

31 July 2012

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B FOR THE PERIOD ENDING 30 JUNE 2012

Kaboko Mining Limited (“**Kaboko**” or “**the Company**”) the manganese exploration, development and mining company operating in Zambia, is pleased to provide its operational report, together with its subsidiaries, for the quarter ending 30 June 2012. A copy of this report is available on the Company’s website, www.kabokominig.com.

COMPANY HIGHLIGHTS

- **Certified results received for the second trial shipment of manganese ore in the previous quarter further confirmed the high grade and quality of manganese ore at the Emmanuel Project**
- **Exploration and development work continued across the Company’s Zambian Manganese Projects with A\$0.7m spent on exploration and evaluation and acquisition of mine equipment including approx. A\$0.1m on refurbishment of the Company’s own RC drilling rig**
- **Significant manganese mineralisation identified at the Kanona Project over significant strike length**
- **Finalised design and capital costs quote received for the supply and construction of the manganese processing plant to be established at its Emmanuel Project**
- **Shareholders approve issuance of 24m shares to increase shareholding in Impondo Zambia Mining Limited to 75% and its rights over the small scale mining license at the Chowa Open Pit Mine**
- **Heads of Agreement with Australian American Mining Corporation for the sale of the Company’s non-core uranium projects in New Mexico USA**
- **Subsequent to the Quarter’s end the Company announced execution of binding loan documentation for a staged US\$10m secured Prepayment Debt Facility and a 10 year Manganese Ore Off-take Agreement with Noble Resources Limited, a subsidiary of Noble Group Limited**

During the 4th quarter of the 2011/12 financial year, the Company continued to progress exploration activities across its Zambian Manganese Projects, to stockpile manganese ore to deliver into its off-take agreement with Sinosteel Australia and to advance development activities with mine optimisation and processing plant design work undertaken.

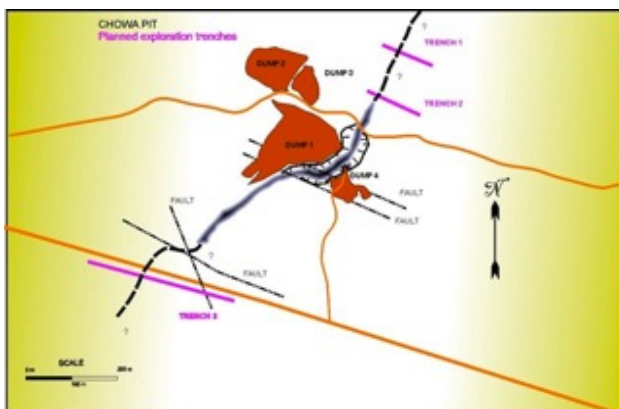
The major focus during the Quarter however was continued negotiations, and finalisation of technical, legal and financial due diligence with a wholly owned subsidiary of Noble Group Limited for a structured debt facility and long term manganese ore off-take agreement to be used by the Company to further fund exploration and mine development activities at its Zambian Manganese Projects. These negotiations were successfully concluded subsequent to the Quarter’s end, with the Company announcing execution of binding loan documentation for a staged US\$10m secured debt facility and 10 year binding manganese ore off-take agreement.

EMMANUEL PROJECT

The Emmanuel Project is located 10km north-east of Kabwe and covers over 2,000km². The project lies within the Kabwe Manganese Field, a region of known manganese occurrences and several established open pit manganese operations. The Emmanuel Project includes a granted small scale mining lease, the Chowa Open Pit.

Previous ground and aeromagnetic and density surveys and diamond and RC drilling on the Emmanuel Project has identified manganese mineralisation that occurs in several veins, each 1.5m to 5m in thickness. The previously proposed 52-hole resource definition RC drilling program at the Emmanuel Project was delayed during the Quarter, whilst the Company advanced trenching further to determine the strike extent of exposed manganese mineralisation in the Chowa Open Pit Mine and from surface mapping of outcrops and also whilst debt funding negotiations were being completed. The Company decided during the Quarter to completely refurbish its RC drill rig that had previously been transported from New Mexico USA to enable increased drilling activity to commence in the current quarter.

