

27 April 2012

The Manager Companies  
Company Announcements  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Sir

### **MARCH 2012 QUARTERLY REPORT OF ACTIVITIES & CASHFLOW**

Please find attached the March 2012 quarterly report for Bass Metals Ltd (ASX: BSM). This report updates operational data that relates to a modified mining and processing plan designed to maximise cash flow to accelerate debt repayment. This change in strategy arose during a period of declining AUD metal prices coincident with a series of technical problems which manifested very quickly due to the campaign nature of the processing operations. The modified plan was the only viable option to pursue because the ore reserve base is too short to sustain further refinancing or capital improvements.

The Company's work-out strategy is progressing well and if successful, would re-establish Bass Metals as a prospective resource company. Indeed, in this context, it is pleasing to be able to report positive exploration soil geochemistry results at its Newton Copper Target on the Lake Margaret lease, where the Company is defining a drill target prospective for high grade copper-gold mineralisation.

The quarterly operations segment demonstrates good progress in terms of technical performance of the work-out plan, and as at the date of this report, mining and milling operations are performing per budget. This is the key focus, to ensure that Bass is able to meet its creditor obligations. The debt repayment plan approved in March, 2012 by the company's banker, RMB Australia Holdings Ltd (RMBAH), and supported by other key creditors is progressing well with liabilities as at 24 April, 2012 of \$15.4 million to RMBAH and \$8.5 million to other creditors, and is consistent with the debt repayment plan underpinned by the Company's work out strategy. Based on current receivables, current metal prices and operational performance the Company plans to have reduced its overall debt position to approximately \$10 million in the September quarter, before contributions from any asset realisations or additional financing.

The debt position stated above is an update to that presented in the attached Appendix 5B document. This document indicates that the Company had cash of \$4.66 million and \$5.13 million in trade receivables, or \$9.79 million in liquid assets at 31 March, 2012. In addition, the Company had ore inventories valued at \$10.86 million, and metal concentrate inventories valued at \$3.66 million.

The overall strategy of the Board and management is based on the view that the Company does have a future focussed on realising the highly prospective exploration potential of its ground holding and evaluation of its Hellyer gold project. Significant restructuring of the business at all levels has been required and is ongoing to achieve this outcome.

The plan being implemented is to restructure and pay down a major portion of the existing debts through internal cash generation from the operational work-out plan outlined above. The Company is also seeking additional funding through asset sales and/or new equity to erase the residual debt position and provide sufficient funds to re-start an aggressive exploration campaign and test work program for the Hellyer Gold Project. To this end the Company is discussing a range of corporate, joint venture and divestment transactions with a number of parties; at this stage these discussions are only preliminary negotiations and remain incomplete. I look forward to providing further updates as results and information comes to hand.

Yours faithfully



Mike Rosenstreich  
*Managing Director*

#### **Competent Persons Statement**

##### ***Mineral Resources & Exploration Results***

The information within this report that relates to exploration results and Mineral Resource estimates is based on information compiled by Mr Kim Denwer and Mr Michael Rosenstreich who are both full time employees of the Company. Mr Rosenstreich is a Member of The Australasian Institute of Mining and Metallurgy and Mr Denwer is a Member of the Australian Institute of Geoscientists. They both, individually have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person(s) as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)" and they consent to the inclusion of this information in the form and context in which it appears in this report.

##### ***Ore Reserves***

The information in this report that relates to the Fossey Ore Reserve estimates is based on information compiled by Mr Victor Rajasooriar who is a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Rajasooriar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves (the JORC Code)". Mr Rajasooriar consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## MARCH 2012 QUARTERLY ACTIVITIES REPORT

### **1. SUSTAINABILITY**

#### **1.1. SAFETY**

There were no lost time injuries (LTI) on the Company's mining operations and exploration sites during the quarter. The Hellyer mining operations has now exceeded 618 days LTI free days and represents an outstanding achievement by all employees and contractors.

#### **1.2 ENVIRONMENT**

There were no material environmental incidents during the quarter on any Bass Metals' managed tenements. The Company is currently preparing its care and maintenance plan to ensure the current high standards are maintained as operations are wound down.

