



# Quarterly Activities Report



**KRUCIBLE METALS LTD**

*Mineral Discovery Company*

ABN:12 118 788 846 ASX Code: **KRB**

## About Krucible

**Sean Kelly**

*Chairman and Non-executive Director*

**Ailian Branch**

*Managing Director & CEO*

**Ray Koenig**

*Non-executive Director*

**Wike Meintjes**

*Company Secretary*

**Office:** 1/68 Railway Avenue,

Railway Estate,

Townsville Queensland 4810,

Australia

**Post:** PO BOX 499

Castletown,

Townsville Queensland 4812,

Australia

**Phone:** +61 7 4772 5880

**Fax:** +61 7 4772 4999

**Email:**

admin@kruciblemetals.com.au

**www.kruciblemetals.com.au**

Listed on Australia's main stock exchange since 2007, Krucible is an Australian-based resources company with an enviable history of discovery in phosphorus and rare earths as well as other elements. Krucible continues to explore for precious metals, base metals and others, and is transitioning to a mining company. Krucible has expectations to enter a joint venture to develop a mine at Korella in the mineral rich Mount Isa area of north western Queensland where the company discovered phosphate and rare earths. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.

## ASX ANNOUNCEMENT

For the three months ending 31st December 2012 (30<sup>th</sup> January 2013)

## HIGHLIGHTS

- Krucible has accepted an Indicative Proposal to sell its thirteen phosphate bearing tenements to Daton Group Australia for \$12,000,000 cash.
- Krucible entered into a Share Purchase Agreement of up to \$2,000,000 with New York based Bergen Global Opportunity Fund II, LLC.
- Krucible has rejected a request from Getax International to a further extension of time for them to complete their due diligence towards the Heads of Agreement signed on 17 August 2012, and that agreement has now terminated.
- Exploration program for remaining tenements announced for 2013 with an emphasis on continuing our exploration of base metals, precious metals and strontium as well as anticipation of a number of exciting projects with Daton.

Coorabulka reconnaissance REE/Strontium samples



Lag Sampling at Cowie Mag



- Follow up surface sampling at Coorabulka has returned further strong anomalous results for Heavy Rare Earth Elements (HREE). Values of up to **0.62kg/t dysprosium oxide, 4.49kg/t neodymium oxide, 1.07kg/t praseodymium oxide, and 3.16kg/t yttrium oxide** have been returned from samples over 1km west of the original location.
- High values of up to **9.47% strontium** have also been received; these anomalous results are associated with the REE anomalism at Coorabulka. This element has a high market value in aluminium alloys.
- A new EPM (Valroy EPMA25126) has been applied for surrounding the Coorabulka EPM. The area is considered highly prospective for REE/strontium enrichment based on anomalous samples which were collected close to the Coorabulka EPM boundary.
- Sampling at Cowie Mag identified further Banded Iron Formation (BIF) float but no source for the unit. Samples have been sent to ALS labs for analysis.
- Exploration at the Wheelers Creek EPMA has returned anomalous results from surface sampling of up to 784ppm copper and 5960ppm barium.



## 1. COMPANY BUSINESS ACTIVITIES

### 1.1 THE DATON SALE AND PURCHASE AGREEMENT

Krucible announced on the 21<sup>st</sup> of January 2013 that it has contracted to conditionally sell its phosphate bearing tenements to Daton Group Australia Ltd (Daton) (ASX:DTG) for \$12m. This deal includes 12 tenements (tabled below) plus the Korella mining lease which will be transferred to Daton.

Tenements			Applications		
Applicant	EPM Name	EPM No.	Applicant	EPM Name	EPM No.
KOR 100%	Korella	ML90209	KRB 100%	Stranger Creek	18105
JV with DYL	Pilgrim	15072	KRB 100%	Lily Hole Creek	19090
KRB 100%	Corella Bore	15572	KRB 100%	Taringa Creek	19091
KRB 100%	Phosphate South	17844	KRB 100%	Brumby Dam	19093
KRB 100%	Templeton River	19092	KRB 100%	Conkerberry Dam	19094
KRB 100%	Merlin Tank	15811	KRB 100%	Yttro	19145
KRB 100%	GE2 (Georgina East)	15833			

Daton is an Australian fertiliser manufacturer with activities in Queensland and a new plant being built in Brisbane. Daton is interested in manufacturing advance value-added fertilisers and desires a long-term stable supply of preferably locally-mined phosphate of appropriate grade. Daton considers Krucible's Korella phosphate deposit suitable as it is the only high grade DSO phosphate resource in Australia adjacent to existing infrastructure, near to surface and ready to mine.

Given that ahead of this transaction the market valued Krucible at around \$5.6m with all of its assets including the previously announced potential for phosphate development of Korella through a joint venture with Getax, this is a result that far exceeds shareholder valuation and confirms our CEO Allan Branch's comment in his Managing Director's Statement for Shareholders last year (ASX: 14 November 2012) that we have been keen to see the value of our phosphate assets eventually appear in our balance sheet.

### 1.2 BERGEN SHARE PURCHASE AGREEMENT

Krucible announced on the 27<sup>th</sup> of November that the Company entered into a Share Purchase Agreement ("**Agreement**") with New York based Bergen Global Opportunity Fund II, LLC ("**Bergen**").

