



# Quarterly Report

## Quarter 2 2012

ASX: BWD

Level 8  
102 Adelaide Street  
Brisbane, QLD, 4000  
T: +61 7 3034 0800  
F: +61 7 3034 0899  
E: [info@bwdcorp.com.au](mailto:info@bwdcorp.com.au)

Board of Directors

Barry Bolitho  
Rex Littlewood  
Will Randall  
Andrew Simpson

Company Secretary

Patrick McCole

Senior Management

CEO – Todd Harrington  
CFO – David Smith  
GM Exploration QLD – Mark Winsley  
GM Bus Dev – Brendan Schilling  
Principal Geo Intl – Joel Yago

## Highlights

- Exploration continues on South Pentland and Taroom projects
- Exploration commenced on Bymount project
- Unseasonal wet weather hampering efforts across portfolio
- Infrastructure progress continuing on Surat and Bowen based projects
- David Smith appointed as Chief Financial Officer

# EXPLORATION UPDATE

## South Pentland Project

Blackwood Corporation announced a JORC exploration target\* of 2.1 to 3.2 billion tonnes<sup>A</sup> within the South Pentland project area on the 21<sup>st</sup> November 2011.

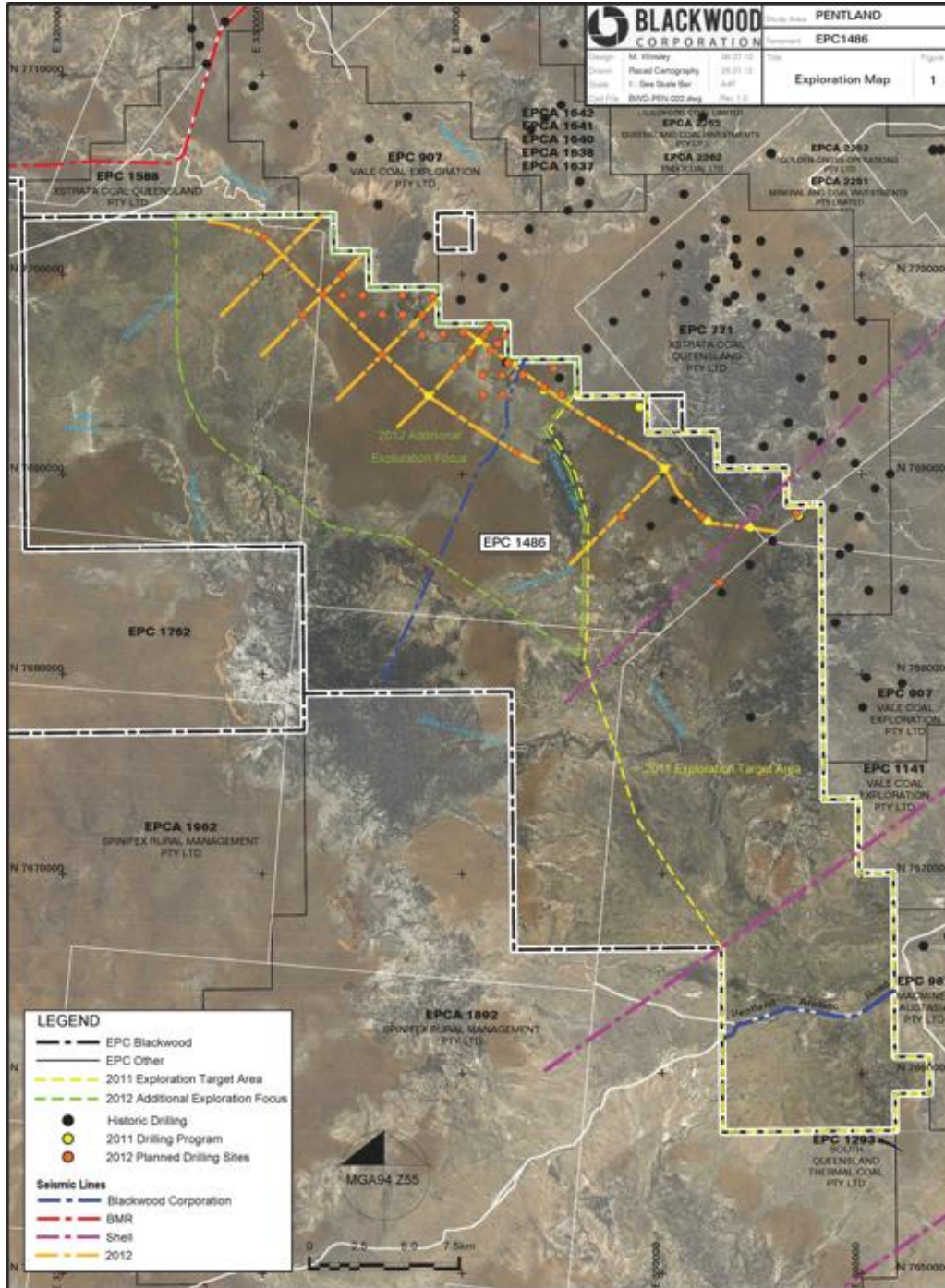


Figure 1 – South Pentland Project showing tenure, historical and new exploration locations

**\*Note:** All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement and it is uncertain if further exploration will result in discovery of a coal resource on the tenement.



