

19 July 2012

The Manager Companies
Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir

JUNE 2012 QUARTERLY REPORT OF ACTIVITIES & CASHFLOW

Please find attached the June 2012 quarterly report for Bass Metals Ltd (ASX: BSM). This report marks the cessation of all mining and processing activities at the Company's Hellyer project in NW Tasmania. This change in strategy was in response to declining AUD metal prices coincident with a series of technical problems which reduced the free cash available to the Company to repay its secured creditors. The work-out plan and asset realisation strategy implemented over the past two quarters appears to have put the Company on track to emerge in the September (2012) quarter debt free and as a relatively cashed-up exploration company retaining its prime exploration ground and seeking new project and corporate opportunities.

The production results presented in the operations segment, demonstrates a strong technical performance of the work-out plan, with production of zinc, lead and copper-silver concentrates exceeding forecasts. Bass' key focus has been to ensure that it meets its creditor obligations and as at the end of June its residual debt position has reduced from \$24 million to approximately \$10 million as planned. As at 30 June 2012, the Company had cash of \$3.67 million, and \$6.48 million in trade receivables and an 'in-the-money' hedge position; or \$10.15 million in liquid assets.

The important asset realisation process culminated in an announcement to ASX on 6 July that the Company had agreed to sell its wholly-owned subsidiary, Hellyer Mill Operations Pty Ltd (HMO), to LionGold Corp Ltd, a Singapore listed gold investment and development company (SGX: A78). The consideration for the binding Share Sale Agreement is \$13.5 million cash, payable in two equal instalments; the first on settlement, expected on or about the 21 August and the second 30 days thereafter. LionGold will also take a placement in Bass comprising 58 million shares at 1 cent to raise \$580,000 and giving it a 16.5% stake.

HMO owns the Hellyer Tails Gold Resource, processing plant, Hellyer Mine Licence and has a Sublicence agreement with Bass over the Mt Charter Gold Resource (refer Annexure A for Mineral Resource details). Bass will retain exploration rights over the Hellyer Mine lease through a Sublease agreement, with a focus on base metals. To the extent the Hellyer Plant remains on site, Bass may utilise it subject to availability, though LionGold may redeploy certain components.

Following on from the positive production results of the work-out plan, and taking account of mine closure costs, the HMO divestment will leave Bass Metals debt free and with a forecast free cash position of approximately \$6 million, along with an additional \$2 million held in a retention account in favour of LionGold which, less any unexpected claims or costs, reverts to Bass after 12 months.

On completion of this transaction Bass will have sufficient working capital to undertake planned exploration programs in Tasmania, pursue new project opportunities, share the Hellyer site maintenance costs and will have secured a resources-focused cornerstone investor on its register. The deal is subject to Bass shareholder approval and approval from FIRB. However, it is not subject to any further due diligence by LionGold. A meeting of Bass shareholders to approve this transaction, the LionGold Placement Agreement and other resolutions is scheduled for the 17 August, 2012. I look forward to providing further updates as results and information comes to hand.

Yours faithfully



Mike Rosenstreich
Managing Director

Competent Persons Statement

Mineral Resources & Exploration Results

The information within this report that relates to exploration results and Mineral Resource estimates is based on information compiled by Mr Michael Rosenstreich who is an employee of the Company. Mr Rosenstreich is a Member of The Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken 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 (the JORC Code)" and he consents to the inclusion of this information in the form and context in which it appears in this report.

Ore Reserves

The information in this report that relates to the Fossey Ore Reserve estimates is based on information compiled by Mr Victor Rajasooriar who, at the time was an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Rajasooriar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves (the JORC Code)". Mr Rajasooriar consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

JUNE 2012 QUARTERLY ACTIVITIES REPORT

1. SUSTAINABILITY

1.1. SAFETY

There were no lost time injuries (LTI) on the Company's mining, processing and exploration sites during the quarter. The Hellyer operations achieved 684 days LTI free to the end of June, which represents an outstanding achievement by the entire work force.

