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FIRST QUARTER ACTIVITY REPORT TO 30 SEPTEMBER 2005

THE COMPANY'S ACTIVITIES

1 URANIUM/COPPER/GOLD EXPLORATION

CULTANA JOINT VENTURE ELA 105

Whyalla South Australia (EBR 75%, Minotaur 25%)

Minotaur has agreed to operate the first phase drilling over the Falcon™ defined target CO1 and to submit cost and timing drilling proposals to EBR. EBR has negotiated a drilling window for the Commonwealth approved program which does not interfere with operations in the Cultana Army Training Area for the month of December 2005 and Minotaur advises the rig should be on-site around December 10th. Several Farmin offers on the block are being evaluated.

Modelling of the Falcon® data shows the contact zone between the igneous complex and the sediments to the west comprises a converging linear magnetic and gravity high. In the north the convergence of magnetic and gravity highs is close but in the south, although sub-parallel, the gravity and magnetic contacts are separated by almost 1km. This signifies a significant variation in paleo topography perhaps likely to mobilise fluid and magma flow during any mineralising event.

The deposit type sought in the area is ironstone associated Cu-Au (IOGC Deposit). Targets of this type would definitely have a gravity response and likely an associated magnetic response and may be associated with regional fracture zones. At Olympic Dam uranium is a significant by-product to copper/gold production in this type example of an IOGC deposit.

Eagle Bay's main target (CO1) has a moderate local gravity anomaly associated with a magnetic feature. This target lies close (300m) to the historic Pt Lowly copper workings. Target CO1 also lies within the marginal "alteration – magnetite destruction zone" fringing the Cultana Igneous Complex. Elevated geochemical values for Cu, and U are reported. Eagle Bay's 3D gravity inversion modelling has defined a roughly cylindrical (elongate to the south and west) high density body which comes to within 100 metres of the surface and

achieves a maximum density of 3.17 gms/cc at a depth of 400 metres, well within the acceptable range for a IOGC body.

In addition to the uranium/copper geochemical anomalism at CO1, the Falcon™ aerial survey mapped uranium concentrations in parts per million. The uranium concentration shows surface anomalism in the area of exposed Hiltaba granite and Gawler range volcanics but more importantly a high value (2.5ppm) spot uranium value coincident with CO1 and showing a geochemical dispersion effect down hill into the ocean. Hydrothermal alteration and the creation of large cavities were observed in old drill holes at the Pt Lawley copper workings. Hematite brecciation and chalcopyrite are observed in these drill holes 300 metres west of the CO1 anomaly.

The prospectivity of the CO1 target relates to the similarity of its geological characteristics to other IOCG occurrences and the following are extracts from the PIRSA July 2005 publication of the MESA Journal which presents a summary of the 3 other IOCG discoveries (Olympic Dam, Prominent Hill and Carrapateena) in the IOCG belt. Cultana is contained in . Permission to reprint parts of the MESA article was obtained from PIRSA (Department of Primary Industries and Resources of South Australia) who publish these summaries to increase awareness of South Australia's mineral prospectivity.

Introduction

A small privately owned South Australian exploration company has recently scored major drilling success and has provided strong new evidence of the prospectivity of South Australia, in particular the Gawler Craton.

Unlisted RMG Services has advised of the intersection of Olympic Dam – Prominent Hill style FeO-Cu-Au (IOCG) alteration and mineralisation in one of two holes drilled in its Carrapateena prospect, 100km southeast of Olympic Dam. Minister for Mineral Resources Development, Paul Holloway, stated 'we have a world-class resource in Olympic Dam, an upgraded resource at Prominent Hill, and now a third intersection sufficiently distant from those two to indicate a much broader prospectivity within the state'.

The predominantly chalcopyrite intersection the Minister is referring to is 73m at 2.89% Cu and 0.4g/t Au from 476m, with further mineralisation below.

Regional Geology

Ferris et al. (2002) delineated the Olympic Domain Extending over ~400km on the eastern margin of the Gawler Craton, encompassing three discrete but genetically related regions of **hydrothermal alteration** and mineralisation comprising the metallogenic IOCG province – Stuart Shelf basement (including Olympic Dam and related deposits), Mt Woods Domain (including Prominent Hill) and the Moonta-Wallaroo area.

