31 January 2017

QUARTERLY REPORT – 31 December 2016

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 December 2016.

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
720,686,586

Unlisted Options
23,500,000 ($0.05 exp 18 Dec 2018)

Board of Directors
Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Melissa Chapman
Company Secretary

Key Projects and Interests
Marampa Iron Ore Project
Pinnacle Group Assets

Cape Lambert Contact
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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, Asia, 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.

Cash Balance

As at 31 December 2016, the Company had approximately A$3.1 million (including FE Limited cash of A$667k which is consolidated in accordance with accounting standards) in cash at bank.

Capital Management

African Minerals Limited Shareholding

The Company previously advised Shareholders that administrators had been appointed to manage the affairs, business and property of African Minerals Limited (**AML**). During the quarter, AML divested their shareholding and no longer hold any shares in Cape Lambert.

Issue of Options

On 15 December 2016, the Company issued 23,500,000 unlisted option at $0.05 each expiring on 31 December 2018 to Gulf Energy International Limited.

Investments

Timis Mining Corporation Royalty

As previously announced, Cape Lambert will receive a royalty of US$2 per tonne of iron concentrate (**Royalty**) exported from the Timis Marampa Iron Ore Mine (**Mine**), which is payable on a quarterly basis. The Royalty of US$2 per tonne is payable on production of 24mt from the Mine.

There has been no change during the quarter and the Mine remains on care and maintenance however the Company does note the positive changes in the iron ore price during the period. The payment from Timis Mining to Cape Lambert of US$2,566,420 for the

March 2015 quarter royalty also remains unpaid. The Company remains in contact with Timis Mining to expeditate a resolution regarding the unpaid amount.

Timis Mining Corporation Bridging Finance

The Company provided Bridging finance of US$8 million to Timis Mining which was repayable to the Company in October 2015 and incurs interest of 3 month US LIBOR (London interbank offered rate) + 6%. The principal and interest was due to be repaid to Cape Lambert in one payment on 21 October 2015 and could be extended by the parties on mutually agreed terms.

There has been no change during the quarter and repayment of the bridging finance is yet to be received by the Company. The Company remains in contact with Timis Mining to expeditate a resolution regarding the facility.

European Lithium Limited

During the quarter European Lithium Limited (**ASX: EUR**) (**Euro Lithium**) announced a resource upgrade at it's 100% owned Wolfsberg lithium project which is located in Carinthia, 270 kilometers south of Vienna, Austria (**Wolfsberg**). The Wolfsberg resource upgrade was the required milestone to trigger the issue of Tranche 2 Consideration Shares as part of the original acquisition of 100% of the issued capital of Euorpean Lithium AT (Investments) Limited, a wholly owned subsidiary of Euro Lithium. Consequently, the Company was issued with 16,370,980 shares in Euro Lithium on 23 December 2016 for nil consideration.

Following the issue of these shares, Cape Lambert owns 65,933,920 shares in Euro Lithium (15.26% of the issue capital in Euro Lithium). Based on the current Euro Lithium share price of $0.064 the Companys investment in Euro Lithium is worth approximately A$4.22 million.

Cauldron Energy Limited

The Company's shareholding in Cauldron Energy Limited (**ASX: CXU**) (**Cauldron**) decreased during the quarter from 18.21% to 16.36% following the issue of shares by Cauldron pursuant to a share placement. Based on the current Cauldron share price of $0.07 the Company's investment in Cauldron is worth approximately A$3.67 million.

Shareholder Meetings

Annual General Meeting

The Company's Annual General Meeting (**AGM**) was held 24 November 2016. For more information, refer to the Notice of AGM and results available via the Company's website.

General Meeting

The Company held a General Meeting (**GM**) on 29 December 2016 where the resolution to remove Tony Sage as Director of the Company was not passed. For more information, refer to the Notice of GM results available via the Company's website.

PROJECTS

Marampa (100% interest)

Marampa is an iron ore project at the development stage, and is located 90 km northeast of Freetown, Sierra Leone, West Africa (**Marampa** or **Marampa Project**) (refer Figure 2). Marampa comprises one granted mining licence (ML05/2014) comprising 79.40km^2 and two granted exploration licences (EL46A/2011 – 159.78 km^2 and EL46B/2011 – 66.00km^2 (formerly EL46/2011 – 305.18km^2)) held by Marampa Iron Ore (SL) Limited, which is indirectly, a wholly owned subsidiary of Cape Lambert.

The Marampa Project remains under care and maintenance and the Company surrendered its exploration licence EL46B/2011 late in the quarter.

Dempsey Resources (100% interest)

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

The Project is located 120 km northeast of Freetown in the northwest of Sierra Leone and consists of one exploration licence (EL22/2012) covering 68km^2 (refer Figure 2). The licence is located 70km 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.

The Kukuna Project remains under care and maintenance.

Metal Exploration Limited (100% interest)

Metal Exploration (Mauritius) Limited, a wholly owned subsidiary of Cape Lambert, holds 15 granted exploration licences and one application in Sierra Leone covering approximately 1,688km^2 (refer Figure 2). This land package covered the region 70km to the north and south of Marampa and is referred to as the Rokel Iron Ore Project (**Rokel** or **Rokel Project**).

The Company surrendered all the exploration licences associated with the Rokel Project late in the quarter.

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 (**Tenements**).

The Company announced during the March 2016 quarter (refer to ASX announcement of 23 March 2016) that it had executed a sale and purchase agreement with a subsidiary of Newcrest Mining Limited (Newcrest) for the sale of its Tenements.

The Sale remains subject to Newcrest receiving approval from the Minister of Mines for the transfer of the Licences, which is pending the renewal of the tenements to occur. The Company now expects the tenement renewals to be granted in the March 2017 quarter.

Mining International Pty Ltd (100% Interest)

Mining International Pty Ltd (**Mining International**), is a wholly owned subsidiary of Cape Lambert. The Company holds tenure to 4 mining leases (which were excluded from the sale of the Leichhardt Copper Project) and 4 granted exploration permits for minerals (EPM's) at the Wee MacGregor Project located 40 km southeast of Mt Isa in Queensland (refer Figure 3).

The tenements are located within in the Eastern Fold Belt of the Mt Isa inlier. The eastern-most tenements are located in the Mary Kathleen Zone/Wonga Subprovince. The western group of tenements are located in the Kalkadoon Leichhardt Belt. These areas are prospective for a variety of deposit types, most notably structurally controlled epigenetic copper and gold deposits.

The Wee MacGregor tenements can be classed as brownfields exploration as several copper occurrences and historical workings occur within the tenement boundaries. In addition, there are numerous under-explored geochemical and geophysical anomalies defined by previous explorers.

