

Quarterly Report for the Period Ended December 31st 2009

Highlights

Wetar Copper Project

- Definitive Feasibility Study positive.
 - ✓ Life of mine operating costs estimated to be US\$1.00/lb Cu
 - ✓ Project, as scoped, has a total funding requirement of up to US\$118 million.
 - ✓ NPV₁₀ US\$240 million pre-tax at \$6,500/t Cu
- Whim Creek SX-EW Plant purchased
 - ✓ Dismantling underway.
- Expanded Demonstration Plant project delivery study completed; revised scope contemplates
 - ✓ 7,000 tpa cathode capacity (up from 5,000 tpa)
 - ✓ Utilisation of Whim Creek plant to reduce capital requirements
 - ✓ Board approval scheduled for next quarter
- Modifications to irrigation and demonstration plant completed.
 - ✓ Plant running at nameplate capacity by end of period



Loading Cathode at Wetar



Removing pumps at Whim Creek

Ojolali Gold-Silver Project

- Diamond drill testing of new areas of epithermal gold-silver veining at Way Neki underway
- Initial results include
 - ✓ 1 m at 8.13 g/t Au from 60.7m in WNK04
 - ✓ 6.25m at 1.3 g/t Au and 24 g/t Ag from 14.7m in WNK01
- Detailed remodelling of geological controls for the Jambi oxide gold deposit complete.



Way Neki Drilling

Corporate

- The Company issued 13,421,439 fully paid ordinary shares to a subsidiary of Straits Resources Limited in consideration for the acquisition of the Whim Creek SX-EW plant

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Wetar Copper Project

(FND ~94% and earning through expenditure)

Background Information on the Wetar Copper Project

The Wetar Copper Project comprises two high grade deposits, Kali Kuning and Lerokis, which are located within 3km from the coast and suitable for open pit mining.

During 2009 Finders has constructed and operated a 5 tonne per day SX-EW demonstration plant to optimise process design and provide data required for the recently completed Definitive Feasibility Study (DFS). The test heaps are at heights similar to commercial operations worldwide and the SX-EW technology being used is industry standard. SX-EW technology is currently responsible for approximately 22% of the world's copper production.

The Ore Reserves have been independently assessed by Australian Mine Design & Development Pty Ltd and in accordance with the JORC Code (Table 1). The following statement uses a cut-off of 0.5% copper for two pits at Kali Kuning and Lerokis with an overall waste to ore ratio of 0.98.

	Category	Tonnes (m)	Grade % Cu	Contained Copper (kt)	Contained Copper Attributable to Finders (94%) (kt)
Kali Kuning Pit	Proved	4.91	2.5	123	116
	Probable	0.85	2.2	19	18
	Sub-Total	5.76	2.5	142	133
Lerokis Pit	Proved	2.05	2.4	49	46
	Probable	0.37	2.3	9	8
	Sub-Total	2.42	2.4	58	55
Combined	Proved	6.96	2.5	172	162
	Probable	1.22	2.2	28	26
	Total	8.18	2.5	205	193

The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number and total is rounded individually the columns and rows in the above table may not show exact sums or weighted averages of the reported tonnes and grades.

In addition there is a third deposit, Meron, located 2 km from Kali Kuning. This prospect has a potential size of 1mt @ 2.3% Cu (Non-JORC compliant) based on historical drilling results from the previous gold mining operation. This estimate is an exploration target which is conceptual in nature and may or may not be converted into a Mineral Resource depending on future exploration and resource modelling work. Meron is not included in the current DFS due to its lack of technical definition, however, engineering plans do recognize the potential for later additional leach ore from Meron and additional leaching space is available in the DFS.

Copper mineral species at Kali Kuning and Lerokis are dominated by chalcocite and covellite, which are readily amenable to bacterial assisted leaching, and chalcopyrite which leaches faster at higher temperatures. A two year laboratory test program indicated copper recoveries of up to 80%.

The project is at the same location as an old gold mine which operated between 1989-1997 and benefits from having existing infrastructure in place, particularly a wharf, camp and roads.

Demonstration Plant Update

During the period, considerable effort was spent optimising lime and soda ash dosing levels to assist the reduction of high levels of free acid in the pregnant leach solution.

