

# Queensland Mining Corporation Limited

ABN 61 109 962 469



ASX: QMN

**Quarterly Report**

**For the Quarter Ended 31 March 2011**

29 April 2011

## HIGHLIGHTS

<p><b>WHITE RANGE</b></p> <ul style="list-style-type: none"> <li>- Greenmount</li> <li>- Kuridala</li> <li>- McCabe</li> <li>- Vulcan</li> </ul>	<ul style="list-style-type: none"> <li>◆ Discussions progressed with nearby operators who have existing or soon to be commissioned processing capacity with a view to possible third party treatment of Company's ore;</li> <li>◆ after review of geology and historical geochemistry, geophysical and geotechnical data, new drill targets have been identified for coming field season with a view to substantially expanding copper resource base</li> </ul>
<p><b>YOUNG AUSTRALIAN</b></p>	<ul style="list-style-type: none"> <li>◆ maiden resource of 2.1 million tonnes at 1.0% Cu announced on 3 February 2011</li> </ul>
<p><b>GOLD</b></p> <ul style="list-style-type: none"> <li>- Mt Freda</li> <li>- Gilded Rose</li> </ul>	<p>The Company announced that it is developing a regional gold play in the Cloncurry district based on known deposits within its exploration portfolio and existing plant and infrastructure with a view to fast tracking gold production. Initial resource estimates were announced during March for:</p> <ul style="list-style-type: none"> <li>◆ Mt Freda - 1.6 Million tonnes at 1.7g/t Au for 89,000 oz Au and 290 ppm of Cobalt</li> </ul> <p>Gilded Rose – 143,000 tonnes at 4.2 g/t Au for 19,000 oz Au</p>
<p><b>EXPLORATION</b></p>	<ul style="list-style-type: none"> <li>◆ Planning progressed for the 2011 field season with drilling focus to be on White Range project area, in particular at Greenmount leases, Young Australian, Black Fort IOCG targets and Morris Creek;</li> <li>◆ 30,000 metres of RC and diamond drilling planned for 2011 field season on MLs and EPMs</li> <li>◆ discussions continued with possible exploration joint venture partners on the Company's extensive EPM acreage</li> </ul>
<p><b>CORPORATE</b></p>	<ul style="list-style-type: none"> <li>◆ On 20 April 2011, Exco Resources Limited announced the sale of its Cloncurry Copper Project to X-Strata Limited for \$175 million. QMC notes that its JORC classified resources in the Cloncurry district are equivalent to 67% of the resource tonnes and 70% of the contained copper metal contained in Exco leases sold to X-Strata. The Company believes that the price paid in this Cloncurry district transaction as well the Barrick Gold's offer for Equinox Minerals Limited announced on 25 April 2011, validate the Company's strategy of continuing to invest in copper exploration to enhance its copper resource position.</li> <li>◆ Cash position as at 31 March 2011 was \$2.101M.</li> <li>◆ Joint Venture arrangements may yield and/or provide capital to the company</li> </ul>

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## CORPORATE

The Company's medium term objective is to become a copper and gold producer.

A threefold strategy has been adopted to achieve this objective:

**(a) Major Area of Focus - White Range Copper Project**, comprising the *Greenmount and Vulcan MLs, Greenmount MDL 205* (covering a area of 5047 Ha) deposit and surrounding EPM's, Hampden copper mine (*Kuridala, McCabe ML, and Black Fort area, Sierra Line EPMs*).

The present estimate of mineral resources at the Greenmount ML (1207.1 Ha) is 12.3 Mt at 0.8% Cu, 0.6% Co and 0.3g/t Au (*see Table at page 6*). The Company is targeting additional resources on the Greenmount ML and MDL between 4Mt-7Mt @ 1%-1.3% Cu which includes the following prospects Petes, Painted Peaks, Olmeh, Ten Gram Hill, Porcupine, Hunters, Vulcan West and Vulcan Extensions, Desolation West, Mt Martin, Speculation, Mt Joshua and Mt Leone (Figure 1).

In addition to the pursuit of a possible stand-alone independent operation, the Company believes that the presence of existing or soon to be commissioned treatment plants in and around Cloncurry in close proximity to the Company's deposits may provide an alternative pathway to early production. During the quarter the Company engaged in discussion with such regional players and continues to investigate possible joint venture, toll treatment and other arrangements to fast track production. The attendant benefits of using existing facilities include conservation of capital and minimization of the development and financial risk normally associated with greenfields projects.

### **(b) Other Copper Projects**

Comprising deposits and prospects in the Selwyn, Selwyn-north area located south of Cloncurry that includes the following MLs Stuart, Answer, Belgium and Button. In addition, the Company has IOCG targets north of Cloncurry that includes the Flamingo project, Jessievale and Morris Creek MLs and EPMs.

