



BCD Resources NL – Quarterly Report

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For the period ending 31 March 2011

Highlights

Tasmania Mine Operations

- Cash cost of production reduced to A\$1,240 per ounce, allowing a modest cash surplus despite lower production.
- Gold production for the March quarter was 10,934oz, a reduction of 16% from the December quarter. Production was largely from lower grade, peripheral areas of the mine, while access to the Western Zone was established.
- Transfer of underground mining operations to the contractor is complete. Further reductions in the BCD management, technical and administrative staff were made, as part of the reorganisation and cost-reduction programme.
- Three development drives into the Western Zone are complete and preparations for stope production are in progress. Mining is scheduled to commence in the first stoping panel from the Western Zone in mid-July.
- Mill throughput for the Quarter was 69,294 tonnes, with throughput reduced during periods of high sulphide levels in the bacox plant in order to maximise gold recovery.

Tasmania Mine Exploration

- Diamond drilling to confirm the upper extent of the Western Zone intersected 5.7m @ 12.5 g/t gold in hole D183.
- Diamond drilling of the eastern Remnants above the 455L Crown Pillar intersected 3.2m @ 7.3g/t gold in hole D178.

Corporate

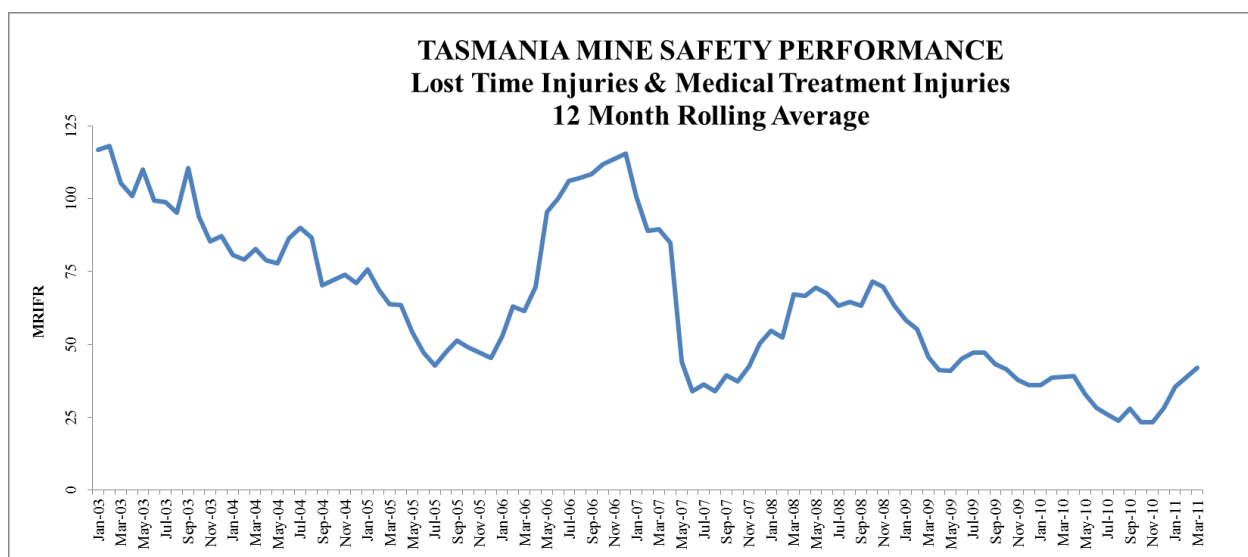
- Shareholders approved \$17.6m convertible note funding, allowing the recapitalisation of the Company to proceed. A significant number of convertible notes have been converted into shares, which reduces company debt.
- Discussions with regard to the sale of part of the Victorian exploration assets and floating those assets in a new ASX-listed company are ongoing.
- Appointments of CEO Peter Thompson, Non-Executive Director Mike Botting and resignations of previous CEO Bill Colvin, Non-Executive Chairman Denis Clarke and Non-Executive Director Mike Trumbull occurred during the quarter.

CEO'S COMMENTARY ON THE QUARTER

BCD Resources CEO, Peter Thompson said “Operationally this has been a difficult quarter with predominantly lower grade, peripheral ore sources available. These ore sources continue to underperform against the predicted grade of the resource model, leading to lower gold output and higher unit costs. Higher grade production from ‘Radial-in-Reef’ Western Zone stoping remains on schedule and the challenge of returning to safe and profitable production is our key focus. The endorsement by shareholders of the Company’s recapitalisation in February, the organisational restructure and the continued strong gold and copper prices give BCD a real opportunity to improve performance.”

