

About Iron Road

Iron Road Limited is the developer of the Central Eyre Iron Project (CEIP), located on the Eyre Peninsula in South Australia.

CEIP is a long life proposal, which will produce a high grade, low impurity iron concentrate for export to Asia. The product will attract a quality premium over reference iron ore prices, and is expected to have substantial benefits for steel mill customers in pollution reduction and operating costs.

In pursuit of final project finance and commencement of construction, Iron Road has signed Memorandum of Understanding with five leading Chinese steel mills, including Shan Steel. An infrastructure funding MoU has been signed with Aixi Investments.

A definitive feasibility study (DFS) supported by a subsequent optimisation study, confirms the compelling commercial case for a mining, beneficiation and infrastructure solution with production of 24 million tonnes per annum of premium iron concentrates for export over an initial mine life of 30 years. Furthermore, the optimisation study has reduced capital and operating costs.

The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

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Highlights

Central Eyre Iron Project (CEIP)

- Mine optimisation study has validated, enhanced and further de-risked the 2014 Definitive Feasibility Study (DFS).
- Non-binding Memoranda of Understanding (MoUs) entered into with five leading Chinese steel mills.
- MoU to progress funding for the infrastructure components of the CEIP signed with Aixi Investments (AIXI).
- Indigenous Land Use Agreement (ILUA) signed with the Barngarla Aboriginal Corporation on behalf of the Barngarla native title claimants.
- MoUs signed with the Wudinna District Council, District Council of Cleve and several Eyre Peninsula peak industry groups.



Figure 1: Iron Road Chairman Dr Peter Cassidy and ShanSteel Chairman Mr Ren Hao (with dignitaries including South Australian Premier the Hon Jay Weatherill and Secretary, Shandong Provincial Committee of the Communist Party of China, Mr Jiang Yikang) during the signing ceremony held at a welcome dinner for China's largest trade delegation to South Australia.

PROJECTS

Central Eyre Iron Project (CEIP)

The CEIP is located on the Eyre Peninsula, South Australia. The proposed mine site at Warrambo is located 28 kilometres southeast of the regional centre of Wudinna and the proposed port is seven kilometres south of Port Neill at Cape Hardy (Figure 2). The mine and the port are planned to be linked by an infrastructure corridor containing rail, water and power.



Figure 2: Location of the CEIP, showing mine, infrastructure corridor and port

The CEIP is planned to produce a high quality, low impurity iron concentrate that will serve as a clean, superior blending product for steel mills. Current expected output stands at 21.5Mtpa of ~67% premium iron concentrate over 25+ years. With a competitive projected operating cost, the iron concentrate is well positioned to actively displace lower quality iron ores as market evolution occurs.

The global CEIP Mineral Resource is 4.5Bt at a grade of 16% iron, with 77% of this resource contained in the Measured and Indicated categories. The Mining Reserve is 2.1Bt at a grade of 15.5% iron. The CEIP has the largest Measured + Indicated magnetite Mineral Resource in Australia and globally ranks amongst the largest known today. Engineering optimisation studies are now complete with results released to the market recently.

With its premium iron product, significant scale, expandable rail and port infrastructure as well as supportive State and Federal Governments, CEIP continues to attract interest from a range of Australian and international construction and operations groups. This work includes the recent signing of five memoranda of understanding (MoU) with Chinese steel mills.

Project Optimisation

The optimisation study concluded during the Quarter has validated and enhanced the outcomes contained in the 2014 DFS. The study indicates that lower costs and improved efficiencies are achievable, with a significantly reduced technical and development risk profile.

Orebody delineation, through extensive diamond drilling, has increased the mineral resource available to be mined. The nature of the Murphy-South and Boo-Loos orebodies, being long and narrow, are particularly suited to the application of In-Pit Crushing and Conveying (IPCC).

A key aspect of the optimisation study was to fully develop the IPCC concept. The project has delivered a mine design, plan and schedule that incorporate the full benefits of IPCC through the installation of both fully mobile and semi-mobile crushers and conveyors.

