



# Territory Resources Limited

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29 July 2011

Manager Announcements  
Company Announcements Office  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **30 June 2011 Quarterly Activities and Cash Flow Report**

Please find enclosed the 30 June 2011 Quarterly Report for Territory Resources Limited with the Appendix 5B cash flow report appended.

Yours sincerely

**Patrick McCole**  
Company Secretary



**An Australian Resources Group**

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A.B.N. 53 100 552 118



## JUNE 2011 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

#### *Corporate*

- **Unconditional on-market takeover offer for Territory** launched by Jonesville Ltd, a wholly-owned subsidiary of the Company's major shareholder Noble Group, at a price of 50c cash per share.
- Noble Offer represents an **8.7% premium** to the conditional off-market takeover offer from Exxaro Resources Limited at \$0.46 cash per share announced on 23 May.
- Noble Offer was **unanimously recommended by Territory Board** – at 30 June 2011 Jonesville held a 65.77% stake in Territory, and at the time of writing this report, Jonesville's relevant interest had increased to 90.5%.

#### *Production & Shipments*

- **Production of 361,104 shippable tonnes** of lump and fines iron ore achieved for the Quarter (March Quarter: 132,922 tonnes).
- **Four shipments totalling 312,240 tonnes** of lump and fines ore completed to Chinese customers (March Quarter: 2 shipments totalling 117,296 tonnes).
- **New beneficiation plant maintained name-plate production capacity** during the Quarter, with additional testing conducted to determine whether the beneficiation process can be extended to known lower grade deposits – results expected during the forthcoming Quarter.

#### *Resources & Exploration*

- **30% increase in Mineral Resources** achieved during the Quarter following an update to Mineral Resource models for the Frances Creek operation – with Indicated and Inferred Resources standing at **12.12Mt @ 56.8% Fe** (9.37Mt Indicated and 2.75Mt Inferred) as at 30 June 2011.
- Re-estimation and upgrade of Mineral Resources is expected to lead to an increase in Ore Reserves, further extending the mine life of the Frances Creek operation to at least FY2014.
- **Excellent results from near-mine exploration**, with strong widths of high-grade, low-contaminant iron ore intersected at:
  - *Helene 5* – Significant widths of high grade mineralisation down-plunge and down-dip, results include **17m @ 65.4% Fe**;
  - *Thelma 1* – High-grade intervals both down-dip and along strike, results include **9m @ 65.0% Fe**; and
  - *Jasmine West* – Exceptional high-grade results include **15m @ 66.4% Fe, 18m @ 66.2% Fe and 14m @ 66.8% Fe**.

#### *Financial Performance*

- **Iron ore sales receipts of A\$31.6M** for the Quarter, providing a positive operating cash flow of A\$327,000.



## OVERVIEW

The June 2011 Quarter represented a pivotal period in Territory's history with the launch of two competing takeover offers for the Company.

Exxaro Resources Ltd announced a conditional, off-market takeover offer at a price of 46c cash per share on 23 May, and a Bidder's Statement was lodged with ASIC on 31 May 2011 (Exaaro offer). The Exxaro Offer was recommended by a majority of the Territory Board in the absence of a superior offer.

On 9 June, an unconditional, on-market takeover offer was received from Jonesville Ltd, a subsidiary of Territory's major shareholder Noble Group Limited, at a price of 50c cash per share (Noble Offer).

With the Noble Offer representing an 8.7% premium to the Exxaro Offer and being unconditional, the Territory Board viewed the Noble Offer as a superior proposal and, subject to there being no further superior proposal, unanimously recommended that Territory shareholders accept the Noble Offer and do not accept the Exxaro Offer.

The Exxaro Offer lapsed on 4 July, and at 30 June 2011, Noble Group held a 65.77% stake in Territory. At the time of writing this report, Noble Group's relevant interest in Territory Resources had increased to 90.5%.

