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QUARTERLY REPORT

Period Ending September 30th 2013

Highlights

Habanero discovery delivers high grade for Hot Chili

- Drilling returns high-grade results of up to 1.6% copper and 0.4gpt gold at the Habanero discovery within the Productora copper project in Chile
- Results are particularly significant because they show Habanero mineralisation dips to the east while most mineralisation at Productora dips to the west. This highlights strong potential for repeats of Habanero
- Importantly, the Habanero area was previously considered waste, meaning it will have a substantial impact on Productora's economics

Results show Frontera rapidly emerging as key piece of Chilean coastal copper production hub

- Drilling at Frontera continues to return extremely wide copper and gold intersections within development distance of Hot Chili's flagship coastal copper project, Productora
- Second-pass 3,000m drilling programme completed, first formal assessment of Frontera's potential is underway

Hot Chili closes A\$11.7 million capital raising

- Hot Chili closed a private placement capital raising of approximately A\$11.7 million through the issue of new shares at A\$0.45 per share
- Strong support for capital raising from Hot Chili's leading shareholders and underpinned by Chilean resources major CAP S.A. ("CAP")
- Appointment of CAP executive Mr Roberto de Andraca Adriasola to the board of Hot Chili as a non-executive director
- Capital raising boosts Hot Chili's cash balance and ensures the Company is able to continue its growth and development plan at the Productora copper project, Chile

ASX Code

HCH

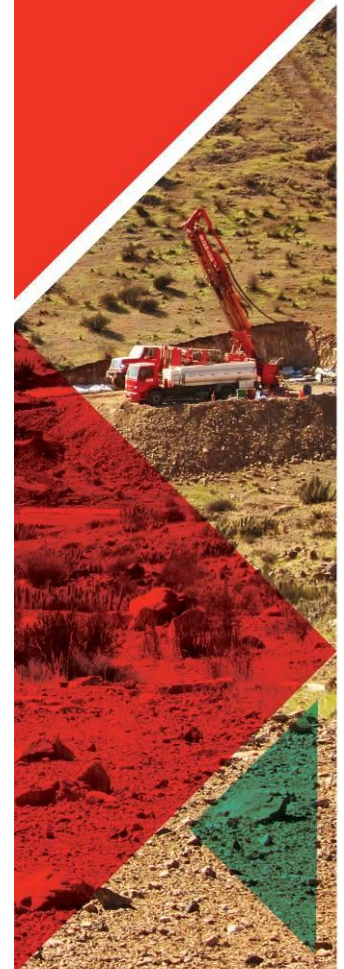
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Summary of Activities

Activities during the quarter were focussed towards extensional drilling at the Company's flagship Productora Project in Chile. The Company was pleased to announce that this drilling was successful in the discovery of a new high-grade zone, returning wide intersections of up to 1.6% copper and 0.4gpt gold over large widths.

The discovery has been named Habanero and the results are considered particularly significant for three reasons:

1. They are the highest grades intersected at Productora to date;
2. Habanero sits in an area of the planned pit which was previously considered to be waste and therefore it stands to boost the Project's economics substantially;
3. The Habanero mineralisation dips to the east compared with the west-dipping nature of most of the Productora mineralisation. This realisation means there is strong potential to find Habanero repeats

The addition of high-grade zones such as Habanero has the potential to substantially enhance the economics and increase the overall grade of the Productora Project.

Current drill focus at Productora is extensional drilling at Habanero, the Productora UG mine area and other high grade targets within the planned central pit area. These three high-priority areas are considered likely to enhance the size and grade of the planned central pit area- the centrepiece of the Productora development plan.

In addition to drilling activities at Productora, the Company commenced a formal assessment of its second large growth project Frontera, just 70km from Productora.

Following the initial discovery phase of drilling earlier in the year, a follow-up drilling programme was completed during the early stages of the quarter. Resource modelling was commenced during the quarter to quantify a preliminary resource for the Frontera copper project.



PROJECT ACTIVITIES

Productora Copper Project

Habanero Discovery- New High-Grade Copper and Gold Zone Growing

Over the course of several months, Hot Chili has amassed a number of high-grade copper and gold results from an area located along the eastern flank of the Productora underground mine. As displayed on figure 1, the location of the new discovery zone lies within the extent of the planned central pit development at Productora and was previously considered waste in the Company's Scoping study.

Analysis of these results has indicated high-grade copper and gold is associated with a moderately east-dipping zone of potassic alteration, only recognised recently. It was determined that previous drilling had not accurately tested this orientation because mineralisation at Productora predominantly dips steeply towards the west.

Further drilling is underway to more accurately drill test this new discovery zone which the Company has now named Habanero.

Drill results recently received from this more targeted drilling has now produced the Company's best results to date, recording 181m grading 1.0% copper and 0.3g/t gold from 89m down hole and open to end of hole. This result included an impressive 71m grading 1.6% copper and 0.4g/t gold from 97m down-hole. This result shows the mineralisation is also open to the north and down-plunge, as seen on figures 3 and 4.

In addition to this outstanding result in the northern extent of Habanero, results from a further three Reverse Circulation (RC) drill holes have successfully extended the zone to the south, recording individual intersections also exceeding 1% copper in predicted locations. These include:

- 18m grading 1.3% copper and 0.4g/t gold from 152m depth down-hole (PRP0720)
- 15m grading 1.0% copper and 0.2g/t gold from 121m down-hole (PRP0713), and
- 12m grading 1.2% copper and 0.2g/t gold from 130m down-hole (PRP0715)

Results now confirm that the widest mineralisation at Habanero is open and plunging steeply towards the north. Significant drilling intersections have now been recorded over a strike length of more than 200m in addition to previously released results including:

- 67m grading 0.7% copper and 0.2g/t gold from 74m down-hole depth (PRP0077)
- 64m grading 1.5% copper and 0.4g/t gold from 122m down-hole depth (PRP0545)
- 72m grading 0.7% copper from 120m down-hole depth (PRP0609)
- 102m grading 1.0% copper and 0.2g/t gold from 124m down-hole depth (PRP0611)



- 49m grading 1.0% copper and 0.1g/t down-hole depth (PRP0661)

Hot Chili is directing a further 20 angled RC drill holes to expand drilling coverage at Habanero and to determine the full extent of the discovery. Habanero has the potential to become a key high-grade zone within the planned central pit development at Productora and add substantially to the growing component of higher grade material being defined.

