

ASX Announcement
28 April 2011

REPORT FOR THE QUARTER ENDED 31 March 2011

Highlights :

GBM launched its \$5.8M exploration program for North Queensland.

➤ **Brightlands Copper Gold Project - \$2.5million budgeted for Milo and Tiger T2.**

The extensive Milo drilling program currently underway is seeking to confirm and increase the initial exploration target size of 30-80 million tonnes grading between 0.8% and 1.2% Cu equivalent.

Positive results from the current Milo program would provide a basis for a preliminary feasibility study in 2012.

Tiger T2 drilling is to test for higher grade Cu-Au mineralisation and follow up indicated Iron Oxide Copper Gold system (IOCG) potential.

➤ **Pan Pacific /Mitsui \$55 million Farm-in Agreement – budget \$3.0 million**

Mitsui & Co has acquired 25% of Pan Pacific Copper's interest in the \$55million Farm In Agreement with GBM. The introduction of Mitsui as a partner with PPC further endorses the significant potential of the tenement portfolio in the Mount Isa Region.

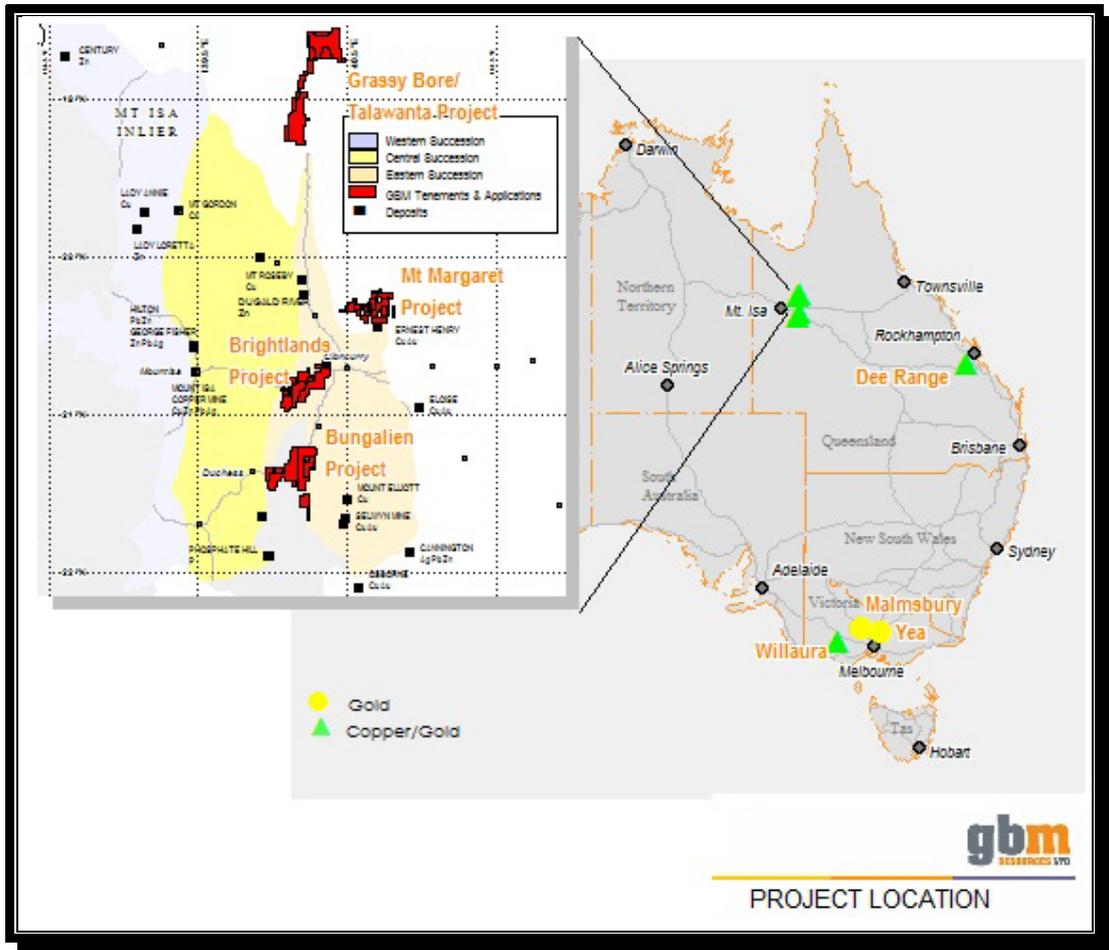
The joint venture budget for this year of \$3million (managed by GBM) has been approved and initial drilling and field work will be undertaken this year on all areas covering the Grassy/Talawanta, Mount Margaret, Chumvale and Bungalien IOCG projects.

