

About Iron Road

Iron Road was established to capitalise on the growing global demand for iron ore. Iron Road has a strong project portfolio comprised of an advanced stage exploration project with excellent infrastructure nearby, complimented by early stage projects.

Iron Road's flagship project is the 100% owned Warrambooo iron project in South Australia which is highly prospective for iron ore mineralisation and is complemented by early stage projects prospective for iron ore mineralisation in Western Australia (Windarling, Murchison) and South Australia (West Gawler).

The Company has a distinguished Board and management team that are multi-disciplinary and experienced in the areas of exploration, project development, mining and finance.

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Iron Road continued its high level of activities during the quarter, with an emphasis on the Warrambooo project in South Australia. The Company also prepared a conceptual work plan to explore for iron ore over the extensive West Gawler tenements also in South Australia.

Highlights

Warrambooo

- Stage I RC drilling programme successfully completed with the identification of areas of high potential for Stage II drilling.
- Metallurgical DTR test work from samples collected across the deposit confirms consistent high grade concentrate averaging 70.1% iron with low silica, alumina and phosphorous.
- Potential free dig hematite resource discovered.
- Good progress with deposit structural and stratigraphic interpretation utilising geophysics data supplemented by drilling information.
- Geological modelling and planning for Stage II drilling programme well advanced.
- Strategic location in central Eyre Peninsula of South Australia – additional transport option at Tumbay Bay.

West Gawler

- Work plan prepared for iron ore exploration within the West Gawler tenements in South Australia.

Windarling

- Data review covering Windarling tenements in progress.

Corporate

- Adelaide Resources (ADN) completes in specie distribution of Iron Road Limited securities to ADN shareholders. Iron Road welcomes Troy Resources as significant shareholder (5.4%).



Figure 1 – RC Drilling at Warrambooo during October 2008



Projects

South Australia – Eyre Peninsula

The Warrambo Iron Project (663km²) is located on the Eyre Peninsula of South Australia and consists of three distinct prospects – Warrambo, Kopi and Hambidge. The project is located in a farming area with good infrastructure, including a third party railway which runs through the lease area, connecting the project to the deep water harbour at Port Lincoln, 175km to the south. Community relationships and support is excellent with great interest shown in possible development scenarios.

Stage I RC drilling programme successfully completed with the identification of areas of high potential for Stage II drilling.

Stage I RC drilling was completed at Warrambo during December 2008, with 32 holes drilled totalling 5,170m. All drill holes were oriented northwards at -60° dip and specifically located to test a range of mineralisation types of the northernmost aeromagnetic anomalies whose combined strike length exceeds 16km (Figure 2).

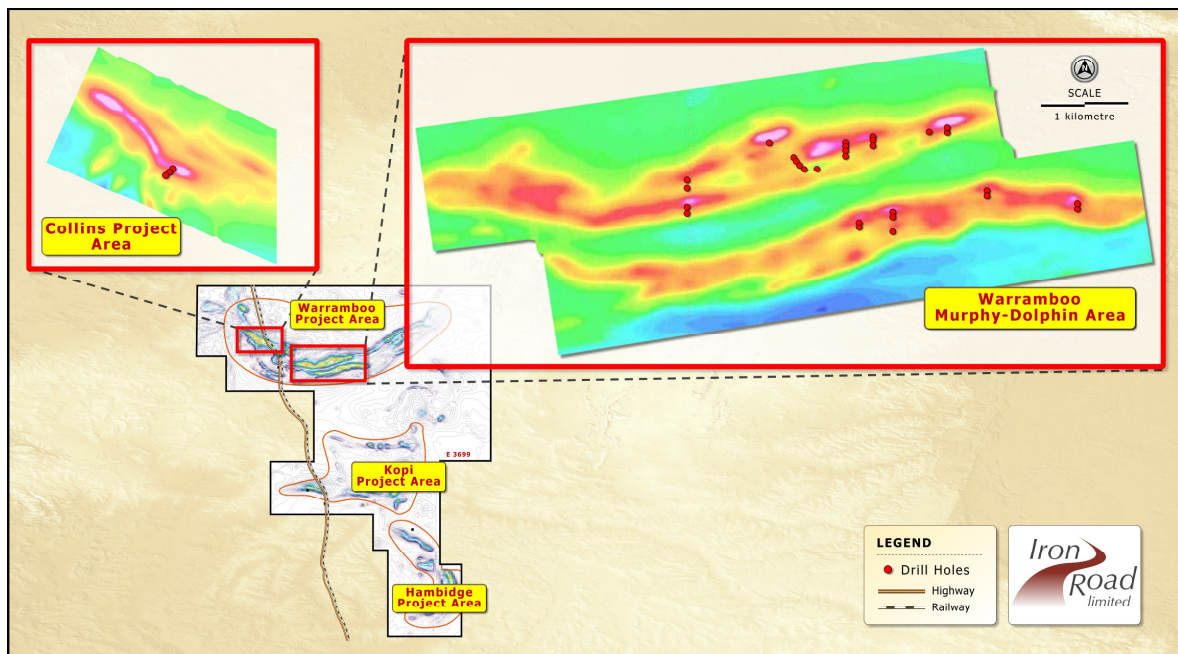


Figure 2 - Drill holes completed during current programme at Murphy-Dolphin and Collins. Collar positions are superimposed on the Total Magnetic Intensity (TMI) image for the Warrambo Project Area.