### **2. OPERATIONS**

#### **2.1 HELLYER MINE PROJECT**

The operational performance under the recently implemented "work-out" is in line with budget forecasts, as presented below. The work-out plan is a response to several adverse technical issues and the objective is to accelerate cash flow to reduce debt. To conserve cash and reduce technical risks, the work-out plan does not include any mine development, and is focussed on extraction of already developed ore which results in mining being completed by the end of April, and milling being completed by early June 2012. Regrettably, staff and contractors will be made redundant as the relevant operations conclude and the site is placed on care and maintenance. All affected employees have been advised of the relevant dates and the Company is very appreciative of their ongoing commitment to achieving the work-out plan objectives and their continued focus on safety.

##### **2.1.1 Mine Production**

A full summary of mine production is provided in Table 1. The mining contract has been varied from the alliance based structure to a fixed cost of \$58.10/ tonne of ore delivered to the Run of Mine (ROM) stockpile, which reflects the reduced level of mining activities and has reduced risk to Bass Metals' cash flow forecasts.

**Table 1: Fossey Mine Production Summary**

Description	UoM	December Qtr Actual	March Qtr Actual	March Qtr Budget	Variance to Budget	FY2012 YTD
<b>Mine Production (T&amp;G)</b>						
Underground Development	m	460	177	103	72%	1,415
Mine Ore Production	t	102,600	132,506	115,103	15%	332,985
Zinc	%	6.4	6.7	9.5	-29%	7.5%
Lead	%	3.7	3.7	4.5	-18%	4.2%
Silver	g/t	98	99	88	12%	102
Gold	g/t	1.4	2.0	2.2	-12%	1.7
Copper	%	0.24	0.27	0.4	-25%	0.31%

Mining operations at the Fossey underground mine are generally progressing in line with the work-out mine plan. Mined grades reported in Table 1 are lower due to the under-performance of one stope where more tonnes were extracted but at lower grade, but the reported grade undercall is also attributable to a timing delay in accessing high-grade stope ore, which is occurring now after the end of the March quarter as can be seen in Section 2.1.2 below. As at the 24 April there was a further 15,000 tonnes of ore remaining to be recovered from the mine stopes and hauled to the Hellyer ROM stockpile for processing. Mining is expected to be completed in late April/early May, though resources will be left at Fossey and Fossey East for potential future extraction.

### **2.1.2 Hellyer Concentrator Operations**

Processing of the remaining ore to be mined has been split into two campaigns planned to total approximately 180,000 tonnes of ore.

Campaign 8 processing commenced on 30 January 2012 and concluded on 16 March 2012. A total of 88,523 tonnes of underground ore and an additional 10,879 tonnes of reclaimed material were processed making it the largest campaign to date. A summary of the campaign is presented in Table 2.

Processing of Campaign 9 ore through the Hellyer Mill commenced on 26 March 2012. Plant availability has been excellent with few stoppages, contributing to good operating performance in terms of throughput and metallurgical recoveries. Processing performance against the work-out plan is excellent with 73,005 tonnes processed as at 24 April at an estimated average head grade of 9.6% zinc and 4.8% lead (with silver, copper and gold credits) which is 72% of the Campaign 9 budget of 101,151 tonnes of ore grading 9.2% zinc and 4.4% lead. The mine has also produced additional ore to date, due to better than expected mine recovery, and when the mine finishes at the end of April, there will still be 40,000 tonnes at 9% zinc and 4.5% lead to be treated as part of campaign 9 milling. Metallurgical recovery estimates and the zinc, lead and copper-silver concentrate production estimates are in line with budget forecasts.

The cost of milling was budgeted at \$30 per tonne of ore processed and is currently just below this budget estimate.

The ROM stockpile contains approximately 52,000 tonnes of ore (as at 24 April), which together with the ore planned to be hauled from the underground mine indicates a further 67,000 tonnes remains to be processed. On completion of Campaign 9 in late May / early June the Hellyer Mill will be shut down and placed on care and maintenance.

### **2.1.3 Concentrate Sales & Marketing**

During the quarter the company sold 14,589 tonnes of zinc concentrate, 5,843 tonnes of lead concentrate and 638 tonnes of copper concentrate. This comprised remaining inventory from Campaign 7 production which finished on 23 December 2011 and product from Campaign 8. To expedite cash flow the Company is receiving prepayments for material delivered into the concentrate storage shed at Burnie Port, but the Company currently also holds significant inventory of concentrates at Hellyer.

Total invoicing for the quarter was \$18.78 million, but with significant inventory of concentrate remaining at Hellyer to be delivered and invoiced. Prepayments convert to provisional payments once the concentrates are loaded onto ships; this triggers the timing of the quotational period (QP), which is the month in which final metal prices are fixed. For lead and zinc the QP is one month after the month the product arrives at its destination port and for the copper-silver concentrate it is four months. The Company hedges a majority of its price exposure between prepayment invoices and the QP month.

