

30 April 2010

The Manager  
Company Announcements  
Australian Securities Exchange Ltd  
Level 5, 20 Bridge Street  
Sydney NSW 2000

## **REPORT FOR THE QUARTER ENDED 31<sup>st</sup> MARCH 2010**

### **Highlights:**

➤ **GBM and Pan Pacific Sign \$55 million Farm-in Agreement.**

The company executed a binding Farm-in Agreement with Pan Pacific Copper Co., a leading global company in the copper market relating to its extensive tenement holding in the Mount Isa region. Pan Pacific has the right to earn 51% interest in projects by spending \$15million within a six year period. The Agreement provides PPC with an option to earn 90% interest in certain tenements by spending up to \$55million.

➤ **Brightlands Cu Au Project - 6000m Drilling Program Underway.**

Exploration drilling has commenced at the Brightlands Copper Gold Project in Northern Queensland. The two rig programme, one diamond and one RC, is to accelerate the drilling of 4,000 metres of RC and 2,000 metres of diamond drilling. The programme is mainly targeting the Tiger and Milo Prospects and is approximately 50% completed.

➤ **Malmsbury Gold Project**

Drilling of the 1 kilometre deep diamond drill hole was completed at the end of March to explore the Intrusive Related Gold System at Belltopper Hill within the Malmsbury Gold Project. Inspection of the core has highlighted the key minerals that distinguish an Intrusive Relative Gold System. Logging and core cutting for assaying has been completed. Results are pending.

