

Quarterly Report for the Period Ended June 30th 2010

Highlights

A solid operating performance at the Wetar Copper Project as it moves toward commercial production and encouraging drill assays at the Ojolali Project underpin Finders' progress during the Quarter. At Wetar, upgrades to the demonstration plant have been completed ahead of schedule and in advance of the green light for the Stage 1 expansion to 7,000 tpa cathode. Revised Stage 1 capital cost estimates are nearing completion and Stage 2 detailed engineering and optimisation are underway. At the Ojolali Project assays from the Jambi oxide prospect returned high gold and silver values which support the presence of high grade zones within the deposit and enhance potential for extensions to depth. The company believes Ojolali has the strong potential to be a second development project for Finders.

Wetar Copper Project

- Demonstration plant performance steady
 - ✓ 416t of Grade A cathode produced (4.6 tpd copper)
 - ✓ 439t sold at an average price of ~\$7,100/t
 - ✓ Heap 3 copper recoveries above 70%
- Plant upgrades completed ahead of expansion project, including extra neutralisation capacity
- Stage 1 (brownfields expansion of demonstration plant to 7,000 tpa copper)
 - ✓ Detailed engineering complete
 - ✓ Contractor responses for major works under review
 - ✓ All quotations for equipment complete
 - ✓ Capital estimates expected by end July
 - ✓ Term sheets for project finance being shortlisted
- Stage 2 (expansion to 23,000 tpa copper)
 - ✓ Engineering design work and earthworks optimisation underway
 - ✓ Revised capital estimate targeted for Dec 2010
- Permitting process making steady progress



New use for Wetar Copper as Indonesian Independence Day approaches

Ojolali Gold-Silver Project

- Encouraging gold grades from Jambi drilling
 - ✓ 7m @ 9.6 g/t Au at 14m depth in BKJR138
 - ✓ 24m @ 3.1 g/t Au at 9m depth in BKJR149
 - ✓ 7m @ 4.3 g/t Au from surface in BKJR154
- High grade gold-silver feeder zone established
 - ✓ 6m @ 7.1 g/t Au and 161 g/t Ag in BKJR148
- Assays from Tambang oxide Ag-Au target pending



RC Drilling at Ojolali

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Wetar Copper Project

(FND ~94% and earning through expenditure)

Background Information on the Wetar Copper Project

The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining.

The project encompasses the old Lerokis gold mine (operated from 1989 to 1997) and benefits from having existing infrastructure in place, particularly a wharf, camp and roads and partially pre-stripped copper ore bodies.

Since February 2009, Finders has operated a 5 tonne per day SX-EW demonstration plant to test copper sulphide leach kinetics, optimise process design and provide data required for the recently completed Definitive Feasibility Study (DFS). The test heaps are at heights similar to commercial operations worldwide and the SX-EW technology being used is industry standard. SX-EW technology is currently responsible for approximately 22% of the world's copper production.

The Ore Reserves have been independently assessed by Australian Mine Design & Development Pty Ltd and are in accordance with the JORC Code (Table 1). The following statement uses a cut-off of 0.5% copper for two pits at Kali Kuning and Lerokis with an overall waste to ore ratio of 0.98.

	Category	Tonnes (m)	Grade % Cu	Contained Copper (kt)	Contained Copper Attributable to Finders (94%) (kt)
Kali Kuning Pit	Proved	4.91	2.5	123	116
	Probable	0.85	2.2	19	18
	Sub-Total	5.76	2.5	142	133
Lerokis Pit	Proved	2.05	2.4	49	46
	Probable	0.37	2.3	9	8
	Sub-Total	2.42	2.4	58	55
Combined	Proved	6.96	2.5	172	162
	Probable	1.22	2.2	28	26
	Total	8.18	2.5	205	193

The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades.

A third deposit, Meron, is located 1.2 km from the proposed heap leach site in the Kali Kuning Valley. This prospect has a potential size of 0.5-1.5mt @ 1-3% Cu based on historical drilling results from the previous gold mining operation. This potential is an exploration target which is conceptual in nature and may or may not be converted into a Mineral Resource depending on future exploration and resource modelling work. Meron is not included in the definitive feasibility study, however engineering plans do recognize the potential for additional leach ore from Meron and additional leaching space is available.

Copper mineral species at Kali Kuning and Lerokis are dominated by chalcocite and covellite, which are readily amenable to bacterial assisted leaching, and chalcopyrite which leaches faster at higher temperatures.

