

BAUXITE RESOURCES LIMITED

JUNE 2014 QUARTERLY ACTIVITIES REPORT

Highlights:

- Fortuna DSO Scoping Study commenced covering mining, rail and port evaluation
- Fortuna resource delivered higher available alumina levels at low temperature - resource now stands at: 40.2Mt @ 32.1% low temp available alumina (38.8% total) and 1.8% reactive silica (5.6% total)
- Maiden Fortuna Indicated Resource of 6.3Mt @ 34.0% available alumina (40.2% total), 1.9% reactive silica (5.7% total)
- Maiden Athena Resource and subsequent upgrade (refer ASX announcement dated 15 July 2014) resulting in 36.2Mt @ 32.8% low temp available alumina (41.8% total) and 2.8% reactive silica under the HD Mining Joint Venture
- Capital Return of 4 cents per share announced
- Cash at bank A\$40.9 million and no debt

ACTIVITY SUMMARY FOR JUNE 2014 QUARTER

DEVELOPMENT ACTIVITIES ON 100% BRL TENEMENTS

Fortuna - 100% BRL

During the quarter the Company undertook a resource update on the Fortuna deposits which resulted in delivering higher, low temperature available alumina levels. The resource now stands at: 40.2Mt @ 32.1% low temperature available alumina (38.8% total) and 1.8% reactive silica (5.6% total) situated over two large private (freehold) farms, largely cleared for pasture and cropping, 15km from an unused rail siding and 120km from Kwinana bulk port operations

The previous resource estimate announced in September 2013 stood at 39.5Mt at 28.8% available alumina. The update resulted from the analysis of 3,395 samples, which were originally assayed using Fourier Transform Infra-Red (FTIR), by the preferred low temperature BOMB digest analysis in order to improve the quality of the data used in the estimate.

BRL is in discussions with the owners of two properties that have existing exploration access agreements for conversion to mining lease agreements.

There is further upside potential on this deposit as additional land access has been obtained and not yet drilled.



DATE:
29 July 2014

ASX Code: BAU

BAUXITE RESOURCES LTD
ABN: 72 119 699 982

DIRECTORS:

Robert Nash

Non Executive Chairman

Peter Canterbury

CEO & Executive Director

Luke Atkins

Non Executive Director

Cunliang Lai

Non Executive Director

Neil Lithgow

Non Executive Director

John Sibly

Non Executive Director

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As previously disclosed the initial environmental constraints study found no flora listed under the Environmental Protection and Biodiversity Conservation Act (EPBC) or gazetted as Threatened Flora under the Wildlife Conservation Act. No conservation significant fauna was observed.

As a result of the positive movement in the available alumina levels in the Fortuna resource combined with favourable environmental constraints studies and a favourable movement in bauxite pricing the Company has committed to undertake the following activities in the next quarter:

- Fortuna Concept Study covering the geology, mining, processing, infrastructure and economics of the Fortuna Bauxite Project based on a 2-4Mtpa DSO operation was awarded to AMC Consultants (“AMC”) a leading independent mining consultancy, providing services exclusively to the minerals sector. This study is expected to be complete in September 2014
- Technical market evaluation involving a technical bauxite market evaluation of the Fortuna bauxite to target specific Chinese refineries on a value in use basis is being undertaken by Bauxite Alumina Consulting Service (“BACS”). BACS has over 30 years of technical bauxite and alumina experience and capability if the refinery value in use assessment. This study will assist the company target specific Chinese refineries in offtake discussions. This study is expected to be complete in September 2014.

