

ASX ANNOUNCEMENT

ASX Code: MMX

30 July 2010

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2010

HIGHLIGHTS

Murchison

- Cash and liquid investments at quarter end of \$73.4 million
- POSCO increases shareholding in Murchison

Crosslands Resources Ltd (Murchison 50% Interest)

- High demand for offtake from Jack Hills Expansion Project
- Appointment of new Chief Executive Officer and Vice President Operations

Oakajee Port and Rail (Murchison 50% Interest)

- OPR progresses Memoranda of Understanding with foundation customers
- Public Environmental Review documents completed
- WA Government allocates funding for Oakajee Project

ABOUT MURCHISON

Murchison Metals Limited (“Murchison”) is an Australian ASX listed company. Murchison is included in the S&P/ASX 200 Index.

Murchison is a 50% shareholder in Crosslands Resources Ltd (“Crosslands”) which is the owner of the Jack Hills iron ore project located in the mid-west region of Western Australia. The remaining 50% of Crosslands is held by Mitsubishi Development Pty Ltd (“Mitsubishi”), a subsidiary of Mitsubishi Corporation, Japan’s largest general trading company.

Murchison also has a 50% economic interest in an independent infrastructure business, Oakajee Port and Rail (“OPR”). OPR was established to construct new port and rail infrastructure to provide logistics services to miners (including Crosslands) and other potential customers in the mid-west region of WA. The remaining 50% economic interest in OPR is held by Mitsubishi.

Further details of the activities of Crosslands and OPR in the June quarter appear below.

In addition to its investments in Crosslands and OPR, Murchison owns the Rocklea iron ore project located in the Pilbara.

CORPORATE

As at 30 June 2010, Murchison was debt free and had cash and liquid investments of \$73.4 million, a decrease of \$11.9 million from the previous quarter. Included in this cash outflow are amounts paid to Crosslands and OPR of \$10.1 million to finance feasibility studies and exploration costs. Interest earned on investments for the quarter amounted to \$1.1 million.

Subsequent to quarter end, POSCO Australia Pty Ltd advised that it has increased its shareholding in Murchison to 13.91%, making it Murchison’s largest shareholder. POSCO Australia is a wholly owned subsidiary of Korean steel giant POSCO, a core customer of Crosslands.

During the quarter, spot market prices for iron ore eased from highs of US\$185 per tonne in late April (CFR North China spot price) to levels of around US\$135 per tonne at the end of the quarter. The major iron ore producers have transitioned the majority of their clients to market linked contract pricing with the contract price for each quarter set by reference to the average spot prices in the preceding quarter. The easing spot price will lead to lower contract prices for the coming quarter. However, prices remain well above long term averages and recent lows.

Volume demand for iron ore remains robust with a number of major iron ore producers reporting strong shipping volumes for the quarter. This demand resulted in Crosslands’ Stage 1 Operations achieving a strong financial result for the quarter with cash generated from operations exceeding \$19.0 million (unaudited, Murchison share \$9.5 million).

Chameleon Litigation

On 29 November 2007, Chameleon commenced legal proceedings against Murchison, Crosslands and several other parties. Chameleon is claiming an interest in the Jack Hills and Weld Range projects and/or Murchison’s shares in Crosslands, arising out of a series of transactions that occurred in 2004.

The status of this matter remains unchanged from the previous quarter. Following a four week hearing in October 2009, closing oral submissions were completed on 5 February 2010 and Justice Jacobsen reserved his decision. A number of outstanding issues remain to be resolved, although this process is not expected to delay Justice Jacobsen’s decision.

EXPLORATION

Rocklea Project (Murchison 100% interest)

Murchison’s Rocklea Project is located in the Pilbara region between the towns of Tom Price and Paraburdoo and is situated near existing and planned rail infrastructure.

The Mineral Resource estimate stands at 89Mt at 59.9% CaFe at a 50% Fe cut-off including a higher grade portion of 46Mt at 61.5% CaFe at a 53% cut-off that may be suitable for direct shipping. At a 50% Fe cut-off the Mineral Resource comprises an Indicated Resource of 15Mt and an Inferred Resource of 74Mt¹.

