



## GME RESOURCES LIMITED

ABN 62 009 260 315

### REPORT FOR THE QUARTER ENDING 31 December 2007

#### HIGHLIGHTS

- *Agreement reached with Norilsk Nickel Cawse to proceed Trial Heap Leach Program at Cawse Site*
- *Clearing for trial pit grade control drilling at Hepi completed*
- *Third Sonic Drill program completed*
- *Eucalyptus columns tests performing well*
  - *Averaging 38% Nickel Extraction after 43 days leaching*
  - *High percolation rates*
  - *Acid consumption in line with previous results*
- *Wanbanna Acquisition completed*
- *Appointment of Managing Director*

#### FEASIBILITY STUDY

Over the reporting period good progress was made on the all aspects of work associated with the Feasibility Study on the development of the Niwest Nickel Laterite Heap Leach project.

The majority of the work completed was engineering and environmental studies required for the evaluation of the Cawse Nickel site and to support the Company's application to develop the trial mine at Hepi project.

#### ***Trial Heap Leach Program to proceed at Norilsk Nickel's Cawse Site***

Since the signing of a MOU in August 2007 with Norilsk Nickel Cawse Pty Ltd to investigate establishing a trial heap leach program at the Cawse plant site, significant effort has been directed at evaluating the geotechnical, environmental and engineering aspects of the trial program. Work completed over the past three months has been compiled to produce a comprehensive Project Plan of the trial heap leach program.

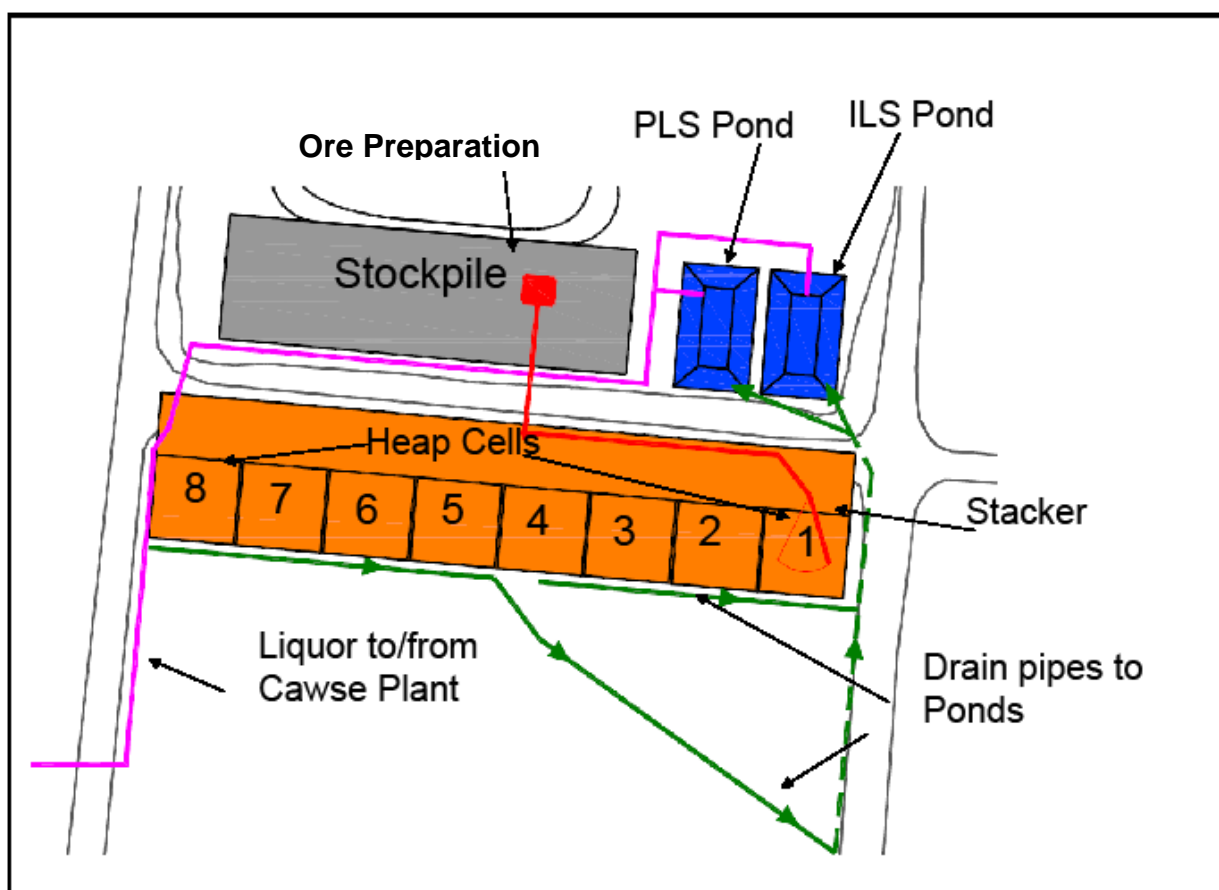
The Project Plan was presented to and formally accepted by Norilsk Nickel Cawse in November. This now paves the way for the Company to complete the commercial arrangements on the supply of consumables, reagents, utilities and the payments for nickel produced from the trial. Negotiations of the commercial arrangements are at an advanced stage and are expected to be completed during February.

