

Quarterly Report for December 2009

HIGHLIGHTS

Tasmania Mine Operations

- Gold production up 8% to 17,620 ounces
- Unit cash costs down 6% to A\$934 per ounce
- The trial of a lower cost, enhanced remote mining method is on track to commence in the March 2010 quarter
- A contract has commenced to mine remnant reserves in the upper levels of the mine with a target of 2,000 to 3,000 ounces of incremental gold production per quarter

Tasmania Mine Exploration

- Resources increased by 37% to 571,000 ounces
- Reserves increased to 285,000 ounces at 9.6g/t
- J14 intersects 3.5 metres at 11.4 g/t gold
- Latest drill results expand reserve boundary westwards of currently planned development

Victorian Copper

- Ararat diamond holes confirm mineralisation with 3.1 metres at 3.1% copper
- Step-out drilling at Thursdays Gossan intersects 42 metres at 0.8% copper
- 51% Ararat joint venture interest earned

Corporate

- Cash and bullion increased by \$3.9 million to \$12.1 million

CEO'S COMMENTARY ON THE QUARTER

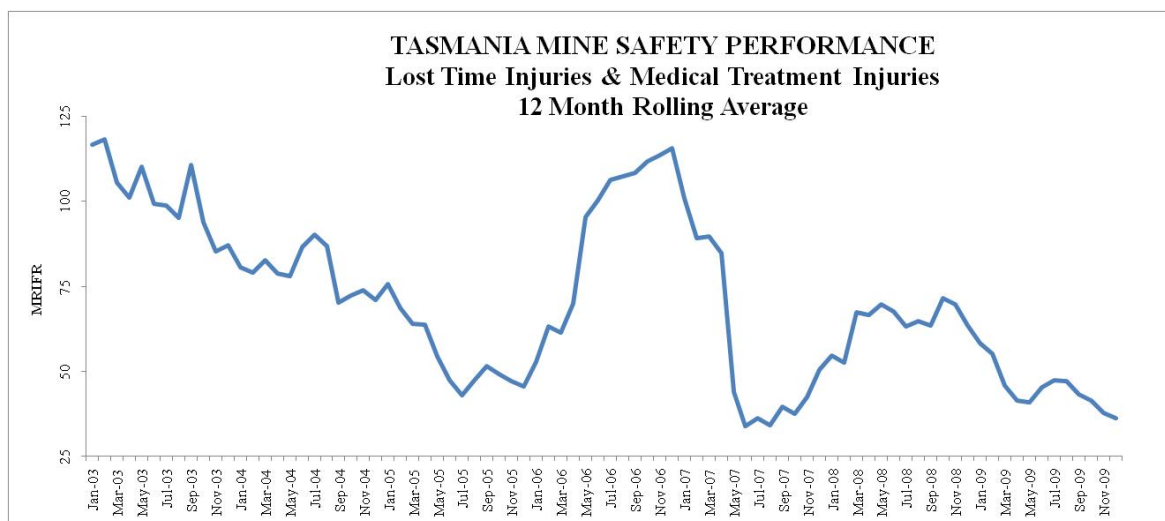
BCD Resources CEO, Bill Colvin said "It is very pleasing to report that drilling has delivered an extension to the life of the Tasmania Mine, with 233,000 ounces effectively added to resources during 2009. Significantly, much of the addition is located west of existing reserves, rather than at depth, and will therefore provide greater production opportunity in the near term.

Development work has progressed well on establishing an enhanced remote mining method, with trial production to commence as planned in the March quarter. The method considerably reduces development requirements and could offer potential cost savings of the order of \$120 to \$240 per ounce produced.

Our Victorian copper project continues to develop as a significant asset for the Company. Recent strong price increases have underlined the attractiveness of readily mineable copper resources and we will strive to ensure that value is reflected in the Company's share price."

