

ASX Announcement  
26 October 2010

**REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

**HIGHLIGHTS**

**North Queensland**

**Brightlands Copper Gold Project**

- A Drilling program commenced during September and is expected to be completed by the end of November 2010. Diamond drilling is in progress on hole 2 of a 4 hole 500m deep program at the Milo Prospect. Three reverse circulation (RC) holes have been completed on the Magpie mining lease. A 3 grid series of shallow holes over the T2 SAM conductivity coincident with the high order copper anomalism in soils will commence early November.
- Detailed airborne magnetic survey has been completed over the northern part of the Brightlands tenement covering the Cloncurry Flexure Zone. Results are expect within the next quarter and will further assist in the geological and structural interpretation of this zone.
- Detailed ground gravity surveys were completed over the T1 and Milo Prospects to assist in the interpretation of these Iron Oxide Copper Gold ( IOCG) systems .
- Re-assaying of 55 previous samples from the Milo prospect drilled in April 2010 has returned significant upgrades for Cobalt ( average upgrade 8%) and Molybdenum (average upgrade 22%). All samples are now being re analysed and will be incorporated in the data base. The current drilling at Milo will be sampled using this three acid digest method to ensure almost complete uptake of metals is in the samples.

**Pan Pacific Copper Farm in Projects**

- Field work commenced in July 2010 on the Chumvale Breccia, Talawanta and the Grassy Bore Copper Gold projects. The approved Farm-in budget to April 2011 is A\$1.017 million.
- Detailed gravity surveys have been completed at Talawanta and Grassy Bore identifying high order drill targets. Two deep diamond holes are planned to be completed over the next quarter at Grassy Bore . Data interpretation continues on both projects.

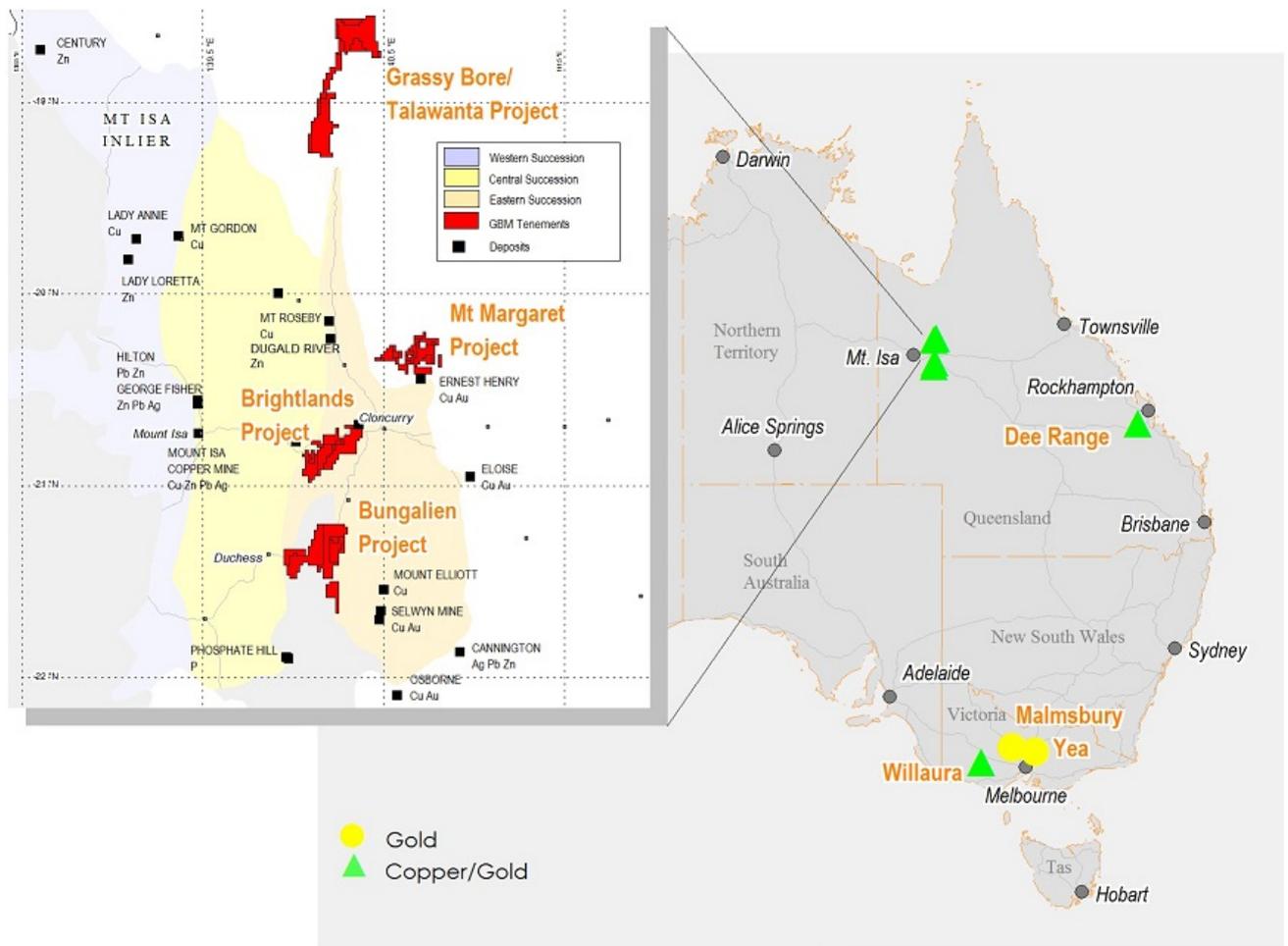
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## Pan Pacific Copper Farm in Projects (cont'd)

- Detailed gravity has been completed over the Malbon2 Copper Gold project. Previous historical exploration work and the current results from the gravity survey have identified high order drill targets. Two holes are planned in the next quarter.