The summary life-of-mine production physicals for the Optimisation study are given in Table 1.

Table 1: Summary LOM Production Physicals

Item	Units	LOM Total
Life of Mine	Years	30
Total material moved (TMM)	Mt	10,008
Material Sent to Waste	Mt	5,868
Ore Mined and Milled	Mt	4,141
Strip Ratio	w/o	1.42
Iron Concentrate Production	Mt	578

A number of key components in the development of the mining study have been:

- The involvement of the Thiess-RWE Joint Venture in assisting with the mining study. Thiess is one of the largest contract miners in Australia and RWE is a recognised world leader in the application of IPCC technology;
- The involvement of major mining equipment vendors, for sourcing performance data and costings for the proposed equipment, from specialist IPCC equipment, conveyor suppliers and heavy mining fleet suppliers; and
- The use of a leading blasting services and consumables provider, to perform an analysis of the blasting requirements for the project. Blasting fragmentation and cost are key aspects of the implementation of the mining concept.

Accompanying the mine plan, associated operating and capital costs have been developed to support the increased production of iron concentrate to 24 Mtpa. The additional resource identified supports not only the increase in concentrate production, but includes a mine plan that extends for 30 years. With the implementation of IPCC, a very competitive material movement cost of around AU\$2/tonne is achieved in the mine. A conventional hard rock truck and shovel mining operation would be expected to have approximately twice the operating cost of the IPCC solution.

In the processing plant, the flowsheet has been finalised and updated to produce 24 Mtpa of concentrate at approximately 67% iron (Fe), less than 4% silica (SiO₂), and less than 2% (alumina) Al₂O₃, with low phosphorus (P) and sulphur (S) content. This specification has been supported by further semi-pilot laboratory testing of drill core to generate iron concentrate samples for steel mill testing and ore performance design data. The specification being high in iron and low in deleterious elements such as silica, alumina, phosphorus and sulphur is important, as iron products above 62% contained iron generally receive premium pricing, whilst pricing penalties are attracted for deleterious elements above certain thresholds.

The CEIP iron concentrate is coarse-grained at about -100 micron (p80). Marketing and test work undertaken by potential customers has indicated that the concentrate will be well suited as a sinter feed additive.

In addition to the finalisation of the processing flowsheet has been the further refinement of the modularisation concept for the construction of the processing and non-processing infrastructure. Modularisation will be a key schedule risk mitigation strategy adopted in the project.

A systematic review and repricing of consumables, services and vendor supplied equipment has been undertaken to update the project CAPEX. A review of all operating expenses, in particular the key drivers of power, diesel and grinding media, has been undertaken as part of the optimisation study.

The optimisation study has delivered updated CAPEX and OPEX estimates that validate and further improve the 2014 DFS. These outcomes were released to the market in an ASX Announcement on 13 October 2015.

The OPEX estimate, broken down by area, is given in The life of mine average FOB OPEX (ex – royalties and sustaining capital) has reduced from the DFS estimate of US\$44.33/dmt to US\$37.72/dmt.

The port and rail operating costs included in Table 2 reflect the ownership and operation of these facilities by Iron Road. Comparative unit costs are lower than the Pilbara due to a shorter haulage distance, flatter topography, efficient loading and unloading, no dredging requirement and several other factors.

Table 2. The estimate base date is 31 March 2015. The Australian dollar denominated weighting in the OPEX estimate is 75%, dominated by labour, power and to a lesser extent maintenance materials and contracts. The high weighting is primarily due to electrical power substituting for diesel requirements, an outcome of the IPCC implementation. The US dollar denominated weighting in the OPEX makes up the other 25%, coming mainly from maintenance materials, for mobile fleet and IPCC, and operating consumables for grinding media.

The life of mine average FOB OPEX (ex – royalties and sustaining capital) has reduced from the DFS estimate of US\$44.33/dmt to US\$37.72/dmt.