Murchison has completed a scoping study for Rocklea which shows that an economically robust project is possible at Rocklea with resources sufficient to support potential production rates of up to 10Mtpa².

Murchison is considering a number of strategic alternatives for the development of the project.

CROSSLANDS RESOURCES LTD (MURCHISON 50% INTEREST)

Crosslands is employing a two-stage strategy to develop its Jack Hills Project.

Stage 1 operations utilise contract mining, crushing and screening. Iron ore is transported to Geraldton by contract road haulage to ore storage and transfer facilities at the Port of Geraldton, ahead of shipment to customers.

The Jack Hills Mine Expansion Project (JHEP) is targeting a substantial expansion of annual production capacity. OPR plans to develop new port and rail infrastructure in the mid-west region of Western Australia that will enable ore from the mine to be transported by rail for shipment from the new Oakajee port.

STAGE 1 OPERATIONS

Mining

Ore mined for the June quarter was 380,294 tonnes or 88,143 bcm. The total mined volume for the quarter was 290,106 bcm. Contract mining continued on a two panel arrangement for the duration of the quarter.

The strip ratio was 2.29:1, a reduction from the previous quarter strip ratio of 3.2:1 due to concentration of mining in the centre of the main pit.

A total of 396,961 tonnes were crushed compared to 408,503 tonnes in the March quarter. The crushing plant experienced reduced availability during the quarter, which resulted in a marginal decrease on the March quarter's production. The lump-fines ratio of crushed product achieved forecast at 65.5%.

Production Summary

A comparative summary of operations performance for the quarter and previous three quarters is presented below.

Production Summary		Sept 09 Qtr	Dec 09 Qtr	Mar 10 Qtr	Jun 10 Qtr	Project to Date
Volume Waste	BCM	485,396	428,003	306,228	201,963	6,216,324
Volume Ore	BCM	129,505	97,256	95,695	88,143	1,434,757
Ore Mined	Tonnes	518,473	411,389	412,463	380,294	5,319,140
Ore Crushed	Tonnes	495,147	464,812	408,503	396,961	5,700,005
Ore Hauled to Port	Tonnes	440,727	441,343	428,968	437,035	4,948,876
Ore Shipped - Lump	Tonnes	373,903	364,401	321,084	297,512	3,511,152
Ore Shipped - Fines	Tonnes	47,174	134,927	92,865	119,043	1,357,634
Grade - Lump	% Fe	65.8%	65.1%	64.5%	62.6%	64.8%
Grade - Fines	% Fe	63.8%	63.6%	62.8%	61.9%	62.5%

Haulage

Crosslands hauled 437,035 tonnes of ore to Geraldton Port during the June quarter. A flood event which closed the haul road at the end of March had a flow on effect into April.

A major upgrade to flood damaged sections of the haul road was completed during the quarter.

¹ Refer to ASX Announcement 30 September 2009 for full details of the Rocklea Mineral Resource. Tonnes are wet metric tonnes and grades are dry mass percent.

² Refer to ASX Announcement 12 February 2010 for full details of the Rocklea Scoping Study.

Shipping

Shipping for the quarter consisted of seven vessels totalling 416,555 tonnes of which 297,512 tonnes were lump and 119,043 tonnes were fines Direct Shipping Ore (DSO).

Changes to the Crosslands' ship loading equipment control systems during the quarter have resulted in a marked improvement in vessel loading times. Vessel loading times are now the shortest since operations commenced.

Marketing and Sales

The robust iron ore market conditions that characterised the March quarter carried forward into April before losing momentum as the June quarter progressed. Contributing factors were Chinese government policies to regulate the real estate industry and cancel export tax rebates on some goods, including steel, coupled with sluggish steel demand. Market speculation attributes the easing spot price to smaller mills depleting previously built up stockpiles.

Crosslands' sales portfolio was bolstered by several new contracts with leading steelmakers in China, South Korea and Japan during the June quarter. In addition to supplying POSCO as a foundation customer since the inception of the project, Crosslands executed a sales contract with a second major South Korean steel mill during the quarter. The quarter also marked the beginning of a more flexible pricing structure for the iron ore industry in place of the traditional annual benchmark system.

