



ACN 072 692 365

Report for September Quarter

30 October 2015

ASX Code: HEG, HEGOA

HARGRAVES GOLD PROJECT

- The project pre-permitting activities continued.

HILL END PROJECT

- The Red Hill resource update and its economic contribution to the Hargraves Gold Project is expected to be finalised in the next quarter.

MT MARGARET PROJECT

- Results from the first part of the Mt Margaret soil survey have been processed. The lead in soil results show a good correlation with gold in rock chips with multiple mineralized zones up to 850m strike on a WNW trend and 1,200m strike on a NW trend.

Hill End Gold Limited (HEG) is an ASX-listed gold exploration and resource investment company with projects and investments that have advanced development potential as drivers for share price growth.

HEG and its associates have a significant investment in ASX-listed Bassari Resources Limited, which has over one million ounces in resources in Senegal. Bassari has announced the results of a Feasibility Study for the profitable development of a low cost open project, which is currently being permitted.

HEG continues to seek out and acquire project and corporate acquisition opportunities in Australia, and in selected countries throughout the world to increase its asset value apart from its projects in the historically gold-rich region of Hill End in central New South Wales, Australia. Existing gold resources estimated under JORC 2004 by the Company total 581,000 ounces.

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PROJECTS

Hargraves Project - EL 6996 & EL 8206 (HEG 100%)

The wholly-owned Hargraves Project is located approximately 30 km south-west of Mudgee in central New South Wales (Figure 1, Figure 2).



Figure 1. Hill End Gold Project locations

HEG proposes to develop the BNH Deposit to recover 1.2 Mt with an average grade of 2.5 g/t gold. The production estimate includes approximately 20% inferred resource blocks and it is proposed to mine two initial open pits, the Central Pit and the South Pit for a combined production of 300,000 tonnes per year. The South Pit is planned to be approximately 70m deep and the Central Pit about 165m deep. There is excellent potential for resource extensions beyond the current pit optimisation design.

Hargraves Gold Mine Development Proposal Summary Economics

- Initial production of ~100,000 ounces over four years at <A\$900/oz cash cost
- Production rate 300,000 tonnes per year at 2.5g/t from two initial open pits
- 11:1 waste to ore stripping ratio at a pit design gold price of A\$1,450/oz
- Gold recovery of 95%
- Pre-development cost of A\$2m and project capital of A\$13m
- Net profit of ~A\$40m after full cost recovery / royalty payments at A\$1,600/oz
- Potential for Hargraves development extensions at same production rate
- Potential development of Red Hill deposit may add significant net profit

The Project can be developed at a relatively low capital cost, as liberation of gold from quartz veins requires only coarse grinding and can be recovered by low cost, simple gravity methods. The proposed gold recovery method is similar to that which was used at Hawkins Hill – Reward during trial mining. Metallurgical test work on samples from Red Hill also indicated similar rates of recovery using gravity processing.

The technical and economic feasibility of building and operating an expanded processing plant at Hargraves to also treat material from Red Hill and Hawkins Hill has been investigated during the quarter.

