



Quarterly Report – 30 September 2011

HIGHLIGHTS

WEST AFRICAN GOLD (Comoe JV – Burkina Faso)

- Highly anomalous silver assays support potential for a large-scale gold-silver VMS system at Phaco Hill, with significant drill results from Phaco South including:

4.0 metres @ 17.1g/t Ag

7.9 metres @ 17.9g/t Ag

6.0 metres @ 15.0g/t Ag

4.6 metres @ 15.5g/t Ag

- Five new priority gold targets identified within a 2km radius of the Phaco Hill prospect based on results from detailed soil surveys.
- Anomalous gold within graphitic zones reported from initial drill holes at the Karite Prospect, located 4km south of Phaco Hill.
- AusQuest increases equity in the Comoe Joint Venture from 60% to 80%.
- Plans underway to re-commence drilling in early 2012.

AUSTRALIA – GOLD, BASE METALS & MANGANESE

- Drilling of the Caroline EM target at Plenty River re-commenced following delays caused by extensive bush fires in the region.
- RC drilling to test RAB gold targets at the Dundas Gold Project scheduled to commence in the December 2011 Quarter.
- Additional manganese targets identified by gravity surveys at the Stanley Project – RC drilling scheduled to commence in November 2011.
- Access obtained to inspect VTEM targets reflecting possible nickel sulphides within the Mt Ramsay Project in the Kimberley region of WA.

PERU – COPPER-GOLD

- Exploration to commence in Peru, South America following the completion of a joint venture agreement with Cliffs Natural Resources Exploration Inc (CNRE).

- Potential Iron Oxide Copper Gold (IOCG) targets located under shallow cover by regional aeromagnetic survey and tenement applications submitted.

CORPORATE

- Strong cash position of **approximately \$9M** at the end of September 2011, not including **\$1.875M** still outstanding from the sale of the Rocklea iron project.

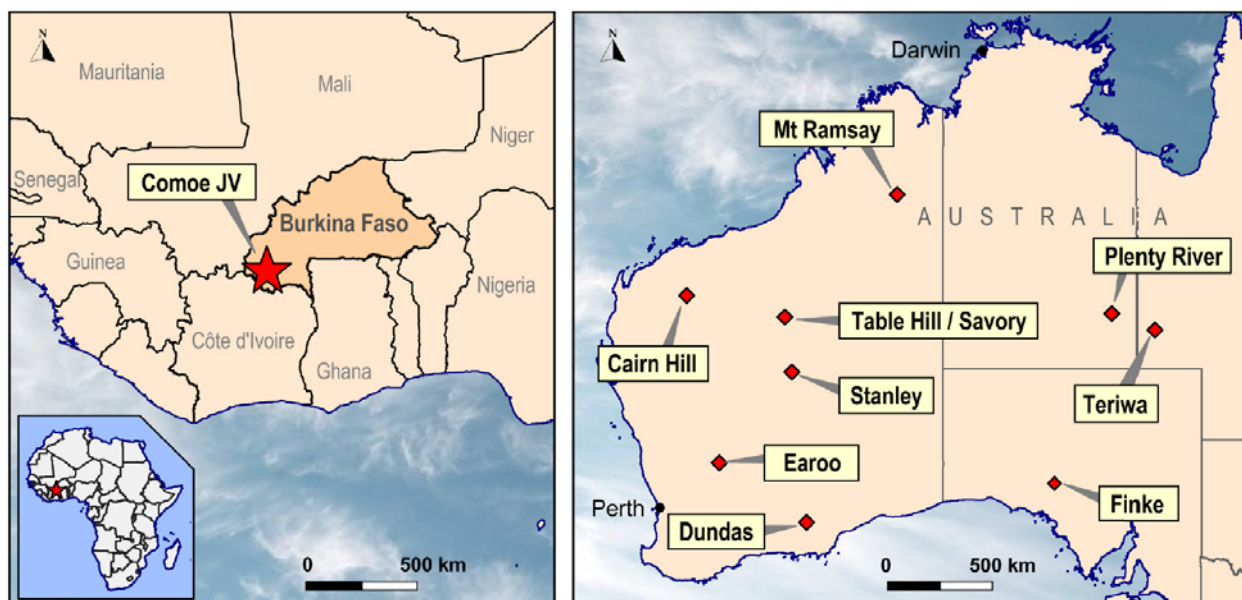


Figure 1: Project Locations – Australia and West Africa

OVERVIEW

AusQuest Limited (ASX: AQD) has a diversified portfolio of gold, base metal and bulk commodity projects in West Africa and Australia (*Figure 1*) and has recently embarked on a new exploration venture in Peru, South America in conjunction with its strategic alliance partner, Cliffs Natural Resources.

