

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 29 JULY 2016

QUARTERLY REPORT TO 30 JUNE 2016

Headlines:

- ✓ **BCL commits to BFS for open pit mining at Maibele North for Ni+Cu+Co+PGEs.**
 - ✓ **BCL exercises rights to earn into PL 59/2008 currently owned 100% by BML.**
 - ✓ **BCL commence drilling on three targets at Takane in potential new mineralised zone for Ni+Cu.**
 - ✓ **BML expands business focus to include Lithium and Tantalum.**
 - ✓ **Lithium (Li) and Tantalum (Ta) exploration commences at three identified anomalous areas.**
 - ✓ **Significant Cobalt (Co) present in sulphide ore at Maibele North (see ASX announcement released 30/05/2016).**
- ✓ *The Board is pleased with this quarters achievements which confirms its strategy of realigning the company's focus to incorporate the "new World of metals and minerals" such as Li, Ta and Co, the essential elements in the new age of electronics and complement BML's Ni, Cu and PGE portfolio.*

Summary of Activities:

BCL and BML JOINT VENTURE:

BCL commits to BFS for an open pit mine at Maibele North:

- Botswana Government grants two year extensions to all three Joint Venture Licences to 31 March 2018.
- WorleyParsons pre-feasibility report confirms BCL's commitment to commence a BFS to assess the economics of an open pit mine at Maibele North.
- Proposed open pit at Maibele North will allow quick and most cost effective mining for ore to be trucked to BCL's existing mine and smelter 50km to the south.
- Underground mining will be further assessed if open pit mining commences.
- BFS to commence immediately and Mining Licence application expected to be lodged in early 2017.
- Environmental Impact study is continuing and expected to be completed by early 2017.

Botswana Metals Limited

Suite 3, 16 Cotham Road, Kew, Victoria 3101
P: +61 3 9855 1885; F: +61 3 9855 2885
Email info@botswanametals.com.au
www.botswanametals.com.au

- Numerous opportunities to increase the resource along strike to the west (initially at airstrip) and further to the west and to the east where step out drilling has not been incorporated in the pre-feasibility study.
- The resource is open at depth to the west and to the east over a potential 16km strike.

BML 100% PL 59/2008 to form part of the BCL JV:

- BCL has exercised rights over BML's 100% PL 59/2008 extending strike to the east over a potential 16km (subject to terms and conditions of the Farm-in joint venture agreement).

Drilling to commence at Takane PL 54/98:

- BCL to commence drilling at Takane over a new horizon to the east of the Maibele resource.
- Target for Ni + Cu + Co + PGEs:
 - Any discovery will declare that region a new mineralised zone.
 - Over 23 VTEM anomalies with three tested with SQUID EM technology.
 - Three selected targets to drill down to 400m to test soil-VTEM and squid anomalies for Nickel.
 - Every SQUID conductor so far drilled at the nearby Maibele North deposit has hit sulphide mineralisation.

Li –Ta BML restructures focus to include Lithium and Tantalum:

- At least three zones identified from previous BML exploration that have surface Ta of up to 1,540 ppb.
- Potential for Li will be explored along with the Ta in the pegmatites.
- Ground exploration for Ta - Li commenced with soil sampling during the quarter in progress.
- BML recognises potential for pegmatite-hosted tantalum and Lithium in Botswana licences.

Cash Position:

The cash balance as at 30 June 2016 was ~\$487,000. An Appendix 5B report is attached.

Corporate:

During the quarter the company successfully placed the shortfall of the recent rights and received funds totalling ~\$436,000 (before costs).

Exploration Activities for the June 2016 quarter:

BML-BCL JOINT VENTURE

PL 110/94 - Maibele North

During the June quarter, the JV partners announced that BCL has elected to proceed to a Bankable Feasibility Study (BFS) with the view of applying for a mining licence to mine Maibele North. The decision was subsequent to a JV meeting during June to review the results of a Pre-Feasibility Study (PFS) recently completed by WorleyParsons. The PFS analysed an initial open pit operation with a view to continue further exploration and drilling to evaluate the potential for underground mining. The JV aim is to complete the BFS and lodge a mining licence and EIA study by early 2017. The PFS report is commercial-in-confidence at this stage at BCL's request, in accordance with the farm-in joint venture agreement.

BCL has also advised BML that it has surpassed the JV requirement to fund \$4M of exploration and has elected to continue with the JV. BCL will formally notify BML of its intentions of funding a BFS to earn a 70% interest in three prospecting licences (PL 110/94, PL 111/94 and PL 54/98), which are the assets of the JV. BCL has now earned an initial 40% interest in the three PLs and by electing to fund the BFS will take management rights over the project development and earn 70% interest in the PLs after completing the BFS.

