

29th January 2009

The Manager
Company Announcements
Australian Securities Exchange Ltd
Level 5, 20 Bridge Street
Sydney NSW 2000



ABN 91 124 752 745
www.gbmr.com.au

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2008

Highlights:

QUEENSLAND:

- An initial RC drilling programme of 1025 metres was completed in December 2008 to test a phosphate anomaly with values up to 6.6% P₂O₅ discovered on the Bungalien project near Mt Isa. Results are pending.
- Soil sampling is planned in the June quarter on second Qld phosphate project - Horse Creek, in the world-class Georgina Basin phosphate province
- Structural review underway on the Brightlands Cu-Au-U project near Mount Isa to prioritise the multiple copper and gold targets for RC drilling programme this year.
- Field trip completed on Brightlands Cu-Au-U project near Mount Isa. Limited rock chip samples (8) collected on the Milo prospect have confirmed the polymetallic nature indicated by previous exploration with values up to 4.8% copper and 1.4 g/t gold.

VICTORIA:

- A 76% increase to the Inferred Resource of 104,000 ounces of gold for the Leven Star prospect located on Belltopper Hill within the Malmsbury Gold Project. The deposit is open both at strike and depth.
- The 2008 diamond drilling and field work programs, plus historical data support the conclusion that the Malmsbury gold Project has potential to emerge as a major gold system in a world – class gold province.
- Exploration Licence EL 5120 has been granted which is strategic as it consolidates the Malmsbury Gold Project.
- Optimal safety record during operations

EXPLORATION ACTIVITIES

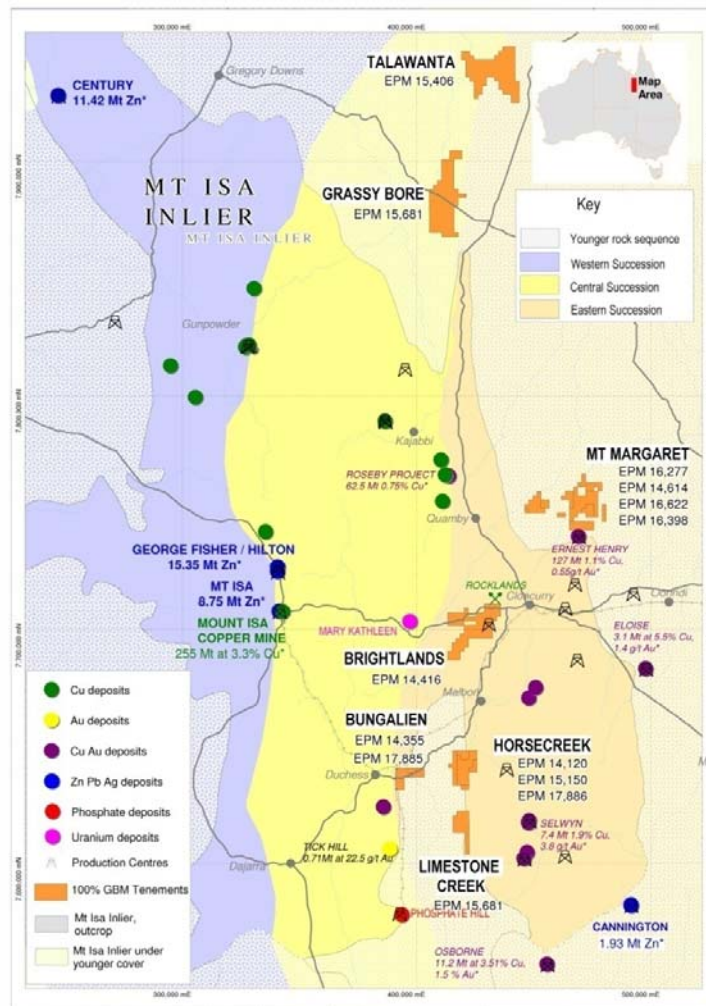
QUEENSLAND

Mount Isa Region Copper Gold Projects

GBM's extensive copper gold exploration assets in the Mount Isa region have increased to cover an area of 1,580 square kilometres, representing over half of the Company's total exploration holdings.

This large tenement footprint delivers GBM a strategic position in the Mount Isa/Cloncurry region of Queensland - which is one of the world's most prolific producers of base metals. More importantly, the tenement package is highly focussed on the Eastern Succession which is recognised as the key host to IOCG style Cu-Au targets in the region.

Whilst the key target remains IOCG and gold mineralisation, early work by GBM has confirmed phosphate mineralisation throughout the Bungalien project area. Importantly these phosphate occurrences are strategically located adjacent to the main regional rail link reducing infrastructure requirements for any potential discovery. In addition, the key host sequence is also interpreted to exist within the Horse Creek and recently acquired Limestone Creek tenement area.



* All figures quoted from NW QLD Mineral Province Report, Old Government DME, Nov 2000

Bungalien (EPM 14355), Malbon 2 (EPM 14120), Horse Creek (EPM 15150) & Limestone Creek (EPM 17849)

A reverse circulation drilling programme was completed at the end of the quarter to test a phosphate anomaly with values up to 6.6% P₂O₅ extending over a strike length in excess of six kilometres identified from soil sampling over the Burke River Phosphate Prospect in the Mount Isa region. Drilling tested the Beetle Creek formation on a broad spacing (nominal 1000 by 800 metre) to determine the level of phosphate mineralisation to allow an improved understanding of the exploration potential of the area.

