

**NEW AGE** Exploration Limited

ACN 004 749 508

Quarterly Report  
to 31 March 2013



New Age Exploration Limited ("NAE" or "the Company") is pleased to provide shareholders the Company's Quarterly Report for the period ending 31<sup>st</sup> March 2013.

The March 2013 quarter saw the Company continue to develop its key Lochinvar Coking Coal Project in the UK with the commencement of drilling operations in January 2013. Another significant milestone for NAE during the quarter was the release of a maiden JORC Inferred Resource at its Redmoor Tin-Tungsten Project in the UK.

## HIGHLIGHTS

- **Commencement of Phase 1a drilling program at Lochinvar Coking Coal Project, UK**
- **Successful completion of initial drill hole (LOI-001) at Lochinvar Coking Coal Project**
- **Post quarter - raw coal analysis from initial drill hole (LOI-001) demonstrates that Lochinvar coals are potential high-volatile bituminous coals with good coking properties. The coals have low ash content and high calorific values, and demonstrate the potential to provide semi-hard coking coal.**
- **Continuation of the drilling program at Lochinvar**
- **Maiden JORC Inferred Resource defined at Redmoor Tin-Tungsten Project, Cornwall, UK**
- **Appointment of Mr Alan Broome as Chairman**
- **Despatch of Notice of Extraordinary General Meeting of shareholders seeking approval for final tranche of funding (\$2 million) pursuant to \$7.5 million placement announced on 22 October 2012. Shareholders will consider Resource Capital Fund increasing their shareholding from 19.9% to 29.8% interest in the Company.**

**NAE Managing Director, Gary Fietz, commented:** *"The Company is very pleased with the considerable progress achieved during the March 2013 quarter, in particular, across our United Kingdom based assets. At our Lochinvar Coking Coal Project, we commenced our exploration drilling program, with the first hole (LOI-001) being successfully completed. This hole was a successful 'twin' of the adjacent historic Bogra National Coal Board drill hole and has confirmed both the historic seam thickness and coal quality.*

*Substantial progress was also made during the quarter at our Redmoor Tin-Tungsten Project, where a maiden JORC Inferred Resource was defined. Taking into consideration the anticipated supply deficit for tin in coming years, we believe the Redmoor Project is very well positioned to capitalise on supply shortfall.*

*During the quarter, NAE appointed Mr Alan Broome as Chairman of the Company. Mr Broome is a well-known and respected figure in the coal industry and brings with him a wealth of knowledge and a proven track record of growing value for junior resources companies.*

*The next quarter is expected to be an exciting period of growth for the company as we focus on advancing the Lochinvar Phase 1a drilling program, targeting a maiden JORC Inferred Resource at Lochinvar, now expected early in Q3."*

## LOCHINVAR COAL PROJECT

During the March 2013 quarter, the development of the Lochinvar Coking Coal Project has been the major focus of the Company, highlighted by the commencement of an exploration drilling program and release of results from the first hole.

### Drilling Program

In January 2013, the Company commenced drilling operations at the Lochinvar Coking Coal Project. The first hole (LOI-001) was designed to twin the historic Bogra exploration borehole ("Bogra") which was drilled by the National Coal Board ("NCB") in 1983. Significantly, the historic Bogra drill hole intersected seven coal seams between 272 metres and 346 metres.



Figure 1: Drill rig located at LOI-001

In March, NAE reported that the initial drill hole (LOI-001) of the Lochinvar Phase 1a Drilling Program had successfully intersected the target coal seams, namely, the Nine Foot and Six Foot seams.

Drill hole LOI-001 was completed on 2nd March 2013 to a total depth of 324.4 meters. Open hole drilling was completed down to 268.9m, with PQ diamond double tube coring completed to the final depth of 324.4m. Core recovery within the coal seams was 100%.

Significantly, both of the key target coal seams were intersected in drill hole LOI-001. Seam thickness of 3.41m (2.85m of coal) was intersected for the Nine Foot seam and 1.78m (1.66m of coal) was intersected for the Six Foot seam.