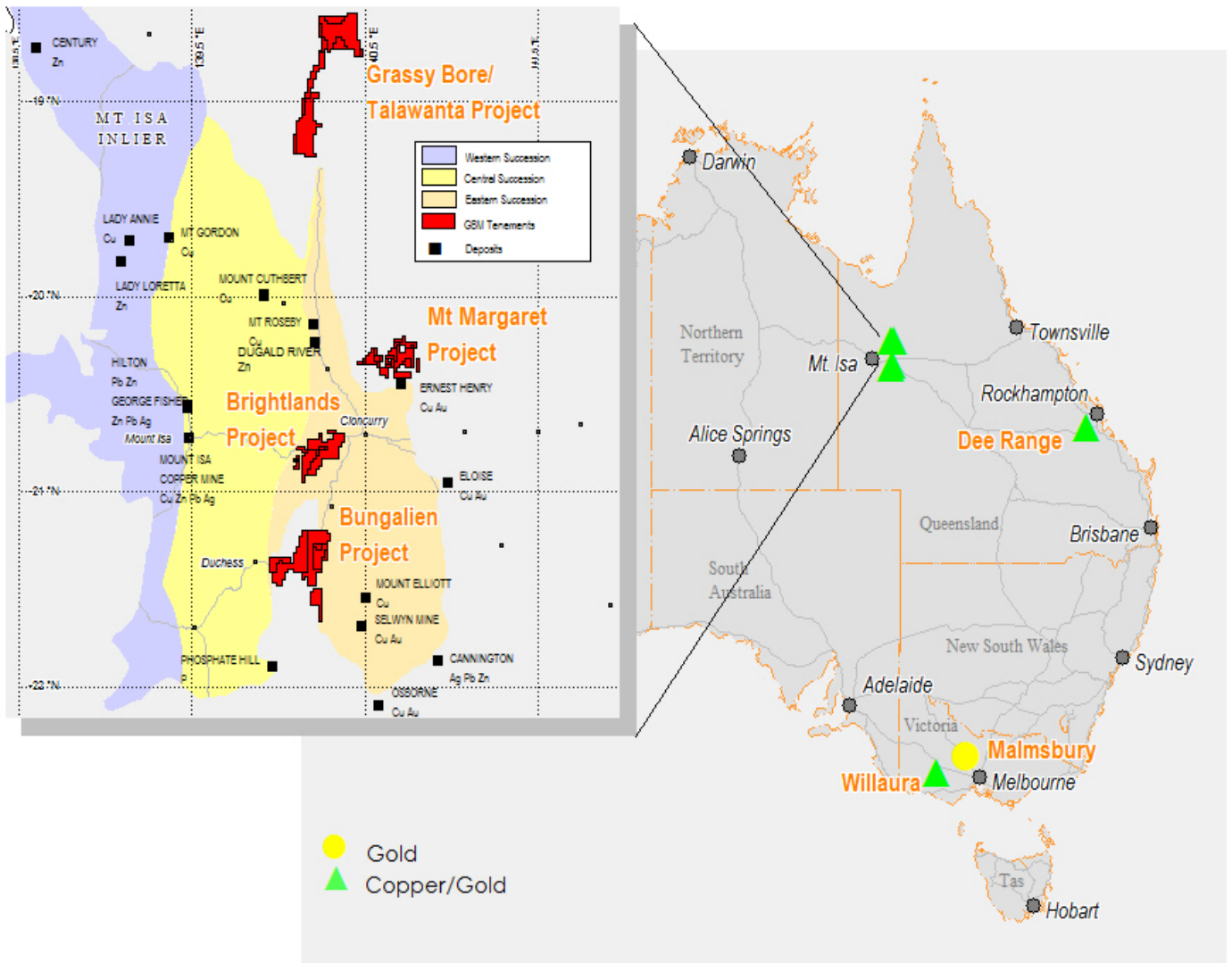


Figure: GBM Resources Project Location Summary.

**PROJECT LOCATION**  
**MARCH QUARTER 2010**

## **SAFETY & ENVIRONMENT**

No LTI and no environmental incidents were reported during the quarter. The company has now completed 24 months with no significant environmental incidents.

GBM will continue to target zero injuries and environmental incidents in line with the company's policy of striving to achieve the highest standards in safety and environmental management.

