

gsh/psh/gsh823

31 October 2011

The Manager - Company Announcements Office  
Australian Securities Exchange  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Via ASX Online

Number of pages – 21

Dear Sir,

Quarterly activity report to 30 September 2011

Enclosed for release to the market is the Company's activity report for the quarter ended 30 September 2011 together with a duly completed Appendix 5B report for the period.

For and on behalf of the directors of  
Goldsearch Limited



P S Hewson  
Secretary

### HIGHLIGHTS

#### *Mary Kathleen joint venture*

- Commencement of 6,000 metre drill-out of Elaine copper-cobalt-gold-light rare earth elements (LREE) discovery.
- Diamond drillhole MKED009 returned **109 metres grading 1.98 grams per tonne (g/t) gold, 0.50% copper and 482 parts per million (ppm) cobalt** from 491 metres **including 26 metres grading 7.78 g/t gold, 0.17% copper, 488 ppm cobalt, 834 ppm molybdenum and 2,861 ppm uranium** from 508 metres.

#### *Duck Creek project*

- Extensive reverse circulation (RC) drilling program completed at numerous prospects on Duck Creek EPM 13336.
- Encouraging copper-gold-cobalt intersections returned from several holes including **13 metres grading 1.49% copper, 0.12 g/t gold and 183 ppm cobalt** in DCRC1106.

#### *Equity investments*

- The market value of the Company's equity investments at 30 September 2011 was \$1,898,297.

**Goldsearch Limited**  
ABN 73 006 645 754

Level 4  
20 Loftus Street  
SYDNEY NSW 2000

ASX: GSE



# GOLDSEARCH

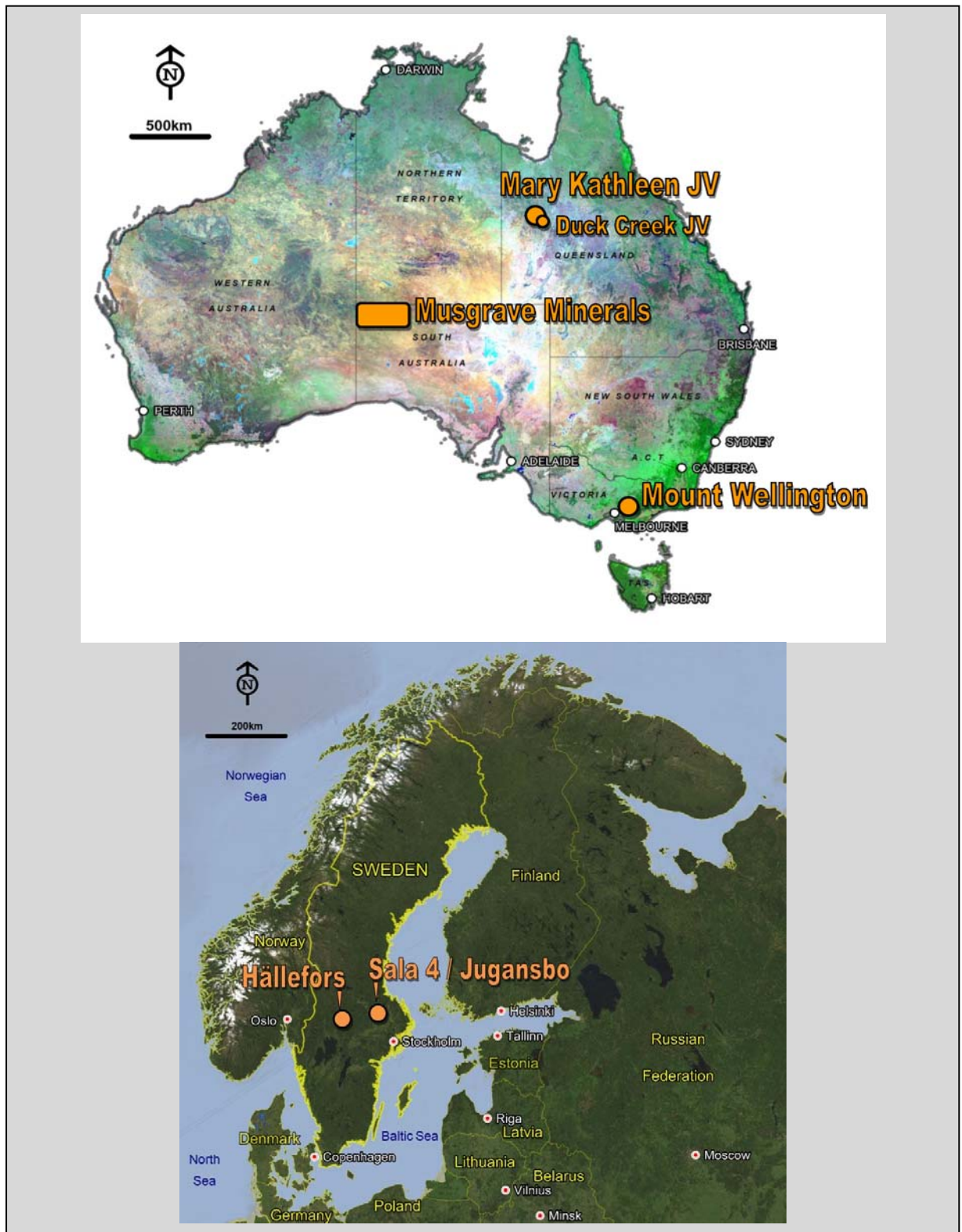
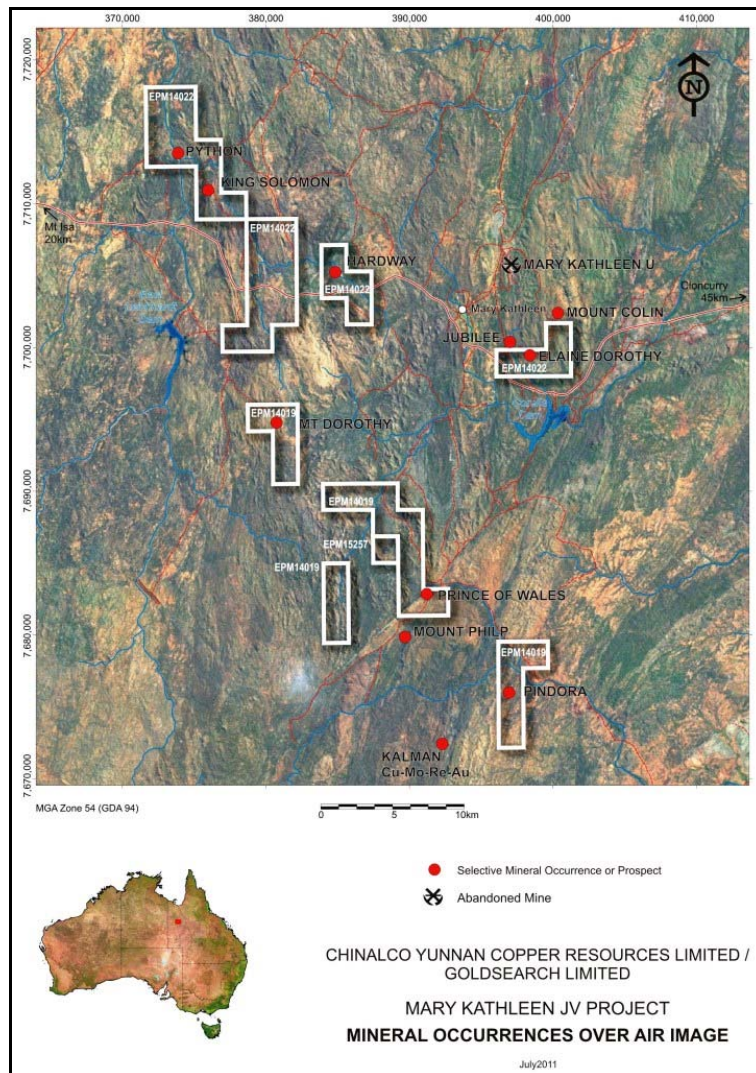


