



SEPTEMBER 2008 QUARTERLY REPORT

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Web:

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ASX Code:

BAU: 108m shares

BAUO: 53m listed options

Market Cap (30 Sept 08)

BAU: A\$21.6 million

BAUO: A\$1.9 million

Cash

A\$7.3 million

Directors:

Luke Atkins

(Executive Chairman)

Dan Tenardi

(Managing Director)

David McSweeney

(Non-executive Director)

Neil Lithgow

(Non-executive Director)

Robert Nash

(Non-executive Director)

Graeme Smith

(Company Secretary)

- EXECUTIVE SUMMARY -

EXECUTIVE AND STAFF APPOINTMENTS

- ▶ **Daniel Tenardi appointed Managing Director.** Mr Tenardi was formerly Chief Operating Officer of CITIC Pacific Mining and has 40 years mining experience, including:
 - Extensive bauxite mining and refinery experience, 15 years with Alcoa, WA.
 - Hands-on bulk minerals handling operations experience in management positions with Rio Tinto's Robe River and Pilbara Iron.
 - Recent experience in dealing and negotiating with Chinese stakeholders with CITIC Pacific Mining and their Pilbara Sino Iron project, the largest magnetite iron ore project in Australia.
- ▶ **Chester Chen**, formerly with CITIC Pacific Mining, appointed Marketing and Logistics Manager. As a marketing and communications expert, Mr Chen compliments the executive team with his experience, expertise and contacts in dealing with potential Chinese DSO bauxite off-take customers.
- ▶ **Peter Senini** appointed geological consultant to the exploration team. Mr Senini was formerly Alcoa's senior bauxite geologist and has 28 years experience dealing with bauxite in the Darling Range.
- ▶ **Richard Millington** joins the exploration team as a Senior Geologist.

BUSINESS CASE

- ▶ China to "exhaust bauxite reserves in 10 years" report government officials.
- ▶ China imported 16.1 million tonnes (Mt) of bauxite between January and July 2008.
- ▶ Chinese bauxite price strengthens to a reported A\$107 CIF per tonne.
- ▶ Shipping costs drastically reduced on the C5, China to Australia shipping route.
- ▶ Stage One Direct Shipping Ore (DSO) project is targeting a >30million tonne per annum (Mtpa) bauxite resource to underpin a >2Mtpa DSO operation.

PROJECT MANAGEMENT PROGRAM

- ▶ Mr Tenardi completing a Program Management Plan and a Project Scoping Study on the DSO business plan with budget proposals due for board consideration in November 2008.

EXPLORATION PROGRAM

- ▶ As at 30 September 2008, Bauxite Resources Limited (BRL) has 47 tenement licenses, 3 granted and 44 in application.
- ▶ Tenements and applications now cover over 8,631km² (approx) of highly prospective bauxite ground which includes the world class bauxite production region of the West Australian Darling Ranges.
- ▶ Historical data review now completed, target generation phase well advanced.
- ▶ Target generation and evaluation phase commences.

LAND ACCESS ARRANGEMENTS

- ▶ Land access arrangements underway on areas with suitable infrastructure and pre-existing historical data identified by the exploration program.

ENVIRONMENTAL MANAGEMENT

- ▶ Appointment of Australian Environmental Leadership Group to coordinate the Environmental Management Plans that are required to complement BRL's program of works (POWs).
- ▶ Negotiations well advanced with sandalwood operators for rehabilitation.

INFRASTRUCTURE ACCESS

- ▶ Port - Negotiations underway with potential port infrastructure providers.
- ▶ Rail - Negotiations underway with a number of service providers.

MARKETING - CHARACTERISATION OF DARLING RANGE BAUXITE

- ▶ Scoping study for characterising the nature and attributes of Darling Range bauxite underway in conjunction with CSIRO.

FOLLOW UP ON CHINA TRIP

- ▶ Mr Tenardi and Mr Chen to visit China in October to discuss potential off-take agreements and investment opportunities with interested Chinese refineries.

