



# Haoma Mining NL

A.B.N 12 008 676 177

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Australian Stock Exchange  
Level 45, South Tower, Rialto  
525 Collins Street  
**MELBOURNE, VIC 3000**

December 24, 2008

Dear Sir,

## **ACTIVITIES REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2008 - HIGHLIGHTS**

- **Group Consolidated Result** – Haoma Mining’s unaudited consolidated financial result for the three months ended September 30, 2008 was a before tax loss of \$1.72 million after interest of \$0.70 million, depreciation and amortisation of \$0.10 million and group exploration, development and test work expenditure of \$0.67 million.
- **Test work at Bamboo Creek and the University of Melbourne using the Refined Elazac Assay Method and Refined Elazac Gold Extraction Method** – Samples of **Bamboo Creek (BBC) Tailings** were subjected to the **Refined Elazac Assay Method**. The samples were prepared at BBC and analysed at the University of Melbourne by Mr. Roger Curtain and Professor Peter Scales using the Scanning Electron Microscope (SEMQuant). The SEMQuant results on **BBC Tailings back calculated to 390 g/t of silver and 1.08 g/t of gold**. This result is a major breakthrough in confirming the **Refined Elazac Assay Method** and validates the assay and extraction work being carried out at Bamboo Creek particularly over the last 3 months. Standard Aqua Regia or Fire Assay of BBC Tailings (at the BBC Laboratory or commercial ALS Laboratory, Perth) return gold grades ranging from 0.065 g/t to 0.333 g/t (Au), silver less than 1g/t (Ag). ([See Haoma Oct 23, 2008 ASX Report](#))

Since Oct 23, 2008 the following significant **silver assay grades** were measured using the **Refined Elazac Assay Method**: Average of 10 repeat samples of **BBC Tails: Ag 511.84 g/t** (Au 1.28 g/t); 1996 BHP drill sample (37 meters) from **BBC Valley: Ag 311.38 g/t** (Au 0.44 g/t); BHP drill sample from **BBC Nickel Area: Ag 245.24 g/t** (Au 2.26 g/t); Rock chip sample over 40 meters from **BBC Andy’s Find Area: Ag 233.01 g/t** (Au 1.52 g/t); 2001 MFRC 64 RC drill sample from **Mickey’s Find (North Pole Region): Ag 304.83 g/t** (Au 0.58 g/t). **The BBC Valley is at least 8 km long. The ‘high’ silver results suggest the area contains large quantities of ore with significant silver grades.**

Test results using the **Refined Elazac Extraction Method** for 3 hours on a 100 gm sample of **Bamboo Creek Tailings** recovered **1.39g/t gold (95.9% of the calculated Gold Head Grade 1.45 g/t)** and recovered **71.86 g/t silver (29.9% of the calculated Silver Head Grade 240.64 g/t)**.

**Recent test work also identified the metallurgical reason Bamboo Creek and Pilbara ores were not correctly assaying or leaching gold and silver.**

- **Linden (E39/293, E39/428, M39/255, M39/649, M39/650, M39/794, M39/795, P39/2974, P39/2975, P39/2976)** - An extensive costean and sampling program was completed at the Linden tenements (north of Kalgoorlie). **Earlier rock chip sampling identified the area as a green fields Molybdenum discovery.**
- **Daltons Joint Venture (E45/2186, E45/2187, E45/2921, E45/2922) – Haoma 25%, Giralia 75% (Includes 100% Haoma M45/780, M45/847, P45/2292–2298)** – During the Quarter, using helicopter support, a total of 70 rock chip samples were collected from outcrops of BIF in the Daltons JV area. Of the samples 26 returned potentially direct shipping grades of iron ore. **Most significant is a substantial 600 by 450 metres zone of strong hematite enrichment in the east of the JV area where average iron grades exceed 63% Fe.** Rock chip sampling from another outcrop of massive hematite (extending approximately 200 metres by 200 metres) just to the north of the new discovery has returned a grade of 62.2% Fe. The area is an extension of Atlas Iron’s Mt Webber Prospect.

