



## Quarterly Report

Period ended 30 June 2014

### About Legacy Iron Ore

Legacy Iron Ore Limited ("Legacy Iron" or the "Company") is a Western Australian based Exploration Company, focused on iron ore development and mineral discovery.

Legacy Iron's mission is to increase shareholder wealth through capital growth, created via the discovery, development and operation of profitable mining assets.

The Company was listed on the Australian Securities Exchange on 8 July 2008. Since then, Legacy Iron has had a number of iron ore, manganese and gold discoveries which are now undergoing drilling and resource definition.

### Board

**Narendra Kumar Nanda**, Non-Executive Chairman  
**Sharon Heng**, Executive Director & Managing Director  
**Swaminathan Thiagarajan**, Non-Executive Director  
**Subimal Bose**, Non-Executive Director  
**Timothy Turner**, Non-Executive Director  
**Julian Mizera**, Chief Executive Officer  
**Ben Donovan**, Company Secretary

### Key Projects

Mt Bevan Iron Ore Project  
Hamersley Iron Ore Project  
Robertson Range Iron Ore and Manganese Project  
South Laverton Gold Project  
East Kimberley Gold, Base Metals and REE Project

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30 July 2014

The Company Announcements Office  
ASX Limited

Via E Lodgement

## REPORT FOR THE QUARTER ENDED 30 JUNE 2014

Please find attached the Company's Quarterly Activities Report and Appendix 5B for the quarter ended 30 June 2014.

Yours faithfully  
**LEGACY IRON ORE LIMITED**

**Sharon Heng**  
Managing Director

## HIGHLIGHTS

### **EXPLORATION AND DEVELOPMENT**

#### **Mt Bevan DSO (60%)**

- DSO drill targets previously identified under the Phase 4 exploration programme at Mt Bevan currently awaiting approval from the Department of Mines and Petroleum (DMP). Legacy Iron Ore Limited ("Legacy Iron" or "the Company") anticipates drilling several targets along Eastern and Mezzo BIF horizons together with Mt Mason North in August 2014, pending approval from the DMP.

#### **Mt Bevan Magnetite Project (60%)**

- Legacy Iron has confirmed its intention to progress the Project to the next development phase as a priority and is currently in discussions with its 40% JV partner at Mt Bevan, Hawthorn Resources Limited ("Hawthorn"), regarding the scope, timing and funding of further phases of the project.

### **CORPORATE**

- Legacy Iron has relocated its registered office and principal place of business to Ground Floor, Canute House, 15 Rheola Street, West Perth 6005.
- As at 30 June 2014, Legacy Iron has cash and cash equivalents of \$337,879.
- On 7 July 2014, Legacy Iron announced a 3 for 1 renounceable entitlement offer of new ordinary shares at an offer price of 1.4 cents. Upon full subscription total funds of approximately A\$25 million (before costs) will be raised. Funds raised will be applied towards the ongoing development of the Mt Bevan iron ore project, repayment of the A\$3 million Citibank loan and further exploration and development work across Legacy Iron's iron ore and other assets. Legacy Iron's major shareholder, NMDC has confirmed its commitment to take up its full entitlement under the entitlement offer which will raise a minimum amount of approximately A\$12.1 million. NMDC's participation under the entitlement offer is subject to approval from the Foreign Investment Review Board.

## EXPLORATION

Legacy Iron is an active exploration company with a diverse portfolio of assets spanning iron ore, manganese, gold and base metals. The primary focus for the Company is its Joint Venture with Hawthorn on the Mt Bevan Iron Ore Project, north of Kalgoorlie in Western Australia, where the Company is progressing a potentially world class magnetite project.

The Company holds significant landholdings in two major mineralised provinces within WA. In the Pilbara region, Legacy Iron is exploring for iron ore and manganese while in the Eastern Goldfields region, activities are focused on gold discoveries. The Company also holds substantial ground in the East Kimberley region with the most advanced prospect being the highly prospective Koongie Park VHMS base metal - gold project.

