

# QUARTERLY REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2014

27 April 2015

ASX Code: **AGS**

No. of pages: 14

## QUARTERLY REPORT - FOR THE PERIOD ENDED 31 MARCH 2015

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### DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ending 31 March 2015 (8 pages)
- Appendix 5B for the period ending 31 December 2014 (5 pages)

**For and on behalf of the Board**



**Bob Tolliday**  
**Company Secretary**

Further information relating to the Company and its various mining and exploration projects can be found on the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au)

27 April 2015

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## QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2015

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### HIGHLIGHTS

#### FOUR MILE URANIUM PROJECT (25%)

- Quarterly production (100%) estimated to be 339,851 lbs of uranium ore concentrate (**UOC**) at an estimated cash operating cost of \$33.91 per lb produced.
- Total production (100%) since commencement of mining to 31 March 2015 is 2,004,150 lbs of UOC at an estimated cash operating cost of \$29.24 per lb produced.
- ACE estimates its share of production is 490,995 lbs of UOC with a current value of A\$25.2 million<sup>1</sup>.
- On 12 November 2014, ACE terminated Quasar's appointment as sales and marketing agent of ACE's share of Four Mile product and instituted proceedings in the Supreme Court of South Australia seeking a declaration that the termination is valid and orders that ACE's share of product be delivered up to ACE (**Proceedings**). The Proceedings have been re-listed for trial commencing on 20 May 2015.
- Alliance received an offer from Quasar to purchase all of ACE's interest in the Four Mile Uranium Project, including ACE's share of UOC already mined, for \$57.6 million. The Board of Directors of Alliance, in conjunction with its advisers, reviewed and rejected that offer.
- Alliance announced an updated Exploration Target for the Four Mile Northeast uranium prospect.

#### MONARDES COPPER-URANIUM PROJECT, CHILE (100% or RTE 100%)

- Additional rock chip sampling results of the eastern anomalous unit confirms copper mineralisation over 1.8 km with 11 samples reporting copper >3000ppm and 4 samples reporting uranium >300ppm.
- Preliminary rock chip sampling of the western anomalous unit reported copper mineralisation over 2.3km with 4 samples reporting copper >3000ppm.

#### CORPORATE

- On 4 March 2015, Alliance announced the placement of 27,602,200 shortfall shares and 27,602,200 unlisted options (the "Shortfall Placement") from its non-renounceable rights issue ("Rights Issue"), adding a further \$2.1 million to working capital after costs. The details of the Rights Issue were announced on 2 and 16 December 2014 and 22 January 2015.
- The Shortfall Placement brought total applications received under the Rights Issue to 59,644,110 shares (\$4,771.529) representing 96.1% of the total Rights Issue securities offered of 62,034,123 shares (\$4,962,507).

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<sup>1</sup> Assuming a uranium price of US\$39.00 per lb and 1 AUD = 0.76 USD. Excludes royalties, convertor fees (if any), transportation costs and tax.

## FOUR MILE URANIUM PROJECT (Alliance Craton Explorer Pty Ltd 25%)

The Four Mile Uranium Project (**Project**) area is located 550 kilometres north of Adelaide in South Australia. Alliance's 100% owned subsidiary, Alliance Craton Explorer Pty Ltd (**ACE**) is the registered holder of 25% of ML6402 and EL5017. Quasar Resources Pty Ltd (**Quasar**) is the registered holder of 75% and acts as the manager of the Project. ACE is not contributing to the current program and budget for the Project and, as a consequence, is diluting its interest in the Mine Development Area<sup>2</sup>.

### Production

Quarterly production (100%) is estimated to be 339,851 pounds<sup>3</sup> (lbs) of UOC at an estimated cash operating cost<sup>4</sup> of \$33.91 per lb produced (excluding some shipping costs, marketing costs and royalties as no sales have occurred).

Total production (100%) of UOC since commencement of mining to 31 March 2015 is 2,004,150 lbs<sup>3</sup> of UOC at an estimated cash operating cost<sup>4</sup> of \$29.24 per pound produced (excluding some shipping costs, marketing costs and royalties as no sales have occurred).

Quarterly production is 103% of budget over the same period. Total production since commencement is 92% of budget over the same period.