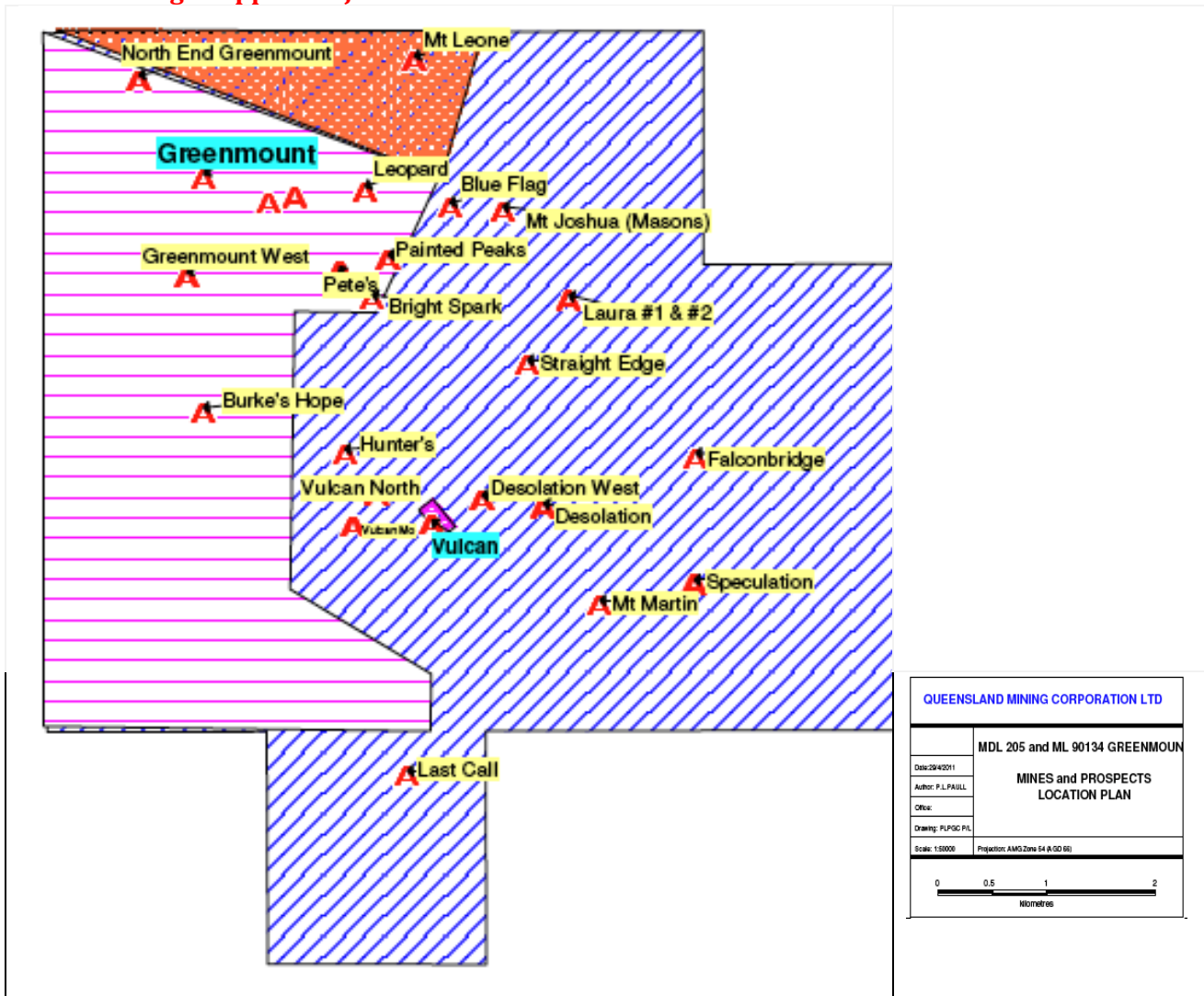
The Company considers that the best way to advance this group of leases is to share the exploration and mine development risk with joint venture partners. Discussions with prospective partners continued during the quarter, particularly in relation to the south of Cloncurry leases where third parties have ground that is contiguous with known mineralization held by the Company.

**(c) Gold assets:** Comprising the Mt Freda and Gilded Rose deposits and Duck Creek group of leases.

With initial JORC classified gold resources now established at Mt Freda and at Gilded Rose, (*refer page 7 below*), the Company views its gold assets as part of a regional gold play for early cashflow, particularly given the buoyant gold price and strong outlook. The company has planned a significant drill program at Gilded Rose and deeper sulphide at Mt Freda. The company is preparing a corporate information memorandum for Joint Venture arrangements and/or a spin out into a separate vehicle with dedicated management and financial resources which may assist with accelerated development, possibly with other known deposits in the district to create sufficient scale to justify recommencement

of production at previous operation site of Mt Freda and Gilded Rose where there is a fully operational gold plant.

## White Range Copper Project-Greenmount ML and MDL



**Figure 1:** Tenement map of Greenmount Leases showing location of numerous drill targets; Greenmount and Vulcan highlighted in blue are on granted Mining Leases. The prospects contained within the red and blue hatched areas are on MDL's.

