

*A highly active exploration company advancing a suite of greenfields copper discoveries in the Paterson Province of Western Australia*

**ASX Code**

ENR

**Market Cap (29/04/13)**

A\$30.9m (\$0.25/share)

**Issued Capital (29/04/13)**

123.4 million ordinary shares  
8.1 million employee options

**Cash (31/03/13)**

A\$0.9M\*

\* plus A\$2.4m from private  
placements announced on 23 April  
2013

**Board of Directors &  
Management**

Mr. Paul Chapman  
Non-Executive Chairman

Mr. Will Robinson  
Managing Director

Mr. Peter Bewick  
Exploration Director

Dr. Jon Hronsky  
Non-Executive Director

Mr. Kevin Hart / Mr. Dan Travers  
Joint Company Secretary

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[contact@enrl.com.au](mailto:contact@enrl.com.au)**HIGHLIGHTS****YENEENA COPPER PROJECT  
Paterson Province, WA**

*The Yeneena Copper Project ("Yeneena") consists of a major ground position between the Nifty copper mine, the Telfer gold-copper mine and the Kintyre uranium deposit where Encounter has made a series of new copper-cobalt discoveries that demonstrate the potential for large tonnage deposits.*

**BM1/BM7 Copper - Cobalt Discovery**

Field operations have re-commenced at Yeneena, with an initial 5,000m RC drilling program underway at the BM7 copper-cobalt prospect. RC drilling will also test for primary copper sulphides at the BM1 and BM6 Prospects.

**Earn-in Agreement Antofagasta (Antofagasta earning in)**

On 23 April 2013 the Company announced that it had completed a farm-in agreement and a private placement with Antofagasta Minerals Perth Pty Limited ("Antofagasta"), a wholly owned subsidiary of London Stock Exchange listed Antofagasta PLC, one of the world's largest copper producers and explorers.

Key terms of the agreements with Antofagasta are:

- Antofagasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km<sup>2</sup>) within Encounter's highly prospective Yeneena project (approximately 30% of Encounter's Yeneena land holding) by incurring expenditures of US\$20 million over a five year period.
- Antofagasta completes a private placement to inject A\$1,940,805 (US\$2,000,000) into Encounter (9,241,931 shares at A\$0.21 per share).

**Earn-in Agreement St Barbara Limited (Encounter earning in)**

During the quarter Encounter completed an earn-in agreement with St Barbara Limited ("SBM") to expand its ground position in the Paterson Province in WA. This was a strategic addition to the Company's ground position and provides an additional copper-gold project located on important structural corridor between Yeneena and the Telfer gold-copper mine.

**Cash**

The company has raised additional capital of A\$2.4m in April 2013 (Private Placements - Antofagasta A\$1.9m and firm commitments from Professional/Sophisticated Investors A\$0.5m) and has a sound cash position to complete its exploration plans outside of the Antofagasta earn-in area.

**Share Purchase Plan ("SPP")**

The opportunity is provided to existing eligible Encounter shareholders to subscribe for additional shares in Encounter at the same price as the Antofagasta private placement (A\$0.21 per share). Documents were mailed to shareholders on 29 April 2013.

## EXPLORATION

### PATERSON PROVINCE

#### YENEENA COPPER - COBALT PROJECT

- 100% Encounter - E45/2500, E45/2501, E45/2502, E45/2503, E45/2561, E45/2657, E45/2806
- Antofagasta earning in E45/2658 and E45/2805
- Encounter earning in ELA45/3881
- Encounter earning in ELA45/3232 and ELA45/3308

Yeneena covers a 1,400km<sup>2</sup> tenement package in the Paterson Province of WA located between the Nifty copper mine, the Woodie Woodie manganese mine, the Telfer gold-copper mine and the Kintyre uranium deposit (Figure 1).

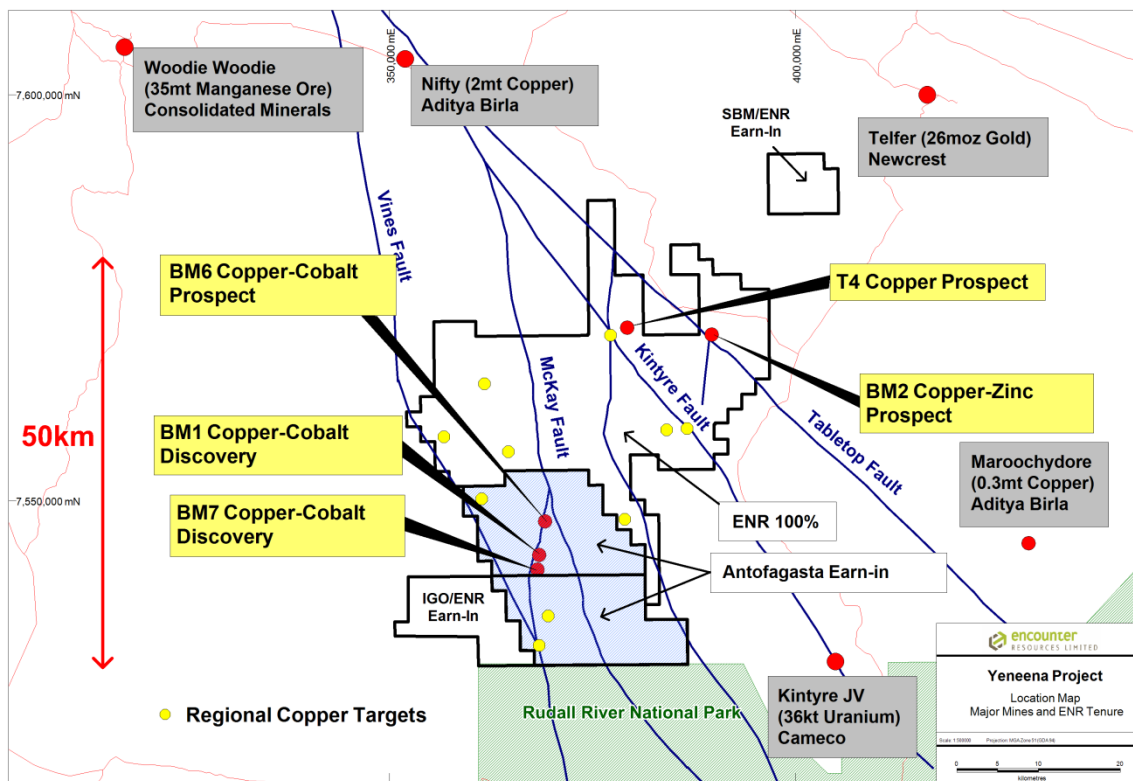


Figure 1: Yeneena project leasing and target areas with major regional faults

Field operations re-commenced in the quarter with Encounter mobilising to site in late March 2013, following an extended wet season and heavy rains associated with Cyclone Rusty. An initial 5,000m RC drilling campaign commenced in early April 2013 which will test for primary copper sulphides at the BM1, BM2, BM6 and BM7 prospects.

