



GLORY
RESOURCES

31 January 2011

Manager of Company Announcements
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

QUARTERLY REPORT

Period Ended 31 December 2010

Corporate

In September 2010 Glory Resources Limited (**Company**) entered into an agreement to acquire Quetico Minerals Pty Ltd and its Canadian subsidiary Quetico Resources Limited (**Quetico Resources**).

Quetico Resources holds the right to earn a 75% interest in the Onion Lake Project pursuant to a joint venture with Benton Resources Limited, as well as a 100% interest in the Eagle Lake Project and the Way Lake Project. All projects are contained in the Lake Superior region in Canada, a known mineralised region with a history of mining which is serviced by excellent local infrastructure and a highly skilled mining workforce.

The acquisition of Quetico Minerals Pty Ltd and Quetico Resources was completed subsequent to quarter end on 14 January 2011.

During the quarter the Company undertook a capital raising by way of an initial public offer to raise \$2.5 million. All funds under the capital raising were received prior to December 31, 2010, with the related share settlement completing following the quarter end. The Company listed on the Australian Securities Exchange on 21 January 2011.

Exploration Projects

Glory Resources Limited was incorporated on 30 March 2010. The acquisition of Quetico Resources has provided the Company with the right to earn an up to 75% interest in the Onion Lake Project. In addition, it has acquired a 100% interest in the Eagle Lake Project and the Way Lake Project.

- **Onion Lake Project**

The Onion Lake (**OL**) Project is the Company's flagship property, and is prospective for PGM-Ni. It is located approximately 50 kilometres north of Thunder Bay, Ontario, Canada and is adjacent to Magma Metals (Canada) Ltd (ASX:MMW) Thunder Bay North Polymetallic Property (732,000 Pt equivalent resource) (*Figure 1*). The Project consists of 84 unpatented mining claims comprising a



total area of approximately 155km². The mining claims are contiguous and located within the Thunder Bay Mining Division.

