

# Quarterly Report

For the period ended 31 March 2012



## HIGHLIGHTS

- Resource estimates completed for three gold deposits at Mt Fisher.
- Total measured, indicated and inferred mineral resource of 973,000 tonnes grading 2.75 g/t Au defined for 86,000 ounces gold.
- Airborne gravity survey completed over a significant area of the Myrtle tenements.
- Diamond core drilling and other exploration activity to recommence at Myrtle during the second quarter.

## MT FISHER GOLD-NICKEL PROJECT, WA (Rox 100%)

Rox Resources Limited ("Rox") believes the Mt Fisher area has the potential to host a multi-million ounce gold inventory. Drilling completed by Rox late last year has enabled the calculation of the Company's first resource estimates for the project.

### *Resource Estimates*

The results of the drilling carried out during the December 2011 quarter at Moray Reef, Mt Fisher Mine and Damsel (Figure 2) enabled the company to estimate a measured, indicated and inferred mineral resources for these deposits (ASX Release dated 10 February 2012 and Table 1) of **973,000 tonnes grading 2.75 g/tAu** (cut).

Measured: 171,900 tonnes grading 4.11 g/tAu (cut)

Indicated: 204,900 tonnes grading 2.82 g/tAu (cut)

Inferred: 596,200 tonnes grading 2.34 g/tAu (cut)

The mineral resources are based on RC drilling completed by Rox during 2011 (48 holes for 8,619 metres) plus previous drilling by other companies.

Resource models are reported using a minimum cut-off of 0.8 g/tAu (Table 1). A second table of total resources at different cut-off grades is given in Table 2.

### *Moray Reef*

Moray Reef (Figure 2) is a high grade gold deposit 100% owned by Rox Resources, within 120km trucking distance of the nearest gold treatment plant. The deposit is still open at depth and potentially along strike (Figure 3), with parallel lodes also possible. Further drilling is warranted to fully investigate the extent of the mineralisation.

Rox Resources Limited  
Level 1  
30 Richardson Street  
WEST PERTH WA 6005

Telephone: (61 8) 6380 2966  
Facsimile: (61 8) 6380 2988

### *Mt Fisher Mine*

The resource estimate is for gold mineralisation up to 60 metres below the Mt Fisher open pit (see Figure 2 for location) as shown in Figure 4. This ore may be possible to access via a pit cut-back. Recent drilling by Rox indicates that the gold resource may continue for at least a further 300-500 metres south of the pit as indicated by a strong VTEM anomaly probably reflecting the presence of the sulphidic chert host unit at depth, and drill hole MFRC033 which intersected 5m @ 1.58 g/tAu from 263 metres down hole (Figure 5).

### *Damsel*

Damsel (Figure 2) is a gold mineralised zone about 500-600 metres long and 50-100 metres wide and 1-15 metres thick, between surface (at the south end) and 100 metres depth (at the north end) (Figure 6). There may be continuation of the mineralisation down dip within the unweathered zone, but this requires more drilling. At the northern end the mineralisation is truncated by a palaeochannel.

*Table 1: Mineral Resources – Mt Fisher, 0.8 g/tAu minimum cut-off*

| Deposit           | Category     | Tonnes         | Uncut         |               | Cut           |               |               |
|-------------------|--------------|----------------|---------------|---------------|---------------|---------------|---------------|
|                   |              |                | Grade (g/tAu) | Metal (Ozs)   | Grade (g/tAu) | Metal (Ozs)   | Value (g/tAu) |
| <b>Moray Reef</b> | Measured     | 25,700         | 10.84         | 8,957         | 7.96          | 6,577         | 80            |
|                   | Indicated    | 4,900          | 6.09          | 959           | 5.95          | 937           | 80            |
|                   | Inferred     | 1,200          | 3.87          | 149           | 3.87          | 149           | 80            |
|                   | <b>TOTAL</b> | <b>31,800</b>  | <b>9.85</b>   | <b>10,066</b> | <b>7.50</b>   | <b>7,664</b>  | 80            |
|                   |              |                |               |               |               |               |               |
| <b>Mt Fisher</b>  | Measured     | 119,600        | 3.72          | 14,304        | 3.60          | 13,843        | 50            |
|                   | Indicated    | 56,700         | 3.62          | 6,599         | 3.62          | 6,599         | 50            |
|                   | Inferred     | 38,900         | 3.44          | 4,302         | 3.41          | 4,265         | 50            |
|                   | <b>TOTAL</b> | <b>215,200</b> | <b>3.64</b>   | <b>25,206</b> | <b>3.57</b>   | <b>24,707</b> | 50            |
|                   |              |                |               |               |               |               |               |
| <b>Damsel</b>     | Measured     | 26,600         | 2.91          | 2,489         | 2.68          | 2,292         | 30            |
|                   | Indicated    | 143,300        | 2.47          | 11,380        | 2.39          | 11,011        | 30            |
|                   | Inferred     | 556,100        | 2.34          | 41,837        | 2.26          | 40,407        | 30            |
|                   | <b>TOTAL</b> | <b>726,000</b> | <b>2.39</b>   | <b>55,705</b> | <b>2.30</b>   | <b>53,710</b> | 30            |
|                   |              |                |               |               |               |               |               |
| <b>TOTAL</b>      | Measured     | 171,900        | 4.66          | 25,750        | 4.11          | 22,712        |               |
|                   | Indicated    | 204,900        | 2.87          | 18,938        | 2.82          | 18,548        |               |
|                   | Inferred     | 596,200        | 2.41          | 46,288        | 2.34          | 44,821        |               |
|                   | <b>TOTAL</b> | <b>973,000</b> | <b>2.91</b>   | <b>90,976</b> | <b>2.75</b>   | <b>86,080</b> |               |

Table 2: Resource Summary at Different Cut-offs

| Cut-Off<br>g/tAu | Tonnes         | Grade<br>g/tAu (uncut) | Grade g/tAu<br>(cut) | Ozs (uncut)   | Ozs (cut)     |
|------------------|----------------|------------------------|----------------------|---------------|---------------|
| 0.0              | 1,029,000      | 2.78                   | 2.63                 | 92,022        | 87,098        |
| <b>0.8</b>       | <b>973,000</b> | <b>2.91</b>            | <b>2.75</b>          | <b>90,976</b> | <b>86,080</b> |
| 1.0              | 932,000        | 3.00                   | 2.83                 | 89,856        | 84,935        |
| 2.0              | 575,900        | 3.91                   | 3.64                 | 72,331        | 67,420        |
| 3.0              | 308,200        | 5.14                   | 4.65                 | 50,954        | 46,104        |

\* Figures may not add up because of rounding errors

All of these gold deposits are located within 120km trucking distance of the nearest gold treatment plant. Moray Reef and Mt Fisher are located on granted mining leases, while Damsel is located on an exploration licence.

