Ausmet Resources Limited
ABN 19 107 411 067
Level 6 105 St Georges Tce
PERTH WA 6000
Phone 9226 5122
www.ausmet.com.au

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No. of pages lodged: 8

Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2004

HIGHLIGHTS

- Ausmet listed on ASX on 30 April 2004 after raising $3.43 million.
- Successful drilling program completed over the Boundary resource at Dingo Range. Higher grade intersections included 4 metres @ 6.6g/t from 102 metres, 5 metres @ 5.2g/t from 58 metres, 3 metres @ 44.0g/t from 65 metres, and 6 metres @ 5.7g/t from 30 metres. In addition, a number of wide lower grade zones were intersected including 56 metres @ 3.5g/t from 58 metres, 10 metres @ 2.2g/t from 72 metres, and 22 metres @ 1.8g/t from 60 metres.
- Field reconnaissance carried out at Batchelor in the Northern Territory to provide technical and geochemical information over targeted areas.
- A number of advanced and conceptual exploration plays reviewed, including field investigation.

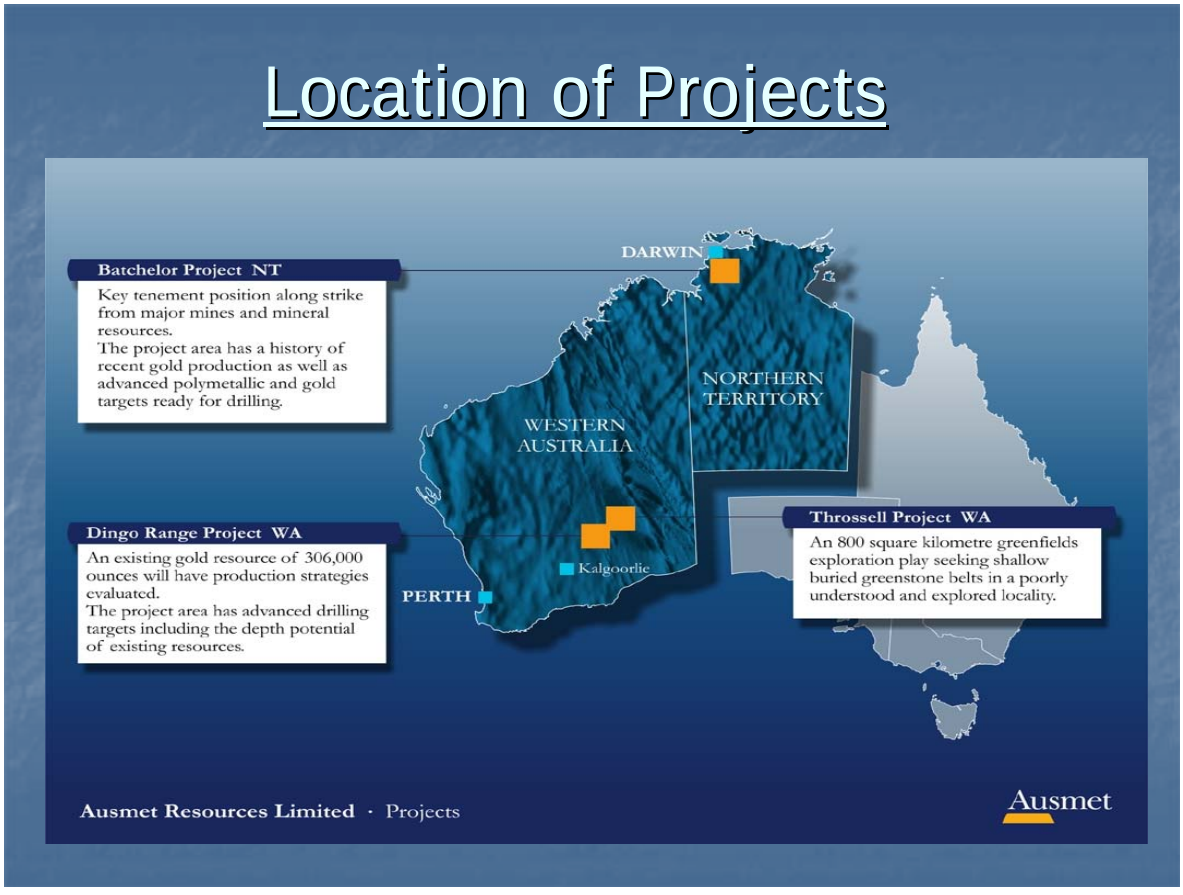
Overview

Ausmet Resources (ASX Codes AME and AMEO) has a portfolio of advanced and grass root exploration projects located within Western Australia and the Northern Territory.

Since listing, the Dingo Range and Batchelor projects have been the focus of work as they contain the most advanced gold and base metal targets.

At the Throssell project only remote sensing studies have been completed as the tenements have yet to be granted.

Ausmet has also actively reviewed a number of promoted projects. The majority of these projects were located within Western Australia. In addition, a number of in house studies have been carried out over areas where the Company considers there to be potential for economic gold and base metal mineralisation.



Dingo Range (100%)

The Dingo Range project area is located 400km north of Kalgoorlie and is contained in the greenstone belt lying immediately east of the Bronzewing gold operation.