Figure 2: LOI-001 - Six Foot Coal Seam Core<sup>1</sup>

<sup>1</sup> Depths have undergone a reconciliation exercise from the geophysical logging and have been corrected in the succeeding tables



Figure 3: LOI-001 - Nine Foot Coal Seam Core<sup>1</sup>

Geophysical logging was undertaken by Robertson Geologging with the following downhole logs being provided: downhole survey, density, gamma, full wave form sonic and caliper measurements. Minor corrections have been made to downhole depths based on correlation with geophysical logs.

The second drill hole in the drilling program, LOI-005, located approximately 3.5km to the south west of LOI-001, was recently completed and the third drill hole (LOI-032) has now commenced.

### Twinning Comparisons

Drill hole LOI-001 was planned to twin the historic Bogra drill hole which was completed by the NCB in 1983 as part of a 13-hole program across the Canonbie Coal Field. The collar distance between LOI-001 and the historic Bogra drill hole is 32 metres.

The Archerbeck seam is not a target seam, but defines the top of the coal sequences and, as such, provides an important marker horizon.

A comparison of the results from drill hole LOI-001 and the historic Bogra drill hole is detailed in Table 1.

Table 1: Twinning Comparisons

		From (m)	To (m)	Interval (m)	Coal Thickness (m)
<b>Archerbeck Coal Seam</b>	<b>Bogra Hole</b>	272.25	272.43	0.18	0.18
	<b>LOI-001</b>	274.33	274.50	0.17	0.17
<b>Twinning Difference</b>				(0.01)	(0.01)
<b>Six Foot Coal Seam</b>	<b>Bogra Hole</b>	293.21	295.25	2.04	1.92
	<b>LOI-001</b>	295.02	296.80	1.78	1.66
<b>Twinning Difference</b>				(0.26)	(0.26)
<b>Nine Foot Coal Seam</b>	<b>Bogra Hole</b>	307.02	311.02	3.49	2.91
	<b>LOI-001</b>	311.64	315.05	3.41	2.85
<b>Twinning Difference</b>				(0.08)	(0.06)

The successful twinning of the Bogra hole provides confidence that the eight NCB holes on NAE's licence area can be replicated and that the historic NCB depths and thicknesses are JORC compliant.

As drill hole LOI-001 was drilled approximately 32 metres down dip of the historic Bogra hole, the seams are expected to be slightly deeper in drill hole LOI-001, as shown in Table 1, due to the dip (approximately 10 degrees) of the coal seam. Both the depths and seam thicknesses therefore correlate well between the historic Bogra and LOI-001 drill holes.

After the historic Bogra hole was successfully twinned, NAE decided not to continue the hole below the 324.4 metres total depth into the lower coal seams, namely the Five Foot (0.89m seam with 0.89m coal from 328m) and the Black Top (0.94m seam with 0.80m of coal from 338.26m), as these seams are already proven by the historic Bogra drill hole. The lower seams will be cored in other Phase 1a drill holes.

### Drill Hole LOI-001 Raw Coal Analysis

Post quarter end, NAE reported that it had completed raw coal analysis of the Nine Foot and Six Foot seams in borehole LOI-001 at Lochinvar.

Samples were prepared and analysed by Alfred H Knight and Environmental Scientists Group laboratories, both based in the United Kingdom. Cross check analysis between the two laboratories were carried out to confirm the analytical work and the details included within the final report are a mass weighted average of the two sets of results.

Composited raw analysis results are presented below for the Six Foot seam, the Nine Foot seam (lower section only) and the entire Nine Foot seam, with the sample intervals described in Table 2 and shown in Figure 2 and Figure 3. Composited raw analysis results are presented in Table 3 and exclude mudstone bands within the Six Foot and Nine Foot seams.

The full section of the Nine Foot seam in drill hole LOI-001 measures 3.41m. Within this section are two prominent mudstone bands measuring 0.6m total thickness and interspersed between two coal sections at the top of the seam. Below the mudstone bands lies a 1.92m section of uninterrupted coal. Table 3 includes raw coal analysis results for both the lower 1.92m section and the entire 3.41m width of the Nine Foot seam.

