

30 April 2012

## ASX ANNOUNCEMENT

Metminco Limited  
ABN 43 119 759 349

### Corporate Details

ASX Code: MNC.AX  
AIM Code: MNC.L

### Issued capital

1.749.5m Ord. shares  
69.2m Options

### Directors

#### Chairman

Antonio Ortuzar

#### Managing Director

William Howe

#### Non-Executive Directors

Francisco Vergara

Bill Etheridge

Phillip Wing

Tim Read

### Company Secretary & CFO

Philip Killen

### GM Investor Relations

Stephen Tainton  
steve.tainton@metminco.com.au

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### Website

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### Brokers

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## QUARTERLY ACTIVITIES REPORT & APPENDIX 5B 3 MONTHS TO MARCH 2012

- **Los Calatos copper – molybdenum resource increases by 150% to 2.32 billion tonnes**
- **Copper grade improves to 0.40%**
- **Contained copper increases by 170% to 9.4 million tonnes**
- **Eight-fold increase in Indicated Mineral Resource category to 885 million tonnes**
- **Conclusion of access agreement paves way for drilling to commence at the Camaron Project in May 2012**

### KEY RESULTS

#### Los Calatos

Indicated Mineral Resource increases to 885 million tonnes at 0.42% Cu and 0.027% Mo.

Inferred Mineral Resource increases to 1,432 million tonnes at 0.40% Cu and 0.018% Mo.

Total contained Cu and Mo metal increases to 9.4 million tonnes and 0.50 million tonnes respectively.

Further infill drilling to upgrade the resource is currently in progress.

#### Significant drill hole results (Phase 4) Los Calatos

CD-57	115m	0.44% Cu & 634 ppm Mo
and	1,015	51% Cu & 233 ppm Mo
CD-61	309m	0.97% Cu & 1,052 ppm Mo

*Note: CD-61 not included in the resource model due to timing*

#### Mollacas

Geological Model completed for resource estimation purposes; Resource estimate to be completed in Q2 2012.

#### Vallecillo

In-fill drilling program completed and resource estimation expected by end of Q2 2012. Significant intersections include:

VD-20	37m	1.66g/t Au; 9.89g/t Ag; 1.27% Zn; 0.66% Pb
VD-30	48m	1.17g/t Au; 7.2g/t Ag; 1.56% Zn; 0.02% Pb

## **OPERATIONS**

### **INTRODUCTION**

With the completion of the Company's Phase 4a drilling program at the Los Calatos Project, Metminco Limited ("Metminco" or the "Company") commissioned SRK Consulting, Chile S.A. ("SRK") to model, and calculate, an interim mineral resource estimate for its 100% owned copper – molybdenum project in southern Peru.

The new resource model incorporates the drilling results from 113 drill holes totalling 90,403 metres, of which 31,550 metres<sup>1</sup> were used in estimating the mineral resource associated with the Los Calatos mineralised envelope.

Geological models have been finalised for the leached oxide, secondary, transition and primary sulphide zones at the Mollacas project, together with the modelling of the alteration zones. The models have been submitted to SRK for the estimation of a mineral resource, to be completed in Q2 2012.

Diamond drilling at the Vallecillo Project was completed in January 2012, and all related assay results were received by the end of the quarter. The Company will complete a 3D geological model of the La Colorada deposit prior to undertaking a resource estimation.

During the quarter, an access agreement was concluded with the landowner at the Camaron Project, and construction of the required roads and drill pads has commenced in support of the planned drilling program.

### **LOS CALATOS PROJECT**

#### **Phase 4a drilling results**

With the exception of drill hole CD-61, which returned the results as summarised in Table 2 below, all of the drill holes in Table 1 (Appendix 1) have been included in the interim resource estimate.

**Table 2: Significant Intersections – Phase 4 drilling**

<b>BHID</b>	<b>Mineralised Intercept</b>	<b>Depth Interval</b>
<b>CD-57</b>	115m at 0.44% Cu & 634 ppm Mo	711 to 826m
<i>and</i>	1,015m at 0.51% Cu and 233 ppm Mo	879 to 1,894m
<b>CD-61</b>	933 metres at 0.51% Cu and 407 ppm Mo	767 to 1,700m
<i>including</i>	309 metres at 0.97% Cu and 1,052 ppm Mo	878 to 1,187m

#### **Interim resource estimate**

The mineral resource statement for the Los Calatos copper-molybdenum deposit has been reported at a 0.2% Cu cut-off grade, and categorised into Indicated and Inferred Mineral Resources in accordance with the JORC standards for Reporting Mineral Resources and Mineral Reserves (see Table 3 below).

<sup>1</sup> Mineralised intercepts

**Table 3: Mineral Resource Statement for the Los Calatos Copper-Molybdenum Project, Arequipa, Peru, SRK Consulting (Chile) S.A., April 19, 2012.**

Resource Classification	Tonnage (Kilotonnes)	Cu (%)	Mo (%)
Measured	-	-	-
Indicated	884,608	0.42	0.027
<b>Total Measured and Indicated</b>	<b>884,608</b>	<b>0.42</b>	<b>0.027</b>
Inferred	1,431,556	0.40	0.018

*Note: Mineral Resource reported at a 0.2% Cu cut-off*

Further, and based on Table 3, the contained metal by resource category is summarised in Table 4 below.

