



30 January 2003

Manager Company Announcements  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir

**ANNOUNCEMENT**

Please find attached Glengarry Resources Limited's Quarterly Report and Appendix 5B for the quarter ended 31 December 2002.

Yours faithfully

**ALLAN T HARRIS**  
Director



**G L E N G A R R Y**

**QUARTERLY EXPLORATION  
ACTIVITY REPORT**

**FOR THE PERIOD ENDING  
31 DECEMBER 2002**



A MEMBER OF THE AUSTRALIAN GOLD COUNCIL

**GLENGARRY RESOURCES LIMITED**  
ABN 40 009 468 099

Web Site: [www.glengarrynl.com.au](http://www.glengarrynl.com.au)

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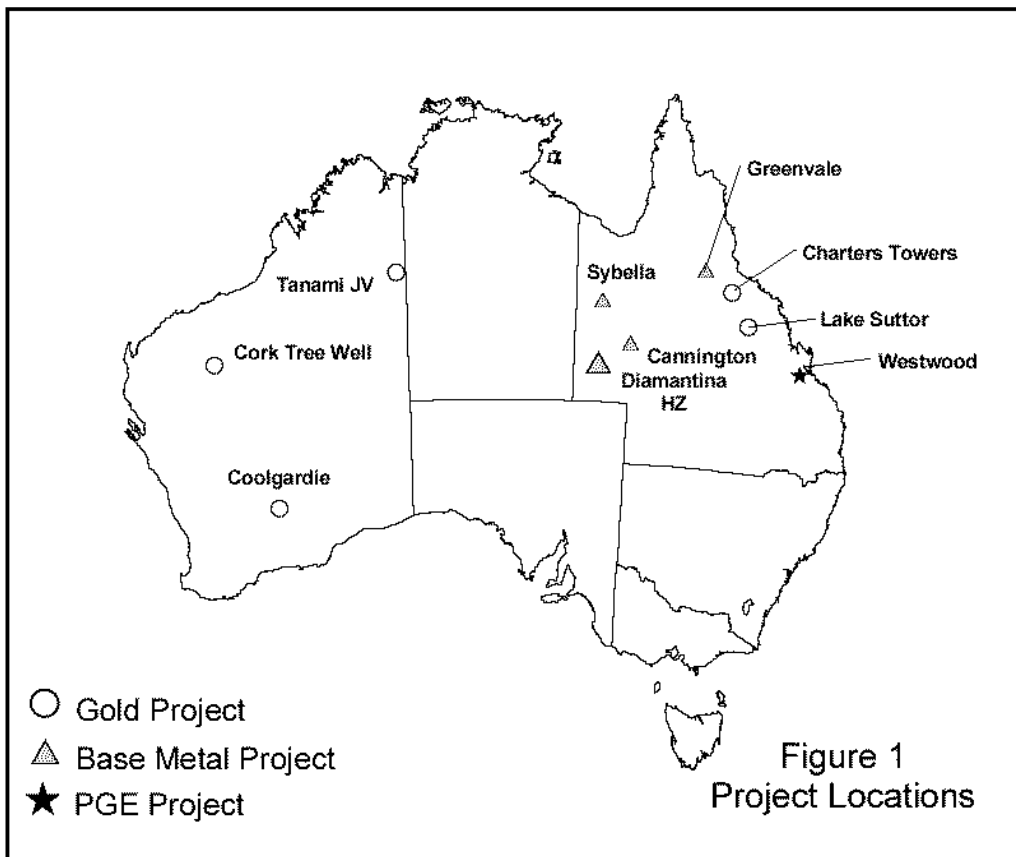
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## HIGHLIGHTS

- Drilling at Glengarry's 100% owned Coolgardie/Gunga property in Western Australia has returned encouraging results with up to 3m @ 11.5 g/t Au and 5m @ 2.0 g/t Au returned from the Gunga North and Jackpot West prospects respectively. Neither of these prospects has previously been drill tested and further drilling will be carried out in February-March 2003 to ascertain potential for open cut mining. Deep RC drilling is also planned at the Gunga deposit to test for a possible high grade shoot beneath the current resource of 70,000 ounces of gold.
- Glengarry has recently acquired the Steam Engine Mineral Development Licence located near Greenvale in north Queensland. A resource of 20,000 ounces Au has been estimated at Steam Engine which lies close to Glengarry's Burges property where there are a number of gold workings that have only been partially drill tested.

Glengarry's total gold resource inventory is now 210,000 ounces.

- Glengarry has recently applied for the Snake Creek EPM 13928 in the highly mineralised Cloncurry belt of north west Queensland. This property is located 60 km south south west of the +100 million tonne Ernest Henry Cu-Au deposit, operated by MIM. Snake Creek is considered to be prospective for both iron oxide related Cu-Au mineralisation and high grade gold mineralisation. Previous sampling has returned up to 20 g/t Au from creek float.
- Reconnaissance RC percussion drilling was carried out at Glengarry's Cannington/El Rita property which is located about 20 km south of BHP-Billiton's Pb-Ag-Zn mine. The drill program was designed to test a number of geophysical, geochemical and structural targets over an area of 7 by 3 kms - 8 holes were drilled for a total of 1290 metres. All holes intersected basement at depths of 126 to 142 metres. Target depths of 180-220 metres could not be reached due to drill rig constraint, but three of the holes revealed increasing alteration and geochemical anomalism in Cu, Zn, Mo and Au at the bottom of the holes - further drill testing is planned with a larger rig in April-May 2003. Alteration intersected consisted of sillimanite, garnet, chlorite and sulphides indicative of Cannington style mineralisation and potassium, hematite and sulphides indicative of Ernest Henry/Olympic Dam style mineralisation.
- Drilling is planned at the Westwood property in central Queensland in February 2003 to test a number of electromagnetic geophysical targets at depths of 100-200 metres. These may represent semi massive and massive sulphide accumulations at depth and are close to anomalous Cu, Pd and Au associated with disseminated sulphides at surface or at shallow depths from previous drilling.
- The appointment of experienced geologist Mr David Richards as Exploration Manager. David was previously employed by AurionGold Limited where he held the senior positions of Regional Exploration Manager, Australia and Chief Geologist New Projects, Australia.