As part of the Company’s commercialisation strategy for the Fortuna deposit, subject to favourable project economics and regulatory approvals, the company intends to undertake the additional activities on the Fortuna DSO bauxite project with a targeted development timeframe from now (subject to economics, regulatory approvals and final investment decision) of 3 years. The activities and the targeted timings are:

- Environmental Baseline studies – Q4 2014
- Commence Offtake discussions – Q4 2014
- Infill/Expansion drilling at Fortuna – Q1 2015
- Community Engagement & Consultation – Commence Q1 2015
- Preparation and submission of Mining Proposal – Q1-Q2 2015
- Feasibility Study to support final investment decision – Q3-Q4 2015

EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING

In 2010 the Company entered into a joint venture with HD Mining a wholly-owned subsidiary of the Shandong Bureau No1 Institute for Prospecting of Geology & Minerals (Shandong) to explore for bauxite. The JV allows for HD Mining to fund 100% of exploration and feasibility costs for HD Mining to earn 60% interest of the bauxite rights upon a decision to mine.

Athena (East Darling Range)

A resource upgrade was carried out at Athena during the current period. Athena was initially announced in 2013 September quarter and subsequently on 15 July 2014. Athena now stands at 36.2Mt @ 32.8% low temperature available alumina @ 148°C (41.8% total) and 2.8% reactive silica. The resource is situated on a small number of private landholdings on exploration licences E70/3180 and E70/3890.

The Athena bauxite resource:

- displays bauxite thickness up to 13m (average 3m);
- is situated to the east of BHP Billiton’s Western Australia’s State Agreement which supplies the Worsley Alumina Refinery;
- remains unconstrained by drilling, with additional targets on adjacent properties;
- is reported without any beneficiation techniques employed.

The Athena Deposit combined with the Dionysus Deposit (**20.3Mt @ 42.1% Al₂O₃** (total), **32.6% Al₂O₃** (available at 148°C), **3.4% SiO₂** (reactive at 148°C)) as announced on 24 March 2014 is the foundation for two additional DSO export deposits which the company is fully funded by HD Mining under the farm-in arrangements up until decision to mine after which the Company will have a 40% residual interest.



EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH YANKUANG RESOURCES

In January 2011, BRL executed a JV with Yankuang Resources Pty Ltd for the development of both bauxite mining and alumina refining in Western Australia. Under the Resources Joint Venture, Yankuang fund 70% of all resource development costs for a 70% interest in the resources of the joint venture. To date this JV has defined in excess of 260Mt of bauxite, of which 218.7Mt is located in the JV's flagship Felicitas Deposit in the Northern Darling Range Region. (See Table 1)

During the quarter the joint venture commenced a resource upgrade at the Felicitas resource, and carried out regional exploration programs throughout the southern Darling Range to identify possible new bauxite mineralisation.

The advancement of the Felicitas resource remains the primary objective of the joint venture.

Felicitas currently stands at 218.7Mt @ 30.1% low temperature available alumina @ 148°C (39.1% total) and 1.9% reactive silica. The resource extends across approximately 4,200Ha (42km²) of large private landholdings, 10km north of Wundowie and 60km north northeast of Perth (Figure 1).

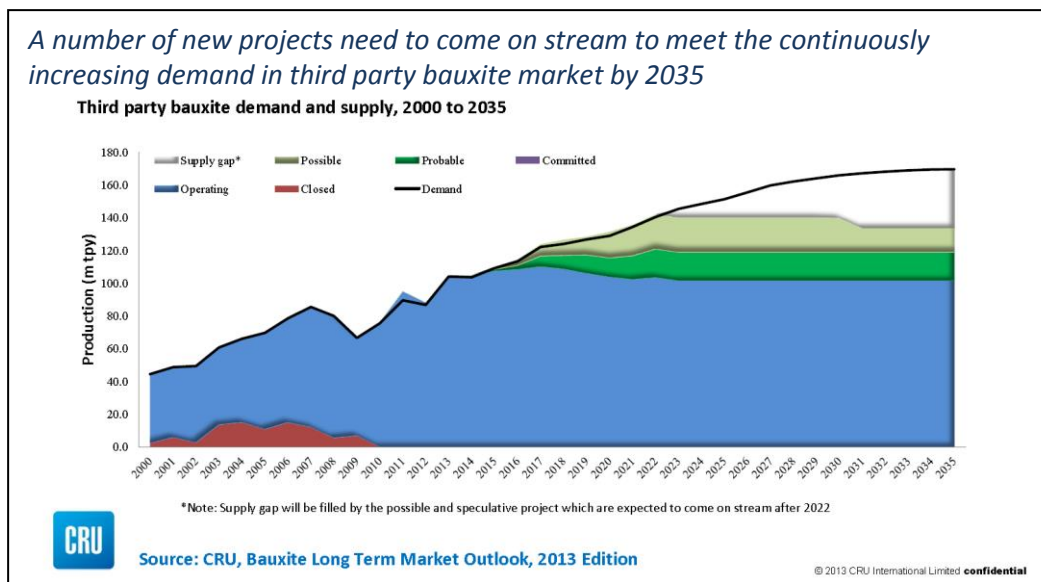
As announced in the March 2014 Quarterly Activities Report due to budgetary constraints within the Yankuang group commencement of the alumina refinery BFS as required under the JV agreement has been delayed. Following a meeting between the two partners in April 2014 the parties continue to discuss the proposed development options with a view of moving this world scale bauxite project ahead in the near term.