BACKGROUND

Bauxite Resources Limited (BRL), ASX code BAU, launched in May 2006 with a mission to become a significant bauxite miner in the shorter term and alumina producer in the longer term. By October 2007, following seed capital raising, BRL successfully listed on the ASX, raising \$7.5 million on IPO. BRL is currently the largest tenement holder in the Darling Range with approximately 7,500 km² of ground.

This area in Western Australia is acknowledged as the largest producing alumina region in the world supplying approximately 18% of the world's alumina and the location of Alcoa's Huntly Mine, the largest producing bauxite mine in the world. The Darling Range is also the site of four alumina refineries; three of these are in the top five for lowest operating costs globally which is principally due to the gibbsite composition of the Darling Range bauxite, and its low reactive silica.

BUSINESS PLAN OVERVIEW

BRL Stage 1 – Direct Shipping Ore (DSO) Business Case

The Company has continued to advance its business case of defining an economic >30Mt bauxite resource as Stage 1 necessary to support a >2Mtpa DSO bauxite operation by concentrating on areas of previously explored ground. This plan has been further enhanced by two key factors; firstly shipping rates to China have dropped dramatically and secondly China is estimated to exhaust its reserves of bauxite in 10 years, which coupled with an increase in demand, has resulted in a strengthening of the bauxite price in China.

It is envisaged that the DSO operation will be in either its raw or beneficiated form to supply the emerging Asian markets in the shorter term, with the ultimate goal to define a resource necessary to support an alumina refinery in the longer term.

BRL Stage 2 – Alumina Refinery Business Case - Longer Term (Following the establishment of a DSO Operation)

High level analysis by the in-house team in conjunction with leading external consultants experienced in this field are working through a scoping analysis to provide likely costing scenarios for BRL's Stage 2 Alumina Refinery business case. This includes the preliminary scoping studies to address and evaluate such issues as available energy requirements (coal or gas), potential refinery sites, and assessment of opportunities to develop a refinery in conjunction with other energy providers. Further high level ancillary work addressing the requirements of a refinery continues, however, until the DSO operation is established, a cash flow is generated and or a joint venture partner is secured with suitable funding arrangements, the expenditure on progressing the Stage 2 business case will be carefully managed and kept to a minimum.

Globally, energy requirements are likely to become a critical issue, particularly in relation to policy on climate change. In this regard Western Australia is well placed with ample supplies of low ash and low sulphur thermal coal located within the south west region of the State, thus raising the construction of an alumina refinery as a potentially viable longer term business opportunity.

Darling Range bauxite is gibbsitic, low in reactive silica (1-3%) and whilst relatively low in extractable alumina (30-33%) it requires lower energy in the refining process, adding significant weight to the feasibility of an alumina refinery.

BRL's DSO Business Case Supported by Market Data

The Company's staged business plan strategy continues to be supported by the latest market data regarding bauxite demand and alumina prices. Long term demand growth for aluminium on a global basis is predicted to rise by 7% pa over the next 10 years with China's growth estimate to be 12.5% pa over the same period.

Local Chinese bauxite reserves are predicted to be exhausted within 10 years and the Chinese government

are encouraging Chinese companies, in particular alumina refineries, to invest and secure bauxite supplies from overseas. This coupled with the dramatic reduction of shipping freight costs enhances the prospect of a DSO project.

BRL's strategy is further reinforced by Rio Tinto's stated intention to increase its supply of DSO bauxite from Weipa in Northern Queensland from 18Mtpa to 33Mtpa with a view to go as high as 50 million tonne (Mt) in the longer term.

DSO PROJECT PROGRAM

Project Scoping Study and Management Plan for DSO

Since his appointment as Managing Director, Mr Tenardi has conducted a comprehensive review of the Company's project plans of a Stage 1 DSO project in the shorter term and a Stage 2 alumina refinery in the longer term.

