



ASX RELEASE

**QUARTERLY REPORT – Period ending December 2012**

# Highlights

## Durkin copper/nickel prospect (SA)

- Four strong conductive targets coincident with gravity anomalies identified within the Durkin target zone.
- Three additional strong conductors coincident with gravity anomalies located to the north and east of the current target zone.
- Infill rock chip sampling completed during the quarter over areas of outcrop returned assay results for copper ranging up to 2050 ppm. Multiple sites with assays greater than 1000 ppm Cu and significant levels of Ni up to 730ppm.
- Drill target modelling and target selection underway.
- Drilling contractor appointed.

## Central Gawler Craton - Indooroopilly and Aurora Tank gold projects (SA)

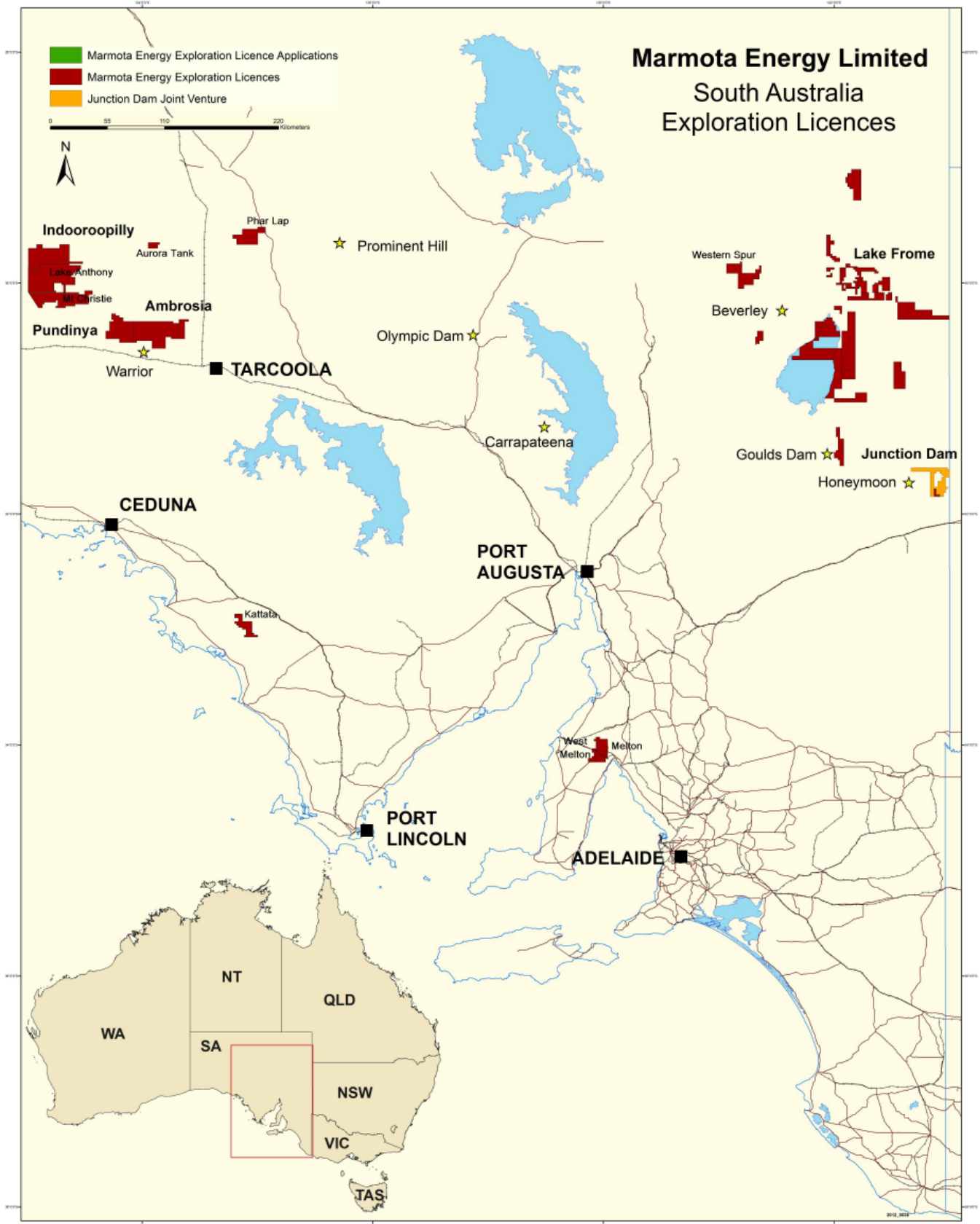
- Heritage surveys with Traditional Owners successfully completed.
- All key target areas for drilling successfully cleared and form part of Marmota's larger Gawler Craton drilling program.

## Melton copper-gold project (SA)

- 3.8 km long coincident copper/gold-in-calcrete and magnetic anomalies on West Melton.
- Anomalous copper-in-calcrete also defined along the Pine Point Fault immediately north of Rex Minerals White Cliffs target area.
- Landholder consultation completed for auger drilling planned to commence end of January 2013.

## Western Spur iron project (SA)

- Traditional Owner heritage clearance surveys successfully completed over key iron outcrop zone paving the way for drill testing.



Marmota Energy project location map

# Review of Operations

## Durkin copper/nickel prospect

(Marmota Energy Limited (ASX: MEU) 100%)

### Airborne Electromagnetic (AEM) results

During the Quarter, the Company announced that it had received final data from a high resolution airborne electromagnetic (AEM) survey covering the Durkin prospect. Seven very strong conductors have been mapped in later time channel results returned from the survey (Ch 15-29), three of which are considered to be large scale. First pass emphasis was placed on the selection of anomalous features within the later channels as these provide response from features at depth, and complement gravity and magnetic anomalies. These are shown in Figure 1, which is plotted from the late conductivity channel 25 within the Z (vertical) orientation of the receiver coil.

