

Quarterly Report

For the Period Ending 31 December 2013

MTH

MITHRIL
RESOURCES LTD

Highlights

Copper Exploration

- A new 700km² copper project area established in Western Australia's Meekatharra District to be the Company's primary focus for 2014.
- The new project area includes the Nanadie Well Copper Deposit (151,506 tonnes copper metal) and multiple drill targets including a previously untested IP geophysical anomaly 500 metres east of the existing deposit.
- Resampling of historic drill holes at Nanadie Well returns high-grade copper (up to 5.7%) and gold (up to 2.37g/t) with strongly elevated nickel, PGE's and REE's over individual 1 metre intervals.
- Discussions have commenced with potential exploration partners for the East Arunta Project Area in the Northern Territory.

Gold Exploration

- Four key target areas have emerged at West Kambalda following recent auger geochemical sampling
- Strongest results were from Logan's Find where an existing surface gold anomaly has been extended from 1.5 kilometres to over 4 kilometres strike length – remains largely undrilled

Nickel Exploration

- MMG to continue to Stage 2 of the Huckitta Nickel Joint Venture (East Arunta Project Area – Northern Territory) having successfully completed Stage 1 by spending \$1.5M over the last 2 years.
- MMG is required to spend an additional \$2.5M by no later than 31 October 2016 to earn a 51% interest in the project's nickel rights with next round of drilling planned for mid-2014.
- MMG now sole funding nickel exploration over 50% of East Arunta Project Area – which allows Mithril to focus on the new Meekatharra Copper Projects.

Exploration Outlook

- March 2014 Quarter focus will be development of drill targets for the newly acquired Meekatharra Copper Projects in Western Australia and continuing discussions with potential exploration partners for the East Arunta Project Area in the Northern Territory.

Corporate

- Cash reserves of \$1.70M at 31 December 2013.

Overview

Mithril Resources Ltd (Mithril / the Company) has a portfolio of high-quality mineral exploration projects located within the emerging and proven mineral provinces of Australia.

The Company is exploring for economic copper mineralisation within the Meekatharra District of Western Australia (**Meekatharra Copper Projects**) and the East Arunta Province, Northern Territory (**East Arunta Project Area**), and for gold mineralisation within the Eastern Goldfields of Western Australia (**West Kambalda Project Area**) (*Figure 1*).

Mithril's nickel joint venture partner, MMG Exploration Pty Ltd (MMG), is also exploring for economic nickel-copper-PGE mineralisation within portions of the East Arunta Project Area.

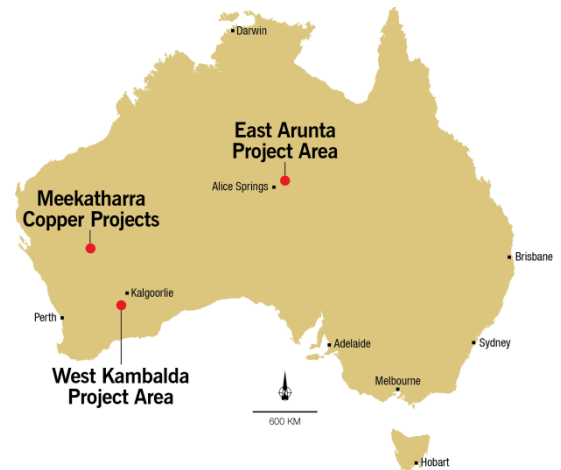


Figure 1: Project Location Plan

During the Quarter, Mithril entered into agreements to earn a majority interest in two advanced copper projects within the Meekatharra District of Western Australia and identified new gold targets within the West Kambalda Project Area. In addition to this, following a strategic review, it was decided a partner was required to underpin future copper exploration efforts at the East Arunta Project Area.

MMG successfully completed Stage 1 (having spent \$1.5M over two years) of the Huckitta Nickel Option and Joint Venture Agreement and will continue to Stage 2 of the agreement (by spending an additional \$2.5M to earn a 51% interest in the project's nickel rights by no later than 31 October 2016).

Copper Exploration – Western Australia

Nanadie Well Copper Gold Project (MTH earning up to 75%) and Copper Hills Project (MTH earning up to 80%).

During the Quarter, Mithril entered into agreements to earn a majority interest in two advanced copper projects located within the Meekatharra District of Western Australia.

The Company signed a Farmin and Joint Venture Letter Agreement with Intermin Resources Limited ("**Intermin**" - **ASX: IRC**) to earn up to an 75% interest in the 150km² **Nanadie Well Copper Gold Project** and with Doray Minerals Limited ("**Doray**" - **ASX: DRM**) to earn up to an 80% interest in the **Copper Hills Project**, which are located 100 and 30 kilometres respectively southeast of Meekatharra in the Murchison District of Western Australia (*Figure 2*).

In addition, Mithril also applied for two new wholly owned Exploration Licences along strike from the **Nanadie Well Copper Project** with the Department of Mines and Petroleum. Together, the Company has now established a 700km² landholding in the district, and exploration of the new projects will be the primary focus in 2014.

The **Nanadie Well Copper Gold Project** hosts the **Nanadie Well Copper Deposit** where a 2004 JORC Code Compliant Inferred Resource of 36.07Mt @ 0.42% copper (151,506 tonnes copper) was estimated by Intermin in September 2013.