## Corporate

- During the quarter, the company put in place various strategies to raised funds to support its exploration programs. A total of A\$3 million was raised from a share placement, priority offer to option holders and joint venturing its phosphate assets.
- Together a total of 22.78 million shares were allotted resulting in the average issue price being at a substantial premium to GBM's current market price. The company is now fully funded for its exploration activities into the next year.



PROJECT LOCATION  
SEPTEMBER QUARTER 2010

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## SAFETY AND ENVIRONMENT

One LTI and no environmental incidents were reported during the quarter. The Company has now completed consecutive 27 months with no significant environmental incidents.

GBM will continue to target zero injuries and environmental incidents in line with the Company's policy of striving to achieve the highest standards in safety and environmental management.

## QUEENSLAND EXPLORATION ACTIVITIES

### Mount Isa Region Copper Gold Projects

*The key target is the Iron Oxide Copper Gold (IOCG) and gold mineralisation systems.*

#### 1. Brightlands Cu Au Project

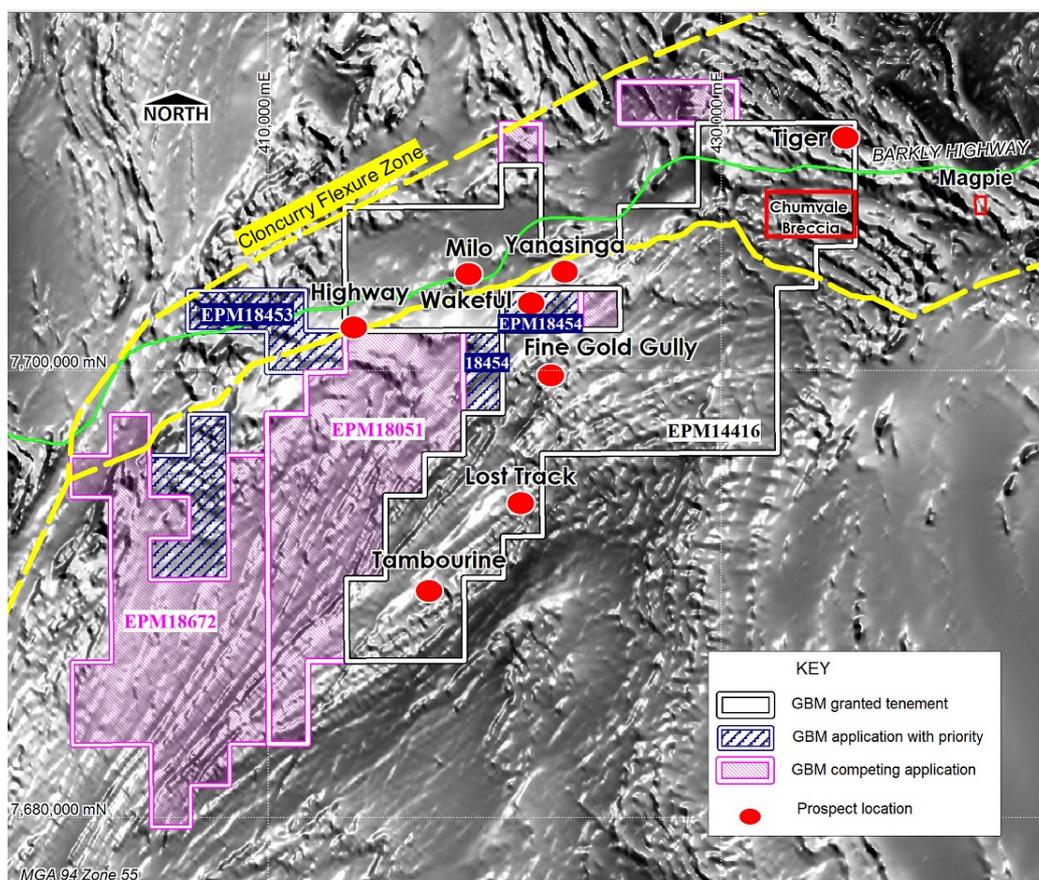
- Drilling has resumed at the Milo Prospect with a four hole diamond drilling programme designed to further test the IOCG system below the levels previously tested. The initial programme at the Milo Prospect returned copper mineralisation over broad intervals associated with strong results for gold (au), silver (Ag), cobalt (Co), molybdenum (Mo) and uranium (U). The results are considered significant and are interpreted to represent a halo to a core mineralising system. The program confirmed that Milo is an Iron Oxide Copper system. At the time of writing pre-collars had been completed and the second hole is at 420 metres. Results are expected in Q4 2010.
- Detailed ground gravity surveys were completed over the immediate Tiger (T1) and Milo Prospect areas to assist in interpretation of these mineralising systems.
- A detailed airborne magnetic survey has now been flown over the northern part of the Brightlands tenement covering the Cloncurry Flexure Zone within the Brightlands EPM. Data from this low level survey is expected to be of the highest quality and when available, will assist with detailed geological and structural interpretation of this complex and prospective structural zone within the Eastern Fold Belt.
- Field inspection of the T2 soil geochemical copper anomaly revealed small outcrops of quartz ironstone breccia throughout the area. Soil sampling over the T2 target has defined large areas of anomalous copper with highest values coincident with the significant T2 SAM conductivity anomaly. A series of drill traverses to assess the geochemical anomaly, coincident with the SAM target will commence early November. Drill rig type and availability has caused this program to be delayed a few weeks.
- Re-assaying of 55 samples from the Milo drilling programme has returned significant upgrades for Co (average upgrade 8.2%) and Molybdenum (average upgrade 22%) while copper and uranium remain within error limits (+/-5%). Samples were re-analysed using a 3 acid digest to ensure almost complete uptake of the metals in the samples compared with the commonly used two acid digest. All samples are now being re-analysed and incorporated in the GBM database for future estimates. All new samples will be analysed using the three acid digest.

## 1. Brightlands Cu Au Project (cont'd)

- Magpie Prospect has been tested with three RC drill holes testing below the historic Magpie Open Cut which yielded copper ore shipped to Mount Isa for smelting in the 1990's. Access to this property was acquired via an option agreement with the licensee during the quarter. Results expected in Q4 2010.