Previous exploration within the area has defined gold resources of 306,000 ounces, contained in three zones – Boundary, Bungarra, and Stirling.

In addition, previous exploration has also defined a large number of anomalous areas within the project area – these anomalous areas would appear to have potential for both gold and base metal mineralisation.

The initial focus of the June quarter activities was to further understand the geometry and style of mineralisation within the larger of the existing gold resources – the Boundary deposit. A 5 hole reverse circulation drilling programme was completed over this deposit during the quarter and was specifically targeted to test the potential for an east west orientation to the main lode structure, rather than the previously interpreted north-south.

The results of this programme, which included both high grade as well as wide widths of lower grade mineralised intercepts, indicated that there may be greater continuity along the east-west orientation and this will require additional study.

The more significant drill intersections from this programme are summarised in the table appended to this report.

From an economic perspective, this drilling programme provided further evidence that the dominant controlling feature over the mineralisation within the Boundary deposit is brittle fracture, rather than a conventional lode structure prevalent throughout much of the eastern goldfields.

Such an interpretation indicates that the primary economic potential for the Boundary deposit is as a low grade bulk mining operation.

An initial scoping study has been carried out to test this potential and a more detailed study will be completed this quarter to determine the economic parameters required to make such an operation viable.

Within the greater Dingo Range area, field reconnaissance of the majority of the previously delineated anomalies was completed.

