

QUARTERLY ACTIVITIES REPORT

For the Quarter Ended 31 December 2007

KEY DEVELOPMENTS

- Calculation of a revised JORC total inferred and indicated resource for the Salamanca I project of 16.9m lb of U_3O_8 at an average grade of 563ppm - an increase of 42%.
- An initial indicated resource at Retortillo of 4.8m lb of U_3O_8 at 581ppm included in the above.
- Drilling subsequent to the JORC resource calculation has extended the known mineralisation at Santidad a further 800m in total.
- An airborne geophysical survey was completed over key target areas, with favourable initial indications.
- AMC Consultants commenced a Scoping Study on the potential for mining at the Salamanca I project.
- Sipa Resources completed further drilling at the Miriam-Bouchers project near Coolgardie.

*Enquiries - Managing Director: Matt Syme Telephone: +61 417 906 717
Email: info@berkeleyresources.com.au*

SALAMANCA I

Berkeley's drilling objectives in the December quarter were to generate sufficient data to allow calculation of a revised resource for the Retortillo deposit and an initial resource for the Santidad deposit, and also to continue to test the potential extensions of the Retortillo-Santidad stratigraphy. Both objectives were successfully completed and ongoing drilling continues to test the potential for additional resources in the Salamanca I project area.

New Resource Estimates

Results from the new resource calculations were as follows:

At a **200ppm U₃O₈** cutoff, total inferred and indicated resources are:

	Ore Tonnes (Mt)	Grade (ppm U₃O₈)	Contained (m lb U₃O₈) at 200ppm U₃O₈ cutoff
Retortillo	9.6	615	13.0
Santidad	3.4	382	2.9
Zona 7	0.6	760	1.0
TOTAL	13.6	563	16.9

including the following **indicated** resources:

	Ore Tonnes (Mt)	Grade (ppm U₃O₈)	Contained (m lb U₃O₈) at 200ppm U₃O₈ cutoff
Retortillo	3.8	581	4.8

At a **100ppm cut-off** the total inferred and indicated resources are:

	Ore Tonnes (Mt)	Grade (ppm U₃O₈)	Contained (m lb U₃O₈) at 100ppm U₃O₈ cutoff
Retortillo	15.6	432	14.9
Santidad	6.7	255	3.8
Zona 7*	0.6	760	1.0
TOTAL	22.9	389	19.6

** Zona 7 resources have been calculated at a 200ppm cut-off only.*

including the following **indicated** resources:

	Ore Tonnes (Mt)	Grade (ppm U₃O₈)	Contained (m lb U₃O₈) at 100ppm U₃O₈ cutoff
Retortillo	5.7	431	5.4

Note – for comparative purposes - previously published resource targets at Salamanca 1 (based on historic ENUSA estimates) included an additional 590,000 pounds of U₃O₈ in 3 small deposits which are excluded from the above calculations because detailed work has not yet commenced.

These estimates are based on data from historical drilling campaigns by the Junta de Energia Nuclear (JEN) and Empresa Nacional Uranio S.A. (ENUSA) in the period from the late 1950's to the mid 1980's at Retortillo and Zona 7, supplemented by Berkeley drilling of 72 diamond and RC holes at Retortillo, 87 RC and diamond holes at Santidad and 7 diamond holes at Zona 7. They have been developed by a team of in-house and consulting geoscientists with calculations based on block modeling methods (for Retortillo and Santidad) and the polygonal method (for Zona 7).

Full details of the new resource calculation are included in the announcement dated 19 November 2007.

Drilling Results

Drilling in the quarter comprised:

- Retortillo - 12 diamond drill holes totalling 1167.9m
- Santidad - 13 diamond drill holes totalling 948.4m and 70 reverse circulation drill holes totalling 4041.0m

Full details of the drilling are set out in the Appendix. Notable intersections (at a cut-off grade of 200ppm U_3O_8) include:

Retortillo

RTO-067	3.0m @ 0.046% U_3O_8 from 33.0m and 6.0m @ 0.058% U_3O_8 from 45.0m
RTO-068	5.0m @ 0.038% U_3O_8 from 46.0m and 13.0m @ 0.050% U_3O_8 from 68.0m
RTO-069	18.0m @ 0.069% U_3O_8 from 32.0m
RTO-070	43.0m @ 0.024% U_3O_8 from 39.0m
RTO-072	10.0m @ 0.086% U_3O_8 from 28.0m and 3.0m @ 0.044% U_3O_8 from 45.0m
RTO-075	3.0m @ 0.060% U_3O_8 from 40.0m.