*Diamond drilling in progress at the Milo Prospect*



*Brightlands Project area showing prospects over TMI RTP magnetic image.*

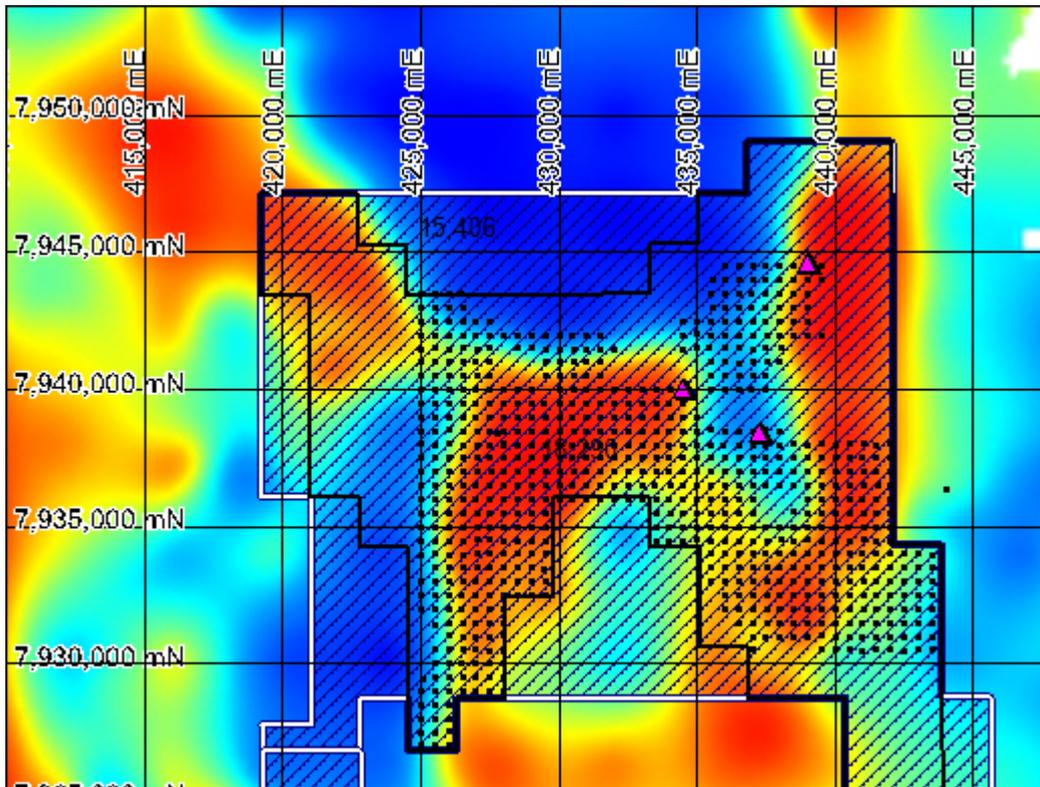
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## 2. Pan Pacific Copper Farm in Projects

### Talawanta and Grassy Bore Cu Au Projects

Ground based gravity surveys have been initiated at both Grassy Bore and Talawanta as part of a planned two-year program.

At Talawanta, a 500 metre station spacing has been used to commence coverage of the large magnetic high feature identified in the regional dataset. Previous drilling indicated that overlying Carpentaria Basin sediments were around 600 metres thick. This coverage is approximately 80% completed and should be finalised in the 2011 field season with areas of high interest to be covered at a closer spacing.



***Talawanta GBM and GA gravity, Bouger anomaly with high pass 10K filter. Although incomplete, clearly showing strong gravity highs which do not coincide completely with magnetic highs. Previous drilling does not appear to have tested strongest gravity responses.***

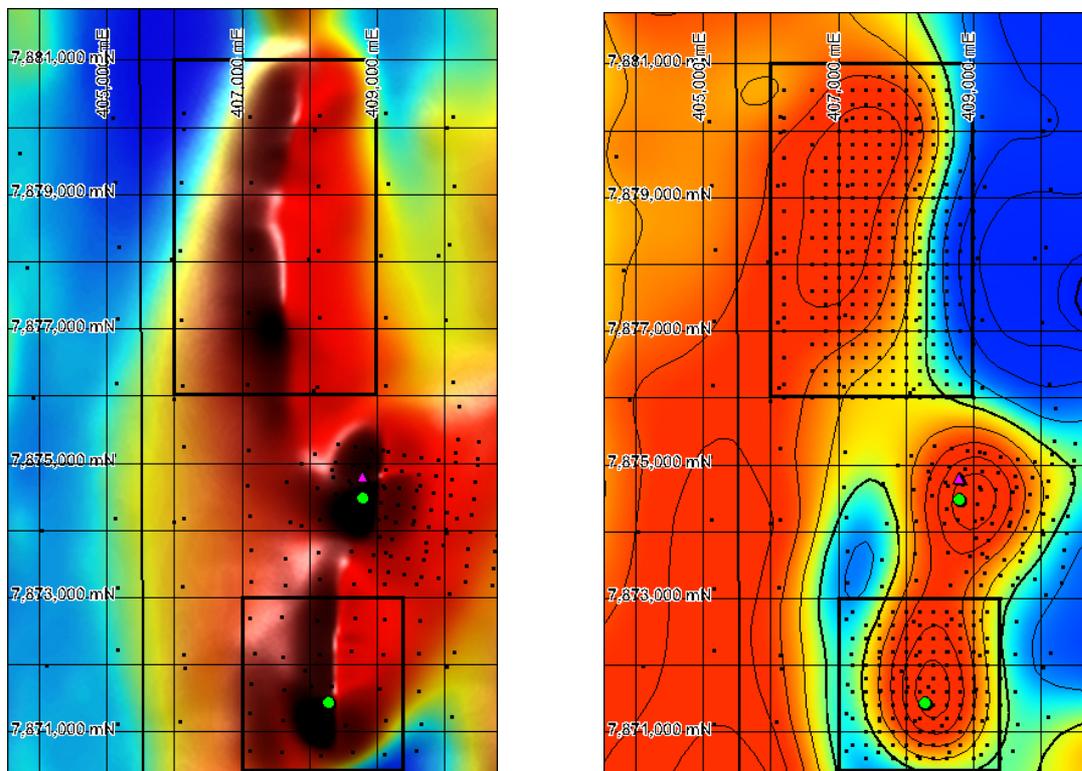
Limited previous drilling at Grassy bore demonstrates the cover sequence to be around 300 metres thick. As a consequence, a station spacing of 200 metres was chosen for two initial ground gravity survey areas. These areas cover distinct magnetic features identified in the regional magnetic data and adjacent to the Ibis anomaly identified by previous explorers, and shown to be associated with hydrothermal magnetite and minor copper mineralisation in the single hole completed by previous explorers.

