



ASX: **EQX** | 31 January 2012 | **ASX RELEASE**

DECEMBER 2011 QUARTERLY REPORT

Equatorial Resources Limited ("**Equatorial**" or the "**Company**") is pleased to present its quarterly report for the period ended 31 December 2011.

HIGHLIGHTS

- Drilling continued at Equatorial's 100% owned Mayoko-Moussondji Iron Project in the Republic of Congo ("ROC") with a total of 8,849m drilled at the project at 31 December 2011.
- The Company was granted two new Prospecting Authorisations (permits) for iron ore in the ROC. The permits are both contiguous to Equatorial's Mayoko-Moussondji Iron Project and confirm Equatorial's position as the dominant land holder in the region.
- A combined team of consultants from SRK and Genivar completed the scoping study phase of the Environmental and Social Impact Assessment ("ESIA") work at Mayoko-Moussondji and a detailed Terms of Reference for the full ESIA for submission for approval to the Ministry of Environment, the Ministry of Forestry and the Ministry of Mines.
- The Company contracted Professor John Clout as Metallurgical Consultant for all its iron ore projects. Professor Clout was Head of Resource Strategy for Fortescue Metals Group between 2004 – 2010.
- On 11 January 2012 Exxaro made a conditional off market all-cash takeover offer for African Iron Limited in which Equatorial owns a 19.81% equity interest.
- An extensive geological mapping campaign was completed by SRK Consulting at the Company's 100% owned Badondo Iron Project in the ROC. The work led to the identification of extensive hematite mineralisation up to 50m thick and the definition of numerous high priority drill targets for a scout drilling campaign that will commence at Badondo in the first quarter of 2012.

MAYOKO-MOUSSONDJI IRON PROJECT

Mayoko-Moussondji is located in the southwest region of the ROC and has an estimated global exploration target of between 2.3 and 3.9 billion tonnes¹ of iron mineralisation at an expected grade of 30% to 65% Fe. The project has access to an existing railway line running directly to the deep-water port of Pointe-Noire, where the Company's administrative office is located.

Drilling Program

Equatorial's current exploration strategy at Mayoko-Moussondji is to identify shallow hematite iron mineralisation with the potential to host direct shipping ore ("DSO"). Drilling to date has been focused on the Makengui Prospect at Mayoko-Moussondji. Makengui is 12km long, up to 2km wide and lies 500m from an existing, operational bulk haulage railway line (see Figure 1 overleaf).

