Forte Consolidated Limited
QUARTERLY REPORT
1 January 2013 to 31 March 2013

ASX: FRC

Forte Consolidated Limited
ABN 37 148 168 825

Board of Directors
Executive Director
Nick Revell

Chairman
Non-Executive Director
John Terpu

Non-Executive Director
Bruno Firriolo

Company Secretary
Bruno Firriolo

Website
forteconsolidated.com.au

Registered Office
Suite 4, 213 Balcatta Road
BALCATTA WA 6021
Phone: 61 8 9240 4111
Fax: 61 8 9240 4054

Postal Address
PO Box 572
BALCATTA WA 6914

Share Capital
FRC ordinary shares
95,805,002

FRCO listed options
85,203,334

Share Registry
Link Market Services Limited
Ground Floor,
178 St Georges Terrace
Perth WA 6000

Telephone
(within Australia): 1300 554 474
(outside Australia): +61 1300 554 474
Facsimile: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

If you wish to view your holdings online please login using the following link:
https://investorcentre.linkmarketservices.com.au/Login.aspx/Login

Clarke Prospect (EPM 14825)

During the reporting period Forte has hired a leading geophysical company to re-interpret and generate drill targets from the Clarke dipole dipole survey reported in the December 2012 Quarterly Report, and design the drill holes that should effectively test chargeability anomalies that have not been effectively tested by the existing drilling. These are summarized in Table 1.

Table 1: Proposed follow-up drilling targets

Proposed Hole	Target Northing	Target Easting	Target Depth (m)	Length (m)
CPD#1	7913470	353,600	~100m	175
CPD#2	7913470	353,250	150-200m	250+
CPD#3	7913470	354,075	150-200m	250+
CPD#4	7913270	354,525	150-200m	250+
CPD#5	7913070	354,550	150-200m	250+

Coordinates: MGA Zone 55, GDA 94 Datum

All holes have been oriented parallel to the IP lines, with all holes inclined at 60 degrees toward the west.

Hole CPD#1 : The inversion modelling appears to have positioned the stronger part of the chargeability anomaly to the west of the peak response in the actual data. CPD#1 should provide an adequate initial test of a possible large intrusive related alteration system (Figure 1).

Holes CPD#2 and #3 : were designed using the drill logging and assays results rather than the inversion modelling. The inversion seems to have shifted the peak chargeability to the east of the peak response in the actual data (Figure 1).

Holes CPD#4 and CPD#5 : are testing what appears to be the same chargeable zone/body on IP lines 13270 and 13070 respectively. These holes are designed to evaluate the potential for large scale alteration systems rather than specific, narrow vein / stockwork targets (Figures 2 and 3).

