

**QUARTERLY REPORT  
FOR THE  
PERIOD ENDING  
31 DECEMBER 2011**



**MITHRIL**  
**RESOURCES LTD**

ASX Code: MTH

Issued shares: 219.6M

Unlisted options: 12.0M

Cash: \$6.9M

## **HIGHLIGHTS**

### **HUCKITTA PROJECT - NT**

- New copper-gold prospect named Bigglesworth, identified on wholly owned Albarta Bore tenement, 20km along strike from the recently discovered Austin copper prospect.
- Widespread copper-gold mineralisation and hematite-alteration at Bigglesworth is consistent with iron-oxide-copper-gold (IOCG) mineralising system.
- Gravity survey has identified large dense bodies adjacent to new copper mineralisation, consistent with IOCG signature.
- Geophysical surveys have delineated multiple drill targets at the Austin Prospect associated with outcropping copper mineralisation and hematite-alteration.
- Peaks copper zone on the Basil Trend remains open at depth and along strike to the northwest. Further drilling planned for 2012.

### **EAST PILBARA PROJECT - WA**

- Drill targets identified at the Talga East and Gorge prospects.
- Heritage clearance surveys successfully completed over priority targets and drill testing planned for April 2012.

### **YAMBAH PROJECT – NT**

- Initial sampling from the Rankins Prospect returned rockchips up to 3.6%Cu, 0.1g/tAu in a structurally altered zone over 700m long. The abundant hematite alteration may be related to an IOCG mineralising system.

## **INTRODUCTION**

The Company's Huckitta Project in the Northern Territory remained the focus of activity during the quarter and field mapping continues to identify significant new mineralisation at surface. The latest discovery is the Bigglesworth Prospect situated 20km south of the Basil trend and approximately 20km along strike from the recently identified Austin Prospect (Figure 2).

Surface rockchip samples from Bigglesworth have returned high levels of copper up to 4.5% associated with highly anomalous values of gold up to 0.2g/t and silver up to 2.3g/t. The mineralisation is consistent with an iron-oxide-copper-gold ('IOCG') mineralising system and appears structurally controlled. The Company intends to drill test Bigglesworth in 2012.

At the Austin Prospect, identified last quarter, geophysical surveys identified a number of targets coincident with the outcropping mineralisation. Heritage surveys were successfully completed over the targets during the quarter and drilling is planned for April 2012.

The IOCG prospectivity of the Huckitta Project has only been recognised recently through regional surface mapping and sampling programs. This style of mineralisation presents a new focus for the Company in the region and is quite different to the mineralisation observed along the 10km long Basil trend.

Drilling results from the Basil trend have demonstrated the potential for higher grades of copper mineralisation with intersections over 1% Cu at the Peaks Zone. Late last quarter drilling was halted due to bushfires and the Company is currently assessing all information and completing an initial resource calculation based on all the drilling results to date. This will likely outline additional targets for the drilling program being planned for 2012. The resource figure will be released in the first quarter of 2012.

An aircore and reverse circulation ('RC') drilling program has been completed across a number of regional targets at Huckitta with the results currently being assessed.

Ground geophysical surveys on the East Pilbara Project detected anomalies which are to be drilled in 2012 and heritage clearance surveys have been successfully completed to facilitate this drilling. At Sandstone ground geophysical surveys were completed; however, no compelling targets were detected.

Going forward the Company will continue to focus on Huckitta. Given the strong encouragement from the surface mineralisation recently discovered at Bigglesworth, and the drill targets generated at the Austin prospect, the Company is in the process of planning an aggressive exploration program to further evaluate the IOCG potential of the southern portion of the Huckitta Project in 2012. This program includes mapping, geophysical surveys, and extensive drilling of the targets delineated.

## **Corporate**

During the period under review, the Company spent \$1.4 million on exploration and administration activities on the projects described in the Exploration Activities section of this report. Cash at hand as of 31 December 2011 is \$6.9 million and the Company is well resourced to aggressively explore the targets generated on its key exploration holdings.

## Investments

Mithril is the largest shareholder of Musgrave Minerals Limited (**ASX:MGV**) with 9.28 million shares and 2.5 million options. Mithril vended tenements to Musgrave Minerals as part of their successful IPO that was completed on April 29<sup>th</sup>, 2011. Musgrave Minerals is actively exploring the prospective Musgrave Province in South Australia with a number of drill targets outlined for 2012.



Figure 1: Project Location Map (Mithril's project areas as blue dots).

