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

ABN Quarter ended ("current quarter") 93 118 751 027 31 December 2006

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		
1.1	Receipts from product sales and related debtors	<u></u>	-
1.2	Payments for		
	(a) exploration and evaluation	(164)	(201)
	(b) development	<u></u>	au-
	(c) production (d) administration	(75)	(187)
1.3	Dividends received	(73)	(10/)
1.4	Interest and other items of a similar nature	61	75
	received		
1.5	Interest and other costs of finance paid	<u></u>	
1.6	Income taxes paid	w	
1.7	Other (Bond)	(9)	(9)
	Net Operating Cash Flows	(187)	(322)
1.8	Cash flows related to investing activities Payment for purchases of:		
1.0	(a)prospects	_ [(50)
	(b)equity investments	_	(50)
	(c)other fixed assets	<u></u>	
1.9	Proceeds from sale of:		
	(a)prospects	-	
	(b)equity investments		
1 10	(c)other fixed assets		(0)
1.10 1.11	Loans to other entities	(2)	(2)
1.12	Loans repaid by other entities Other (provide details if material)	_	
1.14	Other (provide details if material)		
	Net investing cash flows	(2)	(52)
1.13	Total operating and investing cash flows		
	(carried forward)	(189)	(374)

⁺ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(189)	(374)
1.14 1.15 1.16	Cash flows related to financing activities Proceeds from issues of shares, options, etc. Proceeds from sale of forfeited shares Proceeds from borrowings	-	3,000
1.17 1.18 1.19	Repayment of borrowings Dividends paid Other - costs to issue	(41)	(201)
	Net financing cash flows	(41)	2,799
	Net increase (decrease) in cash held	(230)	2,425
1.20 1.21	Cash at beginning of quarter/year to date Exchange rate adjustments to item 1.20	3,022	367
1.22	Cash at end of quarter	2,792	2,792

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	27
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25	Explanation	necessar	y for an	understar	ding of	the transactions

1.1	Payment of	f consulting	and	directors	fees	to	directors
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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	4	
3.2	Credit standby arrangements		.

⁺ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	Total	250
4.2	Development	-
4.1	Exploration and evaluation	250
		\$A'000

Reconciliation of cash

show	nciliation of cash at the end of the quarter (as in the consolidated statement of cash flows) to clated items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	(34)	3
5.2	Deposits at call	2,826	3,019
5.3	Bank overdraft		-
5.4	Other (provide details)		-
	Total: cash at end of quarter (item 1.22)	2,792	3,022

Changes in interests in mining tenements

6.1	Interests in mining
	tenements relinquished,
	reduced or lapsed

6.2	Interests in mining
	tenements acquired or
	increased

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter

⁺ 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, buybacks, redemptions				
7.3	[†] Ordinary securities	22,500,000	17,000,000		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks				
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)	2,000,000		Exercise price \$0.30	Expiry date 10 August 2011
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

⁺ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Stephen Brockhurst (Company secretary)

Date: 30 January 2007

Notes

- 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.
- 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.
- 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.