

ASX Code: CMY

Issued Shares: 39.6 M

Market Capitalisation: \$5.9M

Cash Balance: \$2.1M



QUARTERLY REPORT

MARCH 2008

HIGHLIGHTS

Exploration

- 2,866 metres of drilling completed in 51 holes during the quarter
- Numerous massive sulphide intercepts made in previously inferred resource blocks
- Copper oxide mineralization intersected within bounds of conceptual open pit
- Material with potential to add to inferred rare metal resources intersected at Narraburra
- Alluvial gold plant successfully commissioned and 60 cubic metre bulk sample processed
- Positive metallurgical test results reported
- Previously reported high tellurium values confirmed by check sampling
- Information Memorandum prepared to promote outstanding targets at Milparinka

Corporate

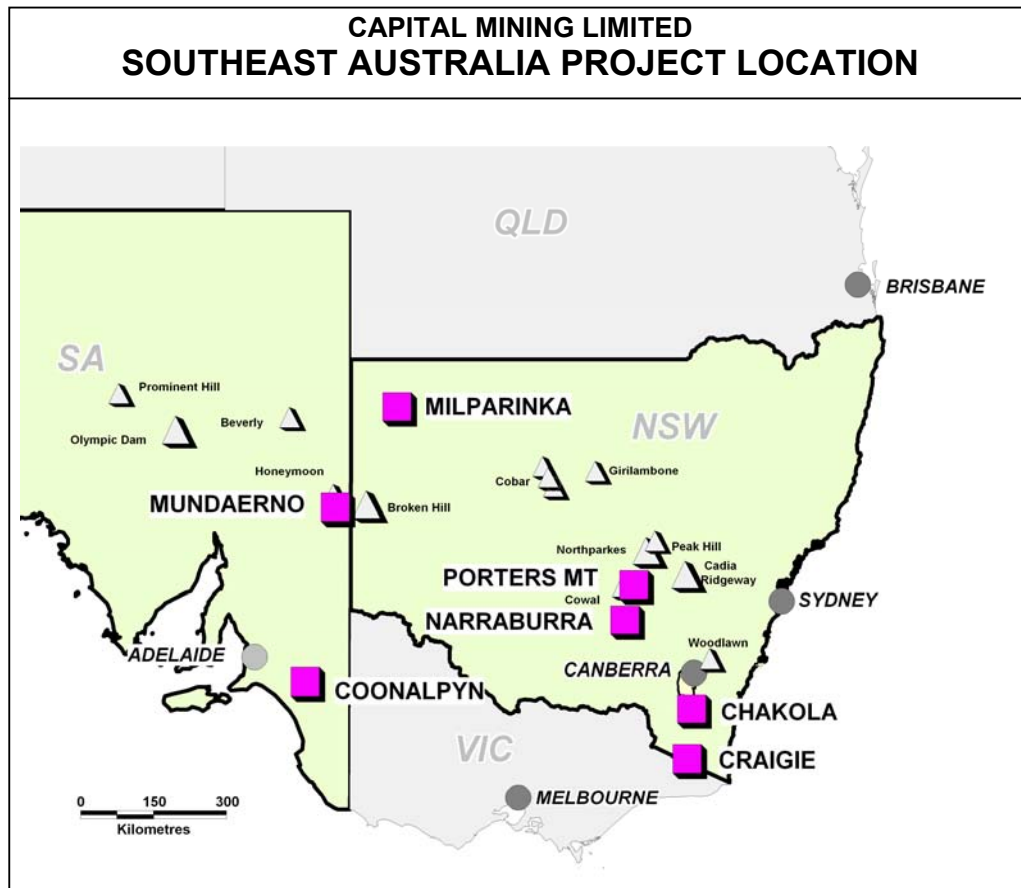
- Board strengthened by appointment of widely experienced Independent Director
- Canberra exploration office established

