



Unit 7, 11 Colin Grove, West Perth, WA 6005
Telephone: +61-8-9463 6656; Facsimile: +61-8-9463 6657
E-mail: admin@malagasyminerals.com Web Site: www.malagasyminerals.com

QUARTERLY REPORT FOR THE PERIOD ENDED 31ST MARCH 2011

HIGHLIGHTS

Trading On ASX (Code 'MGY')

2011 EXPLORATION FIELD SEASON POISED TO COMMENCE IN MADAGASCAR

- *4,500m drilling planned across three core projects (nickel-copper-PGE, copper-silver, vanadium)*
- *Field operations anticipated to start late April 2011 - weather permitting*

Fotadrevo Vanadium Project

- Nine high-priority target zones identified over 10km strike – directly adjacent to defined vanadium resources of Canadian-listed company, *Energizer Resources Inc.*
- Comprehensive soil / prospecting programme planned to commence 2nd half April 2011

Vohibory Copper-Silver VHMS Project

- New 1,200m gold-copper-silver zone identified – results up to 8.33g/t Au / 9.3% Cu
- First drill-hole intersects elevated secondary copper in multiple bands
- Extensive additional drilling planned – to start May 2011

Ampanihy Nickel-Copper Project

- Focus on testing additional regional ultramafics
- New (anorthosite) areas acquired last year to be tested in 2011

LABRADORITE QUARRYING

- Royalty revenue from the Company's Labradorite quarrying operations continues to support operating overheads and exploration activities in Madagascar

OTHER OPERATIONS

- Property lease revenues continue to provide cash flow to support the Company's Madagascar operations

CORPORATE

- MGY retains A\$1.8M in cash reserves at Quarter-end to fund exploration and operational expenses

OVERVIEW

During the March 2011 Quarter, Malagasy Minerals (ASX: MGY) continued to progress exploration across its portfolio of 100%-owned **nickel-copper-PGE**, **VMS copper-silver** and **vanadium** projects in Madagascar, off the coast of southern Africa, while continuing to maximise cash flow from its operational assets.

The Company currently holds 1,994km² of exploration tenure over the following project areas (see Figure 1):

- **Ampanihy** (Ni-Cu-PGE) – 1,550 km²
- **Fotadrevo Vanadium Project**– 313km²
- **Vohibory** (Cu-Ag VMS) – 106km²
- **Mahajunga** (Ilmenite) – 25km²

The initial focus of the upcoming 2011 exploration field season (April 2011) will be at the **Fotadrevo Vanadium Project**, where a total of **nine high-priority areas** have been identified within an **overall 10km trend** within the Project tenements, located immediately adjacent to the Green Giant Project, which is operated by the Canadian-listed Company *Energizer Resources Inc* ('EGZ').



Figure 1 – Malagasy Minerals Project Locations

Upcoming activities will include a 400-sample surface/auger soil sampling programme scheduled to commence in April 2011 to test these targets ahead of costeaning and/or drilling by late May 2011.

A 1,400m drilling program is scheduled to commence in May 2011 at the **Vohibory Project**, where a new coincident gold-copper-silver anomaly stretching between 1,200 and 1,600 metres has been defined. Surface rock chip sampling of this anomaly returned a best result of **8.33gpt gold, 9.3% copper and 23.5gpt silver**.

Drilling will test this new area as well as the previously identified VC-07 VTEM conductor trend located immediately north of this anomaly and other target areas.

The Company is preparing to commence a systematic new geochemical sampling and prospecting program at the **Ampanihy Project** after receiving and reviewing all of the remaining results from the 2010 diamond drilling program at the cluster of gossans discovered at lanapera last year.

While this drilling did not intersect economic concentrations of mineralization, the drilling has confirmed the presence of a large-scale magmatic sulphide system at Ampanihy. A detailed review by the Company and by independent experts suggests that the broader region remains highly prospective for nickel-copper-PGE mineralization.

Using the considerable amount of information gained from the successful intersection of the massive sulphide bodies at lanapera, the Company will now commence systematic geochemical sampling and prospecting over the remainder of the Ampanihy Project. A large number of areas remain untested, including Manambahy and Volovolo to the south-east of Maniry (see Figure 3 attached).

This programme will commence immediately following completion of the planned Fotadrevo sampling programme in May 2011.

Malagasy continues to receive royalty revenues from its Labradorite quarrying operations of and rental income from its commercial assets in Madagascar; generating income of over A\$600,000 annually.

