



INDOCHINE MINING LIMITED

ASX:IDC

ACN 141 677 385

31 July 2012

Company Announcements Office  
Australian Securities Exchange

17 Pages

## Quarterly Activities Report

For Quarter Ended 30 June 2012

### Highlights & Achievements

#### Mt Kare Project PNG - High Grade Gold Results Continue Pre-Feasibility Study Well Advanced

- High grade gold results continue with assays up to:  
**17 metres at 100.3 grams/tonne (g/t) gold**, 134g/t silver;  
**54 metres at 8.2g/t gold** and **35 metres at 8.1g/t gold**;  
10 holes have been reported and 40 holes have assays pending.
- Significant visible gold over 33 metres downhole on a new prospect, 1 kilometre south of the currently defined resource
- Pre-Feasibility Study (PFS) well advanced, due for completion August 2012 with its public release before 28 September, after discussions with the regulatory authorities in PNG.
- Second phase infill drill campaign almost completed; 6300 metres (50 holes), for resource quality improvement and metallurgical test work.
- Landowner Investigation Study field interviews complete

#### Cambodia – Sulphides in drillholes

- Pyrite-pyrrhotite intersected with intrusives in Kratie North drillholes

#### Corporate

- Cash position: \$1.8 million at 30 June 2012.

#### Corporate Summary\*

##### Shares on Issue:

546 Million

##### Market Capitalisation:

A\$80 Million

##### Cash (30 Jun 2012):

A\$1.8 million

##### Top Shareholders:

Baker Steel Capital 10%

Och-Ziff Capital 9%

BlackRock 8.4%

SH & HH Koh 7.8%

Jabre Capital 4%

\* As at 31 July 2012

INDOCHINE MINING LIMITED

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## ***Project Development – Mt Kare, PNG***

### **The Mt Kare Gold/Silver Deposit - Summary**

Indochine Mining Limited ('Indochine') has taken the Mt Kare gold/silver deposit in Papua New Guinea (PNG) ('The Project'), from acquisition to an advanced stage in 14 months. The Pre-Feasibility Study (PFS) is due for completion in late August, for release before 28 September 2012, after it has been presented to the PNG regulators.

The Project is comprised of over 415 diamond drill holes or over 67,000 metres of drilling. Future development is targeting a low strip ratio, high-grade opencut gold/silver mine producing 125-150,000 oz/yr of gold and silver. The current total JORC Mineral Resource is 1.8 million ounces gold and 20 million ounces silver in 28.3 million tonnes at 1.9 g/t gold, which includes 700,000 ounces gold at 3.7 g/t gold in 6 million tonnes (Indicated Resource).

Mt Kare is located 15 kilometres from one of the world's Top 10 gold mines, Barrick's giant Porgera mine, which has produced over 500,000 ounces of gold per year for 21 years. Mt Kare shares similar geology, ore types, structures and age of mineralisation with Porgera, which already has significant infrastructure in place (road & power).

The team at the Project is headed by George Niumataiwalu, an experienced mining engineer with an MBA/MPA (Harvard), who has delivered a similar project from the resource stage to a fully permitted mining lease with landowner agreements in place. George has an experienced technical team on-site with a new camp for 150 people with full security, catering, communications and a health clinic, enabling a helicopter-supported drilling program.

The Landowner Investigation Study has been a key focus during the half year to June 2012 and is nearing completion, with most of the field interviews done and ground identification of claims to follow in the next quarter. The local communities and the government regulators have been supportive of this process.

A second phase infill drilling programme was advanced from April to July, as part of a Bankable Feasibility Study, which is anticipated to follow the PFS. The first 50 drillholes are anticipated to both improve the quality and increase the current resource, as well as provide material for metallurgical testwork. During July, resource extensions and new exploration targets were identified with the first drillhole indicating a potential new discovery, 1 kilometre south of the currently identified resource.

The Project is developing as one of the next major gold projects in PNG.

### **PFS-stage Drilling Programme**

Indochine's Pre-Feasibility Study (PFS) stage diamond drilling programme was completed in April, with 29 large diameter core holes completed for 3450 metres.

The second phase of drilling was completed in July, comprised of 21 diamond holes for approximately 3000 metres, as part of a Bankable Feasibility Study, which is anticipated to follow the PFS. Some holes were re-drilled or drilled close by to compare grade variability, density measurements and to provide further core for metallurgical work. Three drill rigs continue to operate and are focusing on the potential resource extensions and new exploration targets.

## High grade gold/silver results continue

High grade gold/silver assay results continue in the 10 holes that have results from the 50 holes drilled to date. Best results include:

*Drillhole 133SD12:*

**35 metres (m) at 8.1 grams/tonne (g/t) gold, 19 g/t silver** from 11m depth downhole.

*Drillhole 132SD12:*

**53.9 m at 8.2 g/t gold, 18 g/t silver** from 30m, including  
**13 m at 29.0 g/t gold, 19 g/t silver** from 43m depth downhole.

