



## ELDORE MINING CORPORATION LIMITED

ABN 82 110 884 262

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### Quarterly Activities Report Quarter Ended 30 June 2011

#### BURKINA FASO - KNIGHTS LANDING LIMITED (100% reducing to 40%)

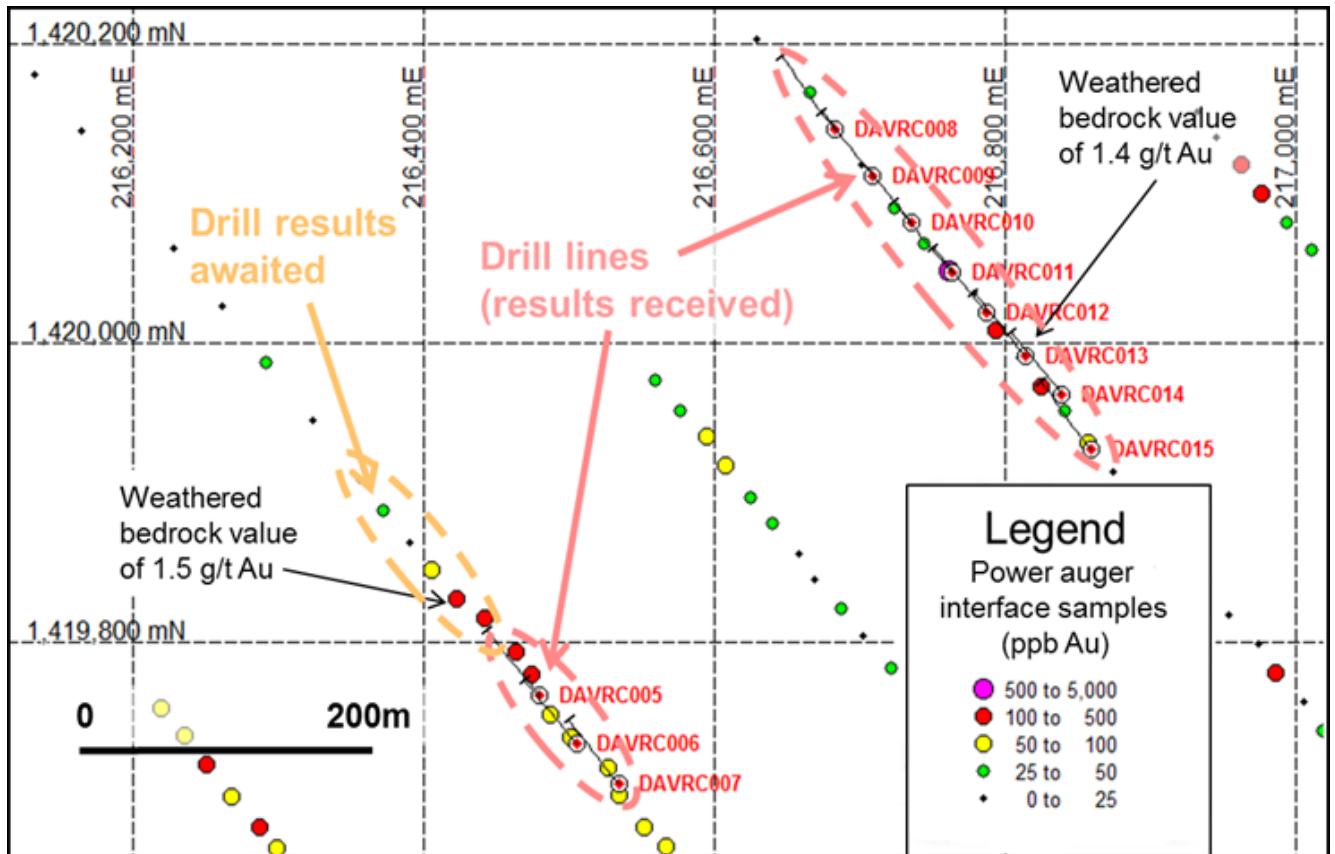
##### RC Drilling – Dave and Dave East (Madyabari Permit)