Rapallo Engineers have completed the preliminary design, schedule and capital cost estimate of \$3.3 million to construct the heap leach project on decommissioned tailings dams at the Cawse site. Detailed design work has commenced with the work by Golder Associates and Rapallo Engineers in preparing specifications, detailed drawings and tender documents.

The trial will include eight separate heap leach cells, each containing 3,000 tonnes of saprolite ore grading 1.4% -1.5% nickel that will be trucked to the Cawse plant site from the Hepi project. The trial will test heaps at varying conditions to establish optimum parameters for design of the full scale operation. These parameters include; heap height, irrigation rates and a number of other key variables.

The following diagram shows the layout of the heap leach program that is to be constructed at the Cawse site.

**Trial Nickel Heap Leach Layout**



***Trial Mine – Hepi Project***

The mining proposal for the trial mining at the Hepi project was lodged with DoIR on the 10<sup>th</sup> December. The proposal covers the mining of approximately 25,000 tonnes of saprolite ore at an average grade of 1.4% Nickel. Total tonnes to be mined, including low grade ore and waste are expected to be 130,000 tonnes.

Mining at Hepi is scheduled to commence in mid April 2008.

Initial clearing of 2.5hectares for grade control drilling over the proposed trial pit area was completed before the Christmas break. The grade control drilling program is scheduled to commence on the 4th February. Results from the grade control will also be used to confirm the location of the trial pit, variability of the resource and provide reconciliation of tonnes and grade mined.



*Hepi project - 2.5 Hectare clearing for trial pit*

### ***Third Sonic drill program completed***

During the reporting period the Company completed a third Sonic drill coring program. Work was completed at Mt Kilkenny, Hepi and Waite Kauri projects and is to provide samples for further metallurgical test work.

Drilling statistics from the program are listed in the following table.

<b>Project</b>	<b>No holes</b>	<b>Metres Drilled</b>
Mt Kilkenny	5	297
Hepi	2	53
Waite Kauri	2	57

The Mt Kilkenny sonic core drilling successfully obtained metallurgical sample material below the alluvial cover within the Mt Kilkenny North resource zone. Metallurgical column leach tests are currently being prepared for the sonic core.

At Hepi, two sonic holes were drilled to obtain metallurgical samples from the trial pit area. The holes were designed to twin former RC holes to provide a correlation of grade and thickness from Sonic to RC drilling. Results from the sonic drilling was comparable to previous RC results with

high grade RC hole HPC168 intersected 21 metres averaging 2.45% Nickel compared to the 22.5 metres averaging 2.44% Nickel from the sonic core drilling.

#### Sonic Drilling Results

Hole Number	Northin g	Easting	From	To	Thicknes s Metres	Ni%	Co%
<b>Mt Kilkenny</b>							
MKS010	383917	6786450	28.20	51.45	23.25	1.70	0.15
<i>including</i>			<b>28.20</b>	<b>38.70</b>	<b>10.50</b>	<b>2.03</b>	<b>0.14</b>
MKS011	383594	6786644	37.50	48.00	10.50	1.65	0.17
MKS012	383912	6786754	44.25	58.50	14.25	1.70	0.19
<i>including</i>			<b>45.00</b>	<b>52.50</b>	<b>7.50</b>	<b>2.11</b>	<b>0.25</b>
MKS013	383723	6787052	39.00	57.25	18.25	1.46	0.09
MKS014	383607	6787350	41.25	56.25	15.00	1.68	0.11
<b>Waite Kauri</b>							
WKS010	374716	6827163	6.00	18.00	12.00	1.98	0.14
WKS011	387692	6827143	4.50	33.50	29.00	2.12	0.01
<b>Hepi</b>							
HPS010	382264	6806591	12.50	20.75	8.25	1.27	0.13
HPS011	382276	6806545	9.00	29.25	22.50	2.44	0.08
<i>including</i>			<b>10.50</b>	<b>27.00</b>	<b>16.50</b>	<b>3.00</b>	<b>0.10</b>

