



Hot Chili Limited ACN 130 955 725
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QUARTERLY REPORT

Period Ending March 31st 2012

Highlights

Fully Funded for 2012

- **Completion of AUD\$22.3 million placement at AUD\$0.60 cent per share**

Drilling Continues to Expand Productora

- **Three drill rigs completing a 70,000m drilling programme over 9.5km strike length deposit footprint**
- **Productora now drill confirmed over 5.7km strike**
- **Larger diamond core sample size producing higher copper grades within inferred component of the Productora central area resource**

Development Studies Progressing Well

- **AUSENCO appointed to manage scoping study**
- **Preliminary open pit designs confirming robust economics.**
- **Trial underground mining commences at Productora**

The company continued to focus its activities during the quarter toward the growth and development phase of its flagship Productora copper-gold-molybdenum project in Chile's coastal range.

Activities, including the commencement of development studies and the continuation of a major resource growth drilling programme, are progressing well. Results from this work continue to provide confidence towards the company's objective of delivering a decision to mine on a 10M tpa open pit copper operation by late 2013.

The fully funded growth and development phase aims to fast-track a development decision on one of Chile's fastest emerging coastal range copper projects ideally located to existing low altitude, coastal infrastructure, controlled by Hot Chili's project partner CMP- Chile's largest iron ore producer.

ASX Code

HCH

Contact

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PROJECT ACTIVITIES

Productora Project

The Productora project is Hot Chili's flagship project in Chile. The project is located 15km south of the township of Vallenar, at low altitude (less than 1,000m) in Chile's 3rd region. Since drilling commenced in August 2010, the Company has outlined a large-scale, bulk tonnage copper-gold-molybdenum project amenable to open pit mining. In September 2011, the Company defined its first resource estimate from within the central 1.4km extent of the project, reporting a JORC compliant resource of 85.1Mt grading 0.6% copper, 0.1g/t gold and 146ppm molybdenum (0.8% copper equivalent) for 483,000 tonnes of copper, 290,000 ounces of gold, 12,418 tonnes of molybdenum (644,000 tonnes of copper equivalent).

Significant exploration has outlined a 9.5km deposit footprint at Productora where extensional drilling by Hot Chili and previous explorer Teck has already confirmed significant drilling intersections over 5.7km strike extent so far. The Company has commenced a major second-phase drilling programme to achieve rapid resource growth and is planning to fast-track a decision to mine by late December 2013. Preliminary economic benchmarking has indicated robust economics for a potential future open-pit operation ideally located to existing infrastructure including the PanAmerican Highway, rail, power and port (40km distance) as shown on Figure 1.

The Company formally commenced a scoping study over Productora in early January 2012. Leading engineering and project development group AUSENCO have been appointed to manage the scoping study with the assistance of Hot Chili's own development study management team.

Second Phase Drilling Programme

A major second phase drilling programme at Productora comprising approximately +65,000m reverse circulation (RC) and +5,000m diamond (DD) drilling is well advanced with three drill rigs in operation during the quarter. The second phase drilling programme, aims to achieve two objectives:

- 1. Complete first-pass drilling across the entire 9.5km deposit footprint at Productora.**

The first pass stage of the second phase drill programme is now nearing completion and during the quarter the company announced the first set of results from extensional drilling directed immediately to the north of the central resource area.

Drilling has now confirmed breccia-hosted significant intersections over a 5.7km strike length at Productora (see Figure 2), extending the known deposit by 2km. Drilling intersection included:

- **47m grading 0.5% copper, 0.1g/t gold, 192ppm molybdenum from 260m depth,**
- **32m grading 0.5% copper, 0.1g/t gold and 18ppm molybdenum from 8m depth**
- **29m grading 0.5% copper, 0.1g/t gold and 93ppm molybdenum from 100m depth**



Hot Chili has recognised a wide magnetite zone along the western flank of the mineralised breccia corridor that extends for 9.5km in length at Productora. This, in combination with other geophysical, geochemical and litho-structural mapping datasets, has allowed the Company's exploration team to accurately predict the position of the mineralised breccia corridor for drilling.

