



## 29 July 2011

*Kentor Gold (ASX: KGL) is an Australian-based, emerging mid-tier gold company with advanced projects in Australia and the Kyrgyz Republic.*

*Formed in 1998 and listed on the ASX in 2005, the Company expects to commence high grade gold production at **Burnakura** in Western Australia in mid-2012, with potential additional gold-copper production from the neighbouring **Gabanintha** deposit. At **Jervois** in the Northern Territory, the Company is studying the feasibility of developing a large, high grade copper-silver resource with potential for the production of gold and other base metals.*

*In the Kyrgyz Republic, Kentor Gold is ready to proceed with the development of the Company's 80% owned high grade, very low cost **Andash** Gold-Copper Project once site access has been obtained. Andash is targeted to produce 70,000 oz gold and 7,400 tonnes copper pa for an initial six years, with high potential for expansion.*

### Issued capital:

1,062.1 million ordinary shares  
61.1 million unlisted options

### Market Capitalisation

28 July, 2011: \$103 million

## Quarterly Activities Report Period Ending 30 June 2011

- High grade gold and copper-silver JORC Resources established in Australia
- Initial Inferred Resources of 516,000oz gold at Burnakura WA
- 203,000oz gold at Gabanintha WA
- 113,000t copper and 7.6Moz silver at Jervois, NT
- Gold production targeted for mid-2012 at Burnakura
- Heap leaching plant purchased for Burnakura
- Development of Andash Gold-Copper Project, Kyrgyz Republic, awaiting local approval for site access

### Quarterly Overview

During the quarter, Kentor Gold Limited ("Kentor Gold" or "the Company") effected a significant diversification and expansion into Australia.

The acquisition of Jinka Minerals Limited was concluded and within two months Kentor Gold had

- Established Inferred Resources totalling more than 700,000oz gold in Western Australia and substantial copper-silver resources in the Northern Territory
- initiated a feasibility study at Burnakura (WA) with the aim of commencing gold production in mid-2012
- undertaken an exploration drilling program at the Jervois multi-commodity project and commenced a pre-feasibility study.

Kentor Gold's total group resources now comprise:

- 1.4 million ounces of gold
- 191,000 tonnes of copper
- 7.6 million ounces of silver.



The Company's preparations for the development of the Andash Gold-Copper Project in the Kyrgyz Republic as one of the world's lowest cost gold mines are well advanced. As soon as local approval for site access is obtained, Kentor plans to initiate the development of the project by deploying the construction camp and commencing the geotechnical drilling and road construction. The national Government confirmed the project's good standing following some local opposition reflected in a parliamentary vote during the quarter.

### **Australian Projects**

In May, 2011, Kentor Gold completed an agreed, off-market takeover for the Australian gold and base metals company Jinka Minerals Limited (Jinka).

Consideration paid (net of acquisition costs and statutory charges) for acquiring Jinka Minerals was \$12.86 million. The Company secured three advanced gold, copper, silver and other base metals projects in Australia, providing new growth options and geographic diversification from central Asia.

Jinka's major assets comprise:

- The Burnakura Gold Project, located 50km south of Meekatharra in Western Australia
- The Gabanintha Copper-Gold Project, 45km south-east of Meekatharra and 25km from Bumakura
- The Jervois Multi-Commodity Project, 280km north-east of Alice Springs in the Northern Territory.

Burnakura and Gabanintha are advanced gold projects with the potential for early gold production. Both are former gold mines Burnakura and Gabanintha open pits were mined in the nineties and underground mining took place from 2006 to 2009. Burnakura produced 216,250 oz gold from open cut operations at a head grade of 3.8 g/t and 50,637 oz gold from underground at an average of 5.95 g/t. Gabanintha produced over 180,000 oz gold from open pit mining at 3.23 g/t.

Jervois has the potential to be developed as a significant multi-commodity mining operation.

