



ADDRESS
PO Box 35
North Perth
WA 6906 Australia
ABN 96 095 684 389

PHONE
+61 (08) 9295 0388
FAX
+61 (08) 9295 3480

EMAIL
info@frontierresources.com.au
WEBSITE
www.frontierresources.com.au

ASX Limited
Company Announcements Office

29th October 2010

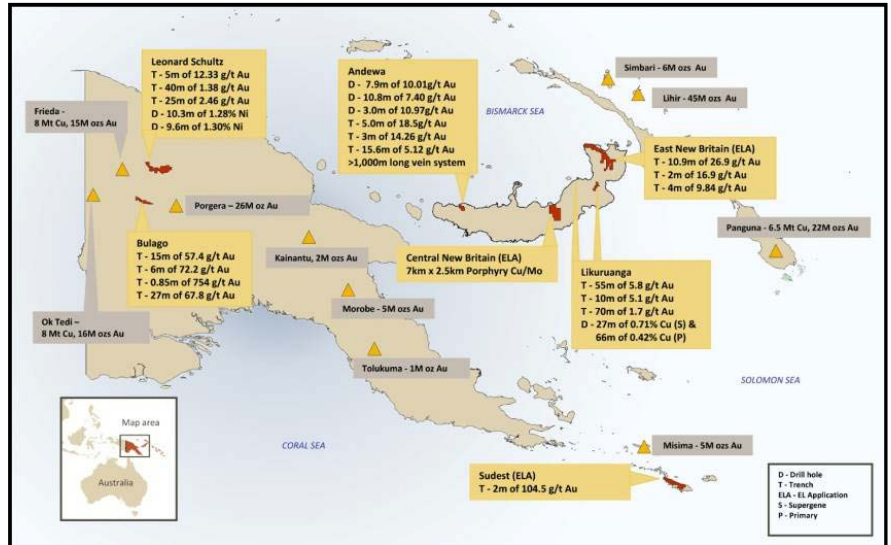
TECHNICAL REPORT – QUARTER ENDED 30th SEPTEMBER 2010

- ❖ **The geophysical, geochemical and geological exploration programs at the Andewa Gold Project in Papua New Guinea have all been increased in size and scope due to encouraging initial field results.**
- Grid line extensions and infill lines are now being completed to better define the 3D - Induced Polarisation chargeability and resistivity anomalies observed in preliminary data.
 - The grid is now more than 20 sq km in area.
 - A ground magnetic survey is progressing well and this data will complement the IP information.
 - Detailed information relating to the IP results will be released in early December when the entire program has been completed and modelled.
 - The first batch of soil and rock assays are awaited and will be reported when possible.
- ❖ **A highly experienced Exploration Manager was recruited to advance the exploration of the Company's Tasmanian tenements.**
- Grant MacDonald B.Sc (Hon.) has commenced exploration in the central north and is targeting tungsten and gold + base metal mineralisation at the Cethana EL and Narrawa RL around the margin of the highly mineralised Dolcoath granite.
 - A drilling program will commence at the SMRV project in very early 2011, with an advance crew mobilising to site in November to establish the camp and prepare the equipment. Selected diamond holes will be prepared for survey by 3 axis downhole electromagnetics (DHEM) to provide vectors for drilling to the base and precious metal mineralisation.
- ❖ **Extensive gold, copper and molybdenum anomalies were demonstrated in rock, trench and grid based soils at the Wasi and Kru Prospects, Leonard Schultz EL, PNG.**
- High-Grade mineralisation was demonstrated by rock outcrop assays at the Wasi Prospect, with gold to 180 g/t, silver to 1,090 g/t, copper to 4.12% and molybdenum to 872 ppm.
 - Additional gold was noted in hand trenches at the Kru Prospect including 28m of 1.43 g/t gold and 4m of 8.01 g/t gold.
 - A major aeromagnetic - radiometric geophysical survey was initiated and completed by Ok Tedi Mining Ltd at the Leonard Schultz Joint Venture.
- ❖ **A major aeromagnetic - radiometric geophysical survey was initiated and completed by Ok Tedi Mining Ltd at the Likuruanga Joint Venture, PNG.**
- An unconstrained (no geology input) first pass inversion model has been completed of the magnetics producing a 3D model of hypothetical magnetic susceptibility readings, with more detail on the Esis and Bukuam Prospects.
 - Field teams will now collect on ground magnetic susceptibility readings of the various rock and alteration types to use in the creation of a detailed 3D model.
- ❖ **Frontier own two diamond drill rigs which are used to help cost effectively define precious and base metal mineralisation on the Company's PNG and Tasmanian properties.**

DETAILS

JOINT VENTURES WITH OK TEDI MINING LTD (OTML)

