

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 31 December 2011

*Following up significant gold intersections in Tanzania, East Africa*



**Liontown Resources Limited** ABN 39 118 153 825

### HIGHLIGHTS

#### *Jubilee Reef Joint Venture Project (Northern Tanzania)*

- Additional drilling completed at Masabi Hill to define limits of gold mineralized system - assays pending.
- Multi-purpose drill rig secured for 2012 - 7,000m combined RC/diamond core/aircore program scheduled to commence in early Q2.
- 1m sampling of outstanding gold intersections reported last Quarter confirms significant widths and grades of mineralisation with better intersections including 5m @ 10g/t from 58m and 6m @ 6.3g/t from 75m.
- Drill testing of iron targets intersected wide zones of significant mineralisation including 43m @ 32% Fe (EOH) and 73m @ 29.4% Fe (EOH).

#### *Other Tanzania JVs*

- Two new JVs signed during the Quarter:
  - ✓ **Mega JV** - located immediately SW and along strike of gold mineralised stratigraphy defined at Jubilee Reef JV. Liontown has the right to earn up to 75% equity.
  - ✓ **African Barrick Iron Ore JV** - covers ~530km<sup>2</sup> and comprises tenement areas abutting the Jubilee Reef JV and including extensive BIF stratigraphy. Liontown can earn up to 70% in the iron ore rights.

#### *Mt Windsor JV Project (North Queensland)*

- Anomalous gold, silver and pathfinder element results reported from drilling at Cardigan Dam and Nightjar.
- JV partners, Ramelius Resources, confirm that they will continue to sole fund exploration in 2012.

### Overview

Liontown is primarily exploring for standalone precious metal deposits in northern Queensland and northern Tanzania, East Africa. In Australia, the Company's strategy is to acquire and explore 100%-owned, early-stage projects in under-explored but well endowed mineral provinces. Overseas, where acquisition costs are higher, Liontown's preference is to enter into joint ventures where drill targets have already been defined.

During the Quarter, drilling programs were undertaken at the Jubilee Reef JV in Tanzania and at the Mt Windsor JV in North Queensland with follow up drilling planned for 2012. At Jubilee Reef, exploration is relatively advanced with drilling targeting strike and dip extensions of significant gold intersections. In North Queensland, drilling is testing conceptual targets defined by a synthesis of geological, geochemical and geophysical data.



### INVESTMENT HIGHLIGHTS

- Active exploration programs planned for 2012 with potential to discover major precious metal deposits.
- ~5,000m drilling completed in Q4 2011.
- Large gold system identified at Jubilee Reef JV in northern Tanzania. 7,000m follow up drilling program scheduled to commence in early Q2 2012.
- Large land position (>5,000km<sup>2</sup>) in North Queensland precious metals province with multiple drill targets defined.

For further information, please contact:

Mr Tim Goyder, Executive Chairman

Mr David Richards, Managing Director

Liontown Resources Limited  
Telephone +61 8 9322 7431

## 1. Jubilee Reef Joint Venture Project (Liontown earning 75%)

The Jubilee Reef Joint Venture Project is located approximately 850km northwest of Dar es Salaam within the Lake Victoria Goldfield of northern Tanzania (see Figure 1), an Archaean greenstone-granite terrain which hosts several multimillion ounce gold deposits including African Barrick's Bulyanhulu deposit and AngloGold Ashanti's Geita deposit. Liontown has entered into an agreement with Currie Rose Resources Inc to earn up to 75% equity in the Project in two stages, including advancing it through to the completion of a Definitive Feasibility Study.