**Table 4: Summary of metal content by resource category.**

Resource Classification	Tonnage (Kilotonnes)	Cu (Mt)	Mo (Kt)	Contained Metal (%)
Indicated	884,608	3.7	239	48%
Inferred	1,431,556	5.7	258	52%
<b>Total</b>	<b>2,316,164</b>	<b>9.4</b>	<b>497</b>	<b>100%</b>

*Note: Rounding-off of figures may result in minor computational discrepancies, where this happens, it is not deemed significant*

Appendix 1 provides more detailed information on the resource, including a grade-tonnage profile, a graphic of the block model, a plan showing Cu (%) x thickness (metre) contours, and a section through drill hole CD-61 showing the distribution of copper mineralisation. Also contained in Appendix 1 is a comparison between key aspects of the July 2010 and April 2012 Mineral Resource statements.

### Review of results

By comparison to the July 2010 Mineral Resource estimate, the April 2012 Mineral Resource estimate has increased by 150% from 926 million tonnes to 2.32 billion tonnes at an average cut-off grade of 0.2% Cu, confirming the Los Calatos discovery to be one of the world's largest undeveloped porphyry hosted copper-molybdenum deposits.

Total contained metal is estimated at 9.4 million tonnes of copper and 0.50 million tonnes of molybdenum.

The higher confidence Indicated Mineral Resource category has grown eight-fold to a total of 885 million tonnes containing 3.7 million tonnes of copper and 0.24 million tonnes of molybdenum.

The massive increase in the projects' size and scale brings Los Calatos in line with a number of globally significant copper deposits likely to form the basis of the next generation of global copper producers.

### **Proposed work program**

The Phase 4b drilling program, which includes an additional 70,000 metres of infill drilling, is currently underway. The program, which is focused primarily on upgrading the current resource categories, is to be completed by the calendar year-end. Eight drilling rigs are presently operating in the field.

A further Mineral Resource estimate, reported in accordance with the JORC Code (2004), will be undertaken at the end of the year, on completion of the Phase 4b drilling program. This resource update will be followed by the commissioning of a pre-feasibility study in early 2013.

An internal mining study has been initiated to identify the main requirements of the pre-feasibility study. This will address aspects such as the planned seawater pipeline from the coast to the site, access to the regional power grid, quantification of the metallurgical test work required to evaluate the use of sea water for flotation purposes (and to refine recoveries), and the assessment of a variety of mining options.

### **MOLLACAS PROJECT**

Following the completion of the recent drilling program at Mollacas, geological models for the leached, oxide, secondary sulphide, transition and primary mineralisation zones, as well as various alteration types, were constructed and submitted to SRK – who have been commissioned to refine the models, produce a Block Model, and derive a final resource estimate for Mollacas in Q2 2012.

Geotechnical testwork has been initiated, and a Whittle 4D analysis has been conducted to evaluate some 12 open pit mining scenarios<sup>2</sup> using conceptual Opex and Capex costs. Rock permeability tests, as well as leach pad geotechnical studies are in progress, which are expected to be completed in advance of the planned Feasibility Study.

Confirmatory metallurgical test work continues in the form of sample selection for tall column leach test work to facilitate the optimal design of the plant and leach circuit.

A community perception study was completed during the summer season, which will facilitate effective lines of communication with local communities in going forward.

On completion of the new, upgraded, resource statement, the Feasibility Study will be commissioned, and an application to the Chilean Government authorities for a development licence is expected to be completed in Q4 2012.

The terms of reference for the conduct of a Feasibility Study at Mollacas have been prepared, which will form the basis of tender process by suitable consulting groups.

### **VALLECILLO PROJECT**

The drill campaign at Vallecillo was completed during the quarter.

Drilling of the tourmaline breccia's to the north of the La Colorada deposit indicate that the breccia's generally comprise narrow veinlet's with sporadic Au and Zn values.

The in-fill drill program at the La Colorada deposit returned values that are consistent with previous drilling results (Appendix 2 Figure 7 and Table 6). The Company is currently completing further sampling of the drill holes, and is expected to be in a position to release a 3D geological model to SRK for resource estimation purposes during Q2 2012.

Once the updated mineral resource estimate is available, a pre-feasibility study will be initiated.

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<sup>2</sup> Based on an earlier Block Model for the deposit.

An RC drilling program in the Portezuelo area located in the vicinity of La Colorada returned low Cu and Mo values, and it now appears that the porphyry system identified at Portezuelo is deeply eroded, with no mineralisation of economic significance.

### **CAMERON PROJECT**

Following the conclusion of an access agreement with the surface rights holder in mid-March 2012, work commenced on the construction of an access road and drill pads for the planned RC drill rig sites.

The reconnaissance RC drilling program, designed to test Au, Mo and Cu surface anomalies that were delineated by a prior soil geochemical sampling program, is to commence in May 2012.

### **LA PIEDRA**

An alteration map (1:5,000 scale) has been compiled from surface mapping undertaken during the quarter. Two sections across the main alteration zone were sampled, with sixteen samples having been submitted for ICP analysis. Further detailed surface mapping and sampling will be required prior to finalising drill hole locations.

## **CORPORATE**

### **Capital Raising**

On 6 January 2012 the Company received gross funds of approximately A\$10.3 million by issue of 73,864,286 new fully paid shares (Shares) in the Company. This issue was the second tranche of the A\$40 million placement of 285,714,286 Shares to institutional investors in the United Kingdom, Australia, Asia and Chile at an issue price of A\$0.14 per Share announced on 25 November 2011 and approved by shareholders at the Company's Extraordinary General Meeting on 4 January 2012.