Although the planned RC drilling was delayed during the Quarter, trenching and detailed mapping of the trench walls targeting the pyrolusite bodies, that occur parallel to the regional strike (195°/015°) of the schists, meta-sediments, granitic gneiss and younger granite rocks, have shown that the manganese mineralisation does not necessarily follow the regional dip direction of those rock types, but also dips in the opposite direction (to the NW), where it shows an aggressive intrusive relationship with the older granite and meta-sedimentary rocks.

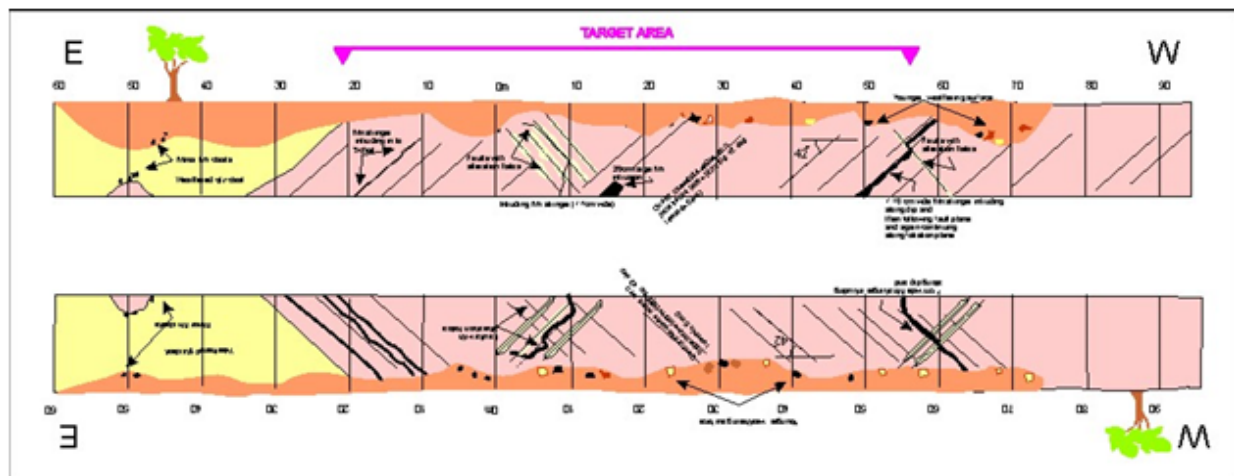


Trenching around the Chowa Open Pit testing strike extensions

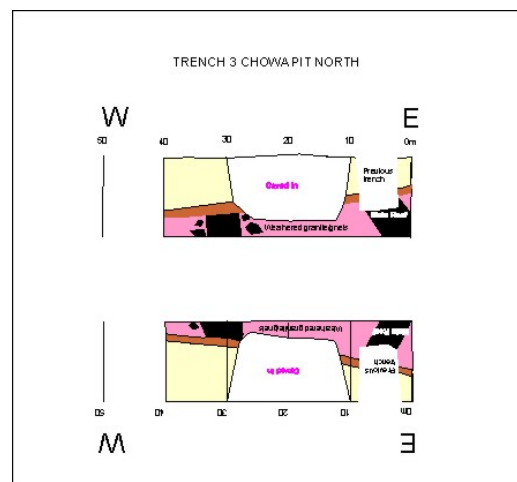
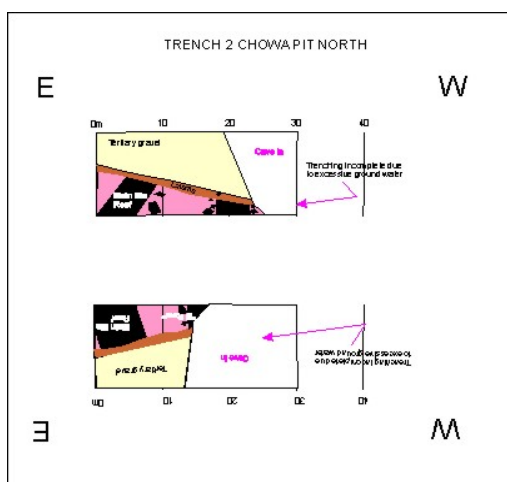
Some prominent bodies of manganese mineralisation were identified in the Quarter, of most significance in and around the small village of Brunerly, lying roughly 10km on strike (NNE) from the Chowa Open Pit and within the concession area.

