29 April 2014

QUARTERLY REPORT – 31 March 2014

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 March 2014.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

Cape Lambert Resources Limited (ASX: CFE) is a fully funded mineral development company with exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

Australian Securities Exchange
Code: CFE

Ordinary shares
644,804,602

Unlisted Options
500,000 ($0.15 exp 30 Sept 2015)

Board of Directors
Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Ross Levin
Non-executive Director

Melissa Chapman
Company Secretary

Key Projects and Interests
Marampa Iron Ore Project
Pinnacle Group Assets

Cape Lambert Contact
Tony Sage
Executive Chairman

Eloise von Puttkammer
Investor Relations

Phone: +61 8 9380 9555
Email: info@capelam.com.au

Australian Enquiries
Professional Public Relations
David Tasker
Phone: +61 8 9388 0944
Mobile: +61 433 112 936
Email: david.tasker@ppr.com.au

UK Enquiries
Tavistock Communications
Emily Fenton / Jos Simson
Phone: +44 (0)207 920 3150
Mobile: +44 (0)7899 870 450

HIGHLIGHTS

Corporate

- At 31 March 2014, the Company had approximately A$27.3 million in cash at bank.
- Second on market buy back announced with 8,646,150 fully paid ordinary shares bought back in the quarter.
- TSX listed Eldorado Gold Corporation (TSX: ELD) offer to acquire all of the shares of Glory Resources Limited (ASX: GLY) completes. Cape Lambert received A$12,747,500 in cash which represents the sale of Cape Lamberts shareholding in Glory, and is based on 36,750,000 shares at $0.17 per share, as well as A$6,500,000 for upfront payment in lieu of Milestone Payments.
- Increased shareholding in FE Limited (ASX: FEL) to 57.89% following the conversion of A$2.0m in converting loan notes to equity.
- A$1.0m converting loan agreement entered into with Cauldron Energy Limited (ASX: CXU).
- Objections lodged with the Australian Taxation Office in relation to the Amended Assessment disallowed. The Company is appealing the objection decisions in the Federal Court of Australia.

Projects

Rokel Iron Ore Project

- Significant assay results returned from reconnaissance mapping of southern extensions to the Kumrabai prospect include:

Hematite Schist

- GHGR101: 59.6% Fe
- GHGR103: 57.4% Fe
- MWGR108: 50.4% Fe
- MWGR115: 57.9% Fe

Magnetite Gneiss

- MBGR002: 45.6% Fe
- MBGR003: 43.8% Fe
- MBGR004: 42.2% Fe

CORPORATE

Strategy and Business Model

Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is an Australian domiciled, fully funded, mineral development company. Cape Lambert has interests in several exploration and mining companies, providing exposure to iron ore, copper, gold, uranium, manganese, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America (refer Figure 1).

Cape Lambert's strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (Projects) and:

- improve the value of these Projects, through a hands on approach to management, exploration , evaluation and development; and
- retain long-term exposure to these Projects through a production royalty and/or equity interest.

Cape Lambert aims to deliver shareholder value by adding value to these undeveloped Projects. If Projects are converted into cash, the Company intends to follow a policy of distributing surplus cash to Shareholders.

Capital Management

On Market Buy-Back

During the quarter, the Company announced its second on market share buy-back of up to 10% of the Company's fully paid ordinary shares (**Shares**) within the 12 months from 23 January 2014 (refer ASX Announcement dated 8 January 2014). Shares bought back by the Company are subsequently cancelled.

During the quarter, the Company committed to buy back 8,646,150 Shares for total consideration of A$912,112.71. Please note the cash amount paid during the quarter was for the buy back of 6,187,048 Shares for a total consideration of A$666,202.51 with the variance relating to a settlement timing difference. As at 28 April 2014, there are 43,659,603 Shares remaining that may be bought back under this facility.

Corporate Structure

Change in Company Secretary

Ms Melissa Chapman was appointed as Company Secretary with effect from 31 January 2014.

Ms Chapman is a certified practising accountant with over 12 years of experience in the mining industry. She has worked extensively in Australia and the United Kingdom. Ms Chapman has a Bachelor of Accounting from Murdoch University and has been a member of CPA Australia since 2000. Melissa has completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia.

Investments and Divestments

Glory Resources

In February 2014 the off market takeover by TSX listed Eldorado Gold Corporation (**TSX: ELD**) (**Eldorado**) to acquire Glory Resources Limited (**ASX: GLY**) (**Glory**) went unconditional.

Cape Lambert held 36,750,000 shares in Glory Resources and was its second largest shareholder with a 16% shareholding in the company.

Glory's flagship project is the Sapes Gold Project which is located in Greece (**Sapes Project**). Pursuant to the terms of the sale of the Sapes Project, Glory must pay Cape Lambert an additional A$10,000,000 in cash or shares (at the election of Cape Lambert) on achievement of two key milestones relating to the Sapes Project (A$5,000,000 for each milestone), namely the granting of an operating permit and the sale of the first 1,000 ounces of gold or gold equivalent (**Milestone Payments**).

During the quarter, Cape Lambert received A$12,747,500 in cash which represents the sale of the Company's shareholding in Glory, and is based on 36,750,000 shares at $0.17 per share, as well as A$6,500,000 for upfront payment in lieu of Milestone Payments.

FE Limited

FE Limited (**ASX: FEL**) (**FE Limited**) is an Australian based mineral resources company which holds interests in a large portfolio of mineral resource projects prospective for iron, gold and nickel in Western Australia and Queensland.

In June 2011, FE Limited entered into a loan agreement with Cape Lambert (**Loan Agreement A**) pursuant to which Cape Lambert agreed to lend FE Limited A$2,000,000, with interest accruing at the cash rate plus 3% per annum.

In December 2012, FE Limited entered into a second loan agreement with Cape Lambert (**Loan Agreement B**) pursuant to which Cape Lambert agreed to lend FE Limited A$1,000,000, with interest accruing at the same rate as Loan Agreement A.

On 20 December 2013, FE Limited entered into a settlement arrangement (**Settlement and Converting Loan Agreement**) with respect to Loan Agreement A and Loan Agreement B. Pursuant to the Settlement and Converting Loan Agreement, A$1,000,000 will be repaid to Cape Lambert in cash and subject to shareholder approval, A$2,000,000 (together with accrued interest) will automatically convert into shares at a conversion price calculated at 80% of the volume weighted average closing price of the shares as quoted on ASX over the last ten days immediately preceding the conversion.

At the FE Limited Meeting in February 2013, FE Limited shareholders approved the conversion of the amounts owing under the Settlement and Converting Loan Agreement and consequently on 26 February 2014, a total of 104,193,055 FE Limited Shares were issued to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert.

Following conversion of the Settlement and Converting Loan Agreement, Cape Lamberts holds a 57.89% interest in FE Limited.

Subsequent to the quarter end, Cape Lambert has received the balance of the consideration being A$1,000,000 cash in accordance with the Settlement and Converting Loan Agreement.

Cauldron Energy

Cauldron Energy Limited (**ASX: CXU**) (**Cauldron**) is an Australian based mineral resources company with uranium projects in Australia and Argentina.

