KRUCIBLE METALS LTD
Mineral Discovery Company
ABN 12 118 788 846

DECEMBER QUARTERLY REPORT 2009

25th JANUARY 2010

HIGHLIGHTS

- Significant progress has been made in the **Scoping Study** currently being carried out on the Company's **PHM South Phosphate** deposit, located close to the operating fertiliser mine and plant at PHOSPHATE HILL (owned by Incitec Pivot).

  This Study is expected to be completed in March 2010 but results to date indicate that a mining operation should be viable; provided the Phosphate market continues to improve.

- Results of high grade Copper and Gold from float sampling at **Pilgrim** (reported to ASX on December 2009) have been confirmed with anomalous results from recent sampling of nearby sub outcrop. Results from this follow up rock chip sampling have returned values up to **25.3% Copper, 11.3 g/t Gold & 31.4 g/t Silver**.

  This exciting area is within the prospective PILGRIM FAULT CORRIDOR and is close to the historic high grade Tick Hill Gold Mine. The virtually unexplored ground at Pilgrim is considered to be very prospective for IOCG (Iron Oxide Copper Gold) mineralisation associated with major structures and magnetic anomalies. This is precisely the type of Copper-Gold Prospect that Krucible intended to discover as noted in the Company's Prospectus in November 2007. Drilling is expected to be carried out in April - June this year.

- Drilling at **Toomba** in the Simpson Desert region has confirmed the presence of Copper mineralisation at the **Champ Prospect**. Recently a high resolution aeromagnetic / radiometric survey has been flown to better define possible mineralising structures and intrusions, underneath the prevailing sand cover.

  Results of surface sampling, carried out in late 2009, have also been encouraging with up to **1.33 g/t Gold** returned from lag sampling at **Dukes Prospect** (located approx. 11km SSW of Champ). A number of IOCG Targets are expected to be generated from geochemical and geophysical work in this frontier terrain, for drill testing in 2010.

- Krucible is well placed to advance the exploration and pre-development status of its 100% owned land package in 2010 with adequate cash reserves and no debt.

1/68 Railway Avenue, Railway Estate
Townsville, QLD 4810 Australia
T +61 (07) 4772 5880 F +61 (07) 4772 4999

PO Box 499, Hyde Park
Castletown, Townsville QLD 4812. Australia
www.kruciblemetals.com.au E: info@kruciblemetals.com.au

CORPORATE UPDATE

- Krucible held cash resources of $4.7m at the end of the quarter
- The directors of Krucible currently hold 14% of KRB fully paid issued shares (8,553,500)
- The top 20 shareholders currently hold approximately 58% of KRB fully paid issued shares
- During the quarter a placement of 8.5 million shares at 32 cents per share was completed to raise additional working capital of $2.7 million.
- A number of Institutions have joined the Company share register via the Placement in October 2009
- **Fosters Stockbroking** have issued a positive Research Paper on Krucible and a copy of this document can be viewed on the Company's website at www.kruciblemetals.com.au

PROJECT ACTIVITIES REPORT

1. PHOSPHATE EXPLORATION & DEVELOPMENT

1.1 CORELLA BORE EPM 15572 – PHM SOUTH PHOSPHATE DEPOSIT

Krucible is currently carrying out a SCOPING STUDY ON THE PHM SOUTH PHOSPHATE DEPOSIT located within the 100% owned Corella Bore tenement (see FIGURES 1 & 2) under the supervision of the Project Manager Ray Koenig who is a Krucible director.

A summary of the JORC code compliant Inferred Resource at **PHM South** is outlined below;

TABLE 1

CORELLA BORE / PHM SOUTH INFERRED RESOURCE (SEPTEMBER 2009)
(Computer Generated Polygonal Method Based on Simple Flat to Low Dipping Tabular Body)

Lower Cut-Off	Inferred Resource	R_2O_3% ($Al_2O_3 + Fe_2O_3$)	SiO_2	CaO/P_2O_5
10% P_2O_5	19.3 million tonnes @ 19.0% P_2O_5	4.60%	45.40%	1.32
20% P_2O_5	8.3 million tonnes @ 27.36 P_2O_5	3.60%	26.20%	1.39%
25% P_2O_5	5.0 million tonnes @ 30.8% P_2O_5	3.00%	16.70%	1.37

The **Scoping Study** is based on a likely mining scenario of mining 500,000 to 700,000 tonnes per annum of relative high grade DSO material ("direct shipping ore"), over a period of 6 to 8 years and railing it to the coast at Townsville for sales both in Australasia and overseas. This would be a "dry" mining operation with no need of "wet" beneficiation techniques. It may also be possible to sell the lower grade material to the nearby Incitec Pivot DAP/MAP plant which has a feed stock of 23-24% P_2O_5. In addition the lower grade ore may be sold directly to other customers or upgraded in a beneficiation plant at a later stage.

The results of the Scoping Study are expected to be finalised in March 2010 and depending on those results and forward projections of the DSO market potential, recommendations should be made for advancement to a Pre-Feasibility Study.

Work carried out to date as part of the Scoping Study includes;

- Completion of a Preliminary Mining Study and Resource Assessment by independent consulting group **Mining Associates Pty Ltd**. This work has confirmed that most of the Inferred Resource would be included in an "In Pit Resource" and is thus amenable to open pit mining.
- Modelling of possible mining scenarios and pit shells has been carried out by Mining Associates. Detailed costs will be factored into this modelling to assess the economic parameters for possible development.
- Discussions have been held with Queensland Rail about likely freight costs and availability of rolling stock to transport approximately 600,000 tonnes per annum from PHM South to Townsville.
- Indicative costing suggests a break even range of $Au110-130 per tonne for mining, transport and storage of a relatively pure Phosphate product.
- Meetings have been held with the Queensland Government about the possibility of pegging a Mining Lease Application over the Phosphate resource. A time frame of 1-2 years to obtain a granted Mining Lease has been proposed.
- Baseline Environmental Studies have commenced at PHM South, under the supervision of **C & R Consulting**, to establish criteria for a Mining Lease Application.
- Krucible is also in the process of applying for permission to carry out bulk sampling (under the conditions of the Exploration Permit for Minerals) to assist in marketing of the Phosphate product.
- Samples of drill core will be forwarded to **Amdel Laboraties Ltd**, as part of the Scoping Study, to determine likely mining characteristics for the high grade Phosphate zones as well as testing lower grade material for possible beneficiation upgrades by dry sieving

and sorting techniques.

