

Range Resources Limited
(‘Range’ or ‘the Company’)

30 January 2015

ASX Code: RRS

AIM Code: RRL

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Quarterly Activities Report

For the period ended 31 December 2014

Highlights

- New Board and additional management appointed;
- US\$60 million equity based financing secured from Core Capital to strengthen Range's balance sheet. At the date of this announcement, the Core Capital financing remains on track with the due diligence successfully completed; the transaction is expected to complete on or before 30 April 2015, subject to shareholder approval;
- US\$50 million credit facility arranged for Trinidad waterflood and development programmes;
- Range will fully exploit and develop the potential of the Trinidad assets with the US\$110 million total financing package;
- Range and LandOcean are finalising proposed plans for extended waterflooding of Range's Trinidad licences, with subsurface studies successfully completed. Forecasts indicate oil production could exceed 3,000 bopd for the Beach Marcelle waterflood project;
- Average oil production in Trinidad decreased by 7% from the previous quarter;
- Five development wells spudded during the quarter, with two of the wells subsequently put into production, two wells awaiting completion and one well drilling;
- Following a strategic review, Range agreed to sell its drilling services company in Trinidad but it will continue to provide full oilfield operations services to Range, with services to be priced in line with market rates in Trinidad, to be reviewed by Range's management periodically;
- Range is finalising proposed exploration programme plans on the Guayaguayare licence, with the first shallow onshore well expected to spud in Q1 2015;
- E&P Licence and JOA executed with the government of Trinidad and Tobago and Petrotrin respectively on the St Mary's licence;
- Sale & Purchase Agreement signed for the disposal of Texas assets; and
- The Company's shares to remain in trading suspension until an agreement is reached with Lind, or the Company has sufficient alternative financing to repay the Lind facility in full.

Production overview

The Company's oil and gas production for the period is as follows:

- **Trinidad:** 48,252 bbls (average of 524 bopd) net to Range;
- **Texas:** 26.6 MMcf and 862 bbls (average 59 boepd) net to Range;
- **Total average production:** 583 boepd net to Range.*

The average oil production in Trinidad decreased by 7% from the previous quarter, which was mainly due to a lack of drilling activity and poor uptime of the rig fleet resulting from historical underinvestment.

**The total average production for the period does not include production numbers for the quarter for Guatemala, as the Company is still waiting to receive the final production numbers from the Operator.*

Sale of Range Resources Drilling Services Limited

Following a strategic review, the management has decided to realign its corporate strategy in order to solely focus its time and resources on rapidly growing its E&P business in Trinidad through increasing production and the potential acquisitions of additional assets. The Company will be limiting its capital expenditure on all other non-core activities and assets.

As a result of the review, during the quarter Range announced the signing of a Sale & Purchase Agreement for the disposal of 100% of Range Resources Drilling Services Limited ("RRDS") to LandOcean Petroleum Corp. Ltd ("LandOcean Petroleum"), a Hong Kong based company wholly owned by LandOcean Energy Services Co. Ltd ("LandOcean").

The total cash consideration is US\$4.37 million plus repayment of all outstanding intercompany loans due by RRDS to Range, with total loans amount to be determined at the time of closing. To date, US\$2.3 million of the sale proceeds have been received with the remainder anticipated to be received at final completion in early February 2015.

RRDS has a fleet of 12 drilling and workover rigs and currently employs 218 staff. LandOcean Petroleum is looking to invest additional capital to complete a review and upgrade of the existing rigs, as well as adding in new rig capacity of at least two further rigs (one shallow and one deep) to the current fleet, with new rigs expected to be available for drilling at the end of 2015. RRDS will continue to provide full oilfield operations services to Range in Trinidad, with services to be priced in line with market rates in Trinidad, to be reviewed by Range's management periodically.

Operations

Trinidad

Strategic partnership with LandOcean

Range is making significant progress on the proposed waterflood programmes in Trinidad with its strategic partner LandOcean. The Company has entered into the second purchase order for the provision of technical services by LandOcean to implement waterflooding plans in Trinidad, including reservoir geology, reservoir



engineering, drilling engineering, production engineering, surface facilities engineering and economic evaluation.