Mr Tenardi is nearing completion of a Project Scoping Study and Management Plan for the commencement of the DSO operation and this will form the basis of a DSO Project Budget Proposal which is scheduled to be presented to the Board of Directors in November 2008.

BUSINESS CASE OBJECTIVES

STAGE 1 – DSO

Land access and approvals sought in priority areas

The Company is currently working through its land access and approvals strategy with priority being given to previously explored areas in close proximity to existing infrastructure in order to minimise capital expenditure on a start up DSO.

Cost Efficient Operating Mine Sites on DSO

Minimum unit mining costs will be achieved by a number of production optimisation initiatives detailed as follows:

- Mining equipment selection will be made taking into account productivity of equipment and labour requirements.
- Mining rosters would be Monday to Friday resulting in reduced labour cost associated with penalty rates.
- Continuous surface miners are currently being evaluated as a replacement to conventional excavation equipment in order to eliminate the drill and blast process.
- To maximise production efficiency and cost benefits, mining activities will be contracted out to a company with mining experience within the Darling Ranges who can offer the required range of services. This initiative will reduce BRL's requirement for capital and allow funds to be channelled toward company growth.

Secure Rail and Port Infrastructure and Operating Contracts

Long term Rail and Port infrastructure contracts are essential to the success of the DSO project. Due to the large areas covered by BRL's tenements, access to a range of infrastructure options will be necessary to ensure cost effective delivery of material for shipping. Negotiations are currently underway to ensure all options to be pursued are viable and will be finalised by the end of 2008.

Form Shipping Alliance

BRL is currently seeking a long-term (5-10 years) contract to mitigate the risk associated with the volatility and cyclic nature of freight rates. A number of potential alliance partners have been identified and negotiations have commenced. It is anticipated that a contract will be awarded during Q1 2009.

As a result of the significant increase in vessel construction, freight rates from Western Australia to China

have reduced dramatically from about US\$50 per tonne to US\$13 per tonne in the past four months. The three year forward freight market has fallen even harder to as low as US\$6 per tonne. The Company is currently evaluating its shipping options and exploring various shipping alternatives.

Characterisation of Darling Range Bauxite for Marketing Purposes

There are three forms of bauxite (gibbsite, bohmite and diaspore). Gibbsite is a true aluminium hydroxide $Al(OH)_3$, whilst bohmite and diaspore are both monohydrate in form being aluminium-oxide hydroxides $AlO(OH)$.

The Darling Range bauxite is considered a premium ore type being a gibbsite aluminium hydroxide, with a low level of reactive silica. Bohmite and contaminants are present in low ratios which results in the refining characterisation benefits of:

1. Lower energy requirements needed to liberate alumina in the refining process
2. Efficient processing due to low levels of reactive silica, lowering caustic consumption whilst also improving alumina recovery.

BRL has moved forward to engage an eminent world leading expert in the “characterisation” of bauxite ore that will deliver a quantification of the significant benefits inherent in Darling Range bauxite. This characterisation task will assist in negotiating BRL’s off take agreements.

Long Term Bauxite Off-take on DSO

China Business News recently released a report suggesting that China would exhaust its bauxite reserves within 10 years and interest from Chinese alumina refinery operators seeking to import bauxite has been strong. A long term sales contract with an end user or multiple users is seen as essential to underpin our business and to this end BRL has employed a marketing professional with extensive experience in working with Chinese companies to lead the marketing team. A number of potential bauxite off take customers have been identified.



Infrastructure and tenement field trip, BRL team and Westnet rail team

EXPLORATION PROGRAM

Overview

The Company’s exploration program continues on as scheduled with the review of historical data now completed. BRL’s target generation phase of the exploration program where the merits of each of the targets are being assessed in relation to accessibility to infrastructure is now well advanced and a number of areas with potential are currently being evaluated.

Additional Exploration Licences

Following the completion of the historical data review, a further three Exploration Licences (ELs) have been applied for in the Darling Range since June 2008. BRL now has 47 tenements in its three project areas; 44 tenements are located in the North and South Darling Range projects areas and three tenements in the Kimberley project area. Three of these licenses have been granted in the North Darling Range Project area.