MADAGASCAR EXPLORATION PROJECTS

AMP-Central (Fotadrevo) Vanadium Project (100%-owned)

Malagasy is targeting vanadium and (sulphide-hosted) base metal mineralisation at the **Fotadrevo Project**, which is located in central-western Ampanihy approximately midway between the Maniry and Ianapera anorthosite intrusives outlined in detail below. The Project comprises 50 permit-squares covering a total area of 312.5 sq km. The area is also considered prospective for hydrothermal gold and sediment-hosted uranium mineralisation.

At the Fotadrevo Vanadium Project, a total of nine high-priority areas have been identified within an overall 10km trend within the Project tenements (see *Figure 2 below*). As previously reported, this trend continues directly from the *Jaky* Zone of the neighbouring Green Giant ('G-G') Project, which is operated by the Canadian-listed Company, *Energizer Resources Inc* ('EGZ').

In late 2010, Energizer announced an NI43-101 compliant resource of **59.2 million tonnes grading 0.683% V₂O₅ combined Indicated and inferred categories** using a 0.50% V₂O₅ lower cut-off grade (see *Figure 1*). This was updated in January 2011 with additional information relating to metallurgical recoveries of 82% from G-G material, using a combination of roast and pressurized alkaline leaching processes.

The vanadium mineralisation in this belt is sediment-hosted; unlike the more commonly found magnetite-hosted vanadium deposits. It therefore requires a different metallurgical approach to the standard physical beneficiation traditionally used with magnetite-associated vanadium mineralisation. Exploration to date has confirmed a strong association between specific radiometric background levels and vanadium mineralisation tenor.

The '*Jaky*' zone contains the highest-grade vanadium mineralisation within the G-G Project (i.e. 0.712% V₂O₅) and continues southward *into* the Company's tenements – part of an overall southward trend of increasing vanadium tenor (i.e. 0.581% V₂O₅ to 0.712% V₂O₅ – see *Figure 1*). Given the potential for similar mineralisation to occur within Malagasy's tenements, this has positive implications for the prospectivity of the Fotadrevo Project.

First-pass surface (soil) geochemistry and costeaning programmes undertaken by Malagasy in 2009 successfully identified the margins of the extension of the '*Jaky*' trend. Interpretation of these results this year using published radiometric data under the guidance of a local consultant, Pascal Marchand of MES, has identified several core target areas adjacent to and along strike from the '*Jaky*' resource.

A comprehensive surface/auger soil geochemistry programme has been designed to comprehensively test each of these areas, as well as intercalated/associated zones of lower but still anomalous radiometric response. The planned programme will test an average 800-metre wide corridor, for a **cumulative strike of 11 kilometres**. Samples will be collected at 25m and 50m intervals along lines spaced 400m apart, before being submitted to Intertek-Genalysis Madagascar and Perth for analysis.

The programme is expected to commence in the third week of April 2011 and will take 2-3 weeks to complete. Approximately 900 samples will be collected, with approximately 450 samples being sent for analysis in the first instance (i.e. 50-metre spaced samples) – the remainder to be held in reserve for in-fill, in areas of identified geochemical anomalism. Samples will be sent to Intertek-Genalysis in Madagascar and Perth, to be assayed for Cu/Ni/V/Zn/As/Pb/Th and U, using Na₂O₂ fusion digest.

Targets generated from this programme will be either costeaned and/or drilled as appropriate, commencing in late May or early June 2011.

As an additional targeting aid, the Company completed controlled re-assaying of selected anomalous intervals from the 2009 trenching programme, using a sodium peroxide (Na₂O₂) fusion digest to guarantee complete dissolution of all silicate minerals.

To this end, a suite comprising 37 samples were selected from intervals assaying ≥0.15% V₂O₅. Results returned up to 100% increase in reported V₂O₅ grades, with an average 23% increase across the whole sample population. Significant results are tabulated below:

Trench No.	V ₂ O ₅ Intercept (Na ₂ O ₂ Digest)	2009 V ₂ O ₅ Grade (using 4-Acid Digest)	% Change
T03	4m @ 0.28 V ₂ O ₅ ; 100m-104m	0.24%	+17%
T04	8m @ 0.79 V ₂ O ₅ ; 202m-210m	0.64%	+23%
T06	2m @ 0.54 V ₂ O ₅ ; 158m-160m	0.27%	+100%

