

HIGHLIGHTS

Technical:

Glenburgh

- **Completion of Independent Scoping Study concludes that the Glenburgh Gold Project could support a viable development**
 - Pre Tax Operating Surplus of between \$90 and \$200 million *
 - Life of mine revenue of between \$410 and \$525 million*
 - Projected cash operating costs of ~\$890/oz
 - Capital costs of ~\$53 million
 - IRR of between 38% and 92%
 - Payback of between 24 and 30 months
 - 1.2Mtpa throughput
 - Production of 292,000 oz over 6 years
- Feasibility Studies to commence
- Significant gold intersections from extensional RC drilling of the existing deposits at Glenburgh
RC Intersections **outside the updated** resource include:
 - **28m @ 5.0 g/t gold**, including 5m @ 12.0 g/t gold
 - **14m @ 8.9 g/t gold** , including 4m @ 26.4 g/t gold
 - **21m @ 3.0 g/t gold** , including 5m @ 6.9 g/t gold
 - **43m @ 2.3 g/t gold**, including 16m @ 3.8 g/t
 - **14m @ 5.3 g/t gold**
 - **13m @ 1.9 g/t gold**
 - **5m @ 3.3 g/t gold**
- Encouraging new Aircore gold intersections from the South Western Target area at Glenburgh including:
 - **8m @ 6.0 g/t gold**
 - **12m @ 0.7 g/t gold including 4m @ 1.3 g/t gold**
 - **16m @ 0.6 g/t gold**
 - **2m @ 2.0 g/t gold**

Bassit Bore

- RC drilling intersected gold and copper mineralisation.
 - **4m @ 2.1 g/t gold, 0.8% copper and 10.8 g/t silver**

New Projects

- A number of project opportunities are being assessed

Corporate:

- During the quarter Managing Director Mr Michael Dunbar was issued 1.8M options under the Employee option share scheme (ESOP) following the approval by shareholders at the Company's Annual General Meeting.

CORPORATE DETAILS

ASX Code: GCY
Shares: 103.8M
Share Price: 0.24 cents
Market Cap: \$24M

ASSETS

Cash: \$2.7 M
Glenburgh (100%) 520,000 oz Gold

BOARD

Non-Executive Chairman
Graham Riley

Managing Director
Michael Dunbar

Non-Executive Directors
John den Dryver
Gordon Dunbar
Mike Joyce
Stan Macdonald

CONTACT DETAILS

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REVIEW OF OPERATIONS

GLENBURGH

E09/1325, 1764, 1865 & 1866, ELA 1946 & 1947, PLA 09/471-744 - 100% Gascoyne

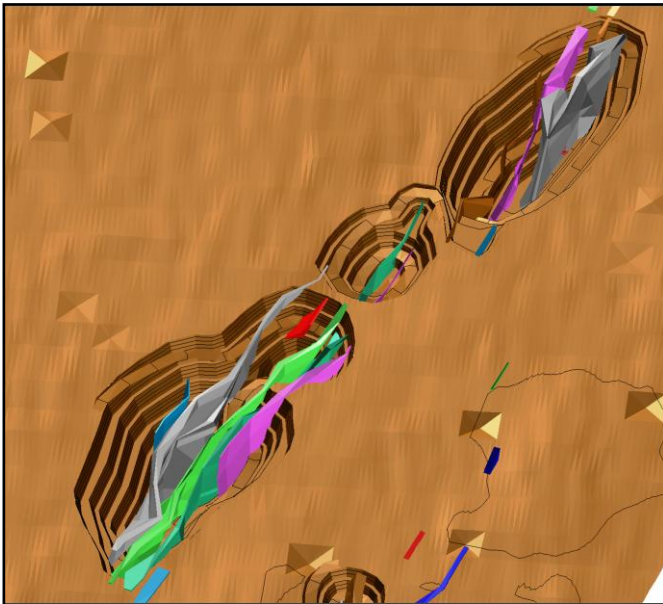
During the December quarter, RC and Air core drilling was accelerated, with one RC drill rig on site for most of the period. As a result approximately 30,000 metres of drilling has been completed at the Company's 100% owned Glenburgh Gold project in Western Australia during 2011.

Activities completed during the quarter include:

- Completion of the Glenburgh Scoping Study.
- Extensional and exploration RC drilling, with the aim of delineating meaningful extensions of the 520,000oz Inferred Resource.
- Air core drilling of the South West Target zone, where wide spaced RAB drilling has identified two 3,000m long anomalous gold trends.

COMPLETION OF SCOPING STUDY

As announced on 16th November the Glenburgh scoping study has been completed. . The study concluded that given ongoing exploration success the project can support a viable development under a range of scenarios.



The Scoping Study was completed by Linton Putland and Associates as well as a number of other independent consultants and investigated several development options, including CIL / CIP treatment with diesel or gas fired power as well as a potential heap leach operation. The preferred path forward is for a 1.2mtpa CIL / CIP processing plant with gas fired power station. Following pit optimisation work, an open pit mining inventory of 6.2Mt @ 1.55 g/t gold (at 0.7g/t gold cut-off) was used as the basis of the financial modelling. The current Inferred resource at Glenburgh is 13.8Mt @ 1.2g/t gold (0.5 g/t cut-off), including 9.9Mt @ 1.4g/t gold (0.7g/t cut-off).

The project is sensitive to gold price with base case (\$1,400 oz gold price) positive pre tax operating cash flow of \$90 million which increases to \$200 million at \$1,800 oz gold price, from a 6 year open cut operation *(see Figure two and Table 1).