The BFS will determine the optimum route to mining where the pre-feasibility study showed that an initial open pit at Maibele North would be the quickest and most cost effective route when compared to other options. The BFS will also evaluate in more detail the viability of underground mining.

Subject to a favourable result from the BFS it is expected that mining could commence as early as 2017.

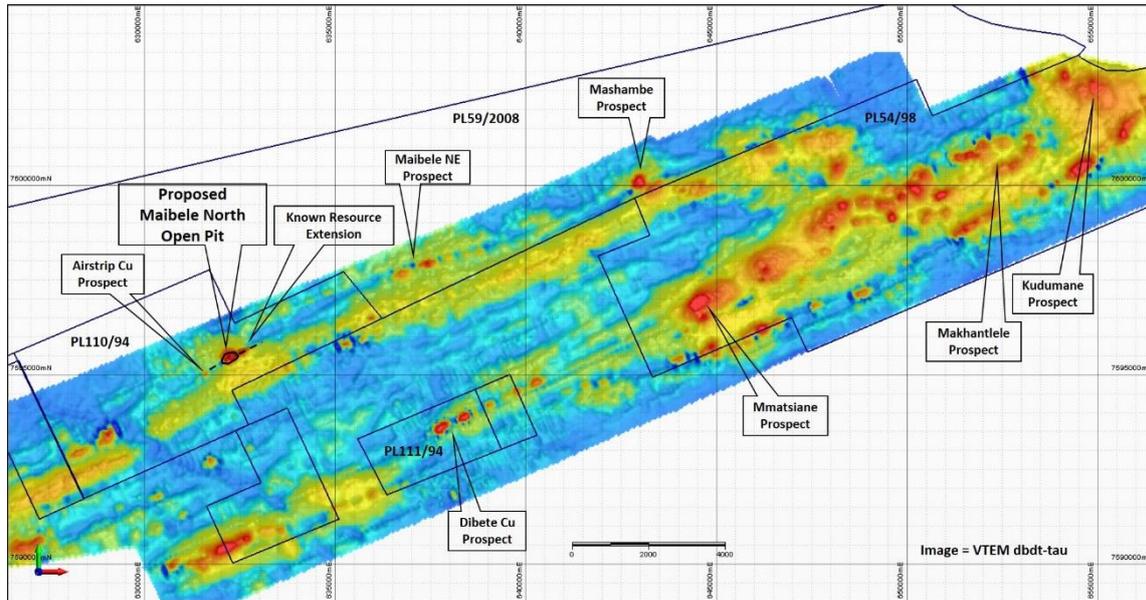


Figure 1: Aerial view of BML's tenements in Eastern Botswana showing the proposed Maibele North Open Pit and the priority regional prospects.

Joint Venture Licence Renewals

During June, the Botswana Government, through the Department of Mines, granted an extension to three of BML's exploration licences for a period of two years effective from 1 April 2016.

The granting of the extensions to JV licences PL 110/94, PL 111/94 and PL 54/98 allows for the seamless continuation of the very successful Joint Venture with BCL to proceed unimpeded as it progresses with the BFS, further exploration and evaluation and eventually a Mining Licence application.

PL 59/2008 Maibele North Extension (100% BML)

The June quarter also saw a decision by JV Partner, BCL Limited, to exercise its pre-emptive right under the farm-in joint venture agreement over the 100% owned PL 59/2008 (PL 59). PL 59 is to the east of the Maibele North JORC-compliant (2012) inferred resource and within the 16km mineralised horizon along strike and has potential to host additional sulphide mineralisation for Nickel + Copper +Cobalt and PGEs.

BML has lodged an application with the Department of Mines in Botswana for an extension of PL 59 and the market will be kept informed as the JV agreement is formalised to incorporate PL 59 into the JV once notice of the extension is received (expected in early 2017).

Botswana Metals Limited

Suite 3, 16 Cotham Road, Kew, Victoria 3101
P: +61 3 9855 1885; F: +61 3 9855 2885
Email info@botswanametals.com.au
www.botswanametals.com.au

Other Exploration Activities (refer ASX release 23/05/2016)

During May, 2016, the company announced a new exploration focus for pegmatite-hosted tantalum and lithium mineralisation on their exploration licences in eastern Botswana. Historic exploration had previously revealed substantial tantalum anomalies in stream sediment sampling that had remained unexplained. Similar rock types to those in BML's licences exist along strike in Zimbabwe and host one of the world's largest pegmatite-hosted Li-Ta mines. The potential for similar mineralisation to occur in BML's portfolio has been recognised and exploration for pegmatite-hosted tantalum-lithium mineralisation has commenced on the Company's licences. Ground exploration is focused on locating pegmatites as well as determining the source of the extremely strong historical tantalum stream sediment anomalies (*BML ASX release 23/05/2016*).

