

## QUARTERLY ACTIVITIES REPORT MARCH 2013

### HIGHLIGHTS

- *Sentosa signs agreement to acquire 100% of exciting Mongolian copper, gold project.*
- *Drilling at the Juardi Hill, Panther project intersects 17 meters @ 5.29 g/t and 5 meters @ 4.77g/t.*
- *Resource and pit optimisation work at Panther prospect underway to evaluate mining development or potential sale of in-situ gold resource.*
- *Ongoing Evaluation of potential new projects.*

During the quarter the company continued the process of improving operational efficiency, cost cutting and evaluation of existing and potential projects. This included further work on the companies Juardi Hills project and the successful completion of an agreement to acquire a 100% interest in an exciting copper gold project in Mongolia.

### EXPLORATION

#### *Jaurdi Hills Project*

Following the completion of an independent review of the company's existing Jaurdi Hills project north of Coolgardie in Western Australia (see Figure 1), drilling of a number of potential targets was undertaken during the quarter. Encouraging results from the RC drilling programme has put the company firmly on track to achieve its objective of identifying a portfolio of resource ounces.

#### **Highlights**

##### *Panther*

- Reverse circulation hole at Panther intersects a wide, high grade interval of **17 metres at 5.29 g/t Au from 83 metres down hole** supporting historic high grade results beneath the old open pit
- **Resource estimate and pit optimisation for mineralisation below historic pit under way**

##### *Wealth of Nations*

- **5 metres at 4.77 g/t Au from 55 metres down hole**
- **New zone of gold mineralisation tracking to surface**

### Jaurdi Mining Centre

- 2 metres at 3.65 g/t Au from 66 metres down hole
- 3 metres at 1.65 g/t Au from 135 metres down hole
- 1 metre at 2.04 g/t Au from 41 metres down hole
- Geological model of gold mineralisation confirmed at JMC

### Background

The Jaurdi Hills Project is located approximately 40km northwest of Coolgardie. The town site of Coolgardie is located 550km east of Perth and 40km west of Kalgoorlie. The project tenements lie on the western flank of the Dunnsville/Doyle Dam Granodiorite Dome. The geology of the project area is dominated by the lower basaltic unit of the Dunnsville-Ubini Greenstone Belt (DUGB), which is intruded by several narrow dolerite and gabbro sills. The basalt sequence is underlain by komatiites which are mapped on the western margin of the project. The main structural features within the project area are the Jaurdi Shear Zone along the east side of the project and a northeast trending fault that passes approximately through the middle of the project separating the Dunnsville granodiorite dome in the north from the Doyle Dam granodiorite dome to the south.

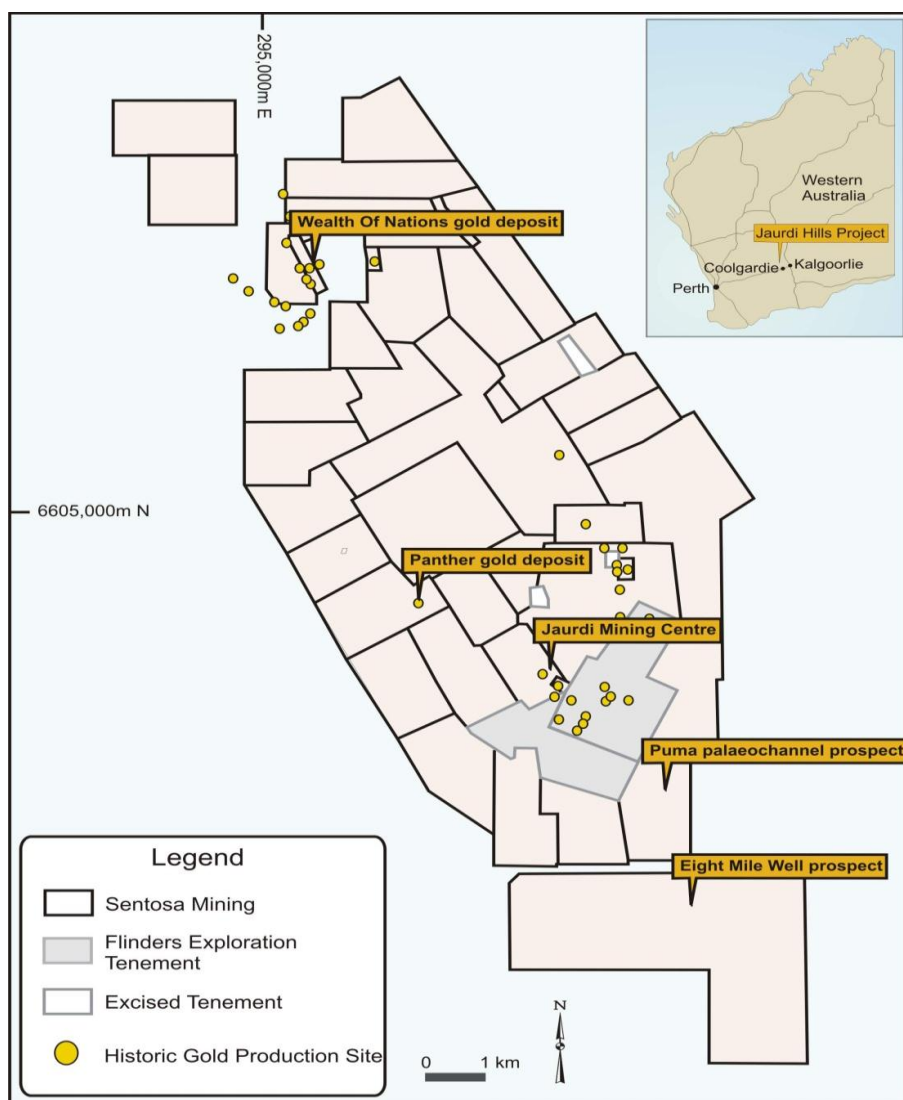


Figure 1 Sentosa tenement package at the Jaurdi Hills Project

## Panther

Four reverse circulation (RC) holes were drilled at Panther targeting the shallow mineralisation below the open pit; with significant mineralisation (**17m down hole at 5.29 g/t Au; including 1m at 19.06 g/t Au from 83m and 2m @ 19.46 g/t Au from 97m**) intersected in hole JRC134. This result is extremely encouraging as it represents a true width of 14.7 metres and supports the ore body geometry previously intersected in historic drilling results as reported in Table 1 and Figure 2.

