

SEPTEMBER 2014 QUARTER ACTIVITIES & CASHFLOW REPORT

Period: 1 July – 30 September 2014

Release Date: 30 October 2014

OVERVIEW

The Company's key asset is the large scale Abu Dabbab tantalum-tin-feldspar deposit in Egypt (the Project) held through its 50% shareholding in Tantalum Egypt JSC (TE), which the Company is seeking to bring into production in early 2016.

The key focus during the September 2014 quarter was to continue marketing the financing proposal and to complete the detailed Project review to set the agenda for the completion of the feasibility study. This is an extremely challenging proposition with the Company's own internal financial constraints and the external issues around raising finance to complete a feasibility study, for a project in the Middle East at a time when some analysts are bearish on commodities. Notwithstanding those issues we continued to make progress on the basis of the Project's strategic value as a potential long-term stable supplier of tantalum, the possible diverse revenue streams when fully developed comprising tantalum, tin and feldspar as well as the recognition by many MENA region Governments (especially Egypt) and investors of the under-developed state of their highly prospective landholdings for mining as illustrated in Figure 1.

Working closely with a recently mandated Dubai based Investment Banking group we have regained momentum to this process and hope to achieve tangible progress over the coming month. To date, Gandel Metals (a company associated with Gippsland's Chairman, Mr Ian Gandel) has been highly supportive through the provision of \$3.2 million in unsecured loan funds whilst this financing process is implemented – with no positive outcome assured. Clearly this support is not limitless and we are reaching the point where key milestones need to be demonstrated in order to secure additional support from Gandel Metals or upon which to base an alternative funding scenario for Gippsland.

In preparation for the anticipated receipt of funds to complete the feasibility study a detailed review of all past testwork and development proposals was completed. This is an important process not only for the benefit of the new management group but also in terms of creating a sound basis from which to identify further work and expenditure to complete the feasibility study. This September quarterly report contains an outline of those technical and commercial aspects that need to be addressed over the planned six month feasibility study time frame prior to commencing the project development.

Finally, on 10 September the alluvial tin operation was closed down. The Company can now focus solely on the hard-rock Abu Dabbab Tantalum-Tin-Feldspar Project; securing the financing, completing the feasibility study and commencing development. This is where shareholder value can be re-established.