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## Cloncurry South Project area-Duck Creek, White Range, Mt Freda and Gilded Rose

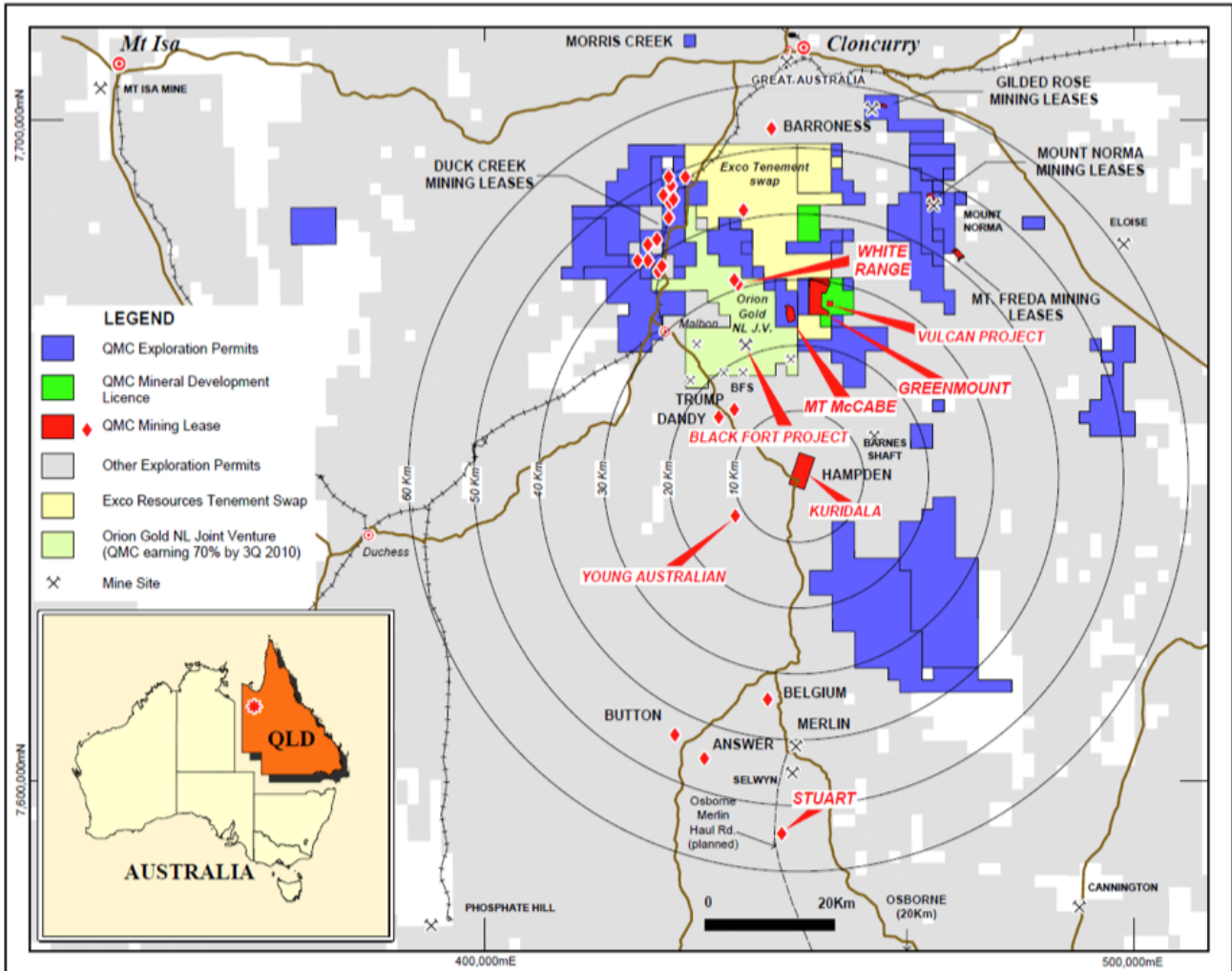


Figure 2: Map showing White Range Deposits - all within close proximity of a central processing area.

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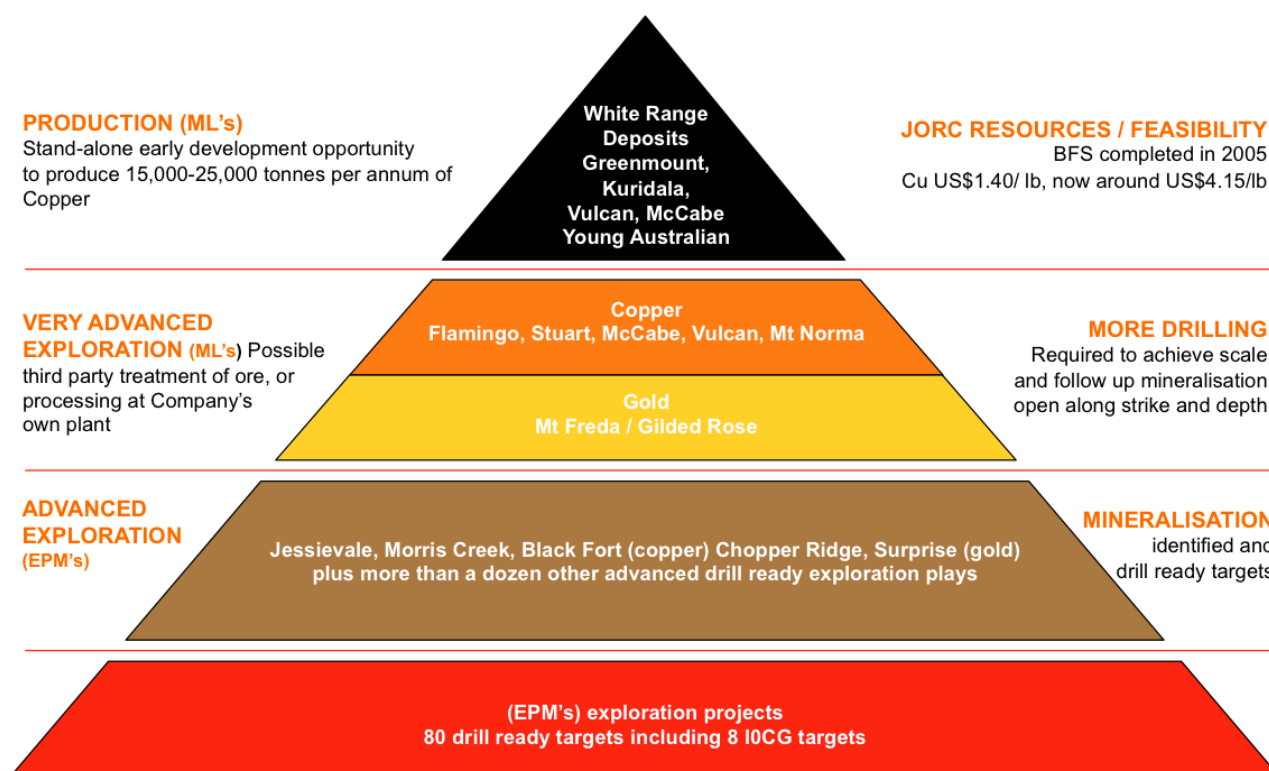
For the Quarter Ended 31 March 2011

