

28 April 2006

**QUARTERLY REPORT TO THE AUSTRALIAN STOCK EXCHANGE FOR  
THE PERIOD ENDED 31 MARCH 2006**

*The Directors of OmegaCorp Limited (“the Company”) are pleased to present the March 2006 quarterly report. The Company has advanced significantly by increasing its ownership of the Kariba Uranium Project (“KUP”) in Zambia from 70% to 100%. This project has an 11 million pound JORC compliant resource estimate. The quarter’s highlights are summarised as follows:*

***Kariba Uranium Project – Zambia***

- *Announcement of an increase to a 100% interest in the Project. An 11 million pound U<sub>3</sub>O<sub>8</sub> JORC resource has been estimated;*
- *Scoping studies are continuing, lead by the commencement of metallurgical testwork;*
- *Diamond drilling completed for metallurgical test work and verification in the previous quarter have been received and the results are consistent with the results achieved by AGIP;*
- *Historical drill data from the Bungua Prospect reveals shallow mineralisation, the possibility of multiple mineralised lenses and a likely increase in the resource base of the KUP.*
- *Rock chip sampling at Bungua – assay values of up to 3.8% (38 kg/t) U<sub>3</sub>O<sub>8</sub> from the samples collected. Eleven of the nineteen samples returned values >0.1% (1 kg/t) U<sub>3</sub>O<sub>8</sub> and only two samples were <0.01% (<0.1 kg/t U<sub>3</sub>O<sub>8</sub>);*
- *Detailed aeromagnetic and radiometric survey is scheduled to commence in May covering 400 square kilometres of the key prospects main areas.*

***Mavuzi Project – Mozambique***

- *The Company’s exploration focus is open pitable, disseminated uranium mineralisation;*
- *The Castro and Inhatobui historical mines have been physically located in the ten kilometre zone of interest;*
- *Regional studies have commenced with mapping, stream sediment sampling and an aeromagnetic and radiometric survey is scheduled to commence this year covering approximately 400 square kilometres over the area of interest.*

***Appointment of Glenn Whiddon – Non Executive Director***

- *The appointment of Mr Whiddon will strengthen the Board by providing additional exposure to the international capital markets.*

*The Directors believe that the advancement to 100% ownership of the KUP is a key milestone in the evolution of the Company. It is now directing its efforts in Zambia to finalizing a scoping study and metallurgical testwork on the Project as well as gathering further data to take the three other prospects within the project area to JORC status.*

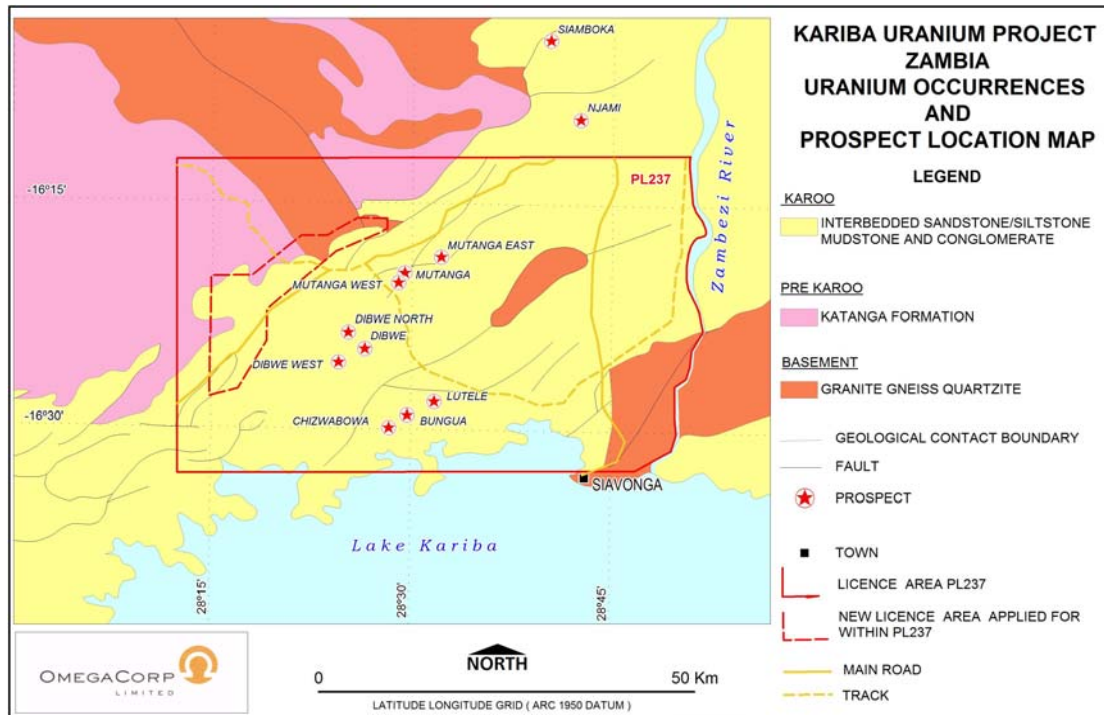
Enquiries-  
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Matthew Yates  
(61 8) 9322 6322

