

ASX/Media Release – 31 July 2008

JUNE 2008 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Maiden Indicated and Inferred Resource announced for the Tubal Cain Project of 857,000 tonnes at 9.9g/t Au for 274,000 contained ounces.
- Appointment of experienced international mining executive, Mr Gordon Lewis, as the Company's Managing Director, effective in October 2008.
- Integrated mining services company, Mineral Resources Limited, acquires 5.01% stake in Goldstar following interim A\$1.04 million share placement.
- Goldstar announces its intention to finalise a fully underwritten non-renounceable rights issue to raise approximately A\$7 million.
- Further outstanding results from in-fill drilling at Tubal Cain including 4.75m @ 71.2g/t Au incl. 0.35m @ 479.4g/t, 1.2m @ 94.9g/t and 1.35m @ 33.7g/t.
- Board Appointments – experienced Australian corporate executives, Mr Peter Hatfull and Mr Graeme Sloan, appointed as Non-Executive Directors.
- Goldstar corporate office to be relocated from Perth to Melbourne.

1.0 OVERVIEW

Following the announcement of the revised and expanded development strategy for the 100%-owned **Walhalla Gold Project** last Quarter, Goldstar put in place a strong foundation for this development program during the June Quarter with the announcement of a maiden JORC-Code compliant resource for the Tubal Cain Project.

This initial Indicated and Inferred Resource of **857,000 tonnes at 9.9g/t Au for 274,000 contained ounces** demonstrates the quality of the Tubal Cain Deposit and its potential to underpin a long-life, profitable gold business.

During and subsequent to the Quarter, Goldstar also announced a number of significant corporate changes include the retirement of the Company's founding Managing Director, Andrew King, the proposed relocation of its corporate office to Melbourne and new Board appointments. On 29 July, Goldstar announced its intention to finalise a fully underwritten non-renounceable rights issue to raise approximately A\$7 million to underpin completion of the Feasibility Study on the Tubal Cain and Eureka Gold Projects.

The Directors believe that the proposed rights issue, in conjunction with other strategic changes announced during the Quarter, will provide a strong foundation for the long-term growth of the Company and its plans to advance the exploration and development of the Walhalla Gold Project towards production.



Eureka Project Skipway

Goldstar Resources NL
ABN 76 098 939 274

ASX Code: GDR

Issued Capital:
150,630,096 Ord shares

Substantial Shareholders:
Z Nominees Ltd (15.9%)
RPG Partners/EPIC (14.0%)
Directors & Associates (10.4%)
Mineral Resources Ltd (5.0%)

Directors:
Non-Executive Chairman:
Gordon Hill
Managing Director:
Andrew King
Managing Director-elect:
Gordon Lewis
Non-Executive Directors:
Dr Jeffrey O'Leary
Eileen Carr
Ian Pankhurst
Peter Hatfull
Graeme Sloan

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2.0 TUBAL CAIN PROJECT

2.1 TUBAL CAIN JORC RESOURCE MODEL

During the Quarter, Goldstar achieved a significant milestone with the announcement of the first JORC-Code compliant resource estimate for the Tubal Cain Gold Project in Victoria, comprising a total Indicated and Inferred Resource of 857,000 tonnes at 9.9g/t Au for 274,000 ounces.

The resource estimate, which has been classified in accordance with the guidelines of the (2004) JORC Code, is reported to an average depth below surface of 500 metres. The resource estimate, using a 4g/t Au lower cut-off grade and a variable top-cut ranging between 20g/t and 50g/t Au, which was reef dependent, is summarised below:

Category	Tonnage	Au Grade (g/t)	Contained Gold (ozs)
Indicated	177,000	7.7	44,000
Inferred	680,000	10.5	230,000
TOTAL	857,000	9.9	274,000

**The numbers reported in this Table are subject to rounding and thus will not exactly reflect the corresponding inputs.*

The resource estimate is based on the results of diamond drilling at Tubal Cain, but does not include the high-grade drilling results reported to the market on 14 May 2008.

Without the application of top-cuts the resource grade estimate is 10.8g/t Au above cut-off (4g/t Au) for 299,000oz. This marginal increase in grade is a reflection of the uniformity of the grade distribution in this part of the system. Detailed technical information concerning the resource estimate and methodology was provided at the time of publication.

The resource model is undergoing review by SRK Consulting (Goldstar's Resource Consultants) as part of Goldstar's routine technical requirements. The model will also be updated further as results are received from geotechnical and metallurgical test holes. It is anticipated that an updated model, to 500m depth, including the outstanding geological and assay information will be completed during the September Quarter.

