31 October 2003

The Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY    NSW    2000

ACTIVITIES REPORT
FOR THE QUARTER ENDING 30 SEPTEMBER 2003

HIGHLIGHTS

• AngloGold Australia accepted Alcaston's bid to acquire the North Monger gold project, near Kalgoorlie. The project has an Inferred Resource of 587,500 tonnes at 4.0g/t gold for 75,100 ounces of contained gold, with considerable exploration upside to expand this resource. Alcaston is optimistic that a small, profitable gold mining operation can be established if the infill drilling confirms the initial resource estimate.

• Joint Venture partners Rio Tinto (RTZ) and DeBeers conducted drilling programs on the Leopold Downs and Labelle Downs diamond projects.

• Rio Tinto (RTZ) discovered a new lamproite pipe at Leopold Downs with approximate dimensions of 700 metres x 60 metres (~4.2 hectares). Two ~120 kilogram samples from the pipe have been submitted to RTZ’s diamonds laboratory for processing, to determine whether the lamproite is mineralised. Results are awaited. Given the high concentration of macrodiamonds and indicators in nearby drainages Alcaston are hopeful for positive results.

• DeBeers discovered two ultramafic bodies by drilling magnetic anomalies at Labelle Downs. Drill core from both of these anomalies are to be treated for the recovery of heavy minerals and fresh samples of core have been sent for petrographic descriptions. Results are awaited. Although the potential for these rocks to host diamonds is considered low, the ultramafics may have potential to host nickel mineralisation.

• Geophysical modeling of magnetic anomalies in the Sweden Diamond Project identified four (4) priority kimberlite targets.
REVIEW OF OPERATIONS

AUSTRALIA - GOLD

North Monger (Western Australia)

As announced to the ASX on the 4th September 2003 AngloGold Australia Limited ("Anglogold") has accepted Alcaston's bid to purchase AngloGold's North Monger gold project, located 45 kilometres southeast of Kalgoorlie in the Eastern Goldfields Province of Western Australia (see Figure 1). The consideration for the purchase was $300,000 which is subject to the successful execution of a sale and purchase agreement between the two companies.

The North Monger gold property is comprised of 46 Prospecting Licences and five Mining Leases which cover an area of 67.5 square kilometres of prospective greenstone stratigraphy in the Mount Monger region of the Archean Norseman-Wituna Greenstone Belt.

AngloGold has been exploring the North Monger project since 1999 and has spent in excess of $2 million on exploration. During this time they discovered a gold resource at Hammer and Tap prospect. Using the AngloGold drillhole database, and a 0.7g/t gold cutoff, Alcaston has calculated an Inferred Resource at Hammer and Tap of 587,500 tonnes @ 4.0g/t gold (for 75,100 ounces of contained gold).

Although deeper AngloGold drilling seems to have closed off the Hammer and Tap gold mineralization at depth, there is considerable potential to extend the resource along strike. For example, there is a RAB drillhole intercept of 4m @ 9.7g/t gold 300m along strike to the northwest of the current resource area which has not been followed-up. This is the best RAB drillhole result that has been obtained in the project area, including the RAB holes over the current Hammer and Tap resource.

Another priority target lies 500m north of the Hammer and Tap resource area and comprises a 500m long TFMMR geophysical anomaly with a signature almost identical to that over Hammer and Tap. Coincident with this geophysical anomaly are RAB drillholes with anomalous gold geochemistry. Alcaston feels that this target area has the potential to produce similar gold mineralization to that at Hammer and Tap and may in fact be an en echelon vein array repeat to the Hammer and Tap gold mineralization.

A number of other exploration targets are also evident elsewhere in the tenement package. The historical Wombola Mining Centre is located within the project area and has reported gold production between 1906 to 1946 of ~10,874 ounces of gold from the Great Hope North and Scotch Star gold mines. Open pit mining was also undertaken by Croesus Mining NL at the Wombola Pit from 1988 to 1989, producing 8,000 ounces of gold. Potential remains for a high-grade narrow vein gold resource beneath the open pit. Very little drilling has been conducted beneath the pit.

