QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2012

HIGHLIGHTS

EXPLORATION

Chuminga Copper-Gold Project

- **Four key holes have now been drilled at Chuminga as vertical holes on four sections (A, B, C and D). Significant intersections in each of the four holes at 0.5% Cu cut off are as follows;**
  - **SA-1 - from 98 to 116 metres; 18 metres of 0.98% Cu; 0.13 g/t Au**
  - **SB-2 - from 65 to 126 metres; 61metres of 0.90% Cu; 0.15 g/t Au**
  - **SC-1 - from 75 to 109 metres; 34 metres of 0.61% Cu; 0.08 g/t Au**
  - **SD-2 - from 54 to 102 metres; 48 metres of 0.78% Cu; 0.09 g/t Au**

- **Further drilling is pending geological and conceptual mining analysis of the results of the four holes drilled to date as complex faulting and compartmentisation has affected the breccia ore body at this location.**

- **An infill stream sediment program has been completed following up previous anomalies and the alteration features delineated by ASTER satellite imagery.**

Vega Gold Project

- **Results for first phase drill program testing CSAMT geophysical-geochemical anomalies received. Unexpected discovery made of an older age (15-18 my old) truncated epithermal system, represented by a weak copper and molybdenum mineralised basal porphyry system, rather than targeted, younger age (6-9 my old) El Indio type, epithermal high sulphide gold-copper system.**

The Board of Oro Verde Limited (ASX : "OVL"; "Oro Verde" or " the Company") is pleased to provide its Quarterly Report for the period ended 30 June 2012.

EXPLORATION

During the quarter the Company continued its intensive drilling program on the Chuminga Project and evaluation of the Vega drilling results as well as examining new exploration and development opportunities in Chile.

Chuminga Copper / Gold Project

Oro Verde holds a 20% interest with the right to acquire a 100% interest in the advanced Chuminga Copper-Gold Project, in the Second Region of Chile.

The Chuminga Copper-Gold Project is targeting a well mineralised hydrothermal copper-gold stock work breccia developed at a coastal location, approximately 120 kilometres south of Antofagasta. It lies on the western contact of a granodiorite stock on a mountain side at 600 to 700 metres above sea level. Expectation based on prospecting to date by previous exploration companies is a conceptual exploration target on the project area of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.9 to 1.0% Zn[1].

The Company commenced the first phase of a 12 hole / 2,140 metres drilling program in January 2012, to test an approximate strike of 300 metres of the easterly dipping mineralised breccia exploration target on 4 sections in the environs of the surface trenching and exploratory tunnels transecting the mineralised body. The aim of the program was to establish the true nature of the conceptual target previously identified, in particular the true width, grade and depth potential of the mineralisation leading to the determination of the bulk tonnage potential of the breccia mineralisation at this location.

Four key holes have now been drilled at Chuminga as vertical holes on four sections (A, B, C and D). Three of the holes (SA1, SC1 and SD2) were completed during the quarter. Assay results have been received for all four holes. The copper (Cu) and gold (Au) results of these four holes are tabulated below at various Cu cut off grades and a drill hole location plan with drill sections is attached.

<u>Core hole SA1, on Section A (7268754mN 343600mE, 694m ASL elevation, a vertical hole) completed at 179 metres depth.</u>

Cu% cut off	From (m)	To (m)	Interval (m)	Cu %	Au g/t
>0.50%	98	116	18	0.98	0.13
>0.75%	98	115	17	1.00	0.13
>1.00%	98	108	10	1.11	0.13

Core hole SB2, on Section B (7268817mN 343567mE, 692m ASL elevation, a vertical hole) completed at 155 metres depth.

Cu% cut off	From (m)	To (m)	Interval (m)	Cu %	Au g/t
>0.50%	65	126	61	0.90	0.15
>0.75%	74	94	20	0.93	0.15
	98	126	28	1.07	0.16
>1.00%	74	80	6	1.07	0.10
	89	94	5	1.08	0.21
	99	104	5	1.30	0.14
	111	116	5	1.20	0.24
	118	126	8	1.30	0.15

Core hole SC1, on Section C (7268850mN 343573mE, 696m ASL elevation, a vertical hole) completed at 143.55 metres depth.

Cu% cut off	From (m)	To (m)	Interval (m)	Cu %	Au g/t
>0.50%	66	67	1	0.66	0.03
	70	73	3	0.52	0.03
	75	109	34	0.61	0.08
	111	114	3	0.55	0.06
	116	122	6	0.62	0.04
	124	125	1	0.79	0.21
	127	128	1	1.00	0.07
	130	131	1	0.51	0.16
	133	135	2	0.76	0.09
>0.75%	70	71	1	0.83	0.02
	88	89	1	1.03	0.20
	94	95	3	1.03	0.12
	100	103	3	0.94	0.12
	117	118	1	0.78	0.08
	124	125	1	0.79	0.21
	127	128	1	1.00	0.07
>1.00%	88	89	1	1.03	0.21
	94	95	1	1.12	0.16
	100	101	1	1.35	0.15
	127	128	1	1.00	0.07

Core hole SD2, on Section D (7268785mN 343560mE 680m ASL elevation, a vertical hole) completed at 133.45 metres depth.