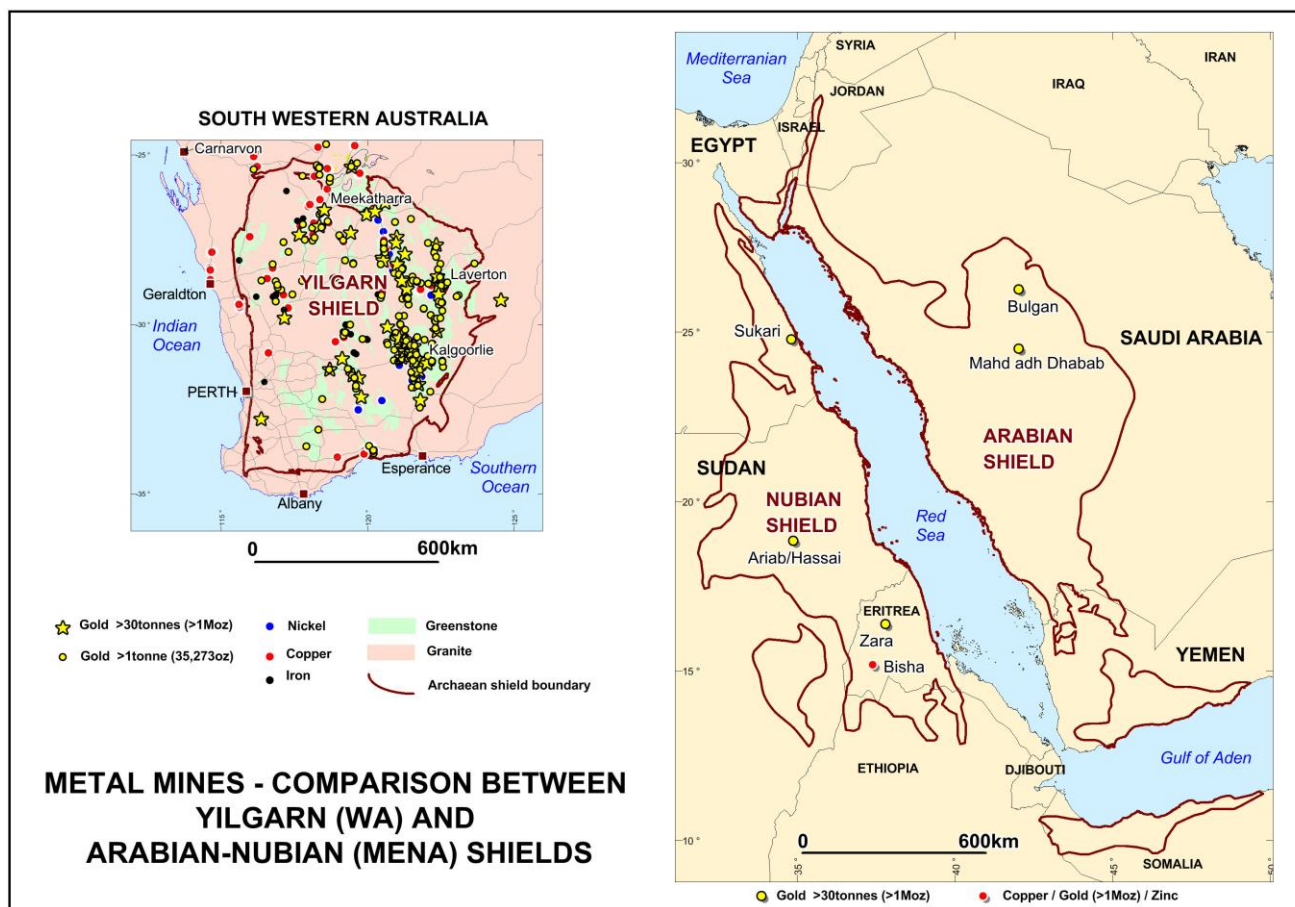
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Figure 1: Comparison between similar geological terrains – highlighting the under-explored status of the Arabian-Nubian Shield in the MENA Region as shown by the comparative number of metal mines.



QUARTERLY ACTIVITIES & CASH FLOW REPORT

The Directors of Gippsland Limited (Gippsland or the Company) provide the following Activities and Cash Flow Report for the September 2014 quarter.

1. ABU DABBAB TANTALUM-TIN-FELDSPAR PROJECT (50% INTEREST)

The Company continues to work through a Project development and financing strategy centred around a “low-capital” development model utilising contractors and suppliers to undertake activities such as mining, crushing and screening the ore and supplying water, power and other services on a “through the fence” basis. During the September quarter, Mr Brian Talbot, the Project Development Manager completed a program to review all of the historical testwork and feasibility assessment data. As well, a detailed review of key permitting issues and tantalum offtake arrangements was also completed and documented. This is an important process not only for the benefit of the new management group but also in terms of creating a sound basis from which to identify further work and expenditure to complete a feasibility study.

In August the Company reported the signing of a non-binding Memorandum of Understanding (MoU) with a major international smelting company to smelt, on a toll basis the gravity concentrates from Abu Dabbab to produce tantalum concentrate (or glass) for delivery to Starck (under the sales agreement) and tin metal.

In June the Company reported on the updated feasibility study for the processing plant and associated infrastructure completed in May 2014 by Lycopodium and highlighted technical areas requiring further work and several opportunities to improve performance and reduce costs. Gippsland is currently seeking investment funds from Arab Gulf State investors to finance the completion of the feasibility study, ideally within a six month time frame.

The following two sections provide;

- background information on the evolution of the various studies and development plans; and
- sets out the key issues to be addressed in the planned six month program (following financing) comprising technical, regulatory and corporate issues (other than financing) to complete the Feasibility Study and enable commencement of the project construction.

