Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Bluestone Tin Limited

ABN	Quarter ended ("current quarter")
25 110 150 055	30 June 2005

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (8.months) $A'000
1.1	Receipts from product sales and related debtors	5,490	5,846
1.2	Payments for (a) exploration and evaluation	(53)	(81)
	(b) development	(4,354)	(29,719)
	(c) production	(9,996)	(14,300)
	(d) administration	(790)	(2,002)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	176	797
1.5	Interest and other costs of finance paid	(77)	(77)
1.6	Income taxes paid		
1.7	Other (provide details if material)	20	44
	Net Operating Cash Flows	(9,584)	(34,492)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	(2,160)	(2,210)
	(b) equity investments		
	(c) other fixed assets	(2,684)	(8,851)
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	(4,844)	(11,061)
1.13	Total operating and investing cash flows (carried forward)	(14,428)	(50,553)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(14,428)	(50,553)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	25,810	66,315
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	1,879	1,879
1.17	Repayment of borrowings		(2,017)
1.18	Dividends paid		
1.19	Other – (Capital Rasing Costs) (provide details if material)	(1,114)	(2,343)
	Net financing cash flows	26,575	63,834
	Net increase (decrease) in cash held	12,147	13,281
1.20	Cash at beginning of quarter/year to date	5,222	4,088
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	17,369	17,369

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	193
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The cash flows have been prepared using the opening numbers as at 27 July 2004 (as disclosed in the prospectus dated 30July2004). The YTD development expenditure relates to the refurbishment and underground capital development of the Renison Bell Tin mine in Tasmania. The majority of the plant & equipment expenditure for the quarter relates to the pre-production construction, which commenced at the Collingwood Tin mine in Queensland.

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

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 Related Party Loan	6,000 0	1,879 0
3.2	Credit standby arrangements (Rehabilitation Bond)	3,000	3,000

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	100
4.2	Development	Renison Cap Mine Dev – 1,000 Collingwood Project Dev – 7,500 Collingwood Mine Dev – 2,000
	Total	**10,600**

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	17,369	5,222
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	17,369	5,222

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	Nil			
6.2	Interests in mining tenements acquired or increased	RL7/1988 Mt Bischoff	Ownership	-	100%

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**	276,350,003	196,030,001		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	 45,000,001	 36,000,001		
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	 5,332,500 10,667,500 1,350,000 3,140,000		*Exercise price* *25 cents* *25 cents* *30 cents* *30 cents*	*Expiry date* *30/06/2009* *30/06/2009* *30/06/2006* *30/06/2008*
7.8	Issued during quarter				
7.9	Exercised during quarter	9,000,000		*25 cents*	*30/06/2009*
7.10	Expired during quarter	400,000		*30 cents*	*30/06/2008*
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: P G Cook (Director) Date: 28 July 2005

Print name: Peter Gerard Cook

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.

== == == == ==