In March 2014, Cauldron entered into a converting loan agreement with Cape Lambert (**Converting Loan Agreement**) pursuant to which Cape Lambert agreed to lend Cauldron A$1,000,000. Subject to shareholder approval at Cauldrons 2014 Annual General Meeting, the Converting Loan Agreement will automatically convert into ordinary shares in Cauldron, the conversion will be 80% of the volume weighted average closing price of the shares as quoted on ASX over the last ten days immediately preceding the conversion. If shareholder approval is not obtained, the Converting Loan Agreement, together with interest which accrued daily at 10%, is repayable by Cauldron by 31 December 2014.

Legal Action and Disputes

ATO Notice of Amended Tax Assessment and Associated Penalty Notice

On 18 May 2012, the Company announced that it had received a Notice of Amended Assessment from the Australian Taxation Office (**ATO**), together with an associated Penalty Notice (**Amended Assessment**).

In December 2012, the Company entered into an Arrangement for Payment (**Arrangement**) with the ATO to pay half the primary tax and shortfall interest charge in dispute pending the outcome of the objections lodged by the Company. Under this Arrangement, a total of approximately A$33.4 million has been paid to the ATO by the Company.

The Arrangement provided that collection action for the balance of the disputed amount would not be commenced by the ATO before the dispute is resolved.

During the quarter, the Company was notified that the objections lodged with the ATO in relation to the Amended Assessment were disallowed. The Company intends to appeal the objection decisions in the Federal Court of Australia. The appeal process could take some time.

Before an outcome on this appeal is known the Company should not be subject to recovery action of the disputed amount.

MCC Legal Action

The dispute against MCC Australia Sanjin Mining Pty Ltd (**MCC Sanjin**), and its parent company Metallurgical Corporation of China Limited (collectively **MCC**) to recover the final A$80 million payment from the sale of the Cape Lambert magnetite project in mid-2008 pursuant to an agreement between the parties (**MCC Agreement**), as reported in detail in previous Quarterly Reports, is ongoing with no developments during the quarter.

PROJECTS

Marampa (100% interest)

Marampa is an iron ore project at development and permitting stage, and is located 90 km northeast of Freetown, Sierra Leone, West Africa (**Marampa** or **Marampa Project**) (refer Figure 2). Marampa comprises two granted exploration licences (EL46A/2011 – 239.18 km^2 and EL46B/2011 – 66.00 km^2 (formerly EL46/2011 – 305.18 km^2)) held by Marampa Iron Ore (SL) Limited, which is indirectly, a wholly owned subsidiary of Cape Lambert.

[1]Marampa has a total JORC Mineral Resource of 681 million tonnes ("Mt") at 28.2% Fe (above a cut-off grade of 15% Fe) covering four deposits (Gafal, Matukia, Mafuri and Rotret) (refer ASX Announcement 7 July 2011).

Exploration

No exploration activities occurred during the quarter.

Topographic Surveying

Topographic surveying over the proposed tailings storage facility continued throughout the quarter and remains ongoing.

Mining Licence

Marampa finalised and lodged its Large Scale Mining Licence application during the quarter (refer ASX announcement 22 November 2013), and expects that the mining licence to be granted during 2014.

Dempsey Resources (100% interest)

Dempsey Resources holds the Kukuna Iron Ore Project located in Sierra Leone (**Kukuna Project** or **Kukuna**).

The Project is located 120 km northeast of Freetown in the northwest of Sierra Leone and consists of one exploration licence (EL22/2012) covering 68 km^2 (refer Figure 2). The licence is located 70 km due north of the Marampa Project and the Pepel Infrastructure and comprises rocks that correlate with the Marampa Group stratigraphy known to host specular hematite mineralisation.

Exploration

No exploration activities occurred during the quarter.

[1] This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Pinnacle (100% interest)

Pinnacle holds the Sandenia Iron Ore Project (**Sandenia Project** or **Sandenia**) located 290 km east of Conakry in the central south of the Republic of Guinea. The Project is comprised of a single tenement covering approximately 298 km^2. The Sandenia permit contains Banded Iron Formation (**BIF**) prospective for iron mineralisation, similar to that hosting the 6.16 Bt Kalia deposit owned by Bellzone Mining plc located on the contiguous permit to the north.

Exploration

Field mapping and sampling to investigate potential hosts for gold mineralisation alongside iron mineralisation continued throughout the quarter as weather permitted.

Assays

A total of 60 assay results were received during the quarter with no significant results. A complete list of assay results, JORC Table 1 and a sample location plan is included in the Appendix.

Metal Exploration Limited (100% interest)

Metal Exploration (Mauritius) Limited, a wholly owned subsidiary of Cape Lambert, holds 17 granted exploration licences and one application in Sierra Leone covering approximately 2,386 km^2. This land package covers the region 70 km to the north and south of Marampa and is referred to as the Rokel Iron Ore Project (**Rokel** or **Rokel Project**). Rocks from the Marampa Group ("Rokotolon Formation") exist throughout the licence areas, much the same as the Marampa Project, and are known to host specularite schist bearing units.

The Rokel Project is prospective for discovery of hematite schist deposits geologically similar to those at Marampa and is located proximal to the existing Pepel Infrastructure (refer Figure 2). Regional mapping and geophysics has identified a number of prospective areas which are progressively being followed up with targeted exploration.

Exploration

Exploration focused on mapping to identify strike extensions of the Kumrabai prospect (Marampa East) in the tenements south of the Marampa East licence. (refer Figure 3). Numerous outcrops and float of hematite schist have been observed and mapped.

Additional mapping was carried out along the western edge of the Magbosi licence where a magnetite bearing gneiss was identified towards the end of the previous quarter. The magnetite rich gneissic unit is part of the Kasila Group, and is geologically similar to that reported by West African Iron Ore Corporation in Guinea north of Kambia, where an Exploration Target size between 2.9 Bt and 5.1 Bt was reported by SRK Consulting (Australasia) Pty Ltd in March 2011.

Sampling

Assay results for 31 rock chip samples taken as part of the greater mapping campaign were received during the quarter. Significant results include:

Hematite Schist

- GHGR101: 59.6% Fe
- GHGR103: 57.4% Fe
- MWGR108: 50.4% Fe
- MWGR115: 57.9% Fe

Magnetite Gneiss

- MBGR002: 45.6% Fe
- MBGR003: 43.8% Fe
- MBGR004: 42.2% Fe

A complete list of results, JORC Table 1 and a sample location plan is included in the Appendix.

Cote D'Ivoire (100% interest)

Metals Exploration Cote D'Ivoire SA Limited is a wholly owned subsidiary of Cape Lambert Resources. The Company holds three tenements in the highly prospective Birimian Gold Belt of Cote D'Ivoire. The tenements are named Boundiali North (400km^2), Katiola (400km^2) and Bouake (400km^2) for a total land position of 1,200km^2 (refer Figure 4).

The tenements all contain, or are adjacent to, Birimian Greenstones and metasediments and have significant structural characteristics known to host high tenor gold mineralisation in the district. The Birimian Group is broadly divided into phyllites, tuffs and greywackes of the Lower Birimian (Type 2 metasediments), and various basaltic to andesitic lavas and volcanoclastics of the Upper Birimian (Type 1 Greenstone metavolcanics). Spatial distribution of gold mineralisation appears to be governed by north to northeast trending belts of metavolcanic rocks, ranging from 15km to 40km in width, associated with the Upper Birimian.

