

# Quarterly Report

Period Ending December 31st 2015

## Highlights

- **Productora Pre-feasibility study results indicate significant improvements to key project parameters**
- **Pre-feasibility study nearing completion to include updated Mineral Resource and Ore Reserve**
- **Large copper porphyry targets being refined in advance of drill planning**
- **Company-wide cost reductions implemented to further improve efficiency**

## Summary of Activities

Hot Chili is pleased to confirm that the majority of key work streams for the Pre-feasibility Study (PFS) on its Productora copper project in Chile were completed in the final quarter of 2015.

The Company now expects to finalise the Productora PFS in the New Year, in co-operation with its joint venture partner Chilean resources major Compañía Minera del Pacífico S.A. (CMP).

Open pit mine design, and an updated Ore Reserve are currently being finalised and incorporated into the PFS. Study results to date indicate significant improvements to key project parameters.

During the quarter exploration targets were further refined in preparation for drill testing a series of large-scale porphyry targets identified immediately adjacent to Productora's planned central pit..

Productora's porphyry resource growth potential is central to the Company's plans to realise scale economies and life-of-mine opportunities in advance of a decision to mine.

### ASX CODE

HCH

### Contact

Mr Christian Easterday  
Managing Director

E: [admin@hotchili.net.au](mailto:admin@hotchili.net.au)

[www.hotchili.net.au](http://www.hotchili.net.au)



## PROJECT ACTIVITIES

### Copper Porphyry Target Review and Refinement

During Q3 2015 a cutting-edge IP/MT geophysical survey was successful in identifying four additional large copper porphyry targets at the Company's flagship Productora project in Chile.

The survey results show that these targets, which are in addition to the Alice copper porphyry deposit, are the likely sources of a +6.5km-long copper porphyry mineralisation footprint previously identified at Productora.

The results are considered exceptionally promising because they could lead to a significant increase in the copper inventory (currently 1Mt of copper and 675,000oz of gold) and therefore the production rate and mine life of Productora, which in turn could have a substantial impact on the project's economics.

The IP/ MT geophysical data was modelled and integrated with other geochemical and alteration datasets over the porphyry target area. A review of the modelled integrated data identified four large copper porphyry targets immediately alongside the Main Zone in addition to potential major depth and strike extensions to the Alice discovery area.

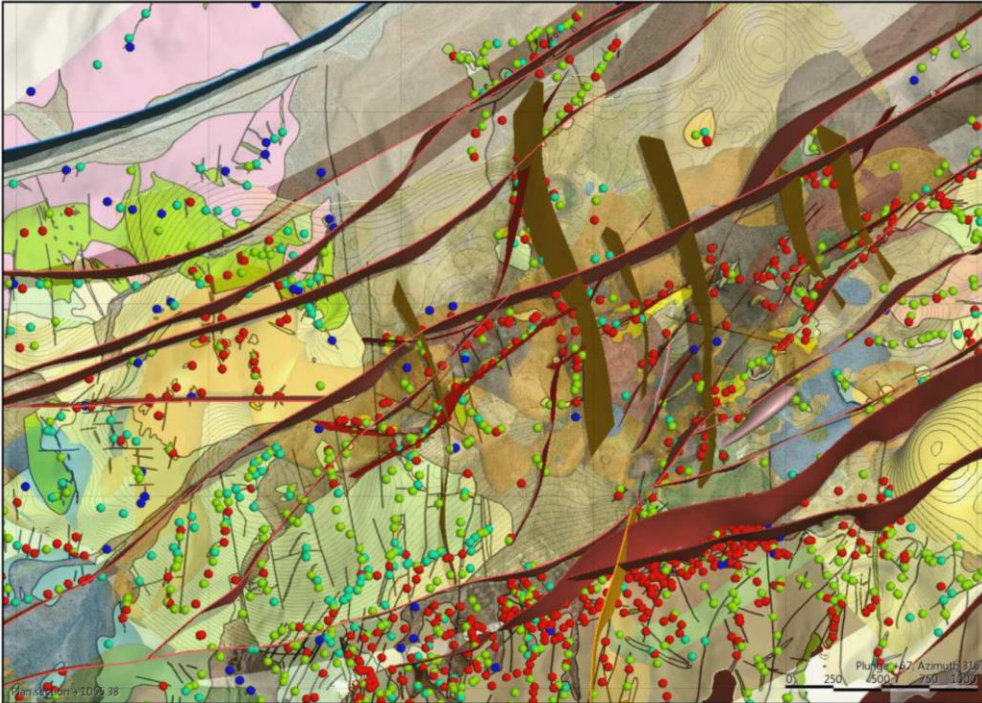
A comprehensive integrated 3D model of the copper porphyry footprint was completed during the quarter to assist with interpretation and drill planning.