1.2 ENVIRONMENT

There were no material environmental incidents during the quarter on any Bass Metals' managed tenements. The Company has prepared a care and maintenance plan to ensure the current high standards are maintained as mining and processing operations cease.

2. OPERATIONS

2.1 HELLYER MINE PROJECT

The operational performance under the recently implemented work-out performed well compared to budget forecasts. The work-out plan objective was to accelerate cash flow to reduce debt by reducing mine development and focus only on ore production from stopes. The final ore from the Fossey mine was extracted on the 4th of May 2012. The total tonnage recovered from the mine stopes and hauled to the Hellyer run-of-mine (ROM) stockpile for processing exceeded the original forecasts due to improved mining recoveries and lower dilution.

The installation of a concrete plug in the Fossey decline was completed on the 26th of June. The concrete plug is an effective means to reduce costs and risks associated with managing ground water flow from the Fossey mine workings when in care and maintenance mode. The plug does not preclude re-entering the mine in the future if metal prices and the overall mine life warrant. Back filling of the final stope voids is currently underway with all works expected to be completed in July. All saleable underground plant and equipment (pumps, substations, fans and transformers) were recovered from the mine and are available for sale to the broader mining industry.

Regrettably, the majority of staff and contractors have now been made redundant as all operations have concluded and the site is placed on care and maintenance. The Company is very appreciative of their ongoing commitment to achieving the work-out plan objectives and their continued focus on safety.

2.1.1 Mine Production

A full summary of mine production is provided in Table 1. Mined tonnes for the June quarter are higher than planned due to a change in the mine plan, better than expected mining recovery whilst grades are somewhat lower due to the additional ore recovered, albeit at lower metal grades. Resources have been left at Fossey and Fossey East for potential future extraction.

2.1.2 Hellyer Concentrator Operations

There was one processing campaign during the quarter (Campaign 9). The budget plan was to treat 101,515 tonnes. Ore processing commenced on 26th March 2012, and with the additional ore sourced from the mine, the campaign treated 136,797 tonnes and concluded on 11th June 2012. A summary of the campaign performance is presented in Table 2.

Plant availability was excellent with few stoppages, contributing to good operating performance in terms of throughput and metallurgical recoveries. Processing performance against the work-out plan was positive with metallurgical recovery for all concentrates exceeding budget.

The cost of milling was budgeted at \$30 per tonne of ore processed and is currently below this budget estimate. A full reconciliation will be completed once ship loading is completed in August.

The Hellyer Plant has now been placed on care and maintenance and clean-up site works are in progress as part of the rehabilitation program.

Table 1: June 2012 quarter Fossey Mine Production Summary

Description	UoM	March Qtr Actual	June Qtr Actual	June Qtr Budget	Variance to Budget	FY2012 YTD
Mine Production (T&G)						
Underground Development	m	177	-	-	0%	1,415
Mine Ore Production	t	128,398	60,047	30,234	99%	382,709
Zinc	%	6.5%	11.5%	12.9%	-11%	7.9%
Lead	%	3.6%	5.0%	6.0%	-16%	4.3%
Silver	g/t	96	92	101	-9%	98
Gold	g/t	1.9	1.9	2.1	-11%	1.7
Copper	%	0.26%	0.40%	0.60%	-33%	0.32%

2.1.3 Concentrate Sales & Marketing

During the June quarter the Company sold 24,281 tonnes of zinc concentrate, 10,367 tonnes of lead concentrate and 1,580 tonnes of silver-copper-gold concentrate. There were no zinc or lead concentrate stocks remaining at site at the 30 June, and 180 tonnes of silver-copper-gold concentrate remained on site.