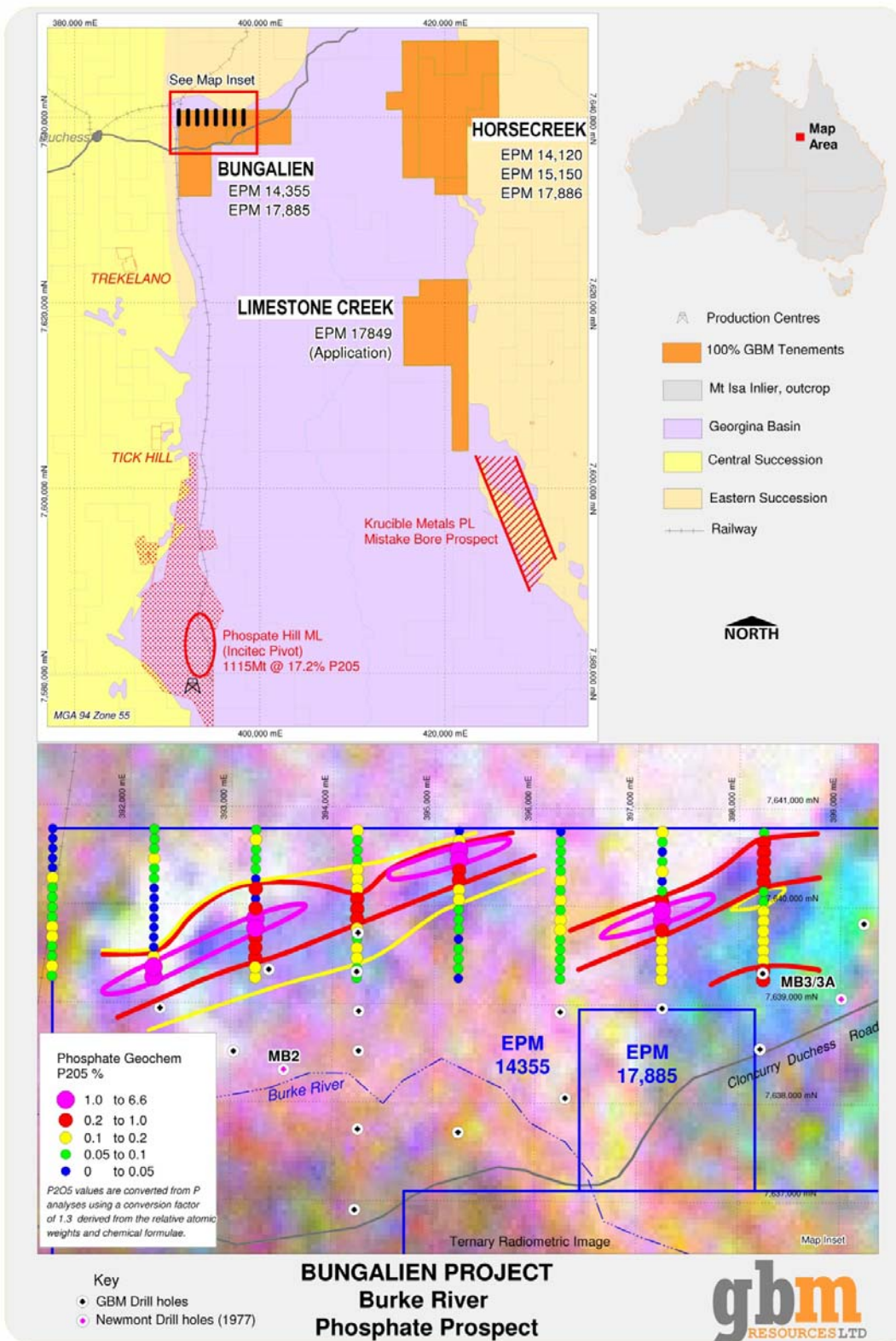
The seventeen hole (1025 metres) programme tested for phosphate in the Beetle Creek Formation to depths from outcropping to approximately 50 metres. Whilst a total of 39 sites were cleared by the Kalkadoon People, who are the traditional owners of the area, only seventeen were utilised during this programme.

All but two holes successfully drilled through the overlying Inca Formation, tested the prospective Beetle Creek horizon and the underlying Thornton Limestone before ending in the distinctive Mount Birnie Beds. Limited qualitative field testing confirmed the presence of phosphate. Samples have been submitted to ALS in Mount Isa for analyses which are expected to be received during the March quarter.

Burke River is one of several areas identified by GBM as having potential for phosphate development in the Company's Bungalien, Horse Creek and Limestone Creek Projects in the Georgina Basin area around Mount Isa. The Company lodged additional applications for areas adjacent to the Horse Creek and Bungalien Licences during the quarter.

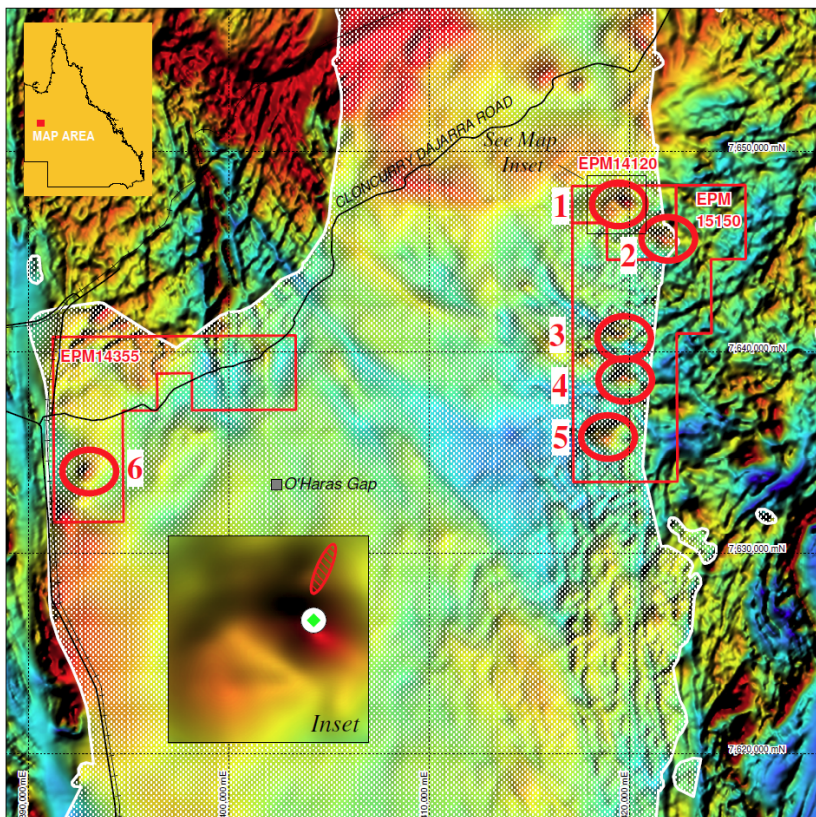
GBM holds a strategic landholding in the Georgina Basin which is emerging as a world-class phosphate province with more than 3 billion tonnes of phosphate resources, of which the largest is the Incitec Pivot-owned Phosphate Hill, located 50 kilometres south of GBM's Bungalien project. The Bungalien project is ideally supported by a road and rail corridor which goes through its tenement boundary. Recent upward movement in fertilizer prices has greatly enhanced the appeal of phosphate minerals as exploration targets.