## IRON ORE

### Mt Bevan Magnetite Project

Mt Bevan Project is a joint venture between Legacy Iron and Hawthorn. Legacy Iron has now completed its earn-in of a 60% interest in the project by expending more than \$3.5 million on exploration. Mt Bevan is considered to hold excellent potential for the definition of major magnetite resources located close to existing road, rail and port facilities. The project also has potential for DSO hematite discoveries.

The recent highly successful exploration and resource definition program carried out now underpins the potential for a large scale development at Mt Bevan (*refer Table 1 below for the current resource estimate*). Following the successful conclusion of a recent strategic review and forward growth strategy, Legacy Iron has confirmed its intention to progress the Project to the next phase as a priority and is currently in discussions with its 40% JV partner at Mt Bevan, Hawthorn, regarding the scope, timing and funding of further phases of the project.

The next phase of work is likely to require the completion of further resource definition and development studies required to convert existing mineral resources into JORC reserves, and further define the scope, design and capital cost of the Project and to comprehensively demonstrate the projects viability.

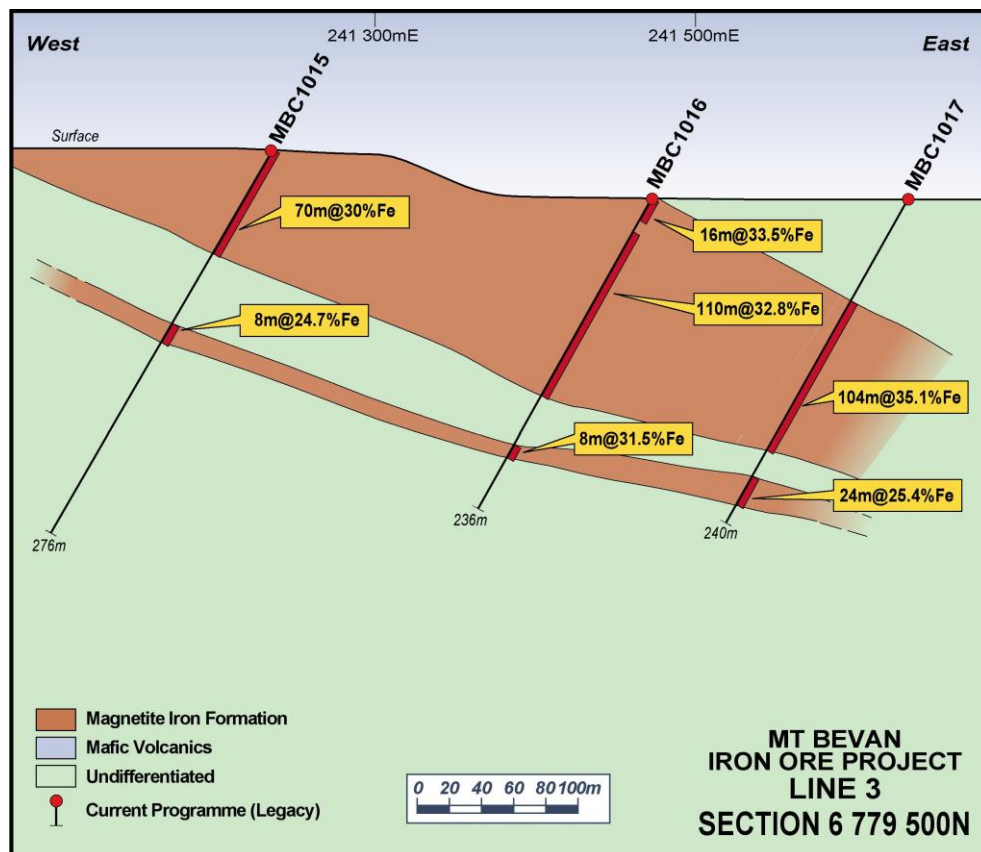


Figure 1: Drilling Cross Section - Lines 3

Table 1: Mt Bevan Resource Estimate

\*In situ Magnetic is the material that is expected to report to the magnetic fraction. The in situ Magnetic quantities in the Tonnes column are expressed as the percentage of the in situ Total tonnes (as estimated from Davis Tube Mass recovery).

