

About Iron Road

Iron Road Limited was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio including a well-located development stage project, complemented by early stage projects.

Iron Road's principal project is the Central Eyre Iron Project (CEIP) in South Australia. A prefeasibility study has demonstrated the viability of a mining and beneficiation operation initially producing 12.4Mtpa of premium iron concentrate for export. A definitive feasibility study is assessing production of 20Mtpa of iron concentrates.

Metallurgical test work indicates that a coarse-grained, high grade, blast furnace quality concentrate may be produced at a grind size of -106µm grading 67% iron with low impurities.

The Company has a multi-disciplinary Board and management team that are experienced in the areas of exploration, project development, mining, steel making and finance.

Iron Road continued its high level of activities aimed at advancing the flagship Central Eyre Iron Project (CEIP), hosting South Australia's largest iron ore mineral resource. The Company also secured 90% of the iron rights at the Gawler Iron Project.

Highlights

Central Eyre Iron Project

- Stage VII drilling programme at 'Rob Roy' completed, confirming strike continuity of the orebody to the east and the Stage VII Extension drilling programme commenced.
- Exploration target for Stage VII 'Rob Roy' drilling programme was increased from 400-700Mt to 700-900Mt magnetite gneiss with a grade of 16-18% iron estimated¹.
- Definitive Feasibility Study (DFS) activities continued to advance engineering for the mine, process plant, tailings storage and major infrastructure facilities. Proposals for study services were received for utilities, support and ancillary facilities.
- 1,100m of PQ size core submitted for comminution and beneficiation tests along with quantitative mineralogical characterisation.
- Completion of 26 geotechnical boreholes and 32 trenches.
- Dynamic simulation of ore treatment and concentrate handling has advanced to select or confirm sizes of major equipment to deliver 20Mtpa of concentrate.
- Community engagement continued, including Focus Group meetings with community, business and District Council participants.

Gawler Iron Project

- Initial assay results from Stage II diamond drilling programme received. Core samples selected for petrological studies to define ore types, host rock mineralisation to facilitate final design of metallurgical studies.

Corporate

- Iron Road secured 90% of the iron rights at Gawler with final cash payment of \$1.15M.
- Exploration Licence 4849 (Warrambo) was granted over former Exploration Licence 3699 for a further term of two years.

ASX Code – IRD

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Figure 1

Structural measurements on drill core at CEIP

Projects

South Australia – Central Eyre Iron Project

The Central Eyre Iron Project (663km²) is located on the Eyre Peninsula of South Australia and consists of three distinct prospects – Warrambo, Kopi and Hambidge. The project is located in a grain farming area with good infrastructure. Community relationships and support are excellent with great interest shown in possible development scenarios.

Definitive Feasibility Study (DFS)

Engineering and design service (EDS) providers completed scope definition of major packages during the DFS 'Review Phase' and by June had begun design and engineering activities. The packages of work relating to government approvals and mine lease submissions continued through the various engineering service providers.

Sinclair Knight Mertz (SKM) began design and engineering of mine and port stockyards, railway corridor and port maritime facilities. Rail arrangements have been selected subject to dynamic simulation and finalisation of the loading/unloading arrangements and the rail alignment. Definition of the utilities and rail corridor has been further defined to minimise separation of freehold land parcels, while maintaining suitable rail gradients and earthworks.

Additional high precision aerial mapping has been completed, covering a number of revisions to the corridor alignment, in addition to mapping along two existing power lines, proposed mine access road, Wudinna Airport and potential Wudinna Village Camp site locations. A final report was received detailing the material handling properties of the magnetite concentrate allowing further progress of design work through the EDS consultants.

Marine hydrodynamic modelling has been extended to August at a potential port site, while the first phase of geotechnical test pits and bore holes commenced along the proposed port rail, conveyor and stockpile centrelines. Detailed seabed soundings were also received from the hydrographic survey completed at the port earlier this year.

Coffey Mining have continued preliminary design of the tailing storage facility (TSF), hydro-geological field investigations have begun and geotechnical field work continued at the mine and proposed port site.

Mining studies advanced through bench height analysis as a prelude to initial optimization of the pit and layout of facilities. Each of these DFS components will progress as knowledge is accumulated through concurrent, interactive coordination of the relevant skills.

Bateman have determined preliminary process, mechanical and electrical design criteria for ore treatment facilities following comprehensive review of ore and mineral information. The 'PFS Option 1' flow sheet, (including three stage crushing, one stage milling, two stage magnetic beneficiation), will be carried through DFS with selected enhancements which lower overall power demand and use saline water for ore treatment. Preparation of flow diagrams, plant layouts and piping diagrams will progress during the next quarter.

Iron Road's engagement with ElectraNet in respect to transmission of power from the national grid to the CEIP advanced towards the Regulatory Investment Test (RIT). These first steps are directed at upgrading the existing power network on Eyre Peninsula to sufficient capability for supplying the proposed CEIP mine, plant and port operations.

Geological reconnaissance of existing and potential quarry locations was conducted with encouraging results for potential sources of rock. Opportunities for sourcing water during early works and construction were identified and planning commenced for field investigations at potential locations for saline water bores.

A significant phase of geotechnical work was completed in early July at the mine site, including bore holes over the mine pit shell and potential tailings storage area. Geotechnical soil and overburden test work at Murphy South ore called for drilling of shallow vertical drill holes within the anticipated boundaries of the pit area. This programme totals 26 holes and 32 trenches.

