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QUARTERLY REPORT

Period Ending March 31st 2013

Highlights

Hot Chili Near Doubles Resource at Productora Copper Project, Chile

- First major resource upgrade near doubles Productora resource to 165.2Mt grading 0.6% copper, 0.1g/t gold and 132g/t molybdenum
- Contained metal of 920,000 tonnes of copper, 590,000 ounces of gold and 22,000 tonnes of molybdenum
- High grade material within central pit development now stands at 53Mt grading 0.8% copper and 0.2g/t gold from surface in two zones.

Productora Pre-feasibility gets go-ahead after Scoping Study finds project is on-track to be a major low-cost copper producer

- Strong results from scoping study and near-doubling of the resource underpins a decision to start pre-feasibility study on Productora copper project.

Hot Chili Purchases Central Lease at Productora

- Hot Chili now holds a 100% interest in the Central Lease (Productora 1/16) at Productora, containing over half of the projects established resources and lying within the Company's planned central pit development.

During the quarter Hot Chili announced that it had near doubled the resource at its Productora copper project in Chile.

The resource at Productora now stands at 165.2Mt grading 0.6% copper, 0.1g/t gold and 132g/t molybdenum containing 920,000 tonnes of copper, 590,000 ounces of gold and 22,000 tonnes of molybdenum.

ASX Code

HCH

Contact

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Importantly, high grade, shallow resources have grown substantially and now stand at 53Mt grading 0.8% copper and 0.2g/t gold following the definition of a second major zone of high grade material located within the planned central pit development.

The Board also approved during the quarter the full commencement of the Productora Pre-feasibility Study (PFS). The decision follows the highly favourable findings of the Scoping Study and the near-doubling of the Productora resource estimate. It also puts Hot Chili on track to make a decision to mine next year.

Hot Chili also announced that it has exercised its purchase option over a major component of the recently expanded resource at the Company's Productora copper project in Chile. Hot Chili now holds a 100% interest in the Central Lease (Productora 1/16) at Productora, containing over half of the projects established resources and lying within the Company's planned central pit development.

The decision by Hot Chili to exercise its purchase option over the Central Lease finalises the Company's last major commitment at Productora.

PROJECT ACTIVITIES

Productora Project

Major Resource Upgrade Completed, February 2013

The initial Productora central resource estimate released in September 2011 (85.1Mt grading 0.6% copper, 0.1g/t gold and 146ppm molybdenum for 483,000 tonnes of copper, 290,000 ounces of gold and 12,418 tonnes of molybdenum), has now been substantially increased. The central resource was confined to the central lease area, equating to 1.4km of strike extent of the Productora copper project. The updated resource estimate extends the central area resource to the north and south, and accounts for the definition of at-surface copper resources over a strike extent of approximately 7.5km.

Further resource potential remains within the 7.5km of strike extent with several areas of the resource remaining open along strike, on the eastern and western flanks, and at depth. The mineral resource estimate for Productora now stands at 165.2Mt grading 0.6% copper, 0.1g/t gold and 132g/t molybdenum for 920,000 tonnes of copper, 590,000 ounces of gold and 22,000 tonnes of molybdenum.

The mineral resource estimate was completed by independent consultants Coffey Mining Pty Ltd and is summarised in Table 1 below. The resource estimate includes all RC and DD drilling results returned from outside of the central resource area since August 2011.



The resource has been estimated in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004). A summary of the estimation methodology and competent person statement is included at the end of this report.

Table 1 - Productora Mineral Resource Statement - February 2013

| Classification | Resource Series (+0.3% Cu) | Tonnage | Grade | | | | Contained Metal | | | |
|------------------|-------------------------------|--------------------|------------|------------|------------|------------|-----------------|----------------|---------------|------------------|
| | | | Cu | Au | Mo | Cu Eq* | Copper | Gold | Molybdenum | Copper Eq* |
| | | | % | g/t | g/t | % | (Tonnes) | (Oz) | (Tonnes) | (Tonnes) |
| Indicated | Resource Upgrade 1 | 39,400,000 | 0.6 | 0.1 | 124 | 0.8 | 230,000 | 150,000 | 5,000 | 310,000 |
| | Central Area Resource | 31,200,000 | 0.6 | 0.1 | 159 | 0.8 | 190,000 | 110,000 | 5,000 | 250,000 |
| | Total | 70,600,000 | 0.6 | 0.1 | 140 | 0.8 | 420,000 | 260,000 | 10,000 | 560,000 |
| Inferred | Resource Upgrade 1 | 40,600,000 | 0.5 | 0.1 | 110 | 0.7 | 200,000 | 130,000 | 4,000 | 270,000 |
| | Central Area Resource | 54,000,000 | 0.6 | 0.1 | 138 | 0.7 | 300,000 | 180,000 | 8,000 | 400,000 |
| | Total | 94,600,000 | 0.5 | 0.1 | 126 | 0.7 | 500,000 | 310,000 | 12,000 | 670,000 |
| Total | Resource Upgrade 1 | 80,000,000 | 0.5 | 0.1 | 117 | 0.7 | 440,000 | 290,000 | 9,000 | 580,000 |
| | Central Area Resource | 85,200,000 | 0.6 | 0.1 | 146 | 0.8 | 480,000 | 290,000 | 13,000 | 650,000 |
| | Total | 165,200,000 | 0.6 | 0.1 | 132 | 0.7 | 920,000 | 580,000 | 22,000 | 1,230,000 |

Note: Figures in the above table are rounded and are reported to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting. Refer to ASX announcement released on February 13th 2013

The resource includes a larger proportion of Indicated material than the first resource estimate, with approximately 43% of the resource estimate now comprising Indicated material and 57% Inferred material. The majority of the Indicated resource lies within the first 250m from surface. The shallow nature of the resource looks likely to underpin a high in-pit conversion rate. The resource distribution can be seen in figures 1 and 2 below.

