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Australian Stock Exchange
Company's Announcement Office

CARBINE RESOURCES THIRD QUARTER ACTIVITIES
REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

HIGHLIGHTS

- Significant mineralisation identified at the Backflip Prospect, **9m @ 16.1 g/t gold** from 94m.
- Stage 1 of an in-fill drilling program at the Mick Adam deposit completed. Best gold intercepts included:
 - **2m @ 19.3 g/t gold** from 81m
 - **25m @ 1.58 g/t gold** from 21m
 - **16m @ 1.68 g/t gold** from 5m
 - **7m @ 3.45 g/t gold** from 91m
 - **3m @ 9.21 g/t gold** from 48m
- RAB drilling identifies **potential extensions** to the Mick Adam deposit over **800m of strike**.
- Drilling at the Burgundy Deposit confirms mineralised lodes. Updated resource due in December Quarter.
- **7,000m RAB program completed** at Grants Patch Project area with results pending. **RC program to follow** in December Quarter.
- Re-optimisation and re-interpretation of the **Red Dam** resource is well advanced after the completion of a 4,356 metre RC drill program.
- Carbine Resources Limited and Cazaly Resources Limited executed formal documentation for the West Kalgoorlie Joint Venture, whereby Carbine can **farm-in to up to 70 percent of Cazaly's gold exploration and development portfolio in the Kunanalling, Ora Banda, Grants Patch, Carbine and Split Rocks regions. These tenements cover approximately 533 square kilometres and contain mineral resources of 612,400 ounces of gold.**
- Carbine raised \$1 million through a share placement at an issue price of \$0.33.

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1. RED DAM PROJECT

Carbine Resources Limited (Carbine) completed a reverse circulation drilling program in the June 2007 quarter with the aim of expanding and increasing the confidence level in the current 141,971 ounce inferred gold resource at the Petrus prospect. Petrus is located at the northern end of the Red Dam Project, on Mining Lease 16/344.

The drilling program consisted of 31 holes for 4,356 metres, with 29 holes for 4,216 metres being on the Petrus prospect. 2 holes were drilled on a separate geochemical anomaly, some 400 metres south-east of Petrus, following up a previous intersection of 2 metres @ 17.9 g/t gold from 54 metres. Hole CRDC0031, drilled 50 metres along strike from that intersection, encountered 3 metres @ 3.40 g/t gold from 55 metres, providing some justification for follow-up.

Hole Number	Northing GDA_94	Easting GDA_94	Azimuth GDA_94	Incline	Depth	RL Est	Intercept
CRDC030	6,619,219	311,728	225	-60	70	300	No Significant Assay
CRDC031	6,619,202	311,781	225	-60	70	300	3m @ 3.40 g/t gold from 55m

A detailed geological interpretation and further QA/QC checks were carried out during the September quarter, ensuring that the integrity of the Red Dam database was enhanced.

