



GBM GOLD LTD

(ABN 59 119 956 624) and controlled entities

REPORT TO SHAREHOLDERS

FOR THE QUARTER ENDED 31 MARCH 2012



HIGHLIGHTS

GROUP/CORPORATE

- Notice of Meeting sent out to convert A\$1.762m of debt to equity, which occurred post quarter end with the issue of 70,488,000 ordinary shares
- Other discussions progressed re increased funding for the group.
- Immediately prior to release of this report trading halt announced in expectation of announcement re further funding arrangements.

INGLEWOOD SEGMENT

Exploration

- Drilling at Gowks Hill confirms mineralisation model and sets path for resource upgrade.
- Gowks Fault zone identified over 1.2 Km of strike.
- Preparations for bulk samples at Gowks Hill and Wolff shoot continued.

Mining

Maxwells Mine

- Level 1 63mN xcut Sub Level 2 is in development driving north and south to high grade shoots.
- Level 1 150mN has been developed 63 metres within the targeted footwall structure. Development will continue to Diamond Drill Hole Max 57 which had an intersection of 0.65 metres @ 7.22g/t.
- Level 2 200mN rise has been developed onto the extension of the ore shoot mined by Goldquest in the 1990's. Sublevel 1 is being developed to the north on a well formed reef up to 3 metres wide.
- Level 3 157m completed current development, diamond drilling planned to define the reef in Max north shoot.

Processing

Maxwells Mill

- Mill processed 7,022 tonnes of ore for the quarter.
- The secondary crushing circuit is being upgraded with the Rolls Crusher being replaced with a Hammer Mill to increase capacity.
- Uptime steadily increased as operational issues overcome.



AVOCA SEGMENT

Avoca Corporate

- Scoping work on equipment suitable for the Beavis plant progressed and funding for and access to equipment for the task from an Asian based supplier under discussion subject detailed analysis
- Funding for refurbishment of Fiddlers Creek plant scoped out

Exploration

- Historical research on Percydale goldfield outlines several large tonnage low grade targets for drill testing and Work Plan preparation has been commenced.
- Re assay of historically acquired Fiddlers Creek drill core returns significant assays
- Beavis data analysed specifically to identify uses for silica products. Several high value end use products identified for output from the other basal layer materials.



OPERATING SITES AND RESOURCE PROJECTS

GBM Gold has licences representing the following geographically based resource projects Ref www.gbmgold.com.au

INGLEWOOD SEGMENT – Maxwell Mill operating site

Inglewood Resource project -	MIN's 4639, 4001, 5425 and 5472 EL's 4184, 4670
Wedderburn Resource project	EL 3800
Goldsborough Resource project-	EL 5029, EL 4589
Wilson Hill Resource project-	EL 4999

AVOCA SEGMENT – Beavis-Fiddlers Creek operating site

Avoca resource project	EL 4936
Beavis-ISG-Resource project-	WA 1395, 1304
Fiddlers Ck Resource project -	Min's 4548 and 4023





INGLEWOOD

MAXWELLS MINE AND MINE SITE

Work underground continued in the Max shoot on Level 1 focusing on two resource blocks at the 63mN cross cut and at 150mN.

In addition to these mining blocks development of Level 2 and subsequent rise development off the level has commenced. A total of 900 tonnes was produced for the quarter.

Level 3 is on hold for Diamond Drill Hole development.

Level 1, 63m North

A new sublevel (Sub Level 2) was commenced with a total of 220 tonnes being produced for the period.

Level 1, 97m North

No work for the period

Level 1, 150m North

The access crosscut has been developed North by North West to flank the Maxwells reef footwall structure. 470 tonnes has been extracted from this drive and with the veining more pronounced in the backs of the drive, a rise to commence a sublevel has been planned.

The Maxwells reef on 1 level now has three accesses to 4 faces and for development rises off current sub levels.



Sublevel 2 north 63mN face at end of the period.



200mN - 2 Level (L2)

A rise has been developed onto the extension of the ore shoot mined by Goldquest in the 1990's. Sublevel 1 is being developed to the north on a well formed reef with 210 tonnes of ore being produced. Assays have shown the gold is associated with the footwall fault.

150mN - 3 Level (L3)

A drive to the projected down dip extension of Max north shoot has been on hold for the quarter.

Maxwells Processing Plant

The processing plant has increased its availability and throughput during the quarter with 7,022 tonnes of ore being processed (predominantly low grade tailings).

The secondary crushing circuit was upgraded with a rolls crusher being inserted after the Jaw. The rolls crusher failed to deal with trash adequately – effectively preventing underground ore being treated during the quarter. At the end of the quarter the Rolls Crusher was being replaced with a large Hammer Mill to both increase plant capacity and deal better with the trash issues. At the date of this report the Hammer Mill was installed and almost commissioned.

A large stockpile of oversize rock from the underground ore waits crushing and processing once the Hammer Mill is fully commissioned.

132 Ounces of refined gold was produced along with 4 ounces of Silver.

INGLEWOOD EXPLORATION:

Wolff Shoot

The Wolff Shoot - Laidlaws South shallow resource is to be sampled by costeaning and bulk sampling.

A Work Plan Variation to remove a significant bulk sample to test the potential for a shallow open pit above the Wolff shoot resource has been lodged with Earth Resources.

Drill intersections with grades up to 7 g/t and visible gold have been recorded in the footwall fault of the Maxwells reef south of the Laidlaws shaft at 1 to 5 metres below surface and shaft records show similar grades which during the 1850's – 60's was uneconomic at Inglewood.



A small inferred resource of ~ 1,250 ounces has been estimated for this deposit which overlies the main Wolff shot mineralisation, (estimated to be an inferred 19,500 tonnes for 11,900 ounces from ~80 metres below surface).

A project plan to access the Wolff shoot from the existing Maxwells workings is being assessed and compared with a potential decline proposal.

WEDDERBURN RESOURCE PROJECT

Tantalla

Work on EL 3800 saw field visits to the northern and southern extensions to Gowks Hill to follow up historical research.

The Gowks Fault zone has been tracked over 1.2Km from the Tantalla area in the south to the Pemberton area in the north. See plan.

