



30 January 2009

December 2008 Quarterly Report

Highlights

- Chesser continues to focus on the gold sector and has made significant advances at its Sisorta Project in Turkey where it is targeting a shallow large tonnage, heap leachable (1-2g/t gold) oxide resource.
- At Sisorta drilling from the 2008 program has returned significant gold and/or copper results in 36 out of 40 holes
- Significant results include:
 - 50.5 metres at 1.41 g/t gold from surface in SIS48, including 15.5 metres at 2.4 g/t gold from 6 metres.
 - 18 metres at 1.02 g/t gold from 77.9 metres in SIS42, including 6.7 metres at 2.1 g/t gold from 89.2 metres
 - 42.5 metres at 1.51 g/t gold from 2 metres in SIS40, including 21.8 metres at 2.48 g/t gold from 5 metres and 1.8 metres at 9.1 g/t Au from 11.2 metres
 - 15.5 metres at 1.11 g/t gold from 42.5 metres in SIS39, as part of a broader interval of 68.9 metres at 0.59 g/t gold from surface
 - 19.5 metres at 1.15 g/t gold from surface in SIS49, including 3 metres at 3.17 g/t gold from 16.5 metres
 - 20.8 metres at 0.81 g/t gold from surface in SIS58 (new target area)
- Excellent first phase metallurgical results, confirming good oxide gold recoveries in bottle roll (92%) and column leach (78%) tests, low reagent consumption and positive agglomeration and percolation tests.
- An independent geological review has highlighted a number of new high priority targets, and geological and IP studies suggest that only 20% of the main target has been drill tested.
- Discovery of a new zone of gold mineralization to the northwest of the previously drilled areas of gold mineralization in hole SIS58, which intersected 20.8 metres at 0.81 g/t gold from surface.
- Work has commenced on a resource calculation as the first step toward a preliminary scoping study. A priority of this study will be to investigate the possibility of commencing small scale mining and gold recovery on the near-surface, high grade east zone.
- The Company continues to assess advanced project opportunities to add to its Turkish gold portfolio.

Chesser Resources Limited ("Chesser") (ASX Code: CHZ) is pleased to report on its activities for the quarter ended December 31, 2008. The drill program concluded at the Sisorta project, and an independent geological evaluation of the project results to date highlighted a number of target areas for further drilling. Final results were received for the first phase of metallurgical testing, with

extremely positive results. The company has also made significant advances in its strategy to develop a portfolio of advanced gold exploration projects, as well as advancing exploration on its existing projects.



Figure 1. Shaded Topographic map of Turkey showing the location of Chesser's Turkish projects, along with the locations of a number of other significant Turkish mines and prospects

Projects

Sisorta, Turkey

Gold

(Chesser earning up to 70%, Eurasian 100%)

The Company concluded its 2008 program of drilling, metallurgy and geophysics on the Sisorta project during the quarter. The planned 2008 program comprised 6225 metres of diamond drilling and approximately 62 kilometres of dipole-dipole IP.

The Sisorta property is a volcanic-hosted high sulphidation epithermal project, in which drilling to date has demonstrated the existence of a significant body of near-surface oxide gold mineralisation with surface chip-channel sample fire assay grades of up to 14 grams per tonne gold reported by Eurasian Minerals. The project has a large footprint of outcropping mineralisation and anomalous soil geochemistry, only a small portion of which has been drilled.

Mineralisation on the Sisorta project is associated with a 2500m by 800m northwest-trending topographic high. The 28 drillholes carried out to the end of 2007 have shown the clear existence of a large zone of high grade oxide gold mineralisation which remains open to the northwest and southeast.

In the December quarter, 11 exploration and 4 metallurgical holes were completed for an additional 2300 metres, resulting in a program total of 6225 metres. Assay results for all holes are summarised in Table 1. Three drill rigs operated for much of the quarter.

