



REPUBLIC GOLD LIMITED

("Republic" or "Company") (ASX: RAU)

QUARTERLY REPORT – 1 OCTOBER TO 31 DECEMBER 2010

HIGHLIGHTS

The December Quarter 2010 was an important period for Republic Gold Limited (ASX: RAU), with a number of significant developments recorded during the period. During the Quarter, the Company progressed its activities at the Company's flagship project, the Amayapampa Gold Project in Bolivia, and the board of Republic is pleased to advise shareholders that first production is targeted for mid calendar 2012. Most importantly, the Company completed the NI 43-101 Compliant Technical Report (announced 21 January 2011) and continued financing discussions.

Bolivia – Significant Progress at the Amayapampa Gold Project

- ◆ Appointment of General Manager – Bolivia.
- ◆ Completion of the NI 43-101 Compliant Technical Report.
- ◆ Discussions with debt financing institutions and funding continued.
- ◆ The highly prospective northern zone and inferred resources in and below the pit are to be targeted for life of mine extension from the current 8 years to and beyond 10 years.
- ◆ Drilling program for exploration of prospects in the immediate vicinity of the open pit to look for further extensions to project life of mine and drilling program to be undertaken.

Australian Projects under Review

- ◆ Hodgkinson Basin (Qld) projects - options to farm-out or divest its Australian properties being considered.
- ◆ Burruga buy back option and management agreement relinquished.

Corporate

- ◆ Share Purchase Plan successfully completed raising \$4M.
- ◆ Annual General meeting held 2 November 2010.
- ◆ Ongoing review of Australian projects and options to farm-out or divest with overall objective to focus on Bolivia.
- ◆ Resignation of Managing Director.
- ◆ Change of registered office.
- ◆ Securities Trading Policy released.
- ◆ Cash at the end of the Quarter was AU\$2.7M.

AMAYAPAMPA GOLD PROJECT – BOLIVIA

During the Quarter, the Company continued to progress plans on development and construction at the Amayapampa Gold Project (“Amayapampa” or the “Project”) in Bolivia, with first production targeted for mid 2012. Work including completing the NI 43-101 Compliant Technical Report, continuation of financing discussions, appointment of a General Manager of Operations and design of a drilling program.

Figure 1 shows the location of Amayapampa.

General Manager - Bolivia

Mr Victor Barua was appointed to the position of General Manager - Bolivia. This critical and significant appointment flags the beginning of the transition from exploration into development at Amayapampa.

Mr Barua has been a Senior Manager with extensive professional and operating experience of more than 25 years, working in 7 mining environments around the world, all of which have been open pit gold and copper operations for multinational corporations in Australasia and South America. These include BHP Billiton, Southern Peru Copper and more recently Newmont.

NI 43-101 Compliant Technical Report

On 21 January 2011, the Company announced that AMC Consultants (Canada) Ltd (“AMC”) has completed a technical audit of the Company’s BFS for the Amayapampa Gold Project (“Amayapampa” or “Project”) and prepared a Canadian National Instrument 43-101 Technical Report (43-101).

The completion of the 43-101 Technical Report for Amayapampa is a key step to Republic Gold being able to vigorously pursue its capital raising efforts in the North American equity markets.

As part of this independent and comprehensive review, no material flaws were found in the Company’s recently announced BFS. Other items identified are capable of being addressed and solved to the Company’s advantage during the implementation process.

The full 43-101 report is available on the Company’s web site.

Key highlights include:

- Final mineral resources confirmed at 1,280,000 ounces
- Ore reserves confirmed at 787,300 ounces
- Start-up project capital required confirmed at \$136M
- Average cash costs at \$444 per ounce
- Base case Net Present Value of \$105M

Directors are confident that there will be further upside during project implementation

Detailed pit optimisation, design and mine scheduling were all underway during the AMC audit and this development work was included in the final 43-101 Technical Report. The detailed mining schedule adds confidence and further credibility to the key final Project metrics.

The varying mining capacity required highlighted the prospect of engaging a mining contractor in preference to purchasing a mining fleet. This is reflected in much of the mining capital requirement being deferred and resulting in an upfront project capital requirement of \$136M, which includes a 15% contingency for the process facility. Current estimates would suggest a reduction of around \$10M to the life of mine capital cost should a contract mining fleet be engaged.

AMC outlined risks and opportunities that the Company is now addressing and the directors are confident this should lead to further upside being realized.