CORPORATE

Bauxite Market Update

In January 2014, the Indonesian Government confirmed the ban on bauxite exports from Indonesia would remain. It is estimated ~42 million tonnes of bauxite was exported last year from Indonesia to China. Combined with other imports, China has built up an estimated 12 month stockpile of required bauxite imports.

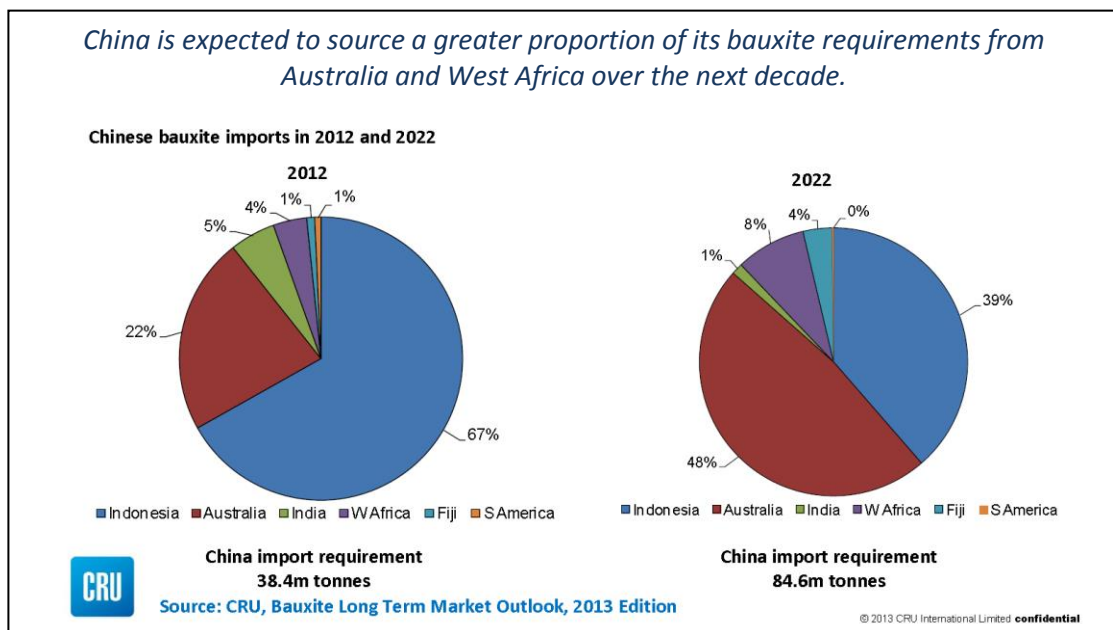
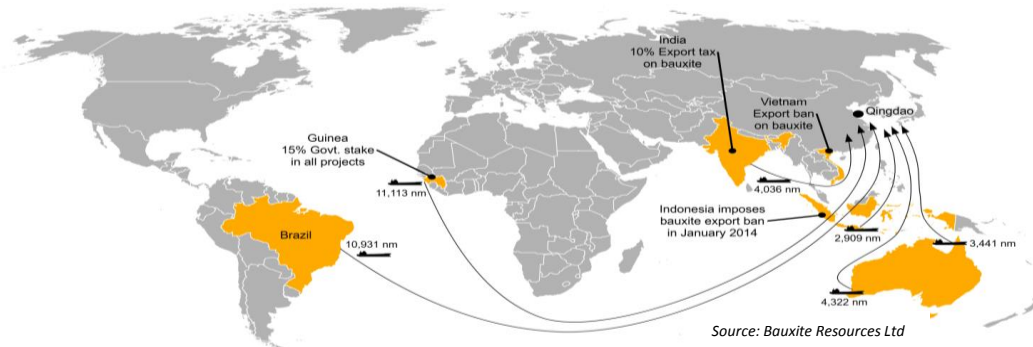
According to Antaika, China's imports of bauxite reached 2.122Mt in April 2014. During the first four months of this year, bauxite imports totalled 16.77Mt, down 37% year on year. Only 45,000 tonnes of Indonesian bauxite imports have been reported since April and imports of Indian bauxite have dropped 70% year on year to 0.882Mt in May.