Figure 1: Goldsearch Limited project locations – Australia (top) and Sweden (bottom)

## MARY KATHLEEN JOINT VENTURE (QUEENSLAND)

CYU 70%, Goldsearch 30%    copper-cobalt±gold, uranium-rare earth elements

The Mary Kathleen project is a joint venture between Goldsearch (GSE) and Chinalco Yunnan Copper Resources (ASX: CYU). The joint venture covers three exploration permits (EPMs) located between Mount Isa and Cloncurry within the Mount Isa Inlier of north-west Queensland (Figure 2). Through aggressive drilling campaigns, the current joint venture has discovered a new zone of heavy rare earth elements (HREE), copper and cobalt at Mount Dorothy and light rare earth elements (LREE), copper, cobalt and gold mineralisation at Elaine. During the September quarter two diamond drillholes were completed at Mount Dorothy and a fifteen hole, 6,000 metre resource drilling program to confirm resources commenced at the new Elaine discovery.



**Figure 2:** Mary Kathleen project – Tenements, prospects and infrastructure



## **Elaine (formerly Elaine Dorothy) copper-gold-cobalt-LREE discovery**

The resource confirmation drilling commenced at Elaine in late August and seven holes (MKED009 to MKED013; Table 1, Figure 3) were completed during the quarter totalling of 2,071.95 metres. This program is following up on the new sulphide discovery drilled in holes MKED004, MKED007 and MKED008 (previously reported). The current program consists of fifteen diamond holes totalling 6,000 metres. The holes are designed to pierce the ~300 metre east-west striking modelled electromagnetic (EM) target zone on 100 metre centres at vertical depths of between 100 and 400 metres. Two diamond drills will be used to complete the program by December which will allow a maiden, inferred JORC resource to be calculated in the March 2012 quarter.

Final assay results for the first hole of the current program (MKED009) were received in mid-October; these included significant copper-cobalt-gold and uranium-REE intersections. Diamond hole MKED009 returned **109 metres grading 1.98 g/t gold, 0.50% copper, 482 ppm cobalt from 491 metres downhole**. This intercept includes an internal zone of high grade gold and uranium which assayed **26 metres of 7.76 g/t gold**, 0.17% copper, 488 ppm cobalt, 834 ppm molybdenum, 288 ppm cerium and 2,861 ppm uranium from 508 metres (Figure 4). Within this zone occurs a single one metre intercept of 50,000 ppm uranium and 2,253 ppm HREE+yttrium.

During the quarter, final assay results were received for prior drillholes MKED004, MKED005 and MKED008 (drilling details were reported in the June quarterly report). Drillholes MKED005 and MKED006 were drilled to infill the U-REE mineralised zone between the Elaine uranium resource and hole MKED004 located approximately 200 metres to the west (Figure 3). These holes returned narrow zones of anomalous copper-cobalt and only one narrow zone of U-REE mineralisation (1 metre grading 0.10 kg/t  $U_3O_8$ , 0.03 kg/t  $ThO_2$  and 844 ppm TREO from 152 metres in MKED005). MKED008 intersected a zone of pyrite-pyrhotite-chalcopyrite sulphide mineralisation which assayed 188 metres of 0.35% copper, 174 ppm cobalt and 0.02 g/t gold from 415 metres downhole. This zone includes 7.0 metres grading 2,061 ppm TREO, 0.02 kg/t  $U_3O_8$  and 0.11 kg/t  $ThO_2$  from 226.0 metres and 108.0 metres averaging 1,241 ppm TREO, 0.02 kg/t  $U_3O_8$  and 0.08 kg/t  $ThO_2$ .

