

31st October 2013

SEPTEMBER 2013 QUARTERLY REPORT

- QBL finalises agreements on further Mozambique exploration licences prospective for coal;
- Potential for large deposits of coking and thermal coal;
- Experienced African coal team with strong in-country presence as partners; and
- QBL expands its bauxite exploration portfolio in eastern Australia.

QBL has been focused on defining significant bauxite resources with a view to commencing direct shipping ore (DSO) bauxite mining and export operations, including recently identifying and applying for further prospective bauxite tenements in eastern Australia. In order to take advantage of the current exploration market conditions and resultant opportunities, QBL has also concentrated on reviewing and negotiating a range of new project opportunities to diversify and expand its exploration interests, including advanced commercial and technical due diligence work on these opportunities and in June 2013, the Company signed a binding Term Sheet with Regius Coal Mining Limited. In the current quarter, QBL has negotiated to include in its portfolio and agreement with Regius Coal Mining Limited a number of further prospective coal licenses in Mozambique. QBL is also assessing options to divest or pursue partners for its secondary gold assets.

Bauxite Projects

The directors have decided to focus its further eastern Australian bauxite exploration efforts and budget over the proven bauxite district surrounding Inverell, where bauxite occurrences have been identified by previous and current explorers. The company has recently focused upon increasing its tenement interests in this prospective region and applied for two licences over prospective bauxite projects in that region (ELA 4840 and ELA 4841) and has secured a 70% interest in large granted tenement holdings surrounding those projects (EL's 7274-7278) by way of joint venture through committing to maintaining the tenements in good standing. Other bauxite tenements owned by QBL that a budget is not being allocated towards are being allowed to lapse.

ELA 4840 Bukkulla Bauxite Project (Figure 1)

A 32 unit exploration licence was applied for over an area of a 96 square kms in the vicinity of Bukkulla NSW, previously reported in historical reports to contain bauxite. Tenement selection was based on anomalous Fe-rich targets interpreted on Advanced Spacebourne Emission and Reflection (ASTER) imagery, plus ground-based mapping, surface sample collection and aircore drilling results from previous explorers.

A ten-hole aircore drilling program conducted in 2011 at "The Tor" property spaced over an area of 37.5 ha (in the easternmost unit of ELA 4840) intersected the presence of a bauxite cap of 2m average thickness.

Queensland Bauxite plans to carry out further drilling on the ASTER targets within this licence.

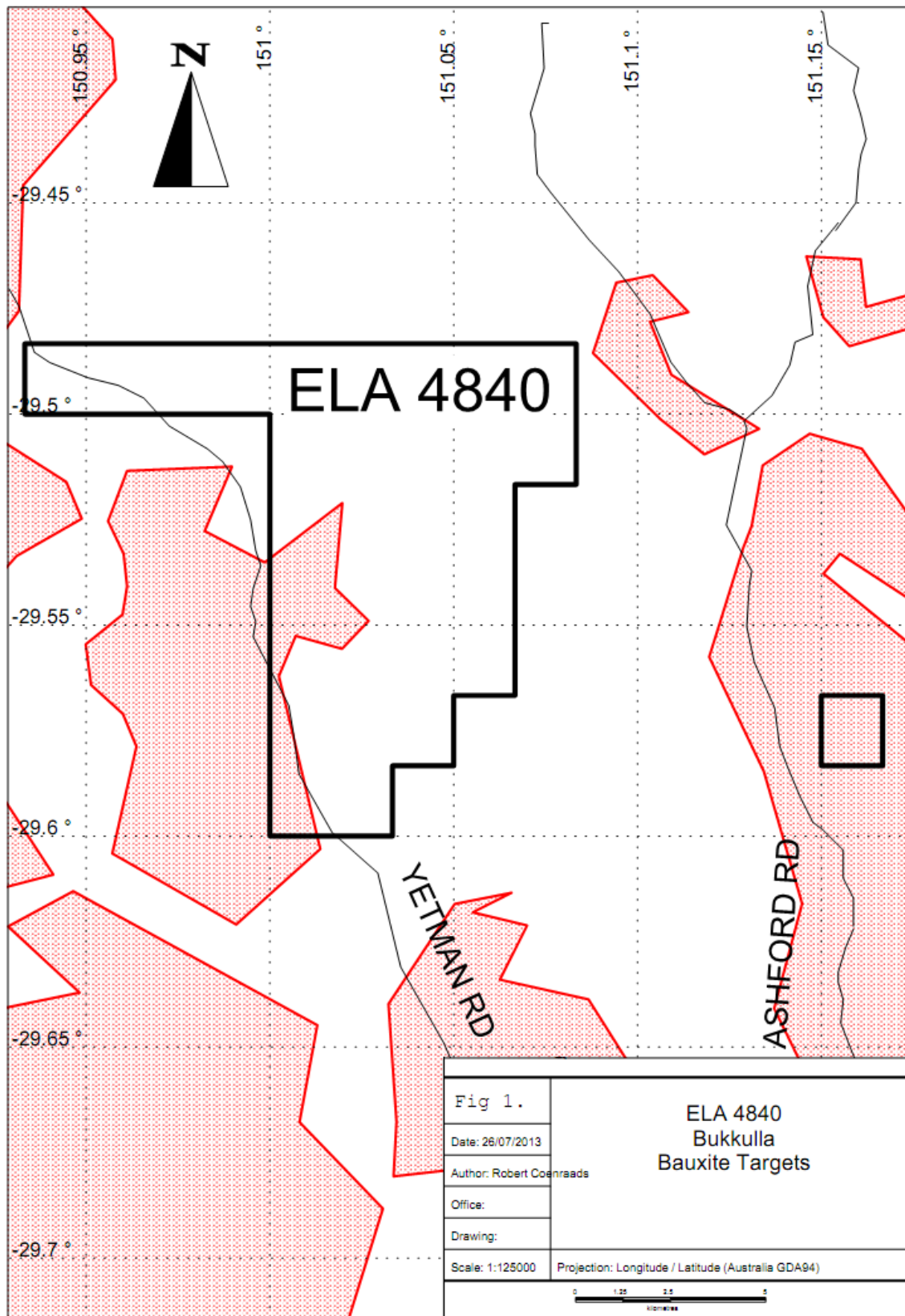


Figure 1

ELA 4841 Emmaville Bauxite Project (Figure 2)

A 125 unit exploration licence was applied for over an area of 375 square kms in the vicinity of Emmaville NSW containing historically evaluated bauxite deposits. Tenement was selected to cover these historic deposits and associated anomalous Fe-rich targets interpreted on Advanced Spaceborne emission and Reflection (ASTER) imagery.

