

DIRECTORS

Non-executive Chairman:
Alastair Hunter

Managing Director:
Darren Townsend

Technical Director:
Dave Hammond

Non-Executive Director:
Jonathan Murray

Company Secretary:
Jeff Dawkins

Peak Resources Limited is developing its 100% owned Ngualla Rare Earth Project in Tanzania.

Ngualla is on schedule to become the next major rare earth producer with high grade mineralisation and a simple, proven metallurgical process supporting a low cost operation.

Highlights:

The current Quarter saw significant progress in the development of the Ngualla Rare Earth Project made in three areas:

- 1. Positive discussions are progressing with a number of potential strategic partners**
 - 2. Completion of a Preliminary Feasibility Study showing robust economics**
 - 3. Maiden Ore Reserve ranks as the highest grade of all the large rare earth development projects outside of China**
- Underlying capital costs reduced by 24% (US \$91 million). Ngualla has the lowest Capex of all rare earth development projects to produce high value separated oxide products
 - Project NPV of US \$1.005 billion (post tax and royalties)
 - Long life project with 58 year mine life at 10,000 tonnes REO per annum
 - 39% Internal Rate of Return (post tax and royalties)
 - High value rare earths including neodymium, praseodymium and europium underpin projected revenues
 - Neodymium and praseodymium have predicted demand growth forecasts of +10% per annum. Ngualla's forecast annual production of these oxides is equal to just 73% of one year's predicted market growth

Project Development Strategy:

Discussions are progressing positively with a number of potential strategic partners in China and one in the Middle East, as well as financial institutions in the United Kingdom, Europe and Australia with the objective of funding the development of the Ngualla Rare Earth Project. During the quarter one visit to the Middle East and two to China were completed to advance these discussions.

A visit to a specialist rare earth mineral processing institution in China was recently completed to investigate the potential to use Chinese technology and experience to further optimise the beneficiation process.

Field operations in Tanzania are set to recommence after the rains and will include baseline environmental studies for the Environmental and Social Impact Assessment (ESIA) required to support mine permitting applications for the Project.

The development and commercialisation of the Ngualla Rare Earth Project into a long term, low cost producer of high purity rare earth products remains on track to achieve rare earth production in 2017.



Preliminary Feasibility Study

A major milestone in the development of the Company's 100% owned Ngualla Rare Earth Project was reached during the March Quarter with the completion of the Preliminary Feasibility Study (PFS or Study) and associated economic assessment and Ore Reserve.

The Study defined robust economics for the project with underlying **Capital Costs reduced by US \$91 million, an NPV of US \$1.310 billion and a 58 year mine life.**

Low Risk Development

The Ngualla Project development has a relatively low risk profile as the result of the following factors:

- High confidence Mineral Resource (86% of Bastnaesite zone is Measured Category)
- Conventional open pit mining
- Simple, low cost, easy to operate acid leach extraction process (no kilns and atmospheric pressure)
- Low capex requirement
- Absence of radioactivity
- Proven and demonstrated extraction process
- Advanced development studies

The relatively simple nature of the operation and use of conventional, proven technology indicate that Ngualla will avoid the lengthy start-up periods and costs experienced by some new rare earth projects.

As a result Ngualla has a substantially lower capital cost than any other comparative rare earth project and is one of the lowest operating cost developers of separated rare earth products located outside China.

At the base case production rate of 10,000 tonnes per annum of separated high-purity rare earth oxides (REO) the Study (ASX announcement 'Peak Resources Delivers Robust PFS for Ngualla' of 19 March 2014) highlights include:

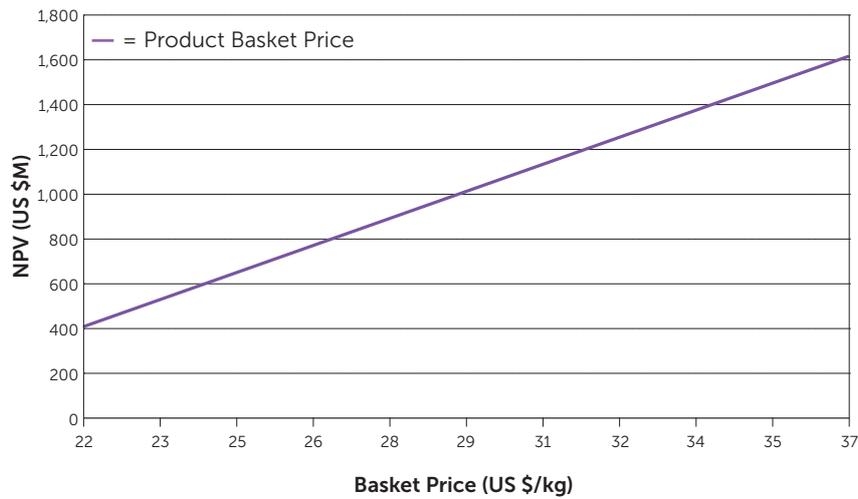
Robust Project Economics:

- **US \$1.310 billion** Net Present Value (NPV10) pre-tax and royalties (**US\$ 1.005 billion NPV** post tax and royalties)
- **39%** Internal Rate of Return (post tax and royalties)
- Payback in third year of production
- Average annual operating **free cash flow of US \$174 million per annum** for 58 years pre-tax and royalties (US \$116 million per annum post tax and royalties)

Leverage to Rare Earth Prices:

- 83% of Ngualla's forecast revenue derived from the high value, high demand neodymium – praseodymium and mid and heavy rare earth products
- Conservative price assumptions have been applied with an average product price for the Ngualla rare earth composition of US \$29.29/kg for high purity separated REO
- Major leverage to any further increases in rare earth prices with potential for after tax and royalty NPV to increase to **US \$1.608 billion** for an additional 25% increase in prices (see Figure 1)

Figure 1: NPV v Basket Price



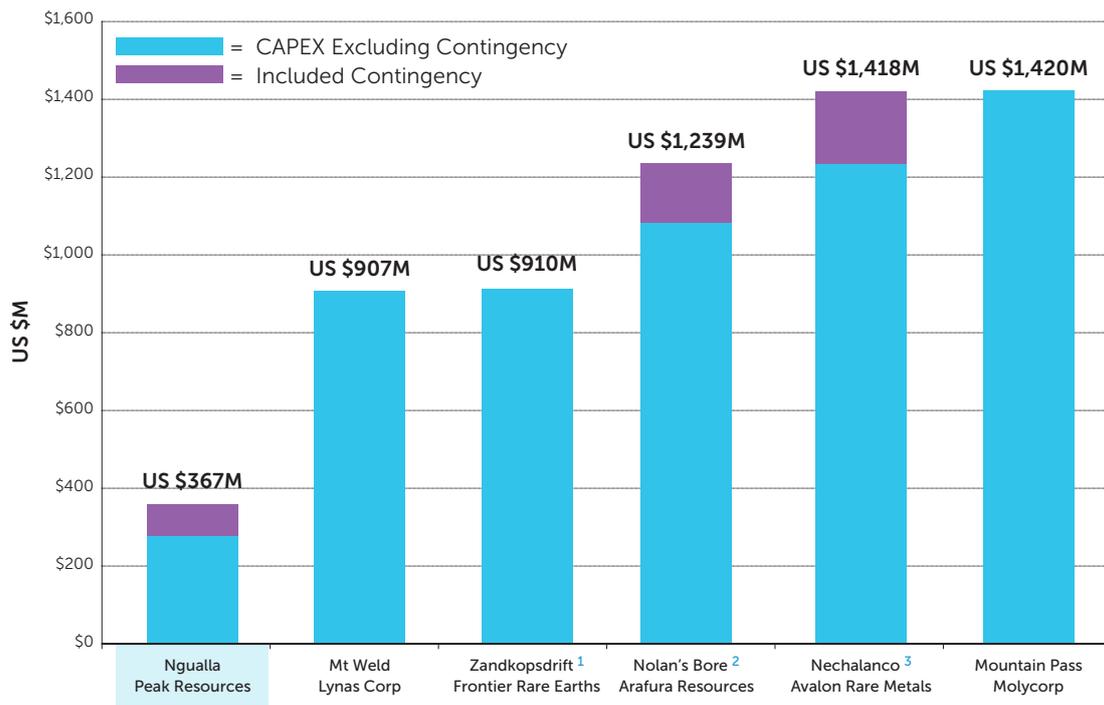
Low Capital Cost:

- Underlying capital cost (excluding contingency) reduced 24% (US\$91 million) from the Revised Scoping Study (May 2013) to US \$282 million
- Capex including 30% contingency is US \$367 million and includes a separation plant to produce high purity separated products

By including a final separation plant stage to the extraction process, Peak adds significant value to Ngualla’s products as high purity separated oxides have two to three times the value of an equivalent mixed rare earth carbonate or mineral concentrate in terms of contained REO.