From an operational perspective, Territory achieved a significant uplift in iron ore production during the June Quarter following the negative impact on production in the March Quarter from the exceptionally severe wet season in northern Australia.

The Company completed a total of **1,289,932 tonnes** of iron ore shipments for the year ended 30 June 2011 (FY 2010: 2,027,385 tonnes).

During the Quarter, the Company incurred significant corporate transaction costs, including a break fee of \$1.56 million as a result of the Board's decision to recommend the Noble Offer over the Exaaro Offer. These corporate transaction costs, in addition to the reduced production as a result of the extreme wet conditions, have resulted in the Company making a loss for the second half of the year.

Territory advises that the forecast for the Company's full year result for the 2011 financial year is a net profit within the range of A\$2 million to A\$9 million, depending on estimates and adjustments including a potential sale of the Swan Gold loan, that will be finalised over the next two months. This profit is lower than previous guidance issued on 21 June 2011 due to a shipment at the end of June only being partially loaded at year end, lower actual realised sales prices, and a change in control of the Company requiring the recognition of corporate advisory success fees.

## PRODUCTION AND SALES

The June Quarter saw an improvement in ore production levels following the completion of the northern Australian wet season and with the beneficiation plant continuing to operate extremely well. The Frances Creek operations produced a total of 361,104 shippable tonnes of iron ore for the Quarter (March Quarter: 132,922 tonnes).



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The Company also conducted testing to determine whether the beneficiation process can be extended to upgrading the lower grade ore deposits at Frances Creek, with test results expected during the current Quarter.

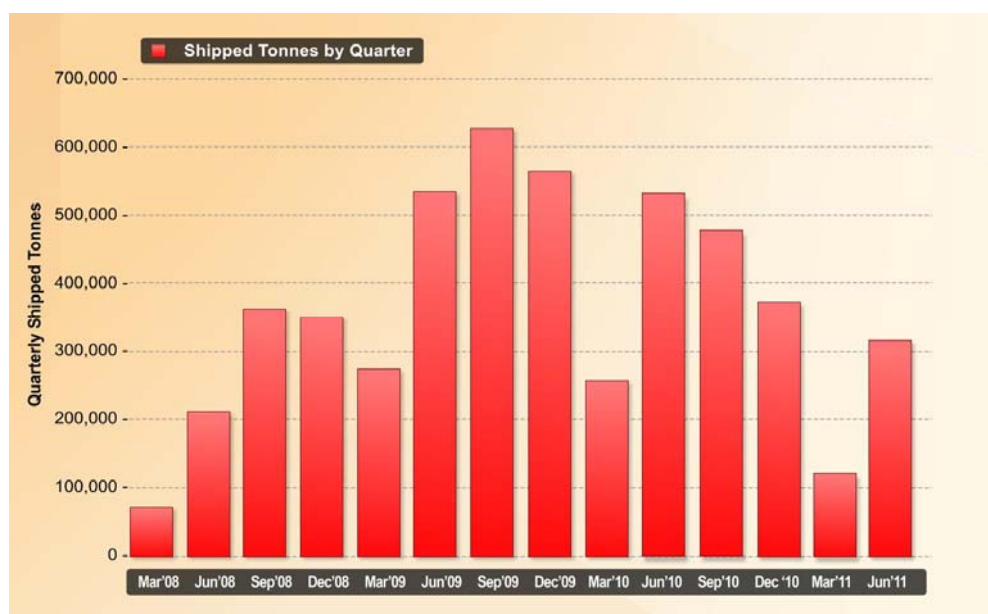
A temporary third mining fleet commenced during the Quarter for pre-stripping work to provide access to the high-grade ore zones in the Helene 6/7 and Helene 5 deposits to enhance ore production during the dry season.