The drilling program at BM7 is co-funded through the WA Government Exploration Incentive Scheme ("EIS") up to an amount of \$150,000.

Exploration activities conducted in the last quarter include:

- Re-commencement of field activities at Yeneena
- Interpretation and identification of targets from the IP survey at BM7
- Planning for heritage survey at the BM7 and BM8 prospects
- Planning for VTEM survey over prospective Broadhurst Formation NW of the BM1-BM6-BM7 mineralised corridor
- Hyperspectral logging of the T4 and BM7 prospects
- Compilation of drilling data collected in the 2012 field season and generation of 2013 drill targets

## BM7 Prospect (Antofagasta earning in)

The BM7 prospect is located 3km south of the BM1 discovery and is situated at the intersection of the north-east trending Queen fault and the regionally-extensive McKay fault (Figure 2).

Aircore drilling in 2012 delineated a 3.5km long, 1.5km wide +0.1% copper regolith anomaly at BM7 that contains three higher-grade (+0.5% copper) cores (Figure 3). Localized higher grades (+1% copper) exist within the regolith anomaly, with significant cobalt enrichment associated with the copper mineralisation. The average hole depth of the aircore holes was approximately 40 metres. Significant intersections include:

- 8m @ 0.52% Cu and 364ppm Co from 76m to EOH (end of hole)
- 2m @ 0.61% Cu and 804ppm Co from 32m to EOH
- 9m @ 1.54% Cu and 1.0% Co from 42m to EOH including:
  - 4m @ 2.56% Cu and 1.74% Co from 44m
- 5m @ 0.62% Cu and 821ppm Co from 36m to EOH including:
  - 1m @ 1.2% Cu and 0.18% Co from 40m to EOH
- 13m @ 0.47% Cu and 32ppm Co from 36m to EOH

After delineation of the +0.1% copper regolith anomaly, a small RC drilling campaign was completed in November 2012 (Figure 3). Significant intersections from this program include:

- EPT1689 - 52m @ 0.55% Cu and 378ppm Co from 42m including 8m @ 1.97% Cu and 1,076ppm Co.
- EPT1679 - 104m @ 0.2% Cu and 175ppm Co from 62m to EOH. Importantly, this hole ended in mineralisation due to the depth capacity of the drill rig.

An IP survey was also conducted and interpreted in the December 2012 quarter, which resulted in the identification of a high-priority chargeability anomaly. The Western IP anomaly at BM7 (Figure 4) broadly follows the orientation of the McKay fault and extends over 2.5km of strike. The anomaly is also semi-coincident with an EM anomaly located adjacent to an interpreted coherent zone of high grade supergene copper mineralisation. This zone was identified in drill holes EPT1689 (8m @ 2% Cu and 0.1% Co from 58m) and EPT1557 (9m @ 1.5% Cu and 1.0% Co from 42m to EOH) that are located 200m apart. It is interpreted that the IP anomaly adjacent to this near surface copper zone could represent a zone of more intense disseminated copper sulphides (Figure 4).

The shallow aircore and RC drilling completed to date supports the potential for a world-class sedimentary-hosted copper deposit at BM7. The intense dolomite alteration and highly anomalous pathfinder elements (Bi, As, Mo, Co) observed at BM7 map out a large-scale hydrothermal system, which has introduced significant amounts of copper and cobalt mineralisation into the host sediments. Recent work has suggested analogies between BM7 and the copper-cobalt deposits of the Central African Copper Belt, sharing similar alteration patterns, host sediments and age of mineralisation.

The current RC drill program is focusing on areas where significant zones of near surface copper were discovered late in the 2012 field season. Follow up drilling around EPT1689 (8m @ 2% Cu and 0.1% Co) and EPT1679 (104m @ 0.2% Cu and 175ppm Co) will test for primary copper sulphides beneath the regolith anomaly. The drill rig has a depth capacity of 300m, which will allow testing of the IP anomaly and will enable deeper targets to be tested (Figure 4).