The Dave and Dave East Prospects are located on an interpreted major shear zone structure with coincident large geochemical anomalies and the presence of artisanal workings. RC drilling totalling 5,311m and 59 holes was completed on 200m spaced lines over both the Dave and Dave East Prospects during the June Quarter. **Historic drilling** at Dave in 1996-97 had already recorded a series of ore grade and width intercepts including **12m at 5.0 g/t Au, 10m at 2.4 g/t Au, 22m at 1.2 g/t Au and 2m at 9.4 g/t Au.**

The present RC program was designed to test the very broad zones of bedrock anomalism (average 300m width) discovered by PDI power auger sampling at these prospects. By the end of the quarter, approximately 1.8km of strike length had been drill tested out of the 3.5km of anomalies known at Dave and Dave East.

All RC holes were drilled towards the north-west on an azimuth of 320 degrees and an inclination of -50 degrees. Drill collars were placed 40m apart on lines thereby ensuring significant overlap from hole to hole. Most holes were drilled to depths of either 80m or 90m but a few were extended in order to provide coverage beneath areas where drill sites could not be established. Down hole trajectories were surveyed using a gyroscopic instrument.

Assays from 11 drill holes drilled at Dave East were received late in the June Quarter (Figure 1 and Table 1). All drill samples were analysed for gold in 2 metre composites by fire assay at the ALS laboratory in Ouagadougou. Analytical standards and blanks were added at regular intervals for quality control assurance.



**Figure 1: Drill hole localities and power auger sample results at the Dave East Prospect.**

The drilling encountered mainly strongly weathered mafic volcanics and volcanoclastic sediments with minor mafic intrusives. Quartz veining is common. Disseminated pyrite was noted in fresher rock at the bottom of some of the holes. The base of strong weathering was generally encountered about 80 metres down hole or approximately 60 metres below surface.

Gold anomalism (plus 0.1 g/t Au) was found throughout the holes and 14 intervals of at least 2 metres of 1g/t Au were intersected (Table 1). The gold system is at least 320m wide on the eastern line. This drilling also showed that interface samples from the auger drilling with values as low as 25ppb Au can reflect ore grade gold values in the weathered rock beneath.

Results so far indicate that a very large gold mineralised system has been discovered in this area.

**Table 1 – Dave East RC drill results above 1 g/t Au (cutoff grade of 0.5 g/t Au)**

Hole no.	UTM East	UTM North	From (m)	Interval (m)	Au (g/t)
DAVRC005	216,480	1,419,764	34	8	1.4
DAVRC006	216,505	1,419,732	80	4	2.5
DAVRC007	216,534	1,419,705	38	4	1.0
DAVRC007	216,534	1,419,705	72	2	12.4
DAVRC008	216,683	1,420,143	24	2	2.2
DAVRC008	216,683	1,420,143	38	8	1.2
DAVRC008	216,683	1,420,143	56	2	1.4
DAVRC010	216,735	1,420,081	50	12	2.9
DAVRC011	216,763	1,420,047	54	2	1.1
DAVRC012	216,787	1,420,021	34	2	2.1
DAVRC012	216,787	1,420,021	50	2	1.1
DAVRC014	216,839	1,419,966	34	12	1.3
DAVRC014	216,839	1,419,966	70	2	1.3
DAVRC015	216,859	1,419,929	86	2	1.3

The orientation of the gold-bearing zones is not yet understood. It is possible that gold zones strike and dip in various directions but within an overall gold-bearing envelope which strikes north-east. Oriented diamond core drilling will be required to assess this question further after the rainy season.

#### **Power Auger Sampling – Laterite Hill Grid (Sirba and Madyabari permits)**

Power auger drilling was carried out continuously on the Laterite Hill Grid, finishing on 19<sup>th</sup> June at the beginning of the rainy season. The grid was designed to test a 16km strike length of large, buried structures (inferred shear zones) interpreted from aerial magnetic maps. The presence of artisanal mine workings in the small areas of exposed bedrock within this zone, along with recent and historic ore grade and width RC drill intercepts at the four known prospects on the grid, indicate the zone's prospectivity.

