ASX RELEASE

Wednesday 31 October 2012

QUARTERLY REPORT AND APPENDIX 5B FOR THE PERIOD ENDED 30 SEPTEMBER 2012

HIGHLIGHTS

Exploration, Development

- Uranium recoveries of up to 77% confirmed from metallurgical optimisation program
- Primary ore, which accounts for 83% of the total 352Mlb U_3O_8 resource at Letlhakane, can be expected to achieve uranium recoveries of around 75%, from heap leach, these high recoveries when applied to the 90mlb high grade resource @ 284ppm recently announced are very positive for project economics
- Coal exploration progressing well showing potential for large tonnage of good quality coal
- JORC compliant coal resource at Mea Coal Project anticipated late November 2012

Corporate

- A placement and share exchange was completed with Praetorian Resources Ltd during the quarter totalling $4.1 million
- Cash and marketable securities total $6.2 million at quarter end

PROJECT SUMMARY

Uranium

A-Cap Resources Limited ('A-Cap') has discovered one of the world's largest undeveloped Uranium Deposits in North Eastern Botswana since commencing exploration in late 2006. The Letlhakane Uranium Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all weather highway, railway line and the national power grid, all of which will make significant contributions to keeping the Capital Cost of future developments low.

In June 2012, A-Cap announced a major JORC Mineral Resource Upgrade of 35% at the Letlhakane Uranium Project. The updated Global Mineral Resource completed by an independent expert and reported in compliance with the JORC code, currently stands at 1,041 million tonnes at 153ppm $U_3O_8$for a contained 352 Mlbs of U_3O_8 (100ppm cut-off), having grown from 261Mlbs to 352Mlbs. Importantly, within the Letlhakane Resource a significant higher-grade component has been identified, at a 200ppm U_3O_8 cut-off, containing ***143.1Mt at 284ppm U_3O_8 for a contained 89.6Mlbs of U_3O_8*** .This upgrade maintains A-Cap's Letlhakane Uranium Deposit as one of the top ten largest undeveloped uranium deposits worldwide.

Subsequent to the quarter end, A-Cap announced important results from heap leach metallurgical optimisation. Results show that recoveries of up to **77%** can be expected from heap leach processing of primary ore at Letlhakane.

This result is extremely important to the economics of this project since 83% of the deposit is primary ore where heap leach field recoveries of 75% can be expected.

This excellent recovery when applied to the 90 million pounds of high grade resource grading 284 ppm has a major bearing on both the operating cost per pound and the overall economics of this project.

This optimisation program follows on from test work on primary ore from Gorgon South using four column sizes (0.4m, 1m, 2m and 4m) which also achieved good recoveries from 70-75% but using ore that had been upgraded from radiometric sorting. This current program is using unsorted whole of ore materials which should result in lower operating costs per pound and higher recoveries of uranium.

Coal

Through its ongoing regional uranium exploration programs in Botswana, A-Cap Resources Limited has discovered two new Coal Projects – the **Mea** and **Bolau** discoveries. The **Mea Discovery** was made on PL134/2005 and is considered a "greenfields" thermal coal discovery that contains multiple coal seams within a thicker carbonaceous unit that extends to over 100m true thickness**.** Initial results are very promising with raw coal quality at Mea being significantly higher than the typical coal found elsewhere in Botswana. The **Bolau Discovery** constitutes the up and down dip extension of the known Sese Coal Project that extends into A-Cap's prospecting licences PL138/2005 and PL125/2009. Thick coal intersections occur in two horizons up to 25m thick and are often coincident with significant uranium intersections up to 10m thick.

A-Cap has also identified the presence of significant coal measures within its Letlhakane uranium project. Work is being completed to evaluate the size and quality of the coal occurrences and potential economic synergies with the mining and processing of uranium.

