



MATSA
RESOURCES
LIMITED

ABN 48 106 732 487

ASX Announcement

30 October 2012

Quarterly Activities Report – 30 September 2012

HIGHLIGHTS OF SEPTEMBER QUARTER

- *Mt Henry Gold Joint Venture formed and settlement completed.*
- *Mt Henry Gold Joint Venture Bankable Feasibility Study commenced.*
- *665 soil samples collected covering 80% of Symons Hill project area.*
- *Interpreted mafic intrusion 3.5km x 2km in extent defined in Symons Hill Fault zone.*
- *Helicopter – Borne VTEM survey of entire Symons Hill project to commence.*
- *Diamond drilling identifies gold mineralised veins at Big Red, Dunnsville.*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

132.42 million

Unlisted Options

9.75 million @ \$0.273 - \$0.45

Top 20 shareholders

Hold 53.55%

Share Price on 30 October 2012

32 cents

Market Capitalisation

\$42.37 million

INTRODUCTION

Matsa Resources Limited (“Matsa” or “the Company” ASX:MAT) is pleased to report on its exploration and corporate activities for the Quarter ended 30th September 2012.

COMPANY ACTIVITIES

Mt Henry Gold Project – Panoramic/Matsa JV

On 26 June 2012, Matsa announced that it had entered into a Sale and Purchase Agreement with Panoramic Resources Ltd (“Panoramic” ASX: PAN) for Panoramic to acquire a 70% interest in the Mt Henry Gold Project (formerly Norseman Gold Project).

Ministerial Consent was obtained for the transfer of Matsa’s Mining Leases to the joint venture after Matsa shareholders approved the transaction at a general meeting held on August 14th 2012. .

This agreement was completed and settled on 16th August 2012, on the following terms:

- Consideration of \$5 million in cash and 14 million fully paid Panoramic shares;
- Matsa to be free carried for a fully funded Bankable Feasibility Study (BFS) to commence immediately; and
- Provision for buyout of Matsa’s interest in the project for a further \$6.5 million in consideration with a \$5 million royalty as a safety net should Matsa not be able to participate further or is unable to finance its share of the project within 180 days from delivery of BFS.

In addition Matsa formed a Joint Venture with Panoramic to:

- Immediately commence new exploration programmes within The Mt Henry Gold Project area; and
- Establish and manage all ongoing JV activities.

Under the terms of the JV, Matsa is free carried to successful completion of the BFS but will contribute

to its 30% share of the costs of regional exploration outside of the BFS tenements.

A Bankable Feasibility Study has commenced which will include a substantial drill programme to enhance the knowledge base of the Mt Henry Project. A programme of works (POW) was approved by the DMP for a 10,000 metre mixed RC and diamond drilling programme. This programme, to be managed by Panoramic is planned to commence during the 4th quarter 2012.

The objective of this programme is to enable the completion of the BFS by:

- 1) Increasing knowledge and confidence in the resource base,
- 2) Potentially increase the gold resource,
- 3) Infill drilling will permit the upgrade of inferred to indicated resources category,
- 4) Provide additional geotechnical information to assist in the engineering designs,
- 5) To provide material for metallurgical studies and determine the optimum process route to maximize gold recoveries.

The BFS process will not only provide the business model, but could also provide the economic information required to upgrade some mineral resources to ore reserves.

Mt Henry Regional Exploration – Abbotshall Soils

Previous soil samples collected to infill the Abbotshall South soil gold anomaly were submitted for assay during the quarter. This soil anomaly was defined by previous wide spaced soil sampling programme. The purpose of the infill sampling was to better define the target prior to drilling.

Results of the soil samples collected are awaited.

Dundas Iron Ore –Corporate

As a result of the successful Joint Venture with Panoramic for The Mt Henry Gold Project and the commencement of the BFS, Matsa has formally terminated the agreement and any further discussions with Haina International Trading HK Limited for the Dundas Iron Ore Project.

Dunnsville Gold Project – Diamond Drilling Big Red

During the quarter Matsa completed a four diamond hole drilling program designed to test for primary gold in basement at the Big Red prospect.

