



For ASX Market Release: 31 January 2014

## Quarterly Activities Report December 2013

### Highlights

#### Wetar Copper Project

- Positive results of the Revised BFS released with Post Tax Project NPV of US\$273M on production capacity of 28,000 t.p.a. copper cathode.
- Financing process underway for both senior debt and mezzanine/equity requirements.
- Refurbishment and upgrade of the demonstration plant to 3,000 t.p.a. copper cathode continues with expected commissioning in Q1 2014.
- Earthmoving for the 25,000 t.p.a. plant commenced with excavation of the Kali Kuning Valley Access.
- Detailed engineering design and review underway, as well as contract tendering commenced.
- Spatial plan completed. Design review to include any possible benefits.

#### Corporate

- Share placements raised \$1.8 million during the quarter and a further \$10 million subsequent to end of quarter. Placements have allowed Finders to commence the earthmoving for construction of the main plant in the Kali Kuning Valley.



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### WETAR COPPER PROJECT (FND 95%)

#### Background

- The Wetar Copper Project comprises the development, mining and processing of sulphide deposits at Kali Kuning and Lerokis located on Wetar Island, Maluku Barat Daya, Indonesia.
- The project has all required permits to commence construction. The major permits include a Mining Permit, a Processing permit, a Transport and Sales permit and a Forestry Permit.
- Finders has successfully operated an 1,825 t.p.a. Cu demonstration plant at the site which incorporates heap leaching and SX-EW and ~2,500 tonnes of LME Grade A copper cathode was sold to Asian markets from the demonstration plant operations.
- Finders is currently upgrading the demonstration plant from 1,825 t.p.a. copper cathode to around 3,000 t.p.a. copper cathode with expected commissioning in the first quarter of 2014.
- Finders has completed updating capital and operating cost estimates for a single stage development based on expanding the capacity of its Whim Creek plant from 16,000 t.p.a. to 25,000 t.p.a. copper cathode.
- The results of the updated Bankable Feasibility Study which considers the single stage project development resulted in a US\$132.4M capital cost estimate (before contingency) and operating costs at full production of US88c/lb Cu.
- On the basis of a previous BFS result, Finders secured a US\$138m credit facility from Barclays, Credit Suisse and Standard Bank. When Standard Bank withdrew from Asian project finance, Commonwealth Bank replaced them. In addition, Finders had secured a US\$75m mezzanine facility. This demonstrated bankability of the project. New finance approvals are being sought under the revised BFS. The previous senior project financiers remain highly supportive of the project.



*Wetar Island, Maluku Barat Daya*

#### Project Potential Upside

- Opportunities for a longer mine life are strongly founded on exploration upside, focussing initially on the nearby satellite Meron deposit and then other identified VMS copper and gold targets on the island including Karkopang.
- The historical performance during the demonstration stage in which copper grades and copper recoveries significantly exceeded assumptions made in the BFS.
- Site-wide capacity will be 28,000 t.p.a. copper cathode to take advantage of expected increases in copper grade and recovery, plus potential to expand the resource base at the satellite deposit at Meron.

### WETAR - PROGRESS REPORT

#### Revised Bankable Feasibility Study Results

On 20<sup>th</sup> November 2013 Finders released the results of the Revised Bankable Feasibility Study that was based upon the upgrade of the demonstration plant to 3,000 t.p.a. and the refurbishment and upgrade of the Whim Creek Plant to 25,000 t.p.a. giving the project the capacity to produce up to 28,000 t.p.a. copper cathode.

The results of the study valued the project at post tax US\$273M at a US\$7,000 per tonne copper price and 10% discount rate. Project IRR using these same criteria is 67%. LME Cash Copper price as at 28<sup>th</sup> January 2014 was US\$7,188 per tonne.

The revision was intended to prove the results of the change of strategy from previous revision of the BFS with the study achieving all its objectives of;

- Reduce project capital intensity
- Reduce the overall funding requirement
- Reduce construction time
- Increase total and maximum copper production
- Produce earlier stronger cash flow

Key results included;

- At current copper prices, project EBITDA for the first full year of production would exceed \$132m – a payback period on capital costs of 1 year.
- Project EBITDA Margins exceed 70% at full production and current copper prices.
- Life of mine copper production of 155,000 tonnes over a planned 10.5 years production period.
- Total capital costs are expected to be US\$132.4m (before contingency). Because of the greater level of detail in the revised BFS, Finders expects any contingency to be reduced.
- Operating cash costs of US\$0.88/lb while the project is operating at efficient production levels.