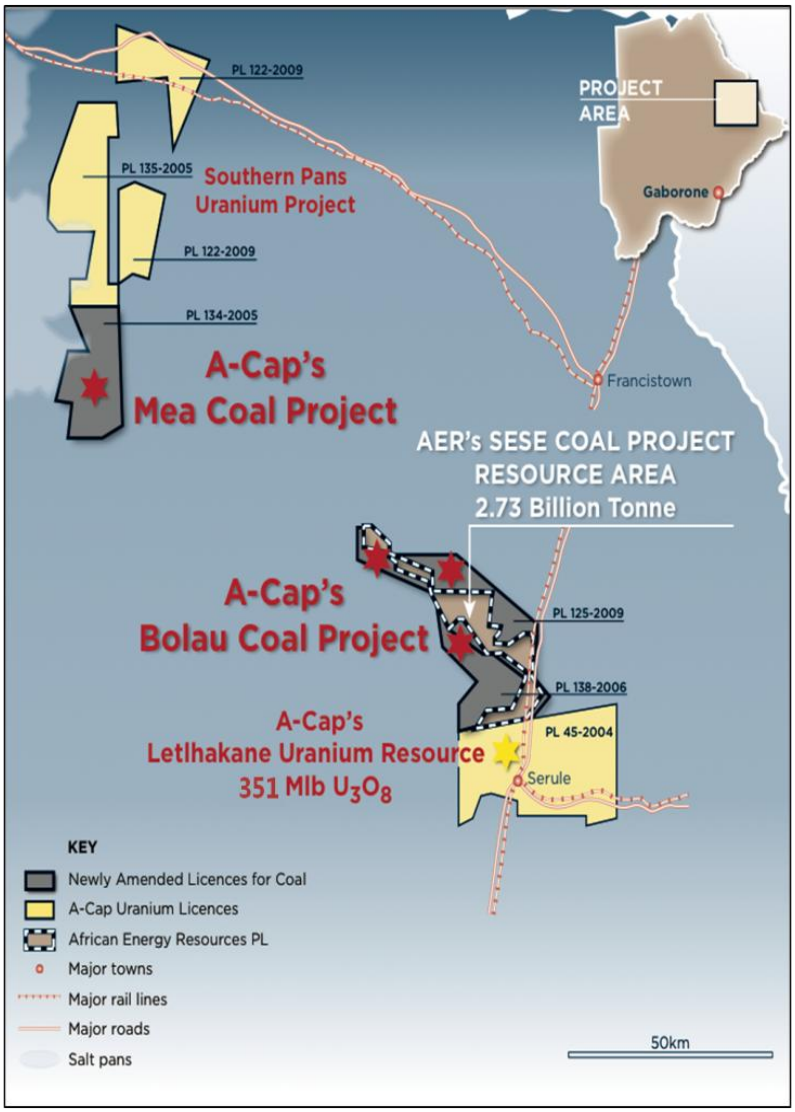


Figure 1: *Location Map of A-Cap's main project areas. The Letlhakane Project hosts the Serule Uranium Deposit on PL45/2004.*

