



Golden West
RESOURCES LIMITED

ABN 54 102 622 051

31st January 2011

About Golden West Resources

Golden West Resources is an emerging Iron ore producer in the Midwest region of Western Australia.

To date the company has a total JORC Code compliant Hematite Resource of 147.7Mt, comprising of Measured 1.2Mt @ 61.9% Fe, Indicated 49.2Mt @ 60.5% Fe and Inferred 97.3Mt @ 58.4% Fe, making it the second largest DSO resource in the Midwest Iron Ore province.

Golden West Resources also has a JORC Code compliant gold Resource comprising of Indicated 46,000t @ 3.54 g/t Au and Inferred 3,432,000t @ 2.29g/t Au for a total 3,478,000t @ 2.31g/t Au for 258,200oz Au.

Corporate summary

ASX code: GWR
Issued Capital: 190 Million
Issued Options: 10 Million

Board and Officers

David Sanders
Non-executive chairman

John Lester
Executive director

Mick Wilson
Executive director

Tien Seng Law
Non-executive director

Gary Lyons
Non-executive director

Jun Wang
Non-executive director

Kong (Jimmy) Lee
Non-executive director

Anthony Begovich
CFO/Company secretary

Enquiries

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QUARTERLY REPORT – December 2010

HIGHLIGHTS

Corporate

- GWR completed a placement and announced a Share Purchase Plan ('SPP'). On completion of the placement GWR has in excess of \$37 million of cash .
 - The Placement involved the issue of 25 million shares at 80 cents raising a total of \$20 million.
 - The SPP is structured to allow shareholders to acquire up to \$15,000 worth of shares at a price of 80 cents per share.
 - The SPP closing date is 11th February 2011.
- The company appointed a new non-executive director to its board. Mr Jimmy Lee brings considerable mining and operational experience to the board.

Wiluna West Hematite Project

- The Company continues to make progress on its production strategy that is aligned with the Port of Esperance expansion plans.
 - GWR expects that the JWD mining proposal lodged with the Department of Minerals and Petroleum will be granted upon completion of a Section 18 application in relation to Aboriginal Heritage surveys.
 - GWR is working closely with the Central Desert Native Title Service on completing the required archaeological component which is required to finalise the Section 18 application.
- 151 RC drill holes for an aggregate of 12850m were completed during the quarter at the Bowerbird and C3 prospects.

Gold Assets

- Shareholders at GWR's November AGM approved the "spin out" of its gold assets via an in-specie distribution to shareholders. Following this approval, GWR has made significant progress towards an Initial Public Offer ('IPO') of its gold assets.

	<ul style="list-style-type: none">• In December 2010 GWR executed a Heads of Agreement (HOA) in relation to the potential acquisition of Silvrex Limited, an unlisted UK Company whose principal asset is a right to acquire a majority interest in a 636Km² gold project located in the West African country of Senegal.• 25 RC drill holes for an aggregate of 1136m were completed during the quarter at the Golden Monarch prospect. <p>Infrastructure</p> <ul style="list-style-type: none">• The Company has entered into an agreement with the Esperance Ports Sea and Land whereby GWR has been provided with a minimum 3 million tonne per annum allocation as part of the Port of Esperance expansion plans.• GWR continues to work on commencing an early stage iron ore production program as a lead in to the further development of the Port of Esperance and GWR's 3 million tonne per annum throughput allocation. Critical factors in determining the timing and scope of early stage production include the completion of the Section 18 Aboriginal Heritage survey as part of the mining proposal and resolving significant congestion at the Port of Esperance due to current capacity constraints leading to challenges in securing an economic solution for transporting GWR's iron ore to its customers. <p>Co-operation Agreement</p> <ul style="list-style-type: none">• In October 2010 GWR executed a cooperation agreement with Sinosteel Midwest Corporation in relation to co-operation on financial, operational and logistical basis for their respective DSO projects.
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CORPORATE

Capital raising

In December 2010 GWR completed a placement of 25 million ordinary shares at \$0.80 per share to raise gross proceeds of \$20.0 million.

In addition GWR is conducting a Share Purchase Plan ('SPP'). Under the terms of the SPP, shareholders have been offered the chance to apply for up to \$15,000 worth of GWR ordinary shares at a price of \$0.80 per share. The SPP has a scheduled closing date of 11th February 2011.