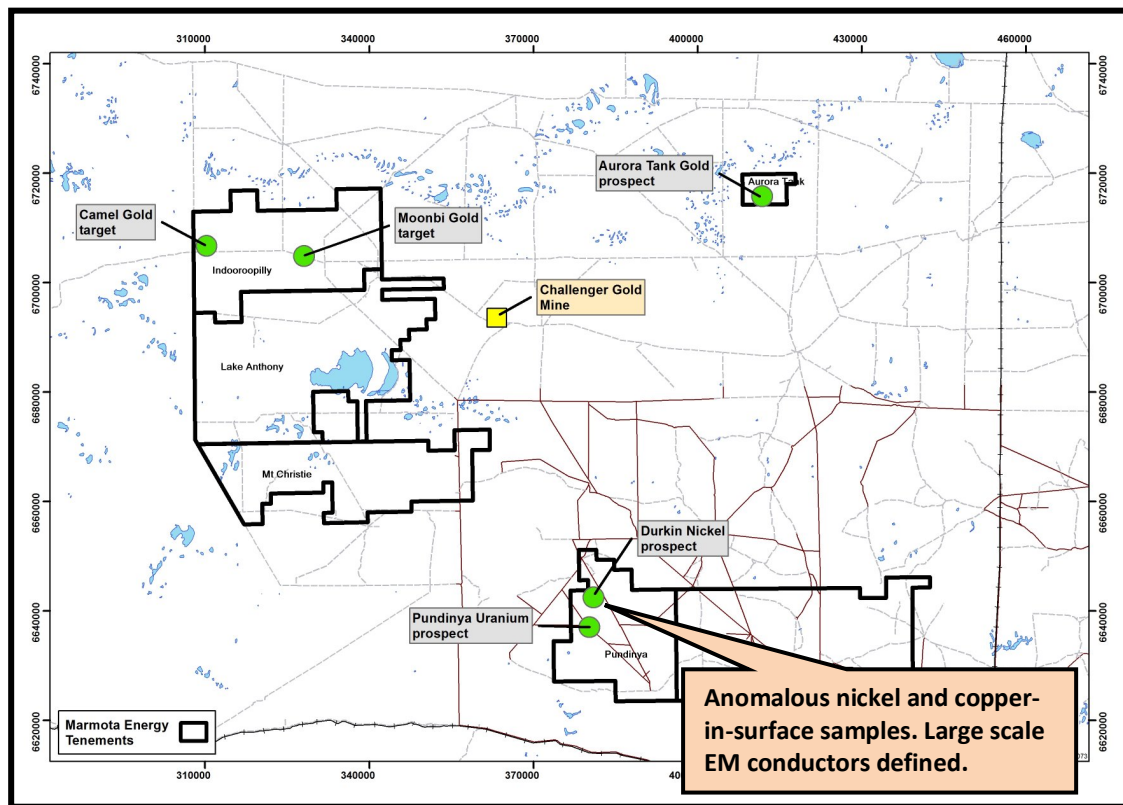


Figure 1: Durkin copper/nickel prospect location.

The largest conductive feature (conductor 3, on Figure 2) is greater than 2.5 kilometres in length. From a first pass assessment, the conductors are coincident with gravity anomalies mapped from surveys completed in early November and appear to be steeply dipping to the east. Several strong conductors have also been mapped to the east and north of the current target zone. The three best conductors lie within the Durkin target zone that hosts a large Cu and Ni-calcrete anomaly and outcrop zone. These conductors are also coincident with strong gravity anomalies as shown in Figure 3.

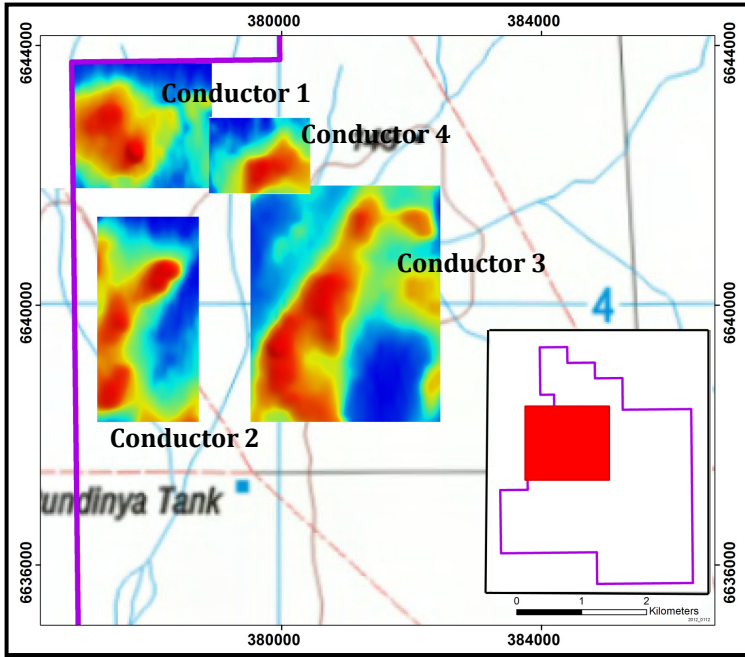


Figure 2: Durkin area Ch25 Z field conductivity anomalies within the Durkin target zone. High conductivity signified by the yellow to red colours.

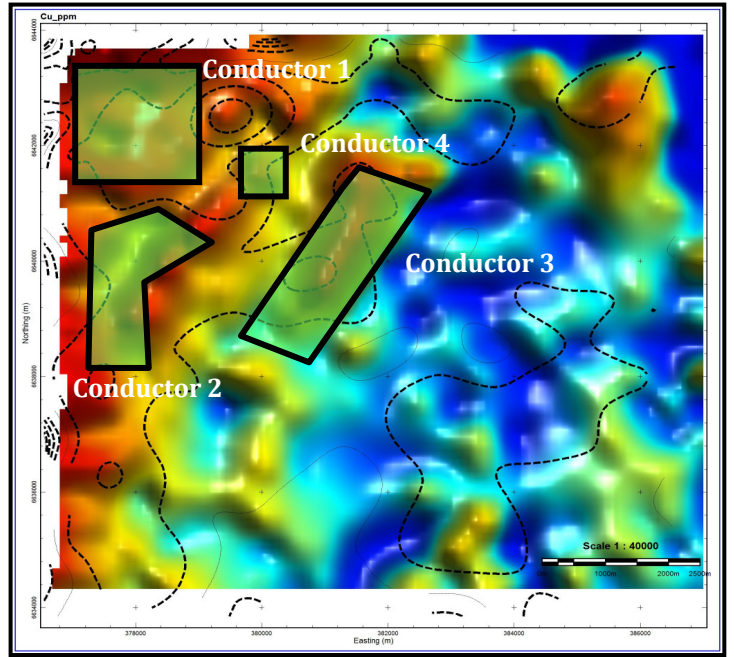


Figure 3: Durkin area gravity anomaly image with outline of copper in calcrete anomaly overlain (black dashed line). Gravity high associated with rocks of higher density denoted by red colour. First pass conductor locations shown by green shaded shapes.

Conductive responses were also encountered in key areas from shallow early time results. These earlier time responses correspond to zones containing previously announced copper and nickel assay results. A conductive response can be seen from early time channels that persist into later time channel responses. This reinforces the shallow nature of potential mineralisation at Durkin and has facilitated a first pass selection of targets.

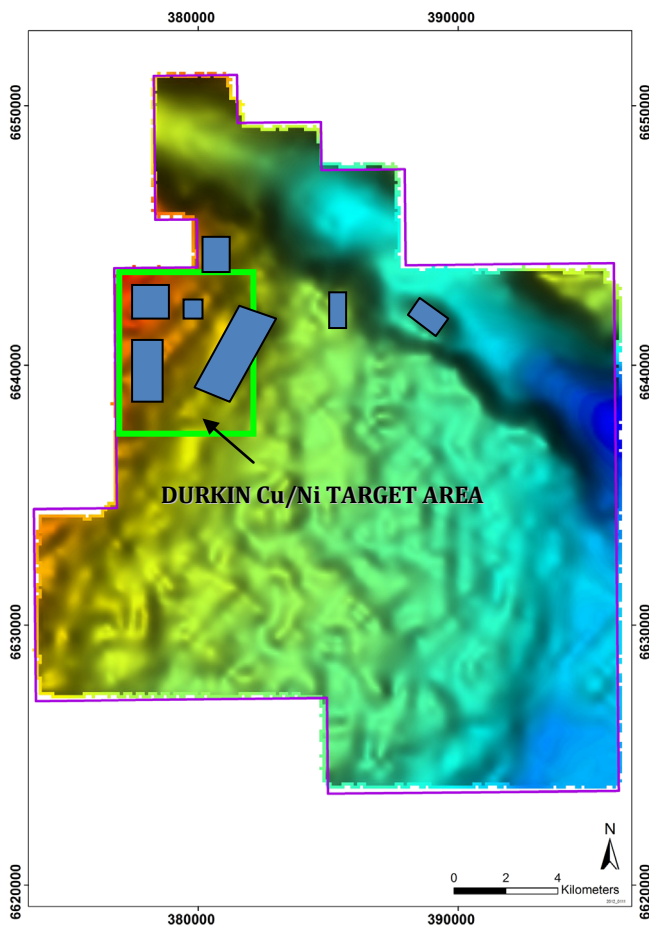


Figure 4: Bouguer gravity anomaly map for Pundinya tenement with Durkin prospect area defined by green box. Location of AEM conductors from first pass assessment displayed as blue boxes. The large NW-SE trending feature along the northern edge of the tenements is the Mulgathing trough.