¹ *Exploration Target: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.*

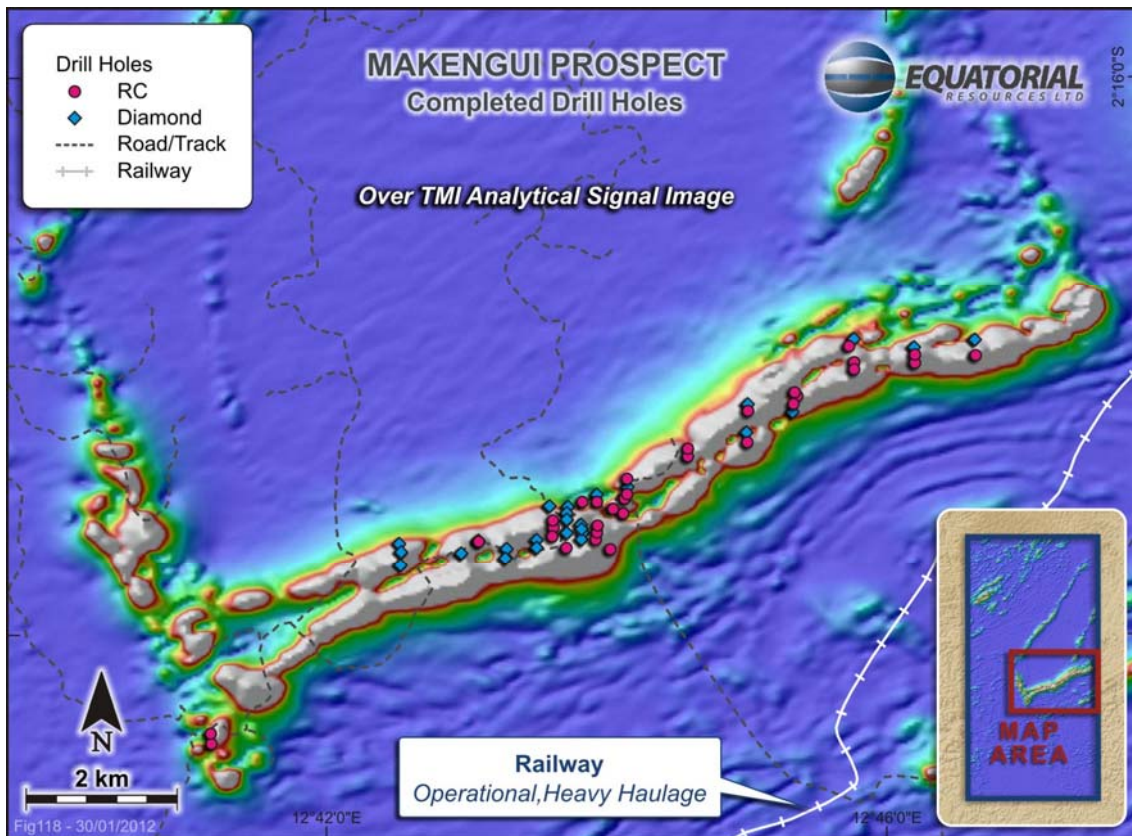


Figure 1: Drill Hole Location Plan

Diamond drilling commenced at Makengui in April 2011 with one diamond drill rig contracted by Partners Drilling International ("PDI") and has recently been accelerated with the addition of two further drill rigs (one multi-purpose reverse circulation ("RC") and diamond drill rig and one specialist diamond drill rig) contracted by Wallis Drilling Pty Limited ("Wallis").

Equatorial has contracted SGS Mineral Services ("SGS") to provide assay services to the Company and to procure and run an onsite sample preparation laboratory at Mayoko-Moussondji. The laboratory, which has arrived at the Pointe Noire port, will be the first of its kind in the Mayoko region and is expected to become operational during the March 2012 quarter.

The current drilling program at Makengui will comprise approximately 33,000 metres of drilling and is expected to be completed during 2012. The program is designed to define the extent and grade of the hematite and magnetite mineralisation at Makengui with specific focus on the potential for high grade DSO material. Makengui is over 12km long and is one of five main prospects at Mayoko-Moussondji that total over 46km of identified iron strike.

As at the end of December 2011 a total of 8,849 metres of diamond and RC drilling in 54 holes had been completed over a section of Makengui of approximately 5km in length. Drilling progress in the December 2011 quarter was hampered by a 5 week labour dispute and wet weather, however the drilling that was completed identified extensive hematite mineralisation in the eastern part of Makengui. Due to a shutdown of the assay laboratory, assay results from this drilling are still pending.

Geophysical Surveys

Planning for a ground resistivity and magnetics program was completed, which is scheduled for February 2012. The initial program will consist of 6 traverses across the Makengui prospect and is designed to aid the targeting of drill holes into the more prospective areas of hematite mineralisation. The resistivity method has proved very successful at the Zanaga iron ore project in the ROC, which has very similar mineralisation to Mayoko.

If the trial is successful, a full survey of 800m spaced traverses will immediately follow the trial survey over the entire Makengui prospect.

