

## MALAGASY MINERALS LIMITED

### Activities Report for the September Quarter 2014

#### HIGHLIGHTS

- Exploration at the Company's 100% owned Maniry Graphite Project has identified a series of high-grade, outcropping graphite lenses that extend over an area of approximately 8km by 4km. Detailed mapping and sampling of the **Razafy Prospect** (formally Lens L) returned the following results (Figure 1):
  - Sampling of the outcropping graphite mineralisation that extends over 1.6km has returned high-grade results of up 33.7%C;
  - Graphite lens thicknesses range from 20 to 70 metres thick; and
  - Immediate follow-up exploration and assessment programs have been initiated.
- Petrological analysis of selected samples confirms the high quality nature of the graphite. The graphite flake size is generally >0.7mm with some material as coarse as several millimetres. This material can be classified as "Jumbo Flake" graphite. The graphite is largely free from inclusions of other minerals
- Metallurgical samples have been submitted to fully determine the key characteristics of the graphite mineralisation.

#### BACKGROUND

Malagasy Minerals Limited (ASX Code: MGY / "Malagasy") has established a large exploration project in Southern Madagascar (Figure 2) that is prospective for both mafic-ultramafic intrusive related nickel-copper-platinum group metals (PGM) deposits and high-grade high-quality graphite deposits.

#### MALAGASY REGIONAL GRAPHITE EXPLORATION (MGY 100%)

The graphite prospectivity of the region has been established by the discovery of the large, high-quality Molo Graphite Deposit by Energizer Resources Inc. ("Energizer"). Malagasy announced (27<sup>th</sup> March 2014) that it had finalized the sale of the company's 25% interest in the project in order to crystallise significant value and to increase its focus on the company's highly prospective 100% owned ground. The transaction delivers a low-risk immediate return to Malagasy in the form of initial cash and share payments, whilst maintaining leveraged exposure through future benchmark cash and share payments.

Malagasy has been working to a strategy to define the potential of the 100% held ground to host additional high-grade graphite deposits that would have the potential to either enhance, or be enhanced by, the development of the Molo Graphite Deposit by Energizer. Malagasy is targeting a high-grade resource base with a particular focus on identifying near surface, low mining cost deposits that can be assessed quickly and at modest cost, potentially working off the benefits of the Molo development

#### Razafy Prospect – Maniry Project

The Maniry Project is located in the southern part of the company's Ampanihy Project (Figure 2.) and has been identified as being highly prospective for not only high-grade, high-quality graphite deposits but also for large-scale intrusive related nickel-copper-PGM deposits and molybdenum-selenium-REE deposits.

An earlier program of graphite exploration at Maniry (ASX announcement 26<sup>th</sup> August 2013) identified a series of large, high-grade outcrops of graphite mineralisation within a broader graphite trend covering an area of approximately 8km x 4km.

This initial work has been followed by a detailed program of systematic rock chip sampling across the interpreted strike of the graphite lenses (ASX announcement 21<sup>st</sup> November 2013) to determine the continuity of grade across the width of these graphite lenses. This resulted in the identification of 12 graphite lenses that have the potential to host a significant deposit of graphite mineralisation.

