



## About Mintails

- Mintails owns substantial uranium and gold bearing tailing resources located in South Africa's historic Witwatersrand Basin.
- Through its ownership of extensive plant, equipment and infrastructure Mintails is in the process of becoming a significant producer of uranium and gold with processing facilities being constructed on both its West and East Rand locations.

Issued Capital : 678.8m shares  
: 820.9m shares  
(fully diluted)

### Major Shareholders

: Kintara 11.5%  
: JP Morgan 9.4%  
: Merrill Lynch 8.41%

### Directors

: Bryan J. Frost, Executive Chairman  
: Dick van der Walt, CEO  
: Lloyd Birrell, Special Projects Director  
: Jaco Schoeman, Technical Director  
: Richard Revelins, Executive Director  
: Robert Croll, Non-executive Director  
: Bernard Swanepoel, Non-executive Director  
: Dick Potts, Non-executive Director  
: Peter Chapman, Non-executive Director

Website: [www.mintails.com.au](http://www.mintails.com.au)

This report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with estimation of uranium and gold resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

Mintails accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

## Highlights

- WERGO construction on time and on budget and scheduled for a staged commissioning in October 2008.
- Two of the three properties designated for WERGO Tailings Deposition Site "Super Dump" have completed their transfer of ownership.
- Mintails secures option from Pamodzi Gold to acquire Grootvlei Tailings Materials.
- Mintails and DRDGold secure assets from AngloGold Ashanti to expand the ERGO Mines Joint Venture to approximately 1.7 billion tonnes of Gold and potentially Uranium & Sulphur bearing tailings.
- Mintails becomes a major shareholder in West Wits Mining Limited which listed on the ASX on 19 December 2007 following South African Reserve Bank Approval.
- HVH Operations located on the East Rand has commissioned a CIL Plant with very promising initial metallurgical results.
- Mintails Board of Directors and Executive Management Team have been significantly strengthened by the addition of Messrs Rob Croll and Basie Maree, former Senior Executives of AngloGold Ashanti, and Mr. Bernard Swanepoel, former Chief Executive of Harmony Gold Limited.

## Overview

Mintails has significant gold and uranium tailings recovery operations based on the West and East Rand in South Africa's historic Witwatersrand Basin near Johannesburg.

## WEST RAND OPERATIONS

Mintails' West Rand operations comprise:

- 1) WERGO – Gold and Uranium Operations (Under Construction)
- 2) Mogale Gold Plant – Gold in Production
- 3) West Wits Mining Limited (West Wits) – Gold and Uranium Underground Exploration Joint Venture with DRDGold

## **WERGO – Uranium and Gold Focus**

WERGO stands for the West Rand Gold and Uranium Operations which is currently under construction near Randfontein approximately 70kms west of Johannesburg. The WERGO Plant will comprise of both a gold and uranium producing circuit, which is scheduled for completion in October 2008. The December quarter will see a staged commissioning of these two circuits to process, tailings at a mining rate of up to 800,000 tonnes of slimes tailings per month, once full commissioning is achieved. The mining rate is planned to be subsequently increased to in excess of 1.2m tonnes per month when the proposed Super Dump is commissioned.

Mintails' technical management reassessed the WERGO Phase 1 Feasibility Study and concluded that the rate of deposition capacity achievable for its interim deposition facilities (prior to the completion of the Super Dump), would be a limiting factor. As a consequence WERGO will only be able to process 800,000 tonnes of tailings per month prior to the proposed Super Dump being commissioned.

### **Current Status of the WERGO Phase 1 - Gold and Uranium Recovery Plant**

- Process design is finalised
- Process facility layout is finalised
- All major process equipment was ordered
- Required mechanical and electrical equipment identified for placement of order
- Stripping and refurbishment of equipment from the East Daggafontein Plant (ex-ERGO) in progress, partly delivered to the WERGO site
- Major concrete works for both uranium and gold leach circuits, 50% complete

Based on its current status WERGO is still on track for its staged commissioning in October 2008. The critical factor of this commissioning schedule being achieved, will be the timely delivery of major process, mechanical and electrical equipment.