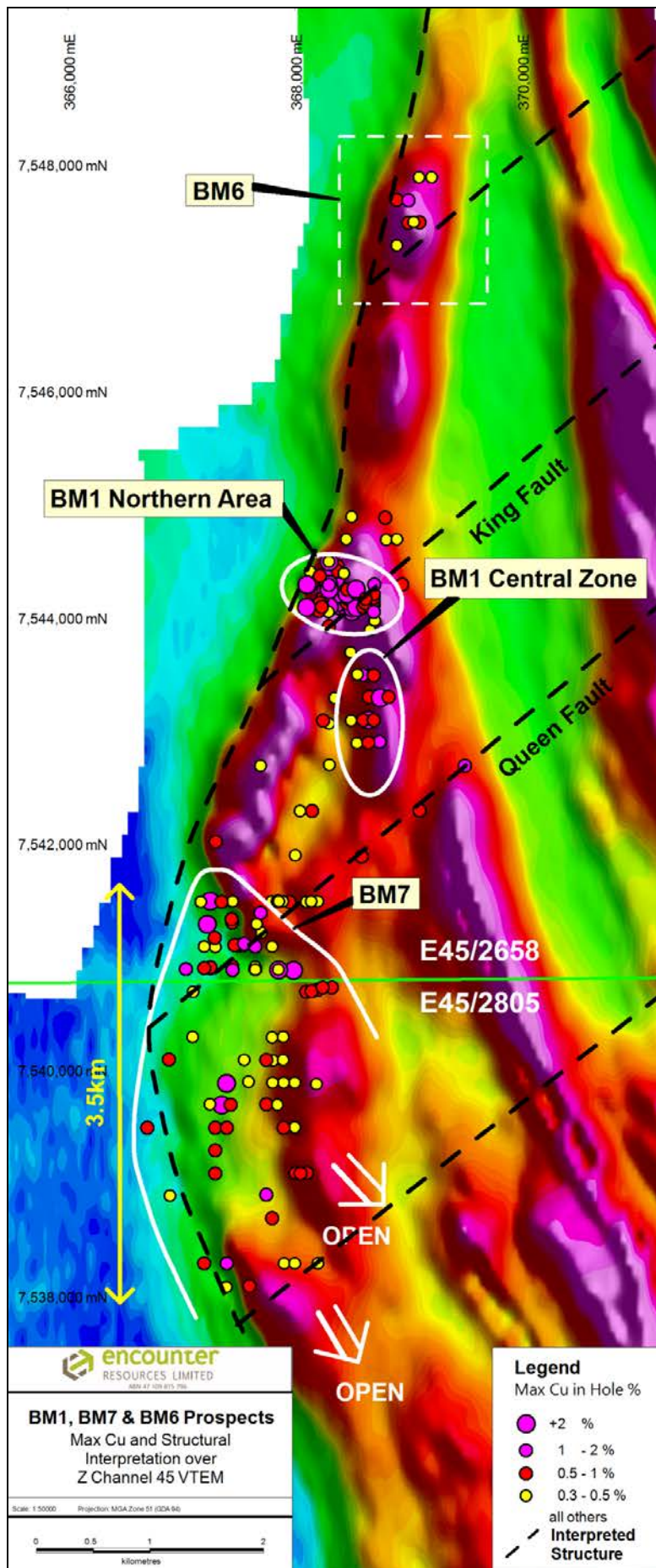


Figure 2: BM6 - BM1 - BM7 prospects maximum copper in hole (>0.3%) over VTEM Channel 45

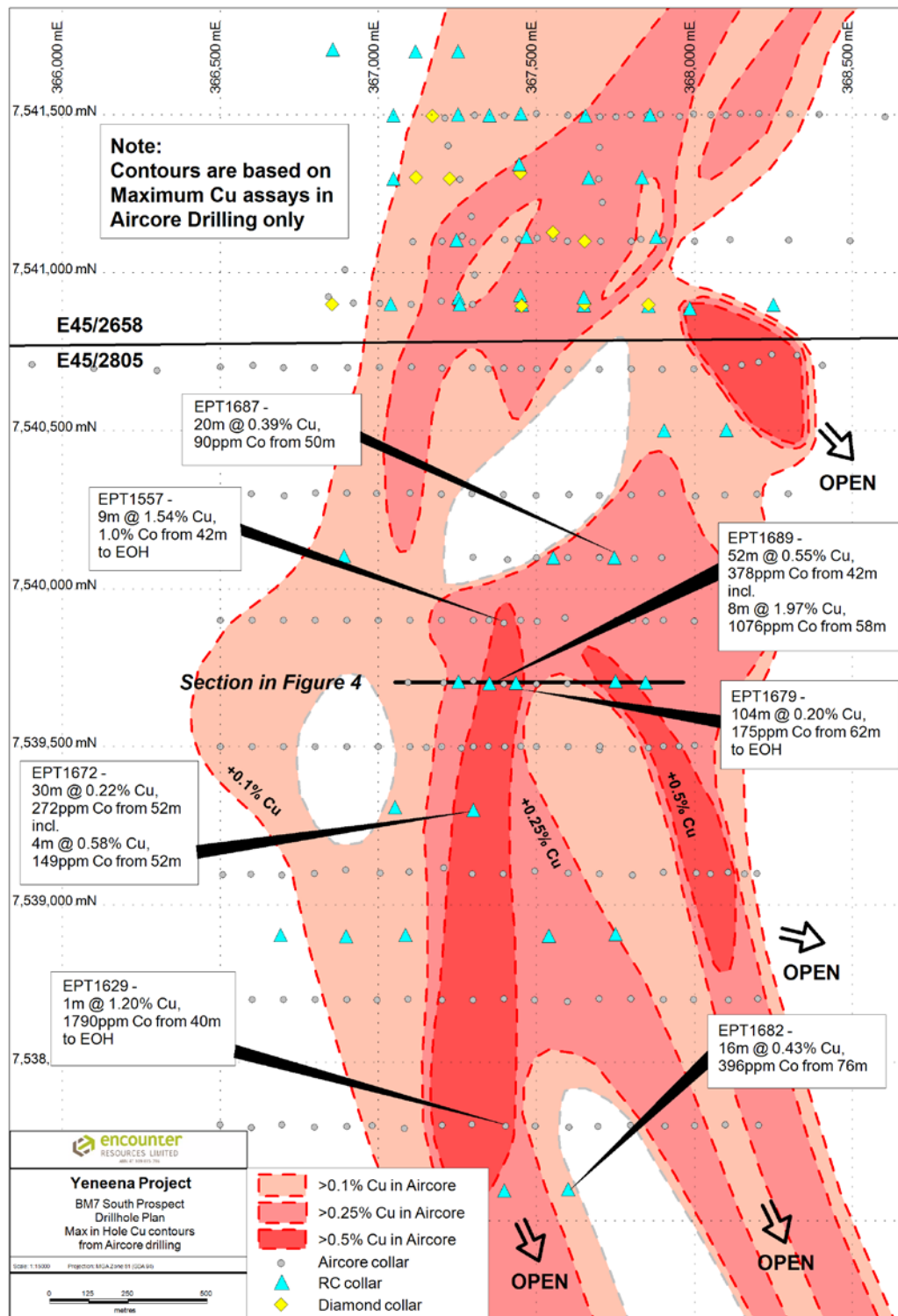


Figure 3: BM7 prospect aircore maximum in hole copper contours and drill status plan