Refer to Intermin Resources' ASX Announcement "Initial Resource Estimate for the Nanadie Well Cu-Au Project" dated 19 September 2013.

The information pertaining to the Nanadie Well Copper Deposit Inferred Resource was prepared and first disclosed by Intermin Resources under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

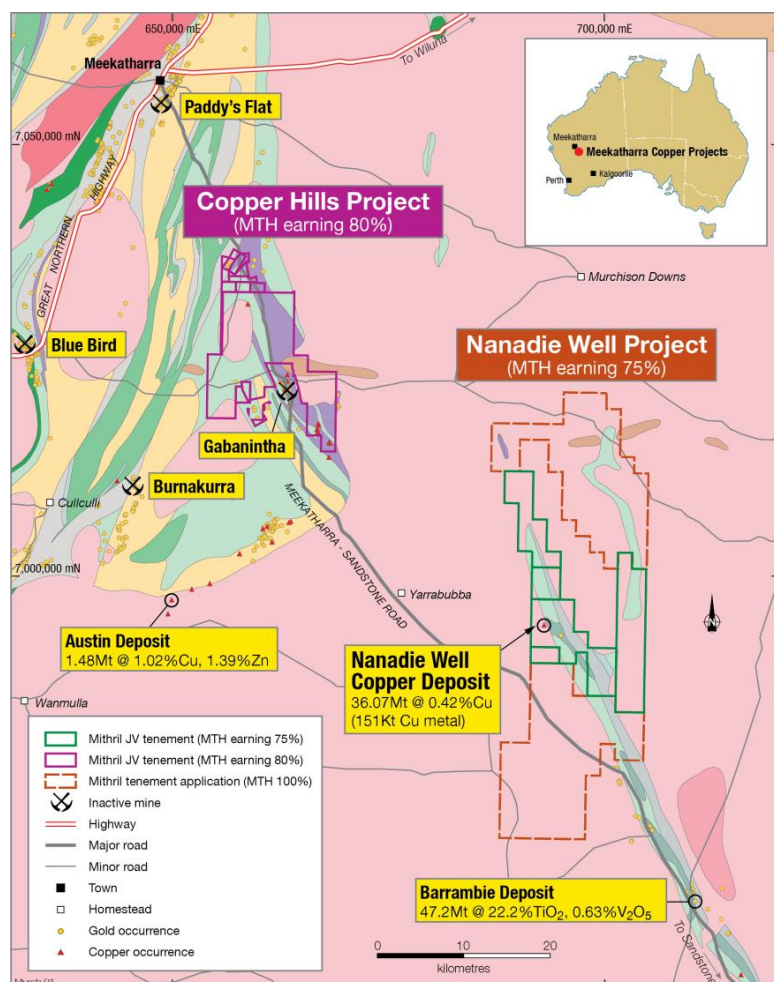


Figure 2: Meekatharra Copper Projects Location Plan

An Induced Polarisation (IP) geophysical survey completed by Intermin in 2004 highlighted a chargeability anomaly coincident with and below the existing resource and a second larger anomaly on a parallel trend approximately 500 metres to the east. Significantly the eastern IP anomaly has not been drill tested (*Figure 5*).

Results of historic drill hole resampling undertaken by Mithril during the Quarter also reinforced the potential of the deposit.

Eleven grab samples of fresh and weathered sulphide – bearing sheared mafic rocktypes were collected from drill spoils from a number of historic RC drill holes spread throughout the deposit with analytical values up to **5.7% copper** and **2.37g/t gold** returned over individual 1 metre intervals. **Strongly elevated nickel** (up to 0.82%), **cobalt** (up to 0.15%) and **Platinum Group Elements (“PGE’s”** up to 477ppb platinum + palladium) were also returned along with several samples containing **Rare Earth Elements (REE’s** - Lanthanum and Cerium exceeding the laboratory’s limits of detection. These samples are currently being reanalysed for the full REE suite.

While the copper and gold results, highlight the high-grade potential at Nanadie Well, the significance of the nickel, PGE and REE values is yet to be determined given that only approximately two thirds of the deposit’s previous drilling has been analysed for nickel and there has been no previous analyses for PGE’s and REE’s.

Determining the significance and context of the deposit’s mineralisation is further compounded by the complete absence of diamond drilling and no outcrop, with the deposit covered by a thin veneer of soil (< 5 metres).

Based on these results, Mithril will now undertake systematic resampling and geological logging of previous drill holes together with reprocessing and interpretation of existing geophysical data to enable the development of a robust geological model for the deposit, and the development of drill ready targets at Nanadie Well.

The geology at Nanadie Well shares some characteristics with other Archaen Volcanic Massive Sulphide (VMS) deposits in having a polymetallic nature (i.e. copper – gold – silver – zinc).

Mineralisation is associated with disseminated and veined copper sulphides (chalcopyrite) within a sequence of basalts, amphibolite, felsic volcanics and dolerite. Typically increased copper sulphide abundance correlates with higher gold values, zones of shearing and increased silica – chlorite – sericite alteration.

The resource has been defined over 900 metres strike length by **RC drilling only**, and varies between 50 – 150 metres (true width), drilled to a maximum depth of 220 metres and is under a thin (<5m) veneer of soil cover.

