

## QUARTERLY REPORT June 2010

# HIGHLIGHTS

### SYNDICATED METALS LIMITED

ABN 61 115 768 986

**Market Capitalisation** (at 30/6/2010)  
\$7.1 million (at \$0.10 per share)

**Issued Capital** (at 30/6/2010)  
71.25 million ordinary shares  
18.5 million unlisted options  
6.9 million listed options

**Cash** (at 30/6/2010): \$3.1 million

### Contact Details

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- Multiple new copper-gold intercepts from extensional and infill drilling at **Barbara North and South Lodes** including:
  - **11.1 metres at 3.84% Cu & 0.36g/t Au** from 179.8 metres within **41.3 metres at 1.88% Cu & 0.17g/t Au**;
  - **10 metres at 3.60% Cu & 0.28g/t Au** from 53 metres within **37 metres at 1.59% Cu & 0.12g/t Au** from 48 metres;
  - **4.6 metres at 3.97% Cu & 0.65g/t Au** within **15.9 metres at 2.11% Cu & 0.30g/t Au** from 248 metres;
  - **9 metres at 2.13% Cu and 0.15g/t Au** from 115 metres;
  - **7 metres at 2.08% Cu & 0.23g/t Au** from 218 metres and **2 metres at 2.84% Cu & 0.77g/t Au** from 231 metres;
  - **9 metres at 1.74% Cu & 0.28g/t Au** from 31 metres and **3 metres at 2.48% Cu & 0.24g/t Au** from 64 metres;
  - **5 metres at 2.73% Cu & 0.16g/t Au** from 148 metres;
- First pass drilling at **Green Zone** confirms potential for an open pittable copper sulphide resource;
- First hole at **North Gossan** intercepts a body of semi-massive to massive pyrite with elevated cobalt including **6 metres at 0.18% Co (~1.2% Cu equivalent grade<sup>1</sup>)**;
- Expansion of current resources anticipated with resource update expected in Q4 leading to commencement of scoping study;
- Extensive VTEM survey commenced over Barbara deposit host sequences and structures;
- Strategic and highly prospective ground position in the Mount Isa mineral province further increased through acquisition of additional tenements prospective for base metals.

## ***Exploration Overview***

Syndicated Metals is exploring for base metals on its strategic and highly prospective Mount Isa project areas in Northwest Queensland with the aim of becoming a substantial mineral producer. To this end the Company is currently focusing on progressing its two high priority projects, namely the Barbara copper-gold deposit, located within its broader Mount Remarkable tenements, which has the potential to form the hub of a stand-alone copper mine and its 49% owned Kalman South molybdenum-rhenium-copper-gold joint venture resource which has similarities to Ivanhoe Australia's nearby Merlin high grade molybdenum-rhenium discovery.

A targeted drilling program comprising approximately 10,000 metres of RC and diamond core drilling at the Mount Remarkable project that commenced in mid-March continued during the quarter. This program is the largest undertaken by Syndicated since its ASX listing in December 2007 and reflects the Company's growing confidence in the potential of the project area to support a stand-alone mining operation.

The drilling program is aimed at expanding the existing copper and gold resources at Barbara as well as testing some 10 additional high priority copper gold targets in proximity to Barbara. Results to date have been highly encouraging – reinforcing the excellent potential for a resource increase. Syndicated will compile the results and work towards providing a resource update during the fourth quarter of 2010 prior to commencing a scoping study to assess the best approach to maximize the value of these deposits.

Two new discoveries were made close to the Barbara deposits during the quarter – the Green Zone (copper) and the North Gossan (cobalt). The commercial potential of both discoveries will be evaluated with further drilling.

Recent geological mapping in the Barbara district has highlighted a number of structural and lithological situations that are very similar to the Barbara fault zone which hosts the Barbara deposits and several other copper targets.

Given the known strong conductivity of the Barbara deposits, Syndicated contracted Geotech Airborne Pty Ltd to fly a 710 line kilometre VTEM survey (Versatile Time-Domain Electromagnetic survey) over the prospective sequences and structures. The area to be surveyed and the style of mineralisation are considered to be well suited to detection by this geophysical technique. The exciting Mount Margaret IOCG target 10 kilometres to the north of Barbara will be included in the survey area.

