

# quarterly report

FOR THE PERIOD ENDING  
30 JUNE 2013



COMPANY ENQUIRIES  
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COMPANY SECRETARY

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## COYOTE GOLD MINE

### OPERATIONS

#### Summary

Table 1: Quarterly Treatment and Gold Production Summary

Period	Underground			Open Pit			Total					
	Tonnes Treated	Grade g/t	Recovered Ounces	Tonnes Treated	Grade g/t	Recovered Ounces	Tonnes Treated	Grade g/t	Recovered Ounces	Recovery	Gold Sales Ozs	Average Sale Price/oz \$A
Sept 12	29,833	9.6	9,207	32,124	2.8	2,855	61,957	6.1	12,062	97.0	11,760	\$1,591
Dec 12	37,254	5.9	6,897	21,242	2.5	1,688	58,496	4.8	8,585	97.6	9,220	\$1,659
Mar 13	38,106	4.3	5,133	18,575	1.7	982	56,681	3.5	6,115	96.8	6,181	\$1,574
<b>June 13</b>	<b>13,229</b>	<b>7.9</b>	<b>3,337</b>	<b>1,378</b>	<b>2.7</b>	<b>117</b>	<b>14,608</b>	<b>7.4</b>	<b>3,454</b>	<b>98.8</b>	<b>5,374</b>	<b>1,436</b>

Note to Table 1:

1. Recovered ounces calculated by tonnes x grade x recovery.

#### Underground Mining

The Company has previously reported that the Muttley Lode being mined at Coyote was likely to be exhausted by the end of June 2013 and that the future of the Coyote mine depended on the possible development of the recently discovered Kavanagh Lode which was undergoing internal studies.

Timely access to ore from the Muttley lode was reliant on equipment availability and utilisation. Breakdowns of critical elements of the mining fleet resulted in development delays leading to production shortfalls. Although mining of the Muttley Lode ultimately produced good ore grades, with the recent major fall in the price of gold, the Coyote operation was unable to meet the Company's costs as presently structured. As a result, the underground operations were terminated on 24 April 2013 and the mine has been shifted onto Care and Maintenance status, with Resources still remaining within the Muttley lode. The processing plant continued to operate until all underground ores stocks combined with some additional low grade ore stocks had been exhausted. The processing plant was decommissioned and ultimately placed on Care and Maintenance.

The Coyote Underground Mine produced for the Quarter a total of 3,337 recovered ounces of gold from 13,229 tonnes at a grade of 7.9g/t Au.

#### Processing and Metallurgy

Gold production for the Quarter was 3,454 ounces from a mill throughput of 14,608 tonnes at a recovered grade of 7.4/t Au. Gold bullion sold during the Quarter totalled 5,374 ounces. Ore processed was 13,229 tonnes of ore from underground and 1,378 tonnes of ore predominantly from stockpiles at Coyote or Bald Hill ore.

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## COYOTE EXPLORATION

### Kavanagh Orebody

Following a successful drilling campaign over the last six months a **Maiden Mineral Resource for Kavanagh of 122,000t @ 25.2 g/t Au for 100,000 ounces** of gold was announced on the 9<sup>th</sup> of April 2013.

Mineralisation has been defined within two main lodes to date, the K1 and K2 Lodes (see Figure 2) which are folded over an east-west striking regional anticline. These Lodes have been defined over a strike of 300 metres and height of 100 metres to date and remain open in multiple directions. A third lode (K3) has been identified approximately 15-20 metres stratigraphically below the K2 lode, returning intercepts including 1.3m @ 53.6g/t Au from 451.3 metres in CYDD0215. Further drilling is required to better define the K3 Lode.