TASMANIA MINE

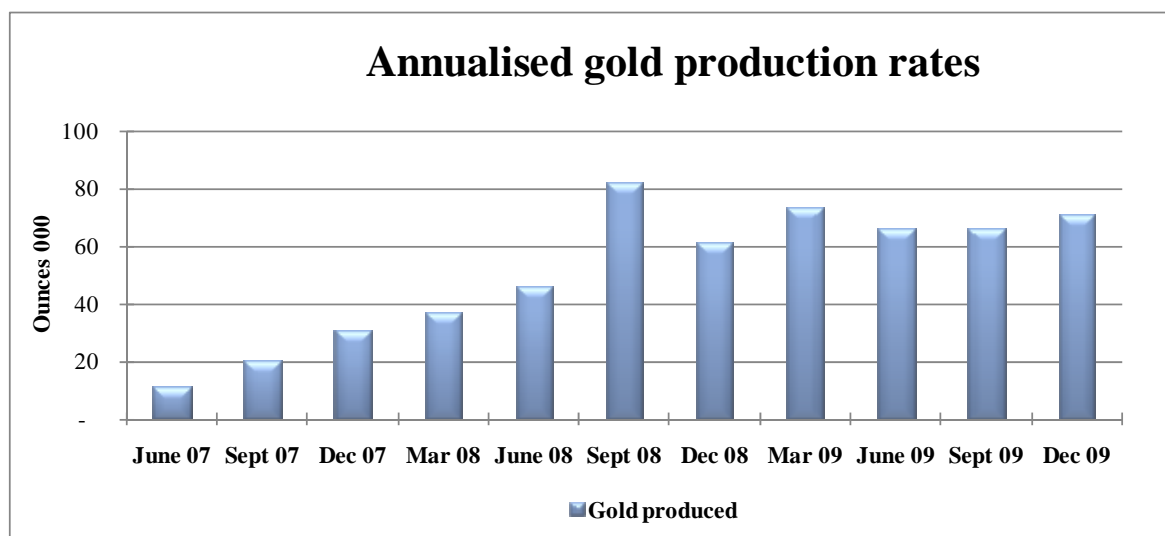
SAFETY



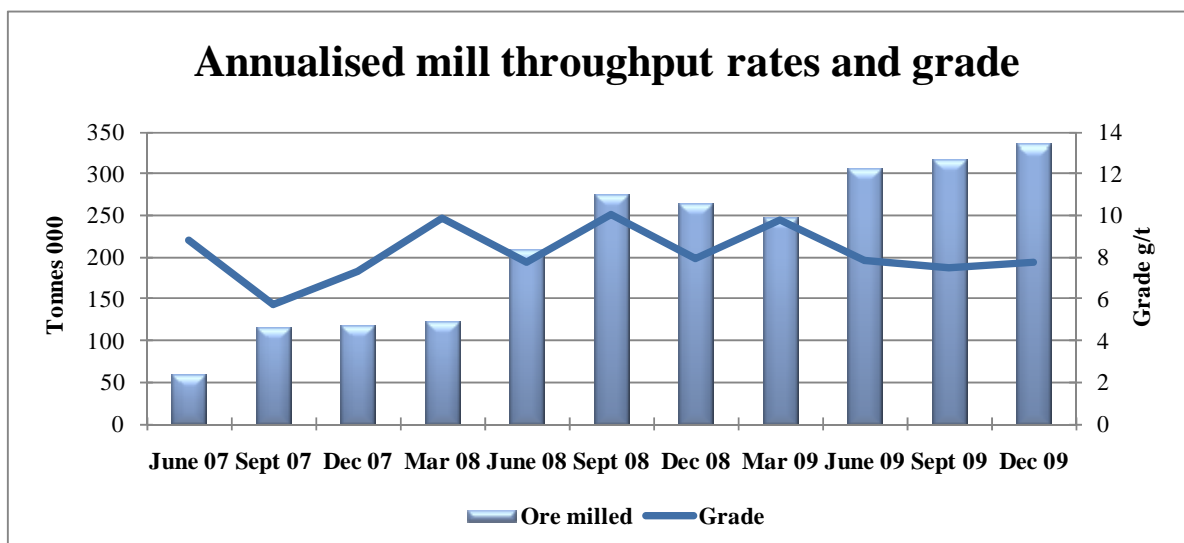
MRIFR (Medically Referred Injury Frequency Rate – number of injuries per million man hours)

There was one Lost Time Injury and three Medical Treatment Injuries during the December 2009 quarter. The MRIFR decreased from 43.2 at the end of September to 36.0 at the end of December. The target for the Company remains zero.

PRODUCTION



Gold production of 17,620 ounces was 8% higher than the September quarter (16,375 ounces).



Mill throughput of 83,107 tonnes was again a record and exceeded a 300,000 tonnes per annum rate for the third consecutive quarter. Grade increased slightly to 7.8g/t whilst mill recovery was marginally lower at 84.8%.

