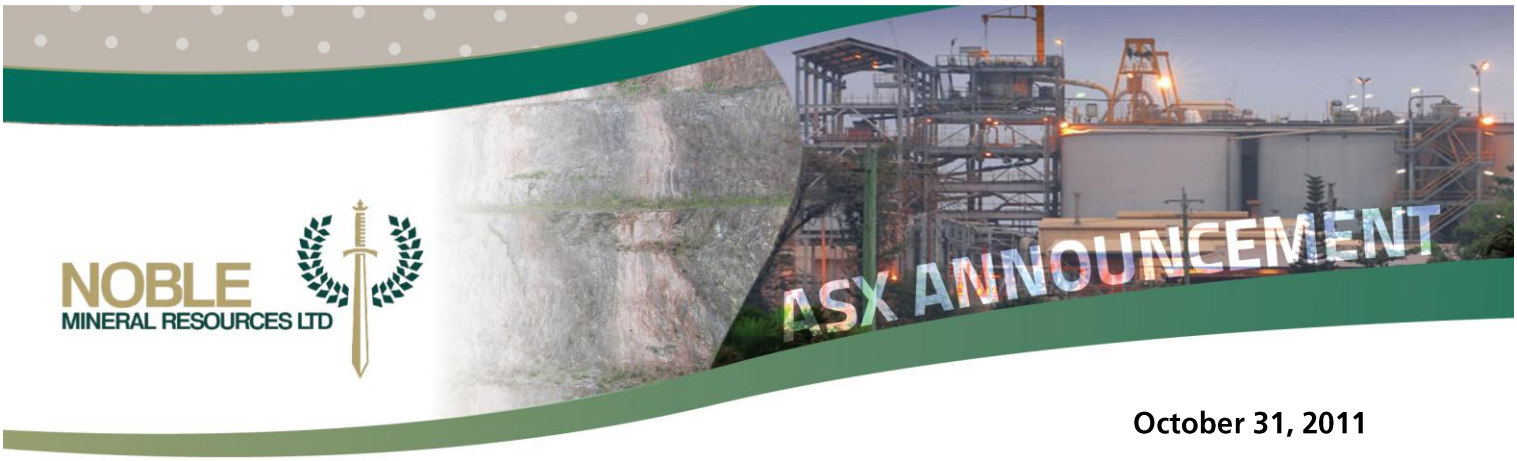

October 31, 2011

September Quarter Activities Report

Significant progress in September Quarter leaves Noble set for production at Bibiani

Highlights

- **Countdown to first production at Bibiani with refurbishment of 3Mtpa mill nearing completion**
- **Outstanding drilling results generated along corridor of satellite deposits**
- **Technical team at Bibiani boosted with appointment of Mark Laing as Principal Mining Engineer**
- **$34m share placement to complete transition to 150,000ozpa producer**
- **Noble options expired 21st July 2011 with 99.05% converted into ordinary shares**
- **Mosquito reduction trial sponsored by Noble rated a huge success with 100% larval mortality within first 24 hours and high residual effect of at least 3 weeks.**

Noble Mineral Resources (ASX: NMG) is pleased to report that a successful September Quarter at its Bibiani Gold Project in Ghana has put the Company on the cusp of production and cash flow.

As a result of the substantial progress made with refurbishing the 3Mtpa plant at Bibiani, commissioning is scheduled to take place in the December Quarter, with production ramping up to 150,000ozpa in 2012.

Subsequent to the end of the September Quarter, Noble completed a $34 million share placement at 55c a share.

Plant Refurbishment

Refurbishment of the 3Mtpa processing plant at Bibiani is nearing completion, with the remaining works progressing satisfactorily after implementing a 24/7 working schedule where it was deemed safe and productive.

The works at the crusher site are well on schedule with only the top crusher floor and feed bin yet to be finished. Mechanical re-assembly and refurbishment of the crusher is proceeding satisfactorily after replacing the initial civils contractor.


Crusher Base Floor

Casting of support platforms for the mill discharge screens and pumps is complete. Once the concrete works in the bund area are finished, the screen and sump support steelwork will be erected.


Mill Discharge Pump Civil Works

The mill discharge sump has been fabricated and is awaiting space in the rubber lining shop. The ball mill sandblasting and rubber lining has commenced and the delivery of liners is expected shortly. Fabrication of the circulating load conveyors is progressing well.

