



29 January 2010

**About Golden West Resources**

Golden West Resources is an emerging Iron ore producer in the Midwest region of Western Australia.

To date the company has a combined Hematite Resource Estimate of 141Mt @ 59% Fe making it the second largest DSO resources in the Midwest Iron Ore province.

Golden West Resources also has gold and uranium projects.

**Corporate summary**

ASX code: GWR

Issued Capital: 143 Million

Issued Options: 28 Million

**Board and Officers**

David Sanders  
Non-executive chairman

John Lester  
Managing director

Mick Wilson  
Executive director

Wang Jun  
Non-executive director

Mark Hine  
Chief executive officer

Anthony Begovich  
CFO/Company secretary

**Enquiries**

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**QUARTERLY REPORT - DECEMBER 2009**

**HIGHLIGHTS**

- New CEO Mark Hine brings extensive project development and iron ore mining experience to Golden West
- A significant resource upgrade delivered at the Wiluna West Hematite Project
- Company developing a strategy to see a DSO mine developed by end of 2010
- Proposed placement and share purchase plan announced
- High gold price enables Company to consider short-term gold production
- Infill drilling at the C4 deposit has confirmed the resource model and in some cases intersected broader widths than anticipated, intercepts include; 55m @ 62.6% Fe and 65m @ 61.4% Fe



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## Iron Project

Golden West Resources is focused on the exploration and development of the Wiluna West Iron Project 630 km from Geraldton and 970 km from Esperance. The project is planned to be developed in two stages:

- An initial 1-2mtpa operation focusing on shallow high grade hematite ore for trucking to a rail head or be sold to other producers at the mine gate.
- Once infrastructure options have been finalised a larger operation utilising the 141Mt of hematite resources currently defined will be developed.

The current JORC compliant resource for the Wiluna West project is based on 2194 holes for 190,031m drilled since June 2005. The global resource is reported in Table 1 and currently stands at 141Mt @ 59% Fe including 43.5Mt in the Indicated and Measured categories.

Resource definition drilling for the planned 1-2 Mtpa high-grade low impurity Joyners Find hematite mine was completed in the December quarter while development drilling to upgrade the quantity of Indicated and Measured Resources for the global resource at Wiluna West is currently underway in preparation for an up to 10mtpa mine.

<b>TABLE 1</b> <b>Golden West Resources Limited</b> <b>JORC Compliant Iron Resources</b>						
Classification	Tonnes (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Measured	1.16	61.89	6.53	2.89	0.037	1.68
Indicated	42.42	59.66	8.05	2.74	0.05	3.40
Inferred	97.54	58.35	8.97	2.84	0.06	4.03
<b>TOTAL</b>	<b>141.1</b>	<b>58.77</b>	<b>8.67</b>	<b>2.81</b>	<b>0.06</b>	<b>3.82</b>

A total of 4423 metres were drilled during the December quarter as detailed in Table 2.

<b>TABLE 2</b> <b>Golden West Resources Limited</b> <b>Summary of Drilling Completed by Deposit</b>		
Prospect	Holes	Metres
C4	34	2271
Joyners Find	21	1652
<b>Total</b>	<b>65</b>	<b>4423</b>

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## ***Joyners Find***

The Joyners Find deposit targeted for the 1-2mtpa operation has an Inferred Resource of 4.0Mt at 64.9% iron with the ore displaying very low levels of contaminants, particularly phosphorous at magnitudes of scale lower than most iron ore.

Infill and extensional drilling has now been completed and all results now returned. The drilling showed a large number of high grade intercepts (Table 3) that confirm the potential for a shallow high grade mining operation. The best of these results included 12m @ 63.8% Fe from 10m and 9m at +69% Fe from 45m – at the theoretical limit of iron purity for hematite ore.

The results of the drilling are being incorporated into the nearly completed current resource model. The modelling is being undertaken by resource consultants Optirto, and will be followed by pit optimisation and mining studies.

A PQ diamond drilling program for metallurgy and product quality is planned for the March 2010 Quarter.

A soil sampling program covering the proposed waste dump for the operation was completed during the quarter which will be followed up with a sterilisation drilling program.

Discussions are continuing with a number of parties interested in buying the ore. The very low levels of phosphorous, silica and alumina make it an extremely attractive blending product.

