

## 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

THE WATERBERG COAL COMPANY LIMITED

ABN

64 065 480 453

Quarter ended ("current quarter")

30 SEPTEMBER 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(4)	(4)
	(b) development	(497)	(497)
	(c) production	-	-
	(d) administration	(1097)	(1097)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	117	117
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(1481)</b>	<b>(1481)</b>
<b>Cash flows related to investing activities</b>			
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	495	495
	(c) other fixed assets	-	-
1.10	Loans to other entities	(718)	(718)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>(223)</b>	<b>(223)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(1704)</b>	<b>(1704)</b>

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1.13	Total operating and investing cash flows (brought forward)	(1704)	(1704)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid-	-	-
1.19	Other (provide details if material)	(187)	(187)
	Fundraising costs		
	<b>Net financing cash flows</b>	(187)	(187)
	<b>Net increase (decrease) in cash held</b>	(1891)	(1891)
1.20	Cash at beginning of quarter/year to date	8606	8606
1.21	Exchange rate adjustments to item 1.20	121	121
1.22	<b>Cash at end of quarter</b>	6836	6836

### 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	157
1.24	Aggregate amount of loans to the parties included in item 1.10	718

#### 1.25 Explanation necessary for an understanding of the transactions

Payments for current consulting fees and Directors fees - \$157  
Reimbursements for administration, accounting and secretarial staff at cost \$52  
Payments to previous directors and accruals to 30/6/14 - \$185

### 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

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- 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

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## 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	35,000	35,000
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	600
<b>Total</b>	<b>1300</b>

## 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	137	2059
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	6699*	6547*
<b>Total: cash at end of quarter</b> (item 1.22)	<b>6836</b>	<b>8606</b>

\*Held as a security deposit on the \$35 million convertible note facility. The deposit is subject to a put/call option of \$6.5 million and will be released to the Company on conversion or repayment of the facility after 18 months after the date of drawdown.

+ See chapter 19 for defined terms.

### 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	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	313,265,213	313,265,213	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> (description)			

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted	23,187,500		\$0.20	31/12/14
		75,000,000		\$0.30	31/12/14
		25,000,000		\$0.20	31/12/14
	Listed WCCO (description and conversion factor)	11,992,823		\$0.20	31/12/14
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

31 October 2014  
Date: .....

+ See chapter 19 for defined terms.

Print name: .....

## 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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**Appendix 1 – Interests in mining tenements held****Tenement table**

The Group has an interest in the following Exploration and Mining Licences.

Licences are located in South Australia:

Property Name	Tenement	Interest
Lyons	EL 5221	100%
Glenloth	EL 4197	100%
Claypan Dam	EL 4445	100%

The Group's interest in the Waterberg Coal Project, located in South Africa:

Properties	Right under which the properties are held	Relevant Joint Venture	Holder	Interest	Issue Date	Expiry Date
Vetleegte	Vetleegte Prospecting Right	First Joint Venture	Uzalile Joint Venture (Sekoko Resources and Uzalile)	37.39%	Granted New Order Prospecting Right No. 651/2006, on 19/10/06	Renewal lodged 19 September 2011 and prior to the expiry date.  Section 18(5) of the MPRDA provides that prospecting right in respect of which an application for renewal has been lodged will remain in force until such time as the renewal application has been granted or refused.
Olieboomsfontein	Duikerfontein Prospecting Right	First Joint Venture	Sekoko Coal	37.39%	Granted New Order Prospecting Right No. 681/2007, on 13/10/05. Renewal on 3 July 2013	3 July 2016
Duikerfontein	Duikerfontein Prospecting Right	First Joint Venture	Sekoko Coal	37.39%	Granted New Order Prospecting Right No. 681/2007, on 13/10/05. Renewal on 3 July 2013	3 July 2016
Swanepoelpan	Duikerfontein Prospecting Right	First Joint Venture	Sekoko Coal	37.39%	Granted New Order Prospecting Right No. 681/2007, on 13/10/05	3 July 2016
Smitspan	Mining Right	Second Joint Venture	Sekoko Coal	37.39%	Granted New Order Mining Right No. 22/2011, on 17/09/11	16/09/2041
Massenberg	Mining Right	Second Joint Venture	Sekoko Coal	37.39%	Granted New Order Mining Right No. 22/2011, on 17/09/11	16/09/2041
Minnasvlakte	Mining Right	Second Joint Venture	Sekoko Coal	37.39%	Granted New Order Mining Right No. 22/2011, on 17/09/11	16/09/2041
Hooikraal	Mining Right	Second Joint Venture	Sekoko Coal	37.39%	Granted New Order Mining Right No. 22/2011, on 17/09/11	16/09/2041

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