



Abra Mining Limited

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ASX Code: **All**

QUARTERLY REPORT

March 2011

Highlights

EXPLORATION

- At the Hyperion Prospect, diamond drill hole HY2 was completed to a depth of 638.5 metres. HY2 is located 200m to the east of hole HY1 (21.15 metres @ 4.5% lead and 23 g/t silver from 546.8 metres) and intersected similar geology and mineralisation. Assay results are pending.
- Surface geochemical surveys continued at Havelock and on the Jillawarra Joint Venture tenements.

CORPORATE

- Hunan Nonferrous Metals Corp., Ltd ("HNC") made a cash takeover offer of \$0.40 per share for those shares in the company that it does not already hold, with a concurrent offer to acquire all outstanding options.





EXPLORATION ACTIVITIES

MULGUL PROJECT

(Abra Mining Limited 100%)

Exploration

The Mulgul Project, which contains the Abra polymetallic base metal deposit, lies within the Mesoproterozoic Bangemall Basin, and is located approximately 1,000 kilometres north of Perth in Western Australia. The deposit has an **Indicated and Inferred Mineral Resource of 93 million tonnes @ 4.0% Pb and 10 g/t Ag and 14 million tonnes @ 0.6% Cu and 0.5 g/t Au.**

Drilling

At the Hyperion prospect, two kilometres west of the Abra deposit, diamond drill hole HY2 was completed at 638.5 metres, following up encouraging 2006 results of 21 metres at 4.5% Pb and 23ppm Ag from 547 metres in HY1, located 200m west of HY2. A larger target has been defined since HY1 was drilled, based on gravity and IP anomalism (see Figure 1). HY2 was drilled as an additional test of this large target, and to allow a metal gradient to be established to assist future targeting.

HY2 intersected geology and mineralisation similar to that in HY1. Assay results from HY2 are pending.

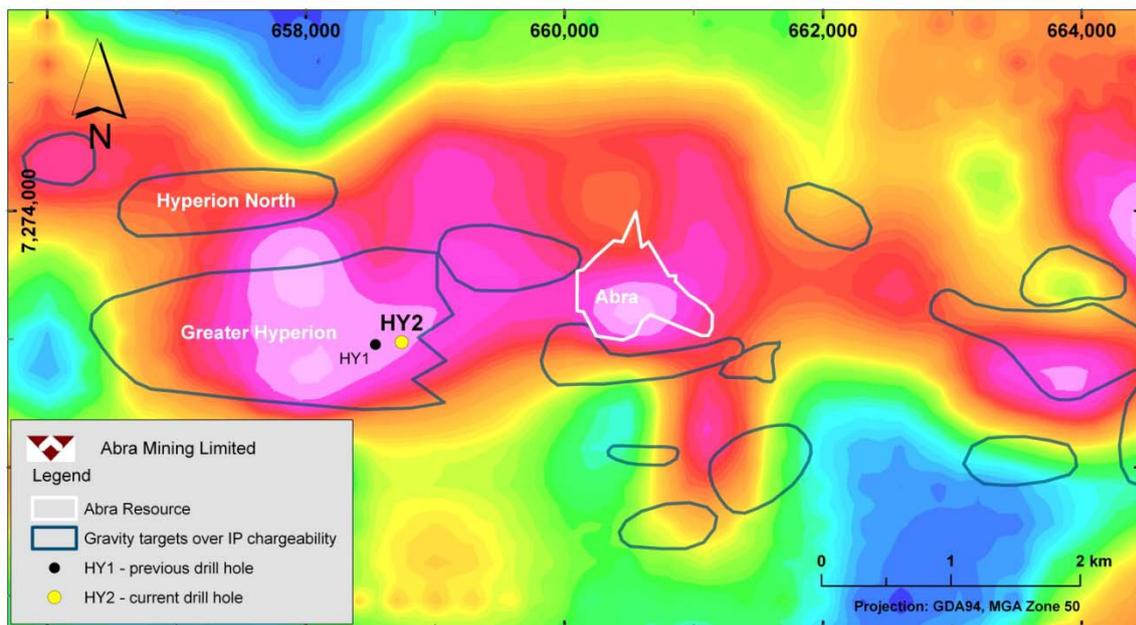


Figure 1. MULGUL PROJECT - HY2 location over IP Image



JILLAWARRA JOINT VENTURE

(Abra Mining Limited 90%)

(Apex Minerals NL 10%)

Jillawarra Project Exploration

The Jillawarra Project covers the central and western portions of the Jillawarra Sub-basin, a 65 kilometre long belt of sedimentary rocks that host the Abra polymetallic deposit and numerous other copper and lead-zinc mineral occurrences, many of which display similar geological characteristics to those observed at the Abra deposit (see *Figure 2*).