Cu% cut off	From (m)	To (m)	Interval (m)	Cu %	Au g/t
>0.50%	54	102	48	0.78	0.09
	105	109	4	0.86	0.20
>0.75%	62	63	1	0.93	0.06
	72	76	4	0.98	0.14
	78	85	7	0.96	0.11
	88	102	14	0.98	0.12
	106	108	2	1.00	0.27
>1.00%	72	73	1	1.18	0.26
	75	76	1	1.46	0.14
	80	85	5	1.13	0.13
	91	95	4	1.12	0.16
	97	98	1	1.19	0.17
	100	102	2	1.35	0.10
	106	107	1	1.10	0.33

Drilling was halted mid-June because of the capability of the drilling rig to drill further angle holes on the current pads. A further two angle holes are planned on each of the four sections subject to a positive geological and conceptual mining analysis of the results of the four holes drilled to date as complex faulting and compartmentisation has affected the breccia ore body at this location. This review will be carried out in the September quarter.

At the end of the quarter an infill stream sediment program was completed following up previously delineated stream sediment anomalies and ASTER satellite imagery alteration features. Results are awaited from the laboratory for the collected samples.

Vega Gold Exploration Project

Oro Verde holds a 100% interest in the Vega Project targeting gold in the El Indio Gold Belt. The project comprises ten Exploration Concessions covering an area of 28km^2, located 22 kilometres north of the famous El Indio Gold Mining Centre in the Fourth Region of Chile. El Indio produced 4.5 million ounces of gold, 25 million ounces of silver and 472,000 tonnes of copper from underground and open pit operations in its 23 year life from 1979 to 2002 (16.8 million tonnes mined at an overall recovered grade of 8.33 g/t Au, 46.3 g/t Ag and 2.81% Cu).

The El Indio Gold Belt contains both large, recent past (El Indio - Tambo) and present (Pascua Lama - Veladero) gold mining centres. This region has seen the discovery of approximately 50 million ounces of gold and 900 million ounces of silver resources by primarily Barrick Gold Corporation, the dominant miner in the region.

The exploration target at Vega is an undrilled, highly anomalous epithermal system emplaced within the Sancarron caldera ring fault, a geological setting similar to other nearby 15-22 million years ("my") old, mid-late Tertiary, volcanic and volcano-clastic rocks hosting 5-7 my old, late Tertiary, epithermal Au and Au-Cu deposits.

A litho-geochemical survey and a CSAMT geophysical survey had been previously undertaken over a 5km^2 alteration area on the northern, scree covered slopes of the Sancarron valley, down to the valley floor, between 3,600m and 3,900m ASL. Anomalies, some of which are coincident in both data sets, were reported as being associated with the argillic-silicic (acid sulphate) altered volcanics of the Late Oligocene to Early Miocene (17-22 my old) Dona Ana Formation which have been intruded by younger (15-18 my old), sulphidic Infiernillo Intrusives. Both the volcanics and the intrusives have been emplaced in the caldera ring fault structure along the curving flanks of the Sancarron River valley.

The main target in the CSAMT are strong silicification features associated with structure, especially below the valley floor, though these features are possible due to altered Infiernillo Intrusives that outcrop in the western portion of the valley. Silica flooding is noted both at the Tambo and Pascua-Lama projects of Barrick, and in both cases the high level, intense silicification has a virtual absence of precious metals, but in both cases, a short distance below or laterally, economic grades have been discovered. In particular, some silicification features in the Vega CSAMT survey (lines 4 and 5) were noted to be analogous to features in published CSAMT line data over the Pascua Lama and Veladero epithermal gold deposits. Some CSAMT features were also noted to be coincident with anomalous litho-geochemistry, for example those on CSAMT line 4, with As, Cu, Mo (Sb, Hg, Pb, Zn), whilst separate to the CSAMT, the eastern brecciated, silicified, iron stained volcanic ridge in the prospect area was coincident with anomalous As (Au).

Eight targets were selected for drilling. Notwithstanding the presence of outcropping sulphidic Infiernillo Intrusives in the valley on CSAMT lines 1 and 2, which suggested that this was the probable cause of the large CSAMT silicification features on the lines at these locations, holes were also nominated to verify this observation.

In late February 2012, Oro Verde completed a first phase RC drilling program of 8 holes for 1,142 metres of a planned 2,500 metres drilling program, refer attachment. Laboratory results for As, Ag, Au, Cu, Pb and Zn for the RC drilling program were not received until 21 May 2012 due the overloaded laboratory facilities in Chile.

