



BCD Resources NL – Quarterly Report

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www.bcdresources.com.au

For the period ending 30 June 2012

Highlights

Tasmania Mine Operations

- **Safety performance: 2 LTIs and 1 MTI reported.**
- **Successful completion of underground mining and processing of all underground ore.**
- **June quarter production of 10,823 ounces.**
- **Cash cost of production further reduced to A\$786 per ounce, with average gold price received of \$1,597 per ounce generating a significant cash surplus.**
- **Asset sales from mine closure exceed expectations with revenue of \$1.82m confirmed to date.**
- **Lefroy Tailings Project on schedule for commencement of treatment on 9 August.**
- **Progress towards grant of licences over further tailings deposits at Beaconsfield.**
- **Significant drilling results from Victoria Copper / Gold Project including 51m @ 0.77% Cu from 30m (TGC deposit) and 10m @ 4.2 g/t gold (Fairview Nth deposit).**

Corporate

- **Cash position \$10.4m at 30 June, including bullion despatched and \$2.7m unavailable cash.**

CEO'S COMMENTARY ON THE QUARTER

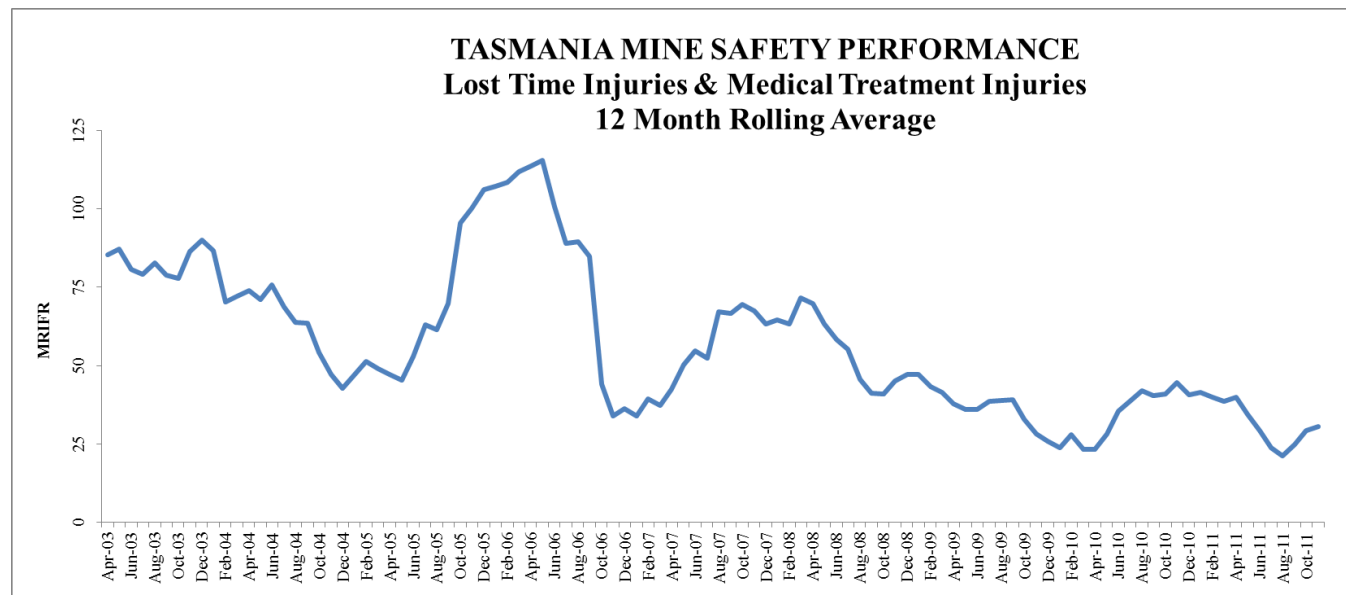
BCD Resources CEO, Peter Thompson said “Completion of underground mining safely and efficiently has allowed the establishment of a significant cash position and signifies a turning point in the life of the Company. Looking forward, several potentially lucrative tailings projects are under consideration, with processing of the first, Lefroy, commencing in August, and testwork on Golconda and Middle Arm tailings to commence on grant of those leases.

Evaluation of some undeveloped refractory deposits for the eventual re-application of the Beaconsfield bacox plant continue, which could release significant unrecognised shareholder value.

Drilling results from the Stavely Project are significant and demonstrate the potential for increasing that copper resource base.”

