

For the period ending 30 June 2011

Highlights

Tasmania Mine Operations

- Safety performance improved with just one treatable injury recorded for the quarter.
- Gold production for the June quarter was 11,474oz, an increase of 5% from the March quarter. Production continued to be sourced largely from lower grade, peripheral areas of the mine, while the initial stoping areas from the higher-grade Western Zone were established.
- Cash cost of production increased to A\$1,317 per ounce, allowing a modest cash surplus.
- Annual production for the 2010/11 financial year was 46,460 oz.
- Significant cost-savings achieved, following a site-wide cost-reduction programme, resulting in the removal of some services and contractors.
- Establishment of Radial-in-Reef stoping of the Western Zone continued, with the first panel due for firing in August.
- Mill throughput for the quarter was 67,645 tonnes, a reduction of 2% from the March quarter, with ore availability limited by the sequencing of small stopes, predominantly from the eastern part of the mine.

Tasmania Mine Exploration

- Infill diamond drillholes in the Western Zone confirm high grade zones, with intercepts including 4.8m @ 104.7 g/t gold, 7m @ 19.5 g/t gold and 5.2m @ 13.6 g/t gold.

Corporate

- Discussions with regard to a possible new investor in the Victorian exploration assets continued.
- Non-Executive Director Andrew Drummond resigned during the quarter.
- The Company's Melbourne office closed at the end of June, with the registered office of the Company becoming the Tasmania Mine office.

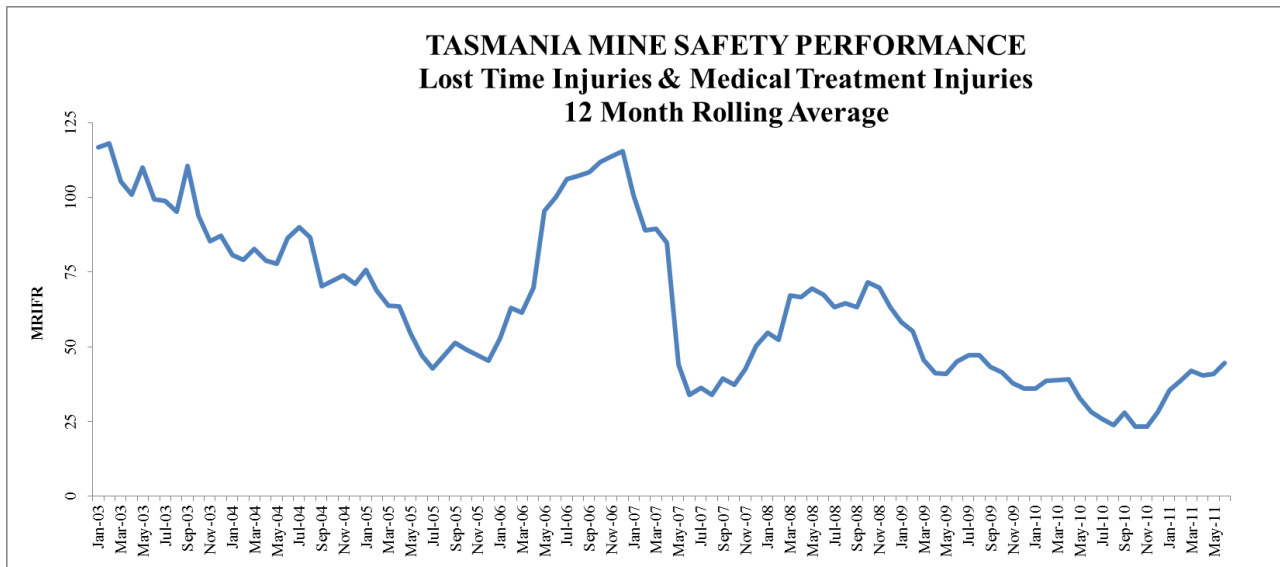
CEO'S COMMENTARY ON THE QUARTER

BCD Resources CEO, Peter Thompson said "The quarter saw steady production of 11,474 oz, with high unit operating costs reflecting the low grade, peripheral stopes available, and lower tonnages mined. Safety performance was good, with the current LTI-free period currently at 130 days. While production output continued to be low, a turnaround in mining performance was achieved, with improved scheduling and weekly forecasts now being met on a consistent basis. Higher grade stoping from the Western Zone will commence in the September quarter, improving mined grade, although the rate of extraction of radial-in reef stoping will be one panel of 6,000t-10,000t per month. Significant cost savings have been achieved across the Company, as we strive to return to profitability.