➤ **Phosphate Joint Venture – budget \$280,000**

GBM is working in a joint venture with Singapore-based investor Swift Venture Holdings in an area known as the Bungalien projects. These projects are contained within the region's phosphate-rich Georgina Basin.

The program is aimed at advancing the work GBM completed in December 2008 where peak phosphate values of more than 22% P₂O₅ were recorded.

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SAFETY AND ENVIRONMENT

No LTI, MTI or environmental incidents were reported during the quarter. The Company has now completed 6 consecutive months with no LTI or MTI's, and 33 consecutive months with no significant environmental incidents.

GBM will continue to target zero injuries and environmental incidents in line with the Company's policy of striving to achieve the highest standards in safety and environmental management.

QUEENSLAND EXPLORATION ACTIVITIES

Mount Isa Region Copper Gold Projects

1.0 Brightlands Cu Au Project (Budget \$2.5M)

GBM Resources has commenced a major \$2.5M exploration program to progress its Milo and Tiger T2 and other prospects within the highly prospective Brightlands Cu-Au Project Area.



Picture: Diamond drilling currently underway at the Milo Prospect.

Milo Prospect.

The current work is following-up significant results returned at Milo last year which confirmed the potential for a large Iron Oxide Copper Gold system (IOCG). The data from that work provided GBM Resources with the basis for an initial Exploration Target*³ of between 30-80 million tonnes (Mt) of mineralised material which averaged between 0.8% and 1.2% Cu equivalent*¹.

The Milo Prospect is a large breccia hosted, poly-metallic Iron Oxide Copper Gold system (IOCG). The 2010 drilling program has confirmed consistent mineralisation over long intervals containing significant zones of higher grades. Significant results include; BT024: 107m @ 0.8% Cu Equivalent, including 37m @1.1% Cu and BT025: 86m @ 0.8% Cu equivalent, including 27m@ 1.2% Cu equivalent and 18m @ .3% Cu equivalent. The Drilling program confirmed consistent mineralisation over broad intervals with significant results for copper, gold, silver, molybdenum, cobalt and uranium.

The Milo IOCG mineralising system remains open, both at depth and along strike, which suggests potential for future increases in exploration target size. Drilling to date supports that Milo has the potential to be a large breccia hosted, poly-metallic IOCG system.

Three dimensional modelling of recently collected low level airborne magnetic data shows the Milo area to be part of a large semicircular magnetic feature containing several other magnetic highs which require follow up field work.

