

## Quarterly Report – Sept 2010

### Highlights

#### Exploration

During the September quarter the Company continued field activities at the Murphy and North Maureen projects, in collaboration with and funded by Japan's JOGMEC.

##### Murphy - NT

- Commenced an airborne electromagnetic (GEOTEM) survey over the Murphy West, UC17 and UC19 prospects. The survey was completed in early October.

##### North Maureen - QLD

- Completed detailed follow-up soil and rockchip sampling program over the partially covered, 800 metre long fault zone, containing the uranium-bearing and polymetallic breccia zone at the Native Creek prospect. The soil samples defined the extent of the mineralised zone, with the geochemical anomaly still 'open' to the north-east, east and south-east. Potential extensions for 'unconformity style' mineralisation exist under younger Jurassic cover.
- Interpretation of the rockchip and soil geochemistry from the June field survey suggests that more detailed mapping and sampling is required on the Tintarple prospect to the northeast of the Native Creek prospect.

#### Corporate

- High priority efforts continued for the acquisition of an advanced project, though no final agreement was reached.
- Cash **\$2.3 million** as at 30 September 2010.

### Planned Activities for December quarter 2010

Acquisition of an advanced project remains a high priority, and there are currently a number of projects in active review.

##### Murphy

- Completion of the regional airborne EM survey in the western part of the Murphy area and covering the UC19 and UC17 target areas.
- Interpretation of data from the GEOTEM survey expected by November;
- Follow-up of any identified conductors from the GEOTEM survey with ground electromagnetic surveys - to define drill targets for 2011.

##### North Maureen

- Follow-up the encouraging results received from the Native Creek soil sampling program completed in August.
- Extensions to soil sampling and evaluation of targets using electrical geophysics.

## **Murphy Project**

*(Bondi 100%)*

During the quarter the forward modelling of the airborne GEOTEM survey was completed and the survey commenced on 30<sup>th</sup> September. The airborne survey comprises a total of 2,200 line kilometres covering the Murphy West area (1600 line-km), the UC19 area (400 line-km) and the UC17 area (200 line-km). Fig 3 shows the proposed survey area. Despite some turbulence the survey is progressing well. Interpretation of the data is expected to be available by early November.

Once the GEOTEM data is processed and interpreted, any significant anomalies identified will be followed-up using ground electro-magnetics (EM), to define drill targets to be tested in 2011.

To reduce project overheads the Murphy camp was demobilised with the transportable units being returned to Darwin and the bulk storage diesel tank returned to the contractor. The field equipment is stored on site in a locked 'sea container' and the camp generator remains in place. The camp can therefore be reactivated in a prompt manner, when required in the future.

The Murphy Project in the Northern Territory comprises 12 tenements (Fig 2), which cover approximately 8,000 km<sup>2</sup> in the southern extension of the Alligator Rivers Uranium field and has identical geological ingredients to the district that hosts 750 million lbs of high-grade uranium mineralisation further to the north. In the September quarter three new EL's were granted (EL 27728, 27729 and 27730) on the southern margin of the project, and EL's 24841, 25708, 25709 and 25710 were reduced by approximately 50%.

## **North Maureen Project**

*(Bondi 100%)*

During the June quarter, a helicopter-supported reconnaissance program, designed to assess geophysical and radiometric targets, identified a partially exposed, mineralised, fault breccia at the Native Creek prospect, approximately 25km north of the Maureen uranium deposit. Rock chip sampling of the breccia identified anomalous uranium, copper, arsenic, gold and molybdenum along a 500 metre long NNW trending fault with five samples over 250ppm U<sub>3</sub>O<sub>8</sub>, with a maximum of 760ppm U<sub>3</sub>O<sub>8</sub>. (Fig 5). The breccia is also anomalous in copper, silver, gold and molybdenum (up to 1.1% Cu, 206 ppm Ag, 0.69 ppm Au and 17.7 ppm Mo). Bismuth, lead and arsenic, which are indicator minerals, are also highly anomalous with nine samples over 1% for arsenic. This geochemical signature is similar to the nearby Maureen uranium deposit.

A follow up program of detailed mapping, soil and rock chip sampling was completed in the current quarter to define zones of uranium, gold, copper, silver and molybdenum mineralisation. A total of 205 soil samples and 26 rockchip samples were taken along the fault zone over a strike length of approximately 800m. The soil samples were collected at 10m spacing along north-south lines with 50m spacing between lines. The samples were analysed for uranium, Au, Cu, Ag, As, Mo, Bi and a suite of other elements.