The following significant results have been included in the Kavanagh Resource Estimate:

•	CYDD215	-	1.3m @ 53.6g/t Au	Reported 9 <sup>th</sup> April 2013
•	CYUG645	-	0.3m @ 151.4g/t Au	Reported 9 <sup>th</sup> April 2013
•	CYUG362	-	<b>2.4m @ 216.9g/t Au</b>	Reported 22 March 2013
•	CYUG373	-	<b>1.8m @ 124.0g/t Au</b>	Reported 22 March 2013
•	CYUG646	-	<b>0.3m @ 178.0g/t Au</b>	Reported 22 March 2013
•	CYUG645	-	<b>2.5m @ 45.5 g/t Au</b> including <b>0.5m @ 184.5g/t Au</b>	Reported 11 March 2013
•	CYUG359	-	<b>0.8m @ 154.9 g/t Au</b>	Reported 19 February 2013
•	CYDD211B	-	<b>6.1m @ 87.4g/t Au</b> including <b>2.5m @ 175.1g/t Au</b>	Reported 17 January 2013
•	CYDD211B	-	<b>0.3m @ 367.6g/t Au</b>	Reported 17 January 2013
•	CYDD208	-	<b>2.0m @ 81.7g/t Au</b>	Reported 17 January 2013
•	CYDD206	-	<b>2.2m @ 22.7g/t Au</b>	Reported 3 December 2012

Table 2: Kavanagh Orebody Resource

Classification	Tonnes	Grade	Ounces
		(g/t Au)	
Inferred	122,000	25.2	100,000

#### Notes to accompany Table 2

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.
2. Resources reported above 3.0g/t Au block model grade.
3. A top-cut of 150 gram per metre was applied during the modelling process.
4. Grade was estimated using Inverse Distance Squared (ID2) technique.

### Kavanagh Business Case

The Company announced during the Quarter (refer ASX announcement dated 31 May 2013) that the scope of the feasibility studies on the Kavanagh deposit would be broadened. The proposed Business Case involves upgrading the existing **122,000 tonnes at 25.2g/t Au for 100,000oz** Kavanagh resource from an inferred to indicated status while also targeting extensions to the known resource with an initial aim of growing to resource to provide in excess of 2 years mining.

The proposal is currently being reviewed by independent experts to ensure confidence in the rate of return in the current market.

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Figure 1 – Coyote Conceptual Exploration Model

