

Focus Minerals Ltd Quarterly Activities Report for April-June 2014

Focus Minerals Ltd is pleased to release the Quarterly Activities Report for the June Quarter. It was a productive quarter, including the realisation of savings from our large scale tenement rationalisation strategy, the completion of the Company's transition to an efficient exploration company, and the release of strong results from the first exploration programs.

Corporate Highlights for the Quarter

- *Strong results from first drilling campaigns at Laverton and Coolgardie*
- *Gold, Copper, and Nickel exploration planned for remainder of 2014*
- *\$92 million in cash and equivalents at 30 June 2014*
- *Resounding support for Remuneration report at Focus' AGM*

Exploration Activity During the Quarter

During the quarter the company drilled 50 RC holes, including 28 with diamond tails, for a total of 13,118.4m at Coolgardie and Laverton. This was the continuation of the exploration programs which commenced in March and were first disclosed in the March quarterly report. Significant results were first released to the ASX on the 30th of July.

Coolgardie Gold Project

During the quarter 25 holes were drilled, consisting of 5,564m of RC and 1,214.8m of diamond core.

Brilliant

At Brilliant 10 holes were completed for 3,130.9m, including the majority of the deep diamond drilling for the quarter. This program was designed to provide additional structural and assay data on deep targets following on from the success of the Brilliant Deeps program in H2 2013, with all holes drilled beneath the current Brilliant pit. One hole at the northern end of the program could not be completed due to a lost rod string; this is expected to be recovered in the next round of drilling.

Results from the Brilliant program were varied, however there was sufficient encouragement to justify further drilling at depth:

- **8.3m @ 13.46g/t Au** from 268.24m in BRRCD007;
- **2.3m @ 25.55g/t Au** from 361.15m in BRRCD006;
- **3m @ 6.61g/t Au** from 234m in BRRCD005; and
- **3m @ 4.17g/t Au** from 191m in BRRCD008.

The higher-grade zones are particularly significant as FML's intention is to define sufficient tonnage at a robust grade to justify future underground mining.

During the second half of 2014 the Company intends to concentrate on exploring to the north of Brilliant, with an RC program currently awaiting DMP approval. This work is part of the longer-term view to thoroughly define mineralisation along the 2.5km-long Brilliant trend. Moving into 2015 the Company will continue infill drilling on the Brilliant Deeps area, which is now an advanced brownfields project.

Bonnie Vale

13 holes were drilled at Bonnie Vale for 2,874m. The program was designed to test extensions to high-grade mineralised reefs historically mined underground, including the Westralia, Bonnie Vale and Vale of Coolgardie mines. Bonnie Vale is one of the largest and highest grade historic mines in the Coolgardie field, however it has received little effective exploration in the modern era due to holes being too shallow, or not effectively targeted. The majority of previous drilling in the area is shallow RAB, which is ineffective in testing reef structures dipping at between 45 and 60 degrees.

The Company was able to resurrect and digitise the main mine workings, following up on work commenced by Coolgardie Gold in the early 1990's and subsequently filed for many years in the company archives. This research was vital in planning and orienting drill holes.

The initial holes targeting the upper portions of the Westralia and Callisto reefs did not intersect significant mineralisation, however two significant intersections were drilled on the Bonnie Vale and Vale of Coolgardie structures:

- **6m @ 9.45g/t Au** from 158m in BONC035 (Bonnie Vale reef);
- **6m @ 7.12g/t Au** from 95m in BONC033 (Vale of Coolgardie reef);

A second round of RC drilling at Bonnie Vale will commence in the current quarter, following up these early results.

Boundary

At the Boundary pit three RC holes were drilled for 774m, bracketing the known mineralisation at depth to test whether the deposit had sufficient strike and dip extent to justify further work. This drilling was unsuccessful in defining significant gold values, and no further work is planned.