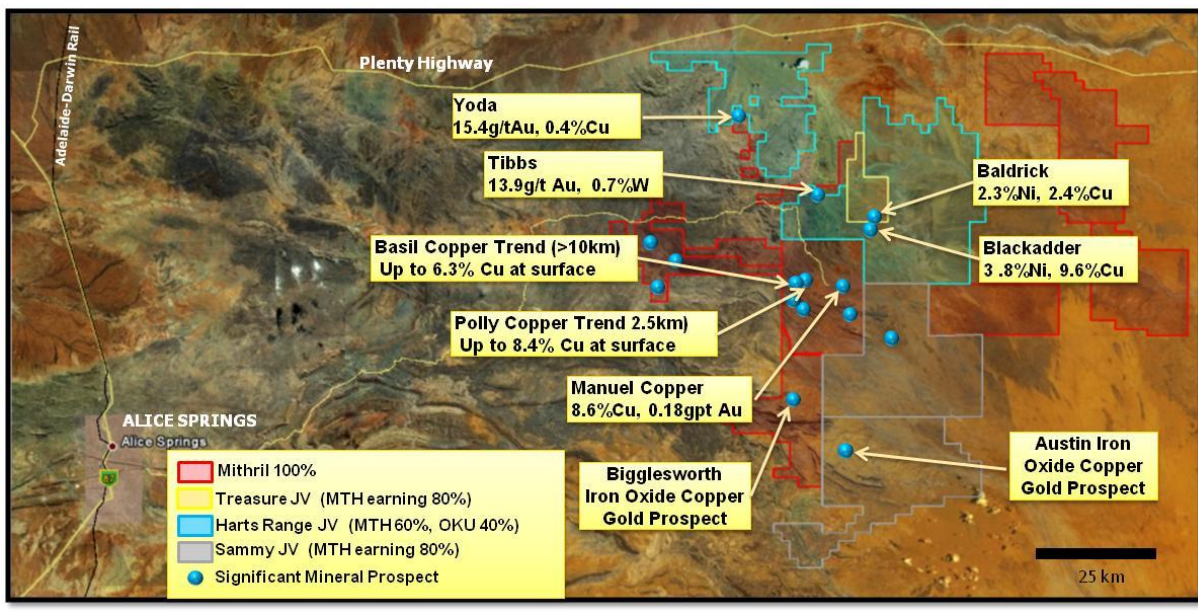


Figure 2: Huckitta Project and significant mineral prospects.

# EXPLORATION ACTIVITIES

## NORTHERN TERRITORY

### **HUCKITTA PROJECT (100% Mithril and Various Joint Ventures)**

EL24194, EL24427, EL26942, EL27178, EL27662, EL27243, EL27435, EL28335, EL28336, EL28369  
EL28471 & EL28501 (100% Mithril)

HARTS RANGE JV - EL25451, EL25453 (Mithril 60%/Oklo Resources Ltd 40%)

SAMMY JV - EL25643 & EL25653 (Mithril earning 80% from Cazaly Resources Ltd)

TREASURE JV - EL25346 (Mithril earning 80% from Iron Mountain Mining and United Orogen Ltd)

At the newly discovered Bigglesworth Prospect on the 100% owned Albarta Bore EL rockchips have returned high levels of copper up to 4.5% associated with highly anomalous values of gold up to 0.2g/t and silver up to 2.3g/t. The mineralised samples occur over a broad area and are generally associated with outcrops of silica and hematite-altered granites, consistent with an IOCG mineralising system (Figure 3).

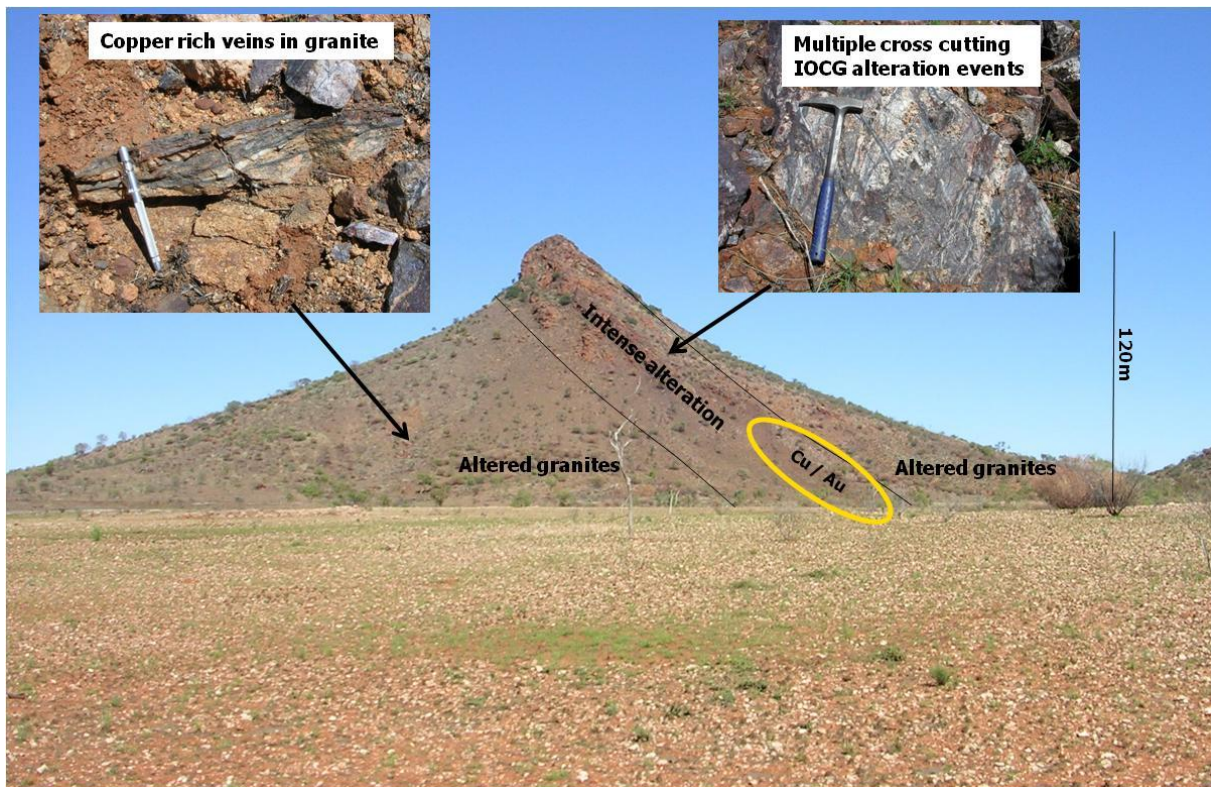


Figure 3: Bigglesworth Prospect looking west.

This alteration appears structurally controlled with copper and gold mineralisation being confirmed at multiple locations over an area greater than 1km x 1km. Further geological mapping has also extended the IOCG alteration 'footprint' to the east of Bigglesworth under thin sand and soil cover indicating the extensive nature of the alteration system. A recently completed gravity survey over the Albarta Bore tenement also identified a large (3km x 5km) positive anomaly adjacent to the newly identified mineralisation (Figure 4).