The proceeds raised under the Placement and the SPP are intended to be used for working capital purposes and expenditure with respect to the Company's Wiluna West Iron Ore Project.

New director

On the 8th December 2010 GWR announced the appointment of Mr Kong (Jimmy) Lee as a new non-executive director. Mr Lee currently provides mining and corporate advisory services to the mining industry, is a director of Sultan Corporation Ltd (Base Metals), and was formally a founding director of Terrain Minerals Ltd (Gold), both which are publically listed Australian companies registered and trading on the Australian Stock Exchange.

Mr Lee has significant mining knowledge and experience having worked in the industry since 1977 and has a successful track record with contract negotiations and company investment strategies.

The appointment of Mr Lee significantly enhances the GWR board's capability and is consistent with the board's long held strategy of adding mining industry experience to the board.

WILUNA WEST HEMATITE PROJECT

The Wiluna West Hematite Project consists of a JORC Code compliant Hematite Resource of 147.7Mt, comprising of Measured 1.2Mt @ 61.9% Fe, Indicated 49.2Mt @ 60.5% Fe and Inferred 97.3Mt @ 58.4% Fe, which makes it the second largest DSO resource in the Midwest Iron Ore province.

TABLE 3: Golden West Resources Limited Wiluna West Hematite Project Mineral Resource Reported above a 50% cut-off						
Classification	Tonnes (Mt)	Fe %	SiO₂ %	Al₂O₃ %	P %	LOI %
Measured	1.2	61.9	6.5	2.9	0.04	1.7
Indicated	49.2	60.5	7.2	2.6	0.05	3.3
Inferred	97.3	58.4	8.9	2.8	0.06	4.1
TOTAL	147.7	59.1	8.3	2.7	0.06	3.8

Work continues to prepare the exceptionally high-grade low-impurity hematite ore of the John William Douth (JWD) deposit for mining.

The Company has submitted a mining proposal to the Department of Mines and Petroleum (DMP). The mining proposal is currently being assessed by the DMP and once the clearing permit is approved it is expected that the mining approval will be granted, upon the approval of a Section 18 application to the Department of Indigenous Affairs. The Section 18 application relates to Aboriginal Heritage surveys. GWR is working closely with the Central Desert Native Title Service on completing the required archaeological component which is required to finalise the Section 18 application.

Metallurgical PQ diamond drilling and testwork shows that the expected lump/fines ratio will be around 70% lump with an insitu quality of 64.9% Fe and after dilution a ROM quality of 62.5% FE.

Current drilling and resource modelling are being directed at defining an initial reserve of 75Mt of DSO hematite, within the global Resource of 147Mt.

At least three deposits are expected to be mined concurrently to produce a blended product for consistent quantity and quality of ore. Initially this will be the C3, C4 and Bowerbird deposits which are the subject of the ongoing RC definition drilling. A program of metallurgical diamond drilling targeting these areas has also recently been completed. These three areas have been targeted to be upgraded to an Indicated and Measured status so as to be able to achieve a target of 75Mt of Proven and Probable Reserves for the project. All the results from the targeted drilling programs have been received and the Resource Models are being updated. The results of this exercise are expected at the end of the current quarter.

Exploration & Development

A total of 151 RC drill holes, for an aggregate of 12.850m, were completed during the December quarter (Table 4). This drilling is designed to convert Inferred Resources to Indicated Resources

TABLE 4: Golden West Resources Limited Summary of RC Drilling Completed by Deposit		
Prospect	Holes	Metres
Bowerbird	117	10,188
C3	34	2662
Total	151	12,850

Updated Resource estimations using higher cut-off grades and incorporating all of the recent drilling is now progressing on the C3 and Bowerbird prospects.

Significant RC drilling intercepts for the September Quarter are listed in Appendix 1.

GOLD ASSETS

Initial Public Offer

As approved by GWR shareholders at its November 2010 AGM, GWR proposes to transfer its Wiluna West gold assets to a wholly owned subsidiary and complete an in-specie distribution of shares in that company to all shareholders of GWR as part of an Initial Public Offer ('IPO'). The Wiluna West assets, comprising a number of gold deposits,, contain a combined (Inferred and Indicated) gold Resource of 3.48Mt @2.3g/t for 258,000 oz (comprised of indicated 46,000 t @ 3.54g/t Au and inferred 3,432,000 t @ 2.29 g/t Au).

