UNIVERSAL RESOURCES

QUARTERLY ACTIVITY REPORT

FOR THE PERIOD ENDED
30 SEPTEMBER 2005

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UNIVERSAL RESOURCES

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2005

HIGHLIGHTS

ROSEBY COPPER PROJECT

1. Feasibility Study Stage 1 Completion

Stage 1 of the Roseby Feasibility Study was completed during the quarter.

The study was undertaken by external consultants and the consultants' inputs used by Universal to complete the initial financial modelling for the project.

Stage 1 of the study includes a preliminary economic assessment based on metallurgical and engineering studies to date and the December 2004 resource estimates. Updated resource/reserve estimates, based on an additional 42,353m of drilling completed during 2005, will not be available until mid-November.

The study concluded:

- ***The Roseby project is economically and technically viable with an NPV in the range $56.3M - $403M (see below)***
- ***The company will now proceed to completion of the Final Feasibility Study***
- ***Operating cost projections are lower than anticipated at $16.12 per tonne milled***
- ***Metallurgical copper recoveries are higher than originally forecast***
- ***Blending of hard and soft ore is the preferred option***
- ***Project viability demonstrated at lower cut-off grades due to the lower operating costs***
- ***Universal believes that the capital cost estimates may be reduced through further plant optimisation and the use of refurbished equipment.***

CURRENT RESOURCES	123.9 million tonnes at 0.72% copper and 0.06 gpt gold (0.3 and 0.5% copper cut off)	
MINELIFE/THROUGHPUT	9 years at 8 million tonnes per annum	
INITIAL CAPEX (A$M)	Site establishment & plant	116
	Infrastructure	55
	Owner's costs	12
	EPCM	25
	Contingency (15%)	30
	TOTAL (based on new equipment)	238
ONSITE OPEX	$10.91/tonne of ore treated	
NPV (100% equity basis)	$403M (current metal prices*) - $56.3M (average US$1.08 per lb)	
IRR	47% to 16.4%	
PAYBACK PERIOD	2.2 to 4.5 years	

* Price based on US$1.70 per lb copper and exchange rate of US$0.76

Universal will now proceed to work on the final stage of the feasibility study.

Technical and financial aspects of the study are expected to be completed by April 2006.

2. SEEP Project

Induced polarisation (IP) surveys of the 23km long copper mineralised corridor from Little Eva to Caroline commenced in July.

A 6 to 8 hole diamond drilling program to test the initial IP anomalies associated with the Blackard deposit commenced in September. Results are awaited.

DETAILED REPORT

1. CORPORATE

During the Quarter Mr Terry Quaife joined the Company as Project Manager for the Roseby Copper Project.

Mr Quaife, an engineer with over 27 years experience in the mining industry, will oversee the feasibility study and the detailed design and construction of the processing plant.

Mr Kenneth Foots resigned as a director of the Company on the 30 August 2005. The Board extended its gratitude to Mr Foots for his participation in the development of the Company.

The Company moved its Registered and Principal Place of Business to Level 2, 91 Havelock St West Perth WA 6005. Telephone, facsimile and email addresses remain unchanged.

During the Quarter the Company issued 3,825,000 unlisted options under the Employee Share Option Plan to employees. These options are exercisable at 15 cents and expire 5 years from date of issue being 14 September 2010.

It was also announced at the time that the Company would seek shareholder approval for the issue of a total of 3,000,000 options to the executive directors at the next annual general meeting. This matter has been deferred.

2. EXPLORATION AND FEASIBILITY STUDIES

Universal has granted mining tenements and applications for mining tenements in the major basemetal provinces of the Mt Isa region in Queensland and the Lachlan Fold Belt in NSW (Figure 1).

Exploration and feasibility studies at the Roseby Copper Project in the Mt Isa Inlier continued during the quarter with a high level of activity, resulting in the completion of Stage 1 of the feasibility study.

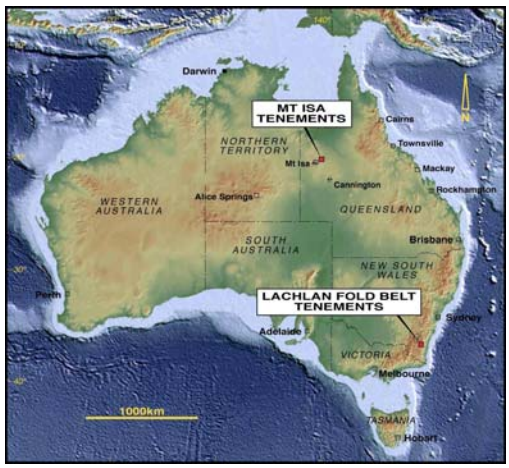

Figure 1. Universal's Project Locations

2.1 ROSEBY COPPER PROJECT (Universal 100% Interest)

2.1.1 INTRODUCTION

Universal holds granted mining tenements and applications for tenements in the Mt Isa Inlier of Queensland totalling 3,500 sq km, including over 1,100 sq km constituting the Roseby Copper Project (Figure 2).