#### ***Eucalyptus Column Tests Results and Metallurgical Testwork***

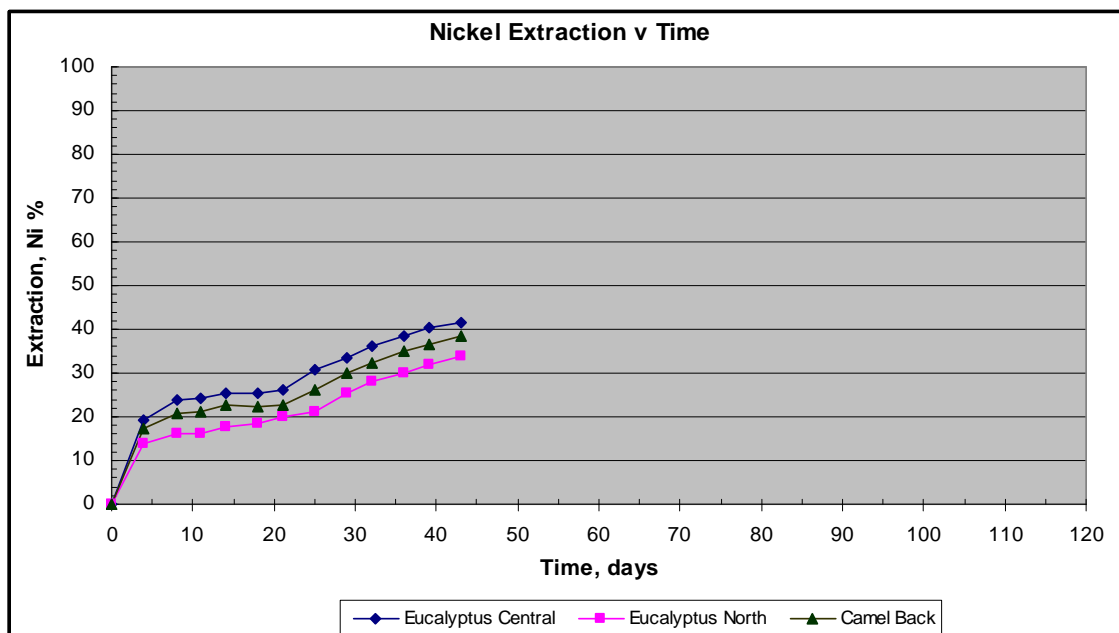
Three, four metre high column tests are in progress on the Eucalyptus ores, Sample preparation has commenced for an additional three column leach tests on samples from Hepi and Mt Kilkenny.

Interim column test results after 43 days from Eucalyptus ores are shown in the following table and graph. The nickel extraction rates from the all three columns are inline with previous column test work completed at Hepi and Mt Kilkenny for the corresponding number of leaching days. Solution percolation rates have been maintained at optimal levels due to minimal slumpage of the agglomerates. As with previous column tests the Eucalyptus columns will be run over a minimum 120 day leach cycle and will be targeting nickel extraction rates between 70 and 80 percent.

#### Interim Column Test Results – Eucalyptus Project

4 Metre Column Tests	Number Days	Extraction Rate		Column Head Grade
		%Ni	%Co	
Eucalyptus Central	43	<b>41.6</b>	11.2	1.25
Eucalyptus North	43	<b>34.0</b>	16.5	1.14
Camel Back	43	<b>38.5</b>	10.4	1.35

Eucalyptus Project – Interim Column Test Results after 43 days



In addition to column leach test work, SGS-Lakefield Oretest has a number of other test programs in progress that include solution purification and neutralization, metal recovery and test work on other downstream processing to assist in establishing optimum design parameters for the project. This work is expected to be completed by June 2008.

*Environmental Studies*

Rapallo Engineers have now completed flora and fauna studies at Hepi project and have now moved to the Mt Kilkenny and Murrin North projects. One potential rare species' of flora was identified adjacent to the Hepi resource area and further studies are underway. This identification resulted in modification of the clearing permit for the trial mine with the relocation of mine infrastructure. The location of the flora species is such that it is unlikely to affect any of the nickel resource. Further studies are underway in relation to this flora species.