Despite the presence of perched water tables with high water flows that curtailed meaningful sampling and hence terminated drill holes, logging revealed extensive anomalous, highly altered, sulphidic dacite porphyries in which visible copper and molybdenum mineralisations are present. However, this was contrary to initial expectations due to the major lithology intersected in all holes being a suite of sulphidic Infiernillo Intrusives (dacite porphyry, quartz (eye) dacite porphyry, fine grained feldspar porphyry). Volcanics (rhyodacite tuffs) intruded by sulphidic Infiernillo dacite porphyries were only intersected in a minor way at the top of hole ARV-7. Alteration was noted to be variable in intensity; silica-sericite to advance argillic alteration (silica-argillite-alunite-(pyrophyllite)). The more intense alteration was associated with strong brecciation, faulting and myolite and often led to difficulty in recognising rock type. All the holes had variable amounts of sulphides, mainly pyrite, trace to 10%, occurring as disseminations and in quartz veinlets in areas of faulting, brecciation and myolite particularly on contact structured positions of intrusives with the associated presence of trace molybdenum mineralisation (molybdenite), copper mineralisation (chalcopyrite, chalcocite, covellite, enargite) and zinc mineralisation (sphalerite). Some of the recorded pyrite was probably arsenopyrite as evidenced by the pervasive high As values in the near surface intervals of holes. Eg hole ARV-6 recorded 41 metres of 2075 ppm As from surface to 41 metres within which As peaked at 1.24%. Noted occurrences of molybdenum and copper mineralisation were generally antipathetic and returned low order values in the drill holes as per the following better examples; ARV-4 had 4 metres of 1131 ppm Cu (peak 2110 ppm Cu) over the interval 115 to 119 metres; ARV-5 had 14 metres of 135 ppm Mo (peak 240 ppm Mo) over the interval 68 to 82 metres. All the holes were analysed extensively for Au by fire assay. The assay results returned were disappointingly low, being at or below the detection limit of 0.01 g/t Au.

Notwithstanding the shortened drill program, the cause of the anomalies has been explained by the sulphidic, highly altered, silicified Infiernillo suite of dacitic porphyries with some minor Cu and Mo mineralisations associated with quartz veining in mylonitic shearing on contacts between fine grained quartz dacite porphyry and/or fine grained dacitic porphyry and dacite porphyry, probably in the apical position of the intrusive system. The eastern anomalous As (Au) brecciated volcanic ridge target drilled by hole ARV-7 was a roof pendant of Dona Ana Formation (Tilito Member volcanics), “thin skinned” to the intrusives

and had been intensely hydrothermally altered with low order geochemical enrichment on the contact with the intrusive.

Oro Verde has tested both CSAMT geophysics and geological with associated alteration targets with in part associated anomalous As, Cu and Mo litho-geochemistry and determined the cause of the anomalies as being due to sulphidic, highly altered, silicified Infiernillo suite of dacitic porphyries with minor Cu and Mo mineralisations which are present under extensive scree cover on the northern slopes of the Sancarron valley and in the valley floor. The results of the drilling were unexpected. The Infiernillo Intrusives suite represents a truncated hydrothermal mineralised system (porphyry only being present) which is older (15-18 my old) than the anticipated expected younger (6-9 my old) epithermal event target that gave rise to the El Indio, Pascua Lama epithermal, Veladero epithermal high sulphide gold mineralisations, refer attached conceptual cartoon.

Further investigations are required at Vega to ascertain the significance of the unexpected discovery of an older truncated epithermal system represented by a weakly copper and molybdenum mineralised basal porphyry system. These investigations include age dating of the mineralised system and further field work in the summer months as currently the prospect is inaccessible because of snow cover. Following appraisal of the results a decision will be made to re-enter some or all of the target holes to explore deeper Cu-Mo porphyry potential.

New Project Development

The Company has been active in the evaluation of new exploration and development opportunities and the results of this activity will become evident in the coming quarter.

For enquiries contact:

Dr Wolf Martinick	Brett Dickson
Chairman / Managing Director	Company Secretary
0614 179 42466	61 8 9481 2555

Notes:

1. The potential quantity and grade of the target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

2. The information contained in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the company. Dr Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australian Institute of Mining and Metallurgy).

