



ACN. 000 317 251

**ACTIVITY REPORT
FOR THE QUARTER ENDED
30 SEPTEMBER 2008**

ROCKLANDS GROUP COPPER PROJET (CDU100%)

**HIGHLIGHTS OF THE QUARTER
LAS MINERALE – NW END OF STRIKE LENGTH**

- **High copper / gold grades at north west end of Las Minerale – includes holes drilled post quarter end:-**
 - **DORC481** **26m over 2 separate zones**
 1. **5m @ 7.70% Cu, 3.99g/t Au, 304ppm Co fm 27m – 32m**
 2. **21m @ 4.85% Cu, 1.68g/t Au, 380ppm Co fm 92m – 113m**Including
and **6m @ 7.89% Cu, 1.55g/t Au, 708ppm Co fm 99m – 105m**
11m @ 2.29g/t Au fm 100 – 111m
 - **DORC480**
Intersected **25m @ 2.65% Cu, 619ppm Co, 0.83g/t Au fm 118m – 143m**
Including **11m @ 4.98% Cu, 906ppm Co, 1.47g/t Au fm 118m – 129m**
Including **13m @ 1.31g/t Au fm 119m – 132m**

The Company has had great success in the drilling and exploration on the Rocklands Project, again asserting itself as one of the best new copper / cobalt / gold discoveries in Australia.

We had especially strong results from Central Rocklands and Central and NW extension of Las Minerale where high grade gold mineralisation was encountered with high grade primary sulphides.

Although Central Las Minerale and the eastern end of Southern Rocklands have intersected high grade gold in the sulphides, the strong results from the NW end of Las Minerale were unexpected. We drilled a number of holes in 2007 at the NW end encountering low to medium grade copper but as the sections show, the drillholes “just” missed the target. It was LMRC161 drilled in early 2008 which was planned as the first hole at the NW end that hit the target. The follow-up drilling in the last quarter has been most encouraging with high grades of Cu, Co, Au in a number of holes drilled.

A 20 hole drill program has been planned at the NW end of Las Minerale for the next quarter to follow up the encouraging results.

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- **Follow up holes post last quarter**

- **DORC486**
Intersected **27m @ 7.75% Cu, 3.44 g/t Au, 502ppm Co fm 25m – 52m**
Including **12m @ 15.02% Cu, 6.68 g/t Au, 844ppm Co fm 33m – 45m**
Including **8m @ 20.74% Cu, 9.42 g/t Au, 1106ppm Co fm 33m – 41m**
- **DORC483**
Intersected 17m over 2 separate zones of high grade mineralisation
 - 1. 9m @ 2.78% Cu, 0.59g/t Au, 242ppm Co fm 80m – 89m**
Including **3m @ 7.64% Cu, 1.58g/t Au, 580ppm Co fm 80m – 83m**
 - 2. 8m @ 1.36% Cu, 0.55g/t Au, 400ppm Co fm 111m – 119m**
Including **2m @ 4.85% Cu, 2.07g/t Au, 865ppm Co fm 112m – 114m**

These two holes occur in a 100m long zone at the north west end of Las Minerale where previously reported holes also intersected high grade copper. These holes confirm the consistency of the high grades of Cu-Au mineralisation being achieved in this area. Las Minerale is still open to the north west.

- **Central Rocklands**

Drilling in the 700m x 500m wide zone at Central Rocklands also continued to deliver encouraging grades and width.

- **DORC437**
Intersected **42m @ 1.39% Cu, 684ppm Co fm 141m – 183m**
Including **13m @ 2.94% Cu, 1343ppm Co, 0.66g/t Au fm 142m – 155m**
- **DORC438**
Intersected **37m @ 1.53% Cu fm 78m – 115m**
Including **22m @ 2.35% Cu fm 93m – 115m**
and **5m @ 3.70% Cu fm 97m – 102m**
and **3m @ 5.44% Cu fm 105m – 108m**
- **DORC444**
Intersected **31m @ 2.61% Cu fm 67m – 98m**
Including two zones
 - 1. 4m @ 10.91% Cu, 510ppm Co, 2.11g/t Au fm 70m – 74m**
 - 2. 5m @ 3.82% Cu fm 80m – 85m**
- **DORC436**
Intersected **28m @ 1.48% Cu fm 100m – 128m**
- **DORC602**
Intersected **44m @ 1.24% Cu, 254ppm Co fm 28m – 72m**
Including **8m @ 2.75% Cu, 370ppm Co fm 33m – 41m**
and **6m @ 2.53% Cu, 250ppm Co fm 53m – 59m**