## ***Resource Development Drilling***

The drilling at C4 (Figure 2 Wiluna West Project) is part of a 15,000m program designed to increase the quantity of Indicated and Measured Resources at the C3, C4 and Bowerbird deposits to underpin an up to 10mtpa operation.

It is expected that the 15,000m program will be completed by the end of the June quarter allowing the upgrade of the existing resource model by the end of the September quarter. In conjunction with this program a diamond drilling program is expected to commence in early February 2010 in order to adequately define product quality for these resources.

The drilling completed in the December quarter was designed to infill the generally lower grade northern portions of the C4 deposit. All of the assays for the drilling completed so far have now been returned confirming relatively wider than expected ore grade intercepts which validated GWR's geological model. The best results for this program include 55m @ 62.6 % Fe and 65m @ 61.4% Fe. Information from this drilling program will lead to the calculation of ore reserves later in 2010 after the final assays are returned.

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**TABLE 3**  
**Golden West Resources Limited**  
**Summary of Significant Fe Intercepts**

Hole ID	Prospect	MGA Northing	MGA Easting	Azi/Dip	From	To	Intercept	Fe %	SiO2%	Al2O3%	P%	LOI%
WWRC1723	CR	7048530	792950	90/-60	95	98	3	52	23	1	0.01	1.6
WWRC1731	CR	7048800	793040	90/-60	58	63	5	64	4.4	2.4	0.02	1.3
WWRC1734	JF	7032700	793715	90/-60	8	16	8	53.4	11.7	4.5	0.11	6.7
WWRC1735	JF	7032700	793675	90/-60	31	38	7	66.5	2	1.5	0.02	1
WWRC1735					67	71	4	65.9	1.9	1.1	0.08	2.1
WWRC1737	JF	7032500	793685	90/-60	1	5	4	58.5	8.2	2.5	0.07	4.8
WWRC1737					7	10	3	55.7	9.6	3.9	0.06	6.4
WWRC1737					11	20	9	62.5	4	1.7	0.09	4.4
WWRC1738	JF	7032500	793645	90/-60	46	52	6	67.6	1.1	0.5	0.11	0.8
WWRC1738					67	70	3	63	1.7	1.1	0.29	5.4
WWRC1738					71	76	5	66.3	1.1	0.8	0.11	3
WWRC1739	JF	7033100	793750	90/-60	8	11	3	64.9	2.3	0.8	0.01	4.3
WWRC1739					14	23	9	63.1	3.7	1.5	0.07	4.4
WWRC1739					25	30	5	64.6	2.7	1.2	0.01	3.6
WWRC1739					32	40	8	63.8	1.6	0.6	0.01	6.4
WWRC1741	JF	703300	793783	90/-60	10	22	12	63.8	4	1.5	0.01	3
WWRC1741					25	28	3	64.3	3.1	1.8	0.01	2.9
WWRC1742	JF	7033500	793835	90/-60	6	13	7	59.5	8.6	3.3	0.01	2.5
WWRC1746	JF	7033900	793905	90/-60	1	4	3	64.2	4.7	2.3	0.01	1.2
WWRC1746					18	31	13	62.1	5.8	3.1	0.02	1.7
WWRC1748	JF	7032900	793725	90/-60	3	16	13	60.5	5.6	2.5	0.13	4.9
WWRC1750	JF	7033700	793820	90/-60	33	36	3	65.6	3.5	0.6	0.01	1.7
WWRC1750					74	83	9	69.3	0.3	0.2	0.01	0.2
WWRC1751	JF	7032800	793675	90/-60	38	40	2	65.6	2.2	1.6	0.02	1
WWRC1752	JF	7032800	793635	90/-60	62	64	2	63.4	2.7	1.3	0.01	3.2
WWRC1752					86	94	8	66	1.3	0.9	0.02	2
WWRC1752					112	115	3	61	1.4	1	0.02	7.3
WWRC1754	JF	7032600	793700	90/-60	12	26	14	58.4	6.3	3.4	0.07	6.3
WWRC1754					29	36	7	66.3	1.6	1.0	0.06	2.3
WWRC1755	JF	7032600	793660	90/-60	25	32	7	64.6	3.0	2.4	0.06	1.8
WWRC1755					62	88	26	61.7	3.1	2.0	0.03	4.3
WWRC1756	JF	7032500	793625	90/-60	100	104	4	63.8	1.3	0.7	0.06	4.1
WWRC1757	JF	7032700	793690	90/-60	39	46	7	64.3	2.8	2.2	0.08	2.4
WWRC1757					48	53	5	60.0	5.2	4.2	0.11	3.6
WWRC1763	JF	7033200	793770	0/-90	23	57	34	62.0	3.0	2.28	0.0	5.7
WWRC1763					63	77	14	66.8	0.7	0.5	0.01	3.0
WWRC1764	JF	7033100	793755	0/-90	6	11	5	62.3	5.0	2.3	0.01	3.3
WWRC1764					20	56	36	65.6	1.4	0.8	0.05	3.6
WWRC1764					61	74	13	66.6	0.9	0.5	0.01	2.9
WWRC1765	JF	7033850	793890	90/-60	31	37	6	67.7	1.3	0.6	0.01	0.9
WWRC1765					45	54	9	69.0	0.4	0.2	0.01	0.1
WWRC1766	JF	7033740	793880	90/-60	28	34	6	64.8	3.6	2.2	0.02	1.3
WWRC1768	JF	7033850	793910	90/-60	10	19	9	62.6	5.6	2.5	0.02	2.0
WWRC1776	JF	7032380	793700	90/-60	12	17	5	59.9	8.4	1.7	0.04	3.6
WWRC1777	JF	7032400	793660	90/-60	21	28	7	<b>65.6</b>	<b>3.0</b>	<b>1.3</b>	<b>0.06</b>	<b>1.1</b>
WWRC1779	C4	7046400	792600	90/-60	5	43	38	62.6	5.0	2.8	0.04	2.4
WWRC1780	C4	7046350	792580	90/-60	5	10	5	58.8	7.4	2.6	0.03	5.5

