



## QUARTERLY REPORT

For the three months ending 31 December 2009

### HIGHLIGHTS

#### SIHAYO GOLD PROJECT, INDONESIA (75%)

- Definitive Feasibility Study commenced with an aggressive timetable to commence gold production at the Sihayo Gold Project by December 2011
- 7 diamond drilling rigs recently mobilized to site to carry out infill resource definition drilling
- Upgraded resource estimation planned to be completed by May 2010
- Significant widths of gold mineralisation in infill drilling at: Sihayo 1 North Resource  
Significant results included:
  - 28m @ 2.5 g/t Au from surface
  - 29m @ 4.2 g/t Au from 74m.
  - 7m @ 8.3 g/t Au from 1m
  - 7.4m @ 4.2 g/t Au from 19m
- Significant widths of gold mineralisation intersected at the Sihayo 1 exploration prospect immediately south of the Sihayo 1 North resource.
- Drilling has extended the known mineralisation at the Sihayo 1 prospect to over 400 metres of strike length and the mineralisation remains open along strike.
- Metallurgical test work program has commenced

#### CORPORATE

- Company name change from Oropa Limited to Sihayo Gold Limited
- \$6.5 million funding package to sophisticated investors approved at AGM. To date \$3.99 has been raised in accordance with the agreed placement and exercise program as approved. The balance is due and expected on the exercise dates of 23 March and 30 May 2010.
- Indonesian investment group Summit Investments became a substantial shareholder and have indicated their continuing support of the Company
- Company is debt free following conversion of all outstanding convertible notes into shares

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## 1. REVIEW OF OPERATIONS

### 1.1 INDONESIA

#### *Pungkut Gold Project, Sumatra (75%)*

#### **SUMMARY**

An extensive Definitive Feasibility Study (DFS) program is underway at the **13.2 MT grading 2.4g/t Au (1.01 Moz)** JORC compliant Inferred resource at Sihayo (Figure 1) with an aggressive timeline programmed to bring the project into production by December 2011.

Key events to meet this schedule are to complete infill drilling and an upgraded resource estimate for Sihayo 1 North by May 2010 and; complete the Definitive Feasibility Study ("DFS") by the end of 2010. The DFS management is being undertaken by Mr Greg Entwistle of TWP Australia Pty Ltd who has had extensive experience in the region as the former Project Director for the development of the 6Moz gold Martabe project; immediately north of the Pungkut Project. In addition the Company has assembled a team of specialist mining engineers, geologists, metallurgists, and geotechnicians, many with prior experience in Sumatra and Indonesia.

Seven diamond drilling rigs have recently been mobilized to site to conduct infill drilling of the Sihayo 1 North resource (Figure 2) with a further rig due in January 2010. A total of 8 diamond drilling rigs will be used to complete the resource infill, geotechnical and sterilization drilling making Sihayo one of the most active mineral development projects in Indonesia.

Metallurgical testwork is underway in order to provide data to design the processing plant and crushing facilities with initial bulk samples recently delivered to the AMMTEC laboratory in Perth. Suitable locations for tailings storage facilities and plant site location have been identified with detailed site surveys underway and geotechnical and sterilization drilling planned to commence in the next Quarter. Environmental and social surveys have commenced with the task of providing data for mandatory environmental approvals and mine permitting. Initial studies into power requirements have identified hydroelectric power, the local land grid and site diesel generation all as possible options for power for the plant and associated infrastructure.

Initial results of infill drilling at Sihayo 1 North have shown good continuity of mineralisation within the current Inferred resource and have returned a number of significant intercepts including **28m @ 2.5 g/t Au from surface** and **29m @ 4.2 g/t Au from 74m**. The primary aim of the drilling is to increase the level of confidence in the resource estimate to that required to complete the DFS. In all a total of 8,000m of drilling is planned to be completed by May 2010.

Results of the final six holes of exploration drilling at the Sihayo 1 prospect, immediately south of Sihayo 1 North Inferred Resource and along strike from Sambung Inferred Resource, were received during the Quarter. All holes intersected mineralisation over 1g/t Au and better results including **11m @ 1.7 g/t Au from 132m** and **6.95m @ 2.9 g/t Au from 2m** while earlier results included **23m at 3.0g/t Au from 83m**. Drilling has now identified mineralisation over 400 metres of strikelength and the mineralisation remains open in three directions. Further drilling is required to continue to test the full strike extent and infill the higher grade areas prior to initial resource estimation.