TASMANIA MINE

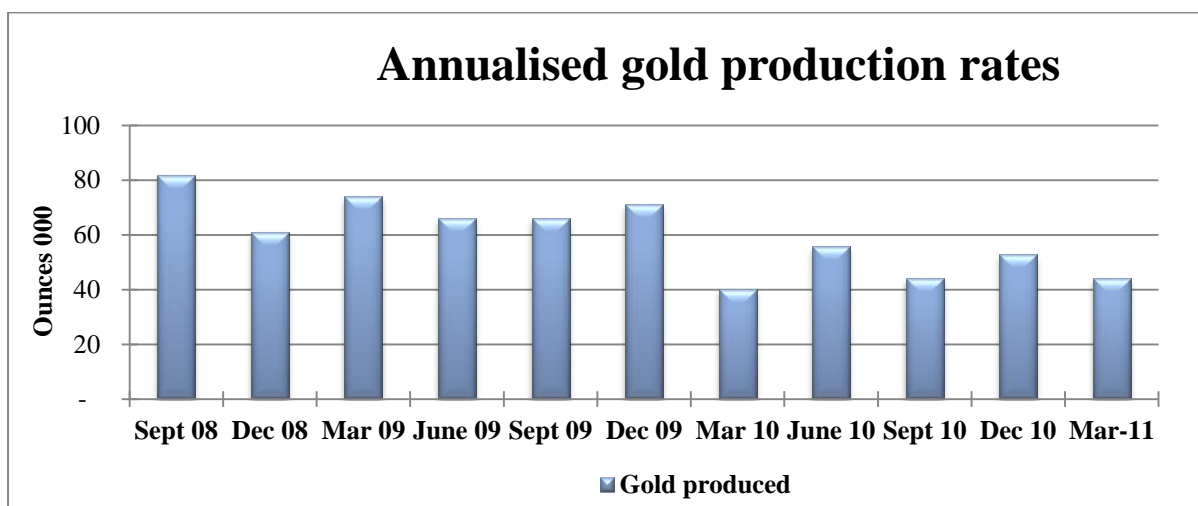
SAFETY

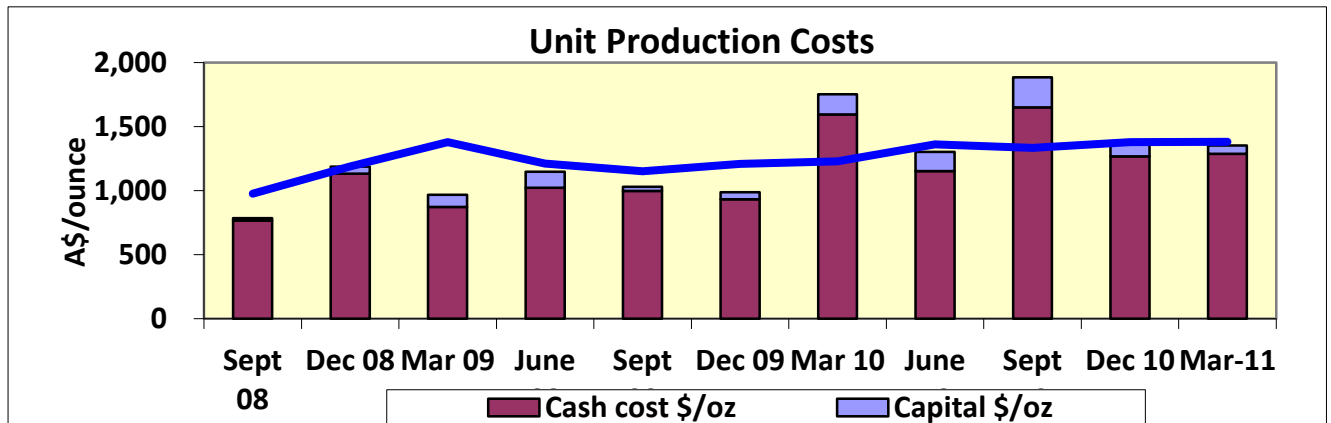


MRIFR (Medically Referred Injury Frequency Rate – number of injuries per million man hours)

During the quarter five Lost Time Injuries and three Medical Treatment Injuries were sustained, resulting in a slight increase in the MRIFR to 41.9 at the end of March. All of the injuries sustained have had full recoveries and, where investigation recommended improvements to safe operating procedures, these have been implemented.

