QUARTERLY REPORT

for the three months ending 30 June 2011

HIGHLIGHTS

SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)

- **Definitive Feasibility Study ("DFS") nears completion**
- **Bonanza grade gold discovered at Tambang Tinggi gold / copper prospect**

  TTDD010: 10m @ 39.2 g/t Au from 18m including 2m @ 193 g/t Au from 20m

  TTDD006: 30m @ 3.90 g/t Au from 104m including 12m @ 8.60 g/t Au from 122m
- **High grade gold results at Sihayo deposit**

  SHDD506: 17m @ 6.5 g/t Au from 252m and 3m @ 7.6 g/t Au from 302m
- **Regional exploration work at Hutabargot Julu epithermal gold prospect has significantly expanded the mineralisation potential**
- **New copper / gold skarn prospect discovered at Huta Pungkut**
- **Airborne magnetic and radiometric survey confirmed significant areas of interest across the Contract of Work ("COW")**
- **Temporary disruption at the Sihayo exploration camp caused by local demonstrators**

CORPORATE

- **Company ended the June Quarter with A$13.5 million in cash and is debt free**
- **Company completed capital raising of A$15 million on 15 April 2011**

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REVIEW OF OPERATIONS

1. Definitive Feasibility Study ("DFS")

The DFS capital cost estimates are now 98% complete and the operating costs (per tonne of ore basis) are 97% complete. All capital and operating cost estimates have been completed to the required DFS level of accuracy of +/- 10%.

The following key parameters provide a high level summary of the DFS outcomes to date:

- Capital cost of US$80.4 million plus 10% contingency allowance
- Standard Carbon In Leach ("CIL") processing plant with 1.25Mtpa capacity
- Life of Mine ("LOM") average tonnes processed of 1.2Mtpa
- LOM average gold production of 72,000ozpa
- Estimated mine life of 7.2 years
- LOM average strip ratio of 5.4:1
- LOM average gold process recoveries of 70% - 72%
- LOM average cash operating costs (including royalties, excluding corporate) of US$45.40 per tonne of ore processed or US$752/oz gold produced (power costs based on diesel generation using Tapis oil reference price US$115/bbl)

The key components of the capital cost estimate of US$80.4 million are:

- Owners cost to first gold pour: US$10.2 million
- 1.25Mtpa CIL Processing Plant: US$24.2 million
- Infrastructure & Services: US$39.4 million
- EPCM contract: US$6.6 million

The key components of the forecast LOM average cash operating costs are:

- Mining costs: US$20.22 per tonne of ore processed
- Processing costs: US$20.77 per tonne of ore processed
- Total mine admin plus royalties: US$4.41 per tonne of ore processed

Current forecast cash operating costs are above the LOM average in the initial years of operation reflecting the combined impact of below average head grades and the flat 70% - 72% gold process recovery factor currently being estimated of the projected mine life.

The remaining work to fully complete the DFS is focused on the gold process recoveries on a year-by-year basis. Whilst this additional work does not impact capital costs or cash operating costs on a per tonne basis, it does potentially have a significant impact on the derived cash operating costs per ounce of production.

The primary benefit of this additional process recovery work relates to the improved predictability of gold recoveries throughout the entire mine life.

There are a number of key areas where the results projected in the DFS to date can potentially be improved:

Mine life estimate – The current mine life estimate does not include any Inferred Resources. Planned infill drilling at the Sambung deposit is likely to contribute to an increase in overall Indicated Resources and mine life. In addition, drilling along the strike from the current Sihayo pit, to the northwest and southeast, has highlighted potential to substantially increase overall resources.

Higher throughput potential - Further infill drilling at the Sambung deposit and drilling along the strike from the current resource boundary may provide scope to increase the throughput rate of the plant beyond the current 1.25mtpa rate. As drilling is completed, pit optimisation and mine scheduling will be reviewed to ascertain the potential economic benefits of an increase in plant capacity.

Gold process recoveries – Actual metallurgical test work recoveries of 85% - 95% have been achieved within sections of the more highly oxidised shallow mineralisation at Sihayo. However, based on the existing ore classification parameters any benefit from above average recoveries in the early years of operation has not been defined. The additional process recovery work may determine that recoveries above the 70% - 72% average are achievable in the early years of operation, however this will only be validated when the additional work is completed.

Power costs – Current operating cost estimates reflect the sole use of diesel generated power across the operation. At current Tapis oil prices of US$115/bbl, power costs are significantly impacted. Work continues on a seperate feasibility study for a dedicated hydro power plant of approximately 6MW - 8MW capacity. If the feasibility study is successful this would have a significant positive impact on operating costs in the future. Estimated hydro power costs are approximately 50% lower than current diesel power costs. The feasibility study is forecast to be complete by October 2011.

The focus of work over the next quarter is to complete the outstanding metallurgical recovery work.

2. Sihayo Pungkut Gold Project

Following the previously announced upgraded JORC compliant resource estimate of **15.7Mt at 2.8g/t containing 1,402,000 ounces** in late March**,** activities for the June quarter were designed to further extend the known resource boundaries of the Sihayo deposit and to commence infill drilling at the Sambung deposit with the aim of upgrading that resource from Inferred to Indicated status.

Table 1 below summarises significant results for drill holes SHDD505 to SHDD514, which included high grade intersections at depth in **SHDD506: 17m @ 6.5 g/t Au from 252m and 3m @ 7.6 g/t Au from 302m**.

Unfortunately activity levels were impacted by social issues during the quarter.

On Sunday 29th May, a group of local demonstrators, believed to be supported by the representatives of illegal artisanal miners from the region, arrived and disrupted Sihayo's exploration camp.

The demonstrators caused significant damage to the Company's exploration camp.

Police reports received by the Company, confirmed that a significant number of demonstrators have been arrested and detained (awaiting prosecution) over the damage to the exploration camp.

The swift action of the police has sent a very clear message to the broader community and specifically those associated with the illegal artisinal miners, that unlawful actions will not be tolerated and those people responsible for such actions will be held accountable.

To facilitate an efficient re-build of the exploration camp, the Company has recently secured the short term lease of a Bell 206 Longranger helicopter.

With drilling activities expected to resume in September, the initial focus will be infill drilling at both Sihayo and Sambung deposits. At the completion of the infill drilling program, focus will shift to continued resource extension and exploration drilling along strike of the two deposits.

Figure 1 below shows the Sihayo and Sambung resources and highlights the potential resource extensions to the northwest and southeast of the Sihayo deposit.

3. Regional Exploration

Despite activities being impacted at the Sihayo deposit during the quarter, regional activities continued uninterrupted throughout the quarter.

Drilling continued at the Tambang Tinggi gold copper prospect, pre-drilling exploration work continued at the exciting Hutabargot Julu epithermal gold prospect (located only 8km from the Sihayo deposit) and work commenced at a new area, the Huta Pungkut gold copper skarn prospect which is located along trend from Tambang Tinggi.

Tambang Tinggi gold / copper prospect

The highlight of the quarter was the high grade gold results achieved in holes TTDD010 and TTDD060.

TTDD010: 10m @ 39.2 g/t Au from 18m including 2m @ 193 g/t Au from 20m

TTDD006: 30m @ 3.90 g/t Au from 104m including 12m @ 8.60 g/t Au from 122m

Exploration drilling within the Tambang Tinggi region has been planned in two phases; firstly, the drilling of four near surface gold prospects and secondly, the drilling of deeper potential copper / gold mineralisation targets.

The Tambang Tinggi region is underlain by intercalated andesitic volcanics and limestone. Younger dacitic volcanics and sandy conglomerates overlie the andesite / limestone sequence. A hornblende diorite, weakly to moderately magnetic, has intruded the andesite / limestone sequence. Quartz diorite has later intruded the hornblende diorite in interpreted favourable structural settings. Macro structural features of the Tambang Tinggi region are controlled by the deep seated Trans Sumatran Fault System. Figure 2 below is a surface plan of the Tambang Tinggi Region.

The intial results of the first nine holes of the new drilling program at the Tambang Tinggi prospect have been encouraging. Gold mineralisation is related to quartz-pyrite±chalcopyrite stockwork veining within a broad quartz-sericite-tourmaline-pyrite±chalcopyrite alteration (phyllic alteration) zone.

