



HILL END GOLD LIMITED

ACN 072 692 365

Report for June 2012 Quarter

31 July 2012

ASX Code: HEG, HEGOA

CORPORATE

- Completion of the share placement to cornerstone shareholder, Infiniti Premium Resources Limited (Infiniti). The total issue of 200m HEG shares to Infiniti was approved at a General Meeting held 22 March 2012.
- Ms Quah Su-Yin was appointed as a Director of the Company pursuant to the subscription agreement with Infiniti as announced on 12 January 2012.
- Mr Richard Chan resigned as a Director of the Company due to other commitments, effective from 25 June 2012.

HARGRAVES PROJECT

- Final assay results were received for five of fourteen diamond holes drilled to date at the North Big Nugget Hill (BNH) Prospect at Hargraves.
- Geological logging of the holes, and the assay results to date, confirm significant shallow gold mineralisation extends for at least 300 metres to the north of the BNH Resource.
- Work continues at the Meroo Prospect to identify drill targets using XRF soil sampling and mapping. A drill program over the 750 m long Homeward Bound mineralised zone is planned to commence in the next quarter.
- Metallurgical test work on representative samples from the BNH Deposit indicates a high gold recovery is expected at a coarse grind size in a low cost gravity process.

HILL END PROJECT

- Scoping studies for a future mining operation continued with a focus on the prediction of high grade zones ahead of drill testing.

About Hill End Gold Limited

Hill End Gold Limited (ASX:HEG) is a gold explorer with the objective of becoming a mid-tier gold producer based on its two flagship projects at Hill End and Hargraves in an historically gold-rich region in central New South Wales, Australia and with the acquisition of high potential projects. Gold resources defined by the Company currently total 557,000 ounces. The Company's strategy is to increase resources to more than one million ounces in the short term to form a basis for profitable production on a significant scale.

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CORPORATE

Completion of placement to cornerstone shareholder

During the quarter the placement of 80m HEG shares at 2.5 cents per share (\$2m) to Infiniti Premium Resources Limited (Infiniti) completed the 200m HEG shares to be issued to Infiniti as approved at a General Meeting held 22 March 2012. Infiniti holds 29.16% of the issued capital of the Company.

Infiniti is a closed-end fund, which specialises in investments in resource-based companies globally. It is managed by Infiniti Asset Management Pte Ltd, which is a subsidiary of Asiasons WFG Financial Ltd, a company founded in 2000 and listed on the Singapore Stock Exchange.

Infiniti is an excellent, well-funded cornerstone shareholder, and a strong working relationship is developing that will support the growth of Hill End Gold's resources, the development of commercial projects and the potential acquisition of significant assets.

Appointment of Ms Quah Su-Yin as a Director

Pursuant to the subscription agreement with Infiniti as announced on 12 January 2012, Ms Quah Su-Yin was appointed a Director of the Company on 21 May 2012. Ms. Quah Su-Yin is Chief Executive Officer and Executive Director of Asiasons WFG Financial Ltd and Infiniti Asset Management Pte. Ltd. Prior to joining the Hill End Gold Limited Board, Ms Quah was also a Director and Head of Institutional Funds and Client Relations for AmlInvestment Management Sdn Bhd, a top asset management company in Malaysia. Ms Quah holds a Master of Business Administration from the Australian Graduate School of Management (AGSM), Bachelor of Laws and Bachelor of Economics degrees from the University of Adelaide, and a Graduate Diploma in Legal Practice from the University of South Australia. She was admitted as a legal practitioner to the Supreme Court of South Australia and is an advocate and a solicitor to the Malaysian Bar.

Resignation of Mr Richard Chan as a Director

Mr. Richard Chan resigned as a Director of the Company due to other commitments, effective from 25 June 2012. The Board of Directors of the Company thanks Richard for his efforts in bringing together Infiniti Premium Resources and HEG and wishes him well in his future endeavours.

PROJECTS

Hargraves Project - EL 6996 (HEG 100%)

Big Nugget Hill

The Hargraves Project is located approximately 30 km south-west of Mudgee in central New South Wales. Exploration Licence (EL) 6996 covers multiple parallel gold-mineralised structures with historical gold production, in addition to the main Big Nugget Hill structure.

The current Resource estimate for Big Nugget Hill is 221,000 contained ounces of gold (Indicated Resource 1.3 Mt at 3.5 g/t for 143,000 oz, Inferred Resource 0.9 Mt at 2.6 g/t for 78,000 oz).

North Big Nugget Hill

Eleven diamond drill holes totalling 1302.5 m were completed during the quarter at North Big Nugget Hill (Figure 1). The holes were designed to test the interpreted northern extension of the Big Nugget Hill Resource on 50 m spaced sections to a depth of 100-150 m.

Geological logging and assay results to date have confirmed that shallow significant gold mineralisation extends for at least another 300 m along strike to the north of the currently defined Big Nugget Hill gold Resource.

Assay results for the first five holes, which are located within 100 m of the northern limit of the Big Nugget Hill Resource, were finalised during the quarter using 50g fire assaying and 2kg LeachWell assaying (Table 1). Given the coarse gold content of the mineralisation and the different sized sub-samples taken for these techniques, there is some expected variability in the reported assays between the techniques. Additionally, it is noted that core containing visible gold returned moderate gold grades, indicating the difficulty in precisely assaying nuggetty gold mineralisation.

A well-mineralised zone of brecciated quartz veins carrying coarse gold was intersected at a depth of 40-70 metres consistently from within the existing resource to the current limit of drilling. This shallow zone is persistent up and down dip and is interpreted to extend to surface.