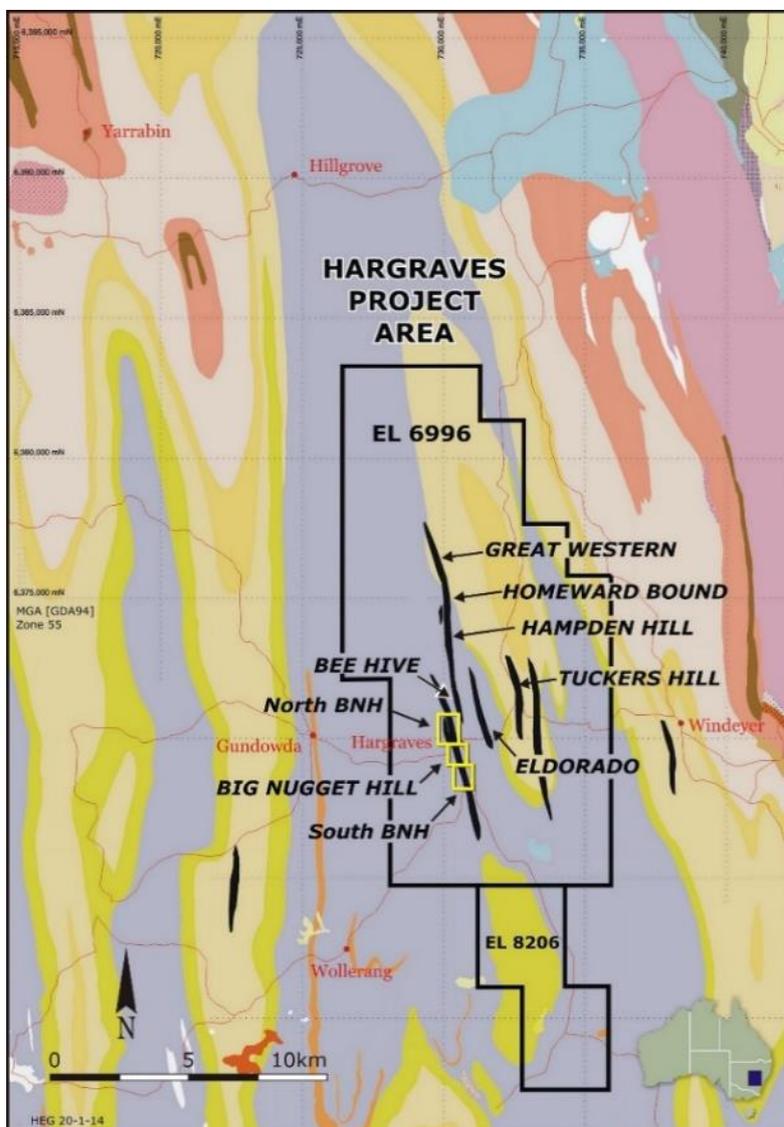


Figure 2. Hargraves tenement location plan

Hill End Project - EL 5868 (and Mining Leases) (HEG minimum 85%) & EL 8289 (HEG 100%)

The Hill End Project is located approximately 50 kilometres north of Bathurst in central New South Wales (Figure 1).

Red Hill

Red Hill is located five kilometres north of Hill End and 25 kilometres south of Hargraves. Gold mineralisation is hosted in a large number of bedding-parallel veins which dip moderately to the east-north-east. Where these veins are intersected by steeply east-south-east dipping faults, higher gold

grades commonly occur. The intersection between the two structures results in the mineralisation striking north-north-east and, dipping steeply to the east with shallowly north-plunging high grade shoots.

The Red Hill drill resource estimate update is currently in progress (Figure 3) and it is expected that the resource will be partially upgraded to an Indicated resource status.

Following the update of the estimate, it is planned to undertake a scoping study into project development options for Red Hill. Open pit mining and transport of material to a processing plant at Hargraves will be considered. Currently the Red Hill resource is categorised as Inferred, however there is strong continuity in the geology and gold mineralisation between closely spaced drill holes (generally 50 m spacing) in the upper levels of the deposit. The data suggests that the mineralisation in the upper levels of the deposit may warrant a resource category upgrade to Indicated. Near surface shoots in the central and southern parts of the deposit may be amenable to open pit mining with additional underground potential indicated by deeper drill holes already completed.

