



Haoma Mining NL

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August 1, 2007

Company Announcements Office
Australian Stock Exchange
Level 45, South Tower, Rialto
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MELBOURNE VIC. 3000

Dear Sir,

ACTIVITIES REPORT FOR THE QUARTER ENDED JUNE 30, 2007 – HIGHLIGHTS

- **Group Consolidated Result** – Haoma Mining’s unaudited consolidated financial result for the three months ended June 30, 2007 was a before tax loss of \$1.45 million after interest of \$0.45 million, depreciation and amortisation of \$0.15 million and group exploration, development and test work expenditure of \$0.07 million. The unaudited consolidated result for the year ended June 30, 2007 was a before tax loss of \$7.87 million after interest of \$1.76 million, depreciation and amortisation of \$0.61 million and group exploration, development and test work expenditure of \$2.04 million. Cash costs for 2007/2008 are projected to be significantly lower.
- **Bamboo Creek Plant on Care and Maintenance while the Laboratory operates for Research & Development purposes** – During the March Quarter, test-work continued at Bamboo Creek with some encouraging results showing higher gold grades than previously reported when a modified fire assay method was used.
- **Exploration at Bamboo Creek** – During the Quarter, sampling was started on Bamboo Creek Tenements in an attempt to find an extension to the Spinifex Ridge Molybdenum Mineralisation or a similar style deposit. Assays are still outstanding and the sampling program will be completed during the current Quarter.
- **Daltons Joint Venture (E45/2186, E45/2187) – Haoma 25%, Giralia 75% (Includes 100% Haoma M45/780, M45/847, P45/2292 – 2298)** – During the Quarter, a review of the iron ore potential of the Dalton’s Joint Venture tenements was initiated using available geological information and VTEM data with a focus on channel iron style mineralisation, similar to that at Abydos to the west of the Daltons Project. ,
- **Cookes Hill Tenements** – During the Quarter two ground magnetic surveys were conducted on the southern portion of the Cookes Hill Tenement. The second magnetic survey, conducted in the South Eastern area, indicated several anomalies (one along strike from De Grey’s Hakea Lead-Zinc Prospect) which require further interpretation.

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1. GROUP CONSOLIDATED RESULT TO JUNE 30, 2007

Haoma Mining NL Consolidated Profit & Loss	2005/06 3rd Qtr (\$m)	2005/06 Year End June 30 (\$m)	2006/07 1st Qtr (\$m)	2006/07 2nd Qtr (\$m)	2006/07 3rd Qtr (\$m)	2006/07 4 th Qtr (\$m)	2006/07 Year End June 30 (\$m)
Operating revenue	0.09	0.52	0.06	0.08	0.05	0.02	0.21
Operating profit before interest, depreciation, amortisation and exploration and development costs	(0.67)	(2.94)	(0.30)	(1.18)	(1.20)	(0.78)	(3.46)
Interest	(0.29)	(1.12)	(0.37)	(0.48)	(0.46)	(0.45)	(1.76)
Depreciation & amortization	(0.16)	(0.62)	(0.15)	(0.16)	(0.15)	(0.15)	(0.61)
Exploration, development & test work	(0.20)	(0.71)	(0.67)	(0.75)	(0.55)	(0.07)	(2.04)
Share options expense (*)	-	(0.64)	-	-	-	-	-
Operating profit (loss) before tax	(1.32)	(6.03)	(1.49)	(2.57)	(2.36)	(1.45)	(7.87)

(*) Share options not exercised expiring November 11, 2007 - exercise price of 10cents per share.

Bamboo Creek Processing Plant							
Gold Production (ozs)	-	55	-	56	35	17	108
Gold sold (ozs)	-	55	-	56	35	17	108
Av. Selling price (\$/oz)	-	\$844	-	\$801	\$847	\$764	\$810
Bamboo Creek silver prod'n (oz)							
Silver Production (ozs)	-	12	-	143	23	4	170

1.1 Haoma's Group Consolidated Result

Haoma Mining's unaudited consolidated financial result for the three months ended June 30, 2007 was a before tax loss of \$1.45 million after interest of \$0.45 million, depreciation and amortisation of \$0.15 million and group exploration, development and test work expenditure of \$0.07 million. The unaudited consolidated result for the year ended June 30, 2007 was a before tax loss of \$7.87 million after interest of \$1.76 million, depreciation and amortisation of \$0.61 million and group exploration, development and test work expenditure of \$2.04 million. Cash costs for 2007/2008 are projected to be significantly lower.

1.2 Funding of Group Operations

Until February 12, 2007 primary funding for the company's operations was being provided by Haoma's Chairman, Mr Gary Morgan and Mrs Genevieve Morgan. On February 12, 2007, Mr & Mrs Morgan advised Haoma's Board that they would not advance further funds to the company. Between April 2004 and February, 2007, Mr. & Mrs. Morgan provided funding of \$18.006 million to Haoma.

Subsequent to February 12, 2007 funding has been provided by Haoma's major shareholder, Leaveland Pty Ltd. Leaveland has confirmed that until further notice it will fund the company's cash flow requirements while the Bamboo Creek Plant remains on care and maintenance. Leaveland has also advised Haoma that it has acquired the debt owed to Mr & Mrs Morgan. Consistent with the loan conditions previously applying to the debt to Mr &

Mrs Morgan, the Board of Haoma has approved payment of interest to Leaveland at the 30 day commercial bill rate plus a 2% margin. At June 30, 2007, the principal debt to Leaveland was \$ 20,315,912. Interest on the debt will accrue until such time as the company is in a position to commence interest payments. Interest accrued for the 3 months from April 1 to June 30, 2007 was \$431,345.

Interest accrued but unpaid on the former debt to Mr & Mrs Morgan up to February 12, 2007 is \$2.358 million. Payment of this interest will not commence until such time as the company is in a position to fund payments from cash surpluses. No further interest is compounding on this amount.

1.3 Forward Gold Sale Contracts

No future gold production is currently sold forward.

2. OPERATIONS AT BAMBOO CREEK, WESTERN AUSTRALIA

2.1 Test Work at Bamboo Creek Laboratory

The Bamboo Creek Plant remained on “care and maintenance” during the Quarter while the Laboratory was operated for Research & Development purposes.

Test work focused on different methods of assaying and leaching Bamboo Creek, Normay and other Pilbara ore samples.

Results to date have shown “Calculated Head” gold grades to be higher than gold grades measured by the conventional Aqua Regia assay method. i.e. the gold “Head Grade” is being understated.

