



Quarterly Report



For the three months ending 31 March 2011
NOT FOR RELEASE IN THE UNITED STATES

Significant Events

meeting a lithium future...

- \$120 million capital raising to fund Mt Cattlin and Jiangsu ramp-up, acquisitions and retirement of debt
- First spodumene concentrate shipped from Mt Cattlin to Jiangsu
- First tantalum concentrate shipped from Mt Cattlin
- Proposed Hong Kong IPO postponed
- Appointment of new directors and HK company secretary
- Second tranche of funding received from substantial shareholders
- Galaxy wins sustainable energy award for solar technology at Mt Cattlin
- James Bay farm-in agreement finalised
- Mt Cattlin resource upgraded by 14%, mine life extended
- New rare earth exploration targets identified at Ponton Project
- Construction of Jiangsu Lithium Carbonate Plant progressing

Galaxy Resources is an international S&P/ASX 300 index company which is soon to become one of the world's leading producers of lithium – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

By 2011, Galaxy's Mt Cattlin mine will be the world's second largest hard rock producer of lithium and, through the development of its value adding lithium carbonate plant (17,000 tpa), the Company will be the largest and lowest cost lithium producer in China.

Lithium concentrate and lithium carbonate materials are forecast to be in short supply against high future demand due to advances in long life batteries and sophisticated electronics including mobile phones and computers.

Galaxy Resources has positioned itself to meet this lithium future by not only mining the lithium but by downstream processing to supply lithium carbonate to the lucrative Asian market.



Corporate

Placement

Subsequent to the end of the quarter, Galaxy announced it had finalised a A\$120 million capital raising via an equity placement. The funds will strengthen the company's capital base and help it execute its growth strategy. The raising was completed with institutional investor clients of Azure Capital, Morgan Stanley and Helmsec Global Capital (Joint Lead Managers).

The placement was priced at A\$1.10, which represented a 13.6% discount to the 30-day volume weighted average price (VWAP) prior to the pricing date of 8 April 2011. The issue was substantially oversubscribed, with strong interest from investors in Europe, Asia, US and Australia.

The majority of capital raised will be used for ramp-up requirements at Mt Cattlin (\$49 million) and the Jiangsu plant in China (\$35 million). The balance of the funds raised will be applied in areas such as debt reduction and new acquisitions, as well as providing general working capital pending first positive cash flows in the first half of 2012.

The capital raising will be completed in two tranches (Tranche 1 issued on 27 April 2011)

Tranche	Timing	Shares	Amount
Tranche 1	27 April 2011	31 m	A\$34 m
Tranche 2	20 May 2011	78 m	A\$86 m
Total		109 m	A\$120 m

Tranche 2 is subject to the approval of Galaxy's shareholders at an Annual General Meeting scheduled for 13 May 2011.

Galaxy wins Sustainable Energy Award for Solar Technology

The Company together with Swan Energy Pty Ltd (Swan Energy), was awarded the Energy Generation and Distribution Award by the Sustainability Energy Association of Australia at a ceremony in late March.

The Company received the award for the installation of state-of-the-art solar tracking technology at its Mt Cattlin Project. It is the first mine site in Australia to have real-time solar tracking panels as part of its power generating requirements. The solar tracking feature means the solar panels are able to follow the sun in all directions to maximise the power generated and provides 15% more power than a single axis systems.

The Company has 14 giant solar trackers and 2 wind turbines in operation at its Mt Cattlin lithium mine and processing plant, which together generate 226 MWh per year of renewable energy. The panels and turbine system was designed by Australian renewable energy suppliers Swan Energy.

The wind and solar hybrid system supplements power from Galaxy's 5MW diesel generator, which accounts for, on average, about a sixth of the mine site's daily power. This system also promotes savings in CO₂ emissions to the tune of 200 tonnes per year.