A review of project costs was also completed with the results suggesting WERGO will still be completed within the original budget. However power and labour skills shortages in South Africa may cause potential cost increases.

### **Interim Deposition Site**

The Department of Water Affairs and Forestry (DWAF) has in principle approved Mintails' proposal for deposition in the northern section of the open pit. The application for a water license has been submitted and formal approval is believed to be imminent. Management is also finalising the required reports and approvals for submission to DWAF to enable deposition in respect of the entire open pit. The progress made with DWAF has also enabled final approval from the Department of Minerals and Energy ("DME"). Mintails received documentation from the DME outlining their final requirements before providing approval.

### **Water Treatment Plant**

The water treatment plant is an essential element of the WERGO design. This plant is now partially completed with final commissioning expected and scheduled for the end of February 2008.

During this quarter Mintails finalised an agreement with the Water Utilities Corporation (WUC) to outsource the management of the entire operation of the Water Treatment Plant (WTP). WUC will provide the following services to WERGO:

- Management, operation and control of the (WTP) on a day- to- day basis,
- Ensure that the quality and quantity of treated Acid Mine Drainage (AMD) water complies with the conditions as stipulated by DWAF, and,
- Liaison with the associated Regulatory Bodies

By outsourcing the WTP facilities various operational synergies will be achieved and a consolidated approach to short, medium and long term mine closures and rehabilitation strategies for Mogale, DRD and Harmony, be put in place.

## Super Dump

WERGO's long term deposition requirements centre around 3 farms which have been purchased in a geologically approved setting (granite based) within a 32 km radius of the plant. Construction of the Super Dump will provide an estimated capacity of 800m – 1 billion tonnes of tailings. Mintails completed transfer of ownership of 2 of the 3 farms during this quarter. It is planned for this deposition capacity to be available by the commissioning of WERGO Phase 2.

Extensive evaluation work is being conducted and various studies are currently being undertaken as part of the regulatory processes for permitting the dump site. Mintails is actively engaging interested environmental groups and surrounding "Affected and Interested Parties" in the process. From this process, it is being progressively proven, that the Mintails Super Dump will also be the most environmentally friendly solution for the management of various other dumps located nearby and owned by other mining groups in the area. During 2008, Mintails is intending to engage these neighbouring mining companies to establish the possibility for the consolidation of further tailings dumps.

## Mogale Gold Plant – Gold

During the quarter the Mogale Gold plant processed 422,000 tonnes of tailings and recovered 5,112 oz of gold. This marginally lower production was due to power outages and refurbishment/re-alignment of one of the mills.

The Mogale Plant is running in line with expectations and is still providing an excellent 'proof of principle', although production was interrupted by mill repairs. In general the Mogale Plant is running efficiently and is providing a small cash operating contribution.

It is still planned that certain sections of the Mogale infrastructure will be integrated into the larger WERGO Phase 1 project as it nears commissioning in October 2008.

## Resources – (West Rand Only)

On 12 October 2007 the Company announced that not only had it increased its total JORC uranium resources to approximately 30.5m lbs but it had elevated the status of these resources, with 14.71m lbs classified as JORC Indicated Resource, and 15.59m lbs classified as JORC Inferred Resource.

**TABLE 1 – Mintails Ltd. West Rand Surface Uranium Resources (October 2007)**

| Current JORC Resources    |                   |             |                |                        |
|---------------------------|-------------------|-------------|----------------|------------------------|
| JORC Category             | Tonnes (millions) | Grade (g/t) | Uranium Tonnes | Uranium Lbs (millions) |
| Indicated                 | 138               | 48          | 6674           | 14.71                  |
| Inferred (Tailings Dumps) | 131               | 33          | 4348           | 9.59                   |
| Inferred (Additional)**   | 54                | 51          | 2723           | 6.0                    |

\*\* Additional- includes vleis, silts and dam paddocks and uraniumiferous dumps on East Champ D'Or where the conversion of the existing mining license as well as a prospecting right is under application. Tonnages and grades are from historical sampling and tonnage estimation from DRD (SA) Ltd. Inferred (additional) resources will be verified by drilling, trenching and pitting over the next eighteen months. It is noted that to date reasonable reconciliation exists between the historically quoted uranium grades and tonnages and that verified by recent drilling and assaying.