Figures 3 and 4 below show the current drilling plan and a cross section of the Tambang Tinggi drilling to date.

The current Tambang Tinggi drilling plan is to complete two diamond drill holes at the Tambang Bawah prospect and then begin scout drilling at the Tambang Ailul prospect.

Tambang Ailul is potentially an extension of the Tambang Tinggi mineralisation. Field inspection at Tambang Ailul (refer figures 2 and 3) demonstrated that mineralisation and alteration is the same style as Tambang Tinggi and suggests a potential strike length of approximately 850m of gold stockwork veining, which requires significant drill testing.

Tambang Tinggi phyllic alteration is similar in style to known phyllic alteration zones adjacent to a number of significant porphyry copper-gold deposits. Notably, highly anomalous Cu was intersected in drill holes TTDD008 and TTDD011:

TTDD008 63m @ 0.55 g/t Au and 0.09% Cu from 196m including 27m @ 0.39 g/t Au and 0.12% Cu from 232m (Note: No cut off or dilution factored in gold calculation)

TTDD011 46m @ 0.35 g/t Au and 0.13 % Cu from 116m including 18m @ 0.52 g/t Au and 0.09% Cu from 116m (Note: No cut off or dilution factored in gold calculation)

These highly anomalous copper results indicate that copper mineralisation is stronger at depth, which is consistent with the interpretation of an underlying Porphyry Copper-Gold system.

A deeper capacity rig will be required to properly explore the porphyry copper potential and this will be scheduled for later in the year.

Hutabargot Julu epithermal gold prospect

Exploration work during the quarter included mapping, soils and rock chip sampling.

The work program has significantly expanded the known mineralisation potential of the prospect to the north, east and west (refer figure 5 and 6 below).

New mineralised vein systems have been discovered to the east (Fault vein) and to the north (Kaporas prospect). Soil and IP programs will be extended to the north and west to cover the expanding anomalous zones.

The Kaporas soil gold anomaly is approximately 1 x 1 km sq and open to the north and under cover to the east. The anomaly is consstent with a broad area of magnetite destruction (alteration) and represents a high priority target for bulk tonnage gold potential.

A second anomaly located in the northwest of the current grid (500 x 500 m sq) is open to the north and west and is consistent with a mapped granodiorite intrusive.

Gold mineralisation at Hutabargot Julu is hosted in epitheral veins and structures within a north-south trending belt of dacitic volcanics. The mineralised vein systems are covered to the south by post-mineral acidic (dacite-rhyolite) flows and pyroclastics and to the east by quaternary alluvium.

An initial drilling plan comprising 7 holes (approximately 2,100m) has been prepared for the Saharan vein system (refer figure 6 below) targeting down-dip extensions of the vein at the 200mRL level.

A further 16 – 20 holes (approximately 4,000m) has been planned or the Sunday – Fault vein systems to test the coincident soil, IP and geology anomalies.

Plans for drilling the Kaporas prospect will be finalised when all soil and IP results are returned.

Hutabargot Julu is a high priority for further exploration and potential discovery of both high grade – low tonnage gold deposits and bulk tonnage – low grade gold deposits.

Drilling is expected to commence in the December quarter.

Huta Pungkut gold and copper skarn

This new area is located 5km northwest and along trend of Tambang Tinggi. Refer figure 7 and 8 below.

The area was identified from the regional stream geochemistry survey and confirmed by the recent aeromagnetic survey. The area comprises a broad zone (5.1 km strike length) of strong stream sediment gold anomalism (>10 ppb Au in 30 mesh BLEG). The prospect area is the most geochemically anomalous region within the COW with all drainages sampled along the trend returning anomalous values. The anomalous stream sediments appear to have a close relationship to magnetic anomalies suggestive of skarn type mineralisation.

The area presently has been divided into 3 prospects (Red Hill, Crown Hill and Blue Ridge) identified in reconnaissance exploration associated with small scale mining activity and possible vegetation anomalies similar to that at Tambang Tinggi.

Gold and copper skarn style mineralisation is hosted in limestones intruded by porphyry and the Mauri Sipongi granite.

A fly camp has been established in the Red Hill area to facilitate geological mapping and soil sampling on a 100m nort-south grid with samples at 50m spacings. **Initial rock chip sampling of the skarn alteration zones has returned values as high as 30 g/t Au and 5% Cu.**

Field work will be ongoing during the September quarter.

Airborne Magnetic Survey

The aeromagnetic survey of the COW – North and South blocks, has been completed.

The surveys, flown by GPX Surveys Pty Ltd, of Perth, Western Australia, used 200m line spacings (flown east-west), closing to 50m spacings over areas of higher interest. The nominal flying height was 80 metres.

The magnetics for the North block has been effective in highlighting known prospects and identifying new opportunities. The survey highlights the dominant northwest trend of the geology and structure related to the Sumatran fault system. The most obvious anomalies appear to be:

- Arcuate linear highs enveloping broad lows reflective of potential skarn mineralisationrelated to porphyritic intrusions into enclosing sediments and / or volcanics;
- Broad zones of "flat" magnetic signature possibly reflective of magnetite destruction (alteration of magnetite to clay) related to porphyry intrusive activity.

The magnetics of the South block are dominated by a west-northwest trending magnetic complex near the centre of the survey area and a similar complex zone of magnetic highs on the northern edge of the survey that has a general northwest trend (Huta Pungkut area). The northern magnetic anomaly is directly coincident with the strong gold geochemistry of the Huta Pungkut area and further confirms this as a priority target for skarn hosted mineralisation.

As with the North block, the South block survey was effective in highlighting known prospects and identifying new targets.

Figures 9, 10, 11 and 12 below give an overview of the survey and key areas of interest.

2.0 Malawi (Uranium) ***100%***

No exploration activities were carried out during the Quarter.

3.0 India (Diamonds) ***9%***

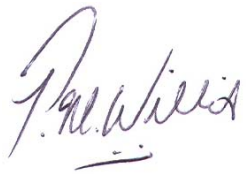
No progress has been made during the Quarter in resolving the legal status of the diamond tenements in India.

4.0 Corporate Activities

The Company is pleased to advise that it completed the placement of 75 million fully paid ordinary shares ("shares") at $0.20 per share to raise $15 million before costs pursuant to the placement announced on 14 April 2011 and completion announcement on 15 April 2011.

The placement bookbuild was heavily oversubscribed and closed with strong demand from both existing and a number of new institutional and sophisticated investors.

Yours faithfully,
SIHAYO GOLD LIMITED



Paul Willis
Chief Executive Officer
29th July 2011

Competent Persons Statements

Sihayo Gold Limited: *The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Graham Petersen (BSc.Geol) who is a full time employee of PT Sorikmas Mining(75% owned subsidiary of Sihayo Gold Limited), and is a Member of the AusIMM. Mr Petersen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Petersen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Runge Limited: *The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Robert Williams BSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Modelling: *The Sihayo deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade for the lower grade upper weathered zone, and 1.0g/t Au in the deeper higher grade zones. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m. Statistical analysis of the deposit determined that no high grade cuts were required in the estimate. Grades were estimated using Ordinary Kriging. Bulk density was assigned in the model based upon the results of 4,629 bulk density determinations.*

Note

All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.

