



GLORY
RESOURCES

31 January 2012

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

By E-Lodgement

QUARTERLY REPORT

Period Ended 31 December 2011

December 2011 Quarter – Highlights

- Glory Resources Limited successfully raises A\$42.5m in subscription funds and completes the acquisition of the high grade Sapes Gold Project.
- Sapes Gold Project's Preliminary Environmental Impact Study review expected to commence in the first quarter of 2012.
- Socialisation programs with respect to development of the Sapes Gold Project continue.

CORPORATE

In the September 2011 quarter, Glory Resources Limited (ASX: GLY) (**GLY** or the **Company**) entered into an agreement to acquire a 100% interest in the high grade Sapes Gold Project located in north-eastern Greece (**Sapes Acquisition**).

The consideration payable for the Sapes Acquisition price comprised A\$32.5m payable in cash, A\$4m payable in new shares in the Company and a further A\$10m (in cash or new shares in the Company) payable upon achievement of certain operational milestones.

On 4 November 2011, the Company lodged a prospectus with ASIC to raise a minimum of A\$42.5 million, through the issue of a minimum of 170 million shares at an issue price of A\$0.25 per share, to fund the Sapes Acquisition and to provide funding for project permitting, initial mine development, ongoing exploration programme and general working capital (**Capital Raising**).

As announced on 3 November 2011, the Company entered into a subscription agreement with Eldorado Gold Corporation (**Eldorado**) such that Eldorado would participate in the Capital Raising and hold 19.9% of the Company on completion of the offer.

In late November 2011, the Company completed the Capital Raising and announced that it had raised A\$42,570,480. Completion of the Sapes Acquisition occurred on 16 December 2011.

On 23 December 2011, the Company was reinstated to quotation on ASX.



On 30 December 2011, the Company announced the appointment of Messrs Jeremy Wrathall and Lui Giuliani as Non-Executive Directors of the Company and Ms Pip Leverington as Company Secretary. Mr Jeremy King resigned as a Director of the Company and Ms Emma Wates resigned as Company Secretary.

PROJECTS

GREECE - Sapes Gold Project (Sapes)

- Permitting and Socialisation

The Sapes Preliminary Environmental Impact Study (**PEIS**) is the first step in the environmental approval process and was submitted to the Ministry of Environment (**MOE**) in December 2010. The PEIS has been distributed to the relevant departments in anticipation for commencement of its review. The Company expects the PEIS review to commence in the first quarter of 2012 and anticipates its approval in the second quarter of 2012. Additional environmental studies to support the subsequent Environmental Impact Study, to be lodged with the MOE after the PEIS is approved, are well advanced.

A socialisation program in respect of project development with the local community and authorities, commenced by the previous owner of Sapes, continued during the quarter and will be expanded in 2012. A number of meetings with various groups within the local community were held aiming to increase public acceptance of the project. The regional Government's technical services departments, important for the permitting process, were also contacted and visited. To assist with the socialisation program, the Company has appointed the services of an Athens based public relations consultant.

- Sapes Exploration

During the quarter the Company commenced a detailed review of the historical exploration data available for Sapes and commenced preparing an exploration program, which will include a geophysics program over the lease area. Initially the Company intends to focus exploration drilling along strike of the existing ore body, as this area is considered to be highly prospective. The Company also intends to follow up on previously identified drill targets within the highly prospective licence area. Preliminary enquiry and contact with local and regional drilling, geophysics and other contractors to implement the planned 2012 exploration program has begun and the Company anticipates good availability of these services.

The Company is pleased to report it has engaged the consulting services of Mr Andrew Shaw. Mr Shaw was the project exploration manager and key geologist associated with the exploration and drilling work at Sapes in the late 90's. Mr Shaw was also co-author of chapters of the feasibility study completed in 2001. Andrew's knowledge of Sapes will be invaluable in developing the future exploration programs.



CANADA - Onion Lake Project (PGM-Ni-Cu)

- Detailed Airborne Magnetic Survey

Exploration on the Onion Lake Project commenced in September 2011 with a 2,955 line-kilometre detailed magnetic survey flown over the area immediately west of Magma Metals Limited's Thunder Bay North property. The high resolution survey identified a number of prospective magnetic anomalies that were subsequently modelled by Condor Consulting Inc.. Condor Consulting Inc. recommended the diamond drill testing of a number of high-priority magnetic features.

- Diamond Drilling

A total of seven magnetic anomalies thought to represent possible extensions of the mafic-ultramafic conduits were diamond drilled in November and December 2011 (total program of 1,400 metres). The diamond drilling succeeded in intersecting numerous narrow intercepts of Proterozoic mafic-ultramafic rock but the initial batch of assays returned insignificant Cu-Ni-PGE values. Results are still pending on the final batch of assays submitted.

- Onion Lake Exploration

The Company is currently reviewing the results of its 2011 exploration programs to determine an exploration strategy for 2012. Exploration will likely involve airborne geophysics, ground evaluation of additional geophysical targets as well as diamond drilling.