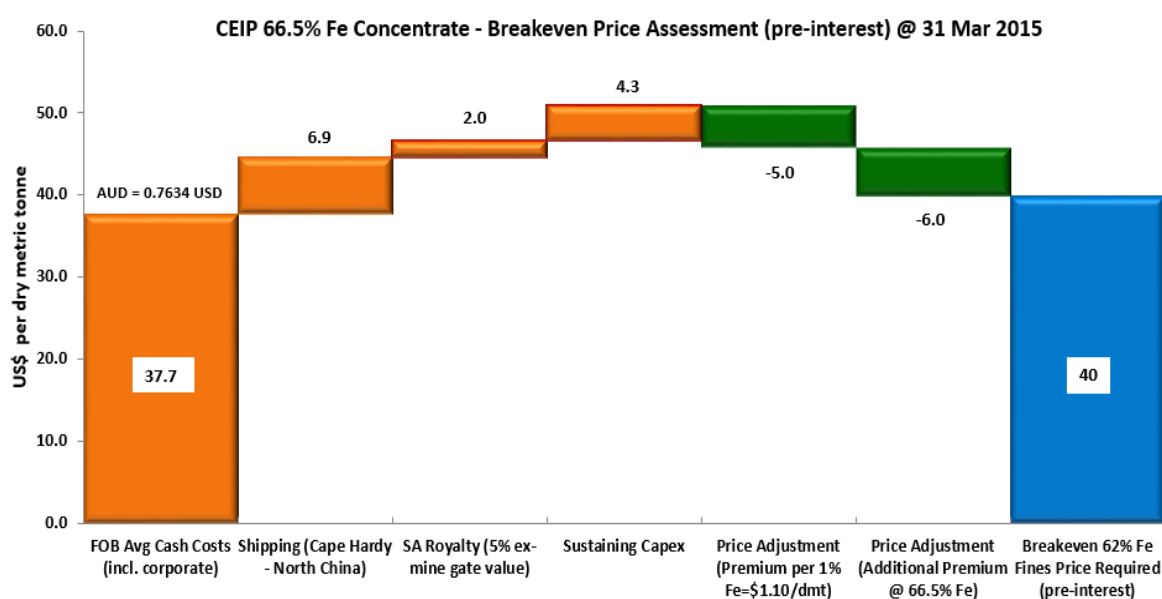
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Table 2: FOB OPEX Estimate by Area (Real \$2015 Terms)

FOB Operating Cost By Area	At 31 March 2015 (AUD = 0.7634 USD)		At 30 September 2015 (AUD = 0.7010 USD)	
	Life of Mine US\$M	Life of Mine Average US\$/dmt	Life of Mine US\$M	Life of Mine Average US\$/dmt
Mine	13,678.26	23.65	12,851.38	22.22
Mine Waste Rock and Tailings Management	224.90	0.39	206.52	0.36
Process Plant	5,746.59	9.93	5,420.69	9.37
Mine Concentrate Handling	237.79	0.41	218.35	0.38
Water Treatment and Supply	67.21	0.12	61.72	0.11
Rail	521.94	0.90	496.77	0.86
Port	593.78	1.03	545.25	0.94
Operations Support / Corporate	749.05	1.29	687.82	1.19
Total	21,819.52	37.72	20,488.5	35.43

The CEIP 62% Fe equivalent CFR China breakeven price assessment (pre-interest), shown in Table 3, illustrates average sustaining life of mine cash costs (on a delivered China basis, excluding financing costs). It also shows the revenue offsets (green bars) generated from the sale of a premium product attracting above benchmark prices. As is the case for all iron ore producers and project proponents, this analysis (like industry cost or margin curve benchmarking) is a constantly evolving process given the number of independent and dynamic inputs. For consistency, this analysis is aligned with the baseline date of the vendor estimates of 31 March 2015.

