

## Quarterly Activities Report – June Quarter 2007

### Board and Management

<b>Richard V. Ryan AO</b>	Chairman (Non-Executive)
<b>Dr A John Parker</b>	Managing Director
<b>Peter E. Cox</b>	Director (Non-Executive) and Company Secretary
<b>Robert A. Althoff</b>	Director (Non-Executive)

### Share Structure

<b>Ordinary Shares</b>	<b>71,672,221</b>
<b>Listed Options</b>	
Exercisable at 30 cents, expiring 30 June 2010	35,836,111
<b>Unlisted Options</b>	
Exercisable at 20 cents, expiring 31 December 2008	4,353,332
Exercisable at 20 cents, expiring 31 December 2011	4,750,000
Exercisable at 25 cents, expiring 31 December 2011 (Subject to vesting provisions)	300,000
<b>Total Options</b>	<b>45,239,443</b>

### HIGHLIGHTS

- The free issue of one (1) Bonus Option for every two (2) Shares held was completed to Shareholders who were registered as holders of Shares on 9 June 2007. The Bonus Options form a new class of securities of the Company and have been admitted to the Official List of the ASX.
- Reprocessing of low-level aeromagnetic and radiometric data has generated new geological interpretations and exploration targets over the Stony Hill-Kimba Gap, Cockabidnie and Mount Hill areas.
- Aboriginal heritage clearances and Government approvals have been received for drilling projects at Gum Flat (iron ore) and Cockabidnie (uranium, gold and base metals). Drilling is scheduled to begin late July or early August 2007. Aboriginal heritage clearances were undertaken with Barngarla and Nauo representatives.
- Calcrete assay data have been received from several projects and delineate several gold, uranium and base metal targets at Cockabidnie, Mount Hill and Wilcherry including assays up to 181ppb Au and 730ppm Pb + Zn.



## EXPLORATION PROGRESS DURING THE QUARTER

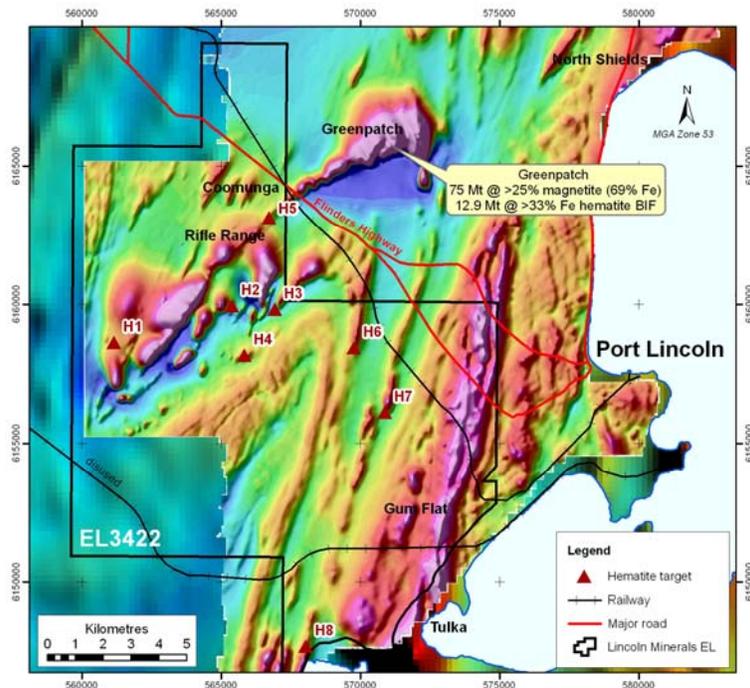
### *Gum Flat Project – EL 3422*

*(LML has exclusive rights to all minerals)*

The Gum Flat Project is located on southern Eyre Peninsula within 20km of Port Lincoln and is prospective for both magnetite and hematite iron ore plus a large range of polymetallic minerals including gold, uranium and base metals (Cu, Pb, Zn, Ni).

Extending west from Port Lincoln with two railway lines (one now disused) and a major highway running through the area, EL3422 is ideally located with respect to infrastructure and proximity to a major shipping port.