Additional tenements were added to Syndicated's existing ground position in the Mount Isa region, enhancing the Company's strategic and highly prospective tenement holdings in this world class mining province. Applications were submitted for tenements located north of Mount Isa in a corridor between the Mount Isa, Hilton-George Fisher and Century zinc mines. These tenements will form the basis of Syndicated's Carpentaria Zinc Project, targeting world-class SEDEX style zinc deposits.

No field work was carried out by joint venture partner, Kings Minerals NL at the Kalman South joint venture which hosts a significant section of the Kalman molybdenum-rhenium-copper-gold deposit. Syndicated has continued to consolidate its ground position along trend to the south of the joint venture area which is considered prospective for a range of commodities including a high priority gold target.

## Mount Remarkable

### DRILLING

To the end of June Syndicated had drilled a total of 6500 metres in 39 holes including 1722 metres of NQ diamond drilling in 8 holes. The total metres drilled to the date of reporting is now 7580 metres in 52 holes with results received and reported for the first 18 holes. Drilling has now been temporarily suspended to allow all assay results to be received and assessed before restarting the program.

Initial drilling focused on defining the down-plunge extensions of the high grade core of the Barbara South Lode (100% SMD) outside of the existing resource envelope. Some drilling was also done within and on the margins of the current resource envelope to increase confidence in the resource. (Figure 3.)

At Barbara North Lode (Leichhardt JV - SMD 51% and management) drilling focused on increasing confidence in the current resource as well as extending the known mineralisation down-plunge and along strike to the south to test the gap between the North and South Lodes. (Figure 3.)

Testing of the new 'look-alike' targets close to Barbara at Green Zone and North Gossan commenced and returned positive results from the initial holes.

*(Refer to the ASX releases dated May 10<sup>th</sup>, 2010, May 26<sup>th</sup> 2010 and June 20<sup>th</sup> 2010 for further details of the drilling during the quarter.)*

The results to date continue to confirm the potential of the current drilling program to expand the existing Indicated and Inferred Mineral Resource Estimates for the Barbara South and North Lodes which presently stand at a combined 3.1 million tonnes at 1.5% Cu and 0.14g/t Au (at a 0.5% cut-off grade) containing an estimated 47,000 tonnes of copper and 14,000 ounces of gold. *(Refer to Resource details in Appendix 1.)*

### South Lode

BADD007 and BADD008 were pre-collared diamond drill holes drilled on section 9800N to test for southerly down-plunge extensions of the high grade core of the Barbara South lode. Both holes returned excellent intersections of **11.1 metres at 3.84% Cu and 0.36 g/t Au** from 179.8 metres within a broader interval of **41.3 metres at 1.88 % Cu and 0.17 g/t Au** from 179.8 metres in BADD007 and **15.9 metres at 2.11% Cu and 0.30 g/t Au** from 248.0 metres including **4.6 metres at 3.97% Cu and 0.65g/t Au** and 5 metres at 1.73% Cu from 325.5 metres in BADD008.

Previously drilled and reported BARC034 located mid-way between BADD007 and BADD008 returned 9 metres of 3.2% Cu and 0.4g/t Au within a broader interval of 56 metres at 1.25% Cu and 0.12 g/t Au.

BADD009 drilled on section 9840N to test the deeper down-dip edge of the South Lode returned **12.2 metres at 1.43% Cu and 0.13g/t Au** from 256.3 metres.

The drilling on the 9800N and 9840N sections has now outlined the full profile of the South Lode with the +1% Cu envelope extending approximately 350 metres up and down dip with an average thickness of around 30 metres, including a high grade hanging wall zone grading +3% Cu that is potentially mineable from underground.

RC holes BARC 049 and 050 both intercepted +2% Cu grades, extending the lower part of the ore zone on 9880N and extending the upper part of the ore zone on 9800N respectively.

