Rule 5.3

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

ABN Quarter ended ("current quarter") 38 119 047 693 31 March 2011

Consolidated statement of cash flows

Cash f	lows related to operating activities	Current quarter \$A'000	Year to date (9months)
	1 0		\$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production	(34)	(362)
	(d) administration	(146)	(442)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	40	54
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(140)	(750)
	Cash flows related to investing activities		
1.8	Payment for purchases of:(a) prospects	_	_
1.0	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	23	29
	(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	23	29
1.13	Total operating and investing cash flows (carried forward)	(117)	(721)

30/9/2001 Appendix 5B Page 1

⁺ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows		
	(brought forward)	(117)	(721)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2	3,535
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)		
	Fundraising costs	(195)	(257)
	Net financing cash flows		
	Teet infancing cash nows	(193)	3,278
	Net increase (decrease) in cash held	(310)	2,557
	Cook at horizoning of quarton/years to date	2 400	533
1.20	Cash at beginning of quarter/year to date	3,400	333
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2 000	3,090
		3,090	3,090

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	106
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 for serviced office – \$30,000 Directors consulting fees and Directors fees - \$76,350

Non-cash financing and investing activities

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			

Appendix 5B Page 2 30/9/2001

⁺ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'ooo	Amount used \$A'ooo
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	250
4.2	Development	-
4.3	Production	-
4.4	Administration	125
	Total	375

Reconciliation of cash

shown	ciliation of cash at the end of the quarter (as in the consolidated statement of cash flows) related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	3,090	3,400
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	3,090	3,400

Changes in interests in mining tenements

6.1 Interests in mining tenements relinquished, reduced or lapsed

6.2 Interests in mining tenements acquired or increased

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
EL 3492	-	100%	-
EL28184, EL 28185	-	-	100%

⁺ See chapter 19 for defined terms.

30/9/2001 Appendix 5B Page 3

Issued and quoted securities at end of current quarterDescription 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 (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3	+Ordinary securities	492,598,676	492,598,676		
7.4	Changes during quarter (a) Increases through issues - Exercised Options	150,001	150,001	\$0.015	\$0.015
	(b) Decreases through returns of capital, buy- backs				
7.5	+Convertible debt				
7.6	securities (description) Changes during quarter (a) Increases through				
	issues (b) Decreases through securities matured, converted				
7.7	Options - Directors Options	1,000,000		Exercise price \$0.12	Expiry date 27/11/ 2013
	- Employee Options	920,000 775,000		\$0.40 \$0.12	03/05/2012 30/09/2013
	- Other - Rights Issue	25,000,000 300,825,235		\$0.015 \$0.015	21/07/2013 31/12/2012
7.8	Issued during quarter: - Pursuant to Placement Agreement Discount to Underwriter	68,539,461		Exercise price \$0.15	Expiry date 31/12/2012
	- Pursuant to Underwriter Agreement	35,456,304		\$0.15	31/12/2012
7.9	Exercised during quarter	150,001		Exercise price \$0.15	Expiry date 31/12/2012
7.10	Expired during quarter - Director Options	4,000,000		Exercise price \$0.25	Expiry date 02/04/ 2011
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Appendix 5B Page 4 30/9/2001

⁺ See chapter 19 for defined terms.

Compliance statement

- 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: Tim Flavel Date: 27 April 2011

(Director/Company secretary)

Notes

- 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.
- 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.
- 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.
- The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 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.

== == == ==

30/9/2001 Appendix 5B Page 5

⁺ See chapter 19 for defined terms.