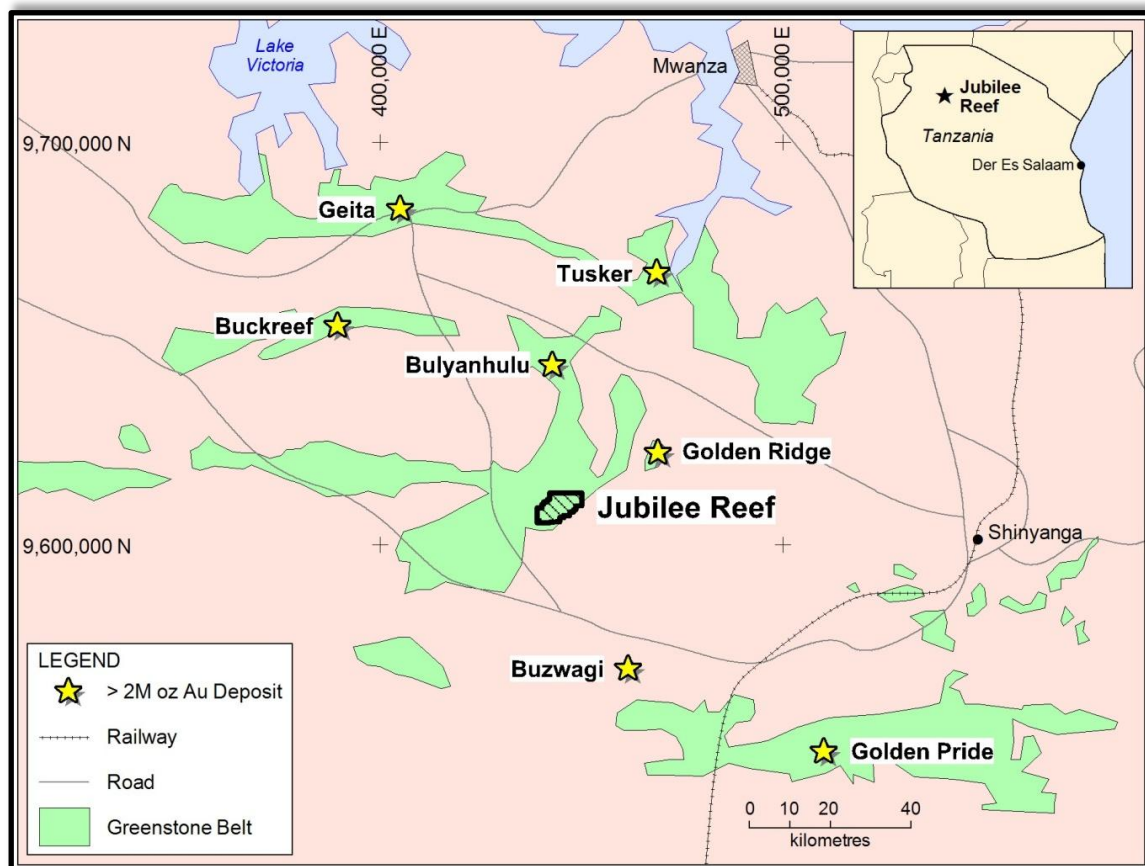


Figure 1: Jubilee Reef Project - Regional Setting

During the December Quarter, Liontown commenced a follow up aircore drilling program at Masabi Hill designed to define the extent of gold anomalism that was partially delineated by RC and RAB/Aircore drilling completed during the September Quarter. In addition, 1 metre samples were collected and assayed for all mineralised RC intersections and selected mineralised RAB/Aircore intersections that were reported last Quarter based on assays of 4 metre composited samples.

Assays were also received and processed for holes drilled into the iron ore targets located in the eastern part of the Project area (see Figure 2).

### Masabi Hill

The gold mineralisation at Masabi Hill is associated with a strongly altered granitic intrusion that is largely obscured by shallow transported soil cover (see Figure 3). The RC and RAB/Aircore drilling completed last Quarter indicate at least two gold trends (central and contact) with potential to host wide zones of ore grade ( $>1\text{g/t}$ ) mineralisation (see Table 1).

The mineralised trends remain open beneath the transported cover and a 5,000-6,000m aircore drilling program was commenced during the Quarter to define the extent of gold anomalism. Unfortunately mechanical problems and the early onset of the wet season meant that only 2 of the planned 8 drill traverses (see Figure 3) could be completed. A total of 39 holes (JLRB530-568) for 1,393m were drilled during the Quarter with assays pending. A multi-purpose drill rig has been secured for 2012 and the planned drilling will be completed as soon as weather conditions permit (expected early in Q2). The same rig will also be used to drill RC and diamond core holes beneath and along strike of the significant gold intersections reported last Quarter (see Table 1).

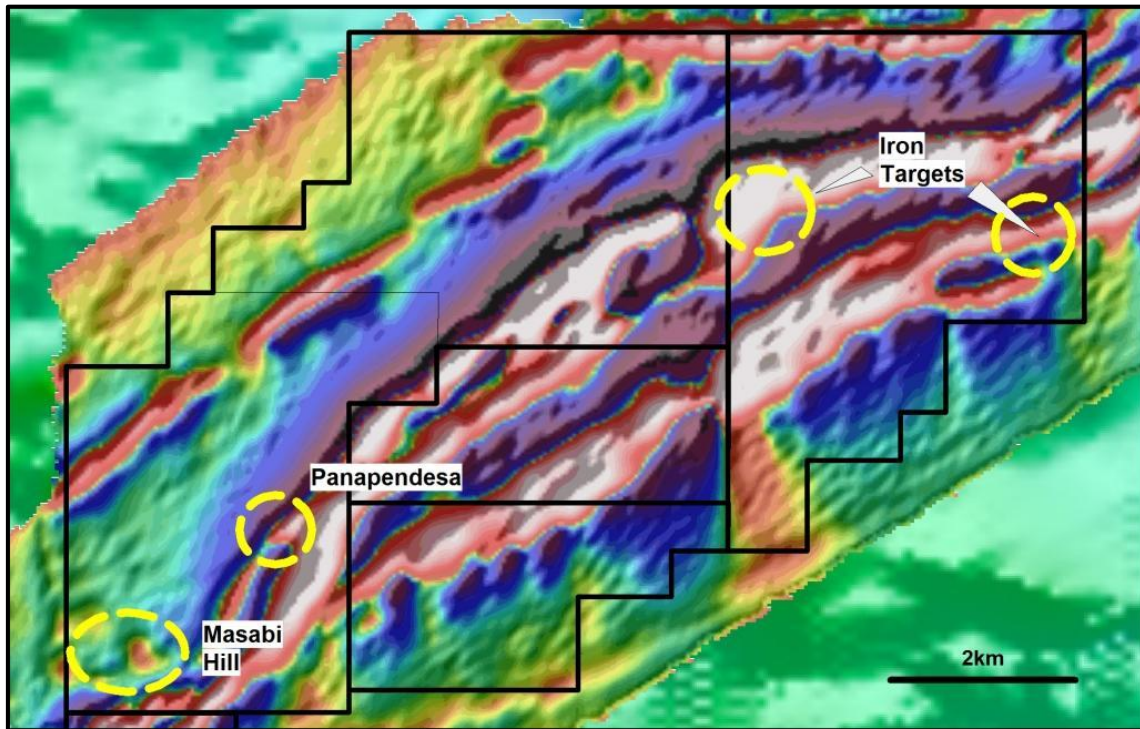


Figure 2: Jubilee Reef Project - Magnetic Image showing targets tested by drilling during September Quarter