High acid levels, together with consumable shortages (as a result of new procedures for customs clearance of speciality chemicals), led to a significant period of reduced cathode production during the quarter (~60% of design).

However, by the end of the period free acid levels had dropped by 50% and with the delivery of the speciality chemicals, the plant resumed nameplate production.

Modifications to the irrigation delivery system (larger pumps and wobblers) were completed resulting in a doubling of solution on-flow and a pick-up of leach recovery rates.

Table 2: Operating Parameters			
Leach Performance*	Heap 2	Heap 3	Heap 4
Grade (Cu %)	3.6	4.9	5.0
Recovered Copper (total) - Tonnes	420	565	382
Approx. % Copper Recovery to date	51%	60%	23%
Approx. Number of weeks under Irrigation	47	41	22
Electrowinning[†]	Actual	Target	Variance
Copper Produced - Tonnes	1127	1542	-27%
Copper Shipped - Tonnes	1011	1510	-33%

*As of 16 Jan 2010. All subject to final mass balances and weight reconciliations

† All figures project to date (31 Dec 2009), based on 5tpd nameplate capacity

The month of December sees the onset of the wet season at Wetar, with daily rainfall commonly exceeding 50mm. The heaps have proven very stable during torrential downpours and very minor ponding has been evident on the heap surface.

Rainfall has no negative effect on the leaching process but does affect the water balance. Pond levels are gradually rising and during the quarter an additional storm water pond was built to provide extra storage capacity for the wet season.



Fig 1: Demo Pads after rain with new Irrigation



Fig 2: Process Ponds

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Definitive Feasibility Study (DFS)

On November 12th 2009, the Company announced positive results of the DFS which indicate an economically robust project with a mine life of approximately nine years.

Life of mine operating costs are estimated to be US\$1.00/lb Cu and the project has a total funding requirement of up to US\$118 million.

The DFS envisaged three stages of project development, with Stage 1 being the expansion of the current 1,800 tpa copper cathode demonstration plant to 5,000 tpa, followed by Stage 2, final expansion to 23,000 tpa copper cathode utilizing the Whim Creek SX-EW plant. Stage 3 is the development of the Lerokis pit and haulage of Lerokis ore to the Kali Kuning plant to maintain copper cathode production at 23,000 tpa.

Stage 1 uses expanded heap leach areas all within the footprint of the existing disturbed area from previous mining at the Kali Kuning deposit. It has the distinct advantage of making Finders a profitable copper producer at the earliest opportunity, and of equal importance, it significantly reduces the construction risk in Stage 2. The timeline for achieving Stage 1 production is expected to be five months after completion of the permitting process.

Stage 2 comprises expansion to 23,000 tpa copper cathode, comprising on-going production of 5,000 tpa from the expanded demonstration plant plus an additional 18,000 tpa, utilizing a newly constructed pad area in the adjacent Kali Kuning valley and the Whim Creek SX-EW plant. Subject to obtaining project finance, full capacity cathode production is expected to be reached within 12 months of Stage 1 completion.

Stage 3 development envisages additional ore feed from the Lerokis deposit to maintain full production levels at the existing plant and is expected to commence in Year 3 of operations.

Key results from the DFS on a 100% project basis are summarized below Table 3.

Table 3: Key Results		
Ore Tonnes*	8.4	Million tonnes
Strip Ratio	1.0	
Life of Mine (LOM) Production	146,000	Tonnes cathode
Mine Life	8.7	Years
Average Grade (LOM)	2.5%	Cu
Average Recovery (LOM)	71%	
Average operating cost (LOM)	US\$ 1.00	per lb Cu
Capital – Stage 1 / EDP	US\$ 12	million
– Stage 2 / incl. Whim Ck	US\$ 91	million
Working capital	US\$ 15	million
Pre-tax Payback (Stages 1 & 2)	1.4	years
Pre-tax NPV10	US\$ 240	Million ⁺
Pre-tax IRR	60%	

* Includes 0.2Mt of Inferred Resource within the pit shell; ⁺ using \$6,500/t cu price

These capital estimates include a total of almost US\$40 million in indirect costs included in vendor and contractor quotations, principally for the earth-moving component of the initial pre-strip and pad construction and for EPCM (overall management and delivery) for Stage 2.

