

31 July, 2003

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE ANNOUNCEMENT

Please find attached an Announcement in relation to:

Quarterly Report & Appendix 5B for the 3 months ended 30 June 2003

Yours sincerely,



P.K. Nair
COMPANY SECRETARY

Quarterly Activities and Cashflow Report for the 3 months ended 30 June 2003

Overview

Corporate and Finance

- Heads of Agreement (HOA) signed on 13 June 2003 by the major stakeholders
- HOA provides resources and framework to re-organise AMC
- AMC to develop new business plan and continue the search for a new corporate partner
- AMC downsized, including significant Board, management and staff changes
- Dr Chris Rawlings appointed Acting Chief Executive Officer
- Cash balance of \$74 million at 30 June 2003

Stanwell Magnesium Project

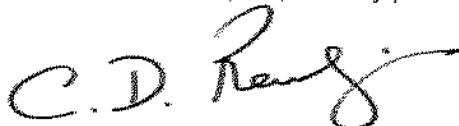
- No lost time injuries recorded at Stanwell or Gladstone
- Project halted following the HOA and the site placed on care and maintenance
- A joint venture to be formed with Leighton to preserve and develop certain project assets
- Gladstone Demonstration plant to be made safe and placed on care and maintenance
- Capital cost comparison for the plant received from Fluor
- Project and related expenditure in the June quarter was \$137 million

Queensland Magnesia Operations

- No lost time injuries recorded at Parkhurst or Kunwarara
- Magnesite production 108,079 tonnes, down 1.4% on previous quarter
- Construction of a new air pulsed gravity separator completed
- Magnesia production 45,060, up 5.1% on previous quarter despite gas supply interruptions
- Magnesia sales of 46,438 tonnes were up 38.9% on weak previous quarter
- Record electrofused production and sales of 7,000 tonnes and 7,923 tonnes respectively

Subsequent to the end of the June quarter

- AMC and Ford release each other from obligations under the Magnesium Supply Agreement
- Shareholder briefings held in Rockhampton and Brisbane
- AMC issued 16,115,754 fully paid ordinary shares to Fluor Australia Pty Ltd



Chris Rawlings
Acting Chief Executive Officer
31 July 2003

Enquiries concerning this report may be directed to:

Joel Forwood
Manager - Investor Relations
Telephone: +61 7 3837 3400
Facsimile: +61 7 3837 3423

Corporate and Finance

Overview

Following the unsuccessful search for a corporate partner in the magnesium business, detailed negotiations between AMC and its major stakeholders, the State of Queensland, the Commonwealth of Australia, Newmont Australia Limited (Newmont), and Leighton Contractors Pty Limited (Leighton), resulted in the signing of a Heads of Agreement (HOA) on 13 June 2003. As part of the HOA, the Stanwell Magnesium Project has been terminated in its current form and the site placed on care and maintenance. AMC will be re-focused with the HOA providing the framework and resources for AMC to develop a revised magnesium business plan and to continue the search for a new corporate partner. The re-structure and reorganisation includes a significant reduction in AMC staff and changes to the Board and management. Shareholder briefings were held in Rockhampton and Brisbane.

Board and Management Changes

The Board of AMC was reduced from ten directors to five with the retirement of the two executive directors, Mr Rod Sharp and Mr Tony Brown, and three non-executive directors, Mr John Dow, Mr Hans Umlauff and Mr Ian Freer. Directors continuing on the Board are: Dr Roland Williams (Chairman), Mr John Story, Mr Ken Williams, Mr Creagh O'Connor and Dr Chris Rawlings.

Appointment of Acting Chief Executive Officer

Dr Chris Rawlings was appointed Acting Chief Executive Officer following the resignation of Mr Rod Sharp. Dr Rawlings, who joined the AMC Board as non-executive Director in October 2002, was previously CEO of QCT Resources Ltd for six years until November 2000 prior to its takeover by BHP/Mitsubishi.

Heads of Agreement

The key elements of the HOA include:

- The termination of the engineering, procurement and construction (EPC) contract between Australian Magnesium Operations (AMO) and Leighton for the Stanwell Magnesium Project (SMP).
- The creation of a joint venture between AMO and Leighton with the aim of preserving the value created through the EPC contract and exploring opportunities for future developments.
- Termination of the senior debt facilities and unwinding the hedging arrangements associated with the SMP.
- The State and Commonwealth subordinating their loans to the unsecured creditors of AMO and AMC other than Leighton, up to an agreed amount.
- Newmont, a 27.8% shareholder in AMC, forgiving an existing loan of \$38.1 million to AMC, providing contingent funding, and retaining its existing guarantees to QMAG and AMC's Ford magnesium supply agreement.
- Funds from existing cash reserves being set aside to scale back and sustain the operations of AMC and AMO, with the balance of the funds to be held by AMO in escrow for use by AMC and AMO at the discretion of the State and Commonwealth as secured creditors.
- A commitment by AMC and AMO to prepare a new business plan to identify and evaluate possible options to take the Company's magnesium business forward.

