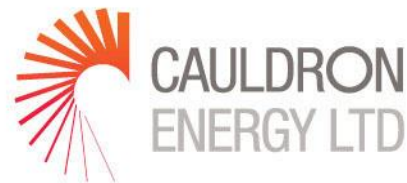


ASX Announcement

Quarterly Report for Period Ended 30 June 2015



31 July 2015

QUARTERLY REPORT – 30 JUNE 2015

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 June 2015.

Yours faithfully,

Tony Sage
Executive Chairman
Cauldron Energy Limited

Cauldron Energy Ltd

ABN 22 102 912 783

ASX Code CXU

251,104,266 shares

55,500,000 unlisted options

Board of Directors

Tony Sage
Executive Chairman

Qiu Derong
Non-Executive Director

Judy Li
Non-Executive Director

Mark Gwynne
Non-Executive Director

Management

Simon Youds
Operations Manager

Catherine Grant
Company Secretary

HIGHLIGHTS

CORPORATE

- Board changes
- A\$1.7 million in funding received under Share Placement Agreement
- A\$0.8 million Research and Development refund received
- Legal proceedings

EXPLORATION & PROJECTS

- Yanrey Uranium Project
 - Mineral Resource (JORC 2012) upgrade of the Bennet Well Deposit in total contained mass of uranium oxide and improvement in resource classification (confidence) announced in July 2015
 - Re-interpretation of the geological and mineralogical setting at Bennet Well, culminating in the production of a predictive three dimensional mineralisation model that can be utilised for future drill planning and design
 - Re-interpretation of the regional prospectivity for uranium mineralisation in Cauldron's wider Yanrey landholding, with the aid of the new exploration model from Bennet Well
 - The grant of up to \$150k for regional drilling from the Western Australian Department of Mines and Petroleum, as awarded to Cauldron under the Exploration Incentive Scheme
 - Organisation of airborne LiDAR (Light Detection And Ranging) imagery over Bennet Well to provide more accurate digital elevation data
 - Organisation of heritage work area clearance surveys for peripheral Bennet Well areas and more regional targets in the wider Yanrey tenement package
 - Drilling program to recommence in the September 2015 quarter, after completion of the heritage work area clearances. Drilling will test mineralisation along existing strike extensions of Bennet Well and in newly identified zones having potential to significantly increase the total contained uranium oxide
 - Marree Base Metals and Uranium Project
 - No exploration work completed
 - Argentina
 - Cauldron has developed a conceptual exploration model for Cu/Ag mineralisation at Rio Colorado based on historical exploration data
 - Application of sedimentary copper style mineralisation model has generated significant upside to the project
 - Judicial approval to commence exploration at Rio Colorado anticipated for the September 2015 quarter
 - Cauldron expects to commence drilling in the September 2015 quarter
-

Cauldron Energy Ltd (**Cauldron** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 30 June 2015.

CORPORATE ACTIVITIES

Board changes

The following changes to the board of directors of the Company were announced during the quarter:

- Executive Director Mr Brett Smith resigned effective 23 June 2015; and
- Mr Mark Gwynne was appointed as Non-Executive Director of the Company effective 23 June 2015.

Placement funding received

As previously announced, the Company has entered into a series of placement agreements (**Placement Agreement/s**) with a range of Chinese investors. Cauldron's Non-executive Director Mr Derong Qiu was a party to a Placement Agreement for placement funds of A\$2 million (**Placement Funds**) at an issue price of \$0.118 per share (16,949,178 shares).

During the June 2015 quarter, Cauldron confirmed it had received A\$1.71 million in cash from Mr Qiu (**Subscription Sum**), with the balance of A\$0.29 million planned to settle director fee payments owing to Mr Qiu in respect of his services (together, A\$2 million). In accordance with the Placement Agreement, the shares to be issued to Mr Qiu are subject to shareholder approval. The cash component of the Placement Funds received will be held in trust by the Company until shareholder approval is obtained and the shares issued. A Notice of General Meeting will be dispatched to all Shareholders in due course to seek approval for the issue of these shares.

Mr Qiu's investment underlines the continued interest and confidence in the uranium industry from China and the growing interest in existing uranium resources.

Research and Development refund

During June 2015, Cauldron received A\$0.8 million from the Australian Taxation Office under the Research and Development Tax Incentive Programme relating to the 2014 financial year.