Blackwood is also pleased to announce that a dedicated 40-man camp was secured during the quarter, and construction was completed in July 2012. The camp (Figure 2) is located at the heart of South Pentland's Longton and Lauderdale sub-projects, and is expected to increase efficiencies across both sites.

**Figure 2: Camp Construction at South Pentland Project**

Three (3) drill rigs have been secured to conduct exploratory drilling under Blackwood geological supervision. One of the drill rigs has been specifically selected for pre-collar establishment with the other two drill rigs drilling HQ diamond core to total depth.

**Figure 3: Drill rig at South Pentland Project**

Progress on the project was hampered by significant and unseasonal wet weather across the quarter. The Company suspended the majority of exploration drilling operations, moving resources to other projects in the portfolio. Several days experienced over 100mm of rain at the exploration site.



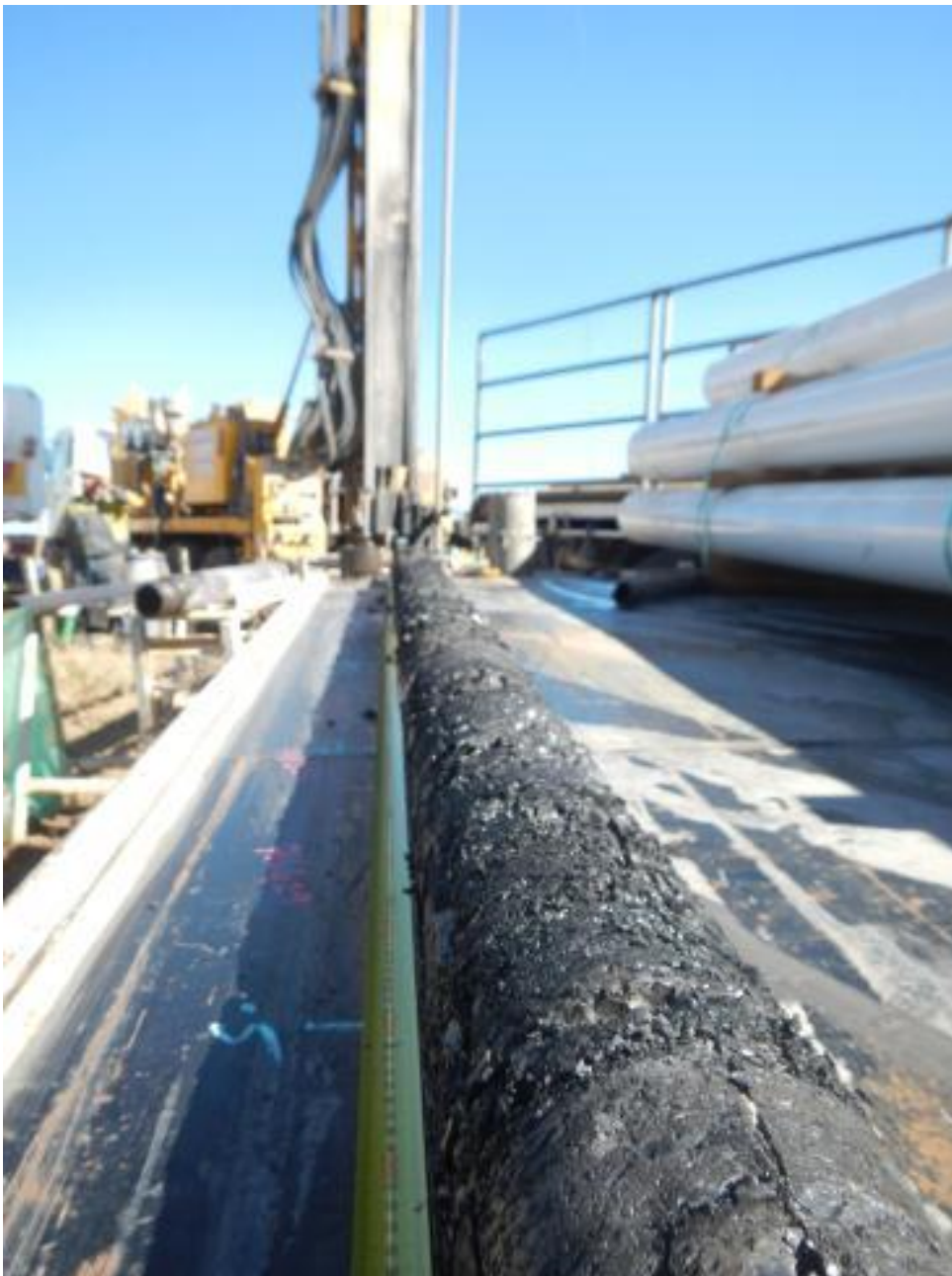
Despite the ground conditions, over 63km of seismic line data acquisition was completed through the quarter (refer to Figure 1 for location of new seismic acquisition). The data acquired by Velseis is undergoing processing and interpretation, and is expected to assist with resource definition at the South Pentland project in late 2012. As part of desktop studies, Blackwood has also commissioned a review of historic aeromagnetic data. This involves reprocessing and structural interpretation activities to assist Blackwood in its geological understanding of the South Pentland project.