Target generation

The initial target generation phase is now complete and the Program Planning phase has commenced under Mr Tenardi. The Company is in the process of obtaining the necessary land access and regulatory approvals prior to commencement of a drilling program to define a resource necessary to support a >2Mtpa DSO operation.

Historical Data Review now Completed

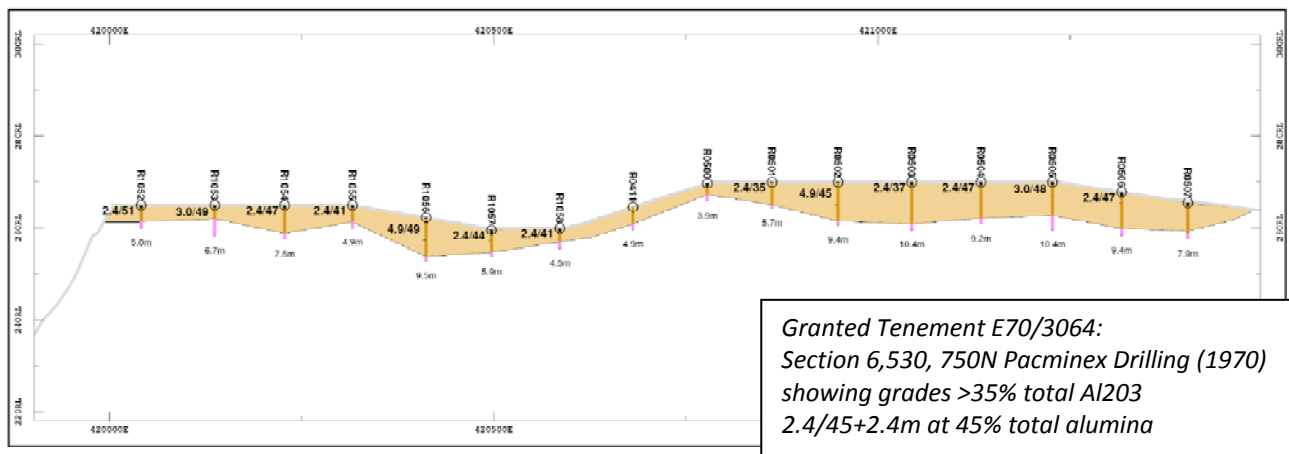
The review of historical data is now complete and has resulted in the identification and subsequent application of tenement licences in areas targeted as having the greatest potential for BRL’s Stage 1 DSO project development, as well as the identification of new areas along strike and adjacent to known bauxite rich areas.

Targets

The initial Stage 1 program is targeting a >30Mt resource to support the commencement of a >2Mtpa DSO operation, hence the initial targeted areas comprise areas of previously explored ground including Crown Land and degraded sub-economic freehold farmland close to existing infrastructure, including rail lines and ports.

Exploration Program Planned for October - December Quarter

Exploration work planned for the October - December Quarter will focus on target generation, surface mapping, securing land access arrangement and commencement of resource definition drilling once regulatory approvals are received. Typical mineralisation targeted by Pacminex in 1970 shown below.



PROJECT REVIEWS

NORTH DARLING RANGE PROJECT - 18 ELS COVERING APPROXIMATELY 3,000KM²

The North Darling Range project encompasses the tenement areas that lie north of Perth. This covers part of an area in the Darling Range which was the subject of major exploration programs completed in the late 1960's, 1970's and 1980's by,

- CSR / Pacminex;
- Project Mining Corporation (PMC);
- Bridge Oil Pty Ltd; and
- Vam Ltd.

