

# QUARTERLY REPORT

For period ending 31 December 2011

Argonaut Resources NL is pleased to deliver the following report for the Quarter to 31 December 2011.

## Highlights

### Lumwana West, Zambia

- A 23 hole drilling program at the Nyungu Prospect near the western margin of the Mwombezi Dome was completed.
- All drill core has been cut sampled and submitted for analysis.
- The drilling program targeted copper-cobalt mineralisation identified in historical drilling.

### Xekong, Laos

- Track-mounted RC drilling rig en-route to site.
- 59 hole, 5,000m program planned.
- Initial drilling to determine geometry of previously intercepted mineralised bodies.
- Subsequent drilling to test extensions to the mineralisation.
- Previous results included: 6m at 26.2g/t gold from 22m in hole BBRC31.

### Cuesta Coal (formerly Blackwood Coal), QLD

- During the Quarter, Cuesta Coal Ltd acquired Blackwood Coal and Argonaut now holds a 31.67% undiluted interest in Cuesta.
- December 2011, Cuesta announced an exploration target of between 200Mt and 3,000Mt at the Eastern Galilee Basin.
- Following the Quarter, Cuesta announced a \$20 million IPO funding arrangement.

### Torrens, SA

- In the Quarter, the Full Court of the Supreme Court of South Australia heard the appeal against the decision by the ERD Court that proposed exploration activities may not be undertaken on EL4296. A decision is expected in March 2012

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# Exploration

## Zambia

### ***16121-HQ\_LPL, Lumwana West (Argonaut earning up to 85%)***

During the period Argonaut completed a 23 hole RC and diamond drilling program at the Nyungu prospect in the western portion of the Mwombezhi Dome, adjacent to Barrick's Lumwana Mine in Zambia.

The drilling program which comprised 1929m of RC drilling and 2185m of diamond drilling for 23 holes averaging 178m deep was completed in November 2011.

All core has been cut and all down-hole samples have been submitted for analysis with SGS.

Results of the program will be released to the Australian Securities Exchange as they become available.

The Mwombezhi Dome is composed of two northeast-southwest trending basement inliers, and is one of several domes (Kafue, Luswishi, Solwezi, Mwombezhi and Kabompo) within an area referred to as the 'Domes Region'.

The Mwombezhi Dome is located in the western extension of the Lufilian Arc which is host to the Central African Copperbelt. This forms the largest and highest grade sediment hosted copper province in the world.

The host lithologies and structural setting of several of the known prospects within the 16121-HQ-LPL licence are analogous to the Malundwe and Chimiwungo deposits of the Lumwana Mine. These deposits are hosted in highly sheared quartz-phlogopite-muscovite-

kyanite schists. Mineralisation is predominantly disseminated chalcopyrite and bornite. The licence also has significant potential to host more traditional stratiform/stratabound Copperbelt style targets in Lower Roan stratigraphy.

There are numerous previously identified target areas within the licence, but Argonaut expects to focus exploration activities on the Nyungu, Lumwana, Kavipopo and ZNS prospects.

Of particular interest is the Nyungu prospect which is located on the south-western flank of the western lobe of the Mwombezhi Dome. A first pass RC drilling program by Anglo American at Nyungu in 2001 revealed multiple lenses of low-grade copper mineralisation over a minimum north-south strike extent of 800 metres. Five of the eleven holes produced intersections of  $\pm 1\%$  copper over 8 metres with a maximum of 1.84% copper over 13 metres from 69 metres in drill hole RC-009.

The copper mineralisation at Nyungu is associated with cobalt and gold. Drill hole RC-001 returned a polymetallic intersection of 47 metres at 0.56% copper, 0.19% cobalt and 0.48g/t gold from 119 metres in gneisses and quartz-phlogopite-muscovite-kyanite schists. A cut-off grade of 0.1% copper was applied and the hole was terminated in mineralisation at 228 metres. This mineralised intersection was characterised by a prominent IP chargeability anomaly.

### **Lumwana West Joint Venture**

Under the terms of the Joint Venture, Lumwana West can earn up to 85% of 16121-HQ-LPL over three phases of exploration. To earn an initial 51%, Lumwana West must spend USD1.8 million on exploration then pay USD600,000 to the original shareholders on the allotment of shares.

