

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Ivanhoe Australia Limited

ABN

20 107 689 878

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	14	14
1.2 Payments for (a) exploration & evaluation	(9,332)	(16,841)
(b) development	(10,626)	(21,429)
(c) production	-	-
(d) administration	(1,695)	(4,156)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,545	2,543
1.5 Interest and other costs of finance paid	(45)	(47)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(20,139)	(39,916)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(6,504)	(8,405)
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)	(22,878)	(22,878)
Net investing cash flows	(29,382)	(31,283)
1.13 Total operating and investing cash flows (carried forward)	(49,521)	(71,199)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(49,521)	(71,199)
	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	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(49,521)	(71,199)
1.20	Cash at beginning of quarter/year to date	137,305	158,983
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	* 87,784	* 87,784

(1.12) An amount of \$22.878 million was invested in term deposits classified as non-current assets. The term deposits are largely for the underlying security guarantees provided to the Queensland Department of Mines and Energy.

* The total cash balance is \$110.662 million which includes the \$22.878 million in term deposits for environmental bonds (noted above).

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	836
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

A payment of \$483,998 was made to Ivanhoe Management Services for IT support services provided, the software and implementation costs of a new accounting system and the reimbursement of IT purchases made on behalf of the Company.

A payment of \$17,888 was made to Global Mining Management Corp. for investor relation services provided to the Company.

A payment of \$294,323 was made to Ivanhoe Capital Aviation for management, investor relation services and travel related expenses.

A payment of \$12,269 was made to Ivanhoe Philippines Inc for geology services provided to the Company.

A payment of \$16,618 was made to Ivanhoe Singapore Corp. for administration services provided to the Company.

A payment of \$10,633 was made to Ivanhoe Capital Corp. Services (Singapore) for financial related services.

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

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

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	29,855	29,855
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	12,000
4.2	Development	45,500
4.3	Production	
4.4	Administration	2,500
Total		60,000

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	7,062	6,030
5.2 Deposits at call	80,722	131,275
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	87,784	137,305

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	Application for ML 90217	Applied for by Ivanhoe Cloncurry Mines Pty Limited	Application for approximately 382.1635 hectares lodged on 21/04/2011.

+ See chapter 19 for defined terms.

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺ Ordinary securities	418,709,553	418,709,553		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	242,500	242,500	nil	nil
7.5 ⁺ Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	<i>Performance Rights</i>		<i>Exercise price</i>	<i>Expiry date</i>
	313,250	-	nil	1 September 2012
	227,500	-	nil	1 March 2013
	4,900,000	-	nil	1 September 2013
	156,250	-	nil	1 December 2013
	871,250	-	nil	1 March 2014
	1,100,000	-	nil	1 September 2014
	871,250	-	nil	1 March 2015
	1,081,250	-	nil	1 September 2015
	658,750	-	nil	1 March 2016
	881,250	-	nil	1 September 2016
	401,250	-	nil	1 March 2017
	<i>Options</i>			
	46,729,204	46,729,204	\$3.38	20 September 2011

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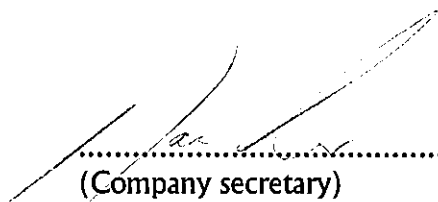
7.8	Issued during quarter	<i>Performance Rights</i>			
		156,250	-	nil	1 December 2013
		315,000	-	nil	1 March 2014
		156,250	-	nil	1 September 2014
		315,000	-	nil	1 March 2015
		156,250	-	nil	1 September 2015
		315,000	-	nil	1 March 2016
		156,250	-	nil	1 September 2016
7.9	Exercised during quarter	<i>Performance Rights</i>			
		242,500	242,500	nil	1 March 2013
7.10	Expired during quarter	<i>Performance Rights</i>			
		52,500	-	nil	1 September 2013
		15,000	-	nil	1 September 2014
		15,000	-	nil	1 September 2015
		15,000	-	nil	1 September 2016
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

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.

Sign here:



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(Company secretary)

Date: 24/7/2011

Print name:

DARREN MILLMAN
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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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