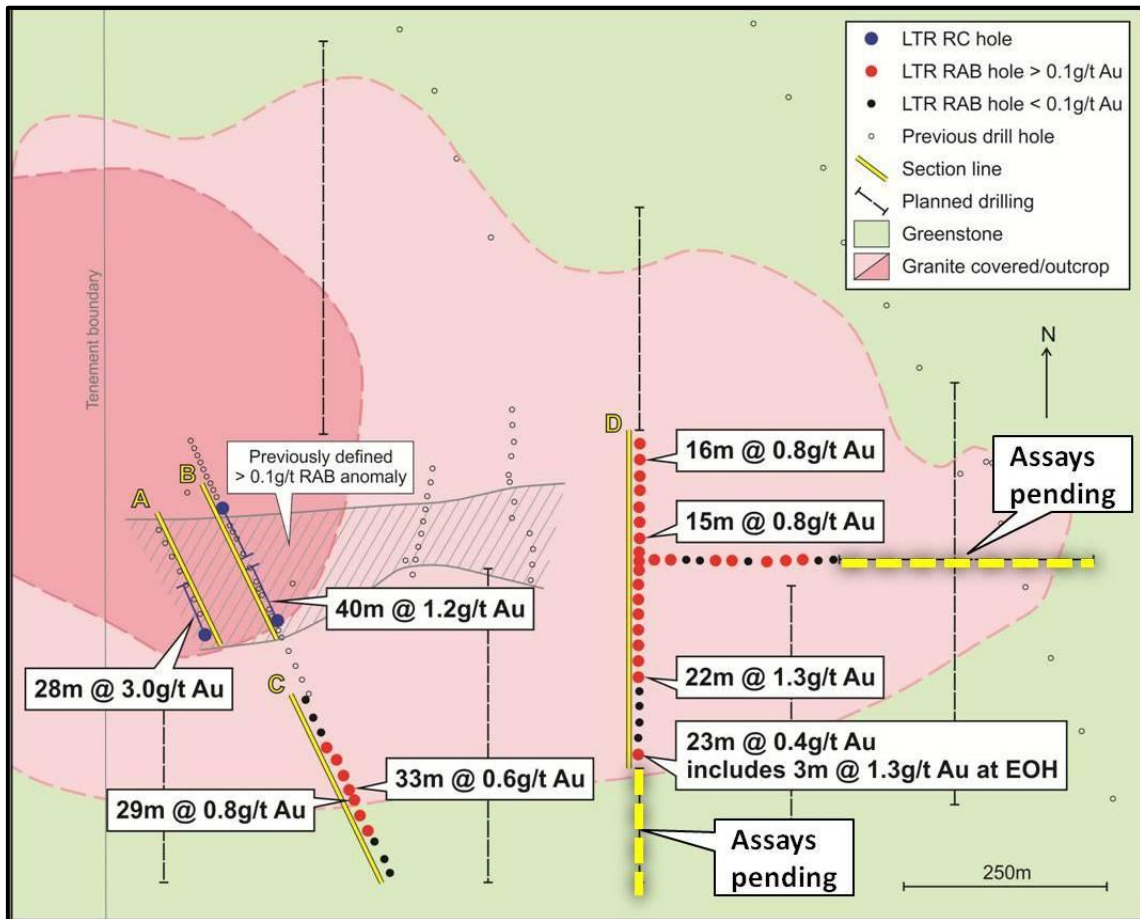


Figure 3: Jubilee Reef Project - Masabi Hill Geology and Drill Hole Plan

Gold intersections reported last Quarter were calculated using 4metre composite assays. 1metre samples were collected and assayed for all RC intersections and selected RAB/Aircore intersections to provide further details on gold distribution and the controls on mineralisation. Comparison of the intersections calculated for the 1 metre and 4 metre assay intervals shows good correlation (*see Table 1*).



**Table 1: Masabi Hill Better Intersections – Comparison between 1m samples and 4m composites**

Hole ID (RC)	Significant (>0.5g/t) Gold Intersections - 1m Assays				Significant (>0.5g/t) Gold Intersections - 4m Assays			
	From (m)	To (m)	Interval(m)	Grade (g/t)	From (m)	To (m)	Interval(m)	Grade (g/t)
JBRR018	4	6	2	1.32	4	8	4	0.99
	17	29	12	1.03	16	28	12	0.86
	42	69	27	2.76	40	68	28	3.02
	including 5m @ 10.0g/t Au from 58m				including 8m @ 7.45g/t Au from 56m			
	80	87	7	1.09	80	88	8	1.06
	104	107	3	2.24	100	104	4	1.04
JBRR019	135	144	9	1.03	136	144	8	0.89
	9	46	37	1.25	8	48	40	1.19
	60	64	4	0.62	60	64	4	0.62
JBRR020	96	100	4	0.79	96	100	4	0.79
	130	131	1	6.28	128	132	4	2.6
	149	157	8	0.70	148	156	8	0.86
Hole ID (RAB/Aircore)	Significant (>0.1g/t) Gold Intersections - 1m Assays				Significant (>0.1g/t) Gold Intersections - 4m Assays			
JLRB488	8	30	22	1.05	8	30	22	1.3
	including 4m @ 2.60g/t Au from 16m				including 12m @ 2.21g/t Au from 8m			
JLRB498	8	37	29	0.63	8	37	29	0.75
	including 4m @ 1.7g/t from 31m				including 4m @ 1.6g/t from 8m and and 4m @ 1.5g/t Au from 24m			
JLRB499	4	37	33	0.60	4	37	33	0.62
	including 4m @ 2.11g/t Au from 9m				including 8m @ 1.74g/t Au from 8m			
JLRB527	24	35	11	0.94	20	35	15	0.25
JLRB528	16	32	16	0.78	16	32	16	0.7

### **Panapendesa**

As with Masabi Hill, 1metre samples were collected and assayed for all mineralised RC intersections to provide further details on gold distribution and the controls on mineralisation. Comparison of the 1metre and 4metre assay intervals show good agreement (*see Table 2*).