In addition these Bamboo Creek results were confirmed by a modified “fire assay” method. Results are summarised in Table 1 below:

Table 1: Bamboo Creek Results

Sample Type	Aqua Regia Assayed “Head Grade” g/t Au	“Calculated Head” Au Grade: Solution Au Grade + AR Solid Tail Grade g/t Au	% Increase in Au Grade
BC Tails -300 um modified leach	0.230	0.402	75%
BC Tails -300 um 2% cyanide modified leach	0.230	0.458	100%
BC Tails -300 um 2% cyanide modified leach	0.230	0.409	78%
BC Tails -300 um 2% cyanide modified leach	0.230	0.398	73%
BC Tails -300 um 2% cyanide modified leach	0.230	0.390	70%

Average	0.230	0.411	79%
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Sample Type	Aqua Regia Assayed “Head Grade” g/t Au	Modified Fire Assay “Head Grade” g/t Au	% Increase in Au Grade
BC Tails -300 um	0.230	NS	
BC Tails -300 um	0.230	1.963	755%
BC Tails -300 um	0.230	0.700	205%
BC Tails -300 um	0.230	0.458	99%
BC Tails -300 um	0.230	0.573	149%

Average	0.230	0.923	302%
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The above results show that for Bamboo Creek Tails the “Calculated Head” gold grade and “Modified Fire Assay” gold grade were both significantly higher than the gold “Head Grade” assayed by the conventional Aqua Regia assay method.

Further test work is now being conducted at Bamboo Creek and ALS Laboratories to determine reasons for the different gold assay results. The intention is to develop a commercial assay method for Pilbara ores.

3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA

3.1 Bamboo Creek (M45/480, M45/481, M45/723, M45/781, M45/874, E45/2097, P45/2242, P45/2243, P45/2244, P45/2227, P45/2301, P45/2342, L45/72)

During the Quarter, a program of electronic scanning of old paper based surface, underground and regional maps began. One map was found to show the possible surface expression of nickel mineralisation encountered within historic diamond drill holes.

Twelve traverses resulting in 97 samples were taken across the area in an attempt to confirm or not the presence of surface nickel mineralisation. The assay results showed only a few samples returning anomalous nickel results (See Table 2 below). Figure 1 shows their positions in relation to the Bamboo Creek site.

Table 2: Anomalous Results from Bamboo Creek 2007 Samples

SAMPLE NO	GDA94E	GDA94N	Au g/t	Ag g/t	As	Cr	Mg %	Mn	Mo	Ni	Pb	Zn
NI007	209670	7683062	-1.00	0.07	92.30	2650	2.84	7160	1.54	1220.00	2.90	82
NI020	209726	7683024	-1.00	0.15	98.10	989	9.55	1090	0.83	1550.00	2.00	59
NI024	209737	7682994	1.19	0.57	216.00	85	1.58	1180	1.71	100.00	6.80	96
NI030	209762	7683012	0.01	0.01	14.20	898	14.35	596	0.32	1320.00	1.10	50
NI057	209913	7682872	0.15	0.29	120.00	90	2.14	602	0.33	36.10	17.60	301
NI060	209920	7682900	0.01	0.08	47.80	1510	6.89	1530	0.57	595.00	276.00	137

The above Table 2 of exploration results was prepared on July 25, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

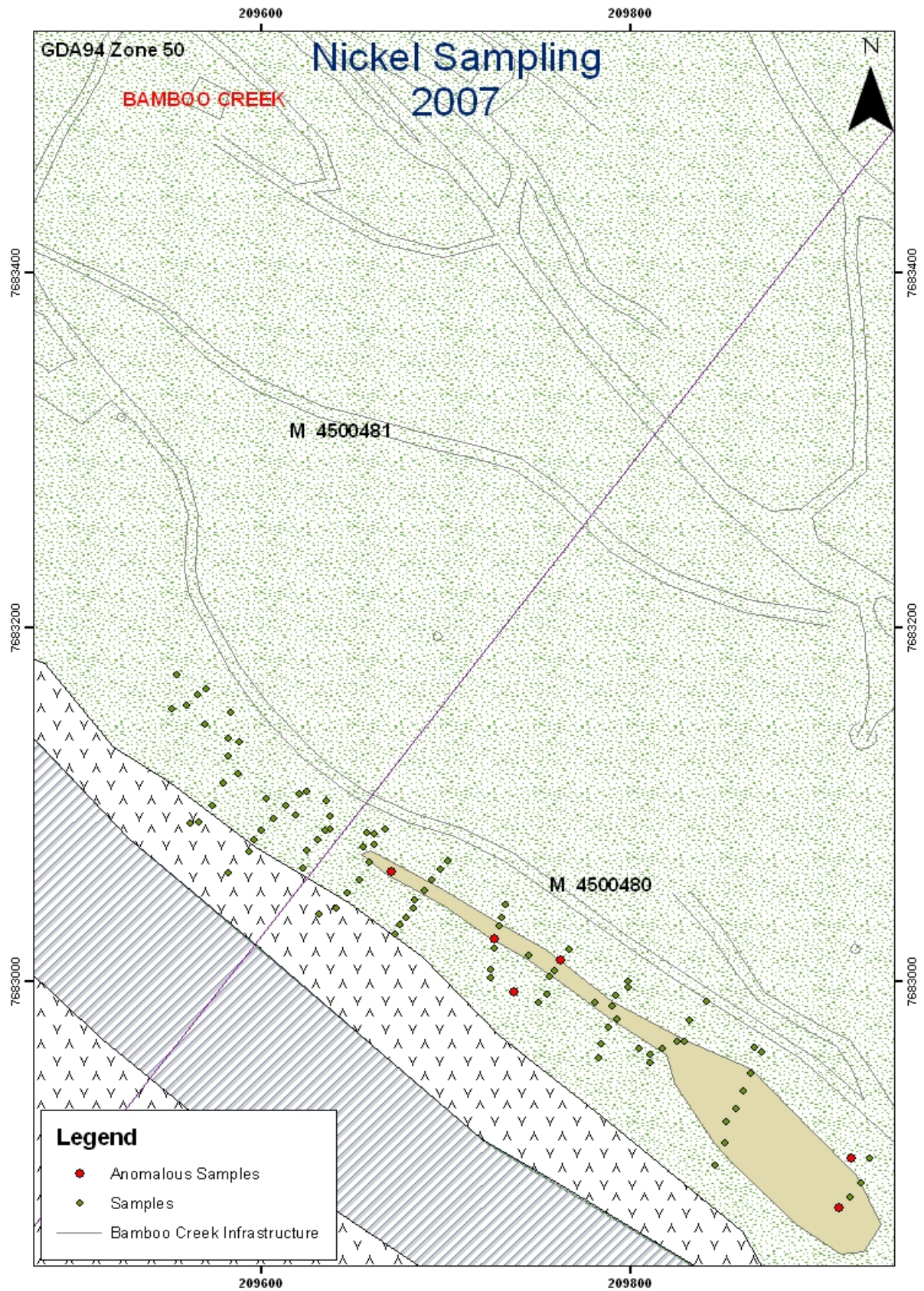
Data entry of old underground drill holes, surface drill holes and the digitising of old underground mine plans is ongoing. Table 3 below shows the details of drill-holes and assays entered into the Bamboo Creek Database (Access). The information has been validated as accurately as possible.