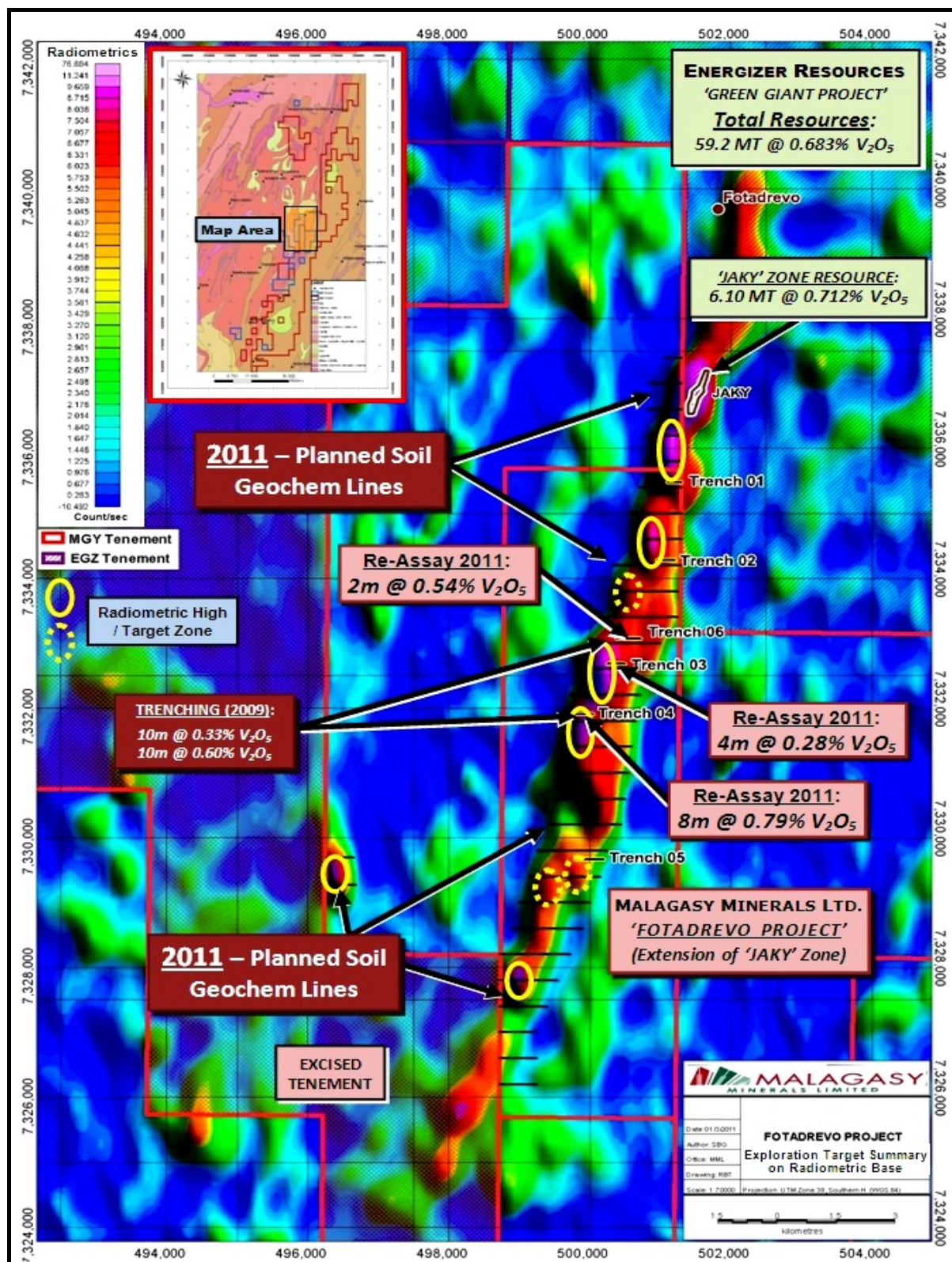


Figure 2: Radiometric data showing MGY anomalous zones equivalent to that hosting the 'Jaky' mineralisation. Six 1st-order and three 2nd-order targets (yellow solid / hashed ovals respectively) have been defined.

Vohibory Cu-Ag-Au VMS Project (100%-owned)

Exploration at the Vohibory Project is targeting sediment-hosted copper-silver-zinc-gold VMS (volcanogenic massive sulphide) mineralisation similar to known deposits at *Besshi* in Japan and *Bisha* in Eritrea, East Africa. The Neoproterozoic greenstone sequences that underlie the Vohibory permits are known to be prospective for this type of mineralisation.

In particular, the central and southern portions of the project area are highly prospective for this targeted mineralisation style. A program of gravity surveying completed in mid-2010 in the VC-10 / VC-11 area in the southeast of the project area returned anomalies coincident and/or complementary with existing VTEM and magnetic zones of interest.

Detailed review of these and other historical data by the Company's Consultants, CSA Global ('CSA') and Southern Geoscience Consultants ('SGC'), in 2010 resulted in the recommendation of several drill holes to test anomalies in the south east. Drilling commenced in late 2010 but was truncated by the onset of the wet season in December 2010.

