

**Exalt Resources Ltd**  
ACN: 145 327 617  
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### Exalt's Existing Projects

Exalt owns 100% of the Mineral Hill South Project covering 116km<sup>2</sup> of land located 3km to the south of the Mineral Hill Mine in NSW and 100% of the Nyngan Project which covers 160km<sup>2</sup> of land in central west NSW targeting porphyry copper and epithermal gold mineralisation.

### Exploration Activity

#### **Mineral Hill South – EL7663 (ERD – 100%)**

Work completed to date has confirmed the prospectivity of Mineral Hill South.

#### **Yellow Shaft Prospect**

Drilling at Yellow Shaft Prospect has identified a strong arsenic anomaly oriented north-west to south-east, similar to the orientation of the arsenic-gold anomaly which was the precursor to discovery of the Pearse Deposit 8.5km to the north-west.

Reconnaissance around a topographic high associated with a coincident chargeability high and resistivity high also discovered anomalous lead with up to 1,054ppm in soils using a hand held XRF analyser approximately 600 to the south-east of YLW003 and YLW004. The lead anomalism is spatially associated with a shallow resistivity anomaly highlighted by the 3D IP survey completed in mid-2011.

Exploration activity during the March 2012 quarter was limited to rehabilitation of the sites where drilling was undertaken during 2011. The Company is currently assessing undertaking a soil sampling program whereby approximately:

- 760 close spaced (25m x 25m) 'conventional' soil samples of the area between the lead soil anomaly and the arsenic anomaly would be obtained.; and
- 170 wide spaced (100m x 100m) 'conventional' soil samples to extend the close spaced grid just over the Bolwarra property. If any further anomalism is discovered in the 100 metre spaced sampling a contingency of 500 soil samples on a 25 metre grid would be proposed for follow-up and/or extension of the wide spaced grid to the properties to the west or north.

#### **Brooklyn**

The Brooklyn Ironstone intersected in the last round of drilling highlighted significant widths of greater than 50% Fe with relatively low contaminants. The ironstone outcrops over a roughly circular area of 150 metre diameter and based on the one RC hole is at least 100 metre deep.

Further metallurgical testing is required to further the assessment of the quality and grade of the contained iron.

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## Appendix 5B Mining exploration entity quarterly report

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### **Nyngan – EL7664 (100%)**

Aircore drilling during 2011 on the Nyngan Project confirmed the presence of a large intrusive system beneath the transported cover; all holes intersected granite which suggests that the erosion depth of the intrusive system is extensive and the likelihood of a high level intrusion or epithermal deposit remaining intact appears less likely given the new information.

The 'Rim Fracture' targets in the north of the lease still remain prospective as exploration targets however the cover over the eastern most Rim Fracture Target is greater than 100 metres and within that 100 metres are significant widths of free flowing sand starting within 15 metres of the surface. Given this information, it is likely that drilling conditions to get to basement would be difficult.

Exploration activity during the March quarter was limited to rehabilitation of the sites where drilling was undertaken during 2011 and the Company is assessing its options in relation to the Project including potentially attracting a farm-in partner.

### **Competent Person's Statement**

*The information in this report that relates to Exploration Results is based on information provided by Mr D Ward, Member of Australasian Institute of Mining and Metallurgy and a Consultant to Exalt Resources Limited. Mr Ward has sufficient experience that 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 Ward, consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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### **Other Activity**

During the March 2012 quarter the Company undertook the continued review, initial due diligence and negotiation surrounding the proposed acquisition of Odni Holdings (Pte.) Ltd ("ODNI") a Singapore incorporated coal Investment Company.

### **Proposed ODNI Acquisition**

This work resulted in the Company announcing on the 5<sup>th</sup> April 2012, that it had signed a Term Sheet which gives Exalt exclusive rights to investigate and negotiate the acquisition of 100% of the issued capital of ODNI.

ODNI has secured the rights to acquire an interest in a number of prospective coal mining projects in the Kalimantan, Sumatra and West Papua regions of Indonesia. ODNI's aim is to build a substantial diverse portfolio of Indonesian coal assets encompassing the following key parameters:

- Projects in an early stage exploration phase through to producing coal assets;
- A range of coal types including low to high grade thermal coal and coking coal suitable for both domestic and export markets;
- Concession areas spread across multiple Indonesian geographies, which are close to key infrastructure; and
- Projects supported by strong local partners.

As at the date of this report the Company is continuing to finalise due diligence, transaction documentation including a Notice of Meeting and Explanatory Memorandum which the Company expects to distribute to shareholders towards mid to late May contemplating a general meeting of shareholders in June 2012.

Exalt is close to finalising negotiations with a senior mining executive who it is proposed would become the Managing Director of the Company and Exalt expects to be in a position to inform the market imminently in relation to this.

The Company notes that the Australian Securities Exchange ("ASX") has determined that should the Company undertake the Proposed Transaction, it will then have to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

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## 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

EXALT RESOURCES LTD

ABN

17 145 327 617

Quarter ended ("current quarter")

31 MARCH 2012

#### 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 & evaluation	(25)	(361)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(68)	(283)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	27	95
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(66)</b>	<b>(549)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(66)</b>	<b>(549)</b>

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1.13	Total operating and investing cash flows (brought forward)	(66)	(549)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	(104)
	<b>Net financing cash flows</b>	-	(104)
	<b>Net increase (decrease) in cash held</b>	(66)	(653)
1.20	Cash at beginning of quarter/year to date	2,652	3,239
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,586	2,586

**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	47
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

These payments include Non-Executive Director Fees and Company Secretary fees.

**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

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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**Appendix 5B**  
**Mining exploration entity quarterly report**

	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	123
4.2 Development	-
4.3 Production	-
4.4 Administration	115
<b>Total</b>	<b>238</b>

**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	2,586	2,652
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,586</b>	<b>2,652</b>

**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			

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### 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 <b>Preference +securities</b> <i>(description)</i>	Nil	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	25,125,003	19,126,664	\$0.20	\$0.20
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	16,008,333	7,975,787	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 31 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Performance Shares</b> <i>(totals only)</i>				

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Appendix 5B  
Mining exploration entity quarterly report

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7.12	Unsecured notes (totals only)		
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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 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: .....Shane Hartwig... Date: .....30<sup>th</sup> April 2012....  
(Director/Company secretary)

Print name: SHANE HARTWIG

## 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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