Necessary road repairs and upgrades at South Pentland have been identified to assist with acceleration of project objectives. Milray Contracting, a local civil works company, has been engaged to carry out these activities, including the installation of over 10km of poly pipe to provide water for camp and drilling use.

# Taroom Project

Blackwood Corporation announced a JORC exploration target\* of **1.0 to 1.3 billion tonnes<sup>B</sup>** across four (4) projects within the Taroom area on the 19<sup>th</sup> March 2012.

Unseasonal wet weather also impacted upon the Taroom project across the quarter, with 22 of 28 holes in Phase 2 exploration completed. The focus for this program has been upon the Broadmere sub-project, as displayed in Figures 4 & 5. Eleven (11) drill holes have been cored during the program, and samples are undergoing analysis in Bureau Veritas' labs. Early drill results are encouraging. Fresh coal intersections have been found as shallow as 10m below surface with all drilling targeting coals at less than 150m depth. Notable drill holes include TR\_028R intersecting 6.4m of cumulative coal at shallow depths and cumulative strip ratio of <4.5:1. Figure 6 includes a comprehensive summary of Blackwood's Taroom Project drilling locations and results. Initial interpretation also indicates there is a variable sub-crop, which is the focus of the current exploration program. Further modelling is underway and raw coal quality results expected within the next quarter.



**Figure 4 – Coal Core from Blackwood's Taroom Project**

*\*Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement and it is uncertain if further exploration will result in discovery of a coal resource on the tenement.*