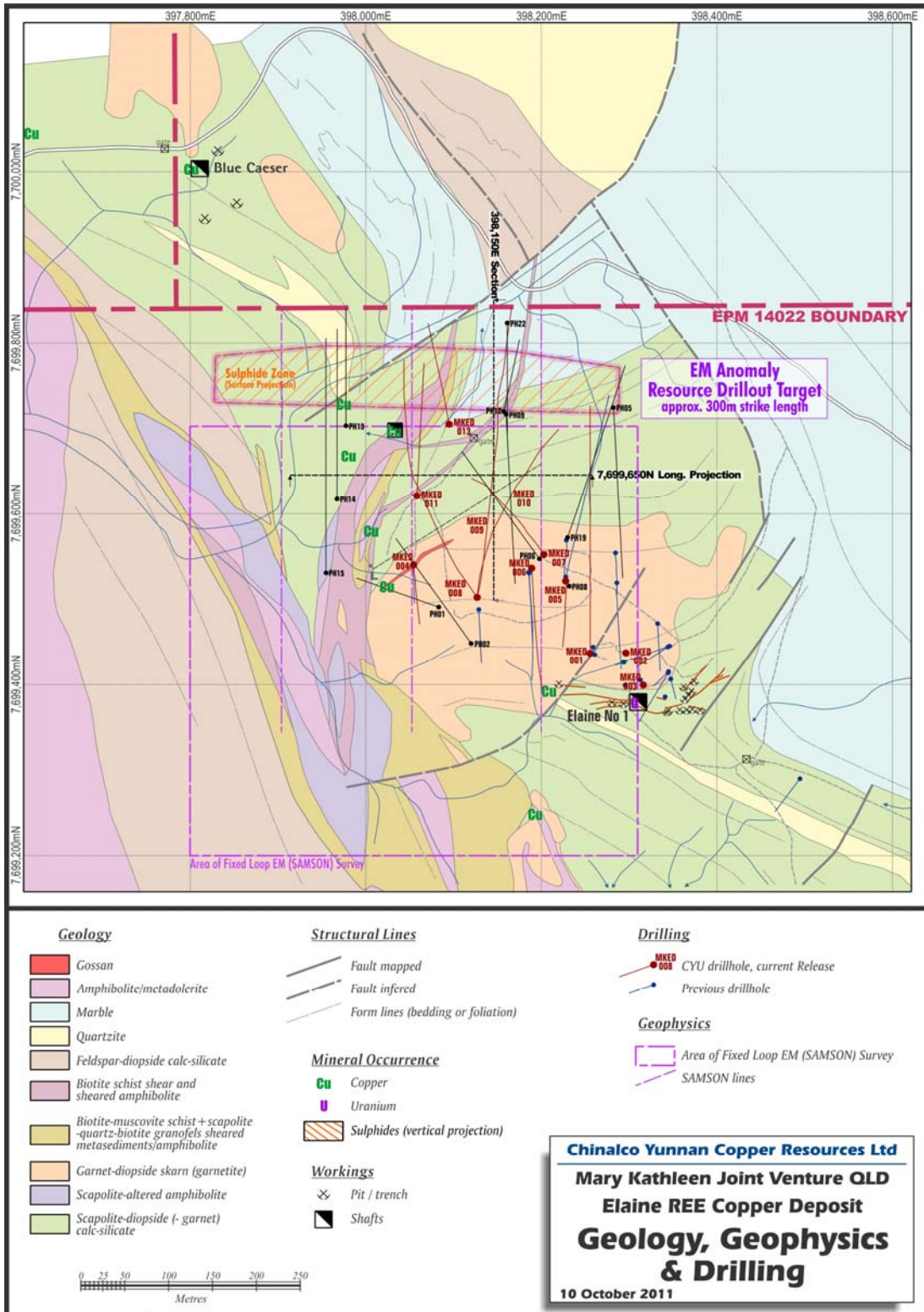
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**Table 1:** Elaine prospect – Recent diamond drillhole specifications (datum is GDA 94 MGA zone 54)

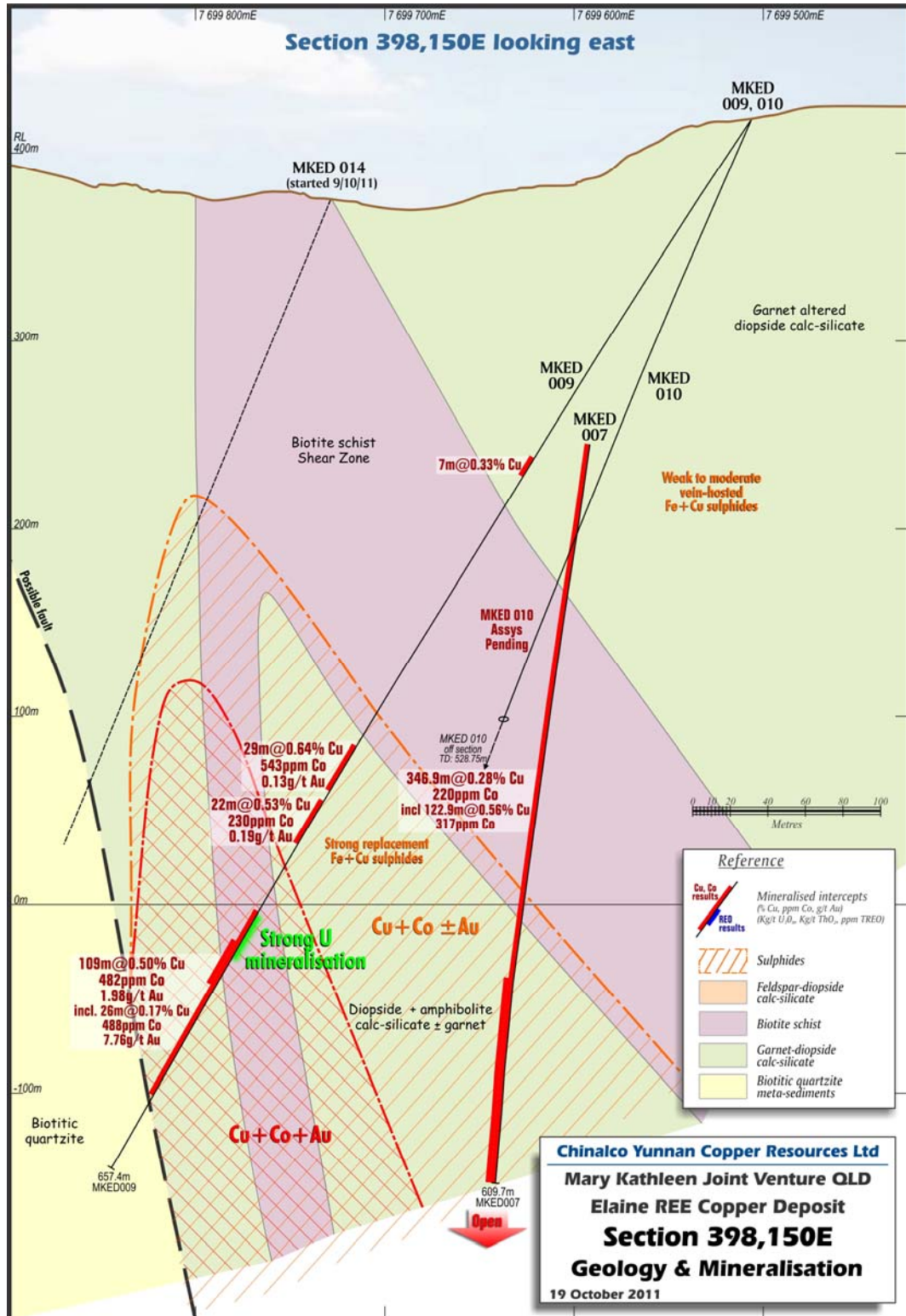
Hole ID	Easting	Northing	RL (metres)	Azimuth (AMG)	Dip (degrees)	Total depth (metres)
MKED009	398,128	7,699,506	418	10	-56	657.40
MKED010	398,127	7,699,505	418	7	-66	528.75
MKED011	398,058	7,699,621	391	3	-67	531.30
*MKED012	398,095	7,699,705	387	350	-66	14.90*
MKED013	398,095	7,699,705	387	350	-66	339.60
<b>TOTAL</b>						<b>2071.95</b>