Demonstration Plant Update

The Demonstration Plant has now produced approximately 1,970 tonnes of LME grade A copper cathode since 23rd February 2009 and the last six months have seen production at 96% of nameplate totalling 869 tonnes with sales of 800 tonnes at an average price of approximately US\$7,100 per tonne (US\$3.22 per lb).

Table 2: Operating Parameters			
Leach Performance*	Heap 2	Heap 3	Heap 4
Grade (Cu %)	3.6	4.9	5.0
Recovered Copper (total) – Tonnes	495	663	719
Approx. % Copper Recovery to date	59%	71%	34%
Approx. Number of weeks under Irrigation	71	65	46
Electrowinning	Q1 2010	Q2 2010	
Copper Produced – Tonnes	453	416	
Copper Sold – Tonnes	361	439	

**As of 17 July 2010. All subject to final mass balances and weight reconciliations*

The demonstration plant cash flow is being used for detailed engineering studies and improvements to the existing assets. As part of a plant upgrade the SX launders were modified, which required an SX plant shutdown for approximately three days. These modifications enable more efficient copper extraction from the aqueous solutions carrying copper. In addition, roofs have been fitted on the settlers to reduce solvent evaporation. Both these measures are designed to reduce operating costs in advance of the planned expansion project.



Figure 1: SX Plant at Wetar

A number of other upgrades to the facilities were completed during the quarter. The crushing circuit was refurbished in preparation for a resumption of mining. The neutralisation plant has been extended with larger tanks to effect an operating cost reduction for neutralisation by increasing capability for lime dosing replacing soda ash and the addition of a filter press to assist with solids treatment.

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Fig 2: Filter Press and neutralisation Plant



Fig 3: Refurbished crusher at Wetar

Copper leaching

Copper leaching in the test heaps is now occurring at a reduced rate in line with expectations as the leach cycle enters its concluding leach stage. This has provided an opportunity to analyse mineralogical samples from the leached ore to check the composition of the residual mineralogy. Initial studies indicate the dominant species remaining are covellite and enargite/tetrahedrite; the latter showing very little evidence of leaching. Covellite is leachable at slower rates than chalcocite and variable aeration and irrigation rates are being assessed to target specific redox conditions to maximise its recovery.

It is encouraging that Heap 3 has achieved ~71% copper recovery after approximately 65 weeks and the leach rate remains steady. This is evidence of both a higher copper recovery and one that is occurring faster than the leach projections used in the feasibility study. Lesser performance in Heap 2 which still has the same projected terminal recovery as the model is most likely to reflect differing crush sizes between the two test heaps.

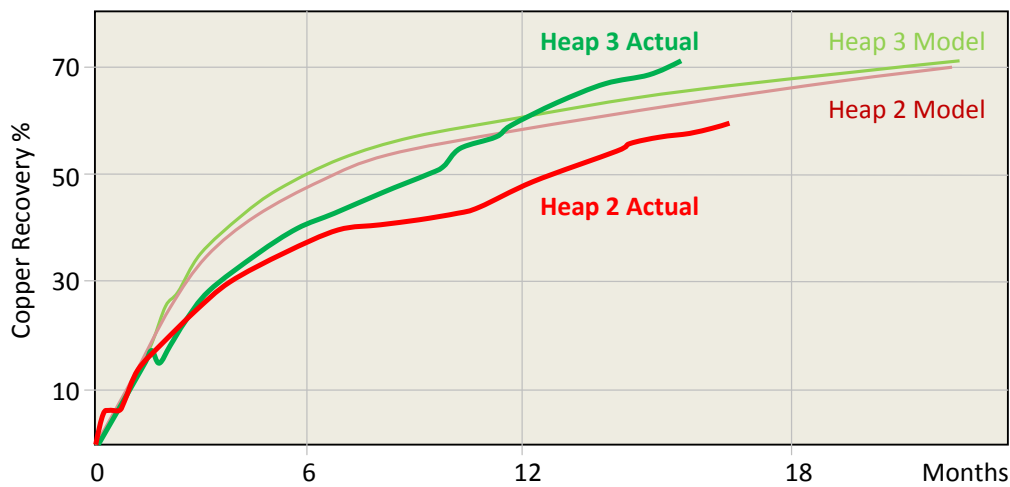


Fig 4: Comparison of actual and modelled recovery curves for Heaps 2 and 3

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Project Development

Detailed Stage 1 engineering design has been completed by NeuBau Pty Ltd and Electrowin Consulting Pty Ltd. Responses from suppliers and contractor tenders and enquiries have been received for all major works including fabrication and installation of the plant and pipe-work and electrical installation. Quotes for major equipment items and machinery hire have also been received. Together, these are being compiled to allow for a detailed engineering capital estimate which is now close to completion.