PRODUCTION



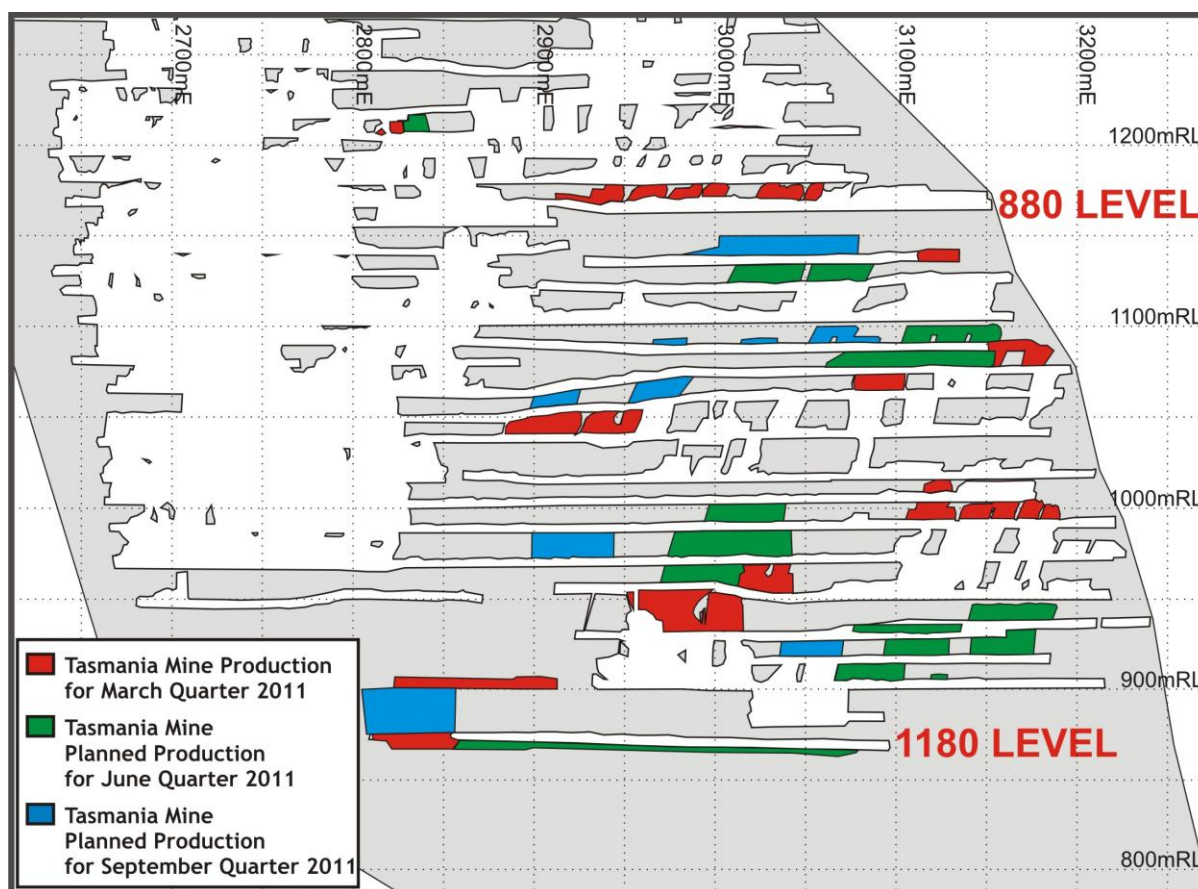


Gold production of 10,934 ounces is a reduction of 16% compared to the December quarter, resulting from 69,294 tonnes (18% less) processed, at a slightly higher grade of 6.0 g/t gold, with similar metallurgical recovery. The lower tonnes mined and processed reflected the location and sequencing of ore blocks, the transition to full contract mining, and mining of some zones of high sulphide ore. Figure 1 below identifies the areas mined during the March quarter, as well as those planned for the June and September quarters.