At Wombola Dam prospect there is an extensive (2.5km x 1.5km) auger anomaly with a high tenor central zone with a peak value of 3.18g/t gold. Work by AngloGold suggests that the historic RAB/RC drilling has largely been ineffective, with holes being targeted
parallel to the veining. There is high potential to locate a gold resource related to a blind
vein array hosted in a highly prospective shallow dipping metabasalt unit.

Alcaston and Anglogold are working towards finalising the Sale and Purchase Agreement
and outstanding due diligence issues. The final payment will be due by 4 December 2003,
after which, Alcaston intends to initially concentrate on upgrading the Hammer and Tap
gold resource and exploring for additional resource along strike from the known
mineralization. The work will involve a substantial infill RC drilling program followed by
scoping studies to determine the viability of a mining operation at Hammer and Tap.

Alcaston is optimistic that a small, profitable gold mining operation can be established if
the infill drilling confirms the initial resource estimate and also taking into consideration the
low associated mining costs which will be due to the prospect’s close proximity to the
related facilities and good infrastructure which exists in the mining centre of Kalgoorlie.

**Woods Point (Victoria)**

At the Franklin prospect, Alcaston have mapped out an extensive gold mineralised dyke
stockwork, comprising a major east-west trending dyke ("Cross Dyke") and at least nine
north-west trending dykes.

Within the dykes extensive and intense stockwork quartz veining, with gold mineralisation
has been located. Significant rock chip samples taken from portions of this vein include
channel samples of 6 m @ 3.1 g/t gold (including 2.5 m @ 6.2 g/t gold), 15 m @ 1.9 g/t
gold, and 3 m @ 4.2 g/t gold, and grab samples of 77.8 g/t, 24.8 g/t, 6.9 g/t, 5.8 g/t, and
4.7 g/t gold.

No drilling has ever been conducted at the Franklin prospect. Alcaston’s mapping is the
only significant exploration conducted on the prospect since 1902. The Franklin
mineralization is located only 3 km southeast of the Morning Star Mine, which produced at
least 600,000 ounces of gold.

No exploration was conducted during the Quarter. A program to test the gold mineralised
dykes at Franklin, Cronans and Golden Fleece prospects with reverse circulation drilling is
planned. A work plan for this drilling has been submitted to the Department of Primary
Industries, Victoria and is currently under review. Drilling can commence once this work
plan is approved.

**CANADA - GOLD**

**Blondin (Ontario)**

Alcaston has 100% ownership, subject to shareholder approval at the General Meeting
called for 30 October 2003, in two gold properties in the northwestern corner of the
Archean Birch-Uchi greenstone belt in the northwestern part of Ontario Province in
Canada. The gold properties, known as Blondin and Wavell Lake, have a combined area
of 109.28 square kilometres over largely unexplored greenstones which are highly
prospective for Archean, shear-related gold deposits. They lie 120 kilometres northeast of
the Campbell/Red Lake gold mines which have past production and reserves of +20
million ounces of gold.
Minimal previous exploration has been conducted on the Blondin and Wavell Lake properties, largely because they lie beyond the limits of government mapping. It is believed that this is also the reason for a lack of recorded gold showings in this part of the belt when such occurrences are known throughout the rest of the belt. As such, the properties are considered to be a highly prospective grassroots projects with excellent potential for a new and significant gold discovery.

Alcaston has identified a number of priority geophysical targets for gold mineralisation. Several targets have a magnetic signature almost identical to that of Placer Dome's Musselwhite Mine (3.3 million ounces), located 190 kilometres to the northeast.

Alcaston is planning an extensive reconnaissance geological mapping, prospecting and rock chip and soil sampling program. Work is scheduled to commence on the 16th October 2003 and is expected to delineate a number of drill targets.