Corporate

First Spodumene Shipment to China

The Company successfully loaded its first shipment of spodumene at the Bunbury Port in Western Australia. Approximately 6,500 tonnes of spodumene was loaded on the MV Ocean Flower and arrived at the Zhangjiagang Port in the Peoples Republic of China in mid April. It was the first load of spodumene to be shipped from the Mt Cattlin mine in Ravensthorpe and heralded preparation for the commissioning of the Jiangsu Lithium Carbonate plant in China. Galaxy still plans to begin the commissioning and start-up of the Jiangsu plant at the end of the second quarter of 2011.

The decision to ship from Bunbury Port was made after further unexpected delays in receiving approvals at Esperance Port. The Company is continuing to work with Esperance Port to resolve the issues causing the delay, with a view to export material from Esperance as planned.



First Tantalum Sales from Mt Cattlin

The Company delivered the first shipment of tantalum concentrate from its Mt Cattlin mine in Western Australia, under its five-year sales agreement with Global Advanced Metals Pty Ltd (GAM) in March 2011. The shipment of 28 tonnes had an average grade of 2.3% tantalum pentoxide.

While Galaxy is focused on the mining and processing of lithium ore at Mt Cattlin, tantalum ore is also mined during that process. The tantalum ore is subsequently processed into a tantalum concentrate by-product.

Hong Kong IPO Postponed

The Company announced a postponement of its proposed initial public offering (IPO) in Hong Kong until further notice, due to unfavourable financial market conditions relating to the North African unrest and Japanese earthquake.

Galaxy had planned a dual listing on the Stock Exchange of Hong Kong (SEHK) at the end of March 2011.

The Company was disappointed to have had to delay its Hong Kong IPO, but it considered it a prudent decision in light of the aforementioned international events and related market volatility.

Galaxy is strongly focused on listing in Hong Kong and will proceed when the time is right.



Corporate

Appointment of New Directors and Company Secretary (Hong Kong)

During the quarter, the Company appointed Mr Michael Spratt as an Independent Non-Executive Director and Mr Shaoqing Wu as Non- Executive Director to the Galaxy Board. It also appointed Ms Ella Wong as Company Secretary (Hong Kong).

Michael Spratt

Mr Spratt has 48 years of experience in the base metals, mining, processing, smelting and construction sectors. He was previously the Managing Director of Thailand's Thaisarco Limited, which is one of the world's largest tin smelters and is currently the Chairman of Kasbah Resources Limited (ASX: KAS). Other past positions include Chief Operating Officer of Minproc Limited and Executive Vice President and Operations Director of Kaiser Engineers Pty Ltd.

Mr Spratt is a qualified metallurgist with extensive experience managing a range of operations in a variety of environments and geographies including Australia, Asia, and Africa.

Shaoqing Wu

Mr Wu is currently the General Manager of major Galaxy shareholder Fengli Group. Mr Wu is a civil engineering graduate of Shazhou College in Zhangjiagang City and has been an employee of Fengli for over 15 years. He was promoted to the group's General Manager from a Vice President role in 2010.

Ella Wong

Ms Wong has 13 years experience in corporate secretarial practice. She is a chartered secretary and an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

Ms Wong joined Tricor Services Ltd (Tricor) in 2004 and is currently a manager of the corporate services division. Ms Wong has provided outsourced company secretarial services to many private companies and has been actively involved, as a manager of Tricor, in servicing a number of public companies listed on the Stock Exchange.



Resource Division

Mt Cattlin Resource Upgrade

In the quarter, the Company announced that it had lifted the total contained lithium oxide (Li_2O) resource at its wholly-owned Mt Cattlin mine by 14% to 197,000 tonnes from its last resource estimate, issued January 2010.

Recent drilling, modelling and evaluation boosted both resources and reserves at Galaxy's Mt Cattlin lithium project, which is near Ravensthorpe in Western Australia. Total resource tonnes at Mt Cattlin increased by 14.6%, or 2.31 million tonnes from the previous estimate, while the measured and indicated mineral resource was up 12%, or 1.50 million tonnes, to 13.8 million tonnes.

The resource increase at Mt Cattlin extended the potential mine life of the spodumene project to 18 years, including inferred resources.

