

25 January 2013

Australian Stock Exchange Limited
Exchange Centre,
Level 6, 20 Bridge Street,
SYDNEY, NSW 2000

**BROKEN HILL PROSPECTING LTD
QUARTERLY REPORT FOR THE PERIOD TO 31 December 2012**

Broken Hill Prospecting Limited ("BPL") is pleased to provide the following report on corporate news and mineral exploration activities undertaken at the Company's 100% owned Broken Hill cobalt-pyrite projects during the three month period ending 31 December 2012. Additional information about the Company is available at BPL's website www.bhpl.biz.

HIGHLIGHTS

SCOPING STUDY BOOSTS COBALT PROJECT'S DEVELOPMENT OPTIONS

- Scoping study identifies robust economics for production of sulphuric acid bi-product
- Five fast-track, low cost development options were identified with nominal processing rates of 1.5 to 7.5 million tonnes per annum
- Growing Australian and world-wide sulphuric acid requirement for fertiliser and mineral processing industries
- The study enhances project flexibility for the development of a large open-cut cobalt mine
- First step of an ongoing infrastructure and marketing evaluation for a world-class cobalt-sulphuric acid development

DRILL HOLE INTERSECTS DEPTH EXTENSION TO COBALTIFEROUS PYRITE

- The first deep diamond drill hole (BED001) was successfully completed in mid-January
- Abundant cobaltiferous pyrite was intersected (264-292m) down-hole from lesser pyrite and patches of minor vein and disseminated zinc mineralisation
- Assay results are expected in several weeks

URANIUM 'EXPRESSIONS OF INTEREST' LODGED FOR SIX AREAS

- BPL has defined six prospective uranium target areas in the Broken Hill District

Broken Hill Prospecting Limited

ARBN: 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000 Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300 F: +61 2 9252 8400 E: info@bhpl.biz W: www.bhpl.biz

SCOPING STUDY FOR PRODUCTION OF SULPHURIC ACID BI-PRODUCT

A detailed scoping study for the production of sulphuric acid bi-product from BPL's world-class, 100%-owned Broken Hill Cobalt Project in western NSW was completed. The work has highlighted significant potential for a long-term operation with a low capital start-up and staged development.

The study, undertaken by international engineering consultant GHD, confirmed that pyrite from the company's Railway, Pyrite Hill and Big Hill cobalt deposits could yield valuable sulphuric acid bi-product. Sulphuric acid is in strong demand in fertiliser production, mineral processing and other industries. Pyrite treatment would also provide significant cobalt and iron recovery.

The study showed that production of pyrite to produce sulphuric acid could be a valuable revenue stream to support cobalt sales. Results of the work were reported in an ASX release on 7 November, 2012 available at the BPL website (www.bhpl.biz).

Options investigated by GHD include:

1. Crush/grind/flotation/dewatering for both 1.5Mtpa and 7.5Mtpa throughput
2. High-grade ore. Crushing without concentration (1.5Mtpa)
3. Medium grade ore with coarse gravity upgrade (1.5Mtpa)
4. Medium grade ore with coarse and sands gravity upgrading (1.5Mtpa)

The studies provide initial indications of capital and operating costs (CAPEX and OPEX) of possible future development scenarios. They include staged mine development options with early, small scale (1.5Mtpa) direct treatment of high-grade ore which focus on low capital expenditure to establish an early revenue stream by using existing infrastructure. Table 1 lists the basic parameters of each of the process options considered.

As a first step to separate cobalt from the rock in any future development the ore is likely to require concentration of the pyrite by gravity and/or flotation processing. The pyrite concentrate could then be further processed on site or sent elsewhere to recover sulphur compounds (to produce sulphuric acid*) and cobalt as well as a high iron residue (Fe-calcine or hematite).

Parameter	Unit	7.5 Option 1a	1.5 Option 1b	1.5 Option 2	1.5 Option 3	1.5 Option 4
Annual ore feed	Mtpa	7.5	1.5	1.5	1.5	1.5
Feed	% pyrite	20.4	20.4	35	18	18
Annual product	Mtpa	1.5	0.3	1.5	0.27	0.26
Product grade	% pyrite	85.8	85.8	35	50	60
Pyrite	% recovery	84.1	84.1	100	50	57.3
Pyrite in concentrate	Mtpa	1.29	0.26	0.53	0.14	0.15

Table 1. Mineral Processing Options Summary

* Background information on sulphuric acid is located on page 10 of this report.