The resource remains open in all directions with auger geochemical anomalism and reconnaissance drill intercepts north and south along strike suggesting that Nanadie Well lies within a broader mineralised corridor (*Figures 3 and 4*).

The 160km² **Copper Hills Project** is prospective for the discovery of polymetallic (i.e. copper – gold – silver – zinc) VMS mineralisation as well as shear hosted lode gold deposits. The project lies immediately adjacent to, and along strike from the historic Gabanintha gold mining centre where mining between 1987 and 1991 by Dominion Mining Ltd produced some 150,000oz of gold from a number of open pits, and Kentor Gold Limited (now KGL Resources Limited - **ASX: KGL**) estimated an Inferred Resource of 203,000oz of gold in July 2011 (*Kentor Gold Limited ASX Announcement dated 18 July 2011*).

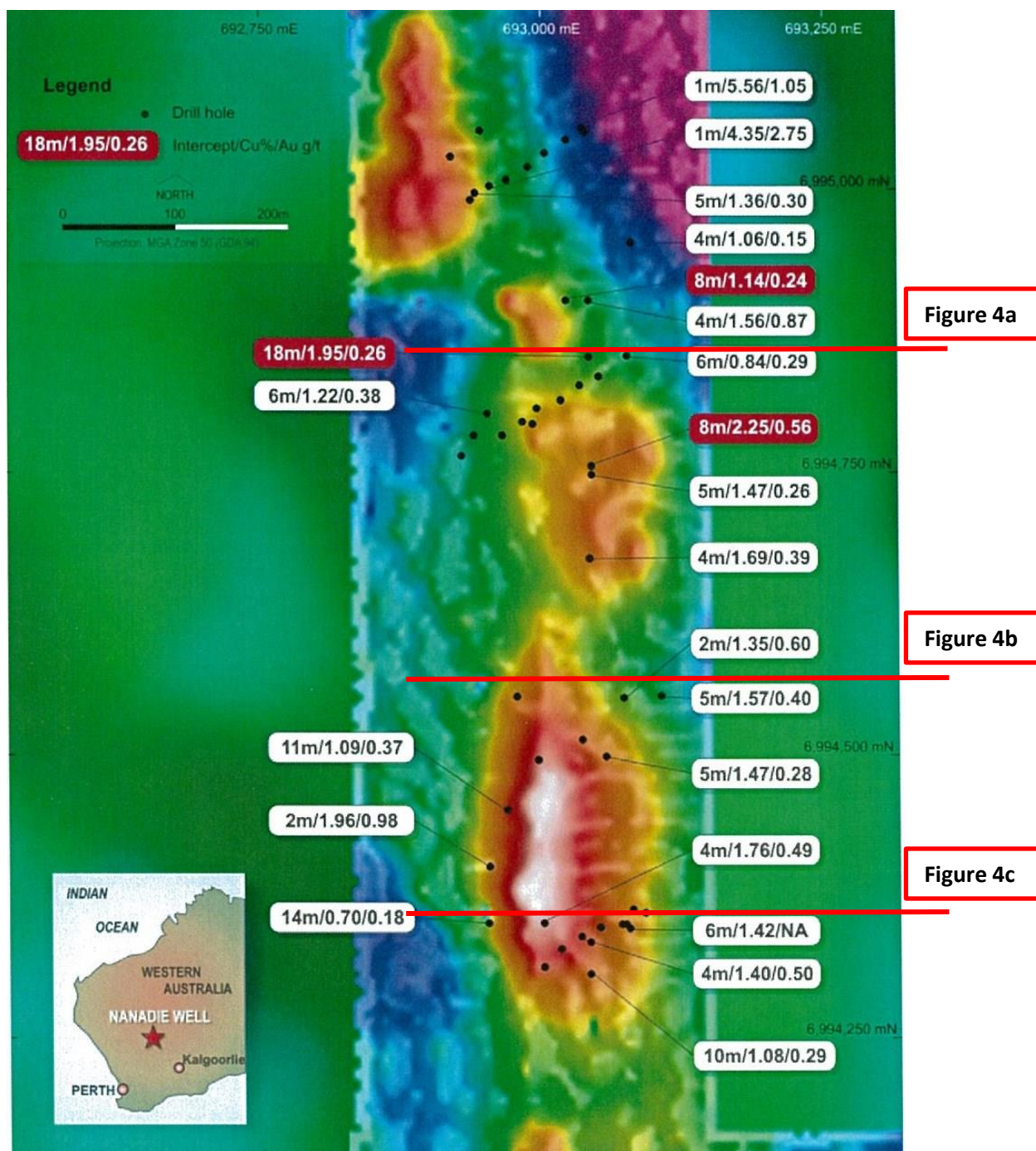


Figure 3: Nanadie Well Copper Deposit drillhole location plan showing higher grade copper intercepts and location of cross sections (red lines) referred to in Figure 4. Ground magnetic image as background.