The belt is prospective for the discovery of near-surface and deeper base metal mineralisation.

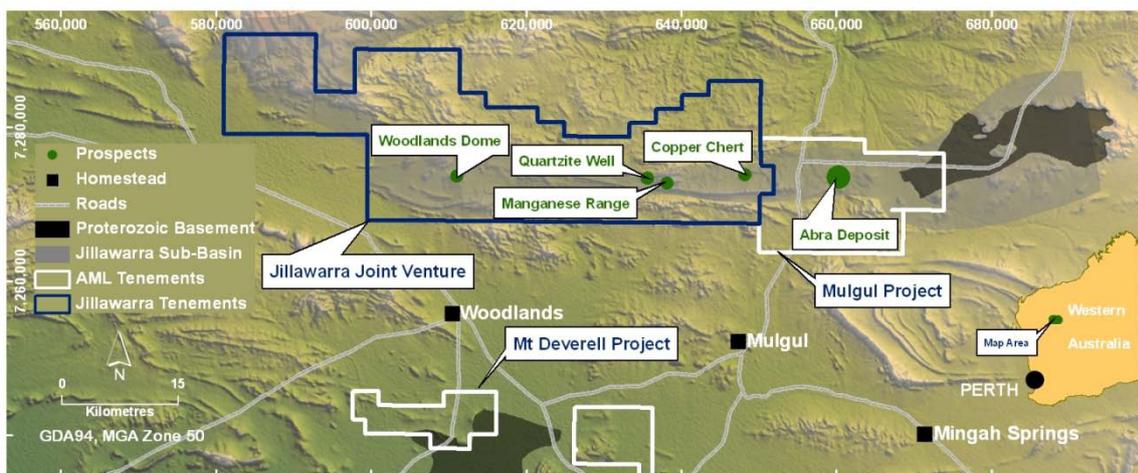


Figure 2. JILLAWARRA JOINT VENTURE – Tenement Location Map

Surface Geochemistry

Soil geochemical surveys¹ comprising 1,200 readings on 46 lines and covering 58 line kilometres were completed during the quarter. The programme identified new copper and zinc anomalies and infilled existing anomalies. Figure 3 is a summary of lead results of sampling completed to date, with recently completed lines shown in dark grey.

¹ NITON hand held XRF

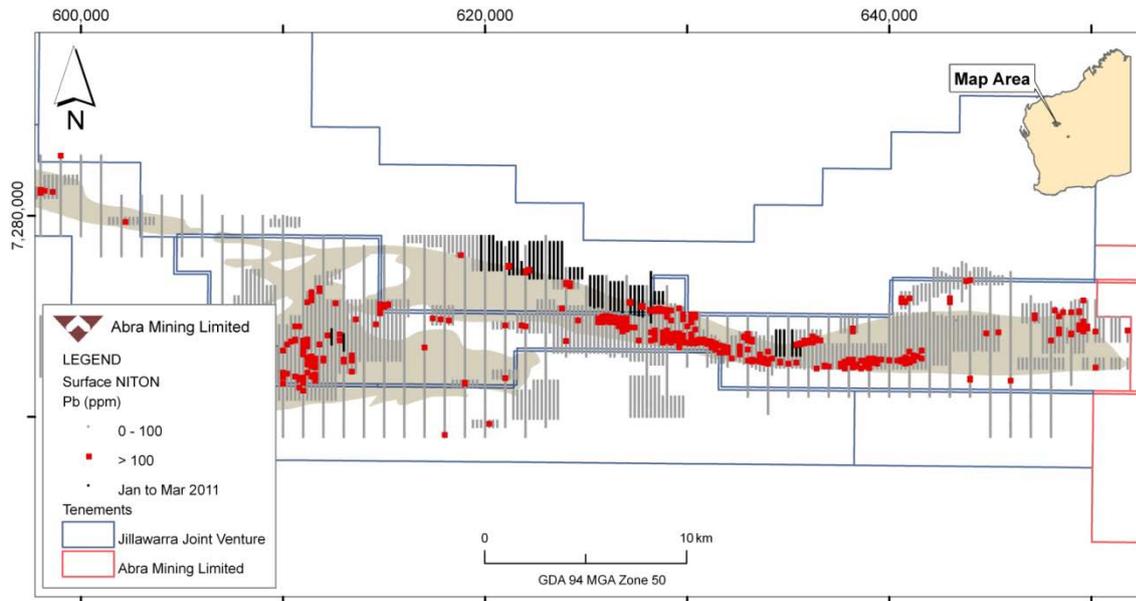


Figure 3. JILLAWARRA JOINT VENTURE – Soil Lead Results

HAVELOCK PROJECT (Abra Mining Limited 80%-100%)

Surface Geochemistry

An infill soil geochemistry survey was completed within E53/1260 (see dark grey lines on Figure 4) with a total of 565 readings on 54 lines covering 26 line kilometres in five target areas. Significant Pb anomalism was defined on the western part of the tenement.