The thickener bridge has been levelled, resulting in much better and more even clearance of the rakes and thickener base. The underflow pumps are being refurbished.

Civil works for the trash screen area are complete. The support steel has been fabricated and is in the shot blasting and painting shop.


Trash Screen Civil Works Completed

At the CIL plant, repairs to the tanks are now complete, with only shot blasting and painting to be done. Levelling of the OH crane rails is in progress and the agitators have been refurbished and replaced.


CIL Tank Agitators

In the elution area, refurbishment of all plant elements is in progress. Drawings for the new kiln structure have been received and civil detailing is in progress. All electrical equipment has been received and installation is progressing satisfactorily.

All control and instrumentation equipment has been procured. At the time of writing, SCADA programming was complete and Final Acceptance and Testing (FAT) was planned for late October, with installation proceeding immediately after. The Control Room building is complete and in place.


Control Room Building

Civil works for the cyanide area have commenced. All other service areas (water, LPG, compressed air, oxygen) are progressing well.

Plant commission is scheduled for the December Quarter. This will utilise tailings levee material as commissioning feed whilst the satellite pits are prepared for mining.

Bibiani Technical Team

Noble boosted its technical team in Bibiani during the Quarter by appointing experienced resources executive Mr Mark Laing as the Principal Mining Engineer. He will play a leading role in the development and optimisation of Bibiani.

Mining

Preparations for the start of the mining were advanced significantly during the Quarter. This involved conducting a worldwide search for new and used equipment for the mining fleet. Contract discussions were initiated for mining, production blast-hole drilling and explosives supply. Additional mining personnel were recruited and trained.

The initial mining fleet required to commence mining has been purchased or in the process of purchase and is currently already at site in Bibiani or well on the way for delivery over the coming weeks. The initial fleet consists of 2 x 1250 Excavators, 1 x 600 Excavator, 1 x 400 Excavator, 1 x Water Cart, 1 x Service Truck, 12 x 100t Dump Trucks, 7 x 40t articulated Dump Trucks and ancillary equipment for earthmoving.

The first Komatsu 100t Dump Truck leaving UK to Ghana

Geotechnical investigations for pit design were completed and a final report received from SRK. Pit optimisation and design of the satellite pits (Aheman, Grasshopper and Walsh-Strauss) and north of Main pit (Big Mug) were undertaken and a review of mine infrastructure plan was completed.

Construction of a diversion road around the active mining areas to the west of the Bibiani main pit was completed and compensation was paid to farmers for planned mining areas. The diversion road is intended for public use to ensure their safety and well-being in bypassing the active mining areas.

During the December Quarter, the priorities will include:

- Completion of mobilisation of the initial mining fleet
- Commencement of mining of the historical levee tailing material
- Finalising pit designs and mine schedule
- Commencement of open pit mining
- Commencement of the lift of the existing tailings dam with mine waste as pits progress
- Finalising hydrogeological study around the satellite pit areas

Exploration

Drilling at the satellite deposits at Bibiani returned a host of outstanding results during the Quarter. The drilling results showed that there is substantial potential to increase the resource inventory further in this corridor. They also provided more evidence that the mineralisation at the adjacent Walsh-Strauss deposits may be continuous and therefore may be mined as one super pit-style operation. However, further drilling is required to establish this and it is currently ongoing.

At the time of writing, Noble is awaiting an independent report regarding the preliminary maiden resource for the Aheman pit. This process is nearing completion and the resource upgrade is due to be released upon receipt of the independent report. Noble is also working on in-house preliminary resource/reserve numbers for the satellite pits and the results will be released shortly.

