

30 July 2014

QUARTERLY REPORT – 30 June 2014

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 June 2014.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Cape Lambert Resources Limited (ASX: CFE) is a fully funded mineral development company with exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

**Australian Securities Exchange
Code: CFE**

Ordinary shares
632,227,857

Unlisted Options
500,000 (\$0.15 exp 30 Sept 2015)

Board of Directors
Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Ross Levin
Non-executive Director

Melissa Chapman
Company Secretary

Key Projects and Interests

Marampa Iron Ore Project
Pinnacle Group Assets

Cape Lambert Contact

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CORPORATE

Highlights

- At 30 June 2014, the Company had approximately A\$20.5 million in cash at bank.
- Settlement with MCC reached whereby Cape Lambert received \$51.6m cash.
- Buy back continues with 24,564,880 fully paid ordinary shares bought back in the quarter.

Strategy and Business Model

Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is an Australian domiciled, fully funded, mineral development company. Cape Lambert has interests in several exploration and mining companies, providing exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America (refer Figure 1).

Cape Lambert's strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (Projects) and:

- improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development; and
- retain long-term exposure to these Projects through a production royalty and/or equity interest.

Cape Lambert aims to deliver shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

Capital Management

On Market Buy-Back

During the quarter, the Company continued with its on market share buy-back of up to 10% of the Company's fully paid ordinary shares (**Shares**) within the 12 months from 23 January 2014. Shares bought back by the Company are subsequently cancelled.

During the quarter, the Company bought back 24,564,880 Shares for total consideration of A\$2,433,351.98. As at 29 July 2014, there are 31,082,858 Shares remaining that may be bought back under this facility.

Investments and Divestments

FE Limited

FE Limited (**ASX: FEL**) (**FE Limited**) is an Australian based mineral resources company which holds interests in a large portfolio of mineral resource projects prospective for iron, gold and nickel in Western Australia and Queensland.

In June 2011, FE Limited entered into a loan agreement with Cape Lambert (**Loan Agreement A**) pursuant to which Cape Lambert agreed to lend FE Limited A\$2 million, with interest accruing at the cash rate plus 3% per annum.

In December 2012, FE Limited entered into a second loan agreement with Cape Lambert (**Loan Agreement B**) pursuant to which Cape Lambert agreed to lend FE Limited A\$1 million, with interest accruing at the same rate as Loan Agreement A.

On 20 December 2013, FE Limited entered into a settlement arrangement (**Settlement and Converting Loan Agreement**) with respect to Loan Agreement A and Loan Agreement B. Pursuant to the Settlement and Converting Loan Agreement, A\$1 million will be repaid to Cape Lambert in cash and subject to shareholder approval, A\$2,000,000 (together with accrued interest) will automatically convert into shares at a conversion price calculated at 80% of the volume weighted average closing price of the shares as quoted on ASX over the last ten days immediately preceding the conversion.

On 26 February 2014, a total of 104,193,055 FE Limited Shares were issued to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert, in satisfaction of the amounts owing under the Settlement and Converting Loan Agreement.

During the quarter, Cape Lambert received the balance of consideration being A\$1,000,000 cash in accordance with the Settlement and Converting Loan Agreement.

Following conversion of the Settlement and Converting Loan Agreement, Cape Lambert holds a 57.8% interest in FE Limited.

Legal Action and Disputes

MCC Legal Action

Subsequent to the quarter end, as announced on 14 July 2014, the Company reached settlement with the Metallurgical Corporation of China Limited over the final A\$80 million payment from the sale of the Cape Lambert magnetite project.

On 8 September 2010, Cape Lambert announced that it had commenced legal action against MCC Australia Sanjin Mining Pty Ltd (**MCC Sanjin**), and its parent company Metallurgical Corporation of China Limited (collectively **MCC**) to recover the final A\$80 million payment from the sale of the Cape Lambert magnetite project in mid-2008 pursuant to an agreement between the parties (**MCC Agreement**). In accordance with the terms of the MCC Agreement, Cape Lambert received payments totalling A\$320 million in 2008, with the final payment due on the grant of mining approvals, or if MCC had not used its reasonable endeavours to procure the mining approvals within two years.

Legal proceedings were instigated in the Supreme Court of Western Australia after discussions between MCC and Cape Lambert to resolve the non-payment proved unsuccessful.

In March 2013, the Court made orders, inter alia, for the dispute to be determined by an arbitrator in Singapore and for the Company to propose (such proposal to be consented to by the MCC parties) that the dispute between the Company and MCC (in respect to the payment of A\$80 million into an escrow account pending determination of the primary dispute) (**Escrow Dispute**) be heard and determined by the arbitrator prior to the hearing of the disputes between the Company and MCC.

The Company referred the dispute to arbitration in Singapore and in June 2013 a hearing was held by the Arbitrator to determine the Escrow Dispute. The Arbitrator ordered that MCC pay the disputed amount of A\$80 million into an escrow account in the joint names of

the Company and MCC pending the determination of the substantive dispute. The amount was paid into the escrow account on 25 November 2013.

The substantive legal matter was due to be heard in Singapore commencing in July 2014.

In July 2014, the Company and MCC reached an out of court settlement. Under the terms of the settlement, the escrow agent was ordered to released the funds held in escrow with A\$30 million payable to MCC and the balance of A\$51.6 million, which included accrued interest, to Cape Lambert. The funds were received by the Company on 17 July 2014.

The Singapore International Arbitration Centre has been informed that a settlement has been reached and has been requested to issue a procedural order suspending the arbitrations.

PROJECTS

Marampa (100% interest)

Marampa is an iron ore project at development and permitting stage, and is located 90 km northeast of Freetown, Sierra Leone, West Africa (**Marampa** or **Marampa Project**) (refer Figure 2). Marampa comprises two granted exploration licences (EL46A/2011 – 239.18 km² and EL46B/2011 – 66.00 km² (formerly EL46/2011 – 305.18 km²)) held by Marampa Iron Ore (SL) Limited, which is indirectly, a wholly owned subsidiary of Cape Lambert.

Marampa has a total JORC Mineral Resource of 681 million tonnes¹ (**Mt**) at 28.2% Fe (above a cut-off grade of 15% Fe) covering four deposits (Gafal, Matukia, Mafuri and Rotret) (refer ASX Announcement 7 July 2011).

Exploration

No exploration activities occurred during the quarter.

Topographic Surveying

Topographic surveying continued with completion of the tailings storage facility. Surveying is now focusing on the farm land and crop areas to allow assessment for compensation requirements..

Mining Licence

The Large Scale Mining Licence application lodged late in 2013 (refer ASX announcement 22 November 2013) remains in process and is expected to be granted during H2, 2014.

Dempsey Resources (100% interest)

Dempsey Resources holds the Kukuna Iron Ore Project located in Sierra Leone (**Kukuna** or **Kukuna Project**).

The Project is located 120 km northeast of Freetown in the northwest of Sierra Leone and consists of one exploration licence (EL22/2012) covering 68 km² (refer Figure 2). The licence is located 70 km due north of the Marampa Project and the Pepel Infrastructure and comprises rocks that correlate with the Marampa Group stratigraphy known to host specular hematite mineralisation.

The Kukuna project is currently under care and maintenance. The Company is maintaining the camp as a base for exploration activities in the and around the district.

