



Middle Island
RESOURCES LIMITED

Middle Island Resources Limited
ACN 142 361 608

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QUARTERLY REPORT FOR THE PERIOD ENDED 30 June 2013

HIGHLIGHTS

Middle Island Resources Ltd
ACN 142 361 608

ASX Code: MDI

Office:

Suite 2, 2 Richardson Street
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Western Australia

Postal Address:

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E: info@middleisland.com.au

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Capital Structure:

125 million shares
18.5 million options

Board Members:

Peter Thomas

Chairman

Rick Yeates

Managing Director

Beau Nicholls

Technical Director

Linton Kirk

Non-Executive Director

Dennis Wilkins

Company Secretary

Corporate

- Strong cash position of A\$5.63 million and no debt.
- 2012-13 West African gold exploration strategy completed to plan and budget, with a focus on advanced assets in Niger and Burkina Faso.
- Focus on cost-cutting by reducing discretionary corporate and exploration expenditure.
- First gold production from Samira Hill planned for December quarter 2013.

Subsequent to the Quarter - Samira Hill Project Acquisition (Niger)

- Middle Island executes Heads of Agreement to purchase an 80% interest in the Samira Hill gold mine.
- The purchase comprises a cash payment of US\$1.25M and a net smelter return (NSR) royalty of 1.2%, payable on all production at or above a gold price of US\$1,450/oz, capped at US\$12M.
- The project comprises 1.35Moz in Ore Reserves and Mineral Resources (at 31 December 2012) , a 2Mtpa oxide CIL processing facility, grid power & 6MW power station, tailings dam, 4ML process water reservoir, ancillary mobile fleet, mill spares, plant consumables, workshops, warehouses, 200 man camp & airstrip.
- Providing all transaction conditions are met, Middle Island will assume management of the Samira Hill Project as a going concern on 1 October 2013.
- Existing Ore Reserves (allowing for depletion to October 2013) represent 2-3 years production at 40,000oz - 50,000oz per annum, with a potential mine life of >8 years if Inferred Resources are successfully converted to Ore Reserves, plus considerable exploration upside.
- The centrally located Samira Hill operation will be integrated into the Company's Sirba Project, which will then comprise a contiguous 100km strike length of the Sirba greenstone belt.

Sirba Gold Project (Niger)

- A maiden reverse circulation percussion (RC) resource drilling program, comprising 37 holes (4,314m), was completed during the June quarter at the Tialkam South Prospect (located 12km from the Samira Hill processing plant).



- Extremely encouraging RC drilling and channel sampling results returned to date from a high grade zone <100m depth and over a 350m strike length include:- **21m at 4.89 g/t, 19m at 4.16 g/t, 12m at 4.34 g/t, 17m at 3.05 g/t, 9m at 3.67 g/t, 14m at 1.83 g/t and 15m at 2.68 g/t Au.**
- Middle Island plans to release a maiden resource estimate and metallurgical testwork results for Tiakam South in the September quarter.
- Stage 2 infill auger drilling on a 200m x 100m spacing has been completed over the 10km long, high tenor Kimba Prospect.
- Initial auger drilling (989 holes; 6,640m) has been completed over the Deba Hill, Deba Village, Sefa Nangue and Kokoloko targets within the Deba permit during the quarter. Significant high tenor auger anomalies have been defined within 30km of the Samira Hill processing plant.

Reo Gold Project (Burkina Faso)

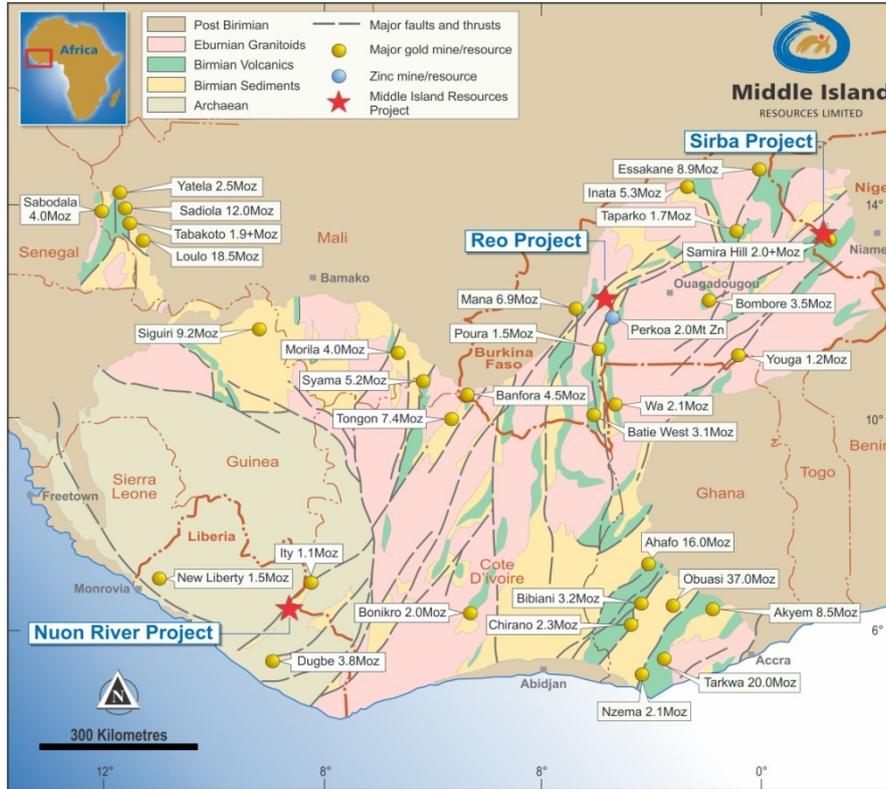
- 58 line km of gradient array and 4 line km of pole-dipole induced polarisation (IP) ground geophysical surveys were completed at the K4/K5 Prospect, defining structural controls along the Madi shear prior to further drilling.
- A 2,848m (30 hole) RC drilling program was completed at the K4/K5 (26 holes) and Samba (4 holes) prospects. The observed geology at the K4/K5 Prospect is consistent with that interpreted from diamond drilling in the March quarter.
- This RC program has followed up rotary air blast (RAB) drilling results reported in the March quarter which returned **36m at 1.25g/t, 16m at 2.66g/t (incl. 12m at 3.23g/t), 20m at 1.65g/t (incl. 8m at 3.17), 8m at 4.68g/t (incl. 4m at 8.21g/t), 8m at 1.70g/t, 4m at 3.54g/t, 4m at 2.25g/t and 6m at 1.24g/t Au.**
- These results complement excellent indicative gold recoveries of **93%, 97% and 95%** returned from oxide, transitional and primary ore types respectively at the K4/K5 gold prospect.
- Recent RC drilling results are expected in the September quarter.

Nuon River Gold Project (Liberia)

- Middle Island has minimised all exploration activities and expenditure in Liberia during the June quarter to ensure that permits are maintained in good standing only. The Nuon River Project hosts the Company's least advanced targets, and opportunities to divest the project are being evaluated in order to focus on more advanced targets and production in Niger and Burkina Faso.