Data has only recently been received and interpretation is not yet complete and ongoing.

## 2. Pan Pacific Copper Farm in Projects (cont'd)

Preliminary review of the gravity results are:

- Detailed gravity surveys have provided evidence of localised gravity highs at both Talawanta and Grassy Bore, which are not obvious in regional data sets previously available. Closer spaced gravity data has significantly improved the resolution of potential drill targets in this deeply covered area.
- Previous drill hole KID005 (drilled 1993) at the Ibis Prospect at Grassy Bore indicates the presence of hydrothermal magnetite and minor copper mineralisation. Detailed gravity shows the peak gravity response to be offset southwards from the magnetic high. This is interpreted as a hematite zone extending south of the area tested and is worthy of preliminary drilling for improved copper mineralisation.
- A coincident magnetic – gravity high south of Ibis is also considered a key drill target.
- Several other features at Grassy Bore are being examined and additional gravity data may be required to clarify these features prior to drill testing.
- At Talawanta 500m spaced gravity stations have confirmed that previous drilling (drilled 1993) is not testing the strongest gravity features. Despite this previous drilling did intersect intense hydrothermal alteration with some associated copper-gold mineralisation.



**Grassy bore magnetic highs (left) with previous drilling (pink triangle) and proposed holes (green dots). Grassy Bore detailed gravity merged with regional data (right, stations as black dots) SLAB BA with 10K HP filter. Strong gravity response near previous hole (Ibis Prospect) displaced southwards, possible reflecting offset hematite rich alteration zone.**

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## 2. Pan Pacific Copper Farm in Projects (cont'd)

Activity in the December Quarter will include:

- Drilling of two holes to provide initial geological data for the Ibis and Ibis South gravity features on the Grassy Bore Project ;and
- Complete processing of gravity data, including inversions for immediate drill targets.

### **Bungalien – Horse Creek Cu Au Project**

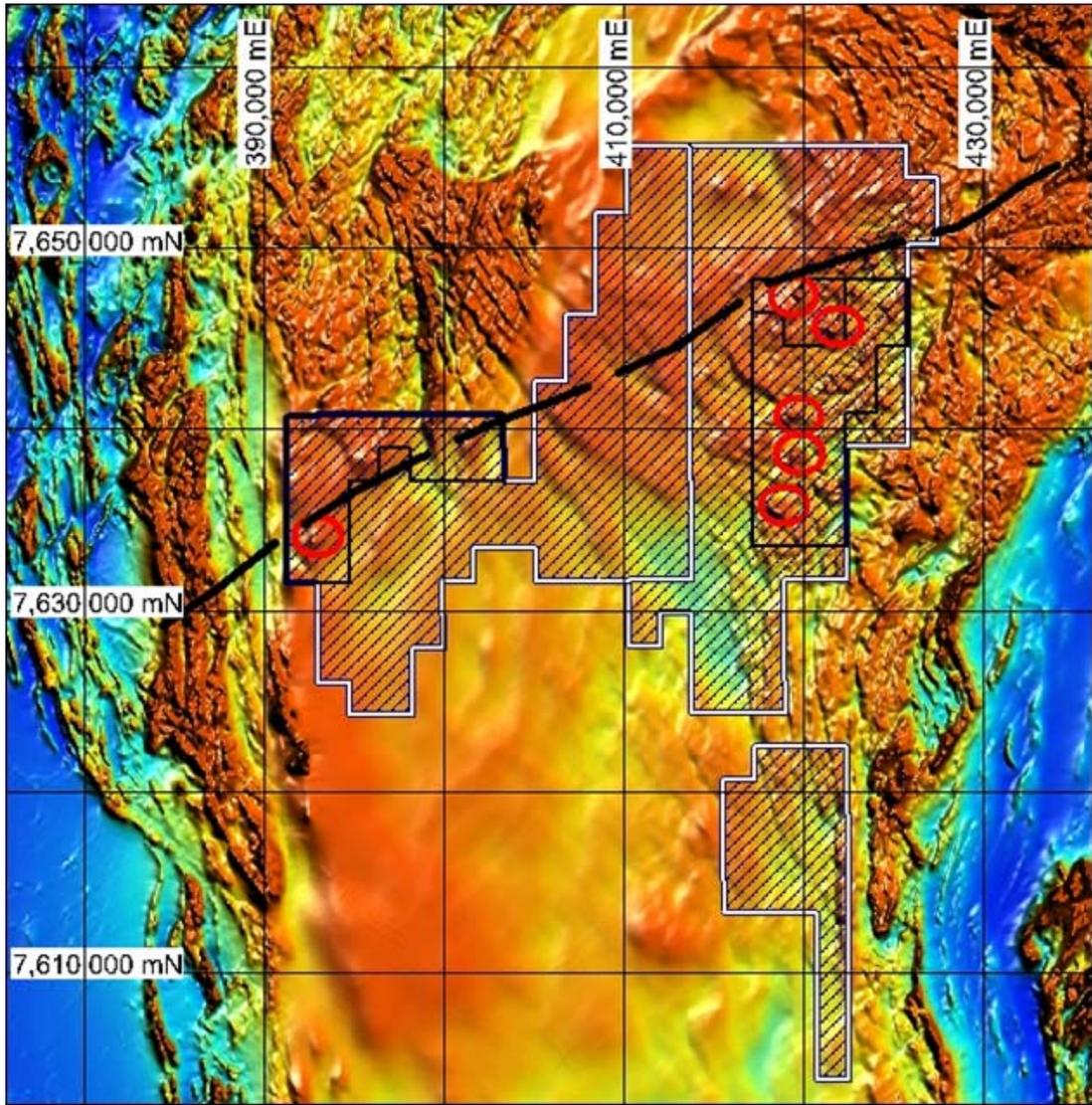
The Bungalien Project includes a number of discrete magnetic features in an area covered by sediments of the Georgina Basin. These features are interpreted to reflect areas on metasomatic magnetite formation in the Proterozoic basement. Preliminary work has identified seven anomalies in the tenement area considered worthy of further evaluation. Of these the Malbon 2 area was chosen for initial evaluation because it already had one exploration drill hole indicating basement depth, and soil geochemistry indicating copper anomalism despite over 200m of overlying sediments.