*Native Title – Heritage Surveys*

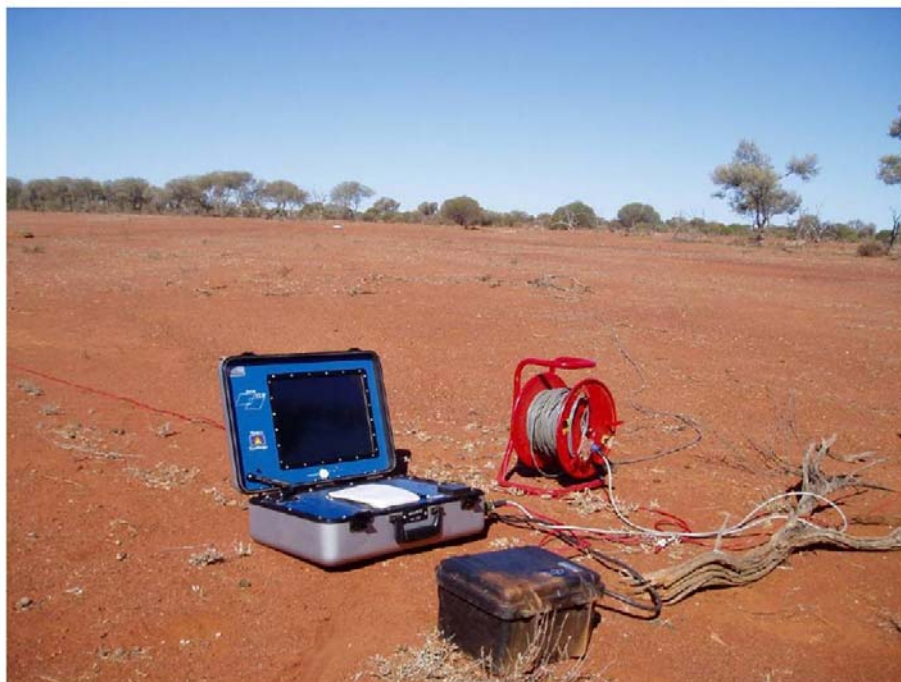
In October the company completed a final heritage survey of the Mt Kilkenny, Eucalyptus, Hepi, Wanbanna and Murrin North project areas. Previous surveys had identified a number of DIA heritage listed artifact scatter sites located within the tenements.

The claimant group has agreed to allow the Company to make application through DIA to salvage any of the sites that may interfere with future mining operations on the tenements.

*Water Resources – Coffey Geotechnics*

During the quarter Coffee completed ground based EM surveys at Mt Kilkenny and Hepi projects. The major objective of the survey was to confirm and better define the location of paleochannels which are expected to provide sufficient water supply for the Heap Leach Project. The survey also investigated previous exploration drilling programs that had reported intersecting significant groundwater flows. Results from the survey and data review are currently being evaluated.

Stage two of the water resource program will include a selection of exploratory water bore holes over identified targets. The water resource drilling program work is expected to commence in March 2008.



*EM ground survey field equipment – Mt Kilkenny Project*

***Wanbanna Acquisition***

In October the Company announced that it had reached agreement with privately owned company Wanbanna Pty Ltd to acquire an 80% interest in Prospecting Licences 39/2831-2835 (MLA39/460) covering 9.7 square kilometres. The project area is located approximately 4 kilometres west of the Murrin Murrin Nickel refinery.

The Wanbanna project area contains a significant inferred nickel laterite resource and is considered to be highly strategic as it abuts the Company’s Murrin North project and provides a material increase in the overall resources held in the NiWest Nickel Laterite project.

The following table shows the inferred polygonal resource estimates calculated at various nickel cut off grades from the existing air core drilling completed at the project.

**Wanbanna Project Inferred Resource Statement**

<b>Ni Cut Off Grade</b>	<b>Million Tonnes</b>	<b>%Ni</b>	<b>%Co</b>
0.70%	14.9	1.00	0.07
1.00%	5.5	1.28	0.10
1.20%	3.0	1.41	0.11

Under the terms of the agreement the Company agreed to reimburse the vendors \$50,000 and issue 12 million fully paid shares and 2 million options to acquire GME shares exercisable at 70 cents each on or before 30 September 2010, in return for an 80% interest in the tenements. Settlement of the transaction was completed on 1<sup>st</sup> November 2007. Mining Lease 39/460 was granted on 6<sup>th</sup> December 2007.

### ***Planned Exploration Work***

Works approvals have been granted to undertake drilling programs at Hepi North, Wanbanna and Murrin North. Approximately 10,000 metres of reverse circulation drilling is planned and will commence in March. Remedial clearing and earth works is required to clean up access for the drill vehicles. The drilling will target the untested prospective northern Ultramafic's at the Hepi project along with a substantial infill drilling campaign at Wanbanna and Murrin North projects.

A small drill program of approximately 1000 metres will target a Calcrete resource identified from historical gold drilling to the west of the Mt Kilkenny resource. Rehabilitation and clean up of drill sites will commence and systematically progress to all project areas over the next two quarters.

### ***Appointment of Managing Director***

The Company recently announced the appointment of Mr David Varcoe as Managing Director, effective 18 February 2008. Mr Varcoe is a highly qualified mining engineer with over 20 years experience that includes extensive senior managerial and technical positions with Australia and international resource companies. His experience includes positions at Sons of Gwalia, Centaur, WMC, and Goldfields St Ives and for the past four years as Principal Consultant Rio Tinto Technical Services based in the United Kingdom and Perth WA.

