POSEIDONNICKEL

QUARTERLY REPORT

31 MARCH 2016

COMPANY OVERVIEW

Poseidon Nickel Limited is a nickel sulphide development company with 5 separate mines at 3 near operational projects located within a radius of 300km from Kalgoorlie in the Goldfields region of Western Australia. The Company has the 2nd largest nickel sulphide ore processing capacity and one of the largest associated JORC compliant resources in Australia.

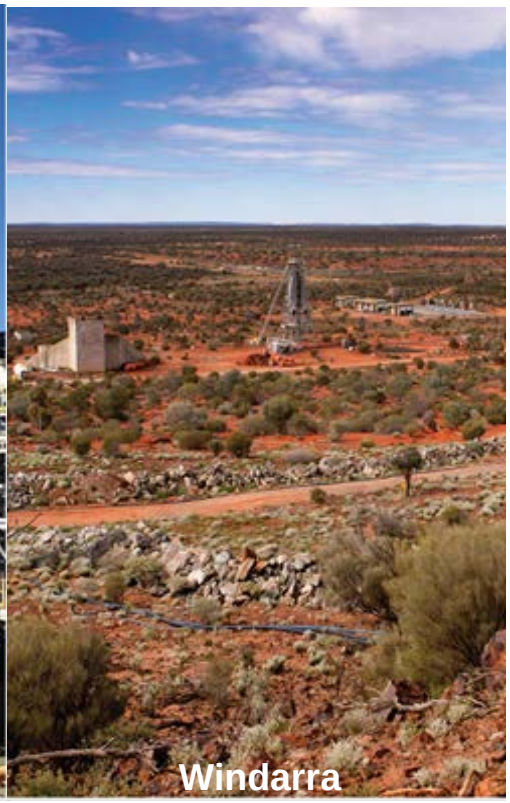
Poseidon's strategy is focussed on the recommencement of operations at established nickel producers in Australia where project risk capital and operating costs are low. A critical element of this strategy is to acquire projects with high levels of geological prospectivity likely to lead to a substantial extension of the projects life through the application of modern nickel exploration techniques. These exploration techniques have been proven repeatedly at Poseidon as well as several other well-known nickel producers in Australia.

Poseidon now owns Lake Johnston and Black Swan (including Silver Swan), each incorporating a large concentrator of their own, together with the Windarra Nickel Project which will produce ore to be processed at the Black Swan concentrator. Silver Swan is the World's highest grade nickel mine and is expected to be Poseidon's first production mine.

ASX Code: POS


Lake Johnston


Black Swan


Windarra

COMPANY MILESTONES

- **Highly successful Emily Ann North extension drill programme**
- **Drill hole PLJD0002 intersected a 10.48m wide zone of nickel mineralisation grading 3.20% Ni which included 2.32m @ 7.62% Ni**
- **Opportunity to retreat Gold tailings at Mt Windarra being evaluated**
- **Cost reduction initiatives implemented and cost reduction benefits realised**
- **Work continues to progress to support the restart of Silver Swan**

OVERVIEW

The drilling programme at Emily Ann has proven to be highly successful with the identification of a new zone of high grade nickel sulphides now known as 'Abi Rose'. This has been achieved through the Geology team's belief in a new geological concept and based on advanced scientific modelling and a willingness to challenge long standing historical geological models. This is an extremely exciting discovery and a significant breakthrough for Poseidon due to its proximity to the existing Emily Ann mine infrastructure and the Lake Johnston nickel processing plant. The high grade nature of this mineralisation has the potential to support the lower grade-bulk tonnage ore at Maggie Hays mine and will be beneficial as nickel pricing improves in the future.

Poseidon submitted a proposal to the West Australian Department of Mines and Petroleum and was successfully granted the Exploration Incentive Scheme (EIS) co-funding to drill a highly prospective structurally-offset electromagnetic target identified adjacent to the Emily Ann deposit at the Lake Johnston project. The EIS grant contributed $150,000 towards drilling costs. In addition, the drilling company was eligible to a performance bonus of up to $30,000 which has been settled in shares.

The Company is considering financing options for the restart of its projects with a particular focus on how to extract the value of the gold tailings project at Windarra. Gold provides an opportunity for cash income whilst the nickel market, at the current low position, prevents the restart of operations at Silver Swan. The retreatment of gold tailings at Windarra on a stand-alone basis and without the originally proposed nickel processing plant will require a modification to the existing approvals. An update to the required documentation is underway and expected to be submitted for approval in the coming weeks.

The Company has implemented a number of cost reduction initiatives at Lake Johnston and Windarra that have significantly reduced the ongoing cost of care and maintenance activities whilst maintaining all operations in good standing.

LAKE JOHNSTON PROJECT UPDATE

The drilling of this target was particularly important to the Company as the Emily Ann deposit was a high grade massive nickel sulphide deposit which, with a resource grade of 4.1% nickel, made Emily Ann one of the top tier deposits by grade globally. The potential of offset deposits to Emily Ann is highly significant to the Lake Johnston operation because of the existence of extensive infrastructure on the site. The Emily Ann mine includes decline development and associated infrastructure to the Emily Ann deposit which would potentially be used to access any new development, as well as being supported by the Lake Johnston process plant and the Maggie Hays ore body which Poseidon intends to bring into operation as nickel prices improve.