The positive improvement to the BFS has allowed the company to proceed with the renewal of the finance for the project. In December 2013 Finders received responses from seven banks interested in providing credit facilities to the project. At this stage, Finders expects that the facilities will be materially larger than the US\$138M facilities previously approved on the basis of the original BFS. The increase in the credit facilities reflects the improved economics of the project.

Finders have also received proposals in relation to mezzanine financing and cornerstone equity investments which the Board is currently assessing.

#### Demonstration Plant Restart

In August 2013 Finders announced that it would be upgrading and restarting the Wetar Copper Project demonstration plant. The demonstration plant is to be upgraded from its current capacity of 1,825 t.p.a. copper cathode to 3,000 t.p.a. copper cathode.

The restart involves the mining and stacking of 140,000 tonnes of ore from the Kali Kuning pit and leaching the ore to produce copper cathode while the construction of the earthworks and main plant (incorporating the Whim Creek plant) is completed. Finders contracted the services of an established Indonesian contractor PT Madhani Talatah Nusantra (“Madhani”) to undertake mining and earthworks during the restart.

## Quarterly Activities Report December 2013

The project has made significant advances during the quarter, and while the company is still working towards commissioning in the March 2014 quarter, both weather and supply of materials disruptions have interfered with the refurbishment and upgrade programs.

Also subsequent to the end of the quarter, a critical item of electrical equipment was damaged by third party contractors during shipment to Wetar. The electrical equipment is currently being repaired in Kupang, where it was damaged and will be dispatched to site as soon as weather permits. The commissioning of the plant will still proceed and start-up may commence at about 40% capacity phasing up to the 3,000 t.p.a. capacity as final equipment repairs are carried out.

Despite the delays to the project, as previously explained, Finders is still expecting to produce copper from the fresh ore stacked on the heap during Q1 2014.



Photograph above shows the refurbished crushing plant awaiting the commencement of stacking operations.

### Main Plant Earthmoving and Construction

As announced on the 20<sup>th</sup> December 2013, further funding has enabled the company to commence the main project concurrently with the financing process.

On site at Wetar, earthmoving has commenced on the access to the Kali Kuning Valley (KKV), where the majority of the construction earthworks will be undertaken. Material from this excavation has been backfilled and compacted into the old gold mine open pit, which will be filled and established as a leach pad for the future operations of the upgraded demonstration plant and then main plant once constructed.

A detailed engineering review of all aspects of the earthmoving and construction planning and scheduling has commenced, on-site by the mining department, in conjunction with the company's mining consultants. The review will account for the completion of the spatial plan and any potential refinements and improvements that may be undertaken.

The Project Manager for the main plant construction has commenced drafting tenders for the major construction contracts. Progress is being made on two of the major items required, firstly the Design and Construct contract for the 25,000 t.p.a. plant and secondly, the power supply for the project.



Photograph above shows the excavator at work on the KKV Access

### Wetar Copper Project Permitting

It was announced on the 17<sup>th</sup> December 2013 that the new spatial plan for Maluku province has been completed. The new spatial plan rezones the entire area of the Kali Kuning resource, the processing area for the project and all but four hectares of the Lerokis resource as non-forestry land. All of the Meron prospect area is now also zoned non-forestry land.

Since Finders received its forestry permit (announced 11 July 2013), the completion of the spatial plan has no longer been required for the project to proceed. However its completion offers a number of potential benefits. There is significantly more flexibility in developing and operating the project such as increased waste dump capacity and flexibility and improvements in the production profile due to increased stacking area. There are also potential benefits from design improvements to mine and earthworks where the previous designs had been space constrained due to forestry permit boundaries.

The entire Meron prospect is also re-zoned which will remove the need for a forestry permit for any exploration or mining programme.

These modifications will only be pursued if they provide benefits to the project. Finders will announce any changes to operating or capital cost estimates or construction schedule, as a result of the spatial plan, as they are to hand.