Importantly, a detailed schedule of activities related to the sequence of Radial-in-Reef stoping of the Western Zone has been completed, and to date this schedule has been met. It incorporates development sills, footwall drives and access stubs, installation of geotechnical instruments, waste pass development, hangingwall cablebolting, infill diamond drilling, shotcreting of access stubs, final stope design, slot drilling and finally blasthole drilling and firing. Mining of the first Western Zone stopes will commence in mid July (previously advised for the June quarter), working from West to East between the 1180 and 1150 levels (see Figure 1).

Floor benching of the 1180 sill has commenced although progress has been unsatisfactory. An alternative mining method utilising a Jumbo will be used for the remaining floor bench extraction, scheduled for the June quarter. Where stoping of the panel below is planned, the floor bench void will be filled using cemented fill. (refer to Figure 2).

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



Mine Development

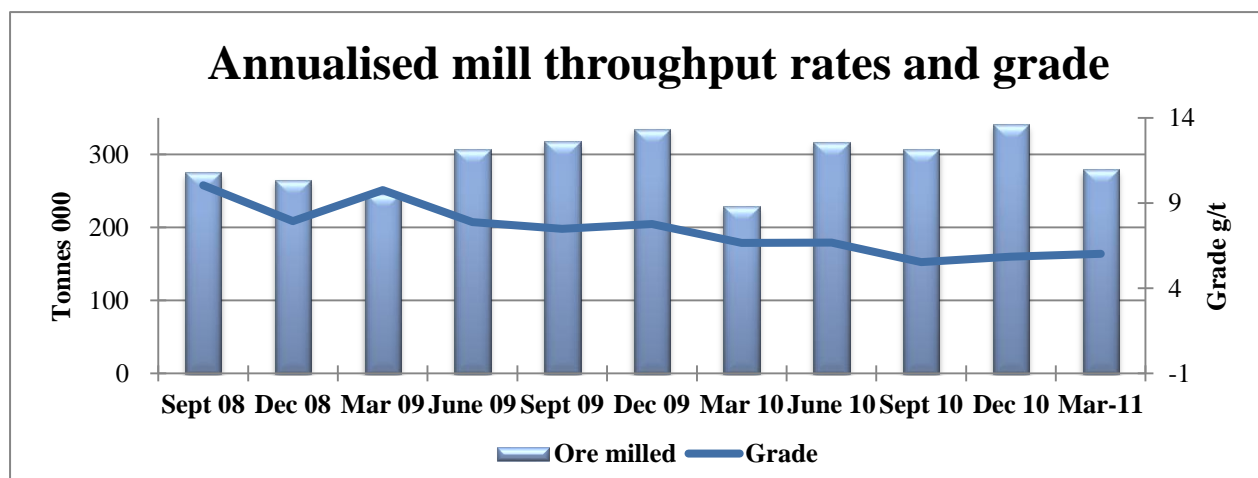
Capital development activity was limited to advancing the decline and the 1090 hangingwall drill drive. Other development was concentrated on access drives 1130, 1150, 1160 and 1180 in the Western Zone. Total development for the quarter was 653 metres, of which 73m was Capital, and 580m was expended.

Mine Operations

Following the significant reduction in workforce in December, associated with a change from Owner-operated to Contract mining, a restructure of the BCD management, technical and administrative staff was undertaken in February. This resulted in further redundancies, which were largely funded by the escrowed employee entitlements fund set up in 2006. The total workforce on site, including contractors, is currently 130.

The reduction in workforce and change to Contract mining have resulted in a lowering of total costs, and ensured that the Operation made a modest cash surplus in the March quarter, despite the lower production Quarter-on-Quarter. Further cost-reduction measures are ongoing.

Mill Operations



Mill throughput was 69,294 tonnes for the quarter, at an average grade of 6.0g/t gold. The reduction in throughput resulted from slowing processing during periods of high sulphide levels associated with some ores. Low ore supply and power outages caused by storms further affected throughput.

The issue of high sulphur levels has been experienced periodically throughout the mine's life and requires that the bacox plant be slowed, as the bacteria have a finite capacity to consume the sulphide minerals, thereby releasing the gold. Blending of ores partly alleviates this issue, however longer-term management involving the installation of a sulphide concentrate overflow dam is being examined.

Access to Western Zone

Development of sill drives 1180 and 1150, and footwall drive 1160, are substantially complete, with the first four access stubs in place (refer to Figure 2). These stubs cut across the ore and provide a chamber from where all of the radial blasthole drilling will occur. Grades encountered in the 1150 and 1180 sill drives were as good as, or better than anticipated, and final grade control modelling is underway.

