

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 31 March 2016



HIGHLIGHTS

Bynoe Lithium-Tantalum Project (Northern Territory, Australia)

- New 88km² lithium and tantalum prospective project located close to Darwin in the Northern Territory acquired during the Quarter.
- Covers large part of the historic Bynoe tin-tantalum pegmatite field where mining, prospecting and exploration has been carried out since the 1880s.
- 63 rare metal type pegmatites documented on Liontown tenure by the NT Geological Survey.
- Similar rare metal pegmatites elsewhere in Australia host economic lithium mineralisation.
- No previous lithium-focused exploration has been undertaken in the area; however, lithium minerals (including spodumene) and anomalism have been documented for a number of prospect areas.
- 10 high priority targets defined for a maiden RC drilling program planned for the second Quarter of 2016.

Mohanga Lithium-Tantalum Project (Central Tanzania, East Africa)

- Initial exploration program completed including preliminary trenching, detailed geological mapping and wide-spaced soil sampling.
- 11km by 2km area defined containing multiple lithium and/or tantalum prospective pegmatites.
- Preliminary trenching returned high-grade lithium and tantalum values from three prospects. Better intersections include:

| | | |
|----------|--------------|--|
| MOHTR001 | 14.3 - 18.4m | 4m @ 4.93% Li ₂ O and 1,862ppm Ta ₂ O ₅ |
| MOHTR004 | 7.8 - 9.5m | 1.7m @ 4.87% Li ₂ O and 314ppm Ta ₂ O ₅ |
| | 13.4 - 14.5m | 1.1m @ 3.21% Li ₂ O and 505ppm Ta ₂ O ₅ |
| MOHTR007 | 36.5 - 42.5m | 6m @ 407ppm Ta ₂ O ₅ |

- Mapping indicates significant strike extensions to all prospects.
- Systematic follow-up trenching and infill geochemical sampling planned for the second Quarter of 2016.



Spodumene bearing pegmatite- Bynoe Project

INVESTMENT HIGHLIGHTS

AUSTRALIA

- High priority drill targets defined at Bynoe Lithium-Tantalum Project

TANZANIA

- High grade lithium and tantalum assays from pegmatites at the Mohanga Project.
- Maiden 390,000oz Inferred Mineral Resource estimated for Jubilee Reef Gold Project



Pegmatite outcrop- Mohanga Project

For further information, please contact:

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Liontown Resources Limited
Telephone +61 8 9322 7431

1. Bynoe Lithium-Tantalum Project/Northern Territory (Liontown 100%)

The Bynoe Project is located in the Northern Territory approximately 35km SSW of Darwin (see Figure 1), where it covers a large part of the Bynoe Pegmatite Field which has been mined historically for tin and tantalum. Liontown has secured a number of tenements which cover a total area of 88km² and include 63 of the rare metal pegmatites documented by the NT Geological Survey in the region. The pegmatites are similar to those that host economic lithium mineralisation elsewhere in Australia; however, there has been no previous exploration recorded for this commodity on the Liontown tenements.

