of the audited number of \$2.21million achieved by [Bulletproof](#) for the year ending 30 June 2013. In addition there are debt restrictions that apply and if breached they significantly limit conversion of Performance Shares to Ordinary Shares in Spencer.

The performance based purchase consideration model applying to the proposed acquisition of Bulletproof is seen to be prudent and a way to achieve mutual shareholder benefit going forward.

David Paterson
Chairman
31 October 2013

Activities carried out in 3 months to 30 September 2013

Mt Double (EL 4776) South Australia (Spencer 70%, Minotaur Operations P/L 30%)

Background – location and geology

The Mt Double title is located on the southern margin of the Gawler Range Volcanics approximately 25 kilometres to the west of Investigator Resources Ltd's Paris silver discovery and about 200 kilometres west of Port Augusta.

EL4776 is located in the central Gawler Craton. The basement comprises Achaean metamorphic gneiss and granulite of the Sleaford Complex, and meta-sediments from the Palaeo- and Mesoproterozoic sequences of the Hutchison and Wallaroo Groups. Conglomerate equivalent to the Corunna Conglomerate also outcrop in EL 4776. The basement is intruded by Hiltaba Suite granitoid, and co-magmatic extrusive Gawler Range Volcanics (GRV) cap a substantial part of the area.

The Hiltaba Suite is famous for hosting the world class Olympic Dam Iron-Oxide-Copper-Gold-Uranium deposit. The Proterozoic metamorphic basement at the boundary of the GRV hosts major deposits/prospects such as the gold and silver Tunkillia prospect, the Paris silver prospect, or the polymetallic Menninnie Dam prospect. The area is thus particularly prospective for precious and base metals mineralisation.

Past exploration has focused on uranium, gold, diamonds and base metals. Of particular interest to Spencer Resources is work carried out by Aberfoyle Resources Ltd ("**Aberfoyle**") between 1989 and 1994 that focused on base metals on the Paney and Tin Hut Well Prospects.

The Paney Prospect generated the best results including DDPP1, 1.3m from 299m assaying 1.8% Pb & 0.5% Zn (max assays 3.4% Pb & 9% Zn). There were numerous other smaller Pb / Zn intercepts starting at 224m in this hole.

The Tin Hut Well Prospect is located on the eastern side of the tenement (SE of Paney). Five RC holes drilled by Aberfoyle in 1993 intersected many narrow zones of Pb / Zn mineralisation (best was 2 metres assaying 2.6% Pb+Zn). BEAC10 intersected 17metres @ 0.54%Zn, 0.24%Pb, 0.14%Cu (37-54m). Drilling was focussed by Sirotem anomalies and anomalous Pb/Zn soil and calcrete sampling.

In July 2012 Spencer completed a helicopter VTEM time domain and magnetic survey over the eastern portion of the title. The survey comprised some 813 line kilometres with lines oriented north-south and 200 metres apart. Interpretation carried out by Minotaur's Chief Geophysicist identified from a total of 84 VTEM targets, 16 with a first ranking priority (refer ASX release dated 22 October 2012 for details of VTEM survey and initial interpretation). In mid-Nov 2012 Spencer consultants Petra Search, visited the project area and carried out a ground investigation in the vicinity of each of the first ranking VTEM anomalies. In each case there was no obvious cause for the anomaly due to soil cover and lack of any substantive rock outcrop. All 16 first rank targets remain valid.

Exploration during the quarter

No field work during the reporting period.

Tenure

A 2 year renewal of the full title area was lodged on 23 August 2013.

**Pandurra Project – EL 4692 Pandurra, EL 4708 Koolcutta, EL 4843 Yudnapinna,
South Australia (Spencer 80%, Minotaur Operations P/L 20%)**

Background – location and geology

The titles comprising the Pandurra Project are located approximately 60km west of Port Augusta in South Australia. The Mesoproterozoic Pandurra Formation, a thick monotonous unit of unmetamorphosed, flat-lying arenaceous sediments, deposited on the central-eastern segment of the Gawler Craton, constitutes the main geology of the area. Northwest trending dykes of the Neoproterozoic Gairdner Dyke Swarm are common.

The titles lie within the Cariewerloo Basin and have potential for hybrid uranium mineralisation targets at several levels and depositional environments such as:

- Associated with mafic dykes.
- At the unconformity between Pandurra Formation and the overlying reduced Tapley Hill Formation.
- At the unconformity between Pandurra Formation and the basement rocks.
- Perched within the Pandurra Formation over unconformity- associated mineralisation.

