

BCD Resources NL – Quarterly Report

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For the period ending March 2010

Highlights

Tasmania Mine Operations

- On 12 March 2010 the Company announced to the ASX that a series of unrelated short term operational issues had significantly impacted gold production. Consequently gold production for the quarter of 9,961 ounces was abnormally low. These operational issues have subsequently been resolved
- Production rates and costs are forecast to return to normal levels in the June quarter
- The enhanced mining method commenced, which will provide significant cost and productivity benefits when fully implemented
- A scoping study of previously unmined Western Stockwork Zone resources is underway to establish a near-term, low cost, reliable and flexible source of bulk tonnes

Tasmania Mine Exploration

- Latest high grade drill results continue to extend ore reserve boundary westwards beyond the currently planned development
 - J23 intersects 7.5m at 14.4 g/t gold (including 3.5m at 19.1 g/t)
 - J17 intersects 12.8m at 8.8 g/t gold (including 4.3m at 16.0 g/t)
- These are best two drill intersections in the Tasmania Reef since 2004
- The Western Stockwork Zone (including an intersection of 22m at 7.7 g/t gold ending in mineralisation) is open both above and below the current resource and further drilling is commencing in the June quarter
- Geologically significant drill result at Pease Creek, 5km north of Tasmania Mine

Victorian Copper

- Ararat RC holes confirm shallow mineralisation including 5m at 2.9% copper from 8m
- Opportunities to joint venture or float the Victorian copper project continue to be assessed

CEO'S COMMENTARY ON THE QUARTER

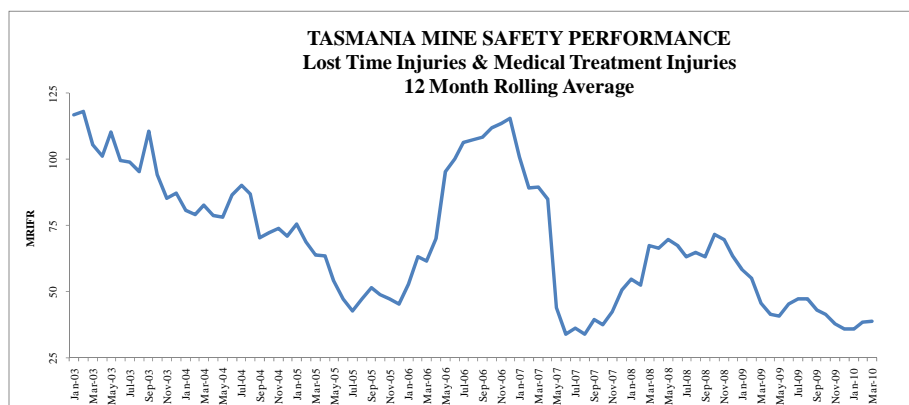
BCD Resources CEO, Bill Colvin said "Following six successive quarters of consistent, cash positive production in excess of 15,000 ounces it is disappointing to report this abnormal production quarter, caused by several short-term mining issues which have now been rectified. A return to strong production is anticipated in the June quarter.

Encouraging high grade drill results have extended the Tasmania Reef along strike and will add to gold reserves. The results are significant, not just because of the good grades and widths, but also because of their close proximity to existing planned mining areas, meaning reduced development costs and an enhanced mining sequence.

The Western Stockwork Zone is being targeted as a high priority to increase gold production, develop more flexible operations and further reduce unit costs."

TASMANIA MINE

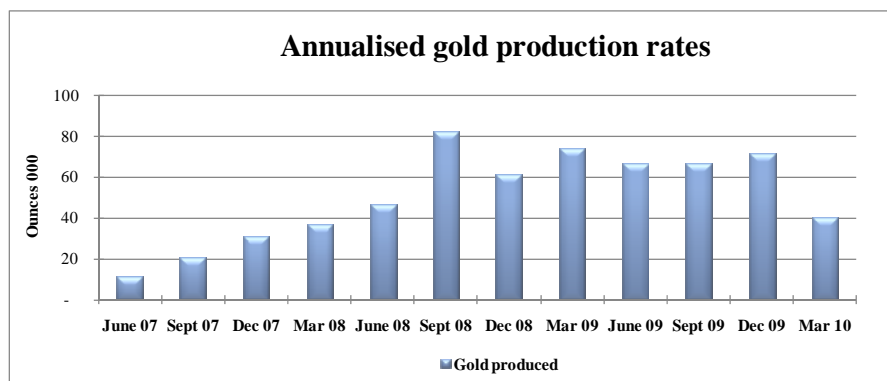
SAFETY



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

There were two Lost Time Injuries and one Medical Treatment Injury during the March 2010 quarter, resulting in a slight increase in the MRIFR from 36.0 at the end of December to 39.0 at the end of March. The target for the Company remains zero.