Exploration for bauxite within the Company's Emmaville Project area took place in the 1940s and 1950s (Booker and Hanlon 1944; Owen, 1954). During this time a number of deposits were pitted and tested. Historic bauxite localities within the Emmaville Project tenements include the Pindaroi, Astley, Churchs, Strathbogie, Emmaville Common and Graveyard Creek bauxite deposits (shown on Figure 2). The largest of the reported occurrences within the Emmaville tenement, Astley, occupies an area approximately 36 hectares.

Queensland Bauxite plans to drill and verify historic grades and tonnages, and conduct exploratory drilling on the associated ASTER targets within this licence.

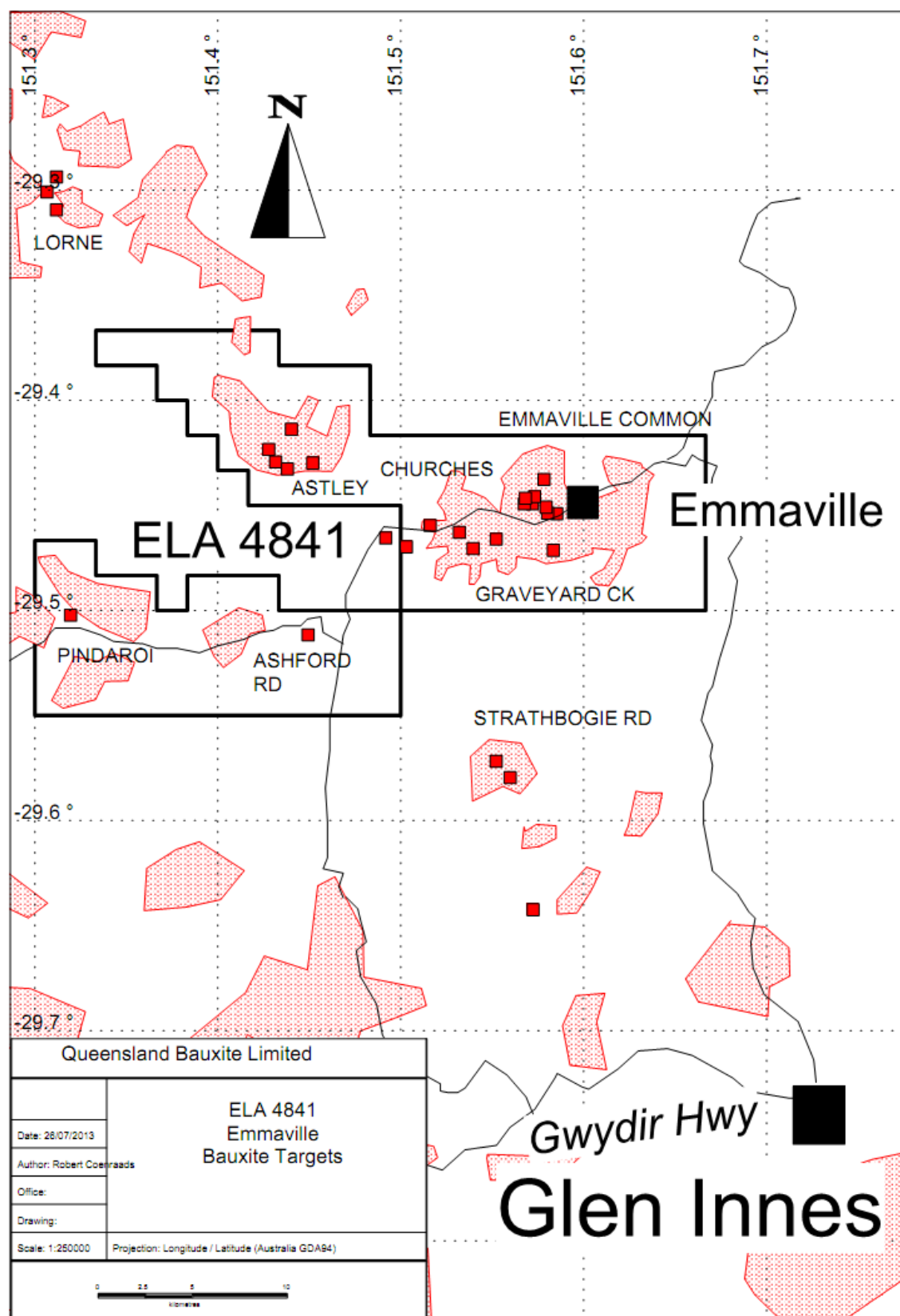


Figure 2

Inverell West EL's 7274 to 7278 (Figure 3)

Areas of potential bauxitic mineralization were identified throughout the Inverell West project area (EL7274 to EL7278) using the ASTER (Advanced Spaceborne Thermal Emission and Reflection) satellite images acquired and re-processed by Geoimage (Figure 3).

Currently the company is assessing whether the Inverell West Project bauxite project, when combined with the Emmaville and Bukkulla projects in the New England, will be capable of supporting the establishment of a local refinery for the production of alumina in eastern Australia.

A program of 22-holes on EL 7277 were drilled during November and December 2011 for a total advance of 200m and an average depth of 9m.

1. Holes NPAC202 to 212 were drilled at the Stirling and DeWiits historic bauxite localities situated approximately 14km west of Inverell. These two historic deposits appear to be part of one system covering an area of approximately 55 hectares. Hole 202 may contain a bauxite thickness of 5m as indicated by Innovex Portable Mineral Analyser readings, however this will be confirmed when the samples are sent for available alumina and reactive silica analysis.
2. Holes NPAC199 to 201 were drilled on the southern flank of Wades Warialda 4 Mile locality situated approximately 7 km west of Inverell and did not encounter bauxite before drilling was halted due to weather. It is proposed that further drilling be carried out at the historic Wades bauxite quarry.
3. Holes NPAC191 to 198 were drilled at Garleys deposit situated on 'Bowood Homestead' hill. Bauxite encountered in NPAC192 and 197 defines a bauxite exploration target area of approximately 16.5 hectares. Hole 192 indicates there may be thicknesses of up to 5m of bauxite present in this area based on Innovex Portable Mineral Analyser readings, however this will be confirmed when the samples are sent for available alumina and reactive silica analysis.