Drilling is also continuing in other high-priority areas at Productora including the Productora underground mine (adjacent to Habanero) and the Cayenne zone (immediately north of Productora underground mine) as displayed in figure 3. These areas have great potential to delineate further growth at Productora and results are expected shortly.

The discovery of Habanero is exciting for the Company because it further highlights the potential to discover other "Habanero-type" zones that may exist at Productora within the deposit extents.

The Company is now investigating other "orphaned" high-grade drilling intersections such as 49m grading 1.3% copper and 0.5g/t gold (PRP0384, reported to ASX 25th September 2012) recorded in the northern extent of Productora last year. New advanced datasets are now being utilised by Hot Chili to more accurately predict and target the location and orientation of higher grade copper mineralisation at Productora.

Major Resource Drilling Programme on Track

Following the Company's resource upgrade in February 2013, resources at Productora now stand at 165.2Mt grading 0.6% copper, 0.1g/t gold and 132g/t molybdenum containing 920,000 tonnes of copper, 590,000 ounces of gold and 22,000 tonnes of molybdenum.

The high grade, shallow resources at Productora currently stand at 53Mt grading 0.8% copper and 0.2g/t gold, enhancing the overall economics of the project.

A major drilling programme at Productora commenced in January this year utilising 4 multi-purpose diamond (DD) and reverse circulation (RC) drilling rigs. Hot Chili is well advanced with its major 100,000m drilling programme aimed at delivering a second resource upgrade to Productora. The addition of substantial resources from a 2km long zone along the eastern flank of Productora is a focus for the company's forthcoming resource upgrade.

Two drill rigs were in operation at Productora during the quarter.

Regulatory Approval for Remaining Eastern Flank Drilling

During the quarter, the Company received approval to complete a further 100 drill holes over a large area across the eastern flank of the planned central pit development at Productora. The approval will facilitate the last of Hot Chili's major 100,000m drilling programme at Productora for 2013.



The area to be assessed represents a large opportunity for the Company to follow-up on a very successful extensional drilling programme which has delivered a strong run of results along the eastern flanks of Productora. The area is being prioritised to deliver new resources from areas previously considered waste in the Company's scoping study, presenting an opportunity to significantly enhance the size and economics of the centre piece of the Productora development plan.