Production for the second half of the 2010 financial year is scheduled to exceed that in the first half.

76,756 tonnes of ore were hoisted during the quarter, slightly down on the previous quarter's record. Stopping production in the quarter was predominantly sourced from the 1080W stopping block in the western zone and the 790E and 880E levels higher up in the eastern zone of the mine.

Continued progress was made in establishing the first production block in the F21 Zone and the initial stopping of this area is on track to commence as planned early in calendar 2010, using an enhanced mining method. This is expected to significantly reduce development and improve mining productivity, whilst still achieving all the safety benefits of the current remote footwall method. Drilling of the rises for the first trial block between the 1120 and 1150 levels commenced in December and all necessary level development for that block was completed in early January.

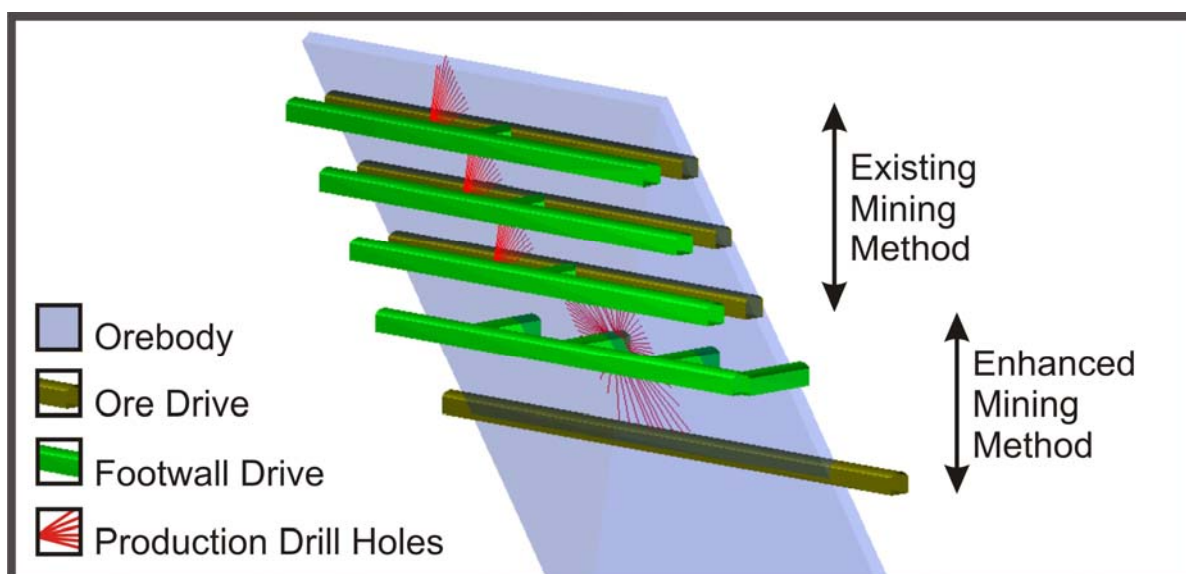


Figure 1 Diagrammatic comparison of remote footwall and enhanced mining methods

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The advantages of the new method are expected to include:

- Development required to mine an ore block reduced by 60%, resulting in significantly less cost and faster access;
- Production drilling metres reduced by 25% with fewer rig moves required;
- More favourable drilling geometry as the drillholes will be parallel to the plane of the orebody which may reduce ore loss;
- No major capital expenditure required; and
- More efficient mining cycle with significantly better productivity.

These benefits are expected to yield a \$120 to \$240 per ounce cost reduction in the areas of the mine where this method is employed, compared to the current footwall driving method.

Other mining initiatives designed to improve productivity or reduce costs were also advanced during the quarter.

A contract was awarded to extract a number of high grade remnants in the upper levels of the modern mine and initial access work commenced late in the quarter. Detailed mining plans are being prepared with a target of 2,000 to 3,000 ounces per quarter of incremental production. Excess capacity at the Tasmania Mine mill means this incremental ore can be treated at a low marginal cost, thereby reducing overall unit costs.

Narrow vein mining continued on three levels between the 1040 and 1090 levels where a hangingwall branch of the reef contains good grades but over a very thin width. Both airleg and narrow mechanised mining techniques have been successfully employed by a contractor under a partnership where costs and reward are shared on a tribute basis, effectively realising modest production from areas that otherwise would not be mined. Stopping from these areas will commence early in the new year and the methodology will be applicable to other narrow veins elsewhere in the mine.