Exploration activities during the Quarter were focused on two key strategic areas:

1. Testing the strike extent from existing pits, with structural analyses in the exposed trenches, and minimum 200m length trenches perpendicular to strike direction on 100m to 250m spacings and to depths of 3.0m to 5.0m. RC drilling of 2 confirmatory holes per trench down dip to depths of 30m to 55m is planned to allow subsequent resource calculation.
2. On a more regional basis across the 2,000km² license area mapping and geological interpretation of potential dislocated reefs, mapping of surface outcrops, structural analyses, studies on the petrology and followed by trenching and RC drilling.



Detailed mapping of recently trenches completed during the Quarter has indicated that the manganese mineralisation tends to disipitate to the south and appears to increase in volume to the north.



In both trenches 2 and 3 new manganese veins were identified to the west of the known position of the main manganese vein exposed in the Chowa Open Pit. Results from hand held XRF machines reported manganese grades of 54.77%, 48.80%, 46.85% in Trench 2.



Proposed trenching at the village of Brunerly, 10km NNE of the Chowa Open Pit

RC drilling, detailed logging, sample and laboratory testing is scheduled to be completed at the Emmanuel Project during the current quarter, with a target maiden resource statement to then be released. Stockpiling of material at the Kabwe Depot continued throughout the latter part of the Quarter, with material sourced primarily from the Chowa Open Pit Mine. Manganese ore has been bagged and awaiting transportation to the port of Beira and to be delivered into the Company's existing off-take contract with Sinosteel Australia. As at the end of the Quarter approx 600t of material at the Kabwe Depot with an average sampled grade of 52% manganese was bagged and available for transportation and delivery into offtake agreements.

PECO PROJECT

The Peco Project is located 65km east-northeast of the town of Mansa town, in the northern Luapula Province of Zambia and is proposed to be the second mine to be brought into development by the Company late in 2012.

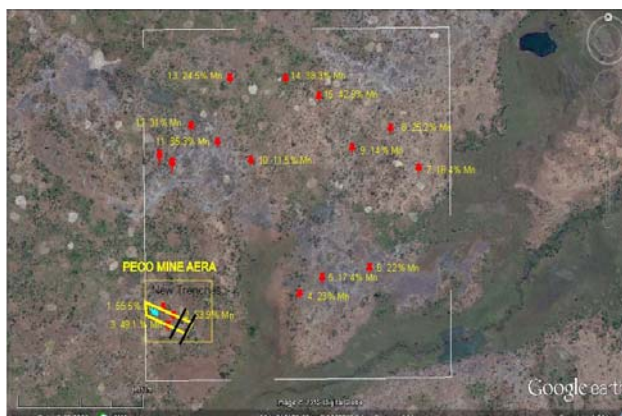
Exploration work completed to date has identified high grade manganese mineralisation in veins typically in excess of 4.0m width and strike lengths of over 400m. Recent trenching has also shown that the reef is open-ended towards the NW and SE. Future trenching has been planned to intersect the regional striking (140°/320°) mineralisation.



Over 1,000t of alluvials has been stockpiled at the Peco Project

The 40 hole RC drilling program that was scheduled to commence in the Quarter was deferred to the current quarter and is to be completed upon finalisation of the debt funding. The Company is proposing to complete RC drilling, detailed logging, sample and laboratory testing at the Peco Project during the current quarter, with a target maiden resource statement to then be released.

A summary of grab samples taken across the Peco Project during the Quarter is provided below.