## **QUEENSLAND EXPLORATION**

### **Mount Isa Region Copper Gold Projects**

*The key target remains Iron Oxide Copper Gold (IOCG) and gold mineralisation.*

#### **1. Brightlands Cu Au Project**

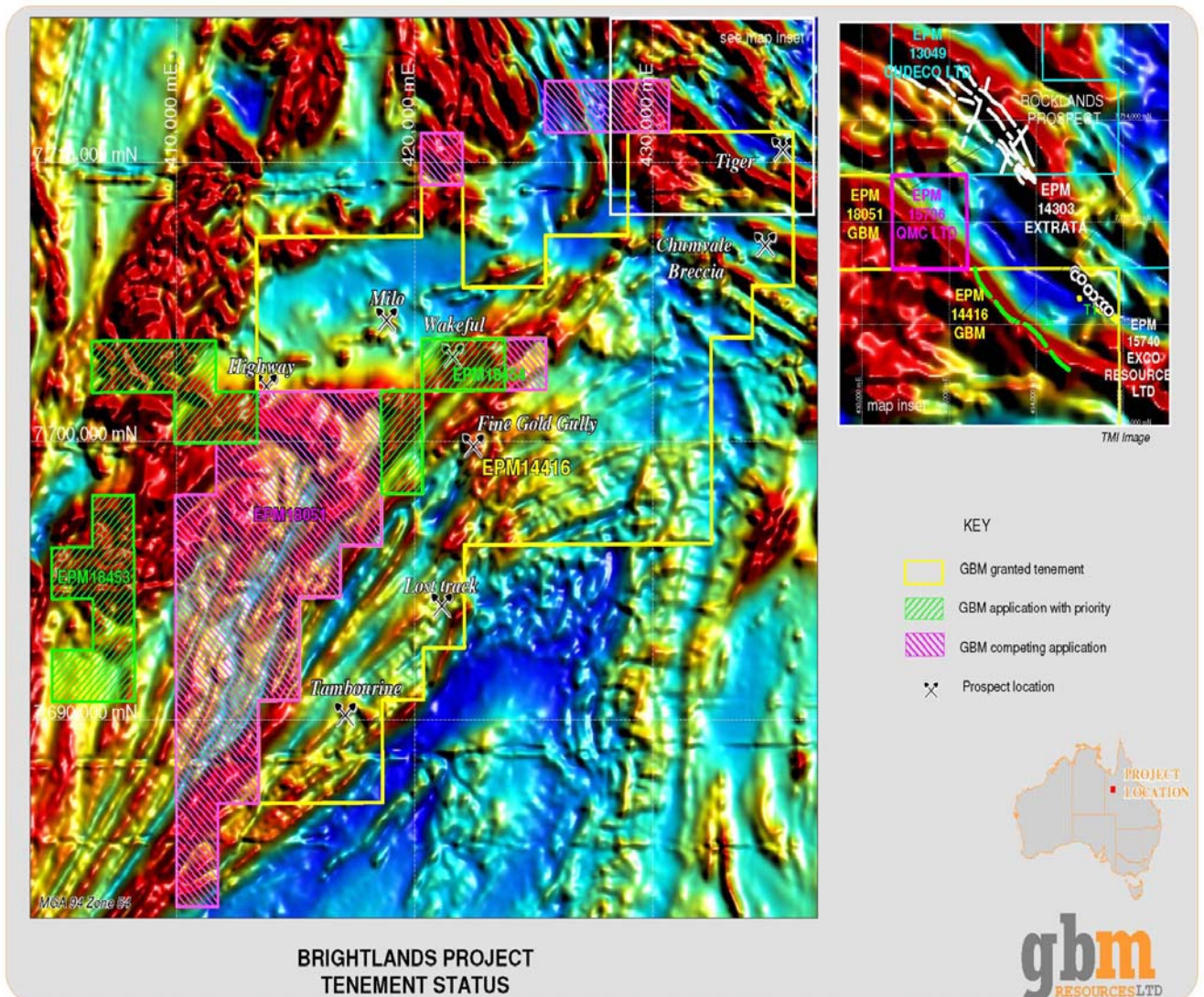
##### **Overview**

The Brightlands Cu-Au Project remains the company's primary focus and activity was rapidly increasing at the end of the March Quarter to commence the 2010 dry season drilling program. At the time of writing two drill rigs are operating with geological and geophysical field crews in place to complete logging, sampling, soil sampling and mapping programmes associated with key targets on the tenement.

Drilling commenced at the end of the quarter to test targets at Tiger T1 and T3, Milo with some initial scout drilling on the Highway Prospect

Geophysical field crew have completed downhole logging of drill-holes testing the T3 IP target to provide further information on this strong IP target which was not explained by drilling completed in the December quarter. Soil sampling and mapping programs over the significant SAM anomalies on Tiger T2 and T4 are in progress to advance to drill ready

Geological mapping and sampling have been completed at Yanasinga (new prospect area adjacent to Milo) and Fine Gold Gully Prospect areas.



Figure; Brightlands EPM 14416, key prospect areas and new applications.

### Tiger Prospect

At T1, drilling during the December Quarter confirmed the location, continuity and general orientation of the strongly developed fault zone previously mapped and sampled in the area. Drilling at this stage remains on very broadly spaced centres, interpretation of surface and both RC and recent diamond drilling results highlights the continuity of this structural zone over a strike length of 1.5 kilometres in the Brightlands Project area.

A suite of nineteen samples were submitted for petrographic examination. This provided further confirmation that the area has experienced a long and complex history of hydrothermal activity with at least fifteen separate stages recorded via veining and alteration. There is ample evidence via vein styles to suggest a prolonged magmatic paragenesis of IOCG style. This includes albite, biotite, magnetite, haematite and late stage chalcopyrite - pyrite stages. There are many comparisons with other IOCG styles in the region including the nearby recent Rocklands Discovery.

Previous diamond drilling has intersected highly altered and brecciated zones. The mineralised zone is marked by strong quartz carbonate veining and variable carbonate alteration associated with vein and disseminated sulphide mineralisation. Holes intersecting the mineralised zone below the base of oxidation encountered strong pyrite and pyrite-magnetite mineralisation with trace chalcopyrite.

Tiger will be a priority for testing this quarter with drilling planned on four sites testing both the T1 and T3 structures. Downhole IP is in progress to test the response of host rocks in drillhole DTDD002 and assist in refinement of the T3 IP target in this area. Further drilling to test this target will be completed during the quarter. The T1 structure will be probed below the base of weathering including at the intersection with a second mineralised structure. Soil sampling of the T2, T4 and two other related target areas will be completed.

The Tiger Prospect is located on the southern extension of a structural trend which is a major fault system being part of the Rocklands Fault system. The Tiger Prospect is considered a prospective host to similar mineralisation. Ongoing geological mapping and interpretation continue to confirm this view.

### ***Milo Prospect***

The Milo Prospect is a historically identified Cu-Au-U occurrence hosted by shales and calc-silicate rocks of the Corella Group in the Eastern Succession of the Mount Isa Inlier.

Historically the Milo Prospect area has been subjected to detailed mapping and rock chip sampling/prospecting with a total of fourteen shallow holes in total testing the existence of zones of copper mineralization. Only the more recent holes were analysed for gold and confirmed the presence of significant gold values associated with zones of Cu mineralization near the western end of this trend.

GBM Resources previously completed a soil sampling programme in March 2009 to define the extent and distribution of Cu, Au, Ag, Co, Mo and U in the central 1.6 kilometres of the project area.

During the quarter a program of extensive rock chip sampling, geological mapping, previous history drill compilation and core examination was completed.