A review of previous exploration confirmed strong magnetic anomalies as targets for potential IOCG style mineralisation on Bungalien, Malbon2 and Horsecreek tenements. The Company's review has identified six discrete magnetic anomalies under cover of the Georgina Basin which comprises between 100 to 500 metres of sediment cover.



Lag sampling on Malbon2 returned a clear +400ppm Cu anomaly which is interpreted to represent a significant 'leakage' of bedrock geochemistry through more than 100 metres of the overlying Georgina Basin sediments. This anomaly lies on a major northeasterly trend identified in the regional magnetic image, and is interpreted as being underlain by the Wimberu Granite. The outcropping Wimberu Granite

hosts a number of historic Cu-Au-U occurrences and is being actively explored by other companies. A magnetic high located in the southwestern part of Bungalien was considered prospective by Newcrest, which was successful in obtaining Queensland DME Strategic Drilling Initiative funding to test this anomaly. This hole, however, was not drilled and the target remains untested. A further application has been lodged by GBM for support in the current round of SDI funding.



IOCG targets (labelled 1 to 6) in the Horse Creek and Bungalien tenement areas.

Brightlands (EPM 14416)

Structural review of the setting and potential of geochemical and geophysical targets in the Brightlands licence area is almost complete with results expected early in the March Quarter. This study will incorporate several data sets which have not been available previously including new satellite imagery and hyperspectral data.

Results from a limited number of rock samples (8) collected during a brief field visit to the Milo Prospect area have confirmed the polymetallic nature of this prospect indicated by previous exploration with values up to 4.8% Cu, 1.4 g/t Au, 388ppm Mo and 120 ppm U.

In addition to Milo, the Brightlands Licence area contains multiple exploration target areas have been identified by previous explorers and the following are high priorities for immediate follow-up:

- **Fine Gold Gully-** interpreted by previous owner, Newcrest, as being in a similar stratigraphic position as the Tick Hill Mine (470,000t @ 28g/t Au) with a similar geochemical anomaly, one hole drilled over weaker (30ppb in soil) geochemical response returned 6m @ 0.2g/t Au and 0.23% Cu.
- **Tiger Prospect-** anomalous gold in rock chip samples in shear zone interpreted as part of a structural zone including structures hosting the Rocklands deposit (Cudoco Limited) 2.5km northwest. Rock chip sampling of the structure has returned Au values up to 1.87g/t Au and up to 17% Cu.

- **The Range-** 43 anomalous rock chip samples collected over 1.3km². Samples between 0.5 and 21.1 g/tAu, 25% contain >1% Cu and as high as 8%Cu.
- **Southern Gold** – Extensive areas in the Chumvale Breccia hosting widespread anomalous base metal and gold values at surface

Talawanta (EPM 15406) & Grassy Bore (EPM 15681)

These tenements are centred on a north trending linear magnetic complex interpreted to represent basement feature in the underlying Proterozoic basement interpreted as the northward extension of the Eastern Sequence of the Mount Isa Inlier under cover. The magnetic complex is locally, extremely intense, particularly given the depth of the cover sequence which would tend to mask the magnetic response.

Talawanta is centred on a major magnetic anomaly, which is one of the most intense anomalies in the district, next to Ernest Henry, and covers an area 15km x 7km. The anomaly is clearly associated with alteration with potential for discovering IOCG style mineralisation.

Grassy Bore is centred on a series of bull's eye magnetic anomalies and gravity features. Limited drilling has confirmed the presence of alteration and weak mineralisation. A review of EXCO's exploration data and BHP historic drilling highlighted the northern Boomeria region as being highly prospective for copper mineralisation. These targets are genuine IOCG targets of substantial size and intensity.

Mt Margaret Group (Mt Margaret West EPM 14614, Mt Margaret Extended EPM 16227, Cotswold EPM 16622 and Mt Malakoff Extended 16398)

These tenements are situated in the same geophysical/geological domain as Ernest Henry and are centred on a series of magnetic anomalies that surround prospective granites. The area also contains extensive geochemical targets (Cu, Au) though the relationship with basement magnetic features has not been established in our review to date. It is a highly mineralised district with Ernest Henry and E1 deposits located within this domain. This area also appears likely to host genuine IOCG targets of substantial size and intensity.