Figure 2 below compares Ngualla’s Capex to other separated rare earth potential development projects.

Figure 2: Capital cost comparisons of separated rare earth development projects



1. Production of 20,000t of separated rare earth oxides
 2. Production of 20,000t of separated rare earth oxides. Uranium, gypsum, phosphate by-products
 3. Production of 20,000t of separated rare earth oxides. Zirconium by-product
 Source: Company filings

Low Operating Costs:

- Opex of US \$11.74 per kilogram high purity separated rare earth oxide products over the life of mine

Long Project Life:

- 58 year mine life in weathered Bastnaesite Zone alone (only 22% of +1% rare earth oxides contained in the Mineral Resource is within this zone)

The detailed PFS and economic assessment for the Ngualla Rare Earth Project is based on extensive evaluation and metallurgical test work programs. Data from a high quality Mineral Resource (Appendix, Tables 4 to 6) and detailed mine planning schedule was fed into a processing flow sheet based on data from metallurgical test work completed for every stage of the overall extraction process from Ngualla’s mineralisation to high purity separated rare earth products.

Sophisticated engineering simulation and mass balance modelling of the demonstrated metallurgical process supports the detailed capital and operating cost estimates for the PFS.

The base case 10,000 tonnes per annum production profile is based on Proved (86%) and Probable (14%) Ore Reserves (ASX announcement ‘Ngualla Rare Earth Project – Maiden Ore Reserve’ 19 March 2014) and the results of the PFS (ASX announcement ‘Peak Resources Delivers Robust PFS for Ngualla’ of 19 March 2014). The material assumptions underpinning the production target and forecast financial information continue to apply and have not materially changed.

The outcomes of the PFS show the project to be robust with an extremely long mine life and attractive free cash generation. Opportunities for potential further operating cost reductions were identified from the detailed work completed through the optimisation of the processing circuits and additional reagent recycling.

The positive outcome of the study allows the Company to step up discussions with a number of potential strategic financial partners with a view to rapidly progressing the development of the Ngualla Project.

Maiden Ore Reserve

The completion of a maiden Ore Reserve for the Ngualla Project was another significant milestone reached during the Quarter. The Ore Reserve estimate is:

20.7 million tonnes at 4.54% REO for 941,000 tonnes contained REO

(total rare earth oxide plus yttrium) and is classified as shown in Table 1 below.

Table 1: Ngualla Project Ore Reserve Summary

Classification	Ore Tonnes (Mt)	REO %	Contained REO tonnes
Proved	18.0	4.53	815,400
Probable	2.7	4.62	124,740
Total	20.7	4.54	940,140

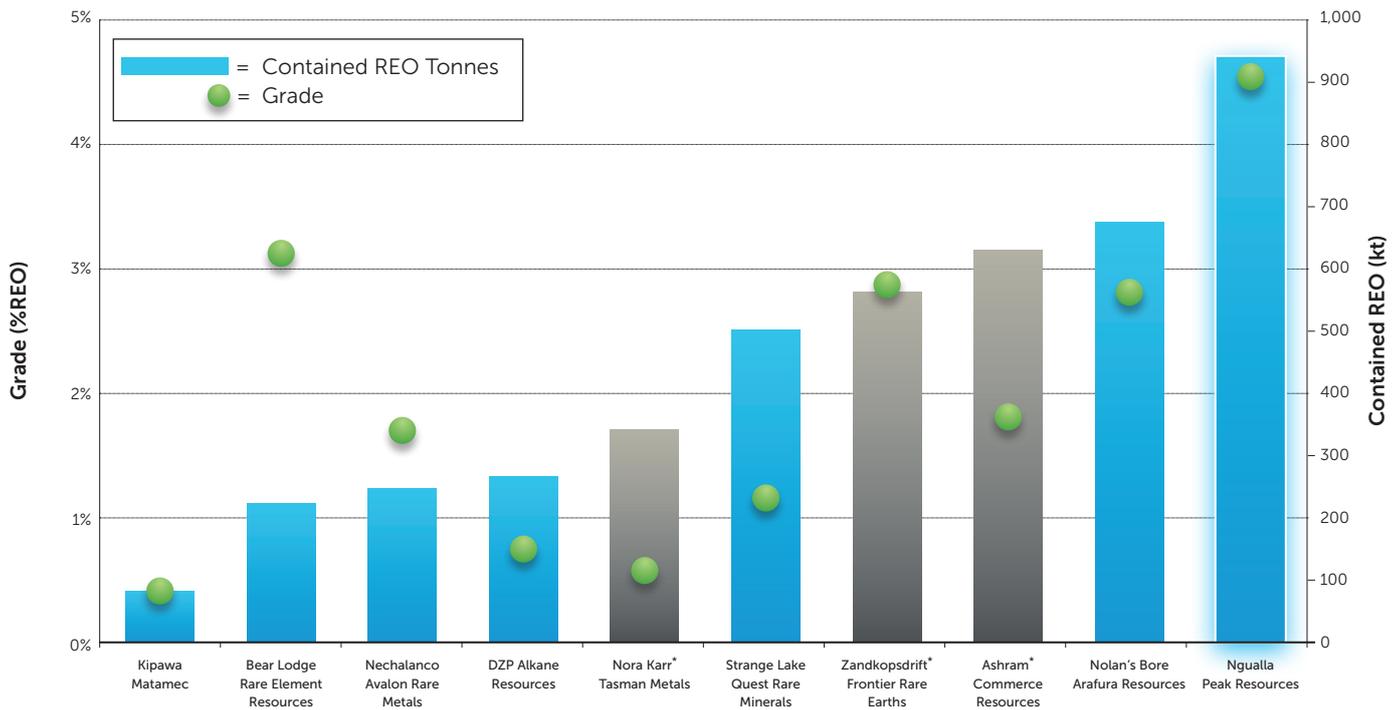
See Table 2 for breakdown of individual REO’s. A 3.0% REO lower cut-off grade is applied

