PEAK RESOURCES LIMITED

Quarterly Report

March 2013

DEVELOPING A NEW RARE EARTH DISCOVERY

Peak Resources Limited (Peak; ASX: PEK; OTCQX: PKRLY) **is rapidly progressing the development of its 100% owned Ngualla Rare Earth Project in Tanzania. Ngualla is on schedule to become the next major rare earth supplier with high grade mineralisation and a simple, proven metallurgical process supporting a low cost operation.**

Activity highlights this Quarter include:

Revised Mineral Resource

- A new and increased Mineral Resource was announced on 4th April 2013. At a 3.0% lower grade cut the Mineral Resource for the Bastnaesite Zone weathered mineralisation targeted for initial development is:

21.6 million tonnes at 4.54% REO*, for 982,000 tonnes of contained REO#.

- Potential to support significantly increased production levels and an extended mine life, based on a simple sulphuric acid leach operation, compared to the 10,000tpa REO estimated in the December 2012 Scoping Study
- An increased production rate and higher grades, combined with the enhanced beneficiation ability will significantly improve the strong economics and further reduce cash costs.
- **A revised Scoping Study and economic assessment to be completed during June Quarter to quantify cost reductions and revised project economics at a range of REO production levels: 5,000tpa, 10,000tpa and 20,000tpa.**

Beneficiation

- Advances in beneficiation achieved during the Quarter lead to lower capital costs through a smaller acid and leach plant. Operating costs will also be reduced through lower sulphuric acid consumption

SX Pilot Plant, ANSTO

- Production of a rare earth chloride feed solution for the solvent extraction (SX) pilot plant from a 1.3 tonne bulk sample of Ngualla rare earth mineralisation was completed at ANSTO (Australian Nuclear Science and Technology Organisation) during the quarter
- An average of 83% recovery of rare earths was achieved in the acid leach stage, independently verifying the simple sulphuric acid leach recovery process and the robustness of the process flow sheet at a larger scale
- **The SX Pilot Plant is on track to produce four separated >99% purity REO products successively over the next few months.**

Corporate

- Appointed financial advisors to assist in identifying and securing strategic partners to assist with funding the longer-term development of the Ngualla Rare Earth Project and product off-take agreements. Strong interest has been shown and Peak is in ongoing discussions with a number of parties.
- The Company had $2.25 million cash on hand at the end of the Quarter.

* total rare earth oxides plus Y_2O_3 # see Table 1 for classification of Mineral Resource

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Executive Chairman: Alastair Hunter Technical Director: Dave Hammond Non-Executive Director: Jonathan Murray Company Secretary: Jeff Dawkins

NGUALLA RARE EARTH PROJECT, TANZANIA

Rare Earths, Niobium – Tantalum, Phosphate. Peak Resources – 100%

Location of Ngualla Project, Tanzania

About the Ngualla Rare Earth Project:

The Ngualla Rare Earth Project in Tanzania is a recent discovery and is the highest grade of the large undeveloped rare earth deposits.

Fundamental geological aspects of the central Bastnaesite Zone targeted for first production offer distinct advantages for development over other rare earth projects. These include the large size of the deposit, outcropping, high grade mineralisation suitable to open cut mining with low strip ratios, favourable mineralogy amenable to a simple, low cost processing route and the lowest uranium and thorium levels of any major rare earth deposit in the world.

The favourable characteristics are reflected in the outcomes of the Scoping Study and preliminary economic assessment released on 3rd December 2012, which defined very low capital and operating costs compared to other rare earth projects.

Ngualla is a leading rare earth project with an estimated NPV of US$1.57 billion and pre-tax IRR of 53% for an initial 25 years production and an average grade of 4.35% REO.

The Pre-Feasibility Study and revised economic assessment currently in progress and scheduled for completion in Q3 2013 are expected to significantly enhance these already robust project economics.

The Company continues to fast track the development of Ngualla with the aim of becoming a low cost, long term producer of high purity rare earth oxide products by Q1 2016.

Revised Mineral Resource Estimate

Subsequent to the end of the Quarter, the Company announced the revised Mineral Resource estimate for Ngualla. The new estimates for the Bastnaesite Zone and total Ngualla deposit (Figure 1) incorporate the 13,600m of additional drilling completed in 2012. The estimate was completed by independent resource consultants H&S Consultants Pty Ltd and is reported according to the 2004 JORC Code and Guidelines.

