



BERKELEYenergia

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Quarterly Report June 2016

Berkeley Energia breaks ground at the Salamanca mine

After investing US\$60 million over the past decade Berkeley Energia has moved one step closer to becoming one of the world's lowest cost uranium producers as it breaks ground at the Salamanca mine. With approvals in place for initial infrastructure development, work has now commenced on the road realignment and power line upgrade ahead of the main construction.

The Definitive Feasibility Study confirmed the Salamanca project will be one of the world's lowest cost producers capable of generating strong after tax cash flow through the current low point in the uranium price cycle.

Over an initial ten-year period the project is capable of producing an average of 4.4 million pounds of uranium per year at a C1 cash cost of US\$13.30 per pound and at a total cash cost of US\$15.06 per pound, which compares with the current spot price of US\$26 per pound and term contract price of US\$41 per pound. During this ten-year steady state period, based on the most recent UxC forward curve of uranium prices, the project is expected to generate an average annual net profit after tax of US\$116 million.

Managing Director, Paul Atherley, commented:

"The Salamanca mine will rank as Europe's largest uranium mine, one of the world's top ten producers and will be a long term, reliable supplier of clean energy fuel. It will rejuvenate a local community badly hit by long term unemployment by providing training and sustainable jobs and supporting local business and the community in general.

This positive impact the mining industry has on regional communities starved of investment and sustainable employment is something the Board and management team is proud to be associated with."

With operating costs almost exclusively in Euros and a revenue stream in US dollars the project is expected to continue to benefit from the effects of deflationary pressures within the European Union.

The exploration programme continues, aimed at making new discoveries and converting some of the approximately 30 million pounds of Inferred resources into the mine schedule, with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis.

The Company has recently been approached by a number of utilities looking to secure long term offtake agreements. These discussions are underway and offtake arrangements are being negotiated.

The Company has established a good neighbour and business partner relationship with the local community with the latest skills training programme for potential employees being heavily oversubscribed.



The Company is fully funded through the initial development phase with A\$11.3 million in cash and no debt and is expected to receive an additional US\$5 million via the completion of the RCF royalty transaction in the coming weeks.

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DFS confirms Salamanca as one of the world's lowest cost uranium producers

An independent study has confirmed the future Salamanca mine as one of the world's lowest cost producers capable of generating strong after tax cash flow through the current low point in the uranium price cycle.

A Definitive Feasibility Study (DFS) has reported that over an initial ten year period the project is capable of producing an average of 4.4 million pounds of uranium per year at a cash cost of US\$13.30 per pound and at a total cash cost of US\$15.06 per pound which compares with the current spot price of US\$26 per pound and term contract price of US\$41 per pound.

During this ten year steady state period, based on the most recent UxC forward curve of uranium prices, the project is expected to generate an average annual net profit after tax of US\$116 million.

At the time of announcing the DFS, Managing Director Paul Atherley commented: *"The Salamanca project is capable of generating strong, sustainable cash flow though the low point in the uranium price cycle. We have commenced initial infrastructure works and are aiming to establish the operation as one of the world's top ten producers, reliably supplying long term customers from the heart of the European Union."*

With operating costs almost exclusively in Euros and a revenue stream in US dollars the project is expected to continue to benefit from the effects of deflationary pressures within the EU.

The project benefits greatly from the well-established EU funded infrastructure in the region with an initial capital cost of only US\$95.7 million which is low by international standards for a project of this size.

The Company is of the view that whilst uranium prices will remain soft in the near term, from 2018, when Salamanca is scheduled to come on line, the market is expected to be dominated by US utilities looking to re-contract. These utilities will also be competing with Chinese new reactor demand, which may lead to higher prices.

The project has an initial mine life of 14 years based on mining and treating only the Measured and Indicated resources of 59.8 million pounds. An annual exploration programme, which will take advantage of generous taxation incentives, has been aimed at making new discoveries and converting some of the 29.6 million pounds of Inferred resources into the mine schedule with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis.

The mine design incorporates the very latest thinking on minimising environmental impact and continuous rehabilitation such that land used during mining and processing activities will be quickly restored to agricultural usage.

Major exploration programme aimed at increasing Salamanca mine life resumes

A major exploration programme targeting further Zona 7 style deposits continued at Salamanca during the quarter.

The programme is aimed at making new discoveries and converting some of the 29.6 million pounds of Inferred resources into the mine schedule with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis.

Drilling is underway looking to extend the Zona 7 deposit at depth and to the south as well as testing nearby targets to the north. Initial results are expected to be reported shortly.



These near surface targets lie within ten kilometres of the approved location of the proposed process plant and are being followed up with a two phase reverse circulation drill programme.