The remaining six holes, for which assays are pending, also intersected quartz veins with visible gold at shallow depth. Four of these holes are testing the shallow portion of the mineralisation intersected in CMH-DDH9, which was drilled in the 1980s and returned 0.5 g/t gold over 195 m from 30 m below surface, including 23.5 m at 1.1 g/t gold.

A further three holes are being drilled to complete this program, which is testing the mineralisation at depth with one hole into the mineralised Gundowda zone.

Table 1. Significant assay results for first five drill holes at Hargraves North BNH Project.

Drill Hole	From (m)	Intersection (m)	Au (g/t) Fire Assay ¹	Au (g/t) LeachWell™ Assay ²
HGD46	3.0	2.0	0.8	1.9
	8.0	2.0	0.8	1.3
HGD47	24.0	1.0	0.8	1.0
	53.7	2.0	1.3	1.2
HGD48	39.0	1.0	1.6	NA
	47.0	7.0	2.4	1.2
	75.0	1.0	6.0	3.8
	82.0	3.0	0.8	0.7
HGD58	34.0	1.0	1.3	0.9
	41.0	2.0	0.7	0.8
	54.0	1.0	0.9	0.4
	62.0	1.0	2.3	1.1
	68.0	1.0	1.3	0.0
	69.9	1.0	0.0	1.3
	73.0	3.3	1.9	1.1
	114.0	0.5	4.9	5.5
121.0	0.8	2.0	2.9	
HGD60	58.0	1.0	4.5	7.3
	65.0	2.0	2.9	2.1
	74.0	1.0	6.5	3.3

¹ Fire Assay (50 g) analysis from SGS Laboratories in West Wyalong

² LeachWELL™ (2 kg) check analysis of the samples by SGS Laboratories in Townsville

Significant results reported here are for assays >0.5 g/t gold over 1 metre. Allowable internal dilution of up to 1 metre.

NA = not assayed

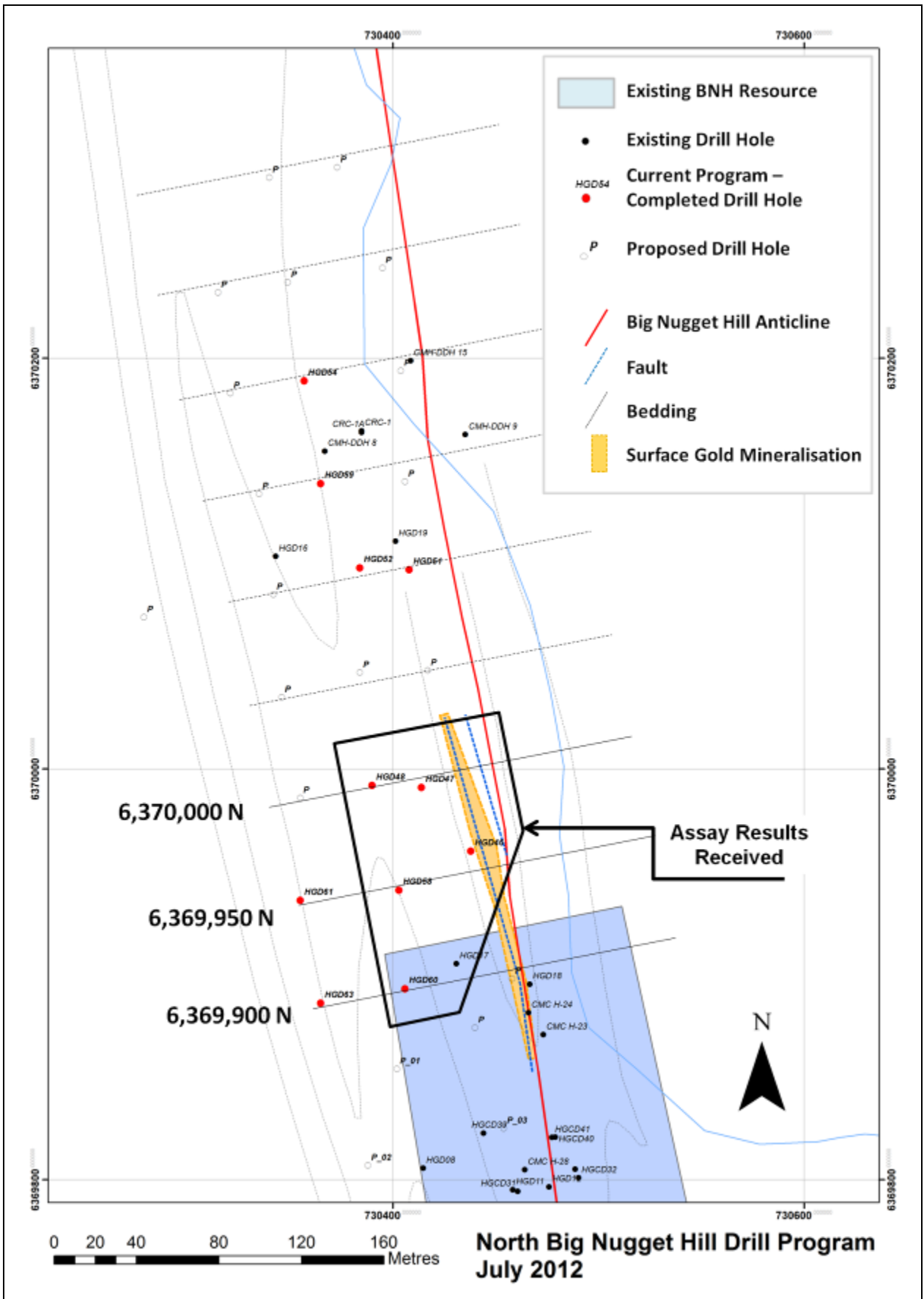


Figure 1. Schematic diagram illustrating the North Big Nugget Hill drill targets.

