



3 November 2011

Dear Shareholder

QUARTERLY REPORT - 3/2011

We detail developments arising during the quarter;

The Dept of Primary Industry and Mines (DPIM) announced a revision of the terms and conditions applying to Special Prospecting Licences (SPL's) pursuant to the NESDB recommendations arising from an inquiry initiated in November 2007.

The most significant change is a new requirement to provide a B500,000 (~\$16,000) rehabilitation bond per 16km² SPL for possible remediation costs arising from surface exploration activities. As a consequence, upfront costs in the form of bonds and fees will increase from B1.13m to B1.63m (~\$50,000) per SPL application.

Clearly this level of upfront, non-exploration expenditure is a formidable impost for small exploration companies and is expected to inhibit exploration activity in Thailand.

Thai Goldfields NL will critically appraise all its existing SPL applications with the result that the Company may retain a smaller number of applications over reduced areas.

CHATREE DISTRICT GOLD JV (Thai Goldfields 25% - Tigers Realm Minerals 75%)

The Chatree District five (5) year-old SPL gold titles expired on 9 August 2011. Thai Global Ventures (TGV), the Thai operating entity of the JV, re-applied for the titles before the expiry date and again on 10 August following the expiry date.

On expiry, the JV partners were made aware that another (Thai) party had over-pegged the Chatree District tenements. The DPIM offices in Phichit and Phetchabun Provinces accepted the third party applications even though this is contrary to stated government policy concerning over-pegging or over-lapping applications.

It should be noted that acceptance by the DPIM of a third-party over-pegging application does not imply the applicant will be successful.

In reaction to these third-party moves TGV has formally protested to the DPIM and the partners are actively pursuing other remedies.

KHAO SOON TUNGSTEN PROJECT - (TGF - 100% economic interest)

The regional soil sampling program targeting tungsten and antimony mineralisation on the Khao Soon tenement package was completed in October 2011.

The total program of 3,852 soil samples was acquired for XRF analysis of which 3,768 samples were on a 50m x 400m grid.

A further 84 samples were collected on a 25m x 100m grid over an area perceived to be the northern extension of a gossanous outcrop target encountered by our team earlier this year north of the main Than Pho Prospect. These earlier float and outcrop samples were sent to Perth for geochemical analysis and returned weak to moderate tungsten, zinc, molybdenum and copper mineralisation.

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KHAO SOON TUNGSTEN PROJECT (cont)

XRF analysis of all 3,852 samples will commence during the current quarter. Once the sampling results have been fully assessed, exploration targets within the tenement package will be prioritised.

KABINBURI GOLD PROJECT – TGF 100%

The three (3) Kabinburi SPL applications remain in DPIM committee stages.

Ground magnetic and IP-resistivity surveys, followed by a major grid soil sampling program, will commence once the SPL's are issued and funding arranged.

PALITAPAN GOLD PROJECT – TGF 100%

The status of the 8 SPL applications remains unchanged from the previous quarter. No exploration was conducted during the quarter.

MAE YOM POLYMETALLIC PROJECT – TGF 100%

The three (3) SPL applications await Ministerial signature.

ALLUVIAL TIN

Efforts to retrieve US-based 1970's drilling data delineating (what is believed to be) economic alluvial tin resources under shallow cover within a former tin mining district in Thailand were unsuccessful. We believe the data was destroyed in the 1990's in accord with company policy at the time.

With appropriate funding it should be possible to re-confirm the existence of these tin resources.

LIQUIDITY

Unaudited group cash was \$88,984 at 30 September 2011 (\$147,936 at 30 June 2011).

An unsecured loan of \$30,000 was made by a related party during the quarter on normal commercial terms to bridge a period until either a sale of the Company's TGV interest is effected or other financing options are finalised.

Further unsecured loans will be advanced to the Company, as required, for a limited period.

Your Directors remain actively engaged in initiatives aimed at progressing financing and listing options with the intention of revitalising the Company in what are proving to be challenging times.

THAI FLOODS

The serious flooding events experienced lately in Thailand have not directly affected our field operations but they are causing concern and dislocation for a number of our staff in Bangkok. The effects of the flooding are widespread and will be prolonged.

For and on behalf of the Board

David Docherty
Executive Chairman