The Company is focussed on maximising value from the Tasmania Mine and progressing the introduction of investors to the Victorian Copper project."

TASMANIA MINE

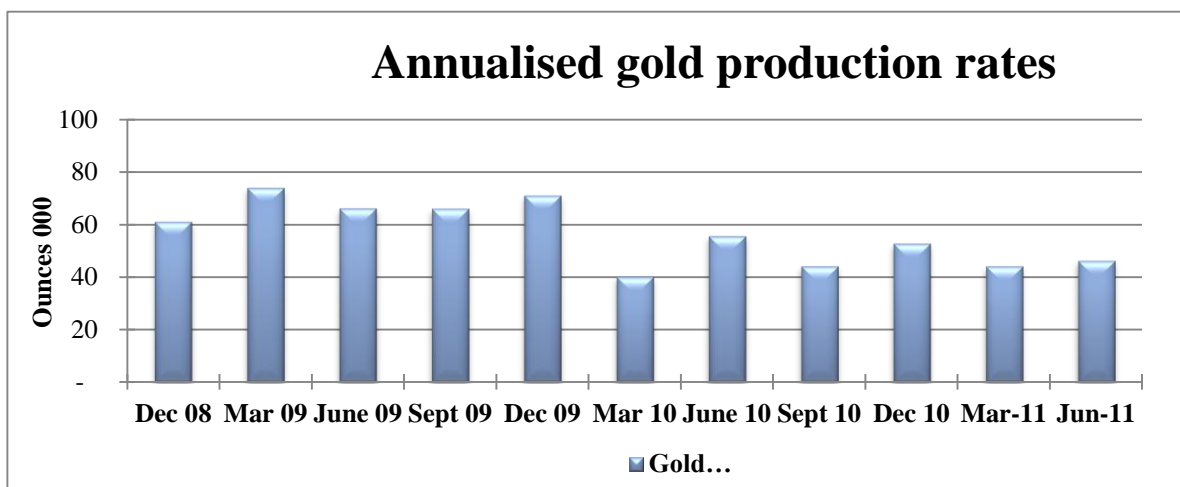
SAFETY

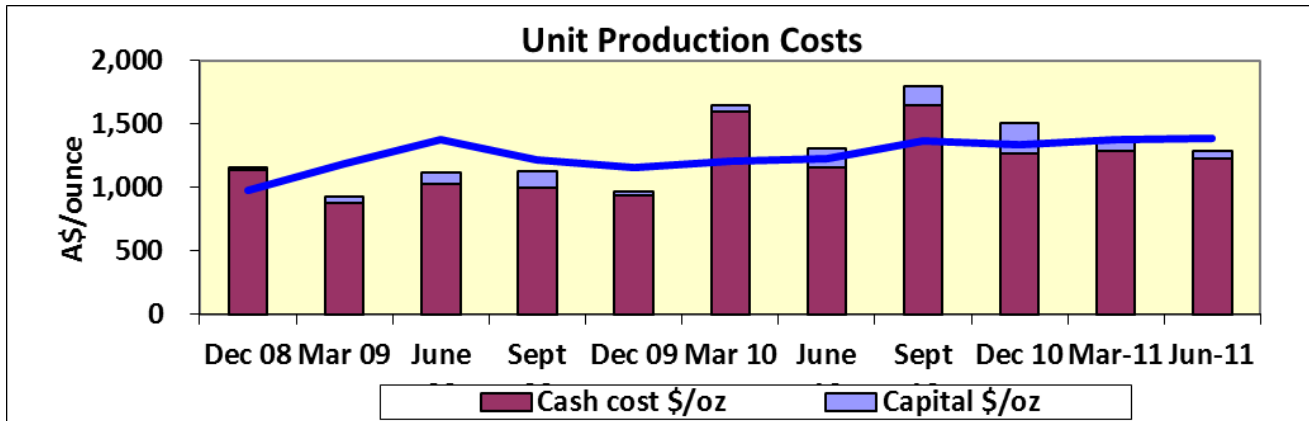


MRIFR (Medically Referred Injury Frequency Rate – number of injuries per million man hours)

Safety performance improved during the quarter with just one Medical Treatment Injury sustained. The 12 month rolling average MRIFR increased slightly to 44.7 at the end of June. The usage and actioning of Hazard Identification cards also improved, this being more of a leading indicator of overall safety than the MRIFR.