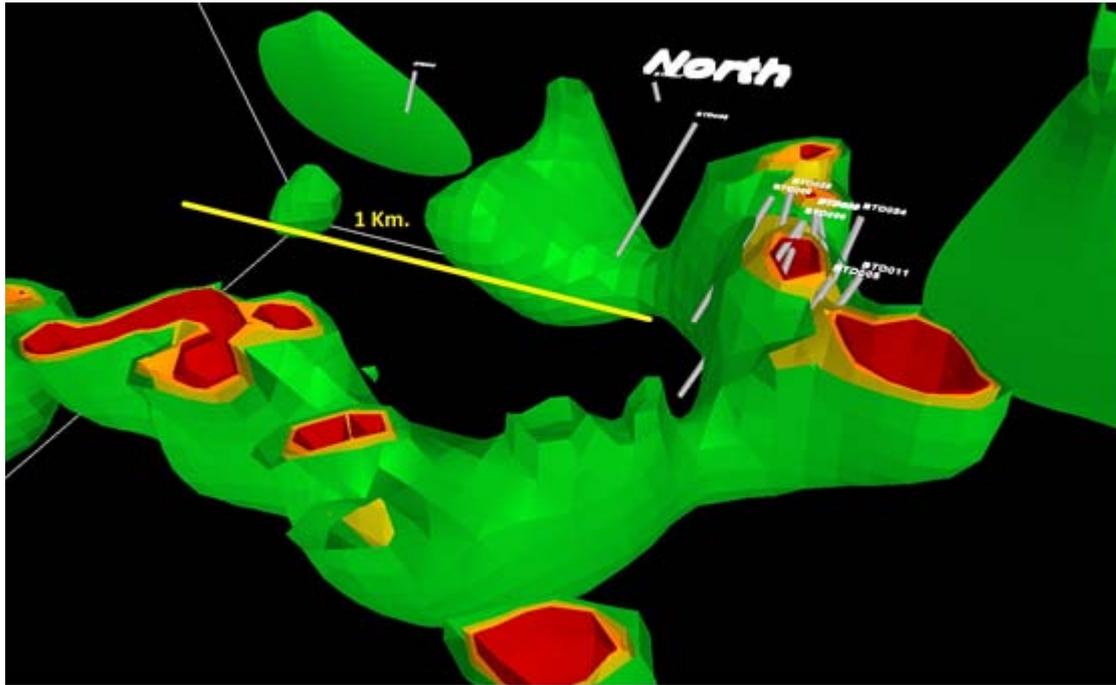


Figure 1; oblique view of Milo magnetic model showing GBM Drillholes. Model shells (in magnetic susceptibility units) are green 30,000, olive 50,000, orange 60,000 and red 70,000.

Forward Program

- **June Quarter 2011:** Drilling (10 holes for a total of over 3,500 metres) to test the depth and strike of the current work area and an immediate extension indicated by magnetic data. It is also aimed at confirming and or expanding the initial exploration target size of 30-80 million tonnes grading between 0.8% to 1.2% Cu equivalent.
- **2nd Half 2011:** Ongoing drill testing of the current work area to progress to inferred resource status. A project scoping study, including associated metallurgical testwork and preliminary financial modelling, will also be completed. Concurrently, testing to extend the exploration target area will be undertaken of additional strike extensions over two kilometres, as previously indicated by soil geochemistry.

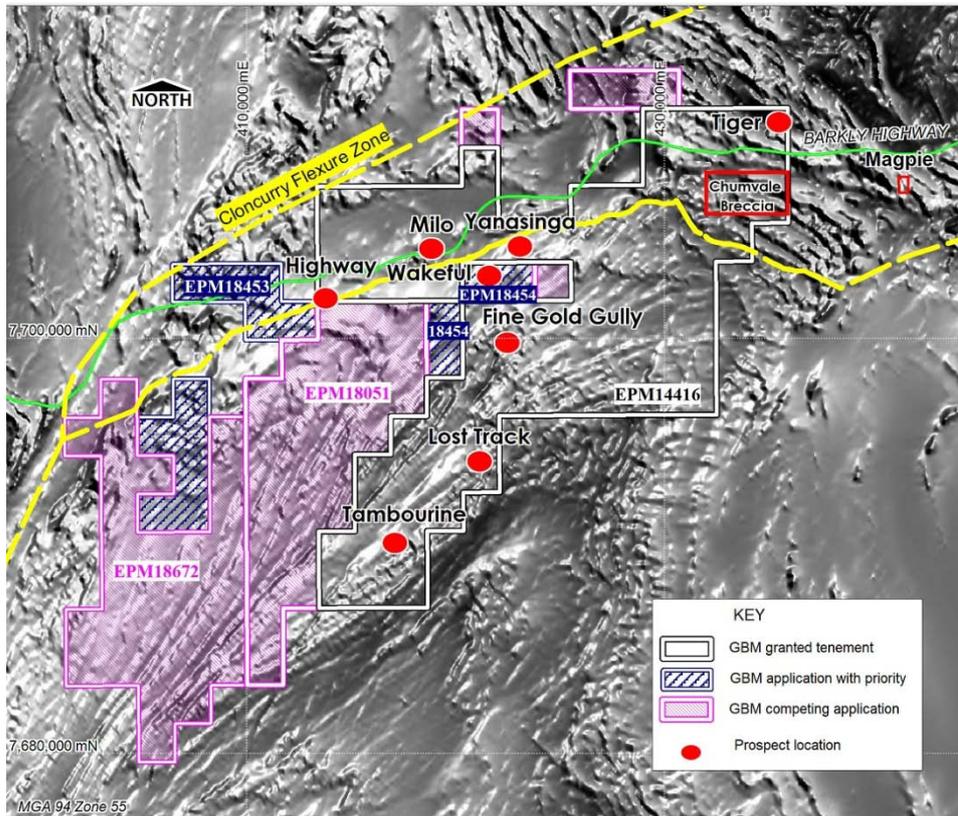
Positive results from this program would provide the basis for a preliminary feasibility study to follow in 2012.

Tiger T2 Prospect.

Drill testing to advance the T2 prospect is planned for completion during the June Quarter. This drilling will test for higher grade Cu-Au mineralisation extending from the existing broadly spaced scout drill holes completed last year. The drilling will follow up on the strong results from the most recent Tiger T2 program, which upgraded the copper soil anomaly and confirmed the previous results obtained from a Sub Audio magnetic (SAM) survey. These results have indicated that T2 has the potential to host IOCG style mineralisation.

