PARINGA RESOURCES LIMITED

30 April 2015

ASX Announcement

MARCH 2015 QUARTERLY REPORT

Paringa Resources Limited ("**Paringa**" or "**Company**") (**ASX:PNL**) is pleased to present its quarterly report for the period ending 31 March 2015. Highlights during, and subsequent to, the quarter include:

Buck Creek Mining Complex

- Exceptional Pre-Feasibility Study ("**PFS**") results confirms technical viability and robust economics of the Buck Creek No.1 Mine located within the growing Illinois Coal Basin:
  - Annual ROM Production (Steady State Average) — 5.2 million tons
  - Annual Production (Steady State Average) — 3.8 million tons
  - Total Operating Costs FOB Barge (Steady State Average) — US$30.19 per ton
  - Annual EBITDA (Steady State Average) — US$81 million
  - Total Initial Capital — US$127 million
  - Initial Marketable Ore Reserve — 63 million tons
  - Initial Mine Life (Ore Reserves Only) — 18 years
- Updated Coal Resource Estimate ("**CRE**") resulted in a significant increase in Measured and Indicated Coal Resources to 211 million tons for the Buck Creek Mining Complex;
- Completed optimisation study to redesign the Coal Handling and Preparation Plant ("**CHPP**") to produce both a washed and blended product, resulting in an increase in yield, production and revenue;
- Successfully secured new strategic coal leases within the Buck Creek Mining Complex consolidating one of the last remaining undeveloped, large-scale coal deposits in the Illinois Basin;
- Progressed the Technical Study on the Buck Creek No. 2 Mine located south of the Buck Creek No. 1 Mine's proposed coal operation and within the Buck Creek Mining Complex; and
- Commenced development drilling at the proposed Buck Creek No.2 Mine to assist with the initial engineering designs as part of the Technical Study with results expected in the June 2015 quarter.
- Following establishment of a corporate office in New York, the Company has commenced initial discussions with potential equity and debt financiers to construct the Buck Creek No.1 Mine.

Next Steps

- Continue to execute on the Company's successful leasing program, focusing on the expansion of the western half of the Buck Creek Mining Complex area;
- Continue negotiations with future customers within the lucrative Ohio River Market, with the goal of executing forward sales contracts to underpin the financing and construction of Buck Creek No.1 Mine;
- Commence the Bankable Feasibility Study ("**BFS**") for the Buck Creek No.1 Mine prior to financing and commencing mine construction; and
- Complete the Technical Study on the Buck Creek No.2 Mine and assess other mine development opportunities within the Buck Creek Mining Complex.

For further information, contact:

David Gay
Chief Executive Officer

Nathan Ainsworth
Business Development

BUCK CREEK MINING COMPLEX

The Buck Creek Mining Complex is located in the Western Kentucky region of the Illinois Coal Basin ("**ILB**") which is one of the most prolific coal producing regions in the United States. Paringa controls over 34,200 gross acres (~13,842 ha) of coal leases within an area of interest of approximately 72,000 acres (~28,000 ha). The Buck Creek Mining Complex is one of the few remaining contiguous high quality thermal coal projects within the Western Kentucky No. 9 ("**WK No. 9**") seam that is not controlled by one of the major United States coal companies. It offers one of the highest quality, highest heating value products in the ILB. The WK No. 9 is now the second largest producer of coal in the United States by coal seam.

The Buck Creek Mining Complex has a JORC Measured and Indicated Coal Resource Estimate of 211 million tons (~192 million tonnes) of high quality thermal coal. The Buck Creek Mining Complex's Marketable Ore Reserve is classified as a Proven and Probable Ore Reserve Estimate, of which 16.4 million tons (or 26 percent) is considered proven and 46.3 million tons (or 74 percent) is considered probable.

Buck Creek Mining Complex – Coal Resource Estimate							
CRE Tonnage (Mt)					Product Quality (+4% Eq. Moisture)		
Measured	Indicated	**Total Measured & Indicated**	Inferred	**Total**	Calorific Value	Ash	Yield
57.7	153.5	**211.2**	5.3	**216.5**	11,855 Btu/lb (6,583 Kcal/kg)	8.35%	92.9%

Buck Creek No.1 Mine Maiden Ore Reserve Estimate						
Recoverable Coal Reserve (Mt)			Product Yield	Marketable Coal Reserve (Mt)		
Proven	Probable	**Total**	%	Proven	Probable	**Total**
22.25	62.91	**85.16**	73.54%	16.36	46.27	**62.63**

The Buck Creek Mining Complex is located adjacent to the Green River which provides year round linkage to the Ohio and Mississippi rivers systems. These systems feed domestic coal-fired power plants and coastal export coal terminals in the Gulf of Mexico.