PRODUCTION



The reduced gold production of 9,961 ounces was abnormal and is not indicative of future production levels. As reported to the ASX on 12 March 2010, the shortfall was caused by various short-term operational issues adversely impacting mining. These issues have now been resolved and the gold production rate will improve during the June quarter.

The issues included:

- A system of waste passes used to increase the efficiency of backfilling stopes became blocked. This delayed the stoping sequence and required a significant unplanned re-handling of waste material. The pass was subsequently enlarged to clear the blockage and no further issues have been encountered with it.
- One stope in the 1080W block experienced hangingwall dilution, which reduced grade and further delayed the stoping sequence. Subsequent stopes in the sequence have not experienced similar dilution.
- Availability of the mine's fleet of four trucks was poor early in the quarter. The first of two planned replacement trucks is now operational. Trucking capacity and availability will be significantly improved by the introduction of the two additional trucks that have increased payload and speed.



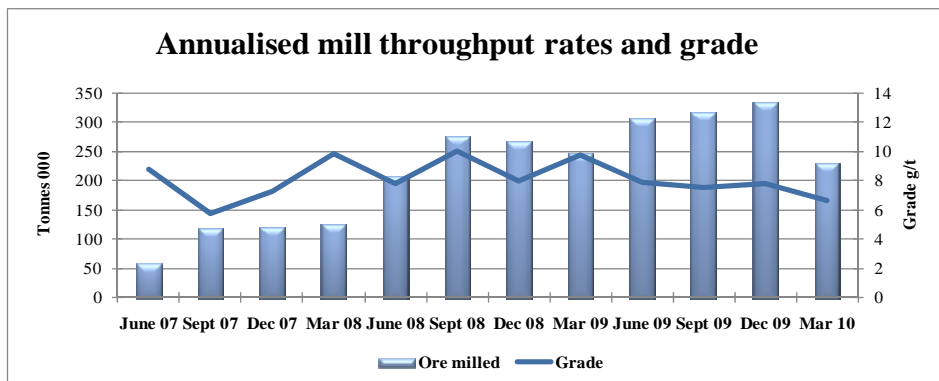
The first of two Hitachi 400D trucks operating at the Tasmania Mine

The mining issues were of a one-off nature and are not expected to recur. The outlook for the June quarter remains strong but as previously indicated, gold production in the second half of the financial year is now expected to be less than the first half (33,995 ounces).

Mine Development

Total capital advance for the quarter increased to 259 metres (December 2009 quarter: 122 metres), although decline advance was less than planned as resources were focussed on resolving the short term production issues.

Mill Operation



Mill throughput of 56,778 tonnes and grade of 6.7g/t were both adversely impacted by the mining issues noted above. The mill had operated at a 300,000 tonnes per annum rate for the three previous consecutive quarters and returned to this level again during April.

Lower cost mining method

An enhanced mining method is being introduced to replace the footwall driving method currently used in the western zone of the mine whilst still achieving the safety benefits consistent with geotechnical best practice. The enhanced method will reduce the development required to access a stope block by around 60% and reduce the production drilling by around 25% yielding a significant cost saving. In addition, the method provides an opportunity to further reduce unit costs through improving productivity, ore recovery and backfill dilution.