ACE estimates its share of UOC production from the Project as follows:

- from commencement to 30 November 2014, 377,504 lbs<sup>3</sup> (25% of production), and
- from 1 December 2014 to 31 March 2015, 113,4771 lbs<sup>3</sup> (22.96% of production);

being a total of 490,981 lbs with an estimated value of A\$25.2 million (assuming a uranium price of US\$39.00/lb and 1 AUD = 0.76 USD), excluding royalties, convertor fees (if any), transportation costs and tax.

During the reporting period, all operations at the Project were shut down on 7 January 2015 as a precautionary measure in response to a forecast major rainfall event. Operations recommenced on 15 January 2015.

### Shipping & Sales

Quasar reported the quantity of Four Mile concentrates previously shipped in 2014 was accepted by Cameco's Blind River Refinery in Ontario, Canada with an accepted total U<sub>3</sub>O<sub>8</sub> equivalent weight of 496,904.4 lbs after converter adjustment.

No sales of UOC occurred during the quarter.

<sup>2</sup> Reducing to approximately 15% by 31 December 2015. Refer ASX announcement dated 20 November 2014.

<sup>3</sup> ACE estimate based on Quasar's production reports and correspondence to 24 April 2015. May be subject to revision.

<sup>4</sup> Estimate based on Quasar's actual costs for January and February 2015 and ACE estimates for March 2015. Excludes royalties, convertor fees (if any), transportation costs and tax.

## Termination of Sales and Marketing Agency

On 12 November 2014, ACE terminated Quasar's appointment as sales and marketing agent of ACE's share of Four Mile product and instituted proceedings in the Supreme Court of South Australia seeking a declaration that the termination is valid and orders that ACE's share of product be delivered up to ACE (**Proceedings**).

The Proceedings were originally listed for trial on 7 April 2015. This trial date was vacated and the Proceedings were re-listed for trial commencing on 20 May 2015.

## Offer to Purchase ACE's Interest in the Project

On 23 February 2015, Alliance announced that it had received an offer from Quasar to purchase all of ACE's interest in the Project, including ACE's share of UOC already mined, for \$57.6 million (Offer).

The Board of Directors of Alliance engaged Deloitte Corporate Finance Pty Limited (Deloitte) to advise it on the Offer. The Board, in conjunction with its advisers, reviewed and has now rejected the Offer. In discussions between Deloitte and Quasar, Quasar indicated that it was not prepared to increase its offer to a level the Board would consider recommending to Alliance shareholders.

Based on both internal and external valuations of the Project, the Board considered the Offer to be significantly below fair value. ACE's share of uranium oxide concentrates mined to 31 December 2014 (414,684 lbs), around the time of the offer, had a market value of approximately \$20 million, based on a spot price of US\$38.38/lb and 1 AUD = 0.78 USD.

ACE remains open to selling its interest in the Project should an appropriate offer be forthcoming. Any sale would be subject to shareholder approval.

## Drilling

On 22 April 2015 (post-reporting), Alliance announced further uranium intercepts from drilling at the Four Mile Project during December 2014 to February 2015.

A total of fifty four (54) delineation<sup>5</sup> holes (FED0296 to FED0350) were completed at Four Mile East, to the north of the First Stage Mining Area, during the period. Drill hole FED0299 was abandoned due to breakage of drilling equipment which could not be retrieved from the drill hole. A single core hole (FMC002) of 195m was also completed within the area. The locations of drill holes are shown in Figures 1 and 2.

Twenty two (22) holes returned significant uranium intersections with grade-thickness (GT-PFN) values greater than 0.5m%, including 15 holes that returned GT-PFN values greater than 1.0m%.

Significant uranium intersections >1.0m% (GT-PFN) include:

Hole ID	m @ % pU <sub>3</sub> O <sub>8</sub>	GT (m%pU <sub>3</sub> O <sub>8</sub> )
FED0296	3.2m @ 1.40%	4.48
FED0306	2.4m @ 0.58%	1.39
FED0307	4.0m @ 0.39%	1.56
FED0308	4.3m @ 0.26%	1.12
FED0309	1.9m @ 0.69%	1.31

<sup>5</sup> ACE and Quasar disagree about the nature of the regional delineation drilling. Quasar asserts it is a mining development cost for which ACE must pay its share. ACE asserts it is an exploration cost for which Quasar must pay in full.