Any mining from the Mt Fisher deposit would be subject to exercising the option to purchase the project, and initial production would be subject to a \$5/ounce royalty payable to a previous owner. The Moray Reef and Damsel deposits however, are 100% owned by Rox and are not subject to any royalties.

### Looking Ahead

Metallurgical testwork, currently underway on samples from Moray Reef, Mt Fisher and Damsel, should be completed during the second quarter.

Project economics will be examined to determine whether toll milling at an adjacent processing plant is viable.

Exploration work, to continue to assess the potential of the tenements to host a multi-million ounce gold inventory will continue, with RAB and RC drilling planned.

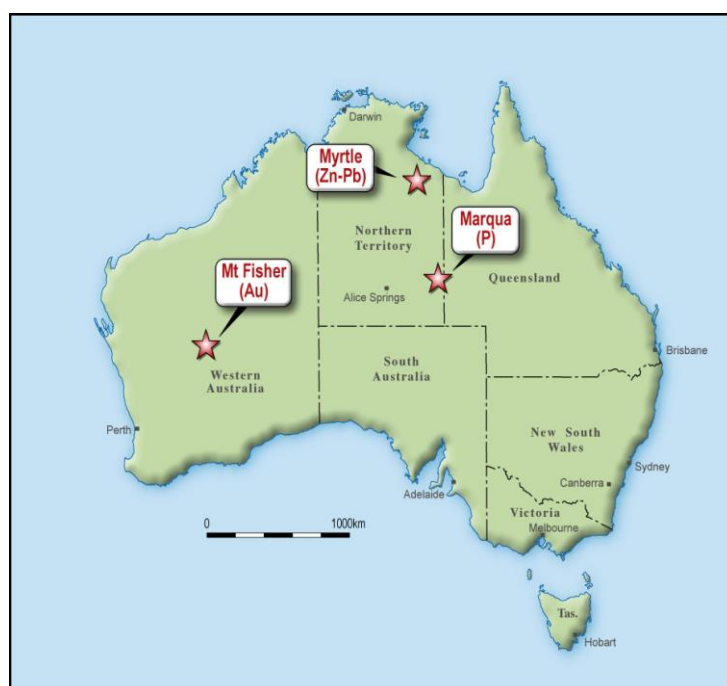


Figure 1: Rox Projects Location Map

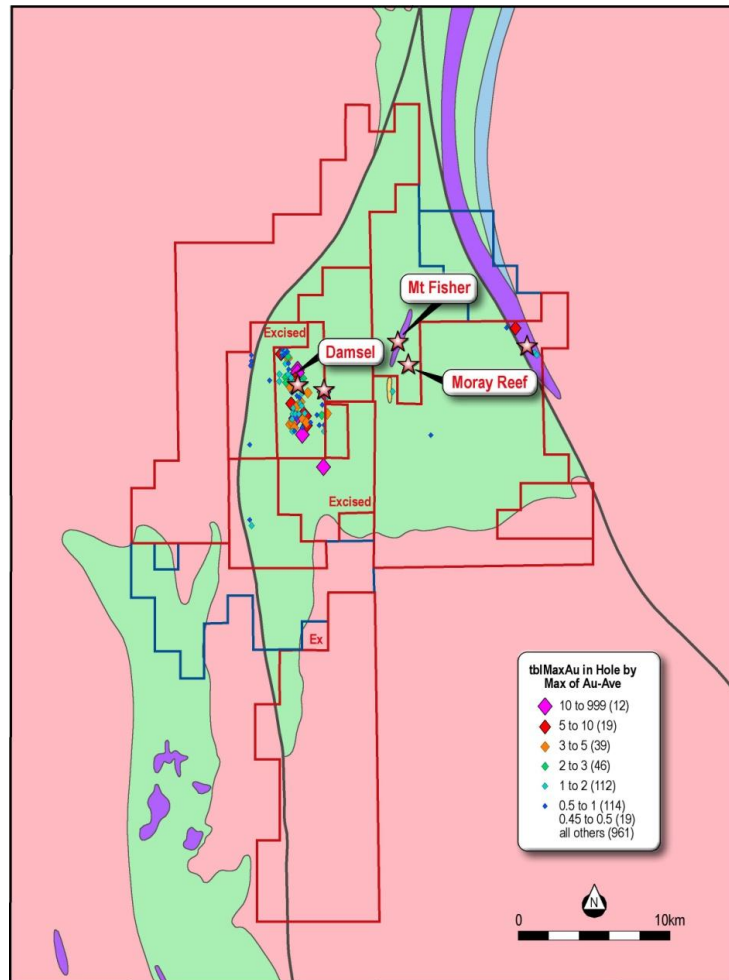


Figure 2: Mt Fisher Prospect Locations

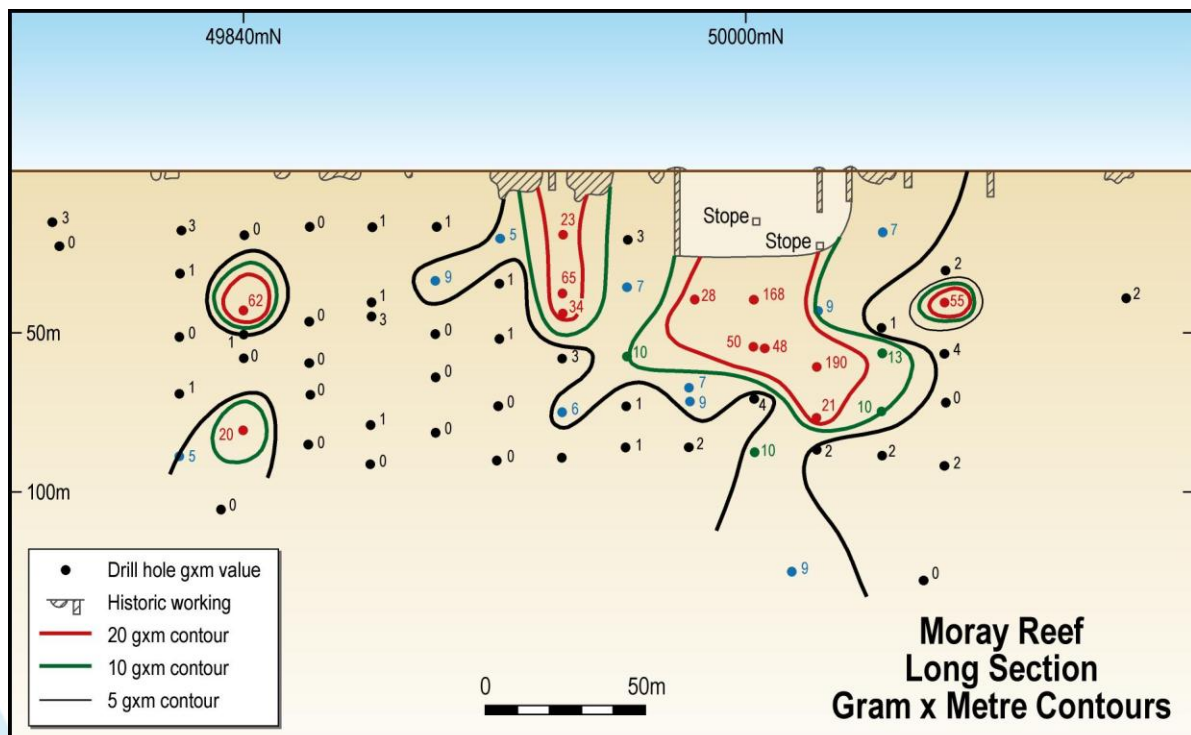


Figure 3: Moray Reef Long Section

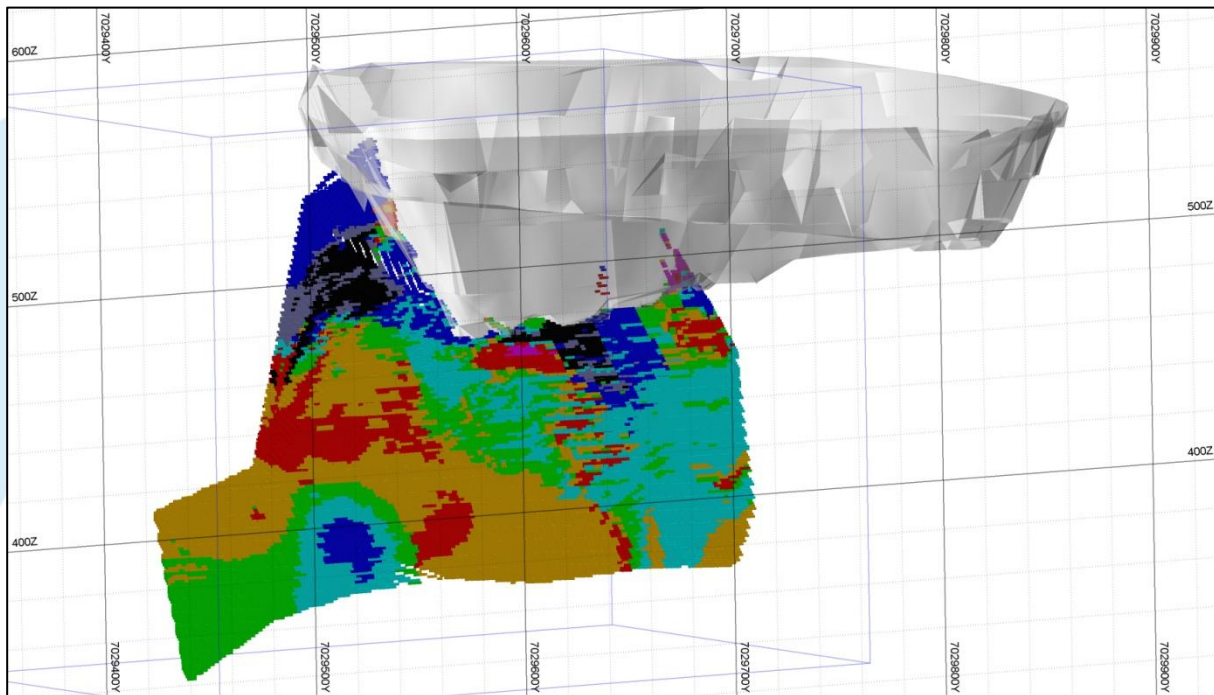


Figure 4: Mt Fisher Resource Model

(Colour Legend: Magenta >10 g/tAu, Red 5-10 g/t Au, Orange/Brown 4-5 g/tAu, Green 3-4 g/tAu, Light Blue 2-3 g/tAu, Dark Blue 1-2 g/tAu, Grey 0.5-1 g/tAu, Black <0.5 g/tAu)