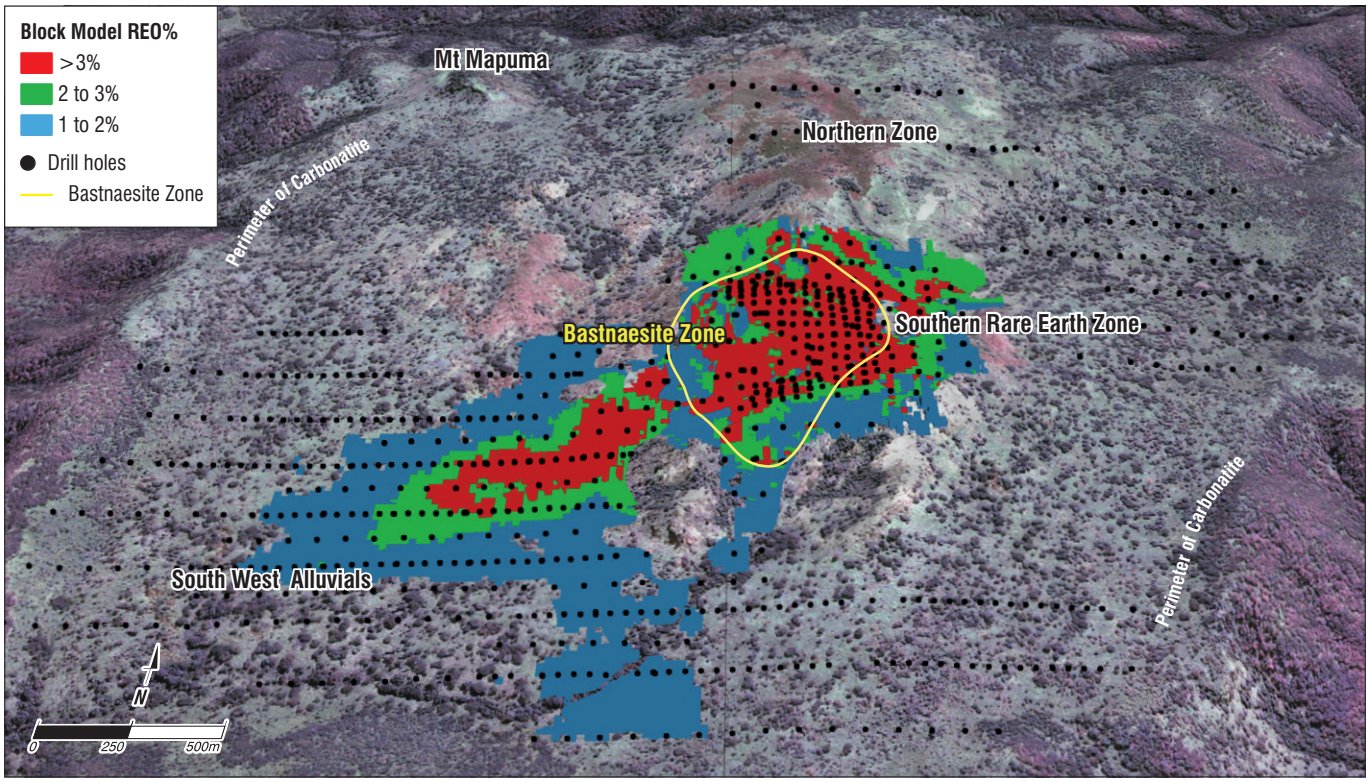


Figure 1: Revised 2013 Ngualla Mineral Resource block model coloured by REO % grade and drilling on a satellite image draped over topography.

Bastnaesite Zone weathered Mineral Resource

Infill drilling was completed to increase the amount of weathered mineralisation in the Bastnaesite Zone classified as 'Measured' or 'Indicated' Mineral Resource and provide the definition required for a detailed mine plan and schedule for the project to support the Pre-Feasibility Study currently in progress.

The Bastnaesite Zone weathered mineralisation is the high grade, near surface central portion of the greater Ngualla Mineral Resource that is amenable to a proven, low cost simple sulphuric acid processing route and targeted for production. (Figure 2).

The Mineral Resource for the Bastnaesite Zone weathered mineralisation at a 3.0% REO lower grade cut-off is:

21.6 million tonnes at 4.54% REO*, for 982,000 tonnes of contained REO#.

* total rare earth oxides plus Y2O3 # see Table 1 for classification of Mineral Resource

This is a significant increase over the 8.2 million tonnes at 4.35% REO used in the December 2012 Scoping Study mine plan, which supports an initial 25 year mining period and 10,000tpa REO production level.