**Table 2: LOI-001 Composited Sample Intervals (excluding mudstone bands)**

	From (m)	To (m)	Interval (m)	Coal Thickness (m)
<b>Six Foot seam</b>	295.02	296.80	1.78	1.66
<b>Nine Foot seam (lower section only)</b>	313.13	315.05	1.92	1.92
<b>Nine Foot seam (entire seam)</b>	311.64	315.05	3.41	2.81 <sup>2</sup>

<sup>2</sup> 4cm of coal interbedded in the upper mudstone was not sampled as coal but included in the mudstone samples

**Table 3: LOI-001 Compositied Raw Coal Analysis (calculated and excluding mudstone bands) – Air Dried Basis**

	Inherent Moisture (%)	Ash (%)	Sulphur (%)	Volatile Matter (%)	Gray King	CSN	Vitrinite (%)
<b>Six Foot seam</b>	2.6	9.0	3.08	33.7	G6 – G7	6.5	63
<b>Nine Foot seam (lower section only)</b>	2.8	8.3	1.76	33.7	G6 – G7	7.0	60
<b>Nine Foot seam (entire seam)</b>	2.7	10.3	2.05	33.4	G6 – G7	6.5	50

The analysis from LOI-001 supports that Lochinvar coals are potential high-volatile bituminous coals with good coking properties. Raw coal properties suggest the coal can be classified as high-volatile bituminous coals, under ASTM d121, with likely reflectance in the range of 0.8-0.9 (Romax). The coals, based on LOI-001 results, have low ash content and high calorific values, and demonstrate the potential to provide semi-hard coking coal. The chlorine and sulphur contents are moderately high; however, the phosphorus levels are low.

Sulphur values are influenced by a high pyritic sulphur content (57%-85%), indicating that crushing and washing at low specific gravities will reduce Sulphur to market acceptable levels (potentially <1% ADB).

Washability tests, Vitrinite Reflectance and Fluidity tests are still to be completed by laboratories.

### Exploration Drilling Program Overview

The commencement of drilling at Lochinvar was delayed slightly due to flooding. As a result, the Company now anticipates the following timing for the Lochinvar drill program:

Completion of first borehole and analysis results	Completed
Completion of Phase 1a (6 holes) and JORC Resource update	Early in Q3 2013
Completion of Phase 1b (7 holes) and JORC Resource update	Early in Q4 2013

The current drilling program is focussed on the western region of the licence at depths of less than 600m. The program is aimed at defining depths of target coal seams and coal quality, including washability and preliminary coking tests of coal samples from core drilling.

### Land Access Agreements and Other Approvals

Post quarter end, all 6 of the land access agreements for Phase 1a plus 2 of the Phase 1b land access agreements have been completed. The locations of planned drill holes for which NAE has signed access agreements are shown in Figure 4.

New Scottish Environmental Protection Agency (“SEPA”) permitting processes were introduced on 1 April which require SEPA permits for drill holes which extend beyond 200m depth. The Company is working closely with SEPA to minimise any potential delays to the drilling program as a result of these new permitting processes. At this stage, the drilling program is continuing without delay.

Negotiation for further land access agreements required for drilling beyond the current drilling phase is ongoing.