All drill holes intersected magnetite gneiss as planned. Assay results (XRF) have been received for all drilling with just under half of the metallurgical test work results outstanding. The drilling programme has been effective in covering a large portion of the deposit that was necessary to identify those areas of best potential. Although all drilling was achieved by reverse circulation (RC), valuable lithological, mineralogical and structural information was logged and collated, in addition to the grade data from the assays. Magnetic susceptibility readings were taken of every sample in the field and SATMAGAN readings in the mineralogical laboratory.

The Stage II drilling programme is planned to commence during the first half of 2009 and will be targeted to test areas of highest potential. Five drill holes planned at Collins that were not completed during the Stage I programme will be incorporated into the Stage II drilling programme.



Highlights from the drilling are given below and a detailed listing of all drill holes is tabulated in Appendix 1.

- **RCIR001** 8m @ 22.1% Fe; 30m @ 23.6% Fe, incl. 11m @ 25.6% Fe.
 - **RCIR004** 15m @ 25.2% Fe, incl. 6m @ 28.3% Fe; 24m @ 22.2% Fe, incl. 6m @ 26.1% Fe and 3m @ 26.5% Fe.
 - **RCIR010** 8m @ 25.0% Fe, incl. 3m @ 27.5% Fe; 13m @ 20.4% Fe.
 - **RCIR011** 4m @ 27.2% Fe; 9m @ 23.0% Fe; 12m @ 21.3% Fe; 4m @ 22.5% Fe.
 - **RCIR013** 36m @ 21.5% Fe, incl. 5m @ 25.0% Fe.
 - **RCIR016** 15m @ 24.4% Fe; 8m @ 29.0% Fe, incl. 4m @ 31.6% Fe; 3m @ 25.0% Fe.
 - **RCIR017** 26m @ 24.0% Fe, incl. 5m @ 28.8% Fe; 12m @ 24.9% Fe.
 - **RCIR019** 6m @ 23.4% Fe, incl. 3m @ 27.6% Fe; 5m @ 22.4% Fe; 12m @ 21.5% Fe; 7m @ 21.3% Fe.
 - **RCIR022** 16m @ 21.5% Fe, 42m @ 22.7% Fe.
 - **RCIR025** 19m @ 30.0% Fe, incl. 5m @ 36.0% Fe; 32m @ 27.0% Fe, incl. 4m @ 29.5% Fe and 7m @ 30.0% Fe.
 - **RCIR026** 18m @ 21.9% Fe; 10m @ 27.4% Fe, incl. 5m @ 29.4% Fe.
 - **RCIR046** 23m @ 21.0% Fe; 22m @ 21.1% Fe; 9m @ 23.3% Fe incl. 2m @ 30.7% Fe.
 - **RCIR061** 15m @ 26.2% Fe, incl. 8m @ 30.1% Fe.
 - **RCIR064** 26m @ 22.4% Fe.
- Notes:
 (1) All widths are apparent
 (2) 20% Fe cut-off

Potential free dig hematite (maghemite/martite) resource discovered.

In several of the areas drilled a hematite capping occurs where magnetite close to surface has oxidised to form hematite. For example, significant thickness of hematite was intersected in two of the western-most drill holes, as shown in Figure 3. Hematite that has formed exclusively from the oxidation of magnetite is referred to as martite and the term maghemite may be used where the destruction of magnetite to hematite is incomplete.