Table 3: Bamboo Creek Database Statistics

DRILL HOLES		
TYPE	Number	Number of Assays
Aircore / RAB	37	596
RC	224	6005
Surface Diamond	104	3761
Underground Diamond	337	4884
SURFACE GEOCHEMICAL		
Geochemical		2431
BLEG		1363

During the Quarter sampling was started on the Bamboo Creek tenements in an attempt to find an extension to the Spinifex Ridge Molybdenum Mineralisation or a similar style deposit. Assays results are at the time of this report outstanding. The sampling program will be completed during the current Quarter.

Figure 1: Bamboo Creek - Sample Location Plan



3.2 Cookes Hill (E45/1562, M45/1005, 1031, 1032, 1033, 1034, 1035, 1036)

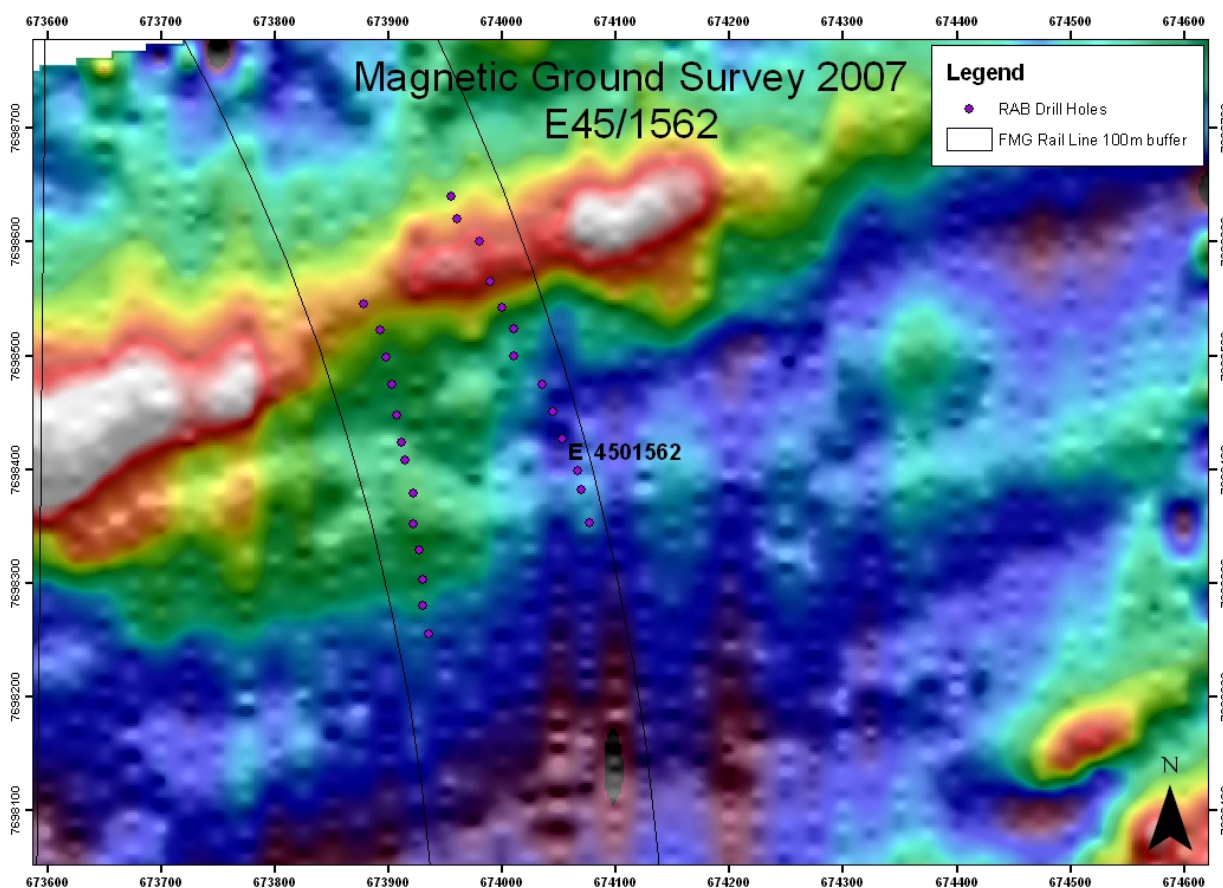
Two ground magnetic surveys were conducted on the southern portion of the Cookes Hill Tenement. The first survey was within the area where the Fortesque Metals Group (FMG) railway will be constructed. The data was analysed by Southern Geo-Science Consultants.

The magnetic survey did not highlight any probable lead-zinc anomalies although a mafic dyke or palaeochannel could exist. Because of this two RAB drill lines were completed to check the area for channel iron deposits.

In total 26 holes were drilled for 358 samples. The samples were riffle split off the drill rig for each metre interval and sent to ALS Perth to be analysed for Au, Ag, As, Co, Cu, Fe, Ni, Mo, Pb, Sb, Sn, Zn and W. Assays results are outstanding at the time of this report.

Figure 2 below shows the relationship between the RAB holes and the magnetic survey, unfortunately due to heritage issues which are being reviewed the most optimum area (largest magnetic high) could not be drilled.

Figure 2: Cookes Hill - Ground Magnetic Survey and RAB Holes



A second magnetic survey was conducted in the South Eastern area of Tenement E45/1562. This area is highly prospective for lead-zinc mineralisation in the style of the De Grey's Orchard Tank Deposit. The survey is currently with Southern Geo-Science Consultants for analysis.

Preliminary investigation indicates several anomalies (one along strike from De Grey's Hakea Lead-Zinc Prospect) need further interpretation.

