

31 July 2009

The Company Announcements Office
ASX Limited

Via E Lodgement

**QUARTERLY OPERATIONS REPORT AND APPENDIX 5B FOR PERIOD ENDING 30
JUNE 2009.**

Yours faithfully
CAPE LAMBERT IRON ORE LIMITED

Tony Sage
Executive Chairman

HIGHLIGHTS

- Successfully completed the acquisition of the assets of CopperCo Limited (“CopperCo”),
 - Included in the CopperCo asset package is a 100% interest in the Lady Annie copper and Sappes gold projects, a 25% interest in the Lady Loretta lead-zinc-silver project, 19.9% interest in ASX listed Corvette Resources Limited (“Corvette”) and various other listed equities,
 - Scrip takeover bid for Corvette launched on the basis of 0.417 Cape Lambert shares for each Corvette share,
 - The Company elected to convert notes into equity in both ASX listed DMC Mining Limited and Cauldron Energy Limited, acquiring 36.4% and 18.7% respectively of each,
 - Substantial shareholder Power United Limited exited the share register, with its stock successfully placed with a number of London based institutions,
 - Company presentations to approximately 24 institutions and fund managers were completed in Brisbane, Sydney and Melbourne in the third week of July,
 - Cash at bank on 30 June 2009 totalled approximately A\$74 million,
 - Ms Eloise von Puttkammer appointed Company Secretary following the resignation of Mr Timothy Turner. Mr Turner will continue in his role as a Non-Executive Director of the Company. Mr Peter Landau resigned as a Non-Executive Director of the Company,
 - First stage air core drilling of tailings dumps at Marampa completed with a total advance of 2,294m for 174 holes. Assay of drill samples in progress, with Golder Associates engaged to complete an initial resource estimate,
 - Diamond drilling commenced at Marampa late in June at the Gafal West Prospect. To date 817m has been completed, and
 - Ministry of Mineral Resources approved the renewal of Marampa Exploration Licence EXPL09/06 until 30 June 2011.
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CORPORATE

Strategy and Business Model

Cape Lambert Iron Ore Limited ("Cape Lambert" or the "Company") (ASX: CFE) is an Australian domiciled, cashed-up resources and investment company, with interests in a number of resource projects and companies.

The Company manages two early definition iron assets located in the Pilbara region of Western Australia and Sierra Leone, West Africa. Through the acquisition of CopperCo Limited's assets and the provision of convertible notes, the Company also has exposure to copper, gold, uranium, phosphate and other iron ore assets in Australia, Africa and South America.

The Company's objective is to use its cash reserves to invest in a portfolio of resource assets, and to add value to those assets to position them for sale. The Company intends to follow a policy of disbursing cash to shareholders following the realisation of assets within its portfolio.

Acquisition of CopperCo assets

On 29 June 2009, Cape Lambert completed the acquisition of the assets of CopperCo Limited (Receivers and Managers Appointed) ("CopperCo"). The directors of CopperCo placed the company into voluntary administration on 27 November 2008, and receivers and managers were subsequently appointed. The receiver and manager offered the assets for sale through a competitive process in the first half of 2009.

The assets acquired (several of which are more fully described later in this report) include:

- The Lady Annie copper project located near Mt Isa in Queensland,
- A 25% interest in the Lady Loretta lead, zinc and silver project, also located near Mt Isa in Queensland,
- A 100% interest in the Sappes gold project located in Greece,
- A 100% interest in a number of granted exploration licences and applications with a total area of approximately 38,000 km² in the Northern Territory and Queensland that are prospective for rock phosphate, uranium and sedimentary base metal deposits,
- 19.9% of the issued share capital in each ASX listed company, Buka Gold Limited (ASX: BKG), Corvette Resources Limited (ASX: COV) and Tianshan Goldfields Limited (ASX: TGF), and
- Shares in a number of offshore listed resource companies including Platmin Limited (TSX/AIM: PPN), Herencia Resources plc (AIM: HER) and Chaarat Gold Holdings Ltd (AIM: CGH).