Access to the 1130 drive has commenced for stoping above the 1150 level (refer Figure 2) and some diamond drilling above the 1130 level completed (see Exploration section below).

Remnant Mining Operations

Limited mining of Remnants in the upper levels of the mine occurred during the Quarter, pending further assessment of the resource potential of this area. Diamond drilling of the 455E Remnants, where the position of historical stoping was uncertain, was completed: Refer Exploration section below.

COSTS

Cash costs of production of A\$1,240 per ounce were 2% lower than the previous Quarter, despite the lower gold production, reflecting the generally reduced site costs associated with recent restructuring.

Capital expenditure was \$0.5m, which was limited to decline development, drill drive development and tailings dam expansion.

EXPLORATION

TASMANIA MINE RESOURCE EXTENSION

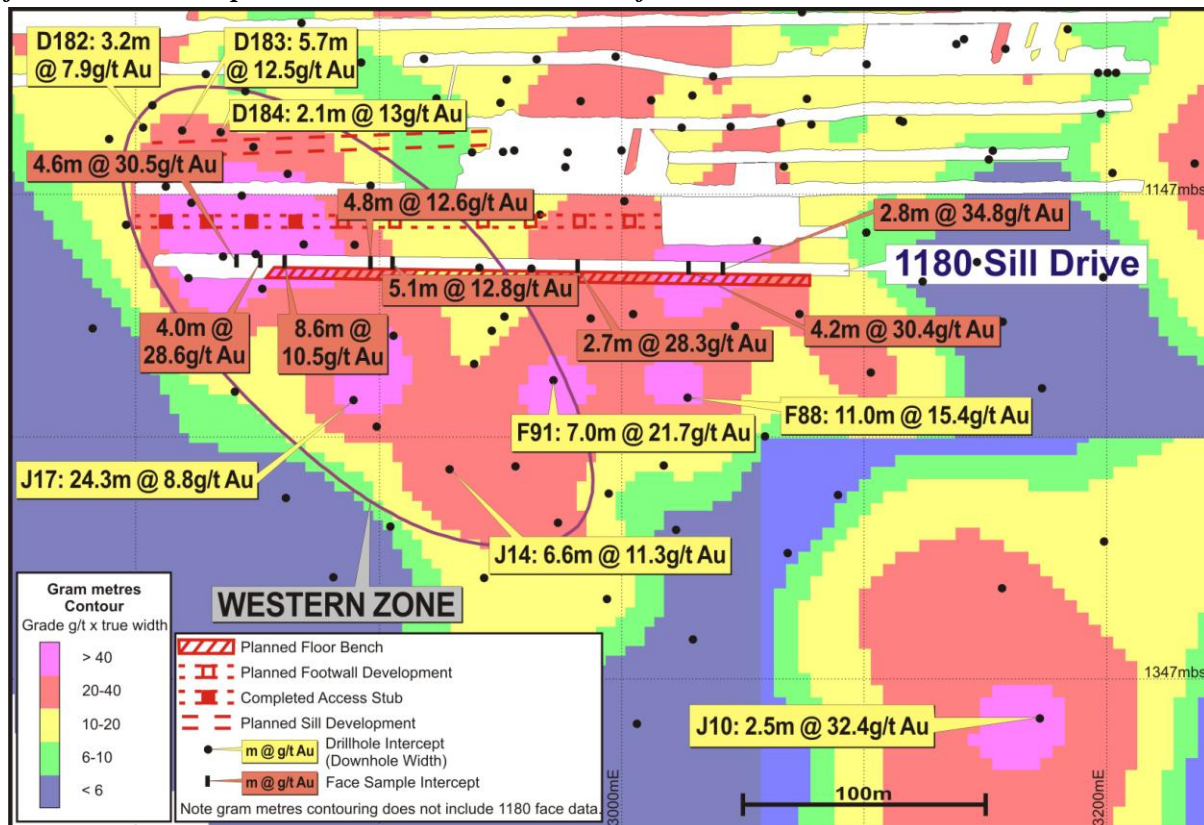
Upper section of the Western Zone

Diamond drilling in the upper margins of the Western Zone was undertaken to determine stope design and the optimal mining method. Several intersections have confirmed the upper extent of the Western zone, including 5.7m @ 12.5 g/t gold in hole D183. Results are shown in Table 2 and Figure 2 below.