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## Project Ranking

The Company has completed a review of the status of its extensive portfolio and ranked all projects and targets based on exploration, resource status and risk profile. This is summarized in the pyramid shown below.

### QMC PORTFOLIO PROJECT RANKING



## Recent Market Transactions for Copper Assets

Two significant transactions of relevance to the underlying value of Company's copper assets have been announced in the market since the end of the quarter, namely X-Strata Limited's purchase of Exco Limited's Cloncurry copper assets, located close to the Ernest Henry mine located north east of Cloncurry, and Barrick Gold Corporation's offer to the shareholders of Equinox Minerals Limited.

Based on published JORC classified resources, the prices paid per copper resources in the ground are<sup>1,2</sup>:

<sup>1</sup> based on cash price paid of A\$175 million in case of X-Strata and C\$8.15 per share offered by Barrick for Equinox shares (A\$7.84 at exchange rate of A\$1.00 = C\$1.04 as at 28 April 2011)

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- ◆ X-Strata for Exco copper assets – 19.8 cents per pound (*17.2 cents per copper equivalent pound*)
- ◆ Barrick for Equinox underlying copper assets – 51.4 cents per pound of copper (*50.6 cents per copper equivalent pound*).

Although in different jurisdictions and vastly different scale of deposit (6.2 million tonnes of in situ copper for Equinox versus 401,000 tonnes for the Cloncurry deposits acquired by X-Strata from Exco), these transactions show there is a strong appetite by the majors for quality copper assets.

X-Strata has agreed to pay the sum of \$175 million in cash for Exco's reported 401,000 tonnes of copper, which are contained within 52.1 million tonnes of JORC classified mineral resource.

The Company notes that this compares with QMC's global estimated resource position of 269,000 tonnes of copper contained within 36.4 million tonnes of JORC classified resources (refer table below). QMC's reported resources are equivalent to 67% of the tonnes and 70% of the contained copper metal to be sold by Exco to X-Strata.

The Company believes that the prices paid in these transactions, and in particular the X-Strata- Exco transaction in the Cloncurry district, validate the Company's strategy of continuing to invest in exploration to add to its copper resource inventory.

## Issued Capital and Cash Position at 31 March 2011

Ordinary shares on issue:	402,597,477
Options on Issue:	- listed 72,586,589 - unlisted 25,000,000.
Cash on Hand:	\$2.101million.

The Company believes its strategy of pursuing joint venture partners and farm outs to fund planned drilling and ongoing exploration will assist to conserve cash and minimize future equity dilution to shareholders.

<sup>2</sup> Exco ASX announcement of 20 April 2011, being for E1, Monakoff and Monakoff East deposits; 462,000 tonnes of copper equivalent if include gold credits, based on prices as at 27 April 2011- gold US\$1,507/oz, copper \$9,410/t, cobalt US\$36,000/t and A\$1.00 = US\$1.08.