The Company's exploration strategy is based on targeting major new deposits and new mineral provinces within under-explored regions.

During the September Quarter, the Company's exploration efforts shifted to Australia and the newly established exploration venture in Peru as field programs in Burkina Faso, West Africa were suspended for the wet season.

Assay results for drilling and surface samples collected in Burkina Faso prior to the onset of the wet continued to be reported and processed. Compilation and

interpretation of results is continuing to provide the direction for future drilling programs.

Work to date indicates the presence of at least five priority gold targets within a 2km radius of the large volcanogenic massive sulphide (VMS)-style mineralised system located at Phaco Hill, as well as numerous structural gold targets within the other Comoe Joint Venture tenements.

In Australia, diamond drilling commenced at the Caroline base metals prospect at Plenty River in the Northern Territory but had to be suspended due to extensive bush fires in the region. This program has now recommenced and is due to be completed in early November.

Gravity surveys were completed at the Stanley Project to identify further manganese targets for drilling and ground EM surveys were completed over VTEM targets prospective for nickel sulphide mineralisation at Earoo.

Preparations progressed for RC drilling at Dundas (gold) and Stanley (manganese) and the Company secured access to the Mt Ramsay nickel VTEM targets in the Kimberley region of WA with field inspection scheduled for late October.

Exploration activities commenced in Peru, South America following the completion of a joint venture agreement with CNRE and a regional aeromagnetic survey which identified a number of potential iron oxide-copper gold (IOCG) targets for follow-up. Substantive field programs are expected to commence early in 2012 pending tenement grant.

GOLD (WEST AFRICA)

Comoe Joint Venture (AQD 80%,
Endeavour Mining 20%)

The Comoe Joint Venture area is located in southwest Burkina Faso, West Africa within a NNE trending greenstone belt, approximately 20km east of the town of Banfora. The area is relatively unexplored except for extensive surface sampling programs undertaken by Endeavour Mining (previously Etruscan Resources) prior to the formation of the joint venture, and

scattered artisanal gold workings along the belt. Burkina Faso is emerging as a significant new West African gold province.

Field exploration activities at the Company's Comoe Project have been suspended during the wet season with the major focus of activity during the Quarter being the processing and interpretation of results from the 2011 exploration program, which was completed in July.

Previous drilling at Phaco Hill has outlined gold (+/- silver, lead and zinc) mineralisation associated with a laterally extensive zone (1,000m x 400m) of sulphidic and aluminous alteration that is typical of gold-bearing volcanogenic massive sulphide (VMS) systems found elsewhere in the world.

During the Quarter, final gold assays were received for all diamond and RC drill-holes along with silver and base metal assays for drill-holes within the Phaco Hill area (see figure 2). Highly anomalous silver values were reported from Phaco Hill prospect with significant intersections, using a 5g/t Ag cut-off grade, shown in the following table:

Hole No	Easting	Northing	From (m)	To (m)	Int (m)	Ag (g/t)
KPRC-001	329500	1102470	60	80	20	45.96
(including			61	62	1	719.00)
KPRC-004	329473	1102698	170	184	14	5.67
KPRC-030	329589	1102093	97	102	5	7.02
KPRC-051	329588	1102077	106	110	4	7.55
KPRC-053	329552	1102124	54	60	6	13.82
KPRC-057	329610	1102801	36	43	7	7.99
			47	54	7	8.04
KPRC-061	329805	1102347	92	96	4	6.35
			99	102	3	6.07
KPHD001	329594	1102701	10	17	7	8.02
			23	39	16	20.99
KPHD002	329582	1102559	29	40	11	7.42
			44	49	5	5.18
			110.5	129	18.45	8.51
KPHD003	329614	1102549	118	154	36	18.45
KPHD004	329602	1102606	80	85	5	10.72
			108	121	13	5.18