SUMMARY

Drill programmes were successfully completed at Chakola and Narraburra during a quarter in which the emphasis was on collection of data to support resource definition and re-estimation. The first of a number of planned large alluvial gold bulk samples at Craigie were also excavated and successfully processed. In the drilling, 51 holes were completed on gold, base metal and rare metal targets and just over 2000 samples were sent for assay. Processing of the large amount of data generated by the work is in progress and nearing completion. Encouraging visual indications of mineralization were noted in holes drilled in close proximity to previously outlined resource blocks at both Chakola and Narraburra. Reprocessing of geophysical data for target generation studies was completed for three project areas which included the promising Milparinka project area. Advances were made on the Chakola-Harnett Conceptual Mine Development Plan and preparations were made for commencement of drilling at Porters Mount in May.

Exploration Activities

Further advances were made during another active quarter in which drill programmes were completed at Chakola and Narraburra and processing of bulk samples commenced at Craigie. Digital capture of the large amount of data generated by the drilling is in progress and results are being compiled and assessed as received. Preparations were made for commencement of the deep drill hole at Porters Mount in May, reprocessing of regional geophysical datasets for target map generation was completed for three project areas and circulation of an Information Memorandum to promote the perceived high prospectivity at Milparinka has begun.



CHAKOLA GOLD & BASE METALS PROJECT

EL 5697 - 66.4 km²; MLA 269 - 332 hectares

(Harnett, Stonehenge, Gamma-Delta, Picasso, Driscolls Hill - Capital Mining 100%)

<i>Target commodity</i>	Gold, copper, lead, zinc, silver
<i>Target type</i>	Volcanogenic massive sulphide
<i>Metallogenic Province</i>	Woodlawn-Captains Flat Silurian Volcanic Belt

Exploration at Chakola is for gold, copper, zinc, lead and silver in deposits located along persistent mineralised horizons that extend through the tenement. Volcanogenic massive sulphide deposits (VMS) similar to the former world-class mines at Woodlawn and Captains Flat are being targeted.

CHAKOLA GOLD & BASE METALS PROJECT (cont)

Harnett Prospect - Drilling

The Stage 3 resource outline and exploration drilling programme at the Harnett prospect, which was interrupted by storms in December, recommenced in February and was completed in March. Drilling was by both reverse circulation percussion and aircore methods depending on objectives and 25 holes for a total of 1,697.5m were completed.

The holes were drilled to test: inferred extensions to the mineralization at depth; a shallow copper oxide deposit offset from the main mineralised horizon; and material from the hanging and footwalls within the conceptual open pit that had not previously been drilled. Details of the holes completed in the reporting period are set out in Table 1 (i.e. HRC064-087 and -020A). A total of 1,718 drill chip samples were submitted for analysis during the quarter. Processing of assay data and detailed analysis of results is in progress to facilitate drill section preparation and re-estimation of resources.

Visibly well-mineralised intersections, similar to those logged in previous programmes, were recorded below the intercepts made on existing drill section lines. Significant pyrite and base metal sulphide mineralization was logged in all of the deeper holes (i.e. greater than 35m total depth).