The majority of the first-pass drilling programme over the remaining strike extent of the 9.5km deposit footprint is complete. Results from this drilling are expected in the coming weeks and months ahead.

2. Complete resource definition drilling to facilitate a major resource up-grade at Productora

A component of Hot Chili's second phase 70,000m drilling programme at Productora comprises a substantial 5,000m diamond drilling programme being directed towards the inferred component of the existing central area resource. The diamond (DD) drilling programme aims to achieve two objectives in 2012, namely:

- a. Up-grade the inferred component of the existing resource to an indicated classification, and
- b. More accurately assess grade distribution within the inferred component of the resource by utilising larger diamond core sample size.

Initial DD drilling using a smaller half core sampling methodology reported poor copper grade reconciliation in comparison to RC assay results within the resource. The phase 2 drilling programme is using larger whole core analysis and to date has produced higher copper grade results than those recorded in the initial DD drilling phase. The second phase resource drilling programme is planned to continue for the remainder of 2012 and aims to increase the amount of indicated resources within the central resource in parallel with the progress of development studies.

Results received show better grade reconciliation with the upper indicated component of the Productora central resource (approximately 0-200m vertical depth zone). The results support the company's earlier assessment that smaller sized diamond core had contributed towards a potential underestimation of the copper grade within the inferred component of the first resource (approximately 200-400m vertical depth zone). (see figure 3). Early results reported during the quarter from this programme include

- **70m grading 0.7% copper, 0.1 g/t gold and 199ppm molybdenum from 119m depth**
- **56m grading 0.7% copper, 0.2g/t gold and 193ppm molybdenum from 2150m depth**
- **63m grading 0.6% copper, 0.1 g/t gold and 193ppm molybdenum from 260m depth**

The main resource in-fill drilling programme targeting major along-strike resource additions is scheduled to commence in May. This programme will target high priority areas along the deposit footprint to facilitate the company's first major resource revision. Further in-fill diamond drilling will continue targeting a copper grade revision for the central resource later in the year.



Productora Infraestructure Location

- 40km distance to Huasco Port (Controlled by CAP/CMP – HCH project partner)
- 15km south of township of Vallenar
- Linked adjacent to PanAmerican Hwy, CMP rail corridor to Port and near-by power stations