Isa Region Summary Outlook

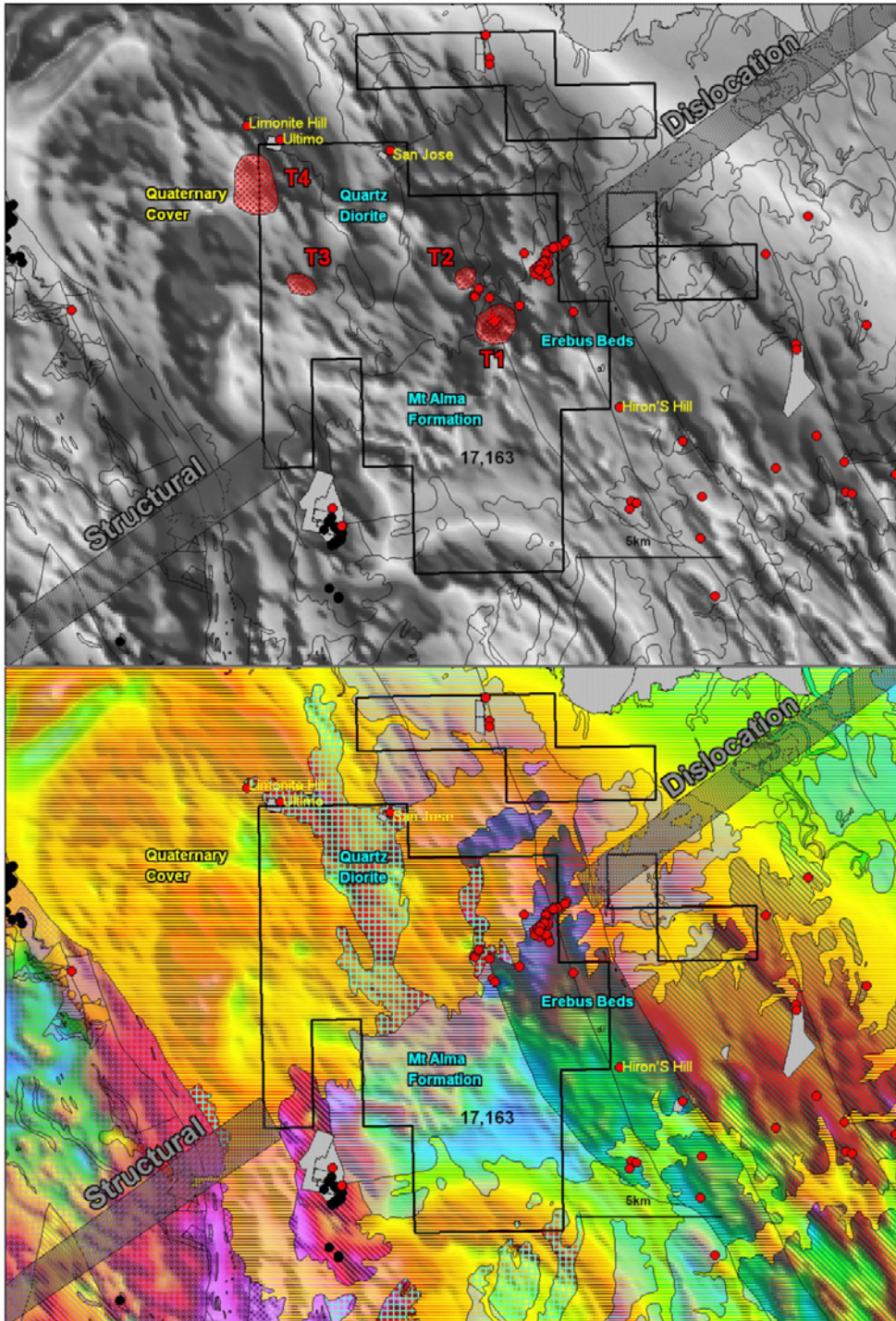
- Bungalien, Malbon2 and Horse Creek- compilation of drill data and results. Soil sampling of additional phosphate target areas is scheduled for the June quarter or earlier if weather permits. Orientation soil sampling of IOCG targets will also be conducted in tandem with Phosphate programs.
- Brightlands- complete structural review to upgrade the key gold, copper and uranium targets. Field trip to upgrade with mapping and sampling as weather permits.
- Mount Margaret, Talawanta/Grassy Bore – Commence data review, prospect ranking and upgrade IOCG targets associated with significant magnetic features.

Dee Range Copper Gold Project

Review of available geological, geophysical and exploration data relating to the Mount Morrissey area has identified four significant exploration targets in the area.

Exploration targets were selected on the basis of; proximity to historic mineral occurrences, geochemical data, geophysical data including magnetic character and structural location. Four target areas (T1 to T4) are shown on figure below. The review of historical exploration data indicated that very limited exploration had been conducted previously in the area adjacent to targets T1 and T2. These targets are characterised by magnetic field lows adjacent to the intersection of a NE trending regional structural dislocation identified during the study and the regionally significant Ulam Fault Zone. These targets are also bordered by a number of historical gold workings.

The Dee Range Copper Gold Project now includes four exploration permit areas in proximity to the Mount Morgan Mine which produced 8M ounces of gold and over 400,000 tonnes of copper in a mining history spanning more than 100 years. This is a world-class deposit and the project area contains a number of Cu-Au anomalies from previous exploration that remain unexplained in a highly prospective geological setting.



Dual images of Mount Morrisey Area showing targets developed from data review.

Project Outlook

Field inspection including field mapping with rock and or soil sampling of the target areas is required. This will be undertaken during the March quarter if conditions permit. Survey design will be undertaken pending results of field inspection.

VICTORIA

Malmsbury Gold Project

Leven Star Prospect

The 6 hole diamond drilling program that last year targeted the Leven Star prospect, part of the Malmsbury Project in Central Victoria, has resulted in the inferred resource increasing to 0.8 Mt at an average grade of 4.0 g/t Au containing 104,000 ounces of gold using a 2.5 g/t Au cut off grade (see table 1).

The increase is largely attributable to extending the resource model to depth based on information from GBM's diamond drilling programme completed during 2008. The resource is considered open both to depth and along strike. Details of the parameters used are contained in the resource statement which can be accessed on the company's website.