Lower section of the Western Zone and the F21 Zone.

Planning for diamond drilling to infill and extend the western zone and F21 zones at depth is underway, and is currently scheduled for the September quarter.

Figure 2 Tasmania Mine Long Section showing current position of 1150 and 1180 sills, 1160 footwall drive and planned Floor Bench. Positions of new drillholes D182-184 also shown.



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

Remnants above Crown Pillar

Diamond drilling of the eastern Remnants above the 455L Crown Pillar was completed. Results were mixed and, significantly, areas of historical stoping were better defined, which will allow resource modelling and mine planning for this area.

Results from these holes are reported, and shown in Fig 3, and include 3.2m @ 7.3g/t gold in hole D178.

Figure 3 Tasmania Mine Crown Pillar Remnants, Long Section, with recent drillholes

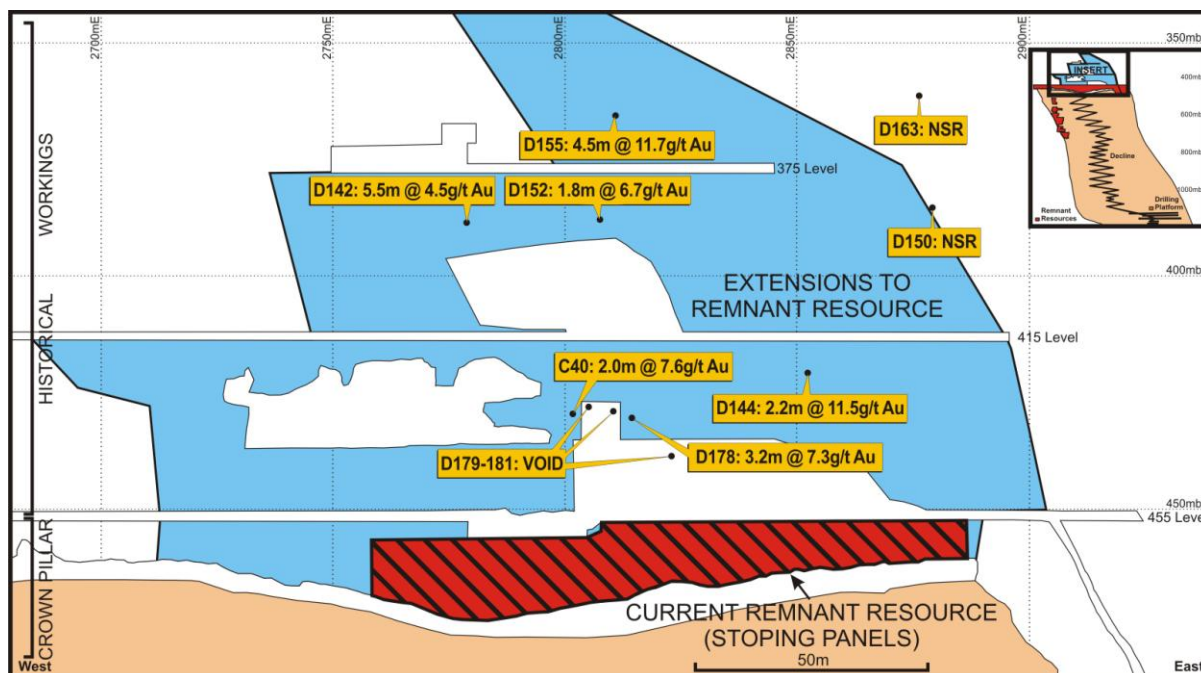


Table 2 Significant Intersections, Resource Extension Drilling, Tasmania Mine

| Hole ID | Target | Easting | Northing | Depth (mbs) | From (m) | To (m) | Intersection Width (m) | Estimated True Width (m) | Grade (Au g/t) |
|---------|----------|---------|----------|-------------|----------|--------|------------------------|--------------------------|----------------|
| D182 | W Zone | 2803.0 | 4582.0 | -1120 | 49.7 | 52.9 | 3.2 | 2.8 | 7.9 |
| D183 | W Zone | 2819.2 | 4558.1 | -1120 | 67.0 | 72.7 | 5.7 | 5.0 | 12.5 |
| D184 | W Zone | 2835.0 | 4550.8 | -1120 | 75.7 | 77.8 | 2.1 | 1.8 | 13.0 |
| D178 | Remnants | 2814.4 | 5013.2 | -430 | 21.0 | 24.2 | 3.2 | 3.2 | 7.3 |

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"

TASMANIAN REGIONAL GOLD EXPLORATION

Soil sampling for gold on the Golconda licence EL 55/2008 in NE Tasmania was completed, with two prospects tested with A-horizon soil samples on a 25m-spaced grid. A coherent gold-arsenic-silver anomaly was confirmed at the Potoroo prospect, but no coherent anomaly was detected at the Panama prospect.