High iron and minor base metals have been previously identified at the Rifle Range prospect where CRAE Pty Ltd aircore drilling intersected banded iron formation (BIF) at depths of 25-40m above an intense aeromagnetic anomaly. The aggregate length of interpreted BIF in EL3422 based on aeromagnetic data is about 30km. However, the more intense 5km long aeromagnetic anomaly, when combined with other smaller high intensity aeromagnetic anomalies between Rifle Range and Greenpatch, outlines an exploration target for magnetite BIF that could be more than 250 Mt.



In addition to magnetite targets, detailed interpretation of high resolution aeromagnetics in the Gum Flat Project area has identified several potential hematite targets that might contain direct shipping iron ore. Possible hematite targets include zones of reduced magnetic amplitude, fault zones with clear evidence of magnetite destruction and favourable structural settings including fold hinges and complex fault patterns.

Middleback BIF horizons of the Hutchison Group are closely associated with sulphide-rich and calcisilicate units that are host to numerous base metal occurrences and old mines throughout eastern Eyre Peninsula.

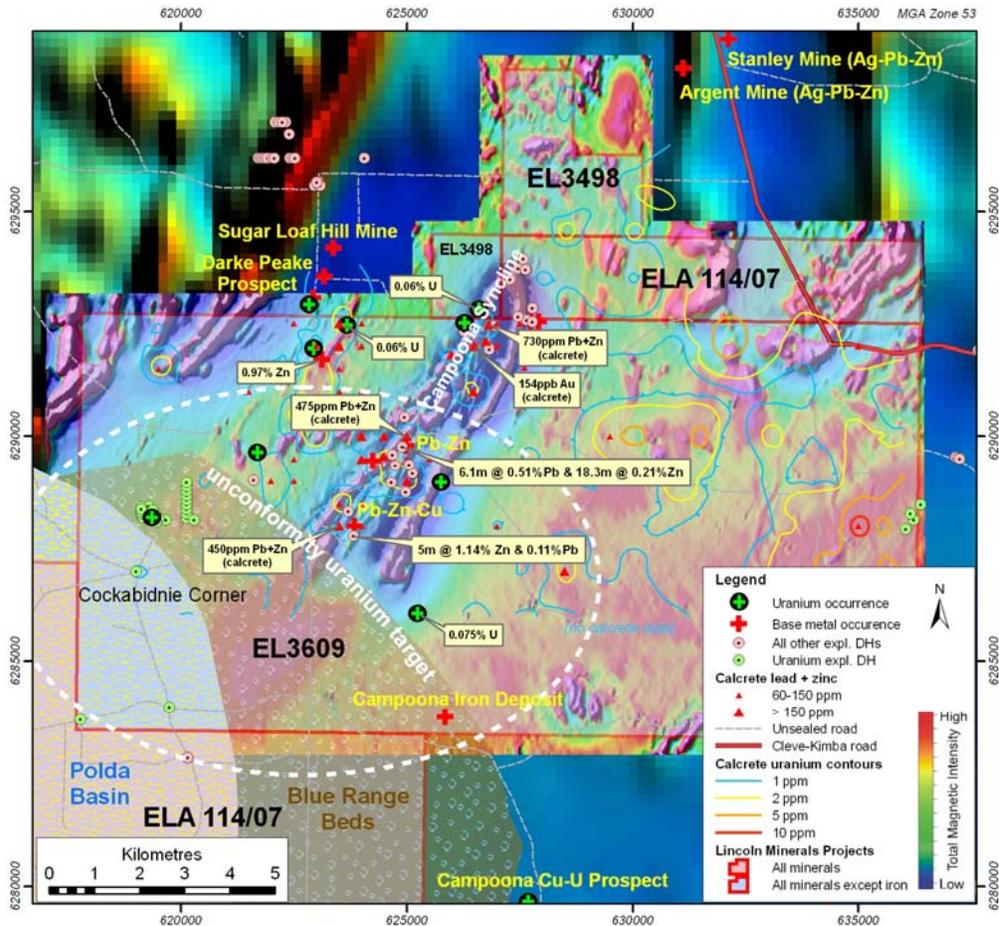
Six hematite targets (H2 to H7) have been identified for aircore and/or shallow slim-hole RC drilling during the next quarter. Aboriginal heritage clearances and Government work program approvals have been received and drilling is scheduled to begin in late July or early August. Drilling would be followed by detailed gravity surveys over the best opportunities for development.

