



## ADAMUS DELIVERS ABOVE FORECAST GOLD PRODUCTION

Gold producer Adamus Resources has met all key production targets since Commercial Production was declared on 1 April 2011. As a result, the Nzema Gold Project in Ghana has delivered above forecast gold production of 26,015 ounces, at a cash cost of US\$544 per ounce, for the June 2011 quarter. The Company has expanded its exploration team to capture opportunities for future growth.

### Nzema Project Operations

- Total gold poured for the quarter was 26,015 ounces (8% above guidance) from 488,466 tonnes milled at a recovered grade of 1.89 g/t Au (1.6 - 1.7g/t guidance).
- Cash costs were US\$544 per ounce.
- Higher than forecast gold production was a result of higher than forecast grade of 1.89g/t Au and recovery at 92%.
- Positive reconciliation of Salman South 1A pit and the MIK (multiple-indicator kriging) mineral resource.
- Adamus commenced commercial production at the Nzema Gold Project on 1 April 2011.
- During the pre-production period from late January 2011 to the end of March 2011, 13,521 ounces of gold was produced.

### Exploration

#### Ghana

- Diamond drilling at the Teberu 04 pit extended the mineralised zone down dip.
- Exploration budget for in-mine, near mine and regional targets for 2012 financial year was set at US\$8M.
- Soil sampling on the Apa Tam prospecting licence has extended the target area at Avrebo West, with results suggesting the mineralised trend extends to the north.
- Expanded field teams targeted new and existing regional prospects including Hotopo, Kanyankaw and Apa Tam.

- Conceptual Economic Mineralisation Sulphide Study underway by AMEC. Results due September quarter 2011.

#### Liberia

- First pass work program of Liberian assets is underway.
- Adamus holds three Mineral Reconnaissance Licences in the Republic of Liberia covering an area of 3,107km<sup>2</sup>.
- All licences are within the highly prospective Archaean belts in the western region of the country.

### Community Social Responsibility

- Salman Village community buildings completed during the quarter, with focus on completion of residential housing.
- Hydraform brick fabrication nearing finalisation, in line with mid-year target.
- Quarterly consultative stakeholder meeting conducted with representatives of local communities and government. Positive feedback received.

### Health, Safety & Environment

- Injury frequency rates have fallen substantially reflecting a reduced workforce following the end of construction and more intensive safety training.
- Ghana Environmental Protection Agency (EPA) conducted the Annual Akoben Environmental & Social Audit. Results are expected in the September Quarter 2011.



## Adamus Resources Limited

### Finance & Corporate

- Gold poured in the June 2011 quarter was 26,015 ounces. Adamus realised an average gold price of US\$1,271 per ounce from ounces sold. 14,113oz of gold was delivered to the hedge program.
- Cash at bank as at 30 June 2011 was A\$20.6M.
- All obligations under the project loan agreement were met during the quarter.
- First royalty cheque presented to the government of Ghana in April 2011, value US\$886,000.

- Adamus hosted a delegation from the Australian Parliamentary Joint Committee on Foreign Affairs, Defence and Trade at the Nzema Gold Project in April 2011.

### Outlook

- 2012 financial year consolidated gold production is forecast to be between 100,000 and 105,000 ounces of gold.
- Cash costs for the 2012 financial year are expected to be between US\$550 - 600/oz, marginally higher than achieved to date due to price increases in fuel and consumables.

	Actual (Apr- Jun 2011)	Actual (YTD 2011)	Forecast Guidance (Jul - Sep 2011)
Ore & Waste Mined (t)	<b>1,366,262</b>	<b>3,063,373</b>	<b>1,400,000 - 1,500,000</b>
Ore Processed (t)	<b>488,466</b>	<b>871,497</b>	<b>520,000 - 540,000</b>
Grade Au (Avg)	<b>1.89 g/t</b>	<b>1.71 g/t</b>	<b>1.60 - 1.80 g/t</b>
Recovery	<b>92%</b>	<b>92%</b>	<b>91 - 92%</b>
Gold Poured (oz) <sup>(1)</sup>	<b>26,015</b>	<b>39,536</b>	<b>24,000 - 26,000</b>
Cash Costs US\$/oz <sup>(2)</sup>	<b>US\$544</b>	- <sup>(3)</sup>	<b>US\$550 - 600</b>

<sup>(1)</sup> Gold poured does not include movements in gold-in-circuit

<sup>(2)</sup> Cash operating costs exclude royalties, exploration and corporate administration expenditure

<sup>(3)</sup> Commercial production declared 1 April 2011



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## OPERATIONS



The Nzema Gold Project achieved commercial production effective 1 April 2011. Commercial production marked the completion of project development, commissioning and operational ramp-up of the mine and processing plant.