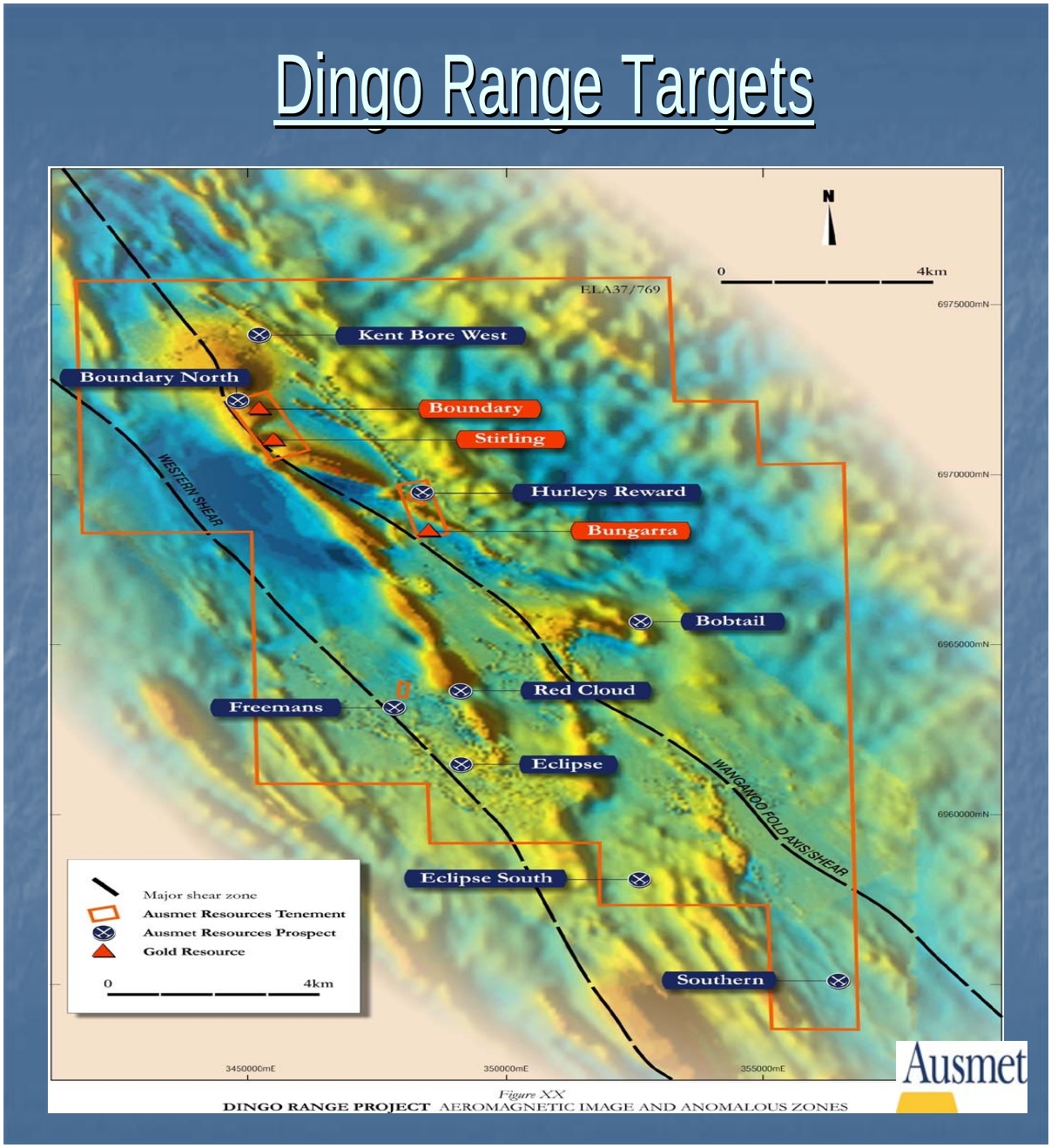
In addition, a review of the exploration work completed by previous owners was commenced and will be completed during the September quarter. Included in this review was a programme to integrate all of the historic drilling results into a single, computer based data set.

Such an integration of data will allow the effectiveness of much of this previous work, relative to the local regolith, to be determined.

The review completed to date has confirmed that there are a number of structural zones and stratigraphic targets which remain untested, particularly for gold mineralisation.

In line with previous announcements to the market, it is planned to drill test these areas by the completion of the September quarter.

Subject to rig availability, such a programme is likely to be 1,500-2,000 metres in extent and be aircore or reverse circulation.



Batchelor (earning 60%)

The Batchelor project is located in the Northern Territory near the town of Batchelor.

