

## HIGHLIGHTS

### Dinamarquesa, Chile

- Initial wide spaced drilling program has defined an extensive high grade vein system over at least 500m of strike.
- Further highly encouraging results returned from quartz –sulphide veins include **0.34m @ 21.0g/t gold and 0.37m @ 6.5g/t gold** along strike from high grade mineralisation in drill hole DG10-01, which returned **results including 2m @ 102.8 g/t gold, 2m @ 6.5 g/t gold, and 1m @ 17.7 g/t gold**
- The vein system is open along strike and at depth.
- Highly **encouraging primary porphyry copper-gold-molybdenum mineralisation** has been intersected in drilling.
- 5,000m follow-up drilling program to commence in May.

### Project Acquisitions, Argentina

Rights secured to acquire 100% of two high grade gold projects in San Juan Province, Argentina.

Highlights of the acquisitions include:

#### Poncha Gold Project

- High grade epithermal gold system outlined in limited previous exploration.
- Numerous drill-ready high-grade gold targets delineated.
- Results from historical wide spaced drilling include:
  - **Hole PC13 - 266m @ 1.21g/t gold including:**
    - **22m @ 3.01g/t gold, 5.4g/t silver, 0.3% zinc; and**
    - **61m @ 3.04g/t gold containing 4m @ 10.84g/t gold and 7.9g/t silver, and 8m @ 10.91g/t gold and 24g/t silver.**
  - **Hole PC09 - 6m @ 7.4g/t gold, 7.0g/t silver, 0.5% zinc**

#### Los Opeñas Gold Project

- Extensive high grade epithermal vein system identified at surface with considerable potential to define a significant high grade gold-silver deposit.
- Numerous untested vein targets evident over 4.5km of strike.
- Rock chip sampling has returned values up to **49g/t gold, 183g/t gold and 6,800g/t silver.**
- Channel sampling has returned **20m @ 4.69g/t gold in breccia.**
- No drilling undertaken at the Project.

### Placement

\$1.845 million raised through a placement of 9.225 million fully paid ordinary shares at \$0.20 per share.

### Genesis Minerals Limited

ABN: 72 124 772 041

Unit 6, 1 Clive St  
West Perth, WA, Australia, 6005

PO BOX 437, West Perth  
WA, Australia, 6872

T: +618 9322 6178

info@genesisminerals.com.au  
www.genesisminerals.com.au

#### Registered Office

23 Altona St  
West Perth WA 6005

#### Issued Capital

74.9 million shares  
15.4 million options

#### ASX Code: GMD

#### Board Members

Michael Haynes  
Chairman

Michael Fowler  
Managing Director/CEO

Graeme Smith  
Non Executive Director  
Company Secretary

#### Chile Office

Av. Estoril 200  
Oficina 837  
Las Condes  
Santiago, Chile  
T: +56 2 951 6785

## DINAMARQUESA PROJECT, CHILE

### High Grade Gold

Further results from the first pass, wide-spaced drilling (+100m hole spacings) program at the Dinamarquesa Project in northern Chile were received during February (Genesis Minerals Limited, ASX Release, 18-02-2011).

Highly encouraging results were returned from quartz –sulphide veins, including:

- **0.34m @ 21.0g/t gold**
- **0.37m @ 6.5g/t gold**
- **0.6m @ 3.7g/t gold.**

The initial drilling program has defined an extensive high grade vein system over at least 500m of strike. The vein system is open along strike and at depth.

Holes DG10-04 and DG11-07 intersected a number of quartz-sulphide veins that are considered to be part of the same zone of veining that returned high grade mineralisation in drill hole DG10-01, which returned results including **2m @ 102.8 g/t gold, 2m @ 6.5 g/t gold, and 1m @ 17.7 g/t gold** (Genesis Minerals Limited, ASX Release, 18-01-2011). DG11-07 was drilled more than 115m west of DG10-01 and DG10-04 was drilled more than 240m west of DG10-01. No drilling has been undertaken east of DG10-01.

The results to date provide great encouragement to define a significant high grade vein system at Dinamarquesa. Planning is underway to commence a 3,000m drilling program to test the continuity of the high grade veins, which to date have only been tested by very limited wide spaced drilling. Further drilling is required to also test the near surface potential of the vein system.