It is expected that China's bauxite import inventory will continue to shrink during the remainder of 2014, and imports of non-Indonesian bauxite will increase. Once these stockpiles are exhausted, it is expected that China will require several new significant sources of imported bauxite to satisfy demand out of China. This anticipated rise in demand has led to an increase in bauxite prices over the past few weeks.

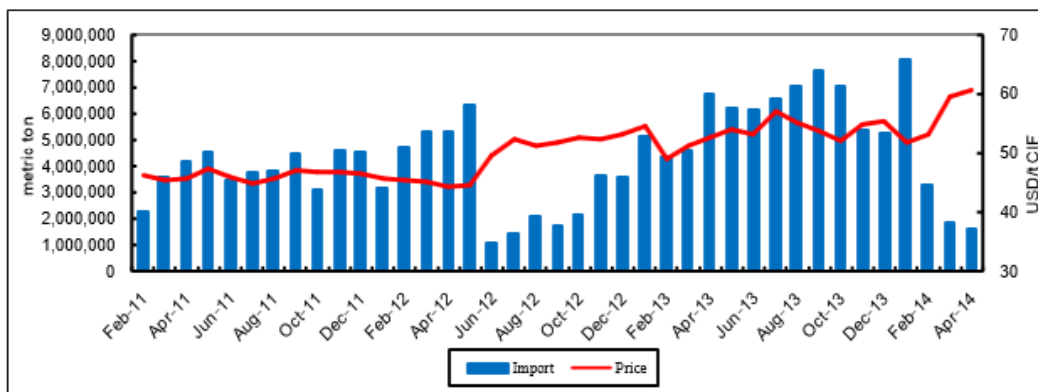
Logistically Australia is well placed to supply this demand and Western Australia is currently the largest bauxite producing region in the world. BRL's bauxite resources located near existing rail infrastructure provides an opportunity for a low capital cost operation and nearer term start-up of direct shipment export of bauxite from Western Australia.

Australia's proximity to China means Australia has a logistical advantage to many other alternative supply sources and positions the Company well to take advantage of the increase in demand for Australian bauxite. In addition BRL's bauxite logistics enable the loading of up to panama vessels without the need for trans-loading, unlike most of the other Greenfield bauxite projects, including those in Africa, Latin America and even Australia.



Consumption of aluminium is now growing faster than any other metal, with China dominating aluminium production. At the start of the decade China produced around 10% of global production, 2.5 million tonnes per annum (Mtpa). Today China's aluminium capacity has grown to 19Mtpa, accounting for 57% of global production. (Source: Australia China Business Council: The benefits to Australian households of trade with China.)

Chinese bauxite import and average price (CIF to Chinese Port)



Imported bauxite price continues to hit record high. (Source: Antaike Report June 2014)



Capital Return

The Company announced on 17 June 2014 that the BRL Board is proposing a capital return of A\$0.04 per share, subject to shareholder approval. Following a funding requirements review of its operations, projects and working capital to determine where shareholders' funds would be best allocated to create short and long term shareholder value, sufficient funds were identified to support BRL's wholly owned projects and JV arrangements in the near term.