Metallurgical Program

Highly experienced iron ore consultant Dr John Clout has been engaged as a Metallurgical Consultant. The Principal of John Clout and Associates, Dr Clout has over 19 years of experience in iron ore characterisation, beneficiation, process plant flowsheet design, sintering, lump quality for the blast furnace, pelletising as well as iron ore technical marketing. Dr Clout has worked for the CSIRO conducting industry-focused projects and more recently played a leading role in the development of Fortescue Metals Group as Head of Resource Strategy and General Manager R & D. Dr Clout is well known to many steel mills in Asia and elsewhere, particularly in China where he has had a heavy involvement in iron ore product and sintering technology development over the last 19 years.

Dr Clout was awarded the Australian Technological Sciences and Engineering Clunies Ross award in May 2011 for his major contribution over the years to the Australian Iron Ore Industry.

Davis Tube Recovery testing of an initial batch of 33 composite magnetite samples from the Makengui prospect has commenced at SGS Lakefield Oretest ("SGS Lakefield") in Perth Australia, with results expected early in the March 2012 quarter.

Testing has also commenced on a batch of 3 bulk samples of colluvial hematite mineralisation from the Makengui prospect at SGS Lakefield, with initial results expected early in the March 2012 quarter.

A large diameter metallurgical diamond drill hole is planned for completion at the Makengui prospect in January 2012. This hole will collect in situ hematite mineralisation for initial beneficiation testing at SGS Lakefield.

Infrastructure Progress

During the quarter the company continued development of infrastructure for the Mayoko project as follows:

- Construction of a log bridge over a river at Makengui;
- Completion of access roads to drill sites on the eastern side of Makengui;
- Repairs to public roads and bridges in the Mayoko district;
- Construction of a mess building, two houses and first aid post at the Mayoko base camp;
- The Wallis Drilling workshop was completed at the new Diba-Diba infrastructure site;
- An alternative bridge site for crossing the Loesse River was identified, involving a shorter distance from Diba-Diba and a narrower river crossing; and
- A suitable laterite source was identified for the sheeting of the Mayoko airstrip and hiring of construction equipment for the completion of the airstrip upgrade was finalised.

New Tenements

The Company, through its 100% owned ROC subsidiary, Congo Mining Ltd, has been granted two new Prospecting Authorisations for iron ore in the ROC. The Oubouéssé Prospecting Authorisation of 1,218km² and the Moussondji Prospecting Authorisation of 1,481km² are both contiguous to Mayoko-Moussondji and increase the Company's landholding in the prospective Mayoko region to over 4,500km².

An initial reconnaissance exploration program of geological mapping and rock chip sampling is scheduled to commence on both tenements in February 2012 (refer Figure 2 overleaf and ASX announcement dated 8 December 2011 for details).