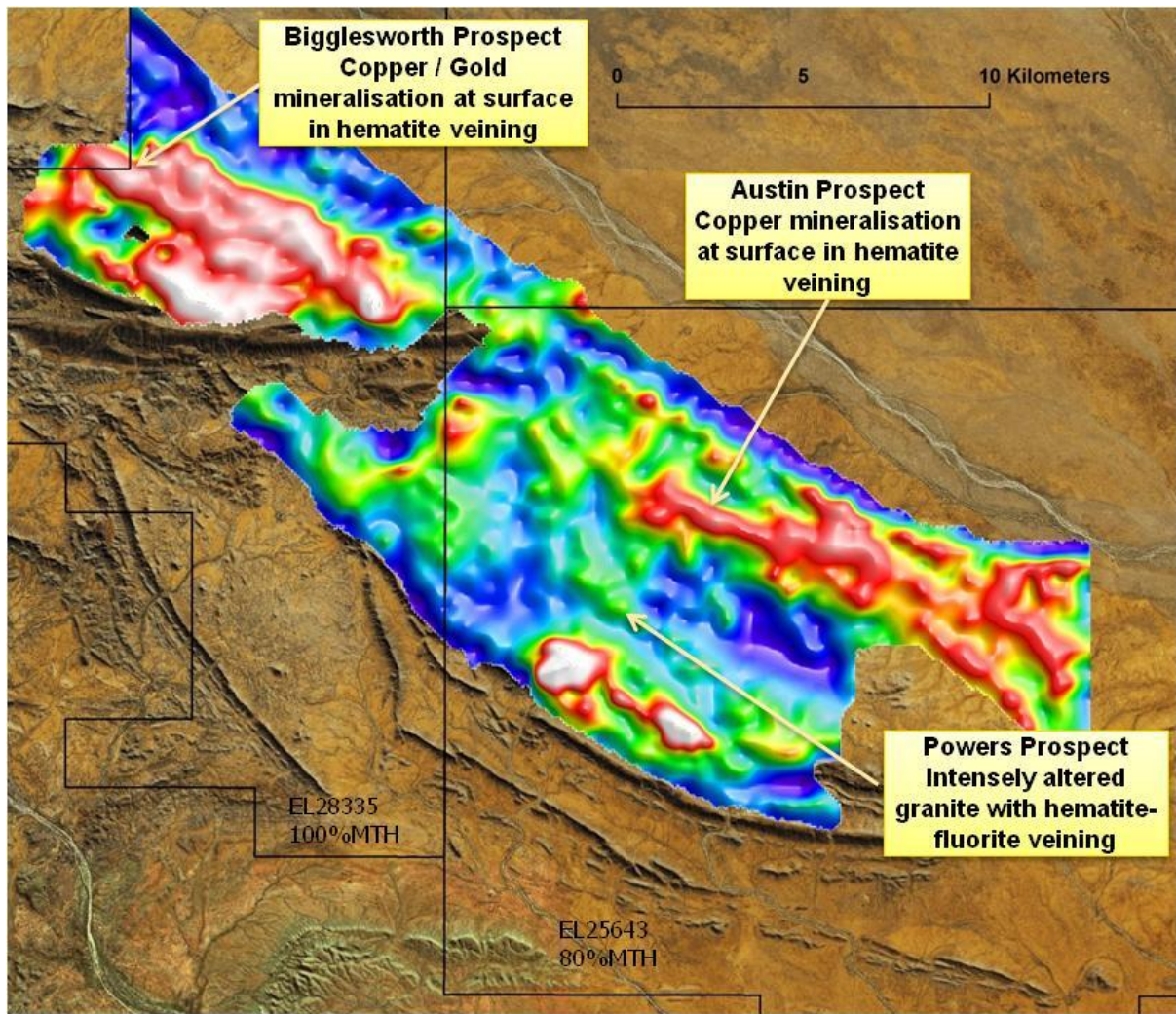


Figure 4: Residual Gravity Image showing IOCG.

The presence of gold, widespread alteration and the style of mineralisation observed are significant indications of the areas potential to host a near surface IOCG deposit.

Geophysical surveys have delineated multiple drill targets at the Austin Prospect associated with outcropping copper mineralisation and hematite-alteration (Figure 5). These targets were the focus of a recently completed Aboriginal heritage clearance survey that cleared all targets identified for drill testing. This drilling is planned for early 2012.

The Austin Prospect is located 20km to the southeast of Bigglesworth on EL25643 where Mithril may earn an 80% interest under a joint venture with Sammy Resources Pty Ltd, a wholly owned subsidiary of ASX-listed Cazaly Resources Ltd (ASX:CAZ).

