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QUARTERLY ACTIVITIES REPORT AS AT 31 MARCH 2012

ASX Code: EPC

Securities on Issue

26.3M Ordinary Shares (quoted)

3.3M Ordinary Shares (restricted)

3.5M Options (unlisted)

Directors

Faldi Ismail
(Executive Chairman)

Robert Jewson
(Non-Exec. Technical Director)

Francis Desouza
(Non-Exec. Director)

Contact details:

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Highlights during the quarter:

Potential Acquisition of Indonesian Coal Licences

- Potential to acquire up to 100% ownership in two coal exploration licences in East Kalimantan
- Exploration licences are in close proximity to the Mamahak semi-soft coking coal mine, covering a total land area of 15,500Ha (155km²)
- The Company currently undertaking a technical due diligence work program on the exploration licences

Quartz Hill Project

- Comprehensive project evaluation currently being conducted on both Quartz Hill Project and regional tenement applications

Financial

- At 31 March 2012 the Company had cash reserves of A\$3.6 million.
- Lodgment of Half Year Financial Report for the Period ended 31 December 2011.

Corporate

- Release of 625,000 fully paid ordinary shares from escrow on 3 February 2012.

INDONESIAN COAL ACQUISITION (“THE TRANSACTION”)

The Company has entered into a conditional agreement (the “**Agreement**”) to acquire two coal licences located in the second largest Indonesian Province of East Kalimantan, Indonesia.

The Agreement sets out the terms and conditions upon which Epic agrees to acquire up to 100% of the issued shares in Subi Cove Development Limited (“**Subi Cove**”) and Jilliby Investments Limited (“**Jiliby**”) from the companies’ respective shareholders (“**the Vendors**”).

Subi Cove and Jilliby and both in the process of putting an arrangement in place with PT Sumber Mulia Sentosa (**PSMS**) and PT Cahaya Bumi Lestari (**PCBL**), respectively, such that PSMS and PCBL becomes a wholly owned subsidiary of Subi Cove and Jilliby, respectively.

PSMS is the holder of 100% of the issued capital in PT Tata Buana Kharisam (**TBK**) through which TBK holds 100% of the interest in the coal exploration licence 545/K.355c/2010; and PCBL is the holder of 100% of the issued capital in PT Tata Borneo Wikajaya (**TBW**) through which TBW holds 100% of the interest in the coal exploration licence 545/K.357a/2010 (collectively “**the Licences**”).

The Agreement relates to two exploration licences in the Long Bagun District, Kutai Barat Regency in East Kalimantan Indonesia (“**the Project**”). The Project lies to the south west of the Mahakam River and in close proximity to the Mamahak Village, an area known to produce semi soft coking coal.

The Company will, subject to completion of satisfactory legal and technical due diligence and the receipt of shareholder approval from the Company’s Shareholders, pay an initial consideration to the value of A\$800,000 by issuing to the Vendors 4,000,000 fully paid ordinary shares in the Company (“**Shares**”) at a deemed issue price of A\$0.20.

Subject to the satisfactory completion of all necessary due diligence, the Company is holding an EGM on 30 April 2012 to obtain Shareholder approval for the Transaction to proceed.

About Kalimantan

Kalimantan is the world’s third largest island and is made up of the Malaysian states of Sarawak and Sabah, the independent state of Brunei Darussalam in the north and north-western part of the island, with the rest of the island comprising the Republic of Indonesia. Refer to **Figure 1**.

The Indonesian part of the island is divided into 4 provinces – East Kalimantan, West Kalimantan, Central Kalimantan and South Kalimantan.



Figure 1: Regional Location Map

About the Project

Indonesia is estimated to have produced over 300Mt of coal in 2010. East Kalimantan is the most established mining area providing over 65% of Indonesia's total coal production in 2010.

