BOTSWANA Metals Limited

ABN 96 122 995 073

ASX Code: BML

TO: **COMPANY ANNOUNCEMENTS OFFICE**
ASX LIMITED

DATE: **31 OCTOBER 2014**

QUARTERLY REPORT TO 30 SEPTEMBER 2014

Highlights:

Maibele North

- The Joint Venture partners continued drilling during the September 2014 quarter with three rigs focussing on resource definition and step out drilling at the Maibele North nickel, copper and platinum group prospect .
- Thirty-eight holes have been completed from the 6000m program to date. Drilling will continue until the start of wet season (end of November/early December 2014).
- Numerous significant zones of potentially nickel-bearing sulphides have been intersected from the program with significant sulphides up to ~37m thick encountered.
- Initial (286) drill samples sent to SGS, an independent laboratory in South Africa, for analysis during the quarter. Assay results expected in the next quarter.
- A further 478 drill samples will be sent to SGS during the December 2014 quarter.
- Initial metallurgical works expected to continue during the December 2014 quarter.
- Joint Venture committed to determine a JORC compliant resource estimate at Maibele North based on all drill results in the early half of 2015.
- Scoping studies expected to commence in 2015 if assay results are acceptable to the Joint Venture.

Takane

- A review of PL54 Takane prospect shows great potential for further discoveries of base metal and gold on the JV licences – regional exploration to commence in the December 2014 Quarter. 6 of the 23 VTEM anomalies have been selected for exploration.

Maibele North Extension

- A review of the Maibele North Extension Licence held 100% by BML identified several potential drill targets for nickel and copper where surface outcropping ultramafic indicators similar to Maibele North are present. The board is considering its options for 2015.

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Cash at Bank

- Cash Balance at 30 September 2014 was ~$681,000. An Appendix 5B report is attached.

Prospecting Licences

- A Schedule of Prospecting Licences held by BML can be found at the end of this report.

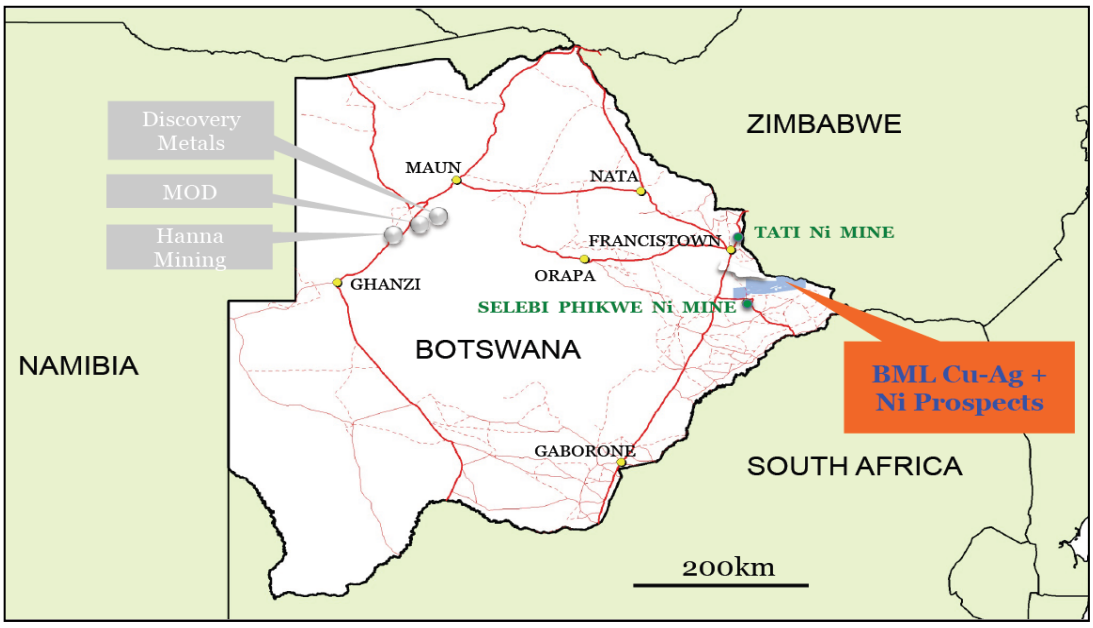


Figure 1: Location of Botswana Metals Limited Exploration portfolio in Botswana

The Directors of Botswana Metals Limited ("the Company" and "BML") report as follows:

Exploration Activities for the quarter:

JOINT VENTURE EXPLORATION ACTIVITIES FOR THE QUARTER

PL110/94 - Drilling Program at Maibele North

A 6,000m diamond drill program commenced at Maibele North on 16th June 2014 and continued throughout the September quarter. The program has been designed to test the mineralisation at depth and down dip of the known nickel-copper and platinum group element mineralisation at Maibele North. Two diamond drill rigs commenced drilling a series of 30 diamond drill holes in positions that infill gaps in the historic drill pattern and step out along strike to test the lateral continuation and down plunge extents of the ore body. The program has provided metallurgical samples by twinning a number of existing mineralised holes as well as ensuring a sufficient drill hole spacing and sample density to enable the first JORC-compliant mineral resource to be calculated for the deposit.