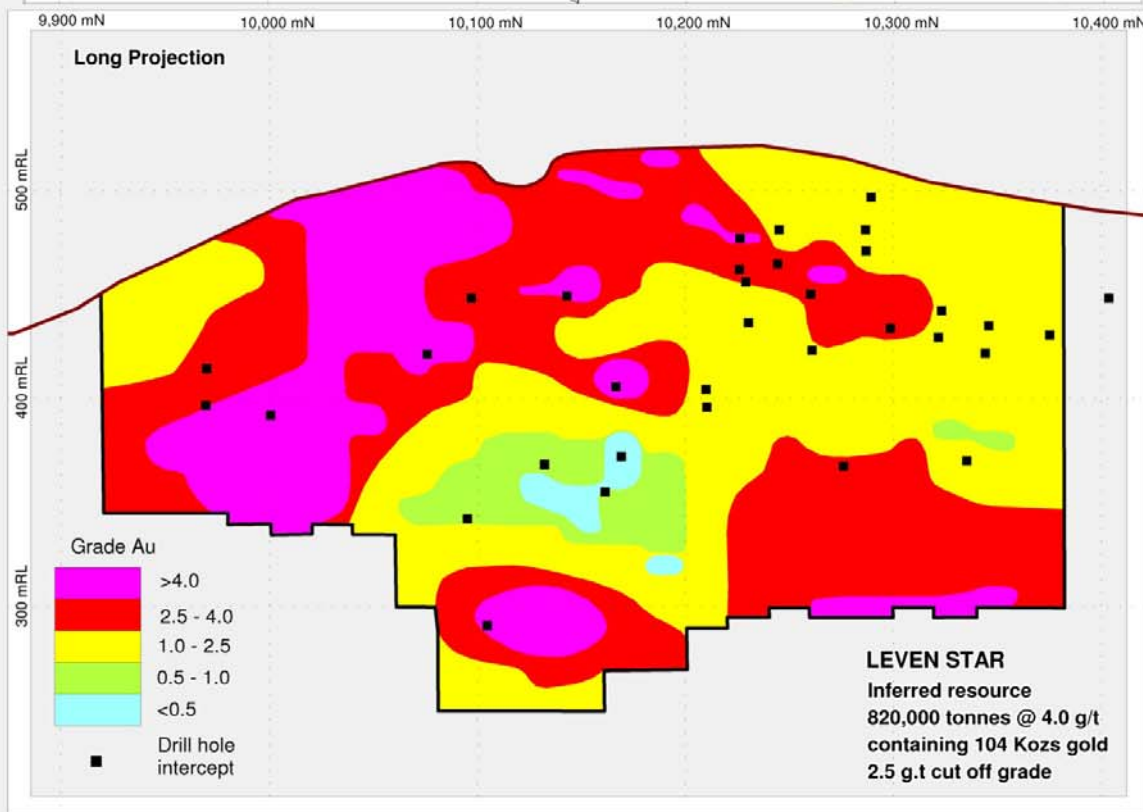
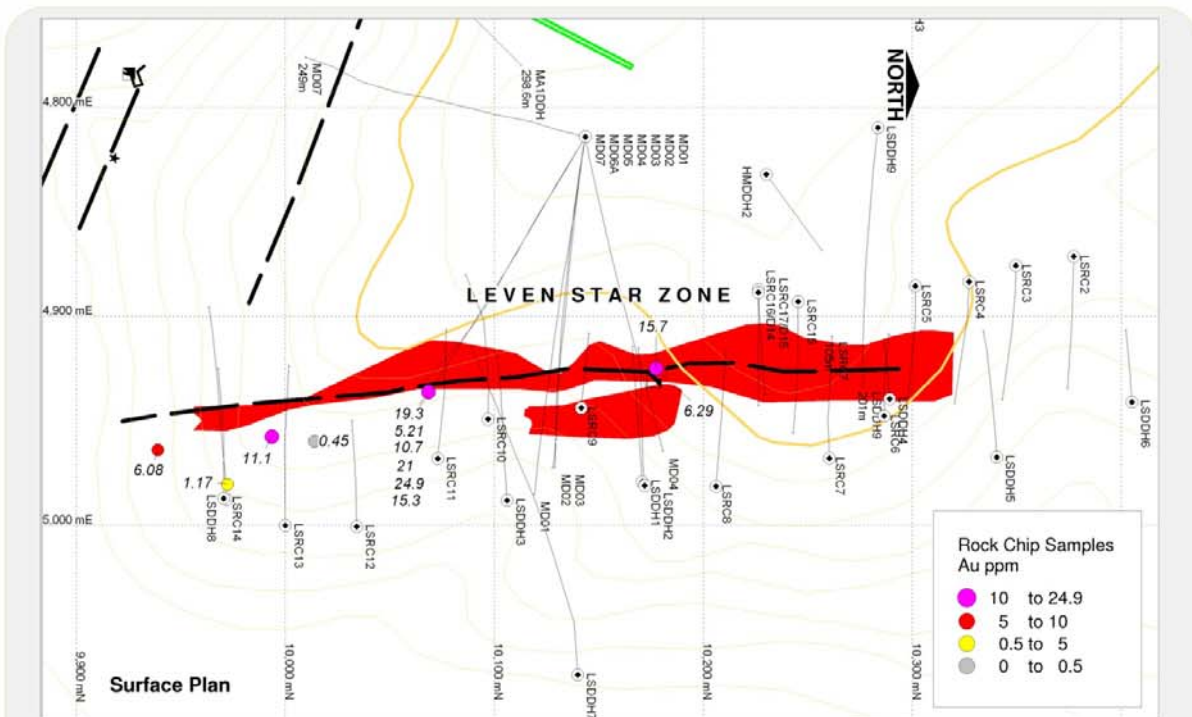
Cut-off : 2.5 g/t Au			
Resource Classification	Tonnes (x10³)	Au (g/t)	Au (x10³ ounces)
Inferred	820	4.0	104

Note. Cutoff grade reflect anticipated underground mining production costs.

Table 1: Leven Star Gold Resource Estimate

High grade results from rock chip samples collected during the December quarter are summarised on figure below and support higher grades intersected in drilling of the southern portion of the Leven Star Resource. Samples returned values up to 24.9 g/t Au in variably sheared and altered sediment host rock with quartz vein stockwork development.

Some 80 samples from GBM's 2008 diamond drilling programme at Leven Star and Queen's Birthday were submitted to a second independent laboratory for repeat analyses. The results showed a very strong correlation (correlation co-efficient 0.9). One of two significant outliers corresponded to a sample from the Queen's Birthday mineralised zone in MD11. The initial result of 0.9 g/t Au corresponded to a value of 5.2 g/t Au. This is suggestive of a small component of coarse gold and is being checked with fire assay, however the strong correlation in the overall data set indicates that this is uncommon in the Drummond North Goldfield.



MALMSBURY PROJECT
Leven Star
Resource Upgrade
December 2008



Resource Potential of the Malmsbury Project-emerging as a major gold system

Review of available historical and recent exploration and mining data conducted by GBM staff during 2008 has confirmed a known gold endowment of 195,000 ounces of gold in the near surface (approximately 150 metres from surface) portion of the structurally controlled mineralized zones explored or mined to date. This endowment comprises 91,000 ounces of historical production and 104,000 ounces of the current Leven Star Resource. At this time production from a number of shafts in the project area are still unknown, and many zones remain to be drill tested and resources evaluated. In addition the Drummond North Goldfield remains open along strike both to the North and to the South. The current estimate of gold endowment is considered incomplete in the near surface environment

The Drummond North Goldfield remains open at depth. Numerous goldfields exist within the prolific gold producing region of Central Victoria. In many cases mining and resources extend to depths well in excess of one kilometre, or more than seven times the depth which contains the 0.2M ounce gold endowment confirmed at Malmsbury. Previously reported drill hole MD8A intersected gold mineralisation in the Leven Star Zone at approximately 300 metres below surface confirming that mineralisation extends well below the known resources.