Some of the recommendations result from further detailed information being prepared and analysed. One recommendation relating to slope stability, led to a more conservative pit wall angle being used than would be usual for this geological environment. Further geotechnical work should see steeper pit slopes being employed resulting in less waste and more ore being mined. Along with the steeper pit angle anticipated, the next round of

pit optimisation will employ a revised gold price, (the current 3 year average price would add about \$100 to the previously used price) and again would see more ore being mined from a deeper optimised pit.

Another area where clear improvements are expected is in the metallurgical recovery modelling whereby the most recent models are yet to be implemented. The new models, using more recent test-work results at average mine grades, show significantly better recovery in the near surface oxide ore types. Implementing these models will give increased gold production in the early stage production and therefore improve on the Project economics.

Exploration and Drilling

The Company announced on 27 January 2011 that a drilling program at Amayapampa will commence in Q1 2011. This program is designed to enhance estimates of early production mill feed.

Reverse circulation (RC) and Diamond core (DD) drilling will be undertaken to refine the ore type tonnage estimates that will be mined at the start of production. With the latest metallurgical modelling showing a greatly improved recovery from the oxide ore types, it is beneficial to increase the confidence of predicting the quantities of each ore type to be mined.

To better define the oxidation profiles, approximately one drill-hole every 50 meters for a total of 16 drill-holes is planned. The mostly vertical drill-holes will also source samples for further metallurgical test-work for the transition ore type. To aid in this effort, a re-logging program that commenced last year will conclude shortly. The re-logging was undertaken to ensure the oxidation modelling is consistent between the differing drilling campaigns.

The drilling program follows the completion of a technical audit of the Company's Bankable Feasibility Study for the Project by AMC Consultants (Canada) Ltd ("AMC") and their subsequent preparation of a Canadian National Instrument 43-101 Technical Report (43-101) for the Project. The Company views the completion of the 43-101 Technical Report for Amayapampa as a key step to Republic being able to vigorously pursue its capital raising efforts in the North American equity markets. Having the 43-101 in place has also given extra comfort to the board and management for fast-tracking drilling campaigns and other development initiatives planned for the mine

A larger drilling program is planned for the district as the prospectivity in the immediate vicinity of Amayapampa offers exciting potential. This drilling program will focus on a resource enhancement phase of drilling at the Project and will seek to both optimise the current mineral resource and explore possible extensions to the ore body with the primary aim of increasing the Ore Reserves.

Financing

During the Quarter, the Company continued discussions on a proposed structured and staged project financing of Amayapampa and opportunities available in Canada and Bolivia. The Canadian equity capital markets present a valuable opportunity for Republic to tap into buoyant investor appetite for low cost Latin American gold mining projects. Opportunities to be considered include multi-lateral agencies, equipment fleet financiers and local equity participation.

Sources of funds, amounts and timeframes for the Company's funding strategy for the Project are being considered.

- **Short-term funding** – recent placement and underwritten Share Purchase Plan by Patersons Securities Limited successfully raised \$6M for developing the Project and for working capital purposes.
- **Medium-term funding** – Jennings Capital Inc has been appointed to raise equity of sufficient size to allow the Company to commence construction of the Amayapampa Project.
- **Longer-term funding** – BDP appointed to structure and arrange a Bolivian bond issue to raise up to US\$100m to complete construction and commence gold production. The administrative and regulatory approval process in Bolivia is expected to take approximately six months.

This strategy for funding will minimize the time to production, with long lead items currently being identified for placement of orders upon successful completion of medium-term funding.

AUSTRALIA BASED PROJECTS

The Company continues to review all options to farm-out or divest its Australian properties in line with the overall objective to focus on the Amayapampa Gold Project and free-up management and resources to ensure the Company's flagship gold project in Bolivia is brought into production.

Hodgkinson Basin Projects (Queensland)

The Board considers Hodgkinson Basin to be prospective for gold and anticipates a high level of interest from within the Australian and Queensland mining sector in this asset, as supported by the results of recent work completed at the project.

No fieldwork was undertaken on the Queensland projects during the Quarter.

Figure 2 shows the Company's Hodgkinson Basin tenements. The Company's Resource equity share of the Far North Queensland ("FNQ") projects totals 536,000 ounces of gold and 8,000 tonnes of antimony.