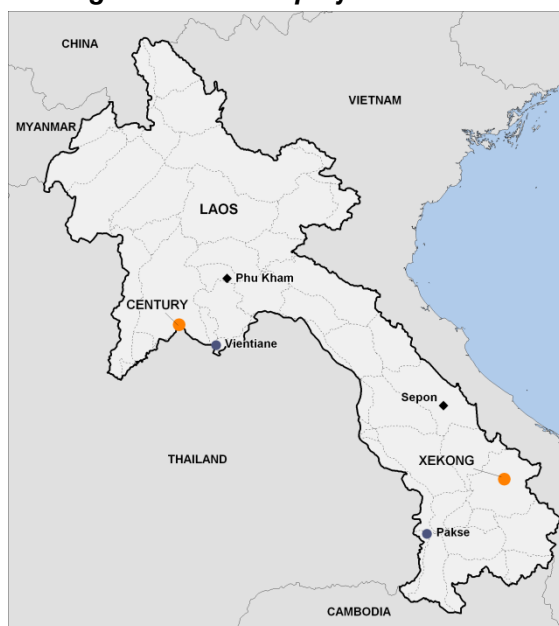
To earn a further 24% for a total of 75%, Lumwana West must spend an additional USD2.4 million on exploration and make a final

cash payment of USD1.1 million to the original shareholders.

Lumwana West can take a further 10% interest in the licence for a total of 85%, by completing a Feasibility Study.

## Laos

**Figure 1: Laotian project locations**



### **Xekong Area (Argonaut 65%)**

On 16 December 2011, Argonaut announced that access preparation for a 5,000m RC drilling program at the Ban Klong prospect within the Ban Bak project area on the company's Xekong concession in southern Laos was progressing well.

At the time of writing the RC drilling rig was mobilising to site.

The drilling program will target gold mineralisation discovered in 2011 by Argonaut as a result of systematic programs of surface geochemical sampling, channel sampling and drilling. The exploration program is targeting replacement style gold mineralisation analogous in nature to mineralisation found at the Sepon gold mine in Laos and at the Carlin trend in Nevada, USA.

On 18 July 2011 the company announced that drilling at the Ban Klong prospect in the north-

western corner of the Ban Bak area had intercepted:

- 6m at 26.2g/t gold from 22m in drill hole BBRC31;
  - including 2m at 76.4g/t gold from 24m;
- 12m at 3.48g/t gold from 10m in drill hole BBRC24; and
- 8m at 4.45g/t gold from 0m in drill hole BBRC22

Ban Klong drill intercepts cited above may not represent the true widths of mineralised bodies. Additional drill hole data is required to properly determine the geometry and dimensions of any potentially economic mineralisation.

The 59 hole program (Figure 5) will initially focus on determining the geometry of the mineralisation intercepted by RC drilling undertaken at the Ban Klong prospect in April/May 2011. Upon establishing the orientation of several known mineralised bodies, the program will seek to define the approximate extent of the gold mineralisation. Additionally, gold targets peripheral to the Ban Klong prospect that were defined by surface geochemistry during 2011 will be tested.

It should be noted that gold in soil anomalies shown in Figure 5 are subject to down-slope creep, hence surface anomalism can be laterally offset compared to the causative mineralisation at depth.

The main access track to the Ban Bak project area has been re-established. The construction of drill pads and drill site access tracks is substantially complete and involved drilling and blasting in steep terrain.

Licensed surveyors have completed a detailed topographic survey of the Ban Klong target area to JORC standards for the purpose of detailed drill planning and future resource estimations.

Argonaut has contracted a track-mounted RC drilling rig for the program with an option to retain the rig for further drilling in the event of strong initial results. Drill samples will be

analysed for gold within seven days of receipt by Australian Laboratory Services in Laos. This rapid turn-around time will allow the program to be progressively fine-tuned according to results.

Argonaut is also continuing to develop drill targets at the Ban Don, Phu Tuang, and Ban Bak South-west prospects.

During the period, Argonaut field personnel and contractors completed the following activity:

- continued to develop regional prospects to the point of being drill-ready;
- completed a 1:500 scale DGPS and total station topographic survey over Ban Klong prospect;
- constructed/refurbished 16 kilometres of access track;
- drill and blasted over 1,800 cubic metres of rock during the construction road-cutting, drill pads and access tracks; and
- cleared unexploded ordinance (UXO) over an area of approximately 12 hectares.