Mt Bevan Fresh BIF Resource											
Class	Material	Tonnes x 10 <sup>6</sup>	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	CaO %	P %	S %	LOI %	MgO %	Mn %
Indicated	In situ Total	322	34.7	46.2	0.57	1.35	0.054	0.131	-1.05	1.91	0.31
	In situ Magnetic*	44.18%	30.0	2.4	0.01	0.08	0.005	0.053	-1.38	0.05	0.01
	Concentrate	142	68.0	5.5	0.02	0.18	0.012	0.130	-3.12	0.12	0.03
Inferred	In situ Total	847	35.0	45.6	0.77	2.00	0.063	0.39	-1.15	1.77	0.04
	In situ Magnetic*	45.70%	30.8	2.8	0.01	0.06	0.004	0.042	-1.37	0.03	0.01
	Concentrate	387	67.5	5.9	0.03	0.14	0.009	0.096	-3.00	0.06	0.02
Total	In situ Total	1,170	34.9	45.8	0.71	1.82	0.060	0.137	-1.12	1.81	0.11
	In situ Magnetic*	45.28%	30.6	2.7	0.01	0.07	0.004	0.045	-1.37	0.03	0.01
	Concentrate	530	67.7	5.80	0.03	0.15	0.010	0.105	-3.03	0.07	0.02

## Mt Bevan DSO Exploration

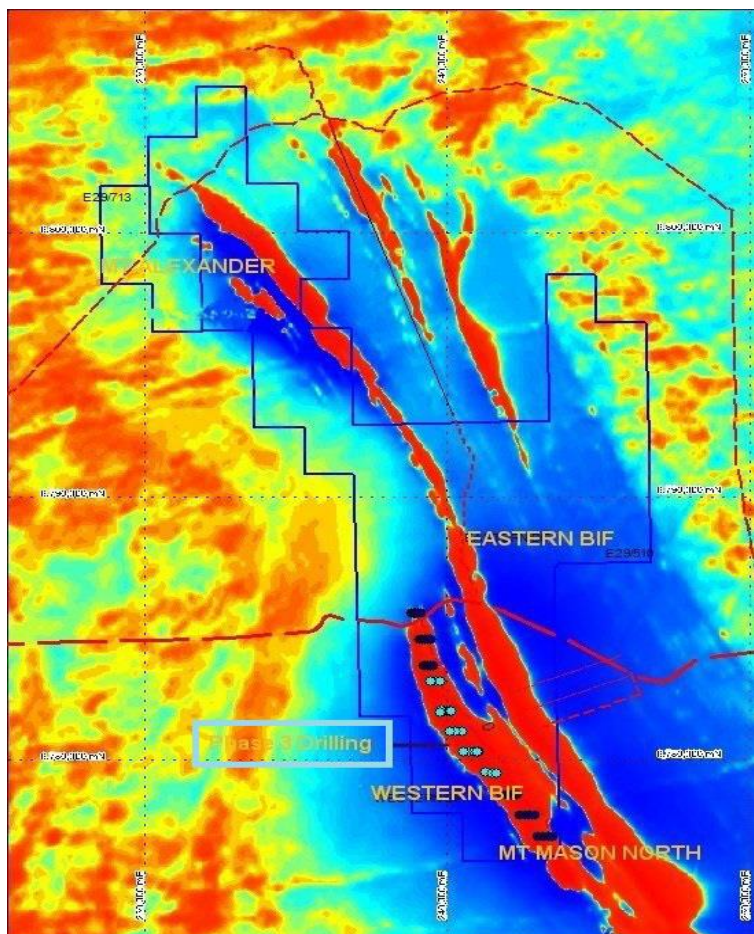
During the quarter, planning and approvals related activities continued in relation to drilling DSO hematite mineralisation targets.