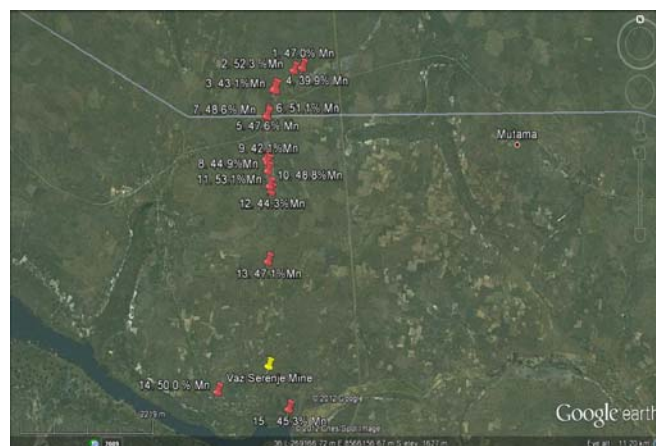
Location of Trenching and Grab Samples taken at the Peco Project

KANONA PROJECT

The Kanona Project is located between the towns of Serenje and Mpika of Central Zambia. The project is approx. 80km from Serenje, 5km from the Tazara Railway line and close to the Great Northern Highway.

Although the exploration program has focused on the Emmanuel and Peco Projects, major manganese mineralisation has been identified at the Kanona Project over a significant strike length.

A summary of grab samples taken across the Kanona Project during the Quarter is provided below.



Location of Grab Samples and XRF analyses taken at the Kanona Project

#

Sample Number	Co-ordinates E	Co-ordinates S	Manganese (%)
1	268,372.00 m	8,568,398.00 m	52.3
2	268,372.96 m	8,568,398.08 m	
3	268,047.80 m	8,568,126.09 m	43.1
4	268,047.00 m	8,568,096.00 m	39.9
5	267,960.00 m	8,567,793.00 m	47.6
6	267,940.00 m	8,567,693.00 m	51.1
7	267,926.21 m	8,567,739.59 m	48.6
8	267,951.00 m	8,567,037.00 m	44.9
9	267,950.00 m	8,566,985.00 m	42.1
10	267,970.00 m	8,566,950.00 m	48.8
11	267,954.00 m	8,566,688.00 m	53.1
12	267,978.77 m	8,566,646.31 m	44.3
13	267,957.00 m	8,565,572.00 m	47.1
14	267,112.60 m	8,563,633.40 m	50.9
15	268,320.00 m	8,563,386.00 m	45.3



A major reef has been exposed at the Kanona Project and repeated XRF analyses has indicated an average grade of 47% manganese

CERTIFIED RESULTS OF SECOND TRIAL SHIPMENT CONFIRM HIGH GRADE MANGANESE

0087538

中华人民共和国出入境检验检疫局
检验技术中心
INSPECTION AND QUARANTINE TECHNOLOGY CENTER
XIAMEN ENTRY-EXIT INSPECTION AND QUARANTINE BUREAU P.R.C.

Address: 中国福建省厦门市 2141 号
E-mail: xiamen@ciq.xm.gov.cn
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Fax: 0592-3266115

检验报告
TEST REPORT

No. 2112006647
Date: 2012 年 03 月 29 日
Page: 1 of 1

委托单位: 厦门国贸集团股份有限公司
品名/规格: 锰矿
样品数量: /
样品状态及标识: 399500112011866
抽/收样日期: 2012 年 02 月 23 日
检测结果:

应委托方申请, 本中心于 2012 年 02 月 23 日派员至厦门海天码头堆场, 对 BEWOMN120000001 号提单对应的 PCIU2782193 等共 11 个集装箱内所申报的货物(塑料编织吨袋装)进行取样。每个集装箱随机抽取 6 袋货物, 并从每袋中抽取 1 个份样/约 2 千克的样品, 共抽取 66 个份样/约 132 千克的样品, 合并成一混合样。样品呈黑色小块状。样品经检验, 结果如下:

检测项目	检测结果	检测方法
水分 (%)	3.66	GB/T 14540.8-1994
Mn (干基, %)	55.10	GB/T 24519-2009
Fe (干基, %)	0.43	GB/T 24519-2009
P (干基, %)	0.023	GB/T 24519-2009
SiO ₂ (干基, %)	5.32	GB/T 24519-2009
Al ₂ O ₃ (干基, %)	1.75	GB/T 24519-2009
S (干基, %)	0.008	GB/T 14540.5-1994

