

AVALON MINERALS LTD MARCH 2012 QUARTERLY REPORT

HIGHLIGHTS

Viscaria Copper Iron Ore Project, Sweden (Avalon - 100%)

- 2000m drill program commenced at the Viscaria Copper Project testing for extensions of high-grade copper mineralisation at the A and D Zone Mineral Resources;
- Drill hole VDD0125, drilled outside of the currently defined Mineral Resource envelope at the A Zone prospect, intersected 17m (down hole intersection) of copper mineralisation from 451 to 468m, with assay results expected in mid to late May;
- Drill program will provide valuable information to assist with the planning of a larger copper drill program to be undertaken later this year;
- Drill program is an integral part of company strategy to assess Avalon's copper Mineral Resources and create shareholder value;
- A Scoping Study into assessing the mine life and Net Present Value of a combine open pit / underground mining operation has commenced;
- The current Mineral Resource for A Zone comprises 21.6Mt at 1.5% Cu. The Mineral Resource is reported above a 0.4% copper grade cut-off and is classified as having 2.5Mt @ 1.5%Cu Inferred, 4.7Mt @ 1.2% Cu Indicated and 14.4Mt @ 1.7% Cu Measured according to the guidelines of the JORC Code (2004);
- The Mineral Resource inventory (Zones A, B and D) on the Viscaria Project currently totals 53.8Mt @ 1.0% Cu and is classified as having 22.6Mt @ 0.7%Cu Inferred, 15.2Mt @ 0.8%Cu Indicated and 16.0 Mt @1.6%Cu Measured according to the guidelines of the JORC Code (2004).

Corporate

- Board and management changes
- Successful completion of Rights Issue raising \$2.86M
- 249D notice withdrawn resulting in cancellation of the shareholders meeting
- The cash position of the company at the end of the quarter was \$3.23 million.

VISCARIA COPPER IRON PROJECT

Extensions of A and D Zone Mineral Resources

On 29 November 2011, Avalon advised the ASX of updated Mineral Resources for the A, B and D Zone prospects as follows:

- A Zone Mineral Resource comprises 21.6Mt at 1.5% Cu, above a 0.4% copper grade cut-off and is classified as Inferred, Indicated and Measured according to the guidelines of the JORC Code (2004).
- B Zone Mineral Resource comprises 19.7Mt at 0.8% Cu, above a 0.4% copper grade cut-off and is classified as Inferred, Indicated and Measured according to the guidelines of the JORC Code (2004).
- D Zone Mineral Resource comprises 11.9Mt at 0.6% Cu and 24% Fe, above a 15% mass recovery and is classified as Inferred, Indicated and Measured according to the guidelines of the JORC Code (2004).

The Mineral Resource inventory (Zones A, B and D) for the Viscaria Project currently totals 53.8Mt @ 1.0% Cu and is classified as having 22.6Mt @ 0.7%Cu Inferred, 15.2Mt @ 0.8%Cu Indicated and 16.0 Mt @1.6%Cu Measured, according to the guidelines of the JORC Code (2004). For further information please refer to the announcement Avalon made to the ASX on 29 November 2011.

Within each of the A, B and D Zone Mineral Resources, zones of higher grade and thicker copper mineralisation occur. At a 0.8% Cu cut-off A Zone contains 9.5Mt @ 2.7% Cu and D Zone contains 3.2Mt @ 1.2% Cu. It is the extensions of these higher grade zones which this initial drill program for 2012 will target.

Previous drilling at A Zone intersected high grade copper mineralisation such as:

- 7.1m @ 3.5% Cu in hole D-7616 from 60.3m
- 8.3m @ 3.1% Cu in hole D-7612 from 46.2m
- 9.7m @ 1.8% Cu in hole D-8544 from 56.4m
- 11.3m @ 2.2% Cu in hole D-6670 from 60.3m

Previous drilling at D Zone also intersected high grade copper mineralisation such as:

- 7.5m @ 2.0% Cu in hole VDD0111 from 218m
- 19.8m @ 1.9% Cu in hole VDD0088 from 68m
- 38.0m @ 1.6% Cu in hole VDD0086 from 128m

A Zone

The A Zone Mineral Resource consists of VMS style copper sulphide mineralisation where significant historical underground mining occurred up until 1997.