It is notable that the average thickness of the reef/quartz breccia zones at Tubal Cain varies between 0.8 metres and 1.2 metres, depending on the position within the dyke bulge system.

This is approximately double the average reef thickness of the Eureka deposit, and will further enhance the mining potential at Tubal Cain. The resource is reported below the majority of the old workings (average vertical depth of 90 metres) to 500 metres below surface.

Recent drilling immediately below the reported resource model has returned high-grade gold intersections (see 2.2 below). This latest high grade zone will require further drilling before it can be incorporated into the resource model.

Given these encouraging results, Goldstar is currently giving consideration to a staged drilling program targeting the zone between 500 metres and 1,000 metres vertical depth. Part of the review will be to assess the effectiveness of ongoing surface drilling compared with underground drilling and exploration after the commencement of mining operations.

The initial JORC resource for Tubal Cain, combined with recent drilling success, has further increased the Company's confidence in the quality and potential of the deposit, while at the same time reinforcing the Exploration Target announced for the Tubal Cain Project on 4 December 2007.

The first JORC compliant resource estimation for the Tubal Cain Project further expands the Company's JORC gold resource inventory for the Walhalla Project and represents an important milestone for the Company.

2.2 TUBAL CAIN IN-FILL DRILLING

During the Quarter, Goldstar received final assay results from the 16-hole resource in-fill drilling program at Tubal Cain, which was designed to in-fill the top 500 metres of the deposit. Several high-grade intercepts have been received including:

- **0.5m @ 23.7g/t Au** from 191.6m and **0.3m @ 19.6g/t Au** from 71.5m (GRT028)
- **0.4m @ 22.4g/t** (GRT032A) within an overall length weighted intercept of:
 - ❖ **1.7m @ 12.6g/t Au from 581.5m**
- **0.6m @ 28.7g/t Au** from 362.4m (GRT027)

Additional drilling for metallurgical and mining stope definition has returned:

- **0.35m @ 62.3g/t Au** (GRT036) within an overall length weighted average intercept of:
 - **0.65m @ 34.3g/t Au** from 320.2m

Hole GRT032A was extended at depth and returned:

- **0.35m @ 479.4g/t Au, 1.2m @ 94.9g/t Au** and **1.35m @ 33.7g/t Au** (GRT032A) within an overall length weighted intercept of
 - ❖ **4.75m @ 71.2g/t Au from 685.45m**

This high-grade result in hole GRT032A occurs at a depth of approximately 600 vertical metres below surface and represent the highest grade portion of the deposit delineated to date.

This hole returned a significant amount of visible gold. It was not included in the initial JORC Compliant Resource but is expected to have a positive impact on the Tubal Cain Geological Model at this level and provide a target for infill drilling at a later date.

A total of 38 visible gold hits have been recorded in the total 50x50m drill out program.

Drill hole locations, details and significant assay results are reported in Tables 1 and 2 attached.

3.0 CORPORATE

3.1 APPOINTMENT OF NEW MANAGING DIRECTOR & CORPORATE OFFICE RELOCATION

During the Quarter, the Board of Goldstar announced its intention to relocate the Company's corporate office from Perth to Melbourne, consistent with the Company's long-term strategy and planning process for development of the Tubal Cain and Eureka Gold Projects in Victoria.

In light of this decision, the Company's founding Managing Director, Mr Andrew King, announced his decision to step down from the Board, effective from 31 August 2008. The Board would like to take this opportunity to thank Mr King for his dedication and contribution to Goldstar over the past seven years. Mr King remains a supportive shareholder in the Company.

Subsequent to the end of the Quarter, on 23 July, Goldstar announced the appointment of experienced international mining executive, Mr Gordon Lewis, as the Company's Managing Director, effective in October 2008. Mr Lewis will be based in Goldstar's new corporate head office, which is about to be established in Melbourne.

Mr Lewis is a mining engineer with over 38 years of international experience in a range of senior executive positions in the mining industry, including most recently as Chief Executive of Anglo Asian Mining plc, which is developing a copper-gold project in Azerbaijan, and prior to that as Chief Operating Officer of Alexander Mining plc, managing that company's portfolio of copper-gold-silver projects in South America.

He has specific experience relating to Goldstar's Walhalla Gold Project in Victoria, having worked as Mine Manager at the Project in the mid-1980s on behalf of James Askew Associates and in Woods Point-Walhalla Gold Field, having worked in the early 1970s as a Mining Engineer at the A1 Gold Mine.

