



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 JULY 2016

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## **JUNE 2016 QUARTERLY REPORT**

*WCP Resources Limited (“WCP” or “Company”) presents its June 2016 quarterly report. Highlights during the quarter were as follows:*

- *Assessed a number of new business opportunities and is continuing to actively pursue new opportunities in the resources and other sectors, both domestically and overseas.*
- *Continued to monitor the situation in Yemen where the Company’s Al Hariqah Gold Project (**Al Hariqah Project**) is located. Activities at the Al Hariqah Project are currently suspended given the continued levels of violence, political instability and civil unrest in Yemen.*
- *WCP is encouraged by previous results at the Al Hariqah Project, however continuing activities at the Al Hariqah Project is not considered appropriate in the current environment. If circumstances improve WCP may look to restart activities.*
- *Continued its review of the Yalgoo Project area to identify any other potential targets. Subject to the results from this review, the Company will then assess plans for further exploration work at the Yalgoo Project, which may include a follow-up drilling program.*
- *As at 30 June 2016, the Company had cash reserves of approximately \$1.9 million placing the Company in a strong position to conduct its current activities and to pursue new business development opportunities.*

**Enquires:**

**Greg Swan**  
Company Secretary  
Telephone: +61 8 9322 6322

## **AL HARIQAH PROJECT**

The Al Hariqah Project is a near-surface gold deposit located in the Republic of Yemen and within the Arabian-Nubian Shield (**ANS**), an emerging gold mining region that contains a number of large gold deposits, including Centamin plc's (LSE:CEY, TSX:CEE) Sukari gold project.

As a result of the recent increase in the level of violence, political instability and civil unrest in Yemen, WCP and its joint venture partner Cantex made the decision in October 2014 to suspend activities at the Al Hariqah Project.

Previous drilling at the Al Hariqah Project has defined a broad zone of gold mineralisation which is approximately 4km in length, up to 500m wide, and extends to at least 150m depth with several deep holes ending in mineralisation.

Prior to the recent suspension of activities at the Al Hariqah Project, WCP and Cantex had drilled 44 holes for 6,378m of drilling which demonstrated the potential for extensions to the previously known gold mineralisation.

WCP continues to be encouraged by previous results at the Al Hariqah Project, especially seeing shallow intervals of significant mineralization, however continuing activities at the Al Hariqah Project is not considered appropriate in the current environment. The Company will continue to monitor the situation in Yemen and if circumstances improve the Company may look to restart activities.

In October 2014 the Company announced that it had earned an initial 40% interest in the Al Hariqah Project, after meeting its joint venture expenditure commitment of US\$5 million, following which the Company elected not to increase its interest above 40%. Cantex also announced that WCP had met its first US\$5 million expenditure commitment on the Al Hariqah Project. Notwithstanding this, Cantex has now disputed WCP's achievement of the US\$5 million expenditure commitment. WCP denies Cantex's assertions. The parties are in ongoing discussions and WCP will seek to resolve any dispute in accordance with the dispute resolution provisions contained in the Agreement.

In accordance with the terms of the earn-in agreement between WCP and Cantex, the Company has also elected not to contribute its respective share of the joint venture costs subsequent to earning its 40% interest in order to conserve its cash reserves. Instead, WCP's interest will be subject to dilution. At the end of the quarter, WCP has estimated that its interest in the Al Hariqah Project has been diluted to approximately 33%.

## **YALGOO GOLD PROJECT**

The Yalgoo Project comprises a prospective tenement located in the Yalgoo Mineral Field in Western Australia and close to a number of important gold and base metal operations.

The Company completed a sampling program at the Yalgoo Project in 2011 that returned encouraging selective rock chip assays including: 9.36g/t Au, 9.98g/t Au, 25.1g/t Au and 60.4g/t Au. The results were returned from selective sampling of quartz veins hosted in Archean metamorphosed mafic intrusive rocks and from a north-south striking zone approximately 3km in length between the Kings Find and Nyngan historic workings.

After signing a Native Title agreement with the Badimia People and receiving Native Title clearance, the Company completed a scout style drilling program in 2013 which comprised of 42 holes for approximately 1,200m of drilling. The assay results did not return any significant intercepts.

The Company is currently continuing a review of the Yalgoo Project area to identify any other potential targets. Subject to the results from this review, the Company will then assess plans for further exploration work at the Yalgoo Project, which may include a follow-up drilling program.

## **CORPORATE**

The Company continues to examine new business opportunities in the resources sector, both domestic and overseas, and assessed a number of new business opportunities during the quarter.

As at 30 June 2016, the Company had cash reserves of approximately \$1.9 million and no debt, placing the Company in a strong position to conduct its current activities and to pursue new business development opportunities.

## **EXPLORATION INTERESTS**

As at 30 June 2016, the Company has an interest in the following projects:

<b>Project Name</b>	<b>Tenement Number/Name</b>	<b>Location</b>	<b>Percentage Interest</b>	<b>Status</b>
Al Hariqah Gold Project	Al Hariqah	Yemen	~33%	Granted
Yalgoo Gold Project	E59/1594	Western Australia	100%	Granted

## **COMPETENT PERSONS STATEMENT**

*The information in this report that relates to Exploration Results, is extracted from the report entitled 'September 2015 Quarterly Report'. This report is available to view on [www.wcpresources.com.au](http://www.wcpresources.com.au). The information in the original ASX Announcement that related to Exploration Results was based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a member Australian Institute of Mining and Metallurgy. Mr Woodman was employed by WCP Resources Limited. Mr Woodman has sufficient experience that is relevant to the style of mineralization 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 Company confirms that it is not aware of any new information or data that materially affects the information including in the original market announcement. 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.*

# 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

WCP RESOURCES LIMITED

ABN

50 002 664 495

Quarter ended ("current quarter")

30 JUNE 2016

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	-	(51)
(b) development	-	-
(c) production	-	-
(d) administration	(93)	(410)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	59
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material):		
(a) business development	(17)	(151)
<b>Net Operating Cash Flows</b>	<b>(96)</b>	<b>(553)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	107
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>107</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(96)</b>	<b>(446)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(96)	(446)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
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):		
	(a) capital raising expenses	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(96)	(446)
1.20	Cash at beginning of quarter/year to date	1,951	2,301
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,855	1,855

**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	102
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include directors' fees, superannuation, executive remuneration, company secretarial services and provision of a fully serviced office.

**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

Not applicable

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

Not applicable

**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	-	-

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	(50)
4.2	Development	-
4.3	Production	-
4.4	Administration	(100)
<b>Total</b>		<b>(150)</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	335	431
5.2	Deposits at call	1,520	1,520
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,855</b>	<b>1,951</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		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 +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>	397,808,129	397,808,129	Not applicable	Not applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options / Rights</b>	<u>Rights</u>		<u>Exercise Price</u>	<u>Expiry Date</u>
	1,100,000	-	-	31 December 2016
	1,100,000	-	-	30 June 2017
	1,100,000	-	-	31 December 2017
	1,100,000	-	-	31 December 2018
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	<u>Rights</u>		<u>Exercise Price</u>	<u>Expiry Date</u>
	(1,500,000)	-	-	31 December 2016
	(1,500,000)	-	-	30 June 2017
	(1,500,000)	-	-	31 December 2017
	(1,500,000)	-	-	31 December 2018
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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 5).
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 July 2016  
(~~Director~~/Company secretary)

Print name: Gregory Swan

## 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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