A Zone

Category	2011 CSA Mineral Resources			2010 Avalon Mineral Resources			Comparison		
	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)
Measured	14,439,000	1.66	239,000	6,700,000	2.47	165,000	116%	-33%	45%
Indicated	4,690,000	1.22	57,000	4,100,000	1.76	72,000	14%	-31%	-21%
Meas + Ind	19,128,000	1.55	296,000	10,800,000	2.20	238,000	77%	-30%	24%
Inferred	2,480,000	1.03	26,000	6500000	1.24	81,000	-62%	-17%	-68%
Total	21,609,000	1.49	322,000	17,300,000	1.84	318,000	25%	-19%	1%

Note: Rounding errors may occur. Estimate is above 0.4% Cu.

B Zone consists of a series of disseminated copper mineralisation lodes within an overall zone of sulphide alteration. The mineralisation is generally lower in Cu grade than A Zone and has minor underground mining history at the northern end of the deposit.

B Zone

Category	2011 CSA Mineral Resources			2010 CSA Mineral Resources			Comparison		
	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)	Tonnes	Grade (Cu%)	Copper Metal (T)
Measured	123,000	1.33	2000						
Indicated	4,118,000	0.72	30,000						
Meas + Ind	4,240,000	0.74	32,000						
Inferred	15,410,000	0.77	118,000	25,388,000	0.76	192,900	-39%	2%	-38%
Total	19,650,000	0.76	149,000	25,388,000	0.76	192,900	-23%	0%	-23%

Note: Rounding errors may occur. Estimate is above 0.4% Cu.

D Zone

D Zone consists of a series of copper and iron rich lodes of mineralisation within a wider zone of carbonate and magnetite alteration. The deposit is approximately 1100 metres long, 20-30 metres wide and drilled to up to 200 metres below surface.

D Zone

2011 Mineral Resources								
Grade Tonnage Reported below a Cut off Grades of 15% Mass_Rec and above a Cut off of 0.3% Cu								
Deposit	Category	Tonnes	Cu (%)	Fe (%)	Mass_Rec (%)	Fe_Conc (%)	SiO2_Conc (%)	Copper Metal (T)
D Zone	Measured	32,000	0.58	14.74	9.19	49.47	3.20	190
	Indicated	489,000	0.65	10.84	9.16	43.60	2.89	3,160
	Meas + Ind	521,000	0.64	11.08	9.16	43.96	2.91	3,340
	Inferred	274,000	0.89	22.12	4.39	16.01	1.12	2,420
	Total	795,000	0.73	14.88	7.52	34.33	2.29	5,770

Bankable Feasibility Study

The BFS of the Viscaria Copper Iron Project commenced in October 2010 and was suspended in mid-August 2011. Resource estimates, initial mine design and optimisation work and project approval activities continued during the last quarter of 2011 to provide an interim update to the BFS.

Mining

Mineral Resource wireframe models were provided to CSA Global engineers to commence preliminary work on optimisation of open pit designs. Updated geotechnical parameters and cost estimates were also provided to the engineers to allow the preliminary work to proceed and provide guidance on the future direction of the BFS.

The optimisation and mine design of each open pit development incorporated the following assumptions:

- Copper price of US\$ 6614 / t, US \$3.00 / lb.
- Iron Ore price of US\$ 95.1 / t, US \$1.38 / dmtu.
- Net Smelter Return of 89.7% after TC/RC and payability charges.
- Processing cost varies between US\$13 and \$18 per tonne dependent upon material type.
- Mining Cost based on PFS contractor estimates.
- Geotechnical design parameters based on recommendations of the geotechnical consultants.
- CSA November 2011 Resource Models.
- 2011 Estimate of ore loss, dilution and metallurgical recovery based on test work summaries.