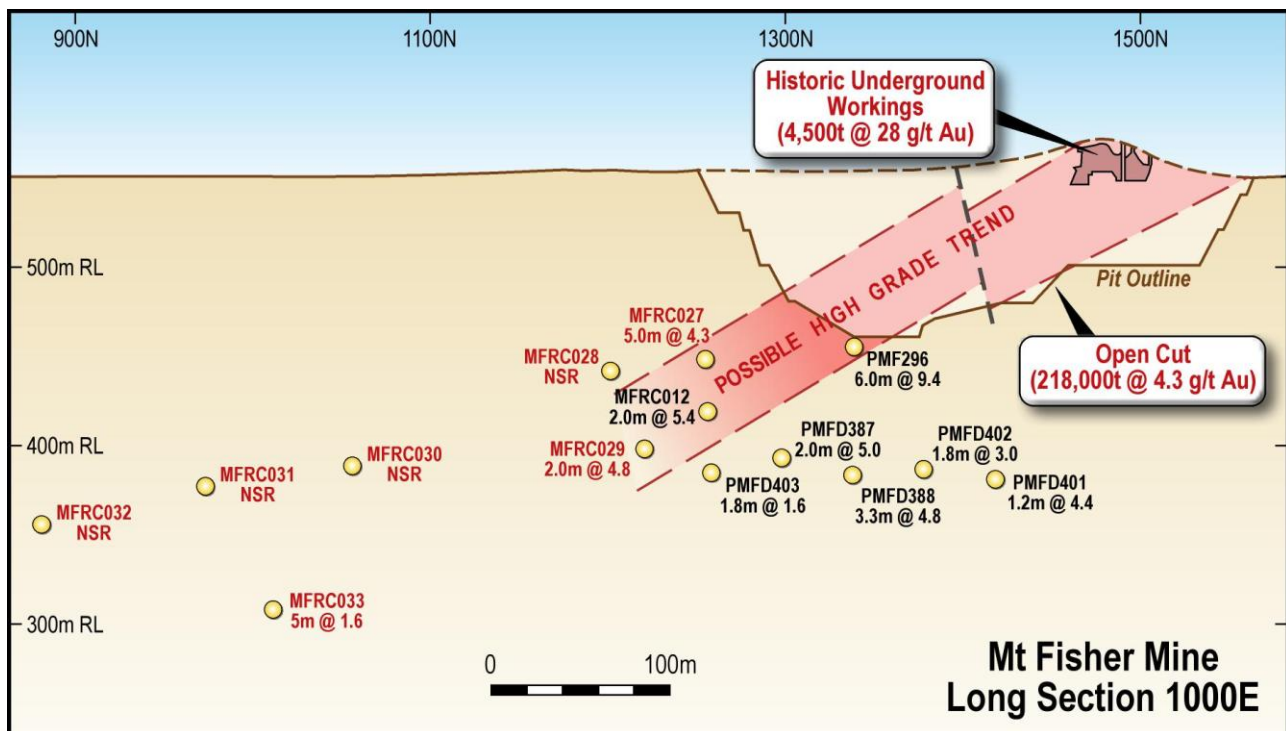


Figure 5: Mt Fisher Mine Long Section

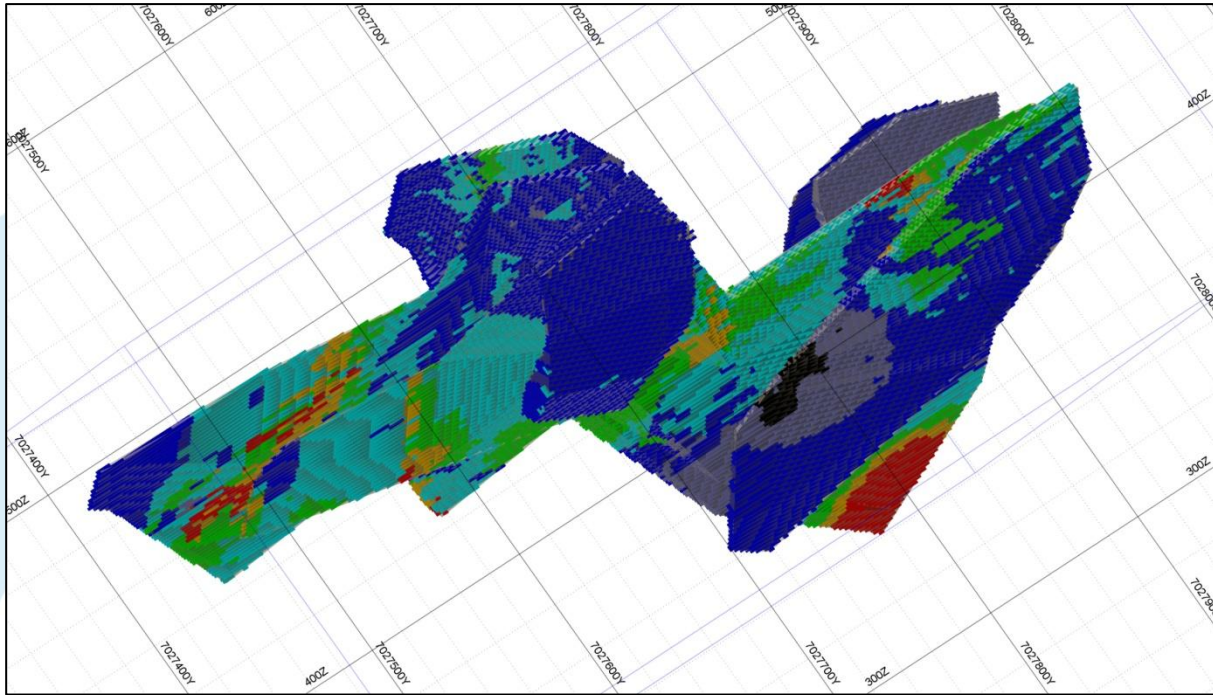


Figure 6: Damsel Resource Model  
(Colour Legend same as for Figure 4)

### MYRTLE ZINC-LEAD PROJECT, NT (Rox 100%, Teck earning up to 70%)

During the quarter project operator Teck Australia Pty Ltd. ("Teck") completed an airborne gravity survey over a significant area of the tenements (Figure 7). This survey has identified a number of potential sub-basins which have the potential to host McArthur River style lead-zinc mineralisation. Final processing and interpretation of data is nearing completion and will be used as input into the planned exploration program during 2012.

Diamond core drilling will resume during the second quarter. This drilling, which was suspended in late November 2011 following record rainfall in the region, will resume with the first hole currently at 227.5 metres, still in the Barney Creek Formation stratigraphically above the mineralised zone. A number of drill holes are planned to test various targets at Myrtle and adjacent areas.

A comprehensive historical review is being undertaken for the regional targets covered by the tenements. This has mostly focussed on reported historic drilling with over 100 holes having been documented so far and integrated into the geological model.