BARC052 drilled into the upper part of the lode returned a strong sulphide interval of **10 metres at 3.60% Cu and 0.28g/t Au** from 53 metres within **37 metres at 1.59% Cu and 0.12g/t Au** from 48 metres.

At the northern end of the South Lode on 10000N, BARC055 returned **9 metres at 2.05% Cu and 0.18g/t Au from 219 metres**. This intersection which is in the joint venture tenement is open down dip and along strike and confirms the potential for an additional high grade shoot in this area. Further drilling is required to better define this zone.

### **North Lode**

RC drilling is focusing on the near surface potential of North Lode for open pit mineable ore. The best results were returned from BARC058 to BARC061 which extended the lode to the south. Results included **9 metres at 1.74% Cu and 0.28g/t Au** from 31 metres in BARC058 and **5 metres at 2.73% Cu and 0.16g/t Au** from 148 metres in BARC061.

The positive results from the drilling at the north end of South Lode and south end of North Lode are also highlighting the as yet untested potential of the 200 metre long section of the Barbara fault zone between the deposits for the lodes to connect.

Diamond drill holes BADD010 and BADD011 were drilled to provide samples of the North Lode sulphide material for metallurgical testwork.

### **Green Zone**

The Green Zone, located about 500 metres to the northwest of the Barbara deposits was discovered and mapped by Syndicated in 2009. Visible malachite (copper carbonate) occurs at surface over a 400 metre strike length along a major north trending fault. (Figure 4.)

Surface rock chip channel sampling returned intervals of up to 10 metres at 1% Cu. The first two drill holes into the zone (GZRC001 and GZRC002) have confirmed the presence of potentially mineable widths and grades of copper sulphide (chalcopyrite) mineralisation at shallow depths and further drilling is underway to determine the potential of the zone and the presence of any higher grade areas. (Figure 4.)

GZRC001 returned 4 metres at 1.01% Cu from 56 metres and 12 metres at 0.6% Cu from 67 metres and GZRC002 returned 5 metres at 0.78% Cu from 55 metres and 10 metres at 0.96% Cu from 82 metres.

### **North Gossan**

The North Gossan, also discovered by Syndicated in late 2009, is located at the northern end of the Green Zone on the northwestern end of the Barbara Fault which hosts the Barbara North Lode and South Lode copper deposits. (Figure 4.)

NGRC001 intercepted a zone of strong quartz sulphide alteration (mostly pyrite) from 18 metres depth **with a six metre thick massive sulphide zone from 40 metres at the base of the intersection grading 0.18% Co** at a 0.1% Co cut-off. At current copper and cobalt prices of approximately US\$3/lb for copper and US\$20/lb for cobalt, **0.18% Co equates to approximately a 1.2% Cu equivalent grade<sup>1</sup>**.

Although the copper values in NGRC001 were low (maximum 0.26% Cu) several holes including BARC043 and BARC048 at North Lode reported similar cobalt rich intercepts close to high grade copper mineralisation. Further drilling is planned for this new discovery and mineragraphic examination of the cobalt mineralisation is underway.

### **ADDITIONAL DRILLING TARGETS**

Syndicated has identified several other high priority targets within 20 kilometres of Barbara including the Mount Margaret, Mount Hutchinson and Referee prospects and the Trey Bit and Blue Star prospects near the old Blockade Mine within the Leichhardt Joint Venture. These targets are also scheduled to be tested during the current program.

Prospects considered to have the potential to host large tonnage deposits include Mount Margaret and Mount Hutchinson. At Mount Margaret, copper and gold-bearing shears are associated with widespread iron oxide copper-gold (IOCG) style red-rock alteration and untested geophysical targets. At Mount Hutchinson previous drilling by Syndicated has intersected low grade oxide copper mineralisation up to 50m wide over at least 500m length.

### **HELICOPTER VTEM SURVEY**

An extensive VTEM survey has commenced over an area covering extensions to the prospective rock sequences and structures that host the Company's Barbara copper-gold deposits. (Figure 1.) The survey is intended to fast-track target identification and prioritization of sulphide copper-gold targets. *(Refer to ASX announcement dated July 20<sup>th</sup> 2010.)*

### **OUTLOOK**

Additional holes have been completed in the Barbara area at North and South Lodes, at North Gossan to follow up the recent cobalt discovery in that area and at the Green Zone and Greenback copper targets. The rig then moved to the Blockade area to test Trey Bit and Blue Star prospects. Drilling has been temporarily suspended until the assays for the significant number of outstanding holes are received and assessed. It is anticipated that a further batch of drilling results will be released in the near term.

