

Monday 30 April, 2012



Quarterly Report

For the period ended 31 March 2012

Banfora Exploration

- Ongoing shallow drilling at Nogbele Gold Deposit highlights further high grade mineralisation¹, including:
 - 16m @ 8.61g/t gold from surface
 - 17m @ 6.85g/t gold from 22m
 - 20m @ 4.45g/t gold from 40m and 12m @ 1.47g/t gold from 76m
 - 20m @ 3.94g/t gold from 64m
- Further gold mineralisation from multiple parallel mineralised zones discovered at Stinger², including:
 - 7m @ 9.80g/t gold from 177m
 - 3m @ 12.00g/t gold from 13m and 13m @ 2.48g/t gold from 100m
 - 4m @ 5.99g/t gold from 7m and 3m @ 11.22g/t gold from 82m
 - 13m @ 1.97g/t gold from 28m and 20m @ 1.31g/t gold from 201m
- Eight drill rigs currently on site, increasing to 10 shortly
- RC and DD infill and step out drilling continues at Nogbele, Samavogo and Stinger
- Arrival of additional rigs at Stinger for full resource drill out
- Regional exploration continues on priority satellite targets
- New Resource estimates on track for June quarter 2012

Banfora Definitive Feasibility Studies

- Appointment of Mr Steven Zaninovich as Chief Operating Officer to lead the Definitive Feasibility Studies (DFS) and development of the Banfora Gold Project³
- DFS well advanced for completion in September quarter 2012 based on a 3.5mtpa operation delivering +200,000ozpa of gold, in line with the company's anticipated resource growth for June quarter 2012
- Discussions with power producers to provide grid power commenced
- Long lead item tender process near completion
- New +60 person camp completed
- Commissioning of an onsite assay laboratory is completed with the first third of the laboratory currently being transported to site

West African Gold Footprint

- **Mauritania, Cote d'Ivoire, Liberia & Mali**
 - Drilling continues on first 10 targets at Tijirit Gold Project, initial samples sent to labs, results expected in June quarter 2012
 - Initial field programs in Cote d'Ivoire progressing shortly
 - Strategic investments providing exposure to prospective gold and iron ore projects in Liberia and Mali

Corporate

- Cash balance of ~A\$62 million, plus ~A\$25 million in listed investments as at the end of March quarter 2012
- Appointment of Mr Alex Eastwood as General Counsel
- Acquisition a 6.7% strategic interest in Mali gold explorer Papillon Resources
- Presentations at Livingstone, Indaba, GMP, BMO and Euroz Securities conferences

1. Refer to ASX announcement 07/03/12

2. Refer to ASX announcement 16/02/12

3. Subsequent to the quarter, refer to ASX announcement 23/04/12

FAST FACTS

Capital Structure
Shares on issue 348 million
Market Cap ~A\$320 million
(27/04/12)
Cash in bank ~A\$62 million
(Mar 2012 Quarterly)
Other Investments ~A\$25 million
(31/03/12)

COMPANY HIGHLIGHTS

- New +Million oz gold discovery
- World class gold districts
- Aggressive exploration
- Significant institutional shareholder base
- Proven management team

Banfora Gold Project | West Africa

- Independent JORC and N43-101 inferred resource estimate of 29Mt @ 2.1g/t for 2,000,000oz gold
- Less than 100m depth & open
- DFS underway on a 3.5mtpa +200,000oz gold operation

Mauritanian Projects | West Africa

- Tijirit Gold Projects (1,400km²)
- Adjacent to Kinross' Tasiast gold mine

Cote d'Ivoire Projects | West Africa

- Over 4,000km² of ground under application in a prospective and massively underexplored region

Strategic Holdings

- Renaissance Minerals (ASX:RNS)
(16%) Australian gold explorer
- Tawana Resources NL (ASX:TAW)
(13%) African focused explorer
- Papillon Resources (ASX:PIR)
(6.7%) West African gold explorer

CONTACT DETAILS

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Banfora Gold Project | Burkina Faso

The Banfora Gold Project is located in the South-West of Burkina Faso, West Africa in a major gold producing district, host to such world class gold deposits as **Tongon** (4.2 Million oz Au) **Syama** (5 Million oz Au mined & 6.5 Million oz Au in resources) and **Morila** (6.5 Million oz Au).