KPHD005	329638	1102603	84	118	34	10.37
			162.81	165	2.19	14.27
KPHD006	329612	1102075	141	144.1	3.10	13.87
KPHD007	329617	1102096	139	149	10	8.55
			152	156	4	17.07
KPHD011	329612	1102500	151	168	17	10.43
KPHD012	329689	1102701	6	16	10	9.73
			148	165	17	6.36
			196	202	6	5.42
KPHD014			268.1	276	7.9	17.91
KPHD016			314	324	10	7.12
			358.25	359	1.75	37.19
			363	369	6	14.98
KPHD021			0	2	2	10.28
			89.35	94	4.65	15.47
			117	121	4	7.98

NB: Projection WGS84 Zone 30N; all drill-holes inclined -50 to -60 degrees to 265 degrees except drill-holes KPRC01 and 04 and KPHD016 and 021 which were inclined -55 degrees to 90 degrees. Intervals reflect down-hole thicknesses.

In general the anomalous silver intersections coincide with the better gold intersections (as reported previously) at all the prospects identified by drilling, although the anomalous silver is often more extensive.

The better silver intersections occur within the Phaco North prospect, where large thicknesses of anomalous silver are laterally and vertically extensive, with anomalous intersections (>2g/t Ag) up to 100 metres thick confirming the large size and continuity of the gold-silver system.

Highly anomalous silver values at the Phaco South and Phaco East prospects are

more confined than at Phaco North but generally coincide with the higher gold grades, suggesting that silver may add significant value to the potential in-ground value of gold bodies.

Final gold assays for KPHD020 and 021 indicate that gold mineralisation continues to depths of at least 450 metres at Phaco East and anomalous levels of gold (>0.1g/t Au) extend for several hundred metres of strike.

Significant intersections from holes KPHD020 and 021 are shown in the table below (note that KPHD021 ended in mineralisation):

Hole No	Easting	Northing	From(m)	To (m)	Int (m)	Au (g/t)
KPHD020	329367	1102244	557	577.5	20.5	0.40
KPHD021	329460	1102475	88.7	194.2	105.5	0.27
(including			124	126.3	2.3	1.52)
			299	351 (EoH)	52	0.16

NB: Projection WGS84 Zone 30N; drill-holes inclined ~-55 degrees to 90 degrees. Intervals reflect down-hole thicknesses.

At least three separate higher grade gold bodies have been identified by drilling within the Phaco Hill mineralised system. At this stage all the gold bodies remain poorly defined and are open in all directions.

Final gold assays were received for the Siniko West and Karite prospects, where initial wide-spaced RC and/or diamond drilling was designed to provide an initial test of these prospects.