The initial work completed in the Phase 4 program returned a series of encouraging high iron, low contaminant assays after mapping and surface sampling on the Eastern BIF target (see ASX announcement dated 6 February 2014).

Following the success of this work, a second phase of mapping and sampling was undertaken. This program comprised infill and extensional sampling on the Eastern BIF which extends for some 20km of strike within the Mt Bevan project area (Figure 2). This work has now been completed, with encouraging results. Surface mapping also outlined another BIF horizon lying between the Western and Eastern BIFs – this has been termed the Mezzo BIF.

Visibly high iron samples were first 'screened' by use of a portable Niton XRF, and selected samples despatched to ALS Perth for Fe suite analysis. A number of high iron (greater than 50% Fe) assays were received from this and the earlier field program. An aerial image showing the position of high Fe samples is shown as Figure 3; with Table 2 below providing combined most significant assays (greater than 60%) for the two field programs.

The Eastern BIF was identified by Legacy Iron earlier as having potential for DSO hematite, with only very sparse drilling conducted to date on this target. Most prior drilling has focussed on the Western BIF where a major magnetite resource was defined over a 10km strike length.



**Figure 2: Aeromagnetic image showing Eastern and Western BIF targets**



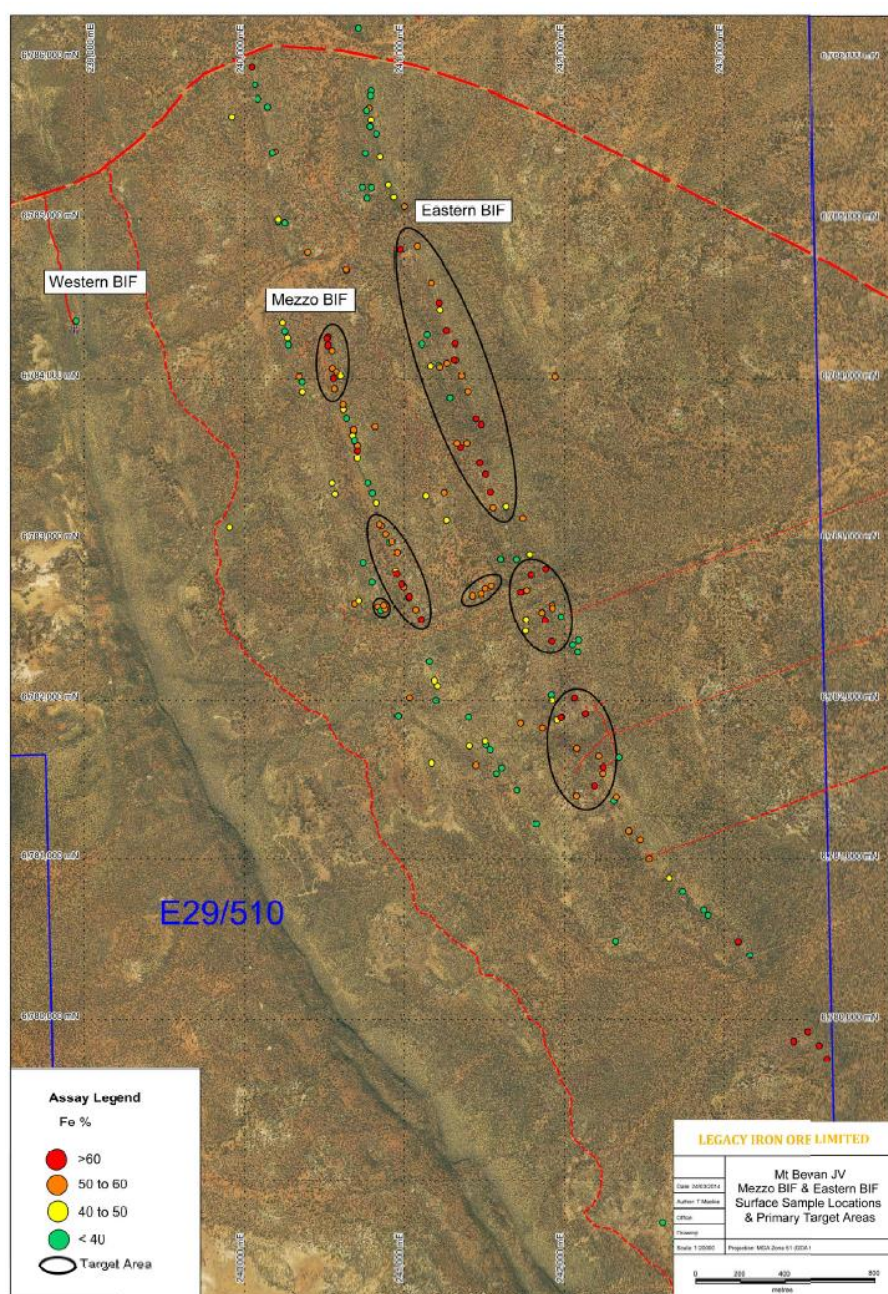