Table 1: Summary of gold intercepts (1 g/t Au and above) at Sihayo in SHDD505 to SHDD512

HOLE ID	EAST UTM	NORTH UTM	RL (m ASL)	AZI	DIP	MAX DEPTH	FROM	TO	INTERCEPT (M)	Au g/t
SHDD505	548135.9	102086.1	1142.5	220	-70	175.05	113	115	2	1.95
							140	142	2	3.01
SHDD506	548376.6	102380.4	1194.8	220	-80	324.25	195	196	1	2.54
							244	246	2	1.76
							252	269	17	6.54
							302	305	3	7.62
SHDD507	548223.6	102187.4	1174.4	220	-70	253.3	251	252	1	3.17
SHDD508	548473	101761	1140.5	0	-90	212.15	152	154	2	1.93
							159	161	2	1.34
SHDD509	548373.1	101650.4	1141.9	220	-60	89	55	56	1	1.1
							67	68	1	1.43
SHDD510	548045.6	102054	1131.6	0	-90	160.5	108	122	14	1.15
							128	131	3	1.49
SHDD512	548373.2	101650.8	1142.0	0	-90	90.45	63	65	2	1.74
							68	70	2	2.44
SHDD514	548406.9	102419.1	1196.1	0	-90	281.1	198	200	2	1.85
							258	259	1	1.08

Notes

1. *All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta*
2. *Lower cut of 1.0ppm Au used*
3. *A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection*
4. *All interval grades were calculated as a weighted average*
5. *All intervals reported as down hole lengths*
6. *Sampling regime as quarter core for PQ and half core for NQ and HQ diameter core*
7. *Quality Assurance and Quality Control (QAQC):*
8. *Coordinates in UTM grid system*

Figure 1: Sihayo and Sambung Resources

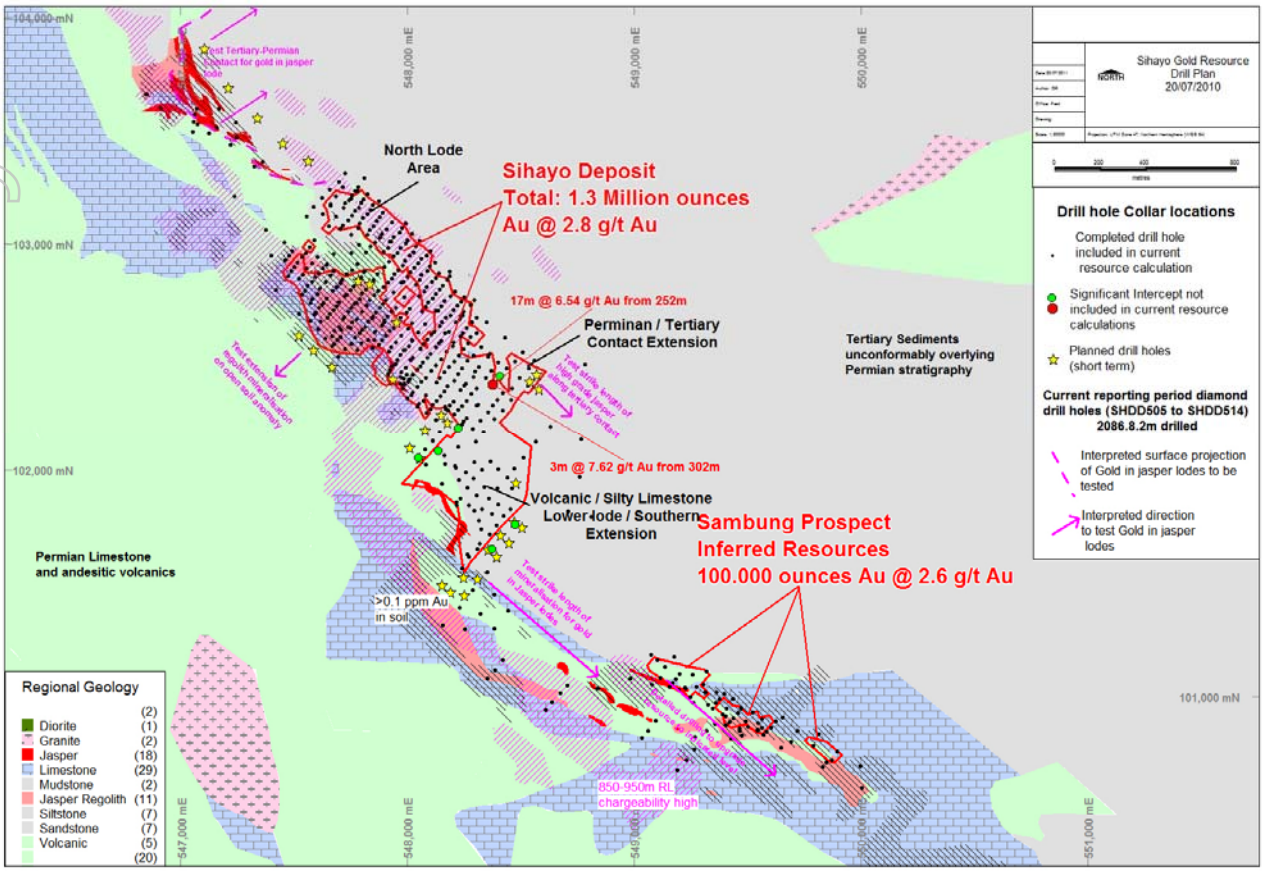


Table 2: Summary of gold intercepts (1 g/t Au and above) at Tambang Tinggi in TTDD006 to TTDD014

Hole ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth	From	To	Intercept (m)	Au g/t
TTDD006	67476.37	592004.7	1008.1	20	-60	174.75	24	26	2	1.81
TTDD006							36	48	12	1.86
TTDD006							104	134	30	3.9
TTDD007	67495.79	591960.9	993.59	20	-60	154.2	2	8	6	1.15
TTDD007							68	70	2	5.78
TTDD007							106	120	14	1.21
TTDD008	67495.5	591960.8	993.7	20	-75	259.35	2	10	8	1.22
TTDD008							182	186	4	9.25
TTDD008							196	200	4	1.32
TTDD009	67496.07	591961	993.63	20	-45	115.9	0	16	16	1.63
TTDD009							58	60	2	4.25
TTDD009							82	84	2	6.93
TTDD009							94	96	2	4.9
TTDD010	67494.14	591960.3	993.52	200	-60	91	4	6	2	0.62
TTDD010							18	28	10	39.24
TTDD010							42	44	2	1.06
TTDD010							56	58	2	3.91
TTDD011	67475.78	592004.8	1008.07	20	-80	226.1	10	12	2	1.35
TTDD011							24	30	6	1.04
TTDD011							54	66	12	1.67
TTDD011							98	106	8	1.12
TTDD011							208	214	6	3.94
TTDD012	67579	592102	996	200	-60	285.55	64	66	2	2.24
TTDD012							158	161	3	1.49
TTDD014	67434	591989	985	60	-50	247.6	136	138	2	4.19
TTDD014							150	152	2	1.23