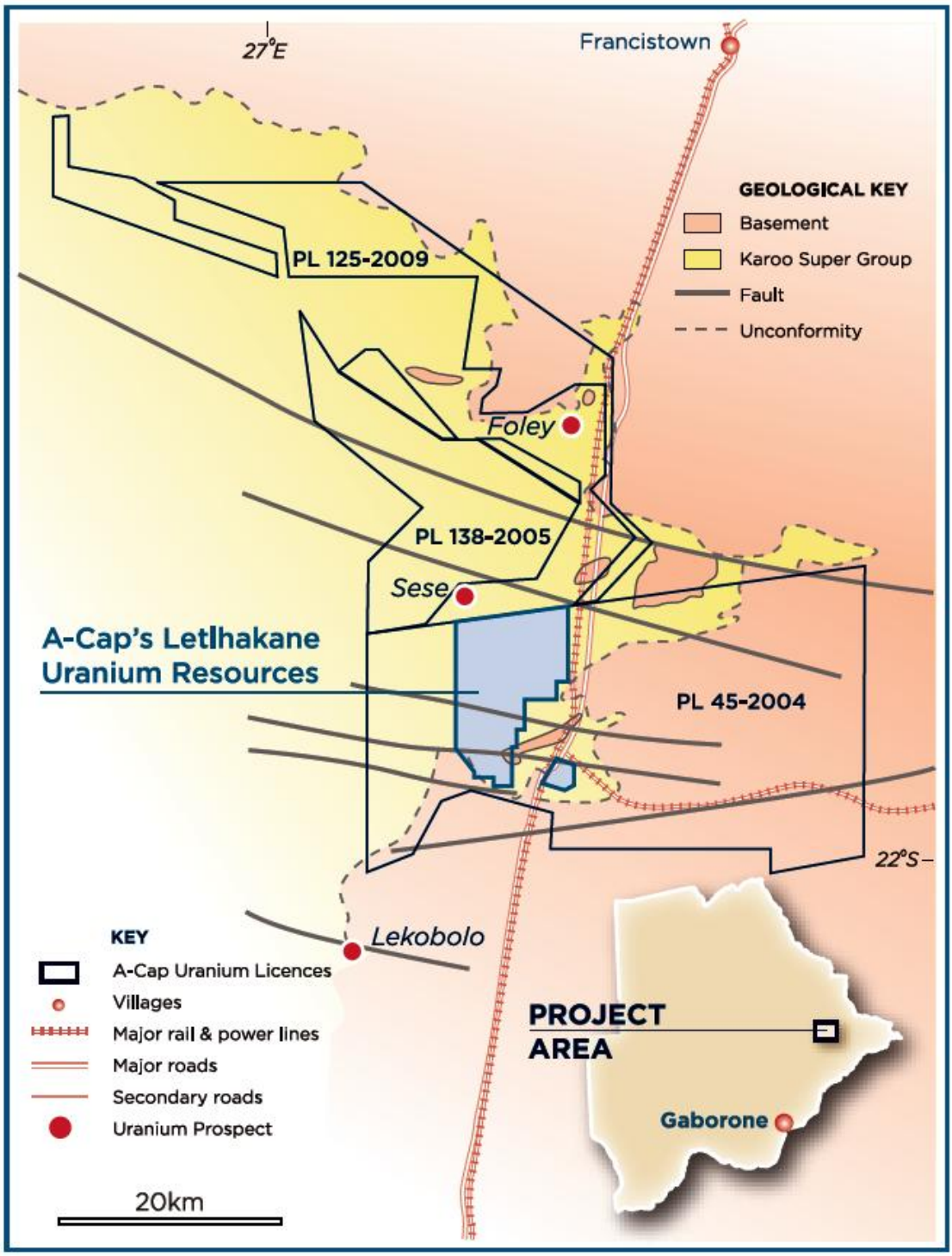


Figure 2: *Demonstrates the relative locations of the Letlhakane Uranium resources within PL45/2004. Also highlighted is the excellent infrastructure in the area, which includes a dual lane highway, railway and high tension power lines.*

OPERATIONS REPORT

Letlhakane Uranium Project

Further progress was made during the quarter on project development and feasibility work on the Letlhakane Uranium Project. This included:

- Three-dimensional lithological modelling of the resource
- Uranium recoveries of up to 77% confirmed from heap leach metallurgical optimisation
- Good progress on feasibility studies including metallurgical test work, environmental studies, power and water supply.

Resource Upgrade – PL45/2004

The updated Global Mineral Resource, completed by an Independent expert and reported in compliance with the JORC code, now stands at **1.04 Billion tonnes at 153ppm** U_3O_8 **for a contained 352 Mlbs of** U_3O_8 (100ppm cut-off) (Table 2). This Resource upgrade represents a global resource **growth of 35%** in contained uranium at Letlhakane since the last reported resource upgrade in May 2011. Importantly, within the Letlhakane Resource a significant higher-grade component has been identified, at a 200ppm U_3O_8 cut-off, containing:

143.1Mt at 284ppm U_3O_8 for a contained 89.6Mlbs of U_3O_8 (Table 1)

A resource of this size and grade allows for realistic feasibility studies within the framework of today's uranium market. All the material for the resource upgrade comes from the Gorgon West Prospect where significant grades and thicknesses of mineralisation were encountered in exploration drilling late in 2011.

Table 1 summarises by deposit the Mineral Resource estimate for the Letlhakane Project at a cut-off of 200ppm U_3O_8.

Table 1 2012 Mineral Resource Estimates for ALL DEPOSITS - 200 ppm U_3O_8 cut-off

Ore type	Deposit	Indicated			Inferred			TOTAL		
		Mt	U_3O_8 ppm	U_3O_8 Mlbs	Mt	U_3O_8 ppm	U_3O_8 Mlbs	Mt	U_3O_8 ppm	U_3O_8 Mlbs
Secondary	Gojwane	2.9	256	1.6	-	-	-	2.9	256	1.6
	Serule	-	-	-	-	-	-	-	-	-
	Gorgon West	-	-	-	-	-	-	-	-	-
	Total Secondary	**2.9**	**256**	**1.6**	**-**	**-**	**-**	**2.9**	**256**	**1.6**
Oxide	Gojwane	7.5	275	4.6	1.9	248	1.0	9.4	269	5.6
	Serule	-	-	-	5.4	280	3.3	5.4	280	3.3
	Gorgon West	-	-	-	-	-	-	-	-	-
	Total Oxide	**7.5**	**275**	**4.6**	**7.3**	**270**	**4.3**	**14.8**	**274**	**8.9**
Primary	Gojwane	22.2	275	13.5	11.6	261	6.6	33.7	270	20.1
	Serule	-	-	-	50.0	317	35.0	50.0	317	35.0
	Gorgon West				41.8	261	24.1	41.8	261	24.1
	Total Primary	**22.2**	275	**13.5**	**103.4**	288	**65.7**	**125.5**	286	**79.2**
TOTAL	**All DEPOSITS**	**32.6**	**274**	**19.7**	**110.7**	**287**	**70.0**	**143.2**	**284**	**89.7**

Mineral Resources for all deposits at 100ppm cut-off are summarised in Table 2.