Figure One: Oblique view of the Icon and Apollo conceptual pits

Disclaimer:

* The current Glenburgh resource is classified as Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve; the financial analysis in the study is conceptual in nature and should not be used as a guide for investment. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. Exploration and Production targets referred to in this release are conceptual in nature and include areas where there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

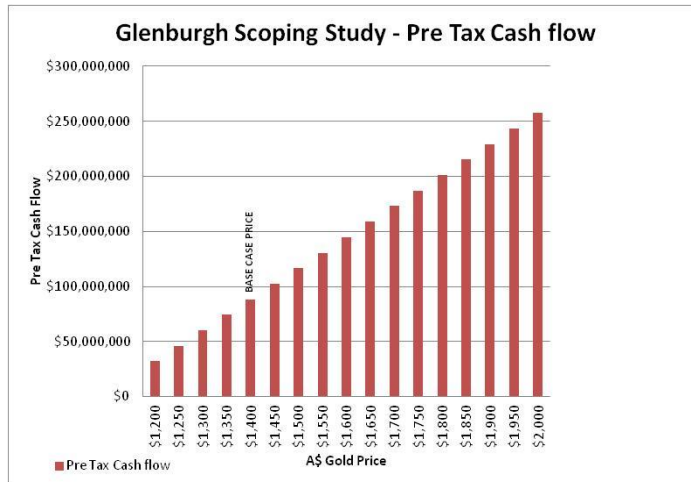


Figure Two: Glenburgh Scoping Study – Pre Tax Cash Flow Changes with Gold Price

Gold Price (A\$/ oz)	Pre Tax Operating Cash Flow	Revenue (\$ M)	IRR	CAPEX	Payback (months)	NPV _{8%}
CIL/CIP gas power \$1400 (base case)	\$88 M	\$408	38%	\$53 M	30	\$53 M
CIL/CIP gas power \$1600	\$145 M	\$466	64%	\$53 M	27	\$97 M
CIL/CIP gas power \$1800	\$201 M	\$525	92%	\$53 M	24	\$141 M

Table 1: Summary of Glenburgh Scoping Study Financial Model – see disclaimer on page two

The Scoping Study examined the key inputs for project development. These include metallurgy, resource and exploration potential, pit optimisations, conceptual pit designs, process flow designs, conceptual mining and milling schedules, hydro geology for both dewatering and process supply, environmental and permitting investigations. These inputs were then incorporated in financial modelling of several development options.

DRILLING UPDATE

RC Drilling:

During the quarter four separate announcements have been released, outlining the RC drilling results. (See separate company announcements dated 12th and 27th October and 4th and 28th of November for full details). Note most of these drilling results are outside the updated Glenburgh resource.

The results are summarised by prospect area below (see Figure one for prospect locations and figures 3-6 for intersection locations):

Zone 126:

Step out RC drilling at the Zone 126 deposit continues to intersect significant high grade gold mineralisation including **14m @ 8.9 g/t gold** from 227m in VRC 578, **21m @ 3.0 g/t gold** from 214m in VRC579 and **28m @ 5.0 g/t gold** from 156m in VRC 580 (Figure 4). These new intersections have extended the high grade gold mineralisation a further 60m down plunge. This zone can now be traced over 250m down plunge and still remains open along strike, down dip and down plunge. Further step out RC and Diamond core drilling is planned to target this high grade shoot at greater depths. Detailed structural logging of the drill core will help identify the structural control of the high grade mineralisation and aid in identifying similar targets elsewhere in the Glenburgh Field.

These new high grade gold intersections at the Zone 126 prospect, and those announced on 15 September (including 20 metres @ 11.1 g/t gold) , are associated with distinct quartz – pyrite veining and will significantly add to the Glenburgh resource base as they lie outside the current Inferred Resource.

Torino:

The discovery of significant mineralisation at the Torino prospect was made (and announced) last Quarter. The first six RC holes drilled into the Torino prospect confirmed the significance of the gold mineralised system, with five of the first six RC holes intersecting significant mineralisation as reported on the 18th of August 2011. A further two RC holes have been completed with VRC571 intersecting **43m @ 2.3g/t gold from 66m including 16m @ 3.8g/t gold from 77m** (announced 27 October 2011). This intersection lies some 50m east of VRC503 (18m @ 2.1 g/t gold) and indicates an increase in grade and thickness of the Torino mineralisation towards the east - there is no RC drilling east of this point and the prospect remains open. The Torino discovery is expected to add materially to the gold resource inventory at Glenburgh (figure 6).

Zone 102:

At the Zone 102 prospect, step out RC drilling has intersected significant gold mineralisation including **14m @ 5.3 g/t gold from 112m in VRC544**, **13m @ 1.9 g/t gold from 126m** and **5m @ 3.3 g/t gold from 112m in VRC545**. Both these intersections remain open down dip and indicate the presence of high grade “gold shoots” comparable to the recent discovery at Zone 126, 600m further to the east.

Apollo:

Extensional drilling intersections at the Apollo deposit were announced on the 12th of October. The results include a number of high grade intersections that fall outside the current resource, but within the Apollo conceptual pit. The intersections include 5m @ 3.1 g/t gold, 8m @ 2.2 g/t gold and 7m @ 2.3 g/t gold. These intersections will increase the amount of the resource that could be exploited from open cut mining.

Icon:

Drilling outside the Icon resource, but within the conceptual pit intersected a number of significant mineralised zones, including 12m @ 1.5 g/t gold, 18m @ 0.7 g/t gold and 3m @ 2.1 g/t gold (as announced on the 12th of October). It is expected that these results will have a positive impact on the amount of the resource that could be exploited from open cut mining.