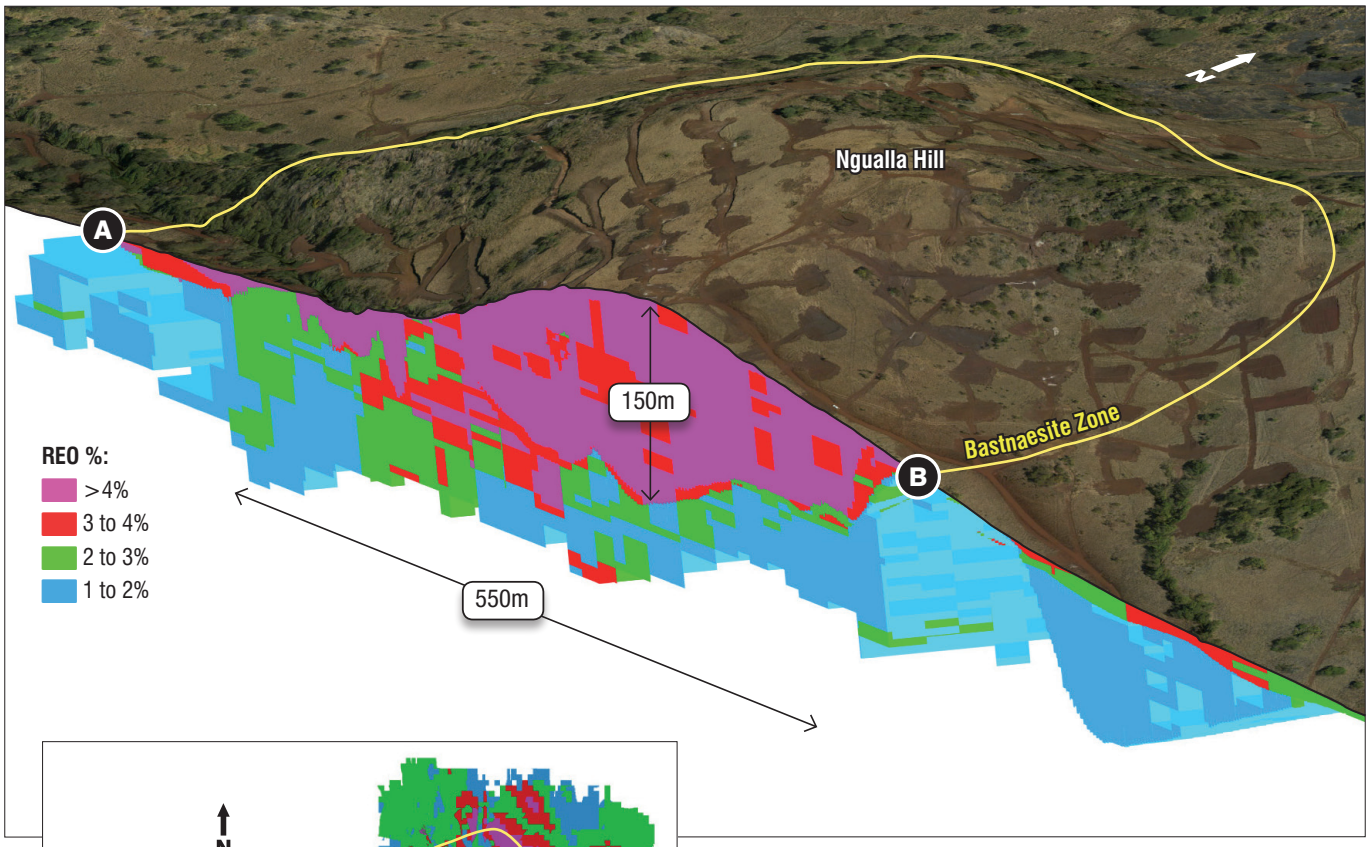


Figure 2: Perspective view of Ngualla Resource block model (+1% REO) sliced in a south westerly direction, looking west, showing near surface, high grade REO mineralisation within the Bastnaesite Zone on Ngualla Hill.

The new Mineral Resource shows the potential to support significantly increased production levels and an extended mine life based on a simple sulphuric acid leach operation.

An increased production rate, higher grades, together with the enhanced beneficiation ability indicated by recent test work announced on 6th March 2013 will significantly improve the already strong economics of the December 2012 Scoping Study and further reduce operating cash costs.

A revised Scoping Study and economic assessment is to be completed during the June 2013 Quarter to quantify these cost reductions and revised project economics at a range of REO production levels: 5,000tpa, 10,000tpa and 20,000tpa.

The extremely low levels of uranium and thorium in the Bastnaesite Zone weathered Mineral Resource of 14ppm and 42ppm respectively are some of the lowest in the world and are a distinct advantage over other rare earth projects.

Table 1: Classification of Mineral Resources for the Bastnaesite Zone weathered mineralisation at a 3.0% cut off grade.

Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes
3.0% REO	Measured	19	4.53	840,000
	Indicated	2.9	4.62	140,000
	Inferred	0.11	4.10	4,000
	TOTAL	**21.6**	**4.54**	**982,000**

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Table 3 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision.

The distribution of individual rare earths plus yttrium oxides that make up the total for the 3.0% REO grade cut is shown in Appendix, Table 3. Ngualla's high absolute in ground grade of Critical Rare Earths (as defined by US Department of Energy, December 2011) and its high total rare earth grade distinguish it from other rare earth deposits being considered for development, including several so called 'heavy rare earth projects (Figure 3).