Results of the optimisation are summarised in Table 3 below.

Table 3

Zone	Tonnes	Grade		Recovery		Product		
						Iron Concentrate		Copper Metal
		Cu%	Fe%	Cu%	Fe%	(t)	Fe%	(t)
A	2,783,000	1.13		88.5				27834
B	1,318,000	0.76		90.0				9013
D	7,559,000	0.61	22.6	91.4	92.8	2,383,000	69.5	42167
Subtotal	11,660,000	0.75		90.3		2,383,000	69.5	79014

The optimisation outputs are backed by mine design and sensitivity analysis on each pit design and utilize cost estimates based on the Viscaria Pre Feasibility Study and updated cost and technical data based on 2011 investigations and estimates.

The optimisation outputs use Measured, Indicated and Inferred blocks with appropriate estimates for ore loss and dilution at each deposit. As such they constitute a reasonable estimate of the production scenarios to be expected from the project. However, further technical work is required to bring all elements of the estimate of production to a Bankable Feasibility Study Standard. In particular, further work on the metallurgical recovery, geotechnical estimate and mining and processing cost estimate is warranted.

The results indicate that at either a 3.0mtpa or 1.5 mtpa throughput rate as contemplated in the 2010 Pre Feasibility Study that the A Zone, B Zone and D Zone combination provides a mine life of approximately 3.8 or 7.5 years respectively.

This mine life is considered insufficient at the current time to commence operations based solely on the Mineral Resources at the Viscaria project that can be mined by open pit methods. Consequently, the Company will commence a Scoping Study to determine if the mine life can be increased by augmenting open pit Mineral Resources with Mineral Resources mined from underground. The value of a combined open pit / underground mining operation will then be estimated at a Scoping Study level. It is hoped by combining open pit and underground mining the projected mine life will be able to be extended beyond 10 years, which is considered the minimum requirement for an operation of this type.