The geological model was prepared by Galaxy Resources and the estimation was prepared by consultants Hellman and Schofield Pty Ltd (H&S). The new estimate of contained mineral resources for the Mt Cattlin deposit was 197,000 tonnes of lithium oxide (Li_2O) and 6.26 million pounds of tantalum pentoxide (Ta_2O_5) above a cut off grade of 0.4% lithium oxide, reported below in accordance with the JORC Code and Guidelines. The new estimate has increased the total tonnes for all resources by 2.31 million tonnes, while tonnes in the measured and indicated resource categories have increased by 1.50 million tonnes, or 12% compared to 2010.

The classification of the Mt Cattlin mineral resource is shown below in Table 1 and a summary of the estimation methodology is included at the end of this announcement. Details of the previous resource estimate completed in January 2010 are included in Table 2 for comparison.

The latest resource estimate included an additional 67 RC holes (5446m) and five diamond holes (390m) compared to the January 2010 estimate. Collar positions of drill holes are shown in Figure 1, with those completed after the January 2010 resource estimate highlighted. Drilling during 2010 focused mainly on the North West Zone, which accounts for the bulk of the resource increase. Some infill drilling was completed in other areas to extend known mineralised zones or upgrade resource categories.

Table 1: Current
(February 2011 Mt Cattlin Global Resource Estimate)

Resource	Tonnes	Li_2O %	Ta_2O_5 ppm
Measured	3,193,000	1.17	149
Indicated	10,613,000	1.06	168
Inferred	4,382,000	1.07	132
Total	18,188,000	1.08	156

Note: Li_2O cutoff grade $\geq 0.4\%$ Li_2O . Figures in the above table may not sum due to rounding

Table 2: Previous
(January 2010 Mt Cattlin Global Resource Estimate)

Resource	Tonnes	Li_2O %	Ta_2O_5 ppm
Measured	2,672,000	1.17	150
Indicated	9,629,000	1.09	171
Inferred	3,575,000	1.00	145
Total	15,875,000	1.08	161

Note: Li_2O cutoff grade $\geq 0.4\%$ Li_2O . Figures in the above table may not sum due to rounding

The new resource estimate is based on the pre-mining topographic surface and does not account for mining depletion, since all mined material is still contained on site in product stockpiles, crushed stocks and the ROM pad. Once product shipment has commenced, future resource estimates will account for mining depletion.

James Bay Agreement Finalised

Galaxy signed the formal farm-in and joint venture agreement (Agreement) with Canada's Lithium One Inc. to acquire up to 70% of the James Bay Lithium Pegmatite Project in Quebec.

Under the terms of the agreement, Galaxy will acquire an initial 20% equity interest in the James Bay Project for C\$3 million. Galaxy also has the potential to increase its stake to 70% through the completion of a definitive feasibility study within a 24 month period. Whilst the formal agreement has been executed, the initial payment of C\$3 million is subject to minor conditions involving transfer of some minor tenements from one option holder to Lithium One. Galaxy expects the conditions to be satisfied soon.

The James Bay Project is an extensive high-grade spodumene pegmatite, near-surface deposit, with a NI 43-101 compliant resource and close proximity to key infrastructure.



Resource Division

Mt Cattlin Operations

The excellent safety performance at Galaxy's Mt Cattlin operations continued, with no lost time injuries (LTIs) recorded and a reduction in the number of incidents, MTIs and first aid treatments.

Mining performance during the quarter met company expectations, with total material movement of 525,325 BCMs and 111,042 tonnes of ore mined at 1.23% Li₂O, which is above the mine average of 1.1% Li₂O. The mining operation provided sufficient ore on the ROM pad to allow the process plant commissioning and ramp-up to proceed unimpeded.

The crushing plant also performed well and operated above design rates for the majority of the quarter.

The wet plant and concentrator ramp-up was lower-than-expected largely related to:

- Rapid wear of pump and piping components that are being progressively upgraded to rubber lined components
- Mica removal issues at the front end of the plant
- Normal commissioning and ramp-up issues

At the end of the March, most of the above stability issues had been resolved, with daily spodumene production averaging 70% of design output.

