

18 April 2011

Manager of Company Announcements  
Australian Securities Exchange  
Level 6, 20 Bridge Street  
Sydney NSW 2000

*By E-Lodgement*

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## **QUARTERLY REPORT**

### **Period Ended 31 March 2011**

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#### **MARCH 2011 QUARTER – HIGHLIGHTS**

- Planning phase continued on prospective tenements
- Portfolio of tenements increased
- Galilee project raised in priority due to recently granted EPC's
- Rig availability hampered by record demand and wet weather
- Contract negotiations well advanced for 3 drill rigs to be operational by Q2 2011
- Market update and broker presentations carried out

During the quarter, Blackwood Corporation Limited (the "Company") continued its planning phase for exploration on its portfolio of tenements throughout Queensland, Australia. Weather conditions have affected drilling timetables, with some operations pushed into the second quarter of 2011.

#### **OPERATIONS**

Record demand amongst exploration and mining companies for drill rigs in Q1 resulted in limited availability to the Company and restricted quarterly activities. Despite this, the Company has focused on further analysis of its highly prospective tenements along with field visits, with refinements to the exploration program being carried out and targets being properly assessed and selected.

Exploration Permits for Coal (EPC's) were granted during the quarter:

- (i) EPC 2191 – 2 sub blocks in the Bowen Basin
- (ii) EPC 2199 – 6 sub blocks in the Surat Basin
- (iii) EPC 2200 – 2 sub blocks in the Surat Basin
- (iv) EPC 1486 – 299 sub blocks in the Galilee Basin
- (v) EPC 1762 – 240 sub blocks in the Galilee Basin

## **ROLLESTON PROJECT**

Land access agreements were negotiated with land holders in the area, with positive responses being received. Drilling on the Rolleston tenements is scheduled to commence in late Q2 of 2011. Multiple targets have been defined within EPCs 1531 and 1437 with initial drilling aimed at verifying the thickness and lateral extent of coal intersections reported from historical exploration. The priority of targets will be governed somewhat by site accessibility given boggy ground conditions in some locations.

## **GALILEE PROJECT**

Land access agreements were negotiated with land holders in the area with positive responses being received. Drilling on the Galilee tenement is scheduled to commence in late Q2 of 2011. With two separate areas of large tenements within the Galilee each with multiple targets, there are currently two rigs planned for the drilling program.

## **SPRINGSURE PROJECT**

Land access agreements are currently being negotiated with land holders in the area with positive responses being received and ongoing access negotiations taking place.

## **CAPELLA PROJECT**

Further desktop and geological analysis has directed the Company's attention to more prospective and more easily accessible tenements.

### Competent Person's Statement

The information contained in this report that relates to exploration results or interpretation of exploration data has been reviewed by, Mr Damien James, BAppSc (Hon), of Ellembey Holdings. Mr James is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr James has the necessary professional qualifications and sufficient experience relevant to the type of coal deposits described in this report to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr James acts as a Consultant Geologist to Blackwood Corporation Limited. Mr James consents to the inclusion in this report of the described technical information in the form and context in which it appears but is not responsible for the remainder of the report.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Blackwood Corporation Limited

ABN

31 103 651 538

Quarter ended ("current quarter")

31 March 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date ( 9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	6
1.2 Payments for (a) exploration & evaluation	(79)	(214)
(b) development	-	-
(c) production	-	-
(d) administration	(908)	(8,071)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	65	140
1.5 Interest and other costs of finance paid	-	(8)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(922)</b>	<b>(8,147)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(25)	(25)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	1	1
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(24)</b>	<b>(24)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(946)</b>	<b>(8,171)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(946)	(8,171)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	11,372
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	11,372
	<b>Net increase (decrease) in cash held</b>	(946)	3,201
1.20	Cash at beginning of quarter/year to date	10,782	6,635
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	9,836	9,836

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	60
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments to directors are made in accordance with contracts/agreements.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

During the period \$86,000 was incurred under the Technical Services Agreement.

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	834
4.2 Development	-
4.3 Production	-
4.4 Administration	201
<b>Total</b>	<b>1,035</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,836	10,782
5.2 Deposits at call	5,000	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,836</b>	<b>10,782</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining tenements acquired or increased	EPC1486	Exploration permits in QLD	0%	100%
	EPC1762		0%	100%
	EPC2191		0%	100%
	EPC2199		0%	100%
	EPC2200		0%	100%

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	160,350,269	160,350,269		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Executive options – 1:1	350,000		\$0.53	1/9/11
Executive options – 1:1	750,000		\$0.51	11/10/11
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

18 April 2011

Sign here: .....  
(Director)

Barry Bolitho

Print name: .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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