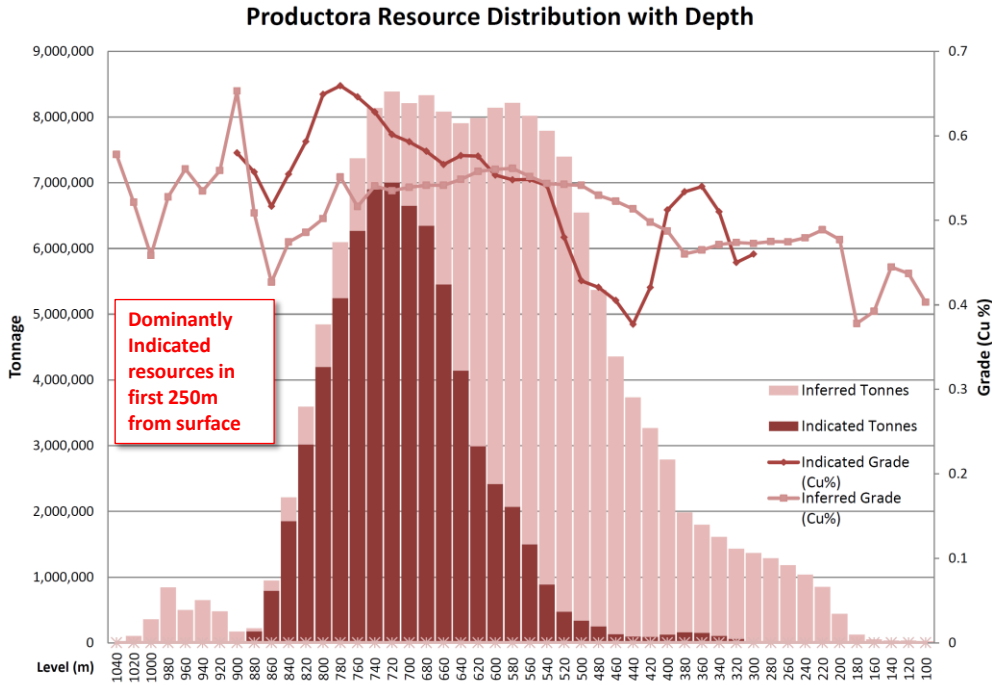


Figure 1. Productora mineral resource distribution with increasing depth

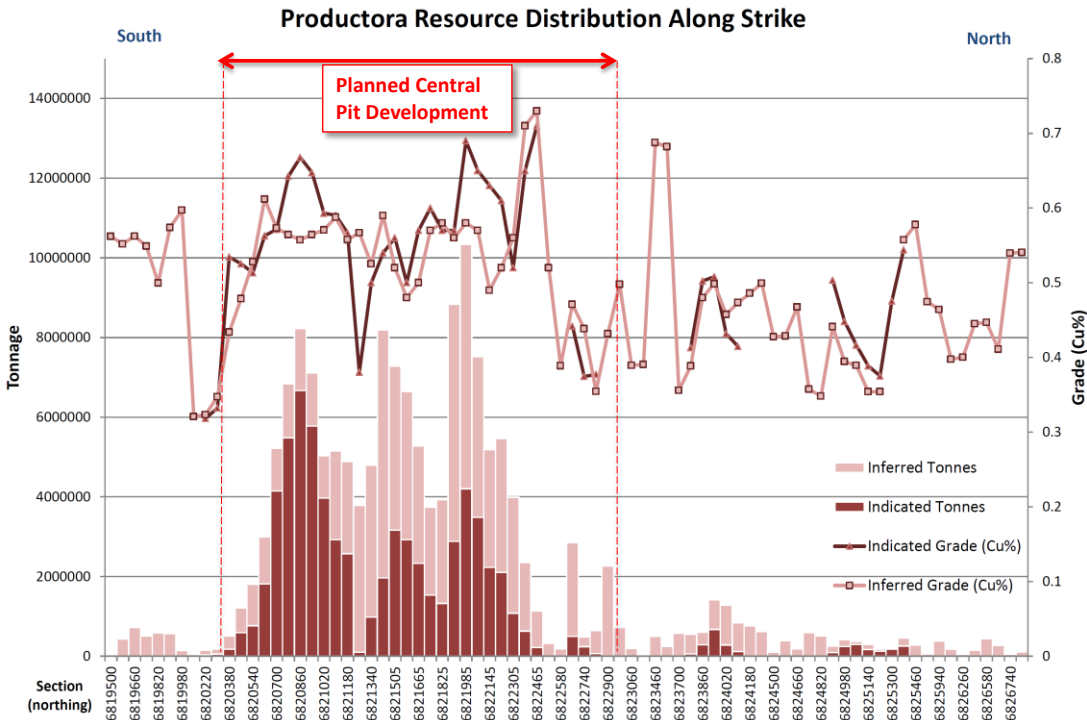


Figure 2. Productora mineral resource distribution across the deposit



A nominal +0.3% copper grade shell model was utilised to constrain the block model resource estimation. The average depth of the resource estimate base is approximately 400m from surface. In addition, a low grade +0.1% copper grade shell model was also utilised to calculate the quantity of low-grade material that exists in the surrounding breccia hosting corridor. The company's recently completed scoping study indicated a potential future marginal economic cut-off grade for Productora to be approximately +0.2% copper.

It is important to note that the low grade material surrounding the resource may add further to the definition of additional potential in-pit tonnage at Productora. The resource is significantly enhanced by the presence of two substantial zones of high grade material located within the planned central pit development at Productora. This material now equates to approximately 53Mt grading 0.8% copper and 0.2g/t gold from surface.

Figure 3 illustrates the distribution of grade and tonnes within the resource estimate using increasing minimum copper cut-off grade and including the additional low-grade material outside of the nominal +0.3% copper grade shell.

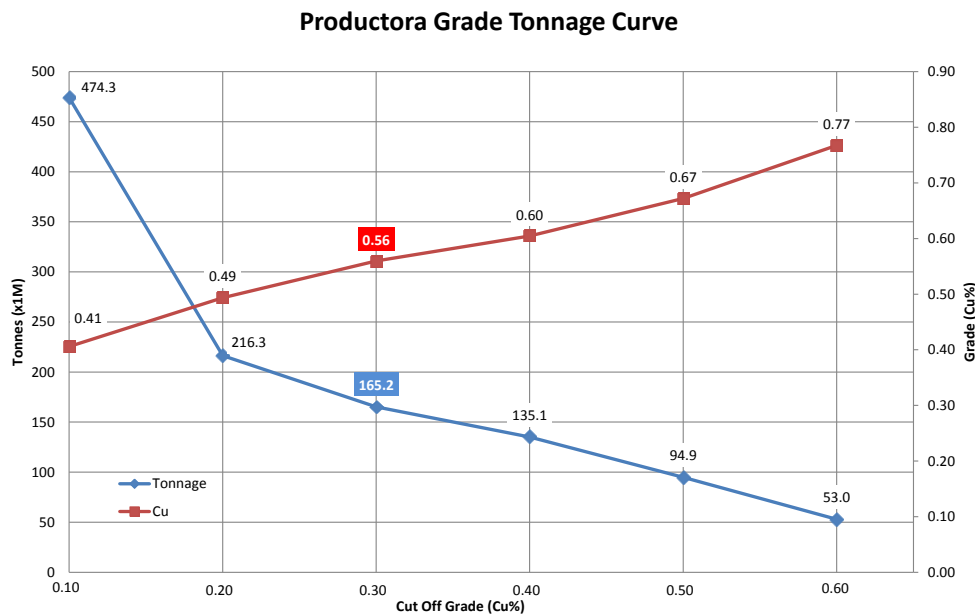


Figure 3. Distribution of grade and tonnes with increasing copper cut-off grade

Mineralisation at Productora has remained consistently associated with a series of vertical lodes and some minor sub-horizontal lodes (mantos zones) within a felsic volcanic country rock which has been extensively intruded by a tourmaline breccia along the main mineralised north-east trend.