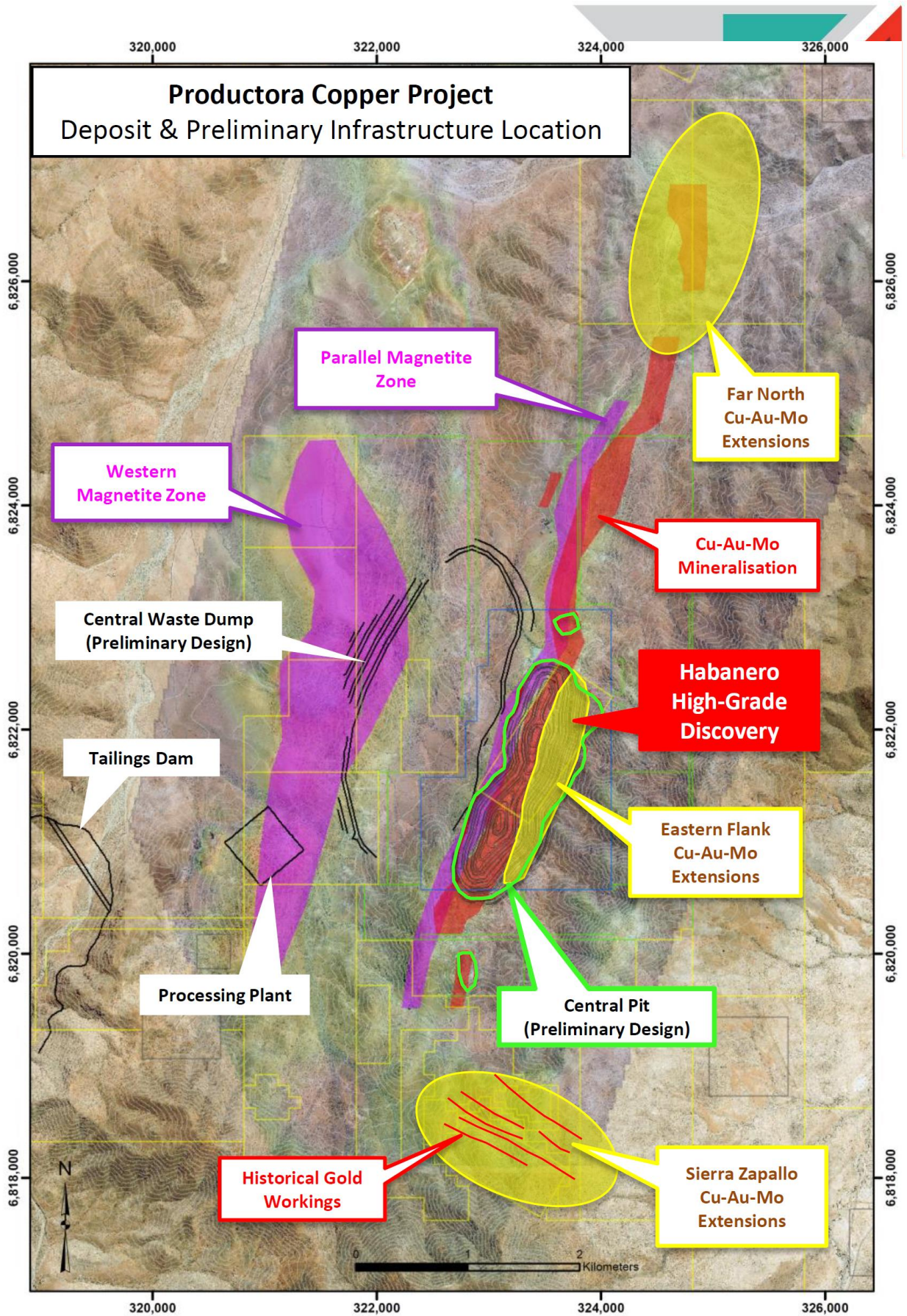


Figure 1. Productora project and Scoping Study development layout in relation to 2013 drilling programme focus

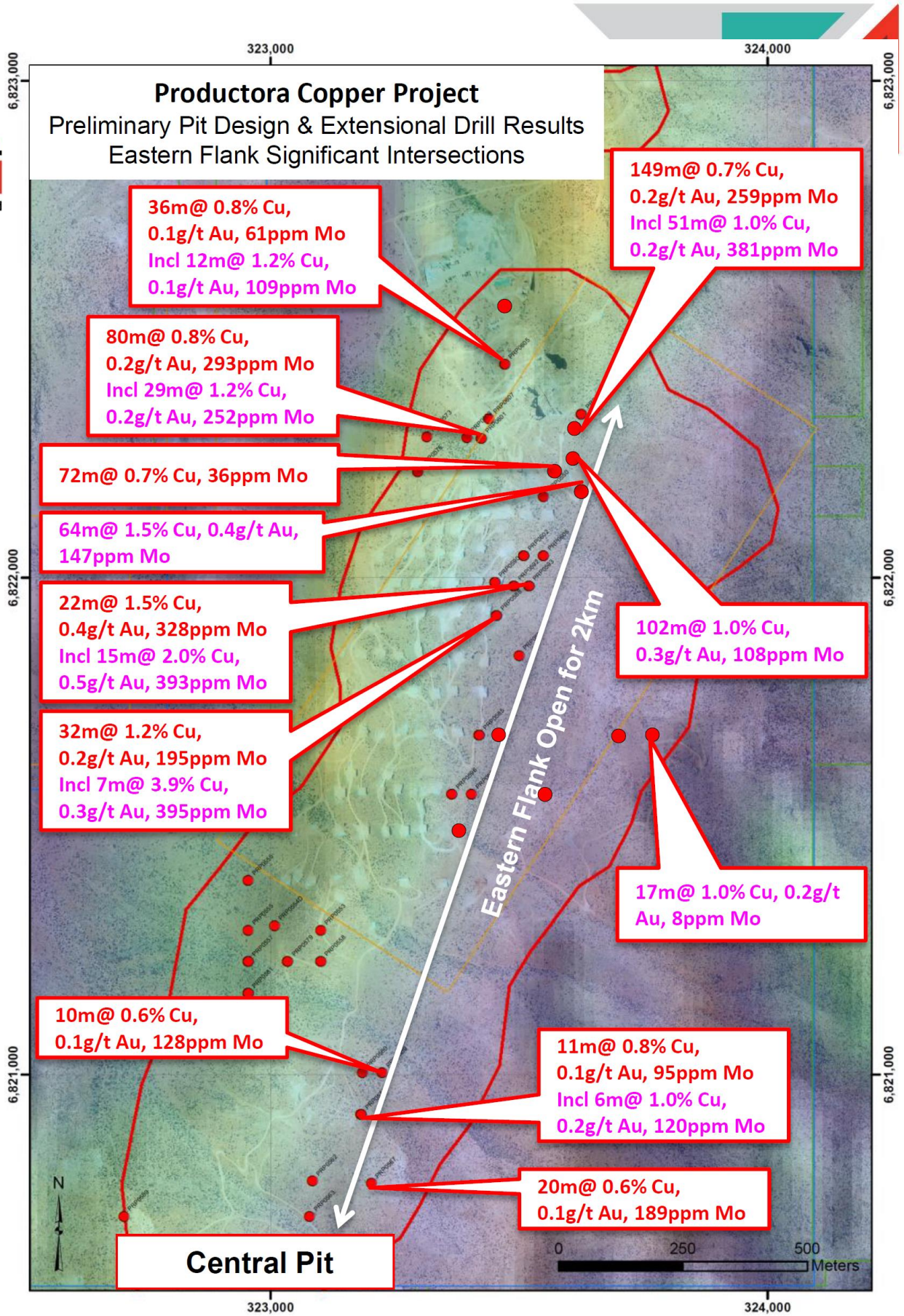


Figure 2. Plan depicting significant intersections recorded in relation to the planned central pit design at Productora during the quarter

