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PAYNES FIND GOLD LIMITED

30 April 2012

Quarterly Activities Report and Appendix 5B

For the Quarter ending 31 March 2012

The Board of Paynes Find Gold Limited ("**the Company**") is pleased to provide the following commentary and Appendix 5B.

Exploration and Development Activities

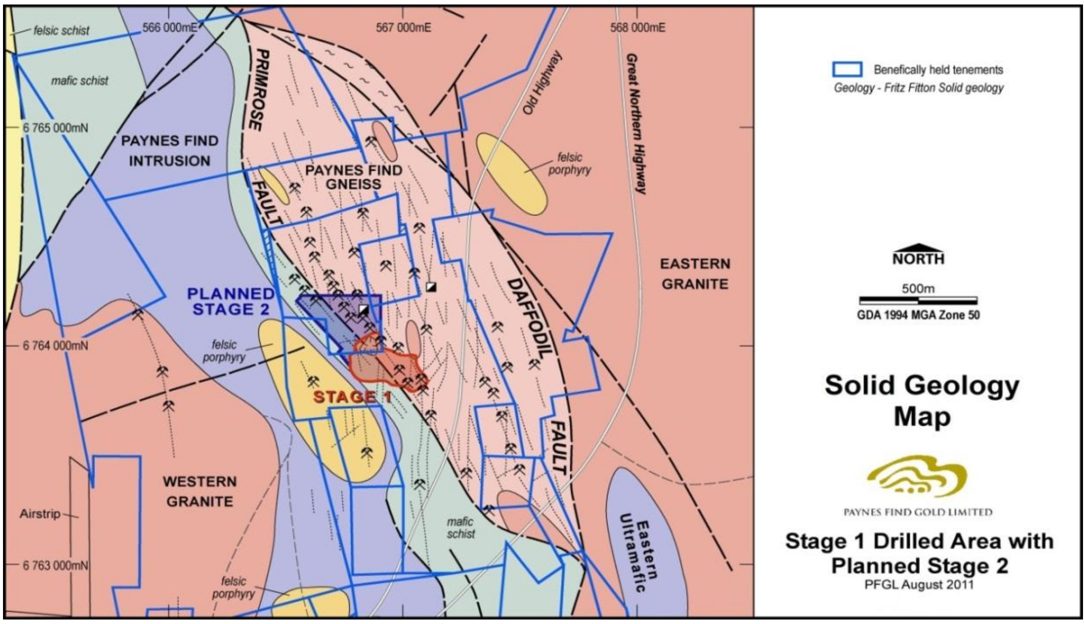
Following the success of the Stage 1 RC drilling program, the Company appointed CSA Global Pty Ltd, Resource Industry Consultants, to provide data-base geological consulting services to assist with planning the Stage 2 drilling program and to prepare a Mineral Resource Estimate.

The Stage 2 RC drilling program (approximately 5,000m of RC and 2,000m of diamond) to the north and east of the Stage 1 drilled area is planned to test open-ended known extensions of gold mineralisation.

All recent and historical drill-hole collars as well as significant old workings have now been accurately surveyed, results from which will be incorporated in the CSA Global data-base.

Follow-up collection of selected sample duplicates has commenced as a check for QA / QC procedures, results from which will be incorporated in the CSA Global data-base.

This work will assist with planning of future drilling programs.



Corporate

During the Quarter the Board was restructured after the resignation of Paul Berresford as Non-executive Chairman and Company Secretary with the appointments of Peter Landau as Independent Non-executive Chairman, Carl Popal as Executive Director and Jane Flegg as Company Secretary. The new Board proceeded with a recapitalization program integral to which is shareholder participation. Replacement debt facilities of $700,000 from existing board members and $900,000 from Delecta Limited were received and are to be converted to equity on the same terms as the rights issue subject to shareholder approval. These debt facilities enabled the Company to settle previous debt instrument holders totaling $1,078,278 including interest and costs and provide working capital and the application to the court to discontinue winding up proceedings was granted on relinquishment of the debt. The Company announced and is proceeding with a $4m pro rata non-renounceable rights issue at 2 cents with one free attaching 3 year listed option for every 2 new shares held at an exercise price of 3 cents fully underwritten by Patersons Corporate Finance.

The Company went into voluntary suspension after a trading halt on 11 October 2011, pending the release of an announcement in relation to convertible note funding. The Company continues to be in suspension however after Board changes the new Board has been working with the Australian Securities Exchange ("**ASX**") with its recapitalization program and reinstatement to the ASX. Based on the Company's current timetable it is anticipated that the Rights Issue Prospectus and Notice of Meeting will be dispatched to shareholders in the second or third week of May which would then mean the Company's shares recommencing trading at the end of June/beginning of July.

With corporate and administrative actions taken over the quarter the Company can now focus on moving forward with its exploration activities.

For and on behalf of the Board

Carl Popal
Director

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Paynes Find Gold Limited

ABN	Quarter ended ("current quarter")
45 141 450 624	31 March 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(156)	(401)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(131)	(1,680)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	0	3
1.5	Interest and other costs of finance paid	(93)	(95)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(379)	(2,173)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(35)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	
	(c) other fixed assets	-	59
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	24
1.13	Total operating and investing cash flows (carried forward)	(379)	(2,149)

1.13	Total operating and investing cash flows (brought forward)	(379)	(2,149)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	162
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,715	2,865
1.17	Repayment of borrowings	(1,000)	(1,000)
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	(11)
	Net financing cash flows	715	2,016
	Net increase (decrease) in cash held	336	(133)
1.20	Cash at beginning of quarter/year to date	112	581
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	448	448

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

1.25 Explanation necessary for an understanding of the transactions

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

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

+ See chapter 19 for defined terms.

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	-
4.2	Development	-
4.3	Production	-
4.4	Administration	-
	Total	-

Note:- On completion of the proposed fully underwritten $4m Pro-rata rights issue Exploration activities will resume

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	448	112
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	448	112

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	**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**	100,452,503	56,075,494		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(Convertible Notes)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	 56,000,000 24,000,000 14,685,000 1,000,000	 - - 14,685,000 -	*Exercise price* 25 cents 35 cents 20 cents 25 cents	*Expiry date* 01/05/2015 01/05/2016 01/11/2012 17/12/2012

+ See chapter 19 for defined terms.

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 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... (Company secretary)   Date: 30th April 2012

Print name: Jane Flegg

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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