

31 January 2014

December 2014 Quarterly Report

ASX release

## Highlights

- Agreement reached with Matsa Resources covering Partial Sale and Joint Venture of Halls Creek Gold Projects
- Subsequent event, of third party competing offer for Halls Creek Gold Projects
- Matsa Resources assessing rights to match third party offer.

The Board of Bulletin Resources (ASX: BNR, Bulletin) provides the following Quarterly Report for the period from 1 October to 31 December 2013.

## Project Background

Bulletin's projects comprise the Lamboo and Biscay Gold Projects (Projects), near Halls Creek in Western Australia (Figure 1).

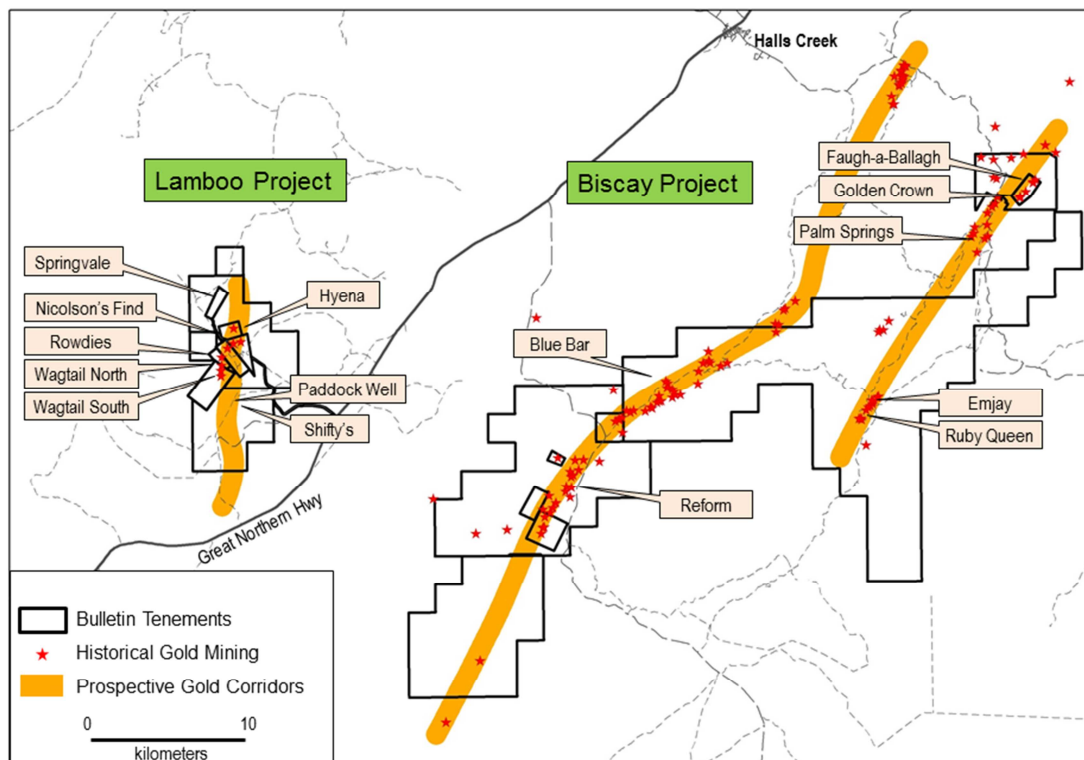


Figure 1 Lamboo and Biscay Gold Project Locations

The Lamboo Gold Project hosts a series of moderate to high grade gold deposits, with a defined Total Resource Estimate (indicated and inferred, see table 1 & 2) of 1,445,000t @ 5.6 grams per tonne(g/t) for 261,000 ounces(oz) of contained gold(Au) at Lamboo together with an existing 120,000 tonne per annum (tpa) CIL processing plant and ancillary infrastructure, all located on granted mining leases and surrounding exploration licences, providing an opportunity to re-commence gold production under an appropriate mining strategy, costs and gold price.

The Biscay Project is a series of contiguous and early stage exploration tenements to the south of Halls Creek that host an additional 323,000 tonnes at 3.2g/t Au for 34,000 ounces of gold and a number of poorly explored exploration targets, all within potential trucking distance to the Lamboo Mill.

In April 2012, the Company completed the Lamboo Feasibility Study which principally focussed on proposed open pit mining of the existing resources along the Nicolson's Shear Zone (NSZ) and future underground mining of the open-ended plunging higher grade gold shoots at depth. An additional update on the Feasibility Study was reported in September 2012.