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Finders' management considers that significant savings to capital estimates are possible on the basis of its review of the DFS and during the period commenced optimization studies based on results of the DFS including; targeting a reduction in the earthworks in the KK Valley associated with the disposal of waste from mining operations; reduction in EPCM and indirect capital costs through the use of more Indonesian contractors and improving the cost effectiveness of integrating the Whim Creek process plant acquisition into the overall 23,000tpa cathode development plan.

Nine geotechnical drill holes (768m) were completed in the area of the proposed eastern pit wall at Kali Kuning, the vicinity of the plant site and at Lerokis. It is expected that additional analysis will enable the volume of waste at Kali Kuning currently in the DFS to be reduced significantly, resulting in less earthworks for the planned Heap Leach pad area.

In addition, a new waste dump site was located and this will significantly reduce the cost of waste material handling.

Whim Creek SX-EW Plant

On 23rd December 2009, the Company announced completion of the outright purchase of the Whim Creek SX-EW plant from a subsidiary of Straits Resources Limited ("Straits").

The Whim Creek SX-EW plant is capable of producing 18,000 tonnes of copper cathode per annum and is well suited to Finders' needs at the Wetar Copper Project. It represents a major advance towards development of the full scale project, by providing certainty of both supply and timing for key components for the development, as well as significant cost savings compared to the purchase of new equipment.

The Whim Creek plant is currently located in Western Australia. Finders has already commenced dismantling work and preparations for transportation to Wetar.

Finders have assumed the Statutory Managers role at Whim Creek under the WA Mines regulations. Twelve contractors are currently working on a 7 day per week basis with Karridale Construction Pty Ltd appointed to manage the process.



Fig 3 : Whim Creek: removal of anodes



Fig 4: Equipment removal at Whim Creek

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Project Development – Expanded Demonstration Plant (EDP)

The first stage of the Wetar Project development involves the brown-field expansion of the existing demonstration plant. During the quarter, the Company has detailed a project execution plan which outlines the strategy for the development of the EDP Project.

The DFS scope has been succeeded by a planned expansion to 7,000 tpa copper cathode (up from 5,000 tpa). It is expected that a formal proposal for the newly increased Stage 1 capacity will be lodged for Board approval in the next quarter.

The objective of the plan is to minimise the engineering required, use as much existing Whim Creek equipment as possible, maximise the use of local resources without risking the quality of work and minimise the construction period. The modular nature of an EW cell house is ideal for this approach. Basically it is planned to remove four bays from the Whim Creek EW Facility and integrate this with the existing demonstration plant. There are also sufficient cathodes and anodes in good working order at Whim Creek to equip the EDP. A second SX train would be built in Indonesia using similar design principals as the Demonstration Plant and additional power generating capacity also locally sourced. The scope of work for the EDP includes the following:

- Expansion of the demonstration heap leach pad and construction of the Gold Pit leach pad;
- Integration of the Gold Pit leach pad with the EDP;
- Construction of the Gold Pit ROM pad & associated access road upgrade;
- Relocation of the demonstration crushing plant & agglomerator to the Gold Pit ROM pad;
- Expansion of the demonstration SX-EW Plant from 1,825 tpa to 7,000 tpa;
- Expansion of the demonstration neutralisation plant;
- Construction of the raw water pipeline; and
- Construction of an airfield.

