



**KALGOORLIE-BOULDER  
RESOURCES LTD**

ABN 48 106 732 487

**ACTIVITIES REPORT  
FOR THE QUARTER ENDED 30 JUNE 2007**

**HIGHLIGHTS**

- ***Continued exploration and development of the 1.23 Moz Norseman Gold Project***
- ***Strengthened balance sheet following receipt of \$1.795 million from sale of uranium assets and Siberia Project***
- ***Positive initial drilling results from Norseman Gold Project***
- ***Mining completed at Jackpot Gold Mine***
- ***Nickel sulphide potential confirmed at Clinker Hill Nickel Project***

Kalgoorlie-Boulder Resources Limited (the "Company") today announced its report for the June quarter.

During the quarter, the Company's restructured Board completed a wide-ranging strategic review that resulted in the Company resolving to focus on its 100%-owned Norseman Gold Project in the prolific South Yilgarn Greenstone Belt of Western Australia.

"We are extremely pleased with the significant progress reported in the June quarter," Chairman Michael Atkins said.

"We completed our strategic review, strengthened our financial position following the sale of our uranium assets and began our exploration program at the Norseman Gold Project."

"The decision to focus on the Norseman Gold Project has already been vindicated by positive early stage drilling results and we look forward to reporting further progress at Norseman in the coming quarter."

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“The Board believes that with its healthy financial position, a new Board and a renewed strategic focus on the exciting Norseman and Clinker Hill Projects, the Company has a very bright future.”

**For further information please contact:**

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**INTRODUCTION**

Kalgoorlie-Boulder Resources Ltd (ASX: KAL and KALO) (the “Company” or “KBRL”) is pleased to present the following activities report for the three months ended 30 June 2007.

**NORSEMAN GOLD PROJECT**

Following a wide-ranging strategic review, the restructured Board of KBRL resolved that the Company’s strategic focus will be the exploration and development of its 100%-owned Norseman Gold Project.

The \$1.795 million raised from the sale of the Company’s uranium assets and Siberia Project together with the expected cash flow from the final milling of ore from the Jackpot Mine (see below) will be used to aggressively advance the Norseman Gold Project.

An indicative timetable of key milestones associated with the Norseman Gold Project for calendar year 2007 is:

<b>Event</b>	<b>Date</b>
First exploration drilling results	July 2007
Commence Norseman scoping study	Q3 2007
Further exploration drilling results	Second half 2007
Complete initial exploration drilling program	December 2007
Upgraded JORC resource statement	December 2007
Complete Norseman scoping study	December 2007

The Company intends to review the various development options once the initial drilling program and scoping study is complete.

During the quarter, the Company commenced an initial 10,000 metre drilling campaign at the Norseman Project. This drilling program will be completed during 2007. The objective of the program is to upgrade and increase the mineral resources at the Mt Henry, Selene and North Scotia deposits where there is currently a total inferred resource of 1.23 million ounces at a 0.7 g/t cutoff.

Encouraging results were received from this initial drilling in early July 2007. The results extend the continuity of gold mineralisation 150 metres along strike at the North Scotia deposit and in-fill the existing inferred resources at Mt Henry and Selene.

Some of the more significant intersections were:

<b>North Scotia</b>		
7SSC130	2m @ 9.15g/t	from 66 metres
7SSC132	2m @ 7.97g/t	from 6 metres
7SSC133	2m @ 21.3g/t	from 28 metres
7SSC134	3m @ 3.15g/t	from surface
<b>Selene</b>		
7SELC041	3m @ 2.31g/t	from 85 metres
<b>Mt Henry</b>		
7HENC116	3m @ 2.50g/t	from 103 metres

The data acquired from this drilling program will now be used to commence resource upgrade work at the Mt Henry deposit and allow further drill hole planning for the Selene and North Scotia deposits.

**CLINKER HILL NICKEL PROJECT**

The Company received positive results from a soil sampling program at its Clinker Hill nickel project after quarter end. The results show a significant 700ppm nickel anomaly that measures 900 metres by 100 metres in a possibly favourable embayment in the basal

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contact. The program has also identified a 400ppm nickel anomaly which extends 5 kilometres along the basal contact. Both anomalies are coincident with copper, PGE's (platinum group elements) and cobalt. The Company considers these results to be highly significant as they demonstrate the strong potential for nickel sulphide mineralisation at Clinker Hill.

The Clinker Hill Project is located in a favourable geological setting on the western margin of the Bulong Ultramafic complex. The historic gold mining centre of Bulong is to the north of the project, the Blair nickel mine is 10 kilometres to the west and the Carnilya Hill nickel mine is 20 kilometres to the south.

The next step in the systematic exploration of the Clinker Hill Project is to complete a geochemistry program to identify the extent of the nickel anomalism in the north west section of the project area. This program is expected to be completed in the September quarter. A program of geophysics will then be initiated to identify conductive sulphide bodies to assist with RC exploration drill targets on the project.

### SALE OF URANIUM ASSETS

During the quarter, the Company announced the restructure of the sale of its uranium assets to Burey Gold Ltd ("Burey Gold"). The sale was restructured such that the consideration received by the Company will consist of \$1.75 million in cash and two million Burey Gold shares (currently valued at \$500,000). The issue of the shares to the Company is subject to Burey Gold shareholder approval on 13 August 2007.