Table 1 CHAKOLA EL 5697, NSW HARNETT GOLD-BASE METALS PROSPECT RC and AIRCORE DRILL HOLES COMPLETED FEBRUARY TO MARCH 2008 (ASSAY RESULTS ARE BEING COMPILED)									
Hole#	Prospect	LocEast	LocNorth	AMGEast	AMGNorth	RL (m)	Dip (deg.)	Azimuth (Grid)	Depth (m)
HRC020A	Harnett Central	1079.1	1240.5	694695.71	6000804.49	801.12	-60	076	40
HRC064	Harnett Central	1028.5	1121.0	694677.90	6000675.36	809.25	-70	076	99
HRC065	Harnett Central	1023.5	1151.0	694665.26	6000703.12	806.34	-70	076	120
HRC066	Harnett Central	1078.5	1150.6	694718.36	6000717.38	802.48	-70	076	35
HRC067	Harnett Central	1098.1	1152.6	694736.75	6000724.46	799.78	-60	076	34
HRC068	Harnett Central	1117.0	1150.1	694755.61	6000727.10	797.09	-60	076	29
HRC069	Harnett Central	1109.7	1170.5	694743.23	6000744.87	795.70	-60	076	29
HRC070	Harnett Central	1089.6	1170.5	694723.86	6000739.56	798.16	-60	076	26
HRC071	Harnett Central	1100.4	1210.5	694724.00	6000781.19	795.25	-60	076	30
HRC072	Harnett Central	1110.2	1210.3	694733.46	6000783.50	794.06	-60	076	28
HRC073	Harnett Central	1139.5	1239.9	694754.05	6000819.97	795.37	-60	076	29
HRC074	Harnett Central	1119.0	1240.2	694734.23	6000814.79	797.25	-60	076	30
HRC075	Harnett Central	1139.2	1270.0	694745.98	6000849.07	798.43	-60	076	30
HRC076	Harnett Central	1119.6	1270.2	694727.08	6000844.00	801.32	-60	076	30
HRC077	Harnett Central	1099.7	1270.2	694707.83	6000838.76	804.02	-60	076	30
HRC078	Harnett Central	1100.0	1300.2	694700.39	6000867.82	808.08	-60	076	30
HRC079	Harnett Central	1028.7	1210.9	694654.85	6000762.51	803.36	-70	076	120
HRC080	Harnett Central	1009.6	1241.0	694628.62	6000786.56	807.16	-70	076	120
HRC081	Harnett Central	1009.1	1271.0	694620.42	6000815.48	807.65	-70	076	123
HRC082	Harnett Central	1017.0	1300.9	694620.26	6000846.45	810.34	-70	076	113.5
HRC083	Harnett Central	1018.4	1330.8	694613.92	6000875.82	814.49	-70	076	107
HRC084	Harnett Central	1018.9	1360.9	694606.59	6000905.06	817.84	-70	076	102
HRC085	Harnett Central	1028.8	1390.7	694608.42	6000936.54	822.66	-70	076	120
HRC086	Harnett Central	1029.8	1420.7	694601.57	6000965.88	825.86	-70	076	123
HRC087	Harnett Central	1019.1	1450.6	694583.59	6000991.99	827.58	-70	076	120

CHAKOLA GOLD & BASE METALS PROJECT (cont)

The best visually mineralised intercept of 8m of massive sulphide at 50-75%(est.) sulphide, which included major pyrite and lesser chalcopyrite, galena and sphalerite, was recorded in hole HRC083 from 92m to 100m. This was below a 4m intercept from 67 to 71m at 65-70% sulphide. Both intersections were within sulphidic envelopes of pyrite and base metal sulphides in the range 5 to 20m in length at greater than 5% sulphide. To date, a total of 125 massive and semi-massive sulphide intercepts of between 1 and 8m in length have been made at Harnett since drilling by Capital commenced in 2004.

Of the holes targeted on the shallow copper oxide deposit in the conceptual open pit to the east of the main mineralised lens, several intersected up to 5 to 7m of visible secondary copper mineralization in the form of malachite, azurite and chalcocite in variably clay-sericite altered and gossanous material. The best recorded intercept of this kind was made in hole HRC073 from 15 to 22m. Most intercepts of this type were made within 25-30m of the natural surface.

Harnett Prospect - Metallurgical Test Results

As announced on 26 March results of metallurgical tests carried out on drill core samples from the central part of the Harnett prospect were received along with a review report by the Company's consultant metallurgist. Although not yet definitive, results showed that with finer grinding of the feed material and optimization of rougher and cleaner flotation conditions, production of separately marketable copper-gold-lead and zinc concentrates should be achievable. New material will be required for the recommended follow up work and this will be obtained from a series of diamond core holes that have been designed to map out the metallurgy of the deposit. Also to this end, a suite of representative drill chip samples has been collected for petrographic and mineragraphic study.