Queensland Bauxite proposes to focus on geologic mapping and air core drilling of the potential bauxite target areas within the Inverell West project area highlighted by the reprocessed ASTER data with the aim of defining a JORC compliant resource.

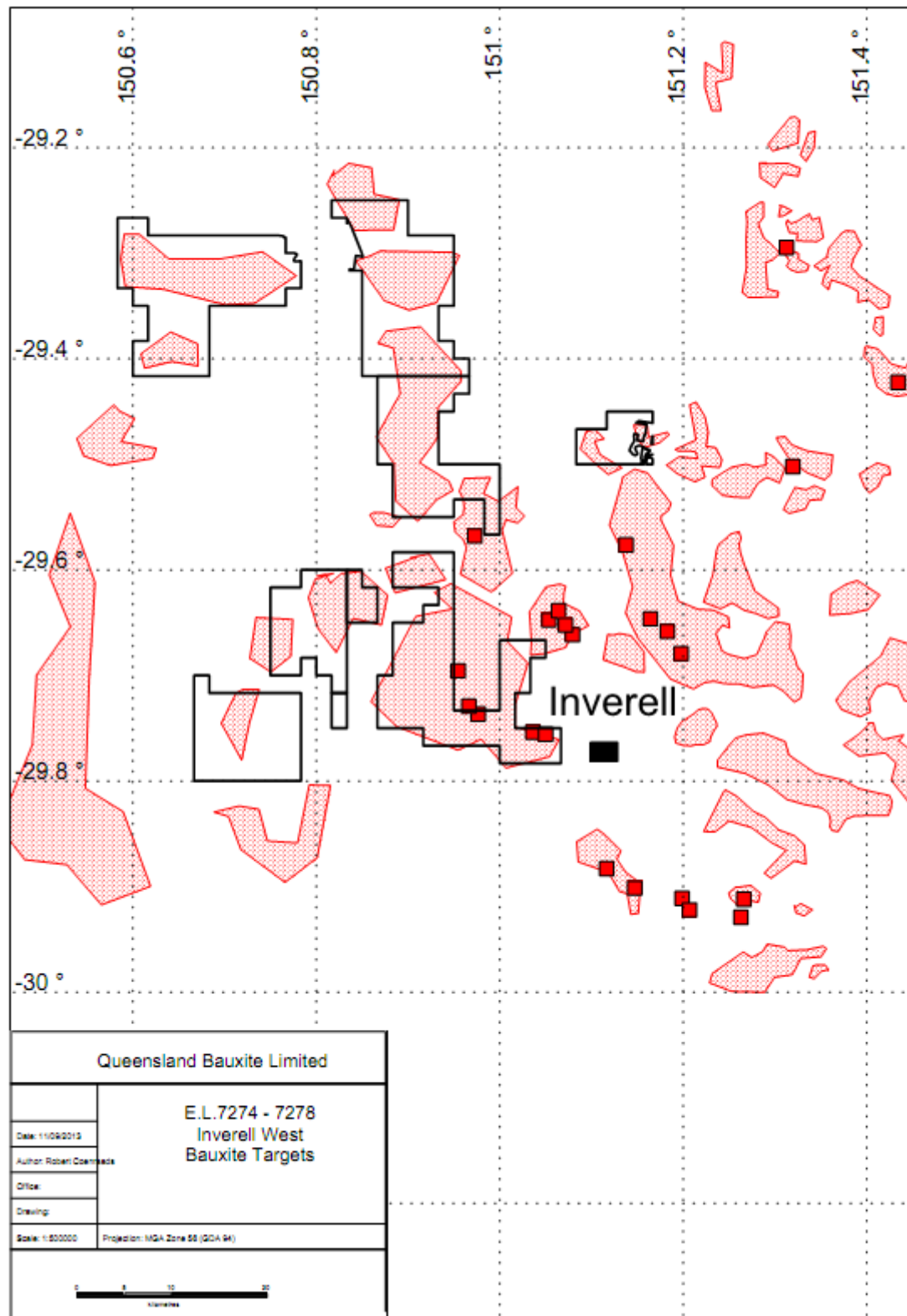


Figure 3

Gold Projects

The Company currently has two gold projects in Australia, the Pilbara Gold Project in the south-west Pilbara, and one gold project in New South Wales - the Lost River Gold Project.

Agreement with Regius Coal Mining Limited

The Company has this week signed a further binding agreement with Australian unlisted public company, Regius Coal Mining Limited (**Regius Coal**) that replaces the previous Binding Term Sheet that was entered into in June. The current agreement enhances the previous term sheet in that it includes all of Regius Coal's assets in Mozambique.

Previously the agreement with Regius Coal Mining Ltd (RCML) and QBL only included agreements over two licenses being licenses 4070L and 4169L in Mozambique. The new agreement now includes all of Regius Coal's assets, which includes agreements over licenses 2232L, 4185L and applications for licenses 5038L, 5084L and 5085L. Current effective ownership of Regius of these further licenses are 20% over 2232L, 70% over 4185L and 5% on the applications. Regius has option agreements to earn further interests in these projects as set out in the annexure.

The previous agreement with Regius and QBL would have required a new SPV company to be set up to transfer Regius' interests in 4070L and 4169L to form a joint venture company with QBL. The new agreement simplifies the arrangement giving QBL the option, for the same expenditure as previously agreed and announced, to earn up to a 51% interest directly in Regius Coal Pty Ltd (RCPL), the subsidiary company of RCML. RCPL is the company that holds the rights to the agreements on the assets in Mozambique. There are no additional expenditure obligations on QBL as a result of the new agreement.

This is a superior outcome for QBL and Regius, as it gives QBL a larger potential asset base, gives a longer time frame in which to evaluate and determine which assets the JV wishes to further develop, and simplifies the arrangement for both QBL and Regius with greater flexibility on the allocation of the agreed expenditure over all of Regius Coal's assets, and not just on the two projects originally included.