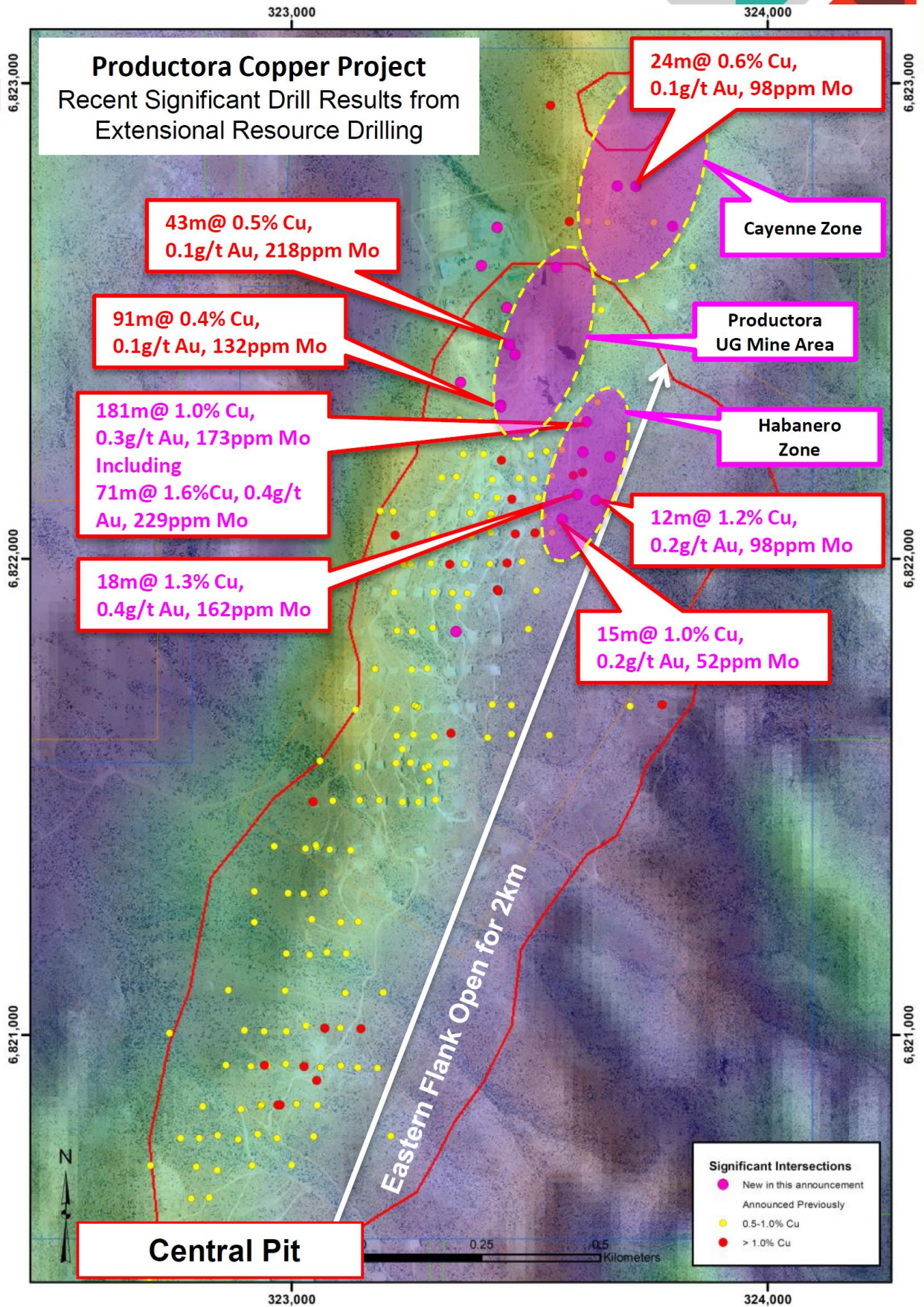


Figure 3. Plan depicting significant intercepts recorded in the Habanero and Productora UG High Zones