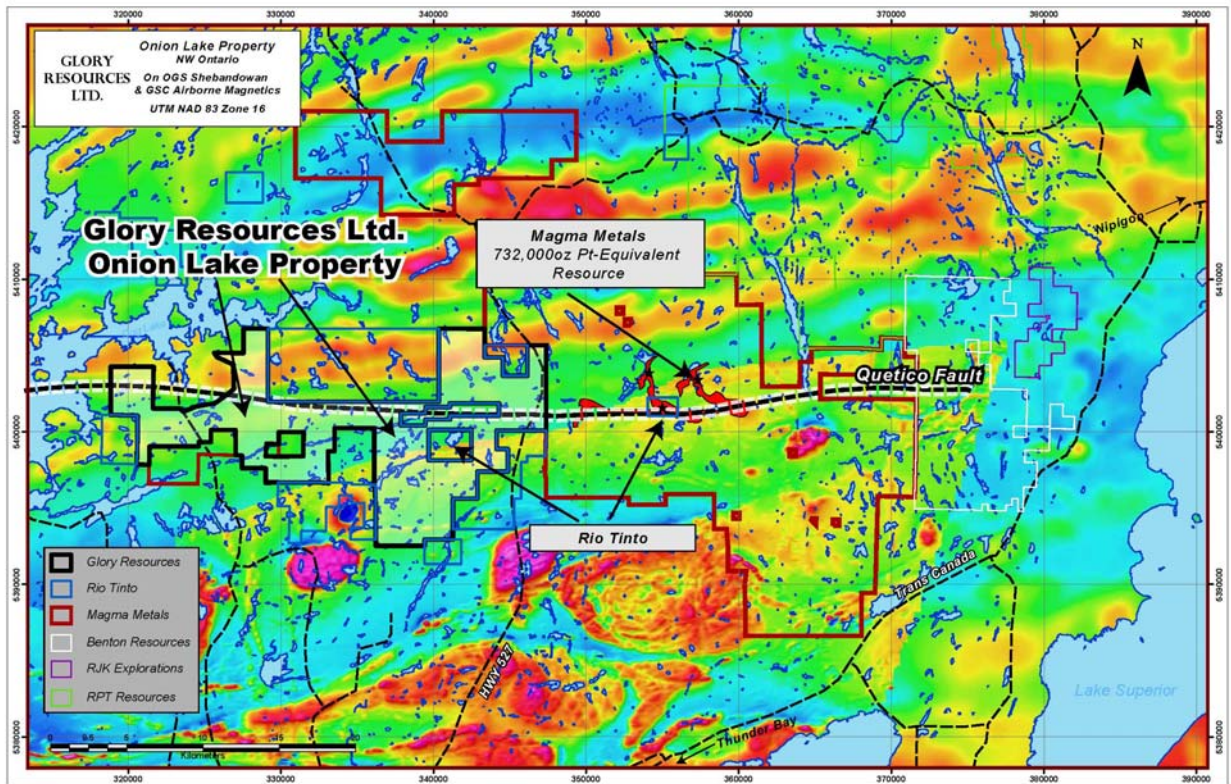


Figure 1: Tenement outline over Airborne Magnetics of the Onion Lake Project

The Onion Lake Project lies within the Quetico Subprovince of the Superior Province. The Quetico Subprovince is an approximately 70 kilometres wide, linear strip of moderately to strongly metamorphosed and deformed clastic metasedimentary rocks.

The metasedimentary rocks are comprised of mainly turbiditic wacke and siltstone with rare iron formation, pelite, and conglomerate indicative of a large laterally extensive submarine basin. The metasedimentary rocks are intruded by felsic to intermediate granitoid suites, and associated minor Keweenawan mafic and ultramafic bodies of slightly younger age. The Keweenawan mafic to ultramafic rocks are intruded within and marginal to the Midcontinent Rift. Early basalts of the Midcontinent Rift have compositions characterised by relatively high abundances of magnesium, chromium, nickel, and platinum, and relatively low abundances of sulphur. Such metal-rich, but sulphur poor, basalt magmas can carry metals to high levels in the crust because sulphur is not available to form a separate sulphide liquid that would scavenge metals from the magma while it is still deep below the surface. If these metal-rich basalts encounter a source of sulphur near the surface and sulphur is incorporated into the basalt magma, sulphide mineral formation can occur.

The immediate vicinity of the OL Project has had minimal historical exploration. However, the land immediately to the east of the OL Project has undergone extensive exploration over the last 10 years. Prospectors discovered mineralized picrite boulders on the shore of Current Lake between 1999 – 2001.



Quetico Resources conducted a 2,654 line kilometre airborne magnetic survey in October 2009. The magnetic data defined the various rock types and provided various magnetic highs and lows that need to be assessed as potential Keweenawan mafic to ultramafic bodies similar to those found by Magma Metals (Canada) Ltd. on the adjacent Thunder Bay North Polymetallic Property.

Overall, this detailed 100m spaced, N-S oriented survey will prove very beneficial to define areas of interest for ground work including drill programmes. Initial ground work will include prospecting for picritic boulders which would be traced 'up-ice' to their source.

- **Eagle Lake Project**

The Eagle Lake (EL) Project is prospective for Gold and Gold-Copper and is located 26 kilometres west southwest of the town of Dryden, Ontario, Canada. Dryden is located on the Trans-Canada Highway, 400 kilometres north-northwest of Thunder Bay, Ontario, Canada. The EL Project consists of 11 unpatented mining claims comprising 2,400 hectares. The mining claims are contiguous and located in the Kenora Mining Division.

Historically the EL Project has been explored for shear-hosted gold mineralisation which was first reported in the area by prospectors in the early 1900's.

Various government mapping programs have documented the geological environment commencing in 1939. Further government geological mapping occurred in 1965. In 1989, a report completed by the Dryden – Ignace Economic Geologist Program completed a report documenting the various mineral occurrences in the area. The government also completed a regional lake sediment and water geochemical survey utilizing a helicopter to produce a high density product.