### **Recent Exploration**

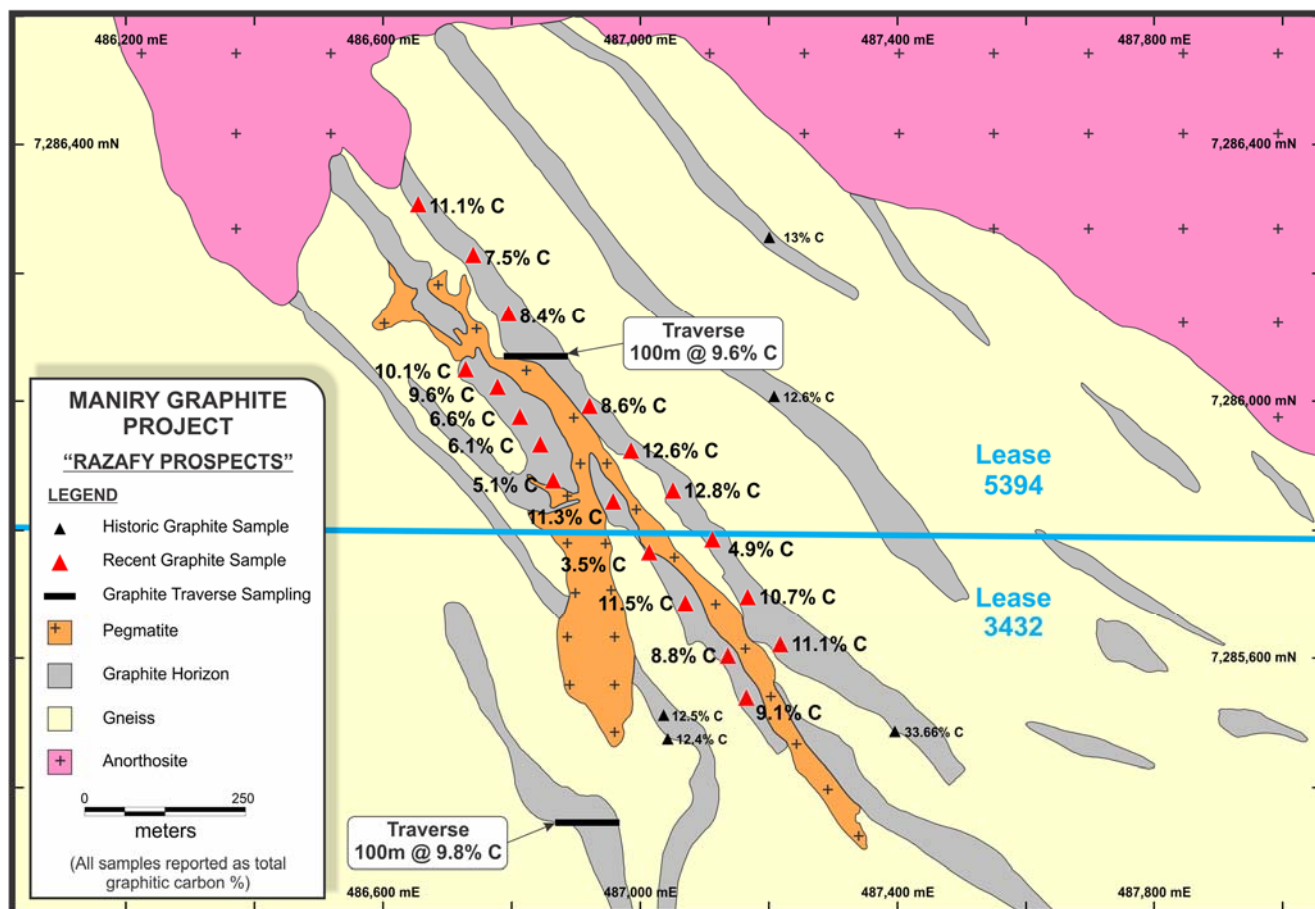
This most recent program of work has focused on the **Razafy Prospect** and has consisted of detailed mapping and sampling of 6 lenses of outcropping high-grade graphite mineralisation (Figure 1). The key outcomes of the work include (see ASX Announcement dated 13<sup>th</sup> June 2014):

- Identification of 6 high-grade outcropping coarse flake graphite horizons extending over 1.6 kilometres;
- Graphite horizons have been mapped at widths ranging from 20 to 70 metres;
- Sampling of the mineralisation indicates consistent grades with low variability and the potential for areas of very high grade mineralisation (peak result 33.66%C);
- Preliminary petrological analysis of selected samples confirms the high quality nature of the graphite mineralisation. The graphite flake size is generally >0.7mm with some material as coarse as several millimetres. The graphite is largely free from inclusions of other minerals; and
- Composite samples of the mineralisation have been collected and have been submitted for comprehensive metallurgical test work.

