QUARTERLY REPORT
For the 3 months ending 31st December 2011

HIGHLIGHTS

SIHAYO PUNGKUT GOLD PROJECT, INDONESIA (75%)

- **Definitive Feasibility Study ("DFS") work continued with key focus on metallurgy, alternative power supply and overland conveyor for waste material movement**
- **Infill drilling program at the Sambung Resource delivers results consistent with expectations and highlights zones of silver mineralisation**
- **Ongoing surface exploration and drilling at Hutabargot has identified key gold targets that are scheduled for drilling over the remainder of 2012**
- **A new gold bearing epithermal vein complex has been identified with surface exploration underway at the Babisik Prospect, located in the Tambang Tinggi Area**
- **26 community-based agricultural programs underway all geared towards achieving sustainable improvements in income for the local farming communities**
- **The first of 3 planned local Community Centres has been opened with a focus on library and reading classes and basic computer skills training**

CORPORATE

- **Company ended the December Quarter with A$6.65 million in cash and is debt free.**

25 Charles Street, South Perth WA 6151 PO Box 1013, South Perth WA 6951
Telephone: (08) 9368 4544 Facsimile: (08) 9368 4522
Web: www.oropa.com.au Email: oropa@oropa.com.au
ABN: 77 009 241 374

REVIEW OF OPERATIONS

The focus of activities during the quarter was the Sihayo Pungkut Gold Project ("SPGP") and ongoing regional exploration. Activities included infill drilling at the Sambung Resource, community development programs across seven villages adjacent to the Sihayo-Sambung Resource, Hutabargot Julu drilling and ongoing surface exploration work and Babisik epithermal vein system surface exploration. *Figure 1* shows the location of these activities within the Sihayo Pungkut Contract of Work ("COW") Area.

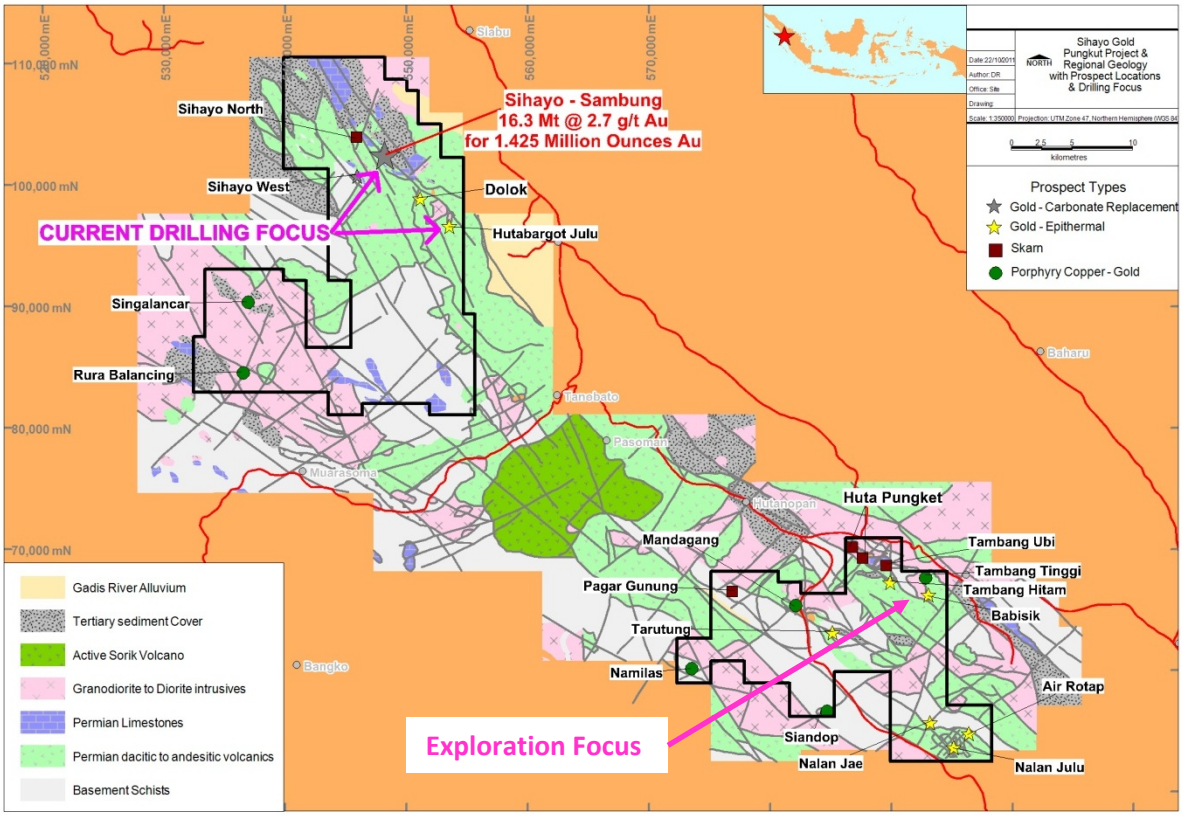


Figure 1: Sihayo Pungkut COW – JORC Resource, prospects and current work focus area

1. Definitive Feasibility Study ("DFS")

During the quarter, work continued on all aspects of the DFS and each of the key areas is summarised below.

Progress in all key areas is on target for completion by the end of the first quarter 2012 with the exception of the updated JORC Report for the Sambung Resource, which will be completed in April.

Geology & Resource

Sihayo Resource

There has been no further drilling completed on the Sihayo Resource, as the focus has been on developing a detailed understanding of the Geo-Metallurgical characteristics of the ore body. An investigation program was implemented using Minerex for mineralogy and petrology and CODES for a gold deportment study. This work is now complete and a greater understanding of the geo-metallurgical characteristics of the Sihayo ore body has been developed.