Santidad

SANR-047	11.0m @ 0.031% U_3O_8 from 24.0m
SANR-052	9.0m @ 0.066% U_3O_8 from 14.0m

	and 5.0m @ 0.036% U ₃ O ₈ from 33.0m
SANR-059	13.0m @ 0.035% U ₃ O ₈ from 33.0m
SANR-071	14.0m @ 0.048% U ₃ O ₈ from 3.0m and 6.0m @ 0.037% U ₃ O ₈ from 31.0m
SANR-077	24.0m @ 0.026% U ₃ O ₈ from 15.0m and 7.0m @ 0.029% U ₃ O ₈ from 49.0m
SANR-081	16.0m @ 0.020% U ₃ O ₈ from 10.0m
SAN-089	6.0m @ 0.070% U ₃ O ₈ from 16.0m
SANR-102	10.0m @ 0.076% U ₃ O ₈ from 9.0m
SANR-125	9.0m @ 0.037% U ₃ O ₈ from 14.0m
SANR-130	10.0m @ 0.076% U ₃ O ₈ from 3.0m and 3.0m @ 0.024% U ₃ O ₈ from 21.0m.

Figure 1 below sets out the drilling completed at Santidad in the quarter. Subsequent to the calculation of the revised JORC inferred resource on 19 November 2007, ongoing drilling extended the known limits of the Santidad mineralisation by approximately 550m to the North West and 250m to the South East.

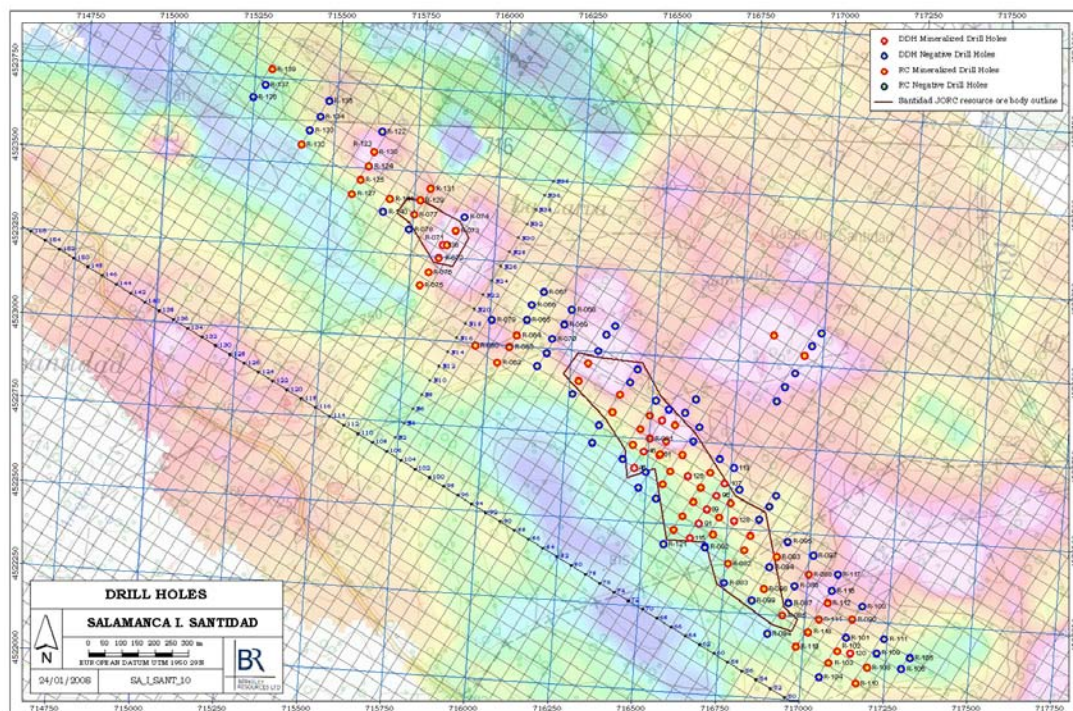


Figure 1 – December 07 Quarter drilling at Santidad

The Santidad mineralisation remains open along strike in both directions. Drilling in the March quarter is aimed at testing for extensions to the North West and also in the area immediately

affected by the presence or absence of Tertiary cover and may explain the lower tenor of the Santidad mineralisation, relative to Retortillo.

