

**QUARTERLY REPORT
FOR THE
PERIOD ENDING
30 JUNE 2011**



**MITHRIL
RESOURCES LTD**

ASX Code: MTH

Issued shares: 219.6M

Unlisted options: 24.1M

Listed options: 24.9M

Cash: \$10.6M

HIGHLIGHTS

HUCKITTA PROJECT - NT

- **10.5m @ 1.02%Cu, 0.07%Co from 262.5m in LB067DD drilled** at the Peaks Zone is the first significant intercept of higher copper grades along the Basil Trend;
- Downhole geophysics completed on this drillhole suggests the mineralisation continues for hundreds of metres downdip and along strike from the intercept. **Drilling will test the Peaks 1% copper intercept in August;**
- Drilling extends the Basil copper-cobalt horizon by over 900m to the northwest to a total mineralised strike length of more than 2.9km.
- Surface copper mineralisation of in excess of 7km at Basil remains untested.
- Gravity and geochemical surveys over a large iron oxide copper gold alteration system have identified gravity anomalies coincident with elevated copper geochemistry.

EAST PILBARA PROJECT - WA

- VTEM survey has identified a number of high priority conductors that are in close proximity to nickel and copper mineral occurrences and are consistent with the response expected from significant accumulations of nickel and copper sulphide mineralisation.
- Field follow-up has identified a new copper bearing gossan at surface with a strike length of over 2km (assays pending).

SANDSTONE PROJECT - WA

- Geological mapping and sampling programs have commenced on the Sandstone Project.

MUSGRAVE MINERALS LIMITED

- Musgrave Minerals Limited listed on the ASX on 29 April 2011 after closing its initial public offering fully subscribed with maximum oversubscriptions, raising \$20M before expenses. Mithril is the largest shareholder with 9.28 million shares and 2.5 million options.

INTRODUCTION

An extensive drill program is underway on the Company's Huckitta Project in the Northern Territory which has been the focus of activity for the quarter.

Early results from this program are encouraging and highlight the large scale nature of the project. The recent intersection of 10.5m @ 1.02% copper and 0.07% cobalt in LB067DD demonstrates the potential for higher grades at the Peaks Zone on the Basil trend and the intersection is open in all directions. Follow-up drilling will be a priority in August.

During the quarter, the Company extended the drilled footprint of the Basil copper trend to 2.9km of strike. A new mineralised zone was identified ('Peaks') and new regional targets were generated that are being advanced to a drill stage.

Results from a VTEM on the East Pilbara Project in Western Australia have outlined a number of priority targets, one of which has led to the identification of a new mineralised horizon with a mapped strike length of more than 2km (assays pending).

Field work has commenced at the Sandstone project in Western Australia where the Company is targeting nickel sulphide mineralisation.

Directors and Management are encouraged by the results to date and excited by the prospects ahead of the Company on all three projects. An Executive summary of these results is provided below with further details in the full body of the report.

Huckitta Project, NT

Recent drilling results have confirmed the presence of higher grade copper at the Peaks Mineralised Zone at the Basil Prospect. Drillhole LB067DD has returned grades of **10.5m @ 1.02%Cu, 0.07%Co** from a downhole depth of 262.5m (approximately 220m from surface) in a brecciated amphibolite host rock. This brecciation is interpreted to represent a possible "feeder" to the mineralisation and may be a vector toward higher grade copper mineralisation. Drilling continues at Basil and in particular the Peaks Zone.

Regional exploration programs (aircore drilling, VTEM, magnetic and gravity surveys, geological mapping and geochemical sampling) have identified a number of targets requiring further work. This work continues.

Sandstone Project, WA

Field work commenced subsequent to the end of the quarter following up regional nickel sulphide and gold targets. This follow-up includes the Edale Bore Prospect where up to 0.48% nickel and 0.22% copper in iron rich surface rockchip samples over a strike length of 30m were discovered by Mithril earlier this year. Field activities include geological mapping, surface geochemical sampling and ground geophysical surveys (electromagnetics).

East Pilbara Project, WA

Following a 220km² VTEM survey completed during the quarter, field work confirmed the presence of a new gossan horizon over a strike length of over 2km on E45/3457 (Cattle Well). This new area has been named the Talga East Prospect and secondary copper (malachite) was noted on the horizon (assays are pending).

The copper-nickel mineralisation previously identified at the Gorge Prospect was extended to a strike length of over 70m and was also confirmed to be located at the contact of a thick ultramafic intrusion with meta-sediments. Contacts such as these are the prime location for the formation of significant nickel–copper sulphide deposits.

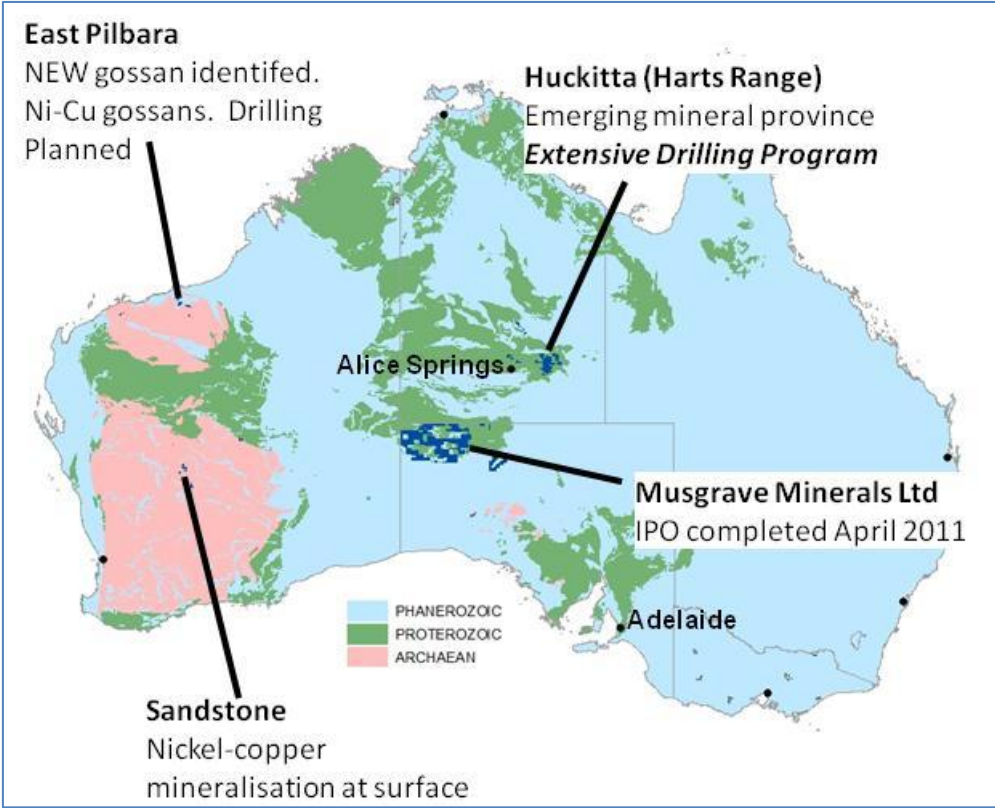


Figure 1: Project Location Map (Mithril’s project areas in blue)

CORPORATE

During the period under review, the Company spent \$2.7 million on exploration and administration activities on the projects described in the Exploration Activities Section of this report. Cash at hand as of June 30, 2011 is \$10.6 million and the Company is well resourced to aggressively explore the targets generated on its key exploration holdings.