Dr. Wang Guohui was appointed as LandOcean's Head of Trinidad project to complement Range's team. Dr. Wang is a professor-ranked senior engineer, with over 25 years of experience in oilfield production analysis and management. He is currently a Deputy General Manager of LandOcean in charge of exploration, development, and incremental production services. Most recently, he was Head of Strategic Production Planning Department at the Research Centre of China National Petroleum Corporation. ("CNPC"), the state-owned fuel-production corporation and the largest integrated oil and gas company in China, where he focused on production planning studies for CNPC. Prior to working with CNPC, Dr. Wang spent 19 years working for Xinjiang Oilfield Company of CNPC, the largest petroleum-producing enterprise in western China, as Head of the Field Development and Production Study Department, where he managed field production of 230 Mbb/d. Dr. Wang holds a Doctorate of Engineering in Oil and Gas field development from the Southwest Petroleum University in China.

Extended waterflooding programme on Trinidad licences

- LandOcean completed an extended waterflooding study on the South Quarry and Beach Marcelle licences. In total five prospective areas were identified and evaluated both technically and economically between the licences. Blocks identified are C, NE, and SE blocks in Beach Marcelle; and II and III blocks in South Quarry. Based on several geology-reservoir engineering studies completed by LandOcean, two waterflooding plans have been designed, with Plan 1 using existing wells for injection, whilst Plan 2 involving a combination of new and existing wells. The choice of the preferred plan will be made after completion of an onsite well condition survey, anticipated to take place in Q1 2015;
- The next key steps in the programme will be to finalise the preferred plan for waterflooding and commence surface studies, which will include well integrity surveys and sourcing injection water;
- The proposed Beach Marcelle waterflood project received a Certificate of Environmental Clearance from the Environmental Management Authority. The remaining regulatory approvals are currently pending review; and
- The Company received all environmental and government approvals to proceed with the Morne Diablo waterflood expansion project. The Company had previously completed a successful pilot waterflood scheme, and can now proceed with expanding this project to the remaining shallow wells. The waterflood will be conducted in a phased manner expected to commence in Q1 2015.

Development programme

- Five development wells spudded during the quarter, with two of the wells subsequently put into production, two wells awaiting completion and one well drilling; and
- 57 work-over operations completed during the quarter.

Exploration programme

- The Company and Niko Resources Ltd (TSX: NKO) are finalising proposed exploration programme plans on the Guayaguayare licence, with the first shallow onshore well expected to spud in Q1 2015, subject to final approval by the Ministry of Energy and Energy Affairs ("Ministry"). Range is currently in negotiations to increase its working interest; and
- Subsequent to the quarter end, the Company signed the St Mary's Joint Operating Agreement with the Ministry and Petrotrin. In order to ensure that Range fulfils its minimum work programme obligations under the E&P licence, the Company is required to provide the Ministry with a performance bond. Range is currently seeking financing options to satisfy the requirements for the bond and working with the Ministry on finalising the required documentation. The next steps in the work programme will be to conduct environmental approval work and evaluation of existing data as well as to reprocess existing 3D data and acquire gravity and magnetic data.

Puntland

Subsequent to the quarter end, the Joint Venture (the “JV”) made a decision to close down its office in Somalia, in order to reduce the JV’s cost exposure until there is clarity and contractual certainty around the Production Sharing Agreements (“PSAs”) and the legal regime that currently exists in Puntland.

These actions do not affect the JV’s position with regards to the existing PSAs on two licences in the Dharoor and Nugaal Valleys. The JV has proposed that the Puntland government offers a two year extension on both PSAs, free of any consideration, so that an adequate resolution can be achieved with regards to progressing the exploration programme.

Range continues to be supportive of the Operator and 60% interest holder, Horn Petroleum Corporation (TSXV: HRN) and remains hopeful that an extension of the PSAs can be granted. That said, given the Company’s focus on its core assets in Trinidad, Range is seeking to restrict any further investments into all non-core assets.

Colombia

During the quarter, the Operator, Optima Oil Corp, completed and submitted the environmental impact study for the drilling programme in the PUT-5 block in the Putumayo Basin. Work continues on the VMM-7 and VSM-1 blocks, in the Upper Magdalena and the Middle Magdalena Basins respectively, with the Operator preparing the required environmental studies prior to the commencement of the seismic acquisition. The initial exploration term expires in December 2015, during which time 2D seismic and one exploration well will be required to be drilled on each block.