Table 2 2012 Mineral Resource Estimates for ALL DEPOSITS - 100 ppm U_3O_8 cut-off

Ore type	Deposit	Prospect	Indicated			Inferred			TOTAL		
			Mt	U_3O_8 ppm	U_3O_8 Mlbs	Mt	U_3O_8 ppm	U_3O_8 Mlbs	Mt	U_3O_8 ppm	U_3O_8 Mlbs
Secondary	Gojwane	Mokobaesi	8.5	175	3.3				8.5	175	3.3
		Gorgon South	0.5	112	0.1				0.5	112	0.1
	Total Secondary		**9.0**	**172**	**3.4**				**9.0**	**172**	**3.4**
Oxide	Gojwane	Mokobaesi	5.3	142	1.7				5.3	142	1.7
		Gorgon	30.3	150	10.0	38.4	128	10.8	68.7	138	20.9
		Gorgon South	10.3	157	3.6	5.6	129	1.6	16.0	147	5.2
		Kraken	14.4	140	4.5	15.5	124	4.2	29.9	132	8.7
	Serule	Serule Northwest	-	-	-	10.5	129	3.0	10.5	129	3.0
		Serule West	-	-	-	46.0	143	14.5	46.0	143	14.5
		Serule East	-	-	-	3.8	130	1.1	3.8	130	1.1
	Gorgon West		-	-	-	4.5	120	1.2	4.5	120	1.2
	Total Oxide		**60.4**	**148**	**19.7**	**124.3**	**133**	**36.4**	**184.8**	**138**	**56.3**
Primary	Gojwane	Mokobaesi	3.6	141	1.1	2.3	124	0.6	5.9	134	1.7
		Gorgon	73.6	138	22.5	108.7	128	30.6	182.3	132	53
		Gorgon South	35.8	181	14.3	47.5	156	16.4	83.3	167	30.7
		Kraken	38.8	159	13.7	21	133	6.2	59.9	150	19.8
	Serule	Serule Northwest	-	-	-	188.6	170	70.7	188.6	170	70.7
		Serule West	-	-	-	70.8	172	26.8	70.8	172	26.8
		Serule East	-	-	-	-	-	-	-	-	-
	Gorgon West		-	-	-	255.9	158	89.3	255.9	158	89.3
	Total Primary		**151.9**	**154**	**51.5**	**694.8**	**157**	**240.6**	**846.7**	**157**	**292.1**
TOTAL	**All DEPOSITS**		**221.3**	**153**	**74.7**	**819.1**	**153**	**277.0**	**1,040.5**	**153**	**351.8**

Geological work at the Letlhakane Uranium Project during the quarter focussed on three-dimensional lithological modelling of the resource and interrogation of the resource models and estimations for use in the next round of mining feasibility studies.

FEASIBILITY WORK

Metallurgical Optimisation Program

A total of seventeen 2 metre column leach tests have either been completed or in the final stages of the leach using four Letlhakane ore types:

- Kraken Primary Ore
- Gorgon South Primary Ore
- Serule West Primary Ore
- Mixed Oxide Ore

For each of these ores, three crush sizes (minus 8mm, minus 19mm & minus 30mm) are being evaluated along with three different acid regimes:

- Two stage acid leach using 25kg/t sulphuric acid during agglomeration with 300g/L acid used in the leach liquor during Stage 1 (approx. 10 days) reducing down to 50g/L acid during Stage 2.
- Single stage acid leach using 25kg/t acid for agglomeration and 100g/L acid in the leach liquor.
- Single stage acid leach using 10kg/t acid for agglomeration and 50g/L acid in the leach liquor. *This acid regime was only used on the Serule West primary ore.*

All tests were carried out using whole (unsorted) ore and a mature leach solution, the composition of which was estimated from the results of a series of sequential bottle roll tests on each ore type. This mature leach solution has a composition that is close to equilibrium with the ore material.

Results of 2 Metre Column Leach Tests

Results of the three 2 metre column leach tests using the two stage acid leach have been received and were carried out on the following material:

- Mixed Oxide Ore
- Composite Kraken (50%) and Gorgon South (50%) Primary Ore
- Serule West Primary Ore

The leach tests were carried out on minus 19mm material with the uranium in the pregnant liquor recovered by solvent extraction.

The leach tests were carried out over a period of 60-67 days with the following recoveries achieved (see Figure 3):

- Mixed Oxide Ore – 68%
- Composite Kraken and Gorgon South Primary Ore – 75%
- Serule West Primary Ore – 77%

The majority of the recovered uranium was leached within the first 20 days (see Figure 3) indicating good leach kinetics.

These results confirm that the primary ore, which accounts for 83% of the total 352Mlb U_3O_8 resource at Letlhakane, can be expected to achieve uranium recoveries of around 75%.

It should also be noted that these results are indicative of only the first three out of a series of 17 columns which are designed to optimise crush size and acid leach conditions for these ores. Once all the results are available, these optimised conditions may improve recoveries above the level seen in these first three tests.

Once this first stage optimisation program is complete, the second stage program is likely to consist of a program of 4 metre columns for each ore type, using the optimised crushed size and acid regime determined from the current program. The results of these current columns and the proposed 4 metre columns will be the main pre-cursor to a pilot plant test which will produce data of sufficient detail for the Definitive Feasibility Study.