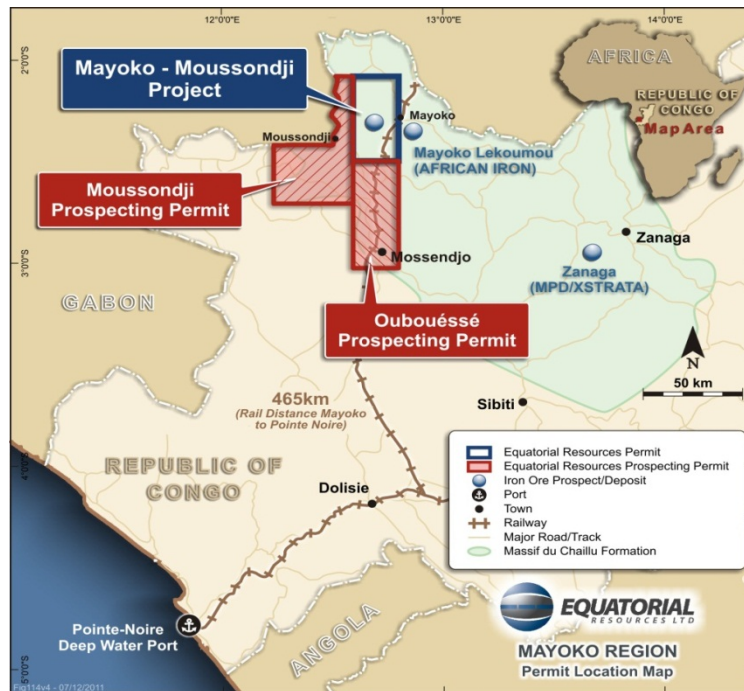


Figure 2: Mayoko Region Permit Location Map

BADONDO IRON PROJECT

The Badondo Iron Project, in the northwest region of ROC, has an estimated global exploration target of between 1.3 and 2.2 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe (refer ASX announcement 28 March 2011). The project is located within a regional cluster of world-class iron ore exploration projects including Sundance Resources Ltd's (ASX:SDL) Mbalam and Nabeba projects.