Planned Work

In addition to the follow-up drilling at Brilliant and Bonnie Vale, the Company intends to test a number of greenfields and brownfields prospects in the second half of 2014. These include initial reconnaissance drilling on a number of interesting structural and geochemical targets in the southern half the Company's tenure, an area which has previously received insufficient attention.

Nepean Nickel Mine

During the quarter the Company has been assessing the Nepean data set with a view to recommencing exploration for nickel sulphides.

The first stage of exploration is expected to commence in the September quarter with a 2D2R seismic survey, testing the depth and continuity of cross-cutting pegmatites which intrude the mine sequence. If this survey shows the host contact between the komatiite and basalt to be open at depth beneath the known pegmatites, deep drilling is expected to be planned for the first half of 2015.

Laverton Gold Project

During the quarter 25 holes were drilled for 6,339.5m, including 3,964m of RC and 2,375.5m of diamond drilling. This was the continuation of programs which started in March 2014, with early drilling at Prendergast Well, Gladiator and Lancefield mentioned in the March quarterly report.

Prendergast Well

Drilling at Prendergast Well was designed to test mineralisation previously identified in shallow RAB holes. Four RC holes were drilled for 640m. The best result was 2m @ 4.68g/t from 46m in hole PWRC004, and no further work is planned at this stage.

Gladiator

Two RC holes were drilled for 300m. No significant intersections were received. No further work is planned at this stage.

Lancefield

Twelve RC holes were drilled for 1,338m testing a number of shallow positions along the strike of the West Lode. All holes intersected the lode position, with mixed results in terms of gold values. The best result was 2m @ 59.76g/t from 50m in LFRC002.

West Lode was targeted because it remains relatively under-explored, and anecdotal evidence from previous explorers indicates the West Lode contains non-refractory mineralisation whereas the Main Lode contains a significant refractory component.

Lord Byron

Two RC holes were drilled at Lord Byron, principally to keep the tenement in good standing but also testing mineralisation on flat structures adjacent to the existing open pit. The holes intersected a number of significant mineralised zones, including:

- **2m @ 6.53g/t Au** from 39m in LBRC196;
- **4m @ 2.57g/t Au** from 78m in LBRC197; and
- **4m @ 5.13g/t Au** from 179m in LBRC197.

The new data will now be modelled in Leapfrog to assess its significance.

Fish

11 holes were drilled at Fish, including 1,942m of RC drilling and 1,435.1m of diamond tails. Fish was originally drilled by WMC and mined as an open pit operation by Crescent Gold, with gold mineralisation hosted within a steeply-dipping BIF unit. The geological interpretation had shallow-dipping granitic intrusions cutting off the orebody at depth, which resulted in a common view that the prospect had little depth potential despite the relatively high grades mined in the pit.

A reinterpretation of Fish conducted by FML geologists in late 2013, in conjunction with re-logging of old drill core, led to a complete re-appraisal of its prospectivity. The Company now believes the BIF unit to be relatively continuous, although folded, at depth rather than being faulted off and displaced by the granites. The recent drilling program was intended to test this hypothesis.

Results appear to support the new interpretation, although there is more complexity to the BIF units than expected. The new data will be added to a revised mineralisation interpretation before any further drilling is proposed. The best result from the program was a deep intersection of 2.9m @ 8.17g/t Au from 455m in hole FHDD099.

Craiggiemore

13 holes were drilled at Craiggiemore, including 1,926m of RC drilling and 940.4m of diamond core. This program was designed to test extensions to BIF-hosted mineralisation beneath the West Lode, which was successfully mined in the Craiggiemore pit.

The drilling indicates an unknown structural feature terminates mineralisation on the West Lode, however there is currently insufficient data to interpret or model this structure accurately. The drilling returned a best result of 4.7m @ 9.28g/t Au from 212m in hole CMDD348, however this mineralisation represents the Craiggiemore East Lode.

Tenement Rationalisation

During the quarter the Company surrendered or transferred 106 tenements at Laverton, reducing the ongoing holding costs by approximately 50% whilst retaining all the prospective target areas. This has enabled the Exploration team to concentrate on priority areas with less distraction from tenement maintenance activities.