AMC has also signed an agreement with Stanwell Corporation Limited to terminate the agreements for the supply of steam, electricity and water to the SMP.

Business Plan

AMC's primary focus is to develop a new business plan aimed at taking the Company's magnesium business forward. Integral to this plan will be efforts to build on the significant work AMC has completed to date, the sales and marketing progress it has achieved in the international magnesium industry, the technologies owned by the Company, and the significant research and development alliances already established.

AMC will seek to engage corporate partners in discussions on developing a magnesium business and will look at alternative plant size and contracting strategies for Stanwell. All options and opportunities will be reviewed for the project and the assets that have been retained.

Fluor Review

Fluor Corporation provided a detailed estimate of the cost to complete the project under an engineering, procurement and construction management (EPCM) contract structure had the project been able to proceed immediately. The Fluor estimate indicated the need for additional funding of approximately \$200 to \$250 million - on top of AMC's previously arranged funding package of \$1.5 billion - and the need for contingent balance sheet support. The level of additional funding as outlined by Fluor compares to AMC's previous estimate of \$150 to 200 million.

Financial Position

Under the terms of the HOA, funds from existing cash reserves are being set aside to scale back the operations of AMC over the next 12 months. The HOA contemplates cash payments of approximately \$70 million over the next 12 months with around \$50 million expended on activities relating to the scale back of operations and care and maintenance activities (including settlement of existing creditors and employee entitlements on termination) and around \$20 million for on-going activities (marketing, corporate, project and technical activities). The balance of the funds is to be held in escrow.

The escrow amounts held by the Company may only be released following the development of the new business plan and upon satisfaction of the Government stakeholders, as secured creditors, that a suitable project has been identified with a reasonable prospect of success with a new budgeted program of activities. A deposit of \$31.7 million has been made into escrow.

The closing cash balance for AMC as at 30 June 2003 was \$74 million. QMAG net cash inflow for the quarter after debt repayment, interest and capital expenditure was \$0.2 million. As reported in the attached Appendix 5B, investment in project and project-related activities including project finance, marketing initiatives and demonstration plant activities, was \$137 million during the quarter.

Shareholder Briefings

Shareholder briefings, by AMC directors, were held in the Pilbeam Theatre in Rockhampton on 3 July 2003, where approximately 400 shareholders were present, and at the Sheraton Hotel in Brisbane on 4 July 2003 with around 600 shareholders present. The meetings both lasted around 2 ½ hours and provided a forum for shareholders to be briefed on the current status of AMC and a platform for questions and answers.

Issue of Shares to Fluor

On 22 July 2003, AMC issued 16,115,754 fully paid ordinary shares to Fluor Australia Pty Ltd, at an average price of 18.6 cents per share, in satisfaction of an existing obligation to pay \$3.0 million in fees for the provision of personnel and services to the Stanwell Magnesium Project.

Stanwell Magnesium Project Activities

Project Summary

The project was terminated in its current form due to a combination of factors surrounding the inability to finalise a lump sum contract with Leighton Contractors Pty Ltd, indications of significant increases to the capital estimate for the project, and the inability to secure a new investor within the time frame dictated by the necessity to maintain the Project's completion date of first metal in first quarter 2005. The impact of these factors on the Ford magnesium supply agreement, and the conditions precedent for the first drawdown of debt resulted in the conclusion that completion of the project was beyond the resources currently available to AMC.

Suspension of the project has meant demobilisation of all resources and cancellation of contracts, with the site placed on a care and maintenance basis.

Agreements with Stanwell Corporation and the Rockhampton City Council, in respect of energy and water supply, are in the process of being wound up.

Principal Contractor Activities

Up to the time of suspension, the project was operating in a restricted cash flow mode, which allowed progress in only those areas essential for achieving completion of the cast house by the end of 2003, and achieving first metal in the first quarter 2005.

Subsequent to the suspension, Leighton's activities have primarily involved cancelling contracts and preparing the site for handover to AMC in a safe and secure state. This has now been completed and the site was returned to AMC on 18 July 2003.

The Heads of Agreement entered into with the Stakeholders included the formation of a joint venture between AMC and Leighton for the purpose of preserving the value of the assets emanating from progress achieved in all areas, and to assist in the development of new business opportunities. Processes to achieve these objectives are being developed with Leighton, and good progress is being made in asset retention.