Anomalous uranium with coincident high copper and arsenic values occurs along the whole 800m strike length. The best uranium in soil result was 68.9 ppm U<sub>3</sub>O<sub>8</sub>, with anomalies >20ppm U<sub>3</sub>O<sub>8</sub> along the main WNW trending fault breccia, two ENE trending zones at the northern and southern ends (Fig 6). The strong arsenic and copper anomalism is coincident with the uranium (>200ppm As, >200ppm Cu), and there is strong lead and silver anomalism at the south-eastern end (100 – 659ppm Pb; 0.3 – 1.1ppm Ag). The rockchip samples collected in the August survey confirmed the high uranium and basemetals results from the June field survey and are shown on Figs 8 to 11.

Future exploration will include extensions to the current geochemical survey to determine the extent of the mineralised system and follow-up ground geophysical surveys and eventually drilling of targets in 2011.

The North Maureen Project in Queensland comprises a large package of tenements (totalling some 770 km<sup>2</sup>) containing a number of untested targets beneath cover, which display similar geological characteristics to the Maureen and Ben Lomond deposits. Mega Uranium Ltd's Maureen uranium deposit, which lies 2 km to the SE of the Bondi tenements, contains an NI43-101 compliant Indicated Resource of 3.1 million tonnes at 0.09% U<sub>3</sub>O<sub>8</sub> (5.95 Mlbs U<sub>3</sub>O<sub>8</sub>) and an Inferred Resource of 0.15 million tonnes at 0.11% U<sub>3</sub>O<sub>8</sub> (0.38 Mlbs U<sub>3</sub>O<sub>8</sub>).

## **Project Generation**

Bondi continues to seek high quality resource-stage project to acquire, and the Company is making good progress toward this objective. During the quarter, the Company continued to devote significant effort and resources to the identification of such an opportunity.

Bondi Mining Ltd is a Brisbane-based exploration company with a focus on high-grade cycle-proof uranium targets with world-class size potential. Bondi's Australian uranium portfolio is currently focused on the Murphy project in the Northern Territory and the North Maureen Project in Queensland, and the company continues to monitor tenure position and evaluate high quality uranium plays in Australia and other favourable jurisdictions.

## **BONDI MINING LIMITED**

All queries to be directed to

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David Sasson (Fundamental Investor Relations Strategies)

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*The exploration data and results contained in this report are based on information reviewed by Dr Rick Valenta, a fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

