

QUARTERLY ACTIVITIES and CASHFLOW REPORT

For the period ending 30 June 2014

The Board of Clancy Exploration Limited is pleased to release its Quarterly Activities report for the period ending 30 June 2014.

Highlights

- A Typhoon 3D IP survey at the **Fairholme JV** commenced in late June 2014. Heli-borne magnetic survey completed.
- A 3D IP survey and detailed mapping was completed at the Andrews and Mehruda Mo prospects within the **Cundumbul JV**. Follow up RC drilling is due to commence in September 2014.
- Assay results from reconnaissance air core drilling at the **Genaren JV** were received, with a significant intercept of **3m @ 0.26g/t Au** (from 31m, GAAC002). The air core program is due for completion in Spring-Summer 2014.

Exploration

Fairholme EL6552 and EL6915

(NSW, Clancy 51%; Kaizen Discovery Inc 49%, earning 65% and funding 100%)

The Fairholme project covers 172km² of the Fairholme Igneous Complex and is located 12km north of the Cowal gold mine. The geophysical characteristics of the Fairholme Igneous Complex are similar to the Cowal Complex to the south, which hosts the Cowal gold mine (Barrick) and the Marsden copper-gold deposit (Newcrest).

A 100m line-spaced heli-borne magnetic survey, for a total of 1990 line kilometres, was completed during May 2014. The data was processed and gridded on a 25m cell size. Interpretation of the resultant images is in progress at quarter end.

A Typhoon 3D Induced Polarisation survey commenced on the 26th June 2014. The 3D survey covers areas of interest defined by last year's Typhoon gradient array IP survey, with the main areas of interest being the porphyry-style prospects of Dungarvan, Gateway and Boundary. The survey is in progress at quarter end, with expected completion in early August 2014.

Cundumbul EL6661 and EL7399

(NSW, Clancy 100%; Mitsubishi earning 49% and funding 100%)

The Cundumbul project covers 204.9km² of prospective arc units in the Molong Volcanic Belt between Molong and Wellington. There are numerous intrusive complexes at Cundumbul that have anomalous copper and/or gold associated with them. Work during the June quarter advanced the Mehruda Mo and Andrews prospects to RC drilling stage.

A 3D Induced Polarisation survey was completed at the Andrews Prospect. A prominent N-S oriented, subvertical structure was mapped by the resistivity component of the survey, through the middle of the area. One dominant chargeability anomaly was defined in the north of the prospect area, with a maximum value of 46mV/V (Figure 1). The anomaly has an interesting 'horseshoe' shape which, when viewed with other datasets, wraps around a subsidiary NE-oriented fault with Au-Sb anomalies.