**Perth Office:**

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### 1. GROUP CONSOLIDATED RESULT TO SEPTEMBER 30, 2008

<b>Haoma Mining NL Consolidated Profit &amp; Loss</b>	<b>2007/08 1st Qtr (\$m)</b>	<b>2007/08 Full Year (\$m)</b>	<b>2008/09 1st Qtr (\$m)</b>	<b>2008/09 YTD (\$m)</b>
Operating revenue	0.14	0.74	0.20	<b>0.20</b>
<b>Operating profit before interest, depreciation, amortisation and exploration and development costs</b>	(0.11)	(0.76)	(0.25)	<b>(0.25)</b>
Interest	(0.49)	(2.49)	(0.70)	<b>(0.70)</b>
Depreciation & amortization	(0.15)	(0.57)	(0.10)	<b>(0.10)</b>
Exploration, development & test work	(0.47)	(2.63)	(0.67)	<b>(0.67)</b>
<b>Operating profit (loss) before tax</b>	<b>(1.22)</b>	<b>(6.45)</b>	<b>(1.72)</b>	<b>(1.72)</b>

<b>Bamboo Creek Processing</b>				
Gold Production (ozs)	22	104	-	-
Gold sold (ozs)	22	104	-	-
Av. Selling price (\$/oz)	\$860	\$899	-	-
<b>Bamboo Creek silver prod'n</b>				
Silver Production (ozs)	2	40	-	-

#### 1.1 Haoma's Group Consolidated Result

Haoma Mining's unaudited consolidated financial result for the three months ended September 30, 2008 was a before tax loss of \$1.72 million after interest of \$0.70 million, depreciation and amortisation of \$0.10 million and group exploration, development and test work expenditure of \$0.67 million.

#### 1.2 Funding of Group Operations

Since February 2007 funding for the Company's operations has been provided by Haoma's major shareholder, Leaveland Pty Ltd. Leaveland has confirmed that until further notice it will fund the company's cash flow requirements while the Bamboo Creek Processing Plant remains on care and maintenance.

At September 30, 2008 the principal debt to Leaveland was \$25.537 million. Haoma has approved payment of interest to Leaveland at the 30 day commercial bill rate plus a 2% margin. Interest on the debt will accrue until such time as the company is in a position to commence interest payments. Interest accrued for the 3 months from July 1 to September 30, 2008 was \$692,577. Total interest accrued and unpaid to September 30, 2008 is \$3,673,161.

#### 1.3 Forward Gold Sale Contracts

No future gold production is currently sold forward.

## 2. OPERATIONS AT BAMBOO CREEK, WESTERN AUSTRALIA

### 2.1 Bamboo Creek Gold Processing Plant

In the current difficult economic conditions, the operating costs in all areas of the group have been reduced considerably including test work at the Bamboo Creek Laboratory.

The Bamboo Creek Plant remained on care and maintenance while limited test work continued at Bamboo Creek on bulk ore samples and previously obtained drill hole and other samples.

### 2.2 Test Work at Bamboo Creek Laboratory and the University of Melbourne

#### 2.2.1 Tests Using the Refined Elazac Assay Method

[On October 23, 2008 Haoma advised shareholders](#) the following result after subjecting samples of **Bamboo Creek (BBC) Tailings** to the **Refined Elazac Assay Method**.

Samples prepared at BBC Laboratory were analysed at the University of Melbourne by Mr. Roger Curtain and Professor Peter Scales using the Scanning Electron Microscope (SEMQuant). The SEMQuant results on **BBC Tailings back calculated to 390 g/t of silver and 1.08 g/t of gold**. This result is a major breakthrough in confirming the **Refined Elazac Assay Method** and validates the assay and extraction work being carried out at Bamboo Creek particularly over the last 3 months. Standard Aqua Regia or Fire Assay of BBC Tailings (conducted at the BBC Laboratory or commercial ALS Laboratory, Perth) return gold values ranging from 0.065 g/t to 0.333 g/t (Au) and silver less than 1g/t (Ag). ([See Haoma Oct 23, 2008 ASX Report](#))

In addition to the above results the **test work also identified the metallurgical reason Bamboo Creek and Pilbara ores were not correctly assaying or leaching gold and silver**.

Since October 23, 2008 additional samples of Bamboo Creek ores and Mickey's Find ore have been assayed by the **Refined Elazac Assay Method** at the BBC Laboratory and the University of Melbourne.

Initially 10 BBC Tailings samples assayed by the **Refined Elazac Assay Method** obtained silver grades ranging from 219 g/t Ag to 1,368 g/t Ag with an average **silver grade 511.84 g/t**. For the 10 samples the gold grades ranged from 0.37 g/t Au to 7.42 g/t Au with an average **gold grade 1.28 g/t**.