## KARIBA URANIUM PROJECT - ZAMBIA

In February 2006 the Company announced that it had acquired a 100% interest in the KUP in Zambia. The KUP is located some 200 kilometres south of Lusaka and comprises a single prospecting licence covering 2,521 square kilometres (Figure 1).



**Figure 1**

During the Quarter, independent consultants (Continental Resource Management Pty Ltd of Perth, Australia) completed a review of the limited drill program completed on the Mutanga prospect. Other work completed during the period included the commencement of metallurgical test work, gridding, mapping, ground scintillometer work and data compilation.

### Appointment of Project Manager

The Company has appointed Dave Dodd to manage the scoping study. Mr Dodd has over 30 years of experience in extractive metallurgy including 25 years of process plant design and commissioning and feasibility study management. Specifically, his experience relates to metallurgical test work, design and commissioning for the Buffelsfontein and Western Deep Levels uranium plants in South Africa. Mr Dodd's expertise also covers precious metals, base metals, industrial minerals, coal and gemstones and these projects have been located throughout Africa, Europe, South America, Central Asia and the Middle East.

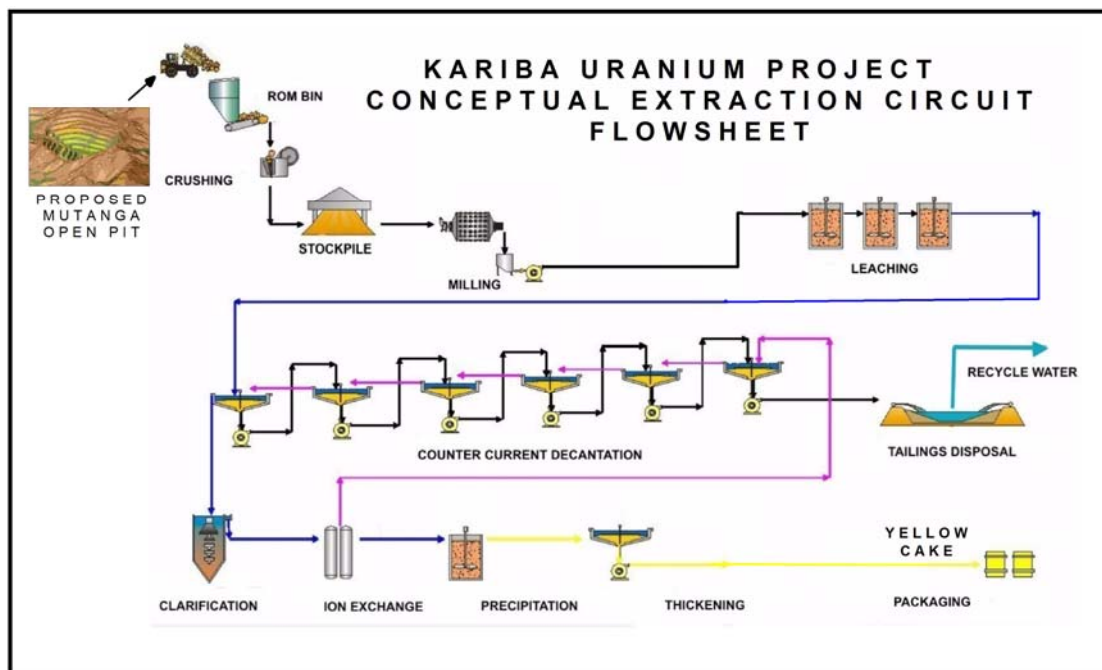
### Metallurgical Test Work

Metallurgical testwork has commenced at a facility in Perth, to confirm whether the conceptual flowsheet (Figure 2) can be used as the basis for processing of mineralisation from the project area. Samples of drill core from the drilling programme conducted in December are being tested under controlled conditions in the

laboratory to assess the response of the ore to a number of different processing conditions, for example including varying temperature and reagent concentration levels.