*Drillhole 129SD12:*

**47 m at 2.5 g/t gold, 20 g/t silver** from 16m, including  
**15 m at 4.0 g/t gold, 29 g/t silver** from 36m.

*Drillhole 127SD12:*

**16.9 m at 3.9 g/t gold, 20 g/t silver** from 19m, including **1 m at 50 g/t gold, and**  
**7 m at 2.5 g/t gold, 6 g/t silver** from 108m

*Drillhole 126SD12:*

**10 m at 4.4 g/t gold, 7.6 g/t silver** from 74m (results released last quarter)  
**23.2m at 2.0 g/t gold, 33g/t silver** from 26.8m  
**16 m at 2.9 g/t gold, 6 g/t silver** from 79m  
**21 m at 5.5 g/t gold, 625 g/t silver** from 99m

*Drillhole 125SD12:*

**27 m at 3.1 g/t gold, 4.3 g/t silver** from 77m, including  
**7 m at 6.5 g/t gold, 7.8 g/t silver** from 85m

*Drillhole 123SD11:*

**46.2m at 5.4 g/t gold, 187 g/t silver** from 46.2m including,  
**36.4 m at 6.2 g/t gold, 232 g/t silver** from 56.8m (results released last quarter)

*Drillhole 122SD11:*

**17.7m at 100.3 g/t gold, 134 g/t silver** from 59m including,  
**4 m at 420 g/t gold, 170 g/t silver** from 67m;

These holes show results are consistent with past holes with variations due to the nature of gold mineralisation, core size and core recoveries. Drillhole 124SD11 was not assayed.

To date, 50 diamond drillholes (~6300 metres) have been completed in Indochine's drilling programme commenced in November 2011, with 3 drillrigs on site. With 40 holes still pending assays, a more efficient turn-around and streamlining of drill results has been a focus recently mainly due to the transport time from PNG as well as the careful preparation of samples. Full core is used for both metallurgical test work and assaying purposes. The work programme may be reduced on-site temporarily so that more results are available to assist with planning and progress of the drilling programme.

## **Pre-Feasibility Study (PFS) – Well Advanced**

The Pre-Feasibility Study (PFS) is advanced, scheduled for completion in late August 2012, for release before 28 September 2012, after it has been presented to the PNG regulators. A new government is anticipated to be in place in PNG by the end of August.

Metallurgical testwork in Perth is continuing and mine plans and pit shells are being re-optimised with this information. Infrastructure plans have been updated after site visits by the consultants. Initial environmental data has also been compiled, with stream flow equipment and a weather station installed. An environmental inception report and management plan has been prepared. Initial plans for the tailings storage facility have been conducted. The Study Manager will drive the completion of the documentation necessary.

The new camp was expanded to cater for 150 people with full security, communications, and a health clinic, enabling a full helicopter-supported drilling program.

## **Exploration – New Discovery adjacent to Current Resource**

A potential new gold discovery has been made in the first new exploration drillhole, after the end of the June quarter. This new prospect is located approximately 1 kilometre south of the current resource.

Fine grained disseminated visible gold has been identified over 33 metres of drillcore from 170 metres depth downhole and the hole is being extended at present. The style of mineralisation, within a sheared siltstone/sandstone host, appears to differ from the currently identified resource to the north, although it is interpreted to occur in the same stratigraphic sequence. The core will be prioritised for assay which may take approximately 2 months before results are available.

## **Community Affairs**

A Landowner Investigation Study has been completed for the Paiela valley and the field interviews are nearing completion. The local community affairs team has worked with government regulators and the local district administrators to complete a community awareness programme in nearby villages to the Mt Kare project.

Formal ground identification of claims will follow in the next quarter. The local communities and the government regulators have been supportive of this process.

## ***Exploration – Cambodia***

Indochine holds the largest package of exploration leases in Cambodia in two large project areas – Kratie and Ratanakiri - spanning approximately 4000km<sup>2</sup>. Cambodia has undergone very limited modern exploration and is within a region known for large gold and copper deposits.

### **Kratie**

Drilling re-commenced on the Kratie North area around blind geophysical targets considered promising for intrusive related gold mineralisation. Further west, scout drilling had previously occurred around an expanded area of outcropping gold-in-quartz veins in intrusive rocks and a contact

aureole over a 5km x 5km area. The prior drill results, although sub-economic, had indicated the potential for a large and significant body of gold mineralisation in the area.

Considerable sulphides, as pyrite and pyrrhotite, had been intersected in the first of three drillholes over a chargeable IP anomaly in the eastern part of the Kratie North target, 5km west of any prior drilling. Buried intrusives were intersected, with sulphide mineralisation in skarns, hornfelsed sediments and intrusives at shallow depths

The target is an Intrusion-related Gold Deposit with occurrences identified across north-eastern Cambodia, including Ok Vau (0.7Moz), located in a similar setting 100km along strike. Examples of deposits in similar settings are in Alaska (Donlin Creek – 32Moz; Pogo - 5Moz) and Kazakhstan (Vasilkovskoe – 12Moz), which show high grade gold veins and/or low grade disseminated gold mineralisation.