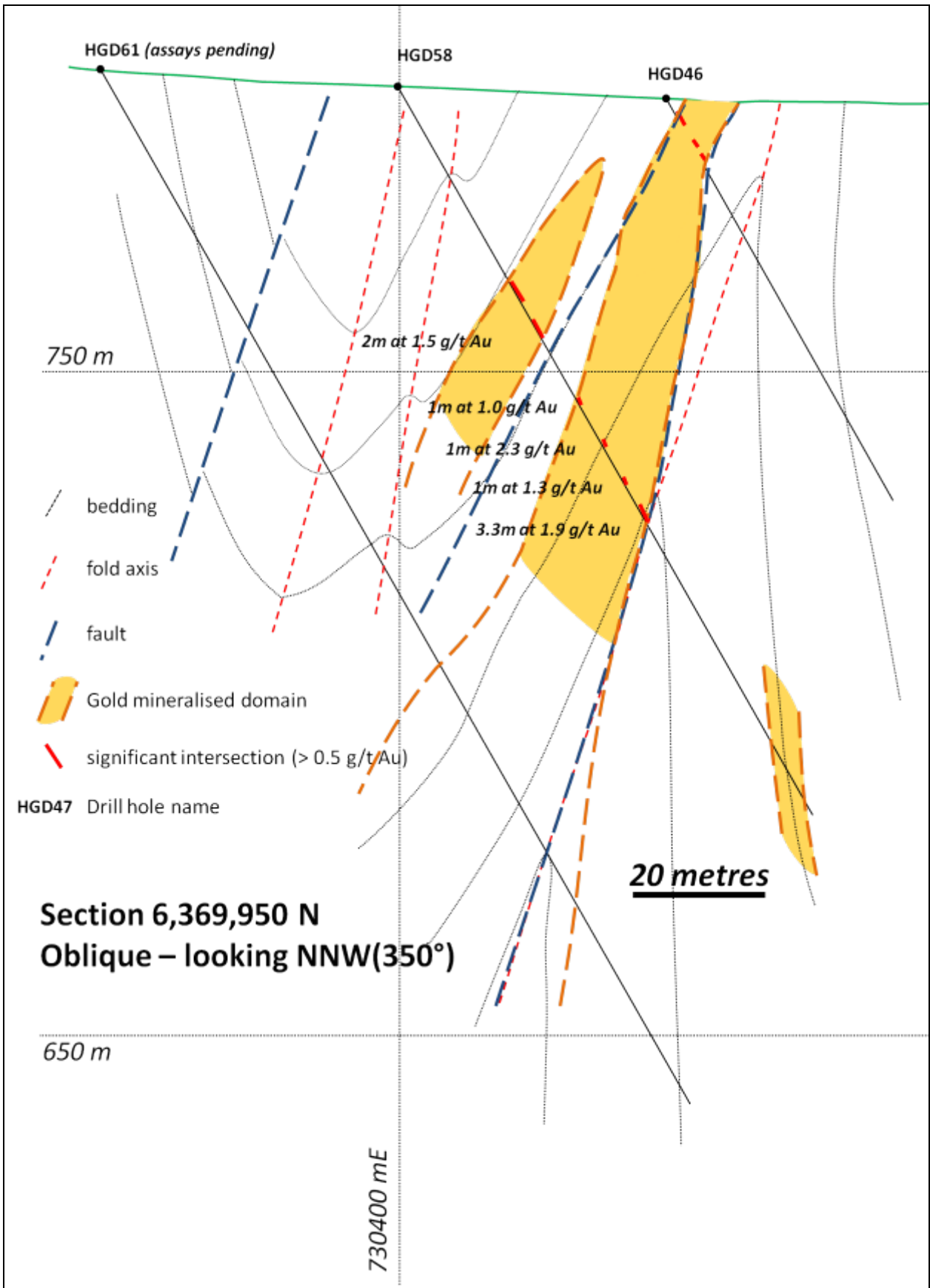


Figure 2. Geological interpretation and fire assays received for section 6,369,950 North

Meroo Prospect

Hill End Gold Limited recently commenced exploration of the 6 km long Meroo trend in the Hargraves Gold Project with the objective of adding to the existing gold Resource already delineated at the Big Nugget Hill deposit.

The Meroo Trend is a mineralised zone that is parallel to the Big Nugget Hill structure and links several prospects defined by historic mine workings: Eldorado, Hampden Hill, Homeward Bound and Great Western. Most of Hill End Gold's recent exploration has been focused on the Homeward Bound Prospect, which is 3 km north of the Big Nugget Hill deposit (Figure 3).

Meroo Creek near the north end of the Meroo Trend was a famous alluvial gold field in the 1850s. Large gold nuggets were mined including the 313 ounce 'Maitland Bar', which was discovered at a depth of 3.4 m on 17 June 1887. The nugget was purchased by the Government and remains one of the few surviving large gold nuggets recovered in New South Wales.

Until recently, no exploration has been undertaken on the Meroo Trend since the 1980s. Three diamond drill holes were completed in 1988 for a total of 294.5 m.

- A drill hole at the Eldorado Prospect intersected 1 m at 3.2 g/t gold from 16 m in bedding-parallel quartz veins.
- A drill hole at the Hampden Hill Prospect intersected 0.2 m at 38 g/t gold at 61 m in bedding-parallel quartz veins.
- A drill hole at the Homeward Bound Prospect was drilled in the wrong direction and proved an ineffective test of the mineralisation.