The results of these studies and the results of the metallurgy test work have been integrated into the overall resource data base.

Sambung Resource

An infill drill program on the Sambung Resource is continuing with 3 drill rigs. The purpose of the drill program is to covert the limited amount of Inferred Resource contained within the overall **JORC Compliant Resource of 16.3Mt at 2.7 g/t Au for 1.425 Moz** into the higher Indicated Category.
This drill program is on going with the JORC Compliant Report due by April 2012. Further detail on the Sambung Infill Program including initial results is included in section 2 below.

Mining

Mining Rate

Studies have been completed to determine the optimum mining rate which the project will sustain. These have concluded that due to the nature of the ore body and the types of equipment to be used that a maximum mining rate of 1.5 Mtpa of gold bearing ore extraction rate that can be achieved.
The final pit designs and mining scheduling are progressing as a result of these studies.

Mining Approach

The project will be a conventional drill and blast, excavate, load and haul open pit operation.

Grade Control

Ore blocks will be delineated by reverse circulation (RC) grade control drilling conducted over 30-40 m vertical depths. This will provide accurate block delineation and grade estimation and can be accomplished well in advance of mining requirements. It will also enable metallurgical test work to be performed if required.

Drill and Blast

Apart from the very soft clay breccia, it was considered necessary to drill and blast all the remaining gold bearing ore.
Bench heights are designed to be 5 m.

Load and Haul

It has been determined that hydraulic excavators, in backhoe configuration, are the best loading units to provide the necessary selectivity, flexibility and cost efficiency for the operation. It is proposed to utilise 80 tonne class excavators, matched with 40 tonne capacity articulated AWD trucks. These trucks have the advantage of being capable of hauling up steep gradients and are able to operate safely in high rainfall conditions.

Mining Operations

The studies on the mining operations have concluded that an owner operated fleet is the preferred approach.

Geotechnical

A designed selection of pit geotech holes has been completed to determine the pit wall angles. A number of further holes for the pit areas and the waste dump areas are planned but they will be completed as part of the detailed engineering phase of the project.

Hydrogeology and Hydrology

Hydrogeology (relating to groundwater) and Hydrology (relating to drainage and surface water) with the open pit and waste dump sites located within a region subject to relatively high annual rainfall requires the adoption of a ”best practice” water management plan.

In-pit water management will consist of the following aspects:

- Run-off control and sumps;
- In-pit slope depressurisation and dewatering; and
- External dewatering bores.

The key operational requirements will be to:

- Minimise water flows into the pit using perimeter bunds, drains and fill, where practicable;
- Maintain pit wall drainage; and
- Provide permanent and temporary sumps capable of handling the expected water inflows.

Piezometer holes will be drilled from surface to monitor the water table level.

Pit Design

The final pit design and mining schedule is currently being completed. The schedule will include the Sihayo and Sambung Resources.
The movement of ore from both pits will be transported via truck to the ROM pad where it will be either directly dumped into the crusher or stock piled to be loaded into the crusher with a front end loader.
Waste from the Sihayo Pit will be transported via truck to the pit rim where it will then be placed on to an overland conveyer to be transported to the waste dump. A discharge stacker at the end of the conveyer will stack the waste material where it will be loaded onto a truck to be placed into the engineered waste dump cell.
The waste material from the Sambung Pit will be deposited onto a waste dump adjacent to the pit area.