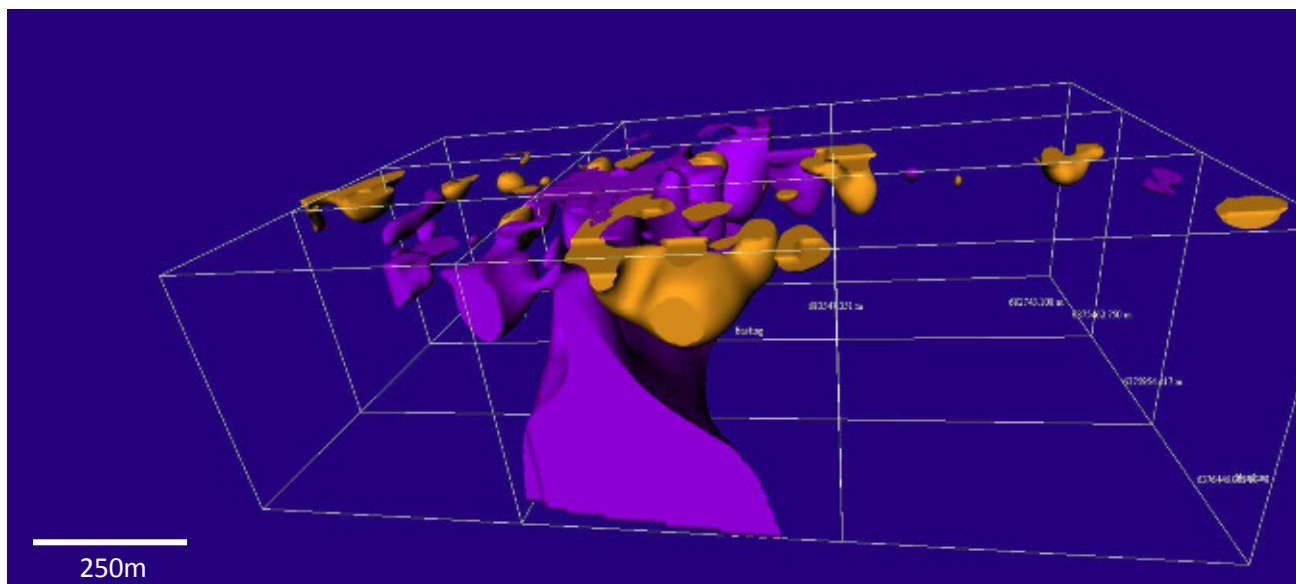


Figure 1: 3D IP Model for Andrews Prospect

Aspect: Looking south. Resistivity (purple) = 3.4ohm-m. Chargeability (orange) = 14mV/V.
Coordinates are in GDA94 Zone 55.

A total of sixteen (16) RC drill holes have been designed to test the structural, geophysical and geochemical anomalies at the Andrews prospect. Drilling is planned for September 2014.

A detailed mapping study, which included petrographic analysis of mineralised RC drill chips and outcropping geology, over and around the Mehruda Mo prospect concluded that the area contains features compatible with a mineralised system at depth, including an inferred larger body of diorite/microdiorite, associated with a magnetic low and Bouguer gravity low, the occurrence of a transitional propylitic to phyllic alteration system with increased depth, visible pyrite at surface and in drill holes, anomalous molybdenum values, quartz veins (although barren) at surface and potential fluid pathways provided by several mapped faults in the immediate area.

Four deep RC holes have been designed to further test the Mehruda Mo prospect in September 2014.

Genaren EL7927

(NSW, Clancy 100%; Mitsubishi earning 49% and funding 100%)

Genaren is located at the northern end of the Northparkes Igneous Complex 29km north of the Northparkes copper-gold mine. In the March quarter 2014, Clancy completed 18 out of a planned 55, reconnaissance air core (AC) drill holes to test three prospects. The program was curtailed prematurely due to unseasonable wet weather. Results of the 18 reconnaissance air core holes drilled at the Cora Lynn target were received during the current quarter.

A large body of coherent Ordovician porphyritic trachyandesite, with strong coincident sericite-hematite alteration, has been defined in the centre of the Cora Lynn target area (Figure 2). The most notable result was from GAAC002 with the intersection of low grade gold at the top of the saprolite layer. The intersection returned 3m @ 0.26 g/t Au from 31m. The anomaly resides in a previously undrilled area and is open to the east. Drilling is planned to recommence in the spring of 2014 in order to complete the planned program.

Table 1: Genaren AC Collars

Hole ID	MGA_E	MGA_N	RL (m)	Depth (m)	Dip°
GAAC001	585900	6381749	243	66	-90
GAAC002	586398	6381498	244	59	-90
GAAC003	586399	6380998	249	64	-90
GAAC004	586850	6380776	253	62	-90
GAAC005	586403	6380496	254	58	-90
GAAC006	585400	6381003	254	78	-90
GAAC007	584900	6381245	258	71	-90
GAAC008	584899	6380749	263	41	-90
GAAC009	585398	6381502	252	71	-90
GAAC010	585396	6382000	254	66	-90
GAAC011	584899	6381752	251	71	-90
GAAC012	585879	6381245	255	68	-90
GAAC013	585896	6380747	255	48	-90
GAAC014	585949	6382739	249	29	-90
GAAC015	585394	6382493	242	35	-90
GAAC016	585898	6382147	244	69	-90
GAAC017	585398	6380502	256	52	-90
GAAC018	584902	6380256	267	18	-90

Table 2: Genaren Intercepts¹

Hole	From (m)	To (m)	Intercept (m)	True width (m)	Au (ppm)
GAAC002	31	34	3	not determined	0.26

¹ Refer to Data aggregation methods section of Appendix I for intercept calculation details