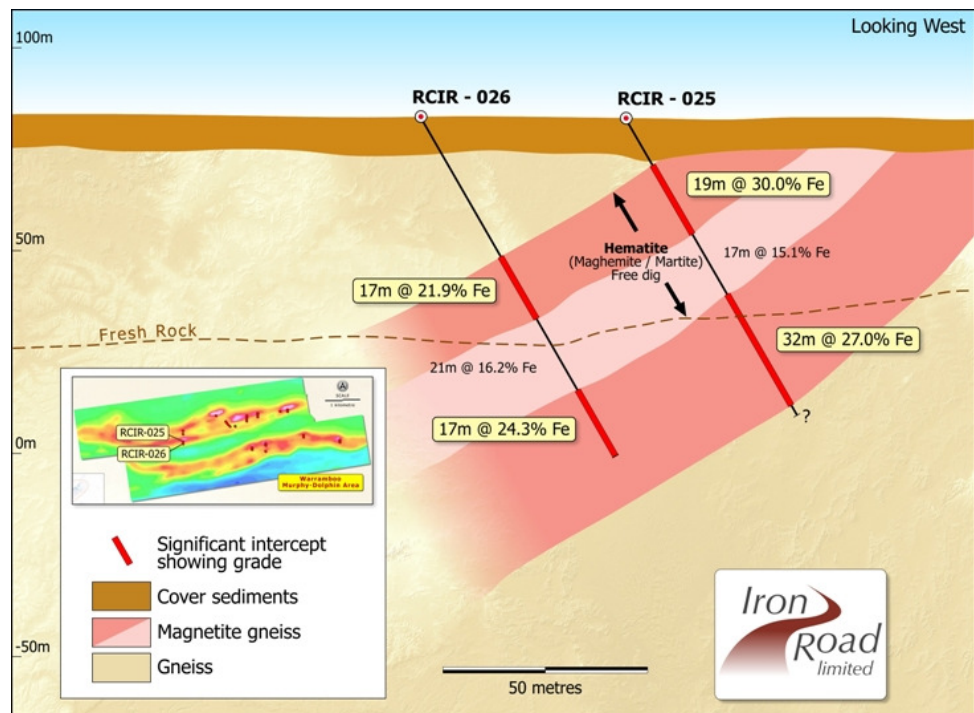


Figure 3 – Section through drill holes RCIR-025 and RCIR-026 where significant free dig hematite (maghemite/martite) has been identified. Test work under the supervision of ProMet will determine how best to beneficiate this resource.



Of significance is that this material is likely to be free dig to approximately 55m vertically below surface. Depending on the extent of the hematite both in thickness and along strike, a significant and economically mineable resource of hematite may well be present. Stage II drilling will investigate this occurrence further with the aim of delineating its size and grade. Specialist consulting metallurgists ProMet are involved in a testing program that will investigate the recovery of this material within the process stream used to recover and concentrate the magnetite.

Metallurgical test work from samples collected across the deposit confirms consistent concentrate averaging 70.1% iron with low silica, alumina and phosphorous.

Davis Tube Recovery (DTR) test work under the guidance of specialist consulting metallurgists ProMet has been undertaken using individual and composite samples collected from drill holes across the deposit. This work has deliberately targeted both low and high grade areas including those areas displaying varying degrees of magnetite destruction to hematite. Just over half of the test results have been received.

Forty-seven DTR tests returned the following average values for the iron concentrate (grind at 40µm).

Concentrate %											
Fe	SiO ₂	Al ₂ O ₃	CaO	MgO	Na ₂ O	K ₂ O	TiO ₂	P	Mn	S	LOI
70.14	1.006	0.895	0.032	0.115	0.022	0.033	0.112	0.004	0.673	0.002	-3.325

The high iron content of the magnetite concentrate combined with an overall chemistry free of deleterious elements indicates its suitability for the production of high quality iron ore pellets for the premium direct reduced iron market. Furthermore the results to date suggest that concentrate grade is independent of in-situ grade and spatially consistent along the entire breadth of the area under investigation. It is also noted that the test work replicates grinding and magnetic separation only without additional processes such as flotation. This together with a grind size of 40µm (40 micron) generally means a more favourable process of magnetite concentration compared to some other deposits.

The original precursor of the magnetite gneiss at Warramboe is believed to be a pelite and not a banded iron formation (BIF) as is more commonly the case for these types of deposits. The host lithology is granular quartz-feldspar gneiss with an average magnetite grain size of 1.5mm, sharp boundaries with the gangue mineralogy and very few inclusions. These characteristics result in a high quality Warramboe iron concentrate low in silica following a straightforward liberation process.

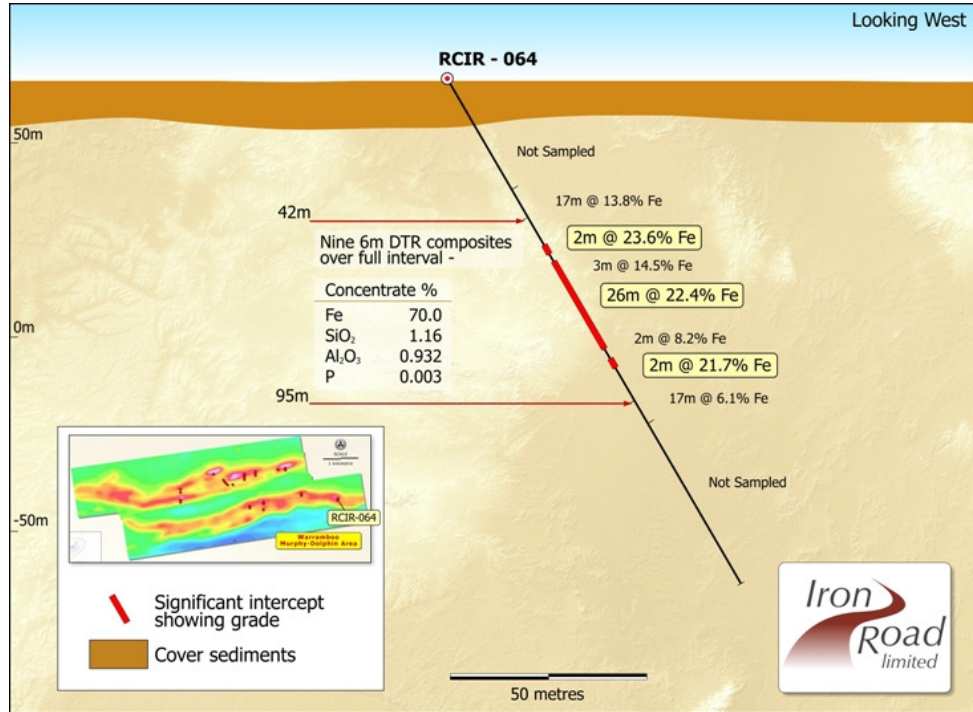


Figure 4 – Section showing RCIR-064 drilled at the eastern extremity of the Warramboe project area that returned an average iron concentrate of 70.0% from nine 6m DTR composites.