The Birimain Gold Belt is host to numerous multi-million ounce gold deposits including the Morila (7Moz), Syama (7Moz) and Tongon (4Moz) deposits. Almost without exception, these major gold deposits are located at or close to the margins of the metavolcanic belts, adjacent to the strongly deformed contacts between the Upper and Lower Birimian sequences as seen to exist within the recently granted tenements.

All three tenements are highly prospective and have the potential to host multi-million ounce gold deposits (refer to ASX announcement of 30 April 2013).

Exploration

Approval was recieved during the quarter to proceed with an airborne geophysical survey over the three project areas. The survey will comprise aeromagnetic, radiometric and topographic data collection, processing and analysis. The program Contract has been awarded to SRK Consulting (Perth) who will oversee the data acquisition phase, data processing and interpretation.

The survey is anticipated to commence during Q2 with the data acquisition phase followed by the data processing and interpretation phases with final reporting expected by the end of Q3.

No exploration activities occurred during the quarter.

Mt Anketell Pty Ltd (100% interest)

Mt Anketell Pty Ltd (**Mt Anketell**), a wholly owned subsidiary of Cape Lambert, holds a single exploration licence (E47/1493) covering 56.9 km^2 in the northern Pilbara region of Western Australia, which is prospective for niche iron and gold mineralisation associated with the Nickol River precinct. Mt Anketell recently received a two year extension of the licence term.

Based on significant geochemical gold results identified on surrounding tenements and projected strike extensions of the source lithology into the Mt Anketell ground, a proposal was submitted to the Department of Mines and Petroleum to conduct auger geochemical sampling over the Nickol River prospect. Ministerial consent was granted and a letter of POW approval was received in late December 2013. Work is now progressing in the form of preparations for the proposed field work, which is expected to be conducted during Q2 2014.

Competent Person:
The contents of this Report relating to Exploration Results are based on information compiled by Dennis Kruger, a Member of the Australasian Institute of Mining and Metallurgy. Mr Kruger is a consultant to Cape Lambert and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity 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 Kruger consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

Competent Person:
The contents of this Report relating to Mineral Resources and Ore Reserves are based on information compiled by Olaf Frederickson, a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Cape Lambert and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity 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 Frederickson consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