The project is **owned 100% by Gryphon Minerals** and contains continuous exploration licenses covering approximately 1,200km² of a major gold district. The project is easily accessible by road and in close proximity to the town of Banfora and the major city of Bobo Dioulasso. Grid power is located approximately 30km from the eastern boundary of the project and also approximately 20km from the western boundary. The Company has announced an inferred resource estimate (JORC and N43-101) at the Banfora Gold Project of **29Mt @ 2.1g/t for 2,000,000 oz gold** of which the **majority is shallow and above 100 metres depth**. This latest resource estimate update is an interim estimation with significant potential to define further ounces as the company establishes a multi-million ounce gold project in West Africa through an aggressive on-going drilling programme (Refer to ASX release 31/03/2011 for details).

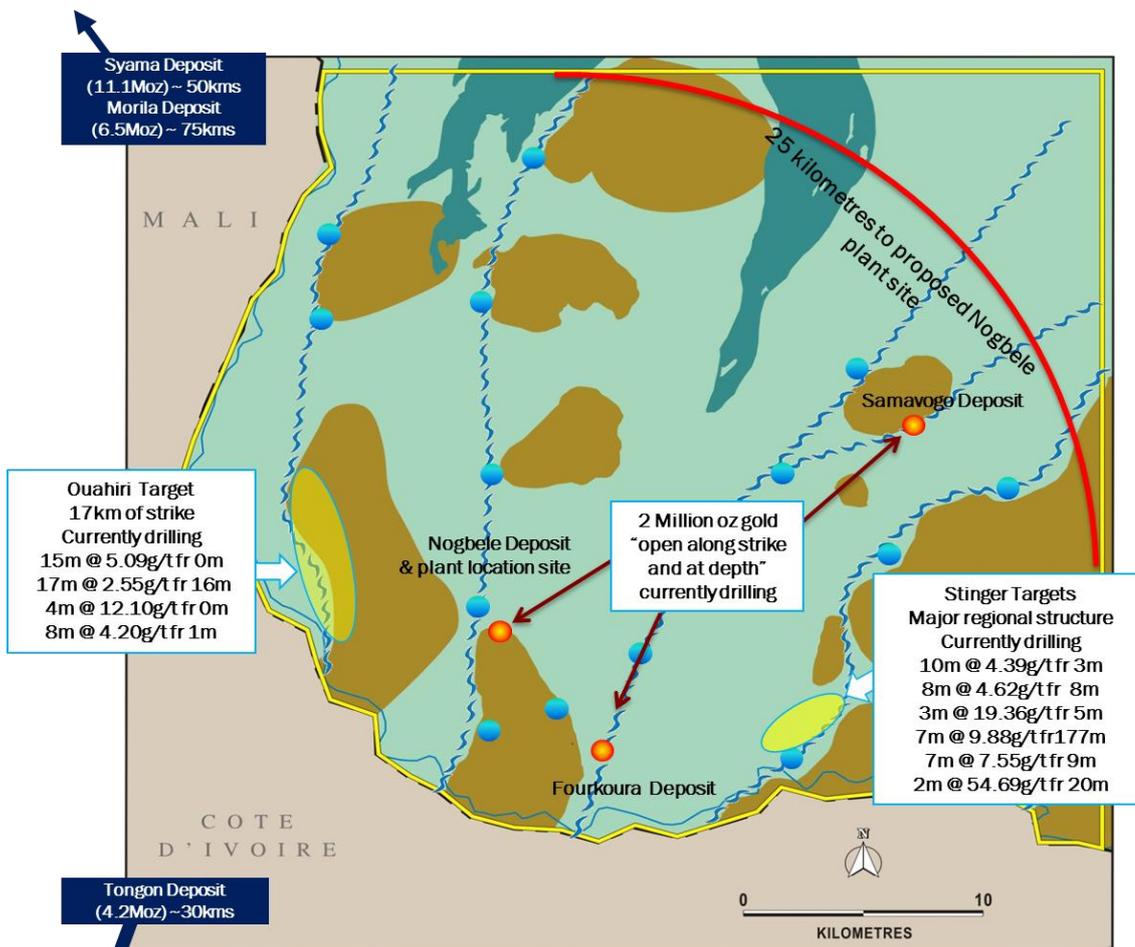
Regionally within the **1,200kms² project area** there remain numerous untested high priority targets which the Company will be targeting during 2012.

The Company believes that drill results to date support the potential for the Banfora Gold Project to host world class gold mineralisation similar to other major deposits in West Africa.

About Burkina Faso

Burkina Faso is a stable and progressive West African nation with an advanced mining code - demonstrating the nation's desire for mining development. Over the past five years it has grown from being a minor gold producer to amongst the largest in Africa.