### **Rights Issue**

The Rights Issue of one new share (New Share) at an offer price of A\$0.14 per New Share for every twenty Shares held by Australian and New Zealand resident shareholders (Eligible Shareholders), announced 24 November 2011, closed on 3 January 2012 with 1,211,141 New Shares (approximately 2% of the Right Issue offer) being subscribed for by Eligible Shareholders raising approximately A\$0.2 million. The Directors resolved not to place the undersubscribed New Shares.

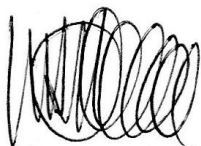
### **Annual General Meeting of Shareholder**

The Company announced that the Annual General Meeting of shareholders for the year ended 31 December 2011 will be held at 54 McLaren Street, North Sydney NSW, 2060 on Thursday, 31 May 2012 at 10.00am (Sydney time).

### **Cash Position**

Following completion of the A\$40 million capital raising, the Company is fully funded to deliver the 2012 work programs including the approximately 100,000 metre diamond drilling program at Los Calatos, the Feasibility Study and pre-development work at Mollacas, and the pre-feasibility study at Vallecillo.

As at 31 March 2012, Metminco had cash reserves of approximately A\$42.3 million.



**William Howe**

**Managing Director**

## Company Background

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

The Los Calatos project, located in southern Peru, has a Mineral Resource of 2,316 million tonnes, comprising an Indicated Resource of 885 million tonnes at 0.42% Cu and 270 ppm Mo, and an Inferred Resource of 1,431 million tonnes at 0.40% Cu and 180 ppm Mo (at a 0.2% copper cut-off).

The Chilean assets include the Mollacas copper leach project with a Mineral Resource of 17 million tonnes consisting of an Indicated Resource of 7.2 million tonnes at 0.56% copper, and an Inferred Resource of 9.8 million tonnes at 0.52% copper (at a 0.2% copper cut-off); and the Vallecillo gold zinc project with a Mineral Resource of 10.1 million tonnes consisting of an Indicated Resource of 7.9 million tonnes at 1.14g/t Au; 11.4g/t Ag; 1.32% Zn; 0.29% Pb and an Inferred Resource of 2.2 million tonnes at 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb (at a cut-off grade of 0.3g/t Au).

The Company also has a number of early stage exploration projects where initial exploration activities have identified anomalous copper, molybdenum and gold values.

## Competent Persons Statement

### Metminco

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company as General Manager Exploration.

Colin Sinclair has sufficient experience (over 30 years) which is relevant to the style of mineralisation, 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'. Mr Sinclair, as Competent Person for this announcement, has consented to the inclusion of the information in the form and context in which it appears herein.

### SRK Consulting (Chile) S.A.

Metminco supplied SRK with a geological model and the drill data. Copper and molybdenum grades were estimated into a block model using ordinary kriging with GEMCOM software.

The information provided in this ASX Release as it relates to Exploration Results and Mineral Resources of the Los Calatos copper-molybdenum deposit is based on information compiled by George G. Even, Principal Geologist of SRK Consulting in Santiago, Chile. Mr Even, a Qualified Person for JORC compliant statements, reviewed the technical information presented in this document. Mr Ernesto Jaramillo, Principal Resource Geologist with SRK Santiago, performed the resource estimation. Mr Even has sufficient experience that is relevant to the style of mineralisation and type of mineral deposit under consideration, and to the activity which was undertaken, to make the statements found in this report in the form and context in which they appear.

Mr Even and Mr Jaramillo have consented to be named in this announcement, and have approved of the inclusion of the information attributed to them in the form and context in which it appears herein.

## APPENDIX 1

### Los Calatos - Summary of Results

**Table 1: Los Calatos - Phase 4a Drilling Results.**

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-50	286415	8130424	2978	39	-63	993.3	183	855	672	0.28	217
CD-51	286941	8130464	2916	205	-60	918	383	587	204	0.32	295
CD-52	287111	8130240	2936	238	-69	674.5	318	415	97	0.42	9
CD-53	286312	8130086	3047	31	-64.5	1976.4	670	1089	419	0.42	223
						includes	905	1039	134	0.69	293
							1163	1323	160	0.15	21
							1371	1634	263	0.39	161
							1682	1780	98	0.16	80
CD-54	286502	8130076	3020	23	-70	1577.35	482	836	354	0.25	165
							853	921	68	0.23	292
							933	957	24	0.30	142
							974	1013	39	0.36	129
							1213	1279	66	0.26	7
							1351	1390	39	0.12	11
							1506	1572	66	0.21	78
CD-55	287415	8130772	2924	207	-59	1588.25	762	816	54	0.47	51
							830	998	168	0.36	18
							1125	1154	29	0.13	101
							1240	1435	195	0.26	55
CD-56	287331	8130859	2951	216	-64.5	2003.9	980	1270	290	0.80	184
						includes	990	1102	112	1.14	244
							1289	1385	96	0.47	151
							1401	1734	333	0.43	494
						includes	1672	1732	60	0.75	627
							1772	2004	232	0.55	146
						includes	1809	1843	34	1.02	151
CD-57	286733	8131226	3041	201	-72	1894.8	711	826	115	0.44	634
							850	870	20	0.37	440
							879	1894	1015	0.51	233
						includes	1197	1282	85	1.05	221
CD-58	286423	8131111	2983	206.5	-64	1263.2	870	1263	393	0.26	155