The three other RC holes drilled as part of this programme (JRC135, 136 and 137) intersected low grade to barren material. The drilling of the four holes has strengthened the understanding of the control of mineralisation and it is interpreted as a moderate, north plunging quartz vein breccia pipe with a true width of up to 15 metres (see Figure 3). Further holes have been designed to test the down plunge continuity of the structurally thickened ore shoot and a preliminary resource is currently being built using the historical drill information (see Table 1 – historic results) and the new geological interpretation.

Hole ID	Collar Location MGA_51			Dip	Azimuth	Depth (m)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Description
	mE	mN	mRL								
PA394-935	297411	6603076	400	-90	000	33	7	21	14	1.82	14m @ 1.82g/t Au
JHA070	297416	6603069	428	-90	000	60	40	53	13	1.05	13m @ 1.05g/t Au
JHR173	297430	6603031	428	-60	070	62	4	16	12	1.28	12m @ 1.28g/t Au
JHR174	297400	6603020	428	-60	070	71	30	34	4	1.75	4m @ 1.75g/t Au
PA394-728	297413	6603096	394	-90	000	40	9	19	10	2.84	10m @ 2.84g/t Au
PA394-748	297418	6603084	394	-90	000	24	12	22	10	8.1	10m @ 8.1g/t Au
JHA071	297399	6603107	428	-90	000	60	42	46	4	4.49	4m @ 4.49g/t Au
JHD002	297361	6603131	428	-60	070	80	69.1	80	10.9	3.31	10.9m @ 3.31g/t Au
JHA067	297411	6603094	428	-90	000	60	48	50	2	2.78	2m @ 2.78g/t Au
JRC065	297361	6603075	428	-60	070	80	79	80	1	2.26	1m @ 2.65g/t Au
JHA065	297415	6603112	428	-90	000	60	53	55	2	1.46	2m @ 1.46g/t Au
PA394-766	297371	6603137	394	-90	000	60	40	46	6	1.37	6m @ 1.37g/t Au
PA394-765	297375	6603128	394	-90	000	60	51	60	9	5.15	9m @ 5.15g/t Au
PA394-217	297399	6603163	394	-90	000	34	26	31	5	3.63	5m @ 3.63g/t Au
PA23670-01	297433	6603021	428	-90	000	10	7	10	3	1.67	3m @ 1.67 g/t Au
PA23680-01	297438	6603033	428	-90	000	10	7	10	3	1.68	3m @ 1.68 g/t Au
JHA060	297394	6603143	428	-90	000	60	52	60	8	6.19	5m @ 1.64g/t Au
JRC071	297361	6603195	428	-60	070	101	63	64	1	24.6	1m @ 24.6g/t Au
JHA042	297398	6603209	428	-90	000	60	56	60	4	4.67	4m @ 4.42g/t Au
JRC072	297324	6603181	428	-60	070	136	106	111	5	2.33	5m @ 2.33g/t Au
JHA049	297388	6603226	429	-90	000	60	51	57	6	3.07	6m @ 3.07g/t Au
PA402-009	297415	6603233	402	-90	000	8	3	7	4	3.30	4m @ 3.30g/t Au
JRC092	297395	6603250	429	-90	000	82	27	28	1	4.25	1m @ 4.25g/t Au
JRC091	297409	6603256	429	-90	000	81	26	29	3	1.09	3m @ 1.09 g/t Au
JRC094	297394	6603292	429	-90	000	82	32	35	3	1.08	3m @ 1.08 g/t Au
JRC093	297418	6603302	429	-90	000	82	18	20	2	2.11	2m @ 2.11g/t Au
JHR147	297373	6603153	428	-60	070	70	58	65	7	6.51	7m @ 6.51g/t Au
JRC064	297389	6603122	428	-60	070	76	54	56	2	1.74	2m @ 1.74g/t Au
JHA063	297425	6603148	429	-90	000	60	29	30	1	15.2	1m @ 15.2g/t Au
PA23807-1	297421	6603163	429	-90	000	59	40	50	10	1.43	10m @ 1.43g/t Au
PA23825-3	297396	6603173	428	-90	000	78	54	61	7	2.16	7m @ 2.16g/t Au
PA23807-3	297402	6603156	428	-90	000	72	59	60	1	17.7	1m @ 17.7g/t Au
JHA051	297380	6603178	428	-90	000	60	46	47	1	16.7	1m @ 16.7g/t Au
JRC073	297400	6603210	429	-60	070	60	45	56	11	1.01	11m @ 1.01g/t Au
JRC081	297398	6603324	428	-60	070	60	20	23	3	2.30	3m @ 2.30 g/t Au