¹ This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Pinnacle (100% interest)

Pinnacle holds the Sandenia Iron Ore Project (**Sandenia** or **Sandenia Project**) located 290 km east of Conakry in the central south of the Republic of Guinea. The Project comprises a single tenement covering approximately 298 km². The Sandenia permit contains Banded Iron Formation prospective for iron mineralisation, similar to that hosting the 6.16 Bt Kalia deposit owned by Bellzone Mining plc located on the contiguous permit to the north.

Company geologists conducted a site visit and reviewed all available information on the Sandenia Project during the quarter. In light of the recent announcement by Rio Tinto in relation to the proposal to build a multi user deep water port and rail system and its proximity to the Sandenia Project, the Company will offer the project for divestment as a opportunity to companies wishing to expand their iron ore portfolio. An information memorandum has been produced and released to selected companies considered to have a potential interest in the project.

The camp and facilities have been placed on care and maintenance.

Metal Exploration Limited (100% interest)

Metal Exploration (Mauritius) Limited, a wholly owned subsidiary of Cape Lambert, holds 17 granted exploration licences and one application in Sierra Leone covering approximately 2,386 km². This land package covers the region 70 km to the north and south of Marampa and is referred to as the Rokel Iron Ore Project (**Rokel** or **Rokel Project**). Rocks from the Marampa Group exist throughout the licence areas, much the same as the Marampa Project, and are known to host specularite schist bearing units.

The Rokel Project is prospective for discovery of hematite schist deposits geologically similar to those at Marampa and is located proximal to the existing Pepel Infrastructure (refer Figure 2). Regional mapping and geophysics has identified a number of prospective areas which are progressively being followed up with targeted exploration.

Exploration

Exploration in the form of line cutting, clearing, mapping and pitting continued in the Rokel leases throughout the quarter to define southerly extensions to the existing Kumrabai prospect and to follow up on the magnetite schist lithology identified along the western edge of the tenement group.

Hematite bearing schistose rocks continue to be discovered as float and in-situ, which are confirmed with the excavation of pits. The exploration team has been divided to allow the continuance of trend definition to the south and initiate the same exploration methodology to the north of the Kumrabai prospect. This work will continue until all the mineralised surface trends have been defined after which the prospects will be ready for drilling.

The tenements/prospects where exploration has taken place during the quarter include; Kumrabai South; Magbosi (magnetite); Makumba and Matopi; Makonkari; Gbahama; and Gbangbama.

Figure 3 shows the mapped mineralised trend in the Rokel tenements identified to date.

Sampling

No assays were dispatched or received during the quarter although 81 samples were processed through the sample preparation laboratory in Lunsar ready for further analysis.

Cote D'Ivoire (100% interest)

Metals Exploration Cote D'Ivoire SA Limited is a wholly owned subsidiary of Cape Lambert Resources. The Company holds three tenements in the highly prospective Birimian Gold Belt of Cote D'Ivoire. The tenements are named Boundiali North (400km²), Katiola (400km²) and Bouake (400km²) for a total land position of 1,200km² (refer Figure 4).

The tenements all contain, or are adjacent to, Birimian Greenstones and metasediments and have significant structural characteristics known to host high tenor gold mineralisation in the district. The Birimian Group is broadly divided into phyllites, tuffs and greywackes of the Lower Birimian (Type 2 metasediments), and various basaltic to andesitic lavas and volcanoclastics of the Upper Birimian (Type 1 Greenstone metavolcanics). Spatial distribution of gold mineralisation appears to be governed by north to northeast trending belts of metavolcanic rocks, ranging from 15 km to 40 km in width, associated with the Upper Birimian.

The Birimian Gold Belt is host to numerous multi-million ounce gold deposits including the Morila (7 Moz), Syama (7 Moz) and Tongon (4 Moz) deposits. Almost without exception, these major gold deposits are located at or close to the margins of the metavolcanic belts, adjacent to the strongly deformed contacts between the Upper and Lower Birimian sequences as seen to exist within the recently granted tenements.

All three tenements are highly prospective and have the potential to host multi-million ounce gold deposits (refer to ASX announcement of 30 April 2013).

Exploration

All planning and preparations including permitting for the airborne geophysical survey over the three project areas were completed during the quarter. After some delays due to poor weather, the aircraft arrived in Cote D'Ivoire early in July and is currently flying the survey at the time of writing this report. Results are anticipated in the December quarter.

Mt Anketell Pty Ltd (100% interest)

Mt Anketell Pty Ltd (**Mt Anketell**), a wholly owned subsidiary of Cape Lambert, holds a single exploration licence (E47/1493) covering 56.9 km² in the northern Pilbara region of Western Australia, which is prospective for niche iron and gold mineralisation associated with the Nickol River precinct. Mt Anketell recently received a two year extension of the licence terms.

A reconnaissance auger program was conducted over the Mt Anketell Nickol River gold prospect to test for alluvial mineralisation expected to have been shed off numerous outcropping gold bearing quartz veins in the district. Holes were designed predominantly around known vein locations and across a tidal salt lake which many of the veins trend into. The target was possible alluvial mineralisation in and around the salt lake.

Of a planned possible maximum 483 holes, a total of 191 auger holes were drilled to depths ranging from just below surface to a maximum of 2.8 m. Material intersected varied from estuarine muds, grit layers and sand with basal intersections of ultramafic schist (chlorite), gabbro, quartz veining and epidosite alteration after an original ultramafic protolith (refer to Figure 5 for hole locations).

Despite the apparent prospectivity of the area, the results obtained to date do not support the presence of fine gold held within the sediment at any commercial levels. Anecdotally, there remains the presence of coarse gold but only at recreational prospecting levels.

These results do not support any ongoing or further work on the prospect.

Assay Results

All assays have been received with no significant results. The best result returned was 0.133 g/t Au in a sample derived from the salt lake sediment. Refer to Table 1 for a complete list of assay results and the appendices for the JORC Table 1 report.

Competent Person:

The contents of this Report relating to Exploration Results and Mineral Resources are based on information compiled by Olaf Frederickson, a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Cape Lambert and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity 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 Frederickson consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