The Project is located in the Kutai Barat Regency, East Kalimantan, Indonesia and lies to the south west of the Mahakam River and in close proximity to Kangaroo Resources Ltd (ASX: KRL) Mahakam semi-soft coking coal mine.

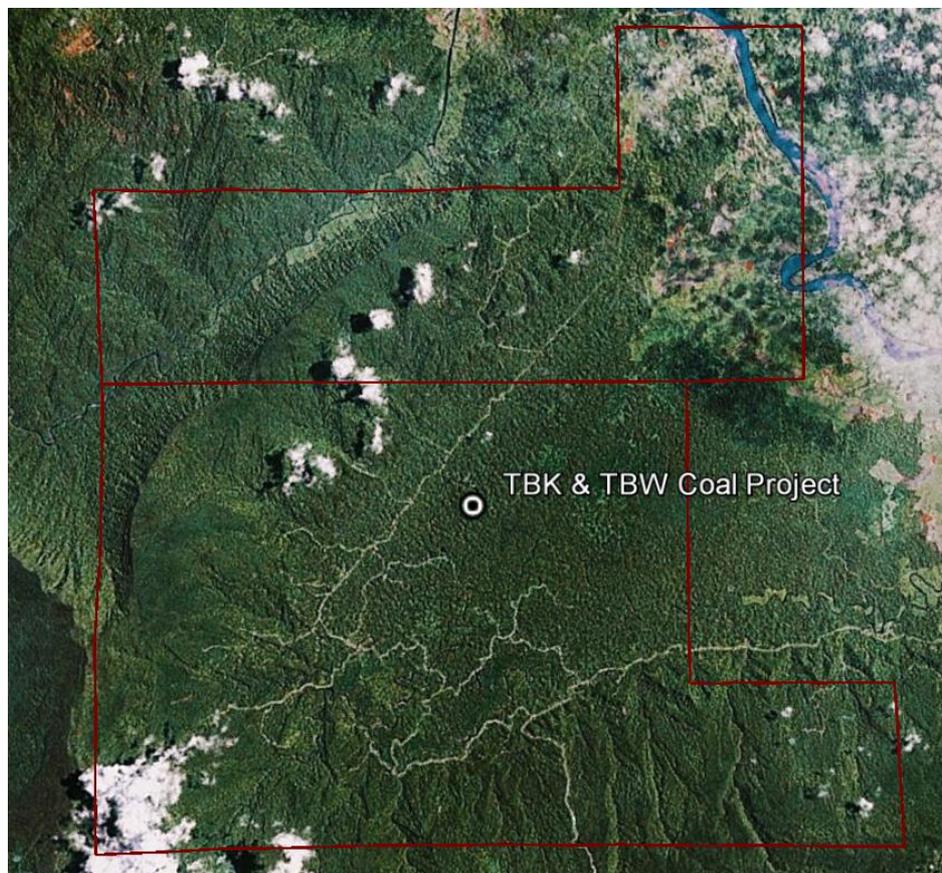
The Project area is accessible via plane from Jakarta to Balikpapan, then by vehicle to the Mahakam River and via speed boat along the Mahakam River. Access roads exist over parts of the Project area.

The Project consists of two exploration licences, as set out in **Table 1** below, covering a total land area of 15,500Ha (155km²), **Figure 2**. Dominant land uses in the region are logging and some limited private farming.

Table 1: Tenement Schedule

Licence ID	Registered Holder	Area (Ha)	Status	Date Granted	Expiry Date
545/K.357a/2010	PT. Tata Borneo Wikajaya (TBW)	5,500	Exploration	12/04/2011	12/04/2014
545/K.355c/2010	PT. Tata Buana Kharisma (TBK)	10,000	Exploration	12/04/2011	12/04/2014