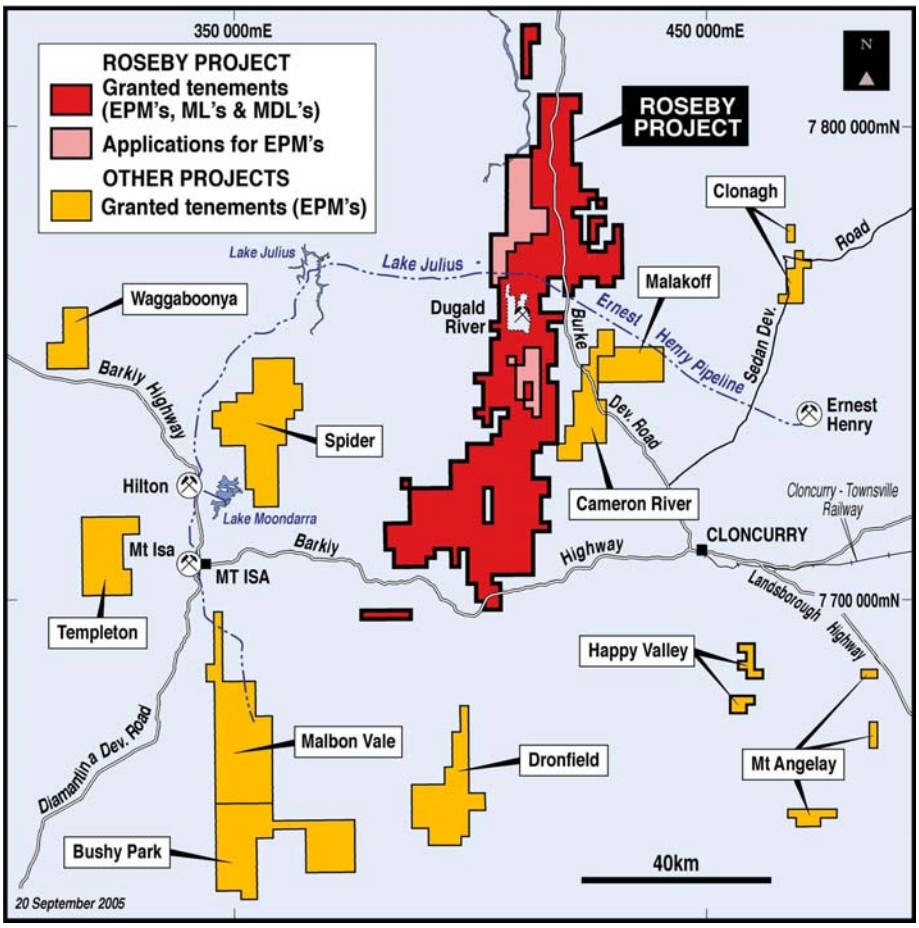

Figure 2. Mt Isa Region: Universal Projects and regional Infrastructure

Roseby is located approximately 90km NE from Mt Isa and 65km NW from Cloncurry. The project area is serviced by bitumen roads from Townsville, on the Queensland east coast, Kurumba, on the north coast, Cloncurry and Mt Isa. There is a rail link from Townsville to Cloncurry and the water pipeline from Lake Julius to Ernest Henry runs past the two largest deposits, Little Eva and Blackard (Figures 2 and 3).

2.1.2 ROSEBY RESOURCES (As at December 2004)

Combined oxide and sulphide resources at Roseby (all categories) total **123.9 million tonnes at 0.72% copper and 0.06 gpt gold containing 888,000 tonnes of copper and 241,000 ounces of gold.** These resources are contained within twelve deposits (Figure 3), consisting of:

- Five (mainly) sulphide copper-gold deposits at Little Eva, Bedford North, Bedford South, Lady Clayre Zone A and Lady Clayre Zone F, with total Inferred Resources, at a 0.5% cut-off grade, of **36.5 million tonnes at 0.86% copper and 0.21 gpt gold;** and

- Seven oxide/native copper deposits (Blackard, Scanlan, Great Southern, Longamundi, Legend, Charlie Brown and Caroline) with total resources of **87.4 million tonnes at 0.66% copper** in all resource categories.

Details of these resources are provided in Table 1 below.

Table 1. Roseby Resources as at December 2004

DEPOSIT	COG Copper (%)	TONNES (M)	GRADE		ESTIMATION
			Copper (%)	Gold (gpt)	
Blackard	0.3	39.6	0.64	-	MS, 2000 (1)
Scanlan	0.3	24.8	0.60	-	MS. 2000 (1)
Legend	0.3	6.2	0.59	-	MS, 2000 (1)
Longamundi	0.5	5.1	0.81	-	Leahy, 2003 (2)
Great Southern	0.5	3.7	0.78	-	Leahy, 2003 (2)
Charlie Brown	0.5	4.0	0.80	-	Waltho, 1999 (3)
Caroline	0.5	4.0	0.80	-	Waltho, 1999 (3)
Little Eva	0.3	30.0	0.80	0.15	MS, 2004 (4)
Bedford	0.5	2.0	1.23	0.33	LR, 2004 (5)
Lady Clayre	0.5	4.5	1.12	0.52	LR, 2004 (5)
Total Indicated	0.5	8.8	0.80	-	
Total Inferred*	0.3 and 0.5	115.1	0.71	0.07	
TOTAL		**123.9**	**0.72**	**0.06**	

Notes: 1. McDonald Speijers, 2000. Inferred category at the time of estimation, due to inability to fully validate the drilling database. A revised resource will be estimated in October 2005 on the basis of a fully validated database and including further drilling since 2002.

2. Computer Aided Geosciences (Leahy), 2003. Indicated category.

3. A Waltho, 1999. Inferred category.

4. McDonald Speijers, 2004. Inferred category. An updated resource estimate will be undertaken in October, based on a fully validated database, including all drilling to date.

5. L Reisgys, 2004. Inferred category.

New resource estimates are currently being undertaken by the company's resource consultants (MacDonald Speijers) and will be reported when received, around mid-November.

Drilling in 2005 has concentrated on infilling previous drill patterns at Little Eva, Blackard and Scanlan (the three largest deposits) to upgrade resources from largely indicated and inferred categories to largely measured and indicated categories for bankable reserve estimates. In addition to this upgrade, an overall modest increase in total resources is expected to result from the recent drilling.