Work has commenced (refer ASX announcement 18 July 2016) with geological mapping in areas of historically anomalous tantalum, particularly where anomalies are coincident with outcropping felsic lithology. Although much of these areas are covered by a thin veneer of soil, initial mapping has already identified pebbles and float of pegmatitic material (Figure 2).

Follow up work including grid-based soil sampling and exploration trenching will be undertaken in priority Ta-anomalous areas. Any areas containing verified Ta or Li mineralisation will ultimately be drill-tested.

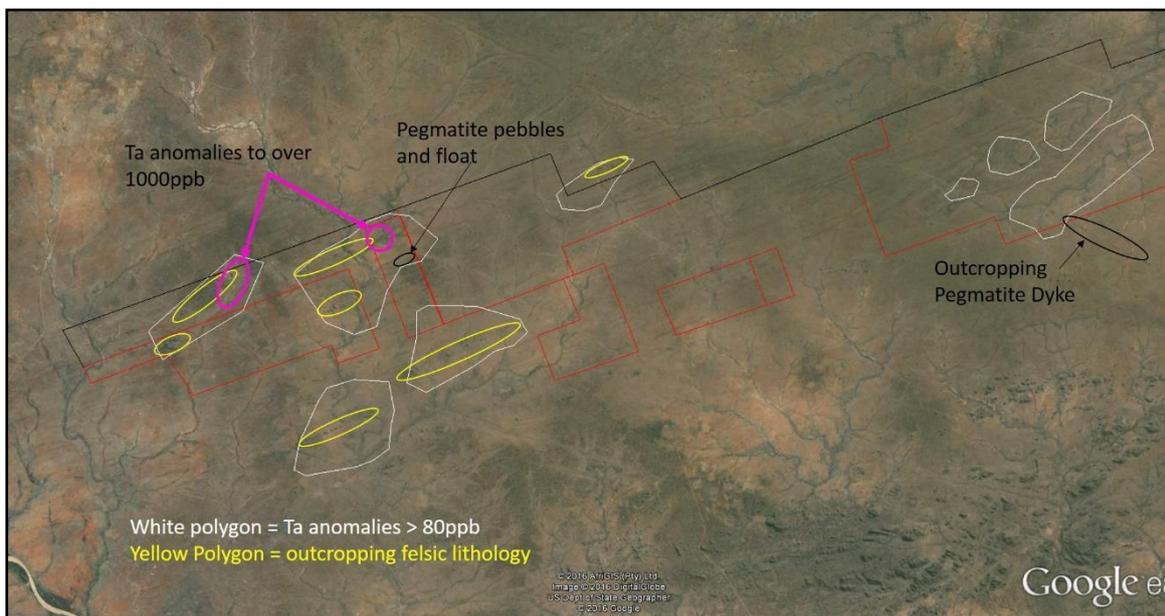


Figure 2: Aerial view of BML's tenements in Eastern Botswana showing areas of tantalum anomalism (white polygons > 80ppb, purple polygons > 1000ppb), outcropping felsic rocks (yellow polygons) and areas containing pegmatitic outcrop and/or float (black polygons)

Soil Sampling Program

A soil sampling programme has commenced on four target areas which were initially defined by historical stream sediment anomalies. Table 1 and Figures 2 and 3 below show the program details.

Table 1: Details of proposed soil sampling

TARGET	No. OF Lines	SAMPLES	LINE SPACING	SAMPLE SPACING	DAYS TO COMPLETE
1	43	1804	200	50	22
2	17	884	200	50	11
3	30	840	200	50	10
4	30	600	200	50	8
TOTAL	120	4128			51