The Ngualla Ore Reserve is the highest grade of all the large rare earth development projects outside of China (Figure 3).

The maiden Ore Reserve is reported in accordance with the JORC Code 2012 and estimated by independent mining consultants Orelogy Group Pty Ltd and is detailed in the ASX announcement titled ‘Ngualla Rare Earth Project – Maiden Ore Reserve’ of 19 March, which also includes a detailed summary of the supporting project assumptions and data.

The completion of the Ore Reserve accompanies the announcement by the Company of the positive Preliminary Feasibility Study (PFS) into the development of the Ngualla Project (see ASX announcement titled ‘Positive Preliminary Feasibility Study Results for Ngualla’, dated 19 March 2014).

Figure 3: Reserve Comparison



Ore Reserves (blue) or life of mine mining schedules (grey) from Company filings

Ngualla's Ore Reserve is based on the Measured and Indicated portions of the +3% REO weathered Bastnaesite Zone Mineral Resource (Appendix, Tables 4, 5 and 6, and ASX announcement 'Increased Resource Estimate to improve Ngualla Project Economics', 4 April 2013).

The information and material assumptions underpinning the Ore Reserve continue to apply and have not materially changed.

Table 2: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the Ngualla Project Ore Reserve summarised in Table 1.

Oxide		% of Total REO	Individual REO Grade %
Lanthanum	La ₂ O ₃	27.6	1.25
Cerium	CeO ₂	48.2	2.19
Praseodymium	Pr ₆ O ₁₁	4.74	0.21
Neodymium	Nd ₂ O ₃	16.6	0.75
Samarium	Sm ₂ O ₃	1.60	0.07
Europium	Eu ₂ O ₃	0.30	0.01
Gadolinium	Gd ₂ O ₃	0.62	0.03
Terbium	Tb ₄ O ₇	0.05	0.00
Dysprosium	Dy ₂ O ₃	0.08	0.00
Holmium	Ho ₂ O ₃	0.01	0.00
Erbium	Er ₂ O ₃	0.03	0.00
Thulium	Tm ₂ O ₃	0.00	0.00
Ytterbium	Yb ₂ O ₃	0.01	0.00
Lutetium	Lu ₂ O ₃	0.00	0.00
Yttrium	Y ₂ O ₃	0.20	0.01
TOTAL %:		100	4.54

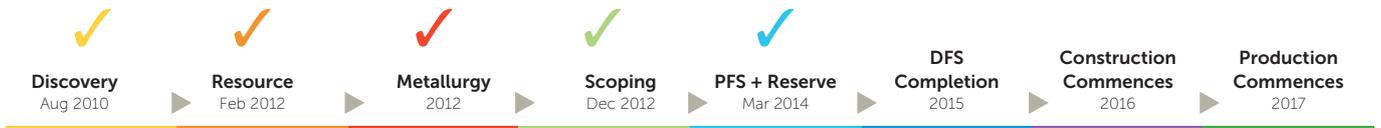
Figures may not sum due to rounding to 0.01%

Project Development Strategy

The Company’s strategy for the further development of the Ngualla Project is to complete discussions with the number of strategic partners that have expressed an interest in potentially providing financing to complete the Bankable Feasibility Study (BFS) and subsequently assist with the capital funding required to build the project.