### **Century Area (Argonaut 70%)**

During the period, the following work was completed at the Century concession in Laos:

- deep soil, 'bottom-hole' sampling program continued with 212 samples collected to date;
- geological mapping and rock chip sampling of the Nam Hone prospect and Khokhe prospect;
- interpretation of geophysical (IP) survey at Nam Hone prospect;
- refurbishment of 2km of tracks at the Khokhe prospect to facilitate future exploration programs;
- drilling of eight diamond core holes for a total of 2,434.9m at Nam Hone prospect;
- drilling two diamond core holes for a total of 329.6m at Khokhe prospect;
- logging and sampling diamond drill core (ongoing);
- 596 half-core, 1m samples submitted for first-pass gold analysis by ALS Vientiane; and

- environmental and social baseline studies of the Century concession area.

### **Century Joint Venture**

The Century tenement is subject to a Management and Shareholders Agreement with Aurum Resources Pty. Ltd.

Under the terms of the agreement, Aurum has been appointed the manager of the Century Thrust Joint Venture Agreement and will have the right to earn a 51% beneficial interest in the Century concession.

In order to acquire this interest, Aurum must spend US\$6.5 million on exploration within five years. The five year period includes an initial one year assessment period. At the completion of this earn-in Argonaut Resource's interest in the Century concession will be 19%.

Century is located approximately 70km north-west of the capital city Vientiane on the highly prospective Loei-Luang Prabang fold belt, a prominent, regionally mineralised belt, which stretches from Thailand in the south, to Laos in the north.

## **Australia**

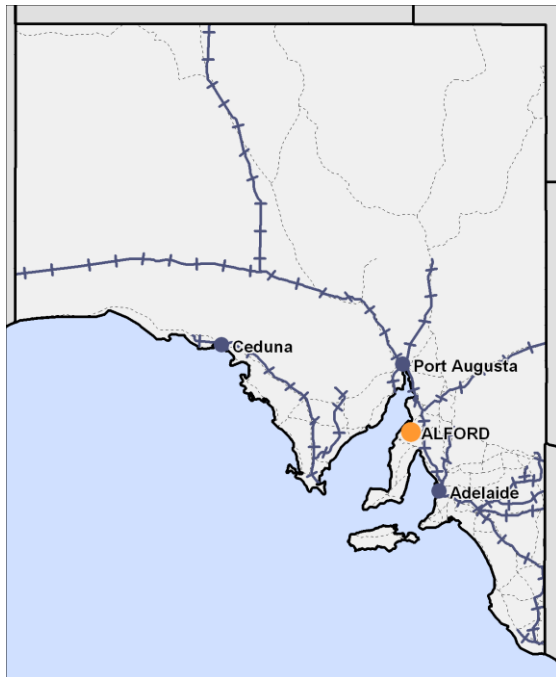
### **EL3969, Alford (Argonaut 100%)**

#### **Alford East**

No field work was undertaken at the Alford tenement during the period.

Argonaut is focused on two exploration targets in the Alford East area; these are Netherleigh Park and Truck Paddock.

**Figure 2: Alford Location**



### **Netherleigh Park**

Copper-silver drill intercepts at Netherleigh Park are derived from copper mineralisation hosted in a formerly carbonaceous meta-siltstone unit.

This unit has been strongly metasomatised in the area of known mineralisation and is adjacent to a meta-basalt unit and granite.

### **Truck Paddock**

In 2011 Argonaut made a significant new copper-cobalt discovery at Truck Paddock, 1,100 metres to the south-west of the Netherleigh Park prospect.

The zone of copper mineralisation is open along strike and down dip, and the discovery hole terminated in mineralisation.

## ***EL4296, Torrens (Argonaut 100%)***

### **The Torrens Joint Venture**

The Torrens Joint Venture is between Argonaut Resources NL and Straits Resources Limited (ASX: SRL) and relates to the Torrens Project, EL 4296. Argonaut currently holds 100% of EL 4296 and Straits is earning a 70% interest.

The Torrens Joint Venture is exploring for iron-oxide copper-gold ('IOCG') systems in the highly prospective Stuart Shelf region of South Australia. The Torrens Project is located near the eastern margin of South Australia's Gawler Craton (Stuart Shelf), within 50 kilometres of Oz Mineral's Carrapateena copper - gold deposit and 75 kilometres from BHP Billiton's Olympic Dam mine.