○ **DORC111 Extended**

This hole was originally drilled to 238m, The hole intersected four zones of mineralisation. Three of these are previously reported:

1. **40m @ 1.75% Cu, 1126 ppm Co fm 45m – 85m**
2. **11m @ 0.59% Cu, 408 ppm Co fm 113m – 124m**
3. **11m @ 0.44% Cu, 152 ppm Co fm 164m – 175m**

4. In August, 2008 DORC111 was re-entered and extended to 285m. Previously encountered copper mineralisation which bottomed at 238m was found to extend to 245m. The lower intersection now totals:
49m @ 1.02% Cu fm 196 – 245m

○ **DORC440**

Intersected **10m @ 2.27% Cu, 394ppm Co fm 63m - 73m**
Including **3m @ 6.68% Cu fm 63m - 66m**

○ **DORC441**

Intersected a total of 76m of mineralisation over two separate zones

1. **65m @ 0.60% Cu, 250ppm Co fm 24m – 89m**
Including **9m @ 1.49% Cu, 370ppm Co fm 45m – 54m**
and **7m @ 0.80% Cu, 229ppm Co fm 70m – 77m**
2. **11m @ 0.50% Cu, 192ppm Co fm 97m – 108m**

○ **DORC327**

Intersected **22m @ 0.53% Cu, 150ppm Co fm 35m – 57m**
Including **3m @ 1.65% Cu, 163ppm Co fm 36m – 39m**

○ **DORC398**

Intersected a total of 39m of mineralisation over two separate zones

1. **12m @ 0.93% Cu, 280ppm Co fm 61m – 73m**
Including **3m @ 2.23% Cu, 296ppm Co fm 67m – 70m**
2. **27m @ 0.90% Cu, 345ppm Co fm 101m – 128m**
Including **5m @ 1.05% Cu fm 102m – 107m**
and **5m @ 2.57% Cu, 347ppm Co fm 115m – 120m**

○ **DORC399**

Intersected **46m @ 0.53% Cu fm 56m – 102m**
Including **5m @ 1.55% Cu, 666ppm Co fm 87m – 92m**

○ **DORC426**

Intersected **13m @ 0.95% Cu fm 74m – 87m**

○ **DORC427**

Intersected a total of 42m of mineralisation over two separate zones

1. **22m @ 0.87% Cu, 293ppm Co fm 73m – 95m**
Including **7m @ 1.63% Cu fm 84m – 91m**
2. **20m @ 0.41% Cu fm 124m – 144m**

- **DORC428**
Intersected and Including
 21m @ 0.54% Cu fm 8m – 29m
 9m @ 1.68% Cu, 218ppm Co fm 310m – 319m
 2m @ 6.29% Cu, fm 314m – 316m
- **DORC435**
Intersected and Including
 29m @ 0.67% Cu fm 101m – 130m
 6m @ 1.27% Cu fm 114m – 120m
- **DORC442**
Intersected and
 6m @ 0.60% Cu fm 265m – 271m
 6m @ 1.55% Cu fm 276m – 282m
- **DORC446**
Intersected a total of 32m of mineralisation over 3 zones
 1. 9m @ 0.65% Cu fm 67m – 76m
 2. 6m @ 0.57% Cu fm 95m – 101m
 3. 17m @ 1.04% Cu fm 226m - 243m
- **DORC457**
Intersected and Including
 34m @ 0.70% Cu, 257ppm Co fm 12m – 46m
 13m @ 887ppm Co fm 6m – 19m
 9m @ 1.40% Cu, fm 28m – 37m
- **DORC462**
Intersected and Including
 7m @ 1.07% Cu fm 58m – 65m
 3m @ 1.84% Cu fm 58m – 61m
- **DORC465**
Intersected and Including
 17m @ 3.29% Cu, 237ppm Co fm 23m – 40m
 6m @ 8.03% Cu, 320ppm Co fm 28m – 34m
- **DORC466**
Intersected and Including
 5m @ 2.40% Cu, 262ppm Co fm 23m – 28m
 2m @ 5.80% Cu, 365ppm Co fm 23m – 25m
- **DORC474**
Intersected Cu and Co mineralisation including one continuous zone of cobalt over 89m @ 550ppm Co fm 12m – 101m
 Intersected a total of 36m of mineralisation over two separate zones
 - 1 32m @ 0.74% Cu, 947ppm Co fm 36m – 68m
 - Including 8m @ 1.56% Cu, 957ppm Co fm 49m – 57m
 - 2 4m @ 2.66% Cu, 172ppm Co fm 103m – 107m
- **DORC475**
Intersected
 34m @ 0.48% Cu, 158ppm Co fm 269m – 303m

