

29 January 2016

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2015

HIGHLIGHTS

- Encouraging yields expected to positively impact PFS
- Joint Venture discussions progressing on Panorama
- Anthracite prices continue to outperform due to supply constraints

Atrum Coal NL ("**Atrum**" or the "**Company**") (ASX: ATU) is pleased to provide its Quarterly Activities Report for the period ending 31 December 2015.

Executive Chairman, Robert Bell, commented:

"I am pleased to report that we have made significant progress on critical aspects of mine design and project planning for the Groundhog North Mining Complex, and will release results of an updated Pre-Feasibility study (PFS) during this Quarter.

"As reported in the last quarterly, we have prepared plans for additional mines in the area but previous studies have been based on conservative yield analysis. New exploration activities at Groundhog, and resultant higher yields from coal handling and preparation simulations, have allowed the Company to re-calculate the economics associated with mining in the Groundhog North Mining Complex.

"The delineation of the Duke E seam in the Eastern Resource block with much higher washing yields is an encouraging result and is being taken into account in our mine planning and development scenarios.

"Taking the average yield of the Duke E from 60% to 80% could result in a significant reduction in the total cost of production as ROM coal volumes are significantly reduced to produce the same volume of premium product. Furthermore, the Duke E in the Eastern Resource block is shallowly emplaced, with average depths less than 150m and it is consistently >2m thick – an ideal mining height underground.



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Board of Directors
Executive Chairman B. Bell
Non-Executive Director J. Wasik
Non-Executive Director S. Boulton
Non-Executive Director C. Vorias
Non-Executive Director J. Chisholm
Company Secretary T. Renard

Key Projects
Groundhog Ownership: 100%
Naskeena Ownership: 100%
Bowron River Ownership: 100%

"Moving the yield from 60% to 80% has potential to reduce the ex-mine cost by 20% to 25%, and the FOB cash cost by 10% -15% for our primary export product, a low ash, ultra-high grade anthracite which is in short supply on global markets.

"We continue to invest in preparatory work for the construction of the bulk sample operation in 2016, are actively negotiating with logistics and infrastructure providers to transport anthracite to export ports, as well as engaging with potential customers, governments and aboriginal groups.

"We are eagerly anticipating the awarding of our permit to undertake the Bulk Sample, and are engaging with potential investors to assist the development of the Groundhog North Mining Complex.

"During the quarter the Company had discussions with a number of parties interested in offtake agreements. This included speciality anthracite users in Asia and Europe who are currently suffering supply constraints due to the declining seaborne supply of high grade anthracite.

"We also spent considerable time preparing for, and undertaking joint venture discussions on Panorama North and Panorama South. This involved the preparation of summary geological reports based on Atrum field work and historical exploration for investors. These negotiations are ongoing."

Groundhog Anthracite Project

The Groundhog Anthracite Project (Groundhog) is located in the Groundhog Coalfield in north-western British Columbia, Canada. Groundhog covers an area of over 800km², and comprises 46 granted coal licences and 37 coal licence applications. Groundhog is prospective for high grade and ultra-high grade anthracite suitable for use in the manufacture of blast furnace steel, as well as electric arc furnaces, as a reductant, filter media, and feedstock for chemical production. The Company has devised multiple mines for development in the Groundhog Coalfield, beginning with the Groundhog North Mining Complex, comprising of multiple mines feeding a common coal handling and preparation facility (CHPP).

Exploration activities in 2015 focussed on consolidating knowledge of the two key economic targets, Discovery B seam and the lower, Duke E seam. Significantly improved float sink yields for the Duke E seam (yields >80%, compared to previous average yields of 60%) have stimulated a further design of potential mines in the Eastern Resource Block where these higher yields occur. The Company is currently finalising a new Pre-Feasibility (PFS) study which includes underground mines in the Discovery B and Duke E horizons, and low cost highwall options in Discovery B seam. The improved washing yields are expected to reduce the overall cost of production from the Duke E seam by approximately 10% -15%, combined with lower entry costs to the shallow Duke E seam.

Hole ID	Seam	Depth (roof)	Thickness	Raw Ash	Yield (F1.80)	Product Ash (F1.80)
14-31	Duke E	186m	2.17m	17.4%	84%	9.1%
14-33	Duke E	109m	2.32m	20.7%	78%	10.0%
14-35	Duke E	78m	2.08m	17.0%	88%	9.6%

Table 1. Anthracite Quality from Eastern Mining Domain

As reported in the September quarter, recent field mapping led to the discovery of additional outcropping anthracite seams (see below). Geological interpretation, sampling and coinciding quality results validating it as the Duke E seam. The associated mine planning conducted during the December quarter, allowed the Company to confidently discuss the potential for multiple mining domains in the Groundhog North Mining Complex with potential investors and off-takers.