Sulphide ore mineralogy comprises pyrite, chalcopyrite, bornite and molybdenite developed as breccia, vein and cavity fill, as well as disseminations within the brecciated host rocks. Within the oxide zone copper is predominantly associated with malachite.



The resource extends from surface with transitional and sulphide material dominant and accessible from near-surface owing to the limited distribution of surface oxide material over the deposit. Figure 3 displays a type-section of the resource.

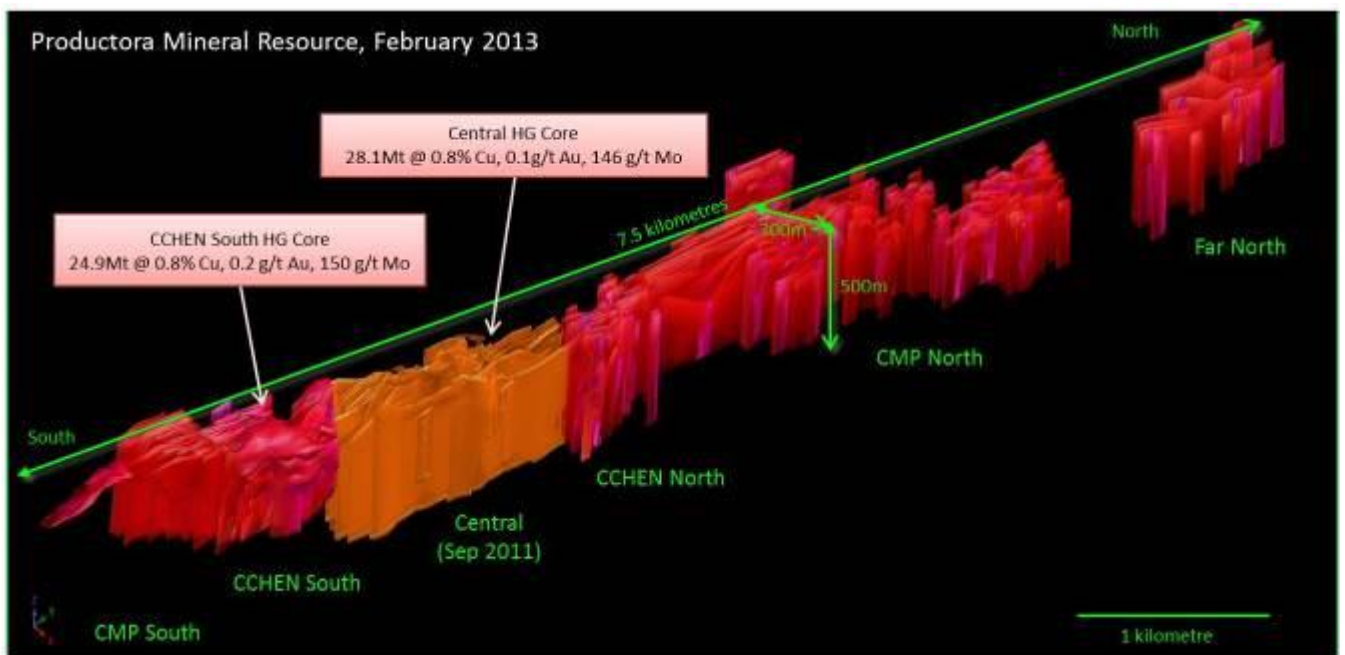


Figure 4. Oblique view of resource model for the Productora copper project

The identification of a second, near-surface zone of high grade copper and gold as part of the first resource upgrade has continued to enhance the economic potential of the project. The new zone is located within the CCHEN South area and equates to 24.9Mt grading 0.8% copper and 0.2g/t gold from shallow depth as illustrated in Figure 4. This area has the potential to act as a starter-pit location that may allow access to higher revenue material at the beginning of potential future mining operations.

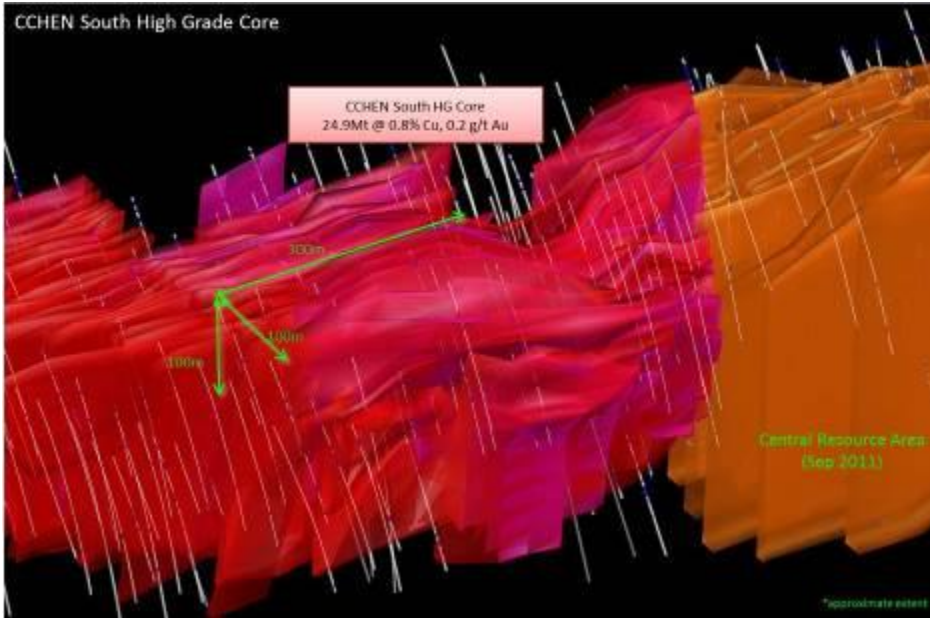


Figure 5. Oblique view of the high grade, large tonnage zone within the CCHEN South area of the Productora resource