备注: 上述检验结果仅对样品负责。

印章: 官方 Seal
签名: Signature
A0006

声明: 1. 本报告未经本技术中心书面批准, 不得部分复制。
2. 对报告若有异议, 请于收到报告之日起 15 天内向本中心提出。

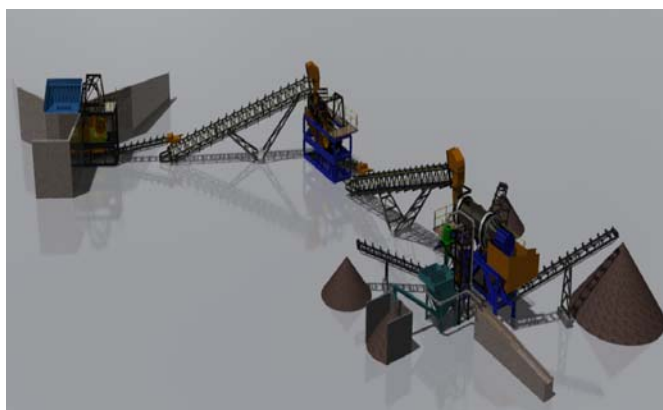
During the Quarter the Company received the certified results of the second trial shipment of 300 tonnes of manganese ore that was shipped to Xiamen in China in the previous quarter.

The certified results (left), confirmed the high grade (55% Mn) of manganese in the 300 tonne trial shipment of manganese ore mined from the Chowa Open Pit at the Company's Emmanuel Project. The certified results further confirmed the high quality of the manganese ore and was completed by one of the leading importers of ferrous and non-ferrous metals into China.

The testwork is the third independent analyses completed on the manganese ore produced and exported from the Company's Emmanuel Project in Zambia.

Although the Company received an indicative and non-binding offer of an off-take agreement on competitive terms, the Company has elected not to proceed given the US\$10m debt funding and long-term off-take agreement discussions with Noble.

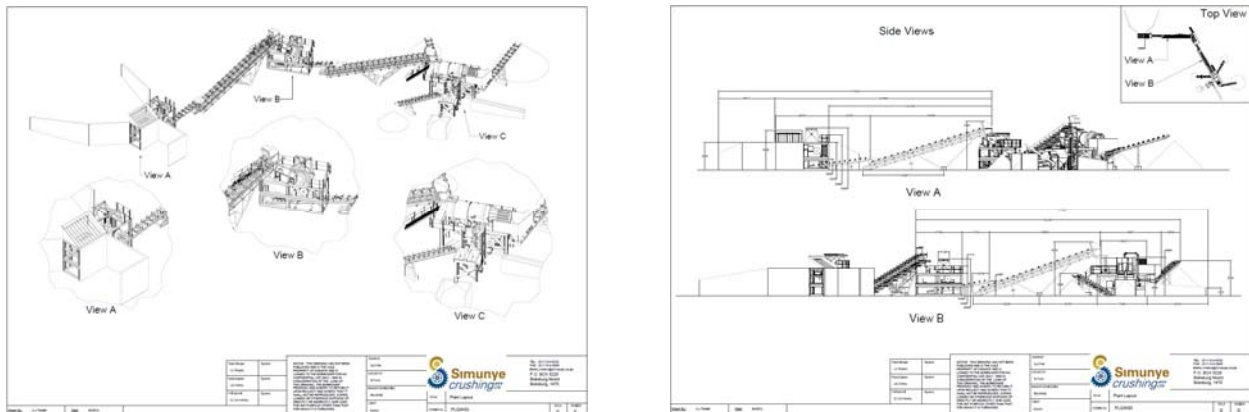
MANGANESE PROCESSING PLANT



During the Quarter the Company received the design and detailed capital costs for the manganese processing plant that is proposed to be constructed at the Emmanuel Project in 2H 2012. The proposed plant at the Emmanuel Project will allow the Company to produce 3 cleaned and classified manganese lumpy ore products (course 21%, medium 60%, and small 12%) as well as an upgraded fines product (7%) for the export markets.

The plant will consist of a modular crushing circuit, scrubber, screens and a fines cleaning and dewatering circuit. The plant was designed as a first stage to immediately start production of sellable lumpy product at the lowest possible initial capital investment cost for liquidity purposes. The plant was specifically designed with expansion in mind at a later stage to further upgrade the manganese ore. Those expansions will be a jigging circuit for the fine lumpy and spirals circuit for the fines.

