

AQUILA RESOURCES LIMITED

(ACN 092 002 769)

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QUARTERLY REPORT

For the Period ended

30 June 2000

HIGHLIGHTS


- ❖ Aquila Resources Limited ("*Aquila*") raised \$3 million by issuing 15,000,000 fully paid ordinary shares at 20 cents each by way of an oversubscribed Initial Public Offering ("*IPO*").
- ❖ Aquila was admitted to the official list of the Australian Stock Exchange Limited ("*ASX*") on 26 June 2000 and commenced trading on the ASX on 29 June 2000.
- ❖ Drilling has commenced on two of Aquila's project areas with over 3,500 metres of Reverse Circulation ("*RC*") drilling planned.

CORPORATE

- Following the success of the IPO, Aquila was admitted to the official list of the ASX on 26 June 2000 and shares commenced trading on 29 June 2000. The first trade was conducted at 22 cents.
- Substantial shareholders notices were received by Aquila from companies associated with Directors, Tony Poli and Charles Bass, representing approximately 50.67% of the issued capital of the Company.
- The current Board of Directors of Aquila comprises of Messrs. Tony Poli, Charles Bass and Derek Cowlan with Mr Poli being the only Executive Director of the Company.

EXPLORATION

- During the quarter ended 30 June 2000, Aquila planned RC drilling programs for the Enterprise and Penny West project areas.
- A 3,070 metre RC drilling program has been planned for the Enterprise area targeting seven different geological structures. Drill holes have been designed to test for gold mineralisation down dip and along strike of the known gold mineralised structures.
- At the Penny West project area, a review of previously drilled diamond core holes has commenced. The historical gold production from the Penny West mine was 121,000 tonnes @ 21.8 g/t of gold. Previous exploration had focussed on a steep southerly plunge to the gold mineralisation. A RC drilling program of 360 metres has been planned to test for gold mineralisation in the northern end of the Penny West mine for down dip extensions and a northerly plunge to the gold mineralisation.
- Drilling of the Enterprise and Penny West project areas commenced on 17 July 2000 and as at 27 July 2000, seventeen holes have been completed. Holes drilled to date have been to depths of up to 165 metres down hole. Assay results from the drilling are not as yet available.



A Poli

Executive Chairman

The technical aspects of this report have been prepared by Mr Neil Lithgow, MSc (Geol) of Aquila Resources Limited who is a Corporate Member of the Australian Institute of Mining and Metallurgy, who has had a minimum of five years relevant experience in this field of activity and has consented in writing to the report in the form and context in which it appears.