JACK HILLS EXPANSION PROJECT

Geology

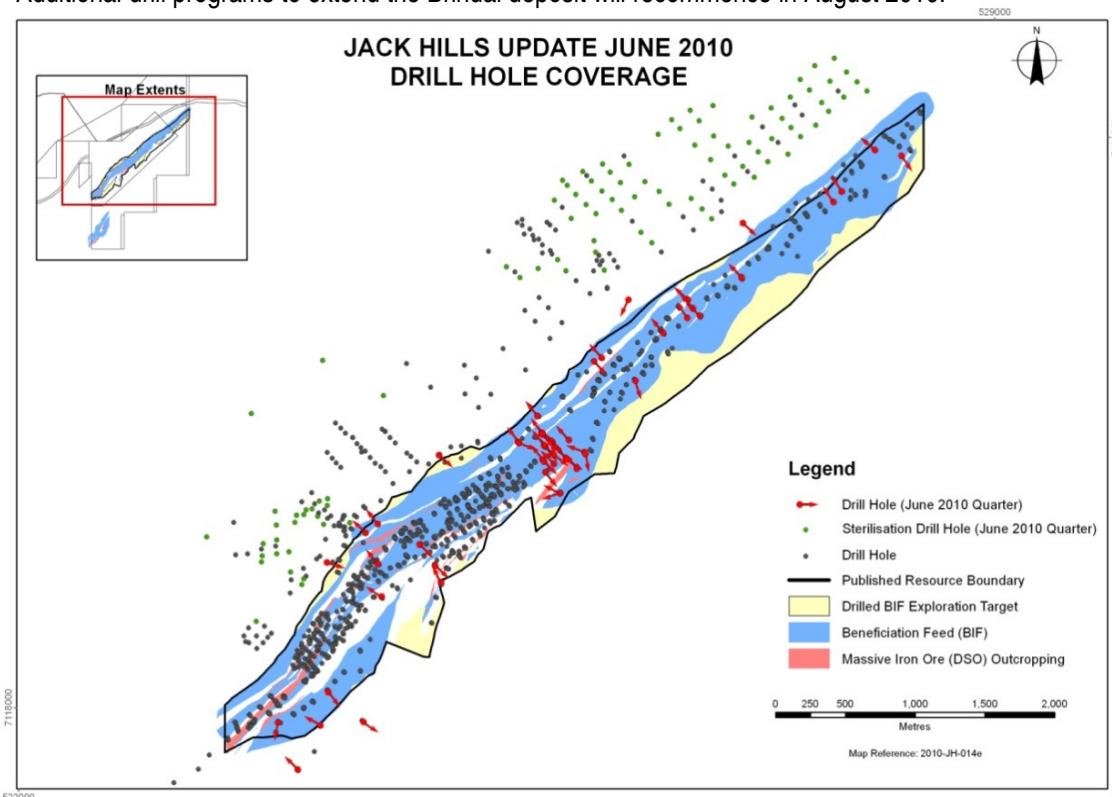
During the quarter, exploration activities included geotechnical drilling at the Jack Hills resource and Brindal deposit and sterilisation drilling on the planned mine infrastructure areas, providing critical information for Crosslands' JHEP studies. Five drilling rigs are currently in operation across the Jack Hills iron ore tenements, comprising two diamond rigs and three RC rigs.

During the June quarter, resource definition diamond and RC drilling advanced 796 metres and 14,439 metres respectively for a total of 48 drill holes. Geotechnical and sterilisation drilling completed 2,789 metres and 2,976 metres respectively.

The emphasis of drilling activity at the Jack Hills resource focused on infill drilling covering the initial Jack Hills start-up pits and an intensive program around the Mt Hale prospect.

Assay results were delayed with a priority placed on Crosslands' Davis Tube Recovery (DTR) test work. Sterilisation and resource definition results will be reported in the September quarter.

