



# Territory Resources Limited

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Ref: September 07 Qtrly Report ASX

15 pages

30 October 2007

ASX Limited  
Company Announcements  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **September 2007 Quarterly Activities and Cash Flow Report**

Please find enclosed the September 2007 Quarterly Report for Territory Resources with the section 5b report appended.

Yours sincerely

Michael Kiernan  
Executive Chairman



**An Australian Resources Group**

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A.B.N. 53 100 552 118



## Activities Report – September Quarter 2007

The Quarter ending September 30 2007 included some significant milestones for Territory Resources (ASX:TTY) and its shareholders.

### Highlights

- Commenced railing of iron ore at the Frances Creek Project
- First lump shipment to China from our Darwin stockpiling facilities
- Increased tenements holding on Millers deposit
- 3.0Mt/yr crushing plant commissioned
- Mining exceeding schedule expectations
- Commissioning of the port conveyor and product stacking facility
- Drilling success at Frances Creek
- Sailing of the first shipment of 67,500 tonnes of high grade iron ore to China

### Iron ore railed and shipped

Towards the end of the quarter, Territory reached the major milestone of its first shipment, with 67.500 tonnes of high grade iron ore loaded and shipped to China from the Darwin port. This was preceded by the successful railing of ore from Frances Creek, and the stockpiling of the ore at the new Darwin port facilities during the quarter. The first shipment consisted of 67.500 tonnes of iron ore. Territory had previously announced it had agreed a price of US\$75 per tonne FOB Darwin (basis 61.5% Fe) for the first shipment.

During the quarter, mining activity at Frances Creek progressed ahead of scheduled capacity. Mining has continued on four of the scheduled ore bodies at Helene 6/7, Thelma Rosemary, Helene 2 and Helene 3. Territory has developed five pits at Frances Creek in preparation for elevated wet season mining.

The crushing and screening plant was also constructed and commissioned during the quarter. The plant has a nameplate capacity of three million tonnes per annum in preparation for the scheduled ramp up above 1.5 million tonnes per annum. At Darwin Port, the conveyor facilities to handle the ore unloading from train to stockpile have been commissioned. The Darwin Port Corporation has completed a bulk loader which is capable of loading Panamax sized vessels (70,000 tonnes). It is expected that ramp up to 1.5 million tonnes per year will be achieved by early 2008 as rail wagons are constructed over the December quarter 2007. Further ramp up opportunities towards three million tonnes per annum are presently being reviewed and assessed.





The mine is operating at full employment with approximately 100 personnel now employed by TTY and various companies contracting at Frances Creek. During the quarter, Territory also announced the appointment of experienced mining operations manager Allan Quadrio to the position of Managing Director. Mr Quadrio's appointment followed the stepping down of Doug Stewart, who announced his resignation from Territory in April 2007.

## EXPLORATION

### Frances Creek

A total of 16,334m in 273 RC holes targeting iron ore mineralisation was drilled within the Frances Creek and Mt Bunday project areas during the quarter.

At Frances Creek, exploration continued to focus on iron ore targets within both the Frances Creek mine site and the northern tenement areas. At the mine site, drilling was completed adjacent to scheduled mine pit Helenes 2/3. Resource definition drilling continued at Jasmine Central, Thelma 1, Helene 9, Helene 11 and the Fines Stockpile area, while scout drilling was undertaken at Jasmine West, Elizabeth Marion, and Rosemary Extended, and within the northern tenements at Ochre Hill East, Saddles 1, West and Extended and at Millers prospects.

See Figure 1 for Frances Creek prospect locations. Drill assay results are reported herein.

At Mt Bunday, 19 holes for 760m were drilled on aeromagnetic anomalies, and a soil geochemical survey and a radiometric survey were completed.