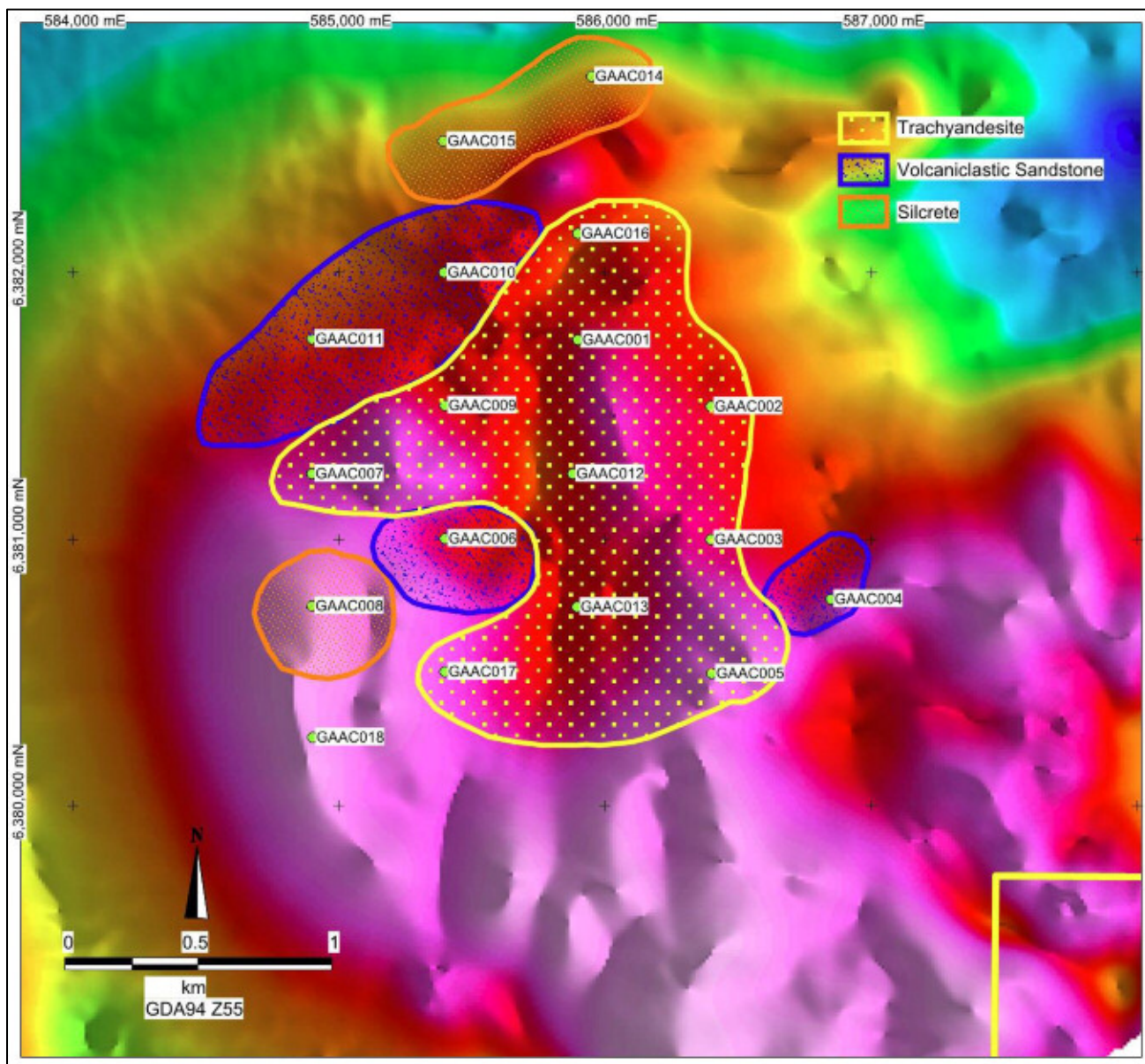


Figure 2: Genaren AC Drill Collars and Bottom of Hole Interpreted Geology at the Cora Lynn Target
 Background image is Clancy detailed RTP magnetics, and shows the circular magnetic high feature of the Cora Lynn target (red/purple).

Corporate

As at 30 June 2014, the company held cash and restricted cash of \$1,595,000.