CANADA - Eagle Lake Project (Gold) & Way Lake Project (PGM-Ni-Cu)

- Way Lake

Exploration on the Way Lake Project began with an initial compilation of historical assessment work on the property. Areas of conductivity were identified from historical geophysical surveys and a 17 day prospecting and sampling program was carried out in September 2011.

Five assays of ultramafic rock from the Way Lake Intrusion returned anomalous nickel values ranging from 0.08 weight percent to 0.1 weight percent nickel. A three-line soil sampling program conducted over a low-lying area on the property also identified multiple anomalous zones of coincident gold, copper, nickel and PGE values.

Recommendations for exploration in 2012 are currently being reviewed and consist of an airborne magnetic and electromagnetic survey followed by diamond drilling of conductive targets.

- Eagle Lake

There was no exploration carried out on the Eagle Lake Project in 2011. Recommendations for exploration in 2012 are currently being compiled.

Competent Person Statement

The information in this report that relates to exploration results is based on information compiled by Mr Bernard Aylward. Mr Aylward is a Technical Director of Glory Resources Limited. Mr Aylward is a member of the Australasian Institute of Mining and Metallurgy and 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 Aylward consents to the inclusion in the report of the matters based on information in the form and context in which it appears.



Background Information

The Company is an Australian listed precious metal development & exploration company. The Company's flagship project is the high grade Sapes Gold Project.

Sapes is an advanced high grade gold development project located in north eastern Greece approximately 30km northwest of the Aegean Sea port city of Alexandroupoulos. Key details are:

- *A feasibility study conducted in 2001 and updated in December 2010 shows JORC Measured and Indicated Resource of 830koz @ 9.8g/t Au (Measured 647koz @ 8.9g/t Au and Indicated 183koz @ 14.9g/t Au) with identified JORC Proved and Probable Ore Reserve of 637koz @ 15.1g/t Au (Proved 23koz @3.5g/t Au and Probable 614koz @ 17.2g/t Au).*
- *The feasibility study reports gold production of 510,000oz, total capex of US\$100m and cash opex cost of US\$297/oz over 7 year mine life.*
- *Substantial opportunity for further exploration upside as no systematic exploration on the Sapes lease for 12 years.*

The Company is also exploring the Onion Lake Project, which is prospective for Copper-Nickel-Platinum Group Elements and is comprised of approximately 190km² of contiguous mining claims which are adjacent to Magma Metals Ltd (ASX:MMW) Thunder Bay North Polymetallic Property (732,000 Pt equivalent resource). GLY holds the right to earn a 75% interest in the Onion Lake Project pursuant to a joint venture with TSX listed Benton Resources Limited. GLY has earned a 30% interest to date.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

GLORY RESOURCES LIMITED

ABN

38 142 870 102

Quarter ended ("current quarter")

31 December 2011

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 & evaluation	(132)	(320)
(b) development		
(c) administration	(173)	(347)
(d) production		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	47	81
1.6 Income taxes paid		
1.7 Other: Sapes acquisition transaction costs	(342)	(342)
	(600)	(928)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments	51	51
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other: Acquisition of Sapes Project – loans repaid	(32,661)	(32,661)
Other: Cash acquired as part of Sapes Acquisition	93	93
	(32,517)	(32,517)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(33,117)	(33,445)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(33,117)	(33,445)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	42,570	44,770
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	(1,638)	(1,770)
	Net financing cash flows	40,932	43,000
	Net increase (decrease) in cash held	7,815	9,555
1.20	Cash at beginning of quarter/year to date	3,647	1,907
1.21	Exchange rate adjustments to item 1.20	1	1
1.22	Cash at end of quarter	11,463	11,463

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	116
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

Payments of Directors Fees and Remuneration

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

Issue of 16,000,000 ordinary fully paid shares to Cape Lambert Resources Limited in consideration for the acquisition of the Sapes Project.

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

+ 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	
3.2 Credit standby arrangements	Nil	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	75 ^o
4.2 Development	
4.3 Production	
4.4 Administration	25 ^o
Total	1,000

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	11,463	11,463
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	11,463	11,463

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	Lease contract No. 850/11-62-1993 ('E5')	-	100%

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)	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-		
7.3	+Ordinary securities	224,100,099	204,100,099	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	186,281,920	170,281,920	
7.5	+Convertible debt securities (description)	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-		
7.7	Options (description and conversion factor)	200,000 10,000,000 5,000,000 11,285,000	- -\$0.30 -\$0.17 -\$0.17 -\$0.25	Expiry date 31 March 2013 15 August 2016 27 July 2016 31 October 2014
7.8	Issued during quarter	11,285,000	-\$0.25	31 October 2014
7.9	Exercised during quarter	-	-	
7.10	Expired during quarter	-	-	
7.11	Debentures (totals only)	-	-	
7.12	Unsecured notes (totals only)	-		

+ 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 5).

2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 31 January 2012
Date:
Company Secretary
Pip Leverington
Print name:

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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