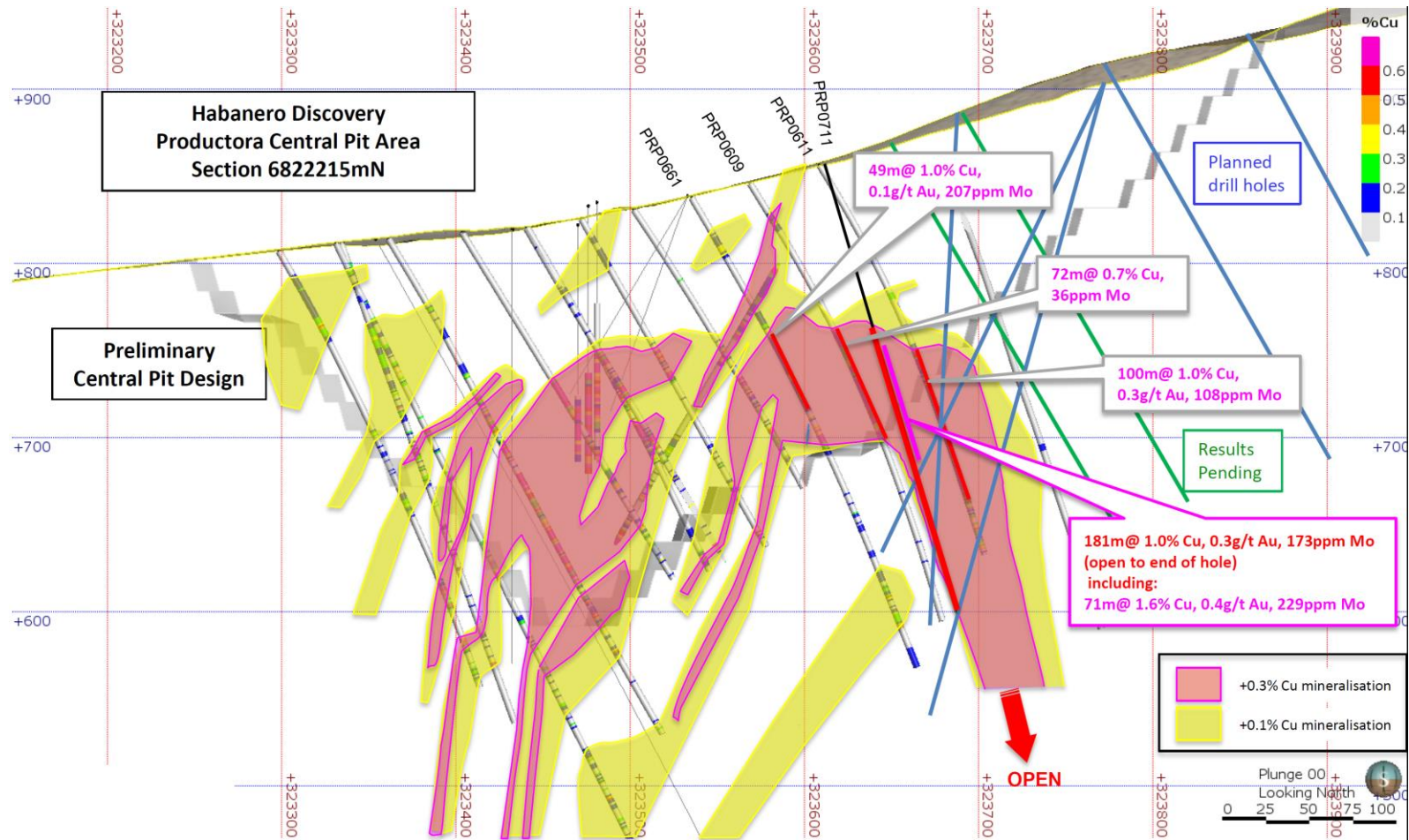


Figure 4. Cross Section displaying drill intersections and interpreted mineralisation at the Habanero high grade zone



Pre-feasibility Study Targeted for Delivery in 1H 2014

During the quarter Hot Chili continued to progress its strategy of project development and de-risking, in parallel with on-going focus on resource growth for the Productora copper project.

Development studies at Productora continue to assess the establishment of an open cut mining operation, a copper concentrator processing facility and other associated infrastructure. The study is managed by Ausenco, with the support from a number of specialised consultants both in Chile and Australia.

The Company is currently only undertaking critical Pre-feasibility work streams and has revised the completion date for its Pre-feasibility into 2014 in order to capture three important opportunities, namely:

- Next major resource upgrade
- Infrastructure, iron and copper oxide agreement terms
- Throughput optimisation to assess ramp-up production scenarios

Pre-feasibility studies are already well advanced and are based on a robust Scoping study which was successfully delivered in early 2013. Table 2 summarises the outcomes of the Scoping study for Productora.

Table 2. Concept/Scoping Study Parameters

Concept/Scoping Study Parameters – Delivered in February 2013	
Processing Rate	~11Mtpa (Open pit- copper and gold only)
Strip Ratio	3.5-4.5 : 1 (Target strip ration of 4:1)
Metallurgical Recovery	>90% Cu, ~80% Au, ~75% Mo (coarse 180um grind size)
Flowsheet	Sulphide processing plant- Conventional crush-grind-float
Concentrate Production	~220kt/a grading approx. >25% Cu and 6g/t Au
Development Capex	\$500-700M (contingent on off balance sheet options for mining and certain
Opex (C1 including gold)	US\$1.20/lb – US\$1.50/lb

Conventional open pit, blast and haul mining methods will be suitable for mining the Productora copper project. The planned central pit development contains a large continuous block of resources that will be the focus for mine design. The updated resource has highlighted near surface, high grade material that presents an opportunity to “high grade” the early production. The concept mining study indicated strip ratios in the range of 3.5 - 4.5:1. Initial indications are that both ore and waste are reasonably competent. Further work is expected to drive down strip ratios. This will include:

- Further resource drilling to target mineralisation along the eastern flank of the resource currently classified as waste,
- Assessing the addition of a parallel zone of magnetite that looks likely to lie within the western waste-rock wall of the planned central pit development.



- Addition of further economic low-grade tonnes. Mining studies completed as part of the conceptual/scoping studies indicated a preliminary marginal cut-off grade of 0.2% copper. A substantial amount of lower grade material surrounds the +0.3% mineral resource estimate within the planned future pit development.

Metallurgical test work has demonstrated that conventional processing including crushing, grinding and floatation will be suitable for the recovery of copper, gold and potentially molybdenum minerals. Initial indications are that high copper and gold recoveries (>90%, ~80% respectively) may be achieved with a relatively coarse grind size of 180um. The ore is classified as hard, though this is somewhat offset by coarse liberation characteristics of the copper and gold minerals. Initial test work has demonstrated that concentrates containing in excess of >25% copper may be produced with two stages of cleaning.



Figure 5. Productora Infrastructure Location Plan

Productora Infrastructure Negotiations with Chilean Resource Major CAP/CMP

The Company is progressing well in negotiations with its strategic partner and major shareholder CAP/CMP to secure a joint infrastructure agreement for Productora. The following items are the subject of negotiations:

- Technical committee of HCH and CMP advancing with study of infrastructure agreements
- Water extraction regulatory application underway- submitted in early 2013
- Surface rights and easement assessment complete and being advanced to formal agreement stage
- Port and pipeline access assessment nearing completion, draft agreements being prepared



Importantly, CMP is a major partner in Productora which lies in the heart of CMP's existing coastal infrastructure, including rail, port, easement corridor, magnetite concentrator and iron pellet plant, which should facilitate project implementation.

In July 2012, Hot Chili executed two non-binding Letters of Intent with CMP to negotiate a joint infrastructure and iron exploitation option for the development of Productora. Such negotiation could result in substantial operational synergies for the two companies.

Negotiation of a joint infrastructure agreement would provide the Productora copper project with the potential to be established in a shorter timeframe and at a lower start-up capital cost than other comparable large-scale emerging copper projects. In addition, any future development of an additional iron source in such close proximity to CMP's existing iron processing and transport network has the potential to add significantly to CMP's current production expansion at its existing operations.