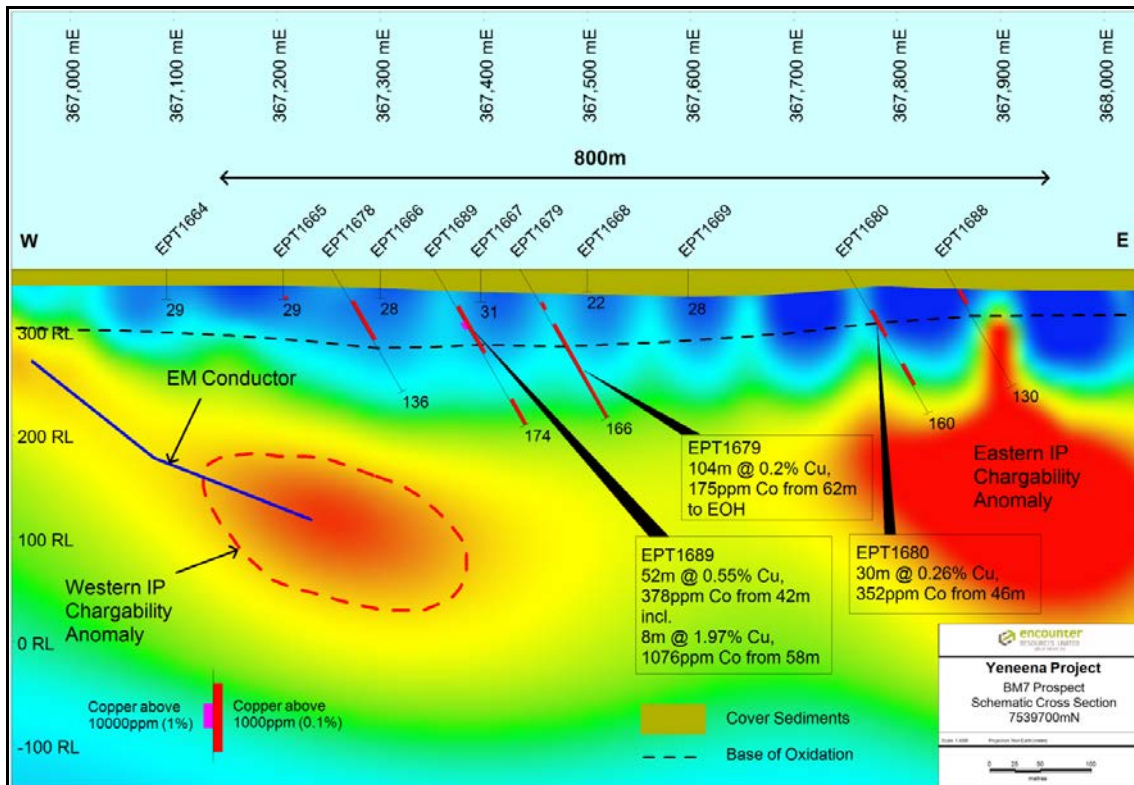


Figure 4: BM7- 7,539,700mN – IP chargeability and significant assays (No vertical exaggeration)

### BM8 Prospect (Antofagasta earning in)

Recent aircore and RC drilling at BM7 indicates the 11km long copper system that parallels the McKay Fault zone is strengthening to the south and remains open. Encounter holds the next 8 kms of strike along the McKay Fault zone. Within this 8km lies a newly identified prospect named BM8 located about 3 km south of BM7 (Figures 5 & 6).

The BM8 target has a number of similarities with the BM7 copper-cobalt discovery. The area of subdued EM response at BM8 is interpreted to relate to an alteration event that has reduced the conductivity of the host rock. This is akin to the dolomitisation event at BM7 that is associated with the copper-cobalt mineralisation. A discordant magnetic anomaly at BM8 located within the broad zone of low conductance is of particular interest (Figures 5 & 6). The testing of the targets east and south of BM7 and at BM8 will be completed following a heritage survey which is scheduled for May 2013.



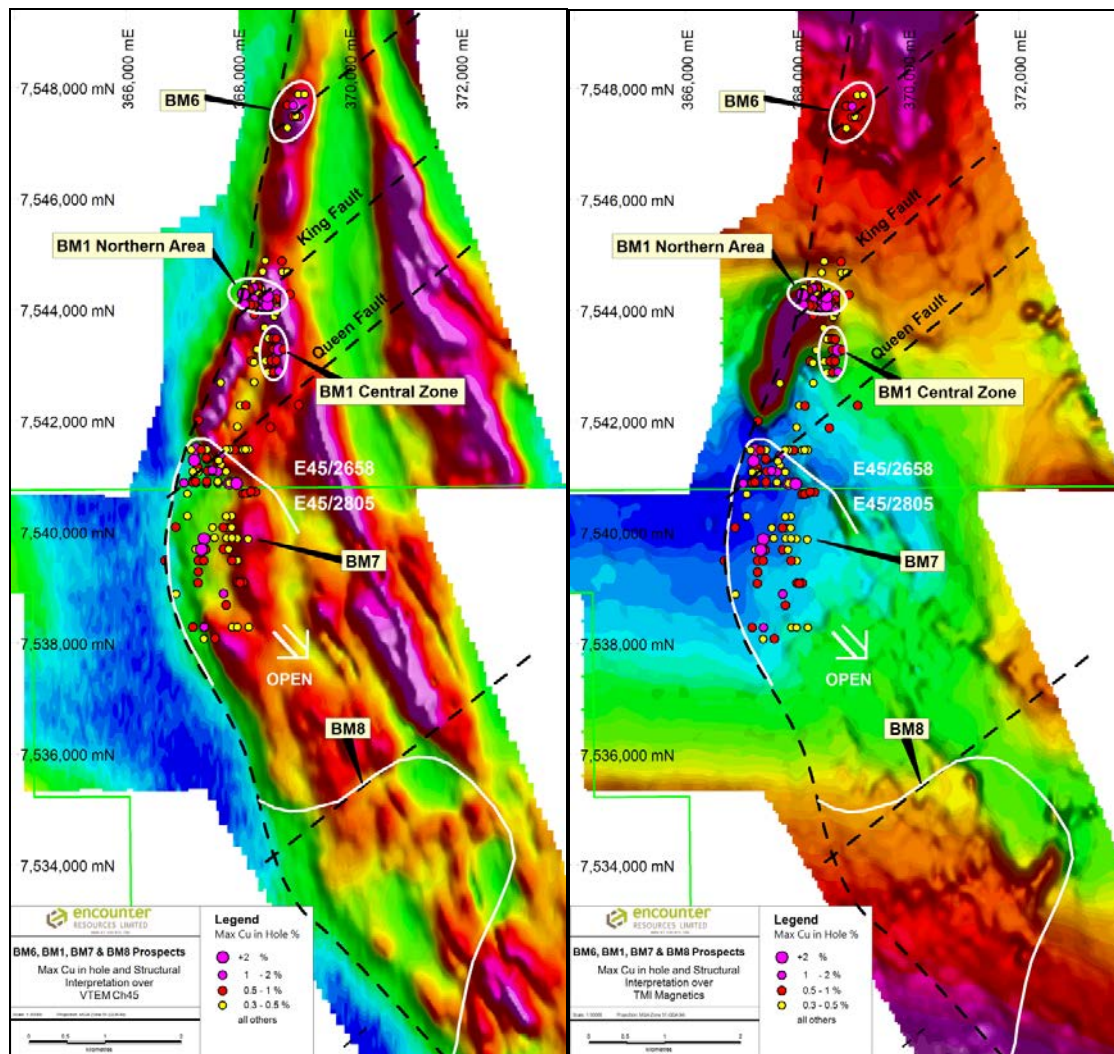


Figure 5. BM6 to BM8 Electromagnetics (EM)

Figure 6. BM6 to BM8 TMI Magnetics

## BM1 Prospect (Antofagasta earning in)

Aircore and RC drilling at BM1 has defined two zones of coherent near surface copper oxide mineralisation named the Northern and Central Areas. At the Northern Area, the flat lying copper oxide mineralisation extends over an area 500m by 250m and is interpreted to be the weathered remnants of a primary copper sulphide position.