Planned Work

Moving into the second half of 2014 the Company intends to continue developing the Laverton exploration strategy. The primary focus of exploration will be the Admiral Hill – Barnicoat trend, including a number of targets identified by a VTEM survey conducted in early 2014. This survey covered over 22km of prospective strike from north of Admiral Hill down to Black Label. The full scope of the resultant targets is still being digested, but this represents an exciting step forward in the Company's understanding of this extremely prospective area.

Corporate Summary

Focus remains in a strong financial position with \$92.2M in cash and equivalents at 30 June 2014 (31 March 96.4m). The company has completed its transition to a cost effective exploration company.

Cash

At 30 June 2014, the Focus Group held cash, deposits and bullion comprising:

Cash at Bank and Deposits	\$74.9 M
Bullion on Hand	Nil
Cash held on bond	\$17.3M
Total Cash and Equivalents	\$92.2M

In the March 2014 Quarterly the Company announced that it had commenced the process to replace its environmental bonds with an annual fee as part of the Mine Rehabilitation Fund (MRF). It was expected that this process would be completed by June 2014 for both Coolgardie and Laverton and this will free up in excess of \$15m cash from the above "Cash held on bond". The Company has not yet been informed by the WA DMP about the outcome of this process.

Income

The Company received \$224,000 of revenue during the quarter, comprising gold sales as a result of gold recovered during care and maintenance, leasing of property and equipment, and rebates. In addition the Company received \$607,000 in interest on its deposits.

Expenditure

Reflecting the Company's successful transition to an efficient exploration company, the majority of operating cost outflows during the quarter were exploration costs. Of the \$4.0M net operating cash outflows for the quarter, \$2.6M of expenditure was directly related to exploration activities.

AGM

The Focus Minerals AGM was held in Perth on the 28th of May 2014, attended by all management, Directors, and strong turnout of shareholders. The remuneration report passed with more than 98 percent of votes cast in favour.

Directors

Long serving Director Bruce McComish retired on 28th of May and the Board is currently searching for a new Independent Director to increase the proportion of Independent Directors on the Board.

Tenement list held at 30 June 2014

Laverton Gold Project		
Tenement Description	Tenement Numbers	Percentage Interest
MOUNT WELD	E38/1642	100%
CAREY	E38/1652	100%
MOUNT WELD	E38/1725	100%
MOUNT WELD	E38/2028	100%
MOUNT WELD	E38/2032	100%
INFRASTRUCTURE	L38/0092	100%
INFRASTRUCTURE	L38/0101	100%
CENTRAL LAVERTON	M38/0037	100%
CENTRAL LAVERTON	M38/0038	100%
WEST LAVERTON	M38/0046	100%
CENTRAL LAVERTON	M38/0049	100%
CENTRAL LAVERTON	M38/0101	100%
CENTRAL LAVERTON	M38/0159	100%
CENTRAL LAVERTON	M38/0342	100%
CENTRAL LAVERTON	M38/0363	100%
CENTRAL LAVERTON	M38/0364	100%
CENTRAL LAVERTON	M38/0535	100%
CENTRAL LAVERTON	M38/0693	100%
MOUNT WELD	M38/0954	100%
CENTRAL LAVERTON	P38/3500	100%
CENTRAL LAVERTON	P38/3501	100%
MOUNT WELD	P38/3656	100%
MOUNT WELD	P38/3657	100%
MOUNT WELD	P38/3667	100%
EAST LAVERTON	P38/3671	100%
EAST LAVERTON	E38/1869	64%
EAST LAVERTON	P38/3608	64%
INFRASTRUCTURE	G38/0033	100%
CENTRAL LAVERTON	E38/1349	100%
CENTRAL LAVERTON	E38/1861	100%
EAST LAVERTON	E38/1864	100%
MOUNT WELD	E38/1865	100%
MOUNT LUCKY	E38/1866	0% (Au, Fe rights only)
CENTRAL LAVERTON	E38/2143	100%
INFRASTRUCTURE	G38/0020	100%
CENTRAL LAVERTON	M38/0264	100%
CENTRAL LAVERTON	M38/0318	100%
CENTRAL LAVERTON	M38/0376	100%
CENTRAL LAVERTON	M38/0377	100%
CENTRAL LAVERTON	M38/0387	100%
CENTRAL LAVERTON	M38/0401	100%