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Drilling Progress

The drill program has progressed well throughout the quarter with 38 holes completed for a total of 5258.86m. Of the 38 holes, two holes were abandoned at shallow depths and another two were drilled as water bores. Thirty-one holes have been completed to the target depth and 3 holes have received RC pre-collars and remain to be completed by diamond tails. Table 1 details the location and progress of all holes from the current program.

The Joint Venture Committee has agreed to keep drilling to at least the end of November 2014 ahead of the wet season. This drilling will expand the program with additional infill holes and step out holes as required. During the wet season (December 2014 to March 2015) the Joint Venture will analyse the drilling data with the objective of determining a JORC-compliant resource estimate.

Resource Calculation- JORC –compliant resource estimate.

The joint venture will seek an independent expert via tender to model and carry out the resource estimation at Maibele North based on the geological and assay data generated from the current program.

It is expected that if a JORC-compliant resource estimate meeting BCL's expectations is determined then an initial scoping study will be undertaken in the first half of 2015 to determine the potential economics of mining and trucking the ore to the BCL plant for processing.

Table 1: Details of holes drilled in the current drill program at Maibele North (to 17 Oct 2014)

Hole Number	Easting (UTM)	Northing (UTM)	RL	Total (m)	Sampling	Progress
MADD0057	632242	7595438	837	140.10	Sampled	COMPLETE
MADD0058	632277	7595473	842	150.07	Sampled	COMPLETE
MADD0059	632310	7595463	848	142.65	Sampled	COMPLETE
MADD0060	632449	7595518	844	161.25	Sampled	COMPLETE
MADD0061	632534	7595572	844	122.24	Sampled	COMPLETE
MADD0062	632596	7595566	847	155.25	Sampled	COMPLETE
MARD0063	632659	7595569	847	199.30	Sampled	COMPLETE
MARD0064	632741	7595612	850	240.00	Sampled	COMPLETE
MARD0065	632147	7595455	838	98.30	Sampled	COMPLETE
MARC0066	632189	7595488	840	7.00	Sampled	COMPLETE
MARC0067	632275	7595536	847	16.00	Not sampled	ABANDONED
MARD0068	632199	7595397	840	149.27	Sampled	COMPLETE
MARD0069	632304	7595369	847	220.00	Sampled	COMPLETE
MARW0070	632122	7595474	846	120.00	Not sampled	WATER HOLE

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MARC0071	632336	7595520	848	60.00	Not sampled	ABANDONED
MARD0072	632144	7595344	847	185.40	Sampled	COMPLETE
MARD0073	632104	7595314	845	194.31	Sampled	COMPLETE
MARD0074	632425	7595569	843	92.25	Sampled	COMPLETE
MARD0075	632553	7595537	848	170.30	Sampled	COMPLETE
MARW0076	632091	7595343	846	65.00	Not sampled	WATER HOLE
MARD0077	632255	7595437	854	98.28	Sampled	COMPLETE
MADD0078	632227	7595442	844	130.77	Sampled	COMPLETE
MARD0079	632185	7595416	845	39.00	Sampled	COMPLETE
MARD0080	632391	7595564	849	83.30	Sampled	COMPLETE
MARD0081	632421	7595529	849.0	103.49	Sampled	COMPLETE
MARD0082	632383	7595494	844.0	137.30	Sampled	COMPLETE
MARD0083	632345	7595446	842.0	152.30	Sampled	COMPLETE
MADD0084	632246	7595503	845.0	70.00	Sampled	COMPLETE
MARD0085	632299	7595443	846.0	146.30	Sampled	COMPLETE
MARD0086	632254	7595416	852.0	168.78	Sampled	COMPLETE
MARD0087	632266	7595325	844.0	220.00	To be sampled	COMPLETE
MARD0088	632409	7595450	849.0	167.30	Sampled	COMPLETE
MARD0089	632575	7595501	847.0	200.30	To be sampled	COMPLETE
MARD0090	632624	7595570	846.0	170.30	To be sampled	PENDING
MARD0091	632387	7595413	846.0	215.45	To be sampled	COMPLETE
MARD0092	632485	7595503	851.0	85.00	To be sampled	COMPLETE
MARD0093	632522	7595541		80.00	To be sampled	PENDING
MARD0094	633080	7595533	847.0	199.00	To be sampled	PENDING