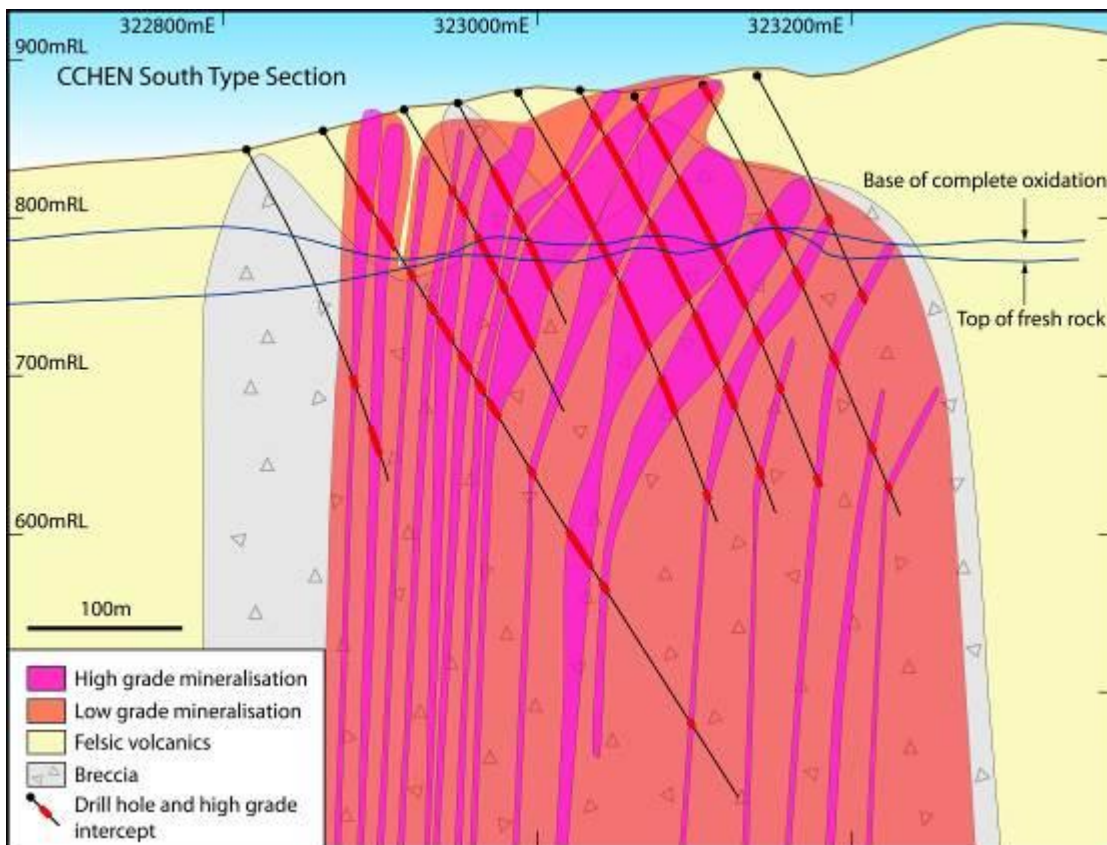


Figure 6. Geological Type Section 6820920mN within the Uranio 1 to 70 Lease at Productora



Further Resource Upgrades Planned for the Second Half of 2013

The delivery of a second major resource upgrade in parallel with the completion of a Pre-feasibility study is planned to be released in the second half 2013.

A major drilling programme at Productora commenced in January this year utilising 4 multi-purpose diamond (DD) and reverse circulation (RC) drilling rigs. A total of 85,000m of RC and 15,000m of DD drilling has been planned to deliver strong resource growth and development at Productora in 2013. In particular, the programme aims to achieve:

- A second major up-grade to the Productora copper-gold-molybdenum resource,
- A maiden iron ore resource estimation for the parallel and western magnetite zones, and
- Completion of metallurgical, hydrogeological and geotechnical drilling programmes

Pre-feasibility Study Advancing- Conceptual/ Scoping Study Successfully Completed

During the quarter Hot Chili continued to progress its strategy of project development and de-risking, in parallel with on-going focus on resource growth for the Productora copper project.

In line with this strategy, a number of conceptual/scoping studies were completed late in 2012 to identify risks and opportunities related to potential future mining operations at Productora. The outcomes from the conceptual/scoping studies have provided a framework for the PFS and given the Company confidence to initiate advanced environmental work streams in the early stages of 2013. The outcomes of these studies were published during the quarter and they are summarised in the below table.



Table 2. Key parameters on which the studies were based and the outcomes from the scoping assessment

| Concept/Scoping Study Parameters | |
|--|---|
| Processing Rate | ~11Mtpa |
| Strip Ratio | 3.5-4.5 : 1 (Target strip ratio of 4:1) |
| Metallurgical Recovery | >90% Cu, ~80% Au, ~75% Mo (coarse 180um grind size) |
| Flowsheet | Sulphide processing plant- Conventional crush-grind-float |
| Concentrate Production | ~220kt/a grading approx. >25% Cu and 6g/t Au |
| Development Capex | \$500-700M (contingent on off balance sheet options for mining and certain infrastructure). |
| Opex (C1 including gold credits) | US\$1.20/lb – US\$1.50/lb |
| Molybdenum concentrate production | To be evaluated (grading 5,300ppm Mo) |
| Magnetite mine gate sale | To be evaluated, potentially, from FY2018 onwards. |
| Power Requirement | ~60MW consumption, ~80MW installed capacity |
| Power Costs | 17 – 21c/kWhr until 2018 and 12-15c/kWhr 2018 and beyond. Power cost exposure ~15-20% of opex. |

The study assessed the viability of a ~11Mtpa mining and processing operation at Productora. The conceptual/ scoping study was specifically designed to identify risks and opportunities for the anticipated project and provide a basis to meet long lead environmental requirements. Importantly, the studies demonstrated that the project site can support the 'footprint' of a large mining operation and that the established infrastructure within the region will deliver considerable time and cost advantages for Productora.

The scale, geometry and continuity of the updated resource supports assumptions made during the concept study for a nominal throughput assessment in the range of 8-12Mtpa.

Development studies at Productora continue to assess the establishment of an open cut mining operation, a copper concentrator processing facility and other associated infrastructure. The study is managed by Ausenco, with the support by a number of specialised consultants both in Chile and Australia.

It is anticipated that the Study will be undertaken in three distinct phases:

1. 1. A strategic optimisation phase - utilising outcomes from the concept/scoping studies;
2. 2. A project design phase - including option studies;
3. 3. A realignment phase - to incorporate any new resource information.