During his extensive career, Mr Lewis has held a number of other senior positions including as Executive Director, Business Development with Avocet Gold Limited (2001-2002), General Manager for Specific Resources Sdn Bhd (1996-2001) with responsibility for managing Malaysia's largest gold mine, Manager Mining for Kelian Equatorial Mining in Indonesia (1990-1995) and several senior positions with Bougainville Copper based in Papua New Guinea between 1986 and 1990.

The Goldstar Board is delighted to have secured someone of Gordon's calibre to lead the Company as it takes the next important steps towards development and production at our Tubal Cain and Eureka Projects in Victoria.

In addition to his very impressive career spanning a number of different operational, development and executive roles in the global mining industry, Mr Lewis has intimate knowledge of the geology, operating conditions and potential of the Walhalla Project from working there earlier in his career.

3.2 UNDERWRITTEN A\$7.0M RIGHTS ISSUE

Subsequent to the end of the Quarter, on 29 July, Goldstar also announced its intention to finalise a fully underwritten non-renounceable rights issue to raise approximately A\$7 million. At the time of writing this report, the documentation for the rights issue was nearly complete, with full details including a timetable and offer Prospectus to be released to the market in early August 2008.

Goldstar has received a letter of commitment from a company associated with a major shareholder stating that it will enter into an underwriting agreement for the rights issue, subject to the completion of due diligence, finalisation of a Prospectus for the rights issue by 15 August and there being no material adverse change in circumstances.

The funds will be used to complete the Feasibility Study currently underway on an expanded co-development of the Tubal Cain and Eureka Projects in Victoria's Walhalla Goldfield (as announced on 14 March 2008).

3.3 SHARE PLACEMENT

During the Quarter, the Company completed a share placement comprising 7,189,241 shares at an issue price of 14.5 cents per share to ASX-listed mineral services company, Mineral Resources Limited (ASX: MIN), to raise \$1,042,440.

As a result of this placement and on-market share purchases during the Quarter, Mineral Resources now holds 5.01% of the expanded issued capital of Goldstar.

Mineral Resources Limited is an integrated Australian-based mining services and processing company with operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export.

3.4 APPOINTMENT OF NEW NON-EXECUTIVE DIRECTORS

On 14 July, Goldstar announced the appointment of experienced Australian corporate executive, Mr Peter Hatfull, to its Board as a Non-Executive Director. The appointment adds further significant depth to the Goldstar Board in the key areas of corporate and financial management.

Mr Hatfull is a Chartered Accountant with over 30 years experience in a range of senior executive positions with both listed and unlisted Australian and International companies. He has an extensive skill-set in the areas of corporate strategy, restructuring and business optimisation.

He was most recently Managing Director of the leading integrated metal recycling and contracting company, CMA Corporation, where he managed a period of dramatic growth and increase in profitability. Prior to that, he held the positions of Chairman and Corporate Consultant at the diversified, privately owned group, Moltoni Corporation, and Executive General Manager at tree plantation developer, ITC Corporation.

Between 2000 and 2002, Mr Hatfull was Chief Financial Officer of the financial services group, Sanford Limited, where he managed the Company's successful ASX listing, and between 1997 and 2000 he held the position of Chief Financial Officer and Company Secretary at the Perth-based international technology group, Orbital Corporation Limited.

In the late 1980s and 1990s, he held a diverse range of high-profile positions including as Finance Director of diversified engineering contractor, Monadelphous Group Limited, Finance Director at the major Australian mining group, Civils Australia Pty Ltd, and Deputy Chief Executive at forestry group, Whittakers Limited.

On 23 July, in conjunction with the announcement regarding the appointment of Mr Lewis, Goldstar also announced the appointment of experienced mining executive, Mr Graeme Sloan, to the Goldstar Board as a Non-Executive Director.

Mr Sloan has been acting as a consultant to a number of Australian and international mining companies, including recently for Goldstar. He was Managing Director/CEO of Victorian gold producer Perseverance Corporation Limited between 2002 and 2007, where he led the feasibility study and development of the Fosterville Gold Operation.

Before joining Perseverance, Mr Sloan held a diverse range of senior international executive positions, including as General Manager for AurionGold (2001-2002), General Manager of Iluka Resources' US operations (1996-2001) and General Manager of the Kundana Gold Operations for Pancontinental Mining and Goldfields (1994-1996).

3.5 OTHER CORPORATE MATTERS

Under the terms of Goldstar's constitution, the Board of Goldstar resolved during the Quarter to call the final amount due on the Company's unlisted contributing shares.

David Cornes, Joint Company Secretary resigned his position with effect from 24 April 2008. Errol du Boulay assumed responsibility for the role of Company Secretary.