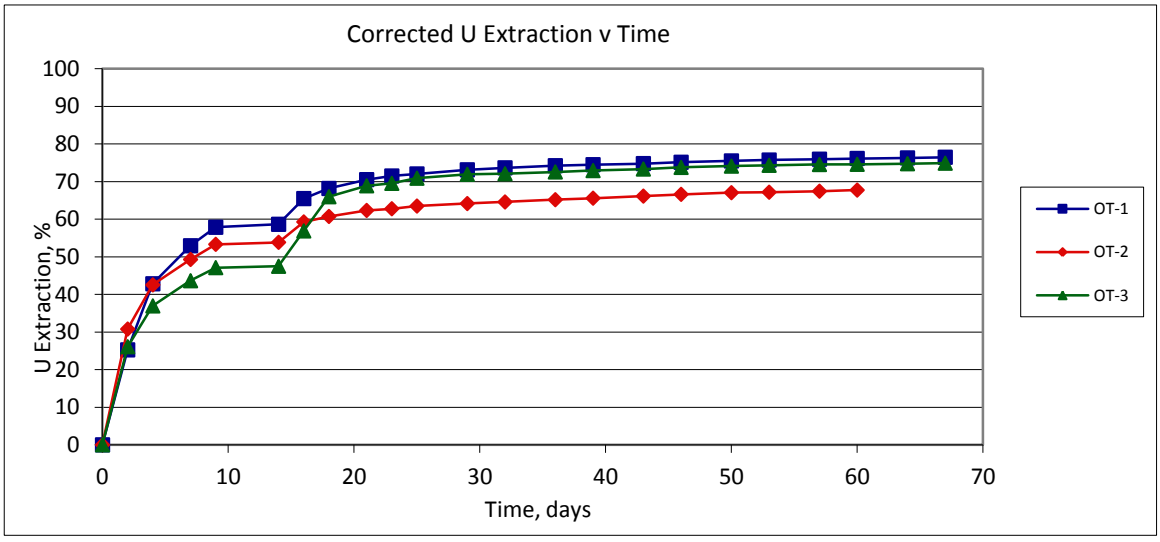


Figure 3: Results of the Two Stage Leach using Minus 19mm ore – OT-1 Serule West Primary Ore, OT-2 Mixed Oxide Ore and OT-3 Composite of Kraken and Gorgon Primary Ore

Environmental and Social Impact Assessment (ESIA)

Two ESIA studies are currently underway, the main project ESIA and the wellfield ESIA. In both cases a scoping report has been accepted by the Department of Environmental affairs and various specialist studies are currently being undertaken. The final reports are planned to be submitted to the Department by mid 2013 for review.

Wellfield Exploration

Drilling and pump testing of exploration boreholes has been completed and a final report received. Application for an abstraction permit was submitted during the previous quarter.

Power Supply

A system survey has been undertaken by Botswana Power Corporation ("BPC") and recommendations have been provided. It is planned to sign an MOU with BPC by early 2013 and start design and construction of the infrastructure in 2013.

Coal

A-Cap has identified the presence of significant coal measures within its Letlhakane uranium project. Work is being completed to evaluate the size and quality of this and potential economic synergies with the mining and processing of uranium. Work to date includes 2,400 metres of drilling to clean out and extend existing drill holes for geophysical logging. Geophysical logging including density, resistivity and gamma has been conducted to provide data for a three dimensional model of the coal measures.

Geological and Mining Services Australia ("GMSA") has been contracted by A-Cap to prepare a report for the Letlhakane Coal Project. The report was received in September and details the initial models for the correlatable coal and carbonaceous horizons across the Gojwane Resource area (Figure 4). Further drilling designed to collect samples of the coal horizons for quality assessment is planned and will lead to an initial resource estimate for the area.

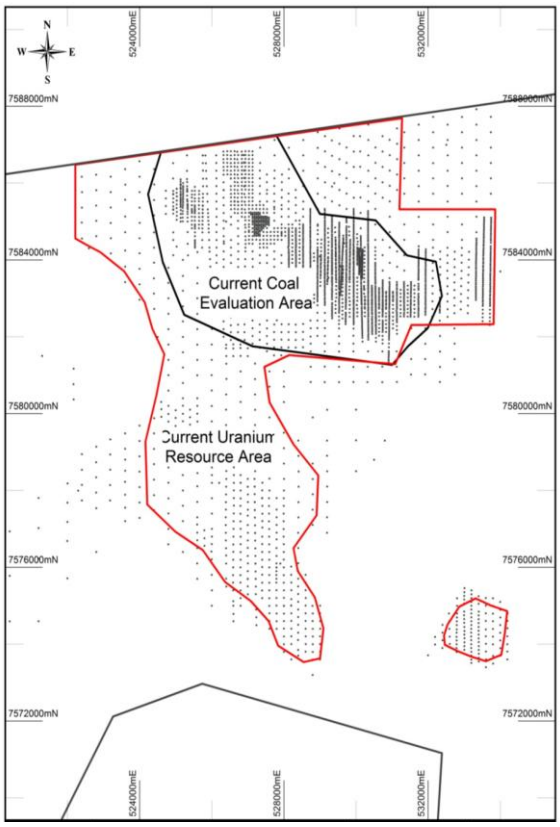


Figure 4: *Demonstrates the relative locations of the Letlhakane Uranium resources within PL45/2004. Also highlighted is the excellent infrastructure in the area*

