



(Formerly New World Alloys Limited)

ABN 36 060 774 227

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31 July 2008

Manager of Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2008

AUSTRAL AFRICA RESOURCES LIMITED (formerly NEW WORLD ALLOYS LIMITED (ASX: AAF) (the "Company") is pleased to advise shareholders of the following key activities during the quarter.

Austral Africa Resources Ltd is continuing to operate one of the furnaces on a toll treatment basis in the short term. As previously advised, the Board has decided to sell the furnaces as a going concern and negotiations are still proceeding.

On 3 July 2008, the Company announced that that it had entered into an agreement with Sino-Asia Mining & Resources plc (**SAMR**) to acquire a 75% interest in two granted and two applications for mineral exploration concessions located in the Katanga province in the DRC (**Concessions**), the key highlights of which are:

- The Concessions lie within areas where early exploration has revealed potential for copper and cobalt mineralisation.
- The Concessions fall within the overall Mwashya-Roan-Kibberian geological formations which have shown mineral anomalies of copper and cobalt with silver and gold elements.
- There are a number of companies actively involved in exploration in these areas due to the underlying geological strata, normally associated with extensive mineralisation.

AAF currently holds four granted mineral exploration concessions in the Katanga province and therefore the Directors consider the acquisition of the additional four Concessions provides AAF with an exciting opportunity to explore the Katanga copper belt in the DRC.

The Company is actively seeking new mineral exploration opportunities as well as considering its many options in DRC and other parts of Africa and Australia.

For and on behalf of the Board.

A handwritten signature in black ink, appearing to read 'Lindsay A Colless', is positioned above the printed name of the Chairman.

Lindsay A Colless
Chairman

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

AUSTRAL AFRICA RESOURCES LIMITED (formerly New World Alloys Limited)

ABN

36 060 774 227

Quarter ended ("current quarter")

30 June 2008

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	1,624	6,463
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(1,288)	(7,198)
	(d) administration	(423)	(1,468)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	67
1.5	Interest and other costs of finance paid	-	(23)
1.6	Income taxes paid	-	-
1.7	Other – trade creditors etc	-	-
	Net Operating Cash Flows	(72)	(2,159)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) concessions	-	(27)
	(b) equity investments	-	-
	(c) other fixed assets	-	(49)
1.9	Proceeds from sale of:		
	(a) Batchelor tenements	-	900
	(b) equity investments	-	-
	(c) other fixed assets	-	1
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	23	23
	Net investing cash flows	23	848
1.13	Total operating and investing cash flows (carried forward)	(49)	(1,311)

1.13	Total operating and investing cash flows (brought forward)	(49)	(1,311)
	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	(263)	1,718
1.17	Repayment of borrowings	-	(475)
1.18	Dividends paid	-	-
1.19	Other – Brokerage paid	-	-
	Net financing cash flows	(263)	1,243
	Net increase (decrease) in cash held	(312)	(68)
1.20	Cash at beginning of quarter/year to date	1,386	1,142
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,074	1,074

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 and 1.7	40
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salary, consultancy and superannuation to executive directors and directors fees to non-executive directors.
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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

Nil.

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

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	-
Total	50

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	1,074	1,386
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,074	1,386

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.

	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 - Note (1)	587,383,734	587,383,734	-	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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 Unlisted				
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 Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Lindsay Colless
Director
31 July 2008

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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