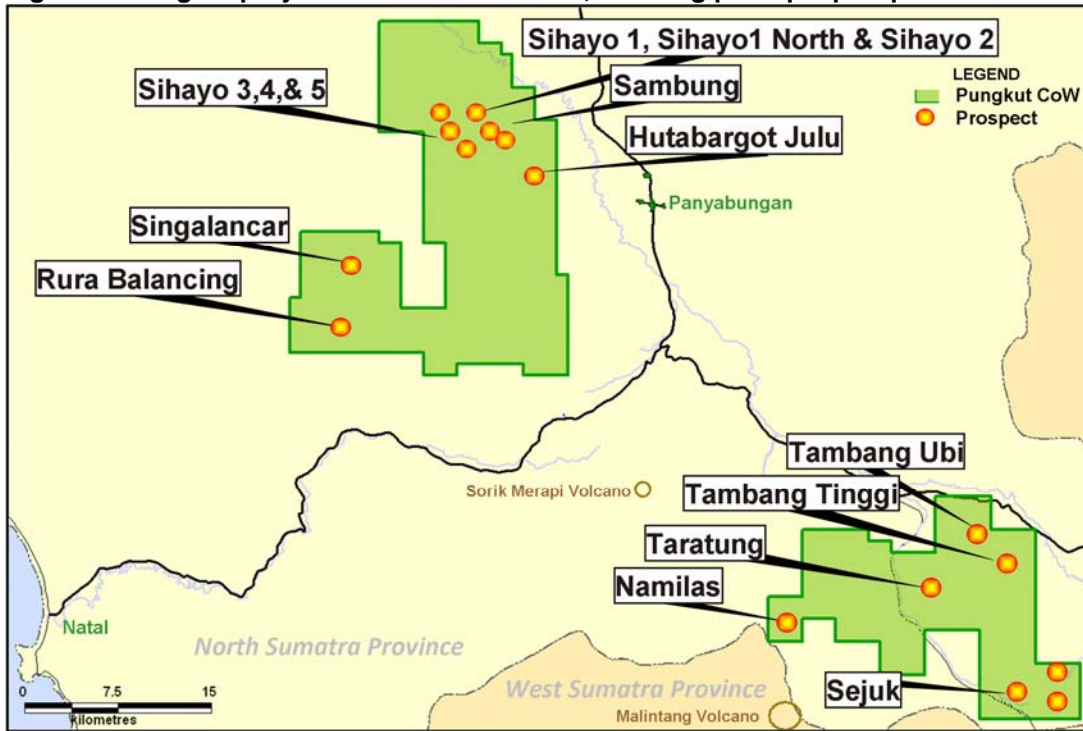
Following completion of the Sihayo 1 North infill drilling, the focus will be on drilling to increase the overall resource base at the Old Camp, Sihayo 1, Sihayo 2 and Sambung, prospects along with identifying and drilling new exploration targets in the 4 kilometre long Sihayo trend (Figure 2).

While no recent regional exploration has been conducted due to the extensive Sihayo 1 North work program, plans are in progress to conduct the low-level exploration required to develop known areas of mineralisation in the South Block into drill ready targets. Deep drilling is also planned for the second half of the year on the extensive low-sulphidation epithermal veins at Hutabargot Julu where 22 shallow holes to date have produced consistent and encouragingly anomalous gold along with the massive quartz-breccia/vein system. The Company believes there may be significant potential for bonanza type mineralisation that is often encountered in epithermal vein systems below otherwise low grade mineralised veins.