In 2010, a detailed multidisciplinary investigation was commenced by PIRSA in collaboration with the Saskatchewan Ministry of Energy and Resources to assess the potential for unconformity associated uranium in the Pandurra Formation. This work is ongoing and Spencer anticipates that it will be able to leverage off this study in the future.

In July 2012 Spencer completed a helicopter VTEM time domain and magnetic survey (3 test lines)

Exploration during the quarter

No field work was carried out in the reporting period.

Tenure

Tenement renewals are pending for EL 4692 Pandurra and EL 4708 Koolcutta and involved area reductions of approximately 35% and 20% respectively. Renewals are expected to be finalised in the current quarter.

Competent Persons Statements

Information in this report has been compiled by David Paterson who is Chairman of Spencer Resources and a Member of the Australasian Institute of Mining and Metallurgy. The information in this report (if any) that relates to Exploration Results in South Australia & Queensland are based on information compiled by Rob L'Heureux of Apex Geoscience Australia Pty Ltd (Apex), a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA) and who acts as a Consultant Geologist to Spencer Resources. Rob L'Heureux has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity 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'. Rob L'Heureux consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Information on Bulletproof

Bulletproof Networks Pty Ltd (Bulletproof) is an Australian leader in providing managed cloud computer Infrastructure Technology (IT) services to Australian business, enterprise and Government customers.

Over the last 12 years, Bulletproof has consistently been first to market with public and private IT cloud-based services and innovations. Bulletproof was the first company in Australia to launch a public cloud IT service in 2006 and the first to launch a managed Amazon Web Services (AWS) offering in 2012. AWS is the world's largest and fastest growing unmanaged cloud provider.

Bulletproof's focus on technical expertise and highly reliable and secure infrastructure supporting world-class IT managed services has seen the company secure more than 40 per cent compound annual growth over the last five years. This impressive sustained growth has seen Bulletproof recognised as a Deloitte Fast 50 technology company every year since 2010 as well as being named in the *CRN* Fast 50 in 2012 and the *BRW* Fast 100 in 2013.

Bulletproof has a large number of blue chip clients with contracted services and hosts a number of high profile web sites on its cloud platform including:

- www.movember.com A global website with more than 1,120,000+ members, collecting A\$135+ million in 2012
- www.novafm.com.au One of Australia's largest radio networks with more than 790,000 listeners
- www.olympics.com.au The official Australian website of London 2012 Olympics, with more than 2.85 million unique visitors during the event
- www.whirlpool.net.au Australia's eighth highest traffic website with 275,000 members

Bulletproof consistently delivers 100% uptime during peak periods for large online campaigns, including Movember.com, Olympics.com.au and Budget.gov.au in 2012.

Bulletproof is also trusted by some of Australia's largest retailers, hosting eCommerce sites for Aldi, Quiksilver, Universal Music Australia and many more. Over \$1 billion of eCommerce revenue is transacted through Bulletproof supported platforms each year.

Bulletproof has established a culture of technical and service-based innovation by dedicating 25 per cent of its workforce entirely to service development and enhancement. This approach has seen the company recognised by its nomination as a finalist in the *BRW* Digital Innovation Awards in 2013.

Bulletproof achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of over \$2.2 million on revenues of \$14.83 million for FY2013, of which more than 80% was recurring, annuity-based.

Financial Performance History

Year end June	FY11 (unaudited)	FY12 (unaudited)	FY13 (audited)
Revenue	\$6.29m	\$10.13m	\$14.83m
EBITDA	\$1.06m	\$1.16m	\$2.21m

For further information visit www.bulletproof.net.au

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Spencer Resources Limited

ABN

84 148 162 092

Quarter ended ("current quarter")

September 2013

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 and evaluation	0	0
(b) development		
(c) production		
(d) administration	(65)	(65)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	11	11
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
	(54)	(54)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments		
(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		
1.13 Total operating and investing cash flows (carried forward)	(54)	(54)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(54)	(54)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
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	-	-
	Net increase (decrease) in cash held	(54)	(54)
1.20	Cash at beginning of quarter/year to date	1,639	1,639
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,585	1,585

Payments to directors of the entity and associates of the directors

Payments to 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	17
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 fees, CFO/Corporate secretarial fees, geological and management fees, expense reimbursements

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

-

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	80
4.2 Development	
4.3 Production	
4.4 Administration	120
Total	200

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	15	25
5.2 Deposits at call	1,570	1,614
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,585	1,639

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	19,933,000	19,933,000	\$0.20	
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	800,000 5,000,000 675,000		<i>Exercise price</i> \$0.25 \$0.20 \$0.20	<i>Expiry date</i> 30/6/2014 15/9/2014 19/3/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				

7.10	Expired during quarter				
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2013
Company Secretary

Print name: Jay Stephenson