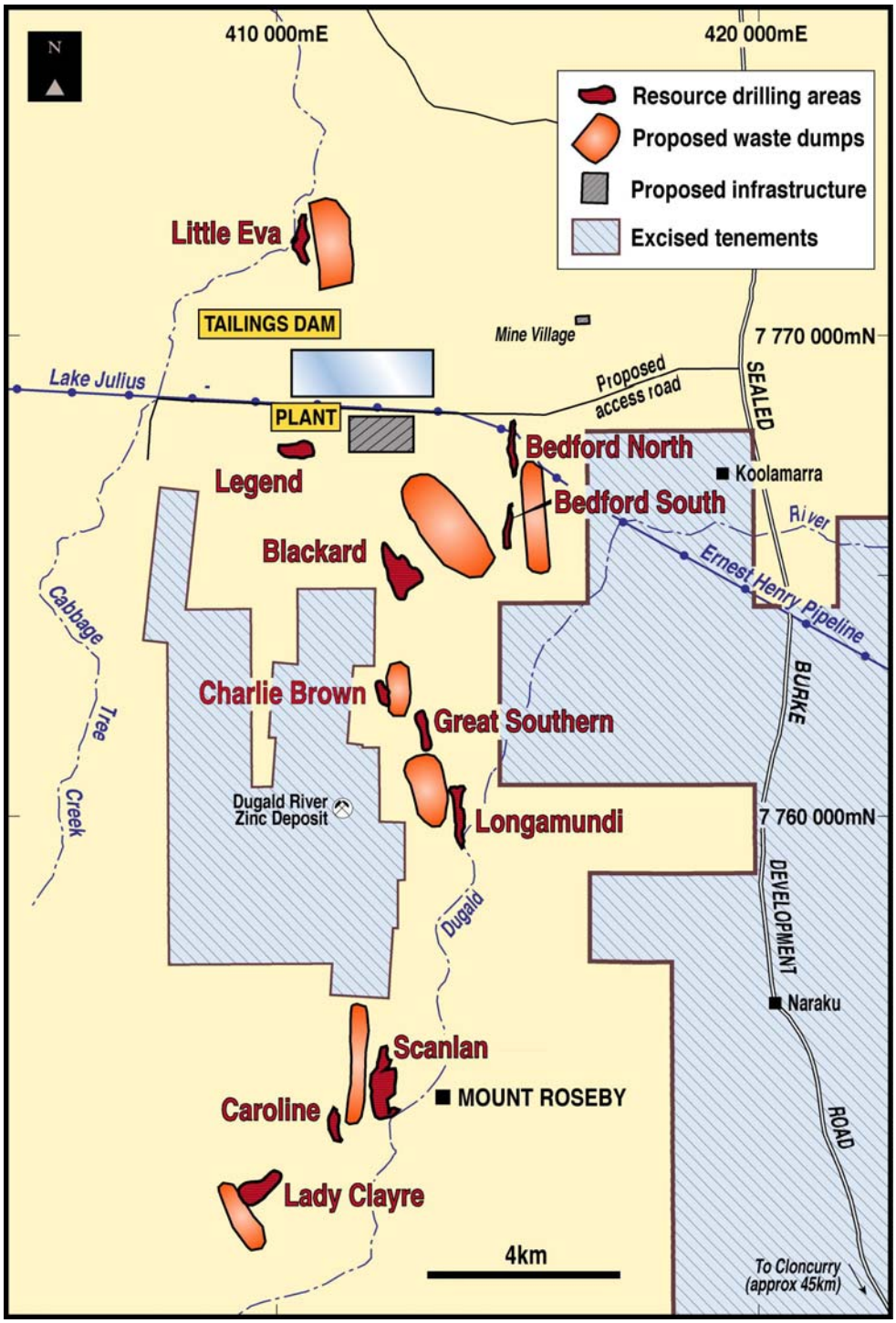

Figure 3. Roseby Project Area with Copper Deposits

2.1.3 WORK COMPLETED

A feasibility study to investigate the economics of establishing a combined oxide and sulphide mining and treatment operation at Roseby with a throughput of 8 Mtpa is in progress. Stage 1 of the study has been completed and results reported below.

The following exploration and feasibility work was undertaken during the quarter.

Drilling

Table 2 details drilling undertaken during the quarter as part of the program to upgrade the key Roseby resources for the feasibility study.

Table 2. Roseby Copper Project: Drilling completed during the September 2005 Quarter

DEPOSIT	HOLE NO'S	RC Percussion*		Diamond Core		TOTAL	
		No of Holes	Metres	No of Holes	Metres	No of Holes	Metres
LITTLE EVA	LE 254-336	83	11,573	5	356	83	11,929
BLACKARD	BC 455-484	30	2,196	9	1,383	30	3,579
SCANLAN	SC 138-171	34	3,367	4	686	38	4,053
BEDFORD	BF 091	0	0	1	139	1	139
TOTAL		**147**	**17,136**	**19**	**2,564**	**152**	**19,700**

** includes pre-collars for diamond core tails*

Drilling within the Roseby deposits now totals approximately 136,000 metres of diamond core and RC percussion drilling.

Metallurgy

Considerable metallurgical testwork was undertaken on the Little Eva sulphide mineralisation and Blackard native copper mineralisation. Lesser work was undertaken on the Bedford and Scanlan deposits. Work, which was undertaken on composites of 100% sulphides, 100% oxides and various blends of sulphide and oxide mineralisation, included crushing and abrasion tests, Bond work index determinations, mineral specific gravity and bulk density determinations, gravity separation tests, rougher and cleaner flotation tests.