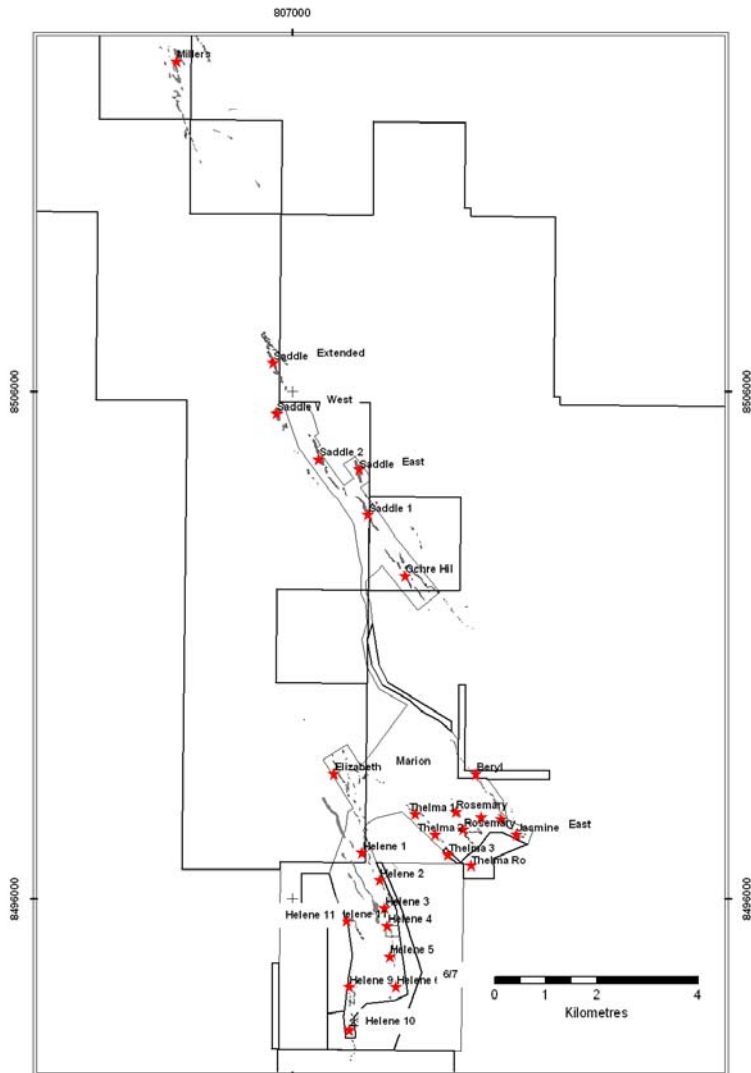


Figure 1 Frances Creek Prospect Locations





## FRANCES CREEK MINESITE AREA

### Jasmine Central

Further excellent assay results were achieved from the 14 holes for 1359m drilled beneath the Jasmine Central abandoned pit floor. They confirm drill logging results reported last quarter and support significant iron mineralisation developed over about a 200m strike extent beneath and to a vertical depth of about 50m below the pit floor. Best results are shown in Table 1. True widths are approximately half the tabled drill intercepts.

**Table 1 - Jasmine Central - Best Results: >3m thickness at 55% Fe cut-off**

Hole_Id	From	To	Interval	% Fe	% P	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	% LOI
JERC049	52	58	6	67.3	0.05	0.5	2.2	0.4
JERC051	29	73	44	63.6	0.13	1.8	4.7	1.1
JERC051	77	83	6	57.1	0.16	1.6	14.6	1.2
JERC052	51	78	27	63.4	0.15	2.3	4.2	1.3
JERC056	30	42	12	63.7	0.08	1.0	6.4	0.8
JERC065	46	60	14	64.8	0.08	1.2	5.0	0.8
JERC066	21	25	4	60.8	0.06	1.7	10.7	0.7
JERC066	42	58	16	60.2	0.14	0.8	12.3	1.0
JERC066	80	112	32	63.1	0.08	2.4	6.4	0.9
JERC070	55	75	20	63.8	0.19	2.4	4.0	1.3

Drilling has now been completed on a 30m-drill line spacing across the deposit. A further additional 900m of drilling is planned early next quarter to provide scissor intercepts at depth and to resolve the structural geometry of the deposit. A resource estimate will be available next quarter once this work and modelling are completed.