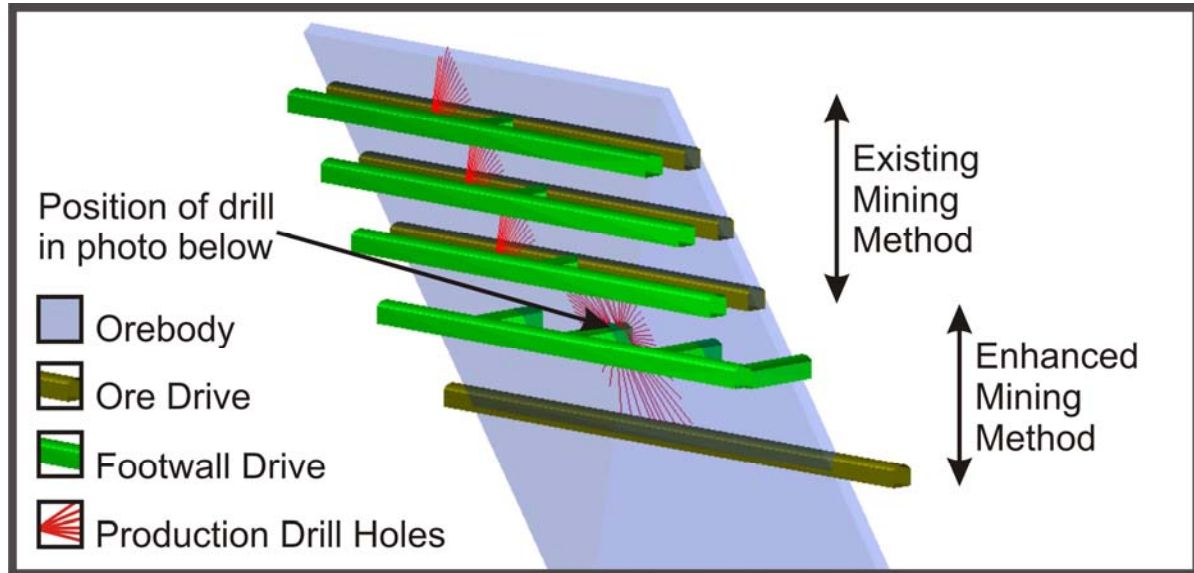


Figure 1 Diagrammatic comparison of remote footwall and enhanced mining methods

A four stope trial block has been established between the 1120 and 1150 levels. The first stope in the panel was drilled conventionally from within the reef and was successfully fired at the end of March. Radial drilling of the second stope has been progressing to plan.



Radial production drilling for enhanced mining method

New Bulk Mining Resource Potential

A scoping study on mining a zone of stockwork gold mineralisation in the western footwall of the Tasmania Reef has commenced. The objective is to provide a low-cost source of bulk tonnes to utilise spare mill capacity and increase gold production rates. Using efficient bulk mining methods incremental ore tonnes could effectively be “stock-piled” in-situ underground and drawn down as required to supplement higher grade feed from elsewhere in the mine. This would provide flexibility and consistency in terms of mill feed, and better utilisation of underground equipment.

The mineralisation consists of narrow, closely-stacked quartz veins striking north west. This style of mineralisation has never been mined in the historic mine or the modern mine and represents a significant target. Its presence has been confirmed in the modern mine from 815 metres below surface (“mbs”) to 915 mbs and importantly is untested above and below these levels. Currently it is reported within Resources, between these levels, as an Indicated Resource of 105,000 tonnes at 5 g/t gold containing 16,500 ounces. The scoping study aims to convert these resources to reserves during the June quarter. Potential exists for substantially extending the Western Stockwork Zone.