Mithril is currently the largest shareholder in Musgrave Minerals Ltd (‘MGV’). MGV completed an initial public offering of shares that closed oversubscribed, raising \$20 million before expenses and listing on the ASX on April 29th, 2011. Mithril holds 7.67% (9.28 million shares) of the issued capital along with 2.5 million options. The options have a term of 5 years and an exercise price of \$0.25.

MGV commenced exploration programs in May and has intersected significant near-surface copper mineralisation in RAB-Aircore drilling at Moorilyanna on their wholly owned Mimili project. Diamond drilling targeting nickel-copper massive sulphides has commenced to test nine basement EM conductors on MGV’s Deering Hills project.

EXPLORATION ACTIVITIES

NORTHERN TERRITORY

HUCKITTA PROJECT (100% Mithril and Various Joint Ventures)

EL24194, EL24427, EL26942, EL27178, EL27662, EL27243, EL27435, EL28336, EL28471 & EL28501 (100% Mithril)

HARTS RANGE JV - EL25451, EL25453 (Mithril 60% / Oklo Resources Ltd 40%)

SAMMY JV - EL25643 & EL25653 (Mithril earning 80% from Cazaly Resources Ltd)

TREASURE JV - EL25346 (Mithril earning 80% from Iron Mountain Mining and United Orogen Ltd)

During the quarter the Company extended the drilled footprint of the Basil copper trend, identified a new mineralised zone ('Peaks') and generated several new targets at Huckitta.

Assay results at the newly discovered Peaks Zone has returned 10.5m at 1.02% Cu and 0.07% Co from 262.45m in drillhole LB067DD downdip of outcropping mineralisation (Figure 2). Significantly, the mineralised zone intersected in this drillhole is brecciated and has narrow intervals containing abundant chalcopyrite (copper bearing sulphide). The brecciation and higher copper values are currently interpreted to represent a potential "feeder zone" to the mineralisation at Basil and may be a vector towards higher copper grades.

Downhole geophysics completed on this drillhole indicates the mineralisation continues for hundreds of metres downdip and along strike from the intercept in LB067DD (Figure 3). Drilling is scheduled to continue at the Peaks and Rotten Hill Zones targeting higher grade mineralisation downplunge of current drilling in the September quarter (Figures 2-4).

The latest result demonstrates the potential for higher grades at the Peaks Zone on the Basil trend and the intersection is open in all directions. Follow-up drilling will be a priority in August.

To date, in 2011, a total of 27 diamond drillholes have been completed at Basil for a total of 8158.4m. Assay results have now been received for 18 drillholes and these results are summarised in Table 1 below and drillholes located on Figure 2.

A second drill rig testing shallow regional targets commenced during the quarter and to date 289 holes for 4768m have been completed with 16 of the 22 targets have being drill tested. All analytical results from this program have not yet been returned; however, elevated gold (up to 0.14g/t Au and 0.07g/t Au) have been returned from the reconnaissance drilling at the Tibbs and Percy prospects respectively and further work is planned on these targets.

In addition, elevated copper (up to 347ppmCu) was returned from drilling of a VTEM anomaly under sand cover 5km east of the Manuel Copper-cobalt Prospect. Once all analytical results are returned and assessed further work in the form of ground based geophysics and/or drilling will be completed. The remaining targets are due to be drill tested in early September.

HOLE ID	EAST	NORTH	DIP	AZI MAG	EOH	SIGNIFICANT SULPHIDE INTERVALS / ASSAYS
LB045DD	531852	7410746	-69	220	231.7	17.6m@0.48%Cu, 0.05%Co from 111.2m
LB046DD	532015	7410969	-58	220	558.4	3.45m@0.13%Cu, 0.03%Co from 276.85m and 4.1m@0.25%Cu, 0.03%Co from 448.9m
LB047DD	533904	7410019	-80	220	480.3	5.8m@0.14%Cu, 0.05%Co from 249.7m
LB048DD	534143	7409853	-80	255	450.3	NSA
LB049DD	532863	7410161	-60	210	162.4	NSA
LB050DD	533142	7410018	-60	210	192.4	NSA
LB051DD	530715	7411656	-60	200	147	9.75m@0.56%Cu, 0.02%Co from 86.5m
LB052DD	530733	7411700	-60	200	198	NSA
LB053DD	531231	7411241	-60	220	207	13.2m@0.48%Cu, 0.04%Co from 110.1m
LB054DD	531285	7411320	-60	210	255	13.9m@0.26%Cu, 0.04%Co from 192.1m
LB055DD	530776	7411673	-60	190	300	NSA
LB056DD	531340	7411405	-60	210	357	6.4m@0.23%Cu, 0.03%Co from 282.6m; and 5m@0.27%Cu, 0.03%Co from 311m
LB057DD	533367	7409845	-60	210	360	NSA
LB058DD	533643	7409718	-60	210	255	1m@0.57%Cu, 0.01%Co from 124.8m
LB059DD	530939	7411543	-60	210	297	4.65m@0.19%Cu, 0.03%Co from 159m
LB060DD	530752	7411602	-60	210	212	15m@0.35%Cu, 0.02%Co from 58m
LB061DD	530716	7411680	-60	250	216	18.7m@0.42%Cu, 0.02%Co from 108.3m
LB067DD	530623	7411933	-51	220	369	10.45m@1.02%Cu, 0.07%Co from 262.45m within zone of 15.8m@0.78%Cu, 0.06%Co from 257.1m

Table 1: summary of Analytical results from diamond drilling received to date.