### **Litigation**

There are two streams of litigation related to the Torrens currently in progress. The first relates to an approval under section 23 of the Aboriginal Heritage Act 1988 in South Australia and the second to an application to the Environment, Resources and Development Court of South Australia by the Torrens Joint Venture under section 63M of the Mining Act 1971 South Australia.

#### **Litigation under the Mining Act 1971 (SA)**

Primary litigation involves Native Title authority under the Mining Act and centres around an appeal to the Full Court of the Supreme Court of South Australia ('the Full Court') lodged by the Torrens Joint Venture with a view to overturning a decision of the Environment, Resources and Development Court of South Australia, made on 14 January 2011.

The Native Title related appeal by the Torrens Joint Venture was heard by the Full Court in October and December 2011. The outcome of this appeal is currently expected around March 2012. The joint venture partners stand well placed to receive a positive outcome from the Full Court appeal which, if realised, may in turn help inform the outcome of future heritage considerations.

#### **Litigation under the Aboriginal Heritage Act 1988 (SA)**

Approval given by the Minister for Aboriginal Affairs and Reconciliation on 7 July 2010 pursuant to section 23 of the Aboriginal Heritage Act 1988, (SA) ('AHA') in relation to EL 4296 was overturned on 22 December 2011 following an appeal to the Full Court.



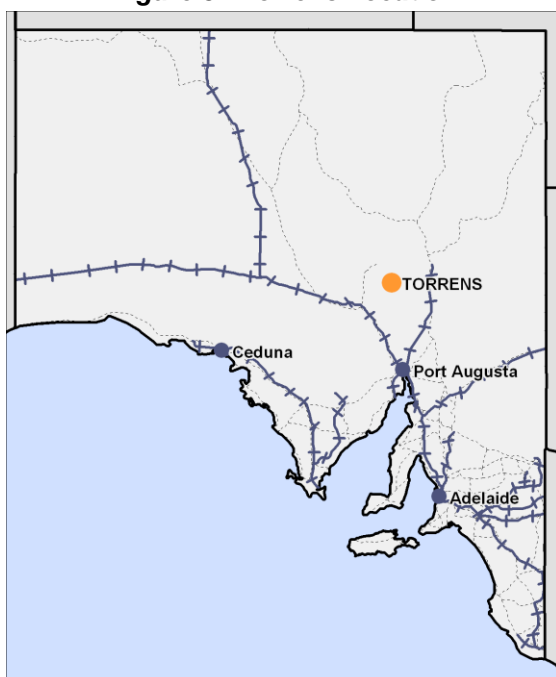
The Torrens Joint Venture sought the section 23 approval following the lodgement of an Aboriginal heritage site card over an unprecedented area of over 6,300 square kilometres.

The section 23 approval by the Minister was one of three significant Ministerial approvals gained from the South Australian Government by the Torrens Joint Venture for the purpose of drilling.

In making the judgement, the Full Court held that, under the AHA, the Minister must delegate his/her power if requested to do so by duly identified Traditional Owners, effectively providing a mechanism to veto exploration and mining activities. It would appear this power of veto can equally be applied to non-mining activities such as public infrastructure projects, including those in the metropolitan area. Significantly this delegation power rules out the Minister being able to assess applications in the broader interests of the State.

It should be noted that the Full Court made no criticism of the Joint Venture partners nor of the initiating application for the s23 approval but found that the Minister in considering the grant of the approval had not acted strictly in accordance with the requirements of the AHA.

**Figure 3: Torrens Location**



The Torrens Joint Venturers remain open to a mediated settlement with regard to land access for the purposes of proposed drilling activities on Andamooka Island and Lake Torrens.

### **Cuesta Coal (Argonaut 38%)**

During the Quarter, Cuesta Coal Ltd acquired Blackwood Coal and Argonaut now holds a 31.67% undiluted interest in Cuesta.

On 2 December 2011, Cuesta announced an Exploration Target of between 200 million tonnes and 3,000 million tonnes in its Eastern Galilee Basin tenements based on its evaluations and limited scout drilling.

The Galilee Basin, like the Bowen Basin, contains an extensive development of Permian age coal bearing strata. These strata sub-crop along the eastern margin of the basin over a distance of 450km from Pentland in the north to southeast of Alpha. The Galilee Basin sequence laps onto basement rocks comprising folded and faulted strata of the Devonian and Carboniferous age which are part of the Drummond Basin, an older depositional basin.