4.0 SOUTHERN CROWN FEASIBILITY STUDY

On 14 March, Goldstar announced a revised and expanded exploration and development strategy encompassing both the Eureka and nearby Tubal Cain deposits. An expanded two-mine development would significantly enhance the economic viability of Eureka compared with an initial standalone development as originally contemplated.

The expanded development strategy is strongly supported by the recent encouraging drill results from Tubal Cain, coupled with:

- the ability to locate the plant at Southern Crown, adjacent to Tubal Cain;
- the capacity to achieve JORC resources by diamond drilling alone; and
- the generally positive expectation that closer spaced information will provide a grade uplift as demonstrated in the Eureka Bulk Sampling and drilling exercises.

On the basis that positive results will be achieved, work commenced during the June Quarter on the combined Tubal Cain/Eureka Feasibility Study. The expanded Feasibility Study will rely extensively on work already completed for Eureka, scaled up accordingly for the combined operations.

The Feasibility Study is progressing well, with a number of additional metallurgical holes now completed as part of the recent program of diamond drilling. The samples from these holes are currently being tested to enable finalisation of the process design flow sheet for the Southern Crown plant.

The mine design strategy of the TCFS has largely been completed and incorporates ore from both Tubal Cain and the Eureka deposit some 4km south of Tubal Cain. This combined mining strategy will assist with the ramp-up of gold production at Southern Crown as part of the expanded operations.

The TCFS will also comprehensively assess longer-term expansion opportunities for Southern Crown in light of the success in deeper drilling in identifying significant high-grade zones at depth below the resource zones at both Tubal Cain and Eureka.

5.0 OTHER PROJECTS

5.1 BHP-BILLITON JOINT VENTURE – MILLROSE GOLD & NICKEL PROJECT

BHP-Billiton's ground based geophysical surveys are underway in the northern part of the Joint Venture area. It is expected that the surveys will be completed in the next Quarter with results in the last Quarter of the year.

Activity next quarter will focus on ground EM surveys over the most likely nickel sulphide targets in the tenement E53/1006.

5.2 MILLROSE WEST GOLD & NICKEL PROSPECT – 100% Goldstar

A detailed data investigation was completed and field reconnaissance was undertaken in order to assess potential targets. A surface geophysical program is proposed within the next six months.

5.3 TOP CAMP/IRON RIDGE COPPER PROJECT, QUEENSLAND (Matrix Metals earning 85%)

Conditional surrender of the two tenements operated by Matrix under joint venture with Goldstar has occurred. The Joint Venture partners await the granting of new tenements covering the majority of the area of the two tenements conditionally surrendered.

5.4 PEAK HILL COPPER-GOLD PROJECT, WESTERN AUSTRALIA (Peak Resources earning 70%)

It has been agreed that the 2004 Heritage Agreements will be adhered to and field work will commence once the work programs have been re-submitted.

For further information:

Gordon Hill

Chairman

Goldstar Resources NL

Telephone: (+61-8) 9321 1577

Technical information in this report is compiled by a Competent Person as defined in the Code being Mr Peter Ball (B.Sc MAusIMM) of Datageo Geological Consultant who holds the position of Technical Manager of the Goldstar Group. Mr Ball has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears

JORC Statement

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Goldstar Resources NL that could cause actual results to differ materially from such statements. Goldstar makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Table 1: Hole Details – Tubal Cain In-Fill Drilling Program