Figure 5: 3D design of EDP with new cell house and mixers/settlers (courtesy of NeuBau Pty Ltd).

In addition, a significant amount of work has been completed to optimise earthworks and several aspects of the Stage 1 one layout. This work has involved additional geotechnical drilling, revised design of the leach pad in the old gold pit area, relocation of waste to a new dump not evaluated in the DFS and increasing pond sizes.

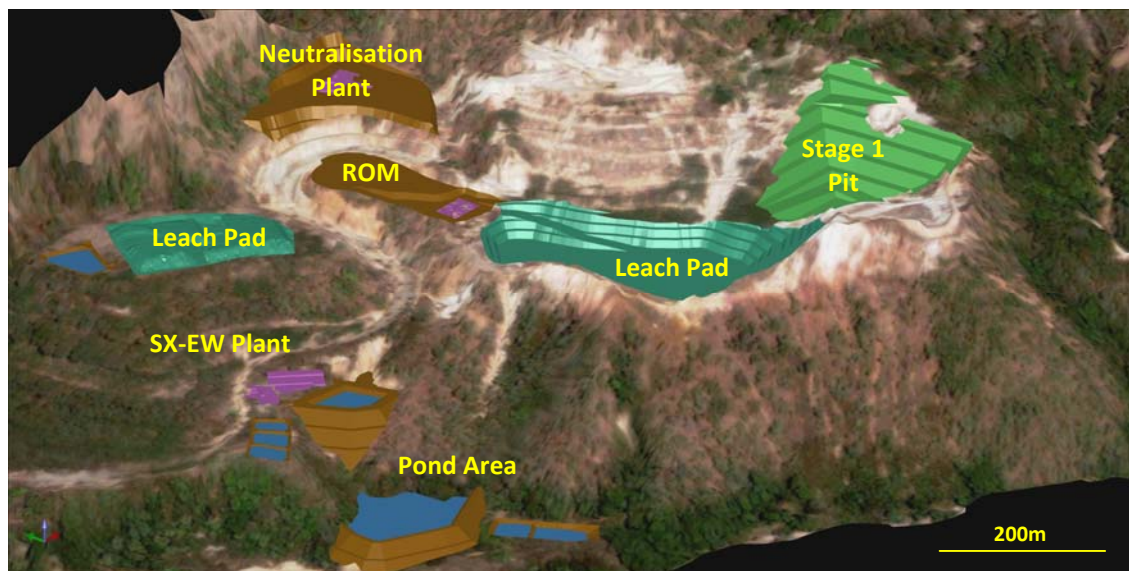


Figure 6: Stage 1 development layout showing existing Kali Kuning pit, view looking east.

Design work has commenced on components of Stage 2 based on importing and installing the Whim Creek plant now disassembled and packed in containers in Western Australia.

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During the quarter, new pit wall slope design parameters were received from SRK Consultants (Australia). The new designs are based on the latest geotechnical drilling program and laboratory test work completed in June 2010. The steeper highwall design is likely to reduce the amount of waste rock in Stage 2. The reduced waste volumes coupled with the new waste dump locations will allow for optimization of Stage 2 earthworks in advance of the issue of tenders to Indonesian contractors. The Company is aiming to provide a revised capital estimate for Stage 2 in Dec 2010.

Finders has received six provisional term sheets from potential sources of debt finance in respect to the Stage 1 expansion and scoped to accommodate Stage 2. The term sheets are currently being reviewed with a view to selection of a short list earmarked for the negotiation of definitive terms. A number of representatives from potential lenders and Behre Dolbear Australia, as independent technical consultants for potential lenders, have completed site visits.

Permitting

As previously reported, Finders obtained its environmental impact assessment approval (AMDAL) in late March 2010. Following this approval, supporting documents in relation to the application for the Mining Permit required for Stage 1 and Stage 2 were submitted, and have been reviewed by a team from the Mines Department from the Province of Maluku and the Kabupaten (or sub-district) of Maluku Barat Daya. The review identified minor clarifications and requests for additional information which have now been supplied. A recommendation from the Mines Department for the Bupati (Regent) to proceed with the issue of a mining permit is expected shortly.