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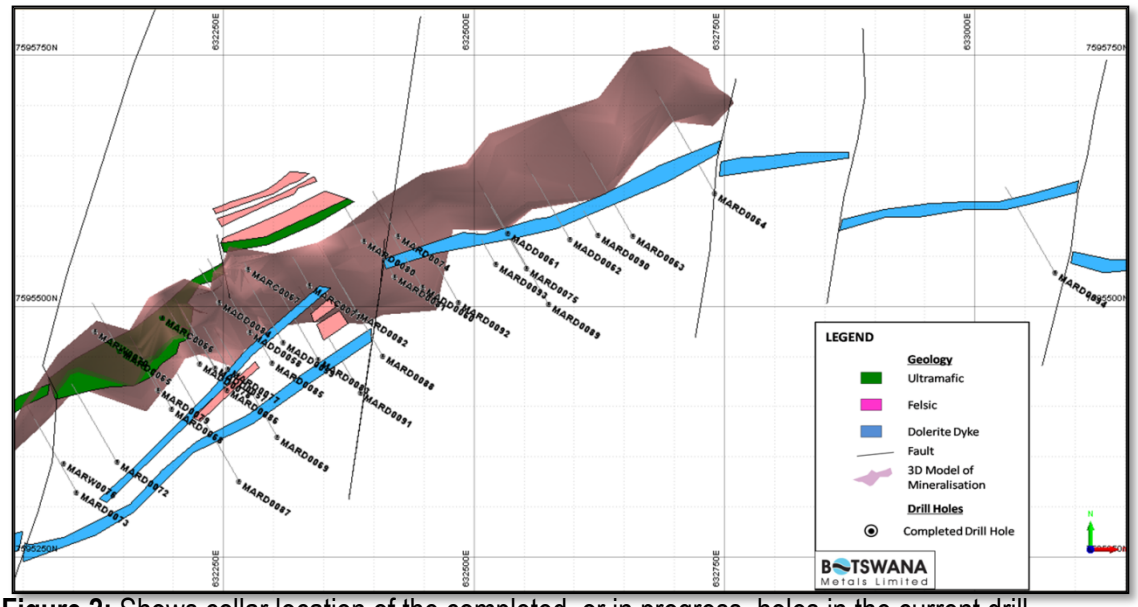


Figure 2: Shows collar location of the completed, or in progress, holes in the current drill program

Results to Date

The drilling program has been very successful so far, with many of the holes intersecting significant sulphide mineralisation at the expected target depths. Mineralisation styles range from disseminated, heavily disseminated, semi-massive and massive sulphide and are comprised predominantly of pyrrhotite, chalcopyrite, pyrite and minor pentlandite. Numerous intersections have shown very encouraging thicknesses of heavily disseminated to massive sulphide mineralisation that appear in excess to those recognised in historic drilling. Table 2 details the significant sulphide intersections from the current drilling.

Table 2: Significant sulphide intersections from the current drill program

Hole ID	Sulphide From	Sulphide Thickness	Mineralisation Type	Massive Sulphide Thickness	Massive Sulphide From
MADD0057	90.32m	30m	Disseminated, semi-massive, massive	6.24m 6.85m	90.32m 112.27
MADD0058	75.16m	37m	Disseminated, semi-massive, massive	1.43m	93.50m
MADD0059	99.7m	20m	Disseminated, semi-massive, massive	0.84m 0.97m 0.89m	99.7m 101.50m 105.05m
MADD0060	104.55m	10m	Disseminated, semi-massive, massive	0.72m	105.04m

MADD0061	91.34m	8.24m	Disseminated, semi-massive		
MADD0062	129m	30.56m	Disseminated, semi-massive, massive	1.01m	149.04m
MARD0063	171.57m	1.3m	massive	1.3m	171.57m
MARD0064	233.9m 234.79m	0.40 0.74	Semi massive sulphide. Semi massive sulphide		
MARD0068	142.50m	2.72m	Heavily disseminated sulphide		
MARD0069	185.82m 208.0m	22.58m 0.40m	Disseminated Sulphide Semi-massive sulphide		
MARD0072	51m	104.4m	Disseminated Sulphide		
MARD0073	148.04m	2.31m	Disseminated Sulphide		
MARD0074	54.67m 63.44m	1.58m 0.56m	Semi-massive sulphide Heavily disseminated sulphide		
MARD0075	139.64m	5.55m	Disseminated, semi-massive, massive	1.11m	144.08m
MARD0078	91m	20m	Disseminated, semi-massive, massive	1.99m	108.37m
MARD0082	89.3m	20.5m	Disseminated, semi-massive, massive	2.75m 3.37m	100m 106.43m
MARD0086	89.3m	46m	Disseminated, semi-massive, massive	2.69m	135.63
MARD0087	116m	47.13m	Disseminated sulphide		
MARD0091	180.04m	0.47m	Heavily disseminated sulphide		
MARD0092	142.00m 162.84m	0.55m 17.03m	Massive Sulphide Disseminated sulphide	0.55m	142.00m

Laboratory Results:

The Joint Venture committee was advised in October 2014 that Laboratory tests have been completed on the initial 286 samples submitted, and a preliminary report released to BCL. A full and detailed laboratory assay report is expected during the December quarter. A further 478 samples have been cut and are ready for analysis at the independent laboratory in South Africa.

