

31<sup>st</sup> July 2007

Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**QUARTERLY ACTIVITIES REPORT  
FOR THE PERIOD ENDED 30 JUNE 2007**

**HIGHLIGHTS**

- Proposals received from third parties in regards to the Exclusive Prospecting Licenses 2699 and 2700 on the Skeleton Coast.
- Report on Ground Radiometric Survey for Badja E59/1249 by Southern Geoscience Consultants.
- MMI Uranium Target in area 4 has an MMI Uranium anomaly area in excess of 4km<sup>2</sup>, open to the east.
- The MMI Uranium Target in area 3 has a MMI Uranium anomaly area in excess of 1km<sup>2</sup>, open to the south – the two may eventually be found to coalesce.
- Report from MMI Technology for the Mobile Metal Ion soil geochemistry programme at Badja, covering anomalous airborne radiometric targets.

**SKELETON COAST DIAMOND AND HEAVY MINERAL SAND PROJECT –  
NAMIBIA EPLS 2699 – 2700 (100%)**

With the release of the resource estimate in the previous Quarterly Activities Report by Snowden Mining Industry Consultants Pty Ltd on the Skeleton Coast Mineral Sand Project, the company is now considering its options.

Magna Mining NL has been approached by third parties expressing an interest in the Exclusive Prospecting Licenses 2699 and 2700.

Application to extend the tenure for the project has been lodged with the Ministry of Mines and Energy (MME) in accordance with the Namibian Minerals (Prospecting and Mining) Act. The grant is subject to the Minister for Mines and Energy's sole ministerial discretion for approval and the Company awaits advice on the granting of an extension to the relevant licenses.

### **ERONGO POLYMETALLIC PROJECT – NAMIBIA – EPLS 2806, 2807, 2808 AND 2811 (100%)**

During the last quarter three Exclusive Prospecting Licenses were relinquished (EPLs 2805, 2809 and 2810).

Application to retain the tenure for the project has been lodged with the Ministry of Mines and Energy (MME) in accordance with the Namibian Minerals (Prospecting and Mining) Act. These applications are subject to the Minister for Mines and Energy's ministerial discretion for approval.

### **BADJA URANIUM PROJECT – WESTERN AUSTRALIA E59/1249 (100%)**

The Badja Project area covers a potential uranium drainage channel approximately 30 km in length. It has been interpreted from an airborne radiometric survey sourced from Geoscience Australia as the Cue-Kirkalocka survey of 2004 (Survey P1060). This shows an elevated, coherent uranium response, with four areas of elevated responses covered by E59/1249. In March 2007, ground radiometric and MMI soil sampling surveys were conducted to test the four anomalous areas. The ground spectrometer survey measurements, were taken at 50m intervals along north-south lines 400m apart and MMI soil sampling at 400m spacings along the north south lines.

Southern Geoscience Consultants were contracted to evaluate the ground radiometric survey. The report states that the ground radiometric survey confirms the location of airborne radiometric responses and that the areal extent of elevated uranium levels is similar to the Yeelirrie deposit, the world's largest calcrete associated uranium deposit.

MMI Technology was contracted to employ their Mobile Metal Ion technique (MMI) for analysis of soil samples taken from the four defined radiometric anomalies (Targets 1, 2, 3 & 4). Of the four targeted areas, Targets 3 & 4 show the greatest soil anomalies and potential for uranium. Target area 3 has a uranium anomaly open to the south and Target 4 anomaly open to the east. Target area 4 has the highest MMI uranium soil anomalies up to 2300ppb, with a large area (4Km<sup>2</sup>) of coherent open


uranium soil anomalies above 1000ppb. Target area 3 has a similarly anomalous area in excess of 1km<sup>2</sup> and is open to the south. These two target areas may coalesce with further testing.

To further test these anomalous targets a reconnaissance drilling program has been planned and is scheduled to commence soon.

### **PROJECT GENERATION**

The Company continues to evaluate and consider new business opportunities in Australia and South-West Africa.

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. R. Gardner', with a stylized flourish at the end.

Mr Kim R Gardner  
Director

*This report accurately reflects information compiled by Mr Phil Mattinson , a geological contractor to the Company, who 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Mr Mattinson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*