

HIGHLIGHTS

Quarterly

Activities Report

For the period ended
30 September 2014

FOX RESOURCES LTD

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Projects:

Radio Hill

Nickel – Copper

Sholl

Nickel – Copper

Ayshia

Copper – Zinc

Mt Oscar JV

Iron Ore, Gold, Base Metals

Pilbara Minerals JV

Base Metals

Queensland

Coking and Thermal Coal

Mangaroon

Gold

QUEENSLAND

BUNDABERG COKING COAL PROJECT

- 101Mt Inferred Coking Coal Resource estimated at the Bundaberg Coking Coal project.
- Divestment alternatives being evaluated

WESTERN AUSTRALIA

- Multiple high priority targets identified within all Projects
- High Priority EM target Drill ready
- Target identification and evaluation ongoing on all tenements.
- Significant reduction in Tenement holdings in the West Pilbara.

CORPORATE

- Mr Bruce Garlick was appointed to the Board and as the CFO of the company and replaced Mr David Peterson as the Company Secretary.
- Mr Paul Dunbar resigned from the Board and the Company and will remain the company's CEO until the end of 2014.

Fox Resources is an exploration company with substantial exploration interests in central Queensland and the Pilbara region of Western Australia.

The Company's exploration efforts are focused on a number of prospective coal tenements in Queensland along with base metal and gold targets in Western Australia including the advanced Radio Hill, Sholl Nickel deposits, the Whundo and Ayshia base metal deposits and a magnetite project at Mt Oscar through a Joint Venture with Magnetic South Pty Ltd.

QUEENSLAND COAL PROJECTS

Fox Resources owns a tenement package consisting of 16 granted exploration permits for coal (EPC's) and one EPC application covering approximately 10,000 km² within major coal bearing basins of Queensland. These tenements are highly prospective for coking and / or thermal coal (Figure 1 and Table 1). During the quarter the application was withdrawn.

Exploration within the Bundaberg tenement, considered to have the highest potential for coking coal, commenced in December 2013.

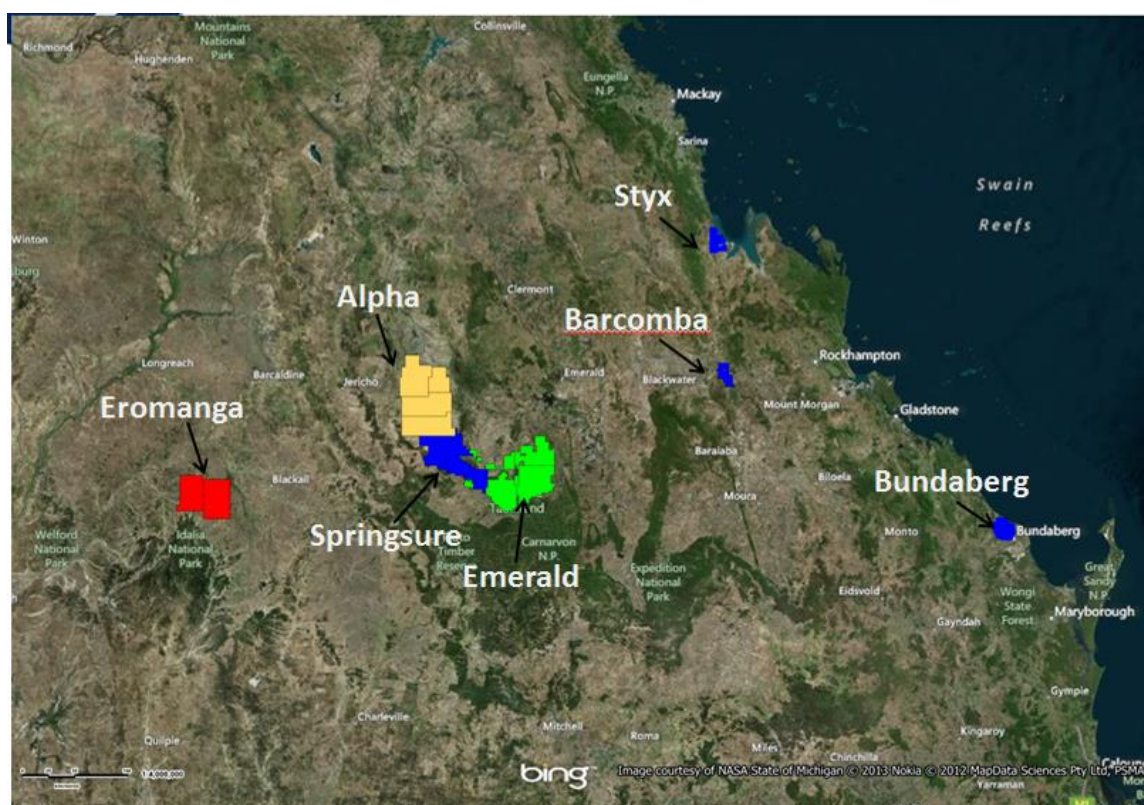


Figure 1: Queensland Coal Projects

Table 1: Details the Queensland Coal Projects as shown in Figure 1 (above).