A heritage and ethnographic survey was completed over an area north and east of Myrtle, and an AAPA certificate has been issued authorising exploration over this area.

To date, Teck has expended approximately \$1.4 million on the project, and has advised a budget of approximately \$1.7 million during the remainder of 2012 to undertake a significant field exploration program, which will include:

- Completion/continuation of the Drilling campaign commenced in 2011
- Regional Target Compilation and Mapping
- Surface Geochemistry
- 3D modelling

- HeliSAM
- Reconnaissance IP

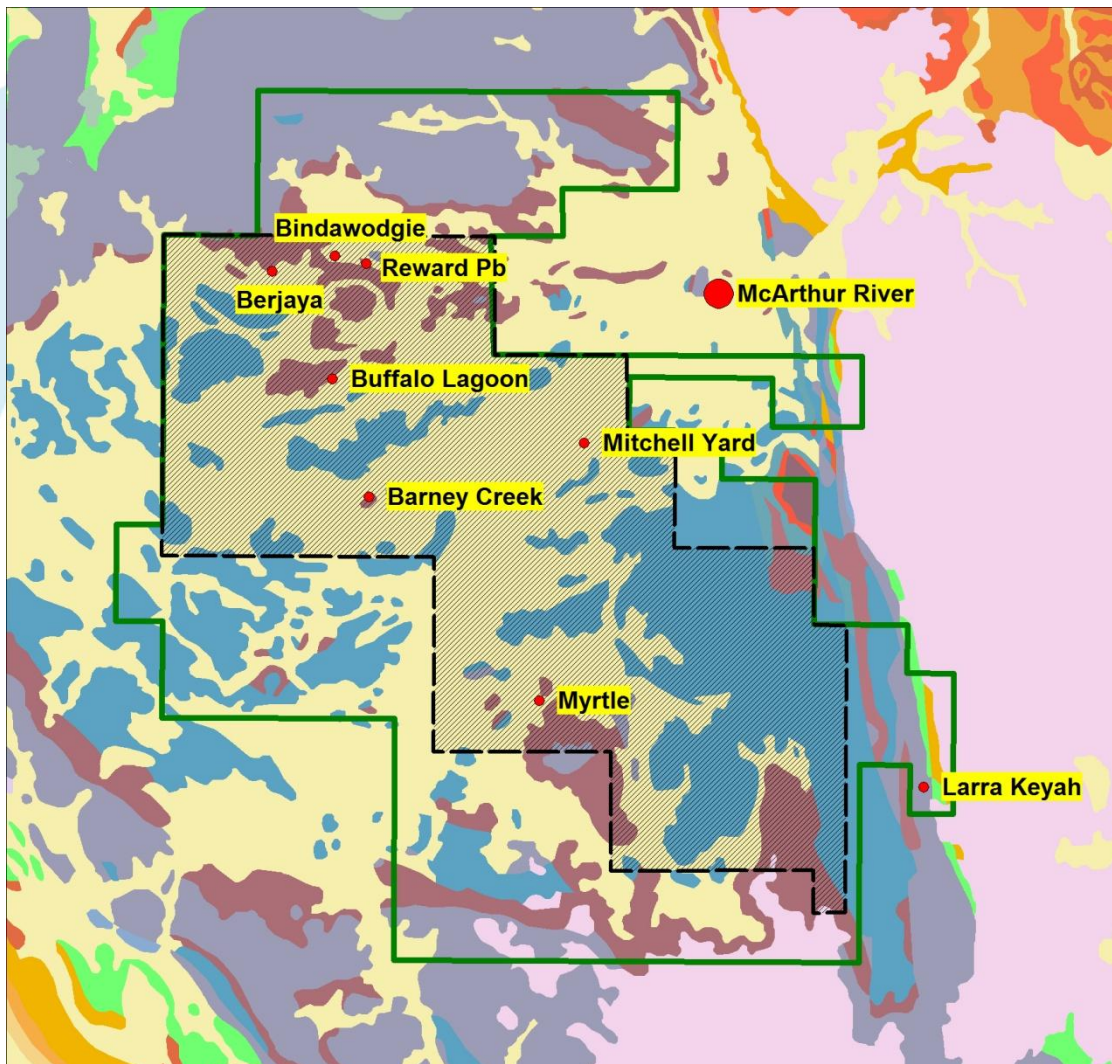


Figure 7: Airborne Gravity Survey (Tenement outline shown in green, Airborne Gravity survey outline shown as hatched black)

### MARQUA PHOSPHATE PROJECT, NT (Rox 100%)

Following the drilling, soil sampling and mapping program undertaken during the previous quarter the company is considering the options for taking this project forward.

The drilling confirmed high grades at the Coquina Creek prospect:

3m @ 29.8% P<sub>2</sub>O<sub>5</sub> from 45 metres in hole MQRC026  
4m @ 28.6% P<sub>2</sub>O<sub>5</sub> from 13 metres in hole MQRC021  
3m @ 22.6% P<sub>2</sub>O<sub>5</sub> from 25 metres in hole MQRC022.

Two of the holes intersected grades above 30% P<sub>2</sub>O<sub>5</sub>:

MQRC021, 1m @ 33.6% P<sub>2</sub>O<sub>5</sub> from 14m down hole, and  
MQRC026, 2m @ 34.2% P<sub>2</sub>O<sub>5</sub> from 46m down hole.

A new potential new high grade zone at the Mauritania prospect was also discovered with hole MQRC003 returning 4m @ 15.7% P<sub>2</sub>O<sub>5</sub> from 14-18m down hole, including 1m @ 21.8% P<sub>2</sub>O<sub>5</sub> from 15m (Figure 8).

Currently a phosphate bearing horizon extending over 30 kilometres in strike length and dipping shallowly to the north has been drill tested at nominally 1 kilometre spacing, with closer spaced drilling in areas of outcrop, or higher grades. This extensive mineralised system has not been tested at depth, with the deepest drill only reaching 100m in depth, and most only generally testing to 50 metres depth.

Potential exists for a substantial phosphate resource to be defined at Marqua with further drilling, especially down dip to the north from known areas of high grade phosphate mineralisation.