These targets remain to be tested and approximately 400m-500m of core drilling of the total proposed upcoming program of 1,400m will be allocated to these targets. Proposed hole collars are summarised on *Figures 3 and 4* below.

Additionally, a new coincident gold-copper-silver anomaly stretching between 1,200 and 1,600 metres has been defined within the Project. Surface rock chip sampling from this area returned a best result of **8.33gpt gold, 9.3% copper and 23.5gpt silver**. This zone lies along the southern extent of the VC-07 VTEM conductor trend in the central-west of the Project (*see Figures 3 & 4 below*).

As mentioned above, the 2010 drilling programme was suspended by the onset of the monsoonal wet season in December. Hole **VHD0006** (NB: *incomplete* at 162m – 250m planned EOH), intersected several zones of coarse-grained meta-sediments with trace visible malachite (a secondary copper mineral), but failed to reach the underlying basement sequence.

Assays from this drill hole show elevated copper/silver/lead/zinc/lead in two intervals associated with these coarse-grained layers:

1m @ 0.19gpt Ag; 93ppm Cu; 73ppm Zn; from 134m

1m @ 2.27gpt Ag; 59ppm Cu; 0.12% Pb; 71ppm Zn; 423ppm As; from 149m

These coarse-grained (highly permeable) layers occur as discrete zones within less permeable siltstone and shale units that collectively comprise the Mesozoic cover sequences in the south-east of the Project. They dip moderately to the east, terminating disconformably against the prospective Neoproterozoic sediments and greenstones that comprise the basement.

It is thought therefore that they (permeable beds) may be serving as conduits for remobilizing fluids. The presence of secondary copper in these units is therefore considered encouraging and VHD0006 will require re-entry in the first instance at the start of the 2011 drilling campaign to achieve the planned target depth of 250 metres.

A total of up to 11 holes for approximately 1,400 metres of core drilling has been planned for Vohibory in 2011, with the upcoming programme designed to test targets in the 'VC-07' area, as well as those generated from interpretation of 2010 exploration results (*see Figure 3 below*). The extent of drilling undertaken will be dependent on results.

Drilling is planned to commence in May 2011 and will initially be testing the characteristics of the VC-10 / VC-11 VTEM conductor area (i.e. VHD0006 re-entry and other holes), which hosts historical workings that have returned high-grade copper (29% Cu) and silver (206gpt Ag) from surface samples.

There are several additional targets along strike to the south of this area (*see Figure 3*) which returned several ≥ 150 ppm copper results coincident with gold and/or silver in soil.

With repairs to the LY34 drill and support vehicles / equipment expected to be complete by late April 2011, the recommendation is to mobilize to Vohibory in the first instance to complete recommended drill holes as per previous CSA review. At least one hole is warranted under the workings that returned

8.33gpt gold. At an estimated 100m to 200m EOH depth, this would leave an estimated 800m–900m of core drilling allocation for follow-up.