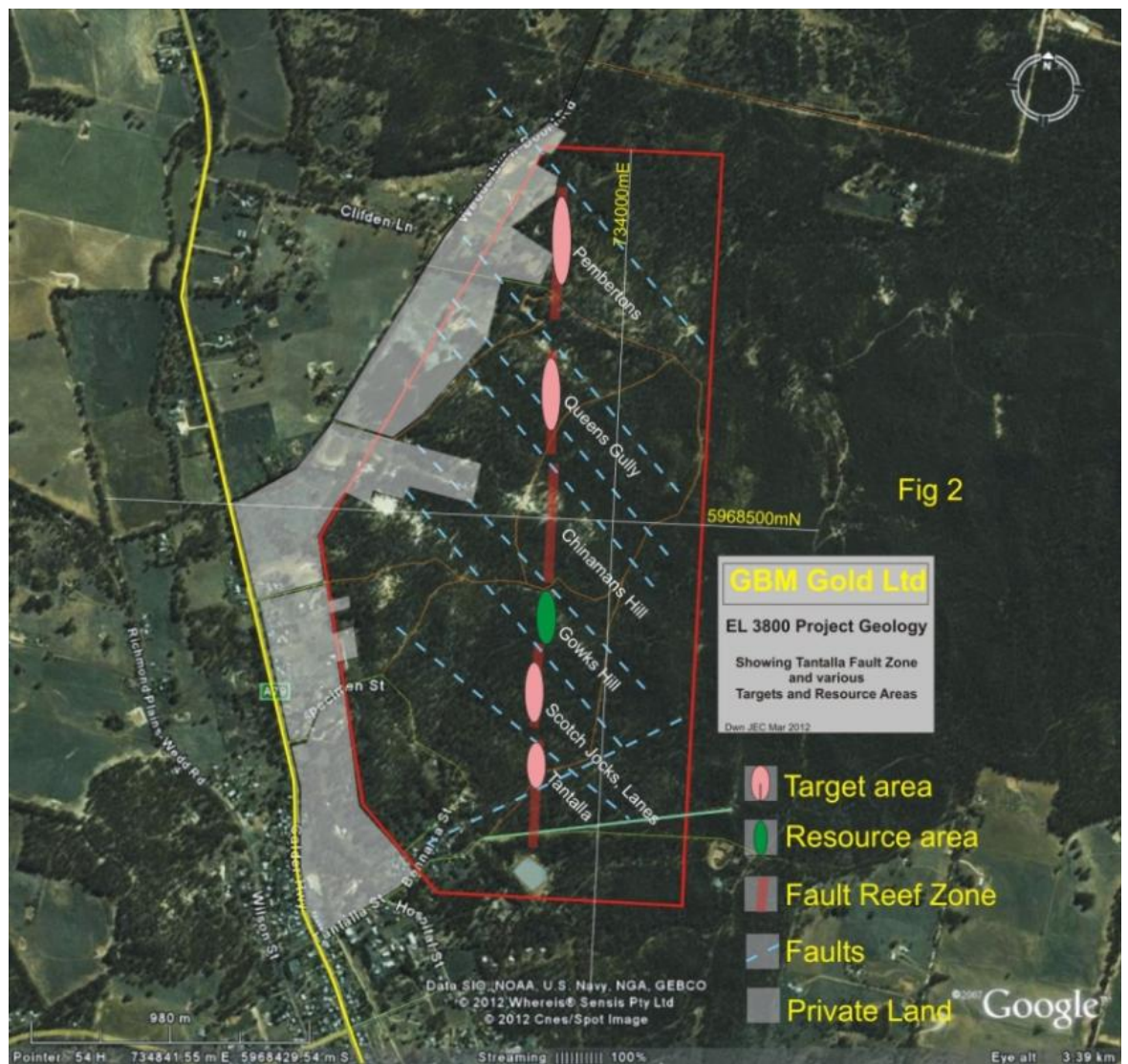
Several target zones have been noted and research has shown some areas returned spectacular high grades over limited tonnages with the Kanaka reef at Queens Gully returning 2000 ounces from a shallow small shaft.

Most of the workings along the line recorded grades up to 30 – 40 g/t in rich patches coinciding with structural intersections of faults, shear zones and quartz bodies.

The fault zone has been preferentially mineralised by successive north west cross faults.

A high grade shoot has been mined at Lane's reef averaging 15 g/t and deeper drilling by Carpentaria Exploration Ltd in the early 1980's showed the reef was still continuous at 100 metres depth.

DDH Lanes 1 +2 encountered moderate quartz development over 4 metres true width with grades in excess of 0.2 g/t from ~ 110m down hole.



EL 3800 Showing Targets developed from Research.

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DDH Lanes 3 (close to Gowks Hill) returned moderate quartz veining at ~ 90 metres below surface with a best intersection of 0.5 metres at 6 g/t. These areas have been described extensively in the past literature but viewed as individual “reefs”. GBM has the advantage of a gold price that makes the extensive vein sets potentially economic.

Pembertons shaft was noted by Whitelaw (geological Survey of Victoria) as having black shale that could be “crushed to pan free gold”. This was most probably the main Gowks fault plane and the shale was a fault pug developed within the fault.

At Queens Gully, examination of percussion drilling by previous EL holders has revealed similar levels of mineralisation to Gowks Hill.

See table 1.

Hole ID	Northing	Easting	from	to	Interval	Intersection
QGP1	5968901	734887	8	20	12	12m @ 0.59 g/t Au
		Including	12	16	4	4m @ 0.95 g/t Au
QGP2	5968955	734875	16	34	16	18m @ 0.42 g/t Au
		Including	26	28	2	2m @ 1.78 g/t Au
QGP3	5969013	734862	20	38	18	18m @ 0.32 g/t Au
		Including	26	28	2	2m @ 0.93 g/t Au
QGP4	5968848	734894	6	12	6	6m @ 0.66 g/t Au
		Including	8	10	2	2m @ 1.14 g/t Au
WB3	5968948	734906	12	14	4	4m @ 0.26 g/t Au
WB5	5968956	734884	0	8	8	8m @ 0.26 g/t Au
			10	14	4	4m @ 0.62 g/t Au
		Including	10	12	2	2m @ 1.02 g/t Au
			16	28	12	12m @ 1.36 g/t Au
		Including	22	26	4	4m @ 1.99 g/t Au



Table 1. Previous Drilling at Queens Gully

As is characterised at Gowks Hill, long low grade intersections were recorded by previous explorers at a time when gold was <A\$450 per Ounce and subsequently abandoned.