TASMANIA MINE

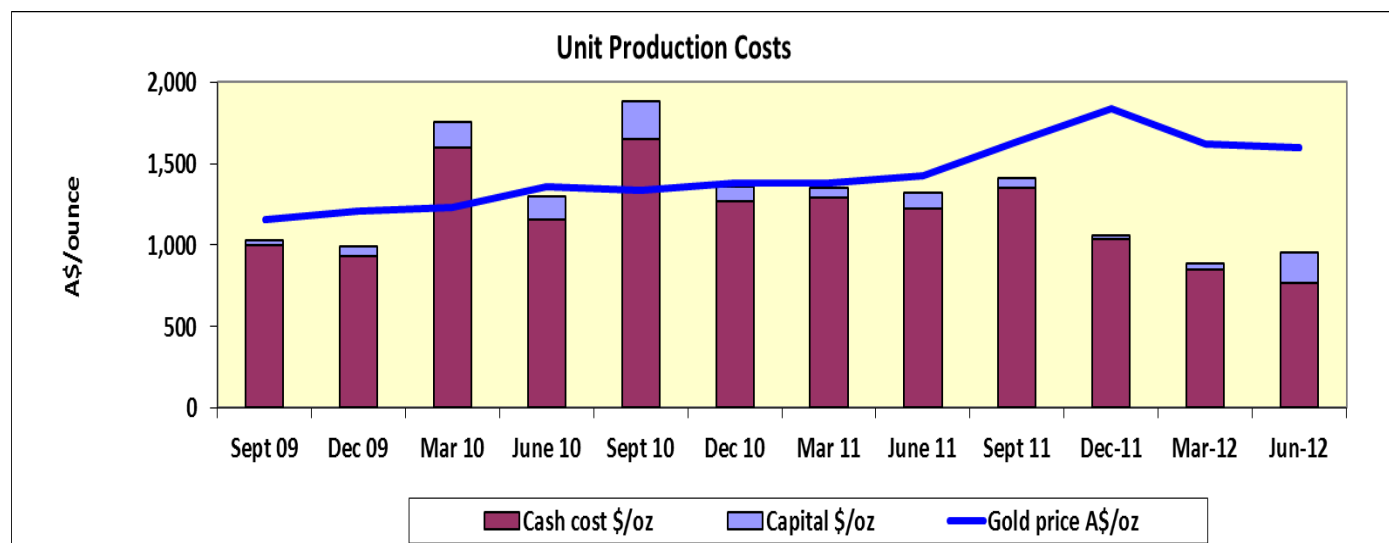
SAFETY



MRIFR (Medically Referred Injury Frequency Rate – number of injuries per million man hours)

Safety performance for the quarter was disappointing, with 2 LTIs and 1 medical treatment injury reported, following a period of almost 300 days LTI-free. The LTIs comprised a dislocated wrist and a sprained ankle. One of the employees involved has returned to work and the second is expected to gain a medical clearance in August 2012. The 12 month rolling average MRIFR increased to 30.5 at the end of June, from the historical low reported last quarter.

PRODUCTION



In the final quarter of mine production, 10,823 ounces of gold were produced from processing of 73,861 tonnes at 5.1g/t. Total production for the year ended 30 June 2012 was 44,829 ounces, and 920,056 ounces for the life of the modern mine since opening in 1999.

No further underground ore remains to be processed, and gold production during July will be from drawdown of gold-in-circuit as the bacox tanks and other circuits are cleaned out and modified for CIL gold extraction.