The program is planned to commence in May and will be staged as follows:

- **June Quarter 2011:** Drilling to test the strike continuation of the anomalous area defined by soil geochemistry and upgraded by drilling in the December quarter. A detailed gravity survey will also be completed to further assist in targeting areas of potential mineralisation.
- **2nd Half 2011:** Ongoing drill testing of the T2 area, testing mineralisation at depth. Additional electrical geophysical surveys may be utilised to assist in targeting deeper mineralisation.



Brightlands Copper Gold Project Area

2.0 Pan Pacific Copper/ Mitsui Farm in Projects

The company announced on 11 February that Japanese company, Mitsui & Co had acquired 25% of Pan Pacific Copper's interest in its \$55 million Farm-in Agreement with GBM Resources.

Mitsui & Co is a major global general trading company with total assets over US\$120 billion spanning 66 countries and employing over 40,000 people. Mitsui's vast range of business activities cover mineral resources and energy, global marketing networks, lifestyle business and infrastructure.

GBM and PPC executed a binding agreement on 12 April 2010 in relation to five project areas in the Mt Isa region of North Queensland. The projects cover 1,580km of highly prospective multi-minerals ground in the Eastern Succession of the Mount Isa Inlier.

There is no change to the Farm-in Agreement terms or GBM's interest in the Agreement.

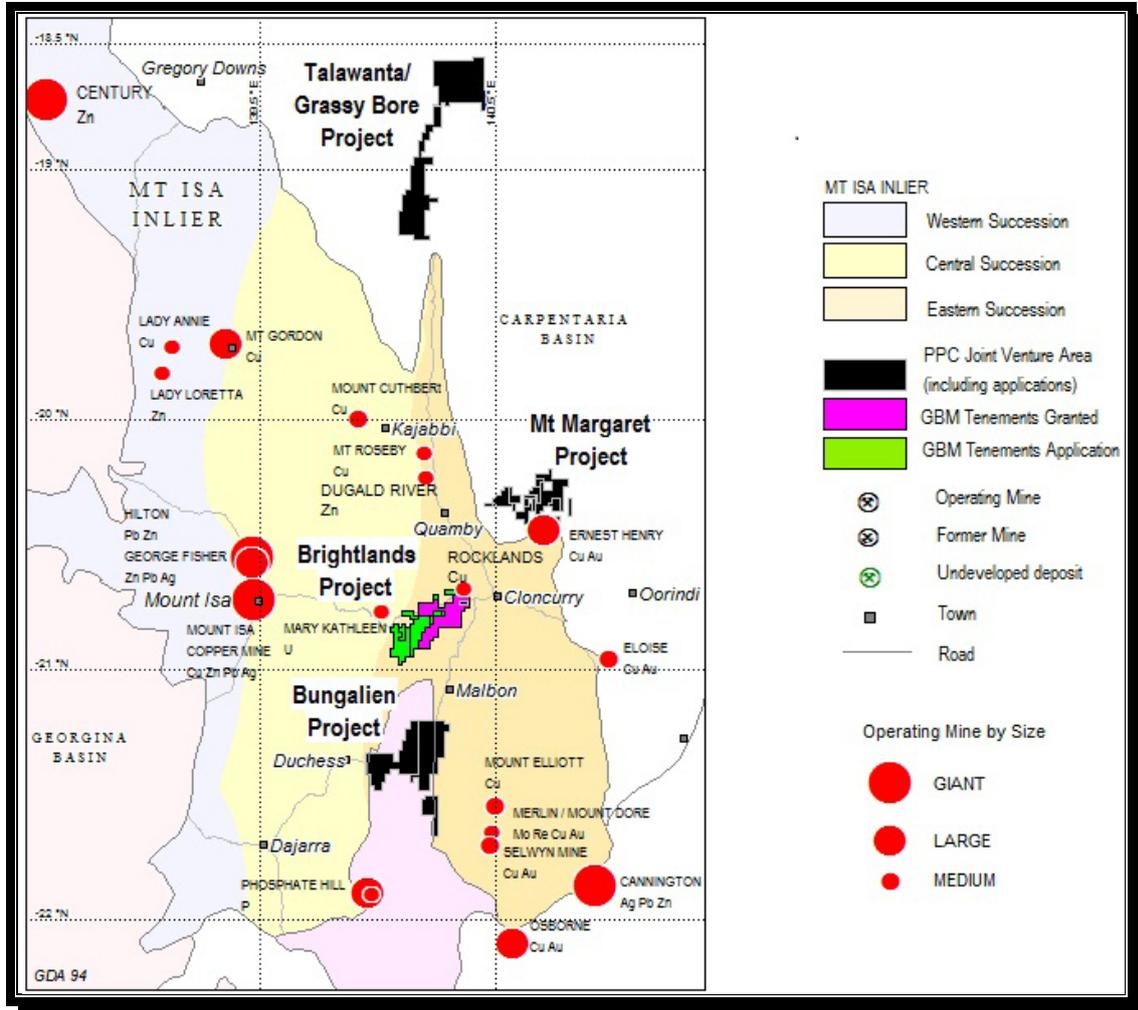
Under the Farm-in Agreement, Pan Pacific / Mitsui, through their co-established Australian subsidiary, Cloncurry Exploration and Development Pty Ltd ("**CED**"), can spend up to A\$55million on the development of new copper-gold exploration and mining projects in northwest Queensland.