Mr Varcoe's appointment will coincide with the anticipated commencement of trial mining at the Company's Niwest Nickel Laterite project and subsequent trial Nickel Heap Leach program that is to be completed at the Norilsk Nickel Cawse plant site.

Mr Varcoe's technical and senior management experience and his expertise in all facets of mine development, operations, and strategic planning are considered by the Board to be key attributes for the Company as it progresses through the feasibility and development stage into production.

To further assist the new managing director, the Company has also strengthened the Feasibility Study management team through the appointment of a project geologist and a process engineer. Further appointments will follow as the study progresses.

### ***Small Shareholding Sale Facility***

During the Quarter, the Company undertook a Small Shareholding Sale Facility process. This offer was made to all 296 shareholders who held less than \$500 worth of shares in the Company as at 28 September 2007. The majority (257) shareholders, who represented 64,992 shares, took up the offer to have their shares sold on their behalf at no brokerage cost.

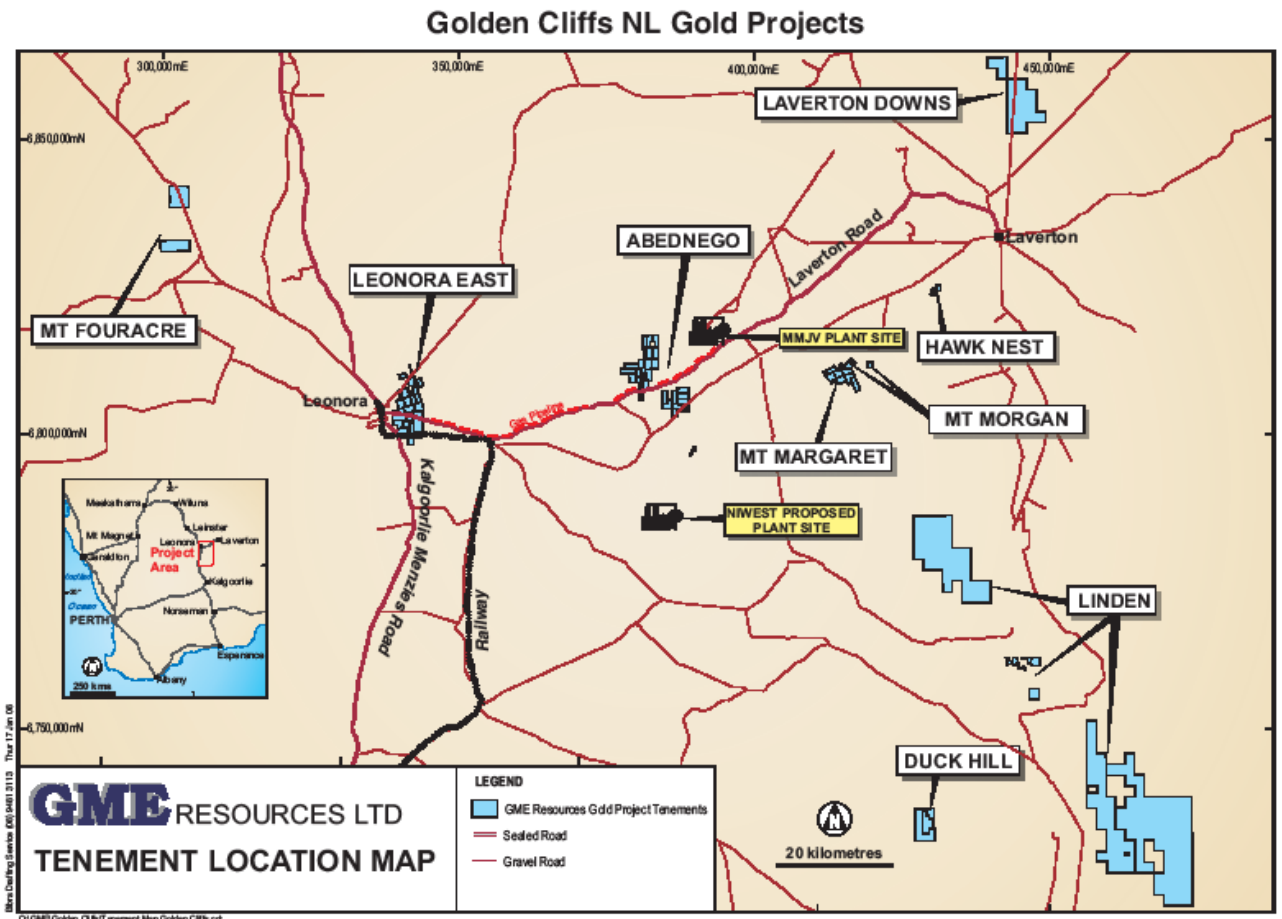
For the Company, this represented a 14% reduction in registered shareholders, which will lead to significant savings in share registry and annual reporting costs.