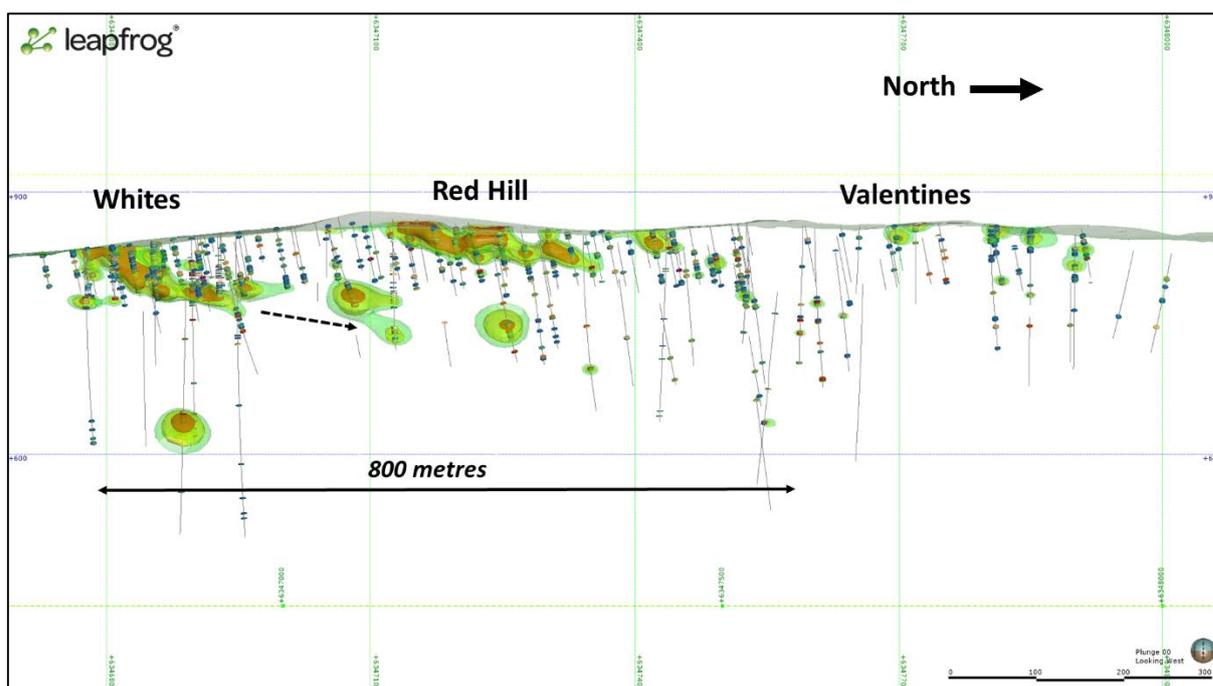


Figure 3. Longitudinal section (looking West) of drilling through Red Hill showing Leapfrog indicator grade domain shells at 0.4, 0.5 and 0.7 g/t gold. North-plunging mineralised shoots are evident from the indicator shells. In the south is the Whites shoot, central are multiple Red Hill shoots and to the north is the less well developed Valentines zone.

Mt Margaret Project – EL 8205 (HEG 100%)

Exploration Licence 8205 (Mt Margaret) covers 26 km² at the eastern edge of the Hill End Trough, approximately 17 kilometres south-east of Mudgee (Figure 1) where Silurian age volcanic rocks overlie Ordovician volcanic rocks of the Sofala – Gulgong volcanic belt. The geological setting of the Apple Tree Flat (ATF) prospect and the Mt Margaret prospect is similar to that east of Orange (NSW) where a number of gold deposits are associated with volcanogenic massive sulphide Cu-Pb-Zn (Au-Ag) mineralisation.

A soil survey using a portable XRF is currently being conducted over the Mt Margaret prospect. Details of the sampling techniques, data and exploration results are provided in the JORC Code (2012) Table 1 appended to this report. Initial results show a good correlation between lead (Pb) in soil and gold (Au) in rock chips (Figure 4). Two mineralised trends are evident:

1. NW-striking, parallel to a fault that separates the Silurian volcanic rocks from younger rocks to the west
2. WNW-striking, bedding parallel trends that splay to the east from the fault zone.