Prior to completion on 29 June 2009, the Sale Agreement was restructured to ensure that Cape Lambert acquired no more than 20% of the three ASX-listed companies included in CopperCo's assets. However, the restructure provides that Cape Lambert will receive the benefit of any consideration ultimately obtained for the remaining interests in those ASX-listed companies.

Takeover offer for Corvette Resources

On 6 July 2009, Cape Lambert advised the ASX that it would make an off-market, all scrip offer for all of the issued shares in gold exploration company, Corvette Resources Limited ("Corvette").

Cape Lambert acquired 19.9% of the shares in Corvette as part of the acquisition of the CopperCo assets.

The Company has set out the details of its bid for Corvette in a Bidders Statement that was lodged with ASX on 24 July 2009. Cape Lambert is offering 0.417 of its shares for each Corvette share.

Conversion of Convertible Notes

DMC Mining Limited

On 3 July 2009, Cape Lambert announced that its wholly owned subsidiary Dempsey Resources Pty Ltd ("Dempsey") had acquired a 36.4% interest in ASX listed, iron ore exploration company DMC Mining Limited (ASX: DMM) ("DMC") following the conversion of a \$2 million convertible note and the exercise of 5 million unlisted options.

This acquisition will enable Cape Lambert shareholders to benefit from having exposure to the potentially world class Mayoko iron ore project, located in the Republic of Congo ("RoC").

The Mayoko project is a greenfields iron ore project with excellent potential for the definition of large itabirite type iron ore deposits. The project is differentiated from several other iron ore projects located in central, west Africa through access to a 429km long operating, narrow gauge railway from the port of Point Noire on the Atlantic coast of the RoC.

On 17 July 2009, DMC announced an exploration target size of 0.7 – 1.0 billion tonnes of itabirite mineralisation. This was based on a recently completed 220km² high resolution, airborne geophysical survey, supported by historic diamond drilling and recent trenching conducted by DMC. Drilling is planned to commence at one of the main targets, Mt Lekoumou, in the September 2009 quarter.

Cauldron Energy Limited

On 15 July 2009, Cape Lambert (through Dempsey) completed the conversion of a \$2.3 million convertible note in Cauldron Energy Limited (ASX: CXU) ("Cauldron").

Cape Lambert will hold approximately 18.7% of Cauldron's issued capital.

Cauldron is a uranium exploration company with interests in Western Australia, South Australia and Argentina. Further details of Cauldron's projects are available at www.cauldronenergy.com.au.

Buka Gold Limited - Request to convene a General Meeting

On 30 June 2009, Cape Lambert gave notice to Buka Gold Limited ("Buka") that it required Buka to convene a general meeting of shareholders in accordance with sections 249D and 203D of the Corporations Act to consider resolutions for the appointment of three new directors to the board of Buka, and for the removal of all of the existing directors.

Cape Lambert has proposed the appointments of Tony Sage, Simon McDonald and Mark Gwynne to the board and the removal of all existing directors, namely Messrs David Hillier, John Richards, Paul Dowd and Robert Gunthorpe.

On 17 July 2009, Buka advised the ASX that it had given notice of a general meeting of shareholders to consider the resolutions, which is to be held in Sydney on 26 August 2009.

International Goldfields Limited - Exercise of Options

On 30 June 2009, Cape Lambert exercised 8 million, \$0.20 options in International Goldfields Limited ("IGC").

The exercise of these options increased Cape Lambert's interest in IGC to 12.28%.

Board Changes

On 1 April 2009, Ms Eloise von Puttkammer was appointed as Company Secretary and Mr Timothy Turner resigned as Company Secretary. Mr Turner will continue in his role as a Non-Executive Director of the Company.

On 17 June 2009, Mr Peter Landau resigned as a Non-Executive Director of the Company.

PROJECTS

Marampa Iron Ore Project (35% interest and Manager, Sierra Leone, West Africa)

The Marampa iron ore project is located in Sierra Leone, West Africa (refer Figure 1) and comprises;

- A 319km² granted exploration licence (EXPL09/06),
- An inventory of specular hematite tailings from former mining operations, and
- A brownfields exploration opportunity representing extensions of specular hematite mineralisation to the northeast and west of the former Marampa mining operations, and regional exploration targets.

The project is being evaluated for the production of high-grade, hematite iron ore concentrate from both the tailings inventory and hardrock mineralisation.