Figure 1: Banfora Gold Project | Burkina Faso



Banfora Gold Project | Exploration

Activities during the quarter

Infill and step-out drilling at the Nogbele Gold Deposit continues to deliver outstanding results, confirming the majority of mineralisation continues to be shallow (less than 100m vertical depth), open along strike and down dip.

At the newly discovered Stinger Prospect, infill and step-out drilling confirms mineralisation from multiple zones outcrop from surface and has identified at least three parallel mineralised zones across several kilometres within the 'Stinger Mineralised Corridor'. The majority of drilling has typically been less than 100m vertical depth, with recent drill holes confirming that mineralisation continues to 150m below surface and is open at depth.

Infill and step out drilling at the Nogbele and Samavogo deposits, plus regional exploration at Stinger, Ouahiri and other priority satellite targets has been ramped up with eight rigs now on site. This is anticipated to increase to 10 rigs shortly. At the newly discovered Stinger target, where mineralisation occurs as multiple stacked zones, a detailed reverse circulation (RC) and diamond drill (DD) drill programme will increase with the arrival of two additional rigs to move the discovery to a potential resource estimate, similar to the Samavogo deposit's recent maiden resource in as short a time as possible. Further drill results will be released as they become available.

The current inferred resource estimate of 29Mt @ 2.1 g/t for 2,000,000 oz gold has been independently verified by resource consultancy group, CSA Global (Perth) and is JORC and N43-101 compliant. Gryphon firmly believes the Banfora Gold Project has the potential to continue to grow and expects a new Resource estimate to be released during June quarter 2012.

The Company increased the breadth and expertise of its Executive Management Team with the appointment of mining engineer, Mr Steven Zaninovich to the role of Chief Operating Officer to lead the Definitive Feasibility Studies (DFS) and development of the Banfora Gold Project. In addition the Company has appointed lawyer Mr Alex Eastwood to the role of General Counsel.

Gryphon Minerals Managing Director, Steve Parsons said *"There is a lot of activity at Banfora. We currently have eight rigs on site conducting infill and step-out at Nogbele, Fourkoura and Samavogo deposits and this will soon increase to 10 rigs with the arrival of two more for full drill out at Stinger. With a new Resource estimate expected in the June quarter 2012 and the appointment of Steven to lead the DFS and build the mine, we are fully focused on turning Gryphon into a West African gold producer."*

Figure 2: Drill Rig | Banfora Gold Project





Nogbele Gold Deposit - Ongoing shallow drilling highlights further high grade mineralisation

Gryphon announced results from ongoing RC and DD step out and infill drilling at Nogbele, targeting shallow mineralisation as well as higher grade down dip extensions below 100m vertical depth. Mineralisation at the Nogbele gold deposit outcrops from surface and continues to be open along strike and down dip at depth.

Drill highlights of the **shallow step out and infill drill results** included:

- BNRC2945 16m @ 8.61g/t gold from surface
- BNRC2982 17m @ 6.85g/t gold from 22m
- BNRC2934 20m @ 4.45g/t gold from 40m and 12m @ 1.47g/t gold from 76m
- BNRC2619 20m @ 3.94g/t gold from 64m
- BNRC2399 7m @ 10.98g/t gold from 95m

Drill highlights of the **step out mineralized zones targeting +100m depth** included:

- BNRC2522 12m @ 4.00g/t gold from 144m
- BNRC2612 12m @ 3.31g/t gold from 184m
- BNRC2419 2m @ 94.29g/t gold from 123m
- BNRC2280 4m @ 10.00g/t gold from 193m and 14m @ 1.85g/t gold from 215m
- BNRC2422 6m @ 1.61g/t gold from 149m and 12m @ 2.45g/t gold from 164m

Drill highlights of the **newly discovered parallel multiple zones** included:

- BNRC2449 16m @ 1.69g/t gold from 32m and 8m @ 1.04g/t gold from 72m and
12m @ 1.11g/t gold from 100m
- BNRC2450 4m @ 3.25g/t gold from 20m and 20m @ 1.15g/t gold from 36m
- BNRC2501 4m @ 1.15g/t gold from 4m and 8m @ 1.45g/t gold from 12m

Details of the drill intercepts are included in the ASX release of 07/03/12.

Mineralisation at Nogbele consists of multiple parallel and sub-parallel zones of broad hematite and/or magnetite, silica and pyritic alteration, sericite schist's and lode quartz veins that dip between 'flat' and 60 degrees to the north, 'wrapping' around the 'nose' of the Nogbele granodiorite into the surrounding sediments and mafic units. Mineralisation is associated with major extensional zones around the northern margin of the Nogbele granitoid intrusive in a similar geological setting to Randgold's 4.2Million oz Tongon Gold Deposit located approximately 30km to the south of the Banfora Gold Project.