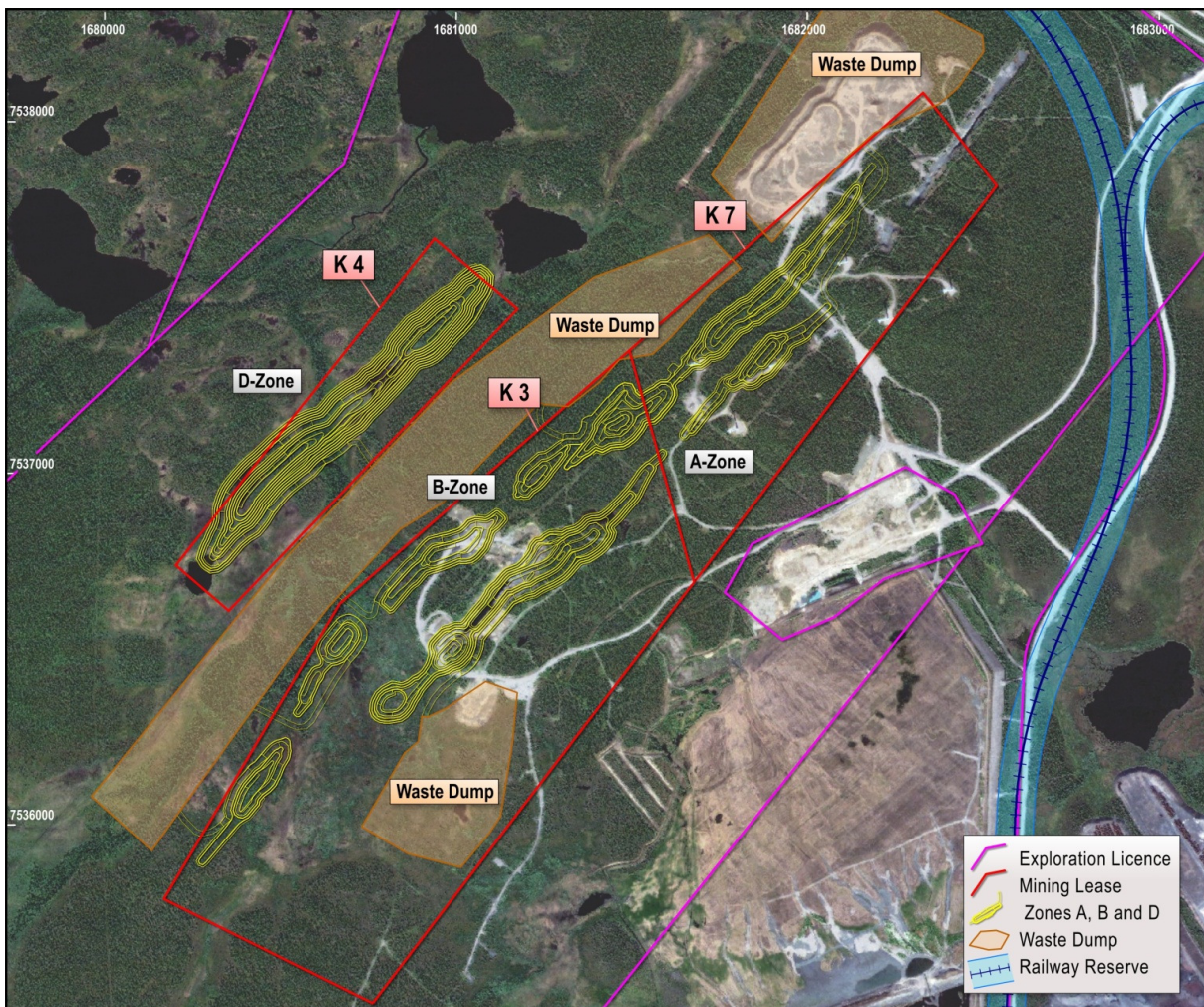
The BFS remains suspended pending further review and analysis of the project economics.

Approvals

a) MEC

The Mining Exploitation Concession (MEC) for the Viscaria project was submitted to the Bergsstaten (Mines Department) in April 2010 and was significantly amended in early 2011 following submissions from the city of Kiruna. The Bergsstaten has advised it has approved the MEC for Viscaria in two licences; Viscaria K3 and Viscaria K4. The two MEC's granted cover the D zone and the southern area of A Zone and B Zone mining areas (Figure 1 below).

Figure 1



A third MEC application (Viscaria K7) remains under consideration by Bergsstaten pending an amendment to the Kiruna town planning act to allow for the grant of a mining lease which includes the power generation windmills and a power line affected by the northern parts of A Zone and B Zone.

The granting of the MEC is a precursor to consideration by the regulator of the Environmental Impact Assessment and permits access to the historical underground mining openings to check present day geotechnical conditions and groundwater levels.

b) Environment Impact Assessment

The Environment Impact Assessment (EIA) was submitted to the Environmental Court of Sweden (ECS) in April 2011. Following the suspension of the BFS the company sought suspension of consideration of the EIA by the ECS for up to 12 months to reduce expenditure. A response from the ECS to the request is yet to be received.

EXPLORATION

Regional Exploration

During the quarter, field work was recommenced on the Viscaria Project in northern Sweden (Figure 2). A 2000m, five hole drilling program commenced during the week of 19 March 2012, with the objective of testing extensions to high grade copper mineralisation at the A and D Zone Mineral Resources, on the Viscaria Copper Project in northern Sweden.