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WWRC1780	C4				18	31	13	58.7	7.1	4.2	0.04	4.2
WWRC1780	C4				38	43	5	60.1	9.0	3.3	0.02	1.5
WWRC1780	C4				50	61	11	64.8	3.7	1.7	0.04	1.5
WWRC1780	C4				65	68	3	62.7	6.5	1.6	0.06	1.7
WWRC1781	C4	7046350	792540	90/-60	19	57	38	<b>61.6</b>	<b>5.6</b>	<b>3.1</b>	<b>0.03</b>	<b>2.8</b>
and	C4				61	68	7	<b>62.6</b>	<b>7</b>	<b>1.7</b>	<b>0.04</b>	<b>1.6</b>
WWRC1782	C4	7046300	792500	90/-60	72	99	27	<b>60.7</b>	<b>10</b>	<b>0.9</b>	<b>0.03</b>	<b>1.8</b>
and	C4				104	110	6	58.2	15.4	0.2	0.03	0.8
WWRC1783	C4	7046250	792540	90/-60	54	71	17	60.6	10.8	1.3	0.01	0.8
and	C4				82	85	3	61.5	10	0.7	0.03	0.8
WWRC1784	C4	7046250	792500	90/-60	47	53	6	60	8.8	2.9	0.01	1.7
WWRC1785	C4	7046200	792500	90/-60	31	39	8	58.7	11.2	2.5	0.02	1.4
WWRC1787	C4	7046150	792460	90/-60	27	36	9	63.2	7.43	0.7	0.03	1.1
and	C4				59	81	22	63	7	0.7	0.03	1.7
inc	C4				66	79	13	67.1	2.2	0.6	0.02	1
and	C4				118	128	10	59.3	13.4	0.7	0.03	0.6
WWRC1789	C4	7046400	792565	90/-60	9	17	8	62.1	3.8	2.1	0.11	4.7
and	C4				23	88	65	61.4	6.6	2.3	0.07	2.6
inc	C4				48	87	39	63.7	5.2	1.1	0.06	1.9
WWRC1790	C4	7046300	792615	90/-60	12	17	5	60.9	7.8	2.3	0.02	2.5
WWRC1791	C4	7046300	792585	90/-60	48	59	11	60.4	7.4	3.3	0.03	2.5
WWRC1792	C4	7046300	792540	90/-60	4	12	8	60.2	6.1	3.7	0.02	3.6
and	C4				27	82	55	62.6	6.1	2	0.03	2
inc	C4				47	76	29	64.2	5.1	1.3	0.03	1.2
WWRC1793	C4	7046250	792620	90/-60	9	16	7	59.7	8.4	3.1	0.02	3
WWRC1794	C4	7046250	792580	90/-60	27	43	16	60.5	8.9	2.7	0.02	1.7
WWRC1796	C4	7046200	792460	90/-60	89	92	3	65.6	5	0.5	0.02	0.7
WWRC1797	C4	7046150	792620	90/-60	2	13	11	56.1	10.4	4.3	0.02	4.5
WWRC1800	C4	7046150	792540	90/-60	75	79	4	58.4	11	2.9	0.04	1.8
WWRC1802	C4	7046100	792520	90/-60	48	56	8	60.6	9.35	1.81	0.03	1.72
and	C4				71	79	8	61.6	10.6	0.39	0.03	0.51
WWRC1805	C4	7045900	792500	90/-60	7	21	14	57.2	9.01	4.94	0.02	3.83
and	C4				25	33	8	58.2	8.74	5.2	0.02	2.66
WWRC1806	C4	7045850	792490	90/-60	0	38	38	58.9	7.01	4.17	0.02	4.2
inc	C4				0	16	16	62.3	4.4	1.95	0.02	4.29
WWRC1807	C4	7045850	792450	90/-60	25	57	32	61	6.27	3.96	0.02	2.13
WWRC1808	C4	7045750	792480	90/-60	9	20	11	59.5	5.71	3.69	0.03	5.26
and	C4				38	51	13	62.6	5.77	2.42	0.02	1.77
WWRC1809	C4	7045750	792400	90/-60	25	76	51	63.9	3.56	2.44	0.03	2.42
inc	C4				48	72	24	65.8	2.15	1.31	0.04	2.24
and	C4				83	95	12	62.1	7.37	1.93	0.03	1.54
WWRC1810	C4	7045550	792420	90/-60	25	38	13	62.4	4.56	2.33	0.02	3.53
and	C4				67	83	16	61.7	7.74	1.79	0.03	1.83
WWRC1811	C4	7046100	792480	90/-60	33	40	7	61.8	11	0.13	0.02	0.36
and	C4				57	60	3	63.9	5.96	0.96	0.04	1.16
WWRC1812	C4	7045450	792320	90/-60	0	10	10	64.2	3.01	1.54	0.04	3.3
and	C4				18	45	27	58.9	10.6	2.68	0.02	2.14
inc	C4				30	38	8	62.5	6.38	2.17	0.03	1.89
and	C4				52	74	22	63.3	6.26	0.98	0.05	2
inc	C4				<b>56</b>	<b>62</b>	<b>6</b>	<b>66.1</b>	<b>2.91</b>	<b>0.86</b>	<b>0.03</b>	<b>1.37</b>