COAL EXPLORATION

Mea Coal Project

Prospecting Licence documents granting a two year extension and amendment for the right to explore for coal to PL134/2005 – Mea have been received from the Department of Geological Survey. A-Cap commenced resource definition drilling at Mea with a view to establishing JORC compliant resources for the area during the quarter. **In addition to the initial 16 discovery holes, a program of 35 additional bore holes is being completed over an area of 78 square kilometres. This program is designed to generate an inferred and indicated JORC resource at Mea and at the same time, provide samples for detailed analysis of coal quality This program is progressing well and results both in terms of the size and quality of the discovery are expected late November 2012.**

From drilling and analysis so far completed by the A-Cap exploration team including coal experts engaged on the project, the Company believes that there is potential for a large tonnage of high quality coal at Mea. Highlights to date include:

- Multiple, correlatable coal seams continue to be intersected within a substantial carbonaceous sequence that often extends to over 100m in thickness
- Coal analysis from initial drilling shows better quality and significantly higher grade than typically found in Botswana
- Full program will consist of 51 bore holes covering an area of 78 square kilometres and includes detailed analysis for coal quality
- JORC-compliant coal resource estimations will be completed following this program with results expected late November

Drilling

A total of 19 holes for 2386.1 m have been completed at the Mea Coal Project to the end of September. The program is designed to provide enough drill data to establish three-dimensional models of the multiple coal horizons evident across the project as well as generate suitable sample material for qualitative analysis. The program consists of a mix of Polycrystalline Diamond Bit ("PCD") drilling to enable down hole geophysical logging and PQ core drilling through coal seams where sample material is required.

A close-spaced (~1km x 1km) drill pattern has been undertaken to the north-east where shallow, higher quality coal seams have been recognised in previous drill holes (Figure 5). A broader-spaced pattern designed to establish seam continuity over the remainder of the area will continue in an effort to understand the global resource potential.

Sampling

Two diamond core holes were drilled at the beginning of the campaign in order to generate sample material for qualitative analysis. Twenty-six samples from these holes were submitted to the laboratory and results are expected late October.

Geophysics

All drill holes are being logged using A-Cap's down hole geophysical system which includes density, resistivity, Gamma and calliper tools mounted in a purpose-built Toyota Landcruiser logging truck. Down-hole logging is undertaken immediately after a drill hole is complete and data is available for interpretation on the same day. A-Cap's logging method is proving itself to be a much superior system to that offered previously by local contractors in terms of efficiency, timing, quality and cost.

Construction of regional three-dimensional models for the Mea geology using all drill hole geological and geophysical data coupled with the detailed datasets collected in previous ground gravity and Natural Source Audio-Magneto Tellurics (NSAMT) surveys is ongoing. This will assist our understanding of the immediate deposit geology and will also assist in generating regional exploration targets for both coal and uranium.