Figure 1

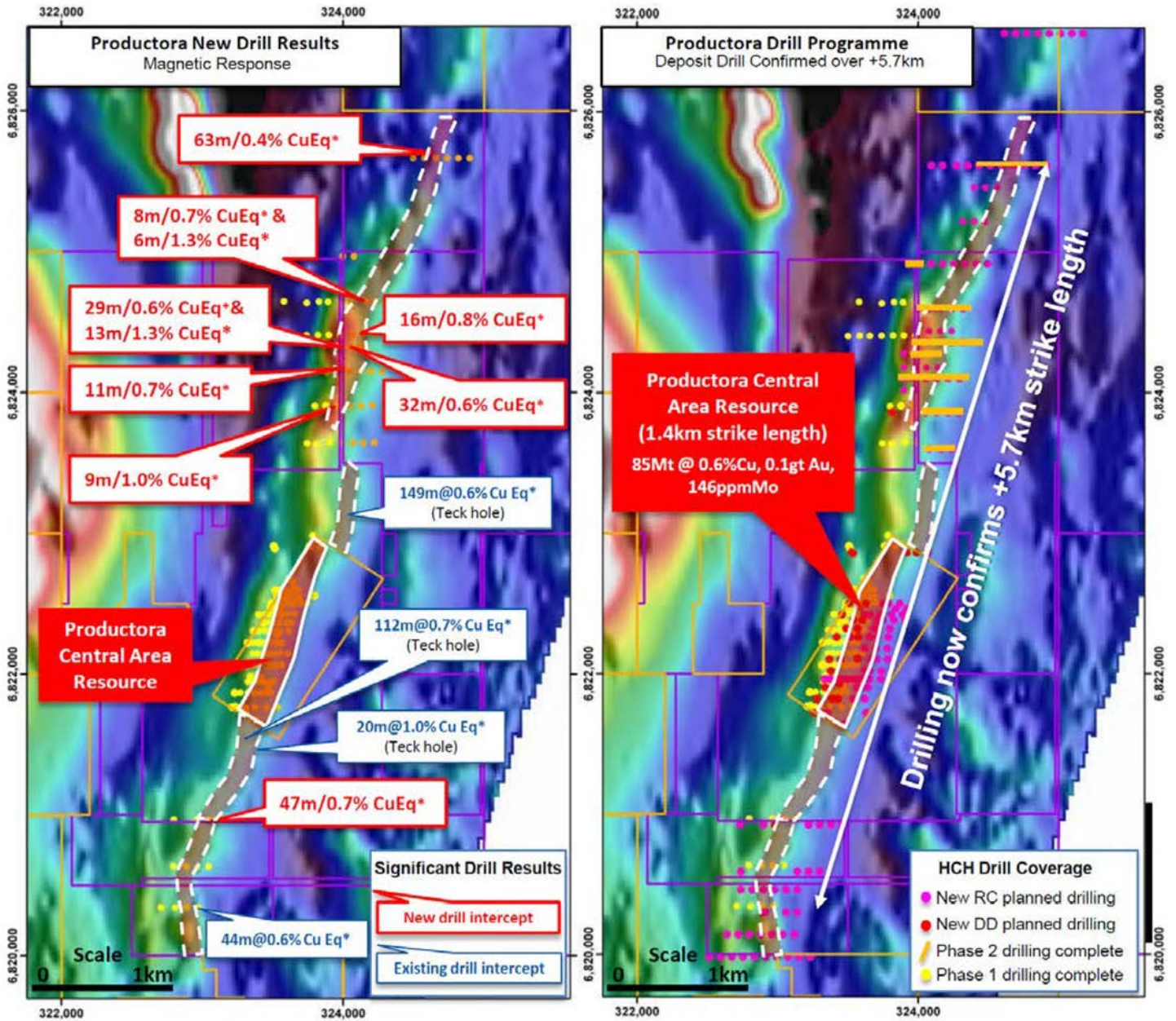


Figure 2- Productora Extensional Drill Results

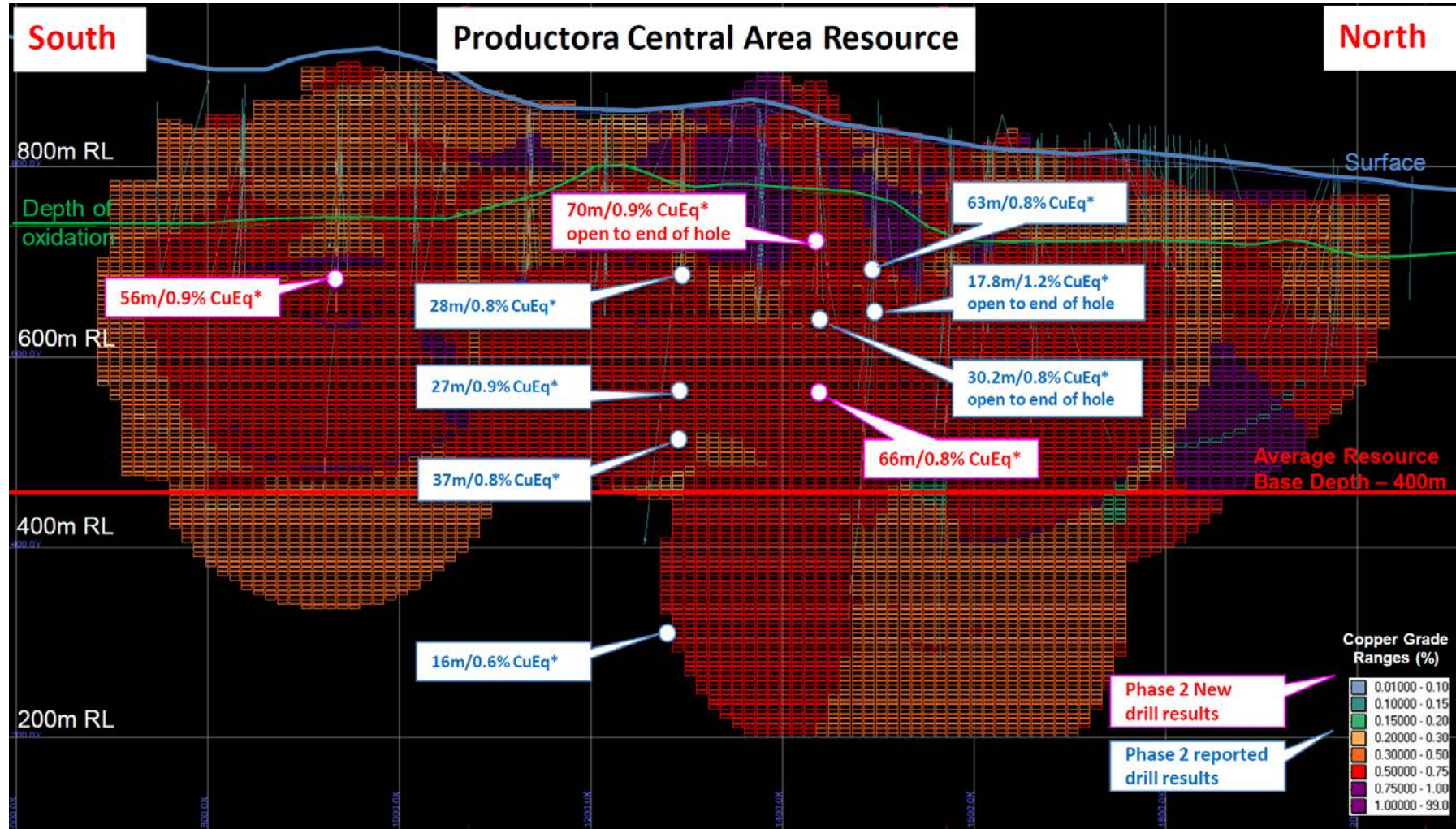


Figure 3. Phase 2 Significant Diamond Drilling Intersections at the Productora Central Area Resource



Productora Development Studies and Commencement of Trial Mining

At the beginning of the quarter, Hot Chili formally commenced a scoping study to assess a 10M tpa open pit copper operation at the Productora project. Leading engineering and project development group AUSENCO have been appointed to undertake the study in cooperation with the company's own development study management team. During the quarter, the scoping study made significant progress, namely:

- Commencement of preliminary pit design and site lay-out assessment
- Commencement of preliminary copper soluble test work
- Commencement of chalcopryrite flotation recovery and grind size test work
- Completion of preliminary hydrology assessment
- Completion of preliminary environmental baseline surveys
- Commencement of oxide and transitional zone modelling and definition
- Commencement of magnetite zone concept internal study

Outcomes from this preliminary work have been encouraging (figure 4) and the company remains on-track to deliver the results of the scoping study in the third quarter of 2012.

Late during the quarter, the company announced that development studies at Productora have been significantly strengthened by the commencement of a new 250,000 tonnes underground mining operation.

In co-operation with lease mining company Playa Brava, Hot Chili will be allowed access to conduct detailed reconciliation over a new 250,000 tonne underground mining operation that Playa Bravo will mine within the centre of the Productora central resource.

Under the terms of Hot Chili's current 100% purchase-option agreement over the central lease at Productora, Playa Brava are able to mine a capped amount of production prior to the exercise of the option which is planned by Hot Chili in late 2012. Playa Brava is currently mining approximately 120,000 tonnes pa of ore material from the Productora underground operation located within the northern extent of the Productora central area resource (excised from the resource).

The agreement with Playa Brava will see the lease miner able to secure 250,000 tonnes of ore production at the new underground located approximately 400m to the south of the current Productora underground (figure 5). In return, Hot Chili will gain the right to undertake a detailed resource-mining-processing reconciliation project over the course of life at the operation.