**Table 2:** Summary drillhole intersections from Elaine holes MKED008 and MKED009 (using 0.2% copper cut-off, minimal 3 metre mining width and maximum 3 metre internal dilution)

Hole ID	From (metres)	To (metres)	Width (metres)	Copper (%)	Cobalt (ppm)	Gold (g/t)
MKED008	168.0	177.0	9.0	0.25	163	<0.01
MKED008	217.0	224.0	7.0	0.35	231	0.03
<b>MKED008</b>	<b>415.0</b>	<b>603.0</b>	<b>188.0</b>	<b>0.35</b>	<b>174</b>	<b>0.02</b>
<i>including</i>	422.0	443.0	21.0	0.59	335	0.04
<i>including</i>	422.0	436.0	14.0	0.75	258	0.05
<i>including</i>	425.0	428.0	3.0	1.01	225	0.02
<i>including</i>	448.0	586.0	138.0	0.37	178	0.02
<i>including</i>	451.0	512.0	61.0	0.45	223	0.03
<i>including</i>	451.0	454.0	3.0	2.07	68	0.19
<i>including</i>	473.0	502.0	29.0	0.38	218	0.02
<i>including</i>	491.0	501.0	10.0	0.60	255	0.02
<i>including</i>	516.0	538.0	22.0	0.44	207	0.03
MKED009	48	51	3.0	0.39	215	0.03
MKED009	215	222	7.0	0.33	93	0.07
MKED009	334	342	8.0	0.05	454	0.46
MKED009	393	422	29.0	0.64	543	0.13
MKED009	429.00	451.00	22.0	0.53	230	0.19
<b>MKED009</b>	<b>491</b>	<b>600</b>	<b>109.0</b>	<b>0.50</b>	<b>482</b>	<b>1.98</b>
<i>including</i>	508	534	26.0	0.17	488	7.76



**Figure 3: Geology map showing proposed and recent drillholes at Elaine (red are reported holes and black are proposed holes)**



**Figure 4:** Geological cross-section for holes MKED007, MKED009 and MKED010 with received assays



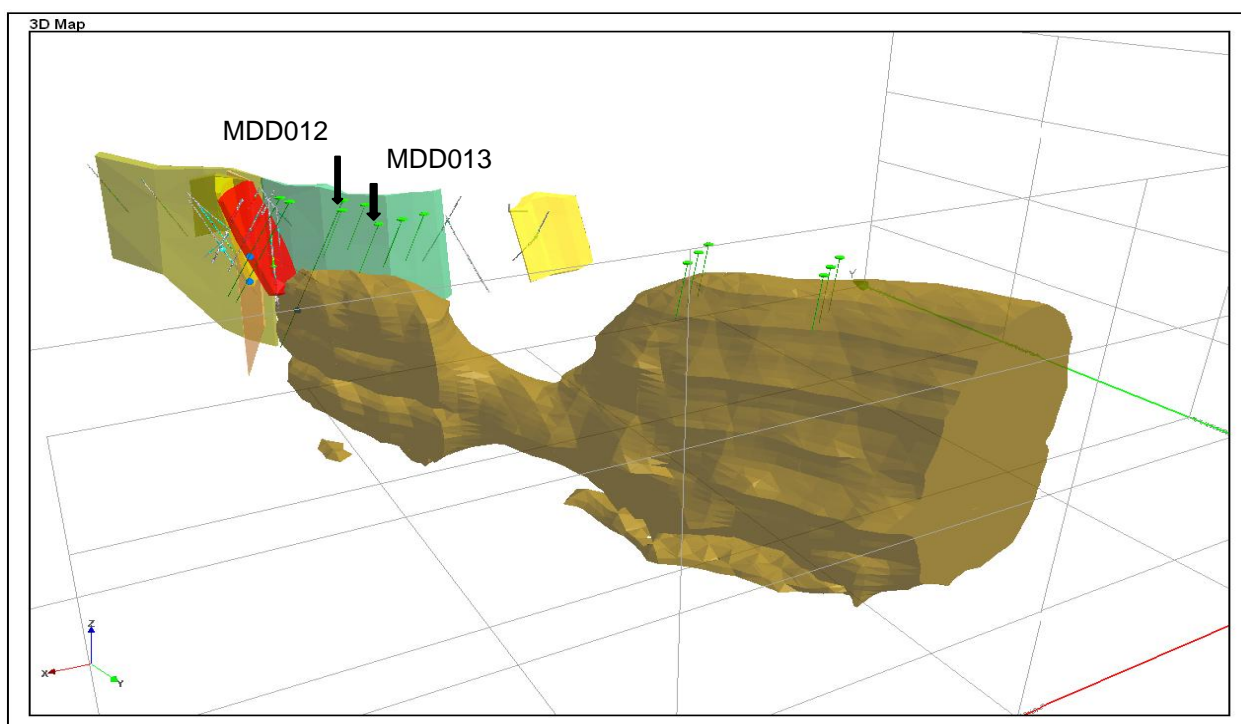
## Mount Dorothy - copper – cobalt – heavy rare earth element (HREE) discovery