TABLA ESTRUCTURAS
SUPERFICIE CAMINO

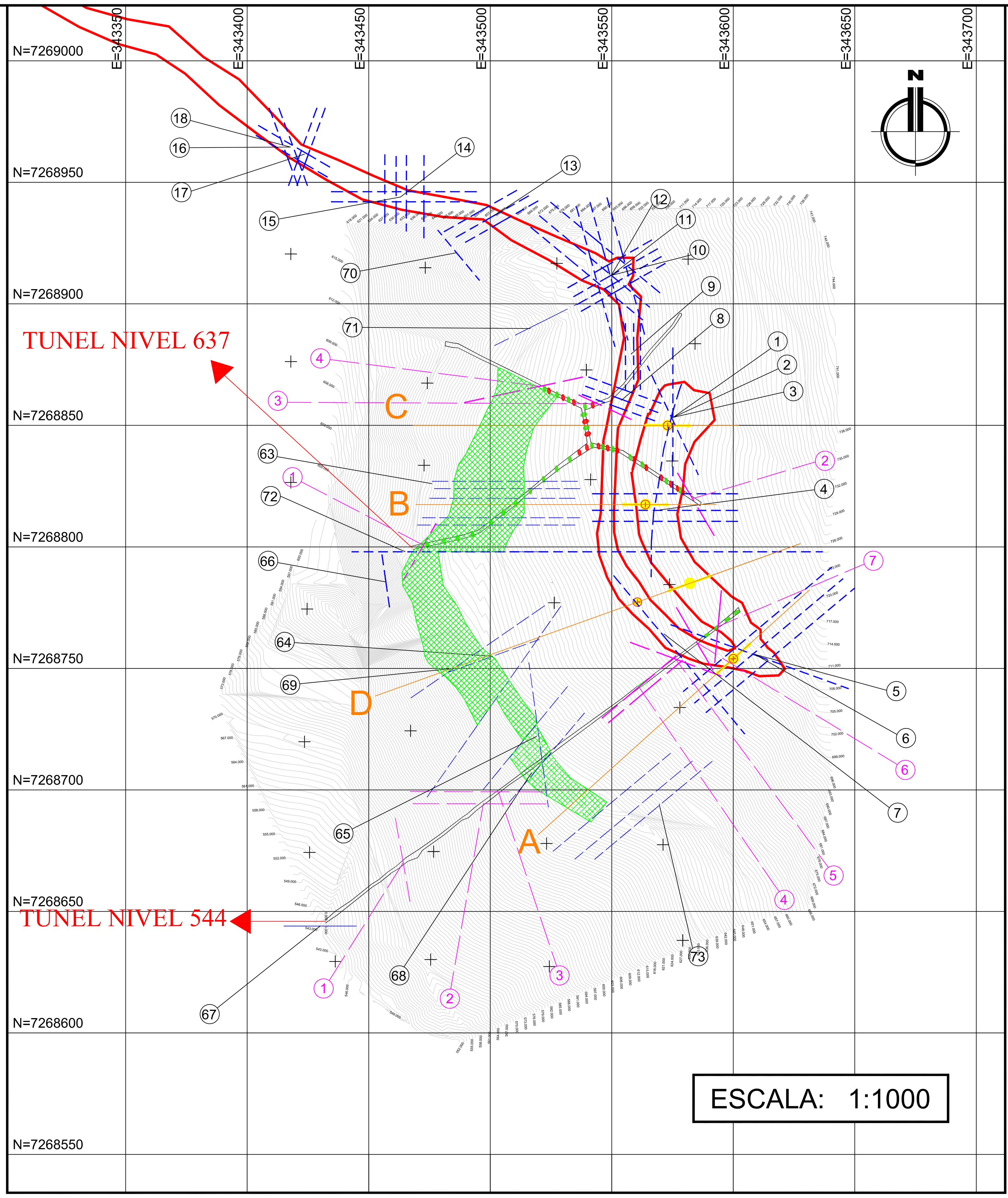
ESTRUCTURAS	NORTE	ESTE	COTA	RUMBO	MANTEO
1	7.268.852	343.575	720	N-S	90
2	7.268.852	343.575	720	N15E	40W
3	7.268.852	343.575	720	N25W	80E
4	7.268.815	343.571	720	E-W	90
5	7.268.815	343.571	720	N50E	90
6	7.268.815	343.571	720	N70W	80E
7	7.268.774	343.562	700	N40W	50E
8	7.268.860	343.554	720	N70W	90
9	7.268.882	343.559	720	N-S	50W
10	7.268.910	343.551	720	N40W	75W
11	7.268.910	343.551	720	N60E	70W
12	7.268.910	343.551	720	N15W	45W
13	7.268.774	343.562	700	N60E	60W
14	7.268.942	343.464	680	N-S	60W
15	7.268.942	343.464	680	E-W	70N
16	7.268.966	343.417	660	N20W	45W
17	7.268.961	343424	660	N20E	55E
18	7.268.961	343424	660	N60W	50E
63	7.268.808	343.506	666	E-W	90
64	7.268.755	343.501	645	N70E	74W
65	7.268.722	343.519	642	N7W	72E
66	7.268.786	343.457	627	N8W	84W
67	7.268.644	343.427	544	E-W	56N
68	7.268.700	343.521	629	N40E	85W
69	7.268.750	343.485	634	N55E	67W
70	7.268.921	343.486	657	N40W	84E
71	7.268.894	343.524	668	N65E	70E
72	7268891	343.517	642	E-W	90
73	7.268.694	343.57	640	N50E	9O

TABLA ESTRUCTURAS
TUNEL NIVEL 544

ESTRUCTURAS	NORTE	ESTE	COTA	RUMBO	MANTEO
1	7.268.670	343.464	544	N7W	70E
2	7.268.694	343.497	544	E-W	47N
3	7.268.699	343.503	544	E-W	35N
4	7.268.742	343.561	544	N40E	70W
5	7.268.753	343.576	544	N70E	30E
6	7.268.760	343.585	544	N30W	75E
7	7.268.767	343.593	544	N15E	70W