During the June Quarter, 2,243 power auger holes totalling 11,498m were drilled on the Sirba and Madyabari permits. These consisted of infill drilling around previously obtained anomalous gold values on a 200m by 25m grid and extensions of the original grid to the north on a 400 by 50m pattern. Coverage was incomplete (see gaps in sampling coverage, where superficial cover could not be penetrated. This was a particular problem in the vicinity of the Sirba River where wet conditions prevented sample recovery in some areas.

Wherever possible, samples were collected at the interface between surficial materials (laterite or alluvium) and weathered bedrock and from the weathered bedrock itself. If the holes did not penetrate through to weathered bedrock, samples were taken at the bottom of hole. Samples were submitted to the ALS laboratory at Bamako in Mali for gold analysis by AAS.

Assay results now received include all of those from the original grid and infill sampling plus a small proportion from the northern grid extension. A number of areas of significant gold anomalism (greater than 50ppb Au) have been found with a cumulative strike length exceeding 12km, including:

- 3.5 km covering the Dave and Dave East Prospects and their extensions;
- 3km over the Laterite Hill prospect; and
- A very large zone at Prospect 71 which now measures to 2.6km along strike and up to 1.2km across strike (Figure 9).

The peak value obtained from weathered bedrock sampling was 5,000 ppb Au (i.e. 5 g/t Au). Many anomalies remain open on the edges of the grid indicating good potential for expanding the area of bedrock gold anomalism significantly.

These results have shown that strong gold anomalism extends far beyond the previously drilled areas, and demonstrate the potential for extensive zones of gold mineralisation under shallow cover. The anomalism also largely correlates with a series of inferred structures (possible shear zones) that can be observed in the interpretative wavelet analysis<sup>[1]</sup> processing of aeromagnetic data.

Extension of these structures beyond of the current grid, supports the possibility that gold mineralisation may also extend under cover beyond the current grid limits.

#### **Power auger sampling - Newmont Anomaly Grid (Madyabari Permit)**

Results were received from the Newmont Anomaly Grid sampling which was completed in the March Quarter. Scattered anomalous values were obtained (Figure 2) but were generally lower in tenor than those on Laterite Hill Grid. No further work is planned in this location in the short term.

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<sup>[1]</sup> A type of geophysical data processing that produces a series of lines on a map (known as “worms”) which are inferred to represent contrasts in geophysical properties of large rock masses (density or magnetic susceptibility) at different depths. Such contrasts commonly represent large fault or shear structures.