**Fiji - Gold**

**Sabato**

The Sabato gold project in Fiji, along with Alcaston's gold projects in Vanuatu are subject to a farm-in agreement between Alcaston and the tenement owner Mincor Resources, previously announced to shareholders.

The Sabato licence is in a key position in the island of Viti Levu, Fiji, and is prospective for bonanza grade epithermal veining of similar style to the nearby Tuvatu deposit (1.64 million tonnes @ 8.5 g/t gold for 450,000 ounces) or that at the Vatukoula Mine (10 million ounces) operated by Emperor Gold Mines Limited.

To date, three (3) significant bonanza-style epithermal quartz veins have been discovered at the Banana Creek prospect. Veins seem to be narrow but have produced high gold grades. Surface channel rock chip samples have returned 0.15 metres @ 46.3 g/t gold, 14.4 g/t silver, 0.5 metres @ 6.5 g/t gold, 5.0 g/t silver and 0.15 metres @ 32.0 g/t gold, 20.9 g/t silver. Drill intercepts include 0.4 metres @ 23.4 g/t gold, 6.3 g/t silver. Further drilling to locate extensions to this veining is required.

At Central Ridge prospect a series of parallel mineralized zones of highly fractured monzonite porphyry have produced significant gold, copper and silver assays. Best results include a grab rock chip sample of 16.05 g/t gold, 7.53 % copper, 4.9 g/t silver and a channel rock chip sample of 11 metres @ 4.45 g/t gold. Previous drilling at the prospect did not adequately test these mineralised zones.

Exploration at the Tuvatu North prospect is focussed on locating the strike extensions of the high-grade epithermal veins from Emperor’s Tuvatu deposit (located only 300 metres south the Alcaston tenement boundary). The area is covered with soil and scree cover. Drilling is required to locate the veining.

No exploration was conducted at Sabato during the quarter.
VANUATU - GOLD

Webe Creek

Webe Creek is situated on the northern island of Espiritu Santo. Mincor holds a 75% interest in the Webe Creek tenement. Mincor spent in excess of $1 million and compiled an excellent geological, geophysical and geochemical exploration database and had not as yet drilled a hole.

At the Laonasmata prospect there is a 3 kilometres long and 300 metres wide mineralised zone. Coincident within the zone are outcropping epithermal gold and silver-bearing veins, anomalous gold-in-soils, hydrothermal alteration and geophysical anomalies. To date rock chip values up to 13.2 g/t gold and 270 g/t silver have been obtained from the veining.

The Laonasmata prospect is prospective for a 'Porgera-style' (+14 million ounces) gold discovery.

Alcaston plans to test the Laonasmata prospect with 1,500 metres of drilling.

During the quarter Alcaston submitted an application to extend the licence for a two year period. During a subsequent visit to the Department of Geology, Mines and Water Resources, in Port Vila, the Commissioner of Mines confirmed verbally that the licence would be extended for the two year period. No field work was conducted on Webe Creek during the quarter. Alcaston have budgeted A$236,000 to test the Laonasmata veins and IP changeability anomalies with 1,500 metres of diamond and RC drilling.

Tafuse

The Tafuse Licence adjoins Webe Creek to the north. Five (5) gold targets have been identified, comprising epithermal alteration zones with gold mineralisation on surface. The most advanced prospect at Tafuse North consists of a series of explosive breccia bodies aligned over 700 metres along an elongated northwest trending zone with a coincident gold (generally greater than 0.5 g/t), arsenic, copper, lead and zinc soil anomaly. Exotic siliceous clasts in the breccia have assayed up to 10g/t gold and 860g/t silver.

During a visit to the Department of Geology, Mines and Water Resources, in Port Vila, the Commissioner of Mines confirmed verbally that a new licence would be granted at Tafuse for a three year period.

No exploration was conducted during the quarter. Alcaston has planned a limited reconnaissance program with a view to drilling the main targets in 2003.