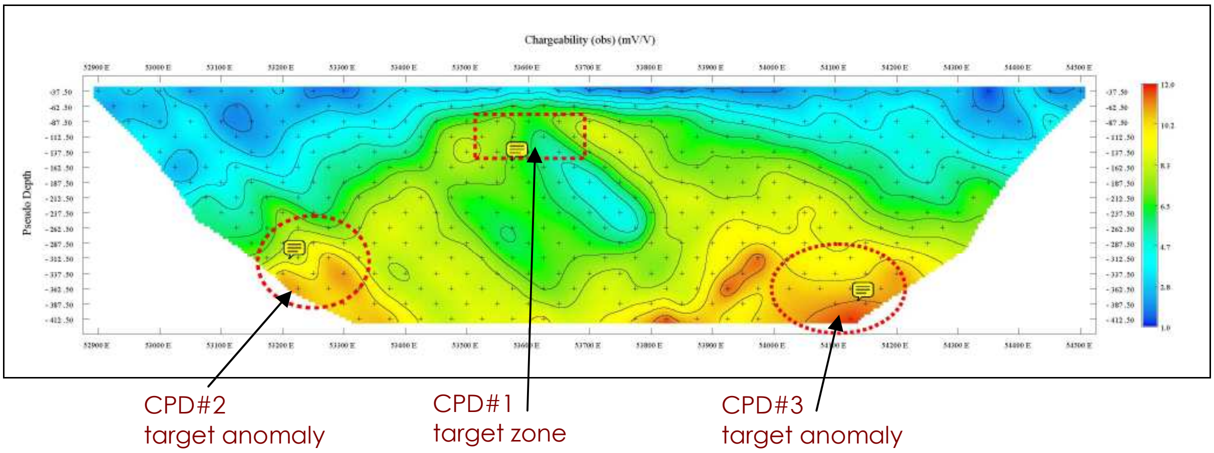

Figure 1: CPD#1 – CPD#3 target zones

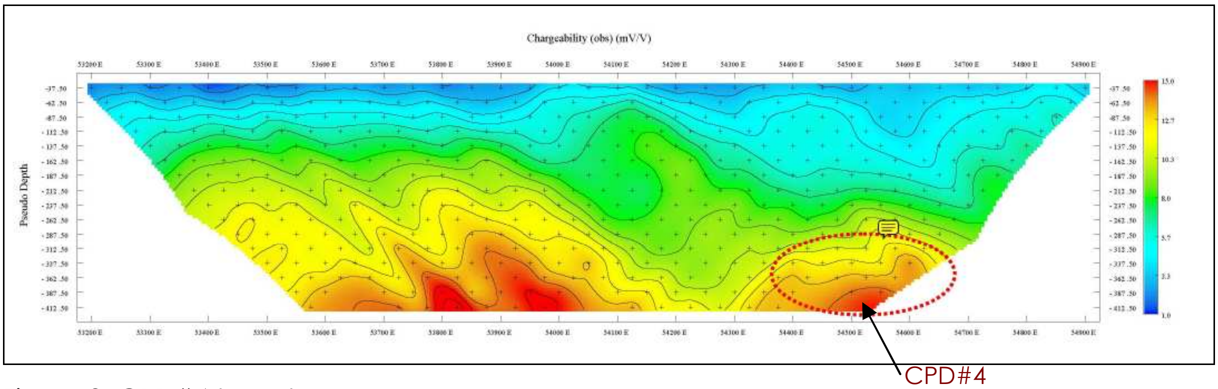

Figure 2: CPD#4 target zone

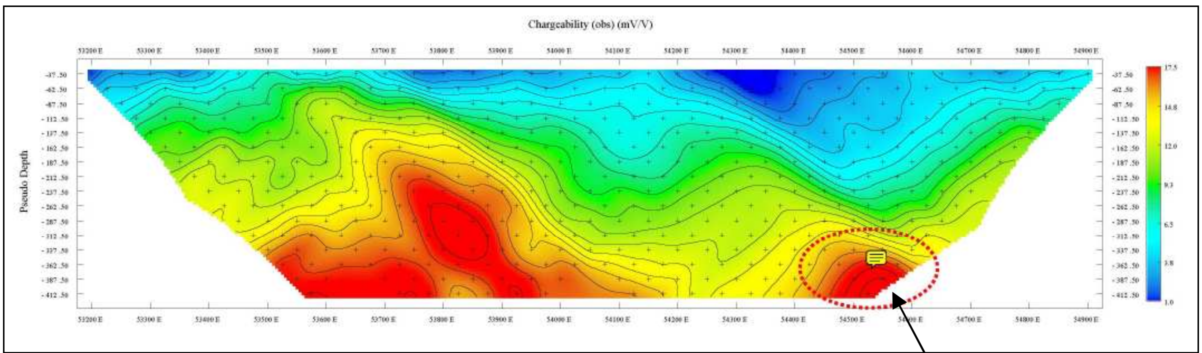

Figure 3: CPD#5 target zone

North Queensland Tenement Acquisition

On 9 October 2012 the Company entered into an agreement to secure new tenement ground, EPM 18986 (Johnnycake), at the northern end of the Bowen Basin in Queensland from Emerchants Limited. The tenement is split into 2 tenement areas, one 10km south of the Mt Carlton gold/silver/copper mine and the other 20kms west of the mine (Figure 4).