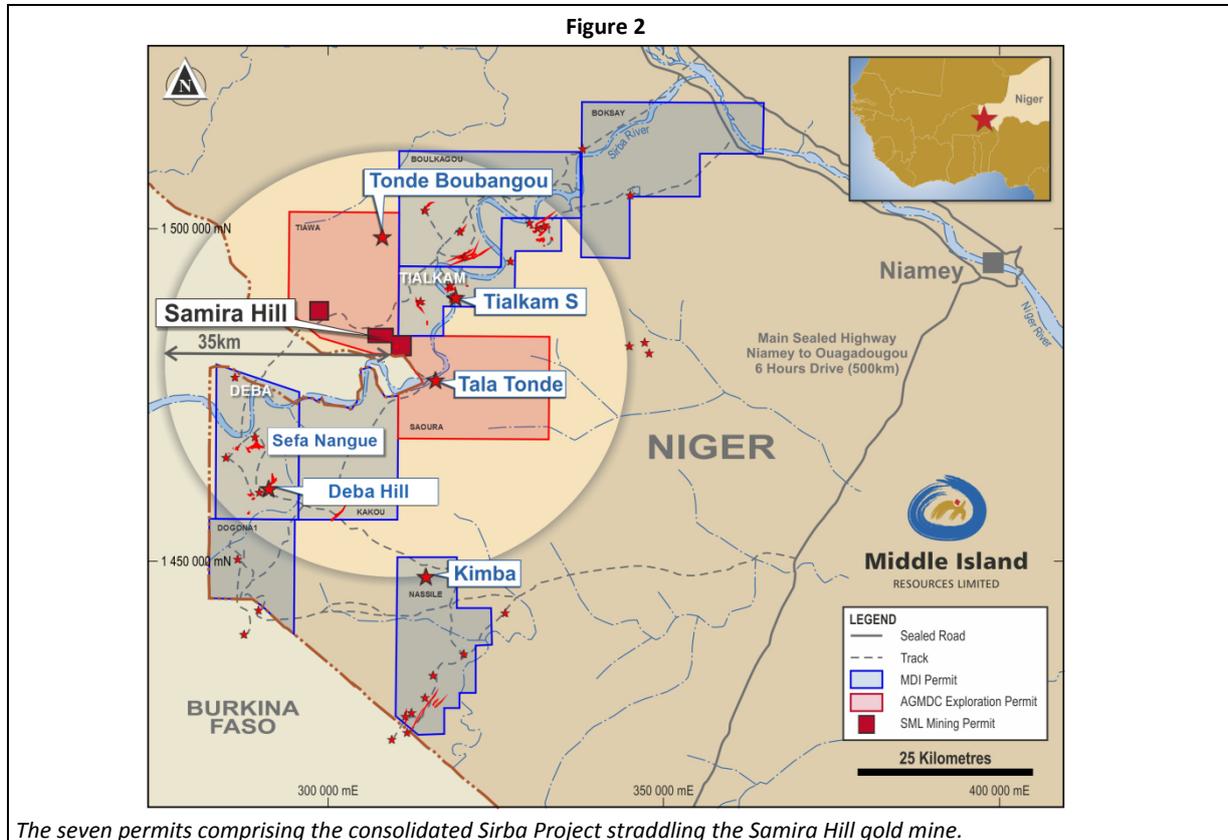
Figure 1
Middle Island Resources project locations in West Africa



Middle Island exploration projects (~5,400km²) including 3 West African Countries Niger, Burkina Faso and Liberia.

Operating Activities

Sirba Gold Project – Niger



Samira Hill Project Acquisition – Subsequent to the Quarter

Following extensive technical due diligence, on 18 July 2013 Middle Island announced the execution of a Heads of Agreement to purchase an 80% interest in the Samira Hill gold mine, via the acquisition of all the shares in AGMDC (a wholly-owned indirect subsidiary of SEMAFO Inc.), which owns an 80% interest in Société des Mines du Liptako (SML) S.A., owner and operator of the Samira Hill Project. The Government of Niger owns the remaining 20% interest in SML.

The purchase comprises a cash payment of US\$1.25M and a net smelter return (NSR) royalty of 1.2%, payable on all production at or above a gold price of US\$1,450/oz and capped at US\$12M.

The project includes 1.35Moz of gold in Ore Reserves and Mineral Resources (as published by Semafo at 31 December 2012), a 2Mtpa oxide CIL processing facility, grid power & 6MW power station, tailings dam, 4ML process water reservoir, ancillary mobile fleet, mill spares, plant consumables, workshops, warehouses, 200 man camp & airstrip as shown in Figure 3 and Figure 4 below.

Providing all transaction conditions are met, Middle Island will assume management of the Samira Hill Project as a going concern on 1 October 2013.

Figure 3



Samira Hill gold processing plant and associated infrastructure

Figure 4



Mining in the Libiri NW open pit at Samira Hill

Existing Ore Reserves, after allowing for expected depletion to 30 September 2013, represent approximately 2-3 years production at 40,000oz - 50,000oz per annum, with a potential mine life of >8 years if all Inferred Resources are successfully converted to Ore Reserves, plus considerable exploration upside associated with the Tiawa and Saoura exploration permits.

The centrally located Samira Hill processing plant and associated mining and exploration permits (Figure 2 above) will be integrated into the Company's Sirba Project, which will then comprise a contiguous 100km strike length of the Sirba greenstone belt.

Tialkam South Prospect

The Tialkam South gold prospect lies within the southern portion of the Tialkam permit, comprising part of the 1,916km² Sirba Project, which consolidates the central portion of the Sirba greenstone belt straddling SEMAFO Inc's producing Samira Hill gold mine in Niger, as shown in Figure 2 above. The Tialkam South Prospect is located 12km northwest of the Samira Hill gold processing plant.

Ground Geophysical Survey

Assessment of historic exploration data at the Tialkam South Prospect identified a strong electrical conductivity contrast between the resistive mineralised porphyry and conductive underlying sediments. In order to exploit this characteristic, Middle Island completed an induced polarisation ground geophysical survey over a 2km by 1km array to resolve the morphology, orientation and depth extent of the porphyry.

Along with compilation of historic drilling data and detailed mapping completed late in 2012, the ground geophysical survey enhanced planning of recently completed RC resource drilling.