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## QMC Mineral Resources

PROJECT	RESOURCE	CONTAINED COPPER t	CONTAINED COBALT M lbs	CONTAINED GOLD OZ	COPPER EQUIVALENT t (t)
<b>WHITE RANGE - 0.2% Cu cut-off:</b>					
GREENMOUNT	12.3Mt @ 0.8% Cu, 0.06% Co, 0.3g/t Au	96,000	16.0	119,000	141,000
KURIDALA	7.2Mt @ 0.8% Cu, 0.02% Co, 0.21g/t Au	61,000	3.0	48,000	73,000
MCCABE	7.7Mt @ 0.6% Cu, 0.02% Co	44,000	4.0	-	51,000
VULCAN	1.4Mt @ 0.7% Cu, 0.02% Co	9,000	0.5	-	9,000
<b>SUB-TOTAL WHITE RANGE</b>	<b>28.6 Mt @ 0.7% Cu, 0.04% Co, 0.18g/t Au</b>	<b>210,000</b>	<b>24.0</b>	<b>167,000</b>	<b>274,000</b>
YOUNG AUSTRALIAN	2.1Mt @ 1.0% Cu, 0.01% Co	21,000	0.4	-	22,000
<b>WHITE RANGE + YOUNG AUSTRALIAN</b>	<b>30.7Mt @ 0.8% Cu, 0.04% Co, 0.17g/t Au</b>	<b>231,000</b>	<b>24.0</b>	<b>167,000</b>	<b>296,000</b>
STUART	5.6Mt @ 0.6% Cu, 0.002% Co, 0.14g/t Au	31,000	0.2	25,000	34,000
FLAMINGO	0.1Mt @ 6.0% Cu, 1.8g/t Au	7,000	-	7,000	8,000
<b>TOTAL COPPER DEPOSITS</b>	<b>36.4Mt @ 0.7% Cu, 0.03% Co, 0.17g/t Au</b>	<b>269,000t</b>	<b>24.2 M lbs</b>	<b>200,000 oz</b>	<b>338,000t</b>
<b>GOLD:</b> Mt Freda, 1.6Mt @ 1.7g/t Au for 89koz; Gilded Rose 143kt @ 4.2g/t Au for 19kt oz (0.5g/t cut-off)				<b>108,000 oz</b> for Cloncurry deposits, <b>308,000 oz</b> global total	
<i>(1) Based on commodity prices as at 14 Feb 2011, Cu US\$9,975/t; Co US\$39,300/t; Au US\$1,357/oz; USD1.00 = AUD1.00. Minor discrepancies in column totals due to rounding</i>					

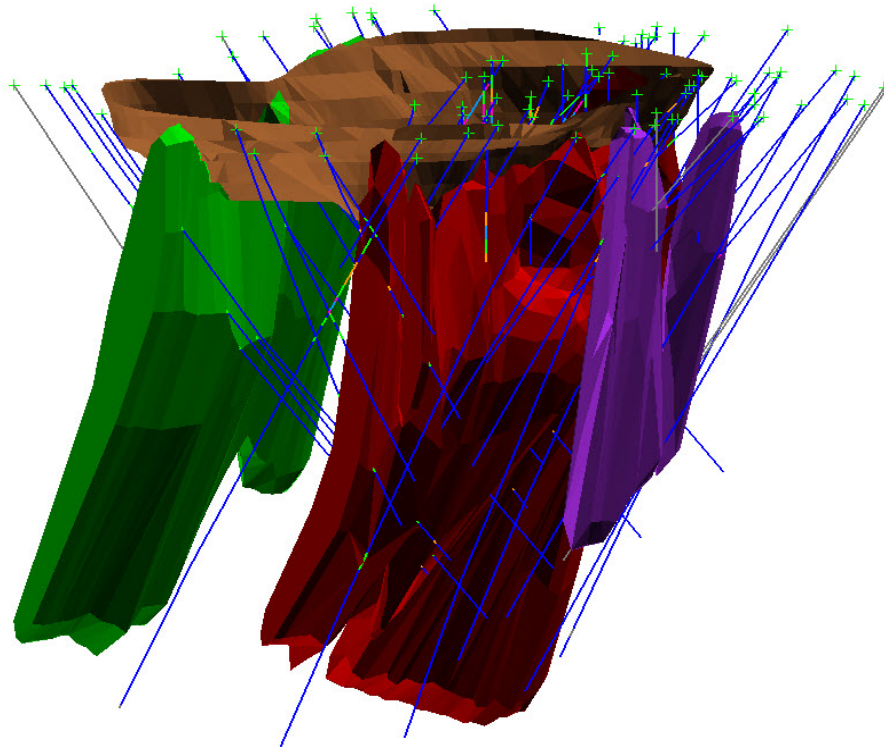
## Exploration Activities Report

Field exploration has been delayed by the prolonged monsoonal wet season prevalent in the Cloncurry region during the current quarter. As a result, exploration activities are focused mainly on statutory reporting, project review and resource modeling for the quarter ended 31-3-2011:

### 1. Young Australian Copper Project:

Following the very successful RC drill program (23 holes totaling 2613m) completed late 2010, with the best intersection of 40m @ 2.31% Cu in Hole YA10RC01, a maiden JORC-classified resource was estimated during the quarter. The combined Young Australian mining leases (contiguous MLs 7511, 7512 and 90099) and the Eastdrift lease (ML90084) located about 300m along strike to the north-east, contain a total Indicated and Inferred resource of **2.129Mt @ 1.0% Cu**. The mineralization at Young Australian is hosted in three separate NE-SW trending lodes which remain open along strike and at depth (Fig. 3). The Company is very encouraged by this initial resource estimate and is planning up to 5,000m of drilling in the current field season to expand the resource base.