The first two phases are underway and will continue through to Q3 of 2013. The third phase will take place



as appropriate based on resource drilling results, and will likely occur In Q3 or Q4 of 2013.

The Environmental Impact Assessment (EIA) commenced early in January 2013. Two leading environmental consultants in Chile, MIMA and GAC, have been engaged to support the program. MIMA are responsible for running the EIA process while GAC will provide support through a peer review process. Baseline studies have commenced in the project area including both the flora and fauna summer campaigns. Importantly, work has also commenced on possible infrastructure corridors and maritime concessions. Social baseline studies are due to commence in the next quarter

Conventional open pit, blast and haul mining methods will be suitable for mining the Productora copper project. The planned central pit development contains a large continuous block of resources that will be the focus for mine design. The updated resource has highlighted near surface, high grade material that presents an opportunity to “high grade” the early production. The concept mining study indicated strip ratios in the range of 3.5 - 4.5:1. Initial indications are that both ore and waste are reasonably competent. Further work is expected to drive down strip ratios. This will include:

1. Further resource drilling to target mineralisation along the eastern flank of the resource currently classified as waste,
2. Assessing the addition of a parallel zone of magnetite that looks likely to lie within the western waste-rock wall of the planned central pit development.
3. Addition of further economic low-grade tonnes. Mining studies completed as part of the conceptual/scoping studies indicated a preliminary marginal cut-off grade of 0.2% copper. A substantial amount of lower grade material surrounds the +0.3% mineral resource estimate within the planned future pit development.

Those work streams outlined above commenced this quarter, and the results of these assessments will be incorporated into the next resource upgrade, and the subsequent pre-feasibility realignment phase. A fourth drill rig was commissioned early in the year to allow for dedicated development study drilling activities to be undertaken in parallel with resource growth drilling. Drilling activities associated with the pre-feasibility studies will include hydrogeological, metallurgical, geotechnical and civil geotechnical.

Metallurgical test work has demonstrated that conventional processing including crushing, grinding and floatation will be suitable for the recovery of copper, gold and potentially molybdenum minerals. Initial indications are that high copper and gold recoveries (>90%, ~80% respectively) may be achieved with a relatively coarse grind size of 180um. The ore is classified as hard, though this is somewhat offset by coarse liberation characteristics of the copper and gold minerals. Initial test work has demonstrated that concentrates containing in excess of >25% copper may be produced with two stages of cleaning.



The following key infrastructure areas were reviewed during the Scoping/concept studies:

- Power – an extensive high-voltage distribution network exists within the Vallenar region with the major sub-station (Maitencillo) to the central grid just 17km from Productora. Initial indications are that a 25km high-voltage line will be required to connect the site to the central grid. A number of options will be considered through the PFS process.
- Water – Sea water processing has been assessed for Productora. It is anticipated that sea water will be delivered to site through a ~56km pipeline that will draw water from an intake facility located close to the Huasco port facility.
- Accommodation – it is anticipated that construction and operational staff will be housed in the town of Vallenar which has a population of circa 50,000.
- Port – several ports are within a reasonable trucking distance from the site, the closest being the Huasco port, which is 60km to the west and serviced by sealed roads. Hot Chili, in co-operation with CMP, is assessing the construction of a potential copper concentrate loading facility at Huasco port.
- Road – the Pan American highway is located 5km to the east of the proposed project site.
- Rail – existing CMP rail infrastructure runs parallel to the project immediately to the east and west of the resource.



Figure 7. Productora Infrastructure Location Plan



Other Projects

Banderas Copper Project

The Banderas Project is located at low altitude (<1,000m) approximately 50km north of Hot Chili's Productora project, adjacent to the Pan American highway in Region III of Chile. The project is at an early exploration stage and has seen some historical, small-scale, copper mining within an extensive, large-scale alteration system.

Geological mapping and sampling of the Banderas Project has found the mapped area to be dominated by andesite volcanic and volcanoclastic rocks with a sedimentary sequence to the west. The dominant structural trend is a north-northeast to south-southwest trending foliation. This trend is cut by east-west to southwest-northeast trending brittle faults. Mineralisation is structurally hosted in narrow quartz, carbonate breccia veins. Several structural targets and geochemical targets have been generated by the mapping, of which five are highlighted for further work.

An airborne geophysical survey was completed by Geodatos over the Banderas project during the quarter. Southern Geoscience managed the geophysical survey results and image processing. Final processed aeromagnetic and radiometric imagery from the geophysical survey was delivered to Hot Chili late in the quarter.

The aeromagnetic and radiometric imagery will be used in conjunction with litho-structural mapping and geochemical sampling to prioritise targets for future mapping and drilling campaigns. It is expected that drill targeting exercises for the Banderas Project will occur in the latter stages of 2013.