TABLA ESTRUCTURAS
TUNEL NIVEL 637

ESTRUCTURAS	NORTE	ESTE	COTA	RUMBO	MANTEO
1	7.268.800	343.473	637	N30E	78E
2	7.268.820	343.583	637	N30W	56E
3	7.268.859	343.544	637	N65W	58E
4	7.268.866	343.52	637	N80E	28S

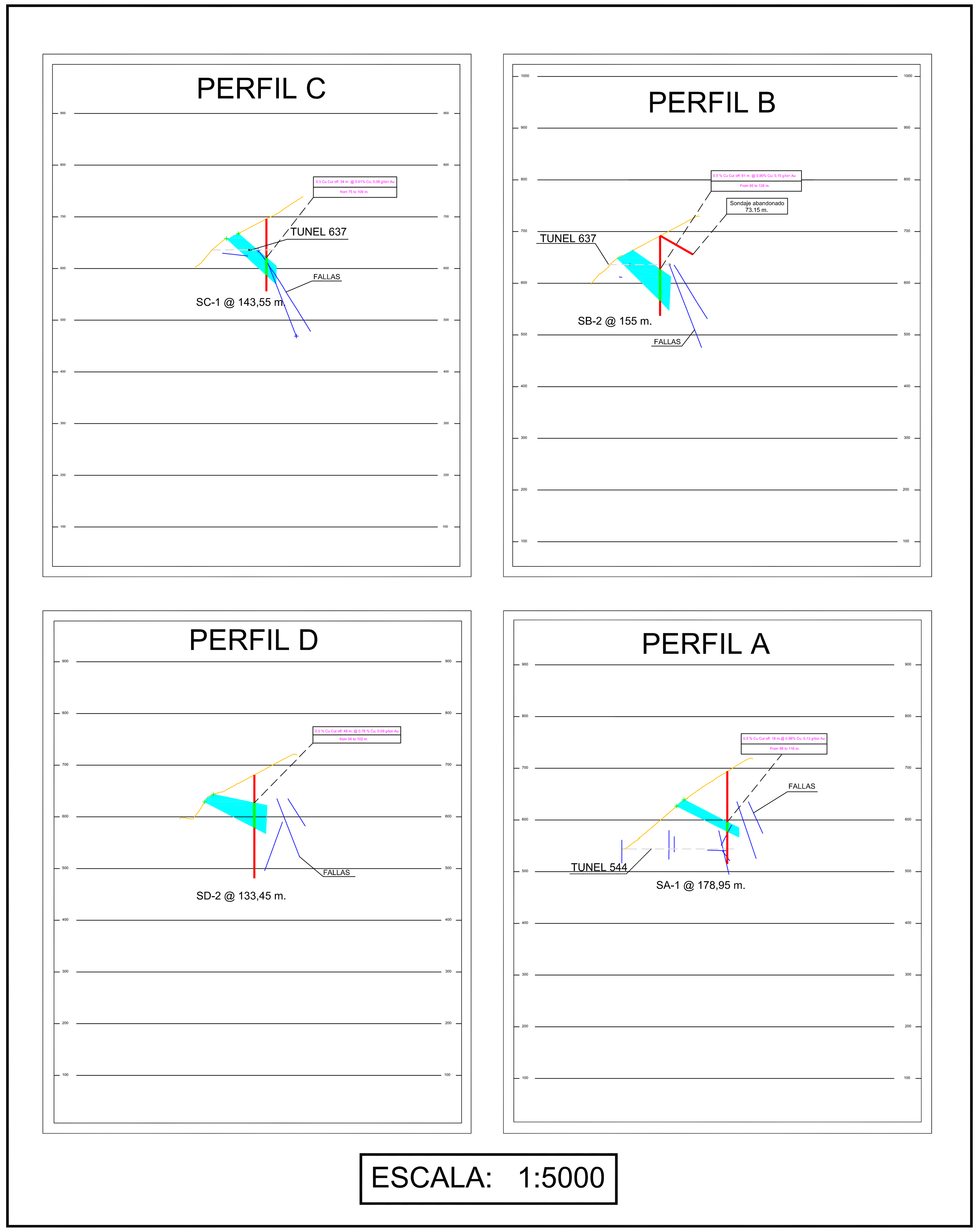


PROYECTO CHUMINGA (Sondajes Propuestos)
GREEN MINING LTDA

NOMBRE SONDAJE	NORTE	ESTE	ELEVACIÓN	AZIMUTH	DIP	PROFUNDIDAD (m)
SB-1	7,268,817	343,567	692	270	-60	120
SB-3*	7,268,817	343,567	692	90	-77	230
SA-2	7,268,754	343,600	694	238	-61	150
SA-3	7,268,754	343,600	694	57	-69	190
SC-2	7,268,850	343,573	696	270	-55	120
SC-3	7,268,850	343,573	696	90	-72	250
SD-1	7,268,785	343,582	693	270	-60	250
SD-2	7,268,785	343,560	680		-90	200
SD-3	7,268,785	343,582	693	90	-73	300
				TOTAL (m)		1810