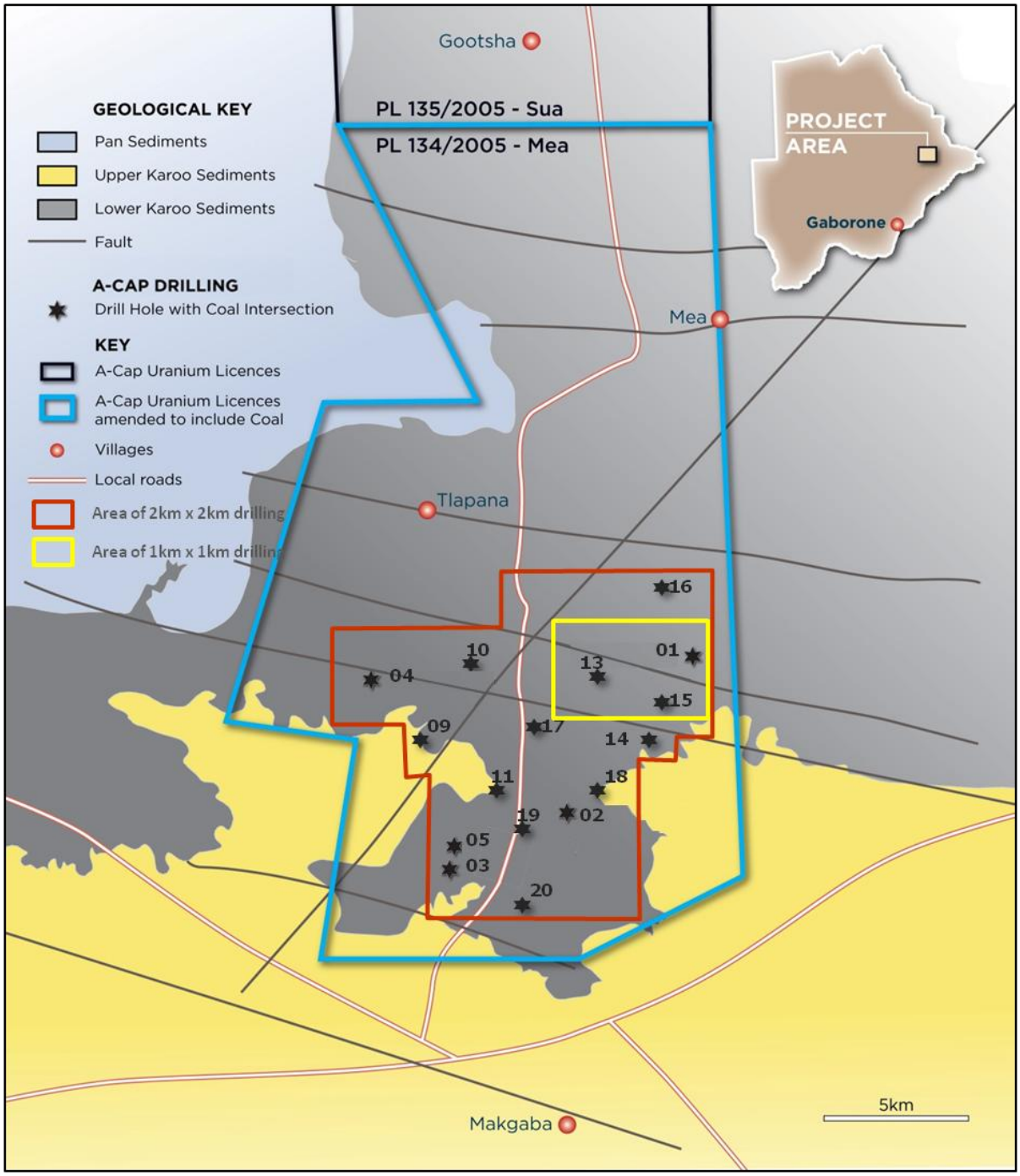


Figure 5: *Plan view of the Mea Coal Project showing the location of previous drilling and the area of focus in the current drill program. The brown shape will include a spread of holes at 2km x 2km spacing designed to establish the global inferred resource. The smaller yellow area is targeting shallow, higher quality coal and will undergo drill testing to 1km x 1km spacing to help establish an indicated resource in the area.*

Bolau Coal Project

At the Bolau Project (which comprises two PLs Foley PL125/2009 and Bolau PL138/2005) A-Cap discovered coal horizons that appear to be on the extensions of the Sese Coal Project discovered by African Energy Resources in 2010.

A-Cap has held the Bolau PL since listing in 2006 and was granted the Foley Prospecting Licence in 2009. It would appear that the coal horizons encountered at Bolau are the down dip extensions of AFR's Sese Project, with the coal horizons discovered on Foley considered to be the up-dip extensions of Sese.

To date A-Cap has completed six RC holes and seven diamond holes that intersected coal horizons and have made the following observations:

- The coal thickness averages at 20m and occurs in two seams with the upper seam at around 4m and a lower seam of 16m
- In the discovery areas, the stratigraphic package dips shallowly towards the south west at around 10 degrees
- No analytical results for the coals have been received, however based on the logged geology and the continuity of the coal horizons in the Sese Project, the coal is interpreted to be sub- bituminous thermal coal with potential to produce both domestic and export quality coal

A-Cap is in ongoing discussions with The Government of Botswana who has provided notice of its intention to approve amendments to include coal for the two PL's covering the Bolau Discovery.

CORPORATE

During the September quarter the Company completed an equity raising of $4.1 million via a share placement and a share exchange.

A-Cap entered into a Share Placement and Share Exchange Agreement with Praetorian Resources Limited ("Praetorian"), a company listed in the Alternative Investment Market of the London Stock Exchange. Under the terms of the agreements:

- A-Cap issued 9,166,667 ordinary fully paid shares to Praetorian at an issue price of $0.15 cash, to raise $1,375,000 ("the Placement"); and
- A-Cap issued 18,333,333 ordinary fully paid shares to Praetorian at an issue price of $0.15 and in exchange Praetorian allotted A-Cap 3,536,750 ordinary fully paid shares at an issue price of £0.50 together with 1,768,375 options exercisable at £0.70 expiring July 2015. Both the Praetorian shares and options are listed and freely tradeable ("Share Exchange")

SUMMARY

The Letlhakane project is one of the largest underdeveloped uranium projects in the world, with significant comparative advantages in cost of mining and processing, the proximity of all major infrastructure and its location in a very secure investment jurisdiction.