To augment the IPO, in December 2010 GWR executed a Heads of Agreement (HOA) in relation to the potential acquisition of Silvrex Limited, an unlisted UK company.

Silvrex's principal asset is the right to acquire a majority interest in the 636 km² Dalafin Senegal Gold Project which is within the West African Birimian Greenstone Belt that already contains several multi-million ounce gold resources, including the Sabadola gold mine which opened in 2009. This project is considered to be highly prospective for gold mineralisation.

The transaction will bring to Aureus two highly experienced and well-respected mining sector executives, John Cole-Baker and Ed Slowey that will not only enhance the development of the Dalafin project but also provide access to additional West African assets in Senegal and other countries in the region, such as Mali and Mauritania.

Under the HOA, the parties have agreed to work together to seek to implement a merger by way of the IPO company acquiring all of the securities on issue in Silvrex from the shareholders of Silvrex.

Wiluna West Gold – Exploration

A 25 hole RC drilling program for 1136m was completed at the Golden Monarch deposit, with additional drilling planned for the Iron Hawk and Eagle deposits during the coming quarter.

INFRASTRUCTURE

In November GWR announced that it has entered into an allocation agreement with the Esperance Ports Sea and Land to secure a 3 million tonne per annum throughput allocation as part of the Port of Esperance expansion. This is a significant progression for the Company as the development of the Port of Esperance will enable larger volumes to be put through and be economically beneficial to all.

During calendar year 2010 GWR made significant progress towards completing the many requirements to commence an iron ore production program from the JWD high grade Hematite deposit at Wiluna West, as a lead in to the further development of the Port of Esperance and GWR's 3 million tonne per annum throughput allocation.

A mining proposal has been submitted, Native Title agreement has been signed, pit design and optimisation has been completed and metallurgical test work has commenced.

Outstanding matters include the completion of the Section 18 Aboriginal Heritage survey as part of GWR's mining proposal and a commercial solution to address port and associated infrastructure access given the current congestion at the Port of Esperance leading to challenges in securing an economic solution for transporting GWR's iron ore to its customers.

CO-OPERATION AGREEMENT

In October 2010, GWR executed a cooperation agreement with Sinosteel Midwest Corporation in relation to co-operation on financial, operational and logistical basis for their respective DSO projects.