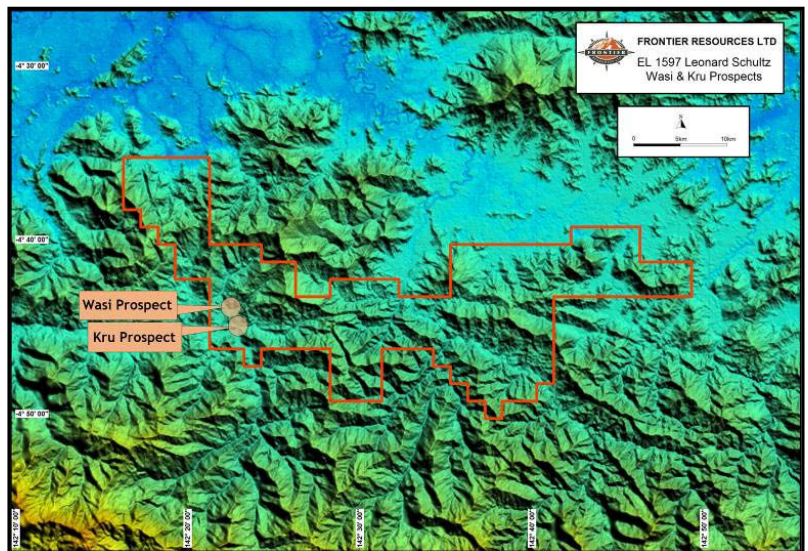
In May 2010 Frontier and OTML established a Joint Venture whereby OTML have the option to earn 58% equity in ELs 1595 and 1597 and 80.1% equity in EL 1351 and EL Applications 1592 and 1598 in Papua New Guinea. Earn-in is US\$12 million on each property within 6 years, totalling US\$60 million (if all projects proceed to that point). Frontiers pro-rata contribution costs to each EL are then carried by OTML from completion of their earn-in to the completion of a Bankable Feasibility Study, with pro-rata repayments by Frontier from 50% of its future metal sales.



EL 1597 - LEONARD SCHULTZ

Highly encouraging, high-grade gold, silver, copper and molybdenum assay results were returned from rock chip outcrop and float sampling completed earlier in 2010 at the Wasi porphyry copper-gold -molybdenum Prospect. Encouraging gold assay results were also noted in the final hand trench assay results at the adjoining Kru gold Prospect.

- High grade gold and silver was located in a massive sulphide vein outcrop that assayed 180 g/t gold + 1090 g/t silver + 3.43% copper + 1.34% zinc + 0.92% lead + 25 ppm molybdenum.
- Outcrop rock chip channel sampling returned to 1m of 20.9 g/t gold + 243 g/t silver + 0.26% copper.
- Rock chip grab samples from separate outcrops assayed to 8.48 g/t gold and 5.72 g/t gold.
- The highest copper in rock chip channel samples assayed 4.12% copper + 0.70 g/t gold + 30 g/t silver, contained in a 3m wide quartz sulphide vein. Fifteen other samples ranged from a 0.5m outcrop grading 1.63% copper (+ weak silver) to grab samples assaying 0.20% copper (plus weak gold).
- Silver was noted to 314 g/t silver + 1.65 g/t gold + 0.35% copper in outcrop rock grab samples.
- Molybdenum in outcrop assayed to 872 ppm + 0.21% copper. Five float rock samples assayed >100 ppm molybdenum (+/- weak copper as expected peripheral to a porphyry copper system).



A total of 403 outcrop /float rock samples were collected over about a 5 sq km area at Wasi and they have defined targets for further evaluation and future hand trenching. The gold contained in rock samples is plotted on the gold soil geochemistry summary plan below and the copper contained in rocks is plotted on the copper soil geochemistry summary plan below.

Rock outcrop and float samples collected during the program included:

8.99 g/t gold + 157 g/t silver + 0.37% copper + 157 ppm molybdenum	10.5 g/t gold + 17 g/t silver
8.94 g/t gold + 13 g/t silver + 0.12% copper	5.00 g/t gold + 16 g/t silver + 0.18% copper
4.38 g/t gold + 153 ppm molybdenum	3.3 g/t gold + 57 g/t silver + 0.59% copper
	3.27 g/t gold + 5 g/t silver

2.97 g/t gold + 12.6 g/t silver + 80 ppm molybdenum

3.84 g/t gold + 29 g/t silver

1.59g/t gold+ 5 g/t silver

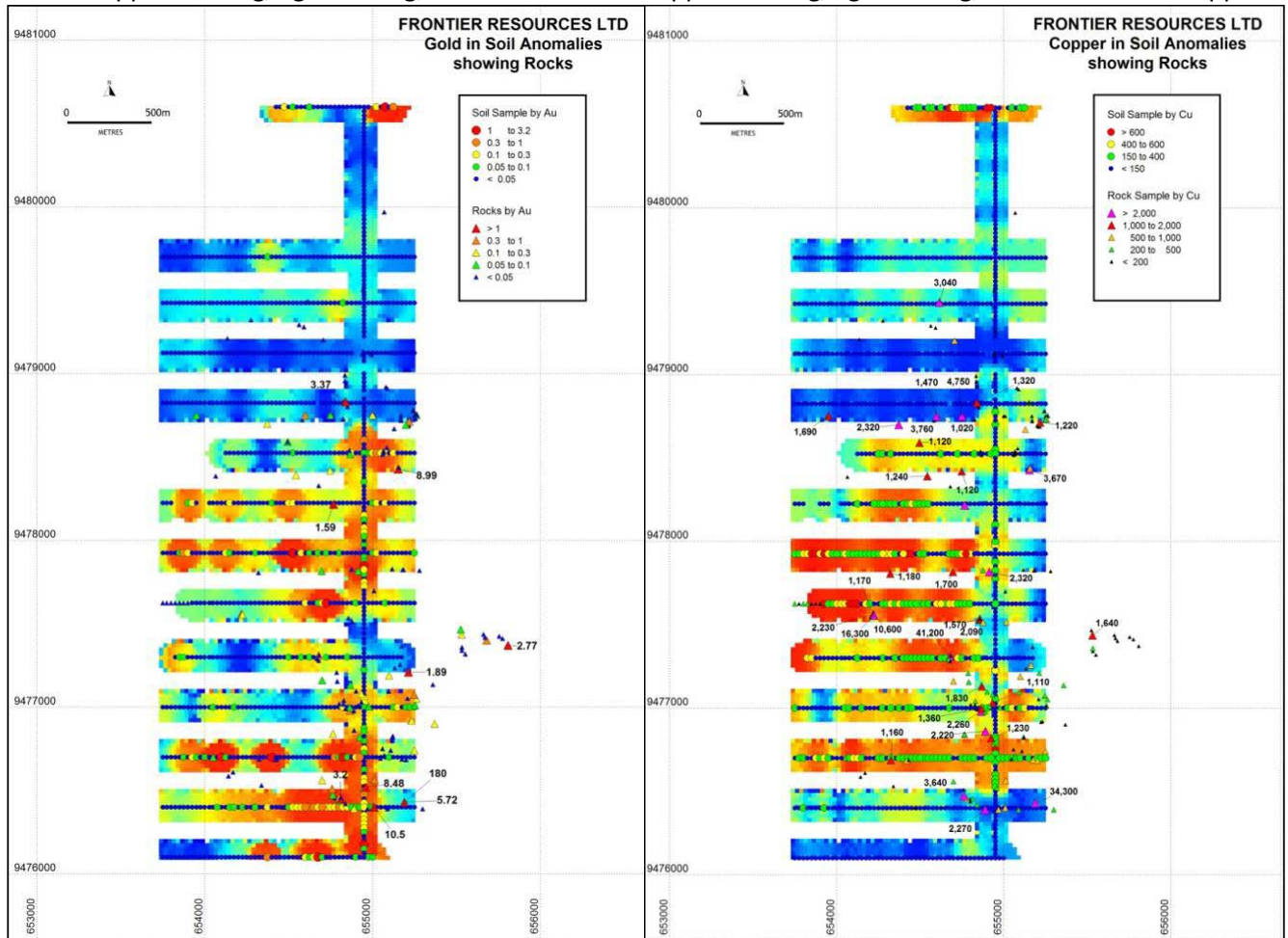
1.29 g/t gold + 16 g/t silver + 0.24% copper