Mining in the June 2011 quarter was carried out predominantly at Salman South 1A and 1B pits. Total material mined for the quarter was 1,366,262 tonnes including 730,465 tonnes of ore @ 1.95g/t. The onset of the wet season in May saw mining rates reduce slightly below plan, however, an ore stockpile of 400,000 tonnes has been established which offsets any mining impacted by wether.

The processing plant and infrastructure facilities continue to meet design specifications and are performing well. Plant availability was 93% for the month of June 2011.

Construction of the Salman - Akango bypass road (Phase 1 and Phase 2) has commenced which will provide public access between villages avoiding the open pit mining operations. Work on the Salman North haul road, linking the pits on the Salman trend to the processing plant, also commenced early in the quarter.

Adamus strengthened its onsite team with the appointment during the quarter of Geoff Pollock (Process Manager), Bill Yeo (Geology Manager) and Steve Ofori-Asamoah (Engineering Manager) who bring significant African experience to their respective roles. Ben Garbrah has been seconded from the Nzema exploration team as Senior Exploration Geologist to the exploration program in Liberia.

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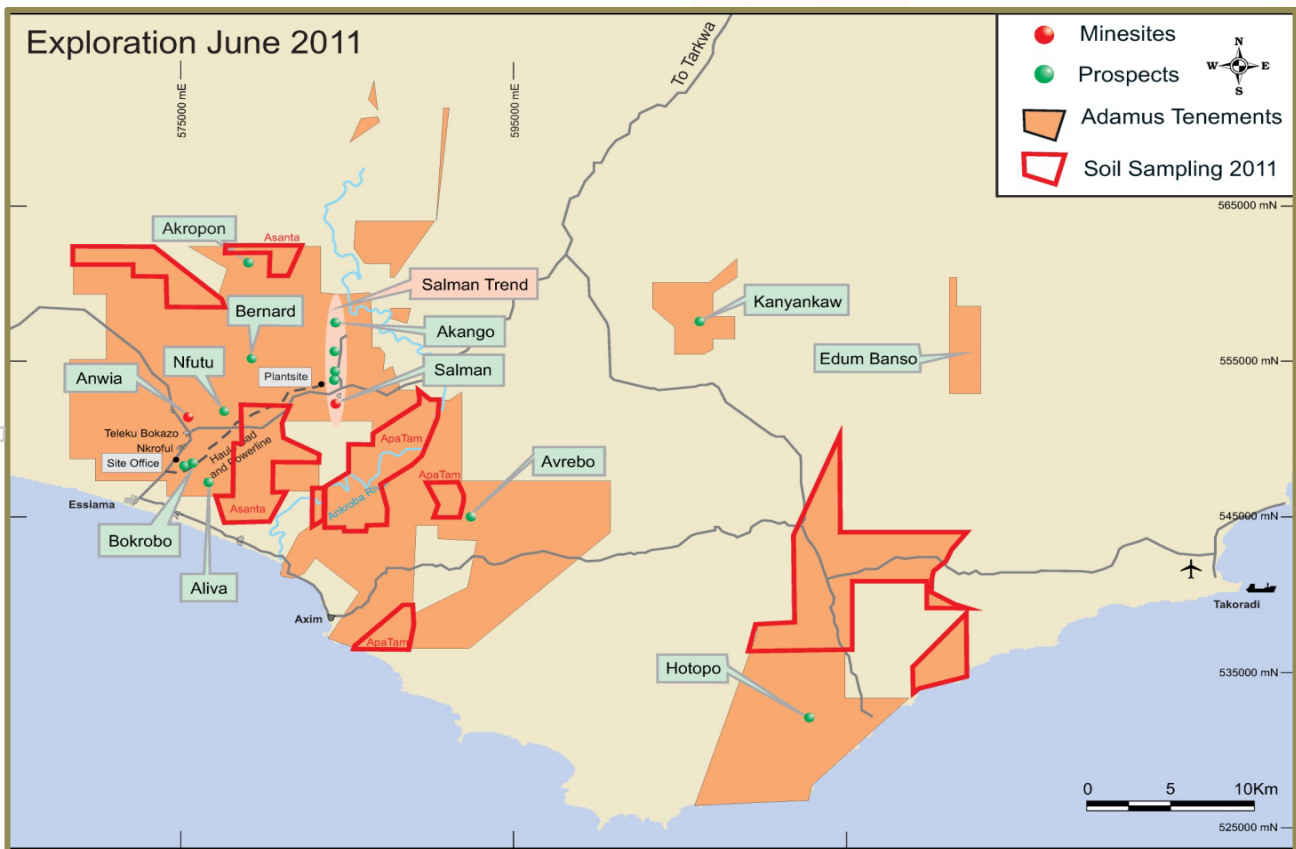
## EXPLORATION