Additional drill programs to extend the Brindal deposit will recommence in August 2010.



Feasibility study

The BFS progressed on schedule with process and engineering design being undertaken by a joint venture between AMEC Minproc and WorleyParsons.

Resource modelling work continued based on the compilation of results from strategic in-fill drilling work within target areas in the Jack Hills deposit. An updated Mineral Resource estimate is anticipated in the next quarter.

Various aspects of the mine planning and scheduling are continuing including the preparation of preliminary plans, pit design development and scheduled quantities to support issue of tenders for contracting and owner mining studies.

Metallurgical test work on a discontinuous pilot scale commenced during the period. Preliminary results from the magnetite circuit are consistent with previous laboratory scale test work. Test work on the hematite circuit continues with results expected during the September quarter.

Water resource investigations advanced with arrangements in place to commence exploration drilling in the September quarter. A number of prospective borehole locations located in known large aquifers were identified during the period. Work then concentrated on obtaining heritage and environmental clearances for each location.

A Draft Public Environmental Review (PER) document was submitted to the Office of the Environmental Protection Agency (OEPA). The final PER document is planned for submission and public advertising in the September quarter.

Geotechnical investigations for pit wall slope determination and sterilisation drilling continued during the quarter. The geotechnical drilling part of the investigation included testing for permeability and wireline logging. This work was all carried out in the proposed pit area. Photogrammetry was performed in the current pit in order to correlate downhole data with other information. Supporting laboratory test work neared completion and data analysis commenced.

Land access requirements are currently being assessed and discussion with relevant stakeholders has commenced.

Work on infrastructure (power, water, gas) for the project also progressed. Primarily this involved the preparation of documentation to support the issue of tenders for the power station, gas and water pipelines, airport and camps. It is expected that these tenders will be let in the September quarter.

Marketing

During the quarter, Crosslands announced that it has secured non-binding Letters of Intent (LOIs) from steel mills located across China, Korea and Japan for the purchase of more than 50 million tonnes per annum of iron products from the JHEP. The LOIs relate solely to the planned magnetite and hematite concentrate products. Crosslands has yet to begin contract discussions for direct shipping material currently planned as part of its product strategy. The LOIs are in addition to the existing offtake contracts for production from the current Stage 1 operations.

CORPORATE

There were two key changes in senior management personnel during the quarter. Andrew Caruso was appointed CEO of Crosslands, commencing on 8 June 2010 and Geoff Fenton was appointed VP Operations, commencing on 14 June 2010. Mr Caruso is a qualified mining engineer and brings to the role nearly 20 years experience in the Australian and Indonesian mining industries. Before his appointment as CEO of Crosslands, Mr Caruso was Managing Director at Australasian Resources. Mr Fenton brings to the Crosslands team more than 25 years experience in the resources industry in Western Australia, New South Wales and Queensland across gold, copper and coal projects.

OAKAJEE PORT & RAIL (MURCHISON 50% ECONOMIC INTEREST)

During the quarter, the Government of Western Australia announced that it has included funding for the development of Oakajee Port in its 2010-2011 Budget. The Budget contains \$339 million in capital funding for Oakajee, which the Premier and Treasurer Colin Barnett described as part of "the development of a major new iron ore region in the State's mid-west". The funding has been allocated for the 2012-13 financial year.

The Australian Federal Government has committed to matching the WA Government funding commitment, lifting the overall funding contribution to \$678 million.

In addition, the WA Government has allocated approximately \$35 million in funding over four years across a number of agencies such as the Department of State Development and the Department of Planning to support the Oakajee development in terms of commercial and legal issues, design and engineering, and approval facilitation.

The major areas of activity during the quarter included further engineering studies and progression of the approvals program, together with negotiation of Memoranda of Understanding (MOU) with potential foundation customers. Following the delivery of a draft Bankable Feasibility Study (BFS) to the Western Australian Government in March, OPR continues to progress the final BFS which is scheduled for completion in late 2010.

OPR received expressions of interest from a number of major international engineering organisations in respect of construction activities and associated financing arrangements for the Port and Rail projects. Engineering discussions are continuing and proposals are expected in the next quarter.