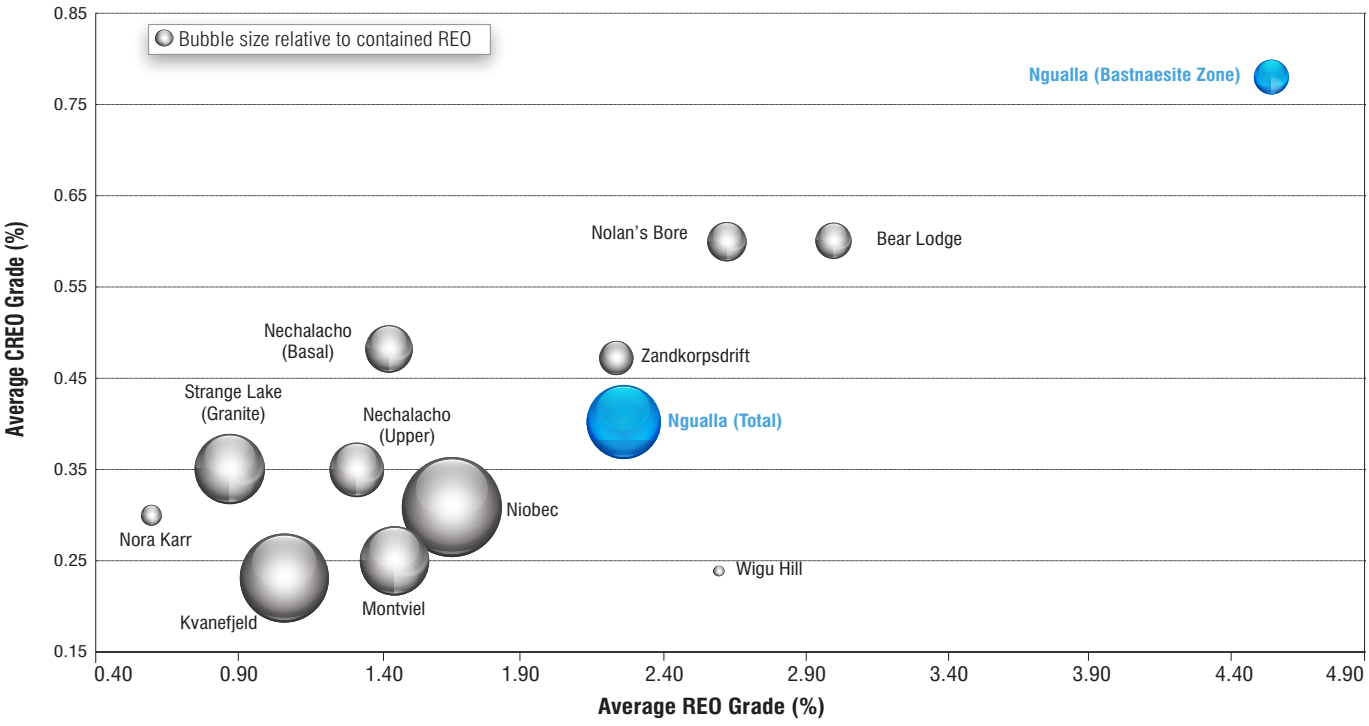


Figure 3: Total REO grade and Critical Rare Earths (US Department of Energy, December 2011) grade of Ngualla compared to other western world rare earth development projects. Source: Technology Metals Research, 10 April 2013.

Of the total Bastnaesite Zone weathered Mineral Resource, 99.6% is now classified in the 'Measured or Indicated' category, with the majority (86%) being 'Measured'. This Measured and Indicated Bastnaesite Zone will form the basis for a maiden Reserve estimate for the project, which will be completed as part of the Pre-Feasibility Study now in progress.

Comparison of the 2013 revised and 2012 maiden Mineral Resource estimates

At a 1% lower grade cut-off, the total Mineral Resource estimate for Ngualla, including the Bastnaesite Zone, has increased by 15% in terms of tonnes and contained REO compared to the 2012 maiden Mineral Resource estimate. At a 1% lower grade cut off, the new total Mineral Resource estimate is:

195 million tonnes at 2.26% REO, for 4.4 million tonnes of contained REO#.

#=see Table 2 for classification of Mineral Resource

The distribution of individual rare earths plus yttrium oxides that make up the total for the 1% cut is shown in Appendix, Table 3.

This Mineral Resource estimate represents an increase of 15% in both tonnes and contained REO at a slightly higher overall grade (Table 2).

The 195Mt Mineral Resource includes a higher grade near surface portion of mineralisation. Above a 3.0% REO cut-off grade this is:

42 million tonnes at 4.19% REO, for a total of 1.8 million tonnes of REO.

(See Table 2 for classification details and comparison to 2012 maiden Mineral Resource)

Table 2: Comparison of 2012 maiden and 2013 revised Mineral Resources and classification of Mineral Resources for the entire Ngualla Rare Earth Project, 1.0% and 3.0% REO cut-off grades.

		March 2013 Revised Resource			February 2012 Maiden Resource		
Lower cut – off grade	JORC Resource Category	Tonnage (Mt)	REO (%)*	Contained REO tonnes	Tonnage (Mt)	REO (%)*	Contained REO tonnes
1.0% REO	Measured	81	2.66	2,100,000	29	2.61	750,000
	Indicated	94	2.02	1,900,000	69	2.43	1,700,000
	Inferred	20	1.83	380,000	72	1.92	1,400,000
	TOTAL	**195**	**2.26**	**4,400,000**	**170**	**2.24**	**3,800,000**
3.0% REO	Measured	27	4.33	1,200,000	11	3.99	430,000
	Indicated	13	3.99	520,000	21	4.09	850,000
	Inferred	1.7	3.56	60,000	8.7	4.11	360,000
	TOTAL	**42**	**4.19**	**1,800,000**	**40**	**4.07**	**1,600,000**

*REO (%) includes all the lanthanide elements plus yttrium oxides. See Appendix, Table 3 for breakdown of individual REO's. Figures above may not sum precisely due to rounding. The number of significant figures does not imply an added level of precision.