APPENDIX 1: GOLDEN WEST RESOURCES LIMITED SUMMARY OF SIGNIFICANT RC INTERCEPTS													
Hole Number	Northing	Easting	Deposit	Azi/Dip	Hole Depth	From	To	Intercept	Fe (%)	SiO2(%)	Al2O3	P	LOI
WWRC2635	7038550	794415	BB	90/-60	98	6	11	5	56.3	10.5	4.9	0.05	3.8
and						15	19	4	56.7	8.9	5.1	0.07	4.2
WWRC2636	7038550	794395	BB	90/-60	128	26	30	4	58.7	10.0	3.3	0.05	2.7
WWRC2637	7038650	794465	BB	90/-60	50	14	32	18	61.6	4.7	3.4	0.05	3.4
WWRC2638A	7038650	794441	BB	90/-60	74	52	63	11	58.0	12.4	2.3	0.05	2.2
WWRC2639	7038650	794425	BB	90/-60	98	1	11	10	57.9	8.5	3.6	0.04	4.8
WWRC2640	7038650	794405	BB	90/-60	122	17	29	12	61.6	4.3	2.8	0.06	4.3
and						33	37	4	63.5	3.7	2.8	0.05	2.3
WWRC2641	7038750	794470	BB	90/-60	50	22	29	7	62.3	4.4	3.1	0.05	3.1
WWRC2643	7038850	794470	BB	90/-60	44	11	18	7	62.0	4.9	2.6	0.06	3.3
WWRC2644	7038850	794450	BB	90/-60	68	38	51	13	61.8	4.8	3.5	0.06	2.9
WWRC2645	7038950	794465	BB	90/-60	44	10	24	14	59.8	5.9	4.7	0.04	3.4
WWRC2646	7039050	794475	BB	90/-60	44	16	23	7	63.0	4.9	3.2	0.02	1.5
WWRC2648	7039150	794470	BB	90/-60	68	42	46	4	62.2	6.5	2.8	0.02	1.5
and						53	64	11	59.4	7.4	4.8	0.01	2.5
WWRC2649	7038700	794410	BB	90/-60	110	21	28	7	58.1	9.4	3.2	0.06	3.8
WWRC2651	7038750	794410	BB	90/-60	128	0	6	6	54.6	13.7	3.6	0.03	4.1
and						45	49	4	60.0	6.1	3.8	0.07	3.6
WWRC2652	7038850	794430	BB	90/-60	104	10	22	12	59.7	6.2	4.1	0.01	3.7
and						26	32	6	61.1	6.8	2.8	0.04	2.7
WWRC2653	7038850	794410	BB	90/-60	128	35	49	14	63.3	4.9	2.0	0.01	2.2
WWRC2655	7040750	794370	BB	90/-60	92	58	65	7	63.2	4.7	2.0	0.11	2.3
WWRC2656	7040650	794460	BB	90/-60	44	14	23	9	59.6	6.5	4.8	0.07	2.9
WWRC2657	7040650	794440	BB	90/-60	62	42	47	5	61.2	5.4	4.1	0.10	2.4
WWRC2658	7040650	794420	BB	90/-60	92	15	20	5	61.0	5.1	3.8	0.02	2.6
and						28	40	12	63.1	4.6	3.3	0.02	1.5
and						74	81	7	64.1	3.9	2.6	0.07	1.4
WWRC2659	7040650	794400	BB	90/-60	110	56	62	6	63.2	4.5	2.8	0.04	1.9
WWRC2660	7040650	794360	BB	90/-60	122	44	51	7	61.3	10.3	0.7	0.04	0.9
and						108	114	6	59.5	9.7	3.1	0.03	1.5
WWRC2661	7040550	794450	BB	90/-60	80	6	18	12	61.0	7.0	3.1	0.03	2.2
and						60	64	4	56.7	8.5	1.4	0.35	7.8
WWRC2662	7040550	794430	BB	90/-60	104	51	58	7	61.0	11.1	0.7	0.04	0.8
and						60	64	4	65.7	4.6	0.6	0.05	0.6
and						86	92	6	53.6	19.5	1.5	0.08	1.9
WWRC2664	7040450	794457	BB	90/-60	92	65	69	4	54.6	16.2	0.5	0.21	4.9
WWRC2666	7041600	794385	BB	90/-60	104	3	14	11	58.3	9.0	3.7	0.04	3.2
WWRC2667	7041750	794405	BB	90/-60	74	27	32	5	63.0	4.2	3.1	0.10	2.3
and						51	58	7	56.5	14.0	2.6	0.06	2.3
WWRC2668	7041750	794370	BB	90/-60	110	89	96	7	57.4	11.7	3.4	0.07	2.0
WWRC2669	7041700	794385	BB	90/-60	77	34	42	8	61.4	5.1	2.9	0.07	3.7
and						60	69	9	64.9	3.7	1.9	0.05	1.3
WWRC2670	7041650	794385	BB	90/-60	92	27	33	6	61.6	5.1	3.5	0.05	2.7
and						39	51	12	63.1	4.0	3.4	0.06	2.1