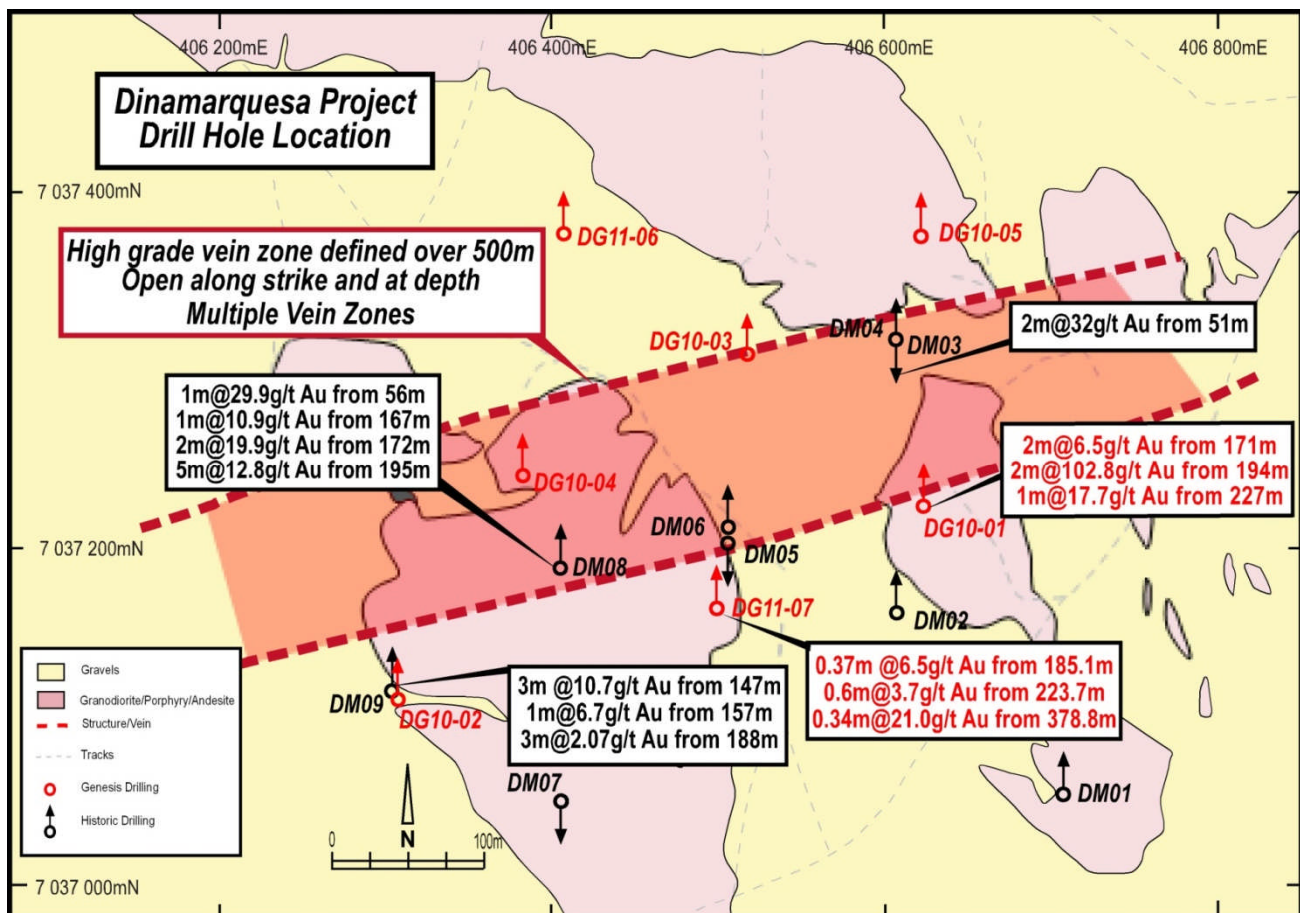


Figure 1. High grade gold intersections at Dinamarquesa.

### Porphyry Copper Mineralisation

Highly encouraging primary copper-gold-molybdenum mineralisation was returned from the initial drilling program that targeted porphyry hosted mineralisation at the Project – the “Inca Porphyry”.

These results together with recent geological mapping highlight the significance of the porphyry copper system at Dinamarquesa.

Drilling results received to date include:

<b>DG10-01</b>	<b>56m @ 0.45% copper equivalent *</b> (0.29% copper, 0.18g/t gold) <b>18m @ 0.58% copper equivalent *</b> (0.35% copper, 0.29g/t gold) <b>45m @ 0.67% copper equivalent*</b> (0.26% copper, 0.51g/t gold)
<b>DG 10-03</b>	<b>18m @ 0.72% copper equivalent *</b> (0.37% copper, 0.38g/t gold) <b>31m @ 0.50% copper equivalent*</b> (0.25% copper, 0.23g/t gold, 106ppm Mo) <b>18m @ 0.63% copper equivalent *</b> (0.29% copper, 0.4 g/t gold)
<b>DG 10-05</b>	<b>34m @ 0.48% copper equivalent *</b> (0.31% copper, 0.22g/t gold) <b>13m @ 0.60% copper equivalent *</b> (0.37% copper and 0.23 g/t gold) <b>35m @ 0.44% copper equivalent*</b> (0.28% copper, 0.13 g/t gold) <b>17m @ 0.62 % copper equivalent*</b> (0.14% copper, 543ppm molybdenum)
<b>DG 11-07</b>	<b>101m @ 0.48% copper equivalent *</b> (0.28% copper, 0.24g/t gold)