During 2012 and 2013, Avalon will concentrate its efforts on determining the full potential of the high grade copper mineralisation within the A, B and D Zone Mineral Resources on the Viscaria Copper project. The 2000m drill program is an important step in the development of a strategy to create value for shareholders by focussing project assessment activities on the Company's copper Mineral Resources.

The Mineral Resources at Viscaria contain high grade zones of copper mineralisation such as in hole D-7616 with 7.1m @ 3.5% Cu at A Zone and hole VDD0086 with 38.0m @ 1.6% Cu at D Zone. This initial drill program for 2012 is designed to follow the higher grade copper mineralisation outside of the existing boundaries of the Mineral Resources at both A and D Zones and it will provide valuable information to assist with the planning of a larger drill program to be undertaken later this year.

The 5 hole drill program is estimated to total 2,000m of diamond drilling. This drilling will be divided between drilling at the southern section of A Zone targeting the plunging high copper shoots 600m below the surface and stepping out >60m beneath the high grade shoots of D Zone, at the 200-300m depth interval. The drill program is being undertaken by two drill rigs and is envisaged to take up to 8 weeks and will be completed in mid to late May.

The existing drill holes, which the five drill holes of this initial drill program for 2012 will follow up on, are given in Table 1.

Table 1 – Existing drilling to be investigated by March-May Drill Program

	Proposed Hole	Existing Hole	From (m down hole)	To (m down hole)	Width (m down hole)	Cu%
A Zone	ASP024	D-6128	428.1	439.6	11.55	1.55
		D-8398	39.3	43.6	4.3	1.64
		D-8397	83.4	89.3	5.9	0.99
		D-8544	56.4	66.1	9.7	1.81
			84	87.9	3.9	2.19
A Zone	ASP025	D-7821	27.8	33.9	6.1	3.11
		D-7703	74.55	81.4	6.85	1.17
		D-7162	125.5	130.3	4.85	3.09
		D-7612	46.2	54.5	8.3	3.12
A Zone	ASP026	D-4686	807.5	809.65	2.15	3.09
		D-4688	787.7	793.2	5.5	2.20
D Zone	DZP114	VDD0112	265.7	270.3	4.6	1.48
			291	297.42	6.4	1.63
		VDD0113	261	268.15	7.15	1.14
		VDD0118	236	239.55	3.6	2.07
		VDD0096	181.3	189.4	8.1	1.75
		VDD0111	218.1	225.55	7.45	2.00
D Zone	DZP115	VDD0114	180.6	194	13.45	1.09
		VDD0086	128	166	38	1.57
		VDD0088	68.25	88	19.75	1.91

On 23 April 2012, the Company announced that the first hole had been completed.

The Company's Managing Director, Mr Read, said "The intersection of 17m of copper mineralisation in this first completed hole is a very positive step and provides us with very valuable information to allow us to plan for a much larger drill program later in the year, the goal of which will be to significantly increase our high-grade copper Mineral Resources."

Geochemical assay data for hole VDD0125 will be available in approximately June 2012.

Details of Drill Hole VDD0125

Drill hole VDD0125 intersected a succession of basaltic units and tuffaceous sediments. There are several occurrences of vein sets containing copper sulphides. These vein sets seem to be preferably located within the tuffaceous units.

The main mineralisation occurs from 451m to 468m, consisting of veins of chalcopyrite and pyrrhotite within strongly altered sediments. The host rock to the copper mineralisation is strongly silicified and fractured. Biotite alteration with the copper mineralisation is associated with local shearing.

The survey details of drill hole VDD0125 are given in Table 2 with the hole location shown in Figure 3. Copper mineralisation typical of the 17m intersection is shown in Figure 4.