Table 1 Historic drill holes beneath the Panther open pit

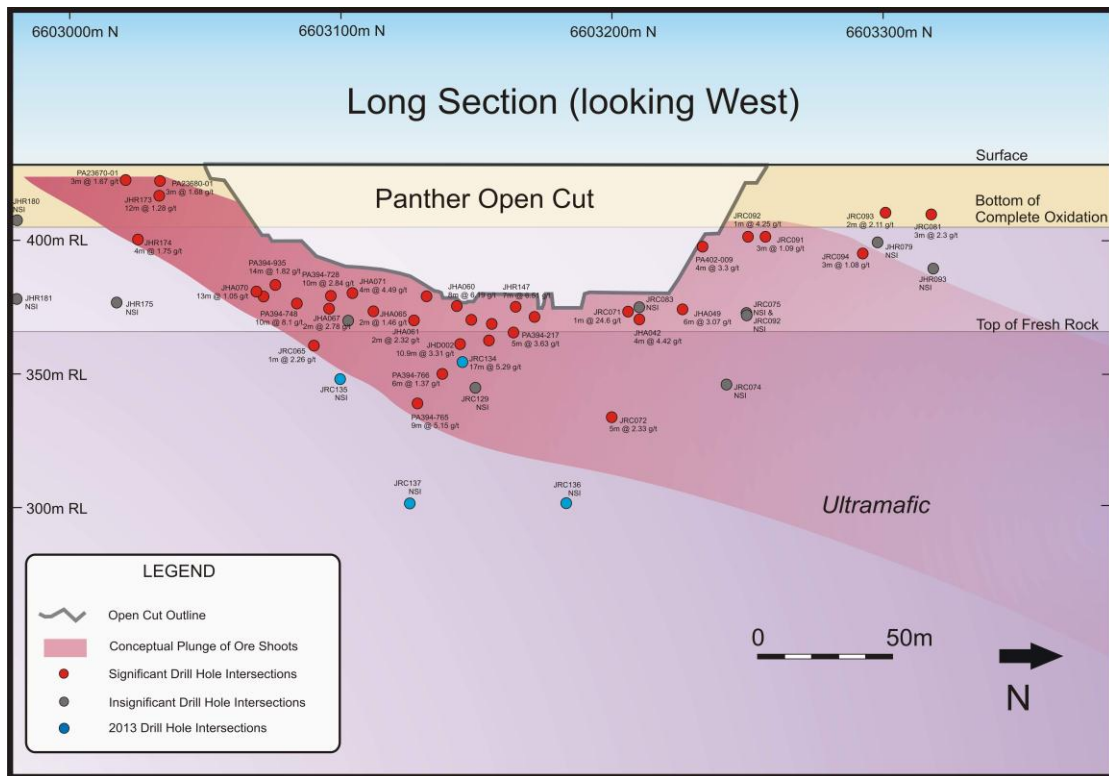


Figure 2 Long section of the Panther pit demonstrating moderate north plunge

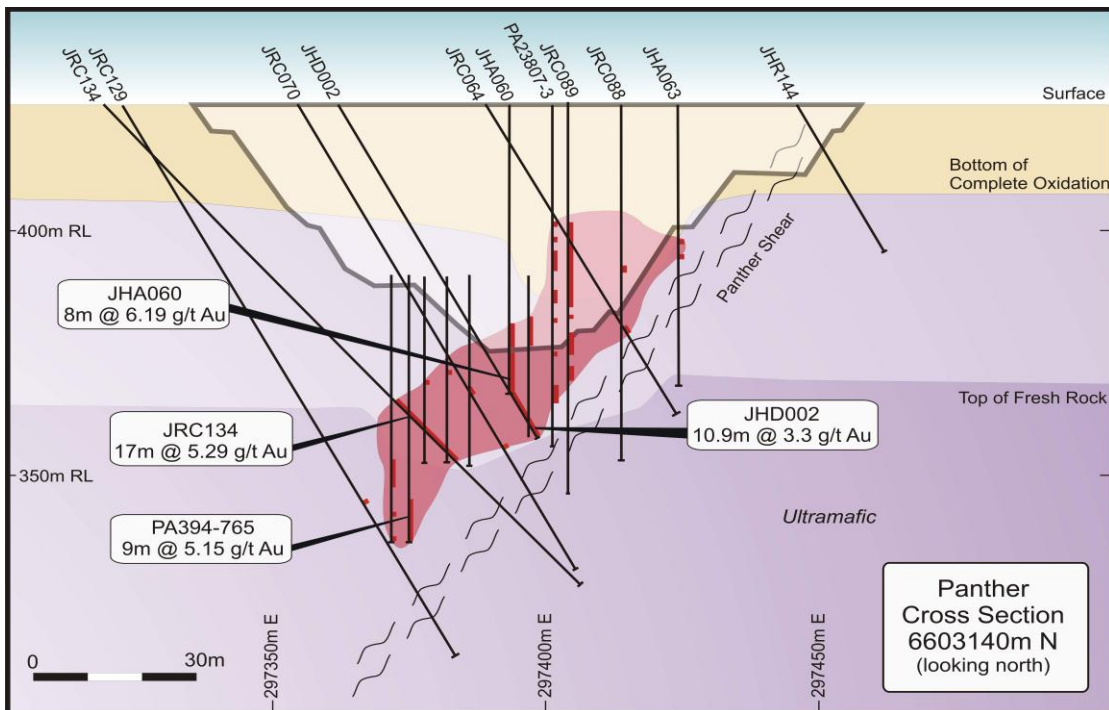


Figure 3 Cross Section 6603140mN showing structurally thickened ore shoot



## Wealth of Nations

RC drilling at Wealth of Nations has yielded significant gold mineralisation in hole JRC 133 which intersected **5m @ 4.77 g/t Au from 55m (including 1m at 12.87 from 56m)**. Sentosa is encouraged with this result as it represents a zone of mineralisation not previously identified which potentially can be tracked to surface (see Figure 4). The mineralisation is hosted in quartz veins within sheared basalt which lies stratigraphically above a black shale unit. The mineralisation is only 47 metres below surface and further shallow RC holes have been designed to expand the current understanding of the spatial relationship of the mineralisation.