In May, OPR hosted a visit by the Office of the Environmental Protection Authority (OEPA) to key project locations in preparation for assessment of OPR's Public Environmental Review (PER) documents. The site visit enabled OPR representatives to brief the EPA on the results of baseline environmental studies and project components in preparation for the assessment. OPR delivered the draft PER documents to the OEPA in June.

During the quarter OPR continued discussions with the selected foundation customers, Sinosteel Midwest (Weld Range project), Karara Mining (Karara project) and Crosslands Resources (Jack Hills project), with a view to finalising MOUs with each customer.

The MOUs establish a framework for detailed supply chain agreements which will govern the terms of access to the initial start-up capacity of 45Mtpa. OPR will shortly commence due diligence studies on each of the potential foundation customers to define project timing, volumes and financial capacity.

OPR and the State continue to work together to progress the terms of Implementation Agreements and resolve outstanding matters, targeting finalisation toward the end of 2010.

During the remainder of 2010, OPR will focus on the completion of feasibility studies as well as the finalisation of key project agreements including the supply chain agreements, Implementation Agreements and construction and procurement documents.

Port and Industrial Area

Key activities during the quarter included:

- Peer review of the budget & engineering components of the draft BFS completed;
- Ship Simulation Studies commenced;
- Contract awarded for 3D Modelling for Port Marine;
- Unexploded ordinance clearance of Port Landside area completed;
- Port Landside Geotechnical investigations commenced;
- BFS scopes, schedules and budgets set;
- Basis of Design for the BFS issued;
- Materials testing of customer products at the Tunra laboratory commenced; and
- Value engineering ideas being incorporated into the BFS.

Rail

Key activities during the quarter included:

- Peer review of the budget & engineering components of the draft BFS completed;
- BFS scopes, schedules and budgets set;
- Basis of Design for the BFS issued;
- Geotechnical and ground water site investigations commenced;
- Value engineering ideas, including 37 tonne axle loads, being incorporated into BFS;
- Optimisation of earth works and drainage using aerial laser survey information has commenced; and
- Negotiations being pursued with CSIRO regarding communications systems that are compatible with Square Kilometre Array project and rail safety requirements.

Environmental

The Environmental Protection Authority (EPA) has previously advised that the environmental approval for the Port landside and rail developments will be assessed at a Public Environmental Review (PER) level.

Key activities during the quarter included:

- OPR hosting a field trip for the OEPA and the EPA Board to project locations;
- Discussions with the Department of State Development and the Geraldton Port Authority (GPA) on the Environmental Management Plans (EMPs) for the approved marine port component of the project;
- Submission of a referral document for the rail component of the project to the Commonwealth Department of Environment, Water, Heritage and the Arts (DEWHA) under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act);
- Extensive consultations in relation to the environmental approval process, predicted environmental impacts and proposed management strategies were held with various State decision making authorities, other government agencies, community and interest groups.

Subsequent to quarter end, OPR has completed documentation for the PERs for the port landside and the rail components of the project. OPR expects that the PERs will be publicly advertised in August.

Indigenous Affairs

The quarter saw OPR continue its engagement with Native Title groups and complete a number of archaeological and access surveys and several bridge site surveys. This has enabled mobilisation of engineering geotechnical investigations during the quarter.

During the quarter, OPR also provided briefings to representatives of Native Title groups. OPR is now preparing for negotiations on Indigenous Comprehensive Agreements with Native Title groups following the completion of Negotiation Framework Agreements and Heritage Protocols with the Mullewa Wadjari, Wajarri Yamatji, Naaguja and Amangu Native Title groups in 2009.

Government

OPR has continued to engage with the Department of State Development and other key State agencies and representatives throughout the quarter, to progress development agreements and key approvals for the project.

OPR has delivered draft Implementation Agreements, Common Use Infrastructure funding and procurement documents to the State Government and is awaiting a response.

Other activities during the quarter included:

- Negotiations on a rail communications and signalling system;
- Preparation of OPR's Railway Corridor Nomination report; and
- Preparation of the railway enabling legislation.

