

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**GALAXY RESOURCES LIMITED**

ABN

11 071 976 442

Quarter ended ("current quarter")

30 September 2008

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (3 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(858)	(858)
(b) development	-	-
(c) production	-	-
(d) administration	(158)	(158)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(997)</b>	<b>(997)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(77)	(77)
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) - rental bond	(57)	(57)
<b>Net investing cash flows</b>	<b>(134)</b>	<b>(134)</b>
1.13 Total operating and investing cash flows (carried forward)	(1131)	(1131)

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1.13	Total operating and investing cash flows (brought forward)	(1131)	(1131)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	555	555
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) – costs of issues	1	1
	<b>Net Financing Cash Flows</b>	<b>556</b>	<b>556</b>
	<b>Net increase (decrease) in cash held</b>	<b>(575)</b>	<b>(575)</b>
1.20	Cash at beginning of quarter/year to date	1930	1930
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1355</b>	<b>1355</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	116
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Includes directors' fees and also fees paid to directors or director related entities for professional and technical services and for office services (including occupancy costs). Includes payment of creditors accruals prior year.

**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	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outlays for next quarter**

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	-
<b>TOTAL</b>	<b>600</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	556	406
5.2 Deposits at call	799	1524
5.3 Bank overdraft	-	-
5.4 Other – investment commercial bills of 6 months or less	-	-
<b>Total: cash at end of quarter (item1.22)</b>	<b>1355</b>	<b>1930</b>

**Changes in interests in mining tenements – refer attached tenement schedule**

	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>Preferences securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 <b>Ordinary securities</b>	54,937,297	44,863,085		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks	3,525,000*	-	20	20
7.5 <b>Convertible debt securities</b>				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 <b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
GXYAO	1,500,000	-	30	06/02/10
GXYAQ	1,500,000	-	40	06/02/11
GXYAS	750,000	-	30	30/01/10
7.8 Issued during quarter				
7.9 Exercised during quarter GXYAM	3,525,000	-	20	30/9/08
7.10 Expired during quarter	1,450,000	-	20	30/09/08

\* These 3,525,000 shares were allotted on 7 October 2008 in relation to exercise of unlisted options expiring 30 September 2008

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: 31/10/2008.....  
(~~Director~~/Company Secretary)

Print name: L A Colless .....

## 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 the topic, the Australian standard on that topic (if any) must be complied with.

**Tenement Schedule as at 30 September 2008**

<b>Project</b>	<b>Tenement</b>	<b>Notes</b>
<b><u>Boxwood Hill</u></b>		
	E70/1988	
	E70/2493	
	E70/2513-E70/2514	
	E70/2547	
	P70/1559-P70/1561	
<b><u>Connolly</u></b>		
	E69/1878	
<b><u>Ponton</u></b>		
	E28/1317	
	E28/1830	
<b><u>Shoemaker</u></b>		
	E69/1869-1871	
<b><u>Ravensthorpe</u></b>		
Aerodrome JV	E74/334	1
	E74/398	1
	M74/198-M74/202	1
<b>Bakers Hill</b>		
	E74/287	
	E74/295	
	E74/299	
	E74/415	
	P74/245	
	P74/278	
<b>McMahon</b>		
	M74/165	
	M74/184	
<b>Mt Cattlin</b>		
	M74/12	
	M74/155	
	M74/182	
	M74/196-M74/197	
<b>Elverdton JV</b>		
	M74/136	2
	M74/158-M74/159	3
	M74/162-M74/163	2
	P74/304-P74/306	2
	E74/406	2
<b>West Kundip</b>		
	M74/133	
	M74/184	
1)	Aerodrome JV agreement with Pioneer Nickel; Pioneer has the right to earn 75% in all minerals by spending \$0.5m	
2)	Ravensthorpe JV with Pioneer Nickel; Pioneer has earned 75% in all minerals	
3)	Ravensthorpe JV with Pioneer Nickel; Pioneer has earned 75% in all minerals except tantalite, spodumene	