The geological logging and petrology has also show the mineralisation to be dominantly controlled by the host lithologies and the degree of the weathering process. Continuing petrological work on these aspects will help to prioritise drill targets as determined from the airborne surveys and geological investigations.

AIRBORNE GEOPHYSICAL SURVEY

Aretech Solutions completed flying a 5,924 line kilometre, low level, close-spaced airborne magnetic and radiometric survey in the quarter. The survey covered Salamanca I, part of the Salamanca II, and the Caceres VI and Toledo II areas as set out in Figure 3 below.

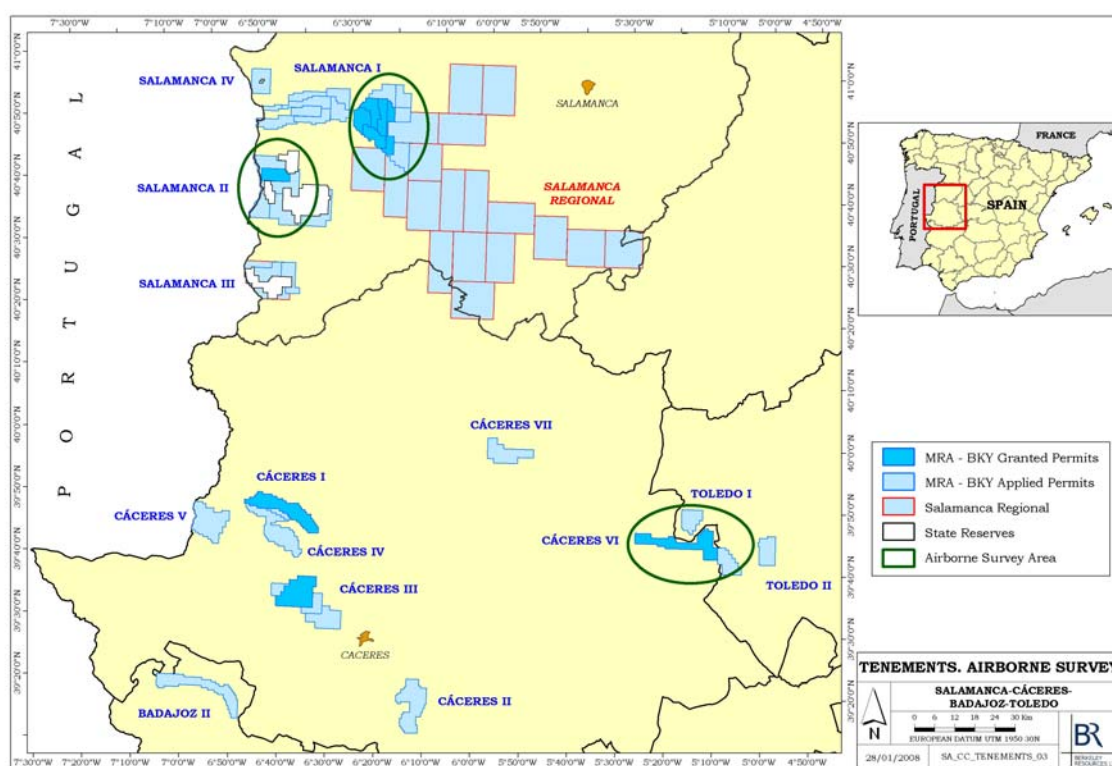


Figure 3 – Berkeley tenements and Aerial Survey areas

The survey had two objectives:

1. to better define controlling structures and host lithologies associated with uranium mineralisation; and

2. to provide direct and indirect criteria for targeting new areas with potential for mineralisation, particularly in areas of partial or complete cover.

Initial indications are that the survey has provided very good data for both objectives. Compilation, processing and interpretation of data is ongoing and is expected to be completed in coming weeks.