AEM survey and ground gravity results are being modelled to provide vital information relating to the potential depth extent and shape of conductive features which may represent mineralised bodies such as sulphides. Ground magnetic surveys were completed in the target zone which in conjunction with AEM and ground gravity data will greatly enhance understanding of the conductors. Combining the gravity data with surface geochemistry and conductivity data over the target area will significantly improve drill targeting.

**Gravity survey results**

High resolution ground gravity survey data was acquired during the Quarter over the tenement with a 500x500 metre fixed grid gravity station network across the Durkin Cu/Ni prospect. The survey results define a large gravity high coincident with the copper and nickel-in-calcrete anomaly (Figure 6). The gravity data will assist in mapping potential host intrusions and the sulphide bodies that usually have much higher densities (defined by red coloured zones in Figures 2 and 3) than those of the surrounding rocks. The resulting gravity anomalies will also be useful in defining the subsurface geometries of these bodies.

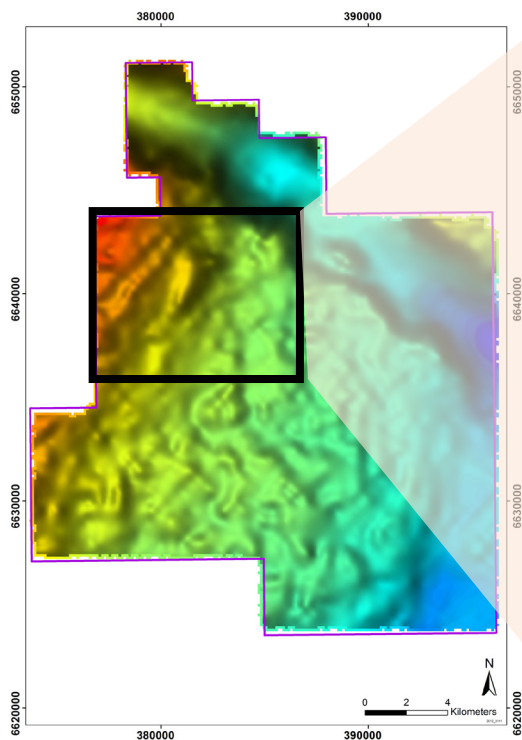


Figure 5: New Bouguer gravity anomaly map for Pundinya tenement with Durkin prospect area defined by black box.

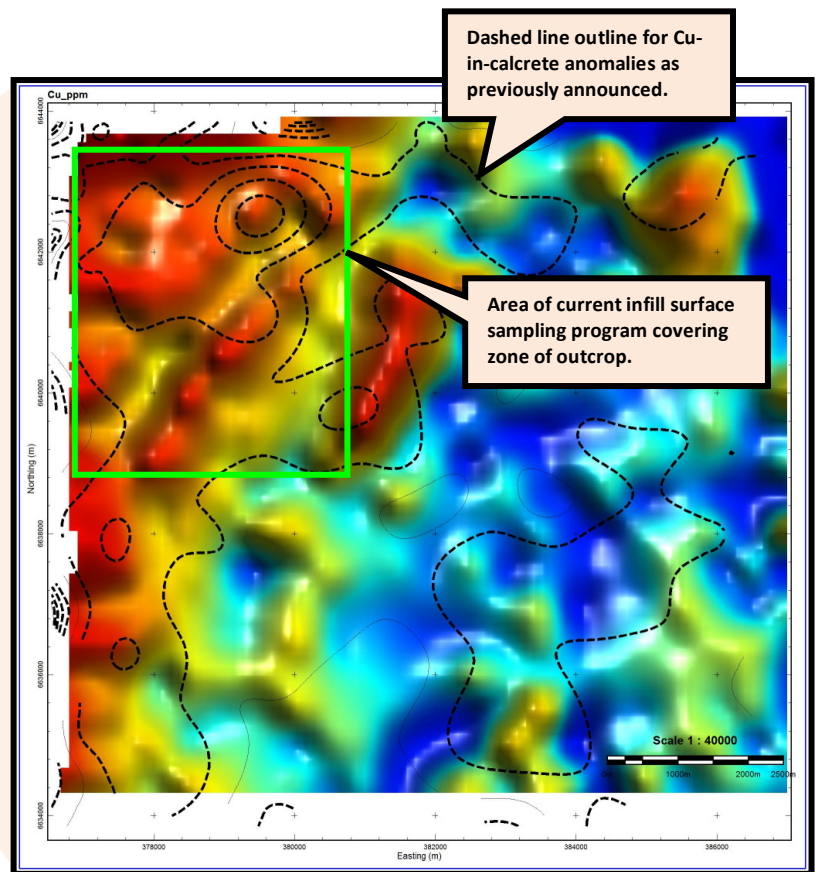


Figure 6: Durkin area new 1VD gravity image with outline of copper in calcrete anomaly overlain. High priority target area where infill calcrete sampling is underway highlighted by green box. Gravity high associated with rocks of higher density denoted by red colour.

**Surface geochemical results**

During the Quarter, the Company announced it has received rock chip sample assay results from outcrop samples from the Durkin copper/nickel prospect.

Results are from several rock outcrop sites within the main target zone that extends for approximately 1.2 km. This zone lies within a larger copper and nickel-in-calcrete anomaly previously defined that extends for more than 5km (Figure 6).

The maximum copper grade of 2050 ppm (0.2%) corresponds to sample that was submitted for assay that included the sample of bornite displayed in ASX announcement dated 21 September 2012. Multiple sites returned assay results greater than 1000 ppm Cu, significantly higher than previous reported maximum from Niton spot readings. These results are very encouraging and continue to reinforce the mineral potential of the prospect (Table 1).

These results along with previously announced calcrete sample assays continue to strongly support the potential for copper/nickel mineralisation at Durkin. Assay results from rock chip samples also include grades for nickel of up to 730ppm, significantly higher than the previously reported maximum nickel-in-calcrete and Niton readings. Associated vectoring elements chromium and cobalt also returned maximum grades of up to 3931ppm and 71.2ppm respectively. The continued association of copper, nickel, cobalt and chromium is considered critical and a positive sign for the project as they are all very common in Cu/Ni projects.

Rock chip and calcrete sampling results will be used to develop a detailed geochemical anomaly map specific to the current target zone. This will be combined with the geophysical datasets to target priority areas for drill testing.

Table1: Table of results from rock-chip samples.