Following the Farm-in agreement executed wih Firebird Pty Ltd (**Firebird**) during the September 2016 quarter, in regards to the Lady Ethleen project (ML2773), Firebird subsequently conducted a small amount of Rotary Air Blast (RAB) drilling totaling 10 holes to a maximum depth of 54m in and around the historic mine void (refer Figure 4). Firebird also commissioned a topographic survey of the project area.

No samples were submitted for conventional assay however grade indications for copper only were obtained with a Niton hand held XRF analyser. All samples were analyzed three times in three different areas of the sample with the resultant average deemed to indicate the sample grade. There were some significant intersections with indicative grades as high as 8.7% Cu from 26m to 27m.

A list of all handheld XRF results is included in Table 1.

Table 1 – Handheld XRF Results

Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE001	392252	7685322	408	45	153	54	0	1	0.05
BLE001	392252	7685322	408	45	153	54	1	2	0.05
BLE001	392252	7685322	408	45	153	54	2	3	0.05
BLE001	392252	7685322	408	45	153	54	3	4	0.05
BLE001	392252	7685322	408	45	153	54	4	5	0.05
BLE001	392252	7685322	408	45	153	54	5	6	0.05
BLE001	392252	7685322	408	45	153	54	6	7	0.05
BLE001	392252	7685322	408	45	153	54	7	8	0.05
BLE001	392252	7685322	408	45	153	54	8	9	0.05
BLE001	392252	7685322	408	45	153	54	9	10	0.05
BLE001	392252	7685322	408	45	153	54	10	11	0.12
BLE001	392252	7685322	408	45	153	54	11	12	0.36
BLE001	392252	7685322	408	45	153	54	12	13	0.11
BLE001	392252	7685322	408	45	153	54	13	14	0.1
BLE001	392252	7685322	408	45	153	54	14	15	0.05
BLE001	392252	7685322	408	45	153	54	15	16	0.05
BLE001	392252	7685322	408	45	153	54	16	17	0.05
BLE001	392252	7685322	408	45	153	54	17	18	0.05
BLE001	392252	7685322	408	45	153	54	18	19	0.32

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE001	392252	7685322	408	45	153	54	19	20	0.63
BLE001	392252	7685322	408	45	153	54	20	21	1.1
BLE001	392252	7685322	408	45	153	54	21	22	0.62
BLE001	392252	7685322	408	45	153	54	22	23	0.05
BLE001	392252	7685322	408	45	153	54	23	24	0.21
BLE001	392252	7685322	408	45	153	54	24	25	0.99
BLE001	392252	7685322	408	45	153	54	25	26	0.53
BLE001	392252	7685322	408	45	153	54	26	27	0.12
BLE001	392252	7685322	408	45	153	54	27	28	0.05
BLE001	392252	7685322	408	45	153	54	28	29	0.44
BLE001	392252	7685322	408	45	153	54	29	30	0.41
BLE001	392252	7685322	408	45	153	54	30	31	2.83
BLE001	392252	7685322	408	45	153	54	31	32	2.94
BLE001	392252	7685322	408	45	153	54	32	33	2.94
BLE001	392252	7685322	408	45	153	54	33	34	2.97
BLE001	392252	7685322	408	45	153	54	34	35	2.99
BLE001	392252	7685322	408	45	153	54	35	36	2.21
BLE001	392252	7685322	408	45	153	54	36	37	0.87
BLE001	392252	7685322	408	45	153	54	37	38	0.64
BLE001	392252	7685322	408	45	153	54	38	39	1.86
BLE001	392252	7685322	408	45	153	54	39	40	0.79
BLE001	392252	7685322	408	45	153	54	40	41	2.74
BLE001	392252	7685322	408	45	153	54	41	42	1.91
BLE001	392252	7685322	408	45	153	54	42	43	0.9
BLE001	392252	7685322	408	45	153	54	43	44	0.71
BLE001	392252	7685322	408	45	153	54	44	45	0.64
BLE001	392252	7685322	408	45	153	54	45	46	0.3
BLE001	392252	7685322	408	45	153	54	46	47	0.3
BLE001	392252	7685322	408	45	153	54	47	48	0.3
BLE002	392252	7685322	408	45	153	54	48	49	-99
BLE002	392252	7685322	408	45	153	54	49	50	-99
BLE002	392252	7685322	408	45	153	54	50	51	-99
BLE002	392252	7685322	408	45	153	54	51	52	-99
BLE002	392252	7685322	408	45	153	54	52	53	-99
BLE002	392252	7685322	408	45	153	54	53	54	-99
BLE002	392253	7685322	408	45	129	20	0	1	0.18
BLE002	392253	7685322	408	45	129	20	1	2	0.13
BLE002	392253	7685322	408	45	129	20	2	3	0.12
BLE002	392253	7685322	408	45	129	20	3	4	0.12
BLE002	392253	7685322	408	45	129	20	4	5	0.14
BLE002	392253	7685322	408	45	129	20	5	6	0.16
BLE002	392253	7685322	408	45	129	20	6	7	0.34
BLE002	392253	7685322	408	45	129	20	7	8	0.25
BLE002	392253	7685322	408	45	129	20	8	9	0.41
BLE002	392253	7685322	408	45	129	20	9	10	0.56
BLE002	392253	7685322	408	45	129	20	10	11	0.66
BLE002	392253	7685322	408	45	129	20	11	12	0.27
BLE002	392253	7685322	408	45	129	20	12	13	0.15
BLE002	392253	7685322	408	45	129	20	13	14	0.87
BLE002	392253	7685322	408	45	129	20	14	15	0.68
BLE002	392253	7685322	408	45	129	20	15	16	0.59