1.06% copper + 0.84 g/t gold

0.89% copper + 0.12 g/t gold + 17 g/t silver

0.65% copper + 0.31 g/t gold + 17 g/t silver

0.21% copper



Grid based soil sampling was conducted at Wasi over a 4 x 1.5 km grid, along with the rock outcrop / float sampling reported herein. Major gold, copper and molybdenum in soil anomalies were demonstrated, with the gold in soil anomaly 525m wide and greater than 900m long. The gold anomaly is open along strike to the south, merges into the Kru gold in soil anomaly in the southeast and trends into a major copper anomaly in the north and west. The gold anomaly grades 0.23 g/t over its widest part, with a peak grade of 0.87 g/t. Several additional smaller soil anomalies were documented grading to 3.2 g/t gold.

The colours of the samples (on the plans) represent the assays accurately, but the thematic contouring is schematic due to the large distances between grid lines.

The main copper anomaly discovered at Wasi is presently 1,800m long and 600 to 900m wide. It is located in the south of the grid (peripheral to the Kru Prospect), has coincident molybdenum anomalism and is partly coincident with the above noted gold anomaly. Peak copper in soil is 1080 ppm (0.108%). A second copper in soil anomaly occurs in the far north of the grid along with significant gold. The anomaly is 600m wide along line and is unconstrained to the north and south. Peak copper in soil is 1160 ppm and gold is 3.2 g/t.

Trench No.	Intercept Length (m)	Gold g/t	Sub Intercept Length (m)	Gold g/t
Trench 1	592m	0.63		
	incl. 72m	0.53	incl. 8m	1.02
	plus 44m	2.02	incl. 12m	4.43
			incl. 4m	4.56
			plus 4m	1.03
	plus 152m	0.76	incl. 36m	1.14
			incl. 4m	1.05
			plus 4m	1.44
			plus 4m	1.15
			plus 4m	1.17
plus 4m	3.26			
plus 4m	1.60			
plus 28m	1.43	incl. 4m	2.66	
		plus 4m	4.20	
		plus 4m	2.15	
plus 4m	8.01			
Trench 2	260m	1.85	incl. 4m	2.03
	incl. 76m	5.25	incl. 16m	18.60
	plus 12m	1.32		
	plus 4m	2.97		
	plus 4m	1.03		
Trench 3	288m	0.14		
	incl. 24m	0.30	incl. 4m	1.18
	plus 24m	0.33	incl. 4m	0.55
	plus 44m	0.45	incl. 16m	0.97
		incl. 4m	1.96	

For personal use only

The quartz-sulphide-gold veins and soil anomaly at the Kru Prospect cover an area of approximately 2,500m by greater than 100m, peripheral to the Wasi porphyry copper occurrence. Frontier re-located, joined together, deepened, extended and channel chip sampled the historically limited hand trenches at Kru Prospect. Additional hand trenches were also excavated and three long trenches were completed with each successively higher upslope and wrapping around the SE terminating end of a ridgeline.

A total of 120 samples were collected at Kru from deep hand dug trenches and several returned very good results. Trench results reported herein include all of Trench 3 and part of Trench 1 including: 28m of 1.43 g/t gold (including 4m of 2.66 g/t gold, 4m of 4.2 g/t gold, 2.15 g/t gold), 4m of 8.01 g/t gold, 68m of 0.29 g/t gold (including 4m of 1.60 g/t gold), 44m of 0.45 g/t gold (including 4m of 1.96 g/t gold), 24m of 0.30 g/t gold (including 4m of 1.18 g/t gold), 24m of 0.33 g/t gold. All trenches at Kru have now been analysed and gold assays and mineralised zones reported.

Previously reported Frontier trench assays demonstrated excellent gold results in Trench 2, such as 76 metres of 5.35 g/t gold (including 16 metres of 18.60 g/t gold), plus 22m of 2.71 g/t gold and 36m of 1.15 g/t gold.