During the quarter two diamond holes MDD012 and MDD013 totalling 529.0 metres were completed at the Wee Wyeems Prospect at Mount Dorothy. Diamond hole MDD012 was drilled to test the down-dip extension of the north-east striking Wee Wyeems mineralised quartz-iron-oxide breccia body and MDD013 to test "Target 1"; the SAM geophysical conductive anomaly that extends north-west from Wee Wyeems. Figure 5 depicts the holes, and scenarios and drillhole details are given in Table 3.

**Table 3:** Wee Wyeems diamond drillhole specifications (datum is GDA 94 MGA zone 54)

Hole ID	Easting	Northing	RL (metres)	Dip (degrees)	Azimuth (AMG)	Total depth (metres)
MDD012	380519	7695126	433	-67	121	308.5
MDD013	380476	7695254	431	-60	070	220.5

MDD012 intersected fractured, clay weathered rhyolite porphyry and meta-siltstones then quartzite and amphibolite. The hole successfully pierced the targeted iron-oxide breccia zone between 120 and 145 metres which contained weak copper mineralisation as cuprite and native copper. MDD013 drilled strongly clay weathered feldspar porphyry then highly fractured and brecciated meta-dolerite. The target iron-oxide breccia zone being was intersected between 171 and 202 metres. Swelling clays and fractured ground hampered drilling and significant core loss occurred. Weakly anomalous copper and cobalt were returned over narrow intervals within brecciated zones in MDD012 whereas MDD013 assays were subdued. The clays within the breccias are interpreted to be the source of the SAM conductivity anomalies.



**Figure 5 (previous page):** Three-D model of SAM anomalies and recent drillholes ;MDD012 targeting the red plane 'mineralised breccia' and MDD013 testing "Target 1", the southern, deeper portion of the gold coloured body. "Target 2" is the larger northern portion of the gold coloured body.

A reverse circulation (RC) drilling program (proposed seven holes for 1,400 metres) commenced in late October and final assays are expected by December. This program will test the northern SAM geophysical conductor ("Target 2" which is a coincident high conductivity - low magnetic feature which could represent a mineralised and/or altered breccia), an untested, strong induced polarisation (IP) anomaly near Three Threes and thirdly the north-east strike extent of the mineralised breccia at Wee Wyeems

## **DUCK CREEK PROJECT (QUEENSLAND)**

QMN earning 75% Goldsearch diluting to 25% - copper ( $\pm$ gold)

The Duck Creek project is a joint venture between Queensland Mining Corporation (ASX: QMN, manager) and Goldsearch comprising EPM 13336 Duck Creek and EPM 15718 Duck Creek South. QMN can earn up to 75% of the project by spending \$750,000. The project is centred approximately 30 kilometres south-west of Cloncurry straddling the Cloncurry-Dajarra Road (Malbon Road) and Great Northern Railway Line (Figure 6). The area hosts at least 80 known copper ( $\pm$ gold) occurrences, small mines and gouger pits hosted on east-north-east striking structures that cross-cut the regional scale Proterozoic Duck Creek Anticline. Oxide mineralisation has been mined to vertical depths of less than 25 metres at numerous locations. Mining leases do not form part of the Duck Creek joint venture agreement.

Initial reconnaissance work completed by Goldsearch included mapping and sampling of approximately 80 historical workings. Two hundred and thirty-three rock samples taken over the EPM and MLs averaged 1 g/t gold and 3% copper. Reconnaissance sampling has indicated a much wider distribution of gold and copper-gold mineralisation than was previously recognised, as earlier exploration focused primarily on copper and often ignored the gold potential.

QMN managed a 52 hole, 4,377 metre RC drilling program, completed over several areas between July and September 2011. Of this entire program 28 holes\* totalling 1,937 metres were collared on EPM 13336 that QMN is farming into. Prospects on Goldsearch tenements drilled include Forget Me Not (6 holes), Ready Rhino (8 holes), Micawber (3 holes), Dulce (4 holes), Junction (newly named prospect located between Ready Rhino and Forget Me Not) (2 holes) and Mountain Maid Prospects (4 holes; Figure 6). Drillhole specifications are summarised in Table 4 and locations summarised in Figure 7. A press release summarising these results was released on 17 October 2011.

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\*Hole ND11RC04 was collared on EPM 13336 and was drilled north-north-west under the New Dollar Mining Lease where it intersected mineralisation. This hole is included in the drillhole specification table but not in the assay summary.