Figure 1: Group Structure June 2014

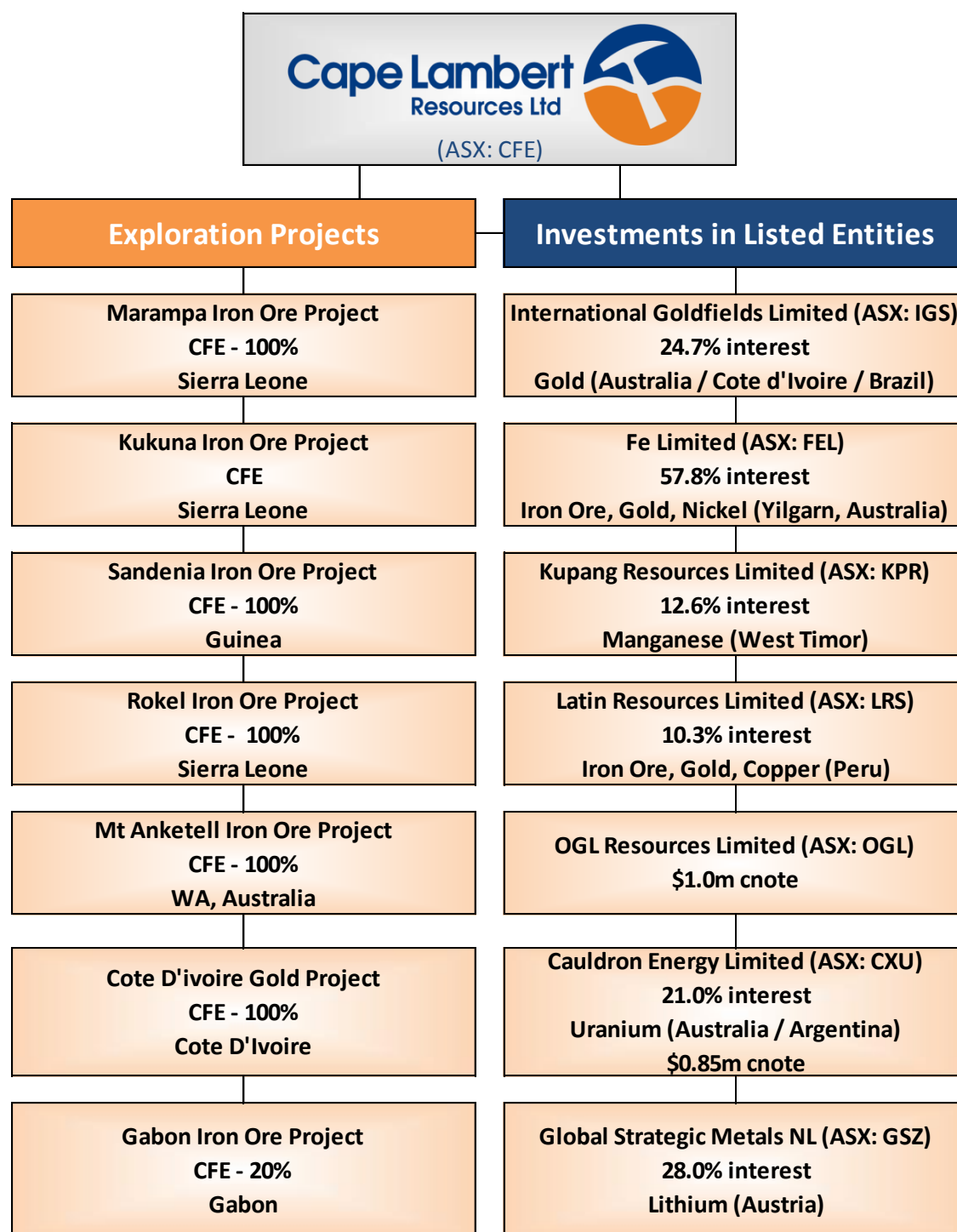


Figure 2: Cape Lambert West African Iron Ore Interests

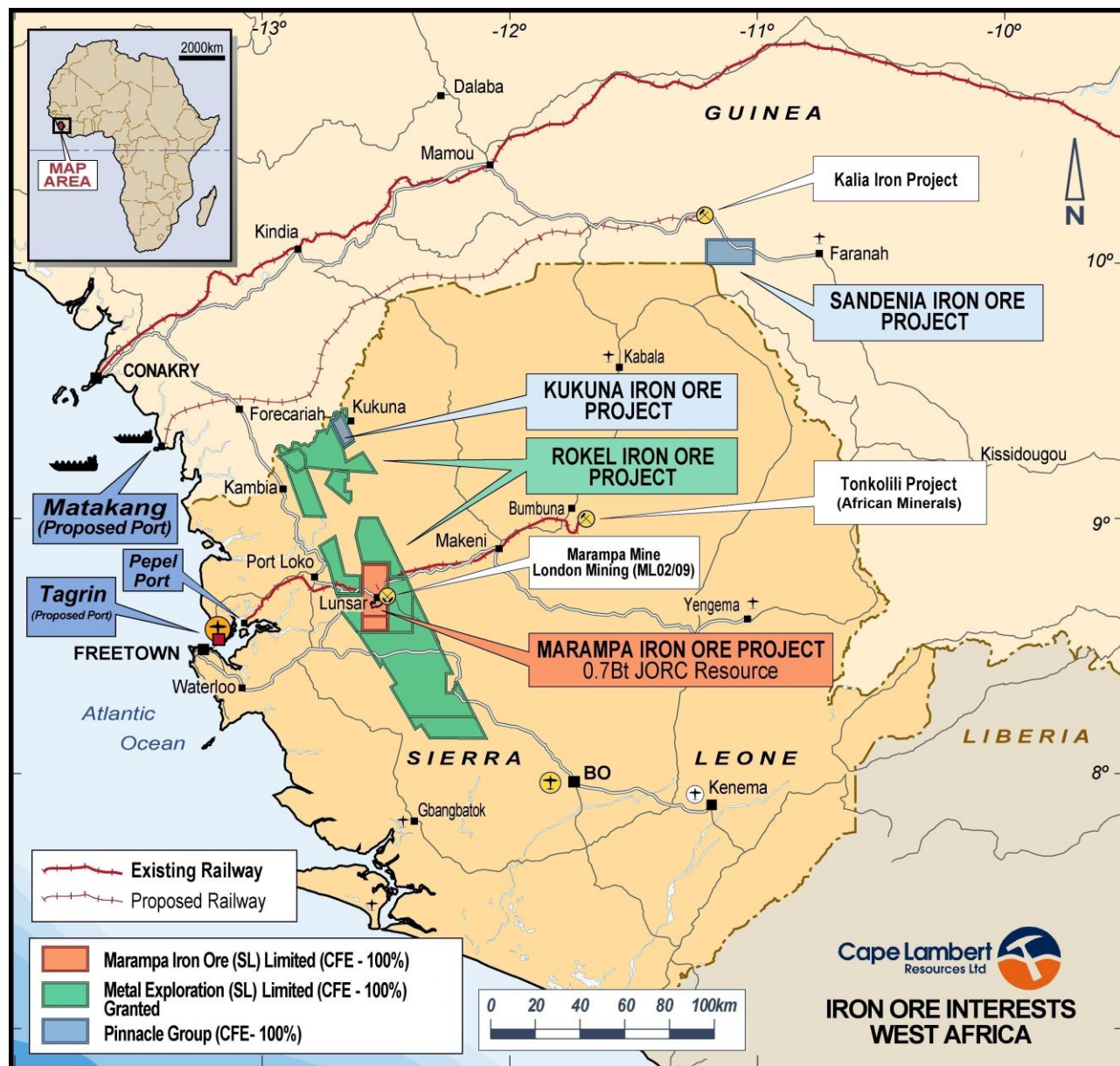