3.3 Warrawoona (M45/671, M45/547)

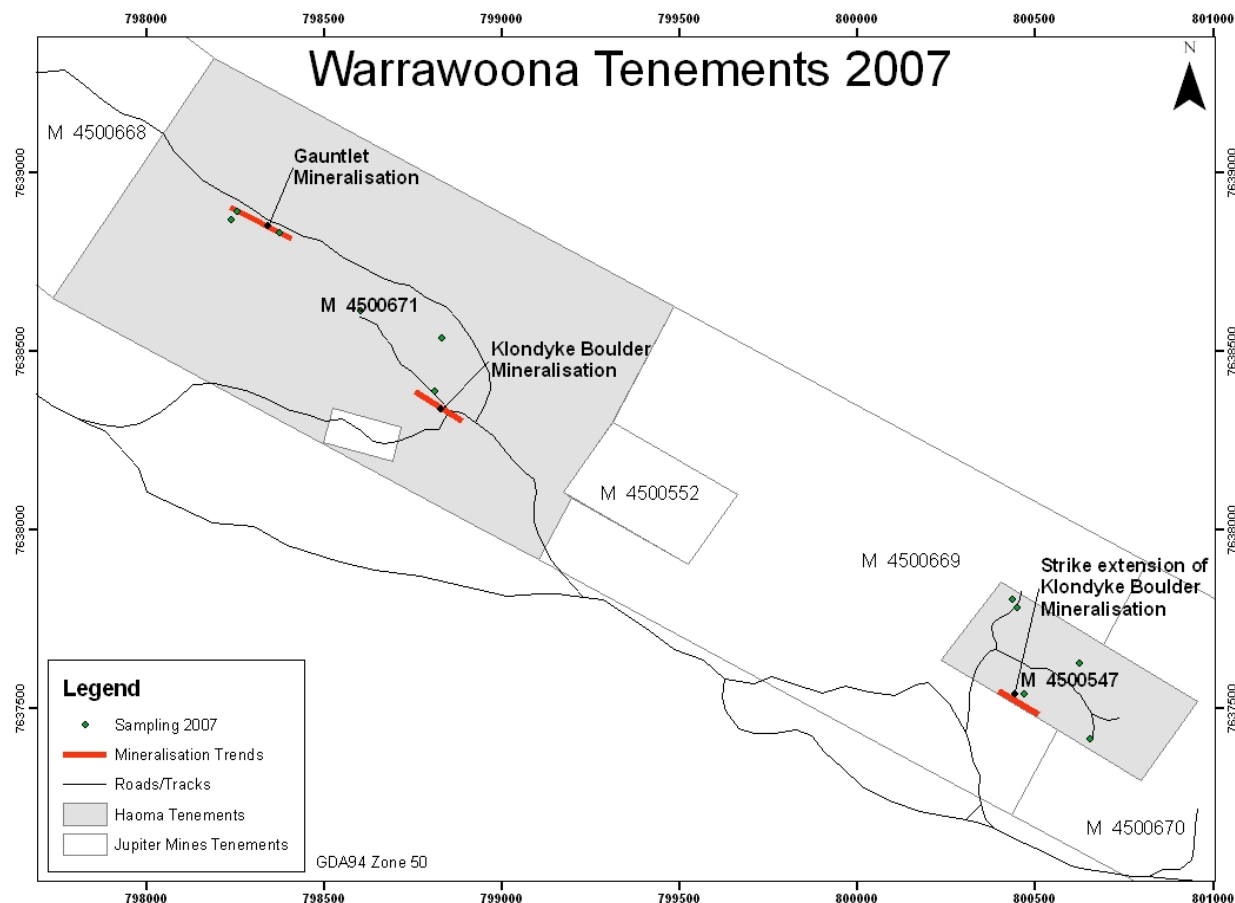
A site visit was conducted on Warrawoona Tenements to validate the collar position of historic drill holes. Twelve samples were taken and analysed for gold and silver at the Bamboo Creek Laboratory. The majority of samples (See Table 4 and Figure 3) were anomalous with samples W009, W011 and W012 being from the old workings at Gauntlet (the old workings are approximately 130 metres in length).

Table 4: Warrawoona - Geochemical Samples

SAMPLE NO	GDA94E	GDA94N	TYPE	Au g/t	Ag g/t
W001	800469	7637542	Rock Chip	0.31	0.16
W002	800447	7637781	Rock Chip	0.04	0.23
W003	800436	7637804	Rock Chip	0.07	0.32
W004	800625	7637626	Rock Chip	4.43	0.12
W005	800653	7637415	Rock Chip	0.74	0.16
W006	798810	7638388	Rock chip	0.22	0.23
W007	798602	7638613	Rock chip	0.15	0.10
W008	798830	7638538	Rock chip	1.84	0.18
W009	798372	7638832	Rock chip	0.73	0.24
W011	798239	7638869	Rock chip	2.28	0.15
W012	798254	7638892	Rock chip	8.24	0.20

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Figure 3: Warrawoona - Sample Location and Mineralisation



**3.4 Daltons Joint Venture (E45/2186, E45/2187) – Haoma 25%, Giralia 75%
(Includes 100% Haoma M45/780, M45/847, P45/2292 – 2298)**

Haoma holds a 25% interest at the Daltons Nickel Joint Venture with Giralia Resources NL (75% interest). The Daltons nickel Joint Venture area is located 150 kilometres south of Port Headland in the Pilbara Region of Western Australia. Haoma has retained the right to all gold/silver and tin/tantalum mineralisation.

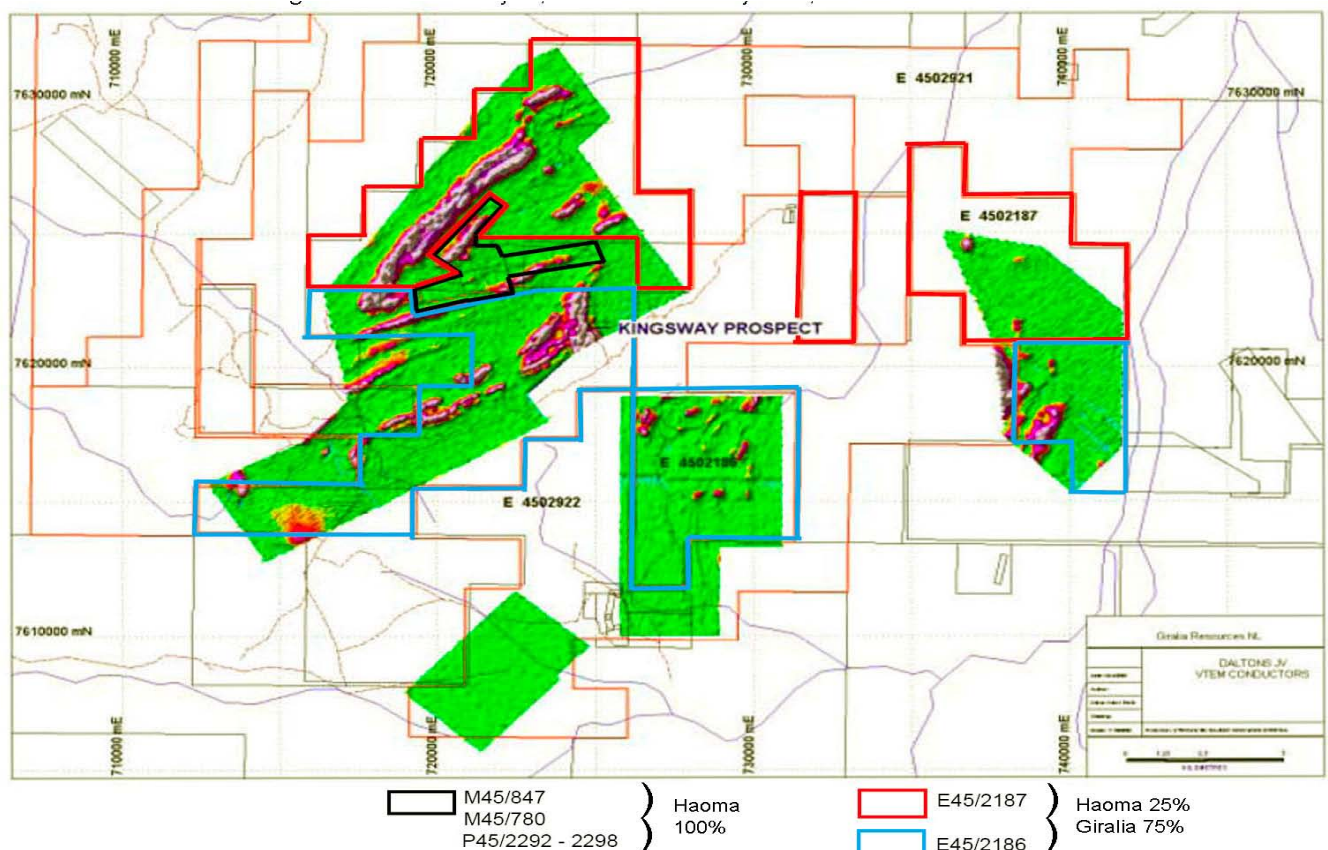
Giralia has provided the following report in respect of activities for the Quarter ended June 30, 2007.