No advice has been received as to the timing of the results for the Metallurgical core samples which were submitted for independent analysis to determine the compatibility of the ore for treatment at the BCL plant and smelter.

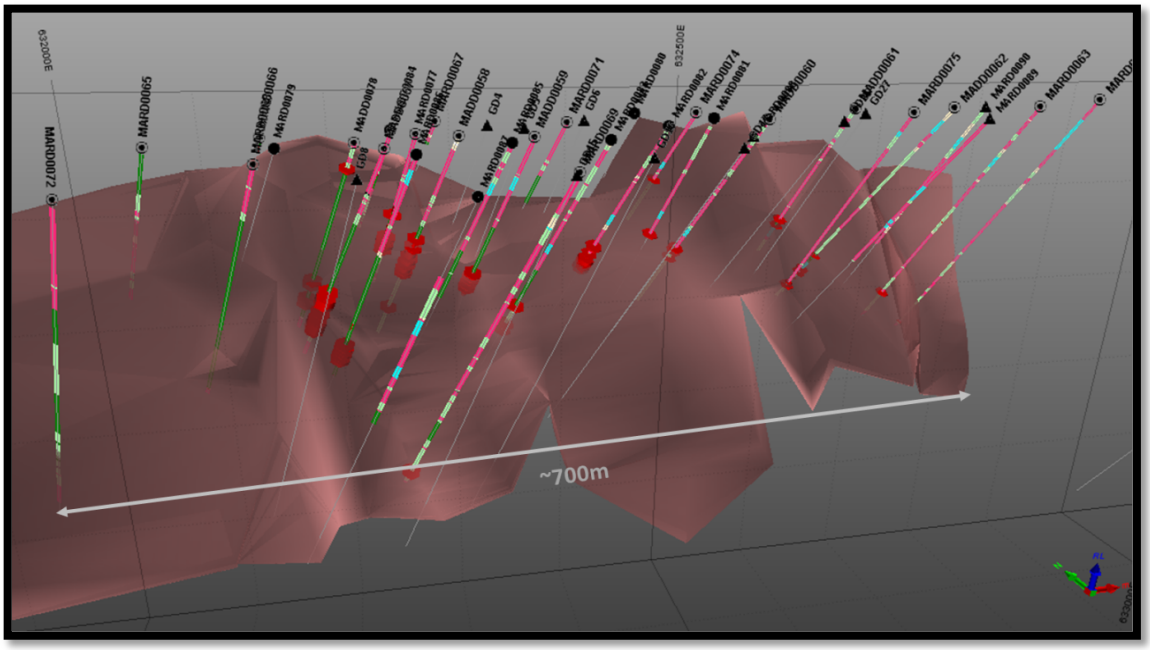


Figure 3: 3D perspective view, looking to the northeast, completed drill holes at Maibele North. The red shapes on the drill traces indicate the location of sulphides in the holes. The shaded pink shape represents a model of nickel mineralisation based on intercepts from historic drilling.

Other JV areas of interest:

During the quarter, the JV maintained its focus on the objectives of the program at Maibele North which is to achieve a JORC compliant resource. If the Maibele North resource is economic then it can be toll treated just 55km km away at BCL's processing facility at Selebi Phikwe.

During the end of the quarter the JV prioritised its other exploration targets at Airstrip, Dibete and Takane.

The JV agreed that 6 of the 23 VTEM anomalies at Takane would be targeted for priority exploration whilst drilling continued at Maibele North Prospect. These targets are described in the next section.

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Regional Exploration - PL54/98 Review