Total invoicing for the quarter was \$40.65 million. Prepayments for concentrates convert to provisional once the concentrates are shipped. This determines the timing of the quotational period (QP), which is the month in which final metal prices are fixed. For lead and zinc the QP is one month after the month the product arrives at its destination port and for silver-copper-gold concentrate it is four months. The Company hedges a majority of its price exposure between prepayment invoices and the QP month.

2.2 QUE RIVER MINE

The Que River Mine site is on a care and maintenance regime and the final stages of rehabilitation were completed during the quarter.

3. SPECIAL PROJECTS

3.1 GOLD RECOVERY STUDY

Bass Metals has not done any further work on this project during the quarter.

Table 2: June 2012 quarter processing and concentrate production summary

Description	UoM	Campaign 9 Actual	Campaign 9 Budget	Variance to Budget
PROCESSING (T&G)				
Ore Treated	t	136,797	101,515	35%
Concentrator Feed Grades				
Zinc	%	9.2%	9.2%	0%
Lead	%	4.5%	4.4%	2%
Silver	g/t	101	81	25%
Gold	g/t	2.24	2	12%
Copper	%	0.4%	0.4%	-5%
CONCENTRATE PRODUCED (T&G)				
Zinc concentrate	t	21,290	13,122	62%
zinc grade	%	50%	51%	-2%
silver grade	g/t	81	90	-10%
gold grade	g/t	1.6	1.1	42%
Lead concentrate	t	8,097	4,550	78%
lead grade	%	56%	57%	-2%
silver grade	g/t	496	431	15%
gold grade	g/t	2.1	2.3	-8%
Copper-Precious metals concentrate	t	1,442	963	50%
Copper	%	16%	17%	-8%
Silver	g/t	2,868	2,371	21%
Gold	g/t	10.3	9.0	14%
Lead	%	9%	11%	-18%
Zinc Recovery to Zinc Conc.	%	84%	72%	17%
Lead Recovery to Lead Conc.	%	73%	58%	26%
Copper Recovery to Copper Conc.	%	40%	38%	6%
Silver Recovery overall	%	71%	66%	8%
Gold Recovery overall	%	21%	17%	29%

**Note rounding errors may occur.*

All concentrates are in dry metric tonnes.

4. EXPLORATION

Bass' has retained a highly experienced exploration geologist from its original exploration team, which due to financial problems, was largely made redundant. His focus during the quarter was to provide information to a variety of interested parties doing due diligence on Bass' assets as part of a sale process, completing statutory reports and preparing work programs for when exploration resumes.

5. CORPORATE

The main corporate focus of the Company during the quarter was to continue to manage its creditor position and the overall work-out strategy to reduce debt, realise assets and refinance the company.

5.1 FINANCIAL POSITION

5.1.1 Cash

Cash on hand at the end of the quarter was \$3.67 million.

A summary of cash flows for the quarter and the 12 months ended 30 June 2012 appears in the accompanying Appendix 5B document.

5.1.2 Debt

The Company's main debt components at the end of the June quarter comprised the RMBAH debt facility of \$5 million, lease obligations of \$0.24 million and other creditors of \$5.82 million.

5.1.3 Hedging

The Company utilises a QP hedging programme to lock in revenue once concentrate material is shipped and provisionally invoiced. As at the 30 June 2012 this had a marked-to-market value of \$1.18 million.

5.2 CAPITAL STRUCTURE

As at 30 June 2012, the Company had 294,450,145 fully paid ordinary shares, 90,137,678 quoted options and 97,260,000 unquoted options on issue. There were no new securities issued during the quarter.

ANNEXURE A

HELLYER TAILS & MT CHARTER MINERAL RESOURCE SUMMARIES

1. Hellyer Tailings Resource Estimate

The Hellyer Tailings Mineral Resource is summarised in Table 1, in accordance with the JORC Code.