The area chosen by Cuesta Coal for the initial exploration is due east of the known Betts Creek Beds coal development in an area where the eastern edge of the basin has yet to be fully defined. It is yet to be established to what the extent this eastern margin has also been subject to post-Permian style folding, faulting and depth of pre Tertiary erosion, allowing for remnants of the Betts Creek Beds to be preserved. The areas identified and to be tested by Cuesta Coal are where geophysics and interpretation indicate coal bearing sequences may be preserved under younger masking cover units.

Cuesta Coal recently carried out in EPC 1802 a programme of scout drilling on one of these conceptual exploration targets based on the company's interpretive work but also supported by a water bore which reportedly intersected some coal.

Significantly this initial exploration has intersected coal bearing strata which supports the contention that the Betts Creek Beds are more widely present eastwards in this area than previously thought. Cuesta Coal intersected coal at depths between 40m and 110m and located 8km east of the previously known Betts Creek sub-crop. Full results were released to the ASX by Argonaut on 9th September 2011. A priority area has been identified for comprehensive follow-up drilling in 2012.

Should further work support the idea of separate structural depressions preserving Betts Creek Beds at shallow depths (<150m) and given the vast areas covered by Cuesta Coals permits, then it is possible that a substantial resource may be outlined. Depending if one or several deposits are outlined the exploration target lies between 200Mt and perhaps 3,000Mt.

It should be noted that this Exploration Target is conceptual in nature and there has not been sufficient exploration drilling to define a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Cuesta has acquired a portfolio of 33 EPCs/EPCAs in the Bowen, Surat/Clarence Moreton and Galilee coal basins in Queensland, nine of which have been granted. It has a pipeline of projects which range from advanced exploration requiring resource definition drilling to conceptual lateral opportunities to be tested by scout drilling.

Subsequent to the quarter, Cuesta entered into a legally binding conditional subscription agreement valued at \$20 million with Beijing Guoli Energy Investment Co. Ltd and its related entities.

The agreement is subject to completion of satisfactory due diligence, and Cuesta shareholder, Chinese regulatory and FIRB approvals, with documentation already lodged.

Cuesta Coal is seeking to list on the ASX in Q1 of 2012.

## **Musgrave Minerals (Argonaut 2.1%)**

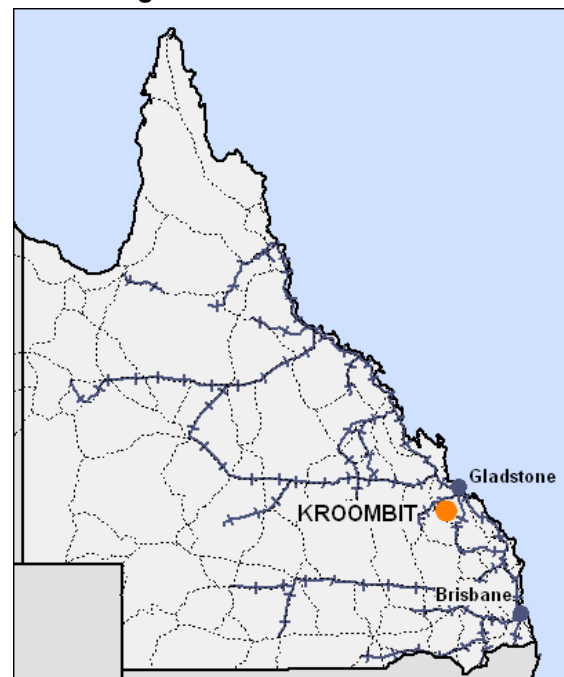
Argonaut's wholly owned subsidiary, Kelaray Pty Ltd, vended four mineral Exploration Licence Applications in the Musgrave Block into Musgrave Minerals Ltd. Argonaut holds 2.1% of the ordinary shares in Musgrave Minerals.

Musgrave Minerals has a large footprint in the Musgrave Block - one of the least explored geological provinces in Australia - with tenements covering an area totalling 50,000km<sup>2</sup>, approximately 5% of the State of South Australia.

## **Kroombit (Argonaut 100%)**

No field based work was undertaken on the Kroombit project during the Quarter.