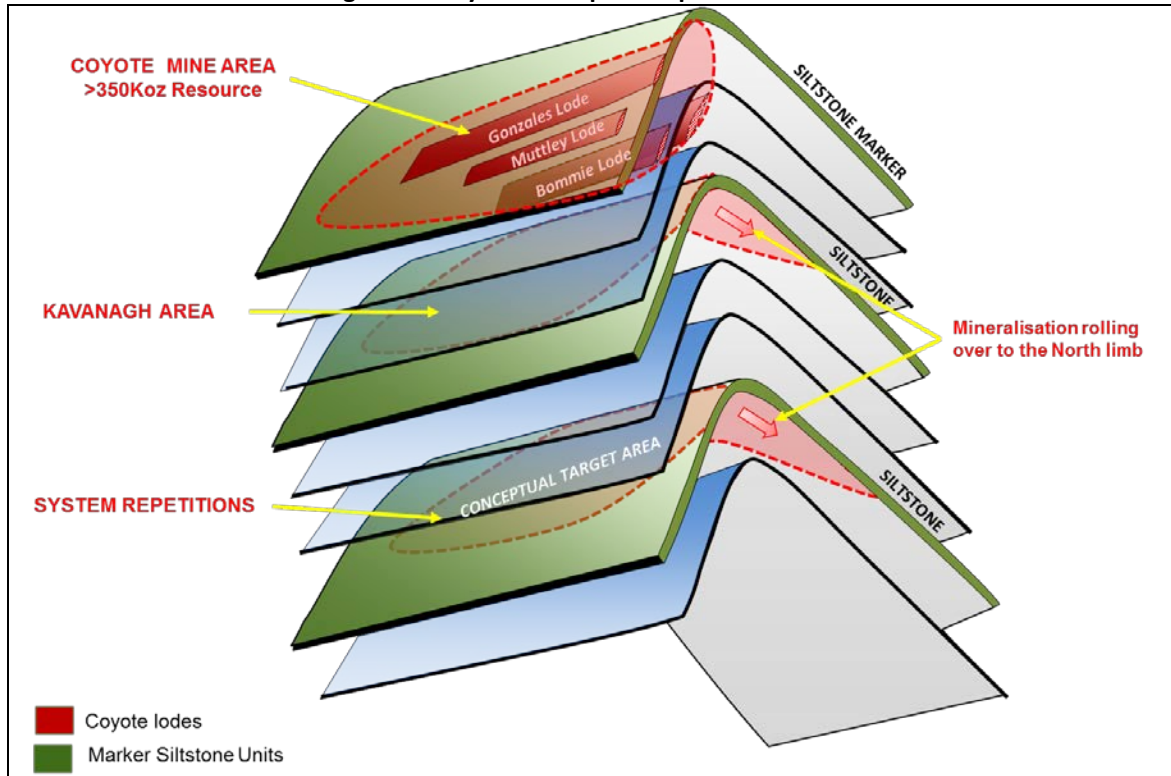
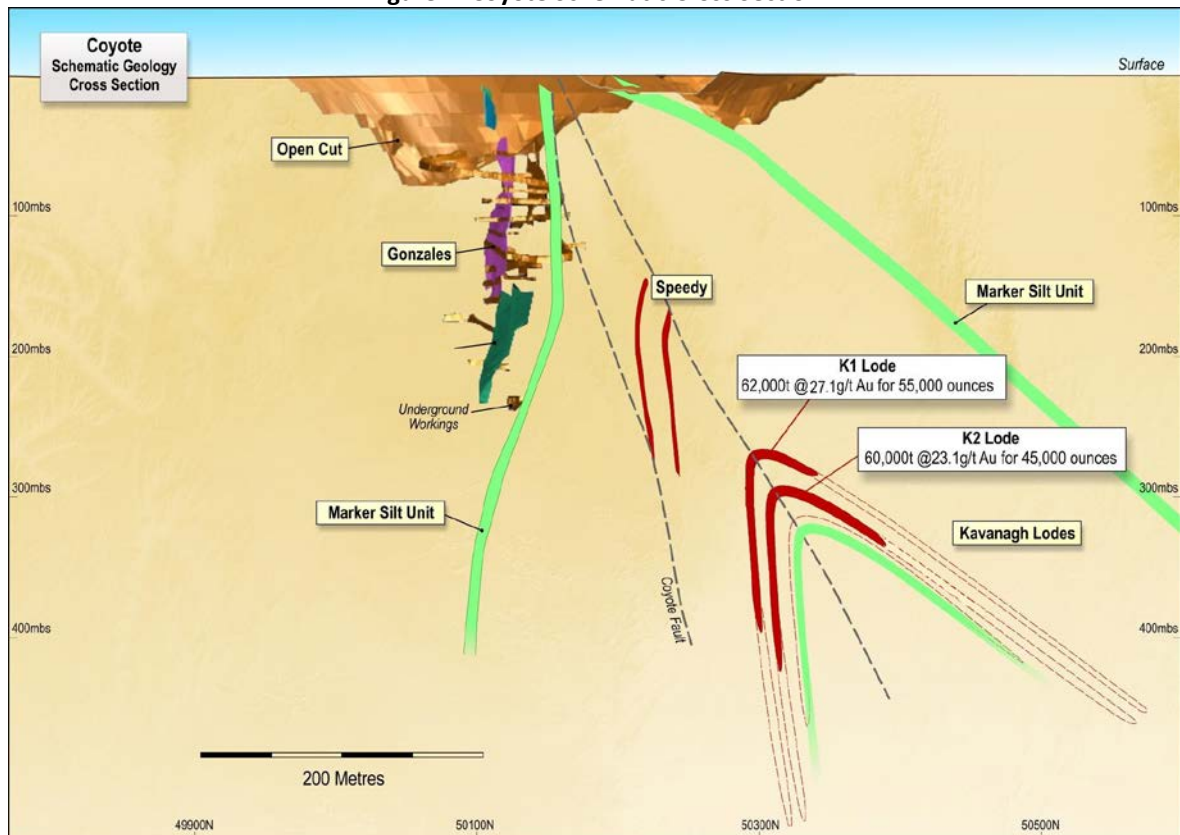


Figure 2: Coyote Schematic Cross Section



Note: K1 and K2 lodes represent the 100,000 inferred Kavanagh Resource (table 2)

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## CENTRAL TANAMI PROJECT

**A decision was made during the Quarter to defer the development of the Groundrush/Central Tanami Project.**

The Feasibility Study, now substantially completed, considered several combinations of open pit and underground developments. The combined impact of the lower gold price and higher stripping ratios for the open cut scenarios has meant that the investment case for such scenarios cannot presently be demonstrated with the current resource. However, recent optimisation of the Feasibility Study, based on an all underground mine development, indicates potential for future development subject to a number of criteria. The key criterion is to achieve an increase in the Mineral Resource base in several areas within the contemplated mine development envelope. The Mineral Resources are currently of insufficient certainty to be included in the Feasibility Studies.