Figure 1: Group Structure March 2014

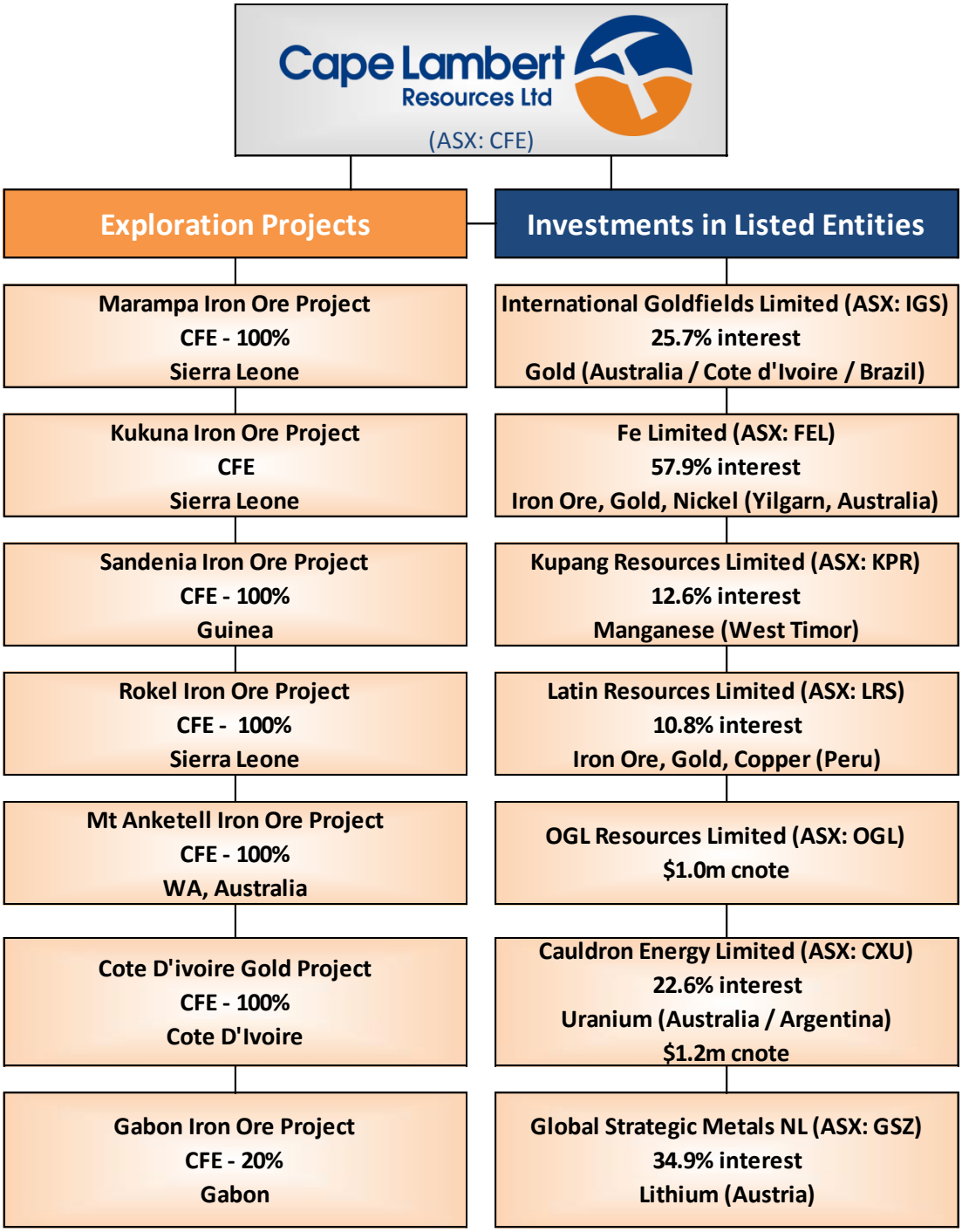


Figure 2: Cape Lambert West African Iron Ore Interests

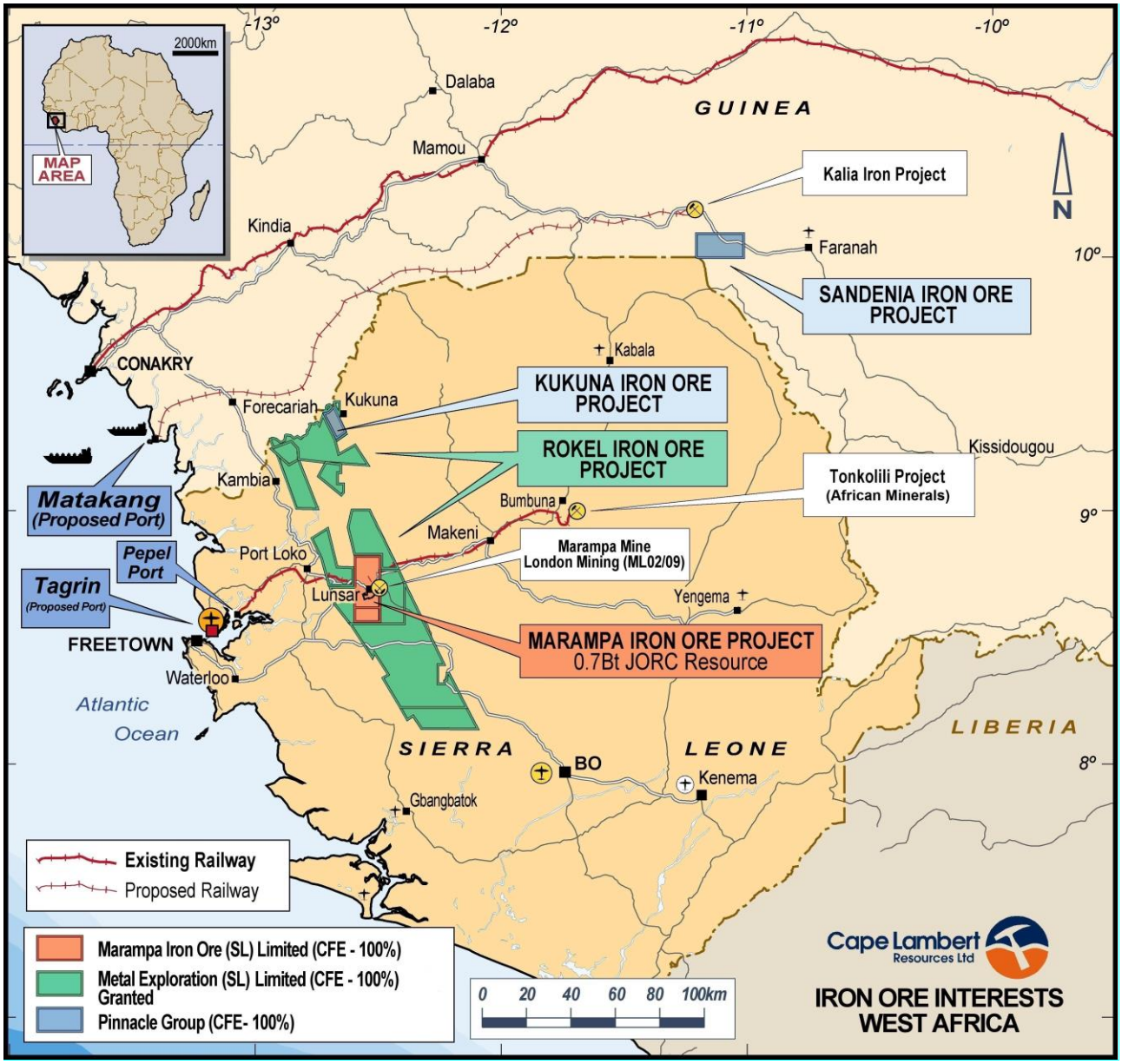


Figure 3: Location Map of Rokel Prospects

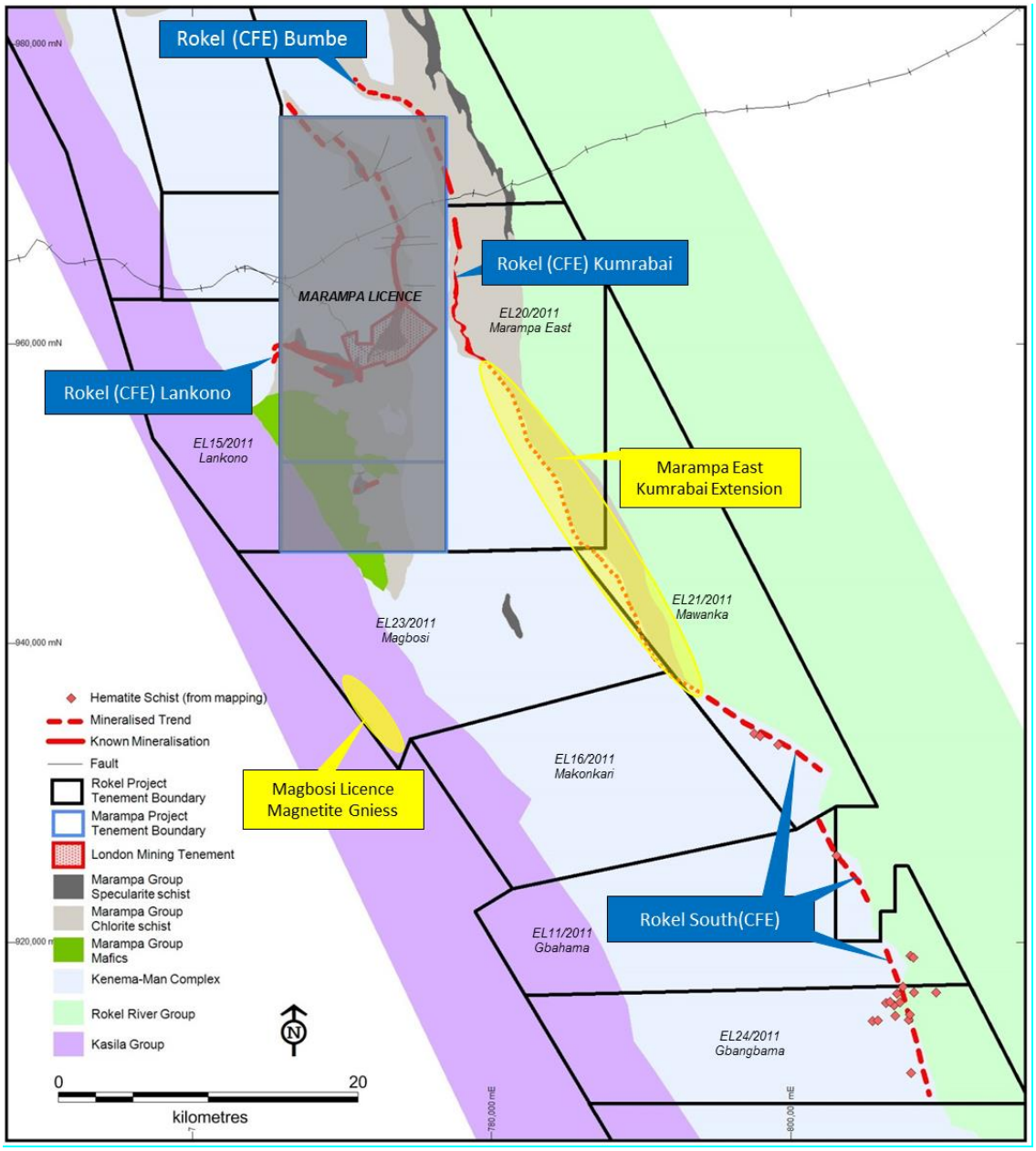


Figure 4: Cote D'IvoireTenements.