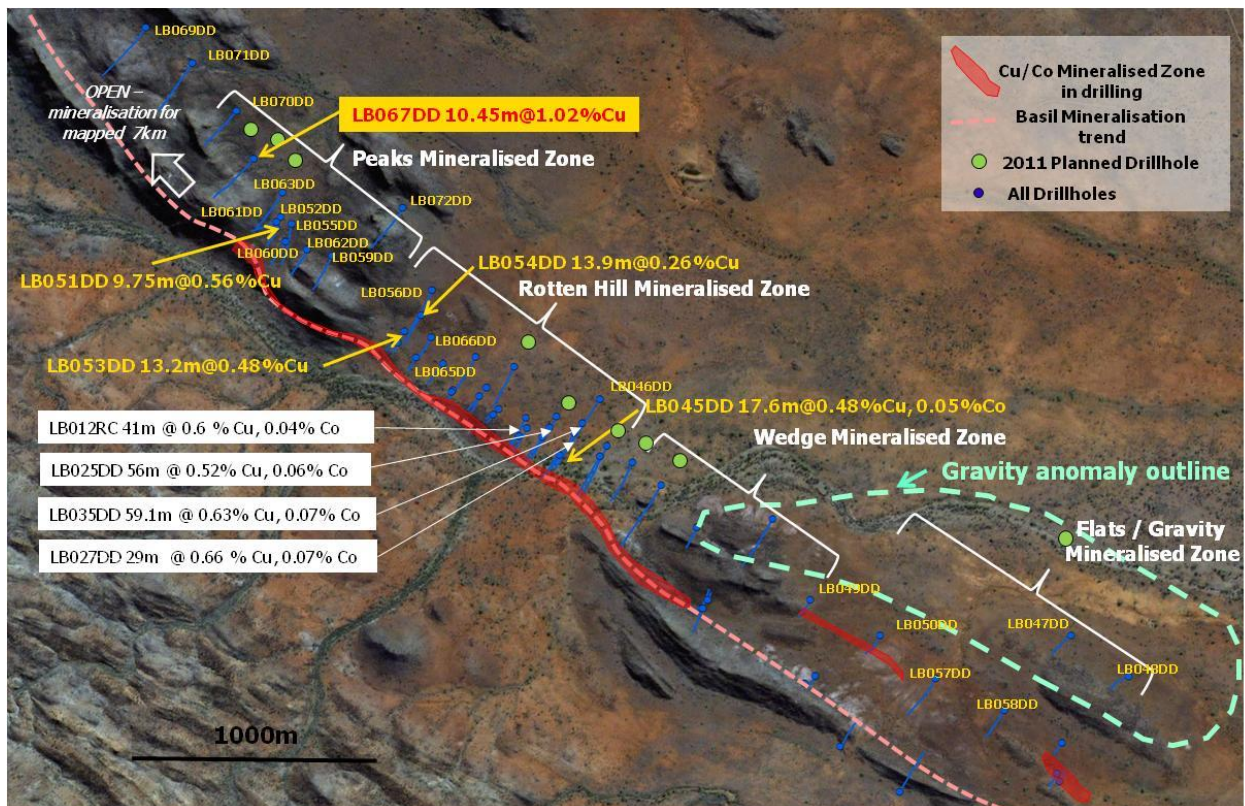


Figure 2: South eastern 4.5km of the Basil Mineralised Trend showing completed and planned drilling

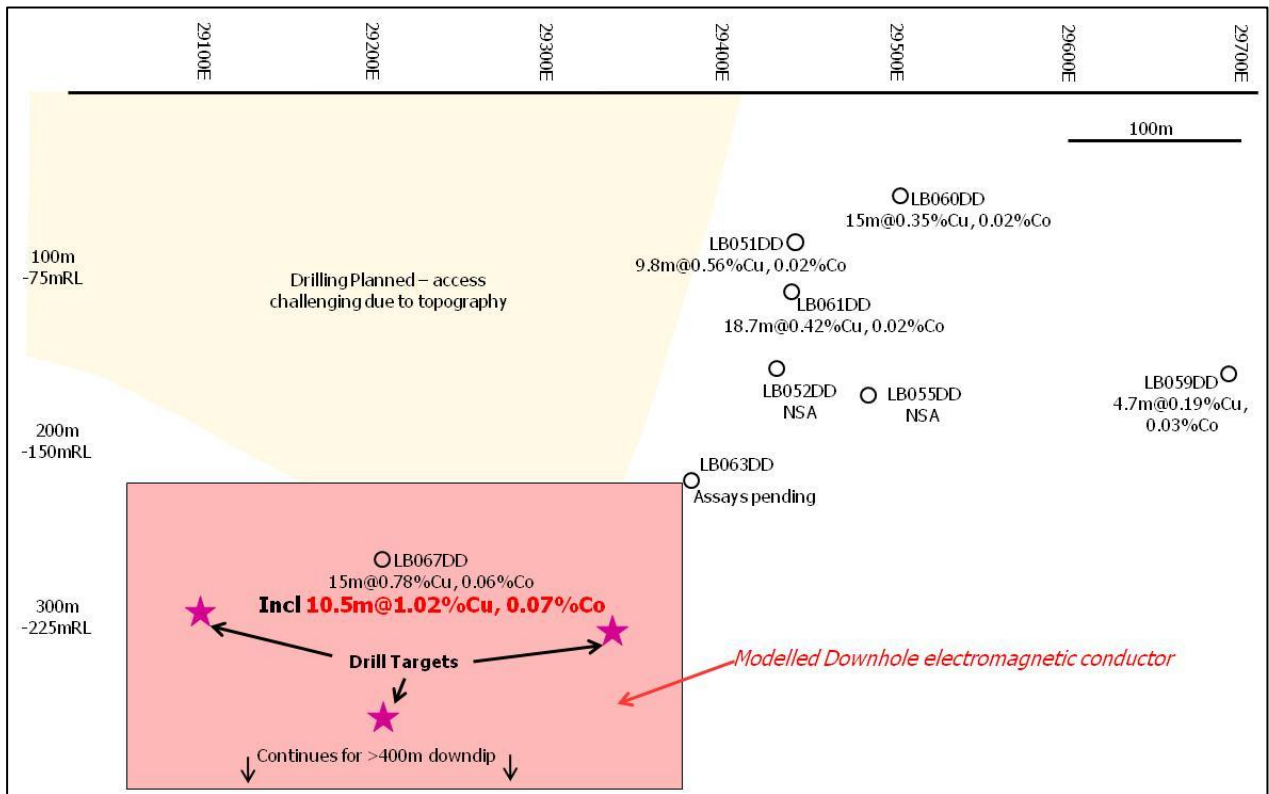


Figure 3: Peaks Mineralised Zone long section in plane of mineralisation showing true width intercepts and drill targets (note the section is in the plane of mineralisation the depths followed by 'RL' estimate the depth from surface).