Plate 1. Channel sampling Duke E seam (insitu yields >80% at 10% ash)

The production plan to extract anthracite from mines designed in the Groundhog North Mining Complex is based on initial saleable product limited to 250ktpa, under a small-scale mining permit. Production would be increased to approximately 1.0Mtpa once the Environmental Assessment process is successfully completed, and then increase to 3.5Mtpa and beyond thereafter. Environmental studies required for

the various permits and approvals continue at Groundhog, and will support a future application for an Environmental Impact Assessment.

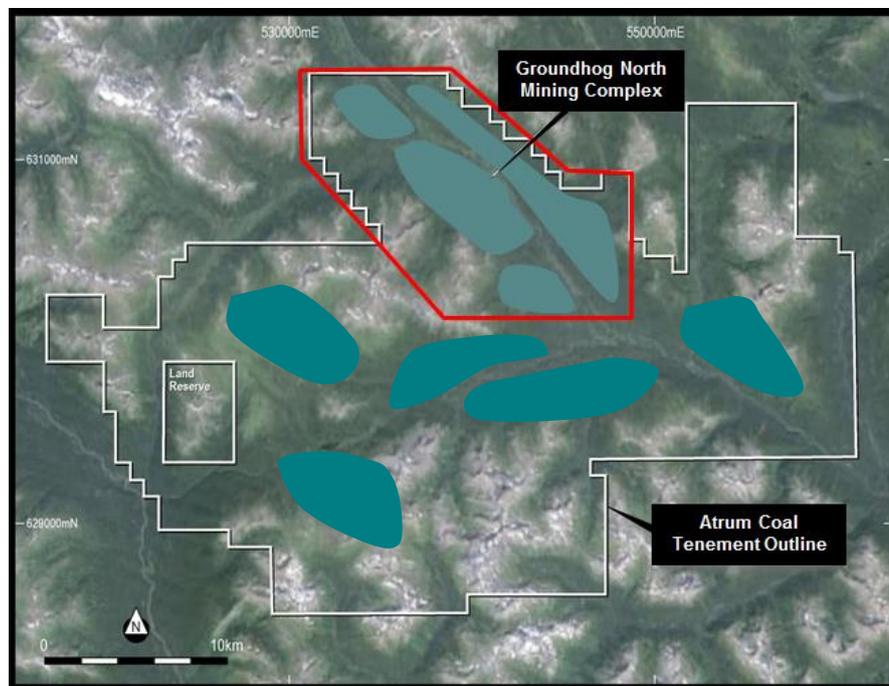


Figure 1. Location of Groundhog North Mining Complex

During the Quarter, the Company continued to monitor various environmental stations at Groundhog for environmental impact assessment for the commercial mine, and to provide supporting data for the Bulk Sample Permit application and a Small Scale Mine Permit application.

As previously reported, the Company has contracts and an MOU at Stewart Bulk Terminals and Stewart World Port for loading anthracite from the Groundhog North Mining Complex for export. Stewart World Port has recently completed construction of their new ship berth (see Plate below) and is in the process of designing a ship loader capable of loading lump and fine anthracite, metals concentrates and other bulk materials for numerous potential shippers in north-western British Columbia. Discussions with Stewart World Port have highlighted their desire to service multiple customers in the region and meet the loading needs of this emerging minerals province.



Plate 2. Stewart World Port – Berth Completed September, 2015

During the Quarter, the Company also progressed discussions on the various routes to port, and to the nearby US markets. Local North American users of anthracite are making contact with the Company to enquire as to timing of samples and deliveries of anthracite suitable for the manufacture of electric arc carbon rods, briquettes, coke replacement, filter media and carbon sources.

During the Quarter, Atrum progressed joint venture discussions on the Panorama Projects (Panorama North and Panorama South – refer Figure 2 below) with the Company receiving Expressions of Interest from significant partners from Japan and China. Panorama North and Panorama South contain historical exploration, including surface trenches and surface mapping. Historical coal quality analysis of surface samples indicates that both are prospective for anthracite. The Company intends to focus future exploration at Panorama to twin historical exploration, and quantify the occurrence of low stripping ratio resources.