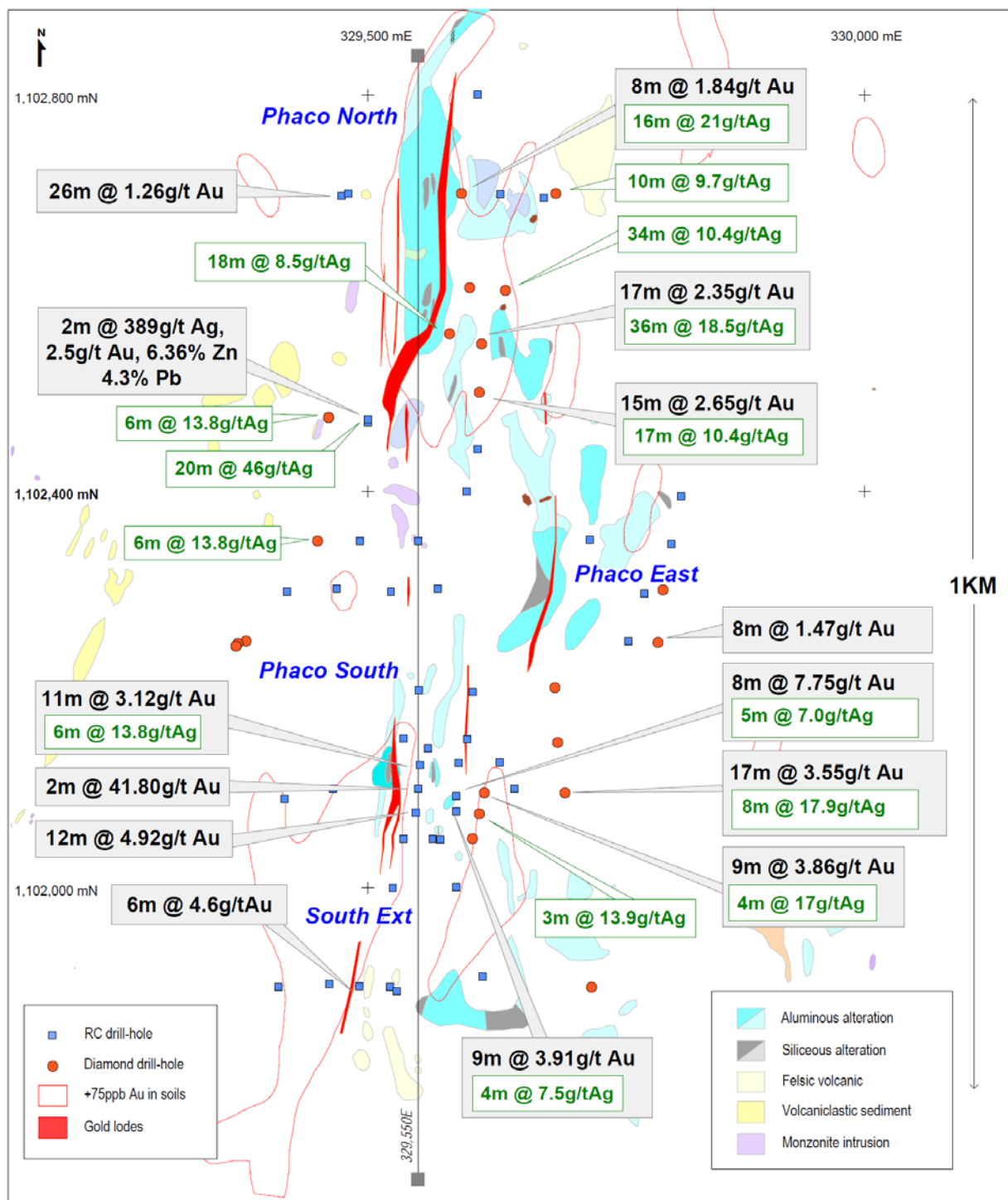


Figure 2 - Phaco Hill Summary Plan showing significant drill results

At Siniko West, drilling on widely spaced traverses (400m and 800m) returned significant thicknesses of anomalous gold over a strike length of at least 4 kilometres, with gold intercepts located along the eastern edge of the drilled area coinciding with NNE trending structures interpreted from the detailed aeromagnetics. Better results include 60m @ 0.24g/t Au, 16m @ 0.52g/t Au, 28m @ 0.17g/t Au, and 14m @ 0.51g/t Au.

Compilation of aeromagnetic data and soil geochemistry in light of these results has highlighted several similar potential gold-bearing structures to the west of the Siniko West prospect where further gold-soil anomalies remain to be tested.

At the Karite prospect, located approximately 3km south of Phaco Hill, single drill-hole tests of six EM targets returned anomalous gold intersections from two of the targets.

The gold in this area occurs within graphitic/sulphidic metasediments adjacent to intrusive rocks along possible structural contacts. Better intersections include 27m @ 0.14g/t Au and 3.4m @ 0.64g/t Au. Further work is planned given the limited

drill coverage and the extensive gold soil anomalies (+50ppb Au).

Detailed soil sampling also outlined at least five new gold targets within a 2km radius of the Phaco Hill prospect, highlighting the potential for multiple gold resources in the area (see figure 3).