Commencement of development at Salamanca

Initial infrastructure work has commenced at Salamanca signalling the Company's move into the development phase.

The Company has selected some of Spain's largest infrastructure contractors to initiate works, which include the upgrading of the main electrical power line to service the project and a four kilometre realignment of an existing road, following which mining is expected to start at the Retortillo pit.

With all major approvals in place and with the continued strong support and backing of the local authorities, the award of these contracts has enabled the Company to progress with equipment ordering, contractual permitting and with work on the ground, which commenced recently.

Major shareholder backs Berkeley with financing at a premium

During the quarter, major shareholder Resource Capital Funds (RCF) demonstrated its strong support for the Company with a royalty financing and by increasing its stake in the Company with an equity financing.

The royalty financing comprised the sale of a 0.375% fully secured net smelter royalty over the project for US\$5 million alongside an additional US\$5 million equity placement to RCF which was completed at a 15% premium to the 30-day VWAP at the time.

Funds from the equity financing have been received and funds from the royalty financing will be made available to Berkeley following satisfaction of conditions precedent related to the lodgement of security documentation with Spanish authorities which will occur in the coming weeks.

The funding has allowed the Company to undertake initial infrastructure development ahead of the commencement of main construction and financing later in the year.

Strong demand from offtake partners, with commercial negotiations now underway

The Company has continued to engage with major utilities and trading houses and has now met with key potential customers across the US, Europe and Asia, many of whom have shown high levels of interest in securing offtake from the project.

Negotiations have commenced with selected utilities regarding offtake contracts during the initial years of production. The aim is to progressively enter into long term offtake contracts from now until the commencement of production. The Company will engage with high quality utility companies globally and aims to enter into a combination of fixed-pricing and market-related pricing contracts, looking to balance certainty over pricing for financiers whilst maintaining an exposure to any future increases in the uranium price.

The Company has commenced negotiations with selected utilities regarding offtake contracts for deliveries of yellowcake during the initial 3-5 years of production from the project.

The Company is of the view that whilst uranium prices will remain soft in the near term, from 2018, when Salamanca is scheduled to come on line, the market is expected to be dominated by US utilities looking to re-contract. These utilities will also be competing with Chinese new reactor demand, which may lead to higher prices.



Strong interest from financiers and strategic partners

Owing to the low operating and capital cost nature of the project and the extremely robust project economics, the Company has been approached by numerous high quality strategic partners and other financiers for the mine financing.

The Company is considering a range of financing options with a view to fully funding the project's development during the second half of 2016. The Company is focused on minimising dilution in order to protect the equity value of its shareholders.

The preferred funding route is through the sale of a minority interest in the project to a strategic partner at a valuation that reflects the net present value of the project. The potential sale of a project interest may include associated offtake rights over a minority portion of production on commercial terms.

Commitment to the community and environment

The Company continues to be committed to the revitalisation of the local community and being a good neighbour in the regions in which it operates.

It has been by far the biggest investor in a rural community suffering from decades of under investment and will continue to invest and cooperate to promote local employment in a region with a high level of unemployment, especially amongst its youth.

The Company has to date received over 20,000 applications for the first 200 direct jobs it will create. Once developed, the mine is expected to create 450 direct jobs. The University of Salamanca has estimated that there will be a multiplier of 5.1 indirect jobs for every direct job created, resulting in over 2,700 jobs being created as a result of the investment.

The Company has formalised its "good neighbour and good community business partner" commitment via a Cooperation Agreement with the highly supportive local municipalities which, in addition to significant royalties and taxes being paid by the Company, gives priority to the employment and training of local residents and the preferential support for businesses by sourcing goods and services locally.

In late 2015, the Company carried out its first training course in the local community areas. The training course focused on blasting techniques for the future operations and was attended by over 30 local residents, with recognised diplomas being issued upon graduation.

In April 2016, the Company advertised a driver training course for approximately 35 individuals from the local region. Participants will be given a license to operate mobile equipment on completing the course. The course has been heavily oversubscribed with over 60 applications received to date from local residents.

Training programmes will continue to run throughout 2016 to ensure that sufficient people from the local communities are qualified for jobs created during the construction and mining phases.

The Company's commitment to the development of the area and its inhabitants goes beyond those working in the mining industry. The Company has offered to participate in the management of the Elderly Residence of Retortillo which is currently closed due to lack of funding.

The Company's commitment to the environment remains a priority and, as outlined in the Environmental License and the Environmental Measures Plan, it will plant trees over some 75 to 100 hectares of land in the region.