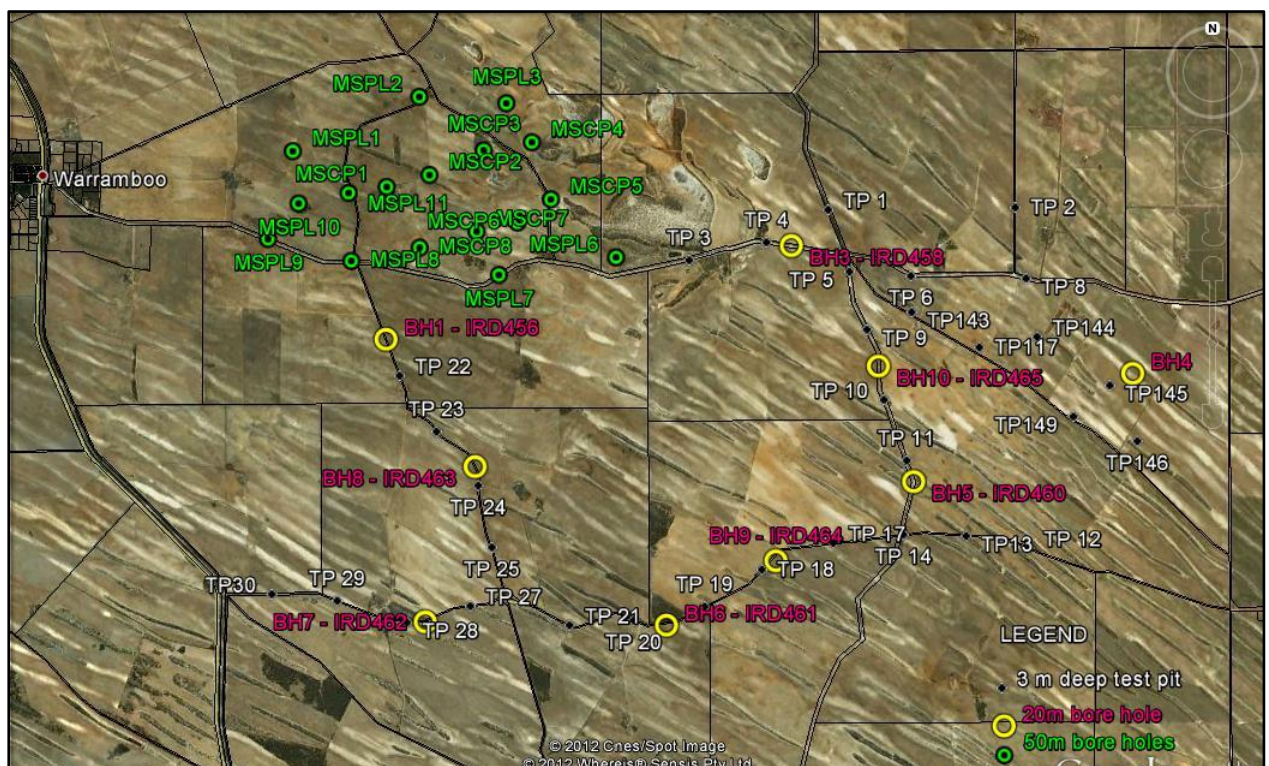


Figure 2 Geotechnical drilling and trenching programme at CEIP

SKM have prepared a dust monitoring plan, a 12 month baseline study at the port and mine sites. The field work will commence during the next quarter.

Near surface acid sulphate soil sampling progressed as part of the geotechnical test pit work programme at the mine and port. This work is expected to continue along the infrastructure corridor.

Requests for a proposal for 'Water Supply and Treatment' have been prepared and issued to qualified EDS providers who have submitted their plans (scope, schedule and budget) for study services. Their proposals will be technically and commercially evaluated against selected performance criteria. Preferred service providers will be selected in the coming quarter to advance the detailed studies.



Figure 3

Geotechnical drilling activities at CEIP

Metallurgical Test Work

Ore 'variability' testing of metallurgical response across mineralogical zones or domains commenced with PQ core deliveries to AMDEL laboratories in Perth. Comprehensive investigation on each type of mineralisation across the primary resources began during the quarter. Laboratory investigation will include advanced comminution testing, a precursor to large-scale batch ore breakage tests, as well as representative assessment of magnetic separation at industrial conditions.

Sub-sampling and preparation of crushed ore for pilot testing of High Pressure Rolls crushing (HPRC) are well underway. Systematic batch tests are scheduled in the coming quarter with industrial sized Polysius and Koeppern machines at laboratories in Perth.

Comprehensive mineralogical analysis by QEMSCAN methods is planned to begin during July, which will provide quantitative estimates of magnetite release. Detailed data of mineral release will be applied to process simulation for prediction of beneficiation circuit performance and prediction of potential enhancement of magnetite recovery.

Opportunities to enhance iron recovery by gravity techniques for increased magnetite and hematite deportment to concentrate, as well as improvement of grinding process efficiency (ore milling will be the largest power consumer at CEIP), will be analysed through process modelling and circuit simulation. Based on these predictions, additional test work to confirm potential improvements of the process flow sheet and economics may be initiated later in 2012 using available core samples.



Stage VII Resource Expansion Drilling – Rob Roy

The Stage VII ‘Rob Roy’ drilling programme follows on from the success of the two preceding drilling programmes (Stage V and VI) and targets the eastern portion of the Murphy South orebody known as ‘Rob Roy’ (Figure 4 & 5).

