

QUARTERLY ACTIVITIES REPORT AS AT 30 JUNE 2011

ASX Code: EPC

Securities on Issue

22m Ordinary Shares
(quoted)

7m Ordinary Shares
(restricted)

3.5m Options
(unlisted)

Directors

Faldi Ismail
(Non-Exec. Chairman)

Morgan Barron
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Highlights during the quarter:

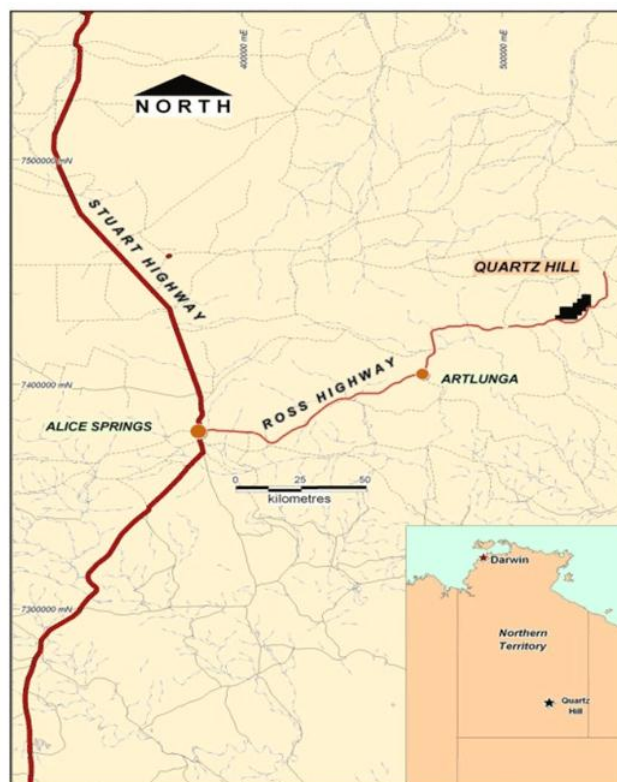
Quartz Hill Project

- Geologist site visit to the Quartz Hill Project area in April 2011.
- 37 rock chip samples were collected from 30 individual and/or coalesced pegmatite bodies.

Corporate/Financial

- At 30 June 2011 the company had cash reserves of \$3.82M.

Quartz Hill regional location diagram:



Quartz Hill Project Update

The Quartz Hill project lies 150km east-north-east of Alice Springs and is centred around Ambalindum Station. All tenements lie within the Eastern Arunta block, in the Harts Ranges.

The project consists of two adjoining exploration licences currently held by Cazaly Iron Pty Ltd. In April 2011 exploration activities commenced within the areas **EL24838** and the northeast corner of **EL25296**.