Highlights of the Farm-in Agreement include:

- CED has the right to earn a 51% interest in the projects by spending a total of A\$15 million within a six year period. CED is required to spend a minimum of A\$2 million on exploration during the first two years of the agreement.
- During the initial farm-in period, GBM will manage all exploration activities on the projects on behalf of CED.
- CED may subsequently increase its interest up to 90% in the projects (other than the Chumvale Breccia Prospect) by spending A\$1.026 million for each 1% increment for total additional expenditure of \$A40 million.
- Upon CED acquiring a 90% interest in the projects, GBM will retain a free carried interest of 10% through to the completion of a Bankable Feasibility Study on the projects.

The introduction of Mitsui as partner with PPC and GBM under the Farm-in Agreement further endorses the significant potential of GBM's extensive tenement portfolio in the Mount Isa region.

A \$3.0M joint venture budget has been approved by CED and initial drilling and field work will be undertaken this year on all project areas including Grassy/Talawanta, Mount Margaret, Chumvale and Bungalien IOCG projects



Talawanta- Grassy Bore Cu Au Projects

In November 2010, GBM Resources Limited commenced drilling the first of two 600 metre holes at the Ibis, and Ibis South Prospects that form part of the Grassy Bore Copper Gold project in the North-West Mineral Province, Queensland. The two holes were planned to test two (under cover) gravity highs with near-coincident magnetic highs, adjacent to a gravity low interpreted as a felsic intrusion. Continuation of that drilling program is planned for the June Quarter of 2011.

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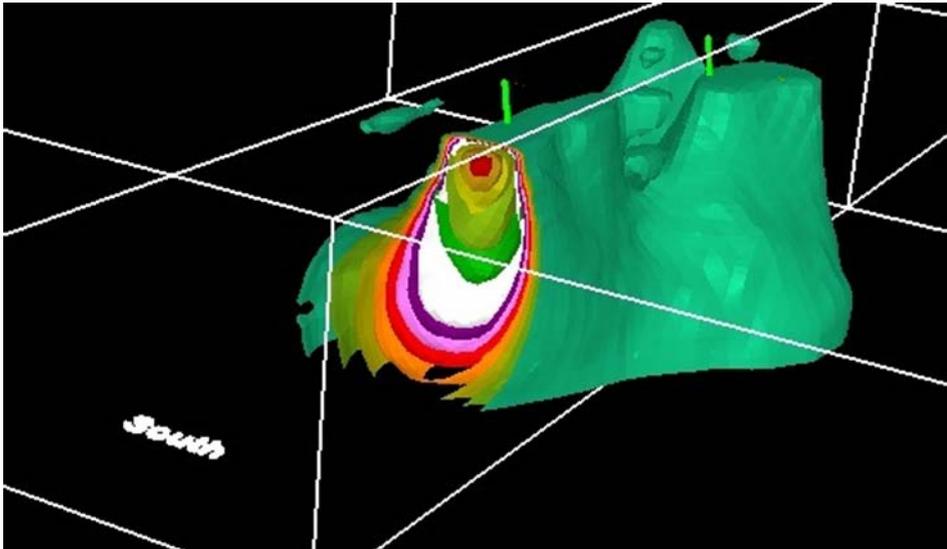


Figure 2: Oblique view of 3D inversion model showing proposed drillholes in bright green intersecting modelled magnetic and gravity targets after passing through cover sequence (approximately 300m thick). Larger outer shells represent magnetic model (Magnetic susceptibility units 100k intervals increasing from outer green 200k to inner white 800k shell) while inner shells represent gravity (density contrast to host rock in g/cm³ increasing inwards from bright green 0.3 to red 0.7 shell)