Harnett Prospect - Conceptual Mine Plan and Environmental Impact study

Work on collection of baseline data for the Harnett Environmental Impact Study continued during the quarter. Materials test results for samples collected from proposed tailings dam sites were received and are being assessed by a consultant engineer. Aboriginal heritage studies are in progress and preparations were made for air quality and noise monitoring studies. Work commenced on a hydrogeological assessment of MLA 269 and its surrounds and preparation of the Conceptual Mine Development Proposal document continued. Drill sites were rehabilitated.

Stonehenge North Prospect - Check Sampling

Results of 18 duplicate drill chip samples dispatched to an alternate laboratory to check the relatively high tellurium values reported in the previous quarter from holes STN005 and STN006 at the Stonehenge North prospect were in very good agreement with the original values. The potential has been confirmed and further drilling of the structure which is open in two directions and at depth is being planned. Third party reviews of the data are in progress.

Chakola EL 5697 - Tenement Renewal

Notification was received from the Department of Primary Industries in April that the licence was renewed over the full area for a further two year term to 8 March 2010.

NARRABURRA ZIRCONIUM-RARE METALS PROJECT EL 5629 - 11.3 km² ; EL 6787 - 84.7 km² (Narraburra, Trungley - Capital Mining 100%)

Target commodity	Zirconium, niobium, yttrium, thorium, REE, beryllium
Target type	Intrusion-hosted rare metals; zircon-enriched heavy mineral sands
Metallogenic Province	Tumut Trough Post-Orogenic Igneous Belt

At Narraburra, exploration is for bulk disseminated intrusion-hosted deposits containing rare metals including zirconium, hafnium, yttrium, thorium, gallium and Rare Earth Elements (REE) and for zircon-bearing heavy mineral sands in palaeochannels. The main targets are deposits in weathered bedrock associated with areas of hydrothermal alteration in a suite of geochemically fractionated peralkaline granites of Late Devonian age. Investigations are aimed at producing a heavy mineral concentrate from soft, easily mined near surface material at a low ore to waste strip ratio.

During the quarter, 23 aircore holes for a total of 1009m were drilled in EL 5629 (GRAC01 to -23) and 3 holes for a total of 160m were drilled in EL 6787 (BWAC01 to -03). Details are listed in Table 2. The drilling was designed to test possible extensions to the inferred rare metal mineral resource in EL 5629 as well as geophysical anomalies in both licences. 304 drill chip samples were submitted for multi-element analysis in March. Processing of assay data is in progress ahead of drill section preparation and resource re-estimation.

Hole#	Prospect	LocEast	LocNorth	AMGEast	AMGNorth	RL (m)	Dip (deg.)	Azimuth (Grid)	Depth (m)
GRAC01	Gromit	10000	10400	551318	6202302	301	-90	0	40
GRAC02	Gromit	9800	10400	551138	6202388	299	-90	0	40
GRAC03	Gromit	9600	10400	550958	6202473	298	-90	0	50
GRAC04	Gromit	9400	10400	550778	6202559	296	-90	0	31
GRAC05	Gromit	10000	10700	551444	6202572	301	-90	0	57
GRAC06	Gromit	9800	10700	551264	6202657	298	-90	0	50
GRAC07	Gromit	9600	10700	551084	6202743	297	-90	0	60
GRAC08	Gromit	9400	10700	550904	6202828	296	-90	0	50
GRAC09	Gromit	9200	10700	550724	6202914	293	-90	0	48
GRAC10	Gromit	10200	11000	551750	6202756	306	-90	0	42
GRAC11	Gromit	9990	11000	551555	6202850	302	-90	0	54
GRAC12	Gromit	9800	11000	551390	6202927	299	-90	0	43
GRAC13	Gromit	9600	11000	551210	6203012	295	-90	0	50
GRAC14	Gromit	9400	11000	551030	6203098	293	-90	0	47
GRAC15	Gromit	10200	11215	551835	6202955	310	-90	0	39
GRAC16	Gromit	10000	11200	551654	6203021	302	-90	0	51
GRAC17	Gromit	9800	11200	551474	6203107	298	-90	0	51
GRAC18	Gromit	9600	11200	551294	6203192	295	-90	0	50
GRAC19	Gromit	9400	11200	551114	6203277	292	-90	0	48
GRAC20	Gromit	9200	11200	550934	6203363	290	-90	0	45
GRAC21	Trungley	9400	11400	551198	6203457	290	-90	0	20
GRAC22	Trungley	9300	11600	551192	6203679	281	-90	0	22
GRAC23	Trungley	9180	11735	551138	6203860	279	-90	0	21
BWAC01	Bullwinkel	NA	NA	549850	6204300	280	-90	0	59
BWAC02	Bullwinkel	NA	NA	550460	6204400	275	-90	0	50
BWAC03	Bullwinkel	NA	NA	550250	6204030	277	-90	0	51