An exploration target value has been estimated for the Queens Gully target and this has potential to add significant tonnes to the Gowks Hill Resource.

Table 1. Exploration Target estimated for Queens Gully

Queens Gully Exploration Target					
Tonnes High	Low	Grade g/t High	Low	Ounces High	Low
105000	90000	5	2	16881	5788

The Gowks Fault zone has not been viewed in its entirety in the past and with the resource building at Gowks Hill, further work will test the targets with a view to preparing a further potential open pit as feed for the Inglewood Mill. Further Exploration targets will be estimated for the Lanes and Tantalla targets.



Gowks Hill

Diamond Drilling during the quarter returned positive results. 3 holes were completed along the length of the mineralised zone

See Table 2 for results of GHDH 001 – 002. Results of the GHDH 003 were still outstanding at the time of writing.

The drilling confirmed an extensive set of cleavage and anastomosing vein sets associated with the Gowks Hill Fault zone.

An initial resource of 106,000 tonnes for ~6000 ounces was initially estimated based on the main fault zone being ~ 2m wide following drilling by Strata Exploration.

Follow up RC, RAB and diamond drilling has revealed a significant increase in width of the associated veining with the Gowks Fault over a 200 metre strike length.

Major structural faults in north east and North West orientations have combined to open up the bedding cleavage and form numerous veins.

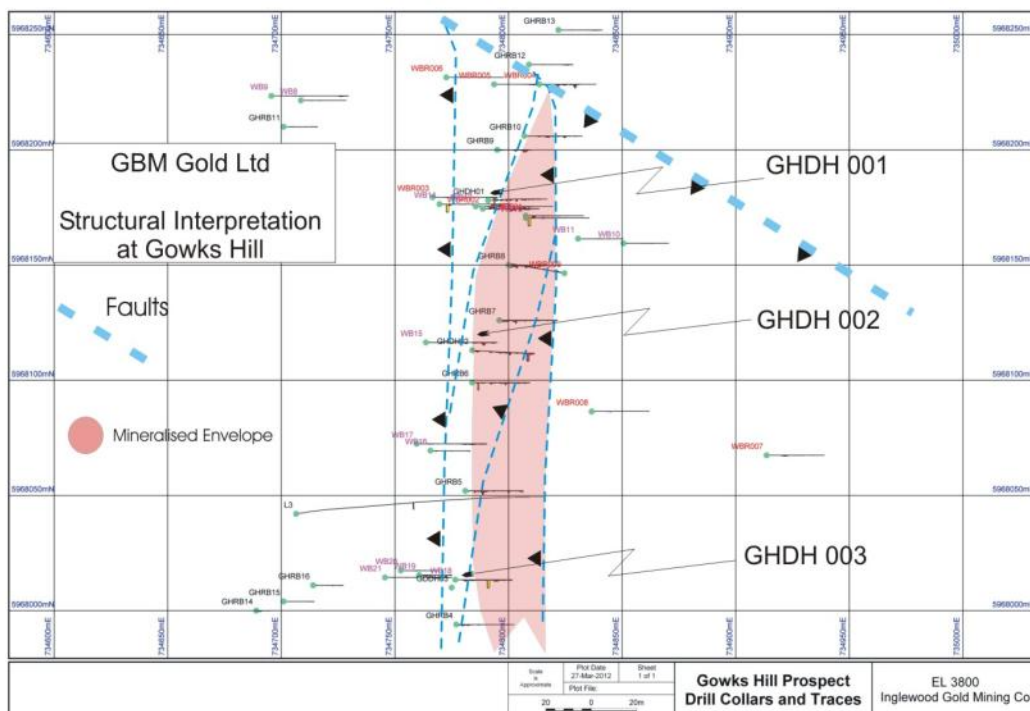
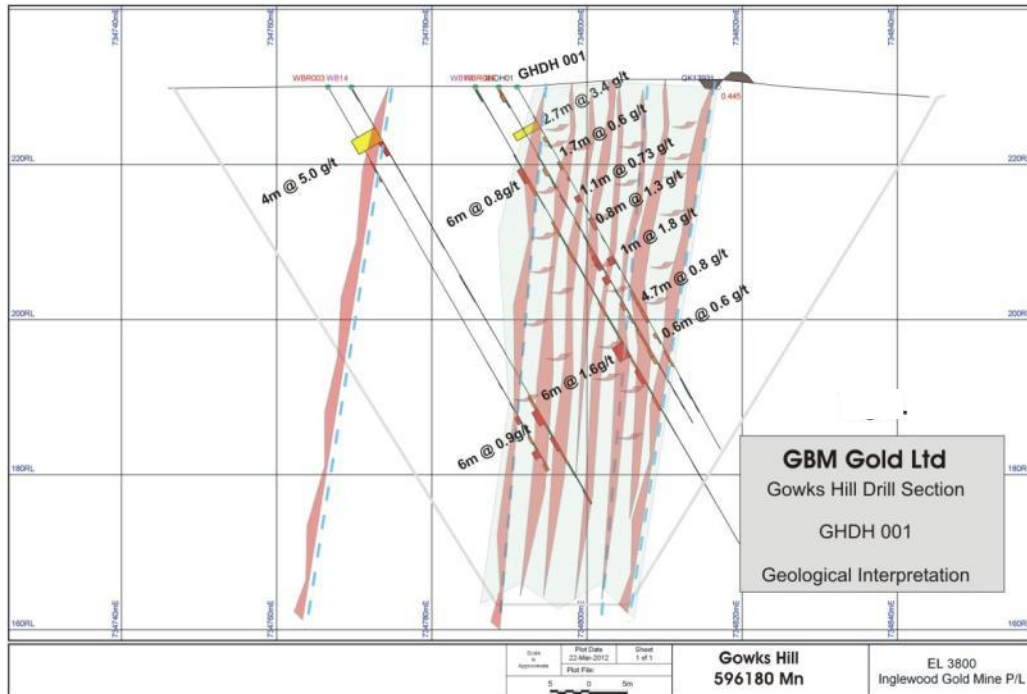
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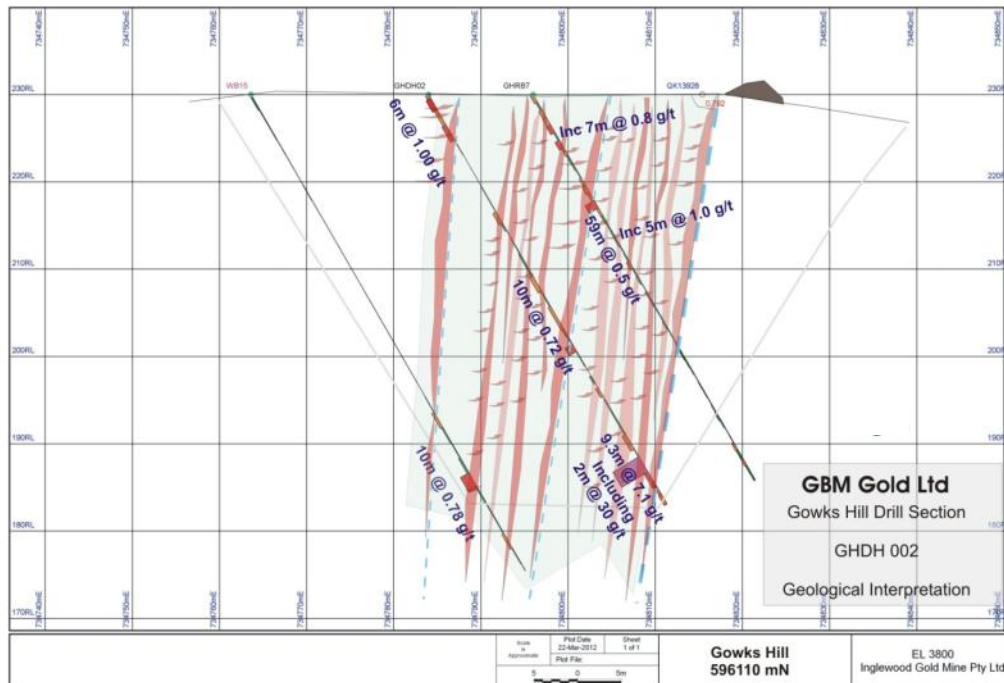
Table 2. Significant Intersections from Diamond Drilling.