CSR/Pacminex, PMC and Bridge Oil all conducted extensive exploration programs, in summary:

- Over 10,000 drill holes comprising 172,000 feet drilling carried out;
- 87,950 samples were taken;
- 1971 State Alumina Refinery Agreement reached (now lapsed);
- In excess of \$2million (circa in the order of \$40m in today's terms) spent up until 1971 on the CSR/Pacminex Project.
- Additionally, BRL has ELs in areas adjacent to previously explored ground.

Tenements held by the Company in the North Darling Range Project area also cover significant areas with bauxitic laterites indicated from the Geological Survey of Western Australia 1:250,000 scale geology map sheets. Field verification by the Company confirms extensive bauxitic laterites within its ELs and applications. To the knowledge of the Company, no exploration to assess the economic potential of these additional bauxitic laterites has been carried out to date.

The bauxitic laterites are largely preserved on plateaus and form outcropping ridges. Historical drilling identified bauxite mineralisation from surface to a maximum depth of 12 metres averaging three metres in thickness. The bauxitic laterites overlie a distinguishable saprolite clay zone.

Work is progressing well on digitisation of the significant volumes of historical data and is assisting in prioritisation of exploration targets. Reconnaissance mapping has outlined a number of potential target areas that will be the focus of geological mapping and resource definition drilling, subject to procurement of all necessary land access arrangements and regulatory approvals.

It is envisaged that drilling will initially focus on areas identified by CSR/Pacminex as containing potentially economic bauxite mineralisation serviced by existing infrastructure and then to focus on other areas identified by the BRL.

Detailed geological mapping and rockchip sampling was completed over the Berrybrow licence E70/3002 by the Company during September quarter. This work defined extensive areas of potentially bauxitic laterites in the southern half of the licence that require further evaluation. Results from surface samples are awaited.

SOUTH DARLING RANGE PROJECT - 26 ELS COVERING APPROXIMATELY 4,500KM²

The South Darling Range project encompasses areas that lie south of Perth. This project covers large areas of privately owned land within the Alcoa State Agreement area, and now following further exploration licence applications, significant areas of ground adjoining Alcoa and Worsley Alumina's mineral leases. These areas extend from Jarrahdale in the north in a broad band that covers Williams to the east and down through to south of Manjimup.

The project covers area that contains significant bauxite mineralisation identified by previous exploration in the 1960's and 1970's conducted by;

- PMC;
- Vam Ltd;
- Alcoa;
- BHP, and
- Bridge Oil Pty Ltd.

PMC and Vam conducted exploration programs over the project area, in summary:

- Greater than 7,500 holes were drilled; and
- Greater than 20,000 samples were analysed.

Further, the project covers additional areas reported by the West Australian Geological Survey as containing bauxitic laterites. To the knowledge of the Company no exploration to assess the economic potential of these additional bauxitic laterites has been carried out to date.