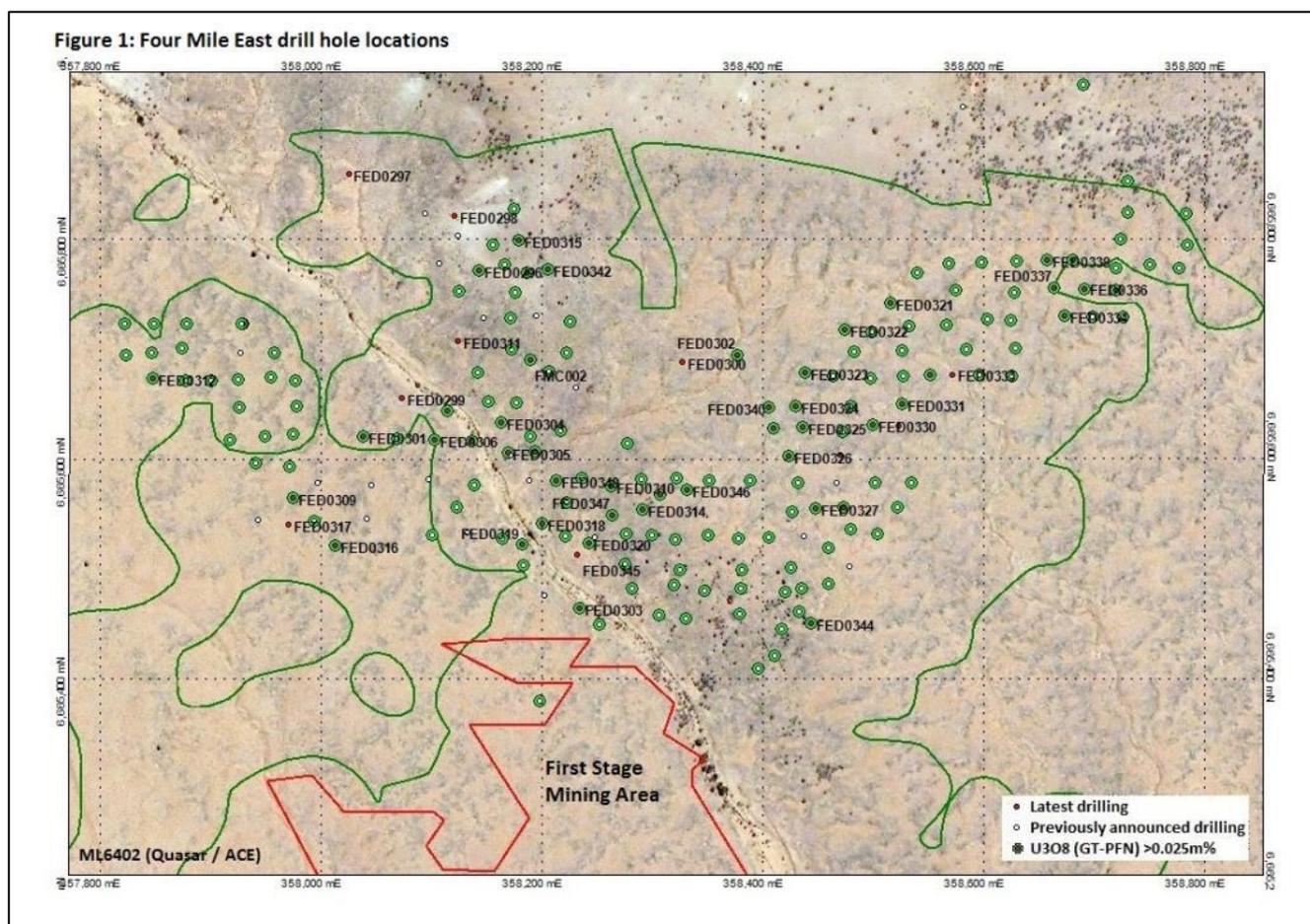
FED0312	1.4m @ 0.96%	1.34
FED0314	5.3m @ 0.24%	1.27
FED0316	3.6m @ 0.36%	1.30
FED0319	2.2m @ 1.36%	2.99
FED0320	3.3m @ 1.10%	3.63
FED0324	1.6m @ 0.71%	1.14
FED0325	1.0m @ 1.14%	1.14
FED0335	3.4m @ 0.44%	1.50
FED0347	0.9m @ 1.50%	1.35
FMC002	2.7m @ 0.55%	1.48

$\text{pU}_3\text{O}_8$  is the equivalent grade as estimated from Prompt Fission Neutron (PFN) logging. GT = grade ( $\%\text{U}_3\text{O}_8$ ) x thickness (m).

The results continue to support the Four Mile region as one of Australia's great uranium provinces.