WWRC2672	7041550	794377	BB	90/-60	80	5	15	10	55.1	10.5	5.5	0.04	4.5
and						40	47	7	62.5	4.7	3.6	0.03	2.0
and						73	80	7	54.3	21.1	0.6	0.03	0.4
WWRC2673	7041550	794347	BB	90/-60	110	89	97	8	54.1	15.5	3.4	0.09	3.4
WWRC2674	7041100	794410	BB	90/-60	62	55	62	7	64.5	2.9	2.1	0.08	2.4
WWRC2675	7040950	794430	BB	90/-60	74	30	37	7	59.0	7.9	4.3	0.04	2.9
WWRC2676	7040350	794460	BB	90/-60	80	52	64	12	64.6	2.3	2.0	0.06	2.7
WWRC2677						8	16	8	62.2	4.7	3.3	0.03	2.4
and	7040350	794440	BB	90/-60	110	24	34	10	63.7	3.1	2.3	0.06	3.1
and						85	101	16	64.3	3.5	2.4	0.09	1.7
WWRC2678	7040250	794450	BB	90/-60	98	14	28	14	63.2	4.0	2.1	0.04	3.3
and						78	87	9	67.3	1.6	1.1	0.03	0.8
and						88	92	4	63.8	4.0	3.0	0.02	1.4
WWRC2679	7040200	794433	BB	90/-60	134	16	30	14	59.0	6.2	5.6	0.03	3.3
and						38	55	17	62.3	5.7	3.1	0.02	1.8
and						111	125	14	62.4	5.8	2.8	0.04	1.6
WWRC2680	7040140	794465	BB	90/-60	86	15	21	6	58.5	8.1	4.7	0.02	3.2
and						68	86	18	66.6	2.1	1.2	0.04	1.3
WWRC2682	7039950	794470	BB	90/-60	86	0	10	10	61.4	6.2	2.4	0.02	3.4
and						62	70	8	66.4	1.6	1.3	0.03	1.7
WWRC2683	7040050	794477	BB	90/-60	86	6	15	9	57.7	9.7	3.5	0.03	4.1
and						63	77	14	64.1	3.6	2.9	0.02	1.6
WWRC2684	7040050	794460	BB	90/-60	104	9	13	4	54.1	8.7	8.0	0.02	5.4
and						27	40	13	61.2	5.9	3.2	0.05	3.2
and						44	53	9	64.7	4.2	1.3	0.06	1.7
and						87	96	9	65.3	3.1	2.3	0.02	1.0
WWRC2685	7039950	794450	BB	90/-60	116	7	21	14	55.6	8.5	6.8	0.03	4.3
and						90	108	18	62.9	4.0	3.3	0.06	2.3
WWRC2686	7039855	794460	BB	90/-60	98	24	32	8	61.2	5.8	3.8	0.02	2.6
and						82	91	9	62.9	4.0	3.0	0.07	2.7
WWRC2687	7039850	794440	BB	90/-60	134	73	78	5	62.1	7.5	1.0	0.05	2.1
and						114	124	10	61.2	7.3	2.5	0.10	2.4
WWRC2688	7039800	794440	BB	90/-60	129	19	27	8	57.4	10.7	4.4	0.01	2.5
and						72	78	6	63.1	3.7	2.1	0.02	3.6
and						106	115	9	61.7	4.5	3.5	0.10	3.2
WWRC2689	7039750	794475	BB	90/-60	74	20	29	9	61.0	5.8	3.3	0.05	3.4
and						31	36	5	64.8	2.6	2.1	0.04	2.3
WWRC2690	7039750	794455	BB	90/-60	104	17	24	7	58.7	13.8	0.9	0.03	1.1
and						51	58	7	57.9	8.9	3.2	0.11	4.6
WWRC2691	7039750	794440	BB	90/-60	104	36	44	8	60.4	10.2	1.2	0.03	2.1
and						49	53	4	56.0	12.3	3.5	0.04	3.9
and						65	71	6	60.3	10.0	0.5	0.07	2.9
and						77	81	4	55.9	15.1	2.2	0.05	2.3
WWRC2693	7039650	794425	BB	90/-60	92	25	30	5	57.9	8.7	5.5	0.02	2.7
WWRC2694	7039550	794470	BB	90/-60	92	15	20	5	56.6	12.3	3.0	0.02	3.4
and						23	34	11	66.3	2.5	1.3	0.02	1.3
WWRC2695	7039550	794450	BB	90/-60	116	47	52	5	62.1	8.2	1.3	0.01	1.4
WWRC2696	7039450	794480	BB	90/-60	104	11	19	8	56.8	11.6	4.6	0.01	2.6
and						21	25	4	57.9	10.9	4.0	0.01	2.2