The Company is in the course of preparing a revised study charter which will quantify economic benefits associated with this activity and developing a drilling proposal to expand both the Mineral Resource and Reserve base at the Groundrush deposit.

The Board continues to regard the Groundrush/Central Tanami as highly prospective and as its flagship asset.

## REGIONAL EXPLORATION

Due to the Coyote Operations being placed on Care and Maintenance in April 2013 a review of the scheduled exploration spend for the remainder of 2013 was conducted with the aim of keeping the ongoing spend to a minimum whilst ensuring all tenements are kept in good standing. As such, several of the company's regional drill programs have been rescheduled for the 2<sup>nd</sup> quarter of 2014 while scheduled field mapping and reconnaissance sampling programs were brought forward.

An orientation biogeochemical survey was undertaken over known significant gold mineralisation that is located under transported cover. Results show this method has good potential to increase the effectiveness of surface sampling and reduce drilling costs through better targeting. The positive results seen to date are of significant importance to TGNL as approximately 90% of TGNL tenement holdings have transported cover resulting in reduced effectiveness of soil sampling. As such further biogeochemical orientation sampling programs are planned for the next quarter to validate the depth of cover that this technique will penetrate.

Significant work was conducted over the Western Tanami Tenements during the quarter with reconnaissance programs conducted on E80/1481, E80/1483 and E80/1679, the Bald Hill area on E80/1905, and more remote locations on E80/2133 and E80/3389.

In E80/1483 a program of 400m by 100m soil and lag sampling was completed. This covers an area centred approximately 4km northwest of Coyote Mine site with only sparse historic post-hole drilling and rock chip sampling. West-northwest trending tight folding and a regional structure are interpreted from magnetic images. No assay results have been received.

In E80/1481 a surface sampling program was completed following up historic gold anomalous rock chip samples. Soil, lag and rock chip sampling was undertaken on 200m by 100m grid. There are no significantly anomalous gold or pathfinder results, however low level anomalous gold results are coincident with local west-northwest trending magnetic structures, one of which is also coincident with the historic rock chip results. The interpreted structures extend outside the sampled area.

In E80/2133 reconnaissance 400m by 400m grid soil sampling was completed. This is over the northwest area of the tenement where there is no historic work. No assay results have been received.

At North Bald Hill a soil sampling program is part complete with all sampling so far being on E80/1905. The target of the program is poorly tested parts of the prospective Bald Hill Member unit which hosts the Kookaburra and Sandpiper deposits. Historic sampling is being closed up to 400m by 100m grid with some 200m by 100m near better historical geochemical anomalism. No assay results have been received.

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## CORPORATE

### Cash and Cash Equivalents

As at 30 June 2013, the Company had cash and gold in transit of \$2,103,497.

### Loan Facility with Sun Hung Kai International Bank (Brunei) Limited

During the quarter, the Company drew down on its A\$15 million loan facility with Sun Hung Kai International Bank (Brunei) Limited ("SHKIBBL") receiving A\$9 million over 3 drawdowns.

The drawdowns under the Company's loan facility with SHKIBBL during the quarter ended 30 June 2013 were used to assist with funding:

- Care and maintenance costs at both the Coyote Gold Project and the Central Tanami Project;
- Redundancy payments associated with placing the Coyote Gold Project and the Central Tanami Project on care and maintenance; and
- Additional working capital.

The Company's loan facility with SHKIBBL currently has a repayment date of 30 June 2014.

### Listed Investments

The Company retains 78,392,301 shares in ABM Resources NL which at a closing price of 2.4 cents per share (as at 28 June 2013) is valued at A\$1.8 million.