The width, strike length and proud outcropping nature of the high-grade graphite mineralisation indicate the potential for significant tonnages of high-grade, high-quality graphite mineralisation. The metallurgical test work will provide initial data on the quality of the mineralisation.

This work has clearly demonstrated the potential for the Maniry Graphite Project to host significant deposits of high-grade graphite mineralisation. When it is considered that the Razafy Prospect is the first of 12 targets to be assessed in detail it is clear that a new graphite province has been discovered by Malagasy Minerals.

At the end of the quarter the Malagasy Exploration Team is in the field mapping and sampling the remainder of the graphite targets that have been previously identified. The results of this work will then be expected to lead to a program of trenching and/or drilling during the current field season.



**Figure (1) – Razafy Prospect Geology and Sample Locations**

Sample No	Easting	Northing	Carbon %
MD12579	486,972	7,285,920	12.6
MD12580	487,039	7,285,860	12.8
MD12581	487,110	7,285,782	4.9
MD12582	487,153	7,285,694	10.7
MD12583	487,211	7,285,620	11.1
MD12584	487,163	7,285,537	9.1
MD12585	487,109	7,285,603	8.8
MD12586	487,068	7,285,685	11.5
MD12587	486,994	7,285,760	3.5
MD12588	486,928	7,285,845	11.3
MD12589	486,901	7,285,989	8.6
MD12590	486,839	7,286,067	6.7
MD12591	486,777	7,286,132	8.4
MD12592	486,714	7,286,223	7.5
MD12593	486,654	7,286,304	11.1
MD12594	486,730	7,286,046	10.1
MD12595	486,780	7,286,021	9.6
MD12596	486,815	7,285,974	6.6
MD12597	486,846	7,285,930	6.1
MD12598	486,866	7,285,875	5.1

*Analysis completed by Genalysis-Intertek Laboratories (Perth). The analytical method was CSA (Total Carbon and Sulphur by CS analyser) detection limit of 0.01% - 50%C. Reported as total graphitic carbon.*

**Table (1) – Razafy Prospect Graphite Samples**

#### **Ampanihy Project – Nickel-Copper-PGM Exploration**

The **Ampanihy Project** has been confirmed to host a significant suite of mafic-ultramafic intrusive rocks that have demonstrated potential to host nickel-copper-PGM mineralisation. Having established that the application of systematic regional geochemical sampling and programs of mapping and rock chip sampling is the most effective way of exploring the entire 110km strike of the project, a work program involving the collection of systematic geochemical soil samples has been undertaken across the entire project.

The first phase of this work was completed in the 2013 field season (4000 samples) and resulted in the identification of two strong geochemically anomalous areas that are host to a cluster of prospective mafic-ultramafic intrusions.

Field-work in 2014 (currently in-progress) has focused on an infill phase of geochemical sampling (~4000 samples), outcrop sampling and detailed mapping. These samples are currently being analysed and interpreted, with the results to be reported early in the September quarter. These samples will provide the basis for targeting the next phase of exploration.

#### **CORPORATE**

##### **Financial Position**

The Company's cash position at 30 September was \$643,000 a decrease of \$482,000 for the quarter. Sale of 750,000 Energizer Resources Inc shares provided \$179,000 and the payment of 2014 tenement rentals required \$393,000, for which \$181,000 had been received in previous quarters as the required contribution from third parties. At the end of the quarter the company held a balance of 250,000 Energizer shares, which were subsequently sold to raise \$47,000. A further 2,500,000 shares and 3,500,000 warrants will be out of escrow in June 2015.

Labradorite royalties continue to be received from only one of the three companies with quarrying agreements, but administration costs were partly defrayed by \$33,000 rent receipts from the Tana complex.