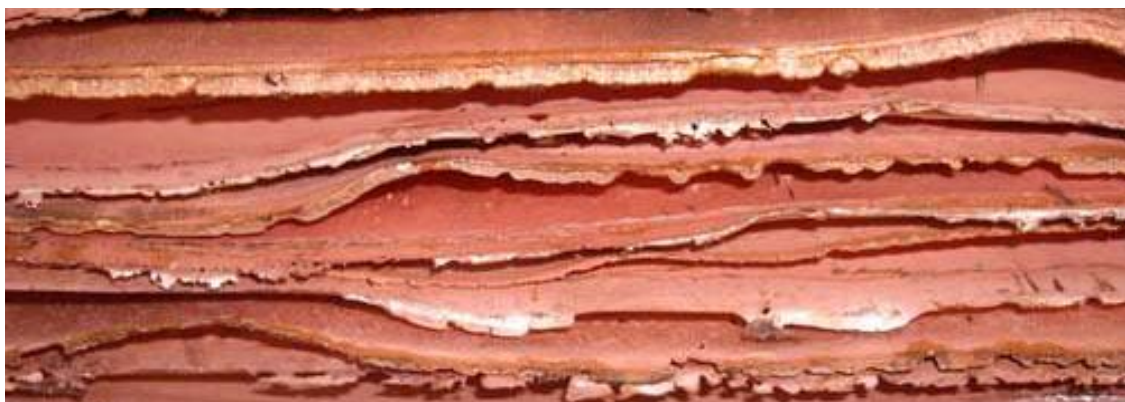


Figure 7: Wetar cathode

In advance of the award of the Mining Permit, a suite of follow-on permits which allow for import of equipment and construction activities to proceed have been progressed. Finders' Indonesian operating company, PT Batutua Tembaga Raya ('BTR') has received approval for a capital expansion with the Foreign Investment Board which will allow use of the "masterlist" facility to import equipment including an application for the import of the SX-EW plant from Whim Creek. In addition, a Building Permit, which when issued coupled with the existing environmental permit (AMDAL) allows for construction of the expanded SX-EW plant (Stage 1) is pending signature of the Bupati. The company is currently seeking further clarification in regard to its application for a Location Permit, a form of land use permit, following an inconsistency identified between advice and permits obtained from the local government and the Forestry Department. As a contingency measure, PT Batutua Kharisma Permai (the local partner) is in the process of lodging applications for a forestry permit, supported by a recommendation from the Governor of Maluku and the Director General at the Ministry of Energy & Mineral Resources. Deferral of the permit may affect the startup of Stage 1. Finders will provide an update once further clarity is obtained.

Ojolali Project

(FND ~72% with option to increase to 100%)

Background Information

Finders believes that the Ojolali project has strong potential to be a follow-on project for Finders based on the development of the gold resource at the Jambi Oxide deposit (Table 3) and/or the Tambang Prospect.

Table 3. Jambi Mineral Resource Estimates

Cut off Au g/t	Indicated			Inferred			Total			Contained Au koz	Attrib. FND (72%) Au koz
	Mt	Au g/t	Ag g/t	Mt	Au g/t	Ag g/t	Mt	Au g/t	Ag g/t		
0.5	2.98	1.1	8.3	1.1	0.9	5.7	4.08	1.05	7.6	138	99
1.0	1.13	1.74	8.5	0.3	1.6	6.7	1.43	1.71	8.1	79	57

Finders has previously announced Inferred Resources at the Tambang Prospect (7.9 Mt @ 167g/t Ag and 0.7 g/t Au at a 1 g/t Au equivalent cut-off using drilling data from a previous explorer).

Previous exploration by Finders, using both soil geochemistry and geophysics has located numerous targets within a 10 x 4km mineral district which have potential to provide additional resources.