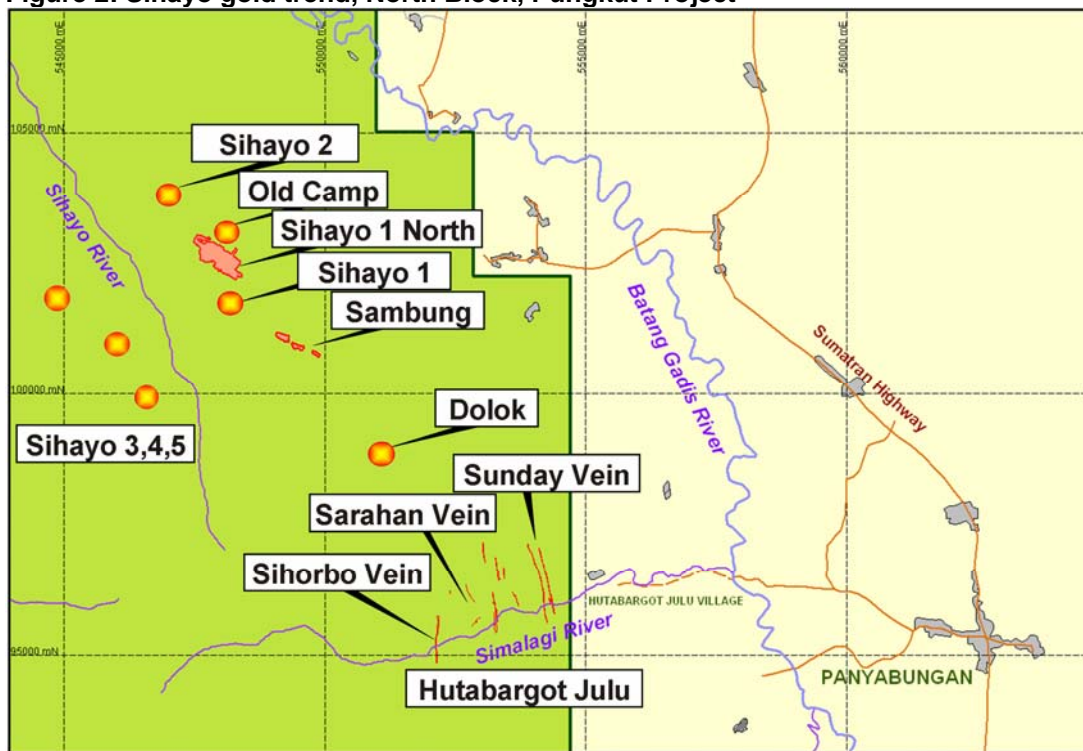
Department of Forestry permitting has been applied for and is still pending to obtain access into the most prospective porphyry target areas. A-type veining identified at 3 of the prospects give drill ready targets with only mapping and geophysics required in order to best orientate the drill rigs to effectively intersect the target.

Prospect scale airborne magnetics and radiometrics are being considered to identify non-outcropping or unidentified porphyry targets. Given the frequency of gold and copper mineralized skarn, and epithermal vein occurrences and level of geochemical anomalism along with known porphyry occurrences in the South Block, information from airborne geophysics has highlighted the potential for a number of priority targets. Similarly while the level of geochemical anomalism is lower in the North Block it has a proven history of gold mineralisation at Sihayo and also has the best grades of gold / copper / molybdenum in porphyry outcrop and the potential to host substantial mineralisation.

**Figure 1: Pungkut project area North Sumatra, showing principal prospects**



**Figure 2: Sihayo gold trend, North Block, Pungkut Project**



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## **Sihayo 1 North**

Infill drilling has commenced on the sub-horizontal sediment-hosted Sihayo 1 North resource. A team of geologists has been assembled to ensure that all of the planning, logging, quality control, and resource estimation can be completed in an efficient and timely manner. Drilling to date is confirming the interpretation of the previous geological model and providing additional information for a more precise re-interpretation (Figures 3 and 4). Best results include:

**SHDD139: 4.2m @ 5.0 g/t Au from surface**

**and 1.3m @ 10.2 g/t Au from 6.7m**

**SHDD140: 7m @ 8.3 g/t Au from 1m**

**SHDD142: 3m @ 4.5 g/t Au from 40m**

**SHDD144: 3.4m @ 4.0 g/t Au from 3m**

**and 3m @ 6.1 g/t Au from 7.4m**

**SHDD144: 5.45m @ 4.0 g/t Au from 14.1m**

**SHDD146: 1.9m @ 7.3 g/t Au from 15.8m**

**SHDD146: 7.35m @ 4.2 g/t Au from 18.6m**

**SHDD146: 7m @ 3.6 g/t Au from 46m**

**SHDD146: 29m @ 4.2 g/t Au from 74m**

**SHDD153: 7m @ 3.6 g/t Au from 2m**

**SHDD158: 28m @ 2.5 g/t Au from surface**

OZMET has been contracted to provide consulting for the metallurgical program in order to provide data for gold recoveries, reagent optimization, and processing plant design. A comprehensive metallurgical sampling program has commenced using existing drill core and dedicated metallurgy holes. Samples have been sent to AMMTEC Ltd metallurgical testing laboratories based in Perth, Australia. Testwork has now commenced with initial results by March 2010.

Geotechnical information is being gathered during the infill drilling program in order to provide mine design and pit wall stability parameters. GHD Australia has been contracted to compile the geotechnical data and a site visit has been made to check the core logging procedures. The geotechnical contractor for analyzing the data will be selected at a later date.

GHD Australia has been selected as the contractor to provide for tailings storage facility and slurry pumping design, and geotechnical survey for the plant and tailings facility sites. An initial scoping study has identified prospective sites. An Indonesian survey team has been mobilized to site in order to place survey base stations and to create an accurate high resolution topographic map. A diamond drilling rig is planned to be mobilized to site in January 2010 in order to drill geotechnical holes.