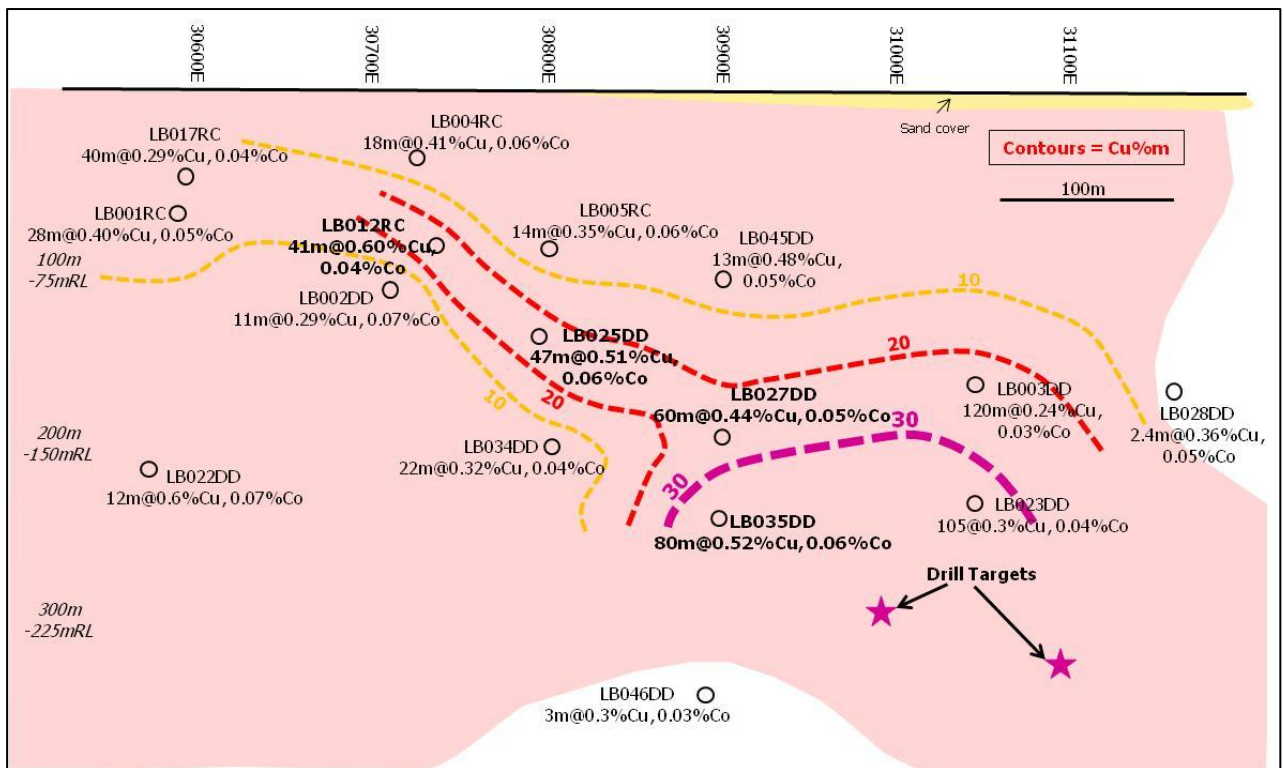


Figure 4: Rotten Hill Mineralised Zone long section in plane of mineralisation showing true width intercepts and drill targets downplunge

At the Tibbs gold prospect, two lines of reconnaissance aircore and RC percussion drilling were completed and weak gold anomalism was identified near the contact of the marble and felsic gneiss on one of the drill lines (Figure 5). The drilling, in combination with further geological mapping, has improved the understanding of the geology and this work suggests the gold mineralisation may be controlled by steep to sub vertical structures (rather than the flat lying marble-gneiss contact as previously thought). In support of this, rockchip sampling from a recently identified sub-vertical quartz vein returned 1.6g/t gold.

A detailed magnetic and radiometric survey over the prospect area was completed to further resolve the potential structural control on the mineralisation. Initial processing of the data shows a number of features that require ground follow-up (Figure 5). Further drilling is planned at Tibbs next quarter once the magnetic and radiometric data is fully processed and further geological mapping and IP surveys are complete.

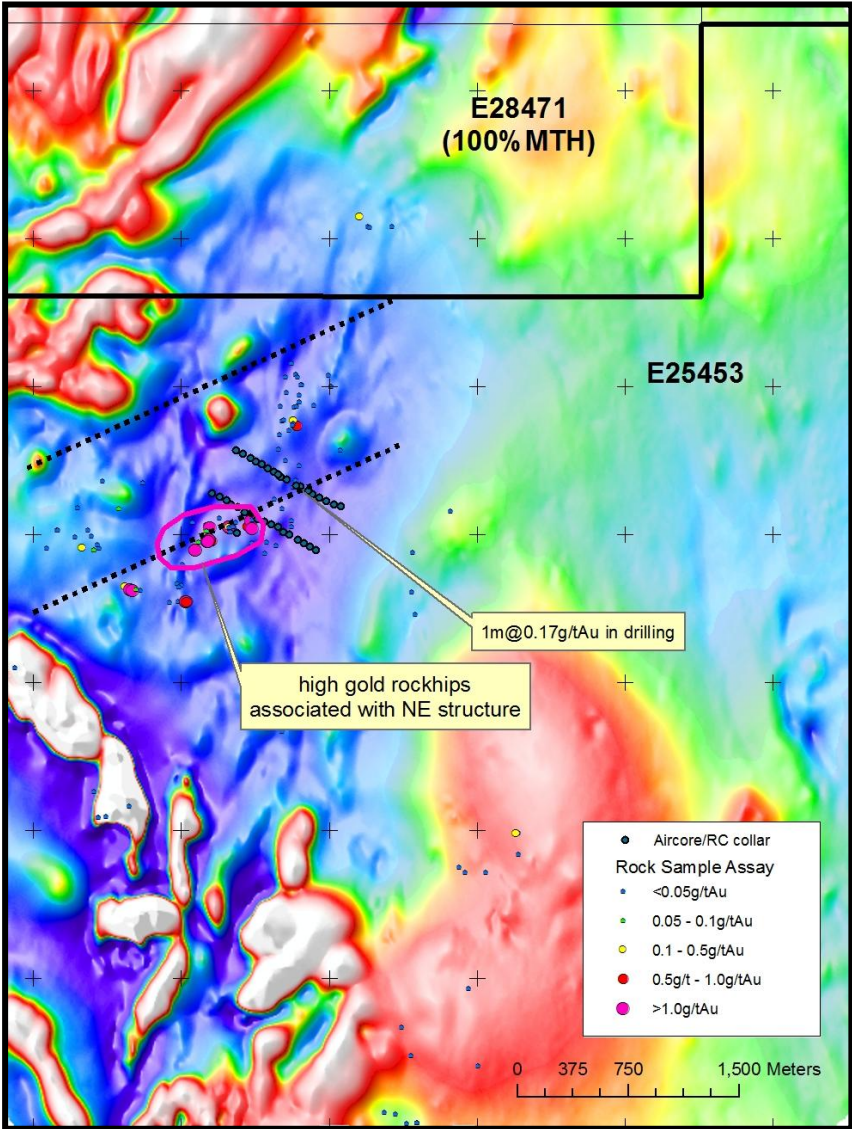


Figure 5: Detailed Magnetic Image of the Tibbs Gold Prospect showing surface gold values, drillhole locations and interpreted structures.

A VTEM survey completed during the quarter covering 490km² identified more than 20 high priority targets for ground follow-up. Field checking of these targets has commenced with ironstone surface samples (the potential weathered product of mineralisation) being found at some targets. In many cases, however, the VTEM anomalies are under shallow cover and are unresolved at this point. At Lizzie Creek (100% held) surface rockchip samples returned

up to 0.36% copper and 0.08% cobalt over one of the priority targets (Figure 6). Analytical results from the majority of samples taken to date are pending and the target evaluation work continues.