Ngualla remains one of the largest and highest grade rare earth deposits in the world (Figure 3).

The +3% weathered Bastnaesite Zone mineralisation comprises just 22% of the global +1% Mineral Resource in terms of contained REO. Metallurgical test work has shown that mineralisation outside of the weathered Bastnaesite Zone may be processed using other conventional beneficiation and leach processing routes. The long mine life supported by the weathered Bastnaesite Zone provides the Company with the opportunity to optimise these processes, which could be brought in at a later stage in the life of the operation.

Metallurgical Process Optimisation

The Quarter saw significant progress in the optimisation of the beneficiation process for Ngualla weathered bastnaesite rare earth mineralisation, which will have a positive impact on operating costs through lower sulphuric acid consumption.

A solvent extraction (SX) pilot plant at ANSTO Minerals near Sydney commenced work to produce a series of high purity (99%) separated rare earth oxide products from a bulk sample of Ngualla mineralisation. Feed preparation work confirmed the suitability of the simple sulphuric acid leach process at a larger scale. Final products will be available successively over the coming months.

Beneficiation test work

Optimisation test work completed during the Quarter has been successful in significantly improving the ability to concentrate mineralisation prior to acid leach recovery.

The latest test work shows that conventional magnetic separation and flotation techniques can reduce the mass of feed mineralisation to the sulphuric acid leach process by 78% through the rejection of relatively barren barite and iron oxides (Figure 4). The process increased the grade of the mineralisation more than 3 fold from 5.3% REO to 16.9% REO for the composite sample of Bastnaesite Zone weathered mineralisation tested.

The latest test work effectively reduces the mass of feed to be treated by the acid leach recovery process by 43% compared to the Scoping Study assumptions. This will lead to significantly lower capital and operating costs for the operation and support Peak's target to be a low cost producer.

Reducing the amount of material processed at the acid leach recovery stage has a significant impact on operating costs by reducing reagent use, including sulphuric acid consumption – the major constituent of reagent costs. The Scoping Study completed in early December 2012 estimated that the acid plant and acid leach recovery circuit make up 53% of total operating costs.

The reduction in volume treated will also reduce capital costs, as a smaller sulphuric acid plant and leach recovery plant will be required for the same amount of product. The sulphuric acid production plant and the leach recovery circuit together constitute 27% of total project capital costs as estimated in the Scoping Study.

The cost reductions are to be quantified in a revision of the December 2012 Scoping Study and economic assessment which is to be completed in Q2 2013.

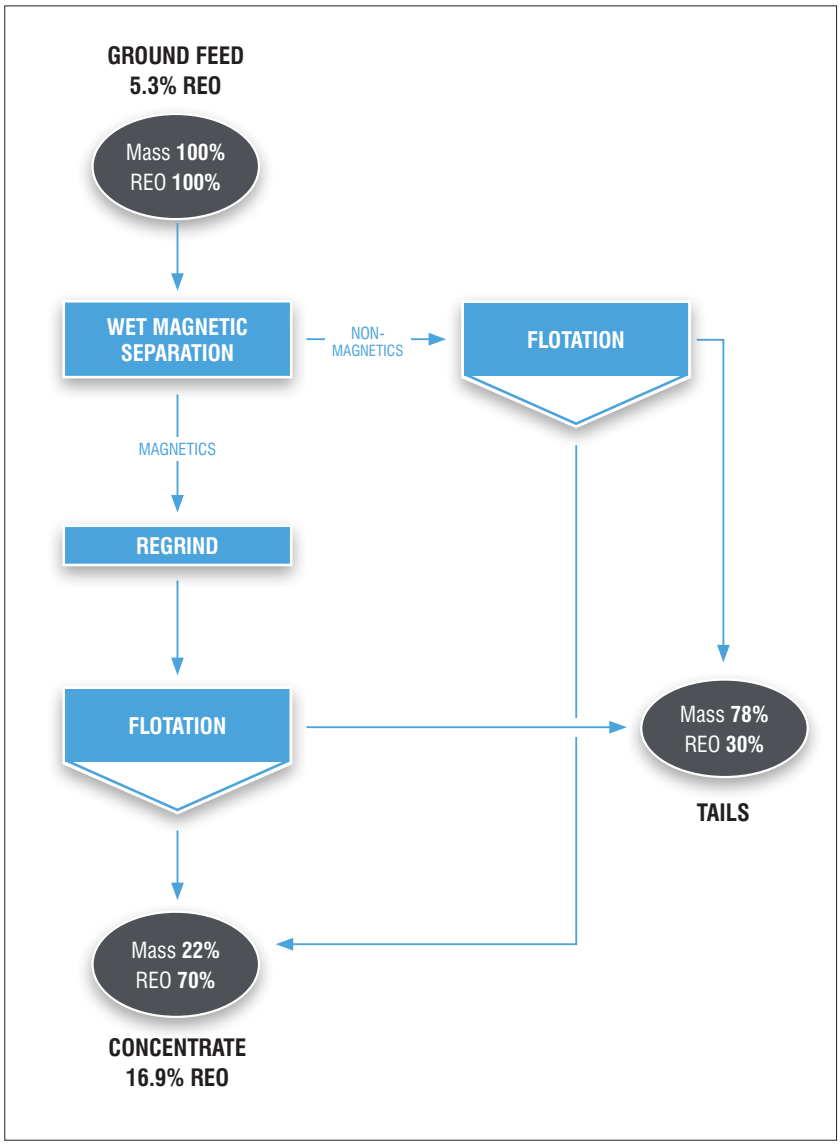


Figure 4: Summary of beneficiation test work on weathered Bastnaesite Zone mineralisation.