Other Feasibility Activities

In addition to the drilling and metallurgical work referred to above, the following feasibility-related work was undertaken and is ongoing.

- Environmental monitoring and assessment.
- Preliminary geotechnical assessment of old and recent drill core.
- Site investigations.
- Hydrological studies including water sampling and piezometer readings.
- Discussions with potential suppliers of infrastructure and services.
- Preparation of a draft Right to Negotiate agreement for discussion with the Kalkadoon Native Title Claimants.
- Initiated discussions on land compensation.

2.1.4 RESULTS

DRILLING

Little Eva

Little Eva is the largest of the hydrothermal copper-gold deposits located so-far at Roseby, with an Inferred Resource of **30 million tonnes at 0.8% copper and 0.15gpt gold** (at a 0.3% copper cut-off grade). The deposit is divided into three structurally distinct zones: Northern, Central and Southern (Figure 4), with the current resources confined to the Northern and Central Zones only.

A program of infill drilling has continued during the quarter, focussing within the Northern and Central Zones of mineralisation to increase the status of resources from Inferred to the Measured and Indicated categories.

A total of 8,859m, including six core holes for 923m, were drilled to collect geological and geotechnical information for mine planning and to provide core for metallurgical purposes.

Results to-date have been most encouraging, with previous interpretations of the geology and geometry of the deposits confirmed. Grades of intersections are also consistent with earlier drilling.

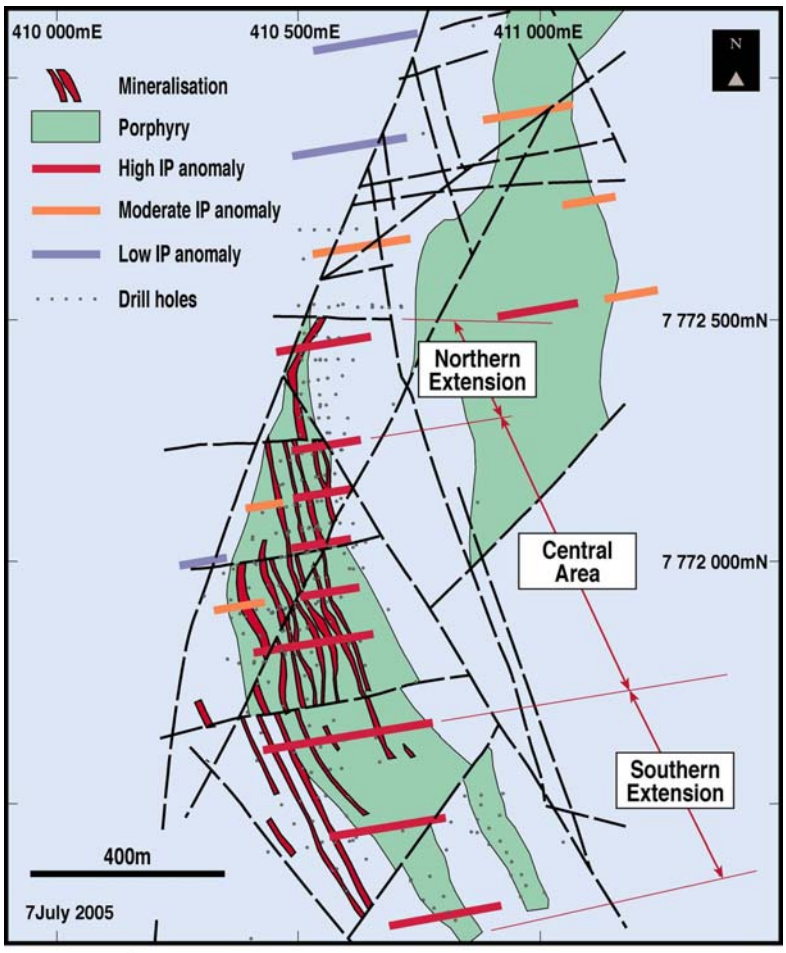

Figure 4. Little Eva Geology and Drilling

Blackard

The Blackard deposit is the largest of the stratabound copper deposits at **39.6 million tonnes grading 0.64% copper.** It consists predominantly of native copper with minor malachite and chalcocite in the zone from surface to between 100 and 250m vertical depth. Below this zone, the deposit passes into primary copper minerals of bornite and chalcopyrite.

The deposit is around 2,000m long and up to 400m wide.

A total of 7,666m of infill drilling was completed during the quarter to increase the Measured component of the resource (Figure 5).

