



ASX Release: 30th January 2013

ASX Code: VMC

QUARTERLY REPORT FOR PERIOD ENDING 31st DECEMBER 2012

Venus Metals Corporation Limited's (Venus) activities conducted during the quarter ending 31 December 2012 include:

- commercialization strategies for the Yalgoo Iron Ore Project (YIOP);
- drilling structural targets¹ (4 drillholes) at the Citadel Project;
- drilling a deep exploration hole at the gravity anomaly at the Radi Hills Project;
- geophysical plate modelling to refine the targets and successful completion of a heritage clearance survey at the Copper Hills Project;
- two additional co-funded drilling grants awarded for the Copper Hills and Moodini Projects; and
- independent Audit of Processing plant at Argyle Smoke Creek has been completed.

EXPLORATION HIGHLIGHTS:

- **TELFER NORTH SUPER PROJECT:** Drilling of four structural targets in the Citadel Project area and a deep exploration hole at Radi Hills under WA Government EIS co-funding drilling programme 2012 have been completed. The initial assay results (Intertek Genalysis Lab, Perth) of the first deep drillhole at Radi Hills shows several thick zones with anomalous values of Ni, Cu, Co, Pt, Pd and Au between 402m and 655.8m.

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- **COPPER HILLS PROJECT:** A detailed review of the Paterson TEMPEST AEM Survey (public domain data) together with geophysical plate modelling results confirmed the presence of high conductor anomalies at the Gaza and PM Prospects within the Copper Hills tenement. A heritage clearance survey was successfully completed along the proposed drill lines and drillholes. Department of Mines and Petroleum awarded a \$150,000 grant for exploration drilling at Copper Hills under WA Government EIS co-funding drilling programme.

INTRODUCTION

The location of Venus' exploration projects is shown in Figure 1. Venus currently has 16 granted Exploration Licences and 24 Prospecting Licences. It has 20 pending Exploration Licence Applications (ELAs) and two Mining Lease Applications (MLAs) in Western Australia.

1. YALGOO IRON ORE PROJECT

1.1 Project background

Yalgoo Iron Ore Project (YIOP) is centrally placed within Western Australia's emerging Mid-West Iron Ore Province, 80km north of the world-class Gindalbie Metals' Karara Iron Ore Project. During March 2010 Venus signed the Yalgoo Farm In and Joint Venture Agreement with HD Mining & Investment Pty Ltd (HD Mining), a subsidiary of Shandong Provincial Bureau of Geology & Mineral Resources based in Jinan, China. HD Mining has earned 50% in the iron ore rights at Yalgoo by sole funding AUD\$8 million worth of iron ore exploration over the past two years.



Venus commissioned geological consultants Widenbar and Associates (WAA) to produce an updated JORC compliant resource estimate for Bilberatha Hill and surroundings based on the drilling of 169 RC holes (29,977m) and 11 Diamond holes (3,088m).

The resource model has been updated with newly interpreted mineralised zones (known as Additional Zones) to the North-East, North-West and South of the main Bilberatha zone. In addition, part of the main Bilberatha mineralised zone has been upgraded to Indicated status.

A JORC compliant total Magnetite Mineral Resource of 698.1 Million Tonnes (being made up of an Indicated Resource of 311.2 Mt and Inferred Resource of 386.9 Mt) was estimated for YIOP (refer ASX Release: 26 August 2011).

The Pre-Feasibility Study conducted by ProMet Engineers Pty Ltd demonstrates that YIOP is technically viable and financially robust (refer ASX release 29 August 2011). A Mining Lease Application (MLA 59/742) has been submitted to the Department of Mines and Petroleum covering Bilberatha Hill and additional magnetite mineral resource target areas within the tenement E59/1508.

1.2 December 2012 quarter Exploration Work:

The following exploration works have been completed:

- Discussion continued with the Company's Chinese JV partner regarding future work programs in assisting with commercializing the project.
- Soil /rockchip sampling at E59/1664 to E59/1666, P59/1887 and P59/1904.



1.3 Planned activities for March 2013 quarter:

- Continuation of commercialization discussions.
- Sub-terranean Fauna Survey.
- Meeting with heritage claim group for Mining Agreement.

2. TELFER NORTH SUPER PROJECT

2.1 Project background

The Telfer North Super Project (TNSP), located north of the giant 27 Moz Telfer gold mine, comprises six granted Exploration Licences E45/3435 (Citadel), E45/3398 (Radi Hills), E45/3396 (Mt Morris), E45/3436 (Wallal), E45/3523 (Bulgamulgardy) and E45/3923. The tenement areas are considered to have potential to host concealed Proterozoic world-class/giant ore deposits within Paterson Orogen Proterozoic basement. The targets lie within the Canning Basin Anketell Shelf and Wallal Platform regions where cover is interpreted to be relatively thin (<400-500m).

The principal exploration targets identified within the TNSP are

- The Radi Hills base metals structural target (“Bullseye” 5 mGal gravity and high conductive anomalies).
- The Citadel doubly-plunging anticline gold target (a “Telfer Dome” look-alike).
- The Mt Morris IOCG target, a large coincident magnetic and gravity high.

Venus was awarded two grants totalling \$350,000 to drill multi-holes in Citadel and a deep drillhole at Radi Hills under WA Government co-funded drilling programme (refer ASX release 29th June 2012) .



2.2 December 2012 Quarter Exploration Work:

The Government co-funded drilling programme at both Citadel and Radi Hills has been successfully completed during this quarter.

Radi Hills Project:

Drillhole RH140 was targeted to test a prominent bulls-eye gravity anomaly outlined by Venus in previous geophysical surveys. The gravity anomaly is associated with prominent magnetic and electromagnetic (EM) anomalies over a combined target area of approximately 3km long by 2km wide.

The hole successfully entered basement at 400m and was completed at 759m End of Hole. A 4m thick basal conglomerate from 400m to 404m overlies a thick sequence of meta-pyroxenite and ultramafic rocks to end of hole at 759m.

Thin sulphide veins (1mm to 2mm), sulphide blebs and sulphide spots have been observed in initial logging throughout the sequence. Three polished thin sections from a 45cm specimen taken at 422m have been examined by Petrologist Roger Townend and Associates. The rocks are described as Meta Pyroxenites, and carry from <1% sulphides to 1-2% sulphides. The sulphides are pyrrhotite and chalcopyrite (major) with pentlandite and violarite (accessory) (ASX Release: 18 December 2012).

The initial assay result (Intertek Genalysis Lab, Perth) shows several thick consistently anomalous zones between 402m and 655.8m. A few more assays are awaited. The assays include a 78m zone (402-480m) with average values of 274ppm Ni, 189ppm Cu, 62ppm Co, 27ppb Pt, 27ppb Pd and 13ppb Au; a 48m zone (497-545m) with average values of 50ppm Ni, 69ppm Cu, 47ppm Co, 13ppb Pt, 13ppb Pd and a 72m zone (583.6-655.8m) with average values of 60ppm Ni, 115ppm Cu, 54ppm Co.