The mineralised area in hand trenches is currently up to 200m long and 200m wide. The noted vertical interval (RL) between gold mineralisation in creeks and trenches is about 80m, highlighting the high prospectivity of the system and the substantial minimum vertical component to the gold mineralisation that is known. The gold mineralisation dips moderately to steeply NE and is open in all directions.

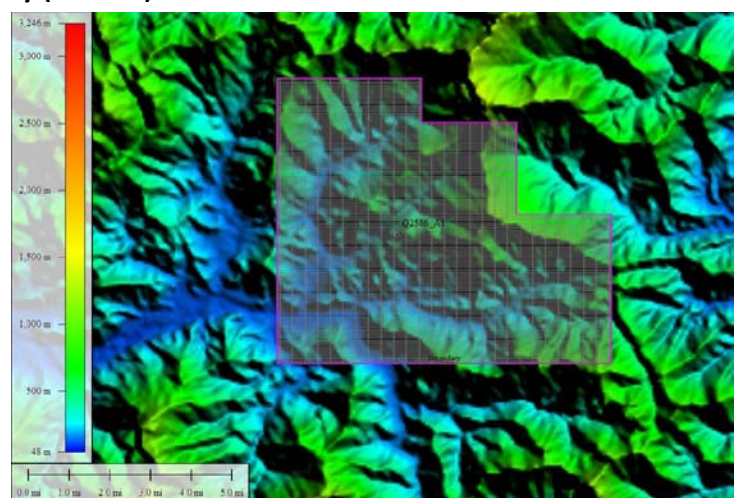
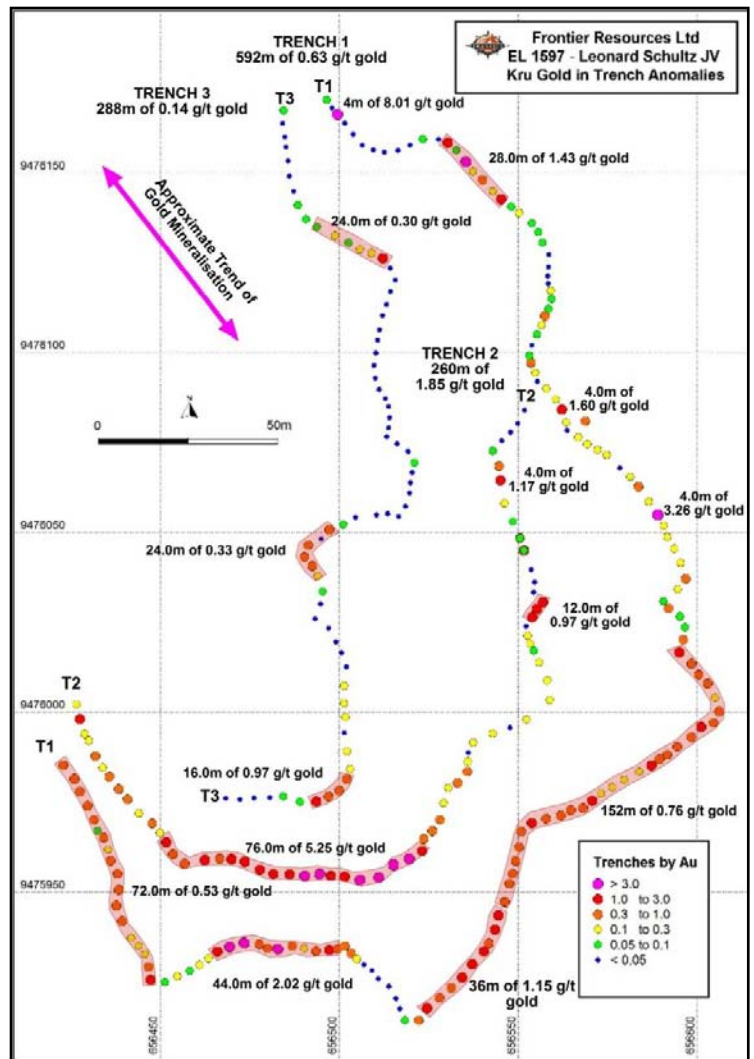
Aeromagnetic and radiometric geophysical survey (EL 1597)

A large and very detailed aeromagnetic and radiometric geophysical survey was completed by OTML Ltd in October at the Leonard Schultz Joint Venture covering the Kru and Wasi district, as shown in the image on the right.

The goal is to define porphyry copper-gold, precious-base metal skarn and/or epithermal gold trenching and drilling targets for continued evaluation.

Interpretation of the survey data will be undertaken by specialist geophysical consultants in conjunction with OTML and should become available in 2 to 3 months. The geophysical data will then be integrated with the existing geological and geochemical information to discriminate and rank targets for follow up exploration, potentially including drilling.

The geophysical survey covers the Exploration License (EL 1597) at a 30m sensor height on 50m traverse



For personal use only

spacing, with 500m spaced tie lines, for 2,710 line kilometres. In addition to the digital aeromagnetic and radiometric data, images will be produced of Total Magnetic Intensity -TMI (and derivative enhanced TMI), radiometrics and the digital elevation model for evaluation. The aeromagnetic /radiometrics exploration program is budgeted to cost approximately US\$ 200,000.

EL 1351 - LIKURUANGA

A major and very detailed aeromagnetic and radiometric geophysical survey has been completed by Ok Tedi Mining Ltd (OTML) at the Likuruanga Joint Venture in the Kol Mountains on the island of New Britain. The Survey plan and boundary coordinates are shown below.

The goal is to define porphyry copper-gold, precious-base metal skarn and/or epithermal gold trenching and drilling targets for continued evaluation.