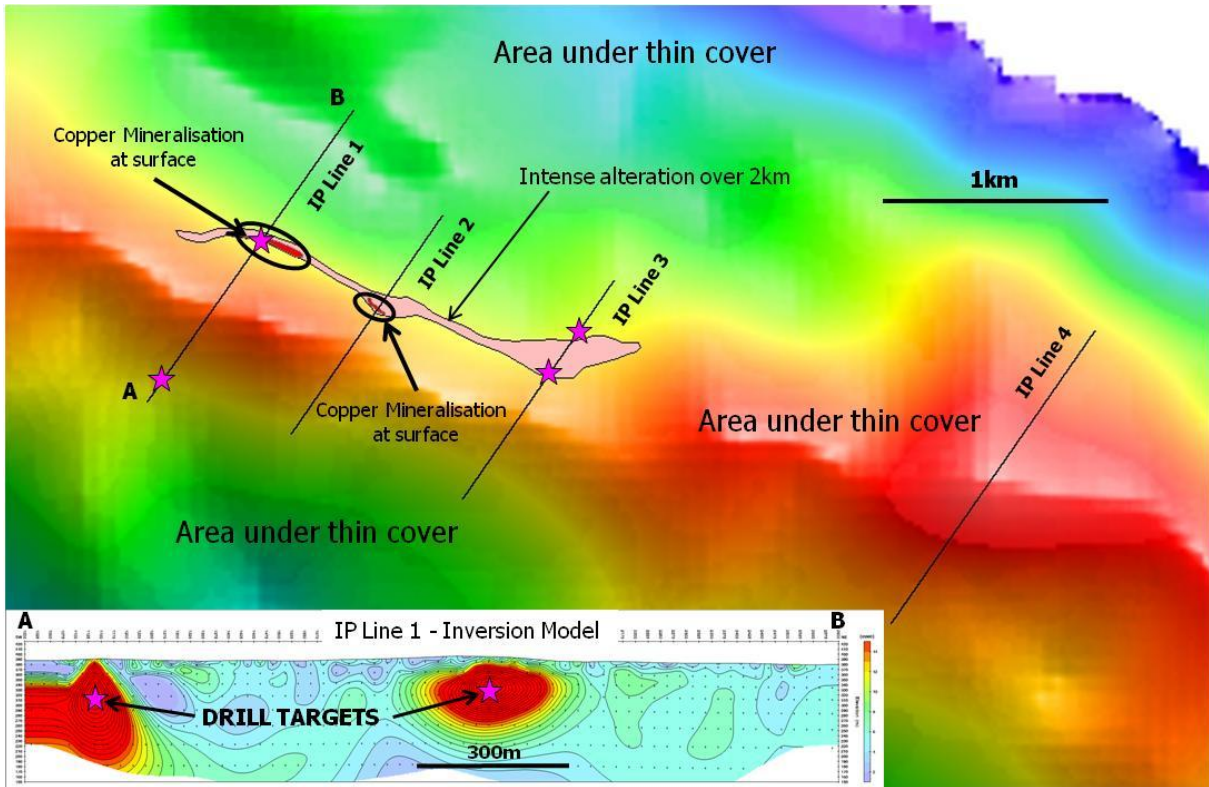


Figure 5: Residual Gravity Image and IP geophysical model showing drill targets at the IOCG Austin Prospect.

In 2011, a total of 43 diamond drillholes was completed at Basil and Manuel for a total of 13,589m. Some significant drilling results at the Basil Prospect are highlighted in Figure 6 and include >1%Cu intervals at the Peaks Zone. Analytical results received during the quarter are contained in Table 1.

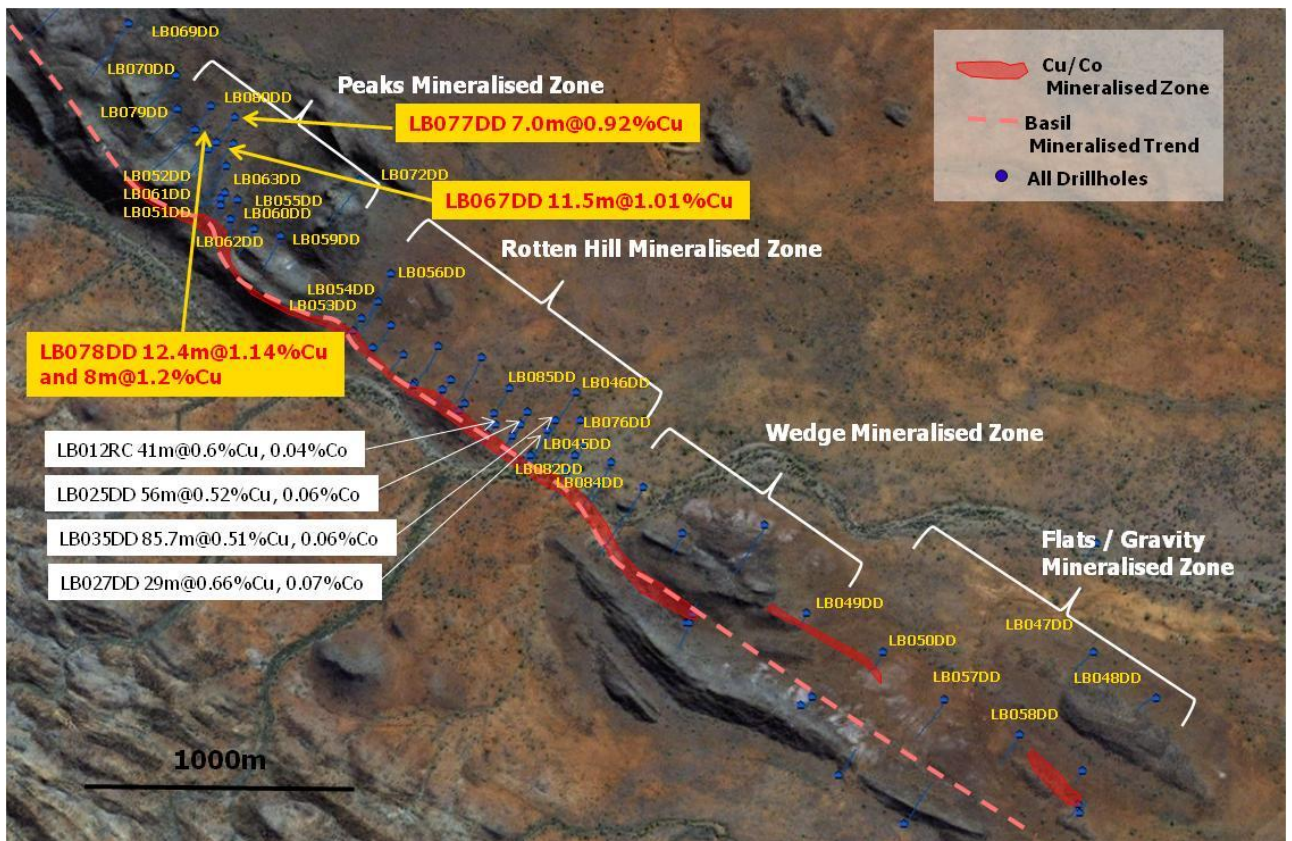


Figure 6: Drillhole locations at Basil Prospect (southern portion) on air photo image.