Figure 2: Tambang Tinggi surface plan

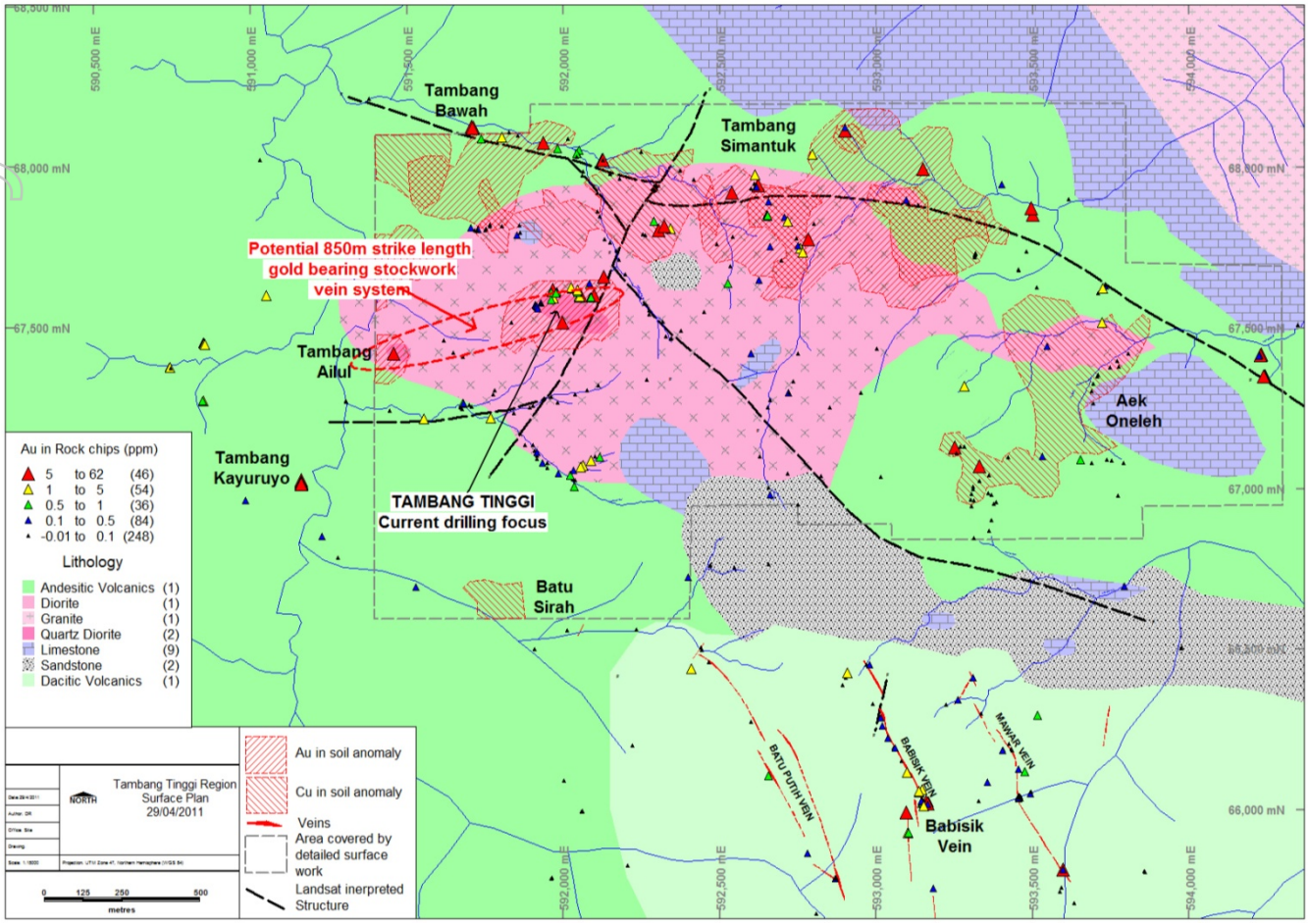


Figure 3: Tambang Tinggi Drill Plan

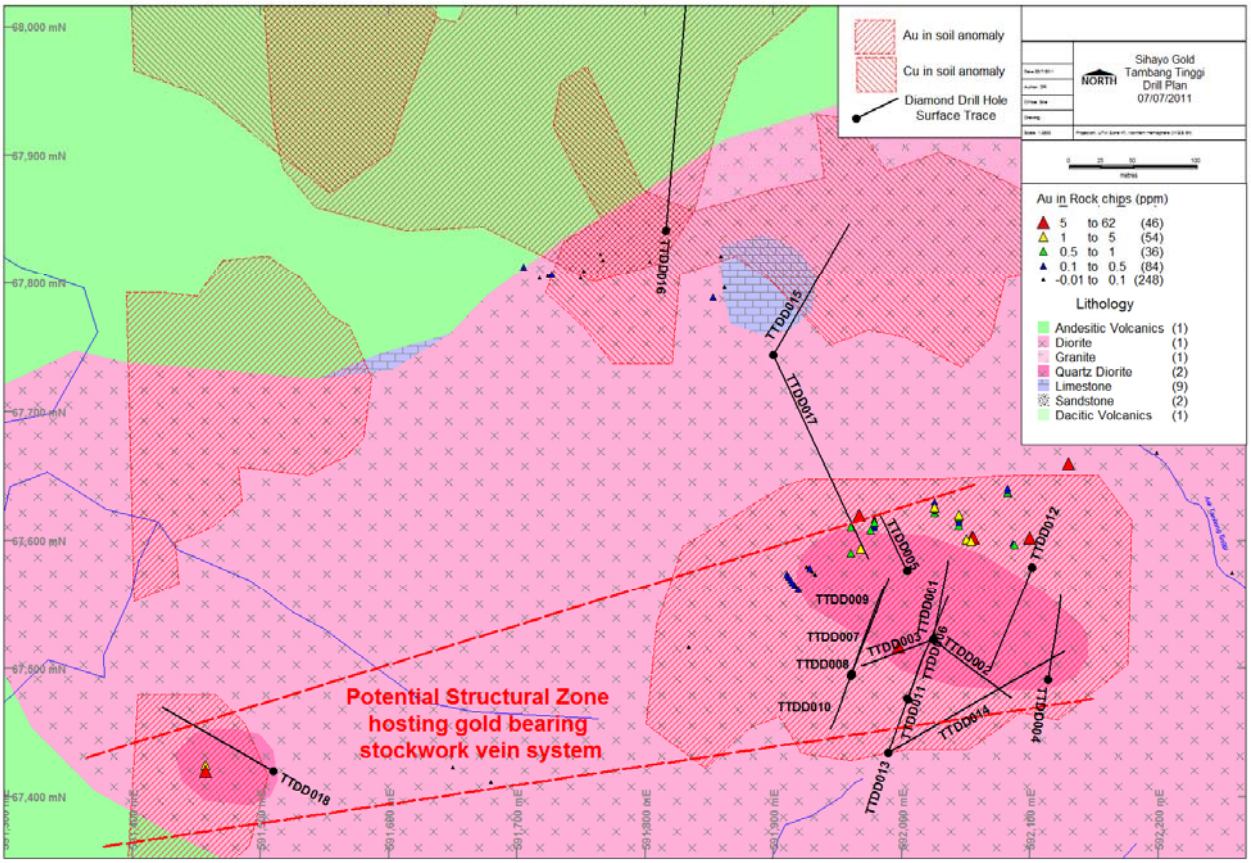