For personal use only

Description of Potential Mineral Processing Scenarios

1. Option 1a and 1b (7.5 Mtpa and 1.5 Mtpa) Crush/Grind/Flotation/Dewater

Option 1 would produce much higher grade concentrate than other options and was considered for two operations of different size throughputs (7.5Mtpa and 1.5Mtpa). The processing plant would be designed to produce two grades (high and low grade) of concentrate. After crushing and grinding the SAG milled ore would be processed through a flotation circuit and dewatered to produce a pyrite/cobalt concentrate with a cobalt grade of about 0.445% Co and either 85% pyrite or 90% pyrite depending on whether the cleaning circuit is activated.

2. Option 2 - High Grade Crushing Only

This option provides for a simple crushing circuit with minimal processing. A 35% pyrite rock would be mined and crushed. This high-grade selected mining operation of whole-of ore could produce 1.5Mtpa of 35% pyrite product to a stockpile ready for loading onto rail transport.

3. Option 3 - Medium Grade with Coarse Gravity

Using the same front-end crushing operation as Option 2, medium grade ore (18% pyrite) would be fed through a screening process to In-Line Pressure Jigs ("IPJ"). After dewatering the product would be drained and loaded on to rail cars for transport.

4. Option 4 - Medium Grade with Coarse and Sands Gravity

Option 4 would have the same front-end crushing operation as Option 2 and the coarse gravity circuit would be essentially the same as for Option 3 except that, instead of a dry fine screen, a wet fine screen would be used to remove the fines ahead of the coarse gravity circuit. The screened, undersize fine material would then be processed through an IPJ.

Mineral Processing Summary of Results

Only preliminary metallurgical and engineering work was undertaken prior to the GHD scoping studies and each process option requires considerably more test work. Close-spaced drilling and detailed mine studies are also required to determine mining schedules and open cut pit design during pre-feasibility and feasibility investigations. For these reasons the GHD estimates within the scoping studies have +/-50% accuracy. The results and recommendations of the work are an important step in BPL's growth towards becoming a significant cobalt and industrial mineral producer.

Capital Cost Estimates

GHD estimated indicative total capital requirements by using multipliers of capital equipment costs to calculate total CAPEX for each option. These do not include costs associated with site infrastructure (roads, dams), rail siding/loop, offsite infrastructure, mining equipment, approvals, or project finance/legal costs. Capital cost estimates for each option are summarised in Table 2.

Operating Cost Estimates

Operating costs were estimated for each option assuming that the workforce was based at Broken Hill (Table 2).

Broken Hill Prospecting Limited

ARBN: 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000 Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300 F: +61 2 9252 8400 E: info@bhpl.biz W: www.bhpl.biz

CAPEX/OPEX	Unit	7.5 Option 1a	1.5 Option 1b	1.5 Option 2	1.5 Option 3	1.5 Option 4
Capital Cost Estimate*	A\$ million	190	74	6.5	11	12
Operating Cost Estimate*	A\$ million per year	50.9	17.8	14.3	17.2	19.9
	A\$ per tonne ore	6.8	12	9.5	11.5	13
	A\$ per tonne concentrate	34	59.5	9.5	63.5	77

* Accuracy +/-50%

Table 2. Capital and Operating Cost Estimates

Project Value Streams for 7.5Mtpa processing

GHD considered each of the value-adding products (cobalt, sulphuric acid and calcine (Fe₂O₃)) and processing scenarios for product from a 7.5Mtpa plant producing pyrite concentrate. Preliminary assessments were undertaken to determine the importance of these products within separate concentrate processing strategies. Because of the wide variety of assumptions this work is indicative and does not represent financial assessment of viability. It does provide, however, a comparison of value-adding for each product.

Potential revenue return for a strategy to transport containerised pyrite concentrate to an established mineral processing/sulphide roasting operation is \$44/t of ore (Table 3). In this scenario, roasted calcine would be leached and cobalt recovered. The Fe-calcine residue would be transported to port and exported to China. Sulphur dioxide gas (SO₂) would be collected during the pyrite roasting and oxidised to produce sulphuric acid.

Indicative summary operating costs for this strategy were calculated by GHD as \$27/t of ore although this is only an indicative and preliminary assessment until more detailed information on ore processing and better cost estimations are undertaken during future pre-feasibility and feasibility studies.

Product	price used (\$/t)	Potential Revenue (\$/t ore)
cobalt	\$28,630	\$11
sulphuric acid	\$200	\$27
calcine (Fe ₂ O ₃)	\$100	\$6
total		\$44

Table 3. Potential Revenue streams* from pyrite concentrate processing.