The presence of widespread disseminated sulphide through this thick sequence provides encouragement in the search for magmatic nickel-copper-cobalt deposits. The second diamond drillhole (RH3) which has commenced on 16 January 2013 is targeting a discrete late-time response electromagnetic anomaly (Figure 2) modelled at 400m depth with a coincident southern prominent magnetic anomaly (Figure 3) which could possibly represent massive sulphides in this mineralised system (ASX Release: 17 January 2013).

Citadel Project: Stage I drilling was completed at Citadel in early November 2012. The programme comprised four diamond drill holes (Table 1) for a total of 1025m of drilling with mud-rotary and PQ drilling of the cover sequences and HQ3 coring of Proterozoic basement.

The main aims of the reconnaissance Stage I programme were to test geophysical anomalies in the basement (Table 1) and establish the thickness of the cover sequence. The drilling tested the Citadel Dome over a strike length of 27 km and showed a progressive decrease in the thickness of cover sequence from 220.4m in hole T3 in the north to 151.5m in the most southerly hole C9 (Figure 4).

A total of 194 drill samples were submitted to SGS laboratories in Perth and were analysed for a suite of 38 major and trace elements, including Au. Sampling intervals varied from 0.5m to 1.5m and core was only selectively sampled with a focus on sulphide-rich intersections. A total of five samples were submitted for petrological studies and three samples from drill holes T3 were collected for zircon U/Pb geochronology by Dr Leon Bagas from UWA.

Dr Fop Vanderhor of Davis & Vanderhor Geological Consultants was commissioned to interpret the Citadel drilling results.



Table 1. Details of Stage 1 drilling at Citadel

HOLE ID	E	N	Final Depth (m)	Start Basement (m)	Anomaly
T3	372100	7762545	269.9	220.4	Centre of N Dome
C6	384971	7748797	272.2	203.8	Coincident Mag/Grav
C8	386023	7746061	252.0	181.5	Gravity, centre of S Dome
C9	389406	7741587	230.8	151.5	Gravity

All four diamond holes intersected strongly deformed basement rocks dominated by steeply dipping biotite-gneiss that appears to be interlayered with fine-grained amphibolites and is cut by thin pegmatite dykes and granitic domains. The gneiss in many places shows a broad compositional layering that is consistent with a sedimentary precursor. The textures and mineralogy (garnet, sillimanite) of the rocks indicate medium to high grade metamorphism of at least amphibolites facies. This relatively high metamorphic grade and strong deformation identifies the rocks as older than the Yeneena Basin and most likely equivalent to the Rudall Complex metamorphics.

Compared with the other three holes, C8 shows more common folding of compositional layering which is consistent with a location in a macroscopic fold hinge area. A noticeable change in lithology is present down from 238.4m where the rock changes to a strongly foliated, locally mylonitic, biotite-rich schistose gneiss. This rock type is sulphur rich (1120-6650 ppm S) and locally anomalous in copper (115-294 ppm Cu). The copper values are associated with up 5cm quartz veins that contain narrow, discontinuous, chalcopyrite veinlets. Disseminated magnetite is present from 245m.



Drillhole C9 was considered a priority 1 geophysical target and tested a strong gravity high combined with a magnetic low, possibly a fold hinge region, and is close to an interpreted granite intrusion (Figure 4) basement starts at 151.5m and consists of a fairly continuous sequence of biotite gneiss with common thin pegmatite veins sub-parallel to the foliation in the rock. The biotite gneiss varies from fine grained and poorly banded (“massive gneiss”) to a more foliated texture with coarse grained biotite-rich bands (“banded gneiss”). The latter gneiss becomes dominant in the last 35m of the hole. Minor disseminated sulphides (0.5-2 %) are present throughout the hole but thin (cm scale) sulphide-rich (5-15 % sulphides; pyrite and pyrrhotite with minor chalcopyrite) intervals are locally present in biotite-rich zones of banded gneiss in the last 35m of the hole.

The identification of potentially Rudall Complex metamorphics at Citadel has significant implications for the regional geological understanding of the Paterson Orogen and its mineral deposits. Previously Rudall Complex rocks have only been described from the western margin of the Paterson Orogen where the rocks are prospective for copper and unconformity related uranium deposits (Kintyre). The presence of the metamorphics at Citadel, near the north-eastern margin of the Paterson Orogen, clearly increases the prospectivity for copper and uranium in that area and potentially the prospectivity for Nifty-style copper mineralisation in Anketell Sediments to the south.

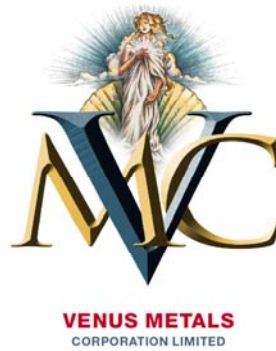


The Telfer gold deposits have no clear geophysical signature except that they are located near the margin of a subtle circular gravity low (granite body at depth?). From the currently available ground gravity data for Citadel, it appears that South Dome is associated with a semi-circular gravity low (Figure 5) and may represent a Telfer analogue in Rudall Complex metamorphics. At this early stage of exploration it is not known if the contact between the Rudall Metamorphics and Anketell Sediments is situated within the Citadel tenements and it is therefore possible that prospective Yeneena Basin sediments are present within the tenement boundaries. Furthermore, the interpreted presence of late tectonic granites within the Citadel Dome (Figures 4-5) present the potential for a totally new style of gold mineralisation, similar in age to the Telfer mineralisation but hosted in retrogressed metamorphics of the Rudall Complex (Vanderhor, 2013²). Further drilling along two lines (Lines A and B in Figure 4) are proposed to test the extent of Rudall Complex metamorphics.

Line A tests the south-eastern margin of South Dome and Line B is situated between two interpreted granite intrusions in a possible synformal depression that may contain Anketell Sediments.

2.3 Planned activities for March 2013 quarter:

- Completion of drilling a second hole targeting a discrete late-time response electromagnetic anomaly at Radi Hills (RH3) and assaying of core samples.
- Planning for Phase 2 drilling at Citadel.



3. COPPER HILLS PROJECT

3.1 Project background

The Copper Hills tenement E 45/3541 of 221 sq km in the East Pilbara region of Western Australia was granted in December 2011. Venus was advised in 2010 that it had won the rights to the area following a ballot for the ground between 4 applicants.

The tenement grant follows successful negotiations with the Western Deserts Land Aboriginal Corporation on behalf of the Martu Native Title Holders resulting in a signed Land Access and Mineral Exploration Agreement. Very high grade values with peak results of 2,376g/t Au, 3,424 g/t Pt, 4,904g/t Pd, 1,387g/t Ag and 20.9% Cu have been recorded from previous rock chip sampling of copper mineralised outcrops at the main Precious Metals Prospect. Whilst the very high grade values come from a small vein type exposure of limited extent, it is reported that secondary copper minerals occur over a semi-continuous strike length of approximately two kilometers (refer ASX release 21 December 2011). Drilling programs by previous explorers have been unable to establish any depth extent to these remarkably high precious metal values. However, the petrographic studies indicate the mineralisation is the result of primary hydrothermal processes, with secondary enrichments. This indicates that potential does exist for the values to extend to depth.