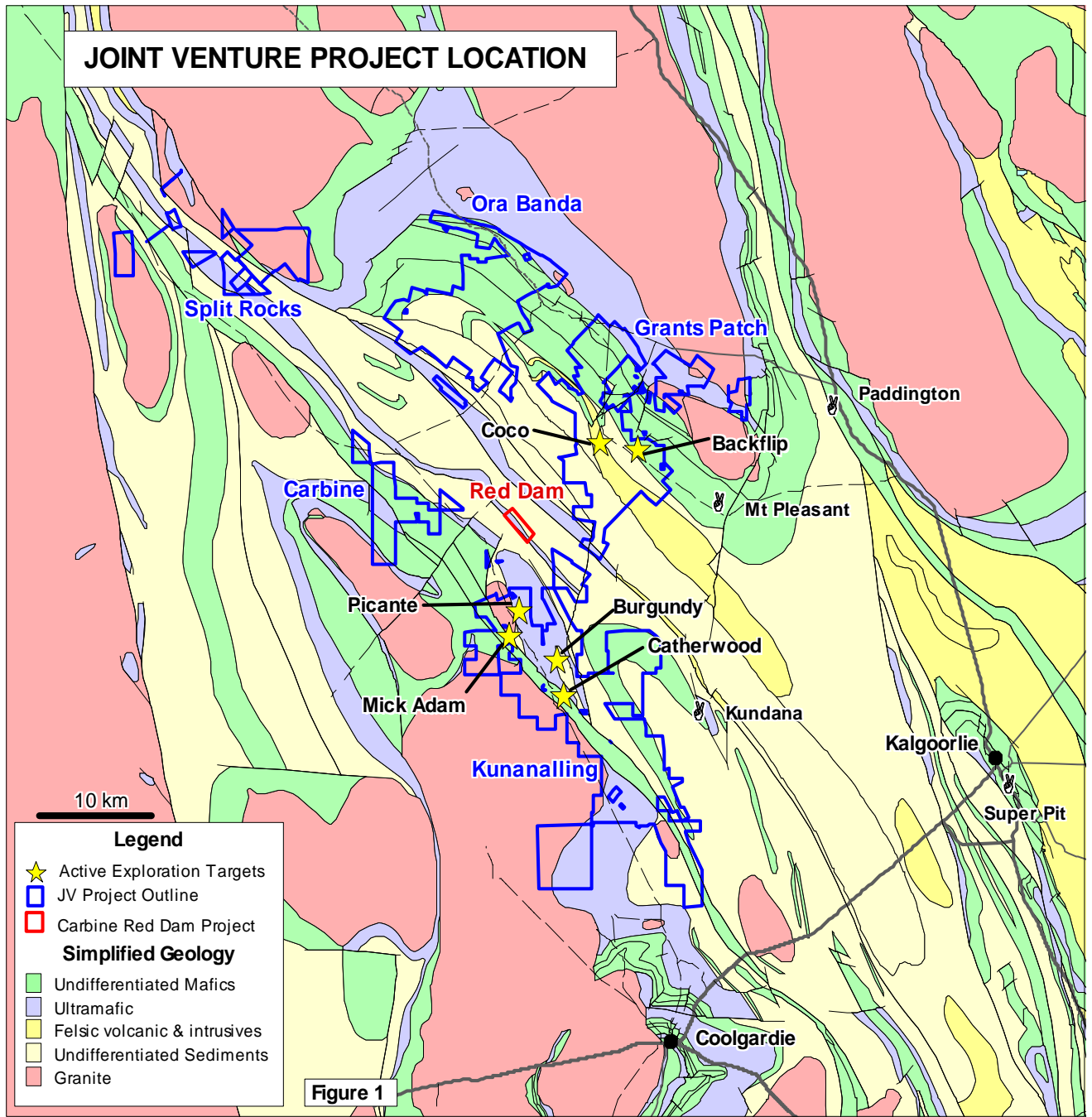
Golder Associates has conducted a detailed re-interpretation of the mineralisation as part of its task to re-optimize the existing inferred resource. The results of this detailed work should be available sometime early in the December quarter.

2. WEST KALGOORLIE JOINT VENTURE

Carbine Resources Limited (“Carbine”, ASX Code: CRB) and Cazaly Resources Limited (“Cazaly”, ASX Code: CAZ) completed the execution of formal documentation on the West Kalgoorlie Joint Venture. Carbine can earn a 50 percent stake, with an option to increase to 70 percent, in Cazaly’s entire gold exploration and development portfolio in the Kunanalling, Ora Banda, Grants Patch, Carbine and Split Rocks regions. These tenements cover approximately 533 square kilometres and contain mineral resources of 612,400 ounces of gold (*refer to attached Table 1: West Kalgoorlie JV Mineral Resource Estimates*).

Carbine is committed to the expenditure of \$4,500,000 on exploration, evaluation and mining activities on the tenements. Since commencement of the farm-in agreement on 24 May 2007, the West Kalgoorlie JV has had immediate success with exploration programs at the Kunanalling and Grants Patch Project Areas. The Joint Venture has drilled 59 RC holes for 5,208m and 92 RAB holes for 2,919m, directed at a mix of greenfields exploration and resource development targets. Highlights of the work to date have been significant hits at the Backflip Prospect as well as confirmation of resources at the Mick Adam and Burgundy Prospects.

As part of the original Heads of Agreement, Cazaly had the option to fold Carbine’s 100% owned Red Dam project into the JV. Cazaly declined this option.