Figure 4: Tambang Tinggi cross section

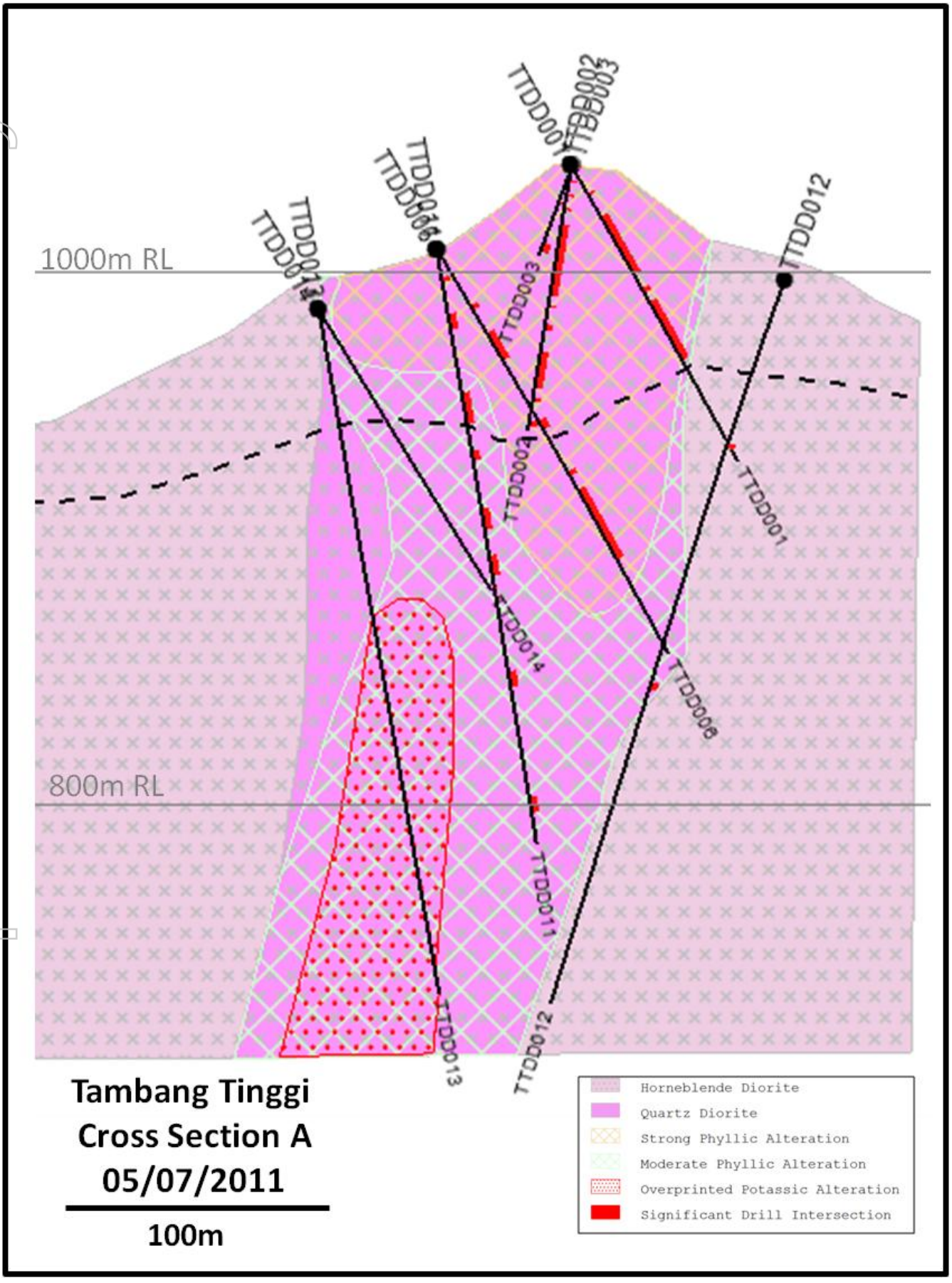


Figure 5: Hutabargot Julu surface plan

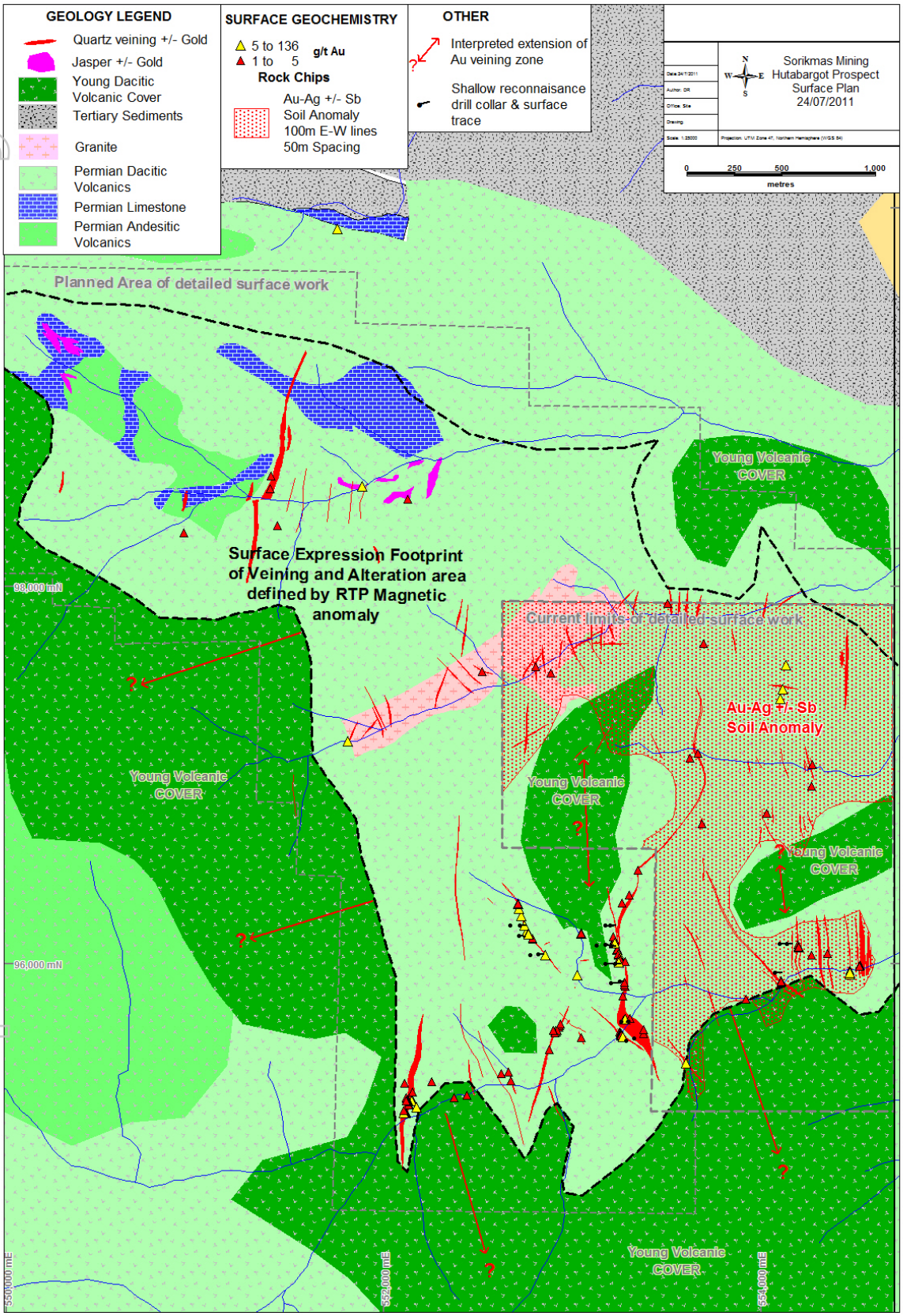