##### **Political Situation**

The political situation in Madagascar has progressed through democratic elections for the President and the parliament, resulting in the induction of a president, prime minister and government ministers. The international

community subsequently began a process of re-engagement with Madagascar, with the prospect of trade and aid relationships being resumed.

Notwithstanding these encouraging developments the Bureau du Cadastre Minier de Madagascar (BCMM), responsible for the regulation and administration of the country’s mining tenements, has not begun to deal with the backlog of transactions which has built up over four years. Malagasy has tenement applications, tenement renewals, the registration of additional minerals on the permits and the registration of sub-leases to EGZ with the BCMM for processing.

**Tenements**

During the quarter there were no changes to the Malagasy Mineral Limited tenement portfolio. A full listing of the company’s tenements in Madagascar is included as Appendix 1.

**For and on behalf of the Board**

**Peter Langworthy**  
**Technical Director**

**Competent Persons Statement**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Peter Langworthy, Consulting Geologist, who is a Member of the Australian Institute of Mining and Metallurgy. Mr. Peter Langworthy is a full time Director of Malagasy Minerals Limited and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

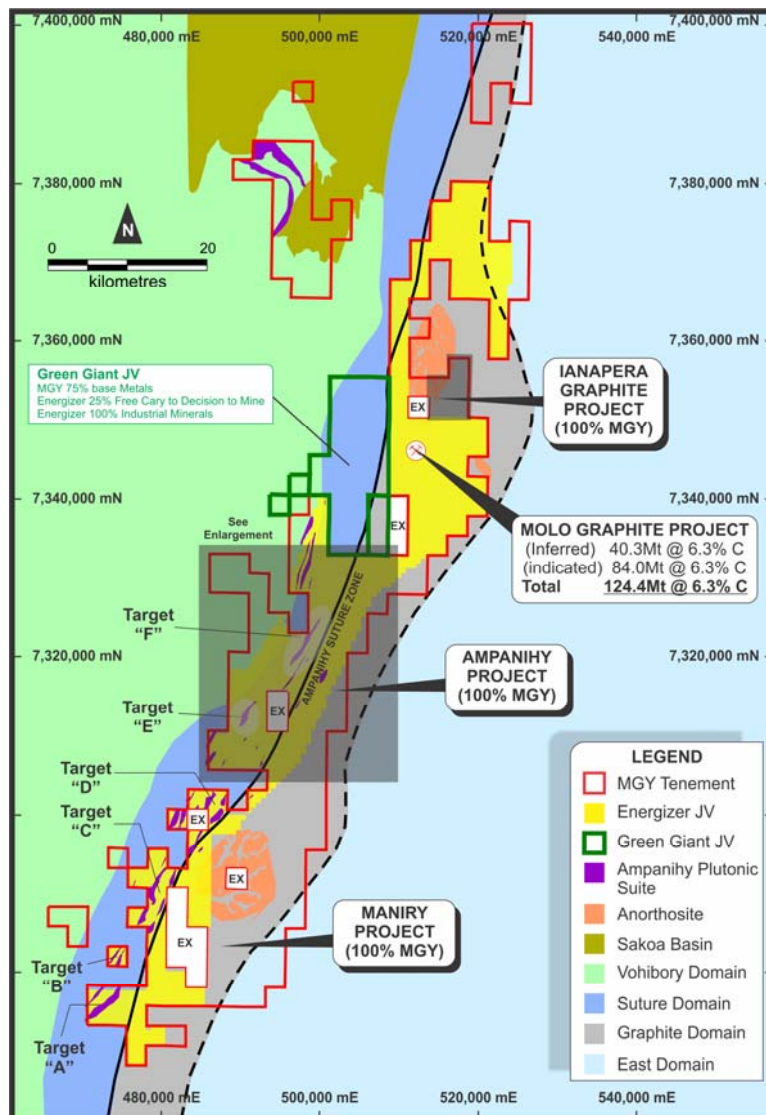


Figure (2) – Regional Location Plan

## APPENDIX 1

### MALAGASY MINERALS LIMITED ABN 84 121 700 105

#### Tenement Schedule

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km2)	Interest %	Notes
						<b>4752</b>		
3432	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Central (Big 'S')	1648	563 :100% 1,085:100% - IM	1,2
5391	PE	20-Nov-02	19-Nov-42	40	Ampanihy - lanapera	16	100%	
5392	PE	20-Nov-02	19-Nov-42	40	Ampanihy - lanapera	16	100%	