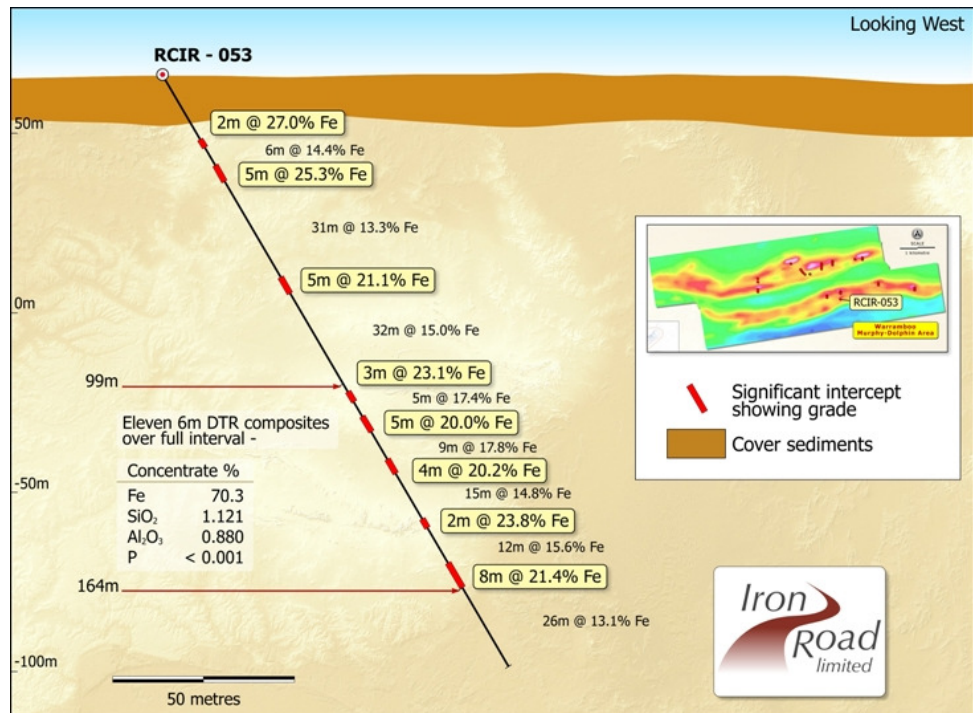


Figure 5 – Section showing RCIR-053 drilled at the southern central part of the Warramboe project area that returned an average iron concentrate of 70.3% from eleven 6m DTR composites.

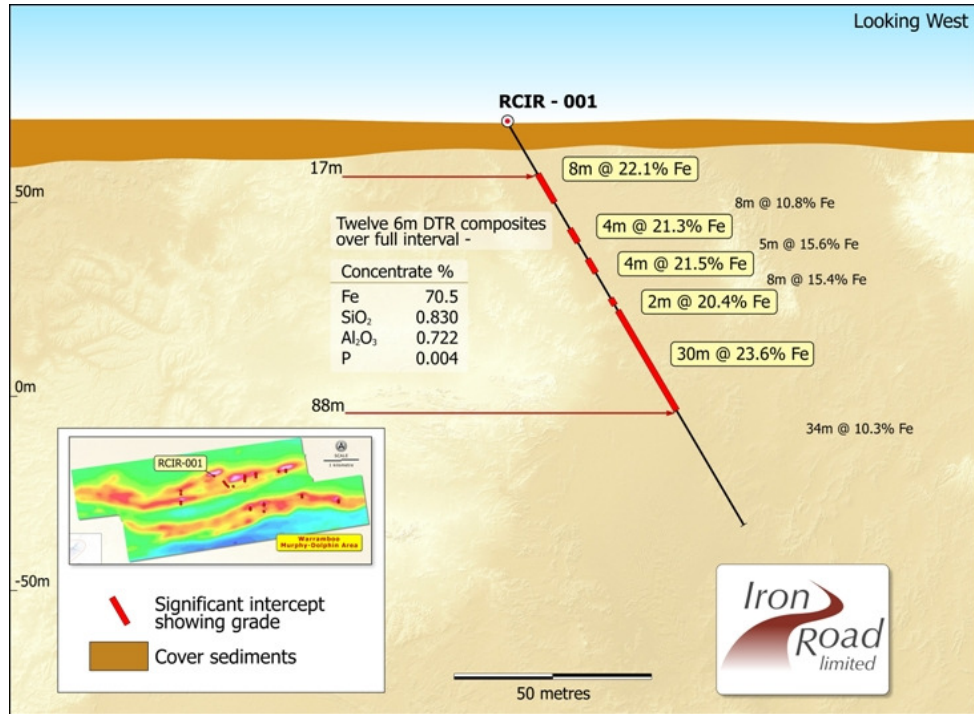


Figure 6 – Section showing RCIR-001 drilled at the northern central part of the Warramboe project area that returned an average iron concentrate of 70.5% from twelve 6m DTR composites.