During the quarter, the Ministry of Mineral Resources approved the renewal of EXPL09/06, for a period of 2 years to 30 June 2011.

Tailings Drilling

During the quarter, a total of 174 holes for 2,294m of air core ("AC") drilling was completed over the tailings. Drilling covered the accessible portions of tailings dumps A, B and I. The AC holes were drilled on a 50m x 50m grid with depths varying from 2m to 29m with an average depth of 12m, including a minimum of 1m into the substrate.

Two samples were split from each 1 meter interval for head assay and metallurgical test work, respectively. The head assay samples will be utilised for estimation of a resource ("Head Samples"). The metallurgical test work samples were sent to DownerEDI Mining in Queensland for beneficiation studies.

A detailed digital topographic survey of the drill collars, accessible tailings dumps and adjoining areas was completed by Coffey Mining.

The Head Samples were freighted to Ultra Trace Geoanalytical Laboratories, Perth for analysis and results will be available in the September 2009 quarter.

Independent consulting group, Golder Associates Pty Ltd, Perth was engaged to prepare an initial JORC compliant resource estimate, which is due to be completed in the September 2009 quarter.

Hardrock Exploration - Mapping

Work during the quarter focussed on detailed geological mapping and trenching at Gafal West, and prospect mapping at Makambo. The target hardrock mineralisation is specular hematite hosted in folded schists.

The Gafal West prospect extends 4km to the west over a zone 1-2km wide from the old DELCO open pit at Gafal Hill. During the quarter, 21 prospecting pits and 4 trenches were excavated, mapped and sampled. These revealed 2 trends of tightly folded specular hematite schist aligned roughly west north west along the south and north parts of the prospect. In areas with underlying specular hematite schist there is a 3-4m thick cover of laterite.

Geological mapping commenced at the Makambo prospect, located 10km north of the historic Marampa mine.

Hardrock Exploration - Drilling

Diamond drilling at the Gafal West prospect commenced on 22 June 2009. The first hole, MPDD005 was collared 100m southeast of diamond drill hole MARDH002 drilled in 2007. MARDH002 was drilled with vertical dip and is interpreted to have drilled down the west limb of a south plunging synform; this hole returned 237m at 28% Fe. MPDD005 was designed to determine the true thickness of the west limb.

MPDH005 was completed at 360.7m and showed well-developed specular hematite mineralisation from approximately 128m to 310m. MPDH006 was collared next to MPDH005 and drilled at -60 degrees to 120 degrees to test the east limb of the interpreted synform.

A total of 817m of diamond drilling has been completed during the quarter.

Metallurgical Test Work - Tailings

A test work program on a 370kg bulk tailings sample has been completed by Perth laboratory, AMMTEC Ltd ("AMMTEC") during the quarter. The work has confirmed that a high quality concentrate, suitable for the manufacture of blast furnace feed pellets, can be produced through the application of conventional Wet, High Intensity Magnetic Separation ("WHIMS") and flotation cleaning. Variability testing, in particular evaluation of the impact of a very high slimes content on concentrate quality, showed the WHIMS process to be robust towards variation in feed characteristic.

Composite samples from the air core tailings drilling are being prepared by DownerEDI Mining ("DownerEDI") in Queensland, to enable a comprehensive and definitive metallurgical test work program to be undertaken.

This test work program will build on the results and flow sheet development work already undertaken by AMMTEC and is expected to give a high level of confidence with regard the production of a high quality concentrate from the tailings. The work will be conducted by a bulk, pilot scale production run that will produce concentrate for both pelletising test work and market acceptance studies.

Metallurgical Test Work – Hardrock

Following on from test work carried out previously by Amdel Limited on the 2007 diamond core composites, three further composite samples were prepared and tested at AMMTEC. This test work included physical and chemical characterisation, gravity separation and WHIMS. The test work identified that a WHIMS based flow sheet provided an effective method for production of concentrate from the hardrock hematite schist. The flow sheet developed was similar to that used for Marampa tailings.

Table 1 shows the results achieved for a composite tested at a coarse grind size of 80% passing 250 micrometres.