Resue (or split face) development has been successfully trialled in ore development headings or sill drives where the reef does not extend across the full width of the face, reducing dilution and haulage requirements. This method will continue to be used where appropriate.

Total capital advance for the quarter was 122 metres, with decline development ramped up as planned towards the end of the quarter. Strong advance in the decline will remain a focus for several quarters as further production levels are established at the 1160 level and below.

COSTS

Cash costs of production decreased by 6% to A\$934 per ounce. Operating expenditure was A\$0.6 million lower than the previous quarter following the introduction of a number of cost saving initiatives. Cash cost per tonne milled decreased by 5% as a result of the record mill throughput and reduced expenditure, falling below A\$200 per tonne for the first time since 2006.

Capital expenditure of A\$1.0 million (equivalent to A\$54 per ounce) included underground drilling to increase the Tasmania Reef resource. 98,000 reserve ounces were added during 2009, at a drilling cost of less than A\$10 per ounce.

EXPLORATION

TASMANIA MINE RESOURCE EXTENSION

As indicated in the September quarterly report, underground resource extension drilling has focussed on an untested area in the western part of the mine from 1100 to 1300 metres below surface (“mbs”), following the successful J13 intersection reported in October. Two further diamond drillholes, J14 and J15 have been completed and have demonstrated strong continuity of mineralisation in this area over a 160m down-dip interval, open at depth. Significant results include **3.5 metres (horizontal width) at 11.4 g/t gold** in J14 and are reported in Table 1 and Figure 2 below.

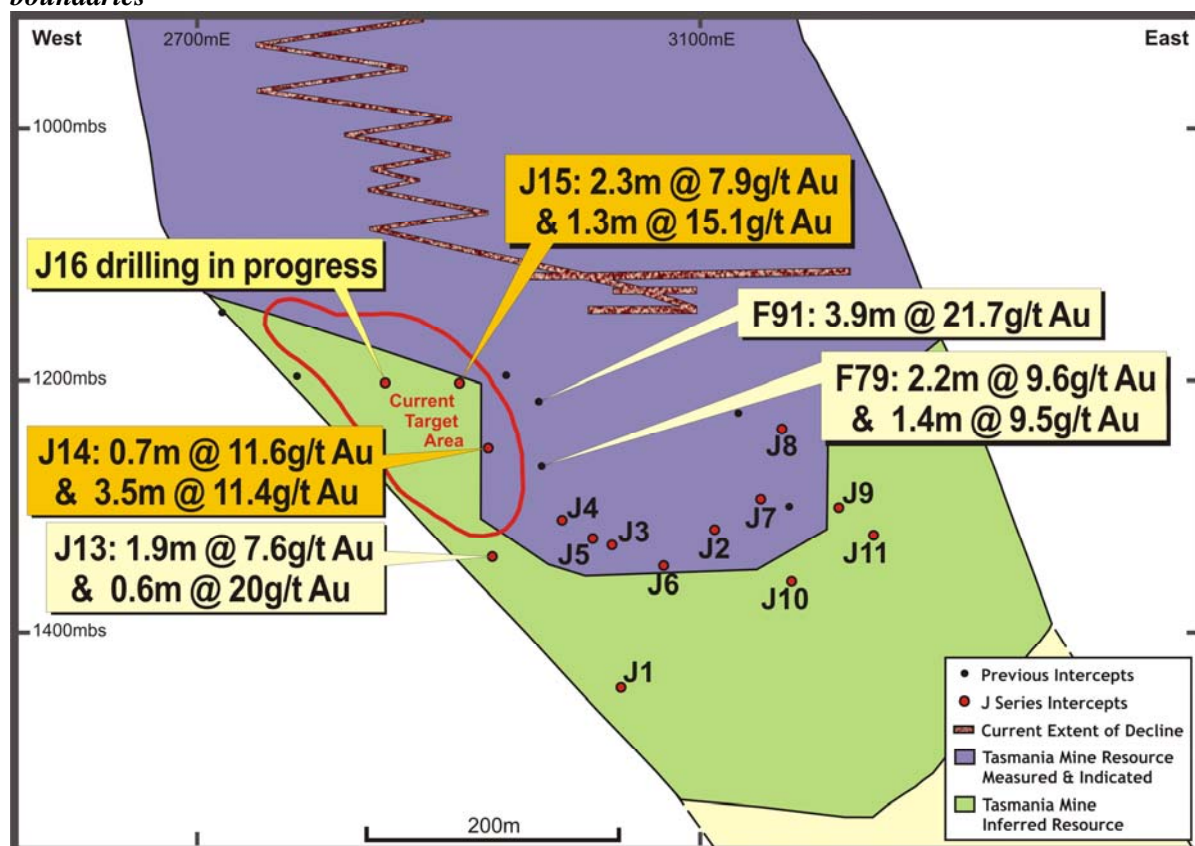
These intersections have effectively increased the horizontal extent of mineralisation between 1100mbs and 1300mbs, and consequently extended the Reserve boundary westwards, as shown in long section in Figure 2. Drilling continues, with J16 in progress, and further holes planned for the March quarter.