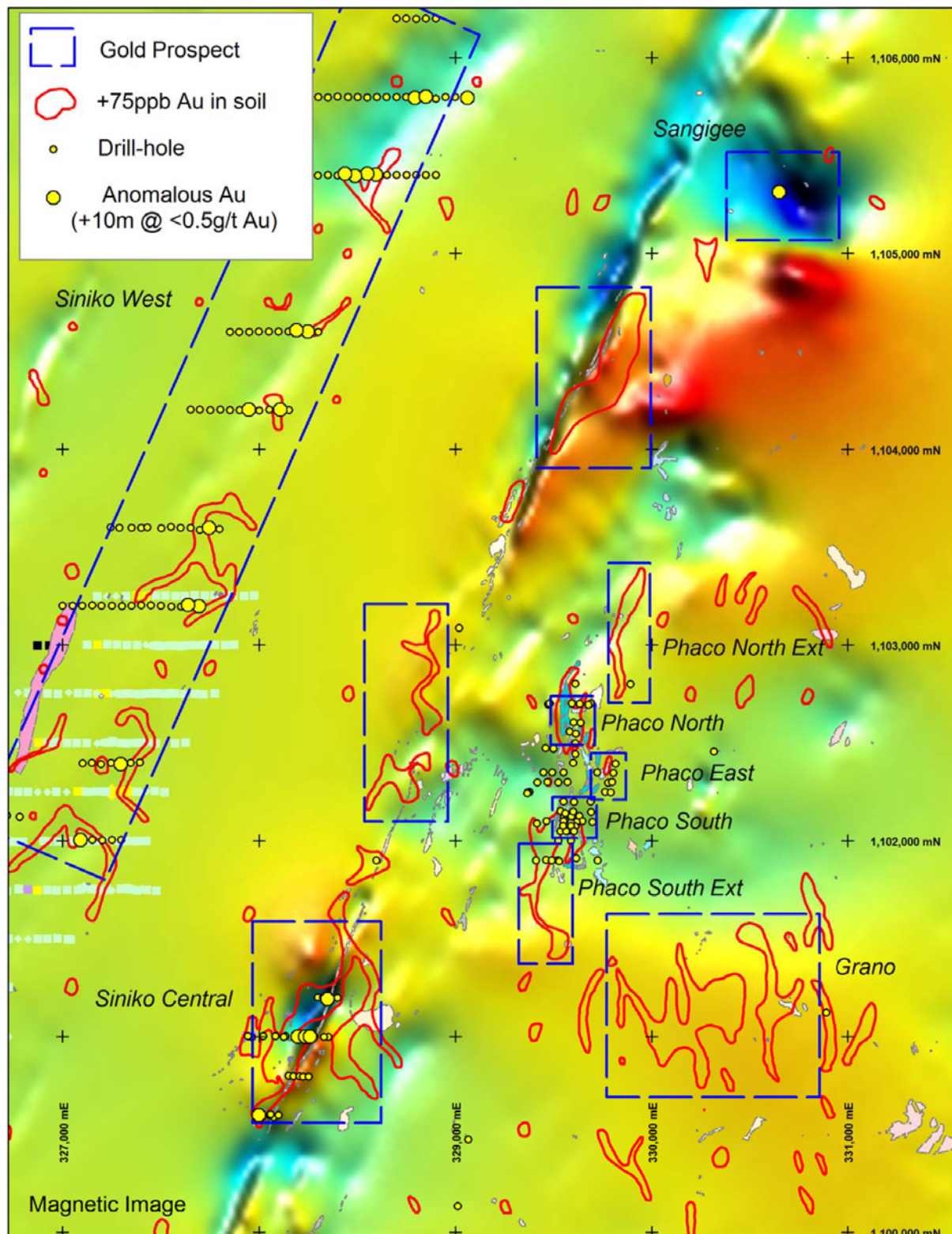


Figure 3 – Gold targets within the Phaco Hill area

These include extensions both north and south of the Phaco prospect gold anomaly, an extensive (1.5km x 0.8km) gold soil anomaly (Grano Prospect) within mapped granodiorite south-east of Phaco Hill, and two gold (+100ppb Au) soil anomalies along the Siniko Central structural corridor. Initial drilling of these targets is planned for the next drilling campaign.

Reconnaissance soil sampling was also completed over priority target areas identified within the Tondoura, Kangounadeni, Tiefora and Finkere tenements. Areas covered included new artisanal gold workings located within the Tondoura tenement and extensions of the Diarabokoko gold workings within Kangounadeni. Assays are pending.

A report on the ground-based EM surveys was received and is being integrated with other datasets to prioritise prospects for further assessment.

GOLD (WA)

Dundas Gold (100% AQD)

The Dundas Gold Project is located approximately 100km east-southeast of Norseman in WA and covers an area of ~1,100km² within a structurally complex region 200km southwest of the Tropicana gold discovery (AngloGold Ashanti/Independence Group). The tenements occur within the Dundas Nature Reserve, which is under the control of the Department of Environment.

Preparations are underway for RC drilling of gold targets outlined by the reconnaissance RAB drilling program reported in the June Quarterly Report, with drilling expected to commence in late November.

This program will test five gold targets, some with anomalous copper and zinc values (from 200 to 1,000ppm) and occasional silver values (up to 14ppm Ag), suggesting possible multi-element targets. The program is expected to take 2 to 3 weeks to complete.