## Ratanakiri

Altered intrusives and sediments were identified at Ratanakiri, which showed a favourable setting for a potential porphyry-related gold-copper mineralisation in northern Cambodia, on the border with Laos and Vietnam.

## Corporate

### Cash & Shares on Issue

Cash in bank was \$1.8 million at 30 June 2012.

The issued capital of Indochine is 546,333,324 million shares, comprised of 464,356,848 ordinary fully paid shares (quoted, including 68 million shares under voluntary escrow) and 81,976,476 ordinary fully paid shares (not quoted, under escrow). A private placement of \$8,250,000 closed on 3 May 2012 with the issue of 55,000,000 new IDC shares at \$0.15 per share. Funds were raised predominantly with some of the Company’s largest institutional shareholders.

### Stephen Promnitz

Chief Executive Officer, Indochine Mining Limited

#### For Further Details:

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### Competent Person Statement

*David Meade a full time employee of the Indochine Group (Indochine Resources (Cambodia) Ltd) is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken, being reported herein as Exploration Results, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). David Meade has consented to the public reporting of these statements and results and the form and context in which they appear.*

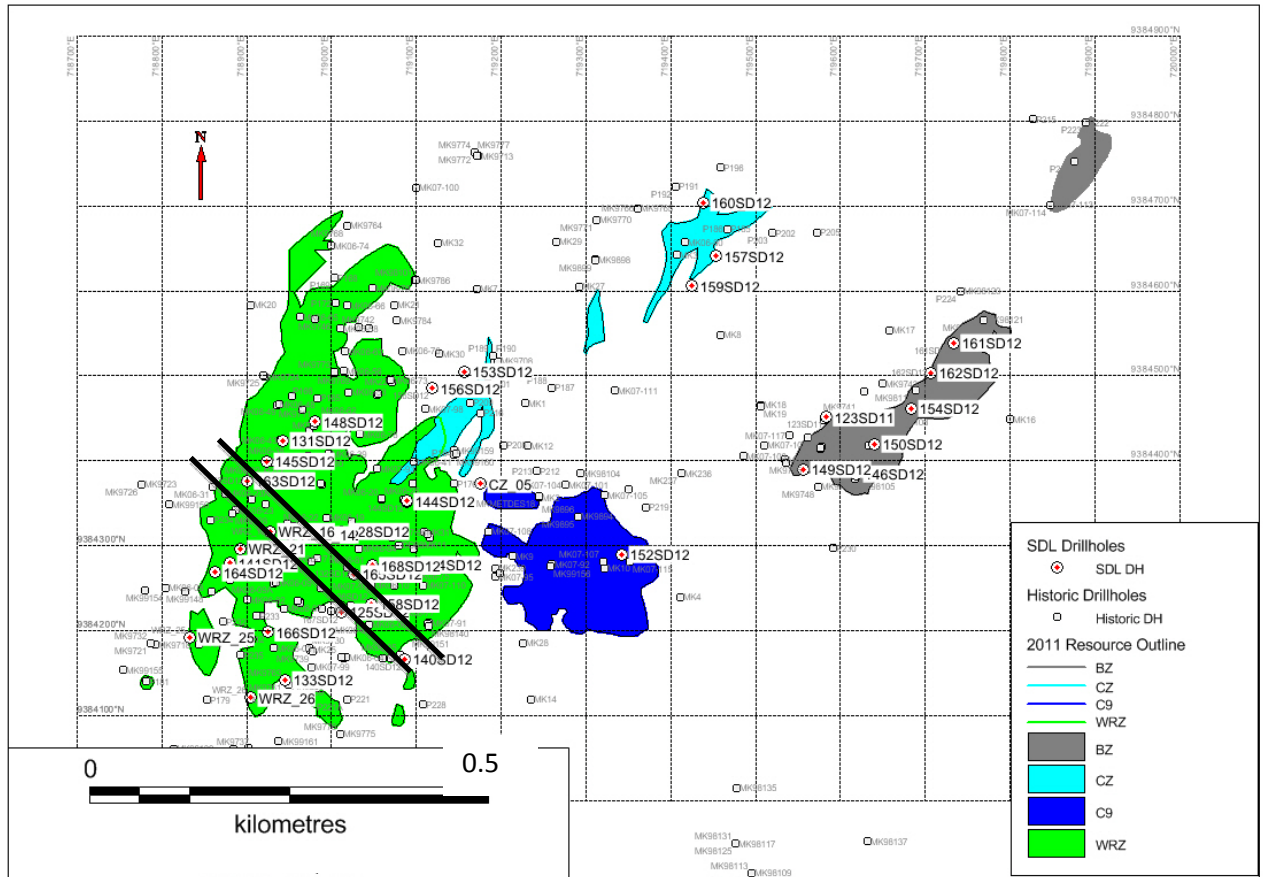


Figure 1: Plan of Mt Kare Resource model zones with locations of drill holes and sections