1.1 Background

Gippsland has been involved in the Project since early 2002 when it commenced a feasibility evaluation of the Project. A “bankable” standard definitive feasibility study was completed in early 2007 and updated in late 2008 (2008 DFS) by Australian firm, Lycopodium Engineering Pty Ltd. Since that time, faced with adverse equity and commodity market conditions, the Company has examined several alternative operating and development strategies appropriate for the difficult economic climate.

The current status of the Project and technical data for the Project is outlined below:

1. There is detailed Feasibility standard data available from the 2008 DFS on the Project based on mining and processing ore at 2 Mtpa. As well, there is significant additional data including; studies on a deeper pit design and mining at 3 Mtpa and the addition of a feldspar recovery circuit and associated transport infrastructure.
2. Gippsland has recently undertaken further work to update and optimise that data including:
 - a. An update of the process flow sheet to add a two-stage leach and electromagnetic separation step for the final gravity concentrate and to remove the on-site smelter, relying instead on toll smelting for at least the early years of the Project.
 - b. In December 2013, a capital cost estimate for a process plant with a capacity to treat 2 Mtpa of ore but readily expandable to 3 Mtpa to a +/- 25% cost range from MSP Engineering Pty Ltd of Western Australia.
 - c. In April 2014 the Company received contractor and supplier indicative tenders for mining, crushing and screening, power, water and accommodation utilising the data from the detailed 2008 DFS, but requesting that these tenders also include prices for the higher production rate of 3Mtpa.
 - d. Independent update of the mining costs based on the 2014 tendering process for the 2008 DFS Pit Designs as well as a preliminary review of those rates for the deeper pit designs upon which a 3 Mtpa Base Case is developed.
 - e. In late May 2014, Gippsland received from Lycopodium the Updated Feasibility for the Processing Plant and Associated Infrastructure Report based on the 2008 DFS covering operating and capital costs on the basis of minor modifications to the process flowsheet (as described in 2a above).

This has culminated in the overall development scenarios outlined in Table 1; the 2 Mtpa and 3 Mtpa mining and processing scenarios with a subsequent further expansion to recover and sell feldspar. The Company is presenting its investment case based on the 3 Mtpa Base Case scenario as part of a staged development process. Following the completion of the feasibility tranche of the financing process the Company plans to finalise the 3 Mtpa Base Case into the 2014 Abu Dabbab Development Plan (“2014 ADDP”); the final and definitive feasibility study for the project.

Table 1: Production Profiles for Tantalum, Tin and Feldspar by Production Case

Product	Average Annual Production	
	2 Mtpa Case	3 Mtpa Base Case
Gravity Concentrator		
Gravity Concentrate (t)	2,745	3,630
Contained Ta ₂ O ₅ (lbs)	631,000	925,000
Contained Sn (t)	1,295	1,490
Gravity Recovery – Ta ₂ O ₅ (%)	60	58.2
Gravity Recovery Sn (%)	63.5	56.7
Smelting Facility		
Final Glass for sale (t)	1,000	1,470
Contained Ta ₂ O ₅ (lbs)	599,000	878,000
Smelter Recovery (%)	94.9	94.9
Sn as LME standard ingots (t)	1,260	1,450
Smelter Recovery (%)	97.1	97.1
Feldspar Cleaning & Upgrade		
Feldspar Recovery (%)	75	75
Bulk Feldspar-silica (Mt)	1.5	2.3

1.2 Key Feasibility and Development Issues

a. Resource Upgrade

The Company would like to undertake some additional drilling into the deposit to:

- Record geotechnical data;
- Obtain additional material for specific variability testwork eg hardness;
- Upgrade certain areas of the resource currently classified as Inferred and confirm other drill results with twin drill holes; and
- Obtain more detailed grade distribution data for the resource that would be mined in the first five years of any operation.