Figure 2: TBK & TBW Project area with access tracks

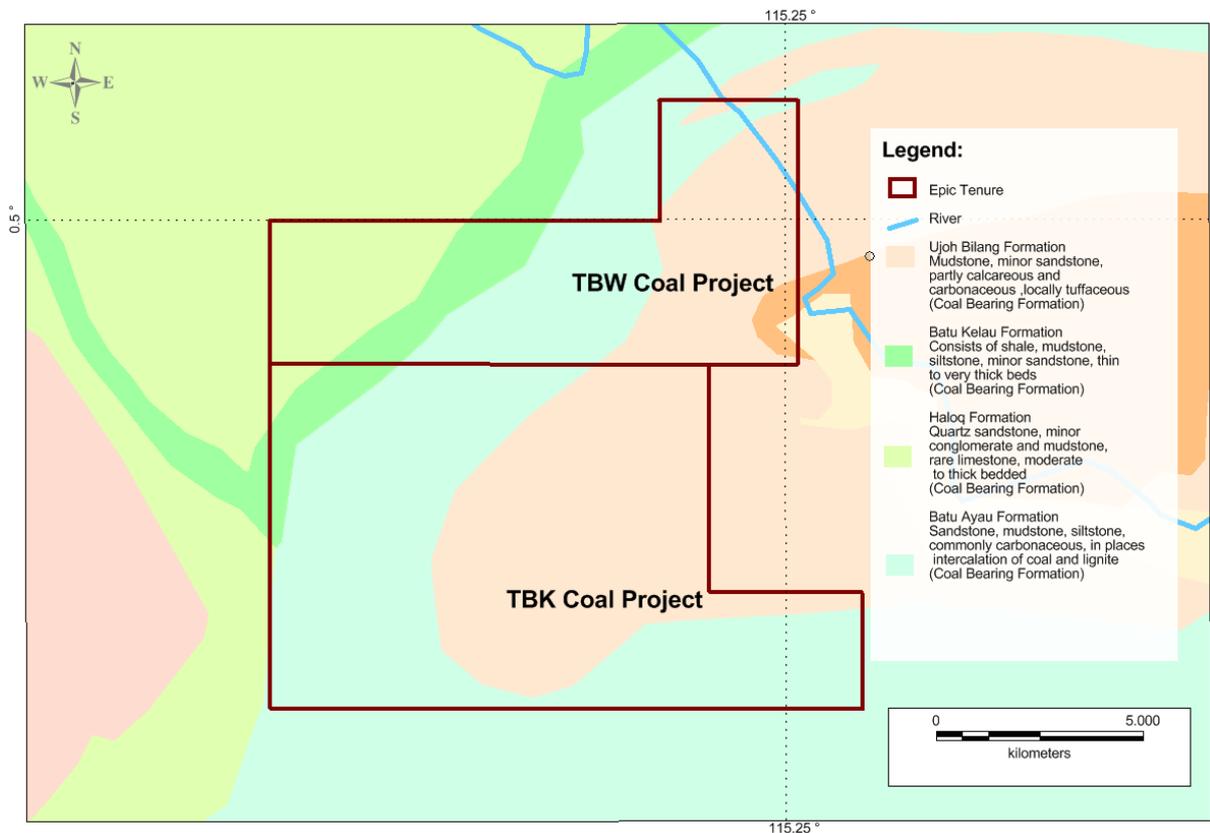


Project Geology

Coal rank varies across Kalimantan, from lignite through sub-bituminous, high to low volatile bituminous and semi-anthracite to anthracite. Four separate coal bearing formations have been identified in the licence area (**Figure 3**), these include:

- Ujoh Bilang Formation – Mudstone, minor sandstone, partly calcareous and carbonaceous, locally tuffaceous
- Batu Kelau Formation – Consists of shale, mudstone, siltstone, minor sandstone, thin to very thick beds
- Haloq Formation – Quartz sandstone, minor conglomerate and mudstone, rare limestone, moderate to thick bedded
- Batu Ayau Formation – Sandstone, mudstone, siltstone, commonly carbonaceous, in places intercalation of coal and lignite

Figure 3: Project Geology



Transaction Details

Subject to completion of satisfactory legal and technical due diligence and the receipt of shareholder approval from the Company's shareholders, the Company has agreed to purchase up to 100% of the issued capital in each of Subi Cove and Jilliby, on the terms set out below.