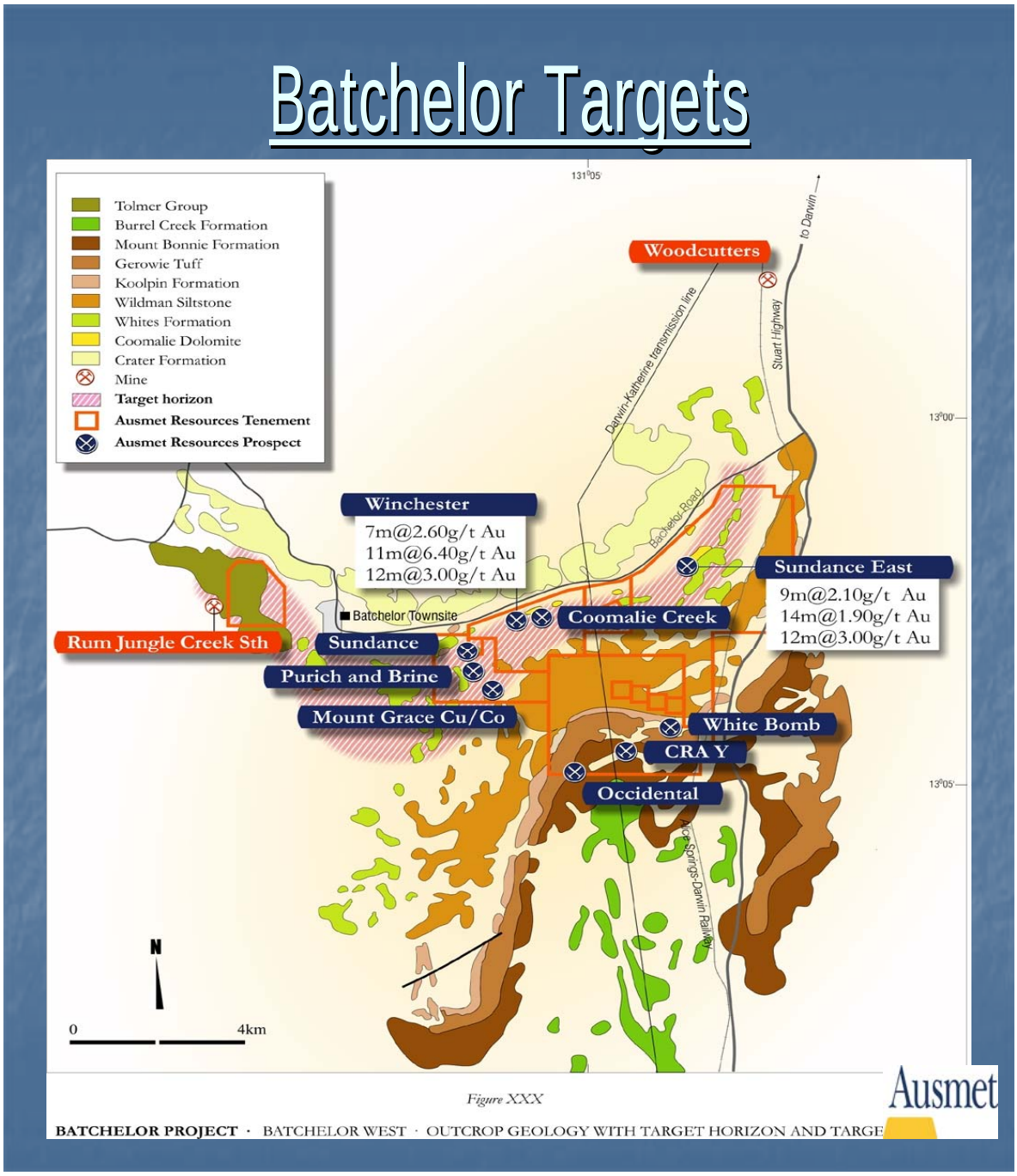
Similar to Dingo Range, the Batchelor project has a number of readily identifiable anomalous zones ready for drill testing. The focus of Batchelor is more base metal than gold, as the project area is located along the same strike horizon that hosted the nearby world class Woodcutters zinc/lead deposit as well as the undeveloped

Browns deposit, which contains 39.8 million tonnes @ 3.61% lead, 0.11 cobalt and associated copper, nickel and silver credits.