Funding

As previously announced, in accordance with the Placement Agreements, the following amounts were due to the Company under Placement Agreements, and have not been received:

- A\$2 million from Beijing Joseph Investment Co. Ltd / Joseph Investment International Co. Ltd (**Joseph Investment**) in two equal tranches of A\$1 million were due by 2 October 2014 and 1 December 2014 respectively;

- A\$1 million from Guangzhou City Guangrong Investment Management Co Ltd (**Guangrong City**) was due 3 November 2014; and
- A\$0.3 million from Guangzhou Joseph Investment Co Ltd (**Guangzhou Joseph**) was due 1 December 2014.

The Company intends to take action to enforce its rights under the Placement Agreements to receive the unpaid funds.

Legal Proceedings

Further to the announcements made on 16 October 2014 and 11 December 2014, the Company announced during the quarter that the Supreme Court of Western Australia made orders with the effect that:

- The action by Joseph Investment and Guangzhou City (the **Plaintiffs**) against Cauldron (the **Proceedings**) be discontinued;
- Cauldron have the ability to counterclaim for unpaid subscription sums in the amount of \$3 million plus damages, interest and costs against the Plaintiffs without the delay of requiring services overseas;
- Injunctive orders previously made against Cauldron be discharged; and
- The Plaintiffs pay Cauldron's costs to 25 March 2015, including all reserved costs.

Cauldron will keep the market updated as these legal proceedings progress.

Cash at 30 June 2015

Cash available to the Company at the end of the June 2015 quarter was A\$1.2 million.

In addition to this, \$1.7 million, being the Subscription Sum amount received from Mr Qiu as detailed above, is being held in trust by the Company until such time as the shares in accordance with the Placement Agreement are issued.

Lapsed Options

During the quarter the Company announced the following unlisted employee and consultant options lapsed in accordance with the term on which the employee and consultant options were issued:

- 4,150,000 unlisted options exercisable at \$0.20 expiring 30 June 2015; and
- 500,000 unlisted options exercisable at \$0.138 expiring 31 December 2015.

EXPLORATION ACTIVITIES: AUSTRALIA

In Australia, Cauldron has two project areas (Figure 1) covering more than 4,500 km² in two known uranium provinces in South Australia and Western Australia. Projects include:

- **Yanrey Project (Yanrey)** in Western Australia comprises 12 granted exploration licences

(1,847 km²) and 7 applications for exploration licences (1,107 km²). Yanrey is prospective for large sedimentary-hosted uranium deposits. A joint venture securing two of the exploration licences in the Yanrey Project tenement group (called the Uaroo Joint Venture) will dissolve upon their expiry at the beginning of the September 2015 quarter.

- **Marree Joint Venture** in South Australia comprising five granted exploration licences (2,794 km²) prospective for sedimentary-hosted uranium deposits of both the Beverley Uranium and Four Mile Uranium style, and for base metal mineralisation.

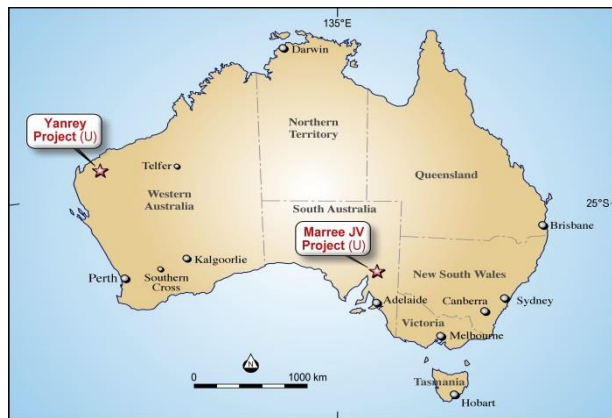


Figure 1: Major Project Locations in Australia

BENNET WELL (YANREY REGION)

The mineralisation at Bennet Well is a shallow accumulation of uranium hosted in unconsolidated sands close to surface (less than 100 m downhole depth) in Cretaceous sedimentary units of the Ashburton Embayment.

The Bennet Well deposit is comprised of three spatially separate deposits; namely Bennet Well East, Bennet Well Central, and Bennet Well South (refer to Figure 2).