Metallurgy and Engineering

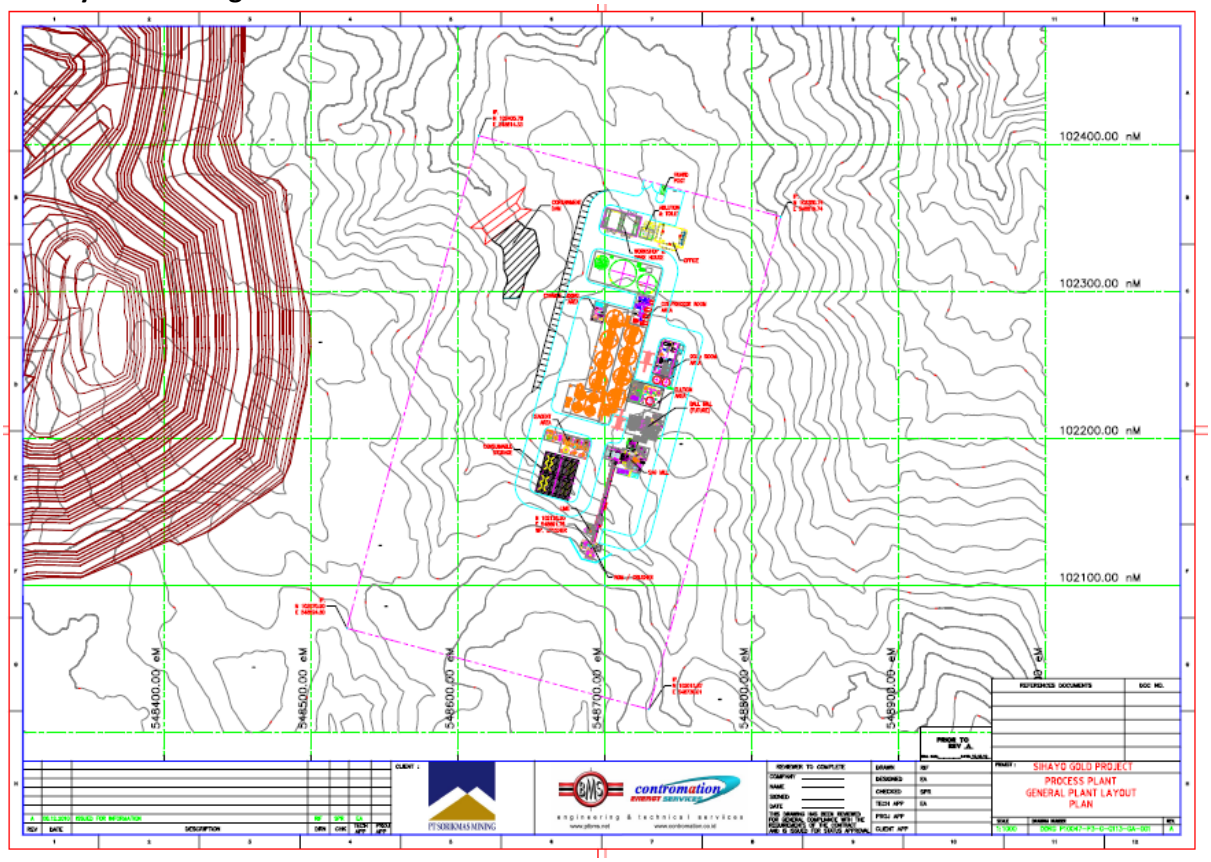
Metallurgy

A comprehensive metallurgy cyanide leach testing has been completed on all the ore intercepts within the Sihayo Deposit. This involved approx 4,500 lab tests which were designed to simulate the normal plant operating conditions that are expected at the project. All the information has now been integrated into the resource data base and the mine model which will deliver a mining and recovery block model.
The ore intercepts from the Sambung Area are being completed on the same basis and will be included into the models as the information becomes available.
The final Au recovery model will be completed as part of the mine scheduling output.

Process Plant

The process plant is a conventional CIL (carbon in Leach) process with single stage jaw crushing and single stage SAG milling at a throughput rate of 1.5 Mtpa.
The waste material from the plant will be thickened pre detox and placed on the mine waste dump as a co-dispersal and as such no tailings dam will be constructed.
Recovered water from the thickener will go back into the process plant. Only a small proportion of makeup water will be required for the normal plant operation.

Site Layout Drawing



Power

A detailed study into Biomass Power is progressing with the outcome due mid February 2012 to DFS standards. This study will include the Capex and Opex for the power plant.

Overland Conveyor

The DFS for the overland conveyor for the movement of mine and plant waste material will also be completed by mid February 2012.

Infrastructure

Overall design for the entire infrastructure has been completed.

Safety and Security

The operation has been designed to operate 24hours, 7 days per week, 52 weeks per year with all design parameters being subject to risk reviews to ensure the safety and security of the companies personal.

2. Sihayo - Sambung Gold Resource

The current Sihayo-Sambung Gold Resource of **16.3Mt at 2.7 g/t Au for 1.425 Moz** lies on about 2.25km of the potential 5.5km trend of gold mineralisation. Gold within the Sihayo Resource is contained within "Jasper" that has replaced calcareous stratigraphy. Geological mapping and soil geochemistry have defined gold bearing jasper mineralisation over a 5.5km strike length.

The drilling program commenced aiming to upgrade the JORC Compliant Sambung Inferred Resource of **123,200 ounces Gold @ 2.2 g/t Au** to the higher JORC Compliant Indicated Category. *Figure 2* shows the area of drill focus at the Sambung prospect.

Infill diamond drilling over the Sambung Resource commenced in October 2011 with a single drill rig. A second drill rig arrived on site in November 2011 and a third rig arrived in early January 2012. During the quarter, 1658m from 15 holes were drilled. Results containing greater than 1 g/t Au from these 15 diamond drill holes are shown in *Table 1*.

Geological modelling based on logging of 101 diamond drill holes through the Sambung Prospect has defined three settings of gold bearing jasper mineralisation: 1) Structurally controlled; 2) Stratigraphy controlled; and 3) Surface regolith.

Figure 3 is a cross section demonstrating geology and mineralisation at the Sambung prospect.

The original Sambung infill drill plan designed in October 2011 budgeted 3000m for upgrading the current JORC Compliant Inferred Resource to the JORC Compliant Indicated Category. Recent geological modelling has shown that sub vertical structural control on a component of the gold mineralisation at Sambung requires further drill testing to achieve the JORC Compliant Indicated category geological confidence. Accordingly, an extra 3,000m of drilling has been allocated to test the sub vertical gold mineralisation. Notably, sub vertical mineralisation has returned anomalous to highly encouraging silver results. **SAMDD096 intercepted 19.15m@ 1.92g/t Au and 36.82g/t Ag from 70.9m.** Silver intercepts will be reviewed throughout the Sambung Prospect.