A new geological concept was developed over several months in parallel by both the internal Poseidon geological team and Newexco Consultants who were contracted to review the historical geophysical & geological data. Newexco have been credited with targeting numerous nickel ore body discoveries through geophysical techniques, including most recently those of Sirius Resources, one of the largest new finds of its type in recent years. The studies were carried out using existing drill core data, compilation of historic individual electromagnetic conductor surveys and structural analysis. For the first time this data was looked at in an integrated way to identify the potential positions of mineralisation. Evidence for structural offsets to the original deposits has already been demonstrated at Maggie Hays and at Flying Fox mines. Poseidon's aim was to find an economically viable deposit utilising modern and already successful industry leading exploration techniques.

The 3D modelling and structural interpretation determined that potentially only half of the Emily Ann system has been discovered to date (Figure 1) and that the remaining portion of the deposit has been offset to the east at depth by early basal faulting (Figure 2). This model formed the basis of the successful EIS co-funding grant.

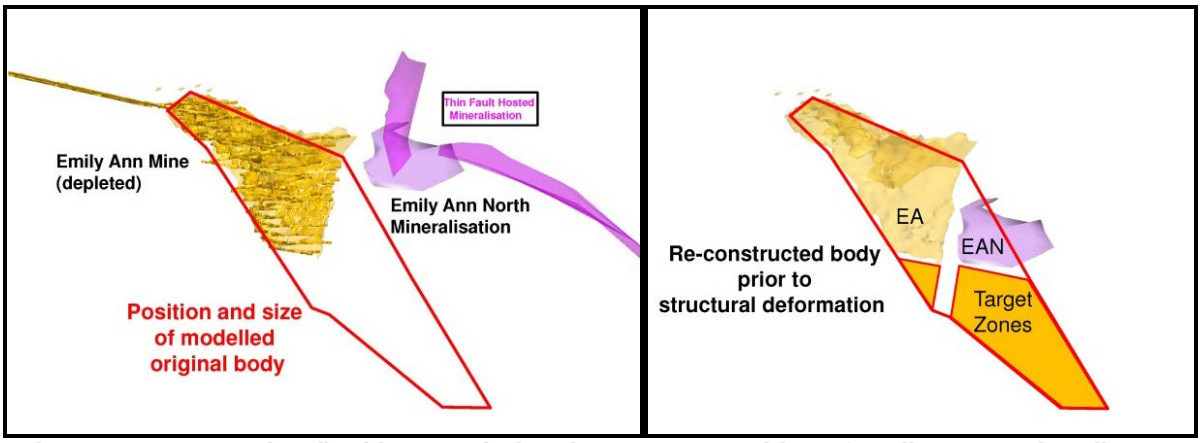


Figure 1: Long-section (looking west) showing current position of Emily Ann and Emily Ann North mineralisation as well as the interpreted position of mineralisation prior to structural faulting.

The Emily Ann deposit is terminated to the north by the Toolangi Fault and separated from the un-mined sub-economic Emily Ann North deposit (Figures 1 & 2). Emily Ann North is modelled as having been offset vertically and horizontally to the east of Emily Ann by this fault (Figure 3). The new structural model suggested that the geometry of the original mineralised body was potentially much bigger and that a large portion of the original mineralisation is missing. It also recognised that the bases of both the Emily Ann and Emily Ann North deposits are sharply terminated by an early flat lying structure which in turn is interpreted to be offset by the later Toolangi Fault as shown in Figures 2 and 3. Evidence for this style of ore body faulting and displacement is apparent in many mines in Australia. Notably at Western Areas Flying Fox mine, 80km to the west of Emily Ann which has been similarly sheared off and displaced by multiple low-angle fault zones.