*Other potential revenue streams that were not considered could include 'low-carbon' electricity production from heat generation during processing, industrial use for quartz-feldspar separate (tiles, ceramics), and waste storage in open cut voids.

For personal use only

Mineral Processing Comparisons for 1.5Mtpa Options

Comparison of capital and operating cost estimates for each of the four 1.5Mtpa options (Table 2) are shown in Figure 1. Clearly, option 2 has lowest cost estimates for both CAPEX (\$6.5 million) and OPEX (\$14.3 million per year). It also benefits from negligible water requirement and low power consumption, which reduce the need for pipeline and transmission line infrastructure. Option 2 also has an advantage of potential temporary site power generation, negligible environmental impact as well as relatively short set-up and start-up time frames.

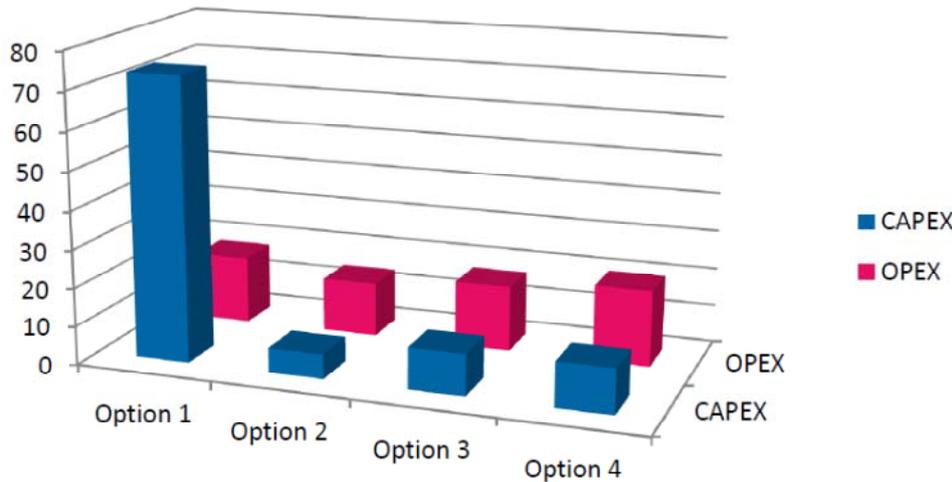


Figure 1. 1.5Mtpa mineral processing options. Comparison of estimated capital and estimated operation costs (scale in A\$million).

Roasting of Pyrite Concentrate

A summary of sulphide roasting, requirements and conditions were described by GHD in order to put each of the possible products into perspective.

Sulphide concentrates are usually processed in conventional fluidised bed roaster, using air for oxidation and particle suspension. Roaster products are calcined solids (metal oxides) that can be leached for soluble metal (for example cobalt), which is recovered from solution as an intermediate chemical compound or metal. Roaster off-gas contains heat which could be recovered in a waste heat boiler (can be used for electricity generation) as well as sulphur dioxide gas which can be cleaned and recovered as sulphuric acid. BPL’s Broken Hill pyrite could be roasted using this well-tested technology which is operating in South Africa (using wet slurry feed) and in Australia (using dry solids feed).

Potential Customers

GHD undertook preliminary investigations of possible future Australian customers and their likely product requirements.

The pyrite product produced by the project has potential uses at several concentrate grades depending on customer requirements. Prospective international customers would need to consider additional transport costs and pyrite concentrate grade requirements for off-shore markets are unclear.

For personal use only

DIAMOND DRILLING PROGRAM

In early January, BPL commenced drilling of a deep diamond drill hole (BED001) in the central part of the Railway Cobalt Deposit. BED001 was located to test the depth extent of the western edge of the central part of the Railway Cobalt Deposit where anomalous, cobalt, zinc and silver intervals were intersected during early 2012 in drill holes BER004 and BER018 (Figure 2). Anomalous intervals intersected by BER004 included;

- # 2.63lb/t cobalt (0.12% Co) between 40-90 metres depth down hole (estimated 21% average pyrite content);
- # 1.3% zinc and 15g/t silver between 108-111 metres depth down hole (including 1.5% zinc, 40g/t silver and 0.35% lead between 108-109m), and
- # 3.5% zinc and 6g/t silver between 120-126 metres depth down hole (including 6.1% zinc, 12g/t silver and 0.15% lead between 121-122m)

BED001 was positioned to test about 100 metres to the south and beneath BER004 and BER018 and to determine the geology of the central and western portions of the Railway Deposit. The drilling was undertaken by Macquarie Drilling Ltd (Figure 3).