Taoran and Amethyst

These gold tenements located on the island of Malekula have been explored by a number of companies. Mincor completed geochemical and geophysical programs culminating in drill testing of the best anomalies with 10 diamond holes. The best intercept was 2 metres at 8.61g/t gold. Although the drilling has downgraded the prospectivity of the Taoran target
area, there remains some potential in the surrounding licence areas with several untested or poorly tested targets remaining. Mincor holds a 53% interest in these two tenements.

No exploration was conducted during the quarter.

AUSTRALIA - DIAMONDS

Labelle Downs (Northern Territory)

The Labelle Downs exploration licence application straddles the northerly extension of the Halls Creek Mobile Zone, which hosts the Argyle Diamond Mine and numerous other kimberlite occurrences along the margin of the Kimberley block. Past exploration has delineated a cluster of discrete dipolar magnetic anomalies concealed under a blanket of transported sediments, and a detailed magnetic survey has pinpointed individual anomalies that closely resemble anomalies associated with kimberlite pipes.

The Labelle Downs diamond exploration project is subject to a two-stage option/joint venture agreement between Alcaston and De Beers Australia Exploration Ltd previously announced to shareholders.

In mid August 2003 three (3) priority magnetic anomalies were tested by drilling by De Beers. The three priority magnetic features where selected from poor quality 100 metre and 200 metre line spaced hell-magnetic survey flown by Normandy Exploration Pty Ltd in 1994. Ground magnetic surveys were conducted over all three airborne targets to provide better control with hole placement and anomaly modelling. The magnetic anomalies were drilled using a small helicopter transportable diamond rig.

Two drill holes were drilled into magnetic anomaly ANN020. The first drill hole intersected granodiorite of the Wagait Granite, part of the Proterozoic Litchfield Province, at a depth of 35.5 metres and terminated in highly crystalline granodiorite at a depth of 47.9 metres. A second hole was located approximately 50 metres to the south east of the first hole and intersected granodiorite at a similar level (35.3 metres). The second drill hole was terminated at a depth of 35.9 metres, following the hole collapsing. Magnetic anomaly ANN020 is not considered to be of interest for diamond exploration.

Single vertical holes were drilled into priority magnetic anomalies ANN006 and ANN021. Altered ultramafic rocks were intersected in both of these anomalies but the rock is considered to be of low interest for diamond exploration. An ultramafic rock was intersected at a depth of approximately 19.5 metres for anomaly ANN006 and at a depth of 28.4 metres for anomaly ANN021. Anomaly ANN006 was drilled to a total depth of 57 metres and anomaly ANN021 was terminated at a depth of 58.5 metres, both within crystalline ultramafic.

Drill core from both of these anomalies are to be treated for the recovery of heavy minerals and fresh samples of core have been sent for petrographic descriptions. Results are expected during the next quarter. Although the potential for the ultramafic rocks to host diamonds seems low, they may have the potential to host nickel mineralisation.
Leopold Downs (Western Australia)

These two adjoining exploration licences are situated in the Kimberley Region of Western Australia and are located approximately 50 kilometres to the southeast of the Ellendale lamproite field.

Leopold Downs is subject to a joint venture agreement between Alcaston and Rio Tinto Exploration Pty Ltd (RTZ) previously announced to shareholders. RTZ are the operators.

The property contains a cluster of five (5) lamproite bodies comprising four (4) pipes ranging in surface area from 10.4 hectares to 1.0 hectare and a sill or dyke of at least 1.0 hectare in extent.

Few areas in Australia other than downstream from the Argyle diamond mine have yielded diamonds so consistently from normal drainage sampling. At least 50 diamonds have been recovered to date.

RTZ ‘due diligence’ sampling located a number of clear, white diamonds and numerous chromites. One sample produced seven (7) diamonds (including 3 macrodiamonds). The largest diamond recovered was 1.4 mm.

RTZ conducted an airborne electro-magnetic (EM) geophysical survey over the Leopold Downs tenement area and defined eight (8) priority targets for follow-up trenching and drilling.