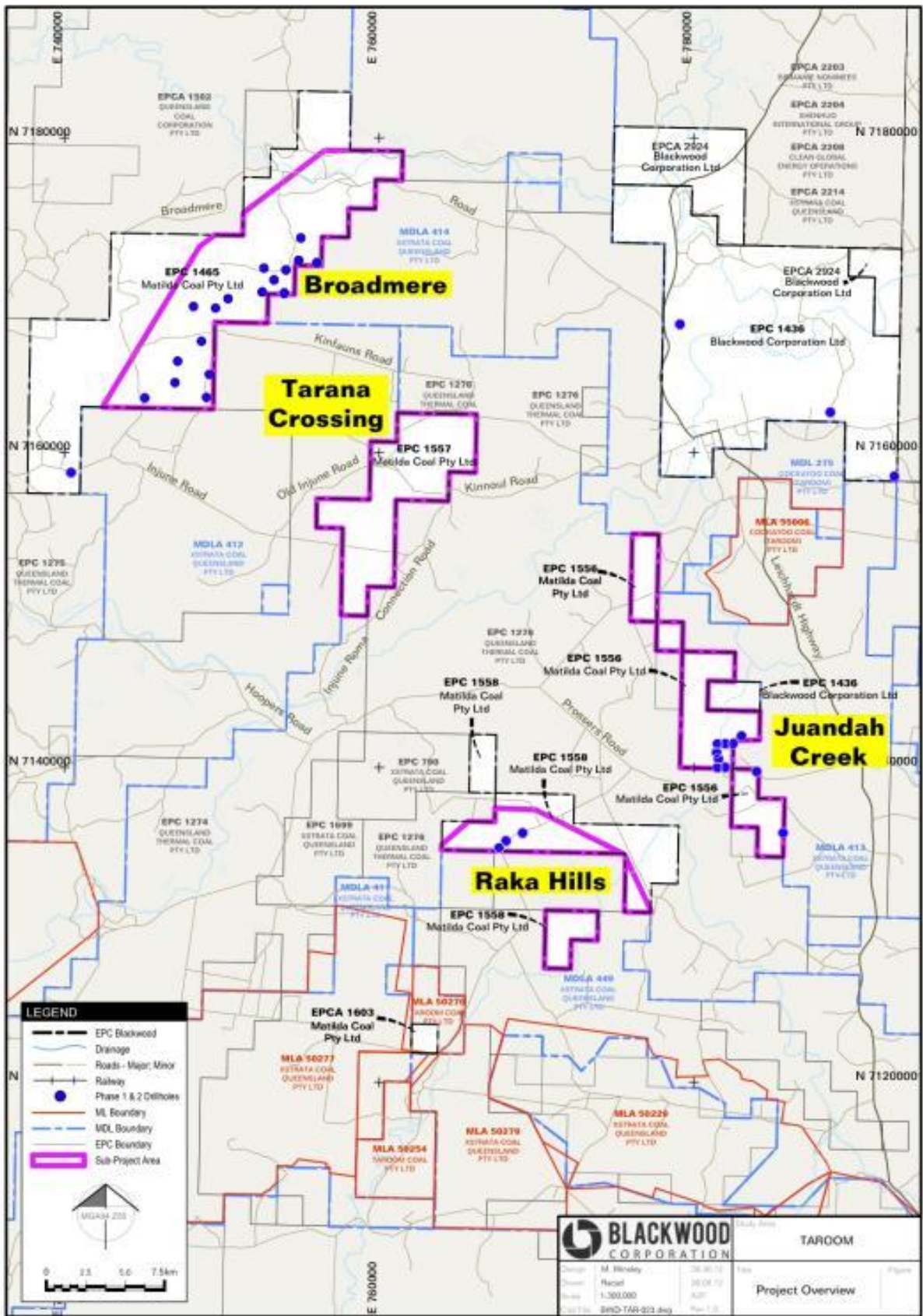


Figure 5 - Taroom Project Map showing both tenure location and new Blackwood drill hole sites

**Figure 6: 2012 Taroom Drill Results**

Site ID	EPC	Date	Easting	Northing	Hole Total Depth (m)	Cumulative Thickness to Target seam (m)	Strip Ratio to Target Seam
TR_001R	1556	7/01/12	785,676	7,135,835	121.5	10.0	8.5
TR_002R	1556	8/01/12	781,564	7,140,544	101.4	6.3	9.3
TR_003R	1556	8/01/12	781,986	7,140,008	100.8	10.7	5.9
TR_004R	1556	11/01/12	781,506	7,139,991	102.0	5.9	12.0
TR_005R	1556	12/01/12	781,453	7,140,942	95.8	6.5	9.9
TR_006R	1556	13/01/12	781,499	7,141,495	101.9	6.5	7.4
TR_007R	1556	13/01/12	782,002	7,141,503	102.7	5.2	13.2
TR_008R	1556	14/01/12	782,478	7,141,504	107.9	2.8	27.1
TR_009R	1556	15/01/12	783,029	7,141,998	101.8	1.4	49.3
TR_010R	1556	15/01/12	783,989	7,139,736	102.0	8.9	7.7
TR_011R	1436	16/01/12	788,667	7,162,570	95.9	0.0	
TR_012R	1436	17/01/12	792,748	7,158,502	95.4	0.0	
TR_013R	1558	18/01/12	768,056	7,135,333	102.2	5.6	13.2
TR_014R	1558	20/01/12	769,116	7,135,834	0.0	0.0	
TR_015R	1558	21/01/12	767,613	7,134,902	114.0	5.4	15.2
TR_016R	1558	19/01/12	767,612	7,134,897	95.3	6.2	9.8
TR_017R	1465	11/02/12	740,410	7,158,733	101.6	0.0	
TR_018R	1465	11/02/12	745,096	7,163,466	101.6	5.6	12.0
TR_019R	1465	12/02/12	753,969	7,170,127	102.7	8.0	6.2
TR_020R	1465	13/02/12	756,052	7,172,051	101.5	7.4	6.5
TR_021R	1436	16/02/12	779,195	7,168,138	95.6	1.0	26.7
TR_022R	1465	25/04/12	748,197	7,169,286	150.0	0.0	
TR_023R	1465	26/04/12	749,601	7,169,179	102.0	1.2	12.7
TR_024R	1465	26/04/12	750,394	7,169,784	90.0	0.3	34.1
TR_025R	1465	26/04/12	752,680	7,171,717	120.0	1.5	10.8
TR_026R	1465	5/05/12	753,321	7,170,967	150.0	4.0	7.5
TR_027R	1465	5/05/12	754,073	7,171,612	90.0	8.4	6.4
TR_028R	1465	6/05/12	754,884	7,172,214	150.0	6.4	4.4
TR_029R	1465	6/05/12	755,020	7,173,638	100.0	3.4	11.2
TR_030R	1465	6/05/12	752,564	7,170,206	160.0	5.1	7.8
TR_031R	1465	7/05/12	748,701	7,167,073	150.0	0.0	
TR_032R	1465	7/05/12	749,201	7,164,970	160.0	3.8	9.0
TR_033R	1465	8/05/12	749,020	7,163,506	150.0	5.7	7.3
TR_034R	1465	8/05/12	747,023	7,164,452	150.0	5.0	5.5
TR_035R	1465	9/05/12	747,192	7,165,811	120.0	3.1	8.7
TR_036C	1465	11/05/12	752,558	7,170,205	63.0	3.8	4.6
TR_037C	1465	13/05/12	753,962	7,170,122	81.0	5.5	8.5
TR_038C	1465	14/05/12	754,075	7,171,605	57.0	5.8	4.9
TR_039C	1465	15/05/12	753,314	7,170,972	30.0	0.6	20.6
TR_040C	1465	15/05/12	754,877	7,172,213	51.0	1.6	16.7
TR_041C	1465	16/05/12	756,048	7,172,057	54.0	5.0	7.2
TR_042R	1465	11/06/12	745,775	7,164,159	102.0	6.1	8.9
TR_043R	1465	12/06/12	745,727	7,165,976	90.0	2.1	11.5
TR_044R	1465	12/06/12	746,385	7,165,260	90.0	2.9	9.0
TR_045R	1465	12/06/12	747,860	7,165,186	90.0	2.1	9.6