- **DORC300**
Intersected **9m @ 1.11% Cu fm 104m – 113m**

- **DORC305**
Intersected **13m @ 0.42% Cu, 391ppm Co fm 150m – 163m**

- **DORC307**
Intersected **15m @ 0.60% Cu fm 54m – 69m**

- **DORC309**
Intersected 2 zones
 1. **27m @ 0.58% Cu fm 156m – 183m**
 2. **17m @ 0.92% Cu fm 192m – 209m**

- **DORC310**
Intersected 2 zones
 1. **4m @ 0.39% Cu fm 99m – 103m**
 2. **29m @ 1.60% Cu fm 117m – 146m**
 Including **8m @ 4.28% Cu fm 135m – 143m**

- **DORC313**
Intersected **6m @ 0.48% Cu fm 41m – 47m**

- **DORC321**
Intersected **13m @ 0.72% Cu fm 90m – 103m**
Includes **5m @ 1.20% Cu fm 95m – 100m**

- **DORC330**
Intersected **8m @ 3.08% Cu, 1378ppm Co, 0.41 g/t fm 58m – 66m**

- **DORC337**
Intersected **11m @ 0.94% Cu fm 73m – 84m**

- **DORC393**
Intersected **12m @ 3.32% Cu, 1098ppm Co fm 132m – 144m**
Includes **6m @ 6.36% Cu, 2063ppm Co, 1.58 g/t Au fm 138m – 144m**

- **DORC396**
Intersected **23m @ 0.79% Cu, 392ppm Co fm 131m – 154m**
Includes **10m @ 1.36% Cu, 639ppm Co, 0.21 g/t Au fm 131m – 141m**

- **DORC397**
Intersected 2 zones
 1. **4m @ 1.91% Cu, 0.25 g/t Au fm 165m – 169m**
 2. **3m @ 1.05% Cu fm 217m – 220m**

- **DORC400**
Intersected **22m @ 0.41% Cu fm 102m – 124m**

- **DORC401**
Intersected **30m @ 0.51% Cu fm 156m – 186m**

- **DORC402**
Intersected **10m @ 0.69% Cu fm 228m – 238m**

- **DORC403**
Intersected **20m @ 0.66% Cu fm 167m – 187m**

- **DORC406**
Intersected **8m @ 0.73% Cu fm 113m – 121m**

- **DORC418**
Intersected 4 zones
 1. **8m @ 0.38% Cu fm 163m – 171m**
 2. **8m @ 0.94% Cu fm 206m – 214m**
 3. **9m @ 1.17% Cu fm 217m – 226m**
 4. **5m @ 0.63% Cu fm 252m – 257m**

- **DORC419**
Intersected **12m @ 1.78% Cu fm 238m – 250m**
Including **6m @ 2.79% Cu, 0.30 g/t Au fm 244m – 250m**

- **DORC420**
Intersected 3 zones
 1. **4m @ 0.38% Cu fm 138m – 142m**
 2. **31m @ 1.56% Cu fm 149m – 180m**
Including **13m @ 0.37 g/t Au fm 149m – 162m**
 3. **9m @ 0.46% Cu fm 187m – 196m**

- **DORC600**
Intersected 2 zones
 1. **11m @ 0.61% Cu fm 80m – 91m**
 2. **12m @ 2.45% Cu fm 121m – 133m**
Including **7m @ 3.98% Cu, 0.38 g/t Au fm 125m – 132m**