Table 1 Significant Intersections, Tasmania Mine, December quarter 2009

Hole	From (m)	Easting	Depth (mbs)	Width (m)	Grade (g/t)
J14	163.6	2933	1,254	0.7	11.6
J14	174.4	2928	1,260	3.5	11.4
J15	140.0	2910	1,198	2.3	7.9
J15	150.2	2905	1,205	1.3	15.1
J15	168.0	2895	1,218	1.5	7.0

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

Figure 2 Tasmania Mine Long Section showing recent drill holes and new Resource/Reserve boundaries



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As reported on 21 January 2010, updated resources and reserves for the Tasmania Mine show significant increases. The updated Identified Mineral Resource for the Tasmania Mine, using a 6.0 g/t gold cut-off, as at 31 December 2009 is:

Table 2 Tasmania Mine Resources (including Reserves) at 31 December 2009

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Measured Resource	510,000	12.6	206,000
Indicated Resource	757,000	11.6	281,000
Inferred Resource	189,000	13.8	84,000
Total Resource	1,456,000	12.2	571,000

The previous Total Resource (as at 31 December 2008) contained 416,000 ounces. The total increase to 31 December 2009, before allowing for mining depletion, is 155,000 ounces (an increase of 37%). Increases have largely come from additional material identified from extensional underground drilling during 2009. This drilling program is ongoing and is expected to provide further resource additions during 2010.

The updated Ore Reserve (included within the Total Resource) for the Tasmania Mine, using a 6.0 g/t gold cut-off, as at 31 December 2009 is:

Table 3 Tasmania Mine Reserves at 31 December 2009

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Proved Reserve	265,000	9.9	84,000
Probable Reserve	658,000	9.5	201,000
Total Reserve	923,000	9.6	285,000

The previous Total Reserve (as at 31 December 2008) was 265,000 ounces of contained gold. The increase to 31 December 2009, before allowing for mining depletion during 2009, is 20,000 ounces (an increase of 7.5%). The increase, after allowing for mining depletion of 78,000 ounces, was 98,000 ounces (an increase of 37%).

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Including Inferred Resources from the Pinafore Deposit at Lefroy in north-east Tasmania, the Company has Resources of 609,000 ounces as follows:

Table 4 *Total Company Gold Resources (including Reserves) at 31 December 2009*

Category	Tonnes	Gold Grade (g/t)	Contained ounces
Measured Resource (Tasmania Mine)	510,000	12.6	206,000
Indicated Resource (Tasmania Mine)	757,000	11.6	281,000
Inferred Resource (Tasmania Mine)	189,000	13.8	84,000
Inferred Resource (Pinafore Deposit)	810,000	1.5	38,000
Total Resources	2,266,000	8.4	609,000

TASMANIAN REGIONAL GOLD EXPLORATION

RC drilling programs to test Pease Creek and Pinafore open-pit target (Lefroy) are scheduled to commence in early February. At Pease Creek, a traverse of ten angled RC holes is planned to test a 600m corridor of prospective Salisbury Hill conglomerate under transported cover with no previous drilling. At Pinafore, infill RC drilling is planned to identify higher than average deposit grades, and to increase confidence in the open pit resource. The Pinafore resource currently contains 38,000 ounces of gold in the Inferred Resource category.

VICTORIAN REGIONAL GOLD EXPLORATION

Aircore and RC drilling at the Langi Logan and Langi Logan South prospects was undertaken to define contacts between basalt domes and surrounding sediments. 31 holes for 1,507 metres were completed, with successful delineation of contacts, and assays awaited.

