

Quarterly Activities Report Quarter Ended 30 June 2016

Kimsa Orcoco Project – Peru

(Patacancha Tenements – 100% Laconia)

As previously reported, shareholders approved the disposal of the Company's Peruvian mineral interests to Andes Exploration of Peru Numero Dos Sac (**Andes**) and Sallka Uno Y Dos Sac (**Sallka**).

The Peruvian tenement portfolio comprises the Kimsa Orcoco Project:

- Patacancha N° 1;
- Patacancha N° 2;
- Patacancha N° 3; and
- Patacancha N° 4.

The Company has been advised by its Peruvian legal advisers that all documents have been officially notarised and lodged with the Peruvian mines department to effect transfer of the tenements and thereby finalise the disposal.

701 Mile Project – Precious and Base Metals, Pilbara WA

(E52/2688 – 80% Laconia: mineral rights excluding manganese and iron and 70% Laconia: manganese and iron rights)

No field work was carried out during the quarter.

Corporate

The Company is actively seeking potential new project opportunities.

As part of this process the Company is reviewing a number of potential resource projects.

These discussions are incomplete and subject to final negotiation and agreement on terms and consideration, including preliminary due diligence.

Dependant on the nature and scale of any investment, the Company may be required, pursuant to ASX Listing Rules, to obtain shareholder approval to any transaction and may also be required to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

The Company ceased discussion with a group in the health and nutrition sector as it decided to progress down the traditional IPO route.

Tenement Information as required by Listing Rule 5.3.3

The following is a table setting out the information as required by ASX Listing Rule 5.3.3, namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Location	Mining Tenement	Ownership	Acquired or Disposed
Peru (Ayacucho)	Patacancha No 1 – (i)	100%	(i)
Peru (Ayacucho)	Patacancha No 2 – (i)	100%	(i)
Peru (Ayacucho)	Patacancha No 3 – (i)	100%	(i)
Peru (Ayacucho)	Patacancha No 4 – (i)	100%	(i)
Peru (Puno)	Jess Gold 1	100%	N/A
Peru (Moquegua)	Jess Iron 1	100%	N/A
Western Australia (Northern Gascoyne)	E52/2688-I*	80%**	N/A

* I = Iron Ore Endorsement

** Mineral rights held by Laconia Resources Ltd (80%) and Pandell Pty Ltd (20%). Manganese and iron ore rights held by Laconia Resources Ltd (70%) and Pandell Pty Ltd (30%).

Subject to disposal as approved by shareholders on 20 August 2015.