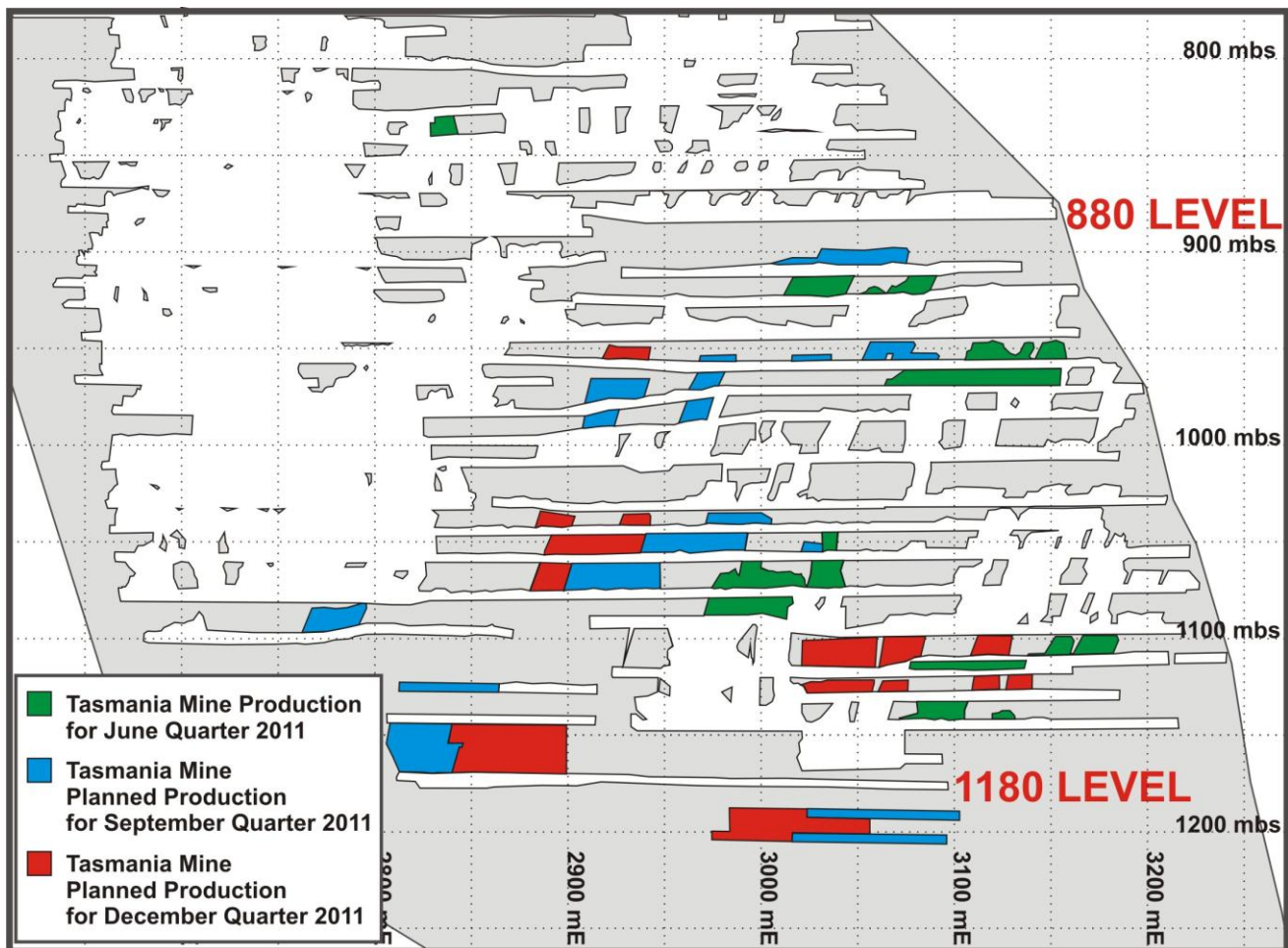
PRODUCTION





Gold production of 11,474 ounces is an increase of 5% compared to the March quarter, resulting from 67,645 tonnes (2% less) processed, at a slightly higher grade of 6.5 g/t gold, with similar metallurgical recovery of 81%. The operation is and will continue to be mine-constrained due to the available ore sources and necessary mining sequence of stopes. Mill throughput has accordingly reduced marginally. Figure 1 below identifies the areas mined during the June quarter, as well as those planned for the September and December quarters.

Figure 1 Tasmania Mine Long section showing production from June quarter, and planned production for September and December quarters.