Datasets used in the exercise included:

- Geophysical/ Physical Datasets (surface topographical model, satellite imagery, processed magnetic and radiometric images, 3D interpolated magnetic data, processed IP data)
- Downhole Datasets (Drillhole database, Multi-element classification of alteration from drillhole data)
- Surface Point Datasets (surface sample database, Multi-element classification of alteration from soil sample assay data, Surface mapping points)
- Surface Geology Datasets (compiled fact mapping, 2D Interpreted Solid Geology Map, 2D Interpreted Solid Alteration Map)
- Interpreted 3D Surfaces from the Productora deposit (copper mineralisation, fault network, weathering surfaces)

Key observations from the 3D integrated modelling were:

- **Mapping supports geochemical indicators of mineralisation::** Surface mapping of alteration intensity correlates extremely well with independently assigned soil geochemical classification of advanced-argillic alteration zone (see below figure).



**Surface fact mapping with data points coloured by alteration intensity, maps out the advanced argillic part of the alteration system at Alice .**

- **Further depth potential for mineralisation at Alice:** 3D inversion modelling of the aeromagnetic imagery shows that a large magnetic anomaly exists at depth beneath the centre of the Alice Porphyry domain, which is interpreted as primary magnetite associated with a large intrusive body not seen at surface.
- **Structural mineralisation controls identified:** The Alice porphyry domain hosts a network of north-south oriented faults (Productora deposit parallel structures), and north-northwest oriented linking structures which were observed to have the most significant impact on the geometry of outcropping rock, ridge-lines/topography and geophysical data (magnetic and IP modelling).
- **Scale-dependent fault systems linked to porphyry copper potential:** The form of this structural network appears to be a large-scale (10km long) flexure in a fault zone running sub-parallel to the East Atacama fault. The flexure is centred roughly on the Alice Porphyry area and is likely the main structural control on emplacement of porphyry intrusions and mineralisation. Preserved silica ridges (in advanced-argillic alteration) and the steep massive-sulphide ore-bodies (in amphibole-magnetite zones) are probably the result of high fluid flow along these structures.
- **Multiple geochemical vectors to mineralisation resolved:** Modelling of the multi-element alteration classification in drilling shows that within the overall advanced-argillic alteration zone, there is a core of alunite-dominated alteration that likely represents the highest outflow of fluid from the porphyry alteration system. This feature sits above/ in the shallow valley modelled in the base of the upper alteration system (from IP) and corresponds with the central axis of the Alice porphyry system. Most of the identified resistive IP targets are located around the thinning margins of



this alunite dominant zone.

Hot Chili is very pleased with the results of the integrated 3D modelling exercise, which has generated more confidence in the IP generated porphyry targets. Most encouraging is the fact that multiple datasets independently verify the location and tenor of the porphyry targets previously only recognised by the IP/ MT survey.

An exercise to assess the most effective method of drill testing these large-scale porphyry targets will follow, as part of the Company's plan to capture further scale and mine life in advance of a decision to mine at Productora.

## **Preliminary Productora Pre-feasibility Study Results Indicate Significant Improvements to Key Project Parameters**

The Pre-feasibility Study (PFS) for Productora is in its final stages, with the majority of work streams now completed.

Productora PFS status is as follows:

- Metallurgical test work complete, recovery and grind size modelling finalised
- Operating Cost estimate complete
- Project infrastructure layout complete
- Sulphide Process plant engineering complete
- Oxide Crushing and stacking engineering, and SXEW Engineering complete
- Capital Cost Estimate nearing completion, pending final inputs from mining schedule
- Pit Optimisation, Mine and waste dump design complete, geotechnical sign-off received
- Mine Scheduling, and strategic optimisation in progress
- Financial Modelling to follow once optimal mine schedule finalised
- PFS report well advanced, with 40% of chapters in final draft format, and remaining chapters in final stages of editing and document review