- Marketing of the Phosphate product will be a very important factor in ensuring the success of an operation and test samples of material have been prepared to forward to potential customers. Krucible considers that it has a potential premium product because of the high grade, purity and very low amounts of impurities such as Cadmium (most Phosphate rock imported from north Africa into Australia and New Zealand is high in Cadmium).

Provided Phosphate prices improve and markets are secured for the product, Krucible proposes to commence mining operations in 2011. The fertiliser industry suffered a downturn in 2009, due to the Global Financial Crisis, but already in 2010 there are positive signs that market prices are likely to rebound (CRU News – "Fertiliser Week" 21 January 2010 and "The Weekly Times" 25 January 2010).

1.2 OTHER AREAS

The tenement package held 100% by Krucible in the Georgina East Sub Basin is considered to have excellent potential for the delineation of further resources. Areas where Phosphate is known in this ground includes D10, Pilgrim, Mistake Bore and Stranger Creek.

2. COPPER / GOLD EXPLORATION

2.1 MOUNT ISA BLOCK

2.1.1 PILGRIM JOINT VENTURE (DEEP YELLOW LTD / EPM 15072)

This tenement is located about 150km SE of Mount Isa and 25km north of the Phosphate Hill Mine (see FIGURES 1-3) and is subject to a Joint Venture with Deep Yellow Ltd (DYL) whereby Krucible can earn 80% equity by expenditure of $400,000 over 4 years. Krucible also has the right to 100% ownership by issue of one million KRB shares.

The Pilgrim Prospect area is also located about 5km SE of the historic high grade Gold Tick Hill Mine and 70km NW of the operating Copper/Gold Mine at Osborne (Barrick Australia Ltd) (See FIGURES 1 & 3). This very prospective zone is mainly underlain by altered calc-silicate breccias and granitoids of the Proterozoic Corella Formation which hosts the Tick Hill gold deposit as well as the Trekelano Mine (Copper, Gold – 21km to NNW) and the Kalman deposit (Copper, Molybdenum – 67km to the North).

In November 2009 Krucible carried out a surface lag sampling program; comprising 221 samples at 200 x 200 metre spacing over an area of about 4.8 x 2.2km. A number of strong Copper anomalies were outlined from this survey and these are shown on FIGURE 4.

During the course of the above work visible Copper in iron rich float samples was noted and sampled by the observant field Geologist. These samples assayed up to;

30.7% Copper, 10.25 g/t Gold, 29.9 g/t Silver, 15.1 g/t Tellurium and 0.28% Molybdenum

Follow up rock chip sampling of nearby Proterozoic basement boulder float and sub outcrop returned very promising results up to;

23.3% Copper, 11.3 g/t Gold, 31.4 g/t Silver and 17.6 g/t Tellurium

A photo of the mineralised sub outcrop breccia is shown below.

Photo of mineralised calc-silicate breccia (sample 60849) that assayed 25.3% Copper & 3.34 g/t Gold

To date a total of 43 rock chip samples have been collected of which 14 are anomalous (See TABLE 2). Up to 106ppm Uranium and 10% P_2O_5 was also returned from Cambrian breccias overlying the Proterozoic basement near a strong magnetic anomaly (see FIGURE 2 & 4).

The strong anomalies are located within the "**PILGRIM FAULT CORRIDOR**" which is located between two N-S Faults over a strike length of +5km and widths of 800-1400 metres.

It should be emphasised that very little previous exploration for Copper and Gold has been carried out in this portion of the **Pilgrim Corridor** due to the unmineralised Cambrian rock cover over much of the area.

Krucible considers that, although it is early days for exploration at Pilgrim, exploration results have been very positive to date and there is potential to discover significant IOCG mineralisation in an area favoured by the presence of nearby bitumen roads and operating Copper/Gold Mines.

Further work in February-March 2010 will include ground magnetics, soil sampling and geological mapping to define targets for drill testing.

TABLE 2

ANOMALOUS ROCK CHIP SAMPLES / PILGRIM J.V. (DEEP YELLOW LTD) - EPM 15072

Sample Number	AMG Co-Ordinates AGD66		All Results in ppm unless shown as %				Comments
	East	North	Gold	Silver	Copper	Molybdenum	
60816	391931	7602375	0.353	**29.9**	**30.70%**	19.80	float (near source?) Ironstone / Quartz Breccia - visible Malachite (heavy)
60817	391930	7602375	0.537	0.70	2280	-	float (near source?) "red rock" alteration - Malachite staining
60818	391815	7602610	**10.25**	3.28	**14.30%**	2760	float (near source?) Hematite / Ironstone rock - visible Malachite
60819	391628	7602417	0.083	2.50	**1.62%**	-	float in creek (from SSW) sheared mafic rock - Malachite staining
60827	392330	7601325	0.01	2.73	772	30.0	float in creek (from WNW) Ironstone & Calc-silicate rocks
60846	391817	7602608	0.033	0.26	3910	-	sub outcrop pink calc-silicate rock
60848	391925	7602356	**2.72**	**10.05**	**8.06%**	-	sub outcrop - sheared hornblende Granite + Chalcocite & Malachite
60849	391926	7602393	**3.34**	**31.4**	**25.30%**	23.1	sub outcrop - Hematite Calc-silicate Breccia + Chalcocite & Malachite
60850	391950	7602374	**11.3**	**14.35**	11.3	17.25	sub outcrop - Hematite Calc-silicate Breccia + Chalcocite & Malachite
60851	391957	7602380	**2.19**	6.37	**21.90%**	-	boulder float on slope Hematite Calc-silicate Breccia + Chalcocite & Malachite
60852	391963	7602360	**3.02**	**16.6**	**23.0%**	23.7	boulder float on slope Hematite Calc-silicate Breccia + Chalcocite & Malachite
60853	391825	7602594	0.25	0.28	3950	15.9	outcrop - calcite vein in altered red rock + Malachite
60854	391885	7603698	0.019	0.50	1350	105.0	Manganese breccia outcrop (also 1070 Nickel & 1860 Cobalt)
60857	391866	7602498	0.015	0.43	1350	-	outcrop red rock alteration + Malachite

2.2 DIAMANTINA - TOOMBA EPM 15367

This tenement is located in the Simpson Desert about 350km SSW of Mount Isa in western Queensland (see FIGURE 1).