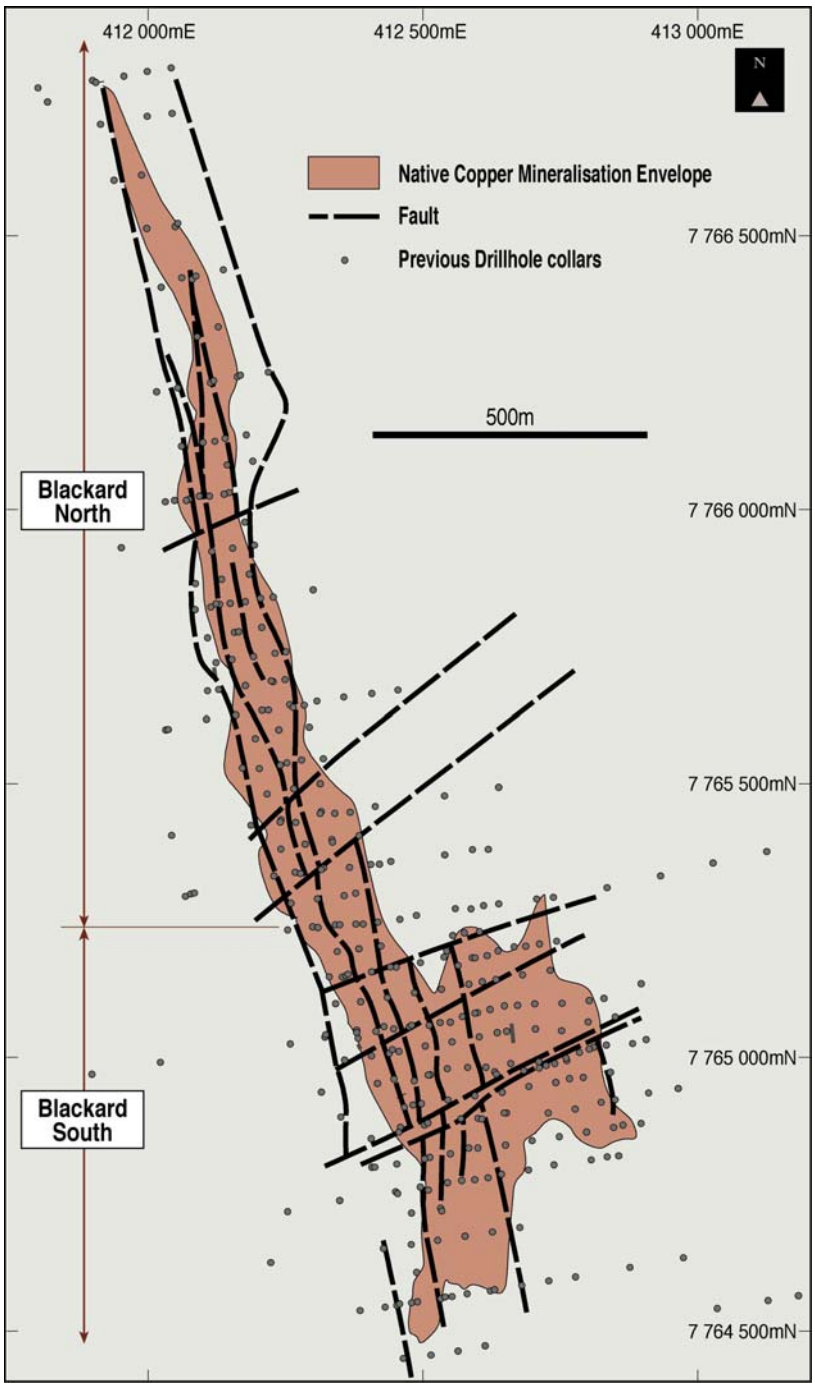

Figure 5. Blackard: Deposit Outline and Drilling

Drilling completed to-date has confirmed the geological interpretation and the grade and continuity of the deposit (Figure 6).

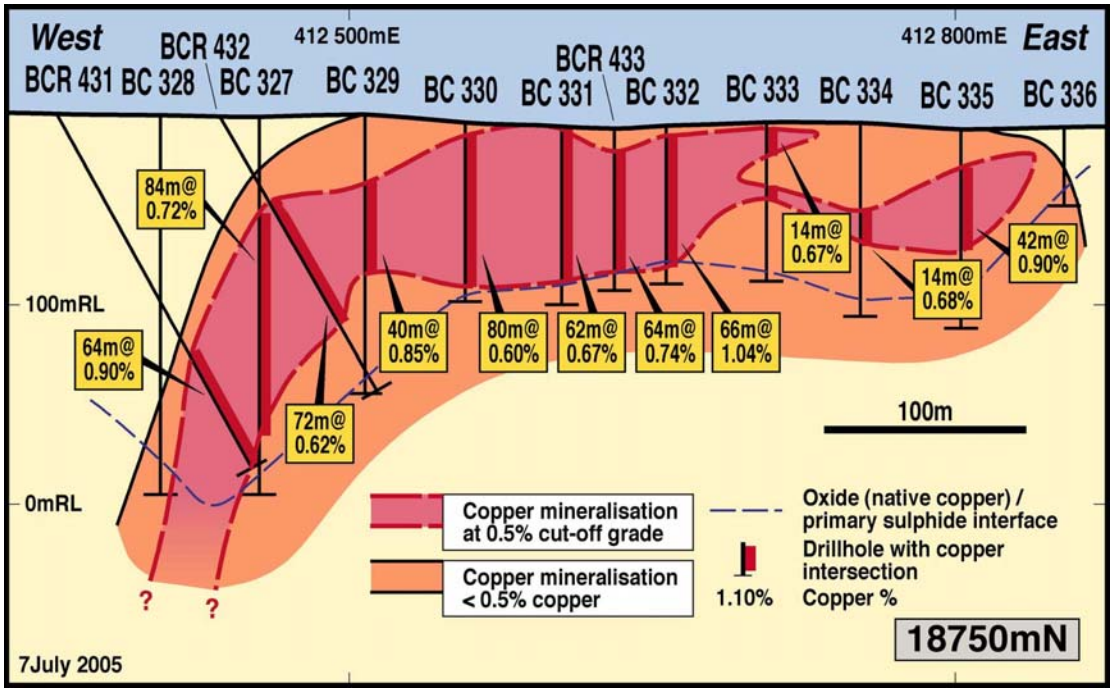

Figure 6. Blackard Deposit: Cross Section 18,750N

Scanlan

The Scanlan deposit, located approximately 10km south from Blackard, is around 1,500 metres long and has a current **Inferred Resource of 24.8 million tonnes grading 0.60% copper** making it the second largest native copper deposit, after Blackard.