Table 3: Breakeven Price Assessment



Notes:

- 1) Shipping assessment referenced off Capesize (Pilbara – North China) rate of US\$4.45/wmt (Platts IODEX as at 31 Mar 2015) with a US\$2/wmt additional loading from South Australia and adjusted for 7% targeted moisture.
- 2) South Australia royalty interpolated from derived breakeven price and price adjustments (5% ad-valorem rate on examine gate value / permissible deductions).
- 3) Sustaining capital requirements all-inclusive of mine, process plant, rail and port.
- 4) Price Adjustment (Premium per 1% Fe = US\$1.10/dmt ie. $4.5 \times \$1.10/\text{dmt} = \text{US\$}4.95/\text{dmt}$ for 66.5% Fe concentrate as at 31 Mar 2015).
- 5) Price Adjustment (Additional Premium at 66.5% Fe = US\$6/dmt based on Canadian, Russian and Ukrainian quotations as at 31 Mar 2015).

The project CAPEX has been re-estimated for aspects of the DFS that have changed with the increased level of production. The mine and process plant CAPEX estimates are subject to significant rigour, as a result of changes due to the increased production. The costs of all major pieces of equipment have been determined by quotes from multiple vendors. The mine estimate has been updated based on equipment and design requirements for a mine designed to operate using the IPCC method. Bulk materials and rates have been updated on the basis of the optimised process plant module design and layout. In other areas, port, rail and non-process infrastructure estimates have been updated where necessary.

CAPEX components, submitted by vendors in respective native currencies were converted into US dollar terms using the exchange rates shown in Table 4. Although the revised CAPEX estimates are in line with the 2014 DFS estimate, capital intensity has reduced due to the optimised design production rate of 24Mtpa – dry basis (previously 21.5Mtpa). Moreover, due to the preliminary nature of IPCC studies undertaken for the 2014 DFS, confidence levels around the estimate have now increased significantly as a result of the detailed optimisation studies recently completed. Risk to the estimates, shown in

Table 5 on a constant currency basis, is now weighted to the downside, with EPC wrap efficiencies likely to materialise upon appointment of an EPC Contractor.

Table 4: Exchange Rates use in the Optimisation Study

Currency Code	Currency	At 31 March 2015		At 30 September 2015	
		AUD/Unit	Units/AUD	AUD/Unit	Units/AUD
USD	United States Dollar	1.310	0.7634	1.4265	0.7010
CNY	Chinese Renminbi	0.211	4.7346	0.2245	4.4552
EUR	European Euro	1.414	0.7070	1.6036	0.6236
GBP	United Kingdom Pound Sterling	1.936	0.5164	2.1631	0.4623

Table 5: Capital Cost Estimate by Area (Real \$2015 Terms)

WBS Item	Description	CAPEX Total 31 March 2015 US\$M	CAPEX Total 30 September 2015 US\$M
	Total CAPEX	4,575.64	4,305.38
2000	Surface Mine Establishment (incl. pre-strip)	1,621.51	1,547.87
3000	Site Wide Development	35.46	32.56
4000	Ore Treatment Facilities	986.26	936.48
5000	Mine Site Facilities (incl. electrical infrastructure)	281.38	260.23
6000	Off-Site Facilities (incl. water supply)	203.13	186.66
6400	Rail System	523.59	483.92
6500	Port and Marine	366.01	344.77
8000	Owners Business Management	262.29	241.09
9000	Contingency	295.99	271.80

The mine estimate includes US\$0.57Bn for pre-strip and pre-mining operations. The pre-strip duration, pre-ore production, is expected to take 2.5 years. Overburden removal will then continue for up to 17 years in the current mine plan.

Community & Stakeholder Engagement

The company continued meeting with various stakeholders in the lead up to the lodgement of the Environmental Impact Statement (EIS) and Mining Lease Proposal (MLP), including directly and indirectly impacted landowners, local Councils, the Economic Development Board and various key industry groups from the Eyre Peninsula.