During the quarter on-going mapping, rock chip sampling and a multi-element XRF soil geochemical survey have defined an extensive zone of mineralisation. Hill End Gold has a valuable database of 656 historic rock chip samples of exposed quartz veins from the Meroo Prospect collected during the mid-1980s. The average grade of all samples is 1.5 g/t gold with 43 of these samples returning assays higher than 5 g/t gold and a maximum assay of 58.3 g/t gold.

Gold mineralisation along the Meroo Trend is interpreted to occur in east-dipping bedding-parallel and west-dipping fault-hosted quartz veins. Two large fault zones and numerous other smaller structures host most of the veins. In the vicinity of the Homeward Bound and Hampden Hill Prospects, which are particularly well mineralised, multiple quartz veins sets occur within an 80-120 m wide, 1,600 m long, north-north-westerly trending zone.

Thirty two chip samples of quartz veins from the Eldorado and Homeward Bound Prospects have been analysed for gold by fire assay at SGS Laboratories in West Wyalong. A maximum assay of 5.6 g/t gold was obtained from the Homeward Bound Prospect. The Eldorado Prospect returned a maximum of 8.4 g/t gold.

A soil geochemical survey over the Homeward Bound Prospect was completed during the quarter. Figure 4 illustrates the close spatial correlation of arsenic anomalies and gold-mineralised quartz veins. The geochemical anomalies define an 80-120 m wide, north-north-westerly trending zone with a strike length of 750 m over which a drill program is currently being designed.

The structural geometry and elevated geochemistry of the Meroo Trend at the Homeward Bound prospect are extremely encouraging and indicate that excellent potential exists to add to the large gold Resource already defined at the Hargraves project.