A total of 6,800 tonnes of spodumene concentrate at 5.42% Li₂O (target 5.5% Li₂O) was produced for the quarter, with March production of 4,043 tonnes recorded.

Further plant modifications were made during an extended shutdown on 12 April, 2011 and on start-up, the concentrator was averaging spodumene production of 306 tonnes per day (82% of design).

Towards quarter-end, plant utilisation had increased to 70%-75%, lithium recoveries and product grades were approaching design levels.

Mt Cattlin management and staff are to be commended on their achievements in the early stages of the Mt Cattlin ramp-up.

	March 2011 Quarter	Calendar Year to Date
Ore Mined (Tonnes)	111,042	111,042
Grade (%)	1.23	1.23
Waste Mined (BCM)	525,325	525,325
Ore Treated (Tonnes)	114,741	114,741
Grade (%)	1.25	1.25
Spodumene Produced (dry Tonnes)	6,800	6,800



Resource Division

Bakers Hill and Aerodrome

Galaxy plans to commence an RC program at Bakers Hill in the second quarter, as soon as final approval is received from the Department of Mines and Petroleum. This program will follow up on outcropping pegmatite zones which returned Li_2O values of up to 5.94% in rock chip samples.

Boxwood Hill

An RC program of eight holes totalling 1236m was completed at Galaxy's Boxwood Hill project, around 120km northeast of Albany. The program was designed to test a strong aeromagnetic anomaly, which was confirmed by a ground magnetic survey in late 2010. Drilling intersected a metamorphosed Fe-P rich fractionated gabbro-norite, which contained significant magnetite, and elevated Sr and Ba values. However, no economic mineralisation was intersected.

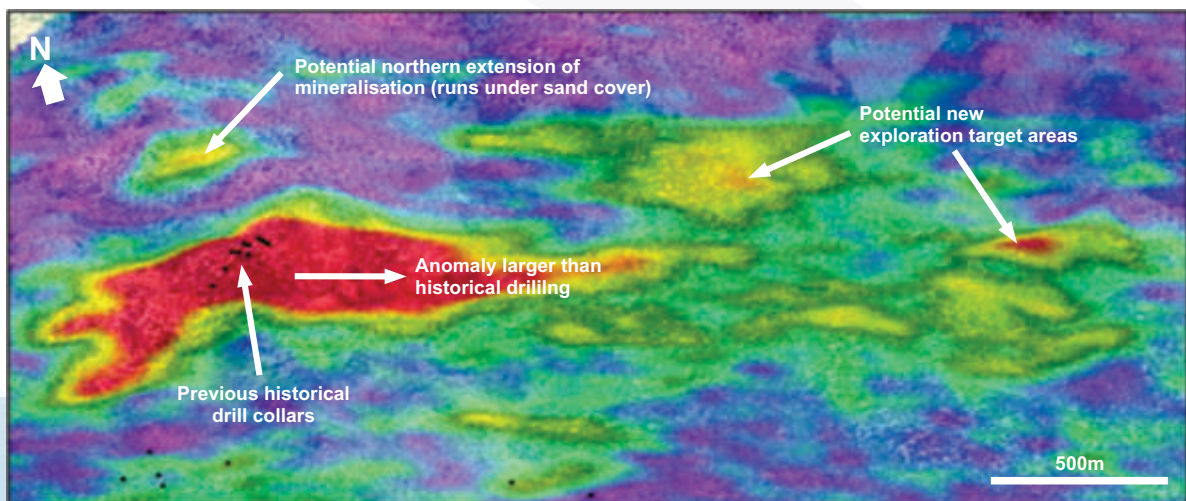
Ponton

Subsequent to the quarter, the Company announced it had identified potential new exploration target areas at its 100%-owned Ponton Rare Earths Project (Ponton project), which lies 200km east of Kalgoorlie in the eastern Goldfields region of Western Australia.

A review and subsequent interpretation of recently purchased historic remote sensing data suggest the anomaly is significantly larger than the area previously tested. Consequently, Galaxy has now identified potential exploration targets to the north and west of the previous drill area.

The original targets show very strong radiometric signatures which suggested the Ponton project area could be much larger than Galaxy had initially contemplated.