Figure 3: Eastern and Mezzo BIF Surface Sampling – Drill targets

## Eastern BIF

SampleID	Easting	Northing	Fe %	Al2O3 %	SiO2 %	S %	LOI %
EB1019	241449	6783752	61.4	0.8	7.15	0.05	3.84
EB1044	241791	6782778	61.6	1.45	2.23	0.047	7.27
EB1048	243522	6779923	65.9	0.42	0.81	0.041	3.29
EB1052	242401	6781176	60.98	1.98	4.57	0.131	4.85
EB1062	241351	6783578	61.21	2.43	3.43	0.084	6.75
EB1063	241507	6783408	61.49	1.71	3.31	0.062	5.82
EB1103	242061	6782015	60.39	4.88	1.7	0.108	6.51
EB1117	243089	6780492	63.97	0.49	2.19	0.041	5.41
EB1138	243640	6779762	63.44	1.24	2.95	0.071	3.62
EB1139	243592	6779842	65.04	1.18	1.36	0.066	3.7
EB1140	243433	6779865	64.33	1.2	2.5	0.055	3.61
EB1172	240976	6784807	60.89	3	4.89	0.065	5.23
EB1180	241920	6782366	61.34	1.98	2.64	0.219	5.36
EB1185	241976	6781889	62.21	1.38	4.67	0.092	4.87
EB1186	242129	6781913	61.8	1.54	4.66	0.1	4.5
EB1190	242186	6781465	61.1	1.9	5.9	0.166	4.1
EB1193	242239	6781581	62.05	2.01	3.97	0.084	4.9
EB1205	241882	6782815	62.59	1.69	3.52	0.06	5.36
EB1214	241537	6783293	61.72	2.03	3.34	0.066	5.66
EB1215	241506	6783409	63.61	1.42	3.07	0.046	4.63
EB1216	241471	6783480	60.42	2.44	5.27	0.074	5.51
EB1241	241481	6783715	61.07	2.11	4.02	0.042	5.74
EB1251	241312	6784123	60.84	1.64	5.2	0.066	5.57
EB1252	241318	6784222	64.81	1.86	2.34	0.052	3.13
EB1253	241263	6784301	65.33	0.67	2.67	0.086	3.07
EB1255	241218	6784477	60.05	1.34	5.07	0.089	7.1
EB1283	241878	6782498	62.88	1.93	3.86	0.066	4.03