PROYECTO CHUMINGA (Sondajes Realizados)
GREEN MINING LTDA

NOMBRE SONDAJE	NORTE	ESTE	ELEVACIÓN	AZIMUTH	DIP	PROFUNDIDAD (m)
SB-2	7,268,817	343,567	692		-90	155.00
SB-3(abandonado)	7,268,817	343,567	692	90	-60	73.15
SA-1	7,268,754	343,600	694		-90	178.95
SC-1	7,268,850	343,573	696		-90	143.55
SD-2	7,268,785	343,560	680		-90	133.45
				TOTAL (m)		684.10



LEYENDA

OxCu EN FRACTURAS (superficie)	DIORITAS A GRANODIORITAS
OxCu EN TUNEL EN FRACTURAS	ESTRUCTURA MAPEADA EN TUNEL
Cpy EN TUNEL DISEMINADO	SONDAJES DIP -90
ESTRUCTURAS EN SUPERFICIE	SONDAJES PROPUESTOS
CAMINO	ESTRUCTURAS (Rumbo/Manteo)
GALERIA	SOLIDO PROYECTADO
SONDAJES EN PROFUNDIDAD	SUPERFICIE

PREPARADO POR: E-MINING TECHNOLOGY S.A.			
DIBUJO	C.OYANEDER		JUN.2012
PROYECTO			
ING.PROYECTO			
JEFE DISCIPLINA			
JEFE PROYECTO	H.ESTERIO		JUN.2012

CLIENTE: GREEN MINING LTDA.

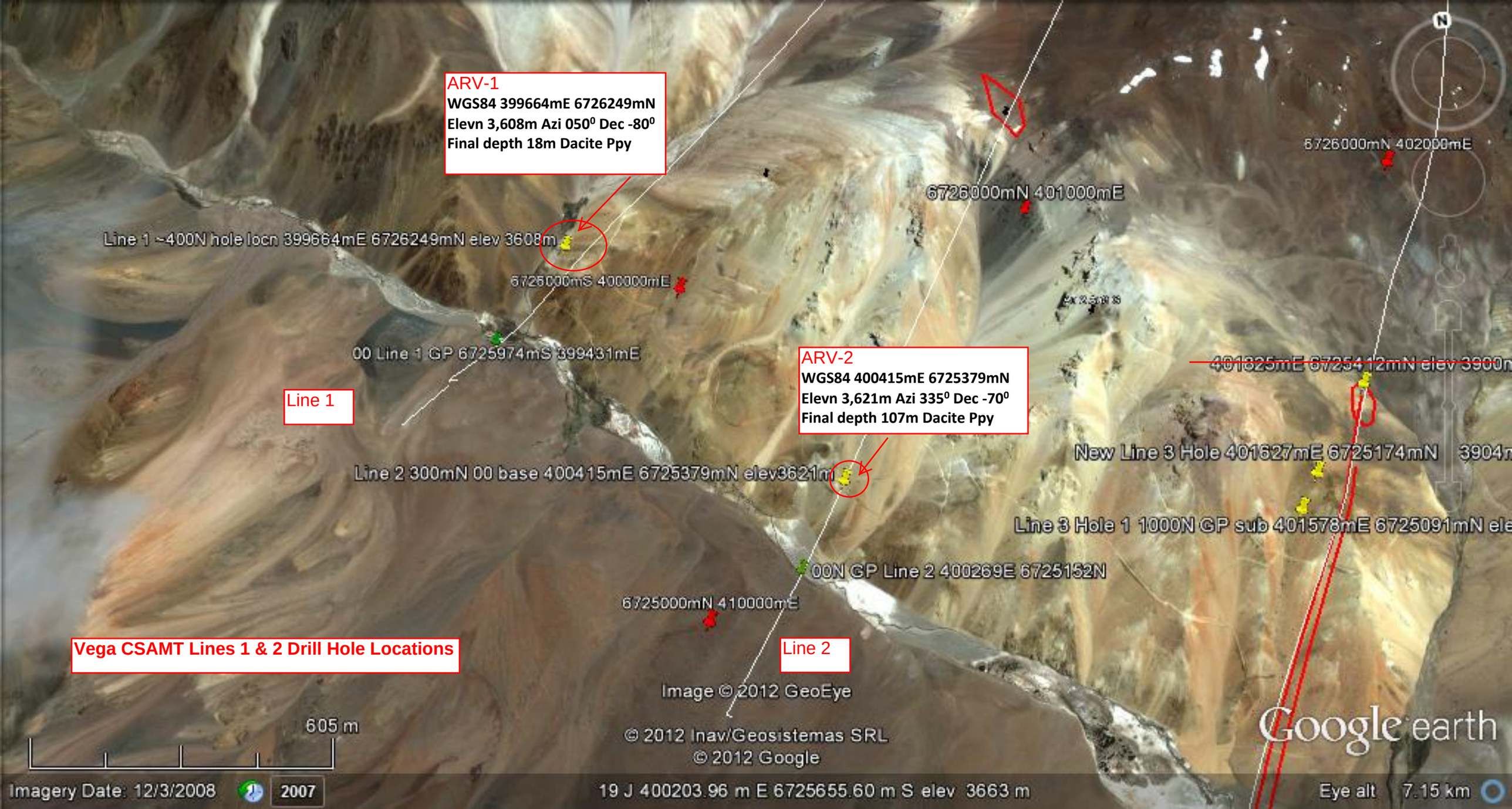
CLIENTE	NOMBRE	FIRMA	FECHA
ING.PROYECTO			
JEFE DISCIPLINA			
JEFE PROYECTO			

CONTRATO No | TOPOGRAFÍA: GREEN MINING LTDA.