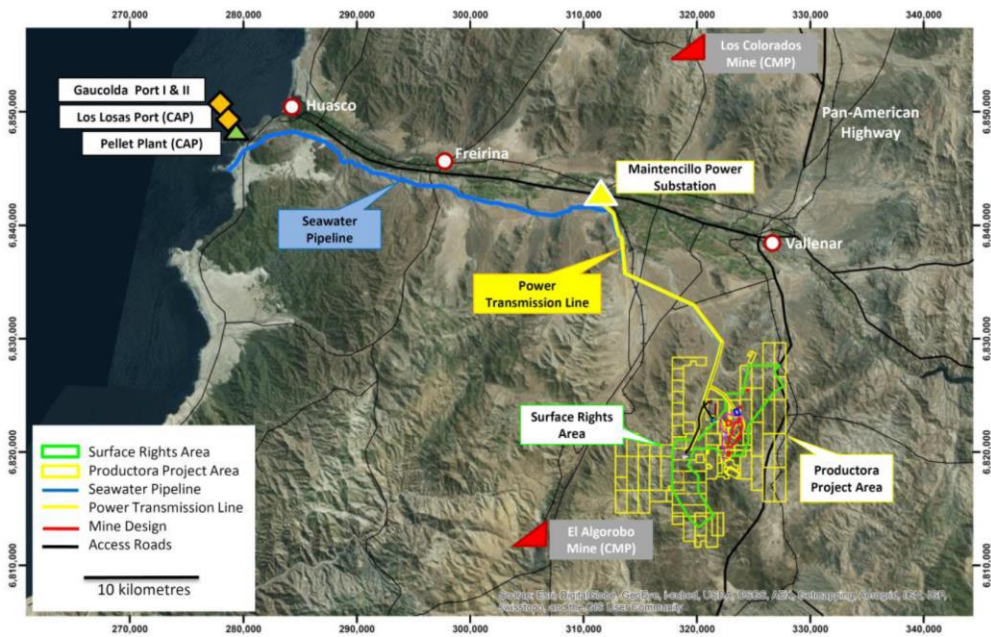
The Company expects to finalise the Productora PFS in co-operation with its joint venture partner Chilean resources major Compañía Minera del Pacífico S.A. (CMP).

Hot Chili is currently finalising the open pit mine design, which will enable an updated Ore Reserve and Mineral Resource estimate to be calculated and incorporated into the final PFS.

The Company is very pleased that the study results to date indicate significant improvements to key project parameters.



**Hot Chili Limited** ACN 130 955 725  
First Floor, 768 Canning Highway, Applecross, Western Australia 6153  
PO Box 1725, Applecross, Western Australia 6953  
P: +61 8 9315 9009 F: +61 8 9315 5004  
[www.hotchili.net.au](http://www.hotchili.net.au)



Location and existing infrastructure surrounding the Productora copper project, Region III Chile.





## CORPORATE ACTIVITIES

### Hot Chili and CMP sign Non-Binding Letter of Intent on Second Copper Project

In October 2015 the Company announced that it had signed a Non-Binding Letter of Intent with CMP on a second copper project. The non-binding agreement proposes that the Company will seek to form a joint venture with Compañía Minera del Pacífico S.A. (CMP) at its Frontera copper project. Both Companies are already joint venture partners at the Productora copper project 50km north of Frontera.

The proposed joint venture between the Companies is aimed at unlocking the value of Frontera through both exploration and development, with the value then being leveraged by tying the project into the wider production hub, enabling the two projects to potentially share key infrastructure.

While Hot Chili's focus is the development of Productora, Frontera has the potential to deliver further critical mass and diversity to the Company's production hub strategy while generating cost reductions associated with infrastructure sharing.

For further details on the non-binding LOI executed with CMP over Frontera refer to ASX announcement "Hot Chili and CMP Execute LOI for Frontera Copper Project" released 16th October 2015.

The Company looks forward to concluding these negotiations in the coming months, ahead of its plan to release an initial combined resource estimate for Frontera. This is expected to be a significant starting point for the commencement of exploration and resource growth activities at Frontera in 2016 and 2017.

### Company-wide Cost Reductions Improve Efficiency

Hot Chili have finalised its most recent phase of cost-reductions with a focus on improving efficiency of expenditure across the Company. Cost reductions captured over the past four months of implementation have resulted in a near 50% reduction to Hot Chili's fixed operating costs.

Cost initiatives implemented during the quarter include:

- Voluntary salary reductions to all Board and management of 20%
- Voluntary curtailment of directors fees for Non-executive Chairman Murray Black and Non-executive Director Roberto de Andraca Adriasola
- Re-negotiation of rates and/or reduction in scope for all company service providers
- Reduction of company headcount levels by two
- Curtailment of all non-essential travel
- Re-negotiation of all non-core project option agreements to minimise or eliminate further project commitments in 2016

The Company intends to continue pursuing further cost reductions as considered prudent given prevailing market conditions for the resource sector.