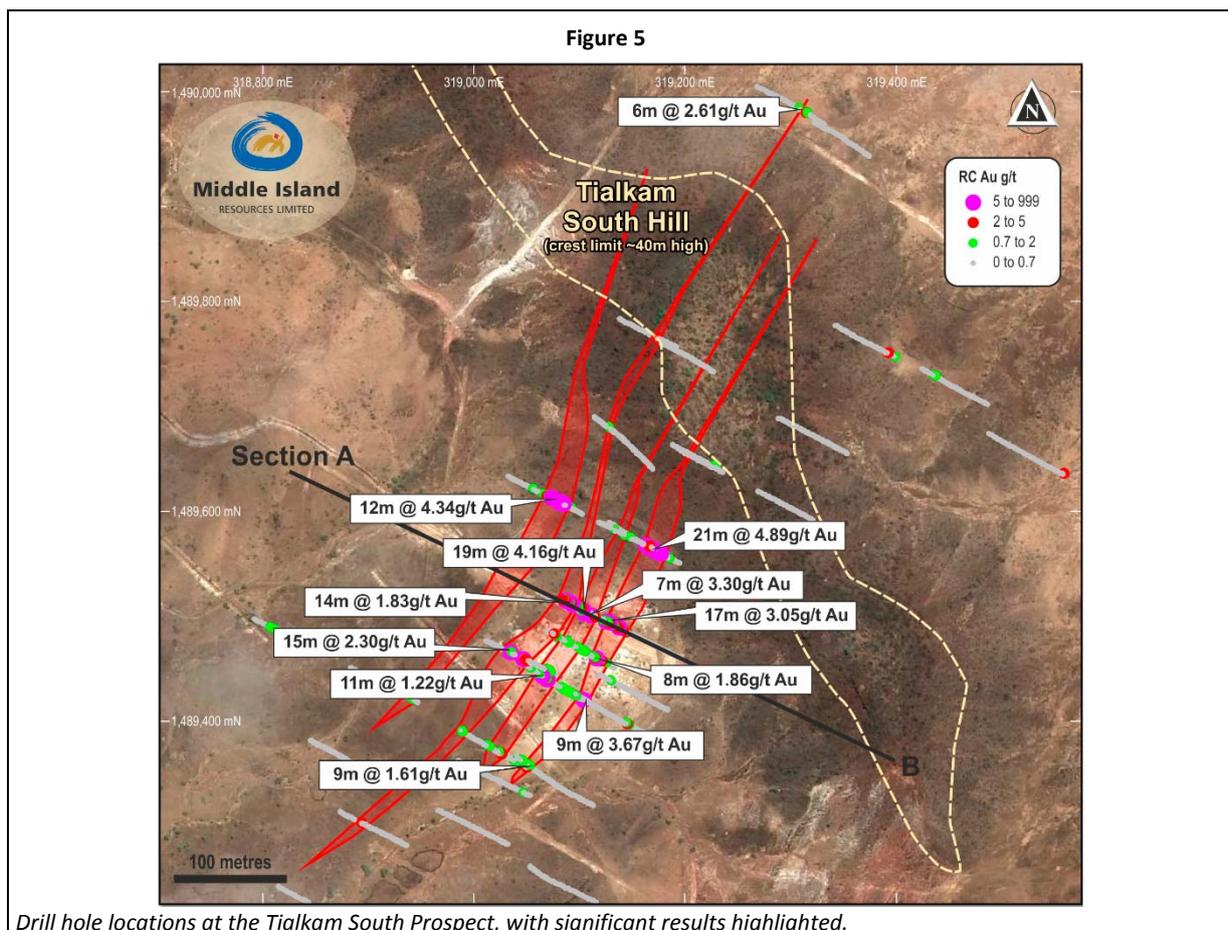
RC Drilling

A maiden RC Mineral Resource drilling program, comprising 37 holes (4,314m), was completed at the Tialkam South Prospect during the June quarter. Given the prospect's proximity to the Samira Hill gold mine, the program was designed to quantify an initial Mineral Resource with a view to toll milling the material through the Samira Hill processing plant.

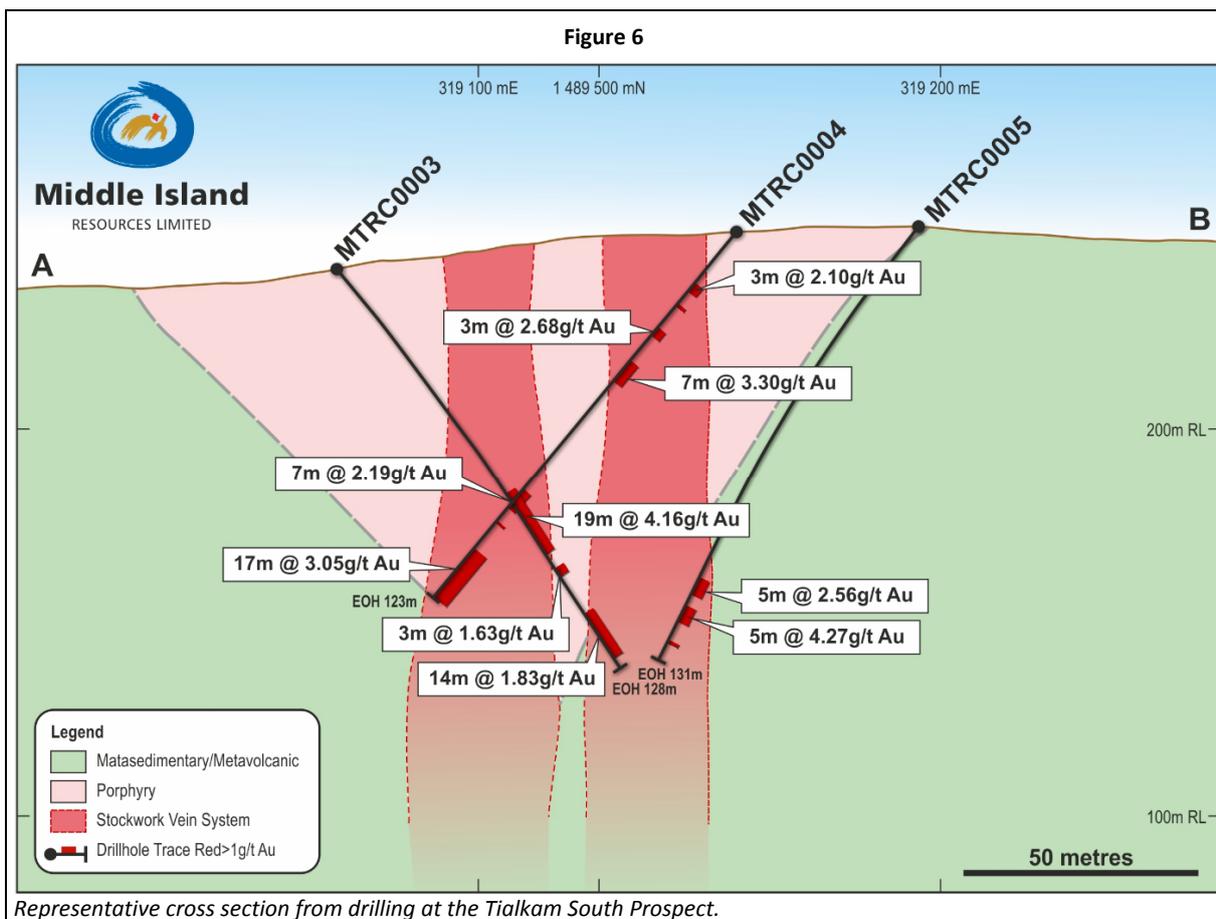
The extremely encouraging RC results returned from this program define a high grade zone <100m depth, over a 350m strike length, which remains open along strike and at depth. Better results from drilling include: **21m at 4.89g/t, 19m at 4.16g/t, 12m at 4.34g/t, 17m at 3.05g/t, 9m at 3.67g/t and 14m at 1.83g/t Au**, as reported on 20 June 2013.

Mineralisation comprises a series of tabular, sub-vertical zones (3m to 25m wide) of sheeted to stockwork quartz veining that strike northeast, predominantly hosted by a series of quartz-feldspar porphyry dykes, but extending into adjacent metasediments and metavolcanics. Drilling was oriented towards both the southeast and northwest in order to determine the extent of the porphyries and the grade of mineralised vein sets.

The RC drill-hole location plan and a schematic cross section are shown in Figure 5 and Figure 6 below.

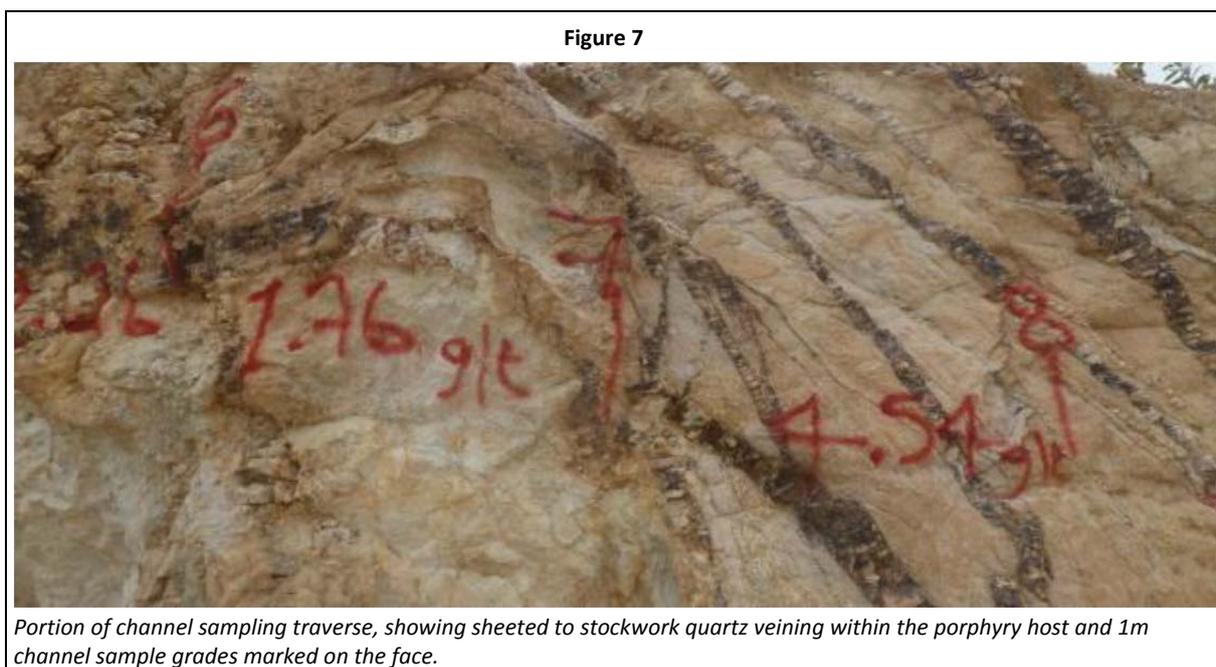


The drilling results are consistent with historic intercepts returned from the previous explorers at the prospect, which include **8m at 4.57g/t, 18m at 4.89g/t (ending in mineralisation), 18m at 3.01g/t and 18m at 2.41g/t Au (ending in mineralisation)**.