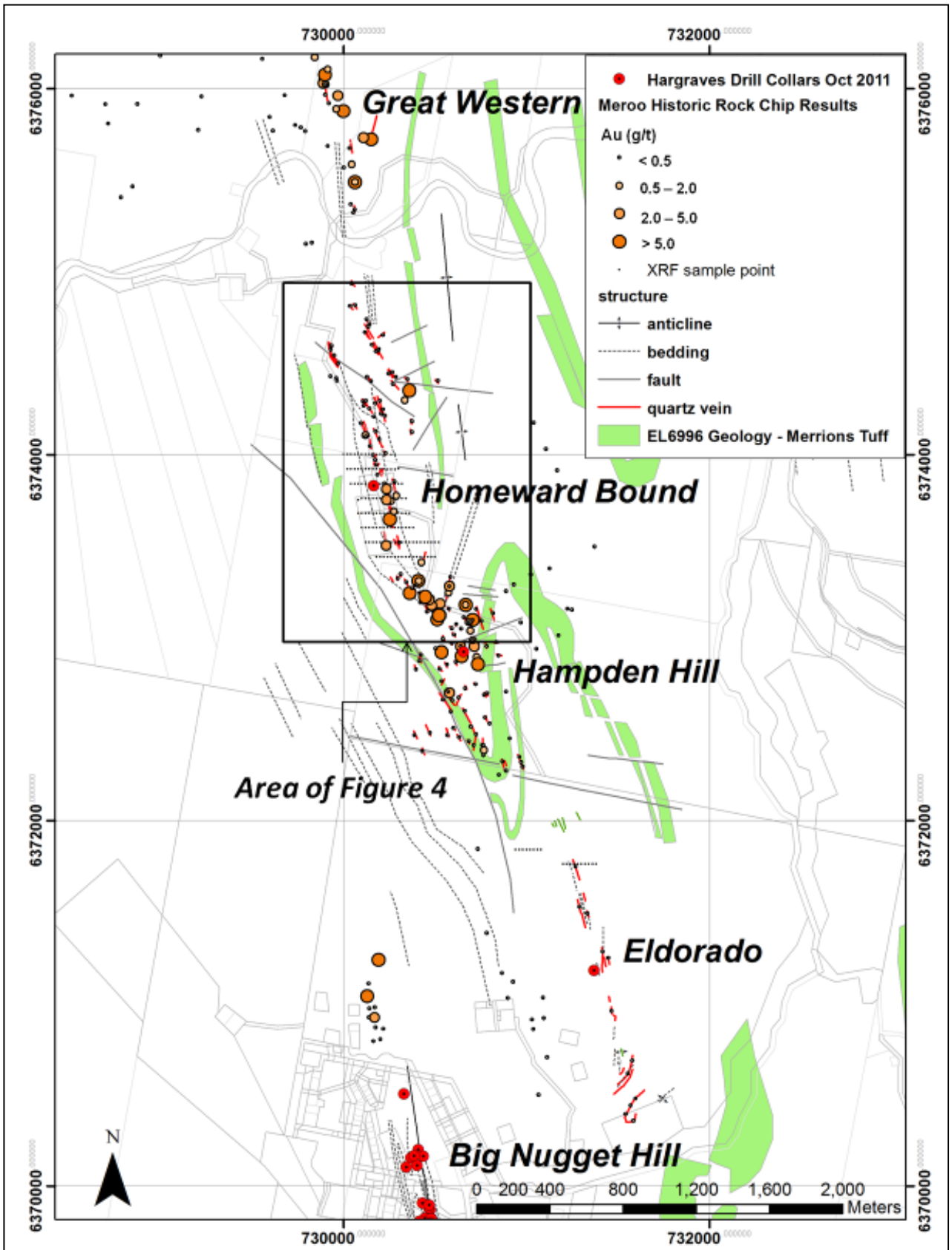


Figure 3. Meroo trend geology, structure and rock chip gold results

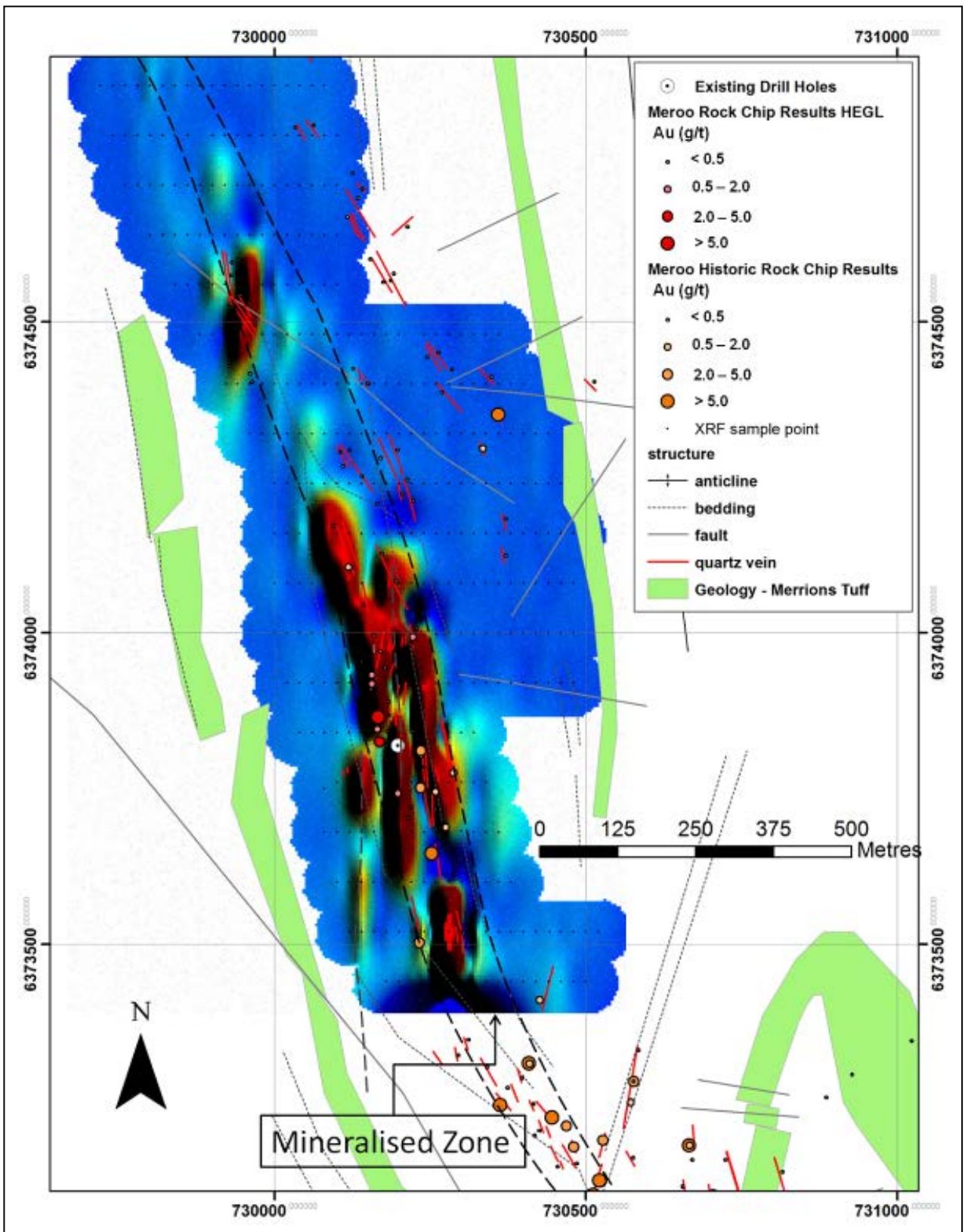


Figure 4. Meroo rock chip gold results and the Homeward Bound prospect XRF anomaly for trace element Arsenic which highlights the mineralised fault zone

Hargraves Scoping Study

Metallurgical test work

Excellent gold recovery results were received during the quarter in metallurgical test work conducted by ALS AMMTEC (Metcon Laboratories) in Brookvale, NSW on a representative sample of mineralised diamond core from the Big Nugget Hill Resource. The sample chosen was a typical higher grade run-of-mine type material and the tests were designed to identify how readily the gold is recoverable to a gravity concentrate at a coarse grind size, and to what degree the gold in the concentrates may be leachable.

Previous test work completed in 2010 on selective high grade vein material from multiple drill holes in the Central Zone, recovered 92% of the gold to a gravity concentrate of 1.4% of the feed material, at a grind size of 80% passing 75 microns. However, by increasing the amount of material recovered to the gravity concentrate, and reducing the concentrate grade, a similar recovery result may be achieved at a much coarser grind.

A 60 kg representative sample of the high grade material (average 4.2 g/t gold) was crushed to approximately 2mm and a 6 kg sub-sample was progressively ground more finely to P₈₀ 0.75mm, 0.50mm and 0.25mm. At each size a small Knelson centrifugal bowl concentrator was used to recover a gold concentrate, which simulated gravity gold recovery in the grinding circuit of a processing plant. Each concentrate was leached using a high strength cyanide solution with LeachWell leach accelerator tablets and all products were assayed. The 14.8 g/t gold back calculated head grade for this 6kg sub-sample was much higher than the drill core assay owing to the presence of coarse gold, which is ubiquitous in the Big Nugget Hill deposit, and causes variable assay results for sub-samples (a previously tested 6kg sub-sample of the same material assayed 2.4 g/t gold).

The results in the table below are for each stage of grinding the sub-sample to sizes of P₈₀ 0.75mm, 0.50mm and 0.25mm and for the cumulative totals to P₈₀ 0.25mm. The results show that a high gold recovery to a low mass yield gravity concentrate is achievable at a coarse grind size, and the gold in concentrate is almost completely leachable.