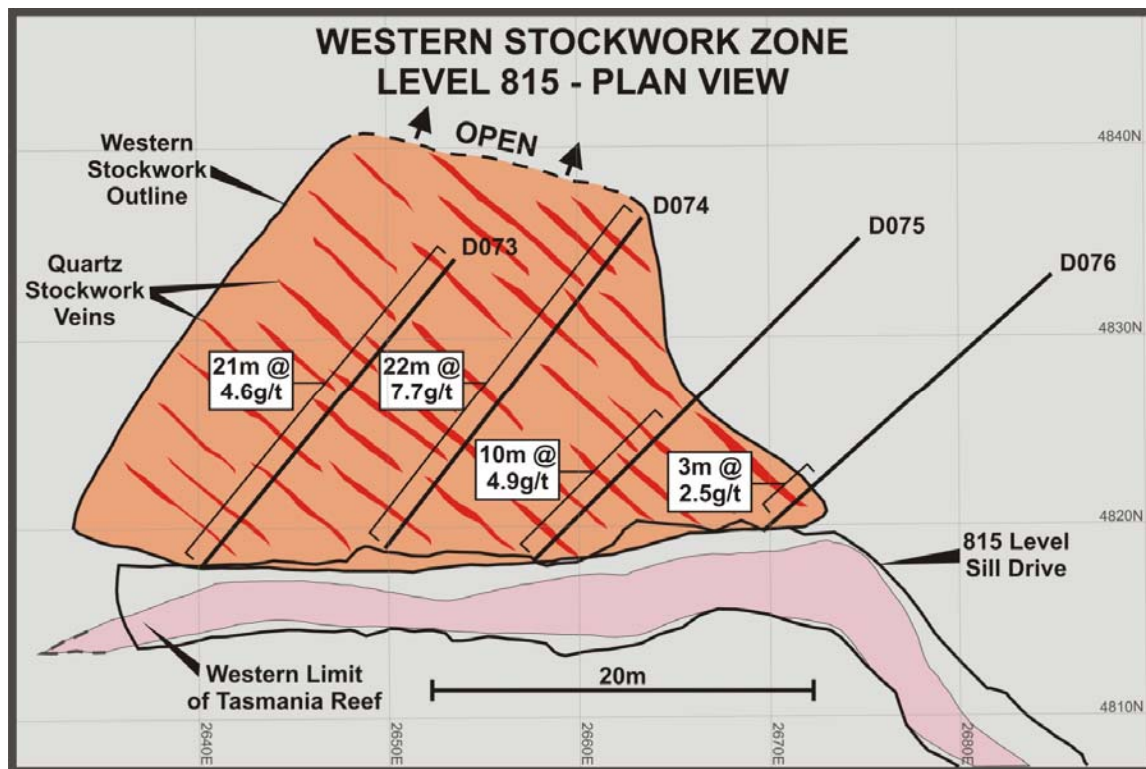
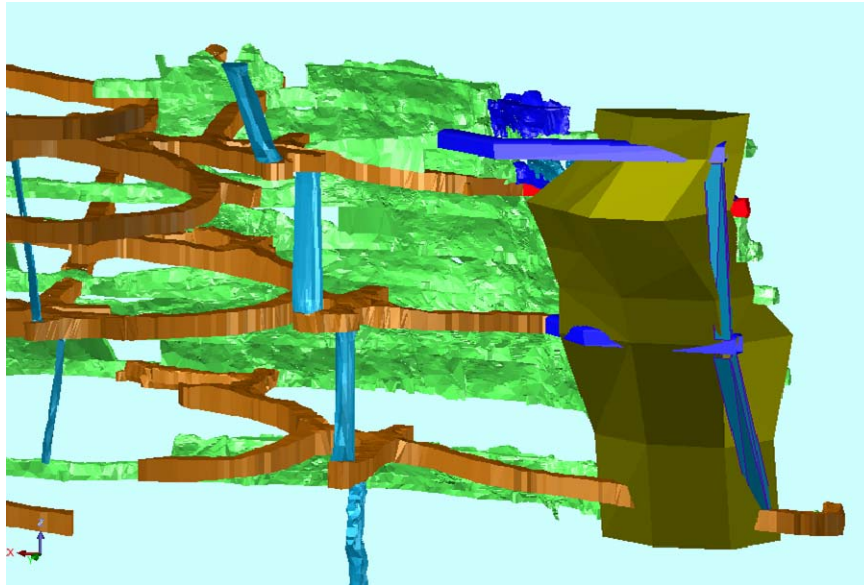


Figure 2

Diamond drilling to date has outlined this mineralisation on the 815, 850, 870 and 915 Levels, including true width intersections of 22m at 7.7 g/t gold, 21m at 4.6 g/t, 13m at 5.8 g/t, all of which are open-ended in mineralisation (refer Figure 2 for drill holes on the 815 Level).

The stockwork mineralisation has excellent potential to extend over a much greater vertical distance along much of the western edge of the Tasmania Reef. It has already been partially exposed in footwall drives below the 915 Level but has yet to be tested with drilling on these levels. Further diamond drilling is planned for the June quarter where access is available lower in the mine between the 1020 and 1080 Levels.