Solvent Extraction Pilot Plant

A solvent extraction (SX) pilot plant was commissioned at ANSTO (Australian Nuclear Science and Technology Organisation) in January 2013. The pilot plant will produce four separated products, confirming the end to end metallurgical process of Ngualla mineralisation to high purity products >99% REO. Samples will be available in sufficient quantities for assessment by potential off take customers. The operation of the pilot SX plant will also provide engineering data for the detailed design of the full scale SX plant.

As a preliminary part of the SX program, ANSTO produced a high grade rare earth chloride feed solution for the SX plant from a 1.3 tonne bulk sample of Ngualla rare earth mineralisation. An average of 83% recovery of rare earths was achieved in the acid leach stage, independently verifying the simple sulphuric acid leach recovery process and the robustness of the process flow sheet at a larger scale.

A total of 95% of the cerium was removed early as a cerium oxide concentrate (Figure 5). This is a marked improvement on what was achieved for the Scoping Study and will ultimately result in a smaller and more cost effective downstream separation plant.

Simplified 3 Stage Process Flow Sheet - Ngualla Project

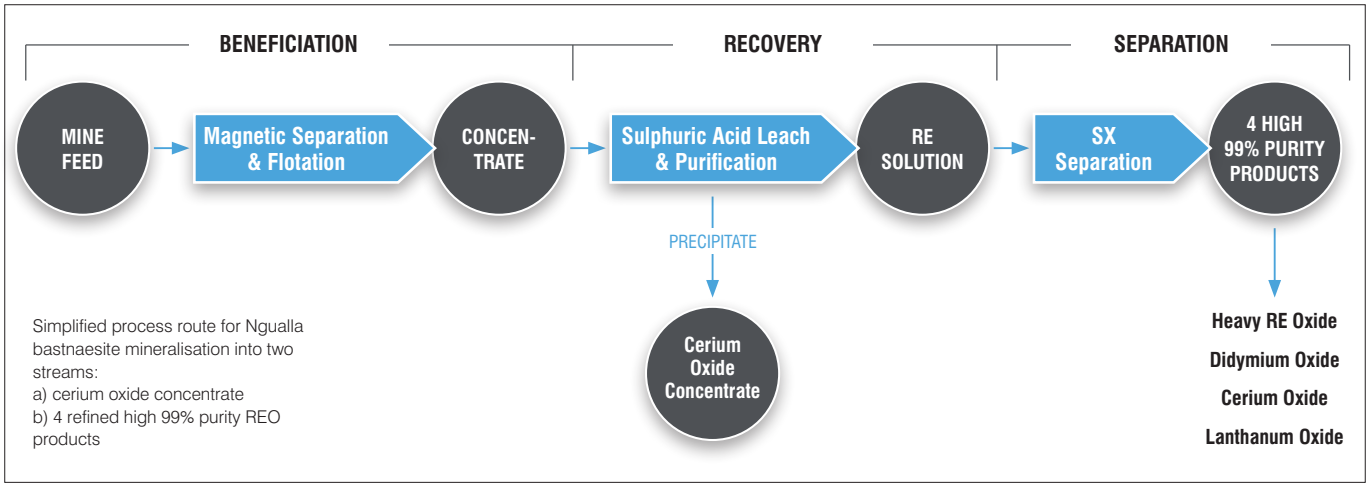


Figure 5: Simplified flowsheet overview of metallurgical process for Ngualla.

A total of 241 litres of high grade rare earth chloride solution was produced after a purification process as feed to the SX separation Pilot Plant. Contaminants in this purified solution are extremely low with thorium and uranium both below the 1ppm assay detection limit. Other contaminants such as iron, aluminium and magnesium are also well below problematic levels for SX feed solutions.

The four 99% purity separated REO products in order of production from the pilot plant will be:

Heavy REO Mix (Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu and Y)

Didymium Oxide Praseodymium and Neodymium Oxide mix

Cerium Oxide*

Lanthanum Oxide

*The majority of the cerium is extracted early in the sulphuric acid leach circuit.

These four products are chosen to meet the different applications of rare earths and the needs of end users and consumers.

The first stage of the SX Pilot Plant is to recover the heavy rare earths (HRE), samarium to lutetium and yttrium, from solution. This first HRE product is scheduled for completion in Q2 2013.

The other three products will be produced successively over the next few months with the final lanthanum oxide product scheduled to be delivered mid-2013.

