



Alara Resources Limited
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31 MARCH 2010 QUARTERLY REPORT

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SUMMARY

- **Cash position:** Cash (and investments in listed securities) position remains strong at \$7.9 million as at 31 March 2010 (31 December 2009: \$7.3 million).
- **Strategic Decision:** Whilst Alara is in a relatively sound cash position, it has adopted a strategic decision to conserve cash for high priority/value exploration and development investment opportunities in the resource sector.
- **New Projects:** Alara has reviewed and discounted a number of exploration opportunities and is currently in negotiations with vendors/Government authorities in relation to the acquisition/grant of one or more overseas resource projects. Alara will consider applying for mineral concessions, entering into joint ventures and taking options over and acquiring concessions or tenements.
- **Other Projects:** No field work was conducted by Alara during the quarter ending 31 March 2010 and none is planned in the Company's existing Mt James, Canning Well, Crucero, Santa Rosa, Pampacolca and Coasa Project areas for the current quarter ending 30 June 2010.

Dated: 30 April 2010

Further information:

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ASX Code | **AUQ**





COMPANY PROFILE

Alara Resources Limited (ASX Code: AUQ) is an Australian-based mineral exploration and development company undertaking an on-going investigation of a number of prospective opportunities in the resources sector throughout the world. Alara has a current portfolio of early-stage exploration projects in Peru and Australia (Northern Territory and Western Australia) as follows:

PROJECTS	LOCATION
(1) Bigryli South Uranium	Northern Territory, Australia
(2) Mt James Uranium	Gascoyne, Western Australia
(3) Canning Well Base Metals/Uranium	Pilbara, Western Australia
(4) Crucero Uranium	Peru
(5) Kimberley Phosphate	Kimberley, Western Australia
(6) Roper Uranium	Northern Territory, Australia
(7) Santa Rosa Uranium	Peru
(8) Pampacolca Uranium	Peru
(9) Coasa Uranium	Peru

Alara is in a relatively sound position holding cash (and investments in listed securities) of \$7.9 million as at 31 March 2010 and is continuing to look for high priority/value opportunities within the resource sector. Alara has reduced exploration expenditure on its existing early-stage exploration projects.

Alara has reviewed and discounted a number of exploration opportunities and is currently in negotiations with vendors/Government authorities in relation to the acquisition/grant of one or more overseas resource projects.

The Alara Board comprises members with extensive experience in the resources and capital markets sectors, being **Managing Director, Mr H. Shanker Madan**, an experienced senior geologist with more than 30 years of world-wide experience in the exploration and evaluation of mineral deposits for various commodities, **Executive Director, Mr Farooq Khan** who has extensive experience in corporate law, the securities industry, capital markets and the executive management of ASX listed companies and recently-appointed (26 October 2009) **Executive Director, Mr William Johnson**, who brings a considerable depth of experience in business strategy, corporate finance and management.

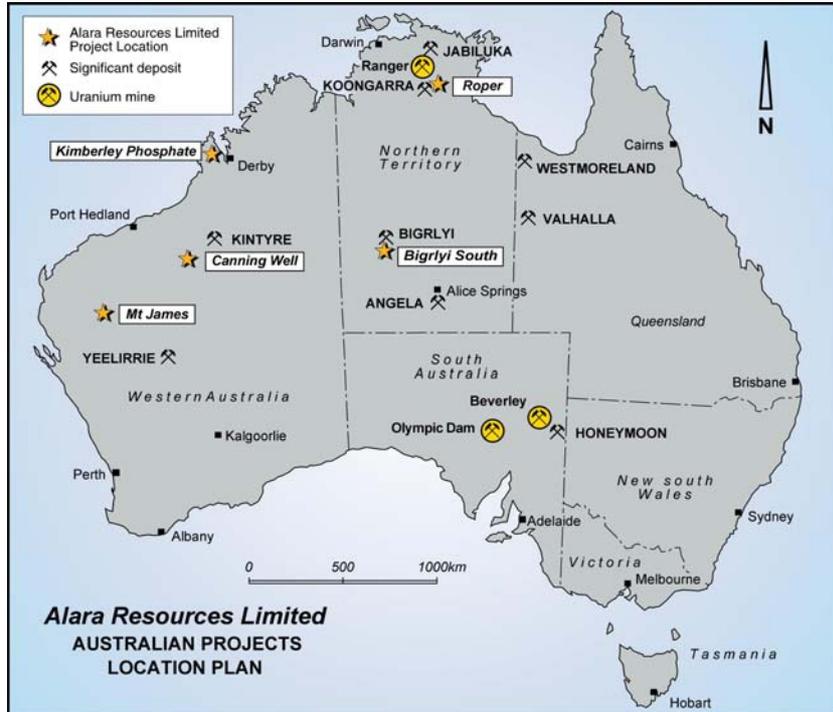
Alara currently has the following securities on issue (as at 30 April 2010):