### Next Steps

The Company will focus on the following activities over the next quarter;

- Commission the upgraded Demonstration Plant (UDP) to 3,000 t.p.a. copper cathode capacity.
- Continue the preliminary earthworks on the project area of the 25,000 t.p.a. copper cathode plant including completion of the access into the KKV.
- Complete construction of the bulk diesel fuel storage facility to increase overall capacity and allow larger less frequent deliveries of diesel fuel.
- Complete the detailed design review and incorporate any improvements into the budgets and schedules.
- Complete the arrangement of project finance to allow the earliest commencement of the full project construction.

## OJOLALI Au-Ag PROJECT (FND 72%)

### Background

The Ojolali Project is an advanced gold-silver prospect covering a large epithermal system with numerous shoots within the highly productive Sumatran Gold Belt. The Jambi oxide gold deposit has potential for a small scale mining operation based on the resource below.

Zone	Indicated			Inferred			Total				
	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Tonnes (million)	Au g/t	Ag g/t	Au Oz	Ag Oz
Oxide	4.1	0.92	4.8	0.39	0.8	3.1	4.5	0.9	4.7	131,000	670,000
Transition	0.79	0.70	6.3	0.07	0.6	6.3	0.85	0.7	6.3	19,000	170,000
Fresh	0.99	0.66	3.9	0.22	0.7	4.5	1.2	0.7	4.0	26,000	160,000
<b>Total</b>	<b>5.9</b>	<b>0.85</b>	<b>4.9</b>	<b>0.67</b>	<b>0.8</b>	<b>3.9</b>	<b>6.5</b>	<b>0.8</b>	<b>4.8</b>	<b>176,000</b>	<b>1,000,000</b>

Cut-off 0.3 g/t Au (100% project basis); the figures in the table may not sum due to rounding. Significant figures do not imply an added level of precision.

With widespread gold in soil geochemical anomalies over an area 8km north south and up to 5km wide, Finders considers that there is strong potential for additional discoveries, including a number of target types:

- Bulk low grade disseminated gold (Jambi, Jambi North, Wujun, Belida, Supri)
- Bonanza grade gold-silver veins (Way Neki, Batu Kuning, Kencur)
- High grade Ag in supergene enriched zones (Tambang Oxide, Jambi)
- Major vein systems in feeder structures at depth (Jambi, Tambang, Talang Harno)

### Activities

Exploration activities occurred at the Batu Kuning, Suban, Wujun, Talang Harno, and Belida prospects with trenching and bed rock auger sampling undertaken over chargeability anomalies adjacent to and encompassing known zones of alteration. In total, trenching to bedrock was completed over a combined length of 1,450m perpendicular to the strike direction of the alteration zones, with channel samples taken from mineralized zones. The zones typically comprise intensely silica-clay altered andesites with 2-5% veinlet density. More extensive veining was encountered at the Wujun prospect with visible gold in the vein samples and at Belida where a number of sub-parallel quartz-limonite vein zones could bulk up into an attractive near surface oxide gold exploration target. In addition, the bedrock sampling program was extended by 2.7 line km.

Efforts are being made with a number of potential investors to fund feasibility studies for the Jambi and Tambang prospects.

## Quarterly Activities Report December 2013

### CORPORATE

#### Capital Structure

Type of Security	Number on Issue		
<i>Listed Fully Paid Ordinary Shares ("Shares")</i>			
Shares on issue at 30 Sep 2013	487,385,936		
Placement of Shares	9,095,692		
<b>Listed Shares on issue at 31 Dec 2013</b>	<b>496,481,628</b>		
<i>Unlisted Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	<i>No.</i>
	A\$0.30	16 Apr 2014	500,000
	A\$0.50	24 Oct 2014	16,000,000
	A\$0.35	06 Jun 2017	22,857,144
	A\$0.2556	22 Oct 2017	31,298,904
<b>Unlisted Options on issue at 31 Dec 2013</b>	<b>70,656,048</b>		
<i>Unlisted Employee Shares</i>	<i>No. of Shares</i>		
Unvested employee shares issued under the Finders Employee Share Ownership Plan at issue price of \$0.43 funded by loans from the company and subject to performance based vesting conditions	4,457,000		
Unvested directors incentive shares issued at issue prices from \$0.2008 to \$0.3008 funded by loans from the company and subject to performance and time based vesting conditions	10,500,000		
<b>Unlisted Employee Shares on issue at 31 Dec 2013</b>	<b>14,957,000</b>		
<i>Converting Notes</i>	<i>Conversion Price</i>	<i>Maturity Date</i>	<i>No. of Shares</i>
US\$5,500,000	A\$0.427	16 Mar 2018	12,248,538

#### Equity Raising

During the quarter, the Company raised \$1.8 million from the issue of 9.1 million shares at \$0.20 each.