| HOLE NUMBER | EAST (GDA94MGAz53) | NORTH (GDA94MGAz53) | DIP | AZIMUTH | EOH   | INTERVAL (m)        | Cu % | Co % |
|-------------|--------------------|---------------------|-----|---------|-------|---------------------|------|------|
| LB084DD     | 532094             | 7410636             | -60 | 210     | 312.1 | 99.7 – 104.4 (4.7m) | 0.49 | 0.04 |
| LB085DD     | 531775             | 7410985             | -60 | 210     | 345.0 | 256.8 – 290 (33.2m) | 0.54 | 0.06 |
| LB086DD     | 536314             | 7410447             | -80 | 265     | 165.2 | N/A                 | NSA  | NSA  |
| LB087DD*    | 530762             | 7411878             | -60 | 220     | 303.2 | N/A                 |      |      |

\*Drillhole LB087DD at the Peaks Zone was halted 50m before target due to bushfire risk

N/A: Not Applicable

NSA: No Significant Assay Result

**Table 1: Summary of Analytical results from diamond drilling received during the quarter.**

The diamond drilling at Basil was suspended on drillhole LB087DD due to a significant bushfire risk in the project area. With this risk and extended delay anticipated, a decision was made to demobilise the drill rig from site and complete a full review of all drill results received to date, including an initial resource figure to assist in targeting the next round of drilling at the Basil Prospect. In addition to the resource calculation, three dimensional modelling of magnetic data is underway to identify further drill targets. These activities will be completed early in 2012.

Recently received analytical results are currently being assessed from the regional aircore drill program that targeted seven regional geophysical (VTEM and magnetic) anomalies under thin cover as well as a structural target at the Tibbs Gold Prospect. Elevated values of base metals and gold have been returned from one of the targets including 6m@484ppmZn and 41ppbAu in the bottom of aircore drillhole AC0289 testing a VTEM conductor in an area of sand cover. However, for the most part barren felsic gneiss beneath thin (<20m) transported cover was intersected in the majority of the holes. The source of the conductive response targeted by this drilling from the VTEM remains largely unexplained at this point but at some targets a thickening of the cover and presence of clay horizons may be an explanation.

The RC percussion drilling targeting the subvertically dipping mineralised quartz veins at the Tibbs gold prospect did not return any significant gold values. The current interpretation is that these narrow gold bearing veins identified at surface are sporadic and discontinuous. An RC percussion hole targeting a discrete magnetic anomaly at Tibbs intersected magnetic barren felsic gneiss at 20m depth and explains the magnetic anomaly.

Analytical results from an aircore drilling program targeting a N-S trending structure evident in the magnetic data at Tibbs did not return any anomalous gold or base metal values.

RC percussion drilling targeting a coincident magnetic and ground EM conductor on EL24194 intersected magnetite and minor iron sulphides (pyrrhotite) over an interval of 30m. No base metal or gold anomalism was detected and petrographic examination of samples indicates the sulphides are the likely source of the conductor. Two other RC holes were drilled on EL24427 targeting the up-dip extension to ground EM conductors. Up to 5% iron sulphides was noted over 2m intervals in these drillholes at the depth where the conductors were projected. No significant base metal anomalism was reported in the analytical results for the holes.

All aircore and RC drilling results from the 2011 programs are currently being reviewed and prioritised for further work in 2012.

**YAMBAH PROJECT**

EL28175, EL28271 and EL28340 (100% Mithril)

Reconnaissance field work completed during the quarter has confirmed the presence of outcropping mineralisation at a number of locations including the Rankins and Harry Creek Prospects (Figure 7). Mapping and sampling at Rankins have returned rockchips up to 3.6%Cu, 0.1g/tAu in a structurally altered zone over 700m long. Significantly, this alteration has abundant haematite alteration and may be related to an IOCG mineralising system. Further work in the form of geological mapping and sampling is planned.