### Board Appointments

During the quarter Mr Martin Pyle joined the board as an Independent Non-Executive Director and later tendered his resignation. Mr Pyle's letter of resignation stated that while he was supportive of the Board's decision to close the Coyote mine in an orderly fashion, he had anticipated before joining the Board that the Company would be looking forward to an expansion of its activities rather than a contraction.

Mr Gerard McMahon was appointed on 23 April 2013 as an Independent Non-Executive Director of the Company and subsequently was elected as Chairman of the Board. Mr McMahon has substantial corporate and regulatory experience.

Mr Arthur Dew who stepped down as Chairman, remains on the Board as a Non-Executive Director.

### Acting Chief Executive Officer

Mr Peter Cordin ceased as Acting Chief Executive Officer on 21 May 2013. The Board has decided to defer any appointment until the strategic direction of the Company is settled. In the meantime, Directors led by the Chairman are taking an active role in the Company's operations.

### Strategic Direction

The Board has committed to a comprehensive review of the Company's policies and procedures, and the broader future directions of the Company.

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## Other Corporate Matters

The Company is in discussions with several groups who have expressed interest in either investment or joint ventures. No definite proposals have eventuated to date.

The Board's primary concern is to restore and grow shareholder value.

**Gerard McMahon**  
Chairman

**Table 4: Significant Results from Kavanagh Drilling Program**

Target	Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade	Gram Metre
Kavanagh	CYUG356	482127	7799758	3099	-39	13	231	166.1	167.4	1.3	38.4	50
Kavanagh	CYDD206	482601	7799667	3392	-50.5	360	475	297.4	298.1	0.7	21.2	15
								377.9	380.1	2.2	22.7	49
								403	407.2	4.2	9.8	41
								inc 405.7	407.2	1.5	23.7	36
								411	413	2	5.6	11
								426	426.3	0.3	10.9	3
								438.9	439.9	1	4	4
							467.3	467.6	0.3	1.8	1	
Kavanagh	CYDD208	482467	7799501	3392	-58	360	568	516	518	2	81.7	164
Kavanagh	CYDD211B	482469	7800017	3392	-51	176	538	403.3	409.4	6.1	87.4	533
								inc 403.3	405.8	2.5	175.1	438
								inc 406.8	409.4	2.6	36.6	95
								415.3	418.3	3	3.9	12
								423.5	423.8	0.3	367.6	117
							443.5	444	0.5	16.5	8	
Kavanagh	CYDD211C	482603	7800180	3411	-50	164	514	415	418	3	15.4	46
Kavanagh	CYUG359	482363	7799751	3164	-22.5	43.5	300	217.6	218.6	1	33.1	33
								249.3	252.8	3.5	6.4	22
								277.5	278.3	0.8	154.9	124
Kavanagh	CYUG1016	482392	7799738	3263	-57	45	378	248.2	248.7	0.5	27.6	14
								263.5	268.3	4.8	6.8	32.6*
Kavanagh	CYUG0646	482358	7799577	212	-45	25.5	323.9	271	271.4	0.3	178	53
								275	275.5	0.5	33.6	17
Kavanagh	CYUG373	482299	7799552	166	-30	16	239	197.9	199.7	1.8	124	223
								208	208.5	0.5	26.5	13
Kavanagh	CYUG362	482258	7799572	263	-52	3	321	247	249.5	2.4	216.9	521
Kavanagh	CYUG0645	482492	7799743	3212	-40	25	300	244	248.2	2.5	45.5	114
								inc 244	244.5	0.5	184.5	92
								233.3	233.6	0.3	151.4	45
Kavanagh	CYDD214	75040	50567	3413	-54	183	502	433.5	434.1	0.69	28.5	20
								424	424.4	0.4	17.1	7
Kavanagh	CYDD215	74929	50567	3412	-56	168	520	451.1	452.4	1.3	53.6	70

### Notes to accompany Table 4

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
2. Analyses by 50g fire assay with AAS finish of half diamond core samples.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Significant intersections are greater than 1.0g/t with maximum 2 metres internal dilution.
5. Intervals are all down hole length.