**Table 2: Panapendesa Better Intersections – Comparison between 1m samples and 4m composites**

Hole ID	Significant (>0.5g/t) Gold Intersections - 1m Assays				Significant (>0.5g/t) Gold Intersections - 4m Assays			
	From (m)	To (m)	Interval(m)	Grade (g/t)	From (m)	To (m)	Interval(m)	Grade (g/t)
JBRR024	72	85	13	3.26	72	100	28	2.8
	including 6m @ 6.33g/t Au from 75m				including 8m @ 5.1g/t Au from 72m and 8m @ 3.8g/t Au from 92m			
	92	101	9	2.98				
JBRR025	42	52	10	2.66	40	52	12	2.3

### **Iron Targets**

The Jubilee Reef Project contains extensive strike lengths and thicknesses of banded iron formation (BIF) and drilling by previous explorers for gold recorded intersections up to 121metres @ 32% iron.

Assays were received for two RC drill traverses comprising 12 holes (JBRR028-039) for a total of 770metres which were drilled in the September Quarter. The traverses were drilled across two targets (*see Figure 2*) where rock chip sampling by Liontown had returned up to 60.7% iron.

The results indicate significant thicknesses of medium grade iron (>25%) with most holes ending in mineralisation (*see Table 3*). Selected intervals have been submitted for Davies Tube Recovery analysis to determine the nature of the iron mineralisation. Results of this analysis are pending.

**Table 3: Jubilee Reef – Significant iron intersections (>25% Fe)**

Hole ID	Easting	Northing	RL	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Fe %
JBRRRC-028	16330	11316	1464	-60	150	151	16	49	33	29
JBRRRC-029	16367	11223	1460	-60	150	43	0	43	43*	32
JBRRRC-030	19496	10965	1435	-60	180	121	0	20	20	29.6
JBRRRC-031	19503	11028	1450	-60	180	73	0	73	73*	29.4
JBRRRC-032	19501	11068	1453	-60	180	31	0	31	31*	33.9
JBRRRC-033	19501	11152	1464	-60	180	43	28	43	15*	30.9
JBRRRC-034	19501	11128	1466	-60	180	31	0	31	31*	31
JBRRRC-035	19501	11115	1456	-60	180	33	No Significant Intersections			
JBRRRC-036	19501	11098	1456	-60	180	31	No Significant Intersections			
JBRRRC-037	19501	11084	1464	-60	180	14	8	14	6*	30.1
JBRRRC-038	19501	11077	1455	-60	180	24	0	24	24*	28.7
JBRRRC-039	16442	11042	1422	-60	150	175	60	116	56	29.4

\* Hole ended in mineralization

### **Proposed 2012 Work Program**

A multi-purpose rig which can drill aircore, RC and diamond core holes has been secured for 2012. Drilling planned at Jubilee Reef includes:

- Completing the 5,000 - 6,000m Aircore drilling program at Masabi Hill to define the extent of the granite-hosted mineralisation which is largely covered by transported soils;
- ~300metres diamond core drilling at Masabi Hill and Panapendesa to determine the controls on gold mineralisation;
- ~2,000metres RC drilling at Masabi Hill and Panapendesa along strike and beneath the latest intersections to estimate the size of the mineralised systems; and
- Further RC drilling as warranted depending on results of above

The drill rig is currently en route to Tanzania from Australia and is scheduled to arrive in late February/early March with drilling to commence soon after once weather and ground conditions permit.

## **2. Mega Joint Venture Project (Liontown earning 75%)**

*The Mega Joint Venture Project is located immediately southwest and along strike of the Jubilee Reef JV in northern Tanzania and is prospective for the same styles of gold mineralisation. Liontown has entered into an agreement with Tanzoz Minerals Ltd to earn up to 75% equity in the Project by funding exploration activities for the next 3 years.*

The Mega JV Agreement is with private Tanzanian company Tanzoz Minerals Ltd and covers a 9.3km<sup>2</sup> prospecting licence (PL) located immediately southwest of the Jubilee Reef JV Project (*see Figure 4*). The PL includes the strike continuation of structures and stratigraphy that host the Masabi Hill and Panapendesa prospects at Jubilee Reef.

The Mega JV PL is largely covered by transported soils and previous exploration, which only comprises soil sampling and wide spaced ground magnetics, has not effectively tested the prospective bedrock for gold. Liontown has commissioned a detailed aeromagnetic survey, which is scheduled to be flown in late March, and data from this survey will be used to design a 2,000metre aircore drilling program to test for strike extensions of mineralised trends defined at Jubilee Reef (*see Figure 4*).

Liontown can earn 75% equity within 3 years of the Effective date of the Agreement by paying Tanzoz \$50,000 per annum and spending a minimum of \$50,000 per annum on in-ground exploration.