The two companies are working towards finalising formal agreements on an infrastructure and iron exploitation option for the development of Productora.



Frontera Copper Project

Strong Drill Results Continue at Frontera- Large Copper-Gold Porphyry Project Emerging

The Frontera copper project lies 70km directly south of Productora at low altitude in Region IV of Chile.

In late April, Hot Chili announced initial results from a 9,000m Reverse Circulation (RC) and Diamond (DD) drilling programme that was directed towards a first-pass drilling assessment of the Frontera copper project. A series of outstanding drill results were reported including 256m at 0.5% copper and 0.3gpt gold.

The drilling results have since confirmed the discovery of second major copper-gold project for Hot Chili. Frontera adds substantially to Hot Chili's longer term objective of establishing a multi-project Chilean coastal copper production hub, leveraged to existing infrastructure. The company anticipates a resource estimate for Frontera to be released in the second half of 2013.

Frontera exhibits classic copper-gold porphyry characteristics and is located within a linear trend of Porphyry intrusions which include the Dos Amigos copper-gold mine (approximately 10km NNE of Frontera).

Mineralisation at Frontera is hosted within an andesitic volcanic/volcaniclastic pile intruded by multiple phases of variably hornblende-rich Dioritic porphyry intrusions.

Best drilling results have been returned from a potassic alteration zone characterised by intense veining and biotite-magnetite alteration. Copper is associated with finely disseminated chalcopyrite, vein-related chalcopyrite and bornite. The location of drilling results and a preliminary interpretation of copper distribution are summarised in figures 6 and 7 below.

Preliminary geological and alteration modelling has indicated that copper-gold porphyry style mineralisation plunges steeply towards the northeast and is open at depth and along strike. A second -pass 3,000m RC drilling programme was undertaken during the quarter to complete the Company's preliminary drilling assessment of the project.

Resource modelling of the Frontera copper-gold porphyry deposit is now underway, with the resource aimed at increasing the production hub resource inventory centred on Productora.