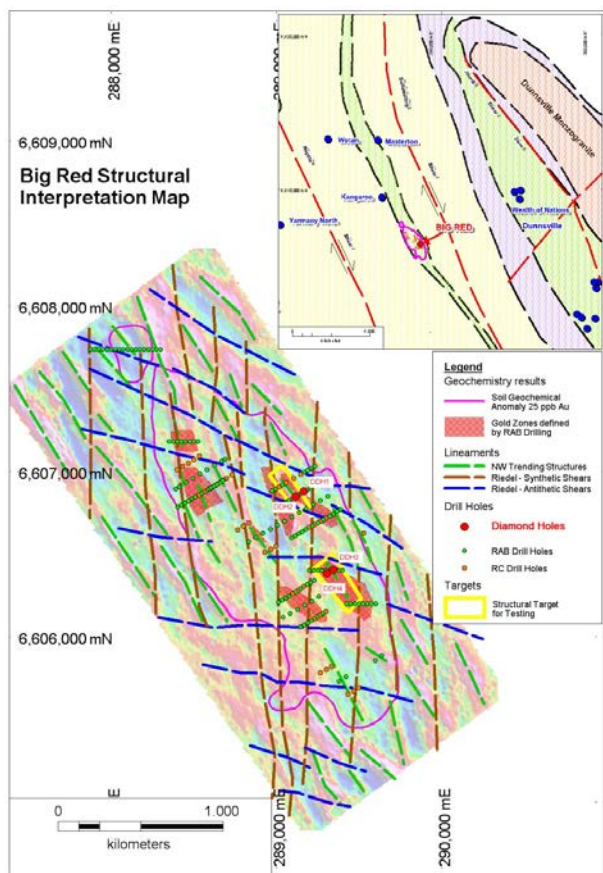


Figure 1: Big Red Prospect Diamond Drill Hole Locations

This programme was granted Exploration Incentive Scheme (EIS) funding by the DMP under which 50% of the direct drilling costs are reimbursed. The 4 HQ diamond holes were completed along two sections for a total of 514.5 metres of drilling (Figure 1).

Drill holes were oriented at -60 degrees towards 060 degrees. The drill hole orientation was selected after a reinterpretation of magnetic data over Big Red by geophysical consultants.

Results favour a steeply west dipping magnetic stratigraphy. Prior to this, the best available structural information indicated a steep easterly dip and consequently all previous drill holes on the prospect are oriented towards the west. Samples were submitted at 0.3-2m intervals and gold determinations were carried out by Fire Assay (Figure 2).

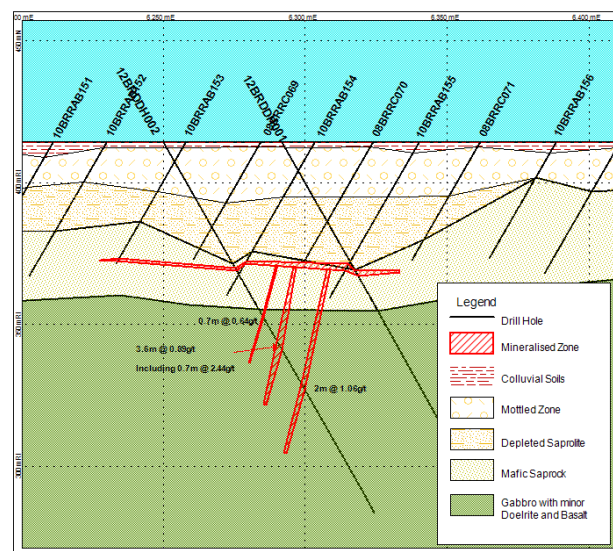


Figure 2: Big Red Diamond Drillholes DDH1 and DDH2

Drill holes were designed to test a conceptual model whereby mineralisation at Big Red is associated with a vein stockwork produced by shearing of the host gabbro/dolerite by a NNW trending shear couple parallel with the Bullabulling and Reptile Faults.

Matsa believes that this location is favourable for the formation of brittle fractures in country rocks which provided space for subsequent emplacement of gold bearing quartz veins.

Drilling showed fresh basement lithologies to be made up of variably sheared and altered coarse to medium grained gabbro/dolerite. In addition, assays confirmed the presence of gold mineralised quartz veins. Significant gold bearing intersections include:

- 0.7m @ 2.44g/t from 80.4m (12BRDDH002);
- 2m @ 1.06g/t from 98m (12BRDDH002); and
- 1.1m @ 2.56g/t from 56.9m (12BRDDH004).

These intersections are narrow and isolated, and while Matsa believes that they support the exploration model, discovery of zones of more intense veining or thicker individual veins is required for economic viability.

The gold mineralised quartz veins were seen to contain significant coarse disseminated pyrite and are enclosed by pyrrhotite rich altered margins in the gabbro/dolerite country rocks. It is likely that pyrrhotite (a magnetic mineral) within the country rocks gives rise to the discrete magnetic feature which partly underlies the Big Red target.

Pyritic quartz veins in a variably pyrrhotite bearing host may be expected to produce a distinctive electrical signature identifiable by the Induced Polarisation (IP) ground geophysical technique.

In addition, it is likely that gold mineralisation may be associated with a distinctive geochemical suite of one or more “pathfinder” elements.

The immediate focus at Big Red is to carry out:

- Orientation IP lines to test for distinctive electrical signal associated with mineralised quartz veins; and
- Re - assaying of gold bearing intervals in the four diamond holes and selected past RAB holes for an extended suite of pathfinder elements.

These both are potential tools which can be used, prior to further drilling, to define economic quartz vein hosted gold mineralisation in basement.

Furthermore, diamond drilling has effectively only tested small parts of two of the seven gold mineralised zones at the Big Red prospect. The majority of the gold mineralisation remains untested, and the intersections provide encouragement for further exploration.

In conjunction to any IP work, Matsa also plans to test a number of regional gold geochemical targets in close proximity to Big Red. To this end, Matsa has lodged a POW and received approval to carry out a RAB drilling programme comprising 200 holes

over the Yarmany, Great Kangaroo and Heines Dam prospects (Figure 3). These holes will test regionally extensive soil gold anomalies which have received minimal previous exploration. RAB drill traverses comprising holes at 25m intervals to a nominal depth of 50m will test the regolith profile and a short (<0.5m) section of relatively fresh bedrock.