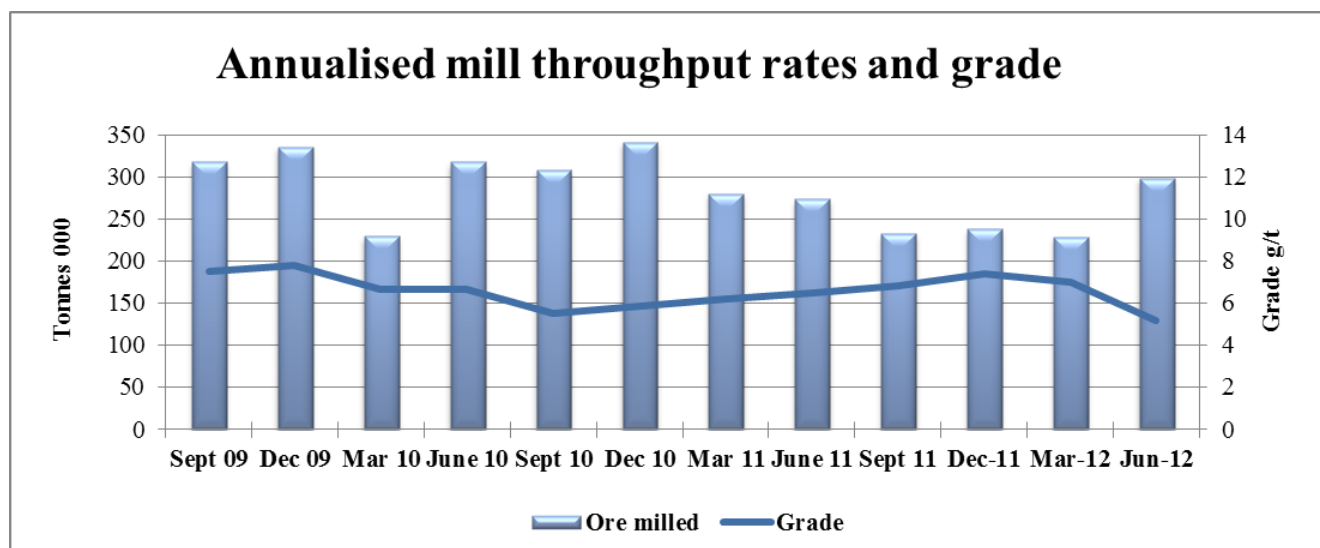
Mine Operations

Mining was successfully completed to schedule at the end of June, including successful extraction of the 915 level Stockworks, final stopes at the top of the Western Zone, and some remnant ore from 630 West. A total of 69,613 tonnes were mined, including clean-up from ore drives, passes and stockpiles. The scheduling of mining activities at full capacity until the end of June and the exhaustion of all viable ore allowed efficient production and avoided a long ‘tail’ of diminishing production.

A 250mm pipe was installed in the Return Air Rise to allow introduction of tailings material to the base of the mine.

Recovery of saleable equipment has commenced (refer to ‘Asset Sales’ below) and is expected to keep the mine open with a small recovery crew until September/October.

Mill Operations



Mill throughput was 73,861 tonnes for the quarter, at an average grade of 5.1 g/t gold with a mill recovery of 88.5%. Plant performance was good, with virtually no downtime and consistent recoveries. Cleanout of the plant during July has seen the drawdown of bacox tanks, and maximum recovery of gold from circuit, with around 2,000 ounces of gold production expected from July. Modifications of bacox tanks to carbon-in-leach (CIL) tanks is progressing to allow leaching of Lefroy tailings to commence in early August.

Closure Plan

Mine closure and rehabilitation commenced, with the Decommissioning and Rehabilitation Report (‘DRP’) accepted by the EPA and Mineral Resources Tasmania (‘MRT’). Rehabilitation of surface stockpiles, clean-up of Wetlands, dismantling of mine infrastructure and hydromining of tailings dam 2 (‘TSF2’) have commenced, with \$1.1m spent to date on closure activities. Some further details and background to the DRP include:

- The EPA regards underground tailings disposal as ‘best environmental practice’.
- Conventional capping or a wet closure of TSF2 would still have resulted in a substantial, new and open-ended environmental bond.

- TSF2 when emptied has future value as a backup storage dam and as a ready made dam for a nearby nickel project undergoing feasibility studies and owned by a third party.
- Underground tailings disposal is a standard practice in many underground Australian mines, and has been used at the Tasmania Mine for many years as stope fill material. Other mines which dispose of tailings underground include Mt Isa, CSA Cobar, Endeavour Cobar, Gwalia, Kanowna Belle, Cannington, Golden Grove, Henty, the Kambalda nickel and gold mines (Australia) and Falconbridge, Kidd Creek, Bouchart-Herbert, Chimo, Campbell, Myra Falls and Golden Giant (Canada) .
- The encapsulation of tailings underground and underwater ensures that no further oxidation of that material could occur (not an issue at Beaconsfield as all sulphides have already been oxidised).
- Internal studies as well as external, independent studies during 2011 and 2012 have demonstrated that the Tasmania Mine has no economically viable future, given the reduction in metal endowment at depth and the great costs required to extend mine depth, even at a future gold price of above A\$2,000/oz.
- The high fixed costs of maintaining shafts, hoisting systems and ventilation etc. contribute to a prohibitive cost of Care and Maintenance, even if there were near-viable resources left in the ground.

COSTS

Cash costs of production of A\$786 per ounce reflected the continued reduction in mining costs as only stope production and hoisting occurred, with a diminishing workforce.

Capital expenditure for the quarter was \$0.3m, in addition to \$1.1m of closure and rehabilitation costs.

ASSET SALES

Sales of underground equipment and infrastructure is advanced, with firm contracts for \$1.82m to date, of which \$0.4m has been received. Equipment sales to date include four underground loaders, three drills, seismic monitoring systems, pumps and electrical substations. Remaining underground equipment for sale is shown on the Company website (www.bcdresources.com.au).

LEFROY TAILINGS PROJECT

All approvals are in place for relocation and processing of the Lefroy tailings, located on a mining lease near Lefroy, 40km from the Beaconsfield plant. The tailings stockpile at Lefroy is estimated to be 140,000 tonnes averaging 1.4 g/t gold, containing 6,000oz of gold. Metallurgical recovery using carbon-in-pulp (CIP) technology is expected to be 75%. Processing of this material is scheduled to commence in early August and to be complete by December 2012, with estimated operating costs of below \$900 per ounce.