In November 2013, the Company announced that it had entered into an agreement with ABM Resources NL (ASX: ABU) (ABM) whereby Clancy will have the option to acquire 100% of ABM’s interests in the North Arunta Project Region in the Northern Territory. Clancy shareholder approval for the transaction was granted at the AGM on 7th May 2014. The key remaining condition requires Clancy to complete a capital raising of not less than \$2.5 million. Due to the challenging state of the equity markets it is unlikely that the capital raising will be completed before the deadline of 2 August 2014. Therefore it is also unlikely that the transaction will proceed on the current terms. Clancy and ABM are currently investigating alternative deal structures and the companies will keep the market informed of developments.

Clancy Tenement Listing

(As at 30 June 2014)

State	Project	Lease No	Status	JV Project	Manager	Clancy interest	Area (km2)	Note
NSW	Condobolin	EL7748	Renewed	No	Clancy	100%	362.8	
NSW	Genaren	EL7927	Renewal Pending	Yes	Clancy	100%	193.6	Mitsubishi Materials Corp earning 49%
NSW	Cundumbul	EL6661	Renewed	Yes	Clancy	100%	141.4	Mitsubishi Materials Corp earning 49%
NSW	Cundumbul	EL7399	Renewed	Yes	Clancy	100%	63.5	Mitsubishi Materials Corp earning 49%
NSW	Fairholme	EL6552	Renewal Pending	Yes	Clancy	51%	54.5	Kaizen Discovery Inc earning 65%
NSW	Fairholme	EL6915	Renewed	Yes	Clancy	51%	117.5	Kaizen Discovery Inc earning 65%
NSW	Kiola	EL8151	Granted	No	Clancy	100%	284.2	
NSW	Orange East	EL6181	Renewed	No	Clancy	100%	40.2	
NSW	Trundle	EL8222	Granted	No	Clancy	100%	167.2	
NSW	Mount Tennyson	EL8226	Granted	No	Clancy	100%	45.8	
NSW	Mount Pleasant	EL8237	Granted	No	Clancy	100%	63.5	
NSW	Koobah	ELA4996	Application	No	Clancy	100%	28.6	
NT	Reynolds Range	EL30297	Application	No	Clancy	100%	639.7	
NT	Lennon South (Lander River)	EL30422	Application	No	Clancy	100%	326.8	
NT	Stapletons (Barrow Creek)	EL30445	Application	No	Clancy	100%	735.7	
TAS	Lake Margaret	EL28/2009	Granted	Yes	Bass Metals	25%	59.0	Clancy interest carried to Prefeasibility study
TAS	Sock Creek	EL20/2010	Granted	Yes	Bass Metals	25%	11.0	Clancy interest carried to Prefeasibility study
TAS	Oonah	EL63/2004	Renewed	Yes	Niuminco Group Limited	25%	24.0	Clancy contributing

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The information in this announcement that relates to Initial Exploration Results is based on information compiled by Dr Jeff Vassallo who is a Member of the Australian Institute of Geoscientists. Dr Vassallo is a full-time employee of Clancy Exploration Limited and 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 Exploration Results, Mineral Resources and Ore Reserves". Dr Jeff Vassallo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Clancy Exploration

Clancy Exploration (ASX: CLY) is an Australian-focused copper, gold, base metals and tin explorer. The Company's portfolio consists of copper-gold projects in the Lachlan Fold Belt of NSW and the Arunta region of the NT and base metal and tin projects in the Mount Read Volcanic Belt of Tasmania.

In NSW, Clancy has 6 wholly owned and managed projects, 2 joint venture projects with Mitsubishi Materials Corporation (MMC) of Japan and 1 joint venture project with Kaizen Discovery Inc., all of which are managed by Clancy. In Tasmania, Clancy has 2 base metal joint venture projects with Bass Metals (ASX: BSM) and 1 tin joint venture project with Niuminco Group Limited (ASX: NIU). The Tasmanian projects are managed by Clancy's joint venture partners. This mix of Clancy and joint venture project funding allows a high level of exploration activity to be maintained, whilst prudently managing Clancy's financial resources. Details of Clancy's projects can be found at the Company's website: www.clancyexploration.com