Table 1 and the information contained below Table 1 is based on information compiled by Mr. Peter Camden – Smith M. Sc(UCT), G.D. Eng( Wits), M.B.L. ( Unisa); Pr Sci Nat, a member of the Geological Society of South Africa being a Recognised Overseas Professional Organisation included in a list promulgated by ASX from time to time.

As previously announced Mintails established a JORC measured, indicated and inferred gold resource of approximately 1.9m ozs Au from approximately 50% of the tailings materials sampled for gold content on the West Rand.

When assessing Mintails' uranium resources it is important to note that these resources have already been mined and milled and deposited on surface in surveyed and quantified dumps. Accordingly the gold

and uranium that is planned to be processed and recovered will be produced at a substantially lower cost per pound than traditional underground mining operations.

Additional drilling and evaluation work is continuing with a view to increasing and upgrading the existing gold and uranium resources.

### **Underground Joint Venture – Gold and Uranium**

The Underground Joint Venture with DRDGold Limited and Mining and Reclamation Services (Pty) Ltd was announced in April 2007. The Joint Venture was formed to evaluate, explore and potentially mine gold and uranium by open cast and underground mining methods on the West Rand.

Previously it was reported that a number of regulatory hurdles had to be satisfied in order for the proposed initial public offering to proceed. These hurdles were successfully navigated and the Underground Joint Venture was listed as West Wits Mining Limited (West Wits) on 19 December 2007.

On Listing, Mintails held approximately 27.7% of West Wits. The successful listing of West Wits has positioned Mintails to explore further synergies between West Wits and Mintails with regard to the opencast capacity of the Mintails mining fleet acquired through the merger with Skeat Gold Mining in December 2006.

## **EAST RAND OPERATIONS**

Mintails' East Rand Operations comprise:

- 1) ERGO – Gold and Potential Uranium Joint Venture
- 2) HVH Heap CIL Operation - Gold

### **ERGO Mines Joint Venture – Gold and Potential Uranium**

On 7 June 2007 Mintails and DRD Gold announced the formation of a 50/50 Joint Venture (JV) to process significant gold bearing tailings materials on the East Rand. At the date of formation of the JV the partners believed, based on historical production, that these tailings may host uranium mineralization. However the initial ERGO Mines Joint Venture was positioned to extract gold only from the Elsburg Tailings Complex and was therefore limited to a resource of approximately 195 million tonnes.

On 26 November 2007 Mintails announced an expansion of the ERGO Mines JV from 195m tonnes to approximately 1.7 billion tonnes. Not only did this expansion include a significant increase in the volume of tailings materials, but the scope of the ERGO Mines JV was extended to include the potential uranium and sulphur mineralisation of these dumps. The Elsburg Complex, which was initially introduced to the ERGO Mines JV by DRD Gold, now only represents approximately 10% of the total 1.7 billion tonnes of tailing materials forming the JV. The ongoing programme of resource evaluation and upgrade, resulted in a JORC measured resource of 1.67 million ounces of gold from for the Elsburg Complex being announced on 17 December 2007. At this stage no evaluation of uranium or sulphur content has been undertaken.

The expansion of the JV significantly extends the amount of refurbishment being undertaken from only one CIL circuit at the Brakpan Plant initially, to all infrastructure at Brakpan over the next 36 months. This refurbishment will increase the capacity at the plant, from one CIL gold recovery circuit, to a plant capable of processing tailings for the recovery of gold, and if found feasible, uranium and sulphuric acid.

Through this expansion the JV partners have endorsed the strategy to consolidate their available and unexploited surface uranium and gold assets on the Central and East Rand.