Project Name	EPC's	Basin	Target Formations
Bundaberg	1523	Maryborough	Burrum Coal Measures, Maryborough Formation
Styx North	1554	Styx	Styx Coal Measures, Carmilla Beds
Springsure West	1303, 1304, 1307, 1310, 1476	Galilee	Bandanna Formation, Colinlea Sandstone
Emerald South-west	1519, 1520	Bowen, Galilee	Bandanna Formation, Mantuan Formation, Freitag Formation, Aldebaran Sandstone, Reids Dome Beds
East Alpha	1306, 1308, 1311, 1312, 1469	Galilee	Colinlea Sandstone, Joe Joe Group, Aramac Coal Measures
West Blackall	1305, 1309	Eromanga	Winton Formation, Mackunda Formation

Bundaberg Coking Coal Project, Maryborough Basin

The highest priority coal Project is the Bundaberg Coking Coal Project (EPC1523) located in the Maryborough basin, immediately to the north of the regional town of Bundaberg.

Exploration commenced on the Bundaberg Coking Coal Project in December 2013 with the first phase of drilling completed in the March quarter. A total of seven holes were drilled on EPC1523 (Table 3). Coal intersections have been reported in five of the seven holes with the other two holes intersecting the coal measures in weathered rock or stratigraphy immediately below the target coal measures.

An Inferred Coking Coal Resource of 101.2Mt, as detailed in table 2 below, has been estimated for EPC 1523 (ASX release 20 March 2014). This Resource is based on the recent drilling conducted by Fox Resources together with historic drilling within EPC1523 and drilling on the adjacent tenement. The Resource has been estimated in accordance with the 2012 JORC Code (2012) and the draft 2014 Coal guidelines with all information outlined in Appendix 2 of the ASX release.

In addition to the Inferred Coal Resource an Exploration Target of 20 to 50Mt at a calorific value of 3000 to 6750Kcal/kg, a CSN of 6-8 and up to 19% Ash & 24% volatiles has been identified (ASX release 1 April 2014). It is important to note that this Exploration Target is conceptual in nature, there has been insufficient exploration to date to enable a resource to be estimated and it is uncertain if future exploration would result in a Resource being estimated.

The location of the Inferred Resource along with the Exploration Target is shown in Figure 2, below. The main part of the Inferred Resource is 20km to the North of the regional center of Bundaberg.

Coal was also intersected in Fox 3 however the coal intersection was not released until the location of the collar could be confirmed; the intersection of 1.54m was announced on 23 July 2014.

The initial samples for Coal Quality analysis of the three main seams GU, GL1, and GL2 from Fox 6 released on 14 March 2014 all report raw ash <10% with raw calorific values exceeding 7,000KCal/kg for large sections of the seams. The raw total sulphur was manageable with the highest value being 0.87%. A coking coal indicator, raw crucible swell number (CSN), returned numbers similar to those released by the ICX/QCI JV on EPC2196 to the north. Large sections of the seam reported raw numbers exceeding 8.0.

The Coal Quality Sampling from Fox 6 has shifted to generating two clean coal composite products, one at CF1.45 and the other at CF1.60 and testing these for a range of coking and thermal properties. This work has been completed, however the results are not available to the Company as Moultrie Geology, the company engaged to complete the exploration, was put into liquidation during the June quarter. This has resulted in much of the data being withheld from the Company. Discussions with the Laboratory and Liquidators of Moultrie Geology are ongoing with the objective being to receive all data compiled during the exploration on the Bundaberg Project. Irrespective of the outcome of these negotiations the Company and our specialist Coal Geologist, Mr Mark Biggs are confident that the quality of the Coal is comparable to the results released by International Coal on the adjacent tenement.

Table 2 below details the Inferred Resource Estimates and Table 3 the Exploration Target while Table 4, below, details the location, depth, dip and azimuth of all the drilling completed on Fox's 100% owned EPC1523.

Figure 2 shows the outline of the Inferred Coking Coal Resource and the Exploration Target of the Burrum Coal Measures within EPC1523.