Kangaroo Creek Tin Project (Queensland)

Work During the Quarter

The Company has a Joint Venture with Staldor Mining Pty Limited ("Staldor Mining") to explore and mine on a series of granted exploration and mining leases and lease applications that are highly prospective for tin and other heavy minerals in and around Kangaroo Creek in FNQ. Kangaroo Creek is located south-west of Chillagoe, outside of the Hodgkinson Basin.

Subsequent to the Quarter, the Company and Staldor Mining have entered into an Option Deed and Sale agreement to dispose of the Kangaroo Creek Tin Project. The Option Deed allows the purchaser to undertake due diligence on the project for a period of 90 days from 20 January 2011. If the due diligence is satisfactory, the sale of the project will then proceed and further updates will be provided.

Burruga & Lucky Draw Gold Project (NSW)

In 2010, the Company announced that Burruga Copper Pty Ltd ("BCPL") had agreed to buy the Burruga assets in New South Wales. The arrangement also provided a right for the Company to buy back the Burruga assets within a 12 month period and a Management Agreement to ensure the proper management of the licences and tenements.

In line with the Company's strategy of focusing its efforts and resources on Amayapampa in Bolivia, the Company has relinquished the option to buy back the Burruga tenements as well as the management agreement.

EL MUTUN IRON ORE PROJECT

During the Quarter, there was no progress on the El Mutun Project and discussions continue between the Bolivian Government and the 50% owner of the Project.

CALLABONNA URANIUM (SA) PROJECT

The Company's shares in Callabonna Uranium Limited (CUU) have been disposed of on market by the Company.

RESOURCE STATEMENT & JORC CODE COMPLIANCE STATEMENTS

Mineral Resource Statement

Mineral Resources at 31 December 2010 – Gold Equity Share

	MEASURED		INDICATED		INFERRED		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	GOLD
	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	Ounces ('000)
TOTAL NORTHCOTE ¹	1,125	2.2	1,722	1.6	908	1.6	3,755	1.8	217
TOTAL TREGOORA	11	2.1	2,301	1.6	2,160	1.5	4,472	1.6	229
ATRIC ¹	-	-	890	1.9	46	1.7	936	1.9	57
REEDY-HURRICANE	-	-	-	-	797	1.3	797	1.3	33
TOTAL HODGKINSON BASIN	1,136	2.2	4,913	1.7	3,911	1.5	9,960	1.7	536
TOTAL AMAYAPAMPA	-	-	26,160	1.2	8,750	1.1	34,910	1.1	1,280
TOTAL MINERAL RESOURCES	1,136	2.2	31,073	1.3	12,661	1.2	44,870	1.3	1,816

Mineral Resources at 31 December 2010 – Antimony Equity Share

	MEASURED		INDICATED		INFERRED		TOTAL		
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes
	('000)	Sb %	('000)	Sb %	('000)	Sb %	('000)	Au g/t	Tonnes
NORTHCOTE ANTIMONY	1,295	0.3	1,056	0.2	635	0.3	2,985	0.3	8,000

Notes:

¹ Figures are Republic's equity share of these projects, being 75% of the Northcote and Lucky Draw projects and 90% of the Atric and Reedy projects.

Resources may not sum to equal totals due to rounding.

The Mineral Resource is inclusive of the reported Ore Reserve

Resource Estimation Parameters

Location	Grade Interpolation Method	Section Spacing metres	COG g/t Au Oxide & Transition	COG g/t Au Primary	Oxide Density	Primary Density
HODGKINSON BASIN						
Northcote ¹	Block Model Ordinary Kriging	25	0.5	1.0	2.30	2.70
Tregoora ¹	Block Model Ordinary Kriging	25 to 50	0.5	1.0	2.30	2.60
Atric	Block Model ID2	25	N/A	0.5	2.50	2.50
BOLIVIA						
Amayapampa	Block Model Ordinary Kriging	10 to 50	0.4	0.4	2.40	2.75

1 At Northcote, top cuts of 20 Au g/t for East Leadingham and 15 Au g/t for Emily and Emily South were applied to composite grades for grade estimation. No top cut was used at the other Northcote domains. At Tregoora, a top cut of 6.0 Au g/t was used for the Honey, Midway, Rainbird and Pillidge domains. No top cut was used at the other Tregoora domains. A top cut of 5.0, 10.0 & 20.0 Au g/t was applied to the Amayapampa model for the Oxide, Transition and Primary ore types respectively.