“Assay results were received from minor disseminated sulphides intersected in altered ultramafics above the footwall ultramafic contact in hole RDDN033. total depth 321 metres which was completed in the March Quarter at the Kingsway Prospect. RDDN033 intersected the basal ultramafic contact much higher in the hole than anticipated, suggesting a significant fault displacement or other structural complexity in the footwall contact. The hole was targeted below and east of previous significant recent intersections including 3.5 metres @ 1.61% nickel, 0.85% copper, 0.81g/t PGE in RDDN029, and 0.15metres @ 5.82% nickel, 1.41% copper and 1.35g/t PGE but failed to test the target position.

Field follow up is planned for the upcoming Quarter of the major detailed (1,479 line kilometre, 150 meter line spaced) VTEM airborne electromagnetic survey flown by Falconbridge over the Daltons property late in 2006, just prior to its notice of withdrawal from a farm-in agreement at Daltons following its takeover by Xstrata. The final processed VTEM data indicates over 100 first rank conductors (See Figure 4 below). Many of the conductivity features are associated with ultramafic units, and are prospective for nickel sulphide mineralisation.

A review of the iron ore potential of the Dalton’s Joint Venture tenements was initiated using available geological information and VTEM data, with a focus on channel iron style mineralisation, similar to that at Abydos to the west of the Daltons project”.

Figure 4: Daltons Area: VTEM (late time conductors) - (Haoma 25%, Giralia 75% and 100% Haoma tenements in black)



3.5 Linden Tenements (E39/293, E39/379, E39/428, M39/385, M39/386, M39/387, M39/500, M39/629, M39/649, M39/650, M39/780, M39/781, M39/782, M39/794, M39/785, P39/2974, P39/2975, P39/2976)

In May, 2006 Haoma entered into an agreement to sell its Linden tenements to Deepstrike Resources Ltd. Consideration for the sale was \$500,000 plus a placement of shares when Deepstrike Resources successfully completes an IPO and subsequent ASX listing. In May and August 2006, Haoma received a deposit and a first payment totalling \$150,000. The balance of sale proceeds (\$350,000 cash and \$1 million shares) was due November 1, 2006.

In January 2007, Haoma and Deepstrike completed a Deed of Variation to allow further time for the completion of the payment of the purchase price. The Deed of Variation includes the sale of Haoma's Second Fortune Mining Camp for \$275,000. The amendment to the terms of payment provides for Deepstrike to pay Haoma monthly instalments of \$20,000 effective from November 1, 2006. Instalment payments will continue until Deepstrike completes an initial public offer and is admitted to the official list of the ASX at which time the balance remaining will become immediately payable.

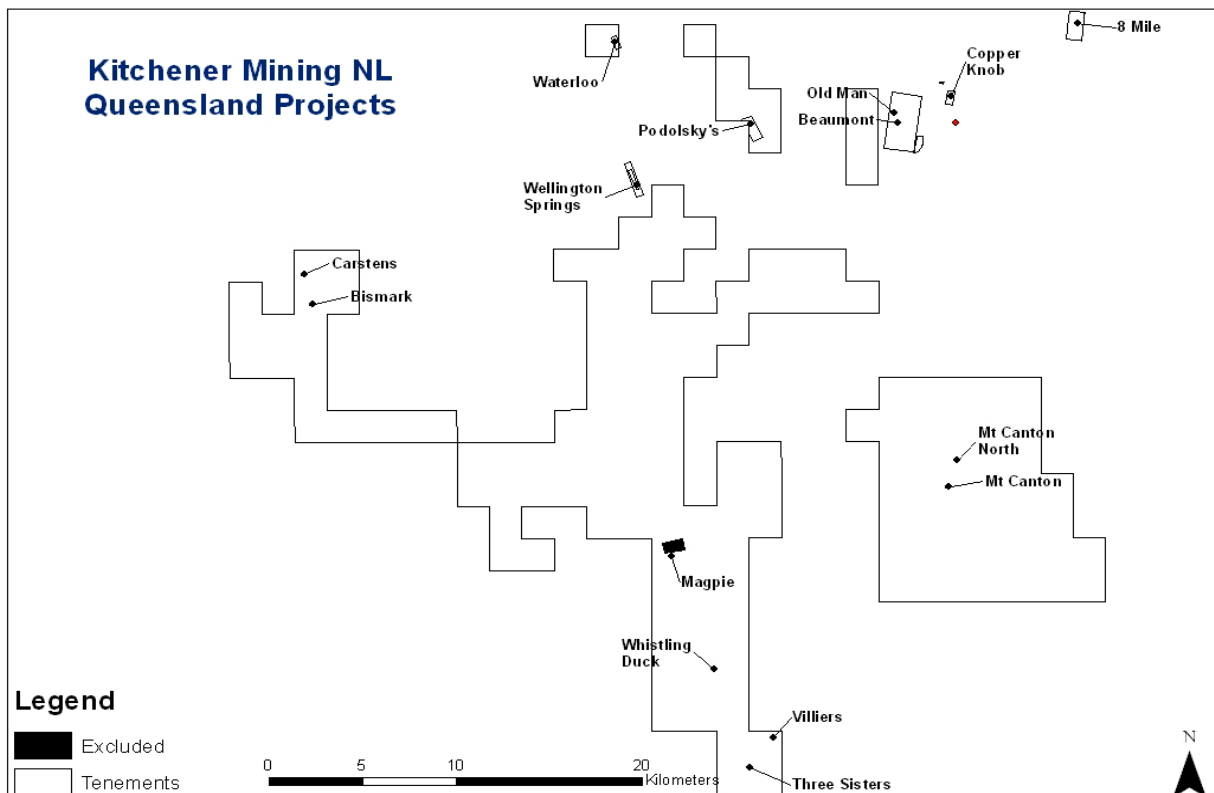
Haoma will receive a placement of shares in respect of the \$1 million non-cash component.