## 2.2 QUE RIVER MINE

The Que River Mine site is on a care and maintenance regime and the final stages of rehabilitation were completed during the quarter.

**Table 2: March 2012 quarter processing and concentrate production summary**

Description	UoM	Campaign 8 Actual	Campaign 8 Budget	Variance to Budget
<b>PROCESSING (T&amp;G)</b>				
Ore Treated	t	88,523	88,500	0%
Concentrator Feed Grades				
Zinc	%	6.7%	7.2%	-7%
Lead	%	3.5%	4.2%	-17%
Silver	g/t	98	76	29%
Gold	g/t	2.37	1.90	25%
Copper	%	0.28%	0.27%	4%
<b>CONCENTRATE PRODUCED (T&amp;G)</b>				
Zinc concentrate	t	8,450	8,958	-6%
zinc grade	%	52%	51%	3%
silver grade	g/t	82	90	-9%
gold grade	g/t	1.0	1.1	-9%
Lead concentrate	t	3,505	3,587	-2%
lead grade	%	54%	57%	-6%
silver grade	g/t	602	512	18%
gold grade	g/t	1.5	2.3	-35%
Copper-Precious metals concentrate	t	676	579	17%
Copper	%	16%	15%	5%
Silver	g/t	3,864	3,500	10%
Gold	g/t	13.0	15.0	-13%
Lead	%	8%	11%	-24%
Zinc Recovery to Zinc Conc.	%	75%	72%	4%
Lead Recovery to Lead Conc.	%	61%	55%	11%
Copper Recovery to Copper Conc.	%	43%	36%	18%
Silver Recovery overall	%	62%	69%	-10%
Gold Recovery overall	%	11%	16%	-33%

*\*Note rounding errors may occur.*

*All concentrates are in dry metric tonnes.*

### 3. SPECIAL PROJECTS

#### 3.1 GOLD RECOVERY STUDY

The Hellyer Gold Project (HGP) is potentially a significant scale project with preliminary studies (reported in December 2011 Qtly) scoping out an 8 year operation, processing 1 mtpa through a refractory processing facility, producing 64,000 ounces gold and 2.3 million ounces silver per year at an average total cash cost of approximately \$466/oz (after silver credits) with a capital outlay of \$189 million.

Bass Metals has not been able to advance this project significantly during the quarter given its financial constraints. But it did make a further exploration licence application covering potential limestone areas which could be utilised as a reagent source for the HGP (ELA 51/2011 – Figure 1).

Whilst the HGP is still at a preliminary phase with important test work and processing issues to be addressed, the Company considers that this project is potentially a “Company-maker” and could become the platform of a regional refractory gold production business. Note, the HGP would require a new, specialist processing plant and whilst the existing services infrastructure would be utilised, very little of the Hellyer Mill is appropriate for the HGP treatment processes being considered. The Company is continuing a discussion process initiated last year to seek joint venture partners with the technical and financial capacity to accelerate the evaluation and possible development of the HGP. These discussions remain at an early stage and are incomplete.

### 4. EXPLORATION

The highlight for the quarter’s exploration was the receipt of soil assays outlining a coincident copper-lead-zinc-silver anomaly along the interpreted target zone for high-grade copper-gold mineralisation at the Lake Margaret tenement; the Newton Copper Target located north of the Mt Lyell deposit.

Bass Metals’ current tenements are shown in Figure 1 and the major prospect locations on the Mine Leases are shown in Figure 2. All exploration activities were suspended in late January due to the Company’s current financial constraints. The exploration team has been reduced to essential personnel consisting of a Senior Geologist and Senior Field Technician.

#### 4.1. Hellyer Mine Corridor Exploration

Drilling in the Hellyer-Mt Charter Corridor (HMCC), until 23 January comprised four diamond drill holes for 799 metres;

- one drill hole at D-Zone (between Fossey and Que River),
- three drill holes at Fossey East from underground as part of the infill program.

##### 4.1.1 McKay Prospect

To date seven diamond drill holes for 2,319 metres were completed into the new alteration and mineralised zone at the McKay Prospect. A review of the structural setting and planning of new drilling is in progress.