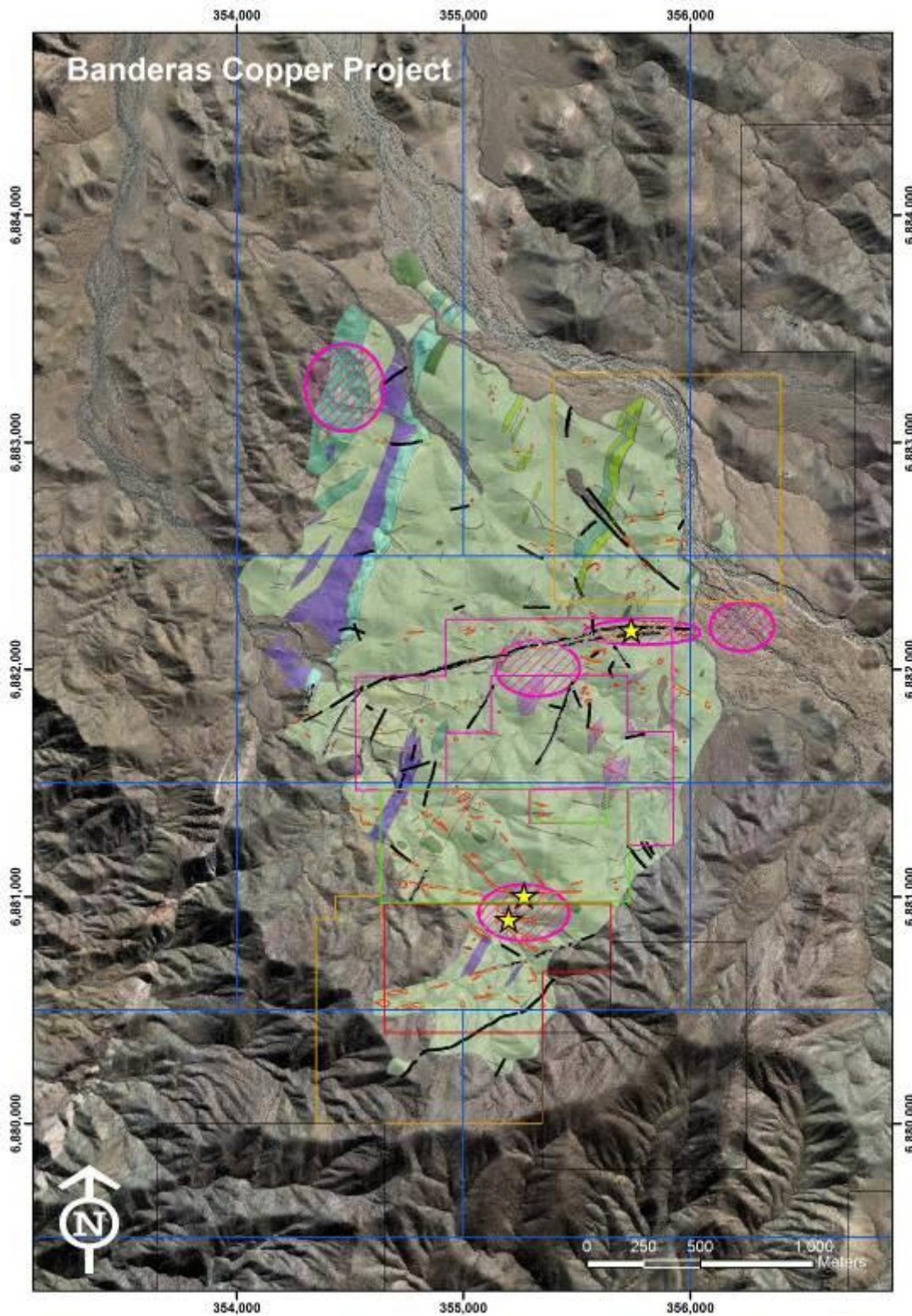


Figure 8. Litho-structural mapping highlighting identified targets at the Banderas copper project



Frontera Copper Project

The Frontera project lies 70km directly south of Productora in Region IV of Chile and is located adjacent to the Pan-American Highway and existing power transmission corridor. Frontera is a relatively advanced exploration stage project with several historical drillholes completed by Noranda in the 1990's, and a small-scale, historical, copper-oxide open pit within the project.

Drilling completed by Noranda in the 1990's confirmed a large copper gold porphyry system, with a +2 kilometre footprint at surface. First-pass reconnaissance mapping and rock-chip sampling completed by Hot Chili late in 2012 supported significant potential for copper-porphyry style mineralisation at the project.

This detailed mapping campaign, enabled the design of an optimal first-pass RC drilling programme over the main area of identified mineralisation. This drilling comprising approximately 30 angled RC holes for 7,500m, commenced during the quarter.

It is anticipated that the Frontera maiden drilling campaign will be completed during the second quarter. Results are pending, and the company expects to receive and compile these assays by the end of the second quarter.

An airborne geophysical survey was also completed by Geodatos over the Frontera project during the quarter, while Southern Geoscience managed results from the geophysical survey and image processing. This imagery will be used to guide future mapping and drilling campaigns and also to assess prospective land acquisition opportunities immediately surrounding the project.

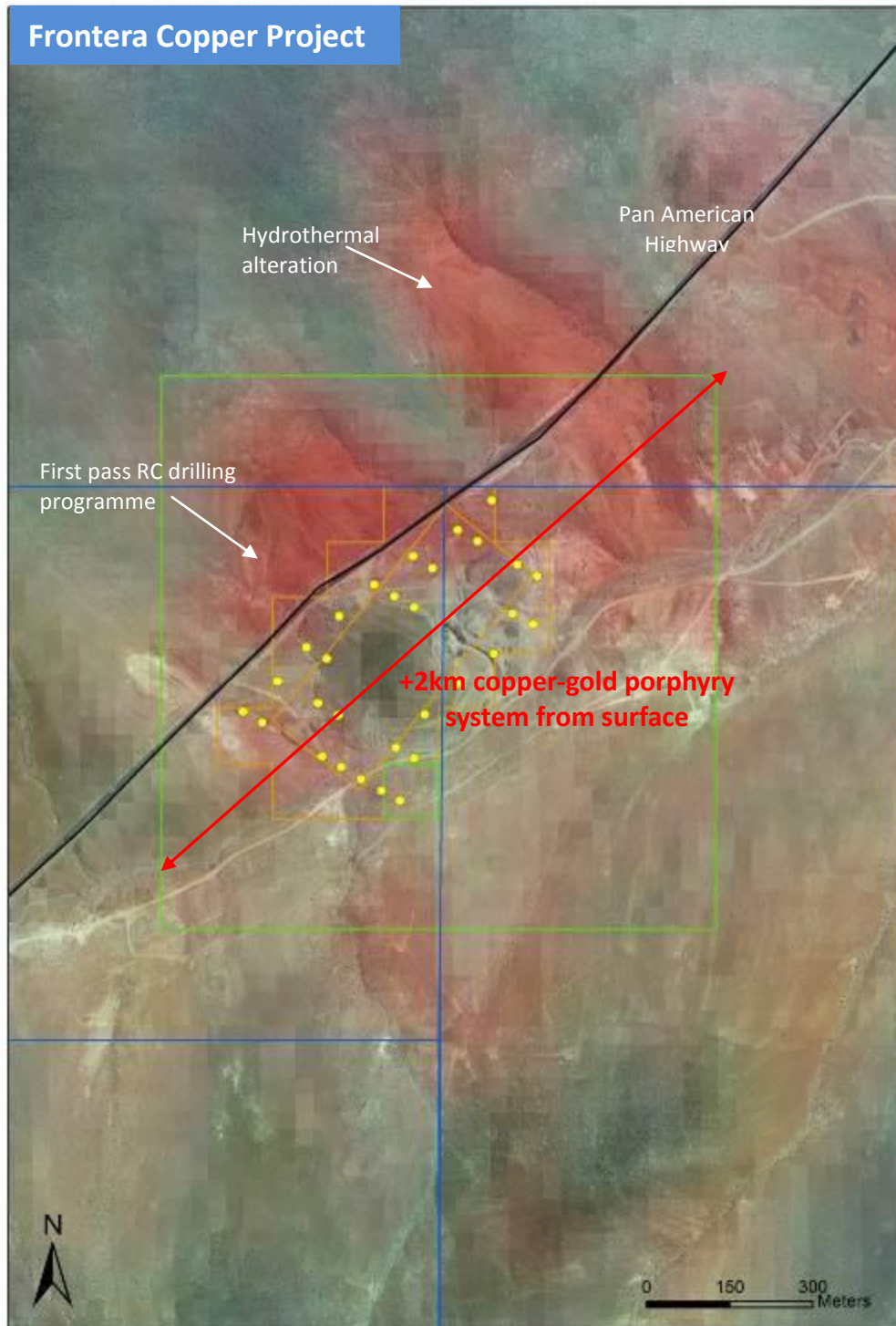


Figure 9. Location plan of the Maiden Drill Campaign at the Frontera copper-gold porphyry project