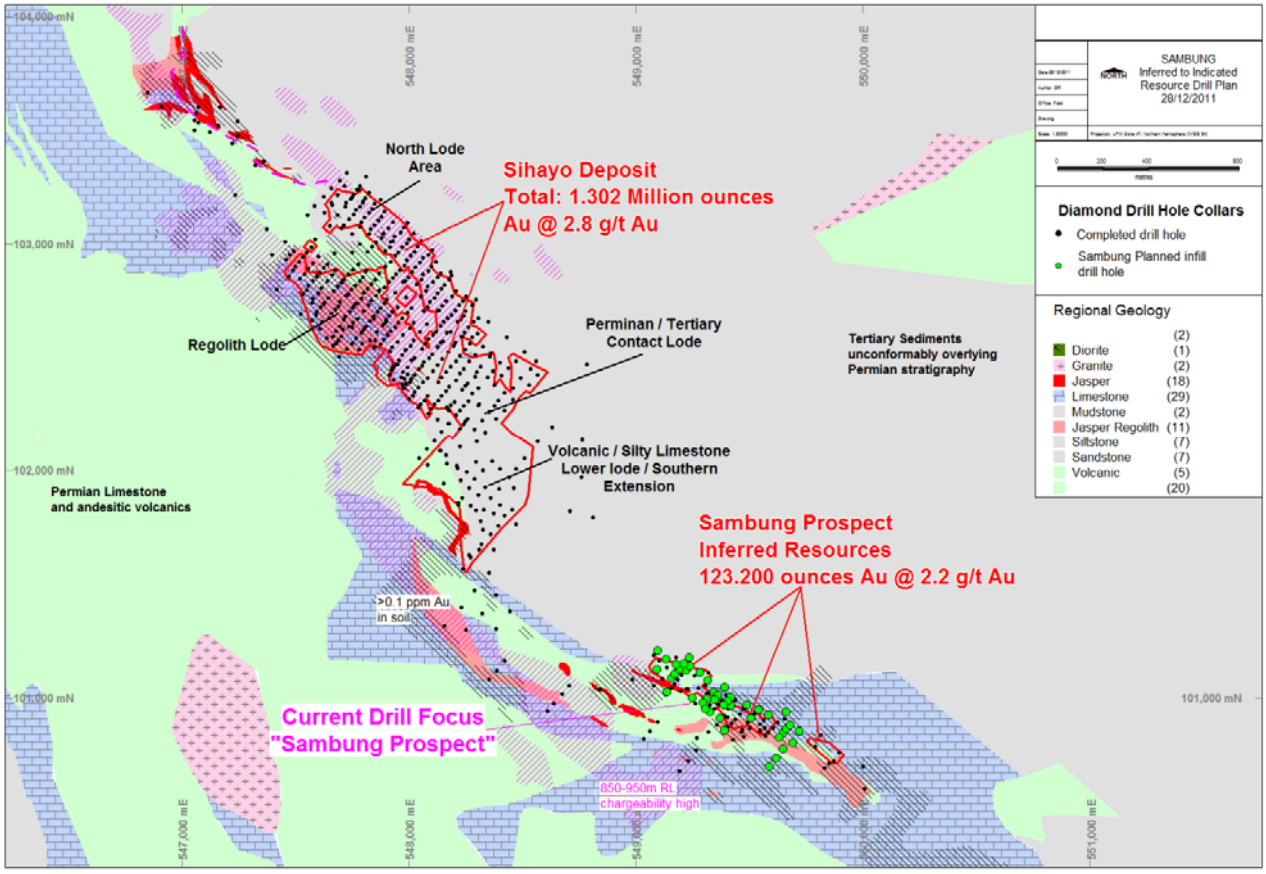


Figure 2: Sihayo Pungkut Gold Project - Current Drilling Focus

Hole ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth	From	To	Intercept (m)	Au g/t
086	549221	101121	1010	0	-90	114.1	57.0	72.0	15	4.26
088	549191	101127	1020	222	-60	72.5	38.8	44.95	6.15	2.97
089	549211	101151	1020	222	-60	80.0	62.1	71.0	8.9	1.93
091	549538	100951	955	222	-60	114.1	24.4	26.4	2.0	1.57
092	549171	101105	1020	222	-60	71.0	34.25	43.85	9.6	2.04
094	549176	101145	1036	0	-90	108.7	83.55	90.40	6.85	3.35
096	549131	101171	1052	222	-60	122.0	62.5	65.5	3.0	3.11
							70.9	90.05	19.15	1.92
097	549390	100859	1021	0	-90	66.7	28.15	29.15	1	2.16
098	549417	100965	990	0	-90	83.3	22.0	24.0	2	3.24
099	549096	101206	1077	222	-60	116.7	101	102	1	1.51
							104.85	105.85	1	1.64
100	549096	101206	1077	222	-70	123.8	97	98.3	1.3	1.06
							105.85	107	1.15	1.26
							109	110.55	1.55	1.77
101	549904	100988	986	222	-60	91	38.15	39.5	1.35	3.74

Table 1: Gold Intercepts of 1 g/t Au and above - Holes 086 to 101

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 quarter core for PQ and half core for NQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC): Standards, duplicates, blanks
8. Coordinates in UTM grid system (WGS84 z47N)

