



Eagle Bay Resources N.L.  
ACN 051 212 429

## Company Announcement

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### ACTIVITY REPORT TO 4 JULY 2003

#### THE COMPANY'S ACTIVITIES

#### 1. GOLD EXPLORATION

##### COPPER/GOLD EXPLORATION DRILLING COMPLETED

Myall Creek Copper Deposit, South Australia  
(EBR Earning 75% Interest)

##### Introduction

Eagle Bay Resources N.L. has signed a letter of agreement with Minotaur Resources Limited regarding a farm-in to a copper/gold prospect located at Myall Creek, which is strategically located in the Olympic Dam Copper-Gold Province. This mineral belt is about 400 kilometres long, stretching from Minotaur's Prominent Hill discovery in the north, through the Olympic Dam, Mount Gunson and Cattlegrid mines to the old Wallaroo and Moonta mines in the south. The Myall Creek deposit is approximately half way between Olympic Dam and Moonta/Wallaroo.

##### Drill Results

Three dimensional gravity modelling of newly recorded data has defined an attractively sized target, which was drilled late last month. The geophysically defined horst was mineralised and encountered at the predicted depth. Assays are awaited. Further gravity surveying along trend of this horst is expected to result in further drilling this year. A Black and white computer generated model of the drilling results is enclosed; a colour revision is available by email.

## **2 OIL AND GAS EXPLORATION**

### **GIPPSLAND BASIN OFFSHORE VICTORIA**

(EBR 100% And Diluting) VIC/P41 And VIC/P47

#### **Drill Program – 2 Wells**

Two separate 3D Seismic surveys (including a survey by Esso Australia Limited) at an estimated cost of some \$6 million have now been completed at no cost to Eagle Bay within VIC/P47. Bass Strait Oil Company Limited (BSOC) has exercised its option over VIC/P47 and is required to drill the Moby prospect (previously known as East Patricia), prior to 27 November 2003, estimated to cost \$6 million, to earn a 75% interest in the permit. To extend this date BSOC would need Government approval which would normally require a firm contractual commitment to the next available drilling rig in order to satisfy the Government work obligations on the permit. BSOC has selected Labrador Petro-Management Pty Ltd as the contractor to provide drilling management services to BSOC for the well.

Lakes Oil NL have completed a Falcon geophysical survey and seismic mapping on the Gilbert structure in VIC/P47 and have committed to drill the prospect within 30 days of the drilling of Moby to earn interests as set out below:

Lakes Oil N.L.	77%
Bass Strait Oil Company	10%*
Eagle Bay Resources N.L.	10%**
Gravity Capital Limited	3%*

\* Free Carry through drilling of Gilbert up to casing point

\*\* Eagle Bay has a 5% free carry and a 5% participating interest

Exact drilling dates will be advised when rig contracts are executed and all environmental and State Government lease conditions have been finalised.

In VIC/P41 BSOC has committed to pay the cost of a further 250<sup>2</sup> km 3D seismic survey (estimate A\$3 million) to satisfy the Year 5 work commitment on that permit. This will increase BSOC equity in the permit to 75% with Eagle Bay 25% free carried.

## **3 ULEY GRAPHITE MINE (EBR 100%) PORT LINCOLN SOUTH AUSTRALIA**

### **History of the Company's Graphite Mine**

The Uley Graphite project contains a resource of high grade flake graphite. The reserves and resources are sufficient to support the mine life in excess of 100 years. Uley is located 23km from Port Lincoln and is well served by existing infrastructure including an established deep water port.

During the early 1990's approximately \$14 million was spent by Pittston Mineral Ventures, our previous North American joint venture partner, on the construction and commissioning of a 14,000 tonnes per annum capacity processing plant.

An option agreement has been entered into with Mr Jeff Hull the original owner of the mine whereby he has paid a \$10,000 non refundable deposit, and pays all operating costs while he conducts due diligence until the 23 September 2003 when a further payment of \$250,000 is required to extend the option, with a balance of \$250,000 payable 1 July 2004. The carrying value of the Uley Graphite project in Eagle Bay Resources N.L. is only \$100,000 which is the director's estimate of the residual value of the onsite plant.

*The information contained in this Report as it relates to mineralisation is based on information compiled by Mr A Rechner who is a Director of the Company and a competent person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Rechner. Mr Rechner has been involved in several oil discoveries in his 30 years as a geologist including as operations manager for West Australian Petroleum and Chevron Oil in North Africa. Mr Rechner's previous involvement as Chairman and Managing Director of Windsor Resources N.L., Brunswick N.L. and Geographe Resources Ltd resulted in these company's evolving from small explorers to major producers at Mount Percy, Galtee More and Chalice respectively.*

Yours faithfully

**Anthony Rechner**  
Director

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