A signing ceremony was held as part of a SA Chamber of Mines and Energy (SACOME) luncheon event during which the Hon Tom Koutsantonis, South Australian Treasurer and Minister for Mineral Resources and Energy, gave the keynote speech. The ceremony consisted of the signing of the Indigenous Land Use Agreement between Iron Road and the Barngarla Aboriginal Corporation. MoUs were executed with the Wudinna District Council, the District Council of Cleve and a group of Eyre Peninsula peak industry bodies.



Figure 3: Attending a recent signing ceremony were (from left): Eleanor Scholz (Mayor, Wudinna District Council), Dr Paul Heithersay (Deputy Chief Executive, Resources and Energy, Department of State Development SA), Elliott McNamara (Chairperson, Barnjarla Aboriginal Corporation), Andrew Stocks (Iron Road Managing Director), Christopher Camarsh (Managing Director, Aixi), Tom Koutsantonis MP (Treasurer of South Australia), Peter Arnold (Chief Executive Officer, District Council of Cleve), Bruce Green (Chairperson, Eyre Peninsula Local Government Association), Diana Laube (Presiding Member, Eyre Peninsula Natural Resources Management Board), Terry Burgess (President, SACOME), Dion Dorward (Chief Executive Officer, Regional Development Australia – Whyalla and Eyre Peninsula) and Brian Foster (Chairperson, Eyre Peninsula Integrated Climate Change Agreement Committee).

Project Approvals & Environmental

The Environmental Impact Statement (EIS) and the Mining Lease Proposal (MLP), under the Development Act 1993 and Mining Act 1971 respectively, are expected to be submitted to State Government during Q4, 2015. The timing and duration of the public consultation and exhibition period, including the location and dates of public meetings, will be formally announced by State Government after the documents have been lodged.

Iron Ore Marketing

During September Iron Road signed separate, non-binding Memorandum of Understandings (MoUs) with five global Chinese steel companies, a significant milestone for the Company as it progresses toward the development of the CEIP. A further cooperation agreement was signed with Shandong Iron and Steel at a State Government hosted ceremony alongside the *Shandong-South Australia Friendly Cooperation Action Plan (2015-2018)* signing and observed by the South Australian Premier and the Secretary of the Shandong Provincial Committee of the Communist Party of China.

Under the MoUs, the steel companies will conduct technical evaluations of CEIP iron concentrate, to verify the commercial and technical merits (including Value in Use) of the high quality product as a precursor to entering discussions towards a Letter of Intent for the long term supply of CEIP concentrate.

One of the MoU parties, Shandong Iron & Steel Group Co Ltd (ShanSteel), has signed a further cooperation agreement progressing its intention to enter into a Letter of Intent with Iron Road

(ShanSteel Agreement). The proposed Letter of Intent will cover the supply of premium iron products to ShanSteel from the CEIP. ShanSteel is the seventh largest producer of steel in China. The ShanSteel Agreement also proposes that ShanSteel and Iron Road collaborate to seek a project funding solution to enable Iron Road to reach a final investment decision. ShanSteel is head quartered in Jinan, within Shandong Province and is a state-owned entity.

Corporate

During a SA Chamber of Mines and Energy (SACOME) luncheon event mentioned earlier, a MoU was signed with global investment group AIXI Investments. AIXI has established relationships with a number of the worlds most experienced infrastructure investors and expressed to Iron Road its interest in consideration and evaluation of investment in the rail and port infrastructure assets related to the Project.

With the conclusion of the Definitive Feasibility Study and Optimisation Study, the Company closed its regional office in Perth and changed its registered office address to Adelaide. Iron Road first established the Company's Head Office in Adelaide in 2011 and the closure of the now superfluous Perth regional office finalises that transformation.

As a consequence of the Perth office closure, Mr Howard Rae, Chief Financial Officer, has resigned from the Company. Mr Rae joined Iron Road in July 2014 to assist the Company through its mine feasibility and optimisation programme at its Central Eyre Iron Project (CEIP), which has now been completed. The Company would like to thank Mr Rae for his contribution to what has been a significant time of progress for the Company, and wish him well in his future endeavours.