Review of historical data and Paterson TEMPEST AEM Survey³ (Geoscience Australia public domain data) results identified high conductors at the Gaza and PM Prospects within the Copper Hills tenement. Govt co-funded drilling programme will test these fault controlled discrete high EM conductive bodies located in underexplored areas.



3.2 December 2012 Quarter Exploration Work:

- A detailed review of Inversion modelling results published by Geoscience Australia (2010) shown a discrete highly conductive anomaly on AEM survey lines 10170, 10790 and 10800 at Gazza prospect (Figure 6) and 10820 in PM prospect (Figure 7) is interpreted to reflect conductive geological units at 250m depth and which could potentially present a favourable host to epigenetic base metal mineralisation.
- Geophysical Consultants Core Geophysics was commissioned to undertake forward EM plate modelling over the Gazza and PM AEM anomalies to confirm the location and geometry of the CDI targets and to assist in the drill planning. A single model plate was produced centered on line 10790 at Gazza Prospect with a conductivity-thickness of 150mS/m, depth to top of 175m and 500m depth extent dipping 60° to the north east. This provides a close correlation to the TEMPEST Conductivity Depth Inversions (CDIs). The forward plate modelling has provided more discrete zones for drill testing.
- A heritage clearance survey was successfully completed with Martu Traditional owners along the proposed drill lines and drillholes.

3.3 Planned activities for March 2013 quarter:

- Programme of Work (PoW) approvals
- Planning for drilling to commence as soon as possible.



4. ARGYLE SMOKE CREEK ALLUVIAL DIAMOND PROJECT

4.1 Project background

The Venus Alluvial Diamond project area comprises 22 granted Prospecting Licences (PLs) which lies adjacent to the primary deposit which hosts Argyle's current mine. These PL areas cover previous Argyle Diamond Mines' (ADM) Mining Leases. ADM carried out reconnaissance bulk sampling programmes for diamonds in the 1980s and 1990s. Venus applied for Mining Lease covering 12 PLs.

The volumes and grades Venus has obtained from bulk sampling programme are below expectations and do not align with the results recorded by ADM during its bulk sampling work at Lower Smoke Creek in 1980s and 1990s.

Venus has commenced two audits. Audit 1 is to independently assess the metallurgical competence of the installed processing plant at Smoke Creek. Audit 2 is to process some gravels through an independent laboratory in Perth.

4.2 December 2012 Quarter Exploration Work

An independent audit was conducted by MSP Engineering Pty Ltd to assess the suitability of the processing plant for the intended duty and to investigate probable reasons for diamond losses in the circuit. The following conclusions and recommendations were made by MSP Engineers:

- The ROM bin, conveyors and scrubbers module has the capacity of processing up to the 50t/h, depending on the split between the oversize and fines. The scrubber module has a capacity of ~30tph and the front end can reject up to 20tph of oversize. The static grizzly on the ROM bin is quite steep, resulting in misplaced material reporting to the oversize.

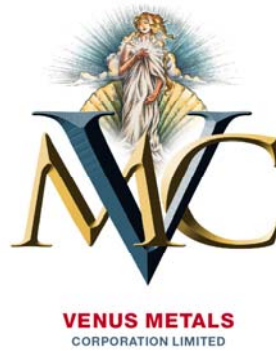


- Overall, it appears that the DMS was designed as a low capacity prospecting plant and certain design aspects were compromised to facilitate easy field set up and erection of the plant. The current plant will be able to operate, but losses of FeSi and possible losses of small diamonds will occur. This was shown by conducting tracer tests and, at the right density and pressure (2.6 density and 70KPa), the tests showed that one could get a d50 of 3 and EPM value of 0.03, which was comparable with good results. Typical plants in operation have d50 of 3.0-3.15.
- The FlowSort module is capable of handling the concentrate from a 50tph module. However the sizing screen operated inefficiently and should be modified.
- In addition, a few more modifications in the DMS plant were suggested for efficient operation of the processing plant to maximize diamond recoveries.

- The processing of gravels at independent laboratory, Perth is in progress.
- Smoke Creek operations on care and maintenance during wet season.

4.3 Planned activities for March 2013 quarter:

- Completion of processing of gravels at independent laboratory, Perth



¹The term “Target” should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

² Vanderhor F (2013) “CITADEL PROJECT (E4503435); Results of Stage 1 Diamond Drilling” (internal report).

³ Hutchison D.K. (2010) et al “Paterson AEM Survey: Inversion Report, Geoscience Australia, Geocat 70297”

Competent Persons Declaration:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Barry Fehlberg, who is a Member of The Australasian Institute of Mining and Metallurgy and is a Technical Director of the Company. Mr Fehlberg 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 Fehlberg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report has also been prepared by Mr Kumar Arunachalam, who is a Member of The Australasian Institute of Mining and Metallurgy and is a General Manager (Operations) of the Company. Mr Arunachalam 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 Arunachalam consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Lynn Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate based on data and geological information supplied by Venus. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.