It is emphasised that results may be subject to revision once the geophysical logs are reviewed by Alliance.

Refer to the ASX announcement dated 22 April 2015 for further details of the drilling results and competent person's consent.



Production well drilling commenced within wellfield FME04 to the north of the Four Mile East (FME) First Stage Mining Area. Forty production wells were completed to first stage, 27 completed to second stage and 2 wells were in progress at the end of February.

Quasar reported no exploration activities were undertaken during the above period.

## **Four Mile Northeast Uranium Prospect – Exploration Target**

On 24 February 2015, Alliance announced an updated Exploration Target for the Four Mile Northeast (FMNE) uranium prospect. On 20 March 2015, Alliance announced corrections to its announcement dated 24 February 2015.

As it is not permitted to summarise an Exploration Target announcement without referencing all information included in the original announcements, the information will not be repeated here. Refer to the above announcements for details of the Exploration Target and competent person's consent.

## **Contributions to Development**

In accordance with its decision, announced to ASX on 20 November 2014, not to contribute to the 2015 Program and Budget, ACE paid nothing towards the cost of development of the Project during the quarter (\$31,330,343 to-date).

On 23 January 2015, ACE received \$577,869 from Quasar representing a refund of surplus payments it made towards the 2014 Program and Budget.

## **CHILEAN COPPER-GOLD-SILVER-URANIUM PROJECTS**

Alliance Chile Pty Ltd has two projects in Atacama Region III, located in northern Chile's iron-oxide copper-gold belt with potential for copper, gold, silver and uranium.

### **MONARDES COPPER-URANIUM PROJECT (ALLIANCE (CHILE) PTY LTD 100% OR RIGHT TO EARN 100%)**

Alliance's 100% owned Monardes Project concessions are located in the eastern margin of the Monardes basin, 95 km east of Copiapo.

During the previous quarter, Alliance completed a detailed airborne magnetic and radiometric survey, together with results of rock chip sampling which reported significant copper and uranium.

The primary target of the geophysical survey was a quartz-pebble conglomerate containing a small artisanal excavation for copper. The uranium values are associated with the contact between a basalt and carbonate veining within a coarse grained arkose to pebble conglomerate striking N10°E and dipping 70°SE within the otherwise oxidised red-bed environment of the Monardes Formation.

The results of the airborne radiometric survey (uranium channel spectrometer) have confirmed and extended the potential strike length of the known (eastern) anomalous unit and identified a second parallel unit of potential interest some 300m to 500m west of the known unit. **The combined strike length of the uranium anomalous units is 9 km within Alliance's concessions.**

On 30 January 2015, Alliance reported the results of additional rock chip sampling results at Monardes.

A total of forty nine rock chip samples around known occurrences of uranium and copper have been analysed, including 43 samples from discontinuous outcrop localities within the **eastern anomalous unit** and 6 samples from discontinuous outcrop localities within the **western anomalous unit**.

Inclusive of the previously reported results, 29 samples have returned copper (Cu) >100ppm (including 21 >3000ppm and 13 >10000ppm) and 9 samples have returned uranium (U) >300ppm (including 5 >1000ppm).

Rock chip sampling results from eleven separate discontinuous outcrops of mineralised pebble conglomerate on the **eastern anomalous unit** reported copper mineralisation over 1.8 km with 17 samples reporting Cu >3000ppm (including a highest Cu value of 3.36%) and 9 samples reporting U >300ppm (including a highest U value of 2660ppm).

Preliminary rock chip sampling results from five separate discontinuous outcrops on the **western anomalous unit** reported copper mineralisation over 2.3km with 4 samples reporting Cu >3000ppm (including a highest Cu value of 3.34%).

Refer Table 1 for sample results and Figure 2 for sample locations.

The discovery of high grade uranium and copper mineralisation in a reduced conglomerate within a lower red-bed sandstone sequence represents a previously unrecognised or underexplored exploration target requiring systematic follow-up.

Further work is warranted, including: costeaning, drilling and associated sampling and analysis to investigate the continuity, mineralogy and grade of the known Cu-U mineralisation along strike and down dip and follow-up of radiometric anomalies along the full strike length of the newly identified anomalous units from the airborne survey.

Refer to ASX announcements dated 27 October 2014 and 30 January 2015 for further details of the sampling results and competent person's consent.

