



**Alara Uranium Limited**  
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## 30 JUNE 2008 QUARTERLY REPORT

### SUMMARY OF JUNE 2008 QUARTER

- **Crucero Project:** Approvals for drilling at Lituania 3 concession obtained and new Lituania 9 concession filed
- **Mt James Project:** Completion of detailed airborne geophysical survey over large radiometric anomaly identified from previous survey with results pending finalisation of analysis
- **Bigryli South Project:** Interpretation of radiometric data over EL 24930 has identified areas for further investigation
- **Canning Well Project:** Based on anomalous results obtained, completed detailed follow up mag/lag sampling programme
- **King Sound Project:** Commissioned a scoping study
- **Pampacolca Project:** Completed follow up sampling and ground surveying of anomalous areas
- **Cash position:** remains strong at \$9.15 million
- **New Projects:** Alara continues to investigate prospective mineral resources in Peru, Indonesia and other regions

### OBJECTIVES FOR SEPTEMBER 2008 QUARTER

#### Crucero Project (Peru)

- (a) Subject to confirmation of drill rig availability, commence ~2,000 metre drilling programme within Lituania 3 concession;
- (b) Lodge drilling permit application for the Rosita 2 concession;
- (c) Continue detailed ground radiometric surveying and associated rock sampling over high priority anomalies identified in the high priority Lituania 3 and Rosita 2 concessions to define drill targets;
- (d) Investigate the prospectivity of the new Lituania 9 concession.

#### Mt James Project (Western Australia)

- (a) Complete geophysical data interpretation within the completed airborne magnetic and radiometric survey;
- (b) Field verification and follow up of selected geophysical anomalies identified from survey data, comprising ground traversing radiometric anomalies with a spectrometer and the collection of further samples;
- (c) Continue heritage process seeking approvals to allow track access to priority areas and conduct a drilling programme (~2,000 metres of RC drilling) of selected anomalies;
- (d) Subject to heritage and regulatory approval, commence an initial ~2,000 metre RC drilling programme.





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## OBJECTIVES FOR SEPTEMBER 2008 QUARTER (continued)

### Bigrlyi South Project (Northern Territory)

- (a) Field verification and follow up of selected geophysical anomalies in EL 24930, comprising ground traversing radiometric anomalies with a spectrometer and the collection of further samples.

### Canning Well Project (Western Australia)

- (a) Review and analyse the complete mag/lag sampling dataset;
- (b) Conduct field verification and follow up of geochemical anomalies identified from the mag/lag sampling programme;
- (c) Conduct a field investigation to determine the prospectivity of the uranium and gold mineralisation by ground radiometric surveying and collection of rock samples from anomalous areas.

### Santa Rosa Project (Peru)

- (a) Secure agreements with local communities and landowners to implement the exploration programme.

### Pampacolca Project (Peru)

- (a) Await analytical data, then review and assess the data from the recent exploration campaign.

### King Sound Project (Western Australia)

- (a) Finalise the scoping study;
- (b) Continue heritage consultation process with the Kimberley Land Council to fast track grant of tenements.

### Coasa Project (Peru)

- (a) Assess and review Aster interpretation report to identify priority targets for detailed exploration;
- (b) Secure agreements with local communities and landowners for land access.

### Mt Lawrence Wells Project (Western Australia)

- (a) Review and assess the past drilling data sets

**Dated: 31 July 2008**

#### Further information:

Shanker Madan

Managing Director

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan 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 Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*



# COMPANY PROFILE

Alara Uranium Limited (ASX Code: AUQ) is an Australian based mineral exploration and development company with a prospective portfolio of uranium, gold and mineral sands exploration projects in Peru and Australia (Northern Territory and Western Australia).

PROJECTS	LOCATION
(1) <b>Crucero</b>	Peru
(2) <b>Mt James</b>	Gascoyne, Western Australia
(3) <b>Bigrlyi South</b>	Northern Territory
(4) <b>Canning Well</b>	Pilbara, Western Australia
(5) <b>Santa Rosa</b>	Peru
(6) <b>Pampacolca</b>	Peru
(7) <b>King Sound</b>	Kimberley, Western Australia
(8) <b>Coasa</b>	Peru
(9) <b>Mt Lawrence Wells</b>	East Murchison, Western Australia

The Australian uranium tenements occur in the geologically prospective Ngalia Basin in the Northern Territory (NT) and the Gascoyne, East Pilbara and Murchison regions of Western Australia (WA). The NT and WA tenements cover areas previously identified with largely untested radiometric anomalies or are located in close proximity to uranium anomalies and/or uranium occurrences.