### Helenes 1, 2/3 and 9

Sufficient work has now been undertaken at Helene 1 to indicate that it is characterised by only modest thickness of ore quality mineralisation. Work on this prospect will be discontinued for the time being. At Helene 2/3, 12 additional holes were drilled to convert the Inferred Resource to Indicated Resource tonnage lying within the planned pit shell. Results indicate high grade tonnage is present (refer to Table 2) and the pit will be re-optimised to include this additional tonnage as Reserves in the mine production. At Helene 9, intercepts of +60% Fe were achieved in a number of holes with a best result of 9m from 20m depth at 62% Fe achieved in hole FCRC401. Further step-out drilling is planned at Helene 9 next quarter. Best results are presented in Table 2.





**Table 2 - Helenes 1, 2 & 9 - Best Results: >1m thickness at 55% Fe cut-off**

Prospect	Hole_Id	From	To	Interval	% Fe	% P	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	% LOI
HEL1	FCRC379	10	14	4	60.6	0.07	3.4	6.2	1.5
HEL2/3	FCRC376	71	76	5	63.7	0.08	1.8	3.5	1.0
HEL2/3	FCRC377	48	54	6	66.3	0.06	1.3	2.6	0.6
HEL2/3	FCRC410	42	50	8	66.3	0.11	0.9	3.0	0.7
HEL2/3	FCRC411	58	66	8	66.4	0.1	1.1	2.7	0.7
HEL9	FCRC370	14	18	4	60.9	0.09	2.2	4.9	2.8
HEL9	FCRC401	20	29	9	62.1	0.08	2.2	4.9	1.8
HEL9	FCRC402	31	35	4	61.1	0.1	1.3	2.6	4.8
HEL9	FCRC408	24	31	7	59.6	0.16	2.0	4.5	4.5

## Helene 11

Outstanding results were returned from drilling at Helene 11 with a number of +25m intercepts achieved from the 1,610m drilled, see Table 3. Best results were 40m at 62% Fe from 39m depth in FARC075 and 39m at 62.3% Fe from 39m depth in FARC074. Helene 11 mineralisation has been drill defined over about a 100m strike extent and remains open to the north. Structure is complex with results to date indicating mineralisation is concentrated on the apical area and upper limbs of a south plunging anticline. Drilling is continuing with a resource estimate anticipated by the end of next quarter.

**Table 3 - Helenes 11 - Best Results: >3m thickness at 55% Fe cut-off**

Hole_Id	From	To	Interval	% Fe	% P	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	% LOI
FARC057	7	15	8	62.0	0.03	2.3	7.0	0.8
FARC057	48	57	9	58.6	0.19	3.6	6.3	2.0
FARC058	7	11	4	61.7	0.02	2.7	6.7	1.0
FARC059	0	6	6	61.4	0.07	2.7	5.1	1.7
FARC059	9	16	7	60.2	0.08	3.5	5.7	1.7
FARC059	20	37	17	62.6	0.16	2.0	4.2	0.8
FARC060	10	38	28	60.4	0.13	2.6	5.2	0.4
FARC062	28	30	2	58.7	0.03	5.2	8.1	1.3
FARC063	23	39	16	60.4	0.12	3.5	6.3	1.3
FARC063	46	62	16	60.5	0.23	3.0	4.8	1.4
FARC066	11	40	29	59.0	0.11	4.6	8.2	1.2
FARC069	35	42	7	56.4	0.05	6.2	9.3	1.8
FARC070	31	39	8	66.6	0.03	1.3	2.0	0.6
FARC071	27	32	5	59.8	0.03	4.0	8.2	1.2
FARC072	37	71	34	64.1	0.12	1.1	2.8	1.8
FARC073	35	42	7	60.9	0.11	2.3	4.7	1.6
FARC073	45	73	28	58.2	0.24	2.2	3.8	3.3
FARC074	39	78	39	62.3	0.15	2.0	3.9	1.4
FARC075	39	79	40	62.0	0.16	2.0	3.8	1.7

## Thelma 1

Drilling at Thelma has defined high grade iron mineralisation in two parallel horizons developed over about a 220m NW strike extent. Best results are shown in Table 4.