##### 4.1.2 Fossey East

To increase the geological confidence in the Fossey East resource, a drilling program was commenced in December 2011 to reduce the drill spacing to a nominal 12.5 x 12.5 metre spaced pattern, as currently exists for the Fossey ore body. The proposed drilling program was also designed to better define the lower contact of the Fossey East mineralisation for mine planning as currently the thickest and highest grade intersections occur in this location.



A 2,500 metre program comprising 21 diamond drill holes was started from the 445 level of the Fossey underground mine. Three drill holes were completed before drilling was suspended on 23 January 2012. Drill holes, FUD0099 and FUD0100 were targeted 12.5 and 25 metres respectively below the high grade intersection in drill hole FUD016 (20.4 metres at 0.6% Cu, 7.2% Pb, 16.3% Zn, 104g/t Ag, 2.4g/t Au).

A 14.2 metre interval of high grade mineralisation was intersected in FUD099 which has made a modest extension to the bottom of the Fossey East +5% Pb+Zn mineralisation outline. Assay results are summarised in Table 3 below. FUD0100 (12.5m below FUD0099) intersected alteration typical of the footwall to Fossey East and is interpreted to indicate the down-dip termination of the Fossey East lens on this section.

**Table 3 - Drill hole intersections- Fossey East, January-March 2012.**

From (m)	To (m)	Drilled Interval (m)	True thickness (m)	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (g/t)
<b>FUD0099(at &gt; 5 % (Pb+Zn) cut-off)</b>								
91.8	106.0	14.2	12.5	14.9	7.5	0.9	69	1.3

Drill hole FUD0101 was targeted 12.5 metres to the south, below FUD0081 (9.4 metres at 1.1% Cu, 10.3% Pb, 16.4% Zn, 75g/t Ag, 1.2g/t Au). It also intersected high grade base metal mineralisation, from 101.8 to 108.6 metres. This drill hole also appears to have modestly extended the +5% Pb+Zn outline at the bottom of Fossey East, however assays remain pending. Details of the holes completed are shown in Table 4.

#### **4.1.3 D-Zone – Que South**

Drilling continued at D-Zone following the Christmas break as the D-Zone and Que–South prospects are highly anomalous in both pathfinder element geochemistry and SWIR surveys. Historic stratigraphic analysis interpreted much of this alteration to occur in the footwall well below the ore forming horizon. The new geological understanding that Fossey East and McKay occur deep within the footwall alteration zone opens up large areas for additional exploration, previously considered non-prospective. A single drill hole, HED27 was completed at 524.5 metres depth in the northern part of the D-zone prospect, with wide zones of alteration intersected.

## **4.2 REGIONAL EXPLORATION**

Bass' current tenement position is shown in Figure 1, including the new ELA 51/2011 over prospective limestone areas.