As a consequence of this review, the BRL Board has identified surplus cash to the Company's current requirements and therefore is proposing to return A\$0.04 per share (~A\$9.3 million) to shareholders in the form of a capital return.

Following the return of to shareholders, BRL will still have ~A\$31 million in cash.

The Company is currently preparing the Notice of Meeting of Shareholders for the meeting which is anticipated to occur in late August 2014.

Share Buyback

The Share Buy Back Program was launched on 28 May 2013 for a 12 month period which lapsed during the quarter. During the program a total of 3,896,400 shares were purchased for total consideration of \$459,836 representing an average price of \$0.118 per share.

As the Company is now pursuing other capital management initiatives as outlined above, the Share Buy Back Program is now complete and will not be reactivated.

Potential Legal Claim

Further to the Company announcements in June & July 2010 in respect to IMF's proposal to fund legal action against BRL, the Company received a proposed claim which alleges that the Company engaged in misleading and deceptive conduct in September 2009. The proposed claim is on behalf of a pool of investors who acquired shares in the Company in the share placement that occurred in October 2009.

During the quarter BRL's solicitors continue to confer with the solicitors acting on behalf of the potential claimants and the litigation funder which has entered into a funding arrangement with the potential claimants' solicitors, in relation to the threatened claim. No agreed resolution has been reached at this stage and no legal proceedings have been commenced against the Company.

As part of that conferral, those of the potential claimants who also purchased shares on-market at around the time of the placement have indicated that they will bring a separate claim in respect of their on-market purchases, if the placement claim succeeds.

The ongoing conferrals are taking place on a confidential and without prejudice basis and BRL will not disclose details of those discussions. Further updates will be provided if the matter is resolved or if proceedings are commenced.

Cash Position

As at 30 June 2014, BRL had a cash balance of \$40.9 million and no debt.