SALAMANCA REGIONAL TENEMENTS

Figure 3 also sets out additional exploration permits applied for in the quarter – collectively the “Salamanca Regional” project. This project comprises a number of regional scale exploration permits with the potential for similar lithologies to Santidad and Retortillo, including

- potential extensions of the Retortillo-Santidad stratigraphy itself;
- potential areas of similar carbonaceous shale stratigraphy, including beneath Tertiary cover; and
- areas of contact between carbonaceous shales and granites.

It is understood that little or no uranium exploration work has been undertaken on most of the Salamanca Regional tenements. A review for any available historical data is presently underway.

SALAMANCA I SCOPING STUDY

The successful increase in the resource base at Salamanca I, along with the outstanding potential for additional resources, gave the Company impetus to commence a scoping study on the potential for mining at Salamanca I. AMC Consultants were engaged to prepare the study and substantial progress was made in the quarter.

AMC expect to complete the study in early February.

COOLGARDIE GOLD PROJECT

(Sipa Resources Ltd earning 70% from Berkeley)

Eight Reverse Circulation holes for 858 metres were drilled at two Prospects at Coolgardie in December.

Six holes on six sections were drilled at the Forest Gold Prospect adjacent to the Burbanks Shear Zone to follow-up previous Sipa RAB intersections such as 10 metres at 2.5 g/t gold. A best result of 5 metres grading 8 g/t gold was returned. Whilst all other holes returned zones of anomalous gold, no other potentially ore-grade intercepts resulted, including from holes 50 metres north and south along strike of the best result.

Two holes were drilled into a significant northerly trending soil anomaly 1.5 kilometres long known as the Comet Shear Prospect, located 5 kilometres northwest of the Forest Gold Prospect. These holes were drilled scissored towards each other. The hole drilled to the west returned 50 metres grading 0.2 g/t from 20 metres, whilst the hole drilled to the east (and probably down dip) returned 83 metres at 0.3 g/t from 25 metres. Results are being evaluated and more drilling may be required.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ellis, who is a Member of The Australian Institute of Geoscientists and an employee of Berkeley Resources Limited. Mr Ellis 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 Ellis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX A – Drill results for December quarter

Santidad Drilling and Assay Summary (31.12.07)									
HOLE ID	UTM East	UTM North	RL	Inclination	End of Hole	Minimum Intersections > 200ppm U ₃ O ₈			
						FROM	TO	M	%
SAN-043	716,535	4,522,807	753.044	-60	59.90	3.00	4.00	1.00	0.0236
SAN-044	716,503	4,522,751	762.023	-60	70.00	No significant mineralisation			
SAN-045	716,480	4,522,709	769.894	-60	55.45	15	23	8	0.035
						33	34	1	0.026
SAN-046	716,457	4,522,665	778.552	-60	56.70	32	36	4	0.039
SANR-047	716,807	4,522,437	771.189	-90	60.00	24.00	35.00	11.00	0.0306
SANR-048	716,891	4,522,606	756.408	-90	49.00	Not Sampled			
SANR-049	716,873	4,522,571	759.828	-90	50.00	Not Sampled			
SANR-050	716,780	4,522,616	752.113	-90	50.00	Not Sampled			
SANR-051	716,715	4,522,704	752.366	-90	50.00	Not Sampled			
SANR-052	716,385	4,522,821	764.067	-90	50.00	7.00	8.00	1.00	0.0230
						14.00	23.00	9.00	0.0660
						28.00	29.00	1.00	0.0230
						33.00	38.00	5.00	0.0360
						40.00	41.00	1.00	0.0310
						46.00	47.00	1.00	0.0250
SANR-053	716,404	4,522,875	756.361	-90	50.00	9.00	11.00	2.00	0.0538
SANR-054	716,432	4,522,913	753.921	-90	50.00	Not Sampled			
SANR-055	716,151	4,522,943	763.648	-90	50.00	Not Sampled			
SANR-056	716,177	4,522,984	758.133	-90	50.00	Not Sampled			
SANR-057	716,332	4,522,726	783.321	-90	50.00	Not Sampled			
SANR-058	716,347	4,522,779	772.324	-90	50.00	Not Sampled			
SANR-059	716,601	4,522,478	786.337	-90	70.00	33.00	46.00	13.00	0.0353
SANR-060	716,852	4,523,084	724.019	-90	50.00	3.00	4.00	1.00	0.0381
SAN-061	716,534	4,522,704	762.468	-90	61.00	7.00	8.00	1.00	0.0277
						12.00	13.00	1.00	0.0212
						14.00	15.00	1.00	0.0275
						18.00	20.00	2.00	0.0564
						22.00	24.00	2.00	0.0682
						27.00	29.00	2.00	0.0279
						36.00	37.00	1.00	0.0587
SANR-062	716,032	4,522,945	758.181	-90	60.00	7.00	8.00	1.00	0.0230
SANR-063	716,085	4,523,030	748.174	-90	51.00	27.00	28.00	1.00	0.0230
SANR-064	716,065	4,522,994	751.326	-90	69.00	42.50	44.50	2.00	0.0330
SANR-065	716,111	4,523,079	747.346	-90	50.00	Not Sampled			
SANR-066	716,123	4,523,124	743.157	-90	50.00	Not Sampled			
SANR-067	716,156	4,523,165	740.104	-90	50.00	Not Sampled			
SANR-068	716,244	4,523,119	743.56	-90	50.00	Not Sampled			
SANR-069	716,223	4,523,073	748.839	-90	45.00	Not Sampled			
SANR-070	716,191	4,523,028	753.491	-90	50.00	Not Sampled			
SANR-071	715,857	4,523,286	738.937	-90	57.00	3.00	17.00	14.00	0.0480
						20.00	22.00	2.00	0.0310
						24.00	25.00	1.00	0.0300
						27.00	29.00	2.00	0.0340
						31.00	37.00	6.00	0.0370