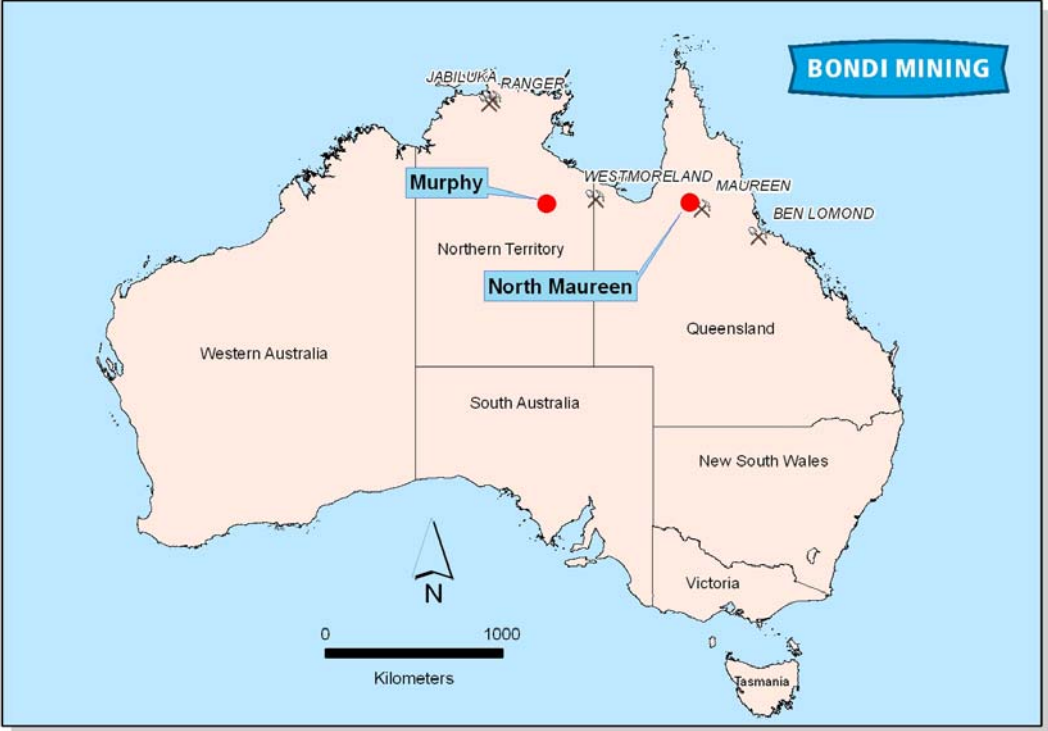


Figure 1 – Regional location of Bondi Mining’s uranium projects.