Work completed during the quarter involved the revision of the 2014 interpreted geological setting and the development of a three-dimensional mineralisation model. Cauldron used the information gained from re-logging core in the March 2015 quarter (refer CXU 31 March 2015 Quarterly Report) to develop the systems style exploration model. The objectives of the re-logging program were to:

1. provide a more realistic, three-dimensional, framework of mineralisation and host stratigraphy on which to upgrade the Bennet Well Mineral Resource (JORC 2012)
2. build an exploration model for the Bennet Well deposit that could assist with drill targeting and design
3. assist with the development of a more regional-scale exploration model for the wider Yanrey Project to better target areas of prospective uranium mineralisation

Following a remodelling exercise an upgrade of the resource completed by independent consultants, Ravensgate Mining Industry Consultants was announced (ASX Announcement dated 14 July 2015) incorporating new results from the partially completed drill program of 2014. The upgrade resulted in a Mineral Resource (JORC 2012) increase of 16% to 36.1 million tonne (Mt) at 270 ppm uranium oxide (eU₃O₈) for a contained metal content of 21.5 Mlb uranium oxide,

using a cut-off of 150 ppm. Notably, the Mineral Resource upgrade also incorporated an increase in confidence and grade through a 90% increase in the Indicated Mineral Resource to 18.1 Mt at 300 ppm uranium oxide (eU_3O_8) for a contained metal content of 12.0 Mlb uranium oxide, using a cut-off of 150 ppm.

Development of the Exploration Model

Geological Model

Cauldron used drill core to characterise downhole geophysical data with the purpose of modelling sedimentary grain size that ultimately determined the location of porous (which host mineralisation) and non-porous (which aid in-situ leach extraction methodology) sedimentary packages. Physical sample from drill chips and core was used to develop the geological model. The newly revised lithological framework for Bennet Well consists of the following units:

1. Alluvial, transported sands and clays; colluvial gravels and cobbles, mostly heavily haematised (red iron oxide) – terrestrial cover
2. Sands, light green-yellow clays, fine-medium sized gravels, calcretes – terrestrial cover
3. Greensand Unit – tightly packed, clayey sands and silts, often bioturbated, very glauconitic. Currently interpreted to act as an “aquiclude”, or impermeable cap, to the underlying mineralisation – marine setting, varying from deeper marine to near-shore, possibly estuarine
4. Organic-rich, often lignitic, interbedded sands, silts and clays. Wood and coal fragments are common, as well as sulphide minerals such as pyrite and marcasite. This unit is the main host to the uranium mineralisation – estuarine or lagoonal in places
5. Basement – mostly granitic gneiss, mostly weathered. Historically, drilling has revealed the top approx. 20m of the basement to be moderately to strongly weathered and appearing as kaolinitic, bleached quartz sands and clays in many places. Some drill holes on the eastern-most side of Bennet Well East intersecting what is currently interpreted as a pegmatitic granite intrusion

REDOX conditions, as modelled from physical sample, appear to alternate frequently (representing fluctuations in fluid movement, or maybe a pulsing of fluids from a source below or through the permeable horizon), changing quickly from oxidised (orange-yellow) to reduced (grey-black).

Mineralisation Model

Cauldron modelled the uranium mineralisation at Bennet Well in a similar way to the process followed for the establishment of the geological model. Fifteen mineralised lenses have been identified and modelled, and provide a framework on which an upcoming resource revision can be based.

This process also showed where mineralisation remains open having potential for further extension of deposit boundary.

With the development of the mineralisation model for Bennet Well, information can be extrapolated into more regional locations within the larger Yanrey area, which will assist targeting for potential new mineralised bodies.