Tuxedo:

Exploration drilling around the Tuxedo prospect identified a number of shallow intersections, including 11m @ 0.7 g/t gold, 4m @ 2.3 g/t gold, 5m @ 0.9 g/t gold and 2m @ 4.0 g/t gold. (as announced on the 12th of October).

Mustang:

West of Mustang RC drilling intersected 8m @ 1.9 g/t from 23m in VRC551 (as announced on the 12th October).

AIRCORE Drilling:

Icon, Tuxedo and Apollo extensional Aircore drilling

A total of 28 aircore holes were drilled in the vicinity of the Icon, Tuxedo and Apollo deposits to help to better define and extend the gold mineralisation in the area. Significant intersections include **14m @ 2.4 g/t gold from surface to EOH in GLAC352 including 4m @ 5.9 g/t gold from 8m** from the Tuxedo area and **12m @ 0.4 g/t gold from 4m in GLAC349** from the Icon area (Figure 5). The Tuxedo intersection of 14m @ 2.4 g/t gold lies some 180m east of the proposed Tuxedo deposit pit – there is excellent potential to define further resources in this area and extend the open pit potential.

South West Target Zone – Aircore drilling

A total of 79 aircore holes were drilled in the South West Target area along strike from the Torino discovery. Results from this drilling are very encouraging and have identified a continuous trend of significant mineralisation for over 850m of strike to the west of the Torino prospect, at shallow depths (Figure 6). Intersections include **8m @ 6.0 g/t gold from 12m in GLAC301, 12m @ 0.7 g/t gold from 28m to EOH in GLAC313 including 4m @ 1.3 g/t gold from 32m, 16m @ 0.6 g/t gold from 16m to EOH in GLAC 291 and 2m @ 2.0 g/t gold from 8m to EOH in GLAC278.**

NEW TENEMENTS

During the quarter two new exploration tenements were applied for to the west of Glenburgh and two small exploration licenses were granted to the east of the main Glenburgh mineralised trend

FORWARD PROGRAM

The main focus for the company during 2012 will remain the Feasibility study and ongoing exploration at the Glenburgh Project. The forward program includes:

- Follow up RC drilling at the Torino Prospect.
- Follow up RC and diamond drilling at the high grade plunging “shoot” at Zone 126.
- Additional RC drilling to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh.
- Exploration RC drilling at the South Western target zone, to define additional targets along strike from the Torino prospect.
- An update to the resource estimate to Indicated category

BASSIT BORE

E09/1088, 1750 & 1751 100% Gascoyne

Harrier:

Results from the first RC holes to be drilled at the Harrier prospect were received. This initial drilling targeted a quartz vein which outcrops intermittently over 500m and returned rock chip values up to 73g/t gold. A total of 11 RC holes were drilled for 790m. Better results include **4m @ 2.1 g/t gold, 0.8% copper and 10.8 g/t silver from 68m in HRC006 and 8m @ 0.4 g/t gold from 12m in HRC010**. Gold – copper and silver mineralisation is associated with a steeply southwest dipping quartz vein hosted in Proterozoic aged granite. A programme of soil sampling and rock-chip sampling was undertaken in the wider Harrier area. Results from this sampling highlight anomalous gold trends east and south-east of the Harrier quartz vein (Figure: 7). Soil values up to 1550ppb (1.5 g/t) gold were returned and anomalous rock chip samples associated with quartz veining assayed up to 0.9 g/t gold and 0.5% copper; of note was the presence of high tellurium (Te) values in the samples with assays up to **417ppm Te** – elevated tellurium is a feature of some major gold deposits. The soil sampling anomalies remain open especially to the southeast – further soil sampling is proposed to extend coverage in the wider Harrier area and define further drill targets for 2012.

Jim's Patch:

A program of soil sampling at Jim's Patch has extended the soil anomaly further to the northwest from the original soil sampling grid. Results warrant RAB followed up and further more extensive soil sampling which will be conducted during the 2012 field season

BUSTLER WELL AND MT JAMES

E52/2348 E52/2343 100% Gascoyne

No exploration was undertaken during the quarter.

NEW PROJECTS

In addition to the 4 tenements granted and two new tenement applications in the Murchison region of Western Australia, a number of new opportunities have been (and are being) reviewed. If these opportunities are progressed further, they will be announced.

CORPORATE

Issue of Options:

Following shareholder approval at the Company's Annual General Meeting, Mr Michael Dunbar, the Company's Managing Director, was issued 1.8M options under the Employee option share scheme (ESOP). The options have an exercise price of 40c and expire in 2 years. The grant of the options to Mr Dunbar is to provide an incentive for future services he will provide to the company and an acknowledgement of past service

Release from Escrow:

During the quarter, a total of 9,972,702 shares were released from escrow, following the second anniversary of the company's listing on the Australian Stock Exchange.

These shares were (and still are) held by Helix Resources Limited and Giralia Resources and their respective directors.

Exercise of Options:

A total of 2.7 million, 25c options were exercised during the quarter, resulting in 2.7 million new shares in the company being issued. The exercise of these options resulted in \$ 675,000 being raised by the company.

Information in this announcement relating to mineral resources and exploration results is based on data compiled by Gascoyne's Managing Director Mr Michael Dunbar who is a member of The Australasian Institute of Mining and Metallurgy. Mr Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.