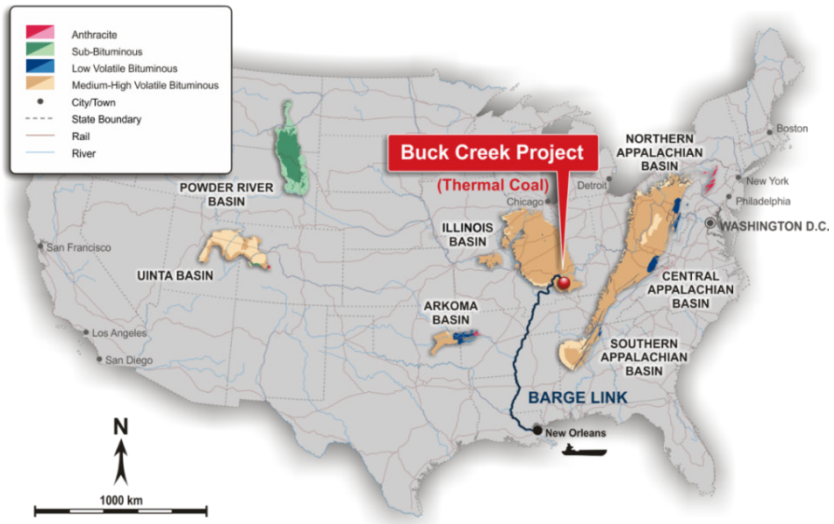

Figure 1: Location of the Buck Creek Mining Complex

Pre-Feasibility Study for Buck Creek No. 1 Mine

During the quarter, the Company announced the results of its Pre-Feasibility Study for the Buck Creek No. 1 Mine ("**Project**") within the Buck Creek Mining Complex. The PFS has been prepared in accordance with JORC Code 2012 Edition ("**JORC Code**") and National Instrument NI 43-101 'Standards of Disclosure for Mineral Projects' ("**NI 43-101**").

Utilising the Project's initial Marketable Ore Reserve Estimate of 62.6 million tons of coal, the Project can support production of 5.2 million tons per annum ("**Mtpa**") Run-of-Mine ("**ROM**") coal yielding approximately 3.8Mtpa of saleable clean coal at steady state production. The low capex, high margin Project is expected to achieve average earnings before interest, taxes, depreciation, and amortization ("**EBITDA**") of US$81 million per annum (steady state) with average annual total operating costs (steady state; inclusive of royalties and severance taxes) of US$30.19 per ton Free On Board Barge ("**FOB Barge**") at the Project's barge load-out facility.

The PFS incorporated a revised mine plan based on an initial Marketable Ore Reserve Estimate generated from the upgraded resource, results from an optimisation study ("**Optimisation Study**") to redesign the coal handling and preparation plant ("**CHPP**"), permitting advancements, securing strategic coal leases and other Project refinements since the completion of the Scoping Study in March 2014.

Key results of the PFS are as follows:

Strong Project Fundamentals *(to a maximum accuracy variation +/- 10%)*		
Initial Capital Costs		
Mine Site Development and Infrastructure	US$79 million	
CHPP & Barge Load-Out Facility	US$48 million	
Total Initial Capital Cost	**US$127 million**	
Production (tons)		
Average ROM Coal Production Steady State	5.2 Mtpa	
Total ROM Coal Produced Life-of-Mine ("**LOM**")	86.2 million	
Average Product Yield	73.5%	
Mine Life	18 years	
Average Saleable Coal Production Steady State	3.8 Mtpa	
Total Saleable Coal Produced LOM	63.4 million	
Start of Construction	Early 2016	
Start of Production Ramp-Up	Early 2018	
Cashflow		
Average Sales Price Received (per ton)	**2018**	**2035**
	US$47.36/t	US$55.63/t
Average Annual Operating Costs (steady state)	US$30.19 per ton	
Average Annual Operating Cashflow (steady state)	US$81 million	