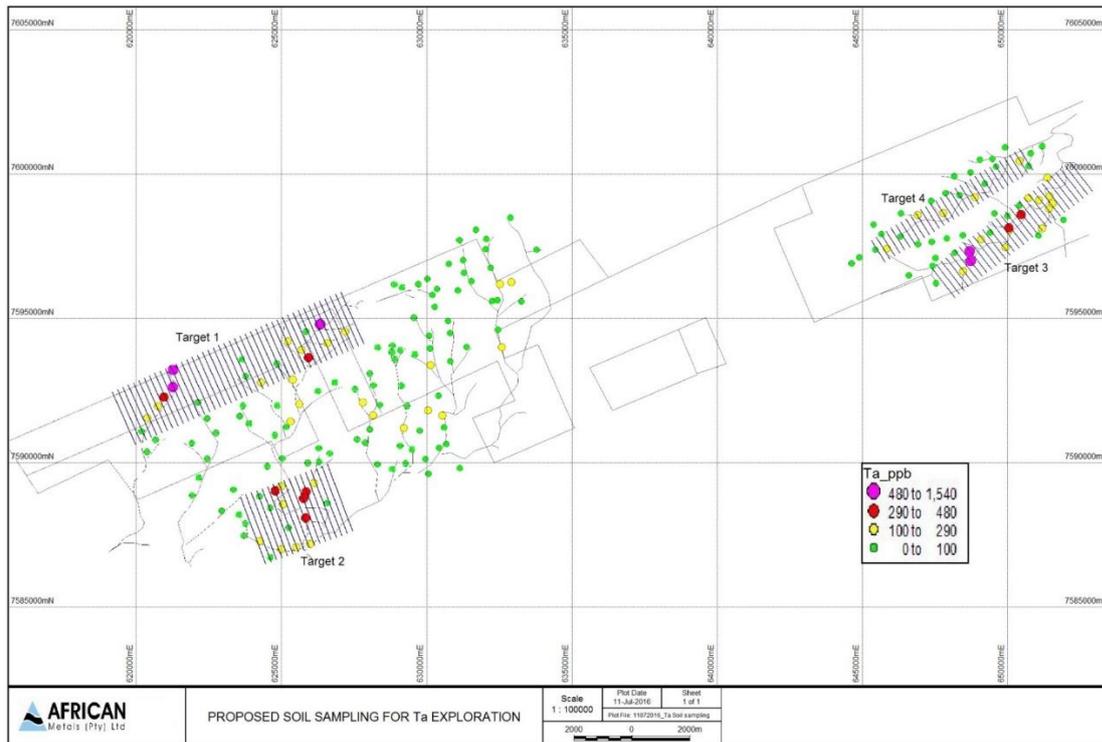


Figure 3: A map showing soil sampling grids planned over stream sampling anomalies

BML is extremely encouraged by the positive start to the Company’s refocused strategy for the discovery of “new age metals” and will keep the market informed on the progress of exploration as results come to hand.

PL 54/98 Exploration

The Joint Venture partners have commenced planning for the drilling of three high priority Ni-sulphide targets on the regional J/V licence PL 54/98. These targets have been identified through the combination of geological mapping, geochemical sampling and detailed airborne and ground geophysics. These drill targets contain strong soil geochemical responses coupled with ultramafic intrusions and very strong electromagnetic conductors at depth have been selected for initial drill testing. Ground preparation and access is underway and drilling will commence during the September 2016 quarter. Results will be released to the market as they come to hand.

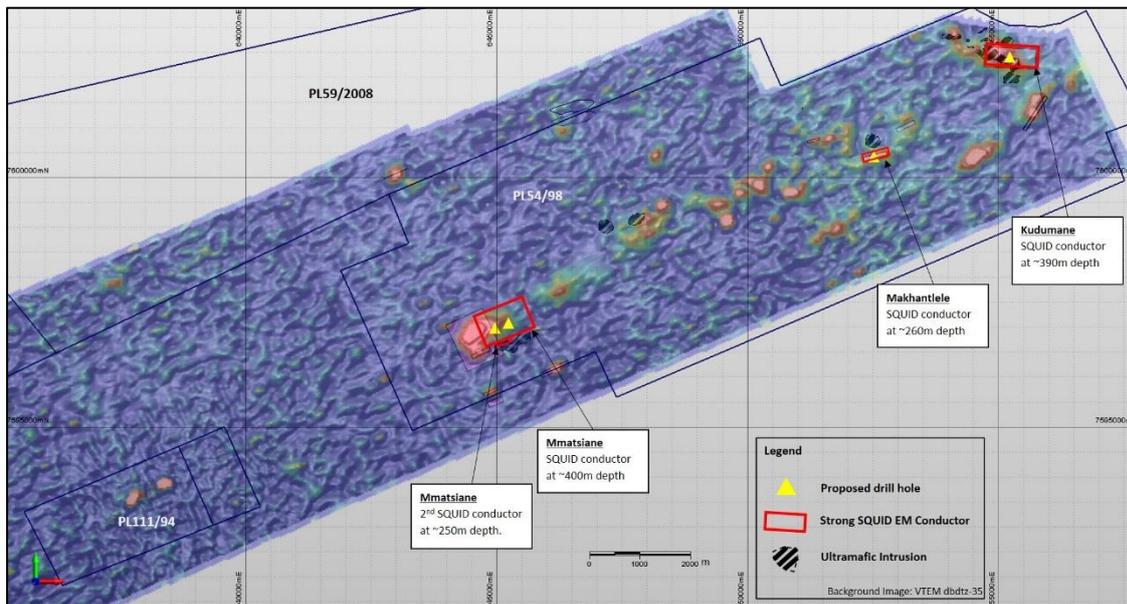


Figure 4: Regional plan view of PL54/98 showing the SQUID EM conductors (Red Rectangles) to be targeted by diamond drilling (Holes indicated by yellow triangles).