4. EXPLORATION ACTIVITIES IN THE RAVENSWOOD DISTRICT - QUEENSLAND

4.1 Ravenswood District Datasets

During the Quarter, a Historical Exploration Geochemistry Dataset and the North Queensland Gold and Base Metal Study (Stage 2 Geo-Science Dataset) were acquired from The Queensland Department of Mines. The datasets include historic soil sampling, rock chip sampling, drill holes, old mines, surface and solid geology coverage, structural elements and magnetic imagery. The information will help future planning of Haoma's exploration prospects over the tenements. Figure 5 below shows the different exploration prospects Haoma's 100% subsidiary (Kitchener Mining NL) has in the Ravenswood Area.

Figure 5: Prospects within the Ravenswood Area (Ravenswood township is located slightly south of Copper Knob)



A brief analysis of the historic data has indicated several areas with highly anomalous results. These include high grade values for gold, lead, zinc and molybdenum. Table 5 below shows the highest rock chip sample results from a number of the prospective areas. Historical data must be considered with caution. Repeat samples will be taken during the next 12 months.

Table 5: Significant Rock Chip Samples from DME Historical Data

PROSPECT	GDAN	GDAE	Au, g/t	Ag, g/t	Cu	Mo	Pb %	Zn %
Bismark Mine	7766973	453994	21.2					
Bismark Mine	7766967	453862	20.9					
Bismark Mine	7766970	453858	14.3					
Bismark Mine	7767007	453962	11.7					
Brook Creek	7768422	453813	0.18	27	1410	4.1	2.34	2.90
Carsens Middle Lode	7768674	453514	34					
Carsens Middle Lode	7768634	453381	13.3					
Carsens North Lode	7768700	453122	38.2					
Carsens South Lode	7768259	453306	20.3					
Carsens South Lode	7768244	453273	12.7					
Carsens South Lode	7768268	453287	12.4					
Carstens Mine	7768788	453318	218					
Carstens Mine	7768733	453188	10.4					
Magpie	7752745	473055	0.23	155	1130	14	8.90	1.20
Magpie	7752735	473124	0.075	40	1390	21	14.30	0.85
Magpie Regional	7741128	477261	<0.01	4	232	2120	0.29	0.12
Magpie Regional	7741088	477223	<0.01	4	467	1630	0.10	0.03
Magpie Regional	7740507	477978	0.01	<1	14	920	0.00	0.00
Magpie Regional	7740377	477280	<0.01	1	152	740	0.12	0.00
Magpie Regional	7752796	473335	0.105	3	581	730	0.47	0.06
Magpie Regional	7741426	478200	0.009	19	610	670	0.24	0.15
Magpie Regional	7741191	478191	0.49	317	2	550	0.00	0.24
Magpie Regional	7752745	473197	0.03	3	720	525	1.03	0.30
Magpie Regional	7752796	473335	0.172	41	581	500	0.68	0.12
Magpie Regional	7752128	474299	0.398	600	204	17	51.30	0.05
Magpie Regional	7751862	474281	0.358	125	500	23	0.06	2.82
Magpie Regional	7751748	474517	0.405	136	1400	14	3.67	0.94
Magpie Regional	7752745	473055	0.077	74	970	14	9.60	1.54
Magpie Regional	7751748	474517	0.097	88	1550	12	1.31	1.37
Magpie Regional	7752745	473055	0.167	88	4080	12	5.03	1.25
Magpie Regional	7752230	474465	3.27	1050	1103	8	14.80	1.06
Magpie Regional	7752745	473055	0.112	235	940	8	11.60	0.78
Magpie Regional	7751862	474281	0.287	151	483	8	0.06	2.51
Magpie Regional	7752202	474310	0.042	17	236	8	5.30	1.38
Magpie Regional	7751853	474209	0.06	2610	3980	5	23.60	0.32
Magpie Regional	7751938	475019	11.8	1440	8200	5	16.10	0.01
Magpie Regional	7751781	474250	0.14	350	490	5	0.16	1.69
Magpie Regional	7751781	474250	0.124	318	670	5	0.10	2.28
Magpie Regional	7751850	474441	25.5	228	480	5	6.33	0.16
Magpie Regional	7751697	474286	0.483	220	400	5	0.84	1.06
Magpie Regional	7751862	474281	0.125	186	485	5	0.06	2.59
Magpie Regional	7751862	474281	0.207	167	459	5	0.07	3.16
Magpie Regional	7751792	474493	0.924	129	464	5	0.39	15.20
Magpie Regional	7751723	474266	0.063	100	140	5	0.14	1.61
Magpie Regional	7752202	474310	0.249	275	472	0.5	4.89	1.83
Magpie Regional	7752202	474310	0.12	123	398	0.5	5.06	1.89
Magpie Regional	7751010	475855	18	44	1400	0.5	2.30	1.86
Magpie Regional	7752202	474310	0.035	38	303	0.5	1.20	1.86

Magpie Regional	7741356	478265	0.246	1020	13500	<0.5	30.00	0.04
Magpie Regional	7752745	473055	0.102	275	660	<0.5	27.00	1.26
Three Sisters	7741296	478320	0.584	590	11400	1410	7.92	1.43
Three Sisters	7740654	478041	0	<1	38	1300	0.00	0.01
Three Sisters	7741416	478215	0.059	39	1430	25	1.97	1.96
Three Sisters	7741356	478265	0.02	350	5000	17	1.82	0.24
Whistling Duck	7746136	475360	<0.01	4	650		2.28	2.40

The above Table 5 of exploration results was prepared on July 25, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

4.2 Metallurgical Testwork

Metallurgical test work was concluded on bulk ore samples from Waterloo, Wellington Springs, Podosky's, Old Man and Copper Knob. Table 6 below shows the results of the test work.

Table 6: Queensland Ore - Metallurgical Testwork Conducted at Bamboo Creek, WA

SAMPLE		HEAD GRADE			CYANIDE LEACHING TEST(*)			TAIL SOLIDS
		AAS Au1	AAS Au2	AVG Au	AAS Au1 1 HR	AAS Au1 2 HR	AAS Au1 12 HR	AAS Au1, g/t
Waterloo Oxide 2.49g/t Au - Townsville SGS Lab	Feed	2.92	2.77	2.84				
	850	2.02	2.39	2.21	0.35	0.39	0.57	0.58
	212	1.13	1.39	1.26	0.37	0.38	0.46	0.12
	-212	2.98	2.49	2.74	1.22	1.17	1.20	0.27
Waterloo Sulphide 15.8g/t Au - Townsville SGS Lab	Feed	18.77	21.01	19.89				
	850	14.24	14.89	14.56	2.80	3.23	4.76	5.22
	212	7.93	7.08	7.51	3.26	3.42	3.95	1.70
	-212	21.28	22.64	21.96	11.55	10.08	10.91	4.43
Wellington Oxide 88.1g/t Au - Townsville SGS Lab	Feed	21.75	22.77	22.26				
	850	14.50	28.99	21.74	3.01	3.62	5.21	2.20
	212	22.22	30.29	26.26	15.98	14.19	15.86	2.15
	-212	33.13	29.95	31.54	19.01	14.39	15.26	1.60
Wellington Sulphide 32.5g/t Au - Townsville SGS Lab	Feed	17.07	19.61	18.34				
	850	17.85	18.43	18.14	2.82	3.41	5.82	8.70
	212	11.59	12.57	12.08	5.07	5.09	5.81	2.50
	-212	38.48	36.16	37.32	20.57	16.40	18.53	2.29
Copper Knob Oxide 0.91g/t Au - Townsville SGS Lab	Feed	0.70	0.52	0.61				
	850	0.61	0.51	0.56	0.23	0.25	0.32	0.67
	212	0.59	0.35	0.47	0.12	0.14	0.18	0.50
	-212	0.93	0.77	0.85	0.41	0.41	0.45	0.41
Old Man Sulphide 7.94g/t Au - Townsville SGS Lab	Feed	5.97	5.79	5.88				
	850	6.40	5.61	6.01	0.65	0.75	1.19	1.34
	212	8.96	6.73	7.84	1.70	2.95	3.82	1.50
	-212	14.12	12.46	13.29	3.91	6.42	7.23	1.47
Podosky's Sulphide 1.38g/t Au - Townsville SGS Lab	Feed	0.42	0.42	0.42				
	850	0.17	0.12	0.14	0.02	0.13	0.13	0.48
	212	0.05	0.07	0.06	0.02	0.10	0.09	0.25
	-212	0.98	1.05	1.01	0.64	0.53	0.66	0.70