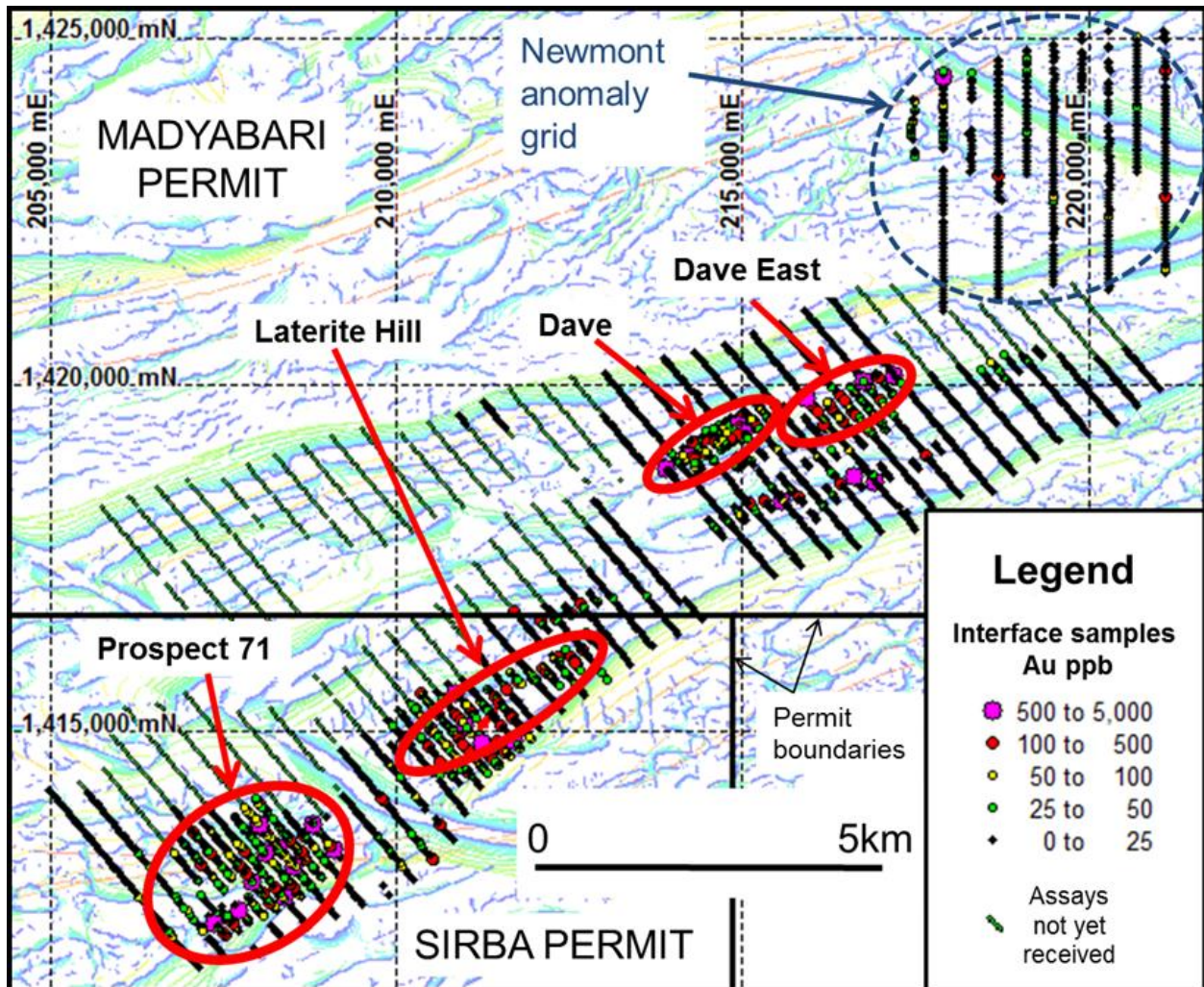


Figure 2: Laterite Hill and Newmont Anomaly Grids: colour coded power auger assays of samples from the interface between superficial cover and weathered bedrock superimposed on aeromagnetic interpretation map showing a strong correlation between the high gold values and the blue-green structures interpreted from geophysics. Assays have been received for the black lines but not the thinner green lines located north of the original grid.

### Geological Mapping (Fouli Permit)

A total area of 21 sq. km of geological mapping was carried out on areas of interest identified by the aeromagnetic survey conducted in the December Quarter. This work provided essential factual information for the interpretation of the airborne geophysical data and to develop a 3D model of the geology.

### Application of Predictore™ (Fouli Permit)

Following completion of a validation study at Fouli, predictive modelling was carried out on a 3D model of the Fouli area. This has identified targets for follow-up exploration to be carried out in the next field season (October 2011 onwards).

*The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr Paul Roberts (Fellow of the Australian Institute of Geoscientists). Mr Roberts has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Roberts consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

## MT HAGEN JV (Earning 60%)

EL1613 is located near Mt Hagen City in the Western Highlands Province, Papua New Guinea.