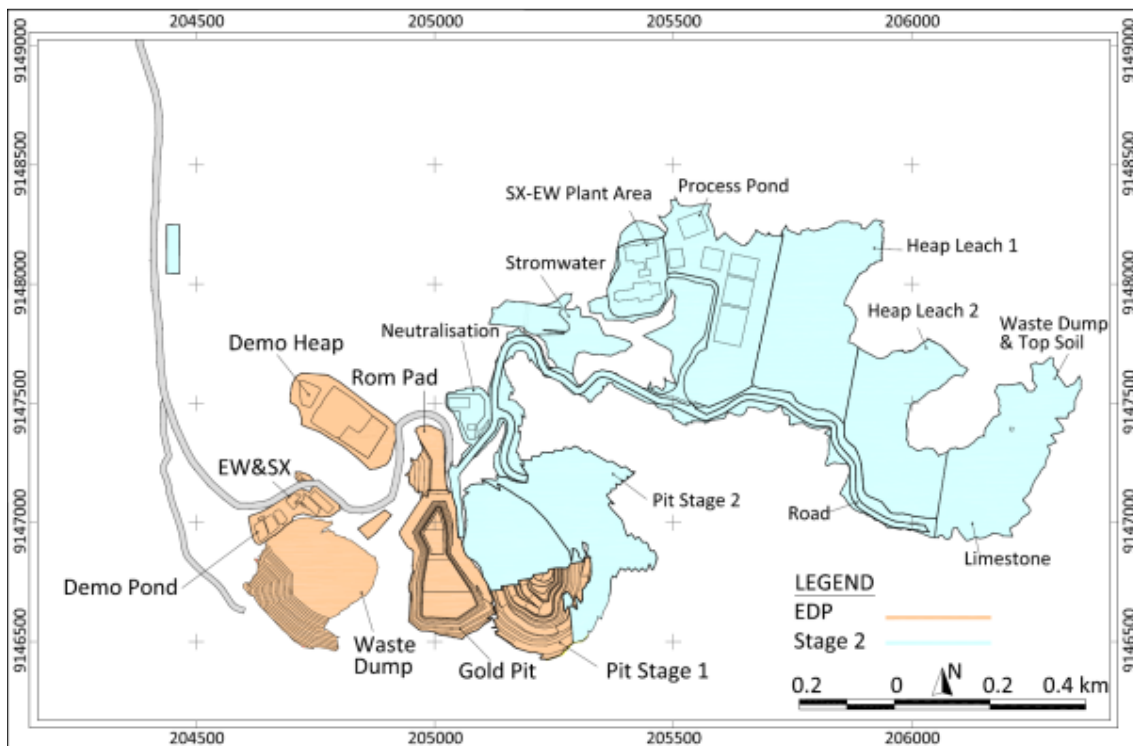


Fig. 5: Stage 1 Project Development – EDP (orange area)

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Ojolali Project

Finders Resources Limited ~72% with option to increase to 100%

Background Information

Finders believe that the Ojolali project has strong potential to generate short-term cash flow by open pit CIL/CIP development of the gold resource at the Jambi Oxide gold deposit (Table 4.)

Table 4. Jambi Mineral Resource Estimates

Cut off Au g/t	Indicated			Inferred			Total			Contained Au koz	Attrib. FND (72%) Au koz
	Mt	Au g/t	Ag g/t	Mt	Au g/t	Ag g/t	Mt	Au g/t	Ag g/t		
0.5	2.98	1.1	8.3	1.1	0.9	5.7	4.08	1.05	7.6	138	99
1.0	1.13	1.74	8.5	0.3	1.6	6.7	1.43	1.71	8.1	79	57

Finders has previously announced Inferred Resources at the Tambang Prospect (7.9 Mt @ 167g/t Ag and 0.7 g/t Au at a 1 g/t Au equivalent cut-off using drilling data from a previous explorer). Previous regional exploration by Finders, using both soil geochemistry and ground geophysics has located numerous targets with outstanding potential for the discovery of additional resources.

Finders' current exploration strategy at Ojolali is to increase the oxide gold resource to +300,000 Oz Au, to provide the basis for a low cost 30-50,000 Oz gold per year open pit mine based on the Jambi oxide resource, and to use the cash flow from this plant to fund exploration for additional resources and progressive expansion of the project.

Exploration Activities

During the quarter, a new program of diamond drilling commenced, designed for initial testing of narrow, epithermal gold-silver vein targets defined by surface trench sampling. Field-based work was completed leading to a detailed re-modelling of the geological controls for the existing Jambi oxide gold resource.

Way Neki Drilling

A six hole diamond drilling program at Way Neki has been largely completed with 702m drilled to date. The last hole, targeted for 50m depth, intersected increasingly strong alteration over the last 10m so has been extended and is still ongoing (Table 5, Figure 6).

