

# DEEP YELLOW LIMITED

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25 July 2007

## **QUARTERLY REPORT**

**FOR THE PERIOD ENDING 30 JUNE 2007**

### **HIGHLIGHTS**

#### **AUSTRALIA**

- The commencement of targeted RC percussion drilling in the Mt Isa district is a milestone in DYL's strategic plan for the region. From a logistical base in Mt Isa the Company has the resources in place to carry out both regional and detail exploration programmes on its existing tenements and to actively seek out other opportunities.

#### **NAMIBIA**

- Reptile Uranium Namibia (100% owned DYL subsidiary) now has a full complement of technical and support staff (totalling 13) operating out of Swakopmund. RC percussion drilling on both regional targets and known resources has commenced with early results confirming the nature of the Tubas resource discovered by Anglo American.

#### **CORPORATE**

- The one for twelve Entitlement Issue at 50c which closed on Friday 20 July raised a total of \$26,614,062. This will allow the Company to aggressively pursue its objectives to convert the extensive historic outlined resources in Namibia to JORC status, evaluate the advanced exploration projects in both Australia and Namibia while continuing with its project generation activities.
- As stated in the ASX announcement dated 12 June 2007 the Entitlement Issue was not underwritten and the Directors reserved the right to place any shortfall shares. No decision on whether to place any of the shortfall has yet been taken.