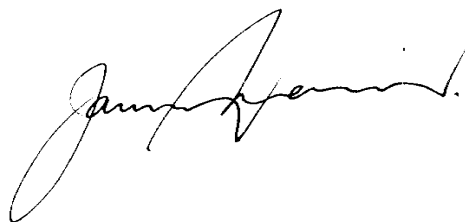
**Gold Tenements**

Golden Cliffs NL, a 100% owned subsidiary company holds an highly prospective portfolio of gold tenements located in the North Eastern goldfields of WA. Some of the holdings are located close to or are contiguous to a number of the NiWest Nickel Laterite project areas. Most of the tenements cover areas that have historical gold workings and have been subjected to varying levels of gold exploration over the past 25 years. A number of the areas have reported non JORC gold resources and all warrant further evaluation.

The recent surge in the gold price to around \$1000 per ounce, coupled with the Company’s primary focus on the NiWest Nickel Laterite Project, further highlights the necessity to investigate the most appropriate manner in which to realise value from these assets. A full evaluation of these assets will commence in February. Current Managing Director, Mr Jamie Sullivan will remain as an executive director from the 18<sup>th</sup> February 2008 to work on the gold projects.

Following plan shows the Company’s gold tenement holdings





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**JAMIE SULLIVAN  
MANAGING DIRECTOR**

Date: 31 JANUARY 2008

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bill Hill and Mr Steve Goertz, both whom are members of The Australasian Institute of Mining and Metallurgy. Mr Hill is self employed and consults to the Company as and when required, Mr Goertz is a former employee. Both Messrs Hill and Goertz have sufficient experience, which is relevant to the style of mineralization 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. Both Mr Hill and Mr Goertz consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.*

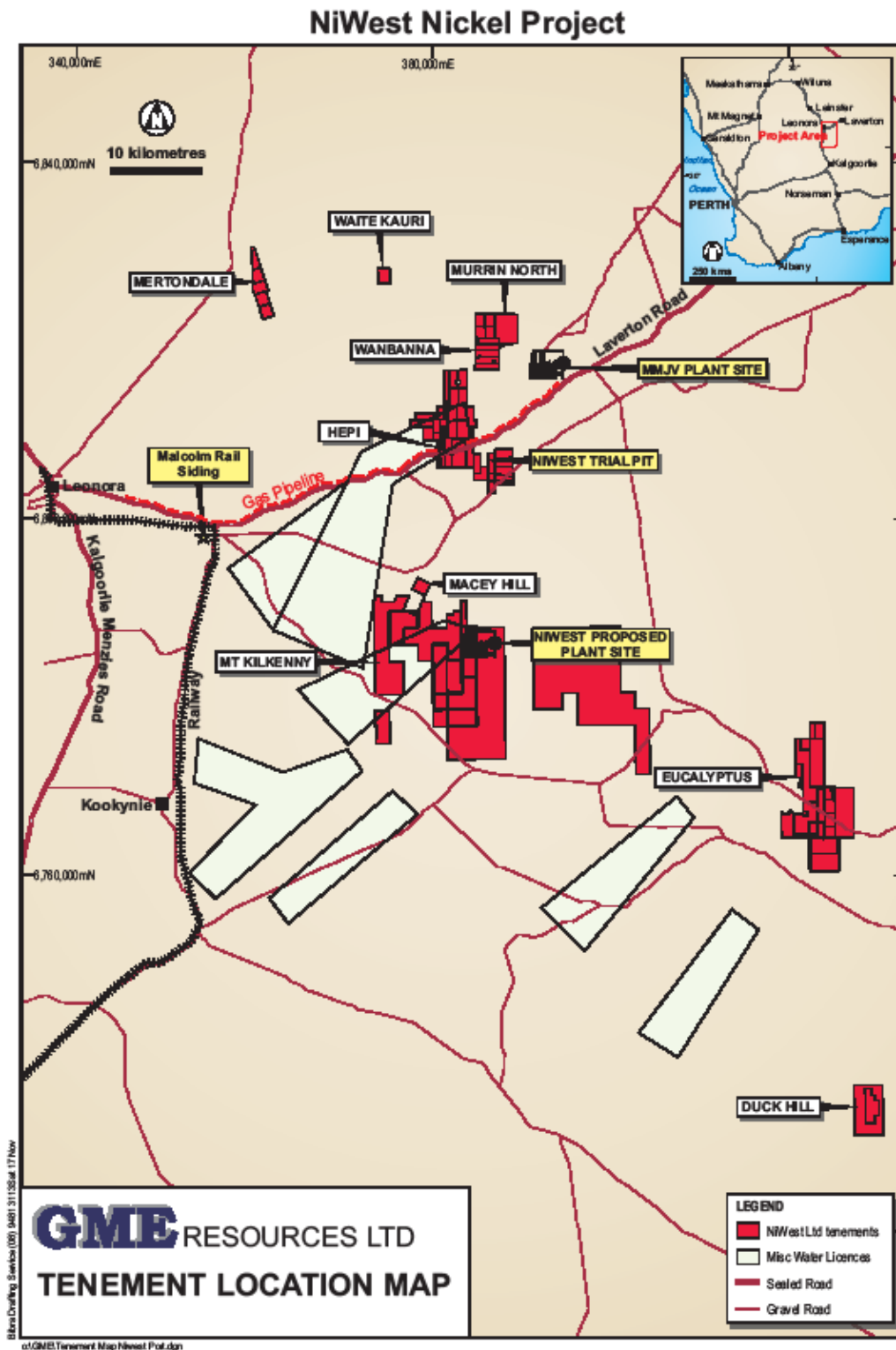
**NiWEST HIGH GRADE POLYGONAL RESOURCE BASE**