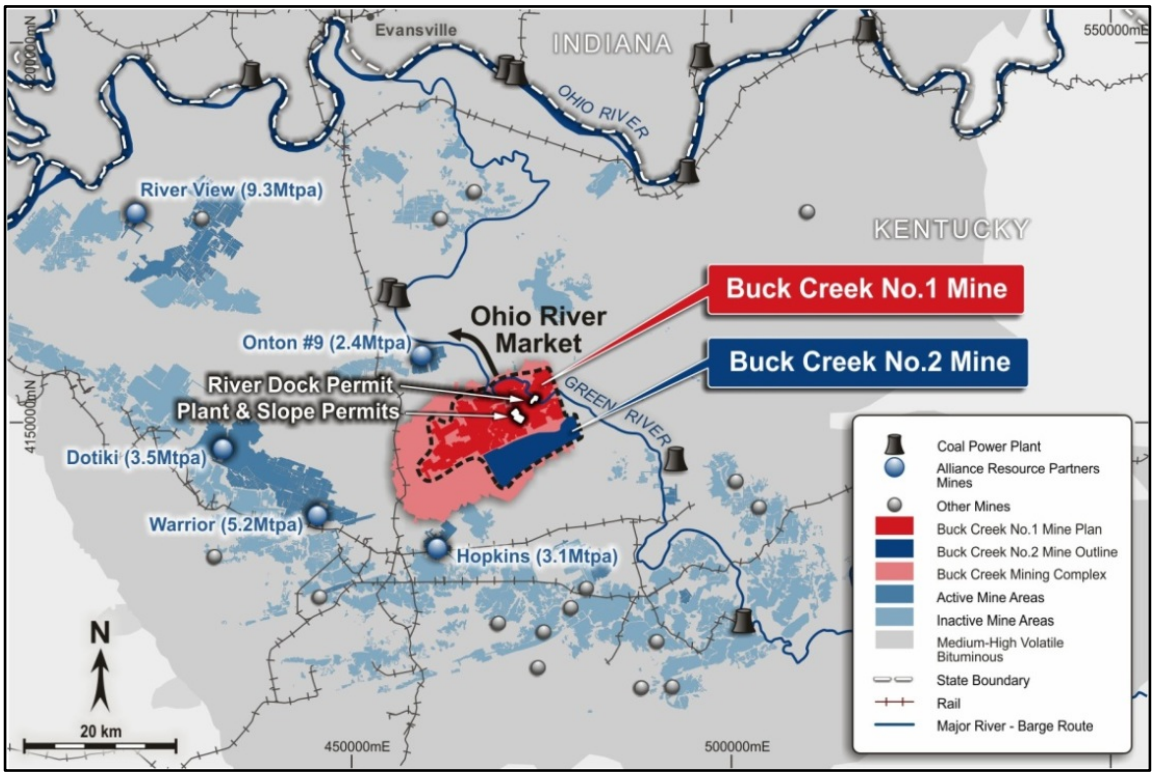

Figure 2: Buck Creek No.1 Mine Plan, No.2 Mine Layout and Adjacent Alliance Operations

Low Operating Costs

The average annual operating costs per clean ton of coal during steady state production ("all-in cash costs") is approximately US$30.19 per ton (FOB Barge), including the cost of leased mining equipment, royalties and severance taxes. Royalties include the average royalty rate paid to mineral owners of 4.1% of the gross sales value FOB Barge and an overriding royalty of 0.5%. The Study assumes all mining equipment will be leased.

Low Capital Development Costs

The Project is located in one of the best-serviced and infrastructure advantaged coal regions in the US. Total initial capital is estimated at US$127 million which includes the cost of surface property, surface and underground mine development and infrastructure estimated at US$79 million and the cost of a 700 tph wash plant, barge load-out and surface facilities of US$48 million.

The total initial capital cost with an added 10% contingency reserve is US$141 million. Sustaining capital for the mine, mine site infrastructure and CHPP have been estimated at US$78.5 million over Life of Mine. In addition, the Company has assumed all capital items will be sourced as new equipment.

Coal Marketing

The initial target market for the Project's coal is the lucrative Ohio River Market consisting of large, scrubbed domestic power plants currently receiving Illinois Basin coal by barge along the Green, Ohio and Cumberland Rivers.

Within the Ohio River Market surrounding the Project, Paringa has identified 16 “Tier 1” coal marketing targets operated by 9 different utilities that have traditionally received fuel similar to the Project’s coal.