SANR-072	715,835	4,523,245	738.11	-90	50.00	No significant mineralisation			
SANR-073	715,880	4,523,330	738.504	-90	60.00	19.00	20.00	1.00	0.0210
						21.00	22.00	1.00	0.0210
						48.00	49.00	1.00	0.0270
SANR-074	715,905	4,523,373	739.09	-90	50.00	Not Sampled			
SANR-075	715,784	4,523,160	743.404	-90	50.00	3.00	4.00	1.00	0.0240
						5.00	6.00	1.00	0.0210
SANR-076	715,808	4,523,200	740.36	-90	60.00	34.00	37.00	3.00	0.0210
						38.00	39.00	1.00	0.0210
						43.00	44.00	1.00	0.0250
						48.00	51.00	3.00	0.0260
SANR-077	715,753	4,523,370	752.831	-90	75.00	15.00	39.00	24.00	0.0260
						49.00	56.00	7.00	0.0290
SANR-078	715,741	4,523,325	755.282	-90	45.00	Not Sampled			
SANR-079	716,007	4,523,072	735.036	-90	50.00	Not Sampled			
SANR-080	715,962	4,522,992	743.486	-90	50.00	No significant mineralisation			
SANR-081	716,502	4,522,750	762.184	-90	48.00	10.00	26.00	16.00	0.0200
						35.00	37.00	2.00	0.0200
SANR-082	716,761	4,522,393	778.73	-90	80.00	46.00	47.00	1.00	0.0220
						51.00	53.00	2.00	0.0220
SANR-083	716,753	4,522,336	782.966	-90	60.00	Not Sampled			
SANR-084	716,893	4,522,192	771.129	-90	50.00	Not Sampled			
SANR-085	716,934	4,522,250	764.115	-90	50.00	Not Sampled			
SANR-086	716,965	4,522,341	751.916	-90	51.00	Not Sampled			
SANR-087	716,950	4,522,288	758.178	-90	50.00	Not Sampled			
SANR-088	717,004	4,522,377	749.566	-90	60.00	No significant mineralisation			
SAN-089	716,688	4,522,550	767.259	-90	75.45	16.00	22.00	6.00	0.0697
SANR-090	717,144	4,522,253	752.148	-90	54.00	Not Sampled			
SAN-091	716,657	4,522,508	775.365	-90	75.20	41.00	42.00	1.00	0.0206
SANR-092	716,679	4,522,439	781.027	-90	80.00	No significant mineralisation			
SANR-093	716,904	4,522,433	759.623	-90	57.00	3.00	6.00	3.00	0.0210
SANR-094	716,880	4,522,392	758.691	-90	57.00	Not Sampled			
SANR-095	716,925	4,522,481	767.32	-90	60.00	Not Sampled			
SAN-096	716,705	4,522,590	761.535	-90	74.80	Not Sampled			
SANR-097	717,012	4,522,442	754.492	-90	60.00	Not Sampled			
SANR-098	716,865	4,522,325	768.433	-90	60.00	No significant mineralisation			
SANR-099	716,830	4,522,290	775.094	-90	60.00	Not Sampled			
SANR-100	717,163	4,522,297	746.64	-90	60.00	Not Sampled			
SANR-101	717,120	4,522,195	758.768	-90	60.00	Not Sampled			
SANR-102	717,095	4,522,164	764.175	-90	60.00	9.00	19.00	10.00	0.0755
SANR-103	717,067	4,522,122	766.748	-90	60.00	No significant mineralisation			
SANR-104	717,047	4,522,072	770.238	-90	60.00	Not Sampled			
SANR-105	717,317	4,522,145	768.429	-90	60.00	Not Sampled			
SANR-106	717,293	4,522,112	769.147	-90	60.00	Not Sampled			
SAN-107	716,726	4,522,632	758.507	-90	66.30	13.00	14.00	1.00	0.0200
						23.00	24.00	1.00	0.0238
SANR-108	717,189	4,522,110	770.678	-90	60.00	33.00	34.00	1.00	0.0373
						37.00	38.00	1.00	0.0371
						54.00	55.00	1.00	0.0364
SANR-109	717,215	4,522,152	766.752	-90	69.00	Not Sampled			
SANR-110	717,165	4,522,067	770.752	-90	75.00	24.00	26.00	2.00	0.0303