The deposit consists mainly of native copper within scapolite-biotite schist and is oxidised and altered to vertical depths of up to 200 metres. Fifteen RC holes for 1,517m were drilled to infill the current Indicated Resource. Results received to-date tend to confirm the overall distribution of native copper mineralisation previously defined by very wide spaced drilling.

METALLURGY

A large number of metallurgical tests have now been completed (by CRA Exploration, Bolnisi Gold and Universal) on each of the Little Eva, Blackard and Lady Clayre deposits. A limited number of tests have also been undertaken on the Bedford, Legend, Scanlan and Longamundi deposits.

On the basis of this work, the Company's metallurgical consultants (NeoProTec Pty Ltd) recommend the following parameters be used in designing a process flow sheet:

PARAMETER	STRATABOUND DEPOSITS	HYDROTHERMAL DEPOSITS
Bond work index (kWhr/t)	5	20
Abrasion index	0.018	0.243
Copper recovery	66%	96.5%
Gold recovery	45%	90%
Concentrate copper grade	55%	30%
Grind size (microns)	250	250

Metallurgical recovery, using standard flotation concentration does not appear to be significantly affected by grind size up to 250 microns for the Blackard native copper mineralisation and to at least 300 microns for the Little Eva sulphides.

Work has indicated the viability of treating the sulphide and oxide (native copper) mineralisation as a single, blended stream. This has considerable capital and operating cost benefits.

Further work will include variability testing throughout the major deposits and sighter tests for subsidiary deposits**.**

FEASIBILITY STAGE 1 RESULTS

Flow Sheet

Based upon the testwork undertaken to-date, it is proposed that a treatment facility be designed to treat a total of 8 million tonnes per annum (Mtpa), consisting of 5Mtpa of soft stratabound (native copper) mineralisation blended with 3Mtpa of harder sulphide mineralisation and treated through a very simple, single stream process as shown in the diagram below (Figure 7).

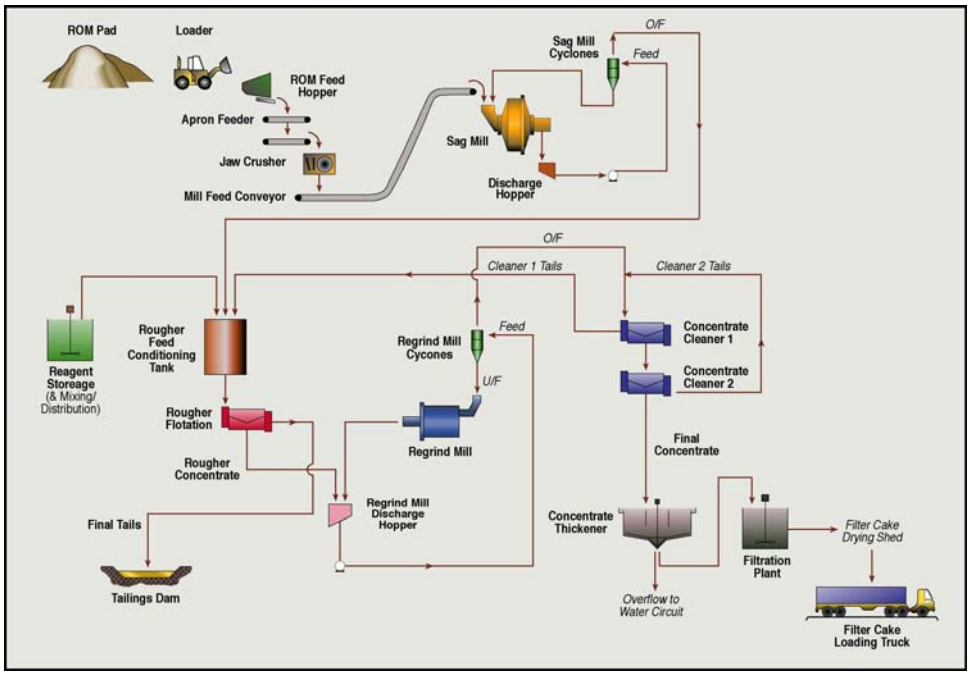

Figure 7. Roseby Project: Proposed flow sheet.

The proposed 8Mtpa combined flow sheet provides significant economies of scale and synergistic benefits in the crushing, grinding and flotation circuits by treating the soft and harder ores together

Mining

It is proposed that mining will be by standard open pit methods using 350 tonne excavators and 180 tonne dump trucks.

Minimal drill and blast will be required for the soft, free digging, native copper ores whilst the more competent sulphide copper-gold ores will require drill and blast from surface.

Waste material will be dumped alongside the relevant pits. It is currently proposed that ore-grade material will be transported to the central treatment plant by trucks, although the final stage of the feasibility study will also assess the economics of using overland conveyors to transport ore from pit to plant.

Average waste to ore ratios are estimated to be less than 2:1.

Approximately 20m of soft clay altered schist overburden will be removed from the Blackard deposit and used for tailings dam construction. Most other deposits either outcrop or are partially covered by clay or alluvium.

Mine schedules have not been accurately determined. However, a degree of optimisation of mine schedules has been assumed by Universal and incorporated in the financial models.

The proportions of the resources which might be extractable by open pit mining have been estimated from pit optimisation studies undertaken by Mining Solutions Consultancy based on block model resource estimates of McDonald Speijers. In optimising the pits, MSC utilised the treatment and administration cost estimates of Lycopodium and its own estimates of mining costs. In constructing its financial model, Universal has assumed a 20% increase in the potentially extractable tonnage at Little Eva in recognition of drilling undertaken in 2005 and not yet incorporated into the resource model. Such estimates can not currently be reported as Ore Reserves as defined by the JORC Code.