Appendix I – JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data: Genaren Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Air core drilling was used to obtain samples at nominal 1m intervals. Nominal 3m composite samples were taken using a PVC spear. Samples were transported to ALS Chemex Orange for preparation and assay.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	One assay standard was inserted for at least every 40 samples. Laboratory standards and blanks are analysed with sample batches as a secondary performance check. One standard is included with every fire assay batch.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Air core drilling was used to obtain samples at nominal 1m intervals. Samples are then crushed to 70% nominal -6mm and pulverized where up to 85% is less than 75 microns. Samples are then homogenized by light pulverizing. Quality control testing on pulverizing efficiency is conducted on random samples. Gold was analysed using a 50g sample via fire assay with AAS finish, (Method Au – AA22) with a detection level of 0.002ppm. Samples returning >1 g/t are analysed by method Au-AA26 with a detection level of 0.01ppm. A further 48 elements are analysed from a 0.25g charge which is dissolved using a near total four acid digest with AAS and ICPMS finish (Method ME-MS61). Samples returning >1% Cu, Pb, Zn and > 100g/t Ag are analysed by method Aqua Regia Digestion with ICP-AES finish (ME-OG46).
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Air core drilling was used to obtain 1 m samples from which 2 – 2.5kg was pulverized to produce a 50g charge for fire assay and a 0.25g charge for acidic digestion.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Drilling was by air core methods. Surface holes were collared into transported cover, with a 6m pre-collar. PVC casing was utilized to collar the hole. A 4 ½” blade drill bit and HQ diameter rods were used to drill holes up to 78m vertical depth.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Samples were bagged as separate 1 metre intervals. Visual checks on sample sizes assisted with determining sufficient recoveries.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Visual checks on sample sizes assisted with determining sufficient recoveries and alert to sample mixing. Minimal water injection was used to lubricate the

Criteria	JORC Code explanation	Commentary
		samples.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No analysis of recovery versus grade has been undertaken.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Systematic geological logging was undertaken. Data collected included: <ul style="list-style-type: none"> • Nature and extent of lithologies • Relationship between lithologies • Amount and mode of occurrence of any visible ore minerals • Magnetic susceptibility recorded at 1m intervals in samples No geotechnical logging is undertaken as all prospects are considered exploration targets.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging was qualitative on fine sample chips.
	<i>The total length and percentage of the relevant intersections logged.</i>	All samples were geologically logged.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	All samples were representatively selected using a PVC spear. Samples were mostly dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were dried crushed and pulverised to 85% passing 75 microns, then homogenized. This is considered appropriate to blend the material prior to laboratory analysis.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	One Certified Standard Reference Material sample was inserted at least every 40 samples to assess the accuracy and reproducibility of results. The results of the standards are to be within $\pm 10\%$ variance from known certified result. ALS conducts internal check samples. These are checked by Clancy employees. Assay grades are compared with mineralogy logging estimates.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Representative composite samples were taken for down hole intervals of 3m. This is considered representative of the in situ material. The sample is crushed and pulverised to 85% passing 75 microns and then homogenized. This is considered appropriate for the sample material.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate to the grain sizes of the minerals encountered.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Standard assay procedures performed by a reputable assay lab, (ALS Group), were undertaken. Gold assays are initially by 50g fire assay with AAS finish, (method Au-AA22). For samples with a gold value greater than 1ppm method AU-AA26 is employed. Method ME-MS61 utilizes a near total four acid digest for a further 48 element suite. Ore grade Ag and base metals are analysed using method ME-OG46.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the</i>	KT10 magnetic susceptibility meter is used for susceptibility measurements in 3