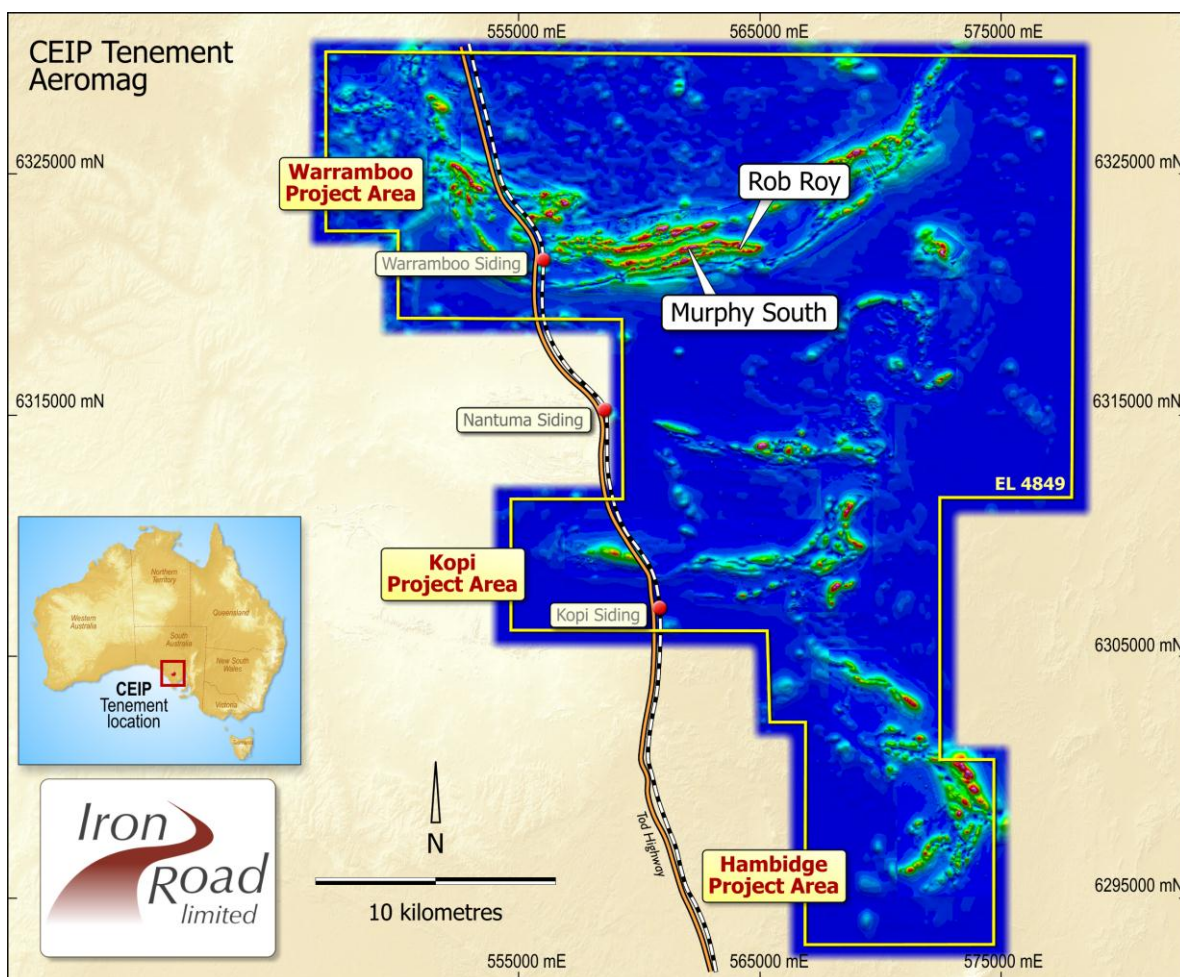


Figure 4 CEIP showing Murphy South and Rob Roy prospects

The purpose of the Stage VII ‘Rob Roy’ drilling programme is to delineate and evaluate the eastern extension of the Murphy South magnetite gneiss orebody, both along strike and dip, by means of up to thirteen evenly spaced drilling traverses. The drilling programme progressed to expectations with a total of 19 holes were completed during the quarter for 7,250m. This includes 12 holes for 5,518m from the Stage VII Extension programme designed to intersect the down dip extension of the Rob Roy orebody at depth. Since commencement of the drilling programme during November 2011 a total of 60 holes have been completed for 20,960m. The entire Stage VII drilling programme consists of 118 holes for 54,293 metres of drilling. A portion of the programme consisting of 53 holes is currently under application with DMITRE.

The completion of several Stage VII drill holes has allowed for a re-estimation of the exploration target at the Rob Roy prospect. As a consequence this has increased, with a high level of confidence, from 400-700Mt to 700-900Mt magnetite gneiss with an estimated grade of 16-18% iron¹. This suggests that a combined Mineral Resource of approximately 3.0Bt is possible for the Boo-Loo, Murphy South and Rob Roy areas.

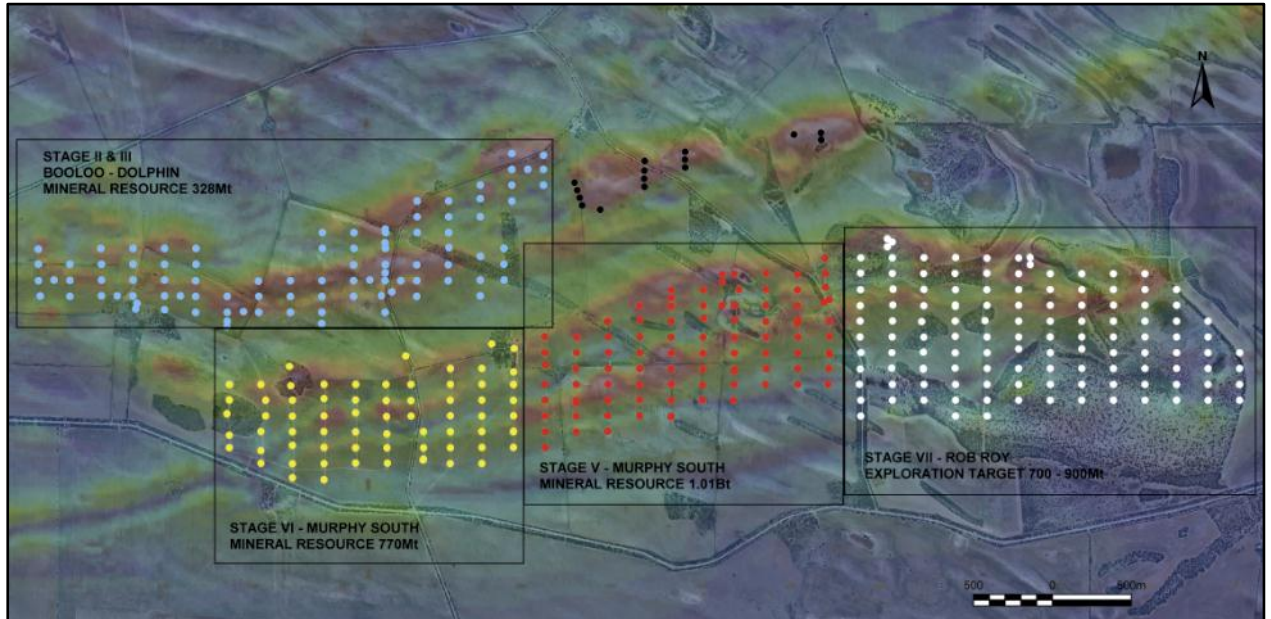


Figure 5 Plan view of CEIP Boo-Loo, Murphy South and current Rob Roy resource expansion drilling programme

The drilling programme covers an area approximately 1000m wide x 2,600m long, utilising diamond drilling of NQ2 core. Individual diamond holes range from 100m to 700m in depth with drilling on a standard 200m x 100m pattern.

With the establishment of over two billion tonnes in Mineral Resources at CEIP, Iron Road continues to demonstrate the necessary size and scale of resource to underpin the capital required for a potential long life 20Mtpa high grade iron concentrate export operation and the development of associated export infrastructure.