Drilling results from the Walsh-Strauss area during the Quarter included:

- **2m at 47.19 g/t from 134m** (from the "gap")
- **2m at 28.68 g/t from 65m**
- **3m at 21.62 g/t from 113m**
- **1m at 21.60 g/t from 108m**
- **8m at 18.74 g/t from 91m** (including 3m at 47.4 g/t)
- **3m at 18.07 g/t from 114m** (including 1m at 51.88 g/t)
- **4m at 11.86 g/t from 148m**
- **6m at 11.34 g/t from 97m**
- **4m at 8.80 g/t from 117m**
- **5m at 8.12 g/t from 137m**
- **3m at 4.15 g/t from 82m**
- **2m at 3.69 g/t from 86m** (from the "gap")

The Walsh-Strauss system remains open at depth and the grades seen at depth are well worthy of further investigation with a view to possibly establishing underground operations. There is also potential remaining to the south towards Old Town and the near-surface portion of this will be examined concurrent to the grade control, however the bulk of the ore that can be extracted in an open pit environment has been delineated with the current resource drilling.

Some portions of the Strauss area adjacent to significant mineralisation remain to be drilled, as power lines used for the concrete batch plant working on the new crusher are still preventing access. This will be alleviated once the major portions of construction are completed and access will be returned.

Drilling to the west of the Big Mug area in the north of the main pit has indicated the presence of mineralisation and these results are being followed up. The problems with assay turn-around times have necessitated the progression of new drilling based on composite assay results as the delays receiving riffle-split intervals that can be released to the market are still at 5-6 weeks until the new near site laboratory is commissioned.

The satellite deposits will provide the initial primary ore feed to the refurbished mill. Noble has set a target of a minimum of three years production to be sourced from these satellite deposits; further exploration drilling is on-going on the remaining satellite pits.

Drilling

During the Quarter, the rigs were focused mainly on Walsh-Strauss to bring the drill spacing down to 20m x 20m and define the resource to JORC code compliance. As this came to a conclusion, the rigs moved to the South Hill area to the south of the Main Pit, where a program to extend the Main Pit model to the south was conducted.

Diamond drilling focused on geotechnical data collection at all the satellite pits. The rig then moved back to the west wall of the Main pit and continued that program. RC exploration and sterilisation drilling of the Big Mug area to the immediate north of the Main Pit was also ongoing as rigs became available. Results from these campaigns are expected over the coming weeks.

Close-spaced definition infill drilling at the Aheman deposit was carried out as a pre-cursor to grade control on a spacing of 10m x 10m to a maximum of 56m. A program of more grass-roots exploration chasing the reef exposed by illegal miners at the Elizabeth deposit was also conducted.

The reliability of the rigs has presented a challenge. At one point, every one of the five rigs on site was down, due mostly to difficulties sourcing parts and getting them to site in a timely manner.

These problems have been worked through and the new rigs on site are now starting to hit their stride. More rigs are the subject of negotiations and a new contract drilling company will be bringing a new high-capacity RC Schramm rig to site to work alongside the new Schramm RC rig owned by the Noble subsidiary DAMS and a further RC Schramm from another contractor is already on site and performing very well. A third contractor RC rig will be on site during the December Quarter.

Assay Laboratory

At the time of writing, the Performance Laboratories (PL) assay laboratory is in construction, with all the modular containers having arrived on site and they have been placed in position. PL staff are unloading the equipment and setting it up; power, water and gas lines are in place and available for completion as soon as PL request.

Delays have been experienced due primarily to shipping time schedules and also to a 4-6 week fabrication workers strike in South Africa, something that the Company has no control over. This is also compounded by delays in Ghana customs clearance due to the very heavy workload at the ports with the mining and oil infrastructure building boom underway in Ghana and on the increase.

It is expected that the new near site laboratory, managed by Performance Laboratories, will be operational as quickly as possible, all stops are out to achieve the earliest commissioning time achievable after the delays experienced in delivery and shipping. This will suit the accelerated drilling program now in place with currently four RC rigs and the DAMS owned and operated Maxicat 12 diamond rig working at Bibiani.

EPA Permit

The process for obtaining an Environmental Permit from the Ghana Environmental Protection Agency (EPA) continued during the Quarter. After Noble Gold Bibiani Limited (NGBL), the wholly owned operational subsidiary, completed an Environmental Impact Study (EIS) and conducted a public hearing, the EPA requested answers to some minor matters which were completed satisfactorily. While a verbal permit has been granted and all licensing fees paid to the appropriate departments, Noble is awaiting final written approval from the Minister which is something that the Company must have prior to commencing any earthworks, mining or process plant operations.