Pre-Feasibility Study

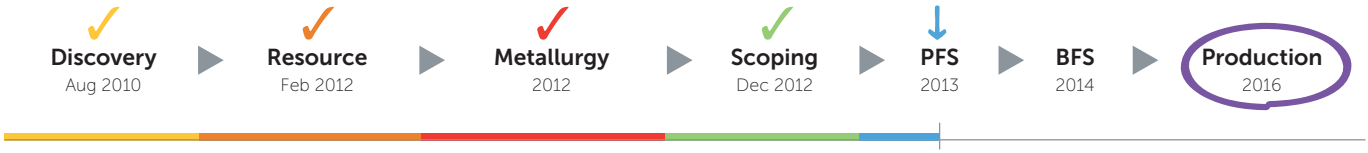
The Pre-Feasibility Study currently in progress will determine the optimum development strategy for the Ngualla Rare Earth Project and incorporate data from the various metallurgical optimisation test work, the SX pilot plant and the new Mineral Resource model.

Work is also planned to develop an acid recycling process and confirm early stage positive results. This is likely to further reduce sulphuric acid consumption - the largest contributor to overall operating costs.

Two key areas under assessment are the size of the operation with respect to annual production rates and the geographical location of the SX plant.

The Pre-Feasibility Study, which will include a revised economic assessment, is scheduled for completion in Q3 2013.

The Ngualla Rare Earth Project remains on track to achieve production in early 2016.



TANZANIAN GOLD PROJECTS – (Lake Victoria Gold Field)

Peak Resources – Options to acquire 100%

Peak maintains an exploration base and team at Mwanza in the highly prospective Lake Victoria Gold Field region to progress the Company's strategy of growing a portfolio of gold properties and to add value to these projects through exploration.

Peak holds an interest in four licences (Figure 6) comprising a total area of 248km^2. Each licence includes either excised historic gold workings or lies along strike from recent artisanal gold mining activity.

The application of additional personnel from the Ngualla exploration team during the rainy season in that part of the country has allowed reconnaissance sampling programs to be completed on all four areas during the Quarter.

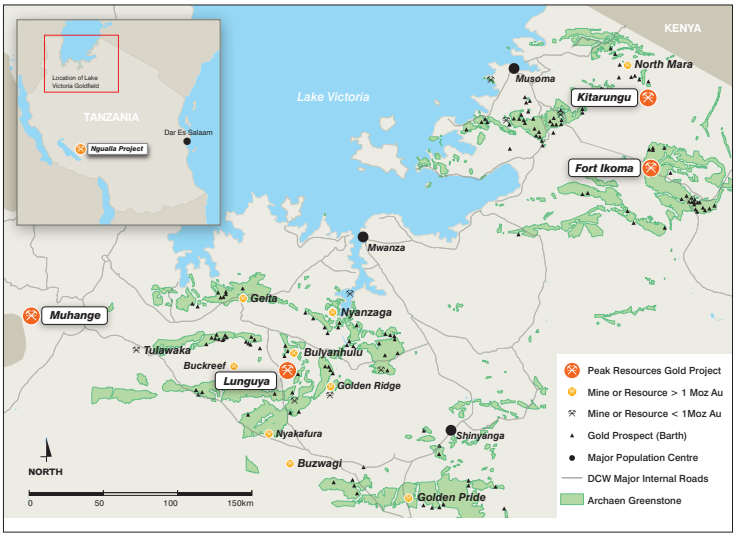


Figure 6: Peak's gold projects (orange) and major mines in the Lake Victoria Gold Field.

Samples have been despatched to the laboratory and assay results will be announced to market once available.

The Company is currently assessing additional projects with the aim to expand and diversify its exploration portfolio in Tanzania to leverage off the Company's logistical and knowledge base in the country.

CORPORATE

On 17th January 2013 the Company announced the appointment of financial advisors to source strategic partners to assist with financing the longer term development of the Ngualla Rare Earth Project and product off take agreements. Advisors include CITIC Securities for the Chinese region and Moser Capital Ltd for South Korea and Japan. Other parties and institutions from Europe and Hong Kong have approached Peak directly. Strong interest has been shown and the Company will continue to provide updates as the various discussions progress.

Subsequent to the end of the Quarter, on 5th April, the Company announced the resignation of Managing Director Mr Richard Beazley.

Mr David Hammond, the Company's Technical Director, will assume technical functions previously performed by the Managing Director. Mr Alastair Hunter will act as Executive Chairman.

The Board acknowledges and thanks Mr Beazley for his involvement and contribution to the Company, and wishes him well in his future endeavours.

The Company had $2.25 million cash on hand at the end of the Quarter.