The Ponton Project ELA lies on a Class A nature reserve and the Company is currently in discussions with the Western Australian Government to progress the grant of the tenement application.



Ponton REE prospect showing radiometric data draped on topography



Chemicals Division

Jiangsu Lithium Carbonate Project

Safety performance across the PRC operations continues to be excellent with no lost time injuries (LTIs) recorded during the quarter.

Construction of the Jiangsu lithium carbonate plant progressed well during the quarter, with the large kiln and cooler shells now on site. The shells sections are being aligned, welded and assembled on site by MCC No 1 contractor. The kiln and cooler ground foundations and support roller bearing pillions are being constructed next to the kiln assembly and the welded shells will be lifted into place when ready. Once in place, the internal kiln refractory will be installed and cured.

The packing and warehouse building is nearly complete, with final cladding in place. The processing building is progressing well with the crane installation completed. Solid progress has been made with Laboratory, Substation, Administration and Maintenance Buildings. Civil work conducted by Shanghai No 1 contractor is still progressing around the site with equipment foundations.



Some of the larger equipment also arrived on site during the quarter, including the 1 tonne bagging stations, crystalliser, baghouse, centrifuges, filters, ball mills and critical maintenance tools. This equipment will be progressively installed commencing with the microniser and equipment in the final product packing building.

To support the construction and installation, Galaxy received engineering support from Hatch Engineering, which included structural and civil designs, process engineering, process drawings, mechanical and instrument datasheets, purchasing packages, vendor data and associated work packages.

The revised Environmental Impact Assessment, which includes the extra purification step, was approved by the local authorities in the quarter. The next permit required is the Safety Impact Assessment which will be progressed next quarter. Both permits have not delayed any construction activity.

Since Chinese New Year, the slowdown of labour availability with construction has started to pressure the overall project's schedule and budget. The tightening of skilled labour has become a common issue on the east coast of China where Galaxy is constructing its lithium carbonate plant. The east coast of China relies on labour migration from the western regions of China, however due to positive economic development of these western provinces, a significant proportion of skilled labour has not returned after Chinese New Year.

The Company will continue to manage the situation by accessing more labour resources and bring on more contracting companies.

Late design changes required by the Environmental Bureau during the EIA approval process, an increase in the plant power capacity have added to pressure on the project schedule.

Commencement of commissioning and start up of the Jiangsu plant is planned by the end of the second quarter. The full completion of the plant and budget is subject to both Galaxy and associated plant and equipment suppliers restoring labour resources on site.

The first shipment of spodumene arrived and was unloaded at Zhangjiagang port without incident. The spodumene feedstock will be stored at the public wharf and transported to the lithium carbonate plant when commissioning commences.



Chemicals Division

Business Readiness

Preparation and finalisation of operational systems continued on schedule during the quarter in preparation for training of operations, maintenance and administration staff. Finalisation of the plant operating procedures and control systems will be complete early in the second quarter. Asset management systems are largely in place with final touches only necessary as final vendor data becomes available through the EPCM Engineer. Implementation of the Pronto business management system continued during the quarter and involved intense two week training of key staff in preparation for complete system "Go Live" early in the second quarter.



Recruitment Build-up

Following on from recruitment of all Galaxy management and technical positions in calendar year 2010, over 80% of plant operations and maintenance personnel were recruited during the quarter. The remaining personnel will be recruited during the second quarter in line with the recruitment plan. All personnel will commence site familiarisation and intense systems and operations training on site during the second quarter in preparation for plant commissioning.



Marketing Update

Lithium Demand Increases

Galaxy believes global lithium demand is returning to pre Global Financial Crisis (GFC) levels. Major existing lithium suppliers from brines and hard rock sources reported an increase in volumes of 30% to 50% and revenues up by 15% to 35% in 2010 as compared to 2009.

FMC and Chemetall announced in Q3 2010, an 8% to 10% price increase for lithium hydroxide, lithium chloride and organolithium compounds. Talison Minerals also secured a 14% average price increase for its lithium concentrate ore in the March quarter.