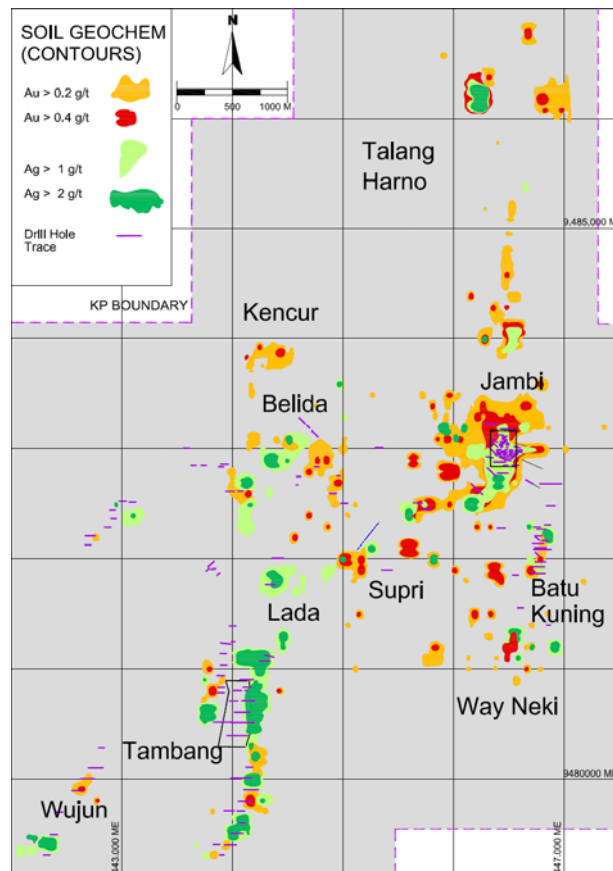


Figure 8: Ojolali district: soil geochemistry and prospect locations

Finders' current exploration strategy at Ojolali is to increase the oxide gold-silver resource base to +300,000 Oz gold equivalent (Au eq), to provide the basis for a low cost 30-50,000 Oz Au eq per year open pit mine based on the Jambi and Tambang oxide deposits.

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Jambi Drilling

During the quarter Finders completed an infill reverse circulation drilling program to evaluate targets within or adjacent to the existing Jambi oxide gold resource envelope.

In total, 19 holes for 1,939m of drilling were completed. Assay results are extremely encouraging, delivering the best gold assays from the prospect to date, and strongly support the interpretation of high grade structurally controlled zones at Jambi.

Assay highlights include:

- **24m @ 3.1 g/t Au** at 9m depth in BKJR149, within a zone of **48m @ 2.0 g/t Au** from surface
- **7m @ 9.6 g/t Au** at 14m depth in BKJR138, within **19m @ 4.2 g/t Au** from a depth of 11m
- **6m @ 7.1 g/t Au** and **161 g/t Ag** in BKJR148, within **21m @ 2.9 g/t Au & 85 g/t Ag** from 90m
- **7m @ 4.3 g/t Au** from surface in BKJR154, within **17m @ 2.6 g/t Au** from surface
- **6m @ 3.8 g/t Au** from surface in BKJR137, within **10m @ 2.2 g/t Au** from surface

Assays were undertaken by the Intertek Jakarta laboratory (ITS), using 50g fire assay (Code FA51) for gold, and ICP for other elements. In total, 16 of the 19 drill holes intercepted significant results as defined by a 0.5 g/t Au cut off with a maximum 1m of internal dilution and a minimum of 5 gram*meters minimum intercept (Table 4). Full details of drill hole collar locations and a plan of the Jambi drilling area can be found in the market release dated 22nd July 2010.

The high gold and silver values in BKJR148 comprise the first indication of a feeder structure for the Jambi mineralization, and opens up a clear target for significant depth extensions.

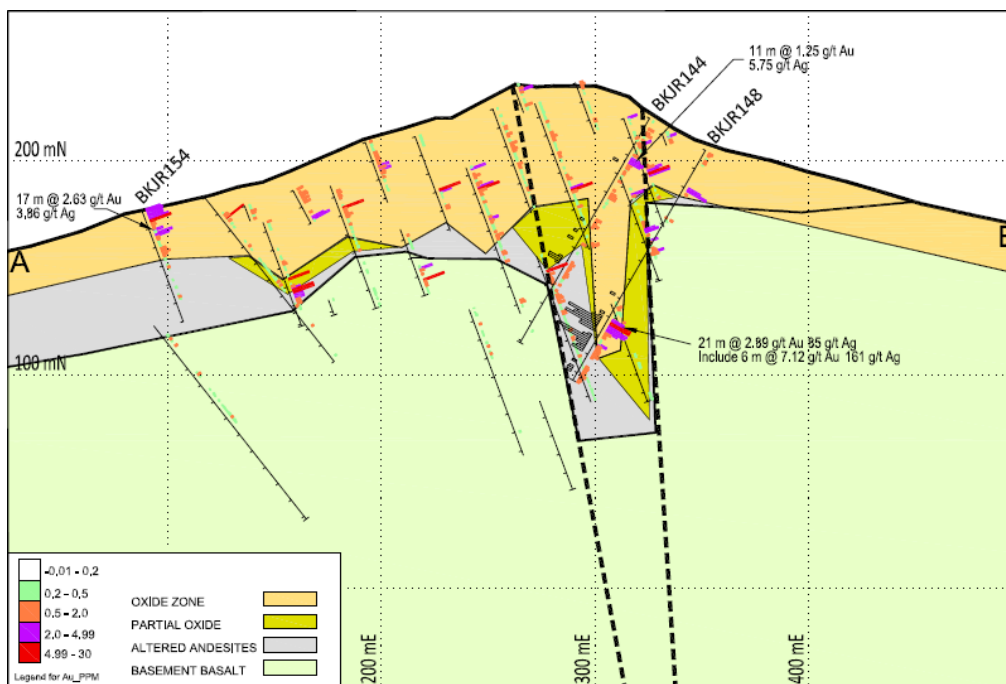


Figure 9: Typical section at Jambi

The results of the 19-hole program at Jambi will be incorporated into an updated resource estimate to be undertaken by Hellman & Schofield Pty Ltd.