Figure 3: Equatorial Resources Project Location Plan

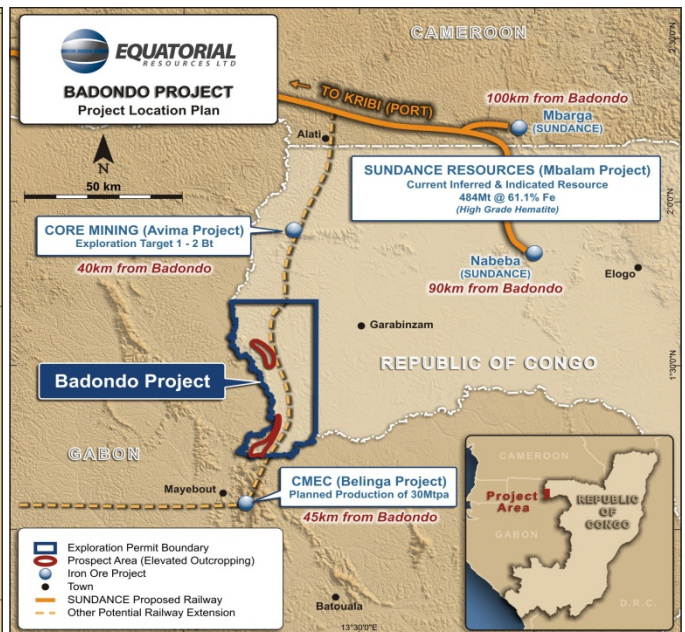


Figure 4: Badondo Iron Project location

¹ Exploration Target: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

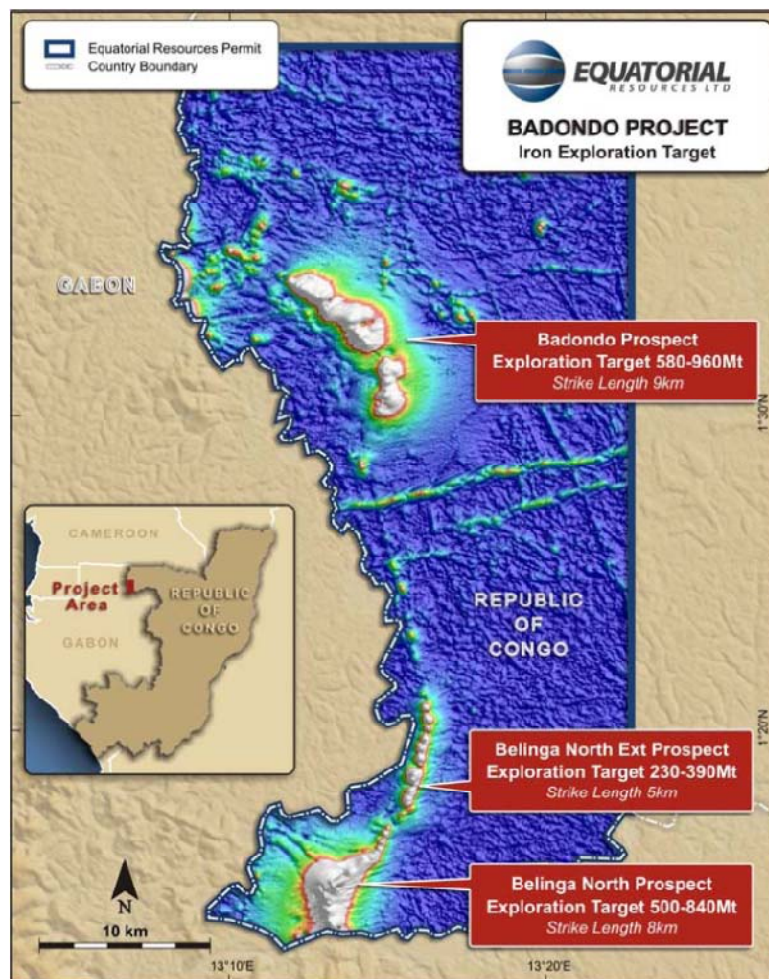


Figure 5: Badondo Iron Project – Exploration Target

SRK Mapping

During November 2011, SRK Consulting (Perth) completed geological and structural mapping of the Badondo and Belinga North prospects. This mapping identified an extensive blanket of potentially high grade hematite mineralisation up to 50m thick in outcrop overlying magnetite banded iron formation (“BIF”), extending over the entire 7km strike length of the Badondo prospect and over 4km of strike at the Belinga prospect. In addition, extensive canga deposits of re-cemented colluvial hematite mineralisation were identified at the Badondo prospect.

As part of the mapping exercise, SRK have identified 21 high priority drill targets at the Badondo prospect that will be the focus of the maiden drilling campaign.

Maiden Drilling Campaign

During the quarter Equatorial finalised the acquisition of a 2100 helicopter transportable drill rig from EVH Drill Engineering Pty Ltd in Perth, Australia for use during the Company's maiden drilling campaign at Badondo. Construction of the drill rig has now been completed in Australia. The rig will be operated by Wallis Drilling and will be shipped to Badondo after extensive field trials in Australia, with drilling expected to commence in the coming months.

¹ Exploration Target: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

ENVIRONMENT & COMMUNITY RELATIONS

Completion of Environmental Scoping and Baseline Studies

Equatorial is committed to the highest global standards of social responsibility and sustainable development. The Company submitted its Sustainable Development Charter to the ROC Government in December 2010 and has been working closely with the Ministry of Mines, Ministry of Forestry, the Ministry of Sustainable Development, Economic Forestry and Environment, departmental authorities in Dolisie (or Niari region) as well as local community leaders and companies to ensure stakeholders are aware and supportive of the Company's development plans and that operations are carried out with transparency and respect for the various stakeholder needs.

Equatorial has partnered with local environmental consulting firm EcoDurable to carry out environmental monitoring and management during exploration, with permanent representatives now active on site at Mayoko. The Company awarded a tender to a joint bid by SRK Consulting (UK) Ltd ("SRK") and Genivar, including Ecodurable, for Scoping studies for the ESIA for the proposed mining project in the coming months.

During early October 2011, the consultant team conducted a 10 day Site Visit, including the proposed port site, rail corridor and mine site, that lead to the preparation of a Stakeholder Engagement Plan and the ESIA Scoping Report. In addition to these key documents, the team prepared detailed Terms of Reference for the full environmental and social Baseline which will be submitted to the ROC Government for approval in early 2012.

Prior to submission, the Terms of Reference were disclosed and discussed with stakeholders through a public consultation process in December 2011, to ensure that all relevant issues of concern were included in the Baseline studies. Detailed Baseline studies will commence as soon as the Terms of Reference are approved by the Government.