Options

NMGO options, with a strike price of $0.30 each, expired on 21st July 2011. The options reached a great conversion rate as 99.05% of them were converted into ordinary shares. This raised $22.1m in funds which will be invested in the redevelopment of Noble's Bibiani gold project.

Community Relations

In the September Quarter Noble continued its commitment in working with and supporting the community. Activities centred on crop compensation for farmers and sponsoring local schools and students. Noble also provided new tyres for an ambulance, materials towards the construction of a classroom block and equipment for loading refuse.

During the September Quarter, Noble sponsored a trial for a natural biolarvicide Mousticide aimed at managing mosquito populations and reducing Malaria. The trial included a baseline survey, two phases of treatment with Mousticide, an evaluation report and a follow-up interview in the community.

The evaluation report prepared by Noguchi Memorial Institute of Medical Research from the University of Ghana after the two phases of the trial concluded that Mousticide provides 100% larval mortality even within the first 24 hours and achieves high residual effect of at least 3 weeks. This indicates that the product used together with other means of mosquito control can help reduce malaria and mosquito bites. The interviews in the community after the trial produced excellent results, with 89.6% of the respondents agreeing that there was a significant improvement in the situation and mosquito population was significantly less than before.

Authorised by:

Wayne Norris
Managing Director

Competent Person's Statement

The information in this announcement that relates to Mineral Resource and Ore Reserve estimates is based on information compiled by Mr Phillip Schiemer (BSc (Hons), Geology and Geophysics), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr Schiemer is employed by Noble Mineral Resources Ltd, and has sufficient experience which is relevant to the style of mineralisation being reported herein as Mineral Resources, Ore Reserves and Exploration Results 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' (JORC Code). Mr Schiemer consents to the inclusion in this announcement of the matters based on his information in the form and content in which it appears.

About Noble Mineral Resources Limited

Noble Mineral Resources Limited listed on the Australian Stock Exchange on 26th June 2008 with a focus on exploring for large-scale gold deposits in the world-class Ashanti Gold Belt in Ghana, West Africa. In November 2009, the Company entered into an agreement for the acquisition of the **Bibiani Gold Mine**, a project located in the Sefwi-Bibiani Gold Belt in Ghana, host to over 30 Million Ounces of gold. On July 20th 2010 the final Share Transfer Form was executed to consummate the purchase.

Noble's other primary gold concessions are Exploration Licences at **Cape Three Points, Brotet** and **Tumentu,** which cover some 141.3km² and all are located within the world-class Ashanti Gold Belt in south western Ghana. Ghana is the second largest gold producer in Africa and is the 10th largest gold producing nation in the world, with annual production of approximately 2.9 Million Ounces. Noble's on-going focus will be to expand the drilling program at Bibiani to target new shallow resources near the Bibiani Mine and adjacent tenements while still progressing the **Cape Three Points, Brotet and Tumentu** Concessions within the Southern extension of the Ashanti Gold Belt. Initial exploration at Cape Three Points will be targeted towards the **Satin Mine Project** and the **Morrison Project**, both of which lie in an area of historic underground gold exploration. Noble believes that there is significant potential for the delineation of additional high-grade gold mineralisation relating to the down-plunge and strike extension to these zones. When added to the potential now available at Bibiani it will place Noble in a strong position to achieve its goal in building Australia's next major gold mining house.

The Company recognises the **Bibiani**, **Cape Three Points, Brotet** and **Tumentu** concessions are relatively under explored, highly prospective projects and aims to rapidly redefine JORC-compliant resources for development.

ASX Code: NMG
www.nobleminres.com.au

Appendix 1 – March 2010 JORC Mineral Resources Estimate

	TONNAGE Tonnes (million)	GRADE (Au g/t)	METAL (tonnes Au)	CONT'D GOLD Ounces (million)
Measured	6.56	2.05	13.44	0.43
Indicated	13.37	1.77	23.66	0.76
Inferred	13.06	1.89	24.61	0.79
Total	**32.98**	**1.87**	**61.70**	**1.98**