PROYECTO: CHUMINGA

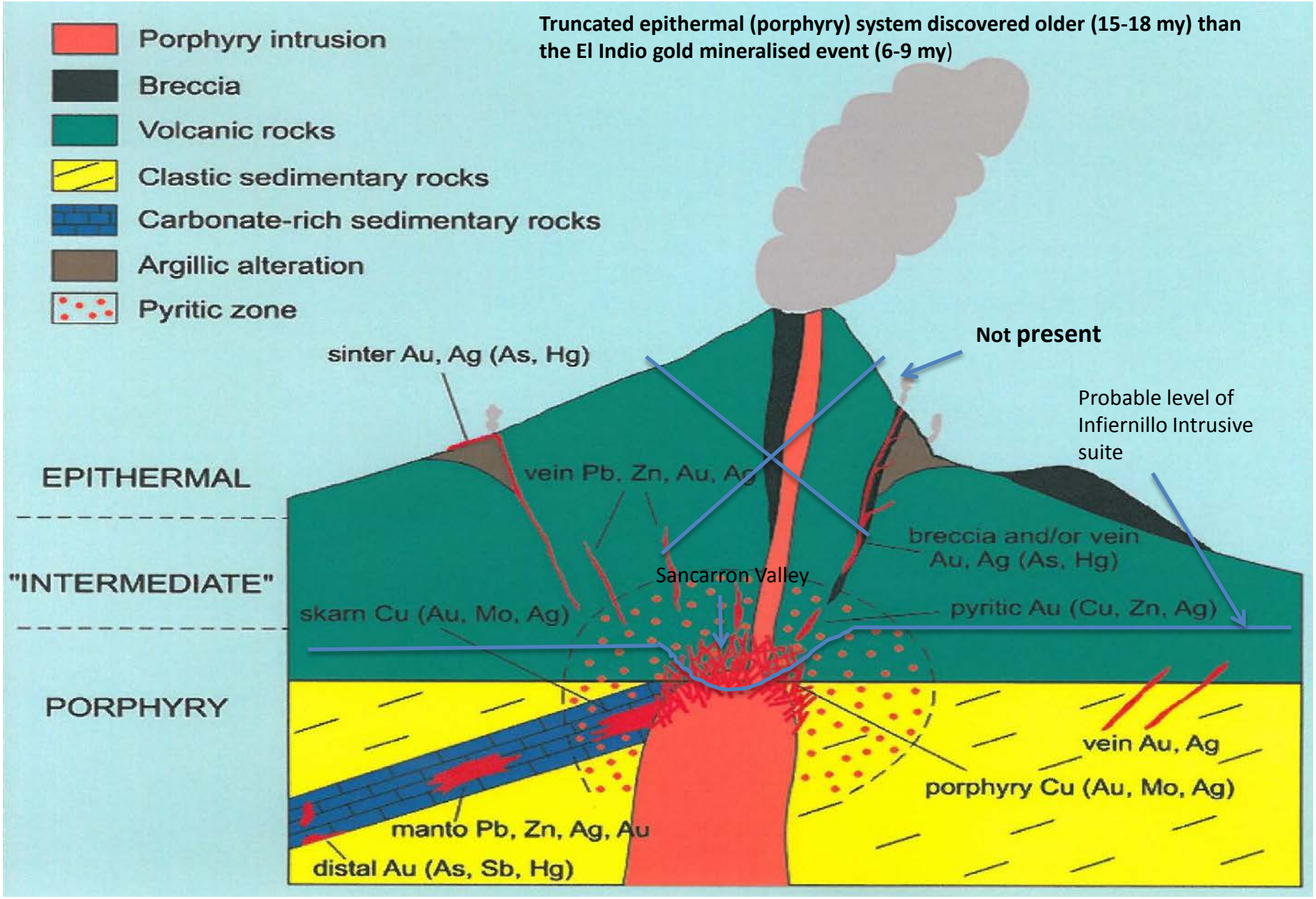
TITULO: CAMPAÑA SONDAJES PERFILES ETAPA 1