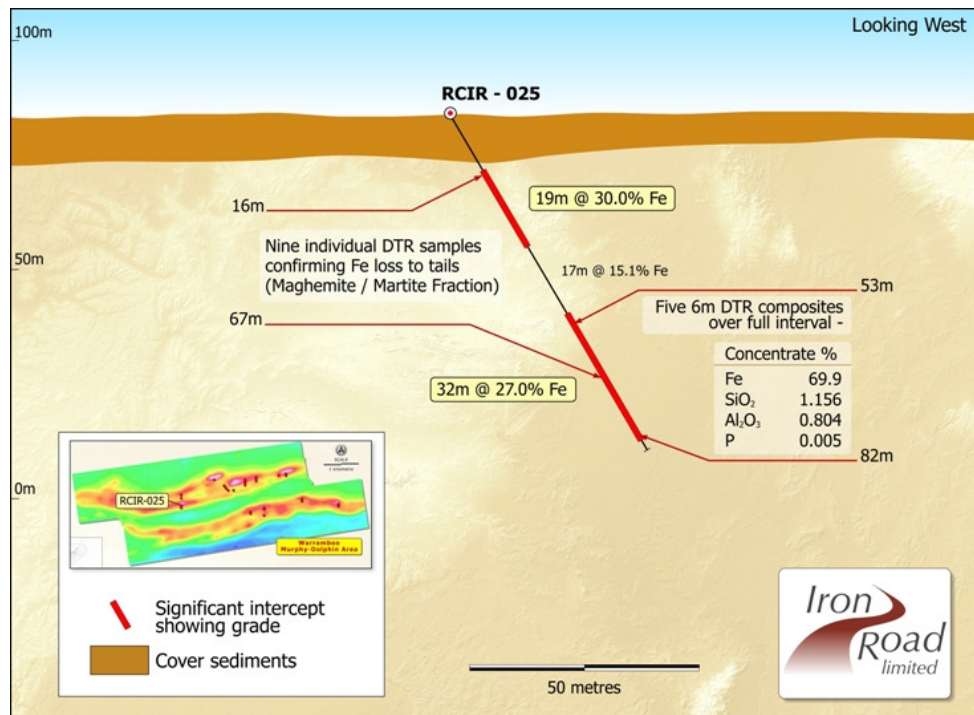


Figure 7 – Section showing RCIR-025 drilled at the western central part of the Warramboe project area that returned an average iron concentrate of 69.9% from five 6m DTR composites.



Good progress with deposit structural and stratigraphic interpretation utilising geophysics data supplemented by drilling information.

Analysis is underway of all geophysical data available for the Warramboe Iron Project to aid in stratigraphic correlation and structural analysis. This work is being supplemented by data collected during the Stage I drilling programme. From this work various new drilling targets are being generated and existing areas analysed to aid in their understanding. Areas defining potential structural traps and thickening are of clear interest. The need for further geophysical surveys such as gravity may be identified and utilised where appropriate.

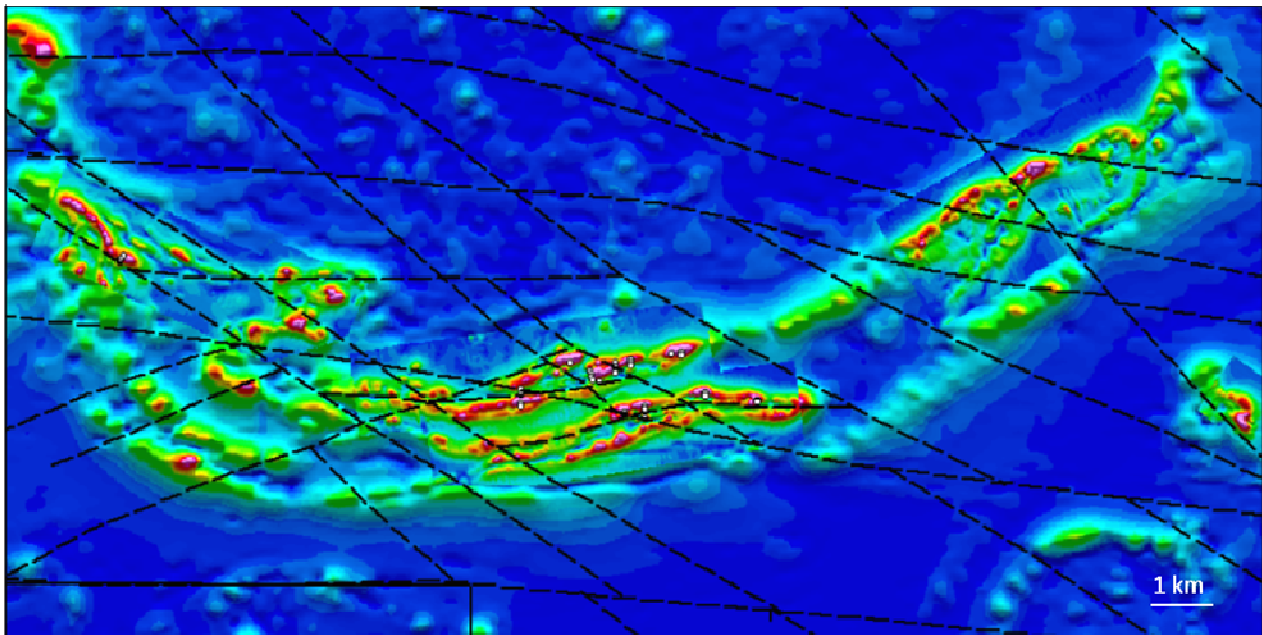


Figure 8 – Preliminary structural interpretation over an image of analytic signal from various regional and detailed magnetic surveys. Interpretation is aiding in the understanding of lithology, stratigraphy and structure of the Warramboe project area.