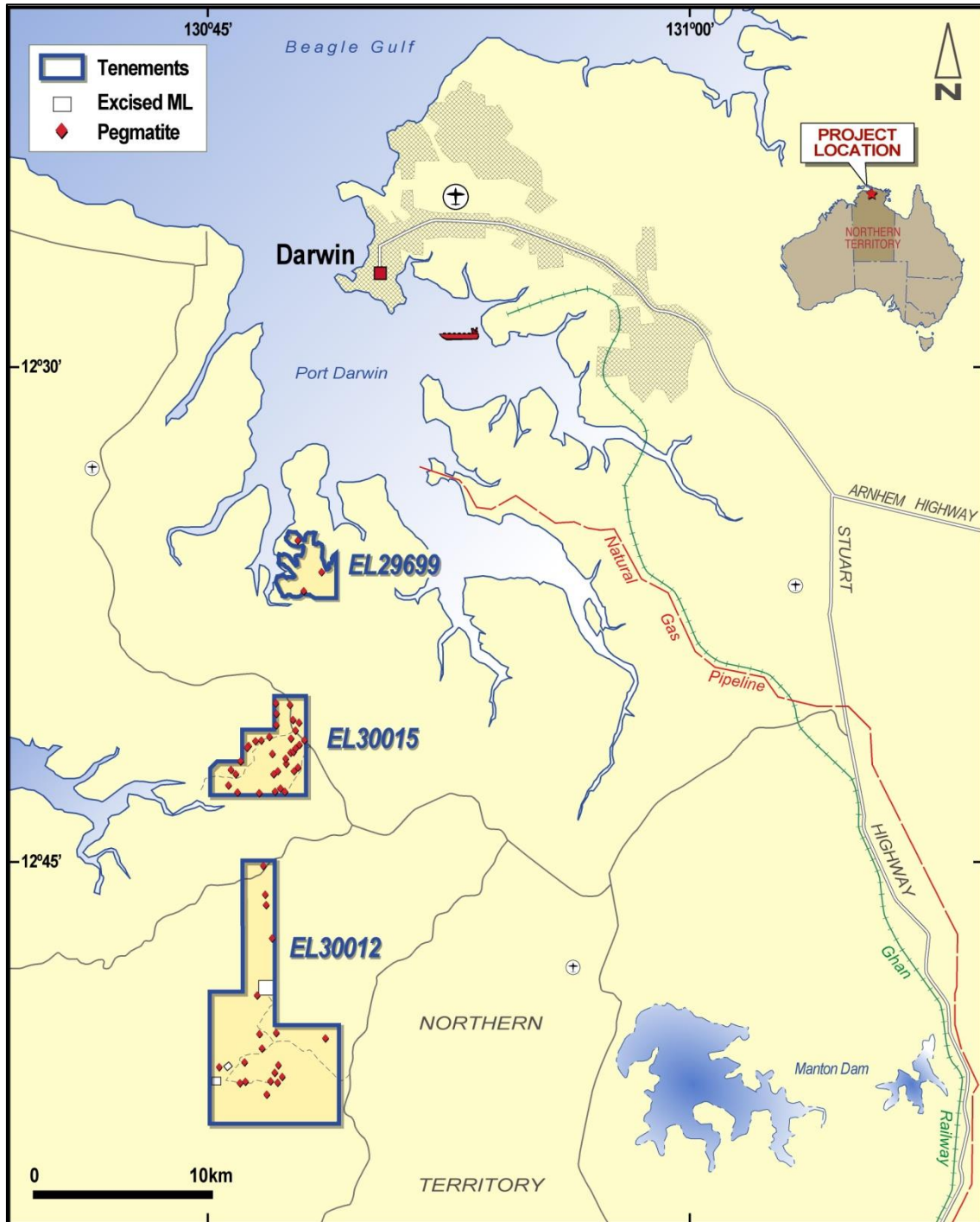


Figure 1: Bynoe Project – Location and Tenure Plan

During the Quarter, Liontown secured the Bynoe Lithium-Tantalum Project through a combination of tenement acquisitions and an Option Agreement with a private Australian company. Further details of the land status is provided below.

The Project lies in the western part of the early Proterozoic Pine Creek Geosyncline, where it comprises a sequence of greenschist metamorphic grade sandstones and siltstones with occasional lenses of conglomerate. Numerous mineralogically zoned pegmatites containing tin and tantalum have intruded the sediments.

Multiple phases of prospecting, exploration and small-scale mining for tin and tantalum have been undertaken in the Bynoe area since the 1880s with 63 pegmatites documented within the project area (*see Figure 1*). The pegmatites range in size from narrow fracture fillings to massive bodies >50m thick and >200m long.

Previous work has targeted tin and tantalum mineralisation, either hosted in alluvial deposits or within the strongly weathered, upper 10-20m of the bedrock profile where mining would be free-digging. Very few fresh bedrock samples have been collected or assayed.

Although the previous exploration focus has been on tin and tantalum, lithium minerals (spodumene and amblygonite) have been reported at several prospects in the immediate area including the Hang Gong, Booths and Bilatos prospects (*Figure 2*).

The Bynoe Project is considered highly prospective for lithium mineralisation due to:

- The common association of tin and tantalum with lithium-bearing pegmatites elsewhere in the world (e.g. at the world-class Greenbushes deposit in WA);
- The presence of mineral zonation typical of lithium-bearing pegmatites;
- Strong lateritic weathering altering spodumene (lithium pyroxene) to kaolinite, meaning that lithium may not have been detected by previous exploration work; and
- Reporting of lithium minerals from historic geological reports, subsequently confirmed by reconnaissance mapping.