Figure 3: Location Map of Rokel Prospects

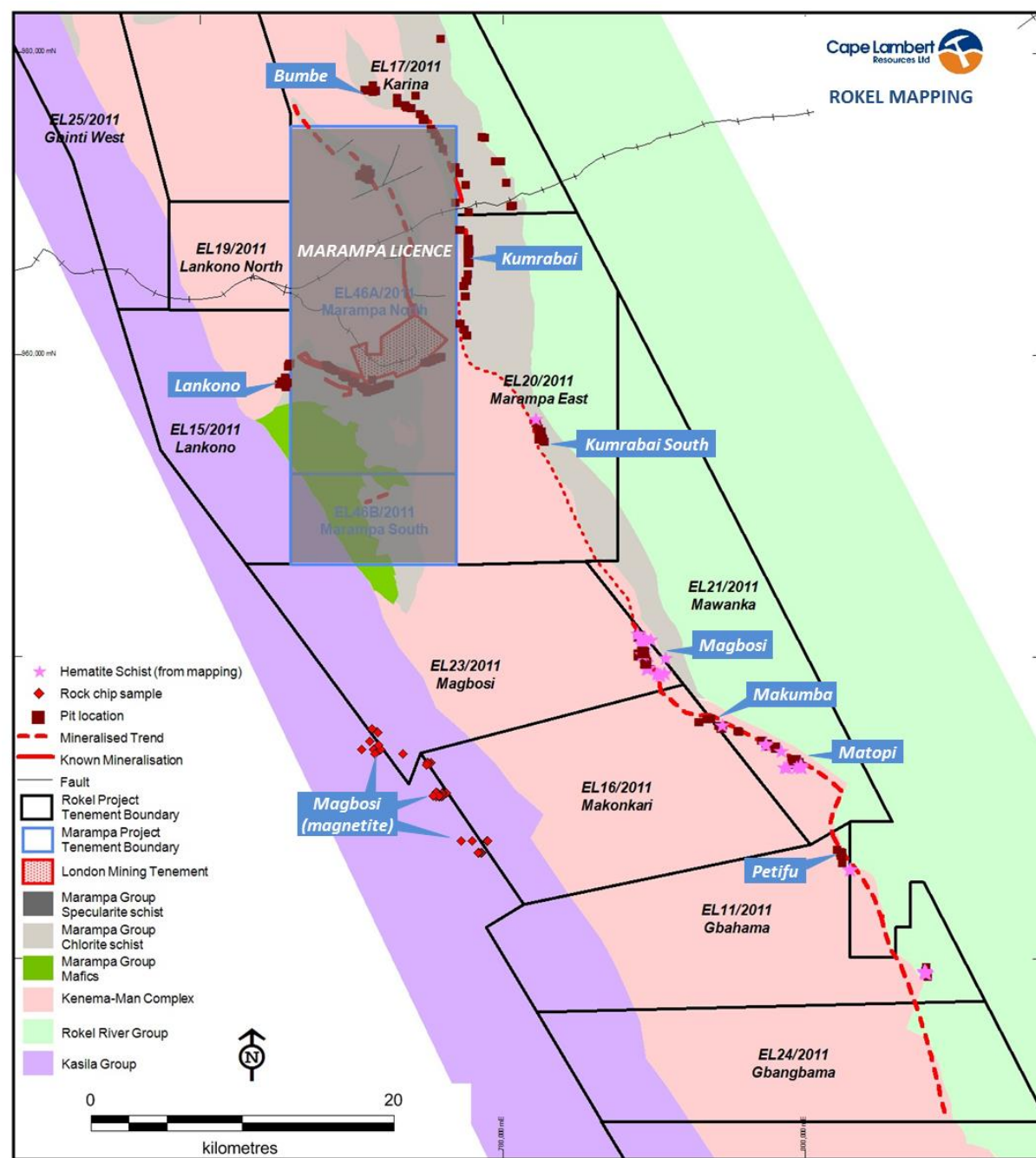


Figure 4: Cote D'Ivoire Tenements

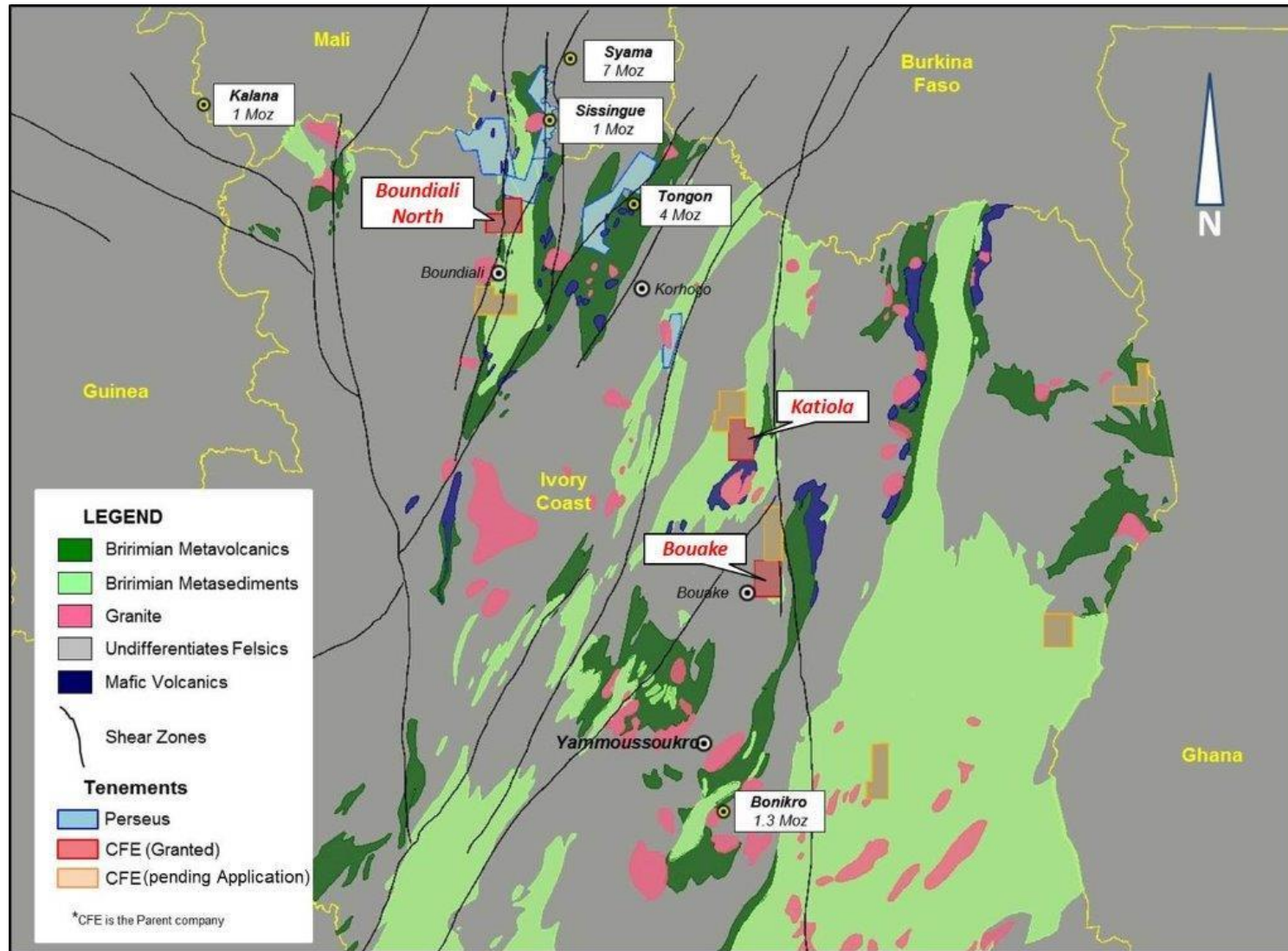


Figure 5: Mt Anketell Auger hole Locations.