Conceptual design for mining Western Stockwork Zone resource between 815 and 915mbs

Contract Mining Operations

Progress was made on the extraction of several high grade remnants in the upper levels of the modern mine. Excess capacity at the Tasmania Mine mill means this incremental ore can be treated at a low marginal cost, thereby reducing overall unit costs. Bogging out of waste and further development was completed to establish access to the Tasmania Reef on both the 430 and 475 Levels late in the quarter. The target from this area is to establish 2,000 to 3,000 ounces per quarter of incremental production.

Narrow vein mining continued successfully between the 1040 and 1090 levels where a hangingwall branch of the reef contains good grades but over a very thin width. Stopping commenced, demonstrating the ability to mine narrow reefs with minimal dilution. This complements the progress made with both airleg and narrow mechanised development techniques in the previous quarter and is now available to be applied to other narrow veins elsewhere in the mine.

COSTS

Cash costs of production of A\$1,596 per ounce reflected the abnormally low gold production for the quarter (refer earlier commentary) and are not representative. The cash cost of production for the 2009 calendar year was A\$954 per ounce and the mine generated an operating cash flow of A\$17.7 million.

Operating expenditure was A\$0.3 million lower than for the previous quarter but the abnormally low gold production resulted in the increased unit cash cost of production.

Capital expenditure increased to A\$1.6 million largely as a result of increased capital development. This expenditure also included the ongoing underground diamond drilling program.