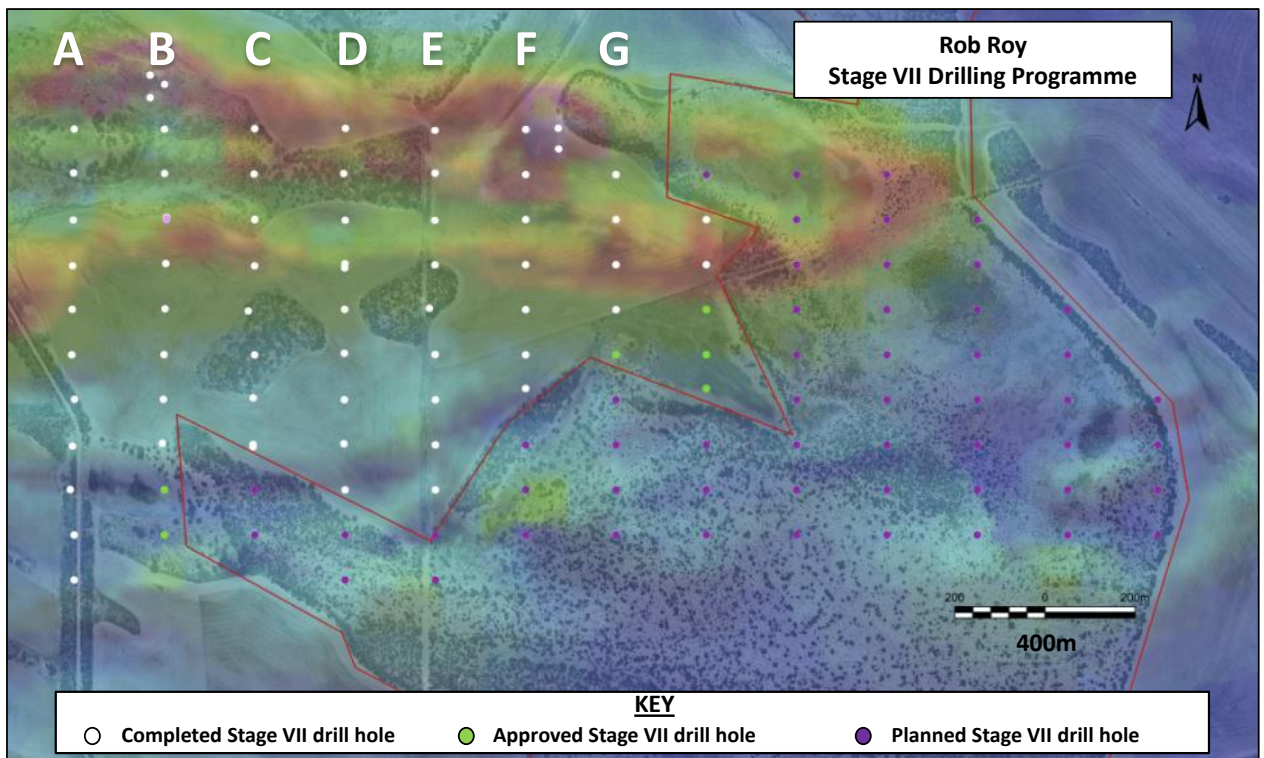


Figure 6 Plan view of Murphy South Stage VII 'Rob Roy' drilling collars and traverses A to G



Sections A to G (as indicated in Figure 6) are shown below.

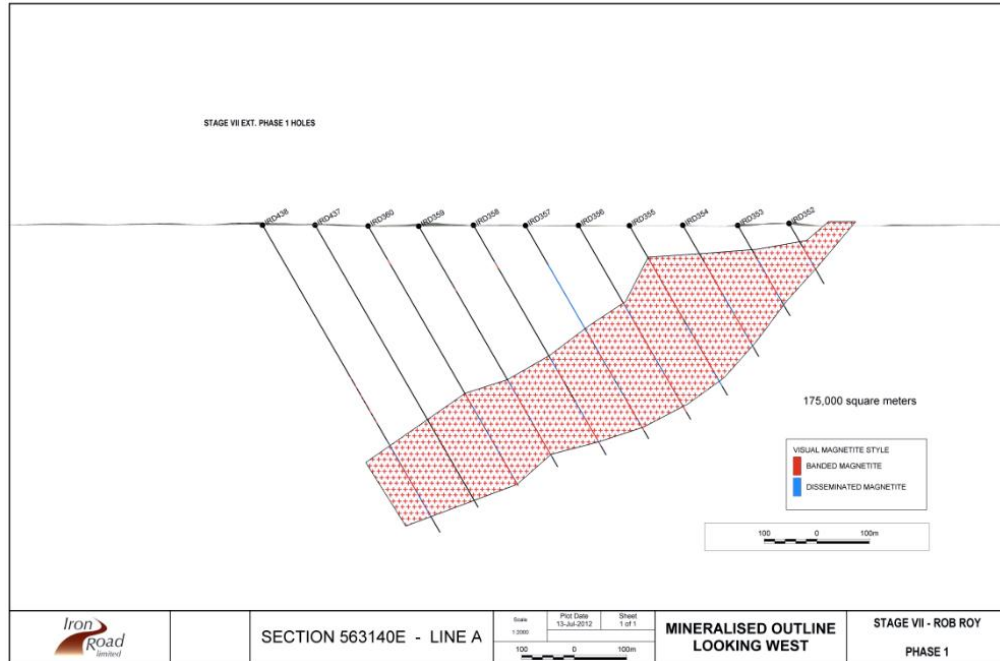


Figure 7

(A) Section 563140E.