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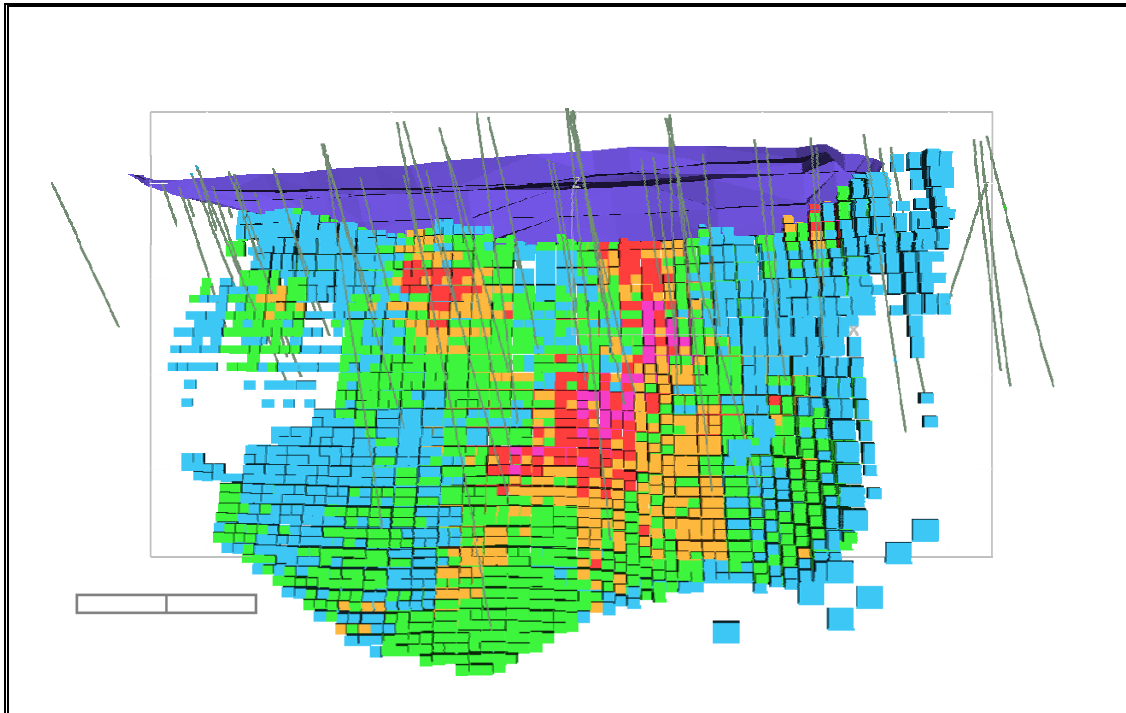


*Figure 3: Young Australia Leases: View of Western Lode (green), Mid Lode (red), East Lode (purple), existing open pit (brown) and drillholes (blue), looking north*

## 2. Mt Freda Gold Project:

Hellman & Schofield was engaged to provide a resource estimate for the Mt Freda gold project during the quarter. A total of 7,912m were drilled into the deposit from 87 holes, including 16 RC holes and 9 diamond holes completed by QMC between 2008 and 2010. A maiden JORC inferred resource of **1.6 Mt @ 1.7g/t Au and 290ppm Co** for 89,000 ounces of contained gold and 1 million pounds of cobalt was reported to the market on 8 March 2011 (Fig. 4). It is worth noting that almost all of these resources are oxide in nature. The deeper sulphide gold potential will be drill tested during 2011.

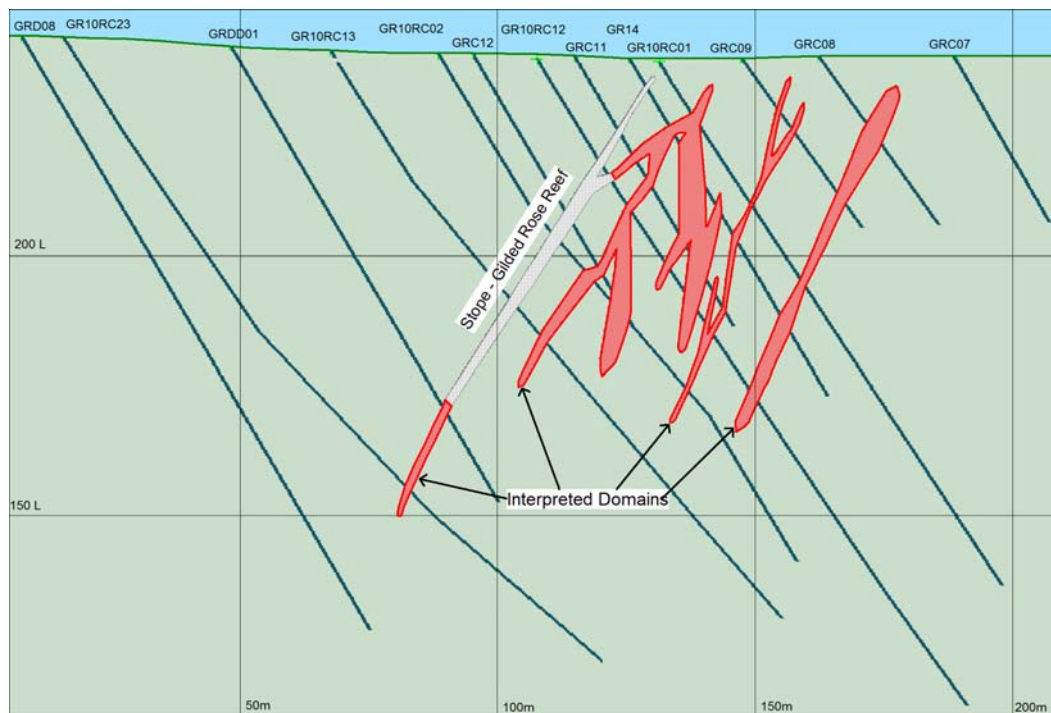




*Figure 4: View of the resource model looking north, showing blocks adjacent to the hanging wall with grades >0.5 g/t Au (blue), >1.0g/t Au (green), >2.0 g/t Au (orange), >3 g/t Au (red) and >5 g/t (magenta), the existing open pit (purple) and drillholes (grey). The scale bar is 100 m (50 m divisions).*