Table 2 Inferred Coking Coal Resource Estimates on EPC1523 (100% Fox)

Tenement	Formation	Inferred Tonnage (Mt)	Raw Ash % adb	Raw Volatile Matter % adb	Raw Crucible Swell Number	Raw total Sulphur % adb
EPC1523	Burrum Coal Measures	101.2	19.0	22.5	8.0	0.87

Table 3 Exploration Target on EPC1523 (100% Fox)

Tenement	Formation	Exploration Target (Mt)	Raw Ash % adb	Raw Volatile Matter % adb	Raw Crucible Swell Number	Calorific Value Kcal/kg
EPC1523	Burrum Coal Measures, seams GU, GL1, GL2 and H1	20 – 50	<19.0	<22.5	6 - 8	3000 - 6750

Note: the Exploration Target is conceptual in nature, there has been insufficient exploration to date to enable a resource to be estimated and it is uncertain if future exploration would result in a resource being estimated.

Table 4: Drill hole details of the recently completed holes within EPC1523.

Hole Number	Easting	Northing	RL	Dip	Azimuth	Depth (m)
FOX 6R	418,887	7,260,098	32	-88	334	406
FOX 6CQ	418,886	7,260,091	26	-89	315	292.27
FOX 4R	416,652	7,261,196	15	-89	314	134
FOX 5R	415,916	7,261,275	17	-87	302	304
FOX 10R	415,536	7,261,830	11	-88	320	232
FOX 1R	416,587	7,262,798	19	-83	229	251
FOX 3	417,421	7,261,644	12	-80	328	298

Note: the coordinates are GDA 94 zone 56 and were obtained from a hand held GPS with a nominal accuracy of +/- 3m, the RL from this type of GPS is not considered accurate.

During the quarter, and after considering the alternatives, the company has elected to evaluate divestment alternatives for the Bundaberg Project. PCF Capital has been engaged to evaluate the divestment alternatives which include an outright sale or Joint Venture and Offtake Partner negotiations. As a part of the June 2014 entitlement offer an independent experts report, including a VALMIN report, was distributed to shareholders, this report contained a range in values for the Bundaberg Project from \$15.5m and \$21.5m with a preferred value of \$17.9m.

Depending on the outcome of the divestment alternatives further work is being planned within the Bundaberg tenement both within the Inferred Resource with the objective to increase the confidence in the Resource Estimate toward an indicated or measured category and also the Exploration Target with the aim of improving the geological understanding of the coal seams in the area for possible resource estimation in the future together with some conceptual targets within EPC1523.