The drilling was conducted using RC or aircore drilling with samples being collected at one metre intervals and a riffle split subsample of approximately 2-4 kg was sent to Genalysis Laboratory Services Pty Ltd in Perth Western Australia. The sample was fully pulverized and analysed for gold using a 50 gram lead collection fire assay digest and an atomic absorption spectrometry finish to a 0.01ppm Au detection limit. Full analytical quality assurance – quality control (QA/QC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicate, repeats, blanks and grind size analysis.

The spatial location of the samples is derived using surveyed local grid co-ordinates, GPS collar survey pickups, and Reflex single shot down hole surveys taken every 30m down hole.

RC Intersections have been reported using a 0.5g/t cut off and allowance for up to 4m of internal waste. Some +0.5g/t intersections have not been reported if they are single metre intersections or are not considered to be significant due to their isolated position compared to other intersections.

True widths have not been determined as the level of detail needed to calculate accurate true widths is not yet available, as a result down hole widths have been reported, however true widths are not expected to significantly change from the down hole widths

Table Two: Significant Glenburgh RC drill intersections (not previously announced). See separate company announcements dated 12th and 27th October and 4th and 28th of November and 16th December for full details of previously reported results.

Hole	From (m)	To (m)	Interval (m)	Au Grade g/t
VRC581	25	27	2	0.6
VRC581	38	39	1	0.6
VRC581	45	46	1	0.9
VRC582	0	19	19	0.7
inc	9	19	10	1.0
VRC583	3	6	3	1.4
VRC583	26	27	1	0.8
VRC585	46	47	1	0.9
VRC586	18	20	2	0.5
VRC586	27	29	2	0.5
VRC587	40	43	3	0.50
VRC588	52	57	5	0.67
inc	52	53	1	2.2
VRC590	20	21	1	2.0
VRC591	37	38	1	1.0
VRC594	7	9	2	0.7
VRC597	33	34	1	0.6
VRC599	54	58	4	0.4
inc	109	111	2	1.2

Table Three: Glenburgh RC drill hole details (not previously announced)

Hole_ID	MGA		Local		RL	Depth	Dip	MGA	Local	Prospect
	East	North	East	North				Azimuth	Azimuth	
VRC581	414807.95	7194094.55	16904.15	10349.46	314.7	60	-60	155	180	North East 3
VRC582	414859.01	7194100.16	16952.89	10333.20	315.2	54	-60	155	180	North East 3
VRC583	415056.86	7194143.58	17150.76	10289.92	320.9	54	-60	155	180	North East 3
VRC584	415587.65	7193814.37	17495.26	9768.92	319.5	54	-60	155	180	Area 4
VRC585	415478.66	7193818.07	17397.80	9817.86	322.3	55	-60	155	180	Area 4
VRC586	415368.65	7193802.61	17291.42	9849.82	324.4	55	-60	155	180	Area 4
VRC587	415271.59	719379.99	17198.81	9880.76	324.0	55	-60	155	180	Area 4
VRC588	414923.65	7193714.18	16850.20	9955.56	317.7	85	-60	155	180	Zone 126
VRC589	414881.15	7193688.71	16800.95	9950.18	316.6	85	-60	155	180	Zone 126
VRC590	414838.67	7193659.18	16750.01	9941.12	315.7	85	-60	155	180	Zone 126
VRC591	414833.62	7193673.34	16751.35	9956.10	315.6	85	-60	155	180	Zone 126
VRC592	414546.04	7193575.12	16449.04	9987.13	312.6	61	-60	155	180	Zone 126
VRC593	414537.72	7193601.85	16452.66	10014.89	312.2	103	-60	155	180	Zone 126
VRC594	414508.99	7193543.39	16402.13	9973.80	313.9	61	-60	155	180	Zone 126
VRC595	413158.92	7193127.92	15002.02	10160.90	305.3	55	-60	155	180	Hurricane
VRC596	413149.79	7193145.87	15001.23	10181.03	305.0	61	-60	155	180	Hurricane
VRC597	413255.10	7193149.73	15098.51	10140.50	306.8	55	-60	155	180	Hurricane
VRC598	413459.06	7193198.37	15304.11	10099.41	310.3	61	-60	155	180	Hurricane
VRC599	413434.87	7193248.08	15302.92	10154.68	308.8	121	-60	155	180	Hurricane