Bergen is a private equity investor focusing on equity investments, with a number of investments in the junior resources sector. Bergen has successfully backed a number of ASX-listed companies in the past. Bergen's strategy includes providing junior companies sitting on interesting opportunities with capital to extend their "runway" while the companies negotiate larger M&A and funding deals with other industry participants.

The availability of these funds has been a key strategy along the path to ensuring Krucible maximizes shareholder value from its exploration activities.



The agreement was detailed for readers in the 27 November 2012 announcement, but essentially it is in the form of a Share Purchase Agreement with Bergen purchasing up to \$2m in new equity in the Company over a 2 year period, in approximately monthly tranches, at prices linked to the future market prices of the shares.

### 1.3 GETAX INTERNATIONAL PTY HEADS OF AGREEMENT (HOA)

Krucible Metals Ltd (Krucible) (ASX:KRB) announced on the 21<sup>st</sup> of January 2013 the Heads of Agreement dated 17 August 2012 and announced on 20 August 2012 (HoA) in place with Getax International Pte Ltd of Singapore, terminated automatically and that the parties have ceased negotiations.

Since the execution of the HoA and at the request of Getax, Krucible had agreed to several extensions of time to complete due diligence, totalling approximately 4 months with the last extension period ending on the 18<sup>th</sup> of January 2013. Getax again asked for an extension for due diligence and Krucible management determined that further extensions would not be in the interests of the company and its shareholders.

Before allowing the HoA to terminate naturally under its terms, Krucible gave Getax the opportunity to approve or waive any residual due diligence issues, so that the relationship could be formalised through the finalisation of the joint venture agreement.

Krucible extends its best wishes to Getax and thank them for their time and interest over the last 5 months devoted to negotiating potential business dealings.

### 1.4 CORPORATE UPDATE

- 🔥 It was with considerable regret that Michael Leonard found it necessary, for personal reasons, to tender his resignation as non-executive Chairman of the Company and with equal regret that the Board accepted. The resignation was effective from 31 October 2012.

Michael served the company with dedication and enthusiasm since his appointment in November 2011 and had been instrumental in progressing opportunities that provide financial stability and liquidity for the Company. He will be missed by his fellow directors and staff and the Board wishes him all the very best for the future.


- 🔥 The Board decided to appoint the new Chairman internally and is grateful that Sean Kelly agreed to accept the role.

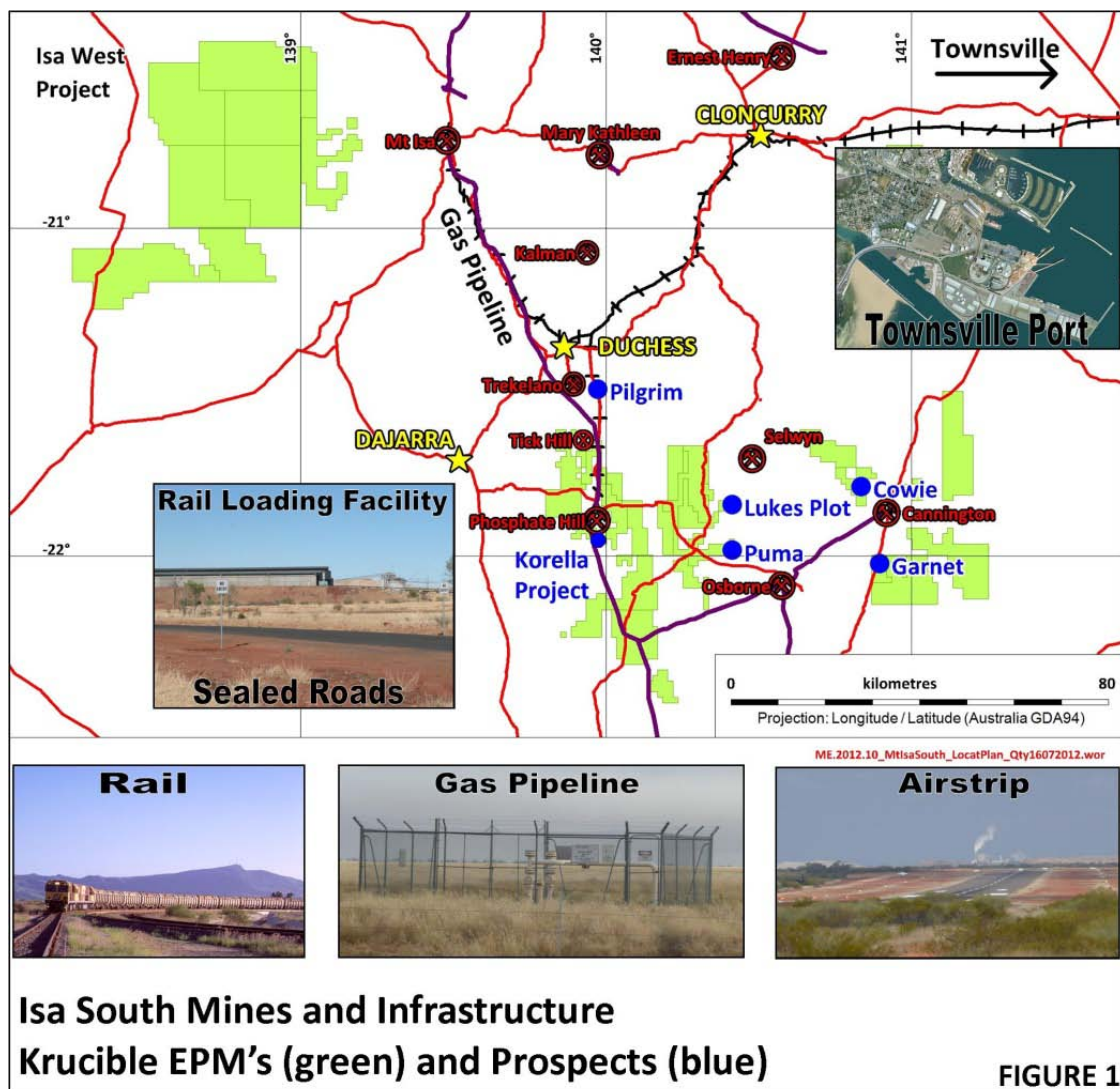
Sean is a solicitor admitted to practise in the Supreme Court of Queensland and the High Court of Australia. Since 2002 Sean has held the position of commercial litigation partner for the long established and respected Townsville based legal firm, BCK Lawyers.

