

## **SECOND QUARTER ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007**

31 January 2008

### **BELLEVUE PROGRESSES EXPLORATION AT RUNNING RIVER TIN PROJECT FOLLOWING STRONG ASX DEBUT**

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#### **December 2007 Quarter Highlights:**

- **Bellevue successfully lists on the Australian Stock Exchange (ASX) on 18 December 2007 at a 35% premium to its issue price**
- **Inaugural drilling program confirms presence of tin mineralisation at Running River Tin Project, located north-west of Townsville, Queensland**
- **Field exploration has resulted in the collection of 45 rock chip and stream sediment samples from Running River.**
- **Results from rock chip and stream sediment sampling and scout drilling program at Running River expected to be released in March Quarter 2008**
- **Bellevue secures priority access to drill rigs and field geologists**
- **Company continues scout drilling program at Running River after securing 106 samples from nine RC drill holes**

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#### **Bellevue successfully debuts on the ASX**

Bellevue successfully listed on the Australian Securities Exchange (ASX) on the 18 December 2007. The company's A\$3.5m IPO was fully subscribed in just three weeks from the initial offer due to high demand shown from investors.

The company was delighted by the market's response to the IPO and its support of the Company's plans for the development of its highly prospective tin project in Northern Queensland.

The company issued 17.5 million shares at 20 cents each to raise the money to progress exploration at its Running River Tin Project which is located 120 kilometres northwest of Townsville in the prospective Kangaroo Hill mineral fields in Queensland.

Since listing Bellevue has continued to explore Running River with the objective of identifying an economic tin deposit and commencing production as soon as possible.

Unlike many other junior resources companies who have struggled to gain access to rigs and exploration teams – Bellevue has secured priority access to drill rigs and field geologists due to its business partnership with Ansett Resources and Industries Pty Ltd.

Another major advantage for Bellevue is that Running River is located close to infrastructure such as roads, water and accommodation for staff, which should contribute to lower capital costs in developing any Project.

The company believes the fundamentals of the tin market remain very strong based on the current tin price and the growing demand for the commodity from rapidly expanding economies such as China who is a net importer of tin.

According to official customs statistics reported by Reuters media, China remained a net importer of tin in December 2007.

The company remains focused on the significant tin potential of the project area and will utilise funds from the IPO to progress its exploration program as a follow up on initial rock chip and sediment sampling which began late last year

In addition to the funding of exploration activity Bellevue also plans to use funds from the IPO to pursue acquisition and joint venture opportunities both within Australia and overseas.

## **Running River Tin project (Exploration update)**

### **Stream Sediment and Rock Chip Sampling**

On 18 December 2007 Bellevue reported that field exploration had resulted in the collection of 45 rock chip and stream sediment samples from Running River

In November and December 2007 an exploration team at Running River took a total of 45 samples of which six were rock chip samples (taken from historical mines) and 39 were stream sediment samples.

The field work completed is limited at this stage and the assays cannot be considered representative of the area. However the presence of anomalous results is encouraging.

Further sampling will be carried out to determine the extent of the stream sediment anomalies along with geological mapping and detailed rock chip sampling. A full desktop study of the geology in the tenement is now in progress to determine further hardrock exploration targets

The Hidden Valley area within the company's tenement is an historical tin mining area with both alluvial and lode deposits. Earlier work in the area by the vendor included both rock chip sampling of old workings and stream sediment samples of several of the drainages.

The results will be reported as soon as they become available.

### **Scout drilling confirms presence of tin mineralisation**

On 17 January 2008 Bellevue confirmed the presence of tin mineralisation following the commencement of its inaugural drilling program at Running River.

The tin mineralisation was confirmed during ongoing exploration at Running River where nine reverse circulation (RC) drill holes were completed resulting in the collection of 106 samples.

The 16 hole Scout Drilling Program was initially designed to ascertain the depth to bedrock and locate old paleochannels (river bed) within the project area.

Evidence of tin mineralisation was confirmed after a concentrate was produced from four of the holes. Fine grained tin was recorded from the concentrates. The holes were evenly spaced over the whole area to determine if tin was present in the alluvials. Three of the holes were water logged but the others returned representative samples.

Depending on weather conditions, the company plans to re-drill the three water logged holes and complete the remaining seven holes by the March Quarter 2008.

The company believes this initial exploration is highly encouraging as it covers only a small proportion of the entire tenement holding.

Assay results from Running River will establish the grade of the alluvials. Results are expected within the current quarter.

This drilling was undertaken on the southern section of the tin and base metals exploration project and is just one of several targets that will be explored.

### **Drilling program scheduled – June 2008 Quarter**

Based on the results of the current scout drill program, a reverse circulation drilling program has been proposed in early 2008 at Running River (following the wet season) to cover an area of 4km by 2km to test the alluvial tin deposits which were worked historically.