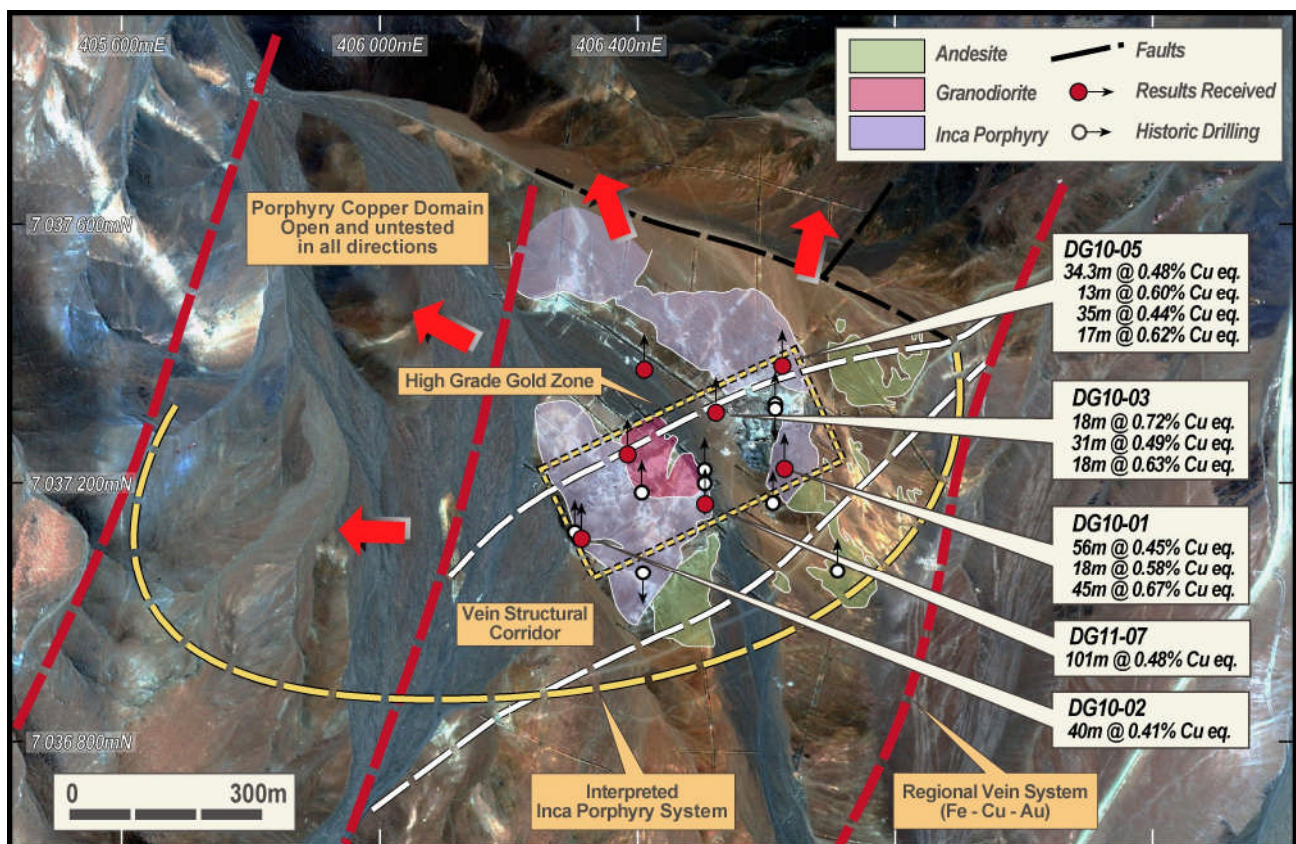


Figure 2 Porphyry copper intersections at Dinamarquesa.

Only limited testing of the Inca Porphyry has been completed. Mineralisation remains open in all directions and at depth. A 2,000m drilling program and a geophysical survey will now be undertaken to continue testing the strike and depth extensions of the Inca Porphyry. An initial target area of 1,200m by 800m will be the focus of further immediate testing (Figure 2).

The Dinamarquesa Project lies within a cluster of large Paleocene porphyry deposits including the Inca de Oro Deposit, 4km east (259Mt @ 0.46% copper and 0.13g/t gold, Pan Aust ASX Release 23 February 2011) and the Carmen Deposit 5km south, within the Inca de Oro porphyry belt.

Significantly the rock types intersected in drilling along with their respective alteration zones; the styles and mode of occurrence of copper and molybdenum mineralisation and the zoning of the mineralisation types are very typical and characteristic of a porphyry copper system.

## Background

Genesis Minerals Limited entered into an agreement in August 2010 with a private Chilean company to acquire a 100% interest in the Dinamarquesa Project in northern Chile. Limited previous wide spaced drilling has delineated a number of high grade gold structures. The Project occurs in the highly mineralised Inca de Oro gold-copper belt which forms part of the highly endowed Palaeocene Porphyry belt of northern Chile.

The Project is located in the Atacama Desert in an area with excellent infrastructure about 850 km north of Santiago, 90 km north of the city of Copiapó and 75km east of the Pacific Ocean. The Project is 3km south west of the small town of Inca de Oro which is connected by a sealed highway between Copiapó in the south and Diego de Almagro in the north.

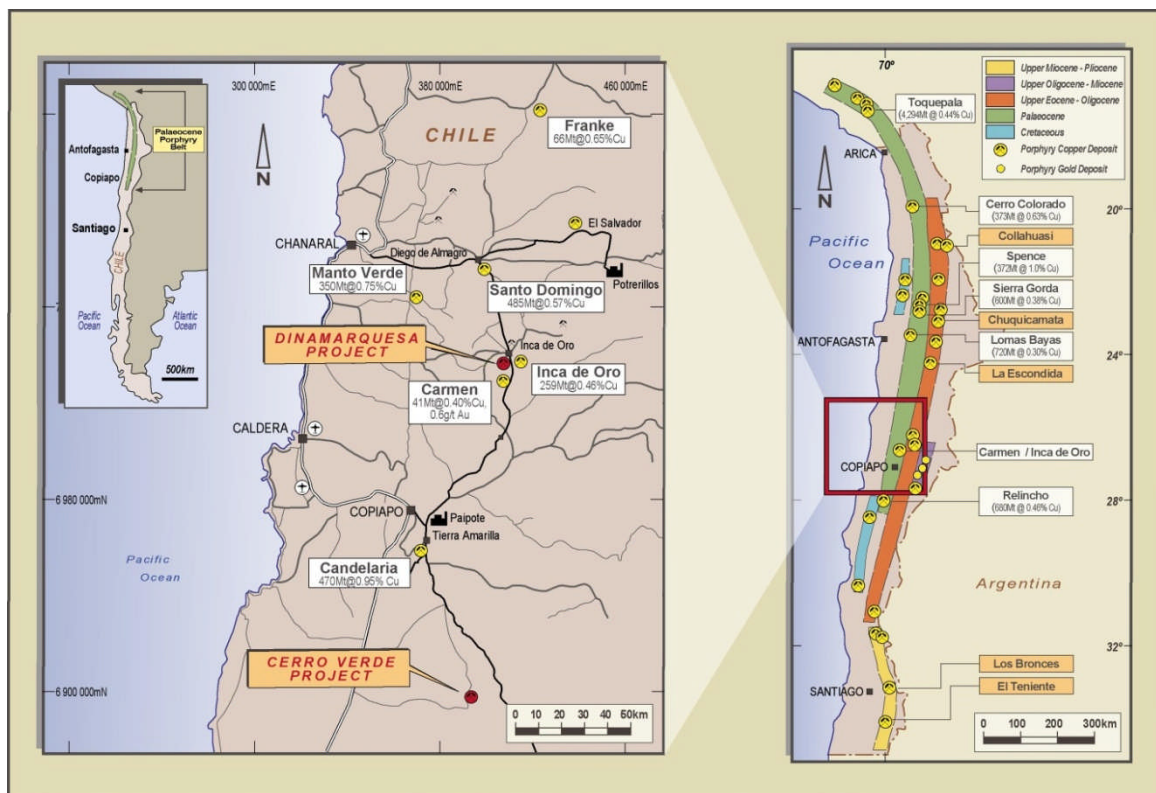


Figure 3 Location of the Dinamarquesa Project.