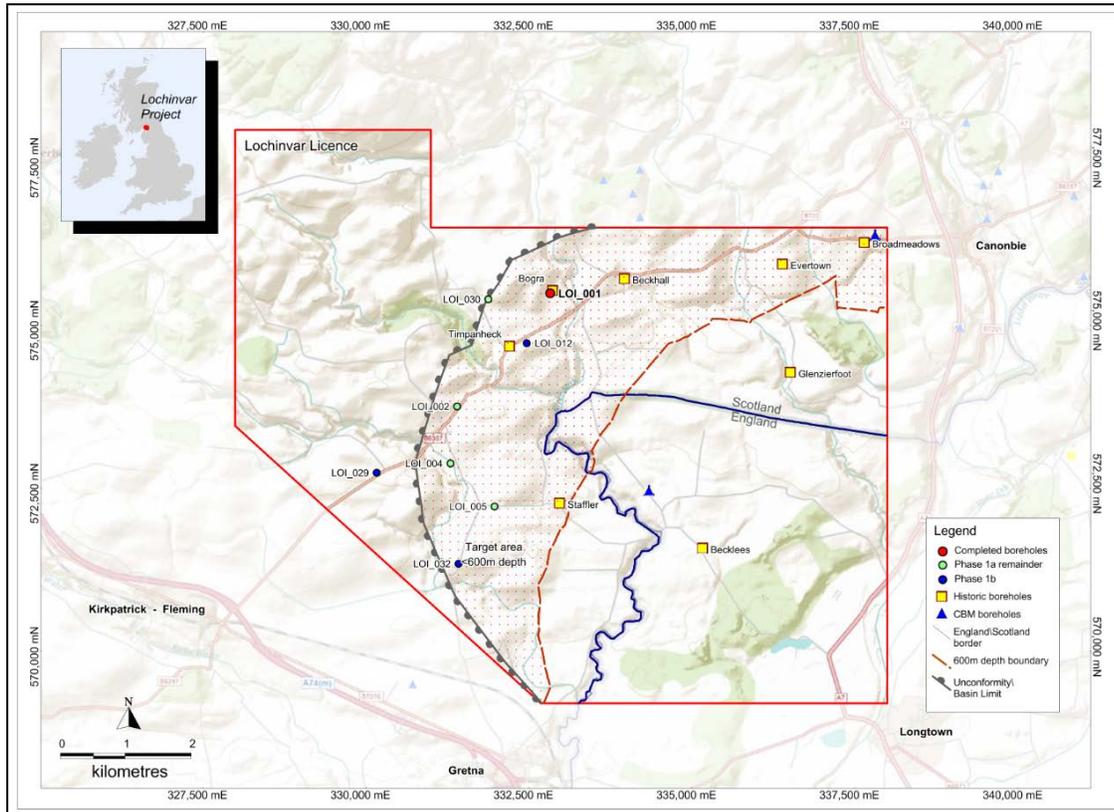


Figure 4: Lochinvar Location Diagram

### Seismic Reinterpretation

During the quarter, NAE engaged Tesla Exploration International Ltd to re-process and interpret historic seismic data over the Lochinvar licence. Structural interpretation of the results is currently being assessed. Reprocessing of additional seismic lines is also being reviewed.

### REDMOOR TIN AND TUNGSTEN PROJECT

During the quarter, the Company reported a maiden JORC Inferred Resource at the Redmoor Tin-Tungsten Project, located in southeast Cornwall, UK. The maiden resource followed the satisfactory completion of an assay verification program of historic drill core.

NAE commissioned SRK Consulting (UK) Limited ("SRK") to undertake an independent review of the potential of the Redmoor project based on the historic drilling results. SRK have also undertaken the Redmoor JORC Inferred Resource estimate.

### Inferred Mineral Resource

The Redmoor JORC Inferred Resource is based on 5,792 historical samples from 35 drill holes. Following routine geostatistical review, Ordinary Kriging was used as the main grade interpolation method. Block models were generated and validated through visual checks with drill hole assay data. Only areas which SRK considered to have the potential to be both practically and economically extractable were included in the Mineral Resource Statement.

The Mineral Resource shown in the table below is reported above an in-situ cut-off grade of 0.53% Sn(eq) and assumes that the ore could be mined from underground mining methods and processed to produce Sn, W and Cu payable products.

Table 4: Redmoor Inferred Mineral Resource

REDMOOR INFERRED MINERAL RESOURCE (Feb 2013)							
Cut-off grade 0.53% Sn(eq)*							
Tonnes (Mt)	Sn %	W %	Cu %	Zn %	Pb %	Ag ppm	Sn(Eq) <sup>3</sup>
9.1	0.21	0.16	0.38	0.20	0.008	8.38	0.69

**Exploration Target**

The Mineral Resource remains open both at depth and laterally. SRK has extended its modelled orebody into areas of more limited drilling to define an additional Exploration Target. The location of the Exploration Target is shown on the long section in Figure 5. Based on the work undertaken to date, SRK considers a reasonable Exploration Target, in addition to the Inferred Resource, to be in the range of 4-6 Mt with an average Sn grade of between 0.08% and 0.13%, a W grade of between 0.16% and 0.26%, a Cu grade of between 0.20% and 0.34% and a Sn(eq) grade of between 0.51% and 0.85%. It should be noted that this estimate is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