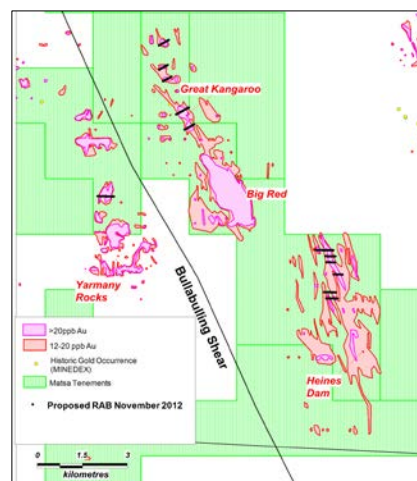


Figure 3: Proposed RAB Drilling Great Kangaroo – Big Red – Heines Dam

During the quarter Matsa acquired recently released aeromagnetic and radiometric data over the entire Dunnsville Tenements. This data was part of a proprietary multiclient survey and was made publically available by the DMP at nominal charge.

An interpretation of the data at Dunnsville was carried out for Matsa by geophysical consultants, who selected a number of potential nickel and gold exploration targets (Figure 4).

This data also provides Matsa with a detailed picture of the magnetic stratigraphy and structure of this poorly exposed region.

A review of past exploration and first pass follow up of these targets is proposed to be carried out over the next quarter.

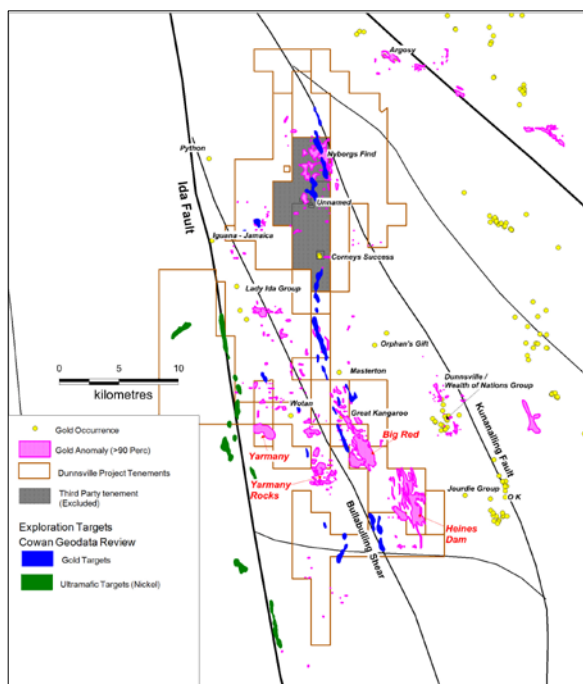


Figure 3: Dunnsville Exploration Target Summary

Killaloe Project Exploration – Matsa Earning up to 70%

A POW was approved during the quarter for a programme of three diamond drillholes targeted on gold mineralisation at the Duke prospect at Killaloe.

This programme was awarded co-funding under the DMP Exploration Incentive Scheme (EIS). Three diamond drill holes will target depth continuity of known gold mineralisation at Duke and test the structural model interpreted for the prospect.

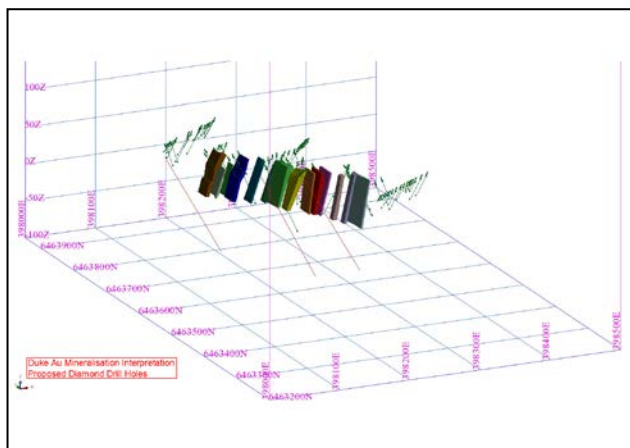


Figure 4: Duke 3D Interpreted and planned Drilling

The drilling programme follows a detailed compilation and review of past drilling at Duke which included 84 shallow Aircore, RAB and RC holes. While past drilling achieved a number of

highly significant intercepts e.g. 24m@2.15g/t in drill hole BUX86, it could not establish continuity of mineralised intersections along strike. A revised interpretation of the drilling intercepts shows a NW trending array of “en–echelon” veins extending over a strike extent of 350m (Figure 5).

The proposed 3 diamond drill hole programme will test the target vein system on 3 sections to a maximum depth of 170m.

Matsa believes that the programme could unlock a number of gold targets at Killaloe which appear to have similar structural controls.

During the quarter, Matsa received results for infill soil sampling around the Buldania and Shinboner prospects which had been carried out to improve geochemical coverage and enhance definition of identified gold anomalies between the two prospects (Figure 6). At the Shinboner prospect, a total of 241 additional soil samples were collected in order to better define this target for RAB drilling. Assays were for gold only using aqua regia digest / ICP-MS. Summary statistics are presented in Table 1.