## 1.0 EXPLORATION REPORT

### 1.1 Base Metal/Gold Projects

#### 1.1.1 Diamantina Project, South West Queensland (Glengarry 100%)

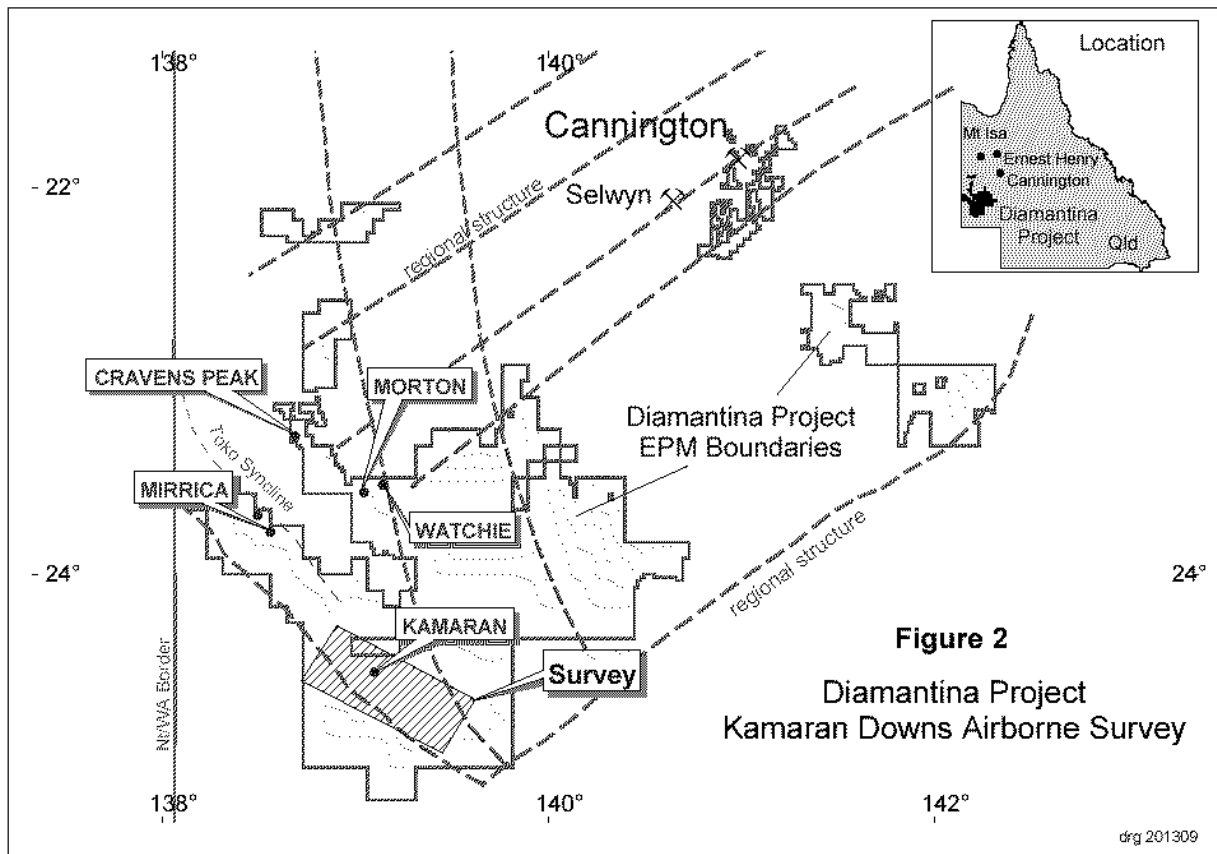
- ***Kamaran Downs***

A low level aeromagnetic/radiometric survey was carried out in the Kamaran Downs area located about 400 km south of Mt Isa (see Figure 2). The survey was flown over an area of 80 by 60 kms. The purpose of the survey was to better define magnetic intrusives, close to the Diamantina Hinge Zone, as only very broad magnetics had previously been flown in this area. The results of the survey are still being assessed, however a major conjugate fault system has been recognised (east north east and west north west) with preliminary interpretation suggesting associated magnetic intrusives at depths of 200-400 metres that are prospective for Olympic Dam style mineralisation.

- ***Watchie Hut EPM 13749***

Anomalous baryte (Ba) and tin (Sn) values were returned from lag and rock chip sampling at the Morton prospect located 11 km south west of the Watchie Hut lead-silver historic workings and 350 kms south of Mt Isa (see Figure 2).

Maximum values from the reconnaissance sampling were:  
55% Ba, 53 ppm Sn, 180 ppm Pb, 13 ppm Sb and 9 ppb Au



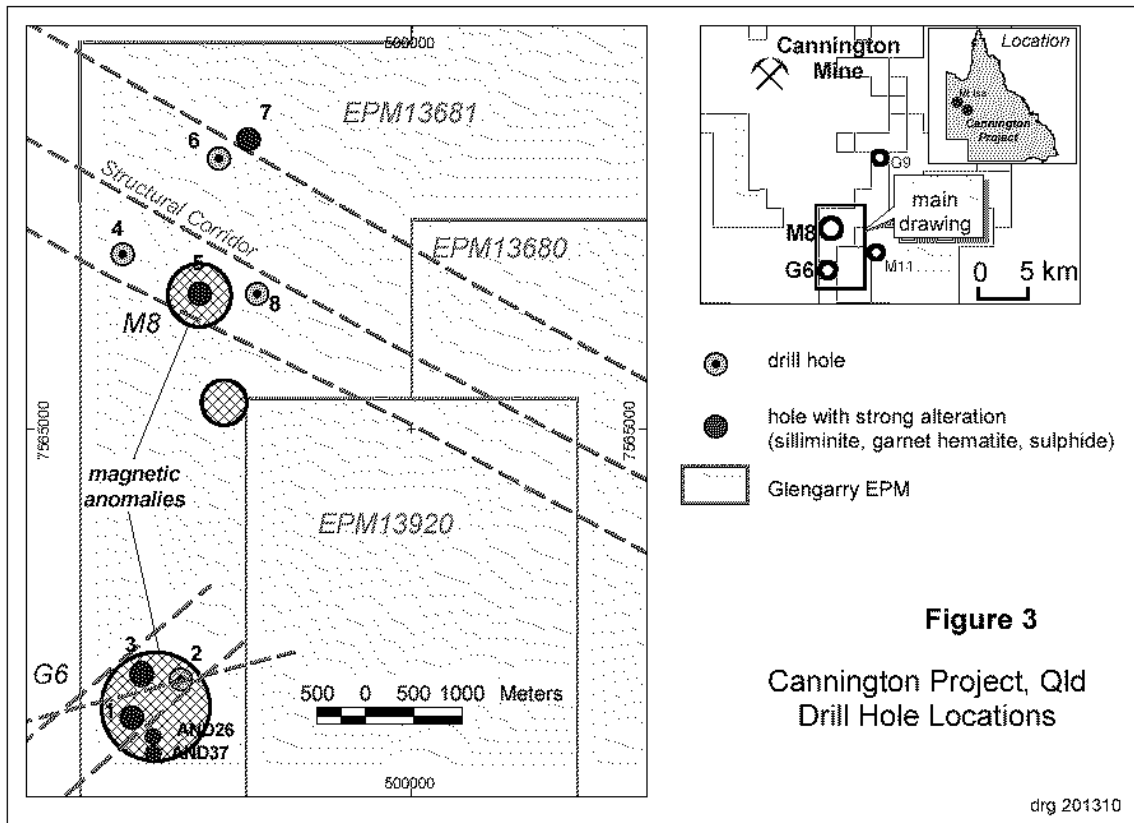
The results are significant in that two possible styles of mineralisation may be indicated i.e. massive high grade barytes and basement related base metal mineralisation where anomalous Sn and Sb values are acting as pathfinder elements to a nearby hydrothermal system.