MOUNT LUCKY	M38/0425	0% (Au, Fe rights only)
MOUNT LUCKY	M38/0505	0% (Au, Fe rights only)
CENTRAL LAVERTON	M38/0507	100%
EAST LAVERTON	M38/1032	100%
CENTRAL LAVERTON	M38/1042	100%
CENTRAL LAVERTON	P38/3691	100%
EAST LAVERTON	P38/3692	100%
EAST LAVERTON	P38/3823	100%
EAST LAVERTON	E38/1860	100%
EAST LAVERTON	E38/1867	100%
MOUNT WELD	M38/0008	100%
MOUNT WELD	M38/0261	100%
MOUNT WELD	P38/3611	100%
MOUNT WELD	P38/3612	100%
EAST LAVERTON	P38/3693	100%
INFRASTRUCTURE	G38/0024	100%
INFRASTRUCTURE	G38/0025	100%
INFRASTRUCTURE	L38/0034	100%
INFRASTRUCTURE	L38/0052	100%
INFRASTRUCTURE	L38/0053	100%
INFRASTRUCTURE	L38/0054	100%
INFRASTRUCTURE	L38/0055	100%
INFRASTRUCTURE	L38/0056	100%
INFRASTRUCTURE	L38/0057	100%
INFRASTRUCTURE	L38/0063	100%
INFRASTRUCTURE	L38/0075	100%
INFRASTRUCTURE	L38/0076	100%
INFRASTRUCTURE	L38/0078	100%
INFRASTRUCTURE	L38/0108	100%
INFRASTRUCTURE	L38/0120	100%
INFRASTRUCTURE	L38/0152	100%
INFRASTRUCTURE	L38/0153	100%
INFRASTRUCTURE	L38/0160	100%
INFRASTRUCTURE	L38/0163	100%
INFRASTRUCTURE	L38/0164	100%
INFRASTRUCTURE	L38/0165	100%
INFRASTRUCTURE	L38/0166	100%
INFRASTRUCTURE	L38/0173	100%
INFRASTRUCTURE	L38/0177	100%
INFRASTRUCTURE	L38/0179	100%
INFRASTRUCTURE	L38/0183	100%
INFRASTRUCTURE	L39/0124	100%
INFRASTRUCTURE	L39/0214	100%
JASPER HILLS	M39/0138	100%
JASPER HILLS	M39/0139	100%
JASPER HILLS	M39/0185	100%

JASPER HILLS	M39/0262	100%
INFRASTRUCTURE	L38/0231	100%
MOUNT WELD	P38/4091	100%
CAREY	P38/4099	100%
CAREY	P38/4100	100%
CAREY	P38/4102	100%
MITCHELL WELL	M38/0547	100%
MITCHELL WELL	P38/3504	100%
MITCHELL WELL	P38/3505	100%
MITCHELL WELL	P38/3506	100%
MOUNT WELD	M38/0073	56%
MOUNT WELD	M38/0089	56%
CENTRAL LAVERTON	E38/2862	100%
MT WELD	E38/2872	100%
MT WELD	E38/2873	0% (Under application)
INFRASTRUCTURE	GWL154255	100%
INFRASTRUCTURE	GWL154359	100%
INFRASTRUCTURE	GWL160209	100%
INFRASTRUCTURE	GWL160210	100%
INFRASTRUCTURE	GWL160679	100%
INFRASTRUCTURE	GWL160682	100%
INFRASTRUCTURE	GWL160684	100%
INFRASTRUCTURE	GWL160685	100%
INFRASTRUCTURE	GWL160686	100%
INFRASTRUCTURE	GWL67391	100%
CENTRAL LAVERTON	M38/0143	100%
CENTRAL LAVERTON	M38/0236	100%
CENTRAL LAVERTON	M38/0270	100%
CENTRAL LAVERTON	M38/0345	100%
CENTRAL LAVERTON	M38/1187	100%