Site ID	EPC	Date	Easting	Northing	Hole Total Depth (m)	Cumulative Thickness to Target seam (m)	Strip Ratio to Target Seam
TR_046R	1465	12/06/12	748,457	7,164,297	90.0	4.4	13.4
TR_047R	1465	13/06/12	750,454	7,168,406	90.0	3.1	7.5
TR_048R	1465	13/06/12	749,053	7,168,767	90.0	0.0	
TR_049R	1465	13/06/12	752,445	7,168,865	78.0	3.2	8.5
TR_050R	1465	14/06/12	751,744	7,168,266	90.0	0.0	
TR_051R	1465	14/06/12	750,996	7,169,043	90.0	3.9	7.8
TR_052R	1465	14/06/12	751,628	7,169,672	90.0	5.8	4.0
TR_053C	1465	16/06/12	751,627	7,169,671	27.0	3.4	4.3
TR_054C	1465	17/06/12	750,996	7,169,043	33.0	2.9	7.8
TR_055C	1465	17/06/12	752,445	7,168,863	43.0	2.6	10.5
TR_056C	1465	18/06/12	750,455	7,168,406	21.0	0.4	7.5
TR_057C	1465	19/06/12	745,776	7,164,162	41.0	4.4	5.9

## Bymount Project

Blackwood's Bymount Project consists of exploration permit for coal (EPC) numbers 1563, 1600 and 1726. The project is located approximately 55km north of Roma in the Western Surat Basin (Figure 7). Blackwood is targeting the Juandah subgroup of the Walloon Coal Measures. The project is located adjacent to Aquila Resources Cornwell Project, which recently announced a 486 million tonne JORC compliant resource<sup>C</sup>.

Drilling at Bymount commenced on 21 June 2012. A total of six (6) bore holes were drilled, with three holes logged with geophysics during the period. This comprised over 639m of chip drilling on EPC's 1600 & 1724. The three remaining holes are still to be logged. Cumulative coal intersections for the three holes were 7.1m, 8.5m and 5.6m all within shallow depths. These coal intersections will be modelled and assessed upon completion of the Phase 1 Bymount program. Inclement weather again affected the project towards the end of June. Ten (10) additional chip and core holes are planned for the project early in Quarter 3 2012.

## Dingo Project

Delays have occurred due to ongoing negotiations for land access on the Dingo Project. Desktop evaluation and interpretation has continued throughout the quarter, and the Company is refining its intended drill locations. Blackwood plans to drill up to seven (7) holes at the Dingo project. The Dingo region is known to contain export quality PCI, coking and thermal coal. Historical drilling and seismic data indicate the possible presence of shallow, subcropping coal within Blackwood's leases at the Dingo project.

## Biloela Project

Further desktop analysis and interpretation was completed on the Biloela project during the quarter. The Company is awaiting Cultural Heritage clearances to commence work on the project. Drilling to complement the existing data set is scheduled for completion during 2012 to assist in project evaluation.