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## EXPLORATION ACTIVITIES

### AUSTRALIAN PROJECTS

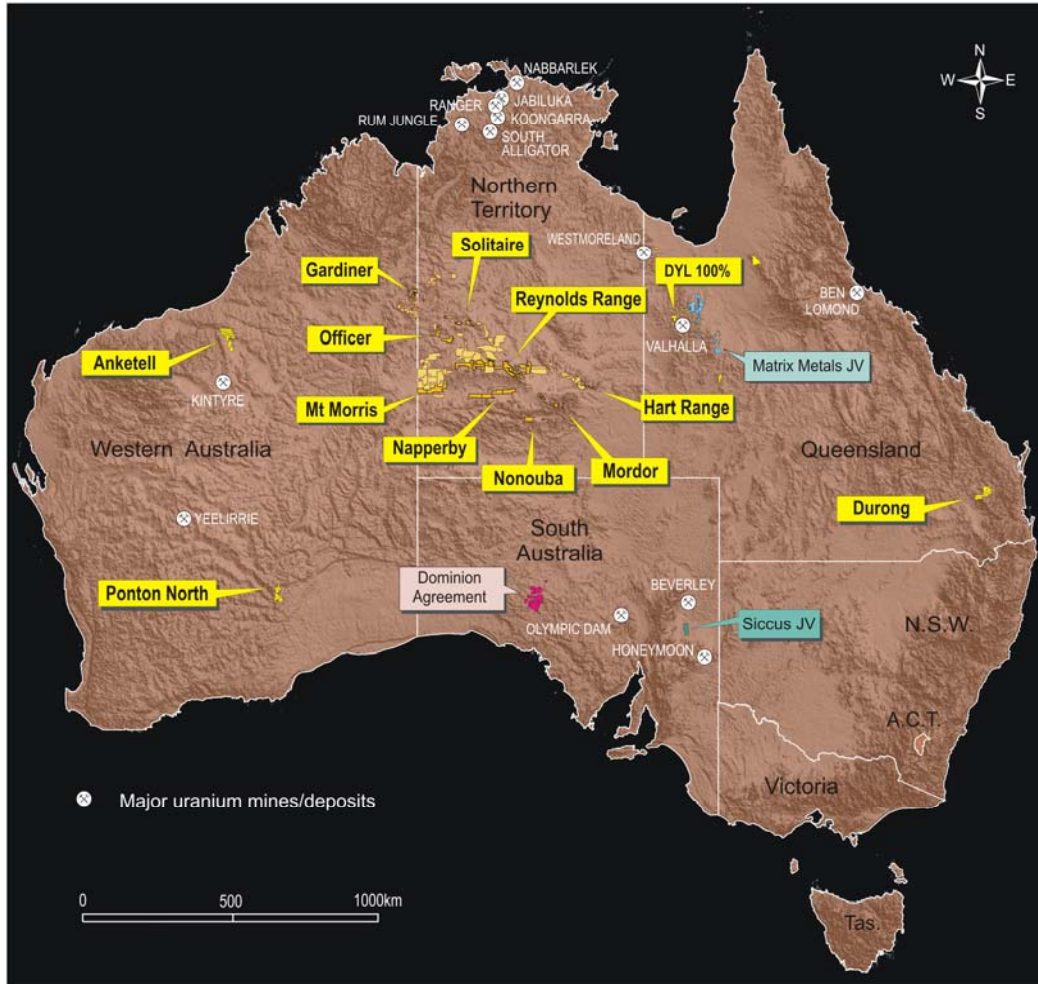


Figure 1: Australian Projects

#### NORTHERN TERRITORY

##### *Napperby Project*

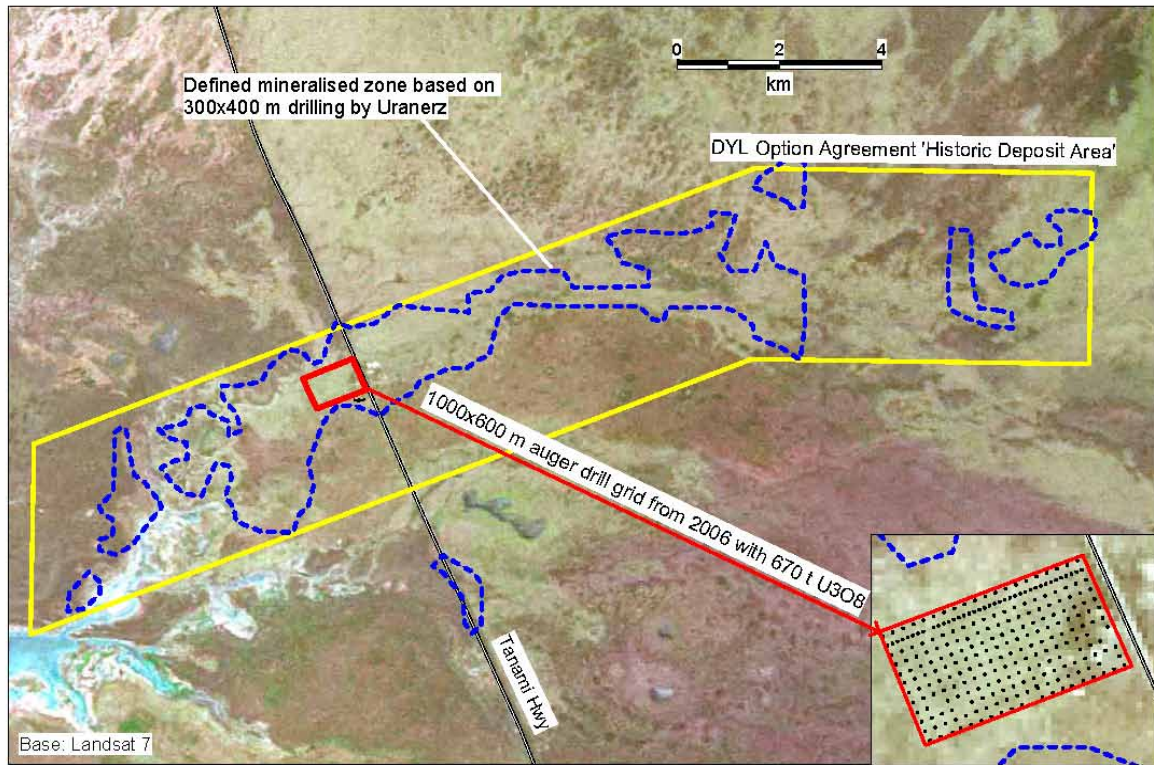
Deep Yellow Ltd (DYL) and Toro Energy Ltd (Toro) have previously announced the farm-in and acquisition by Toro of the Napperby Uranium Project and its associated tenements EL 24246 and EL 24606. The Napperby Project is located approximately 150 km northwest of Alice Springs in the Northern Territory (Figure 1).

DYL and Toro announced (ASX 20 July 2007) that all pre-conditions pursuant to the farm-in and acquisition had been completed so allowing Toro to commence exploration programmes. The key milestones were:

1. Ministerial approval and registration under Section 173 of the Northern Territory Mining Act;
2. Execution of the Novation Deed with Paladin Energy Minerals NL; and
3. Execution of the Deed of Assumption with the Central Land Council ("CLC").

## Taking the Napperby Project Forward

A key focus for Toro during the initial stages of the option period will be resource conversion drilling of the defined mineralised zone within the Historic Deposit Area as defined by previous explorers (Figure 2). Within this Historic Deposit Area, DYL defined an Inferred Mineral Resource of 1.9 million tonnes at 0.036% (360ppm)  $U_3O_8$  for 670 tonne or 1.5 million pounds of contained  $U_3O_8$  in a small portion of the defined mineralised system as depicted in Figure 2.



**Figure 2: Historic Deposit Area Containing Defined Mineralised Zone and JORC Inferred Resource Grid**

Preparations for the resource definition and further exploration work are already well advanced with drilling expected to commence in late August or early September pending Northern Territory Government approval and site clearances.

Although significant resource definition work is still required, the Boards and Management of both DYL and Toro are excited at the prospect of the Napperby project being advanced toward a potentially viable economic mine, particularly given current long term uranium prices and future industry demand projections.

### **Tanami – Arunta Project**

During the Quarter the title to three tenements previously held by Tanami Gold NL (TGNL) was transferred to DYL under the terms of the 2005 Agreement between DYL and TGNL. EL's 23636, 23923 and 23924 cover 1,290 km<sup>2</sup> and in all cases target calcrete hosted uranium mineralisation.

## Reynolds Range Project

The Reynolds Range Project comprises DYL's ELs 23923, 23924 and 23991; TGNL's EL 23888 and Select Resources' EL 23655. These granted tenements are subject to two Native Title agreements specifically for gold exploration. DYL submitted a proposal to the Central Land Council (CLC) to carry out uranium exploration on the tenements in October 2006 and presented its proposal for exploration and possible future mining on the Project tenements to the Traditional Owners at three meetings convened by the CLC in June 2007. DYL has yet to hear if its access proposal was successful.