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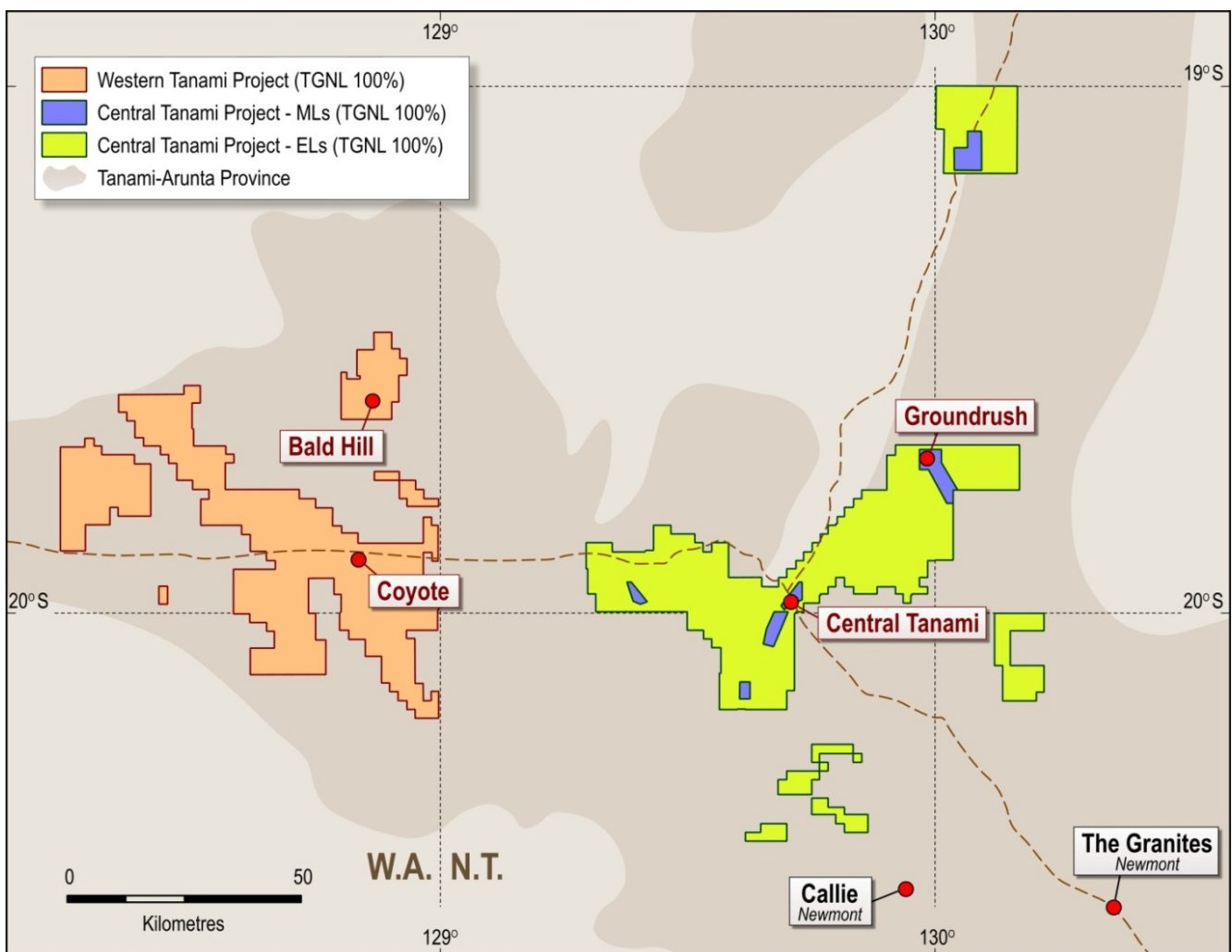
FOR THE PERIOD ENDING 30 JUNE 2013

## Competent Person

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy. Mr Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Thomson consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

This announcement contains certain statements which constitute "forward looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statement. No representation or warranty, expressed or implied, is made by Tanami Gold NL that material contained in this announcement will be achieved or proved correct.