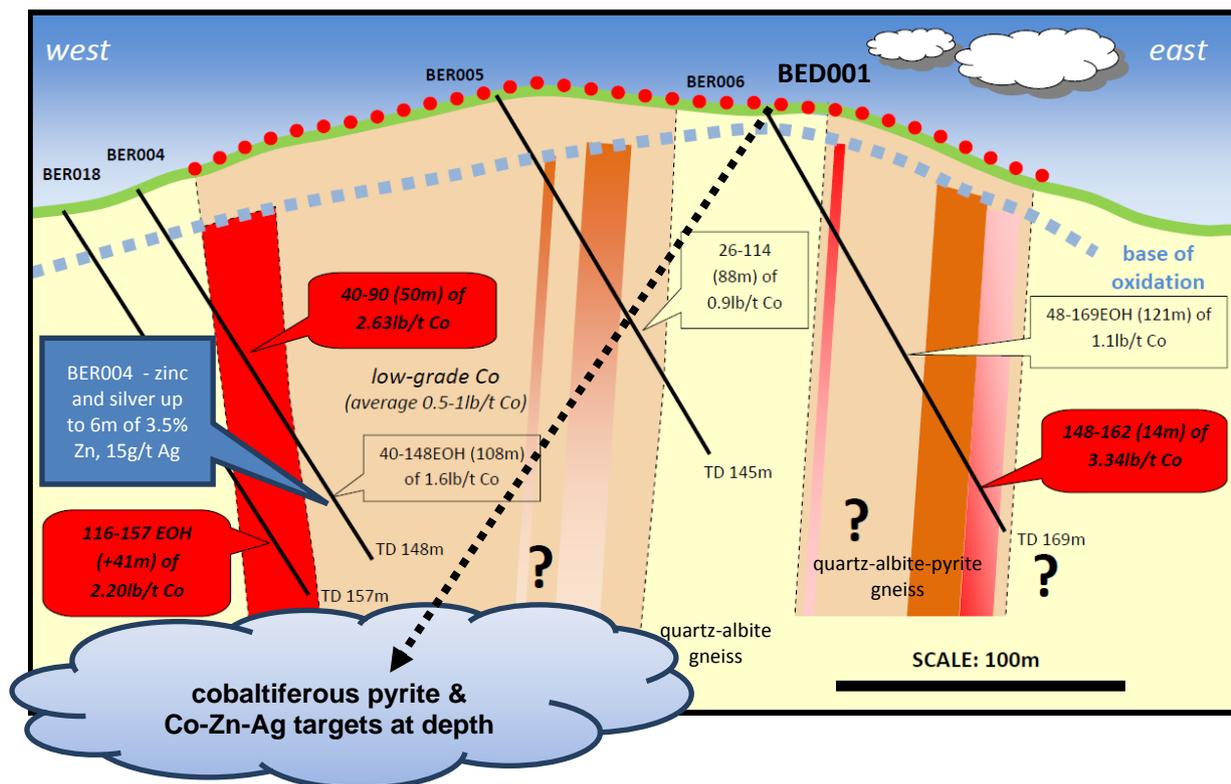


Figure 2. Cross section through the Railway Cobalt Deposit showing the location and drill hole trace of diamond drill hole BED001 (dashed line), drill hole traces of 2012 drilling, mineralisation envelopes and the 'deep' drill target area beneath the western edge of the deposit.

Considerable pyrite content was intersected in BED001 between 264-292 metres down-hole and below weaker pyrite mineralisation which occurs intermittently below about 87m and includes several zones containing disseminations and minor veining with zinc minerals. A

For personal use only

band of disseminated cobaltiferous pyrite (25-45% pyrite content) occurs between 276-291m (Figure 4). Geology logging and sampling are expected to be completed in mid-February and assay results will be reported as soon as they are at hand.

At the time of compiling this report, BED001 had been completed. Drill core recovery was excellent and drilling progress was steady despite high daytime temperatures. BED001 terminated at 349.2 metres within un-mineralised schist which forms the hanging wall of the deposit.

URANIUM TARGETS

BPL recently lodged an expression of interest to explore for uranium within the area covering and surrounding the cobalt project (EL6622, ML86, ML87).

After several months of evaluation, the Company, through a wholly owned subsidiary Broken Hill Uranium Pty Ltd has also lodged expressions of interest in five other prospective uranium target areas in the Broken Hill region. These include uranium prospects which have not been explored for uranium by modern methods and which could contain commercial uranium deposits.

