

## Appendix 5B

Rule 5.3

### Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**EPIC RESOURCES LIMITED**

ABN

**85 146 530 378**

Quarter ended ("current quarter")

**31 March 2011**

### Consolidated statement of cash flows

	Current quarter 31 Mar 2011	From Incorporation (24/9/2010) to date
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.1a Receipts in advance	-	45
1.2 Payments for		
(a) exploration and evaluation	(11)	(11)
(b) development	-	-
(c) production	-	-
(d) administration	(173)	(184)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	35	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(149)</b>	<b>(113)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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)	-	-
<b>Net Investing Cash Flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows	<b>(149)</b>	<b>(113)</b>

<i>Consolidated statement of cash flows continued...</i>		
<b>Cash flows related to financing activities</b>		
1.14 Net Proceeds from issues of shares, options, etc.	3,804	4,118
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 (Cash Consideration paid as per	(114)	(114)
<b>Net Financing Cash Flows</b>	<b>3,690</b>	<b>4,004</b>
<b>Net increase (decrease) in cash held</b>		
1.20 Cash at beginning of quarter/year to date	350	-
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>3,891</b>	<b>3,891</b>

**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	18
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

**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

On 25 January 2011, 625,000 fully paid ordinary shares were issued to Cazaly Iron Pty Ltd, pursuant to the Farmin Agreement that the Company entered into on 29 October 2010.

- 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
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**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	N/A	
3.2 Credit standby arrangements	N/A	

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	286
4.2 Development	-
4.3 Production	-
4.4 Administration	90
<b>Total</b>	<b>376</b>

**Reconciliation of cash**

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,881	340
5.2 Deposits at call	10	10
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>3,891</b>	<b>350</b>

**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	N/A during the Quarter	N/A		
6.2 Interests in mining tenements acquired or increased	N/A during the Quarter	See Comment below.	See Comment below.	See Comment below.

**Comment:**

The Company holds no tenements at present, however, on 29 October 2010, the Company entered into a Farmin Agreement with Cazaly Iron Pty Ltd (“Cazaly”), pursuant to which the Company has a right to earn a 75% interest in the Quartz Hill Project subject to certain commitments being fulfilled. They are as follows:

- paying \$125,000 in cash to Cazaly Iron (fulfilled 25 January 2011)
- issuing 625,000 fully paid ordinary shares to Cazaly Iron (fulfilled 25 January 2011); and
- completing 2,000 metres of RC drilling within 2 years of the Company listing on ASX (yet to be fulfilled).

At the Quartz Hill Project there are currently two (2) granted exploration licences held in the name of Cazaly Iron Pty Ltd which cover a total of 79 square kilometres, they are as follows:

EL25296            69.5 Sq Km, granted 2/11/2006 (expires 1/11/2012)

EL24838            9.5 Sq Km, granted 5/04/2006 (expires 5/04/2012)

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+ See chapter 19 for defined terms.

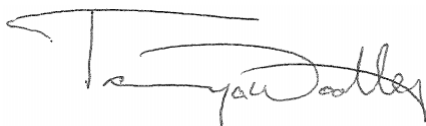
### Issued and quoted securities at end of current quarter

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)	Amount paid up per security (see note 3)
7.1 <b>Preference +securities</b> (description)	-	-	-	-
Changes during quarter				
7.2 (a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	29,125,000	22,000,000	-	-
Changes during quarter				
7.4 (a) Increases through issues				
(b) Exercise of options				
(c) Decreases through return of capital, buy-backs				
(d) Increase pursuant to underwriting of options				
7.5 <b>+Convertible securities</b>	-	-	-	-
Changes during quarter				
7.6 (a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)			Exercise price	Expiry date
	750,000	-	\$0.20	31/01/2014
	2,750,000	-	\$0.20	31/01/2014
7.8 Issued during quarter	750,000	-	\$0.20	31/01/2014
	2,750,000	-	\$0.20	31/01/2014
7.9 Exercised during quarter	-	-	-	-
7.1 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> (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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Company secretary)

Date: 29 April 2011

Print name: TANYA WOOLLEY

## 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: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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