



QUARTERLY ACTIVITY REPORT

For the Period Ended

30 June 2009

**Universal Resources Limited
ACN 090 468 018
www.universalresources.com.au**

Quarterly Report for the Period Ended 30 June 2009

SUMMARY

Corporate

- A total of 119,542,350 fully paid ordinary shares were issued during the Quarter, including:
 - 40,639,163 shares issued by way of placement to raise \$772,144.08 before costs.
 - 78,903,187 shares issued upon conversion at Maturity of 12,680 5% Converting Notes
- Fully paid ordinary shares on issue now total 672,341,800.
- Cash expenditure for the Quarter was \$639k, including \$32k interest paid on Converting Notes.
- Mr Kevin Maloney has been appointed as Non-executive Chairman of the Company, effective from 20 July 2009.

Exploration and Development

- Preparation of the final Environmental Management Plan for submission to the EPA has been reactivated and will be progressed during the September 2009 Quarter.
- Environmental monitoring equipment, damaged during the “wet season” has been replaced and/or repaired where necessary.
- An ongoing review of Roseby and Mt Isa regional exploration targets has commenced in preparation for a renewed exploration program to commence in the September 2009 Quarter.
- No other field work has been undertaken during the Quarter

Quarterly Report for the Period Ended 30 June 2009

DETAILED REPORT

1. INTRODUCTION

Universal Resources Limited (**Universal** or the **Company**) is an Australian public listed company (**ASX Code: URL**) with substantial tenement holdings in two of Australia's major base and precious metal provinces (*Figure1*).

- the Mt Isa Inlier in Queensland; and
- the Lachlan Fold Belt in NSW.

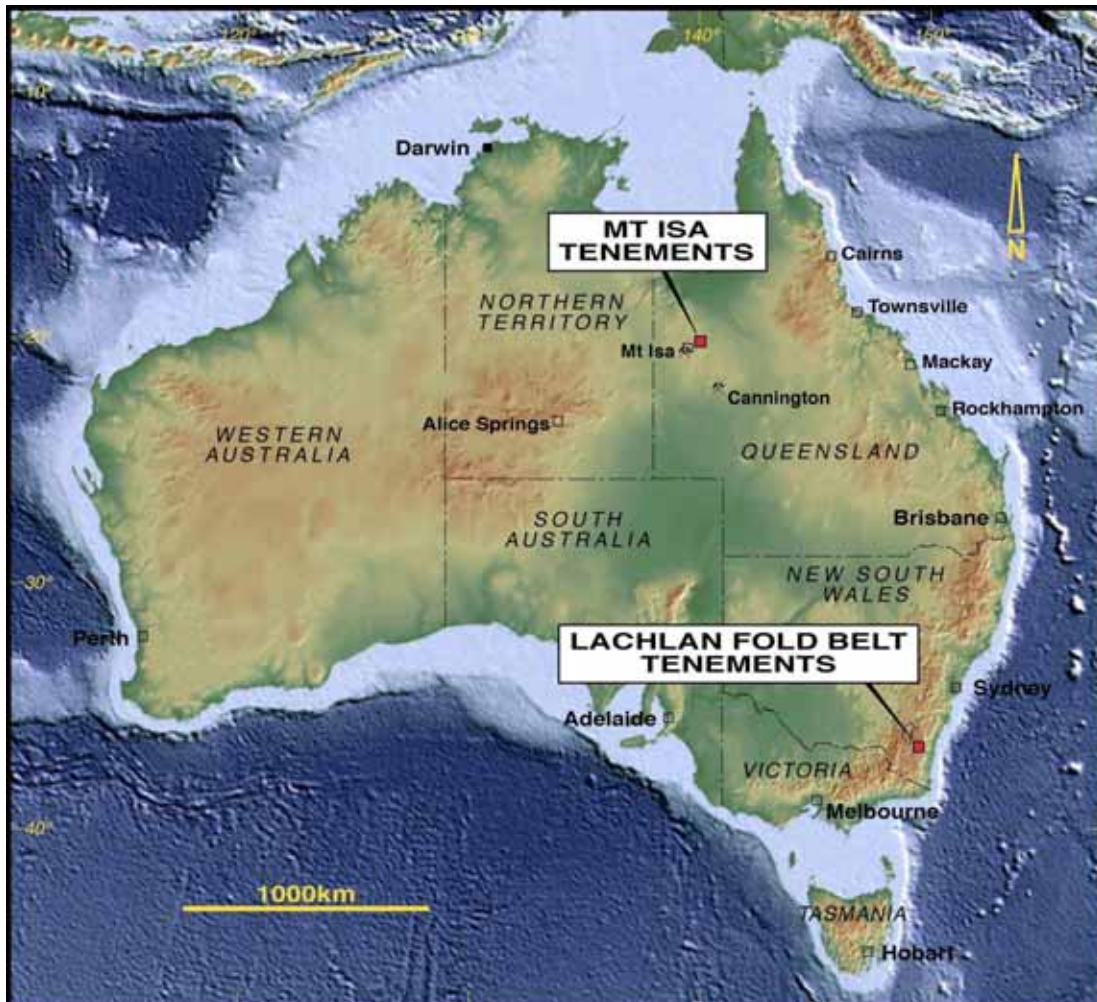


Figure 1: Universal Project Locations

Universal's major asset is the Roseby Copper Project, one of Australia's largest undeveloped open pit copper resources, with 128.54 million tonnes of JORC compliant resources containing 878kT of copper and 239kOz of gold (refer to the tables on pages 9 and 17 for details).

A detailed feasibility study (DFS) of a 5 million tonnes per annum (Mtpa) mine, mill, concentrator and associated infrastructure was completed in September 2008. That study indicated the Project was both technically feasible and economically viable based on the financial assumptions used in the study.

With the almost total collapse of credit markets around the world by late 2008, there was an associated major decline in metal prices, including copper. As a result, the Company deferred financing and development of the Roseby Project.

Recently announced improvements in economic conditions in Australia, China and, at least tentatively, in the USA, have seen copper prices perform more strongly. At the date of writing, the LME copper price is around US\$2.50/lb (A\$3.10/lb). As a result, a number of financiers have renewed discussions with the Company about possible financing of the Project. Roseby is in a fortunate position relative to many competing projects seeking development finance, having:

- A completed feasibility study to bankable standard;
- Its location in Australia, with its stable political and social environment;
- Access to a highly skilled mining workforce within easy transport distance of Roseby;
- Well established infrastructure in the general vicinity; and
- The extremely favourable geological setting of the Mt Isa Inlier, which is host to many world class ore bodies, including deposits of copper, copper-gold, lead-zinc-silver and phosphate.

2. CORPORATE

Appointment of Director

The board of directors of the Company welcome the appointment of Mr Kevin Maloney as a non-executive director and Chairman of the Company, effective from 20 July 2009. Mr Ingram, formerly both Chairman and Managing Director, will continue in the role of Managing Director.

Mr Maloney, who is Chairman of the Tulla Resources Group, one of the Company's largest shareholders (8.66%), brings to the Company a wealth of experience in the resources industry, including the finalisation of feasibility studies and the financing of resource projects. Mr Maloney issued the following statement following his appointment.