CORPORATE

Exxaro makes all cash takeover bid for African Iron Limited

On 11 January 2012, Exxaro announced a conditional all cash off-market takeover bid for all of African Iron Limited ("African Iron") ordinary shares and options. Exxaro is offering A\$0.51 per share, which will be increased to A\$0.57 per share if Exxaro acquires at least 75% of African Iron (on a fully diluted basis). The offer at the increased consideration price of A\$0.57 per share values African Iron at approximately A\$338 million on a fully diluted basis. The offer will be open until 14 February 2012 (unless extended).

Equatorial owns 99,400,000 shares (19.81%) in African Iron. Based on the maximum cash offer price of A\$0.57 per African Iron share, Equatorial's investment in African Iron would be valued at A\$56.7 million.

Exxaro is one of South Africa's largest diversified mining companies with a current market capitalisation of approximately A\$7.7 billion. Exxaro's announced takeover offer for African Iron confirms the significant exploration and development potential of iron projects in the Mayoko region and highlights the advantages of the investment friendly jurisdiction of the ROC. Equatorial welcomes Exxaro's interest in the Mayoko region.

Cash Position and Shareholder Information

As at 31 December 2011 the Company had cash reserves of over A\$41 million. The Company is in a strong position with no debt and combined cash and listed securities of over A\$98 million (based on Exxaro's maximum cash offer price of A\$0.57 per share).

As at 31 December 2011 the Company had 1,767 shareholders and 114,348,553 ordinary fully paid shares on issue with the top 20 shareholders holding 77.6% of the total issued capital.

Management Appointments

Equatorial has made several new senior management appointments including:

- **Mr Henri de Dinechin** has been appointed as Equatorial's Country Manager in the ROC and will be responsible for all of the Company's in-country activity including finance, logistics, human resources, operations, and government relations. Mr de Dinechin's previous position was Chairman and Chief Executive Officer of AREVA in the Central African Republic ("CAR"). In this role he controlled all aspects of AREVA's business in CAR including managing over 250 employees and overseeing annual budgets of more than \$35M. His exploration teams completed an average of 60,000 meters per year of RC and Diamond Drilling and successfully doubled the size of the geological resources. Mr de Dinechin has extensive commercial management experience in Africa (Zambia, Kenya, ROC, Mali, Ghana, Central Africa) and has a Master's degree in Business & Administration.
- **Professor John Clout** has been appointed as Chief Metallurgical Consultant. Professor Clout will be responsible for overseeing the Company's metallurgical test work and technical marketing. Professor Clout was previously Head of Resource Strategy for Fortescue Metals Group Ltd where he was directly responsible for the design of the "Rocket fines" and "Special Fines" products with more than 110Mt of these materials now exported to customers. Professor Clout will define the scope, schedule, budget and deliverables for the staged metallurgical testwork programs for hematite and magnetite mineralisation at Mayoko-Moussondji. He will be Equatorial's Competent Person for all metallurgical testwork results.
- **Mr Ian Cooper** has been appointed as Exploration Manager of Equatorial's 100% owned Mayoko-Moussondji Iron Project and will be responsible for the management of the Company's exploration drilling programs. Mr Cooper has over 25 year's professional experience as an Exploration Manager and Geologist. Prior to joining Equatorial Mr Cooper was the District Geologist - Mainland Papua New Guinea with Barrick and previously Exploration Manager at AngloGold Ashanti's Sadiola & Yatela gold operations in Mali where in 2010 he successfully completed over 200,000 metres of drilling under budget. He has world-wide experience in a number of commodities including iron ore, gold, base metals, and industrial minerals.
- **Mr Thierry Banyols** has been appointed as Logistics Manager. Mr Banyols was previously at AREVA in CAR where he worked as Logistics Manager for the past 4 years. At AREVA Thierry was responsible for the purchasing (locally and off shore), importation and transport activities between the companies head office and its exploration camp in Bakouma for all of AREVA's operations. Thierry has over 30 years of logistics management experience in Africa including 10 years in ROC.
- **Mr Andrew Steers** has been appointed as Chief Financial Officer following the resignation of Mr Brendan Morton. Prior to joining Equatorial, Andrew was the CFO (and for a period of time the acting CEO) of ASX listed multi commodity explorer and iron ore producer, IMX Resources Limited. During 2009 Andrew was part of the Executive team responsible for the C\$665million merger of Moto Goldmines Limited (with its significant gold exploration project in the Democratic Republic of Congo) and Randgold Resources. Andrew brings a balanced commercial, financial and corporate resume, with particular exposure to international mining projects in the African region.