The Company was successful with an application for a drilling grant from the Victorian Government under the Rediscover Victoria Drilling 3 program, with a grant of \$66,000 awarded for diamond drilling of Langi-Logan style gold targets at Ararat.

VICTORIAN COPPER PROJECT

Diamond drilling on the Ararat Copper project was completed, with assays for the final two holes ARD003 and 004 reported with a best intersection of 3.1 metres at 3.1% copper from 129.1 metres in ARD003. Figure 3 shows these intersections in long section. Mineralisation is in the form of massive and stringer chalcopyrite and pyrrhotite sulphides. These intersections confirm the nature of the wallrocks and mineralisation and add confidence to the current resource estimate of 700,000 tonnes at 2.7% copper and 0.8 g/t gold. Samples of this mineralisation are being used for metallurgical testwork, which is expected to confirm a high recovery of copper to concentrate.

Shallow RC drilling of the Ararat Copper deposit was completed, with 4 holes testing the upper 30 metres of the deposit for supergene enrichment. Some malachite and bornite mineralisation was observed over 1-2 metre intervals, with assays awaited.

The Company has completed its Stage 1 earning requirements on the Ararat Farm-in with expenditure of \$300,000, and now controls 51% of that Project (exploration licences EL3019, 4758 and 5076).

Table 5 Significant Intersections, Victoria Copper Project, December quarter 2009

Hole	Prospect	North	East	Dip / Azimuth	Depth From (m)	Width (m)	Copper (%)	Gold (g/t)
ARD003	Ararat Copper	5869228	665377	-70/52	129.1	3.1	3.1	0.4
ARD004	Ararat Copper	5869055	665472	-70/52	109.7	0.3	1.5	0.1
SAC029	Thurs Gossan	5836385	642056	Vertical	53	12	0.65	0.17
SAC030	Thurs Gossan	5836655	642095	Vertical	20	42	0.76	0.10
including					22	6	1.8	0.23

Widths shown are downhole widths. Northings and Eastings shown are for the collars of each drillhole.

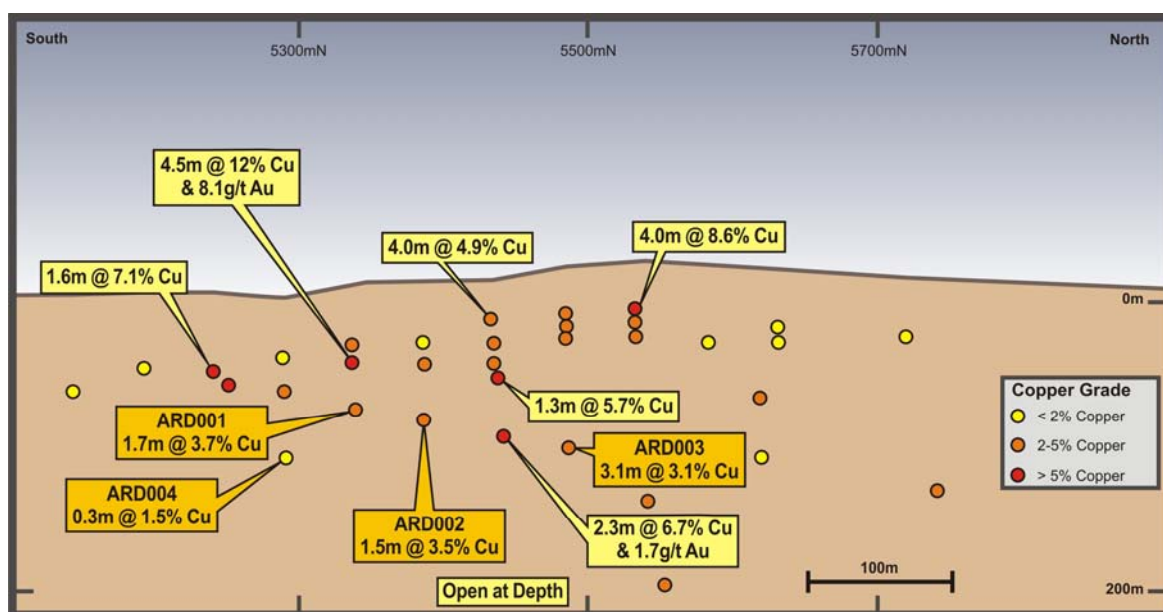


Figure 3 Ararat Long Section showing recent drill holes intersections from ARD001 to ARD004