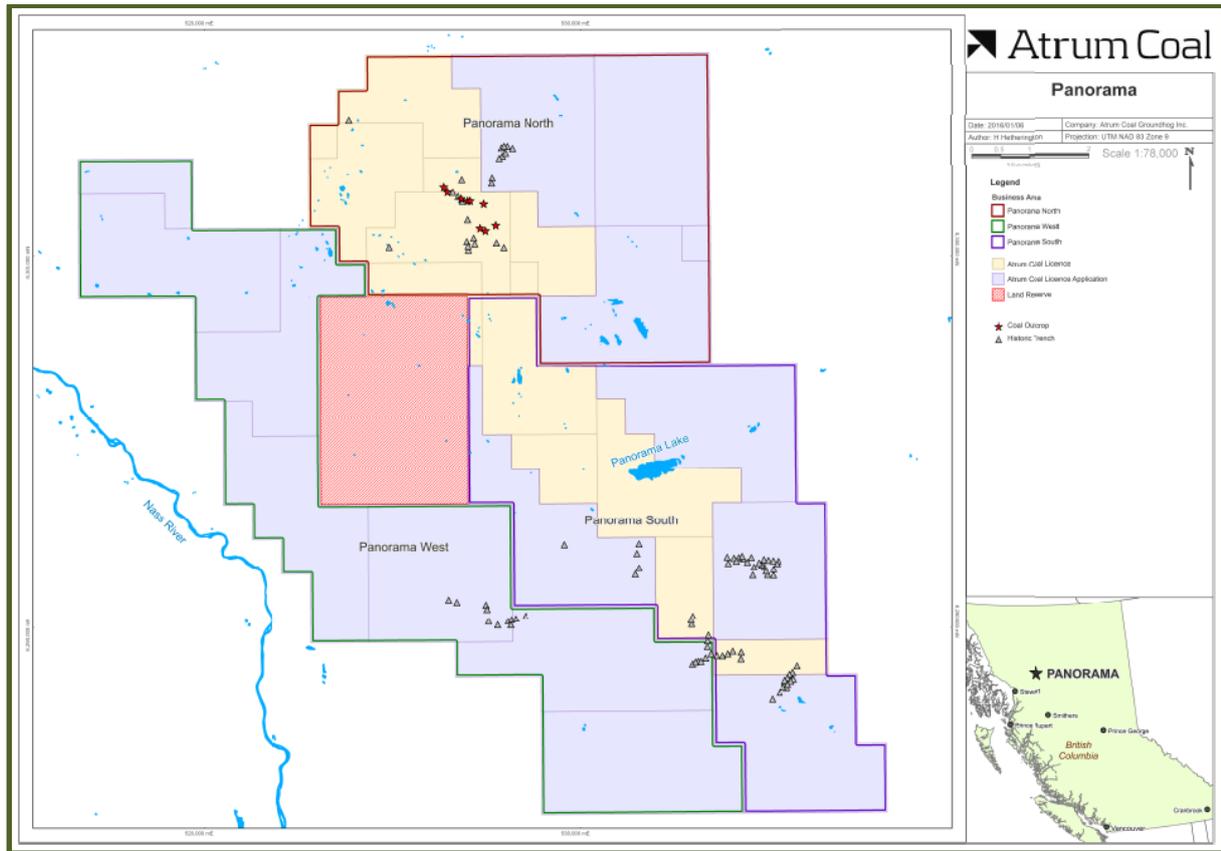


Figure 2. Panorama Project coal tenures showing coal outcrops

As advised in the previous Quarter, the Company is also investigating separating Groundhog Central and Groundhog South into new companies for further exploration activities, and during the December Quarter, the Company has identified a potential joint venture partner for at least one of these projects.