VENUS METALS
CORPORATION LIMITED

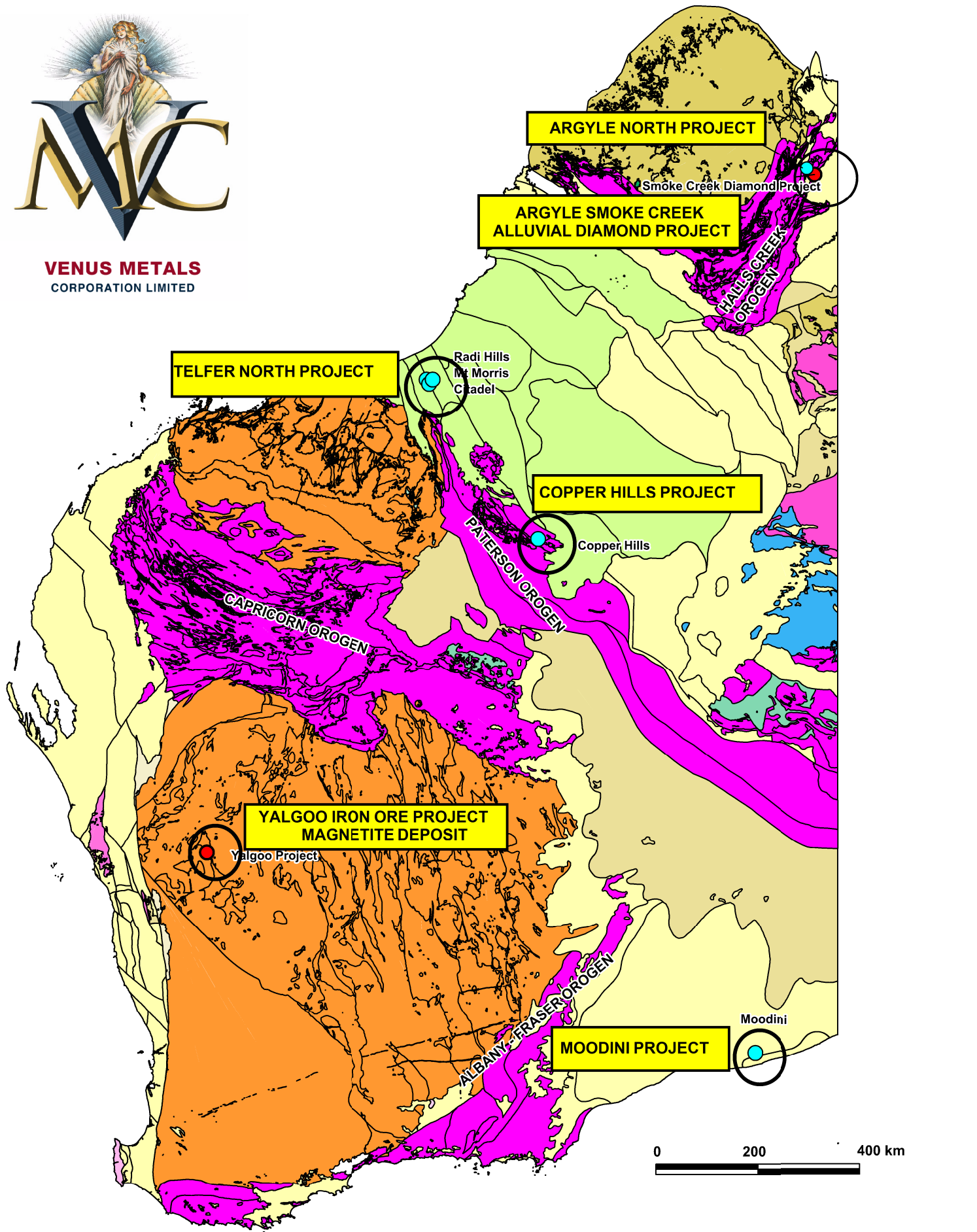


FIGURE 1. VENUS EXPLORATION PROJECTS

North Australian Craton
West Australian Craton

Proterozoic orogen

Venus Exploration Project
Venus JORC Resources

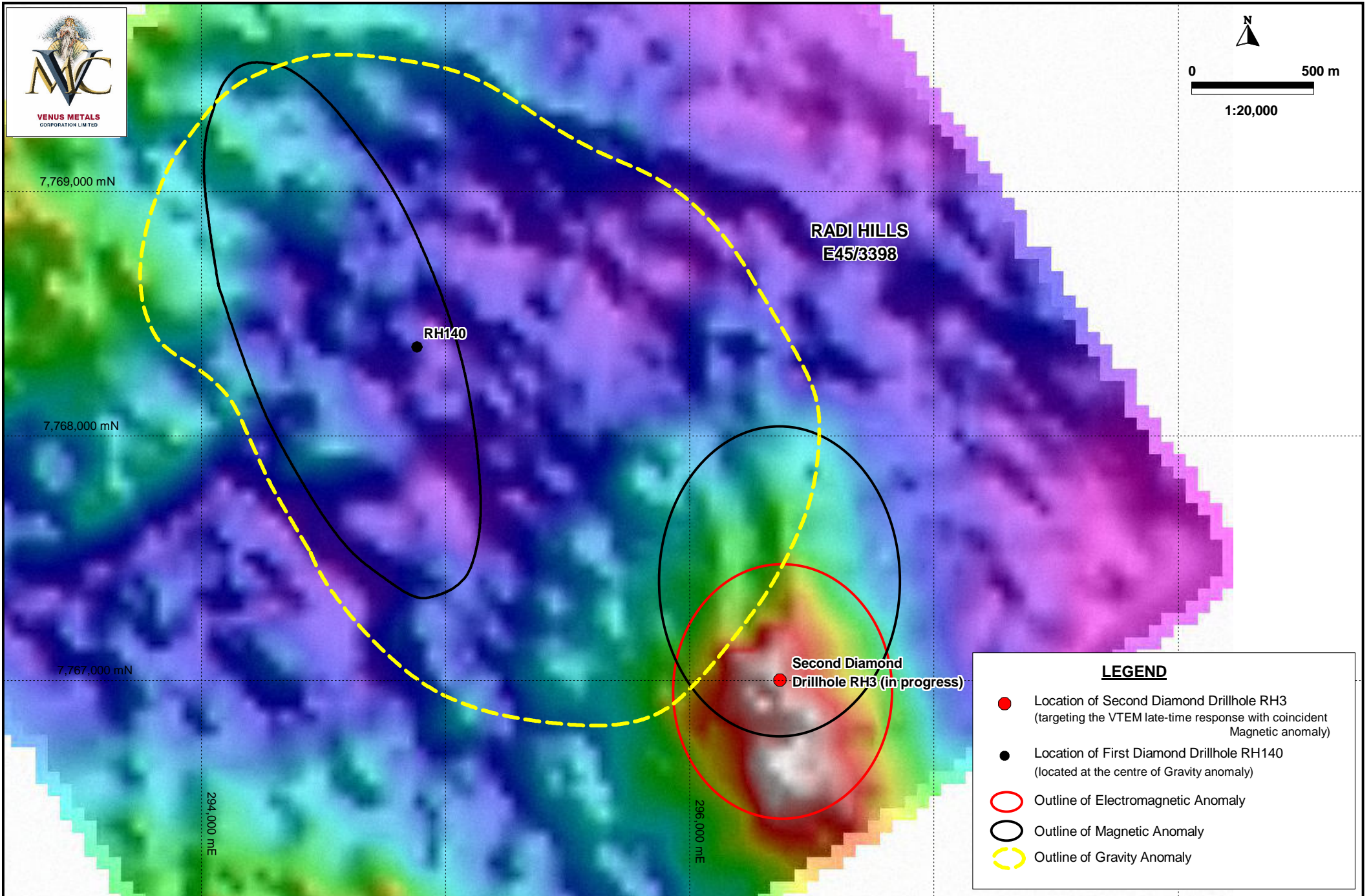


Figure 2. Location of Second Diamond Drillhole (RH3) on Electromagnetic Anomaly Map