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE002	392253	7685322	408	45	129	20	16	17	0.49
BLE002	392253	7685322	408	45	129	20	17	18	1.22
BLE002	392253	7685322	408	45	129	20	18	19	7.93
BLE002	392253	7685322	408	45	129	20	19	20	4.3
BLE003	392252	7685326	408	45	108	21	0	1	0.05
BLE003	392252	7685326	408	45	108	21	1	2	0.05
BLE003	392252	7685326	408	45	108	21	2	3	0.05
BLE003	392252	7685326	408	45	108	21	3	4	0.05
BLE003	392252	7685326	408	45	108	21	4	5	0.05
BLE003	392252	7685326	408	45	108	21	5	6	0.05
BLE003	392252	7685326	408	45	108	21	6	7	0.29
BLE003	392252	7685326	408	45	108	21	7	8	0.47
BLE003	392252	7685326	408	45	108	21	8	9	0.84
BLE003	392252	7685326	408	45	108	21	9	10	0.93
BLE003	392252	7685326	408	45	108	21	10	11	1.68
BLE003	392252	7685326	408	45	108	21	11	12	1.63
BLE003	392252	7685326	408	45	108	21	12	13	0.63
BLE003	392252	7685326	408	45	108	21	13	14	0.48
BLE003	392252	7685326	408	45	108	21	14	15	1.23
BLE003	392252	7685326	408	45	108	21	15	16	0.34
BLE003	392252	7685326	408	45	108	21	16	17	0.23
BLE003	392252	7685326	408	45	108	21	17	18	0.3
BLE003	392252	7685326	408	45	108	21	18	19	0.63
BLE003	392252	7685326	408	45	108	21	19	20	2.61
BLE003	392252	7685326	408	45	108	21	20	21	0.68
BLE004	392252	7685326	408	45	88	28	0	1	0.17
BLE004	392252	7685326	408	45	88	28	1	2	0.05
BLE004	392252	7685326	408	45	88	28	2	3	0.05
BLE004	392252	7685326	408	45	88	28	3	4	0.05
BLE004	392252	7685326	408	45	88	28	4	5	0.05
BLE004	392252	7685326	408	45	88	28	5	6	0.05
BLE004	392252	7685326	408	45	88	28	6	7	0.11
BLE004	392252	7685326	408	45	88	28	7	8	0.16
BLE004	392252	7685326	408	45	88	28	8	9	0.14
BLE004	392252	7685326	408	45	88	28	9	10	0.4
BLE004	392252	7685326	408	45	88	28	10	11	0.62
BLE004	392252	7685326	408	45	88	28	11	12	0.34
BLE004	392252	7685326	408	45	88	28	12	13	0.16
BLE004	392252	7685326	408	45	88	28	13	14	0.12
BLE004	392252	7685326	408	45	88	28	14	15	0.1
BLE004	392252	7685326	408	45	88	28	15	16	0.2
BLE004	392252	7685326	408	45	88	28	16	17	0.15
BLE004	392252	7685326	408	45	88	28	17	18	1.28
BLE004	392252	7685326	408	45	88	28	18	19	0.25
BLE004	392252	7685326	408	45	88	28	19	20	0.32
BLE004	392252	7685326	408	45	88	28	20	21	0.46
BLE004	392252	7685326	408	45	88	28	21	22	0.23
BLE004	392252	7685326	408	45	88	28	22	23	0.28
BLE004	392252	7685326	408	45	88	28	23	24	0.41
BLE004	392252	7685326	408	45	88	28	24	25	3.82
BLE004	392252	7685326	408	45	88	28	25	26	1.81

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE004	392252	7685326	408	45	88	28	26	27	2.46
BLE004	392252	7685326	408	45	88	28	27	28	2.24
BLE005	392253	7685333	407	45	88	42	0	1	0.49
BLE005	392253	7685333	407	45	88	42	1	2	0.05
BLE005	392253	7685333	407	45	88	42	2	3	0.05
BLE005	392253	7685333	407	45	88	42	3	4	0.05
BLE005	392253	7685333	407	45	88	42	4	5	0.05
BLE005	392253	7685333	407	45	88	42	5	6	0.05
BLE005	392253	7685333	407	45	88	42	6	7	0.25
BLE005	392253	7685333	407	45	88	42	7	8	0.26
BLE005	392253	7685333	407	45	88	42	8	9	0.23
BLE005	392253	7685333	407	45	88	42	9	10	0.45
BLE005	392253	7685333	407	45	88	42	10	11	1.07
BLE005	392253	7685333	407	45	88	42	11	12	0.27
BLE005	392253	7685333	407	45	88	42	12	13	0.15
BLE005	392253	7685333	407	45	88	42	13	14	0.64
BLE005	392253	7685333	407	45	88	42	14	15	2.45
BLE005	392253	7685333	407	45	88	42	15	16	0.22
BLE005	392253	7685333	407	45	88	42	16	17	0.37
BLE005	392253	7685333	407	45	88	42	17	18	0.63
BLE005	392253	7685333	407	45	88	42	18	19	0.35
BLE005	392253	7685333	407	45	88	42	19	20	0.32
BLE005	392253	7685333	407	45	88	42	20	21	0.25
BLE005	392253	7685333	407	45	88	42	21	22	1.35
BLE005	392253	7685333	407	45	88	42	22	23	1.63
BLE005	392253	7685333	407	45	88	42	23	24	1.01
BLE005	392253	7685333	407	45	88	42	24	25	2.64
BLE005	392253	7685333	407	45	88	42	25	26	1.77
BLE005	392253	7685333	407	45	88	42	26	27	8.7
BLE005	392253	7685333	407	45	88	42	27	28	5.07
BLE005	392253	7685333	407	45	88	42	28	29	1.34
BLE005	392253	7685333	407	45	88	42	29	30	0.87
BLE005	392253	7685333	407	45	88	42	30	31	1.4
BLE005	392253	7685333	407	45	88	42	31	32	0.59
BLE005	392253	7685333	407	45	88	42	32	33	0.47
BLE005	392253	7685333	407	45	88	42	33	34	0.33
BLE005	392253	7685333	407	45	88	42	34	35	4.57
BLE005	392253	7685333	407	45	88	42	35	36	1.18
BLE005	392253	7685333	407	45	88	42	36	37	1.19
BLE005	392253	7685333	407	45	88	42	37	38	0.96
BLE005	392253	7685333	407	45	88	42	38	39	1.07
BLE005	392253	7685333	407	45	88	42	39	40	0.57
BLE005	392253	7685333	407	45	88	42	40	41	0.5
BLE005	392253	7685333	407	45	88	42	41	42	0.3
BLE006	392267	7685346	399	45	76	30	0	1	0.5
BLE006	392267	7685346	399	45	76	30	1	2	0.23
BLE006	392267	7685346	399	45	76	30	2	3	0.45
BLE006	392267	7685346	399	45	76	30	3	4	0.73
BLE006	392267	7685346	399	45	76	30	4	5	0.66
BLE006	392267	7685346	399	45	76	30	5	6	0.6
BLE006	392267	7685346	399	45	76	30	6	7	1.86