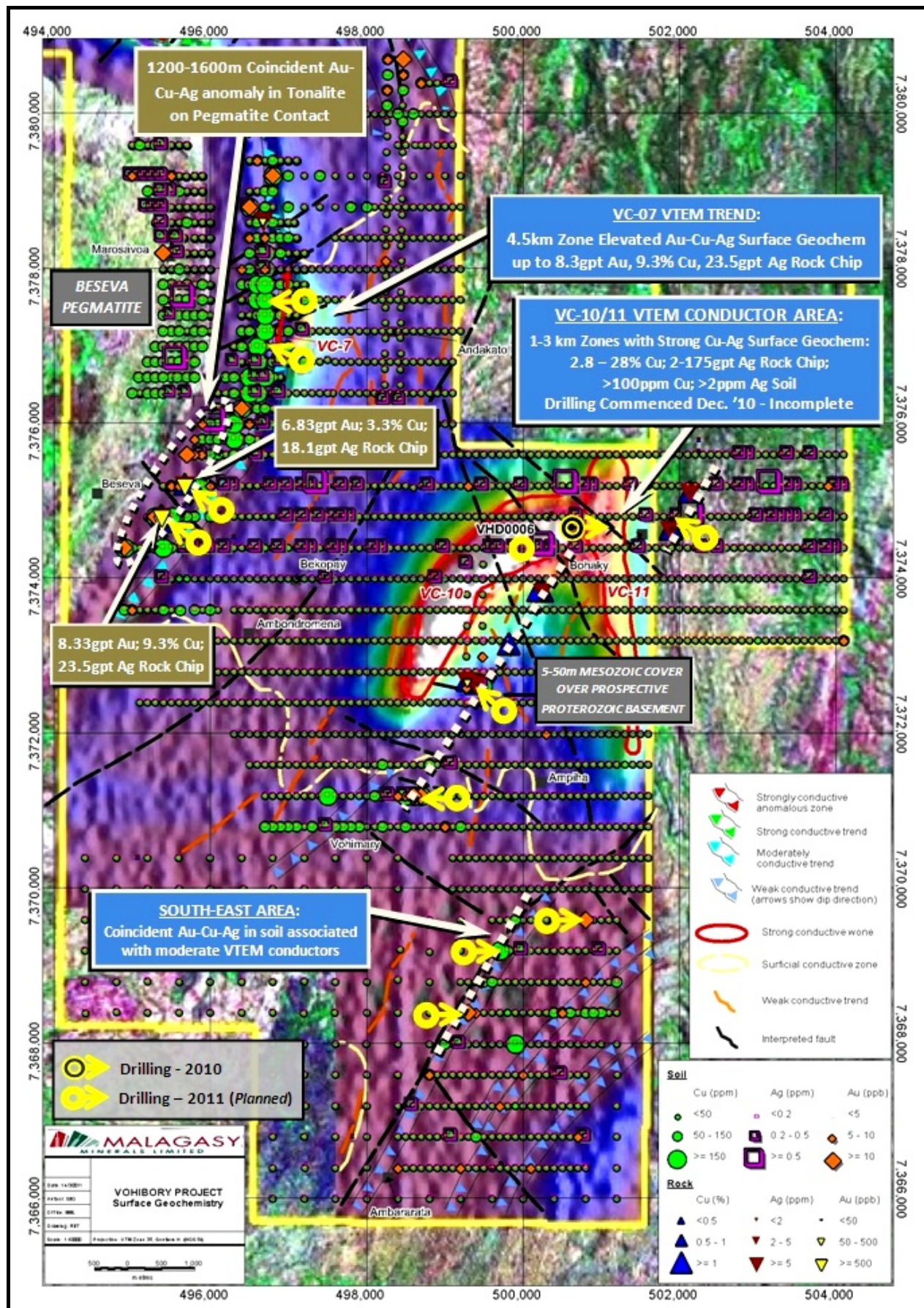


Figure 3: Summary of Vohibory Project on a VTEM base showing new Au-Cu-Ag zone at center-left and infill-soil defined Cu-Ag-(Au) zone in the south-east. Also shown are planned drill holes for 2011.