During the quarter, Kentor Gold gave priority to establishing initial Resources at each project, planned the early recommencement of open pit mining at Burnakura and Gabanintha, as well as exploration drilling at Jervois.

### **Burnakura Gold Project, WA (Kentor Gold 100%)**

Kentor Gold announced an initial Inferred Resource at Burnakura of 10.6 million tonnes @ 1.5 g/t gold for a total of 516,000 oz gold at a 0.5 g/t cut off. This includes a high grade component of 3.2 million tonnes @ 2.9 g/t for 298,000 oz gold at a 1.5 g/t cut off. Helman & Schofield Pty Ltd (H & S) produced the Resource estimate based on historical drilling data, the vast majority of which was shallower than 100m. Burnakura comprises six main deposit areas within a strike length of approximately 8.5km.

Burnakura has the advantages of a substantial near surface Resource pointing to efficient, low cost mining, mineralisation open at depth offering good prospectivity for more discoveries and an existing processing plant and infrastructure on site.

The CIP processing plant at Burnakura is under care and maintenance and can be recommissioned and expanded to include ore from the nearby Gabanintha gold-copper project. There is also a 90-person camp, workshops, offices and other usual mine site infrastructure.

The recent acquisition of some additional plant and equipment will facilitate the fast and cost effective re-start at Burnakura at an expanded capacity.

For \$1.3 million, the Company acquired a two-stage crushing plant, elution column, carbon adsorption tanks and gold room, heap leaching equipment including an agglomerator, conveyors and stacker. The stripping plant and gold room will provide Kentor Gold with a cost effective means of recommissioning the plant at Burnakura. The crushing equipment will be used to upgrade the throughput capacity. The heap leaching equipment will provide the option of treating the low grade ore at Burnakura in a heap leach operation in the future at a low capital cost.



A feasibility study was commenced in May 2011 and is targeting bringing the operation back into production in June 2012. A throughput of 250,000 tpa is being targeted as stage one of the processing plant expansion.

A program of RC and diamond drilling is planned to commence in the September 2011 quarter. Although the immediate focus is on upgrading the Resource, there is significant potential for additional high grade mineralisation. There are significant gaps in existing drilling and potential to extend mineralisation along strike and down dip that will be the target of future drilling programs.

#### **Gabaintha Gold-Copper Project, WA (Kentor Gold 100%)**

Kentor Gold announced an initial Inferred Resource for Gabaintha of 4.5 million tonnes @ 1.4 g/t gold for a total of 203,000 oz gold at a 0.5 g/t cut off, including a high grade 1.3 million tonnes @ 2.9 g/t for 121,000 oz gold at a 1.5 g/t cut off. The Resource also includes 450,000 tonnes @ 0.5% copper.

The Gabaintha project consists of six deposits within a strike length of approximately 2.4km. Open pit mining previously took place between 1987 and 1991.

The Resource estimate is based on historical drilling which targeted only oxide gold resources. When areas of significant copper mineralisation were intersected during exploration, drilling was typically halted. The presence of copper rich ores proved difficult to treat at the historical Gabaintha processing facility and as a result the areas of copper mineralisation have been poorly tested. The Resource is open down dip in all of the old pits most of which were mined only to 60 metres depth. A drilling program is now being planned to target additional gold and copper mineralisation below the existing pits.

The concept being studied is the trucking of gold and copper-gold ore to Burnakura for treatment. The gold only ore will be treated through the existing gold plant and future installation of a flotation plant would enable production of a copper-gold concentrate.

#### **Jervois Multi-Commodity Project, NT (Kentor Gold 100%)**

Jervois, 280km north-east of Alice Springs, has the potential to be a significant multi-commodity mining operation.

Kentor Gold announced a maiden Inferred Resource for Jervois of 8.8 million tonnes @ 1.3% copper and 26.7 g/t silver for a total of 113,000 tonnes of copper and 7.6 million ounces of silver.

The resource extends over four bodies of mineralisation over 12km strike.