The completion of the PFS and Ore Reserve this Quarter have attracted strong additional interest in the project and the Company is currently in discussions with a number of parties in China and one in the Middle East, as well as financial and corporate institutions in the United Kingdom, Europe and Australia.

Peak completed a Memorandum of Understanding (MoU) with an established Chinese rare earth producer in December 2013 for the objective of developing the Ngualla Rare Earth Project. To this end, the Company has held meetings in China on two occasions during the current March Quarter with the MoU partner and also with other Chinese parties. Discussions are progressing positively.



The PFS identified that that improvements to the mineral concentrate grade produced during the beneficiation process have the most significant potential to reducing operating costs further. A visit to a specialist rare earth mineral processing institution in China was completed to investigate the potential to use Chinese technology and experience to further optimise the beneficiation process. A bulk sample of Ngualla mineralisation has arrived in China for this purpose.

With the end of the rain season in Tanzania, preparations are underway to re-open the Ngualla camp at the end of April and commence project development work programs, which will include baseline environmental studies for the Environmental and Social Impact Assessment (ESIA) that is required to support mine permitting applications for the Project.

The Ngualla Project is on schedule for first production in 2017.

Ngualla’s value drivers

Ngualla’s main value drivers are the neodymium, praseodymium and the mixed-heavy separated rare earth oxide products, which together comprise 83% of the projected annual revenue (Figure 4).

Neodymium and praseodymium in particular are high value rare earths and constitute 71% of Ngualla’s total production value. Known as ‘the magnet metals’ these rare earths are important in the manufacture of permanent magnets for the growing wind turbine, hybrid cars and personnel electronics industries.

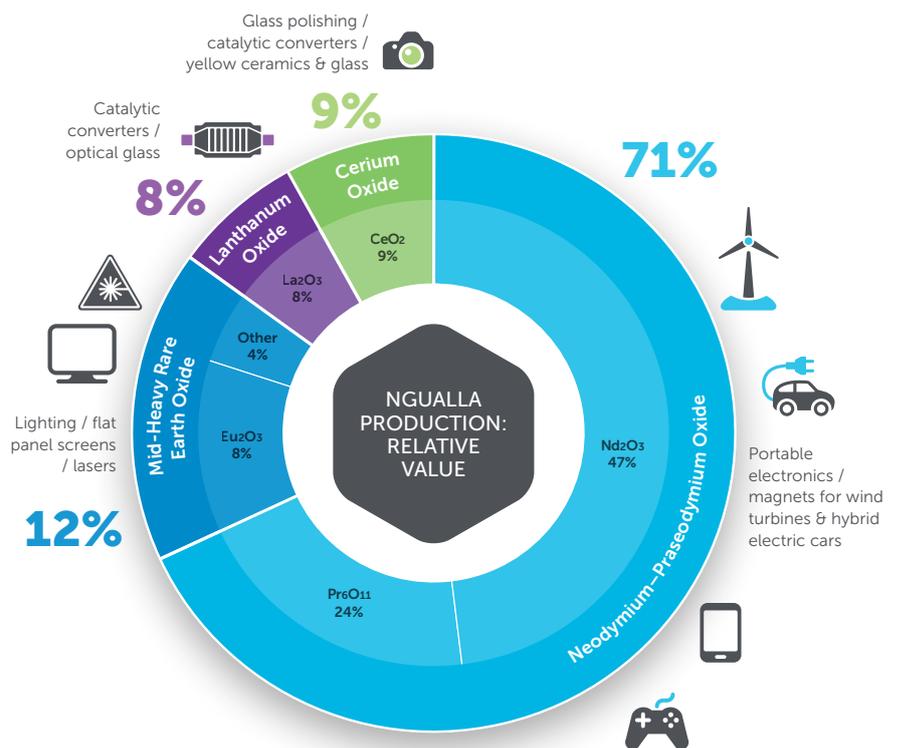


Figure 4: Relative value contributors by product type and constituent REO's. Product Values based on rare earth prices and relative distribution of rare earths in product splits as per PFS

The relatively high demand for neodymium and praseodymium is reflected in recent rare earth price movements, with Ngualla’s value drivers showing the largest price increases since July 2013 (Figure 5).