Stream	Mass Rec. %	Fe Rec. %	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	MnO %
LIMS Magnetics.	0.20	0.5	68.1	3.2	0.4	0.01	0.23
Recleaner Magnetics	36.5	81.6	63.6	4.6	1.4	0.01	0.05
Retreat Magnetics	7.1	11.4	44.7	18.2	6.0	0.04	0.12
Overall	43.8	93.5	60.6	6.8	2.1	0.02	0.06

Table 1: Summary Metallurgical Test Results – Marampa Hardrock

These interim results indicate high iron and mass recoveries are achieved at a coarse grind size, with additional cleaning expected to produce a concentrate grading greater than 65% Fe.

Further metallurgical test work is planned from samples to be collected from the current diamond drilling program.

Studies

During the quarter, an environmental reconnaissance survey was conducted by SRK Consulting. The purpose of this survey was to review the environmental and social setting at Marampa, undertake preliminary water and soil sampling and to review the regulatory framework required for an eventual environmental and social impact assessment.

A scope of work for the preparation of a pre-feasibility study on the tailings material was prepared during the quarter, and expressions of interest from several consulting companies to undertake this work have been sought.

Lady Annie Copper Project (100% interest, Mt Isa, Queensland)

On 29 June 2009, Cape Lambert acquired the Lady Annie copper project (“Lady Annie”), located 120km north of Mt Isa, Queensland (refer Figure 2).

Lady Annie’s assets include:

- An extensive holding of granted tenements of approximately 1,800km² within the Mt Isa Inlier,
- An established heap leach, solvent extraction/electrowinning (“SX/EW”) processing plant and associated infrastructure, rated at 25ktpa, and
- A mineral resource inventory comprising 350,000 tonnes of contained copper.

Description of Operations

Mining at Lady Annie comprised conventional open pit mining of oxide copper ore at two key locations, being the Lady Annie and Mt Kelly mining areas. Copper recovery involved crushing and agglomerating the ore, stacking on heap leach pads and irrigating with dilute sulphuric acid to dissolve the copper. Copper solution recovered from the pads was then delivered to SX/EW to produce copper cathode.

The heap leach, SX/EW plant was initially designed to produce 19ktpa of copper cathode. During 2008, capital works to increase the capacity of the process plant up to 25ktpa were completed.

In February 2009, mining activities at Lady Annie were suspended, while copper extraction from the heap leach pads has continued since that time.

Copper extraction from the heap leach continues and it is expected that up to 1,000 tonnes of Grade A copper cathode will be recovered by year end. Once copper extraction is completed the operations will be placed on full care and maintenance. A spot price copper sales agreement for remaining copper recovery has been put in place.

Work Program

Cape Lambert plans to commence a two year exploration program at Lady Annie with the objective of increasing mine life. However, the Company will consider alternative proposals that may result in an earlier realisation of the assets full value.

Sappes Gold Project (100% interest, Greece)

The Sappes Gold Project ("Sappes Gold Project") is located in north eastern Greece approximately 30km north west of the Aegean Sea port city of Alexandroupolis.

The Sappes Gold Project is located on a 20.1 km² lease, granted for 30 years until 2023.

The Sappes Gold Project is based on developing the underground high-grade Viper Deposit and an open pit nearby at the St Demetrios deposit. A feasibility study was completed in 2003 and updated in 2006. The Sappes Gold Project is currently in the permitting stage. The feasibility study proposed production of approximately 100,000 ounce of gold (in dore and flotation concentrate) over 5 years with a cash operating cost of approximately A\$430/oz.

The total Mineral Resource at the Viper deposit is 1 million tonnes at 21.4 g/t gold (682,300 ounces of contained gold). The total Mineral Resource at the St Demetrios deposit is 0.8 million tonnes at 3.4 g/t gold (86,300 ounces of contained gold).

Lady Loretta Project (25% interest, Mt Isa, Queensland)

The Lady Loretta Pb-Zn-Ag deposit ("Lady Loretta Project") is located approximately 120km north of Mt Isa, Queensland and 3km east of Lady Annie. The Lady Loretta Project is held under granted Mining Lease (ML5568), which covers an area of 3,264 hectares and is a joint venture with a subsidiary of Xstrata plc ("Xstrata") (75% and manager)(LSE: XTA.L).