Table 5. Drilling Locations

Hole ID	East (m)	North (m)	RL (m)	Azimuth	Dip	TD
WNK01	446746	9481313	170	90	-50	121.05
WNK02	446688	9481308	160	90	-50	149.55
WNK03	446696	9481118	137	90	-50	127.05
WNK04	446630	9481019	132	130	-50	134.55
WNK05	446582	9481069	137	130	-50	169.80
WNK06	446260	9481059	163	90	-50	51*

*In Progress

Assays have now been received for WNK01-04 (Table 6), with a best intercept of 1m @ 8.13 g/t Au at a depth of 60.72m in WNK04.

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Table 6. Significant Assay results

Hole Number	From	Width	Au ppm	Ag ppm
WNK01	14.50	6.25*	1.30	24
WNK01	24.60	1.60	1.17	17
WNK01	97.00	0.50	2.51	120
WNK02	20.70	2.15	1.33	77
WNK02	92.70	1.00	1.12	1.5
WNK02	103.20	1.78	0.93	17
WNK03	107.50	1.00	0.56	2.3
WNK03	109.55	1.00	1.56	3.5
WNK04	60.72	0.98	8.13	2.9
WNK04	98.50	0.50	1.84	4.7

*Includes 0.7m no recovery, assumed average grade for section

A number of samples show poor reproducibility for gold, indicating the presence of (relatively) coarse gold particles and visible gold has been identified in drill core. These samples will be re-assayed by screen fire assay. Narrow 1-2m intercepts of strongly veined material have been encountered in both WNK05 and WNK06. Final assessment of this program awaits remaining assays, and also a review of interpreted structures based on this drilling and additional trenching.

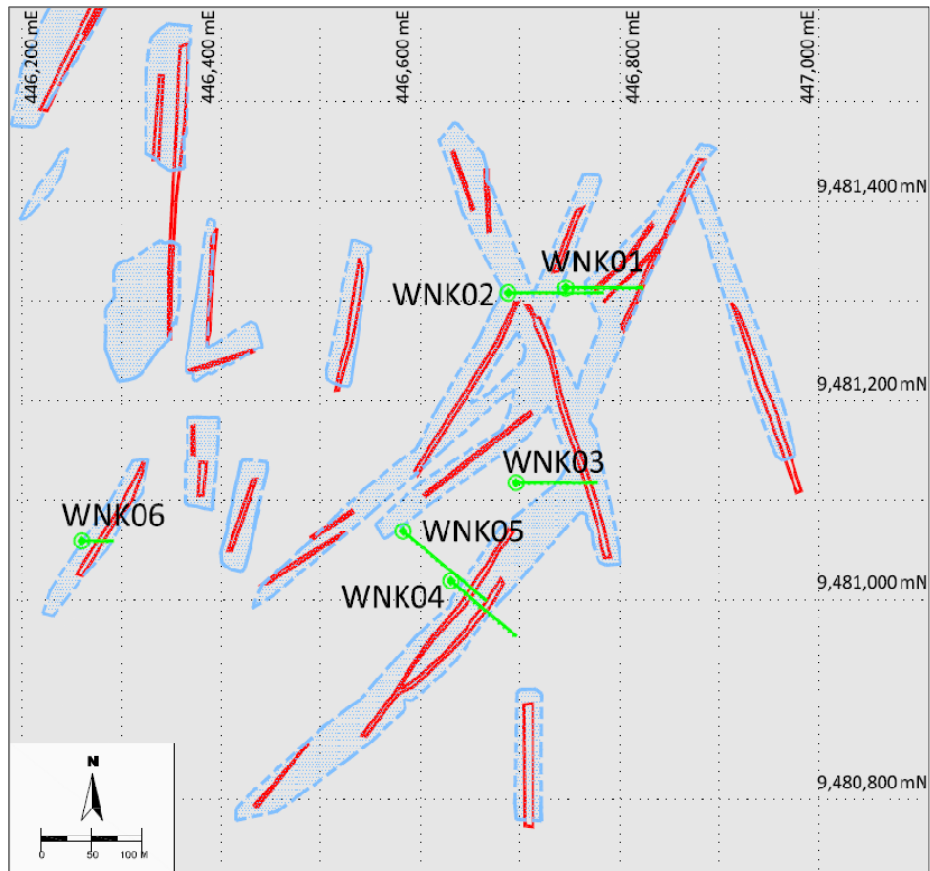


Fig.6: Way Neki Drill locations

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Jambi Resource Remodelling

Detailed re-modelling of the Jambi resource envelopes has been completed, and has clearly defined the grade controlling structures. This work will be used as a basis for re-appraisal of the resource estimate for the Jambi oxide gold deposit and has been highly valuable for targeting potential extensions to the Jambi resource. Re-estimation of the Jambi resource will be undertaken by Hellman & Schofield Pty Ltd during February. On completion of WNK06, the rig will move to Jambi to carry out an initial test of potential resource extensions previously indicated by trenching, comprising approximately 500m of diamond drilling in 4 holes (Figure 7).