Table 2

Hole	Easting (WGS 84)	Northing (WGS 84)	RL (m)	Azimuth (degrees)	Inclination (degrees)	From (down hole m)	To (down hole m)	Intersection Width (down hole m)	End of Hole (m)
VDD0125	1681119.056	7535701.18	525.195	310.205	-65.0	451.0	468.0	17.0	503.9

Adak Copper-Zinc Project

The Adak Copper Project contains five historical mines – Adak, Lindsfold, Brannmyran, Karlsson (the Adak Dome Mines) and Rudtjebacken – covering an area of 26.71km², located in the world-class Skelleftea VMS mining district of Northern Sweden.

The Adak project is currently for sale or Joint Venture.

CORPORATE**Director/Management Changes**

During the quarter, numerous Board and management changes occurred.

The current Board of Directors is as follows:

Mr Tan Sri Abu Sahid Bin Mohamed – Chairman
Dato Siew Mun Chuang – Deputy Chairman
Mr Jeremy Read - Managing Director
Mr Paul Niardone – Non Executive Director
Mr Siew Mun Wai (Edward) – Non Executive Director
Mr Seng Han Gary Goh - Non Executive Director

The Board members bring outstanding local and international mining and corporate management skills to the company and will enhance the Board's corporate governance, supervisory and risk management expertise.

Full details for each Director are available on the company's website www.avalonminerals.com.au.

Resignations were received from Mr Stephen Stone, Mr David McSweeney, Mr Amro Fouad Al-Khadra, Mr Rohan Edmondson and Mr Andrew Munckton.

Ms Roslynn Shand was also appointed as the Company Secretary, replacing Mr Brett Dickson.

Rights Issue

During the quarter, the Company undertook a fully underwritten, non-renounceable pro-rata rights issue (**Rights Issue**).

The Rights Issue offered 47,812,267 new fully paid ordinary shares (**New Shares**) on the basis of one (1) New Share for every five (5) shares held (**Entitlement**) by Eligible Shareholders on the Record Date (**Existing Shares**), at a price of \$0.06 per New Share to raise up to AU\$2,868,736.00 (before the costs of the issue). Holders of shares in the Company with a registered address in Australia or New Zealand as well as any other foreign shareholders to whom the Company may make the offer as at 5:00pm (WST) on 2 March 2012 (**Record Date**) were eligible to participate in the Rights Issue (**Eligible Shareholders**).

The Rights Issue was conducted in accordance with section 708AA of the *Corporations Act (Cth) 2001* which means it is a disclosure exempt offering and the Company was not required to lodge a prospectus with ASX or ASIC or provide one to shareholders. However, the Company prepared a document explaining the Rights Issue in more detail (**Offer Document**) which was sent to Eligible Shareholders together with a personalised Entitlement and Acceptance Form.

The Rights Issue was fully underwritten by Indian Ocean Capital Pty Ltd ACN 051 227 877 (**Underwriter**).

The funds raised under the Rights Issue will be used to:

- conduct a targeted drilling program on the Viscaria Copper Project in northern Sweden which will investigate extensions to high grade copper mineralisation;
- complete a review of the Company's projects and determine how best to advance those projects with the goal of creating value for shareholders;
- complete the transition of the head office from Perth to Brisbane; and
- replenish working capital.

The Rights Issue was strongly supported by shareholders and successfully raised approximately AU\$2.86 million (before expenses) at an issue price of AU\$0.06 per share. Avalon accepted shareholder applications for approximately 42,053,138 New Shares, raising approximately AU\$2.52 million.

As the Rights Issue was fully underwritten, subscriptions for the remaining 5,759,129 New Shares were allocated under the terms of the underwriting agreement.

Avalon issued 51,812,267 New Shares (including 4,000,000 shares for Underwriting fees) in relation to the Rights Issue, with holding statements dispatched to shareholders. The New Shares commenced normal trading on the ASX on 2 April 2012.

Shareholder Requisition Notice

Following Board and management changes, the s249D Notice was withdrawn by the requisitioner and the scheduled General Meeting to be held on 15 February was cancelled.

Financials to 31 December 2011

The Company's Half Year Financials were lodged with ASX on 14 March and are available on the Company's website.