WWRC2697	7039350	794500	BB	90/-60	80	9	13	4	52.1	18.2	4.0	0.03	3.0
WWRC2699	7039350	794460	BB	90/-60	128	57	64	7	53.2	19.8	0.2	0.01	0.9
WWRC2700	7039300	794460	BB	90/-60	128	49	56	7	63.4	6.7	0.8	0.02	1.4
WWRC2701	7039250	794480	BB	90/-60	92	14	41	27	57.4	10.1	3.9	0.01	3.6
WWRC2702	7039250	794460	BB	90/-60	128	61	65	4	63.8	3.7	2.3	0.04	2.5
and						109	113	4	60.3	9.5	2.0	0.03	1.4
WWRC2704	7039150	794450	BB	90/-60	104	3	12	9	61.4	7.5	2.6	0.01	1.8
and						16	23	7	58.9	5.4	5.7	0.02	3.7
and						85	89	4	58.0	12.3	2.0	0.02	2.3
WWRC2705	7039100	794420	BB	90/-60	134	58	70	12	64.2	5.5	0.9	0.01	1.6
and						119	132	13	61.3	6.9	3.1	0.03	1.6
WWRC2706	7039100	794380	BB	90/-60	140	44	48	4	59.0	6.1	4.9	0.03	4.1
and						104	113	9	65.7	3.5	0.5	0.02	1.9
WWRC2707	7039050	794435	BB	90/-60	98	20	32	12	62.2	3.6	3.6	0.02	3.2
and						74	82	8	64.0	4.3	2.5	0.03	1.3
WWRC2708	7039050	794415	BB	90/-60	134	18	23	5	61.4	6.7	2.7	0.03	2.3
and						56	60	4	63.7	4.4	2.2	0.02	1.7
and						65	70	5	59.1	9.3	2.9	0.04	2.8
and						111	119	8	61.2	8.4	2.3	0.02	1.3
WWRC2709	7038950	794445	BB	90/-60	86	0	7	7	55.0	13.5	4.5	0.01	3.0
and						10	14	4	58.2	8.7	4.7	0.03	3.2
and						43	54	11	64.2	1.7	3.2	0.06	3.1
and						55	59	4	63.3	3.1	2.7	0.04	3.5
WWRC2710	7038950	794425	BB	90/-60	110	26	36	10	61.9	3.9	3.5	0.04	3.6
and						74	93	19	62.9	5.2	1.7	0.08	2.7
WWRC2711	7038900	794400	BB	90/-60	134	34	38	4	59.6	7.1	4.6	0.01	2.5
and						42	52	10	64.1	3.8	2.3	0.03	1.7
WWRC2713	7039700	794430	BB	90/-60	122	5	9	4	58.5	7.9	4.2	0.02	3.7
and						62	70	8	55.2	13.7	2.2	0.01	2.4
WWRC2715	7041300	794335	BB	90/-60	80	63	76	13	66.1	2.2	0.9	0.05	2.0
WWRC2716	7041100	794390	BB	90/-60	134	15	41	26	61.4	5.7	3.5	0.06	2.6
and						47	51	4	55.3	15.7	3.0	0.05	1.6