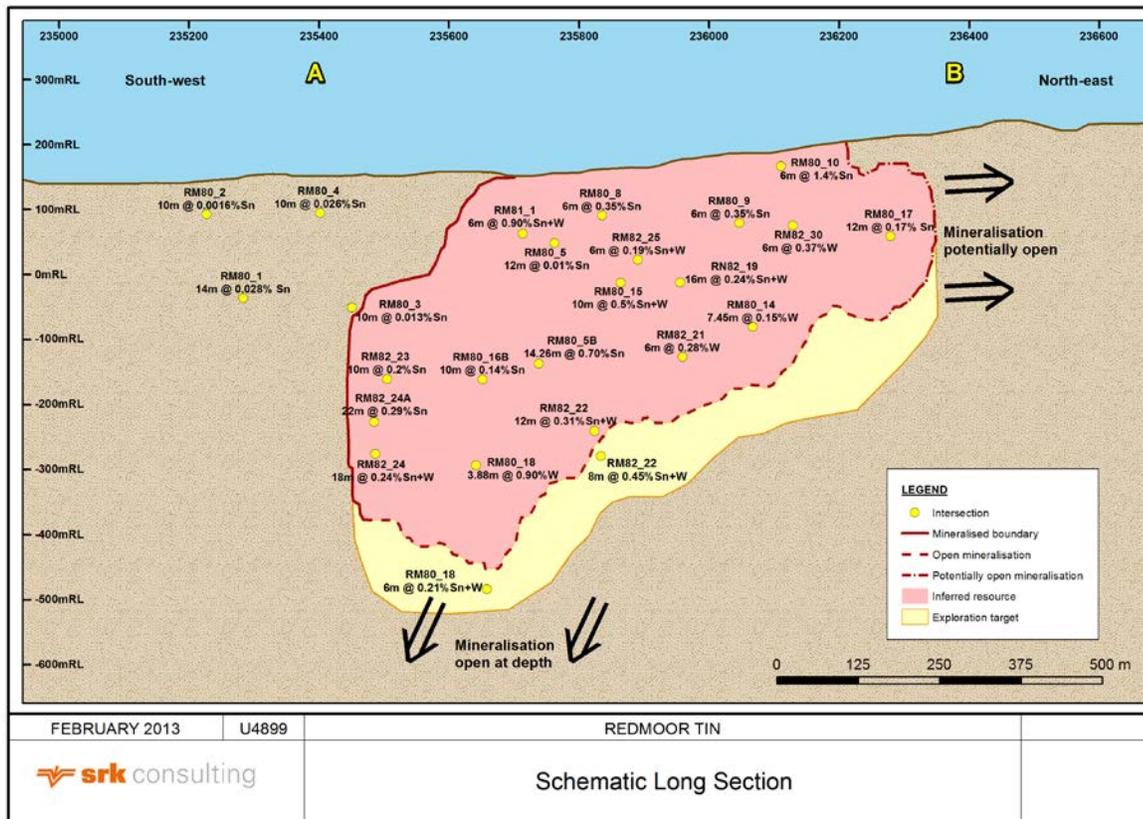


Figure 5: Schematic long section of the Redmoor Resource and Exploration Target

<sup>3</sup> Sn Equivalent % Calculation:  $Sn(eq) = Sn\% * 1 + 2.433612 * W\% + 0.251359 * Cu\%$ . Commodity price assumptions: US\$23,000/t Sn, US\$28,000/t concentrate at 65% WO<sub>3</sub>, and USD7,400/t Cu. Recovery assumptions: total Sn recovery 64%, total W recovery 66%, total Cu recovery 50%. All assumptions are based on industry benchmarks and consensus market forecasts.

## Work Program

Later this year, the Company plans to compile historical technical data in preparation for a scoping study to identify the preferred development pathway and more accurately determine project economics. On completion of these studies, NAE will consider its future options which may include a continued work program, securing strategic partnerships and/or divestment.