Hole ID	Northing GDA	Easting GDA	Dip	Azimuth	From (m)	To (m)	Interval (m)	Grade ave (g/t)
GHDH-01	5968180	734791	60	090 mag	4.3	6	1.7	5.4
					Inc 5	6	1	9.1
					7.3	9	1.7	0.6
					11	12.1	1.1	0.73
					13.3	13.8	0.5	0.55
					16	16.8	0.8	1.37
					19.3	21	1.7	0.94
					25	26	1	1.84
					30	34.7	4.7	0.7
					36.4	37	0.6	0.82
					39	41.2	2.2	0.54
GHDH-02	5968110	734784	60	090 mag	0	6	6	1
					Inc 0.5	2	1.5	1.24
					15.5	18	3.5	0.75
					24	34	10	0.72
					Inc 33	34	1	2.04
					38.8	40	1.2	0.64
					45	54.3	9.3	7.1
					Inc 48	50	2	30.36

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GHDH 002 Interpreted Section

A program of check assaying for QA/QC saw a number of samples sent for BLEG to compare to 50g Fire Assay results.

Preliminary results indicate that there was little change in results which indicates a good background spread of mineralisation and a low nugget effect. The gold mineralisation occurs predominantly in fine fractures within the veining as thin films on the quartz and or iron staining which gives good assay repeatability.

This also explains the high soil response observed by Strata Mining which led to the initial Gowks Hill drilling work.

However, coarse gold still exists and is localised by interactions between faults and veins sets and free gold has been noted in RC drill chips.

In order to test for the potential of coarse gold a test program was undertaken.



Following the diamond drilling, ~2500Kg of Reverse Circulation drill chips were processed through a small alluvial plant and fine free gold particles were recovered. This indicates that a coarse gold component exists in the system which has not been evident to date. The testing undertaken was not quantative in nature.



Gekko Test plant used to test for coarse gold from RC chips at Gowks Hill



GOLDSBOROUGH PROJECT

CURRENTLY HELD UNDER THE INGLEWOOD PROJECT COMPANY

During the quarter, EL 4985 was transferred to Silver Bright Ltd, a BVI company who has purchased the 50% interest of the Fiddlers Creek Gold Mining Co. Additionally, EL 5029 was applied for renewal.

Harvest Home

The company has announced an inferred resource estimated by previous title holders of: 1,040,000t @ 2.4g/t Au (Inferred Resource) GBM 50%

The project now is to undergo bulk sampling and a Work Plan Variation is being prepared for this.

3 sites have been identified for a combination of costeaning and bulk pitting to assess the RC drilling results.

Queen's Birthday

A Work Plan Variation has been submitted to DPI to allow drilling of all three targets.

Community consultation activities will be commenced in line with the proposed exploration work.

The first drill holes will be undertaken to check previous drill results and confirm the potential in the upper zone.

Goldsborough – QB Project		Exploration Target table							
Exploration Target Estimate		Open pits to 50 metres and Underground to 500m							
criteria									
Projects	Strike	Width	Height	S.G	Tonnes	Grade L g/t	Grade H g/t	Oz Low	Oz High
QB Shallow Target	600	2	50	2.3	138,000	2	4	8,852	17,704
Underground south extent	150	1.5	170	2.6	99,450	6	12	19,137	38,275
QB deeps	600	1.5	180	2.6	421,200	6	12	81,052	162,104
Total					658,650	5	10	109,041	218,082



WILSON HILL PROJECT

GBM WILSON HILL PTY LTD

17 pallets of drill core have been recovered from Unity Mining's Core Yard and stored at the company's office for relogging.



The aim of the Relogging program will be to assess the geological structure for Bendigo style repeats in the Wilson Hill Ordovician sediments.