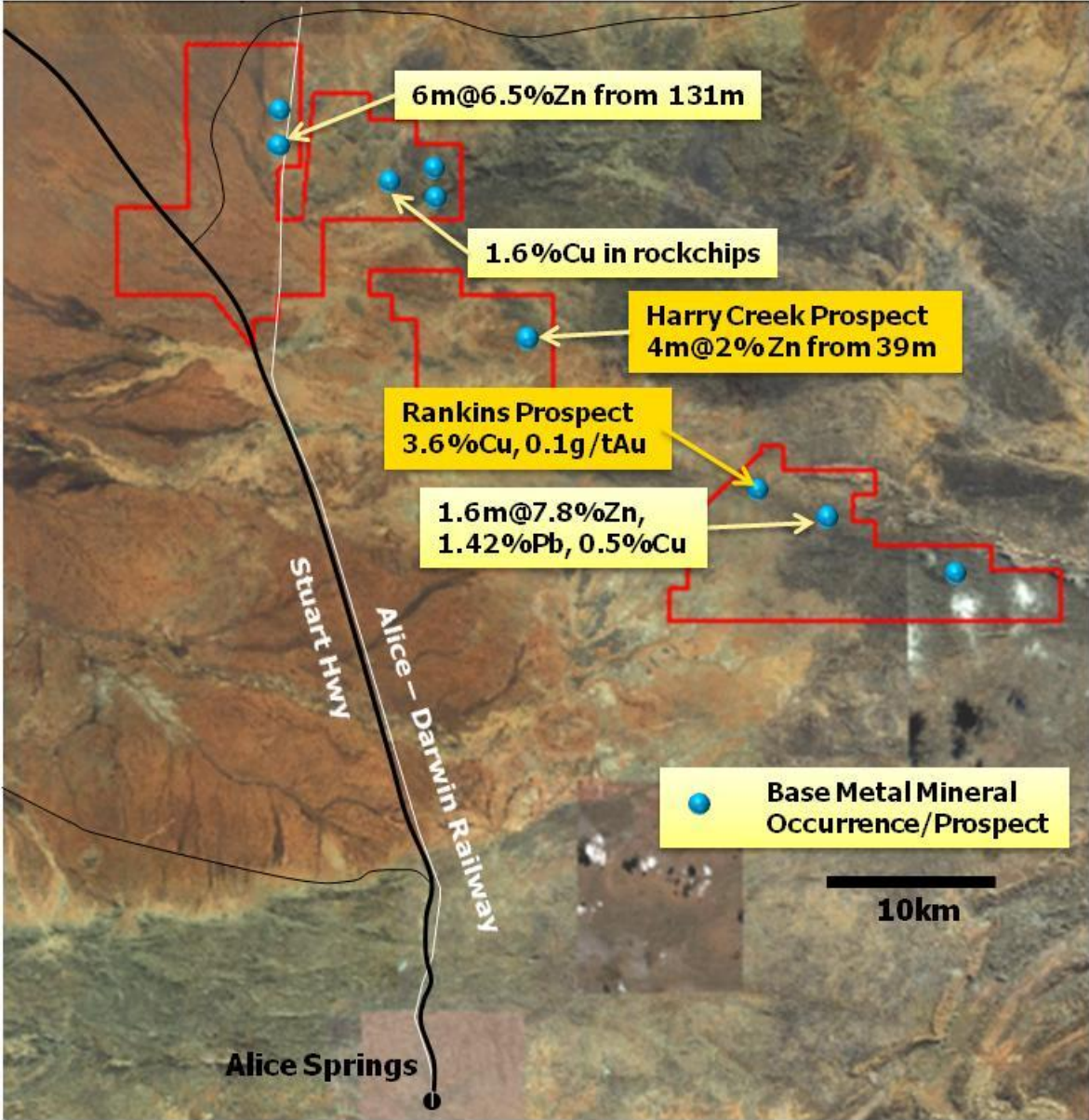


Figure 7: Yambah Project showing prospect locations.

## WESTERN AUSTRALIA

### **EAST PILBARA (Western Australia)**

E45/3457, E45/3462, E45/3470, E45/3471, E45/3680, ELA45/3756 and ELA45/3973 (100% Mithril)

Ground EM surveys have identified basement conductors at the Talga East Prospect area coincident with outcropping base metal and gold mineralisation (Figure 8). Drill targets have now been generated for the Talga East and the Gorge prospects and both were successfully heritage cleared during the quarter. Drilling is planned for April 2012 following the completion of access tracks for the drill. Geological mapping and geochemical sampling will continue on the project during 2012.

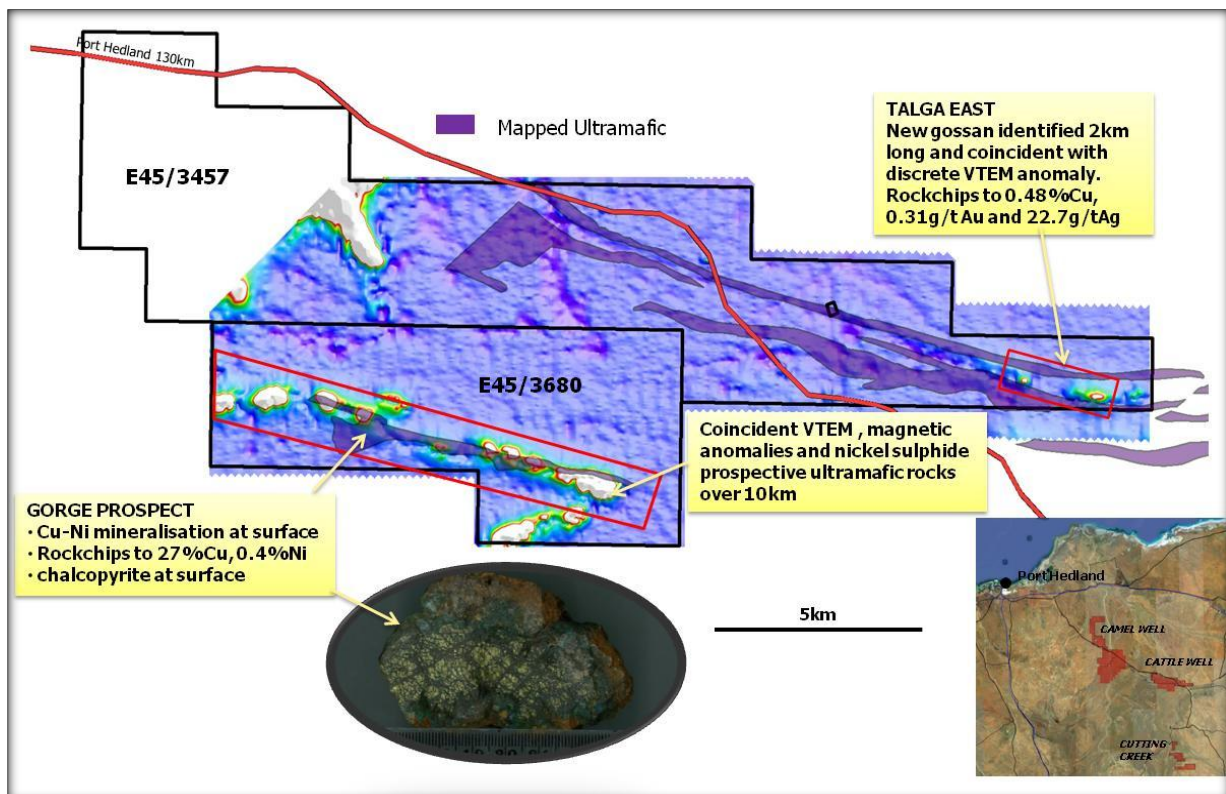


Figure 8: Prospect locations on Cattle Well tenements (E45/3457 and E45/3680) showing late time (channel 33) VTEM image and nickel prospective ultramafic rock types.