### **Kalman South**

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Syndicated holds a 49% interest in EPM13870 which hosts a substantial portion of the Kalman molybdenum-rhenium-copper-gold resource located 60 kilometres southeast of Mount Isa. Kalman has similarities to the Merlin high grade molybdenum-rhenium deposit discovered to the southeast of Kalman by Ivanhoe Australia.

### **Other Projects**

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No field work was undertaken on the Dronfield, Exmouth or Georgina projects. E08/1739 and E08/1854 which formed part of the Exmouth project were relinquished.



## ***Tenement Acquisition & Project Generation***

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Project generation activities continued with a focus on advanced copper and zinc opportunities. Applications were submitted for tenements located north of Mount Isa in a corridor between the Mount Isa, Hilton/George Fisher and Century zinc mines. These tenements will form the basis of our Carpentaria Zinc Project, targeting world-class SEDEX style zinc deposits.

## ***Corporate***

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On May 24<sup>th</sup> 2010, experienced mining industry consultant, Mr Martin Pyle joined the Syndicated Board in the role of Chairman. His appointment adds to the corporate strength of Syndicated's board at an exciting time of growth for the Company.

Syndicated's cash balance was \$3.1 million at the end of June.



Russell Davis  
Managing Director

For further information on the Company view our website at [www.syndicatedmetals.com.au](http://www.syndicatedmetals.com.au) or contact:

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**Managing Director**  
**T: 0419 195 087**

**Martin Pyle**  
**Chairman**  
**T: 0429 999 552**

## ***Competent Persons' Statements***

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The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr Russell Davis and Mr Mark Whittle who are Members of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Davis and Mr Whittle are full-time employees of Syndicated Metals Limited and consent to the inclusion in the report of the Exploration Results and Mineral Resources in the form and context in which they appear.

<sup>1</sup> *Note that mining and metallurgical recoveries for cobalt and copper are not taken into account and no economic implications are implied in making this comparison.*

## ***Company Background***

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Syndicated is focused on the discovery and development of base metal deposits, principally in the mineral-rich Mount Isa region in Northwest Queensland.

Syndicated listed on the ASX in December 2007 and has since generated a significant metal resource inventory in the Mount Isa region comprising its interests in the Barbara (copper-gold) and Kalman South (molybdenum-rhenium-copper-gold) deposits.

The Mount Remarkable Project (including the Barbara copper deposit) comprises a group of mostly contiguous tenements covering over 1100 square kilometres. The project tenements are located about 60 kilometres northeast of Mount Isa within close proximity to existing infrastructure and are considered prospective for copper-gold and sediment hosted lead-zinc-silver style mineralisation. Historical uranium prospects are also present within the tenements.

Syndicated holds an interest in EPM13870 forming part of the Kalman molybdenum-copper-gold-rhenium deposit, where Syndicated is free carried to completion of a final feasibility study. An updated resource estimate was announced in September 2008 for the Kalman South project and scoping study work on the entire Kalman deposit is currently being undertaken by the joint venture partner.

In addition Syndicated has a 100% interest in the Exmouth project in Western Australia which is considered prospective for silver, base metals and uranium as well as phosphate.

Korea Zinc Company Ltd, through its Australian subsidiaries holds a 14.9% interest in Syndicated.