Calcrete sampling has been undertaken over parts of the project area but the thickness of the extensive Bridgewater Formation calcarenite cover has masked any basement mineralisation.

**Cockabidnie Project – ELs 3498 and 3609 and ELA 114/07**

*(LML has exclusive rights to all minerals except iron on ELs 3498 and 3609 and exclusive rights to all minerals on ELA 114/07)*

Processing, enhancement and interpretation of a low-level (50m above ground level), close-spaced (100m) aerial magnetic and radiometric survey flown for LML in February 2007 was undertaken during the quarter. Both the aeromagnetic and radiometric data define significant structures and areas of interest that were not previously evident. The Campoona Syncline and associated shear zones are clearly defined by the enhanced aeromagnetics while the radiometrics defines areas of interest with regard to uranium mineralisation.



Regional surface geochemical soil, calcrete and rock chip samples were collected across most of the northern half of the Cockabidnie project to locate priority targets for drilling in the September quarter 2007.

Calcrete assays up to 153ppb Au and 730ppm Pb + Zn were identified along the western limb of the Campoona Syncline and have extended the zone of interest. Previous drilling of this zone has comprised numerous shallow RAB holes down to ca. 10m combined with a few widely spaced deeper RC and diamond drillholes. The latter intersected intervals up to 6.1m @ 0.51%Pb & 18.3m @ 0.21%Zn (CRAE 77CW1) and 5m @ 1.14% Zn & 0.11%Pb (WMC SJPD44).

### **Mount Hill Project – EL 3703 and ELAs 2/07 and 364/07**

*(LML has exclusive rights to all minerals except iron on ELA 2/07 and exclusive rights to all minerals on EL 3703 and ELA 364/07)*

The base of the Blue Range Beds and immediately underlying Hutchison Group metamorphic basement are the targets for unconformity-style uranium mineralisation in this project area. Previous exploration by Pancontinental Mining in 1979-82 identified a faulted contact between prospective Hutchison Group carbonates and the Blue Range Beds with a coincident ground radiometric anomaly and uranium anomalism up to 260ppm U (in silicified Katunga Dolomite/ironstone) with associated thorium, lead and nickel. Drilling was recommended but never undertaken.



**Mount Hill  
Project**

There is significant potential for base metals and gold in basement marble, calcisilicate gneiss and BIF below the unconformity and palaeodrainage channels associated with the Dutton River also have potential for uranium mineralisation.

Processing, enhancement and interpretation of a low-level (50m above ground level), close-spaced (100m) aerial magnetic and radiometric survey flown for LML in February 2007 was undertaken during the quarter. Both the aeromagnetic and radiometric data define significant basement structures and areas of interest that were not previously evident.

Calcrete sampling within the northern Mount Hill area has identified separate zones of elevated gold and base metals with assays up to 99ppb Au, 137ppm Pb + Zn and 100ppm Cu. These will be verified by infill sampling and drilling during the next quarter.

Aboriginal heritage clearances have been obtained in readiness for drill testing the Mount Hill uranium and gold targets.