Since the release of the updated September 2012 Feasibility Study, the Company has focussed on identifying various funding alternatives to bring the Lamboo Project into production, without success. As a result of a recent review, the new Board (appointed August 2013) has concluded that the project economics and overall financial returns are insufficient and too great a risk to satisfy an investment decision to put the project into production, at the current and significantly lower gold price of around \$1300 to \$1350 per ounce.

### **Path Forward**

In the Board's view, the best options to improve the likelihood of a positive development scenario going forward are;

- a) to find additional shallow, lower strip ratio and lower cost, open pit ore sources that significantly improve the early stage cashflow estimates and reduce operating cash costs
- b) to reduce a large portion of the currently proposed high cost, high strip ratio open pits and develop a greater reliance on a more integrated underground high grade narrow mining strategy.

Funding to advance the projects is the greatest concern for the Company in this difficult junior resources financial market, and therefore the Board has considered and undertaken discussions with a number of parties on various alternative fronts.

These discussions have resulted in an agreement with Matsa Resources, the company's major shareholder (refer to ASX release dated 17 December 2013), and subsequent to the end of the quarter, a second alternative offer was received from Pacific Niugini (refer to ASX release dated 24 January 2014) as summarised below.

### **Matsa – Agreement**

On the 17 December 2013, Bulletin announced it had reached agreement with Bulletin's major shareholder Matsa Resources (ASX: MAT, Matsa) to sell a 49% project equity interest and subsequent joint venture to earn an additional 26% of the project for a potential total of 75% in the Lamboo and Biscay Projects.

A summary of the Matsa Sale & Joint Venture terms are:

- Consideration for initial 49% interest;
  - \$600,000 cash (\$500,000 deposit)
  - 2,000,000 Panoramic Resources Ltd shares (circa \$490,000\*)
  - 1,500,000 Matsa Resources Ltd shares (circa \$330,000\*)
- Subsequent Joint Venture whereby Matsa may earn an additional 26% interest (combined total 75%) via staged expenditure up to a total of \$3.0M
- At a "Decision to Mine", Bulletin may elect to co-fund the development or sell remaining interest

Since Matsa is Bulletin's major shareholder, a shareholder vote is required to approve this transaction. The Board has appointed Stanton's International to prepare the Independent Experts report for shareholders.

The agreement permitted Bulletin to retain its right to accept a superior offer.

(\* based on share price for Matsa Resources of \$0.22/share and Panoramic Resources of \$0.245/share at the date of the 17 December 2013 announcement.)

## **Subsequent to the end of the December Quarter**

On the 24 January 2014, Bulletin advised shareholders that it had received an alternative non-related third party offer for the Halls Creek Gold Projects (Lamboog and Biscay), from ASX listed Pacific Niugini Limited (ASX: PNR, Pacific Niugini).

The Bulletin board assessed this bona fide Offer, as “superior” to the existing Matsa agreement. Under the Matsa agreement, there are provisions for Bulletin to accept a superior offer, subject to Matsa being able to match the new “superior” offer at Matsa’s election within 14 days of being notified and a break fee (\$100,000).

Accordingly, Matsa has been notified of Bulletin’s view that the Pacific Niugini offer is superior and Matsa is currently assessing its right to match the offer, as per the Matsa agreement. Matsa has notified Bulletin it disagrees that the Pacific Niugini offer is bona fide and superior.

A summary of the Pacific Niugini terms are:

- Consideration for initial 49% interest;
  - \$1,500,000 cash (\$600,000 deposit)
  - Minimum \$1.3 million value of shares in Pacific Niugini with potential for greater value based on minimum of 15.0 M shares
- Subsequent Earn-in Joint Venture whereby Pacific Niugini may earn an additional 31% interest (combined total 80%) via staged expenditure up to a total of \$4.0M.
- Bulletin free carried for a total expenditure of \$4.0M over a period of up to 4 years before Bulletin is required to elect to co-fund going forward on a pro rata equity basis or elect to divest to Pacific Niugini under the buyout clause

Importantly, should Matsa elect to match the Pacific Niugini offer, Bulletin is obliged to accept Matsa’s revised offer. If Matsa elect not to match the Pacific Niugini Offer, then Bulletin is obliged to proceed with the Pacific Niugini transaction, with both transactions subject to the satisfaction of certain conditions precedent, including the execution of a formal agreement.



### **Activities during the Period**

Field activities, during the period, have essentially been restricted to care and maintenance on both projects.

At the Biscay Project, exploration licence E80/4599 was granted on 1 October, 2013 to JML Resources Pty Ltd (100%) and this licence is under an option agreement whereby Bulletin is the manager and may elect to purchase the tenement 100% within 3 years.

### **Financial**

As of the 31 December 2013, Bulletin's cash position was \$0.23 million and subsequent to the end of the quarter, Bulletin received an additional \$0.25 million, being the final payment of the deposit under the "Matsa agreement".