Table 1: Hellyer Tails Combined Mineral Resource Estimate

JORC Classification	Tonnes Mt	Gold (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)
Measured	4.9	2.7	105	2.8	3.1	0.2
Indicated	2.5	2.6	104	2.6	3.0	0.2
Inferred	2.1	2.4	103	1.7	2.9	0.2
Total	9.5	2.6	104	2.5	3.0	0.2

Contained Metal (No met. recovery assumed)	Gold Moz	Silver Moz	Zinc kt	Lead kt	Copper kt
Measured	0.4	17	137	152	10
Indicated	0.2	8	65	75	5
Inferred	0.2	7	36	61	4
Total	0.8	32	238	288	19

Note: Small rounding errors may occur. Refer Competent Person statement and Technical Checklist below.

2. Mt Charter Gold-Silver Resource

At Mt Charter a large tonnage low grade gold-silver Mineral Resource has been delineated. The resource is reported above a 0.7 g/t cut-off within the mineralised envelope boundary and is classified as Indicated and Inferred in accordance with the JORC code (December 2004), as listed in Table 2 below.

Table 2: Summary of Classified Mt Charter Mineral Resource at a 0.7g/t Au cut-off

JORC Classification	Tonnes Mt	Gold (g/t)	Silver (g/t)	Zinc (%)	Gold koz	Silver koz
Indicated	1.9	1.2	36	0.7	75	2,200
Inferred	4.2	1.2	35	0.4	165	4,800
Total	6.1	1.2	36	0.5	240	7,000

Note: Small rounding errors may occur. Refer Competent Person statement and Technical Checklist below.

3. Competent Persons Statement

Exploration Results and Mineral Resources

The information in this report that relates to Mineral Resource estimates is based on information compiled by Mr Michael Rosenstreich who is a fulltime employee of Bass Metals and a Member of the Australasian Institute of Mining and Metallurgy. Mr Rosenstreich has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 (the JORC Code)". Mr Rosenstreich consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

4. Mineral Resource Estimate Checklists

Table 3: Checklist of Assessment and Reporting Criteria - Hellyer Tails Mineral Resource.

Geological Setting	Hellyer is a VMS style deposit occurring as polymetallic massive sulphide mineralisation within a mafic-felsic volcano-sedimentary sequence. The deposit was mined from 1985 to 2000 with production of 16.9 Mt @ 0.4% Cu, 7.2% Pb, 13.8 % Zn, 167 g/t Ag and 2.5 g/t Au. The Hellyer Tails Mineral Resource estimate relates to the tailings from this production.
Estimation Source:	AMC estimated the Mineral Resource of the Hellyer tailings in 2005. In June 2009 AMC was requested by Bass Metals Ltd to restate the Hellyer Tailings Mineral Resource estimate allowing for depletion of tailing for reprocessing since 2006.
Tenement and land status	Hellyer occurs within CML 103M/87 and is 100% owned by Hellyer Mill Operations, a wholly owned subsidiary of Bass Metals Ltd.
Drilling	Total hole drill samples were collected in June 1998 (61 holes) and July 2000 (53 holes) programmes. Vibracore drilling techniques were used.
Logging	No geological logging of the drill cuttings was undertaken. This is understandable given the type of material in the deposit.
Sampling	Samples were collected at 2 metre intervals in the 1998 programme and 6.5 metre intervals in the 2000 programme. Drillholes were composited to one sample downhole for length weighting during grade estimation.
Assaying	Samples were analysed by AMMTEC Burnie Research Laboratory (BRL), Au was determined by fire assay and Cu, Pb, Zn and Ag were determined using XRF. Only minor QA-QC was completed/
Database integrity	Routine validation was carried out by AMC.
Estimation and modelling techniques	A block model of the tailings was developed using predeposition (of tailings) topography and tailings surfaces determined in 1998, 2000 and 2009. Grades were estimated into the model using ordinary kriging. Grade in the Shale Pit and Western Arm areas (retreated tailings) were calculated by metallurgical balance.
Cut-off parameters.	The Hellyer Tails Mineral Resource statement and classification refers to tonnes and grade above cut-offs of 1.65% Pb, 2.04% Zn, 0.10% Cu, 76.83 g/t Ag and 2.28 g/t Au.
Mining / Metal assumptions.	No assumptions were made about mining or metallurgical factors
Bulk density	A bulk density of 1.93 t/m ³ was assigned to insitu tailings. Tailings that had been retreated were assigned a bulk density of 1.64 t/m ³
Classification	A numeric code, RESCODE, was set in the model, with values of one, two or three, corresponding to Measured Resource, Indicated Resource and Inferred Resource respectively. The model has been classified in a global sense and the classification is only intended to be valid if the tailings are mined in their entirety. The model has been classified as Measured Resource in all areas where the drilling density was sufficient to allow an estimate of grade in the first pass. This equates to most of the tailings dam that was drilled in 2000. Kriging efficiency testing helped to confirm the classification in this area. The model has been classified as Indicated Resource at the peripheries of the drilling, as there was greater uncertainty in the continuity of grade. Four areas of the model have been classified as Inferred Resource, as there was uncertainty in grade continuity as well as uncertainty in the volume represented by the wireframes in these areas. The areas in question are the western edge of the model in the areas marked as 'shale borrow pits', the north eastern corner of the model where the tailings have inundated a shallow creek and tailings in the Western Arm dam and Shale Pit.