Notes: Minimum Intersection Length = 1m, Interval Top Cut = 9,999,999.00 % Fe, Interval Bottom Cut = 50.00 % Fe, Maximum Internal Dilution = 1m, Reporting Assays Greater than 50.00 % Fe

## ***Native Title and Aboriginal Heritage***

Negotiations with the Tarlpa people for a mining agreement continued with a meeting between Golden West and the Tarlpa Negotiation Team held in Wiluna on 7 December 2009. Further negotiations are expected over the coming quarter.

## **Gold project**

The Wiluna West Project also hosts a gold resource of 788,000k @ 3.5g/t. These deposits occur in two shear zones running parallel to the Iron ore deposits. Golden West Resources is advancing options to mine one or more of these deposits by the end of 2010 to take advantage of the current high gold prices.

Discussions continued with nearby gold operations in regards to a toll milling agreement. The operation would mine one or more of the shallow open cut gold deposits which are part of the Inferred Mineral Resource Estimate of 788,000 tonnes at 3.5 g/t gold.

Work on the most advanced gold deposits continued in preparation for reserve calculations and mining late in 2010. It is expected a small program of infill and confirmation drilling will be required to validate the existing resources prior to the calculation of reserves.

Soil sampling over 55km<sup>2</sup> highlighted anomalous gold in soil anomaly over a total of 11km co-incident with the Joyners Find and Brilliant Shear zones. These two shear zones host all of the known gold resources within the project area. A large proportion of the strike length of the gold soil anomalies are currently untested and many of the deposits remain open, both at depth and along strike, confirming the potential to significantly expand on the known gold resources through exploration drilling.

## **Uranium project**

No uranium exploration was undertaken during the Quarter.

