

ASX ANNOUNCEMENT

ASX Code: MMX

25 January 2010

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2009

HIGHLIGHTS

Murchison

- Cash and liquid investments at quarter end of \$102 million
- Strong iron ore market outlook for 2010

Crosslands Resources Ltd (Murchison 50% Interest)

- Jack Hills Mineral Resource increases to 3.01 billion tonnes
- Jack Hills targeting 25 – 35 million tonnes per annum
- Total tonnes shipped exceeds four million tonnes
- Record shipping volumes for quarter

Oakajee Port and Rail (Murchison 50% Interest)

- Achievement of 2009 target development milestones
- CEO Appointment
- PER level of assessment approved for Port Terrestrial and Rail projects

ABOUT MURCHISON

Murchison Metals Limited (“Murchison”) is an Australian ASX listed company. Murchison is included in the S&P/ASX 200 Index.

Murchison is a 50% shareholder in Crosslands Resources Ltd (“Crosslands”) which is the owner of the Jack Hills iron ore project located in the mid-west region of Western Australia. The remaining 50% of Crosslands is held by Mitsubishi Development Pty Ltd (“Mitsubishi”), a subsidiary of Mitsubishi Corporation, Japan’s largest general trading company.

Murchison also has a 50% economic interest in an independent infrastructure business, Oakajee Port and Rail (“OPR”). OPR was established to construct new port and rail infrastructure to provide logistics services to miners (including Crosslands) and other potential customers in the mid-west region of WA. The remaining 50% economic interest in OPR is held by Mitsubishi.

Further details of the activities of Crosslands and OPR in the December quarter appear below.

In addition to its investments in Crosslands, OPR and its Rocklea iron ore project (100% Murchison) located in the Pilbara, Murchison is actively exploring growth opportunities in iron ore, coking coal and manganese in accordance with its approved corporate strategy.

CORPORATE

As at 31 December 2009 Murchison was debt free and had cash and liquid investments of \$102.4 million, a decrease of \$5.7 million from the previous quarter. Included in this cash outflow are amounts paid to Crosslands and OPR of \$18.5 million to finance feasibility studies and exploration costs. Interest earned on investments for the quarter amounted to \$1.0 million. Proceeds from option conversions during the quarter amounted to \$15.2 million.

On 22 December 2009, CRL announced a significant increase in Mineral Resources at the Jack Hills Project. The total of JORC compliant Mineral Resources at Jack Hills now amounts to 3.01 billion tonnes. The Resource comprises BFO of 2.86 billion tonnes at 30.6% Fe, DSO of 110 million tonnes at 56.9% Fe and near DSO material of 39 million tonnes at 45% Fe. The increase in Mineral Resources is the result of the recently completed exploration program that commenced in April 2009 and exceeded the exploration target announced in September 2009.

Positive price signals in the iron ore market in the previous quarter continued to strengthen during the December quarter.

Iron ore spot prices in China have continued to increase and are now around US\$125 to US\$135 per tonne for various product grades. These prices are approximately double the settlement price reached with Japanese steel mills for 2009.

With Chinese steel production continuing to grow, demand for iron ore remains robust. Imported iron ore continues to displace lower grade Chinese domestic sources of iron ore in market share, with senior Chinese company officials estimating imported ore at 70% of market share in 2009, up from 50% in 2008.

December imports of iron ore into China were again exceedingly strong, setting the second highest level on record at 62.2Mt.

Given the strong market fundamentals, many analysts have again increased predictions for iron ore prices in the new benchmark settlement for 2010, with expectations mostly in the range of a 30% to 40% increase, and as high as 50% more than the 2009 benchmark price.

Chameleon Litigation

On 29 November 2007, Chameleon commenced legal proceedings against Murchison, Crosslands and several other parties. Chameleon is claiming an interest in the Jack Hills and Weld Range projects and/or Murchison’s shares in Crosslands, arising out of a series of transactions that occurred in 2004 before the current Board and management of Murchison were appointed.

After a 4 week hearing in the Federal Court in Sydney the matter was adjourned on Friday 23 October 2009. The oral evidence has been completed and the parties will return to the Court for closing oral submissions in early February 2010.

Murchison is pleased with the way the trial has progressed to date and looks forward to a successful outcome.

Annual General Meeting

The Company held its Annual General Meeting of shareholders on 18 November 2009. At the meeting Messrs James McClements and Rod Baxter were re-elected as Non-Executive Directors and shareholders approved the Company's Remuneration Report for the 2009 financial year and option issues to Directors.