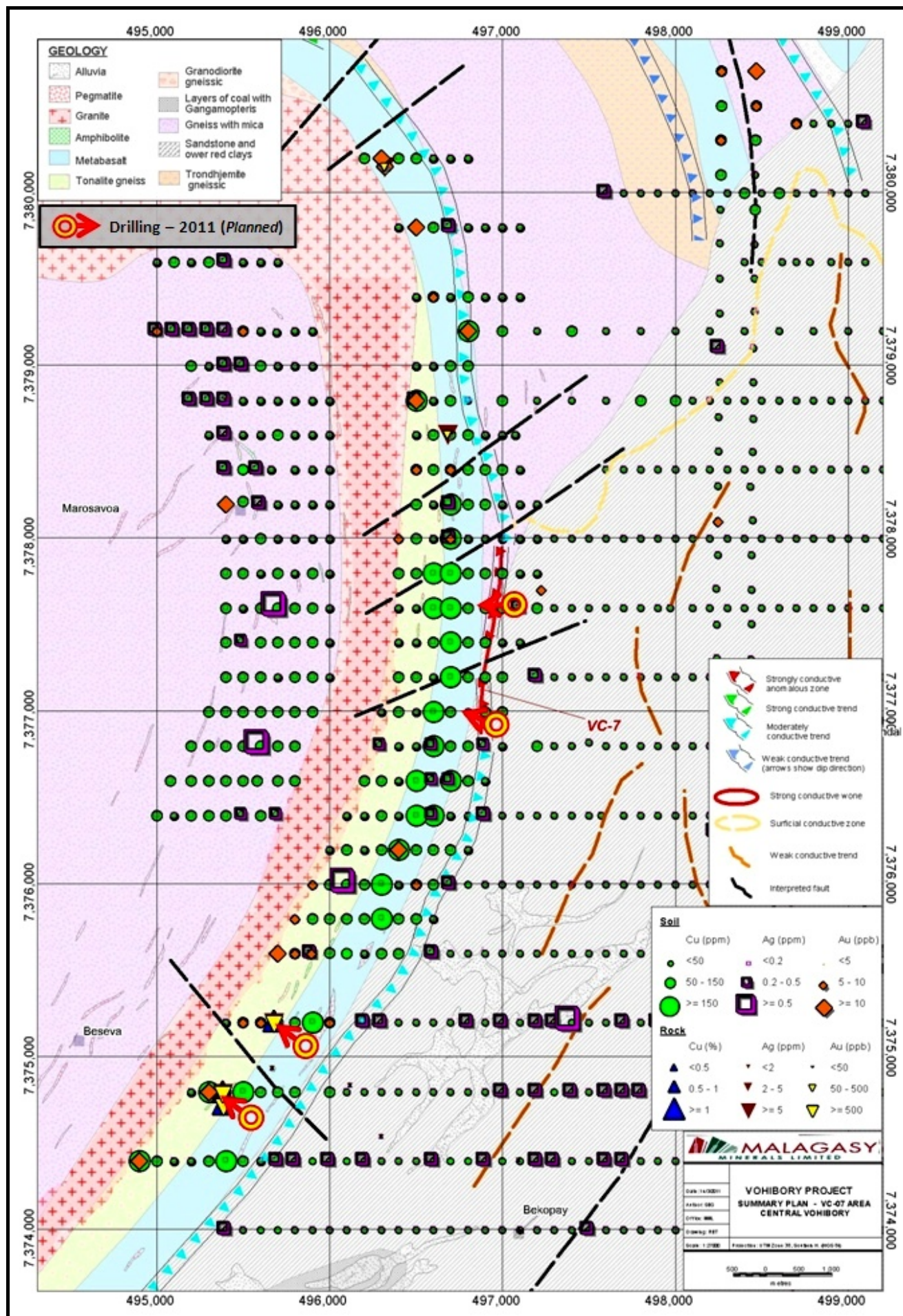


Figure 4: Summary of Vohibory Project VC-07 area on geology base, showing proposed drilling for 2011. Hole collars will be refined subsequent to any recommendations from CSA and SGC.

Ampanihy Ni-Cu-PGE Project

The Ampanihy Project is the largest of the Company's projects and is located north of its namesake town of Ampanihy in south-central Madagascar. The Project comprises a total of 56 permits covering an area of 1,550km² and approximately 100km of regional strike.

Malagasy is targeting sulphide-hosted nickel-copper-PGE mineralisation at this Project, centred around two large (75km²) anorthosite (gabbroic) bodies within mafic-ultramafic metamorphosed greenstone sequence.

All outstanding results from 2010 core drilling were received during the Quarter (i.e. Holes IPC0004, IPC0005 and IPC0016). Consistent with observed bands of chalcopyrite in core, **IPC0004 returned 3m @ 0.074% copper; 10.5ppb palladium and 8.3ppb gold, from 20m**. No other significant results were returned.

While no economic mineralization was intersected in the 2010 drilling, the programme has been pivotal in enhancing the Company's geological understanding of this project. Additionally, the Ampanihy Projects' potential has been substantially enhanced by the successful identification and drilling of magmatic sulphide massive sulphide bodies at Antsohamamy (Ilanapera).

There are substantial areas of ultramafic rocks within the overall Ampanihy Project tenements including newly identified areas at *Manambahy* and *Volovolo* to the south east of Maniry (see *Figure 5*). Many of these have been visited in the past; however they warrant revisiting using more targeted (e.g. higher density) sampling methods now that the presence of massive sulphides has been proven and the Company has a greatly improved its understanding of the (sulphide) host environment and geochemical dispersion characteristics of the bodies themselves.

Historical (2005) stream sediment sampling in the Antsohamamy area has proven this technique effective for detecting anomalous Ni-Cu zones. Accordingly, the AMP central zone, as well as the *Manambahy* and *Volovolo* areas (see *Figure 5*), can be tested using this methodology, as it is a very cost-effective first-pass evaluation tool.

These programmes are currently scheduled to commence immediately following completion of the planned Fotadrevo sampling programme in May 2011.

Exploration Programmes -2011

Proposed exploration programmes for 2011 comprises **4,500m** of drilling and **2,500** (combined drill and geochem) assay samples. A breakdown of this exploration activity by category and project is provided below, and maybe varied depending on exploration results:

EXPLORATION SUMMARY BY PROJECT		
<i>Ampanihy</i>	400 m Drilling	1,180 Samples Assayed
<i>Vohibory</i>	1,400 m Drilling	380 Samples Assayed
<i>Fotadrevo</i>	2,700 m Drilling	940 Samples Assayed
Totals:	4,500 m Drilling	2,500 Samples Assayed

Field operations will be anticipated to commence in late April 2011 (weather permitting), with the (vanadium) geochemical sampling programme at Fotadrevo. Drilling is expected to start in May 2011, initially testing targets at Vohibory before moving to Fotadrevo once results have defined vanadium drill targets. This is currently estimated to be in June 2011.