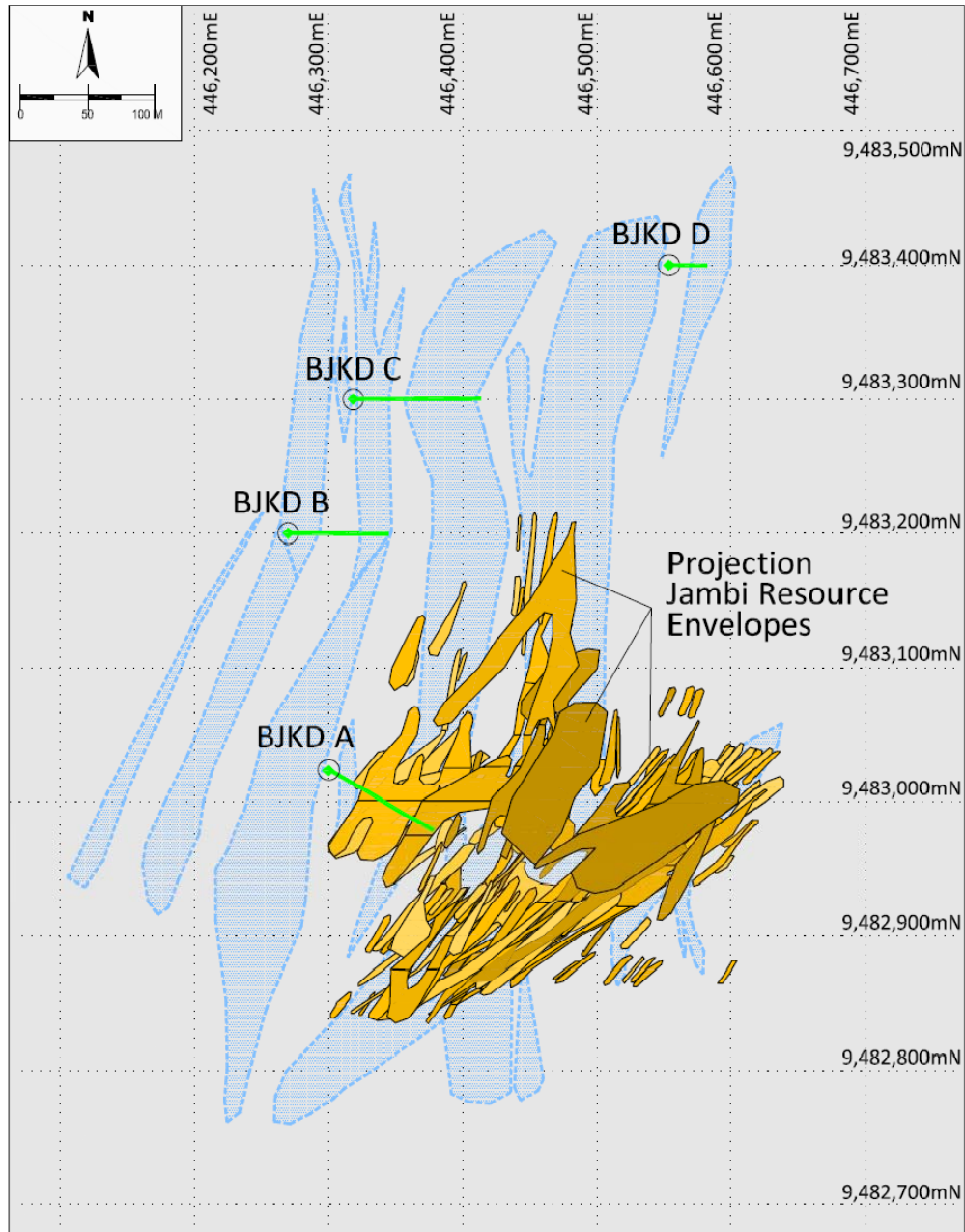


Fig.7: Projected mineralised envelopes at Jambi and drilling plan

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Corporate

Investments

Finders Resources holds 5,900,000 fully paid ordinary shares in Geopacific Resources Ltd. (GPR). On 20th November 2009 GPR issued 9,446,225 new fully paid ordinary shares in a placement and subsequently on 23rd Dec 2009 issued 72,421,060 new fully paid ordinary shares in a rights issue. Finders now holds approximately 4% of the undiluted capital of Geopacific Resources.

Capital Structure

Following approval by shareholders at the annual general meeting on 24th November 2009, during the quarter the Company issued 13,421,439 fully paid ordinary shares to a subsidiary of Straits Resources Limited as consideration for the acquisition of the Whim Creek solvent extraction electro-winning plant. These shares represent a total consideration of \$5.25 million, being \$5.0 million for the plant plus \$0.25 million for a plant purchase option fee payable under an option agreed during June 2009 with Straits.

As reported previously, Straits participated in the share placement in the September 2009 quarter. Together with the above new shares, Straits is now a substantial shareholder with a 10.06% interest in the Company.

The capital structure at 31 December 2009 is set out in Table 7.

Table 7. Capital Structure			
Type of Security	Number on Issue		
Fully Paid Ordinary Shares ("Shares")			
Shares on issue at 30 Sep 2009	180,159,733		
Issued in payment of convertible note interest	146,837		
Issued in payment of Whim Creek SX-EW plant	13,421,439		
Shares on Issue at 31 Dec 2009			193,728,009
Unlisted Options	Exercise Price	Expiry Date	
	A\$0.6875	June 13, 2010	500,000
	A\$0.30	April 16, 2012	500,000
	A\$0.30	April 16, 2014	500,000
	A\$0.30	May 8, 2014	2,000,000
	A\$0.37	June 23, 2014	250,000
	A\$0.37	June 28, 2014	625,000
	A\$0.37	June 29, 2014	500,000
	A\$0.37	Aug 29, 2014	250,000
	A\$0.37	Sep 14, 2014	1,000,000
Unlisted Options on issue at 31 Dec 2009			6,125,000
12% Convertible Note	Face Value	Conversion Price	Maturity Date
	US\$1,500,000		
	(A\$2,323,972)	A\$0.36	19 January 2012

As at 31 December 2009, Finders had \$7.6 million in cash. This excludes \$0.5 million paid as the GST impost on the acquisition of the Whim Creek plant and which is recoverable after the end of the quarter. The mining exploration entity quarterly report (Appendix 5B) is appended.