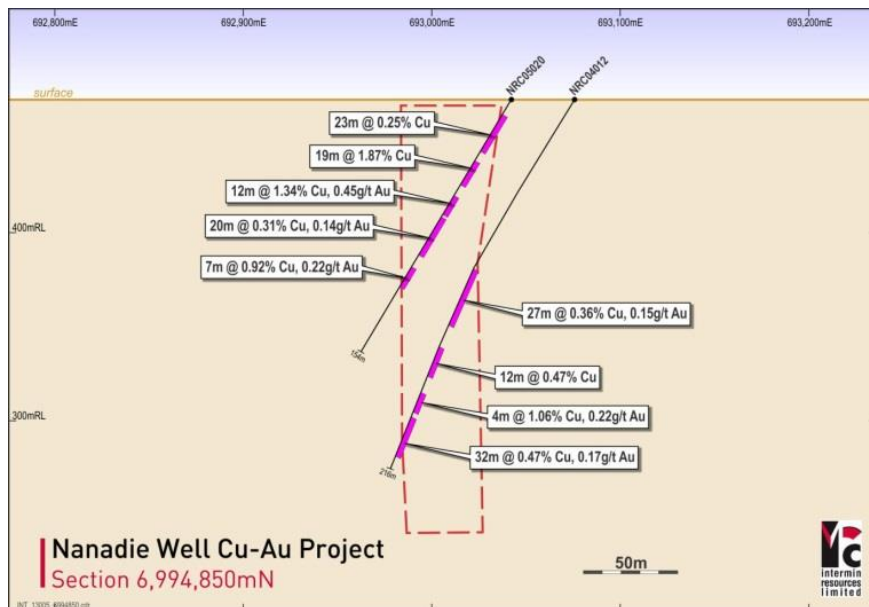


Figure 4a: Cross section 6,944,850mN (northern end of deposit) looking north

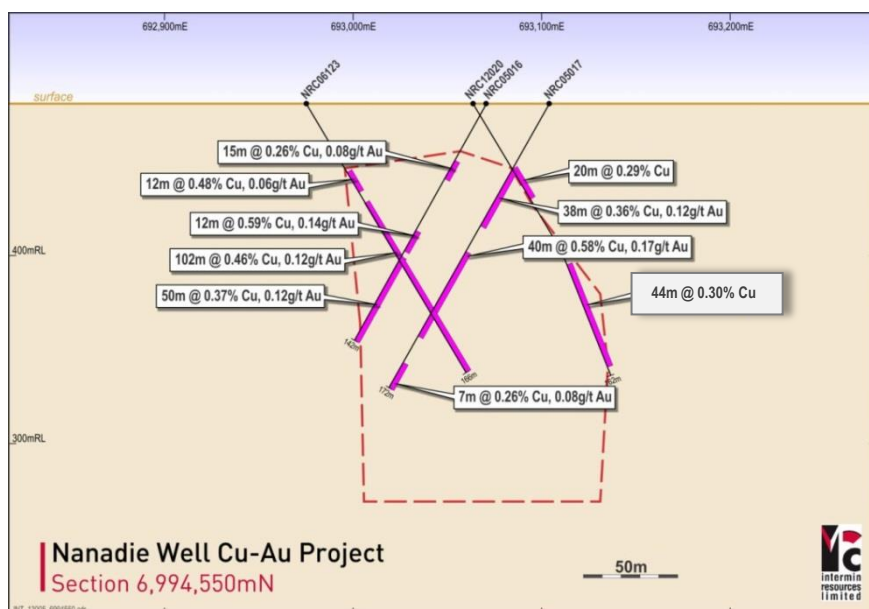


Figure 4b: Cross section 6,944,550mN (centre of deposit) looking north

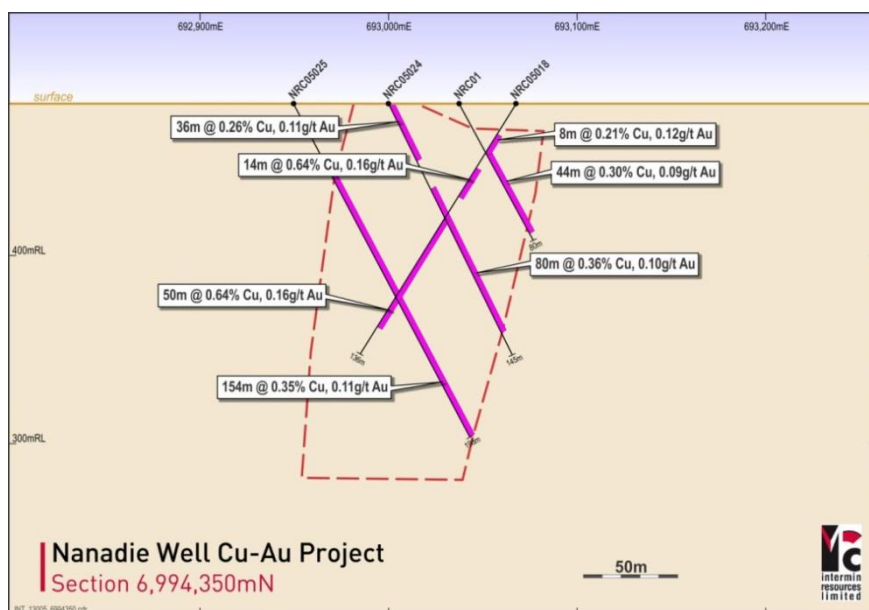


Figure 4c: Cross section 6,944,350mN (southern end of deposit) looking north

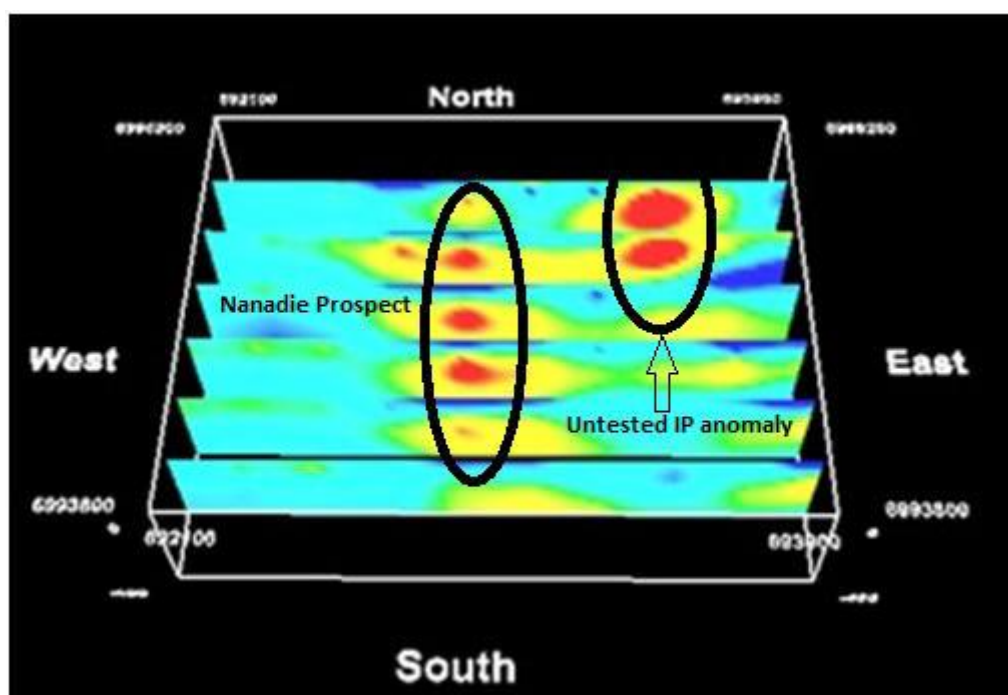


Figure 5: IP chargeability pseudo sections 6,944,000mN to 6,995,000mN with location of Nanadie Well Copper Deposit and untested eastern anomaly shown

Copper Exploration – Northern Territory

East Arunta Project Area (MTH 100% and JV's)

A strategic review of the Company's East Arunta Project Area determined that while the project area remains prospective for the discovery of economic copper mineralisation, any future work required is beyond the Company's current capability, and as such a partner is required to underpin future copper exploration efforts.

At the time of writing, discussions had commenced with potential exploration partners for the project.

Gold Exploration – Western Australia

Spargos Reward Gold Project (MTH 100%) and Spargoville Gold Project (MTH earning up to 80%)

Auger geochemical sampling completed during the Quarter at the West Kambalda Project, located approximately 30 kilometres west of Kambalda (*Figure 6*), has successfully delineated new gold targets that further reinforce the prospectivity of the project area.

Four key target areas have emerged (**Spargos Reward**, **Spargos South**, **Lady Allison**, and **Logan's Find**) each of which contain multiple geochemical anomalies that either highlight existing bedrock gold mineralisation, or are new anomalies that have never been drill tested.