In light of the continued difficult market conditions for junior exploration companies to raise capital, the Board is committed to further reducing its corporate and operating expenditures and continues to review additional cost savings where possible.

The Annual General Meeting was held on the 18 November 2013 where all resolutions were passed.

### **For further information please contact:**

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## RESERVES AND RESOURCES

**TABLE 1 RESERVE STATEMENT**

	Reserve Category	Tonnes	Gold grade (g/t)	Ounces gold 2013	Ounces gold 2012	Variance 2013 - 2012 (%)
<b>Lambo Project</b>						
Nicolson's Find Pit	Probable	92,000	5.9	17,000	17,000	-
Nicolson's South Pit	Probable	268,000	4.4	38,000	38,000	-
Wagtail North Pit	Probable	105,000	3.0	10,000	10,000	-
Wagtail South Pit	Probable	77,000	3.6	9,000	9,000	-
Rowdies Pit	Probable	19,000	2.0	1,000	1,000	-
<b>Total Open Pit</b>	<b>Probable</b>	<b>560,000</b>	<b>4.2</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>
Underground	Probable	177,000	6.0	34,000	34,000	
<b>Total</b>		<b>737,000</b>	<b>4.6</b>	<b>110,000</b>	<b>110,000</b>	<b>-</b>

The information in this table that relates to Ore Reserves is based on information compiled by Mr Glen Carthew who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Carthew is a full time employee of AMC Consultants Pty Ltd. Mr Carthew 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Carthew consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

**TABLE 2 RESOURCE STATEMENT**

	Resource Category	Tonnes	Gold grade (g/t)	Ounces gold 2013	Ounces gold 2012	Variance 2013 - 2012 (%)
<b>Lamboo Project</b>						
Nicolson's	Open Pit Indicated	333,000	5.5	59,000	59,000	-
	Open Pit Inferred	16,000	2.7	1,000	1,000	-
	Total Open Pit	349,000	5.4	60,000	60,000	-
	Underground Indicated	406,000	6.5	85,000	85,000	-
	Underground Inferred	372,000	5.7	69,000	69,000	-
	Total Underground	778,000	6.2	154,000	154,000	-
	<b>Total Nicolson's</b>	<b>1,127,000</b>	<b>5.9</b>	<b>214,000</b>	<b>214,000</b>	<b>-</b>
Rowdies	Open Pit Indicated	17,000	2.4	1,000	1,000	-
	Open Pit Inferred	6,000	2.7	1,000	1,000	-
	Total Open Pit	22,000	2.5	2,000	2,000	-
	Underground Indicated	35,000	5.4	6,000	6,000	-
	Underground Inferred	7,000	6.4	1,000	1,000	-
	Total Underground	43,000	5.6	8,000	8,000	-
	<b>Total Rowdies</b>	<b>65,000</b>	<b>4.5</b>	<b>9,000</b>	<b>9,000</b>	<b>-</b>
Wagtail area	Open Pit Indicated	137,000	4.5	20,000	20,000	-
	Open Pit Inferred	9,000	1.7	-	-	-
	Total Open Pit	146,000	4.3	20,000	20,000	-
	Underground Indicated	98,000	4.8	15,000	15,000	-
	Underground Inferred	9,000	4.9	1,000	1,000	-
	Total Underground	107,000	4.8	16,000	16,000	-
	<b>Total Wagtail</b>	<b>253,000</b>	<b>4.5</b>	<b>37,000</b>	<b>37,000</b>	<b>-</b>
Total Open Pit		571,000	5.0	82,000	82,000	-
Total Underground		928,000	6.0	178,000	178,000	-
Total Indicated		1,030,000	5.7	187,000	187,000	-
Total Inferred		420,000	5.5	74,000	74,000	-
<b>Total Lamboo Project</b>		<b>1,445,000</b>	<b>5.6</b>	<b>261,000</b>	<b>261,000</b>	<b>-</b>
<b>Biscay Project</b>						
Golden Crown		136,000	3.8	17,000	17,000	-
Faugh-a-Ballagh		187,000	2.8	17,000	17,000	-
<b>Total Biscay Project</b>		<b>323,000</b>	<b>3.2</b>	<b>34,000</b>	<b>-</b>	<b>-</b>
<b>Total Lamboo and Biscay Projects</b>		<b>1,768,000</b>	<b>5.2</b>	<b>294,000</b>	<b>294,000</b>	<b>-</b>

**Notes to Mineral Resource and reserve tables:**

- 1 Lamboo Resource Estimate reported at 0.6g/t Au for potential open pit material and 3.0 g/t Au for potential underground material. 2013 estimate reported as at 28 September 2012
- 2 Biscay Resource Estimate reported at 1.0g/t Au cut-off grade.
- 3 Figures may not add due to rounding