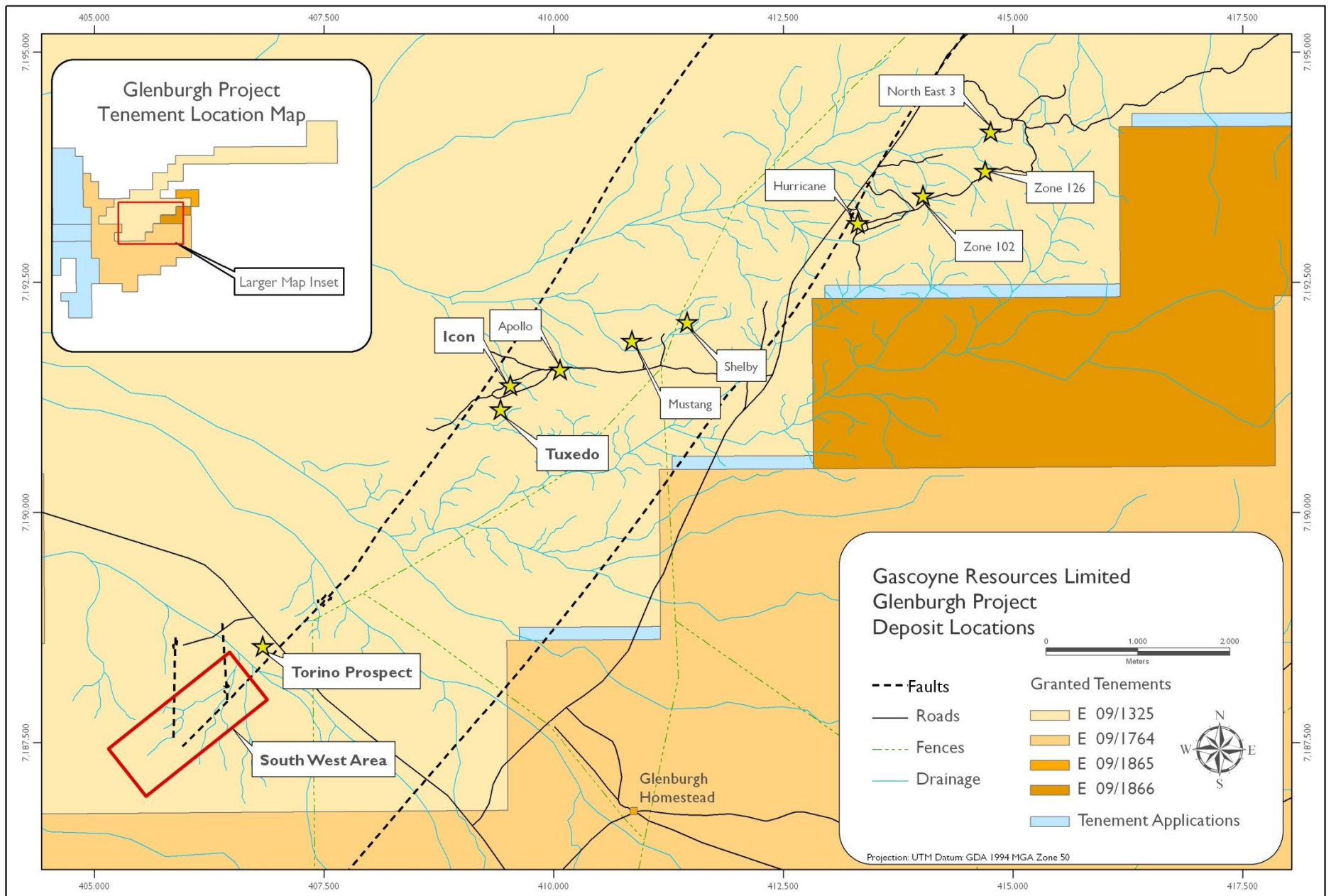


Figure 3: Glenburgh Prospect locations

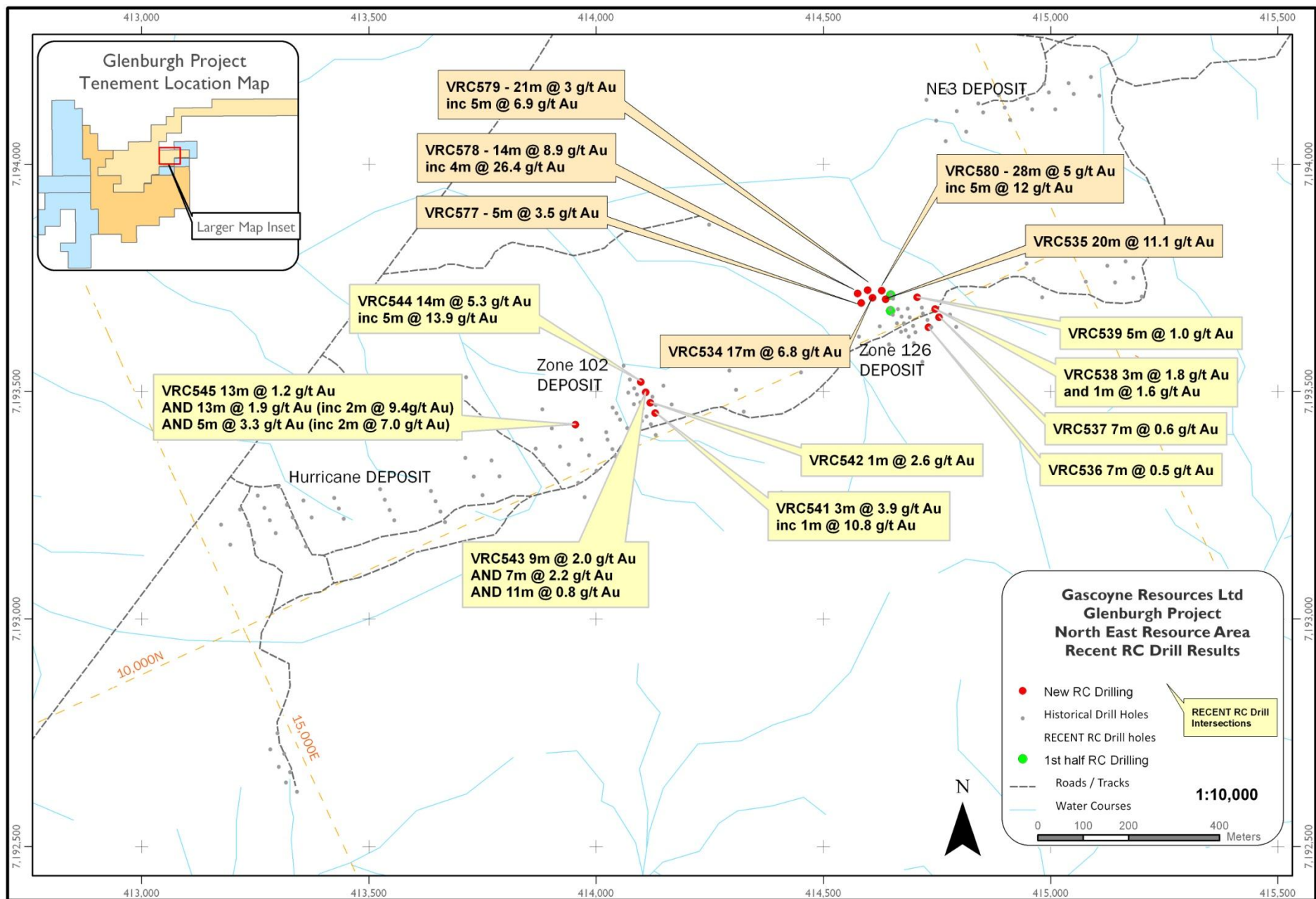


Figure 4: RC Drill Intersections