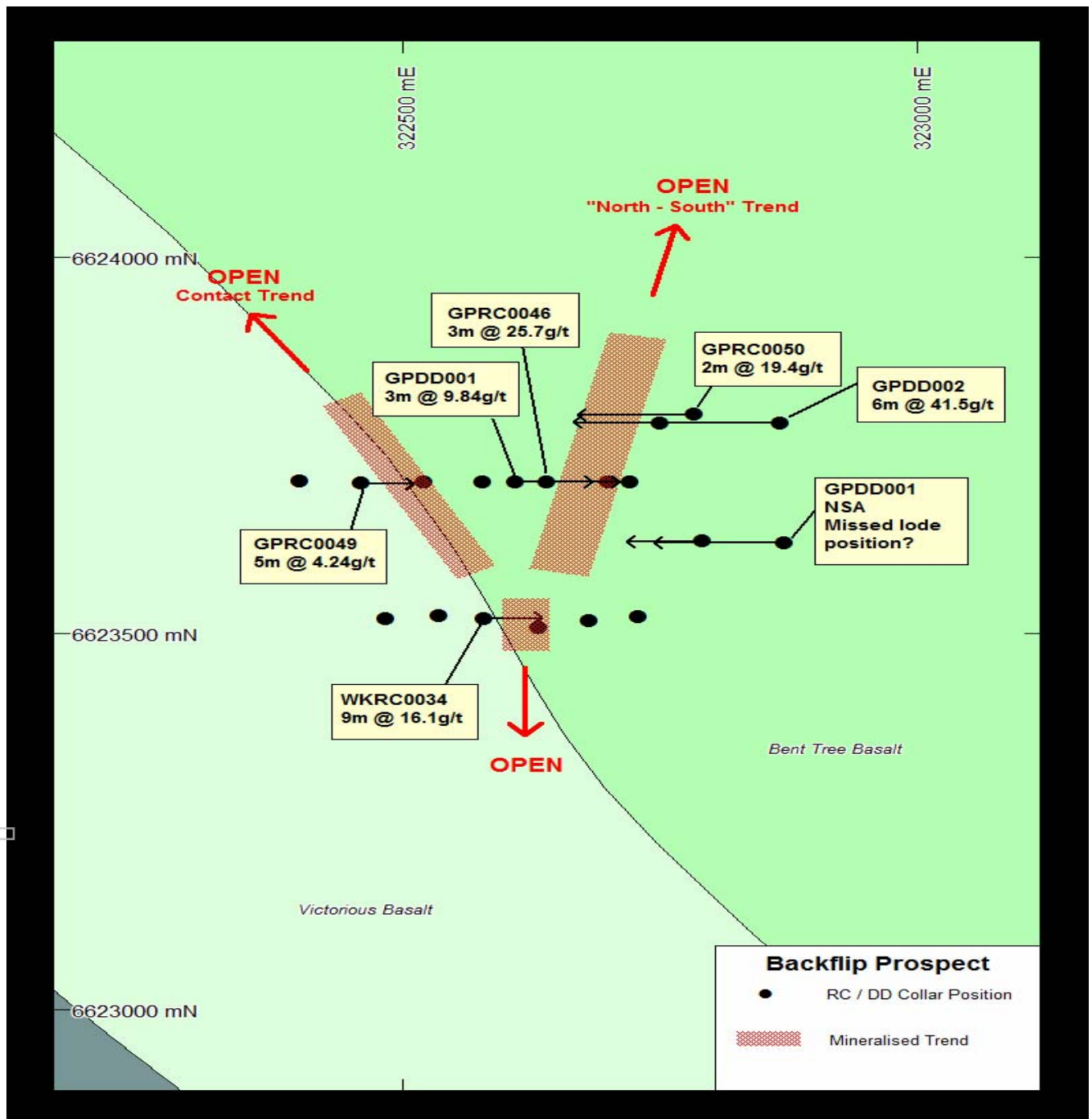


Backflip Prospect

The Backflip Prospect is within in the Grants Patch Project, favourably located only 6km from existing haul roads and less than 25km from the third party owned Paddington Mill. The Prospect has been previously explored by Placer Dome Asia Pacific between 2002 and 2003, drilling 8 RC holes and 3 DD holes for a combined 2,246m. Significant high grade mineralisation was identified within a high strain sub-vertical, north-south trending structure with best results including 6m @ 41.5 g/t Au and 3m @ 25.7 g/t Au. Recent interpretation by the Joint Venture has also identified a contact zone of mineralisation between the host Bent Tree Basalt and Victorious Basalt with a best result of 5m @ 4.24 g/t.