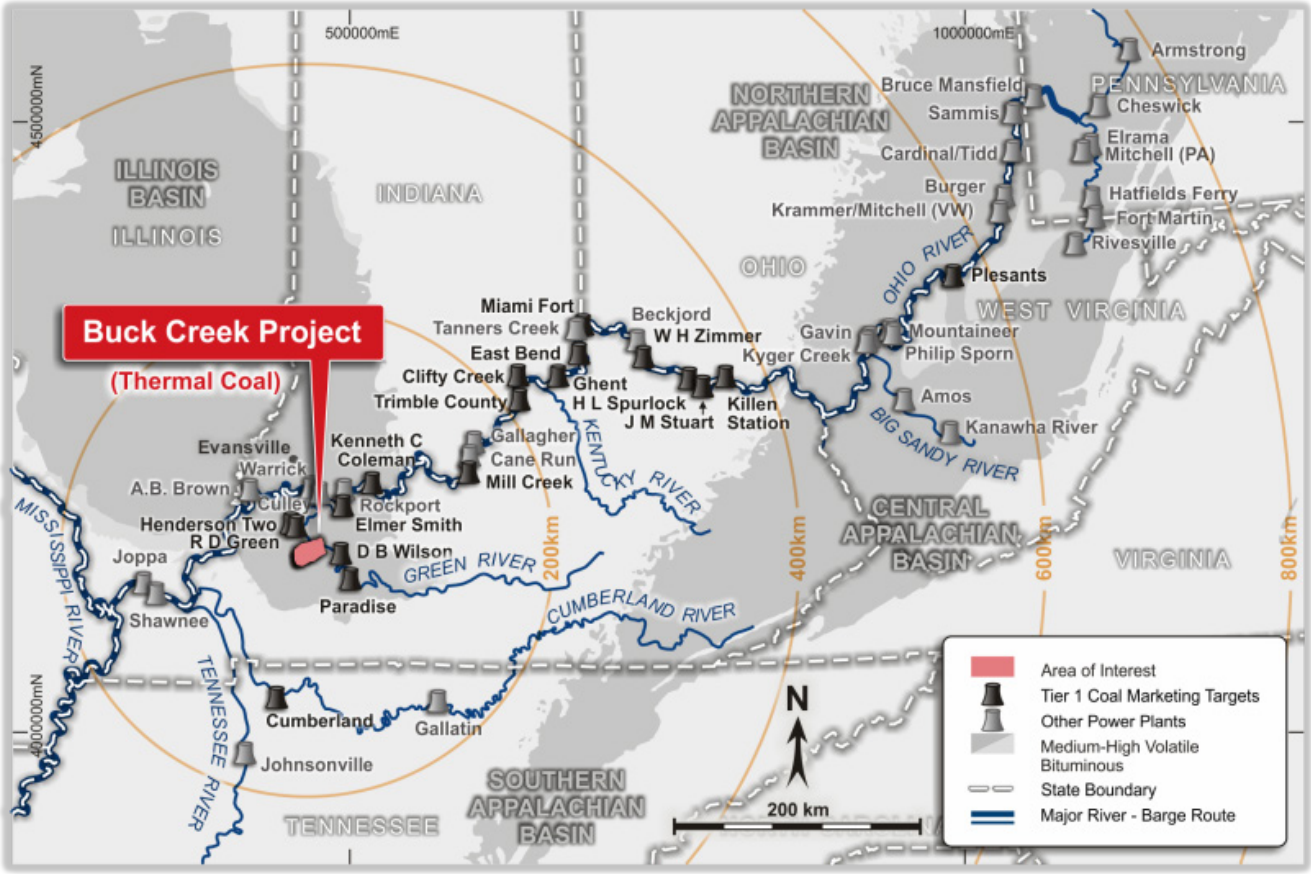

Figure 3: Buck Creek Mining Complex and Paringa’s Target Market within the Ohio River Market

Paringa’s target market is largely insulated from the impact of volatile natural gas prices and is relatively stable in terms of coal demand, over the past 10 years coal supply into the market has become increasingly concentrated into one to two major US coal producers. Based on discussions with Paringa’s target market, new independent sources of supply are highly valued.

Recent Contracted Sales Data

Every year, Paringa’s target market solicits for coal before and after the US winter period. These coal supply agreements will define the quantity (tons), the quality (i.e. heating content, ash, etc) and the sales price of the coal that is to be delivered to a location identified by the utility. Provided below are the latest coal supply agreements between utilities located in the State of Kentucky and local Illinois Basin coal producers signed between July 2014 to January 2015 (for the delivery of coal from 2016 onwards).