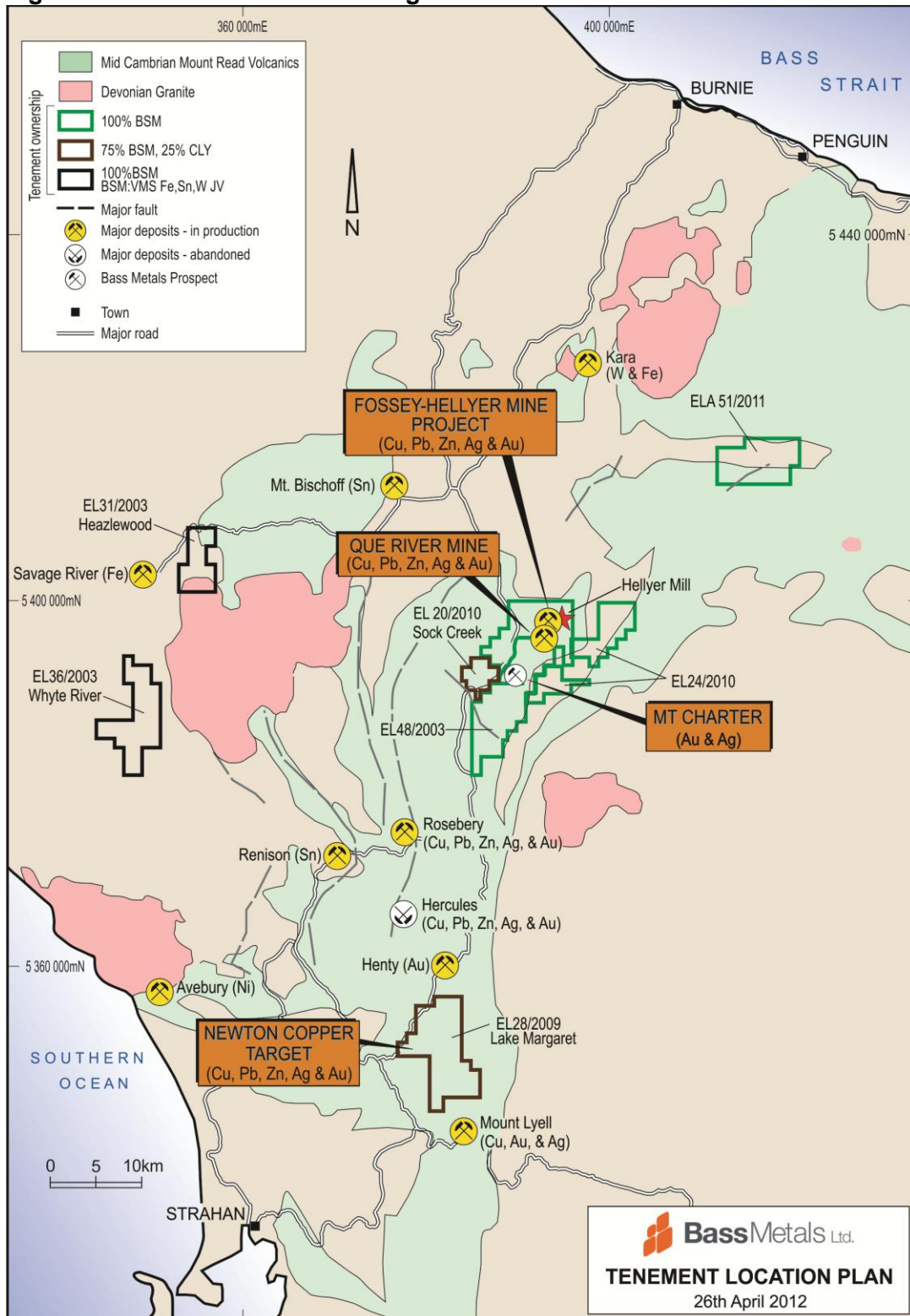
### **4.2.1 Lake Margaret (EL 28/2009) Bass Metals 70% Clancy Exploration 30%**

The Company received assay results for an MMI type soil sampling program completed at the Newton Copper Target in January, 2012. The results highlight a coincident lead, zinc, copper and silver anomaly over the interpreted target area, namely the contact between the volcanic and the Owen Conglomerate. This is the same geological position as the high-grade North Lyell copper-gold deposit to the south (Figure 3). The Newton Copper Target is interpreted as the source of the high grade copper-silver-gold erratic boulder identified in the glacial cover sequence. This soil anomaly is currently open to the south and additional MMI soil sampling and an airborne electromagnetic survey are planned to further refine targets for drill testing.

### 4.2.2 Other Regional Tenements

No field work was completed or reported by joint venture partners on outlying regional tenements.

**Figure 1: Current tenement holdings.**





**Table 4: Drill hole collar details:**

Hole ID	Grid* North	Grid East	Azimuth	Dip	Depth (m)
FUD0099!	10119.3	5670.0	284.0	-60.0	122.5
FUD0100	10119.0	5670.2	284.0	-66.0	130.0
FUD0101	10118.7	5669.9	270.0	-60.0	125.1
HED27!	9187.0	5539.0	272.0	-65.0	524.5
Total					799

\*-Hellyer Mine grid is orientated at 22.1 degrees to AMG  
 ! – Commenced last period