The strongest results are from **Logan's Find** where an existing 1.5 kilometre long anomaly was extended along strike to over 4 kilometres in length.

The anomaly (defined as above 50ppb gold with a maximum value of 219ppb gold) overlies a north-northwest trending belt of sheared and veined mafic - ultramafic rocks, the central part of which is characterised at the surface by a series of shallow historic shafts and workings.

The new extensions to the anomaly have not been drill tested, with only 16 shallow (no holes below 50 metres) wide spaced holes drilled in 1987 and 2004 throughout the central part of the anomaly with better intercepts including:

- 6m @ 1.65g/t gold from 30 metres in 04HFRC005 including 2m@3.08g/t gold from 32 metres,
- 3m @ 2.81g/t gold from 20 metres in HFP-4 including 1m @ 4.75g/t gold from 22 metres, and
- 3m @ 2.70g/t gold from 41 metres in HFP-5 including 1m @ 4.94g/t gold from 41 metres.

Recent rock chip sampling by the Company within the central part of the anomaly has also returned results up to 11.1g/t gold (ASX Announcement dated 8 October 2013).

Logan's Find lies within the Spargoville Gold Project which is subject to a Farm-in and Joint Venture Agreement with KalNorth Gold Mines Limited (ASX:KGM) whereby Mithril can to earn up to an 80% interest by completing expenditure of \$2 million over 4 years.

Mithril is reviewing each of the target areas in detail to determine next steps which may include further auger sampling, geological mapping and RAB / aircore drilling in 2014.