Corporate

As at 30 June 2016, the Company has cash reserves of A\$11.3 million and no debt. The Company is expecting to receive the additional US\$5 million via the completion of the RCF royalty transaction in the coming weeks subject to the satisfaction of certain conditions precedent (refer to announcement on 8 June 2016).

**Table 1 – Global Mineral Resource Estimates
(Cut-off grade of 200 ppm U₃O₈)**

Deposit Name	Resource Category	July 2016		
		Tonnes (Mt)	U ₃ O ₈ (ppm)	U ₃ O ₈ (Mlbs)
Retortillo	Measured	4.1	498	4.5
	Indicated	11.3	395	9.8
	Inferred	0.2	368	0.2
	Total	15.6	422	14.5
Zona 7	Measured	5.2	674	7.8
	Indicated	10.5	761	17.6
	Inferred	6.0	364	4.8
	Total	21.7	631	30.2
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Total	20.7	462	21.1
Las Carbas	Inferred	0.6	443	0.6
Cristina	Inferred	0.8	460	0.8
Caridad	Inferred	0.4	382	0.4
Villares	Inferred	0.7	672	1.1
Villares North	Inferred	0.3	388	0.2
Total Retortillo Satellites	Total	2.8	492	3.0
Villar	Inferred	5.0	446	4.9
Alameda Nth Zone 2	Inferred	1.2	472	1.3
Alameda Nth Zone 19	Inferred	1.1	492	1.2
Alameda Nth Zone 21	Inferred	1.8	531	2.1
Total Alameda Satellites	Total	9.1	472	9.5
Gambuta	Inferred	12.7	394	11.1
Salamanca project Total	Measured	9.3	597	12.3
	Indicated	41.8	516	47.5
	Inferred	31.5	395	29.6
	Total (*)	82.6	514	89.3

(*) All figures are rounded to reflect appropriate levels of confidence. Apparent differences occur due to rounding. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves



Table 2 –Ore Reserve Estimate

Deposit Name	Resource Category	July 2016		
		Tonnes (Mt)	U ₃ O ₈ (ppm)	U ₃ O ₈ (Mlbs)
Retortillo	Proved	4.0	397	3.5
	Probable	11.9	329	7.9
	Total	15.9	325	11.4
Zona 7	Proved	6.5	542	7.8
	Probable	11.9	624	16.4
	Total	18.4	595	24.2
Alameda	Proved	0.0	0.0	0.0
	Probable	26.4	327	19.0
	Total	26.4	327	19.0
Total	Proved	10.5	487	11.3
	Probable	50.3	391	43.4
	Total (*)	60.7	408	54.6

(*) cut-off grade for Retortillo 107 ppm, Zona 7 125 ppm, Alameda 90 ppm. Apparent differences occur due to rounding.



Competent Persons Statement

The information in this announcement that relates to the Definitive Feasibility Study, Mineral Resources for Zona 7, Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is extracted from the announcement entitled 'Study confirms the Salamanca project as one of the world's lowest cost uranium producers' dated 14 July 2016, which is available to view on Berkeley's website at www.berkeleyenergia.com.

Berkeley Energia Limited (Berkeley) confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the Mineral Resources, Ore Reserve Estimate, Production Target, and related forecast financial information derived from the Production Target included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the original announcements.

The information in the original announcement that relates to the Definitive Feasibility Study is based on, and fairly represents, information compiled or reviewed by Mr. Mr Jeffrey Peter Stevens, a Competent Person who is a Member of The Southern African Institute of Mining & Metallurgy, a 'Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time. Mr. Stevens is employed by MDM Engineering (part of the Amec Foster Wheeler Group). Mr. Stevens has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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'.

The information in the original announcement that relates to the Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Mr. Andrew David Pooley, a Competent Person who is a Member of The Southern African Institute of Mining and Metallurgy', a Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time. Mr. Pooley is employed by Bara Consulting (Pty) Ltd. Mr. Pooley has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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'.

The information in the original announcement that relates to the Mineral Resources for Zona 7 is based on, and fairly represents, information compiled or reviewed by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley 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 of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this announcement that relates to the Mineral Resources for Retortillo is extracted from the announcement entitled 'Increase in Retortillo grade expected to boost economics' dated 7 January 2015 which is available to view on Berkeley's website at www.berkeleyenergia.com. The information in the original announcement is based on, and fairly represents, information compiled by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley 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 of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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.