## **Corporate**

### ***Board Changes***

During the quarter the following changes were made to the Golden West Resources Board:

- Mr David Sanders was appointed Non-executive Chairman on 26 November 2009;
- Mr Vaughan Webber resigned as Non-executive Chairman on 26 November 2009; and
- Mr John Douth resigned as a Non-executive Director on 26 November 2009

As previously announced the Company is continuing its search for an independent Non-executive Director with iron ore experience.

## ***New CEO***

Late in 2009 the Company identified Mr Mark Hine as its new Chief Executive Officer.

Mr Hine was previously Executive General Manager Mining of Macmahon Contractors Pty Ltd where he had charge of contract mining operations at BHP Billiton Iron Ore's Ore Body 18 Mine near Newman in Western Australia's Pilbara region.

He has also had experience while working with Macmahon with Rio Tinto at their Cape Lambert and Dampier stockpiling operations. Prior to his time with Macmahon he held a number of senior executive roles which saw him develop greenfield mines to production and undertake commercial negotiations for contractual service, sales and end-product offtake agreements.

Mr Hine has a Bachelor of Engineering (Mining) from Western Australia School of Mines, a First Class Mine Managers Certificate of Competency in WA, Qld & NSW and an Underground Supervisors Certificate of Competency WA.

Mr Hine is also a member of AUSIMM & AIME and is an affiliate member of AICD.

Mr Hine's expertise and experience will greatly assist the Company with its plans to bring its Joyners Find project into production by the end of this year (2010) and further develop its Wiluna West projects.

## ***Demerger of Non-Iron Assets***

The Company remains committed to the previously announced 'spin-off' of its non iron assets into a new ASX listed company, and is in the process of transferring these assets to a newly registered subsidiary as part of that process.

## ***Funding***

GWR announced a proposed placement and share purchase plan in November 2009. The placement, of up to 15% of its issued share capital, will be made to investors entitled to receive excluded offers under the Corporations Act.

A number of parties including existing shareholders have expressed an interest in participating in the placement. The Company has met with several brokers, with the Company keen to see diversification of its share registry by bringing in investors who have the growth of Golden West Resources as their prime motivation.

The Company also plans to offer all existing shareholders the opportunity to subscribe for shares in Golden West Resources under similar terms to the placement through a share purchase plan.

The funds raised through these initiatives will be used to complete the pre-feasibility study for the Wiluna West hematite project, complete the approval process for commencement of mining the Joyners Find deposit, complete the study and implementation of mining the Company's gold resources, assist in funding the proposed spin-off of the Company's non-iron assets and to fund working capital requirements.

The Company expects to complete the placement and share purchase plan by the end of the March quarter.

## Infrastructure

Infrastructure requirements continue to be assessed and GWR is in constant discussions with other stakeholders in the Midwest region to ensure nominated rail and port provider, Oakajee Port and Rail, prioritises advice on tariff charges to allow bankable feasibility studies to be progressed.