**1% NICKEL CUT OFF GRADE**

Project Area	Category	Million Tonnes	% Ni	% Co
Mt Kilkenny	Indicated	13.73	1.29	0.10
Mt Kilkenny	Inferred	1.38	1.14	0.07
Eucalyptus	Indicated	17.10	1.24	0.08
Eucalyptus	Inferred	7.10	1.16	0.09
Waite Kauri	Measured	1.30	1.33	0.14
Murrin North	Indicated	2.15	1.34	0.09
Murrin North	Inferred	0.97	1.14	0.11
Hepi	Measured	1.10	1.44	0.10
Hepi	Indicated	0.58	1.30	0.11
Hepi	Inferred	0.35	1.09	0.11
Wanbanna	Inferred	5.50	1.28	0.10
Mertondale	Inferred	1.20	1.24	0.08
Macey Hill	Inferred	0.30	1.40	0.15
Duck Hill	Inferred	1.50	1.27	0.30
<b>Total</b>	<b>Indicated/Measured</b>	<b>35.96</b>	<b>1.28</b>	<b>0.09</b>
Total	Inferred	18.30	1.21	0.11
<b>Total</b>	<b>Combined</b>	<b>54.26</b>	<b>1.26</b>	<b>0.10</b>

**TOTAL RESOURCES AT VARIOUS CUT OFF GRADES**

Ni Cut Off Grade %	Million Tonnes	% Ni	% Co	Tonnes Contained	
				Nickel	Cobalt
0.5	227.55	0.81	0.05	1,843,000	113,800
<b>0.7</b>	<b>143.00</b>	<b>1.00</b>	<b>0.06</b>	<b>1,430,000</b>	<b>85,800</b>
1.0	54.26	1.26	0.10	683,700	54,260
1.2	29.08	1.42	0.11	413,000	31,900



### NiWEST TENEMENT DIRECTORY

Project	Tenements	Company Interest	Comments
Duck Hill	MLA31/214 Reversion tenement E31/733	Niwest 50%	Murchison Metals 50%
Eucalyptus	M39/289, M39/568, M39/57, M39/616 and M39/802	NiWest 100%	MRE Royalty
	M39/313, M39/344, M39/430, M39/665, M39/666	NiWest 100%	MRE Royalty
	EL39/703	GME 100%	
Camelback	P39/3459 - 3460 converted to MLA39/744 Reversion tenements PL39/4739- , 39/4742, 39/4680 – 39/4681	NiWest 100%	Anglo 100% Gold Rights plus nickel royalty
Eucalyptus South	MLA39/803 – 804 Reversion Tenement ELA39/1268	NiWest 100%	Oldcity Pty Ltd Nickel Royalty
Laverton Downs	E38/2066	NiWest 100% nickel rights	
Macey Hill	ML39/845	NiWest 100%	
Mertondale	MLA37/591 Reversion tenements PLA37/7180 - 7184	NiWest 100% NiWest 100%	
Mt Kilkenny	E39/688 converted to E37/878, 39/1266 – 1268 ML39/878 – 879, EL 39/1107- 1108 PLA39/4571, 39/4572 and ELA39/1331	NiWest 100% NiWest 100% GME 100% NiWest 100%	Retord Royalty
Jindalee J/V	E39/990 J/V	Jindalee 100%	Earning up to 80%
Hepi	ML 39/717 - 718 ML39/819 PLA 39/4572	Niwest 100%	
Murrin North	ML39/758 MLA39/757 Reversion tenements PLA 39/4823 - 4826	Niwest 100%	
Waite Kauri	M37/1216	Niwest 100%	
Wanbanna	ML 39/460	NiWest 80%	Wanbanna Pty Ltd 20%