Work completed during the Quarter comprised a work clearance meeting (and associated clearances) with the KLC and Traditional Owners, and drill testing of six priority geophysical targets (targets 1.1, 1.2, 3.1, 4.1, 5.1, 9.1 and 11.1) outlined during the previous quarter. All environmental approvals required for the drilling program to be conducted were lodged and approved.

Targets 1.1 and 1.2 (drill holes BS-04 and BS-05, respectively) both intersected granitic basement rocks. No lamproite or dolerite material was intersected to explain the conductive responses. It remains possible, given the dolerite scree at surface, that dykes are present but were not intersected in the drill holes.

Targets 4.1 (BS-01) and 9.1 (BS-03) intersected fine to medium grained limestone (dominantly calc-arenite) below 1.5 metres of surface black soil.

Target 5.1 (BS-02), a discrete EM conductor, intersected approximately 24 metres of variably clayey and gritty unconsolidated material before passing into calcareous siltstone for the remainder of the hole. None of the material appeared to be of lamproitic origin, and appeared more consistent with material infilling a sinkhole.

Target 11.1 (BS-08) intersected weathered, coarse-grained granitic material throughout much of the hole, with minor green mica schist at the top and base of the hole. Given the abundance of green mica schist observed outcropping in the area, as well as black biotite schist and granite, it is considered likely this combination of lithologies would give rise to the mica grains and “green clay” observed and recovered during a previous drilling program near this site. Each of the above holes was drilled to 50 metres depth.
Two holes (BS-06 and BS-07) were drilled at Target 3.1. Hole BS-06, a vertical hole, intersected green lamproite immediately beneath 1 metre of black soil cover, and continued in the lamproite body to 45 metres. The hole finished in 15 metres of grey limestone, at a final depth of 60 metres. The lamproite body was dominated by a dark green phlogopite-rich facies, however the lower 10 metres of the body consisted of phlogopite-poor lamproite.

The second hole, BS-07, collared 10 metres from BS-06, was angled at 60 degrees toward 235 degrees in an attempt to establish some size and orientation parameters of the lamproite body. The hole was collared in black soil and approximately 10 metres of limestone, before passing through the brecciated contact zone between limestone and lamproite. The hole continued through a ~40 metre thick section of green, phlogopite-rich lamproite (similar to that observed in BS-06) and then ~20 metre thick phase of brown phlogopite-poor lamproite and minor limestone country rock, before again passing into a ~20 metre thickness of green phlogopite-rich lamproite. The lower 24 metres of the drill hole is dominated by the brecciated contact between the lamproite body and limestone country rock, although the hole ended in unaltered and consolidated black limestone, at 127 metres. Based on drilling information and magnetic data it is estimated that the lamproite body has approximate dimensions of 700 metres x 60 metres (~4.2 hectares). The new lamproite body has been named “Leopold 1”.

A petrology report examined drill chips from various depths of BS-06 and BS-07, and confirmed the field observation that two different phases of lamproite appear to be present. Whether these are derived from different magmatic bodies, or simply through different processes influencing the magma during ascent and emplacement, is not clear. The lack of pyroclastic textures points to the examined samples coming from dyke rocks. The green, phlogopite-rich phase which dominates both drill holes, is a phlogopite-leucite-diopside-(richterite) lamproite. The second, less volumetrically significant phase is an olivine-leucite-diopside-(phlogopite) lamproite.

Geochemical results from the drilling program are expected during the second week of October.

A grid loam sampling program across the black soil plain, which covers much of tenement E04/1129, is planned to be undertaken in early October. The aim of the program is to try to establish whether a local lamproite source is present within the catchment of the anomalous drainages where indicator grains and diamonds were recovered in previous gravel samples, particularly in the catchments north of Brooking Creek. Due diligence gravel sampling conducted by RTZ in 2002 recovered several micro and macro diamonds and indicator grains in these drainages.

The attached plan (see Figure 2) indicates the targets that were tested during the recent drilling program, and the location of the grid loam samples to be collected during the next Quarter.