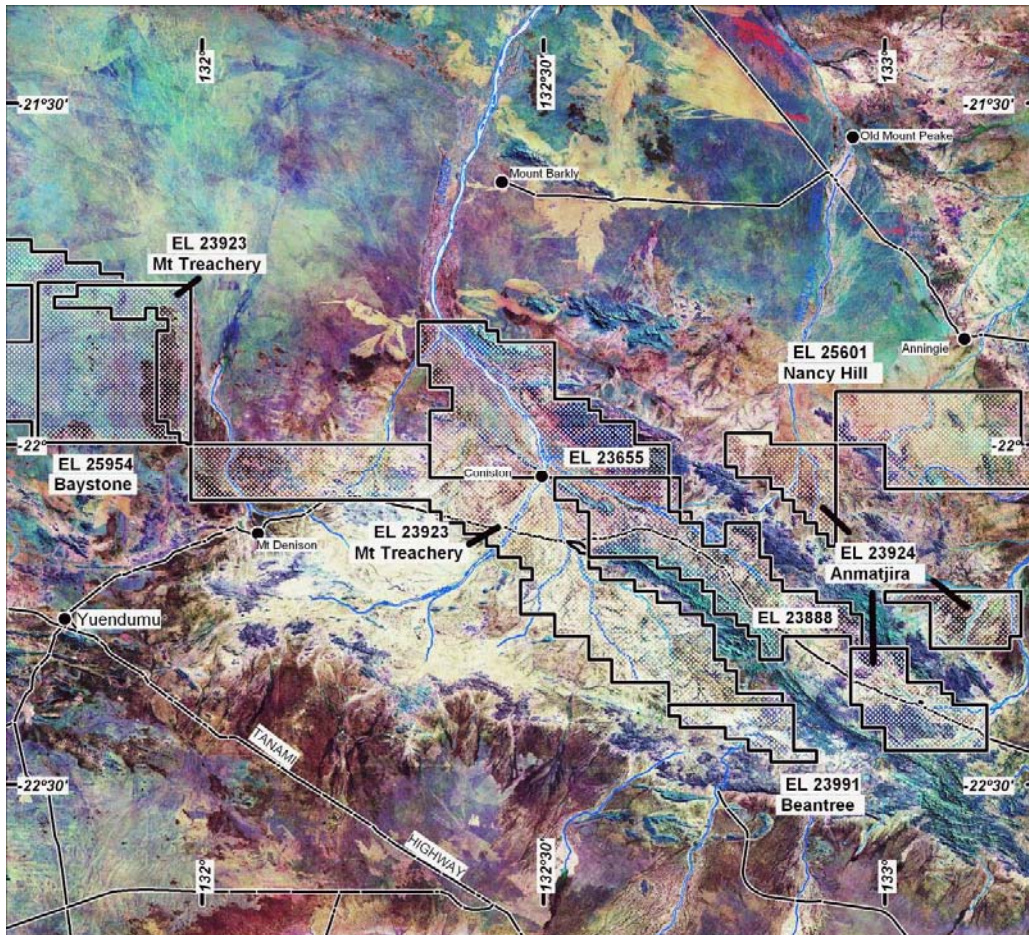


Figure 3: Reynolds Range Project

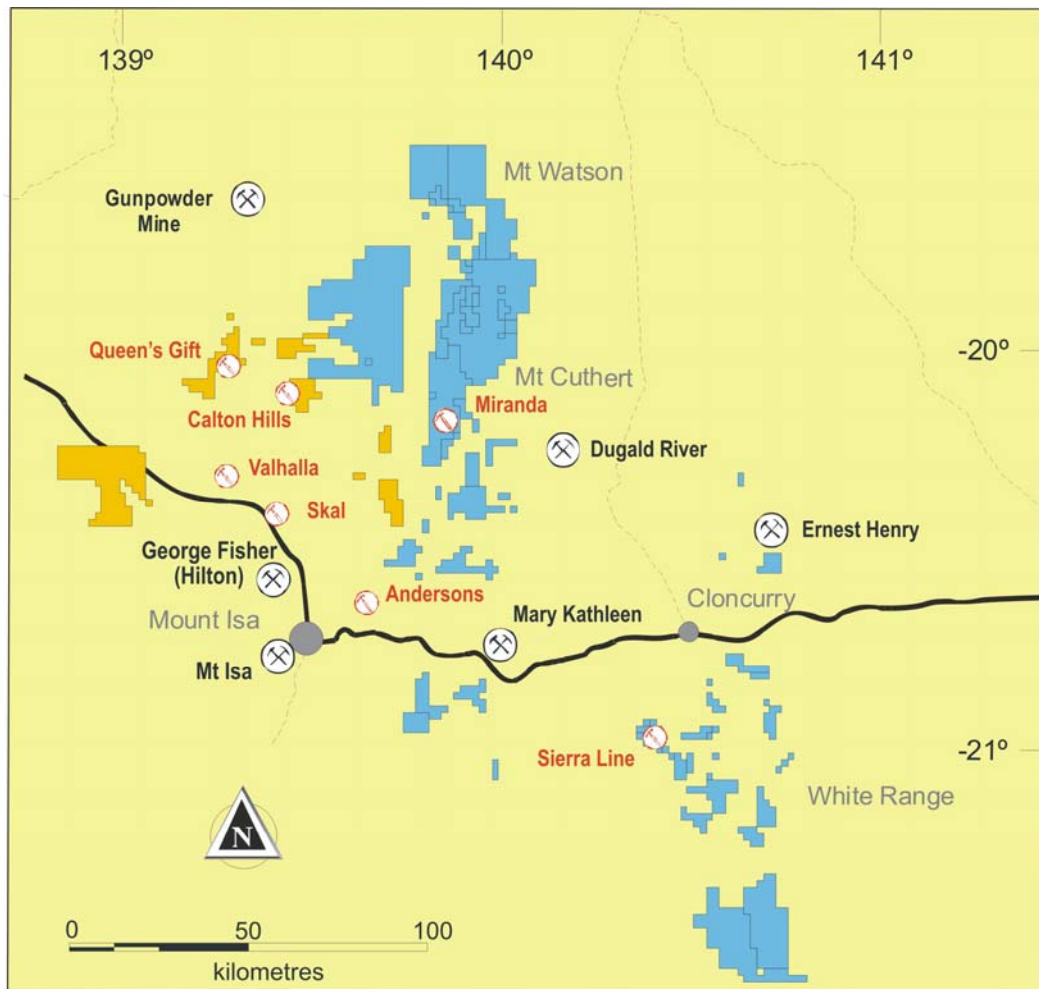
## QUEENSLAND

### Mt Isa District

The June Quarter saw a ramp up of exploration activity in the Mt Isa district with programme highlights being:

- Flying of a high resolution airborne radiometric and magnetic surveys over nine prospect areas. The 100 m line spaced data has greatly enhanced the resolution of uranium anomalies seen in the previous regional datasets.
- Native Title clearances were conducted by Kalkadoon representatives over the Miranda, Queen's Gift and Calton Hills prospects ahead of drilling.
- Geological mapping of the Queen's Gift, Calton Hills and Miranda prospects was completed in conjunction with ground radiometric surveys in order to delineate anomalous areas for detail drilling.