Stage 1 Interest

The Company may earn an initial 15% interest in each of Subi Cove and Jilliby by issuing to the Vendors 4,000,000 Shares upon satisfaction (or waiver) of the conditions precedent, below, (together "the Conditions Precedent"):

- i) the receipt of shareholder approval from the Company's shareholders in a general meeting for the acquisition;
- ii) The Company completing and being satisfied with its legal and technical due diligence investigations on each of Subi Cove and Jilliby's business operations, including the Licences, to the absolute discretion of the Company; and
- iii) all necessary, regulatory and tax consents or approvals for the proposed transaction being received.

If the Conditions Precedent set out above are not satisfied (or waived by Epic) on or before 30 April 2012 or such later date as agreed by the parties, then either party may terminate the Agreement.

Stage 2 Interest

Where, within 12 months of the satisfaction of the Conditions Precedent, the Company successfully defines:

- a 20mt Inferred Resource in accordance with JORC Guidelines of coal that meets certain minimum specifications within the Project,

the Company will earn an additional 40% interest in each of Subi Cove and Jilliby by issuing to the Vendors a further 20,000,000 Shares (Tranche 2 Deferred Consideration Shares).

Stage 3 Interest

If, within 18 months of the satisfaction of the Conditions Precedent, the Company successfully defines:

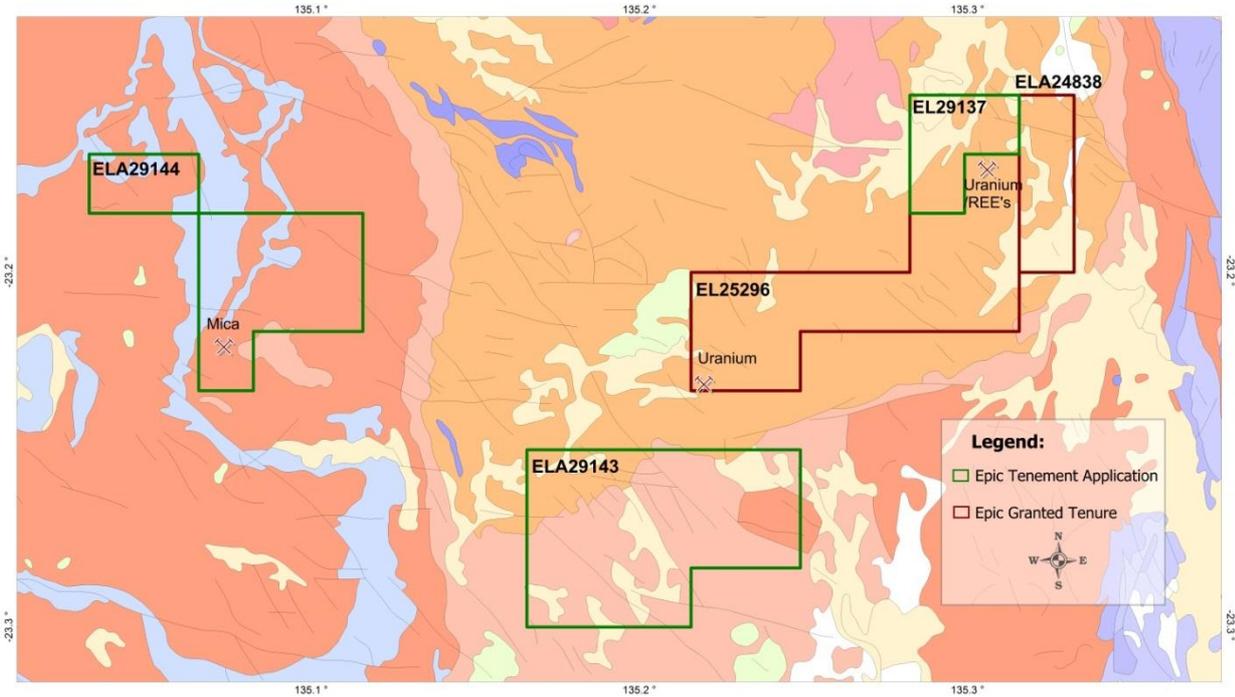
- i) a 20mt Indicated Resource in accordance with JORC Guidelines of coal that meets certain minimum specifications; and
- ii) a 20mt Inferred Resource in accordance with JORC Guidelines of coal that meets certain minimum specifications,