Coolgardie Gold Project		
Tenement Description	Tenement Numbers	Percentage Interest
BAYLEYS	G15/0007	100%
BAYLEYS	M15/0630	100%
BAYLEYS	M15/1433	100%
BAYLEYS	M15/1788	100%
BAYLEYS	P15/4912	100%
BAYLEYS	P15/5717	100%
BONNIE VALE	M15/0277	100%
BONNIE VALE	M15/0365	100%
BONNIE VALE	M15/0595	100%
BONNIE VALE	M15/0662	100%
BONNIE VALE	M15/0711	100%
BONNIE VALE	M15/0770	100%
BONNIE VALE	M15/0852	100%

BONNIE VALE	M15/0857	100%
BONNIE VALE	M15/0877	100%
BONNIE VALE	M15/0981	100%
BONNIE VALE	M15/1384	100%
BONNIE VALE	M15/1444	100%
BONNIE VALE	M15/1760	100%
BONNIE VALE	P15/5155	100%
BONNIE VALE	P15/5156	100%
BONNIE VALE	P15/5158	100%
BONNIE VALE	P15/5159	100%
BONNIE VALE	P15/5190	100%
BONNIE VALE	P15/5238	100%
BONNIE VALE	P15/5253	100%
BONNIE VALE	P15/5254	100%
BONNIE VALE	P15/5255	100%
BONNIE VALE	P15/5704	0% (Under application)
BONNIE VALE	P15/5713	100%
BONNIE VALE	P15/5714	100%
GUNGA	M15/1341	100%
GUNGA	M15/1357	100%
GUNGA	M15/1358	100%
GUNGA	M15/1359	100%
GUNGA	P15/5256	100%
GUNGA	P15/5702	0% (Under application)
GUNGA	P15/5703	0% (Under application)
LAKE COWAN	E15/0986	100%
LAKE COWAN	E15/1224	100%
LORD BOB	M15/0385	100%
LORD BOB	M15/0664	100%
LORD BOB	M15/1789	100%
LORD BOB	P15/4829	100%
LORD BOB	P15/4916	100%
LORD BOB	P15/4917	100%
LORD BOB	P15/4950	100%
LORD BOB	P15/4951	100%
LORD BOB	P15/4952	100%
LORD BOB	P15/4953	100%
LORD BOB	P15/4956	100%
LORD BOB	P15/5227	100%
LORD BOB	P15/5550	100%
LORD BOB	P15/5712	0% (Under application)
LORD BOB	P15/5731	100%
LORD BOB	P15/5733	100%
LORD BOB	P15/5735	100%
ML - BAYLEYS	L15/0034	100%
ML - BAYLEYS	L15/0122	100%