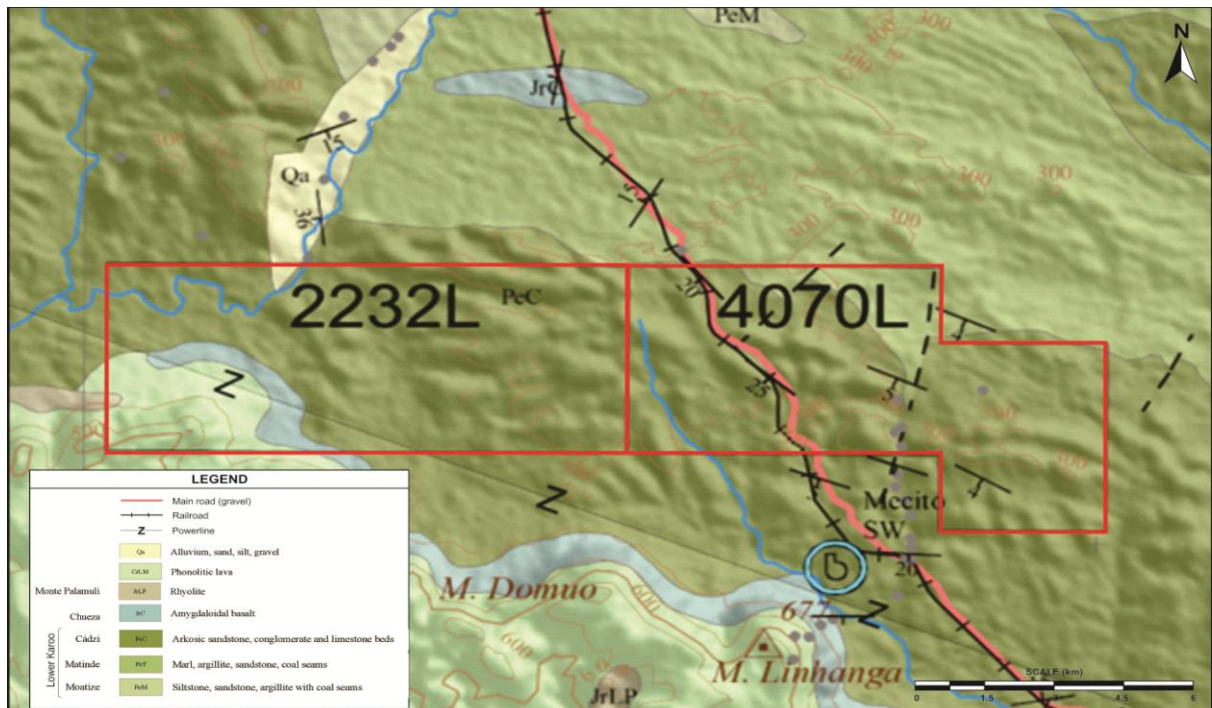
QBL now has the option over the next 12 months to spend up to \$750,000 on RCPL's assets to earn a 35% interest directly into RCPL, with a further option over the following 18 months to invest an additional \$1.2M to earn pro rata up to a 51% interest in RCPL.

Both QBL and Regius look forward to working together in developing these assets in this highly prospective coal bearing region.

Appendix 1 – License Summary

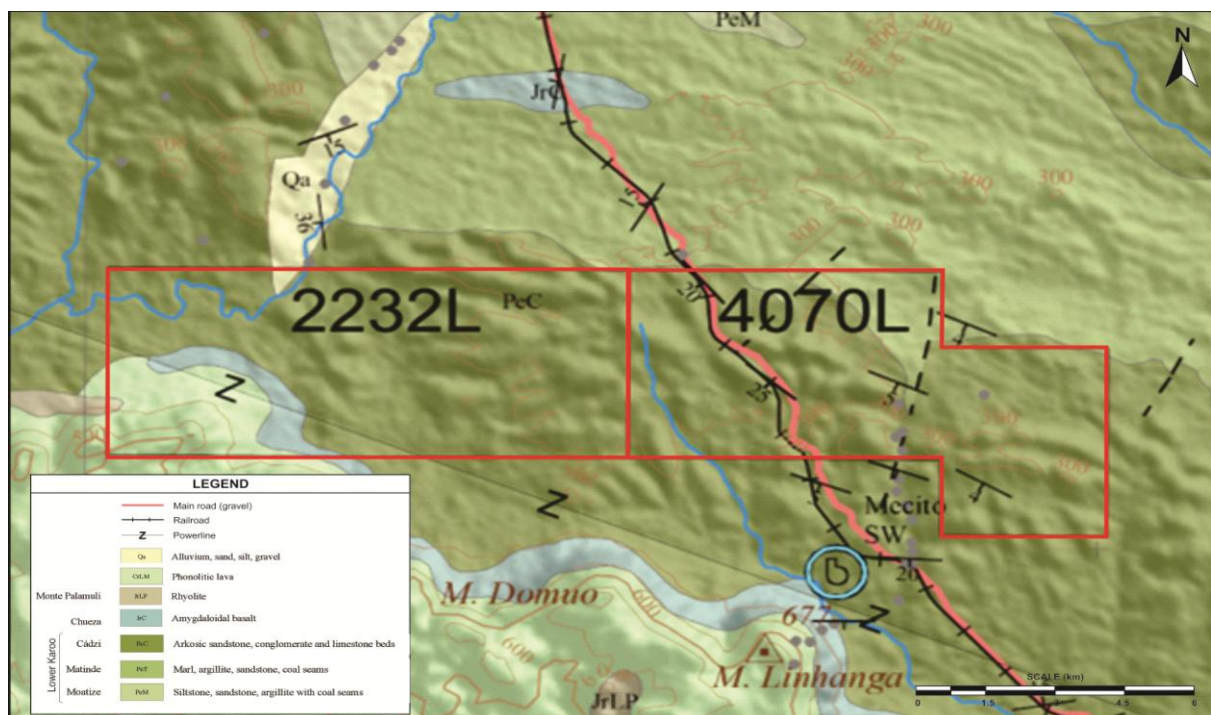
License	4070L
About	■ Located 70km Southeast of Tete in the Moatize-Minjova sub-basin ■ 5,000 ha underlain with Lower Karoo sediments ■ Adjacent to Rio Tinto eastern licenses ■ Matinde formation and 3m coal outcrop in northeast of 4070L, interpreted to be shallow dipping (<5deg) ■ Sena Railway to Beira transects 4070L with derelict sidings present on license area
Status	Granted
Existing Interest	80%
Nature of Interest	Regius Coal is the legal and beneficial owner of 80% of the shares on issue in Extra Minerais Lda, the company holding license number 4070L
Other Shareholders in Extra Minerais Lda	20% of shares in Extra Minerais Lda are held by Mr. Carlos Venichand
Final Payments Required in relation to the Existing Interest of 80% ¹	US\$900,000
Performance Payments	Nil

1. The Final payment of US\$900,000 relates to the acquisition of 80% of the shares in Extra Minerais Lda from Mr. Carlos Venichand, the holder of license 4070L. There is no final agreed date for payment of this amount, although interest accrues and is payable on amounts outstanding at a rate of 5% above the 6 month LIBOR. Regius Coal has pre-paid interest to the vendor to the sum of US\$300,000. Despite the Final Payment not yet being paid by Regius Coal, Regius Coal is still the existing holder of an 80% interest in Extra Minerais Lda and subsequently an 80% interest holder in license 4070L.