As time is limited and given that not all of the information is required for the feasibility study, this process would be staged.

b. Mine Plan

A recent review of the current mine designs and schedules as well as discussions with Egyptian mining contractors highlighted the need and the opportunity to update and optimise the mining plans, schedules and equipment lists. The Company plans to undertake this work in collaboration with a preferred local mining contractor.

An updated ore reserve and mine schedule based on Contractor rates for mining is a core component missing from the definitive feasibility study.

c. Process Flowsheet

The detailed review identified opportunities for performance improvements or cost reductions not previously followed through. Further work to a feasibility study standard is required to:

- Confirm earlier testwork that seawater can be used for the main processing requirements with no detrimental effects on possible future feldspar recovery or quality or tailings dam capital and operating cost.

This would reduce costs associated with utilisation of desalinated water as desalination is an energy intensive process and the plants are capital intensive.

- Reassess the process flow sheet with the installation of a simple flotation circuit after the grinding circuit to remove the majority of the feldspar-silica and gangue minerals (75% to 85% of the overall mass) with the residual material containing the tantalite and tin, flowing through to the gravity concentration plant. The implications are that the gravity circuit to recover the tantalite and tin would be approximately 20% of the size of the current planned circuit and hence cheaper to build and operate. The flotation products diverted away from the gravity circuit comprise mainly a bulk silica-feldspar which with further flotation cleaning could be sold into the white-ware ceramic industry. The previous concept for a feldspar production expansion is to locate the flotation plant after the gravity circuit.

Preliminary testwork on this circuit configuration was undertaken in 2004 with encouraging results but not followed up. There is a major potential impact on capital and operating costs as well as operating efficiency and metal recovery performance.

- Examine technological advances over the past ten years which could improve tantalite and tin recovery from the fine fraction material such as continuous centrifugal concentrators, ultra-fine gravity recovery and ultra-fine screening.

A significant portion of tantalite and tin is locked up in a fine fraction (P80 < 38 microns) from which recovery is problematical. Given that over-grinding (a key processing risk) would increase the proportion of this finer material it makes sense to review methods to improve recovery from this size fraction which may have been developed over the past 10 years.

Note - following the closure of the alluvial tin operation a program to geologically map and sample each of the three adits into the deposit commenced and is currently in progress. The objective is to obtain approximately four tonnes of sample material for further metallurgical testwork as necessitated by the issues discussed above.

d. Infrastructure & Services

As highlighted by the Company in previous reports a core aspect of the development strategy is to utilise largely local Egyptian contractors to supply key services and inputs such as mining, crushing and screening, water, power, catering, accommodation and for an initial period, smelting. The

recently completed feasibility update by Lycopodium carved out the smelter and mining aspects of the project. The balance of the capital and operating costs were based on owner supply of the other essential requirements listed above. From the Lycopodium study capital savings of US\$59.4 million were identified for utilities and ore feed preparation. The next step is to follow-up on those initial tenders to arrive at detailed contractor based operating costs.

An important component of this strategy was to enter into a non-binding MoU for toll smelting (Toll Smelting MoU) the gravity concentrates produced at the Abu Dabbab site (please refer ASX release 19 August 2014 “Toll Smelting Agreement and Operations Update”). This is regarded as an important opportunity to reduce the start-up risk and capital whilst assessing the ultimate optimum site for the smelting operations, for example closer to power, labour and transport hubs.

During the feasibility study phase the Company intends to continue the process started in February 2014 and establish more definitive purchase schedules for inputs such as power and water as well as services such as crushing and screening, catering etc. This will include advancing negotiations of the Toll Smelting MoU to a definitive agreement.

It is important to note that subject to verification of the process flow sheet enhancements proposed in item c above, the requirements for some of these inputs such as power may drop appreciably. Some of these issues have been raised and/or rejected previously, such as use of seawater. This is why it has been necessary to revert to the primary data to form a view and finally determine an operating scheme on that basis, which in some cases may require verification through testwork.

e. Permitting

Environmental and regulatory approvals are in place for the mine development and waste dumps. Areas where further approvals are required include the current planned plant and tailings storage sites and the water pipeline corridor from the coast. Much of the underlying environmental assessment and reporting has been completed and final environmental approval for these aspects should be forthcoming within six months of submission of the final applications. Indeed, a former plant site 10 km to the east of the current planned site was approved previously, indicating approval of the new site is relatively low-risk. The Company has continued to move forward on other more regulatory type of approvals such as the water pipeline corridor, with the military completing a survey during the quarter.