RTZ expenditure during the Quarter was $147,619.
SWEDEN - DIAMONDS

All Swedish diamond tenements are held by the Swedish subsidiary company, Alcaston Diamond Exploration AB ("ADE") which is 81.3% owned by Alcaston with the balance held by Swedish and other European investors.

The Swedish diamond exploration project consists of 17 granted licences covering an area of 1,075 square km over prospective parts of the Baltic Shield. This cratonic area is known to host diamond-bearing kimberlite deposits in the adjoining countries of Finland and Russia.

During the Quarter, the four (4) best high priority magnetic targets in the project area were modelled for kimberlitic intrusive source (primary diamond source) with results commensurate with kimberlite pipes close to surface (15 to 30 metres depth). These four targets are presented in Figures 3 to 6. The modelling indicates sources of similar sizes as pipes being mined in the Slave craton in northern Canada. The specifics of the modelling are summarised in Table 1. Alcaston have not as yet ground checked these targets.

<table>
<thead>
<tr>
<th>Target Number</th>
<th>Size (ha)</th>
<th>Depth (m)</th>
<th>Magnetic Susceptibility Contrast (SI)</th>
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<tr>
<td>84</td>
<td>3.6</td>
<td>20-30</td>
<td>0.156</td>
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<tr>
<td>102</td>
<td>2.0</td>
<td>&lt;15</td>
<td>0.038</td>
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<tr>
<td>115</td>
<td>4.0</td>
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<tr>
<td>119</td>
<td>1.8</td>
<td>15-20</td>
<td>0.099</td>
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</table>

Following the failure of Lionheart Exploration to float, Alcaston has decided to divest the Sweden Diamond project and has recently sent an Information Memorandum about the project, including details on the four priority kimberlite targets to over 20 companies.

AUSTRALIA – BASE METALS

Minilya (Western Australia)

The Minilya project was subject to a joint venture agreement between Alcaston and USA resource company Asarco Exploration Company Inc previously announced to shareholders.

During the Quarter Asarco received the assay results from a single 160 metre deep, angled, air core hole (EXAC010) drilled into the geochemically anomalous Giralia Fault in the northern Alcaston tenement. No base metal mineralisation was located and no significant base metal assay results were obtained. The hole did intersect anomalously high strontium values, 60 metres @ 909 ppm from a depth of 100 metres to the bottom of the hole.

Asarco also completed a small soil sampling program over the Woolshed geochemical anomaly in the central Alcaston tenement. No significant base metal anomalous was obtained.
Due to their negative exploration results, Asarco notified Alcaston of it’s withdrawal from the Joint Venture on the 17th September 2003. Alcaston has also surrendered the tenements.

**SWEDEN – BASE METALS**

**Lautakoski**

Alcaston relinquished this property during the quarter.

**Nimtek**

Nimtek is located in the western section of northern Sweden, and comprises a single granted exploration licence covering an area of 1.94 square kilometres.

Previous exploration work at Nimtek found mineralised boulders and widespread copper and zinc anomalism in surface peat and soil samples north of Nimtek Lake. Infill till sampling conducted by Alcaston over the Nimtek zinc anomaly confirmed the robustness of the anomaly by delineating a coherent, greater than 100 ppm zinc in till anomaly (best assay 376 ppm zinc) covering an area of 500 metres x 400 metres.

No exploration was conducted on Nimtek during the quarter.

**OTHER PROJECTS**

The company has been actively engaged in pursuing new project opportunities both in Australia, Asia, Africa, and North and South America. Projects are being evaluated continuously but to date have all failed to meet the company’s acquisition and exploration criteria.

**CORPORATE**

- Alcaston extended the period for satisfaction of conditions precedent with Lionheart Exploration Limited for a further period till 31 August 2003. The spin-off was finally discontinued on 4 September 2003, due to the conditions precedent still outstanding.

- On 4 September 2003, Alcaston announced the acquisition of the North Monger Gold Project from AngloGold Australia Ltd for $300,000. The Project is located 45 kilometres southeast of Kalgoorlie in Western Australia and comprised of 46 Prospecting Licences and 5 Mining Leases.