Golder Associates has been contracted to provide technical advice and assistance and to form the environmental and social study teams. A field trip has been completed to collect data for the baseline study with further activity continuing on an ongoing basis to identify any risk items and as part of the ramp up of the community relations programs. Environmental and social programs are aiming to meet and exceed the requirements of an international minerals company, to meet the standards and permitting required by Indonesian law, to meet the standards required as an ASX listed company, and facilitate a smooth transition to mining.

High level studies are underway in to alternatives for meeting the electricity requirements of the mine. With the equatorial rainfall spread across most of the year and consistent flows in nearby rivers the potential to exploit hydro-electricity is being explored, along with options for accessing electricity from the state power company PLN and other generating options.

Figure 3: Sihayo 1 North infill drilling collar location and scoping study proposed pit outline

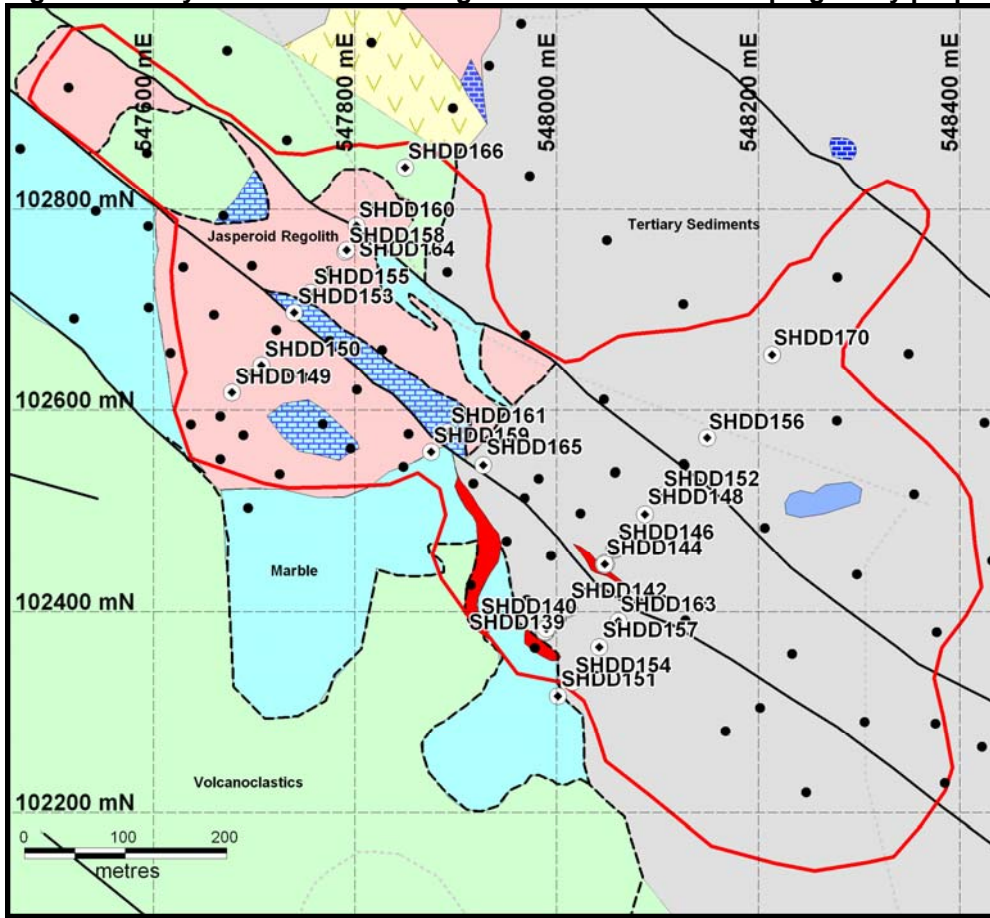
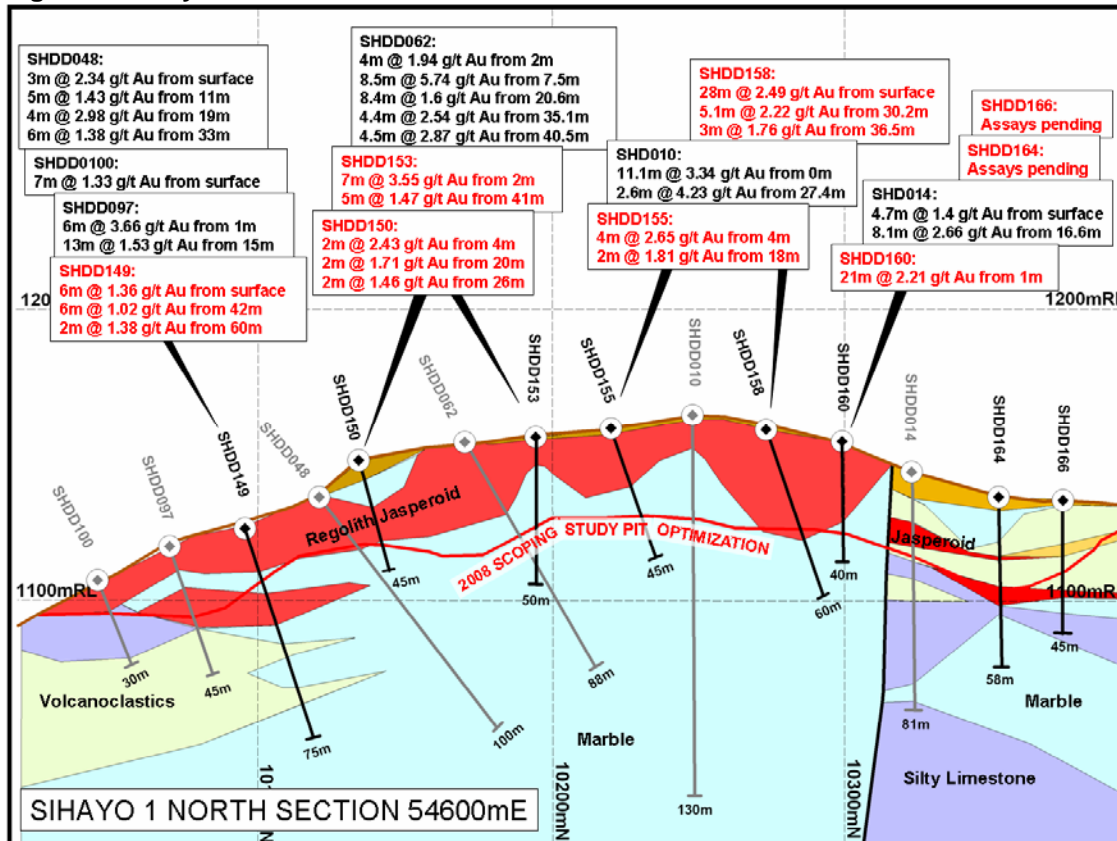