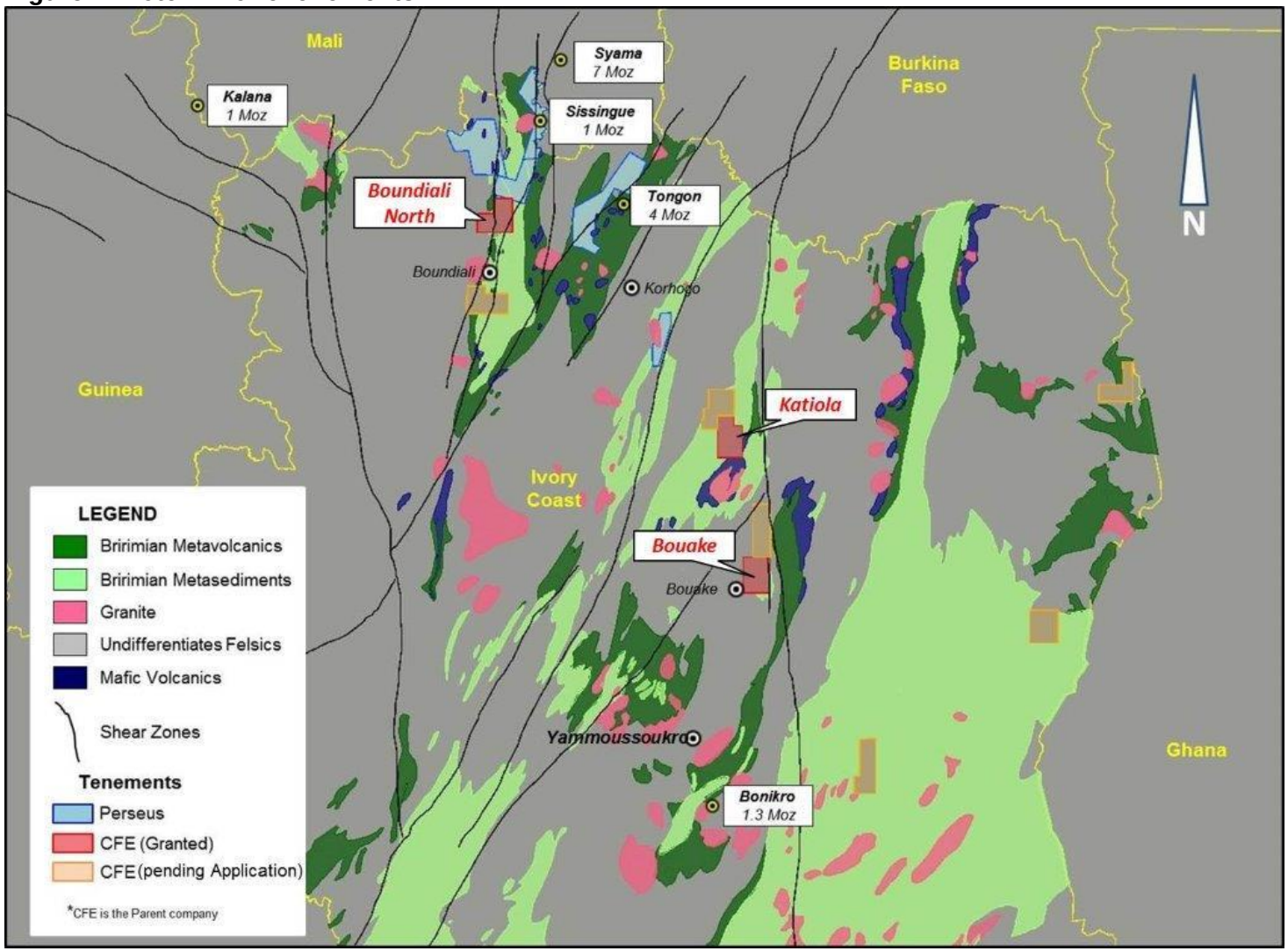


Table 1: Sandenia Rock Chip Assay Results for Gold.

Sample	Type	Date Sampled	North	East	RL	Au ppb
BA001	ROCK	17/06/2013	1114922	259334	510	<2
BA002	ROCK	17/06/2013	1114928	259377	503	5
BA003	ROCK	17/06/2013	1114650	260882	490	2
BA004	ROCK	18/06/2013	1111413	261284	521	2
BA005	ROCK	18/06/2013	1111206	261482	508	2
BA006	ROCK	19/06/2013	1114612	260161	513	3
BA007	ROCK	20/06/2013	1114984	259208	508	2
BA008	ROCK	20/06/2013	1115290	259049	512	<2
BA009	ROCK	20/06/2013	1115318	259059	518	4
BA010	ROCK	24/06/2013	1116250	258441	498	5
BA011	ROCK	24/06/2013	1116590	258884	508	<2
BA012	ROCK	24/06/2013	1116114	258974	518	<2
BA013	ROCK	24/06/2013	1116521	258956	526	3
BA014	ROCK	25/06/2013	1116468	259112	539	2
BA015	ROCK	25/06/2013	1116737	259166	526	2
BA016	ROCK	25/06/2013	1116788	259625	556	2
BA017	ROCK	25/06/2013	1116726	259673	541	5
BA018	ROCK	25/06/2013	1116435	259287	541	3
BA019	ROCK	26/06/2013	1116501	259296	556	4
BA020	ROCK	26/06/2013	1116435	259287	545	4
BA021	ROCK	2/07/2013	1116434	260099	532	4
BA022	ROCK	3/07/2013	1116794	259784	509	4
BA023	ROCK	4/07/2013	1115147	258309	501	<2
BA024	SOIL	4/07/2013	1114741	257465	528	3
BA025	ROCK	8/07/2013	1113867	258019	515	3
BA026	ROCK	10/07/2013	1111410	266059	492	4
BA027	ROCK	15/07/2013	1111760	259504	494	4
BA028	ROCK	15/07/2013	1115894	267089	481	2
BA029	ROCK	15/07/2013	1115890	267100	479	2
BA030	ROCK	18/07/2013	1109942	259216	505	5
BA031	ROCK	18/07/2013	1109988	259228	505	<2
BA032	ROCK	25/07/2013	1110234	259613	504	<2
BA033	ROCK	30/07/2013	1109658	258881	491	<2
BA034	ROCK	1/08/2013	1109618	259176	484	<2
BA035	ROCK	1/08/2013	1109952	258323	509	<2
BA036	ROCK	1/08/2013	1109954	258246	533	2
BA037	ROCK	1/08/2013	1110260	258141	501	<2
BA038	ROCK	7/08/2013	1112364	262240	536	<2

Sample	Type	Date Sampled	North	East	RL	Au ppb
BA039	ROCK	14/08/2013	1108559	257722	478	<2
BA040	ROCK	20/08/2013	1109367	260281	510	<2
BA041	ROCK	20/08/2013	1109334	260345	518	<2
BA042	ROCK	20/08/2013	1109349	260372	515	<2
BA043	ROCK	22/08/2013	1109327	260133	496	<2
BA044	ROCK	26/08/2013	1108015	260198	510	<2
BA045	ROCK	28/08/2013	1108288	259941	529	2
BA046	ROCK	2/09/2013	1108013	259358	504	<2
BA047	ROCK	11/09/2013	1106106	275266	504	<2
BA048	ROCK	18/09/2013	1107389	261475	518	2
BA049	ROCK	18/09/2013	1114199	267816	466	4
BA050	ROCK	19/09/2013	1107847	275569	475	<2
BA051	ROCK	19/09/2013	1106977	273227	477	3
BA052	ROCK	25/09/2013	1106001	275549	497	<2
BA053	SOIL	25/09/2013	1115008	267728	492	<2
BA054	SOIL	25/09/2013	1114985	267726	485	<2
BA055	SOIL	25/09/2013	1114967	267725	486	<2
BA056	SOIL	25/09/2013	1114795	267722	472	<2
BA057	ROCK	8/10/2013	1109856	259228	490	<2
BA058	ROCK	9/10/2013	1108015	260219	517	<2
BA059	ROCK	11/10/2013	1107914	259664	529	<2
BA060	ROCK	11/10/2013	1108048	259602	526	<2