Channel Sampling

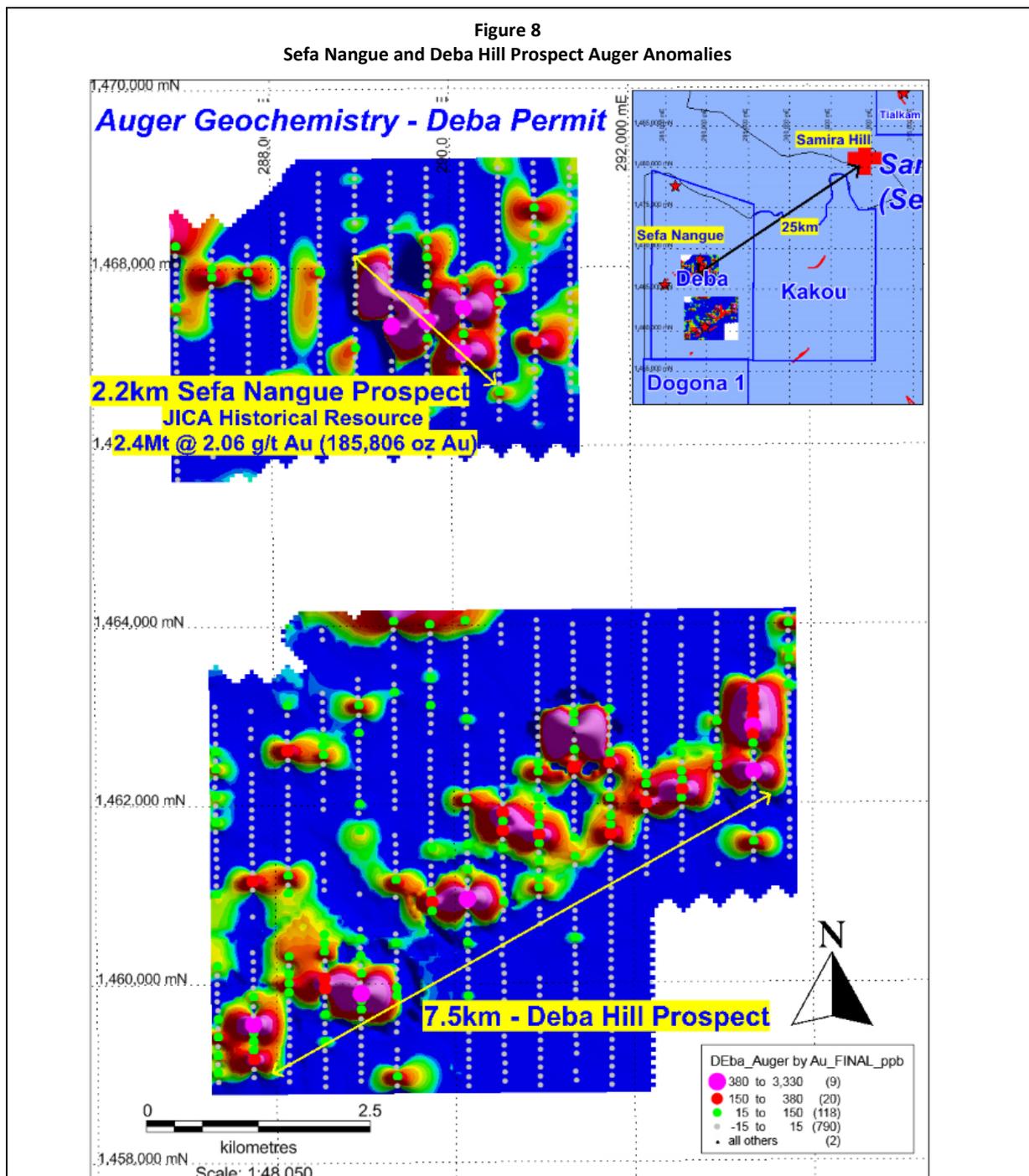
Prior to RC drilling, Middle Island completed a single, 15m long, channel sample across a well exposed face of the main mineralised porphyry body at Tialkam South, as shown in Figure 7 below. The channel sampling results generated a consistently mineralised interval of **15m at 2.68g/t Au.**



Auger Drilling

Deba Permit

Auger drilling completed on a 400x 100m grid within the Deba permit (Figure 8) during the March quarter (989 holes for 6,640m) returned encouraging results, particularly near the Deba Hill Prospect where peak values of 3,883ppb Au (3.8g/t Au) and 1,445ppb Au (1.45g/t Au) define two new mineralised trends. The Sefa Nangue Prospect also returned significant results, with a peak value of 1,958ppb Au (1.96g/t Au). The program, primarily designed to test geochemical extensions of known prospects, has also succeeded in discovering previously unrecognised mineralised trends.



The Deba trend has been soil sampled by numerous prior explorers, but recent auger drilling is the first geochemical program that clearly connects the Deba Hill and Deba Village prospects along a 7.5km trend (with values >200ppb Au) that is coincident with a structure recognised from regional scale geophysics.