Some permitting aspects have been suspended because the move to contractor-supply may supersede the requirements for an approval by TE such as for the sub-sea water intake if water is secured from an existing supplier. This may substantially de-risk the environmental and government approval process. Permitting will be advanced at the same time as the feasibility study process as technical milestones are achieved and therefore due to the relatively “benign environmental impact” of the project, permitting is not expected to be a major impediment.

f. Tantalum Offtake

In November 2007 Tantalum Egypt JSC signed a Tantalum Sales and Purchase Agreement (TSPA) with HC Starck GmbH of Germany (Starck). The binding TSPA covers a total of six million pounds of Ta₂O₅ contained in concentrate (or glass form) and extends for a period of ten years from the time of the first shipment. Many of the terms in the TSPA are “commercial in confidence” which is standard for most agreements of this type and even more stringently observed in the much smaller tantalum concentrates market. The background to these types of contracts is that the buyer is prepared to pay some premium to the prevailing “spot” market at the time of the contract as well as underwrite some inflationary impacts on the producer’s operating costs from an agreed base in order to secure stable supply.

The offtake agreement with Starck is a very important and positive commercial agreement for TE as it provides surety on revenue through an agreed price, defined within a tantalum price envelope derived at the time the TSPA was signed. Note at the time the TSPA was executed the published spot price for Ta₂O₅ (www.metalpages.com) was around US\$40 to \$50/lb. Subsequently, on a year-on-year basis the price received under the TSPA may be adjusted for changes to an agreed operating cost schedule (based on the feasibility study outcomes of the day) and escalated as appropriate to account for the impact on those operating costs of several external factors such as local inflation or fuel costs. This provides the Project with “pre-determined” prices for at least 600,000 lbs of Ta₂O₅ production each contract year. Any additional Ta₂O₅ produced within that year may be sold subject to a new sales agreement with either Starck or another purchaser, which might be for a higher or lower price than under the TSPA or sold on the spot market. The price stability provided by the TSPA for the Ta₂O₅ glass is an important aspect for any project financing and based on the production scenarios presented in Table 1 above, the Starck TSPA would cover between 70 to 100% of Ta₂O₅ produced over the life of the project; though in the first five years production is expected to be greater reflecting higher Ta₂O₅ grades at the top of the deposit.

The Company has had recent confirmation from Starck of its ongoing interest in the Project and its commitment to the TSPA. The TSPA contains provisions which acknowledge the long-term nature of the agreement and hence a likely a need to review and potentially adapt certain TSPA parameters as external and project factors evolve. Therefore given that over the past 7 years since it was executed there have transpired at least one major commodity price cycle, various external credit and political crises impacting inflation as well as significant and often beneficial changes to the planned operating parameters of the Project – the Company considers that the TSPA does need updating in accordance with the provisions of the TSPA. Starck and Gippsland have agreed that the best time to engage on these matters is following demonstrable progress by Gippsland on the feasibility study and financing process.

1.3 Summary

A comprehensive definitive feasibility study still needs to be completed to bring together an updated mine plan, potential toll smelting agreement, the various supplier and contractor tender pricing and to verify the savings indicated above. As the feasibility process progresses the Company plans to re-engage with Starck to review and potentially update certain terms of the TSPA. At the same time several outstanding statutory project permits will be advanced; these are not considered to represent a delay to the development schedule. Approximately six months is considered to be adequate time to achieve these outcomes and be able to commence project development subject to the receipt of the initial feasibility funding and the ultimate structure of the final project development funding. As highlighted above the new technical team has also identified several opportunities to optimise the process flow sheet which may lead to further cost savings, though we must be disciplined not to stretch the development time frame.

