

# QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2011



**NARACOOTA**  
Resources Ltd

## HIGHLIGHTS

### Corporate

- IPO closed early and oversubscribed in June 2011;
- \$5M raised at \$0.20 per share;
- Strong support from institutional and retail investors; and
- Listed on ASX (code: NRR) 24 June 2011.

### Exploration

- Completed acquisition of Horseshoe and Fraser Range Projects;
- Appointed consultant geologist and consultant geophysicist;
- Commenced IP survey and field work to develop and prioritise drilling program; and
- Commenced collation of historical exploration data into digital database.

### Corporate

Gold and copper exploration company Naracoota Resources ("Naracoota" or "the Company") was admitted to the official list on the ASX on 22 June 2011 and it commenced trading under the ticker code NRR on 24 June 2011.

The Company's Initial Public Offering ("IPO") closed early and oversubscribed in June with strong support from institutional and retail investors. The IPO consisted of 25,000,000 shares offered at an issue price of \$0.20 each for a total of \$5 million and was managed by Patersons Securities Limited.

Naracoota completed the acquisition of its exciting exploration tenement package including its flagship Horseshoe and Fraser Range projects with proceeds from the IPO and the issuance of vendor shares (refer to ASX disclosure titled 'confirmation of settlement of material contracts' for details).

### Corporate Details

**ASX code:** NRR

**Issued Shares**  
47,536,676

**Options**  
Nil

**Share Price**  
\$0.21

**Market Capitalisation**  
\$10.0M

**Cash**  
\$4.0M

**DIRECTORS**  
Steven Crabbe (MD)  
Stephen Woods (Executive)  
John Stockley (Non-Executive)  
Wayne Fernie (Non-Executive)

**COMPANY SECRETARY**  
Daniel Hewitt

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ABN 77 143 142 410

The remaining capital raised in the IPO leaves the Company well-funded to:

- **undertake a comprehensive exploration program over these two projects; and**
- **add value to existing projects by identifying new acquisition opportunities and/or discovering new exploration projects;**

The Company's Board has extensive experience in the acquisition, exploration and development of mineral assets.

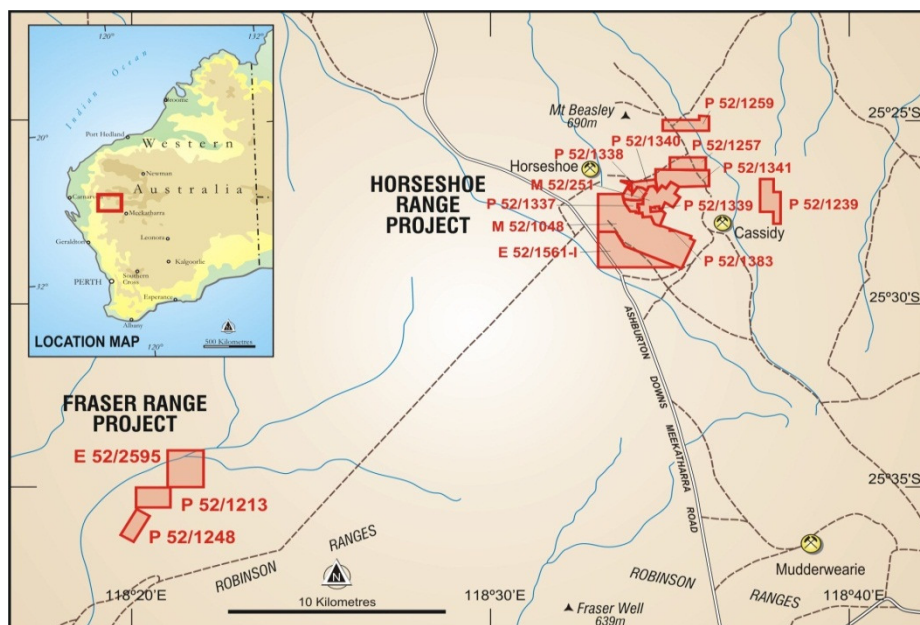
Naracoota's Managing Director, Mr Steve Crabbe, co-founded the Company and has more than 34 years of experience in the mining industry. He owns a successful mining services business and is an Executive Director of Lithex Resources Limited, an ASX listed exploration company with Lithium/Tin/Tantalum projects. Mr Crabbe was the co-founder and Managing Director of unlisted manganese producer Auvex Resources Limited, and prior to that held senior operational positions at Mineral Resources, Mt Magnet Gold and Western Mining.

Naracoota's other co-founder, Executive Director, Mr Stephen Woods worked with Mr Crabbe at Auvex Resources Limited in an operational role and has conducted field programs for several ASX listed companies. Mr Woods worked for the Geological Survey of Western Australia and has prospected in the Horseshoe region for many years.

The remaining Board members include Wayne Fernie and John Stockley, both Non-Executive Directors, who each bring additional experience in finance and geology ensuring that there is a team in place to deliver the skills and business acumen required to develop the potential of the Company's mineral projects.

## Exploration

Naracoota has assembled for the first time an exciting exploration tenement package in excess of 2,500 hectares in the premier copper and gold region of Peak Hill – Horseshoe Lights – Fortnum, near Meekatharra in Western Australia.