Further geological work will be done to delineate the exact areas to drill in order to determine the extent of the alluvial tin deposits.

### **For further information please contact:**

Paul Niardone	John Ceccon	John Williams
Non-Executive Chairman	Director	Investor Relations
Tel: 0412 470 241	Tel: 0407 758 884	Tel: (08) 9388 0944

Website: [www.bellevueresources.com.au](http://www.bellevueresources.com.au)

*The information contained within this report that relates to mineralization and Mineral Resources is based on, and accurately reflect, information compiled by Malcolm Castle, who is a non executive director of the Company and has been a corporate member of the Australasian Institute of Mining and Metallurgy for over 40 years. Malcolm Castle has well in excess of five years experience which is relevant to the style of mineralization under consideration and is considered a "Competent Person" as defined by the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".*

## **ABOUT BELLEVUE RESOURCES**

Australian tin and base metals exploration company Bellevue Resources Limited holds 100% of its Running River Tin Project which is located 120 kilometres northwest of Townsville in the prospective Kangaroo Hill mineral fields in Queensland.

Running River covers approximately 300 square kilometres and is located in a known historical mining area which has been mined for tin, in both hard rock and alluvial deposits (from 1870 to as recent as 1991).

There is excellent infrastructure located near the project, including access to water, roads and accommodation. Road access is available from the Bruce highway south of Ingham or from the Gregory Development Road north of Townsville.

The Running River project is adjacent to ASX-listed RMA Energy's (RMT) McCauley Creek and Coane Range copper-tin projects.

The company recently confirmed tin mineralisation from its scout drilling program, which resulted in the collection of 106 samples. Earlier field exploration in November 2007 saw Bellevue's exploration team collect a further 45 rock chip and stream sediment samples. Assay results from Running River will establish the grade of the alluvials. Results are expected within the current quarter.

The Company will also seek to identify other mineral resource opportunities in Australia and overseas. The Board has a strong combination of experience and industry knowledge, which will enhance the ability of Bellevue to rapidly advance the Running River Project.

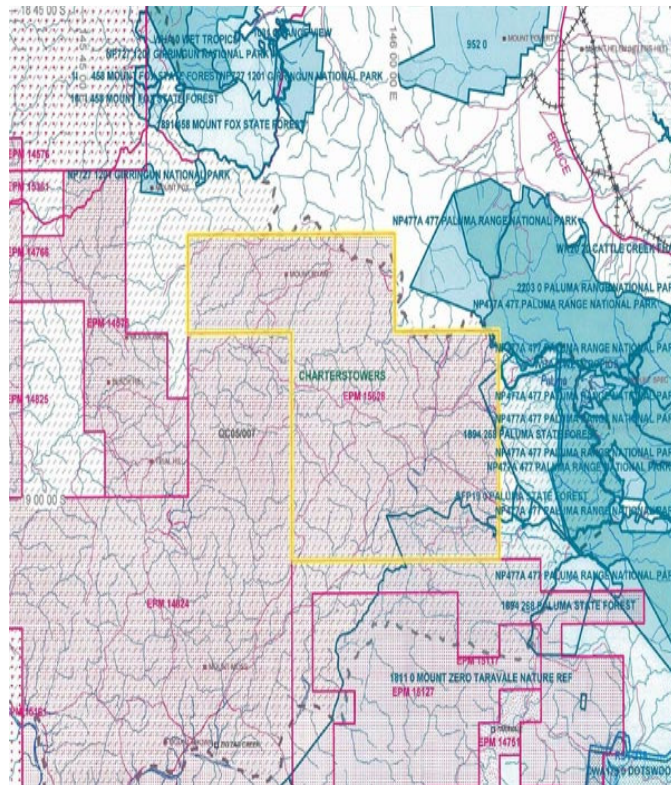
Should Bellevue Resources confirm an economic tin resource its plan is to commence production as soon as possible by developing mining and production capabilities at Running River by securing access to equipment, people and processing facilities.

## **ABOUT THE GLOBAL TIN MARKET**

The fundamentals of the tin market are strong based on the current tin price, with growth of over 150% in the past five years to a price of over \$16,000 per tonne on the rapid expansion of large economies including China and India.

According to the World Commodity Forecasts, tin consumption is expected to increase by 398,000 tonnes in 2008. Meanwhile supply growth is likely to be lagging behind consumption growth. In terms of the supply outlook, Indonesia the world's largest tin producer has closed down about 30 illegal tin smelters in the republic.

China is currently a net importer of tin. And with a rapidly growing consumer economy in China and in other regions of Asia, demand for electronics, tinsplating, solder and the manufacturing of chemical compounds should lead to further strong tin demand. As China's rural population moves into the cities, more food will need to be packaged and this should also benefit tin demand.



**Bellevue Resources tenement location for Running River Tin project, located north-west of Townsville, Queensland**