

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

AuDAX Resources Ltd

ABN

50 009 058 646

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	45	45
1.2 Payments for (a)exploration &evaluation (b)development (c)production (d)administration	(463)	(2,401)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	12
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	(111)	(35)
	(629)	(2,631)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(4)	(7)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	320	320
	-	1,082
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
	316	1,395
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(313)	(1,236)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(313)	(1,236)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	90	1,304
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)		
	Net financing cash flows	90	1,304
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	(223)	68
1.21	Exchange rate adjustments to item 1.20	689	398
1.22	Cash at end of quarter	466	466

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	See Note 6
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

N/A

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

During the quarter the company issued 16,000,000 ordinary fully paid shares to acquire all of the issued capital in Alpine Oil & Gas Pty Ltd.

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

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 – Bank overdraft facility	Nil	
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,000,000
4.2	Development	
Total		1,000,000

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	429	652
5.2	Deposits at call	37	37
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		466	689

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note 7)	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			

+ See chapter 19 for defined terms.

Appendix 5B
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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	154,628,060	154,628,060		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	16,000,000 Increase to acquire subsidiary 600,000 options exercised	16,000,000 Increase to acquire subsidiary 600,000 options exercised	- 15 cents	- 15 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	600,000 400,000 1,250,000 27,630,047 1,000,000 1,000,000 1,000,000 2,000,000	 27,630,047	12 cents 12 cents 15 cents 20 cents 10 cents 15 cents 20 cents 15 cents	31/12/2008 31/12/2008 31/12/2010 31/12/2008 29/3/2009 29/3/2010 29/3/2010 31/12/2008

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7.8	Issued during quarter				
7.9	Exercised during quarter	600,000		15 cents	31/12/07
7.10	Expired during quarter	600,000		15 cents	31/12/07
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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 give a true and fair view of the matters disclosed.

Sign here: ..Peter Reynold Ironside Date: 31 January 2008
Company Secretary

Print name: ...Peter Reynold Ironside.....

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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PROFORMA QUARTERLY REPORT - MINING EXPLORATION COMPANIES

AuDAX RESOURCES LTD

(A.C.N. 009 058 646)

Note 6

CASH FLOWS RELATED TO OPERATING ACTIVITIES

Aggregate Payments to Specified Parties

During the quarter ended 31 December 2007, the following payments were made to specified parties:

	31/12/2007	YTD
Payments to Directors for Directors fees	\$ 13,875	\$ 22,875
Payments to Directors for consulting and management services*	\$ 31,647	\$ 60,243
Payments to Director for services in capacity of Managing Director	\$ 32,500	\$ 65,000

* Payments to Directors for consulting and management services includes payments to Runyon Pty Ltd, a company which Mr Leith Beal is a Director and shareholder. This company provides tenement consulting services in the normal course of business at commercial rates.
(\$24,750 YTD \$49,500)

* Payments to Directors for consulting and management services includes payments to Isis Petroleum Consultants Pty Ltd, a company which Dr Peter Barber is a business partner. This company provides consulting services in the normal course of business at commercial rates.
(\$6,897 YTD \$10,743)