

APPENDIX 5B
Mining exploration entity quarterly report

FORTUNA MINERALS LIMITED

ACN 112 425 788

Quarter ended

30-Jun-08

Consolidated statement of cash flows

	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	1,232
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(167)	(3,386)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	14
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Other - Refund of Shire Rates	-	-
1.7 Other - Refund of GST	-	-
Net Operating Cash Flows	(167)	(2,142)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(50)
1.11 Loans repaid by other entities	-	-
1.12 Cash assets of acquired entity	-	-
1.13 Other (provide details if material)*	250	-
Net Investing cash flows	250	(54)
1.14 Total operating and investing cash flows (carried forward)	83	(2,196)

* Receipt of money owed to Fortuna Minerals Ltd for the sale of Portlandbet Pty Ltd.

1.14 Total operating and investing cash flows (brought forward)	83	(2,196)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc	-	2,002
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Share issue costs)	-	(216)
Net financing cash flows	-	1,786
Net increase (decrease) in cash held	83	(410)
1.21 Cash at beginning of quarter / year to date	53	556
1.22 Exchange rate adjustments to item 1.20	-	(10)
1.23 Cash at end of quarter	136	136
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
1.24 Aggregate amount of payments to the parties included in item 1.2		35
1.25 Aggregate amount of loans to the parties included in item 1.17		-
1.26 Explanation necessary for an understanding of the transactions		
Directors' fees and payments to entities the directors are associated with		
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		

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
NIL

Financing facilities available	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
Total	100

Reconciliation of cash	Current quarter \$A'000	Previous quarter \$A'000
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.		
5.1 Cash on hand and at bank	136	53
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) - 30 and 60 day term deposits	-	-
Total: cash at end of quarter (item 1.22)	136	53

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 exploration licenses acquired or increased			

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (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	10,412,413	6,873,877	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues				
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>	1,001,000 397,500 125,000 350,000 200,000 50,000 150,000 9,000,000	1,001,000 - - - - - - -	<u>Exercise price</u> \$1.00 \$1.00 \$1.00 \$1.00 \$1.00 \$2.00 \$1.00 \$0.20	<u>Expiry date</u> 18/09/2010 26/04/2010 7/06/2010 28/05/2012 4/12/2010 21/08/2011 21/08/2011 31/12/2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter				

7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

- 1.0 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).
- 2.0 This statement does give a true and fair view of the matters disclosed.

Sign here:

Company Secretary



Date: Friday, 25 July 2008

Print name: Mathew Walker

Notes

- 1.0 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.
- 2.0 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.
- 3.0 **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.
- 4.0 The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 5.0 **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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