Georgia

The Georgian assets are non-core and are held for sale. Range is seeking to restrict any further investments into Georgia and will be providing an update on its progress in due course.

Texas

During the quarter, Range announced the signing of a Sale & Purchase Agreement for the disposal of 100% of Range Australia Resources (US) Limited which holds the Company’s interests in the East Clarksville and North Chapman Ranch projects in Texas (the “Texas assets”) to Citation Resources Limited (“Citation”). Citation is an ASX-listed oil and gas company, which together with Range holds interests in oil production and exploration assets in Guatemala.

The total value of the consideration for the transaction is approximately AU\$1.7 million (approximately US\$1.4 million), comprised of a AU\$500,000 cash payment to Range, a carry on the Guatemalan assets to the value of AU\$830,000, a forgiveness on monies owed by Range to Citation to the value of AU\$189,000 and 200 million new ordinary shares in Citation (representing a market value of AU\$200,000 based upon the last traded price on 22 December 2014). The deal also releases Range from its imminent spending commitments in Texas, which are estimated at US\$0.9 million based on the Operator’s Authorisation of Expenditure. In addition, Range has the right to appoint one Director to the Board of Citation, provided that Range holds a minimum of 100 million Citation shares. Full terms of the Sale & Purchase Agreement can be found in the Company’s announcement released on 23 December 2014.

The strategic focus remains firmly on Range’s unique asset position in Trinidad, and rationalising its non-core assets. The Company has been actively marketing its assets in Texas for some time and as a result of an asset impairment review completed during the year, the carrying value of the Texas assets was written down to US\$1 million. The agreement reached maximises the sale value, and releases Range from imminent spending commitments in both Texas and Guatemala amounting to more than US\$1.5 million. Retaining an equity holding in Citation will allow the Company to benefit from any upside generated by new development drilling in the Texas assets while removing any further spending commitments for the project.

At the date of this announcement, Range has received 200 million ordinary Citation shares and is awaiting receipt of the cash proceeds.

Guatemala

Range was advised that the Operator, Latin American Resources will recommence the testing operations on the previously drilled Atzam 5 well at the Atzam Oil Project in Guatemala as soon as Citation completes its financing arrangements (refer to Citation's announcement: <http://citationresources.com.au/media/articles/ASX-Announcements/20150107-Finance-Facility-and-Texas-Asset-Acquisition--315/2014-12-23-Financing-Secured-and-New-Project-Acquisition-FINAL.pdf>).

Once the Texas sale transaction completes, Range will hold a 13% equity holding in Citation, which in turn provides a 28% direct and indirect interest in the Guatemalan project. Range has the right to appoint one Director to the Board of Citation, provided that Range holds a minimum of 100 million Citation shares.

Corporate

Directorate and management changes

During the Annual General Meeting of the Company held on 28 November 2014, a number of Directors were not re-elected to the Company's Board by the shareholders, namely Mr. Rory Scott Russell, Mr. Graham Lyon, Dr. Christian Bukovics and Mr. Marcus Edwards-Jones. Subsequently, Mr. David Riekie and Mr. Ian Olson also resigned from the Board of the Company.

Following these changes, four new Director appointments have been made to the Company's Board, which now comprises of Mr. David Yu Chen, Mr. Yan Liu, Mr. Zhiwei (Kerry) Gu and Ms. Juan (Kiki) Wang. Appointments of Mr. Chen and Ms. Wang were made pursuant to Abraham Ltd's contractual right to appoint up to two Non-Executive Directors to the Board of the Company, arising from the Subscription Agreement entered into with the Company as part of their investment of US\$12 million in Range (see 15 May 2014 announcement).

Additionally, Ms. Sara Kelly has been appointed to the role of Joint Company Secretary.