AVOCA

INDUSTRIAL SANDS & GRAVELS PTY LTD (ISG) BEAVIS PROJECT

WA 1395 has been granted to Industrial Sands and Gravels for a screening operation at the Beavis block. Unseasonal weather impacted plans to undertake dry screening over the last period.

A significant study into the Beavis deposit products has outlined several strong value adding target markets for the basal gravels and sands.

Assaying of washed gravels saw quartz percentages as high as 99.6% with iron the main contaminant.

This shows great potential for thin film glass products, high strength concrete additives (silica flour) and general glass manufacture.

Prices are in the A\$200 to 400 per ton for good quality high %age silica.

This will be a significant value add to the products and it is expected that approximately 1 million cubic metres of the Basal gravel resource will be available to refine for this product range.

Sands are also being investigated for a range of products from Fraccing sand or "propant sand" to general glass manufacture and construction material.

The basic characteristics of the Beavis sands show roundness and sphericity to be in the ranges for Fracc sand and being high silica content will pass the solubility parameters.

The main test will be the crush resistance or flow test and this is a high level test which will effectively rank the product on the world market if its suitable.

Laboratories capable of this work are in the USA and England and it is intended to prepare a sample from the existing drill residues at the appropriate size ranges for this analysis.

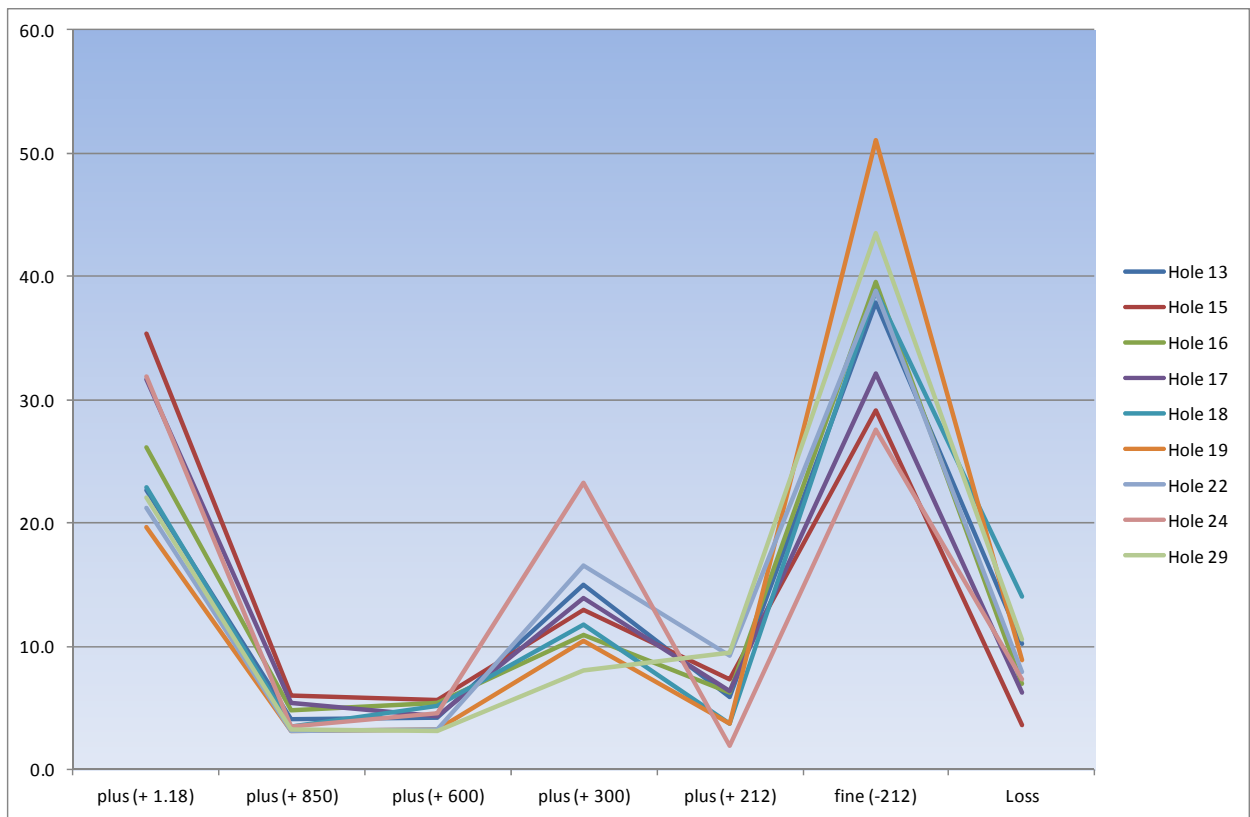


Washed gravel from surface heaps at the Beavis project



Clean washed sands and gravel from the basal wash layer at Beavis

A general sizing analysis was undertaken on various drill hole samples to assess the distribution across the deposit. The results indicate that the size distribution is reasonably conformable across the deposit in the ~1 mm to 0.2 mm range.



Size fractions of the – 5mm material from Beavis Drilling. (Units are microns other than the 1.18 mm.)

This is encouraging in that mining will be able to provide a uniform feed to the plant should a particular sized product be required. The -0.2mm material holds scope to provide a very fine sand product as well.

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GBM FIDDLERS CREEK PTY LTD/GBM AVOCA PTY LTD

Fiddlers Creek Project Min's 4023/ 4548

A previous review of the Fiddlers Ck resource data has shown that the previous title holder (Leetech Corporation) had undertaken several diamond drill holes in and around the Fiddlers Creek mine area.

In particular, DDH 001 was targeted at the down dip potential (south of the main reef and intersected the reef approximately 20 metres below the lower level of the existing workings.