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE006	392267	7685346	399	45	76	30	7	8	2.4
BLE006	392267	7685346	399	45	76	30	8	9	0.73
BLE006	392267	7685346	399	45	76	30	9	10	6.18
BLE006	392267	7685346	399	45	76	30	10	11	5.15
BLE006	392267	7685346	399	45	76	30	11	12	1.52
BLE006	392267	7685346	399	45	76	30	12	13	1.05
BLE006	392267	7685346	399	45	76	30	13	14	0.73
BLE006	392267	7685346	399	45	76	30	14	15	1.23
BLE006	392267	7685346	399	45	76	30	15	16	1.07
BLE006	392267	7685346	399	45	76	30	16	17	1.45
BLE006	392267	7685346	399	45	76	30	17	18	0.86
BLE006	392267	7685346	399	45	76	30	18	19	0.86
BLE006	392267	7685346	399	45	76	30	19	20	0.78
BLE006	392267	7685346	399	45	76	30	20	21	0.67
BLE006	392267	7685346	399	45	76	30	21	22	0.86
BLE006	392267	7685346	399	45	76	30	22	23	0.88
BLE006	392267	7685346	399	45	76	30	23	24	0.74
BLE006	392267	7685346	399	45	76	30	24	25	0.24
BLE006	392267	7685346	399	45	76	30	25	26	0.24
BLE006	392267	7685346	399	45	76	30	26	27	0.2
BLE006	392267	7685346	399	45	76	30	27	28	0.24
BLE006	392267	7685346	399	45	76	30	28	29	0.19
BLE006	392267	7685346	399	45	76	30	29	30	0.15
BLE007	392266	7685346	399	45	42	42	0	1	0.45
BLE007	392266	7685346	399	45	42	42	1	2	0.24
BLE007	392266	7685346	399	45	42	42	2	3	0.66
BLE007	392266	7685346	399	45	42	42	3	4	0.53
BLE007	392266	7685346	399	45	42	42	4	5	0.93
BLE007	392266	7685346	399	45	42	42	5	6	0.69
BLE007	392266	7685346	399	45	42	42	6	7	2.43
BLE007	392266	7685346	399	45	42	42	7	8	2.16
BLE007	392266	7685346	399	45	42	42	8	9	1.63
BLE007	392266	7685346	399	45	42	42	9	10	1.67
BLE007	392266	7685346	399	45	42	42	10	11	0.7
BLE007	392266	7685346	399	45	42	42	11	12	0.69
BLE007	392266	7685346	399	45	42	42	12	13	0.41
BLE007	392266	7685346	399	45	42	42	13	14	0.58
BLE007	392266	7685346	399	45	42	42	14	15	0.93
BLE007	392266	7685346	399	45	42	42	15	16	2.46
BLE007	392266	7685346	399	45	42	42	16	17	0.37
BLE007	392266	7685346	399	45	42	42	17	18	0.87
BLE007	392266	7685346	399	45	42	42	18	19	0.94
BLE007	392266	7685346	399	45	42	42	19	20	1.07
BLE007	392266	7685346	399	45	42	42	20	21	0.9
BLE007	392266	7685346	399	45	42	42	21	22	0.99
BLE007	392266	7685346	399	45	42	42	22	23	0.63
BLE007	392266	7685346	399	45	42	42	23	24	0.37
BLE007	392266	7685346	399	45	42	42	24	25	0.29
BLE007	392266	7685346	399	45	42	42	25	26	0.2
BLE007	392266	7685346	399	45	42	42	26	27	0.25
BLE007	392266	7685346	399	45	42	42	27	28	0.3

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE007	392266	7685346	399	45	42	42	28	29	0.05
BLE007	392266	7685346	399	45	42	42	29	30	0.23
BLE007	392266	7685346	399	45	42	42	30	31	0.14
BLE007	392266	7685346	399	45	42	42	31	32	0.11
BLE007	392266	7685346	399	45	42	42	32	33	0.22
BLE007	392266	7685346	399	45	42	42	33	34	0.19
BLE007	392266	7685346	399	45	42	42	34	35	0.38
BLE007	392266	7685346	399	45	42	42	35	36	0.22
BLE007	392266	7685346	399	45	42	42	36	37	0.26
BLE007	392266	7685346	399	45	42	42	37	38	0.34
BLE007	392266	7685346	399	45	42	42	38	39	0.25
BLE007	392266	7685346	399	45	42	42	39	40	0.25
BLE007	392266	7685346	399	45	42	42	40	41	0.17
BLE007	392266	7685346	399	45	42	42	41	42	0.12
BLE008	392231	7685365	389	55	73	52	0	1	0.05
BLE008	392231	7685365	389	55	73	52	1	2	0.16
BLE008	392231	7685365	389	55	73	52	2	3	0.14
BLE008	392231	7685365	389	55	73	52	3	4	0.12
BLE008	392231	7685365	389	55	73	52	4	5	0.12
BLE008	392231	7685365	389	55	73	52	5	6	0.11
BLE008	392231	7685365	389	55	73	52	6	7	0.11
BLE008	392231	7685365	389	55	73	52	7	8	0.13
BLE008	392231	7685365	389	55	73	52	8	9	0.13
BLE008	392231	7685365	389	55	73	52	9	10	0.11
BLE008	392231	7685365	389	55	73	52	10	11	0.11
BLE008	392231	7685365	389	55	73	52	11	12	0.11
BLE008	392231	7685365	389	55	73	52	12	13	0.13
BLE008	392231	7685365	389	55	73	52	13	14	0.12
BLE008	392231	7685365	389	55	73	52	14	15	0.11
BLE008	392231	7685365	389	55	73	52	15	16	0.15
BLE008	392231	7685365	389	55	73	52	16	17	0.13
BLE008	392231	7685365	389	55	73	52	17	18	0.12
BLE008	392231	7685365	389	55	73	52	18	19	0.15
BLE008	392231	7685365	389	55	73	52	19	20	0.19
BLE008	392231	7685365	389	55	73	52	20	21	0.2
BLE008	392231	7685365	389	55	73	52	21	22	0.22
BLE008	392231	7685365	389	55	73	52	22	23	0.34
BLE008	392231	7685365	389	55	73	52	23	24	0.33
BLE008	392231	7685365	389	55	73	52	24	25	0.28
BLE008	392231	7685365	389	55	73	52	25	26	0.2
BLE008	392231	7685365	389	55	73	52	26	27	0.41
BLE008	392231	7685365	389	55	73	52	27	28	0.46
BLE008	392231	7685365	389	55	73	52	28	29	0.62
BLE008	392231	7685365	389	55	73	52	29	30	2.42
BLE008	392231	7685365	389	55	73	52	30	31	1.4
BLE008	392231	7685365	389	55	73	52	31	32	0.88
BLE008	392231	7685365	389	55	73	52	32	33	0.67
BLE008	392231	7685365	389	55	73	52	33	34	0.93
BLE008	392231	7685365	389	55	73	52	34	35	1.88
BLE008	392231	7685365	389	55	73	52	35	36	0.57
BLE008	392231	7685365	389	55	73	52	36	37	0.49