## Health, Safety, Environment and Quality

Hot Chili's sustainability framework ensures an emphasis on business processes that target long-term economic, environmental and social value. The Company is dedicated to continual monitoring and improvement of health, safety and the environmental systems.

The company is pleased to report that there were no incidents recorded for the quarter. Field operations during the period included two campaigns of mapping and rock chip sample collection by Hot Chili's field team over the IP Porphyry target areas of interest.

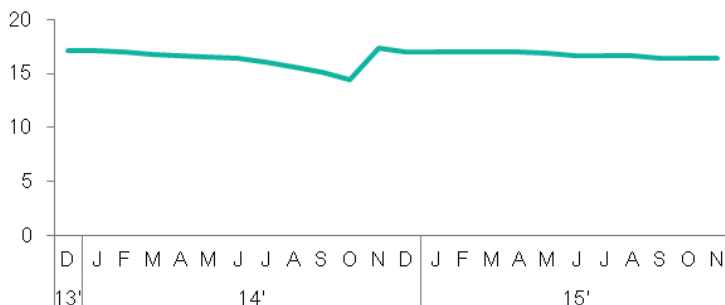
The Company's HSEQ quarterly performance is summarised below:

### HSEQ Quarter 4 2015 Performance and Statistics

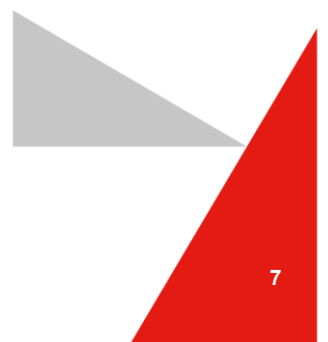
Item	Oct-Dec /15	Last 24 Months
LTI events	0	2
NLTI events	0	1
Days lost	0	0
LTIFR index	0	16.4
ISR index	0	420.3
Thousands of mh (1)	0.2	304.5
Environmental incidents	0	0
Headcount (2)	4	-

Notes: HSEQ is the acronym for Health, Safety, Environment and Quality. LTIFR per million man hours. Safety performance is reported on a monthly basis to the National Mine Safety Authority on a standard E-100 form; (1) man-hours; (2) Average monthly headcount

### Cumulative LTIFR

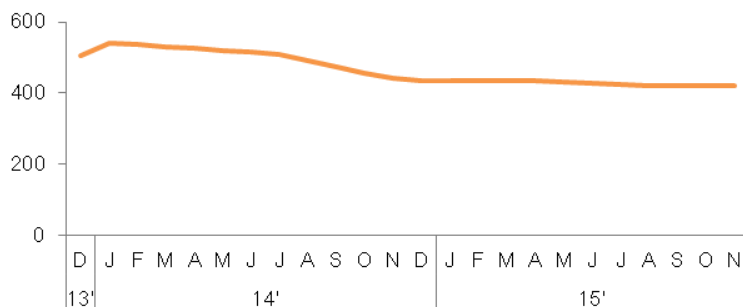


Cumulative Lost Time Injury Frequency Rate (staff and contractors). Last 24 months





## Cumulative Injury Severity Rate (ISR)



Cumulative Injury Severity Rate (ISR) (staff and contractors). Last 24 months

## Tenement Changes during the Quarter

### Productora Copper Project

The following exploration tenements have been re applied as exploration leases: JULI 1; JULI 2; JULI 3; JULI 4; JULI 5; JULI 6; JULI 7; JULI 8; JULI 11; JULI 12; JULI 13; JULI 14; JULI 15; JULI 18; JULI 19; JULI 20; JULI 21; JULI 22; JULI 23; JULI 25; JULI 26; JULI 27; JULI 28; JULIETA 1; JULIETA 2; JULIETA 3; JULIETA 4; JULIETA 5; JULIETA 6; JULIETA 7; JULIETA 8; JULIETA 9; JULIETA 10; JULIETA 11; JULIETA 12; JULIETA 16; JULIETA 17; JULIETA 19.

The following exploration tenements are being converted into exploitation leases: JULI 9, 1-60; JULI 10 1-60; JULI 11; JULI 12; JULI 16, 1-60; JULI 17, 1-20; JULI 24, 1-60; JULIETA 13, 1-60; JULIETA 14, 1-60; JULIETA 15, 1-40; JULIETA 18, 1-40.