Recently acquired high resolution aeromagnetic data has outlined a number of strong magnetic anomalies close to the barytes on a north north east structure. Further sampling and mapping are planned.

### 1.1.2 Cannington Project, Western Queensland (Glengarry 100%)

An RC percussion drill program was carried out on EPM 13681 located about 15 km south south east of the BHP-Billiton Cannington Lead-Silver Mine, in west Queensland.

A total of 8 holes for 1290 metres were drilled over an area of 7 by 3 km (see Figure 3). Proterozoic basement was intersected in all holes at depths of 128 to 142 metres. Unfortunately the drilling rig could only drill to 162m whilst the target depths were 180-250 metres. However, moderate to strong alteration was intersected in a number of holes, which were targetted on magnetic, structural and geochemical anomalies. Holes CANRC01 and 03 intersected strong sillimanite, garnet and chlorite alteration  $\pm$  disseminated pyrite in schists, gneiss and metavolcanic breccia at the G6 prospect, with maximum bottom of hole values (ppm) of 233 Cu, 375 Zn and 13 Mo. Previous drilling by BHP, 600 metres to the south east of CANRC01, also intersected strong alteration below 200 metre depths with values up to 2200 ppm Zn. Further drilling at depths of 180-250 metres is required in this area.



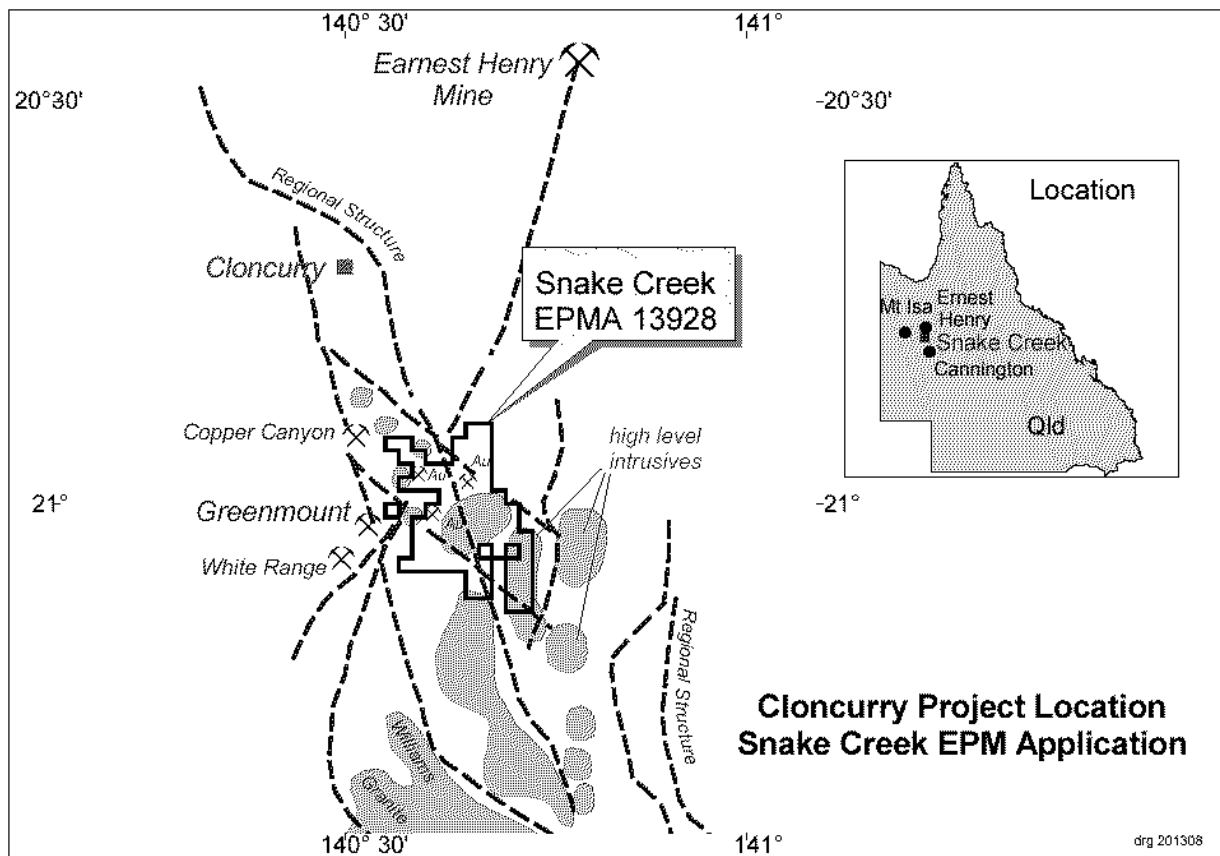
Strong hematite, sillimanite and garnet alteration  $\pm$  pyrite was intersected in holes CANRC5 and 7 with geochemical values (ppm) up to 143 Cu, 1160 F and 0.025 Au at the M8 prospect.

Further drilling is also required in this area to greater depth. Rock chip sampling to the north of hole 7 returned up to 1400 ppm Zn, 3 g/t Ag and 4.5% Mn from Cretaceous shales. It is interesting to note that anomalous (ppm) values in Ni (max 150), Zn (max 518), Sb (max 14), U (max 72) and Mo (max 178) were intersected in the younger Cretaceous Toolebuc Limestone at depths of 0-15 metres. These elements are also associated with the Ernest Henry Cu-Au mine located near Cloncurry. Follow up investigation of the significance of the above values will be pursued in the next quarter.