Kudu1

This area contains a very promising conductor plate that corresponds with strong magnetic residual anomalies. The 1km x 400m plate is relatively flat-lying and occurs at approximately 390m below the surface. A large ultramafic body is interpreted to occur coincident with the conductor and a number of other large conductive bodies as indicated by the VTEM survey occur within the target zone. Elevated nickel and copper responses have previously been revealed in soil geochemical sampling.

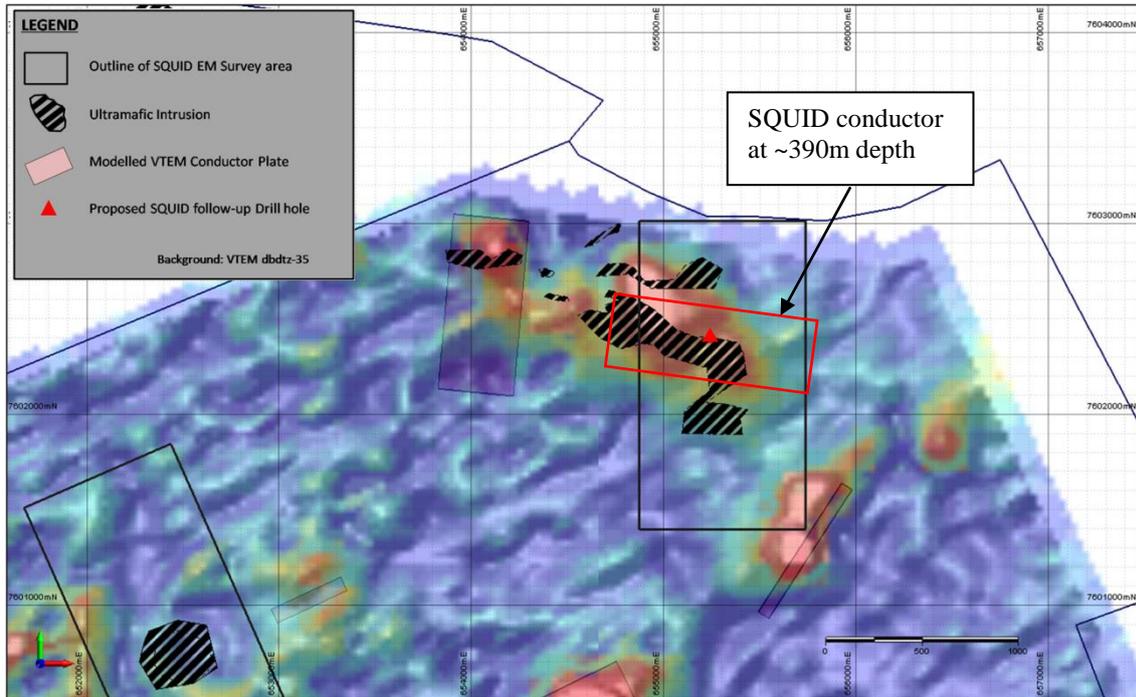


Figure 5: Kudu T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangles indicate the position of the proposed drill holes. Note the size of the conductive anomalies coincident with the ultramafic intrusions and that the SQUID survey only covered a portion of the prospective terrain.

Makhantlele

This prospect contains a very strong conductor at 260m depth on the southern contact zone of an interpreted ultramafic intrusion. The plate is over 500m in strike length and models as relatively flat-lying zone. Further VTEM conductors surround the ultramafic intrusion and remain to be surveyed using the SQUID EM method. Elevated nickel and copper responses have previously been revealed in soil geochemical sampling.