“I am extremely pleased to accept the offer of appointment as a Director of Universal Resources and the role of Non-Executive Chairman.

Universal is in a transitional stage from that of explorer to producer and it is relevant that the composition of the Board reflect the skills and experience appropriate to this new phase.

I have been responsible for arranging project financing for coal, copper, gold, oil and gas resource projects through my past involvement with Elders Resources Finance, as well as having served as a Director of a number of listed resource companies. Furthermore, I have had extensive experience in dealing with contractors and technical consultants in all facets of finalising feasibility studies.

In recent times, in my role as Executive Chairman of The MAC Services Group Limited, I have overseen the successful listing of that ASX Top 300 company. The MAC is a leading provider of services to the mining industry.

I believe that Universal, with its proven resources and successful completion of its bankable feasibility study is ideally placed to capitalise on the hard work that has been completed to date and I am pleased to be involved in guiding the company through its transition.”

The current directors welcome Mr Maloney as a director and believe his appointment will be of great benefit to the Company.

New Share Issues

A total of 119,542,350 new fully paid ordinary shares have been issued since the March Quarterly Report, including;

- 40,639,163 shares placed on 2 June 2009 to sophisticated investors at an issue price of 1.9c per share, to raise \$772,144.08 before costs; and
- 78,903,187 shares were issued, at an issue price of 1.607c per share, upon the conversion at Maturity of 12,680 5% Converting Notes.

Issued Capital

At the conclusion of the share issues listed above, the issued capital of the Company is as follows:

FPO Shares

Previous	552,799,450
New issues	119,542,350
TOTAL	672,341,800

Options

Directors and employee options	18,835,000
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Note: These options expire on various dates up to 23 December 2013. All options have an exercise price of 15c per share.

Committed Equity Facility (CET)

During the Quarter, an Indicative Terms Sheet (ITS) was entered into with Trafalgar Capital Specialised Investment Fund SICA, a Luxemburg fund managed out of the UK and the USA. The CET will allow for periodic draw-down of funds (Advances) to a total of \$20 million over a maximum period of 36 months. The ITS is subject to formal documentation, which is currently being negotiated, and satisfactory due diligence by the fund. Either party may terminate the ITS at any time prior to executing the formal agreement by giving 10 days notice to the other party.

Payment Due To Oz Minerals Limited

The Company has been negotiating with Oz Minerals Limited (OML) to defer payment of the final cash payment of \$2 million for the completion of the purchase of the Roseby Copper Project. Legal documentation and finalisation of the terms of the agreement are at an advanced stage.

3. EXPLORATION AND DEVELOPMENT PROJECTS

Universal owns a large number of granted mining and exploration tenements in the Mt Isa Inlier covering an area of approximately 2,150km² (*Figure 2*). All tenements are held 100% by the company or its wholly owned subsidiary, Roseby Copper Pty Ltd. The Roseby Copper Project is the most advanced project, with a detailed feasibility study completed in September 2008.

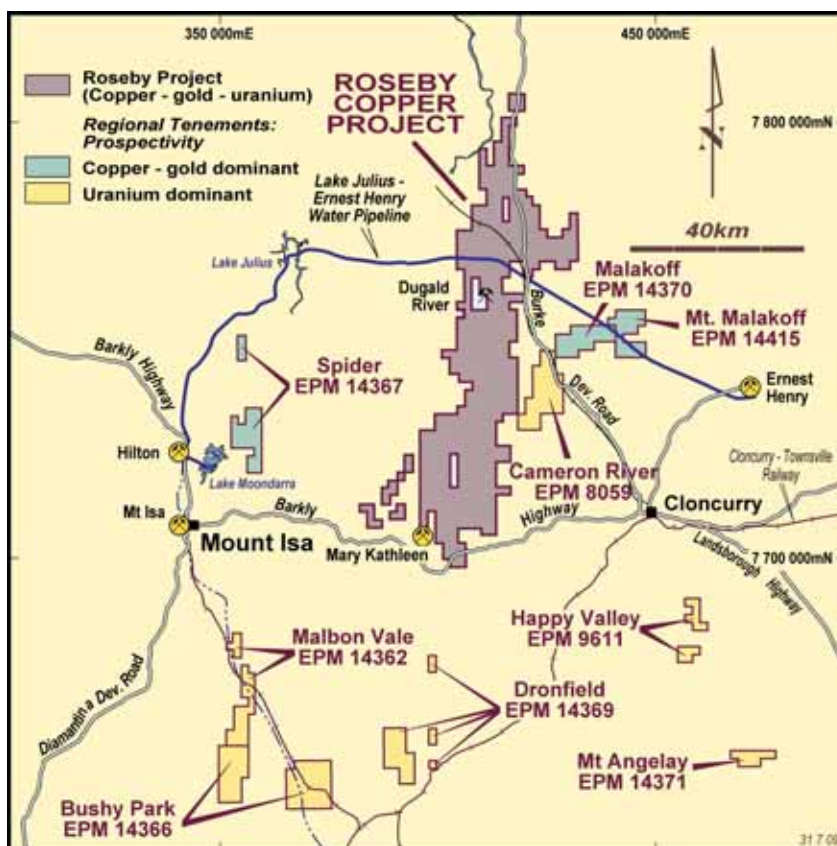


Figure 2: Mt Isa Inlier Projects and Infrastructure

Following the relinquishment of EL 5812 (Collector), only one Exploration Licence (EL 5692, Burra) is now held in New South Wales (**Figures 9 and 10**). Universal holds a 90% interest in Burra, which is prospective for zinc dominant poly-metallic massive sulphide mineral deposits.