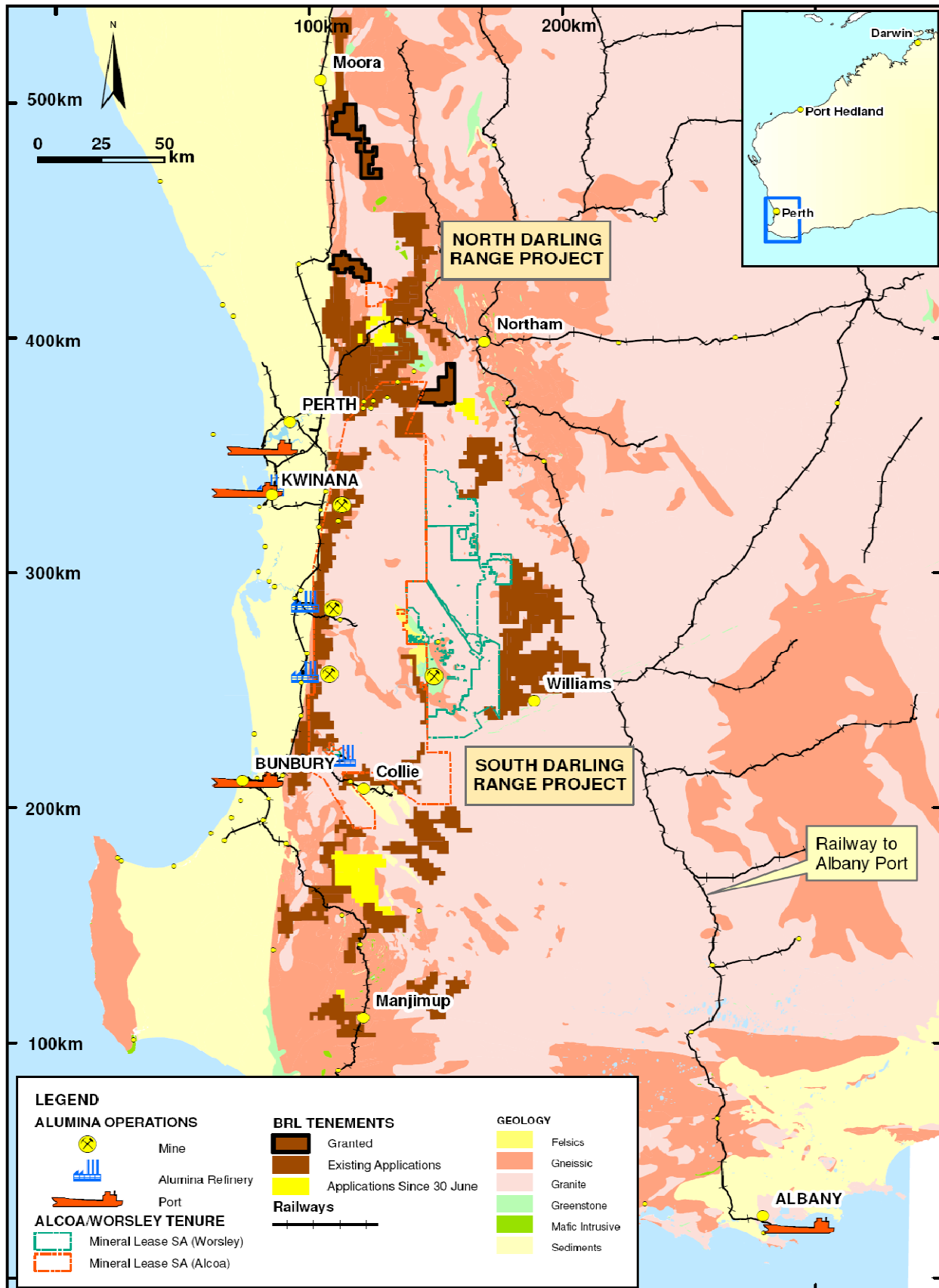
Significant areas covered by the Company's ELS have the same environmental land category classification as those areas where Alcoa and BHP are currently mining bauxite. These mining operations are conducted according to established environmental principles and world's best practices which have enabled the Darling Range to become the world's leading bauxite producing region on the virtual doorstep of the State's capital city Perth.

EL70/3312, in the Manjimup area of the South Darling Range, covers parts of areas which were previously explored for bauxite by Vam Ltd from 1969 to 1973. Drilling by Vam Ltd of the residual Tertiary/Quaternary lateritic bauxites overlying the Archaean granitic and gneissic basement had been completed with 2,368 Scout holes for 6,891 metres. The Scout drilling was completed along tracks and areas which were selected visually on the ground and from monochromatic aerial photographs.

Work on digital capture of historical data is nearing completion and is being utilised to prioritise exploration targets. Reconnaissance mapping has outlined a number of potential targets areas and work has commenced on the procurement of all necessary land access arrangements. Work will focus on surface mapping and sampling of target areas followed by resource definition drilling, and subject to, the procurement of necessary regulatory approvals.

The South Darling Range project area has been identified during the exploration process as having the greatest potential to support a DSO project out of the Bunbury Port. Some of the tenements cover areas that may relate to Alcoa and Worsley State Agreements. The terms of the State Agreements may affect the Company's applications to explore for bauxite, in which case the Company intends to negotiate with the relevant parties in an effort to secure bauxite exploration and mining rights to these areas.