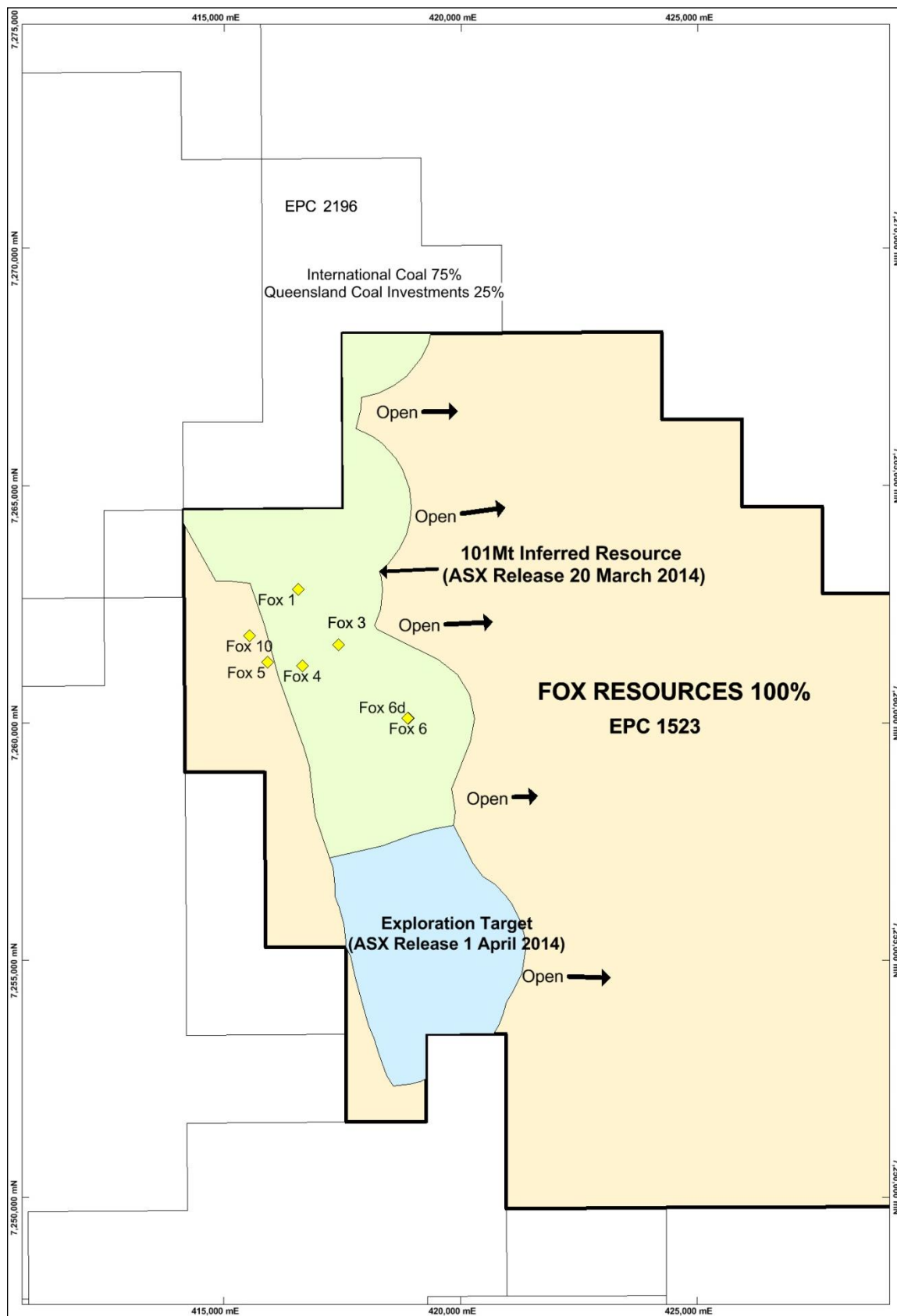


Figure 2: Fox Resources drilling at the Bundaberg Coking Coal Project with the outline of the 101Mt Inferred Coking Coal Resource (ASX release 20 March 2014) and the Exploration Target (ASX release 1 April 2014)

WESTERN AUSTRALIAN PROJECTS

Fox has a total of five projects (Figure 3) in Western Australia, these being the Radio Hill nickel deposit and surrounding tenements and three Joint Ventures on adjacent tenements including, Mt Oscar, the Mt Marie and the Pilbara Minerals tenements. These four projects, located near Karratha are prospective for nickel, base metals, gold and magnetite. The fifth project, the Star of Mangaroon project, is located in the Gascoyne region is prospective for gold.

The Radio Hill Base Metal Processing Plant remains on care and maintenance. The plant has a 450,000 tonne per annum capacity and can produce two separate base metal sulphide concentrates. There is also significant infrastructure on the Radio Hill mine site. A total of three care and maintenance staff remain on site to ensure the security on site, undertake maintenance activities and ensure environmental management and compliance of the site. The 84 person accommodation village, associated with the mine infrastructure, has previously been operated as an accommodation centre for companies working in the area. The accommodation village was also placed on care and maintenance due to low tenancy rates in the Karratha region. Non-Exploration related activities undertaken on site over the past year have consisted of continued evaluation of the bacterial heap leach development alternatives for the Resources at Radio Hill and Sholl. These development alternatives are not currently being considered.

Radio Hill Project - Mining and Exploration Tenements

Fox Resources 100%

During the quarter, Fox continued its thorough evaluation of its tenure, prospects and resources. The outcome has been the identification and prioritisation of several advanced targets including the high grade historic intersections and possible resource extensions of the Radio Hill and Sholl nickel / copper deposits and the Ayshia and Whundo copper / zinc resources. Additional drilling is also being evaluated at several advanced prospects within the tenement package. Downhole electromagnetic surveys are planned to assist in delineating off-hole conductors to improve the targeting of these extensions.

A VTEM surveys on E47/2328 was flown in 2013, it will be evaluated to determine which, if any, targets require follow up investigation. Further work programs, including field checking any anomalies and ground EM surveys are expected as soon as a variation to the existing heritage agreement is executed.