The Peruvian concessions represent uranium mineralisation targets delineated through work conducted by the Peruvian Institute of Nuclear Energy (IPEN) and others over the past 20 years in a prospective region in southern Peru where uranium mineralisation is known to occur. The Company's Peruvian geological team comprises 4 geologists led by a former exploration manager of IPEN.

The Alara Board comprises members with extensive experience in the resources sector, being **Chairman, Dr John Stephenson**, previously Exploration Director for Rio Tinto Australasia with more than 35 years experience in mineral exploration and **Managing Director, Mr H. Shanker Madan**, an experienced senior geologist with more than 30 years of world-wide experience in the exploration and evaluation of mineral deposits for various commodities and **Executive Director, Mr Farooq Khan** who has extensive experience in corporate law, the securities industry, capital markets and the executive management of ASX listed companies.

Alara continues to investigate prospective mineral resources in Peru, I and other regions. This includes applying for mineral concessions, entering into joint ventures and taking options over and acquiring concessions.

Alara currently has the following securities on issue:

	Quoted	Not Quoted or Subject to Escrow	Total
Fully paid ordinary shares	56,011,285	24,496,215 <sup>1</sup>	80,507,500
\$0.25 (30 June 2009) Listed Options	60,367,500	-	60,367,500
\$0.55 (27 July 2012) Unlisted Directors' Options	-	18,550,000	18,550,000
\$0.55 (27 July 2012) Unlisted Employees' Options	-	1,425,000	1,425,000
<b>Total</b>	<b>116,378,785</b>	<b>44,471,215</b>	<b>160,850,000</b>

<sup>1</sup> Refer to page 13 (Securities Information) of this report for details of shares subject to escrow.

# PROJECT LOCATION

## PERUVIAN PROJECTS

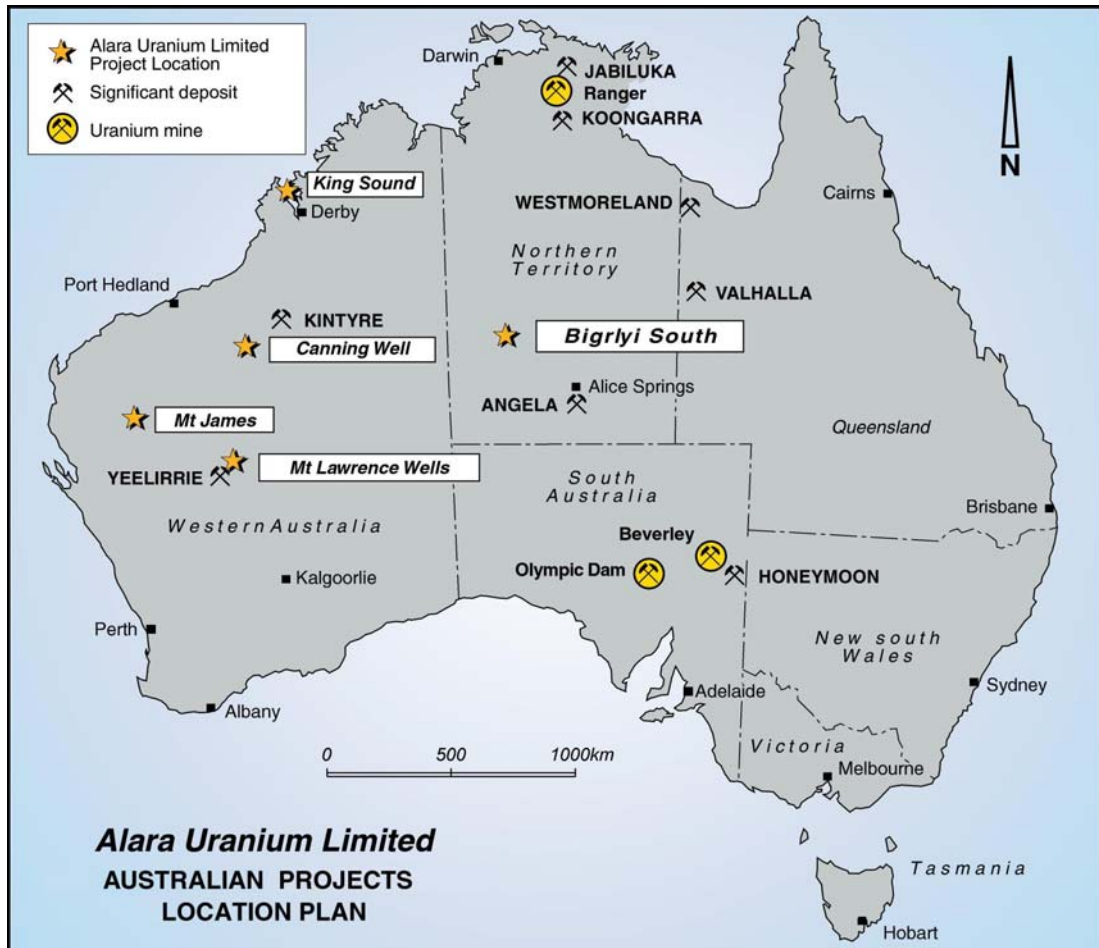
The location of Alara's uranium project areas in Peru are shown on the map below.