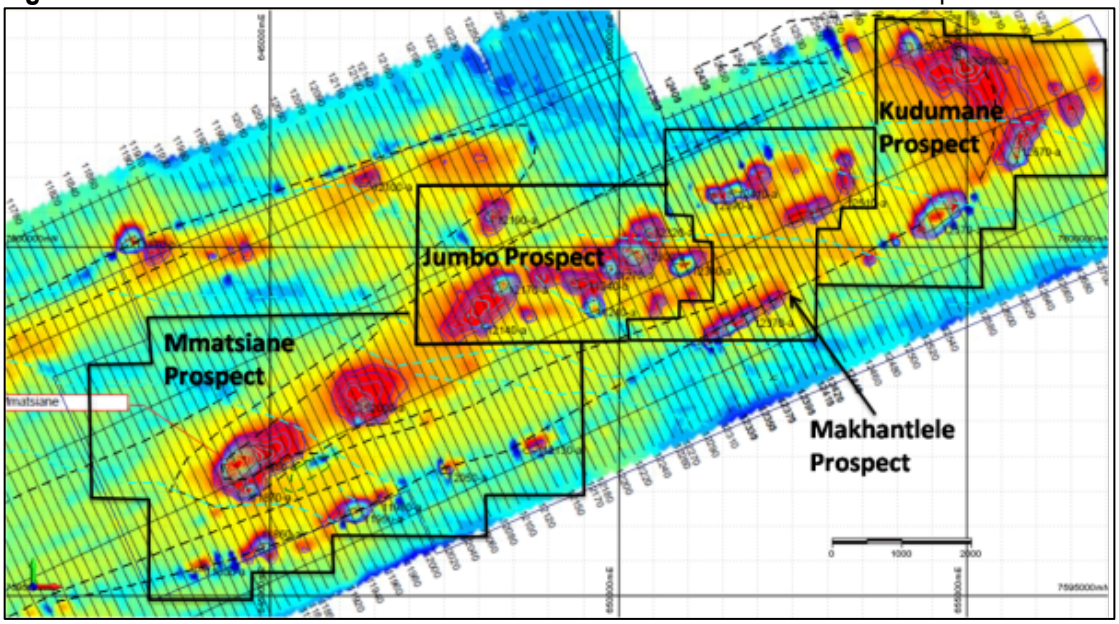
During the quarter a review assessing the regional exploration potential of BML's prospecting licence PL54/98 was completed. PL54/98 is one of three licences covered by the joint venture with BCL and represents ~80 sq km of the total ~185 sq km included in the JV agreement. The focus of the review was to identify priority exploration targets and recommend immediate exploration work programs. Four prospect areas were examined: Mmatsiane, Jumbo, Makhantlele and Kudumane (Figure 4) and a total of 10 priority exploration targets requiring further work were identified.

The majority of targets present as potential ultramafic-associated Ni-Cu sulphide bodies but a number of possible base-metal (Zn+Cu) VMS targets and structurally-hosted gold prospects have also been identified. All of the targets are at an early stage of exploration and require further groundwork designed to verify concept before proceeding to drill testing.

The Board of Botswana Metals Limited is pleased to advise that, after an extensive examination of the review document, BCL Limited, through the Joint Venture (JV) with BML, has approved funding for exploration to commence on PL 54/98 immediately in the December Quarter. Six targets including 4 Ni-Cu and 2 Au prospective anomalies were selected for the initial work program (Table 3). Exploration in the December quarter will aim at assessing the VTEM anomalies, recent and new soil geochemical results, trenching and ground magnetics to identify potential drill targets for testing in 2015.

The PL54/98 area is approximately 10 km from the Maibele North Prospect where 3 drill rigs have been drilling massive sulphide Ni-Cu mineralisation since June 2014.

Figure 4: 23 identified VTEM anomolies have been classified into four new Prospect zones.



The six VTEM targets selected for initial exploration are shown in Figure 5 below. All targets are contained within the four Prospect areas and are named:

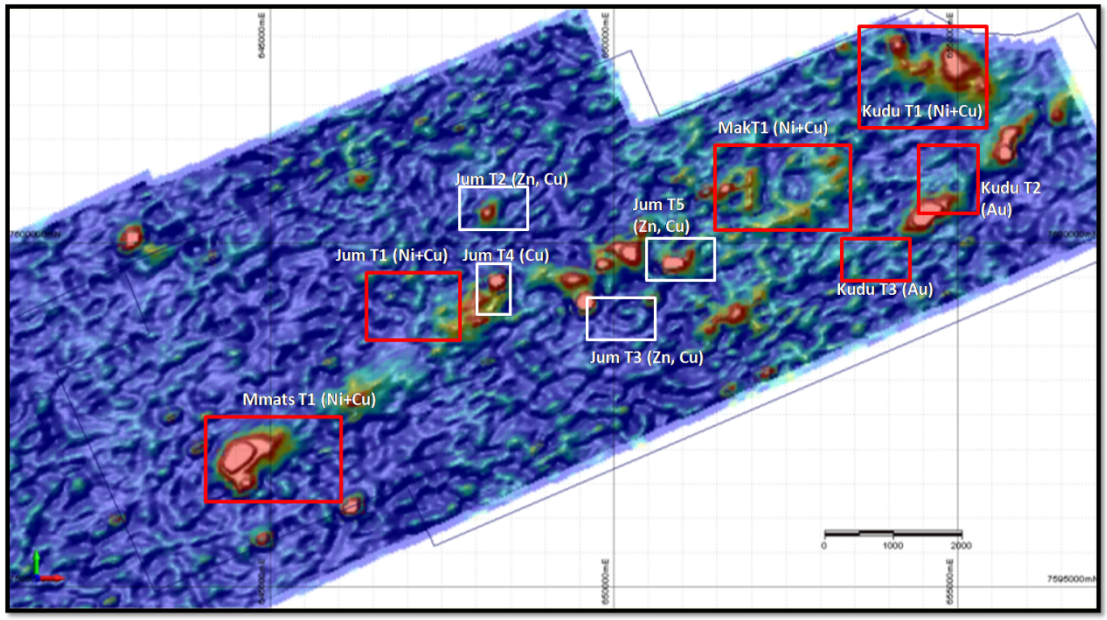
1. **Mmastiane Prospect**:
   "Mmats T1" target for nickel and copper will be the first anomaly to be tested on this prospect.