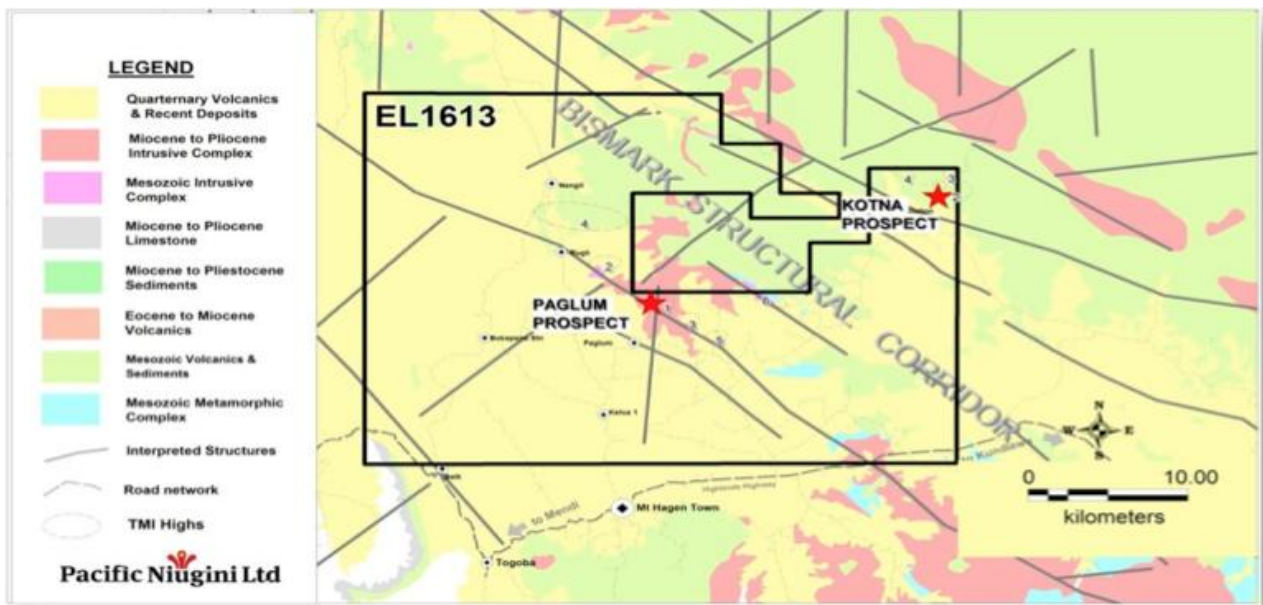
The tenement is subject to a farm-in agreement with Pacific Niugini Limited (“PNR”) signed in January 2010, whereby EDM can earn a 60% interest by spending \$2 million on exploration. Pacific Niugini Minerals (“PNM”) Limited a wholly owned subsidiary of Pacific Niugini Limited (ASX: PNR) manages a; on-ground activity for and on behalf of EDM.

EL1613 is located within the New Guinea Mobil Belt (NMB) a collision zone between the northward moving Australian Plate and northwest moving Pacific Plate. The NMB geomorphology is represented by rugged topography and mobile landforms evident within the tenement.

EL1613 is located within the New Guinea Mobil Belt (NMB), a collision zone between the northward moving Australian Plate and northwest moving Pacific Plate. Within EL1613, the Kubor granodiorite and metasediments are both intruded by Miocene granodiorites and by multiphase Pliocene diorites, dolerites, gabbro and micro-diorites.

Gold, copper, molybdenum and base metals mineralisation is spatially associated with Pliocene intrusive events. During the Pliocene, diorites intruded the Bismarck and Bundi Fault Zone Complex, which defines the key exploration target for copper – gold deposits.

The Bismarck and Bundi Fault Zone corridor towards the northern and north-eastern margin of the EL1613, hosts widespread occurrences of copper, gold, molybdenum, mineralisation coincidental to diorite intrusions. The tenement is considered to have significant potential to host porphyry copper –gold and epithermal gold + base metal deposits.



*Mt Hagen tenement area showing regional geology*

## KOTNA COPPER PROSPECT

### Diamond drilling

Two core holes (KNDD001 & 2) were completed for a total of 485.1m. The objective of the drilling was to test subsurface continuity of copper and base metal mineralisation in costeans which is seen to be hosted in sediments, volcanic units and in dacitic porphyritic intrusives.

Table 1: Collar Details

Hole_ID	Total_Depth (m)	Angle	Collar_Azimuth (mag)	Collar_Azimuth (True)	East_WGS84 (m)	North_WGS84 (m)	RL_WGS84 (m)
KNDD001	236.50	-70	083	89.7	212725.0	9375264.0	1906
KNDD002	248.60	-90	000	6.7	212725.0	9375264.0	1906

Table 2: Best Intercepts.