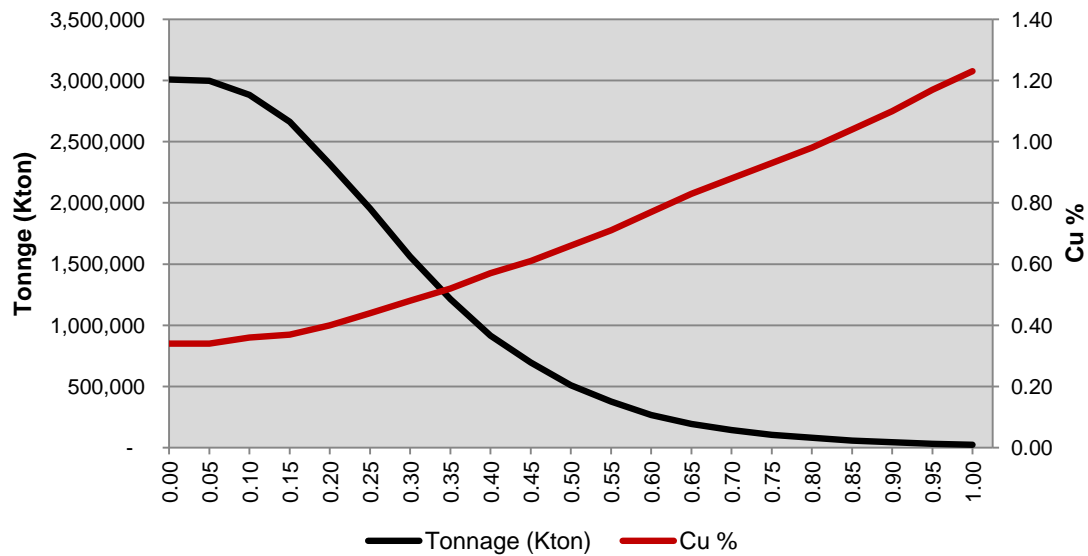
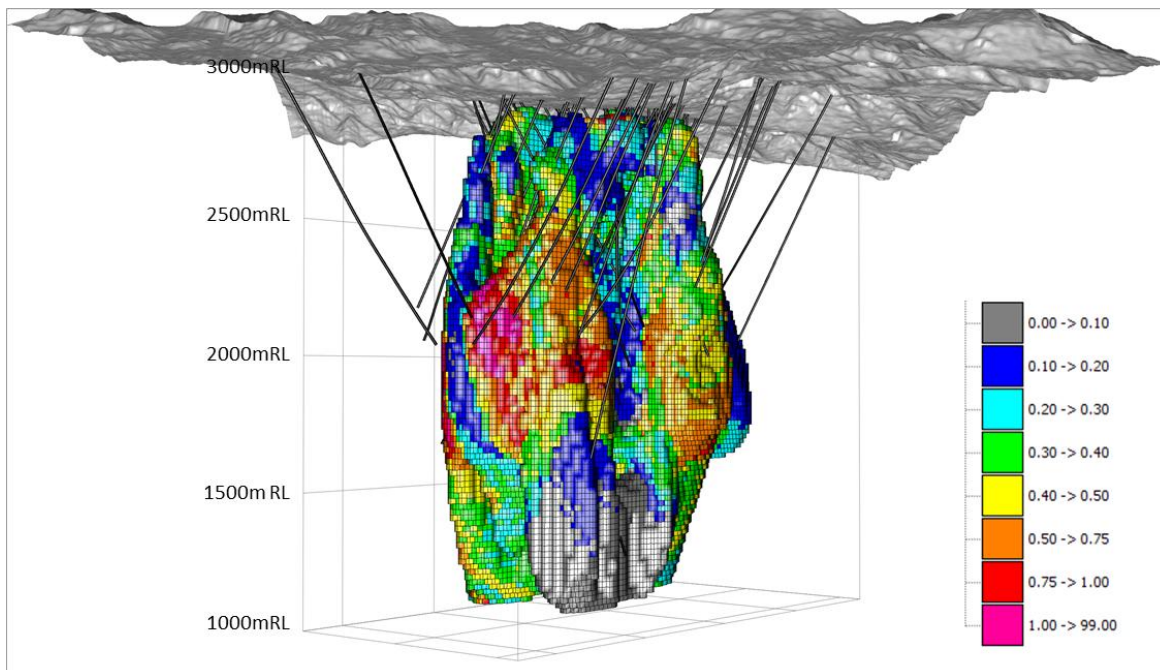
**Table 1: Los Calatos - Phase 4a Drilling Results (cont'd)**

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-59	286429	8130214	2997	31.5	-61	1277.9	413	601	188	0.20	116
							700	1002	302	0.17	145
							1014	1194	180	0.22	99
CD-60	287001	8130475	2921	221.5	-65.5	997.35	70	103	33	0.17	4
							542	819	277	0.24	146
							912	955	43	0.13	12
CD-61	286842	8131190	3062	204.5	-63	1753.35	767	1700	933	0.51	407
						includes	878	1187	309	0.97	1,052
CD-62	287298	8130550	2913	212.5	-60.5	1195.05					