**Figure 4: Kroombit location**



## **EL4358 and EL4153, Aroona (Argonaut 100%)**

No field based work was undertaken on the Aroona project during the Quarter. These tenements are subject to a joint venture agreement with Perilya Limited.

Lindsay Owler  
Director  
Argonaut Resources NL

*Argonaut Resources NL Projects*

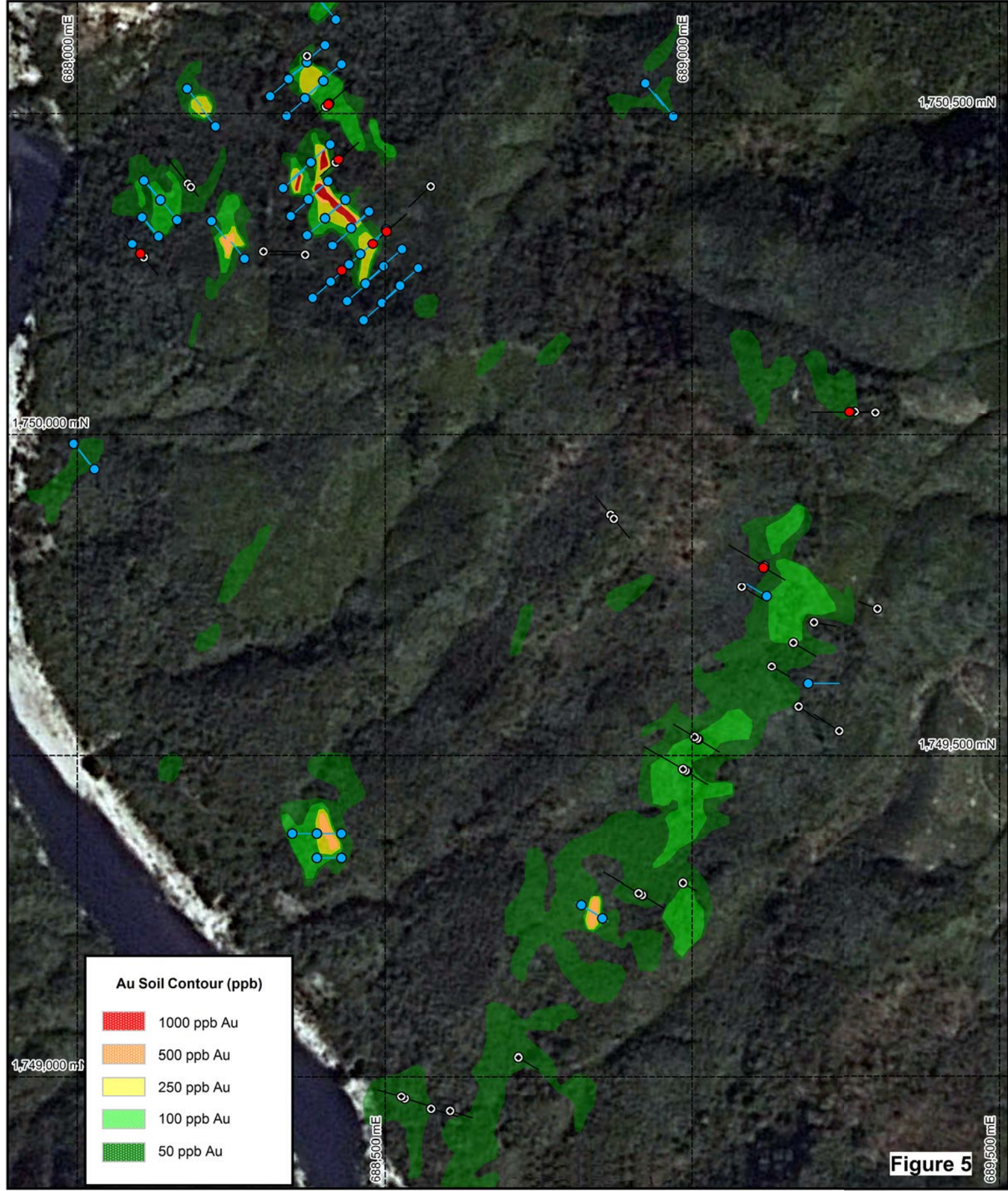
*Sections of information contained in this report that relate to Exploration Results were compiled or supervised by Mr Lindsay Owler BSc, MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Argonaut Resources NL. Mr Owler has sufficient experience which is relevant to the style of mineral 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 Mineral Resources and Ore Reserves". Mr Owler consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*Cuesta Coal Ltd Projects:*