Criteria	JORC Code explanation	Commentary
	<i>parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	second readings.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	Certified reference material or blanks are inserted at least every 40 samples. Standards are purchased from Certified Reference Material manufacture companies: Ore Research and Exploration, and Geostats Pty Ltd. Standards were purchased in foil lined packets of between 60g and 100g. The standard names on the foil packages were erased before going into the pre numbered sample bag and the standards are submitted to the lab blind.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The raw assay data forming significant intercepts are examined by at least two company personnel. Intercepts are calculated via a database query method.
	<i>The use of twinned holes.</i>	Twinned holes have not been used since this work is intended to test areas not previously explored.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Drill hole data including meta data, orientation methods, lithological, mineral, sampling and magnetic susceptibility is collected and entered directly into an excel spread sheet using drop down codes. When complete the spreadsheet is emailed to the geological database administrator, the data is validated and uploaded into an SQL database. Assay data is provided by ALS via electronic spreadsheet. The data is validated using the results received from the known certified reference material. Using an SQL based query the assay data is merged into the database. Hard copies of the assay certificates are stored with drill hole data.
	<i>Discuss any adjustment to assay data.</i>	Assay data is not adjusted.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill hole collars are located using hand held GPS to ±5m.
	<i>Specification of the grid system used.</i>	All coordinates are based on Map Grid of Australia 1994 Zone 55.
	<i>Quality and adequacy of topographic control.</i>	Topographic control is maintained by use of State government datasets.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drill results are generally widely spaced in the nature of greenfields exploration.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The mineralized areas are yet to demonstrate sufficient grade or continuity to support the definition of a Mineral Resource and the classifications applied under the 2012 JORC code.
	<i>Whether sample compositing has been applied.</i>	Sample compositing is not applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Where known, drilling is generally orientated to cross the geological trends at high angles to strike.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this</i>	No sample bias due to drilling orientation is known.

Criteria	JORC Code explanation	Commentary
	<i>should be assessed and reported if material.</i>	
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by Clancy. Samples are placed in tied calico bags with sample numbers that provide no information on the location of the sample. Samples are delivered by Clancy personnel to the assay lab.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	See Clancy tenement listing section in main body of announcement.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	At Genaren, previous work was completed by Geopeko and North Ltd.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The targets are Ordovician porphyry Cu-Au deposits in the Macquarie Arc and post-Ordovician gold-base metal deposits along faults.
Drill hole Information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> 	See tables 1 and 2 in main body of announcement.
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	All holes are reported.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	All reported assays have been length-weighted. All intervals are calculated with a 0.1 g/t Au and 0.1% Cu cut-off. No upper cut-offs have been applied.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and</i>	Intercepts are length-weighted with no cutting of grades. This may lead to

Criteria	JORC Code explanation	Commentary
	<i>longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	elevation of intercept grades due to the presence of a narrow interval of high grade material. Such high grade zones are reported as included intercepts inside the broader intercept.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalences quoted.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Where possible orientated drill core used to allow determination of orientation of structures and mineralisation.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Only preliminary information is currently available due to the lack of drill density.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	See table in body of report.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	See figures in body of report.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	See table in body of report.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	See table in body of report.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	See body of report.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	See figures in body of report.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

CLANCY EXPLORATION LIMITED

ABN

65 105 578 756

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	99	133
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(315) (189)	(778) (391)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	12	21
1.5 Interest and other costs of finance paid		
1.6 Income taxes (paid)/refunded		
1.7 Other Cash calls received from JV partners	408	708
Net Operating Cash Flows	15	(307)
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) Costs associated with ABM Acquisition Exercise fee paid to ABM	- -	(104) (150)
Net investing cash flows	-	(254)
1.13 Total operating and investing cash flows (carried forward)	15	(561)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	15	(561)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares	-	5
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	Net financing cash flows	-	5
	Net increase (decrease) in cash held	15	(556)
1.20	Cash at beginning of quarter/year to date	1,280	1,851
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,295	1,295

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	86
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of salaries, consulting fees and directors fees to directors and director related entities.

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

None

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

None

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,160 (includes approximately \$770,000 which is to be funded by JV partners pursuant to cash calls during the quarter)
4.2	Development	-
4.3	Production	-
4.4	Administration	190
Total		1,350

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	1,045	1,030
5.2 Deposits at call	250	250
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,295*	1,280*
*Excludes \$300,000 of restricted cash.		

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	EL 6784 Currumburrama	100% (Mitsubishi Materials Corp earning 49%)	Nil
6.2	Interests in mining tenements acquired or increased	EL 30422 Lennon South EL 30445 Stapletons	Nil Nil	100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	206,254,392	206,254,392		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
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>				

+ See chapter 19 for defined terms.

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 ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2014
(~~Director~~/Company secretary)

Print name: Rowan Caren

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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