Following successful completion of the Nzema Gold Project process plant construction in January 2011, Adamus announced the expansion of the Company's field exploration team as part of the ongoing objective of growing current mineral resources and ore reserves.

This focus has provided rewards with a number of prospects identified for further development. Some of the highlights of the June 2011 quarter included :

### Ghana

- Reverse circulation (RC) drilling between Salman North and Teberu 01 pits intersected significant mineralisation. Drilling at the southern edge of the Salman North pit intersected mineralised areas not previously considered to be strongly mineralised. This provides additional support for a southern cut back to the pit and illustrates the growth potential of the Nzema project.
- Resource definition drilling is underway at the Nfutu prospect. The current drill program will close the drill spacing with the aim of converting the current inferred mineral resource estimate to Indicated category.
- Fieldwork commenced at the Kanyankaw and Hotopo licences in preparation for upcoming drill programs.





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- New soil anomalies were identified on the Apa Tam prospecting licence with follow-up work in progress.
- A review of previous work at Bokrobo revealed several high priority drill targets. Additional drilling is planned to evaluate the extent of the mineralised structure. Drilling will also target the fractured and veined granite intrusive that could have a significant impact on the mineral resource tonnage and the economics of an open pit.
- RC drilling confirmed the existence of multiple shallow dipping ore zones at the Aliva prospect. This is significant because two parallel ore zones will improve the economics of an open pit operation. Additional drilling is continuing to establish the extent of the new ore zone.
- RC drilling continued near Teberu and Nugget Hill, with the aim of extending the ore zones beyond the boundaries of the currently optimised open pit shells. Extensions to the ore zones between the Teberu and Nugget Hill pits, and between the Teberu and Salman North pits, may allow the pit shells to be amalgamated, improving the strip ratio, ore tonnages and ounces in the pit.
- Three deep diamond holes were completed below the Salman South, Salman Central and Teberu open pits. These holes were targeted to test for extensions to the sulphide ore zones, 100m down dip of any previous drilling. All three holes have intersected sulphidic ore zones, some in excess of 10m true width.



## Liberia

Adamus holds three Mineral Reconnaissance Licences in the Republic of Liberia, West Africa, covering an area of 3,107km<sup>2</sup>. At present there is very little gold production in Liberia, and Adamus – with over 3,000 km<sup>2</sup> – is one of the largest land holders.

The Company has three initial target areas : Fasama, Bopolu and Mambo, all located in the highly prospective Archaean belt north of the capital Monrovia in western Liberia. The southernmost licence is adjacent to Aureus Mining's 1.5Moz Au mineral resource at New Liberty.

The current work plan includes field programs of data compilation, community consultation and access assessment, leading to stream sediment and soil sampling, geological mapping and rock chip sampling. First pass reconnaissance work commenced in June 2011.

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## COMMUNITY SOCIAL RESPONSIBILITY



Consistent with Adamus' approach to community relations, a quarterly Stakeholder Meeting was held in June 2011. These meetings include representatives of the Company, community and government.

Monthly community employment meetings are also conducted.