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE008	392231	7685365	389	55	73	52	37	38	0.64
BLE008	392231	7685365	389	55	73	52	38	39	0.31
BLE008	392231	7685365	389	55	73	52	39	40	0.24
BLE008	392231	7685365	389	55	73	52	40	41	0.77
BLE008	392231	7685365	389	55	73	52	41	42	0.22
BLE008	392231	7685365	389	55	73	52	42	43	0.12
BLE008	392231	7685365	389	55	73	52	43	44	0.21
BLE008	392231	7685365	389	55	73	52	44	45	0.19
BLE008	392231	7685365	389	55	73	52	45	46	0.25
BLE008	392231	7685365	389	55	73	52	46	47	0.23
BLE008	392231	7685365	389	55	73	52	47	48	0.23
BLE008	392231	7685365	389	55	73	52	48	49	0.2
BLE008	392231	7685365	389	55	73	52	49	50	0.31
BLE008	392231	7685365	389	55	73	52	50	51	0.25
BLE008	392231	7685365	389	55	73	52	51	52	0.31
BLE009	392248	7685298	401	45	153	28	0	1	0.67
BLE009	392248	7685298	401	45	153	28	1	2	1.14
BLE009	392248	7685298	401	45	153	28	2	3	0.4
BLE009	392248	7685298	401	45	153	28	3	4	0.32
BLE009	392248	7685298	401	45	153	28	4	5	0.33
BLE009	392248	7685298	401	45	153	28	5	6	0.25
BLE009	392248	7685298	401	45	153	28	6	7	0.2
BLE009	392248	7685298	401	45	153	28	7	8	0.25
BLE009	392248	7685298	401	45	153	28	8	9	0.27
BLE009	392248	7685298	401	45	153	28	9	10	0.21
BLE009	392248	7685298	401	45	153	28	10	11	0.25
BLE009	392248	7685298	401	45	153	28	11	12	0.26
BLE009	392248	7685298	401	45	153	28	12	13	0.39
BLE009	392248	7685298	401	45	153	28	13	14	0.37
BLE009	392248	7685298	401	45	153	28	14	15	0.52
BLE009	392248	7685298	401	45	153	28	15	16	0.26
BLE009	392248	7685298	401	45	153	28	16	17	0.19
BLE009	392248	7685298	401	45	153	28	17	18	0.2
BLE009	392248	7685298	401	45	153	28	18	19	0.42
BLE009	392248	7685298	401	45	153	28	19	20	1.5
BLE009	392248	7685298	401	45	153	28	20	21	0.65
BLE009	392248	7685298	401	45	153	28	21	22	0.32
BLE009	392248	7685298	401	45	153	28	22	23	0.22
BLE009	392248	7685298	401	45	153	28	23	24	0.18
BLE009	392248	7685298	401	45	153	28	24	25	0.2
BLE009	392248	7685298	401	45	153	28	25	26	0.31
BLE009	392248	7685298	401	45	153	28	26	27	0.42
BLE009	392248	7685298	401	45	153	28	27	28	0.33
BLE010	392237	7685308	399	45	165	42	0	1	0.28
BLE010	392237	7685308	399	45	165	42	1	2	0.21
BLE010	392237	7685308	399	45	165	42	2	3	0.2
BLE010	392237	7685308	399	45	165	42	3	4	0.13
BLE010	392237	7685308	399	45	165	42	4	5	0.14
BLE010	392237	7685308	399	45	165	42	5	6	0.13
BLE010	392237	7685308	399	45	165	42	6	7	0.14
BLE010	392237	7685308	399	45	165	42	7	8	0.14

Table 1 – Handheld XRF Results									
Hole_id	Xcollar	Ycollar	RL	Dip	Azi	EOH	From	To	Cu%
BLE010	392237	7685308	399	45	165	42	8	9	0.34
BLE010	392237	7685308	399	45	165	42	9	10	0.17
BLE010	392237	7685308	399	45	165	42	10	11	0.15
BLE010	392237	7685308	399	45	165	42	11	12	0.12
BLE010	392237	7685308	399	45	165	42	12	13	0.23
BLE010	392237	7685308	399	45	165	42	13	14	0.22
BLE010	392237	7685308	399	45	165	42	14	15	0.12
BLE010	392237	7685308	399	45	165	42	15	16	0.18
BLE010	392237	7685308	399	45	165	42	16	17	0.15
BLE010	392237	7685308	399	45	165	42	17	18	0.19
BLE010	392237	7685308	399	45	165	42	18	19	0.22
BLE010	392237	7685308	399	45	165	42	19	20	0.24
BLE010	392237	7685308	399	45	165	42	20	21	0.33
BLE010	392237	7685308	399	45	165	42	21	22	0.45
BLE010	392237	7685308	399	45	165	42	22	23	0.2
BLE010	392237	7685308	399	45	165	42	23	24	0.29
BLE010	392237	7685308	399	45	165	42	24	25	0.49
BLE010	392237	7685308	399	45	165	42	25	26	0.28
BLE010	392237	7685308	399	45	165	42	26	27	1.56
BLE010	392237	7685308	399	45	165	42	27	28	0.88
BLE010	392237	7685308	399	45	165	42	28	29	1.76
BLE010	392237	7685308	399	45	165	42	29	30	0.83
BLE010	392237	7685308	399	45	165	42	30	31	0.66
BLE010	392237	7685308	399	45	165	42	31	32	1.09
BLE010	392237	7685308	399	45	165	42	32	33	0.96
BLE010	392237	7685308	399	45	165	42	33	34	0.58
BLE010	392237	7685308	399	45	165	42	34	35	1.62
BLE010	392237	7685308	399	45	165	42	35	36	1.07
BLE010	392237	7685308	399	45	165	42	36	37	0.55
BLE010	392237	7685308	399	45	165	42	37	38	0.66
BLE010	392237	7685308	399	45	165	42	38	39	0.71
BLE010	392237	7685308	399	45	165	42	39	40	0.64
BLE010	392237	7685308	399	45	165	42	40	41	0.9
BLE010	392237	7685308	399	45	165	42	41	42	0.55

Competent Person:
The contents of this Report relating to Exploration Results and Mineral Resources 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 December 2016