Gold Values	Count	Min	Max	Perc 75	Perc 90	Perc 95
Au ppb	241	1	75	12	22	29

Table 1: Summary Geochemistry Statistics

This infill sampling programme has refined the southern boundary of the soil anomaly and confirmed a 1km x 0.3km, WNW-trending zone of gold anomalism at Shinboner with a peak value of 75 ppb Au.

This represents the largest coherent soil gold anomaly which has been identified to date at Killaloe. The results of this programme are currently being assessed in conjunction with past drilling on the prospect.

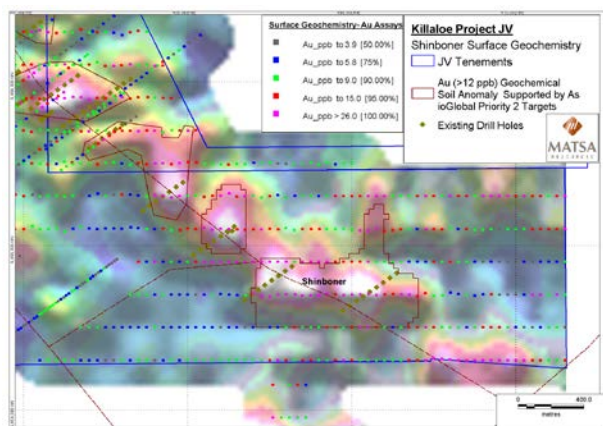


Figure 6: Infill Sampling Location at Shinboner-Buldania Areas

Symons Hill Project

Matsa's Symons Hill tenement application (ELA69/3070) is located within the Fraser Range Tectonic zone and within six kilometres SSW of the Nova nickel copper discovery announced in July 2012 by Sirius Resources Ltd (Figure 7).

Matsa has identified a number of geological elements at Symons Hill which are believed favourable for similar mineralisation to Nova and moved to fast track the exploration programme in the ELA. Matsa has already provided details of work completed to date in releases to the ASX during the August to October 2012 period.

The 96km² Symons Hill application is located in an area of extensive soil cover. Research by Matsa on publically available information indicates that the area has not undergone any significant past exploration.

Matsa believes that many geological aspects of the Symons Hill project are favourable for location of magmatic Ni Cu mineralisation similar to Nova which includes:

- Location of the project area in Mafic Granulites of the Fraser Range Igneous Complex on the margin of the continental scale Fraser Range gravity anomaly.
- The SSW trending fault (termed by Matsa the Symons Hill Fault) which can be seen on aeromagnetic images to intersect the Nova discovery and continues to the SW where it bisects ELA69/3070.

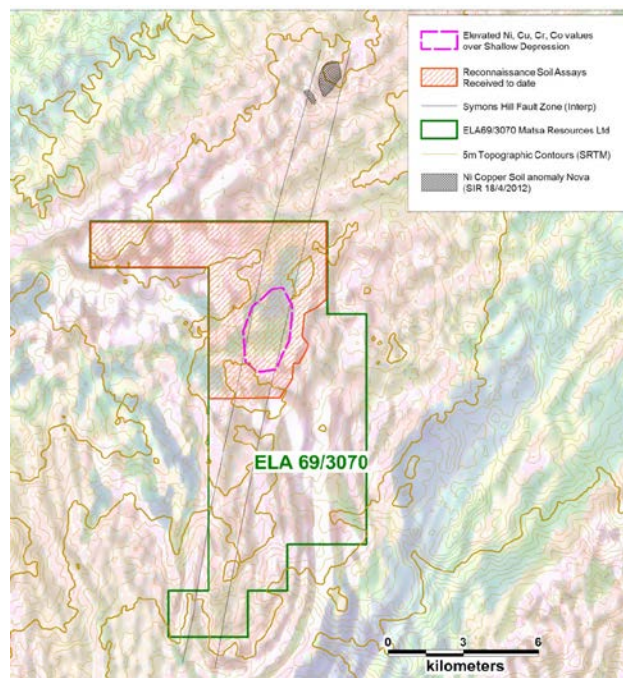


Figure 7: Symons Hill Project and Nova Ni Cu Discovery (Sirius Resources)

Matsa believes that the Symons Hill fault could be an important structural control at Nova.

During August 2012, widely spaced, reconnaissance scale soil samples, at intervals of 400 metres were collected over approximately 40% of the tenement area. The element suite and the range of assay values are summarised in Appendix 1.

These results include a number of elevated coincident values for Cu (43ppm), Ni (65ppm), Cr (167ppm) and Co (18ppm) which define a topographic depression 3km x 2km in extent, which is located within the interpreted Symons Hill Fault corridor approximately 10 km south of Sirius Resource's Nova discovery.

Matsa believes that these results and their topographic expression are indicative of a concealed mafic intrusive body at shallow depth. This interpretation supports Matsa's view that the Symons Hill Fault corridor is important in controlling the emplacement of mafic intrusions which have the potential for associated nickel sulphide mineralisation.