The scope of the tests includes leaching by both acid and alkaline methods, uranium recovery from the leach liquor by ion exchange technique, and precipitation of yellow cake from concentrated uranium liquor. It is expected that these tests will demonstrate what uranium recovery will ultimately be possible from the ores and the process solutions.

In addition the tests should establish a likely range of reagent usage and identify potential impurities that may affect process stability. The test results will be used to narrow down both the flowsheet options as well as the scope of future testwork that will be performed to establish the optimum operating parameters of the full-scale plant.



**Figure 2**

## **Mutanga Prospect**

### ***Diamond Drilling***

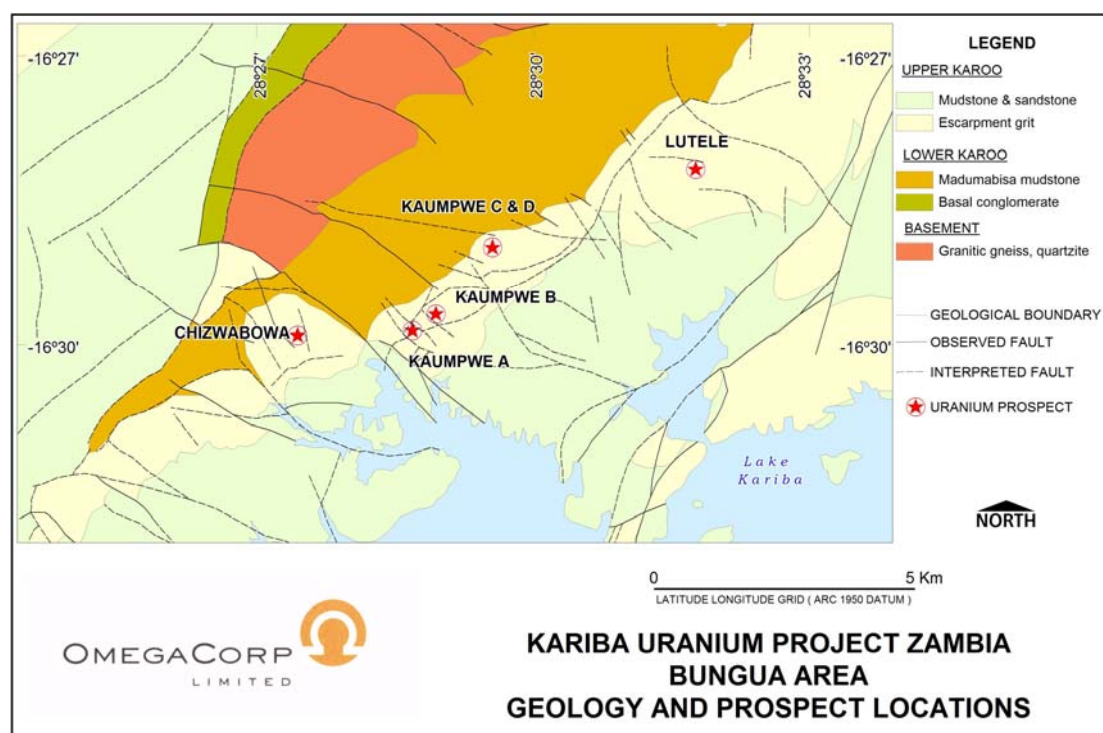
Eleven diamond drill holes were completed at Mutanga for 650m of diamond drilling. The holes were primarily drilled for metallurgical testwork and to test the veracity of the original drilling.

The assays from nine of the eleven holes drilled were reported early in the quarter and there is a good correlation between the holes drilled by AGIP and those by the Company, with two holes – MR04 and MR07 returning higher grade intercepts than the original AGIP data. Subsequent to this announcement, the results from the remaining two holes have been received and these have also broadly reflected the mineralisation in AGIP's original drill holes.