The mineralisation occurs at surface and dips about 60 degrees west. In the SE part of the deposit it extends to the limits of drilling of about 65m vertical depth and in the NW it extends to about 20m vertical depth.

Mineralisation is best developed in the SE part of the deposit where it occurs as a single horizon of about 6-7m true width. Towards the central part of the deposit two horizons are present; each are about 4-5m wide and are developed over about a 80m extent. The horizons are separated by about 10m of barren rock.

Assessment of this prospect is continuing.

**Table 4 - Thelma1- Best Results: >3m thickness at 55% Fe cut-off**

Hole_Id	From	To	Interval	% Fe	% P	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	% LOI
TRRC118	0	5	5	64.1	0.06	1.9	3.4	1.6
TRRC119	50	57	7	65.4	0.1	1.1	3.0	1.1
TRRC120	34	42	8	63.5	0.09	2.3	4.2	1.3
TRRC120	53	58	5	63.3	0.11	2.7	3.9	1.0
TRRC121	12	17	5	60.9	0.11	3.4	6.2	1.8
TRRC121	21	27	6	64.2	0.09	1.8	3.6	1.7
TRRC121	38	45	7	64.0	0.09	2.0	4.3	1.1
TRRC122	19	25	6	60.6	0.13	3.5	6.1	1.9
TRRC123	32	36	4	62.3	0.12	2.8	4.9	1.6
TRRC123	46	53	7	62.8	0.11	2.6	4.5	1.1
TRRC124	15	21	6	63.3	0.1	2.4	4.0	1.4
TRRC127	5	10	5	64.2	0.09	1.9	3.1	1.5
TRRC127	24	31	7	62.7	0.15	2.3	4.5	1.7
TRRC133	45	51	6	59.9	0.13	4.5	6.2	1.5
TRRC134	35	39	4	61.7	0.16	3.6	4.8	1.5
TRRC169	32	40	8	64.3	0.11	2.4	3.1	1.3
TRRC170	71	77	6	61.6	0.16	3.4	4.8	2.0

### Fines Stockpile Resource

Aircore drill testing of an iron ore fines area located adjacent to the crusher/screening plant area at Frances Creek mine site has defined an Indicated Resource of 354,000 tonnes at 53.7% Fe grade, using a 50% Fe cut-off and a bulk density of 2.2 t/m<sup>3</sup>, refer to Table 5.

The Fines material of mainly minus 4mm sizing was generated from past iron ore mining and processing during the 1965-1974 period. Bulk samples of this material were collected for metallurgical test work from some 130 aircore holes drilled on 20-40m drill line by 10-20m drill hole spacings.

**Table 5 – Indicated Mineral Resource Estimate 50% Fe cut-off**

% Fe cut-off	Volume	Density	Kilotonnes	% Fe	% P	%Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>
50	161,125	2.2	354.5	53.65	0.08	6.17	12.97





Testwork comprising conventional wet screening and gravity separation has indicated that a product of 213,000 tonnes at 60% Fe grade, classified as Probable Ore Reserves, can be produced from the Resource material, refer to Table 6.

**Table 6 – Probable Ore Reserve at a 50% iron cut-off**

% Fe cut-off	Volume	Density	Kilotonnes	% Fe	% P	%AlO <sub>3</sub>	% SiO <sub>2</sub>
50	96,675	2.2	212.7	60.00	0.08	3.40	8.00

## NORTHERN TENEMENT AREA

### Millers

RC drilling during the period focused on converting the Inferred Resource of 1.03 million tonnes at average 58.5% Fe+Mn grade to JORC compliant Indicated Resource tonnage, as well as increasing the resource base at Millers. The Millers deposit is characterised by manganiferous iron mineralisation developed over about a 600m NNW-SSE strike extent.