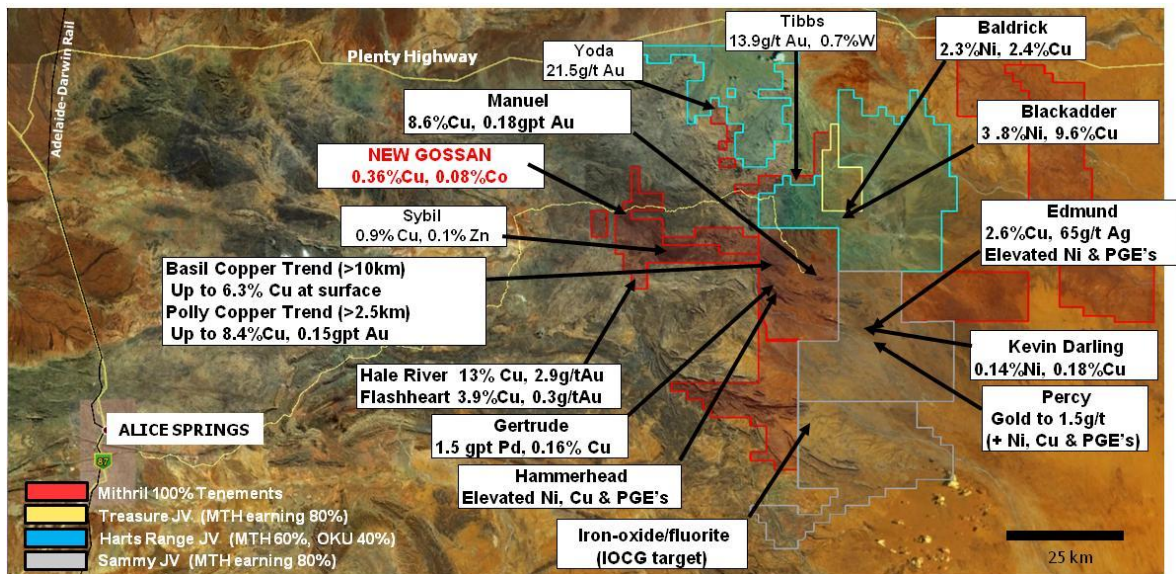


Figure 6: Project Location Map showing new gossan location. Assay values are from surface rock chips unless otherwise indicated. (Au = gold, Cu = copper, Co = cobalt, W = tungsten, Ni = nickel, Pd = palladium and PGE's = platinum group elements).

A gravity survey covering a large area of alteration consistent with an iron-oxide-copper-gold ('IOCG') mineral system on EL25653 has identified a number of significant anomalies (Figure 7). Analytical results from rock samples taken over the altered granites in the area have returned assay results up to 500ppm Cu which are anomalous and are consistent with being part of a larger IOCG mineralising system.

A surface soil geochemical survey was completed on a 400m x 400m spacing covering ~140 km². This sampling has identified discrete copper and gold anomalies associated with the gravity anomalies (Figures 7).

The proximity of the gravity anomalies to the mapped alteration and anomalous soil geochemistry is highly encouraging and ground follow-up of these areas is scheduled to commence in the coming weeks.

Mithril may earn an 80% interest in EL25643 under a joint venture with Sammy Resources Pty Ltd, a wholly owned subsidiary of ASX-listed Cazaly Resources Ltd (ASX:CAZ).

YAMBAH PROJECT EL28175, EL28271 and ELA28340 (100% Mithril)

Two of the three tenements comprising the Yambah Project have now been granted. Geological assessment of the granted tenements has been completed and field work is scheduled to commence in the coming months. The initial field work will focus on assessing recorded mineral prospects, occurrences and associated host rocks in the area (Figure 8).

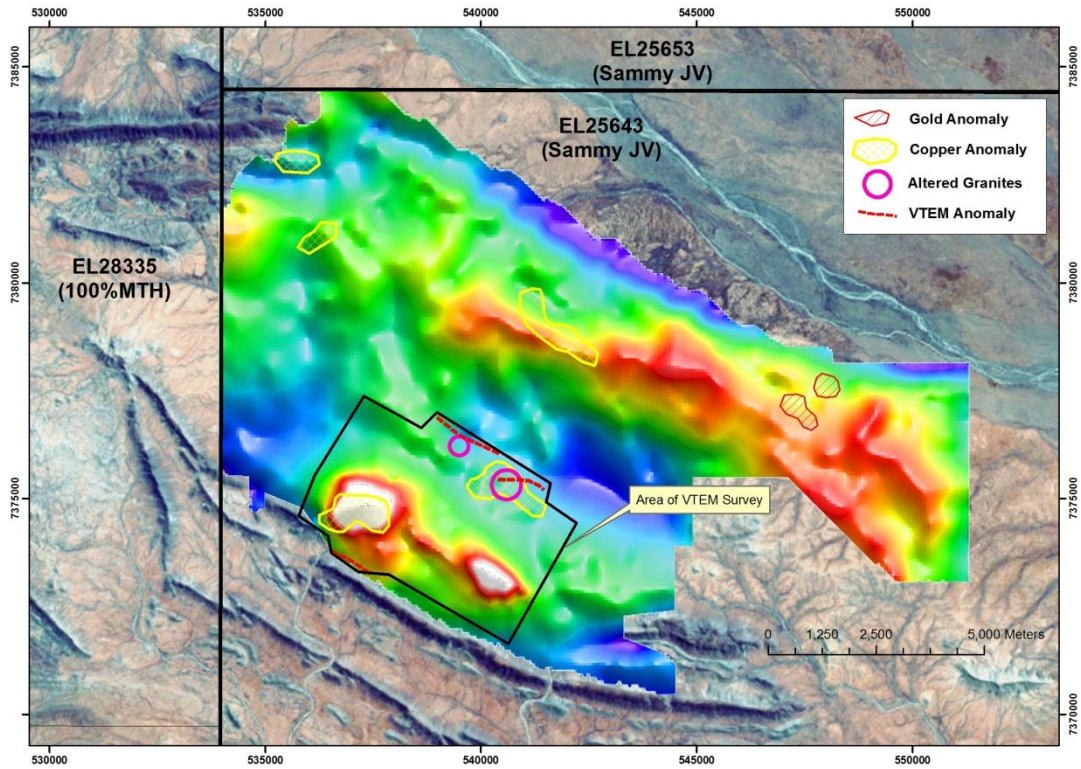


Figure 7: Gravity image on landsat showing geophysical and geochemical anomalies and areas of alteration consistent with "IOCG" mineralisation.