Ampanihy geochemical surface sampling and geological mapping over identified ultramafic areas is planned to commence immediately following completion of the Fotadrevo sampling programme.

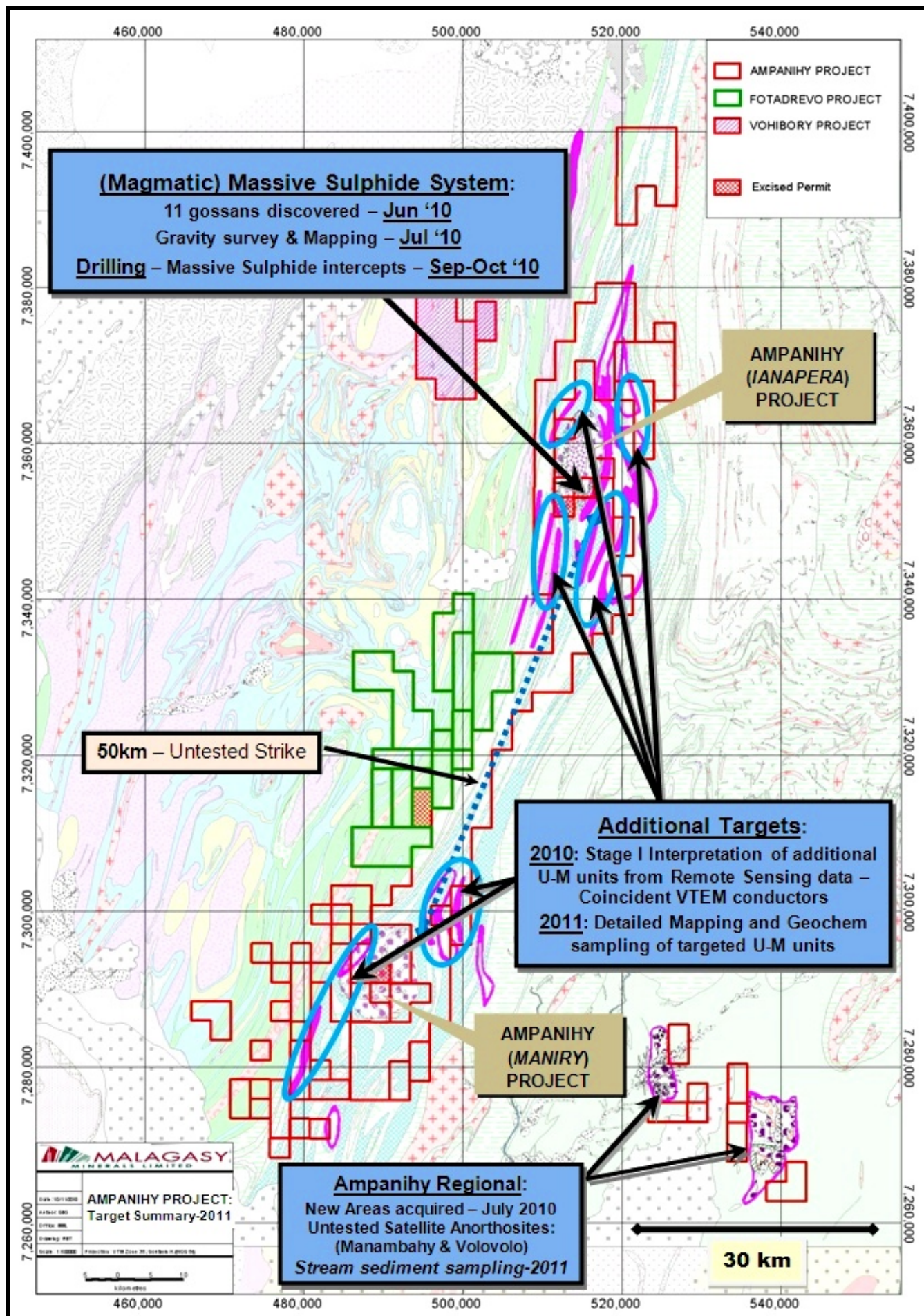


Figure 5: Ampanihy Project ultramafic (purple) target areas outlined in cyan. Target areas will be assessed as appropriate using surface soil / stream-sediment geochem and mapping.

COMMERCIAL PROPERTY – ST DENIS HOLDINGS SARL

Since taking possession of the St Denis commercial site on 31 July 2008, Malagasy has continued to upgrade the infrastructure at its two hectare compound in Antananarivo. At present, annual rental income of over A\$300,000 is being received by the Company. Several hundred square metres of commercial space remain available for rental and the Company continues to engage additional tenants.