These contracted sales prices have been adjusted in the table below for differences in heating content and transportation costs, reflecting equivalent FOB Barge sales prices for a fully washed coal (11,800 Btu/lb).

Recent Contracted Sales for Utilities Located in Kentucky (Adjusted)									
Date	Company	Utility	Term (Years)	Tons (mt)	Heating Content (Btu/lb)	Sales Price (US$/t)			
						2016	2017	2018	2019
Jan-15	Foresight	EKPC	2	0.48	11,300	48.07	50.05	-	-
Jan-15	Alliance	LG&E	1	1.5	11,500	48.74	-	-	-
Jan-15	Alliance	LG&E	1	1.5	12,000	46.22	-	-	-
Jan-15	Ken American	Big Rivers	4	1.8	11,700	45.76	49.77	51.08	52.44
Dec 14	Armstrong	LG&E	2	2.0	11,000	43.58	44.80	-	-
Dec 14	Ken American	LG&E	4	3.0	11,800	48.50	49.38	51.00	52.00
Dec-14	Alliance	LG&E	2	1.44	11,500	47.92	49.51	-	-
Dec-14	Alliance	EKPC	2	0.48	11,500	48.43	48.43	-	-
Aug 14	Alliance	EKPC	2	0.48	11,500	49.10	51.05	-	-
Jul-14	Rhino	LG&E	2	1.6	11,300	47.82	49.56	-	-
Jul 14	Ken American	LG&E	0	1.00	11,800	48.50	-	-	-

Conservative Sales Price Assumptions

Forecast coal sales prices used in the PFS are based on Hanou Energy Consulting, LLC's Illinois Basin Coal Price & Demand Forecast: 2014-2034. A base price for the Project's Product A - Fully Washed product (11,800 Btu/lb) was established from the forecast. Based on washability data and preparation plant design calculations, the Project's Product B - Blended coal is expected to have a quality of 11,200 Btu/lb. This lower heating content product will be subject to a price adjustment for heating content and ash.

As a result, the estimated average sales prices for the Project ranges from $47.36 per ton to $55.63 per ton between 2018 and 2035. The weighted average sales prices for both products is shown below:

Selected Average Sales Forecasts (US$ per ton)					
2018	2019	2020	2025	2030	2035
47.36	47.81	48.26	50.59	53.04	55.63

Coal Resource

Paringa announced to the ASX (February 2015), an update to the Coal Resource Estimate ("**CRE**") reported in accordance with the JORC Code 2012. The updated CRE comprised of 211 million tons (~192 million tonnes) in the Measured and Indicated categories.

Buck Creek Mining Complex – Coal Resource Estimate							
CRE Tonnage (Mt)					Product Quality (+4% Eq. Moisture)		
Measured	Indicated	**Total Measured & Indicated**	Inferred	**Total**	Calorific Value	Ash	Yield
57.7	153.5	**211.2**	5.3	**216.5**	11,855 Btu/lb (6,583 Kcal/kg)	8.35%	92.9%

The updated CRE incorporated results from an additional 4 air rotary holes and 14 diamond core holes drilled by Paringa from 2013 to 2014. Also added were 5 Kentucky Geological Survey core holes on portions of the recently acquired 8,500 acres of mineral property leased by Paringa since the maiden CRE was released in November 2013. Drilling has confirmed the WK No.9 seam to demonstrate lateral stratigraphic and coal quality continuity.

Maiden Ore Reserve Estimate

As part of the PFS, the Company announced an initial Marketable Ore Reserve Estimate of 62.6 million tons of thermal coal has been defined from initial Recoverable Ore Reserve Estimate of 85.2 million tons. The Marketable Ore Reserve is classified as a Proven and Probable Ore Reserve Estimate, of which 16.4 million tons (or 26 percent) is considered proven and 46.3 million tons (or 74 percent) is considered probable (after the application of all mining factors).

Buck Creek No.1 Mine Maiden Ore Reserve Estimate						
Recoverable Coal Reserve (Mt)			Product Yield	Marketable Coal Reserve (Mt)		
Proven	Probable	**Total**	%	Proven	Probable	**Total**
22.25	62.91	**85.16**	73.54%	16.36	46.27	**62.63**

Mine Development Plan

Production will be by room-and-pillar mining with four super-section units with a total of eight continuous miners (i.e. two continuous miners per super-section unit). Each super-section will be equipped with four battery haulers discharging onto a belt feeder/breaker, which provides surge capacity to reduce hauler dump time. In addition, each super-section will be equipped with two dual-head roof bolting machines to provide roof support in mined entries. The super-sections will also require scoops for clean-up of spillage, distribution of supplies and materials, and other utility purposes.