NARRABURRA ZIRCONIUM-RARE METALS PROJECT (cont.)

Holes in EL 5629 were drilled in a grid pattern at a nominal spacing of 200m by 300m over an area of 950m by 1350m adjacent to the inferred resource and also over a broad magnetic high under cover to the west.

Holes GRAC10 and GRAC15 were drilled within the area of the previously defined inferred resource. Both holes went through 7-11m of unconsolidated cover before penetrating weathered, variably iron stained microgranite bedrock that was visually similar to material previously encountered in nearby RC percussion holes GRR03 and GRR05, which were drilled in March 2006 and from which grades of 1500ppm and 1471ppm rare metals (i.e. total zirconium, niobium, yttrium, gallium, hafnium) respectively were recorded from surface to 44-48m.

Results from other holes drilled immediately to the west of the inferred resource indicate that the prospective host intrusion underlies much of the drill grid area and that soft, deeply weathered material is present to depths greater than 50m. The depth of cover was found to increase from around 6 to 8m at the present boundary of the inferred resource to between 25 and 35m over the prospective material some 400m to the west.

Holes GRAC013 (50m) and GRAC014 (47m) were drilled near the centre of the broad magnetic anomaly referred to above. The source is concealed beneath a cover of unconsolidated transported sediments and leached, variably ferruginous saprock. Both holes penetrated fine, weathered, leucogranite from depths of 24m and 33m respectively which was overlain by variably ferruginous red clay and silt.

Holes GRAC021, -022 and -023 and holes BWAC02 and -03 were drilled as a preliminary test of inferred zircon mineral sands bearing palaeochannels (Trungley prospect) to the north and west of the main grid. A 5m thick gravel bed was intersected from surface in GRAC022 and a heavy mineral bearing sandy bed was recorded in GRAC022 from 2 to 7m. Visual results proved positive and contingent on assay results, further drill testing of the target with fences of more closely spaced holes will be carried out in the future.

Hole BWAC01 was drilled to test a small, circular magnetic low with a concealed source within a marginal intrusive phase of the Narraburra Complex. The anomaly was interpreted to be due to a possible rare metal enriched late-phase intrusion or a zone of bedrock alteration. The hole terminated at 59m in non-magnetic, equigranular, potassium feldspar-rich granite with no obvious visual signs of mineralization. Recognisable granitic bedrock was logged from 20m beneath a clay-rich cover sequence which included several very ferruginous red clay bands up to 8m thick.

Re-processing of the regional air magnetic and radiometric data by a recently developed proprietary method was completed under contract during the reporting period. Analysis of the results which will enable better definition of shallow palaeochannel and deeper bedrock drill targets is in progress.

CRAIGIE ALLUVIAL GOLD PROJECT

EL 5654 - 29.5 km²

(Shiralee, Little Bog Creek, Craigie Bog Creek - Capital Mining 100%)

<i>Target commodity</i>	Gold
<i>Target type</i>	Active placer and perched terrace deposits
<i>Metallogenic Province</i>	Southern Highlands Tertiary plateau uplift

At Craigie, Capital is evaluating a series of separate alluvial gold deposits in an historic goldfield with a view to establishing reserves for low-cost mining operations.