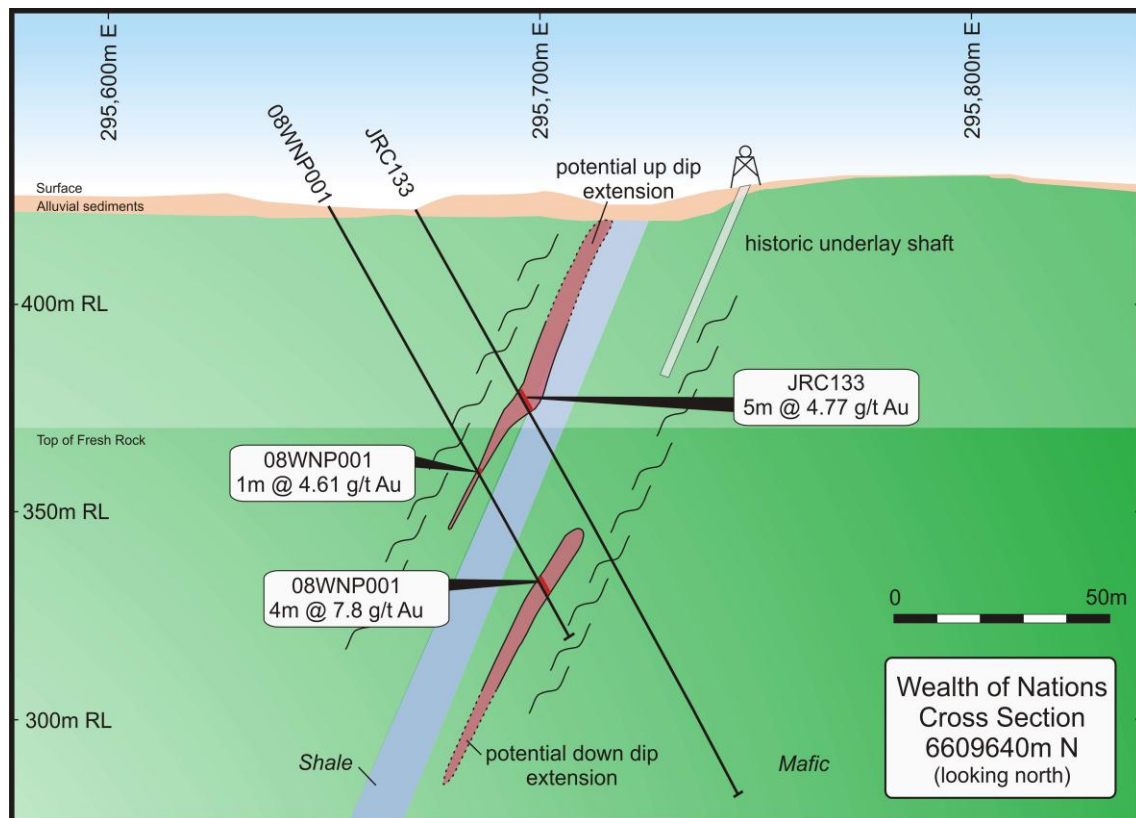


Figure 4 Wealth of Nations Cross Section 6609640mN: JRC133 5m @ 4.77g/t Au

## Jaurdi Mining Centre

Two holes were drilled at Jaurdi Mining Centre as part of Sentosa's February drill programme. Both holes intersected mineralisation which was consistent with the geological model. Multiple mineralised horizons were intersected in hole JRC138 (see Figure 5) and include **1m at 0.76 g/t Au from 3m, 2m at 3.5 g/t Au from 66m (including 1m at 6.59 from 66m) and 3m @ 1.65 g/t Au from 135m (including 1m @ 4.67 g/t Au from 137m)**. The second reverse circulation hole drilled at JMC, JRC139 (see Figure 6), intersected **1m at 2.04 g/t Au from 41m**.