A small program of 8 RC holes for 983m was completed in August. An outstanding result of 9m @ 16.1 g/t Au was returned from 94m in WKRC0034. Mineralisation is associated with a broad shear and alteration zone with minor quartz veining and sulphide mineralisation. Significant zones of mineralisation have now been found over at least 250m of strike and are open in all directions.

A RAB drilling program has recently commenced at the prospect to determine strike extents of mineralisation before a follow-up program of RC to determine the depth extents of mineralisation and resource potential.



Drill results from both the historical and the most recent JV drilling program are outlined in the table below:

Backflip Prospect - Significant Intersections										
Hole ID	East	North	Hole Depth	Azi	Dip	From	To	Intercept g/t Au		
Historical Drill Results										
GPDD001	322611	6623701	288	90	-60	220	221	1	m @	3.16
						240	243	3	m @	9.84
						246	247	1	m @	1.33
GPDD002	322867	6623779	396	270	-60	198	199	1	m @	1.46
						210	211	1	m @	1.88
						351	357	6	m @	41.5
						385	386	1	m @	18.1
GPDD003	322871	6623620	392.4	270	-60					NSA
GPRC045	322700	6623701	120	90	-60					NSA
GPRC046	322640	6623701	120	90	-60	97	98	1	m @	1.34
						107	113	6	m @	8.40
						117	120	3	m @	25.7
GPRC047	322579	6623701	120	90	-60					NSA
GPRC048	322521	6623701	120	90	-60	51	52	1	m @	1.12
GPRC049	322460	6623700	120	90	-60	56	57	1	m @	1.16
						85	90	5	m @	4.24
						99	100	1	m @	1.06
GPRC050	322784	6623791	198	270	-60	82	93	11	m @	1.89
						160	162	2	m @	19.4
						166	167	1	m @	2.47
						177	180	3	m @	5.86
GPRC051	322791	6623623	198	270	-60	171	172	1	m @	1.04
GPRC052	322401	6623703	174	90	-60	137	138	1	m @	1.26

Recent Joint Venture Drill Results										
WKRC0029	322750	6623780	142.5	270	-60	55	56	1	m @	1.14
						62	63	1	m @	1.26
WKRC0030	322721	6623701	120	270	-60	38	39	1	m @	2.63
						59	60	1	m @	2.47
WKRC0031	322730	6623522	120	90	-60					NSA
WKRC0032	322682	6623517	120	90	-60					NSA
WKRC0033	322632	6623508	120	90	-60	44	46	2	m @	2.64
WKRC0034	322579	6623520	120	90	-60	86	87	1	m @	4.71
						94	103	9	m @	16.1
					incl.	101	102	1	m @	76.8
						108	109	1	m @	3.48
WKRC0035	322536	6623523	120	90	-60					NSA
WKRC0036	322484	6623519	120	90	-60					NSA
Significant assays calculated using 1.0g/t lower cut-off and maximum 2m internal dilution.										
All coordinates use GDA 94 datum, Zone 51.										

Mick Adam Deposit

The Mick Adam deposit is a large tonnage, low grade stockwork-style deposit with a current inferred resource of 4,510,000t @ 1.27 g/t for 184,200oz Au utilising a 0.8g/t lower cut-off. A metallurgical scoping study commissioned by Cazaly Resources in 2006 indicated the deposit was amenable to heap leach processing. Work has progressed on upgrading the resource category by infilling some of the broader spaced drill sections.

A stage 1 in-fill program of 31 RC holes for 2,601m has recently been completed. The program reduced the current drill spacing from 50m to 25m and will be used to re-estimate the resource in due course.

Significant drill intercepts included:

- 25m @ 1.58 g/t from 21m in KNRC0329
- 16m @ 1.63 g/t from 71m in KNRC0329
- 7m @ 3.45 g/t from 91m in KNRC0341

- 16m @ 1.68 g/t from 5m in KNRC0350
- 3m @ 9.21 g/t from 48m in KNRC0351
- 2m @ 19.3 g/t from 81m in KNRC0354

A full table of drill results from the RC program is attached in Appendix 1.