from the North Eastern Prospects at Glenburgh

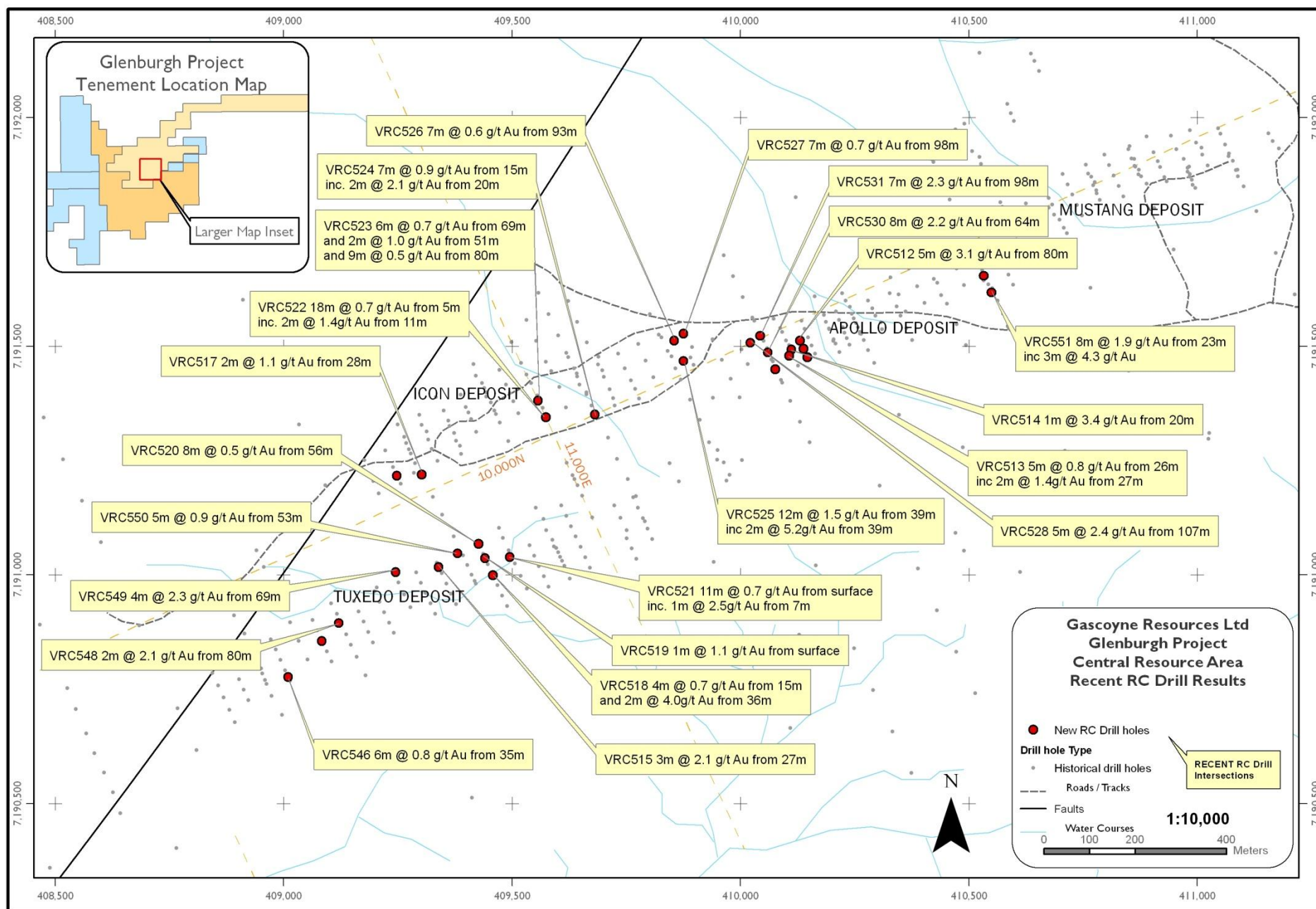


Figure 5: RC Drill Intersections from the Central Prospects at Glenburgh