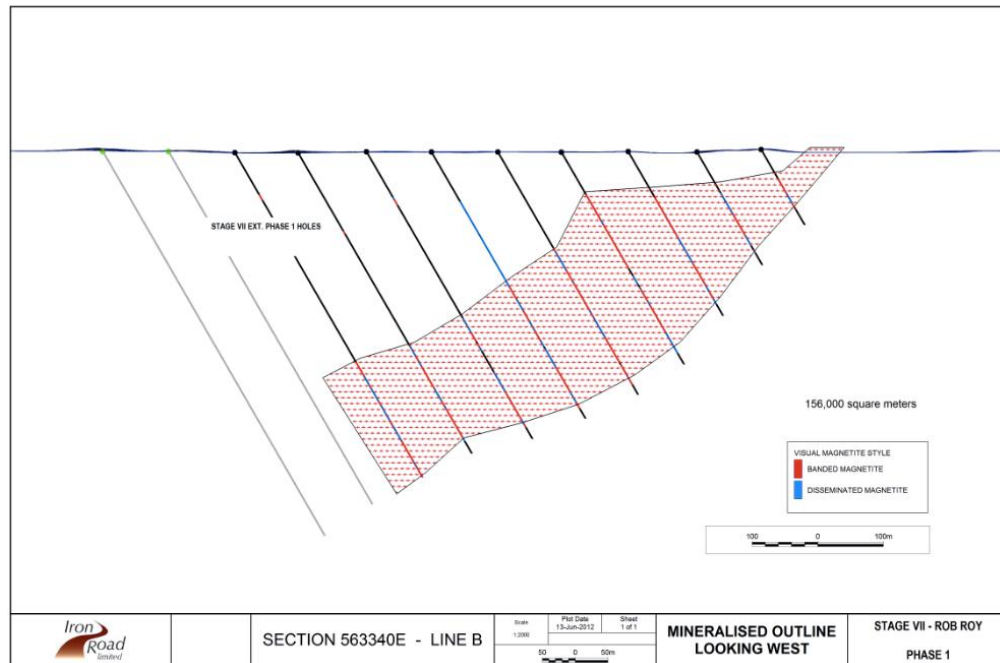


Figure 8

(B) Section 563340E.

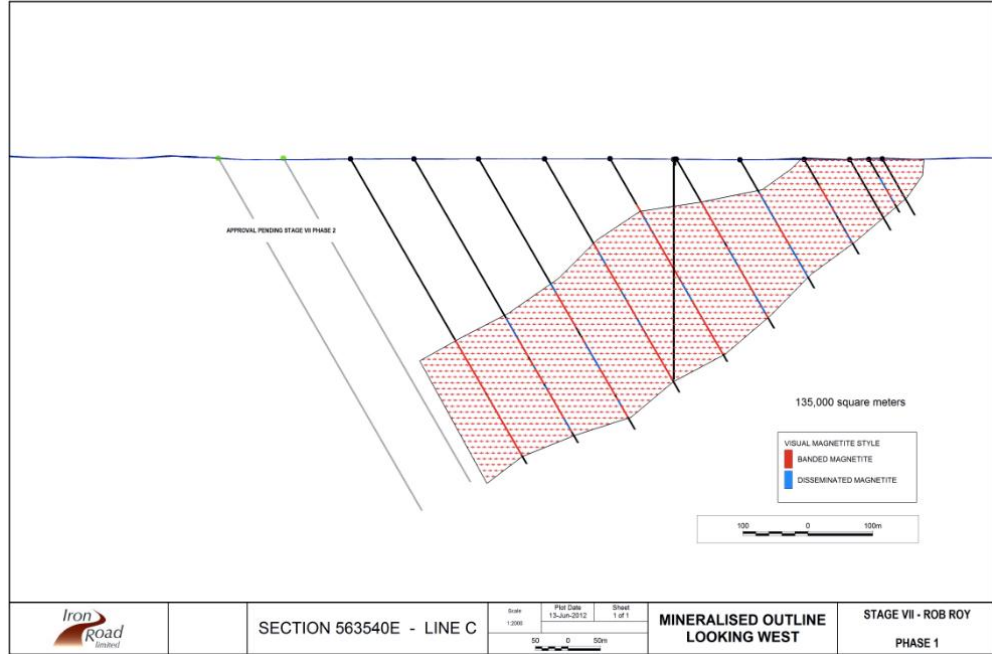


Figure 9

(C) Section 563540E.

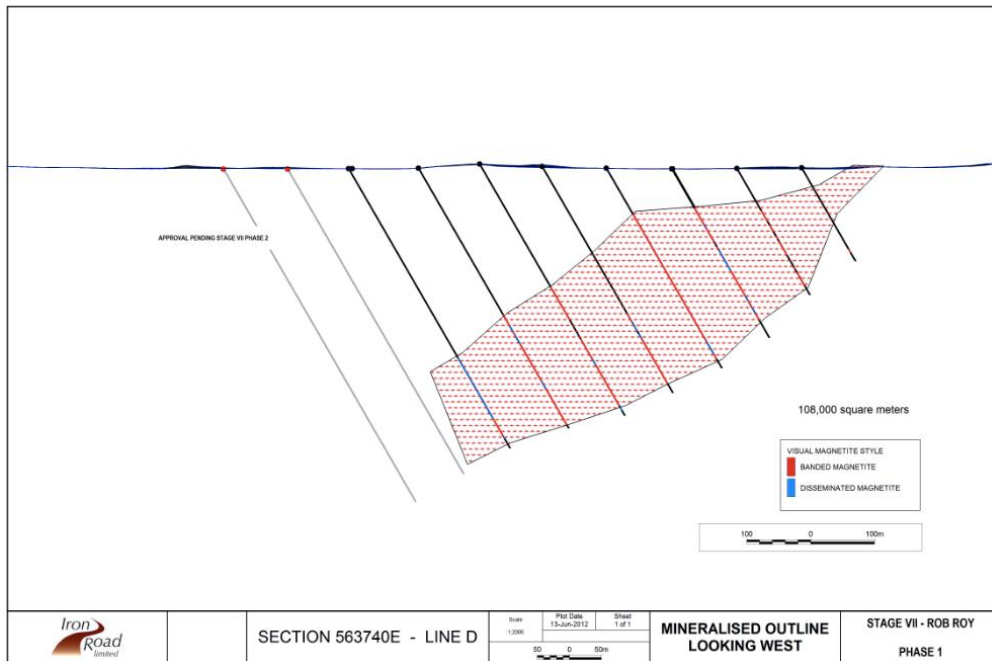


Figure 10

(D) Section 563740E.