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	80,507,500	-	80,507,500
\$0.55 (26 July 2012) Unlisted Options	-	500,000	500,000
\$0.35 (16 September 2013) Unlisted Options	-	16,400,000	16,400,000
\$0.35 (16 September 2013) Unlisted Options	-	900,000	900,000
\$0.35 (16 September 2013) Unlisted Options	-	1,035,000	1,035,000
\$0.60 (25 October 2014) Unlisted Options	-	2,000,000	2,000,000
\$0.35 (25 October 2014) Unlisted Options	-	3,650,000	3,650,000
Total	80,507,500	24,485,000	104,992,500

PROJECT LOCATION

AUSTRALIAN PROJECTS

The location of Alara's Australian projects in the Northern Territory and Western Australia are shown on the map to the right.



PERUVIAN PROJECTS

The location of Alara's uranium project areas in Peru are shown on the map to the right.





COMPANY PROJECTS

New Projects

Alara has reviewed and discounted a number of exploration opportunities and is undertaking an on-going investigation of a number of prospective opportunities in the resources sector throughout the world. This includes applying for mineral concessions, entering into joint ventures, taking options over and acquiring concessions or tenements and investing in listed securities in the resources sector.

Canning Well Manganese Farm Out Agreement

In March 2010, Alara entered into a farm-out agreement with Process Minerals International Pty Ltd (**PMI**), a subsidiary of ASX-listed Mineral Resources Limited (ASX Code: MIN), for the potential mining of manganese from Alara's Canning Well tenement in the East Pilbara region of Western Australia.

Under the agreement, PMI will determine the feasibility of a manganese mining operation on the Canning Well EL 46/629 tenement. If the operation is feasible, PMI will acquire the manganese rights in the tenement and develop an operation to mine and process manganese from the tenement. Upon commencement of mining, PMI will pay Alara ~A\$4.20 per dry metric tonne of manganese fines and lump mined - subject to variation in accordance with manganese price benchmarks and to the levels of manganese fines and lump produced.

Mineral Resources Limited is an integrated Australian-based mining services and processing company with operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export, including the mining and sale of manganese in the Pilbara.

The Canning Well tenement is located in the Eastern Pilbara region of Western Australia, approximately 360 kilometres south-east of Port Hedland. A MAGLAG sampling programme carried out by Alara targeting sulphide anomalies yielded samples analysing as high as 9.6% manganese (Mn). A follow-up rock chip sampling programme identified outcropping manganiferous rocks analysing up to 55.3% Mn.

PMI is currently evaluating exploration data and planning field work on the tenement.

Bigryli South Uranium Farm Out Venture

(Alara 30% with Thundelarra Exploration Ltd having a right to earn-in 70%)

Alara's joint venture partner, Thundelarra Exploration (THX) has advised Alara of the following activities during the quarter:

- (a) The Joint Surveys Uranium (JSU) Project commenced with the CSIRO, the Northern Territory Geological Survey (NTGS) and 2 other ASX listed resource companies;
- (b) CSIRO is currently conducting 3D geological modeling of the Bigryli prospect (which includes Alara's Bigryli South project area) and the surrounding Ngalia Basin region;
- (c) ASTER satellite night-time thermal imagery data has been processed; a major paleochannel system has been interpreted from this process;



COMPANY PROJECTS

- (d) A proposal has been submitted to the NTGS for co-funding of a regional airborne EM survey (which includes Alara's Bigryli South project area) to:
 - (i) map the thickness of the Tertiary sequence;
 - (ii) target Tertiary paleochannels;
 - (iii) map lithological variation (e.g. shale vs. sandstone) within the Mt Eclipse Sandstone to provide paleo-permeability constraints; and
 - (iv) detect potential large massive sulphide deposits.
- (e) Commencement of planning for a regional air-core drilling programme to test Tertiary targets and thickness and provide interface sampling on the Mt Eclipse Sandstone.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan 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, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



CORPORATE

Cash Position and Listed Securities

The Alara group's cash (and investments in listed securities) position as at 31 March 2010 was \$7.9 million (31 December 2009: \$7.3 million).