Olympic Dam

The Olympic Dam orebody is wholly contained within the Olympic Dam Breccia Complex, a zoned breccia derived from, and hosted by, the Roxby Downs Granite. The central core and mineralised breccias are ~3 x 3.5km (in plan), with a northwesterly arm 3km long and 300-500m wide. The deposit formed within an active hydrothermal system with contemporaneous

magmatism and seismic activity. Persistent phreatomagmatic venting accompanied by brecciation produced a composite nested crater containing volcanic debris.

Ore-fluid modelling suggests that economic ore is unlikely to have formed without an abundant source of cooler oxygenated surface water. The deposit was later eroded and covered by >300m of flat lying Neoproterozoic and Cambrian unmineralised sediments.

Since discovery of the giant Olympic Dam Cu-Au-U-Ag-REE deposit 520km north of Adelaide in 1975, it has been recognised that it represents one part of a spectrum of a new class of mineral deposit – IOCG – ranging from Haematite to magnetite-rich end members, that have subsequently become an attractive exploration target for mining companies worldwide (Hitzman et al., 1992; Haynes, 2000).

Numerous smaller uneconomic discoveries were found in the near vicinity of Olympic Dam, including Acropolis, Wirrda Well (Peterson, 1986; Cross, 1993), Oak Dam (Davidson, 1993) and Emmie Bluff (Gow, 1996). Exploration for other haematite-dominant systems elsewhere in the world, similar in size to Olympic Dam, met with limited success, suggesting that perhaps it was unique and confined to the strongly iron-enriched region of the mine.

Copper mineralisation within the Olary Province and iron ore deposits of the Mt Woods area. (Manxman, Peculiar Knob; Morris, 1997) demonstrated the widespread nature of the mineralising system over an increasingly large area, but seemed to be a local manifestation of dominance of magnetite-rich mineralisation. Moreover, copper mineralisation in the overlying Stuart Shelf sequence (e.g. Cattlegrid copper mine near Mt Gunson, 40km SW of Carrapateena) may be derived from Mesoproterozoic basement lithologies (Knutson et al., 1992). The vast extent of the mineralising system can even be demonstrated in continental-scale reconstruction of the Mesoproterozoic.

Prominent Hill

The perception that Olympic Dam was unique changed dramatically following the 2001 discovery of the Prominent Hill Cu-Au deposit, 150km northwest of Olympic Dam, through the meticulous and innovative application of the IOCG model by geologists of Minotaur Resources (Belperio and Freeman, 2004). The deposit is subtly different from Olympic Dam but Minotaur noted numerous important similarities. Mineralisation is hosted by haematite-matrix hydrothermal breccias that have suffered extensive iron-sericite-silica alteration and overprinting. Cu, Au, Ba, F, U, Ce and La are intimately related to the hydrothermal iron (Belperio and Freeman, 2004). Chalcocite, bornite, chalcopyrite and gold-bearing diatreme breccias are rich in matrix haematite, and formed by repetitive hydrothermal brecciation, milling and explosive venting within a volcanic setting.

The deposit is flanked to the north and south by volcanic complexes. Similar to Olympic Dam, mineralisation is thought to be ~1580Ma, and strongly structurally controlled and mobilised in places.

The Carrapateena Discovery

RMG Services Pty Ltd was granted an exploration licence in 1996 over the Carrapateena area. A joint venture of RMG Services Pty Ltd and General Gold Resources NL carried out additional gravity acquisition on Salt Creek to define a gravity anomaly.

Chris Anderson and Associates, geological and geophysical consultants to RMG, noted many geophysical similarities to Olympic Dam, including broadly coincident gravity and aeromagnetic anomalies, a feature already noted to be an important exploration vector in the discovery of Prominent Hill. Techniques utilised in the discovery process of Prominent Hill, such as 3D geological inversion of geophysical data, proved as equally encouraging and illuminating, and revealed striking similarities to the known deposits.

Importantly, a slight offset between gravity (~4mgal) peaks and magnetic peaks were apparent, possibly reflecting haematite-magnetite zonation in the system as is the case for Prominent Hill. Reactivation as pop-ups and localised grabens during transpressional and transtensional deformation on the eastern margin of the Gawler Craton, and subsequent preferential erosion, probably created significant variations in palaeotopography and depth to basement on all scales. These structures are also likely to have localised fluid and magmatic flow during the mineralising event.