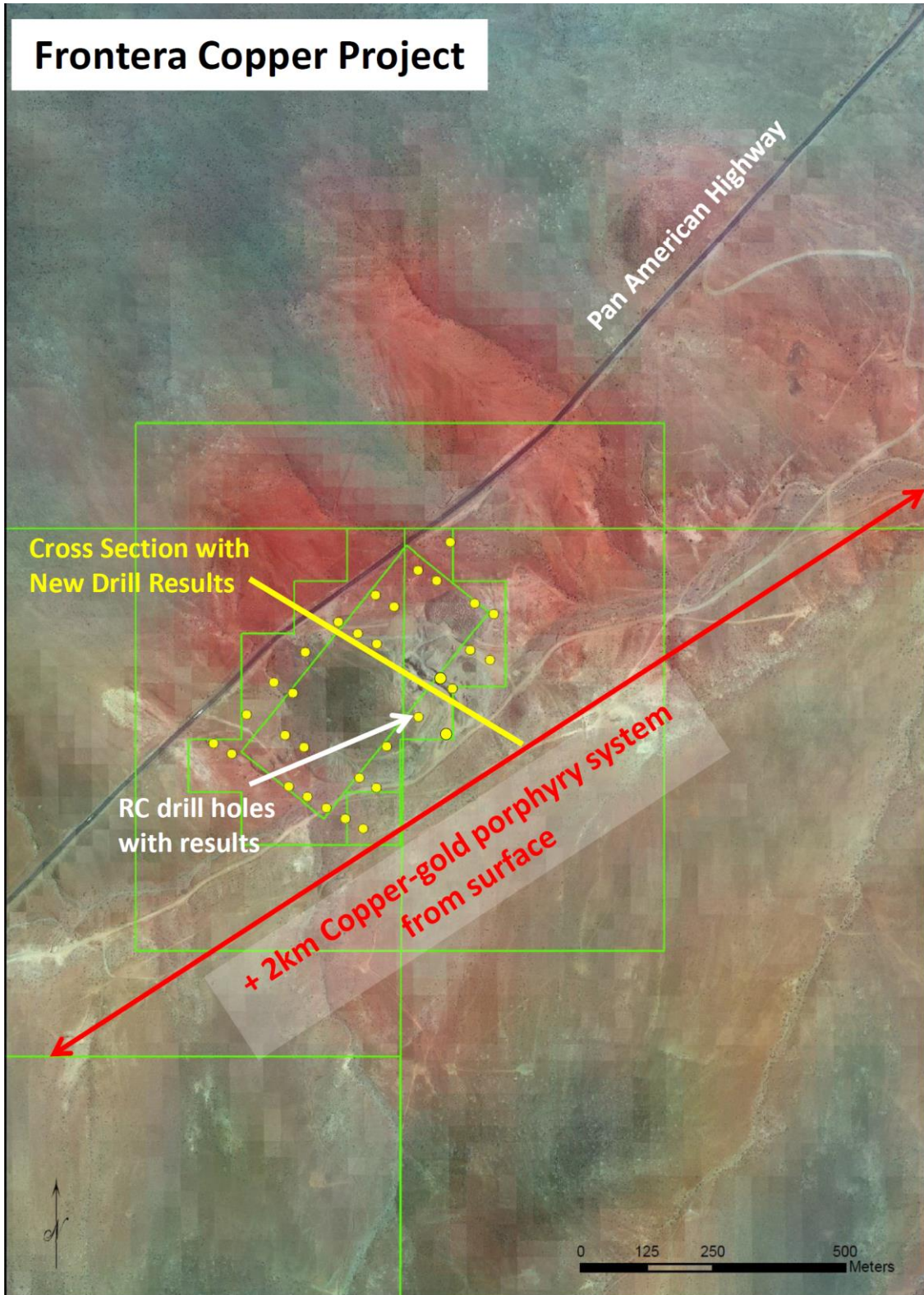
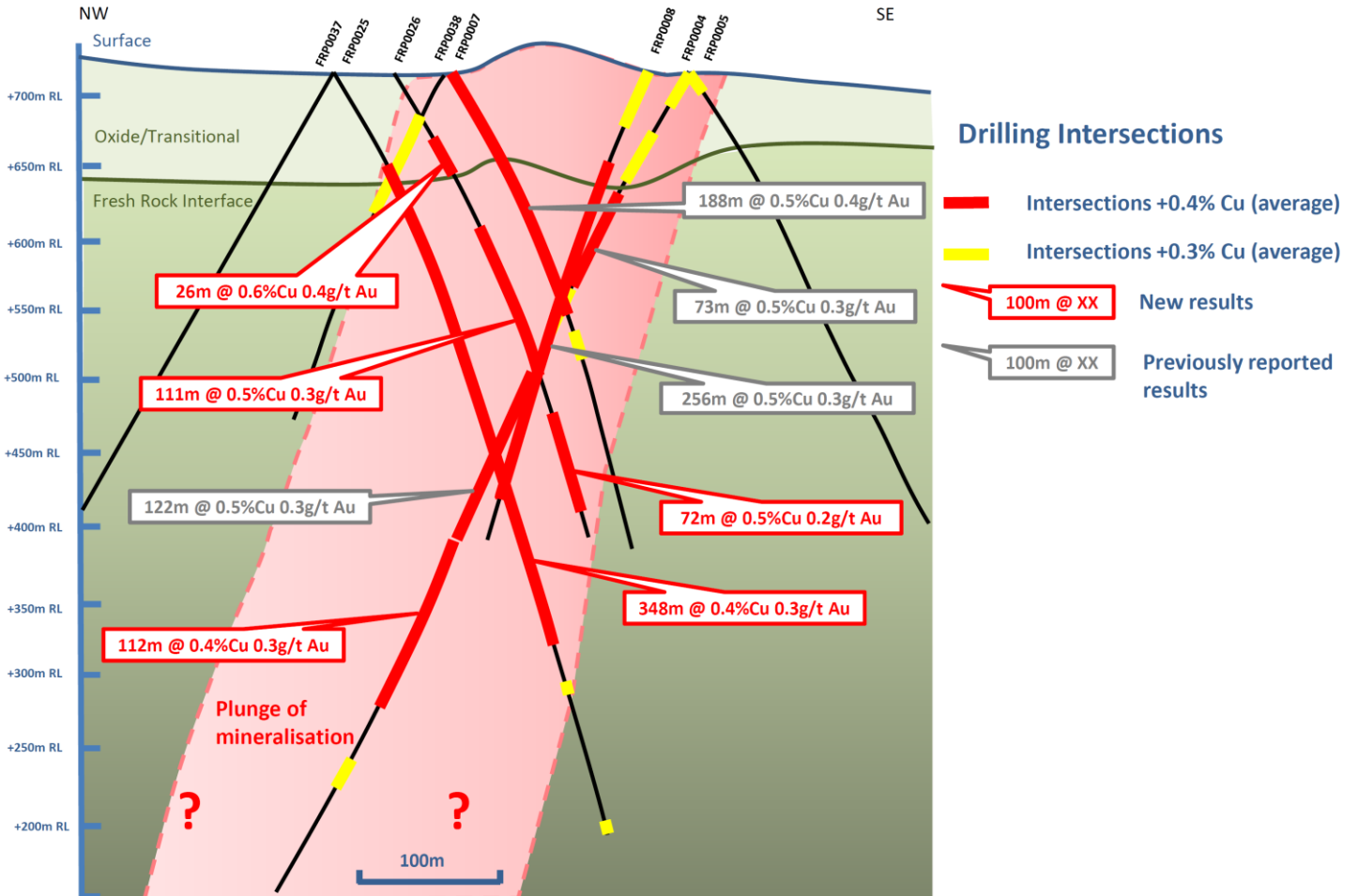


Figure 6. Plan showing location of drill holes from first drilling programme and hydrothermal alteration at Frontera copper project



Note: FRP0008 was drilled oblique to section towards 260°, all other holes on this line were drilled either towards 120° or 300°.

Figure 7. Cross-section of Frontera copper project displaying significant drilling intersections



CORPORATE

Closure of A\$11.7 Million Capital Raising

On the 4th of September 2013, Hot Chili announced that it had closed an A\$11.7 million capital raising that was arranged and announced on the 10th of July 2013. The capital raising was undertaken at A\$0.45 per share.

The private placement capital raising was strongly supported by Hot Chili's existing strategic shareholders, in particular Hot Chili's major project partner Chilean resources major CAP S.A. ("CAP"). CAP is the parent company of Compañía Minera del Pacífico S.A. ("CMP"), Chile's largest iron ore producer and integrated steel business.

The funding underpins Hot Chili's development plan to continue advancing Productora, and ultimately working towards a decision to mine on one of Chile's fastest emerging new mid-tier coastal copper projects.

Strong participation by CAP in this placement and the appointment of CAP nominee Mr Roberto de Andraca Adriasola to the board of Hot Chili is a strong indication of the commitment by both companies, in co-operation, to advance the Productora copper project towards development."

CAP as a Strategic Shareholder in Hot Chili

CAP is the parent company of Compañía Minera del Pacífico S.A. ("CMP"), Chile's largest iron ore producer and integrated steel business. CMP produces concentrate and iron ore pellets, fines and lumps. Its mining properties and principal deposits, processing plants and projects are in the 3rd and 4th region of the country's iron ore belt district in northern Chile. CAP also owns all the shares in Chile's largest steel producer, located in the southern city of Talcahuano.

Mitsubishi is a 19.3% shareholder of CAP and 25% shareholder of CMP as at December 31st, 2012.