EXPLORATION

HISTORICAL BEACONSFIELD TAILINGS

Middle Arm Tailings

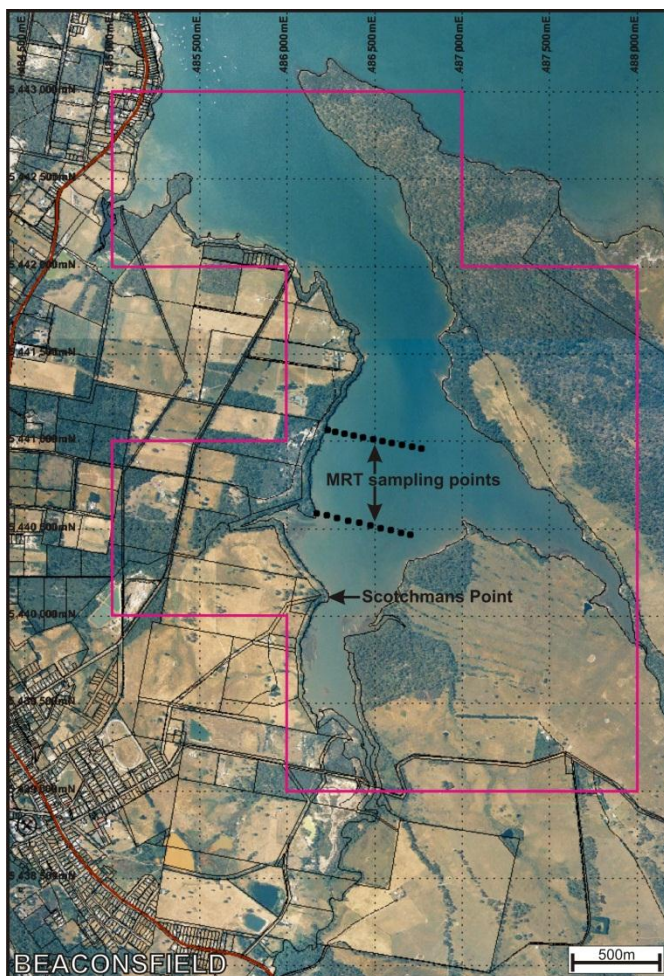
Historically, the Tasmania Mine at Beaconsfield operated between 1877 and 1914, recovering gold by roasting and discharging tailings into the Tamar river estuary at Middle Arm Bay. An estimated 1,073,000 tonnes were mined and treated, and the tailings are understood to contain residual gold with average grades of between 2.5 and 3 g/t gold. Between 1985 and 1988, Golconda recovered some 237,000 tonnes of these tailings and using carbon-in-leach (CIL) technology, extracted a reported 1.1 gram of gold per tonne. A Mineral Resources Tasmania report of 1996 suggests that up to 800,000 tonnes of historical tailings of variable grade still exist within Middle Arm Bay, with limited sampling of the upper 4 feet interval suggesting grades of 1.1 gram gold per tonne (sampling locations shown in Fig. 1). Reports of the tonnage retreated by Golconda are poorly documented and only drilling will provide clear estimates of remaining potential. The Company has applied for an

exploration licence, EL6/2012, covering the area of historical tailings (see Fig 1) with a view to undertaking sampling and scoping studies on future gold extraction using part of the Beaconsfield plant. The intent is that, following grant of a Mining lease and all relevant approvals, dredging of the residual tailings and pumping directly to the Beaconsfield plant for CIL treatment would occur, with relatively low capital and operating costs. Exploration licence EL6/2012 has been approved for ministerial grant by MRT and documentation is anticipated shortly. A drilling programme for Middle Arm tailings using vibracore equipment is planned and, subject to licence grant, will start in late August.

Golconda Tailings

A Mining Lease application covering three tailings dams left by Golconda in 1988 progressed, with consent for mining received from the freehold landholder and grant of this lease anticipated in the September quarter. Material in these dams was originally mined from the Tasmania Mine (1877-1914), with tailings discharged into the Tamar estuary at Middle Arm Bay. Dredging and CIL retreatment of these tailings by Golconda from 1985 to 1988 occurred, with initially poor recoveries. Drilling and metallurgical testwork programmes have been planned, and can be commenced upon grant. Should viable re-treatment of these tailings at the Beaconsfield plant be demonstrated, this would follow treatment of the Lefroy tailings.