Mr. David Yu Chen, Non-Executive Chairman

Mr. Chen is currently the Vice Chairman and President of Hengxing Gold, a Hong Kong Stock Exchange listed gold mining company. He has over 15 years of corporate experience, having served as Chief Executive and Board member for companies listed both on US and Chinese stock markets. He founded Huashan Capital in 2009 to specialise in cross border investment transactions in the resources sector. His investment experience includes the establishment of a listed special purpose acquisition fund and venture capital investments. He has served as an independent director at Zhonglu Group, a Shanghai Stock Exchange listed diversified investment holding company, and serves as a director at SmartLink Ltd, a leading mobile payment service provider in China of which he is a lead investor.

Mr. Yan Liu, Executive Director and Chief Executive Officer

Mr. Liu has over 17 years of accounting and corporate advisory experience in China and Australia. Mr. Liu was the Chief Financial Officer with AIM listed China Rerun Chemical Group Limited, a China-based lubricant oil company and a partner of Agile Partners, the financial advisory company based in China. Previously, Mr. Liu was the Financial Controller at Legalwise Seminars Pty in Australia and he spent 8 years at Chinatex Corporation where he worked in project management positions. Mr. Liu holds a Bachelor degree in Economics from the Central University of Finance and Economics, China, and a Masters degree in Commerce from the University of New South Wales, Australia.

Mr. Zhiwei (Kerry) Gu, Non-Executive Director

Mr. Gu is a corporate lawyer, who has worked with numerous companies seeking listing approval on various stock markets including Chinese A share, NASDAQ, TSX and HKSE. He is currently a partner of Dacheng Law Offices, the largest law firm in China. Mr. Gu has participated in several Venture Capital and Private Equity investment cases by various funds, such as London Asia Fund, Warburg Pincus, Korea Development Bank, China Venture Investment Co, and China Cinda AMC. During his time with China National Gold Group Corp. Mr. Gu was in charge of mineral resource M&A activities. Mr. Gu

holds a LL.B. from the Jilin University in China; a LL.M. from the Northeast University in China; and a Masters of Applied Finance from the Macquarie University, Australia. Mr. Gu is a qualified lawyer and securities practitioner in China.

Ms. Juan (Kiki) Wang, Non-Executive Director

Ms. Wang is currently an investment manager at Anterra Energy Inc. where she is responsible for Chinese investor liaisons. Prior to joining Anterra she was manager of corporate mergers and acquisitions at LandOcean Energy Services Co. Ltd. Ms. Wang has a commercial banking background, having previously worked for Deutsche Bank and Bank of East Asia.

Financial

- **US\$60 million financing with Core Capital:** During the quarter, Range announced the execution of formal agreements for a US\$60 million funding package with Core Capital Management Co., Ltd, a China based institutional investor. The US\$60 million funding package comprises of US\$40 million of equity and US\$20 million of unlisted unsecured convertible notes with a 12% per annum coupon. Shareholders will be provided with detailed information about the transaction in the meeting documentation for the extraordinary general meeting to approve the transaction, expected to be prior to 30 April 2015. Full details of the financing can be found in the Company's announcement released on 11 December 2014. At the date of this announcement, the Core Capital financing remains on track with the due diligence successfully completed, and the Company expects the transaction to complete in line with the previously announced timing, on or before 30 April 2015;
- **US\$50 million trade financing package:** During the quarter, Range announced that LandOcean shall arrange and make available a financing facility with China based Sinasure for the Company to pay for the full US\$50 million of LandOcean's technical services. The financing is subject to interest at 10% per annum and repayments are due 720 days after each drawdown on the financing to pay for LandOcean's services. The Company will pay a security deposit of US\$7.5 million to LandOcean once the Core Capital financing is completed. The security deposit shall be refunded to the Company upon expiry or termination of the second purchase order and the Company's satisfaction of its obligations to pay all accrued interest on the financing facility at such time;
- **Lind loan financing:** During the quarter, Range announced the loan financing agreement of up to US\$15 million with Lind Asset Management, LLC ("Lind"). Full details of the loan can be found in Company's announcement published on 17 October 2014. Subsequent to the quarter end, Range has received a letter from Lind seeking repayment of the full outstanding amount under the facility by no later than 15 January 2015. At present, US\$5.5 million under the Lind facility has been drawn down. Under the facility the Company has issued 96,440,891 ordinary fully paid shares (38,000,000 collateral shares issued on 17 October 2014 and 58,440,891 first repayment shares on 18 November 2014). The initial US\$5 million facility has a face value of US\$7.25 million. Range communicated to Lind that it wishes to repay the facility in cash and intends on using the Core Capital financing to meet such final repayment. The Company's shares will remain in trading suspension until such time as an agreement is reached with Lind, or the Company has sufficient alternative financing to repay the Lind facility in full;
- **International Petroleum loan settlement:** During the quarter, and in line with the loan settlement agreement, International Petroleum Ltd ("IOP"; NSX: IOP) made a cash payment of US\$500,000 to Range and all other outstanding monies have been converted into 147,803,270 ordinary shares of IOP. Following conversion, Range holds approximately 9% of the enlarged share capital of IOP. In addition, IOP issued 5 million unlisted options to Range exercisable at AU\$0.06 per option on or before 2 October 2016;
- Sales revenue for the 3 months to 31 December 2014 was US\$4.0 million, compared with US\$5.15 million in the previous quarter. The negative movement in revenue was a combination of reduced volumes of oil produced in Trinidad as well as the impact of a lower oil price during the period;
- The Group's capital expenditure was US\$7.03 million, up from US\$5.57 million in the previous quarter with the increase being a result of continued investment in the rig fleet, drilling and exploration activities; and
- Cash at 31 December 2014 of US\$1.52 million was largely unchanged from the previous quarter.