Metallurgical test results - Metcon M2631 (Head grade 14.8 g/t gold)

80% passing size (mm)	0.75	0.50	0.25	Total
Retained gravity concentrate mass yield	3.7%	1.2%	1.1%	6.0%
Grade of each gravity tailing (g/t gold)	0.42	0.24	0.12	0.12
Gold recovery to each concentrate	97.3%	1.2%	0.8%	99.3%
Gold in conc. leached after 2Hrs (LeachWell)	100%	96.1%	95.8%	99.7%
Total gold 'recovery' using Gravity – Leach process at nominal 4.2 g/t gold head grade:				
	90.1%	94.2%	96.9%	96.9%

The very high gold recovery of 97.3% to a gravity concentrate at P₈₀ 0.75mm is caused by some large pieces of gold in this sub-sample, and the final recovery to gravity concentrate of 99.3% is also inordinately high. **However, more significantly, the low gravity tailings grades at these coarse liberation sizes indicate that, at a nominal head grade of 4.2 g/t gold, a recovery well in excess of 90% is feasible in a simple low cost gravity-leach process plant.**

There are major cost and efficiency advantages if a high proportion of the gold can be recovered in gravity concentrate at a coarse size, while discarding a gravity tail with only low gold content. In addition, the process would produce a chemical-free, sand-sized tailings material.

There are significant capital and operating cost savings with a simple, small gravity - leach plant which has much less equipment, reduced power and water consumption, less labour, a much smaller footprint and simpler operation than a conventional carbon-in-leach gold plant.

Further optimisation of the process design will continue to assess the capital and operating cost parameters with a view to equipment sizing and selection.

Hill End Project - EL 5868 (and contained Mining Leases) (HEG minimum 85%)

The Hill End Project is located approximately 50 km north of Bathurst in central New South Wales.

The current resource estimate for the Reward Deposit is 246,800 contained ounces of gold:

- Measured Resource 77,400 tonnes at 11.3 g/t gold for 28,100 contained ounces
- Indicated Resource 180,400 tonnes at 6.5 g/t gold for 37,700 contained ounces
- Inferred Resource 642,200 tonnes at 8.8 g/t gold for 181,000 contained ounces

Reward Scoping Study

A scoping study that examines the viability of a commercial project on the Hawkins Hill - Reward Deposit continued during the quarter. The scoping study is examining the potential economics of an expanded mining project based on optimising the mining methods used at the deposit, ore sorting prior to gravity gold recovery, extensive use of waste backfill to support a bulk mining approach and separation of coarse sand from the tailings material.

Additions and Extensions to the existing Reward resource

Geological re-interpretation of historical data continued during the quarter with the objective of identifying the controls to the location of high grade shoots within the quartz veins.

Several broad targets exist for significant resource extensions around the existing workings and beyond the limit of the resource blocks of the Reward deposit. The most significant of these target areas, as illustrated in Figure 5, are: the Scandinavian, Brand & Fletchers, shallow Upper Mine and deeper Mica near-mine targets.

Analysis of existing data from drilling and underground mapping continues, with a focus on shallower parts of the system around historic workings that have been inadequately drilled in the Reward, Hawkins Hill and Fosters areas (southern extension of Brand & Fletchers exploration target).

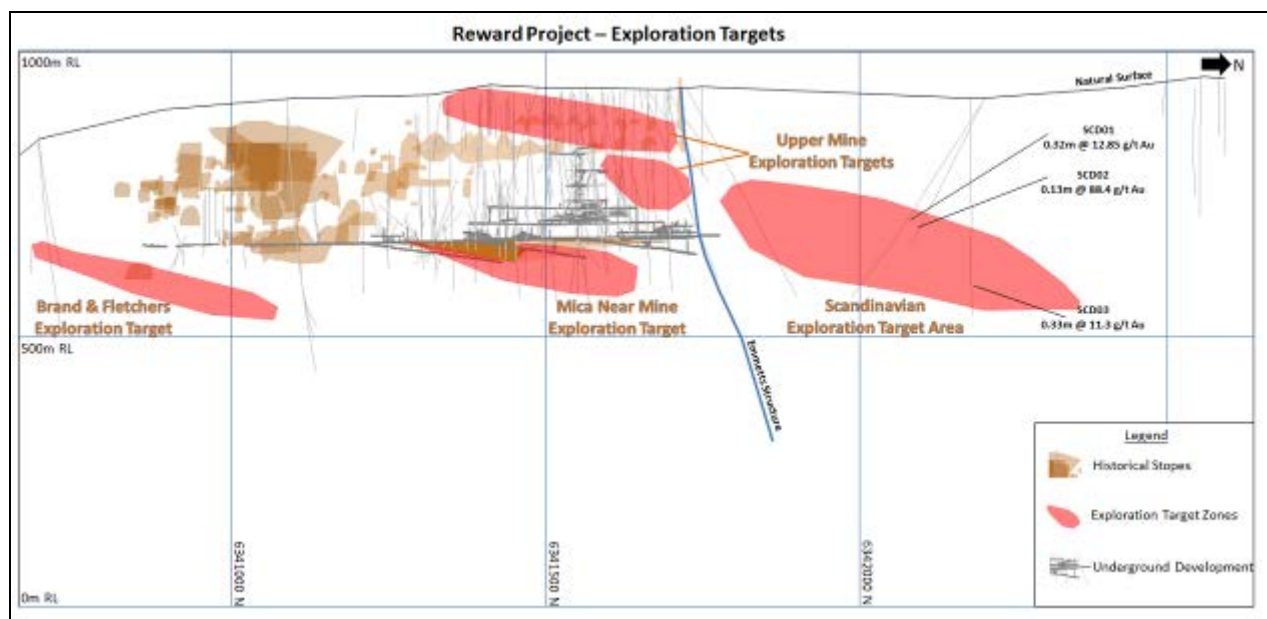


Figure 5. Reward – Hawkins Hill exploration targets.