## PONCHA AND LOS OPEÑAS PROJECTS, SAN JUAN ARGENTINA

### Introduction

During the quarter Genesis Minerals Limited entered into agreements with Teck Argentina Ltd. (“Teck”), a wholly owned subsidiary of Teck Resources Limited, to acquire 100% of Teck’s right and interest in the Poncha and Los Opeñas epithermal gold projects in San Juan Province, Argentina.

Work carried out previously by Teck and other operators at the Projects indicate the presence of significant epithermal gold systems. Both Projects contain numerous drill ready targets. The Projects are located in the mining friendly San Juan Province, which has both large operating and development stage projects.

### Location and Access

The Poncha and Los Opeñas Projects are located 200km northwest of the regional capital San Juan and about 40km northwest of the town of Rodeo in the foothills of the Andes, at elevations of between 3,000 and 4,500m above sea level. Infrastructure in the area is good and access to the Projects is gained via good paved and gravel roads from Rodeo. The Projects are approximately 25km apart.

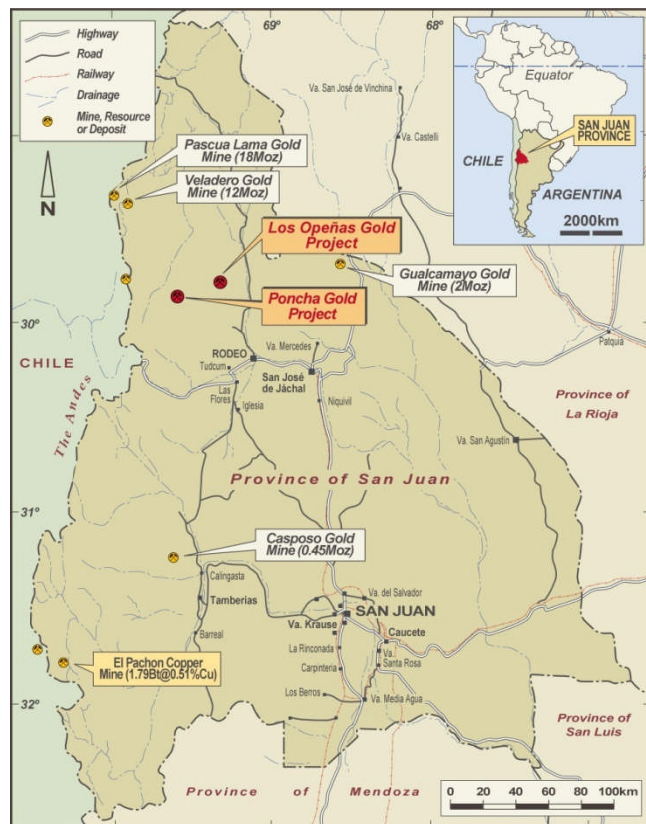


Figure 4. San Juan Province Location Map.

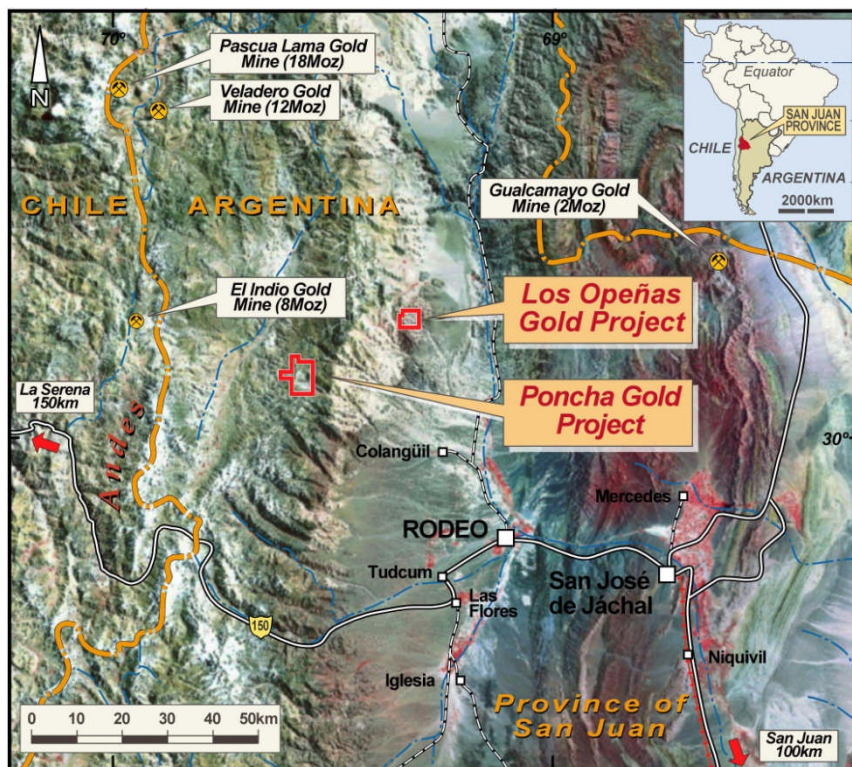


Figure 5. Project Location Map.