3.1 ROSEBY COPPER PROJECT *(Subject to an agreement with Mt Isa Mines Pty Ltd (Xstrata Copper))*

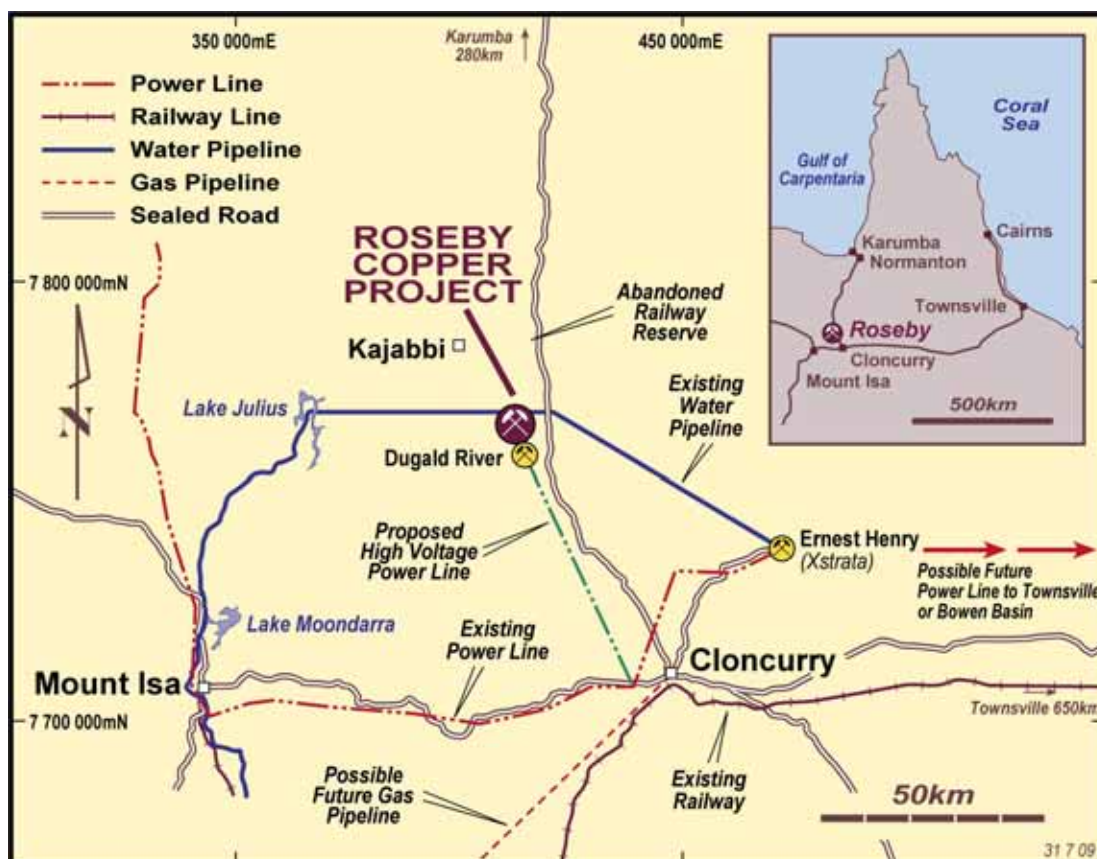


Figure 3: Roseby Copper Project Location and Regional Infrastructure

Feasibility Study and Project Development

Universal's major asset is the Roseby Copper Project (**Roseby** or the **Project**), located in the Mt Isa Inlier geological province in North-west Queensland (**Figures 1 to 4**).

Universal acquired the Roseby tenement package from Pasminco Australia limited (now Oz Minerals Limited) in 2001. Since that time, the Company has focussed its activities on advancing the Project through evaluation and feasibility studies towards development and production.

Results of a detailed feasibility study (DFS), of a 5Mtpa mining and processing operation were reported to ASX on 3 September 2008.

Details of the agreement with Xstrata Copper have previously been advised to shareholders.

Work on the Roseby Copper Project during the June Quarter has been limited to on-site environmental monitoring as part of the Company's program of long term site monitoring and management.

Some of the heaviest monsoonal and cyclonic rains experienced in the region fell during the recent "wet season", from December 2008 to April 2009, when over 2,000mm were recorded at the nearby Dugald River Project of Oz Minerals (now owned by China Minmetals). This abnormally wet season has required some re-thinking of some of the flood management structures to be incorporated in the Roseby site designs. New designs will be incorporated into a revised environmental management plan for the Project.

A review of the financial model using recent spot prices for copper, gold and the US\$/A\$ exchange rate has been encouraging, as indicated in the following table of key financial outcomes based on the DFS reports.

ROSEBY COPPER PROJECT FINANCIAL MODEL					
FINANCIAL PARAMETER	UNITS	M1 US\$2.50	M2 US\$2.50	M3 US\$3.50	M4 Fwd Cve
Throughput	MT	5.0	5.0	5.0	5.0
Pre-production Capital costs	A\$M	213.7	213.7	213.7	213.7
Operating surplus	A\$M	666	570	1,198	1075
C1 cash operating costs	US\$/lb	1.42	1.52	1.52	1.36
NPV (8.5% discount rate)	A\$M	123	62	435	356
IRR	%	20	15	43	37
Payback of pre-production capital	Years	3.4	4.4	1.8	2.1

Notes on the financial models from which this data is sourced:

M1 – Copper price of US\$2.50/lb, gold price of US\$900/Oz and Forex of US\$0.75.

M2 – Copper price of US\$2.50/lb, gold price of US\$800/Oz and Forex of US\$0.80

M3 – Copper price of US\$3.50/lb, gold price of US\$800/Oz and Forex of US\$0.80

M4 – Copper, gold and Forex derived from the forward curves as at the 29 August 2008. LOM average prices were: US\$2.98/lb copper, US\$1,060/oz gold and Forex of US\$0.72,

The Company has received a number of enquiries over recent months pertaining to the potential provision of finance for the Roseby Project. Discussions with these groups are ongoing.