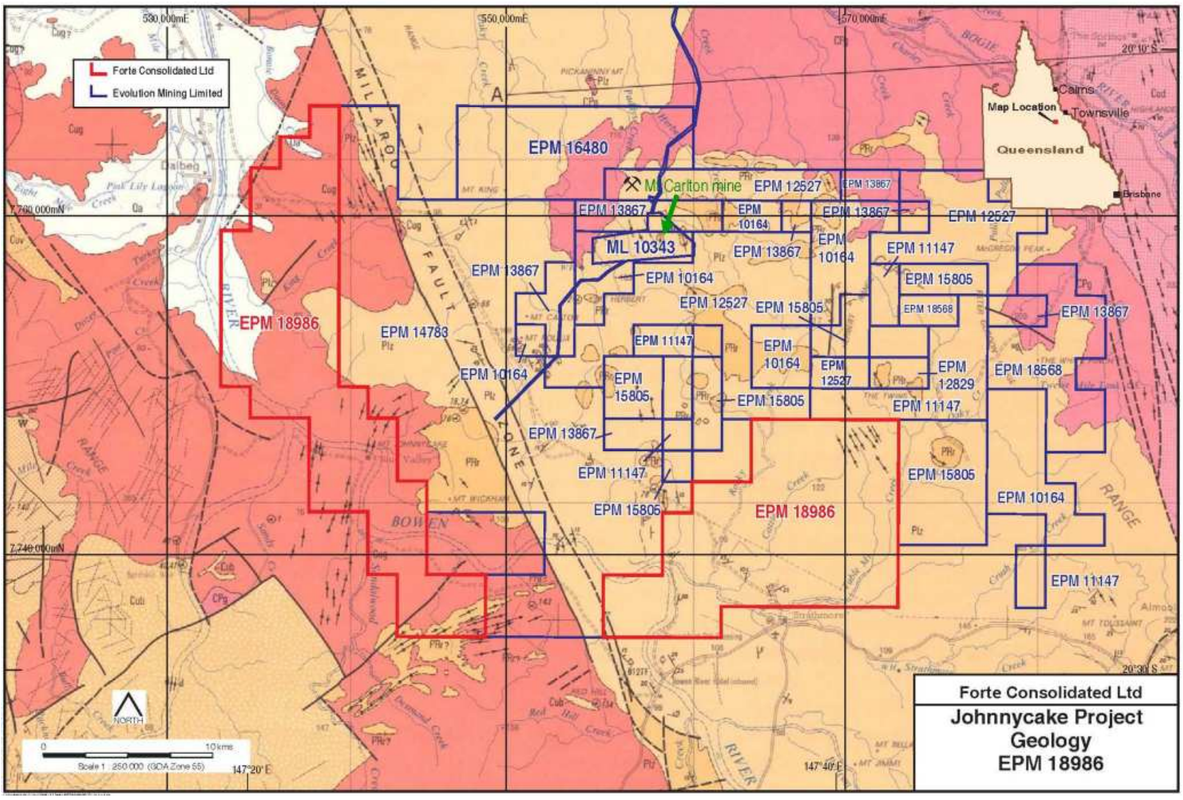

Figure 4: Tenement Location Map of EPM18986

The agreement was subject to several conditions, including approval of the tenement transfer by the Mines Minister. Under a mutually agreed extension this condition is required to be satisfied by 31 May 2013.

Notwithstanding that the transfer to Forte is still in progress, the Company has the vendor's approval to commence a field trip, including field mapping and rock chip sampling and a re-interpretation of the historical aeromagnetic data of the tenement area.

The company's Chairman, Mr John Terpu has extensive knowledge of the area by virtue of his previous position as Managing Director of Conquest Mining Limited, the company which discovered the Mt Carlton project. With this experience, Forte plans to apply known exploration methodology to the Johnnycake area.

Finance

At 31 March 2013 the Company had available cash totalling $2,464,000.

Exploration and evaluation expenditure for the quarter was $62,000.

Attached is a copy of the Company's Mining Exploration Entity Quarterly Report (Appendix 5B) in accordance with Listing Rule 5.3.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Nicholas Revell who is a member of the Australasian Institute of Geosciences.

Mr Revell is an employee of Forte Consolidated Limited and has sufficient experience relevant to the styles of mineralisation under consideration and to the subject matter of the report to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Mr Revell consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

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

Forte Consolidated Limited

ABN	Quarter ended ("current quarter")
37 148 168 825	31 March 2013

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	(62)	(1,118)
	(b) development		
	(c) production		
	(d) administration	(170)	(551)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	30	121
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	- Tenement Bonds (paid)refunded	(2)	-
	Net Operating Cash Flows	(204)	(1,548)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	(-)	(10)
	(b) equity investments		
	(c) other fixed assets	(-)	(1)
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	(-)	(11)
1.13	Total operating and investing cash flows (carried forward)	(204)	(1,559)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(204)	(1,559)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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 costs		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(204)	(1,559)
1.20	Cash at beginning of quarter/year to date	2,668	4,023
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	2,464	2,464

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	104
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

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

N/A

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

N/A

+ 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	
3.2	Credit standby arrangements	NIL	

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	207
4.2	Development	
4.3	Production	
4.4	Administration	162
	Total	369

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	5	39
5.2	Deposits at call	2,459	2,629
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	2,464	2,668

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	EPM19749 EPM19750 EPM18693	Abandoned Abandoned Surrendered	100% 100% 100%	Nil Nil Nil
6.2	Interests in mining tenements acquired or increased	EPM25196	Application	0%	100%

+ See chapter 19 for defined terms.

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**	95,805,002	32,718,542		
7.4	Changes during quarter (a) Increases through issues (b) Options exercised				
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)*	85,203,334	85,203,334	*Exercise price* $0.20	*Expiry date* 30 April 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)*				

+ 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: 26 April 2013
(Director/Company secretary)

Print name: Bruno Firriolo

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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+ See chapter 19 for defined terms.