Active exploration was ongoing at Toomba during the December 2009 Quarter. The first pass shallow drilling program was completed as well as systematic surface geochemical sampling and preliminary follow up of anomalies outlined. In addition a high resolution aeromagnetic/radiometric survey was completed (See FIGURE 5).

TOOMBA DRILLING

No previous mineral exploration drilling has been carried out within 50km of the Toomba EPM and no Copper/Gold mineral occurrences were known within 200km of the surface Copper/Gold mineralization found by Krucible at the **Champ Prospect** in December 2008.

In the December Quarter the Company drilled 21 holes for 1130 metres. During 2009 Krucible drilled a total of 54 air core and RC percussion holes for 2808 metres, of which 23 holes have been drilled on the **Stella Prospect** and 31 holes at the **Champ Prospect** (see TABLE 3). This drilling has been supported by a grant from the Queensland Government as part of the "Collaborative Drilling Initiative Round 3".

TABLE 3

TOOMBA DRILLING STATISTICS 2009

Hole Numbers	Drill Type	Prospect	Metres
09TMAC01 - 19	Air Core	Stella	840
09TMRC20 - 23	RC Percussion	Stella	301
09TMRC24 - 33	RC Percussion	Champ	537
09TMRC34 - 41	RC Percussion	Champ East	488
09TMRC42 - 49	RC Percussion	Champ	569
09TMAC50-54	Air Core	Champ South	73
		Total 54 holes for	2,808 m
		RC Percussion / 24 holes for	913 m
		Air Core / 30 holes for	1,895 m

RESULTS from first pass drilling at Toomba are believed to be very encouraging (see TABLE 4); given the considerable logistical challenges presented by operating in a remote desert locality.

There was very little geological information available to Krucible when exploration began, apart from the wide spaced aeromagnetic/radiometric surveys flown in 2007 by the Queensland Government.

TABLE 4

***BETTER DRILL INTERSECTIONS FROM CHAMP INCLUDE THE FOLLOWING*:**

09TMRC 29	**(210370E, 7400968N)**	**27m @ 0.40% Copper from 9m (includes 3m @ 2.4% Cu)**
09TMRC 30	**(210325E, 7401030N)**	**3m @ 0.083 ppm Gold from 3m**
09TMRC 34	**(210650E, 7401166N)**	**3m @ 0.12% Lead from 23m & 3m @ 0.16% Zinc from 32m**
09TMRC 35	**(210570E, 7401464N)**	**6m @ 0.13% Copper from surface**
09TMRC 44	**(210327E, 7400969N)**	**3m @ 0.077ppm Gold from 6m & 2m @ 1.23% Copper from 62m**
09TMRC 45	**(210383E, 7400969N)**	**9m @ 0.43% Copper from 36m (includes 2m @1.0% Cu)**
09TMRC 47	**(210463E, 7400871N)**	**27m @ 0.17% Copper from 18m (includes 6m @ 0.41%Cu)**

Total drilling at the **Champ Prospect** comprised 25 holes (09TMRC 24 to 48) for 1515 metres (average depth 63m) over an area of about 900 metres by 800 metres (see FIGURE 6).

A total of 13 drill holes so far at **Champ Prospect** have intersected anomalous Copper or Gold or Lead/Zinc at relatively shallow depths.

The mineralization appears to be associated with a series of NNW trending/steeply dipping alteration zones that are open to the north and south where they disappear under sand cover. These lodes generally comprise microcrystalline quartz and hematite breccia material at the contact of high level granite dykes and sandstone/siltstone/limestone sedimentary units. Secondary Copper minerals that were observed in drilling include malachite, azurite & chrysocolla, whilst primary sulphide minerals chalcopyrite and chalcocite were also observed.

TOOMBA GEOPHYSICS

A detailed aeromagnetic / radiometric survey was flown by UTS Geophysics in November 2009 at line spacings of 150 metres (lines E-W) over an area of about 15 x 15km (see FIGURE 5) to better define the geology and structures concealed by the prevailing sand cover. Processing and interpretation of this data will be an important exploration tool in helping to define prospective structures and target areas for mineralisation. It is envisaged that a number of these target zones will be followed up by electrical geophysical programs designed to outline buried conductors caused by sulphide mineralisation. In addition gravity programs are planned to define possible IOCG targets associated with co-incident gravity and magnetic anomalies.

TOOMBA GEOCHEMISTRY

Lag Sampling has been carried out over an area of 10km (N-S) by 3.5km (E-W) by the intrepid Krucible crew at nominal spacing of 200 X 200 metres. This geochemical sampling technique has been found to be effective in a desert environment in outlining metal anomalies where the sand cover is less prevalent and where basement is at relatively shallow depth (see FIGURE 5 for Copper Lag anomalies). Recent follow up of Lag anomalies west of **Stella Prospect** has returned up to **1.33 g/t Gold** from **Dukes Prospect** and this supports confidence for future exploration success at Toomba.

SUMMARY OF RESULTS TO DATE

The Company considers that important exploration objectives have been achieved at Toomba in 2009, namely the discovery of Copper / Gold mineralisation (both in outcrop and drilling) in a previously unexplored "frontier" region where the presence of major structures suggest the potential for a large scale orogenic and IOCG mineralisation. Future work in 2010 will include a strong drilling component to advance the exploration status at Toomba.

3 OTHER TENEMENT EXPLORATION (See FIGURE 1)

Krucible continues to outline prospective discovery areas on its tenements, particularly on prospective corridors such as the Toomba Fault Zone, the Pilgrim Fault Zone and the Cannington Corridor. However in the short to medium term the Company will focus on areas where returns on investment are considered most promising.

4 TENEMENT STATUS

The current Krucible tenement package consists of 21 EPM's (12 granted and 9 applications) for 1,956 sub blocks (about 6,298 sq. kms).

All tenements are 100% owned by Krucible except for EPM 15072 ("Pilgrim") which is a Joint Venture with Deep Yellow Ltd.