Stinger Prospect - a new gold discovery

Follow up RC, DD & Rotary Air Blast (RAB) drilling at the Stinger Prospect located approximately 10km to the East of the Nogbele Gold Deposit, has highlighted further gold mineralisation from multiple mineralised zones. These results highlight that Stinger has the potential to be a significant new discovery similar to the other Gryphon Minerals' gold discoveries of Nogbele, Samavogo and Fourkoura at the Banfora Gold Project.

Typically drilling has been shallow, targeting gold outcropping from surface to less than 100m vertical depth on this new and significant north-east trending mineralised corridor.

A selection of **greater than 10 gram metre drill intersects** announced this quarter includes:

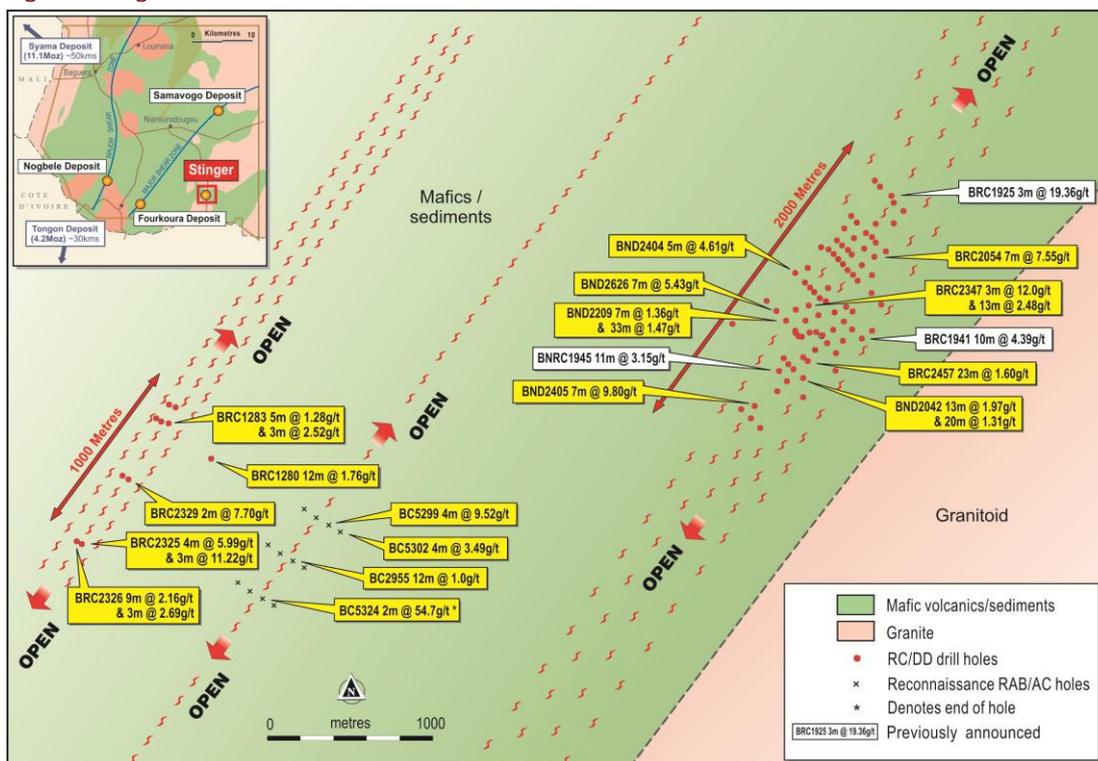
- BND2405 7m @ 9.80g/t gold from 177m
- BNRC2347 3m @ 12.00g/t gold from 13m and 13m @ 2.48g/t gold from 100m
- BNRC2325 4m @ 5.99g/t gold from 7m and 3m @ 11.22g/t gold from 82m
- BND2042 13m @ 1.97g/t gold from 28m and 20m @ 1.31g/t gold from 201m
- BNRC2054 7m @ 7.55g/t gold from 9m
- BNAC5324 2m @ 54.69g/t gold from 20m EOH

Details of the drill intercepts are included in the ASX release of 16/02/12.

Mineralisation occurs as multiple stacked zones, associated with silica flooded and albite altered hematite dusted intrusives and sediments with fine grained disseminated pyrite and pervasive sericite alteration with occasional minor milky veins and visible gold.