### **SANDSTONE**

E57/826, E57/827, E57/828, E57/829, ELA57/883, ELA29/826, ELA29/827, ELA29/828, ELA29/836 (100% Mithril)

A ground electromagnetic (EM) survey was completed over a number of targets on the Sandstone Project during the quarter. Although no late time conductors were detected during this survey a weak EM response was recorded over a magnetic anomaly under thin cover on the tenement immediately south of Western Areas Nickel Sulphide discovery (Figure 9). Only a small portion of the prospective stratigraphy on the project was covered with ground EM.

Further geological mapping and sampling have returned rockchips up to 0.5g/t gold on the Edale Bore tenement and further systematic geological mapping and sampling is planned on this tenement.

Western Areas NL, in Joint Venture with Troy Resources NL, continues to explore on tenements adjacent to Mithril's following up significant nickel sulphides drilled in 2010.

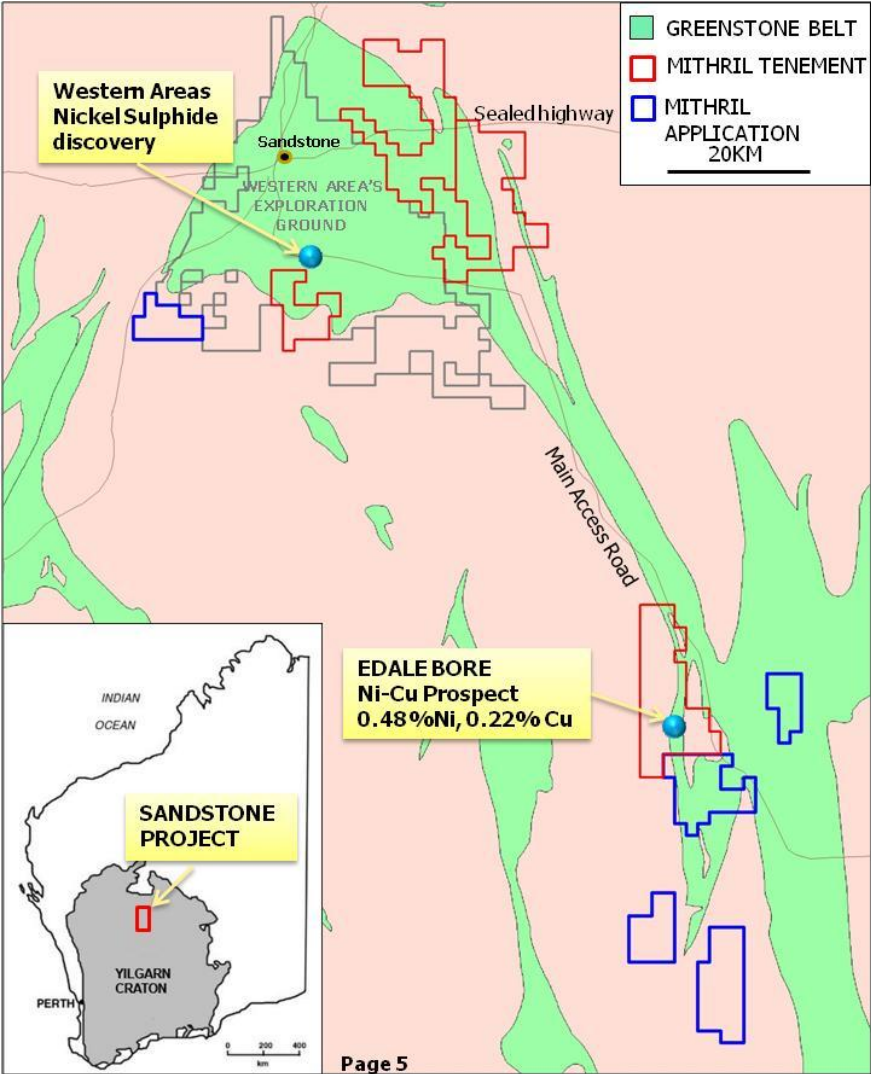


Figure 9: Mithril tenements (granted and applications) on regional geology at Sandstone.

## **OTHER PROJECTS**

There was no significant expenditure or exploration activity to report on the following projects during the quarter:

### **JUNCTION JV (Northern Territory)**

EL24253 (Mega Uranium Limited earning 80%)

### **YILGARN, EAST DUKETON (Western Australia)**

E38/2431 (100% Mithril)

### **WEST PILBARA**

ELA47/2158 and E47/2258 (100% Mithril)

For further information please contact:

Graham Ascough

[admin@mithrilresources.com.au](mailto:admin@mithrilresources.com.au)

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G L Ascough, who is Managing Director and a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr G L Ascough has more than 5 years' experience which is relevant to the styles of mineralisation and types 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 G L Ascough consents to the 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

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MITHRIL RESOURCES LTD

ABN

30 099 883 922

Quarter ended ("current quarter")