EXPLORATION

Rocklea Project (Murchison 100% interest)

Murchison's Rocklea Project is located in the Pilbara region between the towns of Tom Price and Paraburdoo, and is situated near existing and planned rail infrastructure.

Since announcing a maiden resource in February 2009, Murchison has conducted a comprehensive infill drilling program, with a focus on the eastern part of the project and a higher grade zone identified as part of previous drilling campaigns.

Murchison has previously announced a revised Mineral Resource estimate of 89Mt at 59.9% CaFe at a 50% Fe cut-off including a higher grade portion of 46Mt at 61.5% CaFe at a 53% cut-off that may be suitable for direct shipping. At a 50% Fe cut-off the Mineral Resource comprises an Indicated Resource of 15Mt and an Inferred Resource of 74Mt¹.

Murchison is completing a scoping study that will consider mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors in the project's development. The results of the scoping study are expected to be released during the first quarter 2010.

CROSSLANDS RESOURCES LTD (MURCHISON 50% INTEREST)

Crosslands is employing a two-stage strategy to develop its Jack Hills Project.

Stage 1 operations utilise contract mining, crushing and screening at the Jack Hills mine site to produce iron ore lump and fines products. Iron ore is then transported to Geraldton by contract road haulage to ore storage and transfer facilities at the Port of Geraldton, ahead of shipment to customers.

Stage 2 of the development is targeting a substantial expansion of annual production capacity, utilising the new rail and port facilities being developed by OPR.

STAGE 1 OPERATIONS

Mining

Ore mined for the December quarter was 411,389 tonnes (97,256 bcm) compared to the September quarter total of 518,473 tonnes (129,505 bcm). The total mined volume for the quarter was 525,259 bcm. The average grade of ore mined was 65.1% Fe for lump and 63.6% Fe for fines.

The strip ratio for the quarter was 4.4:1 as mining activity was concentrated on bringing the T1 pit area down to a common level, necessitating a greater proportion of waste to be mined. A reduced strip ratio is expected in the March and June quarters.

A total of 464,812 tonnes were crushed during the quarter in comparison to 495,147 tonnes in the prior quarter. The crushing plant maintained a very high throughput level. The percentage of lump product produced was 68.1%.

Haulage

Crosslands hauled a record 441,343 tonnes of ore to Geraldton Port during the December quarter due to improvements in the logistics chain, reduced downtime of operations and improved maintenance systems.

¹ Refer to ASX Announcement 30 September 2009 for full details of the Rocklea Mineral Resource.

Production Summary

A comparative summary of operations performance for the quarter and the previous three quarters is presented below.

Production Summary		Mar 09 Qtr	Jun 09 Qtr	Sept 09 Qtr	Dec 09 Qtr	Project to Date
Volume Waste	BCM	451,527	477,259	485,396	428,003	5,910,096
Volume Ore	BCM	111,266	123,919	129,505	97,256	1,339,062
Ore Mined	Tonnes	370,291	458,961	518,473	411,389	4,906,677
Ore Crushed	Tonnes	358,198	412,553	495,147	464,812	4,894,541
Ore Hauled to Port	Tonnes	364,894	402,839	440,727	441,343	4,082,872
Ore Shipped - lump	Tonnes	114,999	173,193	373,903	364,401	2,892,556
Ore Shipped - fines	Tonnes	235,177	190,382	47,174	134,927	1,145,726
Grade - lump	%Fe	65.6%	66.0%	65.8%	65.1%	65.0%
Grade - fines	%Fe	63.3%	62.0%	63.8%	63.6%	62.5%

Figure 1.1

Shipping

Nine shipments carrying a record total of 499,328 tonnes of ore were shipped in the December quarter. The total tonnes shipped now exceeds four million tonnes since shipping commenced in February 2007.

Marketing and Sales

The seaborne iron ore market continued to recover during the quarter, driven by a year-end surge in Chinese iron ore imports. For 2009 as a whole, China showed increased dependency on foreign ore as imports were up by almost 42% over 2008 (calendar year) levels. Although demand is recovering more gradually outside of China, the positive overall trend globally has tightened the supply-demand balance and significantly boosted spot prices, signalling a favourable pricing environment going into 2010 with solid increases being forecast.

Crosslands cargo quality was good during the quarter, and several shipments were made to new customers in China and elsewhere in Asia.