The pricing for lithium carbonate has stabilised since Q4 2010. The demand is forecast to increase further in 2011 as the production of electric cars start to ramp-up for deliveries in the year and beyond.

Exhibitions

The Company participated in major global exhibitions to promote both the Company and its products. These included:

- Lithium Supply and Markets 2011, Toronto
- International Rechargeable Battery Expo, Tokyo
- Energising SEA, Perth
- International Forum on Green Energy, Electronics, Materials and Applications, Wollongong

The company also attended several lithium battery-focused conferences during the March quarter. Major E-bike companies globally are now familiar with Galaxy and its projects and are tracking its progress.

E-Bike Lithium Battery Marketing

The Company continues to progress with discussions to evaluate potential off-take agreements with various e-bike manufacturers globally in preparation for the proposed construction of a highly automated battery manufacturing plant in China. The Company's marketing representatives noted current E-Bike manufacturers are seeking a reliable source of high quality lithium batteries. The current quality of lithium E-Bike lithium batteries in China is very inconsistent and E-Bike manufacturers - particularly those exporting bikes to Europe - have indicated their willingness to sign off-take arrangements with a high quality battery supplier.

With a gradual replacement of lead acid batteries with lithium ion batteries, Galaxy believes it is well poised to supply the E-Bike market by 2013, its proposed commissioning period for the battery plant.



Marketing Update

Beijing to Drive EV demand

Subsequent to the quarter, the Chinese government announced further measures to drive electric vehicle demand. On 7 April 2011 it announced buyers of pure electric vehicles (EV) will not have to win the lottery to drive a car in Beijing. Drivers of EVs can drive on any day of the week, and will not have to pay tax.

In a bid to control increasing traffic congestion, Beijing ruled applicants for a license plate had to enter a lottery. Drivers also have to leave their cars at home one day a week. Other measures included reductions in new car registrations and the banning of cars during rush hour.

The Company believes the recent mandate from Beijing will start to drive the uptake of electric vehicles in line with the recent launch of PRC's twelfth 5-year plan.



Battery Division

The Company continues to further advance the implementation of a lithium ion E-Bike battery manufacturing project in the Jiangsu Zhangjiagang High Technology Park.

EPCM contractor M+W Group Shanghai appointed a dedicated team to lead the project. Significant in the process was the appointment of Mr Jack Huang, a mechanical engineer with several years of experience in engineering and project management with particular reference to clean building required for battery plants.

M+W is co-ordinating the preparation of the Environmental Impact Assessment; Report (EIAR), along with an experienced consultant (local Environment Institute) in Jiangsu who has been already engaged by Galaxy. The site master plan and manufacturing layout plan according to the production process provided by Galaxy for project application purpose has been completed. It is expected that the EIAR will be finalised by the end of April 2011 for the review of all parties concerned, and will be submitted to the authorities in May 2011.

On 10 March 2011, Galaxy completed a design workshop to confirm the manufacturing process and design criteria. The gathering of process information from major consultant agencies to create a conceptual design for the manufacturing facility is continuing. The Utility Matrix (utility consumption table) and production process layout with the latest updates, as the basis of the further design is underway as well. A preliminary site master plan with the latest input will be completed by late April 2011.





Not For Release in United States

This announcement has been prepared for publication in Australia and may not be released in the US. This announcement does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

Competent Persons

The information in this report that relates to Exploration Results, including exploration data and geological interpretations is based on information compiled by Mr Philip Tornatora who is a full time employee of the Company and who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Tornatora has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Tornatora consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Statements

Statements regarding Galaxy's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Galaxy's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Galaxy will be able to confirm the presence of additional mineral deposits, that any mineralization will prove to be economic or that a mine will successfully be developed on any of Galaxy's mineral properties. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.