The company is very pleased with the opportunity to be able to significantly enhance the rigour and value of its development studies through its co-operative relationship with lease miner Playa Brava. The results of the



trial mining reconciliation project will be used to assess copper grade performance with a mine-scale sample size and ultimately support a decision to mine at Productora by late 2013.

Development has already commenced on a box-cut for a new decline access and Hot Chili will shortly be assigning an internal team to manage reconciliation activities.

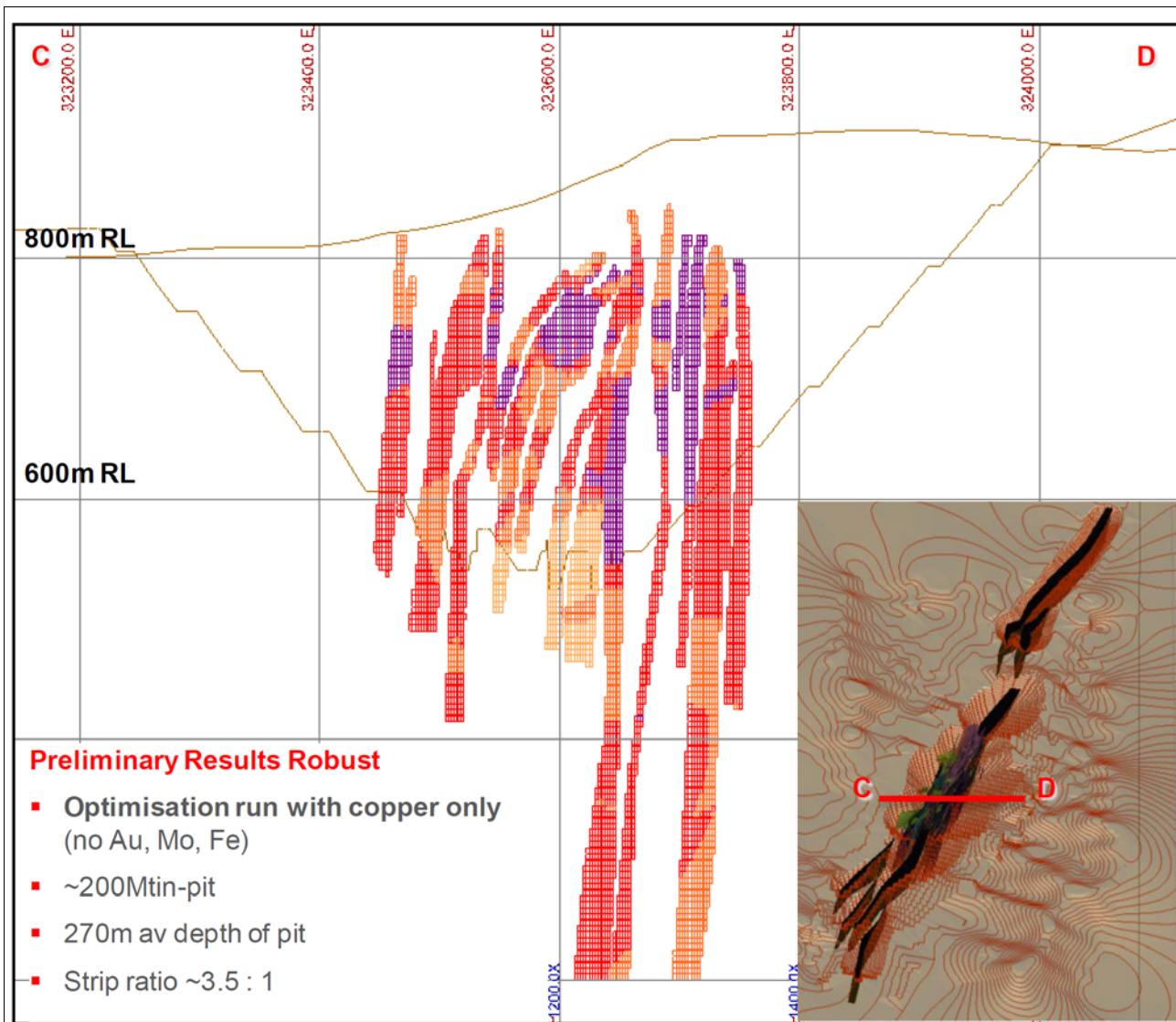


Figure 4. Preliminary pit optimisations at Productora





Productora Project- Significant Drilling Intersections During the Quarter

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Molybdenum (ppm Mo)	Copper Eq* (% Cu)	Comments
	North	East			From	To						
PRP0028D	6822302.4	323553	90	-60	236	246	10	0.6	0.1	299	0.9	
	open to end of hole				253	283.2	30.2	0.6	0.1	131	0.8	
			<i>including</i>		258	279	21	0.8	0.2	77	0.9	
PRP0069D	6822143.1	323436	90	-60	183	211	28	0.5	0.1	398	0.8	
					271	298	27	0.5	0.1	520	0.9	
					343	380	37	0.4	0.1	389	0.8	
					614	630	16	0.5	0.1	94	0.6	
PRP0073D	6822305.3	323400	90	-60	191	199	8	0.4	0.1	431	0.8	
					205	212	7	0.4	0.0	274	0.6	