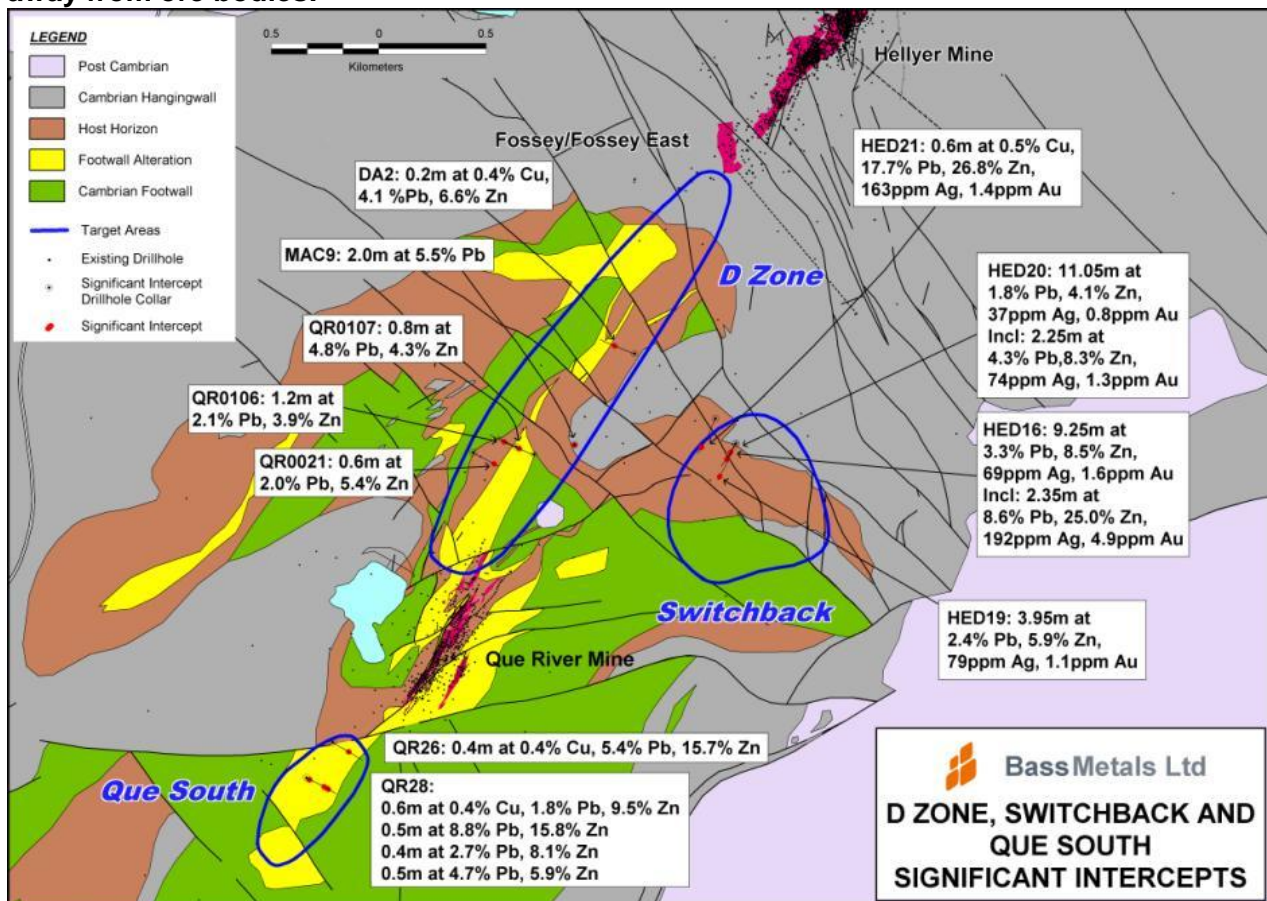
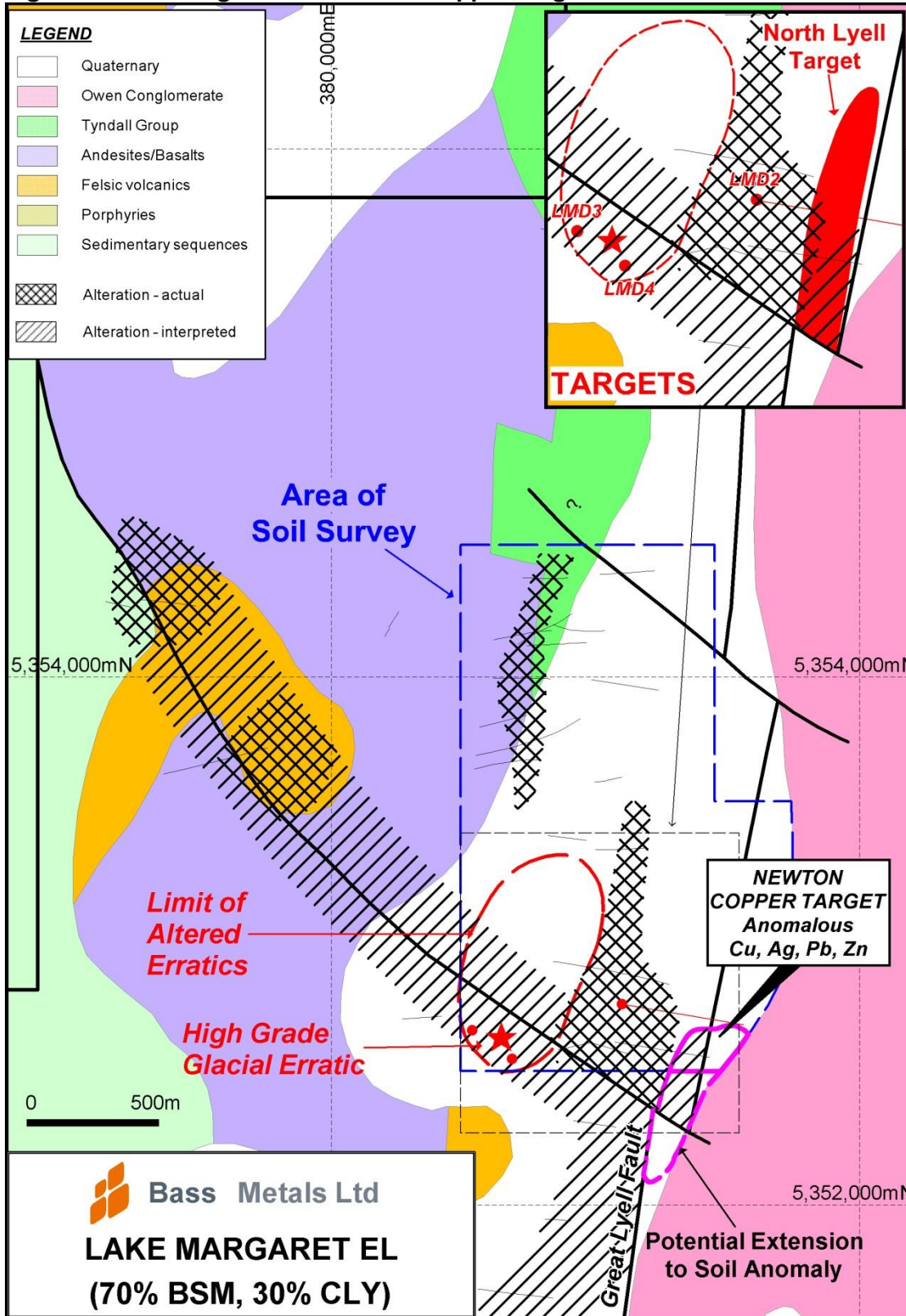
**Figure 2: Plan showing major prospects, known ore bodies and significant intersections away from ore bodies.**