Petroleum tenements held at the end of the quarter

Tenement Reference	Location	Working Interest	Operator
Morne Diablo	Trinidad	100%	Range
South Quarry	Trinidad	100%	Range
Beach Marcelle	Trinidad	100%	Range
Guayaguayare Shallow*	Trinidad	32.5%	Range
Guayaguayare Deep*	Trinidad	40%	Range
St Mary's Block	Trinidad	80%	Range
Block 1-2005, South Peten Basin**	Guatemala	21%	Latin American Resources Ltd
North Chapman Ranch***	Texas, USA	20-25%	Western Gulf Oil & Gas
East Cotton Valley***	Texas, USA	22%	Crest Resources
Block VIa	Georgia	45%	Strait Oil & Gas
Block VIb	Georgia	45%	Strait Oil & Gas
Dharoor Block	Puntland	20%	Horn Petroleum Corp
Nugaal Block	Puntland	20%	Horn Petroleum Corp
PUT-5, Putumayo basin	Colombia	10%	Optima Oil Corp
VMM-7, Magdalena Valley	Colombia	10%	Optima Oil Corp
VSM-1, Magdalena Valley	Colombia	10%	Optima Oil Corp

Notes:

* The Company is currently in negotiations to increase its working interest on the Guayaguayare licences.

**The Company's equity interest in the Guatemalan project reduced from 23% to 21% during the quarter. As part of the Texas sale transaction, Citation has issued 200 million ordinary Citation shares to Range. Once the transaction completes, Range will hold approximately 13% equity in Citation, which in turn provides a 28% direct and indirect interest in the Guatemalan project.

***During the quarter, the Company announced the signing of a sale & purchase agreement for the disposal of its Texas assets. The sale transaction has not completed at the date of this announcement, as Range is awaiting receipt of the cash proceeds.

No petroleum tenements or farm-in, farm-out interests were acquired during the quarter.

Disclaimer

This information in this report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and the Company's control where, for example, the Company decides on a change of plan or strategy. While Range believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Company's control or within undertakes no obligation to revise any such forward-looking statements to reflect any changes in the Company's expectations or any change in circumstances, events or the Company's plans and strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.

Hydrocarbon Reporting Standard

Range reports hydrocarbons in accordance with the SPE Petroleum Resources Management System 2007 (SPE-PRMS).