In association with the Hot Chili's recent capital raising, the Company also announced the appointment of CAP executive Mr Roberto de Andraca Adriasola to the board of Hot Chili as a non-executive director.

Mr. de Andraca is a business manager with 20 years' experience in the financial and mining business. Over the last 4 years he has been working in the main Iron Ore and Steel Producer in Chile, CAP S.A and is currently the Vice President of Business Development overseeing infrastructure development and new business related to non-core assets. He is also overseeing the construction of the first desalination plant dedicated 100% to producing water for mining companies in the north of Chile. Mr. de Andraca has finance experience working at Chase Manhattan Bank, ABN Amro and Citigroup, working both in Chile and in New York and holds a MBA from the Adolfo Ibañez Business School of Chile. He is currently a director of Puerto Las Losas, a port in the Atacama Region of Chile.

Hot Chili and CAP are currently investigating other potential avenues in which to co-operate in the development of Productora for the benefit of both companies.



Qualifying Statements

* Copper Equivalent Calculation

Copper Equivalent (also Cu Eq*) Calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines elsewhere in the world. Copper equivalent conversion factors and long-term price assumptions used follow:

Copper Equivalent Formula= $Cu \% + Mo(ppm) \times 0.0008 + Au(ppm) \times 0.6832$

Price Assumptions- Cu (US\$1.80/lb), Mo (US\$15/lb), Au (US\$850/oz)

JORC Compliant Resource Statement- Reported 13th February 2013

Classification	Resource Series (+0.3% Cu)	Tonnage	Grade				Contained Metal			
			Cu %	Au g/t	Mo g/t	Cu Eq* %	Copper (Tonnes)	Gold (Oz)	Molybdenum (Tonnes)	Copper Eq* (Tonnes)
INDICATED	Res Upgrade 1	39,400,000	0.6	0.1	124	0.8	230,000	150,000	5,000	310,000
	Central Resource	31,200,000	0.6	0.1	159	0.8	190,000	110,000	5,000	250,000
	Total	70,600,000	0.6	0.1	140	0.8	420,000	260,000	10,000	560,000
INFERRED	Res Upgrade 1	40,600,000	0.5	0.1	110	0.7	200,000	130,000	4,000	270,000
	Central Resource	54,000,000	0.6	0.1	138	0.7	300,000	180,000	8,000	400,000
	Total	94,600,000	0.5	0.1	126	0.7	500,000	310,000	12,000	670,000
TOTAL	Res Upgrade 1	80,000,000	0.5	0.1	117	0.7	440,000	290,000	9,000	580,000
	Central Resource	85,200,000	0.6	0.1	146	0.8	480,000	290,000	13,000	650,000
	Total	165,200,000	0.6	0.1	132	0.7	920,000	580,000	22,000	1,230,000

Note: Figures in the above table are rounded and are reported to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting.

Competent Person's Statement

The information in this report that relates to the Central Mineral Resource, Productora is based on information compiled by Alf Gillman, who is a fellow of the Australasian Institute of Mining and Metallurgy. Alf Gillman is a director of Odessa Resources Pty Ltd, and has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Alf Gillman consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates outside of the Central Mineral Resource is based on information compiled by Aloysius Voortman and Fleur Muller. Aloysius Voortman is a Fellow of the Australasian Institute of Mining and Metallurgy, and Fleur Muller is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Aloysius Voortman is an employee of Coffey Mining, and Fleur Muller is an employee of Hot Chili Ltd, and both have sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. Mr Voortman and Mrs Muller are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Voortman and Mrs Muller consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Name of entity

Hot Chili Ltd

ABN

91 130 955 725

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(7,973) (2,159) (1,251)	(7,973) (2,159) (1,251)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	48	48
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other GST	(42)	(42)
Net Operating Cash Flows		(11,377)	(11,377)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(26)	(26)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)	(26)	(26)
Net investing cash flows		(26)	(26)
1.13	Total operating and investing cash flows (carried forward)	(11,403)	(11,403)



1.13	Total operating and investing cash flows (brought forward)	(11,403)	(11,403)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	13,662	13,662
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Cost of capital raising	(701)	(701)
1.19	Other (provide details if material)		
Net financing cash flows		12,961	12,961
Net increase (decrease) in cash held		1,558	1,558
1.20	Cash at beginning of quarter/year to date	11,112	11,112
1.21	Exchange rate adjustments to item 1.20	112	112
1.22	Cash at end of quarter	12,782	12,782

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter
		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	416
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries , Directors fees and consulting fees at commercial rates.

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

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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



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	6,000
4.2 Development	500
4.3 Production	
4.4 Administration	800
Total	7,300

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	12,712	11,042
5.2 Deposits at call	70	70
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	12,782	11,112



Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			



Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	333,108,886	333,108,886		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,516,690 26,130,000	9,516,690 26,130,000	20 cents 45 cents	20 cents 45 cents
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				




7.7	Options <i>(description and conversion factor)</i>	14,623,310		<i>Exercise price</i> 20 cents	<i>Expiry date</i> 3/11/2013
		1,000,000		90 cents	<i>Exercisable after</i> 19/7/2012 <i>Expiry date</i> 20/7/2014
		2,200,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
		500,000		One dollar	<i>Exercisable after</i> 29/1/2014 <i>Expiry date</i> 30/1/2015
		300,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
		500,000		One dollar	<i>Exercisable after</i> 26/9/2014 <i>Expiry date</i> 26/9/2015
		39,754,097		75 cents	<i>Exercisable on or before</i> 30/11/2014
7.8	Issued during quarter				
7.9	Exercised during quarter	9,516,690		20 cents	3/11/2013
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				



Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date 28/10/2013
(Company secretary)

Print name: John Sendziuk.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.