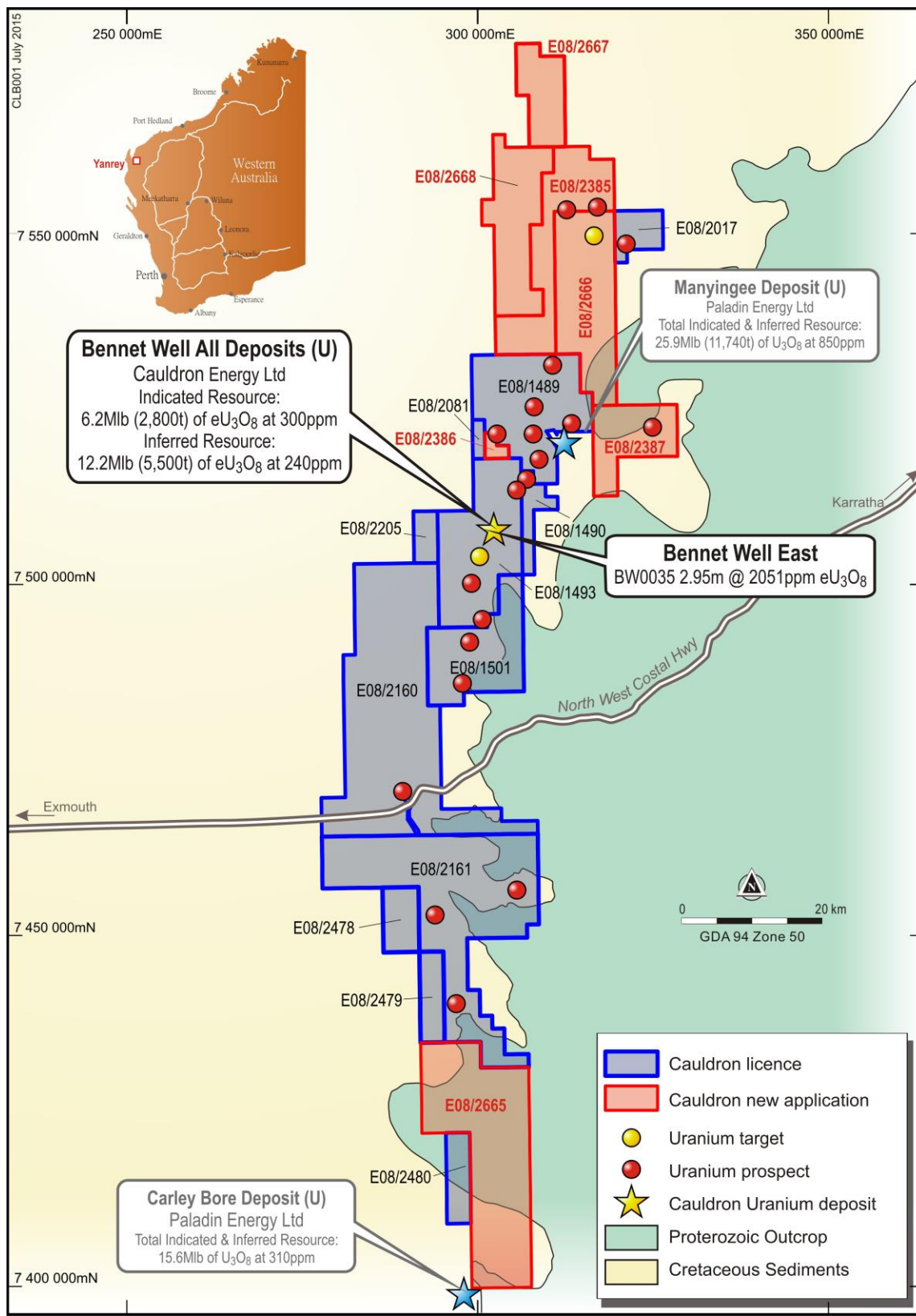


Figure 2: Yanrey Project – Deposit, Prospect and Target Locations

YANREY PROJECT

The Yanrey Project comprises a collection of twelve exploration tenements in north-western Western Australia, one of which secures the Bennet Well Uranium Deposit. The project is prospective of sandstone-style uranium mineralisation capable of extraction by in-situ recovery mining techniques.

Cauldron completed a major in-house technical appraisal of all regional areas in the Yanrey Project with the aim of developing a systems style exploration model to generate targets for further exploration work. This involved the use of the significantly updated mineralisation and geological model of the Bennet Well Uranium Deposit, compilations of regional and local scale geophysical data.

The objective of this technical appraisal is to:

- rank the potential for uranium mineralisation in under-explored areas of the tenement group;
- generate target areas for follow-up geophysical surveys; and
- generate targets for further drill testing.