2 In the table above COG = Cut-Off Grade. At higher gold prices or with improved economics the current Mineral Resources cut-off grades may be lowered thus increasing the FNQ Mineral and Amayapampa Resources.

Ore Reserves at 31 December 2010

	PROVEN		PROBABLE		TOTAL		
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	GOLD
	('000)	Au g/t	('000)	Au g/t	('000)	Au g/t	Ounces
AMAYAPAMPA	-	-	18,900	1.3	18,900	1.3	787,300

Ore Reserve Cut-offs

Ore Type	Cut-off Grade (g/t Au)
Oxide	0.80
Transition	0.70
Primary	0.45

Notes Accompanying The Mineral Resource and Reserve Statement

Information in this report that relates to Mineral Resources for Republic Gold Limited is based on information compiled by Neb Zurkic, Republic Technical Director and by Paul Pyke, Republic Project Development Manager, both are members of the Australasian Institute of Mining and Metallurgy and Neb Zurkic is a member of the Australian Institute of Geoscientists. It is also based on information estimated by Kerrin Allwood, Republic Gold's Resource Estimation consultant, a member of the Australasian Institute of Mining and Metallurgy. Paul Pyke, Neb Zurkic and Kerrin Allwood have a minimum of five years experience in the estimation, assessment and evaluation of Mineral Resources and Ore Reserves. Paul Pyke, Neb Zurkic and Kerrin Allwood have significant experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Paul Pyke, Neb Zurkic and Kerrin Allwood consent to the inclusion in this report of these matters based on the information in the form and context in which it appears.

Corporate

Shareholder Purchase Plan (SPP)

During the Quarter, the SPP (as announced on 14 September 2010) was successfully completed and 400,000,000 shares were issued on 12 November 2010. Approximately 340 shareholders participated in the SPP raising \$2.6M. Patersons Securities Limited ("Patersons") had underwritten the SPP and provided the balance of funds of \$1.4M for a total of \$4 million.

Funds raised to provide working capital to finalise project financing and to further develop the Company's flagship Amayapampa Gold Project in Bolivia, with a timeline of 12 - 18 months until first production.

Board and Management

Effective 20 December 2010, Mr John Kelly resigned as Managing Director and as a Director of the Company's Board for reasons of ill health.

The Board is currently seeking supplementary directors, as well as additional personnel with relevant mining development experience to take the Company through its next phase of development. The search for mining industry professionals is underway and updates will be provided on any appointments made.

There were no shareholding dealings by Directors during the quarter. Unlisted options on issue to Directors, employees and contractors, with various expiry dates during October 2010, were not exercised and have now lapsed.

Annual General Meeting

The Company's Annual General Meeting was held on Tuesday, 2 November 2010 at 11.00am (Sydney time) at Christie Corporate Centre, Cnr Spring and Gresham Streets, Sydney, NSW, with all resolutions approved by shareholders.

Securities Trading Policy

In accordance with ASX Listing Rule 12.9, the Company released its Securities Trading Policy on 24 December 2010.

Registered office

Effective 2 December 2010, the Company's registered office is as follows:-

Street address: Suite 705 Level 7, 3 Spring Street SYDNEY NSW 2000	Postal address: PO Box H32 Australia Square 1215 New South Wales
Telephone: (02) 8249 4700	Facsimile: (02) 8249 4001

Cash Assets

Cash on hand at the end of the September Quarter was approximately \$2,751,000. Further funding is being pursued by the directors as outlined above and in earlier ASX announcements.

Top 20 Shareholders

The following table shows the Company's Top 20 Shareholders as of 31 December 2010.