The head feed for the processing plant is designed to be 80t/h, producing an estimated 18,400t of lumpy ore per month. This is based on a 16 hour per day production cycle, 24 days per month. If plant production is on a 22 hour production cycle, the monthly output would be around 25,000mt per month, buffering the extra tonnages needed to make up for the impact of the rainy season on operations.



Detailed schematics of the proposed manganese ore processing plant at the Emmanuel Project

The estimated total costs for the construction and erection of the process plant are ZAR10.2 million (approx. US\$1.5m) and incorporates a 20% contingency.

The costs of the modular processing plant are proposed to be funded from the Company's recently completed US\$10m debt facility.

LOGISTICS AND EXPORT OF MANGANESE ORE

The Company has currently engaged UTI Worldwide, an industry-leading, supply chain management company, to manage the logistical arrangements for its export of manganese to China. UTI successfully completed the logistics associated with the transportation and shipment of approx. 510 tonnes of high grade manganese ore that was trucked from the Company's Kabwe facilities, loaded at the port of Beira in Mozambique and shipped to the ports of Xingang and Xiamen in China in the previous quarter. UTI are also forecast to complete the next shipment of manganese ore to Sinosteel Australia from existing stockpiles in the current quarter.

During the Quarter, the Company finalised its short and medium term logistics and export strategy and continues to develop its longer term logistics arrangements to ensure it meets the increased tonnages of high grade manganese ore that are forecast to be produced and available for export following completion of the proposed debt funding and associated off-take agreement with Noble. The Company undertook a review of its logistics arrangement and approached several other logistics groups active in bulk commodity transportation and exports in Southern Africa to determine the further available capacity, capabilities and costs associated with both road and rail transportation and shipment to and from the ports of Beira, Dar Es Salaam in Tanzania and Durban in South Africa.

Based on its review, the Company concluded:

1. there is sufficient road, rail and port capacity at rates that allow the Company to commercially operate and export containerised, bulk bagged high grade manganese ore at the production rates anticipated under the Noble off-take agreement, from its planned Emmanuel and Peco open pit mining operations;
2. there is a significant opportunity to further optimise logistics arrangements through a dedicated road transportation fleet and rail haulage contract, dry bulk shipment, through securing dedicated port space and stockpiling facility; and
3. there are available rail sidings adjacent to the Kabwe and Serenje Depots and rail capacity available to increase shipments, and these are being secured in anticipation of the expanded production.

The Company has engaged with established and proven logistic groups in Zambia and South Africa and during the Quarter received competitive and economic quotes for the transportation of the forecast production of high grade manganese ore from the Company's proposed open pit mining operations at Kabwe, Mansa and Serenje and to the various loading ports of Beira, Dar Es Salaam and Durban and through to destination ports in China.

All the logistic groups have confirmed the availability of road and rail capacity to meet the forecast production rates and off-take obligations under the recently concluded Noble debt funding arrangements. The detailed quotes received from the logistics groups support the Company's logistic and export plans and plans for the commencement of larger scale open pit mining operations at Kabwe, Mansa and Serenje.

In the current quarter the Company plans to finalise all the arrangements with all the logistic groups to further optimise and enhance its arrangements and to also satisfy a key condition precedent to the Noble debt funding. In addition the Company will look to execute rail access agreements for the rail sidings at Kabwe and Serenje to further facilitate the use of rail for bulk or bagged transportation to the loading port; and in conjunction with the Company's Chairman seek dedicated port space/allocation at Beira to further optimise its export arrangements.

URANIUM PROJECTS

The Company entered into a Heads of Agreement during the Quarter with ASX listed uranium exploration company Australian American Mining for the sale of its three uranium properties located in New Mexico in the USA. The Uranium Projects which include the Grants Ridge Joint Venture (earning 65% interest) and the Kit Carson and Northern Projects (100%) are considered non-core to the Company's current business activities and focus on its Zambian Manganese Projects.