Good progress continues to be made with the construction of the new Salman Village with all community buildings completed during the quarter. The focus has now shifted towards the completion of residential housing with all foundations poured prior to the onset of the wet season. Many homes have walls at lintel level with a number at roofing stage. The Company is targeting completion of the resettlement in the December quarter 2011.

Hydraform brick fabrication nears finalisation in line with mid-year target.

Adamus' partnership with The Humanity Exchange, who provides volunteer abroad programs in developing countries around the world, commenced during the quarter with the first volunteers arriving in Ghana. By providing logistical support, Adamus enables volunteers from around the world to participate in skill sharing activities in our operational area.

In August 2011, a team of physicians, nurses, health educators and students will arrive to conduct medical clinics in Teleku Bokazo, Anwia and Nkroful. Additionally volunteers will teach supplementary summer school programs.

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## FINANCE & CORPORATE

Gold sold in the June 2011 quarter was 25,826 ounces, at an average realised gold price of US\$1,271 per ounce. Cash at bank as at 30 June 2011 was A\$20.6M.

All obligations under the Company's loan agreement were met during the quarter, and 14,113oz of gold was delivered to the hedge. US\$5M remains available for drawdown under the project debt finance facility.

Adamus welcomed a delegation from the Australian Parliamentary Joint Committee on Foreign Affairs, Defence and Trade at the Nzema Gold Project on 13 April 2011. The eight-member delegation led by the Hon. Joel Fitzgibbon MP highlights Australia's growing engagement with Ghana. The trip made a positive impression on the visitors.



"We saw an operation utilizing the latest in technology including environmental technology and we were impressed with their operations," said Mr Fitzgibbon. "Adamus has done very well in Ghana and we were particularly impressed with the way in which the Company has ensured that the local community is properly consulted, remains a partner and is benefiting from the project." Other delegation members also expressed their strong support of private sector investment for development.

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## OUTLOOK

### DELIVERING AGAINST TARGETS



The Company's focus in the June 2011 quarter has been to achieve targeted head grades, plant availability and throughput rates, to bring about steady state operations and realize initial gold production within the forecast cash costs range.

This has been a breakthrough quarter in Adamus' strategy of building a profitable and sustainable gold operation.

Detailed grade control drilling and production reconciliation information obtained from mining to date is consistent with the overall ore reserve and mineral resource model, and confirms the grade and tonnage estimates used in the feasibility study.

The operations focus in the September 2011 quarter will be to continue to improve and optimise plant performance, improve daily mine extraction rates and ore grade mined. Cost management will also continue to be a focus across the business.

The Company's principal strategies continue to be :

- **Deliver on production guidance 2011/12**
  - 2012 financial year consolidated gold production is forecast to be between 100,000 and 105,000 ounces of gold at a grade of 1.65 - 1.75 g/t Au.
  - Cash costs for the 2012 financial year expected to be between US\$550 - 600/oz, marginally higher than achieved to date due to price increases in fuel and operating consumables.
- **Improve geological knowledge and develop project pipeline**
  - Adamus has explored only a small percentage of its 665km<sup>2</sup> project area on Ghana's Southern Ashanti Belt. Significant potential exists for additional shallow free milling oxide mineral resources. Exploration will seek to increase project resource base.
  - The Salman project area (in particular) has the potential to expand on the existing sulphide mineral resource and to develop a parallel processing stream. A conceptual economic mineralisation sulphide study is underway by AMEC with results due in the September quarter 2011.
  - First pass work has commenced at Adamus' three Mineral Reconnaissance Licences in the Republic of Liberia which cover an area of 3,107km<sup>2</sup>. Exploration activity will be ongoing during the 2012 financial year.
- **Seek inorganic growth opportunities**
  - Investigate opportunities as and when they present.