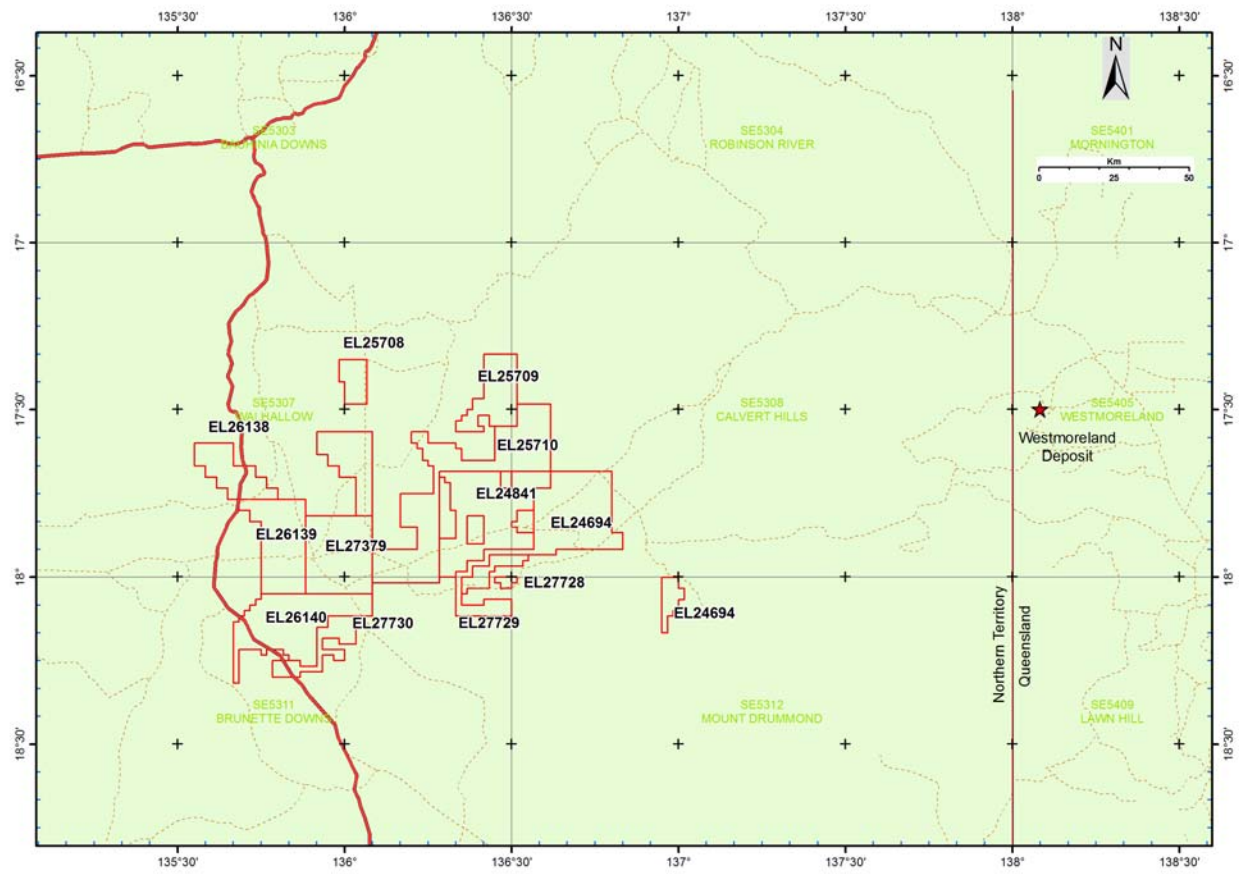
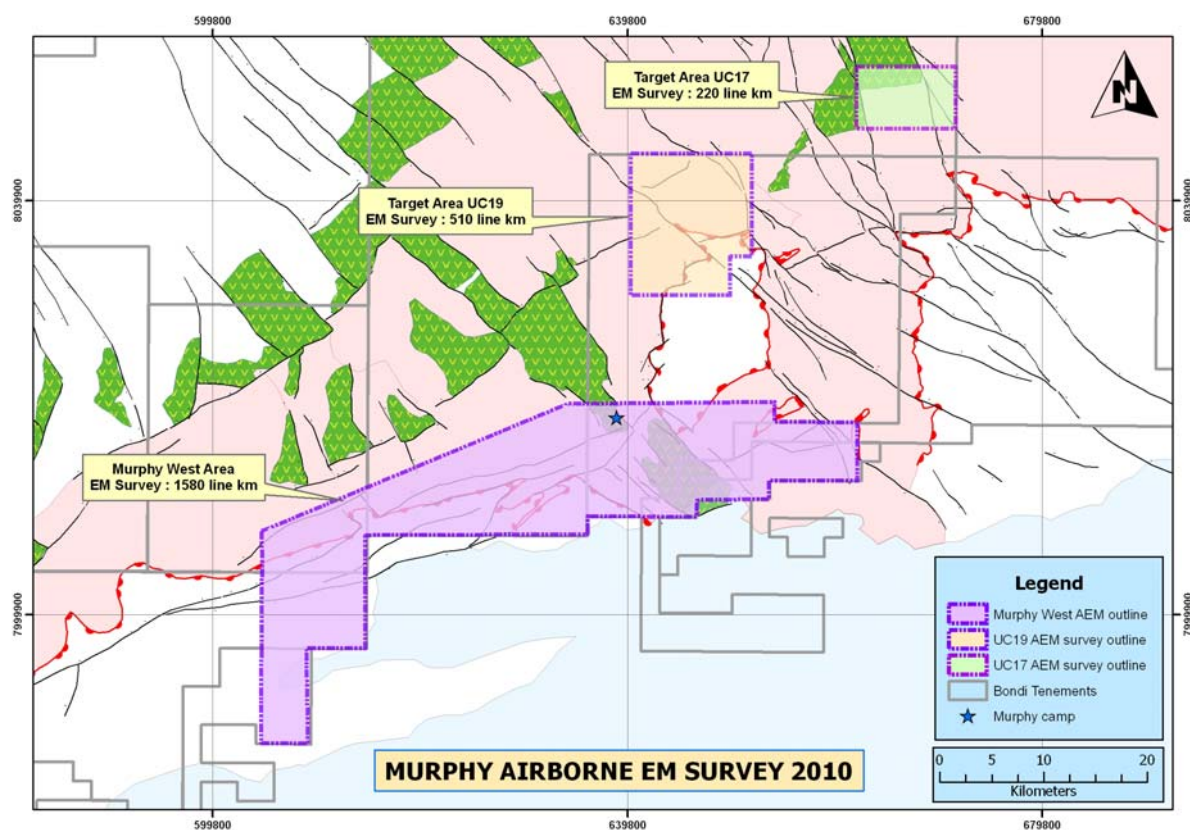