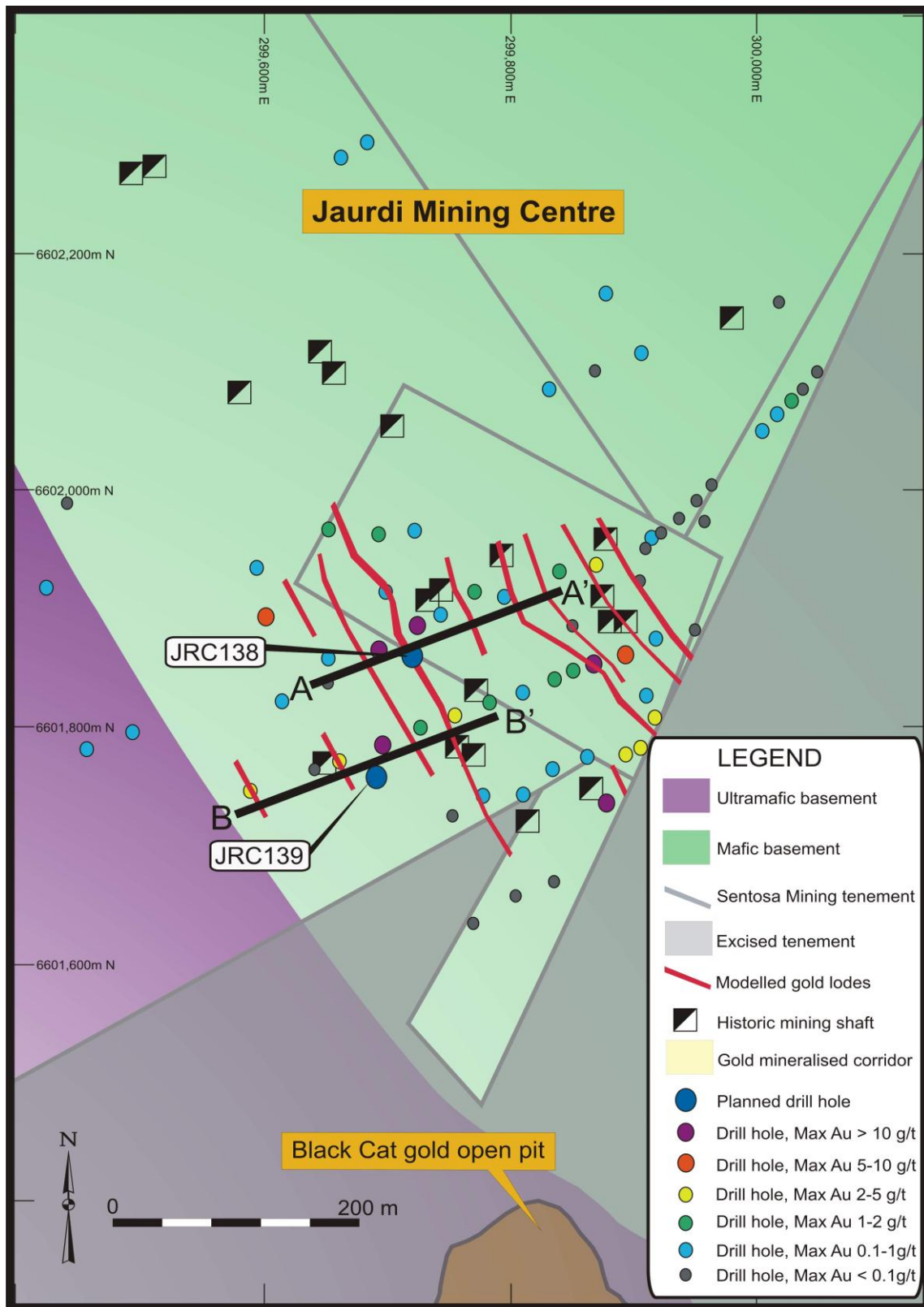


Figure 5 Plan view of JMC showing oblique sections A – A' and B – B'

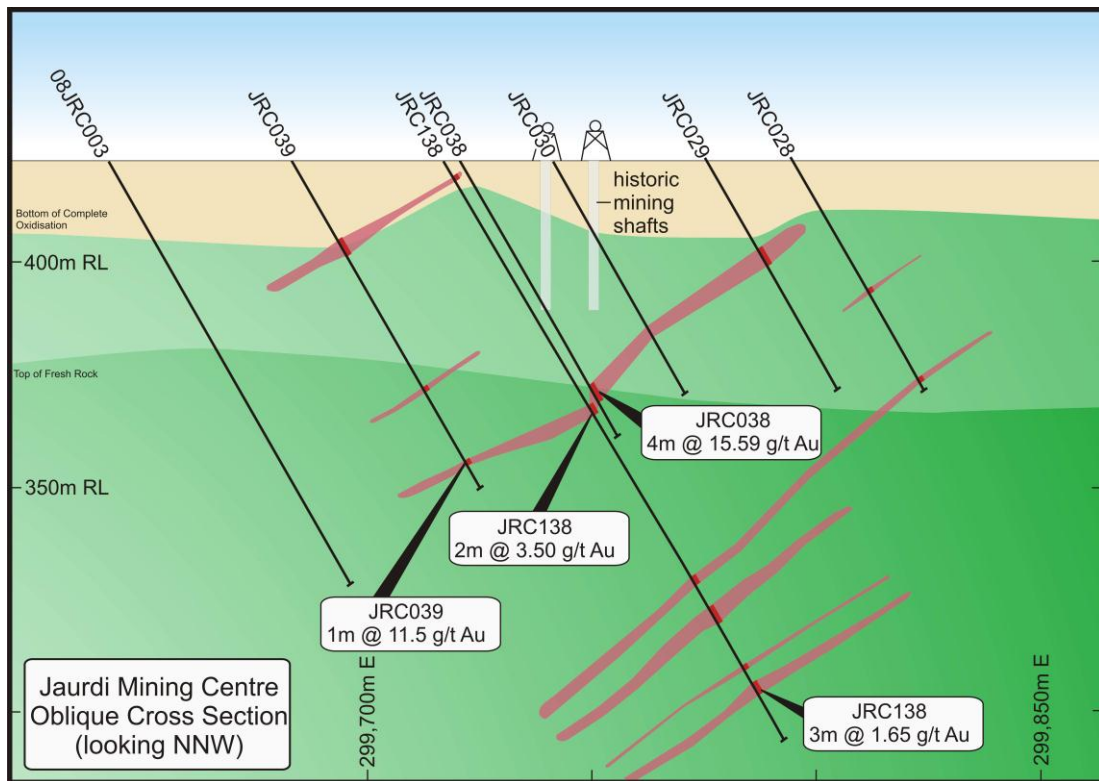


Figure 6 Jaurdi Mining Centre Oblique Cross Section A – A': JRC138 2m @ 3.50 g/t Au