Capital Costs

Based upon the flowsheet described above, Lycopodium Engineering have prepared preliminary cost estimates for the operation, based upon all equipment being purchased new and excluding working capital and deferred capital, of $238M, made up as follows:

	A$M
Site establishment	18
Process plant	98
Infrastructure	55
Owner’s costs	12
EPCM	25
Contingencies	30

It is anticipated that plant optimisation during the final stage of the detailed feasibility study could result in a reduction of the capital cost estimate. It is also the company's intention to utilise refurbished equipment where appropriate, further reducing the capital costs.

Operating Costs

Treatment, management and general costs have been estimated by Lycopodium Engineering and preliminary mining costs have been estimated by Mining Solutions Consultancy.

Average site costs over the life of mine are estimated at $6.03/tonne of ore for mining and $4.88/t for treatment and administration costs, making a total site cost of $10.91 per tonne. Off-site costs (royalties, concentrate transport and processing etc) are estimated at $5.21 per tonne of ore milled.

Assumptions in financial model

Financial assessment of the project, based on an estimated 9 years mine life, has been undertaken by Universal on the basis of two different metal pricing assumptions:

i. Using a copper price and exchange rate based on rates supplied by a selection of financial institutions that have expressed interest in funding the Roseby Project.

ii. Using the current metal prices and exchange rate.

A projected long term treatment charge of US$80 per tonne of concentrates and refining charge of US$0.09 per pound of payable copper have been used in all models.

The results are summarised in Table 3.

Upside potential

The Roseby Project has considerable up-side potential related to:

- Potential increases in resources (both as to tonnes and grades) and therefore mine life through future exploration success, both from Universal's own exploration within the larger Roseby Project area and in the Mt Isa area generally, and through the exploration activities of Xstrata Copper pursuant to the Sulphide Exploration Extension Project (SEEP).
- Potential improvements in copper recovery of the native copper deposits, from the current 66% to a possible 70%, and from the potential to recover some or all of the copper locked in the crystal structure of biotite. It is estimated that about 20,000 tonnes of copper, valued at approximately $80 million, will be lost to the tailings dam each year of the operation due to the refractory nature of the copper present in biotite.
- Reduction in capital costs if the current mining boom eases, thereby reducing the pressures on equipment and service providers and the costs of labour.
- Reduction in capital costs through the purchase of refurbished plant and equipment.
- Reductions in operating costs if fuel costs retreat from the current high price levels.

Risks

There are several risks associated with the project, the most important of which include:

- Higher than budgeted costs reflecting the impact of the current mining boom.
- Sustained increases in fuel costs.
- Lower than forecast resource grades and or metallurgical recovery.
- Lower than forecast metal prices in Australian dollar terms.
- Higher than anticipated TC/RC's

Table 3. Roseby Copper Project financial assessment (average/total over life of mine)

FACTOR	CURRENT PRICE MODEL	UNIVERSAL MODEL
Copper price (US$/lb)	$1.70	**$1.25 to $1.00 (average $1.08)**
Gold price (US$/oz)	$465	**$420**
Exchange rate (A$1=US$)	$0.76	**$0.68**
Copper price (A$/tonne)	$4931	**$3512**
Gold price (A$/g)	$19.67	**$19.86**
Treatment charge (US$/tonne)	$80	**$80**
Refining charge (US$/lb of copper)	$0.09	**$0.09**
Total cash operating surplus (A$)	$1,074M	**$471M**
Payback period	2.2 years	**4.5years**
NPV at 10% discount (A$)	$403M	**$56.3M**
IRR	47%	**16.4%**

The company has taken what it believes is a realistic to conservative approach to its pricing assumptions. It is believed that the resource base has a relatively low risk of underperformance. It is also the company's opinion that the process route adopted is both simple and well proven and therefore low risk. Further metallurgical testwork will be undertaken before finalising the process flow sheet, thus increasing the level of confidence in achieving the metallurgical performance criteria.

Conclusions

Stage 1 of the study to assess the economic and technical feasibility of the Roseby Copper Project indicates that the project is both technically and economically viable. In particular, the project:

- Has low operating technical risk, utilising simple, well proven technology for both mining and treatment processes;
- Has a low risk of resource failure and is relatively insensitive to loss of reserve tonnes;

- Is most sensitive to changes in revenue (copper grade, copper price, exchange rate and copper recovery);
- Is sensitive to changes in capital costs.

The current assessment justifies proceeding with the final stage of the feasibility study.

2.2 ROSEBY SEEP

As part of the Strategic Alliance between Xstrata Copper and Universal Resources, Universal has agreed to undertake a $2.2 million exploration program, termed the Sulphide Extension Exploration Program (SEEP), to evaluate;

- Sulphide copper mineralisation associated with the native copper deposits between Legend and Caroline (Figure 3);
- The zone of potential mineralisation between Legend and Little Eva; and
- A deep magnetic anomaly located approximately 3 km NW from Little Eva.

Exploration is being managed and operated by Xstrata Copper on behalf of Universal and must be completed by December 2006.

Induced polarisation (IP) geophysical surveying commenced in July and a number of anomalies have been generated. A 6-8 hole diamond drilling program commenced in September to evaluate several anomalies associated with the Blackard native copper deposit (Figure 8).