### 1.1.3 Cloncurry Project - North West Queensland (Glengarry 100%)

- **Snake Creek EPM 13928**

Glengarry has applied for an Exploration Permit for Minerals in the Mt Isa district, located about 25 kms south-south east of Cloncurry. The application area covers 260 km<sup>2</sup> and is prospective for both Ernest Henry style Cu-Au and high grade vein gold mineralisation. The tenement is located in a favourable structural setting i.e. the intersection of the north north west Cloncurry Fault corridor and the north north east structure that passes through the Ernest Henry mine (see Figure 4). The application is also close to the Greenmount and White Range Cu-Au deposits.



**Figure 4**

Previous work by mineral exploration companies as well as a consultant's report commissioned by the Queensland Department of Natural Resources and Mines in 2000, outlined a number of Cu-Au anomalies associated with magnetite rich high-level intrusive granitoids adjacent to major structures that have not been drill tested to date. In addition rock chip float, with values of up to 20.0 g/t Au, has been returned from cherts and altered metasediment associated with the contact zones of high level intrusives - these targets do not appear to have been previously recognised and investigated.

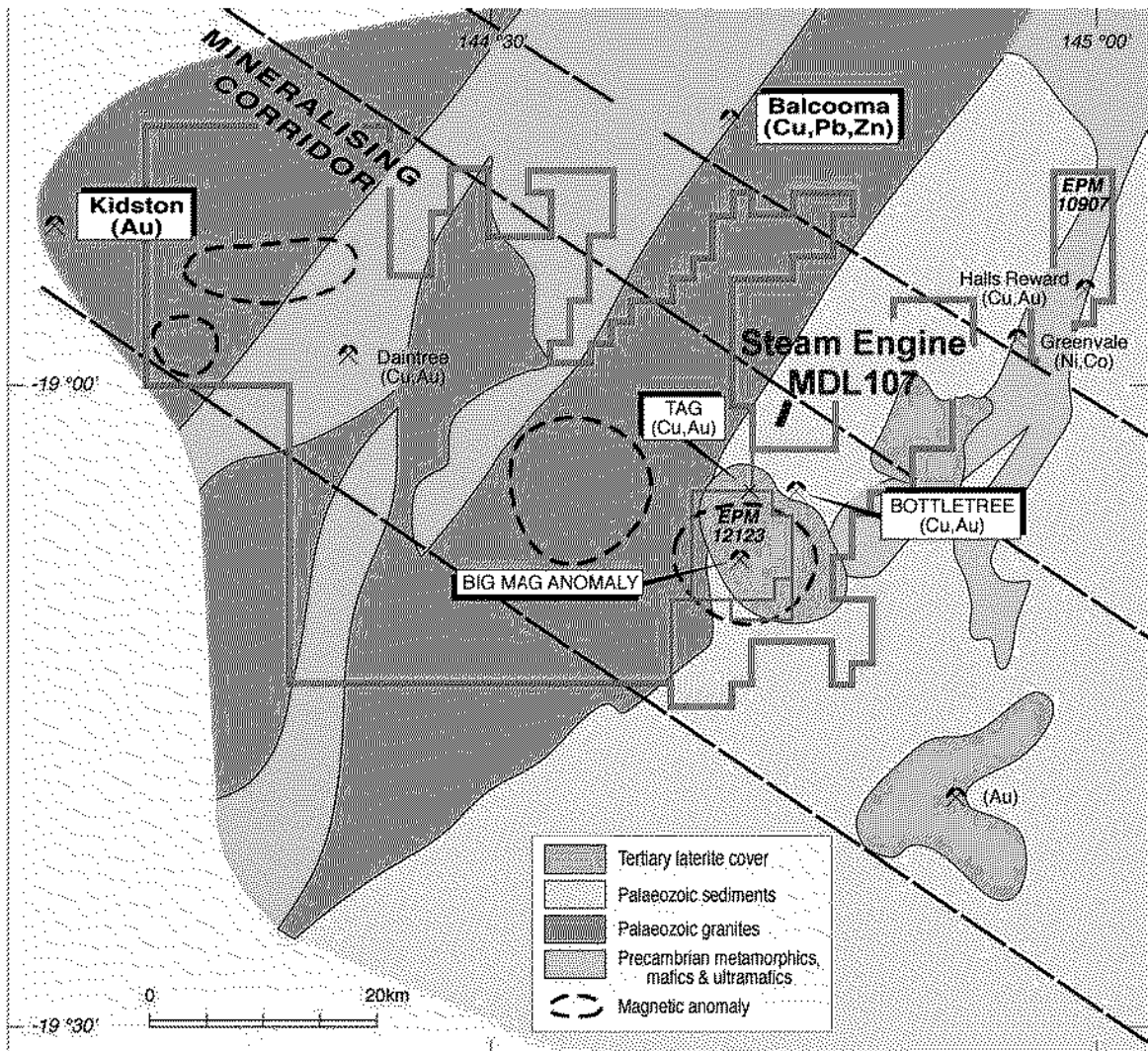
A thorough compilation of all exploration geochemical data as well as aeromagnetic/radiometric information will be carried out in the next quarter to highlight target areas before grant.

#### **1.1.4 Greenvale/Big Mag, North Queensland (Glengarry 100%)**

- ***VMS Prospect 12 Mile Creek EPM 12123 (BHP-Billiton royalty 2.5%)***

Results were received from diamond hole BMRCD91 which tested an electromagnetic (EM) anomaly at approximately 100 metres vertical depth. Although the drill hole intersected moderate - strong sulphide (pyrite, pyrrothite) alteration in a suite of volcanic and sedimentary rocks the geochemical values were low with maximum values over 2 metres of 0.20 g/t Au, 120 ppm Cu and 220 ppm Zn.

However, the fixed loop EM method appears to be effective in delineating blind sulphide rich zones at depth and will be utilised at other prospects such as Tag West.



**Figure 5 – Greenvale/Big Mag Simplified Geology**

- **Tag West Prospect 12 Mile Creek EPM 12123 and Burges EPM 12399**

Results were received for the remaining 6 of 12 air holes drilled in the September quarter at this prospect (see Figure 6). Two of these shallow holes were anomalous with 5 metre intercepts of 2830 and 1410 ppm Zn returned. The anomalous holes (shown on Figure 7) cover an area of 600 by 600 metres that is open to the west and south east. Outcrop in the area is obscured by black soils and shallow cover (3 to 5 metres) so that the number of anomalous holes, with values (ppm) up to 2730 Cu, 7880 Zn and 0.35 Au, is considered to be encouraging and warrants further drill testing. The anomalous geochemistry is associated with gossan/sulphides in altered volcanics and sediments. An EM survey is planned for March-April 2003 to highlight sulphide rich conductive zones for drill testing, followed by field investigation and possible drilling in April-May 2003.