- Assay results were received during the period for composite surface samples taken at Queen's Gift that returned grades up to 2.86%  $U_3O_8$ .
- RC percussion drilling commenced at the Queen's Gift Project on 9 July with 16 holes for 1,003 m completed to date. This is part of an initial programme of 39 holes for 3,000 m out of a total district programme of 10,000 m. All drill holes will be logged radiometrically by downhole probe to determine anomalous zones that will be sent for assay. Until disequilibrium ratios are determined,  $eU_3O_8$  values will not be reported.



**Figure 4: Mt Isa District Tenements**

**Queens Gift Prospect (100% DYL)**

At the Queen's Gift Prospect (Figure 4) surface mapping and sampling has outlined a uranium mineralised zone up to 50 m wide over 1,300 m strike with a best surface composite rockchip sample assaying 2.86%  $U_3O_8$  (ASX 22 May 2007). Previous diamond drilling by Queensland Mines Ltd (QML) in 1969 and by Agip Nucleare Australia Pty Ltd (Agip) in 1974 was all completed above 50 m vertical depth.

Some significant intercepts include:

- QML 2 – 4.57 m at 5,840 ppm (0.584%)  $U_3O_8$  from 71.63 m
- QML 3 – 6.10 m at 830 ppm (0.083%)  $U_3O_8$  from 32.31 m
- Agip 1 – 21.0 m at 470 ppm (0.047%)  $U_3O_8$  from 41.0 m
- Agip 2 – 4.0 m at 1,020 ppm (0.102%)  $U_3O_8$  from 72.25 m
- Agip 3 – 3.0 m at 900 ppm (0.090%)  $U_3O_8$  from 61.80 m

Surface mapping of the mineralised zones undercut by the previous drilling indicates that in most cases the mineralised zones are sub-vertical so simplifying the targeted drilling programme.

Notwithstanding the above excellent drill results, field mapping in conjunction with examination of the available historical data, indicates that the previous drilling did not adequately test the observed surface radiometric highs or the mapped extent of the mineralisation.



**Figure 5: Queen's Gift Metatorbernite Uranium Mineralisation**

Details of the mapped surface geology and rockchip sampling have previously been announced (ASX 19 March and 22 May).

In summary the 16 RC percussion drill holes so far completed are successfully undercutting surface anomalous outcrops and returning downhole anomalism as anticipated. The first batch of samples was submitted to a laboratory for chemical analysis by pressed powder XRF method on 23 July.

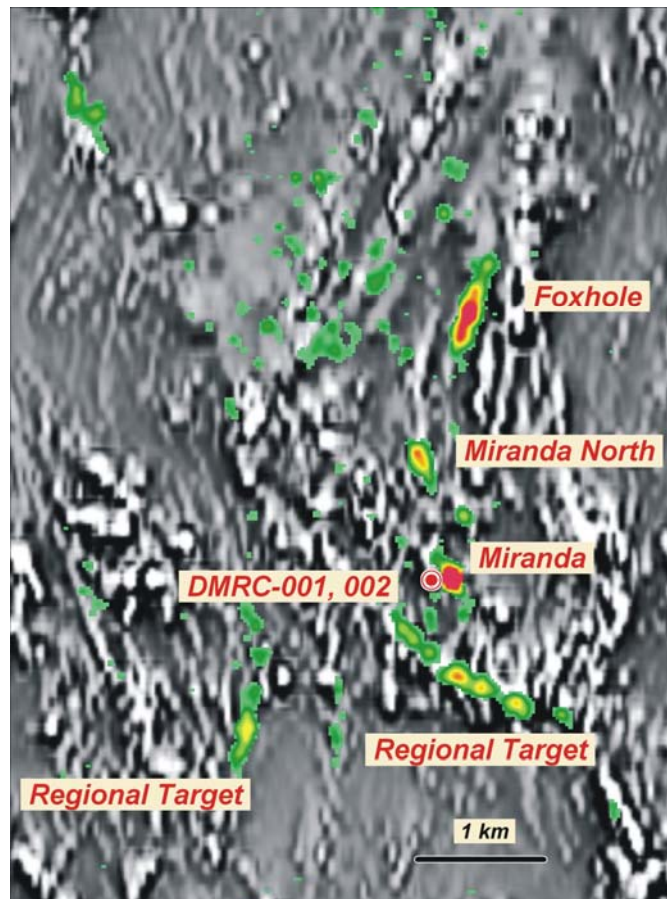
#### ***Miranda Prospect (DYL can earn 100% of the uranium rights)***

The Miranda Prospect was targeted in an initial RC drilling campaign by DYL during 2006. Unfortunately the drilling programme was terminated early due to bush fires in the prospect area.

The prospect comprises an outcrop of variably chlorite-magnetite altered, weakly pyritic granitoid, and contains inclusions of (magnetite)-(quartz)-chlorite-schist occurring either strongly foliated or as structurally deformed zones.

The drilling results outlined a **broad zone of uranium mineralisation** with a strong iron oxide association including significant intersections of **12 m at 960 ppm  $U_3O_8$**  from 9 m in hole DMRC-001 and **3 m at 730 ppm  $U_3O_8$**  from 43 m in hole DMRC-002. Previous drilling at Miranda by CRAE in 1982 returned **18 m at 810 ppm  $U_3O_8$**  from 30 m depth and surface rock chips collected by Matrix Metals Ltd 100 m NNE of the drill holes assayed up to 1.18%  $U_3O_8$ .

RC percussion drilling comprising 8 holes for 1,000 m will test the strike and depth extensions to the mineralised zone. The recently flown low-level radiometric and magnetic survey over the Miranda Prospect (Figure 6) has returned a number of outlying uranium anomalies in the area which will be 'scout drilled'. Two targets, Miranda North and Foxhole are similar magnitude uranium anomalies to Miranda. In addition an interpreted deep magnetic halo to the uranium mineralisation will also be drill tested in the light of the strong iron oxide (magnetite) and pyrite association with uranium mineralisation at Miranda and Queen's Gift.