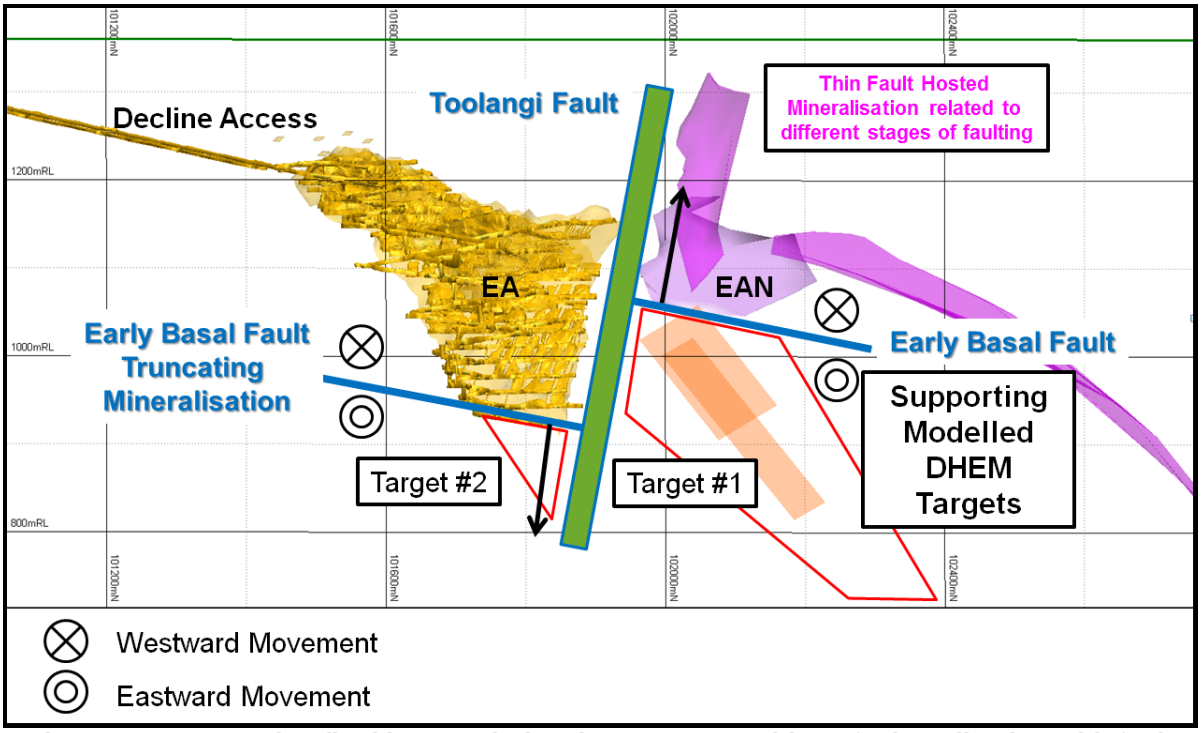


Figure 2: Long-section (looking west) showing current position of mineralisation with fault offset target zones and corresponding modelled DHEM geophysical targets.

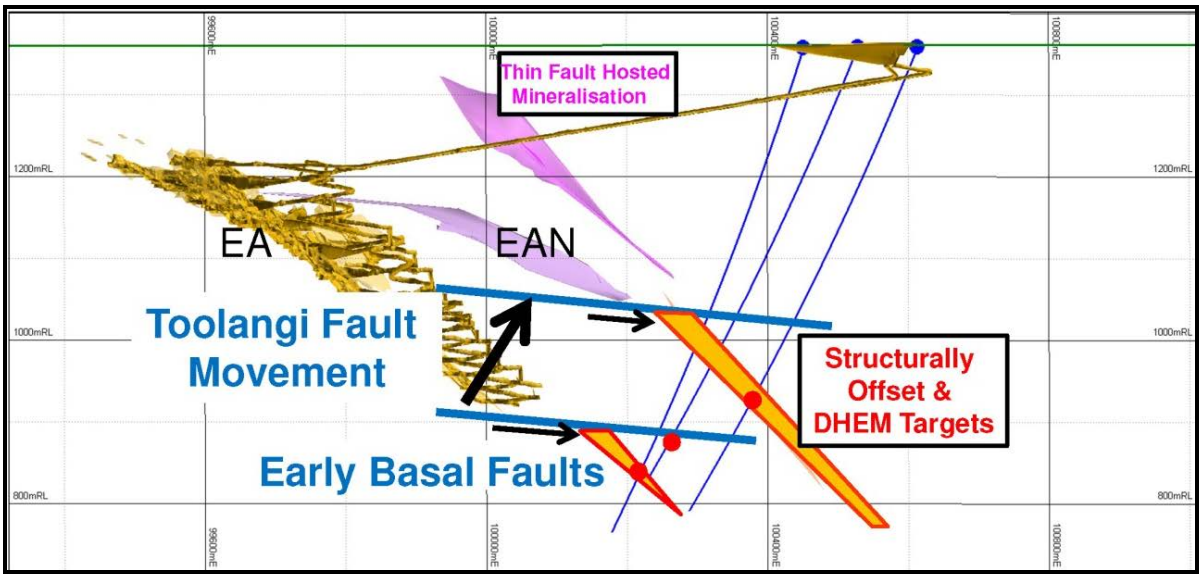


Figure 3: Cross-section (looking north) shows the interpreted eastward horizontal offsets to the target zones which corresponds with modelled DHEM geophysical targets. Planned drilling (dark blue) under the EIS grant will be located ~600-800m north of the Emily Ann underground portal.

Poseidon completed a drilling programme comprising 3 diamond core drill holes (Table 1) for ~1,500m of diamond core into the Priority 1 Target area as shown in Figure 2 to test these theories. All three drill holes intersected significant nickel mineralisation resulting in the "discovery" of a zone of previously unidentified mineralisation as targeted from the 3D modelling.

Table 1: Drill Hole Details.