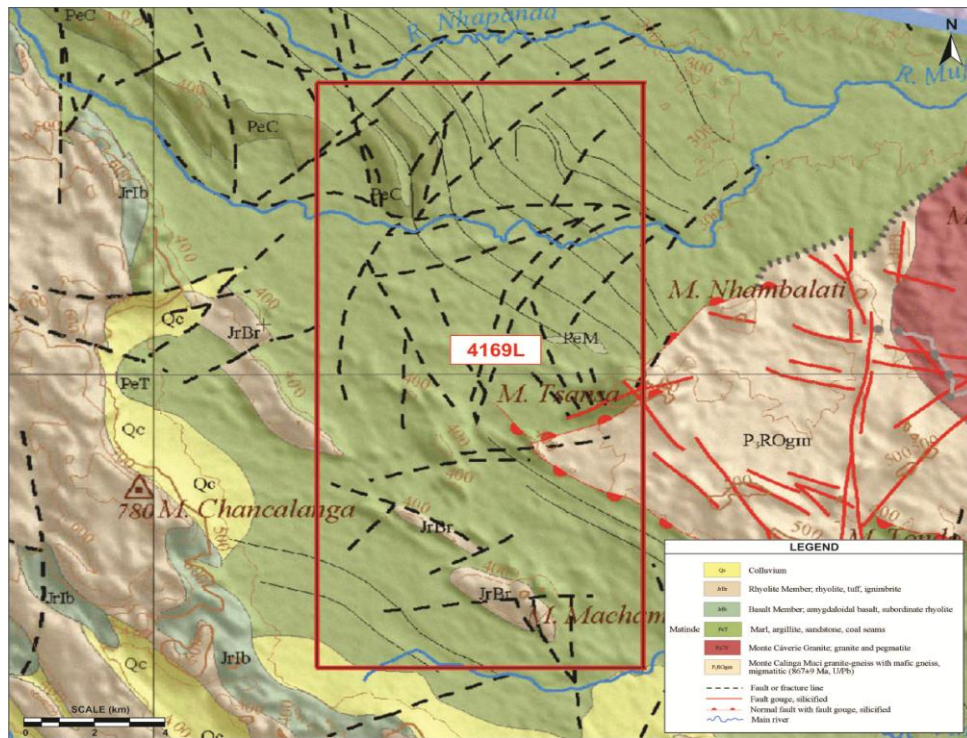


License	2232L
About	■ Located 70km Southeast of Tete in the Moatize-Minjova sub-basin ■ Adjacent to Rio Tinto eastern licenses ■ 5,000 ha, majority underlain with Lower Karoo sediments
Status	Granted
Existing Interest	20%
Rights to Acquire	80%
Additional Payments Required in relation to the Existing Interest of 20%	US\$225,000 payable in June 2013* US\$338,250 payable end of February 2014
Conditional Purchase Price for Additional 60% equity (can acquire further 60% equity if either of the minimum thresholds are met)	Thermal Coal JORC Inferred Resource - US\$2m + US\$0.005/t over 100Mt up to a maximum additional US\$3m Coking Coal JORC Reserve - US\$10m for min 50Mt + US\$0.06/t up to a maximum additional US\$5m

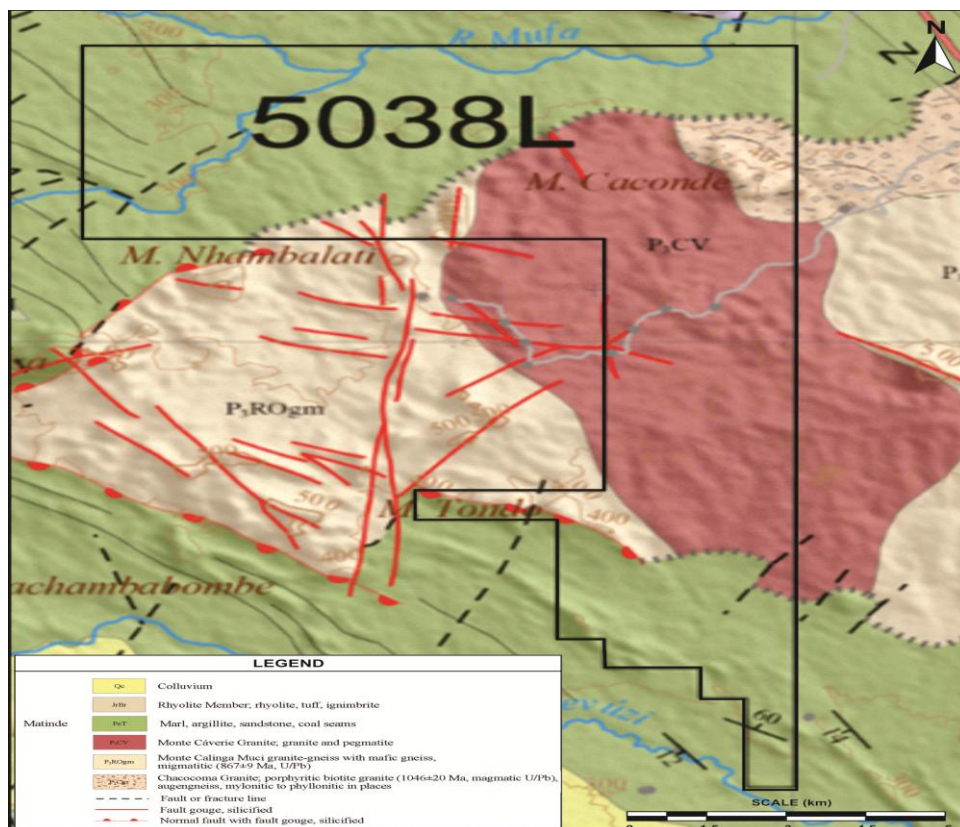
*Regius Coal is in discussion with the vendors of this license to defer this payment until the license is further reviewed by QBL's geologists for its development potential.