This expanded focus follows:

- The acquisition by the ERGO Mines JV of additional tailings properties and the Withok deposition complex from AngloGold Ashanti for a payment of ZAR 45 million (approx. AUD \$7.6m) and assumption of rehabilitation obligations.
- Acquisition by Mintails of an option to acquire tailings properties (the "Grootvlei Properties) (comprising some 105 million tonnes) from Pamodzi Gold Limited. These properties will form part of Mintails' contribution to the expanded JV.

Following the contribution made by DRDGold of additional tailings materials to the ERGO Mines JV and the potential for those materials to contain uranium and sulphuric acid, Mintails maintained its 50% JV status by contributing the remaining parts of the Brakpan Plant facility, which were originally excluded from the JV announced on 7 June 2007.

Mintails also contributed resources secured following the Option Agreement finalised with Pamodzi Gold, announced on 26 November 2007.

The expanded JV will undertake feasibility studies to refurbish and reopen the entire Brakpan plant which was acquired by Mintails in 2006. Over its 25-year history, the Brakpan Plant (Ergo Mines JV), and the East Dagga Plant (refurbished and relocated to WERGO), while operated by AngloGold Ashanti, processed more than 890 mt of tailings material and produced approximately 8.3 million ounces of gold and 5.5 million pounds of uranium.

The acquisition of the Withok deposition site from AngloGold Ashanti will provide the expanded JV with extensive additional deposition capacity commensurate with the substantial increases in tailings material and processing capacity.

Phase 1 of the JV will still involve the refurbishment of one CIL circuit at the Brakpan Plant with the capacity to treat an estimated 15 mt of tailings per annum, for the recovery of some 75,000 ounces of gold per annum. Phase 1 will be executed in two stages and will commence with 7.2 mt per annum scheduled for commissioning in October of 2008. The completion of Stage 2 will increase production capacity to 1.24 mt per month (i.e. 15mt per annum) and is scheduled for commissioning in the second quarter of 2009.

Phase 2 of the ERGO Mines JV, now under investigation, envisages the expansion of the gold plant by refurbishing the second CIL circuit and the development of uranium and acid plants, which are envisaged to have a design capacity to produce an estimated 150,000 ounces of gold per annum from a throughput of 30mt of tailings.

The parties intend to commission a Feasibility Study prior to full implementation of Phase 2 of the JV. The uranium and sulphuric acid capacity of Phase 2 will be determined by the detailed feasibility study. The arrangements between the JV partners have been structured to provide for the contribution of assets to the JV operation on a 50:50 basis. Further Capex contributions for full implementation of both Phase 1 and Phase 2 of the JV are likely, and the quantification of those amounts will be part of the commissioned feasibility process.

The JV is subject to regulatory review, completion of definitive agreements and other approvals. In the normal course of business the envisaged timelines to commissioning are dependent on completion of the regulatory approval process which is already underway.

### **HVH Heap Leach – Gold**

During the quarter the main focus was to complete work associated with the commissioning of the CIL plant. HVH processed 16,000 tonnes of slime materials via the new mini CIL plant and extracted 404 oz's of gold. The metallurgical results achieved during this commissioning period confirmed management's expectations that material remaining on the heap leach pads will be capable of being processing through the CIL circuit. The business plan for HVH for 2008 will therefore significantly benefit from the operational costs absorbed by HVH in previous quarters in that the heap leach material now designated for processing in the CIL plant, has already been screened to a 6mm size and has already been transported to the HVH Plant site.

### **The Pamodzi Gold Option Transaction**

On 27 November 2007, in conjunction with the announcement issued by Mintails Limited on the ERGO Mines JV, Mintails announced the Company and Pamodzi Gold Limited ("Pamodzi") signed a Memorandum of Agreement under which Mintails has procured an option to acquire additional tailings materials from the Grootvlei Proprietary Mines Limited, a 100% subsidiary of Pamodzi (the "Grootvlei Tailings Dumps").