The copper resource was limited to a depth of 200 metres. However, there are strong indications from previous drilling that the mineralisation continues at depth and along strike, with significant copper and gold grades up to 350 metres below surface. A current eight-hole drilling program testing the deeper areas is expected to increase the size of the resource later in 2011. Initial assay results from this drilling are expected at the end of July.

Part of the resources are amenable to open pit mining, while the good grades, the vertical orientation and favourable ground conditions being encountered in the current drilling suggest that underground mining is likely to be economic for the deeper zones.

During the quarter, the Company initiated a pre-feasibility study into an open pit mine, that would feed to a flotation plant to produce a copper concentrate.

Jervois also has the advantages of having all of the identified resources located on granted Mineral Leases and Mineral Claims, the deposits are close to the Alice Springs to Darwin rail line for the transportation of concentrate to port.

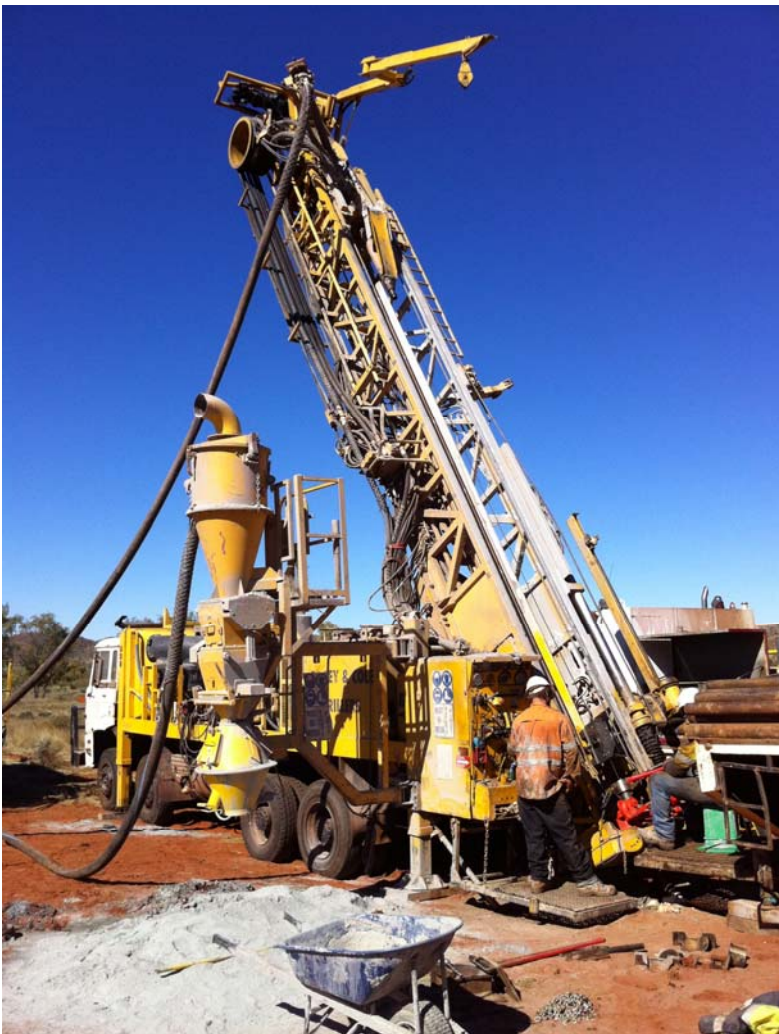
In conjunction with the drilling program, Kentor Gold has initiated an extensive metallurgical testing program on each of the major deposits. Previous metallurgical test work on Jervois mineralisation found that it can be processed easily to produce a 28% copper concentrate with a recovery of greater than 90%.



**Figure 1. Drilling at Jervois**

There is also the potential to increase the lead-zinc-silver resources at Green Parrot and Bellbird north. Currently the inferred resources comprise 1 million tonnes @ 2.6% lead, 2.2% zinc and 73 g/t silver which is contained within the copper mineralisation at these two sites.