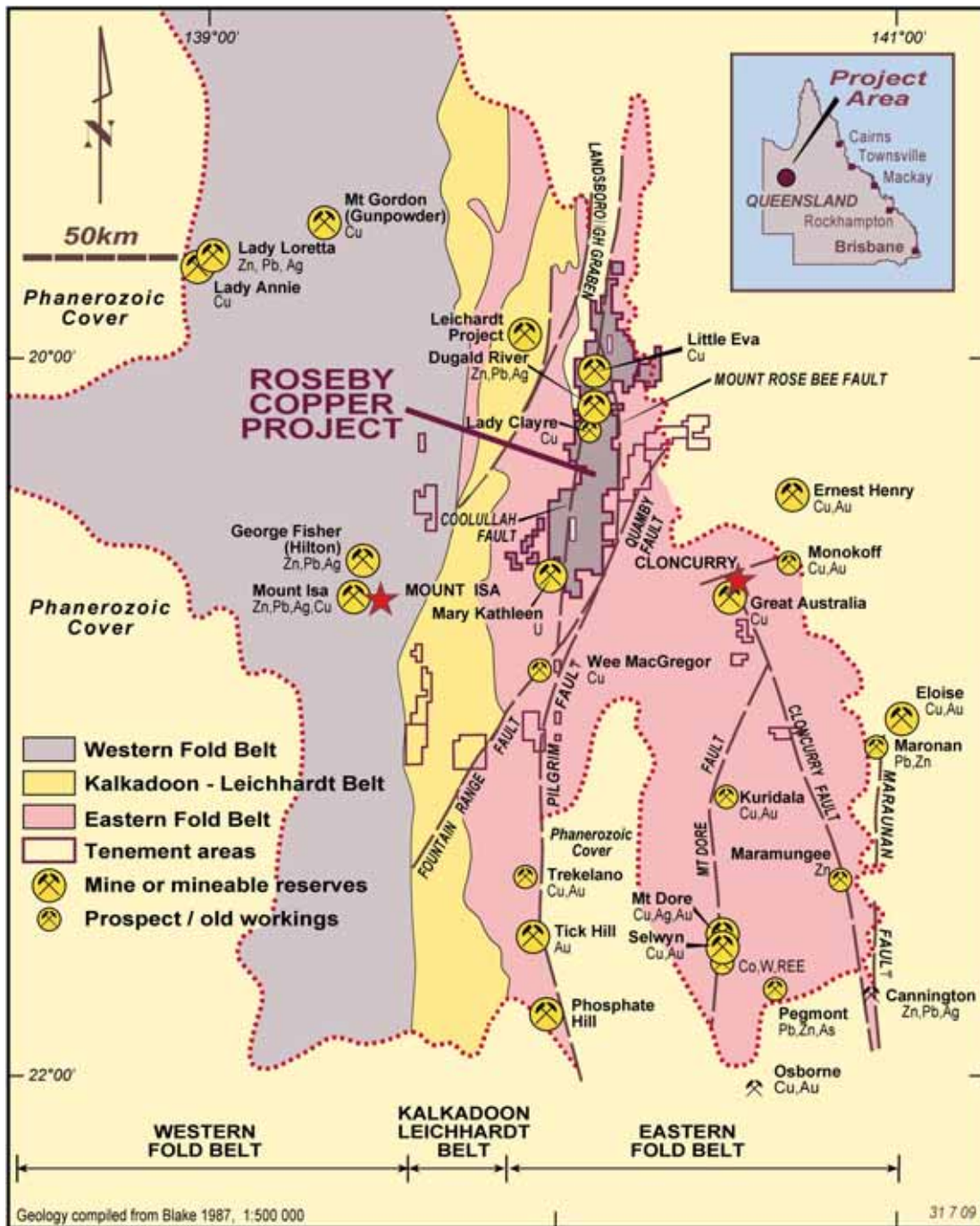


Figure 4. Mt Isa Inlier Geology Showing Roseby Copper Project Tenements

Resources and Reserves

The total Mineral Resources and Ore Reserves for the Project are summarised in the tables below. Mineral Resources are inclusive of the Ore Reserves.

Mineral Resources

The most important copper mineralisation at Roseby is of two distinct types:

- i. Sediment hosted stratabound copper mineralisation with similarities to the African Copperbelt deposits. At Roseby, these deposits are represented in the near surface (0-30m) oxide zone by cupriferous goethite and minor malachite, which is mostly

refractory and is treated as waste. The supergene zone extends from the base of the oxide zone to depths of between 100m and 240m below surface. This zone is dominated by native copper mineralisation, with subordinate chalcocite and traces of other copper species. The native copper mineralisation constitutes nearly 75% of total mineral resources at Roseby (see Table below). The supergene zone passes at depth into the primary sulphide system, consisting of chalcopyrite, bornite and chalcocite, with subordinate pyrite.

- ii. Copper-gold deposits of hydrothermal origin and at least one of which (Little Eva) is of the “iron oxide copper gold” (IOCG) type and has similarities to the large Ernest Henry deposit north of Cloncurry. At Roseby, these hydrothermal deposits are characterised by a relatively shallow oxide zone, to depths of around 15-25m, with minor malachite mineralisation. This mineralisation will be stockpiled as sub-grade material, but will be expensed as waste as mined. The oxide zone passes rapidly, with little transition material into the primary sulphide zone, consisting of dominant chalcopyrite and minor pyrite and pyrrhotite. Magnetite and hematite are common accessory minerals.

The following Mineral Resources have been estimated using a lower cut-off grade of 0.3% copper and, because of the limited number of high values, without a top cut. Details of individual deposits are given in the table at the end of this report.

RESOURCES	NATIVE COPPER		SULPHIDE		TOTAL		
	Tonnes	% of Total Category	Tonnes	% of Total Category	Tonnes	% of Total Category	% of Total Resource
Measured	26.3	87.4	3.8	12.6	30.1	100.0	23.4
Indicated	33.2	59.3	22.8	40.7	56.0	100.0	43.6
Inferred	33.2	78.3	9.2	21.7	42.4	100.0	33.0
TOTAL	94.5	73.5	35.8	27.9	128.5	100.0	100.0

Ore Reserves

DEPOSIT	PROVEN RESERVES			PROVEN RESERVES			TOTAL RESERVES		
	Mt	Cu %	Au gpt	Mt	Cu %	Au gpt	Mt	Cu %	Au gpt
Little Eva (sulphide)	1.77	1.03	0.12	13.69	0.69	0.13	15.46	0.73	0.13
Blackard (native copper)	17.03	0.67	-	5.83	0.65	-	22.85	0.67	-
Scanlan (native copper)	-	-	-	9.62	0.71	-	9.62	0.71	-
ALL DEPOSITS	18.80	0.70	0.01	29.14	0.69	0.06	47.93	0.70	0.04

Ore Reserves are listed in the preceding table. These reserves have been estimated from pit optimisations developed using a copper price of US\$2.00 per pound and an A\$ exchange rate of US\$0.80. The Reserves may change if recalculated using current spot prices for copper and the exchange rate.

Environmental Sampling

Flooding associated with excessive rainfall during the recent “wet season” caused relatively minor damage to installed monitoring equipment. As access became available environmental sampling and remedial work at all rising stage sampling sites was undertaken.

Environmental monitoring and sample points are sited at key locations in and around the proposed Project area.

Roseby Development Timetable

A firm development timetable will not be available until permitting and financing are finalised. It is anticipated that environmental approvals should be received ahead of the likely commencement of construction.

Roseby Exploration

Introduction

As outlined above, exploration and drilling to-date have identified resources totalling 128.5Mt grading 0.68% copper and 0.06g/t gold within the Roseby Project area. The stratabound sedimentary copper and hydrothermal copper-gold deposits occur within separate but adjacent domains over a strike length in excess of 20 km. All deposits remain open at depth and along strike, creating excellent potential to increase the resource inventory by further exploration and drilling. In addition, a number of geological, geochemical and geophysical targets have been identified to have excellent potential for the discovery of major new deposits

Field activity within the Roseby tenements has been severely restricted during the Quarter due to record rainfall and flooding from December through to April 2009 that severely disrupted access.

Regional Geological Interpretation

A detailed re-assessment of the regional geology of the Roseby Project area, including the controls on mineralisation, has been commenced and is ongoing. Results to date have been encouraging, indicating several areas that warrant further exploration.

A program of drill testing of these targets is expected to commence in the September 2009 Quarter.

SEEP Joint Venture (Xstrata Copper earning 51% interest in the SEEP area)

The details of this joint venture have been reported previously. The location of the SEEP area, which covers approximately 10% of the total Roseby tenement area, is shown in Figure 5.