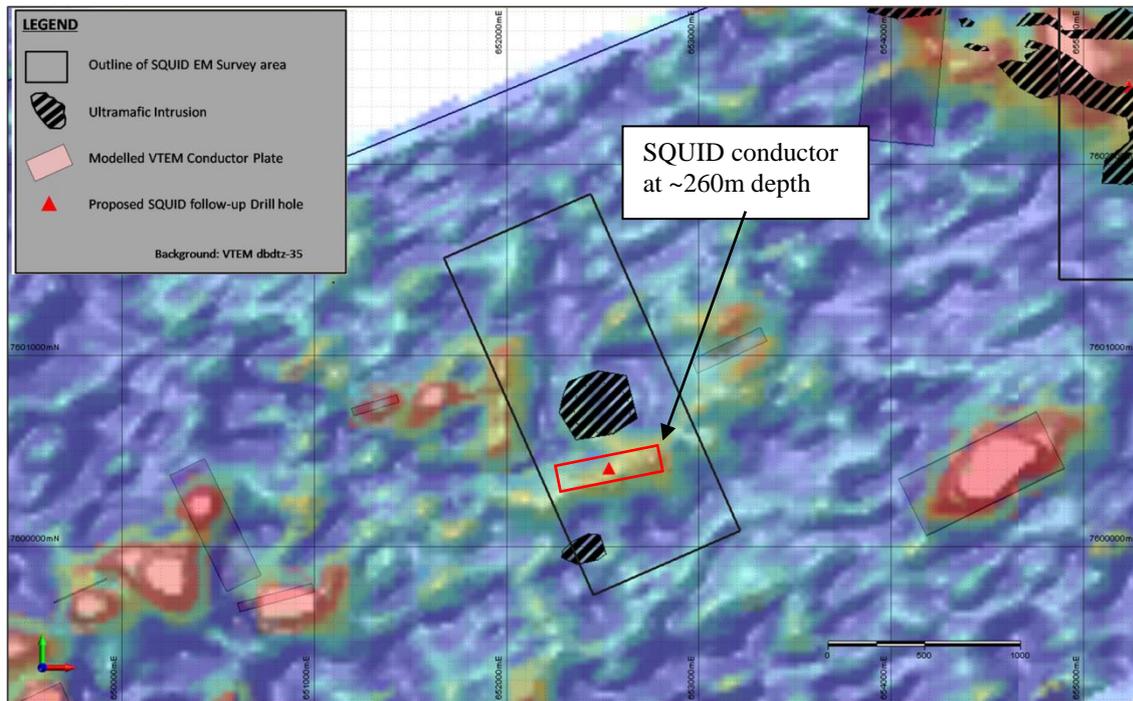


Figure 6: Mak T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangles indicate the position of the proposed drill holes. Note the conductors surrounding the ultramafic intrusion and that the SQUID survey only covered a portion of the prospective terrain.

Mmatsiane

This prospect contains a large (>1km), strongly conductive plate at a depth of approximately 400m. The plate is interpreted to lie on the contact of an ultramafic intrusion and presents as a very attractive drill target. The survey also identified a very strong, shallow conductive plate also spatially associated with an interpreted ultramafic intrusion. Elevated nickel and copper responses have previously been revealed in soil geochemical sampling.

Botswana Metals Limited

Suite 3, 16 Cotham Road, Kew, Victoria 3101
P: +61 3 9855 1885; F: +61 3 9855 2885
Email info@botswanametals.com.au
www.botswanametals.com.au

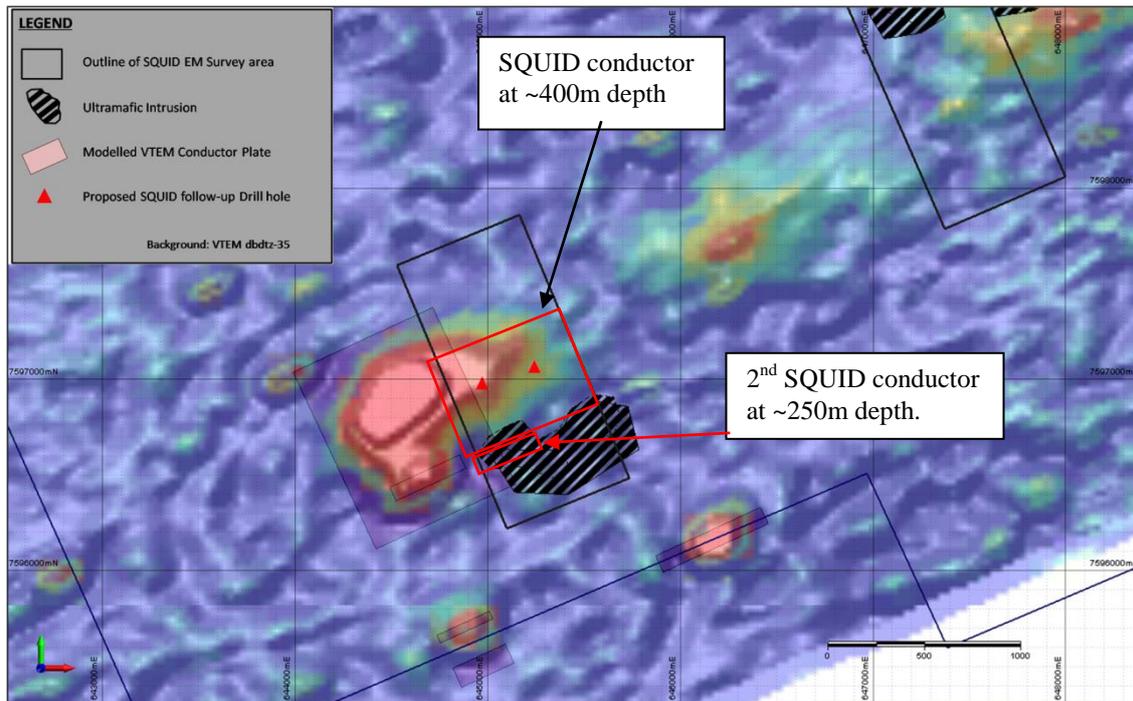


Figure 7: Mmaps T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangles indicate the position of the proposed drill holes

Table 2: Drill hole details for the program

Propsect	East	North	Dip	Depth	Comment
Kudu1	655239E	7602406N	-90	425m	Very large conductor with EM response reminiscent of pyrrhotite
Mak1	652533E	7600410N	-90	300m	Very Strong conductor
Mmaps 1	644976E	7596981N	-90	425m	Very large, strong conductor
Mmaps 1	645245E	7597068N	-90	450m	Same conductor as above

The area is over 10km away from the advanced Maibele North project and any discovery here would transform the Magogophate Shear Zone into a new mineralised province in Eastern Botswana.