If these expressions of interest are accepted by the NSW Government then Broken Hill Uranium intends to apply for Exploration Licence Applications (Group 11) over these targets to explore for uranium and thorium deposits with both the size and grade to support future mine development. The process of application and grant of Exploration Licences over any of these areas is likely to take many months and if future applications are successful then commencement of first on-the-ground exploration work is unlikely to occur until 2014. BPL intends to apply modern exploration concepts and employ recent developments in uranium exploration technology to assess each of the targets.

ANNUAL GENERAL MEETING

On 29 November, The Annual General Meeting was held at the Sydney offices of Broken Hill Prospecting and interested parties and Shareholders met with the Company's Directors, administrative and technical teams. After the meeting the Managing Director addressed the gathering. Notices of results, Chairman's address and Managing Director's presentation were detailed in ASX announcements and these are available at the Company's website (www.bhpl.biz).

Mr Ralph Stagg retired from the Board of Directors. Ralph has provided considerable services to the company including his contributions to both Audit and Remuneration Committees since his appointment in 2004. Shareholders and Directors are very appreciative of Ralph's valued work and look forward to his on-going advice as a consultant to the Company.

Broken Hill Prospecting Limited

ARBN: 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000 Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300 F: +61 2 9252 8400 E: info@bhpl.biz W: www.bhpl.biz

**Diamond Drilling
January, 2013**



BED001 drill hole collar,
Railway Deposit
Angled 60° west, TD 349m



Figure 3. Drilling rig at BED001 drill site, Railway Deposit.

**Drill core mark-up
January, 2013**

Drill core (BED001, approx. 285m)
High-grade pyrite(35%)-quartz-
albite gneiss



Figure 4. Marking up BED001 drill core with close-up (inset) of high-grade pyrite mineralisation.

Broken Hill Prospecting Limited

ARBN: 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000 Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300 F: +61 2 9252 8400 E: info@bhpl.biz W: www.bhpl.biz

For personal use only

The meeting also agreed to:

- Accept the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2012.
- Elect Mr Geoffrey Hill, who retired by rotation, as a Director of the Company,
- Elect Mr Robert Barnes as a Director of the Company,
- Delist from the New Zealand Stock Exchange (NZX),
- At the time of delisting from the NZX, repeal and replace the Company's Constitution (the replacement Constitution was tabled at the meeting).
- Appoint KS Black & Co as the auditor of the Company,
- Issue options to Directors, and
- Approve a 10% Placement Facility.

Yours faithfully,



Ian J Pringle
(Managing Director)

Competent Person Statement

Exploration activities and results contained in this report are based on information compiled by Dr Ian Pringle, a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Broken Hill Prospecting Ltd and also a Director of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Pringle has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About Broken Hill Prospecting Limited ("BPL")

BPL is progressing with exploration and evaluation of cobalt-pyrite deposits in the Broken Hill area. Within an exploration tenement (EL6622) and two mining leases (ML86 and ML87) BPL has located cobalt mineralisation (Inferred Mineral Resources) which total 35.7 million tonnes at a combined average grade of 1.85lb/tonne cobalt (Pyrite Hill, Railway and Big Hill deposits) as well as potential mineralisation between 37-59Mt of similar grade at the Pyrite Hill and Railway Deposits (Hellman & Schofield, Nov 2011 and H&SC, July 2012). Exploration for additional cobalt-pyrite mineralisation along-trend and at depth beneath these deposits is in progress.

BPL is in an excellent position to take advantage of an increasing demand for cobalt and sulphuric acid to meet growth in environmental and industrial uses ranging from rechargeable batteries in automobiles to fertiliser production.

BPL is among the next generation of companies that is exploring for major new mineral deposits near the historic western NSW mining centre of Broken Hill, where more than 200 million tonnes of high-grade base metal ore worth an estimated \$80 billion has been produced during the past 127 years.

Broken Hill Prospecting Limited

ARBN: 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000 Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300 F: +61 2 9252 8400 E: info@bhpl.biz W: www.bhpl.biz

Sulphuric Acid Information

In volume terms, sulphuric acid (H₂SO₄) has the largest world-wide use of any chemical and more than 2,200mt are produced globally each year.