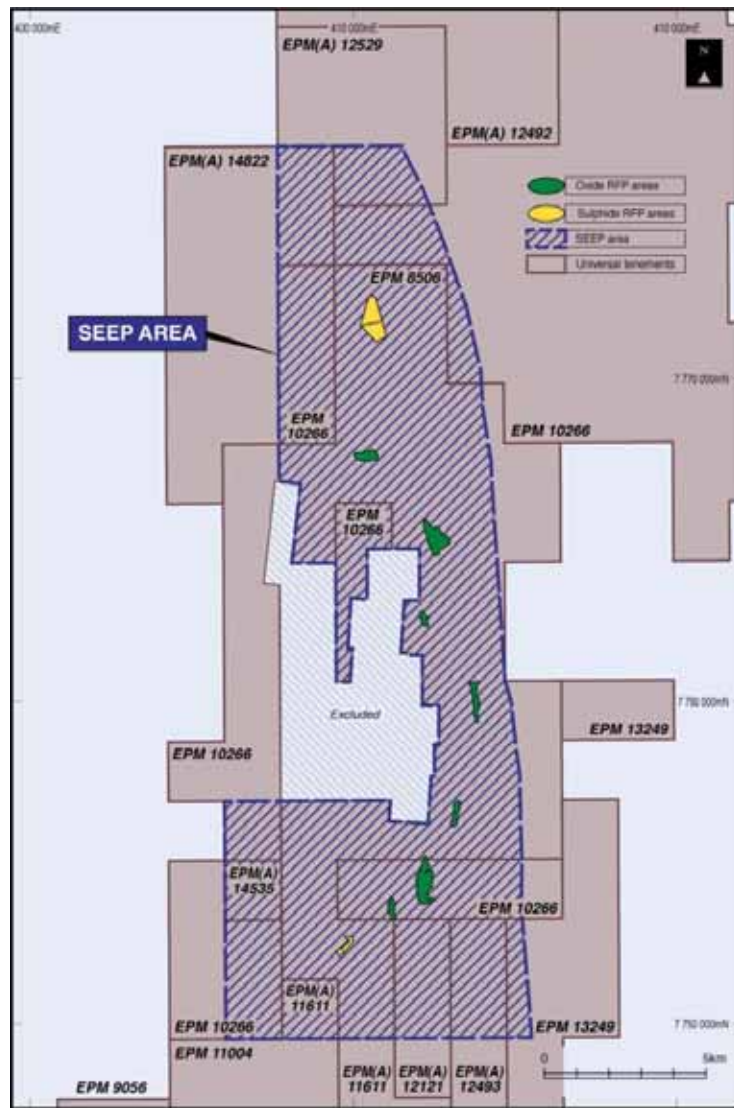


Figure 5. Plan of SEEP Area Showing Resource Areas Excluded from the SEEP Area.

SEEP Expenditure

Sole funded expenditure for the quarter on the SEEP JV by Xstrata Copper was \$166,269.

Total SEEP expenditure to-date (30 June 2009) by Xstrata Copper is \$6,507,751.

SEEP Activity

A detailed assessment and prospectivity review of the SEEP joint venture area was undertaken during the quarter. This has entailed re-logging of cores, multi-element analyses, mineralogical and petrological studies, the interpretation of strong induced polarization anomalies in a number of prospect areas and the collation of all available regional geochemical data.

Mary Kathleen Project Area (MKPA)

The MKPA contains numerous uranium and rare earth occurrences, all located within the southern portion of the Roseby tenements (**Figures 6, 7 and 8**) and to the north of the former Mary Kathleen uranium mine (which is reported to have mined 9.2 million tonnes of ore at a grade of 0.13% U_3O_8 for a total of 8,890 tonnes of U_3O_8).

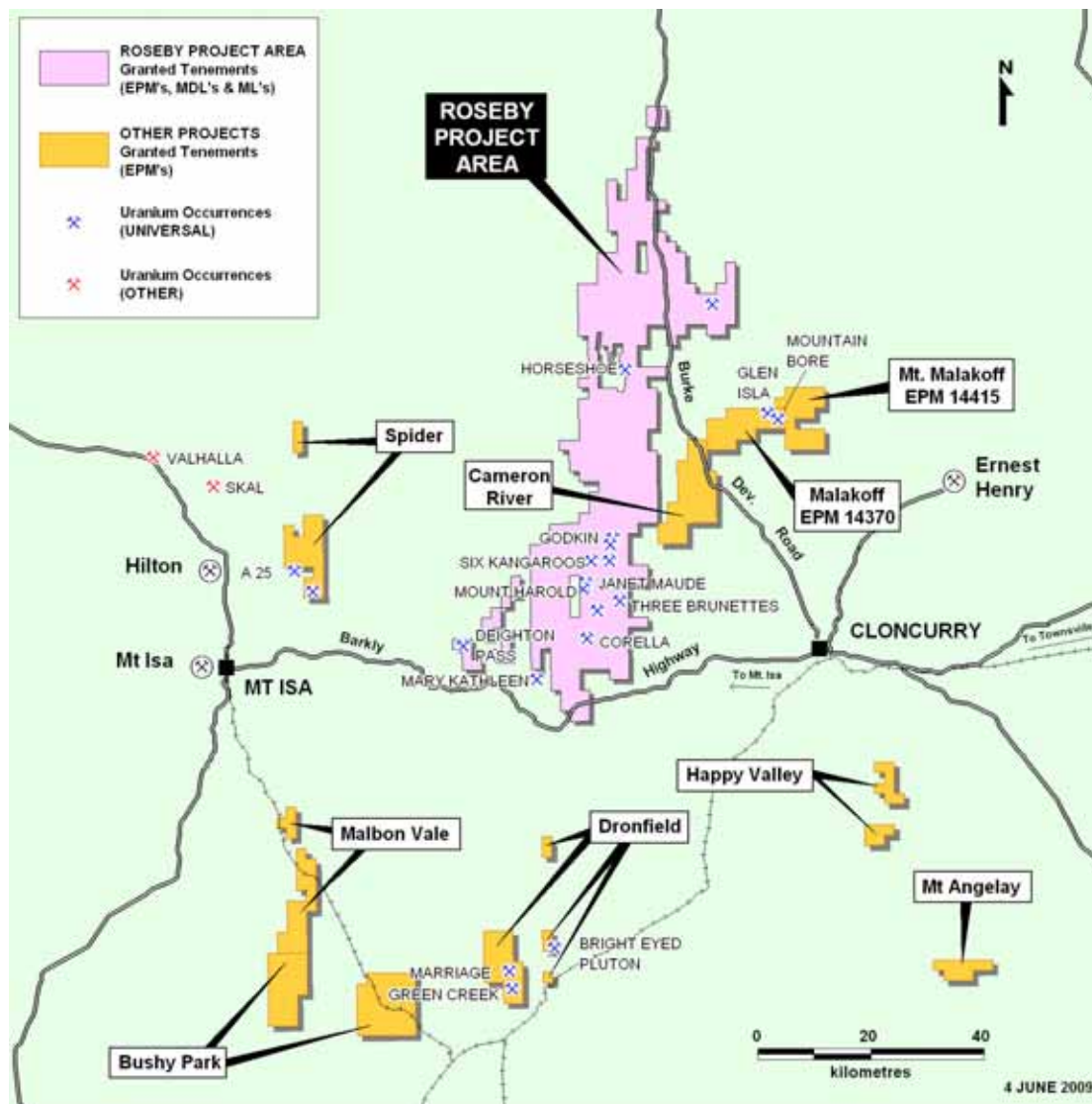


Figure 6. Roseby Tenements Showing Uranium Prospects

Most uranium and rare earth prospects are associated with strongly developed fault structures linking uraniferous (“hot”) granite intrusions within a brecciated carbonate-rich terrain. These features substantially enhance the uranium prospectivity of the area and Universal believes that they provide excellent potential to find resources comparable in style and tonnage to the former Mary Kathleen deposit

Field work has demonstrated that several uranium occurrences are associated with extensive radiometric anomalism. The Company plans to undertake further systematic exploration programs in the MKPA to better define and rank the targets prior to drill testing.