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Table 4: Significant intercepts using a 0.5 g/t Au cut-off

Hole_ID	From (m)	Length (m)	Au (ppm)	Ag (ppm)	AuEq (ppm)	AuEq (g*m)	From (m)	Length (m)	Au (ppm)	Ag (ppm)	AuEq (ppm)
Main Intercept							Including				
BKJR136	0	77	0.8	9.3	1.0	77.0					
BKJR136	0	9	1.3	1.9	1.4	12.3					
BKJR136	15	8	0.8	1.9	0.9	6.8					
BKJR136	27	25	0.7	23.4	1.1	27.8	31	2	1.5	59.2	2.5
BKJR136	57	20	1.2	3.5	1.2	24.8	59	3	2.7	5.3	2.8
BKJR137	0	10	2.2	1.1	2.2	22.0	0	6	3.8	0.8	3.8
BKJR137	16	12	1.4	3.8	1.5	17.9					
BKJR137	30	20	1.7	0.8	1.7	33.4					
BKJR138	2	7	0.8	2.3	0.9	6.2					
BKJR138	11	19	4.2	6.5	4.3	82.3	14	7	9.6	3.8	9.7
BKJR138	33	2	3.1	2.3	3.2	6.3	34	1	5.3	3.4	5.4
BKJR139	30	7	0.8	4.6	0.9	6.1					
BKJR139	40	11	1.0	12.0	1.2	12.9	47	2	2.7	51.8	3.6
BKJR139	54	5	1.3	43.6	2.0	10.0	55	2	2.6	59.3	3.6
BKJR139	72	4	1.9	5.4	2.0	7.8	75	1	4.5	4.7	4.6
BKJR140	37	8	3.0	1.3	3.1	24.4	41	1	11.8	3.1	11.8
BKJR140	64	3	4.3	6.9	4.4	13.2					
BKJR140	70	9	1.4	15.9	1.7	15.1	70	1	4.1	18.6	4.4
BKJR140	101	5	1.0	14.9	1.3	6.4	101	1	3.3	65.9	4.4
BKJR141	3	16	1.1	2.8	1.1	18.1					
BKJR141	49	13	2.2	4.0	2.2	29.1	49	3	7.0	3.5	7.1
BKJR141	67	11	1.2	18.5	1.5	16.4	76	1	5.3	40.6	5.9
BKJR141	87	14	0.8	3.4	0.9	12.3					
BKJR142	102	8	0.9	10.1	1.1	8.8					
BKJR143	31	6	1.1	11.6	1.3	7.7					
BKJR144	18	11	1.3	5.8	1.4	14.9					
BKJR144	37	5	1.1	2.2	1.1	5.5					
BKJR144	57	5	0.9	10.9	1.1	5.4					
BKJR144	76	9	0.7	19.6	1.1	9.5					
BKJR145	0	4	2.3	1.1	2.3	9.1	0	1	7.1	2.1	7.1
BKJR145	39	6	0.8	13.0	1.0	6.1					
BKJR148	19	2	4.0		4.0	8.1					
BKJR148	90	21	2.9	85.4	4.3	89.3	91	6	7.1	161.6	9.8
BKJR148	115	9	0.9	14.8	1.2	10.4					
BKJR149	0	48	2.0	5.0	2.1	101.8	9	24	3.1	1.7	3.2
BKJR150	0	17	1.7	2.0	1.7	28.7					
BKJR150	21	20	1.5	11.2	1.7	34.0	27	2	8.6	8.4	8.7
BKJR151	0	10	1.4	1.6	1.5	14.5					
BKJR151	12	7	1.6	8.2	1.8	12.4	14	1	7.4	9.4	7.5
BKJR153	43	2	4.3	4.5	4.4	8.7					
BKJR154	0	17	2.6	3.9	2.7	45.8	0	7	4.3	0.2	4.3
BKJR154	21	5	1.3	9.0	1.4	7.1					

(Max. 1m internal dilution, min. intercept 5 gram*meter AuEq. All intercepts are down hole lengths and may exceed the true thickness. Gold equivalents (AuEq) are calculated using the formula Au + Ag/60)

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Tambang Supergene Silver-Gold Target

Previous diamond drilling at Tambang has targetted primary mineralization. Limited drilling in the near surface (oxide) zone has shown very promising assays, despite poor core recoveries, as tabulated below.