In December 2013, the Company also announced the placement of 55.6 million shares at \$0.18 per share to raise \$10 million. The placement was completed after the end of the quarter.

#### Cash

At 31 December 2013, Finders had \$2.9 million in cash. Subsequent to the end of the quarter, the Company received \$10 million from the share placement referred to above.

The mining exploration entity quarterly report (Appendix 5B) is appended.

Barry Cahill  
Managing Director

## Quarterly Activities Report December 2013

### Background Information on Finders

Finders is the operator of the Wetar Copper Project (95% Interest), and the Ojolali Gold-Silver Project (72% with option), both located in Indonesia. The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining. The project benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies from a prior gold mining era. From February 2009 to December 2010, Finders successfully operated a 5 tonne per day Solvent Extraction/Electro Winning ("SX/EW") demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for project finance. The demonstration plant produced and sold about 2,500 tonnes of LME Grade A copper cathode, all of which was sold at a premium to the LME price and without specification issues. The test heaps are at heights similar to commercial operations worldwide and the SX/EW technology being used is industry standard. SX/EW technology is currently responsible for approximately 22% of the world's copper production. The development of the Wetar Copper Project comprises the upgrading and restarting of the existing demonstration plant followed by incorporation of the Whim Creek plant to lift production capacity to 28,000tpa.

### Wetar Copper Project Resources & Reserves

The full breakdown of the Ore Reserve estimate is as follows:

<b>Ore Reserve Estimate – Wetar Copper Project</b>			
	<b>Category</b>	<b>Tonnage (Mt)</b>	<b>Cu %</b>
<b>Kali Kuning</b>	Proved	5.4	2.4
Cut-off Grade	Probable	0.9	2.1
0.4% Cu	<b>Total Ore</b>	<b>6.3</b>	<b>2.4</b>
	Waste	5.9	
	Ratio	0.9	
<b>Lerokis</b>	Proved	2.1	2.3
Cut-off Grade	Probable	0.4	2.0
0.5% Cu	<b>Total Ore</b>	<b>2.5</b>	<b>2.3</b>
	Waste	1.9	
	Ratio	0.8	
<b>Total</b>	Proved	7.5	2.4
COG as above	Probable	1.4	2.1
	<b>Total Ore</b>	<b>8.9</b>	<b>2.4</b>
	Waste	7.8	
	Ratio	0.9	

Important Note: The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades. "Ratio" refers to the ratio of the waste to the ore tonnage.

Ore Reserve estimates were undertaken by Australian Mine Design and Development Pty Ltd using JORC 2012 Guidelines.

The revised Mineral Resource estimate has been reported in accordance with the JORC Code 2012 edition (Table 1 is appended to a previous announcement). The geological models for the Mineral Resource Estimates were developed by Finders, and audited by Dr Phillip Hellman from H&S Consultants, who also undertook the mineral resource estimates reported below:



## Quarterly Activities Report December 2013

### Mineral Resource Estimate – Wetar Copper Project

	Measured		Indicated		Inferred		Total		
	Mt	Cu%	Mt	Cu%	Mt	Cu%	Mt	Cu%	Cu (kt)
<b>Kali Kuning (Cut-off Grade 0.4% Cu)</b>									
Leached	0.2	0.5	0.03	0.8	0.02	1.1	0.2	0.6	1
Transition	1.1	1.3	0.3	1.5	0.1	1.7	1.6	1.4	22
Primary	4.1	2.8	0.6	2.6	0.1	2.1	4.7	2.8	132
<b>Total</b>	<b>5.4</b>	<b>2.4</b>	<b>1.0</b>	<b>2.1</b>	<b>0.2</b>	<b>1.7</b>	<b>6.6</b>	<b>2.4</b>	<b>155</b>
<b>Lerokis (Cut-off Grade 0.5% Cu)</b>									
Primary	2.1	2.4	0.4	2.2	0.1	1.5	2.6	2.3	61
<b>Total Kali Kuning and Lerokis</b>									
COG as above	7.5	2.4	1.4	2.2	0.3	1.6	9.2	2.4	216