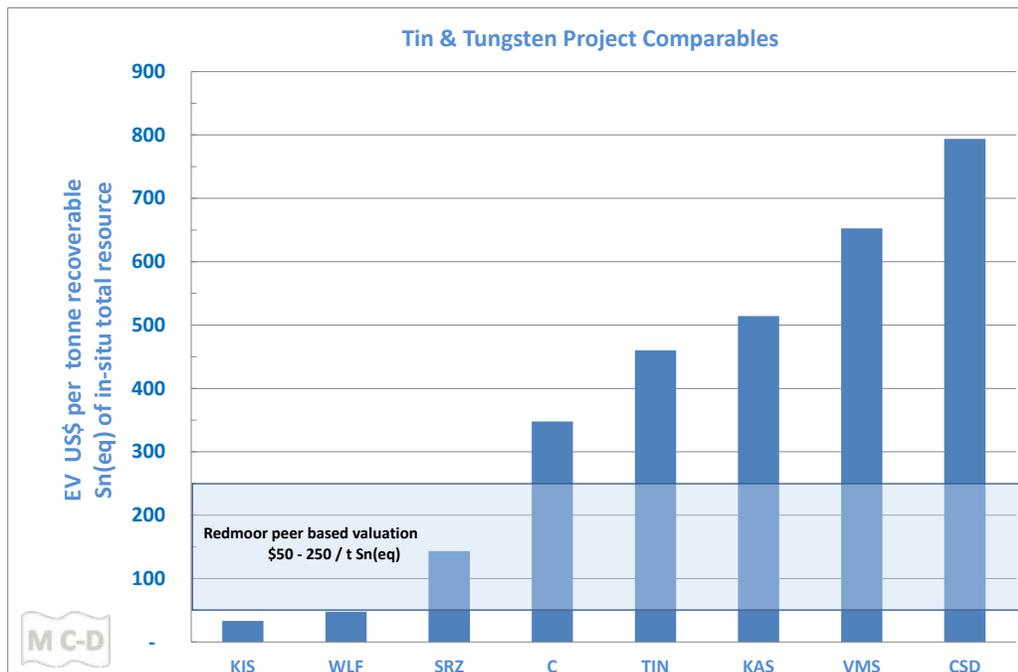
## Tin & Tungsten Market Commentary

A recent poll of analysts undertaken by Reuters indicated that the tin market is the only one of the six main industrial metals on the LME (London Metals Exchange) with a deficit forecast for 2013. The deficit has been estimated to be in excess of 4,100t for 2013. Focusing on the longer term, the International Tin Research Institute (“ITRI”) is forecasting an increased demand for tin of 70,000t by 2015. At the same time, ITRI is forecasting a significant 30,000t fall in production from existing major producers, including Indonesia and China.

China dominates both the demand and supply of tungsten, producing 80-85% of the global supply and, despite this, has been a net importer of tungsten since 2008. Minimal supply and new production comes from outside China, raising concerns about future security of supply. The global demand for tungsten is forecast to grow at 6-7% per annum. The Redmoor Project is well positioned to capitalise on price appreciation resulting from potential supply disruption.

## Project Valuation

Figure 6 below compares the Enterprise Value per tonne of recoverable tin equivalent in the total resource for a selection of tin/tungsten projects in pre-development stage and comparable to Redmoor. Given the early stage development of Redmoor relative to the peer group, NAE considers a value in the range of US\$50-250 per contained tonne to be reasonable. On this basis, the Company values Redmoor in the range of US\$2 million to US\$10 million. Market conditions and transaction values may yield different results.



**Figure 6: Listed Tin/Tungsten Companies compared to valuation range of Redmoor Project (Source: MCD Geo Pty Ltd)**

(KIS – King Island Sheelite, WLF – Wolf Minerals, SRZ – Stellar Resources, C – Celeste Mining Corp, TIN – Eurotin, VMS – Venture Minerals, CSD – Consolidated Tin Mines, KAS – Kasbah Resources)

## COLOMBIA

### Cesar Thermal Coal Project

The Cesar Thermal Coal Project consists of two exploration and mining concessions, GHN-121 and GIK-103, totalling 4,141 hectares in the world-class Cesar thermal coal basin of Colombia. The Company acquired the concessions in May 2011 through the NAE-Aurora Partnership (NAE ownership 90%).