**Table1: Cu and U results (for Cu >100ppm)**

Sample ID	Sample No.	Easting	Northing	Cu (ppm)	U (ppm)	U-anomalous unit
352	662813	465128	6970131	>10000	1456	East*
392	662827	465159	6970154	>10000	2000	East*
MDR001	662940	464965	6969793	9275	2660	East
MDR002	662941	464956	6969788	3533	39	East
MDR003	662942	464956	6969788	8200	60	East
MDR004	662943	464951	6969770	287	9	East
MDR005	662944	464950	6969769	5626	49	East
MDR009	662948	464923	6969791	21980	715	East
MDR010	662949	464923	6969791	20790	232	East
MDR011	662950	464923	6969791	129	9	East
MDR013	662952	464923	6969791	5697	13	East
MDR015	662954	465218	6970724	172		East
MDR018	662953	465225	6970739	15640	30	East
MDR020	662967	465574	6971444	13230	61	East
MDR021	662968	465573	6971464	33620	1410	East
MDR050	662875	464974	6969665	184	10	East
MDR063	662961	465274	6970800	14190	690	East
MDR064	662969	465080	6971323	147	23	East
MDR065	662970	465083	6971142	33420	22	West
MDR066	662971	465013	6971156	164		East
MDR067	662972	464915	6970621	6864		West
MDR068	662973	464807	6970330	8354	11	West
MDR069	662974	464413	6968876	7607		West
MN04D	662820	465087	6970414	>10000	10	East*
MN05D	662823	465078	6970328	651	113	East*
MN06D	662901	465902	6971828	198	17	East*
MN07D	662902	465572	6971449	>10000	329	East*
MN08D	662903	465229	6970741	>10000	2000	East*
MN09D	629004	464985	6969981	>10000	766	East*

\*previously reported results

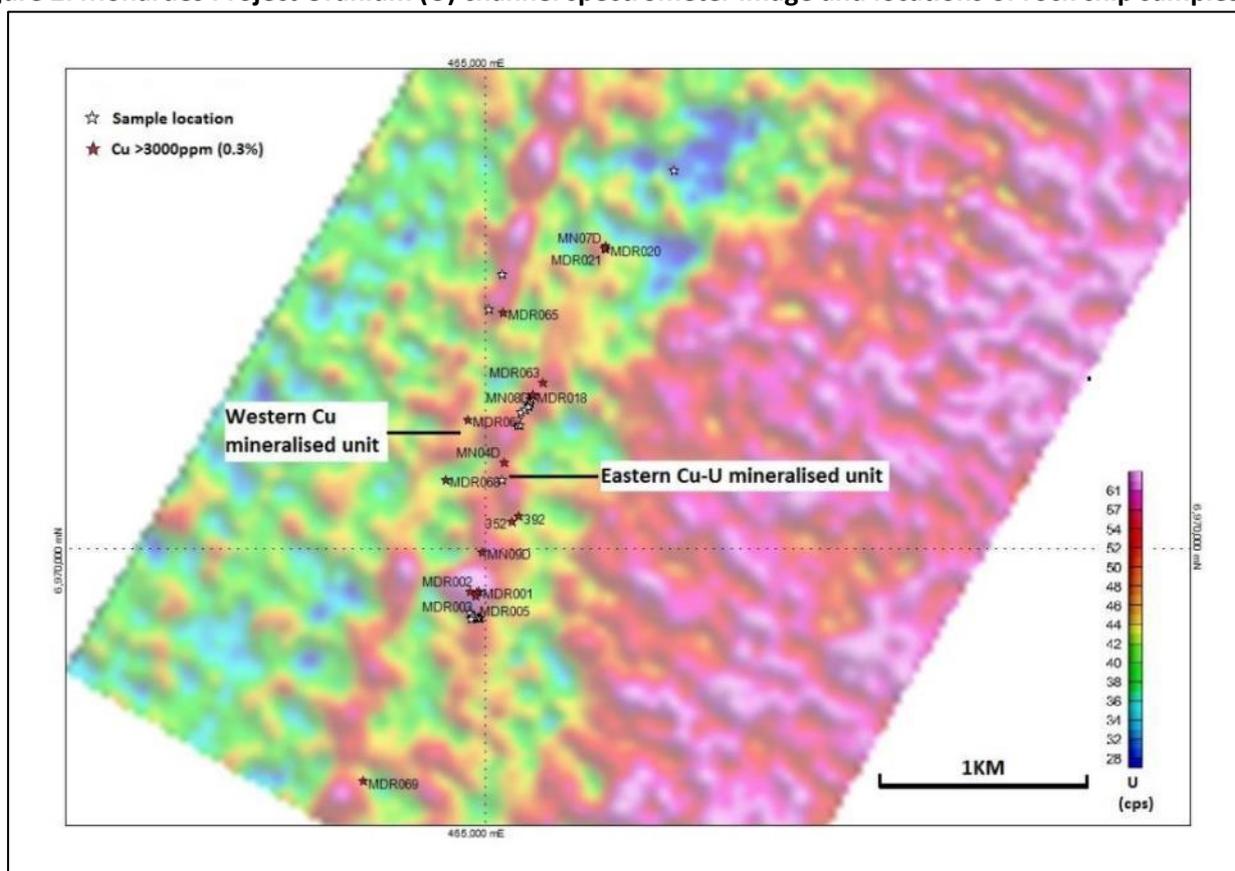
## SIERRA CINCHADO/SIERRA DEL POTRILLOS (ALLIANCE (CHILE) PTY LTD 100%)

