



Bulk Metallurgical Sampling; Skyfall and Stromberg Magnetic End Use and Heavy Rare Earth Prospects – October 2014

ASX:SPX

ABN: 94 115 770 226

28 JULY 2016

SUMMARY OF ACTIVITIES

The June quarterly activities were initially focussed on a reverse listing of BCAL, a breast cancer diagnostic. Unfortunately regulatory and market sentiment changes made it very difficult to pursue, and the initiative was aborted before too much expense was incurred from both sides of the potential transaction.

Spectrum has now refocused on investigating other mineral exploration opportunities.

Current statutory reporting requirements on the remaining NT Exploration Licences continued and the Company awaits the refund of environmental bonds.

Some surplus equipment has been sold and the man portable drilling rig has been listed for sale.

CORPORATE

Finance

The June 30, 2016 cash balance of the Company was \$219k compared with a 31 March, 2016 cash balance of \$280k.

Capital Structure

Share Price (SPX): **\$0.005**; Issued Shares: **307.4M**; Market Cap: **\$1.23M** (as at 25 July 2016).

LAND ACCESS and GENERAL TENEMENT STATUS

Tenement Changes

There were no changes to tenement holdings during the quarter.

Mining Tenements held at the end of the quarter

Tenement	Project Name	Company	Area (km ²)	Status	Date of Grant
EL25229	Quantum REE	Spectrum	36.70	Grant, 2 year extended term	09/11/2006
ELA25221	Litchfield	Spectrum	256.30	Moratorium	
ELA25472	Litchfield	Spectrum	526.90	Application	
TOTAL AREA			819.90km²		

Table 1: Spectrum Rare Earths Limited Tenement Holdings. No tenements are subject to farm in or farm out agreements.

For further information please contact:

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NON-EXECUTIVE CHAIRMAN
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Company Management

Anthony Barton: Non-Executive Chairman
Alexander Moyle: Non-Executive Director
Leon Charuckyj: Non-Executive Director
Graeme Boden: Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 1/6/10, 17/12/10

Name of entity

SPECTRUM RARE EARTHS LIMITED

ABN

94 115 770 226

Quarter ended ("current quarter")

30th JUNE 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 mths) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(28)	(215)
(b) development	-	-
(c) production	-	-
(d) administration	(72)	(269)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / R&D credit received	-	175
1.7 Other	-	-
Net Operating Cash Flows	(99)	(306)
Cash flows related to investing activities		
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	-	-
(c) other fixed assets	38	38
1.10 Loans to other entities	-	-
1.12 Other – tenement security bonds	-	-
Net investing cash flows	38	38
1.13 Total operating and investing cash flows (carried forward)	(61)	(268)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(61)	(268)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares	-	303
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 - Costs associated with capital raising	-	(13)
	Net financing cash flows	-	290
	Net increase (decrease) in cash held	(61)	22
1.20	Cash at beginning of quarter/year to date	280	197
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	219	219

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	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	All payments to Directors and Associates are on normal commercial terms	

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

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

+ See chapter 19 for defined terms.

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	219	280
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		219	280

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>	0	0	n/a
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	0	0	n/a
7.3	+Ordinary securities Total Issued and Quoted Issued, but not quoted (subject to ASX escrow)	307,404,406	307,404,406	n/a
7.4	Changes during quarter (a) Increases through issues/exercised options (b) Decreases through returns of capital, buy-backs	0	0	n/a

+ See chapter 19 for defined terms.

7.5	+Convertible debt securities (<i>description</i>)	0	0	n/a	n/a
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	0	0	n/a	n/a
7.7	Options	<i>Options</i>	<i>Listed Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
		0	0	n/a	n/a
7.8	Issued during quarter	0	0	n/a	n/a
7.9	Exercised during quarter	0	0	n/a	n/a
7.10	Expired during quarter	0	0	n/a	n/a
7.11	Debentures (<i>totals only</i>)	0	0		
7.12	Unsecured notes (<i>totals only</i>)	0	0		

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 July 2016
Company Secretary

Print name: Natasha Forde

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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