This drilling has confirmed at least three parallel mineralised zones within the major regional north-east trending "Stinger mineralised corridor" that remains open along strike. The drill programme also confirmed mineralisation continues deeper to at least 150m below surface and is open at depth. A detailed RC and DD drill programme is currently underway to move Stinger from discovery to a potential resource estimate in as soon as possible.

Figure 3: Stinger Mineralised Corridor



Banfora Definitive Feasibility Studies

Activities during the quarter

Definitive Feasibility Studies

Definitive Feasibility Studies (DFS) on a 3.5mtpa operation delivering 200,000oz gold per annum from the Banfora Gold Project are on target for completion by the September quarter 2012.

Appointment of Chief Operating Officer

Subsequent to the quarter, Gryphon announced the appointment of Mr Steven Zaninovich as Chief Operating Officer, to lead the DFS and development of the Banfora Gold Project. Mr Zaninovich, who will step down as a Non-Executive Director of Gryphon to take on his new role, is a qualified civil engineer and highly experienced project development manager with more than 20 years in the mining industry, including holding the position of Executive Director of Lycopodium Minerals Pty Ltd.

Mr Zaninovich brings extensive African mine project development experience to the Gryphon team, including in his most recent role as Project Director, leading the development and construction of Newmont's \$1bn Akyem Gold Project in Ghana (7Moz), scheduled to produce 8.5Mtpa. Mr Zaninovich will also add excellent people management experience to Gryphon, having assumed responsibility for large Engineering, Procurement and Construction Management (EPCM) teams in his previous roles.



Mr Zaninovich's specific experience in developing major gold projects in West Africa spans the Akyem Project (Newmont), Tarkwa Phase IV Project (Gold Fields), Bibiani Gold Mine (Ashanti Goldfields), Chirano Gold Mine (Redback, now owned by Kinross), Damang Mine Expansion (Ranger Minerals, now owned by Gold Fields) and the Obatan Gold Mine (Resolute). Mr Zaninovich's primary focus with Gryphon will be to lead the successful completion of the DFS and the development and construction of Gryphon's flagship Banfora Gold Project.

Gryphon Managing Director, Mr Steve Parsons, commented: *"Steven is ideally placed to step into the COO role and we are extremely pleased that he has joined the Gryphon executive management team following his service as a Non-Executive Director of the Company. Steven's hands-on operational expertise, project development leadership and considerable recent West African gold experience will be invaluable as we move forward in the development of the Banfora Gold Project."*

Grid Power

Figure 4: Existing Grid Power adjacent to the Banfora Gold Project



Discussions with power providers to provide access to grid power for the Banfora Gold Project have commenced. While at an early stage the Company believes it is well positioned to secure access to grid power which is anticipated to have a positive impact on cash costs.

New Camp

Construction of the new +60 person camp and water purification plant at the Banfora Gold Project is completed. The tender process for long lead items such as ball mills is well advanced.

Figure 5: Executive Accommodation | Nianka Camp



Figure 6: Employee Accommodation | Nianka Camp



On-site assay pre plant

The acquisition of the on-site assay laboratory has been completed and the first third of the laboratory is currently being freighted to site. Once set up this is expected to alleviate some of the delays currently experienced with assay turn around, given the increased level of exploration activity. The laboratories have been working hard to reduce the backlog in assay turn around and Gryphon is also evaluating alternative high quality laboratories overseas to expedite results.

Community

The company holds monthly meetings with community leaders to provide an update on its activities at the Banfora Gold Project. Gryphon is also establishing an information centre to maintain engagement with the wider local community during development and construction.