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

RANGE RESOURCES LIMITED

ABN

88 002 522 009

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (6 months) \$US'000
1.1 Receipts from product sales and related debtors	4,005	9,157
1.2 Payments for (a) exploration & evaluation	(732)	(1,135)
(b) development	(3,227)	(5,793)
(c) production	(3,073)	(5,679)
(d) administration	(2,050)	(3,241)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	(773)	(773)
1.6 Taxes refunded	637	432
1.7 Other – Colombia performance bond	-	(3,480)
Net Operating Cash Flows	(5,212)	(10,508)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(807)	(1,503)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	142	231
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	500	500
1.12 Other – net cash acquired on acquisition of subsidiary	-	-
Net investing cash flows	(165)	(772)
1.13 Total operating and investing cash flows (carried forward)	(5,377)	(11,280)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(5,377)	(11,280)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	924
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5,500	5,500
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	5,500	6,424
	Net increase / (decrease) in cash held	123	(4,856)
1.20	Cash at beginning of quarter/year to date	1,445	6,468
1.21	Exchange rate adjustments to item 1.20	(49)	(93)
1.22	Cash at end of quarter	1,519	1,519

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 \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	237
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

payment of directors' fees

Non-cash financing and investing activities

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

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	-	5,500
3.2 Credit standby arrangements	-	-

On 11 December 2014, Range announced the execution of formal agreements for a US\$60 million funding package with Core Capital Management Co., Ltd. At the date of this announcement, the Core Capital financing remains on track with the due diligence successfully completed, and the Company expects the transaction to complete in line with the previously announced timing, on or before 30 April 2015, subject to shareholder approval.

Additionally on 11 December 2014, Range announced that LandOcean shall arrange and make available a financing facility with China based Sinasure for the Company to pay for the full US\$50 million of LandOcean's technical services, subject to payment of a security deposit of US\$7.5 million.

On 22 December 2014, Range announced the signing of a Sale & Purchase Agreement for the disposal of its Texas assets. AU\$0.5 million will be settled in cash in the third quarter of the financial year.

On 30 December 2014, Range announced the sale of its drilling services business in Trinidad for total cash consideration of US\$4.37 million plus repayment of all outstanding intercompany loans due by RRDS to Range, with total loans amount to be determined at the time of closing. To date, US\$2.3 million of the sale proceeds have been received with the remainder anticipated to be received at final completion in early February 2015.

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	250
4.2 Development	4,250
4.3 Production	1,000
4.4 Administration	1,000
Total	6,500

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 \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	1,519	1,445
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,519	1,445

+ See chapter 19 for defined terms.

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	Refer to Appendix A		
6.2	Interests in mining tenements acquired or increased	Nil		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	5,117,169,188	5,117,169,188		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	126,428,372	126,428,372		
7.5 *Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i>		<i>Exercise price</i>	<i>Expiry date</i>
		80,508,341	\$0.05	31 January 2016
		855,166	£0.04	30 June 2015
		7,058,824	£0.17	30 April 2016
		5,180,000	£0.075	31 January 2017
		9,000,000	£0.125	31 March 2015
		15,708,801	£0.0615	19 October 2015
		32,275,862	£0.05075	30 November 2015
		5,000,000	A\$0.10	31 January 2016
		5,000,000	A\$0.06	10 February 2016
		146,533,850	£0.04	30 April 2016
		5,000,000	£0.037	11 July 2016
		476,190	£0.021	25 July 2016
		952,381	£0.021	29 July 2016
		6,714,284	£0.021	31 August 2016
		9,000,000	£0.020	31 August 2016
		3,947,369	£0.019	30 September 2016
		8,666,670	£0.018	30 September 2016
		694,445	£0.018	31 October 2016
		2,205,885	£0.017	31 October 2016
		1,250,000	£0.016	31 October 2016
		17,333,336	£0.015	31 October 2016
		3,000,001	£0.015	30 November 2016
		5,153,846	£0.013	30 November 2016
		2,000,000	\$0.0321	11 December 2016
		2,000,000	£0.012	31 December 2016
		5,000,000	£0.011	31 December 2016
		23,636,364	£0.011	31 January 2017
		7,500,000	£0.03	9 September 2017
		161,472,247	£0.01	14 July 2018
		118,729,593	£0.02	14 July 2018
		1,000,000	\$0.05	31 January 2018
		31,000,000	£0.01203	15 October 2017
7.8	Issued during quarter	31,000,000	£0.01203	15 October 2017
7.9	Exercised during quarter			
7.10	Expired during quarter	Nil		

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	Nil			
7.12	Unsecured notes <i>(totals only)</i>	Nil			
7.13	Converting Performance Shares	Nil			

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.



Yan Liu
Chief Executive Officer
30 January 2015

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.

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+ See chapter 19 for defined terms.