## KEY STATISTICS

	June 2011 Quarter	Mar 2011 Quarter
<b>PRODUCTION</b>		
<b>Ore tonnes beneficiated</b>	258,857	104,089
<b>Ore tonnes crushed</b>	401,870	222,867
<b>Ore tonnes processed</b>	660,726	326,956
<b>Shippable product – tonnes</b>		
Lump	139,384	82,903
Fines	221,720	50,019
<b>Total shippable product produced</b>	<b>361,104</b>	<b>132,922</b>
<b>SALES</b>		
<b>No. of shipments</b>	<b>4</b>	<b>2*</b>
<b>Ore shipped – tonnes</b>		
Lump	131,599	29,680
Fines	180,641	87,616
<b>Total ore shipped</b>	<b>312,240</b>	<b>117,296</b>

\* The second shipment commenced loading on 31 March 2011 with 29,680 tonnes of ore loaded within the Quarter. The shipment was completed on 2 April 2011 and totalled 76,512 tonnes.

Four shipments totalling 312,240 tonnes of lump and fines ore were completed to Chinese customers during the Quarter (March Quarter: 2 shipments totalling 117,296 tonnes).





## RESOURCES AND RESERVES

Mineral Resource models for the Frances Creek operation were updated during the Quarter, with the open pits re-optimised to take into account recent iron ore price increases as well as earlier product specification changes.

The re-estimation studies have resulted in an upgrade of Mineral Resources. As at **30 June 2011**, total Mineral Resources for the Frances Creek operation were:

- Indicated and Inferred Mineral Resources of **12.12 million tonnes @ 56.8% Fe** (9.37 million tonnes Indicated and 2.75 million tonnes Inferred)\*

*\* Mineral Resources are inclusive of the Resources modified to produce the Probable Ore Reserves.*

The increase in Mineral Resources is expected to lead to an increase in Ore Reserves, further extending the mine life of the Frances Creek operation to at least FY2014. Updated Ore Reserve estimates are expected to become available in August 2011 and will be reported accordingly.

With the successful operation of the beneficiation plant at Frances Creek, the Company is also looking at opportunities to upgrade low-grade material to further add to the Ore Reserve inventories and increase ore blending options at the mine.

The Company continues to re-evaluate and optimise potential extensions to the important **Helene**, **Thelma** and **Jasmine** series of open pits with a view to maximising the mine life at these deposits. Progress on this work will be reported as new data becomes available.

## EXPLORATION

Extensive ground-based exploration work at Frances Creek continued during the June Quarter, with a corresponding increase in exploration personnel.

### *Near-Mine Exploration*

During the Quarter, a total of 111 reverse circulation (RC) drill holes for 9,685 metres of drilling were completed focusing on the **Helene 4**, **Helene 5**, **Thelma 1**, **Thelma 2**, **Rosemary**, **Elizabeth Marion** and **Jasmine West** deposit areas, with specific drill targeting of down-plunge and down-dip depth positions of high-grade micaceous iron ore mineralisation at each deposit.

Assay results returned from the near-mine exploration programmes continue to be very encouraging, showing excellent widths of high-grade, low diluent iron ore mineralisation. Important new results were returned from:

- **Helene 5** – significant widths of high-grade mineralisation down-plunge and down-dip (see Figure 1);
- **Thelma 1** – high-grade intervals both down-dip and along strike;
- **Thelma 2** – significant new down-dip open pit extension identified (this area was last targeted in 1973 and has seen no modern exploration); and
- **Jasmine West** – exceptional high-grade results which are expected to upgrade Mineral Resources from Inferred to Indicated status.