The Alara group has a relatively small exposure to the United States Dollar and Peruvian Nuevo Soles currencies. These foreign currencies are applicable to and facilitate the Alara group's operations and activities.

As at 31 March 2010, Alara's investment in listed securities has a total value of \$3.25 million (31 December 2009: \$2.4 million). Due to an improvement in market conditions since 1 July 2009, Alara has posted a \$1.75 million unrealised net gain on its share investments for the 9 month financial period ended 31 March 2010.

Unlisted Options

450,000 unlisted employee's options (with an exercise price of \$0.35 each and expiring on 16 September 2013) lapsed during and subsequent to the end of the March 2010 quarter.

These options were held by a former employee and lapsed in accordance with the terms of issue as follows:

- (a) 112,500 options lapsed on 12 March 2010 (being unvested options as at the date of cessation of employment; and
- (b) 337,500 options lapsed on 11 April 2010 as they were not exercised within 30 days of cessation of employment.

Vale – Chairman, Dr John Stephenson

The Directors and staff of Alara were greatly saddened by the passing of Chairman Dr John Stephenson on 19 February 2010.

In the breadth and depth of his experience in the mining industry, Dr Stephenson had few peers. His industry knowledge, sharp intellect and personal warmth made him an excellent leader, loved and respected by all who knew him. Dr Stephenson fought a battle with cancer, showing exemplary courage and determination. While his illness weakened his body, his great intellectual capacity was undiminished until the last. Dr Stephenson was a great friend and mentor to many in the Company. He will be greatly missed.



AUSTRALIAN TENEMENTS

Project	Status	Tenement	Grant / Application Date	Expiry Date	Area (Blocks)	Area (km ²)	Area (hectares)	Location / Property Name	State	Company's Interest
Bigrlyi South	Granted	EL 24879	15/08/06	14/08/12	82	260.5	26,050	Mount Doreen	NT	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL); Thundelarra Exploration Ltd has a right under a joint venture with Alara to earn a 70% interest
	Application	EL 24927	12/09/05	N/A	338	998.7	99,870	Haasts Bluff	NT	
	Granted	EL 24928	24/08/06	23/08/12	15	34.95	3,495	Mount Doreen	NT	
	Granted	EL 24929	24/08/06	23/08/12	26	56.8	5,680	Mount Doreen	NT	
Mt James	Granted	E 09/1253	29/06/06	28/06/11	25	75	7,500	Mt James	WA	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL)
	Granted	E 09/1257	28/06/06	27/06/11	14	42	4,200	Injinu Hills	WA	100% held by Alara Operations Pty Ltd
	Granted	E 09/1258	29/09/06	28/09/11	13	39	3,900	Mortimer Hills	WA	100% held by Alara Operations Pty Ltd
Canning Well	Granted	E 46/629	02/08/05	01/08/10	19	57	5,700	Canning Well	WA	100% (75% held by Alara Operations Pty Ltd and 25% held by Hume Mining NL); subject to a farm-out agreement with Process Minerals International Pty Ltd, a subsidiary of ASX-listed Mineral Resources Limited
	Application	E 46/585	17/10/03	N/A	69	207	20,700	Canning Well	WA	Right to earn 85% (excluding all manganese mineral rights) (63.75% held by Alara Operations Pty Ltd and 21.25% held by Hume Mining NL)
	Application	E46/801	01/10/2008	N/A	19	60	60,000	Canning Well	WA	100% (Alara Resources Limited)
Kimberley Phosphate	Application	E 04/1855	14/08/08	N/A	150	490	48,992	Kimberley	WA	100% held by Alara Operations Pty Ltd
	Application	E 04/1856	14/08/08	N/A	45	146	14,649	Kimberley	WA	
	Application	E 04/1857	14/08/08	N/A	95	309	30,922	Kimberley	WA	
	Application	E 04/1858	14/08/08	N/A	75	245	24,456	Kimberley	WA	
	Application	E 04/1859	14/08/08	N/A	42	137	13,682	Kimberley	WA	
Roper Project	Application	EL 27620	02/09/09	N/A	14	46.58	4,650		NT	100% (Alara Resources Limited)