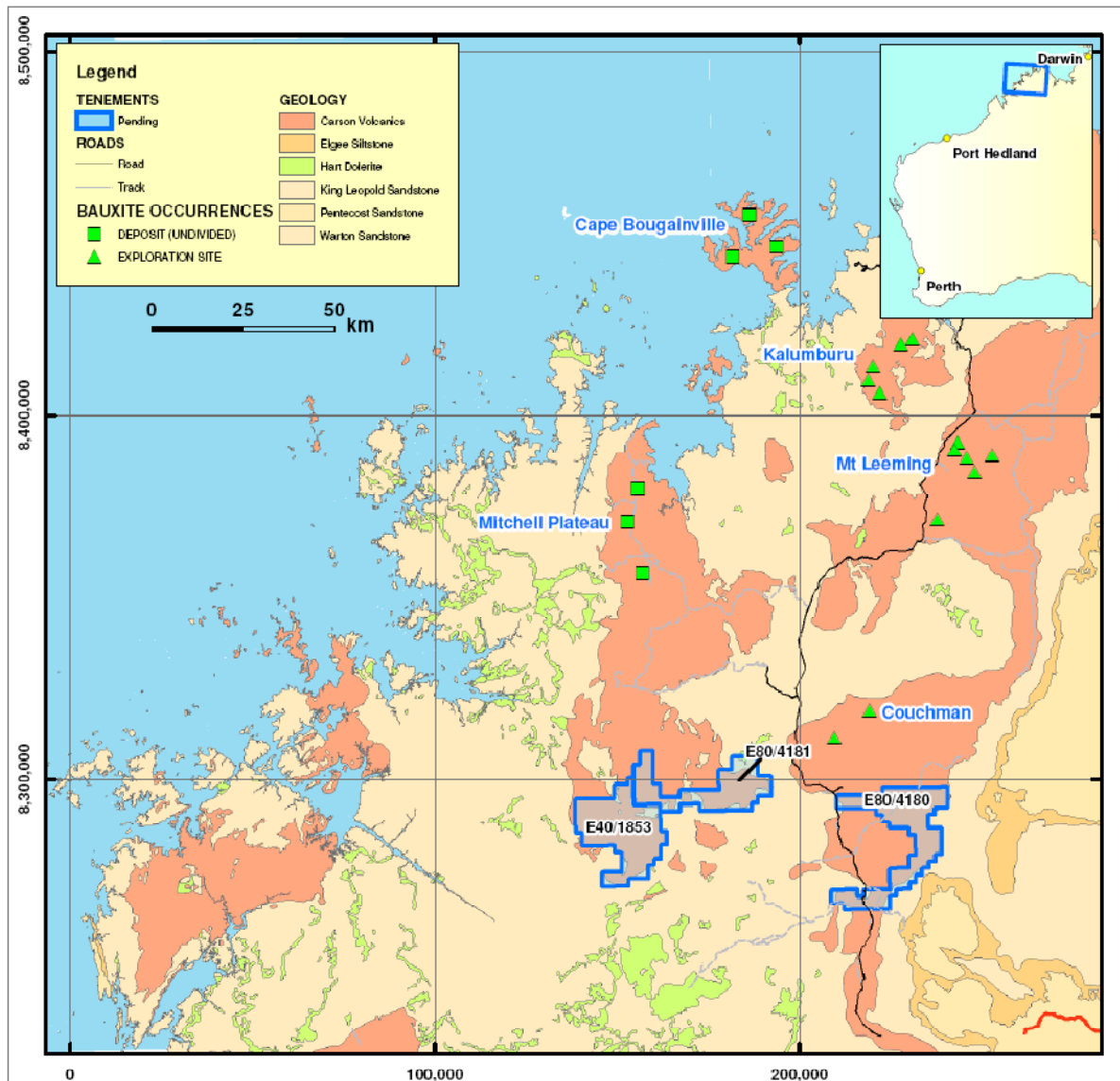
BAUXITE RESOURCES DARLING RANGE TENEMENT MAP SEPTEMBER 2008