This project area is located approximately 25 km east of Copiapo. The project area has a number of mine workings which appear to be prospective for Manto style copper and silver.

During the reporting period, Alliance surrendered all 17 concessions at Sierra del Potrillos and 8 out of 10 concessions at Sierra Cinchado (2 concessions retained).

No fieldwork was undertaken during the reporting period.

**Figure 2: Monardes Project Uranium (U) channel spectrometer image and locations of rock chip samples**



## CORPORATE

### Entitlement Issue

On 4 March 2015, Alliance announced the placement of 27,602,200 shortfall shares and 27,602,200 unlisted options (the “Shortfall Placement”) from its non-renounceable rights issue (“Rights Issue”), adding a further \$2.1 million to working capital after costs. The details of the Rights Issue were announced on 2 and 16 December 2014 and 22 January 2015.

The Shortfall Placement brought total applications received under the Rights Issue to 59,644,110 shares (\$4,771.529) representing 96.1% of the total Rights Issue securities offered of 62,034,123 shares (\$4,962,507).

## Cash Reserves and Other

Alliance has available cash reserves of \$2.288 million at 31 March 2015 and has 400,816,419 ordinary shares on issue at 31 March 2015.

Alliance holds 22,000,000 ordinary shares in Octagonal Resources Ltd (Octagonal) which equates to 8.9% of Octagonal's issued share capital.

## TENEMENTS

Tenement	Name	Location	Beneficial percentage held at end of quarter	Beneficial percentage acquired or disposed of during the quarter
<b>South Australia (Alliance Craton Explorer Pty Ltd)</b>				
EL5017	Four Mile	300km NE of Port Augusta, South Australia	25%	
ML6402	Four Mile	300km NE of Port Augusta, South Australia	25% <sup>(1)</sup>	
<b>Chile (Alliance (Chile) Pty Ltd)</b>				
10 concessions	Sierra Cinchado	25km east of Copiapo	100% of 2 concessions; 0% of 8 concessions	100% of 8 concessions disposed of during quarter
17 concessions	Sierra del Potrillos	25km east of Copiapo	0%	100% of 17 concessions disposed of during quarter
Vega 1 and 2	Monardes Basin	95km east of Copiapo	100%	
Monardes 1-3, 4-9-1/20; Huachi 1/20	Monardes Basin	95km east of Copiapo	0% (option to purchase 100%)	

(1) Reducing to approximately 15% by 31 December 2015 in respect of the Four Mile Mine Development Area as a result of Alliance Craton Explorer Pty Ltd electing not to contribute to the Four Mile 2015 Program and Budget. Refer ASX announcement dated 20 November 2014.

Further information relating to the Company and its various mining and exploration projects can be found on the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au)

**Steve Johnston**  
Managing Director

## Competent Person's Statement

The information in this report that relates to the Four Mile Project Exploration Results (delineation drilling results) is based on information compiled by Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Johnston is a full time employee of Alliance Resources Ltd and 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 Johnston 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 the Chilean Projects Exploration Results is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Bowden is a part-time employee of Alliance Resources Ltd and 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 Bowden consents to the inclusion in the report of the matters based on his information in the form and 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

**ALLIANCE RESOURCES LIMITED**

**ABN**

**38 063 293 336**

Quarter ended ("current quarter")

**31 March 2015**

### Consolidated statement of cash flows

		Current quarter	Year to date (12 Months)
		\$A'000	\$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	(123)	(523)
	(b) development	-	-
	(c) production <sup>(1)</sup>	572	(8,709)
	(d) administration	(1,672)	(10,014)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	176
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST paid/recouped)	56	186
<b>Net Operating Cash Flows</b>		<b>(1,155)</b>	<b>(18,884)</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	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Transfer to deposit)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	<b>Total operating and investing cash flows (carried forward)</b>	<b>(1,155)</b>	<b>(18,884)</b>

+ See chapter 19 for defined terms.