The result of this improvement of the exploration model, allowed for:

- the successful application of up to \$150,000 grant for regional drilling from the Western Australian Department of Mines and Petroleum, as awarded to Cauldron under their Exploration Incentive Scheme; and
- the selection of areas for further airborne electromagnetic data acquisition which will be used to identify target areas capable of hosting uranium mineralisation that require further follow-up exploration

MARREE PROJECT, SOUTH AUSTRALIA

Cauldron has completed no base metal or uranium exploration work at Marree during the quarter due to the focus on progressing the Yanrey/Bennet Well uranium project.

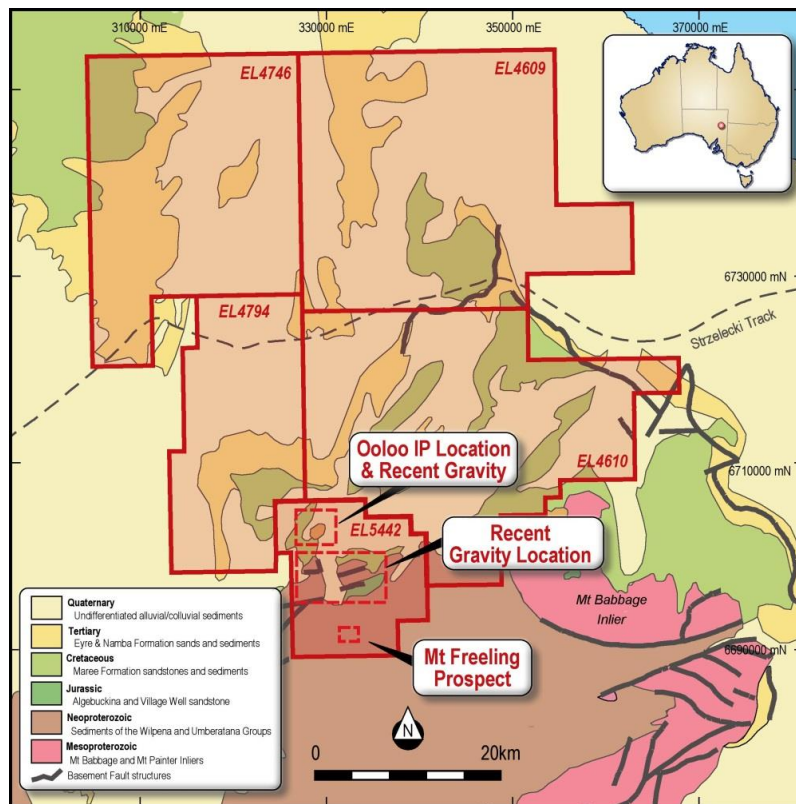


Figure 3: Marree Project – Location of identified prospects

TENEMENT ADMINISTRATION: AUSTRALIA

Objection to Cauldron's Applications for exploration licences 08/2385-2387

Cauldron lodged applications for exploration licences 08/2385-2387 (**Exploration Licences**) on 4 April 2012. Forrest & Forrest Pty Ltd lodged objections against the Cauldron applications on 8 May 2012. The applications and objections were heard before the Perth Mining Warden over 9 to 12 December 2013. As announced on 14 February 2014, the Mining Warden recommended that the uranium exploration licences sought by Cauldron to conduct exploration on and adjacent to pastoral leases on the Minderoo pastoral station in Western Australia's Pilbara region be refused. As announced on 7 January 2015, Cauldron received confirmation, from the Department of Mines and Petroleum on 5 January 2015, that the Minister reversed the Warden's decision and that there is sufficient grounds to allow the Cauldron applications to proceed through the determination process under the Mining Act 1978. The applications finalised the native title process on 10 June 2015. On 1 April 2015, Forrest & Forrest Pty Ltd made a submission to the Warden and the Minister, requesting they return the matter to Warden's court. Cauldron submitted a response to this request on 27 July 2015 and is currently awaiting a response from the Department of Mines & Petroleum (DMP). The DMP assessment of these applications is in abeyance at present.

Energia Mineral's Objection and Application for Forfeiture

On 14 August 2013 Energia Minerals Limited (ASX: **EMX**) lodged objections to applications for exemption from expenditure and lodged applications for forfeiture affecting exploration licences 08/2160, 08/2161 and 08/2165 held by Cauldron (**Tenements**). The applications for exemption (and associated objections) and applications for forfeiture relate to the expenditure year ending 20 May 2013 (in relation to exploration licence 08/2160) and 14 June 2013 (in relation to exploration licences 08/2161 and 08/2165). The proceedings are administrative in nature and are commenced under the *Mining Act 1978* (WA) (**Act**).