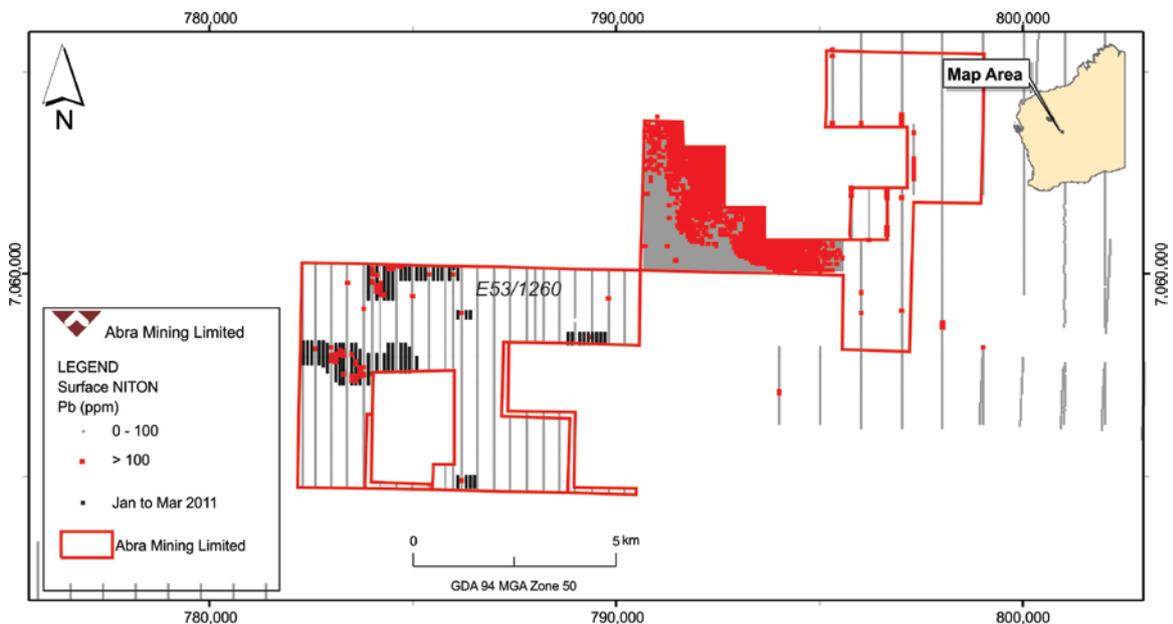


Figure 4. HAVELOCK PROJECT - Soil Lead Results



TENEMENT ACTIVITY

Jillawarra tenements E52/1970 and E52/1971 were reduced on 22nd February 2011.

CORPORATE

PROPOSED TAKEOVER

On 30 March 2011 the Company received from Hunan Nonferrous Metals Corp., Ltd (“HNC”) a non-binding indicative proposal to acquire the entire issued capital of Abra Mining Limited for \$0.32 per share, plus all outstanding options at various prices. On 3 April 2011 the parties signed a Bid Implementation Agreement whereby HNC offered \$0.40 per share plus varying prices for the options.

The Bid Conditions include approval by the Foreign Investment Review Board, all regulatory approvals, authorisations and consents required under Chinese laws, regulations or policies relevant to HNC, and minimum acceptance conditions for both the shares and options.

The independent directors recommended the bid, in the absence of a superior offer, subject to an independent expert’s opinion that the offer is fair and reasonable.

MANAGING DIRECTOR

Dr Mingyan Wang was appointed by the board as Managing Director from 1 April 2011 following the resignation of Mr Jeffrey Moore.

FINANCIAL

At the end of the Quarter, the Company held **\$3.9 million** in cash.

M. Wang **Managing Director**

The information in this report that relates to Exploration Results is based on information compiled by Mr Paul Cranney, Consulting Geologist. Mr Cranney is a Member of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists.