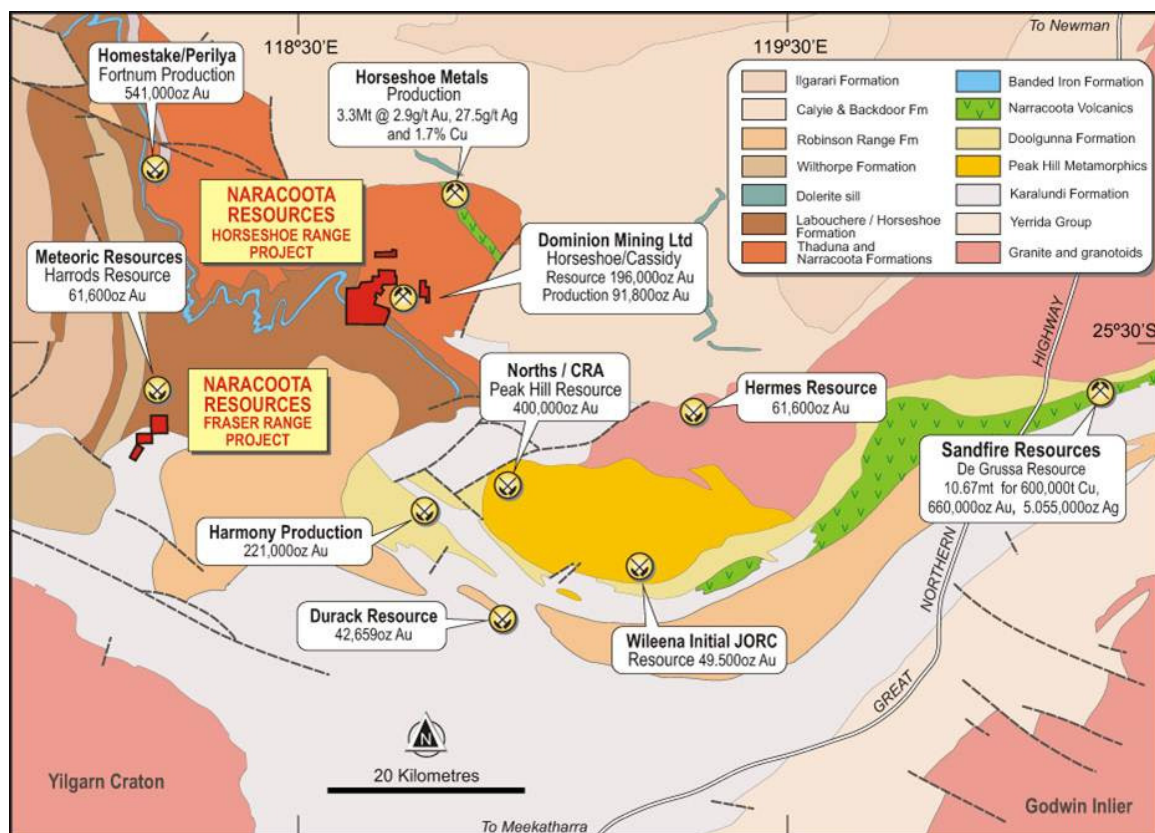


*Note: M52/1048 and E52/1561 gold rights only*

The Company completed the acquisition of this tenement package in June including its two flagship projects at: -

1. Horseshoe Range; and
2. Fraser Range.

These projects are located in a region well known for significant high grade gold and more recently, copper discoveries. For example, the Horseshoe Lights VMS discovery (3.3 Mt @ 2.9 g/t Au, 27.5 g/t Ag and 1.7% Cu) is 7kms to the North of Naracoota's tenements and the DeGrussa VMS discovery (10.67 Mt @ 1.9 g/t Au, 15 g/t Ag, and 5.6% Cu) is located 65 kms to the East.



Historic exploration (including geochem and limited shallow drilling) at Horseshoe Range indicates excellent prospectivity and walk up drill targets for copper and gold over the area. Importantly, no modern exploration of significance has been performed since the early 1990s, and no deep drilling or land based geophysics has ever been conducted over either project.

Naracoota is targeting significant near surface gold deposits and deeper VMS style copper and gold deposits using the latest geophysical and exploration techniques.

The Company began establishing its exploration program following the early closure of its IPO in June, and appointed a consultant exploration geologist and consultant geophysicist to assist with this process.

Naracoota decided to conduct a gradient array Induced Polarisation ("IP") geophysical survey over its entire tenement package (excluding M52/1048 and E52/1561 at Horseshoe Range) as part of the first phase of its exploration program. Given no deep drilling has ever been conducted over this area the results of the survey will give the Company a better understanding of the sub-surface mineralisation of its tenement package. The results, once interpreted, will be overlaid on historic exploration data to develop and prioritise shallow and deep drill targets as part of a comprehensive drilling program.

The IP survey commenced at the Horseshoe Range project along with geological field work, sampling and mapping late in the quarter and is scheduled to finish in early August before shifting to the Fraser Range project later that month.

The Horseshoe Range IP survey data will be interpreted by the consultant geophysicist with the results expected to be available by mid-August for release to the market. These results will guide the formation of the drilling program which is scheduled to begin at the Horseshoe Project in September/October.

ENDS

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#### **Forward Looking Statement**

*This report may contain forward looking statements that are subject to risk factors which are based on Naracoota Resources' expectations relating to future events. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside the control of Naracoota Resources, which could cause actual results to differ materially from such statements. Naracoota Resources makes no undertaking to update or revise the forward-looking statements made in this report to reflect events or circumstances after the date of this release.*

#### **Competent Persons Statement**

*Information in this report relating to exploration results, mineral resources or ore reserves is based information compiled by Naracoota Resources' Director, Mr John Stockley, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Stockley 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 under the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stockley consents to the inclusion of such information in this report release and the context in which it appears.*