- 🔥 Krucible Metals also announced the resignation of Dennis Lovell from our board effective 12 November 2012. Dennis had been with the company since 28 June 2007

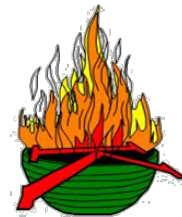


and contributed significantly to the company over that time including being integral to the success of the IPO in 2007. When Mike Meintjes was appointed Company Secretary on 12 August 2012, taking over that role from Dennis, Dennis kindly offered to remain on the board for a brief period as a non-executive director to facilitate the transition, which is now complete. We similarly extend our thanks and deep gratitude to Dennis and wish him and his family well for the future.

 Please note that all tenements outlined in this report are 100% owned by Krucible







## 2. RARE EARTH ELEMENTS (REE) EXPLORATION

### 2.1 COORABULKA EPMA19286

Coorabulka lies 160km south of Krucible Korella Deposit in Western Queensland. Surface sampling around the noted Svanbergite occurrence at Pigeongah Waterhole in the "Geological Explanatory notes for the Springvale 1:250,000 Sheet" (Reynolds M. A., 1965, Bureau of Mineral Resources) returned anomalous values of HREE up to **1.2kg/t yttrium oxide, 4.02kg/t neodymium oxide, 1.08kg/t praseodymium oxide and 0.23kg/t dysprosium oxide** (ASX announcement 11<sup>th</sup> January 2012).

Further reconnaissance sampling of HREE samples within the EPM has identified further enrichment up to 1km from the original 'borrow pit' location. Maximum results include: **0.62kg/t dysprosium oxide, 4.49kg/t neodymium oxide, 1.07kg/t praseodymium oxide, and 3.16kg/t yttrium oxide**. A full list of results is shown in Table 1.

Sample No	Easting (AGD66)	Northing (AGD66)	Ce2O3 kg/t	Dy2O3 kg/t	Eu2O3 kg/t	Gd2O3 kg/t	La2O3 kg/t	Nd2O3 kg/t	Pr2O3 kg/t	Sm2O3 kg/t	Sr %	Tm2O3 kg/t	Y2O3 kg/t	Yb2O3 kg/t	Pb ppm	P2O5 %
COOR 32	425027	7392680	6.27	0.11	0.07	0.18	2.34	2.98	0.83	0.39	7.94	0.01	0.39	0.03	354	15.12
COOR 34	409368	7399343	3.90	0.56	0.15	0.54	1.08	3.98	0.79	0.68	7.19	0.04	3.28	0.26	255	4.38
COOR 35	413656	7394786	5.72	0.08	0.09	0.19	1.85	3.63	0.90	0.51	9.47	0.00	0.09	0.00	947	17.82
COOR 36	413553	7394745	6.53	0.62	0.18	0.64	2.05	4.49	1.07	0.80	7.81	0.04	3.16	0.26	1050	16.61

Table 1 Comparison of Assay Results for Recent Coorabulka Samples

Some samples consisted of a similar concretionary habit in a clay dominant matrix. However others comprised a white chalky shale found in sub-outcrop (see photo below).

More geological investigations need to be completed on the area to determine the extent of the REE and where they are likely to concentrate. A systematic surface geochemical sampling program over specific areas may be completed to highlight areas with potential for REE enrichment.



Photo of REE samples collected from Coorabulka

Beneficiation testing of concretionary samples from Coorabulka is continuing and results will be released when available. If successful this will provide a more environmentally stable and more efficient process of beneficiating the REE and strontium.

Apart from the rare earths, up to 1050ppm lead has been received from these samples. This may be associated with Proterozoic fluids permeating up through the sediments



along preferential pathways. A strong magnetic complex underlies the relatively shallow sedimentary 'cover' units and this is considered to be an ideal setting for Cannington style Lead – Zinc – Silver mineralisation. No depth modelling has been completed on this body but Krucible observations suggest an approximate depth of 150-300m.