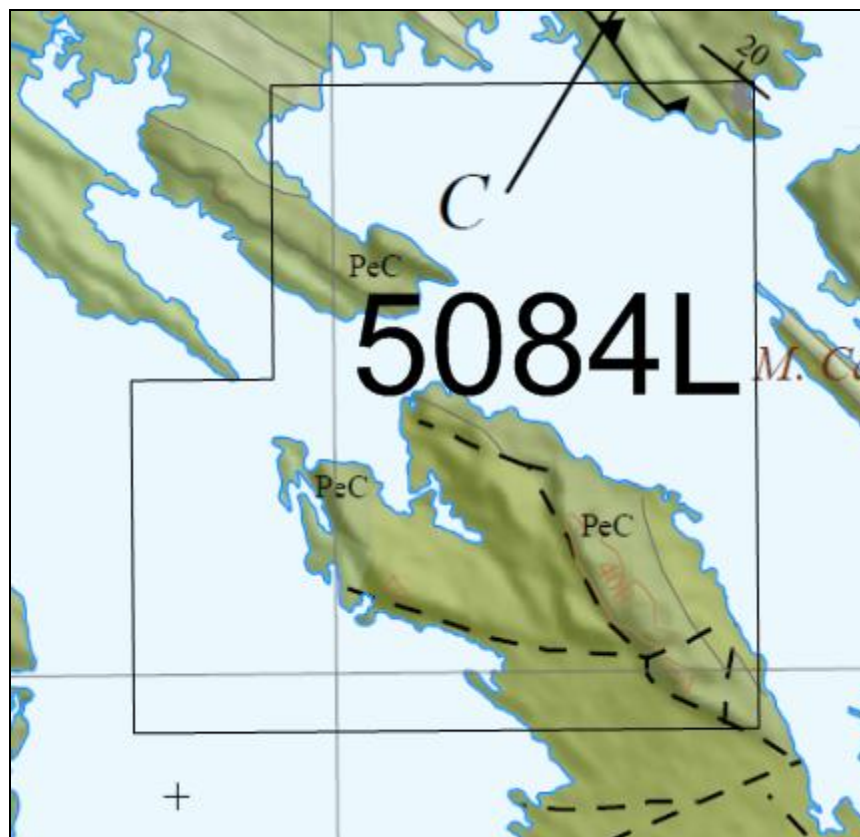
License	4169L
About	■ License previously held by Riversdale (Rio Tinto) ■ 17,000ha in size, 95% underlain with Lower Karoo sediments ■ In Joint Venture/earn in with SPI – Gestão e Participações, S.A.R.L("SPI") Mozambican government investment company ■ Borders license 5038L to the east 30-50km south of ENRC Estima & Jindal ■ Basin very well developed in the Northern section
Status	Granted
Existing Interest	Management control over the project, and right to acquire an initial 20% interest through the payment of US\$750,000 ¹ to SPI
Nature of Interest	Regius Coal has entered a binding agreement to acquire 20% of the shares on issue in Massimbe S.A, the company holding license 4169L through the payment of US\$750,000
Other Shareholders in Massimbe S.A.	3 Mozambican Companies: SPI – Gestão e Participações, S.A.R.L, Touch Publicidade, S.A & Nduku Investimentos, S.A
Payment Required to acquire an initial 20% interest	US\$750,000 ¹
Rights to Acquire up to	85%
Earn In & Performance Payments in relation to moving to an 85% interest	\$1m upon proving 100Mt Thermal Coal JORC Inferred Resource \$4m upon Resource upgrade to 100Mt min Thermal JORC Indicated to acquire a further 15% further equity. \$20m upon JORC Coal Reserve of minimum 100Mt (30% further equity) Final equity (20%) can be bought at commercial value less 10% discount following proving a JORC Reserve of minimum 450Mt. Coking Coal JORC Reserve - additional payment of \$0.05 per ton of JORC Coking Coal Reserves up to \$10m maximum (payments to Mozambican minority shareholders for all JORC compliant Coking Coal Reserves a defined on license 4169L)



License	5038L
About	■ Located <50km west of Tete in the Sanangoe-Mefideze sub-basin & RIO's Benga project ■ 30km south of JINDAL's +1200Mt project and 50km south of ENRC's +1Bt Estima project ■ 14,380ha in total, of which 7,400ha underlain with Lower Karoo ■ 6 coal seams in Sanangoe-Mefideze sub-basin. Lower seam correlates with Chipanga seam of Moatize area.
Status	Application
Existing Interest	5%
Rights to Acquire	Up to 80%
Additional Payments Required to acquire an 80% interest	\$130,000 within 7 business days from issuance of license 5085L \$435,009.25 payable upon executing the definitive sale agreements which should occur within 6 months from date of final license issued
Performance Payments subject to acquiring an 80% interest	Thermal Coal JORC Reserve - US\$0.0025/t for a minimum 100Mt JORC compliant reserve up to a maximum of US\$2m Coking Coal JORC Reserve - US\$10m for minimum 100Mt + US\$0.05/t over 100Mt to maximum additional US\$3m