Easting	Northing	Zone	Ag (ppm)	Al (ppm)	Co (ppm)	Cr (ppm)	Cu (ppm)	Fe (%)	Mn (ppm)	Mo (ppm)	Ni (ppm)	Pd (ppb)	Ti (ppm)	V (ppm)	Zn (ppm)
378880	6642662	53	X	15291	<b>39.1</b>	<b>3931</b>	57.4	36.69	231	0.2	<b>360.8</b>	X	471	86	294
378880	6642662	53	X	7876	<b>44.1</b>	<b>2194</b>	47.1	30.12	189	0.1	<b>367.9</b>	X	279	61	281
378833	6643454	53	X	20239	3.6	<b>934</b>	103.3	33.09	68	1	32.3	24	276	400	22
378508	6642331	53	0.43	11975	10.3	493	<b>2050</b>	37.83	48	16.4	32	13	291	72	89
378157	6643783	53	X	29169	1.7	294	115.4	24.98	48	0.5	8.3	X	56	85	14
378157	6643783	53	X	11328	1.3	200	85.3	25.8	39	0.4	5.4	X	387	230	11
377986	6642026	53	0.18	3877	<b>65.2</b>	135	<b>1924</b>	20.59	101	1.8	19	X	169	53	388
377980	6641965	53	0.16	8444	69	123	<b>1913</b>	28.29	80	2	65	X	120	27	518
378490	6642282	53	X	5553	14.9	110	48.4	29.51	69	0.3	<b>326.2</b>	X	188	30	205
378498	6642295	53	X	10153	11.6	105	60.7	35.54	57	0.5	<b>145.3</b>	X	254	32	196
378508	6642331	53	0.09	9784	<b>57.7</b>	77	775	35.33	138	2.9	96	X	208	17	561
378518	6642352	53	X	6173	8.2	77	29.8	30.01	61	0.5	83.6	17	151	24	89
378518	6642352	53	X	4560	7.7	68	21.2	28.52	54	0.4	59.9	13	108	15	93
378518	6642352	53	X	3826	6.1	58	18.8	30.21	74	0.3	42.9	10	155	11	39
378092	6642427	53	0.12	8376	18.3	53	<b>1043</b>	44.57	180	4.4	14	X	148	26	63
378064	6642435	53	0.13	11121	<b>71.2</b>	52	<b>1107</b>	38.73	169	3.9	33	12	394	71	675
377500	6641350	53	X	8765	<b>45.0</b>	41	105	38.31	510	X	<b>730</b>	X	X	X	530
378486	6643263	53	X	8636	10.3	32	39.8	32	204	0.5	65.1	X	46	15	72
378011	6642053	53	0.15	2427	<b>54.1</b>	18	<b>1835</b>	9.76	107	1.6	14	X	208	16	110

\* All analyses were undertaken by Genalysis Laboratory Services. The samples are pulverised to 85% passing 75 microns. An aqua-regia partial digest was used with multi-element assays based on ICP-OES (inductively coupled plasma optical (atomic) emission spectrometry) and ICP-MS (inductively coupled plasma mass spectrometry) methodology as appropriate.

## Drilling Approvals

Drilling work program proposals have been submitted to the regulator for final approvals. A drilling contractor with suitable drill rig and camp capabilities has been selected.

As per the conditions of Marmota's Deed of Access, approvals are also awaited from Woomera Area authorities for drilling personnel to enter the Durkin area to undertake the proposed drilling. It is anticipated that these approvals will be received shortly.

## Central Gawler Craton - Indooroopilly and Aurora Tank gold projects

Marmota's 100% owned Indooroopilly and Aurora Tank projects are located west and east respectively of Kingsgate's Challenger Gold Mine (Figure 7), which produces 100,000oz gold annually. Large scale gold targets have been defined which Marmota considers to be a high priority for drilling.

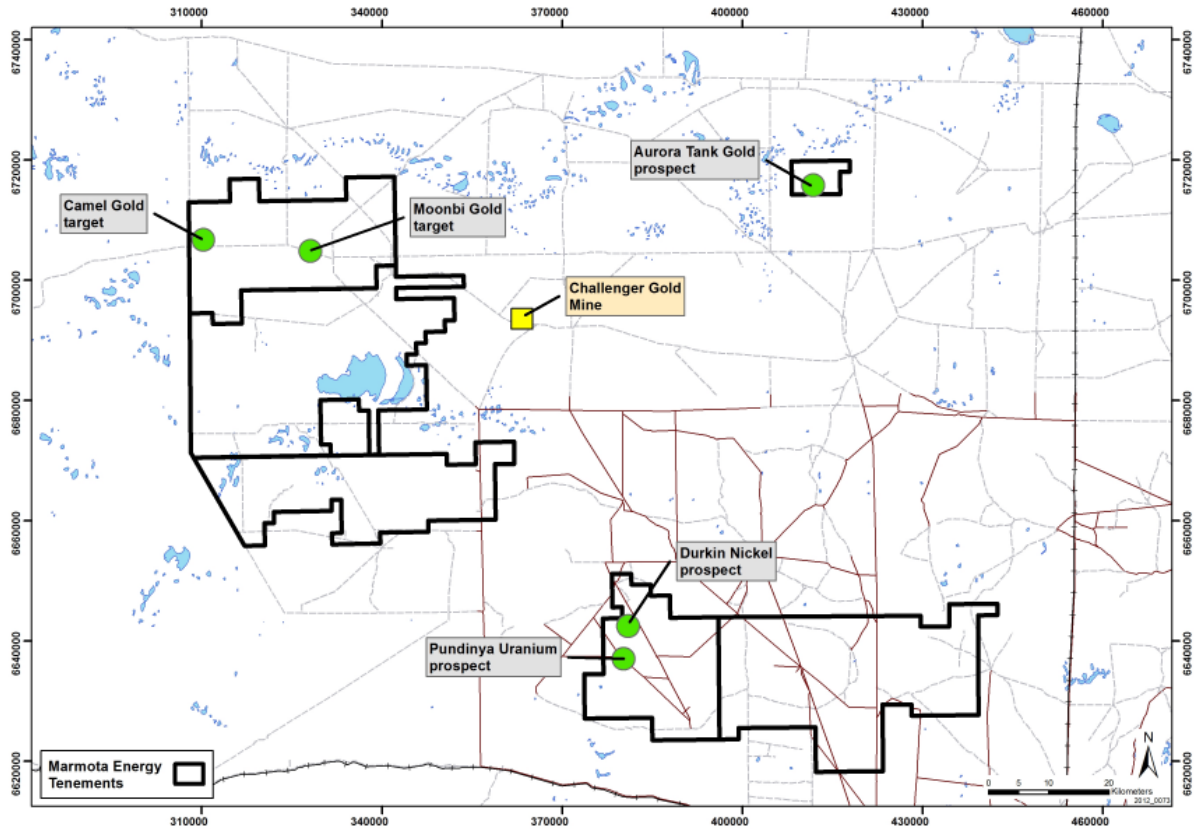


Figure 7: Indooroopilly and Aurora Tank location map

## Indooroopilly copper-gold project

Gravity data, along with magnetic data have been used to define four areas of potential mineralisation with the two highest ranked targets considered by the Company ready to drill. The Moonbi gold target is a magnetic high with coincident gold and copper-in-calcrete anomalies over a large area covering 5.5km x 4.5km. This target is open to the south and east, for which Marmota was awarded collaborative South Australian government PACE funding for drilling. As with the Challenger gold resource the Moonbi target lies on the edge of a regional-scale gravity high, as do the majority of significant Archaean age lode gold sites in the region.