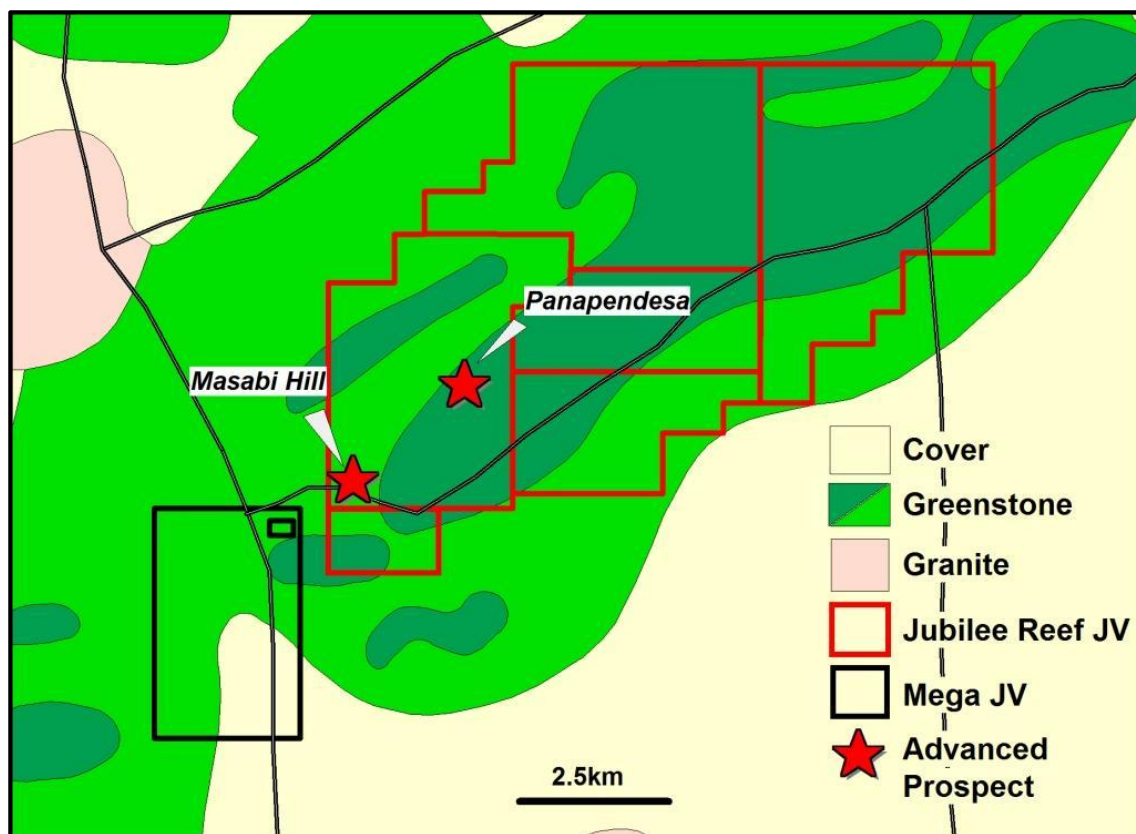


Figure 4: Jubilee Reef JV Project and new Mega JV area

### 3. African Barrick Iron Ore Joint Venture Project (Liontown earning 70%)

The African Barrick Iron Ore Joint Venture (ABIOJV) Project covers ~530km<sup>2</sup> and abuts Liontown's Jubilee Reef JV in the Lake Victoria Goldfield of northern Tanzania. The Lake Victoria Goldfield is a similar geological terrain to the Mid-West region of Western Australia where a number of large iron ore resources have been discovered. The Project area includes significant BIF stratigraphy that has not been previously assessed for iron mineralisation. Liontown has secured the opportunity to earn up to 70% equity in the iron rights from African Barrick which is the largest gold miner in Tanzania.

Liontown has identified tenements abutting the Jubilee Reef JV held by African Barrick Gold (ABG) - Masabi Extended, Siga Hills and Siga Hills North Projects - as having significant potential for iron ore deposits (*see Figure 5*). Together with the iron potential of the Jubilee Reef Project, this represents an attractive opportunity to develop a significant iron ore exploration portfolio in East Africa.

ABG is Tanzania's largest gold miner and also one of the largest tenement owners in northern Tanzania with extensive amounts of BIF occurring within its land holdings. ABG will retain all rights to minerals discovered other than iron ore and by-products directly associated with iron ore mineralogy.

The Projects to be assessed by Liontown for iron ore are located close to existing and proposed rail infrastructure.

The principal terms of the Agreement between Liontown and ABG are:

- Assessment Stage - initial 6-month data review period during which Liontown can assess the available technical data to determine whether there is potential for significant iron ore mineralisation within the ABG properties. At the end of this Stage, Liontown will either define smaller Project Areas for further iron ore exploration or withdraw from the Agreement with ABG;
- Initial Earn-In Stage - following the Assessment Stage, Liontown can earn 60% equity in any iron ore discovery within the Project Areas by spending \$10 million within four years on exploration and resource definition;

- Additional Earn-In Stage - LioneTown can, at its election, increase its equity in the iron ore rights to 70% by spending an additional \$10 million over another 2-year period; and
- LioneTown must spend US\$500,000 during the Initial Earn-In Stage before having right to withdraw from the Agreement with ABG.