Table 4: Checklist of Assessment and Reporting Criteria - Mt Charter Mineral Resource estimate.

Criteria	Comments
Geological Setting	The Mt Charter deposit is a variety of VHMS deposit. Mineralisation is massive to stockwork auriferous and argentiferous barite veins.
Estimation Source:	The Mt Charter Mineral Resources estimation was undertaken by Snowden Mining Industry Consultants based on geological interpretations provided by Bass Metals Ltd, in 2006.
Drilling	All Bass Metals Ltd holes have been diamond-drilled and NTW-sized core recovered (diameter of 56mm). Historic drilling was also diamond-drilled and of NQ core size (47.6mm diameter). An average of 92% core recovery was achieved. The Mt Charter resource has been drilled on 50m spaced sections oriented WNW/ESE. Drill-hole spacing is approximately 50m along these section lines.
Logging	All drill holes were geologically logged using the same nomenclature as pre- Bass Metals Ltd drilling (Aberfoyle log codes). Wet and dry digital photographs of all cores were systematically taken and RQD measurements were recorded at per drill-run intervals (average of 3.0m).
Sampling	Half-core samples were collected at 1.0m interval unless there were major lithological boundaries which warranted more detailed sampling.
Assaying	Half core samples were submitted to Ammtec-Burnie Research Laboratories located in Wivenhoe, Tasmania. Samples were routinely analysed for Au (fire assay); Ag, Pb, Zn, Cu, As, Fe (triple acid digest and AAS); Ba (pressed powder XRF). SG determination was conducted by the laboratory on the 1m composite samples. QA-QC involved standards (every 25 samples) and blanks (every 25 samples) and a selection of samples were analysed by Genalysis (Perth) for comparison.
Surveying	All drill-hole collar locations have been measured by a contract surveyor.
Database integrity	The responsible project geologist reviewed and checked new results and plots standard and blank results to ensure these are within acceptable limits. This is required before the laboratory job is accepted. The drill-hole data is stored in an excel spreadsheet.
Geological Interpretation	The Mt Charter mineralisation comprises a barite-rich vein package which has a NNE trending enveloping surface and sub-vertical/steep westerly dip. The mineralized veins have a NNW strike and are sub-vertical.
Estimation and modelling techniques	Multiple elements were estimated using ordinary kriging. Ordinary kriging restricted to mineralisation and homogeneous domain boundaries. The change of support process is based on multi-element conditional simulation. Variography of all elements studied and grade trends modelled.
Cut-off parameters.	A cut-off grade of 0.7 g/t Au was applied.
Previous Mine Production	No previous mining has taken place on the Mt Charter deposit.
Mining factors or assumptions.	The tonnage and grade estimation is based on a 'change of support' geostatistical technique that is targeted at modelling the deposit behaviour using anticipated open pit mining on five metre high benches and a mining selectivity of 5 m by 10 m by 5 m.
Metallurgical factors	No assumptions have been made about metallurgical treatment.
Bulk density	Average bulk density values for stratigraphic domains calculated and applied to estimated blocks.
Classification	Snowden and Bass Metals have completed classification by taking into account data integrity, grade continuity, geological confidence and drill hole spacing.
Audits or reviews	No audits or reviews have been completed.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

