

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

FIRST AUSTRALIAN RESOURCES LIMITED

ABN

41 009 117 293

Quarter ended ("current quarter")

30 JUNE 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (.6.. months) \$A'000
1.1	Receipts from product sales and related debtors	682	1,142
1.2	Payments for (a) exploration and evaluation	(441)	(653)
	(b) development		(90)
	(c) production	(147)	(337)
	(d) administration	(218)	(404)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	17	35
1.5	Interest and other costs of finance paid	(5)	(15)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(112)	(322)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	(35)	(38)
	(b)equity investments		
	(c) other fixed assets	(21)	(24)
1.9	Proceeds from sale of: (a)prospects	260	260
	(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	204	198
1.13	Total operating and investing cash flows (carried forward)	92	(124)

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1.13	Total operating and investing cash flows (brought forward)	92	(124)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,085	1,801
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 (Share Issue Expenses)	(10)	(62)
	Net financing cash flows	1,075	1,739
	Net increase (decrease) in cash held	1,167	1,615
1.20	Cash at beginning of quarter/year to date	2,452	2,022
1.21	Exchange rate adjustments to item 1.20	104	86
1.22	Cash at end of quarter	3,723	3,723

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	84
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

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- 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

Under a farmout agreement ROC Oil Company Limited has agreed to carry FAR for expenditure up to an amount of US\$633,000 in relation to the 3D seismic program and certain other costs on Beibu Gulf Block 22/12. Pursuant to the agreement FAR's interest reduced from 10% to 5%. At the end of the June 2004 quarter the free carry had been fully utilised.

+ 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	860	639
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	906
4.2 Development	
Total	906

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	417	243
5.2 Deposits at call	1,101	1,113
5.3 Commercial Bills	1,344	1,096
5.4 US Certificates of Deposit (short term investment)	861	0
Total: cash at end of quarter (item 1.22)	3,723	2,452

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			

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Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	188,355,183	186,755,183	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,400,000 17,500,000 8,016	1,400,000 15,900,000 8,016	9.8 cents 6.2 cents 7 cents	N/A N/A N/A
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options Tradeable Incentive	104,598,161 8,000,000	102,998,161 --	<i>Exercise price</i> 7 cents 10 cents	<i>Expiry date</i> 31 July 2005 16 June 2007
7.8 Issued during quarter (FAROA)	1,400,000 17,500,000	1,400,000 15,900,000	<i>Issue Price</i> 4.8 cents 0 cents	<i>Expiry Date</i> 31 July 2005 31 July 2005
7.9 Exercised during quarter	(8,016)	(8,016)	<i>Exercise Price</i> 7 cents	<i>Expiry Date</i> 31 July 2005
7.10 Expired during quarter			<i>Exercise Price</i>	<i>Expiry Date</i>
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .

(Director)

Date: 29 July 2004

Print name: MICHAEL EVANS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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