Assay Method: ARE145 - AAS after Aqua Regia Digest, DIBK, 50g, ppb
Detection: 2ppb
Lab: SGS, Monrovia
Co-ordinates in WGS84 Zone 29N

Table 2: Sandenia Rock Chip JORC information.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• Random rock chip samples taken from outcrop and surface float • Rock samples were sent to the in house sample preparation lab in Lunsar Sierra Leone where they were crushed, dried and pulverized to produce a 50g sub sample for analysis. These samples were on sent to SGS in Monrovia for analysis by Aqua Regia digest followed by AAS for gold.
Drilling techniques	• *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).*	• Not applicable
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Not applicable
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging included a geological description of the rock type sampled • The logging is entirely qualitative.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Not applicable

Criteria	JORC Code explanation	Commentary
	• *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *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.*	• An industry standard assay technique using Aqua Regia Digestion followed by AAS was used for gold. • Quality control procedures for the rock chip assays were followed via internal SGS protocols.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations have been recorded on a handheld GPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Not applicable
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling was of a reconnaissance nature on random quartz veins as they were identified.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by Cape Lambert Resources until sub samples were delivered to SGS in Monrovia.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not applicable at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• All samples taken from the Sandenia Iron Ore Project lease area on Permit 1 - A2012/057/1 (in Guinea) held 100% by Pinnacle Group Assets Limited which is a wholly owned subsidiary of Cape Lambert Resources. • The tenement is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Unknown
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Magnitite BIF base rock overlain by a variably thick lateritic weathered zone cross cut by numerous random quartz veins.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• Not applicable

Data aggregation methods	• *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.* • *Where aggregate intercepts incorporate short lengths of high grade results and 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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Not applicable
Diagrams	• *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.*	• See attached
Balanced reporting	• *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.*	• All results have been reported

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *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.*	• Not applicable
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• None planned

Figure 5: Sandenia Sample Locations.

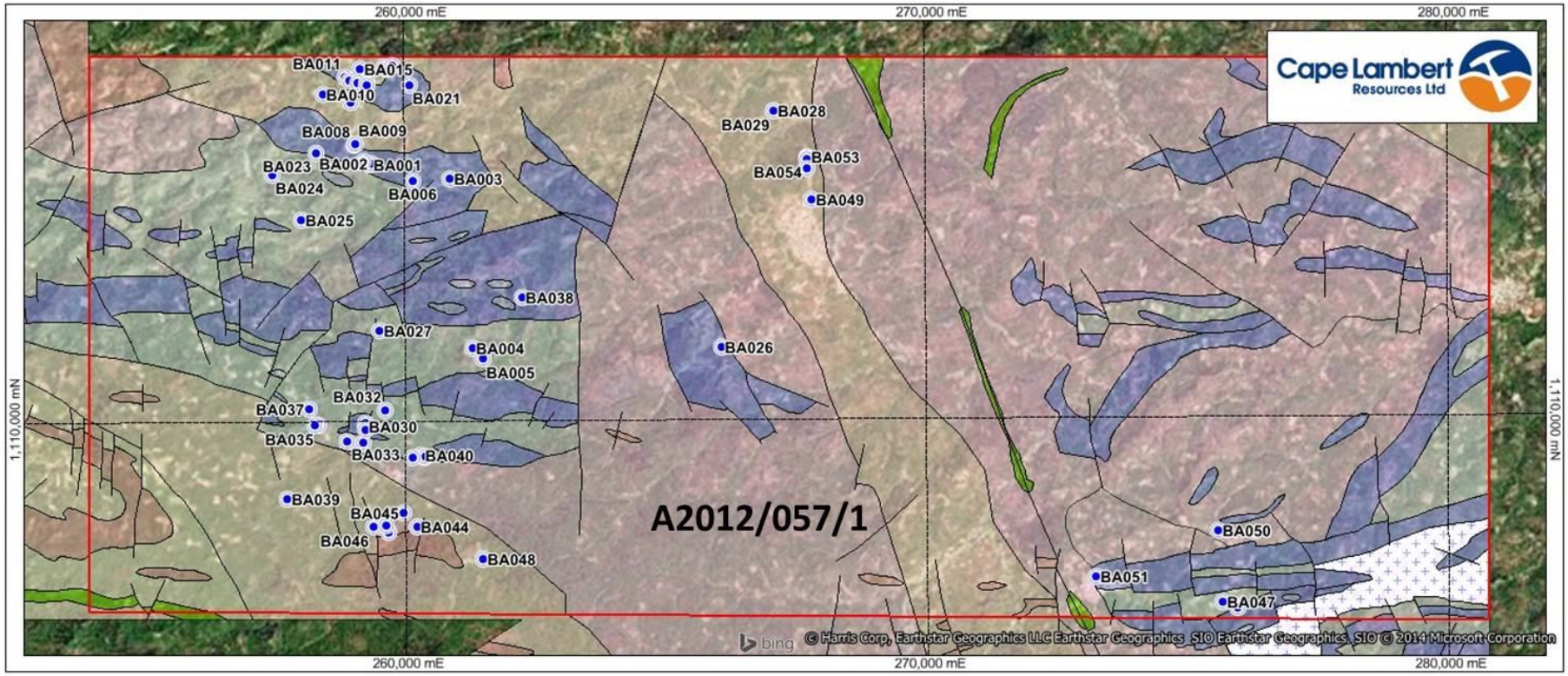


Table 3: Rokel Rock Chip Assay Results.