Re-appraisal of drilling data has identified a target north of the BM1 Northern Area down plunge of a copper oxide position. A zone of copper sulphide mineralisation (12m @ 0.12% Cu from 90m to EOH) intersected at the base of a previous aircore hole is interpreted to be fault leakage from a potential primary source plunging shallowly northwards from the BM1 Northern Zone copper oxide position. The target is located in the fold hinge of the BM1 anticline, a conceptually prospective zone for copper-cobalt sulphide accumulation. Importantly, this zone has not been drill tested beyond the depth of aircore drilling (around 100m).

The Company plans to drill test this target as part of the current 5,000m RC drill campaign.

## BM6 Prospect (Antofagasta earning in)

Located 3km NNE of BM1 Northern Area, BM6 was discovered during reconnaissance aircore drilling in 2011, which delineated an 800m long, 400m wide +0.1% copper regolith anomaly adjacent to the McKay fault (with grades up to 1.4% Cu). The regolith anomaly coincides with a VTEM conductor, which has been modeled to dip shallowly to the west (towards the McKay Fault). Pathfinder elements are elevated at BM6,

with Bi assays up to 74 ppm and Mo assays up to 17 ppm (similar to levels seen at BM1 and BM7). No previous RC drilling has been conducted on the prospect.

The current RC program will test the depth extent of the copper mineralisation at BM6, and determine if the VTEM conductor represents primary copper sulphides.

### T4 Prospect (Encounter 100%)

Previous stratigraphic diamond drilling at the T4 prospect, an area totally covered by sand dunes, has confirmed the presence of copper sulphides within Rudall Complex metamorphic rocks. A magnetic anomaly with a strike-length of approximately 4km is present at T4.

A total of 125 shallow aircore drillholes were completed over the T4 prospect in September 2012. Widespread low-level copper anomalism (+100ppm) was observed in a highly variable regolith profile (0 to 30m thick). Significantly, copper anomalism commonly occurs at end-of-hole, with EPT1391 ending in 270ppm copper and 246ppm molybdenum (two orders of magnitude above background values for molybdenum), and EPT1270 ending in 441ppm copper (see Figure 14).

The regolith profile at T4 is poorly developed and is often “stripped” by erosion. This results in tight regolith footprints over primary mineralisation, with poor lateral dispersion of copper. Considering the limited regolith profile, any results above 100ppm copper are considered significant and warrant follow-up drilling.

A program of hyperspectral logging and multi-element analysis was conducted in the quarter, with results used to plan drillhole locations around the copper and molybdenum anomalies. Further reconnaissance drilling is also planned around the edges of the T4 Inlier, as conceptually, packages of Broadhurst Formation adjacent to highly tectonised and structurally complex zones are prospective for base metal deposits.

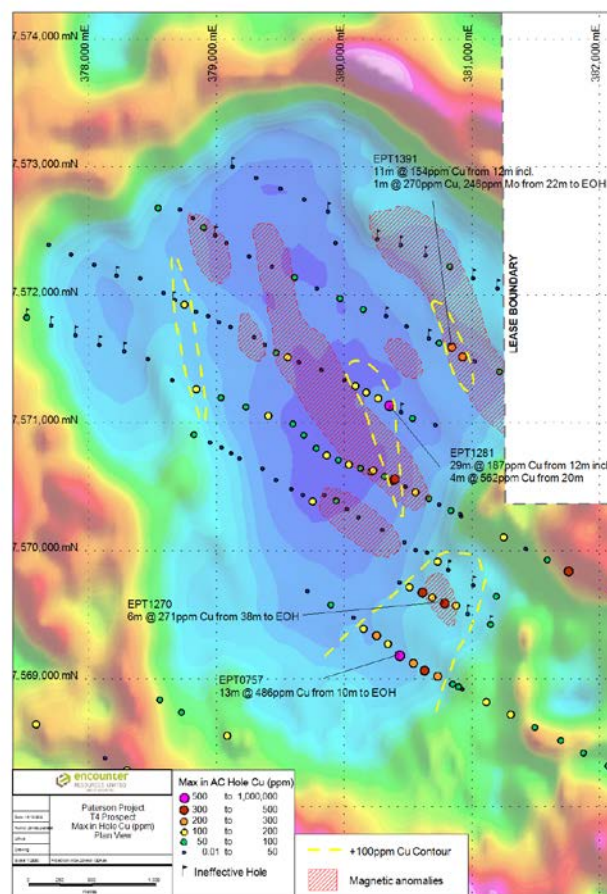
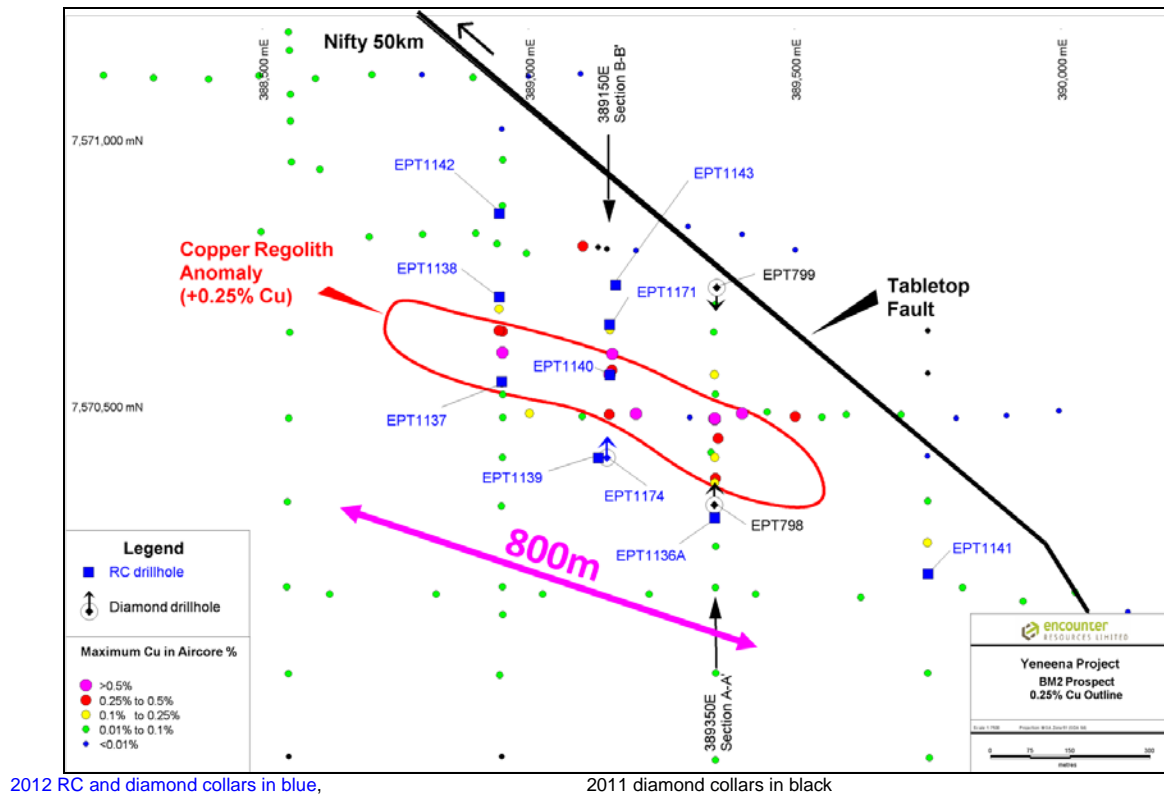