## Mezzo BIF

SampleID	Easting	Northing	Fe %	Al2O3 %	SiO2 %	S %	LOI %
EB1039	240523	6784256	61.34	1.68	2.07	0.075	8.15
EB1047	241029	6782639	60.41	1.1	4.69	0.06	7.53
EB1075	241727	6782669	64.03	1.68	2.36	0.091	3.48
EB1077	241033	6782644	60.19	1.44	3.29	0.136	8.81
EB1078	240987	6782720	62.32	0.59	2.06	0.035	8.15
EB1080	240526	6784262	60.49	1.6	2.33	0.084	8.84
EB1087	240955	6782784	61.67	0.96	7	0.041	3.66
EB1088	241107	6782502	61.07	1.8	2.34	0.08	7.37
EB1147	240046	6785947	60.44	2.3	6.66	0.094	4.01
EB1221	240526	6784212	60.07	2.33	3.29	0.048	7.74
EB1222	240520	6784253	62.07	1.2	1.74	0.031	7.97
EB1230	240560	6784005	63.36	0.92	3.61	0.006	4.58
EB1236	240685	6783676	62.93	1.96	3.78	0.102	3.8
EB1261	240710	6783555	60.19	1.58	4.52	0.096	7.67

Table 2: Eastern and Mezzo BIF rock chip samples – assays &gt; 60% Fe

DSO drill targets previously identified under the Phase 4 exploration programme at Mt Bevan are currently awaiting approval from the Department of Mines and Petroleum (DMP). Legacy Iron anticipates drilling several targets along Eastern and Mezzo BIF horizons together with Mt Mason North in August 2014, pending approval from the DMP.

Legacy Iron holds a 60% share of the Mount Bevan Joint Venture with Hawthorn Resources Ltd holding the remaining 40%.

(Full details of the project are available at the Company website [www.legacyiron.com.au](http://www.legacyiron.com.au))

### **Pilbara Iron Ore and Manganese Projects**

No exploration activities were conducted on the projects during the period saved for statutory reporting.

### **East Kimberley Project - Koongie Park**

Drilling is planned for a number of significant targets identified through a previous HELITEM airborne EM survey. A native heritage clearance will be undertaken prior to drilling.

## **GOLD**

Database compilation and statutory reporting was conducted during the period.

## **COAL**

Reconnaissance shallow drilling undertaken last year on the tenements held by Legacy Iron intersected only thin, poor quality coal seams in a few holes. Based on these results, Legacy Iron considers that there is low potential for an economically viable resource to be identified on these coal tenements. As such, the Company is in the process of relinquishing its coal tenements including EPC2303, EPC2304 and EPC2580.

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## **PLANNED ACTIVITIES – SEPTEMBER 2014 QUARTER**

Principal activities planned for the September 2014 quarter will comprise:

<b>Mt Bevan DSO:</b>	RC Drilling of priority DSO hematite targets at Eastern BIF, Mezzo BIF and Mt Mason North.
<b>Mt Bevan Magnetite:</b>	Study work and field programme planning in relation to progressing the Mt Bevan Magnetite Project (pending JV approval to proceed).
<b>East Kimberley:</b>	RC Drilling of priority conductors at the Koongie Park Project post native heritage clearances.



## CORPORATE

### Relocation of Office

Legacy Iron has relocated its registered office and principal place of business to Ground Floor, Canute House, 15 Rheola Street, West Perth 6005.

### Funding Update

During the quarter, the Company drew down \$300,000 from its A\$3 million Citibank loan facility. This loan has been guaranteed by the Company's major shareholder, NMDC Limited. At 30 June 2014, the borrowings from Citibank total A\$3 million.

During the June 2014 quarter, \$250,000 of the convertible note held by The Australian Special Opportunity Fund LP was repaid back by Legacy Iron. At 30 June 2014, there remains a \$100,000 convertible note which does not bear interest and is unsecured.

The convertible notes shall convert into new ordinary shares of the company determined by dividing the amount by the conversion price. Conversion price is 90% of the average of 3 consecutive daily VWAPs per as selected by the investor in its sole discretion during the 20 consecutive trading days immediately prior to the relevant conversion notice date. Shares issued upon conversion will rank pari passu with existing ordinary shares. The convertible securities do not carry any voting rights. The initial term of this convertible note is 24 months.