Geological modelling and planning for Stage II resource drilling programme well advanced.

Planning for Stage II of the drilling programme at Warramboe is well advanced and has been constructed in consultation with the Company's mining resource specialist, Coffey Mining with the intention to pattern drill at least one area of high potential. Stage II forms part of an initial three stage drilling programme with a view to establishing a long-life +5Mtpa magnetite concentrate export operation.

Strategic location in central Eyre Peninsula of South Australia – additional transport option at Tumbay Bay.

Activities and interest in the mineral resources of the Eyre Peninsula of South Australia is steadily growing, as are discussions concerning infrastructure in the region.



In October the SA Government released details on the development of an iron ore export facility at Port Bonython, northeast of Whyalla and awarded preferred bidder status to the Spencer Gulf PortLink Consortium. The Consortium includes Flinders Ports, Leighton Contractors, ARTC, BIS and Macquarie Capital. Flinders Ports operates all seven public ports in South Australia.

Of greater significance to Iron Road is an agreement announced in December by Centrex Metals. Centrex announced that it has agreed to work with WISCO to jointly develop a deep water Cape-size capable port at Sheep Hill, 20kms north of Tumbay Bay on the south east coast of Eyre Peninsula. This announcement effectively gives Iron Road another potential route for export over and above the four currently under review.

South Australia – West Gawler

The West Gawler project area is located on the Trans Australian Railway and within 100 kilometres of the Adelaide-Darwin Railway in South Australia (Figure 10). The Project area includes over ten areas of known iron occurrences, including the Mt Christie deposit which was the subject of beneficiation test work in the 1960’s by the South Australian Department of Mines.

The West Gawler tenements include a large database of historic and modern exploration results and investigations. The Company has commenced a comprehensive evaluation of the existing data before developing a strategy for exploration activities and investigation.

Western Australia

Iron Road has commenced a data review program covering its Western Australian projects and is developing a staged plan of ground work, the majority of activity centred on the Windarling project (Figure 9).

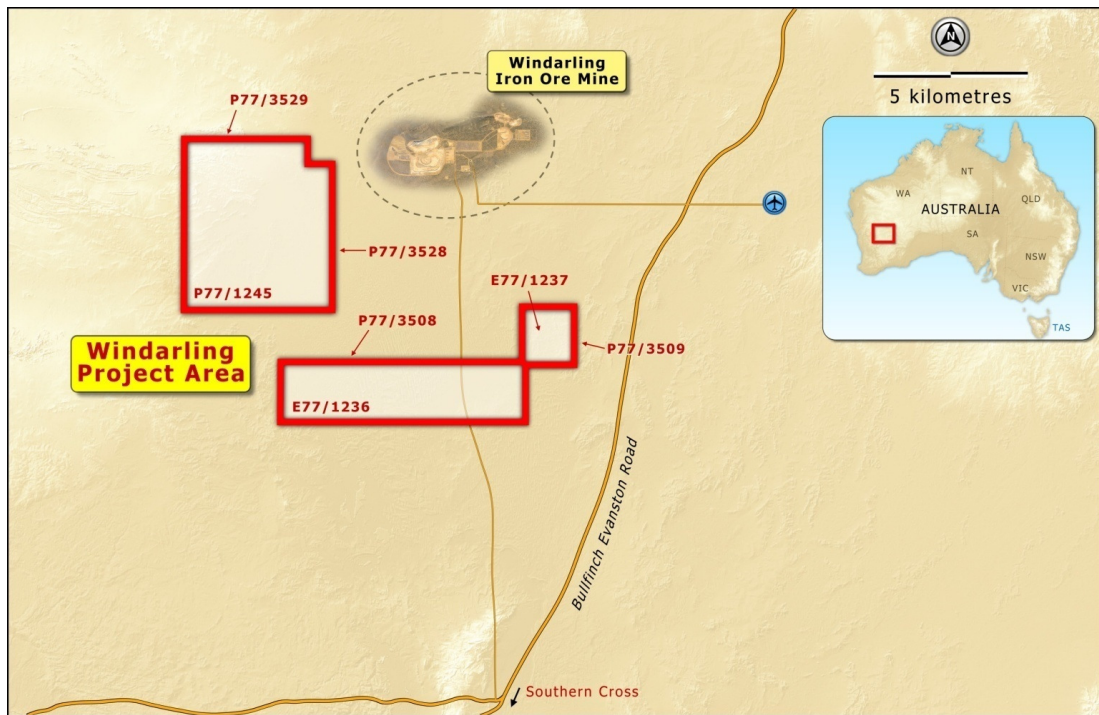


Figure 9 - Windarling project location



CORPORATE

Entitlement issue

Adelaide Resources (ADN) completed an in specie distribution of its Iron Road Limited securities to ADN shareholders in November and Iron holding statements were mailed to the new shareholders on 1 December. As a result of this distribution, Iron Road welcomed Troy Resources as significant shareholder (5.4%).