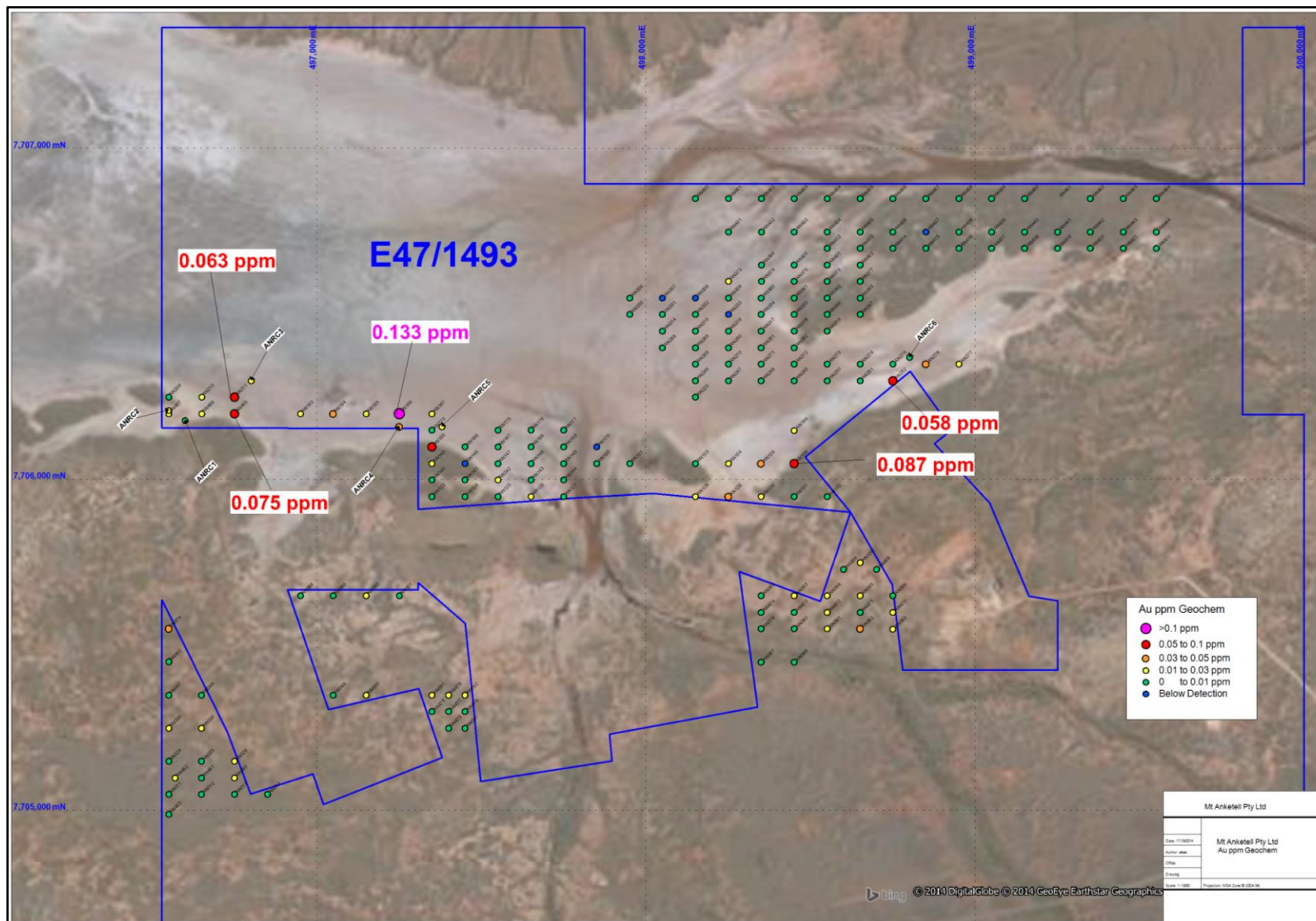


Table 1: Mt Anketell Auger Assay Results.

SAMPLE LOCATION						ARM133 Lab Method					ARI133 Lab Method					
Sample			NAT			Au	As	Ag	Sn	Sb	Cu	Co	Mn	Ni	Pb	Zn
ID	Type	Date	Grid ID	North	East	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
AN011	AUG	24/04/2014	MGA94_50	7705050	496550	0.005										
AN012	AUG	24/04/2014	MGA94_50	7705050	496650	0.007										
AN013	AUG	24/04/2014	MGA94_50	7705050	496750	0.009										
AN014	AUG	24/04/2014	MGA94_50	7705050	496850	0.010	9.30	0.18	0.67	0.23	51	40	1050	173	11	42
AN024	AUG	24/04/2014	MGA94_50	7705150	496550	0.005										
AN025	AUG	24/04/2014	MGA94_50	7705150	496650	0.009										
AN026	AUG	24/04/2014	MGA94_50	7705150	496750	0.015	12.30	0.09	0.60	0.24	33	20	702	95	9	34
AN035	AUG	24/04/2014	MGA94_50	7705250	496550	0.011										
AN036	AUG	24/04/2014	MGA94_50	7705250	496650	0.013										
AN037	AUG	24/04/2014	MGA94_50	7705250	497450	0.005										
AN047	AUG	24/04/2014	MGA94_50	7705350	496550	0.008	6.90	0.06	0.41	0.22	31	24	902	112	6	23
AN048	AUG	24/04/2014	MGA94_50	7705350	496650	0.007										
AN049	AUG	24/04/2014	MGA94_50	7705350	497050	0.010	9.10	0.09	0.66	0.27	65	45	1580	188	9	48
AN050	AUG	24/04/2014	MGA94_50	7705350	497150	0.014										
AN051	AUG	24/04/2014	MGA94_50	7705350	497350	0.030										
AN052	AUG	24/04/2014	MGA94_50	7705350	497450	0.014	22.90	0.08	0.37	0.50	39	16	470	87	5	22
AN062	AUG	24/04/2014	MGA94_50	7705450	496550	0.009										
AN067	AUG	24/04/2014	MGA94_50	7705450	498350	0.003	56.30	0.07	0.13	0.26	19	23	402	155	-5	14
AN068	AUG	24/04/2014	MGA94_50	7705450	498450	0.004										
AN074	AUG	24/04/2014	MGA94_50	7705550	496550	0.040										
AN079	AUG	24/04/2014	MGA94_50	7705550	498350	0.004										
AN080	AUG	24/04/2014	MGA94_50	7705550	498450	0.007										
AN081	AUG	24/04/2014	MGA94_50	7705550	498550	0.017	98.50	0.15	0.48	0.71	40	30	633	173	6	37
AN082	AUG	24/04/2014	MGA94_50	7705550	498650	0.037										
AN083	AUG	24/04/2014	MGA94_50	7705550	498750	0.015										
AN088	AUG	24/04/2014	MGA94_50	7705650	496950	0.009										
AN089	AUG	24/04/2014	MGA94_50	7705650	497050	0.007										
AN090	AUG	24/04/2014	MGA94_50	7705650	497150	0.012	10.30	0.08	0.51	0.34	50	45	1620	122	13	40
AN091	AUG	24/04/2014	MGA94_50	7705650	497250	0.010										
AN092	AUG	24/04/2014	MGA94_50	7705650	498350	0.006										
AN093	AUG	24/04/2014	MGA94_50	7705650	498450	0.015	19.40	0.11	0.68	0.31	33	22	730	100	9	37
AN094	AUG	24/04/2014	MGA94_50	7705650	498550	0.016										
AN095	AUG	24/04/2014	MGA94_50	7705650	498650	0.013										
AN096	AUG	24/04/2014	MGA94_50	7705650	498750	0.008										
AN105	AUG	24/04/2014	MGA94_50	7705750	498650	0.011	27.40	0.21	0.46	0.39	33	33	818	179	10	32
AN123	AUG	24/04/2014	MGA94_50	7705950	497350	0.009	9.40	0.05	0.29	0.27	26	16	393	77	-5	22
AN124	AUG	24/04/2014	MGA94_50	7705950	497450	0.003										
AN125	AUG	24/04/2014	MGA94_50	7705950	497550	0.006										
AN126	AUG	24/04/2014	MGA94_50	7705950	497650	0.030	3.80	0.05	0.13	0.15	27	17	202	81	-5	30
AN127	AUG	24/04/2014	MGA94_50	7705950	497750	0.005										
AN128	AUG	24/04/2014	MGA94_50	7705950	498150	0.011	6.60	0.03	0.19	0.23	16	9	339	42	-5	12
AN129	AUG	24/04/2014	MGA94_50	7705950	498250	0.039										
AN130	AUG	24/04/2014	MGA94_50	7705950	498350	0.018										
AN131	AUG	24/04/2014	MGA94_50	7705950	498450	0.004										
AN132	AUG	24/04/2014	MGA94_50	7705950	498550	0.006	13.50	0.05	0.74	0.29	37	26	711	114	8	36
AN140	AUG	24/04/2014	MGA94_50	7706000	497350	0.004										
AN141	AUG	24/04/2014	MGA94_50	7706000	497450	0.009										
AN142	AUG	24/04/2014	MGA94_50	7706000	497550	0.012										
AN143	AUG	24/04/2014	MGA94_50	7706000	497650	0.005										
AN144	AUG	24/04/2014	MGA94_50	7706000	497750	0.004										
AN145	AUG	24/04/2014	MGA94_50	7706050	497350	0.016										
AN146	AUG	24/04/2014	MGA94_50	7706050	497450	-0.001										