Hole ID	East_MGA	North_MGA	RL	Dip	Azimuth	EOH Depth
PLJD0001	262766.6	6434776.7	1357	-65.0	247.6	513.80m
PLJD0002	262767.5	6434777.0	1357	-70.6	250.3	478.54m
PLJD0003	262766.5	6434778.0	1357	-70.5	260.0	495.10m

Diamond drill hole PLJD0002 (Figure 5) intersected the thickest and highest grade position within the mineralised body (**10.48m grading 3.20% Ni including 2.32m at 7.62% Ni**), with PLJD0001 (Figure 4) & PLJD0003 intersecting high grade mineralisation near the edges of the system, spanning a width of ~50m (Figure 6). The zone is open in most directions and may pinch and swell as was evident in the Emily Ann mine.

A complete nickel sulphide intersection summary for all holes is tabulated below in Table 2.

Figure 4: Narrow stringer of remobilised nickel sulphide grading 10.2% Ni in PLJD0001.

Figure 5: High grade massive nickel sulphide (pentlandite) intersected in PLJD0002 (439.6-440.8m depth) 350m north of Emily Ann mine with localised in-field Niton pXRF Ni% readings recorded on the core.

Table 2: Nickel Sulphide Intersection Summary.

Hole ID	From_m	To_m	Width	Ni Grade	Details
PLJD0001	**435.39**	**435.58**	**0.19**	**10.2%**	**Remobilised massive sulphide in felsics**
PLJD0002	**432.00**	**442.48**	**10.48**	**3.20%**	**Felsic, ultramafic and remobilised sulphide in hw* & fw***
incl	***435.69***	***441.41***	***5.72***	***4.66%***	***Mineralised Ultramafic Interval***
incl	***439.09***	***441.41***	***2.32***	***7.62%***	***Lower Massive Zone***
incl	***440.12***	***441.41***	***1.29***	***10.22%***	***High Grade base***
PLJD0003	**446.10**	**447.23**	**1.13**	**3.35%**	**Massive sulphides in felsics**
incl	***446.10***	***446.36***	***0.26***	***8.67%***	***Remobilised massive sulphides***
	449.00	**449.62**	**0.62**	**1.75%**	**Stringer and disseminated sulphides**

Note: hw=hangingwall, fw=footwall

Newexco managed the down-hole electro-magnetic (DHEM) surveying of the holes and completed the interpretation of the DHEM survey data which also included poorer quality DHEM data from five surrounding historical holes completed by LionOre from 2005-2007. The DHEM has been used to help determine the likely geometry of the mineralised nickel sulphide zone to assist in planning of future drilling programmes.

Two strong bedrock conductors have been interpreted from the data as well as two areas with weaker conductors worthy of testing (Figures 6 & 7).

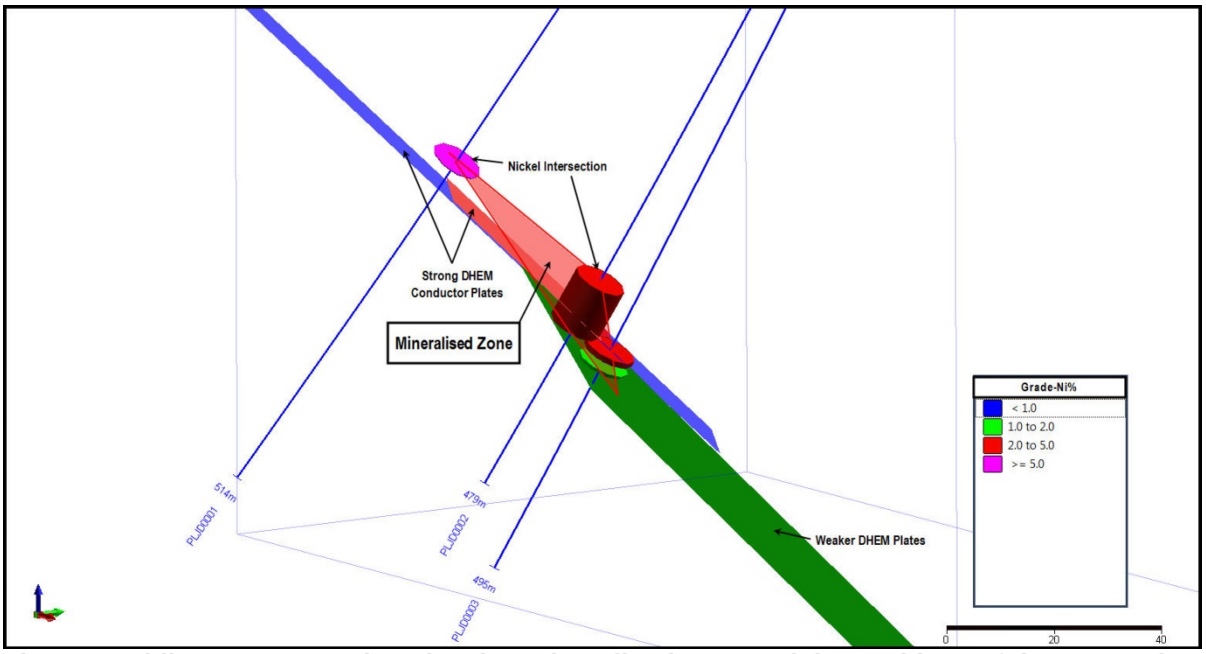


Figure 6: Oblique cross-section showing mineralised zone and the positions of the supporting DHEM conductors which provide both up-dip and down-plunge targets.