(*) Parts per million which need to be multiplied by 1.5 to estimate equivalent grams per tonne of gold leached from samples tested.

The above Table 6 of exploration results was prepared on July 25, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

During the Quarter samples were collected from the mullock and waste sumps at 8 Mile Creek and Beaumont. Stored drill chips from drilling at the Old Man Prospect were sent to SGS in Townsville to be tested for Molybdenum. The samples assayed contained only normal background readings of Molybdenum. Unseasonable rain caused the regional sampling program to be stopped.

4.3 Mt Canton Prospect (EPM 14038)

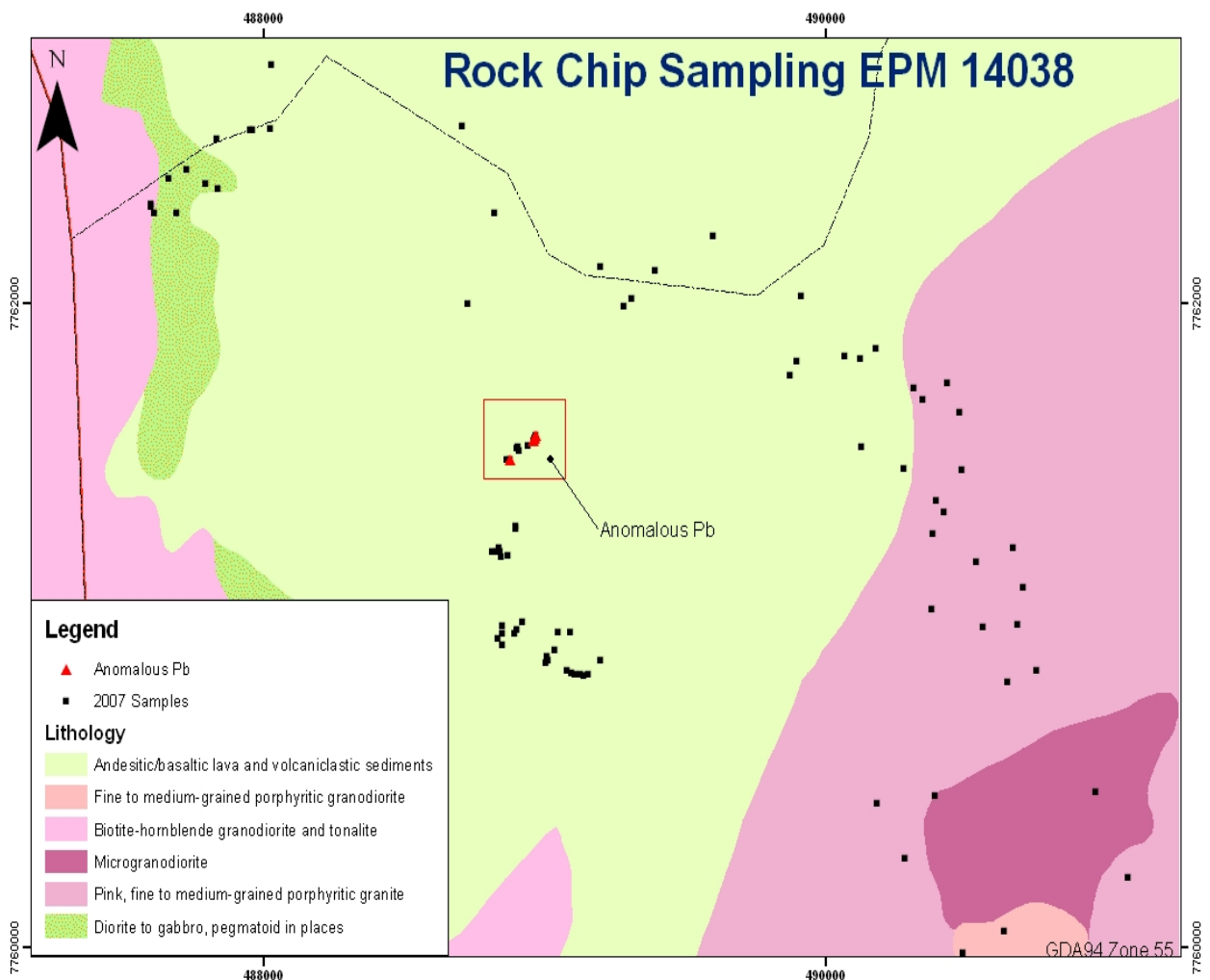
During the Quarter a rock chip sampling program was completed in the northern sector of the Mt Canton Prospect. The sampling was conducted along existing tracks, fence lines and gullies. Figure 6 shows sample positions from EPM 14038. To date, assays from 96 rock chip samples are still outstanding. Initial sampling has highlighted an area of lead anomalism, a follow up gridded rock chip sampling program has been initiated, the results of which will be available in the next reporting period. Table 7 shows significant results from the rock chip sampling conducted on this tenement during the reporting period.

Table 7: Mt Canton - Significant Results from Rock Chip Samples

SAMPNO	GDAE	GDAN	TYPE	AUPPM	Ag	As	Cu	Mo	Pb	Pb%	Zn
R7101	487595	7762309	Rock Chip	0.18	<1	4	36	<0.01	31		60
R7108	487809	7763006	Rock Chip	0.10	1	<1	28	<0.01	66		4
R7110	487800	7762977	Rock Chip	0.59	9	27	20	<0.01	81		24
R7112	487809	7762944	Rock Chip	0.10	1	13	17	<0.01	31		15
R7116	488876	7761516	Rock Chip	<0.01	2	-1	103	<0.01	1570		26
R7121	488960	7761575	Rock Chip	0.01	8	11	276	<0.01	3330		139
R7122	488964	7761583	Rock Chip	<0.01	16	8	146	<0.01	>10000	1.14	65
R7123	488966	7761592	Rock Chip	<0.01	5	7	138	6.00	2100		62

The above Table 7 of exploration results was prepared on July 25, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

Figure 6: EPM 14038 - Rock Chip Samples



4.4 Burdekin Gold (EPM 14297)

A total of 219 soil samples were collected from the Burdekin Gold tenement. Samples were gathered along existing tracks at 200 metre intervals. Figure 7 shows positions of samples collected. Sample results from SGS Townsville were not encouraging, with only one sample showing a slightly elevated gold value (sample 1073, 0.12 ppm Au).