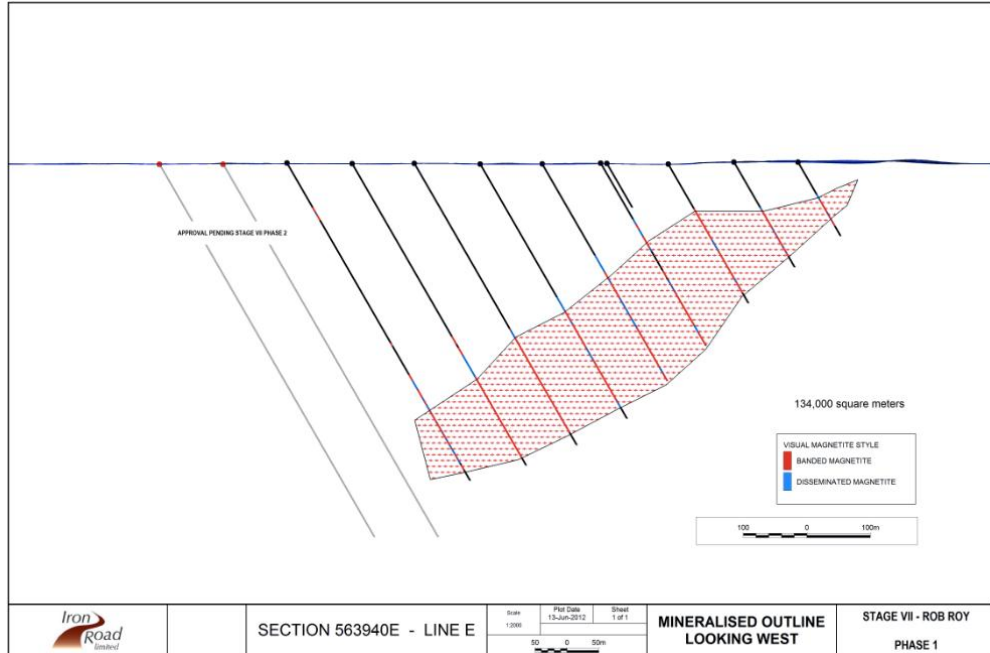


Figure 11

(E) Section 563940E.

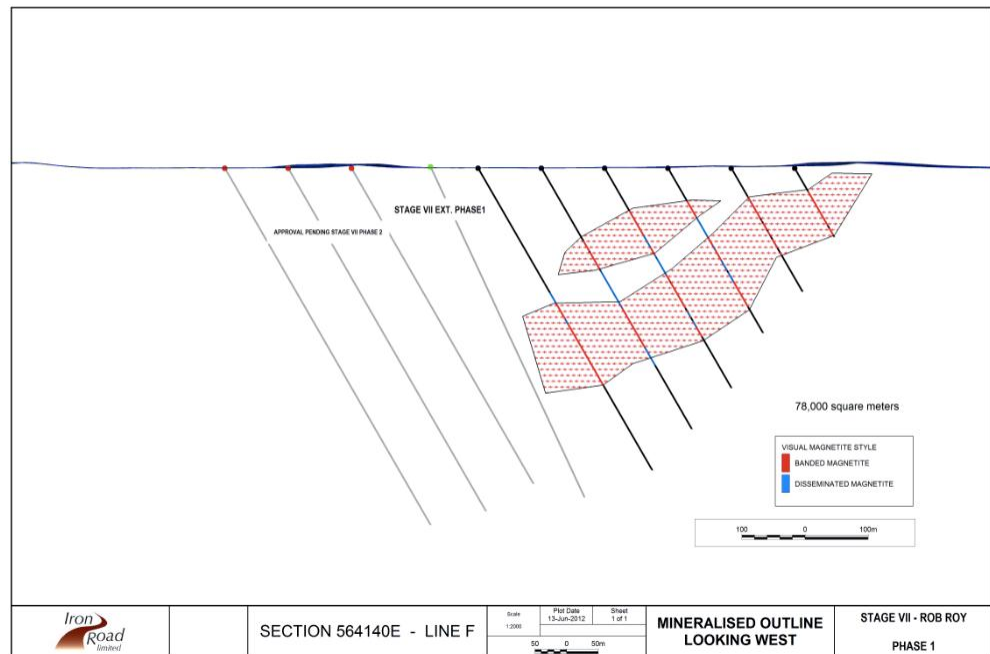


Figure 12

(F) Section 564140E.

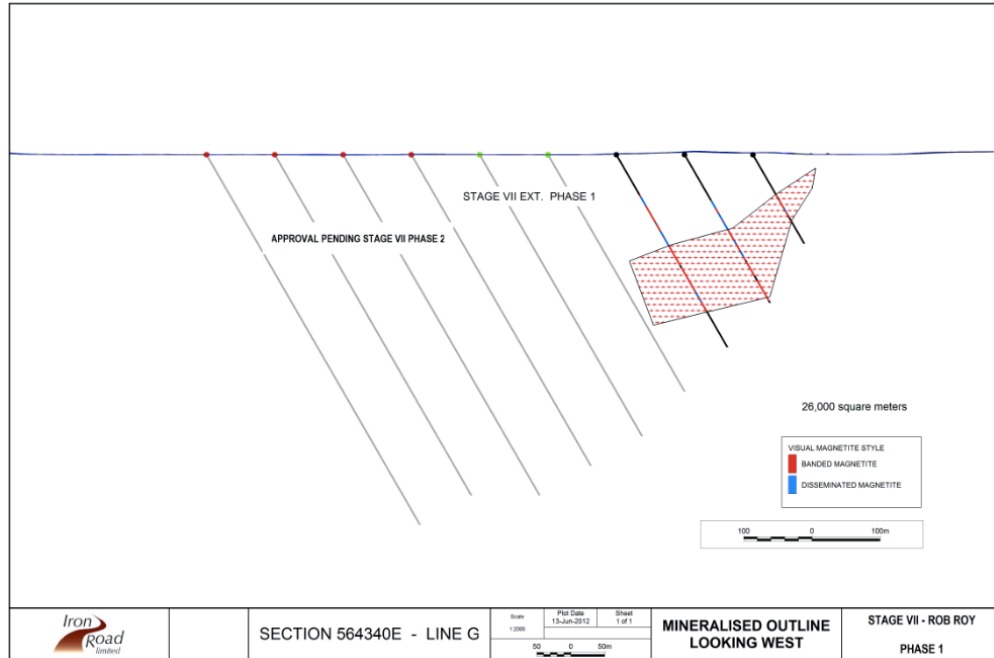


Figure 13

(G) Section 564340E.



Figure 14

Orientation of drill core at Stage VII – Rob Roy

Research Sponsorship

Iron Road has committed to a PhD project at the University of Adelaide, over three years. The project will be undertaken by Kathleen Lane under the guidance of Professor Martin Hand. Kathleen has previously worked for Iron Road on the CEIP as a vacation student and is familiar with the geology. Professor Hand is the project leader and primary supervisor and is a lead researcher in the Centre for Tectonics, Resources and Exploration (TRaX) at the University of Adelaide.