Hole ID	East	North	RI	dip	azi_grid	azi_mag	depth
50x50m Infill							
GRT016	452949.9	5803325	610.290	-40.00	348.00	336.00	341.2
GRT017	452949.9	5803325	610.290	-40.00	336.00	324.00	357.0
GRT018	452819.6	5803364	576.770	-64.00	86.000	74.000	400.0
GRT019	452819.0	5803363	576.640	-74.00	105.00	93.000	349.4
GRT020	452949.2	5803325	610.696	-40.00	17.000	5.0000	269.0
GRT021	452819.3	5803367	576.783	-72.00	69.000	57.000	449.6
GRT022	452949.0	5803325	610.734	-40.00	354.00	342.00	313.7
GRT023	452817.7	5803368	576.500	-77.00	28.000	16.000	625.4
GRT024	452818.6	5803368	576.788	-63.00	33.500	21.500	497.0
GRT025	452740.6	5803282	526.293	-20.00	62.500	50.500	336.7
GRT026	452818.7	5803368	576.779	-50.00	19.000	7.0000	354.7
GRT027	452819.1	5803370	576.622	-66.00	14.000	2.0000	503.2
GRT028	452819.5	5803367	576.768	-76.83	77.257	65.257	466.3
GRT029	452820.4	5803366	577.000	-85.31	352.39	340.39	552.0
GRT030	452742.1	5803282	526.098	-16.83	78.384	66.384	212.6
GRT031	452740.7	5803282	526.175	-23.92	69.228	57.228	256.5
GRT032	452820.4	5803366	577.000	-75.00	28.000	16.000	89.70
GRT032A	452816.4	5803368	576.387	-75.00	28.000	16.000	718.6
Additional Drilling							
GRT033	452740.3	5803283	526.665	-9.00	38	26	337.1
GRT034	452740.3	5803282	526.660	-9.00	55	43	331.6
GRT035	452740.3	5803282	525.000	-13.0	74	62	250.1
GRT036	452740.3	5803283	526.665	-17.0	52	40	356.0
GRT037	452820.4	5803366	577.000	-50.0	87	75	267.7
GRT038	452740.3	5803283	526.665	-25.5	50	38	355.5
GRT039	452820.4	5803366	577.000	-45.0	69	81	368.3
GRT040	452820.4	5803366	577.000	-50.0	38	26	350.0

The drillhole co-ordinates are in MGA 94 Zone 55 and the RL is according to AHD.

Table 2: Significant Intercepts – Tubal Cain In-Fill Drilling Program

Hole ID	From	To	Length	Au g/t	Geology
50m x 50m drill program					
GRT024	299.80	300.10	0.30	26.1	Qtz Breccia Vein
GRT024	458.80	459.80	1.00	11.5	Altered Dolerite
GRT024	417.50	420.50	3.00	6.3	Qtz Breccia in altered Dolerite
GRT027	362.40	363.00	0.60	28.7	Qtz Vein Stockwork in Altered Dolerite
GRT028	71.500	71.80	0.30	19.4	Brecciated Altered Dolerite
GRT028	191.60	192.10	0.50	23.7	Qtz Vein Stockwork in Altered Dolerite
GRT032A	581.50	583.20	1.70	12.6	Qtz Vein Stockwork in Altered Dolerite
			Including 0.4m @ 22.4g/t		
GRT032A	685.45	690.20	4.75	71.2	Qtz Breccia in altered Sediments
			including 0.35m at 479.4g/t; 1.2m @ 94.9g/t, 1.35m @ 33.7g/t and 0.35m @ 23.5g/t		
Additional holes					
GRT033	312.15	312.70	0.55	11.9	Qtz Breccia Vein
GRT036	320.20	320.85	0.65	34.3	Qtz Breccia Vein
			including 0.35m @ 62.3g/t		

Individual included samples in intercepts reported if Au > 20g/t.

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

Goldstar Resources NL

ABN

76 098 939 274

Quarter ended ("current quarter")

30 June 2008

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	(14)	59
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(2,742)	(11,150)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	75	400
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	(2,964)	(11,623)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(28)	(495)
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)	16	
Net investing cash flows	(12)	(495)
1.13 Total operating and investing cash flows (carried forward)	(2,976)	(12,118)

1.13	Total operating and investing cash flows (brought forward)	(2,976)	(12,118)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,043	6,218
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)		(265)
	Net financing cash flows	1,043	5,953
	Net increase (decrease) in cash held	(1,933)	(6,165)
1.20	Cash at beginning of quarter/year to date	3,906	8,138
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,973	1,973

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	183
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and consulting charges.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	\$1,300
Total	\$1,300

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	508	510
5.2 Deposits at call	1,465	3,200
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,973	3,710

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	n/a		
6.2 Interests in mining tenements acquired or increased	n/a		

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 Partly Paid *securities <i>(description)</i>	5,595,250	Nil	10 cents	0.1 cents
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	147,385,846	147,385,846		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,189,241	7,189,241	14.5 cents	Fully Paid
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

			<i>Exercise price</i>	<i>Expiry date</i>
7.7	Options <i>(Exercise Price 37.5 cents, expiry 31 July 2009)</i>	360,000	37.5 cents	31 July 2009
	<i>(Exercise Price 35 cents, expiry 27 September 2009)</i>	696,000	35 cents	27 September 2009
	<i>(Exercise Price 37.5 cents, expiry 30 September 2009)</i>	725,000	37.5 cents	30 September 2009
	<i>(Exercise Price 35 cents, expiry 9 November 2011)</i>	75,000	35 cents	9 November 2011
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>			

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: 18 July 2008

(~~Director~~/Company secretary)

Print name: Errol Du Boulay

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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