AMC Owner Scope Project Activities

Separate from the Leighton activities, AMC's Project Team was responsible for the balance of facilities, including waste and waste water treatment utilities, chlor-alkali plant, acid plant, plant-wide control systems, gas supply, and the interface with Stanwell Corporation for the provision of power, steam and water from its adjacent facilities.

All the above arrangements have been terminated, and negotiations are underway to settle all outstanding payments and claims.

Pre Operations Activities

All pre-operation activities have been closed down and the majority of pre operations personnel, approximately 100 staff, were retrenched by mid July 2003.

The Gladstone Demonstration plant is being rendered safe and secure, and will be completely dormant by the end of September 2003. If the Demonstration plant is not required in the future an obligation exists to dismantle the plant and rehabilitate the site.

The commissioning team has also been demobilised.

The valuable work done in the development of commissioning and operating practices and systems by the operational and commissioning teams has been preserved for potential future use.

Magnesium Market Development & Technology

Market Development Activities

AMC's marketing and technical group continues to advance its relationships and programs within the automotive supply chain. Maintaining AMC's relationship with Ford is important following the resolution of the Ford magnesium supply agreement and it is AMC's intention to continue to work closely with Ford on the provision of technical services for Ford's future automotive programs.

Last year AMC reached agreement under a memorandum of understanding with a European metals group to provide 15,000 tonnes of pure magnesium between 2005 to 2007. AMC is in discussions with respect to this agreement, but does not anticipate any cancellation or financial exposures.

A key focus of AMC is to maintain its technical assistance and magnesium development alliances with the international automotive and die-casting communities.

AMC proposes to continue with a number of magnesium component development programs in Europe and North America with groups such as Wagon plc and Johnson Controls.

These are important in the development of service opportunities and AMC will seek to align these activities with a revised business plan and continue to leverage the expertise of the CSIRO and the Co-operative Research Centre for Cast Metals Manufacturing (CAST).

Ford Magnesium Supply Obligations

Following the end of the quarter, AMC and Ford announced that they had released each other from respective obligations under the magnesium supply agreement. Ford has agreed to relinquish any rights it may have in relation to a refund of the US\$30 million deposit – which was provided in 1997-98 to contribute to the funding of the Gladstone Demonstration plant and magnesium project feasibility study - on the receipt of US\$10 million. Newmont Australia has committed to provide the US\$10 million payment on behalf of AMC.

No ongoing financial obligations apply to either AMC or Ford in relation to this matter.

AMC and Ford will continue to maintain an ongoing relationship, details of which will emerge over the coming months.

QMAG Kunwarara & Parkhurst Operations

Health, Safety and Environment

QMAG did not record a lost time injury during the quarter. The 12 month rolling average LTIFR decreased from 4.8 to 3.0 during the quarter. (LTIFR is the number of lost time injuries per million hours worked. Figures include employees and contractors.)

Kunwarara Magnesite Production

Magnesite production of 108,079 tonnes was down 1.4% on the previous quarter and in balance with production requirements at Parkhurst.

At KG2, construction of an air pulsed gravity separator was completed and commissioning commenced in May. Further commissioning and plant optimisation will take place in the September quarter. The technology is producing a final magnesite product suitable for Parkhurst, without the need for additional processing at KG1.

The installation of a new crushing and screening circuit at KG2 has been deferred until after the new separator is fully commissioned.

Quarterly Kunwarara Production (tonnes)	Jun 02	Sep 02	Dec 02	Mar 03	Jun 03
Ore Mined	403,050	536,110	715,635	717,030	762,120
Beneficiated Magnesite Produced	125,228	108,328	121,234	109,620	108,079

Exploration

At Oldman South, data from 596 slimholes and 18 large diameter bulk samples are being used to further define the ore reserves with the slimhole data integrated into the 3D geological model of the ore body.

At KG2, a program of 140 slimholes and 12 large diameter bulk samples was completed on the KG2 mining lease to better define the orebody for future mining.

The data from these programs are being assessed.

Parkhurst Magnesia Production

Magnesia production of 45,060 tonnes, at Parkhurst, was 5.1% higher than the previous quarter that had been affected by heavy rain interruptions. Production would have been higher but for an unplanned stoppage following an interruption to the gas supply for 10 days in late May. The interruption occurred during maintenance on the gas pipeline by the gas pipeline owner. The financial impact of the production loss has been amicably resolved directly with the gas supplier. Despite the interruption, electrofused and calcined magnesia production were up 17.2% and 61.6% respectively on the previous quarter.