Feasibility work is well advanced with strong indications that it will deliver very competitive operating costs, together with capital costs below its peers.

Important results from heap leach metallurgical optimisation show that recoveries of up to **77%** can be expected from heap leach processing of primary ore at Letlhakane.

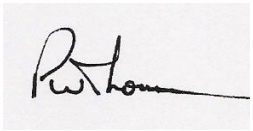
This result is extremely important to the economics of this project since 83% of the deposit is primary ore where heap leach field recoveries of 75% can be expected.

This excellent recovery when applied to the 90 million pounds of high grade resource grading 284 ppm has a major bearing on both the operating cost per pound and the overall economics of this project.

A-Cap is progressing well with its coal exploration programs. The Mea drilling program is expected to be complete during November, with all geophysical logging to be completed in tandem. Interpretations and modelling will evolve as data comes to hand and the Company anticipates releasing final models and an initial JORC compliant resource late November. Results to date indicate potential for a large tonnage deposit with the quality being significantly higher than the typical coal found elsewhere in Botswana.

Drill holes designed to collect enough material to submit for quality analysis of the coal seams on PL45/2004 (Letlhakane) will be undertaken once the drilling at Mea is complete. Data from this program will be used to calculate an initial Inferred Coal resource on PL45/2004.

In addition to the excellent progress on uranium, the discovery of massive new deposits of coal adds a new dimension to the Company's activities and provides significant new opportunities.



Paul Thomson
CHIEF EXECUTIVE OFFICER

Information in this report that relates to exploration results, data and cut off grades is based on information compiled by Steve Groves who is a member of the Australian Institute of Geoscientists and Jerome Randabel who is a member of the Australian Institute of Mining and Metallurgy. Mr. Groves and Mr. Randabel are both fulltime employees of A-Cap Resources Limited. Mr Randabel has sufficient experience that 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 Randabel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. All drillholes were radiometrically logged with a calibrated AUSLOG slim-line natural gamma ray probe. Consequentially issues pertaining to possible disequilibrium and uranium mobility should be taken into account when interpreting them.

Information in this report relating to Coal Exploration results, is based on information compiled by Mr Steven Groves (a full-time employee of A-Cap Resources Limited and a member of The Australian Institute of Geoscientists) and Mr Darryl Stevenson (Consulting Coal Geologist to A-Cap Resources). Mr Stevenson has sufficient experience that 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 under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources. Mr Stevenson consents to the inclusion of the data in the form and context in which it appears].

Ends

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Rule 5.3

Appendix 5B
Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A-CAP RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
28 104 028 542	30 September 2012

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (3 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,100)	(1,100)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(733)	(733)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	28	28
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Receipt from the ATO of 2011 R&D tax credit	727	727
	Net Operating Cash Flows	(1,079)	(1,079)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(16)	(16)
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)	-	-
	Net investing cash flows	(16)	(16)
1.13	Total operating and investing cash flows (carried forward)	(1,095)	(1,095)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,095)	(1,095)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,375	1,375
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)	-	-
	Net financing cash flows	1,375	1,375
	Net increase (decrease) in cash held	280	280
1.20	Cash at beginning of quarter/year to date	3,158	3,158
1.21	Exchange rate adjustments to item 1.20	(7)	(7)
1.22	**Cash at end of quarter**	3,431	3,431

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	(167)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director & Consulting fees paid to related entities

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	(1,233)
4.2	Development	-
4.3	Production	-
4.4	Administration	(835)
	Total	**(2,068)**

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	83	19
5.2	Deposits at call	2,348	3,139
5.3	Bank overdraft	-	-
5.4	Other – Term Deposits	1,000	-
	Total: cash at end of quarter (item 1.22)	3,431	3,158

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	N/A	-	-	-
6.2	Interests in mining tenements acquired or increased	N/A	-	-	-

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** *(description)*	NIL	NIL		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL		
7.3	**+Ordinary securities**	227,604,986	227,604,986		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	 18,333,333 9,166,667 -	 - - -	 15 cents 15 cents -	 15 cents 15 cents -
7.5	**+Convertible debt securities** (*description)*	NIL	NIL		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7	**Options** *(description and conversion factor)*	 10,000 700,000 5,000,000 2,000,000 4,000,000 1,000,000 1,500,000	 NIL NIL NIL NIL NIL NIL NIL	*Exercise price* 80% of market value 44 cents 40 cents 45 cents 50 cents 40 cents 33 cents	*Expiry date* On the day the employee ceases to be in the employ of the Company or subsidiary thereof. 15 June 2014 31 October 2014 15 March 2015 15 October 2015 15 December 2015 31 January 2016
7.8	Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*	NIL	NIL		
7.12	**Unsecured notes** *(totals only)*	NIL	NIL		

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 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2012
(Company secretary)

Print name: DENIS RAKICH

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.