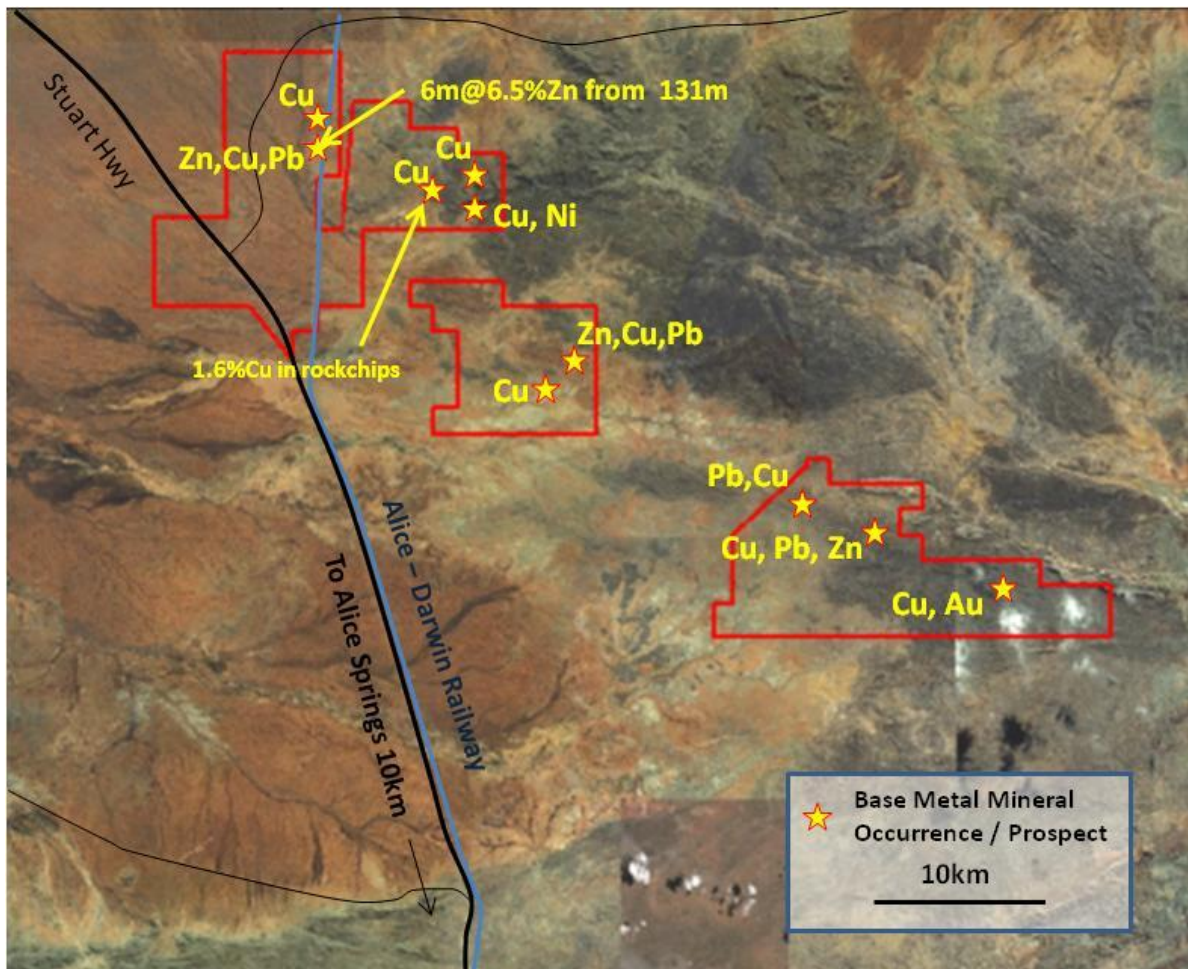


Figure 8: Yambah Project Location on air photo image (Google Earth) showing existing base metal (copper, lead, zinc) prospects and occurrences.

WESTERN AUSTRALIA

EAST PILBARA (Western Australia)

E45/3457, E45/3462, E45/3470, E45/3471, E45/3680 and ELA45/3756 (100% Mithril)

Multiple high priority anomalies were detected from the VTEM survey completed during the quarter. This survey covered 220km² of the project area focussing on the central Cattle Well tenements where geological mapping by Mithril late last year identified a number of nickel-copper-PGE anomalous prospects.

Preliminary field assessment of these VTEM targets was completed subsequent to the end of June and has extended the copper-nickel gossanous horizon at the Gorge Prospect and has identified an extensive, new gossanous horizon named the Talga East Prospect (Figure 9). The Talga East horizon is up over 2km in length and is up to 10m wide. Secondary copper mineralisation was noted on the horizon and all analytical results from the surface samples collected are pending.

Further work is planned as a priority at East Pilbara and will include further geological mapping and sampling, ground EM surveys and upon completion of heritage surveys, drill testing of both the Gorge and Talga East Prospect areas.

SANDSTONE

E57/826, E57/827, E57/828, E57/829, ELA57/883, ELA29/826, ELA29/827, ELA29/828, ELA29/836 (100% Mithril)

Geological mapping, geochemical sampling and ground geophysical (electromagnetic) surveys commenced on the Sandstone Project subsequent to the end of the reporting period. This field work is focusing on the nickel sulphide prospective ultramafic horizon identified at Edale Bore where surface samples returned up to 0.48%Ni and 0.22%Cu over a strike of 30m. Other work includes field assessment of the known and interpreted ultramafic rocktypes on other granted tenements as well as the gold potential of the project.

A further tenement was applied for (E29/836) that covers the southern extension to the Ni/Cu mineralised ultramafic rocktypes at Edale Bore. This prospective horizon on 100% Mithril ground now totals over 1041km² (Figure 10).

Western Areas NL, in Joint Venture with Troy Resources, continues to aggressively explore on tenements adjacent to Mithril's following up significant nickel sulphides drilled in 2011.