Red Hill Deposit

The Red Hill Deposit is located approximately 4 km north of the Hawkins Hill – Reward Deposit. In 2008 the Company announced an Inferred Resource of 849,300 tonnes at 3.3 g/t gold for a total of 89,200 contained ounces of gold. The Red Hill Resource may become a satellite deposit that forms part of a potential mining project at either Hill End or Hargraves.

The gold mineralisation at Red Hill is similar to that at the Reward-Hawkins Hill deposit. Numerous steeply dipping faults are part of a zone of faults which cross-cut and then run parallel to the sedimentary rocks packages. Sandstone and volcanic units are preferentially mineralised, particularly at the contact with finer grained units. The host rocks at Red Hill have fractured in wide zones to develop stockwork gold mineralisation in addition to the bedding parallel vein-style mineralisation. The mineralised stockworks and bedding parallel veins persist for hundreds of metres down the intersection position with the Red Hill Indicator Fault Zone. A deep zone of mineralisation intersected in previous drilling is interpreted to project up plunge to the south towards an area of known mineralisation at Tambaroora. Work is ongoing to identify drilling targets based on this interpretation.

Swan Hill Project - EL 7124 and EL 7125 (HEG 100%)

The Company holds Exploration Licences EL 7124 and EL 7125 located in the Swan Hill area of New South Wales. The area covers an interpreted extension into New South Wales of the geological units that host the Bendigo gold mineralisation. Several geophysical targets which are interpreted to have potential for intrusive-related gold have been identified for further work, including drill testing.

A program detailed ground magnetic and RC drill testing of basement anomalies has been proposed. The Company would consider a joint venture partner for this project.

Willandra Project – ELA 4449 (HEG 100%)

Exploration Licence Application (ELA) 4449 covers an 86 km² area of the eastern Lachlan Fold Belt approximately 40 km east of Hill End (Figure 6). The Company understands that the ELA has been approved for offer of an Exploration Licence (EL) with the Department of Trade and Investment, Regional Infrastructure and Services, Exploration Titles Committee. However the offer to the Company to accept the Exploration Licence has not been made as the Department has yet to finalise the new standard Exploration Licence grant offer letter including rent and levy fees payable under the new fee structure announced by the Government at the last budget.

At ELA 4449, previous soil geochemical surveys identified a 1.5 km long gold-arsenic anomaly near the contact of Ordovician age Sofala Volcanics. The peak gold-in-soil value of 0.145 g/t gold is supported by rock chip values up to 6.2 g/t gold.

A program of mapping, sampling, ranking and drill testing of priority targets is planned.

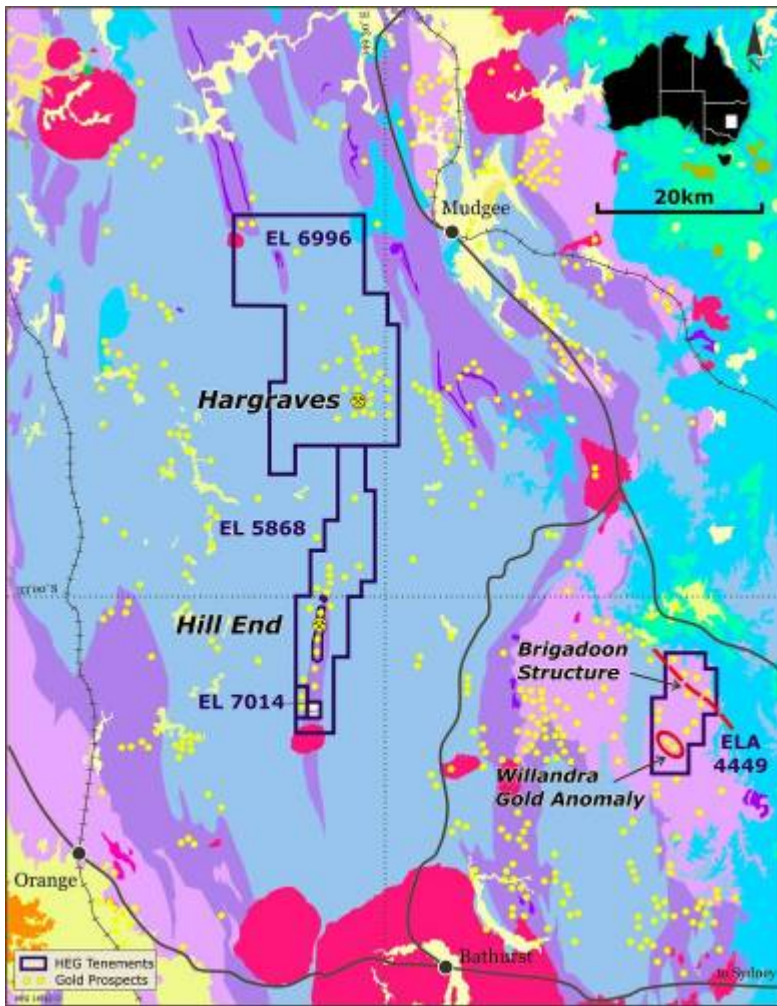


Figure 6. Location of ELA 4449

Eurongilly Project – ELA 4602 (HEG 100%)

Exploration Licence Application (ELA) 4602 covers an area of 62 km² near the locality of Eurongilly, approximately 40 km north-east of Wagga Wagga and 16 km east of Junee (Figure 5).