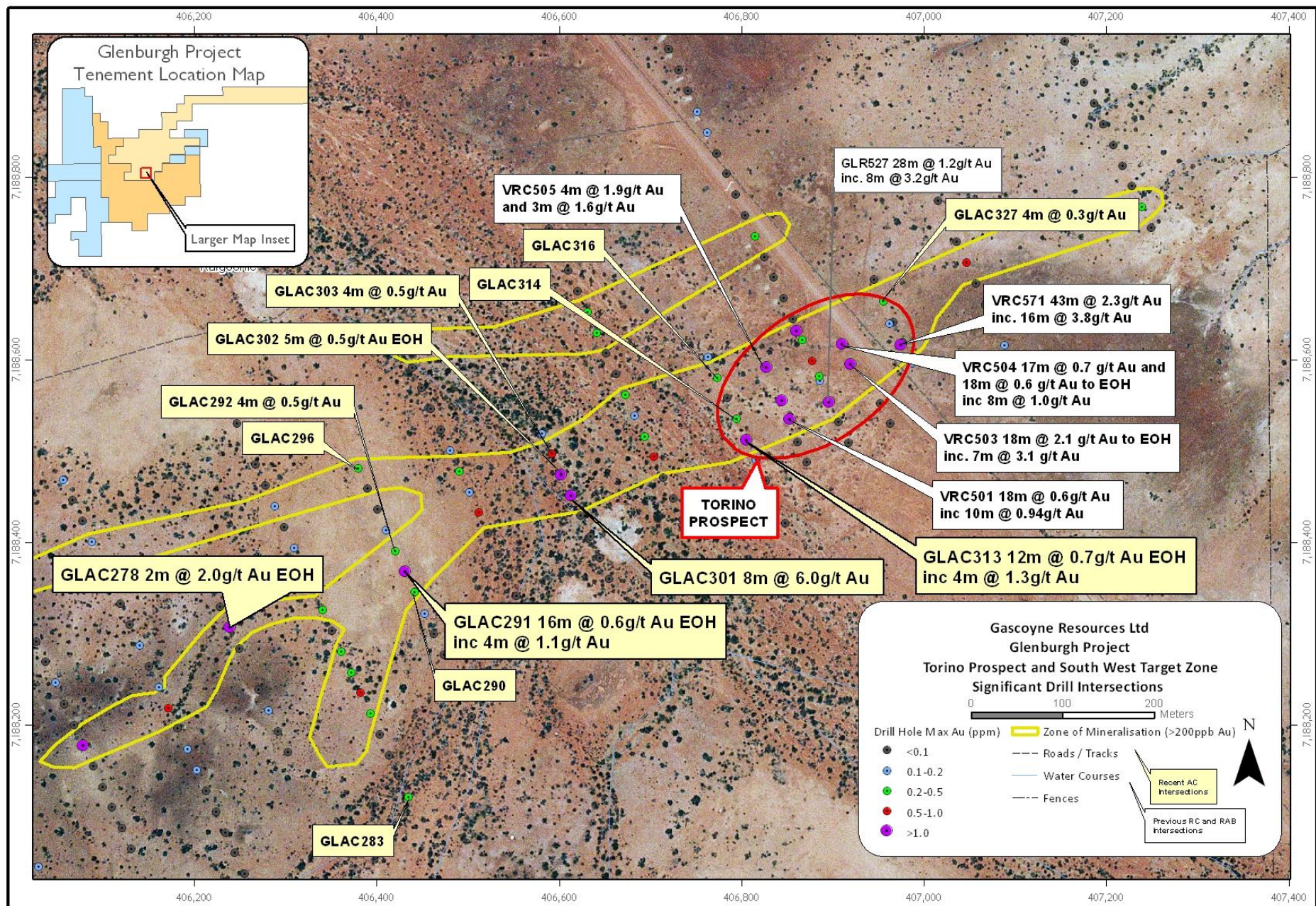


Figure 6: RC and Air core Drill Intersections from Torino and the South Western Area at Glenburgh