Figure 6: Hutabargot gold soil anomaly and proposed exploration drilling plan

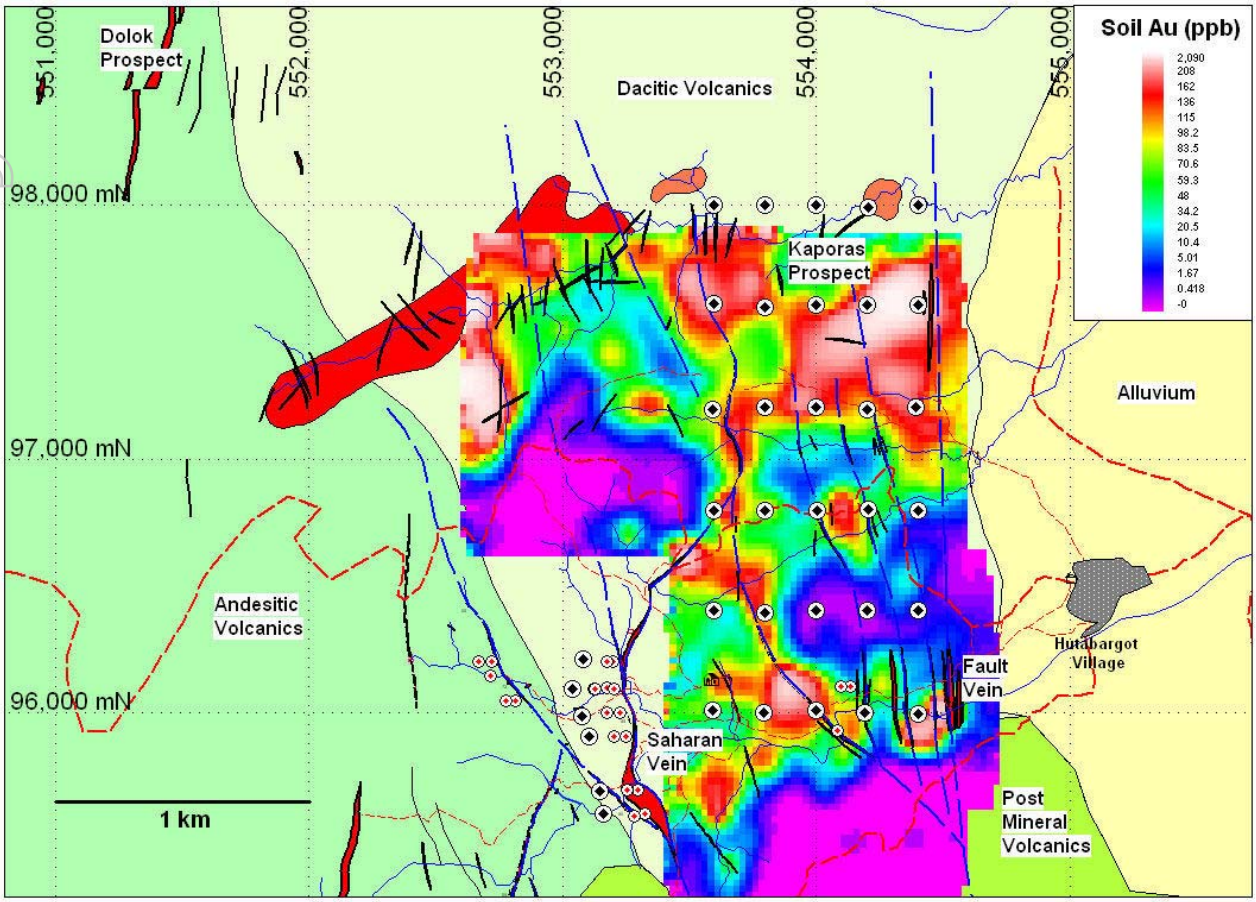


Figure 7: Regional Exploration Targets across the COW