within the Licences, the Company will earn an additional 45% interest in each of Subi Cove and Jilliby by issuing to the Vendors a further 45,000,000 Shares (Tranche 3 Deferred Consideration Shares)..

Further details have been provided in a Notice of Meeting issued to the Company's Shareholders on 29 March 2012. The Company will continue to provide regular updates to the market with the progress of the transaction and the outcomes of the legal and technical due diligence.

QUARTZ HILL PROJECT

- **Comprehensive project evaluation being conducted**
- **Field exploration program currently being devised**



Quartz Hill Project

The Quartz Hill project lies 150km east-north-east of Alice Springs and is centred around Ambalindum Station. All tenements lie within the Eastern Arunta block, in the Harts Ranges.

The project consists of two adjoining exploration licences currently held by Cazaly Iron Pty Ltd. In April 2011 exploration activities commenced within the areas **EL24838** and the northeast corner of **EL25296**. (See figure 1 below).

EL25296

Field activities in the previous quarter focused on the REE+U-bearing pegmatite field known as the 'Lone Pine' prospect. The Lone Pine area is dominated by hilly topography and long, linear ridge lines of pegmatite bodies. Mapping of this area confirmed the presence of several concentric zones within individual pegmatite bodies. It shows a minimal depth of erosional exposure with only the outer 'Wall' and minor 'Intermediate' zones of the pegmatite exposed. These zones are prospective for niobium-rich mineralisation, compared with the tantalum-rich mineralisation of the inner 'Intermediate' and 'Quartz Core' zones.