A further 418 soil samples which includes 186 infill samples over the interpreted intrusive have been subsequently collected during September, with assays not available at time of writing this report.

During the quarter, Matsa also commissioned a VTEM (max) airborne electromagnetic (EM) survey to be carried out in November 2012 by Geotech Airborne Pty Limited. It is expected that the ground conditions at Symons Hill are suited to EM and that this time domain system which is equipped with a very large 36 metre diameter loop, will detect significant base metal sulphide conductors up to 200 metres below surface.

Fraser Range North JV – Matsa 90% Triton 10%

Matsa completed the requirements of the Farm-In agreement during the quarter and earned a 90% interest in the project.

The Fraser Range North Joint Venture contains a number of discrete gold in soil anomalies including Nimpkish, Similkameen and Kicking Horse where most previous work was carried out (Figure 8). Calcrete sampling at Nimpkish has achieved highly anomalous gold values up to 234ppb Au, however follow up RAB drillholes did not identify a basement source for the anomaly. Drilling confirmed GSWA mapping which shows that much of the project is underlain by transported sedimentary cover associated with development of the Eucla Basin in Tertiary to recent times. Such transported cover, up to 40m thick in places has restricted geochemical dispersion from prospective basement rocks into surface materials leading to highly variable results in calcrete and soil samples.

To address the sampling problem associated with transported cover, Matsa proposes to carry out an orientation geochemical survey to establish the most effective sampling / analytical procedure.

Geochemical consultants have been commissioned to oversee the survey and to recommend the most effective sampling and analytical method. It is proposed to carry out the survey in November/December 2012.

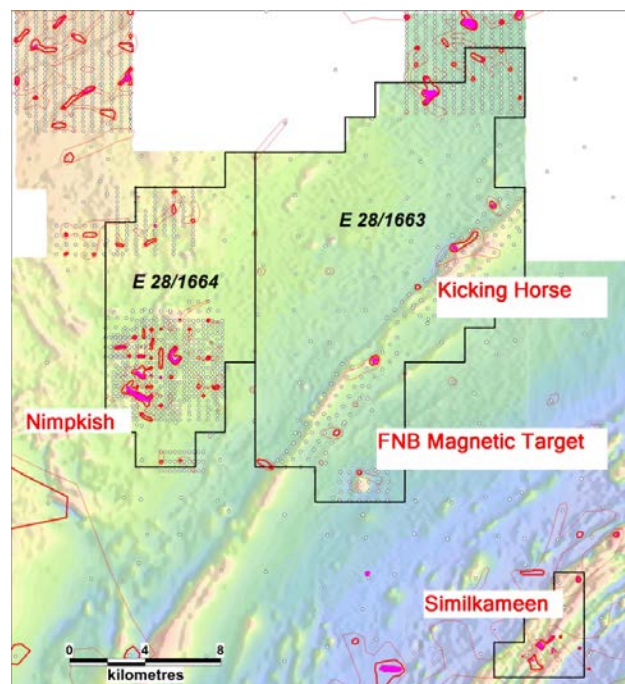


Figure 85: Fraser Range North JV, Exploration Targets

A compilation and review of available aeromagnetic and radiometric data was carried out by geophysical consultants. This review identified a number of structural / stratigraphic targets for gold and base metal mineralisation. The review also recognised a number of discrete magnetic features of which the most prominent is a discrete bullseye magnetic anomaly. This anomaly termed the FNB target is approximately 1km x 0.5km in extent. It is interpreted as a magnetic intrusive into magnetically quiet basement rocks with potential for associated gold or base metal mineralisation. It is proposed to test this target with a two diamond hole drilling programme.

Albany Fraser Projects Regional

The Symons Hill and Fraser Range North projects are part of a deliberate strategy by Matsa to target gold and base metal mineralisation in the NE trending Albany Fraser Tectonic Province. The province is a belt of high grade metamorphic rocks and intrusive extending in excess of 500km along the south eastern margin of the Yilgarn Craton. Discoveries in the belt include the 5Moz Tropicana gold deposit by AngloGold - Ashanti/Independence Group and more recently the Nova Ni Cu discovery by Sirius Resources NL.

Matsa’s tenements which include Fraser Range North and Symons Hill extend over a distance of 430 km from Salmon Gums in the southwest to Bunningonia in the northeast (Figure 9).

Surface exploration over much of the belt is hampered by the presence of variable thicknesses of transported sedimentary cover associated with development of the Tertiary aged Eucla Basin.