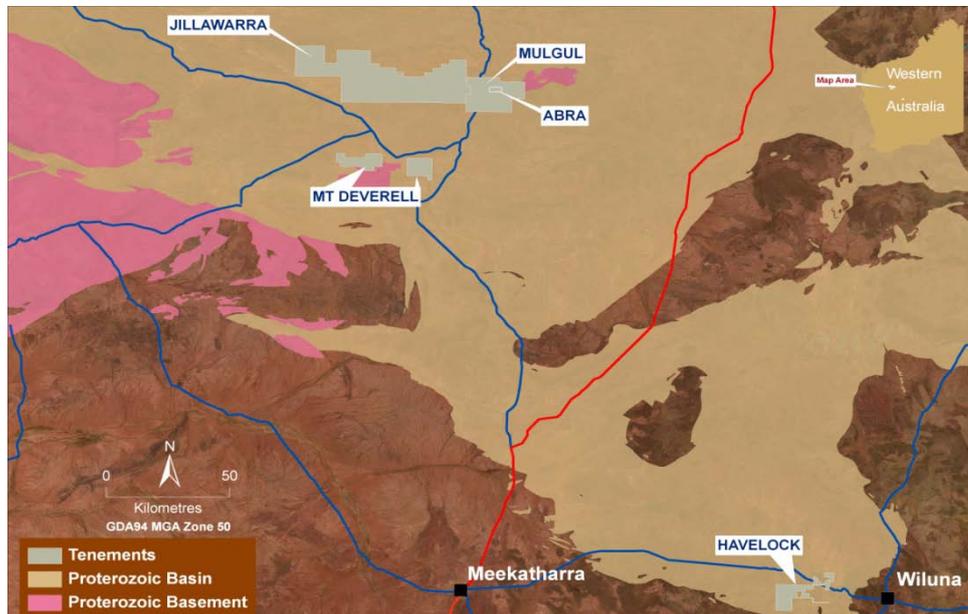
Mr Cranney has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Cranney consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to the Mineral Resource is based on information compiled by Mr Diederik Speijers, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Speijers is employed by consultants McDonald Speijers and 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’. Mr Speijers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



About Abra Mining Limited

Abra Mining Limited is an Australian public company listed on ASX. Abra's current focus is exploring the 100% owned Abra lead, silver, (zinc), copper, gold deposit and surrounding South Bangemall Projects area in Western Australia's Mid-West region.



SOUTH BANGEMALL PROJECTS – Location Map – update with new tenement shapes

The Abra deposit is a large base metals deposit with Indicated and Inferred Resources at May 2008 of 93 million tonnes at 4.0% Pb and 10g/t silver and 14 million tonnes at 0.6% copper and 0.5g/t gold.

Two distinct and contiguous mineralised domains are recognised at Abra:

- An upper **lead domain** typically between 200 metres and 250 metres thick.
- A lower **copper-gold domain** up to 100 metres thick.

The Mineral Resource for each of the mineralised domains at the Abra deposit amounts to:

ABRA DEPOSIT Indicated and Inferred Mineral Resource

Domain	Cutoff Grade	Category	Million Tonnes	Pb (%)	Ag (g/t)	Cu (%)	Au (g/t)	Zn (%)
Lead	2.5% Pb	Indicated	33	4.1	10	0.13	0.06	0.1
		Inferred	60	3.9	10	0.12	0.04	0.1
		Total	93	4.0	10	0.12	0.05	0.1
Copper-gold	0.4% Cu	Indicated	4	0.4	5	0.59	0.56	0.0
		Inferred	10	0.3	4	0.63	0.47	0.0
		Total	14	0.3	4	0.62	0.49	0.0

The lead and silver mineralisation interpretation was constructed using a 2.5% lead cutoff and the estimation was completed using Ordinary Kriging. The copper and gold mineralisation interpretation was constructed using a 0.4g/t copper cutoff and the estimation was completed using Ordinary Kriging.

Mineral Resource Statement as at 14 May 2008.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ABRA MINING LIMITED

ABN

30 110 233 577

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 (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(256)	(256)
(b) development	-	-
(c) production	-	-
(d) administration	(372)	(372)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(621)	(621)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(31)	(31)
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 by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(31)	(31)
1.13 Total operating and investing cash flows (carried forward)	(652)	(652)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(652)	(652)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	(2)	(2)
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(2)	(2)
	Net increase (decrease) in cash held	(654)	(654)
1.20	Cash at beginning of quarter/year to date	4,617	4,617
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,963	3,963

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	22
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Includes salaries and superannuation contributions for all directors

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

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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

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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	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	350
4.2	Development	-
4.3	Production	-
4.4	Administration	550
Total		900

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	245	99
5.2 Bank Guarantee	118	118
5.3 Bank overdraft	-	-
5.4 Term Deposits	3,600	4,400
Total: cash at end of quarter (item 1.22)	3,963	4,617

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			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities (description)	141,257,504	141,257,504		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	325,000	-	\$0.25	27/06/2011
	1,000,000	-	\$0.31	31/07/2011
	250,000	-	\$0.35	31/07/2011
	100,000	-	\$0.45	31/07/2011
	150,000	-	\$0.35	14/05/2012
	100,000	-	\$0.45	14/05/2012
	1,250,000	-	\$0.35	15/05/2012
	750,000	-	\$0.50	15/05/2012
	2,900,000	-	\$0.325	03/01/2016
7.8 Issued during quarter	2,900,000	-	\$0.325	03/01/2016
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 11 April 2011
Company Secretary

Print name: Anthony Wright

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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