Figure 1 Middle Arm Bay Exploration Licence Application covering historical Tailings deposits



VICTORIAN COPPER PROJECT

Complete drillhole results from aircore drilling at Stavely were reported separately on 12 July. Those results include intersections from within and extensional to the Thursdays Gossan Chalcocite ('TGC') resource, as well as shallow gold intersections from the Fairview North deposit.

Significant Copper intersections within the current TGC Inferred Resource model

- 51m @ 0.77% copper from 30m (open at depth)
- 66m @ 0.44% copper from 24m (open at depth)
- 30m @ 0.76% copper from 24m (open at depth)
- 39m @ 0.43% copper from 27m

Significant Copper intersections outside the current TGC Inferred Resource model

- 45m @ 0.44% copper from 21m (open at depth)
- 40m @ 0.38% copper from 30m (open at depth)
- 15m @ 0.39% copper from 51m
- 9m @ 0.51% copper from 27m
- 8m @ 0.7% Cu from 71m (open at depth)

Significant Gold intersections from the Fairview North prospect

- 10m @ 4.2 g/t gold from 6m and 2m @ 4 g/t gold from 34m
- 6m @ 2.8 g/t gold from 10m

Background

BCD is the 100% holder of the Stavely Project in Western Victoria, located on farmland approximately 100km west of Ballarat, and well serviced by road, rail and power. A shallow, chalcocite-hosted Inferred Copper Resource at the Thursdays Gossan Chalcocite (TGC) of 10.6 million tonnes at 0.45% copper has previously been announced. Significant higher grade copper mineralisation underlying this resource, within the Thursdays Gossan Sulphide (TGS) deposit, and in the nearby Junction 1 deposit, has also been previously announced. BCD is also farming in to the Ararat Project, where it holds 51% and is earning 75% of that project from Range River Gold (in Administration). An Inferred copper Resource of 800,000 tonnes at 2.7% copper has previously been announced from the Ararat Copper Deposit. Figure 3 shows the location of tenements, copper resources and prospects.

Copper Drillhole Results, TGC Deposit

Complete results from an aircore programme of 34 holes drilled in the June quarter on the TGC deposit are presented. All holes were drilled vertically and intersections are regarded as true width since the TGC mineralisation has a horizontal geometry. 13 drillholes report mineralisation open at depth, where the capacity of the aircore rig was insufficient to drill deeper and copper mineralisation above 0.2% is present in the deepest sample. Following receipt of specific gravity data and re-modelling of the TGC mineralisation, an updated resource estimate will be made. Complete drillhole results are reported in Table 1 and significant intersections in Figure 3 below.

Table 1 Inferred Resources, Stavely and Ararat Projects

Deposit	Tonnes	Copper %	Gold g/t	Silver g/t	Contained Copper tonnes
TGC	10.6 million	0.45	nil	nil	47,000
Ararat	0.7 million	2.7	0.8	9.0	19,000