*Note: Results for CD-62 still awaited.*

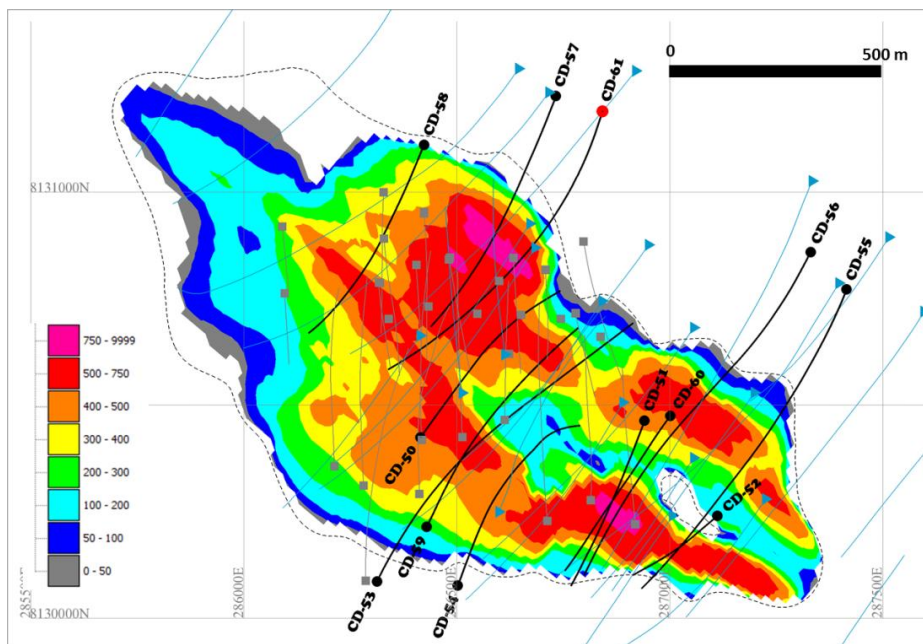
**Table 5: Sensitivity of the Los Calatos Mineral Resource to the copper cut-off grade.**

Cut-off	Indicated			Inferred			Total		
	Tonnage (Kton)	Cu (%)	Mo (%)	Tonnage (Kton)	Cu (%)	Mo (%)	Tonnage (Kton)	Cu (%)	Mo (%)
1.00	15,151	1.26	0.061	9,206	1.18	0.021	24,358	1.23	0.046
0.95	19,801	1.19	0.059	12,501	1.13	0.021	32,302	1.17	0.044
0.90	26,150	1.13	0.056	18,438	1.06	0.021	44,588	1.10	0.042
0.85	34,032	1.07	0.054	25,673	1.01	0.020	59,705	1.04	0.039
0.80	42,803	1.02	0.052	38,549	0.95	0.020	81,352	0.98	0.037
0.75	56,530	0.96	0.049	50,174	0.91	0.021	106,704	0.93	0.036
0.70	74,652	0.90	0.048	69,516	0.86	0.023	144,168	0.88	0.036
0.65	97,983	0.85	0.047	96,580	0.80	0.024	194,563	0.83	0.036
0.60	126,598	0.80	0.045	140,931	0.75	0.027	267,529	0.77	0.036
0.55	166,542	0.74	0.044	211,008	0.69	0.029	377,549	0.71	0.035
0.50	217,615	0.69	0.042	292,356	0.64	0.028	509,971	0.66	0.034
0.45	283,215	0.64	0.041	412,024	0.59	0.027	695,240	0.61	0.033
0.40	365,033	0.59	0.039	551,301	0.55	0.025	916,334	0.57	0.031
0.35	469,176	0.54	0.036	744,183	0.51	0.024	1,213,359	0.52	0.028
0.30	594,614	0.50	0.033	967,584	0.46	0.022	1,562,198	0.48	0.026
0.25	731,995	0.46	0.030	1,220,954	0.43	0.019	1,952,949	0.44	0.023
<b>0.20</b>	<b>884,608</b>	<b>0.42</b>	<b>0.027</b>	<b>1,431,556</b>	<b>0.40</b>	<b>0.018</b>	<b>2,316,164</b>	<b>0.40</b>	<b>0.021</b>
0.15	1,020,734	0.38	0.025	1,642,684	0.37	0.016	2,663,418	0.37	0.019
0.10	1,100,729	0.37	0.023	1,782,029	0.35	0.015	2,882,758	0.36	0.018
0.05	1,111,809	0.36	0.023	1,886,417	0.33	0.014	2,998,225	0.34	0.017
0.00	1,116,276	0.36	0.023	1,890,465	0.33	0.014	3,006,741	0.34	0.017

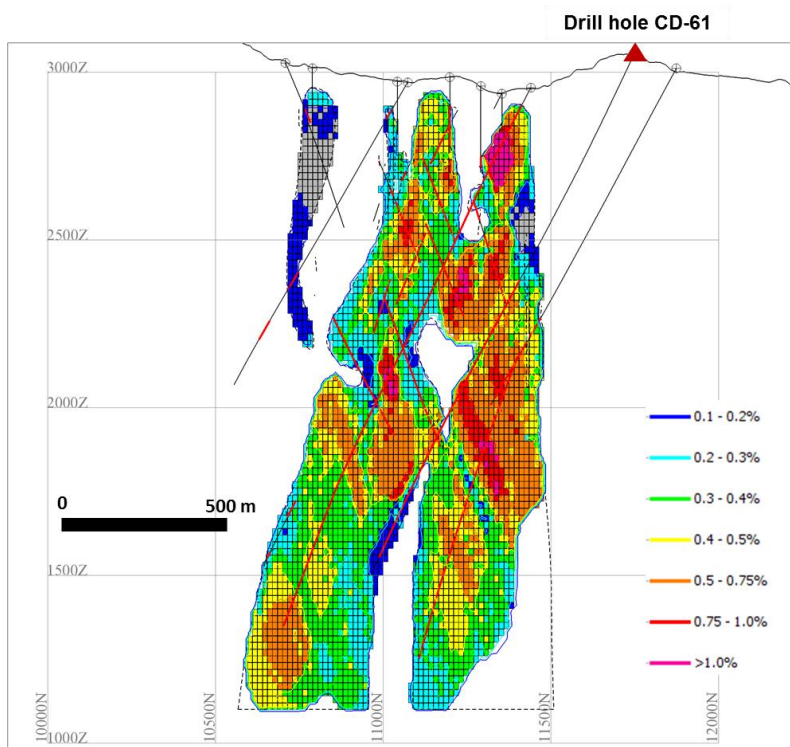
**Figure 1: Total (Indicated & Inferred) Resource Grade - Tonnage Curve (Cu %).****Figure 2: Los Calatos Block Model – Copper Grades (25m x 15m x 20m blocks).**