Sample	Type	Date	North	East	RL	Fe %	Al2O3 %	SiO2 %	P %	S %	LOI %	MgO %	TiO2 %	MnO %	CaO %	Na2O %	K2O %
Detection Limits						0.01	0.01	0.01	0.001	0.001	0.01	0.01	0.01	0.01	0.01	0.01	0.01
GHGR101	ROCK	13/11/2013	925855	802967	82	59.62	5.45	6.02	0.054	0.011	3.39	0.07	0.29	0.04	0.02	-0.01	0.35
GHGR102	ROCK	13/11/2013	925839	802986	83	44.37	14.01	11.69	0.086	0.048	9.49	-0.01	0.72	0.03	0.01	-0.01	0.01
GHGR103	ROCK	13/11/2013	925828	803015	84	57.44	6.91	6.76	0.048	0.018	3.25	0.08	0.38	0.02	0.02	-0.01	0.39
GHGR104	ROCK	21/11/2013	918975	808022	80	44	9.64	21.41	0.017	0.022	4.67	0.45	0.44	0.03	-0.01	-0.01	1.33
GHGR105	ROCK	21/11/2013	918961	808033	79	43.8	10.08	20.79	0.033	0.028	4.85	0.6	0.42	0.02	0.2	-0.01	1.32
GHGR106	ROCK	21/11/2013	919013	808007	79	49.79	8.37	16.27	0.031	0.024	4.48	0.15	0.3	0.02	-0.01	-0.01	0.53
GHGR107	ROCK	21/11/2013	919097	807959	77	43.71	10.82	18.32	0.05	0.024	5.62	0.36	0.41	0.01	0.01	-0.01	1.11
GHGR108	ROCK	21/11/2013	919097	807959	77	45.02	10.72	18.06	0.06	0.021	5.68	0.34	0.38	0.01	-0.01	-0.01	1.07
GHGR109	ROCK	21/11/2013	919128	807924	77	46.76	8.9	16.79	0.04	0.018	5.03	0.22	0.41	-0.01	-0.01	-0.01	0.73
GHGR110	ROCK	21/11/2013	919141	807908	76	47.1	9.74	16.76	0.05	0.017	5.62	0.21	0.37	-0.01	-0.01	-0.01	0.73
MKGR101	ROCK	16/05/2013	935671	793096	77	47.11	8.22	18.2	0.039	0.01	3.78	0.44	0.36	0.02	-0.01	-0.01	1.7
MWGR101	ROCK	28/11/2013	933264	799298	74	48.66	6.71	18.25	0.031	0.003	2.86	0.47	0.25	0.03	-0.01	-0.01	1.54
MWGR102	ROCK	28/11/2013	933260	799293	78	47.39	9.5	16.65	0.049	0.02	4.81	0.5	0.39	0.03	-0.01	-0.01	1.61
MWGR103	ROCK	28/11/2013	933239	799302	74	48.33	8.29	16.3	0.044	0.023	4.52	0.41	0.29	0.03	-0.01	-0.01	1.37
MWGR104	ROCK	28/11/2013	933165	799141	75	37.99	12.62	23.88	0.042	0.028	5.2	1	0.56	0.04	-0.01	-0.01	3.21
MWGR105	ROCK	28/11/2013	933179	799155	73	41.22	11.95	20.07	0.039	0.028	6.07	0.55	0.4	0.02	0.03	-0.01	1.72
MWGR106	ROCK	28/11/2013	933179	799155	73	45.16	10.6	17.77	0.048	0.037	5.4	0.55	0.41	0.03	0.02	-0.01	1.72
MWGR107	ROCK	28/11/2013	933197	799403	76	46.15	8.13	18.19	0.031	0.019	5.61	0.52	0.24	0.03	0.02	-0.01	1.63
MWGR108	ROCK	16/05/2013	936266	793668	85	50.47	7.11	11.99	0.108	0.012	5.64	0.42	0.33	0.06	-0.01	-0.01	1.46
MWGR109	ROCK	22/05/2013	936566	793315	86	44.98	10.2	16.79	0.038	0.004	5.02	0.99	0.64	0.01	0.01	-0.01	3.28

Sample	Type	Date	North	East	RL	Fe %	Al2O3 %	SiO2 %	P %	S %	LOI %	MgO %	TiO2 %	MnO %	CaO %	Na2O %	K2O %
MWGR110	ROCK	23/05/2013	933239	799220	75	46.37	7.2	18	0.046	0.01	5.61	0.66	0.28	0.03	-0.01	-0.01	2.17
MWGR112	ROCK	23/05/2013	933214	799207	75	45.61	9.76	18.1	0.037	0.028	4.56	0.62	0.35	0.03	0.02	-0.01	1.94
MWGR113	ROCK	23/05/2013	933179	799153	76	45.03	10	18.55	0.036	0.028	4.73	0.62	0.37	0.03	0.01	-0.01	1.99
MWGR114	ROCK	27/05/2013	931651	801426	70	48.97	6.37	17.09	0.058	0.022	4.14	0.38	0.22	0.25	0.01	-0.01	1.25
MWGR115	ROCK	28/05/2013	934152	797521	92	57.92	5.04	7.85	0.081	0.012	3.6	0.28	0.23	0.06	0.09	-0.01	0.62
MWGR116	ROCK	29/05/2013	934387	801376	106	48.69	10.61	5.17	0.321	0.042	12.67	-0.01	0.56	0.44	0.01	-0.01	0.05

Method : XRF76V XRF fusion, Whole Rock
PHY02V Loss on Ignition
Lab: SGS, Monrovia
Co-ordinates in WGS84 Zone 28N

Table 4: Rokel Rock Chip JORC information.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• Random rock chip samples taken from outcrop and surface float • Rock samples were sent to the in house sample preparation lab in Lunsar Sierra Leone where they were crushed, dried and pulverized to produce sample for analysis. These samples were on sent to SGS in Monrovia for analysis XRF Fusion and Loss on ignition analysis
Drilling techniques	• *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*	• Not applicable

Criteria	JORC Code explanation	Commentary
	what method, etc).	
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Not applicable
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging included a geological description of the rock type sampled • The logging is entirely qualitative.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *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.*	• An industry standard assay technique using XRF fusion and LOI was used for multi element assay. • Quality control procedures for the rock chip assays were followed via internal SGS protocols.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations have been recorded on a handheld GPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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*	• Not applicable

Criteria	JORC Code explanation	Commentary
	estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling was of a reconnaissance nature on random outcrop and float as it was identified.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by Cape Lambert Resources until sub samples were delivered to SGS in Monrovia.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not applicable at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