Figure 7: Nianka Library Committee Meeting



Figure 8: Nianka Camp Employees in Core Yard | Banfora Gold Project





West African Gold Footprint

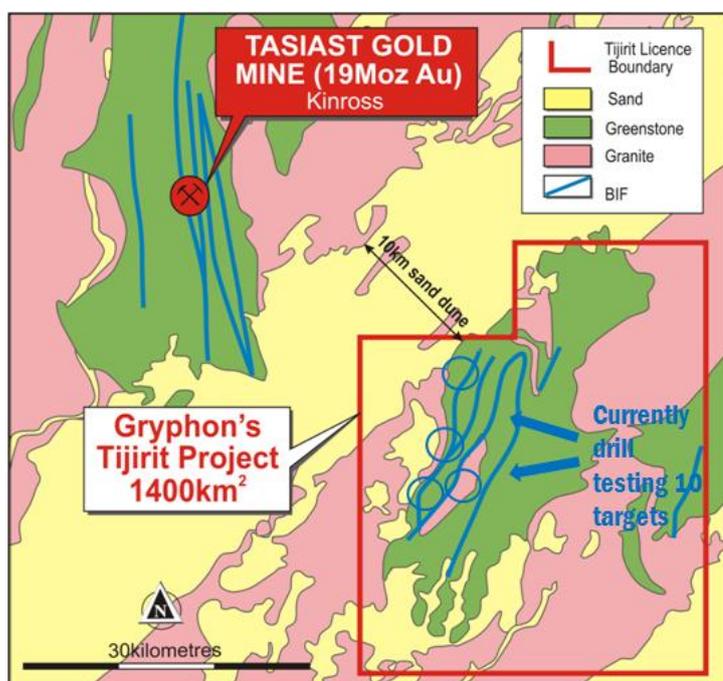
Activities during the quarter

Tijirit Gold Project, Mauritania

Previous historical drilling conducted by Shield Mining Ltd (now 100% owned by Gryphon) on the project area focussed on banded iron formation (BIF) hosted mineralisation, however broad 50 to +100 metre wide zones of alternated 'halo' mineralisation show similarities to mineralised greenschist at the adjacent Tasiast Gold Mine that develop peripheral and along strike to the main ore body at Tasiast.

The Company's maiden 30,000 metre RC/DD drill campaign continues to test these broad mineralised 'halo' zones as well as the first 10 highly prospective gold targets over the 1,400km² Tijirit Gold Project. Samples from the first of these targets have been sent to the lab for assaying and results due during Q2 2012.

Figure 9: First 10 drill targets | Tijirit Gold Project



About Mauritania and the Tijirit Gold Project

Mauritania is a major province for gold, copper and iron ore and has significant operating mines including the world-class Tasiast gold mine. The 100% owned Tijirit Gold Project is located in North-west Mauritania and covers approximately 1,400km² of contiguous exploration licenses. It is located just 10 kilometres from the 21 Million oz Tasiast Gold Mine (Kinross Mining/Red Back Mining). Historical first pass drill results (undertaken by Shield Mining Ltd) include 6m @ 17.63g/t from 10m, 6m @ 10.47g/t from 16m and 2m @ 24.90g/t from 56m. The majority of this drilling is to a vertical depth of less than 50m and has in places intersected broad mineralised halos in excess of 150m wide.

Akjoujt Copper/Gold Project, Mauritania

Preparations for a diamond drill campaign continued during the quarter and surface gravity, geophysical surveying, soil geochemical sampling and geological mapping was also undertaken.

About the Akjoujt Copper/Gold Project

The 100% owned Akjoujt Copper/Gold Project is located 30kms to the West of the Guelb Moghrein copper/gold mine operated by First Quantum Minerals Ltd. The project area covers approximately 750km² of contiguous exploration license area.

Saboussiri Copper/Gold Project, Mauritania

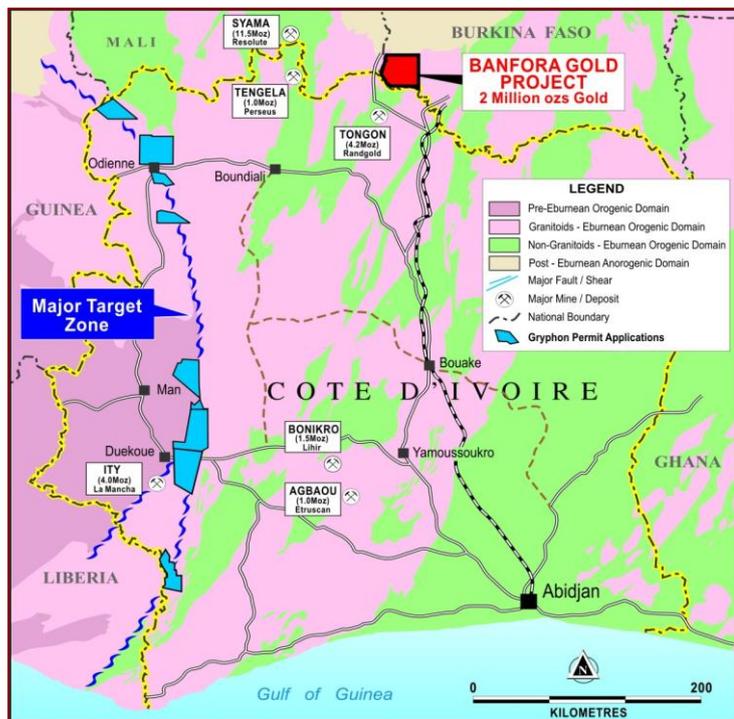
No activity during the quarter.