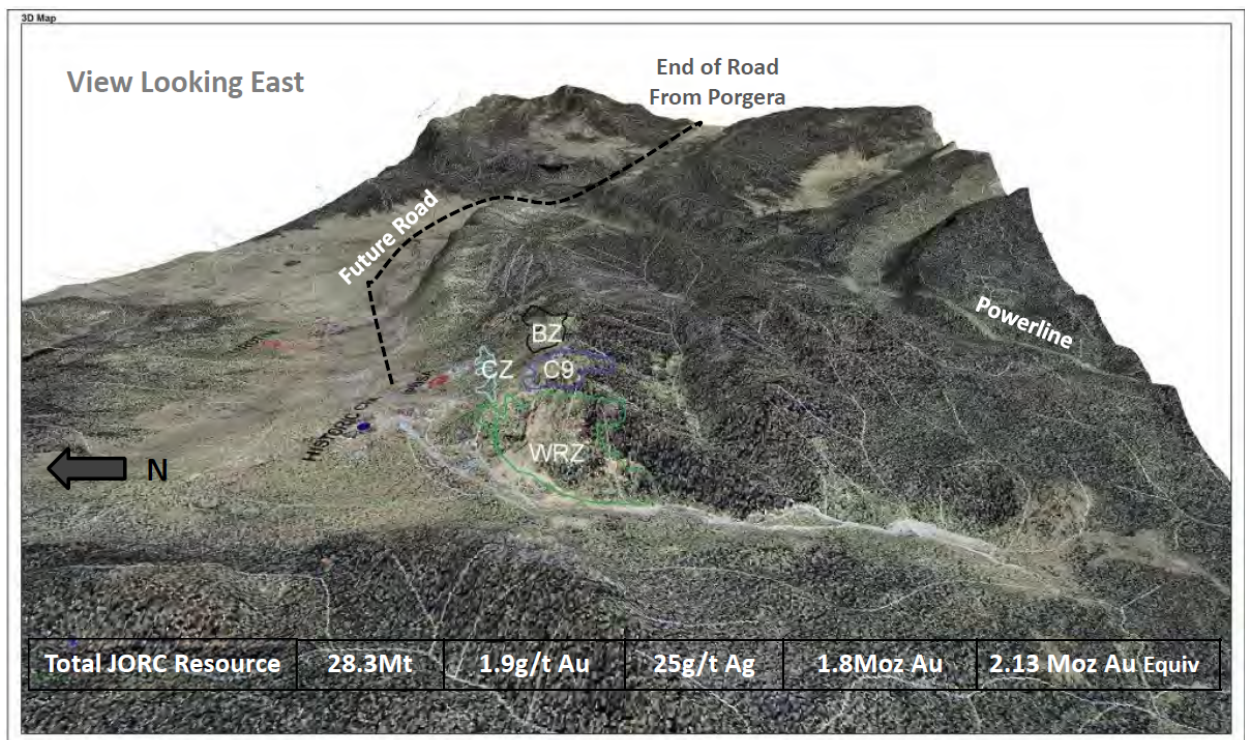
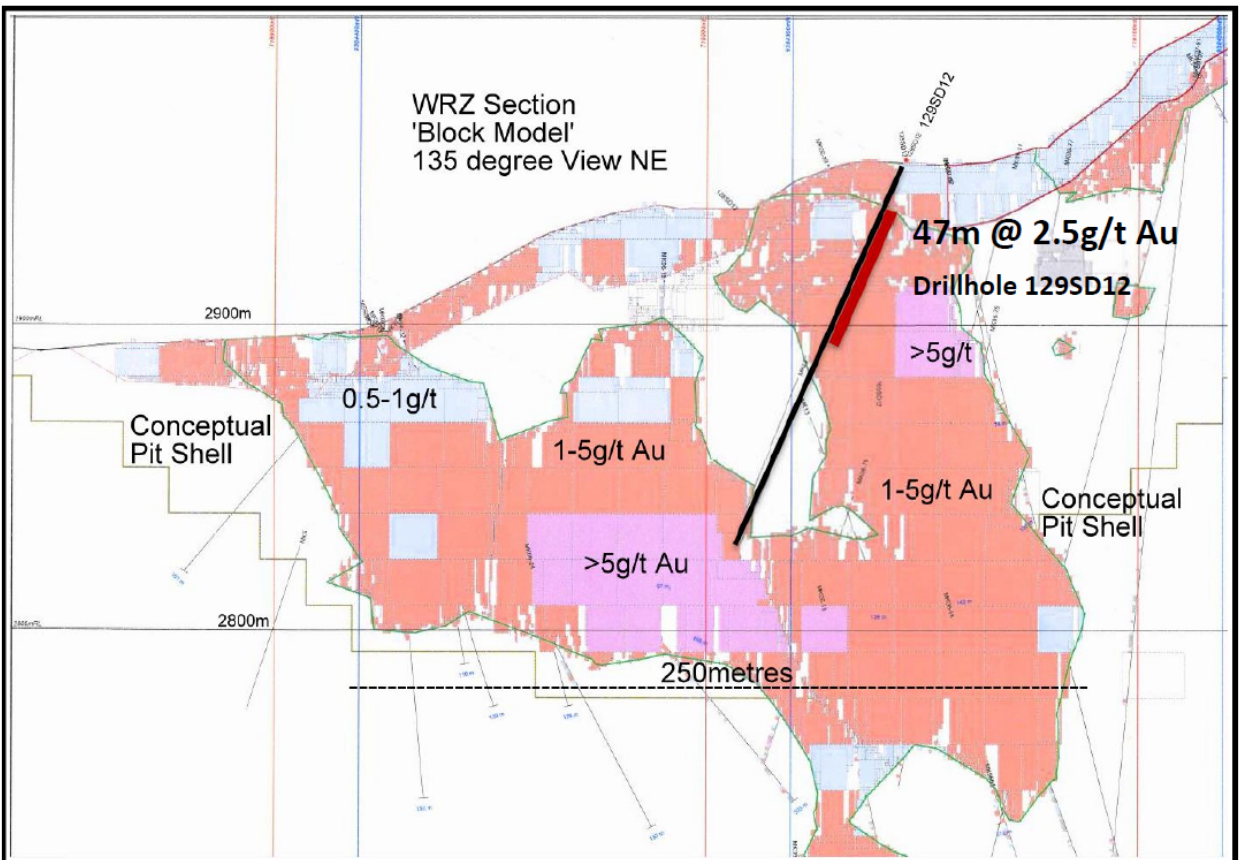