Interpretation of the data will be undertaken by specialist geophysical consultants in conjunction with OTML and should become available in 1 to 2 months.

The geophysical data will then be integrated with the existing geological and geochemical information to discriminate and rank targets for follow up exploration, potentially including drilling.

The geophysical survey covers the Exploration License) at a 30m sensor height on 50m traverse spacing, with 500m spaced tie lines, for 2,731 line kilometres total.

In addition to the digital aeromagnetic and radiometric data, images will be produced of Total Magnetic Intensity -TMI (and derivative enhanced TMI), radiometrics and the digital elevation model for evaluation.

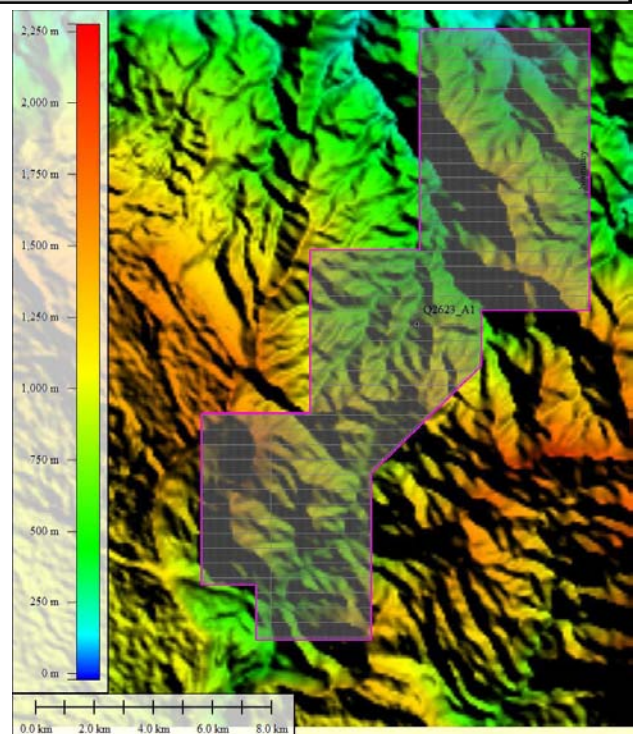
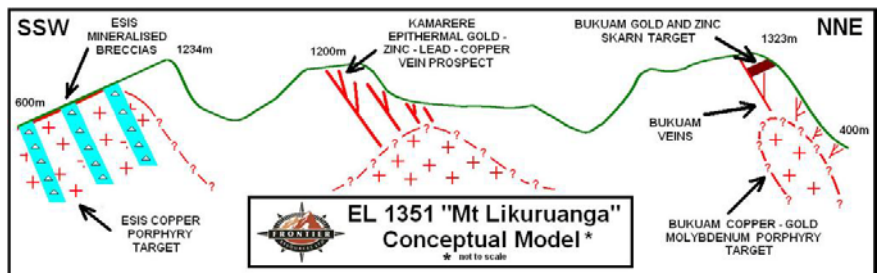
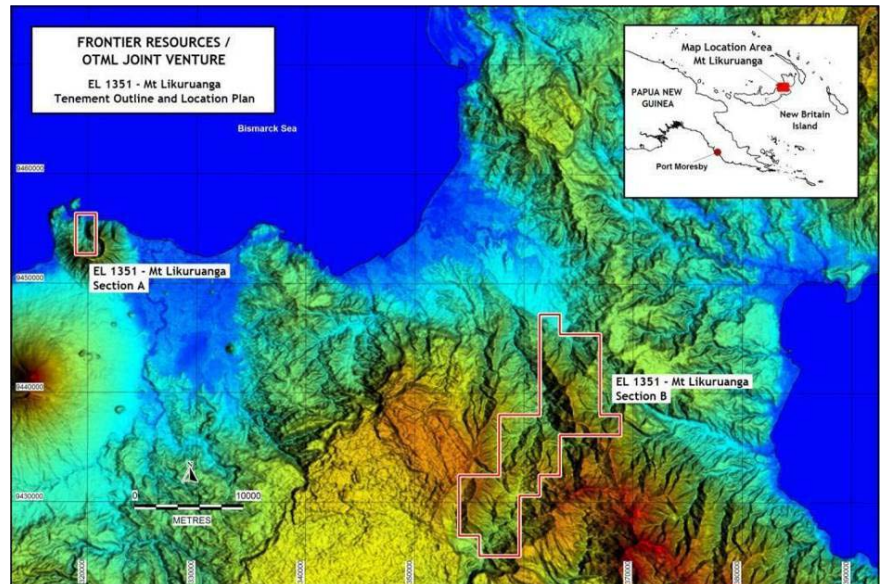
The aeromagnetic /radiometrics exploration program is budgeted to cost approximately US\$ 300,000.

Review Information

EL 1351 is highly prospective for World Class porphyry copper – gold, high-grade gold - silver -zinc skarns and structurally controlled and/or epithermal gold deposits. The EL contains the Esis porphyry Deposit and the over 4.8km long Bukuam porphyry related copper, molybdenum, gold and zinc soil anomaly (refer to the Conceptual Model above).

The **Esis** porphyry copper deposit is situated on a north-north-west trending ridgeline, on the western flanks of the approximately 20km long x 6km wide Esis-Sai granitoid complex.

- Mineralisation is in quartz-diorite and magnetite breccias.



