

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Cape Alumina Limited

ABN

88 107 817 694

Quarter ended ("current quarter")

March 31, 2011

Consolidated statement of cash flows

		Current quarter (Jan - Mar 2011) \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for:		
	(a) exploration and evaluation	-131	-468
	(b) development	-68	-479
	(c) production		
	(d) administration	-480	-1,466
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	33	42
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		-645	-2,371
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 to other entities		
1.12	Other (provide details if material)-IPO costs		
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	-645	-2,371

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

1.13	Total operating and investing cash flows (brought forward)	-645	-2,371
	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)		-47
	Sale of coal subsidiary companies		
	Net financing cash flows	0	-47
	Net increase (decrease) in cash held	-645	-2,418
1.20	Cash at beginning of quarter/year to date	2,211	3,984
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,566	1,566

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	-66
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Year to Date Other (1.19) includes \$47,000 associated with a Security Deposit for tenements.
Payments to Related Parties (1.23) is Director 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

--

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

--

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	111
4.2 Development	145
4.3 Production	
4.4 Administration	477
Total	733

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	530	401
5.2 Deposits at call	1,036	1,810
5.3 Bank overdraft		
5.4 Other (provide details - Security Deposits)		
Total: cash at end of quarter (item 1.22)	1,566	2,211

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 Preference +securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	129,050,803	129,050,803		
7.4 Changes during quarter				
(a) Increases through issues				
Escrow Release		51,397,663		
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				

Appendix 5B

Mining exploration entity quarterly report

7.7	Options (<i>description and conversion factor</i>)	8,100,000 unlisted options	Nil	Exercise price 50 cents	Expiry date 29 Jan 2012 (vest on, and are able to be exercised after, 29 July 2010 if still employed)
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.1	Expired during quarter	1,100,000 unlisted options	Nil		
7.11	Debentures (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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



.....
(Company secretary)

Date: April 27, 2011

Print name:

SCOTT WADDELL

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==