During October Krucible applied for one new EPM 18364 Skeleton Creek.

Attached: FIGURES 1- 6

Tony Alston
Managing Director
Krucible Metals Ltd.

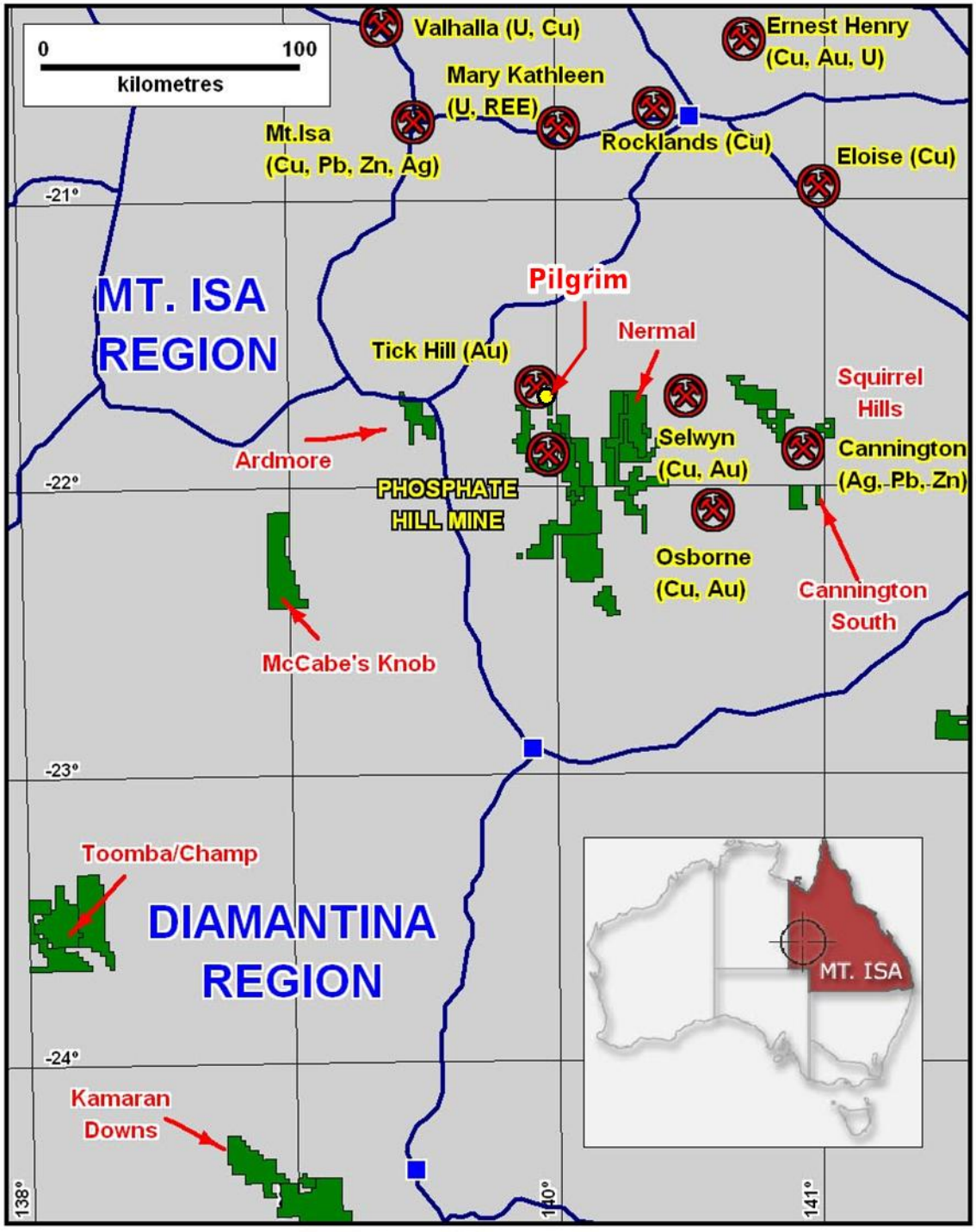
Further Information: **Mr Tony Alston**
Phone (07) 4772 5880

WEB SITE: www.kruciblemetals.com.au

Information of a scientific or technical nature in this report was prepared under the supervision of A.J. Tony Alston, CEO and Chief Geologist of Krucible, who is a member of the Australian Institute Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Alston has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined in the 2004 edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Alston has reviewed and approved Krucible's quality assurance program, quality control measures, the geology, samples collection and testing procedures the basis for information contained in this report. For further information regarding the PHM South deposit, including a description of in respect of the PHM South deposit please refer to reports and releases to the Australian Stock Exchange over the last 18 months together with the Company's website at www.kruciblemetals.com.au

This report contains forward-looking statements. These forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward looking statements.