Some field exploration within the project area has been delayed because of a late wet but a drilling programme to test the preferred strike horizon, as well as a number of adjacent anomalies is planned.

Subject to rig availability, this drilling programme is expected to be carried out during September or October of this year.

A desk top review of all previous work carried out in the Batchelor project area is also being undertaken and it is considered that this will likely delineate additional areas for drill testing.



Throssell (100%)

The Throssell project area is located 420 kilometres northeast of Kalgoorlie and consists of 4 exploration licence applications.

Throssell is a grass roots conceptual target seeking to test the potential for previously untested greenstone lithologies adjacent to the northeast margin of the Yilgarn Craton.

It is hoped that approval to conduct exploration over the area will be achieved during the December quarter. A 1,500 metre drilling programme to test the targeted zones is planned once this approval has been received.

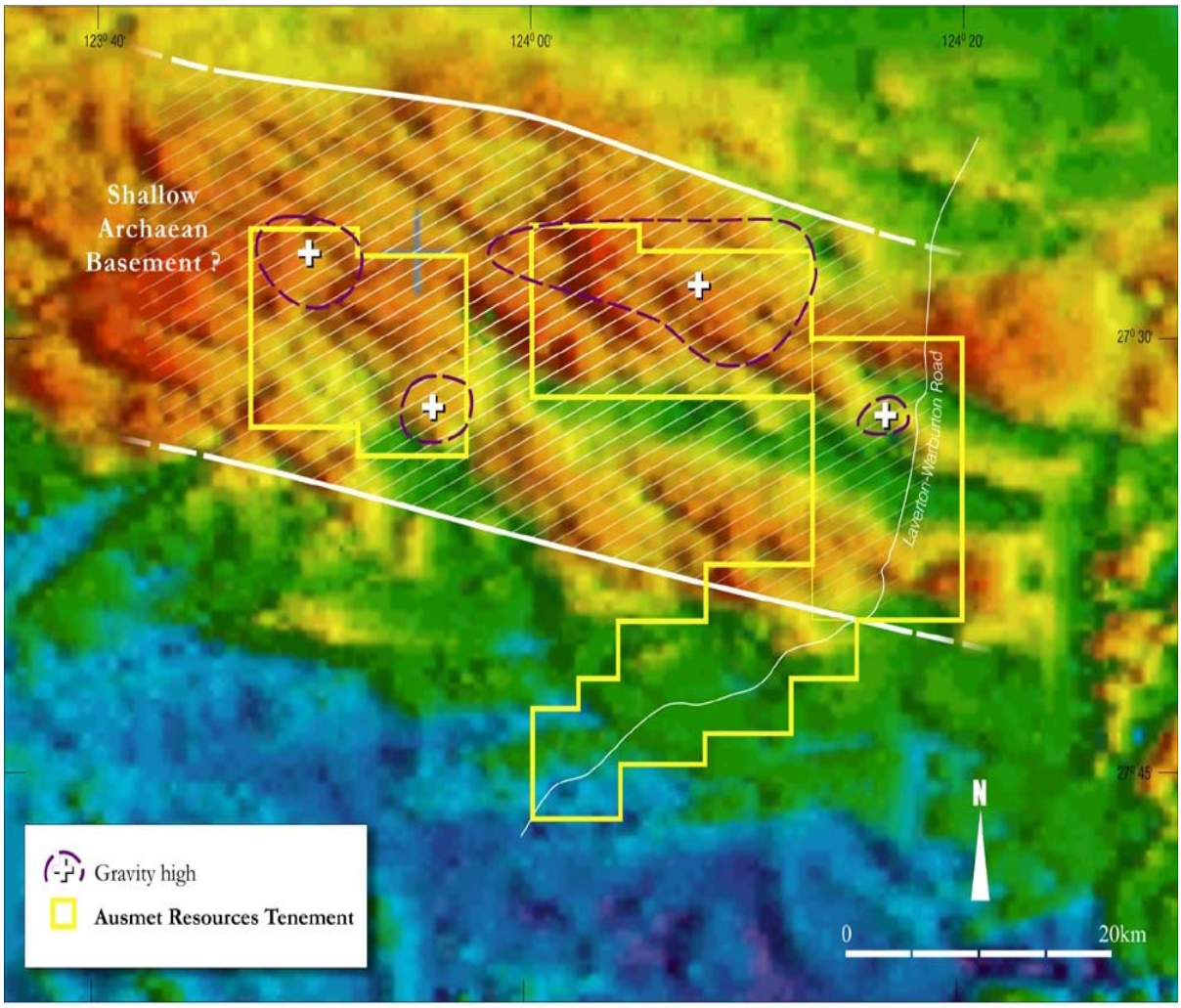


Figure XXX

THROSSEL PROJECT AEROMAGNETIC IMAGE WITH GRAVITY TARGETS

Business Development / New Projects

The technical consultants of Ausmet regard its existing suite of projects highly. At the same time, the Board of Ausmet recognise the potential for new projects to add value to your Company. As a consequence, the Company maintains an active search for advanced projects, both within Australia and overseas.

During the June quarter, a number of such projects were reviewed but the potential of all were downgraded after detailed study.

Corporate

As at the completion of the June quarter the Company's cash balance was $3,143,000.

On 7 July, following the resignation of Michael Curnow**,** Peter Strachan joined the Board of Ausmet.

Peter has a B.Sc majoring in metallurgy from Melbourne University and is a Fellow of the Securities Institute of Australia.

Peter commenced his working life in 1975 as a research metallurgist in Zambia and after an eight year career in this field entered the securities industry in 1983.