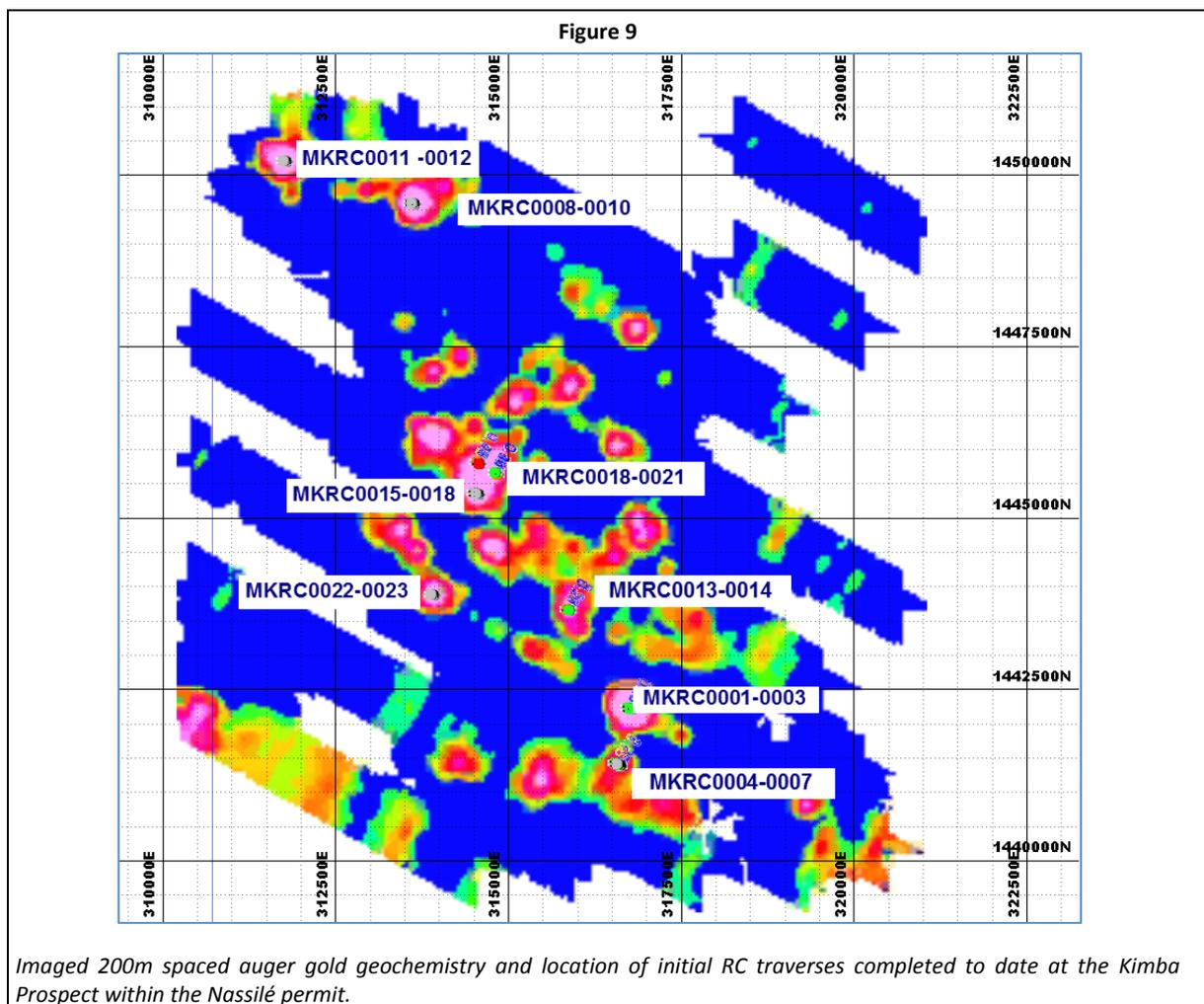
Nassilé Permit

Stage 2 infill auger drilling on 200m x 100m spacing was completed over the 10km long, high tenor Kimba Prospect during the June quarter. Some 954 holes for 6,230m were completed.

Twenty three (23) 60m deep reconnaissance RC holes were also drilled over the best auger anomalies; results for these holes are expected in the September quarter.

The Kimba target (Figure 9 below) occupies an expansive flat area, veneered by 7-9m of transported cover, lying between an intrusive contact to the west and a major, first order structure to the east. The gold tenor of the auger results (up to 3.2g/t Au) is the highest of any auger anomaly defined by the Company in West Africa to date.

Progressive infill auger drilling has resulted in some discontinuity in the original broad scale anomaly, although individual targets are still evident on a kilometre scale.



Tenure

Niger-Burkina Faso Border Realignment

MDI has interests in the Nassilé, Dogona and Deba permits in Niger, all of which adjoin the Niger-Burkina border. All three permits were granted to their respective holders, and thought to lie outside what was understood to be territory in dispute between Niger and Burkina Faso, and MDI has not undertaken any exploration within the designated disputed territory.

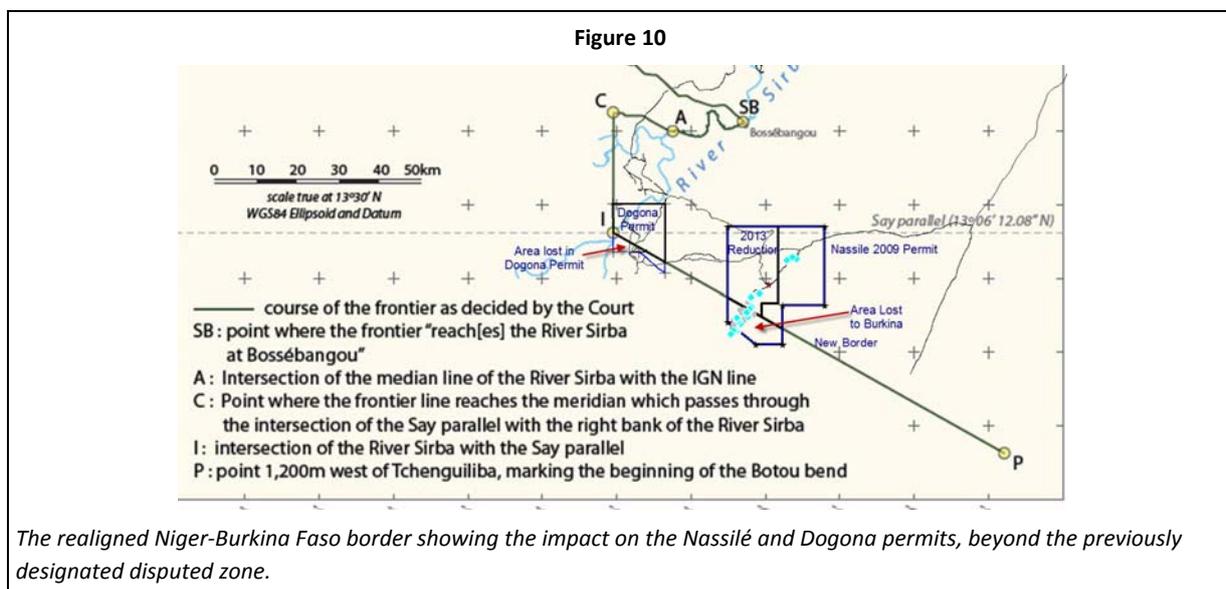
Independent arbitration to resolve the disputed border between Niger and Burkina Faso by the International Court of Justice in The Hague has resulted in a realignment of the border that encroaches on what was understood to represent the undisputed sovereign territory of Niger, negatively impacting on the Nassilé and, to a lesser extent, Dogona permits.

The realignment on the Deba permit works in MDI’s favour, with a strip approximately 200m wide added to the western margin of the permit, which will presumably henceforth be included within the permit area.

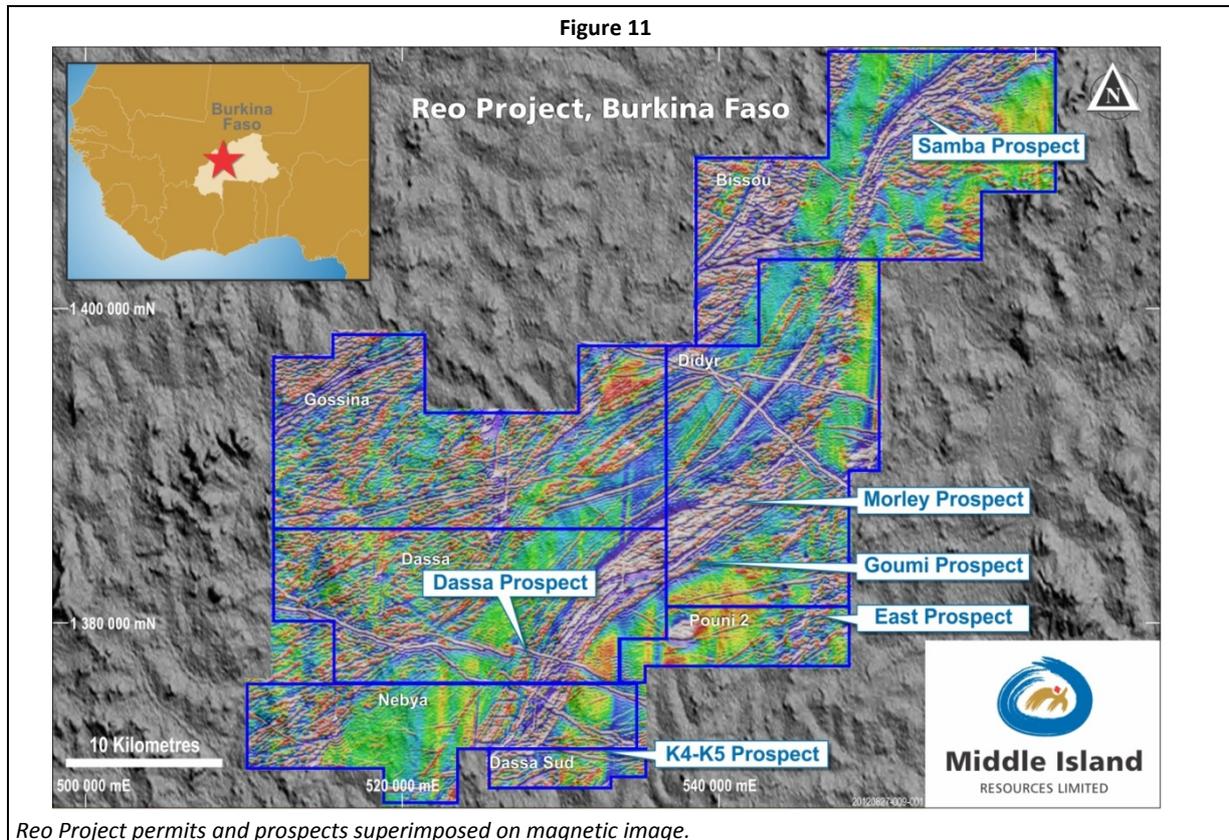
The impact on the Dogona permit is more significant, with an approximate 2km to 3km wide strip being excised from the southern margin of the permit. Only very limited exploration (airborne geophysical surveys and broad low cost auger geochemistry) has been undertaken by MDI and partners within the excised portion and, while prospective, is not considered significant in terms of the Company’s overall Sirba Project holdings.