Detailed gravity has been completed over the Malbon 2 anomaly using 200 metre grid close in to 100 metres in areas of interest. This data has been merged with available government data sets. The figures below illustrate the magnetic anomaly and improved definition in detailed gravity data. Planning is now underway to complete two drillholes to test the basement in this area.

Detailed gravity has outlined subtle gravity features in close proximity to observed magnetic anomaly. Further work including initial drill testing is warranted following careful interpretation and additional information regarding surface geochemical anomaly.

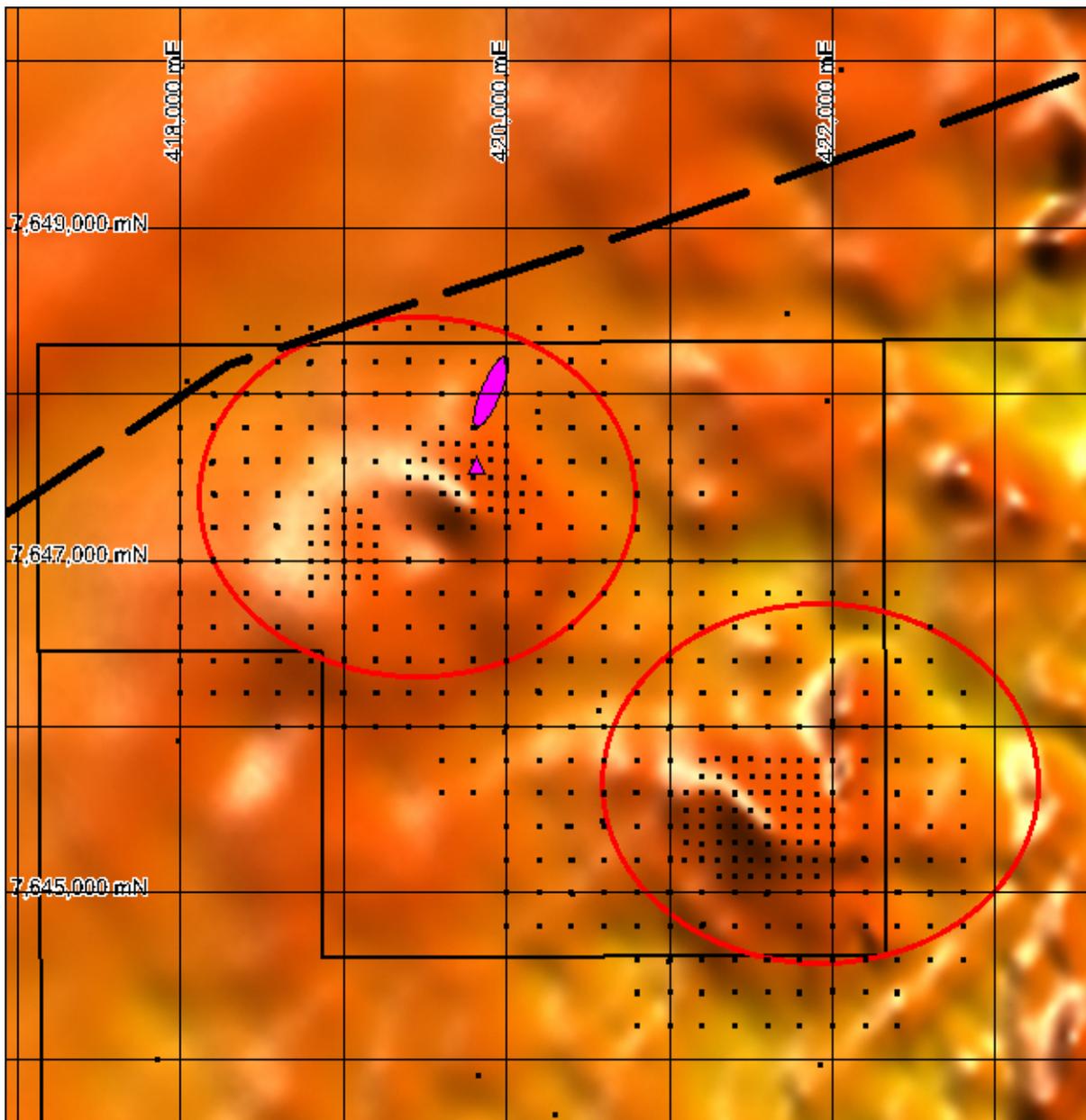
Broadly spaced soil sampling to validate previous work and assist in target definition. Scout drilling to determine the nature of bedrock alteration and cover sequence in this area will be undertaken in the next quarter.