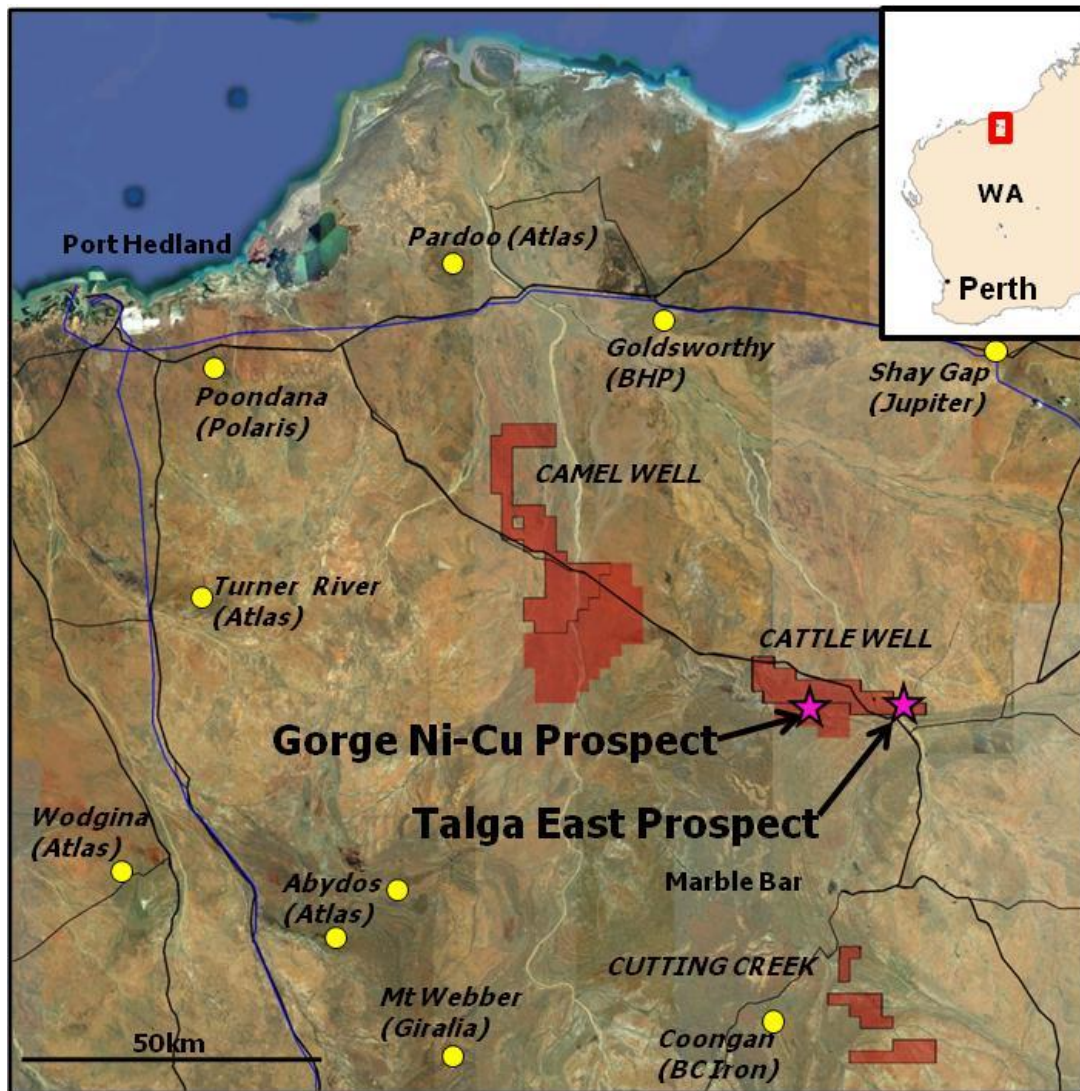


Figure 9: Mithril tenement position in East Pilbara Project showing Prospects and the location of iron projects in yellow.

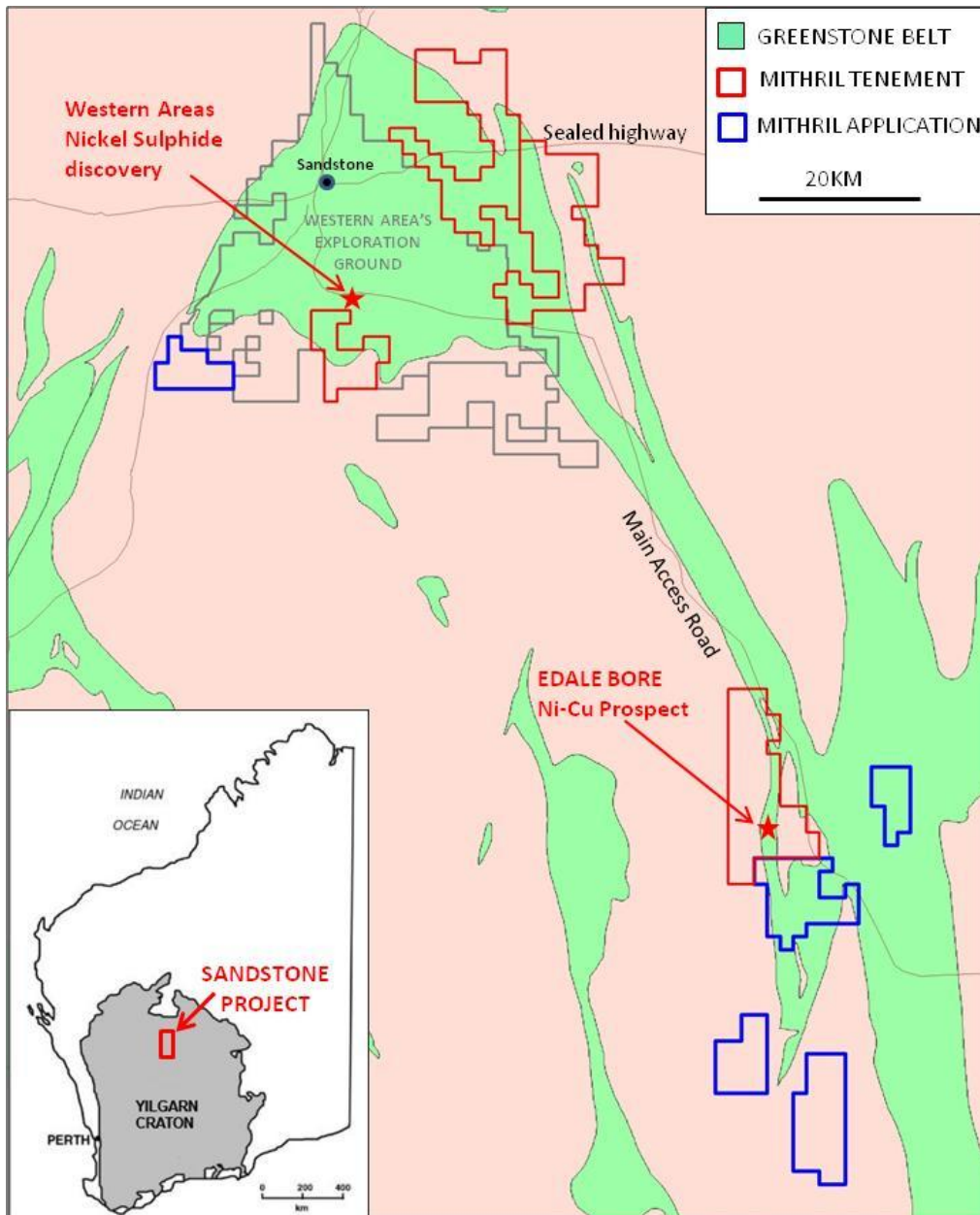


Figure 10: Sandstone Project on regional geology

**EAST DUKETON (Western Australia)
E38/2431 (100% Mithril)**

The East Duketon Project covers a number of discrete magnetic anomalies along a prominent NW-SE trending fault between the Ni-Cu-PGE mineralised Collurabie and Duketon greenstone belts in Western Australia (Figure 11). These magnetic anomalies are interpreted to be mafic and ultramafic rocktypes which are prospective for nickel-copper and PGEs whilst the structural complexity in the area makes this a valid gold target as well.

A number of significant nickel-copper-PGE occurrences have been discovered in the adjacent Collurabie Belt in the last 10 years associated with mafic and ultramafic rocktypes east of E38/2431. The lack of mineral occurrences over the tenement area is likely a function of the lack of previous systematic exploration. Mithril is actively seeking a partner for its East Duketon Project.