The main target of interest is the mineralised zone including the Kurrajong to Three Tree Hill prospects, where previous exploration has identified a High Sulphidation Epithermal (HSE) system with a 2 km strike length, which is prospective for gold and copper, similar to other deposits in the area such as Gidginbung (near Temora) and Dobroyde.

The ELA is also prospective for Ordovician age porphyry gold-copper deposits similar to other deposits in the area such as The Dam Project. In addition, the Gilmore Fault which passes through the ELA contains fault-hosted quartz vein deposits such as the historic Pioneer Mine and Victoria Mine, which present an additional target.

Previous drilling at Kurrajong by Peko Wallsend (subsequently North Limited) returned a best intersection of 78 m at 0.23 g/t gold and 33 m at 0.84% copper with a number of other encouraging drill holes within an interpreted HSE system suggesting good potential for the area.

The Company will fully assess previous exploration data and formulate an exploration plan in the next quarter.

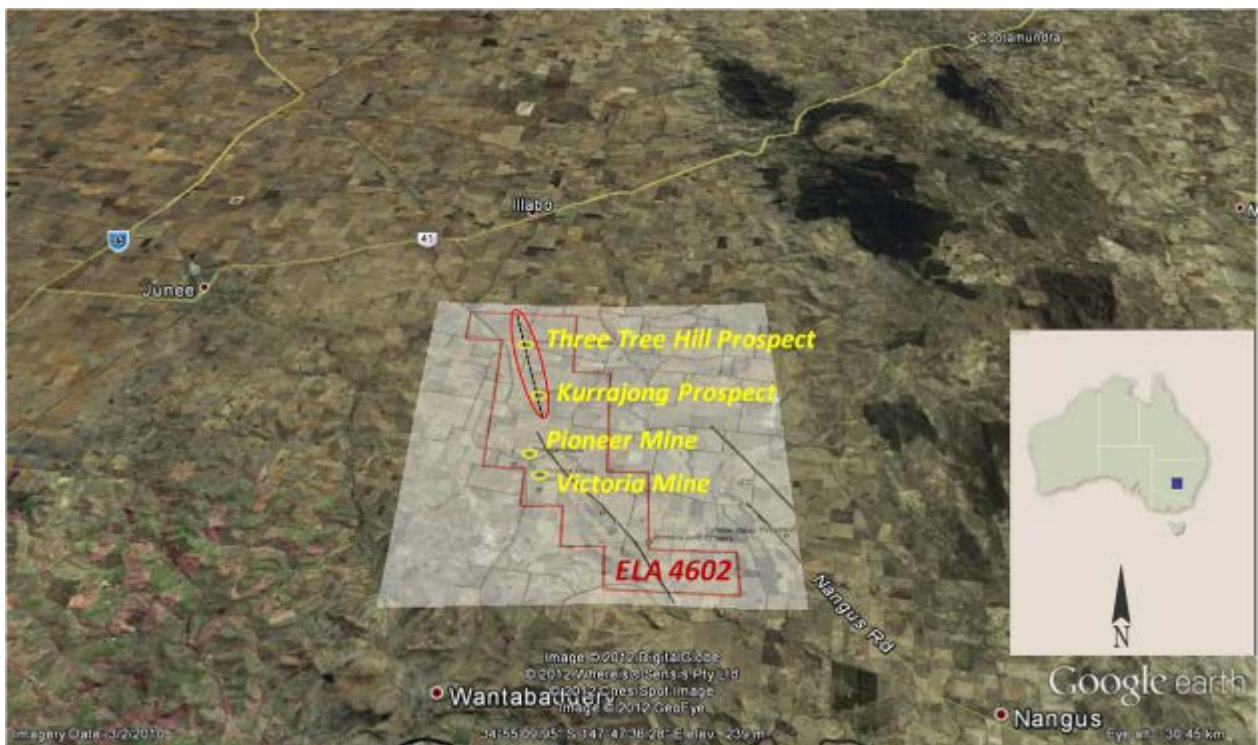


Figure 7. Oblique view looking north at the location of ELA 4602 indicating main prospects of interest

Lak Sao Project, Laos

During the quarter Hill End Gold stepped back from further work in Lao PDR for the foreseeable future until clear administration and security of tenure is improved.

Philip Bruce
Managing Director

Competent Persons' Statement

The information in this report that relates to Reward and Red Hill Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce, for Hargraves Mineral Resources by Philip Bruce and for Exploration results is based on information compiled by Stuart Munroe and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and was a full-time geological employee of HEG. Dr Munroe is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both are full-time employees of HEG. Mr Quayle, Dr Munroe and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle, Dr Munroe and Mr Bruce consent to the inclusion of the matters based on their information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HILL END GOLD LIMITED

ABN

74 072 692 365

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12..months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(489)	(1,827)
(b) development and mine suspension	(108)	(262)
(c) production	-	-
(d) administration	(679)	(1,944)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	27	93
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid		
1.7 Other (provide details if material)	63	260
	(1,186)	(3,682)
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	(30)	(42)
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)		
	(30)	(42)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(1,216)	(3,724)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,216)	(3,724)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,000	4,594
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	3,000	4,594
Net increase (decrease) in cash held			
		1,784	870
1.20	Cash at beginning of quarter/year to date	2,109	3,023
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,893	3,893

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	45
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	700
4.2	Development	-
4.3	Production	-
4.4	Administration	450
Total		1,150

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	93	944
5.2 Deposits at call	3,800	1,165
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,893	2,109

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	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	685,526,036 OFP	685,526,036 OFP		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	80,000,000	80,000,000	2.5 cents	2.5 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>	5,750,000 22,080,000	Employee 22,080,000	Exercise price 20 cents 10 cents	Expiry date 22 Nov 2012 16 May 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: ..July 2012....
(Director/Company secretary)

Print name: Kevin Lynn.....

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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