CRAIGIE ALLUVIAL GOLD PROJECT (cont)

Exploration during the quarter again concentrated on the Shiralee terrace deposit where the Company's alluvial bulk sampling plant was successfully commissioned on a 62 bank cubic metre parcel of auriferous gravel excavated from Trench T1. The latter was dug for a length of 80m to depths of 5-6m across a central section of the deposit. In parts, the trench was considerably deeper than anticipated and access for inspection and sampling was not attempted.

The feed used for commissioning the plant included material of marginal grade from the western end of the trench and material diluted by up to 20% with clay overburden. The volume of the parcel was determined by EDM survey of formed up stockpiles at the beginning and end of the treatment run. Tailings were tested periodically and recoveries were judged to be at acceptable levels given the often high clay content of the feed material.

Most of the gold recovered was in the form of fine 0.5 to 2mm flakes. Particles recovered in the spinners and nugget traps varied in size from tiny specks up to grains measuring 6x2mm and weighing up to 160mg. The spinner concentrates were upgraded by treatment on a Micron Wave Table housed at Cargo in Central west NSW. Both the Micron Wave Table and nugget trap concentrates were panned to purity to remove other heavy minerals which included iron oxides, ilmenite, zircon and some small sapphires. A total of 20.62g of gold was recovered from the bulk sample parcel at a grade of 330 milligrams per bank cubic metre. The gold concentrate has not been analysed for purity and has been retained for morphological study.

Processing of a second parcel of material from the eastern end of the trench, which is expected to be of higher grade based on previous results, is in progress.

MILPARINKA PLATINUM-NICKEL PROJECT, NSW

EL 6832 - 1112 km² ; ELA 3421 – 856 km² (Capital Mining 100%)