Significant results for the Quarter are summarised in the table below:



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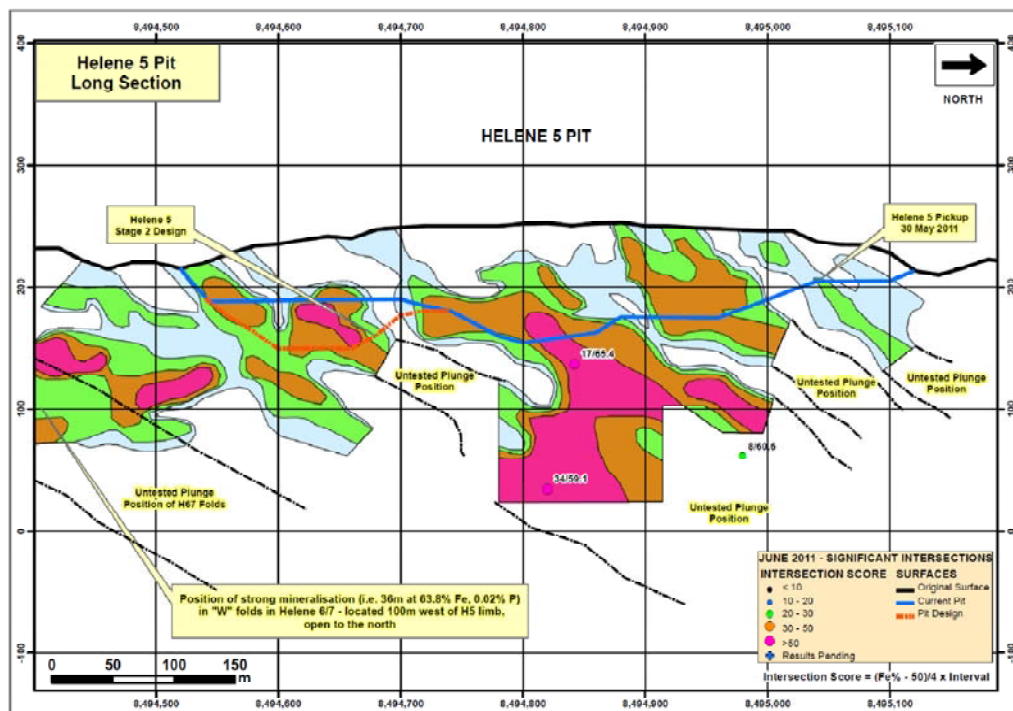
Hole No.	From (m)	To (m)	Length (m)	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%	Prospect
JERC285	58	70	12	63.3	4.8	2.3	0.09	1.1	Jasmine
JERC286	67	82	15	61.8	4.9	3.4	0.10	1.3	Jasmine
JERC293	88	107	19	59.1	7.1	4.7	0.06	1.7	Jasmine
JERC296	75	85	10	61.0	6.0	3.1	0.12	0.8	Jasmine
JERC304	1	16	15	66.4	2.4	1.2	0.05	0.9	Jasmine West
JERC305	2	20	18	66.2	2.7	1.2	0.05	0.9	Jasmine West
JERC306	1	15	14	66.8	2.3	0.8	0.08	0.9	Jasmine West
JERC308	2	17	15	56.9	9.1	5.1	0.06	1.6	Jasmine West
JERC309	1	6	5	62.8	6.1	2.1	0.08	1.0	Jasmine West
	9	13	4	59.0	9.1	3.6	0.09	1.1	
JERC310	1	10	9	65.3	3.4	1.4	0.07	1.0	Jasmine West
HERC398	137	146	9	60.9	7.2	2.9	0.03	1.0	Helene 6/7
HERC407	117	131	14	62.3	9.0	0.9	0.05	0.4	Helene 5
HERC408	127	137	10	61.4	8.3	1.6	0.15	0.7	Helene 5
HERC410	147	175	28	64.5	6.9	0.5	0.04	0.2	Helene 5
HERC411	157	164	7	62.3	7.9	1.3	0.11	0.9	Helene 5
HERC412	46	67	21	61.8	8.7	1.8	0.06	0.5	Helene 5
	70	82	12	64.8	4.7	1.6	0.08	0.5	
HERC413	55	72	17	65.4	5.1	0.5	0.06	0.5	Helene 5
HERC414	74	94	20	64.0	5.6	1.4	0.12	0.9	Helene 5
HERC416	159	193	34	59.1	11.4	2.1	0.08	0.9	Helene 5
HERC417	164	182	18	63.2	7.5	1.1	0.08	0.4	Helene 5
HERC422	157	165	8	60.6	8.4	2.2	0.07	0.8	Helene 5
HERC423	179	191	12	61.6	7.2	2.5	0.09	0.7	Helene 5
HERC426	159	180	21	62.1	7.1	1.9	0.20	1.2	Helene 5
HERC432	19	32	13	55.1	8.0	3.7	0.26	7.3	Helene 9
	43	59	16	57.1	6.1	2.3	0.25	7.6	
HERC433	61	69	8	59.4	6.6	2.0	0.19	5.2	Helene 9
FCRC700	5	13	8	57.9	7.2	3.7	0.08	4.6	Elizabeth Marion
TRRC370	31	44	13	56.3	9.2	4.7	0.25	2.7	Rosemary
TRRC381	17	24	7	61.3	5.6	3.8	0.06	1.5	Thelma 1
TRRC382	46	55	9	65.0	3.2	2.0	0.05	0.9	Thelma 1
TRRC391	84	96	12	59.4	6.3	4.8	0.23	2.1	Thelma 1
TRRC392	85	99	14	63.1	4.1	3.0	0.15	1.4	Thelma 1
TRRC393	92	102	10	62.9	4.2	3.1	0.19	1.6	Thelma 1
TRRC396	77	85	8	63.9	2.9	2.4	0.37	1.5	Thelma 2