PERUVIAN CONCESSIONS

Crucero Project (3,100 hectares):

Concession	Code	Application/Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Lituania 1	01-02481-07	31 July 2007	600	29-X	Crucero	Carabaya	Puno
Lituania 2	01-02482-07	10 September 2007	1000	29-X	Crucero	Carabaya	Puno
Lituania 3	01-02483-07	25 September 2007	1000	29-X	Crucero	Carabaya	Puno
Lituania 8	10029708	27 June 2008	500	29-X	Putina	Sn. Antonio de Putina	Puno

Santa Rosa Project (4,400 hectares):

Concession	Code	Application/Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Sayana 1	01-02465-07	5 September 2007	400	30-U	Santa Rosa	Melgar	Puno
Quimsa 1	01-02480-07	7 September 2007	1000	30-U	Santa Rosa	Melgar	Puno
Quimsa 2	01-02460-07	9 August 2007	1000	30-U	Santa Rosa	Melgar	Puno
Cunurana 1	01-02451-07	7 September 2007	300	30-U	Santa Rosa	Melgar	Puno
Panca 1	01-02479-07	5 September 2007	700	30-U	Santa Rosa	Melgar	Puno
Santa Rosa Sur	01-03647-07	2 July 2007	1,000	30-U	Santa Rosa, Macarí	Melgar	Puno

Pampacolca Project (4,400 hectares):

Concession	Code	Application/Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Pampacolca 1	01-01084-07	21 October 2008	900	32Q	Pampacolca / Tipan Aplao	Castilla	Arequipa
Pampacolca 2	01-01085-07	29 May 2008	600	32Q	Aplao / Iray	Castilla / Condesuyos	Arequipa
Pampacolca 3	01-01852-07	18 July 2008	700	32Q	Pampacolca	Castilla	Arequipa
Pampacolca 4	01-01851-07	9 August 2007	500	32Q	Pampacolca	Castilla	Arequipa
Pampacolca 5	01-03649-07	12 May 2008	200	32Q	Pampacolca	Castilla	Arequipa
Pampacolca 7	01-04637-07	29 August 2007 (application)	600	32Q	Aplao	Castilla	Arequipa
Pampacolca 10	01-06361-07	19 November 2008	900	32Q	Aplao	Castilla	Arequipa

Coasa Project (9,600 hectares):

Concession	Code	Application/Grant Date	Area (Hectares)	National Map	LOCATION		
					District	Province	Department
Cochacucho 1	01-02461-07	5 September 2007	800	28-V	Ituata/Coasa	Carabaya	Puno
Cochacucho 2	01-02463-07	31 July 2007	800	28-V	Coasa/Ituata	Carabaya	Puno
Cochacucho 3	01-02463-07	31 July 2007	800	28-V	Ituata/Coasa	Carabaya	Puno
Umachullo 1	01-02449-07	31 July 2007	1000	29-V	Coasa	Carabaya	Puno
Umachullo 2	01-02450-07	14 August 2007	1000	29-V	Coasa	Carabaya	Puno
Uchumallo 3	01-02445-07	14 August 2007	1000	29-V	Coasa	Carabaya	Puno
Uchumallo 4	01-02447-07	31 July 2007	1000	29-V	Coasa	Carabaya	Puno
Uchumallo 5	01-02446-07	6 September 2007	1000	29-V	Coasa / Usicayos	Carabaya	Puno
Coasa 1	01-02464-07	31 July 2007	400	28-X	Coasa	Carabaya	Puno
Lituania 4	01-02484-07	5 September 2007	800	29-X	Coasa	Carabaya	Puno
Hualahuani 1	01-02448-07	10 September 2007	1000	29-X	Usicayos / Coasa	Carabaya	Puno