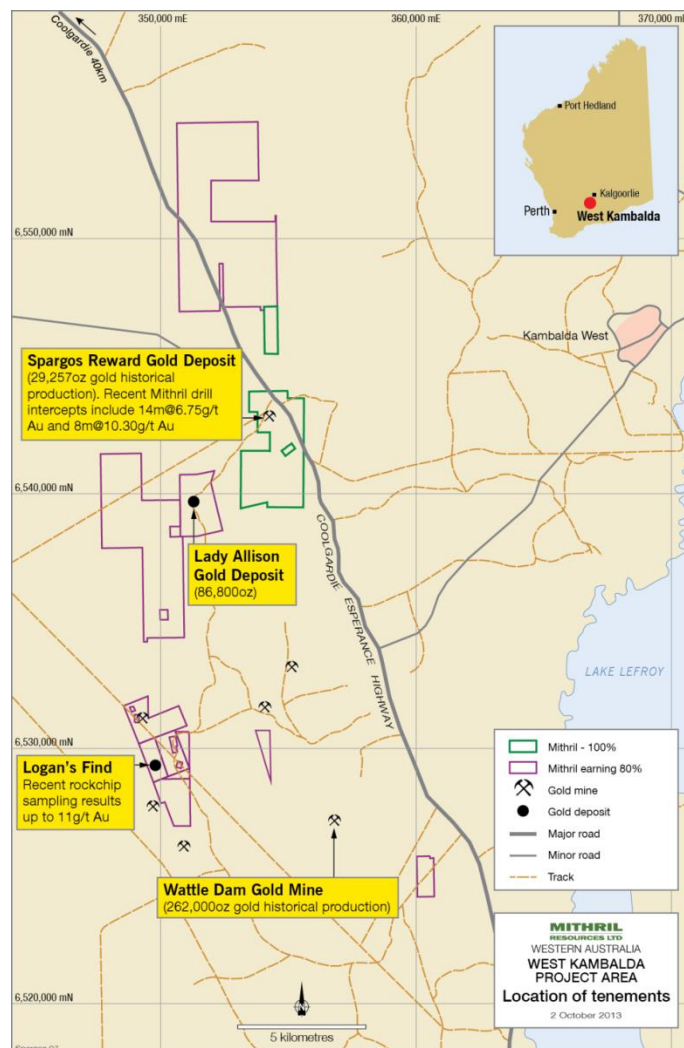


Figure 6: West Kambalda Project Area showing location of key targets and local infrastructure

Nickel Exploration – Northern Territory

Huckitta Option and Joint Venture (MMG earning up to 80% of the Nickel Rights) and Harts Range Option and Joint Venture (MMG earning up to 90%)

During the Quarter, MMG Exploration Pty Ltd (“**MMG**”) successfully completed Stage 1 (having spent \$1.5M over the last two years) of the Huckitta Nickel Option and Joint Venture Agreement and will continue to Stage 2 of the agreement (by spending an additional \$2.5M by no later than 31 October 2016).

Under the terms of the Agreement, MMG can earn up to an 80% interest of the **nickel rights only** on selected tenements within the East Arunta Project Area (Figures 7) by completing staged expenditure of \$4M and a Pre-Feasibility study on a JORC Indicated Mineral Resource. On completion of Stage 2 (total expenditure of \$4M) MMG will earn a 51% interest in the project’s nickel rights with Mithril retaining 100% interest in all other commodities.

MMG undertook a drilling program (14 holes / 1,511 metres) last year as an initial test of several conceptual nickel targets within the agreement area, and completed a high-resolution aeromagnetic survey on adjacent tenements subject to the Harts Range Option and Joint Venture Agreement (MMG earning up to 90% by completing expenditure of \$5M over 6 years).