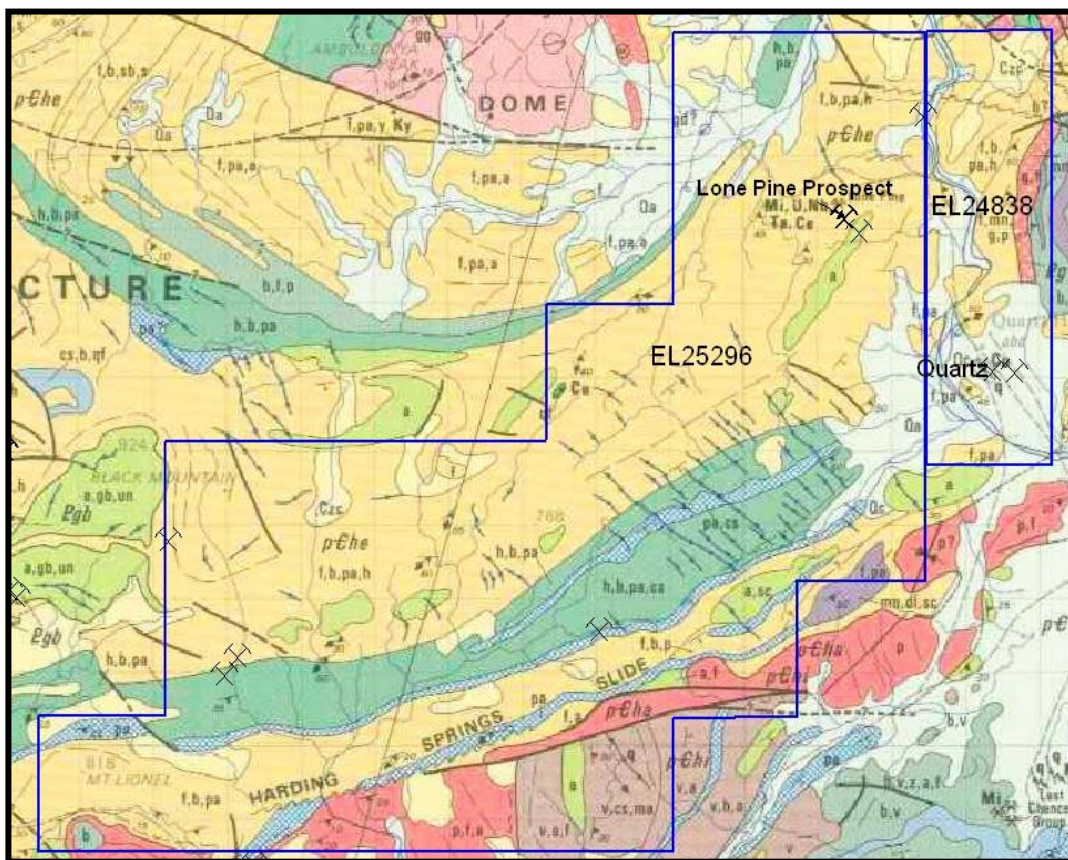


Figure 1: Quartz Hill Project – EL25296 and EL24838, Entia Dome, Northern Territory

EL25296

Field activities were concentrated in the area associated with the REE+U-bearing pegmatite field known as the 'Lone Pine' prospect (**Figure 2**). The Lone Pine area is dominated by hilly topography and long, linear ridge lines of pegmatite bodies. Mapping of this area confirmed the presence of several concentric zones within individual bodies which suggest a minimal depth of erosional exposure.

Mapping suggests that only the outer 'Wall' and minor 'Intermediate' zones are exposed, which are prospective for niobium-rich mineralisation, compared with the tantalum-rich mineralisation of the inner 'Intermediate' and 'Quartz Core' zones.

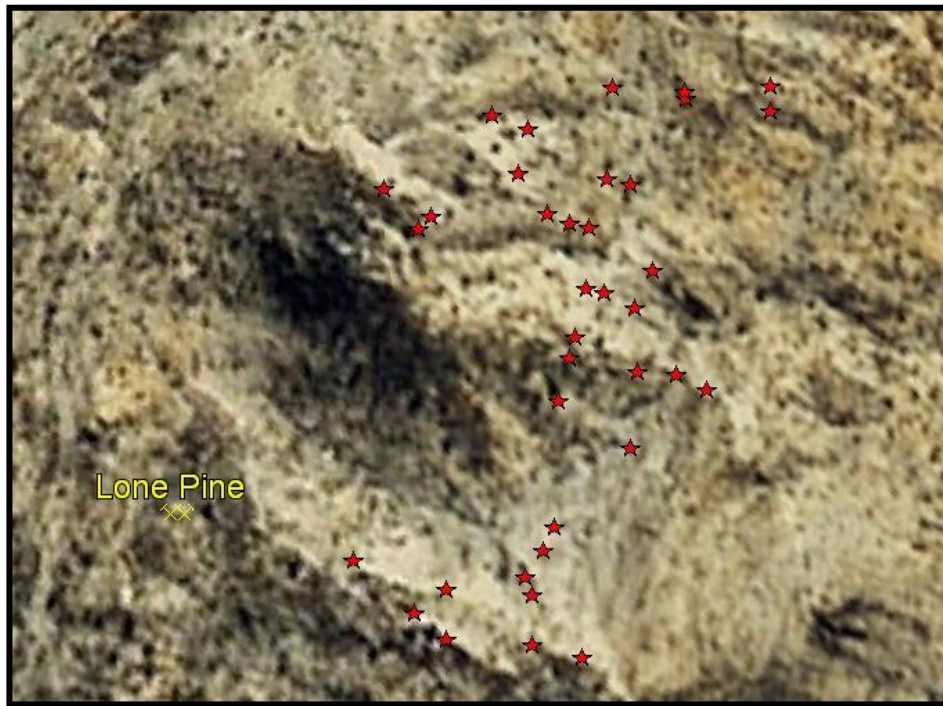


Figure 2: Lone Pine pegmatite rock chip samples (red stars)

A total of 37 rock chip samples were collected from 30 individual and/or coalesced pegmatite bodies. **(see Figure 2 above).**

All samples were submitted to Ultra Trace Laboratories Pty Ltd in Perth for analysis.

EL24838

Reconnaissance mapping and field prospecting across the license confirmed previously identified Heavy Rare Earth Element (HREE)-bearing samarskite associated with the Quartz Hill pegmatite body **(Photograph 1 & 2).**

All samples were submitted to Ultra Trace Laboratories Pty Ltd in Perth for analysis.

Several additional pegmatite bodies were identified in the north of the license area and they will be followed up with in the next field campaign.



Photograph 1: HREE-rich Samarskite crystals at Quartz Hill with associated Smokey Quartz at Quartz Hill



Photograph 2: HREE-rich Samarskite crystals

Other projects of interest

The Company has been actively evaluating a number other projects that include other types of minerals, including, without limitation, coal, iron ore, copper, gold, manganese, tin, nickel and tungsten both within Australia and abroad (with a particular focus on gold / copper projects).

This evaluation has identified a number of strong leads that the Company is confident of converting into binding agreements that will potentially generate significant shareholder value.

Corporate/Financial

At 30 June 2011, the Company had cash reserves of \$3.82M.

-ENDS-

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