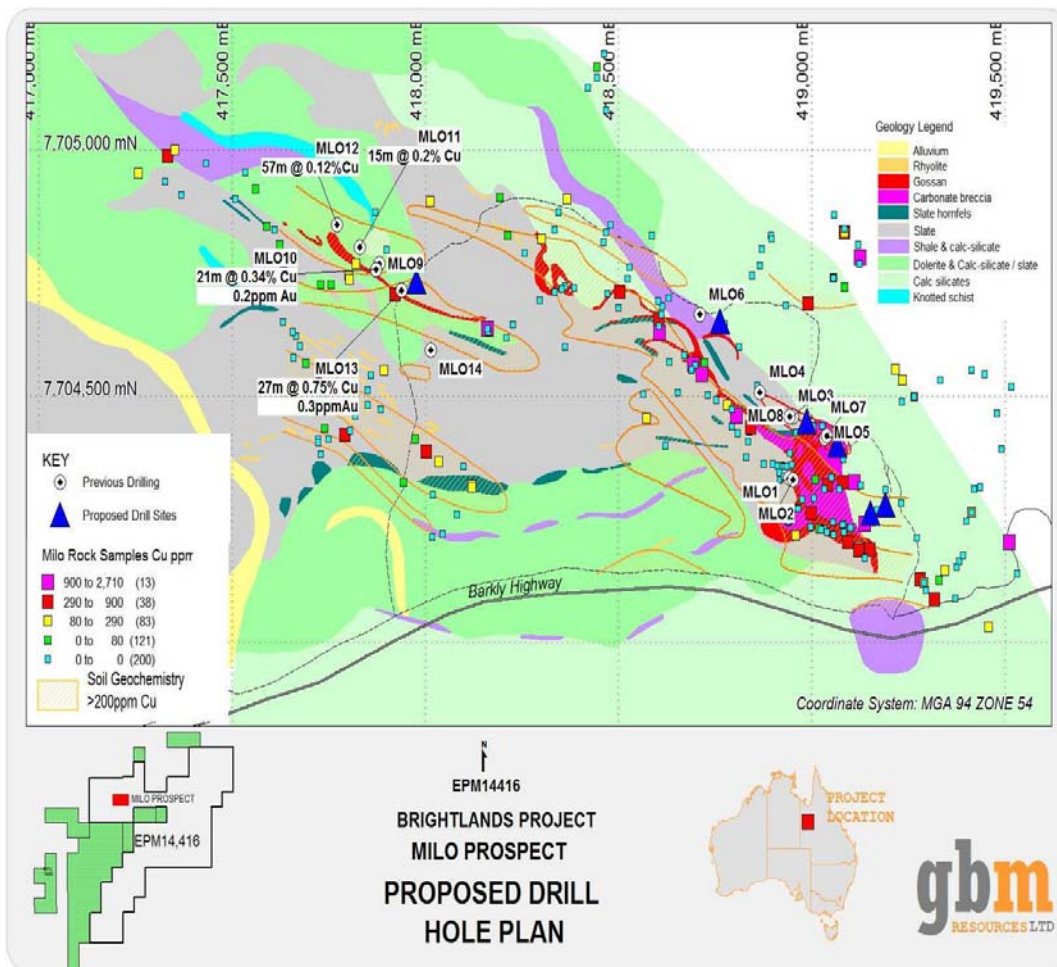
Geological mapping has confirmed the existence of a well developed banded and highly contorted ex-sulphide – carbonate gossan with a strike length of 1.75km. The width of the gossanous zone is highly variable but ranges between 2m and 40m. Typical exposure of the gossan is shown below.

GBM has reviewed rock chip data from other significant deposits and determined that in many cases results greater than 300ppm Cu may represent anomalies. More importantly, when well developed clusters of coherent results are observed, significant focused metasomatic activity can be interpreted. The Milo rock chip data display a well developed cluster of anomalous Cu, Au, Mo, and Co results.



Left: typical banded carbonate ex sulphide gossan (41890E 7704400N)

Right: large exposure of malachite (copper carbonate) bearing gossan (417850E 7704780N)



Milo figure showing GBM rock sampling, soil geochemistry contours, previous and proposed drill holes.

Drilling during this quarter will initially test the strongest geochemical anomaly, which is associated with a broad area of gossan and hydrothermal breccia development around the old Milo (U) workings. This area will be tested with a six hole programme from five sites over a strike length of over 600 metres. Previous drilling in this area has returned significant copper intersections with no gold analyses available. A further drill site has been located to test under a significant copper intersection in precious drillhole ML013 the Milo west area.

### ***Other Prospects***

Further field work to progress other priority targets in the Brightlands Project area to drill ready was advanced during the March Quarter. This work included;

- **Yanasinga Prospect**-geological mapping and sampling to characterise mineralisation and define mineralised structures has been completed. Review of previous exploration has confirmed the presence of a coherent gold anomaly over 1km long in soil geochemistry.
- **Fine Gold Gully**- a line of soil samples by GBM has confirmed the location of a coherent gold anomaly delineated by previous soil sampling over. Review of previous exploration data confirms that this area hosts a large coherent +100ppb Au geochemical anomaly, where one hole drilled over weaker (30ppb in soil) geochemical response returned 6m @ 0.2g/t Au and 0.23% Cu.
- **Highway**- geological mapping and sampling south of Milo has confirmed that GBM licence application EPM18453 is well located to cover the south westerly extension of this prospect beyond the original Brightlands licence area.