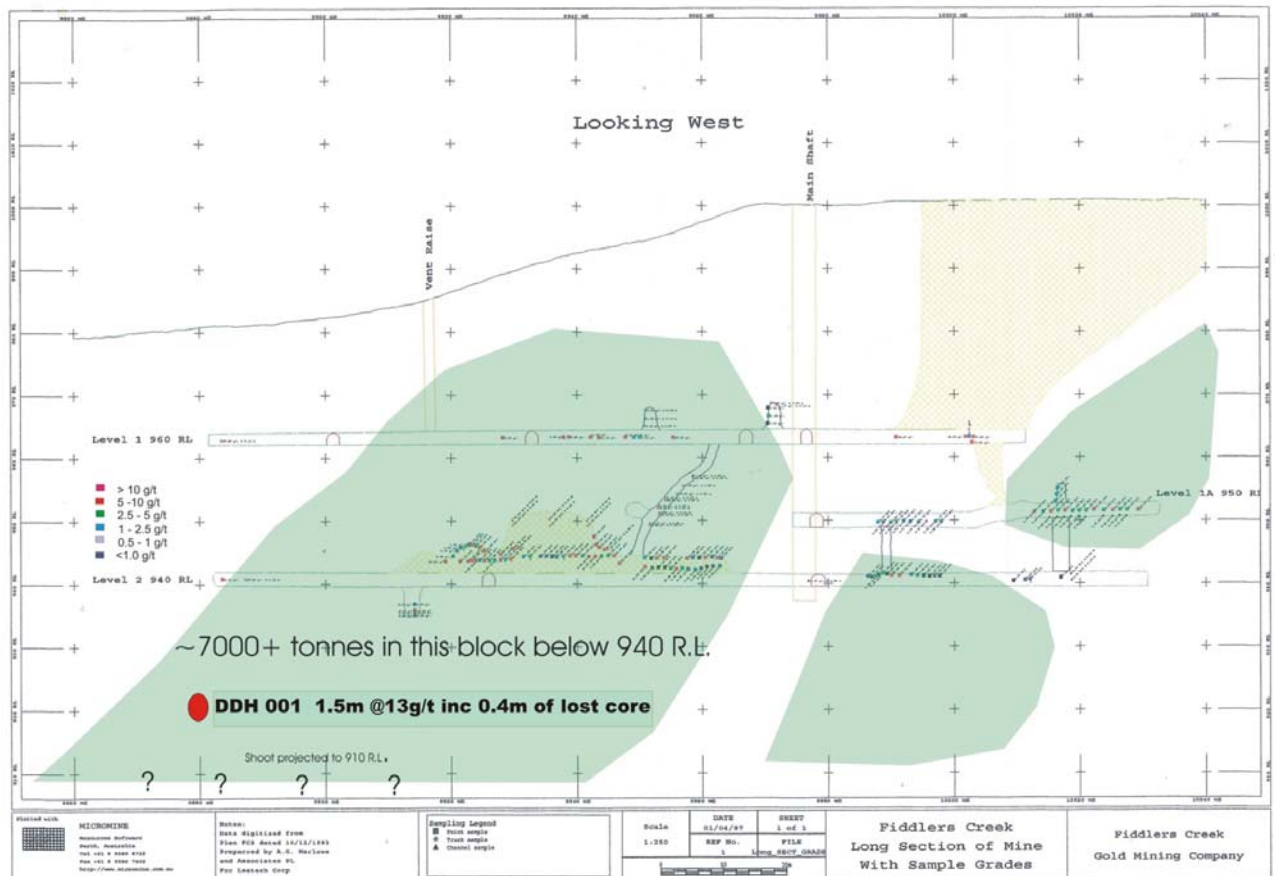
With the remaining Drill core available at the site, a review found the assays for the reef intersection were missing from the data set. Examination of the core noted a significant vein and fault intersection which had been cut to half core in the past.

This intersection was quarter cored and sent for fire assay at Onsite Laboratories and a significant result was returned. See below.

Correspondingly, a further series of historical reports on the mine was delivered to GBM and the assays for the interval were included. Additionally, a report on the drilling shows visible gold was observed at 65.5 metres.

Hole Name	MG_North	MG_East	MG_RL	Dip	MG_Azimuth
DDH001	9882	9968	980	-60	102
from (m)	to (m)	interval	sample no		Au FA 50g g/t
64.3	64.85	0.55	FC001		0.46
64.85	65.1	0.25	FC002		0.03
65.1	65.5	0.4	FC003		0.05
				Inc 0.4 missing core	
65.5	66.4	0.9	FC004	65.8 to 66.2	20.7
66.4	67	0.6	FC005		1.85
67	68	1	FC006	Missing core	
68	69	1	FC007		0.09
69	69.9	0.9	FC008		0.01
69.9	71	1.1	FC009		0.11
71	72	1	FC010		0.01
72	73	1	FC011		0.01
73	73.5	0.5	FC012		0.01

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Long Section of the Fiddlers Creek Mine showing location of DDH001.

This information will affect the current resource levels and these will be reviewed over the next period with the intent of upgrading the existing resource estimate and assessing the potential of reopening the workings.



EL 4936 Pyrenees

Research into past exploration has revealed several significant targets within EL 4936.

Geosearch P/L in the late 70's undertook a comprehensive study and field work program over the Pyrenees goldfield. Geological consultants Douglas McKenna and Partners oversaw the work.

The summary from this work was that while large vein systems were outlined within the area, grades were too low to justify further work. (Gold was ~ A\$ 350 / ounce at the time)

Of significance were four targets:

Banisters, Warrenmang, Richmond and Halls reefs.

A mapping and channel sampling program utilising screen fire assay techniques was undertaken at these and several other workings.

Banisters Reef (Poverty reef):

At Banisters, approximately 700 metres of surface mineralisation with some exceptional grades in and around the open pit.

Channel sampling of an adit was undertaken with Geosearch recording 7.5 metres at 0.46 g/t in the central portion of the adit with the open pit recording 1.96g/t over 14 metres. A channel sample along the wall of the pit returned 4m at 5.3 g/t.

Goldquest N.L. held title to this area in the late 1980's and undertook mapping, and sampling of the open pit.

Hall's Reef:

The Halls Reef is approximately 400 metres along strike of workings close to Vinoca rd with a small open pit in the north. The description given by Whitelaw suggests the presence of dykes and the veining is described as "numerous leaders over 5 metres width". Further reefs exist both east (100m) and west (200m) of the main line.