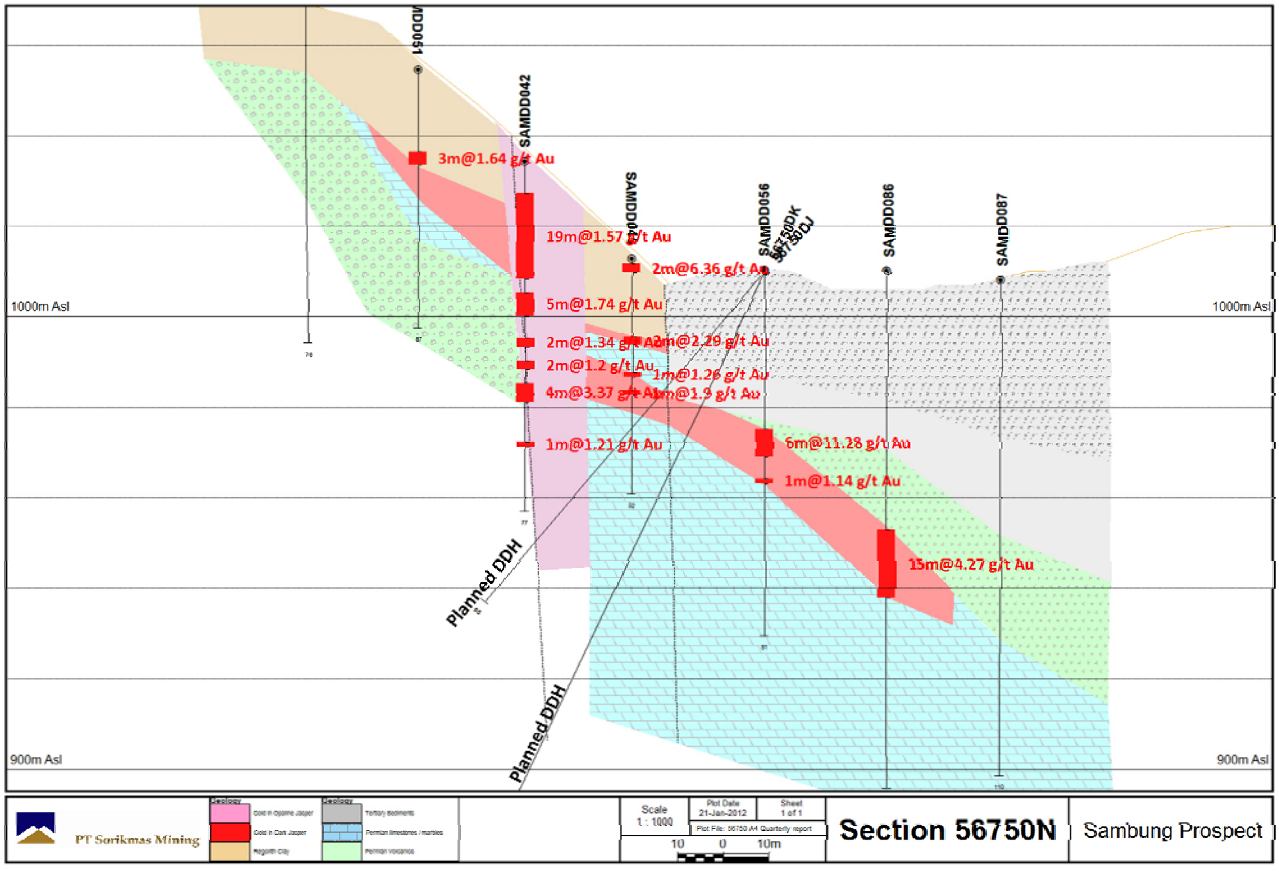


Figure 3: Sambung cross section 56750N

3. Community Development Activities

Social mapping of local communities has identified three major areas that Sihayo Gold can assist in community development:

1. Agriculture – cocoa, rubber, rice, vegetables, fruits and animal husbandry;
2. Services - health, education and small business generation; and
3. Infrastructure – water, sanitation and micro-hydro potential

Currently, **26 separate projects setup under 13 co-operatives involving 566 people** from the local community are in progress.

The Company has identified that the main issues that the local community have in regard to agriculture are:

- Access to markets to sell produce
- Access to quality seed or animal stock
- Access to training for best practice applicable agricultural techniques.

Current programs have included setting up nurseries supplying quality seed / fruit tree stock, establishing breeding stations for different livestock including goats, chickens, pigs and fish.

Training has commenced in best agricultural practices such as composting, pruning, and contour planting. *Figure 4* is a map showing the location of current community programs.

Once agricultural products reach required quality levels through best stock and best agricultural practice, the company will assist local communities in improved marketing strategies.

Ultimately, co-operatives involved in these agricultural projects will become profitable and self sustainable providing extra income to communities.

In line with our overall Community Development Plan, the first of 3 community centres has been opened.

The Community Centre will initially be used as a children's library and basic computer training centre, followed by other educational programs that will be determined by the local community.