GBM believe that the Malmsbury Project is emerging as a major gold system in a world class gold province. Modern exploration is now revealing deposits that were difficult for prospectors to discover or exploit in the past , including Northgate's Fosterville Gold Deposits which now have a known gold endowment of 4Mozs and growing as exploration continues to define further resources.

Rediscover Victoria Grant to further test potential for Large Gold Tonnage (IRGD).

As a result of its successful application for a grant through the Rediscover Victoria Drilling Initiative GBM in 2009 will consider testing the gold mineralising system in the Malmsbury Gold Project - Drummond North area at depth with a deep (approximately 1 kilometre) drillhole. A large tonnage IRGD remains the long term target for GBM in the Malmsbury Project area. The Drummond North Goldfield includes a number of structurally controlled mineralized zones (Leven Star, Queen's Birthday, O'Connors, Missing link etc.) which while significant in their own right, may be proximal to a major IRGD. Previous mineralogical and alteration studies have recorded features indicative of an intrusive related gold deposit (IRGD). Petrographic and geochemical data collected during the 2008 drilling are interpreted to further support this conclusion. IRGD deposits include a number of +3Moz deposits and continue to represent an attractive exploration target style for GBM.

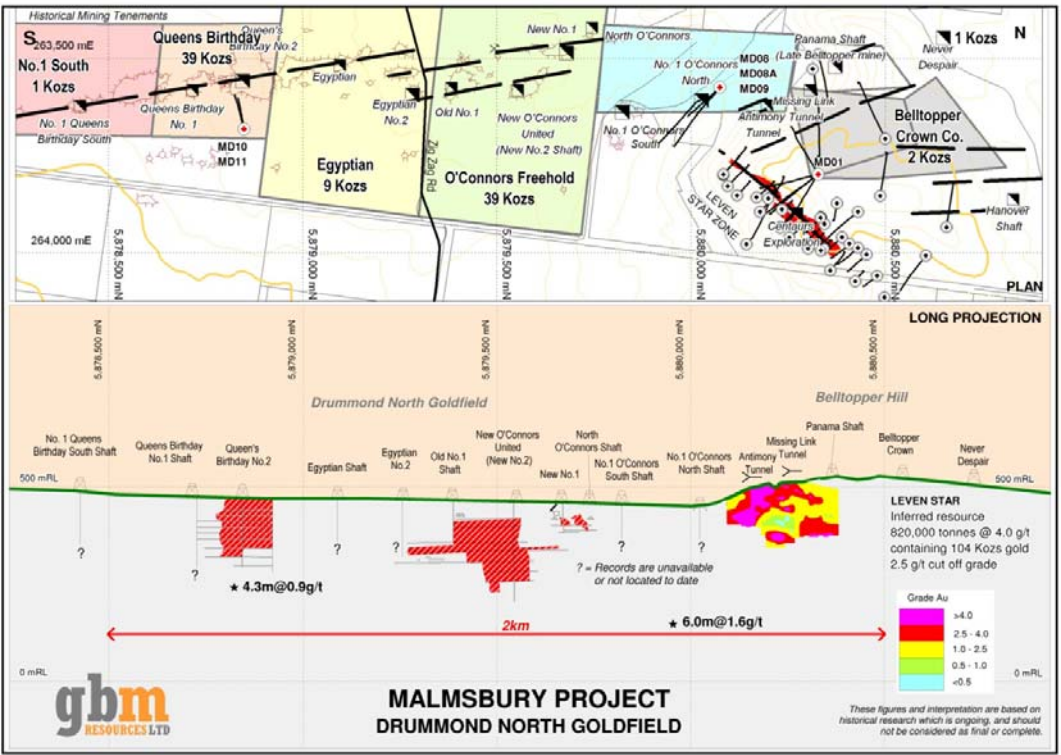
New EL5120 granted

Exploration Licence EL5120 was applied for soon after listing in 2007 to cover possible extensions to the Malmsbury Project - Drummond North Goldfield, and also allow investigation of several other areas of gold mineralisation located by reviewing historical records of the geological Survey of Victoria. This licence provides a strategic ground holding allowing GBM to explore the area on a system based approach.

Project Outlook

Soil sampling will be used to further define the extent of the mineralising system with samples to be collected during the March quarter (delayed due to focus on drilling in the Mount Isa Region during the December quarter). Drill programme development will focus on further defining the overall mineralising potential and identifying specific targets for further testing later this year to extend known zone of mineralisation and develop GBM's resource base in this project area. Further drilling is planned from the already approved work plan for Belltopper Hill.

These programs are consistent with GBM's objective of further defining the potential of the known resource and the longer term "IRGD" target.



Malmsbury Long Projection

Willaura Copper Gold Project

Previous exploration has identified three discrete magnetic features with coincident geochemical anomaly's considered worthy of further investigation for intrusive related gold mineralisation. These anomalies are located in the Stavely region of western Victoria. The Stavely Belt is considered by the Company as one of Australia's most under-explored volcanic terrains with recent exploration results released by Beaconsfield Gold representing some of the first high grade gold and base metal intersections in this terrain and confirming the prospectivity of the region for IRDG style deposits.