Access to the proposed mine will be provided by a slope for transport of personnel, materials, and ROM coal, and a two-compartment vertical shaft for mine ventilation. The mine slope (decline entryway from the surface to the coal seam) will accommodate a conveyor belt to transport ROM coal to the surface and a travelway for the transportation of personnel, supplies, and equipment.

Mine Site Infrastructure, Coal Handling & Preparation Plant

The mine portal, coal preparation plant, and refuse disposal facility will be located in McLean County in the east-central portion of the Property. An overland conveyor will connect the mine and plant to a barge load-out on the Green River, approximately two miles to the northeast along Kentucky Route 138.

Processing

The Project will include a modern, fully integrated, coal preparation plant in order to provide a consistent product, which meets the specifications of its customers. At full production, the coal preparation plant will be capable of processing 5.2 million tons of ROM coal annually, which equates to approximately 3.8 million marketable tons per year.

Based on feedback from Paringa's potential Tier-1 customers, the Project's CHPP has been redesigned to produce both a fully-washed and blended product as shown below:

- Product A - Fully Washed Product (11,800 Btu/lb); and
- Product B - Blended Product (11,200 Btu/lb, 12% Ash).

Barge Load-Out Facility

The Company currently has a fully-permitted barge load-out facility approximately two miles northeast of the Project's plant site. As part of the PFS, the Company assessed alternate locations for the barge load-out facility to increase the productivity of loading coal onto the barge. As a result, Paringa has identified a new optimised barge load-out facility and has executed a lease option agreement with the landowner. The Company has already begun permitting of the new optimised barge load-out facility, and the time necessary to procure the necessary permit approvals is not expected to significantly impact the construction or operation of the Project.

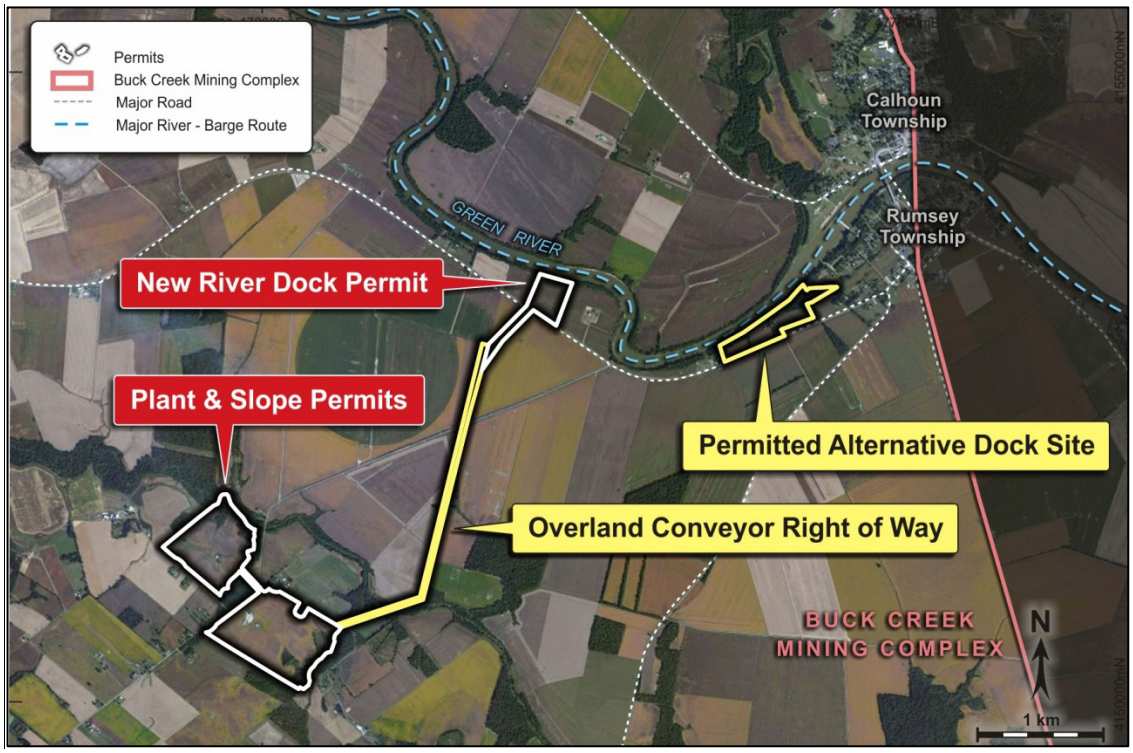

Figure 5: Aerial Photo of Proposed Mine Plant and Slope, and Barge Load-Out Locations