# PROJECT LOCATION

## AUSTRALIAN PROJECTS

The location of Alara's Australian projects in the Northern Territory and Western Australia are shown on the map below.





# COMPANY PROJECTS

## 1. CRUCERO PROJECT (PERU)

Alara is targeting uranium mineralisation hosted by rhyolitic ignimbrites and ash flows of the Picotani Formation of Miocene-Pliocene age. This formation hosts several occurrences of uranium in the Macusani district.

### Exploration Activities and Programme

During the quarter:

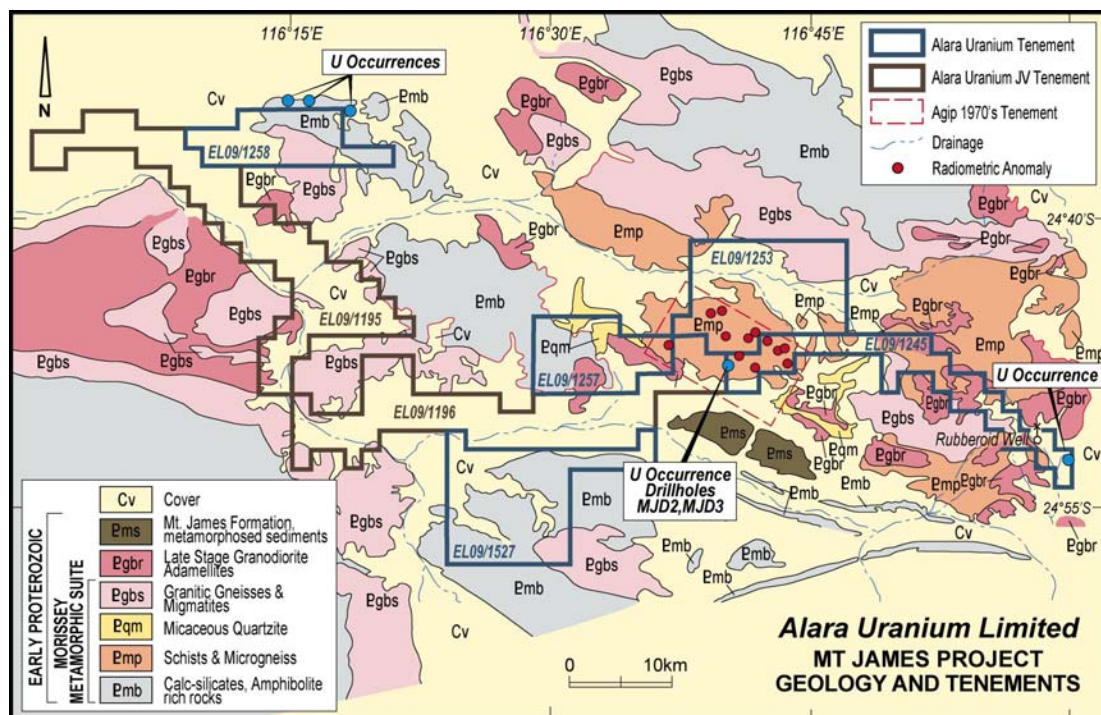
- (i) Continued detailed follow up ground radiometric surveying and geological mapping works within the Lituania 1, 2, 3 and Rosita 2 concessions;
- (ii) Received drilling permit approval for Lituania 3 concession;
- (iii) New Lituania 9 concession application lodged;
- (iv) Community relations activities were advanced.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Subject to confirmation of drill rig availability, commence a ~2,000 metre drilling programme within the Lituania 3 concession;
- (b) Lodge drilling permit application for the Rosita 2 concession;
- (c) Continue detailed ground radiometric surveying and associated rock sampling over high priority anomalies identified in the high priority Lituania 3 and Rosita 2 concessions to define drill targets;
- (d) Investigate the prospectivity of the new Lituania 9 concession.