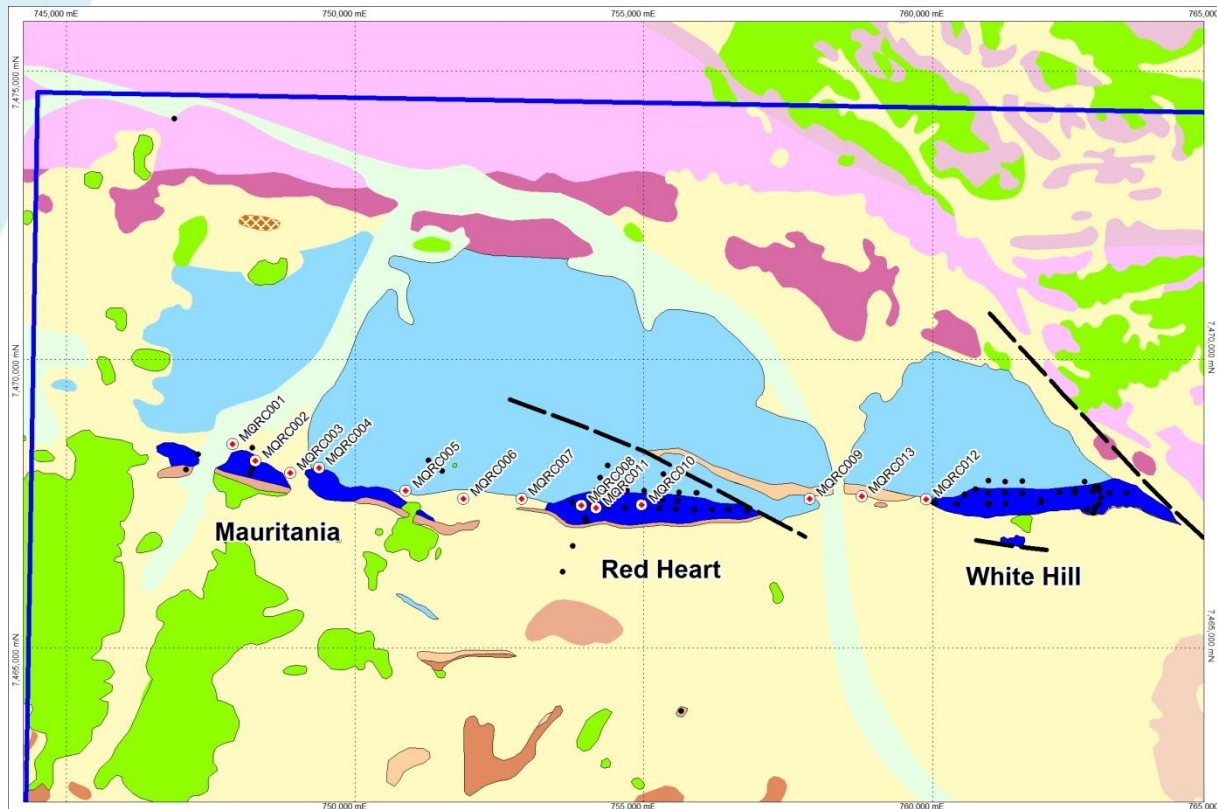


Figure 8: Marqua Drilling, West Section

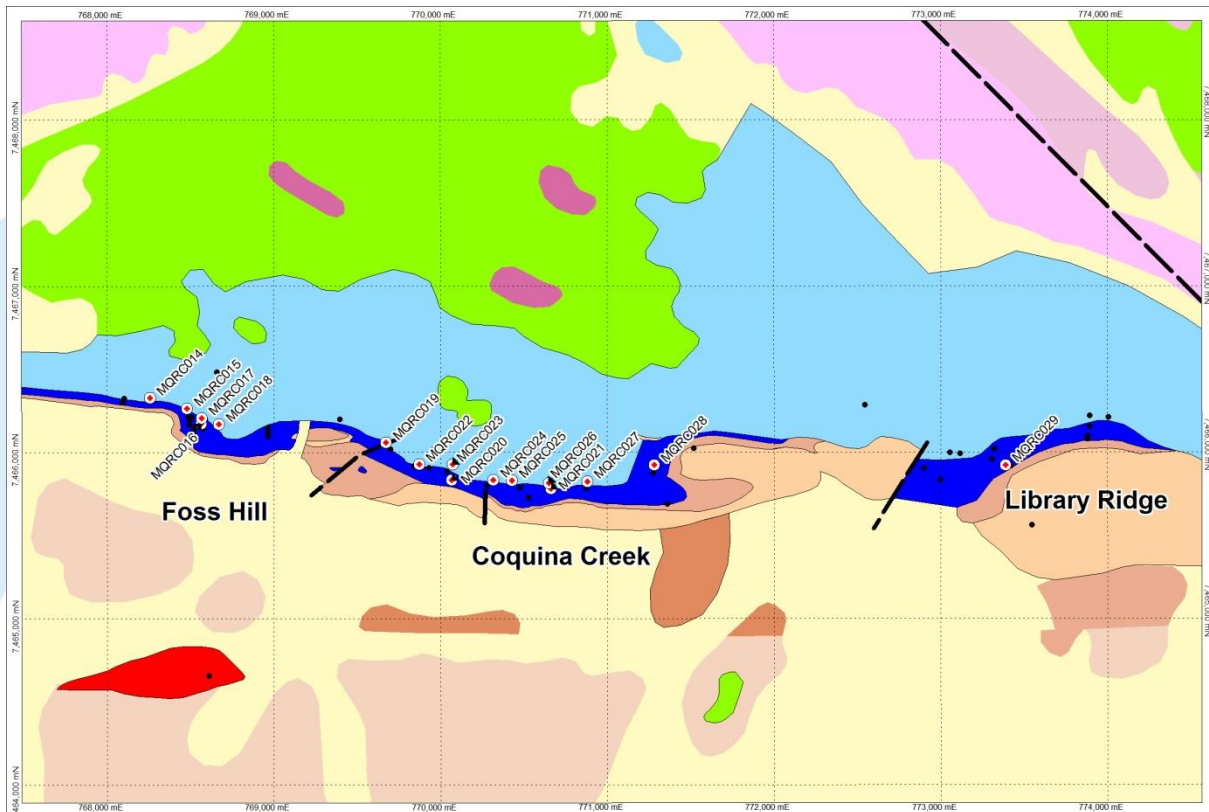


Figure 9: Marqua Drilling, East Section

## CORPORATE

Cash on hand at the end of the quarter was \$1.929 million.