Appendix 2 – Proved and Probable Ore Reserves as at June 2011

Bibiani Open Pit Detailed Design Cutback Proved and Probable Ore Reserves – June 2011												
	Oxide			Fresh			Fill			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
	Mt	G/t	Mozs	Mt	G/t	Mozs	Mt	G/t	Mozs	Mt	G/t	Mozs
Proved	-	-	-	5.02	2.17	**0.349**	-	-	-	5.02	2.16	**0.349**
Probable	**0.36**	**1.34**	**0.016**	6.28	**2.02**	**0.407**	**0.34**	**1.73**	**0.019**	6.98	1.97	**0.441**
Total	**0.36**	**1.34**	0.016	11.30	2.08	**0.756**	**0.34**	**1.73**	**0.019**	**12.00**	**2.05**	**0.790**
Derived from Measured and Indicated Mineral Resources using a cut-off grade of 0.6g/t												

Appendix 3 – Table of recent previously un-released results of single meter split samples

WALSH

hole	interval	grade	from	comment
WA11_075	**3.0m**	**21.62 g/t**	113	
WA11_104	**8.0m**	**18.74 g/t**	91	incl 3m @ 47.4 g/t from 91m
WA11_075	**4.0m**	**11.86 g/t**	148	
WA11_107	**6.0m**	**11.34 g/t**	97	
WA11_074	**4.0m**	**8.80 g/t**	117	
WA11_077	**5.0m**	**8.12 g/t**	137	
WA11_078	**13.0m**	**7.67 g/t**	113	
WA11_103	2.0m	7.56 **g/t**	113	
WA11_076	**4.0m**	**6.90 g/t**	113	
WA11_104	**9.0m**	**5.11 g/t**	79	
WA11_074	**8.0m**	**4.95 g/t**	74	
WA11_076	**7.0m**	**3.60 g/t**	144	
WA11_099	6.0m	3.47 **g/t**	72	
WA11_075	1.0m	3.43 **g/t**	32	
WA11_077	4.0m	2.63 **g/t**	111	
WA11_102	2.0m	2.60 **g/t**	115	
WA11_103	1.0m	2.00 **g/t**	0	
WA11_104	2.0m	1.99 **g/t**	103	
WA11_088	1.0m	1.87 **g/t**	31	
WA11_106	2.0m	1.85 **g/t**	101	
WA11_094	1.0m	1.73 **g/t**	57	
WA11_074	1.0m	1.54 **g/t**	88	
WA11_108	3.0m	1.49 **g/t**	107	
WA11_104	**20.0m**	**1.46 g/t**	107	
WA11_063A	1.0m	1.45 **g/t**	8	
WA11_074	3.0m	1.31 **g/t**	97	
WA11_105	6.0m	1.28 **g/t**	87	
WA11_063A	1.0m	1.24 **g/t**	53	
WA11_075	1.0m	1.17 **g/t**	17	
WA11_075	1.0m	1.10 **g/t**	28	
WA11_093	NSI			
WA11_079	NSI			

STRAUSS

hole	interval	grade	from	comment
ST11_057	1.0m	21.62 g/t	49	
ST11_056	1.0m	17.66 g/t	86	
ST11_043	1.0m	16.65 g/t	72	
ST11_135	2.0m	10.93 g/t	21	
ST11_100	1.0m	9.96 g/t	11	
ST11_084	1.0m	7.29 g/t	71	
ST11_123	**4.0m**	**6.61** g/t	15	
ST11_086	4.0m	5.42 g/t	75	incl 1m @ 18.80 g/t from 78m
ST11_056	2.0m	5.30 g/t	47	
ST11_117	**5.0m**	**4.97** g/t	91	
ST11_057	1.0m	3.35 g/t	72	
ST11_037	2.0m	3.24 g/t	97	
ST11_127	1.0m	3.12 g/t	11	
ST11_125	2.0m	3.08 g/t	68	
ST11_079	3.0m	2.78 g/t	48	
ST11_092	1.0m	2.76 g/t	49	
ST11_097	2.0m	2.66 g/t	15	
ST11_118	1.0m	2.62 g/t	109	
ST11_098	2.0m	2.53 g/t	28	
ST11_109	1.0m	2.46 g/t	52	
ST11_093	1.0m	2.34 g/t	5	
ST11_071	2.0m	2.34 g/t	16	
ST11_115	2.0m	2.30 g/t	22	
ST11_074	1.0m	2.27 g/t	44	
ST11_040	2.0m	2.25 g/t	95	
ST11_061	3.0m	2.20 g/t	98	
ST11_135	4.0m	2.16 g/t	39	
ST11_031	1.0m	2.11 g/t	42	
ST11_030	3.0m	2.09 g/t	45	
ST11_130	1.0m	2.09 g/t	52	
ST11_026	5.0m	2.01 g/t	196	
ST11_100	1.6m	2.00 g/t	73	
ST11_037	5.0m	1.92 g/t	81	
ST11_029	2.0m	1.90 g/t	9	
ST11_030	1.0m	1.87 g/t	31	
ST11_094	1.0m	1.86 g/t	68	
ST11_077	1.0m	1.85 g/t	91	