A comprehensive review of historic data has identified 10 pegmatites (*Figure 2*) as being priority RC drill targets based on their size potential and/or presence of lithium minerals or anomalism.

All of the targets are open along strike where they are obscured by transported cover. The targets include:

- the Hang Gong pegmatite which is >390m long, up to 60m wide at surface and where strongly weathered spodumene has been observed on old mine dumps; and
- the Sandras pegmatite which is >300m long, up to 40m wide and coincident with a 1km long, strong lithium-in-soils anomaly.

In addition to the Project being prospective for lithium, previous exploration by Greenbushes indicates potential for high grade tin and tantalum mineralisation. As part of a larger drilling program in 1995, Greenbushes drilled 14 RC holes at the Hang Gong prospect for a total 475m. No samples were assayed for lithium; however, a number of high-grade tin and tantalum intersections were reported including:

| | |
|---------------|---|
| BEC034 | 2m @ 1.6% Sn and 0.06% Ta₂O₅ from 14m |
| BEC049 | 11m @ 7.3% Sn and 0.27% Ta₂O₅ from 11m |
| BEC086 | 3m @ 2.5% Sn and 0.17% Ta₂O₅ from 21m |

(True widths estimated to be 60-70% of down-hole intersections)

While Liontown's main focus will be lithium, the Company will also test for extensions to the historical tin-tantalum intersections.

A Mine Management Plan (MMP) seeking authority for Liontown to undertake an initial 20-25 hole, 2,000-2,500m RC drilling program has been submitted to the NT Department of Mines and Energy and drilling is scheduled to commence in May 2016.