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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

Galaxy Resources Limited

ABN

11 071 976 442

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(909)	(909)
	(b) development	-	-
	(c) production	-	-
	(d) administration		
	HK listing costs	(3,941)	(3,941)
	Convertible bond costs	(2,110)	(2,110)
	Feasibility consultants	(815)	(815)
	Other admin	(3,769)	(3,769)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	299	299
1.5	Interest and other costs of finance paid	(730)	(730)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(11,975)	(11,975)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(19,213)	(19,213)
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)	(326)	(326)
	Net investing cash flows	(19,539)	(19,539)
1.13	Total operating and investing cash flows (carried forward)	(31,514)	(31,514)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(31,514)	(31,514)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	29,972	29,972
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	29,500	29,500
1.17	Repayment of borrowings	(8,199)	(8,199)
1.18	Dividends paid	-	-
1.19	Other (interest paid from restricted cash)	657	657
	Net financing cash flows	51,930	51,930
	Net increase (decrease) in cash held	20,416	20,416
1.20	Cash at beginning of quarter/year to date	[^] 27,510	[^] 27,510
1.21	Exchange rate adjustments to item 1.20	(445)	(445)
1.22	Cash at end of quarter	*47,481	*47,481

*Excludes \$46.7m (US\$48.2m) reserved for future repayment of principal or interest (restricted cash) resulting in a total cash balance of \$94.2m at the end of the period.

[^]Excludes \$48.1m (US\$48.8m) reserved for future repayment of principal or interest (restricted cash) resulting in a total cash balance of \$75.6m at the end of the period.

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	334
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes directors' fees, salary and superannuation and also fees paid to directors or director related entities for professional and technical services.

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

+ See chapter 19 for defined terms.

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	89,720	89,720
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	500
4.2 Development	1,000
4.3 Production	12,000
4.4 Administration	2,000
Total	15,500

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'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	23,494	17,922
5.2 Deposits at call	23,987	9,588
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	47,481	27,510

Changes in interests in mining tenements – refer attached tenement schedule

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

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 (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	214,236,091	214,236,091	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	250,000 21,582,733	250,000 21,582,733	\$0.60 \$1.39	\$0.60 \$1.39
7.5	+Convertible debt securities (description)	615 (face value of \$100,000 per bond). Unsecured, subordinated 8% per annum.	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	295 (face value of \$100,000 per bond). Unsecured, subordinated 8% per annum.	-	-	-
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		750,000	-	\$0.45	17/11/14
		3,350,000	-	\$0.60	26/11/14
		5,350,000	-	\$0.60	Vesting not satisfied
		1,800,000	-	\$0.90	26/11/14
		3,000,000	-	\$0.96	Vesting not satisfied
		1,000,000	-	\$1.00	30/06/12
		6,650,000	-	\$1.11	Vesting not satisfied
		32,450,000	-	\$1.16	Vesting not satisfied
7.8	Issued during quarter	3,650,000	-	\$1.16	Vesting not satisfied
7.9	Exercised during quarter	250,000	-	\$0.60	26/11/14
7.10	Expired during quarter	1,000,000	-	\$1.16	Vesting not satisfied
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 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).
- This statement does ~~does not~~⁺ (delete one) give a true and fair view of the matters disclosed.



Sign here: Date: 29 April 2011
(~~Director~~/Company secretary)

Print name: A L Meloncelli

Notes

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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.

+ See chapter 19 for defined terms.

Tenement Schedule as at 31 March 2011

Project	Tenement	Notes
<u>Boxwood Hill</u>	E70/2493	
	E70/2513-E70/2514	
	E70/2547	
<u>Connolly</u>	E69/1878	
<u>Ponton</u>	E28/1317	
	E28/1830	
<u>Shoemaker</u>	E69/1869-1871	50% Interest with GMC.
<u>Ravensthorpe</u>		
Aerodrome	E74/334	
	E74/398	
Bakers Hill	E74/287	
	E74/295	
	E74/299	
	E74/415	
	P74/278	
	P74/336	
McMahon	M74/165	
	M74/184	
	P74/334	
Mt Cattlin	L74/46	
	M74/244	
West Kundip	M74/133	
	M74/238	
Floater	E74/400	
	P74/307-P74/308	
Sirdar	E74/401	80% Interest with Traka.
	P74/309-P74/310	80% Interest with Traka.

+ See chapter 19 for defined terms.