Additional **Refined Elazac Assay Method** tests were conducted on three Bamboo Creek ore samples and one Mickey's Find ore sample. **All results measured significant grades of silver**.

#### 2.2.1.1. Bamboo Creek Sample Results:

1. In 1996 BHP drilled 23 RC holes across and along the **BBC Valley** and also re-assayed 18 diamond and RC holes previously drilled by Kitchener Mining. A **BHP drill sample** was randomly selected from two diamond drill holes (750 meters and 1.8 km south east of the Bamboo Creek Plant) covering a total of 37 meters and assayed by the **Refined Elazac Assay Method**:

**Ag 311.38 g/t and Au 0.44 g/t**

2. A **BHP drill sample** was selected from 4 underground diamond drill holes in the **BBC Nickel Area** (400 meters south east of the Bamboo Creek Plant) covering 21.66 meters and assayed by the **Refined Elazac Assay Method**: ([See Section 2.1 - Haoma September 2007 Quarter Activities Report to ASX](#)):

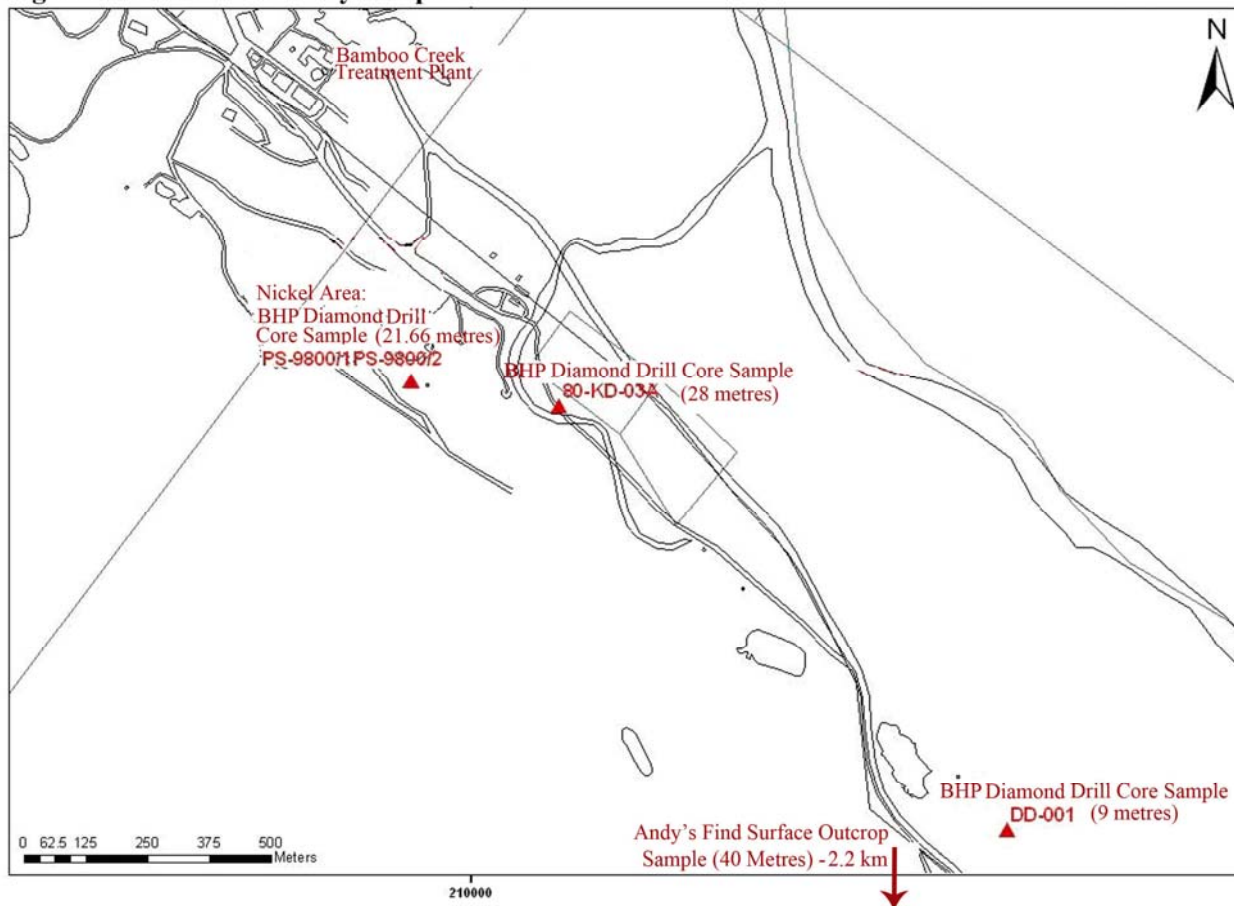
**Ag 245.24 g/t and Au 2.26 g/t (25gm Fire Assay & ICP –  
Ag 1.60 g/t, Au 2.03 g/t, Ni 2,581 ppm, Zn 2,203 ppm)**