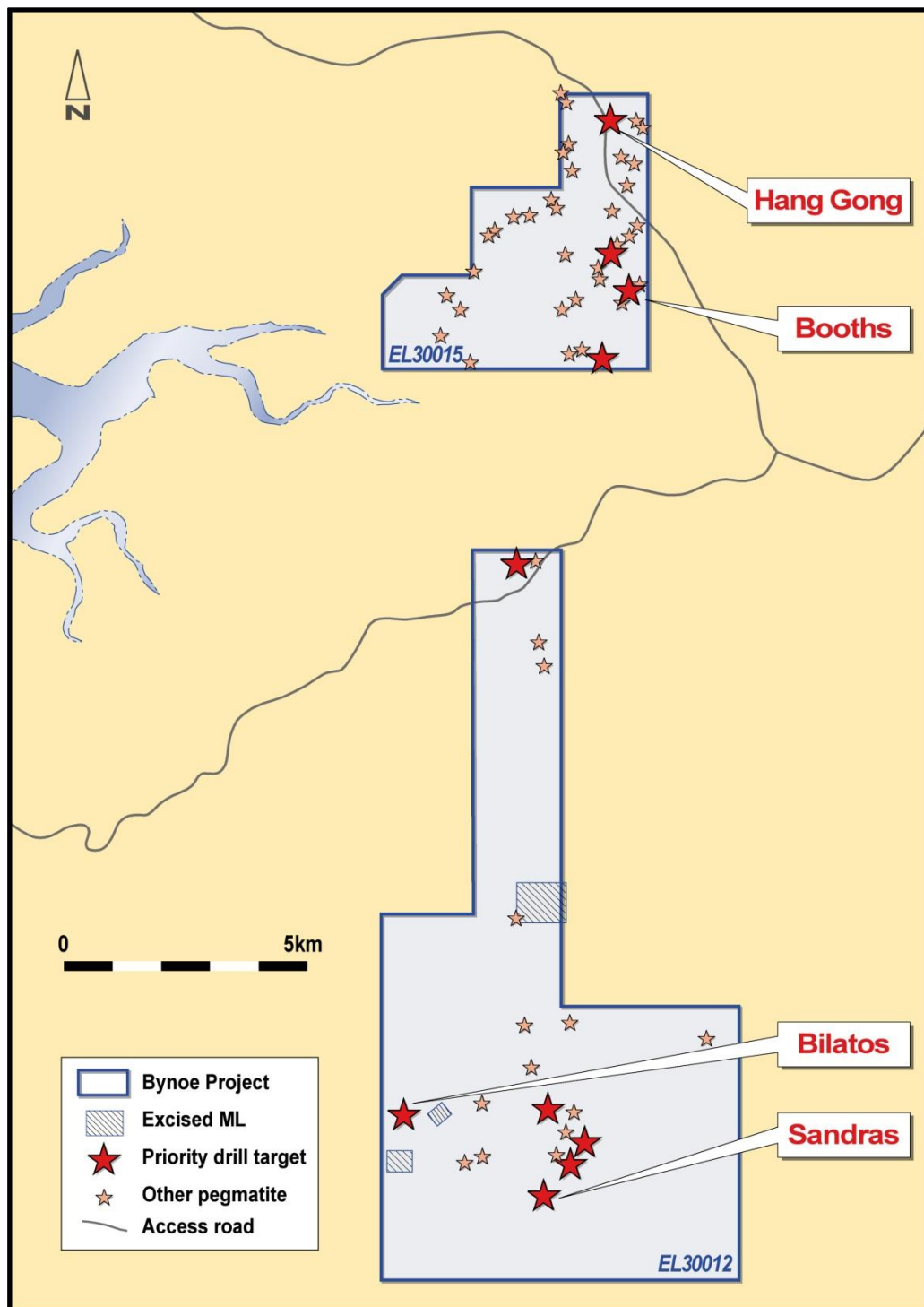


Figure 2: Bynoe Project – Drill Targets

Land Status

The Bynoe Project comprises 3 separate, granted exploration licences (EL29699, EL30012 and EL30015) and 2 smaller tenements (MLN16 and EMP28651) which are located within EL30015. The combined tenement package covers a total area of ~88km² area and is located 20-50km SSW of Darwin in the Northern Territory.

EL30012 and 30015 are subject to an Option Agreement with private company Orema Pty Ltd. Liontown may earn 100% equity in the tenements by:

- Paying A\$10,000 cash on signing of the Agreement (completed); and
- Paying A\$100,000 anytime within 19 months of the execution date of the Agreement.

MLN16 and EMP28651 were purchased from A & SF Maddalozzo Pty Ltd for \$75,000 cash plus transaction costs.

EL29699 was purchased from Au Exploration Pty Ltd for \$5,000 cash plus transaction costs.

2. Mohanga Lithium-Tantalum Project/Central Tanzania (Liontown 100%)

The Mohanga Project is located in central Tanzania approximately 40km NNE of the capital Dodoma and 400km WNW of Dar es Salaam (see Figure 3) within the south eastern part of the Tanzanian Craton. The regional geological setting is similar to the world class Greenbushes lithium deposit located in southwest Western Australia. Liontown has secured a contiguous 177km² area where sampling of historic workings has recorded high grade lithium and tantalum values hosted by pegmatites.



Figure 3: Map of Tanzania showing location of Liontown projects

Following acquisition of the Mohanga Project during the last Quarter of 2015, Liontown has completed its initial phase of exploration work including:

- Detailed geological mapping;
- First-pass rock chip sampling;
- Wide-spaced soil sampling;
- Preliminary trenching; and

- Processing of regional geophysical data.

Results of the work confirm the Project's potential to host high grade lithium and tantalum mineralisation with mapping and geochemical sampling defining an 11km by 2km, WNW trending area containing numerous prospective pegmatites (*Figure 4*).