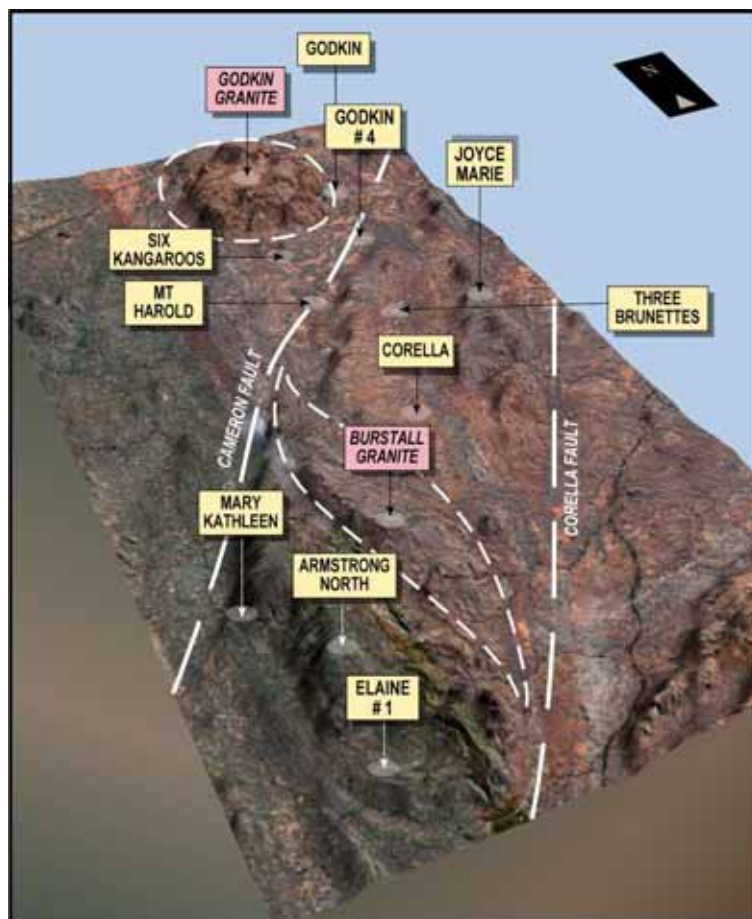


Figure 7. Isometric View of the Mary Kathleen Uranium Prospects

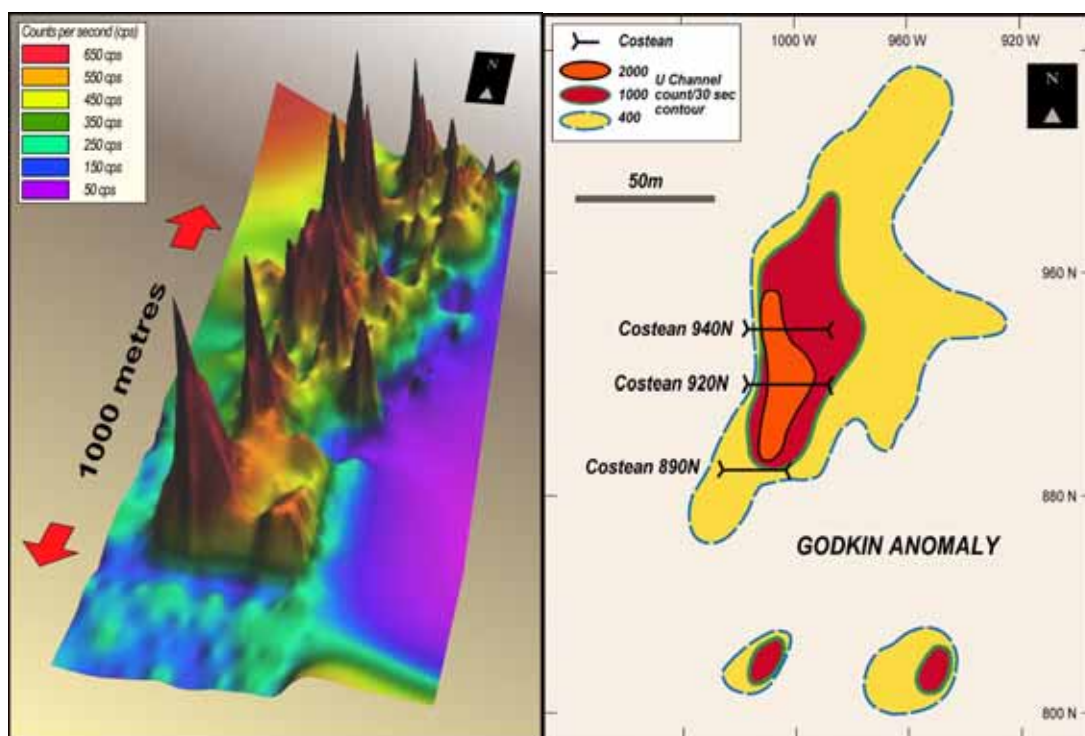


Figure 8. MKPA Radiometric Anomalies: Corella (left) and Godkin Prospects

3.2 MT ISA REGIONAL EXPLORATION

Introduction

Universal has nine wholly owned granted Exploration Permits within the Mt Isa Inlier which secure a number of prospects and targets for one or more of copper, gold and uranium-rare earth mineralization. Most of the known mineralization within the tenements is of IOCG affinity and is located within, or in association with, major regional-scale faulting that is commonly associated with this style of deposit in the Mt Isa Mineral Province (**Figure 4**). In addition, roll-front uranium mineralization has been identified in two locations in the Malakoff tenement (EPM 14370) at a relatively shallow depth and presents an attractive exploration target with additional downstream potential secured by the adjacent Mt Malakoff tenement (EPM 14415).

Prospectivity reviews of the regional Mt Isa tenements are continuing in an effort to locate further copper-gold targets for later drilling.

Spider EPM 14367 (100% Universal, Deep Yellow earning up to an 80% interest in the uranium and associated minerals)

Formal Joint Venture documentation is being prepared and should be signed during the September Quarter.

Field work will commence once the formal agreement is signed.

Dronfield EPM 14369 (100% Universal, Syndicated Metals earning up to an 80% interest)

Formal Joint Venture documentation is being prepared and should be signed during the September Quarter.

Field work will commence once the formal agreement is signed.

Cameron River EPM 8059 (100% Universal)

Cameron River hosts the Ivy Ann copper-gold sulphide deposit with an Inferred Resource of 4 million tonnes averaging 0.72% copper and 0.12 gpt gold. It is located only 34 km by mostly sealed road from the proposed Roseby plant site.

The Ivy Ann deposit forms the southern portion of a largely untested 3km strike length of copper-gold mineralization inter-connecting the Ivy Ann and Ivy Ann North prospects. Induced polarization surveys undertaken in 2008, at this and other prospects within the tenement, generated anomalies that are as yet untested by drilling. Recent interpretation of regional geochemical data and associated structures indicates the Cameron River tenement is host to important mineralised structures passing centrally through the tenement and , importantly, the Ivy Ann Prospect.

Follow-up detailed deep induced polarization surveys are now warranted to pursue strike and depth extensions to known mineralization and to explore for new deposits associated with the structures.

3.3 LACHLAN FOLD BELT, NSW (*Universal 90% interest*)

The Burra (EL 5692) tenement, located 30 km south of Queanbeyan in the Lachlan Fold Belt of New South Wales (**Figure 9**), has good potential for poly-metallic massive zinc

sulphide mineralization comparable in age, setting and style of mineralization to the now depleted Woodlawn mine.