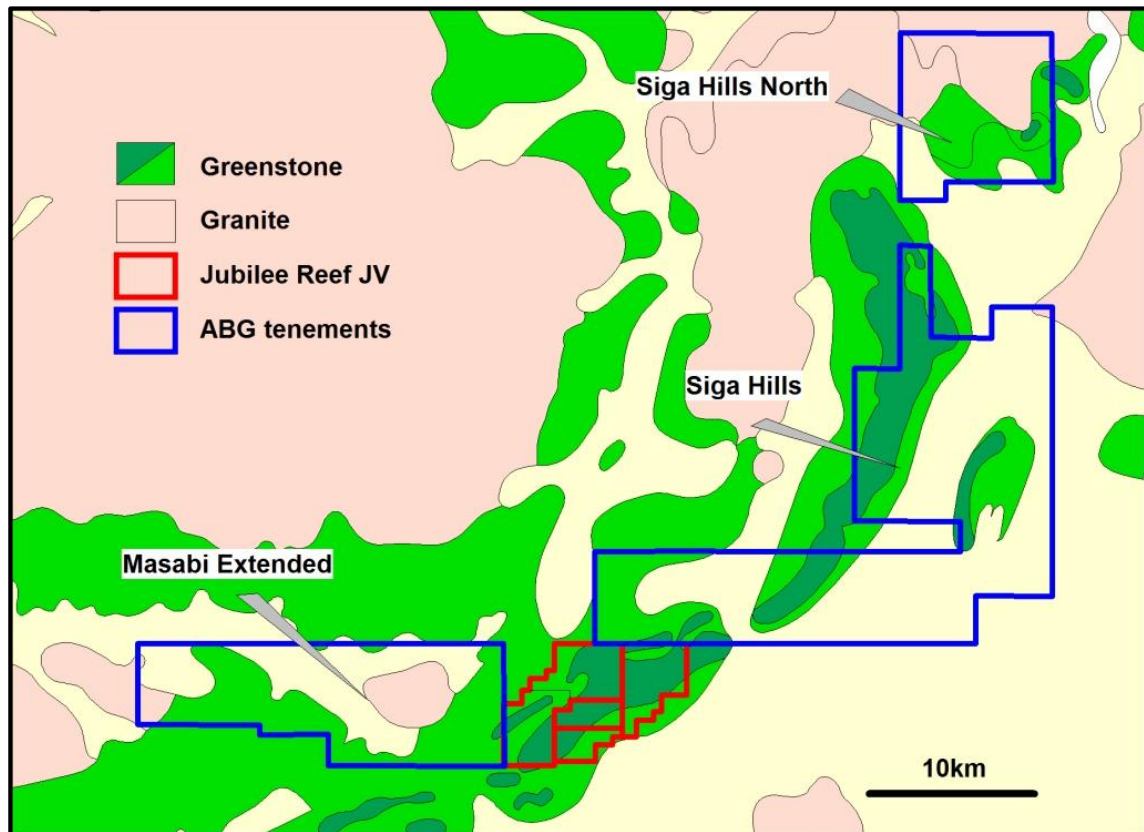


Figure 5: Jubilee Reef JV Project and ABIOJV Areas

#### 4. Mount Windsor Joint Venture Project (LioneTown 100%, Ramelius earning 60%)

The Mount Windsor Joint Venture Project (MWJV) comprises an extensive tenement package located in the prolific Charters Towers gold field of North Queensland (see Figure 6) which has yielded over 15 million ounces of gold from world-class mines such as Charters Towers (+7Moz), Kidston (+4Moz), Pajingo (+3Moz), Ravenswood (+2Moz) and Mt Leyshon (2.7Moz) (see Figure 6). In April 2010, LioneTown entered into a Joint Venture agreement with ASX-listed gold company Ramelius Resources Limited ("Ramelius") (ASX: RMS) under which Ramelius can earn up to a 60% interest in the Mt Windsor Project by spending \$7 million over 4 years with a minimum commitment of \$1.25 million in the first year.

During the December Quarter, Ramelius undertook RC and diamond core drilling at 4 prospects (see Figure 6) within the Mt Windsor JV targeting geochemical and/or geophysical anomalies. A total of 15 holes for 1950 metres RC and 1784 metres NQ diamond core were drilled. Although the drilling did not identify any ore grade intersections, several drill holes reported elevated gold (Au) values as well as highly anomalous silver (Ag) and associated pathfinder elements (listed in Table 4, with drill hole details listed in Table 5).

At Cardigan Dam encouraging results of 2.80m @ 430g/t Ag (including 1.1m @ 1073g/t Ag) from CDDH0001 are associated with narrow quartz-sulphide veins cross cutting the rhyolite breccia pipe and country rock granites. Two of the three Cardigan Dam holes returned weakly anomalous gold intersections (best result being 3m at 0.26g/t Au in CDDH0003). Highly anomalous silver-arsenic-antimony-lead-zinc (Ag-As-Sb-Pb-Zn) pathfinder element results (including 2m @ 51.5g/t Ag, 175ppm As, 38ppm Sb, 880ppm Pb and 2.2%Zn in CDDH0002) were reported from drilling on the northern contact of the intrusive rhyolite breccia pipe with the surrounding granitoid.

These are the first exploration drill holes into Cardigan Dam, a mineralised intrusive breccia gold system, potentially analogous to Resolute Resources' plus 1Moz Mt Wright underground gold mine which is located north of the Company's Mt Windsor Project. The anomalous trace element responses suggest a high level within a vertically zoned intrusive or breccia hosted mineral system, with current drilling intersecting the system above any potentially gold rich window. Ramelius intends to undertake further work to help vector to gold rich zones within the breccia system.