- The strongly copper mineralised zone is more than 1,400m long before going under volcanic rocks to the north and is generally about 400m wide (but is up to 1,000m wide).
- Fifteen very shallow 'Winkie' reconnaissance holes and four deeper diamond core holes were drilled into primary mineralisation about 36 years ago.
- Six holes had a weighted copper average for their entire length greater than 0.2% and were terminated in copper mineralisation.
- The best holes included DW7 with 21.6m grading 0.50% copper and DW15 with 30.3m grading 0.41% copper.
- These holes cover 1,000m of strike with the mineralized zone open to the north and south.
- Four diamond holes (152.5 to 153.35m each) were drilled historically to test the supergene.
- The best result was from MD23, with 27m of supergene mineralisation grading 0.71% copper (from 33m depth), plus 66m of primary mineralisation grading 0.42% copper (from 86.6m to end of hole), proving a significantly mineralised system.
- The hole was terminated in potentially economic copper mineralisation, with the last 7.6m of the hole grading 0.49% copper.
- The entire hole weighted assay average was 152.6m grading 0.39% copper + 24ppm molybdenum, with peak grades of 1.62% copper and 124 ppm molybdenum.
- A resource has never been estimated

The **Bukuam** Prospect is contained within a 5.5km long x 1km wide copper in stream sediment anomaly located on the eastern margin of the Esis-Sai granitoid complex (opposite Esis).

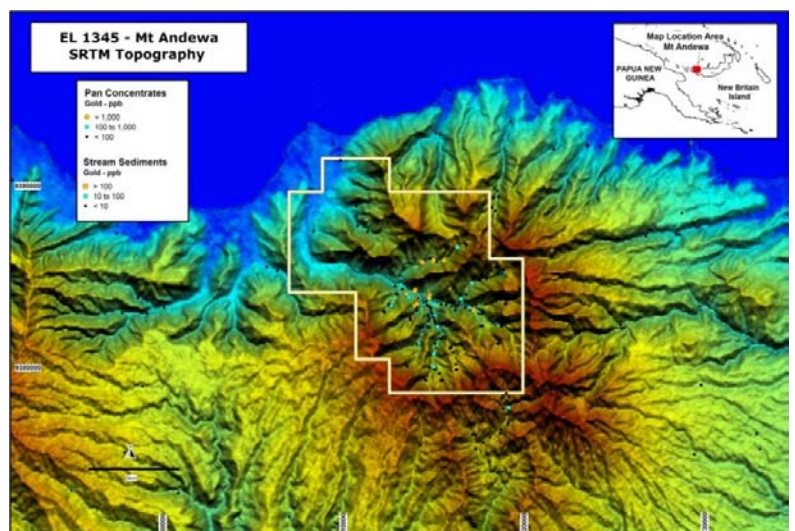
- Frontier defined a compelling and impressive multi element soil anomaly over 4,800m long (open to the north, south and east) and completed a limited ground magnetic survey.
- Historic trenching returned 55m of 5.8g/t gold, 10m of 5.1g/t gold and 70m of 1.7g/t gold in different zones.
- Only 3 historic holes were drilled, returning 6m of 2.2g/t gold + 9.5g/t silver + 1.2% zinc, 2m of 3.5g/t gold + 9.5g/t silver and 10m of 1.7g/t gold + 2.7 g/t silver + 4.8% zinc. One hole did not reach the target.
- The 55m long trench anomaly remains untested by drilling and according to the CRA geologists who drilled it, "the gold grade in the skarn could increase towards the shear zone with a possible bonanza at the contact".

New Britain was confirmed this quarter to be a highly prospective mineral province for copper -gold deposits, with a competitor drilling 190.85m grading 1.01% copper + 0.36 g/t gold (including 13.5m of 2.8% copper + 0.23g/t gold in supergene mineralisation).

EL 1345 - ANDEWA

The Andewa Gold Project is owned 100% by Frontier and is located near the north coast of the island of New Britain, in Papua New Guinea (see location plan on the right). Rocks within the 9km wide crater show evidence of significant hydrothermal alteration, with five high-level gold prospects demonstrated within a 7 km by 2.5 km structural zone (see figure on the right).

The Company commenced a major geophysical, geochemical and geological exploration program at the Andewa Gold Project in late June and it is progressing well.



For personal use only

The goal is to demonstrate a major gold mineralised system at Andewa, producing new and systematically defined, high quality trenching and drilling targets in multiple prospect areas.

Management believe the Andewa Gold Project has excellent potential to yield significant gold mineralisation with additional exploration.

A very large grid (>20 sq km) is now about 90% surveyed and cut, plus geophysically and geochemically surveyed. Soil and rock sampling is continuing with about 3,000 samples expected in total.

A very large 3D - Induced Polarisation geophysical survey commenced in early July and will be completed in late November, having gone longer than anticipated to lengthen and infill lines in chargeability and resistivity anomalies. A ground magnetic survey is being undertaken concurrent with the 3D - Induced Polarisation survey.