Figure 2 Stavely-Ararat Tenement plan and prospects

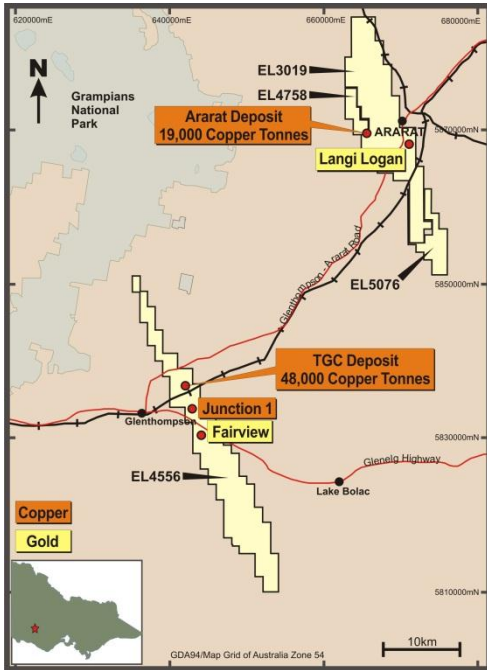
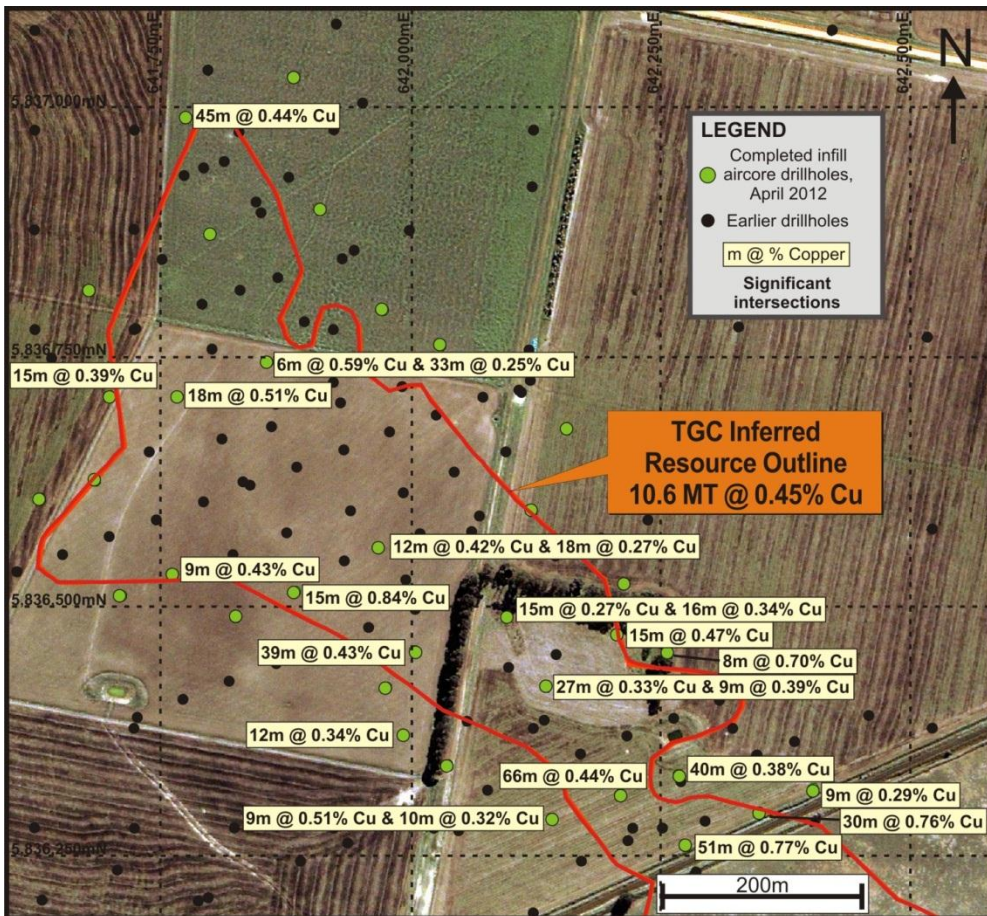


Figure 3 TGC significant drillhole results, June quarter aircore drillhole



Gold Drillhole Results, Fairview North Prospect

Complete results from an aircore programme of 29 holes drilled in the June quarter on the Fairview North prospect are also presented. All holes were drilled at -60° to the east, with samples taken every 2 metres. Gold mineralisation is hosted in weakly weathered sandstones, with no significant quartz veining or sulphides present. Best intersections include 10m @ 4.2g/t gold from 6m and 2m @ 4 g/t from 34m in drillhole FAC178. All intersections quoted are Downhole Widths and are interpreted to represent 150% of True Widths. Other intersections were generally 2 to 8m wide grading from 0.8 to 2.8g/t gold. Previous intersections from this prospect include 6m @ 4.6g/t gold and 2.5m @ 17.4 g/t gold. Interpretation and modelling of this mineralisation is expected to lead to an initial Inferred Resource estimate.