Forward Program

The Talawanta and Grassy Bore Projects contain significant geophysical targets in the northern continuation of the highly prospective Eastern Succession of the Mt Isa Inlier under cover. The area referred to as the Boomara Ridge is considered by GBM to be highly prospective for IOCG style mineralisation. Exploration for the June Quarter and the 2011 program will be staged as follows:

- **June Quarter 2011:** Completion of the initial drilling to test discrete coincident gravity and magnetic anomalies at Grassy Bore. Commencement of additional ground gravity surveying to complete broad coverage at Talawanta and extend survey areas at Grassy Bore. Commencement of initial drilling of targets at Talawanta
- **2nd Half Year:** Completion of gravity and drilling programs which commenced in the June Quarter. Deep seeing, electrical geophysical surveys to further elucidate target areas at both Talawanta and Grassy Bore will also be undertaken.

Bungalien IOCG Project

The Bungalien area contains a number of discrete magnetic features considered targets for IOCG style mineralisation. During the December quarter an initial detailed gravity survey was completed over one of these targets confirming the presence of a coincident subtle gravity high.

Forward Program

The Bunglien Project area contains significant geophysical targets in the highly prospective Eastern Succession of the Mt Isa Inlier under cover of the Georgina Basin. The area is considered by GBM to be highly prospective for IOCG style mineralisation.

Exploration for the June Quarter and the 2011 program will be staged as follows:

- **June Quarter 2011:** Completion of the initial drilling to test discrete coincident gravity and magnetic anomalies at Malbon 2.
- **2nd Half Year:** Commencement of additional gravity and drilling programs testing other targets in the project area. Deep seeing, electrical geophysical surveys to further elucidate these target areas will also be undertaken.

Mt Margaret West IOCG Project

The Mt Margaret West Project area is located immediately north of the Ernest Henry IOCG deposit. The complex tenement group contains a number of mature prospect areas where GBM believe that further testing of discrete magnetic features considered targets for IOCG style mineralisation is warranted.

Forward Program

The Mt Margaret West Project area database is currently being reviewed. The targets being identified are considered under explored and further exploration is being planned. The area is adjacent to the Ernest Henry and Mt Margaret West deposits and are considered by GBM to be highly prospective for further IOCG style discoveries. Exploration for the June Quarter and the 2011 program will be staged as follows;

- **June Quarter 2011**: Completion of the initial drill testing of targets.
- **2nd Half Year**: Commencement of additional geophysical testing as indicated by data review. Further drilling programmes testing other targets in the project area will also be undertaken.

Chumvale Breccia Project

Exploration for a buried mineral deposit within the Chumvale Breccia area is still at the primary data collection phase. It is envisaged that this will be advanced during the coming year and the program will be staged as follows;

- **June Quarter 2011**: Detailed gravity surveying (large oxide and sulphide target) to assess high gravity target potential at depth, electrical geophysics, probably IP to test for reduced, disseminated metal sulphide target, systematic (grid-based) geological mapping and rock chip sampling of the Chumvale Breccia to assess internal geological and geochemical variations, infill soil sampling to complete 50 x 50m grids in selected target areas.
- **2nd Half Year**: Ongoing compilation, validation and interrogation of all data sets and development of geological model/s, initial scout drill holes up to 600m to assess the characteristics of the Chumvale Breccia at depth.

3.0 Phosphate Joint Venture

GBM is working in a joint venture with Singapore-based investor, Swift Venture Holdings in an area known as the Bungalien phosphate projects. These projects are contained within the region's phosphate-rich Beetle Creek Formation and the up-coming program is aimed at advancing the work GBM completed in December 2008 when peak phosphate values of more than 22% P₂O₅ were recorded.

Planning is underway and a drilling rig secured to commence drilling of phosphate mineralisation defined by earlier GBM exploration. A \$280,000 exploration program which includes over 1500 metres of drilling is scheduled for the June quarter.

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4.0 Tenement Summary

Tenement maintenance, including reporting and renewals has been ongoing during the quarter.

Exploration licences EPM's EL5292 & EL5293 granted at Yea where previous exploration data indicates the presence of an Intrusive Related Gold System (IRGS) with soil and drill results confirming the presence of Au-W-Sn-Mo +/-Bi mineralisation in several areas.

Additional exploration licences applications lodged were Willaura EL5346 and Yea EL5347 in Victoria.