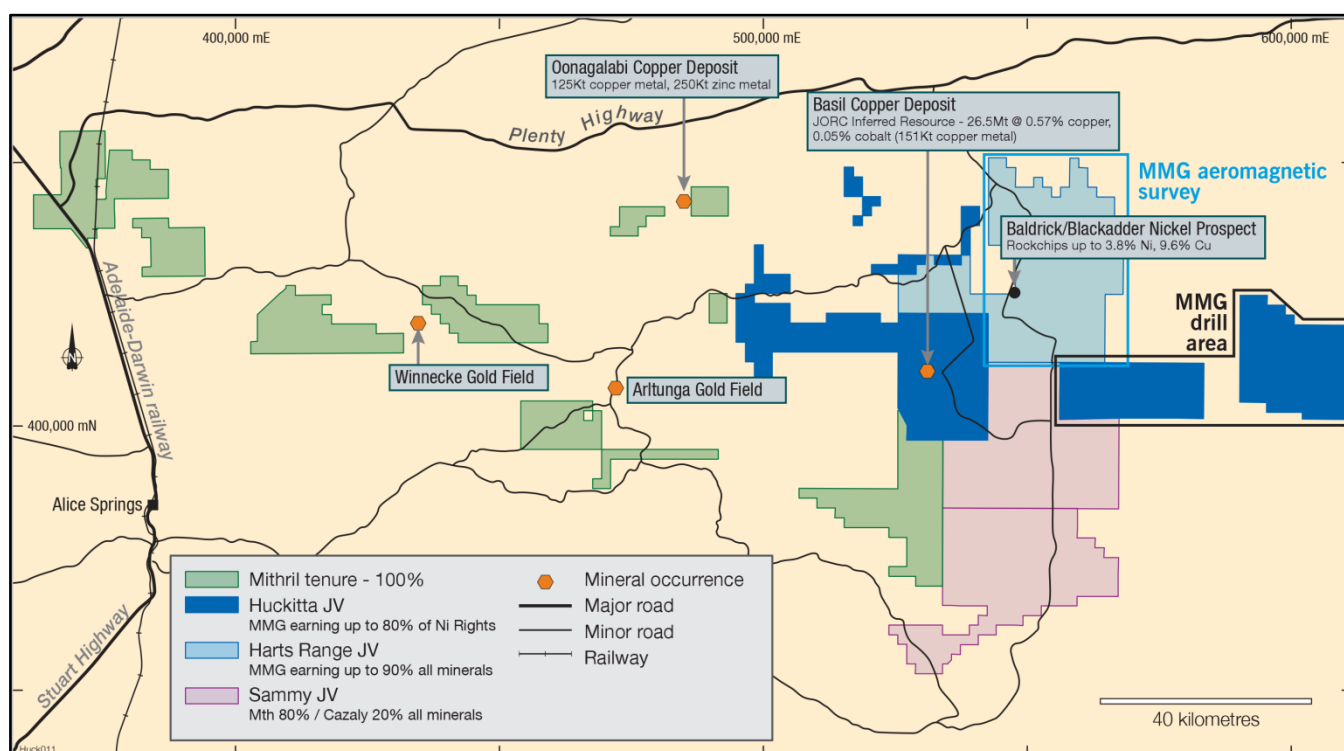


Figure 7: East Arunta Project Area location of MMG nickel JVs

While the drilling intersected a range of gneissic and amphibolite rocktypes including disseminated sulphides (pyrite – pyrrhotite) in a number of holes, adverse ground conditions meant that several targets were not drilled and remain untested.

The recently completed aeromagnetic survey has successfully identified several new features within the Harts Range area that may represent nickel sulphide – prospective mafic intrusions.

MMG are currently reviewing the results of both work programs in order to generate further targets ahead of drilling planning for mid-2014.

The continuation of the joint venture by MMG is significant as it confirms MMG’s commitment to the area for nickel sulphide mineralisation and means that approximately 50% of the East Arunta Project Area is now subject to MMG’s sole-funded nickel exploration effort, a move that will allow Mithril to focus its 2014 exploration activities on the newly acquired Meekatharra Copper.

Investments

Mithril is the largest shareholder in Musgrave Minerals Limited (“**Musgrave**” - **ASX: MGV**) with 9.28 million shares and 2.5 million options. Mithril vended tenements into Musgrave as part of their successful IPO that was completed on April 29th, 2011.

At the **Deering Hills Project** in the Musgrave District of north-western South Australia, Musgrave recently intersected nickel - bearing massive, matrix and disseminated sulphides in drilling designed to test a number of targets identified by ground (EM) geophysics. One of the EM targets, identified as **Pallatu 7** remains untested and further EM will be required to better define the target ahead of possible drilling later in 2014 (*Musgrave Minerals Limited ASX Announcement dated 9th December 2013*).

At the **Menninnie Dam Project** in South Australia, Musgrave recently undertook an aircore drilling program to test a number of high-priority airborne EM (VTEM) geophysical and geochemical anomalies, and assay results are expected during the March Quarter.

Exploration Outlook

The Company's focus for the March 2014 Quarter will be development of drill targets for the newly acquired Meekatharra Copper Projects in Western Australia and continuing discussions with potential exploration partners for the East Arunta Project Area in the Northern Territory. The Company is also seeking to complete the divestment of two remaining tenements (EL's 45/3457 and 3680) in the East Pilbara.

Corporate

During the Quarter, the Company spent \$0.48M on the exploration activities outlined in this report, and at 31 December 2013, the Company had cash reserves of \$1.70M.



David Hutton
Managing Director

Notes Specific – December 2014 Quarter ASX Announcements

Further details (including JORC 2012 Code Reporting Tables, where applicable) for each of the sections outlined above can be found in the following announcements lodged with the ASX during the Quarter.

- MMG elects to continue to next stage of Huckitta Nickel JV (20 January 2014)
- Mithril Expands Landholding within Murchison District WA (20 December 2013)
- New Results Reinforce High-Grade Potential of Nanadie Well (18 December 2013)
- New Gold Targets at West Kambalda (11 December 2013)
- Acquisition of Advanced Copper Project (6 December 2013)
- Harts Range JV Completion (20 November 2013)
- Exploration Update (18 November 2013)
- Aeromagnetic survey underway at East Arunta (22 October 2013)
- Exploration Update (8 October 2013)

Notes Specific – Meekatharra Copper Projects

Nanadie Well Copper Project

Under the terms of the Nanadie Well Farmin and Joint Venture Letter Agreement:

- Mithril can earn an initial 60% interest in the project tenements (ELs 51/1040, 1270, 1351, 1285, and EL20/797) by completing expenditure of \$2M within 4 years,
- Mithril can elect to earn a further 15% interest in the project tenements by completing additional expenditure of \$2M over a further 2 years (in total \$4M over 6 years to earn 75%),
- Minimum expenditure in Year One and before any withdrawal is \$250,000,
- If Mithril withdraws prior to the initial \$2M expenditure it earns no interest,
- Minimum annual expenditure whilst earning the initial 60% interest is \$250,000 and \$400,000 whilst earning the further 15% interest,
- If after earning the initial 60% interest, Mithril elects not to earn a further 15%, the JV parties must contribute on a pro rata basis or dilute according to the standard industry formula,
- Once Mithril has earned a further 15% (if it elects to do so), the JV parties must contribute on a pro rata basis or dilute according to the standard industry formula, and
- If either party dilutes below a 15% interest they must offer their residual interest for sale to the majority partner at an agreed price or at Independent Valuation.