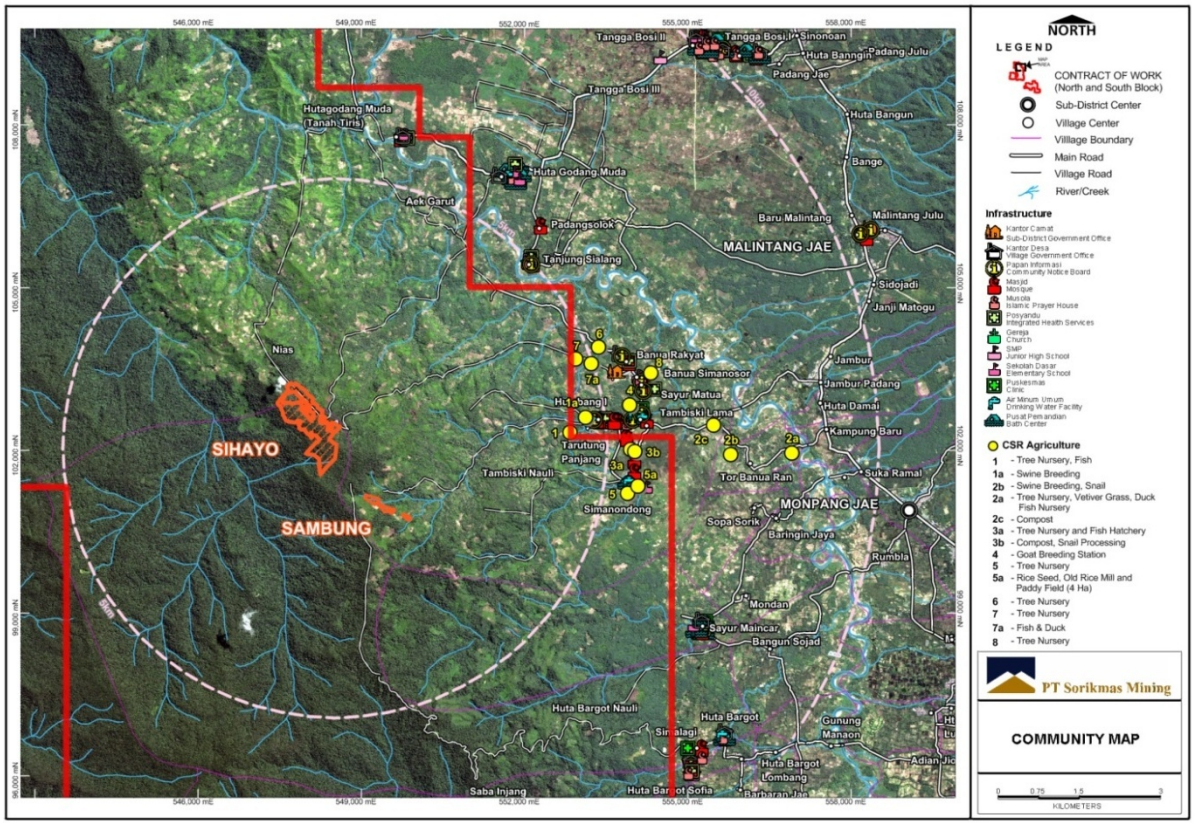


Figure 4: Community Map adjacent to Sihayo-Sambung Resource - yellow dots identify agricultural project locations

4. Hutabargot Julu Exploration

The **Hutabargot Julu P**rospect is located 7km south east of the Sihayo-Sambung Resource. The Hutabargot Prospect is underlain by a dactitic dome complex and dissected by the Trans Sumatran Fault Zone. Dacitic stratigraphy has been hydrothermally brecciated and magnetite destructive clay-silica-pyrite altered defining an approximate 6km * 2km intermediate epithermal gold complex footprint. Significant mineralisation is structurally controlled veining within hydrothermal breccias. Historic drilling yielded a best significant intercept of **5m @ 36.7 g/t Au from 47m** from Quartz-Sulphide veining.

Reporting period drilling (7 diamond drill holes for 1711m) has focussed on low grade gold / high tonnage gold targets defined by surface geochemistry, geological mapping and an induced polarisation survey. A surface plan summarising diamond drilling to date is shown in *Figure 5*. Drill results have been encouraging **with a best intercept of 5.9m @ 3.82 g/t Au from 54.3m in HUTDD026** and are shown in *Table 2*. Gold mineralisation is hosted by colloform banded chalcedonic and vuggy white quartz associated with pyrite arsenopyrite, sphalerite, and galena with localised chalcopyrite (see figure below).

HUTDD027 160m: Colloform banded quartz-chalcopyrite-arsenopyrite-sphalerite veining

The next step for drilling at the Hutabargot Prospect will be to target known veins yielding significant historic drill results. The aim of the drilling will be to test the strike and depth extent of veins for economic gold mineralisation (high grade / low tonnage gold). Drilling will commence on the Sarahan Vein where a number of historic significant gold intercepts were achieved. *(Figure 5)*

Currently, the Hutabargot drill rig is being utilised in the Sambung infill drill program. On completing the infill drilling at Sambung the rig will return to Hutabargot. Surface exploration (soils, geological mapping) will continue throughout the first quarter of 2012.