The consideration for the purchase will be A\$50,000 and a 2% yellow cake royalty (net smelter recovery equivalent). Prior to the end of the Quarter the Company agreed to an extension of time for Australian American Mining to satisfy the various conditions precedents, including the completion of all necessary due diligence. The Company anticipates finalising the sale of the Uranium Projects in the current quarter.

CORPORATE

At a General Meeting held on 29 June 2012 shareholders approved the issuance of 24,000,000 fully paid ordinary shares in the capital of the Company to Andrew Chisembele or his nominees, a local minority shareholder of Impondo Zambia Mining Limited ("**Impondo Zambia**").

The shares are to be issued as consideration for the Company's 100% held subsidiary, African Asian Mining Development Ltd ("**AAMD**") exercising its option to increase its interest in Impondo Zambia from 51% to 75%. Impondo Zambia has a right to the small scale mining license at the Chowa Open Pit Mine which is located within the Emmanuel Project.

In addition at the General Meeting shareholders approved prior placements of securities as well as a placement of A\$778,000 of which A\$648,000 was received prior to 30 June 2012.

EVENTS SUBSEQUENT TO QUARTERS END

The Company announced on 30 July 2012, subsequent to the Quarters end, that it had reached a major milestone in advancing its **Zambian Manganese Projects** with the signing of a binding 10 year manganese ore off-take agreement and US\$10m 30-month secured debt facility with Noble Resources Limited ("**Noble**").

The US\$10m Prepayment Facility is to be advanced in two tranches upon satisfaction of a number of conditions precedent and subsequent:

- Tranche A - an initial advance of US\$0.5m (already received by the Company) and a second advance of US\$5.5m (forecast by the Company to be drawn down later this quarter), and upon satisfaction of a number of conditions precedent and final sign off by Noble, including, amongst other things, execution of documentation in respect to the transportation and export of manganese ore; and
- Tranche B - an advance of US\$4.0m upon delivery by the Company of 105,000 tonnes of manganese ore under the 10 Year Manganese Ore Off-take Agreement.

Shareholder approval is required to approve the US\$10m, 30-month Secured Prepayment Facility, the 10 Year Manganese Ore Off-take Agreement, the security to be granted by the Company and certain of its subsidiaries in favour of Noble. A Notice of Meeting will be distributed to shareholders shortly. The key terms of Prepayment Facility are considered very attractive for the Company and it bears an all in interest rate below 5%. In addition the Company is required to seek waivers from ASX in respect of Listing Rule 6.18 in respect to the equity top-up rights, of ASX Listing Rule 10.1 in respect to any transaction contemplated by the Off-take Agreement and of ASX Listing Rule 7.3.2 in respect of the transactions contemplated by the warrants.

In addition to the US\$10m Prepayment Facility, the Company and Noble have also entered into a binding 10 Year Manganese Ore Off-take Agreement. Under the terms of the Off-take Agreement, the Company will deliver to Noble approx. 180,000 DMT per year of a minimum 48% manganese lump ore from the Company's **Zambian Manganese Projects** on a quarterly basis over an initial 10 year term.

Under the terms of the 10 year off-take agreement the total amount of manganese ore to be delivered to Noble will be no less than 1,680,000 DMT of manganese ore production from the **Zambian Manganese Projects**. Manganese ore sold under the Off-take Agreement will be priced based on the BHP reference price (expressed in US\$ DMTU (per dry metric ton unit Mn content)), CIF China basis.

The Company anticipates the first exports under the Off-take Agreement to commence later this year in the 4th Quarter 2012 with CIF deliveries to ports in India, China and the Middle East, or other ports as agreed by the parties.

Noble is a wholly owned subsidiary of Noble Group Limited, a global supply chain manager of agricultural and energy products and metals, minerals and ores. Noble Group is listed in Singapore (SGX:N21), with headquarters in Hong Kong and operates from over 140 locations. A representative of Noble may be appointed to the Board of the Company following the drawing of the initial advance under Tranche A of US\$0.5m by the Company.