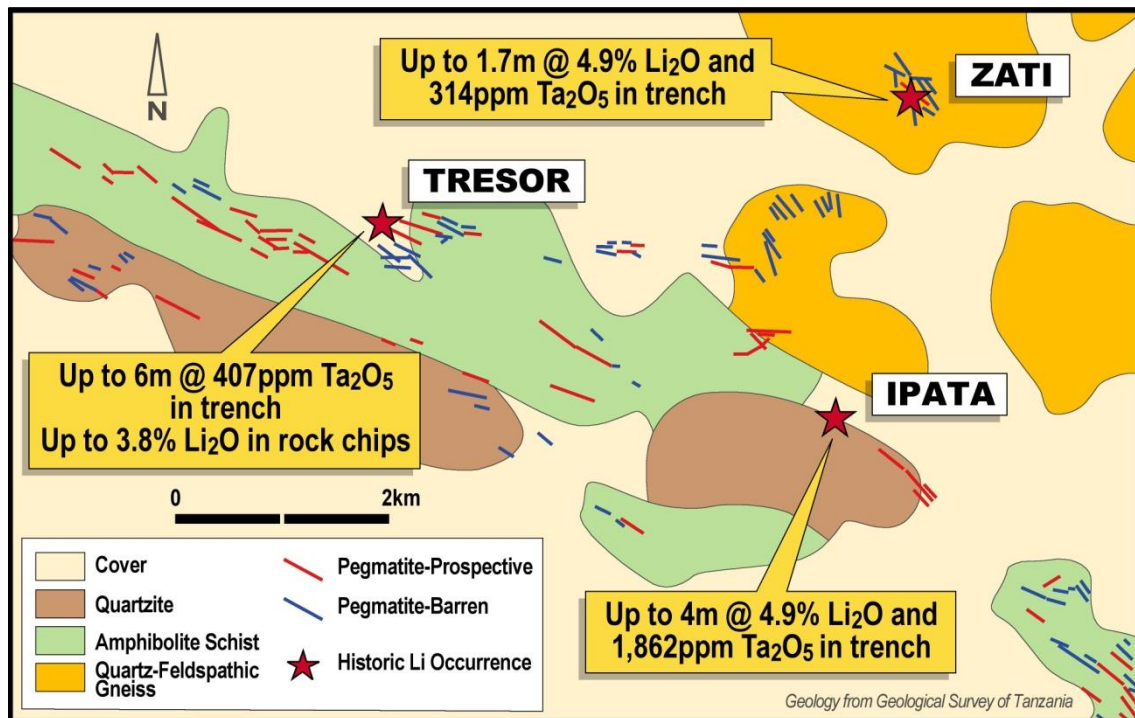


Figure 4: Mohanga Project - Geological map showing pegmatite distribution and most advanced prospect areas

Better results from the preliminary trenching program include:

| | | |
|-----------------|--------------|--|
| Trench MOHTR001 | 14.3 - 18.4m | 4m @ 4.93% Li ₂ O and 1,862ppm Ta ₂ O ₅ |
| Trench MOHTR002 | 20.2 - 22.5m | 2.3m @ 1.79% Li ₂ O and 712ppm Ta ₂ O ₅ |
| Trench MOHTR004 | 7.8 - 9.5m | 1.7m @ 4.87% Li ₂ O and 314ppm Ta ₂ O ₅ |
| | 13.4 - 14.5m | 1.1m @ 3.21% Li ₂ O and 505ppm Ta ₂ O ₅ |
| Trench MOHTR007 | 36.5 - 42.5m | 6m @ 407ppm Ta ₂ O ₅ |

(See *Appendix 1* for full listing of trench statistics and significant results)

MOHTR001 and MOHTR002 are located at the **Ipata** prospect and the intersections are interpreted to define a continuous, WNW/ESE trending zone which is open along strike and at depth.

MOHTR004 and MOHTR007 were excavated at the **Zati** and **Tresor** prospects respectively and further trenching is required to determine the orientation of the mineralised pegmatites; however, both zones are interpreted to be open along strike.

Importantly, the detailed geological mapping indicates potential extensions to all defined prospects.

The next phase of work to be completed during the June 2016 Quarter will comprise systematic trenching along strike of the known prospects and across a number of new areas to better expose sub-cropping pegmatites where mineralogical zonation and pathfinder geochemistry indicate potential for lithium and/or tantalum bearing pegmatites.

3. Jubilee Reef Project/Northern Tanzania (Liontown 100%)

The Jubilee Reef Project is located approximately 850km northwest of Dar es Salaam (see Figure 3) within the Lake Victoria Goldfield of northern Tanzania. This Archaean greenstone-granite terrain hosts several multimillion ounce gold deposits including Acacia Mining's Bulyanhulu deposit and AngloGold Ashanti's Geita deposit. Liontown has defined an Inferred Mineral Resource estimate of approximately 8.5Mt @ 1.4g/t gold (~390,000 ounces) for the Jubilee Reef Gold Project.

No work was undertaken during the Quarter.

4. Mount Windsor Project/Northern Queensland, Australia (Liontown 100%)

The Mount Windsor Project is located in the Charters Towers goldfield (Figure 7) of North Queensland which has yielded over 15 million ounces of gold from world-class mines such as Charters Towers (+7Moz), Kidston (+4Moz), Pajingo (+3Moz), Ravenswood (+2Moz) and Mt Leyshon (2.7Moz).

No work was undertaken during the Quarter.