The Government of Egypt recognises the strategic importance of the Abu Dabbab Project and is clearly keen to see it in production as soon as possible. Gippsland and its partners in TE share that ambition and are working tirelessly to secure the financing and then fast track the completion of the feasibility as outlined above.

2. Corporate

2.1 Financing Process – the Abu Dabbab Tantalum-Tin-Feldspar Project

Gippsland is seeking to raise funds to complete a definitive feasibility study in the next 6 months and commence construction of the Project. With a focus on the MENA region the Company has been in discussions with a variety of potential investors regarding investment and joint-venture opportunities in respect of Gippsland’s 50% equitable interest in the project currently held through its 100% subsidiary, Tantalum International Pty Ltd, which holds shares in the joint venture company, Tantalum Egypt JSC. As

disclosed previously this process has been significantly delayed by the holy month of Ramadan and the ensuing six week long MENA wide summer holiday break but momentum was regained in early September.

To this stage the Company has mandated a Dubai based investment banking group to raise the required funds, whilst also facilitating due diligence and progressing discussions with several groups previously identified by Gippsland. A further series of meetings with a shortlist of potential strategic partners/investors is planned for early November.

If the initiatives outlined above progress positively, the following transaction stages would likely comprise agreement on an investment structure through a conditional non-binding MoU leading to a detailed due diligence process, culminating in a binding investment agreement, ideally prior to the end of this year. However, whilst several transaction outlines have been discussed, to date no terms sheet or definitive proposal has been presented to Gippsland.

The process outlined above takes time and raises the challenge for the Board of maintaining Gippsland's current operations which includes the small Australian team, the Egyptian site infrastructure and all Egyptian staff until sufficient clarity on a financing deal emerges which either generates funds for Gippsland directly or enables Gippsland to raise capital independently on the basis that the Project becomes "self-funding" as a result of the possible pending transaction.

This is the key milestone that Gippsland's management is striving to achieve and indeed Gandel Metals Pty Ltd (GMPL), a company associated with Gippsland's Chairman and major shareholder, Ian Gandel, is assessing in its ongoing funding of the Company. This is in the context of the overall time frame to achieve a financial close which would relieve GMPL of the ongoing funding burden. The Board remains hopeful of achieving that milestone event and management is working tirelessly to achieve a positive result, but prudently there is concern about the increasing level of indebtedness to GMPL as well as attaining those milestones to justify that ongoing support; a support that is not limitless.

2.2 Financial Position

Cash at the end of the September quarter was \$83k. Total outgoings for the quarter were \$868k, which includes administrative expenses of \$382k as well as \$79k of June administrative expenses paid in July. There were also closure and termination costs for the alluvial tin operation.

Given the uncertainty of the Project funding and the general share market malaise the Company remains reliant on GMPL for its ongoing funding. Between July and September, GMPL has entered into agreements to provide further loan funding to Gippsland for a total of \$620,000 for working capital.

The terms of the agreements are as follows:

- (a) the interest rate for the loans is equal to the ANZ facility interest rate, as varied (currently 5.33%);
- (b) the loans are unsecured; and
- (c) the loans are repayable the earlier of:
 - 1 November 2014; and
 - Five business days after completion of a capital raising by Gippsland for an amount equal to or greater than \$500,000 more than the overall level of indebtedness to Gandel Metals at the time each loan agreement was entered into (currently the overall level of indebtedness to Gandel Metals is \$3,192,000).

3. Alluvial Tin Operations

Gippsland Ltd (the Company), with the full support of the Tantalum Egypt JSC (TE) Board decided to cease all operations at the alluvial tin operations at the Abu Dabbab project site effective 10 September, 2014.