While the Company's exploration focus in the September 2011 Quarter will switch to regional exploration targets at Frances Creek, Territory will continue to target down-plunge projections of the existing open pits, particularly the larger **Helene 567** and **Thelma 2** systems.

Additionally, the Company also plans to target newly mapped mineralisation extensions below the **Helene 9** open cut, along strike from **Helene 10** and within a 700m gap between **Helene 9** and **Helene 11** in the next Quarter.

The metallurgical test work programme for **Saddles Extended** is ongoing and will be reported in the second half of the year when Dense Media Separation (DMS) results are finalised.

Territory also plans to undertake drilling next Quarter to obtain large diameter drill core for a similar metallurgical test work programme on the **Millers** manganiferous goethite deposit.



**Figure 1 – Helene 5 Deposit – Long Section showing open high-grade plunge positions**

## **Regional Mine Exploration**

Territory submitted its extensive Mine Management Plan (MMP) for 2011-12 to the NT Department of Resources early in 2011.

The Plan includes a continuation of near-mine exploration drilling around the current Frances Creek Mine deposits, as well as significant programmes of first-pass Aircore drilling across many of the geophysical targets identified by the detailed ground gravity survey completed north of the mine in 2010. The ground gravity survey work will be extended further north next Quarter to cover the most remote northern Frances Creek Project tenements.

Aircore drilling at **Elizabeth Marion** commenced in late June and a total of 18 angled drill holes were completed for 875 metres by the end of the Quarter. While the drilling conditions have proved harder than anticipated to date, holes have still penetrated to >40m vertical depth.

Territory has doubled the density of the drilling on each section (to 20m spacing) in order to retain integrity of the drilling programme to comprehensively target the stratigraphic geological sequence. Assay results are pending for the drilling completed to date.

Areas proving to be prospective for shallow, concealed iron ore mineralisation (by way of a deeper weathered profile or complex folded geology) will then be tested by more limited, but specifically targeted, deeper RC drilling programmes.

Aircore drilling is also scheduled for completion across the **Luke's Find** prospect, which includes mapped iron ore and manganese mineralisation horizons within the Koolpin Formation, centred 2km west of the Frances Creek mine infrastructure.



Substantial programmes of geological field mapping and sampling have continued in the Quarter and this work has proved invaluable in providing an understanding of the complex structural geology which is the key to further discoveries in the region. The work is being extended northwards during the dry season with the support of all-terrain “gators” (rugged quad bikes).