## 2. MT JAMES (GASCOYNE, WESTERN AUSTRALIA)

Alara is exploring for uranium mineralisation using detailed structural analysis coupled with aerial and ground radiometric surveys. The exploration focus will be on high priority radiometric anomalies selected from the airborne geophysical survey conducted during the December 2007 quarter.





# COMPANY PROJECTS

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In addition, known historical workings (drill holes and costeans) that encountered uranium mineralisation and the untested anomalies identified by AGIP Nucleare (Australia) Pty Ltd (**AGIP**), (a subsidiary of Italian multinational energy group ENI) will be targeted. As well as testing for primary mineralisation at depth, Alara will review the potential for mineable deposits of carnotite at shallow depths in the deeply weathered saprolite zone in the duricrust.

On 11 February 2007, Alara entered into an agreement with Epsilon Energy Limited (ASX Code: EPS) for Alara to earn up to a 60% interest in two exploration licences (EL 09/1195 and EL 09/1196) totalling ~43,500 hectares by spending up to \$400,000 on exploration on the tenements within 2 years.<sup>2</sup>

The Company notes that the Mt James Project area falls within 25 former pastoral leases which the Western Australian Government has endorsed for conversion to conservation parks. The Government has stated that existing mining tenements will co-exist with the proposed conservation reserves in that advanced projects (i.e areas of significant and potentially economic mineralisation with a reasonable expectation of development) may qualify for exclusion from the proposed conservation parks. The Company will be making appropriate submissions in this regard for prospective portions of its tenement portfolio in the area to be excluded from the proposed conservation parks but cannot guarantee that these submissions will be ultimately successful.

## Exploration Activities and Programme

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During the quarter:

- (i) Completion of airborne geophysical (radiometric and magnetic) survey. The survey comprised 1,183.3 line kilometres at a line spacing of 50 metres and a flying height of 60 metres. The results from the survey are currently being analysed;
- (ii) Heritage consultation meeting to propose work programme postponed;
- (iii) Reviewed Epsilon Energy tenements (EL 09/1195 and EL 09/1196) and exploration data for planning of exploration works within the newly acquired tenements;
- (iv) Reviewed historical data for new tenement application ELA 09/1527.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Complete geophysical data interpretation within the completed airborne magnetic and radiometric survey;
- (b) Field verification and follow up of selected geophysical anomalies identified from survey data, comprising ground traversing radiometric anomalies with a spectrometer and the collection of further samples;
- (c) Continue heritage process seeking approvals to allow track access to priority areas and conduct a drilling programme (~2,000 metres of RC drilling) of selected anomalies;
- (d) Subject to heritage and regulatory approval, commence an initial ~2,000 metre RC drilling programme.

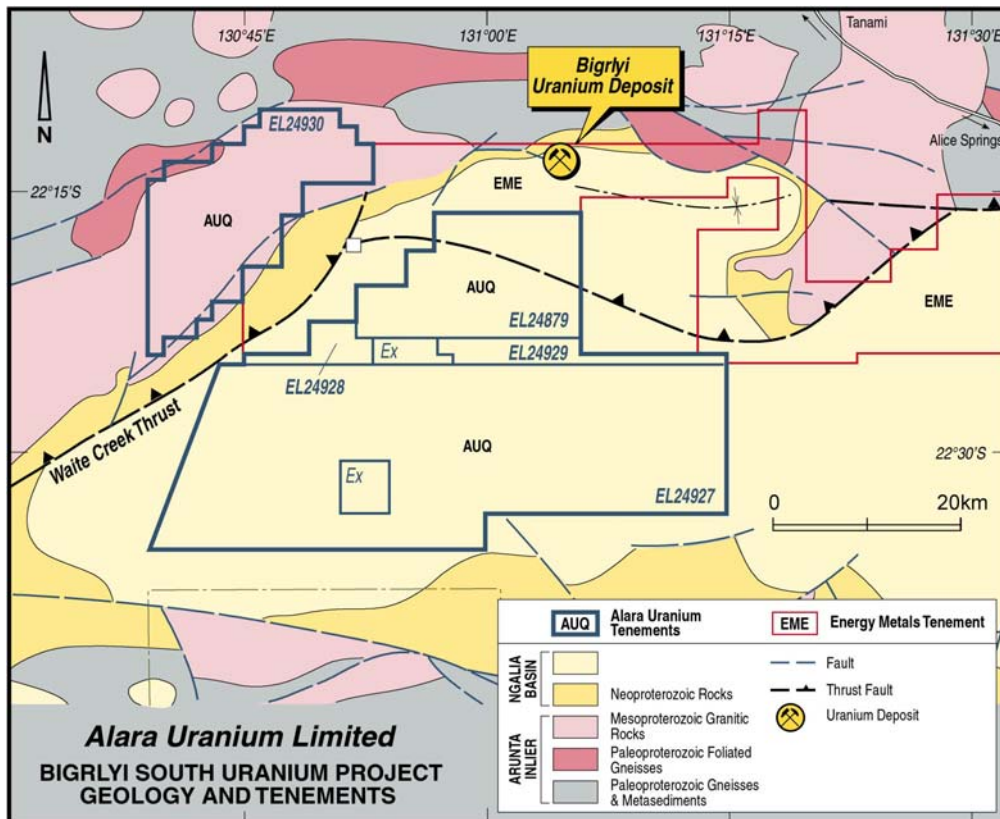
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<sup>2</sup> Under this agreement, Alara has a minimum commitment of \$200,000 within the first 12 months to earn a 51% interest with the right to earn an additional 9% interest by spending \$200,000 on the tenements within the second 12 months; Alara has the right to withdraw after the initial \$200,000 commitment with no further commitments beyond its pro-rata share of the costs required to keep the tenements in good standing up to the date of withdrawal.