Diamond drilling at Sisorta was focused on testing the main silica cap area as well as extensions to the previously intersected broad zones of oxide gold mineralisation. Selected results from the program include:

- 42.5 metres at 1.51 g/t gold from 2 metres in SIS40, including 21.8 metres at 2.48 g/t gold from 5 metres
- 50.5 metres at 1.41 g/t gold from surface in SIS48, including 15.5 metres at 2.4 g/t gold from 6 metres.
- 19.5 metres at 1.15 g/t gold from surface in SIS49, including 3 metres at 3.17 g/t gold from 16.5 metres
- 15.5 metres at 1.11 g/t gold from 42.5 metres in SIS39, as part of a broader interval of 68.9 metres at 0.59 g/t gold from surface
- 18 metres at 1.02 g/t gold from 77.9 metres in SIS42, including 6.7 metres at 2.1 g/t gold from 89.2 metres
- 20.8 metres at 0.81 g/t gold from surface in SIS58 (new target area)
- 10.4 metres at 1.14 g/t gold from 45.5 metres in SIS45, as part of a broader interval of 22.5 metres at 0.73 g/t gold from 40 metres
- 7 metres at 0.93 g/t gold from 28 metres in SIS38
- 6.5 metres at 1.01 g/t gold from 33.7 metres in SIS32
- 8.2 metres at 0.66 g/t gold from 147.8 metres in SIS34
- 23.2 metres at 0.75 g/t gold and 0.2% copper from 41.3 metres in SIS19
- 9.1 metres at 1.16 g/t gold from 18.2 metres in SIS21, as part of a broader interval of 38.3 metres at 0.62 g/t gold from surface
- 5.6 metres at 1.47 g/t gold from 42.1 metres in SIS23, as part of a broader interval of 20.9 metres at 0.65 g/t gold from 42.1 metres
- 12.3 metres at 2.37% copper and 0.13g/t gold in SIS22
- 6.5 metres at 0.83 g/t gold from 47.8 in SIS50.
- 28.6 metres at 0.52 g/t gold from surface in SIS51

New Zone of Oxide Gold

One of the more significant results from the final stage of the 2009 drill program was the intersection of a new zone of elevated oxide gold values in hole SIS58. This intersection is in an area separated from the two main bodies of higher grade mineralization intersected to date, and is completely open to the north as shown in Figure 3 below.

Drilling in 2009 will test for extensions to this zone.