ML - BAYLEYS	L15/0161	100%
ML - BAYLEYS	L15/0164	100%
ML - BAYLEYS	L15/0186	100%
ML - BONNIEVALE	L15/0126	100%
ML - BONNIEVALE	L15/0127	100%
ML - BONNIEVALE	L15/0130	100%
ML - BONNIEVALE	L15/0200	100%
ML - BONNIEVALE	L15/0211	100%
ML - GUNGA	L15/0088	100%
ML - GUNGA	L15/0090	100%
ML - GUNGA	L15/0095	100%
ML - GUNGA	L15/0096	100%
ML - GUNGA	L15/0114	100%
ML - GUNGA	L15/0116	100%
ML - GUNGA	L15/0119	100%
ML - GUNGA	L15/0283	100%
ML - LORD BOB	L15/0051	100%
ML - LORD BOB	L15/0059	100%
ML - LORD BOB	L15/0063	100%
ML - LORD BOB	L15/0077	100%
ML - LORD BOB	L15/0078	100%
ML - MOUNT	L15/0325	100%
ML - MOUNT	L15/0338	100%
ML - NEPEAN	L15/0027	100%
ML - NEPEAN	L15/0028	100%
ML - NEPEAN	L15/0179	100%
ML - NEPEAN	L15/0193	100%
ML - NEPEAN	L15/0194	100%
ML - NEPEAN	L15/0294	100%
ML - NORRIS	L15/0071	100%
ML - NORRIS	L15/0168	100%
ML - NORRIS	L15/0169	100%
ML - NORRIS	L15/0170	100%
ML - NORRIS	L15/0171	100%
ML - NORRIS	L15/0172	100%
ML - NORRIS	L15/0173	100%
ML - NORRIS	L15/0174	100%
ML - NORRIS	L15/0175	100%
ML - THREE MILE HILL	L15/0042	100%
ML - THREE MILE HILL	L15/0123	100%
ML - THREE MILE HILL	L15/0177	100%
ML - MOUNT	L15/0343	0% (Under application)
ML-THREE MILE HILL	L15/0213	100%
MOUNT	M15/0030	100%
MOUNT	M15/1423	100%
MOUNT	M15/1431	100%

MOUNT	P15/4906	100%
MOUNT	P15/4907	100%
MOUNT	P15/5495	100%
MOUNT	P15/5500	100%
MOUNT	P15/5501	100%
MOUNT	P15/5716	100%
NEPEAN	M15/0709	100%
NEPEAN	M15/1809	100%
NEPEAN	P15/5519	100%
NEPEAN	P15/5574	100%
NEPEAN	P15/5575	100%
NEPEAN	P15/5576	100%
NEPEAN	P15/5625	100%
NEPEAN	P15/5626	100%
NEPEAN	P15/5629	100%
NEPEAN	P15/5738	100%
NEPEAN	P15/5739	100%
NEPEAN	P15/5740	100%
NEPEAN	P15/5741	100%
NEPEAN	P15/5742	100%
NEPEAN	P15/5743	100%
NEPEAN	P15/5749	100%
NEPEAN	P15/5750	100%
NORRIS	M15/0384	100%
NORRIS	M15/0391	100%
NORRIS	M15/0515	100%
NORRIS	M15/0761	100%
NORRIS	M15/0791	100%
NORRIS	M15/0871	100%
NORRIS	M15/1153	100%
NORRIS	M15/1422	100%
NORRIS	M15/1793	100%
NORRIS	P15/5241	100%
NORRIS	P15/5522	100%
NORRIS	P15/5527	100%
NORRIS	P15/5528	100%
NORRIS	P15/5729	100%
NORRIS	P15/5730	100%
NORRIS	P15/5732	100%
NORRIS	P15/5734	100%
NORRIS	P15/5736	100%
NORRIS	P15/5756	100%
NORRIS	P15/5807	100%
THREE MILE HILL	M15/0150	100%
THREE MILE HILL	M15/0154	100%
THREE MILE HILL	M15/0636	100%

THREE MILE HILL	M15/0645	100%
THREE MILE HILL	M15/0781	100%
THREE MILE HILL	M15/0827	100%
THREE MILE HILL	M15/1432	100%
THREE MILE HILL	M15/1434	100%
THREE MILE HILL	P15/4913	100%
THREE MILE HILL	P15/4926	100%
TINDALS	M15/0023	100%
TINDALS	M15/0237	100%
TINDALS	M15/0410	100%
TINDALS	M15/0411	100%
TINDALS	M15/0412	100%
TINDALS	M15/0646	100%
TINDALS	M15/0660	100%
TINDALS	M15/0675	100%
TINDALS	M15/0958	100%
TINDALS	M15/0966	100%
TINDALS	M15/1114	100%
TINDALS	M15/1262	100%
TINDALS	M15/1293	100%
TINDALS	M15/1294	100%
TINDALS	M15/1461	100%
TINDALS	P15/4810	100%
TINDALS	P15/4933	100%
TINDALS	P15/4934	100%
TINDALS	P15/4935	100%
TINDALS	P15/4941	100%
TINDALS	P15/4943	100%
TINDALS	P15/4945	100%
TINDALS	P15/4947	100%
TINDALS	P15/5046	100%
TINDALS	P15/5048	100%
TINDALS	P15/5464	100%