Dated this 30th day of April 2012.

Signed on behalf of the Board of Rox Resources Limited.



IAN MULHOLLAND  
Managing Director

## About Rox Resources

Rox Resources (ASX: RXL) is an Australian exploration company with three key projects: the Mt Fisher Gold project in Western Australia, and the Myrtle zinc-lead project and Marqua phosphate projects, both located in the Northern Territory.

At **Mt Fisher**, Rox has acquired a highly prospective area of 615 km<sup>2</sup>, well endowed with **gold**, and with strong potential for **nickel**, only 40km to the east of the prolific Yandal greenstone belt and 100km east of the main Wiluna greenstone belt. In addition Rox has an Option to acquire a further area of 170 km<sup>2</sup>, including the Mt Fisher gold mine which has produced ~ 4,500 ozs of gold from historic underground mining and 22,500 ozs of gold from open pit mining, and is open at depth and down plunge. The total area under exploration by Rox at Mt Fisher is 785 km<sup>2</sup>.

Initial drilling by Rox during 2011 has allowed a Measured, Indicated and Inferred Mineral Resource of **973,000 tonnes grading 2.75 g/t gold** to be defined for **86,000 ounces of gold** (Measured: 171,900 tonnes grading 4.11 g/tAu, Indicated: 204,900 tonnes grading 2.82 g/tAu, Inferred: 596,200 tonnes grading 2.34 g/tAu).

Three parallel structures at the Dam-Dirks prospect define a 7km long gold-in-regolith anomaly which is largely untested at depth, and which already hosts the 54,000 ounce Damsel gold deposit. There are numerous high grade drill results over the project area including 1m @ 187 g/t Au and 3m @ 67 g/t Au at the Moray Reef prospect where a high grade resource of 8,000 ounces grading 7.5 g/tAu has been defined. At the Mt Fisher mine a 25,000 ounce resource has been defined beneath the old open pit.

Rox has signed a joint venture agreement with Teck Australia Ltd. ("Teck") to explore its **Myrtle zinc-lead** project tenements which cover 669 km<sup>2</sup> adjacent to the world-class McArthur River zinc-lead deposit in the Northern Territory. The terms of the JV require Teck to spend \$5 million to earn an initial 51% interest within 4 years including a minimum of \$1 million and 2,000 metres of drilling by 21 July 2012. Teck can increase its interest in the project to 70% by spending an additional \$10 million (\$15 million in total) over an additional 4 years.

A SEDEX style deposit has been identified by Rox at the Myrtle prospect, where an Indicated and Inferred Mineral Resource of **43.6 million tonnes grading 4.09% zinc and 0.95% lead** has been delineated (Indicated: 5.8 million tonnes grading 3.56% zinc and 0.90% lead, Inferred: 37.8 million tonnes grading 4.17% zinc and 0.95% lead).

Thick drill intercepts of prospective stratigraphy carrying significant zinc-lead grades have already been made but only a small portion of the prospective area has been drilled, and Rox is extremely confident the resource will to continue to grow with further drilling. A higher grade core of **15.3 million tonnes grading 5.45% zinc and 1.40% lead** is present, and a large mineralised system is indicated. Several other prospects in the tenement area have similar potential to Myrtle but are at an early stage of exploration.

Rox also owns 100% of the **Marqua phosphate** project in the Northern Territory located 300km south-west of Mt Isa. A 30 km long strike length of phosphate bearing rocks has been identified by surface sampling (up to 39.4% P<sub>2</sub>O<sub>5</sub>) and drilling (including 6m @ 19.9% P<sub>2</sub>O<sub>5</sub> and 5m @ 23.7% P<sub>2</sub>O<sub>5</sub>), and there is the potential for a sizeable phosphate resource to be present. The project is located only 250 km from the nearest railhead and gas pipeline at Phosphate Hill and covers ~ 2,600 km<sup>2</sup>.

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Mulholland BSc (Hons), MSc, FAusIMM, FAIG, FSEG, MAICD, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Mulholland has sufficient experience which 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 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mulholland is a full time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Mineral Resources

### Myrtle Zinc Project \*

| Cut-off Zn+Pb% | Category  | Tonnes (Mt) | Zn %        | Pb %        | Zn+Pb %     | Zn kt        | Pb kt      | Zn+Pb kt     | Rox Share** |
|----------------|-----------|-------------|-------------|-------------|-------------|--------------|------------|--------------|-------------|
| 3              | Indicated | 5.8         | 3.56        | 0.90        | 4.45        | 205          | 52         | 257          |             |
| 3              | Inferred  | 37.8        | 4.17        | 0.95        | 5.12        | 1,575        | 361        | 1,936        |             |
| <b>TOTAL</b>   |           | <b>43.6</b> | <b>4.09</b> | <b>0.95</b> | <b>5.03</b> | <b>1,780</b> | <b>412</b> | <b>2,193</b> | <b>100%</b> |
|                |           |             |             |             |             |              |            |              |             |
| 5              | Indicated | 1.2         | 5.38        | 1.42        | 6.80        | 64           | 17         | 81           |             |
| 5              | Inferred  | 14.1        | 5.45        | 1.39        | 6.85        | 768          | 196        | 965          |             |
| <b>TOTAL</b>   |           | <b>15.3</b> | <b>5.45</b> | <b>1.40</b> | <b>6.84</b> | <b>833</b>   | <b>213</b> | <b>1,046</b> | <b>100%</b> |

\* Reported to the ASX on 15 March 2010.

\*\* Teck Australia can earn a 51% interest by expending \$5m by 21 July 2014, and can earn a 70% interest by expending a total of \$15 by 21 July 2018.