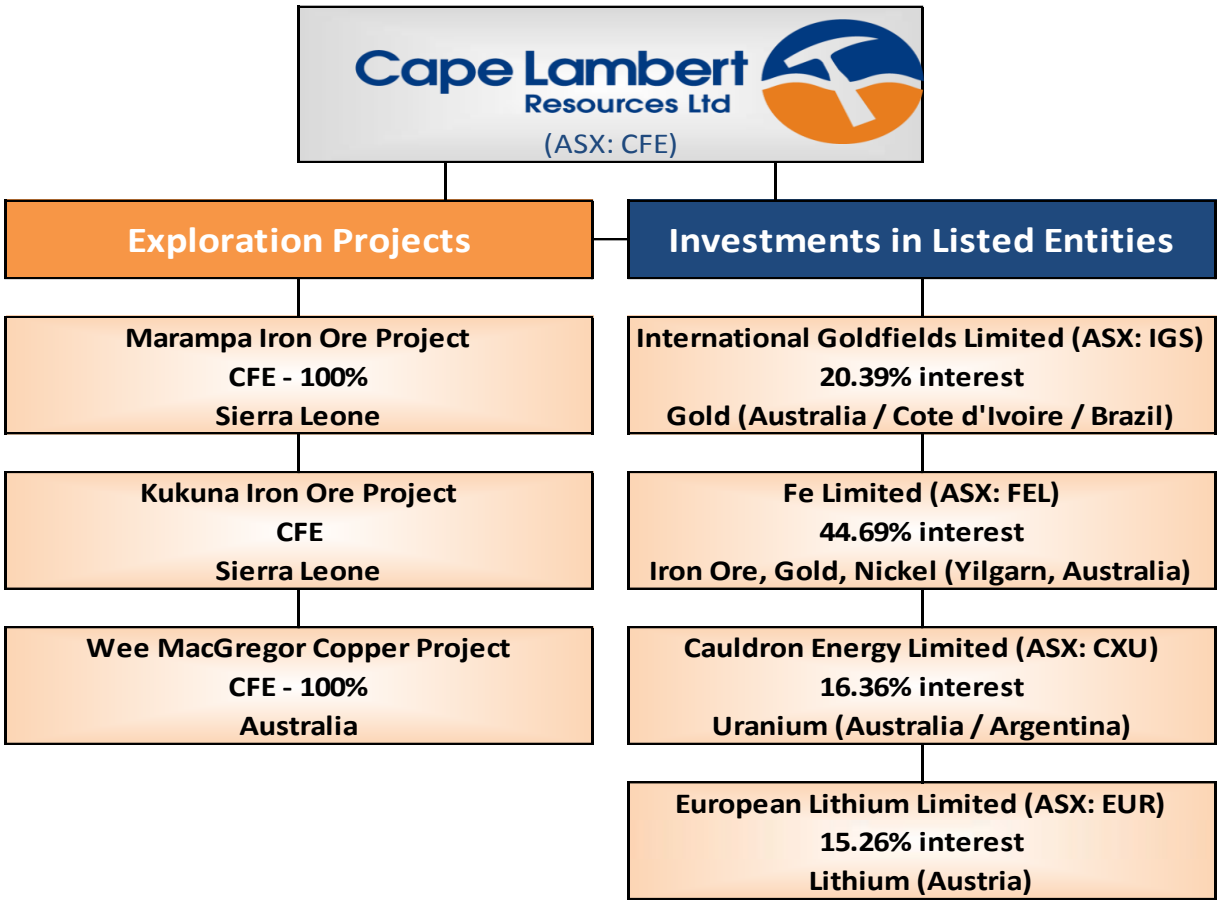

Figure 2: Cape Lambert West African Iron Ore Interests

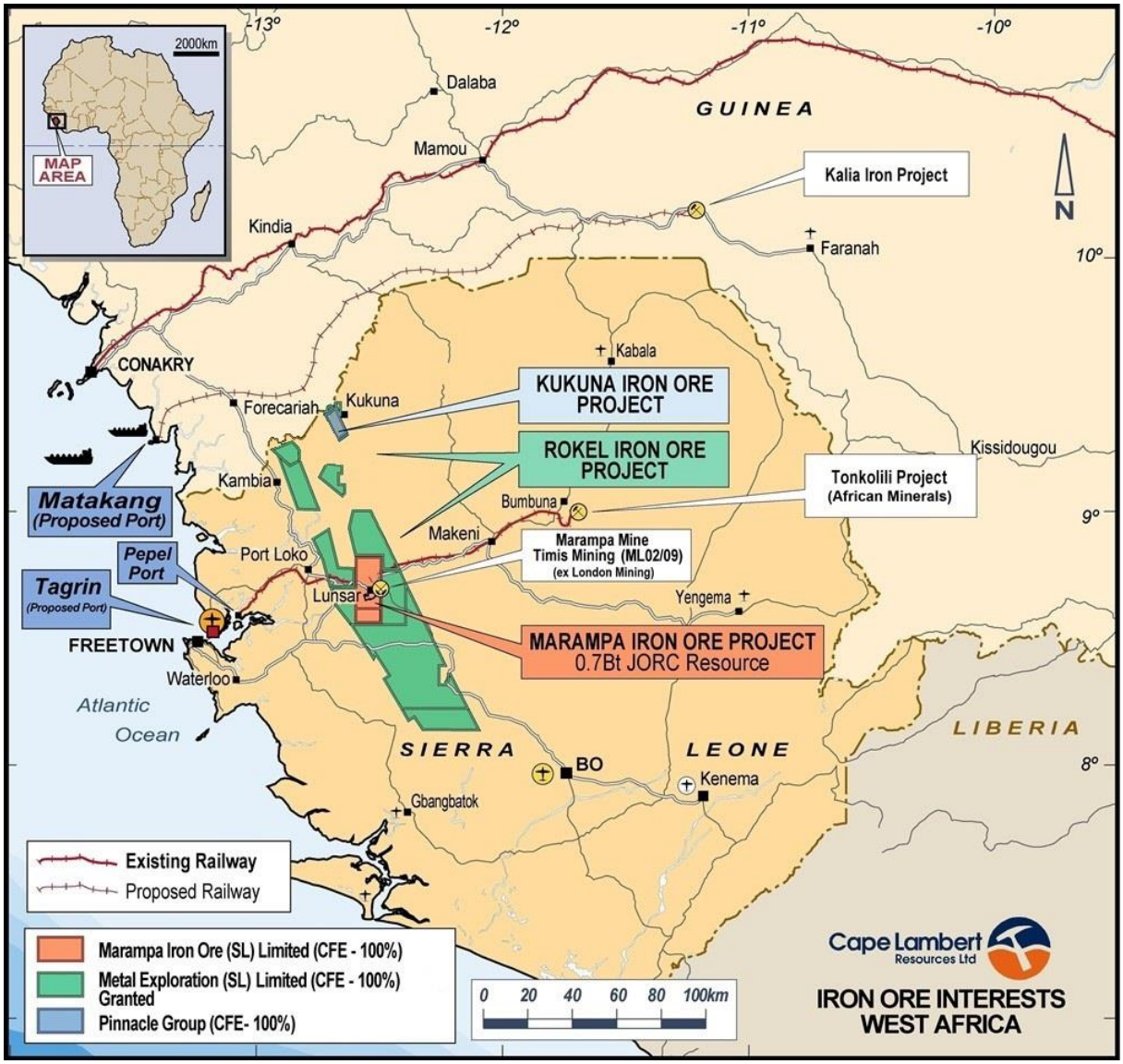

Figure 3: Wee MacGregor Project Location

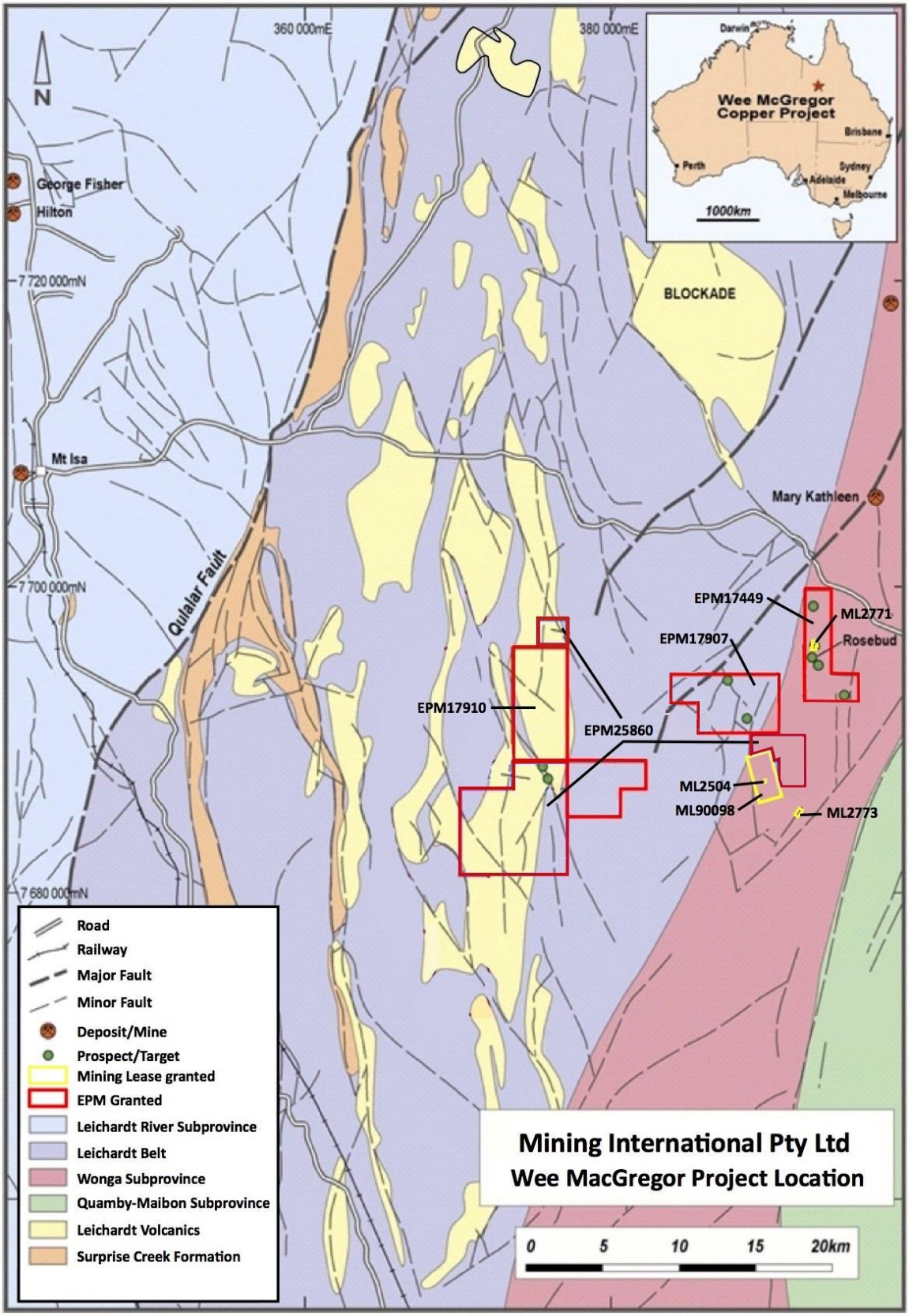

Figure 4: Location plan of drillholes at Lady Ethleen

Appendix 1: Tenement Status

The mining tenements held at the end of each quarter, acquired and disposed of during the quarter and their location:

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at the end of quarter
Marampa Project - EL 46A/2011	Lunsar - Sierra Leone	-	-	100%
Marampa Project - EL 46B/2011	Lunsar - Sierra Leone	-	100%	0%
Marampa Project – ML 05/2014	Lunsar - Sierra Leone	-	-	100%
Rokel Project - EL 11/2011	Gbahama – Sierra Leone	-	100%	0%
Rokel Project - EL 13/2011	Gbinti – Sierra Leone	-	100%	0%
Rokel Project - EL 15/2011	Lankono – Sierra Leone	-	100%	0%
Rokel Project - EL 16/2011	Makonkari – Sierra Leone	-	100%	0%
Rokel Project - EL 17/2011	Karina – Sierra Leone	-	100%	0%
Rokel Project - EL 18/2011	Kukuna North – Sierra Leone	-	100%	0%
Rokel Project - EL 19/2011	Lankono North – Sierra Leone	-	100%	0%