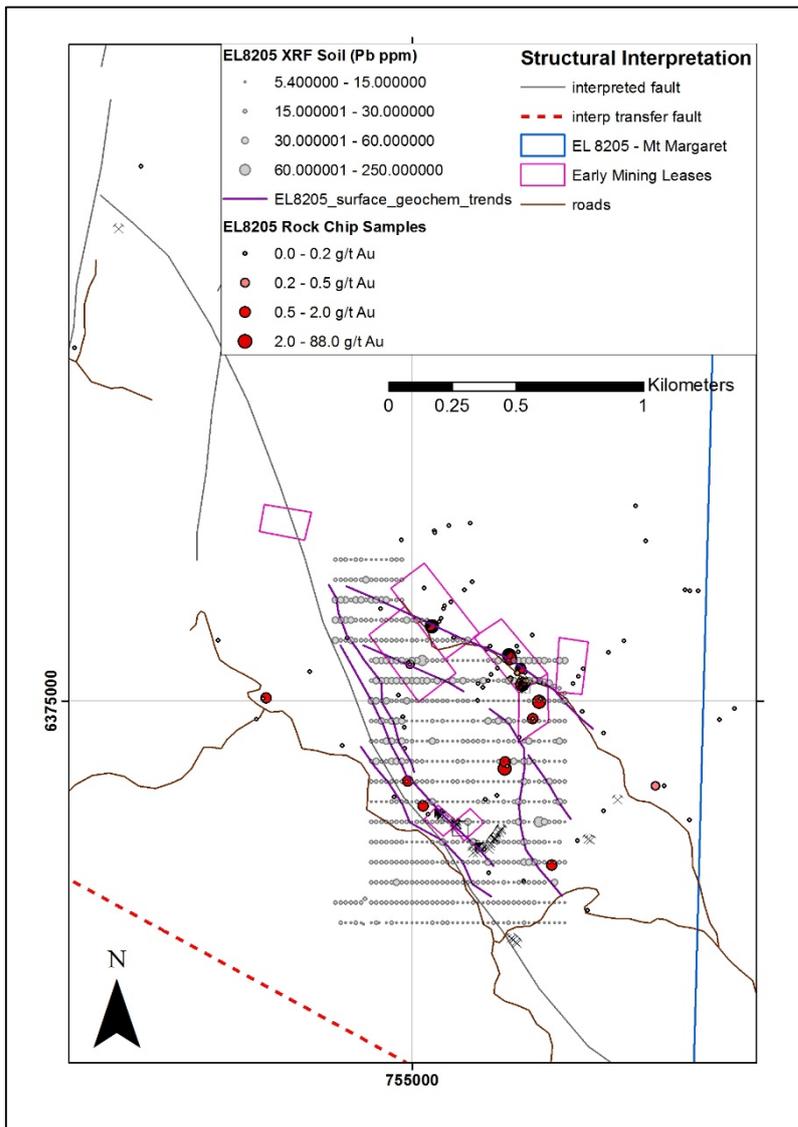


Figure 4. Mt Margaret XRF soil survey showing results for lead (Pb) and correlation with rock chip gold assay.

A number of old mining leases, shafts and shallow pits coincide with the anomalous Pb in soil and Au in rock chips. The soil survey is being extended to the north towards the Apple Tree Flat prospect. The results will be used to plan a drill program to test the mineralisation at shallow levels.

Eurongilly Project – EL 7992 (HEG 100%)

Exploration Licence 7992 covers 62 km² and is located approximately 16 kilometres east of Junee in southern New South Wales. The area is located near a major north-west striking fault (Gilmore Fault) that is associated with a number of significant gold deposits in a belt extending from Adelong to West Wyalong.

Drilling by previous explorers at the Kurralong Prospect has established the presence of gold and copper mineralisation over an area of approximately 250 x 400 m which is open to the east.

HEG has made an application to renew EL 7992 over a reduced area of 28 km² for a further 2 years until 23 October 2017.

Bassari Resources Limited Investment

At the end of the quarter, HEG's wholly owned subsidiary, HEG Investments Pty Ltd, held 47m shares in Bassari Resources Limited (BSR.ASX) which was 3.3% of BSR shares issued. BSR owns 70% of extensive tenements in Senegal incorporating the high grade Makabingui Gold Project that is being permitted for development.

The Makabingui Gold Project Feasibility Study envisages an initial high grade open pit development of 1Mt at 5.7g/t gold for 171,000 oz production inventory. The estimated average cash cost is US\$680/oz, and after tax cash flow in the first three years is projected to be US\$88m at a gold price of US\$1,200/oz.

The Makabingui Gold Project Mineral Resource, which was prepared and disclosed under JORC Code 2004 by BSR and remains unchanged, is 1 Moz in 11.9 Mt at 2.6 g/t gold (0.5 g/t cut-off).