3. A mineralised surface outcrop in the **BBC Andy's Find Area** was sampled across 40 meters (4 km south east of the Bamboo Creek Plant) and assayed by the **Refined Elazac Assay Method**:

**Ag 233.06 g/t and Au 1.52 g/t**

The **BBC Andy's Find Area** is an extension of the **BBC Valley** which in total is at least **8 km** long. The **'high' silver** results from the three samples in the **Bamboo Creek Valley** suggest the area contains large quantities of ore with significant silver grades.

**Fig: 1 Bamboo Creek Valley Sample Locations**



### 2.2.1.2. Mickey's Find Assay Result:

A Mickey's Find sample from 2001 MFRC 64 RC drill core (North Pole Region near Normay Mine, 80km from BBC) was assayed by the **Refined Elazac Assay Method**:

**Ag 304.83 g/t and Au 0.58 g/t**

### 2.2.2 Tests Using the Refined Elazac Gold Extraction Method

Since October 23, 2008 a series of trial tests using the **Refined Elazac Extraction Method** have been conducted at Bamboo Creek. The following ore samples were leached::

1. **Bulk Vats** each containing a tonne or more ore of **Low Grade Bamboo Creek Ore**, and
2. **Bamboo Creek Tailings** tests on 100gm samples.

The last tests completed December 17, 2008 obtained the following results.

1. A **Bulk Vat Leach Trial** over 4 days (1.4 tonne **Low Grade Bamboo Creek Ore**) for the first time recovered silver into a concentrate which gave a calculated Vat Ore silver grade of 1.55 g/t (average of 10 assays with grades ranging from 0.344 to 5.406 g/t Ag ). In the same test gold recovered into the concentrate was very low at only 0.005 g/t Au.

2. Test results using the **Refined Elazac Extraction Method** for 3 hours on a 100 gm sample of **Bamboo Creek Tailings**:

BBC Tailings gold and silver assays by the **Refined Elazac Assay Method**:

Calculated **Gold Head Grade 1.45 g/t**

**Gold recovered** in 3 hours: **1.39g/t** (95.9% of calculated Gold Head Grade recovered in 3 hours)

Calculated **Silver Head Grade 240.64 g/t**

**Silver recovered** in 3 hours: **71.86 g/t** (29.9% of calculated Silver Head Grade recovered in 3 hours)

The above **Bamboo Creek Tailings** test results using the **Refined Elazac Extraction Method** are significant. The **Refined Elazac Extraction Method** test on **BBC Tailings** has been repeated over the last few days at Bamboo Creek. Assay results will be released in the coming weeks.

**2.2.3 Daltons Drill Sample (E45/2186, E45/2187, E45/2921, E45/2922) Test Work using Refined Elazac Assay Method:** (Daltons Joint Venture is Giralia Resources NL 75%, Haoma Mining NL 25%, except for Gold, Silver, Tin and Antimony which is 100% Haoma):

During the Quarter leaching trials were conducted on drill chip samples from the Daltons Project with additional follow up assays using the **Refined Elazac Assay Method**. The gold Tail Grade by the **Refined Elazac Assay Method** was **76.091g/t** compared to the gold Leaching Trial Tail Grade of **0.027 g/t** and the gold Calculated Head Grade after the leaching trial of 0.176 g/t. All assays were conducted by ALS Laboratories in Perth. The test work used a total of 17 drill chip samples covering 21.8 meters from 3 different drill holes. The original ALS weighted assays were: Au 0.033g/t, Ni 0.77%, As 71.09 ppm and Co 217.96 ppm.