Peter Canterbury
CEO, Bauxite Resources Ltd

Figure 1: Bauxite Resources Ltd Tenement Holding

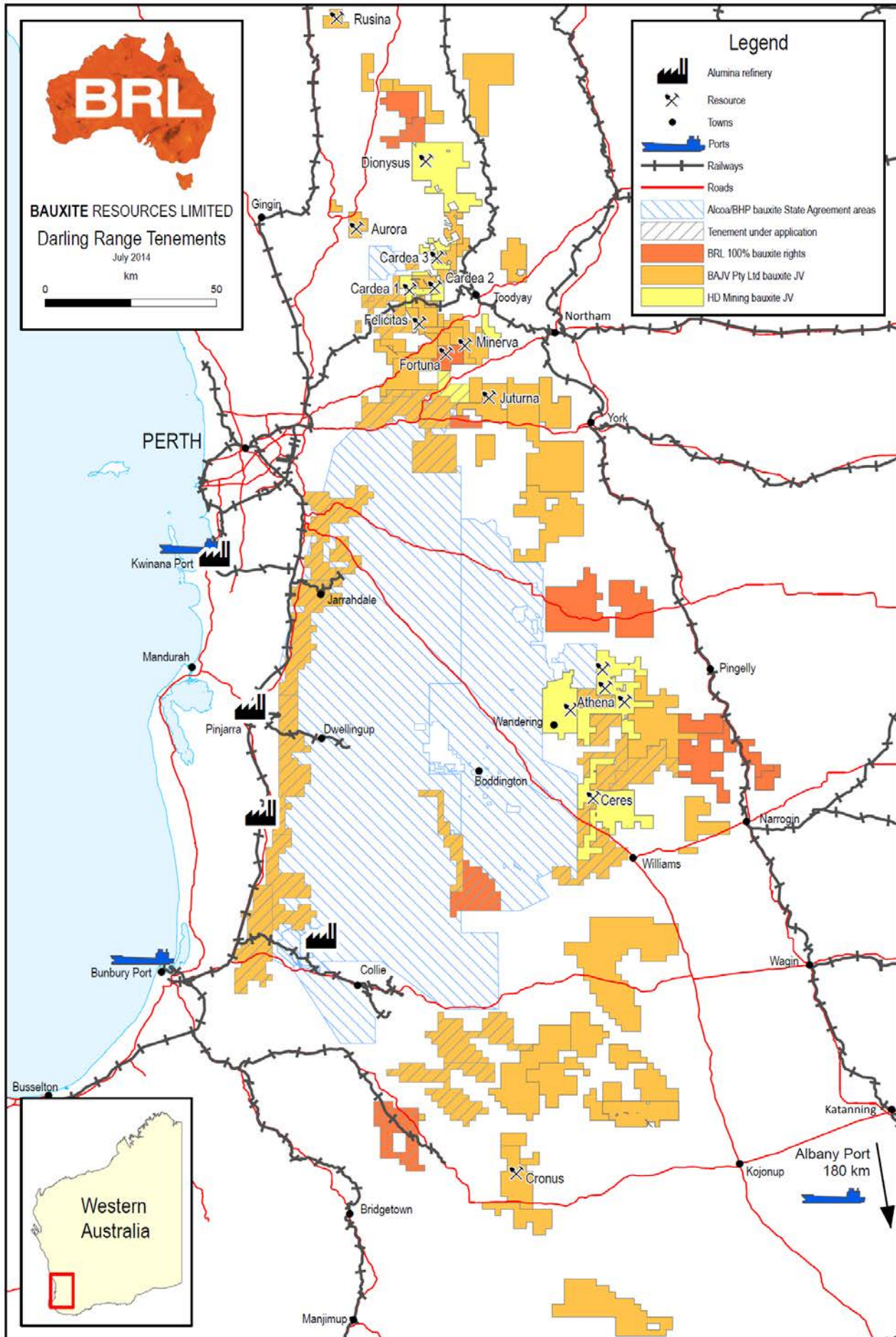


Table 1: BRL Bauxite Projects in south west Western Australia – Resource Summary Table

Deposit & Classification	Size Mt	Al ₂ O ₃ (total) %	Al ₂ O ₃ (available) # %	SiO ₂ (total) %	SiO ₂ (reactive) # %	JV & Resource Details
Fortuna						
Indicated	6.3	40.2	34.0	5.7	1.9	BRL JORC 2012
Inferred	33.9	38.5	31.8	5.6	1.7	
BRL 100% sub-total	40.2	38.8	32.1	5.6	1.8	
Felicitas						
Measured	53.2	39.1	30.7	5.8	1.4	BAJV JORC 2012
Indicated	104.0	39.3	30.1	8.9	1.9	BAJV JORC 2012
Inferred	61.5	38.9	29.6	11.5	2.4	BAJV JORC 2012
Cardea 3 (BAJV)						
Indicated	4.7	42.5	31.1	11.6	3.2	BAJV JORC 2012
Inferred	9.5	41.0	30.1	12.6	3.5	E70/3432
Minerva						
Inferred	2.2	38.7	28.9	20.3	3.9	BAJV JORC 2004
Aurora						
Indicated	12.0	43.5	33.0	9.1	3.1	BAJV JORC 2012
Inferred	3.9	41.3	30.2	14.4	4.0	
Rusina						
Inferred	3.7	40.3	29.1	15.7	5.3	BAJV JORC 2004
Juturna						
Inferred	8.2	40.2	29.9	23.1	3.9	BAJV JORC 2004
Cronus						
Inferred	2.8	39.3	28.3	13.3	2.8	BAJV JORC 2004
BAJV sub-total	265.7	39.5	30.2	9.8	2.2	
Athena						
Inferred	36.2	41.8	32.8	18.1	2.8	HDMJV JORC 2012
Dionysus						
Inferred	20.3	42.1	32.6	12	3.4	HDMJV JORC 2012
Cardea (1&2)						
Inferred	6.4	41.8	29.3	15.7	4.3	HDMJV JORC 2004
Cardea 3 (HDM)						
Indicated	1.5	42.8	30.0	16.8	4.0	HDMJV JORC 2012
Inferred	8.4	40.3	28.9	17.0	4.4	E70/3160
Ceres						
Inferred	15.0	40.9	31.7	19.5	3.0	HDMJV JORC 2004
HDM sub-total	87.8	41.6	31.9	16.6	3.3	
Total Measured	53.2	39.1	30.7	5.8	1.4	Jun-14
Total Indicated	128.5	38.2	30.9	10.3	2.3	Jun-14
Total Inferred	212.0	40.1	30.9	13.4	2.8	Jun-14
South West WA TOTAL Bauxite	393.7	39.9	30.8	10.9	2.4	Jun-14