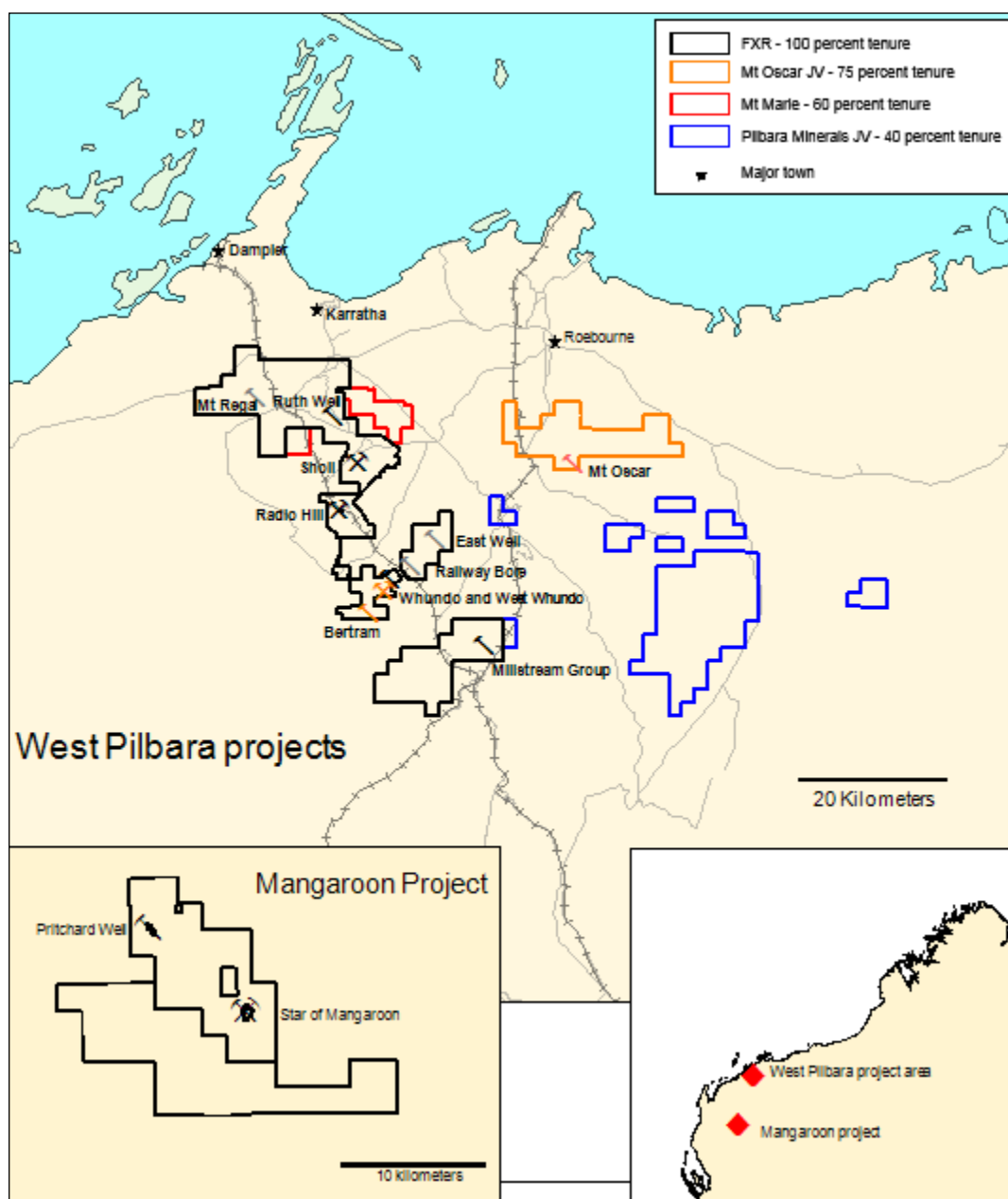


Figure 3: Fox Resources Western Australian tenement location plan

Mt Marie Joint Venture

Fox Resources 69.85%, Artemis Resources 30.15%

The highest priority target on the Mt Marie JV is the Osborne fixed loop electromagnetic anomaly with the initial plan being three drill holes to test the target. The Company continues to negotiate a new Heritage Agreement with the Ngarluma Aboriginal Corporation which covers all the Fox Resources Tenements in the area. Once an agreement is finalised it is expected that a heritage survey will be undertaken allowing Fox to undertake required earthworks and drill test the anomaly. It is planned that drilling this high priority target will be conducted in 2014.

During the September quarter a prospectivity analysis covering all of the Mt Marie Joint Venture was completed. The tenements were evaluated for base metals, gold and magnetite with one of the tenements considered as having low potential for economic

mineralisation. As such E47/1878 was surrendered. A compulsory reduction the most prospective tenement, E47/1807 was completed.

Late in the quarter the company's Joint Venture partner, Artemis Resources Limited indicated that they wanted to maintain their interest in the Joint Venture. In previous meetings they indicated their intension to dilute. Subsequent to the end of the quarter the Joint Venture Parties agreed that Artemis Resources would be diluted due Fox's expenditure since April 2013. Therefore the beneficial interest in the Joint Venture has changed with Fox's interest increased to 69.85% and Artemis diluted to 30.15%.

Pilbara Minerals Joint Venture

Fox Resources 40% earning up to 80%, Pilbara Minerals 60%, diluting

Eight high priority VTEM anomalies were previously identified and evaluated via geological prospecting. All of these targets require further ground based EM surveys. If the ground EM surveys, planned for 2014, provide further encouragement then they will be drill tested as soon as possible. The EM surveys are expected to be conducted as a part of a larger geophysical program that would include work on the adjacent exploration projects.