Maxi 195 Drill Rig at Hutabargot prospect

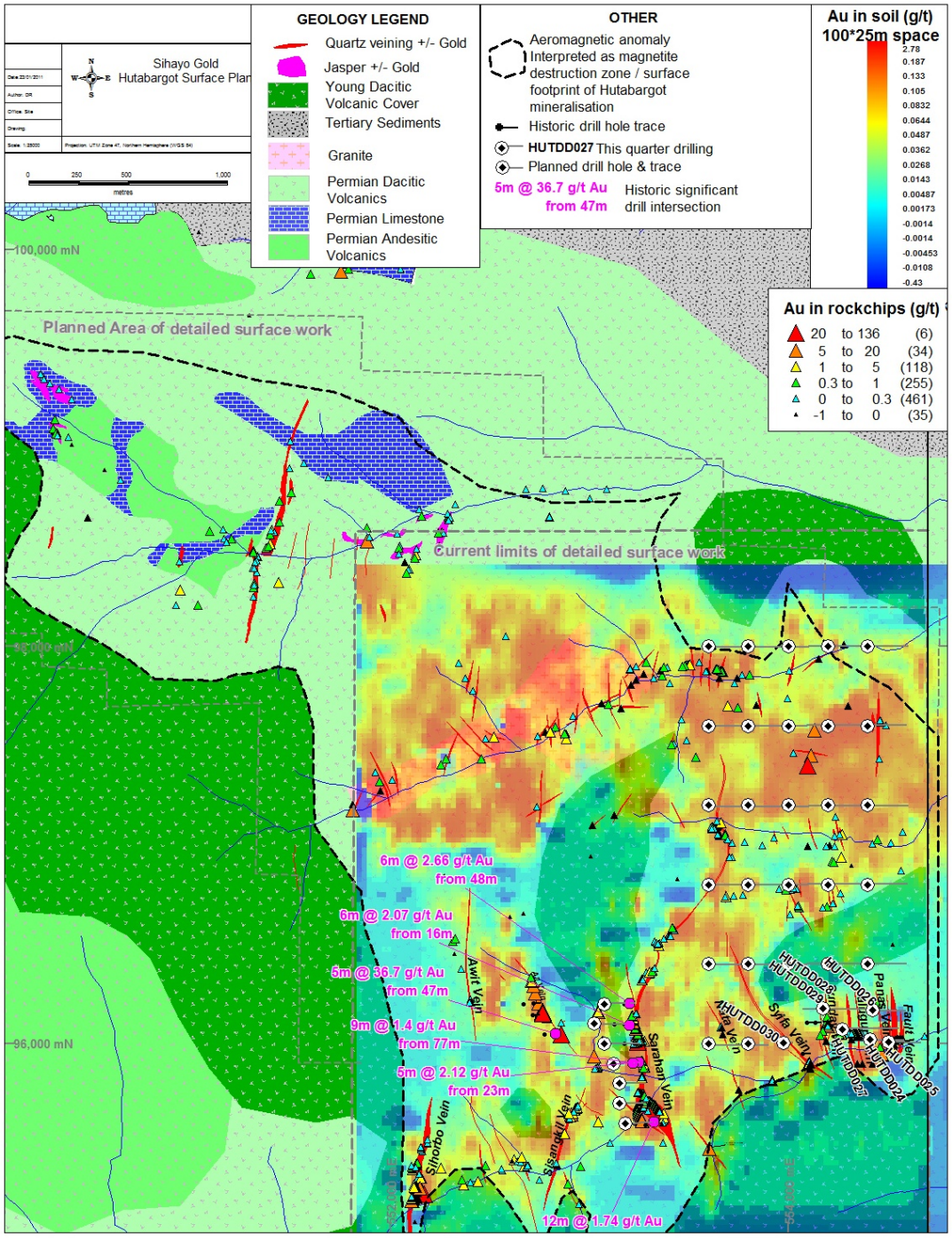


Figure 5: Hutabargot Surface Plan

Hole ID	East UTM	North UTM	RL (m ASL)	Azi	Dip	Max Depth	From	To	Intercept (m)	Au g/t
HUTDD024	554412.9	96019.9	273.9	90	-50	272.85	61.85	66.7	4.85	1.39
							75.10	78.40	3.3	0.52
							93.10	94.00	0.9	3.42
							112.30	113.50	1.2	1.21
							118.45	127.30	8.85	0.85
HUTDD025	554504.2	96010.2	271.9	90	-50	251.2	6.89	8.9	2.01	0.85
							25.35	29.6	4.25	0.51
							36.85	42.45	5.6	0.7
							55.25	56.9	1.65	2.44
							79.5	80.25	0.75	0.94
							82.85	91.1	8.25	1.0
							102.9	104.8	1.9	1.24
							120.8	121.8	1	0.73
HUTDD026	554426	96171	333	90	-50	265	19.6	20.1	0.5	1.33
							45.8	47.8	2	1.39
							54.3	60.2	5.9	3.82
							95.55	97.25	1.7	0.84
							102.25	104.25	2	1.16
							108.4	110.25	1.85	1.37
							136.95	137.4	0.45	1.57
							142.7	146.95	4.25	2.06
HUTDD027	554272	96074	325	90	-50	320.8	140.50	142.35	1.85	1.01
							205.2	206.1	0.9	1.76
HUTDD028	554174	96177	387	90	-50	350.15	46.8	53.75	6.95	0.53
							57.7	60.4	2.7	0.5
							75.75	78.75	3	0.96
							85.75	88.7	2.95	0.64
							111.7	114.25	2.55	0.6
							158.15	159.5	1.35	1.1
							193.6	200.1	6.5	0.83
HUTDD029	554174	96177	387	270	-50	200.05	79.90	87.9	8	0.69

Table 2: Gold Intercepts of 1 g/t Au and above - Holes HUTDD024 to HUTDD030

Notes

1. All assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 0.5ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 0.5ppm 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 quarter core for PQ and half core for NQ and HQ diameter core
7. Quality Assurance and Quality Control (QAQC):Standards, duplicates, blanks
8. Coordinates in UTM grid system (WGS84 z47N)

5. Babisik Epithermal Gold Prospect

Babisik surface exploration programs commenced in October 2011 and have progressed well. Exploration activities included geological mapping and grid soil within a 2km^2 area. Fifty one rock chip samples and 858 soil samples were collected. *Figure 6* summarises exploration work to date.

The Babisik Prospect is underlain by Permian volcanic agglomerates that are unconformably overlain by sandstones and conglomerates to the north of the prospect area. A number of quartz veins +- manganese +- limonite up to 15m wide are traceable over 500m of strike length. Best rock chip results to date yielded **5.32 g/t Au and up to 400 g/t Ag.** Further detailed mapping / rock chipping and Induced Polarisation work is scheduled over the next quarter with the objective to site in drill holes targeting potential high grade ore shoots.