On 17 December the Australian Taxation Office (ATO) published a Class Ruling dealing with the tax consequences of Adelaide Resources' in specie distribution. Shareholders who participated in the in-specie distribution may obtain a copy of the Class Ruling in the following ways:

- A copy of the Class Ruling may be downloaded from the Adelaide Resources website (www.adelaideresources.com.au);
- A copy may be viewed or downloaded from the ATO webpage; www.ato.gov.au then using the menu on the left hand side of the page expand Law, Rulings & Policy, place your cursor over Rulings & ATO view, then Public Rulings, then click on Class. Now click on 2008 and then click on CR 2008/90 – Income tax: demerger of Iron Road Limited by Adelaide Resources Limited; or
- Contact Adelaide Resources either by phone on (08) 8271 0600 or by email at adres@adelaideresources.com.au and request a copy of the Class Ruling be posted or emailed.

ADDITIONAL INFORMATION

Glossary

DTR	Davis Tube Recovery testing is used to separate ferromagnetic and non-magnetic fractions in small samples of approximately 20g at a time. The test is suited to establishing the recoveries likely from a magnetic separation process. This can assist ore body assessment for magnetite, hematite or combinations thereof.
XRF	X-Ray Fluorescence spectroscopy is used for the qualitative and quantitative elemental analysis of geological and other samples. It provides a fairly uniform detection limit across a large portion of the Periodic Table and is applicable to a wide range of concentrations, from 100% to few parts per million (ppm).
Hematite	Hematite is a mineral, coloured black to steel or silver-gray, brown to reddish brown or red. Hematite is a form of Iron (III) oxide (Fe_2O_3), one of several iron oxides.
Magnetite	A ferrimagnetic mineral with chemical formula Fe_3O_4 , one of several iron oxides and a member of the spinel group. Magnetite is metallic or dull black and a valuable source of iron ore.



Figure 10 - Iron Road projects location plan

Competent Person's Statement

The information in this presentation that relates to Exploration Results and Mineral Resources is based on and accurately reflects information compiled by Mr Malcolm Castle, who is a consultant and advisor to Iron Road Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience which is relevant to the style of mineralisation and the type of deposits 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 Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

In situ iron grades, prior to concentration

Hole ID	Easting (MGA 94)	Northing (MGA 94)	Dip (°)	Azimuth (MGA)	EOH (m)	From (m)	To (m)	Width (m)	SATMAGAN (% magnetite)	Fe (%)	
Dolphin											
RCIR001	560974	6322672	-60	345	120	17	24	8	2.2	22.1	
						33	36	4	21.1	21.3	
						42	45	4	25.1	21.5	
						54	55	2	20.6	20.4	
						57	86	30	23.6	23.6	
						includes	72	82	11	29.1	25.6
Murphy											
RCIR002	561327	6322516	-60	345	78	71	73	3	26.1	23.5	
RCIR003	561344	6322468	-60	345	132	24	28	5	1.5	22.9	
						33	36	4	5.0	26.7	
RCIR004	561359	6322420	-60	345	192	19	33	15	1.6	25.2	
						includes	19	24	6	1.5	28.3
							85	108	24	28.2	22.2
						includes	91	96	6	34.9	26.1
					includes	99	101	3	34.8	26.5	
RCIR005	561375	6322372	-60	345	182	17	19	3	1.0	23.2	
RCIR007	561490	6322346	-60	345	162	28	29	2	0.8	21.3	
						129	130	2	29.9	24.6	
RCIR008	561771	6322652	-60	0	150				NTR		
RCIR009	561769	6322592	-60	0	132	20	21	2	1.3	22.6	
RCIR010	561768	6322540	-60	0	150	62	69	8	27.2	25.0	
						includes	66	68	3	30.1	27.5
							91	103	13	21.6	20.4
							105	107	3	17.2	20.1
RCIR011	561770	6322490	-60	0	181	101	104	4	34.5	27.2	
						112	120	9	19.5	23.0	
						127	138	12	11.1	21.3	
						145	146	2	15.4	20.9	
						149	150	2	10.5	21.2	
						159	162	4	18.4	22.4	
						165	168	4	23.0	22.5	
RCIR012	562028	6322711	-60	0	100				NTR		
RCIR013	562027	6322661	-60	0	192	25	26	2	0.4	22.4	
						42	77	36	21.4	21.5	
					includes	42	46	5	20.7	25.0	
RCIR014	562028	6322612	-60	0	140	92	96	5	31.6	25.1	
						122	123	2	23.1	23.6	
						128	130	3	19.4	20.3	
RCIR016	562888	6322831	-60	0	150	21	35	15	-	24.4	
						43	50	8	-	29.0	
						includes	47	50	4	-	31.6
						87	89	3	-	25.0	
						98	100	3	-	22.5	
RCIR017	562889	6322787	-60	0	185	67	92	26	-	24.0	
						includes	77	81	5	-	28.8
						109	120	12	-	24.9	
						149	151	3	-	20.6	
RCIR019	562717	6322820	-60	0	120	9	14	6	-	23.4	
						includes	12	14	3	-	27.6
						22	26	5	-	22.4	
						27	38	12	-	21.5	
						includes	28	30	3	-	24.7
						46	47	2	-	20.4	
RCIR022	56129	6322223	-60	0	150	52	62	11	16.0	21.5	
						74	115	42	22.8	22.7	
						includes	78	81	4	31.2	26.2
						119	120	2	33.5	28.8	