Since the acquisition, additional seismic data has been obtained and re-interpreted by FWS Consultants Ltd (“FWS”), a UK based environmental and geological consultancy, and by UK based seismic consultants. FWS have updated and re-appraised the geological model and refined the estimated contours for the top coals of the target sequence beneath the two licence blocks, GHN-121 and GIK-103. The revised conceptual exploration target is as follows:

**Table 5: Cesar Conceptual Exploration Target**

CESAR CONCEPTUAL EXPLORATION TARGET TONNAGE (GIK-103, GHN-121)
<b>250 - 650 million tonnes (in-situ)</b>

Published information on the thickness of the coal packet in close proximity to the concessions demonstrates that the coal sequence in this area is likely to be of between 180m and 280m thick and include five to nine seams of workable thickness greater than 2m, in addition to one seam that commonly attains a thickness of over 5m. Similar to other mines in the area, it is anticipated that the seams are export quality thermal coal.

Based on the revised top coal contours and from the seam sequence and thicknesses determined in boreholes in close proximity to the licences, a total Exploration Tonnage (in-situ) is estimated to be in the range of 250 to 650 Mt and potentially accessible via modern, high productivity, mechanised underground mining methods.

Drilling is required to confirm the depth, quality and thickness of coal and other conditions pertinent to evaluating mineability.

Taking into consideration the recent results from the seismic interpretation work undertaken at the Project and the Company’s review of costs associated with further development of Cesar, NAE has commenced a search for a strategic partner to advance the Project.

### Terranova and Alvarado Coking Coal

External advice was received during late 2012 that provided an option to progress the approval process for drilling on concession FL2-151. This process will continue to be assessed with the aim of targeting commencement of a drilling program.

NAE has maintained the focus on the progressing the approval of the extension of the mining concession 887T; however, such extension has not yet been granted.

### Amendment to the Joint Venture Agreement with Aurora

Subsequent to the March 2013 quarter, the Company entered into an amendment to the existing joint venture arrangement with Aurora Energy SA (“Aurora”). The initial joint venture was set to expire on 4 May 2013.

The key terms of the amendment to the joint venture include:

- Term of the joint venture extended to 31 October 2013; and
- The joint venture to be undertaken on a non-exclusive basis to undertake investment in Colombia, with the Company having a first right of refusal for coal projects during the term;

The amendment allows the Company to continue to access Auroa's extensive client network in Colombia and to take advantage of the investment opportunities that exist in the coking and thermal coal sectors within Colombia.

## **CORPORATE ACTIVITY**

### **Appointment of Alan Broome as Chairman**

During the March 2013 quarter, the Company was very pleased to announce the appointment of Mr Alan Broome, AM as Chairman of the Company.

Alan Broome, AM (I.Eng, F.AusIMM, FAICD, FICME, MInstD (NZ)) is a metallurgist with over 40 years' experience in mining and metals. A well-known figure in the Australian mining industry, Alan has extensive board experience, both as a director and chairman, of a number of listed and unlisted mining and mining technology companies.

Alan commenced his career as a metallurgist in the Port Kembla Steelworks before joining the Australian Coal Industry Research Laboratories, which he ran for over a decade. Alan has had in-depth experience in coal mining, mining technology, equipment, services and research sectors both domestically and internationally.

Alan is currently a Director/Chairman of several coal and mining-related companies including:

- Solid Energy (Director) – NZ Government owned coal producer
- Buccaneer Energy Ltd (ASX) (Chairman) – USA based oil and gas producer
- CRL Energy Ltd (Chairman) – NZ based coal and energy technology provider
- Carbonxt Group Ltd (Chairman) – USA based international carbon products producer
- Micromine Pty Ltd (Chairman) – Leading international mining software company
- Austmine (Chairman) – Australian mining technology export group

### **Notice of Extraordinary General Meeting - seeking to approve final tranche of placement (\$2 million) and issue of unlisted options to officers of the Company**

Subsequent to the March 2013 quarter end, the Company despatched its Notice of an Extraordinary General Meeting. The meeting will be held on 28 May 2013 at the office of the Company, being Level 17, 500 Collins Street, Melbourne, Victoria, Australia. The meeting will be held seeking shareholder approval for the issue of the final tranche (\$2 million) of funding pursuant to the \$7.5 million placement announced on 22 October 2012. If the final tranche of the placement is approved, Resource Capital Funds will increase its shareholding interest in the Company from 19.9% to 29.8% ownership. In addition, the meeting will seek approval for the issue of unlisted options to directors. Further details regarding the resolutions are contained in the Notice of Meeting and Explanatory Memorandum pertaining to the Extraordinary General Meeting.