Permitting and Socioeconomic Position

Paringa has two distinct permitted areas for the Project, the plant site and the barge load-out facility. Both areas are permitted by Hartshorne and the rights to develop the surface are controlled via option agreements. Surface rights to the new optimised barge load-out site and associated conveyor right-of-way are currently held under an option to lease with full rights to develop the surface. The permitting of the new optimised barge load-out facility site is currently underway, and the Company does not expect this routine permit approval process to impose delays in the construction of the Project.

Development of Buck Creek No. 2 Mine

During the quarter, the Company progressed with a technical study ("**Technical Study**") on the Buck Creek No. 2 Mine, positioned south of the Buck Creek No. 1 Mine and within the Buck Creek mining complex.

Development of Buck Creek No. 2 is expected to be a low Capex development project on account of the shallow depth of the coal seam from surface at the planned mine site and the potential to utilise the majority of the proposed Buck Creek No. 1 Mine's processing and barge transportation infrastructure, with minimal modification.

The Company anticipates cash flows from the proposed Buck Creek No. 1 Mine to fund the development of the low Capex Buck Creek No. 2 Mine. The Company is also assessing other development opportunities within the Buck Creek Mining Complex area which form part of a staged multi-project development program.

In addition, Paringa has commenced development drilling at the Buck Creek No.2 Mine comprised of seven spot core holes to assist with the initial engineering design and orientation of the planned mine portal. Results of the drilling campaign are expected to be released during the June 2015 quarter.

Next Steps

The Company has an exciting quarter ahead with a substantial amount of activity scheduled for the Buck Creek Mining Complex over the coming months, including:

- Continuing the Company's aggressive leasing program, focusing on the western half of the Area of Interest of the Buck Creek Mining Complex area.
- Continue negotiations with future customers within the lucrative Ohio River Market, with the goal of executing a forward sales agreement or mine opening contract;
- Continue discussions with potential equity and debt financiers to develop the Buck Creek No.1 Mine;
- Commence Bankable Feasibility Study for the Buck Creek No.1 Mine prior to financing and commencing mine construction; and
- Complete Technical Study on the Buck Creek No.2 Mine and assess other mine development opportunities within the Buck Creek Mining Complex.

CORPORATE

At 31 December 2014 Paringa had A$3.5 million in cash, and no debt.

During the quarter, the Company opened a corporate office in Manhattan, New York. The office will used to continue investor relation activities and facilitate discussions with potential equity and debt financiers to construct the Buck Creek No.1 Mine.

EXPLORATION INTERESTS

Buck Creek Coal Leases

At the end of the quarter, Paringa controlled approximately 34,205 gross acres (~13,842 ha) of coal leases in Kentucky, United States which comprise the Buck Creek Mining Complex. The area is controlled by Paringa through approximately 228 individual coal leases with private mineral owners.

During the quarter, Paringa directly leased approximately 6,602 additional gross acres (~2,672 ha) of coal from individual mineral owners at the Buck Creek Mining Complex.

Arkoma Coal Leases

At the end of the quarter, Paringa controlled approximately 14,000 gross acres (~5,600 ha) of coal leases in Arkansas, United States which comprise the Arkoma Project. The area is controlled by Paringa through approximately 400 individual coal leases with private mineral owners.

Brazil Tenements

During the quarter, Paringa relinquished its residual exploration tenements in Brazil following a review of exploration results. This was achieved through the sale of the Company's Brazilian subsidiary, Paringa Mineração Limitada, for a nominal amount which has allowed management to focus on the development of the Buck Creek Mining Complex and has reduced Paringa's ongoing monthly holding costs associated with these tenements.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Paringa's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Paringa, which could cause actual results to differ materially from such statements. Paringa makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

Competent Persons Statements

The information in this announcement that relates to the Exploration Results, Coal Resources, Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation was extracted from Paringa's ASX announcements dated 17 March 2015 entitled 'Paringa Delivers Exceptional Pre-Feasibility Study at the Buck Creek No.1 Mine' and 25 February 2015 entitled 'Substantial 54% Increase in Measured and Indicated Coal Resources to 211 Million Tons' which are available to view on the Company's website at www.paringaresources.com.au.