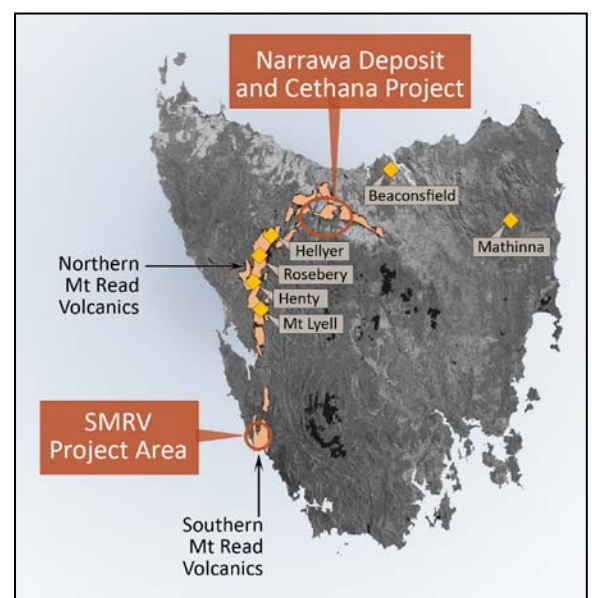
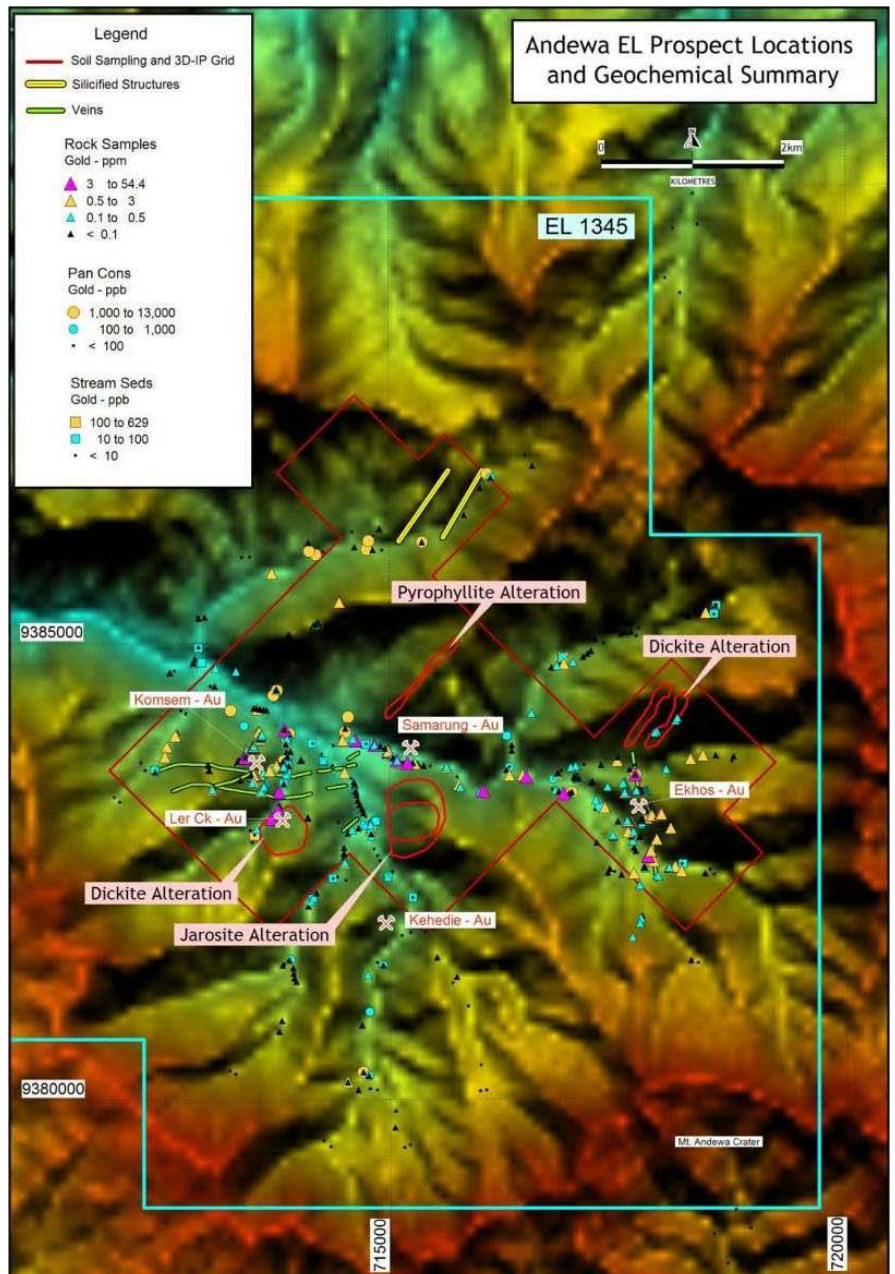
When finalised, the data will allow a comprehensive geological, geochemical and geophysical assessment of the Andewa gold mineralised system and will define high-quality, coherent and coincident anomalies for further evaluation.

Frontier (and most previous explorers at Andewa) concentrated mostly on the Komsen Prospect, leaving 4 additional prospects plus large potentially mineralised areas still to be systematically explored. The entire region is highly prospective and requires substantial exploration programs to define mineral resources. An extensive drilling program is anticipated at Andewa in 2011, subject to the final 2010 program results.

TASMANIAN PROJECTS

Frontier's projects in Tasmania have not received as much attention as they warrant recently due to the GFC and various subsequent issues.

Mr Grant MacDonald has commenced work as Exploration Manager for Tasmania. Grant has a B Sc (Hons.) from the University of Tasmania and 18 years hands on experience as a grass roots exploration through to production- mining geologist, predominantly in Tasmania and including previous work on the Company's SMRV project in the SW.



He both managed and conducted exploration for Plutonic and Resolute for VHMS and porphyry Cu+Au on Tasmania's west coast and mesothermal Au in the northeast. Grant worked at the Beaconsfield gold mine for over 10 years where he moved into the Senior Mine Geologists role and was responsible for extending the resource at depth and overseeing the underground mining geology. Since Beaconsfield Grant has been exploring around the Hellyer/Que River deposits.

Exploration has re-commenced on Frontier's Tasmanian Licenses in the central north targeting tungsten and gold + base metal mineralisation at the Cethana EL and Narrawa RL. Soil sampling will commence in mid November on several major grids around the margin of the highly mineralised Dolcoath granite (to the north and east of the Narrawa Deposit). Trench samples collected up dip from the tungsten lodes near the Narrawa Deposit have been analysed and have shown continuation of the tungsten mineralisation to surface as projected, at anomalous but low overall levels.