About the Saboussiri Copper/Gold Project

The Saboussiri Copper/Gold Project (60% Gryphon) is located in Southern Mauritania and covers approximately 1,000km² of continuous exploration licenses.

Cote d'Ivoire

Figure 10: Over 4,000km² under mineral application | Cote d'Ivoire



Gryphon has commenced initial geological studies and field programs over the 4,000km² of highly prospective ground in Cote d'Ivoire in the West and North-west of the country. Further updates will be provided as the field season progresses.

About Cote d'Ivoire

Cote d'Ivoire is a major gold province which hosts over 35% of the Greenstone Belt in West Africa, yet remains massively under explored representing less than 6% of the +1Moz gold discoveries in the region.

Liberia (Tawana Resources NL, 12%)

The Company formed a strategic alliance with Tawana Resource NL (**ASX:TAW**) in December 2010 to explore for gold and other minerals in Liberia. Tawana is currently exploring the Sino Gold Project which has extensive artisanal workings and is along strike from Hummingbird's (AIM:HUM) 1.8Moz Dugbe Gold Project; the Nimba/Lofa Gold Project located on a known gold hosting structure along strike from the 5Moz Ity Gold Mine and the Mofe Creek Iron Ore Project located 10 kilometres from the historic Bomi Hills Mine (+50Mt high grade DSO magnetite), only 25km from the coast and adjacent to a heavy haul railway and port.

About Liberia

Liberia is located in West Africa dominantly within the Archean aged Kenema Man Domain and lesser Birimian sediments to the East. There are a large number of world class mineral deposits located in the Archean and Birimian rock types throughout West Africa including Obuasi (40Moz+) and Tasiast (21Moz+). West Africa is one of the fastest growing mineral provinces in the world and Liberia currently hosts several world class iron ore deposits and is massively underexplored for gold.

Cambodia & Australia (Renaissance Minerals Limited, 15%)

Gryphon holds a strategic interest in Renaissance Minerals Limited (**ASX:RNS**) which recently announced the acquisition of a 729,000oz Cambodian Gold Project from Oz Minerals Limited. The deposit is located within a substantial land holding of approximately 1,100km² which is prospective for large, intrusive related gold deposits. Renaissance recently undertook a Placement as part of the acquisition, in which Gryphon participated to maintain its strategic interest. Renaissance also has a dominant holding in the Eastern Goldfields, Western Australia of over 3,000km². The tenements are positioned on two regional scale gold corridors: Keith-Kilkenny & Laverton Tectonic Zones and Renaissance is targeting multi-million ounce gold systems. Recent drilling results include (33m @ 3.10g/t Au from 51m, 32m @ 2.61g/t Au from 13m, 12m @ 2.96g/t Au from 73m, 22m @ 1.74g/t Au from 12m).

Corporate

Activities during the quarter

At the end of the quarter Gryphon had ~\$62 million in cash and ~\$25 million in investments. The Company is well placed to continue its extensive exploration programmes, complete DFS on the Banfora Gold Project and commence the ordering of long lead items as well as continuing to assess other growth opportunities throughout West Africa.

Gryphon announced the acquisition of 15,987,732 shares in ASX-listed Papillon Resources Limited (ASX:PIR) ("Papillon"), representing an approximate 6.72% stake. The strategic investment by Gryphon provides exposure to Papillon's promising gold projects located in Mali, West Africa.

Subsequent to the quarter, the Company increased its Executive Management capacity with the appointments of mining engineer Mr Steven Zaninovich to the position of Chief Operating Officer (refer to the Engineering Studies section for further details) and corporate lawyer Mr Alex Eastwood as General Counsel. Both appointments add further depth to the skills and experience of Gryphon's Executive Management Team as the Company moves into development.

Mr Eastwood has held legal and corporate finance roles in his 17 year career. He began his career as a corporate and commercial lawyer with Clayton Utz and subsequently became a partner of international law firm, Deacons. Mr Eastwood has worked in London, Sydney and Perth as a corporate and commercial lawyer. He has extensive experience in private practice and in house advising clients in the resources sector on a range of corporate governance, transactional and operational matters. Prior to joining Gryphon, Mr Eastwood held the position of General Counsel at Imdex Limited.

Gryphon is continuing with preparations for a compliance listing on the Toronto Securities Exchange (TSX) during 2012.