Recent RAB drilling in the Mick Adam North area has also defined significant mineralisation up to 800m along strike from the Mick Adam deposit. Drilling targeted the inadequately drilled western margin of the Kintore Tonalite, thought to be a prospective host for mineralisation. Better results include 1m @ 15.4 g/t Au from 15m in KNRB0526 and 4m @ 4.75 g/t Au from 28m in KNRB0529.

Further RAB drilling is planned to define the extents of mineralisation.

Mick Adam North RAB – Significant Intersections										
Hole ID	East	North	Depth	Azi	Dip	From	To	Intercept		
KNRB0510	5,200	5,720	53	270	-60	32	36	4	m @	0.24
						40	44	4	m @	0.17
KNRB0511	5,240	5,720	53	270	-60	52	53	1	m @	0.10
KNRB0512	5,140	5,880	52	270	-60	51	52	1	m @	0.12
KNRB0515	5,260	5,880	50	270	-60	37	50	13	m @	0.45
						incl	38	39	1	m @
KNRB0516	5,020	6,040	30	270	-60	12	14	2	m @	0.45
KNRB0517	5,140	6,040	49	270	-60	26	28	2	m @	0.11
KNRB0519	5,220	6,040	55	270	-60	48	51	3	m @	0.23
KNRB0520	5,260	6,040	44	270	-60	12	15	3	m @	0.12
						37	38	1	m @	0.11
KNRB0524	5,240	6,360	44	270	-60	12	19	7	m @	0.45
						incl	14	15	1	m @
						40	44	4	m @	0.18

KNRB0526	5,140	6,200	43	270	-60	15	16	1	m @	15.4
						32	36	4	m @	0.15
						42	43	1	m @	0.17
KNRB0527	5,180	6,200	55	270	-60	36	40	4	m @	0.29
KNRB0528	5,220	6,200	28	270	-60	17	20	3	m @	0.13
						24	26	2	m @	0.23
KNRB0529	5,260	6,200	32	270	-60	28	32	4	m @	4.75
KNRB0530	5,120	6,520	56	270	-60	46	47	1	m @	0.16
KNRB0531	5,160	6,520	41	270	-60	25	28	3	m @	0.27
KNRB0534	5,140	6,680	38	270	-60	36	37	1	m @	0.57
KNRB0535	5,180	6,680	62	270	-60	40	43	3	m @	0.16
						52	61	9	m @	0.42
KNRB0538	5,200	7,000	52	270	-60	46	51	5	m @	1.24
KNRB0549	5,280	7,800	61	270	-60	60	61	1	m @	0.16
Significant assays calculated using 0.1 g/t lower cut-off and maximum 2m internal dilution.										
All coordinates refer to Mick Adam local grid.										

Burgundy Deposit

The Burgundy Deposit has a current inferred resource of 1,513,000t @ 1.44 g/t for 70,100oz Au using a 0.8 g/t lower cut-off. Work is progressing on upgrading the resource category to Indicated status with a new estimate to be completed in the December Quarter.

Seven RC holes for 520m have been completed to verify lode positions and geometry. All holes intersected significant mineralisation and provide confidence in the robustness of the deposit.

Numerous targets have also been identified along strike with potential to add to the resource, which justify further drilling.

Burgundy Deposit – Significant Intercepts																
Hole ID	East	North	Depth	Azi	Dip	From	To	Intercept								
KNRC0317	315,505	6,607,778	104	270	-60	46	48	2	m @	1.75						
						56	65	9	m @	3.31						
						87	89	2	m @	2.40						
						93	96	3	m @	10.2						
KNRC0318	315,334	6,607,817	70	270	-60	28	33	5	m @	5.16						
						53	54	1	m @	1.62						
						KNRC0319	315,304	6,607,857	107	270	-60	58	61	3	m @	2.22
						71	77	6	m @	1.11						
						85	86	1	m @	1.24						
						KNRC0320	315,250	6,607,898	60	270	-60	5	6	1	m @	1.74
												11	12	1	m @	1.21
17	18	1	m @	3.29												
24	25	1	m @	1.35												
37	48	11	m @	3.19												
KNRC0321	315,263	6,607,918	80	270	-60	26	30	4	m @	1.39						
						34	38	4	m @	6.31						
						41	44	3	m @	3.66						
						47	54	7	m @	5.74						
						66	69	3	m @	1.69						
KNRC0322	315,230	6,607,937	53	270	-60	1	2	1	m @	8.46						
						7	8	1	m @	1.63						
						9	10	1	m @	1.16						
						12	13	1	m @	1.03						
						43	45	2	m @	2.00						