5. Tenement schedules and expenditures

In accordance with ASX Listing Rule 5.3, please refer to Appendix 2 for listing of tenements. In addition, during the Quarter the Company has spent \$354,910 on exploration and evaluation activities (YTD: \$1,100,019) and \$92,756 on administration costs (YTD \$235,698).

6. Corporate

Cash Balance

At the end of the Quarter, Liontown's cash balance was approximately \$1,361,101. Please refer to the attached Appendix 5B for further details.

Capital Raising

At the end of the Quarter, Liontown raised approximately \$1.3 million before issue costs to progress the exploration and evaluation of the Bynoe and Mohanga Projects. The non-brokered placement, comprising 87,133,335 fully paid ordinary shares at an issue price of 1.5 cents per share, received strong support from a number of sophisticated and professional investors.

The Placement was made pursuant to the 15% allowance under ASX Listing Rules and the number of shares on issue following completion of the Placement will be 670,450,402.

Settlement of Loan Facility

As previously advised, the Company's Chairman, Mr Tim Goyder, provided a loan facility of \$350,000 to the Company in December 2015. The Company and Mr Goyder have mutually agreed to settle the outstanding loan of \$350,000 by issuing to Mr Goyder, subject to shareholder approval, 23,333,333 fully paid ordinary shares at an issue price of 1.5 cents. The issue price of 1.5 cents is the same as the issue price to sophisticated investors under the Placement.

Placement of Shares to Non-executive Director

In addition, subject to shareholder approval, 2,666,666 fully paid ordinary shares will be placed to the Company's non-executive director Mr Craig Williams at 1.5 cents per share to raise an additional \$40,000.



DAVID RICHARDS
Managing Director

28 April 2016

The Information in this report that relates to the Exploration Results for the Bynoe Project is extracted from the ASX announcements entitled "Liontown expands lithium portfolio with acquisition of Bynoe lithium-tantalum project in the Northern Territory", "New acquisition expands Liontown's Northern Territory portfolio: 56 lithium-prospective pegmatites now identified" and "Liontown defines 10 priority lithium targets at the Bynoe Lithium-Tantalum Project (Northern Territory) ahead of maiden drilling program" released on the 4th February 2016, 11th March 2016 and 14th April 2016 respectively, all of which are available on www.ltresources.com.au.

The Information in this report that relates to the Exploration Results for the Mohanga Project is extracted from the ASX announcement entitled "High Grade Lithium and Tantalum Intersected in First Trenching Program at Mohanga Project, Tanzania" released on 25th January 2016 which is available on www.ltresources.com.au.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

APPENDIX 1: Mohanga Project – Trench Statistics

| Hole_ ID | East | North | RL | Dip | Azimuth | Length (m) | Significant Results (>0.2% Li2O and/or >100ppmTa2O5) | | | | |
|----------|------|-------|--------|-----|---------|------------|---|------|----------|-------|-----------|
| | | | | | | | From | To | Interval | Li2O% | Ta2O5 ppm |
| MOHTR001 | 8276 | 11708 | 1207 | 10 | 230 | 35 | 14.3 | 18.4 | 4.1 | 4.93 | 1,862 |
| MOHTR002 | 8290 | 11702 | 1205.5 | 12 | 230 | 28 | 13 | 18.4 | 5.4 | | 214 |
| | | | | | | | 20.2 | 22.5 | 2.3 | 1.79 | 712 |
| MOHTR003 | 8311 | 11674 | 1205.5 | 17 | 230 | 50 | Not sampled | | | | |
| MOHTR004 | 9008 | 14752 | 1268 | -10 | 230 | 77 | 7.8 | 9.5 | 1.7 | 4.87 | 314 |
| | | | | | | | 12.4 | 16.5 | 4.1 | 0.98 | 143 |
| | | | | | | | including 1.1m @ 3.21% Li2O and 505ppm Ta2O5 from 13.4m | | | | |
| MOHTR005 | 5878 | 11937 | 1246.5 | -15 | 165 | 98 | No significant assays | | | | |
| MOHTR006 | 9012 | 14805 | 1286 | -2 | 230 | 64 | | | | | |
| MOHTR007 | 4025 | 13550 | 1234.5 | 0 | 240 | 60 | 6 | 10 | 4 | | 146 |
| | | | | | | | 29.5 | 52 | 22.5 | | 191 |
| | | | | | | | including 6m @ 407ppm Ta2O5 from 36.5m | | | | |