					418	423	5	0.5	0.1	375	0.9	
PRP0081D	6822365.8	323476	90	-60	137	161	24	0.7	0.1	358	1.0	Original RC
					161	200	39	0.5	0.1	133	0.7	DD extension
					137	200	63	0.6	0.1	219	0.8	Final intercept
PRP0082D	6822364.5	323549	90	-60	212	223	11	0.6	0.1	243	0.9	
	open to end of hole				238	255.8	17.8	0.8	0.2	308	1.2	
PRP0140	6824145	323887	90	-60	179	189	10	0.3	0.1	57	0.3	
PRP0142	6824150	324122	90	-60	119	125	6	0.4	0.0	8	0.4	
PRP0143	6824149.9	324044	90	-60	143	154	11	0.4	0.1	301	0.7	
					236	244	8	0.4	0.1	157	0.6	
PRP0149	6824413	324227	90	-60	224	229	5	0.4	0.1	14	0.4	
PRP0150	6824412.7	324148	90	-60	146	150	4	0.5	0.1	4	0.5	
					217	234	16	0.6	0.1	175	0.8	
PRP0151	6824411.4	324066	90	-60	48	59	11	0.3	0.1	54	0.4	
					79	82	3	0.3	0.1	162	0.5	
					100	113	13	0.3	0.1	49	0.4	
PRP0153	6824645.5	324225	90	-60	114	119	5	0.6	0.1	145	0.8	
PRP0154	6824648.2	324166	90	-60	0	8	8	0.5	0.2	43	0.7	
					24	30	6	1.1	0.3	7	1.3	
PRP0155	6824646.4	324052	90	-60	96	103	7	0.3	0.1	13	0.3	
					148	152	4	0.3	0.1	23	0.4	
PRP0164	6825666.5	324658	90	-60	105	168	63	0.3	0.1	49	0.4	
PRP0167	6824326.5	324123	90	-60	223	250	27	0.5	0.1	45	0.6	
PRP0168	6824326.5	324043	90	-60	100	129	29	0.5	0.1	93	0.6	
					161	174	13	0.8	0.3	439	1.3	
PRP0169	6824326.5	323963	90	-60	8	40	32	0.5	0.1	18	0.6	



Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval (m)	Copper (% Cu)	Gold (g/t Au)	Molybdenum (ppm Mo)	Copper Eq* (% Cu)	Comments
	North	East			From	To						
					84	100	16	0.4	0.1	15	0.4	
PRP0171	6824966.5	323998	90	-60	154	168	14	0.4	0.0	3	0.4	
PRP0043D	6820965.5	322962	90	-60	260	268	8	0.4	0.1	166	0.7	Original RC
					268	307	39	0.5	0.1	197	0.7	DD extension
					260	307	47	0.5	0.1	192	0.7	Final intercept
PRP0012D	6823905.2	323797	90	-55	65	77	12	0.4	0.1	23	0.5	
					93	97	4	0.5	0.1	92	0.6	
					184	193	9	0.8	0.1	37	1.0	
					390	393	3	1.1	0.2	68	1.3	
PR0193	6821991	323229	90	-60	119	189	70	0.7	0.1	199	0.9	
	open to end of hole		including		125	152	27	1.0	0.2	285	1.3	
PRP0082D	6821984.3	323369	90	-60	255.8	262	6.2	0.5	0.1	321	0.8	
					269	335	66	0.5	0.1	287	0.8	
PRP0086D	6821484.4	323189	90	-60	150	206	56	0.7	0.1	193	0.9	
					266	275	9	0.5	0.1	117	0.6	
					381	391	10	0.7	0.1	370	1.0	
					405	410	5	0.5	0.1	92	0.7	
PRP0125D	6821684.4	323179	90	-60	314	341	27	0.4	0.1	185	0.6	

Note:

- All drill holes with pre-fix "PRP" are reverse circulation (RC) and all drill holes with suffix "D" are diamond holes.
- Results comprise ICP analysis (ME-ICP61) of all 1m whole core samples; 1m selective riffle split samples and 4m composite samples.
- Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 1.0%.
- Priority MS analysis (ME-MS61) results were utilised where analysis was undertaken for uranium results greater than 50ppm.
- Gold analysis only undertaken over copper results greater than 0.2%. All gold results comprise ICP analysis (Au-ICP21). Gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken over 90 percent of the samples taken within the length of the intersection.
- All results were analysed by ALS Chemex (La Serena) laboratories.



Chile Norte Project

During the quarter, the Company contracted Southern Geoscience consultants to complete an interpretation of the second major airborne magnetic and radiometric survey flown over the Chile Norte project in the third quarter of 2011. The survey significantly extended the original survey to additional areas over the company's own northern landholdings as well as those of CODELCO, Hot Chili's partner at the project.

Hot Chili is currently reviewing the recommendations and identified targets from this work and will be progressing towards the design of follow-up surface geochemical, mapping and drilling programmes for the project. These programmes will be assessed for scheduling within the Company's wider exploration strategy later in 2012.

CORPORATE ACTIVITIES

\$22.3 Million Placement

On the 10th of February, Hot Chili closed the second tranche of a AUD\$22.3 million private placement capital raising announced on the 14th of December. The second tranche, comprising 28,083,334 shares and 9,361,113 AUD\$0.75 cent, 1 year options, were issued following the receipt of approximately AUD\$16.85 million in funds.

The AUD\$22.3 million private placement involved the issue of approximately 37.1 million new shares at AUD\$0.60 cent per share as well as one free attaching AUD\$0.75 cent, one-year, American-style, unlisted call option for every three new shares subscribed.

The placement was strongly supported by four of the Company's top-five strategic shareholders, namely Taurus Funds Management Pty Ltd (Taurus), Panoramic Resources Limited (Panoramic), Rex Harbour and Compañía de Aceros del Pacifico CAP. (CAP), as well as sophisticated and professional investor clients of Bell Potter Securities, who have acted as lead manager for the raising.

The funds raised under the placement are being directed towards a major +70,000m second-phase drilling programme and scoping studies over the Company's flagship Productora copper-gold-molybdenum project in Chile. The Company will also direct some funds towards further exploration assessment of the Los Mantos and Chile Norte iron-oxide-copper-gold projects in Chile's coastal range.