Community and External Affairs

OPR aims to build a strong foundation with mid-west shires, Government, industry, community and interest groups for project development.

The focus of the June quarter has been an extensive program of stakeholder engagement and consultation as a key component of OPR's environmental management planning in preparation for the commencement of construction in 2011.

The Deputy Premier and Minister for Indigenous Affairs, the Hon Dr Kim Hames, officially opened OPR's flagship community program 'The 2010 Good Heart Mid-West Aboriginal Art Exhibition' on 14 June 2010, held in the Perth CBD.

In a clear indication of the high standard of artwork, 140 of the artworks were sold throughout the exhibition. The artwork showcased both contemporary and traditional styles from 55 mid-west indigenous artists.

OPR has made many presentations during the quarter including to CEDA, WA Local Government Association Murchison Zone Meeting (Cue Parliament), Chamber of Minerals and Energy WA, Chamber of Commerce and Industry WA, Transfield WorleyParsons Leading Practice Forum and Planning Institute of Australia (WA).

Mid-west engagement has featured presentations to the Midwest Chamber of Commerce & Industry, Chapman Valley residents and attendees at an OPR office open day in Geraldton.

For further information, please contact:

Trevor Matthews
Managing Director
Murchison Metals Ltd
Telephone: (08) 9492 2600

Competent Persons' Statement

The information in this announcement that relates to Exploration Results and geological and mineralogical interpretations of the Mineral Resource estimate of the Rocklea Project is based on information compiled by Mr Sean Gregory who is a full time employee of Murchison Metals Ltd.

The information in this announcement that relates to grade estimation of the Mineral Resources of the Rocklea Project is based on information compiled by Mr Bruce Sommerville in his capacity as an employee of SRK Consulting.

Messrs Gregory and Sommerville have sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'.

Messrs Gregory and Sommerville are Members of the Australasian Institute of Mining and Metallurgy and consent or have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Rule 5.3

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

Murchison Metals Limited

ABN

38 078 257 799

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for	(2,071)	(14,304)
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(3,503)	(13,866)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,059	4,227
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(4,515)	(23,943)
Cash flows related to investing activities			
1.8	Payment for purchases of:	-	-
	(a) prospects	(6,750)	(41,400)
	(b) equity investments	(44)	(924)
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 Amount owed by related party	(639)	(1,064)
Net investing cash flows		(7,433)	(43,388)
1.13	Total operating and investing cash flows (carried forward)	(11,948)	(67,331)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(11,948)	(67,331)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	15,202
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)	-	-
	Net financing cash flows	-	15,202
	Net increase (decrease) in cash held	(11,948)	(52,129)
1.20	Cash at beginning of quarter/year to date	85,358	125,539
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	73,410	73,410

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	306
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for services received by the company from the directors.

Non-cash financing and investing activities

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

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$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	7,786
4.2 Development	-
4.3 Production	-
4.4 Administration	3,500
Total	11,286

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	1,802	8,997
5.2 Deposits at call	71,608	76,361
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	73,410	85,358

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	E47/2338	Registered Applicant	100%	0%
6.2 Interests in mining tenements acquired or increased	E08/2146 E46/903 E47/2366	Registered Applicant Registered Applicant Registered Applicant	0% 0% 0%	100% 100% 100%

+ 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	Preference +securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	435,384,268	435,384,268		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	100,000 100,000 100,000 968,000 47,000 21,000 4,500,000 1,562,000 100,000 4,500,000,		<i>Exercise price</i> 519c 396c 270c 234c 94c 81c 200c 156c 68c 200c	<i>Expiry date</i> Nov 10 Jun 11 Jun 11 Aug 11 Aug 11 Oct 11 Nov 11 Jun 12 Jun 12 Nov 12
7.8	Issued during quarter	0	0		
7.9	Exercised during quarter	0	0		
7.10	Expired during quarter	250,000	250,000		
7.11	Debentures <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 give a true and fair view of the matters disclosed.



Sign here:

Date: 30 July 2010

Print name: Chris Foley

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.