Mine Development

Development activity included decline development down to 1210 level, ore and waste pass establishment and some buttressing work on tailings dam walls.

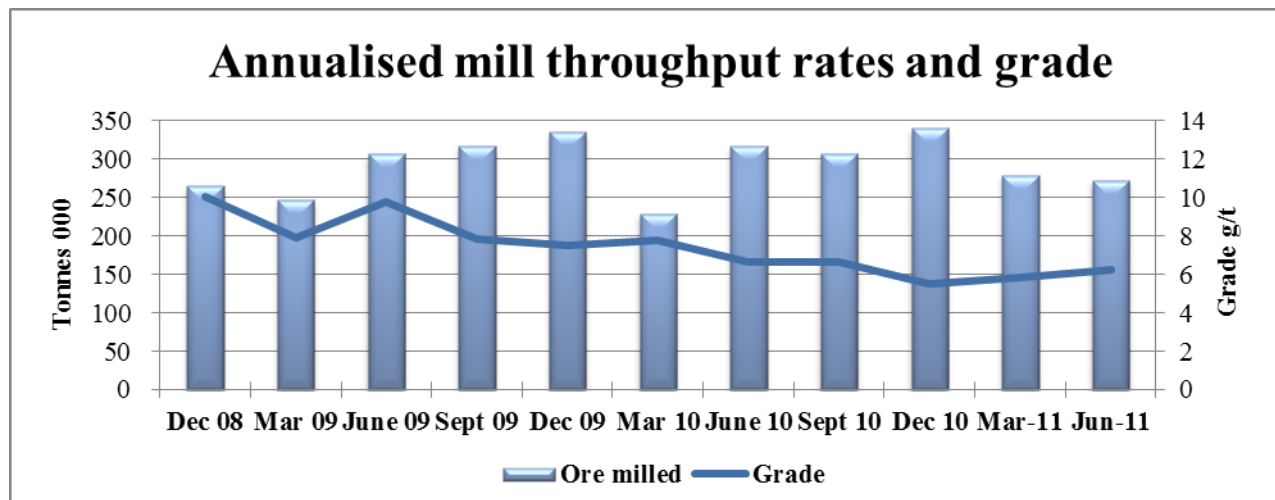
Total development for the quarter was 507 metres, of which 99m was capitalised, and 408m was expensed.

Mine Operations

Ore sources in the June Quarter were dominantly from stopes in the Eastern part of the mine, from levels 1130, 1120, 1090, 1080, 955 and 920, with significant contributions from the 1180 floor bench (Western Zone) and some Crown Pillar Remnants on 475 level. These stopes generally contained gold grades of 6-9g/t gold, and significant effort was made to avoid dilution from hangingwall overbreak. Mined tonnes were 60,624 tonnes, a reduction of 15% from the March quarter. Tailings sand fill was used in addition to waste rock to fill stope voids where appropriate.

Establishment of stoping of the Western Zone mineralisation continued with development of access stubs, ore passes and waste passes, ground support, geotechnical instrumentation, stope definition drilling, stope design, and slot drilling. Slot drilling by an external contractor has been slower than planned and resulted in a modified method using pilot holes drilled by the Company. Stopping of the Western Zone is now scheduled for August, commencing with the most western panel, as shown in Fig 1.

Mill Operations



Mill throughput was 67,645 tonnes for the quarter, at an average grade of 6.5g/t gold and mill recovery of 81.1%. The mill continued to perform well for the Quarter, although short periods of high lead levels present in ore feed were experienced, causing some lower gold recoveries. Provision to capture and re-treat any further lead-rich concentrates has been made, to eliminate the problem recurring.

COSTS

Cash costs of production of A\$1,317 per ounce were 6% higher than the previous quarter, reflecting slightly higher operating costs due principally to unexpected maintenance costs including the complete rebuild of one of the underground front end loaders.

A cost-reduction programme was undertaken, resulting in the reduction and re-allocation of some services, equipment and contractors, as well as a review of stores inventory and re-ordering systems. These reductions, including the closure of the Melbourne corporate office, are estimated to result in annual savings of \$1.9m.

Capital expenditure was \$1.0m, which was limited to decline development and tailings dam work.