Office Relocation

The process to relocate Avalon's registered office and principal of business from Perth to Brisbane was implemented and has now been completed.

Avalon's new contact details are:

Level 1
65 Park Road
Milton Queensland 4064

Telephone: +61 7 3368 9888
Facsimile: +61 7 3368 9899

Cash Resources

As at 31 March 2012 the Consolidated Entity has cash reserves of \$3.23 million.

Shareholder Information

At 31 March 2012, the company has 290,873,602 fully paid ordinary shares on issue and approximately 900 shareholders.

Figure 2 - Project Location



Figure 3 - Location of Drill Hole VDD0125

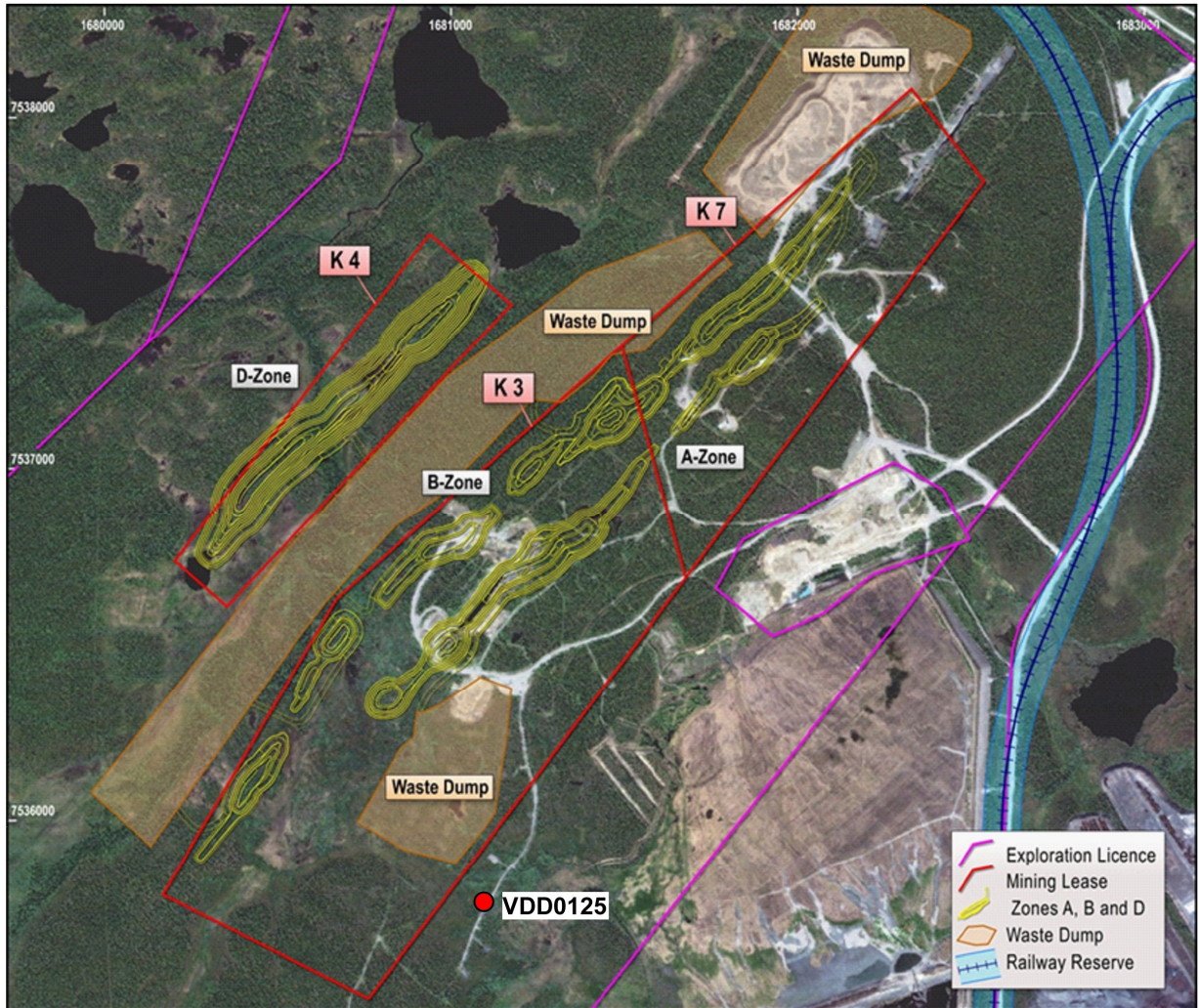


Figure 4 - Typical Copper Mineralisation Intersected in Drill Hole VDD0125



Competent Persons Statement

The information in this report that relates to Mineral Resources and exploration targets is based upon information reviewed by Mr Jeremy Read BSc (Hons) who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Read is a full time employee of Avalon Minerals Ltd and 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 Read consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource estimate for A, B and D Zones was compiled and prepared by Dr Bielin Shi (MAusIMM, MAIG) of CSA Global Pty Ltd who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

For further information please visit www.avalonminerals.com.au or contact:

Mr Jeremy Read
Managing Director
Avalon Minerals Limited
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Company Directory

AVALON MINERALS LIMITED
ABN 68 123 184 412

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Stock Exchange Listing

Australian Stock Exchange – ASX Code: AVI

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Professional Public Relations
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Shareholder Enquiries:

Share registry matters should be directed to:

Computershare Investor Services
Phone: 1300 850 505
Website: computershare.com.au

Registered Office:

Level One
65 Park Road
Milton Queensland 4064
Phone: 07 3368 9888
Fax: 07 3368 9899

Issued capital:

Ordinary shares: 290,873,602 (AVI)

Directors:

Tan Sri Bin Sahid Mohamed – Chairman
Jeremy Read – Managing Director
Dato Philip Siew – Deputy Chairman
Paul Niardone – Non-Executive Director
Edward Siew – Non-Executive Director
Mr Gary Goh – Non-Executive Director