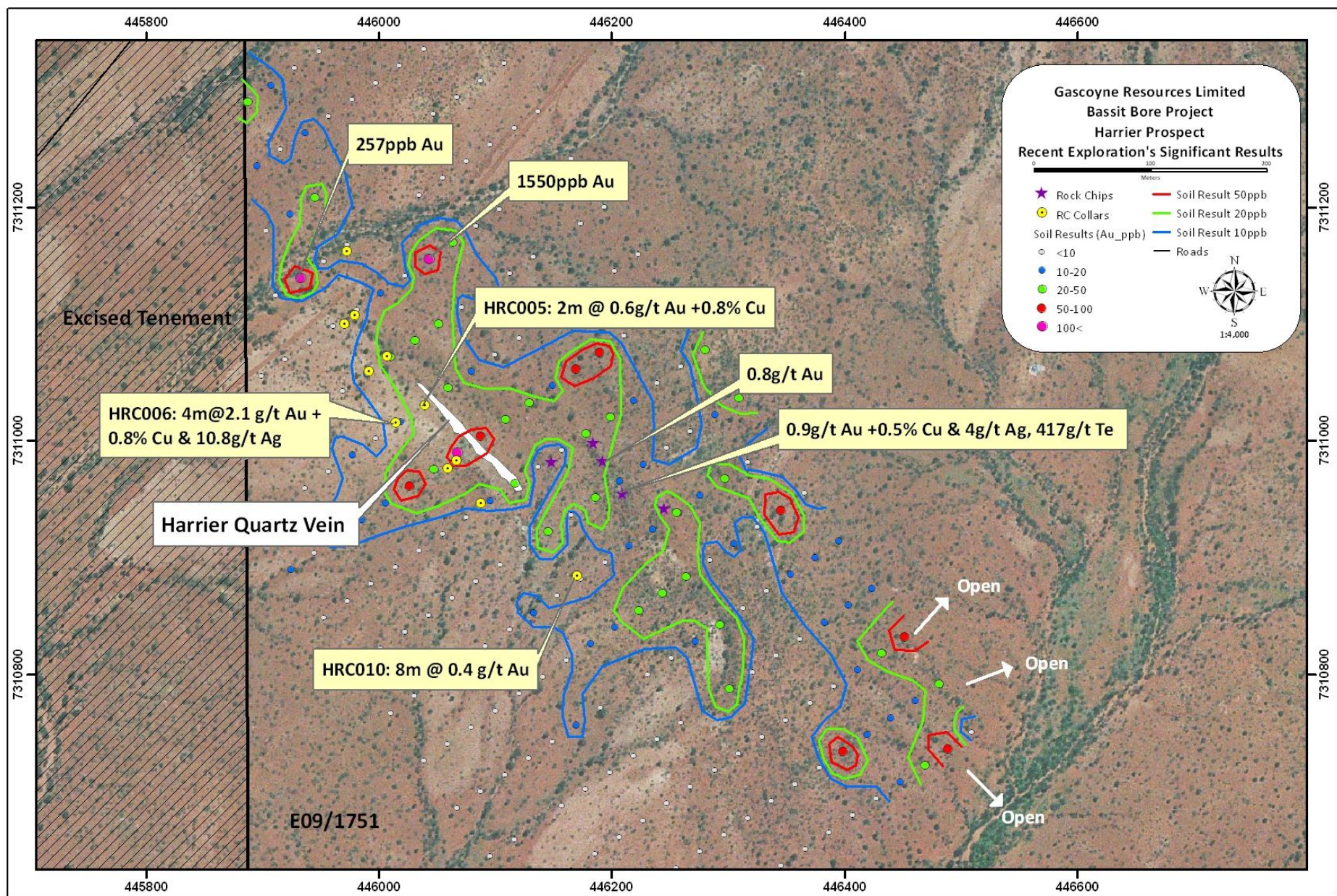


Figure 7: Harrier Prospect at Bassit Bore project

BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 following the amalgamation of the gold assets of Helix Resources Limited and Giralia Resources NL in the Gascoyne Region of Western Australia.

Gascoyne Resources is endowed with

- 100% of the Glenburgh Project in Western Australia, which has an inferred resource of: 13.8 Mt @ 1.2g/t Au for 520,000oz gold from several prospects within a 20km long shear zone. Considerable resource growth potential exists around the deposits as well as at regional targets that have had limited exploration over the last 15 years.
- Advanced exploration projects at Mt James where drilling has outlined a +1 g/t Au mineralisation over at least 2.5km strike within a 300m thick package of sheared mafic amphibolites and BIFs: and at Bustler Well where previous RC drilling returned narrow high grade intersections including 1m @ 37.4g/t Au, 2m @ 9.08 g/t Au and 3m @ 7.62 g/t Au from a 150m long quartz-shear lode.
- At Bassit Bore Project, a number of gold bearing quartz veins have been discovered at the Harrier Prospect with rock chip results of up to 73g/t gold. RC drilling of one of these veins has intersected promising gold, copper and silver mineralization. A number of quartz veins are yet to be tested.

Gascoyne Resources' immediate primary focus is to continue the evaluation of the Glenburgh gold deposits to delineate meaningful increases in the resource base and to identify and test additional targets in the Glenburgh mineralised system and to explore for additional gold resources on the exploration properties. Success in these activities is expected to lead to the development of a gold project based on the Glenburgh gold deposits.

Further information is available at www.gascoyneresources.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Gascoyne Resources Limited

ABN

57 139 522 900

Quarter ended ("current quarter")

31 December 2011

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 (b) development (c) production (d) administration	(1,686)	(2,551)
1.3	Dividends received	(343)	(491)
1.4	Interest and other items of a similar nature received	98	163
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(1,931)	(2,879)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(11)	(34)
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 Payments for security deposits	-	(10)
	Net investing cash flows	(11)	(44)
1.13	Total operating and investing cash flows (carried forward)	(1,942)	(2,923)

1.13	Total operating and investing cash flows (brought forward)	(1,942)	(2,923)
1.14	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	675	675
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		
	Net financing cash flows	675	675
	Net increase (decrease) in cash held	(1,267)	(2,248)
1.20	Cash at beginning of quarter/year to date	3,976	4,957
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,709	2,709

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	141
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Managing Director salary \$68k
Non-executive Director fees \$73k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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	530
4.2 Development	
4.3 Production	
4.4 Administration	330
Total	860

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	159	576
5.2 Deposits at call	-	-
5.3 Bank overdraft		-
5.4 Other: Term deposits	2,550	3,400
Total: cash at end of quarter (item 1.22)	2,709	3,976

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	E47/2620 Application E20/799 Application E09/1946 Application E09/1947 Application E09/1865 Granted E09/1866 Granted E51/1470 Granted E59/1731 Granted E20/773 Granted E58/399 Granted	0% 0% 0% 0% 100% 100% 100% 100% 100% 100%	100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

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			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	Ordinary securities	103,849,600	103,849,600	

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,700,000	10,722,702		
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)	1,000,000 1,800,000	Nil Nil	Exercise price \$0.40 \$0.40	Expiry date 31 August 2014 16 November 2013
7.8	Issued during quarter	1,800,000	Nil	\$0.40	16 November 2013
7.9	Exercised during quarter	(2,700,000)	Nil	\$0.25	30 November 2011
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

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

Sign here: ..  Date: 25th January 2012
(Company secretary)
Print name: Eva O'Malley

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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