2. **Jumbo prospect:**
   "JUM T1" " target for nickel and copper will be the first anomaly to be tested on this prospect.

3. **Makhantlele prospect**:
   "MAK T1" " target for nickel and Copper will be the first anomaly to be tested on this prospect.

4. **Kudumane prospect:**
   Three anomalies will initially be tested at Kudumane
   i. "KUDU T1" target for nickel and copper
   ii. "KUDU2" and "KUDU3" are targeting gold anomalies.

Figure 5: Location of the 10 target areas, including the 6 priority areas (Red Squares), over the regional VTEM image.



TARGET	PROSPECT	Geochem	VTEM	Other Features	Work Required
Mmats T1	Mmatsiane	Ni	11880a	Ultramafic present	Mapping, sampling, trenching, ground mag and EM
Jum T1	Jumbo	Ni, Cu, Au	N/A	Ultramafic present	Mapping, sampling, trenching, ground mag and EM
Mak T1	Makhantlele	Ni, Cu	12390a, 12410a, 12510a	UM, fold nose, 'bullseye'	Mapping, sampling, trenching, ground mag and EM
Kudu T1	Kudumane	Ni, Cu	12620a 12660a	UM, fold nose	Mapping, sampling, trenching, ground mag and EM
Kudu T2	Kudumane	Au	12570a	Anom needs verification	Mapping, sampling, trenching, ground mag
Kudu T3	Kudumane	Au	N/A	Anom needs verification	Mapping, sampling, trenching, ground mag

Table 3: Takane: Six priority target areas PL54/98 selected by the Joint Venture.

Exploration Activities outside the JV PLs during the Quarter

Activities outside the Prospecting Licences not covered by the JV with BCL focused on a more in depth review of the Maibele North Extension PL59/2008 with work on the other PLs kept to a minimum during the quarter as the Company focused on continued exploration on the Joint Venture prospects as outlined above.

The Company has retained the services of Mr Steve Groves (MAIG, MSEG) as its competent person to review exploration activities of the Company.

PL 59/2008 Maibele North extension

No correspondence was received in the quarter in respect to the Company's second renewal application over PL 59/2008. The market will be advised when a decision is made by the DOM.

The Company engaged the services of Mr Steve Groves to review all past data and information on Maibele North Extension.

- Maibele North extension" is an additional PL with priority targets outside the Joint Venture. A current review has confirmed outcropping ultramafic bodies identified at surface with similar Ni+Cu+PGE exploration indicators as that at Maibele North. Potential drill targets will be examined in 2015.
- Summary of the exploration at Maibele North Extension included:
    - Soil geochemical sampling and mapping which has identified outcropping ultramafic bodies.
    - Soil geochemistry identified Ni-Cu-PGE anomalies similar to Maibele North.
    - VTEM anomalies have also been identified on the PL.

Additional work will include further samples and IP surveys to identify potential drill targets.

BCL has a first right of refusal over this area however BML can carry out its own exploration activities over this ground.

BML still has other interested parties looking to joint venture or assist with the exploration of this Prospecting Licence. The Board will assess and is keeping its options open regarding exploring this tenement and once the Maibele North drill results are known should be in a better position to determine a strategy

PL 70/2008

No correspondence was received in the quarter in respect to the Company's second renewal application over PL 70/2008 lodged in June 2013. The market will be advised when a decision is made by the DOM.

PL 111/2011

The Company applied to renew PL 111/2011 on 31 March 2014. No correspondence was received in the September 2014 quarter on the status of this application.

PL 126/2011

The Company allowed this PL to expire in the quarter and did not seek to re- apply for a renewal.