The matter of the exemptions was heard by Warden Maughan 15-16 April 2015. On 22 May 2015, the Warden recommended that the exemptions be refused in each instance. Cauldron has since surrendered E08/2165 in its entirety and lodged a submission to the Minister, requesting his approval of the exemption applications for E08/2160 and E08/2161. Cauldron now awaits the decision of the Minister, as to whether the exemption applications will be granted.

The matter of the forfeiture applications against E08/2160 and E08/2161 by EMX has been listed for mention on 6 November 2015. This date may be re-scheduled dependent on the decision of the Minister with regard to the objection to the exemption applications.

Objection to Cauldron's Applications for exploration licences 08/2666-2668

Cauldron lodged applications for Exploration Licences 08/2666-2668 (E08/2666-2668) on 5 December 2014. Forrest & Forrest Pty Ltd lodged objections against E08/2666-2668 on 6 January 2015. The Warden adjourned the first mention of the objections to 6 November 2015, due to the DPM requirement to assess other applications that were first in line before Cauldron's applications for the same land.

Since the adjournment on 6 March 2015, first in line applications with regard to the land under E08/2667 and E08/2668 have been refused, which now puts Cauldron's applications at the forefront for grant. Cauldron has contacted Forrest & Forrest Pty Ltd for provision of an access agreement to procure the withdrawal of objections against E08/2667-2668 and is currently awaiting a response.

E08/2666 remains second in line for assessment at this point in time.

These legal proceedings are currently at an early stage, with no negotiation between the parties commenced at this point in time.

Gnulli and Budina Native Title Claimants Objection to Expedited Procedure for E08/2665

On 12 February 2015, both the Gnulli and Budina Native Title Claimants lodged objections to the expedited Native Title procedure being applied to the grant of Cauldron's application for Exploration Licence 08/2665. The matters are now under the guidance of the National Native Title Tribunal to oversee the negotiation of heritage agreements with both Claimants. The parties are currently negotiating in good faith. The matter is scheduled for a Status Conference on 7 October 2015.

Cauldron's Objection to and Application for Forfeiture of Energia Minerals' E08/1644

On 25 February 2015, Cauldron lodged an objection to the application for exemption from expenditure for 2014 for Exploration Licence 08/1644 (**E08/1644**), held by Energia Minerals Limited. On the same day Cauldron also lodged an application for Forfeiture of E08/1644. The

matter of the exemption application was heard at the Perth Warden's Court on 24 April 2015. After careful consideration, Cauldron withdrew both the objection and application for forfeiture on 27 May 2015. The matter is now finalised.

EXPLORATION ACTIVITIES: ARGENTINA

In Argentina, Cauldron controls, through its agreement with Caudillo Resources S.A. (**Caudillo**), more than 3,400 km² of exploration tenement in six project areas (Figure 4) located in four provinces. The most advanced project, Rio Colorado, is a Cu-Ag target exhibiting characteristics similar to the globally significant sedimentary copper deposits.

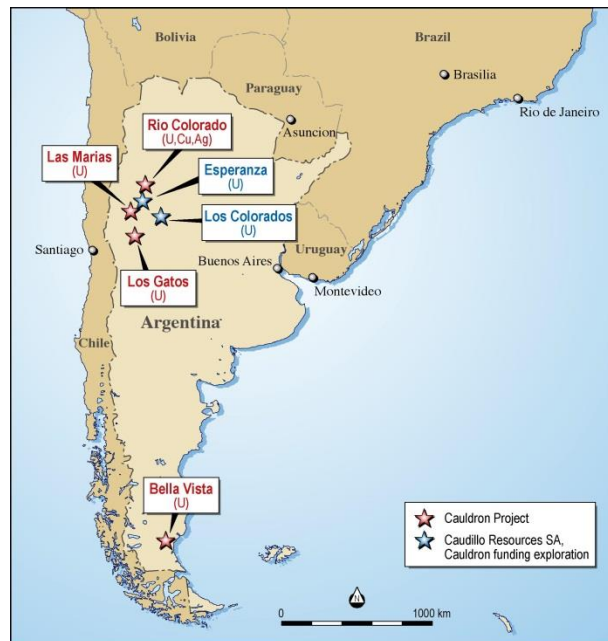


Figure 4: Argentina – Location of Prospects

During the quarter, Cauldron completed further significant steps towards gaining statutory approval for drilling at the Rio Colorado Cu-Ag Project, with an expected commencement of early in September 2015 quarter.

