



**KALGOORLIE-BOULDER  
RESOURCES LTD**

ABN 48 106 732 487

**ACTIVITIES REPORT  
FOR THE QUARTER ENDED 30th JUNE 2008**

**HIGHLIGHTS – JUNE QUARTER**

- Positive Scoping study confirms economic viability of Norseman Project
- Potential gold mineralisation identified in new areas within the project area
- Purchase of Prospecting lease, consolidates high grade gold target area
- Diamond drilling at Clinker Hill shows Magmatic Nickel sulphide occurrences

## INTRODUCTION

Kalgoorlie-Boulder Resources Ltd (ASX: KAL and KALO) (the “Company” or “KBRL”) is pleased to report its production and exploration activities report for the quarter ended 30 June 2008.

## NORSEMAN GOLD PROJECT

### Scoping Study

During the March quarter the Company undertook a Scoping study to provide the framework for development of the Norseman project.

The results of the study confirm solid economic returns from a **1.8** million tonnes per annum open cut gold mining and milling operation, onsite at Norseman. Production is capable of commencing in 2010, producing an average of approximately **100,000** ounces per annum for seven years.

The Project is forecast to generate a net project cash flow of **A\$143** million over a 7 year period after allowing for an initial capital cost of **A\$75** million (at A\$990/oz). The Company expects a capital payback period of 32 months, before taxation considerations.

Based on these results, KBRL has been able to identify two significant steps to further develop the resources at Norseman.

1. The primary focus should be to elevate both the grade and tonnage of the project's resource to de-risk the project and improve profit margins.
2. The secondary focus will be to conduct a formal Pre-Feasibility study to further understand the project's elements.

The company has decided that to achieve the first step, the future exploration program should concentrate on high grade potential areas which have been uncovered through the recent VTEM survey. The exploration will target Norseman style reef systems, which have had an excellent production history in the local area.

### VTEM Survey

As mentioned, the company has conducted a VTEM survey over the Norseman project area in the March Quarter. The results show that there are 16 new untested anomalies and the system has been able to pinpoint anomalies at the currently known orebodies at Mt Henry, North Scotia, Selene and Abbotshall, elevating the potential of the new anomalies. Further to this several known exploration targets have been also been identified through the exercise.

The VTEM anomalies will be tested in future exploration programs along with several other exploration targets indicated through geochemical anomalism.

### **Geochemical Survey Work**

In preparation for the future drilling program at Norseman KBRL has completed a soil sampling survey in the Lake Kirk area of the project.

This soil survey has been successful in identifying three distinct, previously unknown, soil anomalies that measure from 300 to 1000 metres long and have an intensity up to 20ppb Au (See map attached). The company is awaiting further results from this area.

These anomalies are in areas that have not had previous drilling but are along strike from the old Squib workings that have three drill holes grading 0.4m at 18.6 g/t, 1.1m at 11.5 g/t, 0.25m at 10.8g/t and 0.2m of 15g/t Au.

The Lake Kirk has been identified as a possible high grade gold target area within the Norseman project, for drill testing further into the year.

The exploration program for Norseman includes:

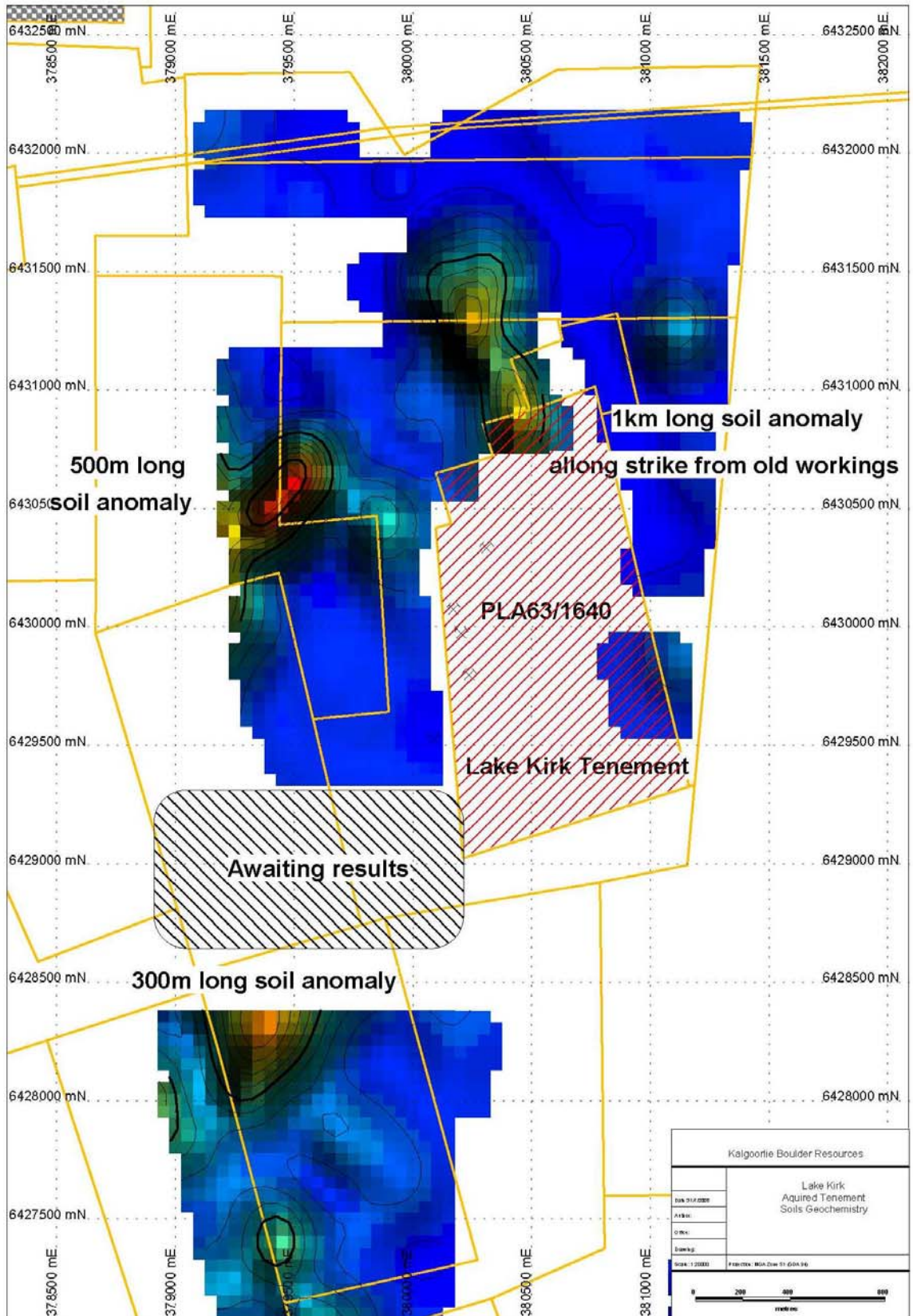
- Follow up the most likely previous VTEM targets with ground EM so they can be better defined and modelled for drill targeting.
- Complete soil sampling in the prospective Lake Kirk area.
- Drill the prospective Lake Kirk and VTEM targets.

### **Purchased Tenement**

A prospecting lease application PLA 63/1640 has been purchased to consolidate the Abbotshall lease area within the Norseman project.

This prospecting license area has extensive shallow underground workings covering the lease area, although no historic records can be found for the individual mines. As mentioned, historic previous diamond drilling has been conducted by CNGC in a joint venture, adjacent to the Squib workings. Records recovered from the Mines Department open files show ore grade intersections of 0.4m at 18.6 g/t, 0.2m at 15 g/t, 1.1m at 11.5 g/t and 0.25m at 10.8 g/t. All have been intersected in narrow quartz reefs, along a major shear zone.

This tenement will form part of the exploration targets, upon granting, where high grade mineralisation will be targeted to add to the resource inventory.



Plan showing location of recent Gold geochemical survey contours with new addition. Yellow lines are existing KBRL granted tenements. Pink shaded area is application and black shaded area is survey area where geochem results are still outstanding.

## CLINKER HILL NICKEL PROJECT

The company has completed an initial six hole diamond drilling program at its Clinker Hill Nickel project, totalling 896.4 metres. This drilling program was designed to target six distinct ground EM anomalies, which were proximal to the previously mapped basal contact zone.