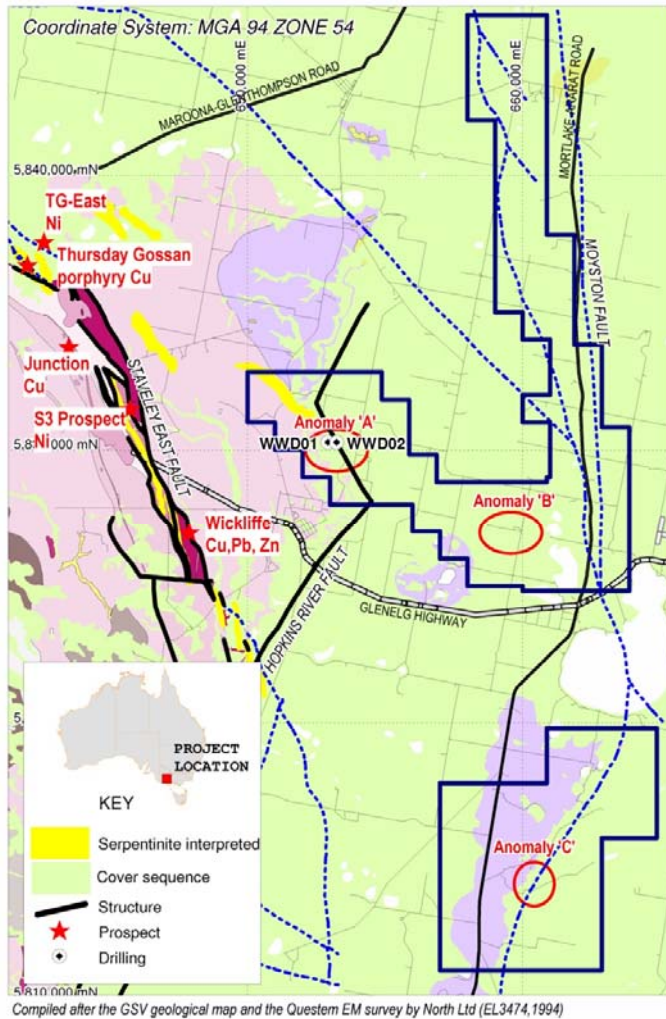
The company was successful in receiving funding as part of the Rediscover Victoria Strategic Drilling Initiative. This funding is for 50% of direct drilling costs up to \$56,000 to test three coincident geochemical and magnetic anomalies with two holes each.

During 2008, the Company drilled two diamond holes testing anomaly 'A' on EL4631. These holes intersected several narrow felsic intrusive rocks associated with anomalous copper and gold geochemistry. Petrographic descriptions received this quarter confirm strong alteration of these rocks with associated sulphide development. This setting displays similarity with that hosting the nearby copper gold intersections recently drilled at Thursday's Gossan. Further evaluation of the area is warranted.

A detailed ground magnetic survey conducted during the September Quarter over anomaly 'C' to confirm the exact location and nature of this feature prior to further testing will require extension. Processing prior to detailed interpretation indicated that the survey area will need to be extended to cover the strong magnetic response sufficiently to allow detailed modelling. This additional area was under crop and not accessible at the time of the original survey.

Project Outlook

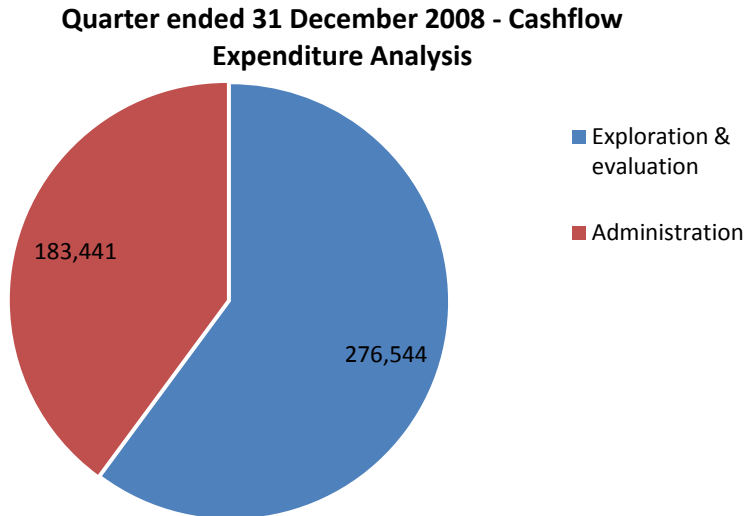
Extension of ground magnetic grid over anomaly 'C' and modelling of anomaly is required prior to planning drill hole testing. Field inspection of the northern continuation of anomaly 'A' to assist target development and drill hole planning is required. A number of other significant geochemical and geophysical anomalies remain to be tested within the project area. These will be reassessed in light of data from the current program. It is planned to complete ground magnetic and follow-up IP surveys (Induced Polarization) to identify possible disseminated sulphide deposits with a view to determining the priority for future drill testing.



Regional Setting of coincident magnetic and geochemical anomalies within EL4631 and EL4751 in relation to recent high grade Cu Au intersections drilled as part of the Rediscover Victoria programme by Beaconsfield Gold Mines limited. Structures hosting this mineralisation are clearly linked to the north-westerly structure hosting anomalies 'A' and 'B'.

EXPENDITURE

The Company spent \$459,985 in the quarter of which \$276,544 was for exploration and \$183,441 on administration and other costs. Cash at the end of the quarter totals \$1.6 million. Forecast exploration expenditure for the March 2009 quarter is estimated at \$200,000.