Chris Farmer
Managing Director

Further details for all projects including location maps, tenement schedules and technical descriptions may be found on the Finders website at www.findersresources.com

For further information please contact

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Competent Person Statements

The information in this report that relates mineral resource estimation is based on work completed by Dr Phillip Hellman who is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Dr Hellman has sufficient experience which is relevant to the style of mineralisation and type 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' and as a Qualified Person as defined in the AIM Rules. Dr Hellman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Estimates for Kali Kuning are based on a data set from which some diamond drill holes have been excluded due to poor recovery of copper mineralisation as evidenced by neighbouring RC holes.

Geological information in this announcement and comments relating to exploration potential and the project in general is based on information compiled by Dr Russell Fountain, who also accepts responsibility for the data on which the resource is based. Dr Fountain is a Director of Finders and a Fellow of the Australasian Institute of Geoscientists. Dr Fountain has sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the JORC Code. He consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.

The information in this report that relates mineral reserve estimation is based on work completed by Mr John Wyche who is a full time employee of Australian Mine Design and Development Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Wyche has sufficient experience which is relevant to the style of mineralisation and type 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 Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All assaying of drill core samples was undertaken by the ITS laboratory in Jakarta. ITS is one of the world's largest product and commodity testing, inspection and certification organizations. The Jakarta laboratory is ISO 17025 accredited and employs a Laboratory Information Management System (LIMS) for sample tracking, quality control and reporting.