Figure 3: Project Location Plan



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## Mineral Resources

**Table 7: Tanami Gold NL Mineral Resources as at 31 March 2013**

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes (000)	Grade g/t Au	Ounces (000)	Tonnes (000)	Grade g/t Au	Ounces (000)	Tonnes (000)	Grade g/t Au	Ounces (000)	Tonnes (000)	Grade g/t Au	Ounces (000)
WTP	482	2.8	44	1,071	5.7	197	1,500	6.4	310	3,053	5.6	551
CTP	6,730	3.0	648	9,491	3.0	954	9,279	3.0	1,022	25,500	3.0	2,625
<b>Sub Total</b>	<b>7,212</b>	<b>3.0</b>	<b>692</b>	<b>10,562</b>	<b>3.4</b>	<b>1,151</b>	<b>10,779</b>	<b>3.8</b>	<b>1,332</b>	<b>28,553</b>	<b>3.5</b>	<b>3,176</b>
CTP Stockpile	1,700	0.9	48							1,700	0.9	48
<b>Total</b>	<b>8,912</b>	<b>2.6</b>	<b>740</b>	<b>10,562</b>	<b>3.4</b>	<b>1,151</b>	<b>10,779</b>	<b>3.8</b>	<b>1,332</b>	<b>30,253</b>	<b>3.3</b>	<b>3,224</b>

**Notes to accompany Table 7**

1. WTP is Western Tanami Prospect and CTP is Central Tanami Project.
2. Resource estimations completed using Mine Map, Vulcan, Surpac, Datamine and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
3. Grade estimation was constrained to material within >0.7g/t Au mineralisation outlines.
4. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
5. Resources reported above relevant cut-offs based on economic extractions, varying between 0.7g/t Au and 1.0g/t Au block model grade.
6. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
7. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t Au. Rounding may affect tallies.
8. The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Resource Geologist for Tanami Gold NL, Mr Mark Drabble (MAusIMM) – Principal Consultant Geologist, Optiro Pty Ltd and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

**Table 9: Western Tanami Project Mineral Resources as at 31 March 2013**

Deposit	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade g/t Au	Ounces	Tonnes	Grade g/t Au	Ounces	Tonnes	Grade g/t Au	Ounces	Tonnes	Grade g/t Au	Ounces
Coyote	25,000	23.6	19,000	330,000	10.9	116,000	436,000	13.6	190,000	791,000	12.8	325,000
Sandpiper	27,000	3.3	3,000	455,000	4.1	59,000	635,000	4.4	90,000	1,117,000	4.2	152,000
Kookaburra	55,000	2.6	5,000	286,000	2.4	22,000	353,000	2.1	24,000	694,000	2.3	51,000
Pebbles							76,000	2.5	6,000	76,000	2.5	6,000
Stockpiles	375,000	1.4	17,000							375,000	1.4	17,000
<b>Total</b>	<b>482,000</b>	<b>2.84</b>	<b>44,000</b>	<b>1,071,000</b>	<b>5.72</b>	<b>197,000</b>	<b>1,500,000</b>	<b>6.43</b>	<b>310,000</b>	<b>3,053,000</b>	<b>5.61</b>	<b>551,000</b>

**Notes to accompany Table 9:**

1. The Western Tanami Project Resource estimations were completed using Micromine, Surpac and Datamine software, comprising inverse distance grade interpolation within block models constrained by 3D wireframed geological boundaries. The wireframes defining the mineralisation were based on structural, assay and lithological information.
2. Various top cuts have been applied to the drill hole samples based on lode domain analysis. Where top cuts were applied they ranged from 35g/t for Sandpiper, a range of 100-250g/t for Coyote and 150gram metres for Kavanagh.
3. The Mineral Resource Estimate is reported at a 2.0g/t Au lower cut-off for Coyote, a 3.0g/t Au Cut-off for Kavanagh and 1.0g/t for the remaining Resources.
4. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies. Stockpile ounces rounded to nearest hundred.
5. Resource estimation for the Muttley and Kavanagh lodes was completed by Michael Thomson, full time employee and Principal Geologist of Tanami Gold, the resource estimation of the remaining Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, former Senior Geologist of Tanami Gold NL. The Kookaburra Resource estimation was conducted by Mr Peter Ball, Director of Datageo Geological Consultants. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
6. Mr Thomson, Mr Nicholls (MAIG), Mr Ball (MAusIMM) and Mr Titley (MAusIMM, MAIG) qualify as Competent Persons as defined by the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
7. The resource presented in this table has not been depleted by 7,675 ounces mined between January 2013 and June 2013 from the Coyote Mine.