### **Isa Region Summary Outlook**

- Brightlands- complete current 6000 metre drilling programme testing Milo, Tiger, and Highway Prospects. Soil sampling of the Tiger T2 and T4 anomalies is also in progress. Downhole IP will be used to further understand the Tiger T3 anomaly with further drilling allocated. Progress will be made to identifying drill targets at Tiger T2 and T4. Compilation of rock sampling results from other target areas is ongoing.

### ***Dee Range Copper Gold Project***

The Dee Range Copper Gold Project include five exploration permits and applications covering approximately 890 square kilometres proximal to the Mount Morgan Mine which produced 8M ounces of gold and over 400,000 tonnes of copper in a mining history spanning more than 100 years. This is a world-class deposit and the project area contains a number of Cu-Au anomalies from previous exploration that remain unexplained in a highly prospective geological setting.

During the March quarter geological mapping, soil and rock sampling initiated during the December quarter was completed over one target area on the Mt Morrissey EPM 17163. This work investigated the Ulam magnetic anomaly, which is associated with historic gold workings and an interpreted felsic porphyry intrusive. Results for the first section of the survey completed prior to Christmas reveal anomalous gold values apparently increasing in intensity toward the distinct magnetic low which is central to this target. Results for the recently completed work covering this feature remain outstanding.

## Project Outlook

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Further field inspection, including field mapping with rock and or soil sampling of other target areas is required. Geological and geochemical data is currently being compiled and interpreted for other targets within this extensive project area.

## VICTORIA EXPLORATION

### *1. Malmsbury Gold Project*

Drilling of the 1 kilometre deep diamond drill hole to explore the Intrusive Related Gold System (IRGS) on the Malmsbury Gold Project was successfully completed during the quarter. Logging and cutting of drill core is completed with results pending.

The drill program was partly funded by a grant awarded as part of the Rediscover Victoria Initiative from the Victorian Department of Primary Industries which the company successfully secured last year.

Key technical points from initial inspection of core completed to date are summarised below;

- Scheelite ( $\text{CaWO}_4$ ), Molybdenite ( $\text{MoS}_2$ ) and Fluorite ( $\text{CaF}_2$ ), considered key minerals in distinguishing IRGS from orogenic gold systems\*, were observed as accessory minerals in veins, particularly at deeper levels in the hole.
- Two zones of disseminated sulphide (variably arsenopyrite, chalcopyrite and pyrite) mineralisation, thin quartz veins and pervasive silicification and sericite alteration were observed.
- Quartz veinlets containing variable arsenopyrite, chalcopyrite, pyrite and pyrrhotite sulphide assemblages, with associated wall rock bleaching, silicification and disseminated sulphide mineralisation was scattered throughout the drill hole.

This is considered supportive of a large intrusion related hydrothermal system centred at Belltopper Hill.





*Night Shift Diamond drilling in progress at Belltopper Hill – Malmsbury Gold Project*

The completion of the deep diamond hole is a major step in progressing the project's development and continues to support the conclusion that the Malmsbury gold system is related to a buried intrusive centre at depth. The extent of the hydrothermal system is interpreted to be in excess of 4km in strike length.

Exploration has also highlighted the potential for substantial gold resources to be hosted in structurally controlled zones in the Belltopper Hill area which has an initial Inferred Resource containing 104,000 ounces of gold at an average grade of 4.0 g/t. Historical mining and previous drilling strongly support the existence of further resources in the fault and fracture related zones extending north and south from Belltopper Hill.

Mineralisation at Belltopper Hill was discovered along with the nearby Drummond North Goldfield during the 1880's and these areas have yielded over 90,000 ounces of gold from hardrock mining, and an unknown quantity of gold from extensive alluvial areas on and around Belltopper Hill. Belltopper Hill is a prominent landform resulting from the resistive nature of the metamorphism and silicification of the area. These features have been interpreted to indicate the emplacement of a granitic intrusive below Belltopper Hill, a potential source for gold and other metals associated with numerous gold mines in the area. This interpretation is supported by the existence of a subtle magnetic high over the area.

This feature was interpreted from high quality airborne magnetic survey data available as part of the Victorian Governments VIMP initiatives. The area is interpreted to be centre of an IRGS, such systems may host one or more of a range of deposit styles, including large disseminated and stockwork style deposits.