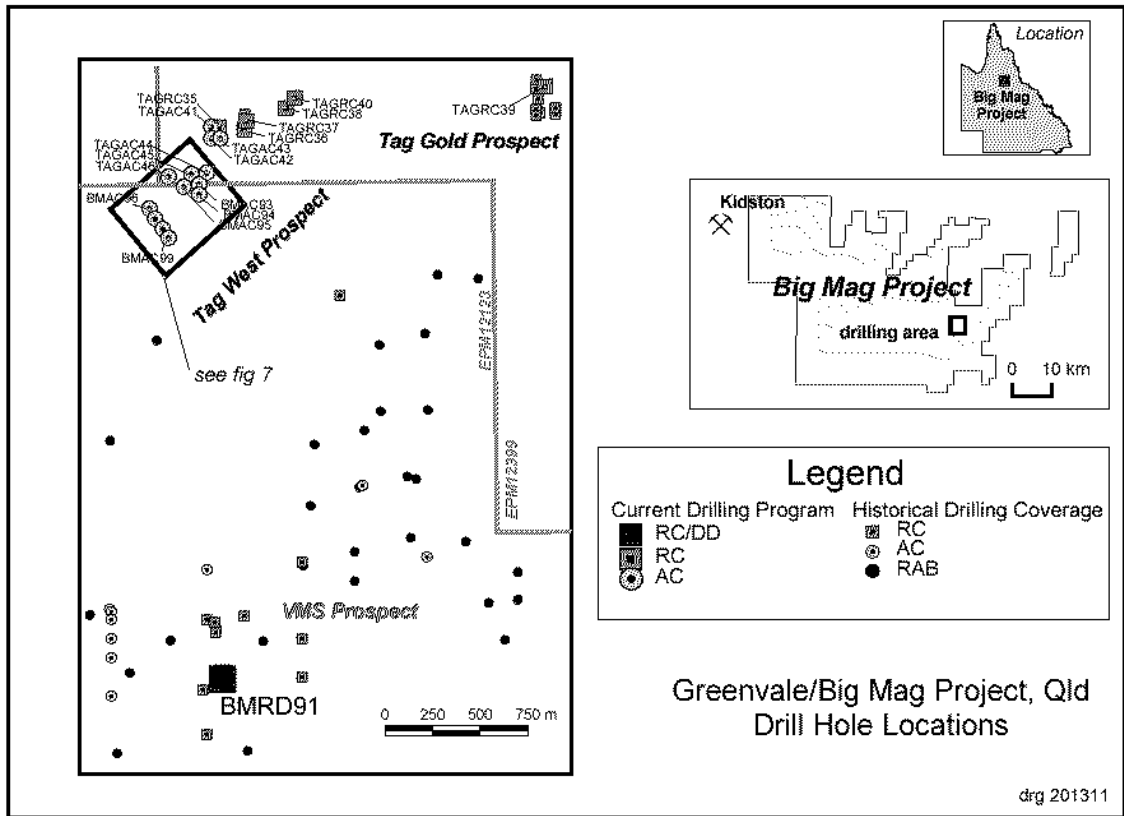


Figure 6

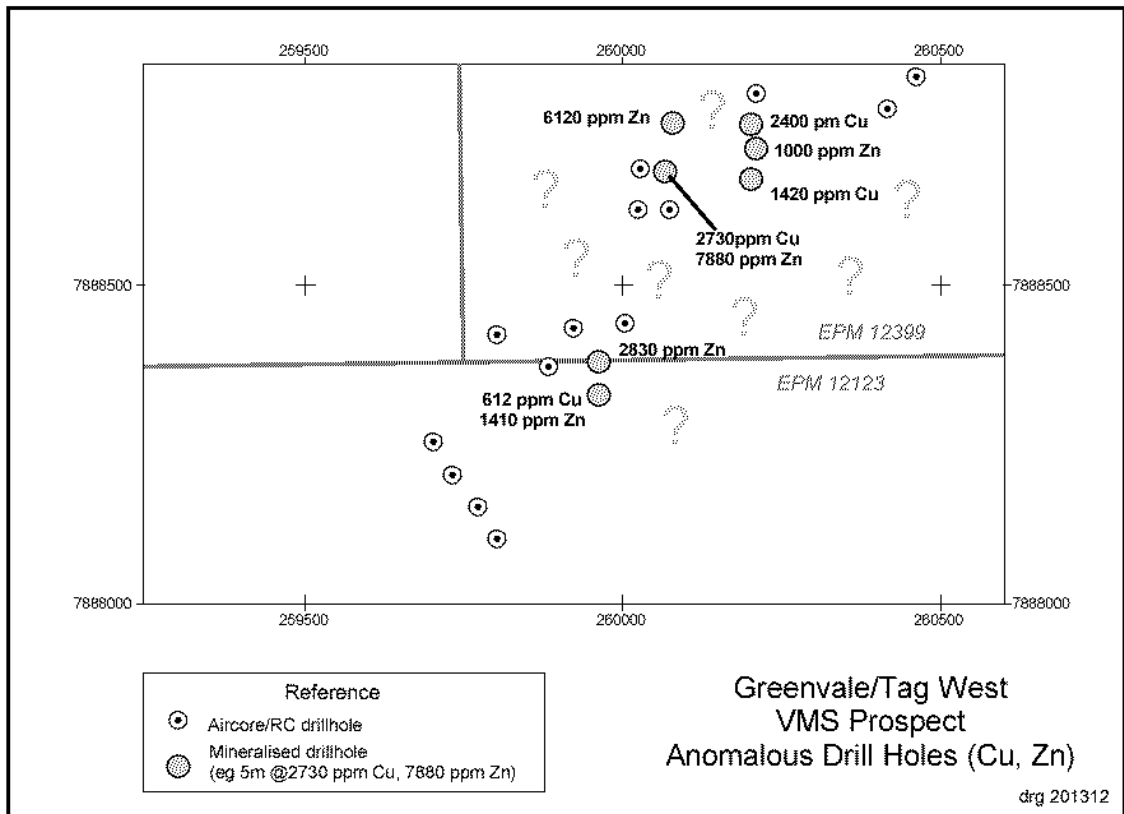


Figure 7

## 1.2 Gold/PGE Projects

### 1.2.1 Tanami/Granites, Western Australia

- ***Larranganni Joint Venture (Glengarry 7.5% free carried)***

This area is the subject of a joint venture between Tanami Gold NL and operator Barrick Gold of Australia Ltd (Barrick).