Only 30% of the previous drilling was analysed for gold, preventing gold's inclusion in the maiden resource estimate. However, all of the drill core is now being analysed for gold with the aim of including a gold grade in future resource estimates.



**Figure 2. Jervois Drill Rig**



## **Kyrgyz Republic**

### **Andash Gold-Copper Project (Kentor Gold 80%)**

The pre-construction phase of the Andash Gold-Copper Project is well advanced and currently waiting on finalisation of geotechnical investigations for the design of building foundations and the tailings dam.

Andash is planned to produce at a rate of 70,000 oz gold and 7,400 tonnes copper a year over an initial six-year mine life, with high potential opportunities to expand and extend the operation. At a total cost of US\$29/oz, Andash will be one of the world's lowest cost gold mines.

The project is scheduled for commissioning approximately 12 months after completion of geotechnical investigations, which will be completed as soon as access is gained to the site.

While the project has a Mining Licence and other Government approvals, construction has not yet commenced until an agreement can be achieved with the small portion of the local community who remain opposed to the development of the project. The Company is continuing to seek to overcome some minority local opposition by addressing their concerns that are based largely on misinformation relating to the project's environmental impact.

During the quarter, these concerns were reflected in a resolution in the Kyrgyz Parliament opposing the project on environmental grounds. In the Kyrgyz Republic, authority to issue mining licences and land use permits resides with the Executive Government and not Parliament, and the Minister for Natural Resources was quick to confirm the Company's licence for Andash, that currently, all obligations were being met and that there was no reason to revoke the licence.

The application for the OVOS (local environmental and social approval) has been lodged with the Government and this is expected to take approximately three months to obtain.

While Kentor Gold is firmly committed to the development of Andash, it was decided not to take up the option to acquire the Aktash gold-copper project, a potential high grade satellite mine to feed Andash. The Company currently has higher funding priorities than the exploration expenditure that would have been required at Aktash.

### **Bashkol Exploration Licence (Kentor Gold 80%)**

A program of geological and geophysical exploration commenced at the Bekbulaktor gold prospect on the Bashkol Exploration Licence, in the east of the Kyrgyz Republic. The objective is to identify targets for drilling in areas of extensive gold and copper mineralisation.

The Bekbulaktor prospect is located on a tectonic suture line in a similar structural position to the Kumtor deposit which lies 70 km to the west along the same suture line. Attempts by earlier explorers since Soviet times to explain widespread geochemical anomalies in the Bekbulaktor area were unsuccessful.

Systematic regional sampling by a Kentor team has established the presence of elevated gold, copper, and silver values in altered granite and granodiorite. Auriferous altered granite and granodiorite has now been mapped over a strike length of 2km on both sides of the Bekbulaktor Valley, and systematic bedrock channel sampling is in progress. The auriferous altered granite and granodiorite is coincident with a marked IP geophysical anomaly, so a geophysical crew is on site for reconnaissance over areas where there is little outcrop.



### Court proceedings

During the quarter, the Chui court found in favour of the government in the case between the Kyrgyz Government and the former minority partners in the Andash project (Invest Centre Talas and Tryden International). Kentor Gold's ownership of 80% of Andash Mining Company is not affected by this case. The former minority partners have now appealed this decision. A date has not yet been set for the appeal hearing.

### Corporate

During the quarter, Kentor Gold sourced the total acquisition cost of \$12.4 million for Jinka Minerals from cash reserves with the balance \$.57m paid in the following quarter. A further \$9.1 million was expended on Andash completing the engineering and paying for the ball mill.

\$1.3m was spent acquiring the assets from the Indee Gold Mine to be used at Burnakura.

A site visit was conducted in May with a number of analysts and brokers viewing activities on the Jervois site.



**Figure 3. Broker Site Visit**

Based on a development cost of \$96 million, approximately US\$83m remains to be spent on the Andash project. Whilst construction is delayed we will continue to review the development cost to identify savings and manage any potential cost escalations.