Change in Registered Office

The Company's Principal and Registered Office is now located at:

	Level 2 28 The Esplanade Perth WA 6000
Postal Address:	GPO Box 2519 Perth WA 6001
Telephone number:	+61 8 9466 5030
Facsimile number:	+61 8 9455 5029

For all enquiries please contact:

John Welborn | Managing Director & CEO

Telephone: +61 8 9466 5030 | Email: info@equatorialresources.com.au

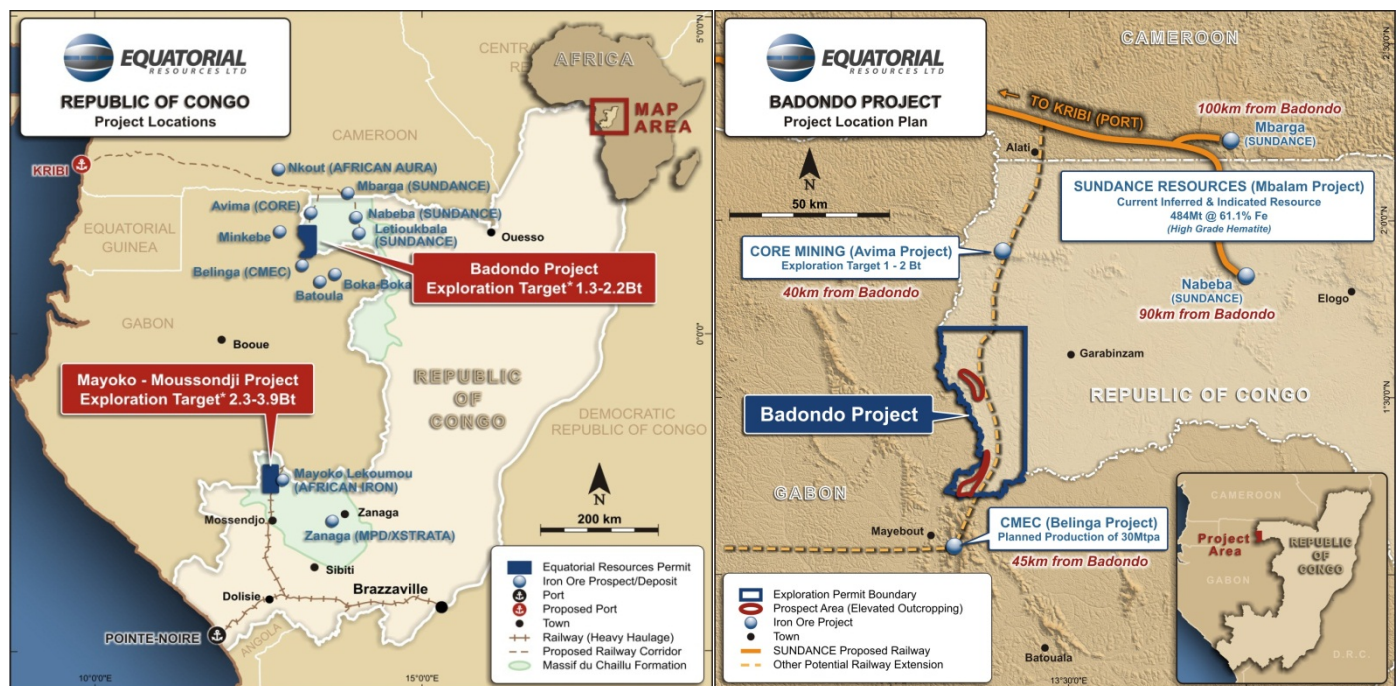
Web: www.equatorialresources.com.au

ABOUT EQUATORIAL RESOURCES

Equatorial Resources Limited (ASX:EQX), is focused on the exploration and development of two 100% owned potentially large-scale iron ore projects located in the politically stable and investment friendly Republic of Congo ("ROC") in the emerging global iron ore province of Central West Africa.