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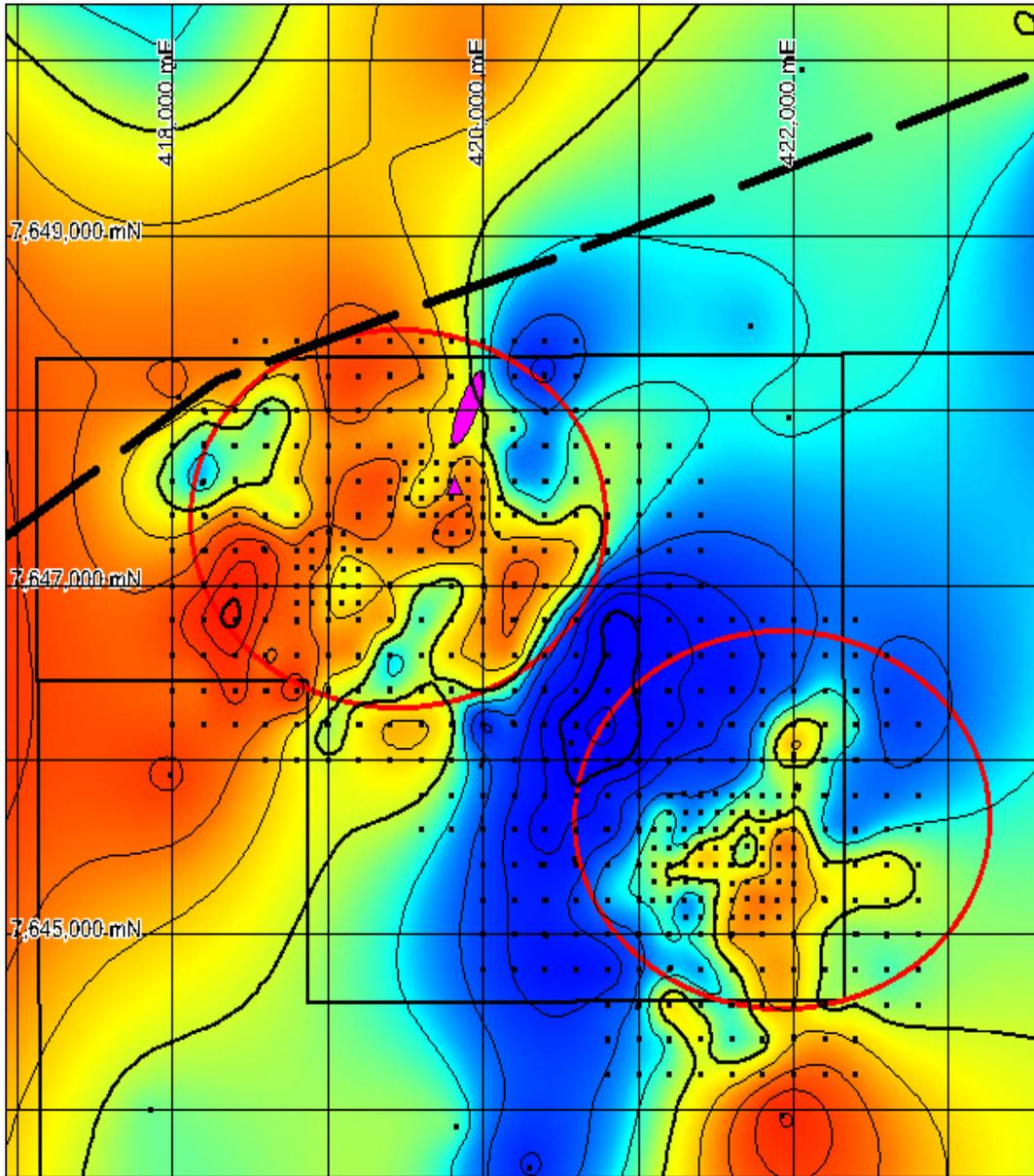
**Bungalien Tenement Group (granted – black, application – white hatch) over regional TMI RTP image. Initial IOCG targets in red circles.**

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**Malbon 2 IOCG targets over regional magnetic image TMI RTP.**

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***Malbon 2 IOCG target over detailed gravity merged with regional data set, stations as black dots. Previous drillhole (pink triangle) and soil geochemical anomaly (pink oval).***

## VICTORIAN EXPLORATION

### 1. Malmsbury Gold Project

During the September quarter rehabilitation of the MD12 drill site was completed. No other field work was undertaken on this project.

In the June quarter report, results from the deep diamond hole, MD012 strongly support the conclusion that the Malmsbury Gold Project is part of a large Intrusive Related Gold System (IRGS) centred on Belltopper Hill. The extent of the hydrothermal system is in excess of 4km in strike length and this drilling confirms the potential depth in excess of 1km.

Key results from the deep hole are summarised as follows:

- *Gold mineralisation was widespread throughout the hole. Of the 145 samples of mineralised material analysed over half contained between 0.1g/t Au to greater than 2 g/t Au.*
- *The hole contained the suite of metals which is characteristic of an Intrusion-Related Gold Deposit and include Tungsten, Molybdenum, Bismuth, Tellurium, Antimony and Arsenic.*
- *Tungsten is associated with gold mineralisation as the mineral scheelite throughout the hole and increases in abundance at depth with a peak value of 4930ppm (0.49%) at 838 m downhole.*
- *Copper and silver are notably more abundant at deeper levels with peak values of 1.2% and 22ppm respectively at 714m downhole. Molybdenum, Bismuth and Telurium are also present at lower levels (peak levels 88ppm, 300ppm and 2.2ppm respectively).*

The success of this hole in demonstrating the existence of an IRGS at Malmsbury provides confidence to target the area for this economically significant class of deposit.

Importantly, gold mineralization was encountered at depths of up to 950 metres in this hole and confirms the potential for gold mineralization to depths of at least one kilometre in this gold field.

#### **About IRGS Deposits**

Such deposits have not been widely recognised previously in the prolific Central Victorian Goldfields. IRGS contain a metal suite that includes some combination of bismuth, tungsten, arsenic, tin, molybdenum, tellurium and antimony. IRGS's are characterised by more evenly disseminated gold mineralisation with grades that also display a degree of continuity. IRGS in Australia and North America host a number of large deposits supporting modern operating gold mines in a range of geological settings. Several deposits in this class contain 3 Moz of gold, including Cadia-Ridgeway (44M ozs Au, 8Mt Cu), Fort Knox (4.3Mozs Au), Donlin Creek (29Mozs Au), and Pogo (5.6Mozs Au).