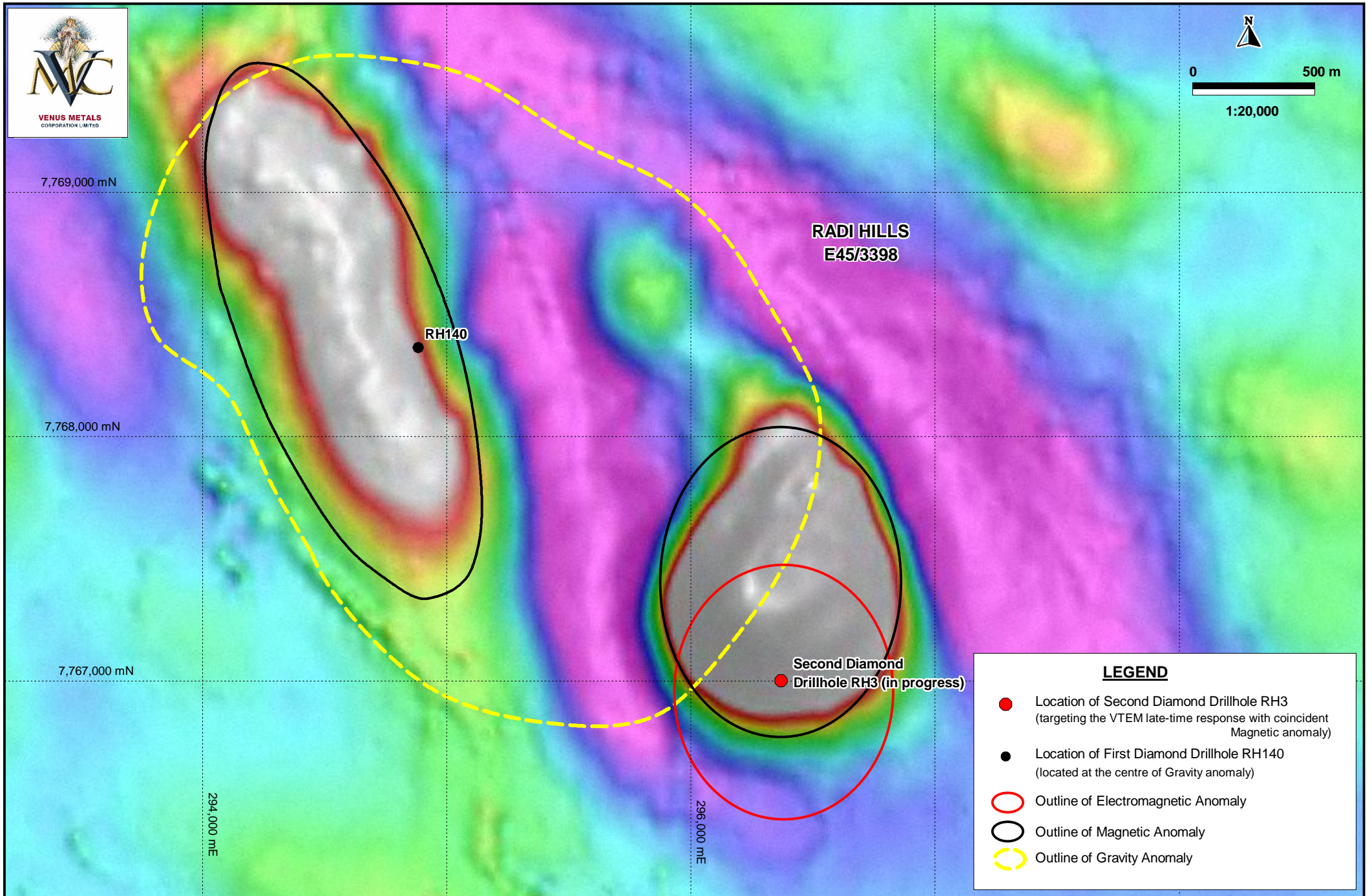
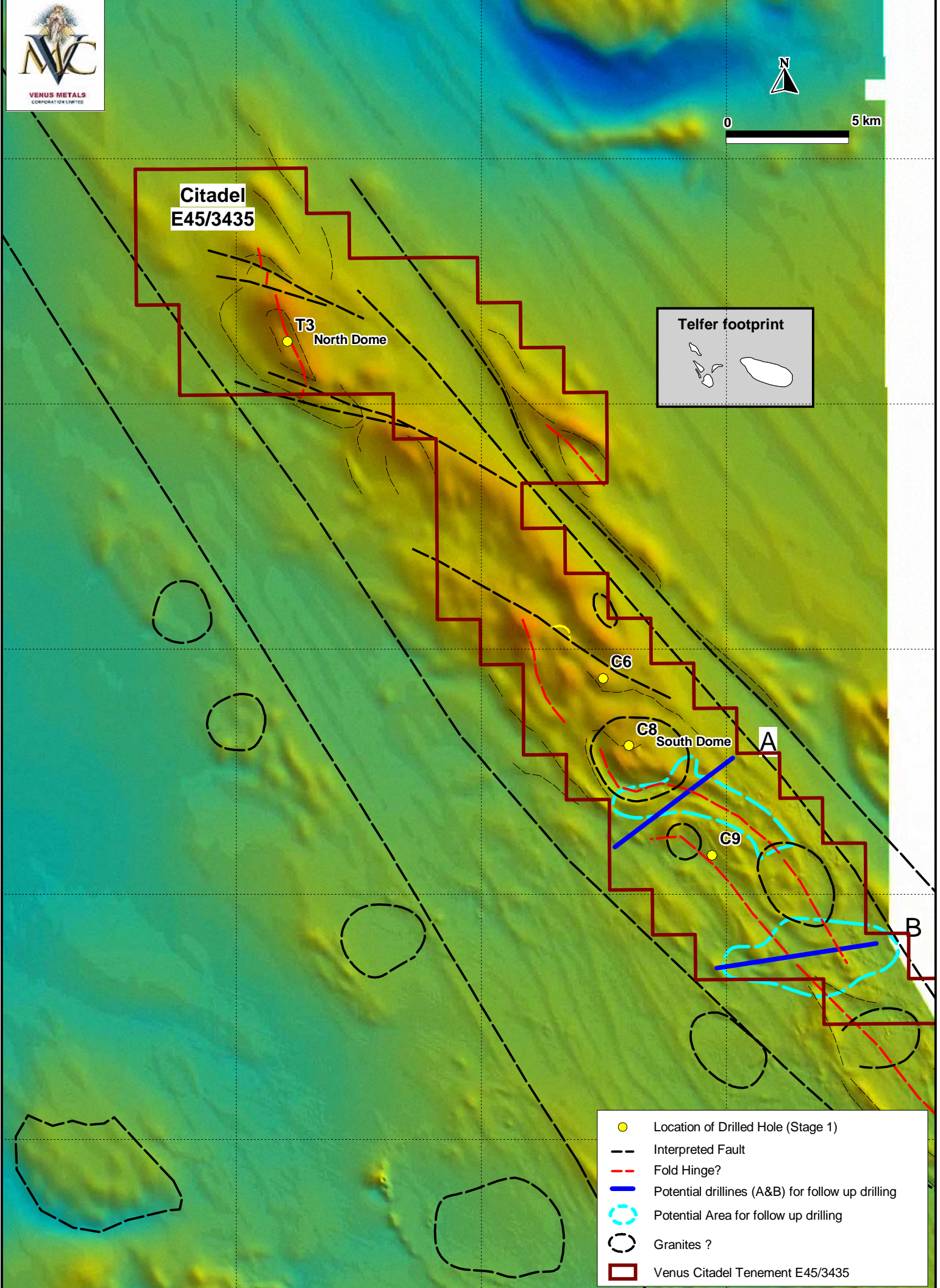