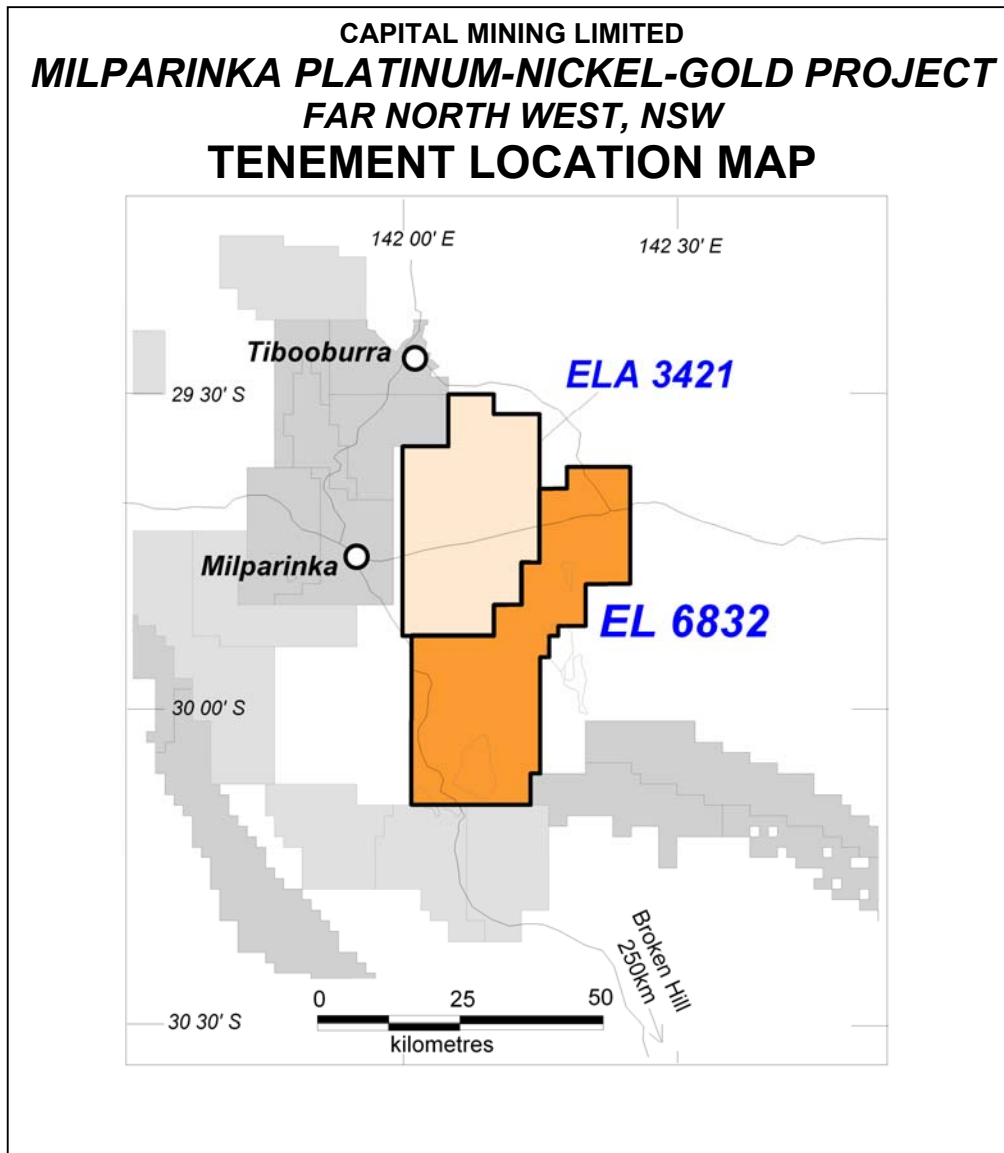
<i>Target commodity</i>	Platinum, nickel, gold, copper
<i>Target type</i>	Magmatic segregations (basement); sediment hosted (cover)
<i>Metallogenic Province</i>	Thompson Orogen, Broken Hill -Tibooburra

The focus of the Company's exploration at Milparinka is a continental scale, deeply buried magnetic and gravity anomaly complex that has the potential to host exceptionally large magmatic nickel-copper-platinum deposits as well as orogenic gold and intrusion related gold-base metals deposits of the type being sought by industry majors.

During the reporting period and following the recommendations of the Company's independent consultant, additional ground was taken out in the form of ELA 3421 of 856 km² (see below). The ELA covers a large tract of very prospective, essentially unexplored ground to the north of EL 6832.

An Information Memorandum outlining the concepts and summarising the geophysics, geology and the perceived outstanding prospectivity of the area has been prepared for circulation.

Re-processing of the available high-quality regional gravity, magnetic and radiometric datasets under contract with proprietary target generation software was completed during the quarter. Analysis of the images produced is in progress. Initial results indicate that considerably more information about the deep structure, which is important in a project of this nature, has been drawn from the data than is possible by conventional processing.



PORTERS MOUNT GOLD-COPPER-MOLYBDENUM PROJECT

EL 6591 - 65.7 km²

(Porters Mount - Capital Mining 100%)

<i>Target commodity</i>	Gold, copper, silver, molybdenum
<i>Target type</i>	Porphyry copper-gold
<i>Metallogenic Province</i>	Temora - Forbes- Parkes Porphyry Copper-Gold Belt

In EL 6591 exploration is being directed towards the location of gold-copper and copper-molybdenum ore-shells at depth within a large breccia and intrusion related porphyry-style gold-silver and base metals hydrothermal system. Preparations were made for commencement in May of the planned deep stratigraphic drill hole at Porters Mount and a field base was established at Grenfell. The hole has been designed to gather information on any detectable depth-related variation in geochemistry and mineral zoning within the area targeted.