Rokel Project - EL 20/2011	Marampa East – Sierra Leone	-	100%	0%
Rokel Project - EL 21/2011	Mawanka – Sierra Leone	-	100%	0%
Rokel Project - EL 22/2011	Kambia East – Sierra Leone	-	100%	0%
Rokel Project - EL 23/2011	Magbosi – Sierra Leone	-	100%	0%
Rokel Project - EL 24/2011	Gbangbama – Sierra Leone	-	100%	0%
Rokel Project - EL 25/2011	Gbinti West – Sierra Leone	-	100%	0%
Kukuna Project - EL 22/2012	Kukuna – Sierra Leone	-	-	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*	Bouake – Cote D'Ivorie	-	-	100%
EPM 17449	Wee MacGregor - Queensland	-	-	100%
EPM 17907	Wee MacGregor - Queensland	-	-	100%
EPM 17910	Wee MacGregor - Queensland	-	-	100%
EPM 25860	Wee MacGregor - Queensland	-	-	100%
ML 90098	Wee MacGregor - Queensland	-	-	100%
ML 2504	Wee MacGregor - Queensland	-	-	100%
ML 2771	Wee MacGregor - Queensland	-	-	100%
ML 2773	Wee MacGregor - Queensland	-	-	100%

* pending transfer to a subsidiary of Newcrest Mining Limited

There were no mining tenements with beneficial interest earned/lost in farm-in/farm-out agreements at the end of the quarter.