**Table 1: Comparison of Assay Grades using Refined Elazac Assay Method compared to the Leaching Trial, Calculated Head Grade**

Sample	Gold BBC Assay g/t Au	Gold ALS Assay g/t Au	Silver ALS Assay g/t Ag	Nickel ALS Assay % Ni	Arsenic ALS Assay ppm As	Cobalt ALS Assay ppm Co
Assayed Head Grade	0.049	0.059	6.62	1.19	111.5	249.0
Leaching Trial: Recovered Grade	0.114	0.149	12.69	0.46	29.7	90.6
Leaching Trial: Tail Grade	0.093	<b>0.027</b>	1.83	0.63	78.4	154.0

<b>Leaching Trial: Calculated Head Grade</b>	0.207	0.176	14.52	1.09	108.1	244.6
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<b>Refined Elazac Assay Method: Tail Grade</b>	<b>76.091</b>
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*The information in this report relating to “Metallurgical Results” is based on information compiled by Mr Peter Cole who has had sufficient experience which is relevant to this metallurgical test work. The information was prepared during December 2008. Mr Cole consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

**2.3 Lease of Bamboo Creek Accommodation Camp and Facilities**

[Haoma’s June 2008 Quarter Activities Report to ASX](#) advised shareholders that during the second half of August 2008 construction contractors were expected to occupy Haoma’s Bamboo Creek Camp in order to commence construction works at the recently approved Moly Mines Spinifex Ridge Molybdenum Mine.

Haoma has since been advised that due to delays with the Moly Mines Spinifex Ridge Project, the awarding of the contract will not be progressing.

## 2.4 Comet Gold Mine & Tourist Centre

Work is underway to upgrade the Comet Gold Mine and Tourist Centre and restore underground mine access and tours through the former Comet Mine Processing Plant.

Work has been completed on the restoration of two of the historic Comet Mine Power Station engines (c.1930) so they can again generate power. The engines generated power in the 1930s supplying power to the Comet Mine and Marble Bar Township. A video of the restored machines operating is included on Haoma's website. [Power Station Engines Demonstration](#).

Upgrading of on site backpacker accommodation will be completed prior to the forthcoming tourist season.



Comet Mine Power Station engines, restoration of two engines is now complete



Comet Gold Mine Tourist Centre – near Marble Bar

### **3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA**

#### **3.1 Linden Project (E39/293, E39/428, M39/255, M39/649, M39/650, M39/794, M39/795, P39/2974, P39/2975, P39/2976)**

An extensive costean and sampling program has been completed at Haoma's Linden tenements (north of Kalgoorlie). Haoma is focusing on upgrading a newly discovered (green fields) molybdenum area which also contains gold, silver and copper. Earlier rock chip samples identified the area and full details of sample assays were released in Haoma's Activities Report for the Quarter ended June 30, 2008. ([Section 3.1 - Haoma June 2008 Quarter Activities Report to ASX](#)).

During the last 3 months approximately 570 samples have been submitted to ALS Laboratories in Kalgoorlie for multi-element analysis. Full results will be released before the Annual General Meeting on Thursday January 29, 2009.

#### **3.2 Cookes Hill (E45/2983 (previously E45/1562), M45/1005, M45/1031 - 1036) - Including BGC Tribute Agreement to Mine Dolerite from Haoma's Cookes Hill Quarry**

During the September Quarter, BGC Contracting Pty Ltd paid \$31,019 royalty fees to Haoma for rock mined from Haoma's Cookes Hill tenement M45/1005.

Haoma is pleased to advise that recent negotiations with BGC Contracting Pty Ltd have resulted in a variation in the existing Tribute Agreement to supply dolerite as rail ballast to companies in the area. The variation increases the royalty payment to Haoma from \$0.46c per tonne to \$0.75c per tonne plus CPI adjustment.

BGC Contracting has advised Haoma that they expect to require approximately 1.4 million tonnes of Dolerite over the next 12 months.

Each month Cookes Hill Quarry samples of excavated material mined by BGC Contracting are given to Haoma for assaying. This procedure checks that railway ballast mined by BGC Contracting does not contain any form of mineralisation. (Haoma Mining NL has retained the rights to all gold mineralisation found on M45/1005). To date all assays have returned normal low background levels of gold.

#### **3.3 North Pole (M45/649, M45/648, M45/442, M45/650, M45/651, M45/328, M45/329, M45/665, M45/302, M45/514, M45/395, E45/2532 (pending))**

During the Quarter Brookdale Contracting continued to remove screened stone from waste dumps at the Dresser Mine site. In addition, Brookdale recently contracted with Haoma to remove coarse rock from other areas in the North Pole Region. Haoma receives \$4.50 per tonne for all stone and coarse rock removed from the North Pole Region.