Of greater significance is the apparent loss of a 6km wide strip from the southern portion of the Nassilé permit (Figure 10), representing some 15% of the original granted area. This excision includes the southern portion of the Songonduari and smaller Forbemi prospects, where MDI has completed some 2,600 auger holes and 135 RC holes. These programs defined potential satellite deposits, although these are considered of marginal economic merit in isolation, given their size, grade and distance from the Samira Hill processing plant.

In order to protect shareholders’ interests in the Songonduari and Forbemi prospects, the Company is lodging permit applications to cover the prospects and possible extensions with the Burkina Faso authorities.



Reo Gold Project – Burkina Faso



The primary activities on the Reo project in the June Quarter have included an IP survey followed by a 30 hole RC drilling program centred on the K4/K5 Prospect (Figure 11 above).

The staged RC drilling has focussed on the K4/K5 Prospect along the open-ended, 2.5km long zone of continuous gold mineralisation coincident with the major, northeast trending and southeast dipping Madi Shear Zone. This target represents a significant potential ‘stand-alone’ resource target.

Induced Polarisation Survey

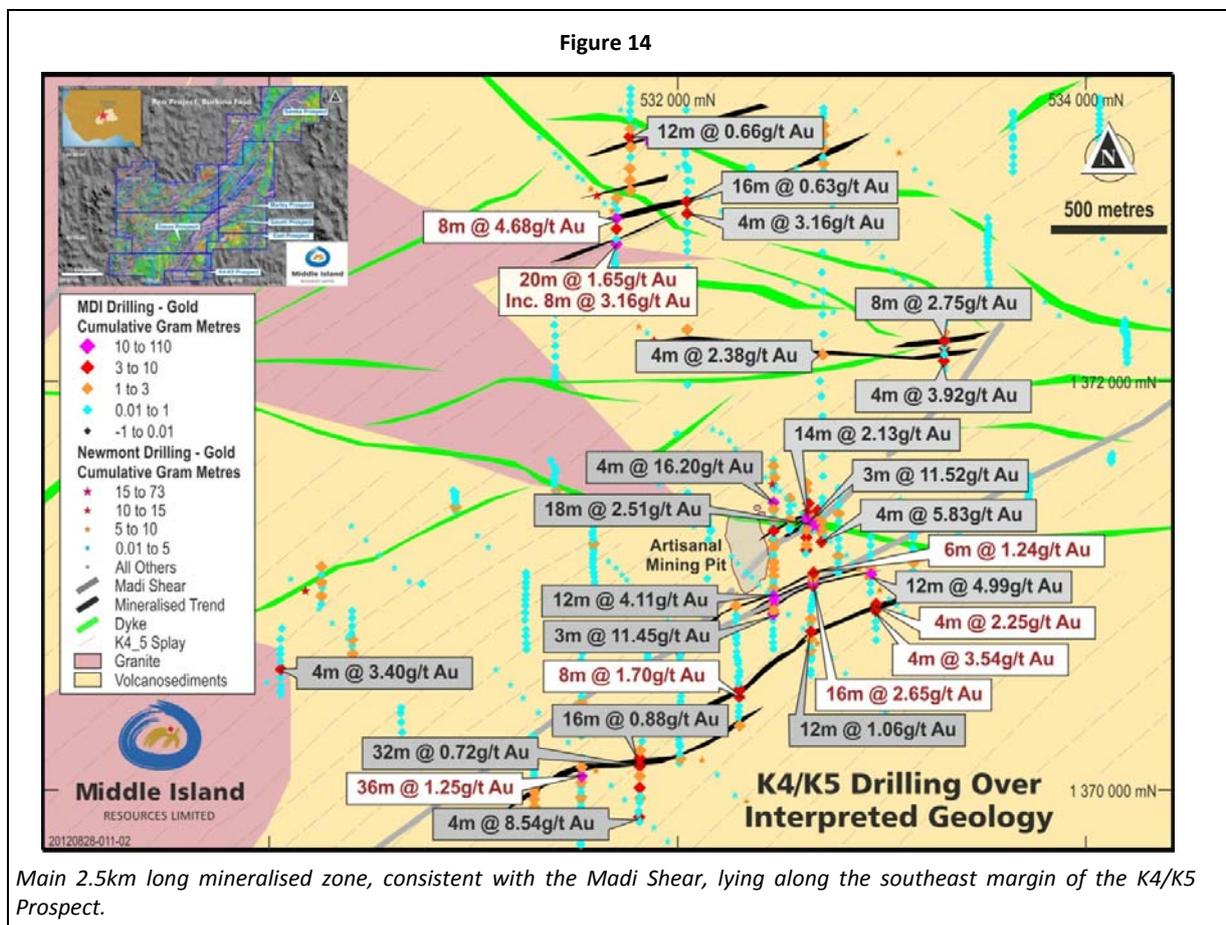
Subsequent to a successful orientation program during the March quarter, MDI extended the IP survey to cover a greater portion of the K4/K5 Prospect. Results from the IP are encouraging and have clearly defined the major structural controls along the Madi Shear and identified a new parallel trend to the southeast. Figure 12 shows the chargeability and resistivity maps while Figure 13 shows the positive interference pattern between chargeability and resistivity, highlighting locations where the anomalies are coincident. The survey was completed by SAGAX and comprised 58 line km of gradient array and 4 line km of pole dipole surveys.

The IP survey interpretation correlates well with prior drilling results and has significantly optimised the quantity of drilling required to fully assess the target.

RC Drilling

A 30 hole (2,848m) RC drilling program was successfully completed at the K4/K5 (26 holes) and Samba (4 holes) gold prospects. At the K4 Prospect the program comprised traverses along the known mineralised portion of the Madi Shear (refined by the IP survey), initially within the deep (up to 60m vertical) oxide profile. The program also included limited drilling of at least one further open-ended satellite target in the K5 area to the northwest.

Significant results from previous campaigns at K4/K5 include **16m at 2.66g/t (incl. 12m at 3.23g/t), 20m at 1.65g/t (incl. 8m at 3.17), 8m at 4.68g/t (incl. 4m at 8.21g/t), 4m at 3.54g/t, 4m at 2.25g/t, 18m at 2.51g/t (eoh), 13m at 2.23g/t (eoh), 4m at 16.2g/t, 4m at 14.0g/t, 12m at 4.11g/t, 8m at 2.25g/t, 20m at 1.73g/t, 4m at 8.54g/t, 18m at 1.59g/t and 4m at 12.2g/t Au**, as discussed in the March quarterly report and shown in Figure 14 below.



The RC program at K4/K5 returned sericite and chlorite alteration, often associated with up to 5% pyrite, while epidote/chlorite alteration and quartz veins were intercepted in the Samba holes. The observed geology in RC drilling at K4/K5 is consistent with that interpreted from diamond drilling in the March quarter. Drill results will be available in the September quarter.