The refocus of the HVH Operations to become a CIL Operation, and the associated process of milling the feedstock has significantly reduced the previously envisaged mining rate associated with heap leach operations. This in turn provided Mintails with a rock dump material resource in excess to what the new mining plan of HVH requires. This excess capacity enabled Mintails to participate in the Pamodzi Gold Option and expanded ERGO Mines JV transactions.

The acquisition price of the Pamodzi Gold transaction will be determined by the amount of uranium contained in the Pamodzi dumps, which in turn will be determined by an Independent Report.

The settlement terms of this acquisition allows Mintails to issue shares to Pamodzi Gold in Mintails SA. Pamodzi Gold is a BEE compliant company and any shares issued to Pamodzi Gold will contribute to the ongoing focus of Mintails to complete its own BEE compliance commitments through arms length, market related transactions.

## Corporate

Having successfully executed a focused two-year strategy to establish Mintails with an expanded resource base, Mintails has also embarked on a strong drive to expand its Executive Operations Management capacity.

During the previous quarter the Company welcomed the appointment to the Board of Mr Rob Croll. With effect from 1 January 2008, Mintails secured the appointment of Rob Croll as a permanent full-time member of the Mintails Executive team, in the capacity of Group Executive, Corporate. In August last year Mr Croll joined the Board of Mintails as a non-Executive Director on a part time basis. In this new position, Mr Croll will be able to contribute significant management capabilities to Mintails to consolidate and optimize the potential of Mintails' large resource base as the company moves into its next phase of development, commissioning, and production. Mr Croll will focus on the development and Management of Mintails' corporate capabilities and provide leadership at the corporate level.

Mr Croll is an Associate Member of the Mine Managers Association of South Africa and a Fellow and Council Member of the South African Institute of Mining and Metallurgy (SAIMM). Until recently, Mr Croll was Manager, Business Development of AngloGold Ashanti Limited based in Johannesburg. Mr Croll's extensive experience covers due diligence, valuation, acquisition and disposal of various resource opportunities and company's, and the listing of AngloGold Ashanti Limited on a number of international stock exchanges. Mr Croll has held a number of senior roles within the South African mining industry and has been responsible for the publication of a number of technical papers associated with the mining and valuation of mining projects.

During this quarter Mintails furthermore engaged Mr Basie Maree and was successful to negotiate his appointment with effect from 1 March 2008. Mr. Maree will serve in the capacity Group Executive - Operations. In this new position, Mr Maree will be able to contribute his technical and operational expertise for both the WERGO Operation and the Joint Ventures with ERGO Mines and West Wits. In this capacity he will be positioned to optimize the potential of Mintails' large resource base and ensure that production milestones are achieved as the company moves into its next phase of development, mine commissioning and production.

Previously, Mr Maree was a consulting metallurgist with Anglo American's Gold and Uranium Division which later restructured into AngloGold Ashanti where he was appointed as Head of Metallurgy and General Manager in 1999 for the South African Metallurgical Operations. He held this executive position until 2005 when he was promoted to Head of Metallurgy – Africa for AngloGold Ashanti, where he carried the technical advisory and project management responsibility for all of AngloGold Ashanti's operations in Africa.

Mintails during this quarter also secured the services of Mr. Bernard Swanepoel with effect from 15 January, 2008. Mr Swanepoel will focus on Mintails' strategic growth initiatives, the options available to increase group value, and optimization of the current asset portfolio.

Mr. Swanepoel has tremendous experience and an unparalleled track record within the Mining industry in South Africa. Under his management, the Beatrix Mine became the lowest cost producer in South African gold mining. For 12 years, he was Chief Executive of Harmony Gold Mining Company Limited, where under his leadership, Harmony grew from a 680 000 oz per year producer in 1995 to a 2.3M oz per year producer in 2007.

Mr. Swanepoel is currently the founder and director of To the Point Growth Specialists – a consulting firm providing companies in the mining industry with advice on growth strategies. Mr Swanepoel sits on the advisory boards of both the Wits Business School as well as the Pretoria University's mining engineering department. He is also a non executive director of ARM Limited and Sanlam Limited.