Figure 3: Lake Margaret and Newton Copper Target.



## 5. CORPORATE

The main corporate focus of the Company during the quarter was to evaluate the impact of adverse technical issues on its cash flows, manage the resultant creditor issues and put in place a work-out strategy to reduce debt, realise assets and refinance the company.

### 5.1 FINANCIAL POSITION

#### 5.1.1 Cash

Cash on hand at the end of the quarter was \$4.66 million, with \$5.13 million in trade receivables and \$14.52 million in ore and concentrate inventories.

A summary of cash flows for the quarter and 9 months ended 31 March 2012 appears in the accompanying Appendix 5B document.

#### 5.1.2 Debt

The Company had debt at the end of the quarter of \$25.05 million, comprising the RMBAH debt facility of \$15.4 million, a silver loan of \$0.95 million, lease obligations of \$0.24 million and other creditors of \$8.46. The silver loan was closed out with the hedge settlement discussed below in early April, 2012.

#### 5.1.3 Hedging

The Company utilises two hedging structures to minimise its metal price exposure; the original 2010 strategic hedging program comprising A\$ zinc, lead and silver forward contracts and a QP hedging programme to lock in revenue once concentrate material is shipped and provisionally invoiced.

Subsequent to 31 March 2012, the Company took advantage of a favourable metal price position and unwound its June 2012 strategic hedge program. This resulted in a gain of \$0.17 million, and does not affect QP hedging.

### 5.2 CAPITAL STRUCTURE

On 3 January 2012, 28,666,667 unlisted \$0.20, 30 September 2014 options were listed following Shareholder approval obtained at a General Meeting of Shareholders held on the same day.

On 23 February 2012, the Company issued 15,000,000 unlisted \$0.18, 23 February 2015 options to RMBAH pursuant to the terms of the Company's corporate loan facility.

During the quarter 225,000 unlisted employee options expired and 160,000 unlisted employee options lapsed.

As at 31 March 2012, the Company had 294,450,145 fully paid ordinary shares, 97,260,000 unquoted options and 90,137,678 quoted options on issue.