The Lady Loretta Project is a substantial and advanced underground, high-grade lead-zinc-silver project. Present feasibility work is focused on a mine-only development at the Lady Loretta Project, with ore hauled by road to Xstrata's ore processing facilities at Mt Isa.

The total Mineral Resource for the Lady Loretta deposit is 13.7 million tonnes at 17% Zn, 5.8% Pb, and 96 g/t Ag.

Australis Exploration Pty Ltd (100% interest, Northern Territory and Queensland)

Australis Exploration Pty Ltd holds exploration licences and applications covering approximately 38,000km² located in the Northern Territory and Queensland. The tenement package covers an extensive portion of the northern and eastern margins of the Georgina Basin, including the Alexander Ridge basement high in the Northern Territory. The tenements are prospective for rock phosphate, uranium and sedimentary base metals deposits.

Cape Lambert South Project (100% interest, Pilbara, Western Australia)

Cape Lambert South is located on granted Exploration Licence E47/1493 in the coastal Pilbara region of Western Australia. Banded iron formation of the Cleaverville Formation

located in the south east of the licence represents the southern extension of China Metallurgical Group Corporation's 1.56 billion tonne magnetite iron ore resource.

Drilling

Final assay results were received during the quarter for diamond drill hole SDD1, which was collared between RC holes SRC04 and SRC14 that were drilled on traverses 400m apart. SDD1 is the last hole completed as part of the initial drilling program. Significant Davis Tube Recovery ("DTR") results are summarised in Table 2. The best DTR intercept is:

- 35.5m (from 71.2m) at an average DTR recovery of 24.8% mass to concentrate with a concentrate grade of 69.6% Fe and 2.6% silica.

These results are very similar to the results of RC holes reported in the March 2009 quarter, and also confirm the continuity of the main mineralised lenses between RC holes SRC04 and SRC14.

Test Work

The planned metallurgical test work program developed to assess samples from SDD1 was deferred, pending receipt of the DTR results for SDD1 to more fully define the mineralised zone. This test work program, which will incorporate crushing, grinding, coarse cobbing and low intensity magnetic separation, is now scheduled to commence in the September 2009 quarter.

Yours faithfully
Cape Lambert Iron Ore Limited

Tony Sage
Executive Chairman

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Cape Lambert website:

www.capelam.com.au

Hole ID	LOCATION		COLLAR		SAMPLE			HEAD	DTR RESULT					
	Easting	Northing	Dip	Azimuth	from	to	interval	Fe	Mass Recovery	Fe	SiO ₂	Al ₂ O ₃	P	S
	(MGA94)	(MGA94)	Degrees		(m)	(m)	(m)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
SDD1	505265	7702732	60.1	347.6	71.2	106.65	35.45	37.40	24.80	69.60	2.60	0.20	0.010	0.52
					261.65	279.8	18.15	37.20	29.10	69.90	2.60	0.20	0.015	0.17

Table 2: Significant Davis Tube Recovery Results (Cape Lambert South Project)

Notes:

- Sample intervals comprise 2-5m composites.
- Each composite is individually tested by DTR, with all composite results averaged for the interval.
- Sample interval is apparent, not true thickness.
- DTR head samples prepared to nominally 100% passing 45 micrometers.
- DTR testing performed by AMDEL Limited (Welshpool laboratory) with chemical analysis by X-ray Fluorescence Spectrometry (XRF).
- Minimum reported DTR interval is 12 metres at a 7% SiO₂ concentrate grade top-cut and a 20% mass recovery to concentrate lower cut-off.

Attributes

Competent Persons Statement

The Metallurgical information in this report is based on information compiled by GV Ariti who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Ariti has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Ariti consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.

The Exploration information in this report is based on information compiled by K Bischoff who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Bischoff has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Bischoff consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.

Mineral Resources

Lady Annie Copper Project – Mineral Resources quoted in this report in respect of Lady Annie are based on previous announcements made to ASX Limited by CopperCo Limited, specifically ASX release dated 30 October 2008 "*Mining 2008 Resources Convention Presentation*".