# COMPANY PROJECTS

## 3. BIGRLYI SOUTH (NORTHERN TERRITORY)

Alara is focusing its exploration effort on EL 24879, which is also the closest tenement to the Bigrlyi Uranium Deposit. Alara has completed an aerial radiometric and magnetic survey designed to locate anomalies in this and the other adjoining tenements.



### Exploration Activities and Programme

During the quarter:

- (i) "3D Exploration" completed interpretation of airborne geophysical (radiometric and magnetic) survey data within EL 24930. Results indicate:
  - (a) The Southwark Granite Suite has a strong radiometric signature in all channels. These are "hot" granites and are good source rocks for sedimentary uranium deposits in the overlying younger sediments – as in the Bigrlyi deposit;
  - (b) The sediments in the drainage channels above and adjacent to the granite suite should be investigated for possible sandstone or calcrete style uranium deposits;
  - (c) The small windows of Bigrlyi quartzites along the south-east margins of the airborne survey should be investigated for possible localised radiometric 'hot spots' that might indicate mineralisation at depth;
- (ii) Heritage working group meeting conducted to advance tenement grant process of EL 24927.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Field verification and follow up of selected geophysical anomalies in EL24930, comprising ground traversing radiometric anomalies with a spectrometer and the collection of further samples;
- (b) Submit a Mine Management Plan to the Central Land Council seeking heritage approval to conduct a drilling programme of selected anomalous targets.



# COMPANY PROJECTS

## 4. CANNING WELL (PILBARA, WESTERN AUSTRALIA)

Alara is exploring for uranium, gold, copper and base metal mineralisation within tenements E46/585 (application) and E46/629. Alara has a 100% interest in E46/629 and a right to earn an 85% interest in tenement application E46/585 (excluding manganese mineral rights which are retained by Giralia Resources NL) in the East Pilbara region.

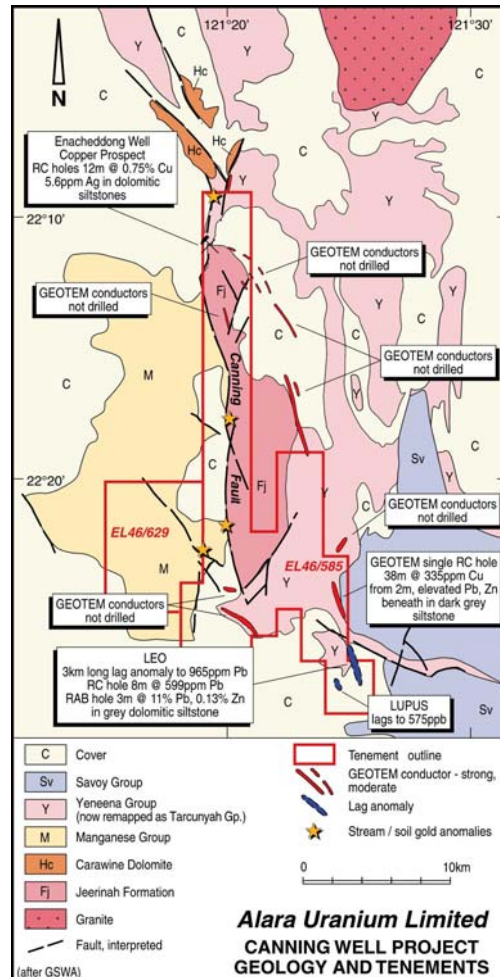
### Exploration Activities and Programme