END QUARTERLY ACTIVITY STATEMENT

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Andrew Paterson who is a member of the Australasian Institute of Mining and Metallurgy. Mr Paterson is employed by Focus Minerals Limited and has sufficient experience that 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 Paterson consents to the inclusion in this announcement of the matters based on the information compiled by him in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Focus Minerals Ltd

ABN

56005470799

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'ooo	Year to date (...Six... months) \$A'ooo
1.1 Receipts from product sales and related debtors	224	224
1.2 Payments for (a) exploration & evaluation	(2,553)	(3,448)
(b) development	-	-
(c) production	-	-
(d) administration	(2,278)	(5,119)
(e) royalties	-	(16)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	607	1,539
1.5 Interest and other costs of finance paid	(15)	(38)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) shutdown Cost	-	(156)
Net Operating Cash Flows	(4,037)	(7,104)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(258)	(753)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	170
(c) other fixed assets	107	386
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
(a) bond	534	918
Net investing cash flows	383	721
1.13 Total operating and investing cash flows (carried forward)	(3,654)	(6,293)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,631)	(6,293)
	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	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(3,654)	(6,293)
1.20	Cash at beginning of quarter/year to date	78,578	81,239
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	74,924	74,924

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	174
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Director fees including superannuation expense	

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

Nil

- 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

+ See chapter 19 for defined terms.

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	19,000	17,282

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
4.3 Production	-
4.4 Administration	4,000
Total	6,000

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	74,924	78,578
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Environmental Bonds)	17,282	17,817
Total: cash at end of quarter (item 1.22)	92,206	96,395