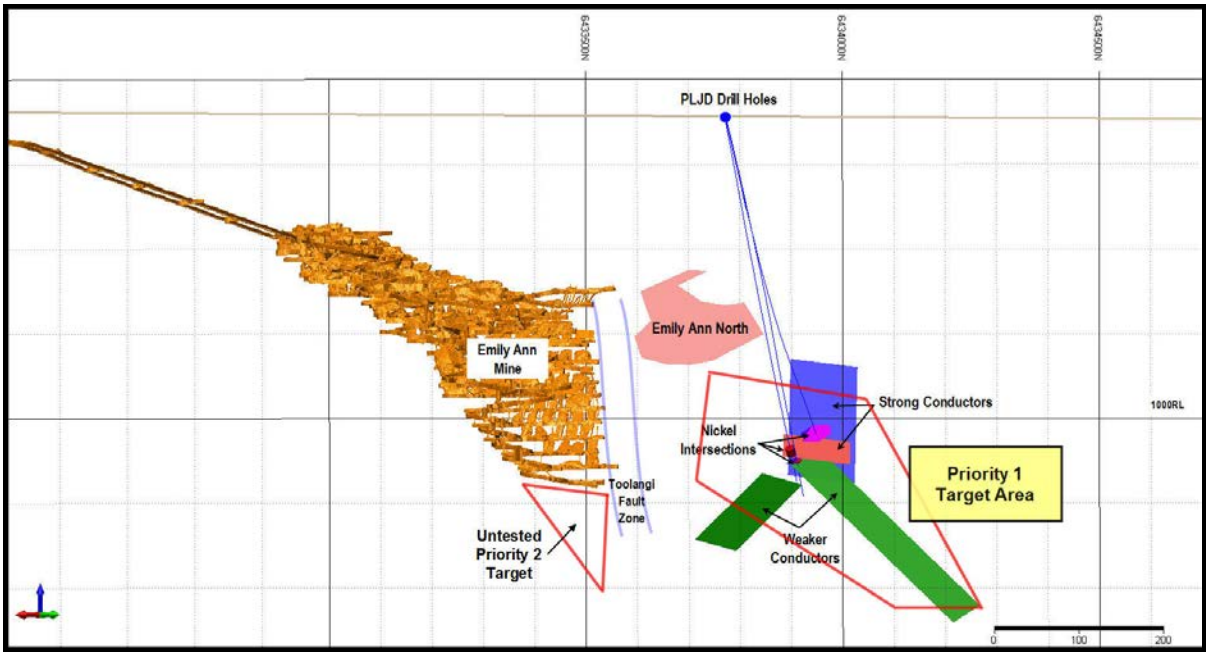


Figure 7: Long-section showing location of new intersection relative to the Emily Ann mine and Emily Ann North mineralisation. Strong conductor locations are shown as red and blue plates. The locations of additional weaker conductors from the DHEM data are shown in green as well as the Priority 1 & 2 target areas.

The drill holes completed during this program can be used as drilling platforms with new holes being wedged out of the existing parent holes to save time and money testing the DHEM targets as shown above. In addition Priority #2 Target remains untested and warrants investigation as this has the potential to increase the tonnage should Priority # 1 Target look like developing into a system with economic scale.

This "discovery" is a significant breakthrough for Poseidon due to its proximity to the existing Emily Ann mine infrastructure and the Lake Johnston nickel processing plant. The high grade nature of this mineralisation has the potential to support the lower grade-bulk tonnage ore at Maggie Hays mine and will be beneficial as nickel pricing improves in the future. As the geology team continue refining the geological model and understandings its controls on mineralisation, many opportunities are anticipated to open up around the historical Emily Ann Mine and will hopefully lead to the discovery of additional economic deposits.

SILVER SWAN PROJECT UPDATE

Poseidon continues to develop the commercial and technical aspects of the Silver Swan project, in particular the work to generate a new and more robust Mineral Resource for Ore Reserve estimation as part of the pre-feasibility study in order to restart the operations. Silver Swan remains the Company's priority nickel project as the extremely high grade nature of the mine will make this project the priority once nickel prices start to rise.

FINANCIAL

As at 31 March 2016, the Company had cash on hand of A$2.5 million. The Company has received $120,000 from the EIS co-funding grant following the submission of the interim report in relation to the Emily Ann drilling programme. A further $30,000 will be paid to Poseidon from the grant once the final report has been submitted and processed.

For the March quarter, the Company has elected to settle the interest due to Jefferies LLC for the Convertible Note in cash. Interest was payable from 22 January 2016, the date the new Note was issued following approval at general Meeting. Interest in relation to the old Notes up to that date was settled in shares (see below).