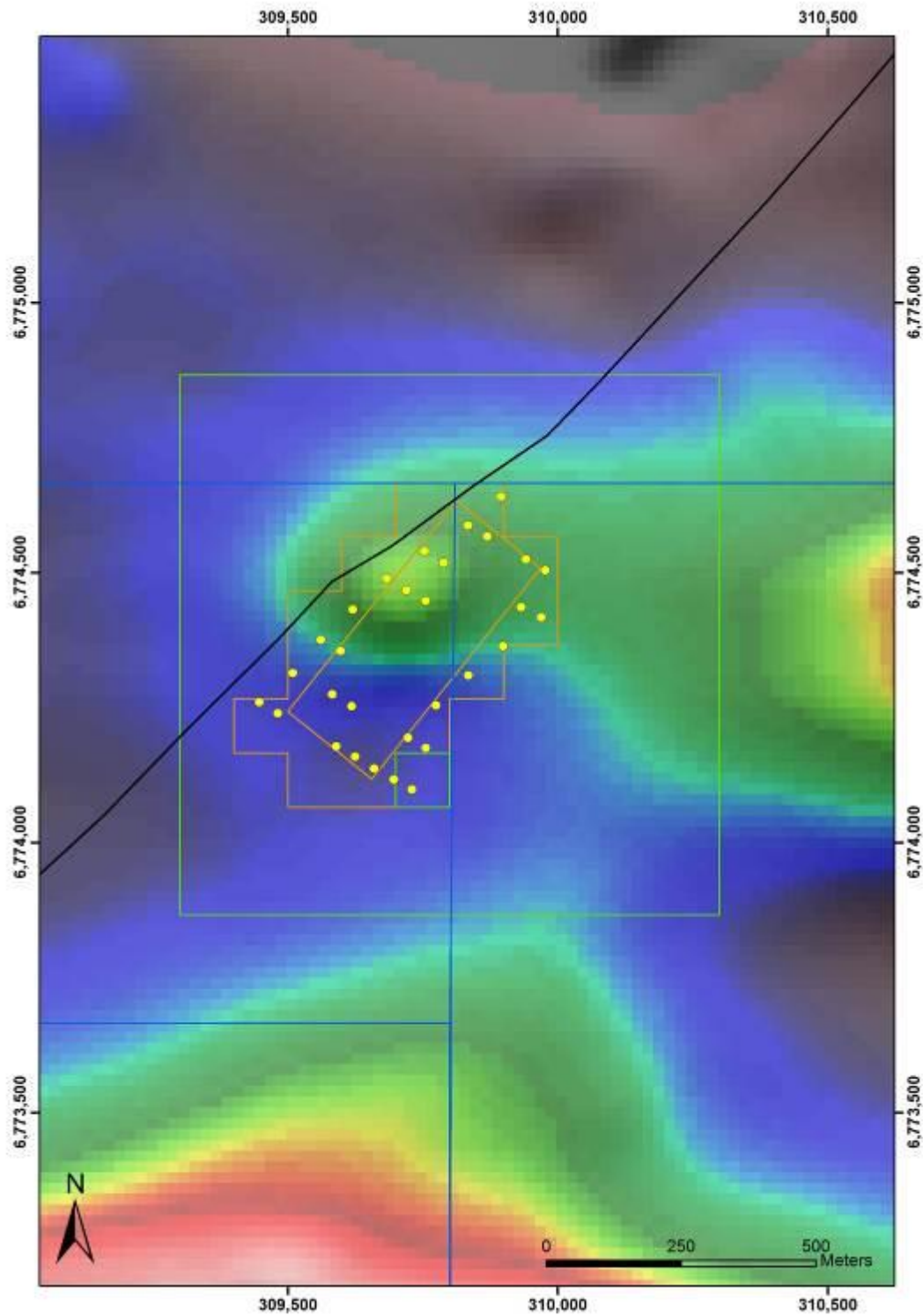


Figure 10. Proposed drill pattern and recently flown aeromagnetic survey at Frontera copper-gold project



Los Mantos Copper Project

Late in 2012 the Company announced that it had significantly increased the size of its Los Mantos copper project in Chile under a farm-in agreement with Compañía Contractual Minera Los Andes (CCMLA), a subsidiary of the Chilean major CODELCO, the world's largest copper producer. The size of the Los Mantos copper project now rivals that of Teck's adjacent large-scale Andacollo copper-gold operation.

To assist with geological assessment over the newly acquired project areas at Los Mantos, an airborne geophysical survey was completed by Geodatos during the quarter. Southern Geoscience managed the geophysical survey and the resulting image processing. Final processed imagery from the geophysical survey was delivered to Hot Chili late in the quarter.

The aeromagnetic and radiometric imagery will be used in conjunction with litho-structural mapping and geochemical sampling to better define prospective areas of interest within the very large project area. It is expected that drill targeting exercises for the Los Mantos Project will occur in early 2014.