## Previous Exploration

### Poncha

Teck first identified the Poncha Project in 2005. Exploration between 2006 and 2009 at the Poncha Project comprised drilling of 18 holes for 6,531m, geochemical sampling, geophysical surveying and geological mapping. Two targets were explored during this period; a northern porphyry copper-gold target and a southern epithermal gold target. The majority of the drilling was completed at the southern epithermal target.

Wide-spaced drilling at the southern epithermal target returned results including:

- Hole PC13 - 266m @ 1.21g/t gold including:
  - 22m @ 3.01g/t gold, 5.4g/t silver, 0.3% zinc; and
  - 61m @ 3.04g/t gold containing 4m @ 10.84g/t gold and 7.9g/t silver, and 8m @ 10.91g/t gold and 24g/t silver.
- Hole PC 09 - 6m @ 7.4g/t gold, 7.0g/t silver, 0.5% zinc

A recent mapping program and re-interpretation by Teck identified a strong north to north northeast control on gold mineralisation associated with jarosite-pyrolusite faults and/or phreatomagmatic breccia bodies. This north to north northeast orientation has had very limited testing and will be subject to testing by east-west orientated drilling in a forthcoming drilling program. An initial area of 800m x 400m will be targeted. This area occurs within a much larger target area under scree cover.

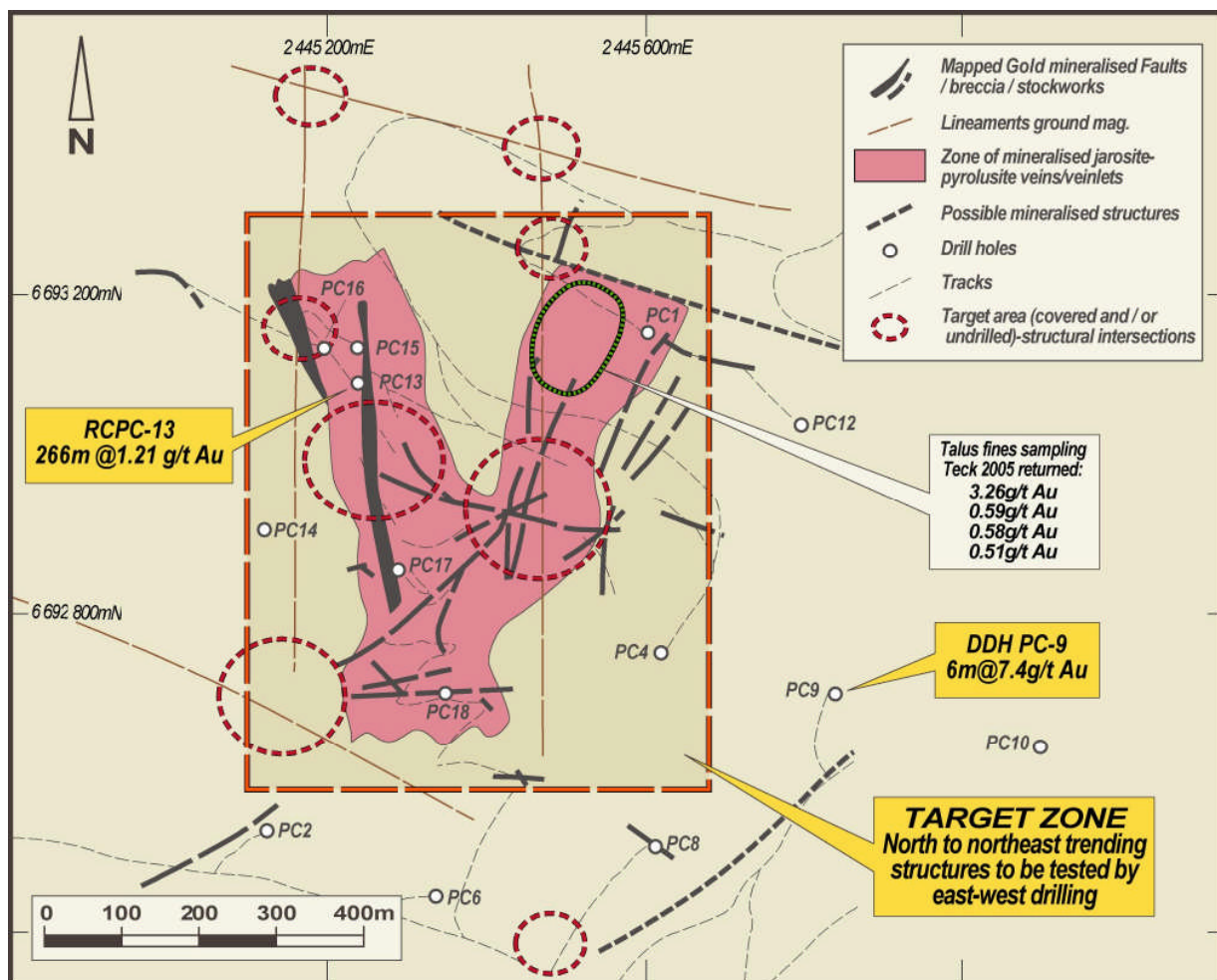


Figure 6. Poncha Exploration – Southern Epithermal Target.

## Los Opeñas

Teck completed geochemical sampling, first pass mapping and rock chip sampling (897 samples) at Los Opeñas between 2005 and 2009. An extensive epithermal vein system was identified from this work. Rock samples at surface returned values as high as 49g/t gold and 183g/t gold, and up to 6,789g/t silver. Channel sampling of mapped breccia bodies have returned results including 20m @ 4.69g/t gold associated with strongly anomalous zinc, lead and silver.