## Bungua Prospect

### *Historical Drill Data*

Uranium was first identified in the area in 1957 after a car borne survey located six anomalous areas in the vicinity of Bungua Hill, west of Siavonga. Bungua comprises six prospects and from west to east these are defined as Chizwabowa, Kaumpwe A, B, C, D, and Lutele (Figure 3). These prospects cover approximately 7.5 kilometres of strike of the northeast/southwest trending Escarpment Grit Formation. Drilling is known to have occurred in at least two areas, which combined cover a strike length of approximately half that of the Mutanga Deposit.



**Figure 3**

Key points from initial analysis of the historical drill data are:

- Over 95% of the drill holes contained mineralised intercepts, with over 75% containing more than one intercept – potential for multiple mineralised lenses;
- > 65% of the mineralised intercepts are within 20m of the surface;
- Drill intercepts include individual values up to 1.6% (16 kg/t)  $U_3O_8$ , and up to 9m in width;
- Drilling covers only approximately 500m of a 7.5 kilometre zone with five further known uranium occurrences;
- The drilling was shallow <41m in depth;
- The style and nature of the mineralisation is directly analogous to the Mutanga Deposit, which hosts >5 million pounds  $U_3O_8$ , and the two areas drilled to date cover approximately half the area of the Mutanga Deposit.

### ***Surface Sampling***

Nineteen rock chip samples were collected predominantly from the Bungua Prospect to examine the tenor of visible uranium mineralisation. The sampling was completed as part of the Company's on going assessment of the Project and to define the tenor of visible mineralisation observed in a recent field reconnaissance review.

The samples were collected over an approximate area of 300 x 200 metres. The area sampled contains several stream incisions and trenches in which the Geological Survey of Zambia had previously reported outcropping uranium mineralisation. Samples were collected from shallowly dipping sandstones and conglomerates exposed in or around the streams.

The results from the sampling completed by the Company generated assay values of up to 3.8% (38 kg/t)  $U_3O_8$  from the samples collected. Eleven of the nineteen samples returned values  $>0.1\%$  (1 kg/t)  $U_3O_8$  and only two samples were  $<0.01\%$  ( $<0.1$  kg/t  $U_3O_8$ ). All of the samples collected were either from outcropping mineralisation at surface or exposed in the banks of dry streams.

### ***Project Summary***

The Company notes that obtaining the Bungua data is another important step in the advancement of the resource base at Kariba. It further highlights the potential of the Project to yield zones of outcropping, shallow mineralisation. Further detailed sampling and mapping will be completed and integrated with existing data as a prelude to drilling.

Work will continue to advance these results to resource status and assess the remaining seven kilometres of strike at the Bungua Prospect. The Company is continuing with its efforts to locate historical data for Dibwe West and Dibwe North, both extensively drilled by AGIP in the anticipation that these areas will also yield zones of significant mineralisation.

Scoping studies are continuing on the Mutanga and Dibwe prospects to assess their economic viability with a view to progressing the Company to production and an early cash flow.

### ***Mavuzi Project - Mozambique***

The Mavuzi Project is located some 40 kilometres northwest of the provincial centre of Tete in northwestern Mozambique and comprises four granted licences covering approximately 700 square kilometres. The central licence covers the historical Mavuzi Uranium Mine ("Mavuzi Mine") and has been the focus of the Company's exploration initiative during the previous quarter.

Work completed to date in a limited timeframe has already defined three prospects - Mavuzi Mine, Airport and Kaboazi Creek Prospects. These have highlighted a corridor of prospectivity approximately four kilometres in strike length in a ten kilometre zone of interest.

As a follow-up to the work of the previous quarter, gridding and ground scintillometer work has continued, extending the Mavuzi Mine grid several

kilometers to the north and northeast of the three prospects defined to date. This has led to the physical location of two further areas of historical workings being defined in the grid area. This data is currently being compiled and will be reported shortly.

A regional initiative within the project area has also commenced with orientation stream sediment sampling and the planning of an aeromagnetic survey which is scheduled to commence this year over two of the four licence areas.

### ***Summary***

The Company is encouraged by the results in identifying broader zones of disseminated mineralisation in the drilling.

The exploration focus of the Mozambique properties will be to pursue this style of mineralisation within the project areas with the aim of identifying mineralisation amenable to open pit mining.