Yours faithfully



JASON BREWER
Executive Director

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About Kaboko Mining Limited

Kaboko Mining Limited (ASX:KAB) is an ASX listed exploration, development and mining company primarily focused on establishing itself as a major producer and exporter of high grade manganese ore from its portfolio of assets in Zambia. Kaboko currently holds majority interests in 5 large scale prospecting licenses and 3 small scale mining licenses covering over 2,700km² in established and highly prospective manganese mining regions in Zambia. The Company is focused on resource definition drilling and exploration across its large license holdings and establishing long-term sustainable production of a high grade and high quality manganese ore from its Emmanuel, Peco and Kanona Projects. In 2012 the Company has concluded strategic off-take and funding agreements with Sinosteel Australia Limited and Noble Resources Limited that are proposed to be used to complete further exploration and to advance its projects towards full-scale commercial production.

Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the manganese market, expectations regarding manganese ore prices, production, cash costs and other operating results, growth prospects and the outlook of Kaboko's operations including the likely commencement of commercial operations of the Emmanuel, Peco and Kanona Projects, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding the Company's development and exploration operations, economic performance and financial condition. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in manganese ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Competent Person's Statement

The information in this update that relates to exploration results is based on information reviewed and compiled by Mr Francois Martins, who is a registered natural scientist and a member of the South African Council for Natural Scientific Professions. Mr Martins is employed by Kaboko Mining Limited and has sufficient experience which is relevant to the style of mineralisation and the 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, Coal Resources and Ore Reserves. Mr Martins consents to the inclusion in this report of this information in the form and context in which it appears.

Reporting On Exploration Results

The update has been compiled in accordance with the JORC Code, the recommendations and guidelines set out in the revised 2007 South African Code for The Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the rules and guidelines relating to the independent expert's reports set by ASIC and ASX.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Kaboko Mining Limited

ABN

93 107 316 683

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	9	75
1.2	Payments for (a) exploration & evaluation	(219)	(1,349)
	(b) development	-	(242)
	(c) production	-	-
	(d) administration	(237)	(1,274)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
		(444)	(2,783)
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	(454)	(1,589)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	7
1.10	Loans to other entities	-	(31)
1.11	Loans repaid by other entities	69	69
1.12	Other – net cash on acquisition of subsidiary	-	126
		(385)	(1,418)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(829)	(4,201)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(829)	(4,201)
	Cash flows related to financing activities		
1.14a	Proceeds from issues of shares, options, etc.	-	2,930
1.14b	Shares to issue	648 ⁽ⁱ⁾	648 ⁽ⁱ⁾
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	2,324
1.17	Repayment of borrowings	-	(1,622)
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	(277)
	Net financing cash flows	648	4,003
	Net increase (decrease) in cash held	(181)	(198)
1.20	Cash at beginning of quarter/year to date	433	447
1.21	Exchange rate adjustments to item 1.20	(3)	-
1.22	Cash at end of quarter	249 ⁽ⁱⁱ⁾	249 ⁽ⁱⁱ⁾

(i) Shares (38.9m) to be issued as approved by shareholders at the Company's General Meeting on 29 June 2012.

(ii) USD \$500,000 received post quarter end from Noble Resources Limited, a subsidiary of Noble Group Limited, as announced 30 July 2012. In addition, as announced, USD\$5.5m will be drawn down in the next quarter.

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
1.2 Aggregate amount of payments to the parties included in item 1.2	61
1.2 Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

Directors' fees and corporate management services

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

+ See chapter 19 for defined terms.

- 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

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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		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	450

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	249	433
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	249*	433

**USD \$500,000 received post quarter end from Noble Resources Limited, a subsidiary of Noble Group Limited, as announced 30 July 2012. In addition, as announced, USD\$5.5m will be drawn down in the next quarter.*

+ See chapter 19 for defined terms.

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			
6.2	Interests in mining tenements acquired or increased			

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	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	594,550,815	594,550,815	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities (Convertible Notes)			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	142,561,844	142,561,844	<i>Exercise price</i> \$0.03	<i>Expiry date</i> 30 June 2013
		89,750,709	-	\$0.08	13 July 2012
		250,000	-	\$0.40	31 July 2012
		250,000	-	\$0.60	31 July 2012
		4,000,000	-	\$0.03	15 July 2015
		9,979,382	-	\$0.022	1 December 2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

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



Sign here: Date: 31 July 2012
(Company secretary)
Print name: Jane Flegg

+ See chapter 19 for defined terms.

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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