## 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

TANAMI GOLD NL

Quarter ended ("current quarter")

ABN

51 000 617 176

30 June 2013

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	7,904	52,456
1.2 Payments for (a) exploration & evaluation	(1,827)	(21,071)
(b) development	(3,279)	(17,171)
(c) production	(9,115)	(46,694)
(d) administration	(3,523)	(6,899)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	42	202
1.5 Interest and other costs of finance paid	(29)	(1,877)
1.6 Income taxes paid	-	-
1.7 Other – withholding tax paid	(38)	(195)
<b>Net Operating Cash Flows</b>	<b>(9,865)</b>	<b>(41,249)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(98)	(3,407)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	4,425
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – payment for security bond	-	(130)
Other – refund of security bond	177	177
<b>Net investing cash flows</b>	<b>79</b>	<b>1,065</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(9,786)</b>	<b>(40,184)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	<b>(9,786)</b>	<b>(40,184)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	<b>31</b>	<b>62,316</b>
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	<b>9,000</b>	<b>39,460</b>
1.17	Repayment of borrowings	<b>(6,579)</b>	<b>(58,134)</b>
1.18	Dividends paid	-	-
1.19	Other – Borrowing costs	<b>(118)</b>	<b>(4,648)</b>
	<b>Net financing cash flows</b>	<b>2,334</b>	<b>38,994</b>
	<b>Net increase (decrease) in cash held</b>	<b>(7,452)</b>	<b>(1,190)</b>
1.20	Cash at beginning of quarter/year to date	<b>9,076</b>	<b>2,814</b>
1.21	Exchange rate adjustments to item 1.20	-	-
<b>1.22</b>	<b>Cash at end of quarter</b>	<b>1,624</b>	<b>1,624</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	<b>(78)</b>
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<b>N/A</b>
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**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

<b>N/A</b>
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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

<b>N/A</b>
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+ 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	<b>15,000</b>	<b>9,000</b>
3.2 Credit standby arrangements	-	-

### **Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	<b>1,066</b>
4.2 Development	<b>191</b>
4.3 Production	<b>1,782</b>
4.4 Administration	<b>712</b>
<b>Total</b>	<b>3,751</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	<b>1,624</b>	<b>9,076</b>
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,624</b>	<b>9,076</b>

+ See chapter 19 for defined terms.

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

**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	<p><b><u>Reduction in area by Compulsory/Voluntary Partial Surrender</u></b></p> <p>Nil</p> <p><b><u>Outright Surrender</u></b></p> <p>Nil</p> <p><b><u>Expiry (Amalgamation)</u></b></p> <p>P80/1675 22.79 ha 100% NIL            P80/1676 47.69 ha 100% NIL            P80/1692 96.91 ha 100% NIL            P80/1693 22.65 ha 100% NIL</p> <p><b><u>Withdrawal</u></b></p> <p>Nil</p> <p><b><u>Sale</u></b></p> <p>Nil</p>		
6.2	Interests in mining tenements acquired or increased	<p><b><u>Application for Exploration Licence</u></b></p> <p>Nil</p> <p><b><u>Purchase</u></b></p> <p>Nil</p>		

+ See chapter 19 for defined terms.

**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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	587,548,524	587,548,524		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> ( <i>description and conversion factor</i> )	300,000 1,950,000 1,512,500 500,000	- - - -	<i>Exercise price</i> \$1.34 \$0.90 \$1.00 \$1.10	<i>Expiry date</i> 22/12/2016 28/03/2017 28/03/2017 28/03/2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	350,000 787,500	- -	\$0.90 \$1.00	30/06/2013 30/06/2013
7.11 <b>Debentures</b> ( <i>totals only</i> )				

+ See chapter 19 for defined terms.

## Appendix 5B Mining exploration entity quarterly report

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7.12	<b>Unsecured notes</b> ( <i>totals only</i> )		
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### 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.

Signed: P Collinson  
Company Secretary  
31 July 2013

### 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.