### **Mkuju River Project – Tanzania**

The Mkuju River Project (“MRP”) is located in southern Tanzania, some 470 kilometres southwest of Dar es Salaam. The MRP comprises two granted licence areas covering over 1,500 square kilometers. The area was part of a countrywide search for uranium between 1978 and 1982 by a German company Uranerzbergbau GMBH.

No field work was completed on the MRP during the quarter, however desktop reviews continued as a prelude for fieldwork to commence in the future. This review has led to the generation of a GIS for the project area. The gazetted boundary of the Selous Game Reserve has been entered in to the GIS and revealed that the area of interest straddles the boundary with the Selous. An official request to enter this area has been lodged with the appropriate Ministry in Tanzania.

### **Zambezi Valley Project – Zimbabwe**

The licences that comprise the Zambezi Valley Project (“ZVP”) - Zimbabwe are still under application. The ZVP licence applications cover an area that was extensively explored for uranium between 1981 and 1992 by Interuran. The Company will continue to attempt to progress the licence areas to grant and acquire available data.

### **Tanzanian Heavy Mineral Sands Project**

Work completed on the Heavy Mineral Sands Project in the previous quarter has identified the key areas from the original 3000 square kilometres originally held by the Company. Three new licences have been applied for over these key areas and work will continue to find a partner for the project whilst the main focus of the Company remains its uranium assets.

## **Appointment of Glenn Whiddon – Non Executive Director**

Mr Whiddon is based in Europe and has extensive experience in the resources sector. He has a background in banking, corporate advisory and capital markets, having worked for the Bank of New York in Australia, Europe and the CIS. In 1994 he established a boutique merchant bank in Moscow providing advice and undertaking direct investment, predominately in the resource sector. He has been involved in a number of TSX, AIM and ASX listed resource companies and is the former CEO of Grove Energy Limited, the Chairman of Statesman Resources Limited and a Director of Segue Resources Limited.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves on information other than the Kariba Project in Zambia is based on information compiled or reviewed by Mr. Matthew Yates, who is a Member of The Australian Institute of Geoscientists (AIG). Mr. Yates is a full-time employee of Beacon Exploration Pty Ltd, a consultant of OmegaCorp Limited. Mr. Yates has sufficient experience which is relevant to the style of mineralisation 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. Yates 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

**OMEGACORP LIMITED**

ABN

60 094 212 307

Quarter ended ("current quarter")

31 March 2006

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	57	113
1.2 Payments for (a) exploration and evaluation	(1,146)	(2,800)
(b) development	-	-
(c) production	-	-
(d) administration	(91)	(372)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	57	181
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – business development	(33)	(288)
<b>Net Operating Cash Flows</b>	<b>(1,156)</b>	<b>(3,166)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	(54)	(135)
(b)equity investments	-	-
(c) other fixed assets	(18)	(151)
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	-	-
<b>Net investing cash flows</b>	<b>(72)</b>	<b>(286)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,228)</b>	<b>(3,452)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,228)	(3,452)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	82	5,192
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 – capital raising expenses	-	(287)
	<b>Net financing cash flows</b>	82	4,905
	<b>Net increase (decrease) in cash held</b>	(1,146)	1,453
1.20	Cash at beginning of quarter/year to date	4,755	2,156
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3,609	3,609

**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	88
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors fees, company secretarial services and provision of a fully serviced office.

**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

Not Applicable.

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

Not Applicable.

+ See chapter 19 for defined terms.

### 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,200
4.2 Development	-
<b>Total</b>	<b>1,200</b>

### 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	390	418
5.2 Deposits at call	3,219	4,337
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>3,609</b>	<b>4,755</b>

### 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	PL 237 – Kariba Uranium Project (Zambia)	70%	100%

+ 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 <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>	101,905,060	101,705,060	Not Applicable	Not Applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	300,000	300,000	Not Applicable	Not Applicable
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>	10,400,000	-	<i>Exercise price</i> \$0.050	<i>Expiry date</i> 30 June 2007
	2,900,000	-	\$0.225	30 June 2007
	15,800,000	-	\$0.300	30 September 2007
7.8 Issued during quarter				
7.9 Exercised during quarter	100,000	-	\$0.225	30 June 2007
	200,000	-	\$0.300	30 September 2007
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ 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 ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 28 April 2006  
(~~Director~~/Company secretary)

Print name: LUKE WATSON

## 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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+ See chapter 19 for defined terms.