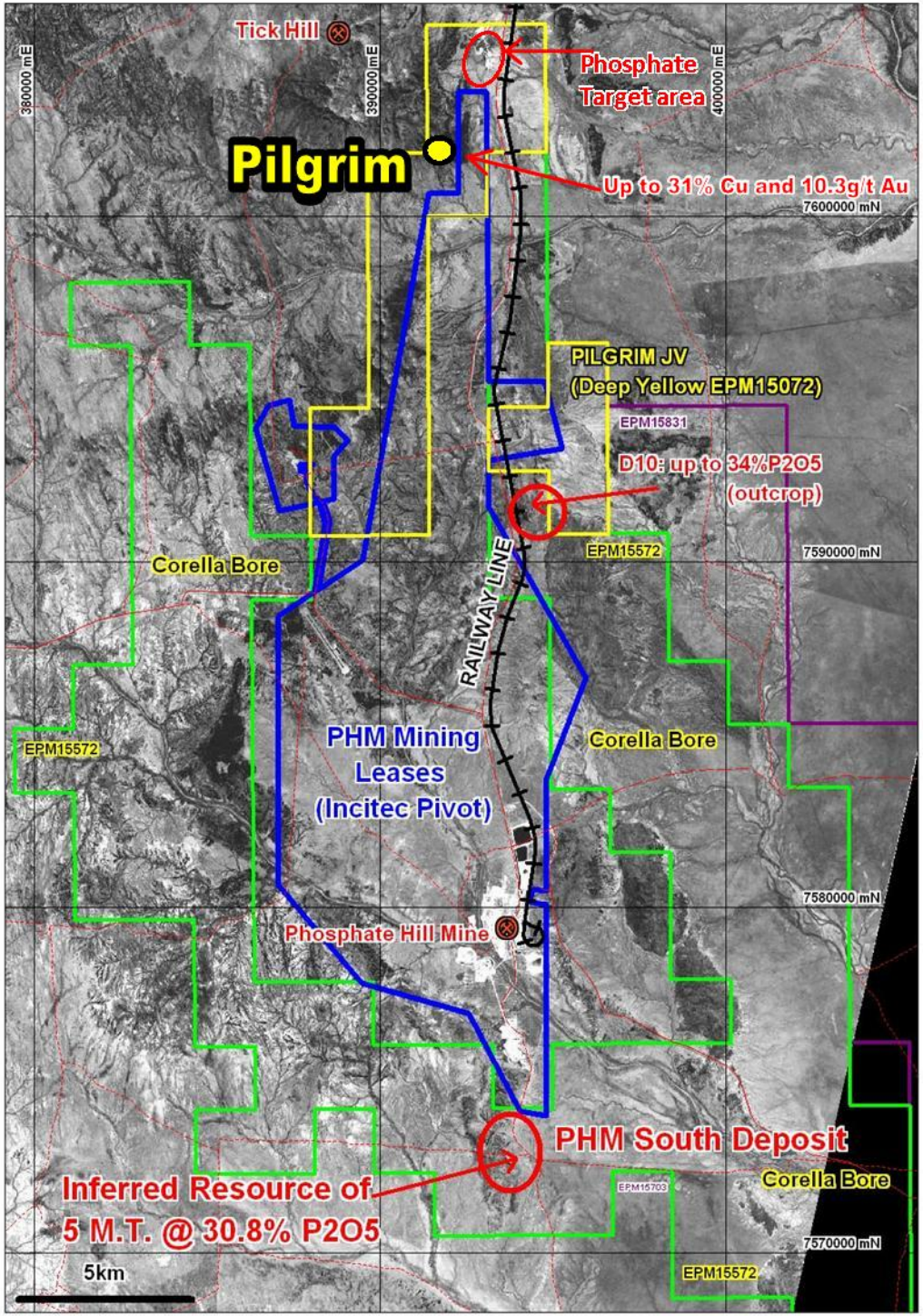
Mr Alston consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



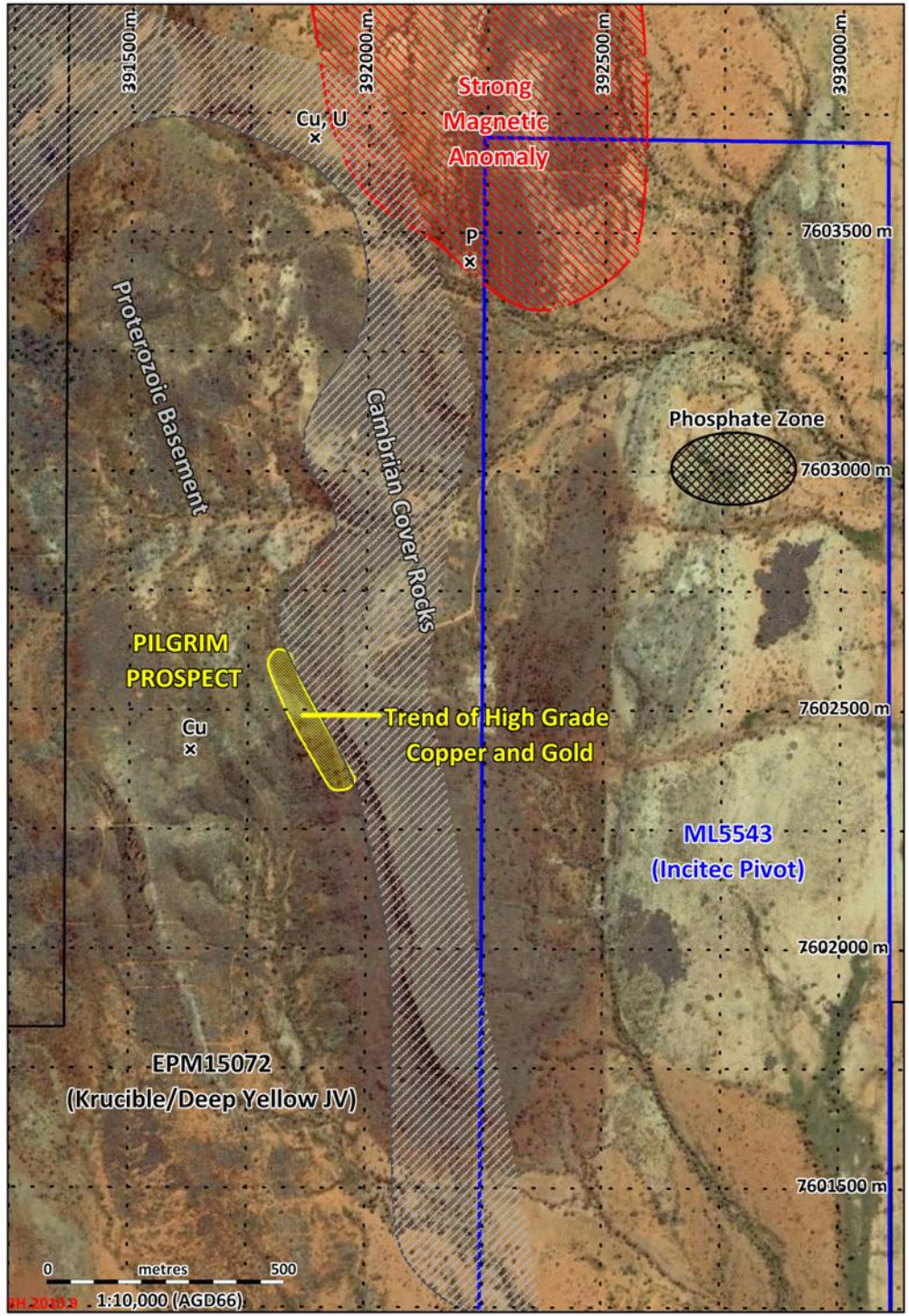
Location Plan
Showing Krucible Tenements