In addition to the target evaluation, a review of the ground holding was undertaken in the June quarter. This evaluation has recommended significant tenement reductions while retaining the high priority VTEM targets. Early in the September quarter the recommendations of this evaluation were actioned with significant reductions in most of the tenements. E47/1097 was surrendered while E47/1813 was retained in full pending the evaluation of the VTEM survey undertaken in 2013.

Expenditure by the Fox now exceeds the commitment for the first earn in period. Once formal documentation is provided to Pilbara Minerals the beneficial interest in the Joint Venture will be changed to reflect this expenditure as per the agreement.

Mount Oscar Joint Venture

Fox Resources 100% diluting to 40%, Magnetic South earning 60%

Magnetic South Pty Ltd is continuing to earn-in on the tenement under the previously announced Joint Venture agreement. Fox Resources continues to manage exploration for the Joint Venture. Over the last six months the exploration focus has shifted from targeting extensions of the known magnetite resources or identification of additional magnetite resources toward gold and base metals anomalies. As a consequence of this, work is now focussing on recently acquired VTEM anomalies and the White Quartz Hill gold prospect.

A staged work program consisting of ground geophysical surveys over several of the high priority VTEM anomalies, geological mapping, alteration mapping and geochemistry over the White Quartz Hill gold prospect and extensions to the Sholl shear was approved during the quarter.

This work has commenced and is expected to continue for the remainder of 2014. Some of the work will require heritage surveys; the timeframe of these surveys depends on the execution of the variation to the heritage agreement with the traditional owners.

Star of Mangaroon Project

Fox Resources 100%

While no field based exploration was conducted during the quarter work including data compilation, validation and geological modelling was undertaken to gain a better understanding of the geology and mineralisation within the area. Field checking the historical exploration and evaluation of the exploration potential is expected to be conducted in late 2014.

Late in the quarter the company received an application for forfeiture (plaint) for P09/452. This plaint claims that the required minimum exploration expenditure of \$2,000 in the previous tenement year of was not expended. The company has lodged the required expenditure form (Form 5) for P09/452 which details expenditure of \$3,935. A second application for forfeiture covering E09/1081 was received in late October. The company has also met the minimum exploration commitment on that tenement. Both of these applications for forfeiture will be defended by the company.

CORPORATE

Corporate activities during the quarter consisted of completion of the June 2014 entitlement offer which included the issue of ordinary shares and options to certain underwriters along with a return of \$2,123 to shareholders who applied for shortfall shares but did not apply for sufficient shares to achieve a marketable parcel.

As outlined in the entitlement offer Murdoch Capital was an underwriter of the offer, this resulted in a reduction of the loan between the company and Murdoch Capital from \$250,000 to \$125,000 at the end of the June quarter. The loan was also extended until the end of September 2104 with consideration of this extension being the issue of 250,000 shares for each month that the loan was extended. Subsequent to the end of the quarter the balance of the loan and outstanding interest was repaid along with the issue of 750,000 shares being for the three month extension from 1 July to 30 September 2014.

Late in the quarter two District Court writs were served on the company. One of these writs received on 17 September 2014 from a former supplier with regards unpaid invoices amounting to \$209,158 (including GST) plus interest and legal costs. The second writ received on 18 September 2014 from a former Non-executive Director with regards unpaid fees amounting to \$77,641 (including Superannuation) plus interest and legal costs. Board has considered both of these writs and intends to defend the claims.

Mr Dunbar resigned from the Board on 29 September 2014 and gave notice of termination of his employment agreement. He will continue for the remainder of 2014 as the Chief Executive Officer of the Company. Mr David Peterson resigned as Company Secretary on 30 September 2014. Mr Bruce Garlick was appointed as an Executive Director, CFO and Company Secretary of the company on 30 September 2014.

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results, data, cut off grades and geological interpretation is based on information compiled by Mr Paul Dunbar who is a Member of the AusIMM and the AIG. Mr Dunbar is a full-time employee of Fox Resources and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements: This Quarterly Report may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Fox Resources Limited (Fox's) planned exploration programs and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Fox believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Additional information for quarterly report to 30 September 2014.