Targets are planned to be drill tested utilising low cost, shallow Reverse Circulation (RC) drilling.

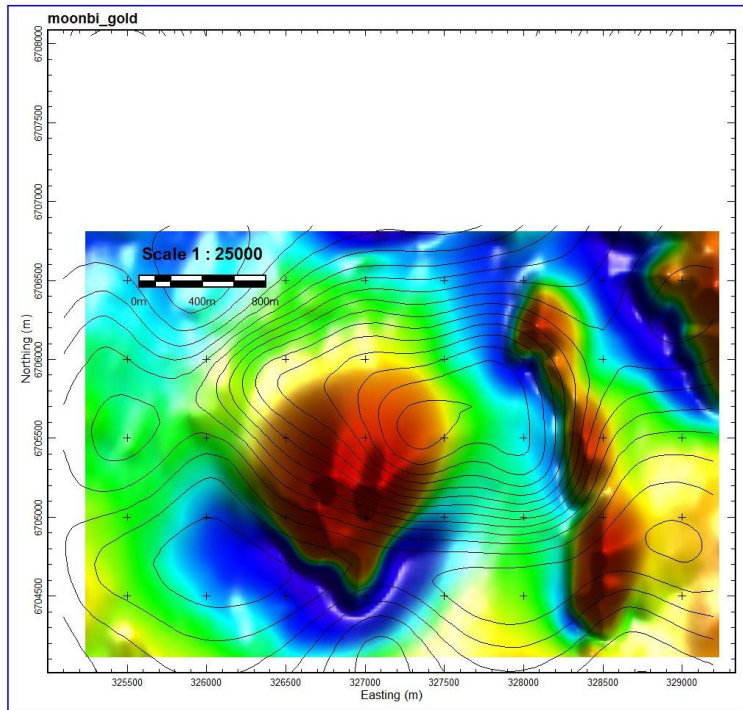


Figure 8: Moonbi target, gold in geochem contours over magnetic image.

### SA Government collaborative funding awarded to support drilling at Indooroopilly

The project is recognised by both Marmota and SA's Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) as having high mineralisation potential and an allocation of \$65,000 in funding has been awarded.

### Aurora Tank gold project

The Aurora Tank project is located 50km northeast of the Challenger Gold Mine within the northern Gawler Craton (Figure 7). Exploration completed on the tenement has identified targets with potential for Challenger style gold mineralisation.

Announced previously, a total of 1473 calcrete samples over the project have been used to identify key zones of anomalous gold. Detailed aeromagnetic survey data over the project have defined a discrete magnetic anomaly (Figure 9). A 1700m long zone of anomalous gold in calcrete has been defined along the eastern margin of a magnetic body, that trends NE-SW, with discrete peaks of anomalous gold ranging up to 59ppb Au.

Previous drilling in the project area intersected primary Archaean gold mineralisation in both calcrete anomaly zones. Drill holes returned 4m @ 0.6g/t Au (RCAT-8) and 4m @ 1.6 g/t Au (RCAT-13). Both of these intersections were encountered on the end of drill traverses and are open for further drill testing. RC drilling is planned to continue to test the existing gold mineralisation.

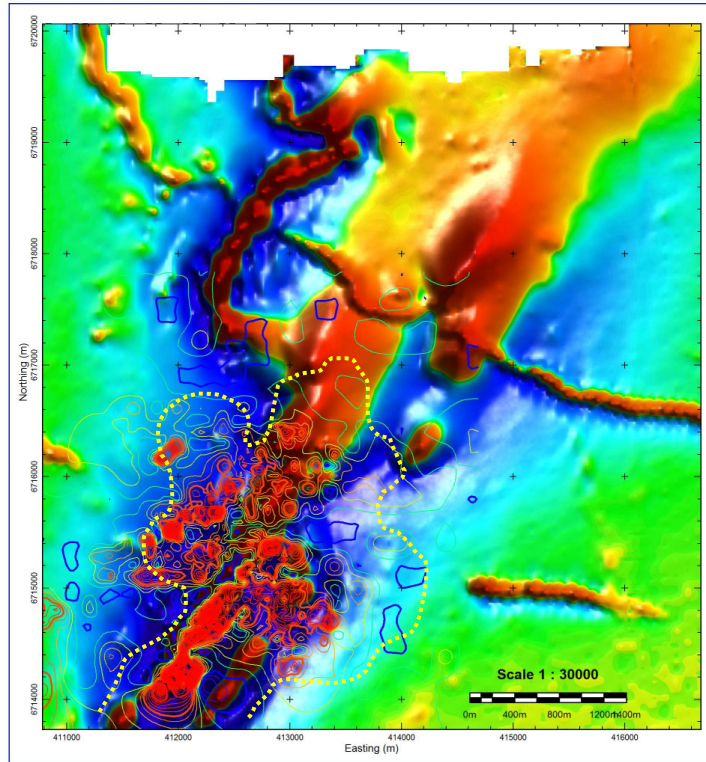


Figure 9: Aurora Tank gold target, gold in calcrete contours over magnetic image. Target area highlighted in yellow dashed line.

Drillhole	East	North	Zone	Depth	Angle	Az(mag)	from (m)	to (m)	Au g/t
RCAT-8	412200	6714200	53	150	-60	310	104	108	0.68
RCAT-13	411950	6715500	53	150	-60	310	120	124	1.6

Table 2: Aurora Tank previous drilling with gold intercepts

### Heritage Clearance Survey

During the Quarter heritage clearance surveys were successfully completed over key target areas on the Indooroopilly and Aurora Tank gold projects in preparation for drill testing. The survey was completed with members of the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation over four of Marmota’s tenements located in the Gawler Craton. The completion of the heritage clearances facilitates a larger drilling program to be carried out across the Durkin Cu-Ni, Indooroopilly Au, and Aurora Tank Au projects.

## West Melton copper project – Paskeville region sampling results

(Marmota Energy Limited (ASX: MEU) 100%)

The 2012 calcrete sampling program identified large scale copper-in-calcrete anomalism over a large area located on the West Melton Tenement. The copper anomaly in area A is coincident with a large scale geophysical anomaly (Figure 10b) which extends for approximately 6 km across into the adjoining Melton JV with Monax Mining limited (ASX: MOX).

Figure 10a: Melton projects location.