31 DECEMBER 2011

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date (6<br>months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                       |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | (1,366)                    | (3,637)                               |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (221)                      | (440)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 82                         | 240                                   |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | 88                         | 154                                   |
|   | <b>(1,417)</b>             | <b>(3,683)</b>                        |
| <b>Net Operating Cash Flows</b>                                 |                            |                                       |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 1.8 Payment for purchases of: (a) prospects                     | -                          | -                                     |
| (b) equity investments  | -                          | -                                     |
| (c) other fixed assets  | (4)                        | (4)                                   |
| 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)                        | -                          | -                                     |
|   | -                          | -                                     |
| <b>Net investing cash flows</b>                                 |                            |                                       |
| 1.13 Total operating and investing cash flows (carried forward) | (1,421)                    | (3,687)                               |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |                |                |
|------|--|----------------|----------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,421)        | (3,687)        |
|      | <b>Cash flows related to financing activities</b>          |                |                |
| 1.14 | Proceeds from issues of shares, options, etc.              | -              | -              |
| 1.15 | Proceeds from sale of forfeited shares                     | -              | -              |
| 1.16 | Proceeds from borrowings                                   | -              | -              |
| 1.17 | Repayment of borrowings                                    | (16)           | (32)           |
| 1.18 | Dividends paid   | -              | -              |
| 1.19 | Other (share issue costs)                                  | -              | -              |
|      | <b>Net financing cash flows</b>                            | <b>(16)</b>    | <b>(32)</b>    |
|      | <b>Net increase (decrease) in cash held</b>                | <b>(1,437)</b> | <b>(3,719)</b> |
| 1.20 | Cash at beginning of quarter/year to date                  | 8,346          | 10,628         |
| 1.21 | Exchange rate adjustments to item 1.20                     | -              | -              |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>6,909</b>   | <b>6,909</b>   |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 132                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, wages and superannuation for 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

Nil

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

Nil

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             | -                           | -                      |
| 3.2 Credit standby arrangements | -                           | -                      |

**Estimated cash outflows for next quarter**

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 560        |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 220        |
| <b>Total</b>                   | <b>780</b> |

**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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 609                        | 1,546                       |
| 5.2 Deposits at call                             | 6,300                      | 6,800                       |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | <b>6,909</b>               | <b>8,346</b>                |

**Changes in interests in mining tenements**

|   | Tenement<br>reference | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|---|-----------------------|----------------------------------|--|----------------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed |                       | Refer Appendix 1                 |  |                                  |
| 6.2 Interests in mining tenements acquired or increased           |                       | Refer Appendix 1                 |  |                                  |

**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.*

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|  | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1  | -            | -             | -   | -  |
| <b>Preference securities</b><br><i>(description)</i>             |              |               |   |  |
| 7.2  |              |               |   |  |
| Changes during quarter   |              |               |   |  |
| (a) Increases through issues                                     | -            | -             | -   | -  |
| (b) Decreases through returns of capital, buy-backs, redemptions | -            | -             | -   | -  |
| 7.3  | 219,615,500  | 219,615,500   | Fully Paid                                    | Fully Paid                                       |
| <b>+Ordinary securities</b>                                      |              |               |   |  |
| 7.4  |              |               |   |  |
| Changes during quarter   |              |               |   |  |
| (a) Increases through issues                                     |              |               |   |  |
| (b) Decreases through returns of capital, buy-backs              |              |               |   |  |
| 7.5  | -            | -             | -   | -  |
| <b>+Convertible debt securities</b><br><i>(description)</i>      |              |               |   |  |
| 7.6  |              |               |   |  |
| Changes during quarter   |              |               |   |  |
| (a) Increases through issues                                     | -            | -             | -   | -  |
| (b) Decreases through securities matured, converted              | -            | -             | -   | -  |
| 7.7  |              |               | <i>Exercise price (Each)</i>                  | <i>Expiry date</i>                               |
| <b>Options</b><br><i>(description and conversion factor)</i>     |              |               |   |  |
|  | 750,000      | -             | \$0.28  | 09/10/2012                                       |
|  | 50,000       | -             | \$0.44  | 22/01/2012                                       |
|  | 500,000      | -             | \$0.198                                       | 17/03/2013                                       |
|  | 175,000      | -             | \$0.15  | 11/12/2013                                       |
|  | 1,822,250    | -             | \$0.12  | 30/03/2012                                       |
|  | 6,005,250    | -             | \$0.12  | 30/03/2012                                       |
|  | 400,000      | -             | \$0.20  | 24/06/2014                                       |
|  | 2,300,000    | -             | \$0.30  | 24/06/2014                                       |
|  | 250,000      | -             | \$0.18  | 22/09/2015                                       |

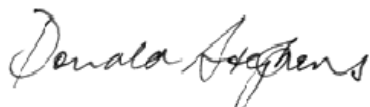
+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |                                      |           |   |         |            |
|------|--------------------------------------|-----------|---|---------|------------|
|      |                                      | 2,235,000 | - | \$0.25  | 16/12/2015 |
|      |                                      | 50,000    | - | \$0.20  | 24/03/2013 |
|      |                                      | 8,000,000 | - | \$0.30  | 16/12/2015 |
|      |                                      | 750,000   | - | \$0.20  | 22/05/2016 |
| 7.8  | Issued during quarter                |           |   |         |            |
| 7.9  | Exercised during quarter             |           |   |         |            |
| 7.10 | Expired during quarter               | 750,000   | - | \$0.305 | 09/10/2011 |
| 7.11 | <b>Debentures (totals only)</b>      | -         | - |         |            |
| 7.12 | <b>Unsecured notes (totals only)</b> | -         | - |         |            |

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 30 January 2012

Print name: Donald Stephens.....

## 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.

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

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- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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**Changes in Interests in Mining Tenements  
For Quarter Ended 31 December 2011**

|     | <b>Tenement<br/>Reference</b>                                 | <b>Nature of Interest</b>   | <b>Interest at<br/>the<br/>beginning<br/>of Quarter</b> | <b>Interest at<br/>the end of<br/>Quarter</b> |
|-----|---|---|---|---|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |   |   |   |
| 6.2 | E47/2258  | Exploration licence granted on 13 October 2011 (West Pilbara, Railway Bore, WA).  | 0   | 100   |
|     | E29/827   | Exploration licence granted on 15 December 2011 (Sandstone, McPhersons Bore, WA). | 0   | 100   |