MINING SERVICES SARL (MINSERV)

During the Quarter, the Company undertook a major upgrade of its LY34 drilling machine and down-hole equipment to allow increased daily metreage advance as well as penetration to below 450 metres. Additionally, a local expat drilling supervisor has been engaged to oversee drilling operations for the 2011 drilling campaign.

CORPORATE

Malagasy continues to restructure its commercial property holdings, operational assets and running costs, with a view to maximising revenue income and reducing costs in order to become self-sufficient from a cash flow perspective at its Madagascar operations. With the Labradorite Royalty and Rental income assisting in funding the operations in Madagascar, leaving exploration and Australian administrative costs to be funded.

As at 31 March 2011, the Company retained a total of A\$1.8 million in cash resources.

The Company's total issued capital is 156,562,504 shares. In addition, there are 9,003,600 20c unlisted options expiring in 2013 on issue.

Agreement with Red Cat Minerals

Agreement was reached with Red Cat Minerals in the December 2010 Quarter to extend the listing deadline to 30th April 2011, in respect of the sale of the northern VHB project tenements to RCM.

Political Situation – Madagascar

The current political situation in Madagascar remains stable, with international mediation continuing to assist in the negotiation of an orderly resolution, with the aim of achieving timely elections and the re-establishment of normalised relations with both the international community and donor countries.

A new Transitional Executive comprising 32 Ministers was appointed during the Quarter with 25 posts (75%) comprising new appointees. External agencies such as the United Nations are currently working to engage directly with the transitional regime with a view to facilitating a transition to a democratically elected government.

The Company's operations and staff remain secure and business is being conducted on a normal day-to-day basis. While some delays are being experienced in the processing of new tenement applications and renewals. Entry and exit to the country continues without impediment.

The Company regularly updates its website at www.malagasyminerals.com

For and on Behalf of the Board,



Steven Goertz
Managing Director

26h April 2011

cc: Directors

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr Steven Goertz, Managing Director Malagasy Minerals Ltd., who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Goertz has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities 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". Mr Goertz consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

About Malagasy Minerals

Malagasy Minerals Limited (ASX: MGY) is an international exploration company with a high-potential minerals company in Madagascar, a largely unexplored country off the east coast of Southern Africa.

The company currently holds some 1,950 sq km of mineral tenure in the country and is exploring for magmatic nickel-copper-PGE, vanadium, and copper-silver VMS-style mineralisation.

The Company's senior management and operational headquarters are located in Antananarivo, the capital of Madagascar. Malagasy has an existing income stream from royalties on labradorite mining as well as rental income on its logistics and operational base which effectively covers all in-country overheads.

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

MALAGASY MINERALS LIMITED

ABN

84 121 700 105

Quarter ended ("current quarter")

31 MARCH 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 Months) \$A'000
1.1	Receipts from product sales and related debtors	132	409
1.2	Payments for (a) exploration & evaluation (net)	(545)	(1,166)
	(b) development	-	-
	(c) production	-	-
	(d) administration (net)	(248)	(777)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	24	30
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (TVA recoverable)	-	-
Net Operating Cash Flows		(637)	(1,504)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(7)
1.9	Proceeds from sale of:		
	(a) prospects	-	200
	(b) equity investments	-	-
	(c) other fixed assets	6	70
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Payments to MRNL for Royalties)	(40)	(204)
	Other (Merger Costs)	-	(279)
Net investing cash flows		(38)	(220)
1.13	Total operating and investing cash flows (carried forward)	(675)	(1,724)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(675)	(1,724)
	Cash flows related to financing activities		
1.14	Net Proceeds from issues of shares, options, etc	-	3,017
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)	-	-
	Net financing cash flows	-	3,017
	Net increase (decrease) in cash held	(675)	1,293
1.20	Cash at beginning of quarter/year to date	2,533	565
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,858	1,858

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	76
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of Directors Fees, Wages and Consultancy Fees to Directors.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

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

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	10	10

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	500

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	358	533
5.2 Deposits at call	1,500	2,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,858	2,533

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		Refer to Covering Quarterly Activity Report attached hereto		
6.2 Interests in mining tenements acquired or increased		Refer to Covering Quarterly Activity Report attached hereto		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities	Nil	Nil	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	*Ordinary securities	156,562,504	156,562,504	Various	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	*Convertible debt securities	Nil	Nil	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>Unlisted</i>	1,000,000 2,000,000 2,000,000 4,003,600	- - - -	20c Options 20c Options 20c Options 20c Options	Expiry: 27/6/2013 Expiry: 01/12/2013 Expiry: 03/07/2013 Expiry: 07/07/2013
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	Nil	Nil
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 26th April 2011

Print name: Max D.J. Cozijn

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.

+ See chapter 19 for defined terms.

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