### Mt Fisher Gold Project<sup>+</sup>

| Category     | Tonnes         | Uncut         |               | Cut           |               |
|--------------|----------------|---------------|---------------|---------------|---------------|
|              |                | Grade (g/tAu) | Metal (Ozs)   | Grade (g/tAu) | Metal (Ozs)   |
| Measured     | 171,900        | 4.66          | 25,750        | 4.11          | 22,712        |
| Indicated    | 204,900        | 2.87          | 18,938        | 2.82          | 18,548        |
| Inferred     | 596,200        | 2.41          | 46,288        | 2.34          | 44,821        |
| <b>TOTAL</b> | <b>973,000</b> | <b>2.91</b>   | <b>90,976</b> | <b>2.75</b>   | <b>86,080</b> |

<sup>+</sup> Reported to the ASX on 10 February 2012.

<sup>++</sup> 215,200 tonnes grading 3.57 g/tAu (Cut) (for 24,707 ozs) of this resource is located on a tenement over which Rox holds an Option to Purchase for \$3.5 million, expiring 30 June 2014.

**APPENDIX 5B**  
**Mining Exploration Entity Quarterly Report**

Name of entity

**ROX RESOURCES LIMITED**

ACN or ARBN

**107 202 602**

Quarter ended ("current quarter")

**31 March 2012**

**Consolidated statement of cash flows**

|                                                                 | Current Quarter<br>A\$'000 | Year to Date<br>(6 months)<br>\$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                       |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for: (a) exploration and evaluation                | (262)                      | (1,997)                               |
| (b) development                                                 | -                          | -                                     |
| (c) production                                                  | -                          | -                                     |
| (d) administration                                              | (256)                      | (719)                                 |
| 1.3 Dividends received                                          | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 65                         | 117                                   |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid                                           | -                          | -                                     |
| 1.7 Other – Security bonds repayments                           | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(453)</b>               | <b>(2,599)</b>                        |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of:                                   |                            |                                       |
| (a) prospects                                                   | -                          | (175)                                 |
| (b) equity investments                                          | -                          | -                                     |
| (c) other fixed assets                                          | -                          | (5)                                   |
| 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 -                                                    | -                          | -                                     |
| <b>Net investing cash flows</b>                                 | <b>-</b>                   | <b>(180)</b>                          |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(453)</b>               | <b>(2,779)</b>                        |

|                                                                 |       |         |
|-----------------------------------------------------------------|-------|---------|
| 1.13 Total operating and investing cash flows (brought forward) | (453) | (2,779) |
| <b>Cash flows related to financing activities</b>               |       |         |
| 1.14 Proceeds from issues of shares (net of costs)              | -     | 347     |
| 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                                                      | -     | -       |
| <b>Net financing cash flows</b>                                 | -     | 347     |
| <b>Net increase (decrease) in cash held</b>                     | (453) | (2,432) |
| 1.20 Cash at beginning of quarter/year to date                  | 2,382 | 4,361   |
| 1.21 Exchange rate adjustments to 1.20                          | -     | -       |
| 1.22 <b>Cash at end of quarter</b>                              | 1,929 | 1,929   |

**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<br>\$A'000 |
|-----------------------------------------------------------------------|----------------------------|
| 1.23 Aggregate amount of payments to the parties included in item 1.2 | 171                        |
| 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

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

### Financing facilities available

Add notes as necessary for an understanding of the position.

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

### Estimated cash outflows for next quarter

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 132        |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 254        |
| <b>Total</b>                   | <b>386</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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 119                        | 137                         |
| 5.2 Deposits at call                             | 1,810                      | 2,245                       |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter</b> (item 1.22) | <b>1,929</b>               | <b>2,382</b>                |

### Changes in interests in mining tenements

|                                                                     | Tenement<br>reference | Nature of<br>Interest | Interest at<br>beginning of<br>quarter | Interest at<br>end of<br>quarter |
|---------------------------------------------------------------------|-----------------------|-----------------------|----------------------------------------|----------------------------------|
| 6.1 Interest in mining tenements<br>relinquished, reduced or lapsed | -                     | -                     | -                                      | -                                |
| 6.2 Interest in mining tenements acquired or<br>increased           | -                     | -                     | -                                      | -                                |

**Issued and quoted securities at end of current quarter**

|                                                                                      | Total number | Number quoted | Issue price per security (cents) | Amount paid up per security (cents) |
|--------------------------------------------------------------------------------------|--------------|---------------|----------------------------------|-------------------------------------|
| 7.1 <b>Preference securities</b><br><i>(description)</i>                             | -            |               |                                  |                                     |
| 7.2 Changes during quarter                                                           | -            |               |                                  |                                     |
| 7.3 <b>Ordinary securities</b>                                                       | 398,336,377  | 398,336,377   |                                  |                                     |
| 7.4 Changes during quarter                                                           |              |               |                                  |                                     |
| - Issued                                                                             | -            | -             | -                                | -                                   |
| - Options exercised                                                                  | -            | -             | -                                | -                                   |
| 7.5 <b>Convertible debt securities</b><br><i>(description and conversion factor)</i> | -            |               |                                  |                                     |
| 7.6 Changes during quarter                                                           | -            |               |                                  |                                     |
| 7.7 <b>Options</b><br><br><i>(description and conversion factor)</i>                 | 3,750,000    | Nil           | <i>Exercise Price</i><br>\$0.038 | <i>Expires</i><br>26 Sept 2013      |
|                                                                                      | 550,000      | Nil           | \$0.047                          | 30 Nov 2014                         |
| 7.8 Issued during quarter                                                            | 550,000      | Nil           | \$0.047                          | 30 Nov 2014                         |
| 7.9 Exercised during quarter                                                         | -            | -             | -                                | -                                   |
| 7.10 Expired during quarter                                                          | -            | -             | -                                | -                                   |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>                                       | -            | -             | -                                | -                                   |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>                                  | -            | -             | -                                | -                                   |

**Compliance statement**

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

Sign here:

Date: 30 April 2012

A handwritten signature in black ink, appearing to read "Brett Dickson", written over a light grey rectangular background.

Company Secretary

Print Name: Brett Dickson