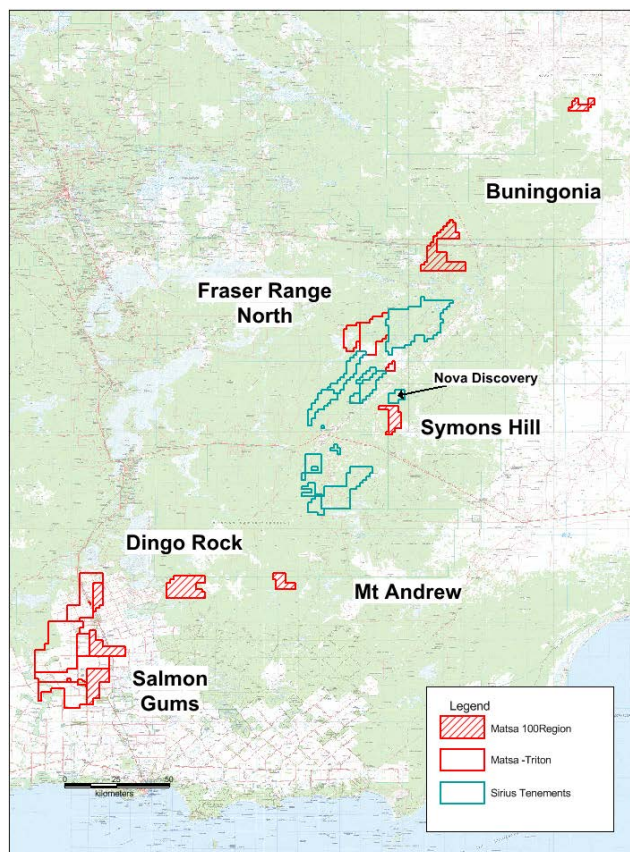


Figure 96: Albany Fraser / Tropicana - Nova Belt Projects

Thailand – SPLA Approval Process

To date, applications for a total of 124 special prospecting lease applications (SPLA’s) have been applied for. Of these, 18 SPLA’s have been submitted to the Screening Committee of the Department of Primary Industries and Mining (DPIM).

Matsa remains confident that the SPLA’s will be granted in due course.

Matsa will advise as soon as further information becomes available.

Paisali Iron Ore – 14 Magnetite Targets Defined

Exploration to date has been targeted on magnetic anomalies concealed by shallow alluvium and deeply weathered bedrock which are thought to reflect skarn magnetite deposits. A total of 14 targets have now been identified as having potential to be sources of iron ore. (Figure 10; Table 2)

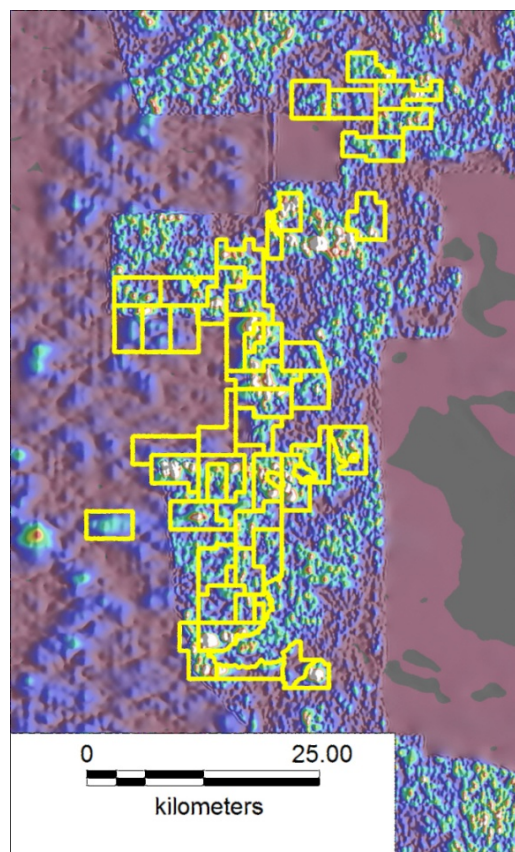


Figure 107: Paisali Project on Aeromagnetic Image

The target concept is supported by the presence in the district of a number of small known magnetite skarn deposits, some of which have been mined for iron ore.

A key advantage of skarn magnetite deposits over Australian magnetite Banded Iron Formation (BIF) is that liberation of magnetite from gangue can be expected to be achieved at a significantly coarser grain size. This would allow for greatly reduced capital and operating costs, mainly power, to produce a marketable product.

Target		Interpreted Magnetic Source Dimensions	
Target	Amplitude (nT)	Combined Length	Width
PS1	4000	1900	75
NS9	2000	600	40
NS7891011	1700	1200	50
NS23	3000	400	50
NS1413	1000	500	30
NB3	1000	200	10
NB17/18	800	400	10
NS1	2000	400	40
NS7	1500	650	50
PS47	2500	1600	50
PS3-4	1500	1000	40
KL26	3500	600	40
KL7	4000	700	40
SM1	1500	400	30

Table 2: Paisali Magnetite Target Summary

During the quarter, no significant exploration occurred at Siam Copper Project or the KT Gold Project

BACKGROUND

About Matsa:

Matsa is an ASX listed exploration and development company based in Western Australia. The Corporate office is located in Perth with offices in Norseman and Bangkok, Thailand.

Matsa aims to increase shareholder wealth through the discovery and development of mineral properties within Australia and South East Asia.