EXPLORATION

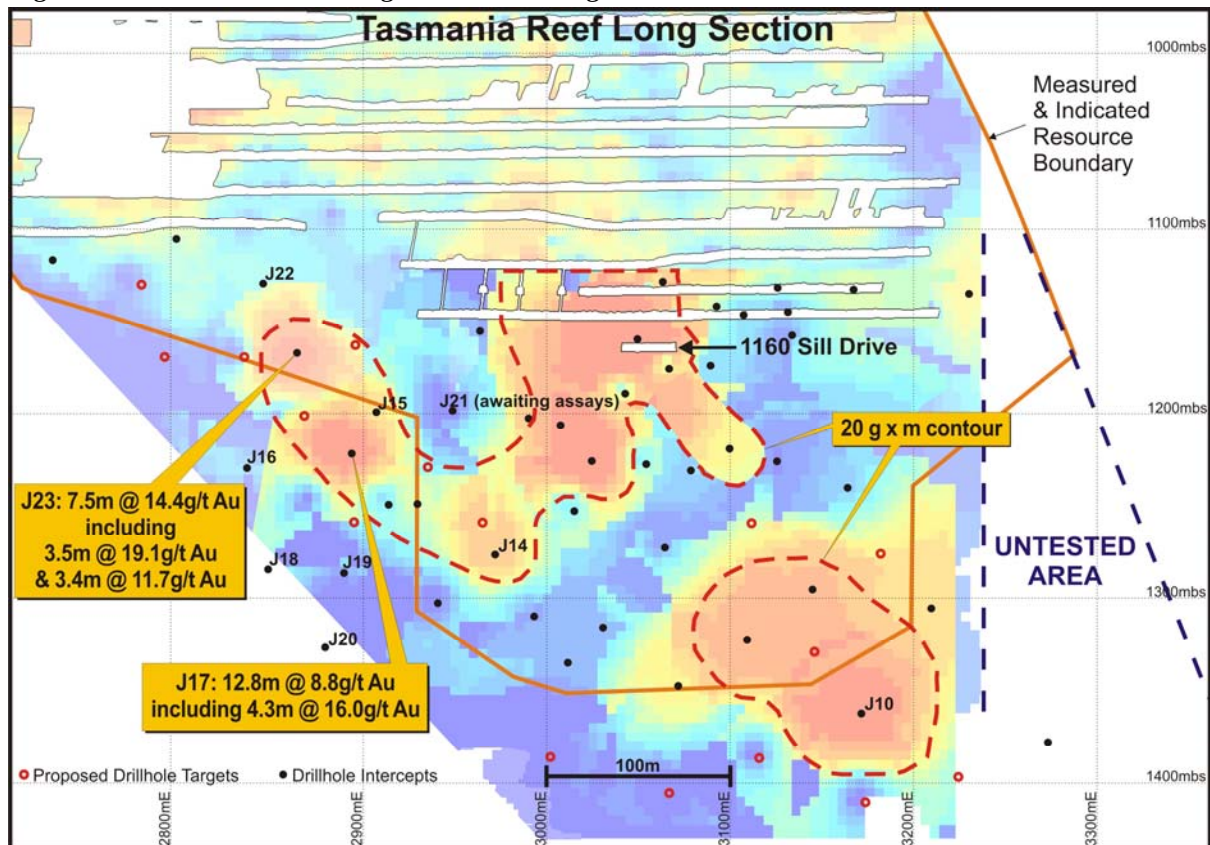
TASMANIA MINE RESOURCE EXTENSION

Underground diamond drilling was intensified during the quarter, with further manning of two rigs. Drilling continued to explore an untested area in the western part of the mine from 1100 metres below surface (“mbs”) to 1300 mbs, and has **identified a significant new zone of high grade mineralisation located between 10 metres and 120 metres vertically below the 1160 Level**, the deepest currently operating sill drive (see long section Figure 3 below).

Significant intersections include **7.5m at 14.4 g/t gold** (including **3.5m at 19.1 g/t**) in hole J23, and **12.8m at 8.8 g/t gold** (including **4.3m at 16.0 g/t**) in hole J17.

The impact of this discovery of strong, high grade mineralisation not far below current mine workings is significant and will add to reserves. No additional capital will be required for access and there will be an opportunity to enhance the planned mining sequence.

Figure 3 Tasmania Mine Long Section showing recent drillhole intersections



Colours shown represent the quality of drillhole intersections present. Drillholes with an intersection width multiplied by intersection grade exceeding 20 gram-metres are shown inside the red dashed line.

Drilling continues, aiming to test the following targets in the near term:

- Further extend and infill new mineralisation from 1100 to 1300mbs in the west of the mine;
- Extend Western Stockwork Zone mineralisation at depth below the current 16,000 ounce Indicated Resource; and
- Extend mineralisation at depth from 1350 to 1450 mbs.

Table 1 Significant Intersections, Resource Extension Drilling, Tasmania Mine

Hole	From (m)	Easting	Depth (mbs)	Width (m)	Grade (g/t)
J16	210.5	2840	1,228	0.8	13.0
J17*	155.2	2896	1,220 Including and	12.8 5.3 4.3	8.8 8.2 16.0
J19	211	2902	1,286	0.5	6.5
J21					Assays awaited
J22	88.4	2848	1,128	1.0	6.9
J23	134.7	2868	1,167 including and	7.5 3.5 3.4	14.4 19.1 11.7

**reported previously*

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

Holes J18 and J20 (refer Figure 3 above) were drilled beyond the western limit of the Tasmania Reef and reported no significant intersections.

TASMANIAN REGIONAL GOLD EXPLORATION

Reverse circulation (RC) drilling programs at Pease Creek (5km north of the Tasmania Mine) and at the Pinafore open-pit target (30km north east of the Tasmania Mine, at Lefroy) were completed during the quarter.

At Pease Creek, eight angled RC holes tested a 600m long corridor of prospective Salisbury Hill conglomerate under transported cover. This area had no previous drilling despite the target sequence being the host to gold mineralisation at the Tasmania Mine. Transported Tertiary clays and gravels were intersected down to 70 metres, followed by the target Salisbury Hill rocks. Significant mineralisation is reported from one of these holes, PCRC009b, which intersected a zone of gold-arsenic enrichment associated with quartz-sulphide veining. This zone included 17m at 0.26 g/t gold and 738 ppm arsenic from 70m downhole, including 1m at 1.24 g/t gold and 7,666 ppm arsenic from 85m downhole. Whilst low in gold grade, this intersection is significant for its attributes in common with the Tasmania Reef, and will be followed up by diamond drilling.

At Pinafore, a 13 hole program of infill, angled RC drilling was completed, further testing the quoted 38,000 ounce Inferred Resource reported for that deposit. Results were consistent with previous intersections, and have confirmed two parallel lodes of mineralisation. Best intersections include 18m at 1.3 g/t gold (from 39m in PFRC002), 3m at 3.4 g/t (from 79m in PFRC003) and 5m at 2.7g/t (from 9m in PFRC009).