5393	PE	20-Nov-02	19-Nov-42	40	Ampanihy - lanapera	16	100%	
5394	PE	20-Nov-02	19-Nov-42	40	Ampanihy - Maniry	48	40 : 100% 8 :100% -IM	1
12834	PR	01-Mar-05	28-Feb-15	10	Majunga	64	100%	
13063	PR	04-Feb-05	03-Feb-15	10	Vohibory	336	100%	
13064	PR	04-Feb-05	03-Feb-15	10	Fotadrevo	48	100% - IM	1
13089	PR	04-Feb-05	03-Feb-15	10	Ampanihy - Maniry	48	100%	
13508	PR	04-Feb-05	03-Feb-15	10	Vohibory	16	100%	
13811	PR	14-Mar-05	13-Mar-15	10	Ampanihy - Maniry	48	100% - IM	1
13812	PR	14-Mar-05	13-Mar-15	10	Ampanihy - Maniry	32	100%	
13827	PR	14-Mar-05	13-Mar-15	10	Ampanihy - lanapera	192	100%	
13829	PR	14-Mar-05	13-Mar-15	10	Vohibory	32	100%	
13832	PR	14-Mar-05	13-Mar-15	10	Ampanihy - Maniry	16	100%	
14618	PR	26-Jan-05	25-Jan-15	10	Ampanihy - lanapera	32	100% - IM	1
14619	PR	26-Jan-05	25-Jan-15	10	Ampanihy - Maniry	16	100% - IM	1
14620	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	48	100% - IM	1
14622	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	64	100% - IM	1
14623	PR	26-Jan-05	25-Jan-15	10	Ampanihy - lanapera	112	39 : 100% 73 : 100%-IM	1
16746	PR	09-Sep-05	08-Sep-15	10	Ampanihy - lanapera	16	100%	
16747	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	48	100% - IM	1

#### NOTES

- 1) 100% - IM indicates tenements held by MDA and Industrial Minerals rights sub-leased to Energizer Resources Inc.
- 2) Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2014
- 3) SQNY – Royalty and partial tenement fees payable to MDA
- 4) GGJV means the Green Giant Joint Venture for non-industrial minerals, between Malagasy Minerals Limited (75%) and Energizer Resources Inc. (25%). Energizer holds the tenements 100% and retains the rights to industrial minerals.

#### Acquisition and disposal of tenements

- 1) No tenements were acquired or disposed of during the quarter.
- 2) No beneficial interests in farm-in or farm-out agreements were acquired or disposed of during the quarter.