JORC Code, 2012 Edition – Table 1 Lady Ethleen

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.*	• Rotary Air Blast (RAB) drilling was used to obtain samples on 1m intervals. • Samples were taken at the end of each meter drilled with a shovel directly from the cuttings pile around the collar of the hole. • Approximately a three quarter filled 10 liter bucket of sample was taken and passed through a riffle splitter to reduce the size. • Final samples were collected in calico bags. • Remaining drill cuttings around the collar were then removed prior to the next meter being drilled. • Samples were analysed in the field with a Niton handheld XRF gun. • Three readings were taken through the calico bags for each sample and the average taken to be the accepted indicated grade.
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).*	• Approximately 6 inch rotary air blast drilling was used.
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.*	• Holes were drilled and sampled meter by meter with a pause between each meter for sampling. • Holes were cleaned each meter and all excess cuttings were removed from around the collar after samples were taken for each meter.

Criteria	JORC Code explanation	Commentary
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.*	• Chip samples were logged in a preliminary fashion, ie identifying visible copper mineralization, quartz content etc. • Logging was qualitative and conducted on each meter.
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.*	• All samples were dry and passed through a riffle splitter for volume reduction.
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.*	• Samples were not assayed in a lab. • Indiciative grades were obtained with the use of a Niton handheld XRF gun. • Three readings were taken through the calico bags for each sample and the average taken to be the accepted indicated grade.
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.*	• No verification work has been conducted.
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.*	• Drillholes were located with handheld GPS.

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	
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.*	• Drillholes were on an irregular grid and orientation designed to intersect a curved and dipping mineralized body. • Holes were designed to verify historic data and provide some infill information. • The data is not suitable for resource estimation above the level of inferred. • No sample compositing was done.
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.*	• Drillholes were on an irregular grid and orientation designed to intersect a curved and dipping mineralized body. •
Sample security	• *The measures taken to ensure sample security.*	• Sample chain of custody was maintained by the geologist throughout delivery to their place of storage.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been done.

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.*	• Work was conducted on ML 2773 in Mount Isa district of northwestern Queensland. • The tenement is held by Mining International Pty Ltd and is the subject of a farm in agreement with Firebird Minerals Pty Ltd. • The tenure is a mining licence, has and environmental authority, and a native title and heritage agreement with the Kalkadoon people.
Exploration done by	• *Acknowledgment and appraisal of exploration by other parties.*	• There has been some historic exploration some dating back to early 1900's by a number of companies such as

Criteria	JORC Code explanation	Commentary
other parties		Carpentaria Exploration.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• On eschelon shear hosted copper lode bounded by a massive quartz hanging wall within a weathered amphibolite host.

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.*
		• See attached table.

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.*	• The indicative assay results are the average of three readings from different parts of the sample.
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').*	• Down hole length and true width un-certain.
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 location plan.

Criteria	JORC Code explanation	Commentary
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.*	• N/A
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.*	• Further infill drilling may be conducted if deemed necessary.

Section 3 Estimation and Reporting of Mineral Resources – NOT APPLICABLE

Section 4 Estimation and Reporting of Ore Reserves – NOT APPLICABLE

Section 5 Estimation and Reporting of Diamonds and Other Gemstones - NOT APPLICABLE

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Cape Lambert Resources Limited

ABN	**Quarter ended ("current quarter")**
71 095 047 920	31 December 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(640)	(1,285)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(78)	(161)
	(e) administration and corporate costs	(841)	(1,834)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	25
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (FEL: Recovery of reverse-takeover transaction costs)	100	100
1.9	**Net cash from / (used in) operating activities**	**(1,448)**	**(3,155)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	(38)	(280)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	8	41
	(b) tenements (see item 10)	-	-
	(c) investments	99	335
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**69**	**96**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	700	700
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(38)	(38)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(66)	(66)
3.10	**Net cash from / (used in) financing activities**	**596**	**596**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**	(783)	(2,463)
4.1	Cash and cash equivalents at beginning of period	3,936	5,615
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,448)	(3,155)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	69	96
4.4	Net cash from / (used in) financing activities (item 3.10 above)	596	596
4.5	Effect of movement in exchange rates on cash held	(34)	(33)
4.6	**Cash and cash equivalents at end of period**	**3,119**	**3,119**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,119	3,936
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,119**	**3,936**

Includes the consolidation of FE Limited (per the audited accounts) which has a current quarter closing cash balance of A$667k.

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	213
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director payments are inclusive of GST and exclude the reimbursement of expenses

Excluding payments to Directors of FE Limited

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	165
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Payments included in item 7.1 are inclusive of GST and relates to payments to director-related parties for office occupancy and corporate hospitality costs.

Excluding payments to related entities of FE Limited

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Not applicable

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	519
9.2	Development	-
9.3	Production	-
9.4	Staff costs	100
9.5	Administration and corporate costs	763
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**1,382**

Excluding the estimated cash outflows of FE Limited

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Marampa - EL 46B/2011	Surrendered	100%	0%
		Rokel – EL 11/2011	Surrendered	100%	0%
		Rokel – EL 13/2011	Surrendered	100%	0%
		Rokel – EL 15/2011	Surrendered	100%	0%
		Rokel – EL 16/2011	Surrendered	100%	0%
		Rokel – EL 17/2011	Surrendered	100%	0%
		Rokel – EL 18/2011	Surrendered	100%	0%
		Rokel – EL 19/2011	Surrendered	100%	0%
		Rokel – EL 20/2011	Surrendered	100%	0%
		Rokel – EL 21/2011	Surrendered	100%	0%
		Rokel – EL 22/2011	Surrendered	100%	0%
		Rokel – EL 23/2011	Surrendered	100%	0%
		Rokel – EL 24/2011	Surrendered	100%	0%
		Rokel – EL 25/2011	Surrendered	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

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

Sign here: ..... Date: 31 January 2017
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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.