MANGANESE

Stanley Project (100% AQD)

The Stanley Project is located 170km east of Wiluna in Western Australia within the Earraheedy Basin. The Project comprises 16 granted Exploration Licences and three Exploration Licence Applications covering a total area of approximately 4,400km² following rationalisation of the Company's tenement holdings. Manganese mineralisation in the area appears to be associated with thick carbonate units that are located stratigraphically above the iron formations which occur near the base of the Frere Formation.

Detailed gravity surveys (400m x 50m) were completed over target areas interpreted from the VTEM surveys at the Dome and Niminga prospects (see figure 4). Gravity anomalies indicative of increased densities within the sediments were outlined by these surveys and will be tested as part of the RC drilling program scheduled to commence in mid-November.

Site heritage surveys were in progress at the end of the Quarter to clear sites for drilling.

Table Hill Project (100% AQD)

The Table Hill Project, which covers an area of approximately 6,000km², is located 200km east of Newman in Western Australia within the western Officer Basin sediments. The area is dominantly sand covered, with the potential to host high-grade manganese mineralisation highlighted by the Company's exploration drilling results in 2007.

Assay results from the shallow bedrock drilling program completed during the Quarter reported anomalous manganese values within dolomitic siltstones below the surface anomaly but failed to intersect significant concentrations of manganese that would require further drilling.

No further work is planned for this area at this stage.

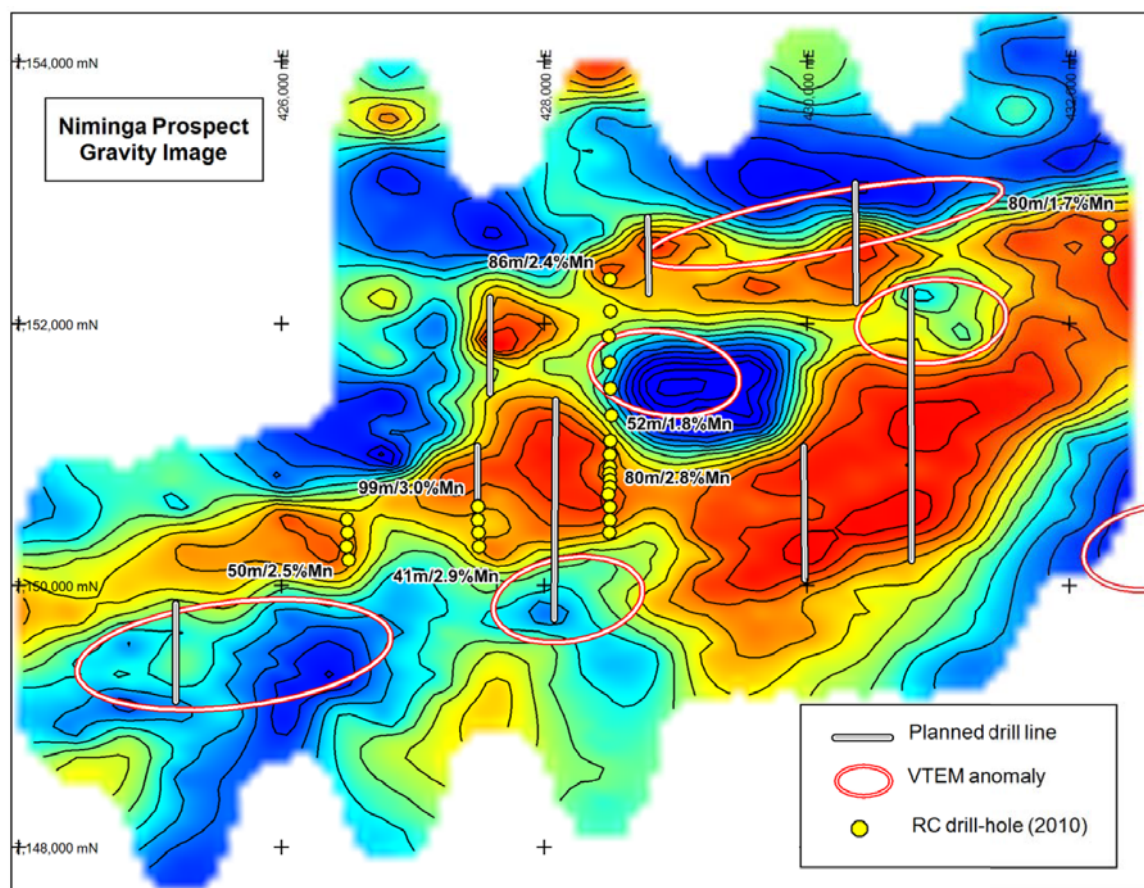


Figure 4 – Niminga manganese prospect showing gravity and VTEM targets

BASE METALS

Plenty River Base Metal Project (100% AQD)

The Plenty River Project is located 250km east of Alice Springs in the Northern Territory. The copper and nickel prospectivity of this region has been highlighted by the discovery of copper and nickel sulphide mineralisation to the north-west of the Company's tenements.