## APPENDIX 1

### MALAGASY MINERALS LIMITED ABN 84 121 700 105

#### Tenement Schedule (Cont.)

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km <sup>2</sup> )	Interest %	Notes
16749	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	16	100%	
16750	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	32	100%	
16753	PR	09-Sep-05	08-Sep-15	10	Ampanihy - Maniry	48	4 : 100% 44 : 100% - IM	1
18915	PR	10-Mar-06	09-Mar-16	10	Anjeba (Antinimora/Jafaro)	112	100%	
18916	PR	23-Feb-06	22-Feb-16	10	Anjeba (Antinimora/Jafaro)	32	100%	
19003	PR	23-Feb-06	22-Feb-16	10	Ampanihy - Maniry	16	100% - IM	1
19851	PR	04-Feb-05	03-Feb-15	10	Fotadrevo	32	100% - IM	1
19932	PE	10-Mar-06	09-Mar-46	40	Ampanihy - Maniry	112	102 : 100% 10 : 100% - IM	1
19933	PE	10-Mar-06	09-Mar-46	40	Ampanihy - Maniry	16	100%	
19934	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	16	100% - IM	1
19935	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	16	100% - IM	1
21059	PR	14-Sep-07	13-Sep-12	5	Ampanihy - Maniry	16	100% - IM	1,2
21060	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	16	3 : 100% 13 : 100% - IM	1,2
21061	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	16	100% - IM	1,2
21062	PR	03-Oct-07	02-Oct-12	5	Ampanihy-Maniry	32	4 : 100% 28 : 100% -IM	1,2
21063	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	32	100% - IM	1,2
21064	PR	30-Oct-06	29-Oct-11	5	Ampanihy - Maniry	16	1 : 100% 15 : 100% - IM	1,2
24864	PR	08-May-07	07-May-12	5	Fotadrevo	48	100% - IM	1,2
25093	PE	18-Jan-07	17-Jan-47	40	Ampanihy - lanapera	16	100%	3
25094	PE	18-Jan-07	17-Jan-47	40	Ampanihy - lanapera	16	100%	3
25095	PE	18-Jan-07	17-Jan-47	40	Ampanihy - Maniry	48	100%	3
25605	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Maniry	80	100% - IM	1,2
25606	PR	18-Jun-01	17-Jun-11	10	Ampanihy - Maniry	16	9 : 100% 7 : 100% - IM	1,2

#### NOTES

- 1) 100% - IM indicates tenements held by MDA and Industrial Minerals rights sub-leased to Energizer Resources Inc.
- 2) Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2014
- 3) SQNY – Royalty and partial tenement fees payable to MDA
- 4) GGJV means the Green Giant Joint Venture for non-industrial minerals, between Malagasy Minerals Limited (75%) and Energizer Resources Inc. (25%). Energizer holds the tenements 100% and retains the rights to industrial minerals.

#### Acquisition and disposal of tenements

- 1) No tenements were acquired or disposed of during the quarter.
- 2) No beneficial interests in farm-in or farm-out agreements were acquired or disposed of during the quarter.

## APPENDIX 1

### MALAGASY MINERALS LIMITED ABN 84 121 700 105

#### Tenement Schedule (Continued)

Title Number	Permit Type	Grant Date	Expiry Date	Term	Project Name	Total Carres (New - 0.391km2)	Interest %	Notes
28340	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	160	137 : 100% 23 : 100% - IM	1,2
28341	PR	08-Jan-08	07-Jan-13	5	Ampanihy-Maniry	16	100%	2
28345	PR	08-Jan-08	07-Jan-13	5	Ampanihy-Maniry	48	100%	2
28346	PR	08-Jan-08	07-Jan-13	5	Ampanihy-Maniry	16	4 : 100% 12 : 100% - IM	1,2
28347	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	112	4 : 100% 108 : 100% -IM	1,2
28348	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	16	100% - IM	1,2
28349	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	16	100% - IM	1,2
28352	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	96	100% - IM	1,2
28353	PR	08-Jan-08	07-Jan-13	5	Fotadrevo	96	47 : 100% 49 : 100% - IM	1,2
29020	PR	12-Sep-08	25-Oct-12	5	Fotadrevo	32	20 : 100% 12 : 100% - IM	1,2
29082	PR	12-Sep-08	11-Sep-13	5	Tranomaro	224	100%	2
29084	PR	14-Jul-08	13-Jul-13	5	Tranomaro	16	100%	2
29085	PR	12-Sep-08	11-Sep-13	5	Tranomaro	144	100%	2
31733	PR	11-Feb-09	10-Feb-14	5	Ampanihy-Maniry	16	100%	2
31734	PR	11-Feb-09	10-Feb-14	5	Ampanihy-Maniry	16	100% - IM	1,2
31735	PR	11-Feb-09	10-Feb-14	5	Ampanihy-Maniry	16	100% - IM	1,2
12306	PR	09-Nov-04	08-Nov-14	10	Fotadrevo	416	75 % in GGJV	4
12814	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	48	75 % in GGJV	4
12887	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	16	75 % in GGJV	4
12888	PR	26-Jan-05	25-Jan-15	10	Fotadrevo	16	75 % in GGJV	4