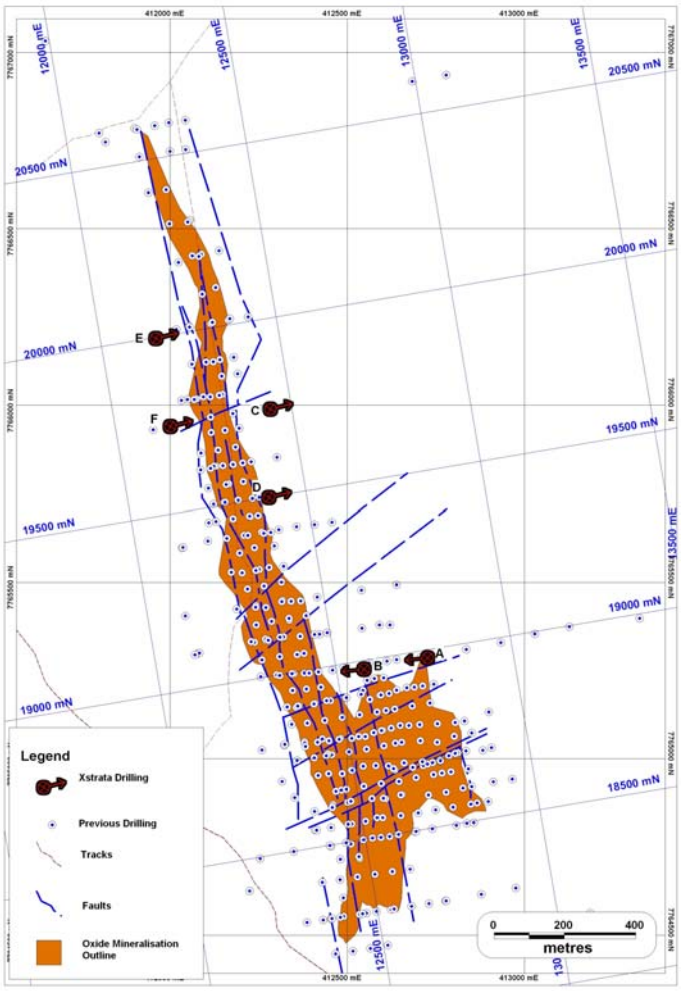

Figure 8. Blackard Deposit: SEEP drilling

Results of the drilling program will be announced when received. Assays, geological core logs and down-hole geophysics will be utilised to calibrate the IP anomalies prior to drill testing further anomalies during the 2006 field season.

2.3 CAMERON RIVER AND HAPPY VALLEY *(Universal 100% interest)*

No field work was undertaken on these Queensland tenements during the quarter.

2.4 NSW PROJECTS (Universal 90% interest)

No field work was undertaken at Burra or Collector during the quarter.

2.5 EXPLORATION EXPENDITURE

September 2005 quarter exploration and feasibility related expenditure was $3.7

Exploration and feasibility related expenditure during the December 2005 quarter is expected to be approximately $1.7 million.

Cash at 30 September 2005 was $3.5 million.

P. A. J. Ingram, BSc, FAusIMM, MGSA, FAICD
Chairman and Managing Director

Information in this report that relates to exploration and feasibility results has been compiled by persons who are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the activity which they are reporting on as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Each person consents to the inclusion in the report of the matters based on the information compiled by them, in the form and context in which it appears. The Competent Persons are:

1. Resource:	*Leon Reisgys, an employee of Universal Resources.*	
	Diederik Speijers, McDonald Speijers	
2. Metallurgy:	*Darryl Butcher, NeoProTec Pty Ltd*	*Consultants to Universal*
3. Mining:	*Tamar Dincer, Mining Solutions Consultancy*	

Engineering information and plant costs have been prepared by Lycopodium Engineering Pty Ltd. (under the direction of Mike Warren), Consultants to Universal Resources.

+1Rule 5.3

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

UNIVERSAL RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
35 090 468 018	30 September 2005

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (twelve months) $A'000
1.1	Receipts from product sales and related debtors	0	0
1.2	Payments for (a) exploration and evaluation	(3,696)	(3,696)
	(b) development		
	(c) production		
	(d) administration	(134)	(134)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	109	109
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (GST)	16	16
	Net Operating Cash Flows	(3,705)	(3,705)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(126)	(126)
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	(126)	(126)
1.13	Total operating and investing cash flows (carried forward)	(3,831)	(3,831)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,831)	(3,831)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Cost of Issue)		
	Net financing cash flows	**0**	**0**
	Net increase (decrease) in cash held	**(3,831)**	**(3,831)**
1.20	Cash at beginning of quarter/year to date	7,286	7,286
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	**3,455**	**3,455**

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	92
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salaries 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

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

N/A

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	N/A	

+ See chapter 19 for defined terms.

3.2	Credit standby arrangements	N/A	

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	$1,700
4.2	Development	
	Total	**$1,700**

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	3,455	7,286
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	3,455	7,286

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	EPM 14365	Titleholder	0%	100%
		EPM 14545	Titleholder	0%	100%
		EPM 14556	Titleholder	0%	100%
		EPM 14362	Titleholder	0%	100%
		EPM 14364	Titleholder	0%	100%
		EPM 14368	Titleholder	0%	100%
		EPM 14367	Titleholder	0%	100%
		EPM 14370	Titleholder	0%	100%
		EPM 14366	Titleholder	0%	100%
		EPM 14562	Titleholder	0%	100%
		EPM 14369	Titleholder	0%	100%

+ See chapter 19 for defined terms.

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)*			N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	227,354,606	227,354,606	N/A	N/A
7.4	Changes during quarter (a) Increases through issues	136,000	136,000	20 cents	20 cents
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	3,825,000	-	*Exercise price* 15cents	*Expiry date* 14 September 2010
7.8	Issued during quarter	3,825,000		15cents	14 September 2010
7.9	Exercised during quarter	136,000		20cents	10 July 2005
7.10	Expired during quarter	29,220,789	29,220,789	20cents	10 July 2005
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 October 2005
(Company Secretary)

Print name: DESMOND KELLY .....

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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