For further Information please contact:

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Executive Chairman

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Director

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Exploration results

The information in this report that relates to Exploration results, is based on information compiled by David Fielding, who is a Fellow of the Australasian Institute of Mining and Metallurgy. David Fielding is a full time employee of Matsa Resources Limited. David Fielding has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and 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. David Fielding consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1: Symons Hill Assay Ranges for Reconnaissance Soil Samples

Elements	No Samples	Units	Detection Limit	Minimum Value	Maximum Value		Elements	No Samples	Units	Detection Limit	Minimum Value	Maximum Value
Ag	247	ppm	0.01	<0.01	0.07		Na	247	%	0.01	0.01	0.43
Al	247	%	0.01	0.51	4.08		Nb	247	ppm	0.05	0.05	0.59
As	247	ppm	0.01	<0.2	24.6		Ni	247	ppm	0.2	6.9	64.6
Au	247	ppb	1	<1	20		P	247	ppm	10	20	300
B	247	ppm	10	<10	200		Pb	247	ppm	0.2	2.8	16.5
Ba	247	ppm	10	10	220		Pd	247	ppb	1	<1	2
Be	247	ppm	0.05	0.11	0.96		Pt	247	ppb	5	<5	<5
Bi	247	ppm	0.01	0.04	0.19		Rb	247	ppm	0.1	3.4	44.6
Ca	247	%	0.01	0.07	13.05		Re	247	ppm	0.001	<0.001	0.002
Cd	247	ppm	0.01	0.01	0.07		S	247	%	0.01	<0.01	0.11
Ce	247	ppm	0.02	8.5	38.7		Sb	247	ppm	0.05	0.07	0.4
Co	247	ppm	0.1	3.1	17.8		Sc	247	ppm	0.1	2.3	17.6
Cr	247	ppm	1	26	167		Se	247	ppm	0.2	<0.2	1.7
Cs	247	ppm	0.05	0.16	2.34		Sn	247	ppm	0.2	0.3	1.3
Cu	247	ppm	0.2	5.9	43.4		Sr	247	ppm	0.2	6.2	1080
Fe	247	%	0.01	1.38	8.43		Ta	247	ppm	0.01	<0.01	0.005
Ga	247	ppm	0.05	1.49	13.15		Te	247	ppm	0.01	0.01	0.15
Ge	247	ppm	0.05	<0.05	0.15		Th	247	ppm	0.2	2	10.6
Hf	247	ppm	0.02	0.04	0.44		Ti	247	%	0.005	0.02	0.255
Hg	247	ppm	0.01	<0.01	0.05		Tl	247	ppm	0.02	<0.02	0.21
In	247	ppm	0.005	0.009	0.055		U	247	ppm	0.05	0.09	3.53
K	247	%	0.01	0.06	0.76		V	247	ppm	1	31	171
La	247	ppm	0.2	4.4	18.1		W	247	ppm	0.05	<0.05	0.15
Li	247	ppm	0.1	2.6	20.5		Y	247	ppm	0.05	1.94	13.6
Mg	247	%	0.01	0.06	5.44		Zn	247	ppm	2	8	46
Mn	247	ppm	5	107	1550		Zr	247	ppm	0.5	1.4	18.7
Mo	247	ppm	0.05	0.17	1.2							

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

MATSA RESOURCES LIMITED

ABN

48 106 732 487

Quarter ended ("current quarter")

30 September 2012

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 & evaluation	(463)	(463)
(b) development	-	-
(c) production	-	-
(d) administration	(928)	(928)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) – R&D Refund	-	-
Net Operating Cash Flows	(1,375)	(1,375)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(65)	(65)
1.9 Proceeds from sale of: (a) prospects	3,500	3,500
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Security deposits paid	(423)	(423)
Net investing cash flows	3,012	3,012
1.13 Total operating and investing cash flows (carried forward)	1,637	1,637

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	1,637	1,637
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	124	124
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(16)	(16)
1.18	Dividends paid	-	-
1.19	Other - costs of capital raising	-	-
	Net financing cash flows	108	108
	Net increase (decrease) in cash held	1,745	1,745
1.20	Cash at beginning of quarter/year to date	2,121	2,121
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,866	3,866

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	469
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

On 16 August 2012 Matsa completed the sale of a 70% interest in the Mt Henry Project to Panoramic Resources Limited for a consideration of \$5 million in cash (of which \$1.5 million was received as a deposit in June 2012) and 14 million Panoramic shares. The Panoramic shares had a value of \$7.98 million on the date of settlement and constitute a non cash flow item.

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

N/A

+ 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	718
4.2	Development	-
4.3	Production	-
4.4	Administration	508
Total		1,226

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	2,866	173
5.2	Deposits at call	1,000	1,948
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		3,866	2,121

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	P63/1636	Joint Venture	100%	30%
		P63/1637	Joint Venture	100%	30%
		P63/1638	Joint Venture	100%	30%
		P63/1639	Joint Venture	100%	30%
		L63/58	Joint Venture	100%	30%
		L63/64	Joint Venture	100%	30%
		L63/65	Joint Venture	100%	30%
		M63/165	Joint Venture	100%	30%
		M63/236	Joint Venture	100%	30%

+ See chapter 19 for defined terms.