## ***Regional Exploration Projects***

The initial reconnaissance RC drilling programme at **McCarthy Hill** (located 25km south-east of Frances Creek) was completed during the December 2010 Quarter.

The RC drilling programme tested a limited strike extent at the **McCarthy Hill** Prospect due to Aboriginal heritage restrictions. The Company worked closely with the Traditional Owners, Custodians and the Aboriginal Areas Protection Authority (AAPA) to secure access to the region and the first pass of drilling was completed over only 600m of prospective strike in the extensive tenement.

The results from this drilling programme were encouraging, particularly considering there is an additional 10km strike length of the prospective horizon within the tenement. The **McCarthy Hill** Prospect (EL22440) remains one of Territory’s priority regional exploration targets in the Frances Creek area.

No work was completed at McCarthy Hill in the June Quarter, largely owing to poor accessibility to the area from the long wet season.

The Company will work closely with the EL22440 tenement holders, the AAPA and the Traditional Owners next Quarter to progress negotiations regarding access to other areas within the **McCarthy Hill** Prospect for geological reconnaissance in order to further assess its potential this year. Rehabilitation is also planned for those exploration tracks and drill sites no longer required and the work will be monitored by the Traditional Owners.

Territory was recently granted a new Exploration Licence at the **Reynolds Range** Project, located about 250km north-west of Alice Springs. The region has been poorly explored in the past, despite hematite and manganese occurrences being identified in the region.

The Company has purchased detailed Quickbird Ortho imagery in order to commence desk top studies ahead of a first-pass reconnaissance geological mapping and sampling field programme, planned for next Quarter.

Territory continues to monitor the **Reynolds Range** region and the Northern Territory generally for further opportunities matching the Company’s strategic commodity portfolio for potential acquisition or Joint Venture opportunities.

## **TENEMENT RATIONALISATION**

Territory finalised an internal review of its tenement holdings during the March 2011 Quarter.

The Company has retained its Joint Venture arrangements at the **Yarram** Project, located close to the town of Batchelor in the Northern Territory.



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## **CORPORATE**

### ***Noble Debt***

As at 30 June 2011, the Company's core debt under its term facility with Noble amounted to A\$19.19 million (US\$20.61 million).

During the Quarter, the Company drew down pre-payments of US\$34.4 million and repaid US\$33.1 million resulting in a net pre-payment debt position of A\$13.9 million (US\$14.9 million) as at 30 June 2011.

On 10 May, Territory signed a non-binding term sheet with Noble to convert its remaining core debt to equity at a conversion price of A\$0.45 per share. Discussions relating to this debt-to-equity conversion were terminated following the receipt of the Exaaro Offer.

### ***Jonesville Limited On-market Takeover Offer***

The Jonesville Limited (a wholly owned subsidiary of Noble Group Limited) on-market takeover offer for the Company closed on Thursday, 21 July 2011 at 2.00pm (WST). At the close of the offer Jonesville and the Noble Group had acquired a relevant interest of 90.5% in the Company.

### ***Monarch Gold Mining Company***

During the Quarter, the Company accepted a conditional offer from a substantial shareholder, DCM DECOMetal GmbH ("DCM"), for its nominee to acquire Territory's remaining loans and 39.85 million shares in Swan Gold Mining Limited (formerly Monarch Gold Mining Company Limited) ("Swan Gold") for a total consideration of A\$6.738 million (the "Transaction").

Completion of the Transaction would result in Territory recovering approximately 50% of the remaining debt owed to it by Swan Gold of A\$13.5 million, and approximately 74% of the original A\$25.5 million loan.

The Transaction is subject to Swan Gold's other creditor trusts also accepting a settlement offer from DCM, and DCM due diligence on the transferability of the Territory trust.

Territory has received written consent from the Noble Group, which holds a 90.5% interest in the Company for the sale and has applied to the ASX for a conditional waiver from the requirement to convene a shareholder meeting to approve the transaction.