View towards the southwest

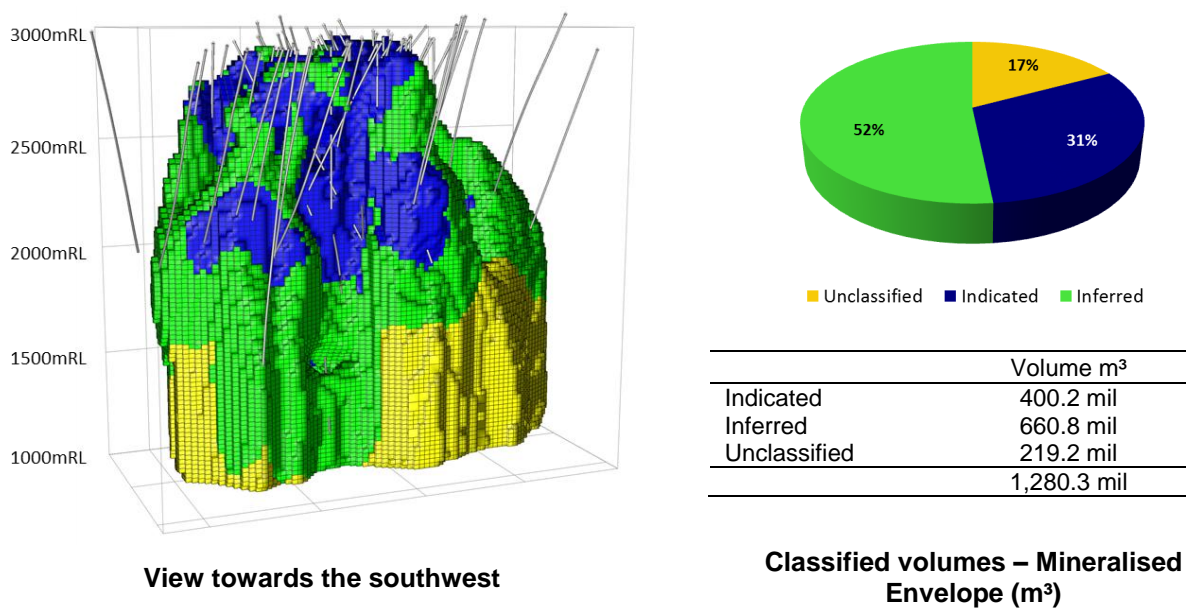
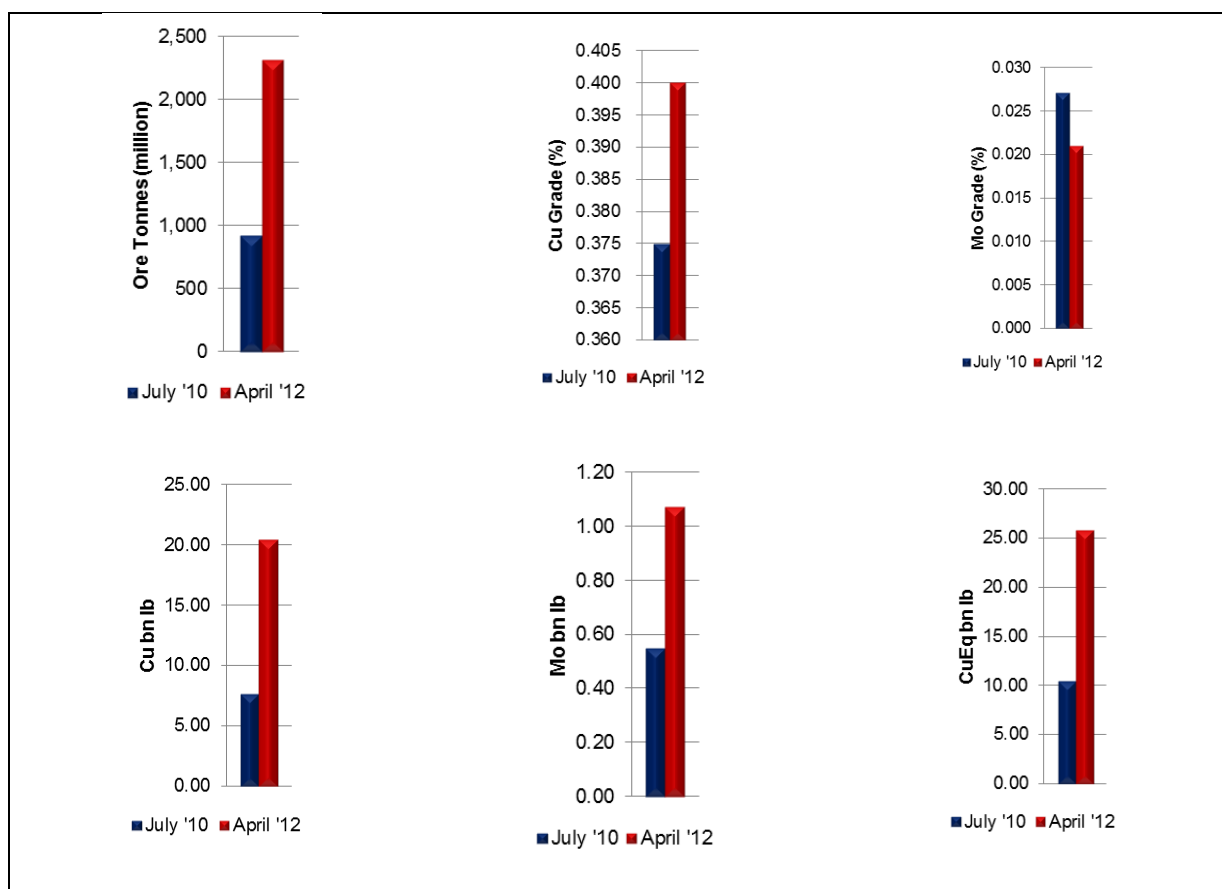
**Figure 3: Los Calatos Block Model Plan - Grade (%) \* thickness (m) contours with Phase 4a drill holes.**