### Entitlement Offer to Fund Growth

On 7 July 2014, Legacy Iron announced a 3 for 1 renounceable entitlement offer of new ordinary shares at an offer price of 1.4 cents. Upon full subscription total funds of approximately \$25 million (before costs) will be raised. Funds raised will be applied towards the ongoing development of the Mt Bevan iron ore project, repayment of the A\$3 million Citibank loan and further exploration and development work across Legacy Iron's iron ore and other assets. Legacy Iron's major shareholder, NMDC has confirmed its commitment to take up its full entitlement under the entitlement offer which will raise a minimum amount of approximately \$12.1 million. NMDC's participation under the entitlement offer is subject to approval from the Foreign Investment Review Board. The closing date of this entitlement offer is 12 August 2014.

### Cash Position

As at 30 June 2014, the Group has cash and cash equivalents of \$337,879. In addition, the Group holds security deposits of \$703,787.

## PROJECT REVIEW

In line with its objective to increase shareholder wealth, Legacy Iron has evaluated and is in the process of evaluating numerous projects during the quarter. These projects are predominantly in Western Australia, covering gold, iron ore and other base metal commodities.

Critical assessment of Legacy Iron's exploration project portfolio has identified a number of non-core projects. Divestment and/or surrender of these non-core projects will allow Legacy Iron to solely focus on key prospective areas. Non-core project areas identified for divestment or relinquishment are identified as such below.

### Summary of mining tenement at the end of quarter (30 June 2014) and their location.

The mining tenements held at end of quarter and their location	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Operator
	<b>E80/4220</b>	East Kimberley	WA	100	100	Legacy
	<b>E80/4221</b>	East Kimberley	WA	100	100	Legacy
	<b>E47/1869</b>	Pilbara	WA	100	100	Legacy
	<b>E46/0818</b>	Pilbara	WA	100	100	Legacy
Proposed for Surrender	<b>E31/928</b>	South Laverton	WA	100	100	Legacy
	<b>E31/1034</b>	South Laverton	WA	100	100	Legacy
	<b>E39/1443</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5001</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5002</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5003</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5004</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5005</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5006</b>	South Laverton – Mt Celia	WA	100	100	Legacy
	<b>P39/5007</b>	South Laverton – Mt Celia	WA	100	100	Legacy

	<b>E29/865</b>	Yilgarn – Mt Bevan	WA	100	100	Legacy
	<b>M31/426</b>	South Laverton	WA	100	100	Legacy
	<b>M31/427</b>	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	<b>P31/1746</b>	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	<b>E31/1019</b>	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	<b>E31/1020</b>	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	<b>M31/107</b>	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
	<b>M31/229</b>	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
	<b>M31/230</b>	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
Proposed for Surrender	<b>E39/1748</b>	Kalgoorlie	WA	-	100	Legacy
	<b>E29/510</b>	Yilgarn – Mt Bevan	WA	LCY 60 HAW 40	LCY 60 HAW 40	Legacy & Hawthorn
	<b>E29/713</b>	Yilgarn – Mt Bevan	WA	LCY 60 HAW 40	LCY 60 HAW 40	Legacy & Hawthorn
Proposed for Surrender	<b>EPC2303</b>	Mundubbera	QLD	100	100	Legacy
Proposed for Surrender	<b>EPC2304</b>	Eidsvold	QLD	100	100	Legacy
Proposed for Surrender	<b>EPC2580</b>	Chinchilla	QLD	100	100	Legacy

Yours faithfully  
**LEGACY IRON ORE LIMITED**



**Sharon Heng**  
Managing Director

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**Competent Person's Statement:**

**Mt Bevan Iron Ore**

*The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves) is based on information compiled by Steve Shelton who is a member of The Australasian Institute of Geoscientists and a full time employee of Legacy Iron Ore Limited. Mr. Shelton 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. Shelton consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.*



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**LEGACY IRON ORE LIMITED**



ABN

**31 125 010 353**

Quarter ended ("current quarter")