Table 5. Historical results from the Tambang oxide zone						
Hole Number	From (m)	Width (m)	Au ppm	Ag ppm	Au eq*	Core recovery
TBG03	31.9	13.5	1.09	319	6.4	68%
RTH02	6.0	8.0	0.42	300	5.4	No data
RTH03	31.0	9.0	0.94	300	6.9	No Data

*Au equivalent is equal to the Au grade plus the Ag grade divided by 60

A part of the current drilling program, an 18 hole drill program has been completed to test for near-surface enriched silver mineralization covering a 600m zone within the mapped 2km strike length of the vein system. Assays are expected within the next few weeks. Visually, the drilling has intersected a vein zone at Tambang of approximately 20m true width (Figure 10 below)

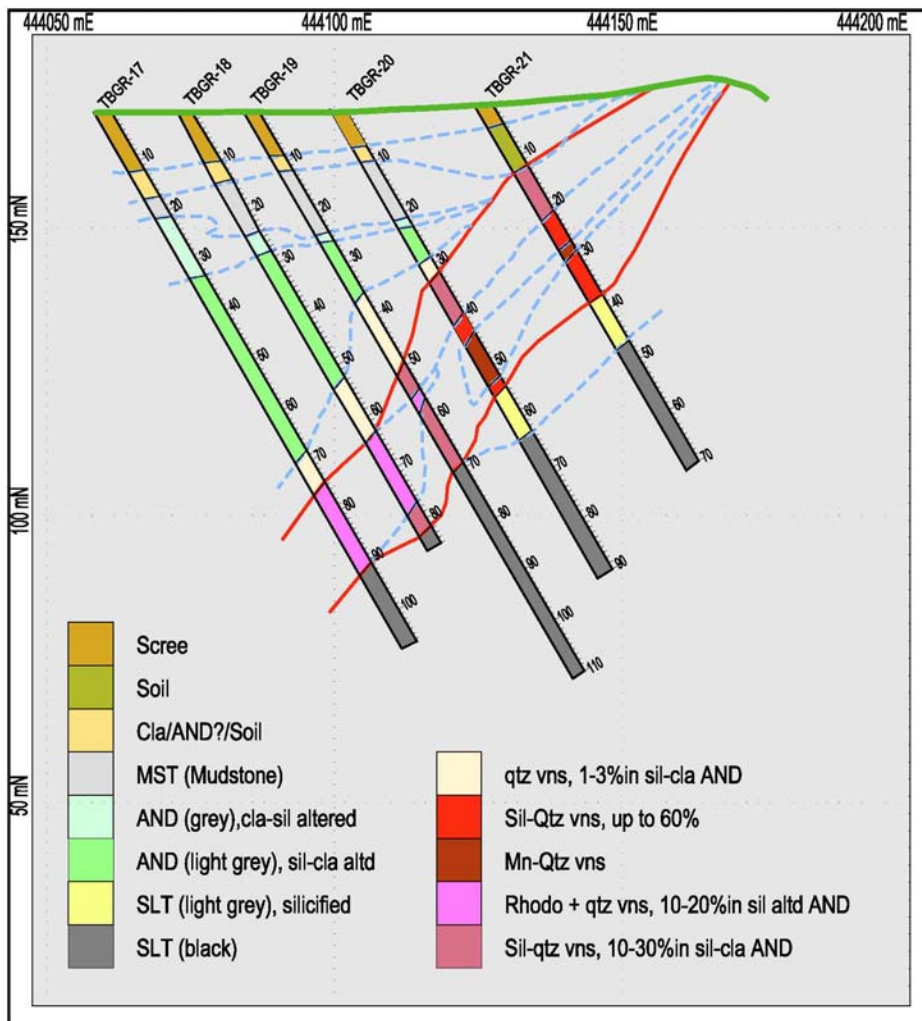


Figure 10: Tambang vein zone (assays pending)