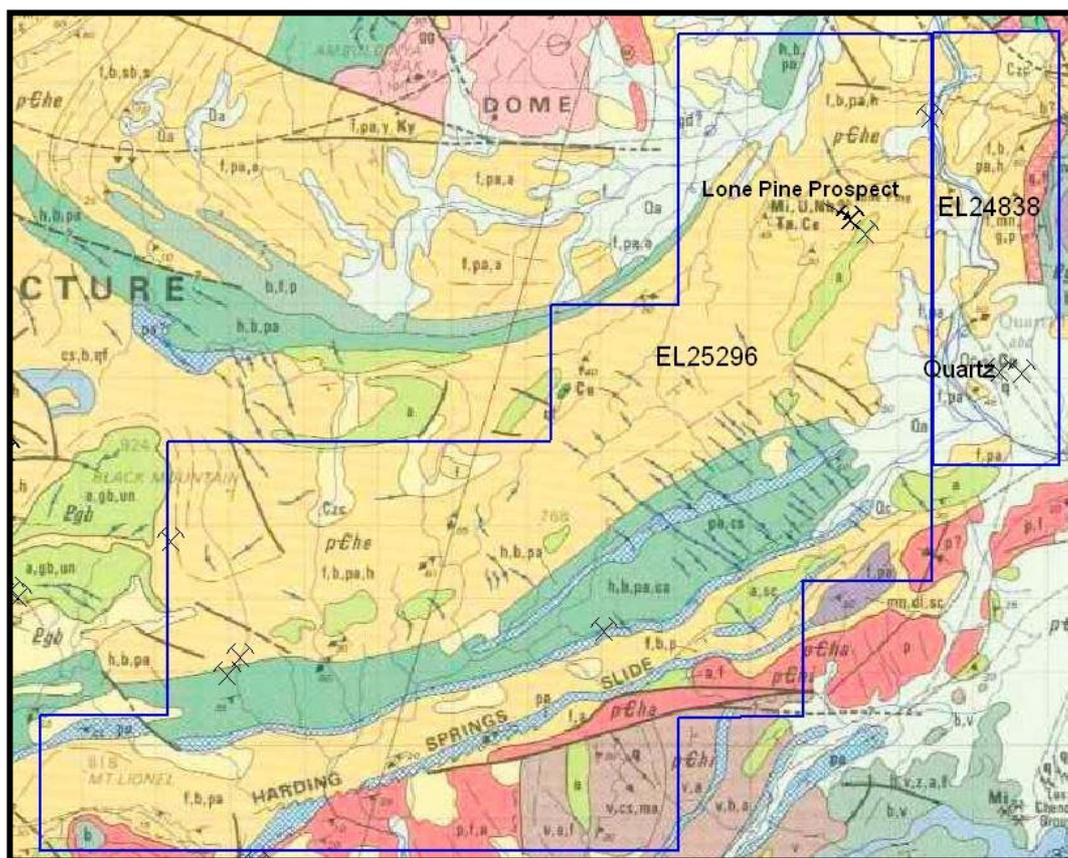


Figure 1: Quartz Hill Project – EL25296 and EL24838, Entia Dome, Northern Territory

EL24838

Reconnaissance mapping and field prospecting in the previous quarter across the license confirmed previously identified Heavy Rare Earth Element (HREE)-bearing samarskite associated with the Quartz Hill pegmatite body.

Quartz Hill Project:- regional tenure:

Epic has three exploration licence applications located in close proximity to its Quartz Hill project as part of its regional exploration strategy. Currently, Epic is conducting a comprehensive project evaluation to identify exploration targets warranting further investigation. Epic is targeting pegmatite style uranium-rare earth mineralisation and Iron Oxide Copper Gold (IOCG) mineralisation in an area of mixed magma types with extensive fluid alteration.

The comprehensive project evaluation comprises of a review of the available historic geological and geophysical data for the region, exploration targeting based on the desktop analysis and reconnaissance sampling and mapping of identified targets.

OTHER PROJECTS OF INTEREST

The Company has been actively evaluating a number other projects that include, without limitation, coal, iron ore, copper, gold, manganese, tin, nickel, potash and tungsten both within Australia and abroad . The Company is confident that it will be able to suitably identify a project that meets the Company's short term objectives and growth strategy.

HIGHLIGHTS EXPECTED – NEXT QUARTER 30 JUNE 2012

- EGM to be held 30 April 2012 to approve Conditional Agreement to acquire two coal licences located in the second largest Indonesian Province of East Kalimantan, Indonesia.

-ENDS-

About Epic Resources Limited

Epic Resources is an Australian-based exploration company that was initially established to acquire, explore, evaluate and exploit uranium-REE deposits and explore prospective uranium tenements and other minerals.

Epic Resources entered into a Farm-in 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.

In addition to seeking to earn a 75% interest in the Quartz Hill Project and as outlined in the Company's Prospectus, the Company intends to pursue new projects in the resources sector, both in Australia and overseas, by way of acquisition or investment.

These projects may include other types of minerals including, without limitation, coal, iron ore, copper, gold, manganese, tin, nickel, potash and tungsten.

For more information, visit www.epicresources.com.au or contact:

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Competent Persons Statement

Technical information in this report has been prepared under the supervision of Mr Jonathon King, a director of Weston Consultancy Group Pty Ltd, and a member of the Australian Institute of Geoscientists (AIG). Mr King has sufficient experience which is relevant to the style of mineralisation 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 Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr King consents to the inclusion in this report of the Information, in the form and context in which it appears.