Figure 3. Location of Second Diamond Drillhole (RH3) on Aeromagnetic Anomaly Map



0 5 km

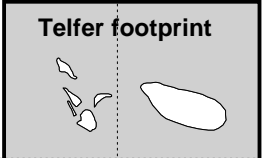
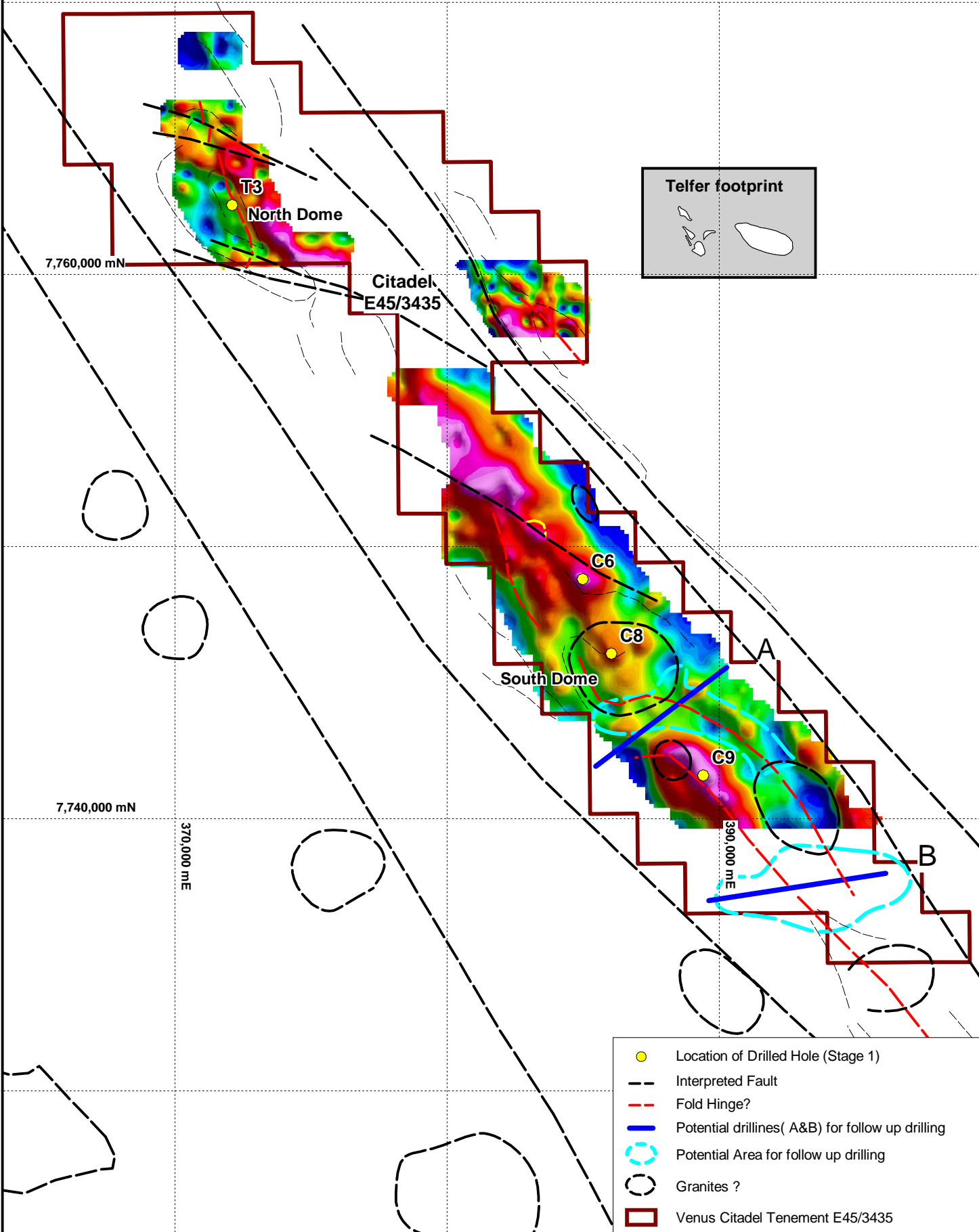
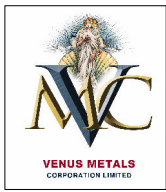