Drilling comprising 2,930m in 43 holes was sited in the northern half of the deposit to infill to a 20m hole by 40m drill line configuration. Best results at 50% Fe cut-off are given in Table 7.

**Table 7 Millers - Best Results: >3m thickness at 50% Fe cut-off**

Hole_Id	From	To	Interval	% Fe	% P	% Mn	% LOI
MLRC071	44	48	4	56.48	0.09	4.33	7.24
MLRC072	22	28	6	52.99	0.09	3.17	7.04
MLRC073	7	19	12	53.63	0.07	6.52	6.35
MLRC074	32	38	6	53.76	0.09	8.65	6.3
MLRC074	39	56	17	53.27	0.18	6.47	9.32
MLRC075	2	44	42	52.42	0.12	7.08	8.08
MLRC077	33	37	4	54.86	0.11	2.12	8.87
MLRC084	61	66	5	51.74	0.23	5.56	11.38
MLRC084	73	78	5	51.44	0.18	4.44	11.14
MLRC087	21	46	25	54.15	0.11	5.34	8.05
MLRC088	24	40	16	54.5	0.13	2.99	8.6
MLRC090	54	63	9	51.72	0.13	4.07	12.15
MLRC091	0	4	4	55.38	0.11	0.59	9.09
MLRC091	8	15	7	53.35	0.12	1.63	8.23
MLRC091	19	24	5	54.92	0.16	0.31	10.92
MLRC092	33	43	10	54.83	0.18	1.24	10.37
MLRC092	46	56	10	51.61	0.13	5.24	11.17
MLRC094	20	30	10	53.62	0.11	1.32	11.03
MLRC094	38	45	7	53.27	0.11	2.25	11.36
MLRC096	38	52	14	53.28	0.11	6.05	7.05
MLRC099	31	37	6	53.23	0.09	1.53	11.11
MLRC099	40	51	11	47.28	0.11	2.55	11.04





Infill drilling is continuing and will be completed next quarter. A preliminary review of assay results to date indicate the mineralisation is more or less continuous over its 600m strike extent and forms a steeply west dipping body adjacent to iron outcrop in the southern part, but is sub horizontal elsewhere. Mineralisation remains open to the north. Detailed modelling and resource estimation will commence once full assay results are available for Millers. The Company has complied with its obligations under the joint venture agreement with Softwood Plantations Pty Ltd and has exercised its right to acquire a further 24% interest in area over the Millers deposit and has applied for a mineral lease over this area. Territory Resources' equity in this mineral lease area is now 75% and Softwood Plantations' is 25%.

## Saddles Prospects

Scout drilling comprising solitary holes and widely spaced fence lines of drill holes was carried out over ironstone outcrops in the Saddles West, Saddles 1 and Saddles Extended prospect areas. These areas are located approximately 8km north of Frances Creek mine site. Results returned for the Saddles Extended and Saddles 1 were typically 4-7m widths of medium to high Fe grades, albeit with associated high P values, refer to Table 8. Results are sufficiently encouraging to infill drilling focusing on these better 'hits'.

**Table 8 Saddles prospects - Best Results: >3m thickness at 55% Fe cut-off**

Prospect	Hole_Id	From	To	Interval	% Fe	% P	% Al <sub>2</sub> O <sub>3</sub>	% SiO <sub>2</sub>	% LOI
SAD_EXT	SERC010	19	23	4	61.0	0.37	1.4	5.1	5.2
SAD_EXT	SERC012	9	13	4	65.5	0.13	1.4	3.3	1.0
SAD_EXT	SERC014	1	6	5	60.4	0.35	2.2	4.3	5.5
SAD_EXT	SERC019	30	36	6	58.5	0.79	0.8	2.3	10.7
SAD_EXT	SERC020	26	31	5	59.3	0.32	0.9	3.2	9.2
SAD_EXT	SERC023	13	17	4	58.7	0.3	0.9	2.5	8.5
SAD_EXT	SERC023	23	38	15	59.0	0.35	0.7	2.6	10.1
SAD_EXT	SERC024	14	20	6	60.1	0.35	0.7	2.4	7.9
SAD_EXT	SERC024	23	34	11	56.8	0.43	1.3	5.6	10.1
SAD1	SARC43	5	10	5	57.1	0.3	2.6	4.0	10.9
SAD1	SARC45	15	22	7	59.5	0.36	2.9	4.8	5.7
SAD1	SARC48	31	35	4	60.4	0.32	2.4	5.5	4.8