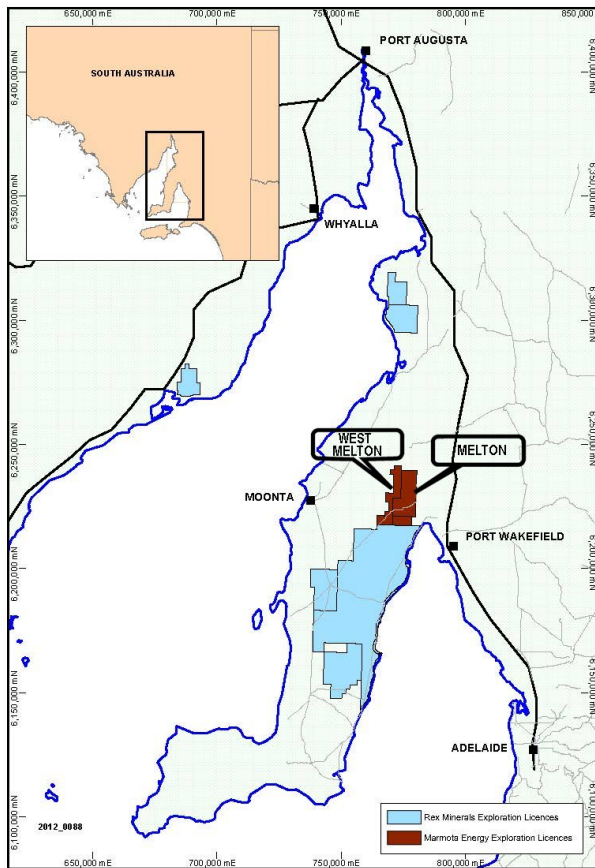
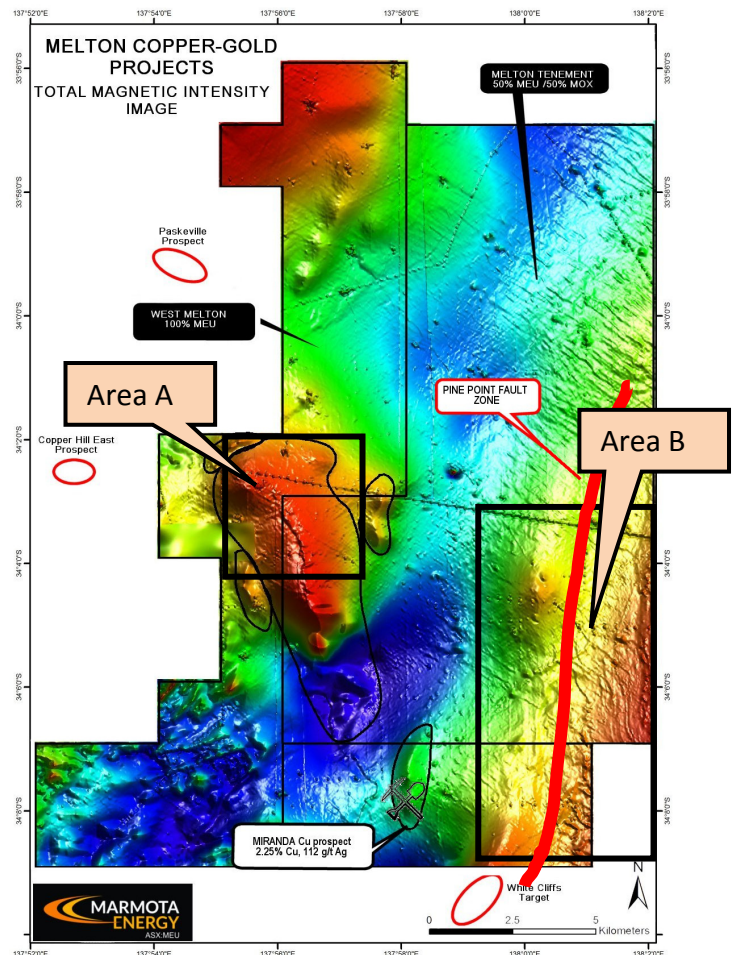


Figure 10b: Melton projects total magnetic intensity image with calcrete sampling areas shown.



The calcrete sampling program over Area A was designed to identify areas of potential copper-gold mineralisation located below surface cover on the West Melton project. Area A is to the east of the recently announced nearby Adelaide Resources Paskeville and Copper Hill East copper-gold discoveries. In Area A, anomalous copper-in-calcrete values similar to those achieved at Copper Hill East were returned from assay along with anomalous gold results.

Results from sampling indicate a broad copper anomaly extending for approximately 3.8 km in a north-south direction from the western edge of the West Melton tenement boundary and across onto the adjoining Melton tenement (50% Marmota Energy (ASX: MEU) 50% Monax Mining Limited (ASX:MOX)).

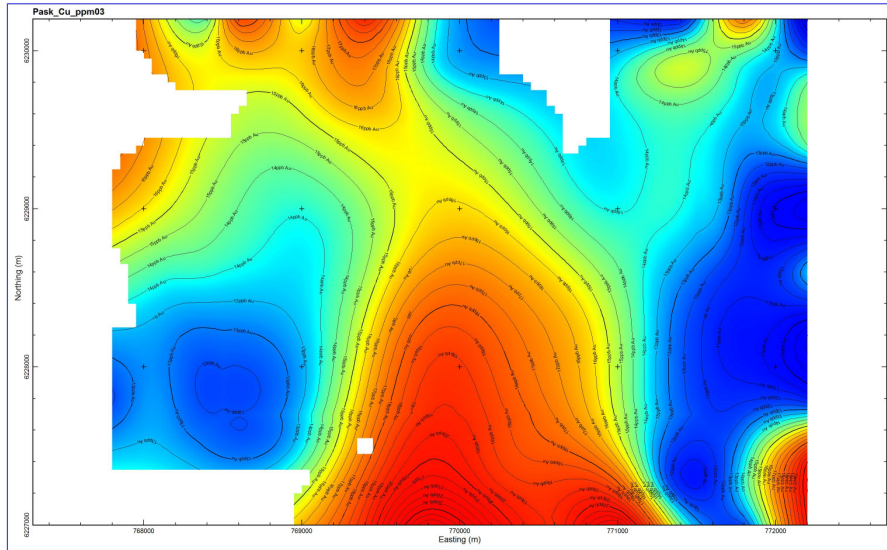


Figure 11: Cu-in-calcrete colour filled contours – West Melton target Area A.

The copper-in-calcrete anomaly (Figure 11) is coincident with a large magnetic anomaly detected in airborne magnetic surveys. A number of other target vectoring elements also returned anomalous assay results. Elevated potassium-in-calcrete results coincident with the magnetic and copper anomalies are potential indicators of potassic alteration, which is a key targeting tool in the definition of Rex's nearby Hillside copper deposit located to the south.

Zones of anomalous gold-in-calcrete are also defined in Area A coincident with the large copper anomaly. These zones also have anomalous arsenic and antimony trace element geochemistry, considered to be pathfinder elements in gold exploration as these elements are often associated with many types of gold deposits.

## Melton copper project – Kulpara region sampling results

(Marmota 50% under Melton JV Agreement with Monax)

Calcrete sampling was also conducted over the Kulpara region during 2012 along the eastern side of the Pine Point fault zone which also hosts the Hillside copper deposit. Sampling was completed in Area B (Figure 10b) from the southern boundary of the Melton tenement adjacent to the Rex Minerals White Cliffs target area northward along approximately 8km of the Pine Point fault zone.

Anomalous copper-in-calcrete results were also returned in Area B. Anomalous copper-in-calcrete anomalies are defined in discrete zones (Figure 12) including adjacent to Rex Minerals North-White cliffs target area along the southern boundary of the Kulpara tenement. A number of gold-in-calcrete anomalies have also been defined from sampling in Area B slightly offset from the related anomalous zones of copper.