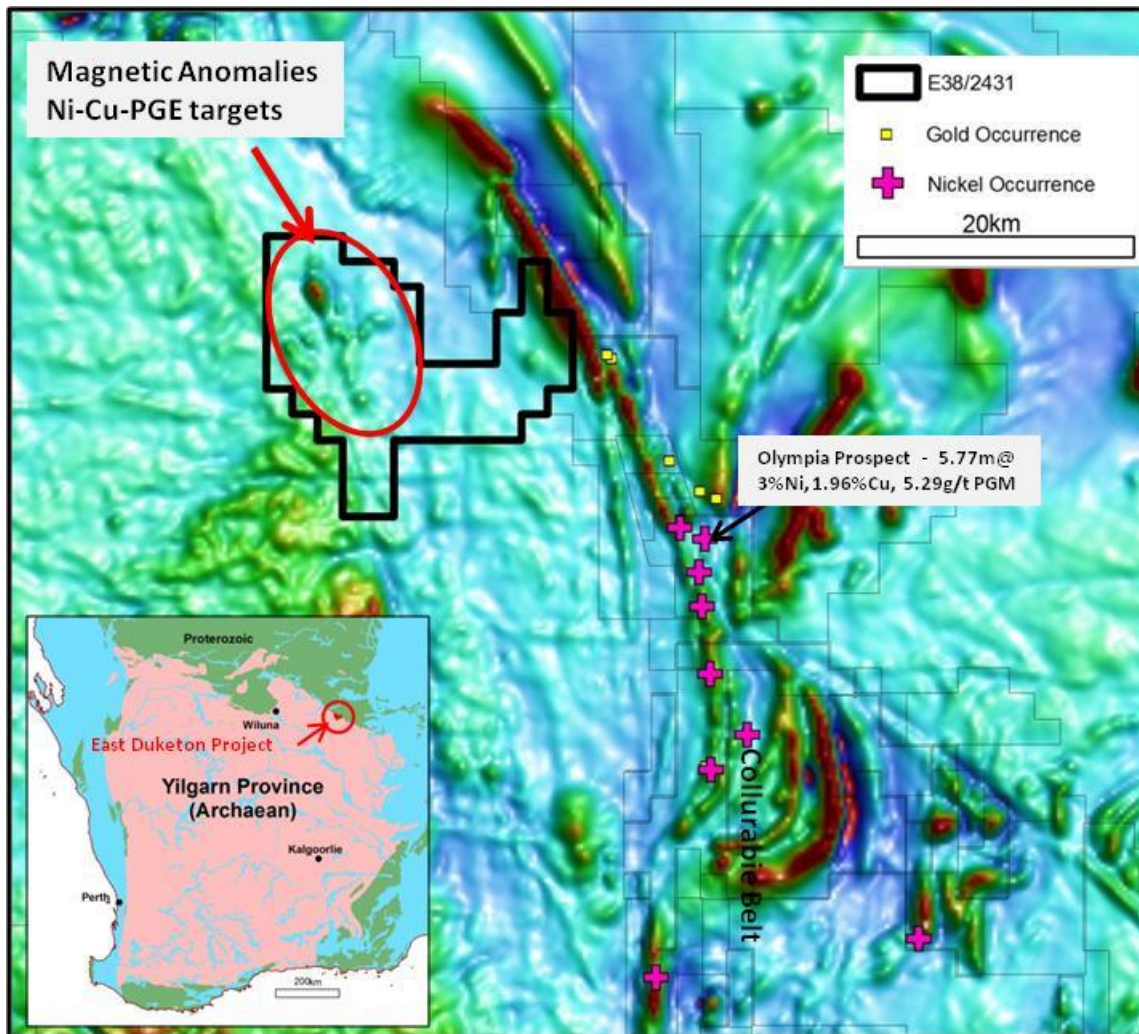


Figure 11: East Duketon Project location on magnetic image showing targets

OTHER PROJECTS

There was no significant expenditure or exploration activity to report on the following projects during the quarter:

JUNCTION JV (Northern Territory)
EL24253 (Mega Uranium Limited earning 80%)

WEST PILBARA
ELA47/2158, ELA47/2258 (100% Mithril)

For further information please contact:

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G L Ascough, who is Managing Director and a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr G L Ascough has more than 5 years' experience which is relevant to the styles of mineralisation and types 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 G L Ascough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MITHRIL RESOURCES LTD

ABN

30 099 883 922

Quarter ended ("current quarter")

30 JUNE 2011

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 & evaluation	(2,610)	(5,549)
(b) development	-	-
(c) production	-	-
(d) administration	(220)	(954)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	69	290
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	136	437
	(2,625)	(5,776)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(268)
(c) other fixed assets	(75)	(236)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	528
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(75)	24
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(2,700)	(5,752)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,700)	(5,752)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	12,054
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	73	111
1.17	Repayment of borrowings	(19)	(31)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(22)	(791)
	Net financing cash flows	32	11,343
	Net increase (decrease) in cash held	(2,668)	5,591
1.20	Cash at beginning of quarter/year to date	13,296	5,037
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	10,628	10,628

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	128
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, wages and superannuation for the quarter

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

Nil

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

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	2,523
4.2 Development	-
4.3 Production	-
4.4 Administration	245
Total	2,768

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	873	1,041
5.2 Deposits at call	9,755	12,255
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,628	13,296

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		Refer Appendix 1		
6.2 Interests in mining tenements acquired or increased		Refer Appendix 1		

+ 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	219,615,500	219,615,500	Fully Paid	Fully Paid
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>			<i>Exercise price (Each)</i>	<i>Expiry date</i>
	750,000	-	\$0.305	09/10/2011
	750,000	-	\$0.28	09/10/2012
	50,000	-	\$0.44	22/01/2012
	500,000	-	\$0.198	17/03/2013
	175,000	-	\$0.15	11/12/2013
	1,822,250	-	\$0.12	30/03/2012
	6,005,250	-	\$0.12	30/03/2012
	400,000	-	\$0.20	24/06/2014
	24,949,973	24,949,973	\$0.12	28/09/2011

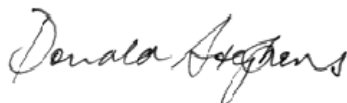
+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

		2,300,000	-	\$0.30	24/06/2014
		250,000	-	\$0.18	22/09/2015
		2,335,000	-	\$0.25	16/12/2015
		50,000	-	\$0.20	24/03/2013
		8,000,000	-	\$0.30	16/12/2015
		750,000	-	\$0.20	22/05/2016
7.8	Issued during quarter	750,000		\$0.20	22/05/2016
7.9	Exercised during quarter				
7.10	Expired during quarter	100,000		\$0.18	22/09/2015
		100,000		\$0.25	16/12/2015
		100,000		\$0.35	2/12/2012
		100,000		\$0.15	11/12/2013
		100,000		\$0.20	24/06/2014
		50,000		\$0.18	22/09/2015
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 29 July 2011

Print name: Donald Stephens.....

+ See chapter 19 for defined terms.

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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**Changes in Interests in Mining Tenements
For Quarter Ended 30 June 2011**

	Tenement Reference	Nature of Interest	Interest at the beginning of Quarter	Interest at the end of Quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	EL28271	Exploration Licence granted on 6 April 2011 (Yambah, Bald Hill).	0	100
		E45/3680	Exploration Licence granted on 12 April 2011 (East Pilbara, One Mile Creek).	0	100
		E29/836	Exploration Licence Application on 13 May 2011 (Sandstone, Lane Bore).	0	0