The 'River Lea' (Stormont) RL expired but will be tendered for again under the Tasmania ERA system and management feel the company has a good chance of regaining the area as an EL. In addition, two new Exploration License Applications have been lodged (for gold and base metals) and accepted by Mineral Resources Tasmania and they should be granted in due course.

A 1,200m diamond drilling program will commence at the SMRV project in very early 2011, with an advance crew mobilising to site in November 2010 to re-establish the camp and prepare the equipment. Selected diamond holes will be readied for survey by 3 axis downhole electromagnetics to provide vectors for the drilling to the base and precious metal mineralisation.

CORPORATE

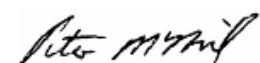
5,186,335 shares were issued at \$0.045/share pursuant to the exercise of FNTTO options, raising \$233,385.

Announcements released to the ASX during the quarter included:

29th October	Letter to optionholders
28th October	Major aeromagnetic - radiometric geophysical survey completed by Ok Tedi Mining Ltd at the Leonard Schultz Joint Venture
25th October	Allotment of securities
29th September	Allotment of securities
4th October	High-grade mineralisation demonstrated by rock outcrop assays at the Wasi Prospect (gold to 180 g/t, silver to 1,090 g/t, copper to 4.12% and molybdenum to 872 ppm) and additional gold defined by hand trenches at the Kru Prospect (28m of 1.43 g/t gold and 4m of 8.01 g/t gold)
29th September	Allotment of securities
27th September	Major aeromagnetic - radiometric geophysical survey initiated by Ok Tedi Mining Ltd at the Leonard Schultz Joint Venture
24th September	A ground magnetics program has commenced at the Andewa Gold Project in Papua New Guinea and the 3D-IP, geochemical & geological exploration programs are nearing completion
19th August	Allotment of securities
5th August	Ok Tedi Mining Ltd Completes major geophysical exploration program on the Likuruanga Joint Venture
2nd August	Allotment of securities

Please visit our website at www.frontierresources.com.au and/or refer to ASX for additional detailed information relating to the Company and its projects and/or feel free to contact me.

FRONTIER RESOURCES LTD



P.A. McNeil, M.Sc.

MANAGING DIRECTOR

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by, or compiled under the supervision of Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Managing Director of Frontier Resources, who consults to the Company. Peter McNeil has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter McNeil consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

About Frontier Resources

- Frontier is focused on exploring for and developing mineral deposits in the highly mineralised Pacific 'Rim of Fire' in Papua New Guinea and the highly prospective Dolcoath Granite and Mt Read Volcanics of Tasmania.
- Frontier has a 100% interest in 4 Exploration Licences (approx. 1,140 km²) and 3 Exploration Licence Applications (approx. 2,212km²) in PNG and 2 Exploration Licences + 1 Retention Licence covering 123 km² in Tasmania.
- The portfolio offers excellent mineral deposit potential, with primary targets being World Class copper-gold-molybdenum porphyry, high grade gold/silver epithermal, gold– base metal skarn and polymetallic VMS (zinc-lead-silver-gold) deposits.
- The projects all have high-grade exploration results in rock, trenches and/or drill hole and are in the same or similar geological terranes as existing World Class and/or major mines.
- Frontier's Directors have more than 150 years combined experience in PNG and Australia to serve the interests of the Company and its shareholders.
- Frontier operates with a general policy of 'DRILLING' our quality projects using our purpose built and self manufactured, cost effective, environmentally friendly, man-portable diamond core rig.
- The Company is an innovative and socially responsible ASX listed junior mineral explorer whose shares also trade on the Frankfurt, Berlin and Munich Stock Exchanges.

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

FRONTIER RESOURCES LIMITED

ACN

095 684 389

Quarter ended ("current quarter")

September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 3 Months \$A'000
1.1 Receipts from product sales and related debtors	1	1
1.2 Payments for (a) exploration and evaluation	(423)	(423)
(b) development		
(c) production		
(d) administration	(119)	(119)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other Expenditure reimbursable by others		
Net Operating Cash Flows	(542)	(542)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets		
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)	60	60
Net investing cash flows	60	60
1.13 Total operating and investing cash flows (carried forward)	(482)	(482)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(482)	(482)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. net of costs	98	98
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	98	98
Net increase (decrease) in cash held			
		(384)	(384)
1.20	Cash at beginning of quarter/year to date	1,197	1,197
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	813	813

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	78
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Consulting Fees and Director Fees

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

+ See chapter 19 for defined terms.

For personal use only

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	250
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	450

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	62	22
5.2 Deposits at call	751	1,182
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	813	1,204

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	4/2005	Retention License	100%	0
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	207,309,751	207,309,751		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,180,439	2,180,439		
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	39,013,928	39,013,928	<i>Exercise price</i> 4.5 cents	<i>Expiry date</i> 03-Dec-10
	180,000		14 cents	20-Oct-11
	270,000		16 cents	19-Oct-10
	3,200,000		20 cents	30-Nov-10
	100,000		15 cents	11-Dec-10
	2,750,000		4.0 cents	31-Dec-12
	3,250,000		5.0 cents	31-Dec-12
	3,200,000		4.0 cents	19-Oct-13
	950,000		3.0 cents	21-Jan-14
7.8 Issued during quarter				

+ See chapter 19 for defined terms.

For personal use only

7.9	Exercised during quarter	2,180,349	2,180,349		
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	Nil	Nil		
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil		

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 give a true and fair view of the matters disclosed.



Sign here: Date: 29 October 2010
(Director/Company secretary)

Print name: Jay Stephenson

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.

For personal use only