### ***TTY Share Capital***

As at 29 July 2011, the Company had 267,245,990 shares and 2,083,000 options on issue.

**Andrew Simpson**  
**Chairman**

***For investor and corporate inquiries, contact:***  
***Andrew Simpson, Chairman or***  
***Telephone: +61-8 9483 5100***



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***For media inquiries, contact:***

***Nicholas Read, Read Corporate***

***Telephone: +61-8 9388 1474 or 0419 929 046***

## **Competent Person's Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Peter Bleakley, who is a Member of the Australasian Institute of Mining and Metallurgy, and is a full-time employee of Territory Resources Limited. Mr Bleakley 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 for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Mr Bleakley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Ore Reserves is based on information compiled by Mr Marek Wydmanski, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Territory Resources Ltd. Mr Wydmanski has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Ore Reserves'. Mr Wydmanski consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources is based on information compiled by Mr Mark Nelson, who is a Member of the Australasian Institute of Mining and Metallurgy, and is a full-time employee of Territory Resources Limited. Mr Nelson 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 for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Mr Nelson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## **Forward-Looking Statements**

*This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Territory Resources Limited, that could cause actual results to differ materially from such statements. Territory Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.*

## **Exploration Targets**

*It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration targets for the Frances Creek Iron Ore Project should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

# 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

Territory Resources Limited

ABN

53 100 552 118

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	31,639	141,995
1.2	Payments for (a) exploration & evaluation	(2)	(353)
	(b) development	-	-
	(c) production	(24,520)	(123,273)
	(d) administration	(6,294)	(11,850)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	63
1.5	Interest and other costs of finance paid	(509)	(1,962)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>327</b>	<b>4,620</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	(1,000)
	(c) other fixed assets	(189)	(6,061)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	22	3,420
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	3,825
1.12	Other (a) payments for exploration	(1,536)	(5,177)
	(b) net security deposits	(139)	(1,886)
<b>Net investing cash flows</b>		<b>(1,842)</b>	<b>(6,879)</b>
1.13	Total operating and investing cash flows (carried forward)	(1,515)	(2,259)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(1,515)	(2,259)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	559
1.17	Repayment of borrowings	(278)	(13,971)
1.18	Dividends paid	-	-
1.19	Other - net proceeds from advance sales	983	14,721
	<b>Net financing cash flows</b>	<b>705</b>	<b>1,309</b>
	<b>Net increase (decrease) in cash held</b>	<b>(810)</b>	<b>(950)</b>
1.20	Cash at beginning of quarter/year to date	1,334	1,474
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>524</b>	<b>524</b>

**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	
	(a) Interest to Noble Group	307
	(b) Commission to Noble Group	278
	(c) Principal repaid to Noble Group	130
	(d) Salaries and fees to Directors	215
	(e) Other related entities	68
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

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (a) Noble Group loan	19,190	19,190
(b) Noble Group advance sales	13,940	13,940
(c) Property mortgage	5,000	5,000
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,976
4.2 Development	-
4.3 Production	41,559
4.4 Administration	2,380
<b>Total</b>	<b>47,915</b>

### 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	283	1,120
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – restricted cash	241	214
<b>Total: cash at end of quarter (item 1.22)</b>	<b>524</b>	<b>1,344</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	No changes		
6.2	Interests in mining tenements acquired or increased	No changes		

+ See chapter 19 for defined terms.

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

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

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <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>	265,121,141	265,121,141		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	833,000 1,250,000		<i>Exercise price</i> \$1.00 \$1.50	<i>Expiry date</i> 21 December 2011 21 December 2012
<b>Performance rights</b> <i>(description and conversion factor)</i>	1,759,224 647,234 933,770		Nil Nil Nil	30 June 2016 30 June 2017 30 June 2018
7.8 Issued during quarter – performance rights	933,770		Nil	30 June 2018
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