## **Project Outlook**

Compilation and interpretation of results from the recently completed deep diamond drill hole will be undertaken during the June Quarter. Re-evaluation of all available data is planned to develop a strategy to move the project forward and fully realise the potential of this large underexplored Intrusive Related Gold System.

## **2. Willaura Copper Gold Project**

Previous exploration has identified three discrete magnetic features with coincident geochemical anomalies considered worthy of further investigation for intrusive related gold mineralisation. These anomalies are located in the Stavely region of western Victoria. The Stavely Belt is considered by the Company as one of Australia's most under-explored volcanic terrains with exploration results previously released by Beaconsfield Gold representing some of the first high grade gold and base metal intersections in this terrain and confirming the prospectivity of the region for IRGD style deposits.

Further success by Beaconsfield Gold who recently reported an initial resource containing 47,000t copper in the supergene chalcocite zone at Thursdays Gossan, and in addition, high grade primary copper mineralisation at depth further supports the prospectivity of this terrain. Drilling is ongoing at these areas.

The company was previously successful in receiving funding as part of the Rediscover Victoria Strategic Drilling Initiative. However the company withdrew from this grant due to last minute rig unavailability and commitments to other projects.

## **Project Outlook**

Following initial field and landholder visits in early March in preparation for field work required to follow up previously identified geophysical anomalies 'A' to 'C', this work is now rescheduled for the June - September Quarters. Extension of ground magnetic grid over anomaly 'C' and modelling of anomaly is required prior to planning drill hole testing. A number of other significant geochemical and geophysical anomalies remain to be tested within the project area. These will be reassessed in light of data from the current program. It is planned to complete ground magnetic and follow-up IP surveys (Induced Polarization) to identify possible disseminated sulphide deposits with a view to determining the priority for any future drill testing.

## **TENEMENT SUMMARY**

Tenement maintenance, including reporting and renewals have been ongoing during the quarter. No new applications or relinquishments have been completed during the quarter.

*Table; GBM Resources Tenement Summary March Quarter 2010:*

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area* <sup>3</sup> (km <sup>2</sup> )	Status	State
<b>Victoria</b>									
<b>Malmsbury</b>									
Belltopper	EL4515* <sup>1</sup>	GBMR/Belltopper Hill	100%	GBMR	6/10/2005	5/10/2010	25	Granted	Vic
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	143	Granted	Vic
<b>Willaura</b>									
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2012	98	Granted	Vic
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2010	29	Granted	Vic
<b>Queensland</b>									
<b>Dee Range</b>									
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	178	Granted	Q'ld
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Renewal	Q'ld
Mt Morrisey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Granted	Q'ld
Black Range	EPM17734	GBMR	100%	GBMR	20-May-09	19-May-14	180	Granted	Q'ld
Smelter Return	EPMA18366	GBMR	100%	GBMR			195	Appl'n	Q'ld
<b>Mount Isa Region</b>									
<b>Talawanta - Grassy Bore</b>									
Talawanta	EPM15406	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	15-Jan-08	14-Jan-11	<u>325</u>	Granted	Q'ld
Grassy Bore	EPM15681	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	<u>325</u>	Granted	Q'ld
Talawanta	EPM 18290	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Q'ld
Grassy Bore	EPM 18291	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Q'ld
<b>Mount Margaret</b>									
Mt Margaret W. Ext	EPM16227	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	31-Jul-07	30-Jul-12	<u>36</u>	Granted	Q'ld
Mt Margaret West	EPM14614	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	2-Aug-05	1-Aug-10	<u>129</u>	Granted	Q'ld
Mt Malakoff Ext	EPM16398	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR			84	Appl'n	Q'ld
Cotswold	EPM16622	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR			45	Appl'n	Q'ld
Dry Creek	EPM 18172	GBMR/Isa Tenements	100%	GBMR			227	Appl'n	Q'ld
Dry Creek Extended	EPM 18174	GBMR/Isa Tenements	100%	GBMR			39	Appl'n	Q'ld
<b>Brightlands</b>									
Brightlands	EPM14416	GBMR* <sup>2</sup> /Isa Brightlands	100%	GBMR	5-Aug-05	4-Aug-10	251	Granted	Q'ld
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	GBMR			13	Appl'n	Q'ld
Highway	EPM18453	GBMR/Isa Brightlands	100%	GBMR			36	Appl'n	Q'ld
Brightlands West	EPM18051	GBMR/Isa Brightlands	100%	GBMR			99	Appl'n	Q'ld
<b>Bungalien</b>									
Bungalien	EPM14355	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	13-Oct-04	12-Oct-09	<u>61</u>	Renewal	Q'ld
Horse Creek	EPM15150	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-09	<u>80</u>	Granted	Q'ld
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	GBMR			72	Appl'n	Q'ld
Malbon 2	EPM14120	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	24-Aug-04	23-Aug-10	<u>15</u>	Granted	Q'ld
Bungalien 2	EPM18207	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
Horse Creek 2	EPM18208	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
<b>Totals</b>	<b>26</b>						<b>3564</b>		
<p>Note *<sup>1</sup> subject to a 2.5% net smelter royalty to vendors.</p> <p>*<sup>2</sup> subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd.</p> <p>*<sup>3</sup> For Q'ld tenements, 1 subblock ~3.2km<sup>2</sup>. Underlined areas indicate the tenement is contained in new application area.</p>									