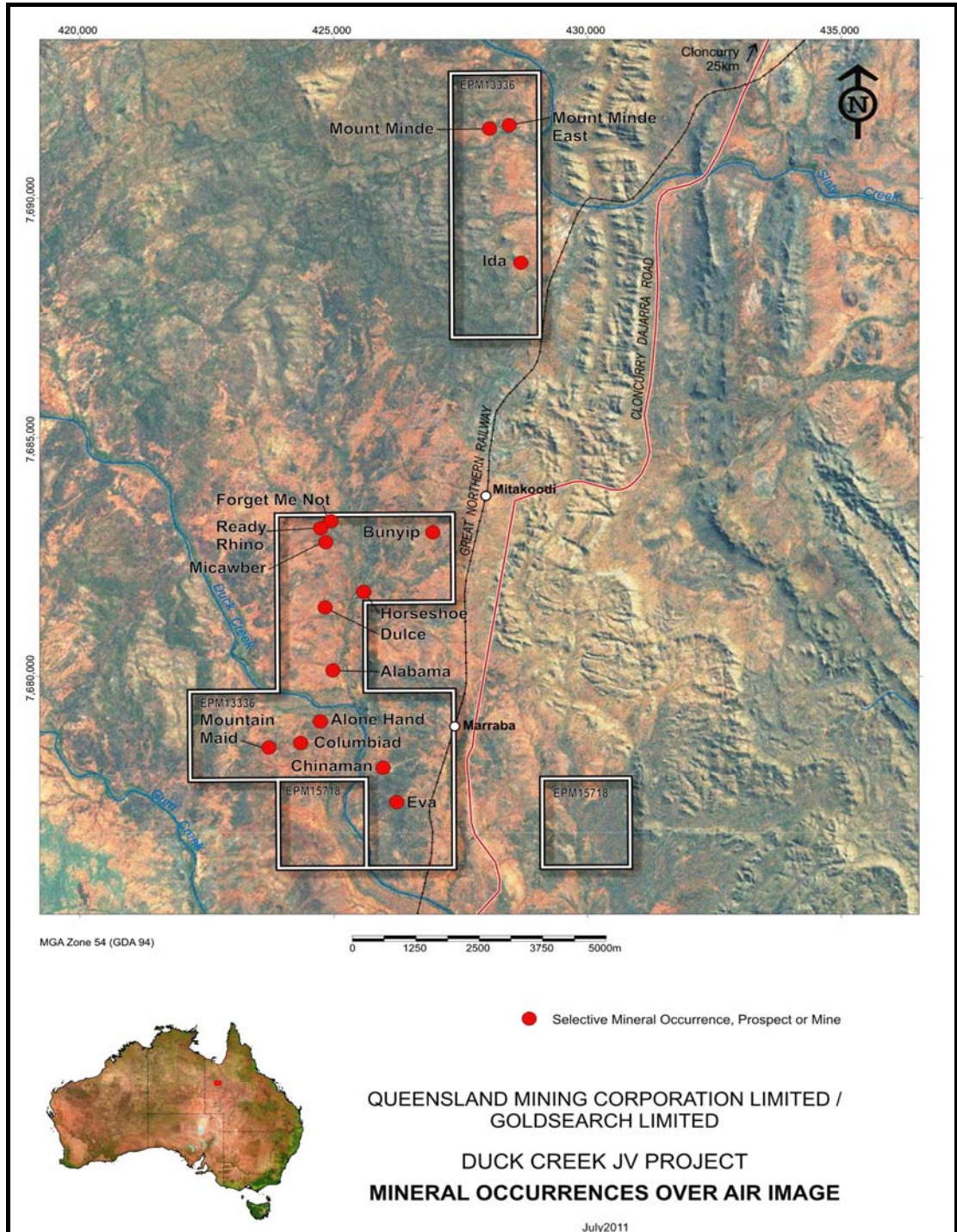


Figure 6: Duck Creek project - Mining leases have been excluded for simplicity

**Table 4:** Duck Creek RC drillhole specifications (datum is GDA 94 MGA zone 54)

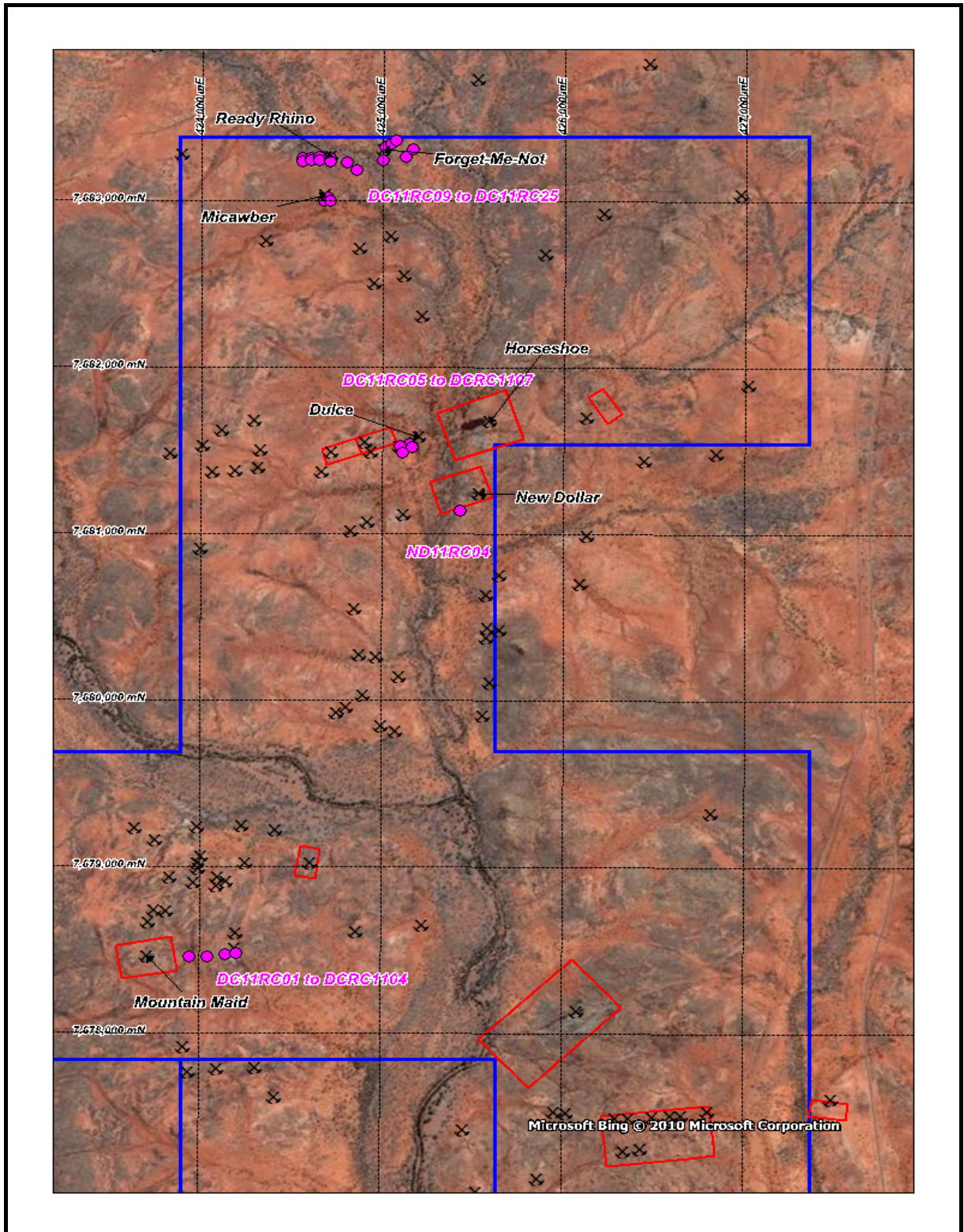
Hole ID	Easting	Northing	RL (metres)	Azimuth (GDA)	Dip (degrees)	Total depth (metres)	Prospect
*ND11RC04	425429.35	7681141.20	270.42	346	-60	120	New Dollar
DC11RC01	423943.36	7678461.78	267.17	346	-60	52	Columbiad
DC11RC02	424047.60	7678462.33	275.73	346	-60	52	Columbiad
DC11RC03	424145.28	7678470.82	271.00	346	-60	70	Columbiad
DC11RC04	424203.51	7678478.58	272.70	346	-60	80	Columbiad
DC11RC05	425151.90	7681543.55	274.10	336	-60	58	Dulce
DC11RC06	425163.72	7681523.01	271.42	336	-60	80	Dulce
DC11RC07	425094.53	7681526.93	269.06	336	-60	58	Dulce
DC11RC08	425109.72	7681489.68	269.37	336	-60	76	Dulce
DC11RC09	424673.04	7683000.15	275.17	316	-60	58	Micawber
DC11RC10	424689.89	7683020.35	276.48	316	-60	58	Micawber
DC11RC11	424706.08	7683000.58	275.08	316	-60	80	Micawber
DC11RC12	424550.53	7683256.43	279.82	356	-60	40	Ready Rhino
DC11RC13	424550.41	7683239.77	277.23	356	-60	62	Ready Rhino
DC11RC14	424601.54	7683258.39	274.09	356	-60	40	Ready Rhino
DC11RC15	424601.27	7683243.29	274.21	356	-60	66	Ready Rhino
DC11RC16	424646.49	7683260.44	281.12	356	-60	40	Ready Rhino
DC11RC17	424647.90	7683240.84	281.01	356	-60	70	Ready Rhino
DC11RC18	424704.89	7683257.58	279.21	356	-60	40	Ready Rhino
DC11RC19	424702.32	7683240.37	280.27	356	-60	70	Ready Rhino
DC11RC20	424998.58	7683248.15	272.61	356	-60	100	Forget-Me-Not
DC11RC21	425118.62	7683268.71	276.89	346	-60	80	Forget-Me-Not
DC11RC22	425164.01	7683309.59	278.19	346	-60	52	Forget-Me-Not
DC11RC23	425007.62	7683327.55	277.64	326	-60	58	Forget-Me-Not
DC11RC24	425040.00	7683344.95	274.27	326	-60	58	Forget-Me-Not
DC11RC25	425068.29	7683363.47	277.86	326	-60	58	Forget-Me-Not
DC11RC26	424796.29	7683233.25	278.27	356	-60	119	Junction
DC11RC27	424849.17	7683188.02	278.75	356	-60	142	Junction