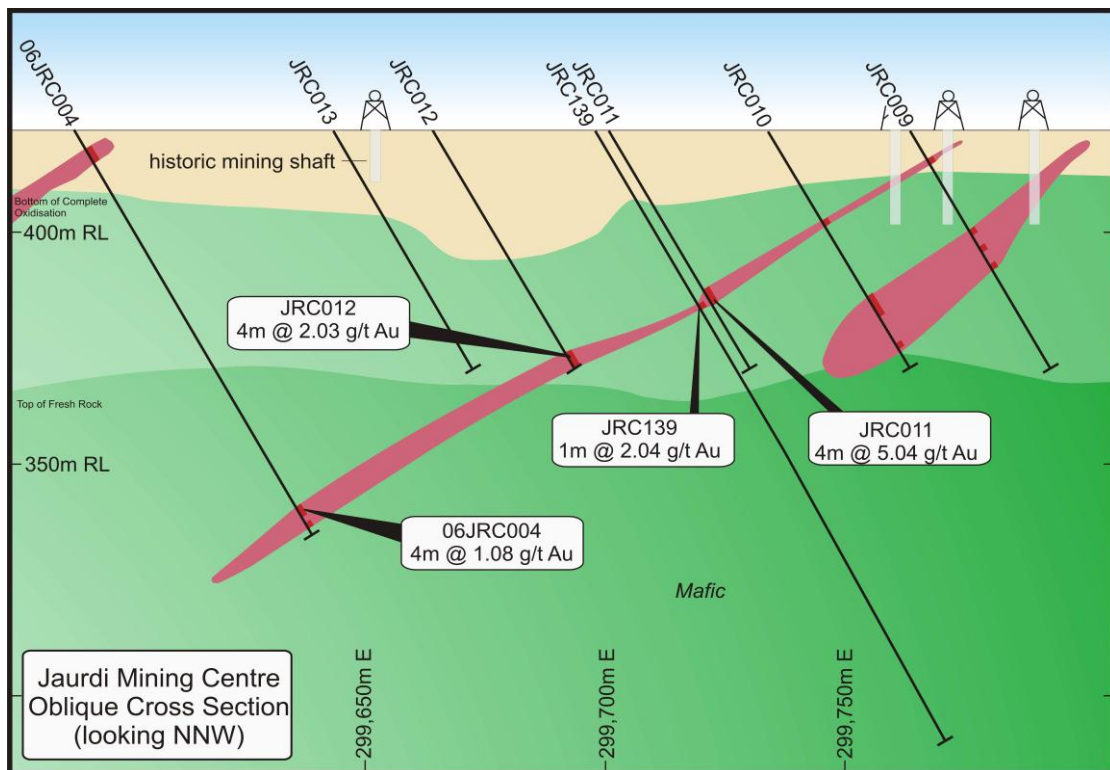


Figure 7 Jaurdi Mining Centre Oblique Cross Section B – B': JRC139 1m @ 2.04 g/t Au

## Eight Mile Dam

A fence of four reverse circulation holes were drilled twenty metres south of the historic hole EMR003 (1m @ 69.7 g/t Au). All four holes failed to intersect significant mineralisation. Further study is underway to unravel this enigmatic result.

## Summary

Sentosa is extremely pleased with the results from the recent RC drilling. The results from Panther have improved our understanding of the projects geology, and Sentosa intend to complete a preliminary resource calculation and pit optimisation study. Further RC drill holes will be designed to test down plunge of the high grade mineralisation. In addition further shallow drilling will be completed at the Wealth of Nations prospect to track the gold mineralisation closer to surface and test near surface mineralisation to the south on this newly recognised lode. A second round of drilling will also be completed at Jaurdi Mining Centre to test the northern extension of the geological model developed for this stacked array of quartz reefs.

It is Sentosa's intention to fully investigate the gold potential of the Jaurdi Hills district and results from this round of RC drilling has given the company confidence to continue to pursue its objective of assembling a portfolio of resource projects capable of supporting future development.

## CORPORATE

Negotiations and evaluation of additional investment opportunities continued throughout the quarter. As a result of these initiatives the company was able to successfully conclude an agreement to acquire a 100% interest in the exciting Davii Naruu copper gold project in Mongolia.

The company continues to evaluate additional opportunities and further details will be made available to the market if and when these negotiations reach a successful conclusion.

## Darvii Naruu Project - Mongolia

### Highlights

- Broad Copper (Cu) and Gold (Au) mineralised system with maximum rock chip samples of 5.8% Cu and 34.4 g/t Au from flagship Mushroom Reef prospect
- Numerous occurrences of outcropping mineralisation over extensive surface area on several additional prospects with consistent sample grades greater than 1% Cu and +1g/t Au
- Individual float sample from Anomaly 13 prospect containing grades of 21% Cu, 2.1g/t Au, 0.37g/t Pt and 0.37g/t Pd
- Geology has encouraging similarities to Rio Tinto's Oyu Tolgoi deposit
- Transaction represents an exciting opportunity for Sentosa to potentially discover a large scale world class mineral deposit



The Darvii Naruu Copper Gold Project in Gobi-Altai province, western Mongolia is comprised of seven semi contiguous licenses (Figure 1) with a total area of 62,735.8 Hectares (Appendix 1). The project is located within the South Gobi Arc which hosts Rio Tinto's world class Oyu Tolgoi porphyry deposit, one of the world's largest Cu-Au deposits.