- *The production of phosphate fertiliser materials is the major end use for sulphuric acid, accounting for nearly 52% of total world consumption in 2011.*
- *Other uses include manufacture of plastics, fibers, oil refining, metals and mineral processing.*
- *Overall, there has been a general increase in demand for sulphuric acid with world consumption increasing by about 58% between 1990 and 2011.*
- *Future growth in sulphuric acid use is anticipated as increasing populations in developing countries switch to higher nutrition food crops that require soil improvement.*
- *In a recent report on sulphuric acid supply and demand, HIS Chemical (July 2012) predicted that global demand for sulphuric acid would rise at an average annual rate of almost 2.5% over the next five years.*
- *Global pyrite production was about 6.7mt (sulphur equivalent) in 2009 and has increased since then. More than 85% is produced and consumed in China.*
- *Pyrite competes directly with sulphur and by-product sulphuric acid (from smelters and mineral processing). Fluctuations in the availability of these products have a direct impact on the supply and demand of pyrite as well as trade price for concentrate.*
- *Recent purchases of high-grade pyrite concentrate by the China market have ranged between A\$250-A\$400/tonne.*
- *Residue from 'roasted' pyrite concentrate may have considerable commercial value. Cinder which is produced as a very high-iron ash residue after pyrite roasting is extensively used in the cement industry.*

Cobalt Statistics

- *Cobalt price (LME): US\$27,000 per tonne (approximately \$14 per pound).*
- *1 pound = 0.4536 kilograms*
- *Mines in Central Africa accounted for over 65% of cobalt production in 2011 and most came from the Democratic Republic of Congo.*
- *The USA accounted for 58% of cobalt consumption in 2010.*
- *The USA, Japan, and the European Union have no producing cobalt mines.*
- *China imported ore from Africa and produced 43% of refined cobalt production in 2010.*
- *More than 95% of cobalt production is a by-product of copper or nickel mining.*
- *Lithium-ion batteries contain up to 60% cobalt and will be widely used in the new generation of electric vehicles.*
- *Cobalt is used in a wide range of industries (including production of super alloys and hardened metals) where high heat and wear tolerance is required (aircraft, turbines, windmills, military hardware), high-strength magnets, carbides and diamond tools, catalysts (petroleum production), colouring (cobalt blue), adhesive, soaps, driers and food supplements (vitamin B12).*

For further information contact;

Dr Ian Pringle, Managing Director, Broken Hill Prospecting Ltd

+61 408 548 767

ipringle@bhpl.biz

Australian media - Alan Deans, Partner, Last Word Corporate Communications

+61 427 490 992

alan.deans@lastwordcc.com.au

The Company has recently reformatted and updated its website which covers or links to recent news, metal prices, share price as well as project and Company information. Please visit our site at www.bhpl.biz

Broken Hill Prospecting Limited

ARBN: 003 453 503

Level 14, 52 Phillip Street, Sydney NSW 2000 Box 3486 GPO, Sydney NSW 2001

P: +61 2 9252 5300 F: +61 2 9252 8400 E: info@bhpl.biz W: www.bhpl.biz

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

Broken Hill Prospecting Limited

ABN

83 003 453 503

Quarter ended ("current quarter")

31st December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(181)	(289)
(b) development	-	-
(c) production	-	-
(d) administration	(302)	(587)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Income tax refund	326	326
Net Operating Cash Flows	(138)	(524)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(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)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(138)	(524)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(138)	(524)
	Cash flows related to financing activities		
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	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(138)	(524)
1.20	Cash at beginning of quarter/year to date	1,079	1,465
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	94 ¹	94 ¹

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	157
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, fees and consulting services at standard commercial rates

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

n/a

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

n/a

+ See chapter 19 for defined terms.

For personal use only

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	185
4.2 Development	-
4.3 Production	-
4.4 Administration	225
Total	410

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	41	32
5.2 Deposits at call	300	347
5.3 Bank overdraft	-	-
5.4 Other (provide details) Term Deposits	600	700
Total: cash at end of quarter (item 1.22)	941	1,079

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	n/a		

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	82,581,900	29,257,011	n/a	n/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	1,500,000 11,190,950 38,650,000	Nil 11,190,950 Nil	<i>Exercise price</i> 24C 20C 20C	<i>Expiry date</i> 17/2/2013 17/2/2014 17/2/2016
7.8 Issued during quarter	9,000,000	Nil	20C	17/2/2016
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

For personal use only

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 5).
- 2 This statement does give a true and fair view of the matters disclosed.


 Sign here: Date: 25/1/2013
 (Company secretary)

Print name: Francesco Giroto

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 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.

== == == == ==

+ See chapter 19 for defined terms.

For personal use only