The Cretaceous Toolebuc Formation which is interpreted to be present below surface (approximately 20-30m deep) is also prospective for Uranium/Molybdenum/Vanadium mineralisation (as well as oil shales).

Maximum assay results of up to **9.47% Strontium** have been returned from the most recent sampling and appear to be strongly anomalous in areas of REE enrichment. This metal has a high market value because of its use in aluminium alloys. Recent prices (November 2012) for strontium metal ranges from (USD) \$4800-6800/tonne FOB.

This EPM should be granted in 2013 from which time Krucible plans to complete more intensive exploration to potentially define an area of REE enrichment.

## 2.2 VALROY EPMA25126

With the exciting REE samples collected from Coorabulka which indicate more regional potential Krucible has decided to expand the portfolio by applying for a new EPM surrounding the Coorabulka EPM (Figures 2 and 3). This area is considered highly prospective for REE enrichment based on samples which were collected close to the Coorabulka EPM boundary. This sample recorded up to **0.11kg/t dysprosium oxide, 2.98kg/t neodymium oxide, 0.83kg/t praseodymium oxide, and 0.39kg/t yttrium oxide**, other assay results from this sample include: **7.94% Strontium**. This EPM was applied for in early December and granting will take approximately 18months.

## 3. BASEMETALS EXPLORATION

### 3.1 WHEELERS CREEK EPMA19475

This area (Figure 2) was applied for in December 2011 and lies on the west margin of the Proterozoic Mount Isa craton at the boundary of the Cambro-Ordovician Toko syncline. There are numerous intersecting structures at Wheelers Creek (NNE, NE, NW & E-W) which are thought to be indicative of high level fluid flow, hydrothermal alteration and possible large scale metal deposition. The Queensland government magnetic and gravity images indicate a number of coincident or near-coincident magnetic and gravity anomalies which may be indicative of relatively shallow (less than 250 metres) IOCG mineralisation, such as the Ernest Henry, Starra and Osborne mines in the Mt Isa Province.

Reconnaissance samples were collected within the tenement during the previous quarter and the assay results concluded there was anomalous copper and barium in the samples, with maximum results of 741ppm copper, 5670ppm barium, 2ppm tin, 782ppm strontium, 0.03kg/t neodymium oxide and 0.04kg/t yttrium oxide.

The historic lead workings at Watchie Hut were visited and these workings consist of a shallow pit on a ridge with the lead ore being extracted from a large quartz vein hosted in a young sedimentary unit. While these workings are not considered prospective the



presence of ore grade lead hosted by quartz veins indicates rock fracturing and hydrothermal fluids which is prospective for high grade mineralisation within the underlying Proterozoic units.

This EPM is expected to be granted in approximately 12 months from which time Krucible can begin intensive exploration on surface and deeper geophysical/structural targets.

### 3.2 COWIE MAG EPM17921

This EPM lies 10km northwest of the Cannington silver/lead mine owned and operated by BHP Billiton (Figure 2). Krucible has previously completed a number of surface sampling programs with strong results for molybdenum, lead, zinc, nickel and copper. These prospects lie on the edge of the Proterozoic outcrop where a thin layer (<20m) of recent sediments obscure the basement rocks.

Reconnaissance sampling has also identified BIF (Banded Iron Formation) within the EPM as scree/sub-outcrop. BIF is a strong indicator of potential mineralisation and is associated with a number of mineral deposits such as the Olympic Dam IOCG deposit in South Australia. Krucible has completed a lag sampling program over this location (Figure 4). The geology consisted of thick pegmatite dykes and quartz veins in a gneissic host. Patches of sub-outcropping amphibolite were also seen with these being more prominent on the eastern side of the grid to the west of the grid granite becomes predominant (Figure 4). Further float BIF was located but no outcropping source for this unit was discovered. Samples have been submitted to the lab and these results may help in defining further areas of interest in this prospect.

Further work will also be completed in the moly/lead and zinc/copper prospect areas for shallow drilling targeting these surface geochemical anomalies which appear to be associated with cross-cutting basement structures.

### 3.3 TOBERMOREY EL28170

Previous reconnaissance sampling on this EL has indicated there is a large amount of outcrop which is potentially Proterozoic to Neo-Proterozoic in age. This outcrop consisted of weathered granitic material and quartz breccias. There has been little previous work over this area.

New Exploration to the east by a number of exploration companies has identified further new copper occurrences. These are moving steadily in an easterly direction towards Krucible's Tobermorey EPM on the Queensland/Northern Territory border (Figure 5). Drilling by Mithril Resources Ltd (250km to the west) in 2011 has identified up to 2m @ 1.15% copper and 0.23g/t Au from 21m (Mithril Resources ASX Quarterly Report 15 January 2013) the mineralisation in this region appears closely associated with structural features.

The EL is close to the large crustal scale Toomba Fault which is associated with the copper mineralisation at Krucible's Toomba EPM in western Queensland. Krucible plans to complete field investigations of interpreted geophysical anomalies.



#### **4. PHOSPHATE EXPLORATION AND DEVELOPMENT**

On Tuesday 22 January 2013 Krucible has accepted an Indicative Proposal (IP) to sell its phosphate bearing tenements to Daton Group Australia Limited. The IP provides for the companies to negotiate and execute a Sale and Purchase Agreement (SPA) which is anticipated to be done within 30 days.