KNRC0323	315,230	6,607,958	46	270	-60	1	5	4	m @	1.83
						9	13	4	m @	2.88
						16	19	3	m @	2.24
						34	35	1	m @	3.05
						40	41	1	m @	8.97
Significant assays calculated using 1.0g/t lower cut-off and maximum 2m internal dilution.										
All coordinates use GDA 94 datum, Zone 51.										

Future Work Programs

A 7,000m RAB program was completed at the Grants Patch Project area in early October. The main focus of the program was to define the broad mineralised corridor at the Backflip Prospect and test extensions to historical drilling at the Coco Prospect. Results are pending but are unlikely to be material in their own right, as the main purpose of the program was to assist in the design of a follow-up RC drill program.

RC drilling operations are scheduled to commence in early November at the Grants Patch and Kunanalling Projects with the Backflip Prospect a priority target.

Existing resources within the Project including Mick Adam, Burgundy, Catherwood and Picante will continue to be worked towards development with a number of resource updates and optimisation studies planned.

3. CORPORATE

As at 30 September 2007, Carbine had A\$3.34 million cash in hand.

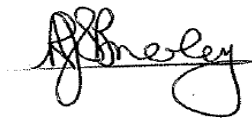
Carbine has 32,600,343 ordinary shares on issue, with only 19,467,843 currently quoted on the ASX.

Carbine issued 3,030,342 fully paid ordinary shares at a price of \$0.33 per share during the quarter through a private share placement. This issue raised \$1 million to fund the acceleration of exploration activities in the West Kalgoorlie region and for additional working capital. Carbine also has on issue 2,000,000 unlisted options exercisable at \$0.25 expiring 31 December 2009.

Carbine has called a General Meeting of shareholders to approve, among other things, the issue of 2 million shares to Cazaly Resources Limited or its nominee as agreed in the West Kalgoorlie JV farm-in and joint venture agreement and consistent with the terms of the agreement as announced on 24 May 2007.

The General Meeting is due to be held on Monday, 12 November 2007.

Yours faithfully



Rob Brierley
Executive Chairman

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Competent Persons

The information in this report that relates to the West Kalgoorlie JV Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Clive Jones and Mr Gregory Miles, who are Members of The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists respectively who have sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they are undertaking 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 Jones and Mr Miles consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Table 1: West Kalgoorlie JV Mineral Resources Estimates

Prospect	Measured		Indicated		Inferred		Total		Oz Au
	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	
Mick Adam*					4,510,000	1.27	4,510,000	1.27	184,200
Broads Dam					1,273,000	3.10	1,273,000	3.10	126,900
Burgundy*					1,513,000	1.44	1,513,000	1.44	70,100
Catherwood	337,000	2.52	144,000	2.64	72,000	2.04	553,000	2.49	44,300
Wadi*	240,000	2.11	344,000	1.35	265,000	1.25	849,000	1.53	41,900
Picante	182,000	3.32	157,000	3.06	50,000	1.71	389,000	3.01	37,600
Cutters Ridge					648,000	1.80	648,000	1.80	37,500
Rajax					180,000	4.20	180,000	4.20	24,300
Emu Prospect					260,000	2.50	260,000	2.50	20,900
Premier			156,000	1.96	5,000	3.70	161,000	2.01	10,400
Blue Bell					118,000	2.00	118,000	2.00	7,600
Inkerman					25,000	3.50	25,000	3.50	2,800
Stockpiles					114,000	1.07	114,000	1.07	3,900
TOTALS	759,000	2.58	801,000	2.04	9,033,000	1.71	10,593,000	1.80	612,400
<i>Rounding errors may occur - grades to 2 significant digits in this table.</i>									
<i>*Mick Adam, Wadi & Burgundy Resources are quoted using a 0.8g/t lower cut-off grade. Others use 1.0g/t lower cut-off grade.</i>									