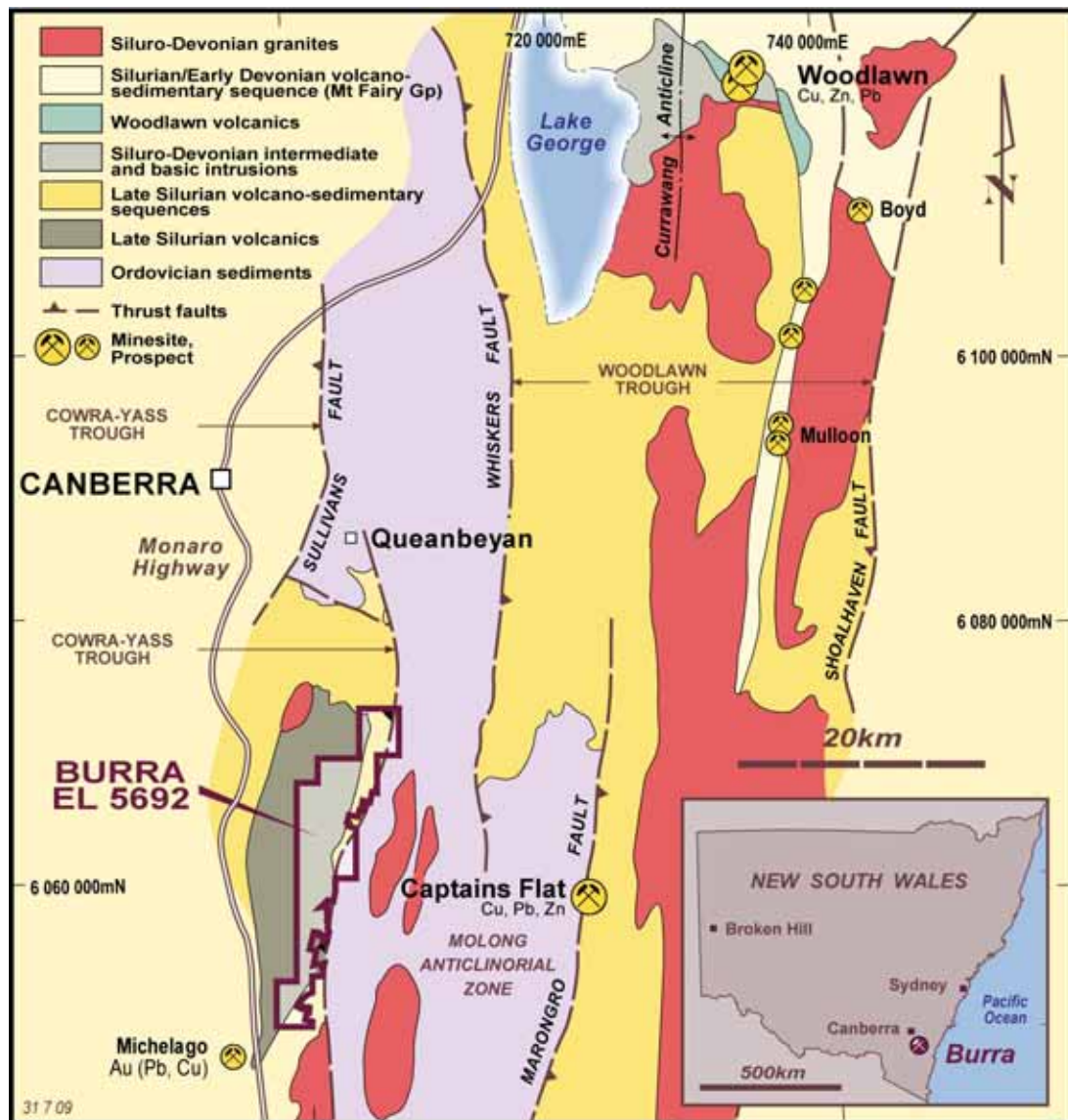


Figure 9: Lachlan Fold Belt Geology and Tenements

Burra Project

The Burra project is prospective for zinc dominant poly metallic massive sulphide deposits. A 4 km long zinc geochemical anomaly is associated with numerous old lead-zinc mines. Previous drilling has intersected encouraging zones of massive sulphides, suggesting there is a high potential for significant discoveries of massive sulphides within the tenement.

No work was undertaken on this project during the quarter.

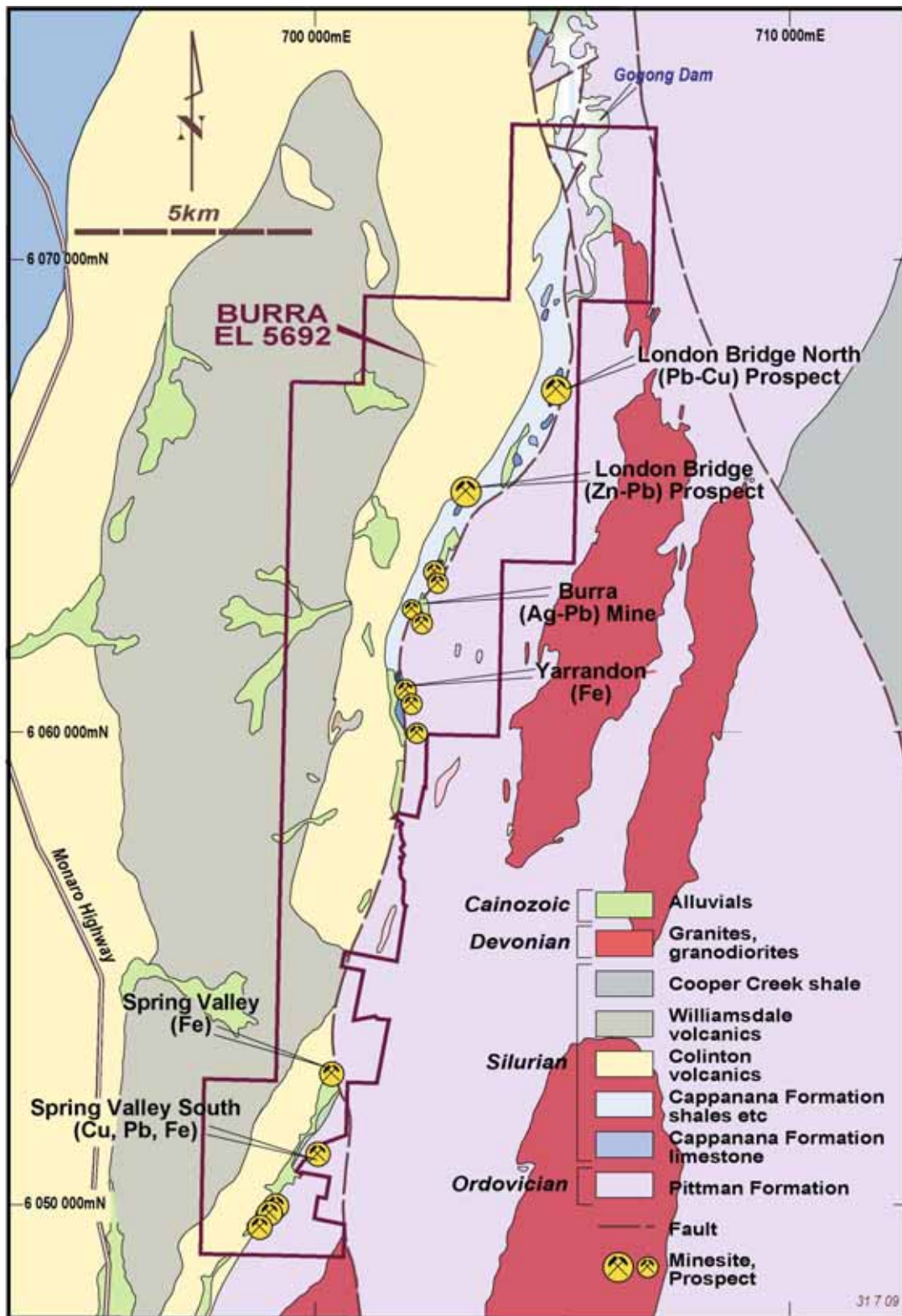


Figure 10: Burra Project Geology and Zinc-Lead-Silver Prospects

4. EXPLORATION EXPENDITURE

Cash at 30 June was \$2.251million.

