

Notice to the Australian Stock Exchange

Mining Production and Exploration Report for the Quarter ending 30th September 2007

a. Astron Donald Project (100% Astron Limited)

Production and Development Activities

Production

During the quarter the Donald project did not conduct any production activities.

Development

During the quarter the progress on the Environmental Effect Statement continued associated with the development of the Donald Mineral Sands project (expenditure as summarized):

Geology and Mining

Mining Lease Application

The survey for the Mining Lease Area has been received and a Mining Lease Application is currently being drafted for submission.

Mineral Processing

Slimes Handling and Disposal

Test program to confirm slimes settling characteristics using site water has been completed confirming previously obtained results.

Slimes and Tailings samples produced from the test program have been provided to Coffey Mining. Coffey Mining will complete several tests to improve the slimes disposal concept and results are expected at the end of October.

Upgrading of Zircon Product

Final zircon product produced during the development of the Mineral Separation Plant was supplied to Astron Limited for testing of its internally developed U+Th removal process. Test results confirmed previously obtained results indicating the developed process capable of reducing combined U+Th to <500ppm. Astron Limited has started the construction of a pilot plant to further develop the process.

Logistics

Power

DMS confirmed that power to the Donald Mineral Sands project would be supplied by the local power authority which has performed and completed a study into the most appropriate route and has initiated an Environmental Impact Assessment.

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Water

Results from several water studies were received during the quarter indicating that the use of saline groundwater for mineral processing will have no adverse effects on the environment and that the extraction of water from the Avon Deep Lead would have a beneficial impact on surface salinity in the area.

Donald Mineral Sands also confirmed that water for the project would be sourced from the Avon Deep Lead and/or from savings realized from replacing the GWMWater open channel system with underground pipes.

DMS is continuing to work closely with the Victorian Department of Sustainability and Environment and local water authority GWMWater to outline the license requirements for the extraction of saline groundwater from the Avon Deep Lead, before committing to performing a large scale pump test to confirm the suitability of the Avon Deep Lead as a potential water source.

Environmental Effect Statement

All studies associated with the EES have now been completed and presented to the Technical Reference Group and information distributed to the wider community through community information evenings. Donald Mineral Sands and its environmental consultant Coffey Natural Systems expect the EES document to be finalized by year end, with public exhibition commencing during January 2008.

Expenditure Summary

Total expenses have been incurred as follows:

Production Activities	September Qtr 2007	YTD 2007
	Nil	Nil

Development Activities	September Qtr 2007	YTD 2007
	248,710	248,710

- b. The Gambia Mineral Sands Operation - (Astron has a 50% interest with Carnegie Minerals (Gambia) Limited)
- a) The project has initially been producing and exporting a primary combined heavy mineral concentrate. During the quarter it started to move to the next stage by progressing the construction of a secondary processing plant (the concentrate upgrade plant). This included the ordering of the longer lead items integral to the plant such as spirals and cyclones. The commissioning of this plant is targeted for early in the second quarter of 2008 and will enable the project to ship a separated higher value product.

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- b) Production of HMC for the quarter ending September 2007 was calculated at 15,983 tonnes, a 58% increase to the budget 10,144 tonnes, this was due to a later than expected wet season which may have an effect on the December quarter production budget tonnes of 34,000 tonnes.
- c) Exported HMC to China for this period was 4107 tonnes and our standing HMC stocks are 29,678 tonnes.
- d) The fourth mining unit (Suction Dredge 3) was commissioned in mid August and is running at 75% throughput due to harder than expected ground. It is anticipated that this area will be mined out by mid December and this dredge will then run at its rated 35tph.
- e) Site facilities including Office, Maintenance Workshop, Assay Laboratory and Stores were completed in July and the minesite was officially opened by Her Excellency The Vice President Dr. Isatou Njai Saidy and attended by 400 guests and over 2000 local villagers on the 19th July.
- f) Staff levels grew from 144 employees at the end of June to 147 direct employees as at the end of September 2007 (Comprising 118 Gambian employees and 27 expatriate employees).
- c. Senegal
- a) In accordance with the conditions of the exclusive exploration licence dated 26 November 2004 and granted under the mining agreement dated 16 August 2004 between the Company and The Government of the Republic of Senegal, on 17th September 2007 CME applied for the renewal of the exploration licence for the next three year period.
- b) On 18th October 2007 the Minister of Mines and Industry approved CME's application for the licence renewal for further three years.
- c) According to the Senegalese mining legislation, CME surrendered some already explored areas amounted to approximately 27% of the original licence area and retained about 550 km² for further exploration. CME proposed the exploration programme and budget of approximately US\$1M allocated mostly for follow up drilling at some already identified mineralisation areas as well as drill testing of yet untested exploration targets in Southern Senegal.
- d) As part of the immediate work programme, CME intends to convert a portion of the exploration licence into a mining title over the Niafarang Deposit explored by the Company in 2005 - 2006. CME negotiated the licence conversion procedures with the Senegalese Department of Mines and Geology in September 2007 and has already commissioned an independent and reputable Senegalese consulting firm for the statutory environmental impact assessment (EIA) of the Niafarang mining project as the first step in the licence conversion process.
- e) Subject to the timely statutory approvals and equipment procurement, the Company plans to bring the Niafarang deposit into production in early 2009.

Matthew Suttling

Secretary

30 October 2007