Crosslands' first comprehensive technical marketing campaign took place during the quarter and involved visits to a wide cross-section of steel companies to present an interim report on the Jack Hills Expansion Project studies. Of main interest was the expected quality of concentrate products to be developed from Crosslands' extensive inventory of BFO. Marketing activity included a number of site visits and meetings with prospective customers.

STAGE 2 - EXPLORATION

Geology

During the December quarter Crosslands completed a new mineral resource estimate for the Jack Hills project. In addition, resource definition drilling continued at Jack Hills and exploration drilling commenced at the Brindal iron deposit.

Resource Update

The new resource estimate completed in December 2009 incorporated data from the first phase of a major drilling campaign which commenced in April 2009. Resource estimates were compiled by SRK Consulting, which was also responsible for grade estimation and classification.

This new resource estimate has exceeded expectations, the highlights being;

- A three-fold increase in mineral resource size;
- A significant uplift in confidence, with over 67% of resources converting to measured and indicated JORC categories;
- Higher iron yields to concentrates predicated by an increase in average Davis Tube Recoveries;
- Amenability to bulk mining demonstrated, with broad widths and strong geological continuity of mineralisation defined; and
- Prospective extensions to mineralisation established for further drill testing.

The total combined direct shipping feed and beneficiation feed in situ resources in all JORC classes (measured, indicated and inferred) is estimated to be 3.01 Billion tonnes @ 31.7% Fe.

The Mineral Resource is summarised in figure 1.2 below. (Refer to Murchison ASX announcement released on 22 December 2009 for full details.)

	JORC Category	Cut-off % Fe	Dry Tonnes (x 106)	Fe %	DTR %
In Situ Banded Iron Formation (BFO)					
	Measured	22	635.30	31.3	25.8
	Indicated	22	1,289.60	29.3	24.6
	Inferred	22	940.10	31.8	28.1
Sub Total	All	22	2,864.90	30.6	26.0
In Situ Massive Iron Mineralisation					
0 - 50% Fe, Potential Jig feed or BFO (MIM-JIG)					
	Measured	0 to 50	6.60	45.5	34.7
	Indicated	0 to 50	19.10	45.1	39.2
	Inferred	0 to 50	13.60	44.7	46.9
Sub Total	All	0 to 50	39.40	45.0	41.1
>50% Fe, DSO (MIM-DSO)					
	Measured	50	41.70	57.0	46.9
	Indicated	50	43.50	57.2	35.0
	Inferred	50	25.30	56.4	37.7
Sub Total	All	50	110.50	56.9	40.1
Total	Measured		683.60	33.0	27.2
Total	Indicated		1,352.30	30.5	25.2
Total	Inferred		979.00	32.6	28.6
Total	All		3,014.80	31.7	26.7

Figure 1.2 - Mineral Resource Summary Table (Dec 2009, SRK Consulting)

1. Mineral resources are based on drilling and assaying completed in October 2009 and actual pit limit surveyed in November 2009.
2. Tonnages are dry metric tonnes. Tonnages have been rounded, hence small difference may be present in the total.

The mineral resource is supported by extensive metallurgical test work conducted by Minproc/ProMet Engineers, which indicates that a high value concentrate product can be economically produced from BFO using conventional crushing and grinding followed by wet low intensity magnetic separation. Gravity separation would be used to enhance iron recovery.

Resource Definition Drilling

The emphasis of drilling activity at the Jack Hills deposit has shifted to detailed infill drilling to enhance geological modelling and resource confidence levels for mine planning, and to follow up on identified exploration targets. Nine drilling rigs are currently in operation across the Jack Hills tenements comprising three diamond rigs, six RC rigs and one

multi-purpose RC/diamond rig. During the December quarter, diamond and RC drilling advanced 3,978m and 24,275m respectively and 111 resource definition drill holes were completed.

In the December quarter, resource and exploration drilling also commenced to test for DSO extensions to the Brindal deposit and significant gravity targets in prospective stratigraphy identified between Brindal and Mt Hale.

In addition to resource and exploration drilling programs, mine planning, geotechnical, hydrogeology and sterilisation drill programs have commenced.

STAGE 2 - MINE EXPANSION PROJECT

Study activities related to the mine expansion project continued during the quarter as planned. Crosslands has adopted a dual production strategy for the Jack Hills expansion project involving separate DSO and BFO operations, which will result in Jack Hills producing between 25 and 35 million tonnes per annum depending on the extent of front loading of DSO production, initial beneficiation capacity installed and speed of ramp-up. Flowsheets and plant layouts were developed for the process route for three production rate options. Capital and operating costs are being developed for each option.