Tenement Table:

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area* ³ (km ²)	Status	State
Victoria									
Malmsbury									
Belltopper	EL4515* ¹	GBMR/Belltopper Hill	100%	GBMR	6/10/2005	5/10/2012	25	Granted	Vic
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	94	Renewal	Vic
Willaura									
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2012	98	Granted	Vic
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2012	29	Granted	Vic
Willaura	EL5346	GBMR	100%	GBMR			11	Appl'n	Vic
Yea									
Tin Creek	EL5292	GBMR	100%	GBMR	23/03/2011	22/03/2016	442	Granted	Vic
Monkey Gully	EL5293	GBMR	100%	GBMR	23/03/2011	22/03/2016	442	Granted	Vic
Rubicon	EL5347	GBMR	100%	GBMR			155	Appl'n	Vic
Queensland									
Dee Range									
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	88	Granted	Q'ld
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Renewal	Q'ld
Mt Morrissey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Renewal	Q'ld
Black Range	EPM17734	GBMR	100%	GBMR	20-May-09	19-May-14	180	Granted	Q'ld
Smelter Return	EPMA18366	GBMR	100%	GBMR			195	Appl'n	Q'ld
Limonite Hill	EPMA18811	GBMR	100%	GBMR			260	Appl'n	Q'ld
Mt Hoopbound	EPMA18812	GBMR	100%	GBMR			23	Appl'n	Q'ld
Mount Isa Region									
Talawanta - Grassy Bore									
Talawanta	EPM15406	GBMR* ² /Isa Tenements	100%	GBMR	15-Jan-08	14-Jan-11	<u>325</u>	Renewal Pending	Q'ld
Grassy Bore	EPM15681	GBMR* ² /Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	<u>325</u>	Renewal Pending	Q'ld
Talawanta	EPM 18290	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Q'ld
Grassy Bore	EPM 18291	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Q'ld
Mount Margaret									
Mt Margaret W.	EPM16227	GBMR* ² /Isa Tenements	100%	GBMR	31-Jul-07	30-Jul-12	<u>36</u>	Granted	Q'ld
Mt Margaret West	EPM14614	GBMR* ² /Isa Tenements	100%	GBMR	2-Aug-05	1-Aug-10	<u>129</u>	Renewal Pending	Q'ld
Mt Malakoff Ext	EPM16398	GBMR* ² /Isa Tenements	100%	GBMR	19-Oct-10	18-Oct-15	84	Granted	Q'ld
Cotswold	EPM16622	GBMR* ² /Isa Tenements	100%	GBMR			45	Appl'n	Q'ld
Dry Creek	EPM 18172	GBMR/Isa Tenements	100%	GBMR			227	Appl'n	Q'ld
Dry Creek	EPM 18174	GBMR/Isa Tenements	100%	GBMR			39	Appl'n	Q'ld
Brightlands									
Brightlands	EPM14416	GBMR* ² /Isa Brightlands	100%	GBMR	5-Aug-05	4-Aug-10	251	Renewal Pending	Q'ld
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	GBMR			13	Appl'n	Q'ld
Highway	EPM18453	GBMR/Isa Brightlands	100%	GBMR			36	Appl'n	Q'ld
	EPM18672	GBMR/Isa Brightlands	100%	GBMR			97	Appl'n	Q'ld
Brightlands West	EPM18051	GBMR/Isa Brightlands	100%	GBMR			99	Appl'n	Q'ld
Bungalien									
Bungalien	EPM14355	GBMR* ² /Isa Tenements	100%	GBMR	13-Oct-04	12-Oct-09	<u>61</u>	Renewal Pending	Q'ld
Horse Creek	EPM15150	GBMR* ² /Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-11	<u>80</u>	Granted	Q'ld
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	GBMR	20-Oct-10	19-Oct-15	72	Granted	Q'ld
Malbon 2	EPM14120	GBMR* ² /Isa Tenements	100%	GBMR	24-Aug-04	23-Aug-10	<u>15</u>	Renewal Pending	Q'ld
Bungalien 2	EPM18207	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
Horse Creek 2	EPM18208	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld

CORPORATE

\$4.5 million Placement

In the quarter the company completed a Placement of 37.5million shares at an issue price of 12 cents per share to raise A\$4.5 million from professional and sophisticated investors.

The Placement was made in two tranches. The placement of the first tranche of 25 million shares was completed on 18 January 2011 and the second tranche for 12.5 million shares was completed after Shareholder approval at a general meeting on 31 January 2011.