Commissioning of plant modifications to optimise capacity was carried out during the quarter and the plant was run for extended periods at throughputs 10-15% higher than previously achieved. The modifications will provide the plant with the potential to reach a production level approaching 220,000tpa. While the current product mix at the higher throughput does not match the current sales profile, further work is underway both in the plant and with customers to ensure a market for the increased capacity.

Quarterly Parkhurst Production (tonnes)	Jun 02	Sep 02	Dec 02	Mar 03	Jun 03
Deadburned magnesia	29,724	28,001	25,635	28,157	23,921
Electrofused magnesia	6,402	6,248	3,564	5,972	7,000
Calcined magnesia	11,204	15,635	13,860	8,750	14,139
Total	47,330	49,884	43,059	42,879	45,060

Sales

Magnesia sales of 46,438 tonnes were up 38.9% on the previous quarter. Strong demand for deadburned and electrofused magnesia in Europe continued on the back of strong world steel production. Deadburned magnesia sales were constrained by plant availability and interruptions to the gas supply. Electrofused sales of 7,923 tonnes in the quarter were a record and the electrofusion plant has been working at full capacity for most of the last 6 months.

Calcined magnesia sales recovered from the low level of the previous quarter on the back of strong industrial demand and the impact of seasonal influences in the agricultural sector.

A bulk shipment of 39,000 tonnes of magnesite took place in April. Discussions are underway to increase the sales volume of magnesite.

Quarterly Magnesia Sales (tonnes)	Jun 02	Sep 02	Dec 02	Mar 03	Jun 03
Deadburned magnesia	37,327	23,411	32,900	16,945	24,549
Electrofused magnesia	6,264	4,664	5,453	5,890	7,923
Calcined magnesia	14,905	13,665	12,412	10,609	13,966
Total magnesia sales	58,496	41,740	50,765	33,444	46,438
Magnesite sales	2,083	772	32,202	484	39,680
Total magnesia and magnesite sales	60,579	42,512	82,967	33,928	86,298

QMAG Outlook

The outlook for refractory magnesia is positive with global steel production continuing to grow strongly, some increases in Chinese prices flowing through, and a tight market for deadburned magnesia. Some increases in deadburned magnesia prices of the order of 5-7% were achieved during the quarter and further contracts are currently under negotiation. However, the bulk of deadburned magnesia contracts are not up for renewal until the end of calendar 2003.

The overall sales outlook remains firm with the current order book expected to keep the plant at full production levels at least until the end of 2003.

Company Directory

Australian Magnesium Corporation Limited
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Website: www.austmg.com
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Level 5, 30 Little Cribb Street, Milton QLD 4064 Australia
PO Box 1364, Milton BC, QLD 4064 Australia
Tel: +61 7 3837 3400
Fax: +61 7 3837 3489

Queensland Magnesia – Rockhampton
246 Boundary Road, Parkhurst QLD Australia
PO Box 5798, Central QLD Mail Centre 4702 Australia
Tel: +61 7 4920 0200
Fax: +61 7 4936 1380

Directors as at 31 July 2003

Roland Williams	Non-executive Chairman
Chris Rawlings	Acting Chief Executive Officer
Creagh O'Connor	Non-executive Director
John Story	Non-executive Director
Ken Williams	Non-executive Director

Company Secretariat

Prem Nair	Company Secretary
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Issued Capital as at 30 June 2003

ASX Listed Securities

Ordinary Shares

ASX Code ANM
374,583,425 fully paid
ordinary shares on issue.

Distribution Entitled Securities

ASX Code ANMNA
660,258,713 distribution
entitled securities on issue.

July 2005 Options

ASX Code ANMO
53,153,895 listed options on issue
(expiry date 31 July 2005).

Unlisted Securities

44,574 employee options (expiry
date 13 August 2003)

3,000,000 unlisted options (expiry
date 28 February 2007)

Investor Relations & Shareholder Services

Enquiries concerning this report may be directed to:

Joel Forwood - Manager - Investor Relations

Tel: +61 7 3837 3400
Fax: +61 7 3837 3423

Matters relating to shares held, change of address
and tax file numbers should be directed to the
AMC Share Registry:

Douglas Heck & Burrell

Level 22, HSBC Building
300 Queen Street, Brisbane QLD 4000 Australia
GPO Box 35, Brisbane QLD 4001 Australia
Tel: +61 7 3228 4219
Fax: +61 7 3221 3149

ASX REQUIREMENTS

The Information in this report insofar as it relates to ore or mineralisation is based on information compiled by a corporate member of the Australasian Institute of Mining and Metallurgy – Steve Wilcock, M.AusIMM, Senior Mine Geologist - who has a minimum of five years experience in the field of activity being reported on.