KRUCIBLE METALS LTD

FIGURE 1



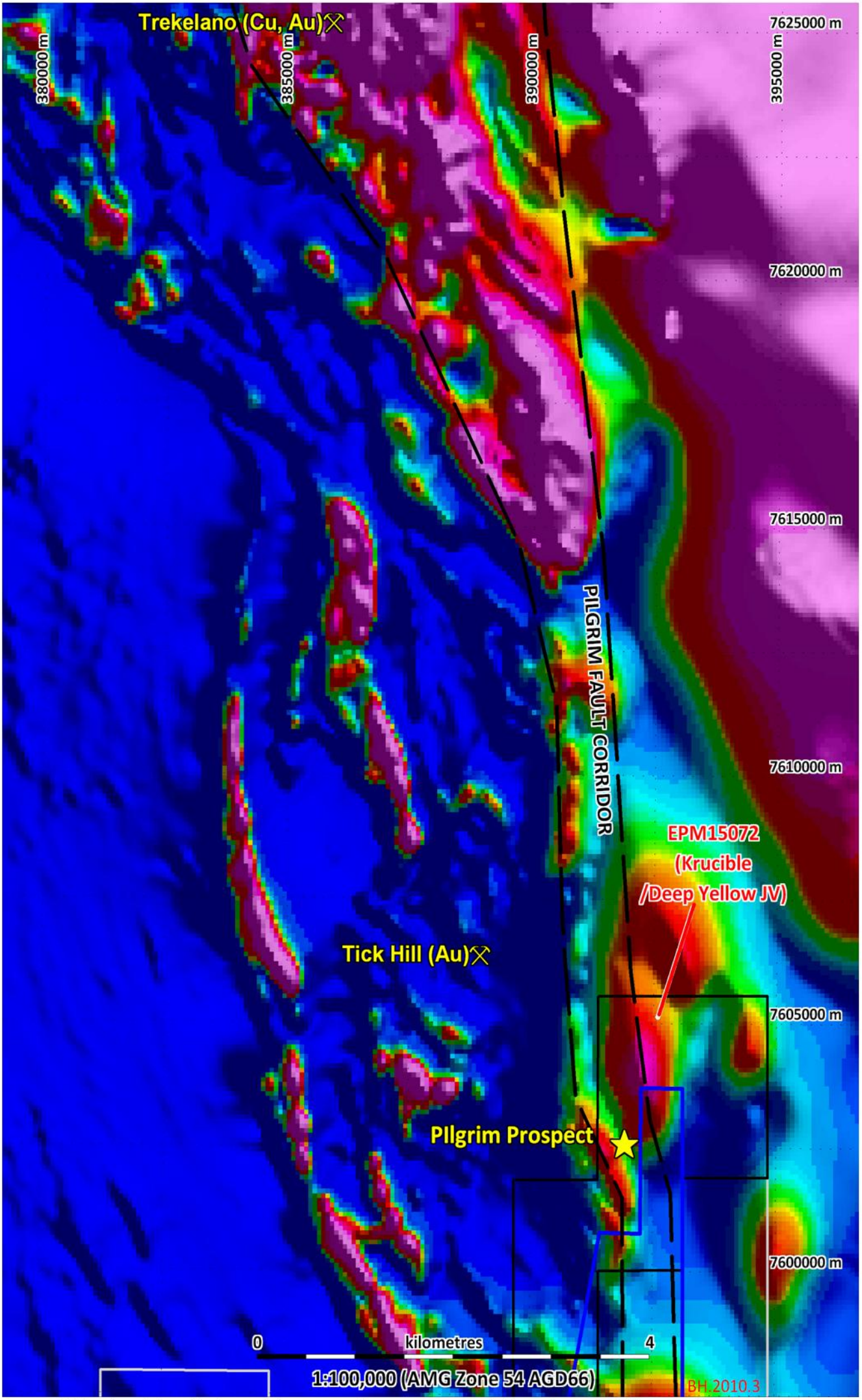
Regional Aster Image showing tenement locations Mt Isa South



Google Image Pilgrim Fault

BH.2010.11

FIGURE 2



Pilgrim Fault Corridor on Government Regional Magnetics

FIGURE 3

EPM15072 PILGRIM FAULT
Cu Lag Sampling Results

250 0 250 500
metres
1:20000 AMG Zone 54 (AGD 66)