TENEMENT SCHEDULE

Following is the schedule of Iron Road Limited tenements as at 30 September 2015.

South Australia	Tenement Reference	Interest
Warramboo	EL4849	100%
Lock	EL5496	100%
Mulgathing	EL5298	90% Iron Ore rights

For further information, please contact:

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APPENDIX

Competent Persons' statements

The information in this report that relates to the Inferred Mineral Resources (Oxide and Transitional) estimated for the Murphy South - Boo Loo/Dolphin prospect is based on and fairly represents information and supporting documentation compiled by Mr Iain MacFarlane, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr MacFarlane at the time of release was an employee of Coffey Mining Limited. There has been no material change and as such this resource is reported as it was released in 2011. Mr MacFarlane had sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he was undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr MacFarlane has consented to the inclusion in reports of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (Fresh) estimated for the Boo-Loo/Dolphin prospect is based on and fairly represents information and supporting documentation compiled by Ms Heather Pearce, who is a member of the Australasian Institute of Mining and Metallurgy, and a full-time employee of Iron Road Limited. This estimation was peer reviewed by Mr Alex Virisheff, who is a member of the Australasian Institute of Mining and Metallurgy and employed by AMC Consultants. Mr Virisheff has sufficient experience relevant to the style of mineralisation and the type of deposits 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 Virisheff consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Resources estimated in 2013 for the Murphy South/Rob Roy (MSRR) prospect is based on and fairly represents information and supporting documentation compiled by Ms Heather Pearce, who is a member of the Australasian Institute of Mining and Metallurgy, and a full-time employee of Iron Road Limited. This estimation was peer reviewed by Dr Isobel Clark, who is a member of the Australasian Institute of Mining and Metallurgy and who at the time was employed by Xstract Mining Consultants. Dr Clark has sufficient experience relevant to the style of mineralisation and the type of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Clark consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Mining Reserves estimated for Murphy South/Rob Roy is based on and fairly represents information and supporting documentation compiled by Mr Harry Warriess, a Fellow of the Australasian Institute of Mining and Metallurgy, and an employee of Coffey Mining Limited. Mr Warriess has sufficient experience relevant to the style of mineralisation and the type of deposits 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 Warriess 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 quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

IRON ROAD LIMITED

ABN

51 128 698 108

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000 (3 months)
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,557)	(1,557)
(b) development	-	-
(c) production	-	-
(d) administration	(1,099)	(1,099)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
GST to be recouped	97	97
Net Operating Cash Flows	(2,554)	(2,554)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(47)	(47)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(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	(47)	(47)
1.13 Total operating and investing cash flows (carried forward)	(2,601)	(2,601)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,601)	(2,601)
	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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,601)	(2,601)
1.20	Cash at beginning of quarter/year to date	3,713	3,713
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,112	1,112

Payments to directors of the entity and associates of the directors

Payments to 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	176
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

All transactions involving Directors and associates were on normal commercial terms.

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

Nil

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

Nil

+ 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,009
4.2 Development	-
4.3 Production	-
4.4 Administration	1,225
Total	2,234

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	840	3,441
5.2 Deposits at call	272	272
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,112	3,713

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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.

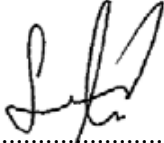
	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	581,936,904	581,936,904		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	500,000		<i>Exercise price</i> \$0.9926	<i>Expiry date</i> 25/07/16
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Performance Rights Issued under the Company's Long Term Incentive Plan	3,000,000 3,750,000		Nil Nil	23/12/2019 12/01/2020
7.12 Issued during quarter				
7.13 Lapsed during quarter				
7.14 Debentures <i>(totals only)</i>				
7.15 Unsecured notes <i>(totals only)</i>				

+ 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


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(Director/Company secretary)

Date: 23 October 2015

Print name: LEONARD MATH

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.