This sale will include 13 tenements which are prospective for phosphate including the Korella mining lease.

This arrangement comes after the Heads of Agreement between Krucible and Getax International Pte Ltd was terminated because their due diligence was not completed in the appropriate timeframe and Krucible was unwilling to grant another extension.

#### **5. OTHER TENEMENT EXPLORATION**

The company has a large exploration agenda for 2013 as a result of continual target generation work, and is expanding its rare earth agenda. This agenda will be systematically executed within the next 12 months exploring high priority and highly prospective areas within Queensland and eastern Northern Territory (see Figure 2 showing all Krucible tenements). Although most of Krucible's resources and efforts have been applied to securing value for shareholders through realising its phosphate assets, the company's field exploration activities have continued, and we anticipate the opportunity to negotiate joint venture projects with Daton on their soon to be acquired tenements.





Attached: FIGURES 2-5

AC Branch

**Allan Branch**  
**Managing Director & CEO**  
**Krucible Metals Ltd.**

**Further Information:** Mr Allan Branch  
Phone (07) 4772 5880

**WEB SITE:** [www.kruciblemetals.com.au](http://www.kruciblemetals.com.au)

**COMPETENT PERSON STATEMENT**

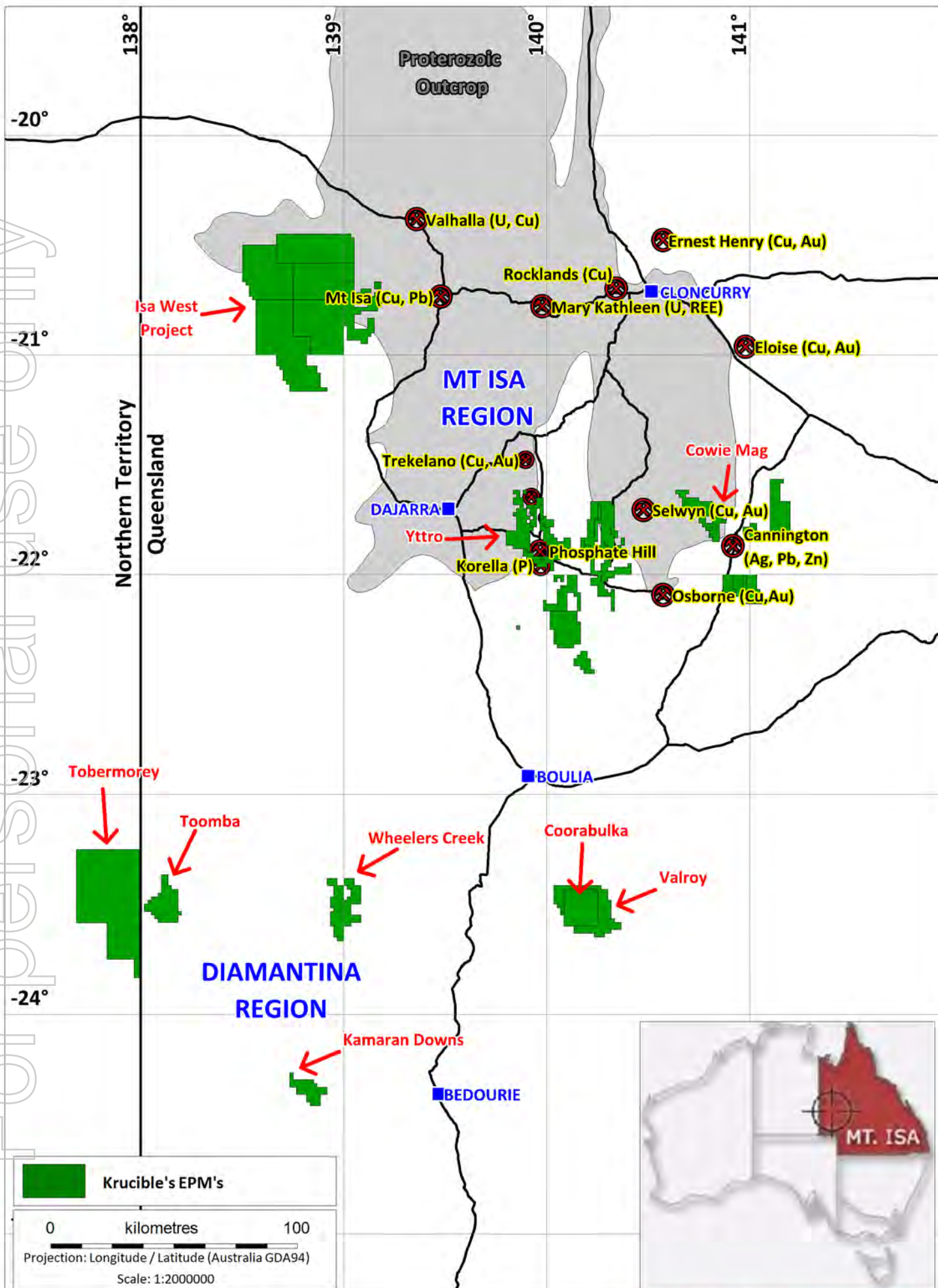
*"The information in this report that relates to Mineral resources and Exploration Results is based on information compiled by Mr Andrew J Vigar who is a Fellow of The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Limited, Hong Kong. Mr Vigar has sufficient experience 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears".*

The analytical results quoted for the exploration results have been supplied by ALS Chemex Laboratories utilising specialist analysis methods based on the elements required to report results.