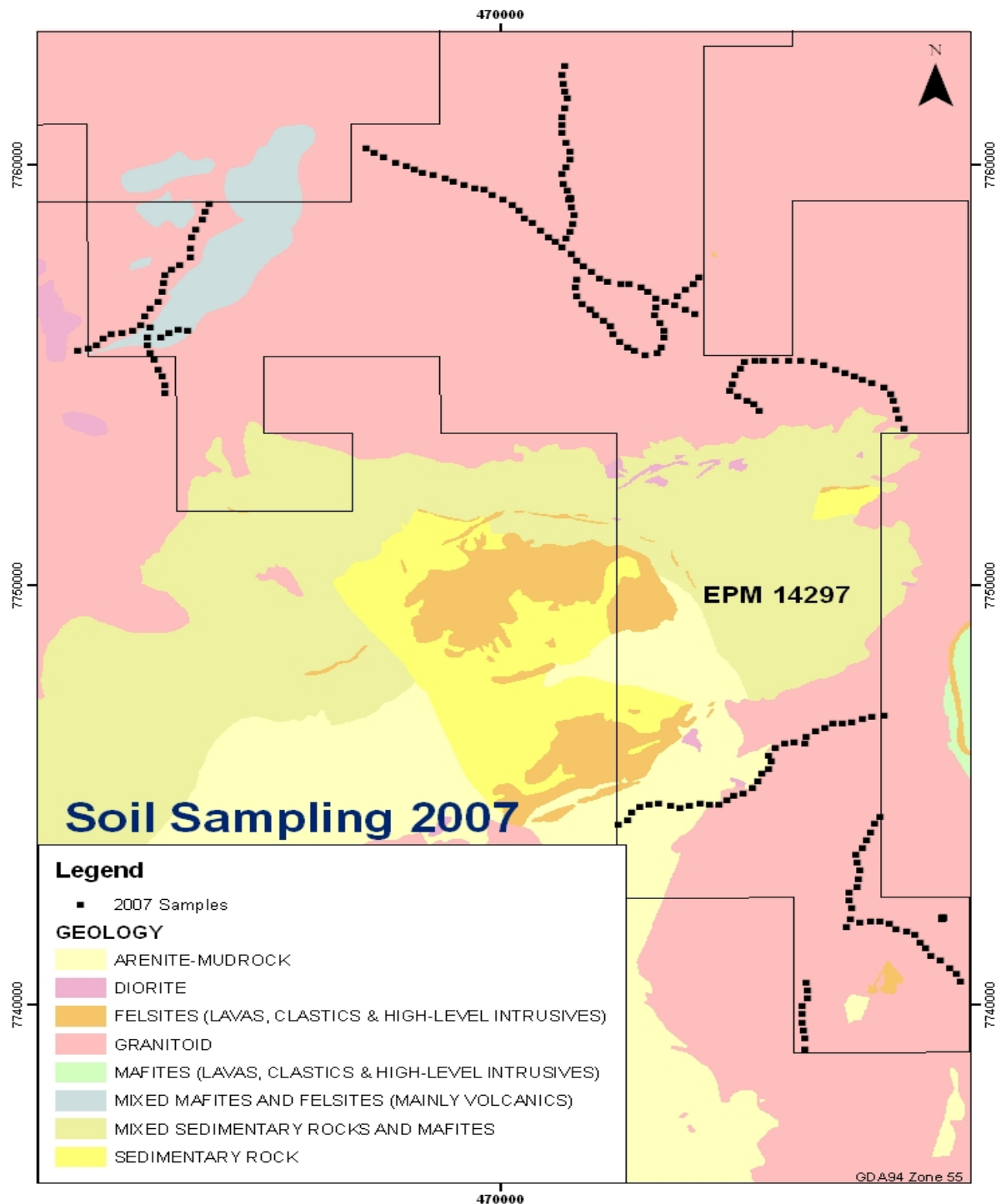
The waste dumps and mullock heaps at the Villiers Copper Mine (mined in the 1930's) were sampled. Most samples returned elevated grades for copper with the highest value returned being 1.51% Cu. Table 8 shows assays from samples which returned anomalous results. The sample positions are shown in Figure 7.

Table 8: EPM 14297 - Anomalous Results from Soil and Mullock Samples

SAMPNO	GDAE	GDAN	TENEMENT	TYPE	AUPPM	Ag	As	Cu	Cu%	Mo	Pb	Zn
1073	477870	7753966	EPM14297	Soil	0.12	<1	8	45		<0.01	150	136
VWDR1000	478734	7742087	EPM14297	Mullock	0.06	15	10	2900		8.00	67	755
VWDR1001	478735	7742082	EPM14297	Mullock	0.11	8	10	1850		<0.01	105	233
VWDR1003	478739	7742072	EPM14297	Mullock	0.06	8	13	2830		15.00	94	461
VWDR1004	478741	7742067	EPM14297	Mullock	0.18	11	39	2860		15.00	92	327
VWDR1005	478744	7742062	EPM14297	Mullock	0.17	11	18	4020		24.00	60	247
VWDR1006	478728	7742053	EPM14297	Mullock	0.02	8	16	3530		5.00	70	476
VWDR1008	478725	7742052	EPM14297	Mullock	0.02	3	15	3050		<0.01	61	283
VWDR1013	478723	7742060	EPM14297	Mullock	0.06	5	12	2560		<0.01	71	267
VWDR1014	478725	7742061	EPM14297	Mullock	0.02	2	8	3590		<0.01	69	326
VWDR1017	478730	7742058	EPM14297	Mullock	0.07	22	17	>17000	1.51	7.00	52	435
VWDR1018	478730	7742056	EPM14297	Mullock	0.11	15	21	6310	0.56	6.00	60	564
VWDR1019	478729	7742055	EPM14297	Mullock	0.13	9	16	8490	0.77	9.00	48	464

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Figure 7: EPM 14297 - Position of Soil and Mullock Samples -



4.4 Barabbas Prospect (EPM 8771)

Rehabilitation was conducted at the Barabbas Prospect (Tenement EPM 8771). Old drill samples, some showing strong acid leaching, were moved and dumped on site “down” the old workings. The storage bags were deposited at the Ravenswood dump.

Yours sincerely,

Gary C Morgan
CHAIRMAN