## MT BUNDEY PROJECT AREA

Thirteen holes (MBRC019 to 31) for 760m were drilled on aeromagnetic Anomalies 1, 2 and 6, and uranium and soil geochemical surveys were completed during the quarter.

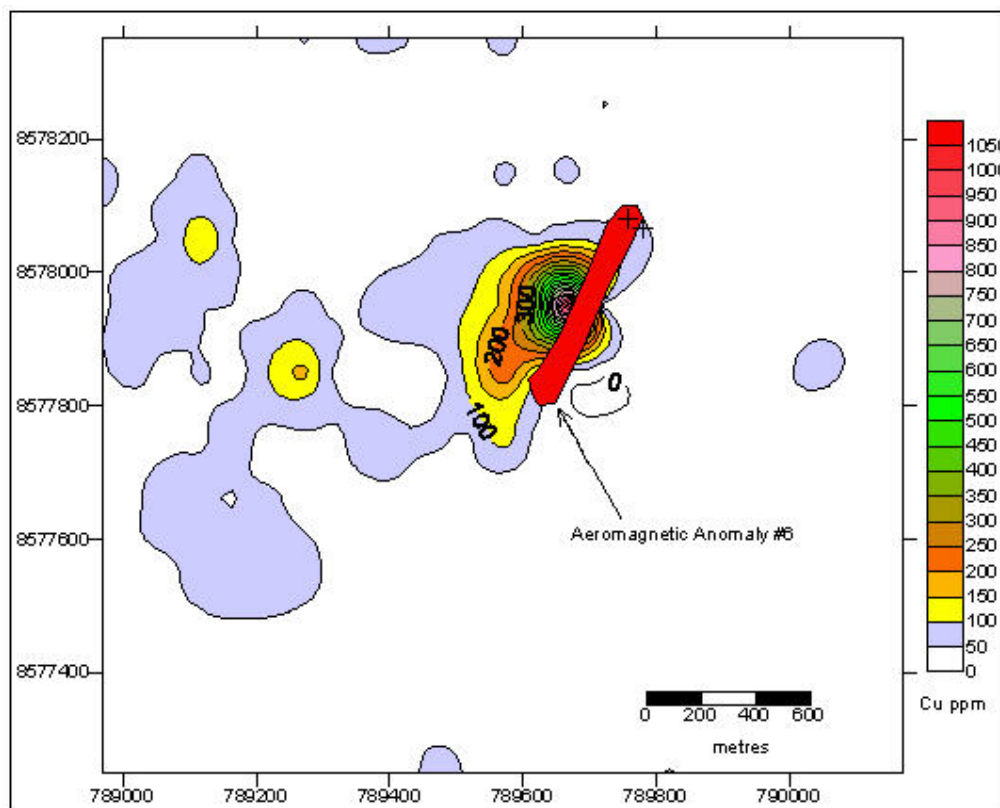
Holes MBRC030 and 31 drilled on aeromag Anomaly 6 returned strong magnetite mineralisation and visible pyrrhotite and pyrite. Assay results are not yet available. These holes were adjacent to MBRC006 drilled last year which returned 7m of 62.4% Fe. Drill evaluation of the aeromagnetic Anomalies is continuing.





A geochemical soil sampling survey was carried out over a 1 km<sup>2</sup> area straddling drill holes that returned anomalous Cu-Co-Mo last year with best result of 31m at 0.19% Cu (including 3m at 0.43% Cu) from 10m in hole MBRC005. Samples of C horizon soil were collected on 50m stations along 100m spaced lines. The aim was to define anomalous Cu targets for follow-up drilling.