This report contains forward-looking statements. These forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward looking statements.

Information in this Announcement relating to the Korella Deposit (PHM South) Scoping Study has been documented by Mr Ray Koenig, who is a Senior Project Metallurgist and Chartered Professional and Fellow of the AusIMM. Mr Koenig consents to this information being included in the ASX Announcement.

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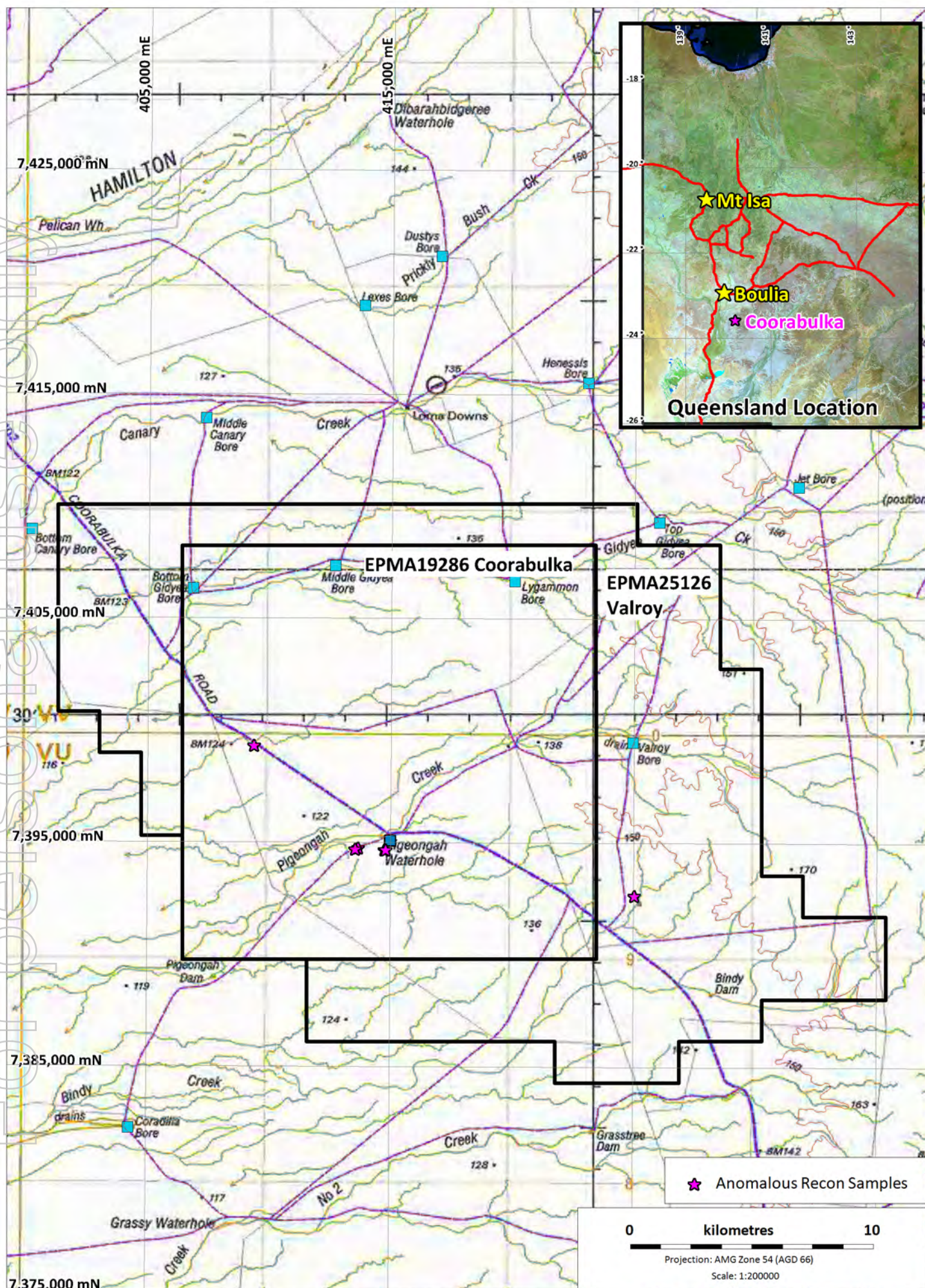


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Krucible Metals Tenements Location Plan