No drilling has been undertaken at the Project. Exploration will focus on drill testing the 4.5km of high grade vein structures that have been defined to date.

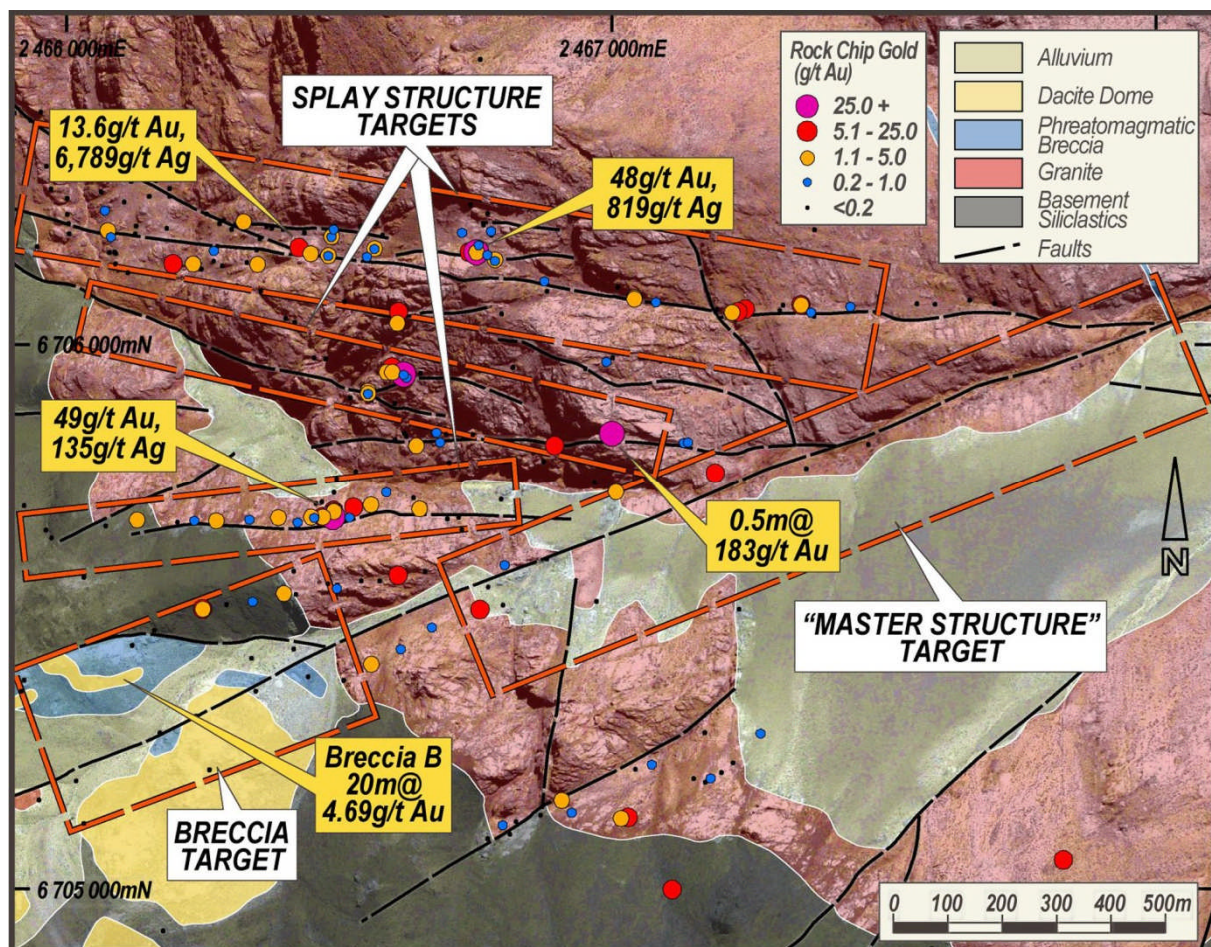


Figure 7. Los Opeñas Rock Chip Samples.

### Target Type

Analysis of the alteration, structural setting and geochemistry of the Poncha and Los Opeñas Projects, together with their spatial association with diatreme breccias, highlight the possibility for "intermediate sulphidation" epithermal gold systems. They appear similar to gold-rich systems of the south west Pacific (e.g. Kelian, Indonesia, 8Moz gold<sup>1</sup>, Acupan (Baguio district), Philippines 6Moz gold<sup>2</sup>), and to those being developed in northern South America (e.g., Fruta del Norte, Ecuador, 10Moz gold<sup>3</sup>) and in Mexico (e.g. Penasquito 40Moz gold (eq)<sup>4</sup>). The target types\* for both Projects are multi million ounce bulk mineable and high grade vein/structural targets.

### Agreement Terms

Genesis has executed two agreements with Teck Argentina Ltd providing Genesis the exclusive right to acquire 100% interests in Teck's right and interest to the Poncha and Los Opeñas Projects, with portions of both projects being subject to underlying agreements whereby Teck can earn a 100% interest by making cash payments to the underlying owners. A portion of the Poncha Project is subject to a capped NSR royalty.

As part consideration Genesis has issued Teck 250,000 Genesis shares, being 50,000 in consideration of Los Opeñas and 200,000 in consideration of Poncha for this exclusive right.

The Poncha Agreement with Teck requires Genesis to undertake work expenditures on the Project totalling US\$5,000,000 and issue a further 1,500,000 Genesis shares to Teck on or before March 31, 2014 to acquire a 100% interest, with a commitment to complete 4,000m of drilling on the Poncha Project by June 30, 2012.

The Los Opeñas Agreement with Teck requires Genesis to undertake work expenditures on the Project totalling US\$500,000 and issue a further 500,000 Genesis shares to Teck on or before March 31, 2013 to acquire a 100% interest, with a commitment to complete 1,500m of drilling on the Los Opeñas Project by June 30, 2012.