Drilling at the Caroline prospect commenced in late September but was suspended due to extensive bush fires in the region. Drilling has now re-commenced and is expected to be completed in early November.

Caroline represents a discrete late time EM anomaly and associated gravity response, indicative of an areally extensive conductive body potentially representing sulphide mineralisation located at depths of approximately 500 metres.

At the time of this report the first drill hole had been completed intersecting sulphidic sediments at the interpreted conductor depth, containing occasional visible sphalerite (zinc) and chalcopyrite (copper) within veinlets in the sediments and the overlying gabbro. Samples are being sent to Genalysis in Perth for analysis. Results should be available in late November.

Mt Ramsay Nickel Project (AQD 100%)

The Mount Ramsay Project is located between 60km and 120km south west of Halls Creek in the Kimberley Region of WA. The Project straddles the Halls Creek Mobile Zone and contains mafic intrusive rocks that are believed to have potential to host nickel sulphide mineralisation similar to that found at Voiseys Bay in Canada. The Company has approximately 930km² under granted tenement.

During the Quarter, computer modelling of VTEM anomalies indicated discrete moderately conductive targets occurring at depths of 50 to 100 metres within the

mapped ultramafic sequence, which appears to border a large gabbroic intrusive.

An initial field inspection of the nickel sulphide targets is scheduled for late October along with an inspection of the area by the Traditional Owners, following agreement being reached with the Kimberley Land Council (KLC).

A new tenement application was submitted to secure a further 15 km strike of the ultramafic.

Earoo Nickel Project (AQD 100%)

The Earoo Project is located approximately 130km northwest of Southern Cross in the Yilgarn region of WA. Interpretation of regional aeromagnetic data identified a large mafic intrusion which is believed to form part of the Warakurna Large Igneous Province (WLIP), which has recently been suggested may include intrusive rocks in the Musgrave area some of which are known to host nickel sulphide occurrences. The tenement covering the prospect (~600km²) was granted in January 2011.

Ground EM surveys (~15km) were completed over five targets identified by the VTEM survey as possible nickel sulphide targets. Preliminary data have highlighted several flat-lying conductors that could occur near the base of the Earoo sill.

Further analysis of the data will be undertaken once the final data are available.

Teriwa Copper-Gold Project (100% AQD)

The Teriwa project is located approximately 350km southwest of Mt Isa and 100km northwest of the Diamantina Project in western Queensland. It represents an Olympic Dam-style geophysical target at depths of approximately 500 metres depth below the surface.

The tenements were granted in late September and a detailed gravity survey is

planned to identify targets for drilling in 2012.

Cairn Hill Nickel Project (AQD 100%)

The Cairn Hill Project is located 50km west of Paraburdoo in the Pilbara region of WA. It contains extensive outcrops of ultramafic rocks which are considered to be prospective for nickel sulphide mineralisation. Approximately 30km of basal ultramafic contact is exposed within the tenement area and this will be the initial focus of exploration activity in the area.

Prospecting of the basal contact of the ultramafic to locate nickel sulphide gossans will be undertaken once the State Deed is signed and the tenement is granted.

Finke Copper-Gold Project (AQD 100%)

The Finke project is located approximately 40km southwest of Tarcoola and 20km south of the Trans-Australian Railway within the Yellabinna Regional Reserve in South Australia. The Company's tenement covers a linear trend of magnetic targets thought to reflect ironstone bodies with the potential for copper and gold mineralisation.

Assessment of available data highlighted a major NNE trending structural zone containing seven discrete magnetic targets which have never been drill tested.

An initial site visit is being planned with the Traditional Owners in November to identify potential access for drilling.