Neodymium and praseodymium are also important rare earths as they constitute 50% of the total world rare earth market value and have predicted demand growth forecasts of +10% per annum*. Ngualla’s forecast annual production of these oxides at 2,240tpa is equal to just 73% of one year’s predicted growth, (Table 3 and Figure 6) suggesting that the extra production will be readily absorbed by the growing world market.

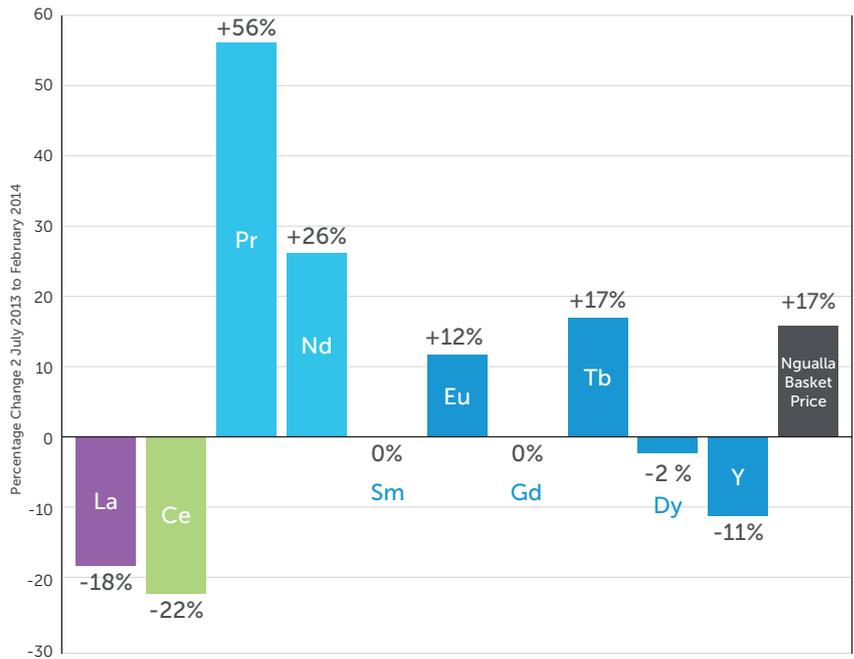


Figure 5: Ngualla’s main value drivers show the highest price increases over the period 1 July 2013 to 31 March 2014. (Metal Pages)

Table 3: Rare earths are not equal in demand, price or market value. The magnet metals neodymium and praseodymium dominate total rare earth market value and are predicted to show the largest growth in demand.

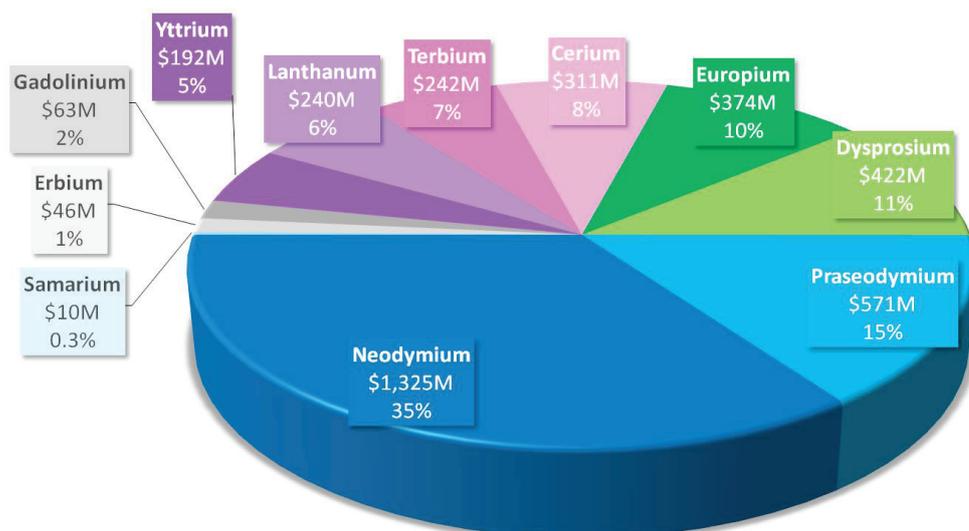
		2013 WORLD MARKET				NGUALLA
REO		2013 demand (tonnes) [^]	Price (US\$/kg)*	Value (US\$M)	Average Annual Growth to 2017 (Tonnes)	Average Annual Production [LOM] (Tonnes)
Light Rare Earths	Lanthanum	31,700	\$7.56	240	2,275	3,042
	Cerium	39,850	\$7.80	311	2,861	4,545
	Praseodymium	6,075	\$93.96	571	581	504
	Neodymium	18,925	\$70.01	1,325	2,500	1,737
	Samarium	730	\$14.12	10	168	148
Heavy Rare Earths	Europium	330	\$1,132.60	374	11	22
	Gadolinium	1,360	\$46.50	63	191	51
	Terbium	255	\$949.04	242	55	4.1
	Dysprosium	780	\$540.38	422	30	5.7
	Erbium	780	\$59.50	46	71	1.8
	Yttrium	7,585	\$25.27	192	348	12
	Ho-Tm-Yb-Lu	130	-	-	34	0.4
TOTAL		108,500		\$3,795		