Rank	Shareholders	Shares	Percentage
1	Nefco Nominees Pty Ltd	121,600,175	6.27%
2	Zeus Gold Pty Limited	64,397,099	3.32%
3	Citicorp Nominees Pty Limited	61,285,255	3.16%
4	HSBC Custody Nominees (Australia) Limited	57,206,948	2.95%
5	Mr Phillip John Coulson	40,723,500	2.10%
6	Bell Potter Nominees Ltd <BB Nominees A/C>	40,050,000	2.07%
7	JP Morgan Nominees Australia Limited <Cash Income a/c>	34,985,692	1.81%
8	Berne No 132 Nominees Pty Ltd <376804 a/c>	31,000,000	1.60%
9	DMG & Partners Securities PTE LTD <Clients A/C>	30,908,404	1.59%
10	Troca Enterprises Pty Ltd <Coulson Super a/c>	27,149,000	1.40%
11	Merrill Lynch (Australia) Nominees Pty Limited	23,599,001	1.22%
12	UOB Kay Hian Private Limited <Clients A/C>	21,651,000	1.12%
13	Chin Nominees Pty Ltd <Chin Super Fund a/c>	18,880,981	0.97%
14	Mr Seyyed Mohammad Tabaie	18,091,349	0.93%
15	Mr Chew Lai Ooi	17,542,647	0.91%
16	Greatside Holdings Pty Ltd <ADL a/c>	16,255,375	0.84%
17	Mr Siat Yoon Chin	15,487,356	0.80%
18	Corostar Pty Ltd <The Campbell Smith a/c>	13,333,333	0.69%
19	Mr Neville Graham Moss & Mrs Merline May Moss	11,500,000	0.59%
20	Astor Consultants Pty Ltd <The Parker Family a/c>	11,120,689	0.57%
Total		676,767,804	34.91%

The following table shows the Company's Top 20, 4 Cent Option holders as of 31 December 2010.

Rank	Shareholders	Shares	Percentage
1	HSBS Custody Nominees (Australia) Limited	21,125,051	8.68%
2	Bell Potter Nominees Ltd <BB Nominees A/C>	20,050,000	8.24%
3	Zeus Gold Pty Limited	13,074,392	5.37%
4	Mr Graham James Large & Mrs Adele Leith Large <Graham J Large S/F a/c>	7,000,000	2.88%
5	Citicorp Nominees Pty Limited	6,791,433	2.79%
6	Mr John William Trude	5,000,000	2.05%
7	Mr Peter Andrew Proksa	5,000,000	2.05%
8	S & V Hur Pty Ltd <The Hur Family a/c>	5,000,000	2.05%
9	Mr Noel David McEvoy & Mrs Shelley Dawn McEvoy <The ND McEvoy Super Fund a/c>	4,866,165	2.00%
10	Mr Ian Schlipalius	4,500,000	1.85%
11	Nefco Nominees Pty Ltd	3,961,500	1.63%
12	Acorn International Pty Ltd <Acorn International a/c>	3,561,782	1.46%
13	Mr Garry Webb	3,400,000	1.40%
14	Mr Siew Wah Teh	3,375,000	1.39%
15	JP Morgan Nominees Australia Limited <Cash Income /c>>	3,341,629	1.37%
16	Mr Sanjay Sharma & Dr Seema Sharma <Reliance Super Fund a/c>	3,192,116	1.31%
17	Merrill Lynch (Australia) Nominees Pty Limited	3,096,257	1.27%
18	Mr Dennis Loh	3,013,453	1.24%
19	Mr Veng So	2,570,731	1.06%
20	Mrs Tejinder Johal	2,562,500	1.05%
Total		124,482,009	51.14%

Corporate Information

Directors

Peter Wicks Executive Chairman
 Neb Zurkic Technical Director
 Greg Barns Non-Executive Director

Stock Exchange Listing

Australian Stock Exchange
 Ordinary Shares Code **RAU**
 Listed Options Codes **RAUOA**

Exploration & Development Teams

Neb Zurkic Technical Director
 Trevor Jackson FNQ Exploration Manager
 Paul Pyke Project Development Manager

Shares on issue – 1,938,092,948 ordinary shares

Listed Options on Issue –

◆ 243,454,291 options exercisable at 4.0 cents expiring 5 June 2011 (RAUOA).

Aust - Susan Brickl, Chris Jelonek, Ian Wilson, James Astor, Dallas Cox and Kerrin Allwood

Web Site

www.republicgold.com.au

Bolivia – Victor Barua, Maria Esther Jitton, Juan Cabrera, Herbert Chavez, Guillermo Cordero, Adhemar Pinto, Javier Miranda and Maria Renee Rojas

Company Secretary

Roslynn Shand

Shareholder Enquiries

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Figure 1 – Location Map For Amayapampa