SECURITIES INFORMATION

as at 31 March 2010



ISSUED SECURITIES

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	80,507,500	-	80,507,500
\$0.55 (26 July 2012) Unlisted Options	-	500,000	500,000
\$0.35 (16 September 2013) Unlisted Options	-	16,400,000	16,400,000
\$0.35 (16 September 2013) Unlisted Options	-	900,000	900,000
\$0.35 (16 September 2013) Unlisted Options	-	1,372,500	1,372,500
\$0.60 (25 October 2014) Unlisted Options	-	2,000,000	2,000,000
\$0.35 (25 October 2014) Unlisted Options	-	3,650,000	3,650,000
Total	80,507,500	24,822,500	105,330,000

SUMMARY OF UNLISTED DIRECTORS' AND EMPLOYEE OPTIONS

Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria ¹	No. of Options
\$0.55 (27 July 2012) Employees' Options	\$0.55	26 July 2012	1/3 rd on 27 January 2008, 1/3 rd on 27 July 2008 and 1/3 rd on 27 January 2009	500,000
\$0.35 (16 September 2013) Unlisted Executive Directors' Options	\$0.35	16 September 2013	75% on grant and 25% on 17 September 2009	16,400,000
\$0.35 (16 September 2013) Unlisted Non-Executive Director's Options	\$0.35	16 September 2013	75% on grant and 25% on 17 September 2009	900,000
\$0.35 (16 September 2013) Unlisted Employees' Options	\$0.35	16 September 2013	50% on 17 March 2009, 25% on 17 September 2009 and 25% on 17 March 2010	1,372,500
\$0.35 (25 October 2014) Employee's and Director's Options	\$0.35	25 October 2014	100% on date of issue	3,650,000
\$0.60 (25 October 2014) Employee's and Director's Options	\$0.60	25 October 2014	100% on date of issue	2,000,000

¹ Options which have vested may be exercised at any time thereafter, up to their expiry date

SECURITIES INFORMATION

as at 31 March 2010



DISTRIBUTION OF ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	1,453	650,290	0.808
1,001	-	5,000	454	1,101,503	1.368
5,001	-	10,000	347	2,962,545	3.680
10,001	-	100,000	495	15,949,692	19.811
100,001	-	and over	102	59,843,470	74.333
Total			2,851	80,507,500	100%

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Total Shares	% Issued Capital
1 *	STRIKE RESOURCES LIMITED	12,750,000	15.837
2 *	ORION EQUITIES LIMITED	9,332,744	11.592
3 *	KATANA ASSET MANAGEMENT LTD	2,900,000	
	MRS LISA SHALLARD AND MRS LINDA SALA TENNA	2,824,144	
	KATANA EQUITY PTY LTD <SALA TENNA FAMILY A/C>	900,000	
	KATANA EQUITY PTY LTD <CHARITY A/C>	625,000	
	KATANA ASSET MANAGEMENT LTD	287,304	
	BRW CONSULTING SERVICES PTY LTD	219,269	
	KB33 CAPITAL PTY LTD <CHARITY A/C>	100,000	
	KB33 CAPITAL PTY LTD	100,000	
	KATANA EQUITY PTY LTD <CHARITY A/C>	81,483	
	Sub-total	8,037,200	9.983
4	DATABASE SYSTEMS LIMITED	2,712,021	3.369
5	ANZ NOMINEES LIMITED <CASH INCOME A/C>	1,624,515	2.018
6	TWINLAND HOLDINGS PTY LTD	1,569,240	1.949
7	S JONES & R JONES & C JONES <THE SCOPA FAMILY ACCOUNT>	1,250,392	1.553
8	CHARLES FOTI CORPORATION PTY LTD <CHARLES FOTI CORPORATION A/C>	1,000,000	1.242
9	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	902,251	1.121
10	BLUE CRYSTAL PTY LTD	829,751	1.031
11	MS ROSANNA DE CAMPO	800,000	0.994
12	MR ROBERT SPADANUDA <SUPER FUND A/C>	700,000	0.869
13	MR ROBERT GEMELLI	681,240	0.846
14	RENMUIR HOLDINGS LIMITED	688,402	0.830
15	HANOBINE HOLDINGS PTY LTD	643,430	0.799
16	MRS KIERSTYN EDGAR	600,000	0.745
17	MR JOHN WILLIAM LLOYD FORREST <FORREST FAMILY A/C>	541,000	0.672
18	MIDAS INVESTMENTS (WA) PTY LTD <MIDAS INVESTMENTS A/C>	520,794	0.647
19	MR BRIAN PETER BYASS	518,537	0.644
20	ZHIVAN PTY LTD <SUPER FUND A/C>	302,203	
	ZHIVAN PTY LTD	200,000	
	Sub-total	502,203	0.624
Total		46,203,720	57.365%