*Average Metal Pages Price for Calendar Year 2013, except for Erbium which is based on Ngualla PFS Price.

[^]AIMCOA, Rare Earths Quarterly Bulletin 6, 5 February 2014.

Figure 6: Global market value share of individual rare earths in 2013. Ngualla's main value drivers - neodymium and praseodymium comprise 50% of total rare earth market value and are predicted to have high future growth capable of accommodating Ngualla's future production.

*Source: IMCOA January 2014 and average Metal Pages prices, 2013



Corporate

On 5th December the Company announced a non-renounceable rights issue for the issue of 55.1m fully paid ordinary shares ("New Shares") on a pro rata one-for-five entitlement at an issue price of \$0.06 together with one free attaching option ("New Options") to acquire a fully paid ordinary share for every one New Share subscribed for and issued. The New Options are exercisable at \$0.10 each on or before 30 June 2015.

On the 22 January 2014, the company announced that the entitlement issue had closed oversubscribed and a total of 58.7m fully paid Ordinary shares and 58.7m New Options were issued during the Quarter to raise \$3.5m before costs.

The Company had \$3.1 million cash on hand at 31 March 2014.

Corporate Structure and Cash on Hand

The corporate structure as at the 31 March 2014 was:

ASX: PEK

Ordinary Shares on Issue:	334.2 million	Listed 25c Options outstanding: 51.7 million (expiry 31 July 2014)
Cash at hand:	\$3.1 million	Listed 10c Options outstanding: 58.7 million (expiry 30 June 2015)
52 week range:	5.4c – 19c*	Unlisted Options outstanding: 7.4 million
Market Cap:	\$30.7m (at 9.2c)	Liquidity: 0.494 million shares per day (average over 3 months**)

* From 01 April 2013 to 31 March 2014 ** Average from 01 January 2014 to 31 March 2014

Darren Townsend
Managing Director

The information in the announcement that related to Ore Reserves is based on information compiled by Mr Ryan Locke, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Locke is a Principal Planner and is employed by Oreology Group Pty Ltd, an independent consultant to Peak Resources. Mr Locke has sufficient experience that is relevant to the style of mineralization and 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 Resources and Ore Reserves'. Ryan Locke consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Robert Spiers, who is a member of The Australasian Institute of Geoscientists. Robert Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Robert Spiers 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'. Robert Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to infrastructure, project execution and cost estimating is based on information compiled and / or reviewed by Lucas Stanfield who is a Member of the Australian Institute of Mining and Metallurgy. Lucas Stanfield is the Chief Development Officer for Peak Resources Limited and is a Mining Engineer with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Dave Hammond who is a Member of The Australasian Institute of Mining and Metallurgy. Dave Hammond is the Technical Director of the Company. He 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'. Dave Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix

Summary of Mineral Resources - Ngualla Project, Tanzania

Table 4: Classification of Mineral Resources for the Ngualla Rare Earth Project at 1.0% and 3.0% REO cut-off grades.

Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
1.0% REO	Measured	81	2.66	2,100,000
	Indicated	94	2.02	1,900,000
	Inferred	20	1.83	380,000
	TOTAL	195	2.26	4,400,000
3.0% REO	Measured	27	4.33	1,200,000
	Indicated	13	3.99	520,000
	Inferred	1.7	3.56	60,000
	Total	42	4.19	1,800,000

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 6 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision. Reported according to the JORC 2004 Code and Guidelines.

Table 5: Classification of Mineral Resources for the Bastnaesite Zone weathered mineralisation at a 3.0% cut off grade.

Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
3.0% REO	Measured	19	4.53	840,000
	Indicated	2.9	4.62	140,000
	Inferred	0.11	4.10	4,000
	Total	21.6	4.54	982,000

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 3 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision. The Bastnaesite Zone is a subset of and included within the Ngualla Rare Earth Project Mineral Resource in Table 4. Reported according to the JORC 2004 Code of Guidelines.