Figure 1: Project Location



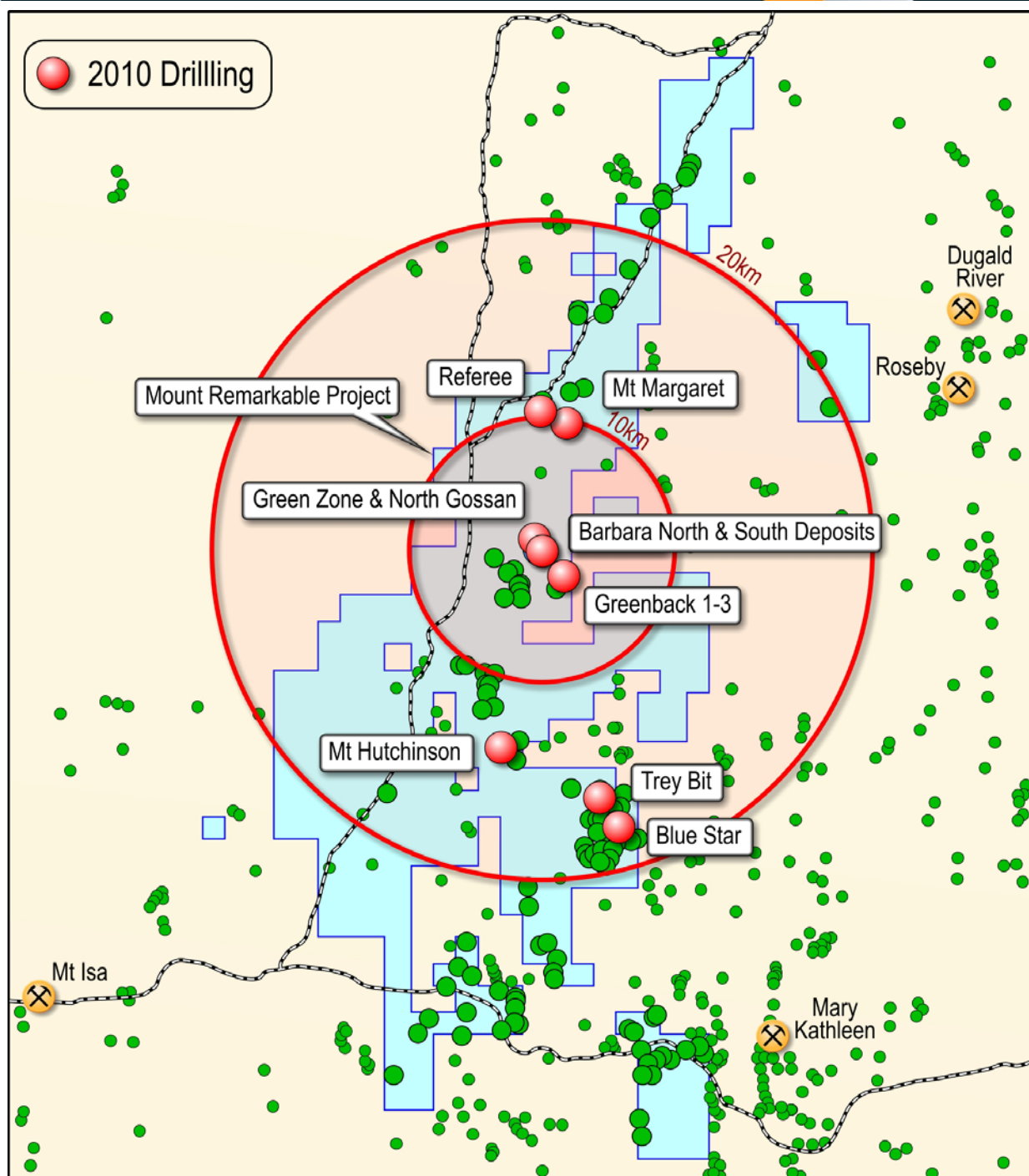


Figure 2: 2010 Drilling Targets

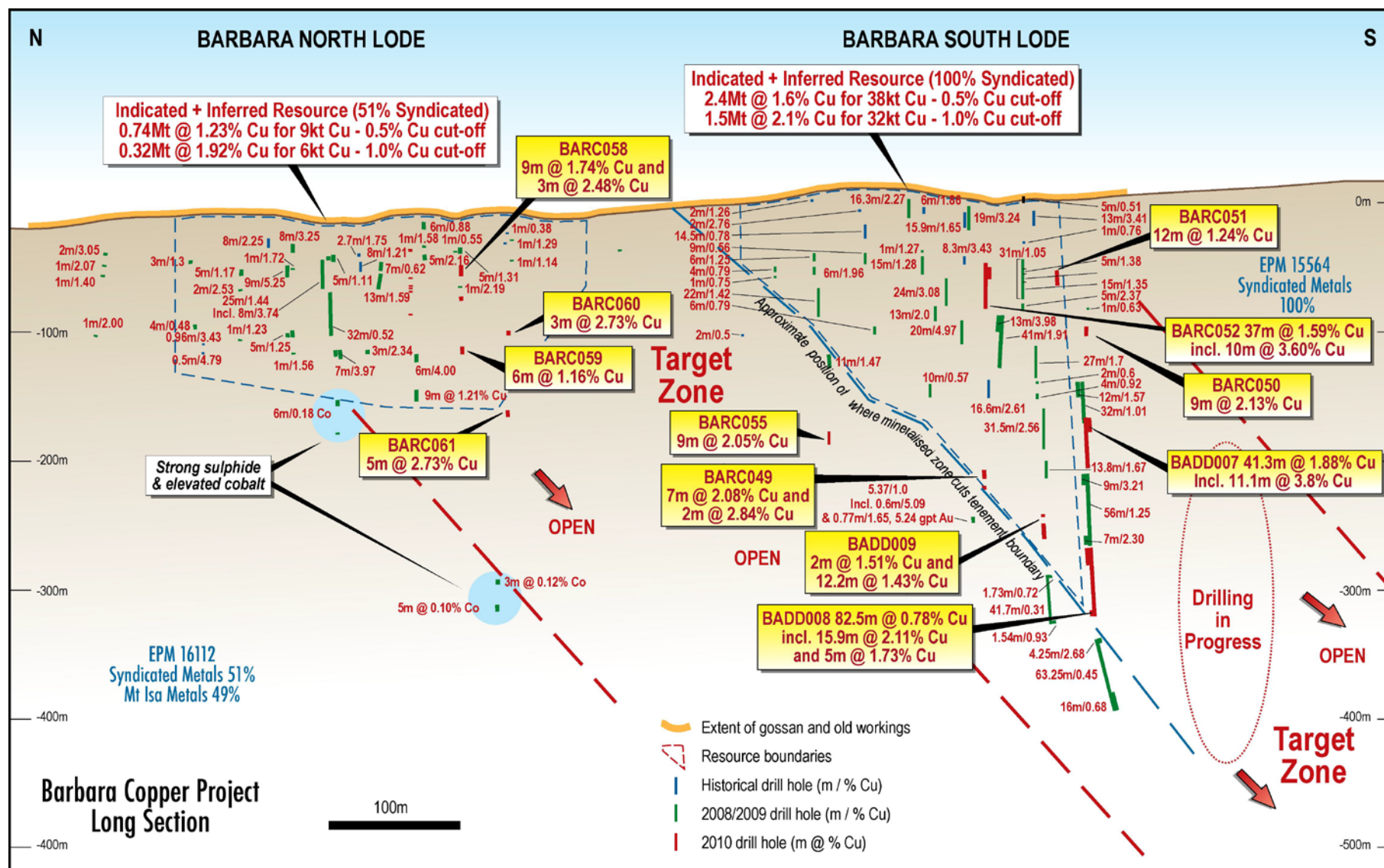


Figure 3: Barbara Long Section