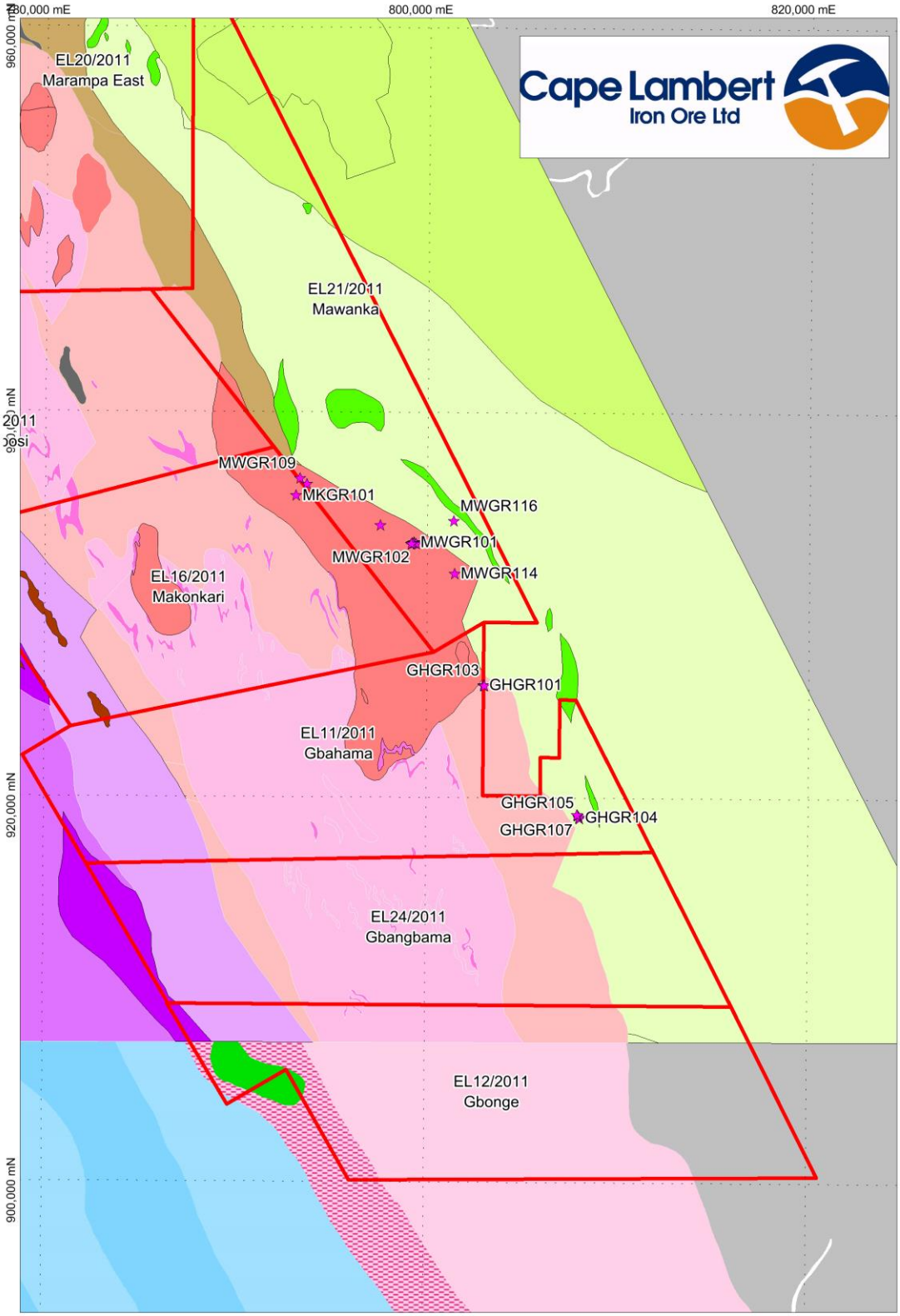
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *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.*	• All samples taken from the Rokel group of leases in Sierra Leone held 100% by Metal Exploration (Mauritius) Limited which is a wholly owned subsidiary of Cape Lambert Resources. • The tenements are in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Unknown
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Hematite schist hosted within chlorite schists of the Marampa Group and amongst outcropping basement granite and gneissic rocks. • The magnetite rich gneissic unit is part of the Kasila Group, and is geologically similar to that reported by West African Iron Ore Corporation in Guinea north of Kambia

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• Not applicable

Data aggregation methods	• *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.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer*	• Not applicable

Criteria	JORC Code explanation	Commentary
	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. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Not applicable
Diagrams	• *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.*	• See attached
Balanced reporting	• *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.*	• All results have been reported
Other substantive exploration data	• *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.*	• Not applicable
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Ongoing mapping and reconnaissance sampling in the near term.

Figure 6: Rokel Sample Locations.



Appendix 1: Tenement Status

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
Marampa Project - EL 46A/2011	Lunsar - Sierra Leone	-	-	100%
Marampa Project - EL 46B/2011	Lunsar - Sierra Leone	-	-	100%
Rokel Project - EL 08/2012	Yaya – Sierra Leone	-	-	100%
Rokel Project - EL 09/2012	Kukuna South – Sierra Leone	-	-	100%
Rokel Project - EL 11/2011	Gbahama – Sierra Leone	-	-	100%
Rokel Project - EL 12/2011	Gbonge – Sierra Leone	-	-	100%
Rokel Project - EL 13/2011	Gbinti – Sierra Leone	-	-	100%
Rokel Project - EL 14/2011	Magbeti – Sierra Leone	-	-	100%
Rokel Project - EL 15/2011	Lankono – Sierra Leone	-	-	100%
Rokel Project - EL 16/2011	Makonkari – Sierra Leone	-	-	100%
Rokel Project - EL 17/2011	Karina – Sierra Leone	-	-	100%
Rokel Project - EL 18/2011	Kukuna North – Sierra Leone	-	-	100%
Rokel Project - EL 19/2011	Lankono North – Sierra Leone	-	-	100%
Rokel Project - EL 20/2011	Marampa East – Sierra Leone	-	-	100%
Rokel Project - EL 21/2011	Mawanka – Sierra Leone	-	-	100%
Rokel Project - EL 22/2011	Kambia East – Sierra Leone	-	-	100%
Rokel Project - EL 23/2011	Magbosi – Sierra Leone	-	-	100%
Rokel Project - EL 24/2011	Gbangbama – Sierra Leone	-	-	100%
Rokel Project - EL 25/2011	Gbinti West – Sierra Leone	-	-	100%
Kukuna Project - EL 22/2012	Kukuna – Sierra Leone	-	-	100%
Sandenia Project - No. A 2013/110/DGMI/CMPD	Sandenia – Guinea	-	-	100%
Cote D'Ivoire Projects - EL 284	Katiola - Cote D'Ivorie	-	-	100%
Cote D'Ivoire Projects - EL 285	Boundiali North – Cote D'Ivorie	-	-	100%
Cote D'Ivoire Projects - EL 286	EL 286 – Cote D'Ivorie	-	-	100%
Mt Anketell Project - E47/1493	Cape Lambert South - Pilbara Western Australia	-	-	100%
EPM 9869 (Note A)	Mareeba – Queensland	-	-	10%

Note A
Subject to completion of sale of 10% interest to Territory Minerals Ltd under agreement 17 October 2012

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

Cape Lambert Resources Limited

ABN	Quarter ended ("current quarter")
71 095 047 920	31 March 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(3,540)	(9,589)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,375)	(4,342)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	134	669
1.5	Interest and other costs of finance paid	-	(27)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	165	305
	Net Operating Cash Flows	**(4,616)**	**(12,984)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(120)	(974)
	(c) other fixed assets	(3)	(104)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	12,915	13,161
	(c) other fixed assets	-	-
	(d) controlled entity	-	11,504
1.10	Loans to other entities	(500)	(2,916)
1.11	Loans repaid by other entities	500	1,000
1.12	Other: Cash backing security for performance / other bonds & bank guarantees released	5,659	5,671
	Other: Payment of transaction related and business development costs	(369)	(1,802)
	Net investing cash flows	**18,082**	**25,540**
1.13	**Total operating and investing cash flows (carried forward)**	**13,466**	**12,556**

+ See chapter 19 for defined terms.

1.13	**Total operating and investing cash flows (brought forward)**	**13,466**	**12,556**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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: On-market buy back	(666)	(2,250)
	Net financing cash flows	**(666)**	**(2,250)**
	Net increase (decrease) in cash held	**12,800**	**10,306**
1.20	Cash at beginning of quarter/year to date	14,550	17,034
1.21	Exchange rate adjustments to item 1.20	(11)	(1)
1.22	**Cash at end of quarter**	**27,339**	**27,339**

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	214
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

$214,000 (excluding GST) payment of executive and non-executive director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

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

N/A

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	3,500
4.2	Development	-
4.3	Production	-
4.4	Administration	1,500
	Total	**5,000**

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	1,339	14,550
5.2	Deposits at call	26,000	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	27,339	14,550

+ 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	N/A			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	659,292,737	659,292,737		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- (8,646,150)	- (8,646,150)		
7.5	**+Convertible debt securities** (*description)*	-	-		

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	500,000	500,000	*Exercise price* *$0.15*	*Expiry date* *30 Sept 2015*
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

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

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 April 2014
(Company secretary)

Print name: Melissa Chapman

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.

== == == == ==