Barrick carried out an extensive regional RAB/air core drilling program during 2002 and are currently collating and interpreting the extensive geochemical/geological database. A number of bedrock gold anomalies have already been generated from this work and infill air core and RC drilling is planned for the 2003 field season to test the priority target areas.

- ***Mt Junction - Tanami Downs Joint Ventures (Glengarry 100%, Barrick earning 70%)***

Glengarry has current joint ventures with Barrick on these properties with Barrick as the operator. Field work commenced at Mt Junction during the latter part of 2002 and confirmed strong stream sediment gold anomalies. Follow up work is planned for 2003. Mt Junction is located approximately 25 km north east of the Kookaburra deposit in Western Australia.

Land use discussions with the Central Land Council are progressing on the Tanami Downs project in the Northern Territory and it is expected that this tenement will be granted during the 2003 field season. Tanami Downs is located approximately 25 km west of the +5 million ounce Callie gold deposit operated by Newmont of Australia Ltd.

### 1.2.2 Greenvale/Steam Engine, North Queensland. MDL 107 (Glengarry 100%)

Glengarry acquired the Steam Engine Mineral Development Licence 107 during the previous quarter. The MDL covers an area of 80 hectares and is located 25 km west of the town of Greenvale and 3 km north of Glengarry's EPM 12399 (see Figure 5).

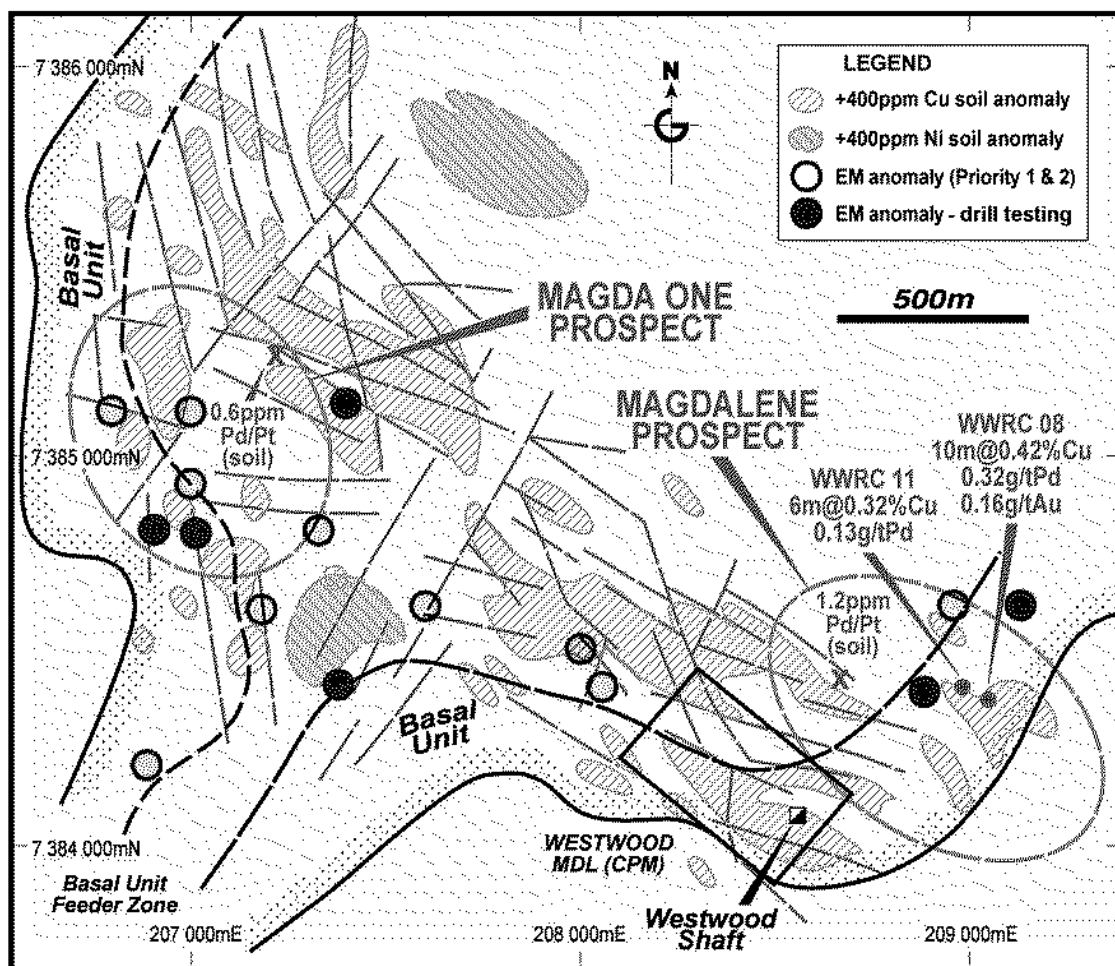
A gold resource of 250,000 tonnes @ 2.5 g/t Au (20,000 ounces) was defined by Plutonic Operations Limited down to a depth of 150 metres on this property. The mineralisation is hosted by a 5 metre wide quartz rich zone that dips steeply to the west. Interrogation of the exploration database will be carried out in the next quarter.

### 1.2.3 Westwood Project, Eastern Queensland (Glengarry 100%)

The Westwood EPM is located 20 km west of the Mt Morgan Mine - the largest historical open cut Cu-Au mine in Queensland to date.

Previous work by Glengarry (including drill assays up to 35m @ 4200 ppm Cu, 0.20 Pd and 0.10 Au) has outlined a number of areas with anomalous values in Cu, Pd and Au, associated with hydrothermal alteration within a layered mafic/ultramafic complex. An airborne electromagnetic (EM) survey has outlined a number of strong EM anomalies, interpreted to be due to strong sulphide accumulations below or adjacent to the abovementioned geochemical anomalies.

A deep RC percussion drill program is planned for February 2003, comprising 6 holes for approximately 1400 metres. This drilling will test strong EM anomalies at depths between 100 and 200 metres vertical. The locations of the planned holes and the EM anomalies are shown on Figure 8.



**EPM13305 WESTWOOD  
STRUCTURES, GEOCHEMICAL & EM ANOMALIES**

**Figure 8**

## 1.2.4 Coolgardie, Western Australia (Glengarry 100%)

A total of 4392 metres were drilled on the Coolgardie leases during the December quarter, comprising 125 RAB holes for 3748 metres and 17 RC percussion holes for 644 metres. This drilling tested various geochemical and structural targets where little or no drilling had previously been carried out.