The cash reserve was \$43 million at 30 June 2011.

Despite these expenditures, the Company retained its capacity to fund the development of the Andash project from the proceeds of the equity raising late last year and the \$50m debt facility subsequently put in place.



## Outlook

During the remainder of 2011, the feasibility study will be progressed at Burnakura, including exploration drilling to expand the Resource, with the aim of re-starting gold production there in mid-2012. At nearby Gabanintha, exploration drilling is expected to commence to expand the gold and copper Resources at depth. At Jervois, the pre-feasibility study will be completed including analysis of the results of the current drilling program.

In the Kyrgyz Republic, the Company will concentrate on local communication activities in order to gain the local approval required to access the site for the development of the Andash project.

## For further information contact:

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## Appendix 1 KGL Group Resources

	Tonnes (mt)	Grade Au g/t	Grade Cu%	Grade Ag g/t	Gold (oz)	Copper (t)	Silver (Oz)
Andash Sulphide	0.38	0.93	0.25		11,350	950	
Jervois	8.8		1.3	26.7		113,000	7,600,000
Burnakura	10.6	1.5			516,000		
Gabaintha	4.5	1.4			203,000		
<b>Total Inferred Resources</b>	<b>24.28</b>				<b>730,350</b>	<b>113,950</b>	<b>7,600,000</b>
Andash Oxide	0.81	0.85	0.43		22,136	3,510	
Andash Sulphide	14.31	1.11	0.38		510,507	54,260	
<b>Total Indicated Resources</b>	<b>15.12</b>				<b>532,643</b>	<b>57,770</b>	
Andash Oxide	0.923	0.88	0.5		26,114	4,638	
Andash Sulphide	3.16	1.21	0.47		122,932	14,900	
<b>Total Measured Resources</b>	<b>4.08</b>				<b>149,046</b>	<b>19,538</b>	
<b>Total Resources</b>	<b>43.48</b>				<b>1,412,039</b>	<b>191,258</b>	<b>7,600,000</b>

Gabaintha and Burnakurra Resources as quoted at a cut-off grade of 0.5g/t Au.

Jervois Resource is based on cut-off grades 0.2% to 0.5% Cu

Kentor Gold own 80% of the Andash project

### Competent Persons Statements

The information in this report that relates to mineral resource estimation for Gabaintha and Burnakura is based on work completed by Mr Jonathon Abbott who is a full-time employee of Hellman & Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The data in this report that relates to Mineral Resource Estimates for Jervois is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

The Resource estimates for Andash in this report are based on information compiled by Dr. Phil Newall, who is a Chartered Engineer and Fellow of the Institute of Materials Minerals and Mining and a full time employee of Wardell Armstrong International. Dr. Newall has sufficient experience which is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. Newall has consented to the inclusion of this information in the form and context in which it appears in this report.

# Appendix 5B

## 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

Kentor Gold Limited

ABN

52 082 658 080

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	(194)	(296)
(b) development	(9,122)	(11,159)
(c) production	(798)	(1,344)
(d) administration	-	-
1.3 Dividends received	709	975
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Foreign Exchange differences	-	-
	<b>(9,405)</b>	<b>(11,824)</b>
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments	(12,407)	(12,407)
(c) purchase options	-	-
(c) other fixed assets	(1,333)	(1,387)
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)	-	-
	(13,740)	(13,794)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	<b>(23,145)</b>	<b>(25,618)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	<b>(23,145)</b>	<b>(25,618)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	(300)
	<b>Net financing cash flows</b>	<b>-</b>	<b>(300)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(23,145)</b>	<b>(25,918)</b>
1.20	Cash at beginning of quarter/year to date	68,169	71,364
1.21	Exchange rate adjustments to item 1.20	(1,309)	(1,731)
1.22	<b>Cash at end of quarter</b>	<b>43,715</b>	<b>43,715</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	182
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Remuneration and expenses paid to executive and non-executive directors for the quarter.