The Placement was planned to be within the Company's 15% capacity, however strong demand resulted in the Placement being heavily oversubscribed. The Placement was at an 11% discount to the closing price of 13.5 cents on 20 December 2010.

GBM is very keen to maintain its growth momentum and the funds raised from the Placement will be used primarily on the Brightlands Copper Gold Project in North West Queensland to accelerate the exploration activities at the Milo Prospect.

Expenditure for the Quarter and Working Capital

The Company spent A\$627k in the quarter, of which \$402k was for exploration and \$225k for administration costs. Cash at 31 March 2010 was \$5.8 million.

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Explanatory notes:

*¹ Copper Equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. It should also be noted that current state and federal legislation may impact any potential future extraction of Uranium. Prices and conversion factors used are summarised below, rounding errors may occur.

Commodity	Price	Units	unit value	unit	Conversion factor (unit value/Cu % value)
copper	6836	US\$/t	68.36	US\$/%	1.0000
gold	1212	US\$/oz	38.97	US\$/ppm	0.5700
cobalt	40000	US\$/t	0.04	US\$/ppm	0.0006
silver	18	\$/oz	0.58	US\$/ppm	0.0085
uranium	40	US\$/lb	0.08	US\$/ppm	0.0012
molybdenum	38000	US\$/t	0.04	US\$/ppm	0.0006

*² Intersections quoted are length weighted averages of results for individual sample intervals. Samples were taken at 1 metre intervals in RC drilling by multistage splitter and generally 1 metre intervals of half sawn core with maximum of 2 metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-ICP61, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes range in declination from 50^o to 70^o to 225^o MGA at Milo and 270^o MGA at Tiger. Mineralised zones are interpreted to dip steeply in the opposite direction, holes are therefore drilled approximately perpendicular to the interpreted strike of mineralised zones.

*³ It should be noted that this is an exploration target only, potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The tonnage estimate is based on a 475 metre strike length with an average combined width of 80 metres and depth of 500 metres being the volume broadly tested by drilling to date. A nominal bulk density of 3.0 t/m³ was assumed. An accuracy of +/- 50% was assumed to provide a tonnage range reflecting the conceptual nature of this target estimate. Grade ranges represent the range of downhole intersections available over significant widths to date.

The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation 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'. Mr Norris 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.

Name of entity

GBM Resources Limited

Quarter ended ("current quarter")

ABN 91 124 752 745

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation (including JV Farm-in spend)	(402)	(2,012)
(b) development	-	-
(c) production	-	-
(d) administration	(225)	(731)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	41	73
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Grants and JV management fees	27	175
Net Operating Cash Flows	(559)	(2,495)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(46)	(382)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	36
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - JV Farm-in contributions received	186	908
Net investing cash flows	140	562
1.13 Total operating and investing cash flows (carried forward)	(419)	(1,933)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(419)	(1,933)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,100	7,478
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	(314)	(502)
	Net financing cash flows	3,786	6,976
	Net increase (decrease) in cash held	3,376	5,043
1.20	Cash at beginning of quarter/year to date	2,432	756
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,799	5,799

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	156
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Director remuneration – fees and consultancy.	

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

N/a

- 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

Expenditure for the quarter of \$140,317 (year to date \$629,897) has been incurred by other entities under joint venture farm-in agreements on projects held by the Company.

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	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	2,000
4.2	Development	-
4.3	Production	-
4.4	Administration	240
Total		2,240

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	5,686	2,319
5.2	Deposits at call	113	113
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		5,799	2,432

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	EL5346 & 5347 EL5292 & 5293	- 100%	100% 100%

+ See chapter 19 for defined terms.

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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	-			
7.3 +Ordinary securities	218,693,503	218,693,503		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	37,499,999 -	37,499,999 -		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 Options <i>(description and conversion factor)</i>	113,793,124	113,793,124	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30/6/2013
7.8 Issued during quarter	10,000,000	10,000,000	\$0.20	30/6/2013
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>	-	-		
7.13 Performance Share Rights <i>(description and vesting dates)</i>	1,100,000 1,100,000	- -	<i>Vesting date</i> 16/3/2011 16/12/2011	<i>Expiry date</i> 15/3/2016 15/12/2016
7.14 Issued during quarter	1,100,000 1,100,000	- -	16/3/2011 16/12/2011	15/3/2016 15/12/2016
7.15 Exercised during quarter	-	-	-	-
7.16 Expired during quarter	-	-	-	-

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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: 
..... Date: 28 April 2011
Company Secretary

Print name: Kevin Hart

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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