Telfer footprint



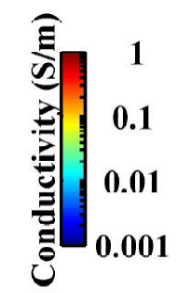
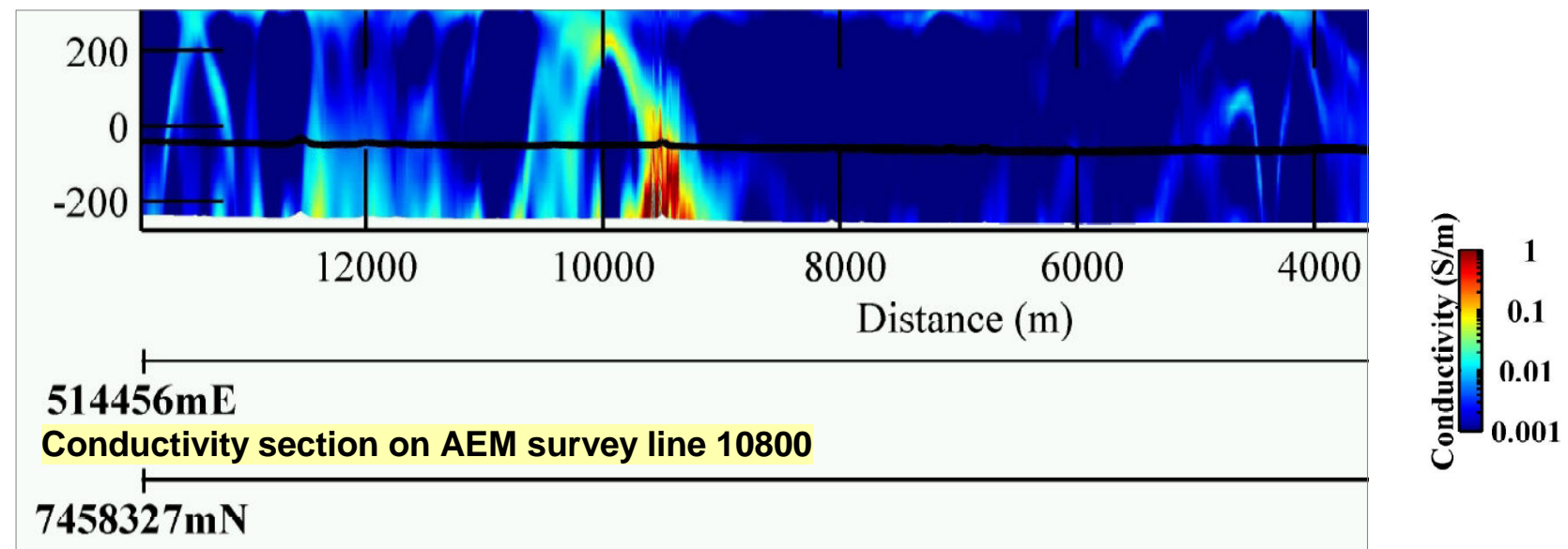
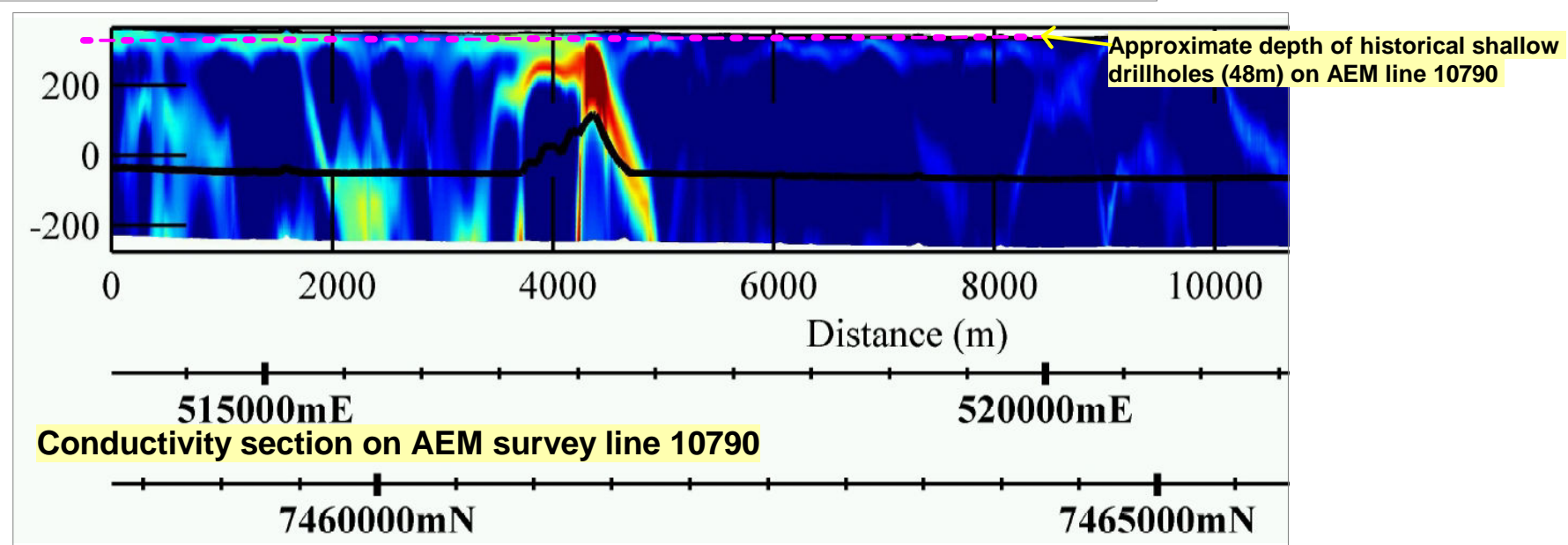
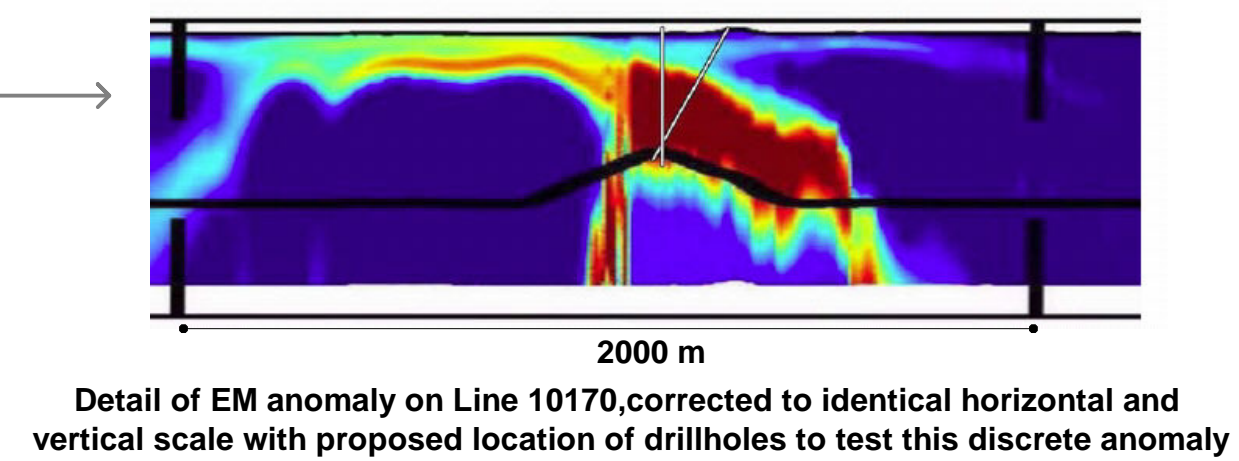
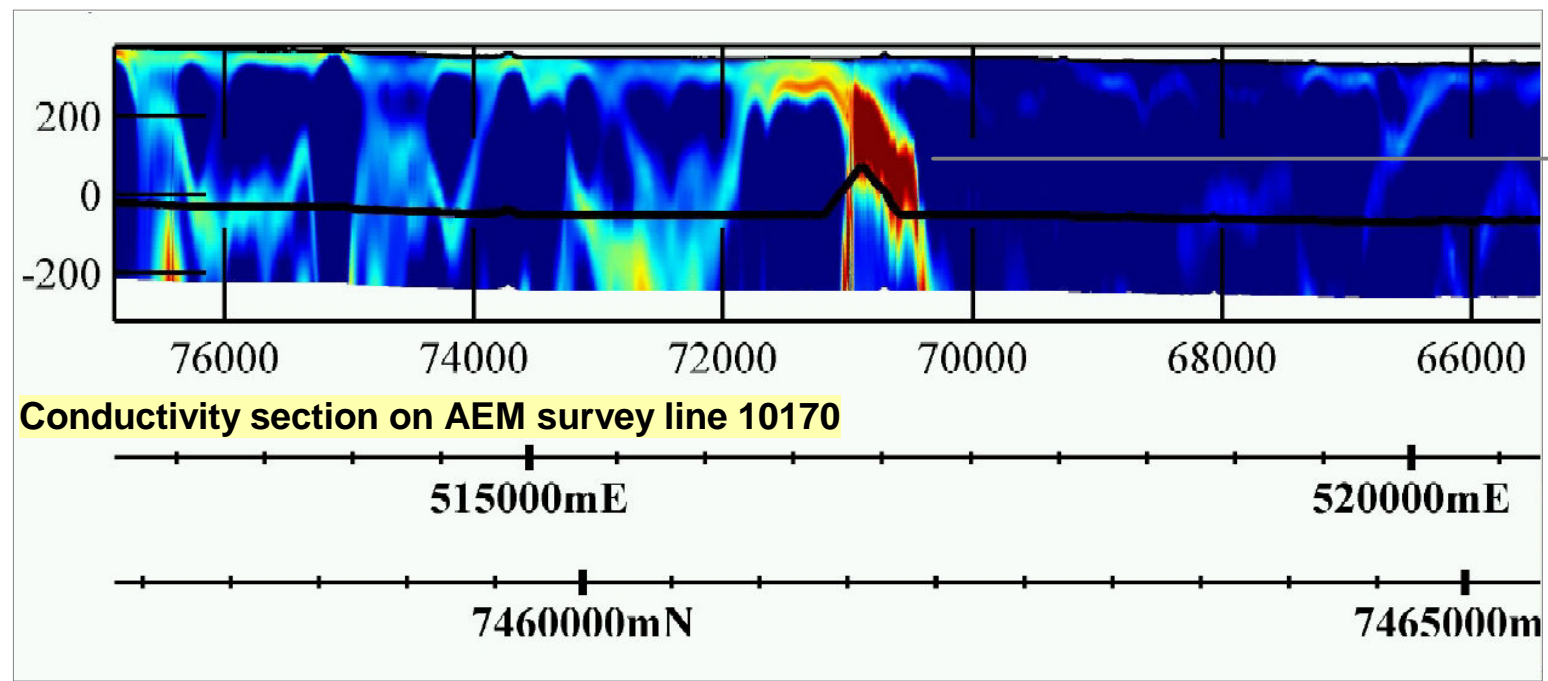
- Location of Drilled Hole (Stage 1)
- Interpreted Fault
- Fold Hinge?
- Potential drilllines (A&B) for follow up drilling
- Potential Area for follow up drilling
- Granites ?
- Venus Citadel Tenement E45/3435