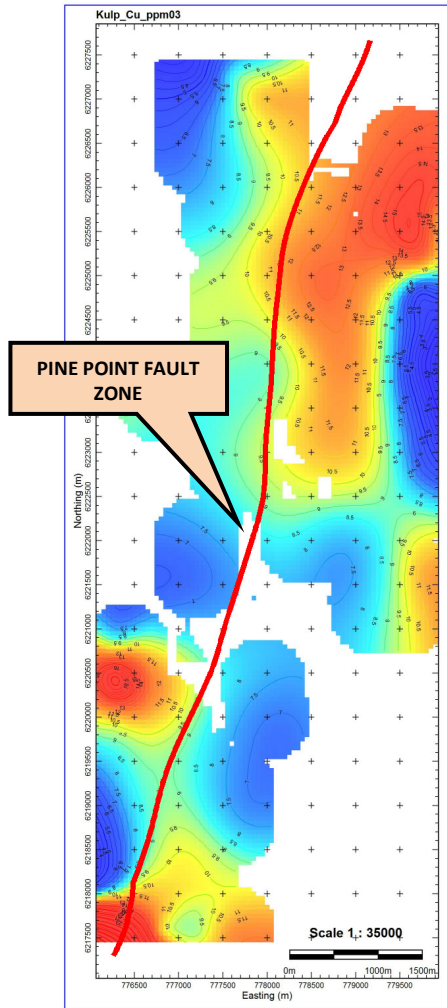


Figure 12: Cu-in-calcrete colour filled contours – Kulpara Area B

## Forward program

During the Quarter extensive landholder consultation was completed across the West Melton and Kulpara copper-gold target regions in preparation for the next phase of exploration planned for 2013.

Shallow auger drilling is planned to commence in late January 2013 focused on key zones of copper-in-calcrete anomalism in area's A and B. The auger drilling will infill the large zones of copper-in-calcrete anomalism defined from the 2012 program. This process will enable the best target zones to be identified for potential shallow aircore drill testing.

## Western Spur Iron Ore Project (SA)

(Marmota Energy Limited (ASX: MEU) 100%)

During the Quarter, the Company successfully completed Traditional Owner heritage clearance over the iron outcrop zone located on the Western Spur iron project in South Australia. The zone of hematite iron outcrop lies approximately 13 kilometres from the Moomba gas field arterial road (Figure 13).

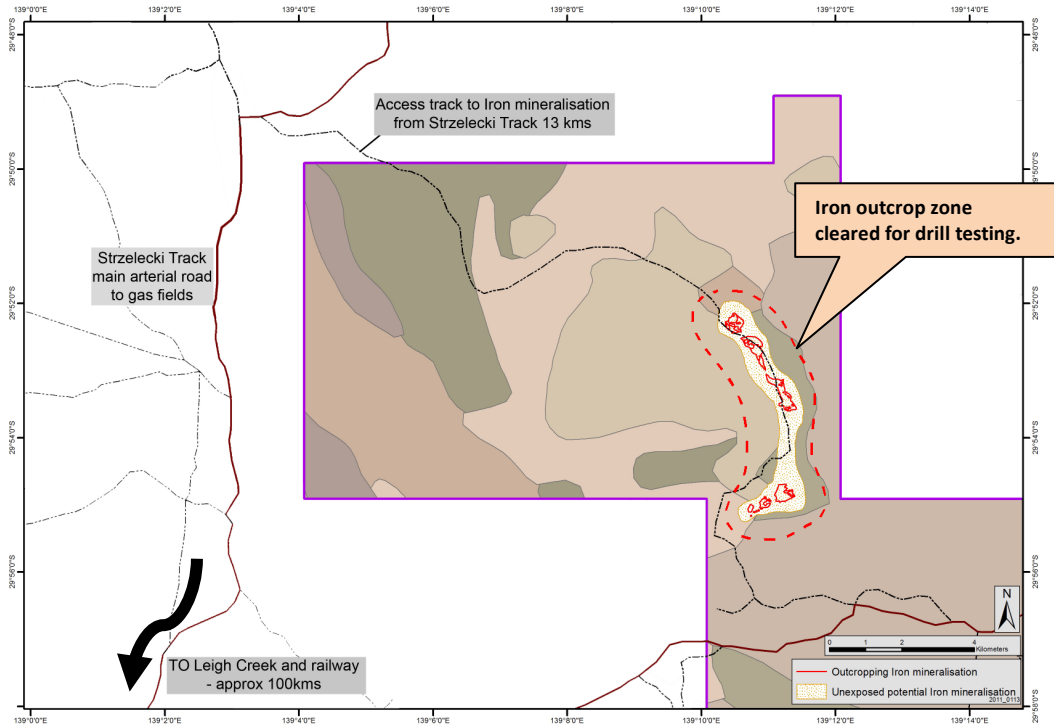


Figure 13: Location of Marmota sampled iron outcrops at Western Spur with potential contiguous 8km zone of unexposed iron mineralisation highlighted by red dashed line.

Since the discovery by Marmota of a number of large-scale iron outcrops on the project in 2011, the Company has completed consecutive sampling programs. Assays of samples produced grades ranging up to **58.9% Fe**, and **28.07% Mn**. Surface sampling was conducted by Marmota over outcrops and one mine shaft. The Company believes significant portions of Western Spur's iron mineralisation zone may remain unexposed, potentially complementing the large scale iron exposures. This is not unusual for iron projects as seen elsewhere that have substantial ore zones but with only limited surface outcrop.

The heritage clearance paves the way for drill testing of the iron exposures at Western Spur, significantly de-risking the project.

## Nevada - Angel Wing gold project (United States)

(Marmota Energy Limited (ASX: MEU) + Ramelius Resources (ASX: RMS) earning 70%)

No field work was completed over the Angel Wing JV Project during the quarter as the northern hemisphere field season drew to a close. Progress was made on preparing a program of operations for submission to the Nevada State Bureau of Land Management (BLM); for additional site works ahead of further drill testing during the 2013 field season.

As reported last quarter RC drilling to date has identified broad anomalous gold intersections of **22.86m at 1.21 g/t Au** including **1.52m at 14.15 g/t Au** and **27.43m at 0.65 g/t Au** including **6.10m at 2.09 g/t Au** and **9.14m at 2.62 g/t Au** including **4.57m at 4.98 g/t Au** (using a 0.10 g/t Au lower cut). See Figure 14. The intersections represent anomalous lateral dispersion within highly permeable Tertiary conglomerates and decalcified Triassic limestone rocks stratigraphically below the outcropping Tertiary rhyolite tuffs that conceal the Grass Hollow rhyolite intrusion.

Mineralisation remains open and follow up drill testing designed to scope the size potential of the anomalous area is proposed in the first half of 2013.