Project	State	Registered Owner	Tenement Reference	Interest at beginning of Quarter	Acquired / Disposed / Reduced	Interest at end of Quarter	Area at end of Quarter
Radio Hill	W A.	FOX RESOURCES	E47/1202	100%	N/A	100%	55BL
Radio Hill	W A.	FOX RESOURCES	E47/1223	100%	N/A	100%	12BL
Radio Hill	W A.	FOX RESOURCES	E47/2328	100%	N/A	100%	35BL
Radio Hill	W A.	FOX RADIO HILL	E47/1216	100%	N/A	100%	6BL
Radio Hill	W A.	FOX RADIO HILL	E47/1758	100%	Disposed	0%	
Radio Hill	W A.	FOX RADIO HILL	L47/93	100%	N/A	100%	7Ha
Radio Hill	W A.	FOX RADIO HILL	L47/163	100%	N/A	100%	5Ha
Radio Hill	W A.	FOX RADIO HILL	R47/5	100%	N/A	100%	944Ha
Radio Hill	W A.	FOX RADIO HILL	M47/7	100%	N/A	100%	935Ha
Radio Hill	W A.	FOX RADIO HILL	M47/9	100%	N/A	100%	5Ha
Radio Hill	W A.	FOX RADIO HILL	M47/161	100%	N/A	100%	991Ha
Radio Hill	W A.	FOX RADIO HILL	M47/207	100%	N/A	100%	516Ha
Radio Hill	W A.	FOX RADIO HILL	M47/252	100%	N/A	100%	436Ha
Radio Hill	W A.	FOX RADIO HILL	M47/253	100%	N/A	100%	293Ha
Radio Hill	W A.	FOX RADIO HILL	M47/254	100%	N/A	100%	101Ha
Radio Hill	W A.	FOX RADIO HILL	M47/275	100%	N/A	100%	232Ha
Radio Hill	W A.	FOX RADIO HILL	M47/337	100%	N/A	100%	183Ha
Radio Hill	W A.	FOX RADIO HILL	M47/344	100%	N/A	100%	982Ha
Radio Hill	W A.	FOX RADIO HILL	M47/345	100%	N/A	100%	981Ha
Radio Hill	W A.	FOX RADIO HILL	M47/346	100%	N/A	100%	988Ha
Radio Hill	W A.	FOX RADIO HILL	M47/347	100%	N/A	100%	966Ha
Radio Hill	W A.	FOX RADIO HILL	M47/348	100%	N/A	100%	986Ha
Radio Hill	W A.	FOX RADIO HILL	M47/349	100%	N/A	100%	984Ha
Radio Hill	W A.	FOX RADIO HILL	M47/350	100%	N/A	100%	876Ha
Mt Oscar JV ^{#1}	W A.	FOX RADIO HILL	E47/1217-I	100%	N/A	100%	37BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1093	40%	Reduced	40%	5BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1094	40%	Reduced	40%	5BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1097	40%	Disposed	0%	
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1813	40%	Reduced	40%	70BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1814	40%	Reduced	40%	5BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1815	40%	Reduced	40%	5BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/2261	40%	Reduced	40%	5BL
Mt Marie JV ^{#3}	W A.	FOX RADIO HILL	E47/1806	60%	N/A	69.15%	4BL
Mt Marie JV ^{#3}	W A.	FOX RADIO HILL	E47/1807-I	60%	Reduced	69.15%	12BL
Mt Marie JV ^{#3}	W A.	FOX RADIO HILL	E47/1878-I	60%	Disposed	0	
Star of Mangaroon	W A.	Gascoyne Mines	E09/1081	100%	N/A	100%	24BL
Star of Mangaroon	W A.	Gascoyne Mines	E09/1813	100%	N/A	100%	32BL
Star of Mangaroon	W A.	Gascoyne Mines	P09/452	100%	N/A	100%	47Ha

<i>Project</i>	<i>State</i>	<i>Registered Owner</i>	<i>Tenement Reference</i>	<i>Interest at beginning of Quarter</i>	<i>Acquired / Disposed / Reduced</i>	<i>Interest at end of Quarter</i>	<i>Area at end of Quarter</i>
Emerald	QLD	FOX RESOURCES	EPC1303	100%	N/A	100%	190 BL
Springsure	QLD	FOX RESOURCES	EPC1304	100%	N/A	100%	177 BL
Eromanga	QLD	FOX RESOURCES	EPC1305	100%	N/A	100%	240 BL
Alpha	QLD	FOX RESOURCES	EPC1306	100%	N/A	100%	235 BL
Springsure	QLD	FOX RESOURCES	EPC1307	100%	N/A	100%	294 BL
Alpha	QLD	FOX RESOURCES	EPC1308	100%	N/A	100%	300 BL
Eromanga	QLD	FOX RESOURCES	EPC1309	100%	N/A	100%	144 BL
Springsure	QLD	FOX RESOURCES	EPC1310	100%	N/A	100%	16 BL
Alpha	QLD	FOX RESOURCES	EPC1311	100%	N/A	100%	300BL
Alpha	QLD	FOX RESOURCES	EPC1312	100%	N/A	100%	6BL
Alpha	QLD	FOX RESOURCES	EPC1469	100%	N/A	100%	110BL
Emerald	QLD	FOX RESOURCES	EPC1476	100%	N/A	100%	84 BL
Emerald	QLD	FOX RESOURCES	EPC1519	100%	N/A	100%	256 BL
Emerald	QLD	FOX RESOURCES	EPC1520	100%	N/A	100%	153 BL
Bundaberg	QLD	FOX RESOURCES	EPC1523	100%	Reduced 16 BL	100%	65 BL
Styx	QLD	FOX RESOURCES	EPC1554	100%	Reduced 24 BL	100%	25 BL