Company Secretary:

Roslynn Shand

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

Avalon Minerals Limited

ABN

68 123 184 412

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	(325)	(2,563)
(b) development	-	-
(c) production	-	-
(d) administration	(646)	(1,505)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	65
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(956)	(4,003)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(6)	(69)
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)	-	-
Net investing cash flows	(6)	(69)
1.13 Total operating and investing cash flows (carried forward)	(962)	(4,072)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(962)	(4,072)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,786	4,837
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	(20)	(193)
	Net financing cash flows	2,766	4,644
	Net increase (decrease) in cash held	1,804	572
1.20	Cash at beginning of quarter/year to date	1,428	2,660
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,232	3,232

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	193
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's remuneration.	193

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	(1,180)
4.2 Development	-
4.3 Production	-
4.4 Administration	(722)
Total	(1,902)

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	3,232	1,428
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,232	1,428

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				
7.3 +Ordinary securities	290,873,602	290,873,602		
7.4 Changes during quarter				
(a) Increases through issues	47,812,267	47,812,267	\$0.06	\$0.06
(b) Decreases through returns of capital, buy-backs	4,000,000	4,000,000	\$0.06	\$0.06
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	500,000	Nil	30 cents	31/01/2013
	1,000,000	Nil	40 cents	31/01/2014
	500,000	Nil	30 cents	1/07/2014
	500,000	Nil	40 cents	1/07/2015
	2,700,000	Nil	30 cents	27/04/2014
	2,700,000	Nil	30 cents	27/04/2015
	6,000,000	Nil	5 cents	30/09/2015
7.8 Issued during quarter	6,000,000	Nil	5 cents	30/09/2015
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>				

+ 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 30 April 2012

Print name: Roslynn Shand

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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+ See chapter 19 for defined terms.