Current Exploration - Carrapateena

In February 2005, RMG originally proposed four holes to be jointly funded by PIRSA, later reduced to two holes, to test firstly, the aeromagnetic and gravity anomalies and secondly, the MIMDAS anomaly. The proposed second hole was drilled first (CAR 001) commencing on 24 March 2005 with an RC precollar to 240m that terminated within cover-sequence shale. The diamond tail intersected a broad zone of basaltic rocks, but no significant mineralisation, and was completed to 571m. Steely haematite and crackle-breccia development was reported.

CAR 002, drilled vertically several hundred metres south of CAR 001, had a precollar of 299m, also within younger shale, and the subsequent cored portion was completed at the end of June to a depth of 654.2m. The hole intersected a sequence of variable intensity haematite alteration, sulphide development and brecciation over the ~185m basement interval of 469m to the end of hole. The mineralised zone generally consists of a fine to medium-grained milled breccia, possibly indicative of a breccia pipe. Coliform banding, hosting sulphide stringers, suggests epithermal influences. Possible ultramafic clasts and strong but variable sericitic alteration of clasts is also present.

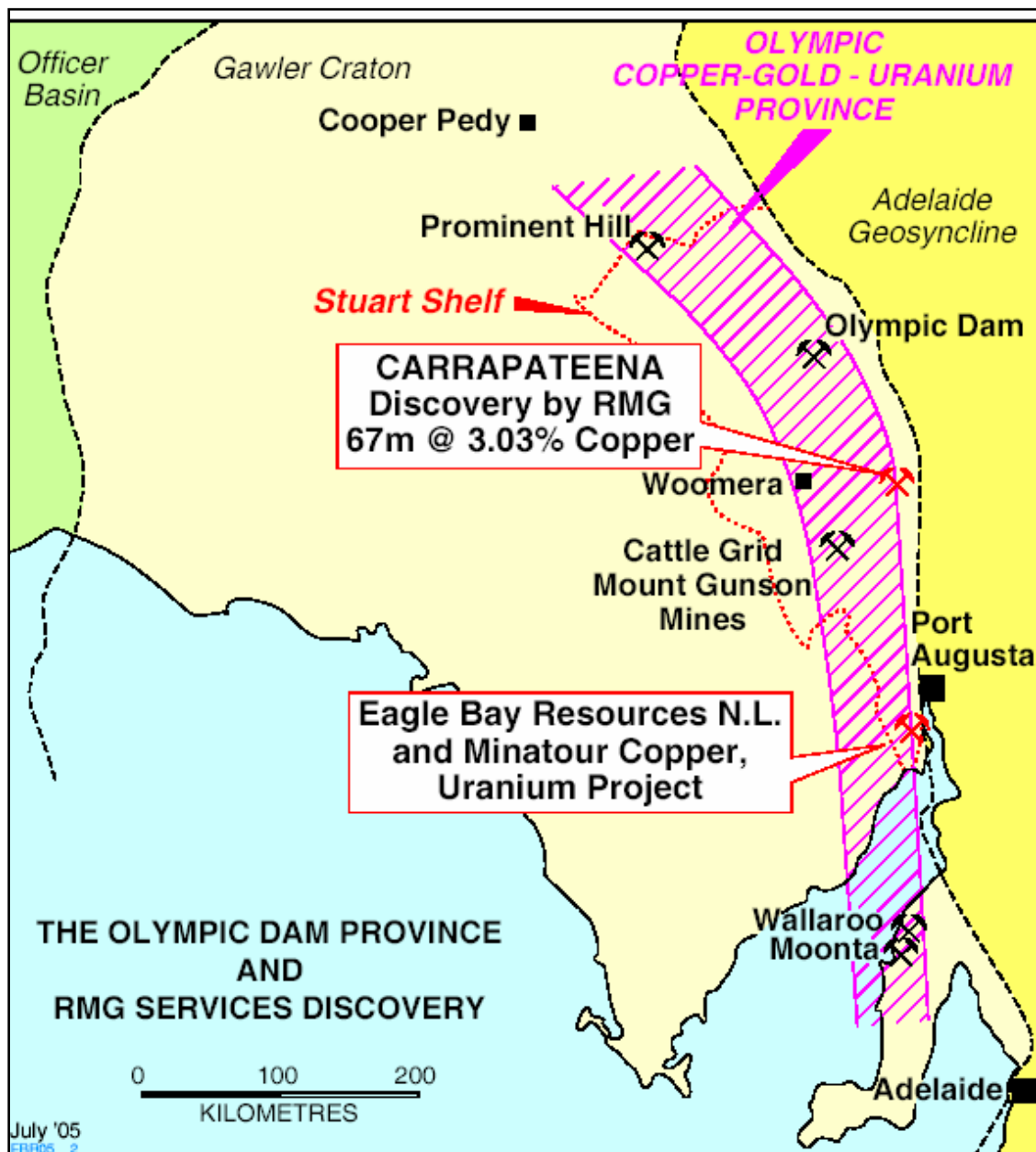
Assay results confirm the visual variation in alteration and mineralisation down the hole:

476-549m	–	73m at 2.89% Cu (0.7% cut-off) and 0.4g/t Au
549-607m	–	57m at 0.94% Cu
607-654.2m	–	13.2 at 0.65% Cu

Overall averages for the total interval 476-654.2 (178.2m) are 1.83% Cu, 0.64g/t Au, 0.21% Ce and 0.13% La. No significant uranium values were reported, but silver was slightly anomalous. While only one mineralised hole has been drilled thus far at Carrapateena, and caution is advised regarding its specific significance and economic viability, the implications for the Olympic Domain in general are profound. The mineralised zone further confirms that ore-grade intercepts do indeed exist along strike in both directions from Olympic Dam, and the zone of IOCG alteration and/or mineralisation is persistent for several hundred kilometres within the Olympic Domain. The eastern margin of the Gawler Craton remains highly prospective for further discoveries, as do other areas of South Australia affected by this large-scale early Mesoproterozoic mineralising event.

Acknowledgements

Much of the data and information for this work was supplied by Rudi Gomez (RMG Services) and Chris Anderson (Chris Anderson and Associates) as part of the PACE collaboration, and their cooperation with sharing of data is greatly appreciated. Large parts of this summary are the result of previous and ongoing research by several workers; in particular, collaboration involving Tony Belperio (Minotaur Exploration), Gary Ferris, Sue Daly and Michael Schwarz (PIRSA), and Roger Skirrow and Ollie Raymond (Geoscience Australia) were essential ingredients.



Uranium Exploration Minerals to Commonwealth

2. OIL AND GAS EXPLORATION

2.1 Both Gilbert No 1 and Maclean 1 were evaluated as dry holes in the last quarter and were extensively reported on, on a daily basis while drilling.

2.2 VIC/P41

GIPPSLAND BASIN OFFSHORE VICTORIA – EBR 25%

The 500km² 3D seismic using the Western Trident has been completed by the operator pursuant to their earning requirements in the permit. A status report on processing and interpretation was being presented to the joint venture partners on 20th July 2005. Final interpretation is proceeding

2.3 PEL-182

ONSHORE PETROLEUM EXPLORATION – COOPER BASIN, S.A (EBR 37.6% and Operator)

This new 1745 sq km Petroleum Exploration Licence - previously held by Santos and located on the prospective but under explored northern margin of the Cooper Basin - was formally granted to your company on 10 August 2005, following the successful finalisation of protracted Land Access Agreements by The Native Title Tribunal.

EBR has entered into a farm-out agreement with AuDAX, whereby AuDAX will earn 49.9% by free carrying EBR through expenditures of \$4.75MM in this permit – made up of drilling costs of 3 + wells of \$4.5MM, plus G&G of \$250K.

EBR has also entered into a second farm-out with Australian Oil Company Ltd (AOC), (recently listed on the ASX), whereby AOC will earn a 12.5% interest by free carrying EBR through 25% of the drilling and development costs on all 5 exploration wells of the year 1 drilling program.

Geological and Geophysical Review (G&G)

EBR contracted the Eric Tucker consulting group in Adelaide and Sydney, using very experienced Cooper Basin geologists and geophysicists, to conduct an overall new interpretation of all existing geological and seismic data in the permit.

A review of this work has confirmed the prospectivity of this area, with numerous (11) targets identified, and has highlighted at least 3 major areas for the proposed drilling of up to 5 new exploration wells in year-1 of the permit.