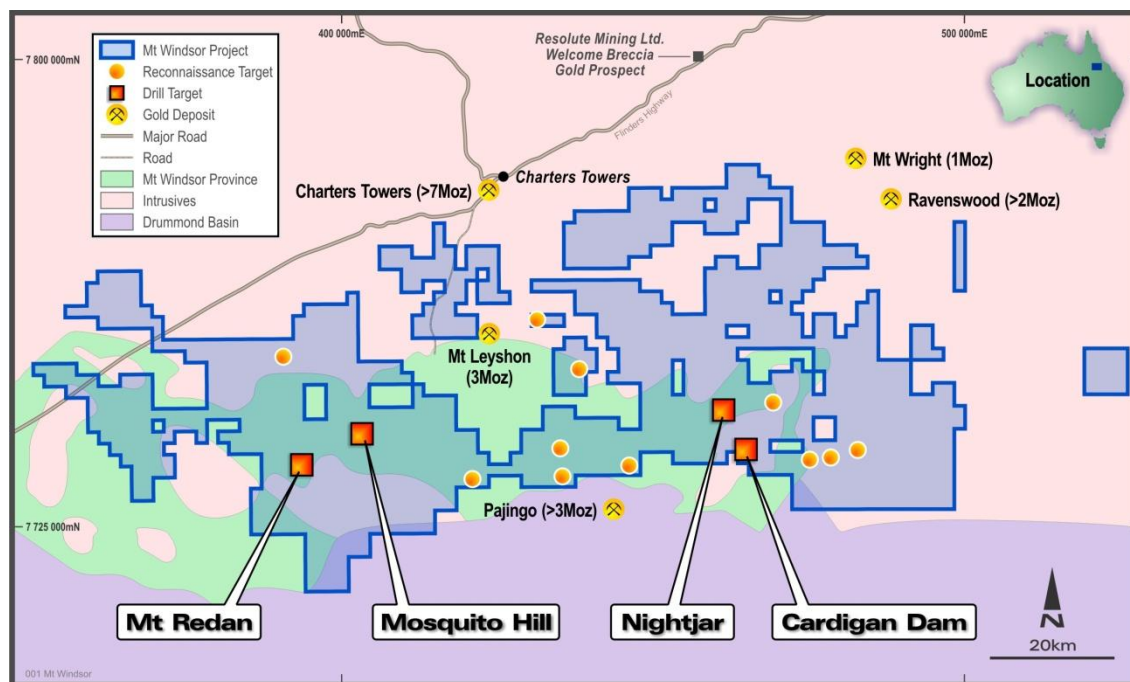


Figure 6: Mt Windsor Project - Regional geology, major deposits, tenure and targets.

In addition to the drilling, Ramelius also completed detailed aeromagnetic and induced polarisation surveys across soil and laterite covered areas at Nightjar. Previous mapping and rock chip sampling by Ramelius had delineated multiple zones of epithermal quartz veining, brecciation and gold mineralisation in areas of limited outcrop exposure and the geophysical surveys were considered warranted to define drill targets beneath the extensive but shallow barren cover. A preliminary assessment of the geophysical data indicates a number of targets that warrant follow up.

Ramelius has confirmed that it will continue to fund and manage exploration at Mt Windsor in 2012. Exploration expenditure since commencement of the JV in April 2010 is approximately \$3,500,000.

Table 4: Mt Windsor Volcanics JV- Anomalous Intersections (>0.1 ppm Au)

Prospect	Hole Id	From (m)	To (m)	Interval (m)	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
Cardigan Dam	CDDH0001	253.3	256.3	<b>2.8</b>	0.007	<b>430</b>	108	8927	2175
	<i>Including:</i>	254.4	255.5	<b>1.1</b>	0.01	<b>1073</b>	220	21717	4738
	CDDH0002	122	127	<b>5</b>	0.05	<b>21.8</b>	37	455	9243
	<i>Including:</i>	124	126	<b>2</b>	0.09	<b>51.5</b>	52	880	22353
	CDDH0003	109	110	1	0.12	9.92	841	482	211
		276	277	1	0.18	0.16	45	19	30
		283	284	1	0.12	0.28	79	26	43
		287	289	2	0.16	0.25	241	227	42
		315	318	<b>3</b>	<b>0.26</b>	0.38	306	47	78
	<i>Including:</i>	317	318	<b>1</b>	<b>0.62</b>	0.80	425	77	132
Nightjar (Plateau)	PLRC0001	81	85	<b>4</b>	<b>0.17</b>	3.06	20	145	444
		118	119	<b>1</b>	<b>0.24</b>	36.49	55	445	664
		162	163	1	0.1	3.54	90	988	2322
		180	181	1	0.14	0.24	638	10	109



**Table 5: Mt Windsor Volcanics JV– Drill Hole locations**

Prospect	Hole ID	Northing (GDA)	Easting (GDA)	RL (m)	Azimuth	Dip	Precollar Depth (m)	Final Depth (m)
Northern Plateau	PLRC0001	7740930	460380	300	360	-60		254
Cardigan Dam	CDDH0001	7737000	464525	300	90	-50	246	347.1
Cardigan Dam	CDDH0002	7737292	464456	300	180	-60	246	381.4
Cardigan Dam	CDRC0001	7737600	464499	300	200	-60		36
Cardigan Dam	CDDH0003	7737600	464500	300	180	-60	244	344.5

## 5. Panhandle Project (Liontown 100%)

The Panhandle Project is located in North Queensland and is considered prospective for high-grade gold and silver deposits similar to those found elsewhere in the region such as Mt Carlton and Pajingo.