Mine optimisation and planning activities continued with preliminary mine schedules being produced to support the development of mining capital and operating cost estimates.

Metallurgical test work continued to further enhance the understanding of the various domains in the ore body. This was used to finalise the selected process route.

Engineering design and drafting continued to finalise preliminary plant layouts. Estimating activities increased as part of ongoing development of capital and operating cost estimates for the project.

Other activities for the quarter included:

- Continuation of water resource investigations;
- Completion of preliminary geotechnical investigations for pit wall slope determination;
- Assessment and discussion of land access requirements with relevant stakeholders; and
- Continuation of marketing activities with tier one steel producers to further expand the customer base for the expansion project.

Crosslands plans to lodge its Public Environment Review (PER) for the Jack Hills Expansion Project with the Environmental Protection Authority shortly.

The BFS is planned to be completed in the second half of 2010.

OAKAJEE PORT & RAIL (MURCHISON 50% ECONOMIC INTEREST)

The State Development Agreement - Oakajee Port and Rail Project which was signed 20 March 2009, appointed OPR as the sole developer of the Oakajee port and associated northern rail infrastructure within the mid west region. OPR continues to work on the detailed planning and feasibility studies for the project.

By the end of the December quarter OPR had achieved all of its target development milestones for 2009, including

- Confidentiality Agreements with key mine customers;
- Agreements with landholders in rail corridor to access land for study purposes;
- Public Environmental Review level of assessment for port terrestrial and rail projects approved by EPA;
- Environmental and Aboriginal heritage surveys commenced in rail corridor and port site; and
- Completion of review of cyclonic and non-cyclonic wave conditions on the marine structures at Oakajee Port and Rail

Over the next 12 months, OPR will focus on finalising supply chain agreements with customers and the completion of feasibility studies. The project is tracking toward financial close and project go-ahead by early 2011.

Since being appointed as the Project Management Study Contractor (PMSC), WorleyParsons has completed the following study objectives:

- Basis of Design;
- Study Execution Plan;
- Work Breakdown Structure;
- Field HSE Plan; and
- Gap Analysis and Quality Plans.

In addition over 14 contracts have been awarded for areas as diverse as rail bridge design, hydrology and rail and port geotechnical investigations.

Port and Industrial Area

Key activities during the quarter included:

- Completion of review of cyclonic and non-cyclonic wave conditions on the marine structures at Oakajee Port and Rail; and
- Geotechnical investigation programs within the proposed quarry for the provision of rock for the breakwater.

Rail

Key activities during the quarter included:

- Rail alignment, earthworks and drainage design to Feasibility Study standards;
- Aerial survey of the rail alignment to detailed design standard;
- Flora, fauna and Aboriginal heritage surveys, noise and visual studies and the commencement of drilling and soil sampling within the rail corridor;
- Design of the rail yard and unloading operations at Oakajee port;
- Feasibility study design of the train workshops and track construction/maintenance depot;
- Train performance simulation and system modelling to determine the type and size of trains, running time and fleet sizes; and
- Development of signals and communications system options.

Environmental

In the period OPR continued its Environmental Impact Assessment (EIA) for both the port and rail projects.

- The Environmental Protection Authority (EPA) advised that the environmental approval for the Oakajee terrestrial port and Oakajee rail developments would be assessed at a Public Environmental Review (PER) level. This process is consistent with OPR's development timetable and will support the timely and efficient delivery of the project.
- Terrestrial Port baseline studies continued with further regional short-range endemic work undertaken in the quarter; EPA permission to submit a Vegetation Clearing Permit has been sought on the proposed Terrestrial Port feasibility works.
- Preparation of Environmental Management Plans for the Oakajee Port including Introduced Marine Organisms and Underwater Noise Management Plans.
- Marine baseline studies with further sediment quality and marine mammal surveys and hydrodynamic modelling.
- Rail baseline studies with further flora, and vertebrate and invertebrate (short range endemic) fauna surveys.
- Further discussions with the Commonwealth Department of Environment, Water, Heritage and the Arts, in relation to surveys and studies of fauna protected under the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act).

OPR is continuing environmental surveys and investigations which will provide baseline data to feed into a range of environmental management plans (EMP), which will form part of wider Environmental Management Systems.