Drillhole_ID	Sample_ID	Sample Width (m)	From Depth (m)	To Depth (m)	Intercepts
KNDD001	4476	1.00	77	78	1m @ 0.38 % Cu
KNDD001	4480	1.00	81	82	1m @ 0.19 % Cu
KNDD001	4516	1.10	119	120.1	1m @ 0.10 g/t Au, 5.7 g/t Ag, 0.26 % Cu
KNDD002	4651	1.00	20	21	1m @ 0.25 % Cu, 0.14 % Zn
KNDD002	4689-90	2.00	58	60	2m @ 0.27 % Cu
KNDD002	4696	1.00	65	66	1m @ 0.11 % Cu, 0.18 % Zn
KNDD002	4698	1.00	67	68	1m @ 0.24 % Cu, 0.28 % Zn

Drilling intersected weak porphyry style mineralisation showing moderate to locally intense pervasive hydrothermal alteration, hosted by variably altered volcanic tuff. Drilling confirmed surface geological observations of porphyry style mineralisation. While the target porphyry mineralisation has not been intersected by these holes, important mineralisation and alteration patterns were logged.

Strong epidote and increasing sulphide materials were intersected in the deeper parts of KNDD002. Intense propylitic alteration with minor zones of advanced argilic alteration was seen in the majority of hole KNDD001. Widely, spaced narrow veinlets with quartz + pyrite + chalcopyrite + /- base metal were intersected in both holes. PNR believes that the results demonstrate that the porphyry source is reasonably close, either below or to the side of the initial target area. The drill rig has been demobilised from the area pending further detailed field mapping and sampling.

Detailed surface creek mapping and sampling, and a programme of ridge and spur soil sampling to cover areas to east and north of the Kotna prospect have commenced. During the period a total of 3.6km of detailed creek mapping was complete including 26 rock chip samples collected. A total of 22 ridge and spur soil lines were completed for 10km. All assays remain pending.

The JV aims to further define the Kotna prospect through detailed mapping and surface sampling during the coming year with a view to constraining new drilling locations in due course.

### **Paglum Copper Prospect.**

The Paglum prospect is underlain mostly by rocks of volcanic and sedimentary origin intruded by granodiorite and diorites. A number of tensional structures to the northwest southeast trending, Bismarck Fault Zone occur in the area. Gold, copper and base metal mineralisation are closely associated with northeast – southwest structures. Mineralisation occurs as widely spaced quartz – sulphide veins, in mineralised structures and at contact between intrusive and country rock.

Results from rock samples collected during the quarter were received.

Best gold, copper, silver and molybdenum results include;

- Sample 4250: 0.44 g/t Au, 0.18% Cu, 35 ppm Mo (outcrop)
- Sample 14261: 0.16 g/t Au, 0.29 % Cu, 105 ppm Mo (outcrop)
- Sample 14272: 0.23 g/t Au, 0.55 % Cu, 26 ppm Mo (outcrop)
- Sample 14268: 0.85 g/t Au, 0.18% Cu, 42.2 g/t Ag, 593 ppm Mo (float)
- Sample 14267: 0.28 g/t Au, 0.22 % Cu, 33.4 g/t Ag, 76 ppm Mo (float)
- Sample 14255: 1.38% Cu, 77.3 g/t Ag, (float)
- Sample 14247: 0.13 g/t Au, 0.52% Cu, 37.6 g/t Ag, 94 ppm Mo (float)
- Sample 14254: 0.64 g/t Au, 0.76% Cu, 233 g/t Ag, 28 ppm Mo (float)

Results indicate narrow and very widely spaced copper and base metal mineralisation occurring as discrete sulphide veins or as narrow stockwork zones (2.5m wide) and mineralisation is structurally controlled. Mineralisation and hydrothermal alteration confined to faults and narrow veins suggests a deep or distal porphyry within the area.

The company considers the latest results to be disappointing and is currently reviewing its options in relation to ongoing expenditure and interest in the project.

*The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based upon information compiled by Mr David M Osikore B.Sc.(Geol), MAusIMM. Mr Osikore is a full-time employee of the Pacific Niugini Minerals Limited. Mr Osikore has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities, which they are 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 Osikore consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

### **WYO WELL PROJECT (100%)**

The Wyo Well Project is located in the Kurnalpi region of WA approximately 60km east north east of Kalgoorlie. The Project is strategically located in greenstone terrain in close proximity to a number of significant nickel sulphide mines and prospects, notably the Silver Swan mine, approximately 60km to the WNW of the project.