PERU

During the Quarter the Company announced that it had completed the previously announced exploration joint venture with Cliffs Natural Resources Exploration Inc (CNRE) to identify, explore and evaluate potential Iron Oxide Copper Gold (IOCG) and other mineral deposits in south-western Peru. Details of

the agreement were reported to the ASX on 21st October 2011.



Figure 5 – Project location Plan

Peru is considered to be a highly prospective country for large IOCG and porphyry copper deposits and yet is relatively under-explored when compared to its neighbour Chile, which is the world's largest copper producer.

A regional aeromagnetic survey (52,600 line kilometres) has been flown over the joint venture area and priority targets identified for acquisition. This is the first time, to the Company's knowledge, that such a regional survey has been flown in this coastal region, and the Company believes that targets identified by the survey will provide significant new exploration opportunities for the Joint Venture.

Thirteen magnetic targets are being secured under tenement applications and will be the focus of initial exploration programs. A total of 103 Prospecting Licence Applications covering an area of approximately 1,000km² have been submitted and are currently being processed

by Ingemmet (Institute of Geology Mines and Metallurgy).

Initial field reconnaissance of target areas is planned to commence in November 2011 to prioritise areas for detailed ground investigation.

AusQuest looks forward to reporting on the progress of this new exploration initiative over the coming months.

BUSINESS DEVELOPMENT

The Company continues to evaluate opportunities both within Australia and offshore with the aim of adding significant value to the Company.

Project generation work is continuing in Australia, South America and Africa, where opportunities that can enhance shareholder value are being evaluated.

CORPORATE

AusQuest's cash reserves at the end of March 2011 were approximately **A\$9 million**, with **\$1.875 million** still to be paid to AusQuest for the sale of the Rocklea Iron Project.

KEY ACTIVITIES – DECEMBER 2011 QUARTER

The following field activities are planned for the December Quarter 2011:

- ❑ Comoe JV (gold) – Analysis of surface samples, preparation for next phase of drilling;
- ❑ Stanley (manganese) – RC drilling of VTEM and gravity targets;
- ❑ Dundas (gold) – RC drilling of gold targets identified by RAB drilling;
- ❑ Plenty River (Cu-Ni) – Complete diamond drilling at the Caroline Prospect;
- ❑ Mt Ramsay (Ni) – Mapping and sampling of VTEM targets;
- ❑ Peru (IOCG) – Field reconnaissance of IOCG targets.



Graeme Drew
Managing Director

COMPETENT PERSON'S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by AusQuest Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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

AUSQUEST LIMITED

ABN

35 091 542 451

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

	Current quarter \$A '000	Year to date (3 months) \$A '000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(2,727)	(2,727)
(b) development	-	-
(c) production	-	-
(d) administration	(86)	(86)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	332	332
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(2,481)	(2,481)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(21)	(21)
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)	-	-
Net investing cash flows	(21)	(21)
1.13 Total operating and investing cash flows (carried forward)	(2,502)	(2,502)

1.13	Total operating and investing cash flows (brought forward)	(2,502)	(2,502)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from unissued shares, options etc	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,502)	(2,502)
1.20	Cash at beginning of quarter/year to date	11,435	11,435
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter / year to date	8,933	8,933

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	163
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive directors' salaries and non-executive directors' fees and superannuation, consulting fees and rental of office space.

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

None.

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

None.

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	1250
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	1500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A '000	Previous quarter \$A '000
5.1 Cash on hand and at bank	1,728	2,256
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (Money market/Term Deposit)	7,205	9,179
Total: cash at end of quarter (item 1.22)	8,933	11,435

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	E23566		100%	Nil
	E15781		100%	Nil
	E15783		100%	Nil
	E15785		100%	Nil
	E38/2407		100%	Nil
	E38/2430		100%	Nil
	E38/2372		100%	Nil
6.2 Interests in mining tenements acquired or increased	E18652		Nil	100%
	E18653		Nil	100%
	E53/1589		Nil	100%
	E77/1780		Nil	100%

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	228,312,235	228,312,235		
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>	500,000 1,250,000 1,350,000 1,150,000 500,000 500,000 1,750,000	- - - - - - -	<i>Exercise price</i> 30 cents 35 cents 20 cents 40 cents 30 cents 40 cents 40 cents	<i>Expiry date</i> 31 Jan 2012 31 Dec 2012 1 Dec 2013 1 Dec 2013 30 Nov 2013 30 Nov 2013 30 Nov 2013
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>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 25 October 2011

Print name: Darren Crawte

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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