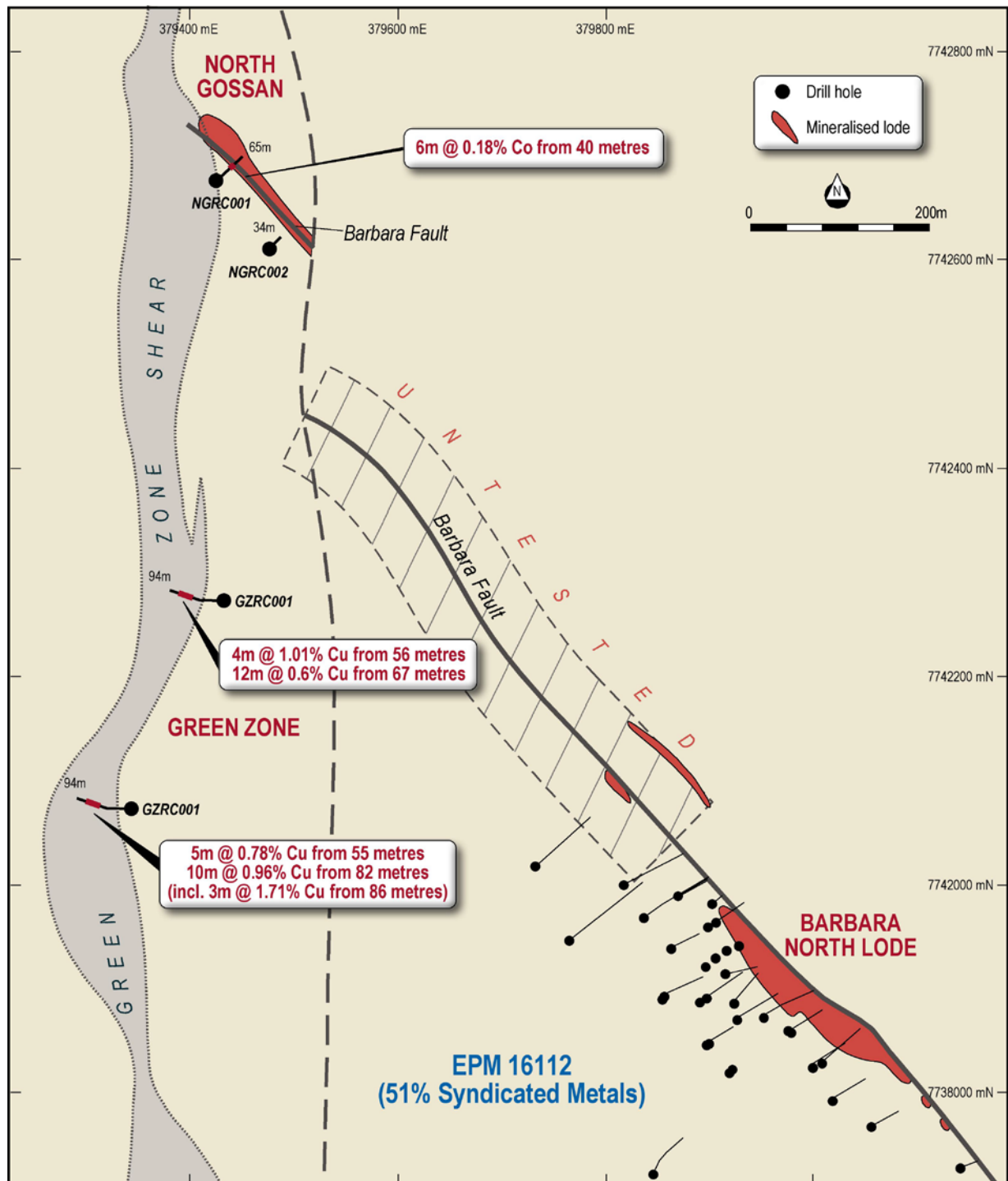


Figure 4: Green Zone and North Gossan

## APPENDIX 1

The Indicated and Inferred Mineral Resources for the Barbara South Lode (100% Syndicated) as at October 2008 are tabulated below. Refer also to Syndicated's ASX announcement dated October 28<sup>th</sup> 2008 for details.