During the quarter:

- (i) Completed follow up mag/lag sampling programme comprising the collection of an additional 894 samples to complement the 1,249 samples previously collected;
- (ii) Received analytical results from the mag/lag sampling programme. This data is currently being assessed and will be reported during the September quarter.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Review and analyse the complete mag/lag sampling dataset;
- (b) Conduct field verification and follow up of geochemical anomalies identified from the mag/lag sampling programme;
- (c) Conduct a field investigation to determine the prospectivity of the uranium and gold mineralisation by ground radiometric surveying and collection of rock samples from anomalous areas.



## 5. SANTA ROSA PROJECT (PERU)

The Santa Rosa Project comprises 6 concessions covering an area of 4,400 hectares. The concessions are located between 2 to 5 kilometres north and west of the town of Santa Rosa, in the Macusani district.

Rhyolitic lava flows of the Permian Mitu Group lie adjacent to an unconformity with Ordovician schist. The lavas are the main targets for uranium mineralisation. Large geochemical anomalies of over 1500ppm uranium have been reported by IPEN from chip samples adjacent to the unconformity in the region.

### Exploration Activities and Programme

During the quarter:

- (i) Continued community relations process.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Secure agreements with local communities and landowners to implement the exploration programme.

# COMPANY PROJECTS

## 6. PAMPACOLCA PROJECT (PERU)

The Pampacolca Project is targeting structurally controlled occurrences of uranium, tantalum and rare earths in pegmatite veins and dykes in quartz-muscovite-feldspar schist. These occurrences lie within Pre-Cambrian gneissic terrain with known tantalum mineralisation.

### Exploration Activities and Programme

During the quarter:

- (i) Completed the follow up sampling and ground radiometric surveying programme of anomalous areas identified as being prospective for uranium mineralisation;
- (ii) Awaiting analytical results of completed sampling programme.

Proposed exploration programme for the September 2008 quarter is outlined below:

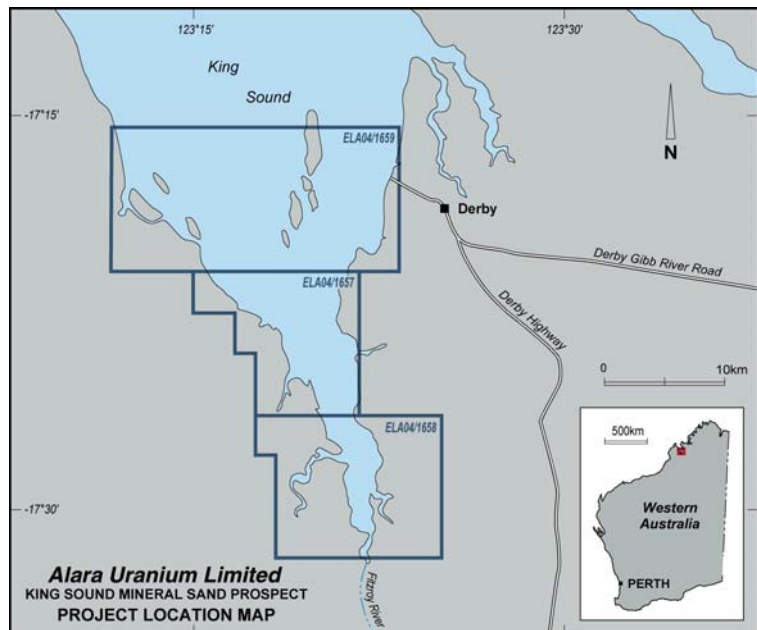
- (a) Await analytical data, then review and assess the data from the recent exploration campaign.

## 7. KING SOUND (KIMBERLEY, WESTERN AUSTRALIA)

Alara has through a joint venture (JV) with ASX listed Strike Resources Limited (Strike) a 70% interest in the King Sound Mineral Sands Project, currently comprising three tenement applications covering a total area of 652 square kilometres, located approximately 10 kilometres west of the port town of Derby in the West Kimberley region of Western Australia.