#Available Alumina figures were based on low temperature (148°) caustic digest- High temperature digestion may result in higher available alumina however the exact extent of this increase is not known at this time

BRL - BRL retain 100% beneficial interest in bauxite

BAJV - Bauxite Alumina Joint Venture area with Yankuang Resources Ltd where the BRL retains 30% beneficial interest in the bauxite rights.

HDMJV – Resources within joint venture with HD Mining & Investments Pty Ltd, the wholly owned subsidiary of Shandong Bureau No.1 Institute for Prospecting of Geology & Minerals. At the time of writing the Company retains 100% beneficial interest. HD Mining can earn up to 60 % of bauxite rights upon completion of certain milestones including completion of a BFS leading to a decision to mine



COMPETENT PERSON STATEMENT

The information in this report that relates to **Cardea1&2, Juturna, Minerva and Rusina** Mineral Resources is based on information compiled by Peter Senini who is a Member of the Australian Institute of Geoscientists. Mr Senini was an employee of the Company at the time of resource estimation and remains competent person for the above mentioned resources. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Senini consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to **Felicitas, Cardea3, Aurora, Ceres, Cronus, Fortuna, Dionysus and Athena** Mineral Resources is based on information compiled by Graham de la Mare who is a Member of the Australian Institute of Geoscientists. Mr de la Mare is employed by RungePincocKMinarco (RPM). Mr de la Mare has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de la Mare consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to **Exploration results** is based on information compiled by Mark Menzies, who is a member of the Australian Institute of Geoscientists. Mr Menzies is a qualified geologist and a full time employee, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Menzies has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

JORC Code Compliant Public Reports

The Company advises that this material contains summaries of Exploration Results and Mineral Resources as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). The JORC compliant Public Reports released to the ASX declaring exploration results or resources referred to can be viewed on both the ASX and the Company websites, free of charge.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

SCHEDULE OF MINING TENEMENTS HELD AS AT 30 JUNE 2014

BRL TENEMENTS (100%)

BRL retain 100% interest in bauxite and other minerals on the following tenements

Tenement	Location/ Tenement Name	Status
E70/4151	Munnapin Brook	Granted
E70/3618	Popanyinning	Granted
E70/3652	Quanaming	Granted
E70/4342	Narrogin	Granted
E70/4586	Newdale	Granted
E70/4595	Carrabening Pool	Granted
E70/4619	Yarawindah	Application
E70/4565	Ebenazer Flats	Application
E70/4530	Boyup Brook	Application
E70/4300	Quindanning	Application

BRL TENEMENTS (bauxite rights only)

BRL retain 100% bauxite interest on the following tenements

Tenement	Location/ Tenement Name	Status
E70/2230	Wundowie	Granted



HD MINING & INVESTMENTS JOINT VENTURE TENEMENTS (Farm out Agreement)

The JV requires HD Mining to fund 100% of all exploration and feasibility costs to earn up to 60% of the bauxite rights. HD Mining is currently working towards obtaining 40% interest in the bauxite rights on the tenements below. This will be triggered if HD Mining enters into a binding commitment to undertake a feasibility study on the tenements. Should HD Mining and BRL make a decision to mine, HD Mining will earn an additional 20% interest in bauxite rights. BRL maintains 100% interest in other minerals. At the date of this report BRL still has 100% interest in these tenements.