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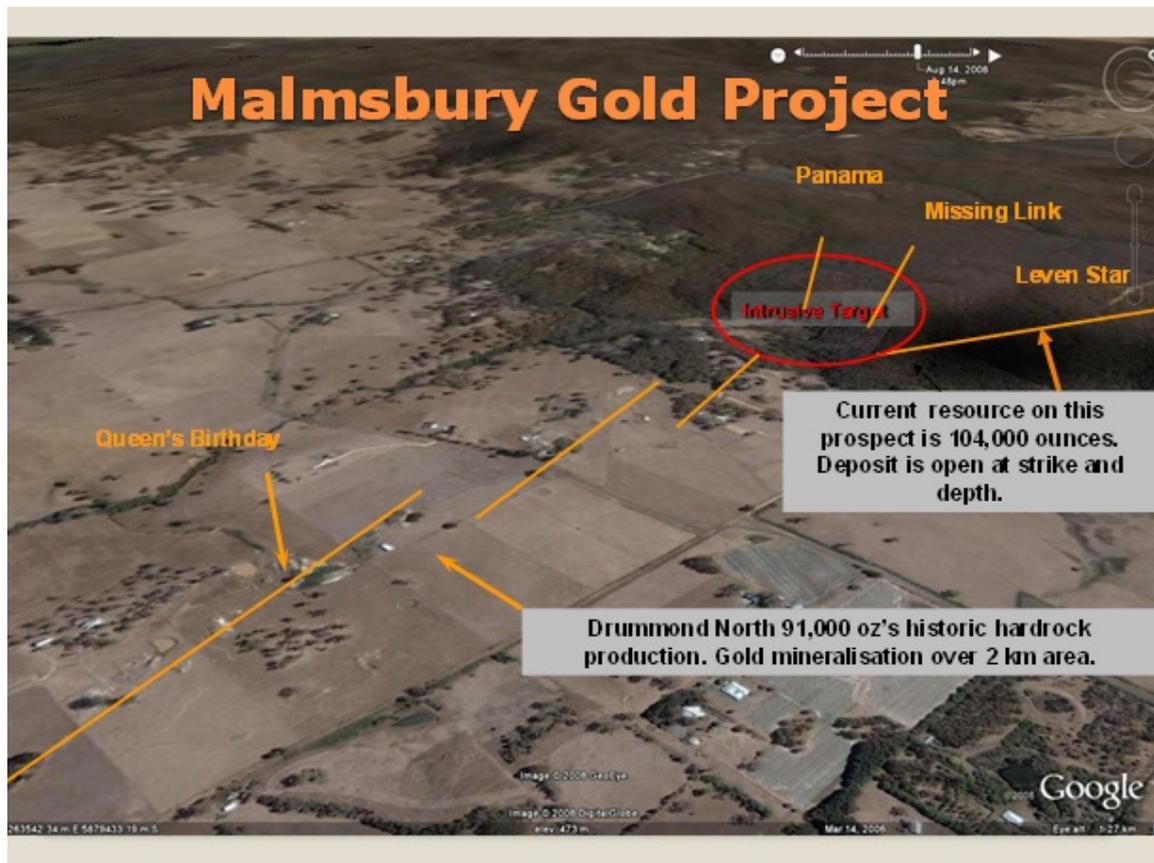
## 1. Malmsbury Gold Project (cont'd)

### Future Exploration Programs

Previous exploration by GBM has highlighted the potential for substantial gold resources to be hosted in structurally controlled zones in the Malmsbury Goldfield which has an initial Inferred Resource containing 104,000 ounces of gold at an average grade of 4.0 g/t. Historical mining yielded over 90,000 ounces of gold and previous drilling strongly support the existence of further resources in the fault and fracture related zones extending north and south from Belltopper Hill for some 4 kilometres.

Based on these results and previous work future exploration programmes will now incorporate structural analyses to locate areas of more intense structural preparation in addition to drill testing of the multiple known mineralised zones at moderate depth.

The results of exploration activities support the conclusion that the Malmsbury gold project is emerging as a large IRGS.



Google angle view of Malmsbury Gold Project highlighting inferred resource at the Leven Star Zone.

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## **1. Malmsbury Gold Project (cont'd)**

### **Tenement Summary**

Tenement maintenance, including reporting and renewals has been ongoing during the quarter. Two new applications, EPM18812 Mount Hoopbound and EPM18811 Limonite Hill adding to GBM's strategic holding in the Mt Morgan area in Queensland were lodged during the quarter statutory partial relinquishment for EPM 16057 Dee Range in the Dee Range Project area was finalised during this quarter.