### 3. Gilded Rose Gold Project:

Following the 2010 RC drill program (3,021m in 24 holes) completed in the Gilded Rose gold project, the Company completed modelling during the quarter to derive a JORC classified resource estimate. On 22 March the Company announced an Indicated and Inferred resource estimate of **143,500t@ 4.2g/t Au containing 19,400 ounces** of gold (Fig. 5). These initial resources are limited to a strike length of only 120m and to a vertical depth of 70m, which is less than 10% of the overall host structural trend in the area. Additional drilling particularly along strike to the east is planned and due to start in the second quarter of calendar year 2011.



**Figure 5:** Cross section (looking North-West) through the Gilded Rose reefs showing (+0.5g/t Au cut-off) resource block estimates

#### 4. Jessievale Copper Project:

Assay results for the two diamond holes drilled into the geophysical targets were received during the quarter but failed to return any ore grade copper gold mineralization. However, widespread alteration in the form of K-feldspar, chlorite and magnetite veins and disseminations occurs in both holes, indicating hydrothermal activities prevalent in and adjacent to granitic host rocks. Re-interpretations of the geophysical data suggest the presence of N-S magnetic lineaments in the western part of the tenement, which is regarded as splays off the regional NE trending Quamby fault running through the north of the Jessievale project. Magnetic highs associated with these lineaments are result of magnetite alteration by channeled fluid flow, a precursor for exploration of iron-oxide copper gold mineralization (Fig. 6).

In addition, check assays for rare earth elements (REE) for the second hole (JV10DD02) reported >0.1% TREO (total rare earth oxides) for four samples (2m interval) with the maximum value of 0.323% TREO from 124m depth. These anomalous levels of rare earth element contents indicate the Jessievale project may be prospective for rare earth mineralization associated with granitic intrusions.

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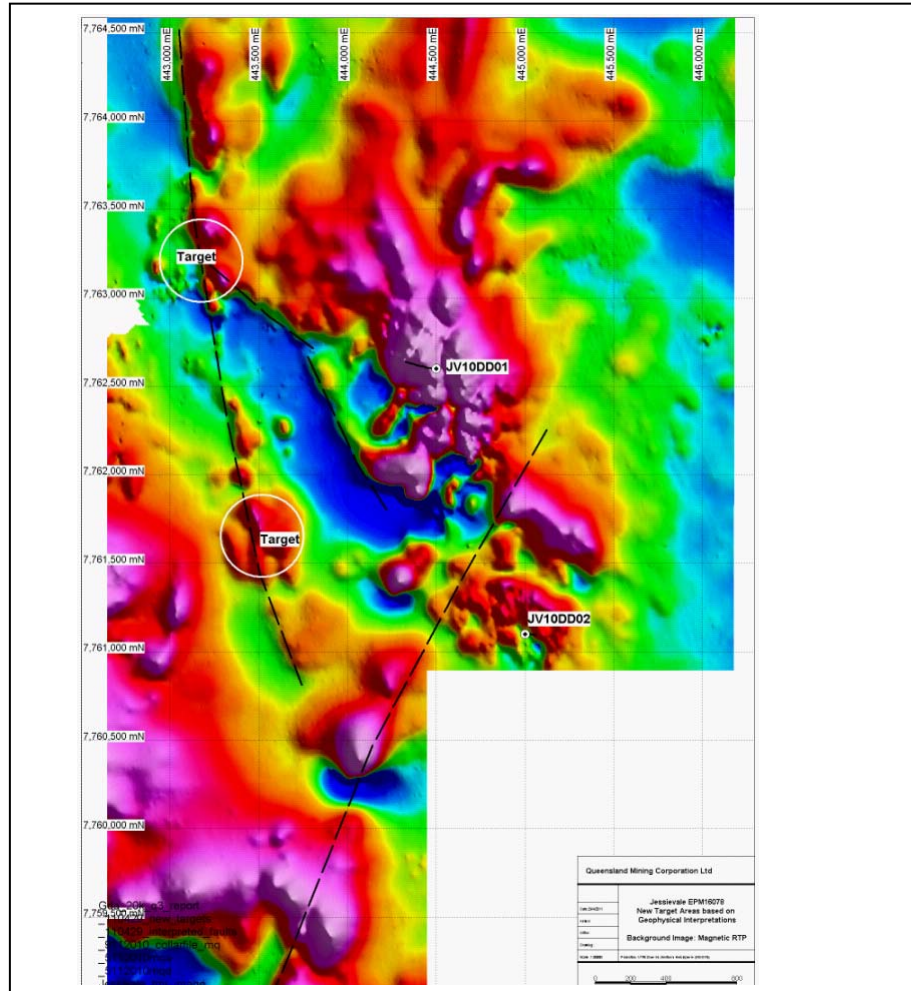


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*Figure 6: New targets remain untested in Jessievale*