Significant copper-gold-cobalt intersections were returned from holes drilled on the EPM areas at Forget Me Not and Dulce prospects. A newly mapped sub-parallel fault splay at Forget Me Not returned 8 metres grading 1.45% copper from 41 metres in DC11RC24 and at Dulce hole DC11RC06 returned 13 metres grading 1.49% copper, 0.12 g/t gold and 183 ppm cobalt. Significant copper-gold-cobalt mineralisation was also intersected on several mining leases (100% QMN) including Mountain Maid and Horseshoe (e.g. 36 metres grading 2.66% copper, 0.23 g/t gold and 238 ppm cobalt). These mineralised zones are interpreted to continue along strike into EPM 13336. Assay results for holes drilled on EPM 13336 are summarised in Table 5.

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**Table 5:** 2011 Duck Creek RC drilling - significant assay intersections for holes drilled on EPM 13336 (using 0.2% copper cut-off and 2 metre internal dilution)

Hole ID	From (metres)	To (metres)	Width (metres)	Copper (%)	Gold (g/t)	Cobalt (ppm)
DC11RC06	55	68	<b>13</b>	<b>1.49</b>	<b>0.12</b>	<b>183</b>
<i>including</i>	56	58	<b>2</b>	<b>7.20</b>	<b>0.40</b>	<b>577</b>
DC11RC07	23	28	5	1.38	0.07	423
DC11RC14	12	19	7	1.25	0.12	84
DC11RC15	33	41	<b>8</b>	<b>1.10</b>	<b>0.15</b>	<b>62</b>
DC11RC18	20	24	4	3.24	0.11	62
<i>including</i>	20	22	2	6.05	0.20	60
DC11RC24	41	49	<b>8</b>	<b>1.45</b>	<b>0.21</b>	<b>511</b>



**Figure 7:** Duck Creek project - EPM 13336, 2011 RC drillhole locations (purple dots). The blue outlines are EPM boundaries and red polygons are MLs held 100% by QMN.



### **BERGSLAGEN JOINT VENTURE (SWEDEN)**

Goldsearch earning 70% (manager), Tumi Resources diluting to 30% - silver, lead, zinc

Historical drillhole and mine data for the Hällefors base metal mines were obtained and compiled during the quarter. Geophysical anomalies defined in the 2011 IP survey were ground checked at both Hällefors and Jugansbo during August.

### **MOUNT WELLINGTON PROJECT (VICTORIA)**

100% Goldsearch - gold, silver, zinc, copper, lead

The Mount Wellington project is centred 20 kilometres south-east of Jamieson and 10 kilometres east of the Morning Star Gold NL Woods Point mining centre in eastern Victoria. The project consists of three ELs and one ELA covering 416 square kilometres. Several prospects and showings occur within the tenements, several of which were historically mined. Significant gold ( $\pm$  silver and base metal) mineralisation has been drilled by previous explorers at Hill 800 and Rhyolite Creek. Mineralisation is hosted by Cambrian-aged volcanic rocks and various genetic mineralisation styles have been proposed. At Hill 800, the inferred mineral resource calculated by Goldsearch is 1,118,000 tonnes at an average grade of 1.5 g/t gold for 52,200 contained ounces of gold (using a cut-off grade of 0.8 g/t gold). Goldsearch is negotiating a farm-out agreement with other parties. During the quarter native title negotiations for ELA 5232 (Mount Wellington 2) progressed and sub-blocks were relinquished from EL 5046 Mike's Bluff.