- On 23 September 2003, Alcaston announced the Placement Issue Prospectus for 25,000,000 shares with 25,000,000 free attaching options at the price of 6 cents per share and option. The options are exercisable at 15 cents each and will expire
on 30 September 2007. The shares and the options will be listed and quoted for trading.

- Alcaston's audited Financial Statements for the year ending 30 June 2003 were lodged with the ASX on 26 September 2003.

- The Notice of Meeting of Shareholders to ratify past issue of shares and options and the approval of new issues of shares and options was announced on 30 September 2003. The General Meeting is to be held on 30 October 2003.

Please do not hesitate to contact our office, if any further information is required.

Yours faithfully

ALCASTON MINING NL

GILBERT RODGERS
Company Secretary

The information in this report so far as it relates to resource estimation and exploration activities, is based on information compiled by Craig Mackay and David Porter, persons who are members of The Ausroxesian Institute of Mining and Metallurgy and who have more than five years' experience in the field of the activity being reported on. This report accurately reflects the information compiled by those members.
North Monger Gold Project
## Appendix 5B

### Mining exploration entity quarterly report


<table>
<thead>
<tr>
<th>Name of entity</th>
<th>ALCASTON MINING NL</th>
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<tr>
<td>ABN</td>
<td>39 006 710 774</td>
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<tr>
<td>Quarter ended (“current quarter”)</td>
<td>30 SEPTEMBER 2003</td>
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### Consolidated statement of cash flows

#### Cash flows related to operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Current quarter $A’000</th>
<th>Year to date (3 months) $A’000</th>
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</thead>
<tbody>
<tr>
<td>1.1 Receipts from product sales and related debtors</td>
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<td></td>
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<tr>
<td>1.2 Payments for</td>
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<td></td>
</tr>
<tr>
<td>(a) exploration and evaluation</td>
<td>(53)</td>
<td>(53)</td>
</tr>
<tr>
<td>(b) development</td>
<td></td>
<td></td>
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<tr>
<td>(c) production</td>
<td>(80)</td>
<td>(80)</td>
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<tr>
<td>(d) administration</td>
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<td></td>
</tr>
<tr>
<td>1.3 Dividends received</td>
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<tr>
<td>1.4 Interest and other items of a similar nature received</td>
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</tr>
<tr>
<td>1.5 Interest and other costs of finance paid</td>
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<tr>
<td>1.6 Income taxes paid</td>
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<td></td>
</tr>
<tr>
<td>1.7 Other (provide details if material)</td>
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<td></td>
</tr>
<tr>
<td><strong>Net Operating Cash Flows</strong></td>
<td>(142)</td>
<td>(142)</td>
</tr>
</tbody>
</table>

#### Cash flows related to investing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Current quarter $A’000</th>
<th>Year to date (3 months) $A’000</th>
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</thead>
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<tr>
<td>1.8 Payment for purchases of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) prospects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) equity invest</td>
<td></td>
<td></td>
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<tr>
<td>(c) other fixed assets</td>
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<tr>
<td>1.9 Proceeds from sale of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) prospects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) equity invest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) other fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.10 Loans to other entities</td>
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<tr>
<td>1.11 Loans repaid by other entities</td>
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<td></td>
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<tr>
<td>1.12 Other (provide details if material)</td>
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<tr>
<td><strong>Net investing cash flows</strong></td>
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</tr>
<tr>
<td>1.13 Total operating and investing cash flows (carried forward)</td>
<td>(142)</td>
<td>(142)</td>
</tr>
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</table>

*See chapter 19 for defined terms.*
Appendix 5B
Mining exploration entity quarterly report