- **DORC601**
Intersected **18m @ 0.59% Cu fm 5m – 23m**
Includes **12m @ 0.75% Cu, 560ppm Co fm 11m – 23m**

- **DORC430**
Intersected **10m @ 2.55% Cu fm 104m – 114m**

- **DORC433**
Intersected 2 zones of high grade copper mineralisation;
 1. **6m @ 3.56% Cu fm 2m – 8m**
 2. **26m @ 1.03% Cu fm 14m – 40m**
 Including **10m @ 1.96% Cu fm 22m – 32m**

- **DORC437**
Intersected **42m @ 1.39% Cu, 684ppm Co fm 141m – 183m**
Including **23m @ 2.19% Cu, 942ppm Co fm 141m – 164m**

- **DORC440**
Intersected **10m @ 2.27% Cu fm 63m – 73m**
Including **3m @ 6.68% Cu fm 63m – 66m**

- **Las Minerale - Central**

Two diamond core holes were drilled during the quarter.
 - **LMDH051**
Intersected **39m @ 1.10% Cu, 978ppm Co, 0.2g/t Au fm 150m – 189m**
Including **13m @ 2.12% Cu, 1419ppm Co, 0.3g/t Au fm 169m – 182m**

 - **LMDH052**
Intersected **52m @ 1.84% Cu, 964ppm Co fm 108m – 160m**
Including **30m @ 2.91% Cu, 1135ppm Co fm 123m – 153m**
and including a high grade zone of **6m @ 9.2% Cu, 2855ppm Co fm 147m – 153m**

 - **LMRC149**
Intersected 4 zones
 1. **3m @ 1.02% Cu, 0.19 g/t Au fm 20m – 23m**
 2. **21m @ 2.44% Cu, 1293ppm Co fm 60m – 81m**
 Including **7m @ 6.54% Cu, 2277ppm Co, 0.60 g/t Au fm 65m – 72m**
 3. **35m @ 0.78% Cu fm 85m – 120m**
 4. **11m @ 0.26% Cu fm 127m – 138m**

 - **LMRC152**
Intersected **16m @ 1.12% Cu, fm 44m – 60m**
Including **10m @ 1.59% Cu, 1.02 g/t Au fm 44m – 54m**

 - **LMRC163**
Intersected 3 zones
 1. **7m @ 0.83% Cu fm 72m – 79m**
 2. **8m @ 0.93% Cu fm 84m – 92m**
 3. **21m @ 2.08% Cu fm 251m – 272m**
 Including **12m @ 3.36% Cu, 1142ppm Co fm 258m – 270m**

- **LMRC164**
Intersected 3 zones
 1. **15m @ 0.56% Cu fm 23m – 38m**
 2. **13m @ 0.69% Cu fm 45m – 58m**
 3. **10m @ 0.67% Cu fm 194m – 204m**

- **LMRC190**
Intersected **20m @ 1.55% Cu, 1302ppm Co fm 68m – 88m**

- **LMRC191**
Intersected **37m @ 1.02% Cu, 1633ppm Co fm 18m – 55m**
Including **7m @ 3.09% Cu, 0.51 g/t Au fm 48m – 55m**

- **LMRC192**
Intersected 3 zones
 1. **27m @ 0.66% Cu fm 39m – 66m**
Including **8m @ 814ppm Co, 0.43 g/t Au fm 54m – 62m**
 2. **12m @ 0.42% Cu fm 72m – 84m**
 3. **25m @ 2.02% Cu, 1057ppm Co fm 92m – 117m**
Including **8m @ 5.23% Cu, 2121ppm Co, 0.50 g/t Au fm 106m – 114m**
Hole ended in mineralisation (0.2% - 0.5% Cu)

- **LMRC166**
Intersected 2 zones
 1. **12m @ 0.37% Cu fm 48m – 60m**
and **15m @ 1330ppm Co fm 46m – 61m**
 2. **5m @ 1.00% Cu fm 171m – 176m**