# 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

**BASS METALS LTD**

ABN

**31 109 933 995**

Quarter ended ("current quarter")

**31 MARCH 2012**

### 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	17,675	51,520
1.2 Payments for		
(a) exploration & evaluation	(535)	(2,198)
(b) development	(343)	(4,848)
(c) production	(12,770)	(51,114)
(d) OHS & environmental	(187)	(848)
(e) site administration	(134)	(1,625)
(f) corporate	(850)	(2484)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	113
1.5 Interest and other costs of finance paid	-	(862)
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>2,874</b>	<b>(12,346)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(13)	(329)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	27
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Hedging Settlements	493	(1,267)
<b>Net investing cash flows</b>	<b>480</b>	<b>(1,569)</b>
1.13 Total operating and investing cash flows (carried forward)	3,354	(13,915)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	3,354	(13,915)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	4,518
1.15	Proceeds from convertible notes	-	4,223
1.16	Proceeds from borrowings	-	12,000
1.17	Repayment of borrowings	(2,413)	(7,279)
1.18	Dividends paid	-	-
1.19	Other (fundraising transaction costs)	-	(1,243)
	<b>Net financing cash flows</b>	<b>(2,413)</b>	<b>12,219</b>
	<b>Net increase (decrease) in cash held</b>	<b>941</b>	<b>(1,696)</b>
1.20	Cash at beginning of quarter/year to date	3,718	6,355
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter *</b>	<b>4,659</b>	<b>4,659</b>

**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	69
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**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

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

+ 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	-	15,400
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	122
4.2 Production	11,252
4.3 Demobilisation, closure & redundancy	2,286
4.4 Environmental maintenance	194
4.5 Administration	486
4.6 Debt repayments	14,621
<b>Total</b>	<b>28,961</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	4,633	3,692
5.2 Deposits at call	26	26
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,659</b>	<b>3,718</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		

+ See chapter 19 for defined terms.

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

6.2 Interests in mining tenements acquired or increased

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

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	294,450,144	294,450,144		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

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

7.7	<b>Options</b> <i>(description and conversion factor)</i>			Exercise price	Expiry date
		975,000	-	42.5 cents	16.10.12
		425,000	-	51.0 cents	31.12.12
		400,000	-	25.0 cents	1.9.13
		400,000	-	35.0 cents	1.9.13
		200,000	-	50.0 cents	1.9.13
		300,000	-	26.0 cents	31.12.12
		300,000	-	28.5 cents	31.12.12
		300,000	-	30.5 cents	31.12.12
		950,000	-	30.0 cents	31.12.12
		3,000,000	-	22.8 cents	22.9.13
		910,000	-	22.0 cents	15.7.13
		200,000	-	20.5 cents	11.10.14
		200,000	-	29.0 cents	11.10.14
		200,000	-	41.0 cents	11.10.14
		100,000	-	43.5 cents	31.1.15
		100,000	-	61.0 cents	31.1.15
		100,000	-	88.0 cents	31.1.15
		5,900,000	-	31.8 cents	27.5.14
		200,000	-	26.0 cents	27.8.15
		200,000	-	36.5 cents	27.8.15
		200,000	-	52.5 cents	27.8.15
		66,700,000	-	18.0 cents	31.10.14
		15,000,000	-	18.0 cents	23.2.15
		90,137,678	90,137,678	20.0 cents	30.9.14
7.8	Issued during quarter	15,000,000	-	18.0 cents	23.2.15
		28,666,667	28,666,667	20.0 cents	30.9.14
7.9	Exercised during quarter				
7.10	Expired during quarter	225,000	-	37.5 cents	31.12.11
		80,000 (lapsed)	-	42.5 cents	16.10.12
		80,000 (lapsed)	-	22.0 cents	5.7.13
		28,666,667 (quoted following shareholder approval gained on 3 January 2012)	-	20.0 cents	30.9.14
7.11	<b>Debentures</b> <i>(totals only)</i>		-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

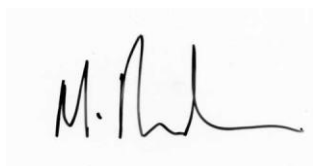
## Compliance statement

- 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 5).
- 2 This statement does ~~does not~~ give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

## Appendix 5B Mining exploration entity quarterly report

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Sign here:

(Director/~~Company secretary~~)

Date: 27 April 2012

Print name: Michael Rosenstreich

### 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.

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+ See chapter 19 for defined terms.