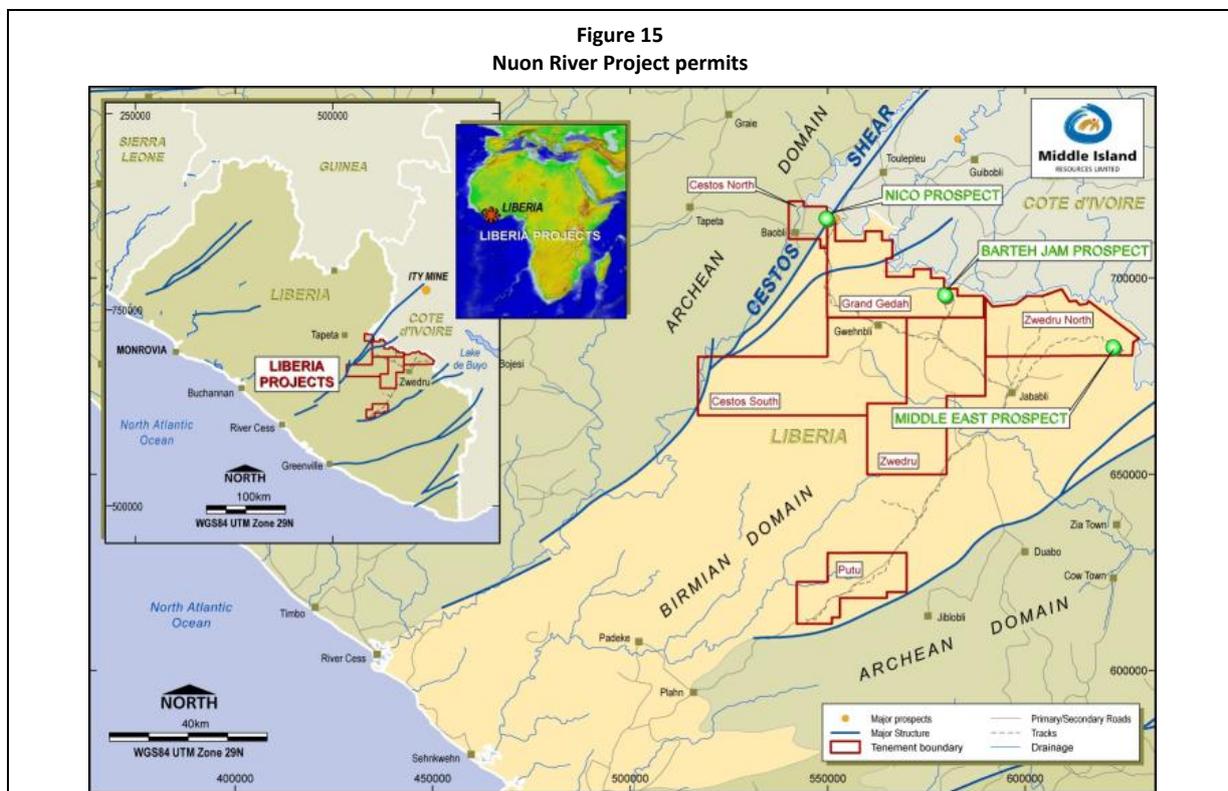
Tenure

Transfer of Nebya Permit

The final option payment of US\$75,000 for the Nebya permit has been made to local Burkina Faso entity West Africa Mining to effect Middle Island's 100% ownership (subject to a royalty), and the permit is in the process of being transferred to Middle Island's name. The Nebya permit represents an integral part of the K4/K5 Prospect.

Nuon River Gold Project – Liberia

Middle Island has minimised all exploration activities and expenditure in Liberia during the June Quarter to ensure that permits are maintained in good standing only. The Nuon River Project hosts the Company's least advanced targets, and opportunities to divest the project are being evaluated.

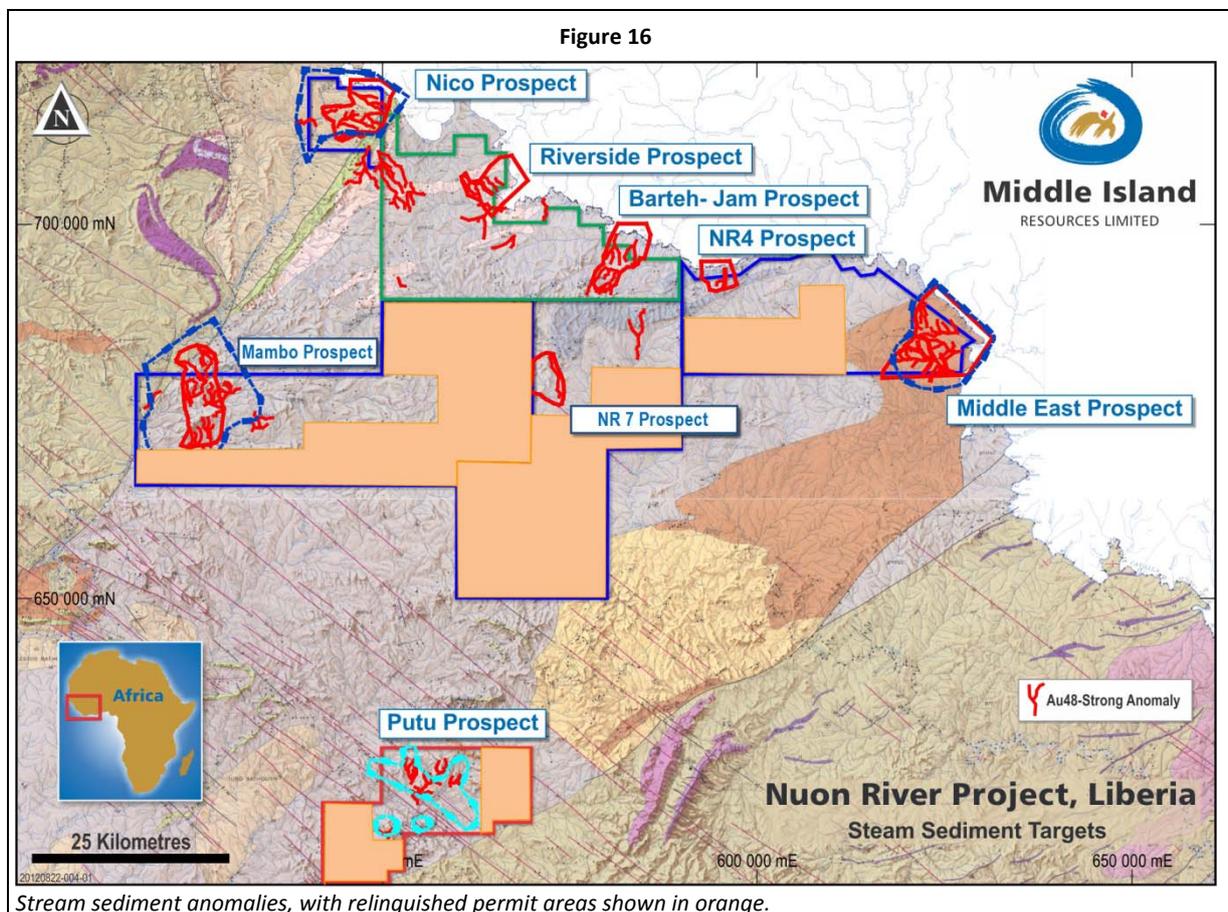


Infill Stream Sediment Sampling

A total of 150 infill stream sediment samples, including 13 field duplicates and six replicate samples were collected over five permit areas during the June quarter. The samples were assayed by Intertek-Genalysis in Perth and results were interpreted by consulting geochemist, Stan Harrison, who completed the initial drainage sampling interpretation. The final ranked anomalies are summarised in Table 1 and are shown on Figure 16 below. In Table 1, AuB48, refers to a 48 hour semi static Bulk Leach Extractable Gold test in concentrated cyanide.