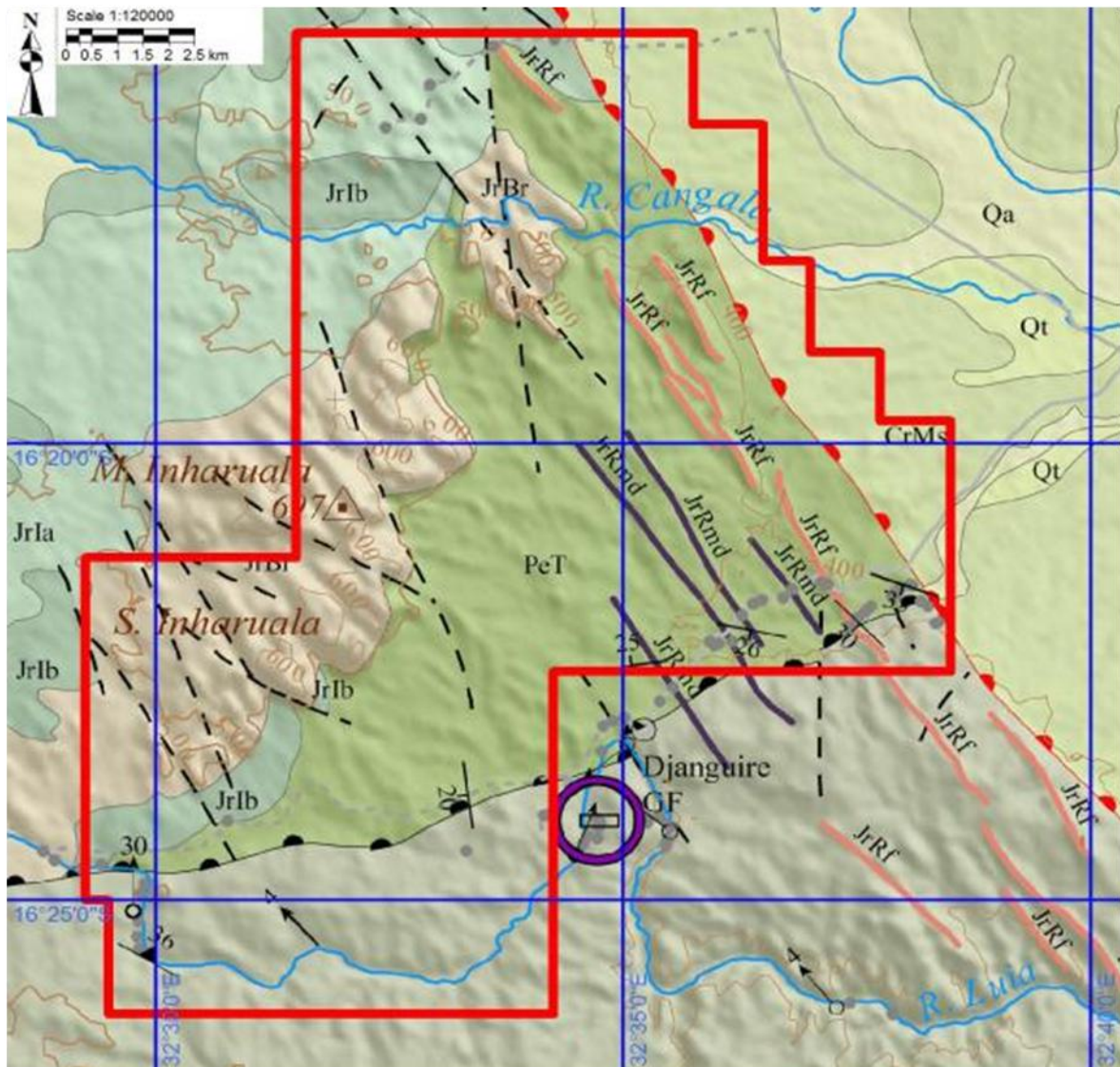
License	5084L
About	■ Located 250km northwest of Tete on the Cahora Bassa dam in the Mecanha-Vuzi sub-basin. ■ 8,860 ha in total of which 2,650 ha underlain with Lower Karoo sediments. ■ Bordering and opposite ENRC North Shore concessions. ■ Portuguese proved coal in western Cahora Bassa area when planning the dam.
Status	Application
Existing Interest	20%
Rights to Acquire	80%
Additional Payments Required to acquire an 80% interest	\$50,000 within 7 business days from issuance of license 5084L \$167,311.25 payable upon executing the definitive sale agreements which should be within 6 months from date of final license issued
Performance Payments subject to acquiring an 80% interest in MEDC Lda	Thermal Coal JORC Reserve - US\$0.0025/t for a minimum 100Mt JORC compliant reserve up to a maximum of US\$2m Coking Coal JORC Reserve - US\$4m for minimum 50Mt + US\$0.05/t over 50Mt to maximum additional US\$3m



License	5085L
About	■ 160km West of Tete. 7,940 ha in total of which 1,700 ha underlain with Lower Karoo.
Status	Application
Existing Interest	5%
Rights to Acquire	80%
Additional Payments Required to acquire an 80% interest	\$20,000 within 7 business days from issuance of license 5085L \$66,924.50 payable upon executing the definitive sale agreements which should be within 6 months from date of final license issued
Performance Payments subject to acquiring an 80% interest in MEDC Lda	Thermal Coal JORC Reserve - US\$0.0025/t for a minimum 100Mt JORC compliant reserve up to a maximum of US\$2m Coking Coal JORC Reserve - US\$4m for minimum 50Mt + US\$0.05/t over 50Mt to maximum additional US\$3m



License	4185L
About	- Acquired through competitive government tender in 2010 10,870ha underlain with Lower Karoo
Status	Granted
Existing Interest	70%
Rights to Acquire	70%
Additional Payments Required	Nil
Performance Payments	Nil



About the Zambezi Basin and Mozambique

The Mozambican coal region, in which the Regius Coal SPV Portfolio is situated, is considered to be ***one of the largest underdeveloped coal basins in the world***. As a result of the strong prospectivity of the region and large-scale discoveries, most major coal areas in the Tete province have been allocated for exploration to various local and international companies.

Discovered coal deposits held by other companies in the Mozambique basins total in the order of 22 billion tonnes (based on publicly disclosed reports of inferred, indicated and measured mineral resources of high and low grade thermal coal and metallurgical coking coal) with companies having publicly proposed plans for collective production of circa 55 million tonnes per annum by around 2025.¹

The attractiveness of the Zambezi Coal Basin is due largely to a number of key factors:

- **Large Scale of Coal Deposits:** 22 billion tonnes of coal has already been discovered with exploration activity still at an early stage and further resources to be proven in coming years;
- **Presence of Hard Coking Coal:** Typical Zambezi Basin Coking Coal - CSR 64, CSN#9, Vol: 25%, 10.5% ash. Low Alkali & Aluminium in Ash - favourable for steel producers;
- **High Value Secondary Product:** large quantities of export quality thermal coal of 6,000kcal to add to profitability of mines in Mozambique;
- **Low Cost of Mining:** Strip ratios in the Zambezi Coal Basin are very low and overall mining costs are expected to be substantially less than its peers in Australia and Canada, making the margins more favourable in exporting both coking and thermal coal;
- **Access to Asian Markets:** Mozambique has excellent export routes (through new and existing ports) to the rapidly growing Indian and Chinese coal markets.