CORPORATE

In line with Poseidon's policy to only pay Directors fees in performance rights in order to retain the cash reserves of the Company, 855,082 Unlisted Performance Rights were issued in lieu of Directors fees for the quarter to December under the terms of the Director Fees Performance Rights Plan. The performance rights were issued on 11 January 2016 at a deemed issue price of A$0.0524 based upon the volume weighted average sale price ("VWAP") for the 91 days prior to the expiration of the quarter. The payment of performance rights was approved by shareholders at the Annual General Meeting held on 26 November 2015.

The Company also issued 15,572,738 Fully Paid Ordinary Shares to Jefferies LLC having elected to settle interest payable on the US$35 million Convertible Notes for the December quarter and up to the termination of the Notes on 22 January 2016. A new Note for US$17.5 million was also issued on that date.

The Company issued 16,200,000 Fully Paid Ordinary Shares to professional and sophisticated investors to fund the ongoing studies and care and maintenance programs across all sites and support ongoing studies. The Company will also use this mechanism to fund the next quarterly interest payment to Jefferies LLC.

MARKET INFORMATION

Figure 4 below shows the underlying correlation between Poseidon's share price and the LME Nickel price over the last 15 months.

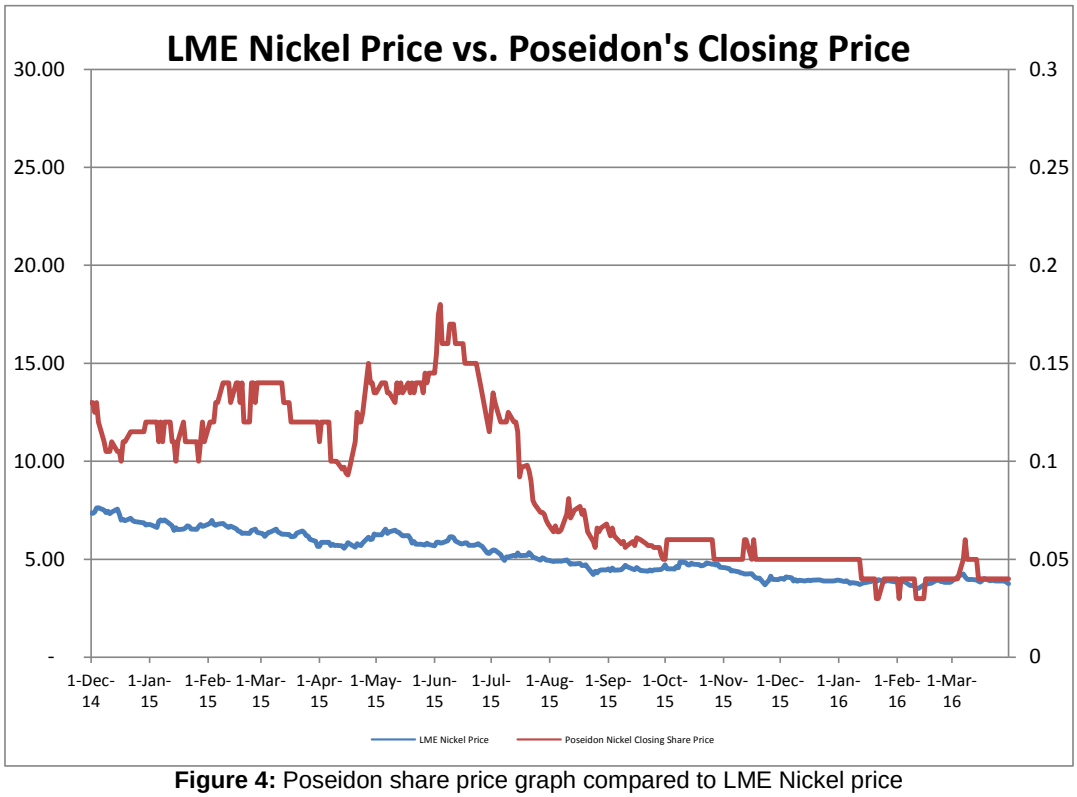


Figure 4: Poseidon share price graph compared to LME Nickel price

Chris Indermaur
Chairman

12 April 2016

MINERAL RESOURCE STATEMENT

Table 3: Nickel Projects Mineral Resource Statement

Nickel Sulphide Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category								
			Indicated			Inferred			TOTAL		
			Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t	Tonnes (Kt)	Ni% Grade	Ni Metal t
WINDARRA PROJECT											
Mt Windarra	2012	0.90%	922	1.56	14,000	3,436	1.66	57,500	4,358	1.64	71,500
South Windarra	2004	0.80%	772	0.98	8,000	-	-	-	772	0.98	8,000
Cerberus	2004	0.75%	2,773	1.25	35,000	1,778	1.91	34,000	4,551	1.51	69,000
BLACK SWAN PROJECT											
Black Swan	2012	0.40%	9,600	0.68	65,000	21,100	0.54	114,000	30,700	0.58	179,000
Silver Swan	2012	1.40%	21.1	12.48	2,650	85.5	12.15	10,350	106.6	12.20	13,000
LAKE JOHNSTON PROJECT											
Maggie Hays	2012	0.80%	2,600	1.60	41,900	900	1.17	10,100	3,500	1.49	52,000
TOTAL											
Total Ni Resources	2004 & 2012		**16,688**	**1.00**	**166,550**	**27,300**	**0.83**	**225,950**	**43,988**	**0.89**	**392,500**