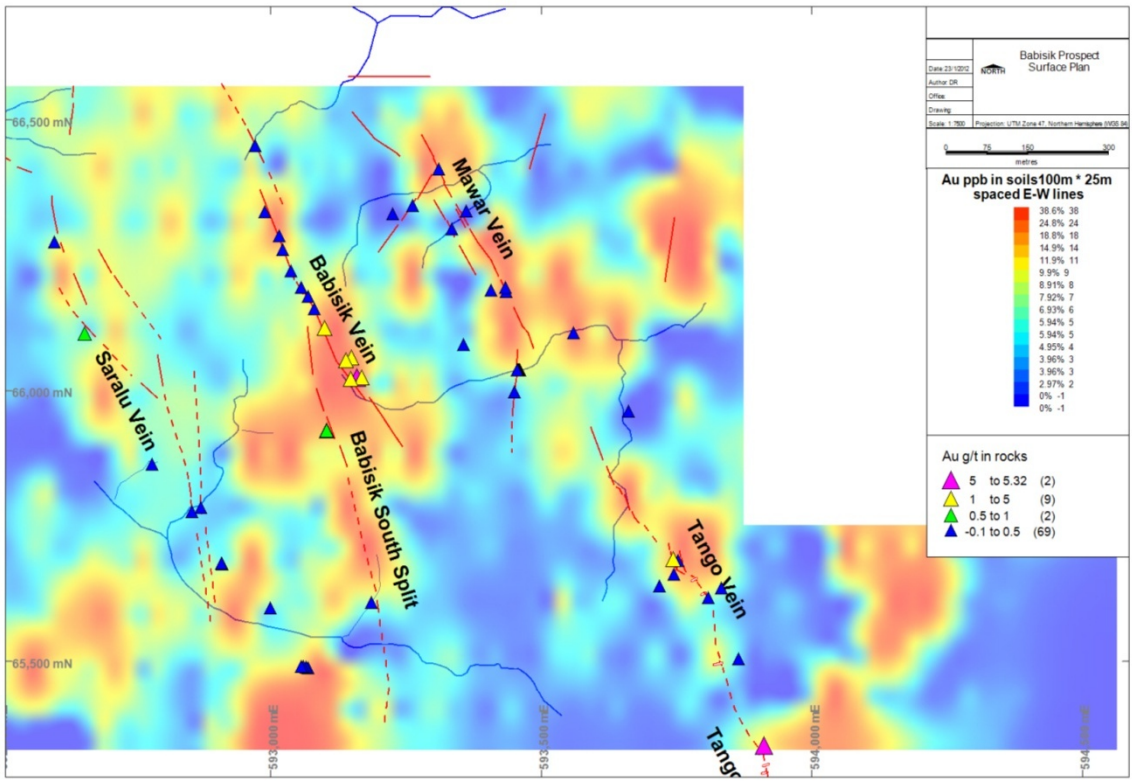


Figure 6: Babisik Prospect surface plan

6. Local Mining Activity

Local miners continue to operate in a number of locations within the COW Area.

Whilst this activity is illegal under Indonesia law, unless the miners have a valid permit, the activity levels tend to be most closely linked to the gold price movements.

Our responsibility is to report all occurrences of local mining activity to the relevant Government authorities on a regular basis.

From an environmental and health perspective, we have also produced information sheets for distribution to villages nearby the locations of local mining explaining the range of possible negative impacts of the mining.

At no time during the quarter did the activities of the local miners interfere or impact our own work programs.

7. Malawi (Uranium) *100%*

No exploration activities were carried out during the Quarter.

8. India (Diamonds) *9%*

Some progress was made during the Quarter in resolving the legal status of the diamond tenements in India, however the matter is yet to be finalised.

Yours faithfully,
SIHAYO GOLD LIMITED

Paul Willis
Chief Executive Officer
31st January 2012

Competent Persons Statements
Sihayo Gold Limited: *The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Darin Rowley (BSc.Geol Hons 1st class) who is a full time employee of PT Sorikmas Mining, and is a Member of the AusIMM. Mr Rowley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rowley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Runge Limited: *The information in this report that relates to Mineral Resources at Sihayo is based on information compiled by Mr Robert Williams BSc, a Member of the Australian Institute of Mining and Metallurgy, who is a full time employee of Runge Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. Mr Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Modelling: *The Sihayo deposit was estimated by Runge Limited using Ordinary Kriging grade interpolation, constrained by mineralisation envelopes prepared using a nominal 0.5g/t gold cut-off grade for the lower grade upper weathered zone, and 1.0g/t Au in the deeper higher grade zones. In all cases a minimum downhole intercept length of 2m was adopted. The block dimensions used in the model were 25m EW by 10m NS by 5m vertical with sub-cells of 6.25m by 2.5m by 1.25m. Statistical analysis of the deposit determined that no high grade cuts were required in the estimate. Grades were estimated using Ordinary Kriging. Bulk density was assigned in the model based upon the results of 853 bulk density determinations.*

Note
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 Limited, 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.

Rule 5.3

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

Sihayo Gold Limited

ABN

77 009 241 374

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(3,705)	(7,889)
	(b) development		
	(c) production		
	(d) administration	(188)	(412)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	134	280
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(3,759)	(8.021)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(53)	(104)
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 (provide details if material)		
	Net investing cash flows	(53)	(104)
1.13	Total operating and investing cash flows (carried forward)	(3,812)	(8,125)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,812)	(8,125)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		487
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)	(4)	(44)
	Net financing cash flows	(4)	443
	Net increase (decrease) in cash held	(3,816)	(7,682)
1.20	Cash at beginning of quarter/year to date	10,210	13,468
1.21	Exchange rate adjustments to item 1.20	256	864
1.22	**Cash at end of quarter**	6,650	6,650

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	114
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

		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	4,800
4.2	Development	
4.3	Production	
4.4	Administration	300
	Total	**5,100**

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	6,606	10,166
5.2	Deposits at call	44	44
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	6,650	10,210

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	**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**	703,711,146	703,711,146		
7.4	Changes during quarter Increases through issues (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				

+ See chapter 19 for defined terms.

7.7	**Options** *(description and conversion factor)*	6,800,000 2,000,000 2,000,000 2,000,000 2,000,000 1,500,000 1,500,000 2,000,000 1,000,000		*Exercise price* $0.15 $0.075 $0.1 $0.1 $0.125 $0.1 $0.1 $0.25 $0.25	*Expiry date* 31/05/2013 30/06/2012 30/06/2013 30/06/2012 30/06/2013 31/05/2012 31/05/2012 31/12/2012 31/12/2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(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 5).

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

Sign here: ..... Date: 31/1/12
(Director/Company secretary)

Print name: Daniel NOLAN

Notes

+ See chapter 19 for defined terms.

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.

== == == == ==

+ See chapter 19 for defined terms.