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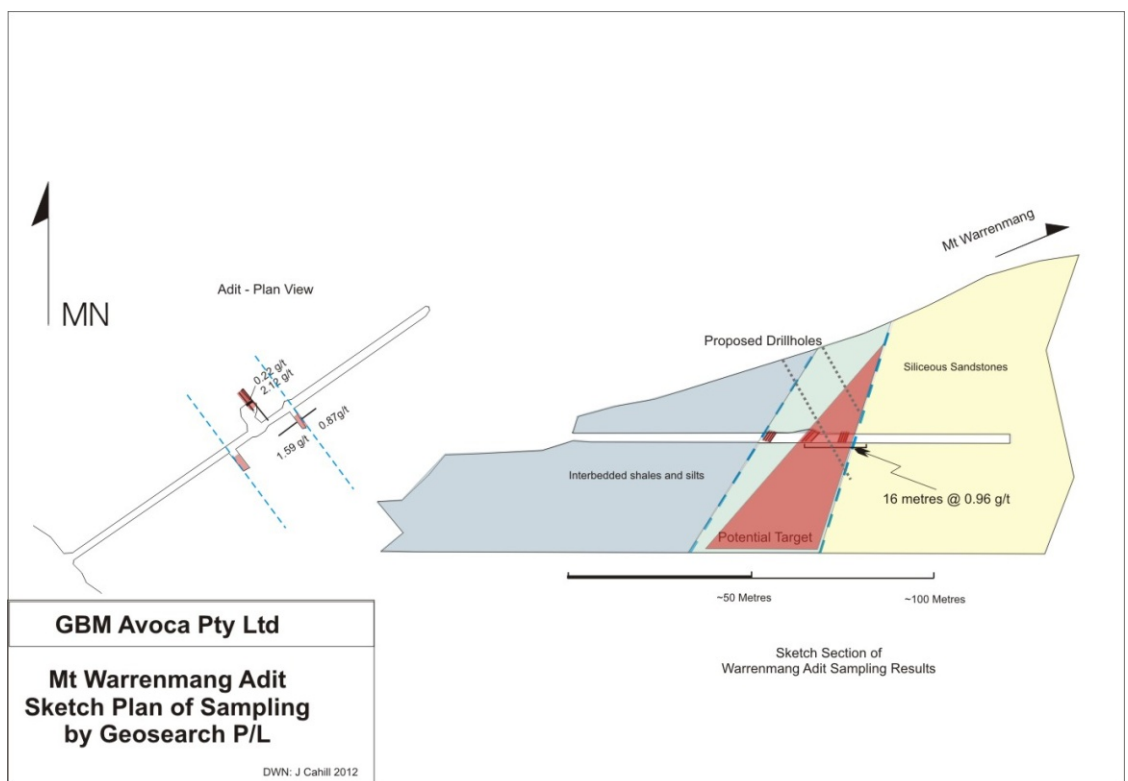
The bulk grade of the open pit was described at 2 dwt/ton with higher grade patches up to 15 dwt/ton recorded.

Geosearch sampling returned 49 metres at 0.3 g/t with 0.9g/t over 1.2 metres being the highest grade in the adit while the face of the open pit recorded 6 metres at 4.3 g/t.

Warrenmang reefs:

A series of quartz reefs on the western side of Mt Warrenmang exist for which a long adit was put in to test from the adjacent gully (now a slate quarry).

Geosearch gained access to this adit and observed the following. Two west dipping faults with short drive along them exist and 3 samples gave 16 metres at 0.96 g/t while the reef at the end of one drive returned 2.1 g/t. See section