**For further information please contact:****Victoria Thomas**

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**Competent Person's Statement**

*Information in this document that relates to Mineral Resources and Exploration Targets is based on information compiled by:*

*Lochinvar, UK: Dr William Hatton (C.Geol – Geological Society of London) who qualifies as a Competent Person, as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Hatton consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears. Dr Hatton is a Principal Coal Geologist with SRK Consulting (UK) Ltd.*

*The potential quantity and grade of the exploration target is conceptual in nature as 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 conceptual exploration target estimate above is based mainly upon: (a) detailed British Geological Survey mapping at a 1:10,000 scale, (b) historic exploration programme set out in the National Coal Board's (NCB) Plan for Coal in 1974, (c) NCB deep drilling and seismic exploration from the late 1970's and early 1980's, (d) summary paper by Graham Picken in the Scottish Journal of Geology in 1988, (e) preliminary Vulcan 3-D representation of the concealed coalfield (representing (a) to (d) above) generated by Dr Hatton. The project is at an early stage, and so the target tonnages are provisional and relate to coal in-situ, in seams likely to be of workable thickness, but do not include any allowances for mining layout, recovery, support areas or any unforeseen geological losses. The range in tonnage estimate reflects the uncertainty of the seam sections, structural and grade continuity encoded within the Vulcan exploration model.*

*Redmoor, UK: Information in this document that refers to the exploration target at Redmoor is based on information compiled by Dr. Mike Armitage (C.Geol CEng FGS MIMM) and Mr. Howard Baker (MAusIMM (CP)) who are both full time employees of SRK. Dr Armitage and Mr Baker have more than 5 years' experience 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 Exploration Results, Mineral Resources and Ore Reserves". Dr Armitage and Mr Baker consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.*

*Colombia: Dr Frederick Smith, who is a Fellow of the Institute of Materials, Minerals and Mining. Dr Smith is a Director and Shareholder of Aurora Energy S.A. and the Managing Director and Principal Consultant of FWS Consultants Ltd. Dr Smith 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". Dr Smith consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears.*

*The potential quantity and grade of the exploration targets are conceptual in nature as there has been insufficient exploration conducted to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

New Age Exploration Ltd

ABN

65 004 749 508

Quarter ended ("current quarter")

31 March 2013

### Consolidated Statement of Cash Flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(486)	(1,799)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	49	85
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>(437)</b>	<b>(1,714)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (inc development) (b) equity investments (c) other fixed assets	(1,206) (2)	(2,829) (50)
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>(1,208)</b>	<b>(2,879)</b>
1.13 Total operating and investing cash flows (carried forward)	(1,645)	(4,593)

1.13	Total operating and investing cash flows (brought forward)	(1,645)	(4,593)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		5,498
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	(11)	(201)
	<b>Net financing cash flows</b>	(11)	5,297
	<b>Net increase (decrease) in cash held</b>	(1,656)	704
1.20	Cash at beginning of quarter/year to date	5,930	3,581
1.21	Exchange rate adjustments to item 1.20	(28)	(39)
1.22	<b>Cash at end of quarter</b>	4,246	4,246

### 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	235
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Fees paid to Directors or their related entities

### 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	130	130

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	2,072
4.3 Production	
4.4 Administration (including costs associated with new project/opportunity assessment and due diligence)	542
<b>Total</b>	<b>2,614</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	1,497	706
5.2 Deposits at call	2,749	5,224
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,246</b>	<b>5,930</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			

## 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 <sup>+</sup>securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	227,493,879	227,493,879		-
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>				
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>			<i>Exercise price (cents)</i>	<i>Expiry date</i>
	600,000	-	19	21/07/2014
	1,500,000	-	25	6/12/2013
	400,000	-	12.5	02/02/2014
	200,000	-	14	01/09/2014
	500,000	-	10	31/08/2015
	2,000,000	-	12	01/07/2015
	750,000	-	14	06/02/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	16,450,000	-	10	31/03/2013
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2013  
(Director/Company secretary)

Print name: Adrien Wing

## 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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