The information in the original ASX announcements that related to Exploration Results and Coal Resources is based on, and fairly represents, information compiled or reviewed by Mr. Kirt W. Suehs, a Competent Person who is a Member of The American Institute of Professional Geologists. Mr. Suehs is employed by Cardno. Mr. Suehs has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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' and to qualify as a Qualified Person as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining's Definition Standards on Mineral Reserves and Mineral Resources.

The information in this report that relates to Coal Reserves, Mining, Coal Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Messrs. Justin S. Douthat and Gerard J. Enigk, both of whom are Competent Persons and are Registered Members of the Society for Mining, Metallurgy & Exploration. Messrs. Douthat and Enigk are employed by Cardno. Messrs. Douthat, and Enigk have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as Qualified Persons as defined in the 2011 Edition of the National Instrument 43-101 and Canadian Institute of Mining's Definition Standards on Mineral Reserves and Mineral Resources.

Paringa confirms that: a) it is not aware of any new information or data that materially affects the information included in the original ASX announcements; b) all material assumptions and technical parameters underpinning the Coal Resource, Coal Reserve, Production Target, and related forecast financial information derived from the Production Target included in the original ASX announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this presentation have not been materially modified from the original ASX announcements.

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

PARINGA RESOURCES LIMITED

ABN

44 155 933 010

Quarter ended ("current quarter")

31 MARCH 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(896)	(2,772)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(258)	(664)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	48	160
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material):		
	(a) business development	(187)	(568)
	Net Operating Cash Flows	**(1,293)**	**(3,844)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	(322)	(576)
	(b) equity investments	-	-
	(c) other fixed assets	(18)	(18)
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:		
	(a) Deferred consideration	(1,274)	(1,274)
	Net investing cash flows	**(1,597)**	**(1,869)**
1.13	Total operating and investing cash flows (carried forward)	(2,891)	(5,691)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,891)	(5,691)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,000
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:	-	-
	(a) share issue costs	(16)	(324)
	Net financing cash flows	**(16)**	**4,676**
	Net increase (decrease) in cash held	**(2,907)**	**(1,015)**
1.20	Cash at beginning of quarter/year to date	6,400	4,512
1.21	Exchange rate adjustments to item 1.20	21	19
1.22	**Cash at end of quarter**	**3,514**	**3,514**

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	45
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 to Directors for services and superannuation.

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

Not Applicable

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

Not Applicable

+ 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	800
4.2	Development	-
4.3	Production	-
4.4	Administration	200
	Total	**1,000**

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	124	248
5.2	Deposits at call	3,390	6,152
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**3,514**	**6,400**

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	**São Luis Gold Project** (851.141/11, 806.596/11, 851.139/11)	Direct	100%	-
		Santo Antônio Graphite Project (890.779/13, 890.785/13, 890.790/13, 831.809/12, 890.387/12, 890.388/12, 890.389/12, 890.390/12, 890.391/12, 890.392/12, 890.393/12, 890.394/12, 890.395/12, 890.396/12, 890.397/12)	Direct	100%	-
		São Fidélis Graphite Project (890.400/12, 890.401/12)	Direct	100%	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
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**	138,816,667	138,816,667	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,233,333	1,233,333	-	-
7.5	**+Convertible debt securities** (*description*)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	Options 2,250,000 150,000 1,500,000 1,500,000 Rights 982,333 1,466,000 2,448,334 450,000 450,000	 - - - - - - - - -	*Ex. price* $0.30 $0.30 $0.20 $0.45 - - - - -	*Expiry date* 31/08/2017 31/12/2016 31/12/2016 30/06/2018 31/12/2015 31/12/2016 31/12/2017 30/06/2016 31/12/2016
7.8	Issued during quarter	Rights 1,233,333	 -	 -	*Expiry date* 31/12/2014
7.9	Exercised during quarter	Rights (1,233,333)	 -	 -	*Expiry date* 31/12/2014
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

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

Sign here: ..... Date: 30 April 2015
(~~Director~~/Company secretary)

Print name: Gregory Swan

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 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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+ See chapter 19 for defined terms.