Figure 7: Electro-Magnetics ch35 overlain by maximum in-hole Cu (circles), +100ppm Cu outlines (yellow dashes) and magnetic anomalies (red shaded areas)



## BM2 Prospect (Encounter 100%)

The BM2 prospect is located on the regionally-extensive Tabletop Fault. This structure is known to be metallogenically important and is closely associated with the position of the Nifty Copper deposit, 50km along strike to the north-west (Figure 1). Previous aircore drilling defined a broad zone of copper anomalism (+0.25% Cu) over a strike extent of 800m (Figure 8). The identification of this significant base metal anomaly was made in an area of no outcrop, with up to 20m of transported overburden.



RC and diamond drilling in June 2012 confirmed a heavily leached oxide profile with many holes showing a strengthening of zinc mineralisation at depth. RC holes EPT1136A through to EPT1141 all ended in anomalous zinc and lead and have mapped out an extensive area of base metal sulphide mineralisation that extends over 1km in strike (Figure 8).

Drill hole EPT1140, collared in the core of the regolith copper anomaly, returned the first sulphide copper intersection at BM2:

26m @ 0.60% Cu from 100m incl. 10m @ 0.92% Cu from 100m

This intersection sits below the depth of the original aircore drilling and remains open to the west and at depth.

Diamond drill hole EPT1174 (Figure 9) was collared from surface and drilled to the north at -60°. The hole was designed to test for copper sulphide mineralisation at depth below EPT1140. The hole intersected a broad zone of carbonate alteration and veining in the shale unit that contained visible zinc and lead sulphides. Assay results include:

201m @ 0.6% Zn from 233m to end of hole including:

- 13m @ 1.3% Zn from 295m; and
- 8m @ 1.5% Zn from 349m; and
- 29m @ 1.0% Zn from 400m.

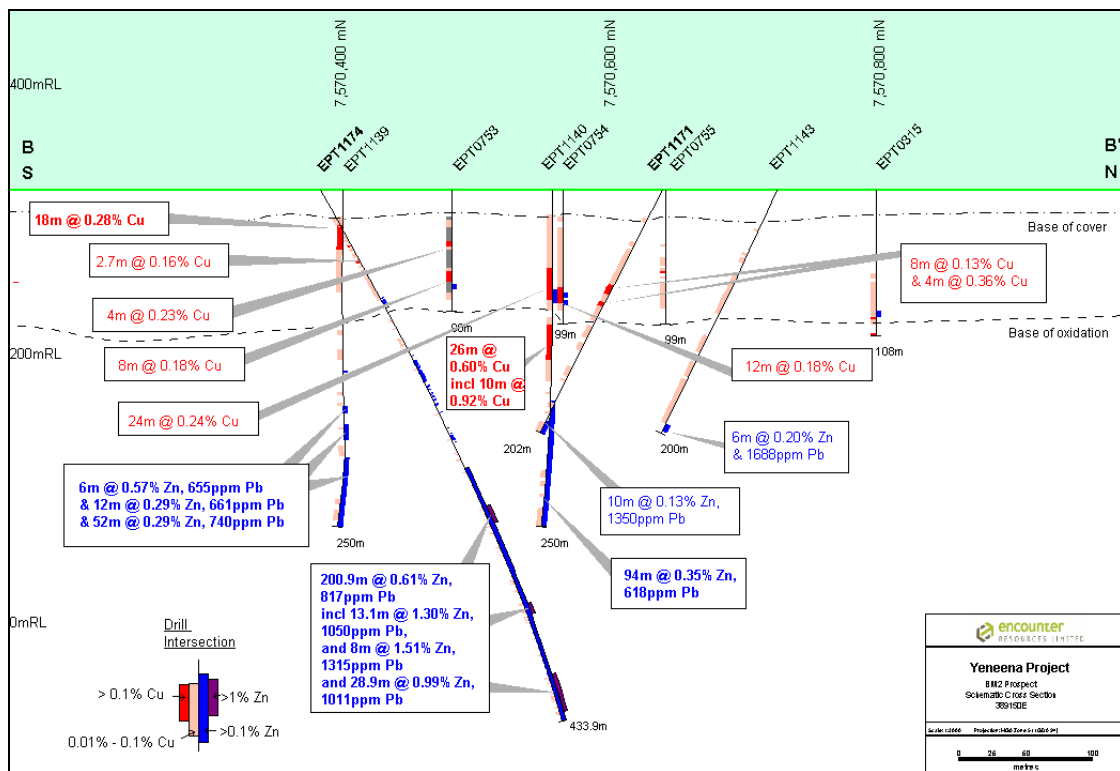


Figure 9: BM2 Cross Section 389150mE

The Company completed 7 RC holes in April 2013 at BM2 adjacent to the copper sulphide intercept in EPT1140. The program was designed to test for both lateral and depth extensions of the copper sulphides previously intersected. Initial observations indicate the copper sulphide zone is not laterally extensive, however zinc anomalism was intersected in the majority of drillholes at depth. Assay results from this drilling are expected in June 2013.

### Yeneena Regional Targets (Encounter 100%)

The success of the copper exploration program at the Yeneena project and the discovery of a large copper-cobalt mineral system at BM1-BM6-BM7 has encouraged Encounter to expand the early stage assessment activities over the untested regional copper targets.

Three untested regional scale copper targets are located to the NW of the BM1–BM6-BM7 mineral system (see Figure 1). These targets are hosted within Broadhurst sediments and located along NE trending structures between the McKay and Vines Faults. These NE structures are highly prospective as they represent potential dilational zones within the structural architecture of the basin during inversion. These dilational zones allow basin fluids to migrate upwards into suitable trap sites for base metal deposits.