^{#1} Mt Oscar Joint Venture Fox Resources 100% diluting to 40%,

^{#2} Pilbara Minerals Joint Venture Fox Resources earning up to 80%,

^{#3} Mt Marie Joint Venture Fox Resources 69.15%, Artemis Resources 30.15% contributing

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

FOX RESOURCES LIMITED

ABN

44 079 902 499

Quarter ended ("current quarter")

30 September 2014

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	46	46
1.2	Payments for (a) exploration & evaluation	(484)	(484)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(347)	(347)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(8)	(8)
1.6	Income taxes paid	-	-
1.7	Environmental bond refund	-	-
1.8	Research and development rebate	-	-
1.9	Other (provide details if material)	-	-
Net Operating Cash Flows		(793)	(793)
Cash flows related to investing activities			
1.10	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.11	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.12	Loans to other entities	-	-
1.13	Loans repaid by other entities	-	-
1.14	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.15	Total operating and investing cash flows (carried forward)	(793)	(793)
1.15	Total operating and investing cash flows (brought forward)	(793)	(793)

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
1.16	Proceeds from issues of shares, options, etc.	105	105
1.17	Proceeds from sale of forfeited shares	-	-
1.18	Proceeds from borrowings	680	680
1.19	Repayment of borrowings	(11)	(11)
1.20	Dividends paid	-	-
1.21	Other (provide details if material)	-	-
Net financing cash flows		774	774
Net increase (decrease) in cash held		(19)	(19)
1.22	Cash at beginning of quarter/year to date	137	137
1.23	Exchange rate adjustments to item 1.20	-	-
1.24	Cash at end of quarter	118	118

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
1.25	Aggregate amount of payments to the parties included in item 1.2	63
1.26	Aggregate amount of loans to the parties included in item 1.10	-

1.27 Explanation necessary for an understanding of the transactions

Salary payment to Managing Director.

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

On 4 July 2014, 5,123,766 shares were issued as part of the non-renounceable entitlement issue to offset debt, details which were announced to ASX on 4 July 2014.

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

N/A

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	332
4.2 Development	-
4.3 Production	-
4.4 Administration	215
Total	547

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	118	137
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	118	137

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	E47/1758 E47/1093 E47/1094 E47/1097 E47/1813 E47/1814 E47/1815 E47/2261 E47/1807 E47/1878 EPC1523 EPC1554	Disposed Tenement Reduction Tenement Reduction Disposed Tenement Reduction Tenement Reduction Tenement Reduction Tenement Reduction Increased Equity & Tenement Reduction Disposed Tenement Reduction Tenement Reduction	100% 40% 40% 40% 40% 40% 40% 40% 60% 60% 100% 100%	0% 40% 40% 0% 40% 40% 40% 40% 69.85% 0% 100% 100%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E47/1806	Increased Equity	60%	69.85%

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	847,054,892	847,054,892	

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,123,766	5,123,766	\$0.015	\$0.015
7.5	+Convertible debt securities (description)	\$125,000 convertible loan (interest rate 10% pa) repayable on or before 30 September 2014.			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	<p>Unlisted</p> <p>4,000,000</p> <p>769,231</p> <p>833,333</p> <p>4,000,000</p> <p>833,333</p> <p>833,333</p> <p>1,666,667</p> <p>3,000,000</p> <p>Listed</p> <p>277,227,755</p> <p>5,123,766</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p><i>Exercise price</i></p> <p>\$0.0261</p> <p>\$0.0156</p> <p>\$0.0144</p> <p>\$0.06</p> <p>\$0.0144</p> <p>\$0.0144</p> <p>\$0.0072</p> <p>\$0.0072</p> <p>\$0.04</p> <p>\$0.04</p>	<p><i>Expiry date</i></p> <p>02/10/2015</p> <p>01/11/2015</p> <p>03/12/2015</p> <p>30/06/2017</p> <p>27/12/2015</p> <p>31/01/2016</p> <p>27/02/2016</p> <p>31/03/2016</p> <p>30/06/2016</p> <p>30/06/2016</p>
7.8	Issued during quarter	<p>Unlisted</p> <p>-</p> <p>Listed</p> <p>5,123,766</p>	<p>-</p> <p>-</p>	<p>-</p> <p>\$0.04</p>	<p>-</p> <p>30/06/2016</p>
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 give a true and fair view of the matters disclosed.



Sign here: Date 31/10/2014
Company Secretary

Print name: Bruce Garlick

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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