## **CORPORATE**

### **GBM and Pan Pacific Copper \$55 million Farm In Agreement.**

GBM Resources Limited has executed a binding Farm-in Agreement with Pan Pacific Copper Co., Limited (PPC), a leading global company in the copper market, relating to five project areas in the Mount Isa region of North Queensland (set out in Figure below).

The projects cover 1,580km<sup>2</sup> of highly prospective multi-minerals ground in the Eastern Succession of the Mount Isa Inlier held by wholly owned subsidiaries of GBM. The area is considered highly prospective for large Iron-Oxide-Copper-Gold style deposits.

The Farm-in Agreement provides PPC with the option to earn up to a 90% interest in certain of the projects by spending up to A\$55m on project exploration and development expenditure.

The highlights of the Farm-in Agreement are as follows:

- PPC has the right to earn a 51% interest in the projects by spending a total of A\$15 million within a six year period. PPC is required to spend a minimum of A\$2 million on exploration during the first two years of the agreement.
- During the initial farm-in period, GBM will manage all exploration activities on the projects on behalf of PPC.
- PPC may subsequently increase its interest up to 90% in the projects (other than the Chumvale Breccia Prospect) by spending A\$1.026m for each 1% increment for total additional expenditure of A\$40m. PPC may only earn a maximum interest of 51% in the Chumvale Breccia Prospect.
- Upon PPC acquiring a 90% interest in the projects, GBM will retain a free carried interest of 10% through to the completion of a Bankable Feasibility Study on the projects.

Commencement of the Farm-in Agreement is conditional on limited due diligence and regulatory approval.

PPC (whose shareholders are Nippon Mining & Metals and Mitsui Mining & Smelting) is an integrated copper business involved in the full value chain, including the procurement and development of copper resources, the production of refined copper and related by-products and the marketing of those products in Japan, Korea, China and other countries.

PPC is the world's largest buyer of copper concentrate procuring 1.7m tonnes per annum. and also invests directly in copper resources projects at various stages of development including the Caserones copper deposit in Chile and the Quechua copper deposit in Peru.

The Farm-in Agreement with a major strategic global partner achieves a key strategy for GBM. It provides the funding for these projects to be advanced and to target a potential new discovery.