TRaX is supported by the Institute for Mineral and Energy Resources whose aim is to shed light on the evolving Earth and its resource potential. South Australia's unique geological characteristics offer insights for global mineral and resource sectors. Project co-supervision is provided by Dr Anthony Reid and Dr Rian Dutch of the Geological Survey of South Australia, DMITRE.

Deformation in the southern Gawler Craton over geological time has juxtaposed layers of crust of apparent different age, stratigraphy, geochemistry and economic potential. The nature of the process and the stratigraphy/geochemistry of these layers remain unknown, particularly in the central-western Eyre Peninsula in the vicinity of the Warramboe iron deposit (Figure 15). The PhD project will focus on the geology and tectonics of the Eyre Peninsula by investigating the stratigraphy and mineralogy of the Warramboe magnetite gneiss deposit and host rocks in the region.

Community Engagement

Iron Road's commitment to community engagement continued during the quarter with the second and third round of Focus Group meetings being held during April and June. The Focus Groups have enabled Iron Road to work directly with community members, business leaders and local Council to share information and openly discuss both benefits and challenges.

Participation in the Focus Groups is voluntary. Nominations were called late last year, with approximately 60 community and Council representatives attending at least one meeting each.

Four Focus Groups met for a total of three times each:

- Economic Impacts & Business;
- Environment;
- Transport & Access; and
- Social Impacts.

Two Focus Groups met twice each:

- Education & Training; and
- Housing & Accommodation

The sharing of local knowledge and information has been integral to the studies and Iron Road is grateful to all participants for their time and effort. The next step is to form a Community Consultative Committee with an independent chairperson to continue discussions and the sharing of ideas.

Other community engagement initiatives have included "Coffee and Chat" mornings in Wudinna and meeting with the Wudinna Senior Citizen's Club in June 2012 to provide a project update and opportunity to ask questions in a relaxed and comfortable environment.

Iron Road continued to support various community and sporting clubs, health awareness initiatives and youth initiatives such as a Young Driver's Awareness Program.



Figure 16 Tilly Smart, Community Engagement Advisor addressing the Wudinna Senior Citizens Club

South Australia – Gawler Iron Project

Iron Road finalised arrangements to secure a 90% interest in the iron rights at the Gawler Iron Project. The earn-in commitment was met following the completion of the Stage II exploration and evaluation programme completed late in 2011.

Preliminary test work from the Stage I drilling programme indicates that a simple, possibly dry process may produce a high grade product (~70% iron, 1.4% silica, 1.0% alumina) at a grind of -106 micron (p80). The Stage II drilling programme will provide the necessary material for test work to determine the ideal beneficiation process and potential product specifications.

All Stage II drill core has been processed and some assays received. Downhole surveys are complete and rehabilitation of the area is in progress. Further results will be released following receipt of outstanding assay results and all data processed.

Assay results obtained so far from three diamond holes are as follows.

Boomer prospect - GWL078: (62-168m) 106m @ 25.2% Fe, including (72-80m) 8m @ 34.2% Fe and (152-168m) 16m @ 36.0% Fe.

NW Fingerpost prospect – GWL080: (43-121) 78m @ 26.5% Fe, including (43-67m) 24m @ 36.2% Fe.

Christie Extended prospect– GWL074: (51-132) 81m @ 21.7% Fe, including (104-120m) 16m @ 31.6% Fe.

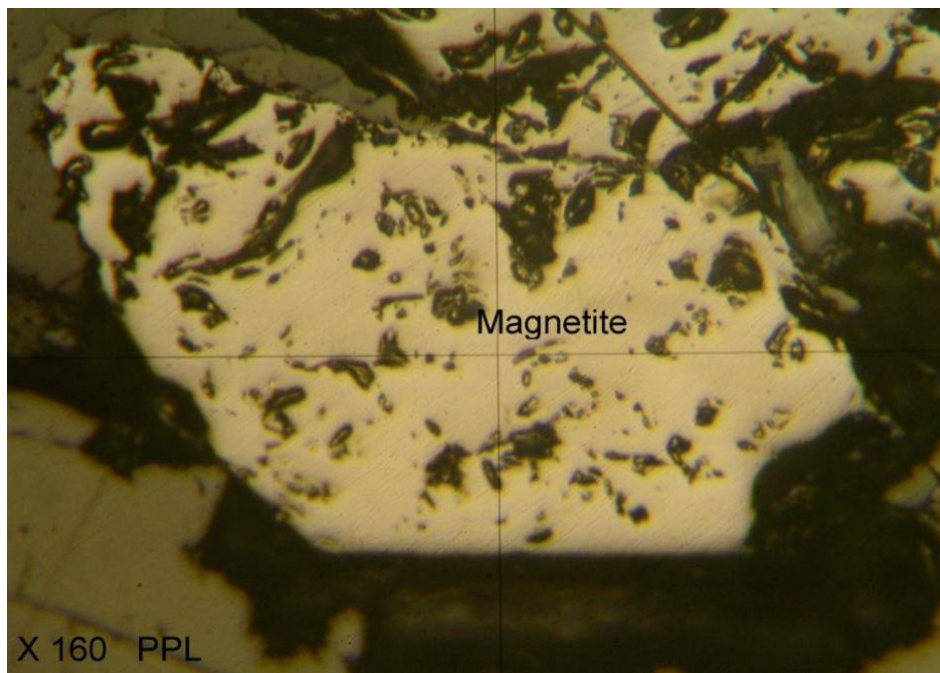


Figure 17 Microphotograph of a magnetite crystal from Stage II diamond drilling (reflected light 160x)

Western Australia – Windarling

The Windarling Peak project is located approximately 85km north of Koolyanobbing, Western Australia. The tenure consists of three granted exploration licenses and four prospecting licences. The Company entered into an agreement with Convergent Minerals Limited (Convergent) during September whereby Convergent may earn up to a 75% interest in the project by meeting certain expenditure and management criteria. Convergent advise that no new work was undertaken at Windarling Peak project during the quarter.

CORPORATE

Gawler

Iron Road elected to move to 90% of the iron rights at Gawler following two stages of exploration drilling on the project. The Company believes that the project hosts potential for a small to medium scale iron ore development, potentially producing a high grade iron product through simple beneficiation. The project area is adjacent to the Trans-Australian railway.