- **LMRC167**
Intersected **25m @ 0.62% Cu, fm 57m – 82m**

- **LMRC168**
Intersected 2 zones
 1. **13m @ 0.34% Cu, 606ppm Co fm 88m – 101m**
 2. **7m @ 0.87% Cu fm 209m – 216m**

- **LMRC170**
Intersected 3 zones
 1. **6m @ 3035ppm Co fm 32m – 38m**
 2. **20m @ 0.50% Cu fm 54m – 74m**
 3. **6m @ 0.84% Cu fm 166m – 172m**

- **LMRC171**
Intersected 2 zones
 1. **16m @ 835ppm Co fm 7m – 23m**
 2. **4m @ 0.75% Cu fm 188m – 192m**

- **LMRC173**
Intersected 4 zones
 1. 8m @ 1.16% Cu fm 2m – 10m
 2. 5m @ 0.42% Cu fm 95m – 100m
 3. 2m @ 0.80% Cu fm 104m – 106m
 4. 10m @ 0.47% Cu fm 274m – 284m

- **LMRC174**
Intersected 2 zones
 1. 2m @ 1.09% Cu fm 65m – 67m
 2. 13m @ 0.83% Cu fm 98m – 111m

- **LMRC183**
Intersected 25m @ 0.54% Cu fm 151m – 176m

- **SRDH010**
Intersected 34m @ 0.86% Cu fm 177m – 211m
Including 15m @ 1.19% Cu fm 195m – 210m

- **MDH007**
Intersected 2 zones
 1. 16m @ 0.54% Cu fm 117m – 133m
 - Including 4m @ 1337ppm Co fm 129m – 133m
 2. 8m @ 1.20% Cu fm 136m – 144m

- **MDH008**
Intersected 2 zones
 1. 22m @ 0.83% Cu fm 2m – 24m
 2. 5m @ 0.74% Cu fm 197m – 202m

- **MDH010**
Intersected 3 zones
 1. 35m @ 0.58% Cu fm 37m – 72m
 2. 20m @ 553ppm Co fm 72m – 92m
 3. 19m @ 1.00% Cu fm 184m – 203m
 - Including 3m @ 4.72% Cu, 0.54 g/t Au fm 189m – 192m

- **MDH011**
Intersected a total of 35m of mineralisation over 3 separate zones
 1. 15m @ 0.88% Cu fm 135m – 150m
 2. 10m @ 0.69% Cu fm 234m – 244m
 3. 10m @ 0.88% Cu fm 376m – 386m

- **DODH002**
Intersected 29m @ 1009ppm Co, 0.55% Cu fm 26m – 55m
Including 4m @ 3995ppm Co, 0.49% Cu fm 42m – 46m

- **LMDH049**
Intersected **13m @ 0.94% Cu fm 280m – 293m**
Including **5m @ 2.05% Cu fm 284m – 289m**

The drill intersections reported above have been calculated on the basis of a copper cutoff grade of 0.2% with an allowance of up to 2m of internal waste. Significant widths where gold grades are generally over 0.2 g/t Au and Co over 300 – 400 ppm Co are also reported. All analyses were carried out at internationally recognised assay laboratories. Quality assurance for the analyses is provided by continual analysis of known standards, blanks and duplicate samples.

LOOKING FORWARD

The Company intends to increase the drilling within the zones of mineralisation within the known boundaries and strike lengths of the various prospects comprising the Rocklands Project (see figure 1).

DEFINITIVE FEASIBILITY STUDY

The Definitive Feasibility Study, being managed by Lycopodium Engineering Queensland Pty Ltd, continues to be progressed in areas of resource definition, geotechnical assessment, metallurgical testing, cultural heritage and environmental assessment.

As reported during the quarter, drilling continues to define a much greater area of mineralisation than first thought to exist within the target zones of known mineralisation, with the encountering of some new high-grade sections as reported above. As part of the development of the resource model, the resource consultant, AMC Consultants P/L has been undertaking a review of current and historical drilling and sampling procedures and processes to ensure that the Quality Assurance and Quality Control (QA/QC) is being maintained at an acceptable standard. Any deficiencies in historical QA/QC are being rectified upon AMC's recommendations.

The Company's geological consultant, Terra Search has continued to develop the geological interpretation required for the detailed geological model, focusing on areas east of 11,600E and west of 11,000E, and south into the Southern Rocklands mineralised zones.