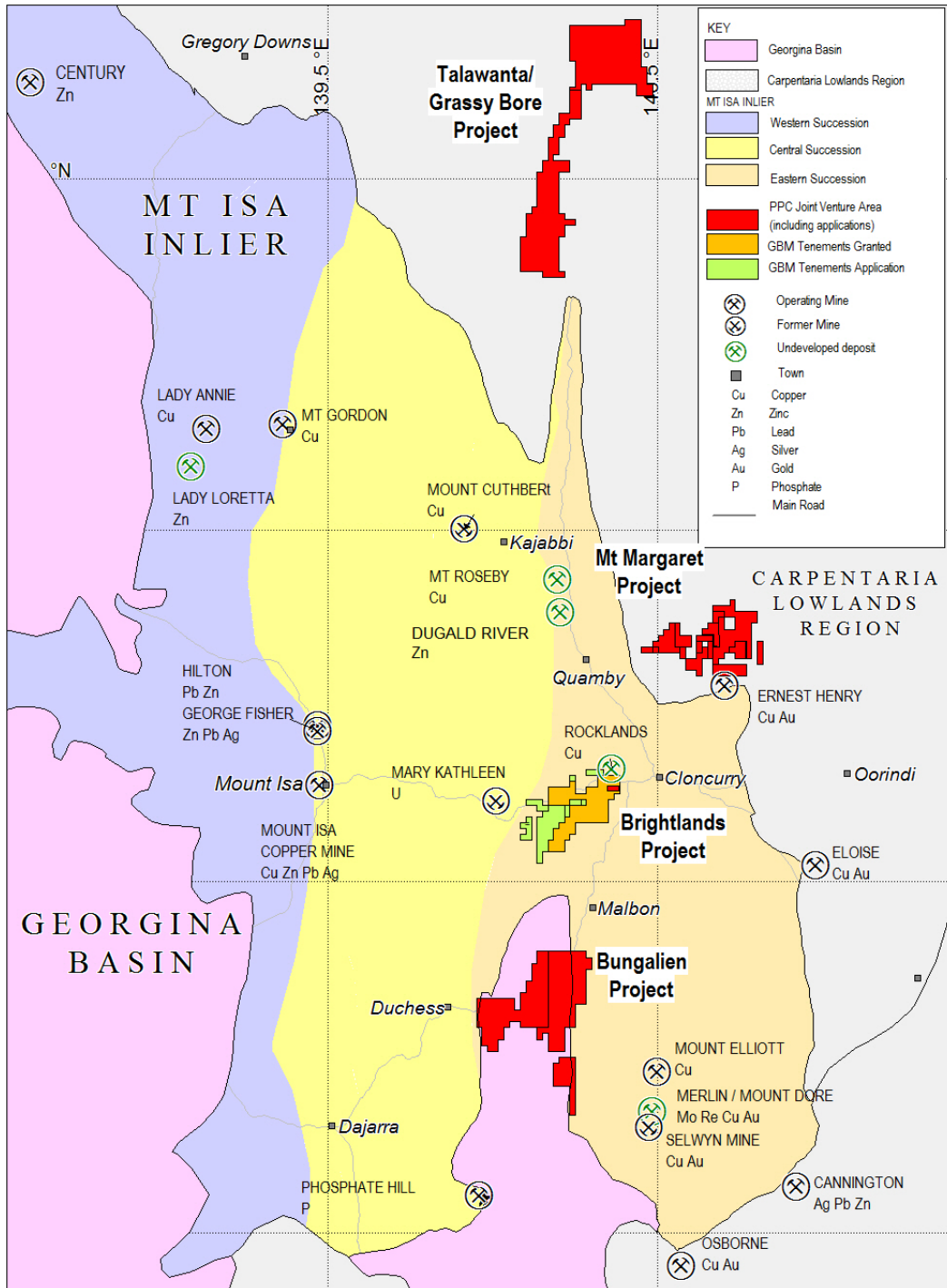
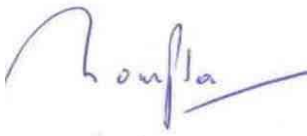


Figure: PPC Farm-in Areas:

## Expenditure for the Quarter

The Company spent \$ 723,000 in the quarter of which \$579,000 was for exploration and \$159,000 on administration costs. Cash at the end of the quarter totals \$ 2.2 million. Forecast exploration expenditure for the June 2010 quarter is estimated at \$900,000.

Yours sincerely



Peter Thompson  
Managing Director

*Note: The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr Norris 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 Norris consents 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**GBM Resources Limited**

Quarter ended ("current quarter")

**ABN 91 124 752 745**

**31 March 2010**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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 and evaluation	(579)	(1,653)
(b) development	-	-
(c) production	-	-
(d) administration	(159)	(556)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Option fees paid	-	-
<b>Net Operating Cash Flows</b>	<b>(723)</b>	<b>(2,178)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(38)	(43)
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>	<b>(38)</b>	<b>(43)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(761)</b>	<b>(2,221)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(761)	(2,221)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	11	3,020
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)	-	(195)
	<b>Net financing cash flows</b>	11	2,825
	<b>Net increase (decrease) in cash held</b>	750	604
1.20	Cash at beginning of quarter/year to date	2,891	1,537
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,141	2,141

**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	134
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	Director remuneration – fees and consultancy.	

**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

Nil.

- 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

Nil.

**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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.



**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	900
4.2	Development	Nil
<b>Total</b>		<b>900</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	2,028	2,778
5.2	Deposits at call	113	113
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details)	Nil	Nil
<b>Total: cash at end of quarter</b> (item 1.22)		2,141	2,891

**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>	Nil			
7.2 Changes during quarter	Nil			
7.3 <b>+Ordinary securities</b>	158,393,504	158,393,504		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	250,000 Nil	250,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter	Nil			
7.7 <b>Options</b> <i>(description and conversion factor)</i>	3,730,000 19,705,000 49,629,552	Nil Nil 49,629,552	<i>Exercise price</i> \$0.25 \$0.22 \$0.25	<i>Expiry date</i> 30 June 2010 30 June 2010 30 June 2010
7.8 Issued during quarter	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter	250,000	Nil	22 cents	30 June 2010
7.10 Expired during quarter	Nil	Nil		
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: 30 April 2010  
Company Secretary

Print name: Kevin Hart

## 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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