Figure 4: Sihayo 1 North cross section 54600mN





**Table 1: Significant Drill Results Sihayo 1 North (>1g/t Au) December Quarter 2009**

HoleID	Prospect	East	North	Azi	Dip	Total Depth	From	To	M	g/t Au
SHDD139	SIH1N	547990	102380	0	-90	18	0	4	4.2	5.0
							7	8	1.3	10.2
SHDD140	SIH1N	547990	102380	0	-90	14	1	8	7.0	8.3
							11	12	1.1	2.0
SHDD142	SIH1N	548010	102400	40	-65	122	33	34	1.0	1.1
							40	43	3.0	4.5
							48	49	1.4	1.8
							71	72	1.0	1.5
							81	82	1.2	1.4
SHDD144	SIH1N	548050	102450	0	-90	53	3	6	3.4	4.0
							7	10	3.0	6.1
							12	13	1.2	3.1
							14	20	5.5	4.0
							35	36	1.0	2.0
SHDD146	SIH1N	548060	102460	0	-90	119	40	45	5.0	1.2
							11	12	1.4	1.6
							13	14	1.1	1.8
							16	18	1.9	7.3
							19	26	7.4	4.2
SHDD148	SIH1N	548090	102500	0	-90	135	27	28	1.0	3.3
							31	33	2.0	5.9
							46	53	7.0	3.6
							62	65	3.4	2.9
							74	103	29.0	4.2
SHDD149	SIH1N	547680	102620	0	-70	75	16	24	8.0	1.7
							26	29	3.1	3.5
							32	33	1.0	1.0
							92	93	1.0	2.3
							94	96	2.2	3.3
SHDD150	SIH1N	547710	102640	0	-70	45	100	101	1.4	6.2
							103	107	4.4	8.7
							109	110	1.2	4.9
							0	6	6.0	1.4
							42	48	6.0	1.0
SHDD151	SIH1N	548000	102320	40	-70	40	60	62	2.0	1.4
							0	1	1.0	1.1
							4	6	2.0	2.4
SHDD152	SIH1N	548100	102520	0	-90	57	20	22	2.0	1.7
							26	28	2.0	1.5
							0	2	2.0	5.0
SHDD153	SIH1N	547740	102700	0	-90	50	30	31	1.3	2.4
							34	35	1.7	1.7
							40	44	4.1	1.5
SHDD154	SIH1N	548020	102330	40	-70	40	48	50	2.0	2.3
							2	9	7.0	3.6
							32	33	1.0	1.5
SHDD155	SIH1N	547760	102720	40	-70	45	36	37	1.0	1.1
							41	46	5.0	1.5
							2	4	2.0	1.4
SHDD156	SIH1N	548150	102570	0	-90	126.2	4	8	4.0	2.7
							18	20	2.0	1.8
							41	42	1.0	1.6
SHDD157	SIH1N	548040	102370	40	-70	125	assays pending			
							assays pending			
							0	28	28.0	2.5
SHDD158	SIH1N	547790	102760	40	-70	60	30	35	5.1	2.2
							37	40	3.0	1.8
							assays pending			
SHDD159	SIH1N	547880	102560	0	-90	30	assays pending			
							assays pending			
							assays pending			
SHDD160	SIH1N	547800	102780	0	-90	40.2	assays pending			
							assays pending			
							assays pending			
SHDD164	SIH1N	547790	102760	0	-90	57.5	assays pending			
							assays pending			
							assays pending			