Hole ID	Easting (MGA 94)	Northing (MGA 94)	Dip (°)	Azimuth (MGA)	EOH (m)	From (m)	To (m)	Width (m)	SATMAGAN (% magnetite)	Fe (%)	
RCIR024	560127	6322136	-60	0	182	106	107	2	11.9	21.0	
						122	127	6	31.5	25.8	
						146	149	4	22.9	22.1	
						156	159	4	38.4	28.8	
						175	182	8	30.9	24.7	
RCIR025	560129	6321996	-60	0	84	15	33	19	1.3	30.0	
						includes	16	20	5	1.1	36.0
						includes	51	82	32	23.7	27.0
						includes	53	56	4	20.5	29.5
						includes	65	71	7	26.4	30.0
RCIR026	560129	6321946	-60	0	96	41	57	18	4.9	21.9	
						60	61	2	15.5	20.8	
						79	88	10	27.6	27.4	
						includes	80	84	5	29.8	29.4
						100	5	6	2	0.6	25.4
RCIR049	562263	6321936	-60	0	100	28	30	3	30.9	24.8	
RCIR050	562262	6321888	-60	0	150	9	10	2	0.63	26.0	
						56	57	2	23.4	21.8	
RCIR053	562263	6321739	-60	0	190	21	22	2	-	27.0	
						29	33	5	27.3	25.3	
						65	69	5	15.5	21.1	
						102	104	3	24.1	23.1	
						110	114	5	24.6	20.0	
						124	127	4	17.7	20.2	
						143	145	2	28.1	23.8	
						157	164	8	18.6	21.4	
RCIR054	561940	6321838	-60	0	119	63	65	3	28.2	22.9	
						99	100	2	24.9	21.2	
						112	115	4	27.6	22.0	
						156	96	97	2	23.7	22.7
RCIR055	561939	6321787	-60	0	156	100	101	2	26.0	24.4	
						129	133	5	23.0	23.0	
						140	143	4	26.5	22.0	
						100	24	38	15	-	26.2
RCIR061	563308	6322161	-60	0	100	includes	27	34	8	-	30.1
						126	73	82	10	-	22.5
RCIR062	563308	6322111	-60	0	126	includes	76	79	4	-	31.5
						89	95	7	-	22.3	
						100	15	19	5	1.0	20.8
RCIR063	564212	6322043	-60	0	100	22	29	8	1.3	23.6	
						45	46	2	-	23.7	
						51	52	2	-	20.9	
						50	51	2	14.1	26.8	
RCIR064	564213	6321997	-60	0	150	55	80	26	24.1	22.4	
						84	85	2	7.2	21.7	
						Collins					
RCIR045	553274	6324431	-60	37	54	NTR					
RCIR046	553239	6324384	-60	37	144	73	95	23	-	21.0	
						108	129	22	-	21.1	
						134	142	9	-	23.3	
						includes	139	140	2	-	30.7
RCIR047	553200	6324332	-60	37	198	32	33	2	-	22.1	
						131	133	2	-	21.7	
						159	160	2	-	20.7	

Note: All widths are apparent with a cutoff of 20% Fe. Minimum interval of 2m.

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.

Name of entity

IRON ROAD LIMITED

ABN

51 128 698 108

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from tax returns and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(997)	(1,279)
(b) development	-	-
(c) production	-	-
(d) administration	(124)	(276)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	44	133
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST to be recouped)	(72)	(106)
Net Operating Cash Flows	(1,149)	(1,528)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(19)
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 (state if material)	-	-
Net Investing cash flows	-	(19)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,149)	(1,547)
	Cash flows related to financing activities		
1.14	Proceeds from shares /shares to be issued	18	262
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Proceeds from release of tenement bond	-	-
1.19	Other (Cost of Capital Raising/Prospectus)	-	(109)
	Net Financing cash flows	18	153
	Net increase (decrease) in cash held	(1,131)	(1,394)
1.20	Cash at beginning of quarter/year to date	4,632	4,895
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,501	3,501

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	96
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and associates were on normal commercial terms.

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

NIL

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

NIL

+ 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	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

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	419	1,569
5.2 Deposits at call	3,082	3,063
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,501	4,632

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	NIL			
6.2 Interests in mining tenements acquired or increased	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

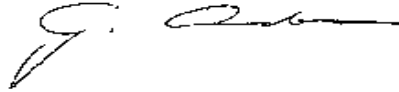
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	54,650,000	27,237,500		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,125,000 7,500,000 2,000,000 4,500,000 27,325,017		<i>Exercise price</i> 20 cents 35 cents 20 cents 35 cents 20 cents	<i>Expiry date</i> 22/1/13 22/1/13 11/3/13 6/8/13 30/9/10
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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 29 January 2009
(~~Director~~/Company secretary)

Print name: GRAHAM DOUGLAS ANDERSON

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.