Over the past 20 years, Peter has worked with a range of UK and Australian based financial firms in roles as diverse as market and corporate research, institutional dealing, investment banking and management. During this period he also established an investor relations business which he continues today as Strachan Corporate Pty Ltd.

Peter brings to the Board a wealth of technical, corporate and managerial experience which will allow him to assist the Company with its planned growth through exploration and project acquisition.

Howard Dawson
Chairman

The information on mineralisation contained in this statement accurately reflects information compiled by Mr Malcolm Castle B.Sc (Hons), M.Aus.I.M.M who is a Competent Person (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in relation to such mineralisation. Mr Castle has given permission for the information to be included in this statement.

Boundary Drilling Programme

Significant drill results from the Boundary drilling programme. Gold analysis was by fire assay using a 50 gram charge and no top cuts have been applied

Hole No.	East (local)	North (local)	Dip (degrees)	Azimuth (degrees)	From (metres)	To (metres)	Interval (metres)	Gold (g/t)
BRC 1001	8830m	23165m	60	0	64	69	5	2.1
including					67	68	1	6.0
BRC 1001					81	82	1	2.4
BRC 1001					96	99	3	2.3
including					96	98	2	3.2
BRC 1001					100	108	8	4.2
including					102	106	4	6.6
BRC 1001					132	133	1	4.3
BRC 1002	8831m	23130m	60	0	15	22	7	1.5
BRC 1002					58	114	56	3.6
including					58	63	5	5.2
					65	68	3	44.0
					89	92	3	2.7
					96	98	2	8.5
BRC 1002					131	132	1	8.0
BRC 1003	8810m	23170m	60	0	91	98	7	1.1
BRC 1003					127	128	1	36.0
BRC 1004	8810m	23135m	60	0	30	36	6	5.7
BRC 1004					82	84	2	8.3
BRC 1004					88	91	3	1.4
including					90	91	1	3.1
BRC 1005	8831m	23010m	60	0	18	30	12	0.7
BRC 1005					51	53	2	2.5
BRC 1005					60	82	22	1.8
including					66	67	1	6.5
					72	82	10	2.2
					80	82	2	4.9
BRC 1005					86	90	4	1.7
BRC 1005					101	102	1	2.6
BRC 1005					115	116	1	2.4