Qualifying Statements

* 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 recovery losses that may occur should mining eventually result. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines elsewhere in the world. Copper equivalent conversion factors and long-term price assumptions used follow:

Copper Equivalent Formula= $Cu \% + Mo(ppm) \times 0.0008 + Au(ppm) \times 0.6832$

Price Assumptions- Cu (US\$1.80/lb), Mo (US\$15/lb), Au (US\$850/oz)

Target Mineralisation

References to exploration target size and target mineralisation in this announcement are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. Target mineralisation is based on projections of established grade ranges over appropriate widths and strike lengths having regard for geological considerations including mineralisation style, specific gravity and expected mineralisation continuity as determined by qualified geological assessment. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code

JORC Compliant Resource Statement- Reported 7th September 2011

Category	Tonnage (Mt)	Grade(>0.3%Cu)				Contained Metal(>0.3%Cu)			
		Copper %	Gold (g/t)	Molybdenum (g/t)	Copper Eq* %	Copper (Kt)	Gold (KOz)	Molybdenum (Tonnes)	Copper Eq* (Kt)
Indicated	31.1	0.6	0.1	159	0.8	185	110	4,942	248
Inferred	54.0	0.6	0.1	138	0.7	298	180	7,476	395
Total	85.1	0.6	0.1	146	0.8	483	290	12,418	644

Note: Figures in the above table are rounded to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting.

Competent Person's Statement- Exploration Reporting

Information in this announcement that relates to exploration results and mineralisation is based on information compiled by Mr Christian Easterday, a Director, who is a Member of The Australian Institute of Geoscientists. Mr Easterday 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' (the JORC Code). Mr Easterday consents to the inclusion in this presentation of the statements based on his information in the form and context in which they appear.

Competent Person's Statement- Resource Reporting

Information in this announcement relating to mineral resources is based on information compiled by Mr. Alfred Gillman, a Fellow of the Australian Institute of Mining and Metallurgy (CP). Mr. Gillman is an independent resource consultant and 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code 2004). Mr. Gillman consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.



Appendix 5B- Mining Exploration Entity Quarterly Cash Flow Report

Name of entity

Hot Chili Ltd

ABN

91 130 955 725

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(2,818) (686)	(8,147) (1,759)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	9	47
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other GST	21	(10)
		(3,474)	(9,869)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(25)	(35)
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)	(25)	(35)
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(3,499)	(9,904)



1.13	Total operating and investing cash flows (brought forward)	(3,499)	(9,904)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	16,870	30,289
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Cost of capital raising	(394)	(972)
1.19	Other (provide details if material)		
	Net financing cash flows	16,476	29,317
	Net increase (decrease) in cash held	12,977	19,413
1.20	Cash at beginning of quarter/year to date	10,754	4,221
1.21	Exchange rate adjustments to item 1.20	273	370
1.22	Cash at end of quarter	24,004	24,004

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	124
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries and Directors fees

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

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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

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	5,400
4.2 Development	
4.3 Production	
4.4 Administration	600
Total	6,000

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	24,004	10,754
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	24,004	10,754



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	Escondida 1/10	65% JV option	0%	65%
	Oro Indio 1 st 1/20	100% purchase option	0%	100%
	Auro Huasco 1 st 1/8	100% purchase option	0%	100%



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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	199,626,224	152,256,224		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	28,083,334 100,000	28,083,334 100,000	60 cents 20 cents	60 cents 20 cents
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				



7.7	Options <i>(description and conversion factor)</i>	40,440,000 3,005,226 9,361,113 1,000,000		<i>Exercise price</i> 20 cents 75 cents 75 cents 90 cents	<i>Expiry date</i> 3/11/2013 20/12/2012 9/2/2013 <i>Exercisable after</i> 19/7/2012 <i>Expiry date</i> 20/7/2014
		2,200,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
		500,000		One dollar	<i>Exercisable after</i> 29/1/2014 <i>Expiry date</i> 30/1/2015
		300,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
7.8	Issued during quarter	300,000		90 cents	<i>Exercisable after</i> 19/7/2013 <i>Expiry date</i> 20/7/2014
		9,361,113		75 cents	9/2/2013
		500,000		One dollar	<i>Exercisable after</i> 29/1/2014 <i>Expiry date</i> 30/1/2015
7.9	Exercised during quarter	100,000		20 cents	3/11/2013
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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 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:

A handwritten signature in dark ink, appearing to read "John Sendziuk", written over a horizontal line.

.. Date: 27/04/2012

(Company secretary)

Print name: John Sendziuk..

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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