Indigenous Affairs

OPR continues to engage with the Native Title groups with heritage clearance over phase 1 port terrestrial sites achieved, and commencement of further surveys within the port and rail feasibility corridor.

Senior Management Appointments

Subsequent to quarter end, on 15 January 2010, OPR announced that John Langoulant has been appointed Chief Executive Officer. Mr Langoulant brings to the role more than 35 years experience in government and the private sector. Mr Langoulant is a former Under Treasurer in the Government of Western Australia and Chief Executive of the WA Chamber of Commerce & Industry. Most recently he was Chief Executive Officer of Australian Capital Equity, the private company of Kerry Stokes. In his new role, Mr Langoulant will oversee the development of OPR's port and rail infrastructure project to serve the mining industry in WA's mid-west region.

Mr Alwyn Voster, who has filled the position of acting CEO for the past four months, will continue in his capacity of Chief Development Officer.

For further information, please contact:

Trevor Matthews

Managing Director

Murchison Metals Ltd

Telephone: (08) 9492 2600

Competent Persons' Statement

The information in this announcement that relates to Exploration Results and geological and mineralogical interpretations of the Mineral Resource estimate of the Jack Hills Project is based on information compiled by Mr Roland Bartsch who is a full time employee of Crosslands Resources Ltd. The information in this announcement that relates to Exploration Results and geological and mineralogical interpretations of the Mineral Resource estimate of the Rocklea Project is based on information compiled by Mr Sean Gregory who is a full time employee of Murchison Metals Ltd. The information in this announcement that relates to grade estimation of the Mineral Resources of the Jack Hills and Rocklea Projects is based on information compiled by Mr Bruce Sommerville in his capacity as an employee of SRK Consulting. Messrs Bartsch, Gregory and Sommerville have sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Messrs Bartsch, Gregory and Sommerville are Members of the Australasian Institute of Mining and Metallurgy and consent or have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

¹Refer to ASX announcement dated 22 December 2009 for full details of the Jack Hills Mineral Resource.

²Refer to ASX announcement dated 30 September 2009 for full details of the Rocklea Mineral Resource. Tonnes are wet metric tonnes and grades are dry mass percent.

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

Murchison Metals Limited

ABN

38 078 257 799

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(4,467)	(7,676)
(b) development	-	-
(c) production	-	-
(d) administration	(3,782)	(6,654)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,043	2,105
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(7,206)	(12,225)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(14,200)	(25,850)
(c) other fixed assets	(91)	(809)
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 Amount owed by related party	600	526
Net investing cash flows	(13,691)	(26,133)
1.13 Total operating and investing cash flows (carried forward)	(20,897)	(38,358)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(20,897)	(38,358)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	15,185	15,202
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 : Share issue costs	-	-
	Net financing cash flows	15,185	15,202
	Net increase (decrease) in cash held	(5,712)	(23,156)
1.20	Cash at beginning of quarter/year to date	108,095	125,539
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	102,383	102,383

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	329
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Payments for services received by the company from the directors.	

Non-cash financing and investing activities

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

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

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	10,000	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	6,852
4.2 Development	-
Total	6,852

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	12,257	3,076
5.2 Deposits at call	90,126	105,019
5.3 Bank overdraft		
5.4 Other (Security Deposits lodged)		
Total: cash at end of quarter (item 1.22)	102,383	108,095

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	E46/876 E46/880	Registered applicant Registered applicant	0% 0%	100% 100%

+ 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.

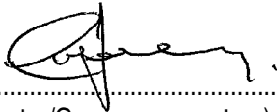
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	435,375,768	435,375,768		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,515,000	18,515,000		
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	250,000 100,000 100,000 100,000 1,014,000 47,000 17,000 21,000 4,500,000 2,000 100,000 1,691,400 4,500,000		<i>Exercise price</i> 574c 519c 270c 396c 234c 94c 127c 81c 200c 61c 68c 156c 200c	<i>Expiry date</i> Jun 10 Nov 10 Jun 11 Jun 11 Aug 11 Aug 11 Sept 11 Oct 11 Nov 11 Feb 12 Jun 12 Jun 12 Nov 12
7.8 Issued during quarter	9,200,000	9,200,000		
7.9 Exercised during quarter	18,515,000	18,515,000		
7.10 Expired during quarter	63,500			

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>		
7.12	Unsecured notes <i>(totals only)</i>		

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: 25 January 2010
 (Director/Company secretary)

Print name: Chris Foley

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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