## Notes

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as half core for PQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC):
8. Coordinates in UTM grid system

## Sihayo 1

The exploration drilling program was completed at the Sihayo 1 prospect, located immediately south of the main Sihayo 1 North resource. The first program of broad 100x100m drilling aimed to define the extent of the blind mineralisation beneath Tertiary sediments. The program was successful in identifying continuous mineralisation over a strike length of 400m including **23m at 3.0g/t Au** and the mineralisation remains open to the northwest, northeast and southeast (Figure 5). Drilling has been suspended temporarily while the infill drilling for the Sihayo 1 North indicated resource is completed. Drilling is planned to resume in the second half of 2010 to test up to a further 1.3 kilometres of potential strike extension to the NW and SE. Significant results received during the Quarter from the final six holes in the program included;

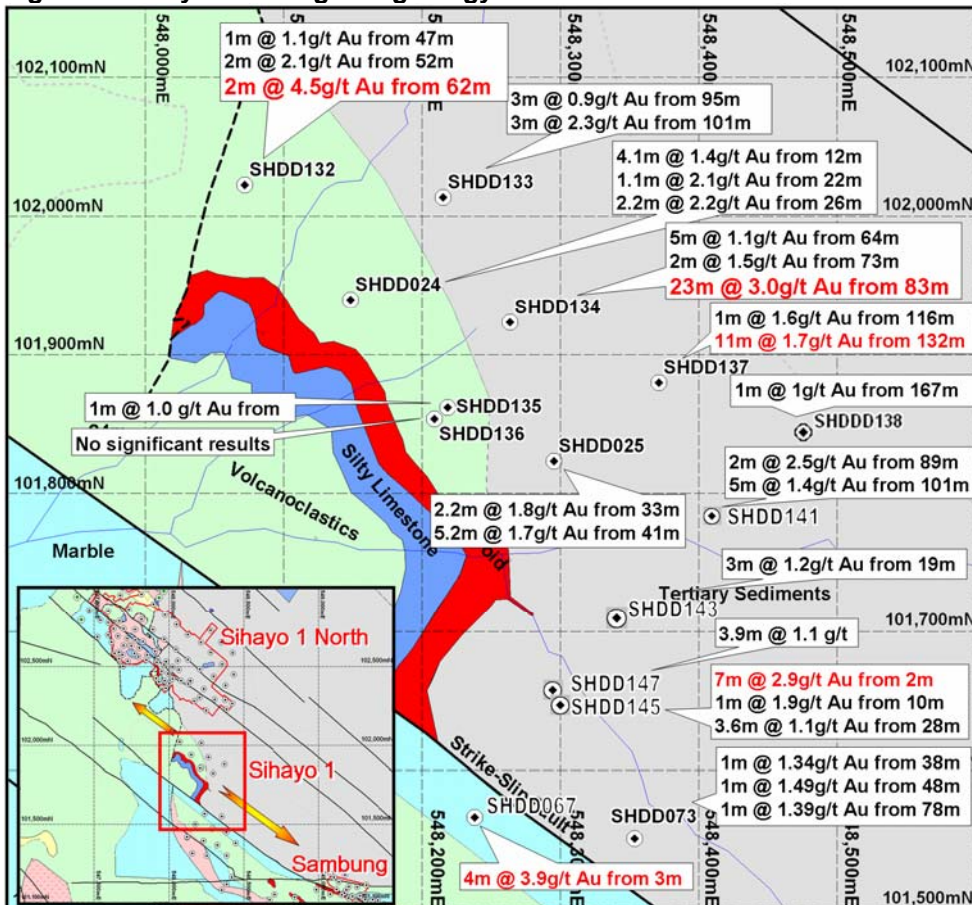
**SHDD137: 11m @ 1.67 g/t Au from 132m**