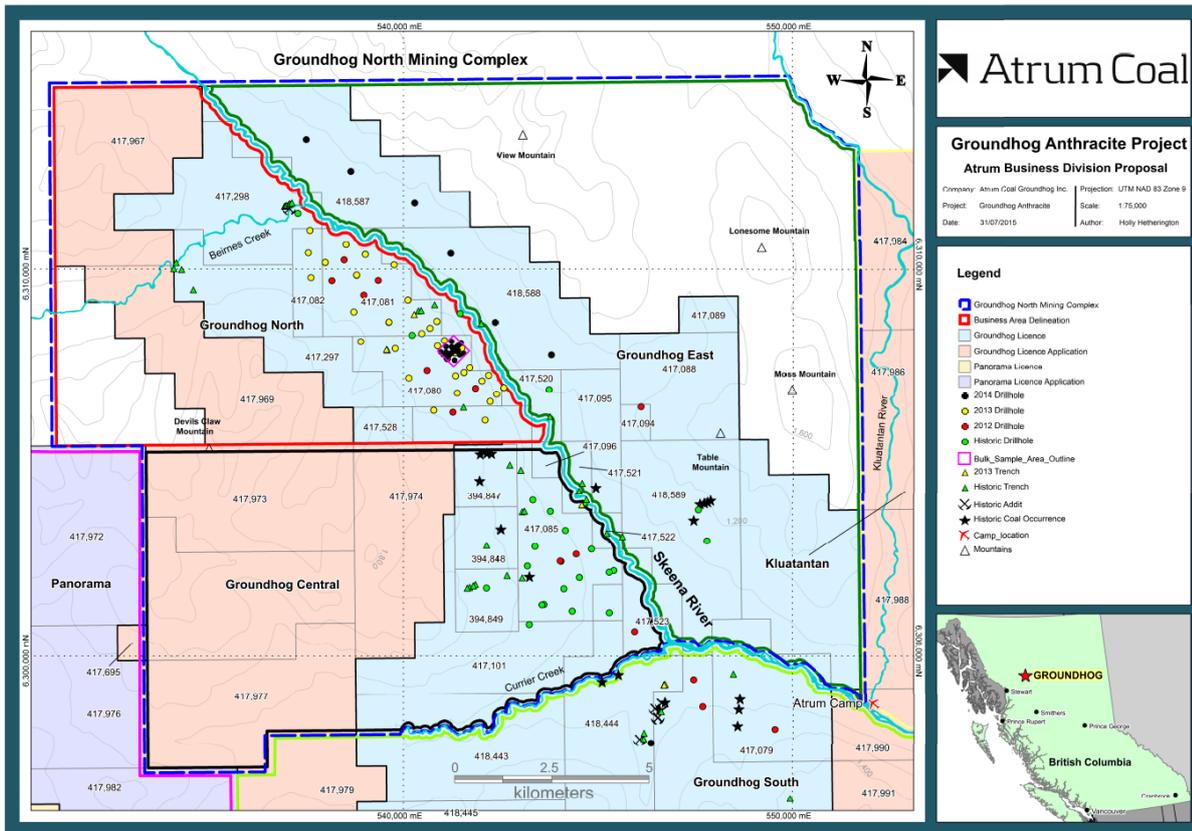


Figure 3. Groundhog Central and Groundhog South

Groundhog Marketing and Offtake Negotiations

Additional meetings were held during the Quarter with potential off-take and funding partners. These meetings are progressing well with potential customers who have trialled marketing samples of Groundhog Anthracite, identifying several areas in steel production suitable for its use. There is strong demand for a higher ash (14% - 17%), high carbon fines product for use in sinter plants. Given the higher yields and lower processing costs to produce a higher ash product, the margins for sales as sinter are attractive, and are higher than modelled in the original PFS, where half the product was sold as a PCI product.

Anthracite Market Update

Anthracite prices continue to outperform other metallurgical coals, as supply of anthracite remains constrained. Whilst hard coking coal prices have sunk to ten year lows, high-grade anthracite is selling for ~\$150/t in Japan and Europe, and demand for anthracite remains strong (refer to Figure 4 and Figure 5).

Anthracite production for export continues to decrease, with estimates for total exports in 2015 being approximately 19Mt down over 50% in the past 5 years.

Vietnam's supply and demand position has changed so dramatically, that the Company regularly receives requests to supply anthracite from Groundhog to Vietnam.