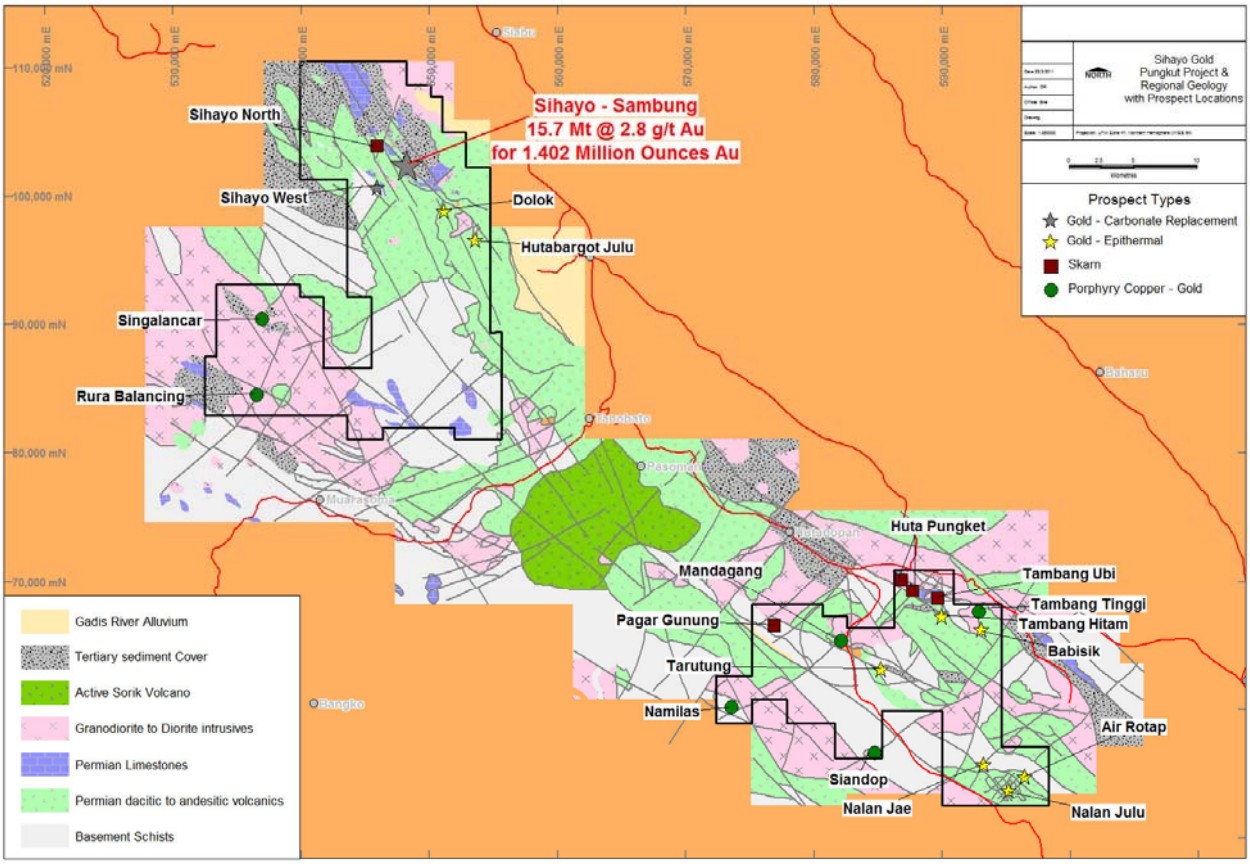
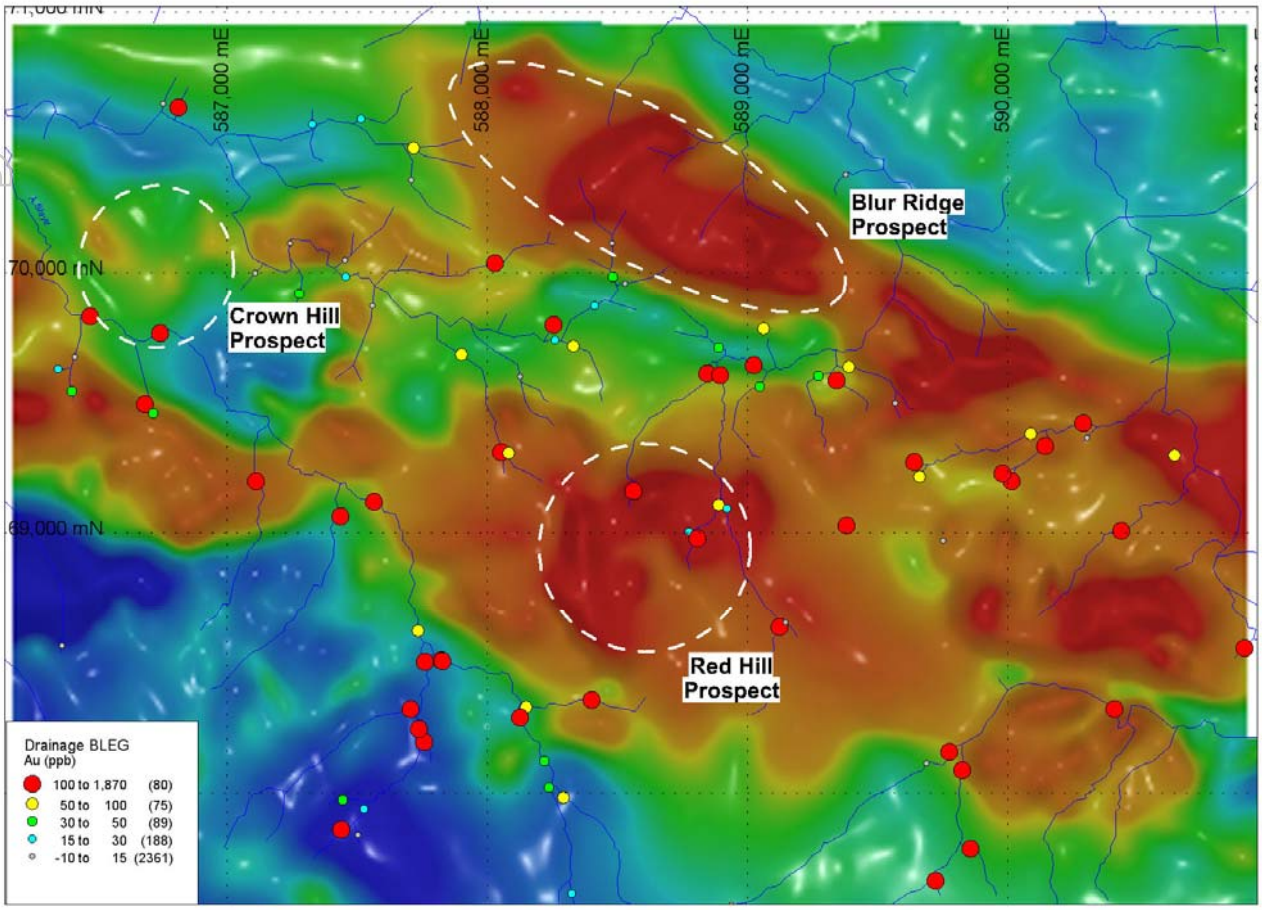
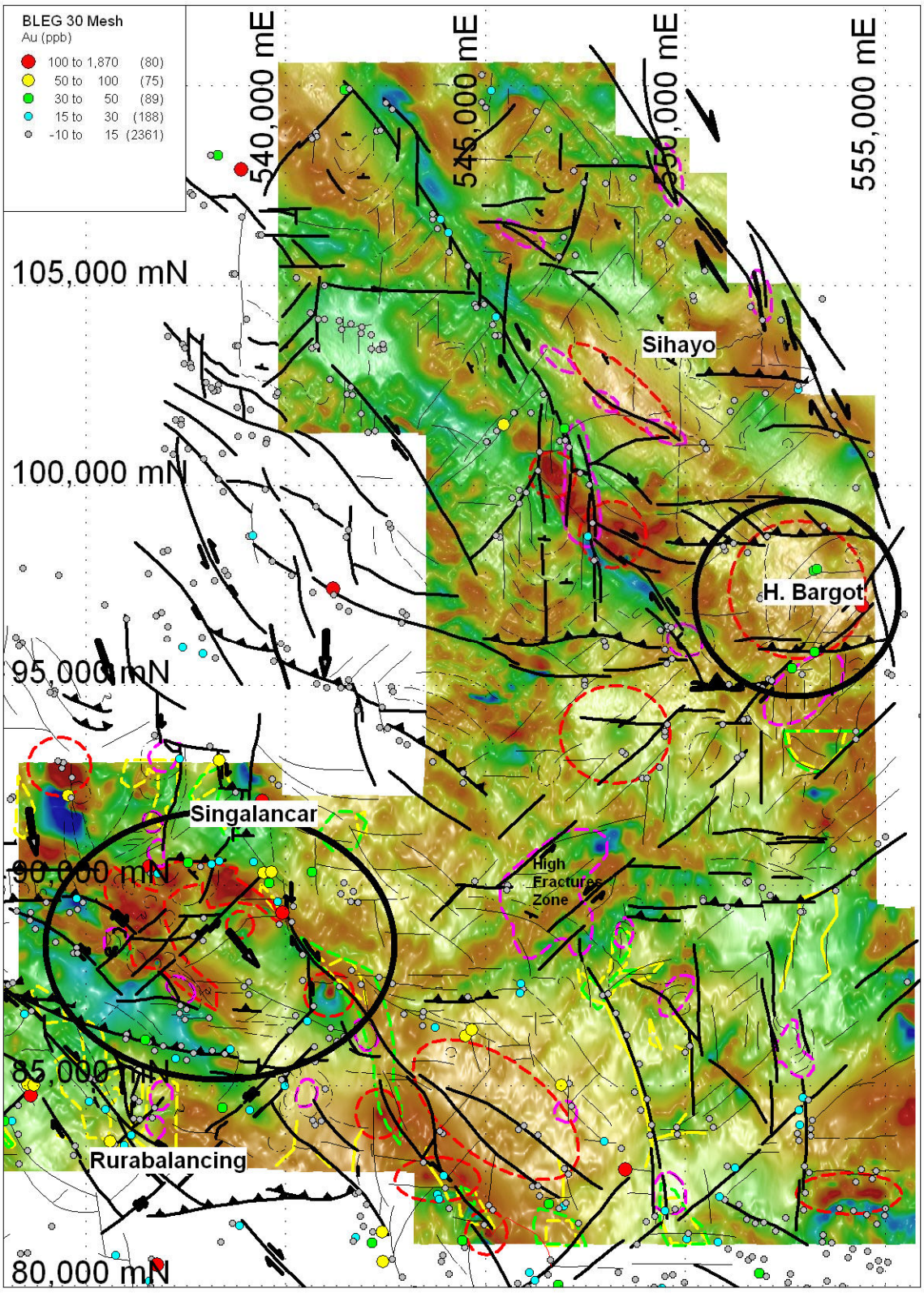
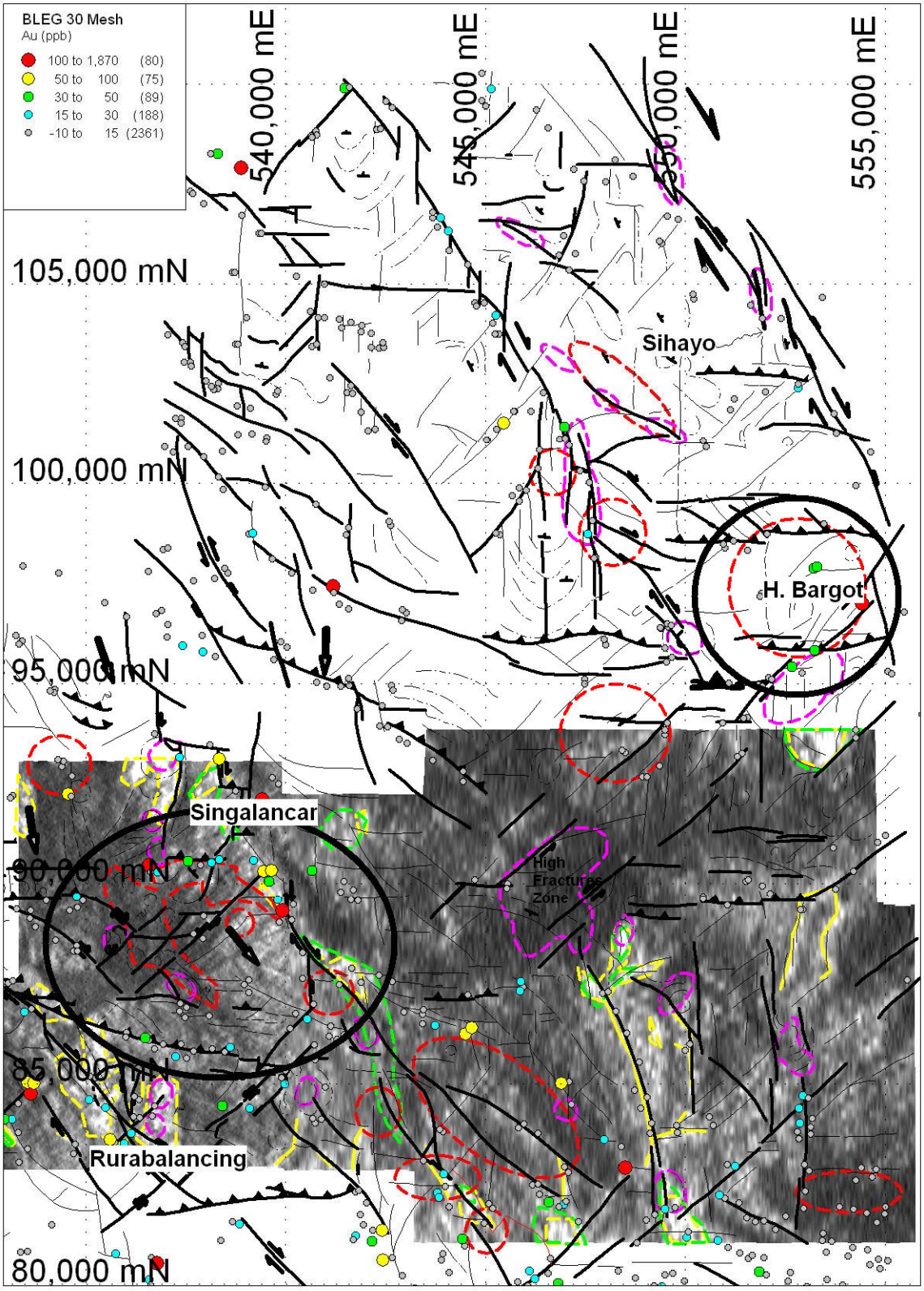