BASS METALS LTD

ABN

31 109 933 995

Quarter ended ("current quarter")

30 JUNE 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	41,882	93,402
1.2	Payments for (a) exploration & evaluation		
	(b) closure & rehabilitation	(129)	(2,327)
	(c) production	(1,796)	(6,644)
	(d) OHS & environmental	(22,970)	(74,084)
	(e) site administration	(277)	(1,125)
	(f) corporate (includes certain site admin costs).	(443)	(2,068)
		(606)	(3,090)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	111	224
1.5	Interest and other costs of finance paid	(829)	(1,691)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		14,943	2,597
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5)	(334)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	1	28
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Hedging Settlements	(572)	(1,839)
Net investing cash flows		(576)	(2,145)
1.13	Total operating and investing cash flows (carried forward)	14,367	452

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	14,367	452
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,518
1.15	Proceeds from convertible notes	-	4,223
1.16	Proceeds from borrowings	-	12,000
1.17	Repayment of borrowings	(15,354)	(22,633)
1.18	Dividends paid	-	-
1.19	Other (fundraising transaction costs)	-	(1,243)
	Net financing cash flows	(15,354)	(3,135)
	Net increase (decrease) in cash held	(987)	(2,683)
1.20	Cash at beginning of quarter/year to date	4,659	6,355
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,672	3,672

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	69
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	-	5,000
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(229)
4.2 Care & Maintenance	(327)-
4.3 Production	-
4.4 Administration (includes financing costs & fees)	(656)
Total	(1,212)

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	3,646	4,633
5.2 Deposits at call	26	26
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,672	4,659

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.

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	294,450,145	294,450,145		
7.4 Changes during quarter (a) Increases through issues (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				

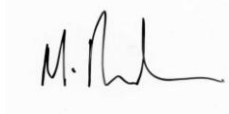
+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		975,000	-	42.5 cents	16.10.12
		425,000	-	51.0 cents	31.12.12
		400,000	-	25.0 cents	01.09.12
		400,000	-	35.0 cents	01.09.13
		200,000	-	50.0 cents	01.09.13
		300,000	-	26.0 cents	31.12.12
		300,000	-	28.5 cents	31.12.12
		300,000	-	30.5 cents	31.12.12
		950,000	-	30.0 cents	31.12.12
		3,000,000	-	22.8 cents	22.09.13
		910,000	-	22.0 cents	15.07.13
		200,000	-	20.5 cents	11.10.14
		200,000	-	29.0 cents	11.10.14
		200,000	-	41.0 cents	11.10.14
		100,000	-	43.5 cents	31.01.15
		100,000	-	61.0 cents	31.01.15
		100,000	-	88.0 cents	31.01.15
		5,900,000	-	31.8 cents	27.05.14
		200,000	-	26.0 cents	27.08.15
		200,000	-	36.5 cents	27.08.15
		200,000	-	52.5 cents	27.08.15
		66,700,000	-	18.0 cents	31.10.14
		15,000,000	-	18.0 cents	23.02.15
		90,137,678	90,137,678	20.0 cents	30.09.14
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 19 July 2012

Print name:

MICHAEL ROSENSTREICH

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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