Note: Rounding errors may occur

- The information in this report that relates to mineral reserve estimation is based on work completed by Mr John Wyche who is a full time employee of Australian Mine Design and Development Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Wyche 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'. Mr Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- The information in this report that relates to mineral resource, exploration potential and geology estimation is based on work compiled by Dr Phillip Hellman who is a consultant to H&S Consultants Pty Ltd and a Fellow of the Australian Institute of Geoscientists. Dr Hellman 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'. Dr Hellman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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# 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

FINDERS RESOURCES LIMITED

ABN

82 108 547 413

Quarter ended ("current quarter")

31 December 2013

### 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	(89)	(409)
(b) development	(1,282)	(3,853)
(c) pre-development	(3,221)	(8,260)
(d) administration	(1,863)	(4,465)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	62
1.5 Interest and other costs of finance paid	(272)	(578)
1.6 Taxes and value added tax refund (paid)	(831)	(773)
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(7,529)</b>	<b>(18,276)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,239)	(1,954)
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)	55	(59)
<b>Net investing cash flows</b>	<b>(1,184)</b>	<b>(2,013)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(8,713)</b>	<b>(20,289)</b>

+ See chapter 19 for defined terms.

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

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.13	Total operating and investing cash flows (brought forward)	(8,713)	(20,289)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,819	22,687
1.15	Payment for share issue expenses	(742)	(1,288)
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>1,077</b>	<b>21,399</b>
<b>Net increase (decrease) in cash held</b>		<b>(7,636)</b>	<b>1,110</b>
1.20	Cash at beginning of quarter/year to date	10,508	1,770
1.21	Exchange rate adjustments to item 1.20	(5)	(13)
1.22	<b>Cash at end of quarter</b>	<b>2,867</b>	<b>2,867</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	738
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 Payments for salaries, director fees 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

NA

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

NA

+ 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	2,500
4.3 Pre-development	4,000
4.4 Administration	1,400
<b>Total</b>	<b>7,950</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	1,136	1,869
5.2 Deposits at call	1,731	8,698
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total cash at end of quarter (item 1.22)</b>	<b>2,867</b>	<b>10,567</b>

Subsequent to the end of the quarter, the Company received \$10 million from a share placement.

### 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	NA			

+ See chapter 19 for defined terms.

## Appendix 5B Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	NA		
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### 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> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	511,438,628	496,481,628	
7.4	Changes during quarter (a) Increases through issues - Share placement - Directors incentive shares (b) Decreases through returns of capital, buy-backs	9,095,692 6,875,000	9,095,692 -	20 cents 20.08-30.08 cents
7.5	<b>*Convertible debt securities</b> Converting Notes	US\$5,500,000 Converting Notes (unlisted) which will convert into 12,248,538 Shares in the Company on or before 16 March 2018		
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>	500,000 16,000,000 22,857,144 31,298,904	Nil Nil Nil Nil	<i>Exercise price</i> 30 cents 50 cents 35 cents 25.56 cents <i>Expiry date</i> 16.04.2014 24.10.2014 06.06.2017 22.10.2017
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	<b>Employee shares</b> Unvested employee shares funded by loans from the company and subject to performance-based vesting conditions	4,457,000	Nil	43 cents

+ See chapter 19 for defined terms.

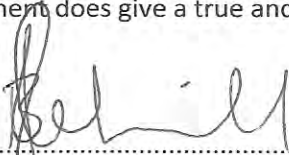
Unvested directors shares funded by loans from the company and subject to performance and time-based vesting conditions	10,500,000	Nil	20.08-30.08 cents	
7.12 <b>Debentures</b> <i>(totals only)</i>				
7.13 <b>Unsecured notes</b> <i>(totals only)</i>				

## 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:



Date: 31 January 2014

Director

Print name: Barry Cahill

## 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.