Disclaimer

This announcement may or may not contain certain “forward-looking statements”. All statements, other than statements of historical fact, which address activities, events or developments that Finders believes, expects or anticipates will or may occur in the future, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “targeting”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could”, or “might” occur or be achieved and other similar expressions. These forward-looking statements reflect the current internal projections, expectations or beliefs of Finders based on information currently available to Finders. Statements in this document that are forward-looking and involve numerous risks and uncertainties that could cause actual results to differ materially from expected results are based on the Company’s current beliefs and assumptions regarding a large number of factors affecting its business. Actual results may differ materially from expected results. There can be no assurance that (i) the Company has correctly measured or identified all of the factors affecting its business or the extent of their likely impact, (ii) the publicly available information with respect to these factors on which the Company’s analysis is based is complete or accurate, (iii) the Company’s analysis is correct or (iv) the Company’s strategy, which is based in part on this analysis, will be successful. Finders expressly disclaims any obligation to update or revise any such forward-looking statements.

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

FINDERS RESOURCES LIMITED

ABN

82 108 547 413

Quarter ended ("current quarter")

31 DECEMBER 2009

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	1,847	4,050
	Payments for (a) exploration and evaluation	(1,024)	(2,246)
	(b) development	(141)	(221)
1.2	(c) production	(1,959)	(5,144)
	(d) administration	(1,449)	(2,574)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	88	91
1.5	Interest and other costs of finance paid	(65)	(203)
1.6	Taxes and value added tax paid	(793)	(1,018)
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(3,496)	(7,265)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(58)	(226)
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)	98	172
	Net investing cash flows	40	(54)
1.13	Total operating and investing cash flows (carried forward)	(3,456)	(7,319)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,456)	(7,319)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	20,648
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	622
1.17	Repayment of borrowings	(189)	(8,050)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(189)	13,220
Net increase (decrease) in cash held			
		(3,645)	5,901
1.20	Cash at beginning of quarter/year to date	11,246	1,706
1.21	Exchange rate adjustments to item 1.20	4	(2)
1.22	Cash at end of quarter	7,605	7,605

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	434
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
Payments for salaries, directors fees and consulting fees.		

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The Company issued 13,421,439 fully paid ordinary shares to a subsidiary of Straits Resources Limited as consideration for the acquisition of the Whim Creek solvent extraction electro-winning plant. These shares represent a total consideration of \$5.25 million, being \$5.0 million for the plant plus \$0.25 million for a plant purchase option fee payable under an option agreed during June 2009 with Straits.

- 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

NONE

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Convertible note facility (USD 1,500,000)	2,324	2,324
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	2,100
Total	2,400

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	1,573	11,246
5.2 Deposits at call	6,032	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,605	11,246

+ See chapter 19 for defined terms.

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	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

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)	Amount paid up per security (see note 3)
7.1	Preference *securities <i>(description)</i>	N/A		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A		
7.3	*Ordinary securities	193,728,009	193,728,009	
7.4	Changes during quarter (a) Increases through issues <ul style="list-style-type: none"> - Conversion of interest payable under convertible note - Shares issued as consideration for Whim Creek plant - Shares issued as consideration for option over Whim Creek plant (b) Decreases through returns of capital, buy-backs	146,837 12,696,801 724,638 NIL	146,837 12,696,801 724,638 NIL	35cents 39.38cents 34.50cents
7.5	*Convertible debt securities <i>(description)</i>	6,455,477	NIL	36cents

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL			
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		500,000	NIL	68.75cents	13.06.2010
		500,000	NIL	30cents	16.04.2012
		500,000	NIL	30cents	16.04.2014
		2,000,000	NIL	30cents	08.05.2014
		250,000	NIL	37cents	23.06.2014
		625,000	NIL	37cents	28.06.2014
		500,000	NIL	37cents	29.06.2014
		250,000	NIL	37cents	31.08.2014
		1,000,000	NIL	37cents	14.09.2014
7.8	Issued during quarter	NIL	NIL		
7.9	Exercised during quarter	NIL	NIL		
7.10	Expired during quarter	NIL	NIL		
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 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).
- This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: ... 29 January 2010

Print name:Christopher Ben Farmer.....

+ See chapter 19 for defined terms.

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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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