The Coolgardie/Gunga mining leases cover an area of 9 km<sup>2</sup>, located approximately 7 km north east of Coolgardie where there are two operating gold plants. The results of the drilling are considered to be encouraging and follow up drilling is planned for February-March 2003. A summary of the anomalous gold intersections are listed below and shown on Figure 9 whilst all anomalous intersections are listed in Table 1.

### Gunga North

02GRAB12 - 3m @ 11.5 g/t Au from 36m (EOH 39m)

02GRAB02 - 4m @ 1.39 g/t Au from 24m (EOH 39m)

### Gunga North-West

02GRAB53 - 2m @ 0.52 g/t Au from 16m (EOH 18m)

### Gunga South

02GRAB124 - 4m @ 1.15 g/t Au from 4m (EOH 43m)

02GRAB125 - 8m @ 0.55 g/t Au from 32m (EOH 49m)

### Jackpot West

02GRAB60 - 5m @ 2.0 g/t Au from 1m (EOH 9m)

02GRC12 - 6m @ 0.84 g/t Au from 4m (EOH 40m)

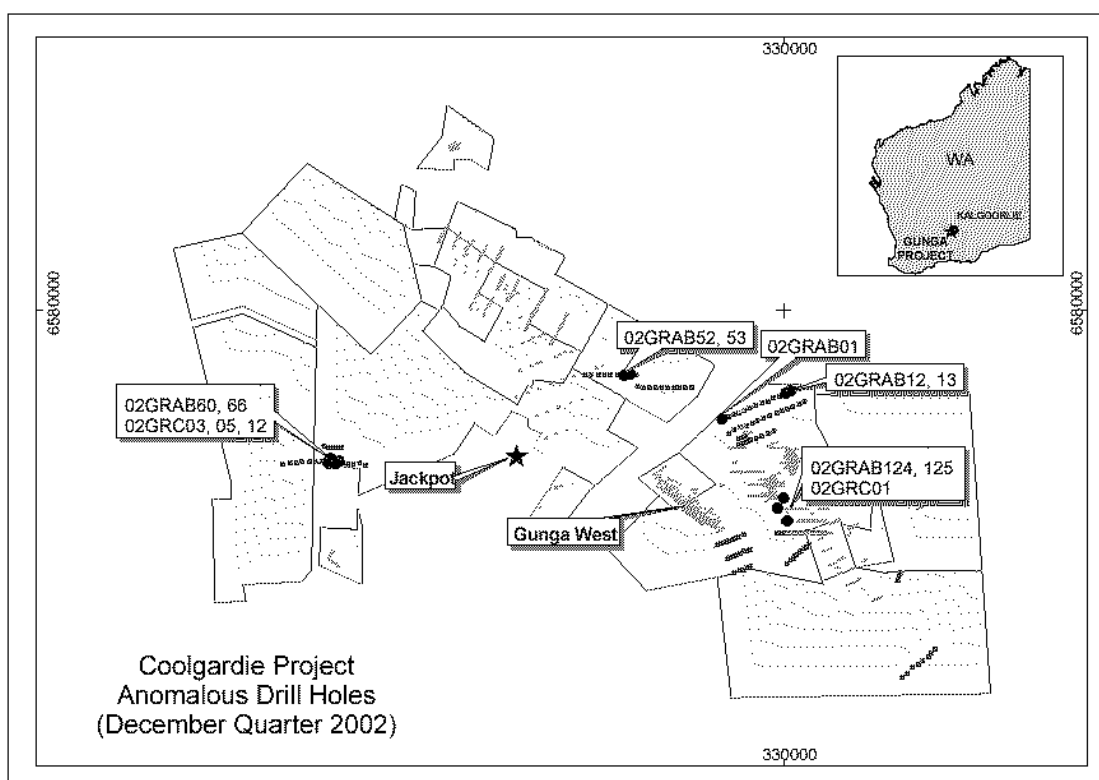


Figure 9

No drilling had previously been carried out at the Gunga North and Jackpot West prospects where gold soil anomalies were present. Panning of drill cuttings at Jackpot West revealed visible gold associated with altered ultramafics devoid of quartz veining - this is a similar style of mineralisation to that at the nearby Jackpot deposit where 420,000 tonnes @ 4.3 g/t Au was outlined by Harmony/New Hampton Gold.

The drilling planned for February-March 2003 by Glengarry will further test the Jackpot West and Gunga North prospects. In addition some deep RC drilling will test for a possible high grade shoot beneath the Gunga West resource (1 million tonnes @ 2.1 g/t Au) where zones of 1m @ 14.5 g/t Au and 1m of 19.8 g/t Au were intersected at vertical depths of 120m and 90m respectively.

**TABLE 1**

**ANOMALOUS GOLD INTERSECTIONS - COOLGARDIE**

Hole No.	AMG Co-Ords		Hole Depth	From	To	Interval	Au Assay (g/t)
	Easting	Northing					
02GRAB02	329506	6579300	39	36	39	3	11.50
02GRAB12	329880	6579457	39	4	10	6	0.84
02GRAB13	329912	6579471	39	36	39	3	0.40
02GRAB52	328855	6579580	18	12	18	6	0.16
02GRAB53	328815	6579575	18	16	18	2	0.52
02GRAB60	326914	6579012	9	1	6	5	2.0
02GRAB66	326873	6579008	9	0	9	9	0.15
02GRAB12 4	329890	6578616	43	4	8	4	1.15
02GRAB12 5	329825	6578698	49	32	40	8	0.55
02GRC01	329865	6578764	103	38	100	62	0.10
02GRC03	326883	6579024	50	0	10	10	0.26
02GRC05	326939	6579009	43	0	6	6	0.23
02GRC12	326917	6578992	40	4	10	6	0.84

**1.2.5 Charters Towers Project, North Queensland (Glengarry 100%)**

This project is the subject of an option agreement with Charters Towers Gold Mines Ltd (CTGM). The option has to be exercised on or before the 26<sup>th</sup> April, 2003 for a cash figure of \$500,000. A resource of 2 million tonnes @ 2.0 g/t Au (120,000 ounces) has been defined by Glengarry at the Great Britain deposit within this project area.

CTGM plan on carrying out a 2000 metre RC percussion drill program during February-March 2003.