The JV has identified the King Sound area as being prospective for the accumulation of heavy minerals, such as zircon, rutile and ilmenite.

The JV is awaiting the grant of these tenements prior to conducting additional sampling for test work to produce and characterise the heavy minerals to determine an effective processing pathway and develop a conceptual work flow sheet as part of an overall scoping study on the feasibility of the project.



### Exploration Activities and Programme

During the quarter:

- (i) The JV commissioned a scoping study to ascertain the nature of the mineral sands resource;
- (ii) The heritage process was advanced with the aim of expediting the grant of the tenements.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Finalise the scoping study;
- (b) Continue heritage consultation process with the Kimberley Land Council to fast track grant of tenements.



# COMPANY PROJECTS

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## 8. COASA PROJECT (PERU)

The Coasa Project comprises 11 concessions covering an area of 9,600 hectares. The concessions are centred on the town of Coasa, located in the Macusani district.

The target is pegmatite veins and dykes in well exposed Permian Coasa Granite associated with the Hercinian tectonic event of southern Peru. Historic IPEN data indicate anomalies up to 1900ppm uranium within the project area.

### **Exploration Activities and Programme**

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During the quarter:

- (i) Aster data is currently being reviewed and assessed to provide targets for follow up.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Assess and review Aster interpretation report to identify priority targets for detailed exploration;
- (b) Secure agreements with local communities and landowners for land access.

## 9. MT LAWRENCE WELLS (EAST MURCHISON, WESTERN AUSTRALIA)

### **Exploration Activities and Programme**

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The Company's main focus is to target the calcrete palaeo-channel hosting the Hinkler Well uranium occurrence to determine whether the uranium mineralisation extends upstream from the palaeo-drainage into Alara's tenements E53/1115, E53/1203 and E53/1259.

During the quarter:

- (i) No field based exploration works were conducted during the reporting period.

Proposed exploration programme for the September 2008 quarter is outlined below:

- (a) Review and assess the drilling data sets;
- (b) Subject to the results of (a) above, seek heritage approvals to conduct a more extensive drilling programme.



# CORPORATE

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## **Cash Position**

The Company's cash position as at 30 June 2008 was \$9.15 million.

## **Conversion of Listed Options (ASX Code: AUQO)**

During the quarter ending 30 June 2008, no listed \$0.25 (30 June 2009) options were exercised and converted into shares.



# SECURITIES INFORMATION

as at 30 June 2008



## ISSUED SECURITIES

	Quoted	Not Quoted or Subject to Escrow	Total
Fully paid ordinary shares	56,011,285	24,496,215 <sup>3</sup>	80,507,500
\$0.25 (30 June 2009) Listed Options <sup>4</sup>	60,367,500	-	60,367,500
\$0.55 (27 July 2012) Unlisted Directors' Options <sup>5</sup>	-	18,550,000	18,550,000
\$0.55 (27 July 2012) Unlisted Employees' Options <sup>6</sup>	-	1,425,000	1,425,000
<b>Total</b>	<b>116,378,785</b>	<b>44,471,215</b>	<b>160,850,000</b>

## SUMMARY OF UNLISTED DIRECTORS' AND EMPLOYEE OPTIONS

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria <sup>7</sup>	No. of Options
27 July 2007	\$0.55 (26 July 2012) Directors' Options	\$0.55	26 July 2012	50% on grant and 50% on 26 July 2008	18,550,000
27 July 2007	\$0.55 (26 July 2012) Employees' Options	\$0.55	26 July 2012	1/3 <sup>rd</sup> on 26 January 2008, 1/3 <sup>rd</sup> on 26 July 2008 and 1/3 <sup>rd</sup> on 26 January 2009	1,425,000

3 Escrowed shares comprise:

- (i) 4,488,750 shares held by related parties and promoters (founding shareholders) escrowed until 24 May 2009;
- (ii) 12,750,000 vendor shares issued to Strike Resources Limited pursuant to settlement of the Strike Uranium and Peru Sale Agreements, as defined in the IPO Prospectus, escrowed until 24 May 2009;
- (iii) 1,007,465 (formerly vendor shares issued to Strike Resources Limited pursuant to settlement of the Strike Uranium and Peru Sale Agreements, as defined in the IPO Prospectus) distributed in specie under a capital return effected by Strike Resources Limited on 13 December 2007 to various related parties and promoters of Strike Resources Limited and Alara Uranium Limited (and their associates), escrowed until 24 May 2009; and
- (iv) 6,250,000 vendor shares issued to Orion Equities Limited pursuant to settlement of the Hume Sale Agreement, as defined in the IPO Prospectus, escrowed until 24 May 2009.