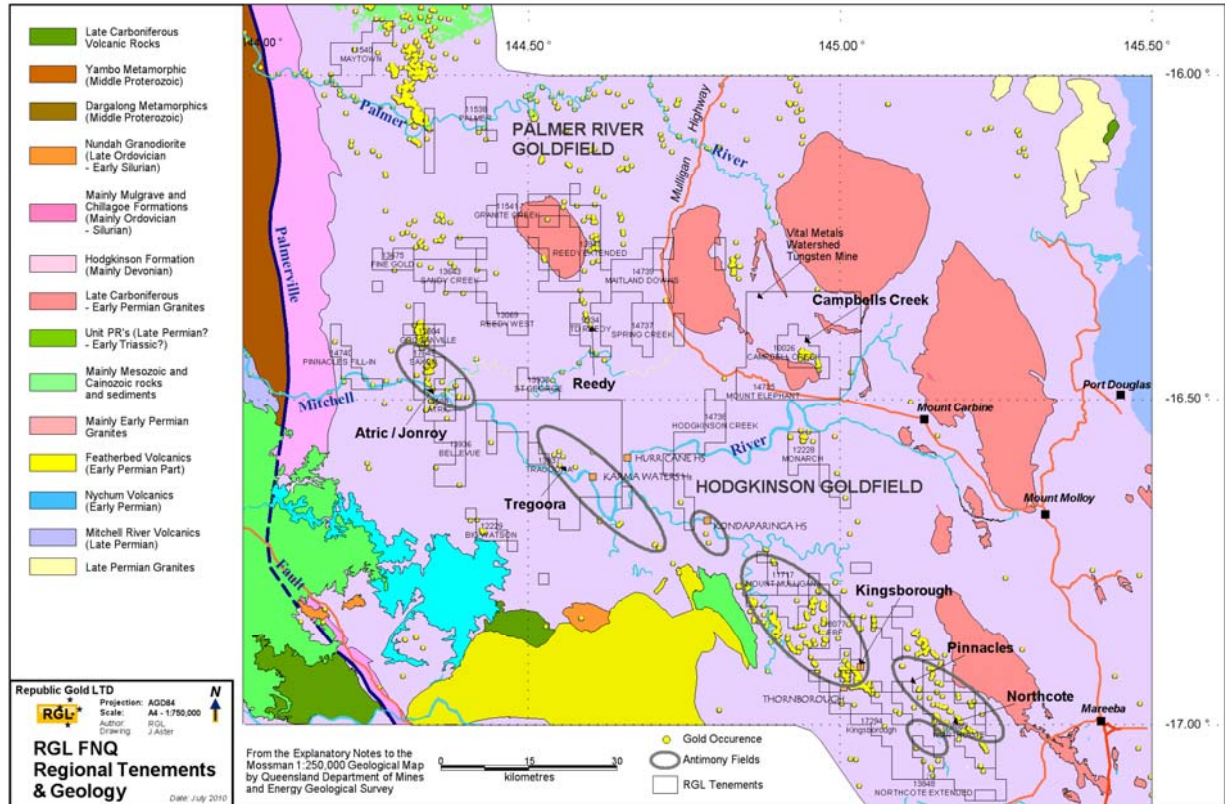


Figure 2 - The Company's Hodgkinson Basin Tenements

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

REPUBLIC GOLD LIMITED

ABN

86 106 399 311

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(303)	(555)
(b) development	-	-
(c) production	-	-
(d) administration	(1,246)	(1,951)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other GST (Paid) Refund	(118)	161
Net Operating Cash Flows	(1,653)	(2,320)
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	243	761
(b) equity investments	499	499
(c) other fixed assets	-	-
1.10 Loans to other entities	(1,516)	(2,944)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(775)	(1,684)
1.13 Total operating and investing cash flows (carried forward)	(2,427)	(4,004)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,427)	(4,004)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,662	5,530
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	3,662	5,530
	Net increase (decrease) in cash held	1,235	1,526
1.20	Cash at beginning of quarter/year to date	1,516	1,516
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,751	3,042

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	(798)*
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 and salaries to directors and includes termination payment for Managing Director.

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

On 13 September, Republic announced a \$4M underwritten Share Purchase Plan – this closes 3 November 2010.

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

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	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	50
4.2	Development	500
4.3	Production	-
4.4	Administration	300
Total		850

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	6	161
5.2	Deposits at call	2745	1,355
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,751	1,516

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	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <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	1,938,092,948	1,938,092,948		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	400,000,000	400,000,000	1 cent	1 cent
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>	243,454,291 16,000,000	243,454,291 -	<i>Exercise price</i> 4 cents 6.25 cents	<i>Expiry date</i> 05/06/2011 27/10/2011
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>				

+ 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 January 2011

Print name: Roslynn Shand

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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+ See chapter 19 for defined terms.