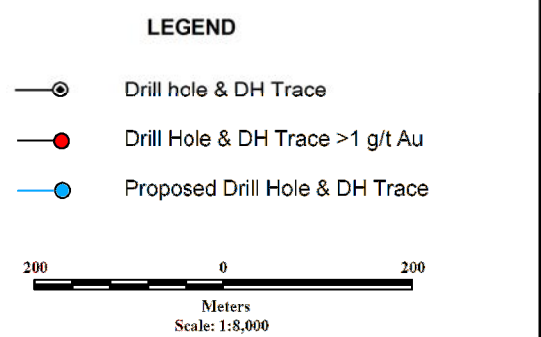
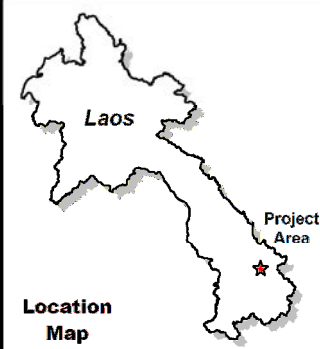
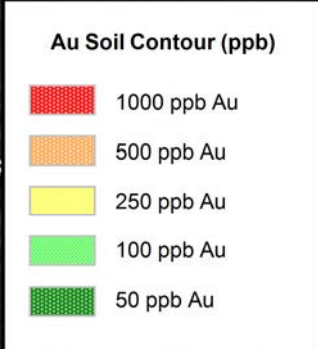
*Sections of information contained in this report that relate to Exploration Results and Mineral Resources were compiled or supervised by Brice Mutton, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is Technical Director to Cuesta Coal Limited, in which Argonaut Resources Limited holds a 38% undiluted interest. Mr Mutton has sufficient experience which is relevant to the style of mineral 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 Mineral Resources and Ore Reserves". Mr Mutton consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*All statements as to exploration targets of Cuesta Coal Limited and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement as to exploration targets has been made consistent with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' published by the Joint Ore Reserves Committee (JORC).*





**Figure 5**



### Ban Bak Prospect Proposed Drilling & Au in Soil Contours

Author: Lindsay Owler	Date: Dec 2011
Drawn: N.A.H.	Revised:
Dwg No.: ARE_12_001	Report No.:
Projection: WGS 84, Zone 48N	Scale: 1 : 8 000

# 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

Argonaut Resources NL

ABN

97 008 084 848

For the period ending

31 December 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,774)	(3,582)
(b) development	-	-
(c) production	-	-
(d) administration	(149)	(414)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	78	250
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – abnormal costs, fraud related recovery	-	-
<b>Net Operating Cash Flows</b>	<b>(1,845)</b>	<b>(3,746)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(50)
(c) other fixed assets	(11)	(148)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(800)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(11)</b>	<b>(998)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,856)</b>	<b>(4,744)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,856)	(4,744)
	<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	Joint venture contributions received	293	944
1.20	Other (capital raising costs)	-	-
	<b>Net financing cash flows</b>	293	944
	<b>Net increase (decrease) in cash held</b>	(1,563)	(3,800)
1.21	Cash at beginning of quarter/ year to date	6,390	8,600
1.22	Exchange rate adjustments to item 1.20	(13)	14
1.23	<b>Cash at end of the period</b>	4,814	4,814

**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
1.24	Aggregate amount of payments to the parties included in item 1.2	95
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Item 1.24: Payment for Directors Fees included in exploration and administration payments in item 1.2.

**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	NA
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	NA

**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	-	-
3.2	Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,300
4.2	Development	-
4.3	Production	-
4.4	Administration	200
<b>Total</b>		<b>1,500</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	Previous quarter
		\$A'000	\$A'000
5.1	Cash on hand and at bank	965	2,588
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) – term deposits	3,849	3,802
<b>Total: cash at end of period (item 1.22)</b>		<b>4,814</b>	<b>6,390</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of year	Interest at end of 3 months
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	253,376,470	253,376,470		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	7,000,000 (Exp. 31/12/2013, \$0.30)  1,500,000 (Exp 31/12/2011, \$0.20)			
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

7.12	<b>Unsecured notes</b> <i>(totals only)</i>			
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## 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: Andrew Bursill  
Company Secretary

## 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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