Figure 4. Citadel tenement with location of drill holes and proposed drilling targets superimposed on regional aeromagnetic image



- Location of Drilled Hole (Stage 1)
- Interpreted Fault
- Fold Hinge?
- Potential drillines(A&B) for follow up drilling
- Potential Area for follow up drilling
- Granites ?
- Venus Citadel Tenement E45/3435

Figure 5. Citadel tenement with location of drill holes and proposed drilling targets superimposed on Gravity Anomaly Map



(modified from Geoscience Australia Paterson AEM survey Inversion report -70297_sections_multiplots1)

Figure 6. Conductivity Sections of Paterson TEMPEST AEM survey lines at Gaza Prospect, Copper Hills

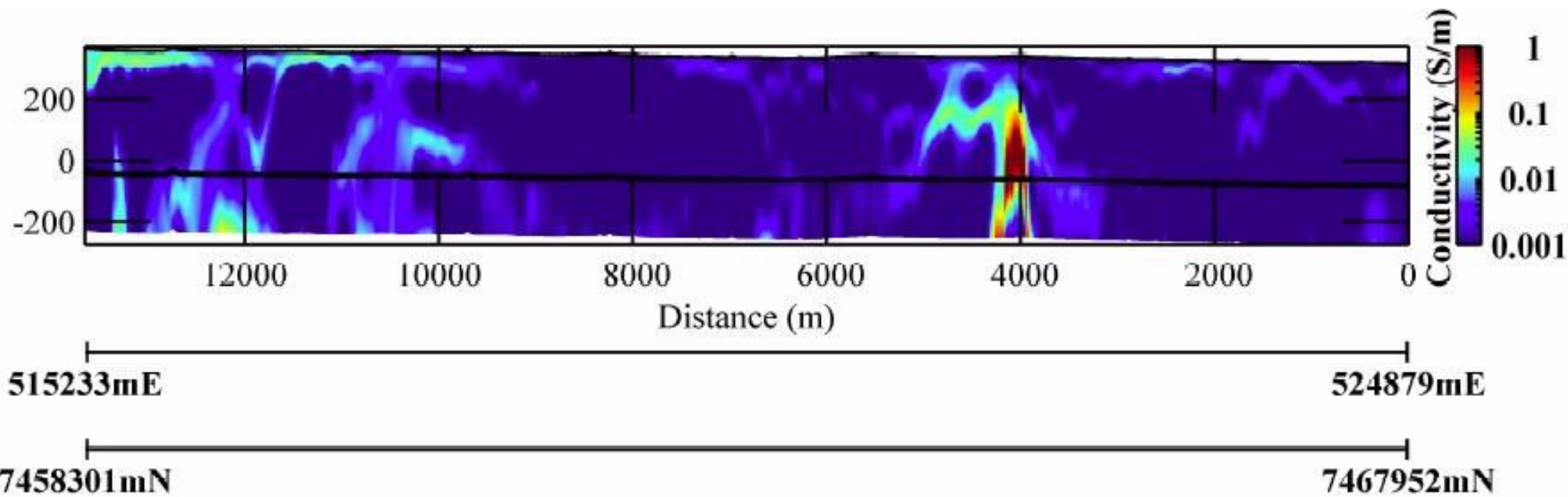


Figure 7. Conductivity Section of Paterson TEMPEST AEM survey line 10820 at PM Prospect, Copper Hills

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

VENUS METALS CORPORATION LIMITED

ABN

99 123 250 582

Quarter ended ("current quarter")

31 DECEMBER 2012

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 & evaluation	(1,426)	(1,893)
(b) development	-	-
(c) production	-	-
(d) administration	(246)	(642)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	41	75
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(53)	(60)
Net Operating Cash Flows	(1,684)	(2,520)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
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	(1)	(1)
1.13 Total operating and investing cash flows (carried forward)	(1,685)	(2,521)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,685)	(2,521)
	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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,685)	(2,521)
1.20	Cash at beginning of quarter/year to date	3,050	3,886
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,365	1,365

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	175
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' salaries, fees and superannuation.

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

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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

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+ 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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	Outflow : 250 Inflows : Tax Credit (729) Exploration Grants (145) Net inflows: (624)
Total	Net Total Inflows: (374)

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	365	50
5.2 Deposits at call	1,000	3,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,365	3,050

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		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

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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	50,582,123	50,582,123	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	2,650,000		<i>Exercise price</i> \$1.00	<i>Expiry date</i> 31 July 2013
	200,000		\$2.00	31 July 2013
	1,200,000		\$1.25	31 July 2014
	500,000		\$0.50	30 September 2013
	400,000		\$2.00	31 July 2015
7.8 Issued during quarter	500,000		\$0.50	30 September 2013
	400,000		\$2.00	31 July 2015
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				


+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (<i>totals only</i>)		
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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 give a true and fair view of the matters disclosed.

Sign here:  Date: 30 January 2013
(Company secretary)

Print name: Patrick Tan

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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+ See chapter 19 for defined terms.