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

Australian Magnesium Corporation Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

30 JUNE 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors incl. GST	47,563	130,691
1.2 Payments for		
(a) exploration and evaluation	(6)	(9)
(b) development	-	-
(c) production & AMO activities excl. GST	(63,559)	(115,260)
(d) administration	(3,220)	(11,316)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,973	5,795
1.5 Interest and other costs of finance paid	(2,690)	(6,981)
1.6 Income taxes paid	-	-
1.7 Gross GST paid	(15,702)	(47,768)
Other payments	-	-
Other receipts	3	101
Net operating cash flows	(35,638)	(44,747)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets incl mine development	(5,227)	(6,806)
1.9 Proceeds from sale of:		
(a) prospects	-	14
(b) equity investments	-	-
(c) other fixed assets	63	63
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Stanwell Magnesium Project	(137,145)	(445,902)
– CSIRO Research Agreement funding	-	17,200
Net investing cash flows	(142,309)	(435,431)
1.13 Total operating and investing cash flows (c/ forward)	(177,947)	(480,178)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (b/ forward)	(177,947)	(480,178)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares incl. DES final instalment	4,109	303,708
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	8,004	105,930
1.17	Repayment of borrowings - loan note distribution	(10,902)	(36,464)
	- other	(1,129)	(3,379)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	82	369,795
	Net increase (decrease) in cash held	(177,865)	(110,383)
1.20	Cash at beginning of quarter/year to date	251,861	184,379
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	73,996	73,996

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	1,879
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

During the quarter, payments included directors' fees, executive directors' remuneration, payments for consulting services provided by director-related entities, and payments to other related entities, which include Origin Energy Limited and entities in the Newmont Australia Limited group. Payments to other related entities are mainly for guarantee fees and gas. Reimbursements of expenses are not included. (Not all of these payments are included in items 1.2 and 1.10; some are included in items 1.5 and 1.12).

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

The balance outstanding under the Newmont 2001 facility was forgiven by Newmont Finance Limited on 13 June 2003. The balance on that date, including accrued and capitalised interest, was \$38.098M.

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

NIL

+ 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	<u>QMC Finance Pty Ltd</u>		
	<ul style="list-style-type: none"> ANZ: – Fully drawn cash advance facility (for QMAG operations) 	67,500	67,500
	<u>Australian Magnesium Operations Pty Ltd</u>		
	<ul style="list-style-type: none"> Qld Treasury Holdings Pty Ltd: State Mezzanine Loan Agreement facility (subordinated debt, to support payment of Loan Note distributions by AMC) 	100,000	33,522
	<ul style="list-style-type: none"> ANZ: Cash advance facility, guaranteed by the Commonwealth of Australia (subordinated debt, to fund SMP) 	100,000	81,825
3.2	Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

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

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	10,291	49,818
5.2	Deposits at call	61,798	170,548
5.3	Bank overdraft	-	-
5.4	Other – Bank bills & Term deposits	1,907	31,495
Total: cash at end of quarter (item 1.22)		73,996	251,861

+ See chapter 19 for defined terms.

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	n/a	n/a	n/a
6.2	Interests in mining tenements acquired or increased	n/a	n/a	n/a

+ 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 <i>(description)</i>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, etc	Nil	Nil		
⁺Ordinary securities				
7.3 (i) Fully paid	374,583,425	374,583,425		
(ii) Fully paid *	<u>660,258,713</u>	<u>660,258,713</u>		
* stapled to Loan Notes in 7.12	<u>1,034,842,138</u>	<u>1,034,842,138</u>		
7.4 Changes during quarter (a) Increases through issues (i) Fully paid - Distribution Reinvestment Plan	18,143,084	18,143,084	22.64 cents	22.64 cents
(ii) Fully paid * * stapled to Loan Notes in 7.12	Nil	Nil		
(b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5 ⁺Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
(i) 31 July 2005 *	53,153,895	53,153,895	125 cents	31 July 2005
(ii) 28 Feb 2007 *	3,000,000	Nil	60 cents	28 Feb 2007
(iii) Employee Options * * entitlement to subscribe for one ordinary share	44,574	Nil	442.1 cents	13 August 2003
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.11	Debentures <i>(totals only)</i>	Nil	Nil
7.12	Unsecured notes Loan Notes * <i>* stapled to fully paid shares in 7.3(ii) above</i>	660,258,713	660,258,713

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 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: Date:31 July 2003.....
 Director & Acting Chief Executive Officer

Print name: CHRISTOPHER D RAWLINGS

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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+ See chapter 19 for defined terms.