**30 June 2014**

### Consolidated statement of cash flows

		Current quarter 30 June 2014 \$A'000	Year to date (12 months) 30 June 2014 \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(319)	(1,933)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(516)	(3,003)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	48
1.5	Interest and other costs of finance paid	(34)	(57)
1.6	Income taxes paid	-	-
1.7	Other – Receipt by joint venture participant	-	684
<b>Net Operating Cash Flows</b>		<b>(862)</b>	<b>(4,261)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) financial assets	(33)	(33)
	(c) other fixed assets	(1)	(1)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) financial assets	-	60
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	90
1.12	Other (provide details if material)	-	(28)
<b>Net investing cash flows</b>		<b>(34)</b>	<b>88</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(896)</b>	<b>(4,173)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(896)	(4,173)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issue of shares, options	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	300	4,015
1.17	Repayment of borrowings	(250)	(890)
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	50	3,125
	<b>Net increase (decrease) in cash held</b>	(846)	(1,048)
1.20	Cash at beginning of quarter/year to date	1,184	1,386*
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	338	338

\*\$730,974 previously reported as cash has been reclassified to held-to-maturity financial assets.

**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	140
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	\$122,142 payment for Directors and their associates fees and salaries; and \$ 18,000 payment for accounting fees to entity related to Non-Executive 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

-

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

-

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	3,100	3,100
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	368
4.2 Development	-
4.3 Production	-
4.4 Administration	776
<b>Total</b>	<b>1,144</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	338	949
5.2 Deposits at call	-	235
5.3 Bank overdraft	-	-
5.4 Other (commercial bills)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>338</b>	<b>1,184</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E80/3923	Surrendered	100%	-
	E45/3395	Surrendered	100%	-
	E31/0861	Surrendered	100%	-
	E31/0862	Surrendered	100%	-
	P31/1930	Surrendered	100%	-
	P31/1931	Surrendered	100%	-
	E31/0912	Surrendered	100%	-
	E31/0952	Surrendered	100%	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining tenements acquired or increased	-	-	-	-
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**Issued and quoted securities at end of current quarter**

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <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>	590,613,697	590,613,697	-	-
7.4 Changes during quarter				
(a) Increases through issues arising from conversion of convertible debt securities	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

7.5	<b>Convertible debt securities</b> <i>Does not bear interest and is unsecured. The convertible securities shall convert into new ordinary shares of the company determined by dividing the amount by the conversion price. Conversion price is 90% of the average of 3 consecutive daily VWAPs per as selected by the investor in its sole discretion during the 20 consecutive trading days immediately prior to the relevant conversion notice date. Shares issued upon conversion will rank pari passu with existing ordinary shares. The convertible securities do not carry any voting rights. Term is 24 months.</i>	\$100,000			
7.6	Changes during quarter (a) Increases through issue  (b) Decreases through repayment (c) Decrease through conversion	-  (\$250,000)  -			
7.7	<b>Options</b> (description and conversion factor)			Exercise Price	Expiry Date
		11,354,383	11,354,383	10 cents	31 December 2014
		8,304,525	8,304,525	15 cents	31 December 2014
		11,660,000	-	25 cents	1 April 2015
		12,430,000	-	10 cents	23 December 2015
		4,000,000	-	18 cents	24 May 2016
		46,200,000	-	25 cents	31 December 2015
		4,000,000	-	25 cents	31 December 2014
		4,000,000	-	30 cents	31 December 2014
		4,000,000	-	35 cents	31 December 2014
		4,000,000	-	40 cents	31 December 2014
		4,000,000	-	45 cents	31 December 2014
		21,430,000	-	22.29 cents	7 January 2015
7.8	Issued during quarter	-	-		

+ See chapter 19 for defined terms.

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 ~~not~~ give a true and fair view of the matters disclosed.



Sign here:

(Director/~~Company secretary~~)

Date: **30 July 2014**

Print name: **Sharon Heng**

## 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 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, 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 Accounting 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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+ See chapter 19 for defined terms.