A 1,250 line km airborne VTEM survey is planned for May 2013 and will cover these four untested regional targets. Detailed aerial photography has been acquired and initial reconnaissance and geochemical sampling is planned for June 2013. No previous exploration has been conducted on the area of interest.

## CORPORATE

### Farm-in and Joint Venture Agreement with Antofagasta

On 23 April 2013, the Company announced that it had completed a farm-in agreement and private placement, which was finalised on 26 April 2013, with Antofagasta Minerals Perth Pty Limited ("Antofagasta"), a wholly owned subsidiary of London Stock Exchange listed Antofagasta PLC, one of the world's largest copper producers and explorers.

Key terms of the agreements with Antofagasta are:

- Antofagasta may earn a 51% interest in tenements E45/2658 and E45/2805 (433km<sup>2</sup>) within Encounter's highly prospective Yeneena project (approximately 30% of Encounter's Yeneena land holding) by incurring expenditures of US\$20 million over a five year period.
- Antofagasta completes a private placement to inject A\$1,940,805 (US\$2,000,000) into Encounter (9,241,931 shares at A\$0.21 per share).

The benefits of the farm-in and joint venture agreement and equity investment by Antofagasta into Encounter include:

- Encounter will be joining forces with one of the major global copper companies to advance the exciting BM1-BM7 copper discovery trend;
- The transaction represents a significant financial investment by Antofagasta that ameliorates financial risks to project advancement;
- Exploration at Yeneena will continue to be managed by Encounter throughout the earn-in period with valuable input from the highly credentialed, globally recognised technical expertise of Antofagasta;
- In the event of a Decision to Mine, Encounter has the opportunity to enter a production joint venture with an experienced developer and operator in Antofagasta;
- Encounter retains the majority of the extensive Yeneena land holdings adjacent to the earn-in Tenements;
- The equity injection provides Encounter with additional funding to advance its other highly prospective targets within the remaining ~1,000km<sup>2</sup> land holding 100% controlled by Encounter; and
- The agreements provide a platform for Encounter to apply the successful target generation methodologies used by the Company to its extensive portfolio of prospects within the Yeneena project and elsewhere.

### Earn-in Agreement with St Barbara Limited

During the quarter, Encounter completed an earn-in agreement with St Barbara Limited ("SBM") to expand the Company's ground position in the Paterson Province in WA. This was a strategic addition to the Company's ground position and provides an additional copper-gold project located on an important structural corridor between Yeneena and the Telfer gold-copper mine.

The agreement, with SBM, relates to tenement applications ELA45/3232 and ELA45/3308 which cover an area of 60km<sup>2</sup> located 10km north-east of Yeneena and 15kms south-west of Newcrest's giant Telfer gold-copper mine (Figure 1). An initial VTEM survey at the project is planned to be completed during the 2013 field season.

## NEXT QUARTER HIGHLIGHTS

Activities planned for the June 2013 quarter include:

1. RC drilling at BM1, BM6 and BM7 (Antofagasta earning in)
2. RC drilling at BM2 (Encounter 100%)
3. Initial assays from BM7 RC drill program
4. Heritage survey south of BM7 and BM8
5. 1,250 line km VTEM and reconnaissance over regional targets
6. Preparations for diamond drill program in July 2013



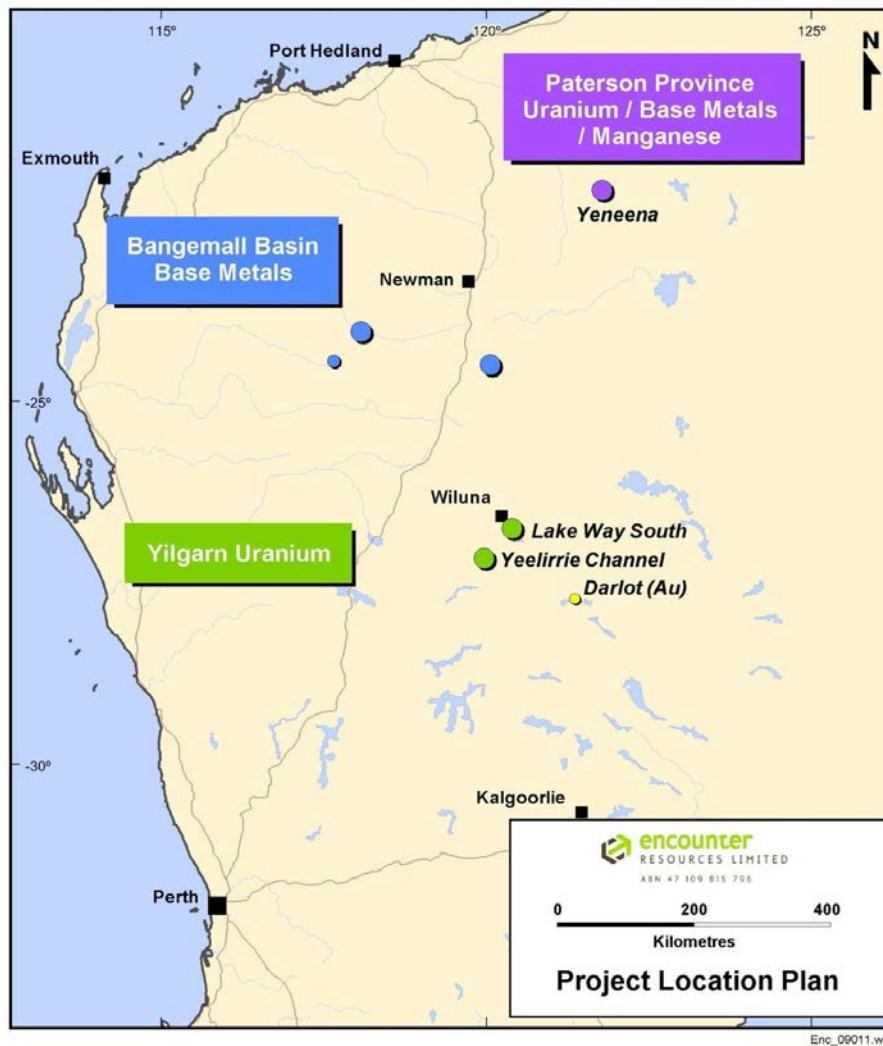


Figure 10: Tenement location map

Will Robinson  
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources at Lake Way South is based on information compiled by Mr Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bewick is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bewick consents to the inclusion in the report of the matters based on his 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, 17/12/10

Name of entity

Encounter Resources Limited

ABN

47 109 815 796

Quarter ended ("current quarter")