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13</td>
<td>Total operating and investing cash flows (brought forward)</td>
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<td>(142)</td>
</tr>
<tr>
<td>1.14</td>
<td>Cash flows related to financing activities</td>
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<td></td>
</tr>
<tr>
<td>1.15</td>
<td>Proceeds from issues of shares, options, etc.</td>
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<td></td>
</tr>
<tr>
<td>1.16</td>
<td>Proceeds from sale of forfeited shares</td>
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<td></td>
</tr>
<tr>
<td>1.17</td>
<td>Proceeds from borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.18</td>
<td>Repayment of borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.19</td>
<td>Dividends paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.20</td>
<td>Other (Swedish subsidiary equity raising costs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.21</td>
<td>Net financing cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.22</td>
<td>Net increase (decrease) in cash held</td>
<td>(142)</td>
<td>(142)</td>
</tr>
<tr>
<td>1.20</td>
<td>Cash at beginning of quarter/year to date</td>
<td>185</td>
<td>185</td>
</tr>
<tr>
<td>1.21</td>
<td>Exchange rate adjustments to item 1.20</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>1.22</td>
<td>Cash at end of quarter</td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Current quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.23</td>
<td>Aggregate amount of payments to the parties included in item 1.2</td>
<td>$40</td>
</tr>
<tr>
<td>1.24</td>
<td>Aggregate amount of loans to the parties included in item 1.10</td>
<td>Nil</td>
</tr>
</tbody>
</table>

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

N/A

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

*See chapter 19 for defined terms.*
Financing facilities available
Add notes as necessary for an understanding of the position.

<table>
<thead>
<tr>
<th>3.1 Loan facilities</th>
<th>Amount available $A'000</th>
<th>Amount used $A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.2 Credit standby arrangements</th>
<th>Amount available $A'000</th>
<th>Amount used $A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Estimated cash outflows for next quarter

<table>
<thead>
<tr>
<th>4.1 Exploration and evaluation</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4.2 Development</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>5.1 Cash on hand and at bank</th>
<th>Current quarter $A'000</th>
<th>Previous quarter $A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42</td>
<td>42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.2 Deposits at call</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.3 Bank overdraft</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.4 Other (provide details)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total: cash at end of quarter (item 1.22)</th>
<th>$A'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42</td>
</tr>
</tbody>
</table>

Changes in interests in mining tenements

<table>
<thead>
<tr>
<th>6.1 Interests in mining tenements relinquished, reduced or lapsed</th>
<th>Tenement reference</th>
<th>Nature of interest (note 2))</th>
<th>Interest at beginning of quarter</th>
<th>Interest at end of quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.2 Interests in mining tenements acquired or increased</th>
<th>Tenement reference</th>
<th>Nature of interest (note 2))</th>
<th>Interest at beginning of quarter</th>
<th>Interest at end of quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* 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.

<table>
<thead>
<tr>
<th>Description</th>
<th>Total number</th>
<th>Number quoted</th>
<th>Issue price per security (see note 3)</th>
<th>Amount paid up per security (see note 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Preference securities (description)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.2 Changes during quarter&lt;br&gt; (a) Increases through issues&lt;br&gt; (b) Decreases through returns of capital, buy-backs, redemptions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.3 Ordinary securities</td>
<td>78,446,558</td>
<td>77,546,558</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.4 Changes during quarter&lt;br&gt; (a) Increases through issues&lt;br&gt; (b) Decreases through returns of capital, buy-backs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.5 Convertible debt securities (description)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.6 Changes during quarter&lt;br&gt; (a) Increases through issues&lt;br&gt; (b) Decreases through securities matured, converted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.7 Options (description and conversion factor)</td>
<td>59,034,788</td>
<td>59,034,788</td>
<td>Exercise price 15¢</td>
<td>Expiry date 30 September 2007</td>
</tr>
<tr>
<td>7.8 Issued during quarter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.9 Exercised during quarter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.10 Expired during quarter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.11 Debentures (totals only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.12 Unsecured notes (totals only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* See chapter 19 for defined terms.
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.

31-10-03

Sign here: .................................................. Date: ..................................
(Director/Company secretary)

Print name: GILBERT RODGERS

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.

*See chapter 19 for defined terms.*