KIMBERLEY PROJECT - 3 ELS COVERING APPROXIMATELY 1,200KM²

In keeping with the Company’s prescribed, staged business development, BRL has formulated a business strategy to accommodate its Kimberley tenement holdings. The Company strategy is to focus on the Darling Range Project in the short term for establishment of a DSO operation, while securing tenure over highly prospective targets in the Kimberley. Work related to the Kimberley project will involve building a comprehensive geological database of bauxite occurrences in the Kimberley region and target generation during the approval process.

In recent months the Company has rationalised its Kimberley tenement landholdings. The Company withdrew its previous applications and simultaneously applied for three new exploration licences over the most prospective targets. This will allow the Company to focus on the Darling Range Project in the short term for the establishment of a DSO operation, while securing tenure over highly prospective targets in the Kimberley region in the longer term.



BAUXITE RESOURCES KIMBERLEY TENEMENT MAP SEPTEMBER 2008

ASIAN BAUXITE DEMAND UPDATE

- Between January and July this year China imported 16.1Mt of bauxite, up 23.3% year-on-year.
- China's reliance on imported bauxite is set to reach 47.3% this year from 9.4% in 2005, according to industry estimates.
- China's main suppliers of imported bauxite are Indonesia, India and Australia. Chinese government officials have warned local alumina producers that supplies of bauxite should be sourced from reliable, stable overseas sources as the Chinese aluminium industry is reliant on too few suppliers.
- It has been reported that in ten years China will exhaust its own bauxite supplies
- Bauxite price reaches A\$107.00 CIF per tonne (Qingdao imported bauxite)

CORPORATE PHILOSOPHY

Our Vision:

"To be a sustainable generator of economic and social prosperity to all stakeholders through the responsible development of resources"

Our Mission:

"To become a significant bauxite miner and alumina producer"

CORPORATE SUMMARY

As at 30 September 2008, BRL had 922 shareholders with the Top 20 holding 64% of the Company comprising 70 million shares.

The Company has A\$7.3 million cash on hand.



Luke F Atkins
Executive Chairman

In accordance with the Australian Stock Exchange requirements, the technical information contained in this report has been reviewed by Mr. Neil Lithgow, a director of the company. The information in the report to which this statement is attached that relates to Mineralisation is based on information reviewed by Mr. Lithgow, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Lithgow 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." Mr. Lithgow consents to the inclusion in the report of the matters based on this 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

Bauxite Resources Limited

ABN

72 119 699 982

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(217) - - (254)	(217) - - (254)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	138	138
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	(333)	(333)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (8)	- - (8)
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	(8)	(8)
1.13 Total operating and investing cash flows (carried forward)	(341)	(341)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(341)	(341)
Cash flows related to financing activities			
1.14	Proceeds/(over subscription) 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) Share issue transaction costs	(2)	(2)
	Net financing cash flows	(2)	(2)
	Net increase (decrease) in cash held	(343)	(343)
1.20	Cash at beginning of quarter/year to date	7,641	7,641
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,298	7,298

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	99
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.

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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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+ 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	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	550
4.2 Development	-
Total	550

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	166	142
5.2 Deposits at call	7,132	7,499
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,298	7,641

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	E70/3538	Granted	-	100%
	E70/3539	Granted	-	100%
	E70/3540	Granted	-	100%

+ 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	108,026,070	52,341,070		
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>	53,430,180 2,000,000 4,000,000 9,000,000 100,000	53,430,180 - - - -	Exercise price 20 cents 25 cents 40 cents 20 cents 50 cents	Expiry date 31 January 2009 15 May 2012 15 May 2012 31 May 2012 31 May 2012
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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 31 October 2008

Print name: Graeme Smith

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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