### **3.4 Daltons Joint Venture (E45/2186, E45/2187, E45/2921, E45/2922) – Haoma 25%, Giralia 75% (Includes 100% Haoma M45/780, M45/847, P45/2292–2298)**

Haoma holds a 25% interest at the Daltons Nickel Joint Venture with Giralia Resources NL (75% interest). The Daltons Joint Venture area is located 150 kilometres south of Port Headland in the Pilbara Region of Western Australia. Haoma has retained the right to all gold/silver and tin/tantalum mineralisation.

The Daltons JV tenements lie approximately 20 to 30 kilometres east of the BHP Billiton and FMG rail lines. Competitor activity for iron ore in the area is intense, with Atlas Iron Limited completing a Pre Feasibility Study on its Abydos deposit around 25 kilometres to the north of the Daltons JV area and FMG reporting strongly magnetic banded iron formation (“BIF”) up to 400 metres thick from the nearby FMG/Baosteel Glacier Valley magnetite joint venture.

The Daltons JV tenements host around 30 strike kilometres of Archaean age BIF mapped by the GSWA as extensions to the units that host iron ore deposits and prospects to the north.

Giralia provided Haoma with the following report of activities undertaken during the Quarter ended September 30, 2008.

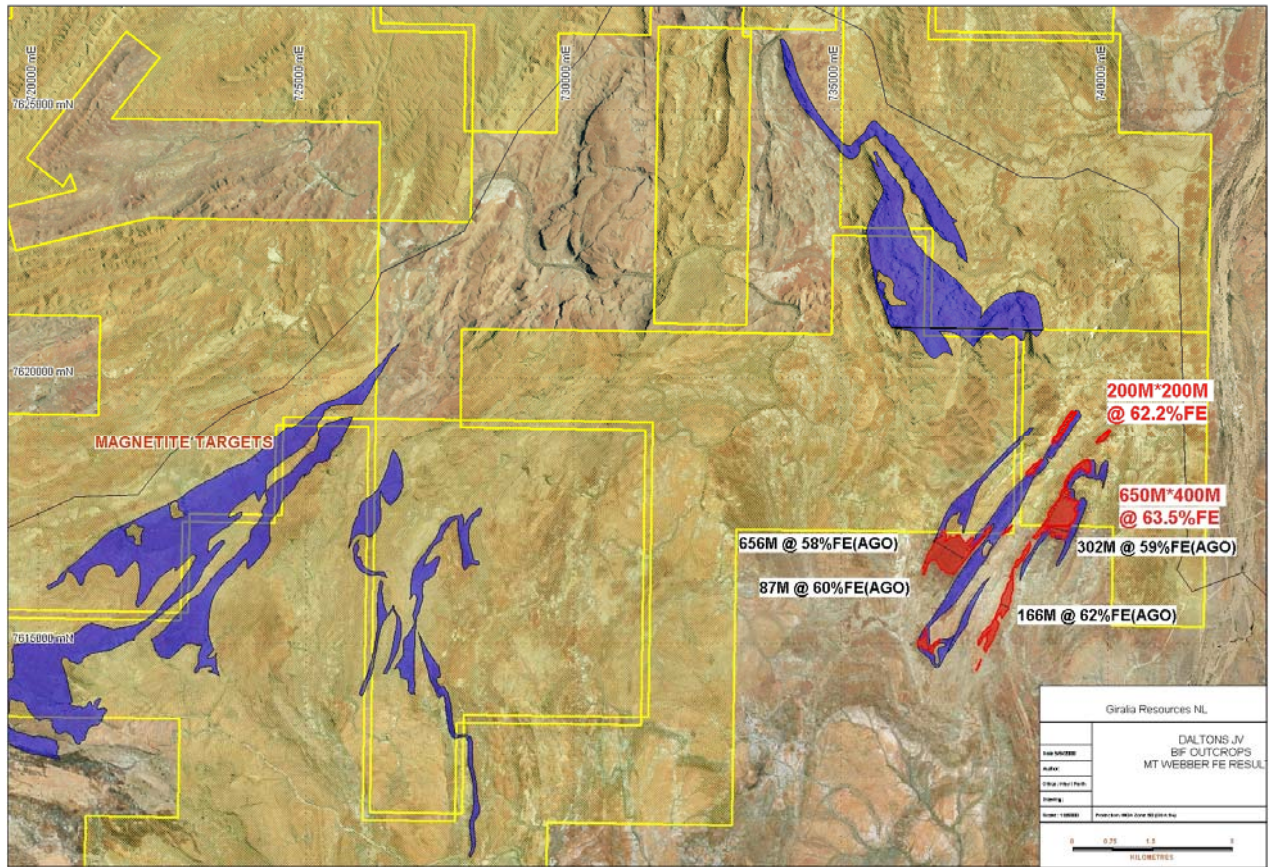
*Using helicopter support, a total of 70 rock chip samples were collected during the quarter from outcrops of BIF in the Daltons JV area, with 26 samples returning potentially direct shipping (“DSO”) grades of iron ore. Most significant is a substantial 600 metres by 450 metres zone of strong hematite enrichment in the east of the JV area where average iron grades exceed 63% Fe. The mineralisation is interpreted to occur in a fold hinge and appears relatively shallowly dipping locally. The overall thickness of the mineralisation can only be determined by drilling. Additionally, rock chip sampling of an area just to the north of the new discovery has returned a grade of 62.2% Fe from another outcrop of massive hematite extending for approximately 200 metres by 200 metres. This area is a direct extension of Atlas Iron’s Mt Webber prospect, where a rock chip traverse sample of 302 metres @ 59% Fe is reported by Atlas from immediately across the tenement boundary.*