Expenditure on exploration and development projects for the Quarter was \$186,744.

Expenditure on exploration and development for the September 2009 Quarter is estimated to be \$0.4 million.



P. A. J. Ingram
Managing Director

Much of the information contained in this report that relates to mineral exploration results, Mineral Resources and Ore Reserves has previously been reported to ASX, based on reports by Competent Persons. Exploration data in this report that has not previously been reported to ASX has been compiled by Maurice Hoyle, a full-time employee and director of Universal Resources Limited. Mr Hoyle holds the degree of Bachelor of Science (Honours) in geology, is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Society of Economic Geologists. Mr Hoyle has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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 Hoyle consents to the inclusion in this report of the exploration results and information in the form and context in which it appears.

Roseby Copper Project: Identified Mineral Resources by Deposit and Category

DEPOSIT	RESOURCES AT 0.3% COPPER CUT-OFF												CONTAINED METAL	
	MEASURED			INDICATED			INFERRED			TOTAL			COPPER t	GOLD (Oz)
	Tonnes		Grade	Tonnes		Grade	Tonnes		Grade	Tonnes		Grade		
	M	Cu %	Au g/t	M	Cu %	Au g/t	M	Cu %	Au g/t	M	Cu %	Au g/t		
OXIDE DEPOSITS														
Blackard	26.29	0.64	0.01	17.87	0.63	0.01	2.09	0.58	0.01	46.25	0.63	0.01	293,000	16,190
Legend							6.13	0.6	0.01	6.13	0.6	0.01	36,597	1,942
Longamundi							10.40	0.66	0.01	10.40	0.66	0.01	69,037	3,632
Great Southern							6.00	0.61	0.01	6.00	0.61	0.01	36,330	2,000
Scanlan				15.37	0.65	0.01	4.24	0.8	0.01	19.62	0.68	0.01	134,160	7,370
Charlie Brown							0.70	0.40	0.01	0.70	0.40	0.01	2,820	230
Caroline							3.60	0.53	0.02	3.60	0.53	0.02	18,820	2,390
Sub-Total Oxides	26.29	0.64	0.01	33.24	0.63	0.01	33.16	0.63	0.01	92.70	0.64	0.01	590,764	33,754
SULPHIDE DEPOSITS														
Little Eva	3.84	1.04	0.13	22.81	0.75	0.13	3.72	0.73	0.15	30.37	0.78	0.14	237,690	132,230
Lady Clayre zone A							2.87	0.92	0.50	2.87	0.92	0.50	26,414	45,829
Lady Clayre zone F							0.83	0.76	0.51	0.83	0.76	0.51	6,333	13,480
Sub-Total Lady Clayre	3.84	1.04	0.13	22.81	0.75	0.13	3.70	0.88	0.51	3.70	0.88	0.51	32,747	59,309
Bedford North							1.07	1.00	0.25	1.07	1.00	0.25	10,710	8,505
Bedford South							0.70	0.83	0.24	0.70	0.83	0.24	5,793	5,288
Sub-Total Bedford							1.77	0.93	0.24	1.77	0.93	0.24	16,503	13,793
Sub-Total Sulphides	3.84	1.04	0.13	22.81	0.75	0.13	9.19	0.83	0.31	35.84	0.80	0.18	286,940	205,332
ROSEBY TOTAL	30.13	0.69	0.03	56.05	0.68	0.06	42.35	0.68	0.08	128.54	0.68	0.06	877,704	239,086

Board of Directors

Kevin Maloney (Non-executive Chairman)
Peter Ingram (Managing Director)
Maurice Hoyle (Executive Director, Technical)
Jason Brewer (Non-executive)
Bruce Fulton (Non-executive)

Contacts

Peter Ingram or Des Kelly
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Share Registry

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Level 2, Reserve Bank Building
45 St Georges Tce
Perth, Western Australia, 6000
Ph. +61 8 9323 2000

Company Secretary and CFO

Desmond Kelly

Stock Exchange Listing

The Company is listed on the Mining
Board of Australian Securities Exchange
(ASX): Code **URL**

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

UNIVERSAL RESOURCES LIMITED

ABN

35 090 468 018

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(116)	(1,078)
(b) development	(71)	(1,054)
(c) production	-	-
(d) administration	(389)	(1,272)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	100
1.5 Interest and other costs of finance paid	(32)	(611)
1.6 Income taxes	-	-
1.7 Other	10	8
Net Operating Cash Flows	(583)	(3,907)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(9)	(9)
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	(9)	(9)
1.13 Total operating and investing cash flows (carried forward)	(592)	(3,916)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(592)	(3,916)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	772	2,492
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	(47)	(206)
	Net financing cash flows	725	2,286
	Net increase (decrease) in cash held	133	(1,630)
1.20	Cash at beginning of quarter/year to date	2,118	3,881
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,251	2,251

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	106
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries and superannuation

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

On 10 April 2009 the Company issued 36,765,872 ordinary shares in lieu of a cash payment of \$326,958.90 in converting note interest.

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

N/A

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	N/A	

+ See chapter 19 for defined terms.

3.2	Credit standby arrangements	N/A	
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Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	
Total	400

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	83	24
5.2 Deposits at call	2,168	2,094
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,251	2,118

Changes in interests in mining tenements

	Tenement reference	Nature of interest	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	Nil			

+ 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	672,341,800	672,341,800		
7.4 Changes during quarter (a) Increases through issues	36,765,872 40,639,163 78,903,187	36,765,872 40,639,163 78,903,187	\$0.008893 \$0.019 \$0.01607	\$0.008893 \$0.019 \$0.01607
7.5 +Convertible debt securities Converting notes 10% coupon maturing 30 June 2011	139,500		\$100	\$100
7.6 Changes during quarter (b) Decreases through securities matured, converted 5% con. notes	12,680	12,680	\$100	\$100
7.7 Options <i>(description and conversion factor)</i>	2,385,000 1,000,000 800,000 5,000,000 3,650,000 6,000,000	- - - - - -	<i>Exercise price</i> 15 cents 15 cents 15 cents 15 cents 15 cents	<i>Expiry date</i> 14 September 2010 12 March 2012 5 September 2011 27 December 2012 30 June 2013 16 December 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled 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 give a true and fair view of the matters disclosed.

Sign here: DESMOND KELLY
 (Company Secretary)

Date: 31/07/2009

Print name: Desmond Kelly

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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