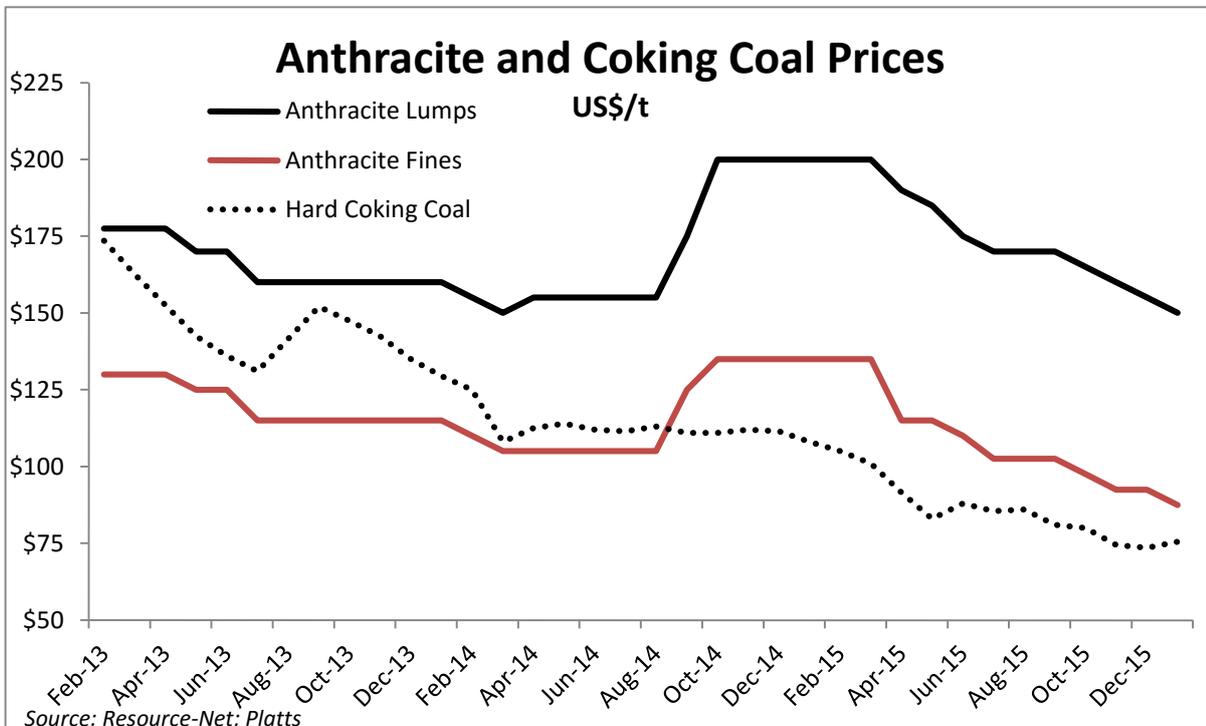


Figure 4: Current Anthracite and Hard Coking Coal Prices

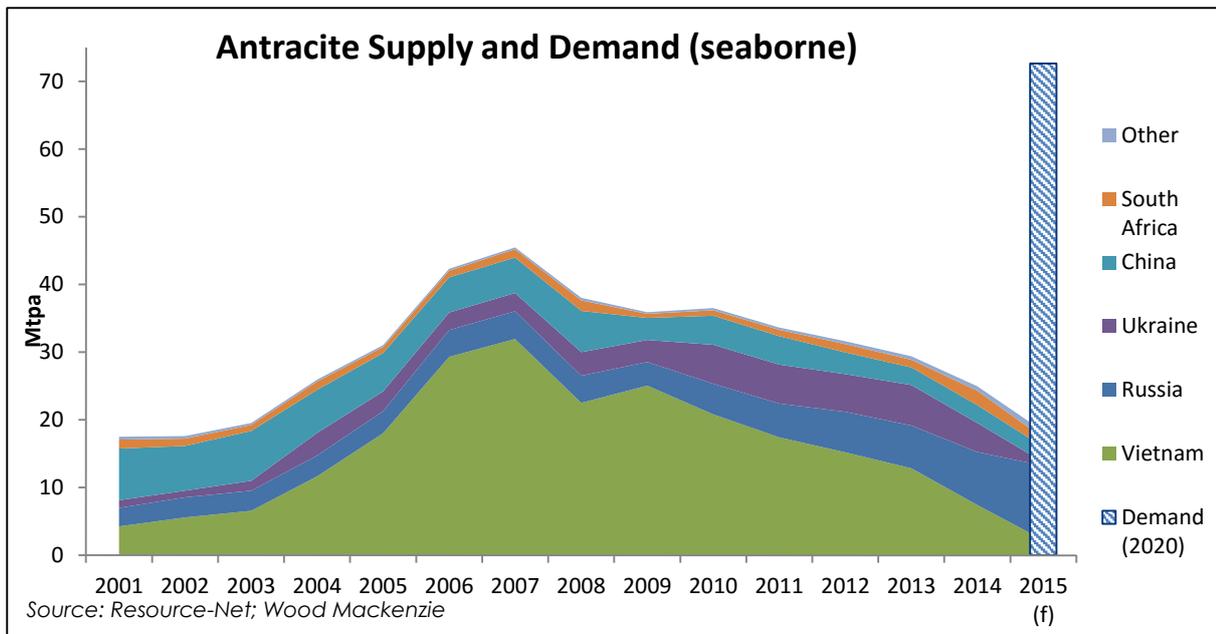


Figure 5: Supply and Forecast Demand of Anthracite

Bulk Sample Permit

The Bulk Sample Permit Application continues to be reviewed within the BC Government. The Company will update the market of future developments.