The Company has received the \$1.75 million cash consideration from Burey Gold. The funds realised from the sale of the uranium assets strengthened the Company's balance sheet whilst preserving potential valuation upside from these uranium assets through the retention of a meaningful shareholding in Burey Gold.

### SALE OF SIBERIA PROJECT

Late in the quarter, the Company sold its Siberia Project for \$45,000 (plus GST) plus a gold and nickel royalty to Halcyon Group. The sale of the Siberia Project is part of the Company's new strategic focus on the Norseman Gold Project.

### JACKPOT MINE

Mining at Jackpot was completed in July 2007 and ore stockpiled for treatment. The completion of mining activities frees up the Company's technical resources for the exploration and development of the Norseman Gold Project.

The following table summarises mining activities at the Jackpot Mine during the June quarter:

	Jun Q	Mar Q	Dec Q	Sep Q
<b>Mining</b>				
Total Bcm's	31,440	28,777	43,968	117,811
Waste Bcm's	26,633	25,627	38,145	112,050
Ore Bcm's	4,807	3,150	5,822	5,761
Ore tonnes	13,701	8,796	16,886	16,316
Ore grade (g/t)	3.40	2.24	1.95	1.85
<b>Milling</b>				
Total ore tonnes	-	-	-	23,909
Reconciled feed grade (g/t)	-	-	-	2.22
Recovered ounces	-	-	-	1,603
Recovery (%)	-	-	-	93.9

The ore stockpile is expected to be treated in August at Higginsville Mining's mill at Greenfields near Coolgardie. Mill production is expected to realise approximately 4,350 ounces for the Company.

Now that initial open pit mining at Jackpot has been completed, the Company is in a position to properly evaluate the deep higher grade inferred mineralisation at the Jackpot Gold Project for a possible larger scale open pit or underground operation.

#### **CORPORATE**

The Company is now in a healthy financial position with approximately \$1 million in cash at 30 June 2007. In addition, the Company expects to receive net cash proceeds from the final milling of ore from the Jackpot Mine of approximately \$1.3 million (after treatment costs) this quarter.

With this strengthened financial position, a new Board and a renewed strategic focus on the exciting Norseman (gold) and Clinker Hill (nickel) Projects, the Company looks forward to a bright future.

#### **NEXT QUARTER ACTIVITIES**

- Commence Norseman scoping study
- Advance Norseman Project exploration and drilling

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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 LIMITED**

ABN

48 106 732 487

Quarter ended ("current quarter")

**30 June 2007**

#### Consolidated statement of cash flows

	Current quarter	Year to date (12 months)
	SA'000	SA'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	1,292
1.2 Payments for		
(a) exploration and evaluation	(319)	(608)
(b) development	-	-
(c) production	(557)	(2,873)
(d) administration	(305)	(921)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	35
1.5 Interest and other costs of finance paid	(60)	(117)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
– Option fee received	-	50
– Movement in working capital	(155)	766
<b>Net Operating Cash Flows</b>	<b>(1,392)</b>	<b>(2,376)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	(18)
(a.1)oil & gas leases	-	(997)
(b)equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of:		
(a)prospects	1,795	1,795
(b)equity investments	-	24
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – payment for subsidiary net of cash acquired	(44)	(3,184)
<b>Net investing cash flows</b>	<b>1,751</b>	<b>(2,381)</b>
1.13 Total operating and investing cash flows (carried forward)	359	(4,757)

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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)	359	(4,757)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	210	6,133
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(750)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – Cost of capital raising	(29)	(507)
<b>Net financing cash flows</b>		<b>181</b>	<b>4,876</b>
<b>Net increase (decrease) in cash held</b>		<b>540</b>	<b>119</b>
1.20	Cash at beginning of quarter/year to date	466	887
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,006</b>	<b>1,006</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 SA'000
1.23	Aggregate amount of payments to the parties included in item 1.2	43
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' 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

Issue of 12 convertible notes totalling \$3 million as part of the acquisition of 100% of the issued capital of Australian Gold Investments Pty Ltd as previously disclosed to the market.

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

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available SA'000	Amount used SA'000
3.1 Loan facilities	nil	nil
3.2 Credit standby arrangements	nil	nil

### Estimated cash outflows for next quarter

	SA'000
4.1 Exploration and evaluation	666
4.2 Development/Production	-
<b>Total</b>	<b>666</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 SA'000	Previous quarter SA'000
5.1 Cash on hand and at bank	1,006	1,006
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>1,006</b>	<b>1,006</b>

### 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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**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>	160,891,388	110,891,388		
7.4 Changes during quarter (a) Increases through issues (a.1) Release from escrow (b) Decreases through returns of capital, buy-backs	2,100,000	2,100,000 11,815,044		
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 8,250,000 2,250,000	51,555,472 - -	<i>Exercise price</i> 20 cents 30 cents 40 cents	<i>Expiry date</i> 31 July 2008 31 July 2008 31 July 2008
7.8 Issued during quarter Release from escrow	1,100,000	1,100,000 5,000,000	20 cents 20 cents	31 July 2008 31 July 2008
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

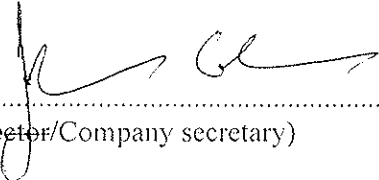
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7.12	Unsecured notes (totals only)		
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## Compliance statement

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

Sign here:

  
Date: 31/7/07  
(Director/Company secretary)

Print name: John Coles (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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