Appendix 1: Mick Adam RC Drill program results

Hole ID	East	North	Depth	Azi	Dip	From	To	Intercept		
KNRC0324	5,060	5,225	35	270	-60	27	28	1	m @	2.33
KNRC0325	5,080	5,225	55	270	-60	0	1	1	m @	1.53
						13	14	1	m @	1.04
						16	18	2	m @	1.35
						30	33	3	m @	1.02
KNRC0326	5,100	5,225	78	270	-60	26	29	3	m @	1.09
						37	38	1	m @	2.83
						53	55	2	m @	2.52
KNRC0327	5,120	5,225	100	270	-60	18	20	2	m @	1.19
						38	39	1	m @	2.31
						56	58	2	m @	2.63
						67	68	1	m @	1.11
						75	76	1	m @	2.51
KNRC0328	5,140	5,225	100	270	-60	29	31	2	m @	2.04
						49	59	10	m @	1.09
						62	63	1	m @	1.01
						68	69	1	m @	1.85
						75	76	1	m @	3.31
						98	99	1	m @	1.64
KNRC0329	5,160	5,225	100	270	-60	21	46	25	m @	1.58
						49	51	2	m @	4.89
						67	68	1	m @	1.57
						71	87	16	m @	1.63

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						93	94	1	m @	1.32
KNRC0330	5,180	5,225	100	270	-60	7	8	1	m @	1.13
						29	30	1	m @	1.18
						32	35	3	m @	1.09
						39	52	13	m @	1.52
						61	62	1	m @	1.06
						68	69	1	m @	2.80
						87	91	4	m @	1.16
						96	98	2	m @	2.16
KNRC0331	5,200	5,225	100	270	-60	26	27	1	m @	1.37
						54	56	2	m @	1.64
						71	72	1	m @	1.48
						77	83	6	m @	2.97
						95	99	4	m @	1.18
KNRC0332	5,220	5,225	100	270	-60	57	61	4	m @	2.66
						64	67	3	m @	3.14
						70	73	3	m @	3.35
						77	78	1	m @	2.03
						81	82	1	m @	1.22
						93	94	1	m @	1.02
KNRC0333	5,060	5,175	36	270	-60	25	26	1	m @	1.09
KNRC0334	5,080	5,175	55	270	-60	14	15	1	m @	4.69
						18	19	1	m @	1.78
KNRC0335	5,100	5,175	72	270	-60	9	13	4	m @	2.79
						17	20	3	m @	2.18
						28	29	1	m @	1.66
						32	42	10	m @	1.08
						57	64	7	m @	2.02

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KNRC0336	5,120	5,175	90	270	-60	12	13	1	m @	7.09
						28	49	21	m @	1.39
						59	60	1	m @	1.13
						61	62	1	m @	1.06
						66	68	2	m @	1.10
						76	79	3	m @	4.57
						83	84	1	m @	5.00
KNRC0337	5,140	5,175	100	270	-60	1	2	1	m @	1.66
						8	9	1	m @	1.06
						16	17	1	m @	1.71
						33	36	3	m @	1.65
						39	40	1	m @	1.13
						44	47	3	m @	3.41
						60	70	10	m @	1.15
						94	95	1	m @	4.17
KNRC0338	5,160	5,175	100	270	-60	11	12	1	m @	12.9
						16	20	4	m @	3.94
						23	29	6	m @	1.03
						35	39	4	m @	1.42
						52	57	5	m @	2.24
						68	69	1	m @	1.52
						74	75	1	m @	1.18
						78	79	1	m @	2.98
						82	83	1	m @	6.18
						86	89	3	m @	1.37
KNRC0339	5,180	5,175	100	270	-60	0	1	1	m @	1.13
						21	22	1	m @	5.93
						26	27	1	m @	1.42