Personnel and Offices

During the Quarter, Robert (Bob) Bell took over the role of Executive Chairman from James Chisholm, who remains a Non-Executive Director. Bob is a well-known and highly respected Vancouver-based coal executive with significant experience in the Canadian coal industry. Bob is a mining engineer, and his experience includes extensive marketing of coal to the international steel industry, rail, port and marine coal transportation, negotiation of offtake agreements, management of joint ventures, and major project development.

Former head of the Coal Association of Canada, Ann Marie Hann, joined the Company as VP External Relations. Ann Marie has extensive experience working with stakeholders in the coal and energy industries and working in senior levels of government.

Peter Doyle, VP Business Development and Marketing, relocated to Vancouver to support the head office move to Canada. This also provides convenient access to major potential markets in North Asia, North and South America, and Europe.

The Company has closed its Perth office and consolidated the small offices in Sydney and Vancouver.

Financing

During the Quarter, the Company elected to extend the repayment term for the Anglo Pacific PLC promissory note by issuing 1,000,000 80¢ options to Anglo Pacific PLC.

Other payments were also made in relation to site works and quality analysis of the Duke E seam, work associated with the submission of the Bulk Sample Permit application, works to prepare the Groundhog site for the winter period, on-going environmental reporting required for submission of both small-scale and full-scale mining permit applications.

Additional expenses were incurred during the Quarter over that estimated in the previous quarterly report due to additional consulting reports relevant to the Bulk Sample Permit, the change of head office from Perth to Vancouver and the transfer of files and equipment, the appointment of the new Executive Chairman, and the litigation associated with the former executive directors.

Given the longer than expected time to secure the Bulk Sample Permit, the Company has minimised expenditure to focus on only securing the Bulk Sample Permit and a project partner via the on-going sell-down process. As noted earlier in this report, exploration activities for other areas in Groundhog and Panorama are under joint-venture discussions such that the Company will not be required to fund the planned exploration. Company cash as at 31 December was \$2.7mln. An estimated CAD3.2mln is receivable through a METC refund application that is being processed. A separate exploration rebate application is being prepared for work completed on the Elan project in Alberta.

For further information, contact:

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Tenements holdings as at 29 January 2016

Tenure Number	Owner	Tenure Type	Tenure Sub Type	Area (ha)
394847	Atrum Coal Groundhog Inc.	Coal	License	259.0
394848	Atrum Coal Groundhog Inc.	Coal	License	259.0
394849	Atrum Coal Groundhog Inc.	Coal	License	259.0
417079	Atrum Coal Groundhog Inc.	Coal	License	991.0
417080	Atrum Coal Groundhog Inc.	Coal	License	565.0
417081	Atrum Coal Groundhog Inc.	Coal	License	636.0
417082	Atrum Coal Groundhog Inc.	Coal	License	212.0
417084	Atrum Coal Groundhog Inc.	Coal	License	708.0
417085	Atrum Coal Groundhog Inc.	Coal	License	1031.0
417086	Atrum Coal Groundhog Inc.	Coal	License	142.0
417088	Atrum Coal Groundhog Inc.	Coal	License	777.0
417089	Atrum Coal Groundhog Inc.	Coal	License	142.0
417090	Atrum Coal Groundhog Inc.	Coal	License	568.0
417094	Atrum Coal Groundhog Inc.	Coal	License	71.0
417095	Atrum Coal Groundhog Inc.	Coal	License	425.0
417096	Atrum Coal Groundhog Inc.	Coal	License	71.0
417098	Atrum Coal Groundhog Inc.	Coal	License	1204.0
417100	Atrum Coal Groundhog Inc.	Coal	License	71.0
417101	Atrum Coal Groundhog Inc.	Coal	License	960.0
417291	Atrum Coal Groundhog Inc.	Coal	License	73.0
417292	Atrum Coal Groundhog Inc.	Coal	License	279.0
417293	Atrum Coal Groundhog Inc.	Coal	License	426.0
417294	Atrum Coal Groundhog Inc.	Coal	License	284.0
417295	Atrum Coal Groundhog Inc.	Coal	License	851.0
417296	Atrum Coal Groundhog Inc.	Coal	License	71.0
417297	Atrum Coal Groundhog Inc.	Coal	License	918.0
417298	Atrum Coal Groundhog Inc.	Coal	License	1059.0
417299	Atrum Coal Groundhog Inc.	Coal	License	779.0
417300	Atrum Coal Groundhog Inc.	Coal	License	355.0
417301	Atrum Coal Groundhog Inc.	Coal	License	851.0
417520	Atrum Coal Groundhog Inc.	Coal	License	212.0
417521	Atrum Coal Groundhog Inc.	Coal	License	142.0
417522	Atrum Coal Groundhog Inc.	Coal	License	71.0
417523	Atrum Coal Groundhog Inc.	Coal	License	354.0
417525	Atrum Coal Groundhog Inc.	Coal	License	425.0
417526	Atrum Coal Groundhog Inc.	Coal	License	707.0
417527	Atrum Coal Groundhog Inc.	Coal	License	71.0
417528	Atrum Coal Groundhog Inc.	Coal	License	142.0
417632	Atrum Coal Groundhog Inc.	Coal	Application	1136.0
417695	Atrum Coal Groundhog Inc.	Coal	Application	75.0
417967	Atrum Coal Groundhog Inc.	Coal	Application	1411.0
417968	Atrum Coal Groundhog Inc.	Coal	Application	1411.0
417969	Atrum Coal Groundhog Inc.	Coal	Application	1413.0