The information in this table that relates to Lamboo Project Mineral Resources is based on information compiled by Mr Ian Glacken, who is a Fellow of the AusIMM. Mr Glacken is a full time employee of Optiro Pty Ltd where he holds the title of Principal Consultant. Mr Glacken has sufficient experience 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Glacken consents to the inclusion in this table of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this table that relates to Golden Crown and Faugh-a-Ballagh Mineral Resources is based on information compiled by Mr Aaron Green, who is a Member of the Australian Institute of Geoscientists (AIG). Mr Green is a full time employee of Runge Limited where he holds the title of Operations Manager WA. Mr Green has sufficient experience 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Green consents to the inclusion in this table of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



## SCHEDULE 1 : INTERESTS IN MINING TENEMENTS

Tenement	Holder	Bulletin Holding %	Granted	Expiry	Status	Area (Ha)	Area (Blocks)	Annual Expenditure
<b>Lamboo Project</b>								
E80/2601	Bulletin	100	29/07/2002	28/07/2013	Renewal		8	\$70,000
E80/3861	Bulletin	100	30/01/2008	29/01/2018	Granted		11	\$50,000
E80/4458	Bulletin	100	26/03/2012	25/03/2017	Granted		1	\$10,000
E80/4459	Bulletin	100	26/03/2012	25/03/2017	Granted		1	\$10,000
L80/0070	Bulletin	100	30/08/2012	29/08/2017	Granted	14.7		
L80/0071	Bulletin	100	30/08/2012	29/08/2017	Granted	51.3		
M80/0343	Bulletin	100	24/06/1992	23/06/2034	Granted	197.4		\$19,800
M80/0355	Bulletin	100	25/01/1993	24/01/2014	Granted	125.4		\$12,600
M80/0359	Bulletin	100	7/07/1993	6/07/2014	Granted	199.95		\$20,000
M80/0362	Bulletin	100	31/08/1993	30/08/2014	Granted	79.3		\$10,000
M80/0471	Bulletin	100	2/04/1998	1/04/2019	Granted	121.5		\$12,200
M80/0503	Bulletin	100	17/11/2000	16/11/2021	Granted	451.95		\$45,200
<b>Biscay Project</b>								
E80/2394	Bulletin	100	15/07/2002	14/07/2013	Renewal		6	\$70,000
M80/0624	Bulletin	100			Application	178.7		
E80/4473	GIANNI	Note 1	28/07/2011	27/07/2016	Granted		32	\$32,000
E80/4599	JML	Note 2	1/10/2013	30/09/2018	Granted		70	\$69,000
E80/4781	Bulletin	100			Application		20	

Note 1: E80/4473 is managed by Bulletin Resources Limited under a 3 year option agreement with Peter Gianni.

Note 2: E80/4599 is managed by Bulletin Resources Limited under a 3 year option agreement with JML Resources Pty Ltd.

# 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

BULLETIN RESOURCES LIMITED

ABN

81 144 590 858

Quarter ended ("current quarter")

31 December 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	47	47
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(242)	(467)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (Refund of rehabilitation bonds)	-	135
Other (Fuel tax rebates)	-	4
	(396)	(815)
<b>Net Operating Cash Flows</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 (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>		
1.13 Total operating and investing cash flows (carried forward)	(396)	(815)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(396)	(815)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	516
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 (Capital Raising Costs)	-	(14)
1.19	Other (Deposit)	250	250
	<b>Net financing cash flows</b>	250	752
	<b>Net increase (decrease) in cash held</b>	(146)	(63)
1.20	Cash at beginning of quarter/year to date	380	297
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	234*	234

\* Second tranche of the Deposit (Matsa transaction) of \$250,000 received on 8 January 2014.

**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	107
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 – Amounts paid to related parties include non-executive director fees and consulting 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 \$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	110
4.2 Development	-
4.3 Production	-
4.4 Administration	190
<b>Total</b>	<b>300</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	216	362
5.2 Deposits at call	18	18
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>234</b>	<b>380</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	E80/4599	3 year option agreement with JML Resources Pty Ltd.	0%	0%

+ 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>	128,567,761	128,567,761		
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</b> <i>(description and conversion factor)</i>	250,000	-	<i>Exercise price</i> 30 cents	<i>Expiry date</i> 31 March 2014
		175,000	-	15 cents	30 June 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	8,000,000	-	20 cents	6 December 2013
		450,000		15 cents	30 June 2015
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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....Date: 31 January 2014  
(Company secretary)

Print name: Craig Nelmes.....

## 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.