At the Stavely Copper project, three diamond drillholes for a total of 752 metres were completed, including SNDD005 at Thursdays Gossan and SNDD006 and SNDD007 testing regional targets at

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the Yarram Park and Patanga prospects. SNDD006 and 007 were funded 50% by a Victorian government RVD grant. Weak copper mineralisation was observed in holes SNDD005 (disseminated, porphyry-style copper) and SNDD006 (breccia-hosted sulphide mineralisation), but none in SNDD007, with assays awaited.

Three vertical aircore holes were drilled on the margins of the Thursdays Gossan chalcocite zone, all intersecting mineralisation. One of these holes, SAC30, intersected **42 metres at 0.76 % copper from 20 metres, including 6m at 1.8 % copper and 0.23 g/t gold from 22 metres**. This is a significant width and grade of chalcocite mineralisation, and lies 40 metres east of the boundary of the current estimated resource of 10.5 million tonnes at 0.45% copper at Thursdays Gossan.

CORPORATE

GOLD HEDGING

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\$1,217 per ounce.

The policy concerning hedging is regularly reviewed.

CASH POSITION

Group cash (A\$10.3 million) and bullion despatched and accounted as revenue (A\$1.8 million) totalled A\$12.1 million at 31 December 2009. This was an increase of A\$3.9 million over the total cash and bullion position at 30 September 2009.

The Company now has no bank debt and only A\$1 million of convertible notes redeemable in 2012.

CLAIM AGAINST BLAKE DAWSON

The BCD Resources group is continuing to pursue an action against Blake Dawson for damages for professional negligence and breach of contract arising from advice concerning certain insurance and risk management issues associated with the contract for construction of the treatment plant at the Tasmania Mine. A trial date has been set for March 2010.

CHANGE OF COMPANY NAME

Shareholders voted to change the Company's name to BCD Resources NL at the Annual General Meeting in November 2009.

The name change is an important step in the Company's corporate evolution to better reflect the expansion of the Company's asset base beyond the Tasmania Mine at Beaconsfield, Tasmania. The Company now has an emerging copper development project in western Victoria and a range of gold exploration projects in north-east Tasmania and western Victoria.

The Company's ASX share code remains BCD.

For further information contact:

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APPENDICES

APPENDIX 1 QUARTERLY COMPARATIVES

PRODUCTION

	Mar 2009	June 2009	September 2009	December 2009
Ore hoisted	61,513 tonnes	78,652 tonnes	85,215 tonnes	76,756 tonnes
Ore treated	61,241 tonnes	76,019 tonnes	78,684 tonnes	83,107 tonnes
Head Grade	9.8 g/t	7.9 g/t	7.5 g/t	7.8 g/t
Gold treated	19,230 ounces	19,256 ounces	18,948 ounces	20,772 ounces
Recovery *	95.4%	85.2%	86.4%	84.8%
Gold produced	18,340 ounces	16,414 ounces	16,375 ounces	17,620 ounces

* Recovery excludes movements in gold in circuit

COSTS

	Mar 2009	June 2009	September 2009	December 2009
Cash cost	\$874 per ounce	\$1,022 per ounce	\$998 per ounce	\$934 per ounce
Capital cost *	\$93 per ounce	\$125 per ounce	\$32 per ounce	\$54 per ounce
Cash cost per tonne milled	\$262 per tonne	\$221 per tonne	\$208 per tonne	\$198 per tonne
Revenue received	\$1,379 per ounce	\$1,211 per ounce	\$1,153 per ounce	\$1,217 per ounce

All costs in Australian dollars

Cash costs are calculated in accordance with Gold Institute definitions

* includes underground drilling to increase the Tasmania Reef resource.

APPENDIX 2 COMPETENT PERSON STATEMENTS

The Tasmania Mine Resource/Reserve Statement accurately reflects information compiled under the supervision of Peter B. Hills B.Sc. (Hons), M. Eng. Sc., FAusIMM, a full-time employee of BCD Resources (Operations) NL, who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code, 2004).

The Pinafore Inferred Resource Statement was prepared in 2009 by Troy Lowien of Coffey Mining PL, who is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in relation to the mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code, 2004).

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.