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, 01/6/10.

Name of entity

METGASCO LIMITED

ABN	Quarter ended ("current quarter")
24 088 196 383	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 and evaluation	(1,438)	(5,181)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,219)	(4,181)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	221	784
1.5	Interest and other costs of finance paid	(4)	(18)
1.6	Income taxes paid		
1.7	Other (R&D rebate)	-	346
	Net Operating Cash Flows	(2,440)	(8,250)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(385)	(574)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	15	52
1.10	Loans to other entities	-	-
1.11	Security deposits (paid)/returned	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(370)	(522)
1.13	Total operating and investing cash flows (carried forward)	(2,810)	(8,772)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,810)	(8,772)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	15,358
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(25)	(85)
1.18	Dividends paid	-	-
1.19	Other (cost of share placement)	-	(348)
	Net financing cash flows	(25)	14,925
	Net increase (decrease) in cash held	(2,835)	6,153
1.20	Cash at beginning of quarter/year to date	17,867	8,879
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	15,032	15,032

Payments to directors of the entity & associates of the directors. Payments to related entities of the entity & associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	266
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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

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	5,148
4.2	Development	-
4.3	Production	-
4.4	Administration	1,200
	Total	6,348

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	57	378
5.2	Term deposits	14,975	17,489
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	15,032	17,867

+ See chapter 19 for defined terms.

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 & 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			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3	**+Ordinary securities**	337,414,140	337,414,140		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities**	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL NIL			

+ See chapter 19 for defined terms.

7.7	**Options** *(description and conversion factor)*	*Number* 250,304 164,759 499,526 1,000,000 100,000 375,000 200,000 65,000 50,000 375,000 599,861 341,283 390,777 375,000 375,000 1,433,703		*Exercise price* $1.10 $1.00 $0.90 $0.82 $0.90 $1.00 $0.90 $1.00 $1.00 $1.00 $1.20 $1.40 $1.60 $1.00 $1.00 $0.50	*Expiry date* 30/06/2012 30/06/2012 30/06/2012 21/11/2012 31/12/2012 21/02/2013 04/02/2013 04/02/2013 14/02/2013 21/05/2013 01/07/2013 01/07/2013 01/07/2013 21/08/2013 21/11/2013 01/09/2014
	Total	6,595,213			
7.8	Issued during quarter	NIL			
7.9	Exercised during quarter	NIL			
7.10	Expired during quarter	1,306,741			
7.11	**Debentures** *(totals only)*	NIL			
7.12	**Unsecured notes**	NIL			

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 /~~does n~~ot* give a true and fair view of the matters disclosed.

Sign here: [original signed] Date: 30/04/2012
(Company secretary)

Print name: Sean Hooper

Notes

+ See chapter 19 for defined terms.

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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