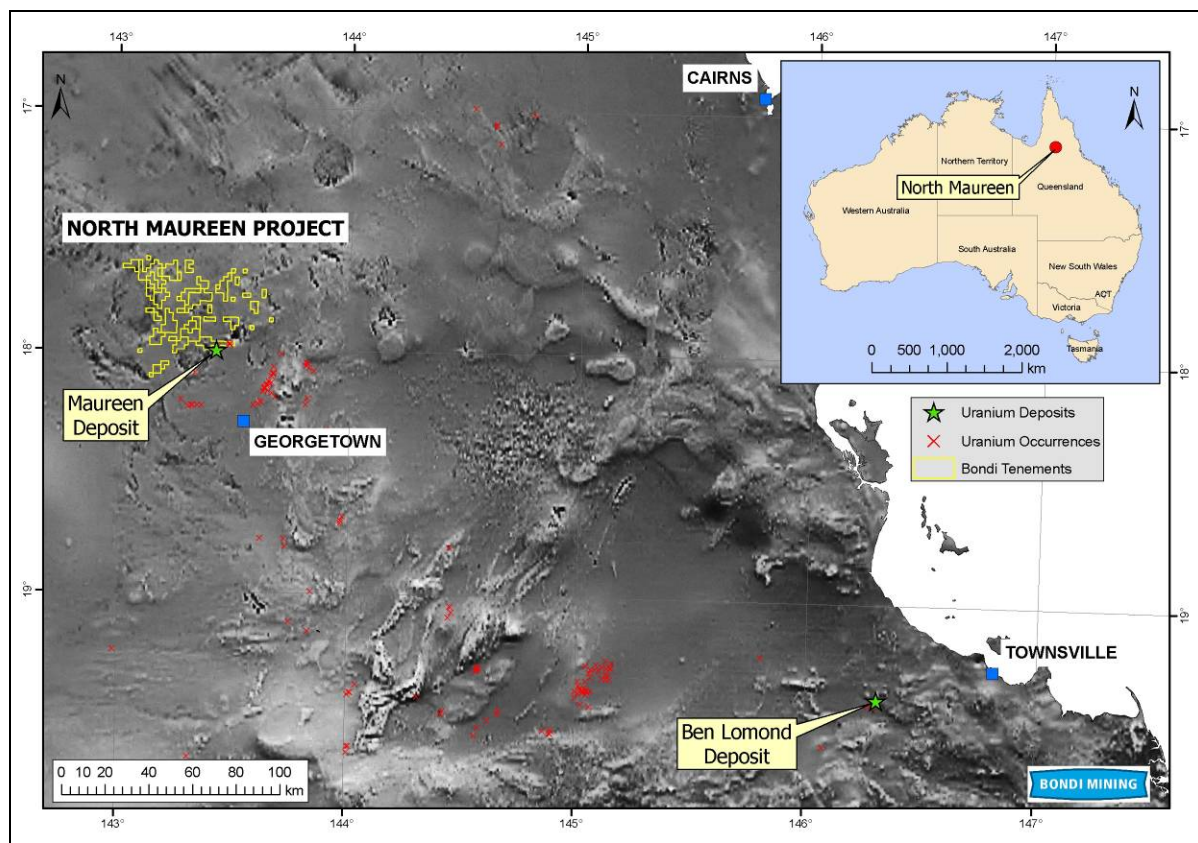