SAMPLE LOCATION						ARM133 Lab Method					ARI133 Lab Method					
Sample			NAT			Au	As	Ag	Sn	Sb	Cu	Co	Mn	Ni	Pb	Zn
ID	Type	Date	Grid ID	North	East	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
AN147	AUG	24/04/2014	MGA94 50	7706050	497550	0.002	8.80	-0.02	0.35	0.32	22	10	264	51	-5	21
AN148	AUG	24/04/2014	MGA94 50	7706050	497650	0.010										
AN149	AUG	24/04/2014	MGA94 50	7706050	497750	0.008										
AN150	AUG	24/04/2014	MGA94 50	7706050	497850	0.002	10.70	0.03	0.21	0.43	22	12	388	43	-5	18
AN151	AUG	24/04/2014	MGA94 50	7706050	497950	0.002										
AN153	AUG	24/04/2014	MGA94 50	7706050	498150	0.005										
AN154	AUG	24/04/2014	MGA94 50	7706050	498250	0.011	8.70	0.20	0.11	0.13	38	10	422	46	114	60
AN155	AUG	24/04/2014	MGA94 50	7706050	498350	0.038										
AN156	AUG	24/04/2014	MGA94 50	7706050	498450	0.087										
AN165	AUG	24/04/2014	MGA94 50	7706100	497350	0.056	7.70	0.02	0.34	0.34	21	11	280	55	-5	23
AN166	AUG	24/04/2014	MGA94 50	7706100	497450	0.002										
AN167	AUG	24/04/2014	MGA94 50	7706100	497550	0.003										
AN168	AUG	24/04/2014	MGA94 50	7706100	497650	0.003										
AN169	AUG	24/04/2014	MGA94 50	7706100	497750	0.002										
AN170	AUG	24/04/2014	MGA94 50	7706100	497850	-0.001										
AN173	AUG	24/04/2014	MGA94 50	7706150	497350	0.009										
AN175	AUG	24/04/2014	MGA94 50	7706150	497550	0.003										
AN176	AUG	24/04/2014	MGA94 50	7706150	497650	0.002	10.00	-0.02	0.63	0.49	43	22	252	80	9	37
AN177	AUG	24/04/2014	MGA94 50	7706150	497750	0.004										
AN184	AUG	24/04/2014	MGA94 50	7706150	498450	0.013	10.20	0.05	0.18	0.16	9	4	169	27	-5	8
AN193	AUG	24/04/2014	MGA94 50	7706200	496950	0.021	36.80	0.02	0.28	0.44	46	44	397	417	6	56
AN194	AUG	24/04/2014	MGA94 50	7706200	497050	0.046										
AN195	AUG	24/04/2014	MGA94 50	7706200	497150	0.021										
AN196	AUG	24/04/2014	MGA94 50	7706200	497250	0.133										
AN197	AUG	24/04/2014	MGA94 50	7706200	497350	0.022	12.00	-0.02	0.32	0.32	22	9	160	59	-5	24
AN209	AUG	24/04/2014	MGA94 50	7706250	496550	0.009	8.20	0.02	0.23	0.34	30	12	380	76	-5	19
AN210	AUG	24/04/2014	MGA94 50	7706250	496650	0.019										
AN211	AUG	24/04/2014	MGA94 50	7706250	496750	0.063										
AN225	AUG	24/04/2014	MGA94 50	7706250	498150	0.003										
AN246	AUG	24/04/2014	MGA94 50	7706300	498150	0.007	8.60	0.02	0.60	0.33	36	20	867	67	8	35
AN247	AUG	24/04/2014	MGA94 50	7706300	498250	0.005										
AN248	AUG	24/04/2014	MGA94 50	7706300	498350	0.005										
AN249	AUG	24/04/2014	MGA94 50	7706300	498450	0.007										
AN250	AUG	24/04/2014	MGA94 50	7706300	498550	0.010										
AN251	AUG	24/04/2014	MGA94 50	7706300	498650	0.008	4.50	0.06	0.10	0.17	33	7	134	31	-5	13
AN252	AUG	24/04/2014	MGA94 50	7706300	498750	0.058										
AN269	AUG	24/04/2014	MGA94 50	7706350	498150	0.004										
AN270	AUG	24/04/2014	MGA94 50	7706350	498250	0.006										
AN271	AUG	24/04/2014	MGA94 50	7706350	498350	0.010										
AN272	AUG	24/04/2014	MGA94 50	7706350	498450	0.004	7.00	0.03	0.21	0.29	29	15	536	46	-5	19
AN273	AUG	24/04/2014	MGA94 50	7706350	498550	0.004										
AN274	AUG	24/04/2014	MGA94 50	7706350	498650	0.005										
AN275	AUG	24/04/2014	MGA94 50	7706350	498750	0.010										
AN276	AUG	24/04/2014	MGA94 50	7706350	498850	0.039										
AN277	AUG	24/04/2014	MGA94 50	7706350	498950	0.013	92.40	0.04	-0.05	0.17	46	29	71	329	-5	40
AN288	AUG	24/04/2014	MGA94 50	7706400	498050	0.005										
AN289	AUG	24/04/2014	MGA94 50	7706400	498150	0.002										
AN290	AUG	24/04/2014	MGA94 50	7706400	498250	0.005	6.50	-0.02	0.37	0.31	24	11	378	43	-5	19
AN291	AUG	24/04/2014	MGA94 50	7706400	498350	0.005										
AN292	AUG	24/04/2014	MGA94 50	7706400	498450	0.005										
AN314	AUG	24/04/2014	MGA94 50	7706450	498050	0.002	3.60	0.05	0.29	0.18	29	6	202	40	-5	17
AN315	AUG	24/04/2014	MGA94 50	7706450	498150	0.006										
AN316	AUG	24/04/2014	MGA94 50	7706450	498250	0.006										
AN317	AUG	24/04/2014	MGA94 50	7706450	498350	0.004										