FIGURE 2



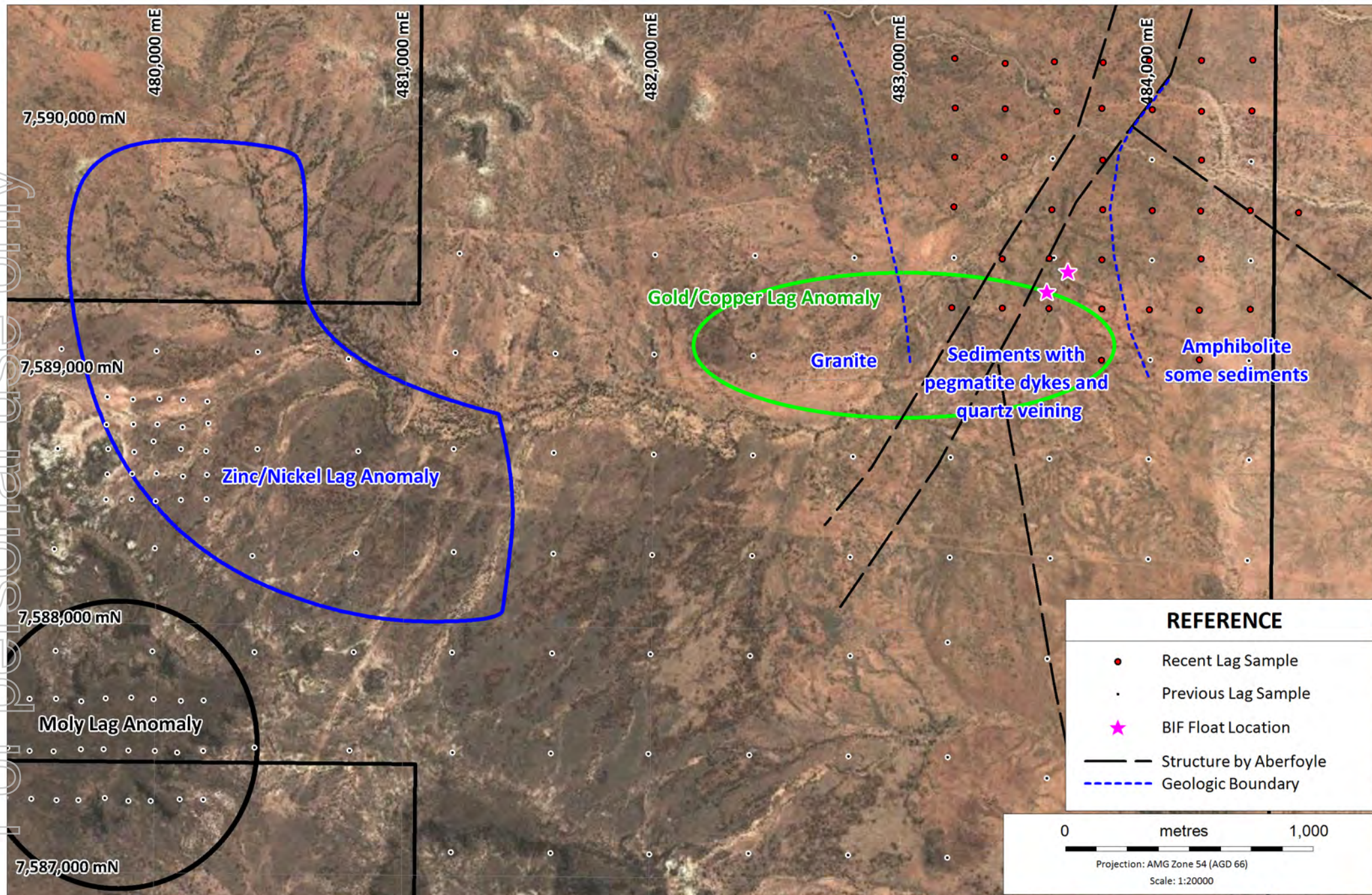


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**Valroy Application Area Surrounding Coorabulka EPM**