Figure 8: Huta Pungkut area – aeromagnetic image (reduced to pole) with drainage BLEG geochemistry

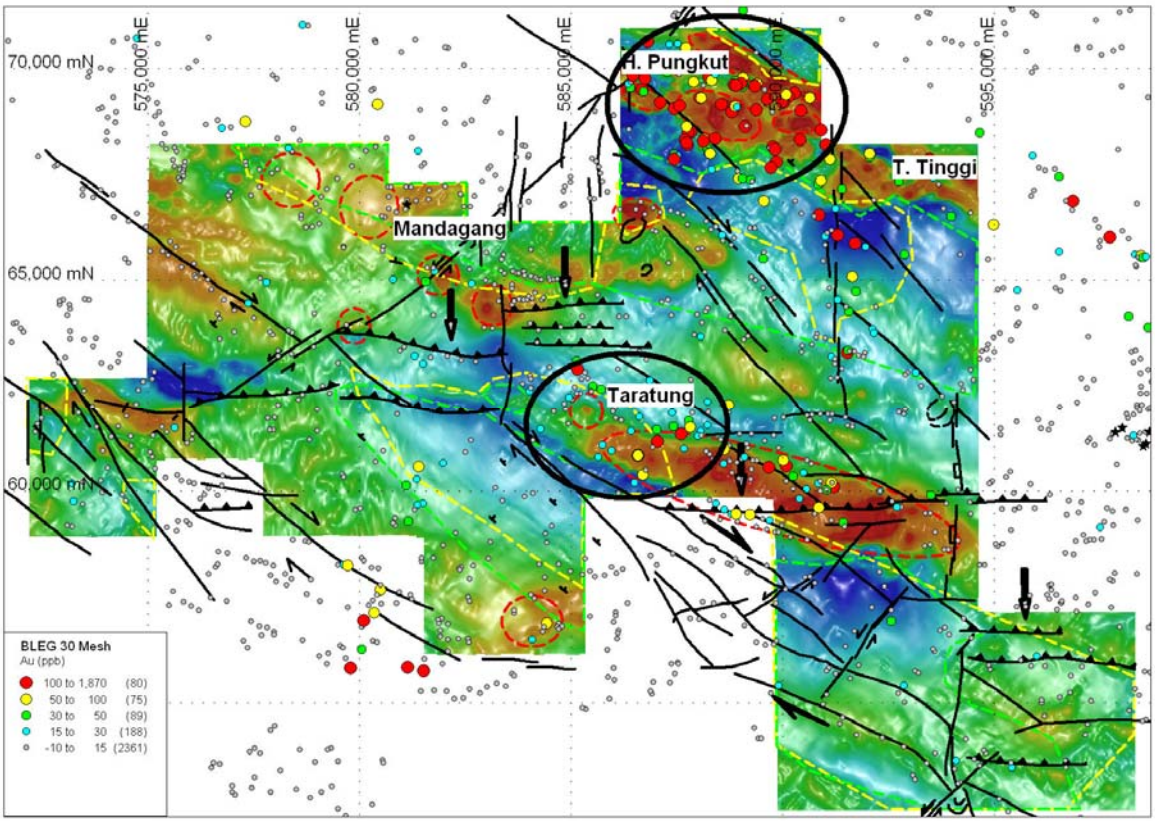


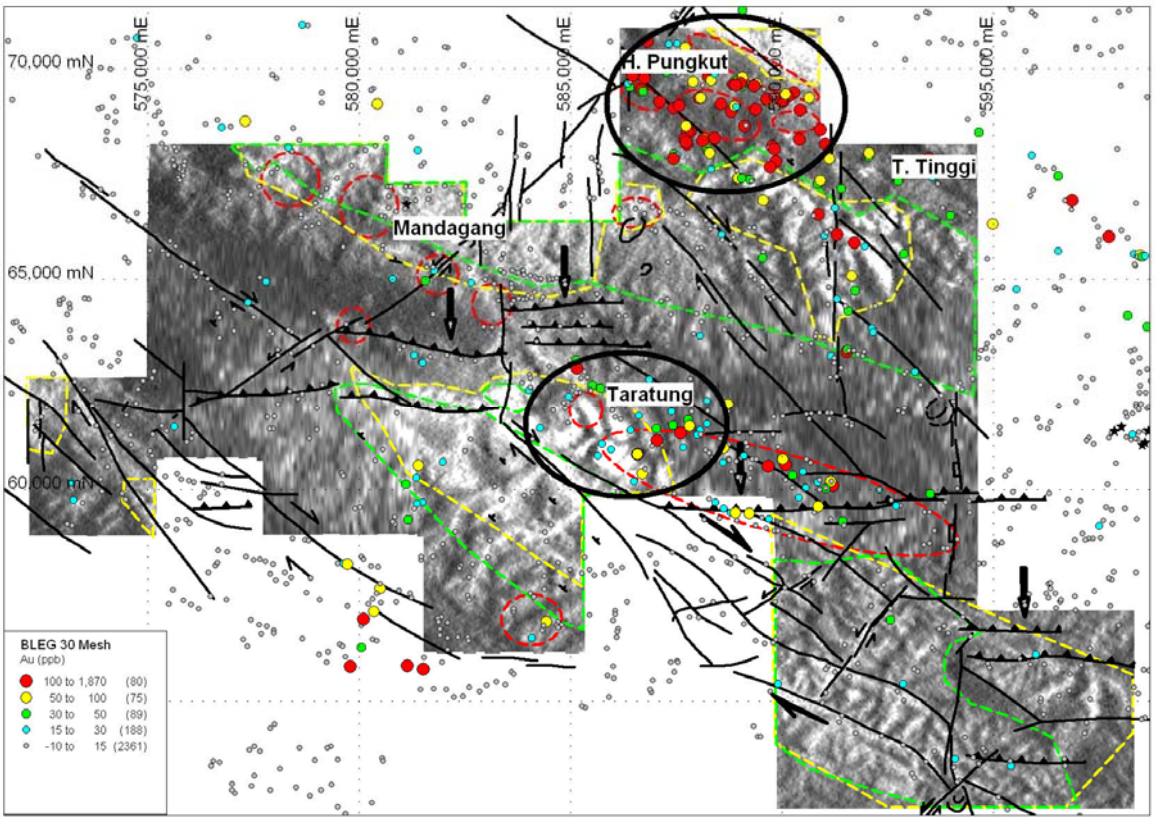
Figures 9 and 10: Aeromagnetic (reduced to pole) and potasium channel surveys for North Block highlighting prominent anomalies; red – magnetic, yellow – potassium, green – radiometric (K-U-Th). Reddish colours are high anomalies and blue colours are lows. For the potassium image hot white colours are potassium highs indicative of clay alteration.





Figures 11 and 12: Aeromagnetic (reduced to pole) and potasium channel surveys for South Block highlighting prominent anomalies; red – magnetic, yellow – potassium, green – radiometric (K-U-Th). Reddish colours are high anomalies and blue colours are lows. For the potassium image hot white colours are potassium highs indicative of clay alteration effecively mapping out large intrusive bodies in this case.





Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(3,902)	(14,856)
	(b) development		
	(c) production		
	(d) administration	(385)	(1,520)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	43	85
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(4,244)	(16,291)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(213)	(699)
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	(213)	(699)
1.13	Total operating and investing cash flows (carried forward)	(4,457)	(16,990)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(4,457)	(16,990)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	15,428	29,657
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 (cost of share issue)	(654)	(960)
	Net financing cash flows	14,774	(28,697)
	Net increase (decrease) in cash held	10,317	11,707
1.20	Cash at beginning of quarter/year to date	2,489	1,400
1.21	Exchange rate adjustments to item 1.20	662	361
1.22	**Cash at end of quarter**	13,468	13,468

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	114
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

NOT APPLICABLE

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

NOT APPLICABLE

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	3,600
4.2	Development	
4.3	Production	
4.4	Administration	300
	Total	**3,900**

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	13,424	2,489
5.2	Deposits at call	44	44
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	13,468	2,533

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				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	693,986,646	693,986,646		
7.4	Changes during quarter Increases through issues	800,000 1,500,000 1,500,000 75,000,000		$0.15 $0.135 $0.15 $0.20	$0.15 $0.135 $0.15 $0.20
	(b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	**Options** *(description and conversion factor)*	6,800,000 7,320,654 3,750,000 2,000,000 2,000,000 2,000,000 2,000,000 3,000,000 3,000,000		*Exercise price* *$0.15* *$0.05* *$0.05* *$0.075* *$0.1* *$0.1* *$0.125* *$0.1* *$0.25*	*Expiry date* *31/05/2013* *31/08/2011* *26/08/2011* *30/06/2012* *30/06/2013* *30/06/2012* *30/06/2013* *31/05/2012* *31/12/2012*
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	800,000 1,500,000 1,500,000		*$0.15* *$0.135* *$0.15*	31/05/2013 31/07/2012 31/07/2013
7.10	Expired during quarter	Nil			
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 July 2011
(Company secretary)

Print name: DANIEL NOLAN

+ See chapter 19 for defined terms.

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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