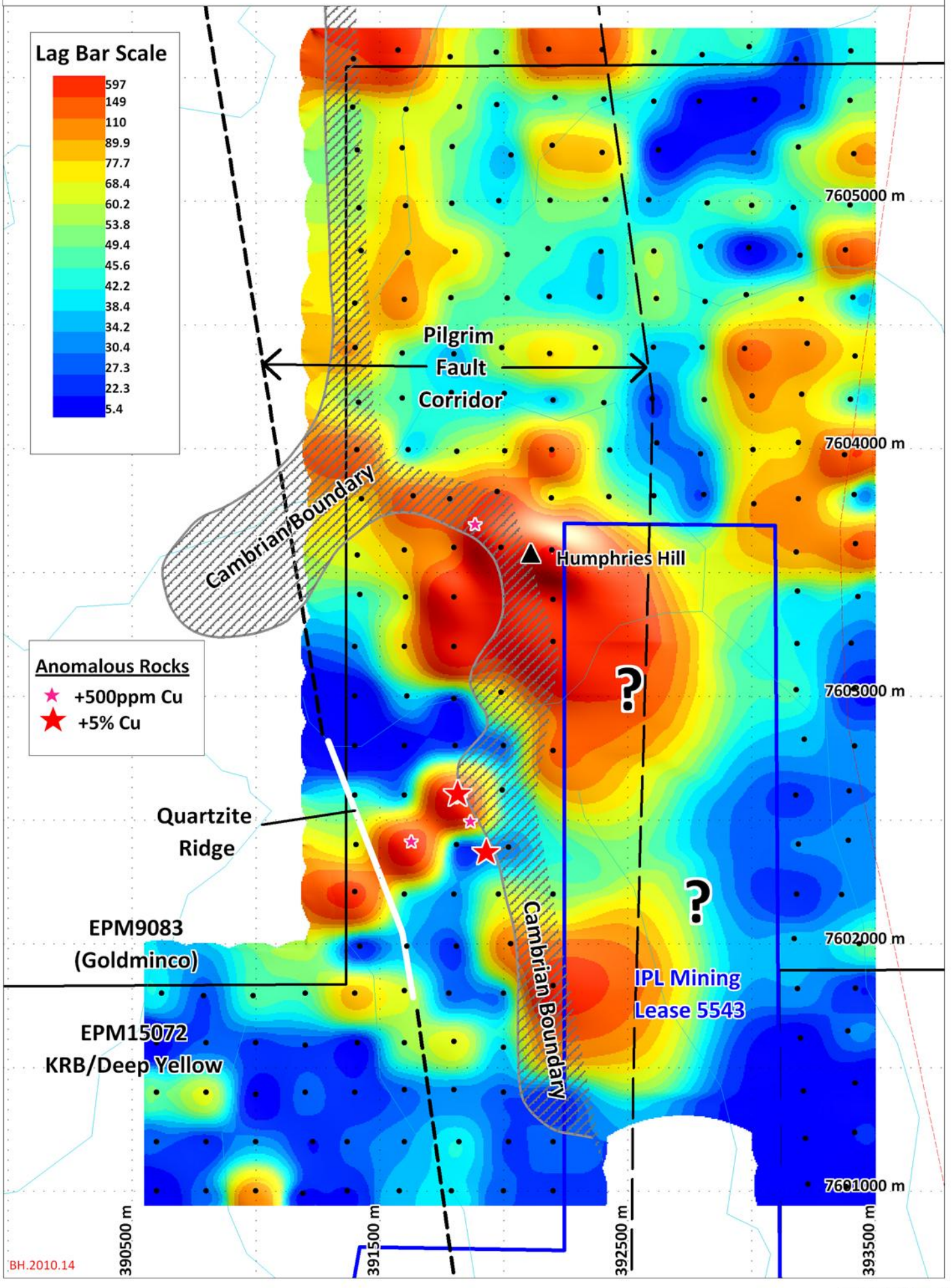
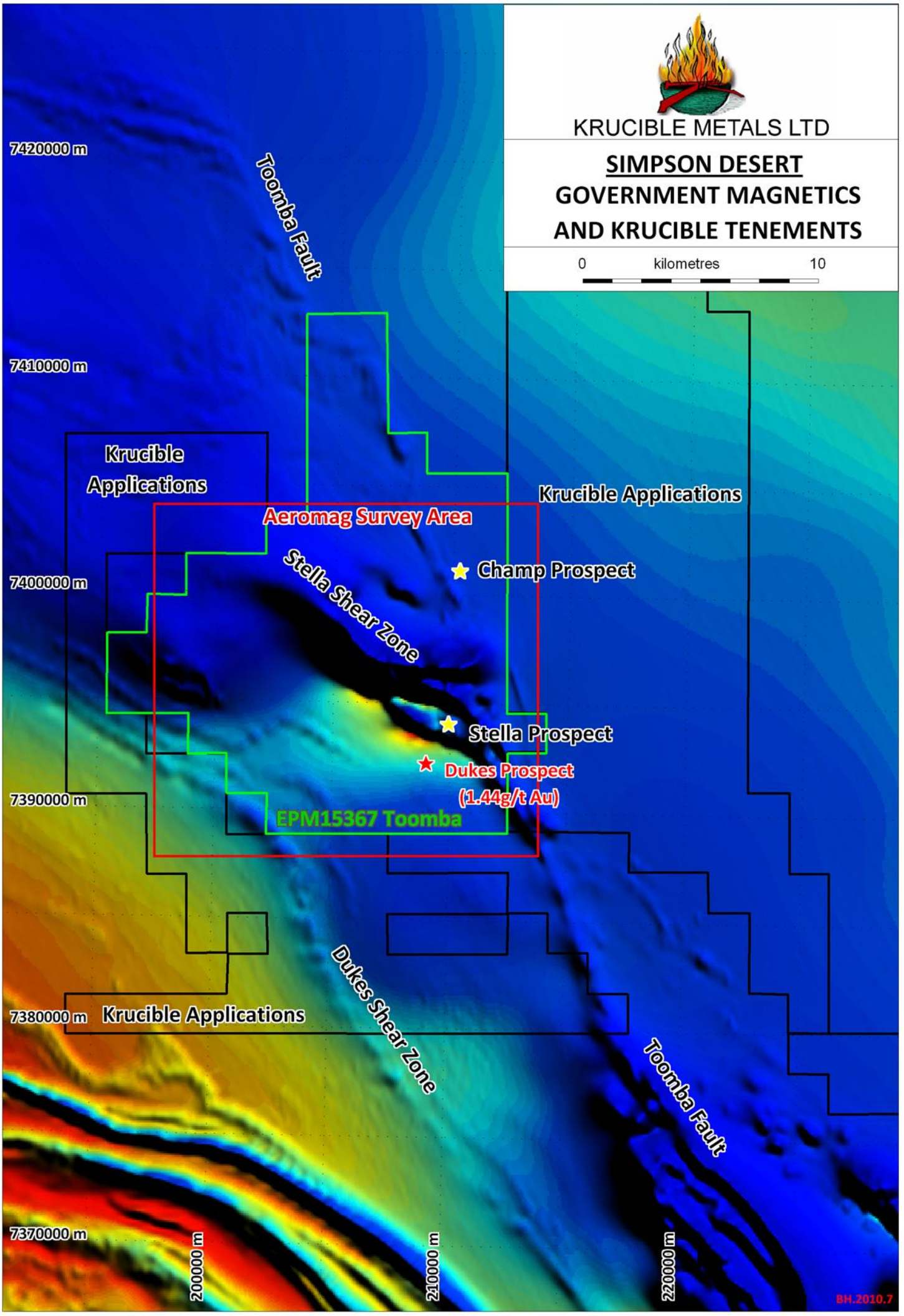