**Figure 6: EPM 14281 – U<sup>2</sup>/ Th Ratio Image**

#### ***Detail Airborne Radiometric and Magnetic Survey***

Preliminary data has been received for a 5,470 line kilometre low-level airborne radiometric and magnetic survey flown over nine selected target areas in the Mt Isa district. The 100 m line spaced data has greatly enhanced the resolution of uranium anomalies associated basement structures seen in the previous regional datasets. Further processing and interpretation of the new data is underway with the objective of identifying targets for the scout drilling programme.

#### ***Tenement Divestment***

DYL has decided to divest the Company of direct management of several of its 100% owned tenements in Queensland in order to focus specifically on Proterozoic basement hosted uranium mineralisation on its tenements in the Mt Isa district.

The majority of the tenements have a documented exploration history including uranium exploration which outlined anomalous results worthy of follow-up. The tenement locations are shown in Figure 7.

The divestment package comprises:

- Granted EPM's 15072, 15494 and 15249 and Application 16008 in North West Queensland
- Granted EPM's 15615, 15620, 15621 and 15622 and Application 15624 in South East Queensland

Targets include shallow secondary uranium deposits associated with younger cover sequences to the Mt Isa Inlier basement rocks and uranium mineralisation in concealed Tertiary channels draining 'hot granites' in the Croydon district.

In the case of the Dulong Project in South East Queensland there is an opportunity to explore for roll front uranium mineralisation in a buried palaeochannel setting as delineated by a recently flown airborne electromagnetic survey carried out by DYL.

DYL is seeking a party to take over management of the tenements through a joint venture arrangement whereby the party can earn up to 70% interest in the tenements and DYL is free carried to a decision to mine.



Figure 7: Queensland Divestments

## SOUTH AUSTRALIA

### ***Western Gawler Project (DYL can earn 100% of the uranium rights)***

Following clearance for its planned drilling programme from the Antakirinja Matu - Yankunytjatjara Native Title Claimants in early June, DYL completed an initial pass of aircore drilling with 102 holes for 7,214 m being drilled. These holes were sited along existing lines of access or where natural access permitted. Hole spacing varied from 500 m to one kilometre, with hole depths ranging from 80 to 110 m.



Lithologies intersected included surficial channel sands; lignitic clays; basinal clays, claystones and various metamorphic basement rocks. Most holes were radiometrically logged downhole and drill cuttings scanned with a hand-held scintillometer.

All the targeted paleodrainages received some drill coverage, with the Mulgathing tributary of the Anthony Paleochannel receiving most attention. Only low order radiometric anomalism was detected. Some 35 drill samples have been submitted for uranium analysis. Follow-up drilling will be carried out where prospective lithologies were found once clearance and access is in place.

## GENERAL

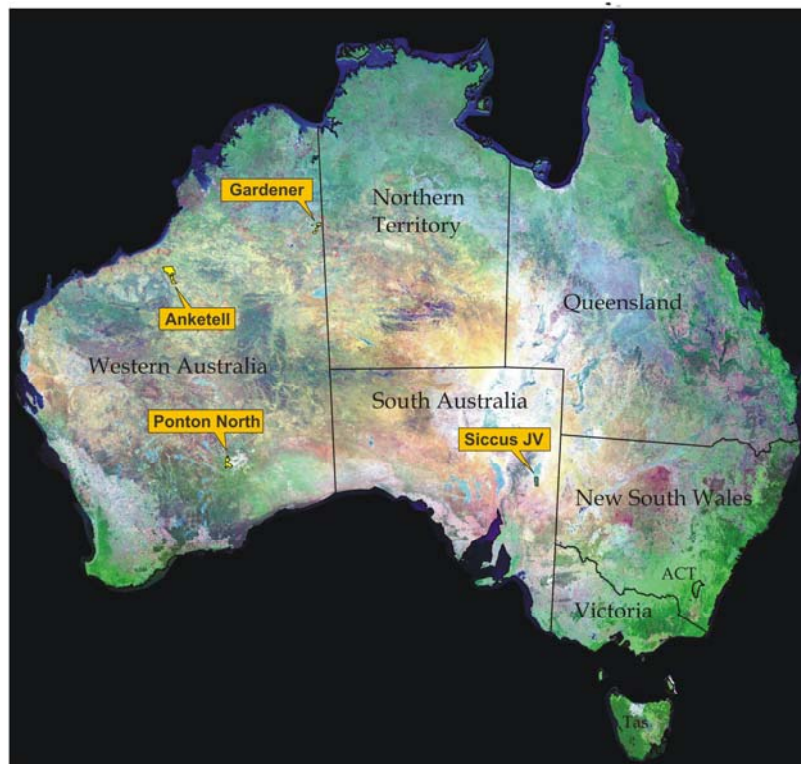
### ***BlackGrange Ltd / Uranio Agreement***

On 22 May 2007 the Boards of DYL and BlackGrange Ltd. (soon to be renamed Uranio Limited "Uranio") announced they had reached agreement on commercial terms for the acquisition by Uranio of a majority interest in four DYL uranium properties located in Western Australia and South Australia.

Essentially, the proposal provides Uranio with the opportunity to acquire 70% of each of the wholly owned DYL properties and in addition to acquire an overall 70% interest in the Siccus joint venture, 90% of which is owned by DYL (Figure 8).

While these properties are highly prospective, they were mostly acquired during DYL's formative stages prior to its present Board's decision to concentrate efforts in select exploration areas where the Company now holds large tracts of land under tenure and exploration bases have been established.

DYL has received the first \$500,000 payment in relation to this agreement and look forward to further benefiting its shareholders once Uranio has completed its IPO, listed on the ASX and commenced exploration on the tenements.



**Figure 8: BlackGrange Ltd / Uranio Agreement Tenements**

## NAMIBIA

DYL through its wholly owned Namibian registered subsidiary Reptile Uranium Namibia (Pty) LTD (RUN) is actively exploring for uranium on its four 100% owned contiguous Exclusive Prospecting Licences (EPLs) covering 2,872 square kilometre as shown in Figure 9.