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	L15/0327	Surrendered	100%	0%
	E38/0812	Surrendered	100%	0%
	E38/1559	Surrendered	100%	0%
	E38/1670	Surrendered	100%	0%
	E38/1878	Surrendered	100%	0%
	E38/1886	Surrendered	100%	0%
	E38/1896	Surrendered	100%	0%
	E38/1966	Surrendered	100%	0%
	E38/2030	Surrendered	100%	0%
	E38/2059	Surrendered	100%	0%
	E38/2130	Surrendered	100%	0%
	E38/2169	Surrendered	100%	0%
	E38/2203	Surrendered	100%	0%
	E38/2321	Surrendered	100%	0%
	E38/2388	Surrendered	100%	0%
	L38/0178	Surrendered	100%	0%
	M38/0039	Surrendered	100%	0%
	M38/0040	Surrendered	100%	0%
	M38/0048	Surrendered	100%	0%
	M38/0052	Surrendered	100%	0%
	M38/0358	Surrendered	100%	0%
	M38/0390	Surrendered	100%	0%
	M38/0392	Surrendered	100%	0%
	M38/0393	Surrendered	100%	0%
	M38/0403	Surrendered	100%	0%
	M38/0459	Surrendered	100%	0%
	M38/0544	Surrendered	100%	0%
	M38/0749	Surrendered	100%	0%
	M38/0846	Surrendered	100%	0%
	M38/0881	Surrendered	100%	0%
	M38/0915	Surrendered	100%	0%
	M38/0953	Surrendered	100%	0%
	M38/0989	Surrendered	100%	0%
	M38/1047	Surrendered	100%	0%
	M38/1048	Surrendered	100%	0%
	M38/1049	Surrendered	100%	0%
	M38/1129	Surrendered	100%	0%
	M38/1133	Surrendered	100%	0%
	M38/1134	Surrendered	100%	0%
	M38/1149	Surrendered	100%	0%
M39/0520	Surrendered	100%	0%	
M39/0653	Surrendered	100%	0%	
M39/0654	Surrendered	100%	0%	
	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed (Continued)	M39/0655	Surrendered	100%	0%
	M39/0664	Surrendered	100%	0%
	M39/0667	Surrendered	100%	0%
	M39/0668	Surrendered	100%	0%
	M39/0669	Surrendered	100%	0%
	M39/0670	Surrendered	100%	0%
	M39/0742	Surrendered	100%	0%
	M39/0743	Surrendered	100%	0%
	M39/0849	Surrendered	100%	0%
	M39/0862	Surrendered	100%	0%
	M39/0904	Surrendered	100%	0%
	M39/0951	Surrendered	100%	0%
	P38/3327	Surrendered	100%	0%
	P38/3488	Surrendered	100%	0%
	P38/3489	Surrendered	100%	0%
	P38/3490	Surrendered	100%	0%
	P38/3491	Surrendered	100%	0%
	P38/3492	Surrendered	100%	0%
	P38/3495	Surrendered	100%	0%
	P38/3503	Surrendered	100%	0%
	P38/3609	Surrendered	100%	0%
	P38/3610	Surrendered	100%	0%
	P38/3615	Surrendered	100%	0%
	P38/3617	Surrendered	100%	0%
	P38/3658	Surrendered	100%	0%
	P38/3659	Surrendered	100%	0%
	P38/3660	Surrendered	100%	0%
	P38/3661	Surrendered	100%	0%
	P38/3662	Surrendered	100%	0%
	P38/3663	Surrendered	100%	0%
	P38/3664	Surrendered	100%	0%
	P38/3665	Surrendered	100%	0%
	P38/3674	Surrendered	100%	0%
	P38/3675	Surrendered	100%	0%
	P38/3676	Surrendered	100%	0%
	P38/3694	Surrendered	100%	0%
	P38/3695	Surrendered	100%	0%
	P38/3700	Surrendered	100%	0%
	P38/3701	Surrendered	100%	0%
	P38/3706	Surrendered	100%	0%
P38/3707	Surrendered	100%	0%	
P38/3710	Surrendered	100%	0%	
P38/3711	Surrendered	100%	0%	
P38/3712	Surrendered	100%	0%	
P38/3713	Surrendered	100%	0%	
Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed (Continued)	P38/3714	Surrendered	100%	0%
		P38/3715	Surrendered	100%	0%
		P38/3716	Surrendered	100%	0%
		P38/3756	Surrendered	100%	0%
		P38/3822	Surrendered	100%	0%
		P38/3862	Surrendered	100%	0%
		P38/3863	Surrendered	100%	0%
		P38/3864	Surrendered	100%	0%
		P38/3865	Surrendered	100%	0%
		P38/3974	Surrendered	100%	0%
		P38/3975	Surrendered	100%	0%
		P38/3976	Surrendered	100%	0%
		P39/4783	Surrendered	100%	0%
		P39/4784	Surrendered	100%	0%
		P39/4785	Surrendered	100%	0%
		P39/4786	Surrendered	100%	0%
		P39/4787	Surrendered	100%	0%
		P39/4788	Surrendered	100%	0%
		P39/4797	Surrendered	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	P38/4099	Granted	0%	100%
		P38/4100	Granted	0%	100%
		P38/4102	Granted	0%	100%

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)	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3	+Ordinary securities	9,137,375,877	9,137,375,877		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-			
7.5	+Convertible debt securities <i>(description)</i>	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-			
7.7	Options <i>(description and conversion factor)</i>	17,500,000		<i>Exercise price</i> 5 cents	<i>Expiry date</i> 28 Feb 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	13,500,000		12.3 cents	30 June 2014
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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 30 July 2014
(Company secretary)

Print name: Dane Etheridge

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 and petroleum 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 or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.