Figure 2 – Current tenure at the Murphy project.





**Figure 3.** Map of portion of Murphy project, showing location of the airborne EM surveys at Murphy West, UC17 and UC19 prospects.



**Figure 4.** Regional location of the North Maureen project, superimposed on regional magnetics.

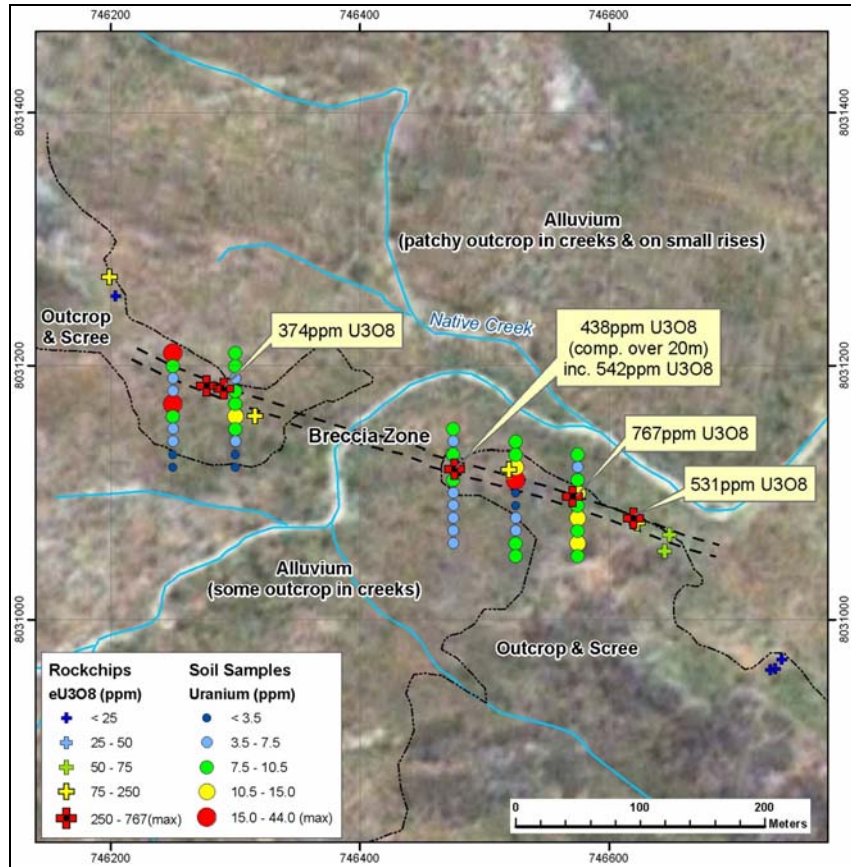


Figure 5. Rock chip and reconnaissance soil uranium geochemistry over the Native Creek breccia from June.

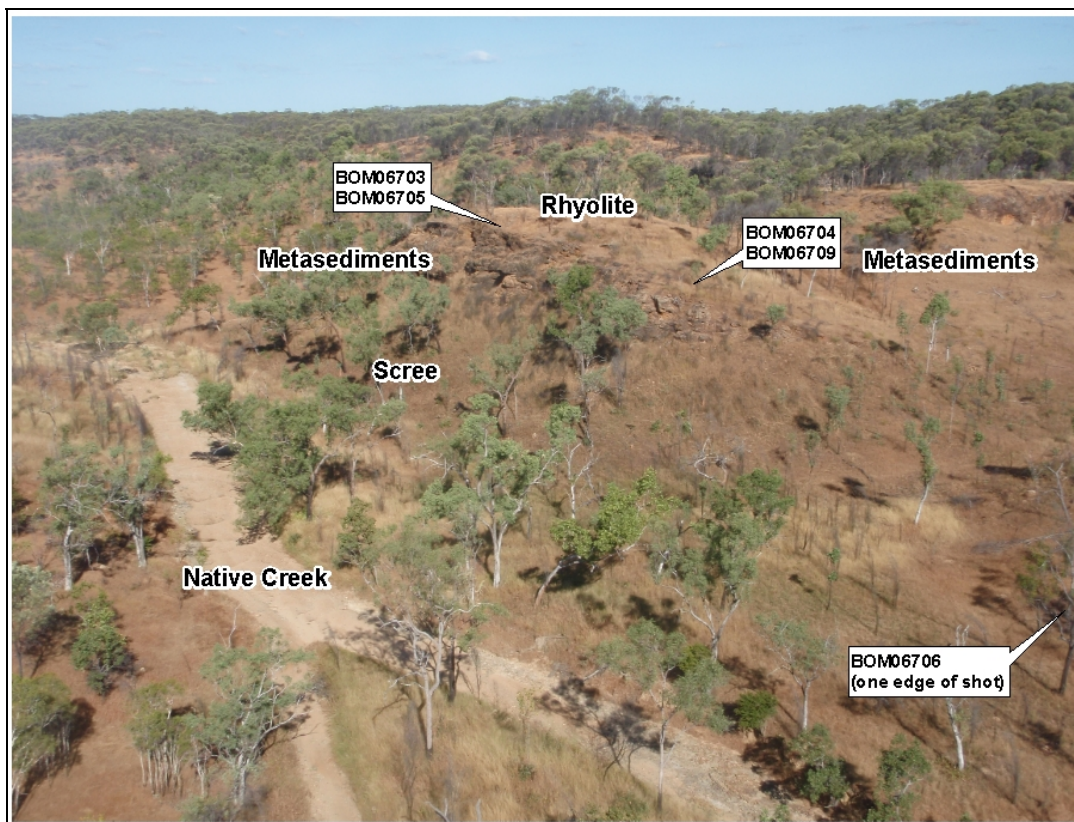
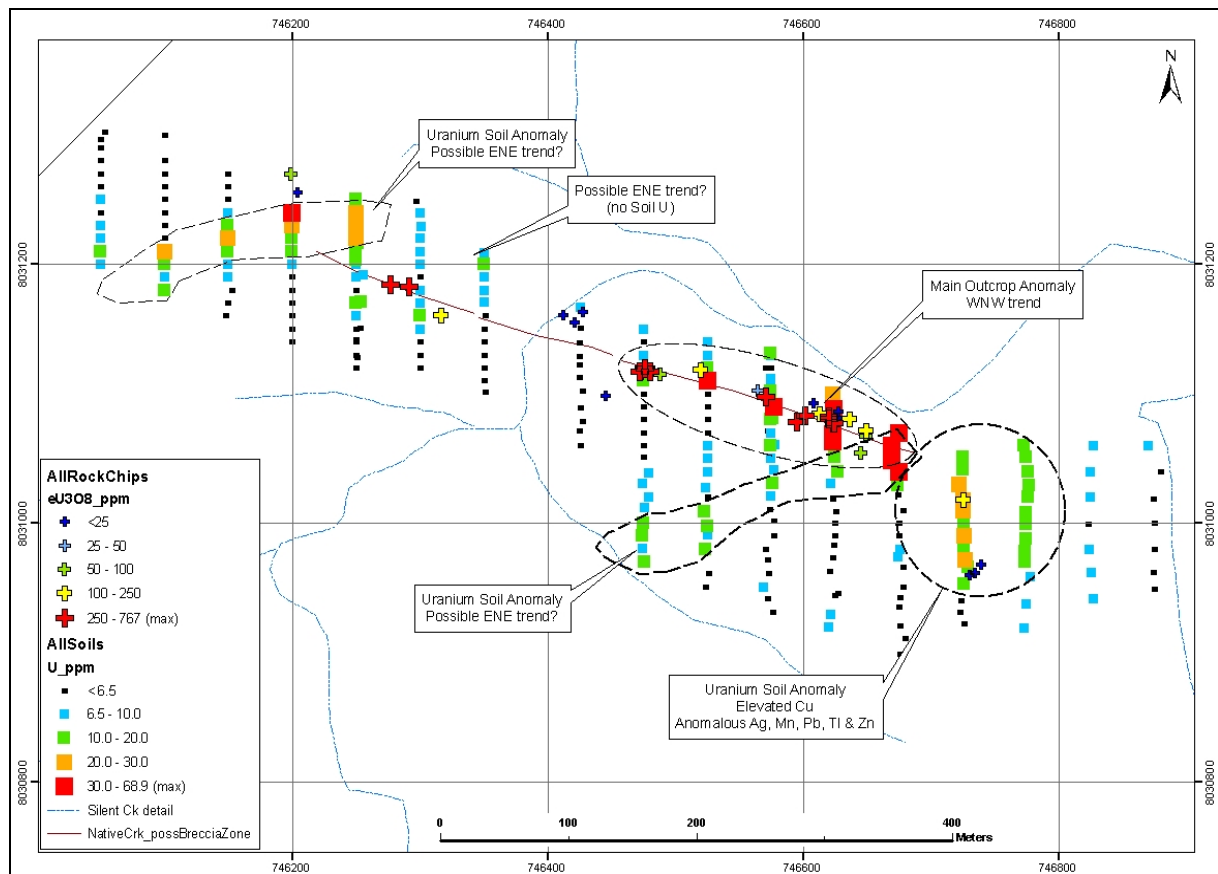