## **Goldsearch equity investments**

### *Morning Star Gold NL (ASX: MCO)*

[www.morningstargold.com.au](http://www.morningstargold.com.au)

Goldsearch has a strategic interest in Morning Star Gold NL (MCO), which is the 100% owner of the Morning Star gold mine located approximately 10 kilometres west of Goldsearch's Mount Wellington project. At 30 September 2011 Goldsearch held 3,407,516 ordinary shares in MCO with a market value of \$937,066.



### *Chinalco Yunnan Copper Resources Limited (ASX: CYU)*

[www.cycal.com.au](http://www.cycal.com.au)

Chinalco Yunnan Copper Resources Limited (ASX: CYU) is currently exploring for copper and gold in the Cloncurry region of north-west Queensland and Chile and Laos for copper. CYU is also pursuing advanced copper project acquisitions under a mandate from its majority shareholder Yunnan Copper Industry (Group) Co Ltd. Yunnan Copper Industry (Group) is one of China's largest copper producers and is majority owned by Chinalco, China's largest aluminium producer. Goldsearch currently holds 2,000,000 August 2011 and 1,000,000 August 2012 unquoted share options in CYU all exercisable at 40 cents each.

### *Musgrave Minerals Limited (ASX: MGV)*

[www.musgraveminerals.com.au](http://www.musgraveminerals.com.au)

Goldsearch holds 8,673,000 shares in Musgrave Minerals Limited. Of these shares 6,909,000 are restricted securities under the ASX Listing Rules and are subject to escrow until April 2013. Goldsearch also holds 1,837,500 Musgrave Minerals Limited 25 cent 5 year options. Based on the market price of MGV shares at 30 September 2011 the investment had a value of \$954,030.

#### **COMPETENT PERSON STATEMENTS**

*Aspects of this report that relate to mineralisation, mineral resources or ore reserves are based on information prepared by Mr Erik Conaghan, BSc(Hons), who is a Member of the Australian Institute of Geoscientists, and has sufficient relevant experience of the activity undertaken and of the mineralisation styles and type of deposits described. He qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). The above report fairly reflects the information prepared by this Competent Person, who consents to the inclusion of this information in the form and context in which it appears.*

*Aspects of this report that relate to mineralisation, mineral resources or ore reserves pertaining to the Mary Kathleen joint venture is based on information prepared by Chinalco Yunnan Copper Resources Limited (CYU) of whom Mr Richard Hatcher BSc(Hons) is the qualified competent person. Mr Hatcher is a Member of the Australian Institute of Geoscientists, and has sufficient relevant experience of the activity undertaken and of the mineralisation styles and type of deposits described. He qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). The above report fairly reflects the information prepared by this Competent Person. Mr Hatcher consents to the inclusion of this 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, 01/06/10.

Name of entity

**Goldsearch Limited**

ABN

**73 006 645 754**

Quarter ended ("current quarter")

**30 September 2011**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 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 & evaluation	(447)	(437)
(b) development	-	-
(c) production	-	-
(d) administration	(228)	(238)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net operating cash flows</b>	<b>(675)</b>	<b>(675)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(248)	(248)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	12	12
(c) other fixed assets	10	10
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>(226)</b>	<b>(226)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(901)</b>	<b>(901)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(901)	(901)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,000	1,000
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 cost	(11)	(11)
	<b>Net financing cash flows</b>	989	989
	<b>Net increase (decrease) in cash held</b>	88	88
1.20	Cash at beginning of quarter/year to date	267	267
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter (see Note 1 below)</b>	355	355

Note 1: In addition to the cash on hand the Company has access to further working capital through realisation of its investments in listed securities. At the end of the current quarter, the Company's unrestricted investments in listed securities had a market value of \$1.138 million; the Company has a further \$0.760 million of listed securities restricted until 29 April 2013.

**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	83
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Directors' fees & expenses	73,657
- Directors' superannuation	5,009
- Legal fees paid to Landerer & Company ( J Landerer)	4,575

**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

N/A

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

N/A

+ 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	Nil	N/A
3.2 Credit standby arrangements Market value of listed unrestricted securities as at 30 September 2011 (see note to paragraph 1.22 above),	1.138	N/A

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	305
4.2 Development	-
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>455</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	309	221
5.2 Deposits at call	46	46
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (see Note 1 to para 1.22)	<b>355</b>	<b>267</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	EL5046 Mike's Bluff	Licence area reduced from 175 to 93 graticular sections on 23 August 2011 in accordance with S38A of the Mineral Resources Act	100%	100%
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 (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 <b>Preference +securities</b> <i>(description)</i>	Nil	N/A	N/A	N/A
7.2 Changes during quarter				
(a) Increases through issues	N/A	N/A	N/A	N/A
(b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3 <b>+Ordinary securities</b>	407,764,517	407,764,517	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	40,000,000	40,000,000	2.5 cents	2.5 cents
(b) Decreases through returns of capital, buy-backs	Nil	N/A	N/A	N/A
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil	N/A	N/A	N/A
7.6 Changes during quarter				
(a) Increases through issues	N/A	N/A	N/A	N/A
(b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7 <b>Options</b>			Exercise price	Expiry date
Listed options	Nil	N/A	N/A	N/A
Unlisted options	Nil	N/A	N/A	N/A
7.8 Issued during quarter				
Listed options	Nil	N/A	N/A	N/A
Unlisted options	Nil	N/A	N/A	N/A
7.9 Exercised during quarter				
Listed options	Nil	N/A	N/A	N/A
Unlisted options	Nil	N/A	N/A	N/A
7.10 Expired during quarter				
Listed options	Nil	N/A	N/A	N/A
Unlisted options	Nil	N/A	N/A	N/A
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil	N/A		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil	N/A		

+ 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:

  
Company secretary

Date: 31 October 2011

Print name: Paul S Hewson

## 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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