Note: totals may not sum exactly due to rounding

Table 4: Gold Tailings Project Mineral Resource Statement

Gold Tailings Resources	JORC Compliance	Cut Off Grade	Mineral Resource Category								
			Indicated			Inferred			TOTAL		
			Tonnes (Kt)	Grade (g/t)	Au (oz)	Tonnes (Kt)	Grade (g/t)	Au (oz)	Tonnes (Kt)	Grade (g/t)	Au (oz)
WINDARRA GOLD TAILINGS PROJECT											
Gold Tailings	2004	NA	11,000	0.52	183,000	-	-	-	11,000	0.52	183,000
TOTAL											
Total Au Resources	2004		**11,000**	**0.52**	**183,000**	**-**	**-**	**-**	**11,000**	**0.52**	**183,000**

Note: totals may not sum exactly due to rounding.

ORE RESERVE STATEMENT

Table 5: Nickel Project Ore Reserve Statement

Nickel Sulphide Reserves	JORC Compliance	Ore Reserve Category		
		Probable		
		Tonnes (Mt)	Ni% Grade	Ni Metal (Kt)
LAKE JOHNSTON PROJECT				
Maggie Hays	2012	1.9	1.19	22.6
BLACK SWAN PROJECT				
Black Swan	2012	3.4	0.63	21.5
WINDARRA PROJECT				
Mt Windarra	2012	0.6	1.70	9.6
Cerberus	2004	1.2	1.30	16.0
Windarra Sub Total		**1.8**	**1.42**	**25.6**
TOTAL				
Total Ni Reserves	2004 & 2012	**7.1**	**0.98**	**69.7**

Note: totals may not sum exactly due to rounding.
Calculations have been rounded to the nearest 100,000 t of ore, 0.01 % Ni grade and 100 t Ni metal.

Notes

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr N Hutchison, General Manager of Geology who is a full-time employee at Poseidon Nickel, and is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Lake Johnston Mineral Resource is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists and Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Lake Johnston Ore Reserves Project is based on information compiled by Matt Keenan who is a full time employee of Entech Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy.

The information in this report which relates to the Silver Swan Mineral Resource is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists.

The information in this report which relates to the Black Swan Mineral Resource and Ore Reserves is based on information compiled by Andrew Weeks who is a full-time employee of Golder Associates Pty Ltd.as well as Francois Bazin of IMC Mining Pty Ltd. Both are Members of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Mineral Resources at the Windarra Nickel Project is based on information compiled by Neil Hutchison, General Manager of Geology at Poseidon Nickel, who is a Member of The Australian Institute of Geoscientists and Ian Glacken who is a full time employee of Optiro Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The information in this report that relates to Ore Reserve at the Windarra Nickel Project is based on information compiled Leanne Cureton and Andrew Law who are both full time employees of Optiro Pty Ltd and are a Member and a Fellow of the Australasian Institute of Mining and Metallurgy respectively.

Mr Hutchison, Mr Glacken, Mr Keenan, Mr Weeks, Mr Bazin, Mr Law & Ms Cureton all have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are 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' (the JORC Code 2012). Mr Hutchison, Mr Glacken, Mr Keenan, Mr Weeks, Mr Bazin, Mr Law & Ms Cureton have consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This document contains Mineral Resources and Ore Reserves which are reported under JORC 2004 Guidelines as there has been no Material Change or Re-estimation of the Mineral Resource or Ore Reserves since the introduction of the JORC 2012 Codes. Future estimations will be completed to JORC 2012 Guidelines.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

CORPORATE DIRECTORY

Director / Senior Management

Chris Indermaur	Non-Executive Chairman
David Singleton	Non-Executive Director
Geoff Brayshaw	Non-Executive Director
Robert Dennis	Non-Executive Director
Gareth Jones	Company Secretary

Corporate Enquiries

P: 61 8 6167 6600
F: 61 8 6167 6649

E: admin@poseidon-nickel.com.au

Shareholder Enquiries
Enquiries concerning shareholdings should be addressed to:

Computershare Investor Services
GPO Box D182, Perth WA 6840
P: 61 8 9323 2000

Principal Office
Unit 8, Churchill Court
331-335 Hay Street
SUBIACO WA 6008
P: 61 8 6167 6600
F: 61 8 6167 6649

Registered Office
Level 2, Spectrum
100 Railway Road
SUBIACO WA 6008
P: 61 8 9367 8133
F: 61 8 9367 8812

Media Enquiries

P: 61 8 6167 6600
F: 61 8 6167 6649
E: admin@poseidon-nickel.com.au

Home Exchange
The Company's shares are listed on the Australian Securities Exchange and the home exchange is Perth
ASX code: POS