In anticipation of imminent commencement of fieldwork at Rio Colorado, Cauldron has finalised a thorough desk-top review of historical surface geochemistry and mapping, and a photo-geological structural interpretation. This review has identified:

- geochemically anomalous (Cu/Ag/U) outcrop covering 6 km of strike; with copper assay up to 3.7%;
- identification of a total about 16 km zone of prospective unexplored outcrop; and
- Thirteen distinct prospect areas capable of hosting polymetallic mineralisation.

There are three priorities of prospects and targets, summarised as:

Priority 1 – Rio Colorado Phase 1: drill-test ready; six outcropping geochemical and structural targets ready for drill testing;

Priority 2 – Rio Colorado Phase 2: near drill-test ready; further refinement through more detailed mapping and geochemical sampling of seven target zones of leached outcrop; and

Priority 3 – Rio Colorado Regional: target generation; further mapping and geochemical sampling to identify new regional targets along strike that may, or may not, be concealed beneath Holocene cover.

Priority 1 and 2 targets will be subject to field mapping and follow-up 3,000 m combined reverse circulation and core drilling program, with planned completion by end of December 2015 quarter.

End.

For further information, visit www.cauldronenergy.com.au or contact:

Simon Youds

Cauldron Energy Limited

Ph: (08) 9380 9555

Disclosure Statements

Competent Person Statement

The information in this report that relates to exploration results is based on information compiled by Mr Jess Oram, Exploration Manager of Cauldron Energy. Mr Oram is a Member of the Australasian Institute of Geoscientists who has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Oram consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Schedule of Tenements

Mining tenements held at 30 June 2015, including tenements acquired and disposed of during the quarter:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter
E08/1489	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/1490	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/1493	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/1501	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2017	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2081	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2160	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2161	YANREY - WESTERN AUSTRALIA	-	-	100%
E08/2165	YANREY - WESTERN AUSTRALIA	-	100%	-
E08/2205	YANREY - WESTERN AUSTRALIA	-	-	100%
E45/2405	BEADELL - WESTERN AUSTRALIA	-	-	20%
E08/2478	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2479	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2480	YANREY – WESTERN AUSTRALIA	-	-	100%
E08/2496	BOOLALOO – WESTERN AUSTRALIA	100%	-	100%
165/2008	Catamarca, Argentina	-	100%	-
571/2009	Catamarca, Argentina	-	100%	-
393/2010	Catamarca, Argentina	-	-	100%
321/2008	Catamarca, Argentina	-	100%	-
322/2008	Catamarca, Argentina	-	100%	-
307/2008	Catamarca, Argentina	-	100%	-
312/2008	Catamarca, Argentina	-	100%	-
316/2008	Catamarca, Argentina	-	100%	-
317/2008	Catamarca, Argentina	-	100%	-
324/2008	Catamarca, Argentina	-	100%	-
1124-546-2010	Las Marías Project - San Juan, Argentina	-	-	100%

Mining tenements with beneficial interest held in farm-in/farm-out agreements held at 30 June 2015, including interests acquired and disposed of during the quarter:

Farm-in Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
E08/1494	UAROO - WESTERN AUSTRALIA	-	-	70%*
E08/1495	UAROO - WESTERN AUSTRALIA	-	-	70%*
140/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
141/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
142/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**

143/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
144/2007-581/2009	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
176/1997	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
232/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
270/1995	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
271/1995	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**
43/2007	Rio Colorado Project - Catamarca, Argentina	-	-	92.50%**

*Rights to uranium only – JV and tenements expired 2 July 2015

**Cauldron has signed an exclusive option agreement through its wholly owned subsidiary Cauldron Minerals Ltd (formerly Jackson Global Ltd) with a private party (Dr Horacio Solis), to earn 92.5% in 230km² of the Rio Colorado uranium project in Argentina. The remainder of the project is (532km²) is held by Cauldron in the name of a related entity. Together, both areas will form the Rio Colorado Joint Venture. Cauldron will earn its Initial Interest of 51% in the project by completing a minimum work program, including 3,000 metres of drilling. The Company can earn 92.5% of the project by completing exploration expenditure of \$500,000 within three years following earning of the initial interest.