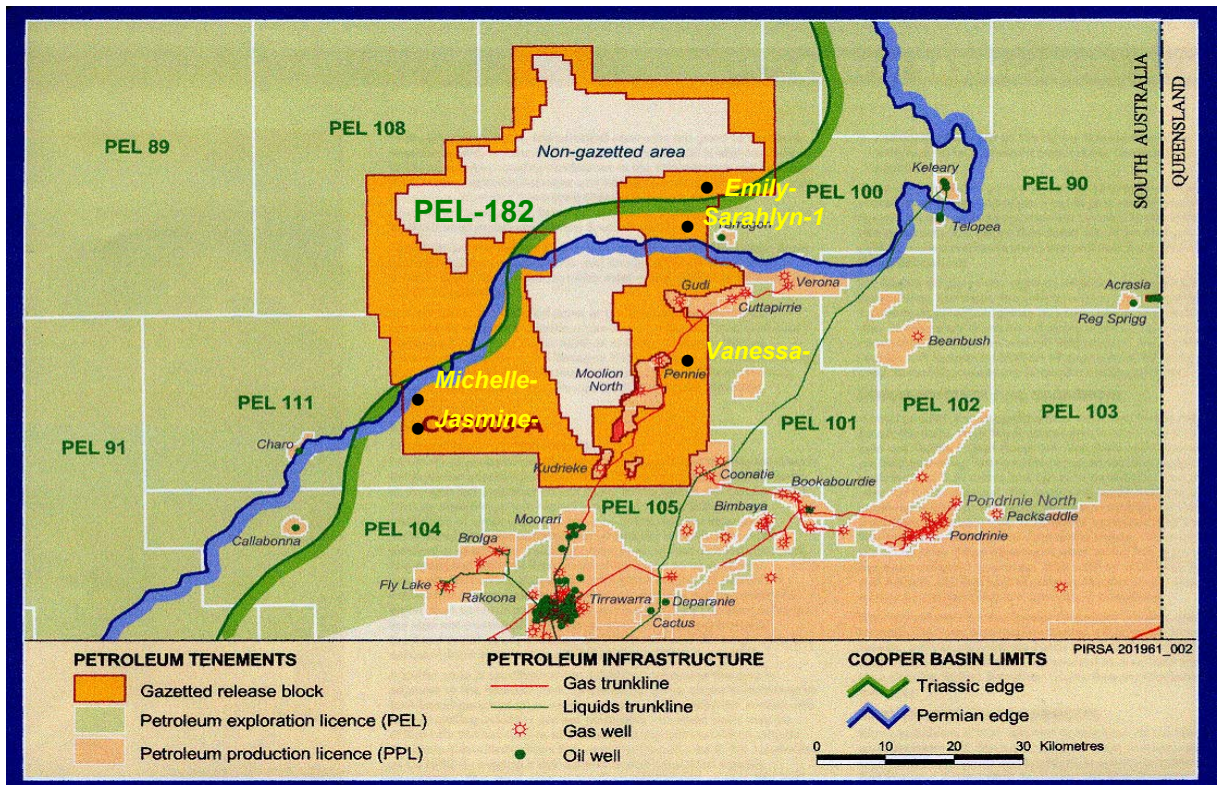
The year-1 5 well drilling program will be conducted in 2 phases: –

- 1 Eastern 3 well program - Emily-1, Sarahlyn-1 & Vanessa-1
- 2 Western 2 well program - Jasmine-1 & Michelle-1

All 5 proposed well locations have been site inspected, cleared and accepted by Anthropologist Mr Sean Freeman and representatives of the local owners Native Title Claimant group, and the requisite Work Area Clearance Report filed.

All 5 proposed well locations and access roads have also been site inspected by Dr Tim Fatchen, and an Environmental Assessment Report (ERA) has been prepared and filed for the Eastern 3 well locations, which are located in typical sand dunes and flat areas, in an area with many existing wells and access roads nearby.

The western 2 wells are located near the sensitive Cooper Creek flood plain, where a more detailed and comprehensive EIR/SEO is currently being prepared



These areas are detailed below together with Eric Tucker's size estimates - which would only apply if hydrocarbons were present.

Eastern 3 Well Program

1. Emily -1 & Sarahlyn - 1
 - Jurassic Oil plays in the NE of the permit
 - P50 reserves of 19.5 MMBO cumulative.
2. Vanessa - 1
 - Permian Gas plays in the SE of the permit – low risk.
 - P50 reserves of 15 BCF Gas.
 - Located between Pennie Gas Field & Recent Ginko gas discovery

Western 2 Well Program

3. Jasmine - 1 & Michelle - 1
 - Permian and Triassic stratigraphic oil plays in the western half of permit
 - P50 reserves of 10.0 MMBO cumulative.

Drilling Operations - Drill up to 5 wells (3 + 2) - with new “State of the Art” drill rig imported from Stavanger, Norway.