FIGURE 4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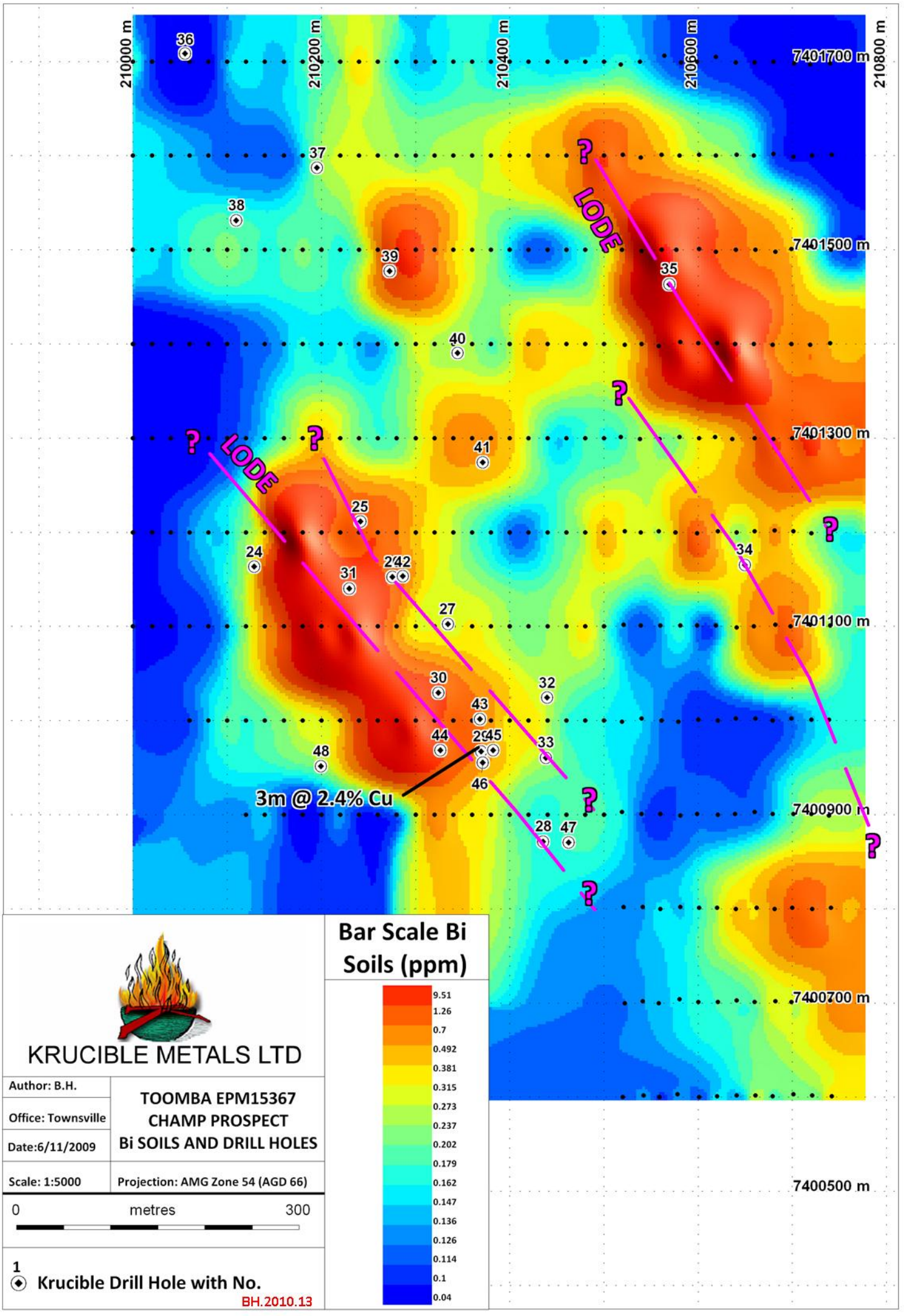
Toomba Fault
Krucible Applications
Krucible Applications
Krucible Applications
Aeromag Survey Area
Stella Shear Zone
Champ Prospect
Stella Prospect
Dukes Prospect
(1.44g/t Au)
EPM15367 Toomba
Dukes Shear Zone
Toomba Fault
BH.2010.7

FIGURE 5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242
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245
33
48
46
28
47
3m @ 2.4% Cu
Bar Scale Bi Soils (ppm)
9.51
1.26
0.7
0.492
0.381
0.315
0.273
0.237
0.202
0.179
0.162
0.147
0.136
0.126
0.114
0.1
0.04
KRUCIBLE METALS LTD
Author: B.H.
Office: Townsville
Date:6/11/2009
Scale: 1:5000
TOOMBA EPM15367
CHAMP PROSPECT
Bi SOILS AND DRILL HOLES
Projection: AMG Zone 54 (AGD 66)
0
metres
300
1
Krucible Drill Hole with No.
BH.2010.13

FIGURE 6

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Krucible Metals Ltd

ABN

12 118 788 846

Quarter ended ("current quarter")

31st December 2009.

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 and evaluation	(423)	(972)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(131)	(284)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	45	89
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(509)	(1,167)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(2)	(2)
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)	10	15
	Net investing cash flows	8	13
1.13	Total operating and investing cash flows (carried forward)	(501)	(1,154)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(501)	(1,154)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,560	2,560
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	2,560	2,560
	Net increase (decrease) in cash held	2,059	1,406
1.20	Cash at beginning of quarter/year to date	2,656	3,309
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	4,715	4,715

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	84
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Total amounts paid to directors including salaries, directors fees, superannuation and consulting fees.

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

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	600
4.2	Development	-
	Total	**600**

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	629	31
5.2	Deposits at call	4,086	2,625
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	4,715	2,656

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	EPM 18364	1 EPM Application	0	100%

+ See chapter 19 for defined terms.

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**	61,859,100	61,859,100		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	8,500,000	8,500,000	32 cents	32 cents
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)*	2,700,000 100,000 50,000 1,100,000 50,000		*Exercise price* *25 cents* *25 cents* *45 cents* *50 cents* *45 cents*	*Expiry date* *15/11/2011* *30/03/2011* *30/09/2011* *27/11/2012* *16/12/2012*
7.8	Issued during quarter	1,100,000 50,000		*50 cents* *45 cents*	*27/11/2012* *16/12/2012*
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				

+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

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: 22nd January 2010.
(Director/Company secretary)

Print name: Dennis Lovell

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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