APPENDIX 2

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 March 2016:

1. Listing of tenements held (directly or beneficially):

| Location | Project | Tenement No. | Registered Holder | Nature of interests |
|-----------|--------------|--------------|---------------------------------------|--|
| Tanzania | Jubilee Reef | PL4495/2007 | Liontown Resources (T) Limited | 100% |
| | | PL6168/2009 | Liontown Resources (T) Limited | 100% |
| | | PL8125/2012 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL8304/2012 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL9711/2014 | Currie Rose Resources (T) Limited | 100% - pending transfer |
| | | PL9973/2014 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10222/2014 | Currie Rose Resources (T) Limited | 100% - pending transfer |
| | | PL10599/2015 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10905/2016 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | | PL11037/2016 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | Mohanga | PL9067/2013 | Dover Mining Company | 0% - pending transfer to Central Mining Company. Subject to Option Agreement with Liontown Resources (Tanzania) Limited. |
| | | PL10724/2015 | Liontown Resources (Tanzania) Limited | 100% |
| | | PL10802/2016 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | | PL10803/2016 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | | PL10985/2016 | Liontown Resources (Tanzania) Limited | 0% -Application |
| | | App No 01458 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | | App No 02446 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| Australia | Mt Windsor | EPM16920 | Liontown Resources Limited | 100% |
| | | EPM16227 | Liontown Resources Limited | 100% |
| | Bynoe | EL30012 | Orema Pty Ltd | 0% - Subject to option agreement with Liontown Resources Limited |
| | | EL30015 | Orema Pty Ltd | |
| | | MLN16 | A.F. & S Maddalozzo | 0% - Pending transfer to Liontown Resources Limited |
| | | EMP28651 | A.F. & S Maddalozzo | |
| | | EL29699 | Au Exploration Pty Ltd | 0% - Pending transfer to Liontown Resources Limited |

2. Listing of tenements acquired (directly or beneficially) during the quarter:

| Location | Project | Tenement No. | Registered Holder | Nature of interests |
|-----------|---------|--------------|------------------------|--|
| Australia | Bynoe | EL30012 | Orema Pty Ltd | 0% - Subject to option agreement with Liontown Resources Limited |
| | | EL30015 | Orema Pty Ltd | 0% - Subject to option agreement with Liontown Resources Limited |
| | | MLN16 | A.F. & S Maddalozzo | 0% - Pending transfer to Liontown Resources Limited |
| | | EMP28651 | A.F. & S Maddalozzo | 0% - Pending transfer to Liontown Resources Limited |
| | | EL29699 | Au Exploration Pty Ltd | 0% - Pending transfer to Liontown Resources Limited |

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter:

No tenements lapsed or were relinquished or reduced during the Quarter.

4. Listing of tenements applied for (directly or beneficially) during the quarter:

| Location | Project | Tenement No. | Registered Holder | Nature of interests |
|----------|--------------|--------------|---------------------------------------|-----------------------------|
| Tanzania | Jubilee Reef | PL10905/2016 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | | PL11037/2016 | Liontown Resources (Tanzania) Limited | 0% -Application recommended |
| | Mohanga | PL10985/2016 | Liontown Resources (Tanzania) Limited | 0% -Application |

Appendix 5B

Mining 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

Name of entity

Liontown Resources Limited

ABN

39 118 153 825

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

| | | Current quarter \$A | Year to date (9 months) \$A |
|---|--|---------------------------|-----------------------------------|
| Cash flows related to operating activities | | | |
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (354,910) | (1,100,019) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (92,756) | (235,698) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 1,194 | 3,699 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | 2,998 | 42,952 |
| Net Operating Cash Flows | | (443,474) | (1,289,066) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: | | |
| | (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | (1,528) | (1,528) |
| 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 | | (1,528) | (1,528) |
| 1.13 | Total operating and investing cash flows (carried forward) | (445,002) | (1,290,594) |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

| | | | |
|------|--|------------------|------------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (445,002) | (1,290,594) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 1,301,079 | 2,070,283 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 250,000 | 350,000 |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (application monies held on trust) | - | (690,554) |
| | Net financing cash flows | 1,551,079 | 1,729,729 |
| | Net increase (decrease) in cash held | 1,106,077 | 439,135 |
| 1.20 | Cash at beginning of quarter/year to date | 259,327 | 907,882 |
| 1.21 | Exchange rate adjustments to item 1.20 | (4,303) | 14,084 |
| 1.22 | Cash at end of quarter | 1,361,101 | 1,361,101 |