- Indicated Resource: 336,000 contained oz in 2.6 Mt at 4.0g/t
- Inferred Resource: 669,000 contained oz in 9.3 Mt at 2.2g/t

The final public meeting has been held with a positive outcome, which opens the way for the granting of the mining permit. Bassari is reviewing development funding options.

Current Tenement Schedule

Renewal of EL 5868 took effect on 8 September over an area of 16 units. There were no other changes in tenements held during the quarter. Table 1 contains details of tenements currently held by HEG.

Table 1. Details of All Tenements Held by Hill End Gold Limited as at the end of the Quarter

Lease	Project	Lease Status	Application Date	Grant Date	Expiry Date	Current Area
EL 5868	HILL END	Granted	12/11/1999	18/06/2001	17/06/2017	16 Units
EL 6996	HARGRAVES	Granted	23/08/2007	21/12/2007	21/12/2015	48 Units
EL 8289	CHAMBERS CREEK	Granted	24/3/2013	20/8/2014	20/8/2017	3 Units
EL 7992	KURRAJONG	Granted	18/6/2012	23/10/2012	23/10/2015	22 Units
EL 8205	MT MARGARET	Granted	18/7/2013	26/11/2013	26/11/2016	9 Units
EL 8206	BOIGA	Granted	19/7/2013	26/11/2013	26/11/2016	8 Units
GL 5846	HILL END	Granted		15/02/1968	7/12/2019	2.044 Ha
ML 1116	HILL END	Granted		28/03/1984	16/10/2024	15.71 Ha
ML 1541	HILL END	Granted	26/11/1999	17/10/2003	16/10/2024	279.2 Ha
ML 315	HILL END	Granted		8/12/1976	7/12/2019	6.671 Ha
ML 316	HILL END	Granted		8/12/1976	7/12/2019	8.846 Ha
ML 317	HILL END	Granted		8/12/1976	7/12/2019	7 Ha
ML 49	HILL END	Granted		30/07/1975	7/12/2019	1.618 Ha
ML 50	HILL END	Granted		30/07/1975	7/12/2019	3.02 Ha
ML 913	HILL END	Granted		20/01/1981	19/01/2023	22 Ha
ML 914	HILL END	Granted		20/01/1981	19/01/2023	21.69 Ha
ML 915	HILL END	Granted		4/02/1981	3/02/2023	13.27 Ha

EL – Exploration Licence

ML / GL – Mining Lease

Philip Bruce
Managing Director

Competent Persons' Statement

The information in this report that relates to Reward and Red Hill Mineral Resources is based on information reviewed by Mr Philip Bruce, for Hargraves Mineral Resources and for Exploration results is based on information reviewed by Dr Stuart Munroe and Philip Bruce. Dr Munroe is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both are full-time employees of HEG. Dr Munroe and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Dr Munroe and Mr Bruce consent to the inclusion of the matters based on their information in the form and context in which it appears.

The Mineral Resource information referred to in this document was prepared and first disclosed under the JORC Code 2004.

Hill End Gold Limited

Exploration – Soil Sampling (Portable XRF):

Mt Margaret (EL 8205)

JORC Code (2012) - Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. 	<ul style="list-style-type: none"> Sampling of soil using a portable handheld XRF instrument. The XRF instrument is calibrated before use each time the instrument is started according to manufacturer's recommendations. A 50-200g soil sample is collected at 10-20cm depth below surface. The sample is placed on a flat surface for analysis. Two XRF sample cycles are taken at each sample site and the results compared to ensure adequate accuracy. The final result for each site is an average of the two readings Following XRF analysis, the sample is returned to the ground and top soil and vegetation placed back over the site. The location of the sample is recorded from a hand held GPS and the sample analyses are recorded within the memory of the XRF instrument.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> Not relevant – no drill samples reported.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not relevant – no drill samples reported.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The geology near the sample site is recorded along with any observation of the soil sample site relative to topography or cultural features. Logging is qualitative, recorded on to sample logging sheets with the grid position and sample numbers.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and 	<ul style="list-style-type: none"> The sample collected for analysis is not sub-sampled. The samples are taken so as to fairly represent the soil as it presents.