- AuDAX Resources Ltd (49.9% and partner Eagle Bay Resources NL (50.1%) have contracted with Driller White Sands Petroleum Pty Ltd (WSP) and imported a “state-of-the-art” rig to drill 5 wells on PEL182 in the Cooper Basin.
- Driller White Sands Petroleum Pty Ltd to earn 10% equity from AuDAX by meeting 20% of costs.
- White Sands is currently considering an IPO to raise the required working capital to commence drilling.
- Eagle Bay and AuDax have purchased A\$1.5 million of casing for this 5 well program which is currently on location at Innamincka in central Australia.
- WSP EDM Rig-1 is in Roma, Q’land - under going modifications for compliance with Australian drilling regulations.
- WSP will drill the Reads Dome prospect to 2900M in Queensland later in 2005, as the “shakedown” well to prove rig is fully operational and fit for purpose.

3. ULEY GRAPHITE MINE Port Lincoln, SA (EBR 100%)

History of Company’s Graphite Mine

They Uley Graphite project contains a world class resource of high grade flake graphite. 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.

The Current Position

Cambrian Mining PLC a company resident in the U.K no longer has an interest in the project and a new joint venture partner is being sought.

Disclaimer:

The hard rock and mineral information in this report is based on information compiled by Mr Anthony Rechner who is a geologist of the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Anthony Rechner.

The Oil and Gas information on PELA 182 in this report is based on information compiled by Mr Ian R Barr who is a geophysicist of the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Ian R Barr.

Both Mr Eric Tucker and Mr I R Barr and most other publicly listed oil exploration companies use the words “P50 Reserves” in regard to an undrilled exploration prospect. These words indicate the unrisksed oil or gas potential of a prospect if oil or gas is present and do not comply with the definition of reserves as set out in the JORC code which is a reporting code for mineral and coal exploration not for oil and gas exploration.

Statements attributed to 3rd parties do not necessarily reflect the opinions of Eagle Bay Resources but are statements by qualified people on the public record and are included for completeness of the company’s obligations under continuous disclosure.

The contents of this report are not and should not be used as a substitute for independent professional advice in making an investment decision involving Eagle Bay Resources NL or any of its associated entities. Eagle Bay Resources NL shall not be liable and the reader shall indemnify the company and its Directors for any loss or damage caused by or owing directly or indirectly as a result of the reader’s use of the information contained within the documents that comprise this report without first accessing professional advice.

Chapter 19 “definitions” of the ASX listing rules indicate a “pre hydrocarbon reserve stage” however no hydrocarbons are claimed to be present.



Anthony Rechner
Director
For and on behalf o the Board of Directors

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 September 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(799)	(799)
(b) development	--	--
(c) production	-	-
(d) administration	(157)	(157)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	56	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
JV (Contribution)/Recoupment	209	209
Net GST Refund/(Paid)	49	49
Net Operating Cash Flows	(642)	(642)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(300)	(300)
(c) other fixed assets	-	-
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)	-	-
Net investing cash flows	(300)	(300)
1.13 Total operating and investing cash flows (carried forward)	(942)	(942)

1.13	Total operating and investing cash flows (brought forward)	(942)	(942)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	–	–
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	–	–
Net financing cash flows		–	–
Net increase (decrease) in cash held		(942)	(942)
1.20	Cash at beginning of quarter/year to date	6,773	6,773
1.21	Exchange rate adjustments to item 1.20	–	–
1.22	Cash at end of quarter	5,831	5,831

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	61
1.24	Aggregate amount of loans to the parties included in item 1.10	–

1.25 Explanation necessary for an understanding of the transactions

All payments to directors and associates are on normal commercial terms.

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	100
4.2 Development	-
Total	100

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	25	667
5.2 Deposits at call	5,806	6,106
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	5,831	6,773

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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	227,761,126	227,761,126		Fully paid
7.4 Issued during quarter	1,559	1,559		Fully paid
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 33,467,520 28,471,472	– 33,467,520 28,471,472	<i>Exercise price</i> 39c 12c 15c	<i>Expiry date</i> 24/11/2005 31/3/2006 30/6/2009
7.8 Issued during quarter	1,559		<i>Exercise price</i> 15c	<i>Expiry date</i> 30/6/2009
7.9 Exercised during quarter	1,559		<i>Exercise price</i> 12c	<i>Expiry date</i> 31/3/2006
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:
(Company Secretary)

Date: 28th October 2005

Print name: Graham Anderson

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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