Teck can earn back up to a 60% interest in the Poncha Project by incurring expenditures equal to four times Genesis' expenditures multiplied by the percentage interest Teck is earning back, to a maximum of \$12 million over 3 years. The right to earn back expires within 60 days of Genesis notifying Teck that it has earned 100% in the Project. If Teck elects not to earn back in, Teck's interest will revert to a 2% NSR on production. Genesis will make all payments to ensure the licences are kept in good standing.

Teck can earn back up to a 60% interest in the Los Opeñas Project by incurring expenditures equal to four times Genesis' expenditures multiplied by the percentage interest Teck is earning back, to a maximum of \$1.2 million. The right to earn back expires within 60 days of Genesis notifying Teck that it has earned 100% in the Project. If Teck elects not to earn back in, Teck's interest will revert to a 2% NSR on production.

### **Work Program**

Genesis intends undertaking a 4,000 metre drilling program at the Poncha Project to follow up highly encouraging intersections of gold mineralisation returned from previous drilling. It will target the very strong N-S and NNE-SSW orientated mineralised jarosite-pyrolusite faults and/or phreatomagmatic breccia bodies that have been identified by recent mapping. Genesis intends commencing exploration in 2011 as soon as permitting and incorporation of a subsidiary allows.

Exploration at Los Opeñas will target 4.5km of high grade vein structures which have never been drill tested. Further mapping, geochemical sampling will be completed prior to drilling in the 2<sup>nd</sup> half of 2011.

## **CERRO VERDE PROJECT, CHILE**

### **Background**

Genesis entered into an agreement with a second private Chilean company to acquire a 100% interest in the Cerro Verde Gold-Copper-Silver Project in northern Chile. Mining in the area dates back to the 1800s but only limited modern exploration has been completed at the Project. Numerous high grade structures remain untested and the potential to discover new veins is considered high; as is the potential to define a large porphyry system on the Project.

### **Location and Access**

The Project is located in the Atacama Desert in an area serviced by very good infrastructure about 750 km north of Santiago, 80 km south of the city of Copiapó and 75km east of the Pacific Ocean. The Project is easily accessed by a sealed road and well formed gravel roads from Copiapó. The altitude ranges from 1,800 to 2,200m, with low to moderate relief. Exploration can be conducted all year round.

### **Geology and Mineralisation**

The Project hosts a sub-parallel swarm of precious and base metal-bearing quartz specularite veins exposed along the western flank of a caldera system that is elongated north-south. The host rocks comprise a sequence of Palaeocene andesitic volcanoclastics, dacite and rhyolite flows, flow-domes, diatreme-like breccias, and dikes capped by a blanket of rhyolitic ignimbrites. Ore-bearing veins cut the entire stratigraphic column. Mineralised veins and structures strike north to north east with moderate to steep dips to the east and west.

## Project and Exploration History

Historic mining in the area dates back to the 1800's with several high grade veins mined at depth. Only limited historic mining records are currently available to Genesis. However, records indicate that in 1869 some 8,500 tonnes at ~17% copper were extracted from mines in the area. Small scale mining and reclamation of old stockpiles continues at present.

Minor surface exploration was completed by Homestake between 1998 and 1999. Between 2004 and 2005, Hochschilds (MH Chile) explored the area by surface mapping, sampling (334 surface samples) and limited diamond drilling (1,219m completed). The surface rock chip sampling by Hochschilds highlighted significant gold, copper and silver surface mineralisation over a 4km by 2km area. Strong arsenic, barium, bismuth, mercury, molybdenum, lead and stibnite anomalism is also present.

No other modern exploration is known to have been conducted at the Project.


## Forward Work Program

Exploration in the coming months will consist of further rock chip sampling, geological mapping, alteration mapping (ASTER) and historical data compilation prior to drilling. A number of areas remain untested and require first pass sampling.

## CORPORATE

Genesis raised \$1.845 million through a placement of 9.225 million fully paid ordinary shares to sophisticated investors at \$0.20 per share.

A General Meeting will be held on the 13<sup>th</sup> May to approve and ratify the allotment of the shares.



**Michael Fowler**  
**Managing Director**

### Further Information

Contact - Michael Fowler  
+61 8 9322 6178 or mfowler@genesisminerals.com.au

*The information in this announcement was compiled by Michael Fowler, Genesis Minerals Limited Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler has sufficient experience that 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 JORC Code. Michael Fowler consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

Table 1. Significant porphyry related mineralisation - DG10-01 to DG10-07.

Hole	Northing	Easting	mRL	Azi	Dip	Depth (m)	From	To	Length (m)	Cu %	Au ppm	Mo ppm	*CuEq
DG10-01	7,037,220	406,610	1728	0	-70	300	4.50	20	16	0.25	0.23	25	0.44
							25	39	14	0.24	0.18	51	0.41
							49	105	56	0.29	0.18	39	0.45
							112	130	18	0.35	0.29	22	0.58
							199	244	45	0.26	0.51	53	0.67
							248	252	4	0.46	0.15	40	0.60
DG10-02	7,037,101	406,300	1722	0	-70	300	9	49	40	0.29	0.11	53	0.41
							50	56	6	0.34	0.10	55	0.46
							78	80	2	0.45	0.19	41	0.62
							107	115	8	0.30	0.18	32	0.46
							161	163	2	0.82	0.00	5	0.83
DG10-03	7,037,299	406,514	1718	0	-70	303	41	59	18	0.37	0.38	94	0.72
							158	166	8	0.20	0.12	40	0.32
							169	174	5	0.20	0.12	35	0.31
							185	216	31	0.25	0.23	106	0.49
							233	251	18	0.29	0.40	68	0.63
							298	303	5	0.22	0.14	65	0.38
DG10-05	7,037,370	406,610	1726	0	-70	320	2.7	37	34.3	0.31	0.22	19	0.48
							42	46	4	0.23	0.15	21	0.36
							55	63	8	0.29	0.18	83	0.48
							67	80	13	0.37	0.23	82	0.60
							96	125	29	0.23	0.11	69	0.37
							131	166	35	0.28	0.13	85	0.44
							172	189	17	0.14	0.09	543	0.62
							226	231	5	0.27	0.13	326	0.61
DG11-07	7,037,147	406,499	1733	0	-55	380	4	105	101	0.28	0.24	40	0.48

#### \* Copper Equivalent Calculation

Copper Equivalent (also Cu Eq\*) calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for metallurgical recoveries. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar porphyry hosted mines in Chile.