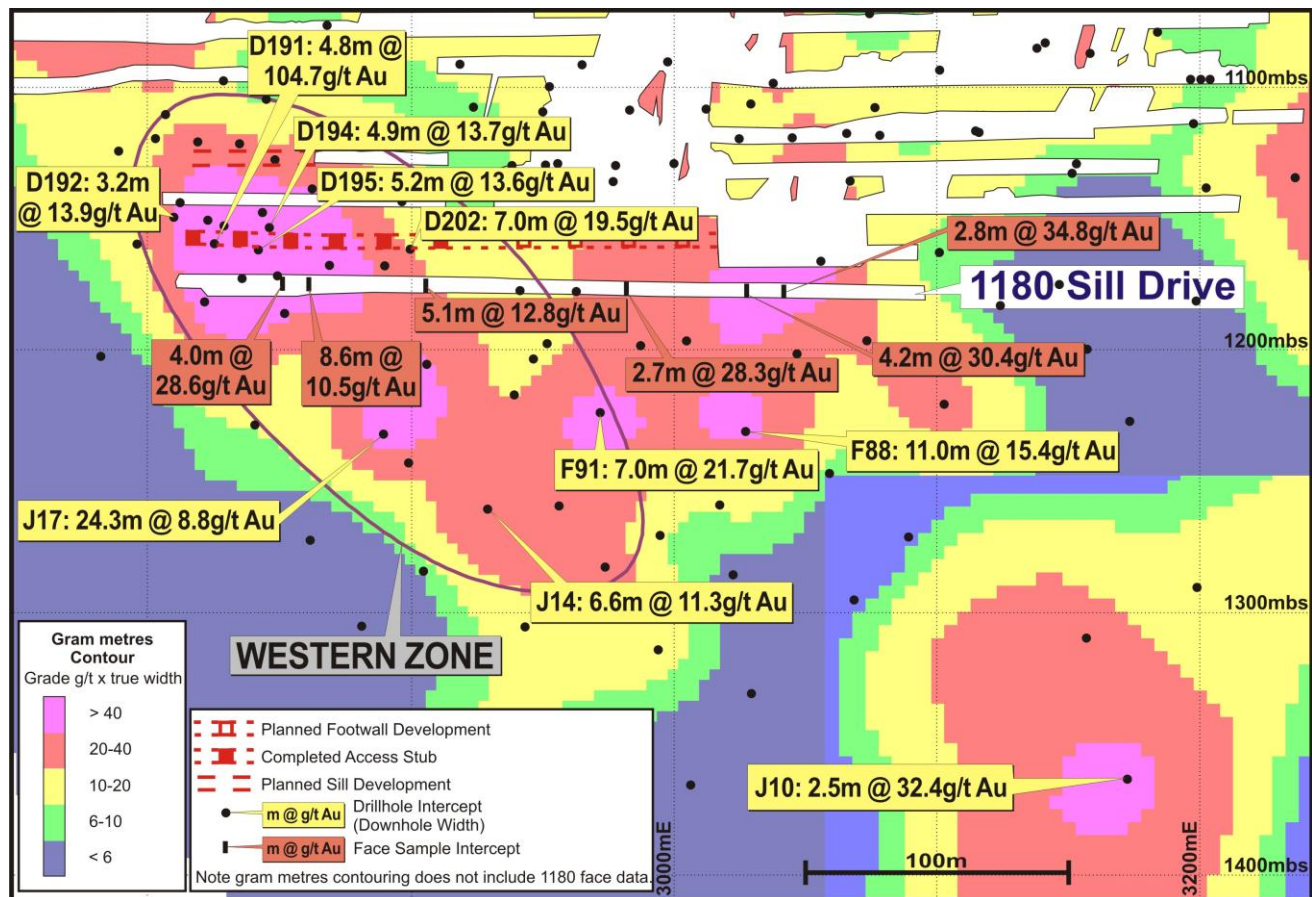
EXPLORATION

TASMANIA MINE RESERVE DEFINITION

Western Zone

Short diamond drillholes were completed in the Western Zone to finalize stope designs. As expected, several strong intersections have confirmed the presence of bonanza patches in the Western Zone, the best of which include **4.8m @ 104.7 g/t gold**, **7.0m @ 19.5 g/t gold** and **5.2m @ 13.6 g/t gold** in holes D191, D202 and D195 respectively. Results are shown in Table 1 and Figure 2 below.

Figure 2 Tasmania Mine Long Section showing position of 1180, 1150 and 1130 sill drives. Positions of new Western Zone drillholes D 191, D192, D194, D195 and D202 also shown.



Background colours depict contours of thickness x grade and represent the quality of drillhole intersections present.