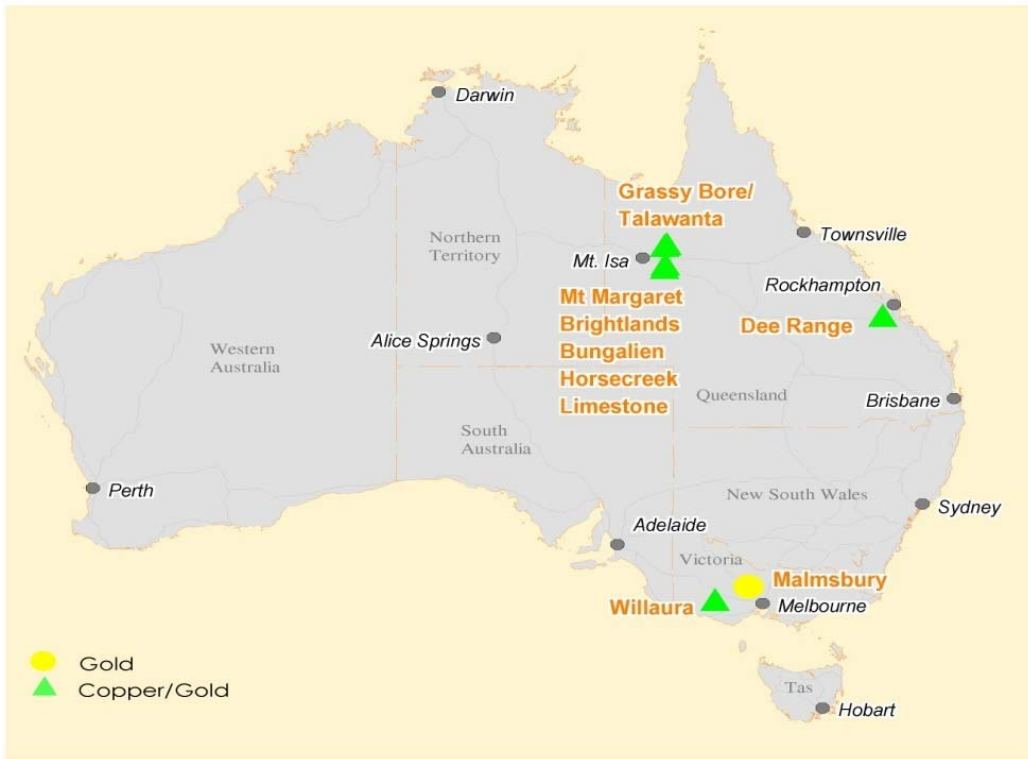
Yours sincerely

Peter Thompson
Managing Director

Note; 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.

TENEMENT SUMMARY

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area (km ²)	Status	State
Victoria									
Malmsbury									
Belltopper	EL4515* ¹	GBMR	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
Willaura									
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2009	98	Granted	Vic
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2010	29	Granted	Vic
Arrarat	EL5033	GBMR	100%	GBMR	6/07/2007	6/07/2012	83	Granted	Vic
Queensland									
Dee Range									
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	178	Granted	Q'ld
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Granted	Q'ld
Mt Morrissey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Granted	Q'ld
Black Range	EPMA17734	GBMR	100%	GBMR			180	Appl'n	Q'ld
Mount Isa Region									
Talawanta - Grassy Bore									
Talawanta	EPM15406	GBMR* ²	100%	GBMR	15-Jan-08	14-Jan-11	325	Granted	Q'ld
Grassy Bore	EPM15681	GBMR* ²	100%	GBMR	28-Sep-07	28-Sep-10	325	Granted	Q'ld
Mount Margaret									
Mt Margaret W. Ext	EPM1627	GBMR* ²	100%	GBMR	31-Jul-07	30-Jul-12	36	Granted	Q'ld
Mt Margaret West	EPM14614	GBMR* ²	100%	GBMR	2-Aug-05	1-Aug-10	129	Granted	Q'ld
Mt Malakoff Ext	EPM16398	GBMR* ²	100%	GBMR			84	Appl'n	Q'ld
Cotswold	EPM16622	GBMR* ²	100%	GBMR			45	Appl'n	Q'ld
Brightlands									
Brightlands	EPM14416	GBMR* ²	100%	GBMR	5-Aug-05	4-Aug-10	251	Granted	Q'ld
Bungalien									
Bungalien	EPM14355	GBMR* ²	100%	GBMR	13-Oct-04	12-Oct-09	61	Granted	Q'ld
Burke River	EPM17885	GBMR	100%	GBMR			3	Appl'n	Q'ld
Horse Creek	EPM15150	GBMR* ²	100%	GBMR	13-Jul-06	12-Jul-09	80	Granted	Q'ld
Limestone Creek	EPM17849	GBMR	100%	GBMR			72	Appl'n	Q'ld
Malbon 2	EPM14120	GBMR* ²	100%	GBMR	24-Aug-04	23-Aug-10	122	Granted	Q'ld
Bungalien 2	EPM17885	GBMR	100%	GBMR			3	Appl'n	Q'ld
Horse Creek 2	EPM17886	GBMR	100%	GBMR			45	Appl'n	Q'ld
Totals							2656		
<i>Note</i> * ¹ subject to a 2.5% net smelter royalty to vendors.									
* ² subject to completion of transfer from Newcrest Operations Ltd., a 2% net smelter royalty is payable to Newcrest Mining Ltd.									



Project Location Map.

Registered Office: Level 1,
335 Churchill Avenue,
Subiaco WA 6008

T 08 9217 2888
F 08 9217 2801

Exploration Office: 10 Parker Street,
P O Box 658
Castlemaine VIC 3450

Tel / Fax: 03 5470 5033 / 54705133

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

Quarter ended ("current quarter")

ABN 91 124 752 745

31 December 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for: (a) exploration and evaluation	(277)	(820)
(b) development	--	--
(c) production	--	--
(d) administration	(183)	(303)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	21	58
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other – Option fees paid	--	--
Net Operating Cash Flows	(439)	(1,065)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	--	(100)
(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)	--	--
Net investing cash flows	--	(100)
1.13 Total operating and investing cash flows (carried forward)	(439)	(1,165)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(439)	(1,165)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	--	--
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)	--	--
	Net financing cash flows	--	--
	Net increase (decrease) in cash held	(439)	(1,165)
1.20	Cash at beginning of quarter/year to date	2,039	2,765
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	1,600	1,600

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	\$39
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	\$8k Director fees \$31k MD fees All payments relating to Directors and Associates were on normal commercial terms.	

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.

- 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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	Nil
Total		200

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	488	564
5.2 Deposits at call	1,112	1,475
5.3 Bank overdraft	Nil	Nil
5.4 Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.22)	1,600	2,039

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

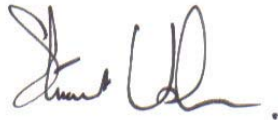
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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			
7.2 Changes during quarter	Nil			
7.3 +Ordinary securities	65,759,103	29,734,103		
7.4 Changes during quarter (a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter	Nil			
7.7 Options <i>(description and conversion factor)</i>	3,730,000 20,000,000 40,379,552	Nil Nil 40,379,552	<i>Exercise price</i> \$0.25 \$0.22 \$0.25	<i>Expiry date</i> 30 June 2010 30 June 2010 30 June 2010
7.8 Issued during quarter	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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 January 2009

Company Secretary

Print name: Stuart Usher

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.

== == == == ==