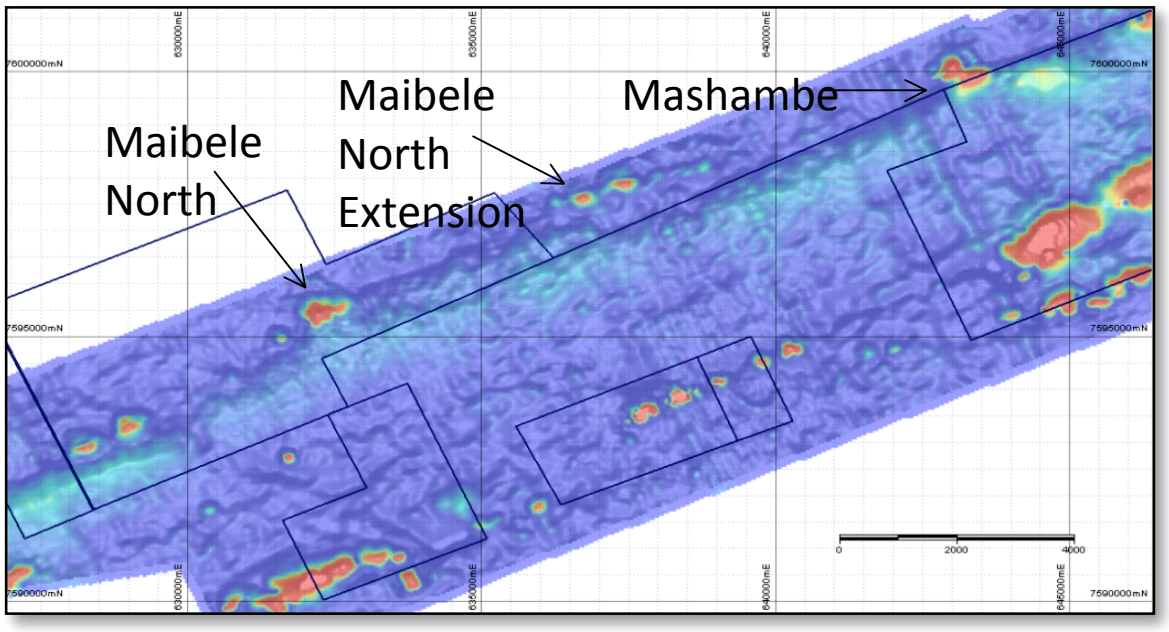
PL 158/2009 and PL 360/2008

In June 2013 the Company was advised that the DOM had rejected the first renewal application on these two prospecting licences on the basis that the Company did not drill the anomalies identified. The rejection was made even though the Company exceeded the proposed budget work expenditure program detailed in the application for these licences.

The Company has objected to this determination and in October 2013 received confirmation from the DOM that the objection had been received.

There was no other advice received in the quarter as to the status of this objection. Follow up correspondence was sent to the DOM in the September 2014 quarter. No response has been received from the DOM.

Figure 6: Maibele North, Maibele North Extension and Mashambe.



Exploration areas held in Botswana

The Company holds the following prospecting licences in Botswana:

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder	Comment
Magogaphate PL 110/94	31/03/16	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Mokoswane PL 111/94	31/03/16	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14

Takane PL 54/98	31/03/16	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Shashe South PL 059/2008	30/09/2013	100	African Metals (Pty) Ltd	Renewal application lodged 28/06/13
Central PL 070/2008	30/09/2013	100	African Metals (Pty) Ltd	Renewal application lodged 28/06/13
Central Sampa PL 111/2011	30/06/2014	100	African Metals (Pty) Ltd	Renewal application lodged 31/03/14

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 & PL 54/98.

PL 110/94, PL 111/94 and PL 54/98 were extended for a further two years to 31 April 2016.

On 1 April 2014 a Farm-In Joint Venture agreement with BCL Limited became effective where BCL Limited can earn an initial 40% interest in these 3 PLs based on making certain expenditure commitments.

Other than as detailed above, the Company did not acquire or dispose of any other tenements or beneficial interests in farm-in agreements during the quarter.



Figure 7: BML exploration tenement portfolio in Botswana. Prospecting Licences subject to the Joint Venture with BCL are shaded light blue.

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Pat Volpe
Chairman

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by BML staff on site and provided to Mr Steve Groves who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Groves is a consulting geologist to BML and has previously been employed as the Exploration Manager at BML. Mr Groves 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 Groves consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About BCL Limited

BCL Limited is a mining and smelting company owned by the Botswana Government (94%) and Norilsk Nickel (6%). The company commenced operations in 1959 and is now one of the largest private sector employers in Botswana.

BCL Limited produces two types of finished matte containing nickel, copper and cobalt, and platinum group and precious metals to a smaller extent. The Selebi Phikwe ore deposits are owned and operated by BCL Limited.

The Selebi copper and nickel ore body was discovered in 1963, and higher grade ore was discovered at Phikwe in 1966. Mining of nickel-copper ore commenced in 1973 and since 1980, BCL's smelter has operated at an annual production rate of approximately 50,000 tonnes of nickel-copper matte.

BCL Investments (Pty) Limited is a wholly owned subsidiary of BCL Limited.

About the BCL Limited Farm-In Joint Venture on PL 110/94, PL 111/94 and PL 54/98

BCL Investments (Pty) Limited ("BCL"), under the joint venture agreement, can spend an initial AUD$4 million on a drilling program to earn 40% of the projects over these areas. BCL has the option to continue to fund the projects to the completion of a Bankable Feasibility Study ("BFS") to earn a 70% interest.
At that point BCL will have the off-take rights at commercial prices, to any ore mined. It is planned to truck ore to the BCL smelter operations at Selebi Phikwe for processing, which is situated 55 km to the southwest of our projects. BCL also has a first right of refusal to participate in exploration on the Company's other prospecting licences in Botswana.