6.1	Interests in mining tenements relinquished, reduced or lapsed	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
		M63/366	Joint Venture	100%	30%
		M63/515	Joint Venture	100%	30%
		M63/516	Joint Venture	100%	30%
		P63/1389	Joint Venture	100%	30%
		P63/1391	Joint Venture	100%	30%
		P63/1392	Joint Venture	100%	30%
		P63/1393	Joint Venture	100%	30%
		P63/1394	Joint Venture	100%	30%
		P63/1395	Joint Venture	100%	30%
		P63/1396	Joint Venture	100%	30%
		P63/1397	Joint Venture	100%	30%
		P63/1398	Joint Venture	100%	30%
		P63/1399	Joint Venture	100%	30%
		P63/1400	Joint Venture	100%	30%
		P63/1401	Joint Venture	100%	30%
		P63/1402	Joint Venture	100%	30%
		P63/1403	Joint Venture	100%	30%
		P63/1404	Joint Venture	100%	30%
		P63/1405	Joint Venture	100%	30%
		P63/1406	Joint Venture	100%	30%
		P63/1407	Joint Venture	100%	30%
		P63/1408	Joint Venture	100%	30%
		P63/1409	Joint Venture	100%	30%
		P63/1410	Joint Venture	100%	30%
		P63/1411	Joint Venture	100%	30%
		P63/1412	Joint Venture	100%	30%
		P63/1413	Joint Venture	100%	30%
		P63/1415	Joint Venture	100%	30%
		P63/1416	Joint Venture	100%	30%
		P63/1417	Joint Venture	100%	30%
		P63/1418	Joint Venture	100%	30%
		P63/1419	Joint Venture	100%	30%
		P63/1420	Joint Venture	100%	30%
		P63/1421	Joint Venture	100%	30%
		P63/1422	Joint Venture	100%	30%
		P63/1423	Joint Venture	100%	30%
		P63/1424	Joint Venture	100%	30%
		P63/1425	Joint Venture	100%	30%
		P63/1426	Joint Venture	100%	30%
		P63/1427	Joint Venture	100%	30%
		P63/1428	Joint Venture	100%	30%
		P63/1454	Joint Venture	100%	30%
		P63/1455	Joint Venture	100%	30%
		P63/1456	Joint Venture	100%	30%
		P63/1457	Joint Venture	100%	30%
		P63/1458	Joint Venture	100%	30%
		P63/1459	Joint Venture	100%	30%
		P63/1460	Joint Venture	100%	30%

+ See chapter 19 for defined terms.

	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			
	P63/1461	Joint Venture	100%	30%
	P63/1462	Joint Venture	100%	30%
	P63/1463	Joint Venture	100%	30%
	P63/1464	Joint Venture	100%	30%
	P63/1465	Joint Venture	100%	30%
	P63/1466	Joint Venture	100%	30%
	P63/1467	Joint Venture	100%	30%
	P63/1562	Joint Venture	100%	30%
	P63/1563	Joint Venture	100%	30%
	P63/1564	Joint Venture	100%	30%
	P63/1565	Joint Venture	100%	30%
	P63/1566	Joint Venture	100%	30%
	P63/1567	Joint Venture	100%	30%
	P63/1568	Joint Venture	100%	30%
	P63/1569	Joint Venture	100%	30%
	P63/1570	Joint Venture	100%	30%
	P63/1572	Joint Venture	100%	30%
	P63/1573	Joint Venture	100%	30%
	P63/1574	Joint Venture	100%	30%
	P63/1581	Joint Venture	100%	30%
	P63/1640	Joint Venture	100%	30%
	P63/1661	Joint Venture	100%	30%
	P63/1673	Joint Venture	100%	30%
	P63/1674	Joint Venture	100%	30%
	P63/1675	Joint Venture	100%	30%
	P63/1751	Joint Venture	100%	30%
	P63/1752	Joint Venture	100%	30%
	P63/1753	Joint Venture	100%	30%
	P63/1754	Joint Venture	100%	30%
	P63/1755	Joint Venture	100%	30%
	P63/1805	Joint Venture	100%	30%
	P63/1806	Joint Venture	100%	30%
P63/1807	Joint Venture	100%	30%	
P63/1852	Joint Venture	100%	30%	
P63/1853	Joint Venture	100%	30%	

6.2	Interests in mining tenements acquired or increased			
P63/1830	Direct	0%	100%	

+ 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>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	131,640,531	131,640,531		
7.4 Changes during quarter (a) Increases through issues	468,750	468,750	26.6	26.6
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,000,000	Unlisted	<i>Exercise price</i> \$0.273	<i>Expiry date</i> 26 November 2012
	1,200,000	Unlisted	\$0.273	31 December 2012
	2,050,000	Unlisted	\$0.40	31 August 2013
	4,250,000	Unlisted	\$0.45	30 November 2013
	781,250	Unlisted	\$0.266	13 January 2014
	350,000	Unlisted	\$0.31	12 August 2014
	900,000	Unlisted	\$0.40	12 September 2015
7.8 Issued during quarter	900,000	Unlisted	\$0.40	12 September 2015
7.9 Exercised during quarter	468,750	Unlisted	\$0.266	13 January 2014
7.10 Expired during quarter	9,000,000	Unlisted		
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

+ 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 give a true and fair view of the matters disclosed.

Sign here: 

(Company secretary)

Date: 30 October 2012

Print name: Andrew Chapman

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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