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

<b>1.13</b>	<b>Total operating and investing cash flows (brought forward)</b>	<b>(1,155)</b>	<b>(18,884)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	3,493	3,493
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	1,278
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Cost of Capital Raising/Prospectus)	(267)	(268)
	<b>Net financing cash flows</b>	<b>3,226</b>	<b>4,503</b>
	<b>Net (decrease) increase in cash held</b>	<b>2,071</b>	<b>(14,381)</b>
1.20	Cash at beginning of quarter/year to date	<b>1,087</b>	<b>17,539</b>
1.21	Exchange rate adjustments to item 1.20	-	-
<b>1.22</b>	<b>Cash at end of quarter</b>	<b>3,158</b>	<b>3,158</b>

**Notes:**

1. Includes cash calls for the Four Mile Project based on programmes and budgets adopted by Quasar (with Alliance dissenting) in October 2012 and January 2014. Quasar is registered as the holder of 75% of EL5017 and ML6387 and manages the Project. In the period from 1 January 2015 to 31 March 2015, consistent with its election not to contribute to the current program and budget, Alliance has no liability to contribute to Project costs. Alliance disputes a number of matters, including but not limited to, the validity of past and present programmes and budgets and continues to reserve all of its rights with respect to those matters.

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		<b>Current quarter \$A'000</b>
1.23	Aggregate amount of payments to the parties included in item 1.2	379
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

- 1.25 Explanation necessary for an understanding of the transactions

*All transactions involving Directors and associates were on normal commercial terms. These payments represent Director fees, Director consulting fees, re-imbursments of expenses and payments in terms of a management service agreement with a Director related entity.*

**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

*Conversion of Loan of \$1,278,184 in relation to the funds already applied to the Four Mile Uranium Project November 2014 cash-call advanced by Gandel Metals Pty Ltd and converted into Ordinary Shares by Abbotsleigh Proprietary Limited subscribing for its full entitlement under the rights issue (refer ASX Announcements 8 December 2014 and 27 January 2015).*

+ See chapter 19 for defined terms.

## Appendix 5B Mining 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

NIL

### 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	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	75
4.2 Development <sup>(3)</sup>	0
4.3 Production <sup>(3)</sup>	0
4.4 Administration	1,100
<b>Total</b>	<b>1,175</b>

**Notes:**

3. Alliance Craton Explorer Pty Ltd ("ACE") elected not to contribute to the Four Mile 2015 Program and Budget and, accordingly, has no commitment to fund Four Mile costs for the 13 months commencing 1 December 2014. Refer ASX announcement dated 20 November 2014 for further details.

### 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	2,288	217
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (provide details) – Term Deposit	870	870
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,158</b>	<b>1,087</b>

+ See chapter 19 for defined terms.

**Changes in interests in mining tenements**

	<b>Tenement reference</b>	<b>Nature of interest (Note 2 - Below)</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
6.1 Interests in mining tenements relinquished, reduced or lapsed	Sierra Cinchado, Chile (8 concessions relinquished)		100% - 10	100% - 2
	Sierra Potrillos, Chile (17 concessions relinquished)		100% - 17	0%
6.2 Interests in mining 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.*

	<b>Total number</b>	<b>Number quoted</b>	<b>Issue price per security (see note 3) (cents)</b>	<b>Amount paid up per security (see note 3) (cents)</b>
7.1 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	400,816,419	400,816,419		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	59,644,110	59,644,110	\$0.08	\$0.08
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

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

7.7	Options (description and conversion factor)	(Unlisted Managing Director Options) 1,000,000	Unlisted	Exercise price A\$ \$0.50	Expiry date 30 Apr 2015
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 4 below).
- 2 This statement does ~~does not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here:



Date: 27 April 2015

**Company Secretary**

Print name:

**BOB TOLLIDAY**

**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 precedents, 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 1022: *Accounting for Extractive Industries* and AASB 1026: *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.