The Wabigoon Subprovince hosts numerous gold showings, the majority of which are structurally controlled, gold-bearing quartz veins hosted by shear zones. Structural controls form linear belts and aureoles associated with emplacement of adjacent intrusive complexes. It is noted that these veins are influenced by stratigraphy and that the majority of veins are hosted within what are referred to as Cycle II metavolcanic-metasedimentary belts. Veining in the belt can be associated with broad zones of alteration and disseminated sulphides and gold.

Previous exploration on the EL Project has located two areas of gold mineralisation, the Fornieri Occurrence and Manhattan Occurrence. A comprehensive grassroots exploration program consisting of prospecting and regional mapping is required to evaluate the gold bearing potential of the property.

- **Way Lake Project**

The Way Lake Project (WL) is prospective for Ni-PGM and is located approximately 12 km east-southeast of the town of Sioux Lookout, Ontario, Canada. The Property consists of 4 unpatented mining claims comprising 864 hectares. The claim group is contiguous and located within the Patricia Mining Division.

Past exploration in the area of the WL Property has reported the presence of andesite, rhyodacite and dacite volcanics and a large peridotite unit that has been named the Way Lake Intrusion. The general strike of the geology is east-west with near vertical dips. Past exploration has included a government airborne electromagnetic and total intensity magnetic survey over the entire Sioux Lookout greenstone belt. In addition, during the 1970's, industry conducted airborne and ground electromagnetic surveys and limited diamond core drilling.



The Way Lake Intrusion has been intruded within volcanics and drill logs indicate agglomerate which could be brecciated contact zones. Diamond drill testing of the electromagnetic (EM) surveys have indicated the presence of sulphide zones that could be the source of sulphur to help precipitate nickel-copper-PGE mineralisation.

The Way Lake Intrusion identified on the WL Property is a high MgO ultramafic and could be defined as aluminium undepleted komatiite. The exploration program for the WL Project will focus on outlining the peridotite and determining whether there are elevated nickel-copper-PGE values present.

The information in this report that relates to Exploration Results is based on information compiled by J. Garry Clark, who is a member in good standing of the Professional Geoscientists of Ontario (an ASX Recognised Overseas Professional Organisation). J. Garry Clarke is employed by Clark Exploration Consulting, an independent consulting firm engaged by Glory Resources Limited in respect of the Onion Lake, Eagle Lake and Way Lake projects. J. Garry Clarke 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'. J. Garry Clarke consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

GLORY RESOURCES LIMITED

ABN

38 142 870 102

Quarter ended ("current quarter")

31 DECEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(92)	(110)
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 Receipts (refunds)	-	-
2.7 Other	-	-
Net Operating Cash Flows	(85)	(102)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) investments	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(56)	(56)
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
Net investing cash flows	(56)	(56)
1.13 Total operating and investing cash flows (carried forward)	(141)	(158)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(141)	(158)
	Cash flows related to financing activities		
1.14	Proceeds from placement	2,750	2,750
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	(30)	(30)
	Net financing cash flows	2,720	2,720
	Net increase (decrease) in cash held	2,579	2,562
1.20	Cash at beginning of quarter/year to date	93	110
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,672	2,672

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 Aggregate amount of payments to the parties included in item 1.2	Nil
1 Aggregate amount of loans to the parties included in item 1.10	Nil

- 1 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	Nil
Payments to Director Related Companies	Nil

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

Appendix 5B

Mining exploration entity quarterly report

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	-
3.2 Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(500)
4.2 Development	-
4.3 Production	-
4.4 Administration	(50)
Total	(550)

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	2,672	93
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	2,672	93

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	None	
6.2	Interests in mining tenements acquired or increased	Nil	None	

+ 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 (description)	Nil			
7.2 Changes during quarter	Nil			
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	11,375,001	0		
7.4 Changes during quarter				
(a) Increases through issues	2,875,000	0	\$0.08	\$0.08
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 *Convertible debt securities (description)	Nil			
7.6 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through securities matured, converted	Nil			
7.7 Options (description and conversion factor)	Nil	Nil		
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (totals only)	Nil	Nil		
Performance Based Shares	Nil	Nil		
Changes during quarter (a) Increases	Nil	Nil		

+ 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.



JEREMY KING
Executive Director
31 January 2011

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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