* Substantial shareholders

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Alara Resources Limited and controlled entities

ACN or ARBN

122 892 719

Quarter Ended

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from product sales and related debtors

1.2 Payments for

(a) exploration and evaluation

(b) development

(c) production

(d) administration

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (provide details if material)

Net operating cash flows

Consolidated	
Current Quarter March 2010 \$' 000	Year to Date 9 months \$' 000
-	-
(149)	(315)
-	-
(143)	(485)
-	-
31	148
-	-
-	-
-	-
(261)	(652)

		Consolidated	
		Current Quarter March 2010 \$' 000	Year to Date 9 months \$' 000
1.8	Net operating cash flows (carried forward)	(261)	(652)
Cash flows related to investing activities			
1.9	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(4)
		-	-
1.10	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(4)	(4)
1.14	Total operating and investing cash flows	(265)	(656)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(265)	(656)
1.21	Cash at beginning of quarter/year to date	4,924	5,301
1.22	Exchange rate adjustments to item 1.20	(13)	1
1.23	Cash at end of quarter	4,646	4,646

**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 March 2010 \$' 000
1.24 Aggregate amount of payments to the parties included in item 1.2	(106)
1.25 Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees, salaries and superannuation for the quarter.

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

None.

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

None.

Financing facilities available

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

Estimated cash outflows for next quarter

		Next Quarter \$' 000
4.1	Exploration and evaluation	(100)
4.2	Development	-
Total		(100)

Reconciliation of cash

Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

		Consolidated	
		Current Quarter \$' 000	Previous Quarter \$' 000
5.1	Cash on hand and at bank	2,048	1,326
5.2	Deposits at call	2,598	3,598
5.3	Bank overdraft	-	-
5.4	Other (Bank Bills)	-	-
Total: cash at end of quarter (item 1.22)		4,646	4,924

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (4))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to Quarterly Activities Report		
6.2	Interests in mining tenements acquired or increased	Refer to Quarterly Activities Report		

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (see note 5) (cents)	Amount paid up per security (see note 5)
7.1 Preference securities+				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities+	80,507,500	80,507,500	25 cents	25 cents
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities+				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted \$0.55 (26 July 2012) Employee's Options	500,000	-	55 cents	26 July 2012
Unlisted \$0.35 (16 September 2013) Executive Directors' Options	16,400,000	-	35 cents	16 September 2013
Unlisted \$0.35 (16 September 2013) Non-Executive Director's Options	900,000	-	35 cents	16 September 2013
Unlisted \$0.35 (26 July 2012) Employees' Options	1,372,500	-	35 cents	16 September 2013
Unlisted \$0.35 (25 October 2014) Employee's and Director's Options	3,650,000	-	35 cents	25 October 2014
Unlisted \$0.60 (25 October 2014) Employee's and Director's Options	2,000,000	-	60 cents	25 October 2014
7.8 Issued during quarter				
7.9 Exercised during quarter		-	-	-
7.10 Cancelled during quarter		-		
Unlisted \$0.35 (26 July 2012) Employees' Options	112,500	-	35 cents	16 September 2013
7.11 Debentures (totals only)				
7.12 Unsecured notes				

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.



30 April 2010

Victor Ho
Company Secretary

Notes:

The Company currently holds the following listed share investments:

	31-Mar-10
	Market Value
Shares (Other)	\$3,252,239
	<u>\$3,252,239</u>

Share investments are regarded as liquid assets to supplement the Company's cash reserves.

+ See Chapter 19 for defined terms

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
- 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
- 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.
- 6) The Company holds foreign currencies denominated in US dollars and Peruvian Nuevo Soles. Fluctuations in foreign exchange rates have been accounted for in this cashflow report using the exchange rate as at 31 March 2010.