SANR-111	717,230	4,522,195	759.747	-90	60.00	Not Sampled			
SANR-112	717,054	4,522,295	748.102	-90	54.00	14.00	15.00	1.00	0.0206
SAN-113	716,750	4,522,678	750.985	-90	74.70	Not Sampled			
SANR-114	717,032	4,522,245	754.324	-90	60.00	5.00	7.00	2.00	0.0218
						8.00	9.00	1.00	0.0210
SAN-115	716,642	4,522,462	784.137	-90	76.90	Not Sampled			
SANR-116	717,061	4,522,327	744.838	-90	54.00	Not Sampled			
SANR-117	717,091	4,522,383	743	-90	55.00	Not Sampled			
SANR-118	717,015	4,522,206	757	-90	59.00	No significant mineralisation			
SANR-119	716,981	4,522,160	761	-90	60.00	No significant mineralisation			
SAN-120	717,130	4,522,150	764	-60	81.40	Not Sampled			
SANR-121	716,564	4,522,439	788	-90	87.00	Not Sampled			
SANR-122	715,648	4,523,599	751	-90	59.00	Not Sampled			
SANR-123	715,625	4,523,556	756	-90	60.00	11.00	12.00	1.00	0.0320
						17.00	19.00	2.00	0.0210
SANR-124	715,596	4,523,506	762	-90	69.00	Not Sampled			
SANR-125	715,585	4,523,463	770	-90	60.00	14.00	23.00	9.00	0.0370
						29.00	30.00	1.00	0.0220
SAN-126	716,624	4,522,646	763	-60	84.60	Awaiting Assays			
SANR-127	715,550	4,523,416	778	-90	60.00	48.00	50.00	2.00	0.1690
SAN-128	716,771	4,522,523	763	-60	81.35	Not Sampled			
SANR-129	715,769	4,523,413	752	-90	60.00	Not Sampled			
SANR-130	715,615	4,523,551	756	-90	30.00	3.00	13.00	10.00	0.0760
						14.00	15.00	1.00	0.0210
						21.00	24.00	3.00	0.0240
SANR-131	715,798	4,523,450	750	-90	62.00	37.00	38.00	1.00	0.0220
SANR-132	715,398	4,523,554	782	-90	60.00	Not Sampled			
SANR-133	715,418	4,523,603	776	-90	60.00	Not Sampled			
SANR-134	715,440	4,523,650	769	-90	52.00	Not Sampled			
SANR-135	715,463	4,523,691	762	-90	40.00	Not Sampled			
SANR-136	715,249	4,523,687	789	-90	60.00	Awaiting Assays			
SANR-137	715,283	4,523,727	781	-90	55.00	Not Sampled			
SAN-138	715,846	4,523,285	739	-90	84.55	Awaiting Assays			
SANR-139	715,300	4,523,775	774	-90	62.00	Awaiting Assays			
SANR-140	715,661	4,523,371	767	-90	60.00	Awaiting Assays			
SANR-141	715,678	4,523,412	762	-90	60.00	Awaiting Assays			