TENEMENTS

Mining Tenements Held as at 31 March 2016

Areas of Interest	Tenements	Economic Entity's Interest
Western Australia		
- Windarra Nickel Assets	MSA 38/261, G38/21, L38/121, L39/184, L38/199, L38/218, L39/221	100%
- Windarra South	L38/119, L38/122, L38/220	100%
- Woodline Well	M39/1075, L39/224	100%
- Pool Well	M38/1244, M38/1245, L38/118	100%
- Lake Johnston Nickel Assets	E63/1067, E63/1135, G63/0004, G63/0005, L63/0051, L63/0052, L63/0055, L63/0057, M63/0163, M63/0282, M63/0283, M63/0284, M63/0292, M63/0293, M63/0294, M63/0522, M63/0523, M63/0524, P63/1527	100%
- Black Swan Nickel Assets	E27/0357, M27/0039, M27/0200, M27/0216, P27/1808, P27/1809, P27/1810, P27/1811, L27/0058, L27/0058, L27/0059, L27/0074, L27/0075, L27/0077, L27/0078	100%

E = Exploration Licence M = Mining Lease MSA = Mining Tenement State Act PL = Prospecting Licence
L = Miscellaneous Licence

Mining Tenements Disposed during the March 2016 Quarter

M38/1243, P38/3989, P38/3990, P38/3991, E63/0585, E63/0837, E63/1138, E63/1140, M63/0302

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the March 2016 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the March 2016 Quarter

Nil

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 010/7/96. Origin: Appendix 8. Amended 010/7/97, 01/07/98, 30/09/2001, 01/06/2010, 17/12/10, 01/05/2013.

Name of entity

Poseidon Nickel Limited

ABN	Quarter ended ("current quarter")
60 060 525 206	31 March 2016

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	912
1.2	Payments for		
	(a) exploration & evaluation	(1,399)	(6,125)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(908)	(2,610)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	42
1.5	Interest and other costs of finance paid	(62)	(175)
1.6	Income taxes paid	-	-
1.7	Other - sundry income	15	279
	- R&D tax offset	-	2,716
	- EIS government grant	120	120
	Net Operating Cash Flows	(2,222)	(4,841)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(197)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	116
	(c) other fixed assets	160	268
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	150	187
1.13	Total operating and investing cash flows (carried forward)	(2,072)	(4,654)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,072)	(4,654)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	622	2,347
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 – share issue costs	(3)	(25)
	Net financing cash flows	619	2,322
	Net increase (decrease) in cash held	(1,453)	(2,332)
1.20	Cash at beginning of quarter/year to date	3,978	4,857
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,525	2,525

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	144
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

On 11 January 2016, 855,082 unlisted performance rights were issued at a price of $0.0524 as approved by the Shareholders at the November 2015 Annual General Meeting. The performance rights were issued to the Non-Executive Directors in lieu of Directors Fees for the December 2015 quarter.

These have not been included in the above cash flow.

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 $US'000	Amount used $US'000
3.1	Loan facilities	$17,500	$17,500
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	750
4.2	Development	-
4.3	Production	-
4.4	Administration	550
	Total	1,300

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	2,516	3,969
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other – Term Deposits	9	9
	Total: cash at end of quarter (item 1.22)	2,525	3,978

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	M38/1243, P38/3989, P38/3990, P38/3991, E63/0585, E63/0837, E63/1138, E63/1140, M63/0302		100%	Nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	767,389,765	767,389,765		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	35,378,507 -	35,378,507 -		
7.5	+Convertible debt securities *Unsecured*	277,421,393 This is an estimate only based on an average exchange rate of 0.7009.	-	$0.09	The Notes have a September 2020 maturity date convertible into fully paid ordinary shares.
7.6	Changes during quarter (a) Increases through issues	277,421,393 This is an estimate only based on an average exchange rate of 0.7009.	-	$0.09	The January 2016 Note has a September 2020 maturity date convertible into fully paid ordinary shares.
	(b) Decreases through securities matured, converted, cancelled	36,531,904 This is an estimate only based on an average exchange rate of 1.0265.	-	$0.40	The March 2011 Notes had a six year term convertible into fully paid ordinary shares.
		64,945,608 This is an estimate only based on an average exchange rate of 1.0265.	-	$0.30	The March 2011 Notes had a six year term convertible into fully paid ordinary shares.

+ See chapter 19 for defined terms.

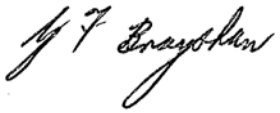
7.7	Options and Performance Rights	Total Number	Number Quoted	*Exercise price*	*Expiry date*
	Options				
	Unlisted	2,975,000	-	$0.22	31 August 2016
	Unlisted	4,250,000	-	$0.22	23 November 2016
	Performance Rights				
	Unlisted	1,465,046	-	-	-
	Unlisted (Short Term Incentive)	5,145,921	-	-	16 December 2022
	Unlisted (Long Term Incentive)	4,320,716	-	-	16 December 2022
7.8	Issued during quarter				
	Performance Rights				
	Unlisted	855,082	-	-	-
	Unlisted (Short Term Incentive)	-	-	-	
	Unlisted (Long Term Incentive)	-	-	-	
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 5).

2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 12 April 2016

(Director)

Print name: Geoff Brayshaw

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 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.

== == == == ==