VICTORIAN COPPER PROJECT

Assay results from shallow, angled RC drilling of the Ararat Copper deposit in January were compiled, which confirm the presence of oxide mineralisation from near surface down to 30m below surface, and overlying the sulphide deposit. Copper minerals identified in this program include malachite, azurite and bornite, and individual one-metre intersections up to 6% copper are reported. Intersections include 5m at 2.9% copper from 8m in hole ARC006 (see table 2 below).

Table 2 Significant Intersections, Ararat Project

Drillhole	North/East	Dip/Azimuth	From	Width	% Copper
ARC003	5869171N 665485E	-60 ⁰ /060 ⁰	22m	9m	1.9
ARC005	5869269N 665457E	-60 ⁰ /060 ⁰	10m	7m	1.7
ARC006	5869316N 665441E	-60 ⁰ /060 ⁰	8m	5m	2.9

Widths shown are downhole widths. Northings and Eastings shown are for the collars of each drillhole (GDA94-54Z)

Metallurgical samples of the oxide and sulphide components of the Ararat copper deposit have been collected and submitted for metallurgical testwork.

No fieldwork was completed at the Stavelly Project during the quarter.

The Company believes that its copper project in western Victoria has good potential for development and that its value is not appreciated by the market. This is especially the case with the copper price now well over US\$7,000 per tonne. In order to distinguish the value in these copper assets from the Company's gold assets, BCD Resources is continuing to evaluate a number of possible transactions including:

- Floating the copper interests into a new copper-focussed company.
- Joint venturing exploration and development of the copper interests with overseas companies interested in off-take agreements for the copper concentrates.

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\$1,230 per ounce.

The policy concerning hedging is regularly reviewed.

CASH POSITION

Group cash and bullion despatched and accounted as revenue totalled A\$5.9 million at 31 March 2010.

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 in 1998 and 1999. The claim is for \$7 million plus interest plus costs. The case was heard during the quarter and judgement is awaited.



For further information contact:

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APPENDICES

APPENDIX 1 QUARTERLY COMPARATIVES

PRODUCTION

	June 2009	September 2009	December 2009	March 2010
Ore hoisted	78,652 tonnes	85,215 tonnes	76,756 tonnes	55,494 tonnes
Ore treated	76,019 tonnes	78,684 tonnes	83,107 tonnes	56,778 tonnes
Head Grade	7.9 g/t	7.5 g/t	7.8 g/t	6.7 g/t
Gold treated	19,256 ounces	18,948 ounces	20,772 ounces	12,145 ounces
Recovery *	85.2%	86.4%	84.8%	82.0%
Gold produced	16,414 ounces	16,375 ounces	17,620 ounces	9,961 ounces

* Recovery excludes movements in gold in circuit

COSTS

	June 2009	September 2009	December 2009	Mar 2010
Cash cost	\$1,022 per ounce	\$998 per ounce	\$934 per ounce	\$1,596 per ounce
Capital cost *	\$125 per ounce	\$32 per ounce	\$54 per ounce	\$157 per ounce
Cash cost per tonne milled	\$221 per tonne	\$208 per tonne	\$198 per tonne	\$280 per tonne
Revenue received	\$1,211 per ounce	\$1,153 per ounce	\$1,217 per ounce	\$1,230 per ounce

All costs 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.

* includes underground drilling to increase the Tasmania Reef resource.

APPENDIX 2 PINAFORE DRILL RESULTS

Significant RC Drilling results, Pinafore Prospect, Lefroy

Hole	North	East	Dip/Azi	Final Depth	From (m)	Width (m)	Gold (g/t)
PFRC001	498338	5451206	-55/334	70m	53	2	2.3
					62	3	2.1
PFRC002	498400	5451212	-55/346	80m	39	18	1.3
PFRC003	498400	5451163	-55/346	112m	79	3	3.4
					97	4	2.0
					109	2	1.0
PFRC004	498450	5451234	-55/346	60m	21	8	0.8
PFRC005	498450	5451206	-55/346	106m	56	2	2.0
					61	2	0.9
PFRC006	498500	5451243	-55/326	40m	17	12	1.1
PFRC007	498550	5451187	-55/333	118m	93	1	1.4
					101	12	0.5
PFRC008	498572	5451143	-55/336	142m	119	8	0.9
PFRC009	498600	5451257	-55/346	40m	9	5	2.7

All coordinates in Datum GDA94, Zone 55

APPENDIX 3 COMPETENT PERSON STATEMENTS

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.