Yours Sincerely

**Howard V. Renshaw**

**Managing Director**

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## Notes in relation to Resource Estimates

### 1.0 For Greenmount, Kuridala, Vulcan, McCabe, Stuart and Flamingo deposits

Information in this presentation that relates to exploration results and Mineral Resources is based on information compiled by Max Tuesley a consultant to QMC and a Member of the Australasian Institute of Mining and Metallurgy and on information compiled by Guojian Xu, a Member of Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists. Dr Guojian Xu is a consultant to Queensland Mining Corporation Limited through Redrock Exploration Services Pty Ltd. Dr Xu has sufficient experience deemed 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 Results, Mineral Resources and Ore Reserves. Mr Tuesley has reviewed and compiled all of the resource modeling work and has sufficient experience deemed 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 of Reporting of Exploration Results, Mineral Resources and Reserves, the JORC Code'. Mr Tuesley & Dr Xu consent to the inclusion in the presentation of the matters based on information in the form and context in which it appears.

### 2.0 For Young Australian and Gilded Rose deposits

Information in this presentation relates to exploration results and Mineral Resource estimates based on information compiled by Dr Guojian Xu and Mr James McIlwraith. Mr McIlwraith is a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Queensland Mining Corporation Limited through JM Geological Consulting Pty Ltd. With respect to their respective contributions, these persons qualify as Competent Persons as defined in 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu and Mr McIlwraith consent to the inclusion in this report of the matters based on the respective information provided by each of them, in the form and context in which it appears.

### 3.0 For Mt Freda deposit

Information in this presentation relates to exploration and Mineral Resource estimates based on information compiled by Dr Guojian Xu and Mr Arnold van der Heyden. Mr van der Heyden is a Member of the Australian Institute of Mining and Metallurgy and is a consultant to Queensland Mining Corporation through Hellman and Schofield Pty Ltd. With respect to their respective contributions, these persons qualify as Competent Persons as defined in 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Xu and Mr van der Heyden consent to the inclusion in this report of the matters based on the respective information provided by each of them, 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, 01/06/10.

Name of entity

Queensland Mining Corporation Limited

ABN

61 109 962 469

Quarter ended ("current quarter")

31 March 2011

### Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
	\$A'000	\$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	(961)	(3,737)
(b) development		
(c) production		
(d) administration	(532)	(2,111)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	23	49
1.5 Interest and other costs of finance paid	-	(76)
1.6 Income taxes paid		
1.7 Other – GST refund	129	360
- R & D grant received	-	147
<b>Net Operating Cash Flows</b>	<b>(1,341)</b>	<b>(5,368)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects		
(b)mining assets		(2,250)
(c) other fixed assets	(3)	(22)
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		510
<b>Net investing cash flows</b>	<b>(3)</b>	<b>(1,762)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,344)</b>	<b>(7,130)</b>

+ See chapter 19 for defined terms.



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

1.13	Total operating and investing cash flows (brought forward)	(1,344)	(7,130)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	591*	5,908
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(1,000)
1.18	Dividends paid		
1.19	Other (prior quarters issue cost)	(57)	(127)
	<b>Net financing cash flows</b>	534	4,781
	<b>Net increase (decrease) in cash held</b>	(810)	(2,349)
1.20	Cash at beginning of quarter/year to date	2,911	4,450
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b> (see note "reconciliation of cash at para 5)	2,101	2,101

\***Note:** an amount of \$590,500 relation to a share issue agreement concluded on 31 December 2010 was received by the company on 7<sup>th</sup> January 2011.

**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	108
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment of \$33,000 to Butmall Pty Ltd in which Howard Renshaw is a director for business management fees.

Fees of \$75,000 for Corporate Services paid to DFK – Richard Hill during the quarter relating to Services provided during the quarter ended: taxation and accounting services, assistance with 31st December 2010 financial accounts including director and secretarial 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

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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

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+ 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	800
4.2 Development	
4.3 Production	
4.4 Administration	450
<b>Total</b>	<b>1,250</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	62	545
5.2 Deposits at call	509	510
5.3 Bank overdraft		
5.4 Other – Online saving account	1,530	1,856
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,101</b>	<b>2,911</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	Nil			
6.2 Interests in mining tenements acquired or increased				

### Issued and quoted securities at end of current quarter

+ See chapter 19 for defined terms.

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

*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>	402,597,477	402,597,477		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs				

7.5 <b>+Convertible debt securities</b>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	<b>Options</b> <i>Listed</i>	30,000,000	30,000,000	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31/05/2012
		1,000,000	1,000,000	20 cents	31/05/2012
		4,700,000	4,700,000	20 cents	31/05/2012
		8,690,000	8,690,000	20 cents	31/05/2012
		28,196,589	28,196,589	20 cents	31/05/2012
		<u>72,586,589</u>	<u>72,586,589</u>		
	<i>Unlisted</i>	7,000,000	Nil	35 cents	16/03/2013
		1,675,000	Nil	25 cents	30/11/2012
		3,050,000	Nil	10 cents	30/11/2012
		12,050,000	Nil	10 cents	30/11/2012
		1,225,000	Nil	20 cents	30/11/2012
<u>25,000,000</u>					
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## 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:

Director

Date: 29 April 2011

Print name: Howard Renshaw

## 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.

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

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- 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.