ST11_104	1.0m	1.84 g/t	52	
ST11_130	1.0m	1.83 g/t	102	
ST11_058	2.0m	1.80 g/t	87	
ST11_080	4.0m	1.73 g/t	129	
ST11_128	1.0m	1.71 g/t	72	
ST11_111	1.0m	1.71 g/t	31	
ST11_042	1.0m	1.70 g/t	26	
ST11_058	1.0m	1.63 g/t	17	
ST11_129	2.0m	1.57 g/t	84	
ST11_040	2.0m	1.54 g/t	54	
ST11_116	1.0m	1.53 g/t	58	
ST11_037	1.0m	1.53 g/t	30	
ST11_038	6.0m	1.51 g/t	83	
ST11_090	3.0m	1.48 g/t	103	
ST11_043	1.0m	1.45 g/t	77	
ST11_038	1.0m	1.43 g/t	101	
ST11_030	1.0m	1.42 g/t	74	
ST11_096	1.0m	1.39 g/t	68	
ST11_079	4.0m	1.37 g/t	113	
ST11_031	1.0m	1.31 g/t	39	
ST11_061	1.0m	1.22 g/t	96	
ST11_145	1.0m	1.20 g/t	2	
ST11_099	1.0m	1.14 g/t	51	
ST11_055	1.0m	1.14 g/t	1	
ST11_132	1.0m	1.12 g/t	39	
ST11_104	1.0m	1.10 g/t	29	
ST11_086	1.0m	1.06 g/t	88	
ST11_040	3.0m	1.06 g/t	44	
ST11_117	1.0m	1.05 g/t	46	
ST11_158	1.0m	1.04 g/t	54	
ST11_117	2.0m	1.03 g/t	83	
ST11_058	1.0m	1.01 g/t	60	
ST11_165	NSI			
ST11_158	NSI			
ST11_144	NSI			
ST11_126	NSI			
ST11_124	NSI			
ST11_122	NSI			
ST11_110	NSI			

ST11_108	NSI			
ST11_103	NSI			
ST11_089	NSI			
ST11_088	NSI			
ST11_087	NSI			
ST11_083	NSI			
ST11_076	NSI			
ST11_075	NSI			
ST11_069	NSI			
ST11_067	NSI			
ST11_028	NSI			

MAIN PIT

hole	interval	grade	from	comments
MP10_174	4.0m	5.25 g/t	132	
MP10_048	1.0m	3.51 g/t	145.5	
MP11_002	9.0m	2.69 g/t	93	
MP10_048	0.7m	2.08 g/t	179.5	
MP11_002	1.0m	1.41 g/t	47	
MP10_174	1.0m	1.39 g/t	8	
MP10_174	1.0m	1.36 g/t	80	
MP10_048	1.0m	1.34 g/t	176.5	
MP10_048	1.0m	1.34 g/t	135.5	
MP10_174	2.0m	1.20 g/t	127	
MP11_002	7.0m	1.14 g/t	81	
MP11_002	6.0m	1.03 g/t	64	
MP11_006	NSI			
MP10_172	NSI			
MP10_170	NSI			
MP10_102	NSI			
MP10_101	NSI			
MP10_010	NSI			

Appendix 4 – Table of recent previously released results received during the quarter