Retortillo Drilling and Assay Summary (31.12.07)

HOLE ID	UTM East	UTM North	RL	Inclination	End of Hole	Minimum Intersections > 200ppm U ₃ O ₈			
RTO-064	720,139.652	4,519,883.908	741.945	-90	79.50	41.50	44.50	3.00	0.0260
RTO-065	720,220.074	4,519,842.163	740.263	-90	98.20	Not Sampled			
RTO-066	719,754.591	4,520,345.004	731.621	-60	93.00	Not Sampled			
RTO-067	720,050.696	4,519,927.986	741.746	-90	80.00	33.00	36.00	3.00	0.0460
						45.00	51.00	6.00	0.0580
RTO-068	719,445.021	4,520,541.961	746.567	-60	119.15	46.00	51.00	5.00	0.0380
						68.00	81.00	13.00	0.0498
RTO-069	720,009.677	4,519,952.072	743.474	-90	93.20	32.00	50.00	18.00	0.0690
RTO-070	720,050.907	4,519,815.984	748.271	-90	96.30	39.00	82.00	43.00	0.0240
RTO-071	719,882.643	4,520,240.221	742.883	-60	110.40	Not Sampled			
RTO-072	719,457.880	4,520,408.368	751.575	-90	101.50	25.00	26.00	1.00	0.0776
						28.00	38.00	10.00	0.0859
						40.00	42.00	2.00	0.0382
						43.00	44.00	1.00	0.0712
						45.00	48.00	3.00	0.0442
						50.00	51.00	1.00	0.0448
						53.00	55.00	2.00	0.0443
RTO-073	719,369.405	4,520,343.385	750.572	-90	95.30	No significant mineralisation			
RTO-074	720,319.199	4,519,678.652	747.248	-90	101.30	48.00	49.00	1.00	0.0630
						56.00	58.00	2.00	0.0293
						78.00	79.00	1.00	0.0303
RTO-075	720,425.228	4,519,671.746	748.135	-90	100.00	40.00	43.00	3.00	0.0600
						45.00	46.00	1.00	0.0231

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

BERKELEY RESOURCES LIMITED

ABN

40 052 468 569

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(2,781)	(4,663)
(b) development	-	-
(c) production	-	-
(d) administration	(450)	(830)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	356	743
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
- Business development	(47)	(83)
Net Operating Cash Flows	(2,922)	(4,833)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(48)	(156)
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	-	-
Net investing cash flows	(48)	(156)
1.13 Total operating and investing cash flows (carried forward)	(2,970)	(4,989)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,970)	(4,989)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	450
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 expenses	(3)	(34)
	Net financing cash flows	(3)	416
	Net increase (decrease) in cash held	(2,973)	(4,573)
1.20	Cash at beginning of quarter/year to date	23,936	25,536
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	20,963	20,963

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	137
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include executive remuneration, superannuation, directors' fees and consulting fees.

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

Not applicable

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

Not applicable

+ 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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,900
4.2 Development	-
Total	1,900

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	2,759	1,463
5.2 Deposits at call	18,204	22,473
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	20,963	23,936

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			

+ See chapter 19 for defined terms.

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	103,591,695	103,591,695	Not Applicable	Not Applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options -Unlisted Options -Incentive Options -Employee Options	10,600,000 2,250,000 2,970,000	- - -	<i>Exercise price</i> \$0.70 \$1.00 \$1.86	<i>Expiry date</i> 30 April 2010 30 November 2008 5 August 2011
7.8 Issued during quarter				
7.9 Exercised during quarter -Director Options				
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 ~~/does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 31 January 2007
(~~Director~~/Company secretary)

Print name: CLINT MCGHIE

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.

== == == == ==

+ See chapter 19 for defined terms.