MUNDAERNO SOUTH URANIUM PROJECT, SA **EL 3853 - 52 km² (Capital Mining 100%)**

<i>Target commodity</i>	Uranium, gold, copper, REE
<i>Target type</i>	Calcrete and sandstone hosted roll-fronts; IOCGU
<i>Metallogenic Province</i>	Southern Curnamona Craton

EL 3853 is strategically located in a uranium exploration hotspot in the Curnamona geological province some 20km SSE of the Honeymoon uranium mine. Exploration is for roll-front type uranium deposits in Tertiary palaeochannels; calcrete-hosted uranium deposits in Quaternary valley-fill; IOCGU (iron oxide copper-gold-uranium) style breccia and diatreme deposits; and shear zone hosted gold-copper deposits. Regional geophysical datasets were deemed to be of sufficiently good quality for target mapping and re-processing is currently in progress.

COONALPYN URANIUM GOLD BASE METALS PROJECT, SA **EL 3881 - 625 km² (Capital Mining 100%)**

<i>Target commodity</i>	Uranium, zinc, gold, copper
<i>Target type</i>	Skarn/carbonate replacement; calcrete and sandstone hosted roll-front
<i>Metallogenic Province</i>	Southern Delamerian Fold Belt and Murray Basin

Exploration Licence 3881 is located in an under explored area of southeast South Australia where the search is for uranium, zinc, copper and gold deposits in units of the Delamerian and Murray Basin Geological Provinces. Conceptual targets include: uranium and base metal skarn deposits; volcanic hosted gold-base metal deposits; and uranium deposits in Quaternary calcrete valley-fill and in Tertiary palaeochannels in the Murray Basin cover sequence. Regional geophysical datasets were deemed not to be of sufficient quality to allow for re-processing and target generation studies. The use of alternative remote sensing data to narrow the search region is being investigated.



Tenements - Changes of Interest for the Quarter

Status	Tenements	Location	Percentage Interest
Acquired	Nil		
Surrendered or cancelled	Nil		

Dated: 28 April 2008

Richard Hine
Chairman

For further information please contact:

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The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based on information compiled by Richard Hine who is a Member of the Australasian Institute of Mining and Metallurgy. Richard Hine is a Director of the Company and 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 Exploration Results, Mineral Resources and Ore Reserves". Richard Hine consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CAPITAL MINING LIMITED

ABN

69 104 551 171

Quarter ended ("current quarter")

31 MARCH 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(297)	(1,037)
(b) development	-	-
(c) production	-	-
(d) administration	(49)	(136)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	37
Net Operating Cash Flows	(340)	(1,099)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	(65)
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	-	-
Security Deposits	10	(15)
1.12 Other (provide details if material)	-	-
Net investing cash flows	10	(80)
1.13 Total operating and investing cash flows (carried forward)	(330)	(1,179)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(330)	(1,179)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	145
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)	-	-
	Net financing cash flows	-	145
	Net increase (decrease) in cash held	(330)	(1,034)
1.20	Cash at beginning of quarter/year to date	2,444	3,148
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter/year to date	2,114	2,114

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	76
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting fees and reimbursement of expenses paid to entities associated with Directors.	62
Salary & Wages paid to Director	<u>14</u>
	<u>76</u>

Non-cash financing and investing activities

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

NIL

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

NIL

+ See chapter 19 for defined terms.

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	400
4.2 Development	-
Total	400

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	114	71
5.2 Deposits at call	2,000	2,373
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,114	2,444

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

+ 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	39,613,834*	21,513,834		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
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>	250,000 250,000 14,306,231**	0 0 8,272,896	<i>Exercise price</i> \$0.25 \$0.30 \$0.20	<i>Expiry date</i> 22 March 2012 22 March 2012 18 October 2010
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

* Includes 18,100,000 ordinary fully paid shares in ASX Escrow for 24 months from date of listing,

** Includes 6,033,335 Options exercisable at \$0.20 in ASX escrow for 24 months from date of listing

+ 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: 28 April 2008
(Company secretary)

Print name: JOHN KEPPO
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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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