Tenement	Location/ Tenement Name	Status
E70/3160	Toodyay	Granted
E70/3405	Victoria Plains	Granted
E70/3179	Congelin	Granted
E70/3180	Dattening	Granted
E70/3890	Wandering	Granted
E70/3599	Goodenine Pool	Application

YANKUANG JOINT VENTURE INTERESTS

Bauxite Resources Limited has 30% interest in the bauxite rights on the tenements below.

BRL retain 100% interest in other minerals on tenements below except E70/3366 and E70/3730

Tenement	Location/ Tenement Name	Status		Tenement	Location/ Tenement Name	Status
E70/3366	Mackrin Hill	Granted				
E70/3730	Bakers Hill	Granted		E70/3487	Hotham	Granted
E70/3826	Silver Hills	Granted		E70/3488	Kokendin	Granted
E70/3002	Berry Brow	Granted		E70/3491	Minigin	Granted
E70/3007	Gillingarra	Granted		E70/3576	Darkan	Granted
E70/3064	Bindoon	Granted		E70/3565	Dinninup	Granted
E70/3159	Jimperding	Granted		E70/3572	Wahkinup	Granted
E70/3432	West Toodyay	Granted		E70/3573	Condinup	Granted
E70/3564	Bejoording	Granted		E70/3574	Gnowengerup	Granted
E70/3597	Boonaring Hill	Granted		E70/3624	Mokup Hill	Granted
E70/3598	Coolingoort	Granted		E70/3643	Crossing Pool	Granted
E70/3688	Kodara	Granted		E70/3644	Moodiarrup	Granted
E70/3731	Bakers Hill	Granted		E70/3835	Bakers Hill	Granted
E70/3900	Jimperding Hill	Granted		E70/3205	Hotham	Application
E70/4021	Miwana	Granted		E70/3471	Boyup Brook	Application
E70/4022	Boononging	Granted		E70/3472	Mairdebring	Application
E70/3651	Mt Talbot	Granted		E70/3486	Coodjatotine	Application
E70/3206	Mt Gorrie	Application		E70/3746	Dryandra	Application
E70/3193	Beechina	Application		E70/3102	Collie Road	Application
E70/3528	Avon Valley	Application		E70/3194	Jarrahdale	Application
E70/3537	Bald Hill	Application		E70/3195	Harvey	Application
E70/3707	Trig Road	Application		E70/3196	Dandalup	Application
E70/4010	Woorooloo	Application		E70/3197	Pt Solid	Application
E70/4011	Keating Road	Application		E70/3204	Wugong	Application
E70/3485	Taurus	Application				

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

Bauxite Resources Limited

ABN

72 119 699 982

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from product sales and related debtors	302	2,294
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,094) (15) (527)	(4,117) (68) (2,335)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	419	1,805
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(915)	(2,421)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(2)	(22)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	46
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (increase in bonds)	26	67
Net investing cash flows	24	91
1.13 Total operating and investing cash flows (carried forward)	(891)	(2,330)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(891)	(2,330)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		(221)
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	-	(221)
	Net increase (decrease) in cash held	(891)	(2,551)
1.20	Cash at beginning of quarter/year to date	41,826	43,486
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	40,935	40,935

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	245
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, director's fees and consulting fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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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

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+ 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		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	705
4.2 Development	-
4.3 Production	
4.4 Administration	842
Total	1,547

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	836	1,006
5.2 Deposits at call	40,099	40,821
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	40,935	41,827

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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 Darling Range WA E70/4342	Partial surrender	100%	100%
6.2	Interests in mining tenements and petroleum tenements acquired or increased Darling Range WA E70/3576	Grant	Nil	30%

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	231,483,496	231,483,496	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)			

+ See chapter 19 for defined terms.

Appendix 5B


Mining exploration entity and oil and gas exploration entity quarterly report

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	2,000,000	-	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 22/02/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Performance Rights (totals only)	7,590,000			
7.13	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 29 July 2014.

Print name: Sam Middlemas

+ See chapter 19 for defined terms.

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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