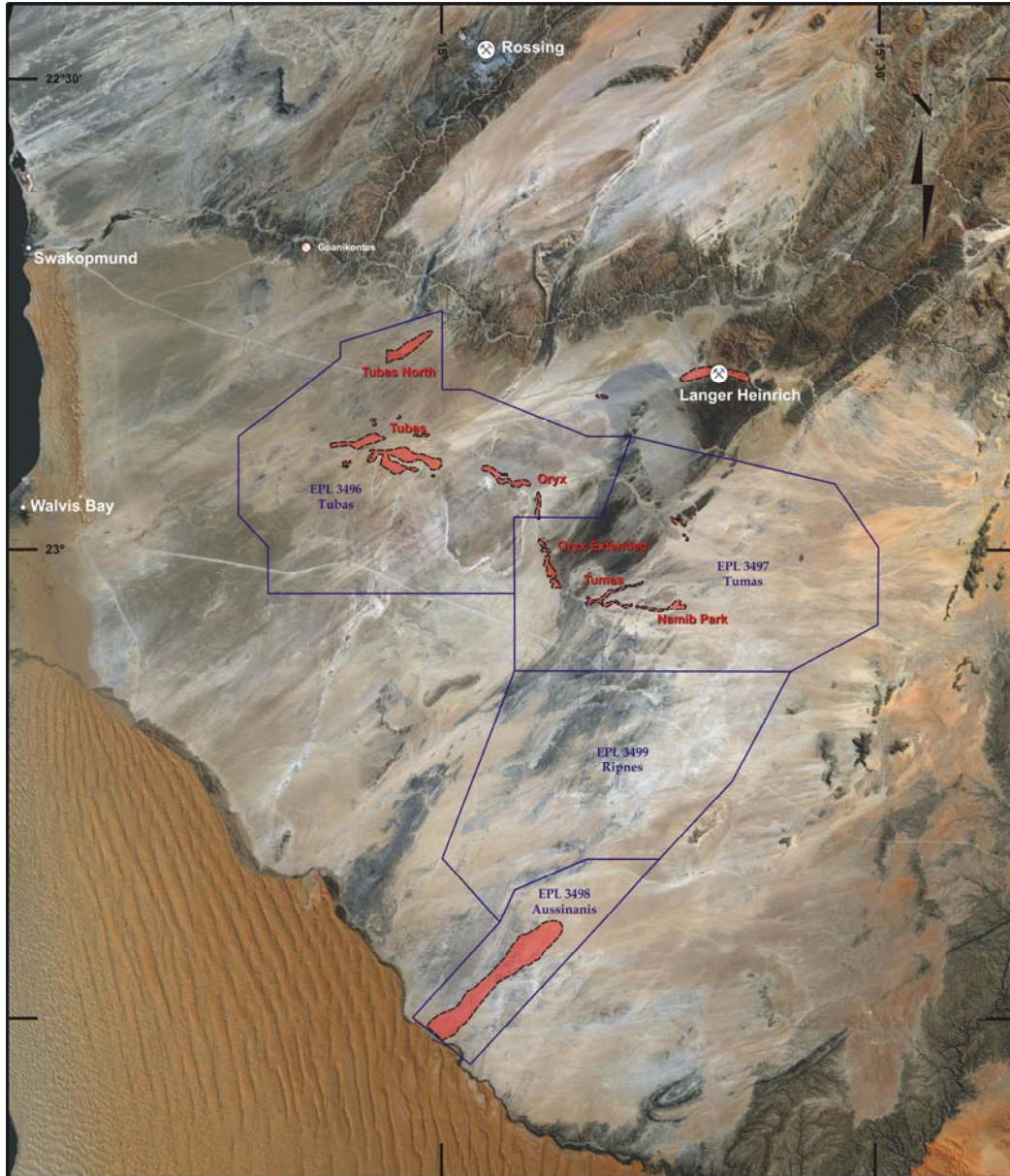


Figure 9: RUN EPLs showing surface projection of known uranium mineralisation

### General

RUN has completed its recruitment drive and has successfully employed 13 technical and support staff operating out of Swakopmund. It is pleasing that all but one of these are Namibian citizens.

RC percussion drilling on both regional targets and known resources has commenced with early results confirming the nature of the Tubas resource discovered by Anglo American.

The Company is prohibited by the ASX rules to publish historical data generated by previous explorers and will endeavour to convert these substantial previous uranium estimates to comply with JORC as soon as practically possible.

Known uranium mineralisation occurs as carnotite in pedogenic calcrete and superficial cover associated with palaeochannel development which has a depth of not more than 20 m (Figure 10).