Granting of Exploration Licence 4849

Exploration Licence 3699 (Warrambo) expired after its maximum term on 8 February 2012 and was superseded by Exploration Licence 4849 over the same area of approximately 663km².

The further term was granted after Iron Road Limited submitted a Subsequent Exploration Licence application as required under the Mining Act, 1971 (SA) that was subject to full assessment by relevant Government agencies. Since all obligations under the previous licence were fulfilled, the new licence was granted.

ADDITIONAL INFORMATION - Glossary

Glossary

DTR – Davis Tube Recovery testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist mineral body assessment for magnetite, hematite or combinations thereof.

XRF – X-Ray Fluorescence spectroscopy is used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the Periodic Table and is applicable to a wide range of concentrations, from 100% to few parts per million (ppm).

Hematite – Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide (Fe_2O_3), one of several iron oxides.

Magnetite – Magnetite is a form of iron ore, one of several iron oxides and a ferrimagnetic mineral with chemical formula Fe_3O_4 and a member of the spinel group. It is metallic or dull black and a valuable source of iron ore. Magnetite is the most magnetic of all the naturally occurring minerals on Earth, and these magnetic properties allow it to be readily refined into an iron ore concentrate.

Aeromag survey – Short for aeromagnetic survey, an aeromag survey is a common type of geophysical method carried out using a magnetometer aboard or towed behind an aircraft. The aircraft typically flies in a grid like pattern with height and line spacing determining the resolution of the data. As the aircraft flies, the magnetometer records tiny variations in the intensity of the ambient magnetic field and spatial variations in the Earth's magnetic field. By subtracting the solar and regional effects, the resulting aeromagnetic map shows the spatial distribution and relative abundance of magnetic minerals (most commonly magnetite) in the upper levels of the crust.

Gravity survey – A geophysical method undertaken from the surface or from the air which identifies variations in the density of the earth from surface to depth. It is used to directly measure the density of the subsurface, effectively the rate of change of rock properties. From this information a picture of subsurface anomalies may be built up to more accurately target mineral deposits. For iron exploration gravity surveys are commonly overlain on magnetic surveys to help identify and target fresh and oxidised iron ore (ie. magnetite and hematite).

LiDAR – Light Detection and Ranging. LiDAR is an active remote sensing system that uses a laser light beam to measure vertical distance from the features of interest.

Martite – The name given for Hematite pseudomorphs after Magnetite. More simply put primary magnetite that has been totally replaced by secondary hematite through oxidation.

Specularite – A black or gray variety of hematite with brilliant metallic luster, occurring in micaceous / foliated masses or in tabular or disk-like crystals. Also known as specular iron.

HBF – Horizontal Belt Filters are commonly used vacuum filters due to their flexibility of operation and suitability to handle large throughputs.

CEIP JORC Global Mineral Resource							
Location	Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Murphy South	Indicated	1,108	16.0	53.2	12.9	0.08	0.4
	Inferred	668	16.4	52.7	12.8	0.08	1.3
Boo-Loo	Inferred	328	17.3	52.4	11.5	0.09	2.1
Total		2,104	16.2	52.9	12.7	0.08	1.0

The mineral resource estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd.

Competent Person's Statement

The information in this report that relates to Exploration Results and the exploration target at Murphy South is based on and accurately reflects information compiled by Mr Larry Ingle, who is a fulltime employee of Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ingle has sufficient experience relevant to the style of mineralisation and the type of deposits 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 Ingle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on and accurately reflects information compiled by Mr Iain Macfarlane, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Macfarlane has sufficient experience relevant to the style of mineralisation and the type of deposits 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 Macfarlane consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration targets is based on and accurately reflects information compiled by Mr Albert Thamm, Coffey Mining, who is a consultant and advisor to Iron Road Limited and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thamm has sufficient experience relevant to the style of mineralisation and the type of deposits 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 Thamm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears on 31 August, 2009 in West Perth. The potential quantity and grade of an exploration target is conceptual in nature since there has been insufficient work completed to define the prospects as anything beyond exploration target. It is uncertain if further exploration will result in the determination of a Mineral Resource, in cases other than the Boo-Loo prospect.



Figure 18 Location of iron Road's South Australian projects

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

IRON ROAD LIMITED

ABN

51 128 698 108

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	-	1
1.2 Payments for (a) exploration & evaluation	(6,626)	(24,121)
(b) development	-	-
(c) production	-	-
(d) administration	(599)	(1,974)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	66	429
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
GST to be recouped	26	(132)
Research and Development tax refund	696	696
Net Operating Cash Flows	(6,437)	(25,101)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(1,150)	(1,150)
(b) equity investments	-	-
(c) other fixed assets	(41)	(749)
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)	-	-
Net investing cash flows	(1,191)	(1,899)
1.13 Total operating and investing cash flows (carried forward)	(7,628)	(27,000)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,628)	(27,000)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	11,565	33,839
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	(43)	(465)
	Net financing cash flows	11,522	33,374
	Net increase (decrease) in cash held	3,894	6,374
1.20	Cash at beginning of quarter/year to date	2,605	125
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,499	6,499

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	141
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

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

Nil

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

Nil

+ 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	6,840
4.2 Development	-
4.3 Production	-
4.4 Administration	785
Total	7,625

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	2,623	2,347
5.2 Deposits at call	3,876	258
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,499	2,605

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	Nil			
6.2 Interests in mining tenements acquired or increased	West Gawler	Iron ore rights	51%	90%

+ 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.

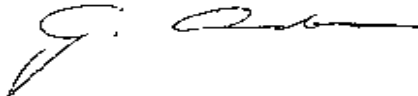
	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	161,207,273	161,207,273		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	21,027,035	21,027,035	55 cents	Fully paid
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>	7,125,000 7,500,000 2,000,000 3,000,000 625,000 625,000 625,000 625,000 500,000 100,000 100,000 100,000		<i>Exercise price</i> \$0.20 \$0.35 \$0.20 \$0.35 \$0.20 \$0.25 \$0.30 \$0.35 \$1.00 \$1.00 \$1.25 \$1.50	<i>Expiry date</i> 22/1/13 22/1/13 10/3/13 6/8/13 15/12/14 15/12/14 15/12/14 15/12/14 25/07/16 24/08/16 24/08/16 24/08/16
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes <i>(totals only)</i>		
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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.



Sign here: Date: 30 July 2012
(~~Director~~/Company secretary)

Print name: GRAHAM DOUGLAS 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.