The survey delineated a 200m diameter Cu+Mo 'bullseye' anomaly defined by the 100ppm contour value centred on co-ordinates 789670mE / 8577950mN and located on the margin of aeromag Anomaly 6, see Figure 2. It will be drill tested during the next quarter.



**Figure 2 – Cu soil anomaly EL 23921, Mt Bunday**

The uranium survey comprised scintillometer traverses along flight lines over three uranium anomaly areas defined last year by airborne radiometrics. This work confirmed that 20 of the 46 features investigated were anomalous, ie characterised by high peak value to background value readings and thus warranted follow-up. The remaining features were considered to be non-anomalous lithological expressions. Follow-up work of the uranium anomalies will be undertaken next quarter.





# Territory Resources Limited

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*The information in this Public Report that relates to Mineral Resources is based on and accurately reflect, information compiled by Mr. Bob Vivian who is a full time employee of Territory Resources Limited and a Member of The Australian Institute of Geoscientists.*

*Mr Vivian has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which being 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.*

*The Author consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.*



**An Australian Resources Group**

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# 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

TERRITORY RESOURCES LIMITED

ABN

53 100 552 118

Quarter ended ("current quarter")

30 September 2007

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	5,015	5,015
1.2 Payments for		
(a)exploration and evaluation expensed	(135)	(135)
(b)development	-	-
(c)production	(9,568)	(9,568)
(d)administration	(3,463)	(3,463)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	178	178
1.5 Interest and other costs of finance paid	(20)	(20)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(7,993)</b>	<b>(7,993)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) investment securities	(2,789)	(2,789)
(b) exploration capitalised	(1,547)	(1,547)
(c) mine development	(1,647)	(1,647)
(d) property, plant & equipment	(1,948)	(1,948)
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)	99	99
<b>Net investing cash flows</b>	<b>(7,832)</b>	<b>(7,832)</b>
1.13 Total operating and investing cash flows (carried forward)	(15,825)	(15,825)

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

1.13	Total operating and investing cash flows (brought forward)	(15,825)	(15,825)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	825	825
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(44)	(44)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>784</b>	<b>784</b>
<b>Net increase (decrease) in cash held</b>			
		(15,041)	(15,041)
1.20	Cash at beginning of quarter/year to date	19,319	19,319
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>4,278</b>	<b>4,278</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	77
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Nil

**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.

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

	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	1,868
4.2 Development/Capital	400
<b>Total</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	1,849	180
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Term Deposits)	2,429	19,139
<b>Total: cash at end of quarter (item 1.22)</b>	4,278	19,319

**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	Nil	-	-	-
6.2 Interests in mining tenements acquired or increased	Millers ML26429	Take up equity interest under JV agreement	NIL	75%

**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>	<b>199,325,000</b>	<b>199,325,000</b>	-	<b>Fully Paid</b>
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,000,000 475,000 125,000 125,000	2,000,000 475,000 125,000 125,000	25 c 40.15 c 50 c 60 c	Fully Paid Fully Paid Fully Paid Fully Paid
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>	550,000 420,000 200,000 70,000 200,000 60,000 1,000,000 2,500,000 500,000	- - - - - - - - -	40.15 c 40.15 c 50 c 50 c 60 c 60 c 82.5 c 90 c 90 c	20 March 2009 13 October 2009 20 June 2009 13 October 2009 20 June 2009 13 October 2009 15 June 2010 21 August 2010 15 June 2011
7.8 Issued during quarter	2,500,000	-	90 c	21 August 2010
7.9 Exercised during quarter	2,000,000 475,000 125,000 125,000	- - - -	25 c 40.15 c 50 c 60 c	1 March 2009 20 June 2009 20 June 2009 20 June 2009
7.10 Expired during quarter	375,000 125,000 125,000	- - -	40.15 c 50 c 60 c	20 June 2009 20 June 2009 20 June 2009
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

## 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 October 2007  
(Company secretary)

Print name: Peter Rutledge

## 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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