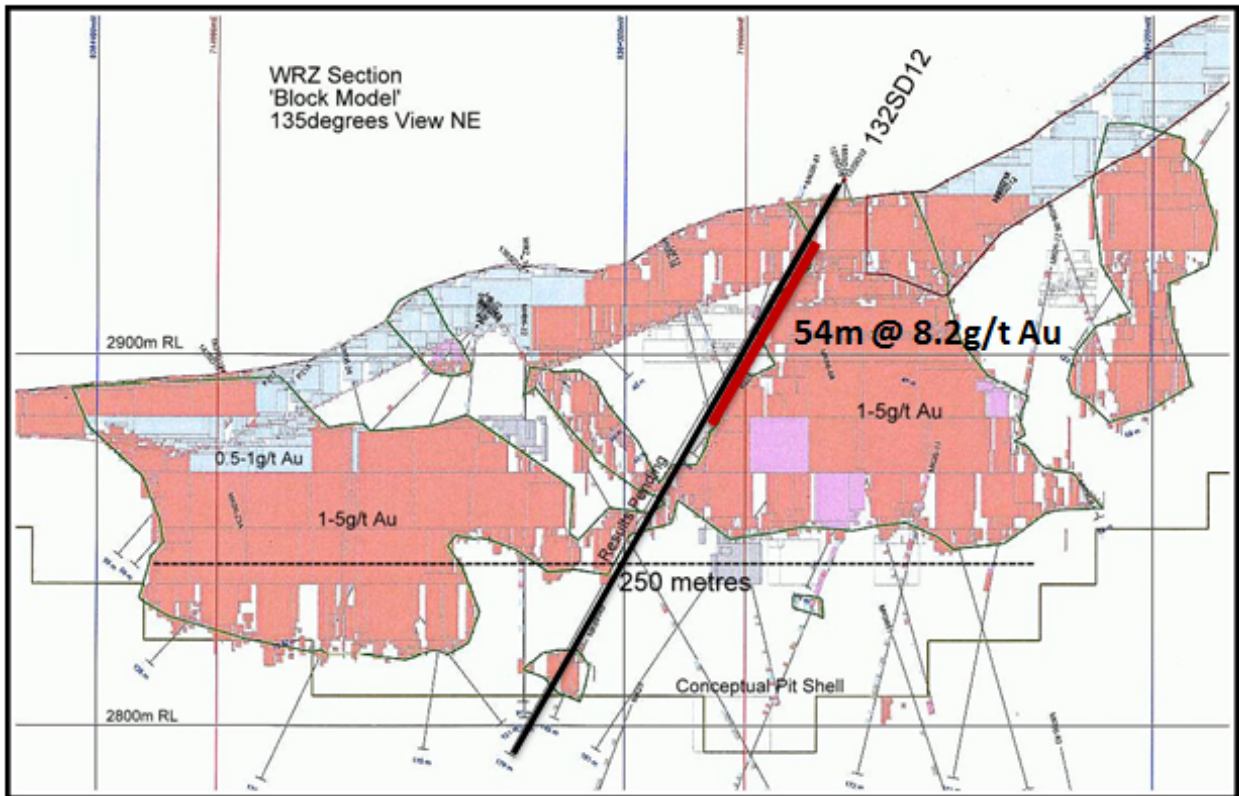