# Appendix 5B – 2nd Quarter

## 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:**

MINTAILS LIMITED

**ABN:**

45 008 740 672

**Quarter Ended ('Current Quarter')**

31<sup>st</sup> December, 2007

### Consolidated Statement of Cash Flows

|   | <b>Current Quarter<br/>\$A'000</b> | <b>Year to Date<br/>(6 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b><u>Cash Flows Related to Operating Activities</u></b>  |                                    |  |
| 1.1 Receipts from product sales and related debtors       | 4,490                              | 9,050  |
| 1.2 Payments for: (a) exploration and evaluation          | (239)                              | (239)  |
| (b) development   | (9,046)                            | (16,399)                                       |
| (c) production  | (4,972)                            | (8,884)  |
| (d) administration  | (1,667)                            | (2,741)  |
| (e) contract services                                     | (152)                              | (308)  |
| (f) staff costs   | (842)                              | (1,499)  |
| (g) other working capital                                 | -                                  | -  |
| 1.3 Dividends received                                    | -                                  | -  |
| 1.4 Interest and other items of a similar nature received | 1,398                              | 2,329  |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes paid                                     | -                                  | -  |
| 1.7 Other (provide details if material)                   | -                                  | -  |
| <b>Net Operating Cash Flows</b>                           | <b>(11,030)</b>                    | <b>(18,691)</b>                                |
| <b><u>Cash Flows Related to Investing Activities</u></b>  |                                    |  |
| 1.8 Payment for purchases of:                             | -                                  | -  |
| (a) prospects   | -                                  | -  |
| (b) equity investments                                    | (826)                              | (2,252)  |
| (c) other fixed assets                                    | (5,088)                            | (15,195)                                       |
| 1.9 Proceeds from sale of:                                | -                                  | -  |
| (a) prospects   | -                                  | -  |
| (b) equity investments                                    | -                                  | 374  |
| (c) other fixed assets                                    | -                                  | -  |
| 1.10 Loans to other entities                              | -                                  | -  |
| 1.11 Loans repaid to other entities                       | -                                  | -  |
| 1.12a Other – Acquisition of Subsidiary                   | (219)                              | (219)  |
| 1.12b Other (provide details if material)                 | -                                  | -  |
| <b>Net Investing Cash Flows</b>                           | <b>(6,133)</b>                     | <b>(17,292)</b>                                |
| <b>1.13 Total Operating and Investing Cash Flows</b>      | <b>(17,163)</b>                    | <b>(35,983)</b>                                |

+ See chapter 19 for defined terms.

|  |   | Current Quarter<br>\$A'000 | Year to Date<br>(6 months)<br>\$A'000 |
|--|---|----------------------------|---------------------------------------|
| 1.13   | <b>Total Operating and Investing Cash Flows<br/>(Carried Forward)</b> | <b>(17,163)</b>            | <b>(35,983)</b>                       |
| <b><u>Cash Flows Related to Financing Activities</u></b> |   |                            |                                       |
| 1.14   | Proceeds from issues of shares, options, etc.                         | 1,050                      | 92,395                                |
| 1.15   | Proceeds from sale of forfeited shares                                | -                          | -                                     |
| 1.16   | Proceeds from borrowings  | -                          | -                                     |
| 1.17   | Repayment of borrowings   | (1,080)                    | (1,081)                               |
| 1.18   | Dividends paid  | -                          | -                                     |
| 1.19   | Other (provide details if material)                                   | -                          | (6,542)                               |
| <b>Net Financing Cash Flows</b>                          |   | <b>(30)</b>                | <b>84,772</b>                         |
| <b>Net Increase / (Decrease) in Cash Held</b>            |   | <b>(17,193)</b>            | <b>48,789</b>                         |
| 1.20   | Cash at beginning of quarter/year to date                             | 78,668                     | 13,098                                |
| 1.21   | Exchange rate adjustments to item 1.20                                | 38                         | (374)                                 |
| 1.22   | <b>Cash at End of Quarter</b>   | <b>61,513</b>              | <b>61,513</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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 598                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

|  |
|--|
| Salaries, directors' fees, corporate advisory & consulting fees at normal commercial rates |
|--|

**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

|   |
|---|
| - |
|---|

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

|   |
|---|
| - |
|---|

+ See chapter 19 for defined terms.