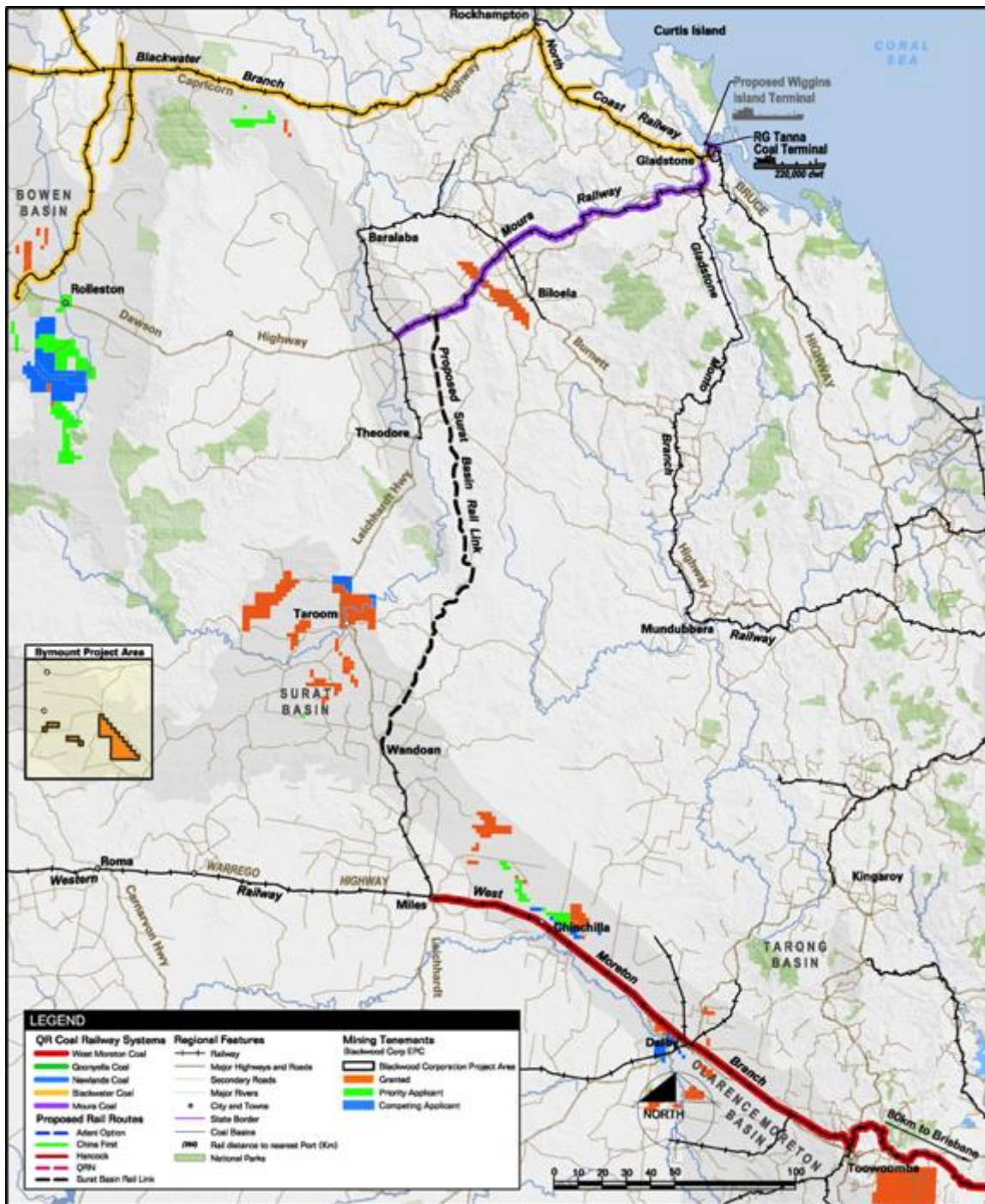


Figure 7 – Bymount Project Location in relation to Gladstone and Rail Networks

## Capella Project

All landholder and cultural heritage clearances have been completed. Blackwood has been prepared to drill at Capella since February 2012. Unfortunately, unseasonal wet weather across Queensland prevented the Company from accessing the site during the quarter. The project is along strike and down-dip extensions of Rio Tinto’s Valeria project. The area is known to contain export quality thermal, coking and PCI seams.



# Dalby/Millmerran Project

The Company is analysing and modelling historical drilling data with the intention to develop exploration targets for the Dalby and Millmerran projects during Quarter 3 2012.