Project	Tenements	Company Interest	Comments
Misc Licences	MLA39/173, MLA39/174, MLA39/175, MLA39/179, MLA31/46, MLA40/25, MLA39/177, M37/182	NiWest 100%	Haul Roads, Ground Water Resources

**GME RESOURCES LTD & GOLDEN CLIFFS NL  
TENEMENT DIRECTORY**

Project	Tenements	Company Interest	Comments
Abednego West	MLA39/427 MLA39/824 MLA 39/825 MLA39/823	Golden Cliffs 100%	Placer Royalty
Clermont	EPMA11575, EPMA11806, EPMA12164	GME 40%	Joint Venture with Australian Gold Fields NL (in Liquidation)
Hawks Nest	M38/218, P38/2515 converted to MLA 38/683	GME 100%	
Ilgarari	E52/1452	100% rights to non copper minerals	Copper Royalty
Laverton Downs	E38/1876	97%	B Legendre 3%
Leonora East	P37/4106 converted to MLA37/566 P37/5330 - 5333, P37/5477 converted to MLA37/1059 P37/5650 - 5656  MLA37/876 EL37/871	GME 100%   Golden Cliffs 100% Golden Cliffs 100%	
Linden	P39/3417 - 3418 converted to MLA39/797 - 798 P39/2974 - 2976 converted to MLA 39/500 ELA 39/1181 ELA39/1251	GME100% GME 10% Golden Cliffs 100% Golden Cliffs 100%	90% Haoma Mining NL
Mt Morgan South	MLA39/702 - 703, MLA 39/481, MLA39/777	GME 100%	
Murrin Murrin	MLA39/554 and MLA39/457	Golden Cliffs 100%	
Mt Fouracre	EL37/845	Golden Cliffs 100%	
Murrin Murrin (Minara Resources)	ML39/426, 456, 552, 553 and 569	Golden Cliffs 100% rights to non nickel laterite	Nickel laterite royalty 20 cents per tonne

**LEGEND:**

<i>E:</i> Exploration Licence	<i>P:</i> Prospecting Licence	<i>L:</i> Misc Licence	<i>PLA:</i> Prospecting Licence Application
<i>M:</i> Mining Lease	<i>ELA:</i> Exploration Licence Application	<i>EPM</i> Exploration Permit for Minerals Application	<i>MLA:</i> Mining Lease Application

1. APPENDIX 5B

1.1 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

GME RESOURCES LIMITED

ABN

62 009 260 315

Quarter ended ("current quarter")

31 DECEMBER 2007

(1) Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$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 and evaluation (b) development (c) production (d) administration	(1,970)	(3,098)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	153	207
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	100
<b>Net Operating Cash Flows</b>		<b>(2,035)</b>	<b>(3,281)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(8,377)	(8,377)
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 from other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>(8,387)</b>	<b>(8,413)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(10,422)</b>	<b>(11,694)</b>

1.13	Total operating and investing cash flows (brought forward)	(10,422)	(11,694)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	8,327	18,687
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	-	-
	<b>Net financing cash flows</b>	<b>8,327</b>	<b>18,687</b>
	<b>Net increase (decrease) in cash held</b>	<b>(2,095)</b>	<b>6,993</b>
1.20	Cash at beginning of quarter/year to date	9,803	715
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>7,708</b>	<b>7,708</b>

(2) Payments to directors of the entity and associates of the directors

(3) 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	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

(4) 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

(5)

**GME Resources Limited**  
**Quarterly Report –December 2007**

(6) 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	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

(7)

(8) Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	-
<b>Total</b>	<b>3,000</b>

1.2 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	1,663	9,779
5.2 Deposits at call	6,045	24
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,708</b>	<b>9,803</b>

(1) 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	N/A			
6.2 Interests in mining tenements acquired or increased	P39/2831 – P39/2835 M39/460 P37/6932		Nil	80%
			Nil	100%

(2)

(3) 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 <b>Preference +securities</b> <i>(description)</i>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	253,173,931	253,173,931		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,000,000	12,000,000	\$0.6398	\$0.6398
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	NIL			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	<i>Unlisted options</i> 250,000 100,000 2,000,000	- - -	<i>Exercise Price</i> \$0.75 per option \$0.80 per option \$0.70 per option	<i>Expiry Date</i> 30 June 2009 30 June 2009 30 September 2010
7.8 Issued during quarter	2,000,000	-	\$0.70 per option	30 September 2010
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	NIL			
7.11 <b>Debentures</b> <i>(totals only)</i>	NIL			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	NIL			

## 1.3 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)

11 January 2008

Date: .....

Print name: .....  
BRADLEY WYNNE

## 1.4 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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