31 March 2013

#### Consolidated statement of cash flows

| Cash flows related to operating activities        |  | Current quarter<br>\$A'000 | Year to date (9<br>months)<br>\$A'000 |
|---|--|----------------------------|---------------------------------------|
| 1.1   | Receipts from product sales and related debtors            | -                          | -                                     |
| 1.2   | Payments for (a) exploration and evaluation                | (709)                      | (4,012)                               |
|   | (b) development  | -                          | -                                     |
|   | (c) production   | -                          | -                                     |
|   | (d) administration   | (186)                      | (657)                                 |
| 1.3   | Dividends received   | -                          | -                                     |
| 1.4   | Interest and other items of a similar nature received      | 12                         | 173                                   |
| 1.5   | Interest and other costs of finance paid                   | -                          | -                                     |
| 1.6   | Income taxes paid  | -                          | -                                     |
| 1.7   | - R&D tax concession refund                                | -                          | 209                                   |
|   | - Other  | -                          | 36                                    |
| <b>Net Operating Cash Flows</b>                   |  | <b>(883)</b>               | <b>(4,251)</b>                        |
| <b>Cash flows related to investing activities</b> |  |                            |                                       |
| 1.8   | Payment for purchases: (a) prospects                       | -                          | -                                     |
|   | (b) equity investments                                     | -                          | -                                     |
|   | (c) other fixed assets                                     | (2)                        | (13)                                  |
| 1.9   | Proceeds from sale of: (a)prospects                        | -                          | 20                                    |
|   | (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)                        | -                          | -                                     |
| <b>Net investing cash flows</b>                   |  | <b>(2)</b>                 | <b>7</b>                              |
| 1.13  | Total operating and investing cash flows (carried forward) | <b>(885)</b>               | <b>(4,244)</b>                        |

+ See chapter 19 for defined terms.

|      |  |       |         |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (885) | (4,244) |
|      | <b>Cash flows related to financing activities</b>          |       |         |
| 1.14 | Proceeds/(refunds) from issues of shares, options, etc.    | -     | -       |
| 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 – capital raising costs                              | -     | -       |
|      | <b>Net financing cash flows</b>                            | -     | -       |
|      | <b>Net increase (decrease) in cash held</b>                | (885) | (4,244) |
| 1.20 | Cash at beginning of quarter/year to date                  | 1,826 | 5,185   |
| 1.21 | Exchange rate adjustments to item 1.20                     | -     | -       |
| 1.22 | <b>Cash at end of quarter</b>                              | 941   | 941     |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|   | Current quarter<br>\$A'000 |
|---|----------------------------|
| 1.23 Aggregate amount of payments to the parties included in item 1.2 | 183                        |
| 1.24 Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 - Remuneration of Directors.

**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

-

+ See chapter 19 for defined terms.



### Financing facilities available

Add notes as necessary for an understanding of the position.

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

### Estimated cash outflows for next quarter

|                                | \$A'000      |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 1,300*       |
| 4.2 Development                | -            |
| 4.3 Production                 | -            |
| 4.4 Administration             | 200          |
| <b>Total</b>                   | <b>1,500</b> |

\* On 23 April 2013 the Company announced a farm-in agreement with Antofagasta Minerals Perth Pty Limited ("Antofagasta") where Antofagasta may earn a 51% interest in tenements E45/2658 and E45/2805 by incurring expenditures of US\$20 million over a five year period. The Exploration and evaluation expenditure planned for the June 2013 quarter is substantially funded through the farm-in Agreement with Antofagasta.

In addition, since the end of the March 2013 quarter, the Company has announced the completion of a share placement raising \$1.9 million and has firm commitments for a further \$0.5 million placement. These amounts have not been included in cash at end of the March 2013 quarter.

### Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 941                        | 392                         |
| 5.2 Deposits at call  | -                          | 1,434                       |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: cash at end of quarter</b> (item 1.22)  | <b>941</b>                 | <b>1,826</b>                |

+ See chapter 19 for defined terms.

**Changes in interests in mining tenements**

|     | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|--------------------|-------------------------------|----------------------------------|----------------------------|
| 6.1 | E52/2648           | Relinquished                  | 100%                             | 0%                         |
|     | E52/2652           | Relinquished                  | 100%                             | 0%                         |
| 6.2 | E53/1685           | Granted                       | 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 <b>Preference securities</b><br><i>(description)</i>         | -            | -             |   |  |
| 7.2 Changes during quarter                                       |              |               |   |  |
| (a) Increases through issues                                     | -            | -             |   |  |
| (b) Decreases through returns of capital, buy-backs, redemptions | -            | -             |   |  |
| 7.3 <b>+Ordinary securities</b>                                  | 114,194,360  | 114,194,360   |   |  |
| 7.4 Changes during quarter                                       |              |               |   |  |
| (a) Increases through issues                                     | -            | -             |   |  |
| (b) Decreases through returns of capital, buy-backs              | -            | -             |   |  |
| (c) Released from Escrow   | -            | -             |   |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  | -            | -             |   |  |

+ See chapter 19 for defined terms.

|      |   |        |        |                       |                    |
|------|---|--------|--------|-----------------------|--------------------|
| 7.6  | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted | -<br>- | -<br>- |                       |                    |
| 7.7  | <b>Options</b><br>(description and conversion factor)   |        |        | <u>Exercise price</u> | <u>Expiry date</u> |
|      | 200,000   | -      |        | \$0.30                | 30/6/2013          |
|      | 5,425,000   | -      |        | \$1.35                | 22/11/2014         |
|      | 550,000   | -      |        | \$0.80                | 30/9/2015          |
|      | 550,000   | -      |        | \$0.40                | 31/5/2016          |
|      | 1,450,000   | -      |        | \$0.30                | 30/11/2016         |
|      | 750,000   | -      |        | \$0.39                | 30/11/2017         |
| 7.8  | Issued during quarter   | -      | -      | -                     | -                  |
| 7.9  | Exercised during quarter  | -      | -      |                       |                    |
| 7.10 | Expired during quarter  | -      | -      | -                     | -                  |
| 7.11 | <b>Debentures</b><br>(totals only)  | -      | -      |                       |                    |
| 7.12 | <b>Unsecured notes</b><br>(totals only)   | -      | -      |                       |                    |

Note: Since the end of the March 2013 quarter the Company has issued 9,241,931 ordinary shares pursuant to a subscription Agreement between the Company and Antofagasta Minerals Perth Pty Ltd, a wholly owned subsidiary of Antofagasta PLC, as announced to the Australian Securities Exchange on 23 April 2013. As at 29 April 2013 the Company has 123,436,291 ordinary shares on issue.

## 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:  
(Company secretary)  
Print name: Kevin Hart

Date: 30 April 2013



## 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* 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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+ See chapter 19 for defined terms.