	<p><i>appropriateness of the sample preparation technique.</i></p> <ul style="list-style-type: none"> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Field duplicates have not been taken. • The sample size is appropriate for the material being sampled.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • The XRF instrument used is an Olympus Delta X which has been calibrated for soil analysis. The instrument has a 1.7 μM, 40KV tube and high count rate upgrade. • Samples have been analysed on a 180 second cycle (30 seconds for each of 3 beams). • Elements detected are: As, Pb, Cu, Zn, Fe, S, Mo, Ag, P, Cl, K, Ca, Ti, V, Cr, Mn, Co, Ni, Se, Br, Rb, Sr, Y, Zr, Cd, Sn, Sb, Hg, Bi, Th, and U. • Two standard reference samples and a blank sample are analysed at the start and end of each day's sampling to measure equipment precision. Typically, a day's sampling involves collecting data from 40 – 60 sample sites.
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • A duplicate analysis is done at each sample site and compared to original analysis. If the two analyses are similar the data is averaged. • Sample location is recorded from GPS on to a sample sheet along with the sample numbers. Analyses are stored internally within the XRF and downloaded into spreadsheets at the end of each day for analysis and averaging. • There is no adjustment of the assay data other than averaging the initial and duplicate analysis. • No duplicate soil samples have been taken for chemical laboratory assay to check against the XRF soil samples.
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Sample location (East and West) is determined by hand held GPS which is commonly accurate to +/- 5m in easting and northing and 10m in elevation and is subject to satellite availability. • Samples are recorded in East, North and height mASL according to MGA, zone 55. • Topographic control (mASL) is provided by 1:25,000 scale and 1:50,000 scale plans provided by the NSW Department of Lands.

<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • <i>Samples have been collected at 20m spacing along E-W survey lines. Survey lines are spaced 80m apart.</i> • <i>Samples not taken for Mineral Resource and Ore Reserve estimation.</i> • <i>No sample interval compositing has been applied.</i>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • <i>The E-W lines are approximately perpendicular to the regional geological strike. Locally bedding in the host rock strikes WNW to NW and dips moderately to the SW.</i>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • <i>Samples assay is recorded in the field at the sample site by XRF immediately after the sample is collected, hence there is no sample security risk.</i>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • <i>There has been no external audit or review of sampling data or technique.</i>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> EL 8205 (Mt Margaret) – HEG 100%, There are no third party agreements, joint ventures, partnerships, overriding royalties, native title interests, historic sites, wilderness or national park and environmental settings. Exploration Licences are held with the NSW Department of Trade & Investment, Resources & Energy. There are no known impediments to obtaining a licence to operate.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Exploration has been done by other parties previously. All previous exploration has been reviewed and taken into account in designing and undertaking exploration.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> EL 8205 is in Silurian age sedimentary and volcanic rocks. The gold mineralisation here is associated with volcanogenic massive sulphide and epithermal systems.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Not relevant. Data does not relate to drill hole information
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Data has not been aggregated and no metal equivalent values have been used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width</i> 	<ul style="list-style-type: none"> Not relevant. Intercept widths are not used.

	<i>not known).</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • <i>Samples reported are not intercept samples. No drill results reported. Sample location and XRF Pb values (ppm) shown in the report to which this table is appended.</i>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • <i>No values have been reported. Only relative values and correlation with other data sets is relevant to the results rather than absolute values..</i>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • <i>Other exploration data that is relevant to the soil results is discussed in the report to which this table is appended.</i>
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • <i>Further work will involve extending the soil survey to the north towards the Apple Tree Flat prospect.</i>

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(287)	(287)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	316	316
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)		
	Net financing cash flows	316	316
	Net increase (decrease) in cash held	29	29
1.20	Cash at beginning of quarter/year to date	56	56
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	85	85

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	60
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Directors Fees	

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	-	-
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	200
Total		300

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	85	56
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	85	56

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	-	-
6.2		Interests in mining tenements acquired or increased	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	1,220,704,835 OFP	1,220,704,835 OFP		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	96,000,096	96,000,096	\$0.003	\$0.003
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>	35,000,000	Director	Exercise price 5 cents	Expiry date 29 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: ..October 2015...
(Director/Company secretary)

Print name: Kevin Lynn.....

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 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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