WGS 84 | ESCALA: INDICADAS | No PLANO


ARV-1
WGS84 399664mE 6726249mN
Elevn 3,608m Azi 050⁰ Dec -80⁰
Final depth 18m Dacite Ppy
Line 1 ~400N hole locn 399664mE 6726249mN elev 3608m
6726000mS 400000mE
00 Line 1 GP 6725974mS 399431mE
Line 1
ARV-2
WGS84 400415mE 6725379mN
Elevn 3,621m Azi 335⁰ Dec -70⁰
Final depth 107m Dacite Ppy
Line 2 300mN 00 base 400415mE 6725379mN elev3621m
6726000mN 401000mE
6726000mN 402000mE
401825mE 6725412mN elev 3900
New Line 3 Hole 401627mE 6725174mN 3904
Line 3 Hole 1 1000N GP sub 401578mE 6725091mN ele
00N GP Line 2 400269E 6725152N
6725000mN 410000mE
Line 2
Vega CSAMT Lines 1 & 2 Drill Hole Locations
Image © 2012 GeoEye
© 2012 Inav/Geosistemas SRL
© 2012 Google
605 m
Google earth
Imagery Date: 12/3/2008
2007
19 J 400203.96 m E 6725655.60 m S elev 3663 m
Eye alt 7.15 km


ARV-4
WGS84 402454mE 6725170mN
Elevn 3,994m Azi 350⁰ decln -80⁰
Com in oxd dacite ppy
Fin in dacite ppy at 183m
ARV-3
WGS84 401627mE 6725174mN
Elevn 3,904m Azi 030⁰ decln -60⁰
Com in oxid sulphidic dacite ppy
Fin in fg feld qtz ppy at 195m
Geochem Test As (Au) ridge 403872mE 6725362mN elev
1000m
Ridge
ARV-7
WGS84 403872mE 6725362mN
Elevn 3,983m Azi 170⁰ decln -60⁰
Com in oxd qtz rhyodacite tuff
Fin in undiff qtz alunite breccia at 107m
New Line 5 Hole 910m from 00 base Geophy + geochem 403094mE 6724953mN 3970m elev
Line 3 Hole 1 1000N GP sub 401578mE 6725091mN elev 3861m
New Line 4 Hole 950m N base 00 402480mE 6724872 elev 3925m
ARV-6
WGS84 403094mE 6724953mN
Elevn 3,972m Azi 340⁰ decln -70⁰
Com in oxd qtz dacite ppy
Fin in undiff ppy (granodiorite?) at 280m
ARV-5
WGS84 402480mE 6724872mN
Elevn 3,925m Azi 350⁰ decln -70⁰
Com in oxd tuff volcanic
Fin in qtz dacite ppy at 260m
Line 3
Line 5
00 Line 5 6724215mS 403478mE
Line 4
00 Line 3 GP 401362E 6724286N
ARV-8
WGS84 402660mE 6723832mN
Elevn 3,657m Azi 0⁰ decln -90⁰
Com in alluv
Fin in qtz dacite porphyry at 12m
Vega CSAMT Lines 3 to 5 & Ridge Drill Hole Locations
00 Line 4 6723971mS 402639mE
Line 4 Hole 50N of Stn 200S GP 402660mE 6723832mN elev 3657m
Image © 2012 GeoEye
© 2012 Inav/Geosistemas SRL
© 2012 Google
742 m
Google earth
Imagery Date: 11/30/2008
2007
19 J 402662.91 m E 6724526.65 m S elev 3764 m
Eye alt 7.15 km

Vega – Conceptual Epithermal Model



Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Oro Verde Limited

ABN

84 083 646 477

Period ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(803)	(3,244)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(411)	(2,066)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	30	75
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(1,184)	(5,235)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(42)
	(c) other fixed assets	-	(11)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	2,363
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	2,310
1.13	Total operating and investing cash flows (carried forward)	(1,184)	(2,925)

1.13	Total operating and investing cash flows (brought forward)	(1,184)	(2,925)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,094	4,555
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 – security deposits	-	(4)
	Net financing cash flows	1,094	4,551
	Net increase (decrease) in cash held	(90)	1,626
1.20	Cash at beginning of quarter/year to date	3,279	1,519
1.21	Exchange rate adjustments to item 1.20	18	62
1.22	**Cash at end of quarter**	3,207	3,207

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	188
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 includes aggregate amounts paid to directors including salary, consulting fees, directors' fees and superannuation.

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	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	529
4.2	Development	-
4.3	Production	-
4.4	Administration	460
	Total	989

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 period $A'000	Previous period $A'000
5.1	Cash on hand and at bank	3,174	3,246
5.2	Deposits at call	33	33
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	3,207	3,279

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-			
6.2	Interests in mining tenements acquired or increased	-			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference** [+]**securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	[+]**Ordinary securities**	87,582,417	85,205,677		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,326,268	7,326,268	$0.20	$0.20
7.5	[+]**Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	24,364,459 2,500,000	- -	*Exercise price* $0.27 $0.20	*Expiry date* 31 December 2014 10 January 2016
7.8	Issued during quarter	2,614,459	-	$0.27	31 December 2014
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 July 2012
Company secretary

Print name: Brett Dickson

Notes

1 The report provides a basis for informing the market how the entity's activities have been financed for the past period 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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