No work was undertaken on the Wyo Well Project during the quarter.

### **BAITA COPPER MINE ACQUISITION – ROMANIA (Subject to acquisition)**

On 17 March 2011 the Company announced that it had executed a formal agreement to acquire a 100% interest in the Baita Copper mine located in Stei, Transylvania, West Romania.

Subsequent to the end of the current quarter, the Company announced that it had renegotiated the terms of acquisition on the basis that the purchase consideration will be revised down to €5m with all other terms in the agreement remaining in full force and effect.



### Assay Results

During the quarter, the Company received assay results from crushed ore samples taken from the defined ore zone being mined prior to operations being placed on care and maintenance as part of the due diligence and verification for the proposed acquisition of the Baita Copper mine located in Stei ,Transylvania, West Romania.

The mine ceased operations in February 2010 on level 18 at a depth of 360 metres. The Company intends to restart Mining operations at this level with the potential to extend beyond level 18 as the mineralisation continues at depth and is open horizontally to the east, west, north and south. Recent drilling of two holes, 90 metres below level 18 intersected ongoing additional mineralisation.

The assay results from samples of crushed mine ore submitted to ALS Chemex in January 2009 and September 2009 are from the defined ore zone being mined at the Baita Copper mine with the material results shown in the table below:

**AVERAGE COPPER GRADE 2.6739% OF 18 SAMPLES  
 TAKEN 28 SEPTEMBER 2009**

Copper	Sample Number	Analysis Result	Sample Number	Analysis Result
	1	29,700 ppm	10	10,000 ppm
	2	41,600 ppm	11	2,550 ppm
	3	25,800 ppm	12	50,000 ppm
	4	8,490 ppm	13	12,000 ppm
	5	50,000 ppm	14	6,260 ppm
	6	20,600 ppm	15	18,000 ppm
	7	50,000 ppm	16	14,100 ppm
	8	50,000 ppm	17	50,000 ppm
	9	4,200 ppm	18	38,000 ppm

The Company confirms that within the January 2009 assay results provided by ALS Chemex , 10 samples as tabled below recorded highlighted grades verifying the extent of the contained metals within the crushed ore samples:

	Sample #	Weight kg	Analysis Result		Sample #	Weight kg	Analysis Result
<b>Copper</b>	5	2.54	3.48%	<b>Silver</b>	5	2.54	361 ppm
	20	2.90	2.52%		49	3.78	801 ppm
	21	3.42	6.47%		51	3.32	677 ppm
	24	3.48	2.16%		52	2.78	474 ppm
	44	3.08	2.85%		53	3.52	356 ppm
	47	4.04	3.16%		54	3.00	1,260 ppm
	53	3.52	5.55%		55	3.54	347 ppm
	54	3.00	4.00%		56	2.78	531 ppm
	56	2.78	2.45%		57	3.28	406 ppm
	65	3.36	5.05%		65	3.36	690 ppm

	<b>Sample</b>	<b>Weight</b>	<b>Analysis</b>		<b>Sample</b>	<b>Weight</b>	<b>Analysis</b>
	<b>#</b>	<b>kg</b>	<b>Result</b>		<b>#</b>	<b>kg</b>	<b>Result</b>
<b>Lead</b>	5	2.54	2.22%	<b>Zinc</b>	5	2.54	3.04%
	49	3.78	2.94%		8	2.76	2.14%
	51	3.32	2.78%		37	3.80	2.73%
	52	2.78	2.24%		53	3.52	9.35%
	53	3.52	2.00%		54	3.00	10.70%
	54	3.00	7.86%		56	2.78	3.40%
	56	2.78	2.81%		57	3.28	9.32%
	57	3.28	2.21%		62	3.18	1.95%
	65	3.36	2.47%		65	3.36	4.10%
	71	3.20	1.62%				

The significance of these results supports the Company's view of the grade values across numerous contained metals within the ore body and it is anticipated that production and delivery of concentrate will reflect the true values once recommissioning and refurbishment has been completed.

*The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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 Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*

**J Geary**  
 Director

Dated: 29 July 2011