Sappes Gold Project - Mineral Resources quoted in this report in respect of Sappes are based on previous announcements made to ASX Limited by CopperCo Limited, specifically ASX release dated 30 June 2008 "*Prospectus to acquire all the issued shares in Mineral Securities Limited*".

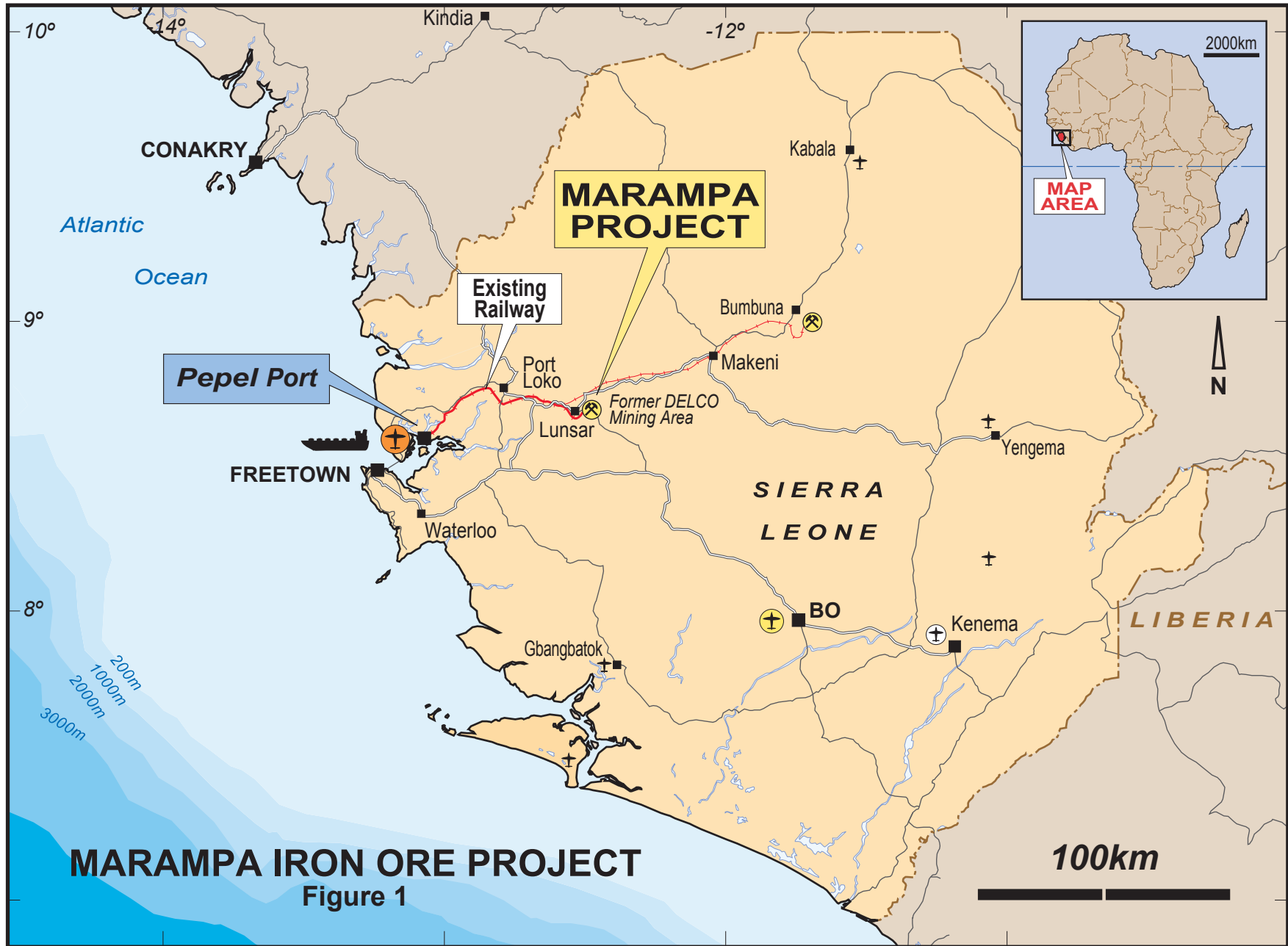
Lady Loretta Project - Mineral Resources quoted in this report in respect of Lady Loretta are based on the "*Ore Reserves and Mineral Resources*" made on 29 January 2009, which is shown at www.xstrata.com.