## 2. PROJECT LAND STATUS SUMMARY

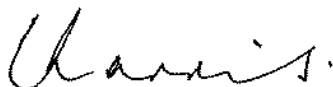
Following is a brief outline of land access for exploration on the various properties controlled by Glengarry:

Project	Land Status	Access Agreement	Time Frame for Exploration
<b>Queensland</b>			
<b>Lake Suttor</b>	Pastoral leasehold; tenement granted pre WIK decision; able to carry out exploration; ILUA* needed for mining leases	N/A	N/A
<b>Greenvale/Halls Reward</b>	As above	N/A	N/A
<b>Greenvale/Big Mag</b>	Freehold land – no impediment to exploration; granted tenement	N/A	N/A
<b>Greenvale/Burges</b>	Leasehold ground adjacent to Big Mag; will require agreement before grant and access	Subject to negotiation	3-6 months
<b>Westwood</b>	Freehold land – no impediment to exploration; granted tenement	N/A	N/A
<b>Mt Isa/Sybella</b>	Leasehold ground; will require agreement before grant and access	Negotiations commenced	3-6 months
<b>Mt Isa/Diamantina</b>	Leasehold ground covered by a number of tenement applications currently in backlog of post-WIK Queensland applications	Negotiations in progress by Qld Government to clear backlog	N/A
<b>Mt Isa/Cannington</b>	Leasehold ground. 2 low-impact tenements granted.	Subject to negotiation (where Native Title claim exists)	
<b>Western Australia</b>			
<b>Yalgoo</b>	Pastoral lease; grant of tenement(s) subject to native title procedures	Tenement expediting procedure not yet commenced	6 months?
<b>Ashburton</b>	Pastoral lease; grant of tenement subject to native title procedures	Tenement expediting procedure not yet commenced	9 months?

\* Indigenous Land Use Agreement

## 3.0 EXPLORATION EXPENDITURE

Exploration expenditure for the quarter was \$395,000.



**ALLAN T HARRIS**

Director

30 January 2003

This information, so far as it pertains to ore or mineralisation, is based on information compiled by a member of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, who has had at least five years experience in the field of activity concerned: Tony Alston Exploration Director Glengarry Resources Limited

## ABBREVIATIONS

<b>AC</b>	Air core
<b>Ag</b>	Silver
<b>As</b>	Arsenic
<b>Au</b>	Gold
<b>Ba</b>	Barium
<b>BCL</b>	Bulk Cyanide Leach
<b>Co</b>	Cobalt
<b>Cu</b>	Copper
<b>EL (A)</b>	Exploration Licence (Application)
<b>EM</b>	Electromagnetic geophysical survey
<b>EPM(A)</b>	Exploration Permit for Minerals (Application)
<b>F</b>	Fluorine
<b>g/t</b>	Grams per tonne
<b>km</b>	Kilometre
<b>lag</b>	Coarse rock fragments remaining at the surface following wind deflation of the finer soil particles
<b>m</b>	Metres
<b>Mn</b>	Manganese
<b>Mo</b>	Molybdenum
<b>Ni</b>	Nickel
<b>ozs</b>	Ounces
<b>Pb</b>	Lead
<b>Pd</b>	Palladium
<b>PGE</b>	Platinum Group Elements
<b>ppb</b>	Parts per billion (1ppb = 0.001 gram per tonne)
<b>ppm</b>	Parts per million (1ppm = 1 gram per tonne)
<b>Pt</b>	Platinum
<b>RAB</b>	Rotary air blast (drilling)
<b>RC</b>	Reverse circulation (drilling)
<b>Sb</b>	Antimony
<b>Sn</b>	Tin
<b>Ta</b>	Tantalum
<b>U</b>	Uranium
<b>VMS</b>	Volcanogenic massive sulphides
<b>Zn</b>	Zinc

## COMPANY INFORMATION

### DIRECTORS

Allan T Harris FCA  
Chairman

Anthony (Tony) J Alston BSc(Geol), MAusIMM, MAIG  
Exploration Director

Michael J Glasson BSc(Hons), MSc, FAusIMM  
Director

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### COMPANY SECRETARY

A T Harris

### STOCK EXCHANGE LISTING

Glengarry Resources Limited shares and options  
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(Code GGYOA – Options)

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## 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

GLENGARRY RESOURCES LIMITED

ACN or ARBN

40 009 468 099

Quarter ended ("current quarter")

31 DECEMBER 2002

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(395)	(683)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	10	38
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(542)</b>	<b>(949)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(5) (3)	(227) (6)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	19	565
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>11</b>	<b>332</b>
1.13 Total operating and investing cash flows (carried forward)	(531)	(617)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)		
	<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	Other (provide details if material)		
	<b>Net financing cash flows</b>		
	<b>Net increase (decrease) in cash held</b>	<b>(531)</b>	<b>(617)</b>
1.20	Cash at beginning of quarter/year to date	1,671	1,757
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>1,140</b>	<b>1,140</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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	80
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**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

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

+ 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	200
4.2 Development	
<b>Total</b>	<b>200</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	7	57
5.2 Deposits at call	1,133	1,614
5.3 Bank overdraft		
5.4 Other (provide details) – Security deposit		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,140</b>	<b>1,671</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		
		Refer Attachment 2		
6.2		Interests in mining tenements acquired or increased		
		Refer Attachment 2		

+ 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 <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>	110,057,151	110,057,151		
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>	54,685,775	54,685,775	<i>Exercise price</i> 15 cents	<i>Expiry date</i> 31 March 2005
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>				

+ 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 Law 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:   
(Director/Company secretary)

Date: 30 JANUARY 2003

Print name: ALLAN THOMAS HARRIS

## 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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**ATTACHMENT 1**

Aggregate amounts of transactions with directors and their director related entities for the three months ending 31 December 2002 were:

	\$
Superannuation	5,178
Consulting Fees	20,578
Directors' Fees	16,250
Directors' Salaries	30,963
Accountancy Fees	5,401
Telephone Rent	<u>1,200</u>
<b>TOTAL</b>	<b><u>79,570</u></b>

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+ See chapter 19 for defined terms.

**ATTACHMENT 2**

**Changes in interests in mining tenements  
Quarter Ended 31 December 2002**

	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	<b>Queensland</b>			
	Homestead EPM 13242	Surrendered	100%	Nil
	12 Mile Ck South EPM 12774	Abandoned	100%	Nil
	<b>Western Australia</b>			
	Injinu Hills E09/1061	Application withdrawn	100%	Nil
6.2 Interests in mining tenements acquired or increased	<b>Queensland</b>			
	Big Mag EPM 12123 <sup>(1)</sup> (12 Mile Creek JV)	JV terminated	Nil	100%
	Cannington EPM's 13680-81	Applications Granted	100%	100%
	Steam Engine MDL 107	Tenement acquired	Nil	100%
	Cannington EPM 13920	New application	Nil	100%
	Snake Creek EPM 13928	New application	Nil	100%

Note (1): Subject to 2.5% Production Royalty payable to BHP Billiton