The **Mayoko-Moussondji Iron Project**, located in the southwest region of the ROC, has an estimated global exploration target of between 2.3 and 3.9 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe. The project has access to a rail line running directly to the deep-water port of Pointe-Noire, where the Company's operational office is located.

The **Badondo Iron Project**, in the northwest region of ROC, has an estimated global exploration target of between 1.3 and 2.2 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe. The project is located within a regional cluster of world-class iron ore exploration projects including Sundance Resources' Mbalam and Nabeba projects.



For further information contact:

John Welborn | Managing Director & CEO
 Telephone: +61 8 9466 5030 | Email: info@equatorialresources.com.au
 Web: www.equatorialresources.com.au

¹ Exploration Target: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Mathew Cooper (B.App.Sc (Geophysics) Hons.) of Resource Potentials Pty Ltd, who was engaged by Equatorial Resources Limited to provide geophysical consulting services. Mr Cooper is a member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization 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 Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, other than Geophysical Exploration Results, is based on information compiled by Mr Sean Halpin, who is a member of the Australian Institute of Geoscientists. Mr Halpin is a full time employee of Equatorial Resources Limited. Mr Halpin 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 Halpin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Equatorial Resources Limited

ABN

50 009 188 694

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for:		
	(a) exploration & evaluation	(6,269)	(10,111)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,622)	(3,217)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	914	1,502
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Business development	(12)	(25)
Net Operating Cash Flows		(6,989)	(11,851)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(805)	(1,405)
	(c) other fixed assets	(517)	(2,141)
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		(1,322)	(3,546)
1.13	Total operating and investing cash flows (carried forward)	(8,311)	(15,397)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(8,311)	(15,397)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	400	542
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): - Capital raising expenses	(1)	(36)
	Net financing cash flows	399	506
	Net increase (decrease) in cash held	(7,912)	(14,891)
1.20	Cash at beginning of quarter/year to date	49,319	56,234
1.21	Exchange rate adjustments to item 1.20	(30)	34
1.22	Cash at end of quarter	41,377	41,377

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	132
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 directors' fees, superannuation, company secretarial services and provision of a fully serviced office.

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	7,399
4.2 Development	-
4.3 Production	-
4.4 Administration	1,360
Total	8,759

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	2,555	3,999
5.2 Deposits at call	38,822	45,320
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	41,377	49,319

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	Not applicable			
6.2 Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

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)	Amount paid up per security (see note 3)
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	114,348,553	114,348,553	N/A	N/A
7.4	Changes during quarter				
	(a) Increases through issues	800,000	800,000	\$0.25	\$0.25
		500,000	500,000	\$0.40	\$0.40
	(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>			<i>Exercise price</i>	<i>Expiry date</i>
		100,000	-	\$2.835	31 Dec 2012
		200,000	-	\$2.00	30 Jul 2013
		150,000	-	\$3.00	30 Jul 2013
		100,000	-	\$4.00	30 Jul 2013
		1,500,000	-	\$0.25	30 Jun 2012
		3,400,000	-	\$0.40	30 Jun 2013
		3,900,000	-	\$0.60	31 Dec 2013
		586,800	-	\$0.82	31 Oct 2012
7.8	Issued during quarter				
7.9	Exercised during quarter	800,000	-	\$0.25	\$0.25
		500,000	-	\$0.40	\$0.40
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 2012
(Director/Company secretary)

Print name: Greg Swan

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.