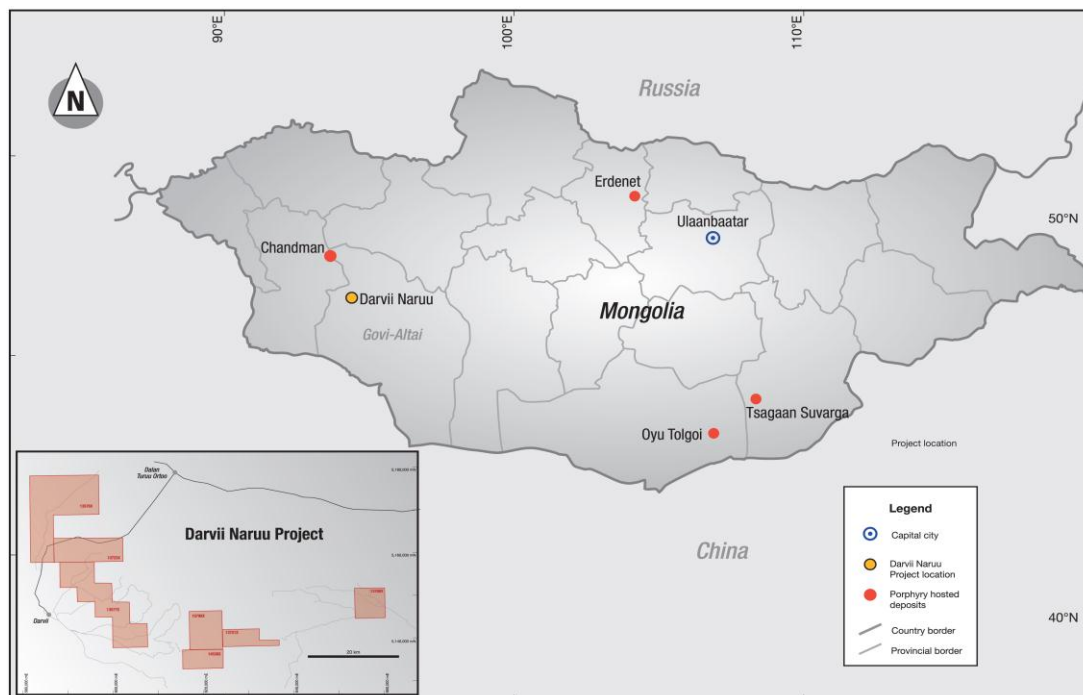


Figure 1 Darvii Naruu Cu-Au Project – Locality Map

Sentosa has executed a Heads of Agreement to acquire 100% of the Darvii Naruu Project. Under the terms of the agreement Sentosa will undertake to spend A\$150,000 on a Work Programme which will involve flying an aeromagnetic and radiometric survey. The results of the survey will be analysed and Sentosa then has the right to decide whether to proceed with the acquisition. In the event that Sentosa elects to proceed with the acquisition, Sentosa will issue 5,500,000 fully paid ordinary shares and a 0.5% Net Smelter Return Royalty as consideration for a 100% interest in all of the tenements.

Historic exploration has defined multiple prospects at Darvii, the flag ship prospect being Mushroom Reef which has characteristics comparable with the surface alteration footprint of a porphyry copper gold deposit including:

- a spatially extensive FeO iron-leach cap overlying Devonian mafic volcanics
- close proximity to later stage felsic plutonism
- polyphase structural deformation of strata
- numerous occurrences of malachite in fractures with low to high grade Au  $\pm$  Cu in outcropping quartz veins
- moderate anomalism of Ag, As, Sb, Zn and Mo in soil and stream sediments
- maximum rock chip values of 5.8% Cu and 34.4 g/t Au have been collected at Mushroom Reef.

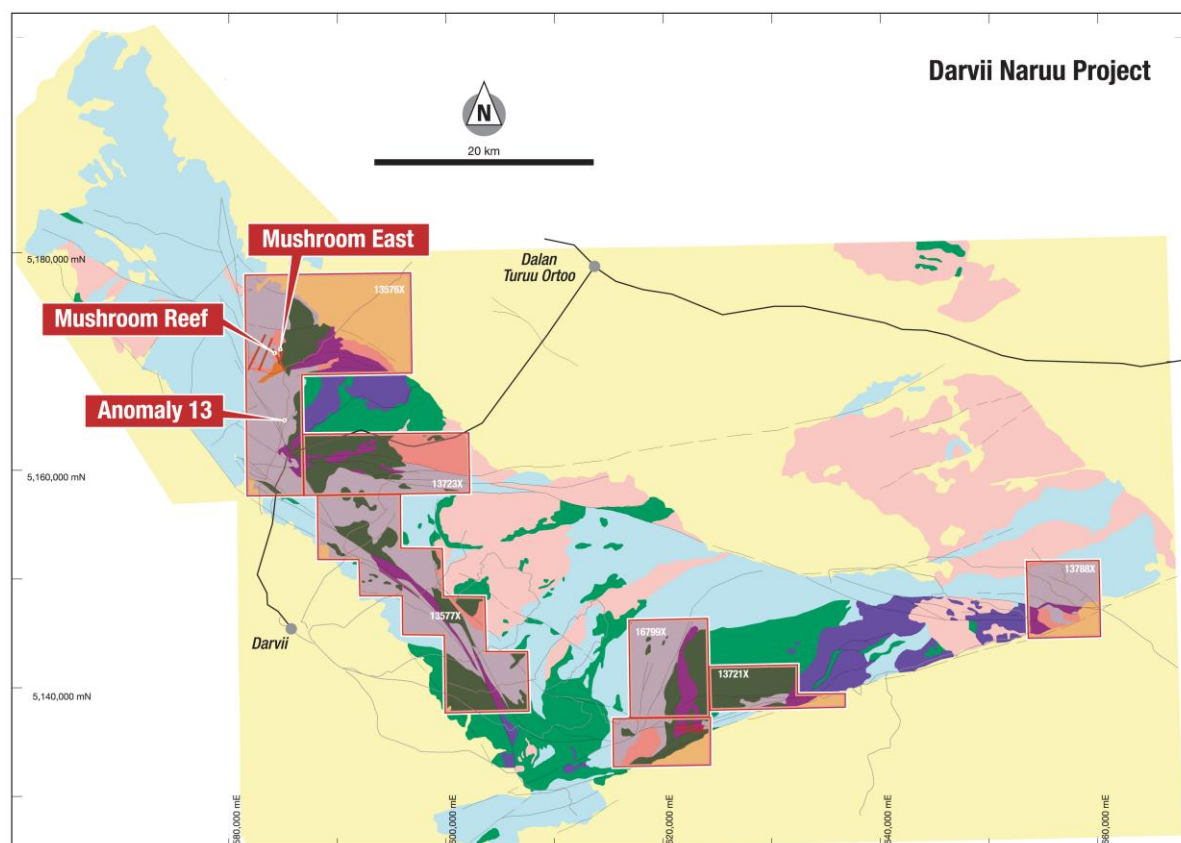


Figure 2 Geological map and tenement holding of the Darvii Naruu project

Porphyry systems within Mongolia vary in size, composition and nature. In comparison to the Mushroom Reef prospect, the major mineralised centres targeted at Oyu Tolgoi occur coincident with regional, northerly-bearing structures that have strike lengths of about 4km. The Mushroom Reef Prospect, like Oyu Tolgoi, is predominantly hosted by Devonian-aged mafic extrusive rocks. Enrichment of copper and gold in soil occur along linear corridors exceeding 3km in length. These linear features correlate with regional faults and strike NNW to NNE. Elevated Au and Cu soil concentrations usually occur together. The geochemical analysis of rock chip samples of exposed quartz veins and gossanous material replicate the anomalism observed in soil.