#### NOTES

- 1) 100% - IM indicates tenements held by MDA and Industrial Minerals rights sub-leased to Energizer Resources Inc.
- 2) Renewal awaiting confirmation from BCMM. All annual fees have been paid up to 31 December 2014
- 3) SQNY – Royalty and partial tenement fees payable to MDA
- 4) GGJV means the Green Giant Joint Venture for non-industrial minerals, between Malagasy Minerals Limited (75%) and Energizer Resources Inc. (25%). Energizer holds the tenements 100% and retains the rights to industrial minerals.

#### Acquisition and disposal of tenements

- 1) No tenements were acquired or disposed of during the quarter.
- 2) No beneficial interests in farm-in or farm-out agreements were acquired or disposed of during the quarter.

# 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

MALAGASY MINERALS LIMITED
---------------------------

ABN

84 121 700 105
----------------

Quarter ended ("current quarter")

30 SEPTEMBER 2014
-------------------

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	14	14
1.2 Payments for (a) exploration & evaluation	(517)	(517)
(b) development	-	-
(c) production	-	-
(d) administration (net)	(157)	(157)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (TVA recoverable)	-	-
<b>Net Operating Cash Flows</b>	<b>(656)</b>	<b>(656)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments (deferred)	(15)	(15)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	10	10
(b) equity investments	179	179
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>174</b>	<b>174</b>
1.13 Total operating and investing cash flows (carried forward)	(482)	(482)

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	<b>(482)</b>	<b>(482)</b>
<b>Cash flows related to financing activities</b>			
1.14	Net 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 (provide details if material)	-	-
<b>Net financing cash flows</b>		<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>(482)</b>	<b>(482)</b>
1.20	Cash at beginning of quarter/year to date	1,125	1,125
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>643</b>	<b>643</b>

**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	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
		<u>\$A'000</u>
	Directors Fees and superannuation	-
	Exploration management services	42
	Company secretarial, accounting & administration services	29
		71

**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

**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	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	(150)
4.2	Development	-
4.3	Production	-
4.4	Administration (Net)	(100)
<b>Total</b>		<b>(250)</b>

### 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	237	820
5.2	Deposits at call	406	305
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>643</b>	<b>1,125</b>

### 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	Refer to Covering Quarterly Activity Report attached hereto		
6.2	Interests in mining tenements acquired or increased	Refer to Covering Quarterly Activity Report attached hereto		

### 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 <b>Preference *securities</b>	Nil	Nil	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	160,847,767	160,847,767	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	Nil	Nil
7.5 <b>+Convertible debt securities</b>	Nil	Nil	-	-

+ 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	-	-	-	-
7.7	<b>Options Unlisted</b>	7,500,000	-	15c Options	Expiry: 31/11/2016
		375,000	-	30c Options	Expiry: 30/09/2015
		375,000	-	40c Options	Expiry: 31/12/2015
		375,000	-	50c Options	Expiry: 31/03/2016
		500,000	-	15c Options	Expiry: 31/11/2016
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	Nil	Nil		
7.12	<b>Unsecured notes</b> (totals only)	Nil	Nil		

**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: (Company Secretary)  
 Print name: Graeme R Boden

Date: 30<sup>th</sup> October 2014

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements 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.

== == == == ==

+ See chapter 19 for defined terms.