As foreshadowed in the report to ASX dated 19 August 2014, the alluvial project was vulnerable to several technical and productivity issues. Unfortunately after a late start to the crushing and screening operation it became apparent that the expected head grade of the 81,000 tonne stockpile was 15-20% lower than planned and that the crushed and screened feed material to the Spiral Plant contained a “fixed” or unrecoverable tin component, resulting in the tin yield to final concentrate per tonne processed being lower than planned. Given the high fixed cost component of the overall project cost structure, efforts to maintain planned production rates or to increase throughput to generate more recovered tin per shift were significantly hampered by productivity issues. On this basis it was decided that there were no options remaining other than to close the operation as quickly as possible.

Total production for this campaign is estimated to be seven tonnes of tin concentrate grading approximately 52% tin which has now been shipped to the smelter. A production summary for the September Quarter (FY2015 to date) and the alluvial operation since inception is provided in Table 2. The crushing, screening, gravity concentration and ancillary equipment that belongs to TE has been secured at site and is actively being marketed for sale – with several international and local parties already expressing interest. Interested parties are invited to contact the Company directly for further information.

The Company and TE are disappointed that the alluvial mine project had to be terminated earlier than planned, especially with the premature loss of 31 temporary positions. The residual stockpiles will be valuable feedstock for commissioning the new plant when completed. The site will be placed on care and maintenance whilst preparations are made for the commencement of the hard-rock project development.

Table 2: Production Summary – Alluvial Tin Operations

	Units	FY2015 (to date)	FY2014	Project to Date
Mined-2mm size fraction	t	-	81,842	183,971
Head Grade	% Sn	0.08	0.11	0.13
Processed*	t	5,550	159,101	259,506
Tin Concentrate	t	6.5	202	340
Concentrate Grade	% Sn	49	42	54
Contained Tin	t	3.2	85	154

Competent Persons Compliance statement

The information in this announcement that relates to Exploration Targets, Exploration Results or Mineral Resources is based on, and fairly represents, information and supporting documentation prepared and compiled by Dr John Chisholm, a Competent Person who is a Fellow of the Australasian Institute of Mines and Metallurgy. Dr Chisholm is employed by Mandu Pty Limited which provides geological consulting services to the Company. Mandu Pty Limited holds 125,000 ordinary shares in the Company. Mandu Superannuation Fund Pty Limited of which Dr Chisholm is director and shareholder holds 3,362,963 ordinary shares in the Company. Dr Chisholm 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 Exploration Results, Mineral Resources and Ore Reserves”. Dr Chisholm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Gippsland Limited

ABN

31 004 766 376

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(44)	(44)
(b) development	(86)	(86)
(c) production	(312)	(312)
(d) administration	(382)	(382)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	(44)	(44)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(868)	(868)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments	54	54
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	54	54
1.13 Total operating and investing cash flows	(814)	(814)
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	620	620
1.17 Repayment of borrowings		
1.18 Dividends paid		
1.19 Other		
Net financing cash flows (carried forward)	620	620

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Net financing cash flows (brought forward)	620	620
Net increase (decrease) in cash held	(194)	(194)
1.20 Cash at beginning of quarter/year to date	277	277
1.21 Exchange rate adjustments to item 1.20		
1.22 Cash at end of quarter	83	83

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	111
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil
1.25 Explanation necessary for an understanding of the transactions	
Payments of consulting fees and directors fees to directors and director related entities	

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	None
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	None

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	3,192	3,192
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	35
4.2 Development	264
4.3 Production	* 373
4.4 Administration	338
Total	1,010

* Includes payment of outstanding amounts in relation to the alluvial tin project incurred up to the date of closure of the project on 10 September 2014 and closure costs for the alluvial tin project estimated to be payable during the next quarter.

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	83	277
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	83	277

Changes in interests in mining tenements and petroleum tenements

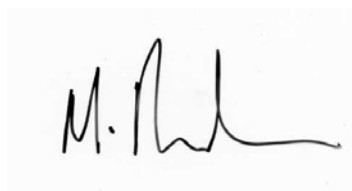
	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

	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	1,375,700,081	1,375,700,081		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options	-	-	<i>Exercise price</i>	<i>Expiry date</i>
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)				

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.



Director: M.B. Rosenstreich
Date: 30 October 2014

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.