



QUARTERLY REPORT

Quarter Ended 31 March 2013

Highlights

- Continuing to assess and undertake exploration activities on existing Indonesian concessions
- In advanced negotiations for the potential acquisition of near-term coal production assets in Kalimantan and Sumatra
- Production “hub” strategy to achieve scale and diversify risk
- Seeking acquisition and development capital debt financing

Exploration Portfolio - Indonesia

The Company continues to explore the existing projects acquired in November 2012, in parallel with a focus on identifying and delivering near term production and generating positive cash flow.

PT Karindangan (“Karin”)

Karindangan was included on the Clean and Clear Register (“CnC”), Stage VIII on 23 January 2013. The fieldwork for the mapping study of Karin has been completed, and when received, the final mapping study will determine the extent of an exploration drilling program.

An additional report is expected from the vendor regarding coal quality of mapped outcrops. Drilling and logging quotes have been obtained for the drilling program but wet weather is hampering operations particularly adjacent to the floodplain of the Barito River.

PT Mitra Maju Bangun Persada (“MMBP”)

Initial mapping studies on MMBP have been somewhat delayed by wet weather. A final report is expected during the current quarter. Additional mapping is being organised for mapping the remaining northern part of the concession, which has access problems caused by wet weather.

PT Bakti Inti Guna (“BIG”)

Verification sampling is due to commence at the BIG concession this month, with an anticipated drilling program to follow the concessions’ re-admission onto the CnC. The already 32 existing coal outcrops will be sampled and analysed.

Assessment and acquisition of near term coal production assets

In parallel with its exploration activities, the Company has been actively pursuing acquisitions of several attractive coal assets with near-term production potential in Indonesia to complement the existing suite of exploration phase projects in a small number of selected ‘hub’ locations.

The hub areas have been chosen due to their position in successful existing coal mining zones and benefit from a wealth of regional geological data, a broad range of experienced mining contractors, extensive existing infrastructure with capacity for new entrants and a supportive local community and government.

Preliminary legal, geological and commercial due diligence has been completed with promising results.

Geological due diligence has included site visits, field mapping, detailed coal quality testing for existing and new outcrops, development of borehole/outcrop databases, geological model verification, resource statement clarification and subsequent exploration drilling proposals on two concessions.

A non-binding, Memorandum of Understanding (including an exclusivity period for the benefit of Exalt) has been signed on each of three concessions, located in the Indonesian Provinces of West Sumatra and South Kalimantan. Advanced negotiations in relation to conditional Sale and Purchase agreements are also in progress with the owners of highly prospective concessions in Central Kalimantan and West Sumatra.

The Company and its advisors are currently in discussions with several potential funding sources including senior debt financiers, strategic joint venture partners and commodity trading houses to attempt to secure sufficient acquisition and working capital financing for these projects.

New South Wales Based Projects

Work on the NSW assets has progressed as planned with some encouraging results from further sampling of the Brooklyn Ironstone and a soil lead anomaly at Bolwarra, both contained in Mineral Hill South project EL7945.

Brooklyn

A ground magnetic survey covering the outcropping ironstone at Brooklyn defined two discrete magnetic highs below and close by the Brooklyn Ironstone. The results are interpreted to be skarn alteration associated with a porphyry system.

Surface samples were collected from the outcropping Brooklyn Ironstone and were analysed for XRF fusion. Results averaged 55.7% Fe ("Iron") and is represented as botryoidal haematite and is being evaluated for its potential as a DSO iron product.

Yellow Shaft

231 XRF soil readings were collected at the Yellow Shaft Prospect at Mineral Hill South. The soil sampling was designed to follow up lead anomalism up to 1,000ppm discovered during reconnaissance XRF sampling in 2012.

A soil lead anomaly which is 260m long by 40m wide at greater than 160ppm has been discovered at Bolwarra. The Lead was defined using a hand held XRF and is spatially associated with a strong resistivity anomaly defined with the 3D Induced Polarisation (IP) survey completed in 2011. The lead anomaly (Bolwarra) forms a coherent south-west oriented soil anomaly very similar to the anomalism seen at Elura Pb-Zn deposit. The newly defined Bolwarra Prospect and the Elura ore zone is easily visible as a significant geophysical anomalies with a coherent lead soil anomaly draining away to the south-west.

Further details of the NSW exploration results were contained in the ASX release dated 24 April 2013.

The Company continues to assess its options in relation to the further development of the NSW projects.

Corporate

On 25 February 2013, the Company announced the change of registered address as a result of the Company moving to its own premises. The Company has also expanded its operations to include full time Chief Financial Officer, field exploration geologists, and Jakarta based administration staff.

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 2013

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	(390)	(502)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(292)	(973)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	67
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) Due Diligence costs – ODNI transaction	(71)	(1,238)
		(722)	(2,646)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	(127)	(804)
	(b) equity investments	-	-
	(c) other fixed assets	(5)	(5)
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)	-	-
		(132)	(809)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(854)	(3,455)

1.13	Total operating and investing cash flows (brought forward)	(854)	(3,455)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,500
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)		
	Capital raising costs	(146)	(621)
	Net financing cash flows	(146)	4,879
	Net increase (decrease) in cash held	(1,000)	1,424
1.20	Cash at beginning of quarter/year to date	4,980	2,556
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,980	3,980

Payments to directors of the entity and associates of the directors

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

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	333
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, Salary to the Managing Director and Company Secretarial 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

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- 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

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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	423
4.2 Development	-
4.3 Production	-
4.4 Administration	412
Total	835

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	123	4,980
5.2 Deposits at call	3,857	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,980	4,980

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		

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 (description)	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil		
7.3	+Ordinary securities	73,041,670	50,376,664	\$0.20
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil		

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		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5	+Convertible debt securities <i>(description)</i>	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	Options <i>(description and conversion factor)</i>	61,008,568	7,975,787	<i>Exercise price</i> ~16.01 M \$0.20 10M \$0.20 10M \$0.20 20M \$0.50 2.6M \$0.20 2.4M \$0.50	<i>Expiry date</i> 31 December 2015 6 December 2014 21 November 2014 21 November 2015 21 November 2016 28 November 2014
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	Performance Shares <i>(totals only)</i>	84,000,000			
7.12	Unsecured notes <i>(totals only)</i>	Nil			

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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.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 26 April 2013

(Director/Company secretary)

Print name: Barry Tudor

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

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