*Further mapping and sampling of a prominent BIF/chert range in the west of the Daltons JV area outlined potential for magnetite type iron ore mineralisation, with thick zones of BIF grading 30 to 47% Fe identified in preliminary reconnaissance.*

Full results from July 2008 rock chip sampling were reported in Table 1 of [Haoma’s August 8, 2008 ASX Release](#).

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy. R M Joyce 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'. R M Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**Figure 2: Daltons JV area (yellow shaded) showing BIF units (blue) and hematite targets (red) with significant July 2008 sampling results Fe%**



#### **4. EXPLORATION ACTIVITIES IN THE RAVENSWOOD DISTRICT - QUEENSLAND**

##### **4.1 Ravenswood District Tenements**

During the Quarter, exploration activities were confined to completion of analysis of rock chip samples from EPM 14038 (Robe Range) and the identification of potential exploration targets.

Samples of previously collected localised ore bodies were sent to Haoma's processing facility at Bamboo Creek for further test work and analysis.

The Ravenswood Camp in North Queensland is operating efficiently as an accommodation facility and a commercial motel.

Yours sincerely,

**Gary C Morgan**  
CHAIRMAN

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

<b>HAOMA MINING NL</b>
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ABN

12 008 676 177
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Quarter ended ("current quarter")

30 <sup>th</sup> September, 2008
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### 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	257	257
1.2 Payments for(a)exploration and evaluation	(666)	(666)
(b) development		
(c) production	(395)	(395)
(d) administration		
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	--	--
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid	(107)	(107)
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(916)</b>	<b>(916)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:(a)prospects		
(b)equity investments		
(c) other fixed assets	(33)	(33)
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)		
<b>Net investing cash flows</b>	<b>(33)</b>	<b>(33)</b>
1.13 Total operating and investing cash flows (carried forward)	(949)	(949)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(949)	(949)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	1,039	1,039
1.17	Repayment of borrowings	(85)	(85)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	954	954
	<b>Net increase (decrease) in cash held</b>	5	5
1.20	Cash at beginning of quarter/year to date	0	0
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	5	5

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

1.25 Explanation necessary for an understanding of the transactions

**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

Nil.

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

Nil

### 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	450
4.2 Development	--
<b>Total</b>	450

### 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	0	3
5.2 Deposits at call	--	--
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
<b>Total: cash at end of quarter</b> (item 1.22)	0	3

### 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 <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>	192,993,655	192,993,655		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	--	--	--	--
7.9 Exercised during quarter	--	--		
7.10 Expired during quarter	--	--	--	--
7.11 <b>Debentures</b> <i>(totals only)</i>	N/A	N/A		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	N/A	N/A		

+ 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.



Mr. Gary C Morgan  
Chairman

31/10/08

## 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* *AASB 107: Cash Flow Statements* 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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