The copper values in the soils range up to 354 ppm and gold up to 126 ppb. The maximum gold grade in rock chip samples at the Mushroom Reef prospect is 34.4 g/t and the maximum copper concentration is 5.56%. Based on the elevated concentrations of Cu and Au in soil and the depletion of other elements, it is possible that Mushroom Reef is prospective for a partially exposed, near-core position of a Cu-Au porphyry system.

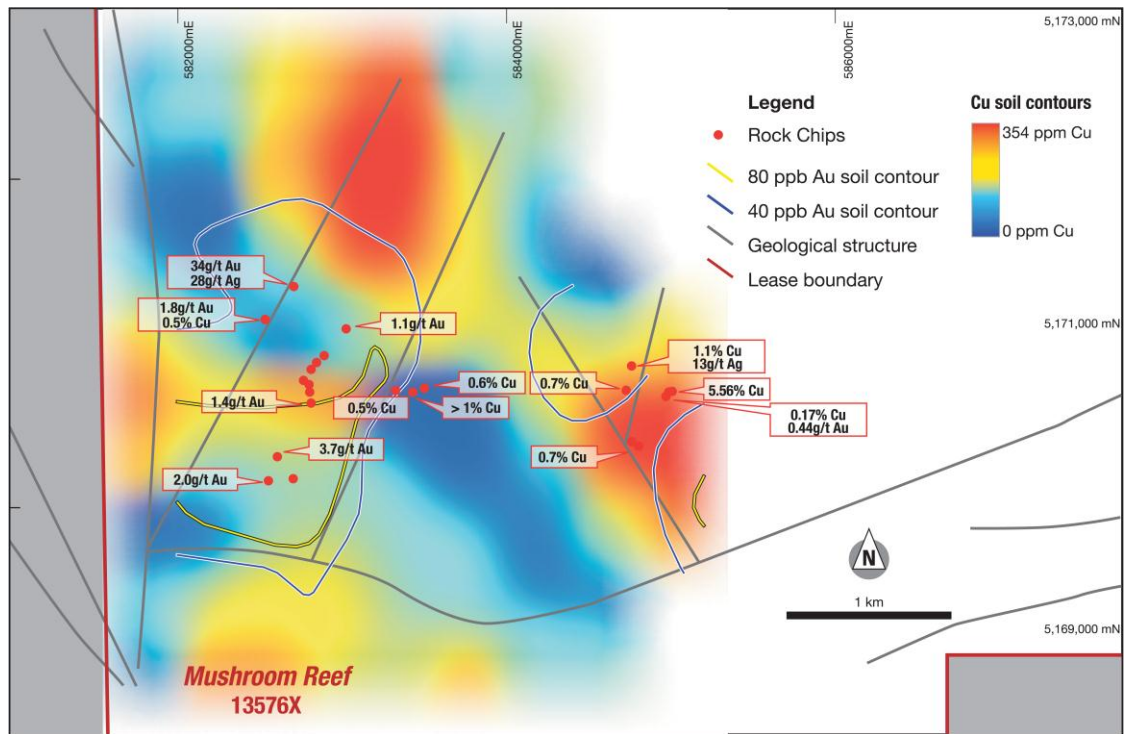


Figure 3 Cu and Au soil with rock chip geochemistry at the Mushroom Reef prospect



Figure 4 Quartz-gossan-malachite-azurite outcrop at Mushroom East with rock chip grades up to 5.56% Cu and 0.44 g/t Au

Anomaly 13 is located eight kilometres south of the Mushroom Reef prospect, where anomalous rock chips samples are associated with widespread ultrabasic rocks present as either sills or possibly flows inter-bedded in a series of shallow marine sediments. Highly encouraging rock chip samples have also been collected at this locality with maximum assay values of **21% Cu, 2.1 g/t Au, 0.37 g/t Pt, 0.37 g/t Pd and 0.63% Ni.**

For further information concerning Sentosa's exploration plans for the future please contact Nigel Gellard, Executive Chairman.

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### Competent Persons Statement

The information in this report that relates to exploration data compiled by Mr Darryl Mapleson, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Mapleson is a Principal Geologist and a full time employee of BM Geological Services Pty Ltd. Mr Mapleson has sufficient experience which is relevant 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 2004 edition of the "Australasian Code for reporting of Exploration results, Mineral Resources and Ore Reserves".



# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

Sentosa Mining Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

March 2013

### 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	-	-
1.2	Payments for		
	(a) exploration and evaluation	(301)	(612)
	(b) development		
	(c) production		
	(d) administration	(71)	(133)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5	20
1.5	Interest and other costs of finance paid	-	
1.6	Income taxes paid		
1.7	Other	-	-
<b>Net Operating Cash Flows</b>		<b>(367)</b>	<b>(725)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a)prospects		
	(b)equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid to other entities	-	-
1.12	Other (provide details if material)		
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(367)</b>	<b>(725)</b>

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

1.13	Total operating and investing cash flows (brought forward)	(367)	(725)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	(16)
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>	-	(16)
	<b>Net increase (decrease) in cash held</b>	(367)	(741)
1.20	Cash at beginning of quarter/year to date	931	1,305
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	564	564

**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	25
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees

**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

-

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

-

### 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	
4.3 Production	
4.4 Administration	40
<b>Total</b>	<b>140</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	274	206
5.2 Deposits at call	290	725
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>564</b>	<b>931</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				

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

6.2	Interests in mining tenements acquired or increased				
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**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>	32,875,000	32,875,000		
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>	2,000,000 335,000 13,169,372 3,000,000		<i>Exercise price</i>  25 cents 28 cents 25 cents 25 cents	<i>Expiry date</i>  25 August 2014 30 June 2014 17 December 2013 17 December 2013
7.8	Issued during quarter				



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

7.9	Exercised during quarter				
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.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2013  
(Company secretary)

Print name: Jay Stephenson