**Figure 4: Northeast – southwest section through drill hole CD-61 showing high grade intercept (Cu %)**



**View to the northwest**

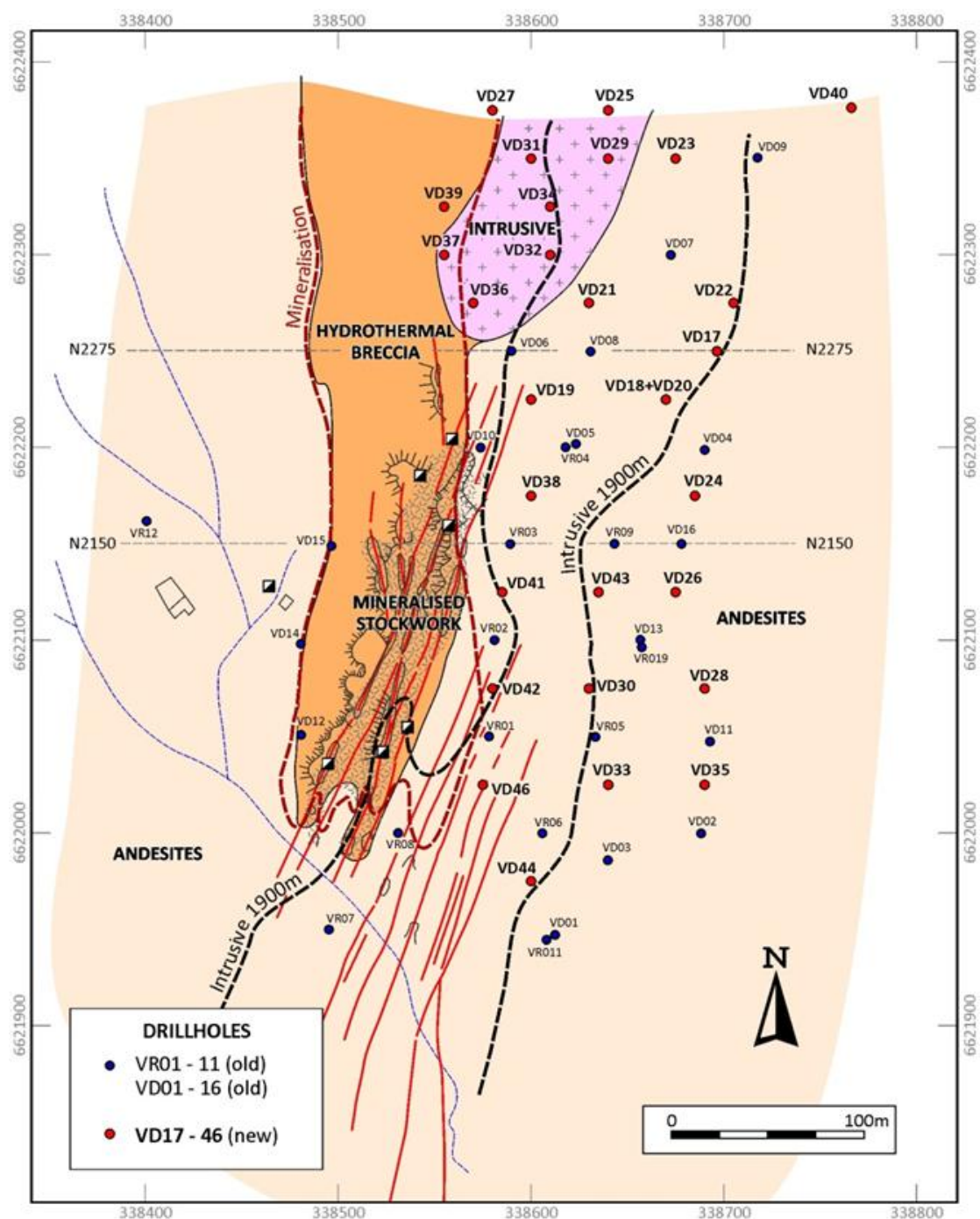
**Figure 5: Mineralised Envelope – Los Calatos Porphyry System.****Figure 6: Comparison – July 2010 and April 2012 Mineral Resource estimates.**

Note: Mo price assumed to be 5 times that of Cu in calculating CuEq

## APPENDIX 2

### Vallecillo Project: Drilling Results

Figure 7: La Colorada deposit - Drill hole locality plan.