The agreement is conditional upon the parties entering into deeds of assignment and assumption in relation to existing third party agreements, Mithril conducting due diligence on the project tenements, and the successful renewal of EL51/1040; with all to be satisfied or waived within 90 days after the date of the Letter Agreement.

About the Nanadie Well Copper Gold Deposit

Also refer to Intermin Resources' ASX Announcement "Initial Resource Estimate for the Nanadie Well Cu-Au Project" dated 19 September 2013.

Nanadie Well Inferred Resource					
2004 JORC Code Classification	Tonnes (Mt)	Copper %	Gold ppm	Contained Copper metal (t)	Contained gold (ounces)
Inferred	36.07	0.42	0.064	151,506	74,233

The information pertaining to the Nanadie Well Copper Deposit Inferred Resource was prepared and first disclosed by Intermin Resources under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Copper Hills Project

Under the terms of the Farm-in and Joint Venture Letter Agreement with Doray, Mithril can earn an 80% interest in the Copper Hills Project tenements (EL 51/960, PL's 51/2667 – 2677, 51/2705 – 2707 and 51/2712 – 2713) by completing expenditure of \$1M over four years. Mithril must maintain the tenements in good standing and can withdraw at any time by not less than 60 days written notice.

Doray retains the right to purchase (on a one off basis) Mithril's 80% interest in any new "gold only" JORC Resource by reimbursing Mithril three times its expenditure on discovering and delineating that Resource. A "gold only" Resource is defined as one where gold makes up >80% of the Resource's economic value.

The agreement is conditional upon Mithril satisfactorily completing due diligence within 90 days after the signing of the Letter Agreement.

ENDS

For Further Information Contact:

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Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David O'Farrell who is a full-time employee of Intermin Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr O'Farrell has more than five years' 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 O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr David Hutton, who is a Competent Person, and a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Hutton is Managing Director and a full-time employee of Mithril Resources Ltd.

Mr Hutton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Hutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Mithril Resources Ltd:

Mithril Resources Ltd is an Australian exploration company exploring for the next generation of mineral deposits within the emerging Eastern Arunta Province (Northern Territory) and the proven Eastern Goldfields (Western Australia). Mithril is a frontier explorer with a small but highly experienced team based in Adelaide. Combining advanced technology with a proven field-based approach ensures the bulk of the company's expenses go directly into the ground.

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 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(481)	(992)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(183)	(354)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	21	35
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Fuel Tax Credits	-	1
	Other – JV Income	47	73
	Other – R & D Tax Refund	-	583
		(596)	(654)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(2)
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)	-	-
		-	(2)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(596)	(656)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(596)	(656)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	856
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(14)	(28)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(3)	(70)
	Net financing cash flows	(17)	758
	Net increase (decrease) in cash held	(613)	102
1.20	Cash at beginning of quarter/year to date	2,317	1,602
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,704	1,704

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	112
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

+ 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 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	237
4.2 Development	-
4.3 Production	-
4.4 Administration	197
Total	434

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	354	467
5.2 Deposits at call	1,350	1,850
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,704	2,317

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		Refer Appendix 1		
6.2 Interests in mining tenements acquired or increased		Refer Appendix 1		

+ See chapter 19 for defined terms.

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 (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	*Ordinary securities	252,557,750	252,557,750	Fully Paid	Fully Paid
7.4	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)			<i>Exercise price (Each)</i>	<i>Expiry date</i>
		400,000	-	\$0.20	24/06/2014
		2,300,000	-	\$0.30	24/06/2014
		350,000	-	\$0.18	22/09/2015
		2,235,000	-	\$0.25	16/12/2015
		8,000,000	-	\$0.30	16/12/2015
		550,000	-	\$0.20	22/05/2016
		1,300,000	-	\$0.10	31/07/2017
		1,000,000	-	\$0.10	28/11/2017
		1,000,000	-	\$0.15	28/11/2017
		2,050,000	-	\$0.05	21/07/2018
7.8	Issued during quarter	-	-	-	-

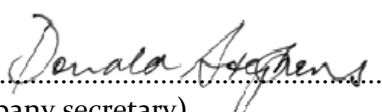
+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter		-		
7.11	Debentures (totals 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: 22nd January 2014
(Company secretary)

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.

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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+ See chapter 19 for defined terms.

**Changes in Interests in Mining Tenements
For Quarter Ended 31 December 2013**

		Tenement Reference	Nature of Interest	Interest at the beginning of Quarter	Interest at the end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E47/2258	Exploration Licence surrendered, effective 8 November 2013 (West Pilbara, Railway Bore, WA).	100%	0%
		EL29502	Exploration Licence surrendered, effective 19 December 2013 (Yambah, Delaney Dam, NT)	100%	0%
6.2	Interests in mining tenements acquired or increased	P15/5791	Prospecting Licence granted, effective 26 November 2013 (West Kambalda, Spargos Reward, WA).	0%	100%