As reported last quarter metallurgical test work has continued to focus on understanding cobalt mineralisation and recovery. Preliminary Mineral Liberation Analysis (MLA) has shown very high liberation of the copper- and cobalt-bearing minerals and the final report and recommendations are awaited from the companies undertaking the MLA and the flotation studies to determine the additional test work now required to finalise a circuit for successful treatment of the Rocklands supergene and primary ores to produce a copper metal product, a high-grade copper/gold product and a saleable cobalt product.

The lone sub-block, approximately 3km east of the main Rocklands block is currently being incorporated into the assessments for the EIS, as this area may be required for infrastructure development, subject to successful sterilisation of the areas under consideration.

NATIVE TITLE

The Kalkadoon Cultural Heritage Management Plan was finalised and signed by the Kalkadoon people. The Cultural Heritage Management Plans have now been signed by both indigenous land claimants.

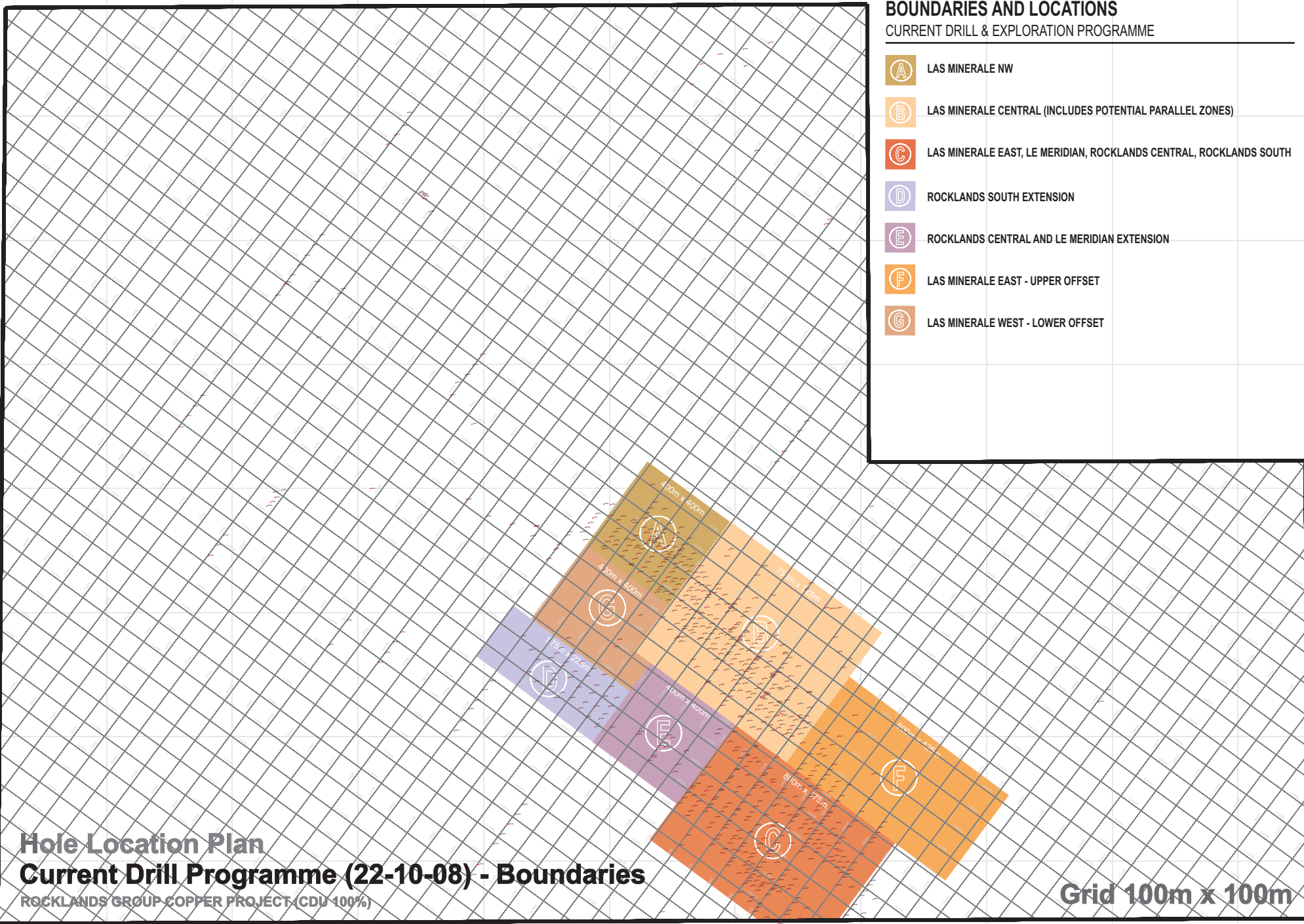
This successfully completes this important phase of the Cultural Heritage work necessary for the Environmental Impact Statement (EIS) and Mining Lease Application (MLA). It is now expected that the Native Title agreements with both groups of claimants can be finalised before the end of 2008.



