

**KML Highlights  
of the Mar 08  
Quarter**

- **KML GeoScience Division underway. Aeromagnetics and Radiometrics equipment installed to Bell 206 JetRanger helicopter. Project flights have commenced.**
- **New Tenement Pegged, "California West" located west of Mt Garnet known to host alluvial tin.**
- **Drilling at Antimony Reward, Stannary Hills and Silver Valley have progressed. Results are expected next quarter.**
- **Acquisition agreement signed for South Mt Cameron Alluvial Tin Mine. Finalisation is subject to a due diligence examination expected to be completed in May.**

**Exploration  
Plan**

**First round drilling at Antimony Reward is underway with drilling at Stannary East, and Captain expected in April/May. Second round drilling at Antimony Reward is expected to commence at the end of May.**

**Soil geochemistry will now be undertaken at Antimony Reward to localise repetition of the current stockworks under investigation.**

**Delays due to an extended wet season in North Queensland have hampered drilling. Work at Mt Holmes is now expected to begin in June.**

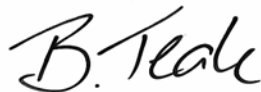
**Acquisitions/  
Joint Ventures**

Kangaroo Metals Limited is undertaking due diligence on the South Mt Cameron Alluvial Tin Mine as an acquisition target. Decisions on this acquisition are expected in the next quarter.

**Expenditure**

Expenditure

Exploration expenditure during the April-June 2008 quarter is expected to be \$300,000. Additional expenditure of \$150,000 may be necessary for follow-up drilling programs, due diligence and asset reviews.



**Dr Brett Teale**  
Managing Director

*This report is based on and accurately reflects information compiled by Mr Brian New, BSc., who is a full time employee of the Company. Mr New has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Brian New consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

# 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

**Kangaroo Metals Limited**

ABN

38 120 284 040

Quarter ended ("current quarter")

31 March 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(158)	(432)
(b) development		
(c) production		
administration	(89)	(411)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	31	139
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(2)	(2)
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(218)</b>	<b>(706)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(925)	(999)
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)	(67)	(67)
<b>Net investing cash flows</b>	<b>(992)</b>	<b>(1066)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1210)</b>	<b>(1772)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1210)	(1772)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	244
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	614	614
1.17	Repayment of borrowings	(13)	(13)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Issue Costs	-	(7)
	<b>Net financing cash flows</b>	601	838
	<b>Net increase (decrease) in cash held</b>	(609)	(934)
1.20	Cash at beginning of quarter/year to date	2,710	3,035
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,101	2,101

**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	63
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

N/A

**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

N/A

+ See chapter 19 for defined terms.

- 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

N/A
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### 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 - HPA	614	614
3.2	Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	450
4.2	Development	NIL
<b>Total</b>		450

### 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	46	321
5.2	Deposits at call	2,055	2,389
5.3	Bank overdraft		
5.4	Other		
<b>Total: cash at end of quarter</b> (item 1.22)		2,101	2,710

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+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**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	EPM14880	50% reduction	100%	100%
6.2	Interests in mining tenements acquired or increased	EPM17357	Application	NIL	100%

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**Issued and quoted securities at end of current quarter (continued)**

*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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	48,787,501	39,840,001		
7.4 Changes during quarter (a) Increases through issues (b) Exercise of options (c) Decreases through return of capital, buy-backs (d) Increase pursuant to underwriting of options				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	24,393,751	24,393,751	\$0.20	19 August 2009
	750,000	-	\$0.20	27 November 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <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 ~~does not~~\* *(delete one)* give a true and fair view of the matters disclosed.



Sign here:..... Date: 30 April 2008  
 (Company Secretary)

Print name: Geoffrey Wallace

**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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