



QUARTERLY REPORT

Quarter Ended 30 September 2012

Highlights

- General Meeting approves proposed transaction and capital raising
- Prospectus lodged for capital raising
- Mr Romy HR Soekarno and Mr Edward Lee Kwong Foo proposed as Non-Executive Directors to strengthen Indonesian expertise
- Appointment of Mr Bill Moss AM as Non-Executive Chairman

Capital Raising Activity for the Proposed Transaction

During the quarter Exalt continued to finalise its agreement with ODNI, a Singaporean based Company that has secured the rights to acquire an interest in a number of prospective coal mining projects in the Kalimantan, Sumatra and West Papua regions of Indonesia. Exalt has also finalised its commercial agreement with Corpac Partners to assist with the development of in-country relationships, the identification and development of an asset pipeline, strategic advice and various Indonesian based support services.

An initial Prospectus was lodged on 7th September 2012, with a Supplementary Prospectus lodged on 24th October 2012.

Exalt has received commitments of greater than the Minimum Subscription of \$5 million and is finalising the applications and funds associated with these commitments.

General Meeting

The Company held a shareholder meeting on 24th August 2012 to approve, among other things, a change in the nature and scale of activities, the issue of consideration securities in connection with the proposed transaction, approval of the capital raising and participation in the capital raising by the Director's.

All resolutions were carried.

Proposed Appointment of two Non-Executive Directors

On 23 August the Company announced the proposed appointment of two new non-executive directors - Mr Romy HR Soekarno and Mr Edward Lee Kwong Foo.

Both Directors have sound, long standing relationships within business, government and the wider community in Indonesia and the wider region.

Appointment of Chairman: Bill Moss AM

On 22 October the Company announced the appointment of Mr Bill Moss to the role of Non-Executive Chairman of Exalt.

Bill Moss has been a senior executive within the finance industry in Australia and globally over the past 30 years. He has extensive experience in funds management, banking and property, listed entities and developing markets. Mr Moss retired as Group Head and Managing Director of the Banking and Property Group within Macquarie Group in 2007, having created this global business 23 years earlier.

Mr Moss was a member of Macquarie's Executive Committee for the last 10 years. On Mr Moss' departure he left a business employing over 1600 staff, with offices in nine countries, and in excess of \$23 billion dollars of real estate under management. In recent years Mr Moss has founded and is Chairman of the FSHD Global Research Foundation. Mr Moss has also established, and is Chairman of, Moss Capital. Mr Moss recently ended his role as Co-Chair of Territory 2030, a Northern Territory Government 20 year Strategy Group.

Mr Moss regularly features in the Australian media, providing comment on the finance and banking sectors, the global economy, and the ongoing need for Australia to do more to advance the interests of the country's disabled and disadvantaged.

In 2006, Mr Moss was awarded one of Australia's highest honours, the Order of Australia (AM), for services to the banking, charity, and finance sectors.

New South Wales Based Projects

Exalt owns 100% of the Mineral Hill South Project covering 112.6km² of land located 3km to the south of the Mineral Hill Mine in NSW and 100% of the Nyngan Project which covers 160km² of land in central west NSW targeting porphyry copper and epithermal gold mineralisation.

Exploration Activity NSW Projects

Consistent with the July quarter, no field work was completed on the NSW projects in the September Quarter whilst rehabilitation was completed from the previous drilling campaign and the Company focused its efforts on the issuing of the Prospectus.

ELA4297 was granted as EL7945 on the 7th June 2012 for two years. EL7945 has replaced Mineral Hill South EL7663, representing an increase the tenement by 2.95km² to 112.6km².

ELA4297 was lodged with the NSW Department of Trade and Investment on the 16th June 2011. ELA4297 was applied for to cover EL7663 and include an extra 2.95km² adjacent to the Mineral Hill exploration leases that became open subsequent to EL7663 being granted on the 10th December 2011.

Granting of EL7945 effectively doubles as a renewal of EL7663, securing the EL for an additional two years from the 7th June 2012.

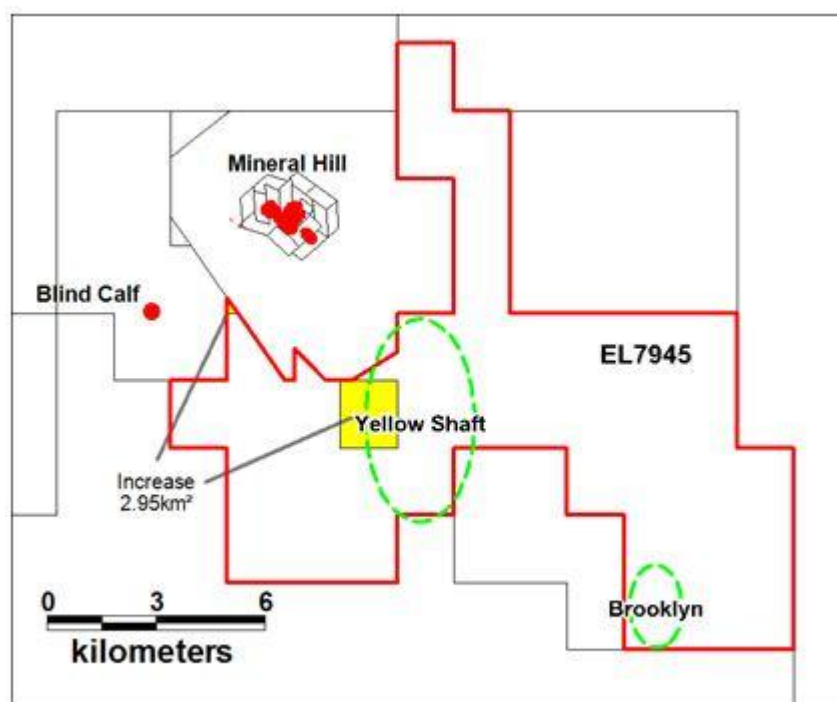


Figure 1 – EL7945 replacing EL7663 showing additional area acquired in yellow

Competent Person's Statement

New South Wales Projects - The information in this report that relates to Exploration Results on Exalt Resources Limited's New South Wales assets is based on information provided by Mr D Ward, Member of Australasian Institute of Mining and Metallurgy and a Consultant to Exalt Resources Limited. Mr Ward 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 Ward, consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

EXALT RESOURCES LTD

ABN

17 145 327 617

Quarter ended ("current quarter")

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	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(449)	(499)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	17	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Due Diligence costs – ODNI transaction	(388)	(388)
		(820)	(820)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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			
1.13	Total operating and investing cash flows (carried forward)	(820)	(820)

1.13	Total operating and investing cash flows (brought forward)	(820)	(820)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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)		
	Capital raising costs	(159)	(159)
	Net financing cash flows	(159)	(159)
	Net increase (decrease) in cash held	(979)	(979)
1.20	Cash at beginning of quarter/year to date	2,556	2,556
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,577	1,577

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	252
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

These payments include Non-Executive Director Fees, Salary to the Managing Director and Company 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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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	300
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	

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	1,577	2,556
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,577	2,556

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			
6.2	Interests in mining tenements acquired or increased			

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	Nil	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	28,875,003	22,876,664	\$0.20
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities (description)	Nil		

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	16,008,568	7,975,787	Exercise price \$0.20	Expiry date 31 December 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Performance Shares (totals only)				
7.12	Unsecured notes (totals only)				

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* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 31 October 2012
(Director/Company secretary)

Print name: SHANE HARTWIG

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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