4 Terms and conditions of \$0.25 (30 June 2009) listed options are set out in a [Rights Issue Options Prospectus dated 3 September 2007](#) and in an [ASX Appendix 3B New Issue Announcement lodged on 3 September 2007](#)

5 Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 21 June 2007](#) for a General Meeting held on 7 July 2007 and in an [ASX Appendix 3B New Issue Announcement lodged on 3 August 2007](#)

6 Refer footnote 5

7 Options which have vested may be exercised at any time thereafter, up to their expiry date

## Appendix 5B

### Mining Exploration Entity Quarterly Report

Name of entity

**Alara Uranium Limited and controlled entities**

ACN or ARBN

**122 892 719**

Quarter Ended

**30 June 2008**

#### Consolidated statement of cash flows

##### Cash flows related to operating activities

1.1 Receipts from product sales and related debtors

1.2 Payments for

(a) exploration and evaluation

(b) development

(c) production

(d) administration

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (provide details if material)

##### Net operating cash flows

	Consolidated	
	Current Quarter Jun 2008 \$' 000	Year to Date 12 months \$' 000
	-	-
	<b>(406)</b>	<b>(1,027)</b>
	-	-
	-	-
	<b>(174)</b>	<b>(740)</b>
	-	<b>12</b>
	<b>207</b>	<b>635</b>
	-	-
	<b>(3)</b>	<b>(3)</b>
	-	-
	<b>(376)</b>	<b>(1,123)</b>

	<b>Consolidated</b>	
	Current Quarter Jun 2008 \$' 000	Year to Date 12 months \$' 000
1.8 Net operating cash flows (carried forward)	<b>(376)</b>	<b>(1,123)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for purchases of:		
(a) prospects	-	<b>(57)</b>
(b) equity investments	-	<b>(1,962)</b>
(c) other fixed assets	-	-
1.10 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	<b>1,098</b>	<b>2,086</b>
(c) other fixed assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>1,098</b>	<b>67</b>
1.14 <b>Total operating and investing cash flows</b>	<b>722</b>	<b>(1,056)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	<b>(3)</b>	<b>560</b>
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
IPO costs	-	<b>(90)</b>
<b>Net financing cash flows</b>	<b>(3)</b>	<b>470</b>
<b>Net increase (decrease) in cash held</b>	<b>719</b>	<b>(586)</b>
1.21 Cash at beginning of quarter/year to date	<b>8,427</b>	<b>9,732</b>
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>9,146</b>	<b>9,146</b>

**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 Jun 2008 \$' 000
1.24	Aggregate amount of payments to the parties included in item 1.2	<b>(90)</b>
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

\$90,343 - Directors' fees, salaries 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

None

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

None.

**Financing facilities available**

		Amount available \$' 000	Amount used \$' 000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-



<b>Estimated cash outflows for next quarter</b>		Next Quarter \$' 000
4.1	Exploration and evaluation	<b>(533)</b>
4.2	Development	-
<b>Total</b>		<b>(533)</b>

<b>Reconciliation of cash</b>	<b>Consolidated</b>	
	Current Quarter \$' 000	Previous Quarter \$' 000
5.1 Cash on hand and at bank	<b>446</b>	<b>827</b>
5.2 Deposits at call	<b>8,700</b>	<b>7,600</b>
5.3 Bank overdraft	-	-
5.4 Other (Bank Bills)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,146</b>	<b>8,427</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (4))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	None	None	None	
6.2	Interests in mining tenements acquired or increased	EL 09/1527 (Mt James Project, Western	Application for Exploration Licence	None	100%
		Lituania 9 (Crucero Project, Peru)	Application for mineral concession	None	100%

## Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (see note 5) (cents)	Amount paid up per security (see note 5)
7.1 Preference securities+				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities+	80,507,500	56,011,285	25 cents	25 cents
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities+				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Listed AUQO \$0.25 (30 June 2009) Options	60,367,500	60,367,500	-	30 June 2009
Unlisted \$0.55 (26 July 2012) Directors' Options	18,550,000	-	55 cents	26 July 2012
Unlisted \$0.55 (26 July 2012) Employees' Options	1,425,000	-	55 cents	26 July 2012
7.8 Issued during quarter				
7.9 Exercised during quarter			-	-
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes				

## 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.



**Victor Ho**  
Company Secretary

31 July 2008

+ 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
- 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
- 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.