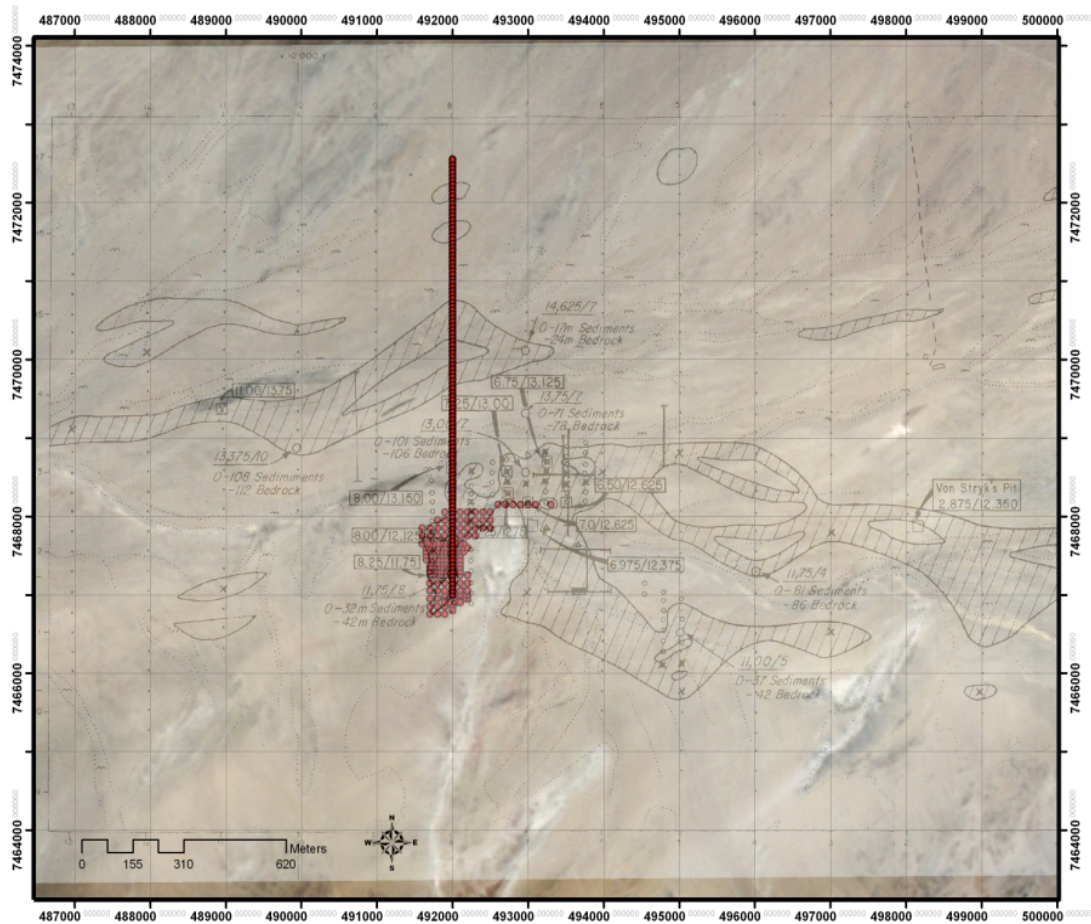
**Figure 10: Outcropping Pedogenic Carnotite Mineralisation at Tubas**

### ***Exploration Update***

Initially drilling on 50 m centres commenced along a four kilometre long N-S line as depicted in Figure 11 which has been overlaid on the old Anglo American Tubas prospect field map. This drilling (to basement) was carried out to better understand the morphology of the palaeochannel and whether in fact it had properly developed anywhere. It was found that at its deepest point it is incised to 104 m thereby enhancing the areas potential to also host Langer Heinrich style mineralisation at depth. All the historic exploration was restricted to near surface (within 15 m) secondary mineralisation mainly associated with sheetwash or overbank deposits (Figure 10). The basement profile of this drill traverse will also assist interpretation of the planned airborne electromagnetic survey data.

Upon completion of the reconnaissance drilling of these 112 holes (totalling 4,193 m) a further 154 step out holes from this line (totalling 2,186 m) were drilled to check extent of mineralisation previously intersected. The aerial extent of the mineralisation at Tubas is ~60 square kilometre and with increasing confidence of the controls on mineralisation the drill pattern is being increased from 50 m to 100 and 200 m centres.

All holes are being radiometrically logged with a calibrated probe (inside the drill rods); drill chips are isolated from other anomalous samples and checked with a hand held spectrometer; at the Company's Swakopmund laboratory anomalous samples are checked in a sealed lead discriminator box and radioactivity measured; and, finally all anomalous samples (above a nominal 100 ppm  $eU_3O_8$  cut-off) are chemically assayed by powder XRF by an external contract laboratory.



**Figure 11: Location of RUN Drilling on Historic Anglo American Tubas Project**

This routine is being carried out to build the confidence level on uranium disequilibrium prior to releasing equivalent  $U_3O_8$  values from downhole logging on an ongoing basis. All anomalous samples will routinely be checked by chemical assay.

To date only 289 assays have been received as reported to the ASX on 19 July. The powder XRF results are highly encouraging ranging to 1,790 ppm  $U_3O_8$  over a one metre interval. Where intersections and drill holes coincide and duplicate percussion drilling of Anglo American carried out in the 1970s and early 1980s the RUN assays closely replicate or exceed the historical published information thereby lending early confidence in the historic data.

Although the chemical data is restricted (statistically) at this point a scatter diagram to compare uranium content as determined by Anglo vs RUN for the closest neighbouring holes and intersections with all outliers removed indicate a variance of 1.444 ( $R^2$  of 0.6539), which means that RUN's uranium assay results are almost 50% higher. This is typical of what can be expected from 1970 and 1980's drilling where open hole percussion drilling and sampling techniques often resulted in surface coating carnotite mineralisation being liberated and blown out with the dust fraction, i.e. not collected and thereby reducing the contained uranium assay values. As more data is acquired this statistical model will be better understood and proven.

Additional drill rigs are being sought and additional personnel sourced to speed up the conversion of the historical estimates to JORC compliant resources.

### **Airborne Radiometric and Magnetic Survey**

A 16,800 line kilometre low-level radiometric and magnetic survey is currently being completed over the entire tenement area. The data from the survey flown on 200 m spaced lines at a nominal height of 80 m will be merged with similar recent Government acquired data to produce a 100 m line spaced dataset over the entire project area.

The aim of this survey is to map in greater detail any near surface radiometric anomalies and the magnetics will be used to map potential uraniumiferous granitic host rocks beneath the desert sand cover similar to the alaskites that host the Rössing uranium mine 50 km to the north.



**Figure 12: RC Percussion Drilling – Tubas Prospect**

**CORPORATE**

The DYL Board has resolved to review its portfolio of exploration projects and to consider divestment of 'non-core' assets.

The Board's rationale for the sale of these projects is to allow DYL to focus on its advanced exploration projects in Namibia, the Mt. Isa district and other priority regional targets close to already established DYL bases and personnel throughout Australia. In addition DYL will endeavour to realise an immediate return in cash terms from the projects and deploy this cash to priority projects. Last but not least there is the opportunity to further benefit DYL's shareholders through the retention of a significant direct stake in each project and a retained equity interest with the purchaser.