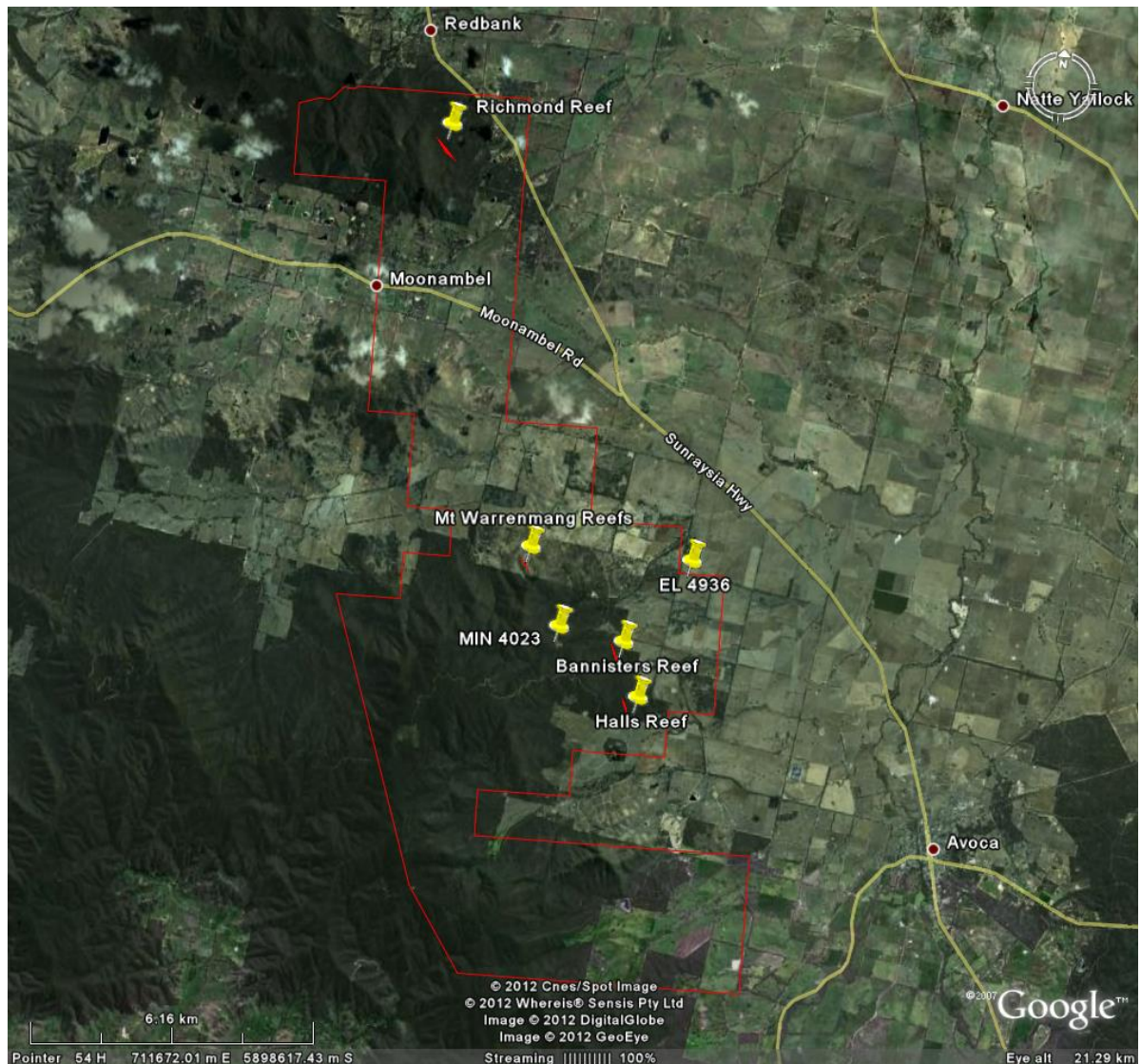




Richmond Reef

This reef is in the Moonambel block and returned grades as high as 1 Oz per ton for a short period. It is south along strike of the Pyrenees Proprietary Mine and geological plans show a significant volcanic dyke associated with the veining. Although assays were at trace level only, the association with the dyke makes it a significant target.

EL 4936 at Avoca showing research generated targets





KRALCOPIC – GBM'S SERVICE COMPANY

Kralcopic is the group internal and external service company, providing technical and administration services to the GBM group, the JV's and from time to time 3rd parties.

Business systems and procedures were significantly developed during the quarter in order to assist the expanded business operations that are emerging from the GBM group over this coming quarter and the financial year.

A contract geological Service is also being discussed for the next quarter.

FORWARD CASH POSITION

GBM had \$33,000 of cash at bank at the end of the quarter, some modest further credit facilities and modest revenue.

The group has worked through April with this limited cash, funding lines and the revenue generated from sales – whilst negotiating with several parties for introduction of fresh funding.

As at the release of this report the Company is in trading halt with an announcement expected before opening market Wednesday 2 May as to an agreement for provision of further funding to GBM.

Signed for and on behalf of GBM Gold Limited



Resource Director



ABOUT GBM GOLD LTD (ASX: GBM)

GBM Gold Ltd (GBM) is focused on becoming a strong gold production company – initially from building a solid gold production base in Central Victoria, Australia from its 2 processing sites at Inglewood and Avoca and their surrounding Resource projects.

Within each of the numerous Resource projects surrounding the 2 processing sites are one or more granted tenements, each containing a number of well defined Resource blocks and/or Exploration Targets. The various Resource projects are at a mix of development stages, from production through to later or earlier analysis, exploration or development phases.

GBM has highly experienced teams focused on the requirements of its processing sites and mining operations, a centralised geology team with strong background in the Central Victoria style of mineralisation as well as Bendigo based management, finance and administration personnel.

For more information please visit the Company website:
www.gbmgold.com.au

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Cahill, who is a Member the Australian Institute of Geoscientists.

John Cahill is the Resources Director of GBM Gold Ltd. John Cahill has sufficient experience which is relevant to the style of mineralization 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'. John Cahill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



COMPANY INFORMATION

DIRECTORS

Ian W. Smith (Executive Chairman)

John E. R. Cahill (Resource Director)

Wayne Johnson (Non-executive Director)

Eric Ng (Non-executive Director)

Paul Chan (Non-executive Director)

Andy Lai (Non-executive Director)

Stuart Hall (Non-executive Director and Company Secretary)

REGISTERED OFFICE

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AUDITORS

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Melbourne, VIC 3000

Telephone: 03 8320 2222

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Telephone: 1300 85 05 05

STOCK EXCHANGE LISTING

Australian Stock Exchange Code: GBM

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GBM GOLD Limited

ABN

59 119 956 624

Quarter ended ("current quarter")

31 MARCH 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Curent quarter \$A'000	Year to date (6months) \$A'000
1.1	Receipts from product sales and related debtors	161	364
1.2	Payments for (a) exploration & evaluation	(66)	(452)
	(b) development	(34)	(264)
	(c) production	(666)	(1,316)
	(d) administration	(387)	(1,113)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	12
1.5	Interest and other costs of finance paid	(62)	(219)
1.6	Income taxes paid	12	(206)
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(1,035)	(3,194)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	(30)
	(b) equity investments	-	-
	(c) other fixed assets	(106)	(975)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(10)	(17)
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	266	151
	Net investing cash flows	150	(871)
1.13	Total operating and investing cash flows (carried forward)	(885)	(4,065)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(885)	(4,065)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	–	3,623
1.15	Proceeds from sale of forfeited shares	–	–
1.16	Proceeds from borrowings	–	5,947
1.17	Repayment of borrowings	(3)	(5,513)
1.18	Dividends paid	–	–
1.19	Other (provide details if material)	(1)	(1)
	Net financing cash flows	(5)	4,056
	Net increase (decrease) in cash held	(890)	(10)
1.20	Cash at beginning of quarter/year to date	923	43
1.21	Exchange rate adjustments to item 1.20	–	–
1.22	Cash at end of quarter	33	33

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(96)
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	4,514	4,448
3.2 Credit standby arrangements	161	161

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	150
4.3 Production	450
4.4 Administration	210
Total	910

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.

	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	33	923
5.2 Deposits at call	–	–
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	33	923

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				

+ See chapter 19 for defined terms.

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 <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	516,046,944	516,046,944		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL	NIL		
7.5 +Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	NIL	NIL		
7.8 Issued during quarter	NIL	NIL		
7.9 Exercised during quarter	NIL	NIL		
7.10 Expired during quarter	171,870,224	171,870,224	<i>Exercise price 5 cts</i>	<i>Expiry date 31/03-2012</i>
7.11 Debentures <i>(totals only)</i>	NIL	NIL		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	NIL	NIL
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Compliance statement

- 1 This statement has been prepared under accounting policies that comply with accounting standards as defined in the Corporations Act
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31 March 2012

Print name: John E. R. Cahill
(Resource Director)

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.

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+ See chapter 19 for defined terms.