Table 6: Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the weathered Bastnaesite Zone +3% REO and Total Ngualla +1% REO Mineral Resources.

	OXIDE		Bastnaesite Zone Mineral Resource at 3.0% cut %	Ngualla total Mineral Resource at 1.0% cut %
Light Rare Earths	Lanthanum	La ₂ O ₃	27.6	27.1
	Cerium	CeO ₂	48.2	48.2
	Praseodymium	Pr ₆ O ₁₁	4.73	4.81
	Neodymium	Nd ₂ O ₃	16.6	16.3
	Samarium	Sm ₂ O ₃	1.60	1.67
Heavy Rare Earths	Europium	Eu ₂ O ₃	0.30	0.35
	Gadolinium	Gd ₂ O ₃	0.61	0.76
	Terbium	Tb ₄ O ₇	0.05	0.07
	Dysprosium	Dy ₂ O ₃	0.08	0.16
	Holmium	Ho ₂ O ₃	0.01	0.02
	Erbium	Er ₂ O ₃	0.03	0.06
	Thulium	Tm ₂ O ₃	0.00	0.00
	Ytterbium	Yb ₂ O ₃	0.01	0.02
Other	Lutetium	Lu ₂ O ₃	0.00	0.00
	Yttrium	Y ₂ O ₃	0.20	0.48
	Total %		100	100

Mineral Resources are reported according to the 2004 JORC Code and Guidelines, (ASX Announcement 'Increased Resource Estimate to Improve Ngualla Project Economics', 4 April 2013). The information and material assumptions underpinning the Mineral Resource estimates continue to apply and have not materially changed.

Summary of Mining Tenements and Areas of Interest

Project/Tenement Held	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
Ngualla	Tanzania	PL6079/2009	100%	No Change
Mikuwo	Tanzania	PL9157/2013	100%	No Change

Peak Resources Limited has not disposed, acquired or made any changes to the beneficial interest of any tenements held during the quarter.

Mining exploration entity and oil and gas exploration entity quarterly report

Rule 5.5

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

Peak Resources Limited

ABN

72 112 546 700

Quarter ended ("current quarter")

March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(168)	(711)
(b) development	(524)	(1,308)
(c) production	-	-
(d) administration	(390)	(2,032)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	23
1.5 Interest and other costs of finance paid	-	(20)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	1,691
Net Operating Cash Flows	(1,075)	(2,357)
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)	(1,075)	(2,357)

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

1.13	Total operating and investing cash flows (brought forward)	(1,075)	(2,357)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,362	3,362
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(315)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	3,362	3,047
	Net increase (decrease) in cash held	2,287	690
1.20	Cash at beginning of quarter/year to date	841	2,441
1.21	Exchange rate adjustments to item 1.20	(4)	(7)
1.22	Cash at end of quarter	3,124	3,124

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	177
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.7 receipt of R&D Rebate as announced 15 October 2013

1.14 subscriptions and placement of over subscriptions received in relation to the non-renounceable rights issue announced on 5 December for which the Company issued 58.7m fully paid ordinary shares on a pro rata one-for-five entitlement at an issue price of \$0.06 together with one free attaching option with an exercise price of \$0.10 expiring on 30 June 2015.

1.23 includes salaries, directors fees paid to Directors and payments to Steinepreis Paganin Lawyers & Consultants, an entity related to Jonathan Murray

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

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	210
4.2 Development	450
4.3 Production	-
4.4 Administration	490
Total	1,150

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	425	841
5.2 Deposits at call	2,700	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,125	841

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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities <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	334,229,133	334,229,133	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	58,672,247	58,672,247	\$0.06 Fully Paid
7.5	+Convertible debt securities <i>(description)</i>			

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,000,000 6,250,000 150,000 51,659,251 58,672,247	- - - 51,659,251 58,672,247	<i>Exercise price</i> \$1.50 \$0.55 \$0.55 \$0.25 \$0.10	<i>Expiry date</i> 26 May 2014 20 February 2017 3 March 2018 31 July 2014 30 June 2015
7.8	Issued during quarter	58,672,247	58,672,247	\$0.10	30 June 2015
7.9	Exercised during quarter				
7.10	Expired during quarter	541,667	-	\$0.75	24 February 2014
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:

Company secretary

Date: 23 April 2014

Print name: Jeffrey Dawkins

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly 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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