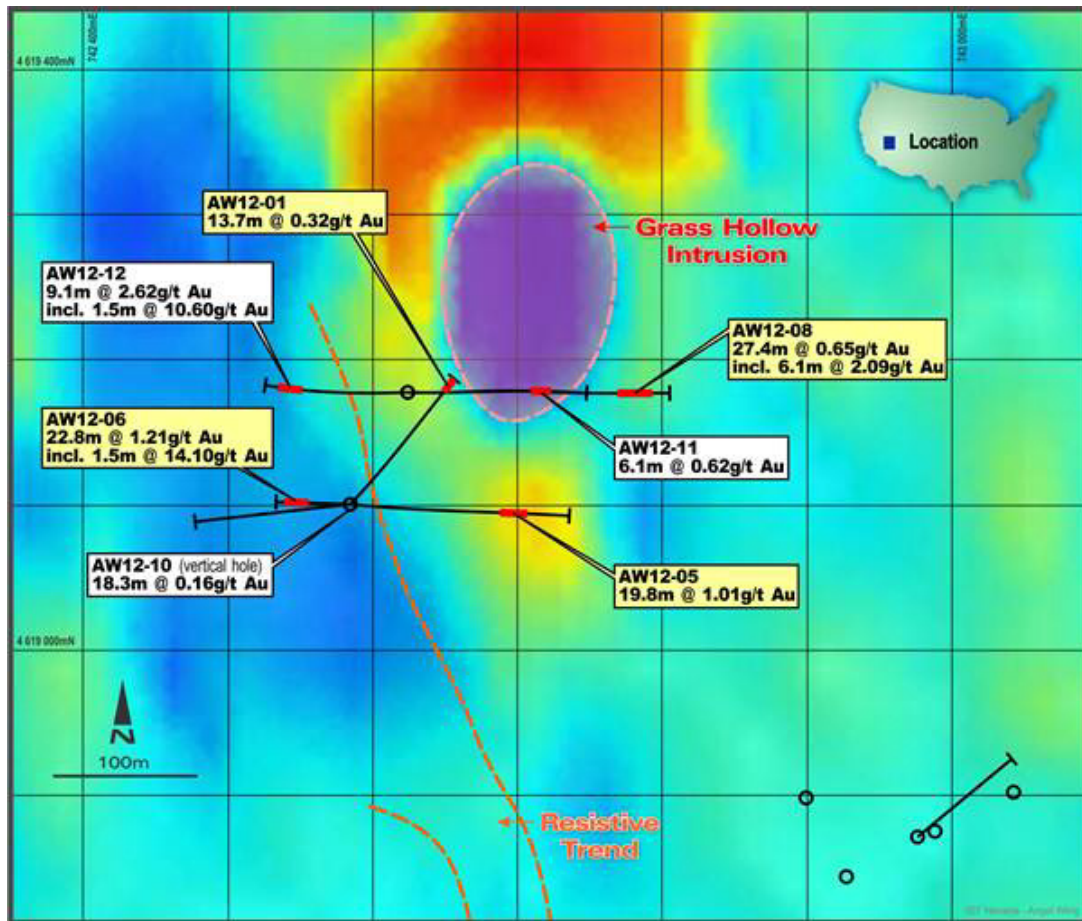


Figure 14: Plan view showing the spatial extent of anomalous drilling proximal to the Grass Hollow intrusion, over image of RTP 1VD ground magnetic data

## Indicative forward program

At Durkin four large scale conductors identified from AEM surveys completed last quarter are considered to be a high priority for drill testing. Data from high resolution ground geophysics and airborne electromagnetic surveys are being modeled. A suitable drilling contractor has been appointed to undertake RC drill testing of copper-nickel targets at Durkin. The same contractor will be utilised to undertake drill testing of gold targets at the nearby Indooroopilly and Aurora Tank projects to the north of the Durkin prospect.

Further infill calcrite sampling programs over the West Melton project on the Yorke Peninsula are planned to commence in late January 2013. The data will be modelled for target assessment and drill testing.

Discussions also continue with a number of parties relating to partnering opportunities for its key projects across the copper, iron ore and uranium spaces.

Timing	Project	Project
Q3 -Q4 2012	Durkin Cu/Ni project	<ul style="list-style-type: none"> <li>• Surface sampling program</li> <li>• Ground gravity survey</li> <li>• Airborne EM survey</li> <li>• EWA submitted for drilling</li> </ul>
Q1 2013	Melton / West Melton	<ul style="list-style-type: none"> <li>• Infill sampling programs over key target areas</li> </ul>
	Durkin Cu/Ni project	<ul style="list-style-type: none"> <li>• Modelling of AEM data and drill target finalisation</li> <li>• Final approvals from authorities to drill</li> <li>• RC drill program</li> </ul>
Q1-Q2 2013	Indooroopilly gold project	<ul style="list-style-type: none"> <li>• RC drilling of PACE co-funded gold targets</li> </ul>
	Aurora Tank gold project	<ul style="list-style-type: none"> <li>• RC drilling of gold targets</li> </ul>
Q2 2013	Angel Wing gold – Nevada USA	<ul style="list-style-type: none"> <li>• Drilling</li> </ul>



**Mr Dom Calandro**  
MANAGING DIRECTOR

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D J Calandro, who is a Member of the Australian Institute of Geoscientists. Mr Calandro is employed full time by the Company as Managing Director and, has the relevant experience in the style of mineralisation and type of deposit under consideration and qualifies 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 Calandro consents to the inclusion of the information in this report 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

Marmota Energy Limited

ABN

38 119 270 816

Quarter ended ("current quarter")

31 December 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		-
1.2 Payments for (a) exploration & evaluation	(757)	(1,593)
(b) development	-	-
(c) production	-	-
(d) administration	(385)	(590)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	42
1.5 Interest and other costs of finance paid	(7)	(7)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
GST	10	26
Other	-	-
<b>Net Operating Cash Flows</b>	<b>(1,119)</b>	<b>(2,122)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments	-	-
(c) other fixed assets	-	(10)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(5)	(6)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(5)</b>	<b>(16)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,124)</b>	<b>(2,138)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,124)	(2,138)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	3,033
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) - Costs associated with issues of shares	(164)	(166)
	<b>Net financing cash flows</b>	(164)	2,867
	<b>Net increase (decrease) in cash held</b>	(1,288)	729
1.20	Cash at beginning of quarter/year to date	4,256	2,239
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,968	2,968

**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	406
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation), legal fees paid to a legal firm in which a director is a partner, exploration costs reimbursed to a director related entity and payments to a related party for shared facilities and staff.

The amount at 1.24 above represents costs to be recovered in relation to shared facilities, from a related entity.

**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

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+ See chapter 19 for defined terms.

- 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

\$nil contributed by Monax Mining Limited for exploration under joint venture agreement, for all minerals on EL 4000 and EL 3911.

US\$221,304 contributed by Ramelius Nevada LLC for exploration on Angel Wing projects in Nevada.

### 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>550</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	418	2,956
5.2 Deposits at call	2,550	1,300
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,968</b>	<b>4,256</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**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	ELA 2012/00135 EL 3907	Sold Expired	100% 100%	0% 0%
6.2	Interests in mining tenements acquired or increased	EL 5123 (subsequent licence application ELA 2012/00128 for EL 3909)	Granted	100%	100%
	EL 5122 (subsequent licence application ELA 2012/00109 for EL 3910)	Granted	100%	100%	
	EL 5124 (subsequent licence application ELA 2012/00007 for EL 3911)	Granted	100%	100%	
	EL 5060 (formerly ELA 2012/00007)	Granted	100%	100%	
	EL 4484 (NSW)	Granted	100%	100%	
	ELA 2012/00338	Application	0%	100%	

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+ 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>	228,249,235	228,249,235		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	75,000	75,000	\$0.036	
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>	250,000 325,000 125,000 250,000 175,000	- - - - -	<i>Exercise price</i> \$0.040 \$0.1016 \$0.083 \$0.086 \$0.036	<i>Expiry date</i> 23/12/13 05/03/15 21/12/15 29/07/16 24/07/17
7.8 Issued during quarter				
7.9 Exercised during quarter	75,000	-	\$0.036	
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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7.12	<b>Unsecured notes</b> (totals only)		
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## 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: .....  
(~~Director~~/Company secretary)

Date: 31/01/2013

Print name: Virginia Suttell.....

## 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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+ See chapter 19 for defined terms.