A sale of six non-core exploration licences to an unlisted gold exploration company has been agreed, subject to the successful listing of that company on the ASX by 30th September 2011, for a consideration of \$600,000 value in shares. These tenements have high expenditure commitments which BCD was unlikely to achieve, and work to date had not shown significant results. These licences are EL 34/2008, 36/2008, 55/2008, 13/2007, 13/2006 and 30/2006.

VICTORIAN COPPER PROJECT

No field work was conducted on the Victorian copper projects during the Quarter because of a focus on seeking investors for the properties and a potential float. Discussions with a party interested in investing in this project are progressing.

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\$1,385 per ounce. The policy concerning hedging is regularly reviewed.

CASH POSITION

Group cash and bullion despatched and accounted as revenue totalled A\$5.0 million at 31 March 2011. Of this, A\$3.5 million was held as environmental bonds or to guarantee employee entitlements.

SHARES ON ISSUE

On 14th February 2011 Shareholders approved the issue of 1,763 million convertible notes to 9 parties, the largest parcels of which were held by Minemakers Limited (850 million notes), PPT Nominees Pty Ltd (390 million notes) and Webb Mining Services Pty Ltd (330 million notes). Some noteholders (including some of the PPT notes and all of the WMS notes) have converted their notes to shares, resulting in a significant increase in the issued capital of BCD. As of today's date, 29th April, 530,000,000 notes have been converted, resulting in the current shares on issue increasing to 951,703,439.

EXECUTIVE AND BOARD CHANGES

During the period Peter Thompson was appointed CEO following the resignation of Bill Colvin. A new non-executive director, Mike Botting, was appointed to the Board and the non-executive Chairman Denis Clark and non-executive director Mike Trumbull resigned. Neville Bergin was appointed non-executive Chairman.

Mr Thompson has 24 years of experience in exploration, project development and mine management as well as significant exposure in the area of corporate development. Since August 2008 he has been General Manager – Exploration for the Company.

Mr Botting, a consulting mining engineer with a strong understanding of the Tasmania Mine, is currently employed by mining consultant Mining One Pty Ltd. He has over 26 years of underground and open pit mining experience and has worked at senior mine management levels in Western Australia, Victoria and Queensland with both mining companies and mining contractors.



For further information contact:

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APPENDIX

QUARTERLY COMPARATIVES

PRODUCTION

| | June 2010 | September 2010 | December 2010 | March 2011 |
|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Ore hoisted | 77,938 tonnes | 80,901 tonnes | 84,887 tonnes | 71,533 tonnes |
| Ore treated | 78,660 tonnes | 76,188 tonnes | 84,451 tonnes | 69,294 tonnes |
| Head Grade | 6.7 g/t | 5.5 g/t | 5.9 g/t | 6.0 g/t |
| Gold treated | 16,896 ounces | 13,563 ounces | 15,894 ounces | 13,413 ounces |
| Recovery * | 81.7% | 80.8% | 82.4% | 81.5% |
| Gold produced | 13,802 ounces | 10,954 ounces | 13,098 ounces | 10,934 ounces |

* Recovery excludes movements in gold in circuit

COSTS

| | June 2010 | September 2010 | December 2010 | March 2011 |
|----------------------------|-------------------|-----------------------|----------------------|-------------------|
| Cash cost | \$1,153 per ounce | \$1,650 per ounce | \$1,269 per ounce | \$1,240 per ounce |
| Capital cost * | \$149 per ounce | \$235 per ounce | \$93 per ounce | \$47 per ounce |
| Cash cost per tonne milled | \$202 per tonne | \$237 per tonne | \$197 per tonne | \$196 per tonne |
| Revenue received | \$1,366 per ounce | \$1,357 per ounce | \$1,383 per ounce | \$1,385 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.

* includes underground drilling to increase the Tasmania Reef resource.