Figure 6. Exposure of the Native Creek Fault Breccia, viewed from the north-west.

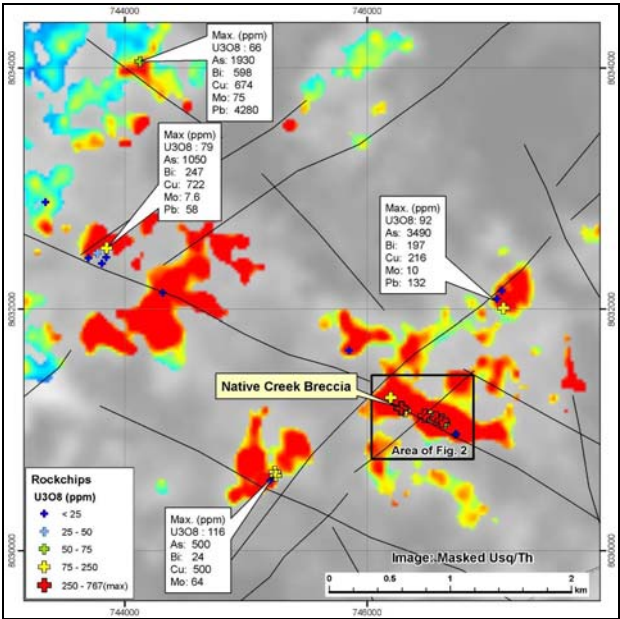




**Figure 7.** Ferruginous mineralised fault breccia at Native Creek. (767 ppm U<sub>3</sub>O<sub>8</sub>)



**Figure 8.** Rock chip eU<sub>3</sub>O<sub>8</sub> and soil uranium assay values for the Native Creek Fault Breccia.



**Figure 9.** Tintarple area; rock chip geochemistry on a radiometric image, including the Native Creek Breccia.



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

**BONDI MINING LTD**

**ABN 21 120 723 426**

Quarter ended

30-Sep-10

**Consolidated statement of cash flows**

**Cash flows related to operating activities**

1.1 Receipts from product sales and related debtors

1.2 Payments for (a) exploration and evaluation  
(b) development  
(c) production  
(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

1.6 Income taxes paid

1.7 Other (JV and other income)

**Net Operating Cash Flows**

**Cash flows related to investing activities**

1.8 Payment for purchases of: (a) prospects  
(b) equity investments  
(c) other fixed assets

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)

**Net Investing cash flows**

1.13 Total operating and investing cash flows  
(carried forward)

Current quarter	Year to date (3 months)
\$A'000	\$A'000
-	-
(319)	(319)
-	-
-	-
(72)	(72)
-	-
12	12
-	-
-	-
-	-
(379)	(379)
-	-
-	-
-	-
-	-
-	-
-	-
0	0
(379)	(379)

1.13 Total operating and investing cash flows (brought forward)	(379)	(379)
<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	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Share issue costs)	-	-
<b>Net financing cash flows</b>	0	0
<b>Net increase (decrease) in cash held</b>	(379)	(379)
1.20 Cash at beginning of quarter / year to date	2,679	2,679
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	2,300	2,300
<b>Payments to directors of the entity and associates of the directors</b>		
<b>Payments to related entities of the entity and associates of the related entities</b>	Current quarter \$A'000	
1.23 Aggregate amount of payments to the parties included in item 1.2	47	
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' fees, wages, superannuation, professional fees and consulting fees for the Quarter.		
<b>Non-cash financing and investing activities</b>		
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**

3.1 Loan facilities

3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	-
-	-

**Estimated cash outflows for next quarter**

4.1 Exploration and evaluation

(Exploration of \$485,000 of which \$455,000 will be funded through JV contributions).

4.2 Development

4.3 Administration

Total

\$A'000
30
-
196
226

**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.

5.1 Cash on hand and at bank

5.2 Deposits at call

5.3 Bank overdraft

5.4 Other (provide details) - 30 and 60 day term deposits

**Total: cash at end of quarter (item 1.22)**

Current quarter \$A'000	Previous quarter \$A'000
50	221
2,250	2,112
2,300	2,333

**Changes in interests in mining tenements**6.1 Interests in mining tenements  
relinquished, reduced or lapsed6.2 Interests in mining tenements  
acquired or increased

Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
EL 24694	49%	100%	49%
EL 24841	49%	100%	49%
EL 25708	49%	100%	49%
EL 25709	49%	100%	49%
EL 25710	49%	100%	49%
EL 26138	49%	100%	49%
EL 26139	49%	100%	49%
EL 26140	49%	100%	49%
EL 27379	49%	100%	49%
EL 27728	49%	0%	49%
EL 27729	49%	0%	49%
EL 27730	49%	0%	49%

**Issued and quoted securities at end of current quarter**

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (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>	88,662,807	88,662,807	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs				
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>	3,000,000 500,000 500,000 500,000 108,000 58,000 58,000 50,000 65,000		<u>Excise Price</u> 0.25 0.30 0.35 0.40 0.30 0.30 0.30 0.15 0.12	<u>Expiry Date</u> 28/12/2010 11/11/2011 11/11/2011 11/11/2011 26/11/2012 26/11/2012 26/11/2012 22/09/2013 28/02/2015
7.8 Issued during quarter				



7.9 Exercised during quarter				
7.10 Cancelled during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

### Compliance statement

- 1.0 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).
- 2.0 This statement does give a true and fair view of the matters disclosed.

Sign here:..........Date: 29 Oct 2010

Company Secretary

KERRY ANGEL

Print name: .....

### Notes

- 1.0 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.
- 2.0 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.
- 3.0 **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.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **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.