**SHDD141: 5m @ 1.44 g/t Au from 101m**

**SHDD143: 3m @ 1.15 g/t Au from 19m**

**SHDD145: 6.95m @ 2.91 g/t Au from 2m**

Figure 5: Sihayo 1 drilling and geology



**Table 2: Significant Drill Results Sihayo 1 (>1g/t Au) December Quarter 2009**

HoleID	Prospect	East	North	Azi	Dip	Total Depth	From	To	M	g/t Au
SHDD137	SIH1	548350	101890	0	-90	155	116	119	3.0	1.6
							123	128	5.0	0.9
							132	143	11.0	1.7
SHDD138	SIH1	548450	101830	0	-90	191	167	168	1.0	1.0
SHDD141	SIH1	548390	101760	0	-90	124	89	91	2.0	2.5
							101	106	5.0	1.4
SHDD143	SIH1	548320	101680	0	-90	50	19	22	3.0	1.2
SHDD145	SIH1	101620	548270	0	0	35	2	9	7.0	2.9
							10	11	1.1	1.9
							28	32	3.6	1.1
SHDD147	SIH1	548260	101630	40	-90	74	16	18	1.9	1.5
							42	43	1.0	1.7
							46	47	1.0	2.1

**Notes**

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 1.0ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 1.0ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. Sampling regime as half core for PQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC):
8. Coordinates in UTM grid system

**Sihayo Trend**

Immediately following the completion of drilling for the Sihayo 1 North resource drilling will resume on near resource targets. Priority areas will be to conduct infill drilling at Old Camp in order to add further resources into the mining inventory, and to delineate and then drill out Sihayo 1 and Sihayo 2.

Soil sampling has commenced on the eastern flank of the Sihayo resource where further jasperoids are likely to be covered by an extensive area of thin Tertiary sediments. A soil orientation study over known mineralisation has shown that there is likely to be an anomaly generated over gold bearing jasperoids if the Tertiary Sediment is less than 15m thick.

Regional exploration during the Quarter has discovered extensive skarn style alteration in andesites and diorites 4 kilometres along strike to the northwest of Sihayo. This discovery highlights the size of the Sihayo hydrothermal system and the potential for discovery of other styles of mineralisation such as skarn or porphyries.

**Regional Activities**

No regional exploration was conducted during the Quarter while the focus of work has been on the Sihayo 1 North project. A regional exploration plan is expected to re-commence in the second quarter of 2010 with low level exploration in the South Block in order to maintain an active presence and to develop some of the prospects into drill ready targets.

In the second half of 2010 as drill rigs complete the infill drilling at Sihayo then drilling can take place on regional targets.

Exploration approval is being sought from the Department of Forestry to work in areas previously placed in suspension while the national park issue was resolved. Once approval is given then reconnaissance mapping and sampling is planned for the porphyry targets at Singalancar, Rura Balancing, and Namilas (Figure 1).



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## 1.2 MALAWI (URANIUM) 100%

No activities were carried out during the Quarter.

The Company is planning to conduct a visit to Malawi in late January with the aim of recommencing regional exploration activities in the second Quarter of 2010.

## 1.3 INDIA (DIAMONDS) 9-10%

No progress has been made during the Quarter in resolving the legal status of the diamond tenements in India. The Company remains optimistic that its Indian JV Partner will be successful in gaining access to the tenement and application areas in the future. In the mean time there is no cost to Sihayo in maintaining its current equity.

## 2. Corporate Activities

Following the announcement of the \$6.5 million funding package in the September 2009 quarter and the subsequent share holder approval at the Company's Annual General Meeting a further 24,071,720 shares were placed to sophisticated investors raising \$0.96 million. In addition 74,500,000 options were also issued. Of these 30,000,000 were exercised in December 2010 raising \$1.5m and bringing the total subscribed to date to \$3.99m. The balance is due and expected on the exercise dates of 23 March and 30 May 2010 respectively. The investor group comprising primarily of Indonesian based investors continue to show strong support for the Company's accelerated plan for near term development of the Sihayo gold project.

In November the Company announced the conversion of all the outstanding convertible notes into shares.