Infrastructure development plans being implemented for the Zambezi coal basin have been reported as follows (also see Figure 6 below):

- **Upgrade of Sena Railway line:** In process of being upgraded to 6Mtpa by end of 2013 moving to 20Mtpa by 2020. The Sena rail line transects Licence 4070L. License 4169L is located approximately 50km from the Sena rail line. Beira port to be dredged to handle larger vessels and new bulk terminal being developed;
- **New Macuse Railway Line & Port:** Tenders have been submitted by companies to develop a new railway line to the port of Macuse, <100km North of the Zambezi river

¹ All references to coal Resources are based on publicly disclosed reports of inferred, indicated and measured mineral resources of high and low grade thermal coal and metallurgical coking coal. All production plans stated above are based on publicly disclosed reports and presentations by the following companies: Vale, Rio Tinto, ENRC, Beacon Hill Resources and Jindal

mouth. Shortest export route of 480km. Initial capacity of 20Mtpa by 2015/2016. Macuse port to be able to handle Capesize vessels;

- **Upgrade of Nacala Railway Line (via Malawi):** Vale spending up to US\$6 billion to develop the Nacala railway line and port to export 40Mtpa by 2015, with potential further upgrades thereafter; and
- **New Railway line to Nacala (in Mozambique around southern point of Malawi):** ENRC are developing a new railway line to serve their 1.4 billion tonne Estima project which will also be available to other companies in the region. Initial capacity of 40Mtpa by 2016 with upgrades up to 100Mtpa thereafter.



Figure 7: Mozambique Key Infrastructure Map

Both Licence 4070L and Licence 4169L are considered to be prospective for coal exploration with the proposed exploration and potential development over the

short to medium term to coincide with the large scale infrastructure upgrades and developments for the Zambezi coal basin.²

The Regius Coal SPV Licenses are underlain with Lower Karoo sediments in which coal has historically been found in the Zambezi basin in Mozambique. A coal outcrop of 3m was found in the North West corner of license 4070L dipping 5deg to the Southwest. Infrastructure developments currently being undertaken by Vale and ENRC and through a public tender for a new railway and Port to Macuse are estimated to be completed within the next 3-5 years. Statements relating to the proposed infrastructure upgrades are based upon information received by Regius Coal from the Department of Transport of Mozambique and upon publically disclosed reports.

ASX advice on the application of ASX Listing Rule 11.1

The ASX has advised the Company that ASX does not consider that the provisions of Listing Rule 11.1 apply to the Regius Acquisition, subject to the following:

- ASX will continue to monitor the Company's expenditure on its current projects as compared to the Mozambique Tenement Interests. In the event the Company's continued expenditure on the Mozambique Tenement Interests exceeds the proposed expenditure on its current projects, ASX may also require the Company to comply with Chapters 1 and 2 of the Listing Rules.
- If the Company decides to proceed to acquire between 35% and 51% of Regius Coal, the Company must provide further submissions to ASX, so that ASX may consider the application of Chapter 11 of the Listing Rules at that stage.
- ASX considers that if QBL proposes to pay any of the earn in and performance payments in relation to increasing its percentage interest in the licenses (as described in the Appendix) this may signify that there has been a change of activities for the purposes of Chapter 11. Consequently, ASX will also reconsider the application of Chapters 1 and 2 of the Listing Rules if and when the Company decides it will contribute to any of these earn in and performance payments.
- ASX reserves the right at any time to review the Company's compliance with Chapter 11 and require the Company to comply with Chapters 1 and 2 of the Listing Rules. Chapters 1 and 2 of the Listing Rules refer to the conditions for an entity to be (re)admitted to and its' shares to be quoted on the ASX. The conditions relevant to QBL may include amongst other conditions, the requirement to raise a reasonable amount of money at a minimum of 20c per share under a prospectus lodged with ASIC.

² Statements regarding the prospectivity of the Regius Coal's licenses are based upon independent geological reports by Regius Coal's Competent Person Mr. Peet Meyer and as reviewed by QBL's geologists.

The Company will consult with the ASX on any possible application of Chapter 11 of the ASX Listing Rules if any decision is made that may deem to change the nature or scale of the Company's activities, and in accordance with the above guidelines given by the ASX.

Corporate

QBL's cash position as at 30th September 2013 was \$4.677 million.

For further information please visit the company's website at www.queenslandbauxite.com.au or contact:

Sholom Feldman
Executive Director
E: sfeldman@queenslandbauxite.com.au
Web: www.queenslandbauxite.com.au

Consents

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert Coenraads (BA Hons, MSc, PhD). Dr Coenraads is a fellow of the Australasian Institute of Mining and Metallurgy.

Dr Coenraads contracts services to QBL.

Dr Coenraads has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking and to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources or Ore Reserves".

Dr Coenraads consents to the inclusion in this 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, 01/06/10.

Name of entity

Queensland Bauxite Limited

ABN

18 124 873 507

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	-273 -345	-273 -345
1.3	Dividends received	44	44
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material) Reimbursement of Exploration Expense		
	Net Operating Cash Flows	-574	-574
Cash flows related to investing activities			
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 from other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material) Loan to Regius as per announced agreement	-291	-291
	Net investing cash flows	-865	-865
1.13	Total operating and investing cash flows (carried forward)		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	-865	-865
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	200	200
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-665	-665
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	5342	5342
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4677	4677

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	-149
1.24	Aggregate amount of loans from the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

- 12,500,000 unlisted options with an exercise price of \$0.03, expiring at 5pm Sydney time on 2 July 2016.
- 24,000,000 FPO shares issued in lieu of past and ongoing corporate advisory fees, by Gleneagle Nominees Pty Limited, Jersey York Capital Group and RJL investments Pty Ltd.

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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	300
4.2 Development	
4.3 Production	
4.4 Administration	300
Total	600

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'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	4557	5202
5.2 Deposits at call	120	140
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4677	5342

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	EL7274 EL7275 EL7276 EL7277 EL7278 4169L 4070L		Nil Nil Nil Nil Nil Nil Nil	70% 70% 70% 70% 70% 51 to 85% 51 to 80%

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 (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	295,363,192	295,363,192		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	24,000,000	24,000,000		
7.5	+Convertible debt securities (description)	90,000,000	nil	Convertible Bond of \$1.8M convertible to shares at 2 cents per share.	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Options 65,000,000 1,000,000 Performance Options 1,000,000 Performance Options 1,000,000 Options 5,000,000 Options 12,500,000	Nil Nil Nil Nil Nil Nil	<i>Exercise price</i> \$0.05 \$0.25 \$0.35 \$0.45 \$0.25 \$0.03	<i>Expiry date</i> 31/12/2015 31/12/2015 31/12/2015 31/12/2015 30/06/2014 02/07/2016
7.8	Issued during quarter	Options 12,500,000	Nil	\$0.03	02/07/2016
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ 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: 28th October 2013
(Company secretary)

Print name: Sholom D Feldman

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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