## Modelling Progress

Blackwood has utilised historical data for modelling purposes to assist in determining where to focus new exploration efforts and investment most effectively. Figure 8 below displays the current status of the modelling programs:

Project	Data Acquisition	Data Entry	Load Data	Data Validation	Data Correlation	Modeling	Finalise Model	Geology & Model Report
Taroom	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
South Pentland	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Chinchilla	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Bymount	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Dalby	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Springsure	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Millmerran	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Warwick	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Capella	Complete	Complete	Started					
Dingo	Complete	Complete						
Carmichael North	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
North Hughenden	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
Rolleston	Complete	Complete	Complete	Complete				
Biloela	Complete	Complete	N/A	N/A	N/A	N/A	N/A	N/A

Figure 8 – Reprocessing historical drill information across Blackwood’s projects.

## Safety

Blackwood Corporation operates with a zero-harm policy towards site and employee safety. Blackwood Corporation is pleased to report that there were no incidents or accidents during the second quarter of 2012. A Coal Mine Operators Safety Audit was completed during the quarter, with no discernible issues with Blackwood’s operations.

## Environment

Blackwood is a socially responsible citizen of its program communities and the Company views environmental rehabilitation as a very important element of its operations. All drill hole sites have been rehabilitated as soon as practical following cessation of drilling. A monthly report is prepared by independent environmental consultants, MEMS, to ensure Blackwood operates within its Government approved Environmental Authority on all exploration tenure.

# Appointments

The Company appointed Mr David Smith to the position of Chief Financial Officer on the 25<sup>th</sup> of June 2012. Mr Smith brings a wealth of experience to the Blackwood management team, having formerly served as General Manager – Finance for Aston Resources Limited (Aston). At Aston, David’s experience included the successful completion of Australia’s largest coal IPO, equity sell-downs in the Maules Creek metallurgical coal project to both Itochu and J-Power and refinancing of Maules Creek acquisition debt. Mr Smith’s experience at Aston Resources culminated in the merger with Whitehaven Coal in 2012. Mr Smith was also previously Chief Financial Officer and Company Secretary of Peplin, an ASX-listed and US Securities and Exchange Commission registered company, and he has held roles with Enertrade, Duke Energy International and Ernst & Young. Mr Smith possesses numerous tertiary qualifications in Finance, Commerce and Accounting, and is a Member of the Institute of Chartered Accountants.

# Infrastructure

Blackwood has been investigating preliminary infrastructure opportunities for its Surat and Bowen Basin projects throughout the quarter. On 22 June 2012, the Company submitted an Expression of Interest for all seven (7) of its Surat and Clarence-Moreton Basin projects (Bymount, Taroom, Chinchilla, Dalby, Millmerran, Warwick North, Warwick South) to the Port of Brisbane as part of the Port’s recently finished EOI process. Blackwood will now have its projects considered in any expansions of capacity for coal throughput by the Port of Brisbane.

# Tenement Summary

During the quarter, the following changes occurred to Blackwood’s tenement portfolio:

- EPC’s 1603 and 2853 are in Application and their sub-status as part of the assessment process has progressed from “Permit is being considered as part of a competitive assessment process” to “Proposal made”. The technical assessment, environmental assessment and Native Title searches are completed and the Native Title Process has commenced. The payment of rent & financial assurance has been completed and acceptance of conditions has been authorised by Blackwood.
- A total of 21 sub-blocks were relinquished from the portfolio, in line with the specific Queensland Government permit conditions for the EPC’s
  - 1466 (Capella) – 2 sub blocks
  - 1461 (Dalby) – 2 sub blocks
  - 1464 (Chinchilla) – 8 sub blocks
  - 1431 (Warwick South) – 9 sub blocks
- A full tenure summary is shown on Figure 9.

<b>Tenure Count</b>	<b>Apr-12</b>	<b>May-12</b>	<b>Jun-12</b>
APPLICATION	25	25	25
COMPETING APPLICATION	12	12	12
EXPLORATION PERMIT PROPOSAL	2	2	3
PRIORITY APPLICANT	8	8	8
IN ASSESSMENT	3	3	2
GRANTED	50	50	50
RENEWAL LODGED	7	7	7
GRANTED	43	43	43
<b>Grand Total</b>	<b>75</b>	<b>75</b>	<b>75</b>

<b>Sub-Block Count</b>	<b>Apr-12</b>	<b>May-12</b>	<b>Jun-12</b>
APPLICATION	509	509	509
COMPETING APPLICATION	226	226	226
EXPLORATION PERMIT PROPOSAL	2	2	3
PRIORITY APPLICANT	265	265	265
IN ASSESSMENT	16	16	15
GRANTED	1929	1912	1908
RENEWAL LODGED	132	132	130
GRANTED	1797	1780	1778
<b>Grand Total</b>	<b>2438</b>	<b>2421</b>	<b>2417</b>

Figure 9: Count of QLD EPC sub-block tenures by status

#### Mineral Tenures:

EL26891 – Northern Territory  
 EL29433 – Northern Territory  
 EL26820 – Northern Territory  
 EL29438 – Northern Territory  
 EL70/3292 – Western Australia

## CEO Commentary

CEO Todd Harrington said the Company was still pushing hard to deliver on its projects, despite significant adverse weather conditions inhibiting work on the Blackwood portfolio through the second quarter.