WALSH

hole	interval	grade	from	comments
WA11_109	3m	**18.07 g/t**	114m	incl. 1m@51.88g/t
WA11_062	1m	**14.91 g/t**	133m	
WA11_061	1m	6.94 g/t	28m	
WA11_007	2m	**6.29 g/t**	79m	
WA11_056	3m	**5.57 g/t**	126m	
WA11_113	3m	**4.15 g/t**	82m	
WA11_056	4m	2.59 g/t	183m	
WA11_063	1m	1.85 g/t	53m	
WA11_111	2m	1.79 g/t	130m	
WA11_112	7m	1.71 g/t	76m	
WA11_061	3m	1.52 g/t	113m	
WA11_007	4m	1.46 g/t	153m	
WA11_113	2m	1.27 g/t	76m	
WA11_111	1m	1.18 g/t	11m	
WA11_111	1m	1.12 g/t	135m	
WA11_062	1m	1.09 g/t	92m	

STRAUSS

hole	interval	grade	from	comments
ST11_025	2m	**47.19 g/t**	134m	From "gap" area
ST11_065	2m	**28.68 g/t**	65m	
ST11_060	1m	**21.60 g/t**	108m	
ST11_065	2m	**6.63 g/t**	99m	
ST11_023	2m	3.69 g/t	86m	From "gap" area
ST11_025	1m	2.13 g/t	138m	From "gap" area
ST11_065	2m	1.58 g/t	78m	
ST11_054	1m	1.28 g/t	15m	
ST11_065	1m	1.27 g/t	90m	
ST11_025	2m	1.09 g/t	81m	From "gap" area
ST11_054	1m	1.01 g/t	8m	
ST11_065	1m	1.00 g/t	0m	

MAIN PIT

hole	interval	grade	from	comments
MP10_002	**32.9m**	**2.05 g/t**	**49.6m**	
MP10_002	*9.4m*	*3.48 g/t*	*52.6m*	*(including)*
MP10_002	**15.1m**	**1.04 g/t**	**18.9m**	
MP10_002	*0.6m*	*7.77 g/t*	*22.9m*	*(including)*

Rule 5.3

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, 17/12/10

Name of entity

NOBLE MINERAL RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
36 124 893 465	**30 September 2011**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $US'000	Year to date (3 months) $US'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(2,659)	(2,659)
	(b) development	(7,209)	(7,209)
	(c) production	-	-
	(d) administration	(2,358)	(2,358)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	102	102
1.5	Interest and other costs of finance paid	(7)	(7)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	**(12,131)**	**(12,131)**
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(13,572)	(13,572)
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	-	-
	Net investing cash flows	**(13,572)**	**(13,572)**
1.13	Total operating and investing cash flows (carried forward)	**(25,703)**	**(25,703)**

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	**(25,703)**	**(25,703)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	20,633	20,633
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(121)	(121)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	**20,512**	**20,512**
	Net increase (decrease) in cash held	**(5,191)**	**(5,191)**
1.20	Cash at beginning of quarter/year to date	9,378	9,378
1.21	Exchange rate adjustments to item 1.20	(165)	(165)
1.22	**Cash at end of quarter**	**4,022**	**4,022**

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 $US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	164
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' remuneration 164

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

Nil

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 $US'000	Amount used $US'000
3.1	Loan facilities	34,899	34,899
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$US'000
4.1	Exploration and evaluation	(3,000)
4.2	Development	(8,366)
4.3	Production	(4,021)
4.4	Administration	(2,291)
	Total	**(17,678)**

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 $US'000	Previous quarter $US'000
5.1	Cash on hand and at bank	3,598	9,392
5.2	Deposits at call	537	38
5.3	Bank overdraft	(113)	(52)
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**4,022**	**9,378**

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	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*	-	-		
7.2	Changes during quarter: (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3	**+Ordinary securities**	460,308,567	460,308,567		
7.4	Changes during quarter: (a) Increases through issues	64,518,051 19,635	64,518,051 19,635	A$0.30 A$0.35	A$0.30 A$0.35
	(b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*	-	-		
7.6	Changes during quarter: (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	**Options** *(description and conversion factor)*	74,330,607 6,000,000 6,250,000	74,330,607 - -	***Exercise price*** A$0.35 A$0.20 A$0.40	***Expiry date*** 21 July 2013 8 July 2014 19 August 2014
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	64,518,051 19,635	64,518,051 19,635	A$0.30 A$0.35	21 July 2011 21 July 2013
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

+ 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 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: **31 October 2011**
(Director)

Print name: **Wayne Norris**

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.