PL 111/2011

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

BML TENURE

Location Map and Schedule of Prospecting Licences held by BML.

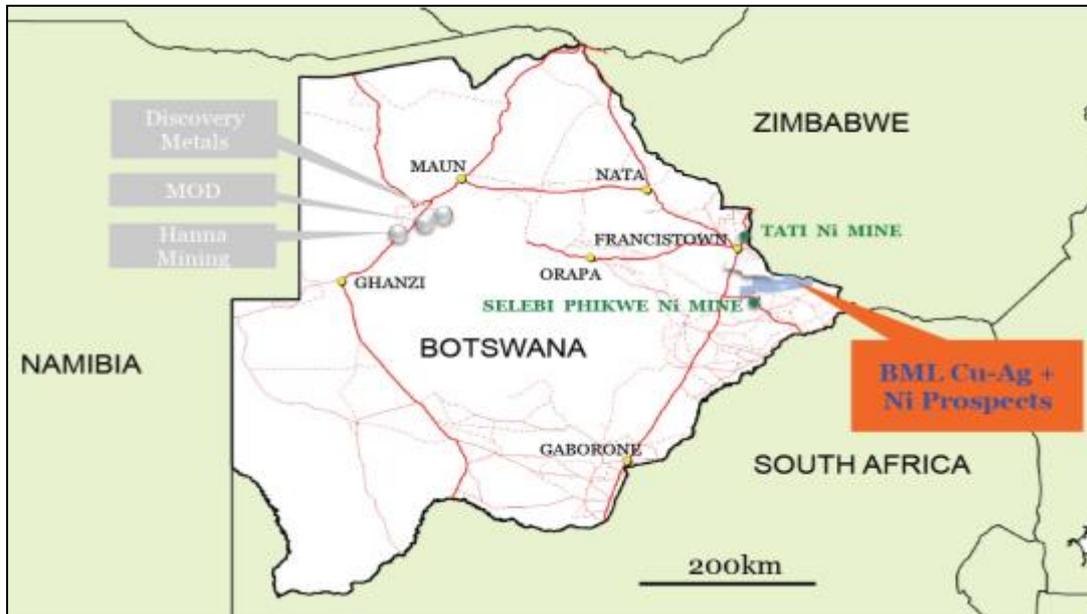


Figure 8: Location of Botswana Metals Limited Exploration portfolio in Botswana

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	31/03/2018	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Mokoswane PL 111/94	31/03/2018	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Takane PL 54/98	31/03/2018	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal application submitted 30/06/16
Central PL 070/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal granted until 30/09/16
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 March 2018.

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 3 PLs based on making certain expenditure commitments. If BCL Limited funds to the end of a BFS then BCL can earn a 70% equity interest in the 3 JV PL's being 110/94, 111/94 and 54/98.

Several new PL applications were lodged with the Department of Mines in the March 2015 quarter which are still being processed. These are shown in light green in Figure 9 below.

During June 2016, the Botswana Government, through the Department of Mines, granted an extension to the three of BML's JV licences PL 110/94, PL 111/94 and PL 54/98 for a period of two years effective from 1 April 2016 to 31 March 2018.

A renewal application for a further 2-year period in accordance with the Mines and Minerals Act 1999 was submitted for PL 59/2008 to the Department of Mines.

PL 070/2008 was relinquished.