The Company presented at the Livingstone, Indaba, GMP, BMO and Euroz conferences during the first quarter of this year.

For further information in relation to the group's activities please visit our website, www.gryphonminerals.com.au

Yours faithfully



Steve Parsons Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Stephen Parsons, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stephen Parsons is a full-time employee of the company. Mr Stephen Parsons has sufficient experience which is relevant to the style of mineralisation and type of deposits 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 Stephen Parsons consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report from data collection to wireframe interpretation, at Nogbele, Fourkoura and Samavogo Prospects and geostatistical modelling calculations is based on work by Mr Sam Brooks which was reviewed by Mr Michael Fox. Mr Brooks is a full time employee of Gryphon Minerals, and a member of the AIG. Mr Fox is a full time employee of Gryphon Minerals and a member of the AIG with sufficient experience relevant to the style of mineralisation and type of deposit to qualify as competent person defined by the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Fox consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Information in this report relating to mining engineering has been compiled by Mr. Stuart Cruickshanks, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Stuart Cruickshanks is a full-time employee of the company. Mr Stuart Cruickshanks has sufficient experience which is relevant to the style of mineralisation and type of deposits 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 Stuart Cruickshanks consents 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

GRYPHON MINERALS LIMITED

ABN

31 107 690 657

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

| | Current quarter \$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 & evaluation | (9,052) | (31,722) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (1,076) | (4,831) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 1,061 | 2,336 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other | - | - |
| Net Operating Cash Flows | (9,067) | (34,217) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | (11,273) | (12,892) |
| (c) other fixed assets | (304) | (381) |
| (d) net cash acquired on acq. of subsidiary | - | - |
| 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) | - | - |
| | (11,577) | (13,273) |
| Net investing cash flows | | |
| 1.13 Total operating and investing cash flows (carried forward) | (20,644) | (47,490) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|-----------------|---------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (20,644) | (47,490) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 69 | 62,621 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Costs of issuing shares | 7 | (3,347) |
| | Net financing cash flows | 76 | 59,274 |
| | Net increase (decrease) in cash held | (20,568) | 11,784 |
| 1.20 | Cash at beginning of quarter/year to date | 82,776 | 50,424 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 62,208 | 62,208 |

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 | 537 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

| | |
|---|-----|
| Payments to Directors | |
| Salaries, Fees and Superannuation | 240 |
| Payments to Director related entities | |
| Allos Property Group (rent for premises) | 42 |
| Murcia Pestell Hillard (legal fees) | - |
| Lycopodium Minerals Pty Ltd (consulting services) | 255 |

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

Nil.

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

Nil.

+ 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 | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|---------------|
| 4.1 Exploration and evaluation | 17,798 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 1,135 |
| Total | 18,933 |

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 | 13,708 | 15,276 |
| 5.2 Deposits at call | 48,500 | 67,500 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 62,208 | 82,776 |

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 | Nil. | | | |
| 6.2 Interests in mining tenements acquired or increased | Nil. | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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> | - | - | - | - |
| 7.2 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - | - |
| 7.3 +Ordinary securities | 348,264,983 | 348,264,983 | | |
| 7.4 Changes during quarter | | | | |
| (a) Increases through issues | 100,000 | 100,000 | 69.0 cents | 69.0 cents |
| (b) Decreases through returns of capital, buy-backs | - | - | - | - |
| 7.5 +Convertible debt securities <i>(description)</i> | - | - | - | - |
| 7.6 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 Options <i>(description and conversion factor)</i> | | | <i>Exercise price</i> | <i>Expiry date</i> |
| | 5,900,000 | - | 180.0 cents | 10 Oct 2013 |
| | 8,500,000 | - | 180.0 cents | 24 Nov 2013 |
| | 400,000 | - | 220.0 cents | 18 Jan 2014 |
| | 500,000 | - | 190.0 cents | 23 May 2014 |
| | 150,000 | - | 196.0 cents | 3 Aug 2014 |
| 7.8 Issued during quarter | - | - | - | - |
| 7.9 Exercised during quarter | 100,000 | 100,000 | 69.0 cents | 1 Apr 2012 |
| 7.10 Expired during quarter | - | - | - | - |
| 7.11 Debentures <i>(totals only)</i> | - | - | | |
| 7.12 Unsecured notes <i>(totals only)</i> | - | - | | |

+ See chapter 19 for defined terms.

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:



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Chief Financial Officer & Company Secretary

Date: 30 April 2012

Print name:

Tim Holt

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: Cash Flow Statements* 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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