Wayne McCrae
Chairman

The information in this report that relates to Exploration Drill Results is based on information compiled by Dr. Simon D. Beams, a full time employee of Terra Search Pty Ltd, geological consultants employed by CuDeco Limited to carry out this data validation. Dr. Beams has BSc Honours and Ph.D degrees in geology, he is a Member of The Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of The Australian Institute of Geoscientists (Member # 2689). Dr. Beams has sufficient experience which is relevant to the style of mineralisation and type of deposits 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 of Conduct for Reporting of Exploration results, Mineral Resources and Ore Reserves". Dr. Beams consents to the inclusion in this report of the validated drilling intercepts based on assay information in the form and context in which it appears.

Figure 1... Exploration Boundaries



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

CUDECO LIMITED

ACN

000 317 251

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	2	2
1.2 Payments for (a) exploration and evaluation	(2,515)	(2,515)
(b) development	-	-
(c) production	-	-
(d) administration	(400)	(400)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,008	1,008
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Equipment hire	3	3
Other - Security deposit paid	(2)	(2)
Net Operating Cash Flows	(1,904)	(1,904)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(1,000)	(1,000)
(c) other fixed assets	(511)	(511)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	9	9
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(1,502)	(1,502)
1.13 Total operating and investing cash flows (carried forward)	(3,406)	(3,406)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,406)	(3,406)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7	7
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - share issue costs	(6)	(6)
	Other - on-market share buy-back	(141)	(141)
	Net financing cash flows	(140)	(140)
	Net increase (decrease) in cash held	(3,546)	(3,546)
1.20	Cash at beginning of quarter/year to date	31,372	31,372
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	27,826	27,826

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	261
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$A'000
Directors' and their related parties remuneration	\$223
Rent paid to director & director-related entity	\$ 38

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

Not Applicable.

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

Not Applicable.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,800
4.2 Development	-
Total	2,800

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	826	4,047
5.2 Deposits at call	27,000	27,325
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	27,826	31,372

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	Not applicable		
6.2	Interests in mining tenements acquired or increased	Not applicable		

+ 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)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 *Ordinary securities	119,227,884	119,227,884		
7.4 Changes during quarter (a) Increases conversion of - listed options (b) Decreases (see note below)	2,550,815	2,550,815	\$0.20	\$0.20
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Consultant options	100,000	-	\$3.29	15.02.08 – 15.08.10
Employee options	250,000	-	\$6.00	07.11.07 – 07.11.10
Consultants options	250,000	-	\$7.50	01.12.07 – 01.12.08
Consultants options	125,000	-	\$3.50	31.07.09
Consultants options	125,000	-	\$4.00	31.12.09
7.8 Issued during quarter				
Consultants options	125,000	-	\$3.50	31.07.09
Consultants options	125,000	-	\$4.00	31.12.09
7.9 Exercised during quarter	2,550,815	2,550,815	\$0.20	30.06.2008
7.10 Expired during quarter	250,000 59,849	- 59,849	\$6.50 \$0.20	01.09.07 – 01.09.08 30.06.2008
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Note: The Company bought back 56,778 ordinary shares at a cost of \$141,197 during the quarter. These shares were cancelled during October 2008.

+ 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: Date: 30 October 2008
(Company secretary)

Print name: LISA ROWE

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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