The Company will retain a 30% interest after the BFS is completed, at which time the management of the projects will be transferred to BCL.

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BCL Investments (Pty) Limited - Farm-in Joint Venture Agreement

BCL executed the revised Farm-In Joint Venture Agreement on 22 January 2014 with the only condition precedent being that the DOM grants extensions to PL 110/94, PL 111/94 and PL 54/98 ("the three PLs"). The DOM subsequently granted the extensions to the three PLs.

The Company has made base metal discoveries within the three PLs: Maibele North (nickel, copper and platinum group elements), Airstrip Copper (copper and silver) and Dibete (copper and silver). A total of 23 VTEM base and precious metal anomalies have been identified to the east of the discoveries.

The Company believes that the agreement with BCL could substantially benefit the Company and its shareholders. The BCL group has been operating a nickel, copper and platinum group elements mine and smelter facility at Selebi Phikwe since the 1970s. Both operations are only 55 km to the southwest of the PLs. BCL has put in place a policy to find business opportunities that can extend the longevity of the mining and smelting operations located at Selebi Phikwe. BCL employs 5,000 people and the township of Selebi Phikwe has a population of 50,000.

The Joint Venture partnership can potentially fast track BML's efforts towards commencing an operation within the three PLs. The economics of bringing these potential projects to production will be significantly enhanced by the fact that the BCL group mining and smelting facilities are already in existence and logistically close enough for ore to be trucked to the Selebi Phikwe site.

Of the three BML projects, Maibele North nickel prospect has been given priority for drilling as previous diamond drilling intercepted nickel mineralisation at around a depth of 50 m. If the economics permit, the capital and operating costs of developing a mine would be significantly reduced due to the availability of BCL's processing plant situated 55 km away from the joint venture exploration areas.

BCL and the Company continue to revise and prepare exploration plans for the JV areas. Takane will commence exploration actives in the December 2014 quarter with results to determine the level of activities for 2015 on this PL.

About Botswana Metals Limited

Botswana Metals Limited ("BML") is listed on the Australian Securities Exchange (ASX) and its stock code (ticker) is BML. BML is a mineral exploration company fully focused on its portfolio of exploration tenements covering approximately 1,500 sq. km all located in Botswana.

BML's objective is to discover an economic base and precious metals deposit in eastern Botswana on the well-known Limpopo Belt, which extends into Botswana from its neighbouring country Zimbabwe.

Recent exploration has resulted in three discoveries of Nickel-Copper and Copper-Silver mineralisation known as Airstrip Copper, Maibele North and Dibete. The Ni-Cu deposit at Maibele North is just east of Airstrip Copper whilst Dibete is 7 km to the south of Airstrip Copper.

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To the east of these discoveries, a recent VTEM program has identified at least 23 new VTEM anomalies that are planned to be part of the Company's exploration focus in the future.

55km to the south of the three discoveries is the BCL Limited mine and smelter. BML entered into a farm in agreement with BCL that became effective on 1 April 2014.

BML has solid logistical support and the projects benefit from excellent infrastructure. The Company is managed by experienced personnel with many years experience in Botswana, as well as other African countries. Botswana is considered to be one of the most advanced African countries in respect to its mining and exploration laws, and for safety and education where English is spoken freely.

BML has offices in Australia (Melbourne) and Botswana (Selebi Phikwe).

Rule 5.5

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

BOTSWANA METALS LIMITED

ABN	Quarter ended ("current quarter")
96 122 995 073	30 SEPTEMBER 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	16	16
1.2	Payments for (a) exploration & evaluation	(120)	(120)
	(b) development		
	(c) production		
	(d) administration	(114)	(114)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	1
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	(217)	(217)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(217)	(217)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(217)	(217)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3	3
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)		
	Net financing cash flows	3	3
	Net increase (decrease) in cash held	(214)	(214)
1.20	Cash at beginning of quarter/year to date	895	895
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	681	681

Payments to directors of the entity, associates of the directors, 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	70
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

	$A'000
Director's remuneration	58
Director's consulting fees	12

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

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

+ 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	100
4.2	Development	
4.3	Production	
4.4	Administration	100
	Total	200

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	681	895
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) - Term deposits with Australian banks		
	Total: cash at end of quarter (item 1.22)	681	895

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	568,822,164	568,822,164		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	215,675	215,675	1.5 cents ($0.015)	
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	410,233,933	410,233,933	*Exercise price* 1.5 cents ($0.015)	*Expiry date* 31/12/2016
7.8	Issued during quarter				
7.9	Exercised during quarter	215,675	215,675		
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31/10/2014
Company secretary

Print name: RAMON JIMENEZ

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.

+ See chapter 19 for defined terms.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum 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 or petroleum 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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