The basal contact zone has been the focus of the company's exploration, where it was found that there was coincident Nickel, Copper, Cobalt and Platinum Group Elements in soil geochemistry surveys.

The drilling program has successfully demonstrated the prospectivity of the Clinker Hill Project. All holes were bored through cumulate textured ultramafic rocks, with five holes intersecting the basal contact of the ultramafic rocks. This stratigraphy is consistent with nickel sulphide mineralisation elsewhere in the region.

Magmatic nickel sulphides minerals have been observed in two of the drill holes above the basal contact (See photo plates 1 and 2).

The individual sulphide minerals were analysed by XRF and graded up to 3.3% Nickel over the vein of 4mm in width. While ore grade intersections have not been encountered, down-hole EM surveys will be commissioned to search for off-hole conductors that may represent further concentrations of nickel mineralisation.

The surface EM anomalies have not been completely explained in three other holes and down-hole EM also needs to be completed on those holes to re-target the next round of drilling.

Given the proven prospectivity of the project KBRL intends to:

- Complete down hole EM on 5 drill holes looking for off-hole conductors.
- Complete surface EM on 1 other known anomaly on the basal contact that has not been successfully modelled from previous SQUID survey.
- Commence surface EM in other prospective areas in the lease package that have previously demonstrated soil Ni, Cu, Co, PGE anomalies.



*Photo Plate 1: Nickel bearing sulphide vein from CDH05.*



*Photo Plate 2: Magmatic sulphide blebs in CDH03.*

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**For further information please contact:**

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*The information in this report that relates to Exploration Results is based on information compiled by Richard Breyley, who is a member of the Australasian Institute of Mining and Metallurgy. Richard Breyley is a full time employee of Kalgoorlie Boulder Resources. Richard Breyley has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and 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 Mineral Resources and Ore Reserves. Richard Breyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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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

**KALGOORLIE BOULDER RESOURCES LTD**

ABN

48 106 732 487

Quarter ended ("current quarter")

**30 June 2008**

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	-	3,123
1.2	Payments for		
	(a) exploration and evaluation	(806)	(1,721)
	(b) development	-	-
	(c) production	-	(1,618)
	(d) administration	(328)	(1,039)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	34	91
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	– Movement in working capital	-	(871)
	- Other	2	2
	<b>Net Operating Cash Flows</b>	<b>(1,098)</b>	<b>(2,033)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a)prospects	(10)	(10)
	(b)equity investments	-	-
	(c) other fixed assets	-	(11)
1.9	Proceeds from sale of:		
	(a)prospects	46	70
	(b)equity investments	121	121
	(c)other fixed assets	1	1
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – cash backed guarantees	-	(128)
	<b>Net investing cash flows</b>	<b>158</b>	<b>43</b>
1.13	Total operating and investing cash flows (carried forward)	(940)	(1,990)

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**Appendix 5B – Kalgoorlie Boulder Resources Ltd**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(940)	(1,990)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	2,500
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)		
	– Cost of capital raising	-	(488)
	<b>Net financing cash flows</b>	<b>-</b>	<b>2,012</b>
	<b>Net increase (decrease) in cash held</b>	<b>(940)</b>	<b>22</b>
1.20	Cash at beginning of quarter/year to date	1,968	1,006
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,028</b>	<b>1,028</b>

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

1.25 Explanation necessary for an understanding of the transactions

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**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
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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

N/A
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**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	105
4.2 Development/Production	-
<b>Total</b>	<b>105</b>

**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	1,028	1,968
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – fixed term deposit	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,028</b>	<b>1,968</b>