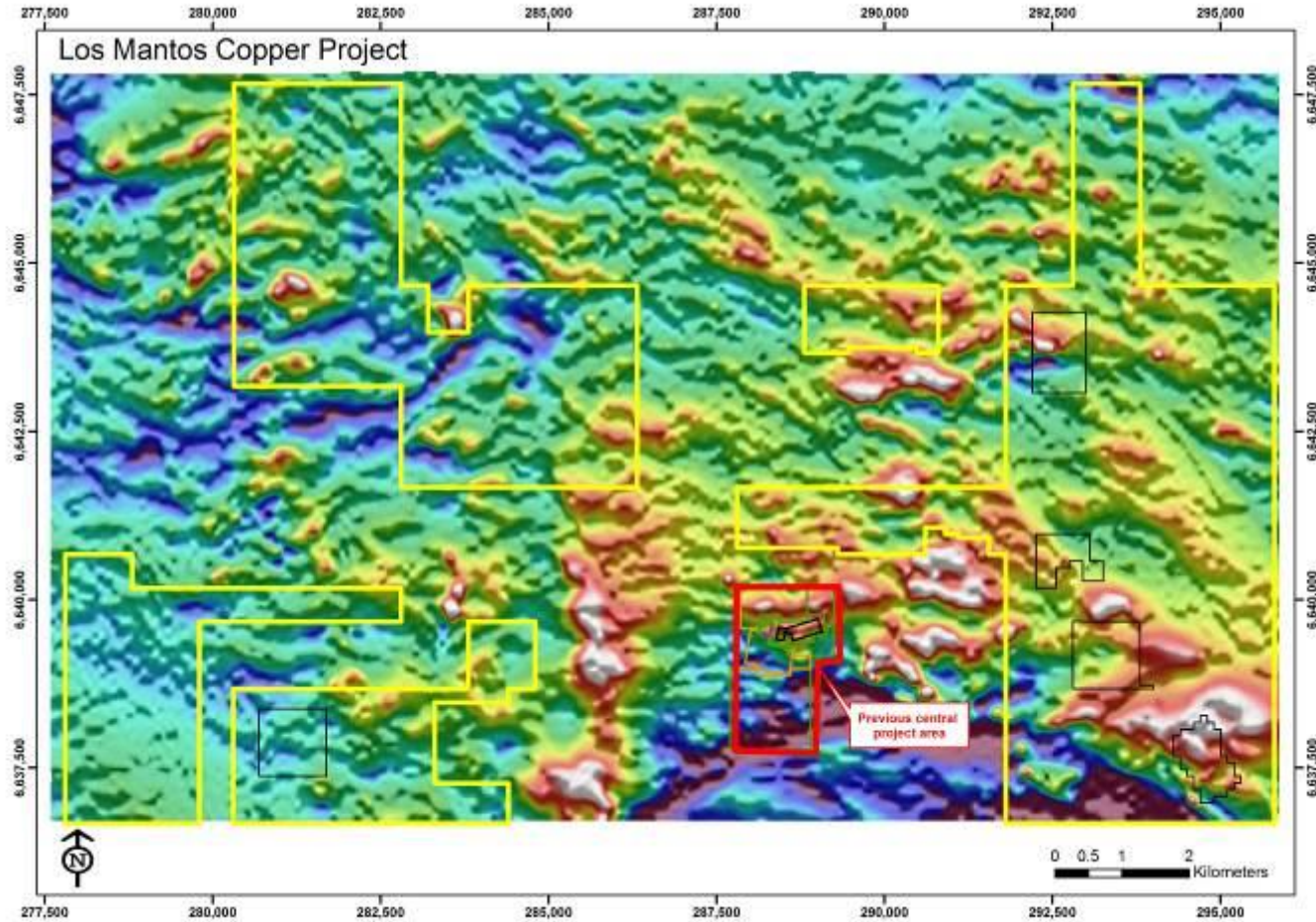


Figure 11. Los Mantos project displaying Hot Chili's expanded landholding and recently acquired aeromagnetic imagery



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= $Cu \% + Mo(ppm) \times 0.0009 + Au(ppm) \times 0.6832$
Price Assumptions- Cu (US\$1.80/lb), Mo (US\$15/lb), Au (US\$850/oz)

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 mineral 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

The information in this report that relates to the Central Mineral Resource, Productora is based on information compiled by Alf Gillman, who is a fellow of the Australasian Institute of Mining and Metallurgy. Alf Gillman is a director of Odessa Resources Pty Ltd, and has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Alf Gillman consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates outside of the Central Mineral Resource is based on information compiled by Aloysius Voortman and Fleur Muller. Aloysius Voortman is a Fellow of the Australasian Institute of Mining and Metallurgy, and Fleur Muller is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Aloysius Voortman is an employee of Coffey Mining, and Fleur Muller is an employee of Hot Chili Ltd, and both have sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. Mr Voortman and Mrs Muller are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Voortman and Mrs Muller consent to the inclusion in the report of the matters based on their 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 2013

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 | (5,382) (2,477) (1109) | (19,341) (3,451) (2,654) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 75 | 134 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other GST | 92 | 8 |
| | (8,801) | (25,304) |
| 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 | (7045) (24) | (7,531) (130) |
| 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) | | |
| | (7069) | (7,661) |
| Net investing cash flows | | |
| 1.13 Total operating and investing cash flows (carried forward) | (15,870) | (32,965) |



| | | | |
|---|--|----------|----------|
| 1.13 | Total operating and investing cash flows (brought forward) | (15,870) | (32,965) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 5,785 | 44,505 |
| 1.15 | Proceeds from sale of forfeited shares | | |
| 1.16 | Proceeds from borrowings | | |
| 1.17 | Repayment of borrowings | | |
| 1.18 | Cost of capital raising | (15) | (2,302) |
| 1.19 | Other (provide details if material) | | |
| | Net financing cash flows | 5,770 | 42,203 |
| | Net increase (decrease) in cash held | (10,100) | 9,238 |
| 1.20 | Cash at beginning of quarter/year to date | 35,540 | 16,861 |
| 1.21 | Exchange rate adjustments to item 1.20 | (149) | (808) |
| 1.22 | Cash at end of quarter | 25,291 | 25,291 |

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 | 237 |
| 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, Directors fees and consulting fees at commercial rates.

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

| |
|--|
| |
| |



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 | 5,000 |
| 4.2 Development | 2,000 |
| 4.3 Production | |
| 4.4 Administration | 900 |
| Total | 7,900 |

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 | 25,221 | 35,470 |
| 5.2 Deposits at call | 70 | 70 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 25,291 | 35,540 |



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 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 | 297,362,196 | 297,362,196 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 8,508,194 50,000 2,027,778 | 8,508,194 50,000 2,027,778 | 50 cents 20 cents 75 cents | 50 cents 20 cents 75cents |
| 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> | 24,250,000 | | <i>Exercise price</i> 20 cents | <i>Expiry date</i> 3/11/2013 |
| | | 1,000,000 | | 90 cents | <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 |
| | | 500,000 | | One dollar | <i>Exercisable after</i> 26/9/2014 <i>Expiry date</i> 26/9/2015 |
| 7.8 | Issued during quarter | 500,000 | | One dollar | <i>Exercisable after</i> 26/9/2014 <i>Expiry date</i> 26/9/2015 |
| 7.9 | Exercised during quarter | 50,000 | | 20 cents | 3/11/2013 |
| 7.10 | Expired during quarter | 2,027,778 | | 75 cents | 9/02/2013 |
| 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:  Date 30/04/2013
 (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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