SAMPLE LOCATION						ARM133 Lab Method					ARI133 Lab Method					
Sample			NAT			Au	As	Ag	Sn	Sb	Cu	Co	Mn	Ni	Pb	Zn
ID	Type	Date	Grid ID	North	East	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
AN318	AUG	24/04/2014	MGA94 50	7706450	498450	0.005	22.00	0.03	0.37	0.66	38	16	847	56	-5	29
AN319	AUG	24/04/2014	MGA94 50	7706450	498550	0.005										
AN330	AUG	24/04/2014	MGA94 50	7706500	497950	0.003										
AN331	AUG	24/04/2014	MGA94 50	7706500	498050	0.006										
AN332	AUG	24/04/2014	MGA94 50	7706500	498150	0.002										
AN333	AUG	24/04/2014	MGA94 50	7706500	498250	-0.001	17.10	-0.02	0.51	0.94	34	17	409	76	-5	30
AN334	AUG	24/04/2014	MGA94 50	7706500	498350	0.008										
AN335	AUG	24/04/2014	MGA94 50	7706500	498450	0.002										
AN336	AUG	24/04/2014	MGA94 50	7706500	498550	0.006										
AN337	AUG	24/04/2014	MGA94 50	7706500	498650	0.002	9.30	0.03	0.51	0.53	32	18	800	65	8	35
AN356	AUG	24/04/2014	MGA94 50	7706550	497950	0.005	5.50	0.03	0.32	0.24	24	13	411	52	-5	25
AN357	AUG	24/04/2014	MGA94 50	7706550	498050	-0.001										
AN358	AUG	24/04/2014	MGA94 50	7706550	498150	-0.001										
AN359	AUG	24/04/2014	MGA94 50	7706550	498250	0.006										
AN360	AUG	24/04/2014	MGA94 50	7706550	498350	0.008										
AN361	AUG	24/04/2014	MGA94 50	7706550	498450	0.005	24.50	0.04	0.25	0.78	30	17	755	58	-5	22
AN362	AUG	24/04/2014	MGA94 50	7706550	498550	0.006										
AN363	AUG	24/04/2014	MGA94 50	7706550	498650	0.003										
AN373	AUG	24/04/2014	MGA94 50	7706600	498250	0.019	47.20	0.07	0.39	1.77	86	20	492	85	6	50
AN374	AUG	24/04/2014	MGA94 50	7706600	498350	0.007										
AN375	AUG	24/04/2014	MGA94 50	7706600	498450	0.008										
AN376	AUG	24/04/2014	MGA94 50	7706600	498550	0.007										
AN377	AUG	24/04/2014	MGA94 50	7706600	498650	0.006	3.80	-0.02	0.22	0.19	29	11	215	49	-5	24
AN399	AUG	24/04/2014	MGA94 50	7706650	498350	0.003										
AN400	AUG	24/04/2014	MGA94 50	7706650	498450	0.002	44.20	0.05	0.32	1.66	65	30	1330	90	-5	55
AN401	AUG	24/04/2014	MGA94 50	7706650	498550	0.009										
AN402	AUG	24/04/2014	MGA94 50	7706650	498650	0.006										
AN412	AUG	24/04/2014	MGA94 50	7706700	498550	0.006										
AN413	AUG	24/04/2014	MGA94 50	7706700	498650	0.006										
AN414	AUG	24/04/2014	MGA94 50	7706700	498750	0.003										
AN415	AUG	24/04/2014	MGA94 50	7706700	498850	0.004										
AN416	AUG	24/04/2014	MGA94 50	7706700	498950	0.004	12.60	0.03	0.48	0.60	36	19	772	64	8	31
AN417	AUG	24/04/2014	MGA94 50	7706700	499050	0.008										
AN418	AUG	24/04/2014	MGA94 50	7706700	499150	0.002										
AN419	AUG	24/04/2014	MGA94 50	7706700	499250	0.006										
AN420	AUG	24/04/2014	MGA94 50	7706700	499350	0.008										
AN421	AUG	24/04/2014	MGA94 50	7706700	499450	0.009	8.90	0.19	0.23	0.69	28	20	855	57	-5	32
AN422	AUG	24/04/2014	MGA94 50	7706700	499550	0.004										
AN431	AUG	24/04/2014	MGA94 50	7706750	498250	0.003	15.40	0.03	0.66	0.74	25	19	359	70	11	41
AN432	AUG	24/04/2014	MGA94 50	7706750	498350	0.002										
AN433	AUG	24/04/2014	MGA94 50	7706750	498450	0.002										
AN434	AUG	24/04/2014	MGA94 50	7706750	498550	0.003										
AN435	AUG	24/04/2014	MGA94 50	7706750	498650	0.001										
AN436	AUG	24/04/2014	MGA94 50	7706750	498750	0.002	15.20	0.07	0.33	0.78	28	18	716	62	-5	31
AN437	AUG	24/04/2014	MGA94 50	7706750	498850	-0.001										
AN438	AUG	24/04/2014	MGA94 50	7706750	498950	0.002										
AN439	AUG	24/04/2014	MGA94 50	7706750	499050	0.003										
AN440	AUG	24/04/2014	MGA94 50	7706750	499150	0.003										
AN441	AUG	24/04/2014	MGA94 50	7706750	499250	0.002	13.70	0.08	0.32	1.18	33	24	1650	64	7	31
AN442	AUG	24/04/2014	MGA94 50	7706750	499350	0.002										
AN443	AUG	24/04/2014	MGA94 50	7706750	499450	0.002										
AN444	AUG	24/04/2014	MGA94 50	7706750	499550	0.003										
AN450	AUG	24/04/2014	MGA94 50	7706850	498150	0.005										
AN451	AUG	24/04/2014	MGA94 50	7706850	498250	0.005										