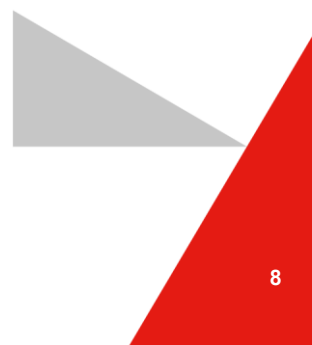
### Frontera and Los Mantos Copper Projects

No changes in their tenements positions.

### Banderas Copper Project

The following exploitation leases have been dropped:

BANDERITA 1-5; RESGUARDO 1-14 AND 20; RESGUARDO 9, 10, 11, 15, 16, 17, 18 y 20;







## Qualifying Statements

### JORC Compliant Ore Reserve Statement

Productora Open Pit Probable Ore Reserve Statement – Reported 31<sup>st</sup> March 2014

Ore Type	Category	Tonnage (Mt)	Grade			Contained Metal			Payable Metal		
			Copper	Gold	Molybdenum	Copper	Gold	Molybdenum	Copper	Gold	Molybdenum
			(%)	(g/t)	(ppm)	(tonnes)	(ounces)	(tonnes)	(tonnes)	(ounces)	(tonnes)
Transitional	Probable	10.2	0.54	0.10	128	55,000	34,000	1,300	27,000	13,000	1,000
Fresh	Probable	80.3	0.47	0.11	177	378,000	274,000	14,200	323,000	139,000	8,000
<b>Total</b>	<b>Probable</b>	<b>90.5</b>	<b>0.48</b>	<b>0.11</b>	<b>172</b>	<b>433,000</b>	<b>308,000</b>	<b>15,500</b>	<b>350,000</b>	<b>152,000</b>	<b>9,000</b>

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting.

Note 2: Average recoveries applied to Probable Ore Reserve estimate are: Fresh Cu– 88.8%; Fresh Au - 65%; Fresh Mo - 60%, Transitional Cu- 50%, Transitional Au- 50% and Transitional Molybdenum- 50%. Payability factors applied for Cu- 96.5%, Au- 78% and Mo- 98%. The Probable Ore Reserve was estimated using price assumptions of US\$3.00/lb copper, US\$1,250/oz gold and US\$10/lb molybdenum and an exchange rate (AUD:USD) of 0.88.

### JORC Compliant Mineral Resource Statements

Productora Mineral Resource Statement – Reported 31<sup>st</sup> March 2014

Classification (+0.25% Cu)	Tonnage (Mt)	Grade			Contained Metal		
		Copper	Gold	Molybdenum	Copper	Gold	Molybdenum
		(%)	(g/t)	(ppm)	(tonnes)	(ounces)	(tonnes)
Indicated	158.6	0.50	0.11	152	799,000	540,000	24,000
Inferred	55.6	0.41	0.08	97	229,000	133,000	5,000
<b>Total</b>	<b>214.3</b>	<b>0.48</b>	<b>0.10</b>	<b>138</b>	<b>1,029,000</b>	<b>675,000</b>	<b>29,000</b>

Note 1: Figures in the above table are rounded, reported to two significant figures, and classified in accordance with the Australian JORC Code 2012 guidance on Mineral Resource and Ore Reserve reporting.

### Mineral Resource and Ore Reserve Confirmation

The information in this report that relates to Mineral Resources and Ore Reserve estimates on the Productora copper projects were originally reported in the ASX announcements “Maiden Ore Reserve at Productora Set for Strong Growth in 2014”, dated 31st March 2014. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

**Hot Chili Limited** ACN 130 955 725  
First Floor, 768 Canning Highway, Applecross, Western Australia 6153  
PO Box 1725, Applecross, Western Australia 6953  
P: +61 8 9315 9009 F: +61 8 9315 5004  
[www.hotchili.net.au](http://www.hotchili.net.au)



### **Competent Person's Statement- Exploration Results**

Exploration information in this announcement is based upon work undertaken by Mr Christian Easterday, the Managing Director and a full-time employee of Hot Chili Limited whom is a Member of the Australasian Institute of Geoscientists (AIG). Mr Easterday has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr Easterday consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### **Competent Person's Statement- Mineral Resources**