“Despite the delays we have made progress at two of our key projects in South Pentland and Taroom and commenced fresh drilling on Bymount, a new project ,” Mr Harrington said.

“Work at the Bymount project has yielded promising early signs, and the team is working to deliver an exploration target as soon as possible.

“The installation of the camp at South Pentland will see the project ramp up significantly as we push to achieve a JORC compliant resource by the end of 2012.”

## About Blackwood Corporation

Blackwood Corporation Limited (**ASX: BWD**) is an emerging Australian energy and resources company, with a primary focus on the exploration and development of its coal tenement portfolio in Queensland, Australia.

Through its wholly owned subsidiary, Matilda Coal Pty Ltd, Blackwood Corporation holds tenure of over 5,800 square kilometres in world class and internationally recognized coal basins, such as the Bowen Basin, Galilee Basin, Surat Basin and Clarence-Moreton Basin. The company has established 7 'priority projects' and 10 'pipeline projects', aimed at providing long term growth opportunities. Many of its assets are adjacent to proven coal reserves of significant size and export quality, as well as excellent infrastructure.

For more information, please contact

**Todd Harrington**

Chief Executive Officer

+61 7 3034 0800



## Competent Persons' Statement

The information in this report that relates to Exploration Results , Exploration Targets and Minerals Resources is based on information compiled by Mr Mark Winsley and Mrs Merryl Peterson, who are both members of The Australian Institute of Mining and Metallurgy (AUSIMM).

Mrs Peterson is engaged as Principal Geologist at Runge Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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. Mrs Peterson consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Mr Winsley is Blackwood Corporation Limited's General Manager – QLD Exploration and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Winsley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## JORC Exploration Targets

<sup>A</sup> Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement. Coal Quality Ranges for the South Pentland Project are as follows (all on an air dried basis): Moisture 8.4-11.6, Raw Ash 9.5-34.2, Volatile Matter 21.5-32.6, Fixed Carbon 46.4 - 55.3, Total Sulphur 0.26 - 0.34, Ave SE 5445 kcal/kg

<sup>B</sup> Note: All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2004). As such, it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the tenement, it is uncertain if further exploration will result in discovery of a coal resource on the tenement. Coal Quality Ranges for the Taroom Project are as follows (all on an air dried basis): Moisture 5.9-9.9, Raw Ash 9.8-31.3, Volatile Matter 28.7-43.9, Fixed Carbon 27.0-40.0, Total Sulphur 0.22-0.51, SE 5162 – 6709 kcal/kg.

<sup>C</sup> Note: Aquila Resources Announcement 4 May 2012

<http://www.aquilaresources.com.au/files/Injune%20Thermal%20Coal%20Project%20-%20Maiden%20Resource%20Statement.pdf>

# 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

Blackwood Corporation Limited

ABN

31 103 651 538

Quarter ended ("current quarter")

30 June 2012

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(2,309)	(9,237)
(b) development	-	-
(c) production	-	-
(d) administration	(410)	(2,526)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	30	283
1.5 Interest and other costs of finance paid	(6)	(13)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	2
	<b>(2,694)</b>	<b>(11,490)</b>
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>	-	-
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(20)	(107)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	3
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	<b>(20)</b>	<b>(104)</b>
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	<b>(2,714)</b>	<b>(11,594)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(2,714)	(11,594)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	3,940
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)	-	-
	<b>Net financing cash flows</b>	-	3,940
<b>Net increase (decrease) in cash held</b>		(2,714)	(7,654)
1.20	Cash at beginning of quarter/year to date	4,406	9,346
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,692	1,692

**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	62
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments to directors are made in accordance with contracts/agreements.

**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

+ 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 (*On 31 July 2012 BWD entered into a \$5m drawdown facility – Refer ASX announcement dated 1 August 2012)	Nil*	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	3,950
4.2 Development	-
4.3 Production	-
4.4 Administration	600
<b>Total</b>	<b>4,550</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	1,692	4,406
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,692</b>	<b>4,406</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	1431	Partial Relinquishment	100%	100%
	1461	Partial Relinquishment	100%	100%
	1464	Partial Relinquishment	100%	100%
	1466	Partial Relinquishment	100%	100%

+ See chapter 19 for defined terms.



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

6.2	Interests in mining tenements acquired or increased	Nil			
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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>	185,050,269	185,050,269		
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>	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	Nil		<i>Exercise price</i>	<i>Expiry date</i>
	Executive options – 1:1				
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