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area* <sup>3</sup> (km <sup>2</sup> )	Status	State
<b>Victoria</b>									
<b>Malmsbury</b>									
Belltopper	EL4515* <sup>1</sup>	GBMR/Belltopper Hill	100%	GBMR	6/10/2005	5/10/2010	25	Granted	Vic
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	143	Granted	Vic
<b>Willaura</b>									
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2012	98	Granted	Vic
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2010	29	Granted	Vic
<b>Yea</b>									
Tin Creek	EL5292	GBMR	100%	GBMR			442	Appl'n	Vic
Monkey Gully	EL5293	GBMR	100%	GBMR			442	Appl'n	Vic
<b>Queensland</b>									
<b>Dee Range</b>									
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	88	Granted	Q'ld
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Renewal	Q'ld
Mt Morrisey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Renewal	Q'ld
Black Range	EPM17734	GBMR	100%	GBMR	20-May-09	19-May-14	180	Granted	Q'ld
Smelter Return	EPMA18366	GBMR	100%	GBMR			195	Appl'n	Q'ld
Limonite Hill	EPMA18811	GBMR	200%	GBMR			260	Appl'n	Q'ld
Mt Hoopbound	EPMA18812	GBMR	300%	GBMR			23	Appl'n	Q'ld
<b>Mount Isa Region</b>									
<b>Talawanta - Grassy Bore</b>									
Talawanta	EPM15406	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	15-Jan-08	14-Jan-11	<u>325</u>	Granted	Q'ld
Grassy Bore	EPM15681	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	<u>325</u>	Renewal	Q'ld
Talawanta	EPM 18290	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Qld
Grassy Bore	EPM 18291	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Qld
<b>Mount Margaret</b>									
Mt Margaret W. Ext	EPM16227	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	31-Jul-07	30-Jul-12	<u>36</u>	Granted	Q'ld
Mt Margaret West	EPM14614	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	2-Aug-05	1-Aug-10	<u>129</u>	Renewal	Q'ld
Mt Malakoff Ext	EPM16398	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR			84	Appl'n	Q'ld
Cotswold	EPM16622	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR			45	Appl'n	Q'ld
Dry Creek	EPM 18172	GBMR/Isa Tenements	100%	GBMR			227	Appl'n	Qld
Dry Creek Extended	EPM 18174	GBMR/Isa Tenements	100%	GBMR			39	Appl'n	Qld
<b>Brightlands</b>									
Brightlands	EPM14416	GBMR* <sup>2</sup> /Isa Brightlands	100%	GBMR	5-Aug-05	4-Aug-10	251	Renewal	Q'ld
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	GBMR			13	Appl'n	Q'ld
Highway	EPM18453	GBMR/Isa Brightlands	100%	GBMR			36	Appl'n	Q'ld
	EPM18672	GBMR/Isa Brightlands	100%	GBMR			97	Appl'n	Q'ld
Brightlands West	EPM18051	GBMR/Isa Brightlands	100%	GBMR			99	Appl'n	Q'ld
<b>Bungalien</b>									
Bungalien	EPM14355	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	13-Oct-04	12-Oct-09	<u>61</u>	Renewal	Q'ld
Horse Creek	EPM15150	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-11	<u>80</u>	Granted	Q'ld
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	GBMR			72	Appl'n	Q'ld
Malbon 2	EPM14120	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	24-Aug-04	23-Aug-10	<u>15</u>	Renewal	Q'ld
Bungalien 2	EPM18207	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
Horse Creek 2	EPM18208	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
							<b>4238</b>		

Table; GBM Resources Tenement Summary September 2010.

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## CORPORATE

### ***Qld Phosphate Joint venture***

GBM Resources Limited has entered into a binding agreement with Swift Venture Holdings Corporation (SVH) over the company's phosphate assets located southeast of Mount Isa in North Queensland during the quarter

Under terms of the agreement SVH will acquire a 70% interest in the phosphate assets by subscribing for a placement of 17.8 million shares at an issue price of A\$0.10 and 17.8 million options exercisable at A\$0.20 on or before 30 June 2013. The total subscription amount of A\$1.78 million has been paid.

Of the SVH placement funds, A\$280,000 of working capital will be allocated to phosphate exploration in which GBM will manage on behalf of SVH. GBM retains a 30% free carried interest until completion of a bankable feasibility study.

The original terms of the option agreement was announced on 8 July 2010 and can be viewed on the Company's website [www.gbmr.com.au](http://www.gbmr.com.au).

Key differences from the prior phosphate agreement are:

1. GBM increases its retained interest to 30%, a 10% increase.
2. A\$280,000 of GBM's working capital will be allocated to phosphate exploration which reduces its commitment from the previous A\$600,000. All future exploration expenditure will be met by SVH.
3. The Company has reduced the share subscription by 10.2 million shares and options.

### **Expenditure for the Quarter and Working Capital**

During the quarter the Company and its joint venture partner Pan Pacific Copper, spent \$333,000 on exploration of the Company's mineral tenements. The Company spent \$169,000 on administration costs during the quarter. Cash at the end of the quarter totals \$3.5 million.

*The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr Norris 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 Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### **For Further information please contact:**

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## 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

**GBM Resources Limited**

**ABN 91 124 752 745**

Quarter ended ("current quarter")

**30 September 2010**

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(113)	(113)
(b) development	-	-
(c) production	-	-
(d) administration (includes \$12,000 of prior quarter expenses)	(169)	(169)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Grants and JV management fees	101	101
<b>Net Operating Cash Flows</b>	<b>(173)</b>	<b>(173)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(173)</b>	<b>(173)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(173)	(173)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,978	2,978
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 (capital raising costs)	(64)	(64)
	<b>Net financing cash flows</b>	2,914	2,914
	<b>Net increase (decrease) in cash held</b>	(2,741)	(2,741)
1.20	Cash at beginning of quarter/year to date	756	756
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3,497	3,497

**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	163
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Director remuneration – fees and consultancy.	

**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

During the quarter the Company issued 11,178,571 listed options exercisable at \$0.20 each on or before 30 June 2013, for corporate advisory services.

- 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

During the quarter Pan Pacific Copper Co Ltd incurred exploration expenditure of \$220,152 under the Farm-in Agreement with GBM.

**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	-	-

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	1,000
4.2	Development	-
4.3	Production	-
4.4	Administration	300
<b>Total</b>		<b>1,300</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'0000
5.1	Cash on hand and at bank	3,384	643
5.2	Deposits at call	113	113
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>3,497</b>	<b>756</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	nil		
6.2	Interests in mining tenements acquired or increased	EPMA18811 - Limonite Hill EPMA18812 - Mt Hoopbound ML2643 Magpie	Application Application Option agreement signed	0 0 0
			100% 100% 0	

+ See chapter 19 for defined terms.

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**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 <b>Preference securities</b> <i>(description)</i>	-			
7.2 Changes during quarter	-			
7.3 <b>+Ordinary securities</b>	181,193,504	181,193,504		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	22,800,000 -	22,800,000 -		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	103,793,124	103,793,124	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30/6/2013
7.8 Issued during quarter	103,793,124	103,793,124	\$0.20	30/6/2013
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

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## 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: 26 October 2010  
Company Secretary

Print name: Kevin Hart

## 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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