The information in this announcement that relates to the Productora Mineral Resource is based on information compiled by Mr J Lachlan Macdonald and Mr N Ingvar Kirchner. Mr Macdonald is a full-time employee of Hot Chili Ltd. Mr Macdonald is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirchner is employed by Coffey Mining Pty Ltd (Coffey). Coffey has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Mineral Resource estimate. Mr Kirchner is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists. Both Mr Macdonald and Mr Kirchner have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012). Both Mr Macdonald and Mr Kirchner consent to the inclusion in the ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

### **Competent Person's Statement- Ore Reserves**

The information in this announcement that relates to Productora Ore Reserves is based on information compiled by Mr Carlos Guzmán who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Registered Member of the Chilean Mining Commission (RM- a 'Recognised Professional Organisation' within the meaning of the JORC Code 2012) and a full time employee of NCL Ingeniería y Construcción SpA. NCL has been engaged on a fee for service basis to provide independent technical advice and final audit for the Productora Ore Reserve estimate. Mr. Guzmán has sufficient experience which is relevant to the style of mineralisation and type of deposit under Consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guzmán consents to the inclusion in the ASX announcements "Maiden Ore Reserve at Productora Set for Strong Growth in 2014", dated 31st March 2014 of the matters based on their information in the form and context in which it appears.

### **Forward Looking Statements**

This announcement contains "forward-looking statements". All statements other than those of historical facts included in this announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper and

**Hot Chili Limited** ACN 130 955 725  
First Floor, 768 Canning Highway, Applecross, Western Australia 6153  
PO Box 1725, Applecross, Western Australia 6953  
**P:** +61 8 9315 9009 **F:** +61 8 9315 5004  
[www.hotchili.net.au](http://www.hotchili.net.au)



other metals price volatility, currency fluctuations, increased production costs and variances in ore grade ore recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing this announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of this announcement nor any information contained in this announcement or subsequently communicated to any person in connection with this announcement is, or should be taken as, constituting the giving of investment advice to any person.



## Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Name of entity

Hot Chili Ltd

ABN

91 130 955 725

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration  Research and Development	(1,258) (1,573) (450)	(3,681) (2,297) (1,176) (297)
1.3 VAT credit received		
1.4 Interest and other items of a similar nature received	5	11
1.5 Interest and other costs of finance paid	(468)	(957)
1.6 Income taxes paid		
1.7 Other GST and R and D refund		
<b>Net Operating Cash Flows</b>	<b>(3,744)</b>	<b>(8,397)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(277) - -	(277) - -
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 Option Fee	-	2,139
<b>Net investing cash flows</b>	<b>(277)</b>	<b>1862</b>
1.13 Total operating and investing cash flows (carried forward)	(4,021)	(6,535)



1.13	Total operating and investing cash flows (brought forward)	(4,021)	(6,535)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	285	2,882
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Cost of capital raising		
1.19	Other (provide details if material)(Borrowing costs)	(3)	(68)
	<b>Net financing cash flows</b>	282	2,814
	<b>Net increase (decrease) in cash held</b>	(3,739)	(3,721)
1.20	Cash at beginning of quarter/year to date	7,334	7,113
1.21	Exchange rate adjustments to item 1.20	( 202)	1
1.22	<b>Cash at end of quarter</b>	3,393	3,393

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	135
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

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	18.5 Million USD	10 Million USD
3.2 Credit standby arrangements		

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	280
4.2 Development	250
4.3 Production	
4.4 Administration	300
4.5 Interest Payments	330
<b>Total</b>	<b>1,160</b>

## 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	3,305	7,246
5.2 Deposits at call	88	88
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,393</b>	<b>7,334</b>



### 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	<ul style="list-style-type: none"> <li>• BANDERITA 1-5</li> <li>• RESGUARDO 1-14 AND 20</li> <li>• RESGUARDO 9, 10, 11, 15, 16, 17, 18 y 20</li> </ul>	Option Agreement	100%	0%
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	<b>Preference</b>			
	<b>+securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	422,718,122	422,718,122	
7.4	Changes during quarter			
	(a) Increases through issues	2,601,193	2,601,193	10.97 cents
	(b) Decreases through returns of capital, buy-backs			Fully paid
7.5	<b>+Convertible debt securities</b>			
	<i>(description)</i>			



	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	11,000,000		30 cents	<i>Exercisable on or before 27 June 2019</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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.

A handwritten signature in dark ink, appearing to read "John Sendziuk", is written over a horizontal line.

Sign here: .....  
Date 28/1/2016  
(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.

== == == == ==