<b>0.5% Cu cut-off</b>					
<b>Category</b>	<b>Tonnes</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Cu Tonnes</b>	<b>Au ozs</b>
Indicated	400,000	1.51	0.17	6,000	2,200
Inferred	1,970,000	1.63	0.15	32,000	9,400
<b>Total</b>	<b>2,370,000</b>	<b>1.61</b>	<b>0.15</b>	<b>38,000</b>	<b>11,600</b>

<b>1% Cu cut-off</b>					
<b>Category</b>	<b>Tonnes</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Cu Tonnes</b>	<b>Au ozs</b>
Indicated	250,000	1.99	0.21	5,000	1,700
Inferred	1,280,000	2.11	0.19	27,000	7,600
<b>Total</b>	<b>1,530,000</b>	<b>2.09</b>	<b>0.19</b>	<b>32,000</b>	<b>9,300</b>

*(Based on modelled density, minor rounding errors may occur; significant figures quoted do not imply precision and are used to minimize round-off errors)*

**Table 1: Barbara South Lode Resource Estimates**

The Indicated and Inferred Mineral Resources for the Barbara North Lode (51% Syndicated) as at March 1<sup>st</sup> 2010 are tabulated below. Refer also to Syndicated's ASX announcement dated March 1<sup>st</sup>, 2010 for details.

<b>0.5% Cu Cut-off</b>					
<b>Category</b>	<b>Tonnes</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Cu Tonnes</b>	<b>Au ozs</b>
Indicated	281,000	1.35	0.1	3,790	900
Inferred	459,000	1.16	0.1	5,310	1,480
<b>Total</b>	<b>740,000</b>	<b>1.23</b>	<b>0.1</b>	<b>9,100</b>	<b>2,380</b>

<b>1.0% Cu cut-off</b>					
<b>Category</b>	<b>Tonnes</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Cu Tonnes</b>	<b>Au ozs</b>
Indicated	137,000	2.04	0.1	2,800	440
Inferred	185,000	1.83	0.1	3,380	600
<b>Total</b>	<b>322,000</b>	<b>1.92</b>	<b>0.1</b>	<b>6,180</b>	<b>1,040</b>

*(average density of 2.89t/m<sup>3</sup> for sulphide, 2.59t/m<sup>3</sup> for oxide; minor rounding errors; significant figures quoted do not imply precision and are used to minimize round-off errors)*

**Table 2: Barbara North Lode Resource Estimates**

# 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

SYNDICATED METALS LIMITED

ABN

61 115 768 986

Quarter ended ("current quarter")

June 30 2010

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (..12.... months) \$A'ooo
1.1	Receipts from product sales and related debtors	157	550
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,220 )	( 2,673 )
1.3	Dividends received	(122 )	( 739 )
1.4	Interest and other items of a similar nature received	55	183
1.5	Interest and other costs of finance paid	( 1 )	( 3 )
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	<b>Net Operating Cash Flows</b>	(1,131 )	2,682 )
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	( 12 )	( 27 )
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>	( 12 )	( 27 )
1.13	<b>Total operating and investing cash flows (carried forward)</b>	( 1,143 )	( 2,709 )

+ See chapter 19 for defined terms.



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

1.13	Total operating and investing cash flows (brought forward)	(1,143 )	( 2,709 )
1.14	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		2,363
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 (provide details if material)		( 79 )
	<b>Net financing cash flows</b>		2,284
	<b>Net increase (decrease) in cash held</b>	( 1,143 )	( 425 )
1.20	Cash at beginning of quarter/year to date	4,218	3,500
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	3,075	3,075

**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'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	138
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees and professional services

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	420
4.2 Development	
4.3 Production	
4.4 Administration	114
<b>Total</b>	<b>534</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'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	375	218
5.2 Deposits at call	2,700	4,000
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,075</b>	<b>4,218</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	E08 1739 E08 1854 EPM17689		100% 100% 100%	Nil Nil Nil
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

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

**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> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	71,250,005	71,250,005		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	500,000 6,950,000 8,000,000 1,000,000 600,000 2,800,000 2,800,000 2,800,000	6,950,000	Exercise price 40 cents 20 cents 30 cents 40 cents 25 cents 35 cents 45 cents 55 cents	Expiry date Aug 30 2011 Dec 30 2011 Sep 12 2012 Oct 31 2012 Nov 30 2014 Nov 30 2014 Nov 30 2014 Nov 30 2014
7.8	Issued during quarter	600,000		25 cents	Nov 30 2014
7.9	Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## 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: ..... Date: July 28 2010.....  
(Director/Company secretary)

Print name: ..B R McCullagh.....

## 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.