**Table 6: Vallecillo Project (La Colorada) - Significant drill intercepts.**

Hole ID	Depth (m)		Intercepts					
	From	To	Interval (m)	Au g/t	Ag g/t	Zn %	Pb %	Cu %
VD-18	180	218	38	0.32	8.95	0.70	0.46	0.02
VD-18	241	265	24	1.26	7.33	0.76	0.04	0.05
VD-19	66	95,35	29	0.22	6.32	0.24	0.26	0.01
VD-20	182	219	37	1.66	9.89	1.27	0.66	0.02
VD-20	280	297	17	0.45	19.12	0.69	0.05	0.45
VD-20	317	331	14	0.08	4.93	0.57	0.02	0.08
VD-21	141	198	57	0.19	6.12	0.31	0.03	0.01
VD-22	254	275	21	0.18	7.95	0.66	0.53	0.02
VD-23	250	267	17	0.20	0.71	0.27	0.11	0.01
VD-24	163	177	14	0.54	18.00	1.34	0.93	0.03
VD-25	135	148	13	0.22	3.46	0.32	0.30	0.01
VD-26	153	342	189	0.38	5.70	0.81	0.11	0.06
VD-28	195	255	60	0.20	4.00	1.48	0.05	0.05
VD-30	167	215	48	1.17	7.20	1.56	0.02	0.08
VD-30	224	234	10	0.05	9.50	1.09	0.03	0.07
VD-33	135	151	16	0.31	5.00	0.65	0.18	0.03
VD-36	32	53	21	0.62	26.00	1.01	0.96	0.03
VD-38	70	149	79	0.39	11.00	1.31	0.53	0.03
VD-41	37	128	91	0.78	13.00	1.94	0.66	0.04
VD-42	56	140	84	0.61	8.00	1.27	0.27	0.03
VD-43	117	290	173	0.99	8.00	1.46	0.08	0.08
VD-44	330	342	12	0.02	1.00	0.58	0.00	0.02

## 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

**Metminco Limited**

ABN

43 119 759 349

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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 3 months \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(9,133)	(9,133)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,735)	(1,735)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	49	49
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(6)	(6)
	<b>Net Operating Cash Flows</b>	<b>(10,825)</b>	<b>(10,825)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(125)	(125)
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 ( Mollacas land)	(89)	(89)
	<b>Net investing cash flows</b>	<b>(214)</b>	<b>(214)</b>
1.13	Total operating and investing cash flows (carried forward)	(11,039)	(11,039)

1.13	Total operating and investing cash flows (brought forward)	(11,039)	(11,039)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	10,485	10,485
	Costs of issue	(1,230)	(1,230)
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 (proceeds from equity swap)	375	375
	<b>Net financing cash flows</b>	<b>9,630</b>	<b>9,630</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,409)</b>	<b>(1,409)</b>
1.20	Cash at beginning of quarter/year to date	44,032	44,032
1.21	Exchange rate adjustments to item 1.20	(301)	(301)
1.22	<b>Cash at end of quarter</b>	<b>42,322</b>	<b>42,322</b>

### 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	281
1.24 Aggregate amount of loans to the parties included in item 1.10	-

### 1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors for the period 01 Jan 12 – 31 March 12 for: Directors' fees: \$87,500  
Directors' services and consulting fees: 193,756

### 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

None

- 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

None

## 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	14,700
4.2	Development	-
4.3	Production	-
4.4	Administration	1,300
	<b>Total</b>	<b>16,000</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	42,322	44,032
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	<b>Total: cash at end of quarter</b> (Item 1.22)	<b>42,322</b>	<b>44,032</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 securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>*Ordinary securities</b>	1,749,541,573	1,749,541,573		
7.4	Changes during quarter a) Increases through issues	73,864,286	73,864,286	A\$0.14 per new ordinary share by way of private placement to sophisticated and professional investors	Fully paid
	(b) Decreases through returns of capital, buy-backs	1,211,141	1,211,141	A\$0.14 per new ordinary shares pursuant to rights issue which closed 3 January 2012	Fully paid
7.5	<b>*Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	Options (description and conversion factor)	<u>Listed:</u> 27,217,517	<u>Listed:</u> 27,217,517	Exercise price A\$0.25	Expiry date: 04 Dec 2012
		<u>Unlisted:</u> 4,500,000	<u>Unlisted:</u> 4,500,000	A\$ 0.30	31 Jul 2012
		14,250,000	14,250,000	A\$ 0.44	06 Dec 2013
		14,250,000	14,250,000	A\$ 0.525	06 Dec 2013
		2,000,000	2,000,000	A\$ 0.44	06 Dec 2013
		2,000,000	2,000,000	A\$ 0.525	06 Dec 2013
		2,500,000	2,500,000	A\$ 0.215	05 Dec 2014
		2,500,000	2,500,000	A\$ 0.260	05 Dec 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

### 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: 30.4.2012

(Director/Company secretary)

Print name: Philip Killen

### 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.