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						30	36	6	m @	1.00
						40	41	1	m @	1.03
						45	49	4	m @	1.41
						57	59	2	m @	1.21
						63	67	4	m @	2.58
						72	73	1	m @	5.53
						91	92	1	m @	2.64
KNRC0340	5,200	5,175	100	270	-60	53	55	2	m @	1.31
						65	66	1	m @	1.08
						72	73	1	m @	1.68
						80	81	1	m @	1.01
						82	83	1	m @	1.16
						95	96	1	m @	1.28
KNRC0341	5,220	5,175	100	270	-60	62	63	1	m @	1.21
						69	70	1	m @	2.47
						74	82	8	m @	1.25
						91	98	7	m @	3.45
KNRC0342	5,065	4,750	60	270	-60					NSA
KNRC0343	5,080	4,750	75	270	-60	18	19	1	m @	2.09
						23	32	9	m @	1.76
						35	36	1	m @	1.42
						56	59	3	m @	3.82
KNRC0344	5,050	4,725	45	270	-60	7	8	1	m @	14.4
KNRC0345	5,070	4,725	65	270	-60	15	16	1	m @	1.67
						20	22	2	m @	1.69
KNRC0346	5,090	4,725	85	270	-60	27	28	1	m @	1.07
						32	35	3	m @	6.34
						42	43	1	m @	1.26

Carbine Resources Limited
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KNRC0347	5,110	4,725	100	270	-60	24	27	3	m @	1.52
						52	55	3	m @	1.74
						58	63	5	m @	3.19
						66	67	1	m @	1.03
KNRC0348	5,130	4,725	100	270	-60	50	51	1	m @	1.09
						54	55	1	m @	4.06
						66	69	3	m @	1.28
						72	73	1	m @	1.41
KNRC0349	5,145	4,725	100	270	-65	60	61	1	m @	3.09
						67	69	2	m @	1.78
						76	79	3	m @	4.31
						84	85	1	m @	1.70
KNRC0350	5,060	4,675	60	270	-60	5	21	16	m @	1.68
KNRC0351	5,090	4,675	90	270	-60	13	20	7	m @	2.17
						25	26	1	m @	2.19
						29	30	1	m @	7.90
						41	45	4	m @	1.14
						48	51	3	m @	9.21
						57	58	1	m @	4.20
						61	69	8	m @	2.16
KNRC0352	5,110	4,675	100	270	-60	39	40	1	m @	1.47
						47	53	6	m @	5.65
						60	62	2	m @	2.04
KNRC0353	5,130	4,675	100	270	-60	49	50	1	m @	1.22
						54	55	1	m @	3.15
						64	72	8	m @	1.68
						79	80	1	m @	2.17
						85	87	2	m @	1.73

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						98	99	1	m @	1.17
KNRC0354	5,150	4,675	100	270	-60	0	1	1	m @	1.17
						70	71	1	m @	1.26
						72	73	1	m @	1.50
						81	83	2	m @	19.30

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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

CARBINE RESOURCES LIMITED

ABN

81 122 976 818

Quarter ended

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$'000	Year to date (9.9 months) \$'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(455)	(534)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	45	84
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(554)	(797)
Cash flows related to investing activities		
1.8 Payment for purchases of (a) prospects (b) equity investments (c) investment in associate (d) fixed assets (e) Investments in controlled entities	(3)	(12)
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 Repayment of term deposits	-	-
Net investing cash flows	(3)	(12)
1.13 Total operating and investing cash flows (carried forward)	(557)	(809)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(557)	(809)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,000	4,148
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		
	Net financing cash flows	1,000	4,148
Net increase (decrease) in cash held			
		443	3,339
1.20	Cash at beginning of quarter/year to date	2,896	0
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	3,339	3,339

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 \$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$22,500 in directors' fees.
\$40,875 in consulting fees.
\$6,000 in secretarial and admin fees.

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

N/A

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

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

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 \$'000	Previous quarter \$'000
5.1 Cash on hand and at bank	569	662
5.2 Deposits at call	2,770	2,234
5.3 Bank overdraft		
5.4 Bank Bill		
Total: cash at end of quarter (item 1.22)	3,339	2,896

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				

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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 (description)				
7.2 Changes during quarter (a) Increases – issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	32,600,343	19,467,843		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,030,342	3,030,342	\$0.33	Fully Paid
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases - issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	2,000,000	Nil	\$0.25	31/12/2009
7.8 Issued during quarter		-		
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures	-	-		
7.12 Unsecured notes	-	-		

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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:



(Company Secretary)

Date: 16 October 2007

Print name:

Peter Torre

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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