Copper equivalent conversion factors and long-term price assumptions used follow:

Copper Equivalent Formula=  $Cu \% + (Mo(ppm) \times 0.00075) + (Au(ppm) \times 0.73)$

Price Assumptions- Cu (US\$2.00/lb), Mo (US\$15/lb), Au (US\$1000/oz)

- Final assay results from ½ NQ or HQ diamond core
- Lower cut of 1g/t gold.
- Analysis completed by ANALMIN laboratory in La Serena, Chile.
- All samples were analysed for gold by fire assay, total copper (3 acid digest with AAS finish), molybdenum (4 acid digest with AAS finish)

- Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits based on current data.

Drill hole collar position surveyed - PSAD56 Zone 19S by GPS and down hole survey by gyroscope by Comprobe

Table 2 Intersections from the Southern Epithermal target at Poncha PC1 – PC2, PC4, PC6 to PC18

Hole ID	GK2PoE	GK2PoN	mRL	Azimuth	Dip	Depth	From	To	Length	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	
PC1	2,445,609	6,693,155	4,190	180	-65	319.1	229	238	9	0.52	<1				
							290	291	1	1.82	<1				
PC2	2,445,124	6,692,524	4,300	0	-60	301	40	48	8	0.75	6.16	149	721	1556	
							151	155	4	0.63	3.44	1110	153	1135	
PC4	2,445,625	6,692,750	4,280	0	-80	351	0	54	54	<0.1	<1			2758	
PC8	2,445,618	6,692,505	4,178	0	-60	450	207	208	1	0.63	33.12	3562	1484	10001	
							431	432	1	1.78	64.77	279	949	10001	
							445	446	1	0.53	7.55	220	960	10001	
PC9	2,445,846	6,692,698	4,180	0	-60	296.35	57	62	5	0.33	3.49	12	80	101	
							107	113	6	7.40	7.13	1096	2138	5997	
							251	265	14	0.52	2.32	58	147	1473	
PC10	2,446,097	6,692,631	4,109	0	-70	269	202	222	20	0.37	4.00	264	112	964	
PC11	2,444,635	6,692,130	4,365	0	-60	200	37	40	3	0.49	1.98	60	1532	5521	
PC12	2,445,801	6,693,040	4,148	180	-70	335	161	164	3	0.56	<1	23	142	3885	
							186	187	1	0.69	3.28	31	695	3638	
							229	230	1	2.13	11.02	41	514	391	
PC13	2,445,241	6,693,093	4,292	180	-70	395	36	41	5	0.26	7.3	1089	635	1114	
							129	395	266	1.21	3.3	281	336	1318	
							<i>incl</i>	133	155	22	3.02	5.4	542	191	3300
							<i>incl</i>	270	331	61	3.04	7.16	457	699	1649
PC14	2,445,122	6,692,907	4,395	0	-80	354	217	320	103	0.19	<1	50	101	1505	
PC15	2445197.0	6693135.0	4290	180	-70	500	71	77	6	1.16	7.59	330	2855	4370	
PC16	2,445,197	6,693,135	4,290	180	-70	500	219	228	9	1.19	12.4	578	2033	2868	

Intersections compiled from technical data supplied by Teck.

Holes not listed did not report significant intersections >0.2g/t gold.

# 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

**Genesis Minerals Limited**

ABN

72 124 772 041

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	-	-
1.2 Payments for (a) exploration & evaluation	(367)	(985)
(b) development	-	-
(c) production	-	-
(d) administration	(195)	(488)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(557)</b>	<b>(1,457)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3)	(6)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(3)</b>	<b>(6)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(560)</b>	<b>(1,463)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(560)	(1,463)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	2,049	3,460
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) Share issue transaction costs	(115)	(215)
<b>Net financing cash flows</b>		1,934	3,245
<b>Net increase (decrease) in cash held</b>		1,374	1,782
1.20	Cash at beginning of quarter/year to date	627	219
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,001	2,001

**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	66
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 including salary, directors' fees, consulting fees and superannuation.

**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

--

+ 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>700</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	551	20
5.2 Deposits at call	1,450	607
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,001</b>	<b>627</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			

+ 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.*

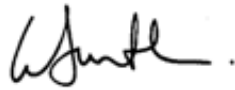
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	74,695,977	74,695,977		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,262,500	11,262,500		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	2,462,500 600,000 75,000 9,250,000 500,000 75,000 2,400,000	- - - - - - -	<i>Exercise price</i> 10 cents 10 cents 15 cents 20 cents 20 cents 20 cents 31 cents	<i>Expiry date</i> 30 June 2011 30 September 2012 23 August 2013 15 May 2012 28 February 2013 23 August 2013 30 November 2013
7.8 Issued during quarter				
7.9 Exercised during quarter	2,037,500	-	10 cents	30 June 2011
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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: **29 April 2011**

(Director / Company secretary)

Print name:

**Graeme Smith**

## 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.

== == == == ==