### ***Deep Yellow Ltd and Uranio Ltd Establish a Joint Venture on Four Uranium Properties in Western Australia and South Australia***

During the quarter, the Boards of DYL and BlackGrange Ltd (soon to be renamed Uranio Limited "Uranio") announced they had reached agreement on commercial terms for the acquisition by Uranio of a majority interest in four DYL uranium properties located in Western Australia and South Australia.

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A formal agreement has been executed, finalisation of the transaction is subject to the proposed admission of Uranio Limited to the official list of the ASX no later than 23<sup>rd</sup> November 2007.

DYL will have no representation on the Board of Uranio, nor is it involved in the application by Uranio for admission to the ASX. DYL

### ***Napperby (Farm-in and acquisition by Toro Energy Ltd)***

Having previously announced the farm-in and acquisition by Toro of the Napperby Uranium Project and its associated tenements EL24246 and EL24606 under the Napperby Option Agreement (the "Agreement").

The Boards of DYL and Toro were pleased to announce during the quarter that all pre-conditions pursuant to the Agreement taking effect have been completed.

Following completion of these conditions Deep Yellow was issued 3,066,667 Toro shares (approximately 2% of Toro's issued capital) as consideration for the option. The shares were issued at a deemed issue price of \$0.75 each based on a 30 day volume weighted average on the 12<sup>th</sup> February 2007 before the Agreement was publicly announced.

### ***Deep Yellow Ltd / Dominion Mining Ltd – Western Gawler Project***

DYL during the quarter, resolved to issue 21,931,651 fully paid ordinary shares to Dominion Mining Ltd (DOM) in order to acquire a 51% interest in the uranium rights to the Western Gawler Tenements subject to the Western Gawler Uranium Exploration and Development Project (the Project) Heads of Agreement between DYL and DOM (ASX 22 February, 2006).

### ***Non-Renounceable Entitlement Issue***

During the quarter, DYL announced a 1:12 non-renounceable entitlement issue at 50c per share, to raise up to approximately A\$42 million.

The issue was not underwritten and Directors reserved the right to place any shortfall.

On 25 July 2007 DYL announced that the entitlement issue had closed with 63% of the eligible entitlement taken up.

Total acceptances received were for 53,168,025 ordinary shares raising \$26,584,012.00.

A decision on whether or not to place the shortfall of 31,734,049 shares has yet to be made.



**Dr Leon Pretorius  
Executive Chairman  
Deep Yellow Limited**

**Further Information: Martin Kavanagh  
Executive Director  
(08) 9286 6999**

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

# 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

**DEEP YELLOW LIMITED**

ABN

Quarter ended ("current quarter")

**97 006 391 948**

**30 JUNE 2007**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration and evaluation	(1,235)	(3,225)
(b) development	-	-
(c) production	-	-
(d) administration	(348)	(1,190)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	445	1,148
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Option fee income on project sale agreements and other income	500	503
<b>Net Operating Cash Flows</b>	<b>(638)</b>	<b>(2,764)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) tenements	-	(2,928)
(b) equity investments	-	-
(c) other fixed assets	(1,001)	(1,738)
(d) environmental and other bonds	(158)	(178)
1.9 Proceeds from sale of:		
(a) tenements	-	-
(b) equity investments	871	871
(c) other fixed assets	-	-
(d) environmental and other bonds	-	177
1.10 Loans to other entities	-	-
1.11 Loans repaid from other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(288)</b>	<b>(3,796)</b>
1.13 Total operating and investing cash flows (carried forward)	(926)	(6,560)

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1.13	Total operating and investing cash flows (brought forward)	(926)	(6,560)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,247	16,778
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	-	-
	<b>Net financing cash flows</b>	<b>1,247</b>	<b>16,778</b>
	<b>Net increase (decrease) in cash held</b>	<b>321</b>	<b>10,218</b>
1.20	Cash at beginning of quarter/year to date	24,108	14,211
1.21	Exchange rate adjustments to item 1.20	(278)	(278)
1.22	<b>Cash at end of quarter</b>	<b>24,151</b>	<b>24,151</b>

**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	143
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Directors remuneration and consultancy 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  
\$12,720,358 issued share capital comprising 21,931,651 ordinary shares issued in respect of the acquisition of a 51% interest in the Western Gawler Project from Dominion Mining Limited.

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

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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	N/A	
3.2 Credit standby arrangements	N/A	

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,500
4.2 Development	-
<b>Total</b>	<b>2,500</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	24,151	24,108
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>24,151</b>	<b>24,108</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	EL9890		100%	0%
6.2 Interests in mining tenements acquired or increased	EL23636	Granted	0%	100%
	EL23923	Granted	0%	100%
	EL23924	Granted	0%	100%

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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>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3 <b>+Ordinary securities</b>	1,023,824,884	1,023,824,884		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	26,931,651 NIL	26,931,651		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	NIL			
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>Unlisted options</i>		<i>Exercise Price</i>	<i>Expiry Date</i>
	12,500,000	-	8.1 cents	31/7/2008
	3,000,000	-	21.1 cents	31/12/2008
	2,000,000	-	31.1 cents	31/12/2008
	16,000,000	-	55.1 cents	30/11/2009
	3,500,000	-	44.6 cents	31/12/2009
	3,500,000	-	59.6 cents	31/12/2010
	1,500,000	-	64.6 cents	30/06/2010
	1,500,000	-	74.6 cents	30/06/2011
7.8 Issued during quarter	1,500,000	-	64.6 cents	30/06/2010
	1,500,000	-	74.6 cents	30/06/2011
7.9 Exercised during quarter	3,000,000	-	21.1 cents	31/12/2008
	2,000,000	-	31.1 cents	31/12/2008
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	NIL			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	NIL			

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**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: 25 July 2007  
(Company secretary)

Print name: MARK PITTS  
.....

**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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