

Eagle Bay Resources N.L.

ACN 051 212 429

Company Announcement

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FOURTH QUARTERLY REPORT TO 30 June 2004

THE COMPANY'S ACTIVITIES

1. GOLD EXPLORATION

COPPER/GOLD EXPLORATION

Myall Creek Copper Deposit, South Australia
(EBR Earning 75% Interest) and EL 3098 (EBR 100% and diluting)

Gravity Capital Ltd (GCap) completed the Falcon airborne gravity gradiometer survey over the Cultana leases and has supplied preliminary data some two months after completion of the survey. GCap has advised that BHP Billiton will provide final data and a geological/geophysical report by late August 2004. Preliminary interpretation indicates a broad gravity high outside of the bombing range proximal to elevated gold, copper and radioactive thorium anomalism. Within this gravity high there are a number of local vertical gravity gradient anomalies which are likely to warrant evaluation as potential drilling targets when the final data and interpretation is received.

2. OIL AND GAS EXPLORATION

VIC/P47

GIPPSLAND BASIN OFFSHORE VICTORIA

(EBR 25% Free carried interest in the drilling of Moby 1 for the first A\$5.75 million)

A Brochure on the Moby Prospect has been prepared for public release and follows this report.

3. Oil Exploration

VIC/P41

GIPPSLAND BASIN OFFSHORE VICTORIA

(EBR 100% and Diluting)

Seismic review and planning for the upcoming 3D seismic survey continues.

4. ULEY GRAPHITE MINE (EBR 100%) PORT LINCOLN SOUTH AUSTRALIA

4.1 History of Company's Graphite Mine

The Uley Graphite project contains a world class resource of high grade flake graphite. The deposit is sufficient to support a mine life in excess of 100 years. Uley is located 23km from Port Lincoln and is well served by existing infrastructure including an established deep water port. Some \$14 million has been spent on mining and the processing plant.

4.2 The Current Position

With rapid capacity increase in Chinese steel production more robust demand for graphite is expected in the near future and the company's Chairman has been asked to deliver a paper on the Uley mine at the 5th International Symposium of Mining Science and Technology in October 2004 at Xuzhou by the China University of Mining and Technology. The presentation follows this report.

For and on behalf of the Board of **EAGLE BAY RESOURCES N.L**

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97.

Name of entity

Eagle Bay Resources NL

ACN or ARBN

051 212 429

Quarter ended ("current quarter")

30 June 2004

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(70)	(273)
(b) development	(14)	(67)
(c) production	-	-
(d) administration	(114)	(318)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	34	94
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Reallocation to financing	-	-
1.8 Net GST Refund/(Paid)	3	12
Net Operating Cash Flows	(161)	(552)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(5)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	40	40
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	40	35
1.13 Total operating and investing cash flows (carried forward)	(121)	(517)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(121)	(517)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	–	2411
1.15	Proceeds from sale of forfeited shares	–	–
1.16	Proceeds from borrowings	–	–
1.17	Repayment of borrowings	–	–
1.18	Dividends paid	–	–
1.19	Capital raising costs	–	(129)
	Net financing cash flows	–	2282
	Net increase (decrease) in cash held	(121)	1765
1.20	Cash at beginning of quarter/year to date	2648	762
1.21	Exchange rate adjustments to item 1.20	–	–
1.22	Cash at end of quarter	2527	2527

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	111
1.24	Aggregate amount of loans to the parties included in item 1.10	–

1.25 Explanation necessary for an understanding of the transactions

Fees for Technical and management services and annual 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

None

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

None

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 outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	20
Total	70

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	43	148
5.2 Deposits at call	2484	2500
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	2527	2648

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		

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.

	Number issued	Number quoted	Par value (cents)	Paid-up value (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Issued during quarter				
7.3 +Ordinary securities	158,098,424	158,098,424		Fully paid
7.4 Issued during quarter				
7.5 +Convertible debt securities <i>(description and conversion factor)</i>				
7.6 Issued during quarter				
7.7 Options <i>(description and conversion factor)</i>	100,000	—	<i>Exercise price</i> 39c	<i>Expiry date</i> 24/11/2005
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
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 Law 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: Date: 28 July 2004
(Company Secretary)

Print name: Paul Fromson

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.