Table 1 Significant Intersections, Slope Definition Drilling, Tasmania Mine

Hole ID	Target	Easting	Northing	Depth (mbs)	From (m)	To (m)	Intersection Width (m)	Estimated True Width (m)	Grade (Au g/t)
D191	W Zone	2823.1	4524.8	-1159.9	22.6	27.4	4.8	3.7	104.7
D202	W Zone	2897.2	4498.4	-1162.3	15.5	22.5	7.0	5.8	19.5
D195	W Zone	2839.4	4518.7	-1162.0	20.1	25.3	5.2	3.6	13.6
D194	W Zone	2843.7	4523.3	-1153.8	15.35	20.2	4.9	4.4	13.7
D192	W Zone	2807.5	4539.7	-1150.0	20.5	23.7	3.2	3.0	13.9
D190	W Zone	2826.5	4530.5	-1153.2	17.2	22.3	5.1	4.6	8.2
D204	W Zone	2859.1	4510.6	-1162.2	19.1	20.9	1.8	1.3	27.5
D197	W Zone	2934.1	4493.2	-1162.7	18.2	19.1	0.9	0.8	41.8
D193	W Zone	2806.3	4533.3	-1162.5	23.6	27.7	4.1	2.7	8.4
D203	W Zone	2877.4	4503.9	-1162.1	16.45	18.1	1.7	1.3	18.0
D201	W Zone	2899.0	4506.7	-1154.5	11.9	12.8	0.9	0.8	15.8
D196	W Zone	2935.6	4500.6	-1154.8	12.1	13.1	1.0	0.9	9.3

Widths shown are calculated horizontal widths. Eastings, Northings and depths shown are for the mid-points of each mineralised intersection. mbs is “metres below surface”

VICTORIAN COPPER PROJECT

Discussions with a party interested in investing in this project continued during the Quarter. No field activities were undertaken.

The exploration results presented in this report are based on information compiled under the supervision of Peter Thompson, who is a full time employee and a Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (The JORC Code, 2004). Mr Thompson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

GOLD PRICING

The BCD Resources Group remains completely unhedged and all production from the Tasmania Mine is available for delivery at the spot price. The average gold price received during the Quarter was A\$1,424 per ounce. The policy concerning hedging is regularly reviewed.

CASH POSITION

Group cash and bullion despatched and included as revenue totalled A\$5.8 million at 30 June 2011. Of this, A\$3.4 million was held as environmental bonds or to guarantee employee entitlements.

SHARES ON ISSUE

During the June quarter, there has been no further conversion of convertible notes to shares in BCD. As of today's date, 28th July, the current shares on issue remains at 951,703,439, with 1,239,250,100 convertible notes still held.

EXECUTIVE AND BOARD CHANGES

During the period non-executive director Andrew Drummond resigned. Mr Drummond is Managing Director of Minemakers Ltd ("MAK") and wishes to focus his efforts full-time on the development of MAK's Wonarah phosphate deposit. The BCD Board thanks Mr Drummond for the contribution he made following his appointment in November 2010.

Mr Neville Bergin, an employee of MAK, remains as non-executive Chairman of BCD.



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APPENDIX

QUARTERLY COMPARATIVES

PRODUCTION

	September 2010	December 2010	March 2011	June 2011
Ore hoisted	80,901 tonnes	84,887 tonnes	71,533 tonnes	60,524 tonnes
Ore treated	76,188 tonnes	84,451 tonnes	69,294 tonnes	67,645 tonnes
Head Grade	5.5 g/t	5.9 g/t	6.0 g/t	6.5 g/t
Gold treated	13,563 ounces	15,894 ounces	13,413 ounces	14,138 ounces
Recovery *	80.8%	82.4%	81.5%	81.1%
Gold produced	10,954 ounces	13,098 ounces	10,934 ounces	11,474 ounces

* Recovery excludes movements in gold in circuit

COSTS

	September 2010	December 2010	March 2011	June 2011
Cash cost	\$1,650 per ounce	\$1,269 per ounce	\$1,240 per ounce	\$1,317 per ounce
Capital cost *	\$235 per ounce	\$93 per ounce	\$47 per ounce	\$107 per ounce
Cash cost per tonne milled	\$237 per tonne	\$197 per tonne	\$196 per tonne	\$223 per tonne
Revenue received	\$1,357 per ounce	\$1,383 per ounce	\$1,385 per ounce	\$1,424 per ounce

All costs and revenues in Australian dollars

Cash costs are calculated in accordance with former Gold Institute definitions, and include Tasmanian Government ad-valorem royalties and credit for by-product silver.