Figure 4 Fairview North aircore drilling, significant intersections

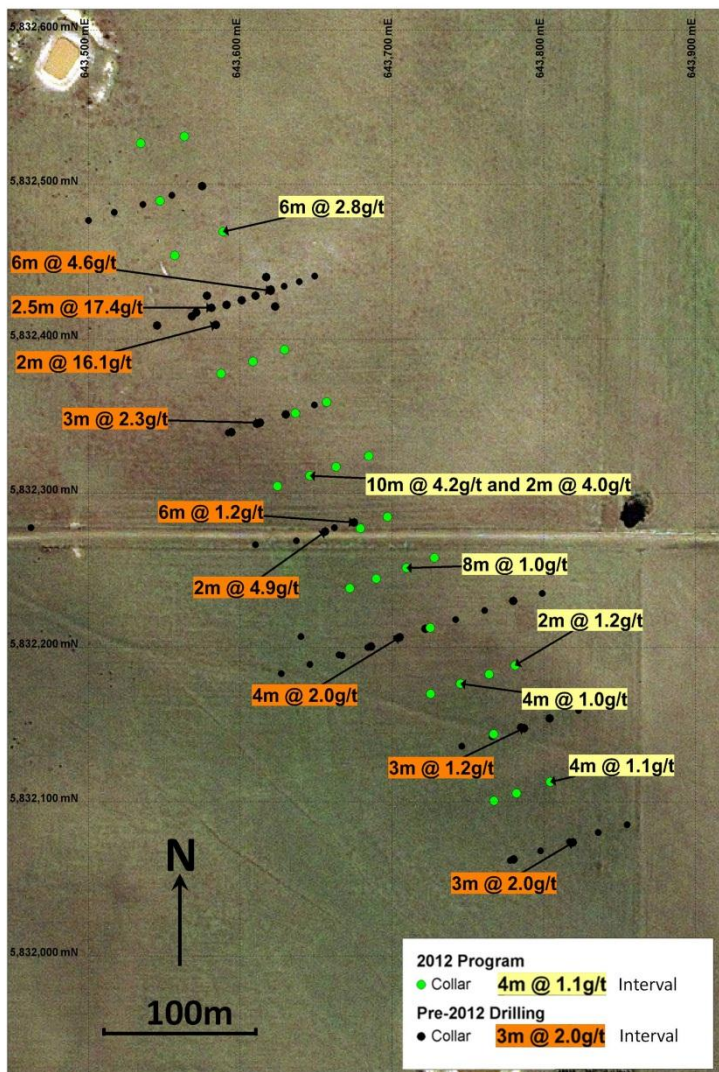


Table 2 TGC Aircore Drilling Results, Stavely Project, July 2012

Hole ID	Collar E	Collar N	Hole Length (m)	From	To	Width	Cu
TGAC126	641882.0	5837031.3	19	No Significant Assays			
TGAC127	641773.0	5836990.9	66	21	66	45	0.44%
TGAC128	641908.9	5836898.8	29	No Significant Assays			
TGAC129	641798.4	5836873.9	81	69	72	3	0.27%
TGAC130	641676.2	5836816.0	19	No Significant Assays			
TGAC131	641972.1	5836797.4	22	21	22	1	0.24%
TGAC132	641855.9	5836745.6	81	24	30	6	0.59%
				42	75	33	0.25%
TGAC133	641766.2	5836710.2	42	24	42	18	0.51%
TGAC134	641696.6	5836710.1	70	51	66	15	0.39%
TGAC135	641627.4	5836607.0	27	No Significant Assays			
TGAC136	641682.6	5836625.8	12	No Significant Assays			
TGAC137	642029.4	5836761.7	38	No Significant Assays			
TGAC138	642156.8	5836677.9	36	33	36	3	0.22%
TGAC139	642121.2	5836595.1	56	54	56	2	0.73%
TGAC140	641967.2	5836558.5	81	21	33	12	0.42%
				42	60	18	0.27%
TGAC141	641883.9	5836515.0	58	42	57	15	0.84%
TGAC142	641823.7	5836488.8	55	42	48	6	0.27%
TGAC143	641759.2	5836532.5	51	33	42	9	0.43%
TGAC144	641709.2	5836510.8	62	54	57	3	0.31%
TGAC145	641974.9	5836418.8	72	66	69	3	0.21%
TGAC146	642003.3	5836455.4	81	27	66	39	0.43%
TGAC147	641992.7	5836371.2	81	69	81	12	0.34%
TGAC148	642096.1	5836490.1	79	24	39	15	0.27%
				63	79	16	0.34%
TGAC149	642214.1	5836523.5	38	No Significant Assays			
TGAC150	642206.6	5836472.5	39	24	39	15	0.47%
TGAC151	642135.5	5836418.7	75	21	48	27	0.33%
				66	75	9	0.39%
TGAC152	642036.5	5836341.1	81	63	75	12	0.26%
TGAC153	642257.6	5836453.1	71	63	71	8	0.70%
TGAC154	642268.6	5836330.7	70	30	70	40	0.38%
TGAC155	642209.4	5836311.0	90	24	90	66	0.44%
TGAC156	642141.3	5836286.7	85	27	36	9	0.51%
				75	85	10	0.32%
TGAC157	642275.2	5836258.8	81	30	81	51	0.77%
TGAC158	642348.8	5836292.6	54	24	54	30	0.76%
TGAC159	642403.5	5836316.8	74	24	33	9	0.29%

Datum used is MGAZ54 (GDA94)