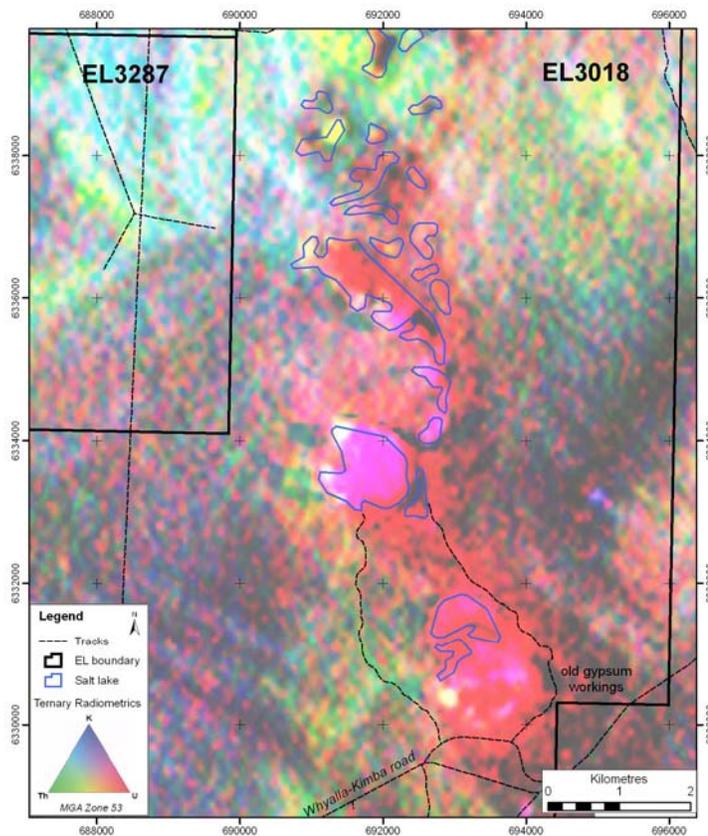
### **Stony Hill Project – ELs 3018, 3048, 3125, 3287, 3375 and part 3704**

*(LML has exclusive rights to all minerals except iron)*

The Stony Hill project is located in northern Eyre Peninsula, immediately west of the Middleback Ranges within the Middleback Subdomain. It contains scattered banded iron formation (BIF), marble and calcisilicate gneiss similar to the Menninnie Dam lead-zinc-silver deposit surrounded by Lincoln Complex granite gneiss. BIF, marble and gneiss are overlain by extensive sand and sandy clay with local playa lakes.

Granite gneiss in the region is locally uraniumiferous with numerous mylonitic shear zones similar to southern Eyre Peninsula. There is potential for uranium mineralisation within the granite gneiss, particularly within shear zones, and in palaeodrainage channels that drain off of the gneisses.

A low-level (50m above ground level), close-spaced (100m) aerial magnetic and radiometric survey was completed over the Stony Hill project area by UTS Geophysics in late February 2007. Detailed processing and enhancement of the aeromagnetic and radiometric data has identified several uranium and uranium/thorium anomalies, the best being on the margins of salt lakes west of Kimba Gap.



**Stony Hill  
Aerial Magnetic  
and Radiometric  
Survey**

Reconnaissance field checking with a hand-held spectrometer around the margins of one of the lakes at the end of the quarter, located two significant zones of uranium anomalism that are interpreted to represent the points where palaeodrainage channels enter the lake.

Follow-up surface sampling, geophysical surveys and RAB or auger drilling will be undertaken over the Kimba Gap target.

**FINANCE**

As at 30 June 2007 the Company had \$6.4 million cash.

Cash expenditure on exploration activities by the Company during the June 2007 quarter was \$180k.

## SHARE OPTIONS

As foreshadowed in the January 2007 Prospectus, the Company completed the non-renounceable free issue of one (1) Bonus Option for every two (2) Shares held by Shareholders who were registered as holders of Shares on 9 June 2007.

The total number of options allotted was 35,776,854. Of these 22,831,431 are quoted (ASX code LMLO). The remaining 12,945,423 are Restricted as follows (being the same periods as the restricted shares from which the Bonus Options emanated):

- 435,000 are restricted until 28 November 2007
- 1,250,000 are restricted until 25 January 2008
- 11,260,423 are restricted until 9 March 2009

In addition, the Board has recently approved the issue to key staff of a total of 300,000 unlisted options exercisable at 25 cents, expiring 31 December 2011. These options are subject to certain service requirements prior to vesting.



Dr A. John Parker – Managing Director

Dated: 27 July 2007

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