The information in this announcement that relates to the Mineral Resources for Alameda (refer ASX announcement dated 31 July 2012) is based on information compiled by Mr Craig Gwatkin, who is a Member of The Australasian Institute of Mining and Metallurgy and was an employee of Berkeley Energy Limited at the time of initial disclosure. Mr Gwatkin 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gwatkin consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Forward Looking Statement

Statements regarding plans with respect to Berkeley's mineral properties are forward-looking statements. There can be no assurance that Berkeley's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Berkeley will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Berkeley's mineral properties.



Appendix 1: Summary of Mining Tenements

As at 30 June 2016, the Company had an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
Spain			
<u>Salamanca</u>	D.S.R Salamanca 28 (Alameda)	100%	Granted
	D.S.R Salamanca 29 (Villar)	100%	Granted
	E.C. Retortillo-Santidad	100%	Granted
	E.C. Lucero	100%	Pending
	I.P. Abedules	100%	Granted
	I.P. Abetos	100%	Granted
	I.P. Alcornoques	100%	Granted
	I.P. Alisos	100%	Granted
	I.P. Bardal	100%	Granted
	I.P. Barquilla	100%	Granted
	I.P. Berzosa	100%	Granted
	I.P. Campillo	100%	Granted
	I.P. Castaños 2	100%	Granted
	I.P. Ciervo	100%	Granted
	I.P. Dehesa	100%	Granted
	I.P. El Águlia	100%	Granted
	I.P. Espinera	100%	Granted
	I.P. Halcón	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbre	100%	Granted
	I.P. Oñoro	100%	Granted
	I.P. Pedreras	100%	Granted
	I.P. El Vaqueril	100%	Pending
	I.P. Calixto	100%	Pending
	I.P. Melibea	100%	Pending
	I.P. Clerecía	100%	Pending
	I.P. Clavero	100%	Pending
	I.P. Conchas	100%	Pending
	I.P. Lis	100%	Pending
	E.P. Herradura	100%	Pending
<u>Cáceres</u>	I.P. Almendro	100%	Granted
	I.P. Ibor	100%	Granted
	I.P. Olmos	100%	Granted
<u>Badajoz</u>	I.P. Don Benito Este	100%	Granted
	I.P. Don Benito Oeste	100%	Granted
<u>Ciudad Real</u>	I.P. Damkina Fraccion 1	100%	Granted
	I.P. Damkina Fraccion 2	100%	Granted
	I.P. Damkina Fraccion 3	100%	Granted

New applications for exploitation concessions Calixto, Melibea, Clerecía, Clavero, Conchas and Lis were submitted with no tenements disposed of during the quarter ended 30 June 2016. There were no changes to beneficial interest in any mining tenements due to Farm-in or Farm-out agreements. No beneficial interest in Farm-in or Farm-out agreements were acquired or disposed during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Berkeley Energia Limited

ABN

40 052 468 569

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(3,397)	(9,365)
(b) development	-	-
(c) production	-	-
(d) administration	(647)	(2,454)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	33	289
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(4,011)	(11,530)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(93)
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	-	(93)
1.13 Total operating and investing cash flows (carried forward)	(4,011)	(11,623)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,011)	(11,623)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9,357	9,595
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 (provide details if material)		
	(a) Share issue costs	(16)	(20)
	Net financing cash flows	9,341	9,575
	Net increase (decrease) in cash held	5,330	(2,048)
1.20	Cash at beginning of quarter/year to date	6,016	13,395
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	11,346	11,346

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	(148)
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 include directors' fees, superannuation and consulting fees.

Non-cash financing and investing activities

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

Not applicable

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

Not applicable

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	-
4.3 Production	-
4.4 Administration	500
Total	3,500

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	11,346	4,016
5.2 Deposits at call	-	2,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,346	6,016

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				
6.2 Interests in mining tenements acquired or increased	I.P. Calixto I.P. Melibea I.P. Clerecía I.P. Clavero I.P. Conchas I.P. Lis (All Pending)	Direct	-	100%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas 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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	198,323,023	198,323,023		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,011,700 5,500,000	11,011,700 5,500,000	\$0.625 \$0.45	\$0.625 \$0.45
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	<u>Options:</u> 3,600,000 150,000 150,000 200,000 3,600,000 <u>Rights:</u> 2,345,000 3,585,000 4,625,000	- - - - - - - - -	<i>Exercise price</i> £0.15 £0.25 £0.30 £0.40 £0.20 - - -	<i>Expiry date</i> 30 Jun 2018 30 Jun 2018 30 Jun 2018 30 Jun 2018 30 Jun 2019 30 Jun 2017 31 Dec 2018 31 Dec 2019
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	(5,500,000)	-	\$0.45	30 Jun 2016
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: **27 July 2016**
(~~Director~~/Company secretary)

Print name: **Dylan Browne**

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.