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 |
|---|------------------------|
| 1.23 Aggregate amount of payments to the parties included in item 1.2 | 73,604 |
| 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

Item 1.23 consists of the salary and superannuation paid to the Managing Director (\$47,623), PAYG and superannuation for non-executive directors (\$3,981), and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$22,000)

Item 1.14 - During the quarter the Company completed a placement of 87,133,335 fully paid ordinary shares. The shares were issued at 1.5 cents per share to sophisticated and professional investors.

Item 1.16 - In December 2015 a loan facility for up to \$350,000 was established between Tim Goyder (Chairman) and the Company. The loan is subject to normal commercial terms. The Company and Mr Goyder have mutually agreed to settle the outstanding loan by issuing Mr Goyder, subject to shareholder approval, 23,333,333 fully paid ordinary shares at an issue price of 1.5 cents. The issue price of 1.5 cents is the same as the issue price to sophisticated investors under the Placement.

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

+ See chapter 19 for defined terms.

- 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

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A | Amount used \$A |
|---------------------------------|-------------------------|--------------------|
| 3.1 Loan facilities | \$0 | \$350,000 |
| 3.2 Credit standby arrangements | Nil | Nil |

Estimated cash outflows for next quarter

| | \$A |
|--------------------------------|----------------|
| 4.1 Exploration and evaluation | 550,000 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 80,000 |
| Total | 630,000 |

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 | Previous quarter \$A |
|--|------------------------|-------------------------|
| 5.1 Cash on hand and at bank | 1,361,101 | 259,327 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (application monies held on trust) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,361,101 | 259,327 |

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 | N/A | | |
| 6.2 | Interests in mining tenements acquired or increased | Bynoe EL30012 EL30015 MLN16 EMP28651 EL29699 | Option to earn 100% Option to earn 100% 100% 100% 100% | 0% 0% 0% 0% 0% |

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|--|---------------|---|--|
| 7.1 | Preference | | | |
| | +securities | | | |
| | (description) | | | |
| 7.2 | Changes during quarter | | | |
| | (a) Increases through issues | Nil | Nil | N/A |
| | (b) Decreases through returns of capital, buy-backs, redemptions | Nil | Nil | N/A |
| 7.3 | +Ordinary securities | 670,450,402 | 670,450,402 | N/A |
| 7.4 | Changes during quarter | | | |
| | (a) Increases through issues | 87,133,335 | 87,133,335 | \$0.015 |
| | (b) Decreases through returns of capital, buy-backs | Nil | Nil | N/A |
| 7.5 | +Convertible debt securities | | | |
| | (description) | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|------|---|------------|------------|-------------------------------------|--|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | Nil Nil | Nil Nil | N/A N/A | N/A N/A |
| 7.7 | Options (description and conversion factor) Listed options Unlisted options | Nil | Nil | N/A | N/A |
| | | 2,000,000 | Nil | <i>Exercise price</i> \$0.01727 | <i>Expiry date</i> 30 November 2016 |
| | | 2,000,000 | Nil | \$0.02302 | 30 November 2016 |
| | | 1,850,000 | Nil | \$0.05000 | 30 June 2017 |
| | | 2,800,000 | Nil | \$0.03500 | 31 March 2021 |
| 7.8 | Issued during quarter | 2,800,000 | Nil | \$0.03500 | 31 March 2021 |
| 7.9 | Listed Options Exercised during quarter Unlisted Options Exercised during quarter | Nil Nil | Nil Nil | <i>Exercise price</i> N/A N/A | N/A N/A |
| 7.10 | Listed Options Expired during quarter Unlisted Options Expired during quarter | Nil Nil | Nil Nil | <i>Exercise price</i> N/A N/A | <i>Expiry date</i> N/A N/A |
| 7.11 | Debentures (totals only) | Nil | Nil | | |
| 7.12 | Unsecured notes (totals only) | Nil | Nil | | |

+ 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 give a true and fair view of the matters disclosed.

Sign here:



Date: 28 April 2016

Print name:

(Company secretary)
Leanne Stevens

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 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.