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**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	M24/472		100%	0%
	M63/545		100%	0%
	E63/489		100%	0%
	M63/350		100%	0%
	M63/373		100%	0%
	M63/390		100%	0%
	M63/391		100%	0%
	M63/409		100%	0%
	M63/410		100%	0%
	M63/519		100%	0%
	M63/544		100%	0%
	M63/555		100%	0%
	P63/1120		100%	0%
	P63/1121		100%	0%
	P63/712		100%	0%
	P63/752		100%	0%
	P63/753		100%	0%
	P63/754		100%	0%
	P63/762		100%	0%
	P63/774		100%	0%
	P63/775		100%	0%
	P63/776		100%	0%
	P63/777		100%	0%
	P63/778		100%	0%
	P63/779		100%	0%
	P63/780		100%	0%
	P63/781		100%	0%
	P63/783		100%	0%
	P63/784		100%	0%
	P63/787		100%	0%
	P63/788		100%	0%
	P63/812		100%	0%
	P63/849		100%	0%
	P63/850		100%	0%
	P63/852		100%	0%
	P63/853		100%	0%
	P63/855		100%	0%
	P63/856		100%	0%
	P63/857		100%	0%
	P63/858		100%	0%
P63/860		100%	0%	
P63/861		100%	0%	
P63/943		100%	0%	
P63/944		100%	0%	

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**Appendix 5B – Kalgoorlie Boulder Resources Ltd**  
**Mining exploration entity quarterly report**

6.2 Interests in mining  
tenements acquired or  
increased

M24/777	Granted	0%	100%
P63/1389	Granted	0%	100%
P63/1391	Granted	0%	100%
P63/1392	Granted	0%	100%
P63/1393	Granted	0%	100%
P63/1394	Granted	0%	100%
P63/1395	Granted	0%	100%
P63/1396	Granted	0%	100%
P63/1397	Granted	0%	100%
P63/1398	Granted	0%	100%
P63/1399	Granted	0%	100%
P63/1400	Granted	0%	100%
P63/1401	Granted	0%	100%
P63/1402	Granted	0%	100%
P63/1403	Granted	0%	100%
P63/1404	Granted	0%	100%
P63/1405	Granted	0%	100%
P63/1406	Granted	0%	100%
P63/1407	Granted	0%	100%
P63/1408	Granted	0%	100%
P63/1409	Granted	0%	100%
P63/1410	Granted	0%	100%
P63/1411	Granted	0%	100%
P63/1412	Granted	0%	100%
P63/1413	Granted	0%	100%
P63/1414	Granted	0%	100%
P63/1415	Granted	0%	100%
P63/1416	Granted	0%	100%
P63/1417	Granted	0%	100%
P63/1418	Granted	0%	100%
P63/1419	Granted	0%	100%
P63/1421	Granted	0%	100%
P63/1422	Granted	0%	100%
P63/1423	Granted	0%	100%
P63/1424	Granted	0%	100%
P63/1425	Granted	0%	100%
P63/1454	Granted	0%	100%
P63/1455	Granted	0%	100%
P63/1456	Granted	0%	100%
P63/1457	Granted	0%	100%
P63/1458	Granted	0%	100%
P63/1459	Granted	0%	100%
P63/1460	Granted	0%	100%
P63/1461	Granted	0%	100%
P63/1462	Granted	0%	100%
P63/1463	Granted	0%	100%
P63/1464	Granted	0%	100%
P63/1465	Granted	0%	100%
P63/1466	Granted	0%	100%
P63/1467	Granted	0%	100%

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**Appendix 5B – Kalgoorlie Boulder Resources Ltd**  
**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	174,780,277	126,280,277		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	12	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	51,555,472	51,555,472	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31 July 2008
	8,250,000	-	30 cents	31 July 2008
	2,250,000	-	40 cents	31 July 2008
	2,000,000	-	10 cents	5 December 2010
	2,000,000	-	20 cents	5 December 2010
	1,300,000	-	10 cents	5 December 2010
	1,300,000	-	20 cents	5 December 2010
	1,250,000	-	12.5 cents	16 April 2011
	1,250,000	-	15 cents	16 April 2011
	1,250,000	-	20 cents	16 April 2011
7.8 Issued during quarter	1,250,000	-	12.5 cents	16 April 2011
	1,250,000	-	15 cents	16 April 2011
	1,250,000	-	20 cents	16 April 2011
7.9 Exercised during quarter				

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**Appendix 5B – Kalgoorlie Boulder Resources Ltd**  
**Mining exploration entity quarterly report**

7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

**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 ~~/does not\*~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 July 2008  
(~~Director~~/Company secretary)

Print name: Andrew Chapman (Company Secretary)

**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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