### Financing Facilities Available

Add notes as necessary for an understanding of the position.

|                                 | Amount Available<br>\$A'000 | Amount Used<br>\$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                | 15,378        |
| <b>Total:</b>                  | <b>15,628</b> |

### Reconciliation of Cash

| Reconciliation of cash at the end of the quarter<br>(as shown in the consolidated statement of cash flows)<br>to the related items in the accounts is as follows. | Current Quarter<br>\$A'000 | Previous Quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 29,869                     | 12,391                      |
| 5.2 Deposits at call  | 31,644                     | 66,277                      |
| 5.3 Bank overdraft  | -                          | -                           |
| 5.4 Other (provide details)   | -                          | -                           |
| <b>Total: Cash at End of Quarter (item 1.22)</b>  | <b>61,513</b>              | <b>78,668</b>               |

### Changes in Interests in Mining Tenements

|     | Tenement<br>Reference | Nature of Interest<br>(note (2))                              | Interest at<br>Beginning<br>of Quarter | Interest at<br>End of<br>Quarter |
|-----|-----------------------|---|--|----------------------------------|
| 6.1 | Nil                   | Interests in mining tenements relinquished, reduced or lapsed |  |                                  |
| 6.2 | Nil                   | Interests in mining tenements acquired or increased           |  |                                  |

+ See chapter 19 for defined terms.

### 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.

|      |  | <b>Total<br/>Number</b> | <b>Number Quoted</b> | <b>Issue Price Per<br/>Security (cents)</b><br><br>(see note 3) | <b>Amount<br/>Paid Up Per<br/>Security<br/>(cents) (see<br/>note 3)</b> |
|------|--|-------------------------|----------------------|---|---|
| 7.1  | <b>Preference +Securities</b><br><i>(Description)</i>  | -                       | -                    | -   | -   |
| 7.2  | Changes During Quarter<br>(a) Increases through<br>issues<br>(b) Decreases through<br>returns of capital, buy-<br>backs, redemptions | -                       | -                    | -   | -   |
| 7.3  | <b>+Ordinary Securities</b>  | 678,179,652             | 678,179,652          | -   | -   |
| 7.4  | Changes during quarter<br>(a) Increases through<br>issues  | 18,557,137              | 18,557,137           | \$0.30 to \$0.6912  | Fully Paid  |
|      | (b) Decreases through<br>returns of capital, buy-<br>backs   |                         |                      | -   | -   |
| 7.5  | <b>+Convertible debt<br/>securities</b> <i>(Description)</i>   | -                       | -                    | -   | -   |
| 7.6  | Changes during quarter<br>(a) Increases through<br>issues<br>(b) Decreases through<br>securities matured,<br>converted               | -                       | -                    | -   | -   |
| 7.7  | <b>Options</b> <i>(Description and<br/>Conversion Factor)</i>  | 73,676,000              | -                    | Exercisable @ \$0.20<br>to \$0.81                               | -   |
| 7.8  | Issued during quarter  | 31,676,000              | -<br>-<br>-          | Exercisable @ \$0.20<br>to \$0.81                               | -   |
| 7.9  | Exercised during quarter   | (3,500,000)             | -                    | Exercised @ \$0.30  | -   |
| 7.10 | Expired during quarter<br>(Lapsed)   | (2,500,000)             | -<br>-               | Exercisable @ \$0.25<br>to \$0.25                               | -   |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>  |                         |                      |   |   |
| 7.12 | <b>Unsecured notes</b> <i>(totals<br/>only)</i>  |                         |                      |   |   |

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign Here:



Director

Date: 31<sup>st</sup> January, 2008

Print Name:

**Richard Revelins**

## 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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+ See chapter 19 for defined terms.