SAMPLE LOCATION						ARM133 Lab Method					ARI133 Lab Method					
Sample			NAT			Au	As	Ag	Sn	Sb	Cu	Co	Mn	Ni	Pb	Zn
ID	Type	Date	Grid ID	North	East	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
AN452	AUG	24/04/2014	MGA94 50	7706850	498350	0.003										
AN453	AUG	24/04/2014	MGA94 50	7706850	498450	0.006										
AN454	AUG	24/04/2014	MGA94 50	7706850	498550	0.002	37.80	0.11	0.47	1.12	41	24	839	79	7	57
AN455	AUG	24/04/2014	MGA94 50	7706850	498650	0.003										
AN456	AUG	24/04/2014	MGA94 50	7706850	498750	0.004										
AN457	AUG	24/04/2014	MGA94 50	7706850	498850	0.003										
AN458	AUG	24/04/2014	MGA94 50	7706850	498950	0.004	12.80	0.07	0.31	0.86	28	18	777	63	-5	27
AN459	AUG	24/04/2014	MGA94 50	7706850	499050	0.002										
AN460	AUG	24/04/2014	MGA94 50	7706850	499150	0.003										
AN461	AUG	24/04/2014	MGA94 50	7706850	499250											
AN462	AUG	24/04/2014	MGA94 50	7706850	499350	0.003										
AN463	AUG	24/04/2014	MGA94 50	7706850	499450	0.002										
AN464	AUG	24/04/2014	MGA94 50	7706850	499550	0.002	18.80	0.05	0.26	1.14	46	22	1560	68	7	33
AN465	AUG	24/04/2014	MGA94 50	7706200	496750	0.075	17.30	0.04	0.36	0.40	56	27	983	169	6	41
AN466	AUG	24/04/2014	MGA94 50	7706200	496650	0.016										
AN467	AUG	24/04/2014	MGA94 50	7706200	496550	0.012										
AN468	AUG	24/04/2014	MGA94 50	7705730	498700	0.010										
AN469	AUG	24/04/2014	MGA94 50	7705730	498600	0.009										
AN470	AUG	24/04/2014	MGA94 50	7705600	498750	0.015	267.00	0.37	0.20	4.63	42	27	267	213	-5	25
AN471	AUG	24/04/2014	MGA94 50	7705600	498650	0.008										
AN472	AUG	24/04/2014	MGA94 50	7705600	498550	0.012										
AN473	AUG	24/04/2014	MGA94 50	7705600	498450	0.007										
AN474	AUG	24/04/2014	MGA94 50	7705600	498350	0.008										
AN475	AUG	24/04/2014	MGA94 50	7705250	497400	0.007	8.60	0.14	0.79	0.32	54	35	1150	154	11	49
AN476	AUG	24/04/2014	MGA94 50	7705300	497450	0.006										
AN477	AUG	24/04/2014	MGA94 50	7705300	497400	0.003										
AN478	AUG	24/04/2014	MGA94 50	7705300	497350	0.006	7.50	0.06	0.62	0.26	57	35	1020	146	9	40
AN479	AUG	24/04/2014	MGA94 50	7705350	497400	0.022										
AN480	AUG	24/04/2014	MGA94 50	7705100	496750	0.011										
AN481	AUG	24/04/2014	MGA94 50	7705100	496650	0.010										
AN482	AUG	24/04/2014	MGA94 50	7705100	496570	0.016										
AN483	AUG	24/04/2014	MGA94 50	7704990	496550	0.010	8.10	0.05	0.56	0.23	32	24	852	83	9	28
ANRC1	ROCK	24/04/2014	MGA94 50	7706180	496600	0.007										
ANRC2	ROCK	24/04/2014	MGA94 50	7706210	496550	0.011	1.50	0.04	-0.05	0.04	49	68	23500	86	-5	22
ANRC3	ROCK	24/04/2014	MGA94 50	7706300	496800	0.013	51.80	0.07	-0.05	0.85	16	8	281	76	-5	14
ANRC4	ROCK	24/04/2014	MGA94 50	7706160	497250	0.049	204.00	0.07	-0.05	1.18	236	98	1820	474	12	327
ANRC5	ROCK	24/04/2014	MGA94 50	7706160	497380	0.014										
ANRC6	ROCK	24/04/2014	MGA94 50	7706370	498800	0.003										

Note:
ARM133 Lab Method = ICP-MS after Aqua
Regia
ARI133 Lab Method = ICP-AES after Aqua
Regia

Table 2: Mt Anketell Auger JORC information.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- Auger sampling 1kg samples taken from each vertical meter directly from the auger flights. - Total down hole composite taken for preliminary assay. - Samples sent to SGS in Perth for analysis by ICP-MS and ICP-AES after Aqua Regia
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Continuous flight solid Auger 85mm OD, 1.5m long rods.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Logging included a geological description of the rock type sampled - The logging is entirely qualitative.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise	Not applicable

Criteria	JORC Code explanation	Commentary
	representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- Assays done by SGS in Perth for analysis by ICP-MS and ICP-AES after Aqua Regia - Quality control procedures for the rock chip assays were followed via internal SGS protocols.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	Duplicate samples and lab standards used.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Sample locations have been recorded on a handheld GPS.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Combination of 100m x 100m and 100m x 50m - Samples composited downhole for entire hole for preliminary assay.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Auger lines orientated perpendicular to strike of the general quartz vein trend direction .
Sample security	The measures taken to ensure sample security.	Chain of custody was managed by Cape Lambert Resources until samples were delivered to SGS in Perth.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Not applicable at this stage.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- All samples taken from the Mt Anketell Project area on E47/1493 held 100% by Mt Anketell Pty Ltd which is a wholly owned subsidiary of Cape Lambert Resources. - The tenement is in good standing.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Unknown
Geology	Deposit type, geological setting and style of mineralisation.	Estuarine salt lake muds and sediments overlying mineralised quartz veins within an ultramafic schist amongst occasional gabbroic intrusions.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	See attached table.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Not applicable
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Figure 5 attached
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced	All results have been reported

Criteria	JORC Code explanation	Commentary
	<i>to avoid misleading reporting of Exploration Results.</i>	
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	None planned

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

Cape Lambert Resources Limited

ABN

71 095 047 920

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	-	-
1.2	Payments for (a) exploration & evaluation	(3,607)	(13,196)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,421)	(5,762)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	217	886
1.5	Interest and other costs of finance paid	-	(27)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	76	382
	Net Operating Cash Flows	(4,735)	(17,717)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(350)	(1,324)
	(c) other fixed assets	(1)	(105)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	465	13,626
	(c) other fixed assets	-	-
	(d) controlled entity	-	11,504
1.10	Loans to other entities	(850)	(3,766)
1.11	Loans repaid by other entities	-	1,000
1.12	Other: Cash backing security for performance / other bonds & bank guarantees released	2,223	7,895
	Other: Payment of transaction related and business development costs	(1,619)	(3,421)
	Other: Cash received on acquisition of subsidiary	701	701
	Net investing cash flows	569	26,110

+ 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)	(4,166)	8,393
	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: On-market buy back	(2,679)	(4,929)
	Net financing cash flows	(2,679)	(4,929)
	Net increase (decrease) in cash held	(6,845)	3,464
1.20	Cash at beginning of quarter/year to date	27,339	17,034
1.21	Exchange rate adjustments to item 1.20	(3)	(7)
1.22	Cash at end of quarter	20,491	20,491

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	214
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$214,000 (excluding GST) payment of executive and non-executive director fees.

Non-cash financing and investing activities

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

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ 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	3,500
4.2 Development	-
4.3 Production	-
4.4 Administration	1,500
Total	5,000

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	5,491	1,339
5.2 Deposits at call	15,000	26,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	20,491	27,339

+ 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	N/A		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A		

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	-	-	
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	634,727,857	634,727,857	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- (24,564,880)	- (24,564,880)	
7.5	+Convertible debt securities	-	-	
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	500,000	500,000	Exercise price \$0.15	Expiry date 30 Sept 2015
7.8	Issued during quarter	-	-		
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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 30 July 2014

Print name: Melissa Chapman

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.