Figure 2: 3D View of Mt Kare Resource model zones and setting



**Figure 3: Cross-section and 'block model', looking towards the north east, through the WRZ of the Mt Kare Resource showing the modelled average gold grade and drillhole 129SD12 & 132SD12**

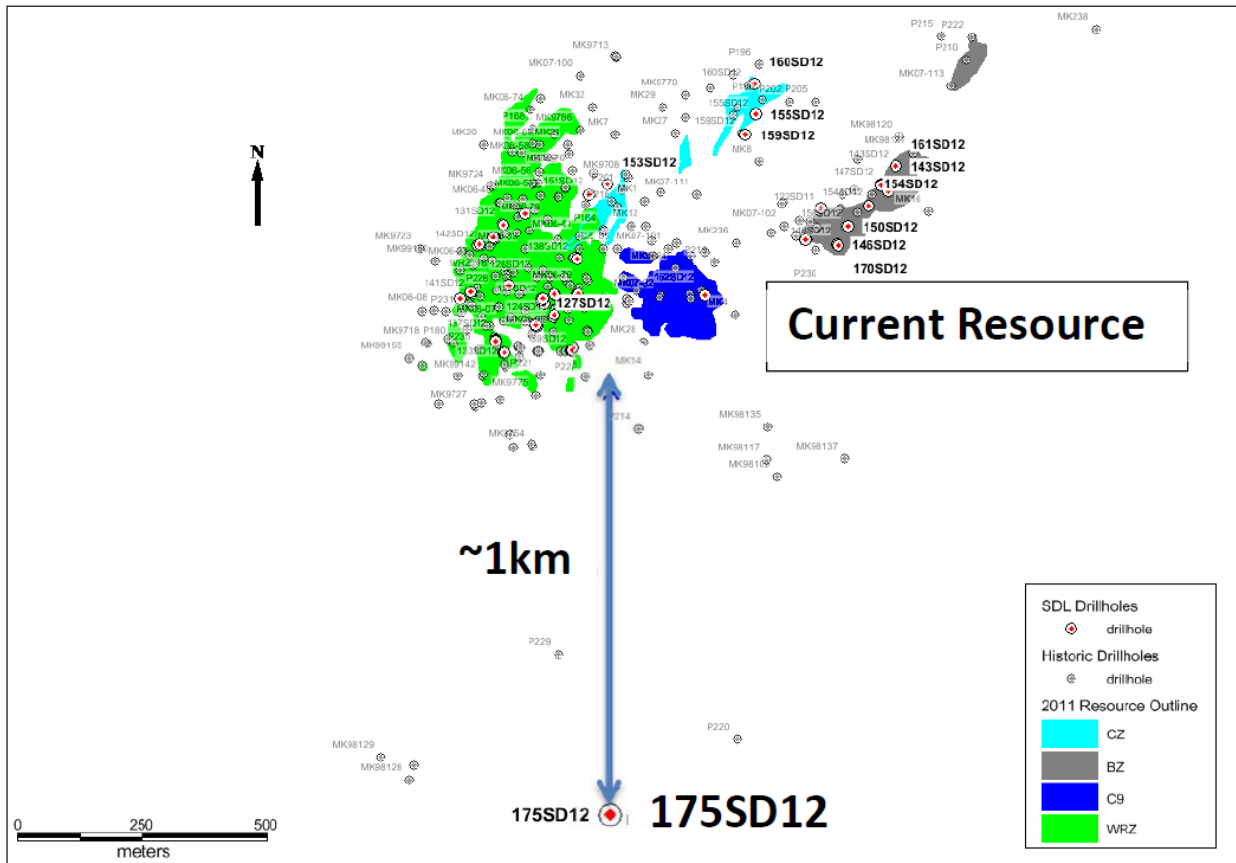


Figure 4: Plan of Mt Kare Resource with location of new exploration drillhole 175SD12



Figure 5: New expanded camp at Mt Kare





Figure 6: Mt Kare – Drillrig, Visible Gold, Core Shed, Mess Facility, Deposit with camp in foreground

Hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Domain
122SD11	<b>59.00</b>	<b>76.70</b>	<b>17.70</b>	<b>100.3</b>	<b>133.9</b>	BZ
<i>incl.</i>	<b>67.00</b>	<b>71.00</b>	<b>4.00</b>	<b>420.0</b>	<b>170.0</b>	
123SD11	56.80	103.00	46.20	5.43	187.0	BZ
<i>incl.</i>	56.80	93.20	36.40	6.21	232.3	
<i>incl.</i>	<b>72.70</b>	<b>85.30</b>	<b>12.60</b>	<b>10.10</b>	<b>104.0</b>	
124SD11	Not Sampled					
125SD12	21.00	35.00	14.00	0.49	5.1	WRZ
	77.00	104.00	27.00	3.11	4.3	
<i>incl.</i>	85.00	92.00	7.00	6.50	7.8	
	114.00	127.00	13.00	0.46	1.6	
126SD12	26.80	50.00	23.20	2.01	33.3	WRZ
	72.00	88.00	16.00	2.88	5.6	
<i>incl.</i>	74.00	84.00	10.00	4.40	7.7	
	<b>99.00</b>	<b>120.00</b>	<b>21.00</b>	<b>5.48</b>	<b>625.3</b>	
	145.00	150.00	5.00	0.81	5.4	
	174.00	188.00	14.00	0.59	12.1	
127SD12	19.10	39.00	19.90	3.78	18.9	WRZ
<i>incl.</i>	19.10	36.00	16.90	3.90	19.8	
<i>incl.</i>	26.00	34.00	8.00	7.53	21.1	
<i>incl.</i>	<b>30.00</b>	<b>34.00</b>	<b>4.00</b>	<b>14.49</b>	<b>30.2</b>	
<i>incl.</i>	108.00	115.00	7.00	2.49	6.0	
128SD12	58.00	61.00	3.00	3.06	21.9	WRZ
	97.00	107.00	10.00	0.50	40.5	
129SD12	16.00	63.00	47.00	2.50	20.0	WRZ
<i>incl.</i>	36.00	51.00	15.00	4.00	29.0	
	113.00	114.00	1.00	2.86	1.8	
	161.00	167.60	6.60	1.21	17.0	
132SD12	<b>30.10</b>	<b>84.00</b>	<b>53.90</b>	<b>8.25</b>	17.9	WRZ
<i>incl.</i>	30.10	38.00	7.90	2.30	11.0	
<i>incl.</i>	<b>43.00</b>	<b>56.00</b>	<b>13.00</b>	<b>29.03</b>	19.5	
<i>incl.</i>	62.00	63.00	1.00	10.20	78.9	
<i>incl.</i>	74.00	75.00	1.00	5.55	79.5	
	91.00	94.00	3.00	2.93	35.9	
	92.00	93.00	1.00	7.02	97.7	
133SD12	11.00	63.00	52.00	6.74	23.0	WRZ
<i>incl.</i>	<b>11.00</b>	<b>46.00</b>	<b>35.00</b>	<b>8.15</b>	18.7	
<i>incl.</i>	50.00	52.00	2.00	14.35	89.7	
<i>incl.</i>	61.00	62.00	1.00	13.50	100.0	

**Table 1: Best assay results reported to date (April-July 2012) from current drill programme**

		Mt Kare Local Grid					
Hole	Zone	Easting	Northing	RL	Azimuth (°)	Dip (°)	Depth (m)
122SD11	BZ*	19469.7	84272.6	2990.3	135	-60	76.7
123SD11	BZ*	19469.7	84272.6	2990.3	135	-50	105.5
124SD11	WRZ*	18933.1	84052.1	2862.2	315	-65	49
125SD11	WRZ	18897.6	84042.7	2859.3	315	-45	164.3
126SD12	WRZ*	18933.1	84052.1	2862.2	315	-65	213.4
127SD12	WRZ	18912.7	84087.7	2869.0	135	-70	170.3
128SD12	WRZ	18897.6	84042.7	2859.3	135	-45	132.6
129SD12	WRZ	18934.7	84097.5	2876.0	315	-65	167.6
130SD12	WRZ	18987.3	84100.3	2890.6	315	-75	26
131SD12	WRZ	18836.2	84258.8	2840.9	135	-75	151.2
132SD12	WRZ	18912.7	84087.7	2869.0	315	-57.5	178.5
133SD12	WRZ*	18831.5	83963.1	2851.8	315	-75	134.6
134SD12	WRZ	18987.3	84100.3	2890.6	315	-75	188.6
135SD12	WRZ	18897.6	84042.7	2876.0	135	-45	142.6
136SD12	WRZ	18836.7	84141.4	2844.1	135	-45	39.5
137SD12	WRZ	18811.4	84019.2	2850.7		-90	134
138SD12	WRZ	18982.4	84161.3	2883.5	315	-55	111.4
139SD12	WRZ	18981.0	83978.9	2904.0	315	-50	30.1
140SD12	WRZ	18981.0	83978.9	2904.0	315	-50	60.2
141SD12	WRZ	18765.8	84100.7	2819.4		-90	42.1
142SD12	WRZ	18787.2	84197.2	2817.1	135	-50	120.5
143SD12	BZ	19620.1	84359.7	3007.9	135	-70	90.4
144SD12	WRZ	18982.4	84161.3	2883.5	135	-50	51.7
145SD12	WRZ	18810.1	84220.2	2821.1	135	-70	130.1
146SD12	BZ	19505.0	84205.4	3010.9	315	-70	166
147SD12	BZ	19592.2	84324.7	3009.5	135	-50	96.2
148SD12	WRZ	18866.6	84266.8	2849.0	315	-65	154.1
149SD12	BZ	19442.3	84211.0	3000.2		-90	145.6
150SD12	BZ	19526.1	84240.3	3016.6	315	-75	185
151SD12	CZ	19004.8	84306.4	2892.4	135	-45	62.6
152SD12	C9	19228.8	84110.8			-90	80.8
153SD12	CZ	19042.0	84326.1	2891.6	135	-45	115
154SD12	BZ	19568.9	84282.3	3020.5		-90	93.1
155SD12	CZ	19339.0	84462.0	2919.0	315	-45	103.3
156SD12	CZ	19004.8	84306.4	2892.4	135	-45	127
157SD12	CZ	19339.0	84462.0	2919.0	315	-65	135.1
158SD12	WRZ	18933.1	84052.1	2862.2	315	-50	180.6
159SD12	CZ	19310.2	84426.7	2923.9	315	-45	123.9
160SD12	CZ	19324.8	84525.0	2906.5	135	-45	151.9
161SD12	BZ	19620.1	84359.7	3007.9		-90	94.9
162SD12	BZ	19592.2	84324.7	3009.5	135	-70	133.6
163SD12	WRZ	18787.2	84197.2	2817.1	135	-75	71.5
164SD12	WRZ	18748.9	84089.6	2815.8	0	-90	30.8
165SD12	WRZ	18912.7	84087.7	2869.0	315	-90	173.9
166SD12	WRZ	18811.4	84019.2	2817.1	135	-65	141.9
167SD12	WRZ	18897.6	84042.7	3010.9	315	-60	139.6
168SD12	WRZ	18897.6	84042.7	2876.0	135	-90	161.8
169SD12	WRZ	18810.1	84220.2	2821.1	315	-80	70.3
170SD12	BZ	19505.0	84205.4	3010.9	315	-80	33.7
171SD12	WRZ	18897.6	84042.7	3010.9	315	-70	163.3
172SD12	WRZ	18987.3	84100.3	2890.6		-90	286.6
173SD12	WRZ	18981.0	83978.9	2904.0	315	-75	235.5
174SD12	BZ	19590.0	84325.0	3010.0	135	-60	17+
175SD12		19045.0	83055.0	2650.0	315	-60	210+
							<b>6594.7</b>