Farm-out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
EL4609	MAREE - SOUTH AUSTRALIA	-	-	62.32%*** (increasing)
EL4610	MAREE - SOUTH AUSTRALIA	-	-	62.32%*** (increasing)
EL4746	MAREE - SOUTH AUSTRALIA	-	-	62.32%*** (increasing)
EL4794	MAREE - SOUTH AUSTRALIA	-	-	62.32%*** (increasing)
EL5442	MAREE - SOUTH AUSTRALIA	-	-	62.32%*** (increasing)

***As at 31 December 2014

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

Cauldron Energy Limited

ABN

22 102 912 783

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(396)	(4,325)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(416)	(1,393)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	7
1.5	Interest and other costs of finance paid	-	(25)
1.6	Income taxes paid	-	-
1.7	Other: Legal	(89)	(476)
	Other: R&D Tax Incentive	815	815
	Net Operating Cash Flows	(85)	(5,397)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(36)	(541)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) controlled entity	-	-
1.10	Loans to other entities	(122)	(196)
1.11	Loans repaid by other entities	-	-
1.12	Other: Bonds refunded	59	69
	Net investing cash flows	(99)	(668)
1.13	Total operating and investing cash flows (carried forward)	(184)	(6,065)

+ 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)	(184)	(6,065)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	6,056
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:		
	Repayment of convertible loan note	-	(650)
	Net financing cash flows	-	5,406
	Net increase (decrease) in cash held	(184)	(659)
1.20	Cash at beginning of quarter/year to date	1,400	1,874
1.21	Exchange rate adjustments to item 1.20	-	1
1.22	Cash at end of quarter	1,216	1,216

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	88
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments to the parties included in item 1.2 of \$87,628 relates to:	
	<ul style="list-style-type: none"> - Director fees \$55,985 - Director-related entities \$31,643 	

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
- As announced on 1 July 2015, the Company received A\$1,714,932 in subscription sums during the June 2015 quarter ("Placement Funds") from Non-Executive Director Mr Derong Qiu under a placement agreement ("Agreement"). In accordance with the Agreement, the shares to be issued to Mr Qiu ("Placement Shares") are subject to shareholder approval. The Placement Funds are being held in trust by the Company until shareholder approval is obtained and the shares are issued.
- 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
-----------------------------	------------------------

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	700
4.2	Development	-
4.3	Production	-
4.4	Administration	300
Total		1,000

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	1,216	1,400
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,216	1,400

In addition to the above cash on hand and at bank a balance of \$1,714,932 is being held in trust by the Company until the Placement Shares can be issued (refer note 2.1 above).

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

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	E08/2165	Surrendered	100%	-
		165/2008	Surrendered	100%	-
		571/2009	Surrendered	100%	-
		321/2008	Surrendered	100%	-
		322/2008	Surrendered	100%	-
		307/2008	Surrendered	100%	-
		312/2008	Surrendered	100%	-
		316/2008	Surrendered	100%	-
		217/2008	Surrendered	100%	-
		324/2008	Surrendered	100%	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E08/2496	Purchased	-	100%

+ See chapter 19 for defined terms.

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	251,104,266	251,104,266		
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>	16,000,000 16,000,000 1,350,000 17,650,000 1,000,000 3,000,000 500,000	- - - - - - -	<i>Exercise price</i> \$0.138 \$0.118 \$0.138 \$0.138 \$0.20 \$0.20 \$0.45	<i>Expiry date</i> 31 Dec 2016 31 Dec 2015 31 Dec 2015 31 Dec 2015 18 Sep 2015 30 Sep 2015 20 Oct 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	4,150,000 100,000 400,000	- - -	<i>Exercise price</i> \$0.20 \$0.138 \$0.138	<i>Expiry date</i> 30 Jun 2015 31 Dec 2015 31 Dec 2015
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

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:
(Company secretary)

Date: 31 July 2015

Print name: Catherine Julie Grant

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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