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### **About Adamus**

*Adamus Resources Limited is gold producer, listed on the Australian Securities Exchange (ASX), TSX Venture Exchange (TSX-V) and Frankfurt Stock Exchange Open Market (FSE).*

*The Company's primary focus is on expanding the economic potential of the Nzema Gold Project in Ghana, West Africa and exploring concessions in Liberia, West Africa. First gold production was achieved in January 2011. The Nzema Project encompasses approximately 665km<sup>2</sup> of tenure in the Ashanti Gold Belt in Ghana - host to over 100moz of gold - and the project boasts excellent access to port and road infrastructure. Ghana is a stable West African country with a long history and some of the world's largest gold mining operations. Gold production is vital to the national economy. Members of the Adamus Board and management team have proven records in mineral exploration, project development and project financing.*

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**Corporate Directory**

Adamus Resources Limited  
ABN : 80 094 543 389

**Board of Directors**

Peter Rowe	Chairman
Mark Connelly	Executive Director
Dr Antony Harwood	Non-Executive Director
Martin Reed	Non-Executive Director
Peter Tredger	Non-Executive Director

**Executive Team - Perth**

Mark Connelly	Managing Director & CEO
Martin Bennett	GM Exploration & Business Dev
Ian Cunningham	Company Secretary
Richard Hill	GM Finance & Administration

**Executive Team - Ghana**

Mark Addo	Director Corporate Affairs & Business Dev
Adriaan (Attie) Roux	General Manager Ghana

**Registered Office**

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**Caution Regarding Forward Looking Information**

Certain statements included in this announcement constitute forward-looking information, including, among other things, statements regarding forecasted gold production, and expected cash costs. Forward-looking information is based upon a number of estimates and assumptions made by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable by the Company, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Investors are cautioned that forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise

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# 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

Adamus Resources Limited

ABN

80 094 543 389

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	30,874	30,874
1.2 Payments for (a) exploration & evaluation	(2,250)	(5,239)
(b) development	(10,187)	(84,300)
(c) production	(14,240)	(14,240)
(d) administration	(808)	(5,204)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	224	507
1.5 Interest and other costs of finance paid	(1,059)	(2,013)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- Inventory	(1,138)	(4,562)
- Other income	5	8
<b>Net Operating Cash Flows</b>	<b>1,421</b>	<b>(84,169)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,162)	(1,162)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1,162)</b>	<b>(1,162)</b>
1.13 Total operating and investing cash flows (carried forward)	259	(85,331)

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

1.13	Total operating and investing cash flows (brought forward)	259	(85,331)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	31,504
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	55,871
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material):		
	Capital raising fees	-	(1,611)
	Debt financing & other raising costs	-	(2,688)
	<b>Net financing cash flows</b>	-	83,076
	<b>Net increase (decrease) in cash held</b>	259	(2,255)
1.20	Cash at beginning of quarter/year to date	20,569	23,012
1.21	Exchange rate adjustments to item 1.20	(195)	(124)
1.22	<b>Cash at end of quarter</b>	20,633	20,633

**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	168
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**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

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### 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 <sup>(1)(2)</sup>	66,114	55,871
3.2 Credit standby arrangements		

(1) Adamus holds a credit approved offer from Macquarie Bank Limited to provide debt (US\$65million) and Environmental Bonding (US\$6 million) facilities (the Facility) for the development of the Nzema Gold Operations Project.

(2) AUD/USD exchange rate used 1.0739

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,409
4.2 Development <sup>(3)</sup>	8,641
4.3 Production	16,615
4.4 Administration	1,149
<b>Total</b>	<b>28,814</b>

(3) Includes village resettlements, land compensation, roads and related infrastructure

### 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	8,413	6,087
5.2 Deposits at call	12,220	14,482
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>20,633</b>	<b>20,569</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

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

6.2 Interests in mining tenements acquired or increased

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	450,679,191	450,679,191		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,375,000	2,375,000	nil	nil
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	<u>Options</u> 400,000 150,000 <u>Performance Share Rights</u> 2,600,000		<i>Exercise price</i> <u>Options</u> 30 cents 50 cents <u>Performance Share Rights</u> Nil	<i>Expiry date</i> <u>Options</u> 31 January 2012 30 June 2012 <u>Performance Share Rights</u> 30 December 2015
7.8 Issued during quarter			<i>Exercise price</i>	<i>Exercise date</i>
7.9 Exercised during quarter	<u>Performance Share Rights</u> 2,375,000		<u>Performance Share Rights</u> Nil	<u>Performance Share Rights</u> 30 December 2015

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

## 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: 28 July 2011  
Company secretary

Print name: Ian Cunningham

## 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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