**Table 2: Location of all Drill Holes from current drill programme**

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

INDOCHINE MINING LIMITED

ABN

16 141 677 385

Quarter ended ("current quarter")

30 June 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(8,497)   (1,034)	(25,412)   (3,416)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	404
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>(9,507)</b>	<b>(28,424)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	  (22)	  (180)
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)	-	-
<b>Net investing cash flows</b>	<b>(22)</b>	<b>(180)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(9,529)</b>	<b>(28,604)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(9,529)	(28,604)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.*	8,250	8,250
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 (capital raising cost)*	(443)	(443)
	<b>Net financing cash flows</b>	<b>7,807</b>	<b>7,807</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,722)</b>	<b>(20,797)</b>
1.20	Cash at beginning of quarter/year to date	3,448	22,398
1.21	Exchange rate adjustments to item 1.20	82	207
1.22	<b>Cash at end of quarter</b>	<b>1,808</b>	<b>1,808</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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	75
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

.14 & 1.19 relate to the Private Placement of 55,000,000 fully paid ordinary shares at \$ 0.15 per share on 9 May 2012

**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

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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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+ See chapter 19 for defined terms.

### 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	5,250
4.2 Development	
4.3 Production	
4.4 Administration	750
<b>Total</b>	<b>6,000</b>

### 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	895	2,000
5.2 Deposits at call	913	1,244
5.3 Bank overdraft		-
5.4 Other (Term deposit)		203
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,808</b>	<b>3,447</b>

### 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			

+ See chapter 19 for defined terms.

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

6.2 Interests in mining tenements acquired or increased

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**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 <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>	546,333,324	464,356,848	n/a	n/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	55,000,000	55,000,000	\$ 0.15	\$ 0.15
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				

+ See chapter 19 for defined terms.

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

7.7	<b>Options</b> <i>(description and conversion factor)</i>		<i>Exercise price</i>	<i>Expiry date</i>
		6,080,000	\$0.20	31/10/12
		10,000,000	\$0.20	28/04/13
		15,000,000	\$0.20	30/04/14
		25,000,000	\$0.20	30/09/14
		1,500,000	\$0.20	30/12/14
		5,000,000	US\$0.25	17/03/15
		4,000,000	\$0.20	30/12/15
		2,000,000	\$0.40	08/02/13
		400,000	\$0.40	02/03/13
		3,000,000	\$0.50	08/02/14
		500,000	\$0.50	02/03/14
		2,750,000	\$0.20	05/07/14
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	<b>Debentures</b> <i>(totals only)</i>			
7.12	<b>Unsecured notes</b> <i>(totals only)</i>			

## 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~~/Company Secretary)

Date: 31 July 2012

Print name:

Robert J Waring

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+ 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 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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