Corporate Structure and Cash on Hand

The corporate structure as at the 31st March 2013 was:

ASX: PEK
OTCQX: PKRLY
Ordinary Shares on Issue: 254.7 million
Cash at hand: $2.25 million
52 week range: 11.5c – 41.1c*
Market Cap: $35.7 million (at 14c)
Listed Options outstanding: 47.7 million
Unlisted Options outstanding: 11.2 million
Liquidity: 0.386 million shares per day (av. over 3 mths**)

* From 01-Apr-12 to 31-Mar-13 ** Average from 01-Jan-13 to 31-Mar-13

Alastair Hunter Executive Chairman

The information in this report that relates to Mineral Resources is based on information compiled by Robert Spiers, who is a member of The Australasian Institute of Geoscientists. Robert Spiers is an employee of geological consultants H&S Consultants Pty Ltd. Robert Spiers 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'. Robert Spiers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgical Test Work Results based on information compiled and / or reviewed by Gavin Beer who is a Member of The Australasian Institute of Mining and Metallurgy. Gavin Beer is a Consulting Metallurgist with sufficient experience relevant to the activity which he is undertaking to be recognized as competent to compile and report such information. Gavin Beer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Dave Hammond who is a Member of The Australasian Institute of Mining and Metallurgy. Dave Hammond is the Technical Director of the Company. He 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". Dave Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix:

Table 3 - Relative components of individual rare earth element oxides (including yttrium) as a percentage of total REO for the Ngualla 2013 Mineral Resource estimates and major global rare earth producers

	OXIDE	Bastnaesite Zone Mineral Resource at 3.0% cut %	Ngualla total Mineral Resource at 1.0% cut %	Mountain Pass (USA) %	Bayan Obo (China) %	Mt Weld (Australia) %
Light Rare Earths	Lanthanum	27.6	27.1	33.2	27.1	23.9
	Cerium	48.2	48.2	49.10	49.9	47.5
	Praseodymium	4.73	4.81	4.30	5.15	5.16
	● Neodymium	16.6	16.3	12.0	15.4	18.1
	Samarium	1.60	1.67	0.80	1.15	2.40
Heavy Rare Earths	● Europium	0.30	0.35	0.10	0.19	0.53
	Gadolinium	0.61	0.76	0.20	0.40	1.09
	● Terbium	0.05	0.07	0.06	-	0.09
	● Dysprosium	0.08	0.16	0.05	0.30	0.25
	Holmium	0.01	0.02	0.02	0.03 total	0.03
	● Erbium	0.03	0.06	0.02		0.06
	Thulium	0.00	0.00	0.02		0.01
	Ytterbium	0.01	0.02	0.02		0.03
	Lutetium	0.00	0.00	0.01		0.00
Other	Yttrium	0.20	0.48	0.10	0.20	0.76
		100.00	**100.00**	**100.00**	**100.00**	**100.00**

The blue markers (●) denote the five "critical rare earths", which are predicted to be in undersupply in the years ahead and predicted to command significantly higher value than other rare earths. (US DoE, 'Critical Materials Strategy' report, December 2011).

The critical rare earths contribute the majority of the value from Ngualla at 60% of the in ground value. Of these, neodymium is the main single rare earth value driver, contributing 40%, (relative rare earth oxide prices: Technology Metals Research, October 2012).

The December 2012 Scoping Study identifies the neodymium - praseodymium and HRE 99% purity REO products as the value drivers for the Ngualla operation, representing 75% of the total annual revenue (December 2012 Scoping Study). The 'Critical RE's' are contained in these two high value products.

The lower value cerium and lanthanum are relative by-products at only 25% of the comparative total revenue.

Rule 5.3

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

Peak Resources Limited

ABN

72 112 546 700

Quarter ended ("current quarter")

March 2013

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(1,438)	(5,980)
	(b) development		
	(c) production		
	(d) administration	(582)	(3,021)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	42	129
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	(1,978)	(8,872)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(1)	(55)
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	(1)	(55)
1.13	Total operating and investing cash flows (carried forward)	(1,979)	(8,927)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,979)	(8,927)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	8,102
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	-	(467)
	Net financing cash flows	-	7,635
	Net increase (decrease) in cash held	(1,979)	(1,292)
1.20	Cash at beginning of quarter/year to date	4,232	3,545
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	2,253	2,253

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	200
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 includes gross salaries including superannuation and fees to directors and legal fees paid to Steinepreis Paganin Lawyers & Consultants, an entity related to Jonathan Murray

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

Appendix 5B
Mining exploration entity quarterly report

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		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	367
4.2	Development	1,518
4.3	Production	-
4.4	Administration	1,064
	Total	**2,949**

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	649	1,078
5.2	Deposits at call	1,604	3,154
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	**2,253**	**4,232**

Appendix 5B
Mining exploration entity quarterly report

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				

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	254,723,553	254,723,533		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	500,000 500,000 1,000,000 750,000 750,000 750,000 6,250,000 541,667 150,000 47,659,251	- - - - - - - - - 47,659,251	*Exercise price* $0.60 $1.00 $1.50 $0.60 $0.90 $1.20 $0.55 $0.75 $0.55 $0.25	*Expiry date* 16 May 2013 26 May 2013 26 May 2014 16 May 2015 16 May 2015 16 May 2015 20 February 2017 24 February 2014 3 March 2018 31 July 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)*				

Appendix 5B
Mining exploration entity quarterly report

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: Date: 15th April 2013

(CFO/Company Secretary)

Print name: Jeff Dawkins

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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