417970	Atrum Coal Groundhog Inc.	Coal	Application	1412.0
417971	Atrum Coal Groundhog Inc.	Coal	Application	1343.0
417972	Atrum Coal Groundhog Inc.	Coal	Application	1414.0
417973	Atrum Coal Groundhog Inc.	Coal	Application	1414.0
417974	Atrum Coal Groundhog Inc.	Coal	Application	1265.0
417975	Atrum Coal Groundhog Inc.	Coal	Application	1415.0
417976	Atrum Coal Groundhog Inc.	Coal	Application	1345.0
417977	Atrum Coal Groundhog Inc.	Coal	Application	1416.0
417979	Atrum Coal Groundhog Inc.	Coal	Application	1418.0
417980	Atrum Coal Groundhog Inc.	Coal	Application	1416.0
417981	Atrum Coal Groundhog Inc.	Coal	Application	1416.0
417982	Atrum Coal Groundhog Inc.	Coal	Application	1417.0
417983	Atrum Coal Groundhog Inc.	Coal	Application	1418.0
417984	Atrum Coal Groundhog Inc.	Coal	Application	1412.0
417985	Atrum Coal Groundhog Inc.	Mineral	Application	1412.0
417986	Atrum Coal Groundhog Inc.	Coal	Application	1413.0
417987	Atrum Coal Groundhog Inc.	Coal	Application	1413.0
417988	Atrum Coal Groundhog Inc.	Coal	Application	1415.0
417989	Atrum Coal Groundhog Inc.	Coal	Application	1415.0
417990	Atrum Coal Groundhog Inc.	Coal	Application	1416.0
417991	Atrum Coal Groundhog Inc.	Coal	Application	1417.0
417992	Atrum Coal Groundhog Inc.	Coal	Application	1417.0
417993	Atrum Coal Groundhog Inc.	Coal	Application	1273.0
417994	Atrum Coal Groundhog Inc.	Coal	Application	1415.0
418104	Atrum Coal Groundhog Inc.	Coal	Application	2775.0
418122	Atrum Coal Groundhog Inc.	Coal	Application	3375.0
418443	Atrum Coal Groundhog Inc.	Coal	License	1416.0
418444	Atrum Coal Groundhog Inc.	Coal	License	1416.0
418445	Atrum Coal Groundhog Inc.	Coal	License	1417.0
418446	Atrum Coal Groundhog Inc.	Coal	License	1205.0
418505	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418506	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418507	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418508	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418509	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418510	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418511	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418512	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418513	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418514	Atrum Coal Groundhog Inc.	Coal	Application	375.0
418515	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418516	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418517	Atrum Coal Groundhog Inc.	Coal	Application	1500.0
418587	Atrum Coal Groundhog Inc.	Coal	License	1411.0
418588	Atrum Coal Groundhog Inc.	Coal	License	1412.0
418589	Atrum Coal Groundhog Inc.	Coal	License	1273.0

418590	Atrum Coal Groundhog Inc.	Coal	License	1415.0
418825	Atrum Coal Groundhog Inc.	Coal	Application	900.0
418827	Atrum Coal Groundhog Inc.	Coal	Application	900.0
418829	Atrum Coal Groundhog Inc.	Coal	Application	150.0
1029685	Atrum Coal Groundhog Inc.	Coal	Claim	619.7
418103	Atrum Coal Peace River Inc.	Coal	Application	1875.0
418106	Atrum Coal Peace River Inc.	Coal	Application	5324.0
418136	Atrum Coal Peace River Inc.	Coal	Application	1875.0
417842	Atrum Coal Naskeena Inc.	Coal	Application	1200.0
417845	Atrum Coal Naskeena Inc.	Coal	Application	1125.0

Note:

Licence Applications 418825, 418827 and 418829 were applied for on 8th October 2015;

Mineral Claim 1011782 changed to Mineral Claim 1029685 on August 3rd 2013. A clerical error has allowed Mineral Claim 1011782 to remain in our Tenement list since then;

Licence Application 418106 was applied for in February 2012, but through a clerical error was not included in our Tenement list until now

Appendix 5B

Mining 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

Name of entity

Atrum Coal NL

ABN

153 876 861

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (6 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	(357)	(1,349)
(b) development	-	-
(c) production	-	-
(d) administration	(2,040)	(3,142)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - (GST paid/received)	-	-
Other – Spin out costs	-	-
Net Operating Cash Flows	(2,392)	(4,486)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(21)
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 (Performance Bond)	-	-
Net investing cash flows	-	(21)
1.13 Total operating and investing cash flows (carried forward)	(2,392)	(4,507)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,392)	(4,507)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	6,935
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,934	1,934
1.17	Repayment of borrowings	-	(1,158)
1.18	Dividends paid	-	-
1.19	Other (Convertible note subscription)	-	-
	Other (capital raising costs)	-	(512)
	Other (Forward contract losses)	-	(142)
	Net financing cash flows	1,934	7,057
	Net increase (decrease) in cash held	(458)	2,550
1.20	Cash at beginning of quarter/year to date	3,171	253
1.21	Exchange rate adjustments to item 1.20	(32)	(122)
1.22	Cash at end of quarter *	2,681	2,681

*Any fractional differences are due to rounding

Notse:

1. Application is being processed for all exploration-related activities conducted from 1 July 2014 through to 31 December 2014. This additional METC claim is for approximately C\$3.2 million.

Payments to directors of the entity and associates of the directors

Payments to 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	103
1.24	Aggregate amount of loans to the parties included in item 1.10	-

- 1.25 Explanation necessary for an understanding of the transactions

Item 1.23 refers to payments to Directors and related parties for the quarter.

Item 1.2 (a) The exploration and evaluation expenditure relates to previous and recent exploration expenditure for the Groundhog Anthracite Project, including coal quality analysis and environmental monitoring and baseline testing, the costs of which have been included in Item 1.2 (a).

+ See chapter 19 for defined terms.

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

- 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	2,500	1,548
3.2 Credit standby arrangements	-	-

Notes:

- Loan facilities outlined in item 3.1 above initially referred to the Offset Loan Agreement executed on 30 June 2013 between Atrum Coal NL and Lenark Pty Ltd, an entity associated with Mr James Chisholm, a non-executive director of the Company, in the amount of \$2,681,927. On 29 September 2013, Atrum Coal NL and Lenark Pty Ltd executed a Deed of Variation under which Lenark Pty Ltd extended an additional \$2 million loan credit facility. This was extended further through various cash calls in H1 CY2015 by approximately \$500,000. On 17 June 2014, Lenark Pty Ltd converted the balance of its partly paid ordinary shares converting these securities into fully paid ordinary shares under the Offset Loan Agreement. On 21 August 2015, Lenark Pty Ltd converted approximately \$1 million of the loan credit facility funds provided to the Company to fully paid ordinary shares in the Entitlement Issue. On 30 October 2015, Lenark Pty Ltd offered further funding support, if required, subject to cash calls and approvals.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	213
4.2 Development	-
4.3 Production	-
4.4 Administration (including spin out costs)	945
Total	1,158

Appendix 5B
Mining exploration entity quarterly report

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	2,553	3,094
5.2 Deposits at call	128	77
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,681	3,171

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

+ 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				
7.3 +Ordinary securities	186,602,960	186,602,960	Fully Paid	Fully Paid
	2,761,600	-	Partly Paid - \$0.20	\$0.00008 per share
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	200,000	200,000	Fully Paid	Fully Paid
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>	4,300,000	-	<i>Exercise price</i> \$0.30	<i>Expiry date</i> 01/07/2016
	150,000	-	\$0.30	30/01/2016
	100,000	-	\$1.40	14/03/2017
	8,005,210	-	\$0.80	25/08/2017
	2,150,000	-	\$0.80	07/09/2017
7.8 Issued during quarter	1,000,000	-	\$0.80-	07/09/2017-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Performance Rights	2,660,000	Nil		
7.12 Issued during quarter	Nil	Nil		
7.13 Exercised during quarter	Nil	Nil		
7.14 Expired during quarter	Nil	Nil		
7.15 Debentures <i>(totals only)</i>	-	-		
7.16 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: 29 January 2016

Print name: Theo Renard

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 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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