Target Statements

Target sizes quoted in this report are conceptual in nature and in respect of the target sizes quoted, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Target sizes referred to in this presentation refer to potential tonnages of iron ore mineralisation that have been estimated using available exploration information including historic and contemporary geological mapping, geochemical sampling of outcrops, pits and trenches, wide spaced diamond drill holes and modelling of ground and airborne geophysical survey data.

Production and Cost Information

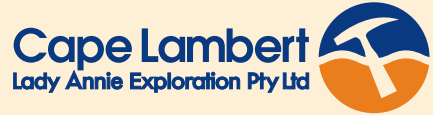
Sappes Gold Project – Production rates, capital and operating costs quoted in this report in respect of Sappes are based on previous announcements made to ASX Limited by CopperCo Limited, specifically ASX release dated 30 June 2008 "*Prospectus to acquire all the issued shares in Mineral Securities Limited*".



138°30'

139°30'

19°00'



LADY ANNIE DEPOSIT

PLANT SITE

MOUNT KELLY DEPOSIT

-  Copper Mine
-  Copper Prospect
-  Granted Tenement

LADY ANNIE PROJECT AND REGIONAL TENEMENTS

Figure 2

Lady Annie North

Wild Gecko

Mt Gordon Operations (Cu)

Gun Creek

Redie Creek

McLeod Hill

Lady Maggie

Anthill

George Fisher (Zn Pb)

Mt Isa (Cu Zn Pb)

30km

Road

Barkly

McNamara's Road

Gunpowder

Hwy

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

CAPE LAMBERT IRON ORE LTD

ABN

71 095 047 920

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(229)	(1,912)
(b) development	-	-
(c) production	-	-
(d) administration	(643)	(6,237)
1.3 Dividends received	-	-
1.4 Interest and similar items received	8,324	14,590
1.5 Interest and other costs of finance paid	(28)	(28)
1.6 Income taxes paid	-	-
1.7 Other: other income received	4,412	4,450
Net Operating Cash Flows	11,836	10,863
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(74,473)	(74,473)
(b)equity investments	(52,787)	(60,401)
(c) other fixed assets	(28)	(87)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	2,873	2,873
(c)other fixed assets	-	-
1.10 Loans to other entities	(25,025)	(89,163)
1.11 Loans repaid by other entities	84,413	84,413
1.12 Other : Payment for Convertible Notes	-	(38,081)
Other: Purchase of interest in associated entity	-	(6,921)
Other: Proceeds on sale of tenements	-	315,000
Other: payment of commission	-	(30,400)
Other: Cash backing security required for performance bonds & bank guarantees	(11,388)	(11,366)
Other: cash balances acquired upon acquisition of Mineral Securities Limited	2,026	2,026
Other: CopperCo transaction related costs	(1,775)	(4,454)
Net investing cash flows	(76,164)	88,966
1.13 Total operating and investing cash flows (carried forward)	(64,328)	99,829

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(64,328)	99,829
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	41,358
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	14,525	14,525
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	(68,969)
1.19	Other - repayment of issue proceeds	-	-
	- capital return paid to shareholders	-	-
	- withholding tax on dividend payments refunded/ repaid	-	(31,349)
		(2,235)	2,527
	Net financing cash flows	12,290	(41,908)
	Net (decrease) in cash held	(52,038)	57,921
1.20	Cash at beginning of quarter/year to date	126,096	16,137
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	74,058	74,058

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	147
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

\$139,375 payment for executive and non-executive salaries;
 \$8,221 payment for accounting fees to entity related to non-executive director.

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

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+ 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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
Total	500

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	35,023	5,390
5.2 Deposits at call	39,035	120,706
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	74,058	126,096

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			
6.2 Interests in mining tenements acquired or increased		Refer attached schedule		

+ 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.