**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	3,602
4.2 Development	765
4.3 Admin	831
<b>Total</b>	<b>5,198</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	33,891	40,969
5.2 Deposits at call	9,824	27,200
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>43,715</b>	<b>68,169</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	VP1649 VP1911	Aktash, Kyrgyz Republic Aktash, Kyrgyz Republic		Relinquished Relinquished

+ See chapter 19 for defined terms.

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

6.2 Interests in mining tenements acquired or increased	M51/836	Gabanintha	100%
	P51/2395	Gabanintha	
	P51/2438	Gabanintha	
	P51/2439	Gabanintha	
	P51/2513	Gabanintha	
	P51/2523	Gabanintha	
	P51/2332	Gabanintha	
	E51/1030	Gabanintha	
	E51/1415	Gabanintha	
	PL(A)51/2600	Gabanintha	
	PL(A)51/2601	Gabanintha	
	PL(A)51/2602	Gabanintha	
	PL(A)51/2656	Gabanintha	
	PL(A)51/2661	Gabanintha	
	PL(A)51/2662	Gabanintha	
	PL(A)51/2663	Gabanintha	
	PL(A)51/2690	Gabanintha	
	PL(A)51/2691	Gabanintha	
	PL(A)51/2692	Gabanintha	
	PL(A)51/2693	Gabanintha	
	PL(A)51/2694	Gabanintha	
	PL(A)51/2695	Gabanintha	
	PL(A)51/2700	Gabanintha	
	PL(A)51/2714	Gabanintha	
	PL(A)51/2715	Gabanintha	
	EL(A)51/1444	Gabanintha	
	ML(A)51/868	Gabanintha	
	M51/116	Burnakura	
	M51/117	Burnakura	
	M51/177	Burnakura	
	M51/178	Burnakura	
	M51/252	Burnakura	
	M51/478	Burnakura	
	MCS13	Jervis	
	MCS14	Jervis	
	MCS15	Jervis	
	MCS16	Jervis	
	MCS17	Jervis	
	MCS18	Jervis	
	MCS19	Jervis	
	MCS20	Jervis	
	MCS21	Jervis	
	MCS22	Jervis	
MCS23	Jervis		
MCS24	Jervis		
MCS25	Jervis		
MCS26	Jervis		
MCS27	Jervis		
MCS28	Jervis		
MLS10	Jervis		
MLS16	Jervis		
MLS17	Jervis		
MLS23	Jervis		
MLS51	Jervis		
MLS52	Jervis		

+ See chapter 19 for defined terms.

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

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6.2 Interests in mining tenements acquired or increased	MLS53	Jervois	100%
	MLS54	Jervois	
	MLS55	Jervois	
	MLS56	Jervois	
	MLS57	Jervois	
	MLS61	Jervois	
	MLS62	Jervois	
	MLS90	Jervois	
	ANS19	Jervois	
	ANS20	Jervois	
	ANS21	Jervois	
	SEL25429	Jervois	

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+ See chapter 19 for defined terms.

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

**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>	1,062,092,950			
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	500,000		Zero	Zero
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	61,111,358	Unlisted Options	Exercise price	Expiry date
7.8 Issued during quarter	1,000,000 1,000,000 500,000 500,000	Unlisted Options	12.18c 14.62c 20.78c 24.93c	Expiry 31/05/2016 Expiry 31/05/2016 Expiry 31/05/2016 Expiry 31/05/2016
7.9 Exercised during quarter				
7.10 Expired during quarter	500,000 500,000	Unlisted Options	16.38c 19.98c	
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)			
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## 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 ~~/does not\*~~ (delete one) give a true and fair view of the matters disclosed.

*K. Anderson*

Sign here: ..... Date: 29/07/2011.....  
(~~Director~~/Company secretary)

Print name: ...Kylie Anderson.....

## 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.