**FIGURE 3**



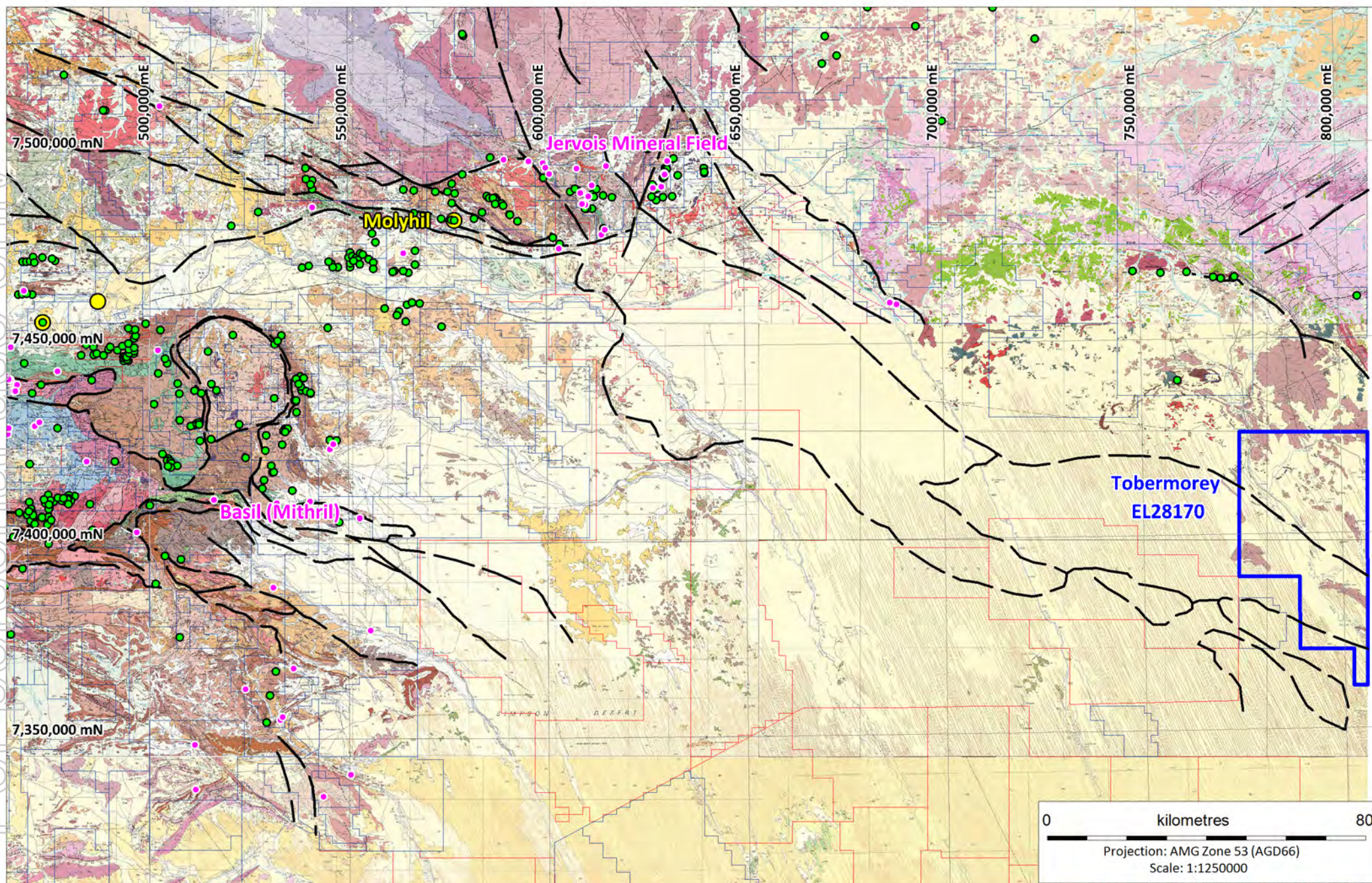


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Cowie Mag EPM17621 - Lag Sampling on Google Image

FIGURE 4





**Tobermorey EL - Northern Territory Suface Geology (Structures black) with Mineral Occurrences (Green, Copper occurrences- pink) and Mines (Yellow)**

**FIGURE 5**



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Krucible Metals Ltd

ABN

12 118 788 846

Quarter ended ("current quarter")

31 December 2012

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date ( 6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(111)	(304)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(193)	(389)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid)/ credit	90	90
1.7	Other- JV transaction & fundraising costs	(81)	(117)
	Other- payout of employee entitlements-previous Managing Director	-	(32)
<b>Net Operating Cash Flows</b>		<b>(289)</b>	<b>(741)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(1)
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)	-	(2)
<b>Net investing cash flows</b>		<b>-</b>	<b>(3)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(289)</b>	<b>(744)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(289)	(744)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	100	262
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)	-	-
	<b>Net financing cash flows</b>	100	262
	<b>Net increase (decrease) in cash held</b>	(189)	(482)
1.20	Cash at beginning of quarter/year to date	460	753
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	271	271

**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	87
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included in Operating Cash Outflows for the quarter were the following items:

Transaction costs associated with the JV negotiations for the Korella phosphate deposit totalling \$60k and fundraising costs associated with negotiating the Share Purchase Agreement with Bergen Global Opportunity Fund II, LLC totalling \$21k.

During the quarter a net R&D tax rebate for the 2011 tax year, totalling \$90k, was received.

Amounts paid to directors include salaries, directors' fees, superannuation and consulting fees totalling \$87k.

**Non-cash financing and investing activities**

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

Nil

+ See chapter 19 for defined terms.

- 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

Nil

### 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	86
4.2 Development	-
4.3 Production	-
4.4 Administration (incl transaction related costs)	244
<b>Total</b>	<b>330</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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	70	210
5.2 Deposits at call	201	250
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>271</b>	<b>460</b>

+ See chapter 19 for defined terms.

## 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	EPM 17844	1 EPM	100%	0
6.2	Interests in mining tenements acquired or increased	EPM 25126	1 EPM Application	0	100%

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (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>	71,050,715	71,050,715	Various	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,139,241 1,470,588	1,139,241 1,470,588	Nil 0.068	Fully Paid Fully Paid
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-		

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	150,000			38 cents	11/10/2013
	270,000			24 cents	12/08/2014
	300,000			15 cents	28/02/2015
	500,000			15 cents	08/05/2015
	1,500,000			11.96 cents	28/11/2015
	500,000			15 cents	08/05/2015
7.8	Issued during quarter	1,500,000 500,000		11.96 cents 15 cents	28/11/2015 08/05/2015
7.9	Exercised during quarter				
7.10	Expired during quarter	1,100,000 50,000		50 cents 45 cents	27/11/2012 16/12/2012
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 give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 January 2012.  
(Company Secretary)

Print name: M C Meintjes



## 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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