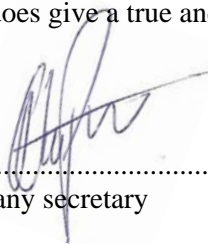
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	523,797,213	523,797,213		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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 <i>(description and conversion factor)</i>	28,000,000 3,300,000 8,350,000	- - -	<i>Exercise price</i> 30.9 cents \$1.332 43.2 cents	<i>Expiry date</i> 31 October 2010 30 June 2009 30 June 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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 give a true and fair view of the matters disclosed.

Sign here:


.....
Company secretary

Date: 29 July 2009

Print name: Eloise von Puttkammer

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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Appendix 5B
Mining exploration entity quarterly report

Appendix for item 6.2: Interests in mining tenements acquired or increased

Tenement reference		Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
EPM 7487	Mt Kelly	Granted	-	100%
EPM 9916	Antil-Python	Granted	-	100%
EPM 11185	Buka 01	Granted	-	100%
EPM 11586	Buka 05	Granted	-	100%
EPM 11637	Redie Creek	Granted	-	100%
EPM 11649	Buka 04	Granted	-	100%
EPM 11660	Buka 06	Granted	-	100%
EPM 11661	Buka 02	Granted	-	100%
EPM 11669	Eastern Creek	Granted	-	100%
EPM 11670	Gun Creek	Granted	-	100%
EPM 11672	Torpedo Creek	Granted	-	100%
EPM 11692	Mt Birnie	Granted	-	100%
EPM 11777	Johnson Creek	Granted	-	100%
EPM 11919	Cameron River	Granted	-	100%
EPM 11920	Round Mount	Granted	-	100%
EPM 12589	Kennedy Gap	Granted	-	100%
EPM 13176	Valparaisa	Granted	-	100%
EPM 13177	Toby Creek	Granted	-	100%
EPM 13331	Wilfred Creek	Granted	-	100%
EPM 13739	Buckley River	Granted	-	100%
EPM 14112	Cattle Creek	Granted	-	100%
EPM 14149	Desert Creek	Granted	-	100%
EPM 14259	Buka 03	Granted	-	100%
EPM 14384	Lady Maggie	Granted	-	100%
EPM 14424	Cartridge Creek	Granted	-	100%
EPM 14693	Judenham Creek	Granted	-	100%
EPM 14697	Lady Agnes	Granted	-	100%
EPM 15126	Burt JV	Granted	-	80%
EPM 17418	Cloncurry East 2	Granted	-	100%
ML 5426	McLeod Hill	Granted	-	100%
ML 5435	Mt Kelly	Granted	-	100%
ML 5446	Flying Horse No.1	Granted	-	100%
ML 5447	Spinifex Queen	Granted	-	100%
ML 5448	Flying Horse No.2	Granted	-	100%

+ See chapter 19 for defined terms.

Tenement reference		Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
ML 5474	Suzie No.6	Granted	-	100%
ML 5476	Suzie No.12	Granted	-	100%
ML 5478	Suzie No.14	Granted	-	100%
ML 90168	Mt Clarke	Granted	-	100%
ML 90169	Mt Kelly West	Granted	-	100%
ML 90170	Mt Kelly Extended	Granted	-	100%
ML 90178	Mt Kelly	Granted	-	100%
ML 90179	Lady Annie	Granted	-	100%
ML 90184	Mt Kelly	Granted	-	100%
EL26302	NT PHOSPHATE	Granted	-	100%
EL26303	NT PHOSPHATE	Granted	-	100%
EL26304	NT PHOSPHATE	Granted	-	100%
EL26305	NT PHOSPHATE	Granted	-	100%
EL26307	NT PHOSPHATE	Granted	-	100%
EL26308	NT PHOSPHATE	Granted	-	100%
EL26309	NT PHOSPHATE	Granted	-	100%
EL26310	NT PHOSPHATE	Granted	-	100%
EL26311	NT PHOSPHATE	Granted	-	100%
EL26312	NT PHOSPHATE	Granted	-	100%
EL26314	NT PHOSPHATE	Granted	-	100%
EL26701	NT PHOSPHATE	Granted	-	100%
EL26702	NT PHOSPHATE	Granted	-	100%
EL26703	NT PHOSPHATE	Granted	-	100%

+ See chapter 19 for defined terms.