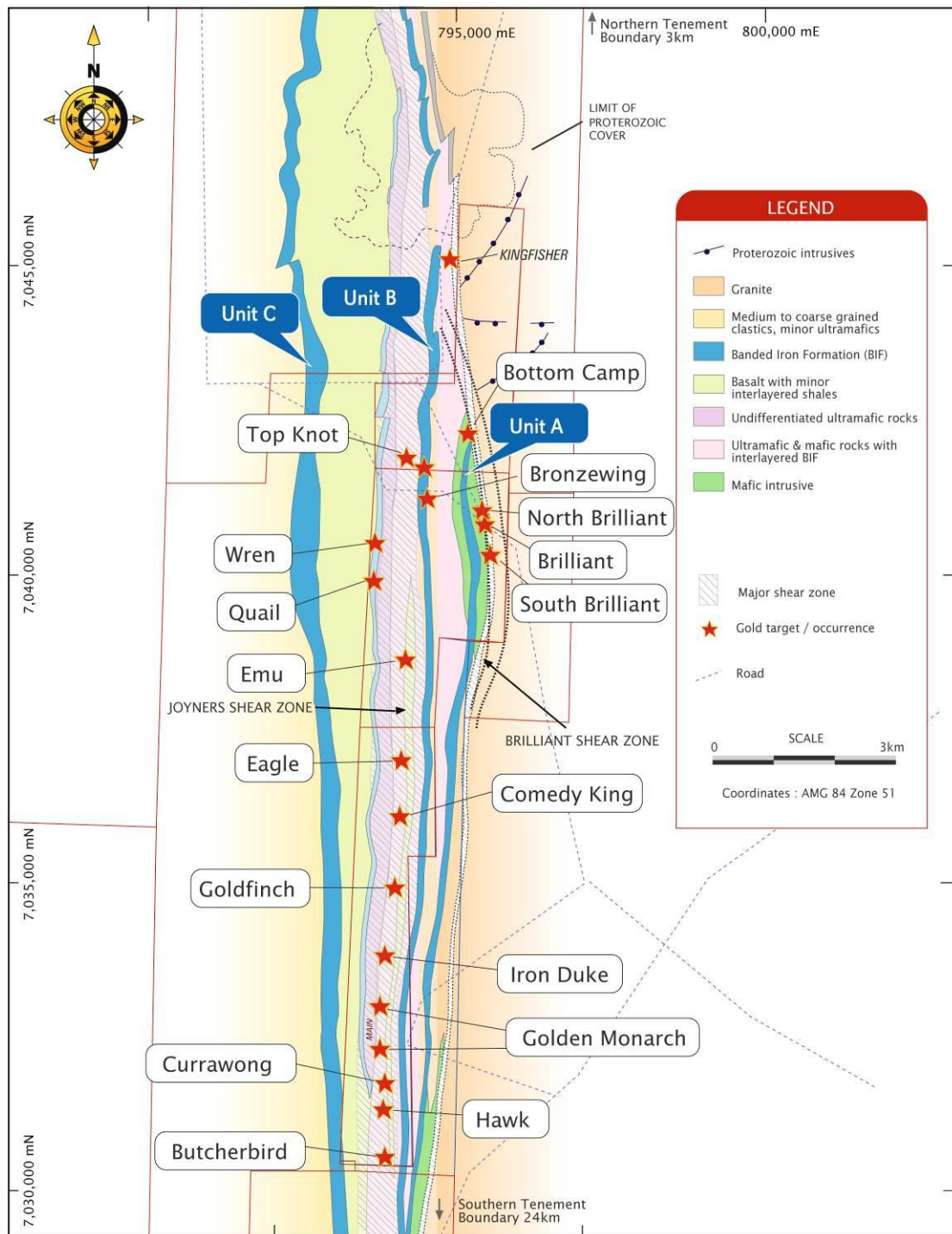


Figure 1: Project Site Map



Figure 2: Project Location

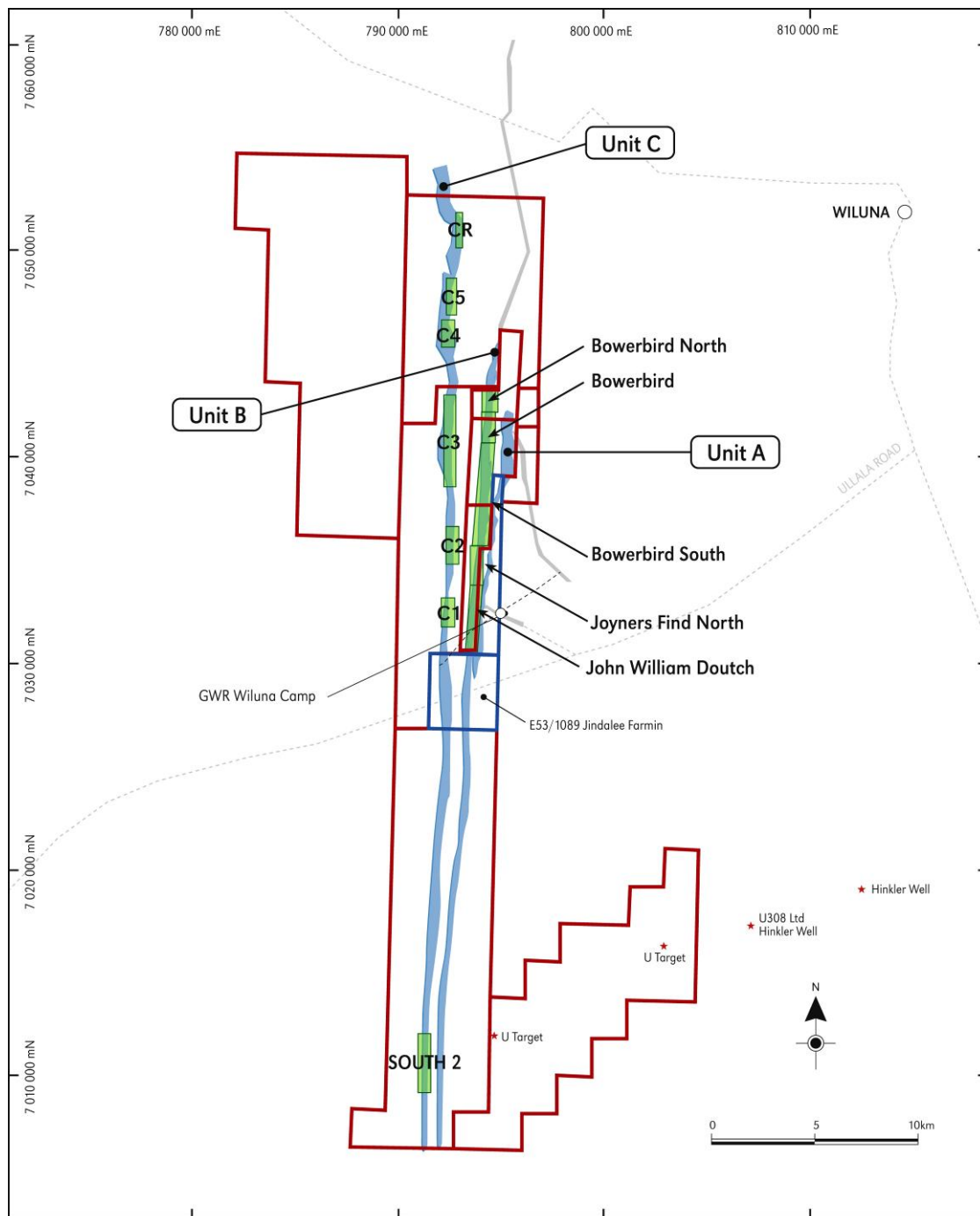


Figure 3: Wiluna West Project

Competent Person's Statement

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years experience in exploration and mining in a variety of mineral deposit styles. Mr Maynard 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 Maynard consents to 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

Name of entity

Golden West Resources Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

		Current quarter (3 month's) \$A'000	Year to date (6 month's) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(3,682)	(6,779)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,137)	(1,993)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	394	553
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(4,425)	(8,219)
Cash flows related to investing activities			
1.8	Payment for (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(33)	(184)
1.9	Proceeds from (a) prospects	200	200
	(b) equity investments	-	-
	(c) other fixed assets	2	2
1.10	Loans to other entities	(115)	(138)
1.11	Loans repaid by other entities	83	114
1.12	Other (provide details if material)	-	99
Net investing cash flows		137	93
1.13	Total operating and investing cash flows (carried forward)	(4,287)	(8,126)

1.13	Total operating and investing cash flows (brought forward)	(4,287)	(8,126)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	20,000	37,176
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 (capital raising costs)	-	(880)
	Net financing cash flows	20,000	36,296
	Net increase (decrease) in cash held	15,712	28,170
1.20	Cash at beginning of quarter/year to date	21,578	9,120
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	37,290	37,290

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	215
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of fees, salaries and superannuation to the directors of the Company during the quarter.	

Non-cash financing and investing activities

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

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

Financing facilities available

	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	3,056
4.2 Development	-
4.3 Production	-
4.4 Administration	1,334
Total	4,390

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.		Curent quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	20,757	1,555
5.2	Deposits at call	16,533	20,023
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		37,290	21,578

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	E53/1159 100%	100%	-
	relinquished, reduced or lapsed	E53/1455 100%	100%	-
		E53/1456 100%	100%	-
		E53/1457 100%	100%	-
		E53/1458 100%	100%	-
6.2	Interests in mining tenements acquired or increased	E53/1513 100%	-	100%

Issued and quoted securities at end of current quarter

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
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	189,606,127	189,606,127		
7.4	Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs	25,000,000	25,000,000		
7.5	⁺Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	10,250,000	-	Exercise price \$3.00	Expiry date 31 Dec 2011
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	18,013,879	18,013,879	\$2.00	31 Dec 2010
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date:

31 January 2010

Print name:

(Company secretary)
Mr Anthony Begovich

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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