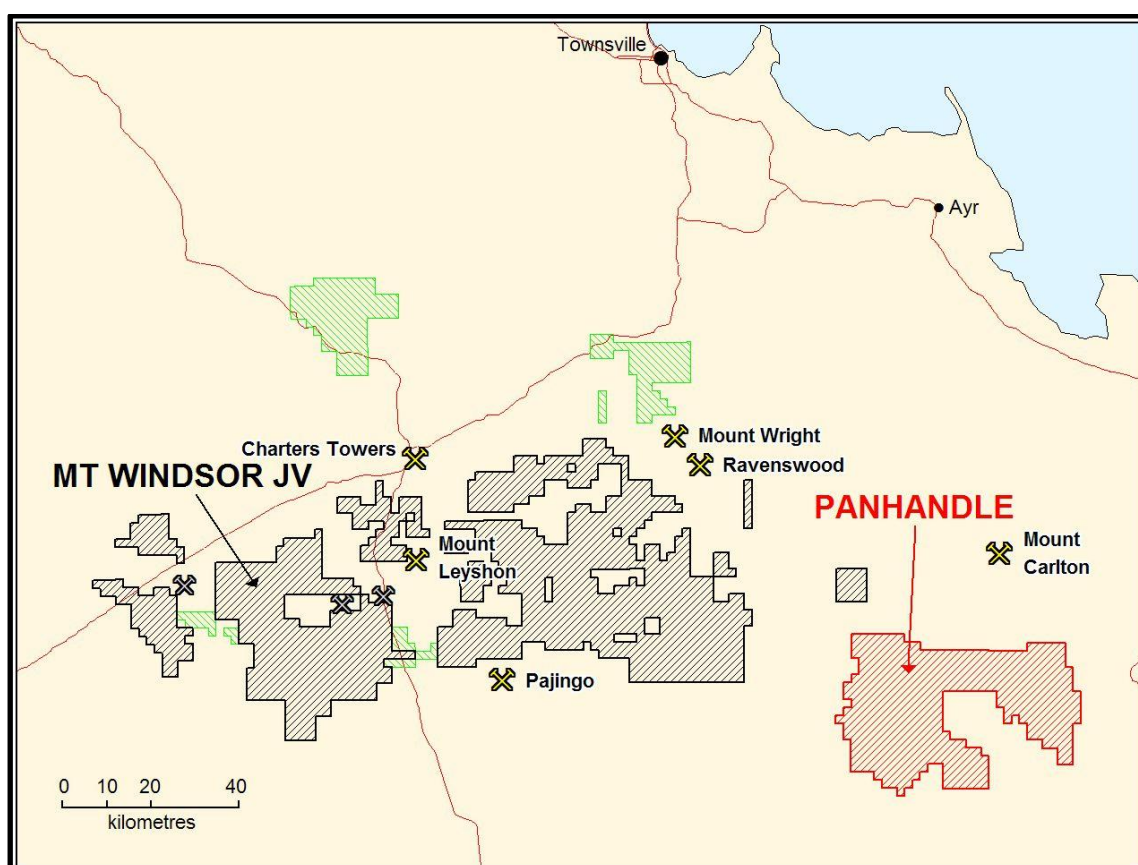


Figure 7– Liontown Resource's tenure in North Queensland

Exploration activities for Panhandle Project during the Quarter comprised statutory reporting and preparation for the 2012 field season.

## 6. Corporate

During the Quarter, the Company completed a 1-for-4 pro-rata non-renounceable rights issue to existing shareholders at 3 cents per share to raise approximately \$1.58M.

The funds raised will be used to underpin the continued exploration in northern Tanzania and North Queensland.



DAVID RICHARDS  
Managing Director

31 January 2012

*The information in this report that relates to Exploration Results is based on information compiled by Mr David Richards, a full time employee of Liontown Resources Limited, who is a Member of the Australian Institute of Geoscientists. Mr Richards has sufficient experience in the field of activity being reported to quality as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form an context in which is appears here.*

*The information in this report that relates to Exploration Results for the Mount Windsor Joint Venture Project is based on information compiled by Mr John McIntyre, a consultant to Liontown Resources Limited, who is a Member of the Australian Institute of Geoscientists. Mr McIntyre has sufficient experience in the field of activity being reported to quality as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form an context in which is appears here.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

LIONTOWN RESOURCES LIMITED

ABN

39 118 153 825

Quarter ended ("current quarter")

31 DECEMBER 2011

### Consolidated statement of cash flows

		Current quarter	Year to date
		\$A	(6 Months) \$A
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(945,402)	(1,270,866)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(273,823)	(470,286)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7,589	26,175
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST)	-	-
<b>Net Operating Cash Flows</b>		<b>(1,211,636)</b>	<b>(1,714,977)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
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 (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(1,211,636)</b>	<b>(1,714,977)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,469,188	1,469,188
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 (provide details if material)	-	-
<b>Net financing cash flows</b>		<b>1,469,188</b>	<b>1,469,188</b>
<b>Net increase (decrease) in cash held</b>		<b>257,552</b>	<b>(245,789)</b>
1.20	Cash at beginning of quarter/year to date	1,000,081	1,503,416
1.21	Exchange rate adjustments to item 1.20	45	51
1.22	<b>Cash at end of quarter</b>	<b>1,257,678</b>	<b>1,257,678</b>

### 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
1.23	Aggregate amount of payments to the parties included in item 1.2	148,759
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

Item 1.2 consists of legal fees paid to a director for the provision of legal services (\$14,300), the salary and superannuation paid to the Managing Director (\$57,426) and service charges paid to the director related entity (Chalice Gold Mines Ltd) for the provision for corporate services, office rent and technical personnel (\$47,280).

### 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

N/A

#### 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

N/A

+ 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	490,000
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	150,000
<b>Total</b>	<b>640,000</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	245,890	575,643
5.2 Deposits at call	1,011,788	424,438
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,257,678</b>	<b>1,000,081</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	N/A			

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	Queensland: - EPM16920	Acquired	0%	100%
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### 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> (description)	Nil	Nil	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3	<b>+Ordinary securities</b>	263,842,181	263,842,181	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	52,768,600 Nil	52,768,600 Nil	\$0.03 N/A	\$0.03 N/A
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil	N/A N/A	N/A N/A
7.7	<b>Options</b> (description and conversion factor)	4,000,000 500,000 3,000,000 3,000,000 1,150,000	Nil Nil Nil Nil Nil	<i>Exercise price</i> \$0.35 \$0.20 \$0.20 \$0.10 \$0.20	<i>Expiry date</i> 1 December 2012 31 July 2013 2 February 2013 1 May 2013 1 November 2013
7.8	Issued during quarter	Nil	Nil	N/A	N/A
7.9	Exercised during quarter	Nil	Nil	N/A	N/A
7.10	Expired during quarter	Nil	Nil	N/A	N/A
7.11	<b>Debentures</b> (totals only)	Nil	Nil		
7.12	<b>Unsecured notes</b> (totals only)	Nil	Nil		

+ 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 January 2012

Company Secretary

Print name: Richard Hacker

## 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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