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Corporate

Capital Structure

The capital structure at 30 June 2010 is set out in Table 6

Table 6. Capital Structure			
Type of Security			Number on Issue
<i>Fully Paid Ordinary Shares ("Shares")</i>			
Shares on issue at 31 Mar 2010			193,861,678
Issued in payment of convertible note interest			151,884
Shares on Issue at 30 Jun 2010			194,013,562
<i>Unlisted Options</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	
	A\$0.30	April 16, 2012	500,000
	A\$0.30	April 16, 2014	500,000
	A\$0.30	May 8, 2014	2,000,000
	A\$0.37	June 23, 2014	250,000
	A\$0.37	June 28, 2014	625,000
	A\$0.37	June 29, 2014	500,000
	A\$0.37	Aug 29, 2014	250,000
	A\$0.37	Sep 14, 2014	1,000,000
Unlisted Options on issue at 30 Jun 2010			5,625,000
<i>12% Convertible Note</i>	<i>Face Value</i>	<i>Conversion Price</i>	<i>Maturity Date</i>
	US\$1,500,000		
	(A\$2,323,972)	A\$0.36	19 January 2012

Cash

As at 30 June 2010, Finders had AUD\$3.3 million in cash. The mining exploration entity quarterly report (Appendix 5B) is appended.

Chris Farmer

Managing Director

Further details for all projects may be found on the Finders website at www.findersresources.com

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Competent Person Statements

The information in this report that relates to exploration potential, mineral resource and ore reserve estimation is the responsibility of Dr Russell Fountain. Dr Fountain is a Director of Finders and a Fellow of the Australian Institute of Geoscientists. Dr Fountain has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as Competent Person in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code) and as a Qualified Person as defined in the AIM Rules. He consents to the inclusion in this report of the matters based on his information in the form and context in which they appear. All assaying of drill core samples was undertaken by the ITS laboratory in Jakarta. ITS is one of the world's largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System (LIMS) for sample tracking, quality control and reporting.

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This announcement may or may not contain certain "forward-looking statements". All statements, other than statements of historical fact, which address activities, events or developments that Finders believes, expects or anticipates will or may occur in the future, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "targeting", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. These forward-looking statements, including those with respect to permitting and development timetables, mineral grades, metallurgical recoveries, potential production reflect the current internal projections, expectations or beliefs of Finders based on information currently available to Finders. Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company's current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate, (iii) the Company's analysis is correct or (iv) the Company's strategy, which is based in part on this analysis, will be successful. Finders expressly disclaims any obligation to update or revise any such forward-looking statements

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

FINDERS RESOURCES LIMITED

ABN

82 108 547 413

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	3,201	6,004
1.2 Payments for (a) exploration & evaluation	(338)	(506)
(b) development	(665)	(1,223)
(c) production	(2,542)	(5,050)
(d) administration	(1,199)	(1,956)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	34	89
1.5 Interest and other costs of finance paid	-	(1)
1.6 Taxes and value added tax paid	(259)	(150)
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,768)	(2,793)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets	(650)	(2,777)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments	-	822
(c) other fixed assets	408	408
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	(2)	62
Net investing cash flows	(244)	(1,485)
1.13 Total operating and investing cash flows (carried forward)	(2,012)	(4,278)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,012)	(4,278)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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 (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,012)	(4,278)
1.20	Cash at beginning of quarter/year to date	5,340	7,605
1.21	Exchange rate adjustments to item 1.20	-	1
1.22	Cash at end of quarter	3,328	3,328

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	368
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for salaries, directors fees and consulting fees.

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

NA

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

NA

Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Convertible note facility (USD 1,500,000)	2,324	2,324
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	480
4.3 Production	2,600
4.4 Administration	1,000
Total (before receipts from copper sales)	4,430

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	828	1,745
5.2 Deposits at call	2,500	3,595
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,328	5,340

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	NA			
6.2 Interests in mining tenements acquired or increased	NA			

+ 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 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	194,013,562	194,013,562		
7.4 Changes during quarter (a) Increases through issues - Conversion of interest payable under convertible note (b) Decreases through returns of capital, buy-backs	151,884	151,884	32cents	32cents
7.5 *Convertible debt securities (description)	6,455,477	NIL	36cents	36cents
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	500,000	NIL	30cents	16.04.2012
	500,000	NIL	30cents	16.04.2014
	2,000,000	NIL	30cents	08.05.2014
	250,000	NIL	37cents	23.06.2014
	625,000	NIL	37cents	28.06.2014
	500,000	NIL	37cents	29.06.2014
	250,000	NIL	37cents	29.08.2014
	1,000,000	NIL	37cents	14.09.2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	500,000	NIL	68.75cents	13.06.2010
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

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- 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: Date: 28 July 2010
Director

Print name: Christopher Ben Farmer

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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