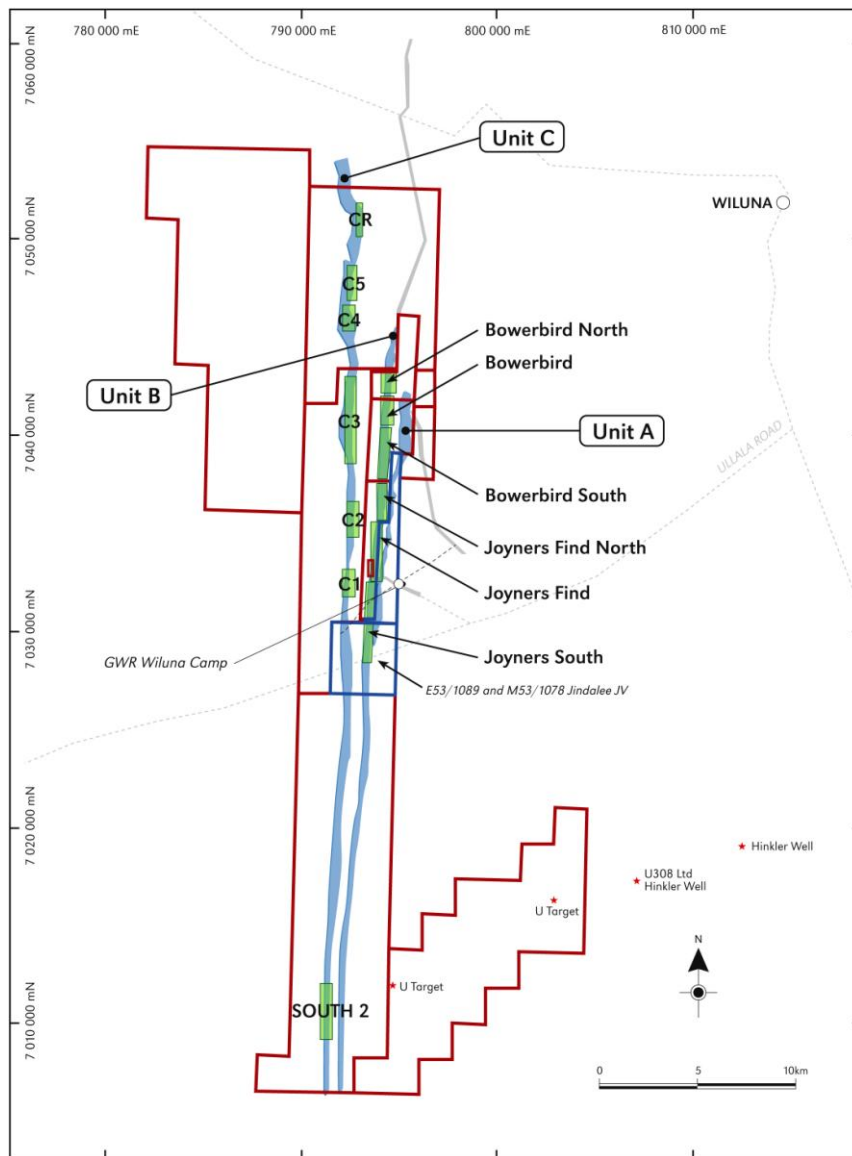
The Company believes that resources announced by Golden West Resources and other iron ore companies in the Mid West region over this quarter provide clear demonstration of the viability of ore from this region supporting the proposed Oakajee Port and Rail Infrastructure.



Figure 1. Project Site Map

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**Figure 2. Wiluna West Project**

## Competent Person's Statement

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Varndell is an employee of AI Maynard & Associates Pty Ltd and has many years of experience in exploration and mining in a variety of mineral deposit styles. Mr Varndell 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 Varndell consents to 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

Name of entity

Golden West Resources Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 December 2009

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter (3 month's) \$A'000	Year to date (6 month's) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,847)	(4,306)
(b) development	-	-
(c) production	-	-
(d) administration	(1,570)	(3,174)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	70	609
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(3,347)</b>	<b>(6,871)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(8)
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	-	63
1.12 Other (provide details if material)	13	(22)
<b>Net investing cash flows</b>	<b>8</b>	<b>33</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,339)</b>	<b>(6,838)</b>

1.13	Total operating and investing cash flows (brought forward)	(3,339)	(6,838)
<b>Cash flows related to financing activities</b>			
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 (capital raising costs)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(3,339)	(6,838)
1.20	Cash at beginning of quarter/year to date	16,884	20,383
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	13,545	13,545

**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	200
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of fees, salaries and superannuation to the directors of the Company during the quarter.	

**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

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### Financing facilities available

	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	3,368
4.2 Development	-
<b>Total</b>	<b>3,368</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	1,345	684
5.2 Deposits at call	12,200	16,200
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>13,545</b>	<b>16,884</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		

### Issued and quoted securities at end of current quarter

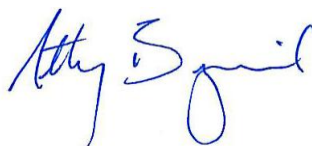
	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference <sup>+</sup> securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <sup>+</sup> Ordinary securities	143,135,763	143,135,763		
7.4 Changes during quarter (a) Increases through issues Rights issue Placements Listed Options Exercised Unlisted Options Exercised (b) Decreases through returns of capital, buy-backs				
7.5 <sup>+</sup> 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)	18,013,879 10,250,000	18,013,879 -	<b>Exercise price</b> \$2.00 \$3.00	<b>Expiry date</b> 31 Dec 2010 31 Dec 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

### 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:



Date:

29 January 2010

(Company secretary)

Print name:

Mr Anthony Begovich

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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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