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

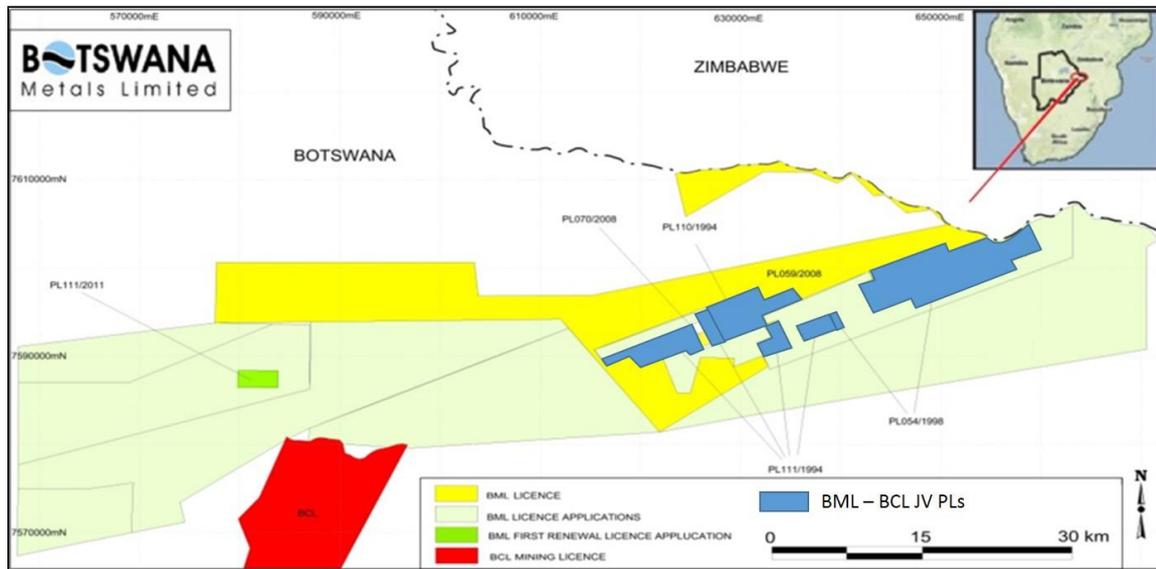


Figure 9: BML exploration tenement portfolio in Botswana. Prospecting Licences subject to the Joint Venture with BCL are shaded light blue.

In the March 2015 quarter, the company applied for several new applications for a Prospecting Licences with the Department of Mines in Botswana which are pending processing. These are highlighted in light green in the **Figure 9** above.

Patrick Volpe
Chairman

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

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 Geoscientists. 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. 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 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, has spent at least AUD\$4 million on a drilling program to earn its 40% interest over the projects. BCL has agreed to continue to fund the projects to the completion of a Bankable Feasibility Study ("BFS") to earn a 70% interest.

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 and in July 2016 BCL exercised its right to farm into PL 59/2008 subject to this licence being extended to BML by the DOM and a deal on commercial terms negotiated between the JV parties.

BML will retain a 30% interest after the BFS is completed on the three existing PLs under the JV agreement.

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, cobalt 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. In March 2015 a maiden resource of 2.82m/t Ni+Cu+PGEs was declared with the resource still open to the west, east and at depth. 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. In July 2016 the JV announced plans to progress to a BFS for an open

Botswana Metals Limited

Suite 3, 16 Cotham Road, Kew, Victoria 3101
P: +61 3 9855 1885; F: +61 3 9855 2885
Email info@botswanametals.com.au
www.botswanametals.com.au

pit mine at Maibele North. Underground potential will be reassessed once mining has commenced and the metals prices have recovered.

BCL and BML continues to revise and prepare exploration plans for the JV areas. Drilling on three priority targets at Takane based on soil geochemistry, TDEM ground magnetics and VTEM anomalies, is expected to commence in the September 2016 quarter with an initial minimum program of three holes.

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 ~1,000 sq km all located in Botswana and has made new PL applications lodged in the March 2015 quarter that will significantly expand the exploration portfolio of BML within the same Limpopo belt that its current PLs are held.

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- Cobalt and Copper-Silver mineralisation known as Airstrip Copper, Maibele North and Dibete. The Ni-Cu-Co deposit at Maibele North is just east of Airstrip Copper whilst Dibete is 7 km to the south of Airstrip Copper.

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).

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

96 122 995 073

Quarter ended ("current quarter")

30 JUNE 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(43)	(383)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	4
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	(202)	(1,207)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(2)
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		(2)
1.13 Total operating and investing cash flows (carried forward)	(202)	(1,209)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(202)	(1,209)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	436	1,523
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)	(59)	(104)
	Net financing cash flows	377	1,419
	Net increase (decrease) in cash held	175	210
1.20	Cash at beginning of quarter/year to date	312	277
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	487	487

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	135
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	1
Service fees paid to a company controlled by relatives of a Director	5
Part payment Director's accrued and unpaid remuneration FY14 and FY15	21
Underwriting fees paid to entities associated with certain Directors	19
Capital raising fees paid to entity associated with a Director	31

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	50
4.2 Development	
4.3 Production	
4.4 Administration	150
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	487	312
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)	487	312

+ 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			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,158,345,803	1,158,345,803	
7.4	Changes during quarter			
	(a) Increases through issues	217,849,929	217,849,929	
	(b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities			
	<i>(description)</i>			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	410,233,933	410,233,933	<i>Exercise price</i> 1.5 cents (\$0.015)	<i>Expiry date</i> 31/12/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29/07/2016

 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 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.

== == == == ==