Table 3 Fairview North Drilling Results, Stavely Project, July 2012

Hole ID	Collar E	Collar N	Dip	Azimuth	Hole Length (m)	From	To	Width	Au (g/t)
FAC175	643563.25	5832531.12	-60	81	60	No Significant Assays			
FAC176	643684.65	5832323.99	-60	72	60	No Significant Assays			
FAC177	643663.01	5832316.96	-60	72	60	0	2	2	0.59
FAC178	643645.90	5832311.39	-60	72	60	6	16	10	4.16
						24	26	2	1.73
						34	36	2	4.00
						50	52	2	0.81
FAC179	643624.60	5832304.47	-60	72	60	No Significant Assays			
FAC180	643679.23	5832277.24	-60	90	60	No Significant Assays			
FAC181	643697.14	5832284.48	-60	68	60	No Significant Assays			
FAC182	643727.95	5832258.16	-60	70	57	No Significant Assays			
FAC183	643709.45	5832251.58	-60	70	60	6	14	8	1.04
FAC184	643689.72	5832244.52	-60	70	60	No Significant Assays			
FAC185	643672.32	5832238.36	-60	70	60	No Significant Assays			
FAC186	643725.15	5832212.80	-60	72	52	No Significant Assays			
FAC187	643725.40	5832169.82	-60	71	51	8	10	2	0.87
						38	40	2	0.76
FAC188	643745.19	5832176.36	-60	71	48	44	48	4	1.03
FAC189	643764.14	5832182.64	-60	71	60	42	46	4	0.98
FAC190	643781.14	5832188.24	-60	71	60	34	36	2	1.19
FAC191	643766.92	5832143.74	-60	72	49	34	36	2	0.67
FAC192	643767.20	5832100.56	-60	71	43	No Significant Assays			
FAC193	643782.15	5832105.48	-60	71	43	No Significant Assays			
FAC194	643804.32	5832112.83	-60	71	46	16	20	4	1.14
						28	30	2	1.79
FAC195	643656.97	5832359.04	-60	70	45	No Significant Assays			
FAC196	643636.48	5832351.77	-60	70	48	10	12	2	0.97
						44	48	4	0.81
FAC197	643587.51	5832377.39	-60	69	48	28	34	6	0.87
FAC198	643608.32	5832385.22	-60	69	49	No Significant Assays			
FAC199	643629.15	5832393.00	-60	69	40	No Significant Assays			
FAC200	643588.64	5832469.52	-60	64	34	10	16	6	2.81
						28	30	2	0.96
FAC201	643556.82	5832453.96	-60	64	60	0	4	4	0.88
FAC202	643547.07	5832489.50	-60	72	55	No Significant Assays			
FAC203	643534.40	5832526.69	-60	81	52	No Significant Assays			

Datum used is MGAZ54 (GDA94)

CORPORATE

GOLD PRICING

The BCD Resources Group currently is completely unhedged and all production from the Lefroy Tailings Project will be available for delivery at the spot price. The average gold price received during the quarter was A\$1,597 per ounce. The policy concerning hedging is regularly reviewed.

CASH POSITION

Group cash and bullion despatched and included as revenue totalled A\$10.4 million at 30 June 2012. Of this, A\$2.7 million was held as environmental bonds or to guarantee employee entitlements. The Company is debt-free.

TASMANIA ROYALTY DISPUTE

The BCD Resources group continued its proceedings in the Supreme Court of Tasmania to recover alleged overpayment of Tasmanian mining royalty totalling \$2.6 million. These payments were made during the period 2003 to 2006 by the then receiver and manager of BCD and by the deed administrators of Allstate Explorations NL (now BCD Resources (Operations) NL). Discovery by all parties is now complete, and once all evidence has been collected it is anticipated that the Court will order a mediation of the claims. Timing is uncertain and will depend to a large extent on the readiness of the defendant, the State of Tasmania.

Competent Persons Statement

Resource Statements for the Stavely and Ararat Copper deposits and the exploration results presented in this report accurately reflects information compiled under the supervision of Peter Thompson M.Sc, a full-time employee of BCD Resources NL, who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code, 2004). Mr Thompson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX

QUARTERLY COMPARATIVES

PRODUCTION

	September 2011	December 2011	March 2012	June 2012
Ore hoisted	57,360 tonnes	59,204 tonnes	59,904 tonnes	69,613 tonnes
Ore treated	57,542 tonnes	58,887 tonnes	56,571 tonnes	73,861 tonnes
Head Grade	6.8 g/t	7.4 g/t	7.0 g/t	5.1 g/t
Gold treated	12,653 ounces	14,010 ounces	12,694 ounces	12,225 ounces
Recovery *	81.8%	88.1%	89.1%	88.5%
Gold produced	10,348 ounces	12,346 ounces	11,312 ounces	10,823 ounces

* Recovery excludes movements of gold in circuit

COSTS

	September 2011	December 2011	March 2012	June 2012
Cash cost	\$1,398 per ounce	\$1,034 per ounce	\$911 per ounce	\$786 per ounce
Capital cost *	\$53 per ounce	\$26 per ounce	\$33 per ounce	\$127 per ounce
Cash cost per tonne milled	\$251 per tonne	\$217 per tonne	\$182 per tonne	\$115 per tonne
Revenue received	\$1,631 per ounce	\$1,710 per ounce	\$1,620 per ounce	\$1,597 per ounce

All costs and revenues in Australian dollars

Cash costs are calculated in accordance with former Gold Institute definitions, and include Tasmanian Government ad-valorem royalties and credit for by-product silver.

*Capital cost includes Mine Closure, Rehabilitation and Lefroy Tailings project.