



QUARTERLY REPORT

Quarter Ended 31 December 2014

Exploration

General

The Company has continued to explore opportunities for the quarter ended 31 December 2014. In particular, the Company reviewed a potential exploration project however following the outcome of the due diligence carried out, the Company has decided not to pursue this particular project any further. The Company will continue to look for other opportunities during the next quarter.

Brooklyn Iron Project

No new exploration activities occurred in relation to the Brooklyn Iron project during the quarter.

Corporate

During the December quarter, the Company issued 4,178,448 ordinary shares to the Directors in lieu of Directors fees as approved at the Company's AGM in November 2014.

Exalt Resources Limited wishes to provide the following information on the mining tenements held at the end of quarter ending 31 December 2014:

| Country | Project name | Tenement | No of Tenement | Area | Interest |
|-----------|--------------------|----------|----------------|--------------------|----------|
| Australia | Mineral Hill South | EL 7945 | 1 | 112km ² | 100% |

Other than disclosed above, no mining tenements were acquired or disposed of during the quarter.

Competent Person's Statement

The information in this report that relates to New South Wales Exploration Results is based on information provided by Mr D Ward, Member of Australasian Institute of Mining and Metallurgy and a Consultant to Exalt Resources Limited. Mr Ward 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. Mr Ward, consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

EXALT RESOURCES LTD

ABN

17 145 327 617

Quarter ended ("current quarter")

31 DECEMBER 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|--|----------------------------|---------------------------------------|
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (21) | (32) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (74) | (278) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 1 | 2 |
| 1.5 | Interest and other costs of finance paid | - | (1) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | - |
| | | (94) | (309) |
| Net Operating Cash Flows | | | |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: | - | - |
| | (a) prospects | - | - |
| | (b) ODNI prospect | - | - |
| | (c) other fixed assets | - | - |
| 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) | - | - |
| | Net investing cash flows | - | - |
| 1.13 | Total operating and investing cash flows (carried forward) | (94) | (309) |
| 1.13 | Total operating and investing cash flows (brought forward) | (94) | (309) |

| Cash flows related to financing activities | | | |
|---|--|------|-------|
| 1.14 | Proceeds from issues of shares, options, etc. | - | 135 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) Capital raising costs | - | (9) |
| Net financing cash flows | | - | 126 |
| Net increase (decrease) in cash held | | (94) | (183) |
| 1.20 | Cash at beginning of quarter/year to date | 242 | 331 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 148 | 148 |

Payments to directors of the entity and associates of the directors

| | | Curent quarter \$A'000 |
|------|--|---------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | - |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |
| 1.25 | Explanation necessary for an understanding of the transactions | |

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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

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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 | 25 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 25 |
| Total | 50 |

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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 | 125 | 219 |
| 5.2 Deposits at call | 23 | 23 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.2.2) | 148 | 242 |

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 | Nil | | |
| 6.2 | Interests in mining tenements acquired or increased | Nil | | |

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 (cents) | Amount paid up per security (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 | 85,250,406 | 85,250,406 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 4,178,448 | 4,178,448 | \$0.026 (deemed price as shares issued in lieu of director fees) | |
| 7.5 *Convertible debt securities <i>(description)</i> | Nil | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | 16,008,568 | 16,008,568 | <i>Exercise price</i> ~16.0M \$0.20 | <i>Expiry date</i> 31 December 2015 |
| 7.8 Issued during quarter | Nil | Nil | | |
| 7.9 Exercised during quarter | Nil | | | |
| 7.10 Expired during quarter | 10,000,000 | 10,000,000 | \$0.20 | 6 December 2014 |
| 7.11 Performance Shares <i>(totals only)</i> | NIL | | | |
| 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.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 30 January 2015

Director

Print name:

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report