Ranking is based on the tenor of stream sediment anomaly and associated pathfinders. Low ranked prospects have either been tested or have very low tenor Au and pathfinder association, these anomalies are likely related to different, possibly more mafic lithologies. The low ranked anomalies warrant broad ridge and spur sampling or similar.

Anomaly	Ranking	Approx size Km		Maximum Values			
		Width	length	AuB48	Ag	As	Bi
Nico	High	5.2	2.5	5.62	0.21	7	0.24
Riverside	High	4.2	3.0	86.76		5	0.23
Barteh Jam	Tested	9.0	4.5	2.85			
NR4	Low	3.7	2.8	2.54			
Middle East	High	9.7	7.5	15.48	0.31	9	0.23
Putu	Low	3.3	3.2	3.02	0.23	5	0.31
NR7	Low	3.0	2.0	2.55			
Mambo	Low - weak soils	13.0	5.0	2.25	0.34	9	0.23



Tenure

Environmental Permits

The outstanding environmental permits for the Zwedru North and Putu licences were issued early in the June quarter.

Permit Area Reductions

Middle Island has completed area reductions of for all its 100% owned permits in Liberia on the basis of the airborne geophysical and stream sediment sampling results, significantly reducing future statutory expenditure obligations and permit fees prior to renewal, as shown in Figure 16

above. The new surface area for the Nuon River Project is 1,676km² (including Grand Gedeh joint venture permit).

Safety, Social & Environmental

Safety

No lost time injuries (LTIs), medically treated injuries (MTIs) or safety incidents were recorded at the Company's projects during the June quarter.

Social

Middle Island continues to build political and social capital at all its projects, consistent with the Company's policy and objectives.

At the Reo Project in Burkina Faso, the quarter has seen ongoing activity to support the market gardeners in Dassa commune. Implemented by the NGO Eau Vive, the project is co-financed by Direct Aid Program (DAP) funds from the Australian High Commission in Ghana under the Australia-Africa Mining Industry Group (AAMIG) initiative and by the local community.

In Liberia the project co-financed with DAP funds to construct a five room annexe for the secondary school in Zai Town is complete, as shown in Figure 17 below. Alongside construction by the local company BADRA, the NGO ECREP has ensured local participation in the project by running activities including a workshop on local development, a campfire night, a soccer competition and a series of focus group meetings.

Figure 17



Completed senior school annex at the Zai Town Secondary School

Following the successful completion of the Koutougou school project in Niger in December 2012, MDI has been working with Eau Vive to complete a basic needs assessment across all permit areas comprising the Sirba Project, identifying actions to continue supporting sustainable access to education through the construction of classrooms and the development of school market gardens.

Environmental

Middle Island is pleased to advise that there were no environmental incidents reported from the Company's projects during the June quarter.

Discussion

The June 2013 quarter has been an extremely busy one for the company, but we are pleased to report that the 2012-13 exploration campaign was successfully completed as planned prior to the onset of the monsoon rains. The field season has proved a transformational one for the Company, with the discovery of significant potential 'stand-alone' targets at the K4/K5 and Tialkam South prospects at the Reo (Burkina Faso) and Sirba (Niger) projects respectively.

Of even greater significance is execution of a heads of agreement to acquire an 80% interest in the operating Samira Hill gold mine in Niger. The Samira Hill acquisition is particularly satisfying, completing the remaining piece in Middle Island's highly prospective Sirba Project strategy. More importantly, the acquisition provides the opportunity to process all deposits identified by the Company and its partners at Samira Hill and the wider Sirba Project at a centrally located milling facility that is in sound working order.

The projected production from existing Ore Reserves at the project is anticipated to approximate 40,000oz to 50,000oz per year over the initial two to three year period, subject to further optimisation and detailed mine design. Based on existing Ore Reserves and conversion of Inferred Resources, plus the likely addition of our own Tialkam South deposit, it is easy to envisage a possible mine life of at least 8 years, with significant exploration upside throughout the enlarged Sirba Project.

The acquisition, we believe, also represents exceptional value to Middle Island shareholders. The acquisition obviates the need to commit substantial capital expenditure on a new processing facility and associated infrastructure at the project.

The acquisition provides the possibility for Middle Island to be in gold production from 1 October 2013, thereby providing a cashflow in the 2013 December quarter.

I thank all Middle Island shareholders for their support, loyalty, patience and understanding in what is an extremely challenging environment for junior gold companies. On your behalf we have adopted a prudent approach to our activities and the investigation of opportunities arising in these trying market circumstances, and I commend the Samira Hill acquisition to you all.

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Kate Manning – Administration Manager +61 (0)418 883 959

MEDIA CONTACT:

Kevin Skinner Field Public Relations +61 (0)8 8234 9555 / +61 (0)414 822 631

WEBSITE:

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Competent Person's Statement

Information in this report relates to exploration results or mineral resources that are based on information compiled by Mr Rick Yeates (Member of the Australasian Institute of Mining and Metallurgy) and Mr Beau Nicholls (Member of Australian Institute of Geoscientists). Mr Yeates and Mr Nicholls are both fulltime employees of Middle Island and have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Yeates and Mr Nicholls consent to the inclusion in the release of the statements based on their information in the form and context in which they appear.

Please note with regard to exploration targets, the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Qualified Person's Statement

The estimates of mineral reserves and resources were estimated as at December 31, 2012, the whole in accordance with the provisions adopted by the Canadian Institute of Mining Metallurgy and Petroleum and incorporated into NI 43-101. These reserve and resource estimates from Samira Hill Mine were reviewed and approved by, Mr. Michel A. Crevier, P. Geo, MScA, Vice-President Exploration and Mining Geology, Semafo's "qualified person" (as defined in NI 43-101).

Forward Looking Statements

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the mining industry, expectations regarding gold prices, exploration costs and other operating results, growth prospects and the outlook of Middle Island's operations contain or comprise certain forward looking statements regarding Middle Island's exploration operations, economic performance and financial condition. Although Middle Island believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes that could result from future acquisitions of new exploration properties, the risks and hazards inherent in the mining business (including industrial accidents, environmental hazards or geologically related conditions), changes in the regulatory environment and other government actions, risks inherent in the ownership, exploration and operation of or investment in mining properties in foreign countries, fluctuations in gold prices and exchange rates and business and operations risks management, as well as generally those additional factors set forth in our periodic filings with ASX. Middle Island undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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

Middle Island Resources Limited

ABN

70 142 361 608

Quarter ended ("current quarter")

30 June 2013

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	(1,800)	(5,754)
(b) development	-	-
(c) production	-	-
(d) administration	(407)	(1,671)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	327
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	(2,200)	(7,098)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(9)	(184)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(9)	(184)
1.13 Total operating and investing cash flows (carried forward)	(2,209)	(7,282)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,209)	(7,282)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(2,209)	(7,282)
1.20	Cash at beginning of quarter/year to date	7,836	12,959
1.21	Exchange rate adjustments to item 1.20	4	(46)
1.22	Cash at end of quarter	5,631	5,631

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	166
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

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

--

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

--

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	343
4.2	Development	-
4.3	Production	-
4.4	Administration	422
Total		765

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	92	1,297
5.2 Deposits at call	5,539	6,539
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,631	7,836

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			
6.2	Interests in mining tenements acquired or increased			

+ 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	124,987,349	124,987,349		
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>)	250,000 15,000,000 250,000 450,000 1,500,000 250,000 275,000 200,000 300,000	- - - - - - - - -	<i>Exercise price</i> 25 cents 25 cents 37.5 cents 37.5 cents 50 cents 50 cents 51 cents 53 cents 56 cents	<i>Expiry date</i> 31 December 2014 30 June 2015 31 December 2014 1 November 2013 16 December 2014 31 December 2014 1 November 2014 1 November 2014 15 December 2014
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 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 31 July 2013

Print name:

Dennis Wilkins

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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+ See chapter 19 for defined terms.