In line with the Company's objective of developing the Sihayo gold mine it changed its name from Oropa Limited to Sihayo Gold Limited following shareholder approval at the Annual General Meeting

Yours faithfully,

**SIHAYO GOLD LIMITED**



**TONY MARTIN**  
Chief Executive Officer  
28 January 2009

**Note 1:** *It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.6, the information in this report that relates to Exploration Results is based on information compiled by both Mr Tony Martin and Mr Dean Pluckhahn, who are Members of the Australasian Institute of Mining and Metallurgy. Mr Martin is the Chief Executive Officer of Sihayo Gold Limited and Mr. Pluckhahn is a full time employee of Sihayo Gold Ltd's 75% owned subsidiary company P.T. Sorikmas Mining ("Sorikmas"). Mr Martin and Mr Pluckhahn have sufficient experience which is relevant to the style of mineralisation and type of deposit which is under consideration and to the activity which Sihayo Gold is undertaking to qualify as a "Competent Persons" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Martin and Mr Pluckhahn both consent to the inclusion in this report of the matters based on information in the form and context in which it appears.*

**Note 2:** *All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Sihayo Gold Ltd, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.*

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

SIHAYO GOLD LIMITED

ABN

77 009 241 374

Quarter ended ("current quarter")

31 DECEMBER 2009

### Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A	\$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,123,028)	(1,528,912)
(b) development	-	-
(c) production	-	-
(d) administration	(288,742)	(469,618)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17,056	27,206
1.5 Interest and other costs of finance paid	(44,828)	(86,162)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,439,542)</b>	<b>(2,057,486)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(34,732)	(61,526)
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 – cash acquired on purchase of subsidiary	-	-
<b>Net investing cash flows</b>	<b>(34,732)</b>	<b>(61,526)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,474,274)</b>	<b>(2,119,012)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,474,274)	(2,119,012)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from convertible notes issued	-	5,000
1.14	Proceeds from issued shares	2,462,869	3,996,717
1.14	Proceeds from shares to be issued through SPP	-	-
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 – cost of share issue	(45,689)	(52,045)
	<b>Net financing cash flows</b>	2,417,180	3,949,672
	<b>Net increase (decrease) in cash held</b>	942,906	1,830,660
1.20	Cash at beginning of quarter/year to date	1,838,601	960,522
1.21	Exchange rate adjustments to item 1.20	(4,679)	(14,354)
1.22	<b>Cash at end of quarter</b>	2,776,828	2,776,828

**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
1.23	Aggregate amount of payments to the parties included in item 1.2	225,509
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Includes interest paid to convertible note holders at a rate of 10% per annum on principal sum outstanding.

**Non-cash financing and investing activities**

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

NOT APPLICABLE

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

NOT APPLICABLE

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	1,200,000
4.2 Development	-
<b>Total</b>	<b>1,200,000</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	Previous quarter \$A
5.1 Cash on hand and at bank	1,732,964	1,794,737
5.2 Deposits at call – Bank Guarantee - Term Deposit	20,000 1,023,864	20,000 23,864
5.3 Bank overdraft	-	-
5.4 Other – Share Purchase Plan A/c	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,776,828</b>	<b>1,838,601</b>

### 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) (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>	425,202,424	425,202,424	N/A	N/A
7.4 Changes during quarter (a) Increases through issues	24,071,720 30,000,000 43,099,902 5,000,000 15,000,000 10,000,000 5,000,000	24,071,720 30,000,000 43,099,902 5,000,000 15,000,000 10,000,000 5,000,000	\$0.04 \$0.05 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02	\$0.04 \$0.05 \$0.02 \$0.02 \$0.02 \$0.02 \$0.02
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(Convertible Notes)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	75,533,150		\$0.02	\$0.02
7.7 <b>Options</b> <i>(description and conversion factor)</i>	12,791,439 13,280,376 8,500,000 14,974,500 7,500,000 3,000,000 25,000,000 19,500,000	12,791,439 13,280,376	<i>Exercise price</i> \$0.20 \$0.20 \$0.15 \$0.05 \$0.05 \$0.05 \$0.06 \$0.05	<i>Expiry date</i> 31/01/2010 31/01/2011 31/05/2013 31/08/2011 26/08/2011 31/08/2011 23/03/2010 30/05/2010

+ See chapter 19 for defined terms.



7.8	Issued during quarter	3,000,000		\$0.05	31/08/2011
		30,000,000		\$0.05	23/12/2009
		25,000,000		\$0.06	23/03/2010
		19,500,000		\$0.05	30/05/2010
7.9	Exercised during quarter	30,000,000		\$0.05	23/12/2009
7.10	Expired during quarter	2,700,000		\$0.13	31/12/2009
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## 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\* give a true and fair view of the matters disclosed.



Sign here: .....  
(Company Secretary)

Date: 28 January 2010

Print name: DEAN CALDER

## 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.