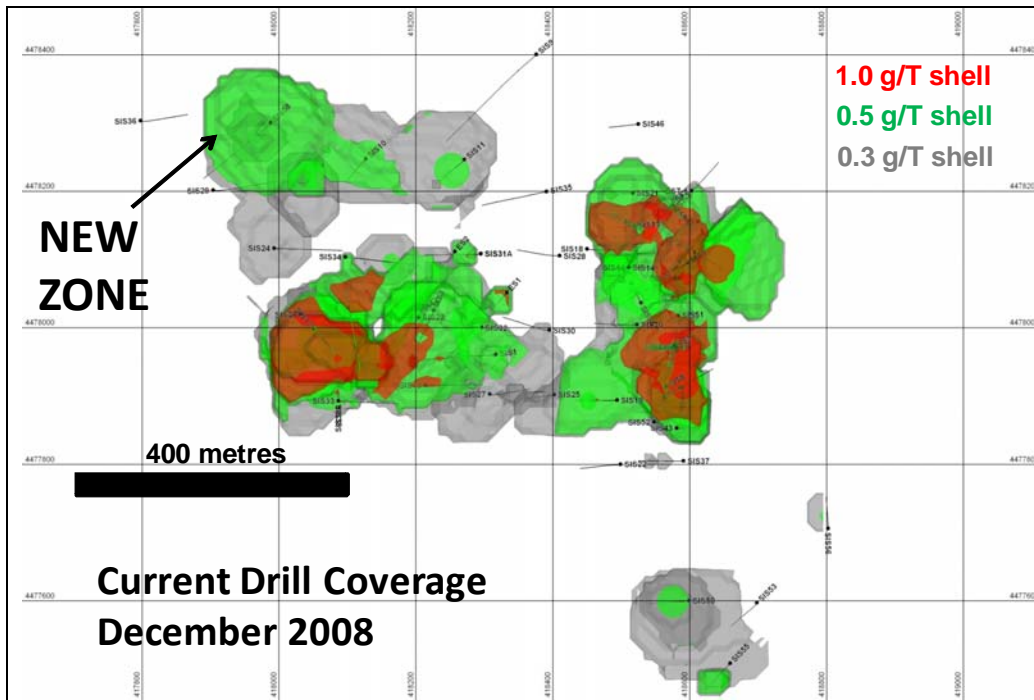


Figure 3. Sisorta area plan view of grade shells from 2008 drill program

Excellent Initial Metallurgical Results from Oxide Target Zone

During the quarter, final results were received for the bottle roll and column leach metallurgical tests carried out by Kappes Cassiday & Associates. All the tests that were carried out confirmed that oxide gold mineralization from Sisorta is very amenable to heap leach gold extraction.

Sisorta Project Oxide and Sulfide Material Bottle Roll Leach Test Results Summary

KCA Sample No.	KCA Test No.	Description	P ₈₀ Size, mm	Extracted, % Au	Extracted, % Ag	Consumption NaCN, kg/MT	Addition Ca(OH) ₂ , kg/MT
39765	40326 A	Oxide Material	0.106	92.2%	35.3%	2.03	0.50
39766	40326 B	Sulfide Material	0.106	45.7%	64.3%	7.13	4.00
39766 A	40460 A	Sulfide Material	21.1	13.9%	10.1%	2.46	2.50
39766 B	40460 B	Sulfide Material	11.4	19.3%	16.9%	2.81	2.50

Oxide material of the type which makes up the bulk of mineralization at Sisorta displayed strong gold leach recoveries in both bottle roll and column leach tests. Gold recoveries of up to 92.2% were achieved in bottle roll tests, and gold recoveries of up to 77.6% were achieved in 46-day column leach tests.

Sisorta Project Oxide Material Column Leach Test Extraction Summary

KCA Sample No.	KCA Test No.	Description	Crush Size, mm	Extracted, % Au	Extracted, % Ag	Consumption NaCN, kg/MT
39765 A	40362	Oxide Composite	-25	76.1%	16.0%	0.75
39765 B	40365	Oxide Composite	-12.5	77.6%	22.1%	0.59

In addition, agglomeration and percolation tests on Sisorta oxide material were positive, indicating that agglomeration additives would not be necessary in treatment of the ore.

Geological review of 2008 Drilling

During the quarter, an independent geological consultant was brought in to assess the 2008 drill program and provide suggestions for further work. Preliminary recommendations from this ongoing study highlighted a number of high priority areas for further drill testing for both epithermal gold and porphyry copper-gold targets.

Resource calculation and scoping

All final assay results were received during the quarter, and the process of producing a geological model was commenced during the quarter. This geological model will form the basis for resource calculations to be carried out during the first quarter of 2009. Preliminary compilation of input data to an early stage desktop scoping study was also commenced during the December quarter. A priority of this study will be to investigate the possibility of commencing small scale mining and gold recovery on the near-surface, high grade east zone.

Turkey Regional

Copper- Gold

(Chesser 100%)

During the December quarter, preliminary ground work continued the company's 15 licenses on four separate project areas with potential for epithermal gold and porphyry copper-gold.

Field visits were carried out to a number of projects made available to the company for option and/or joint venture. In addition, a number of projects are currently at advanced negotiation stage.

Chesser Resources Ltd is an ASX-listed Exploration company with a focus on the acquisition and exploration of discovery-stage gold projects. The company is committed to advancing its existing portfolio while continuing to seek new advanced opportunities.

CHESSER RESOURCES LTD

All queries to be directed to

Dr Rick Valenta

(07) 3369 4000

info@chesserresources.com.au

www.chesserresources.com.au

The exploration data and results contained in this report are based on information reviewed by Dr Rick Valenta, a Fellow of the Australian Institute of Mining and Metallurgy. He is Managing Director of the Company and has sufficient experience which is relevant to the styles 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 Valenta has consented to the inclusion in this release of the matters based on his information in the form and context in which it appears.

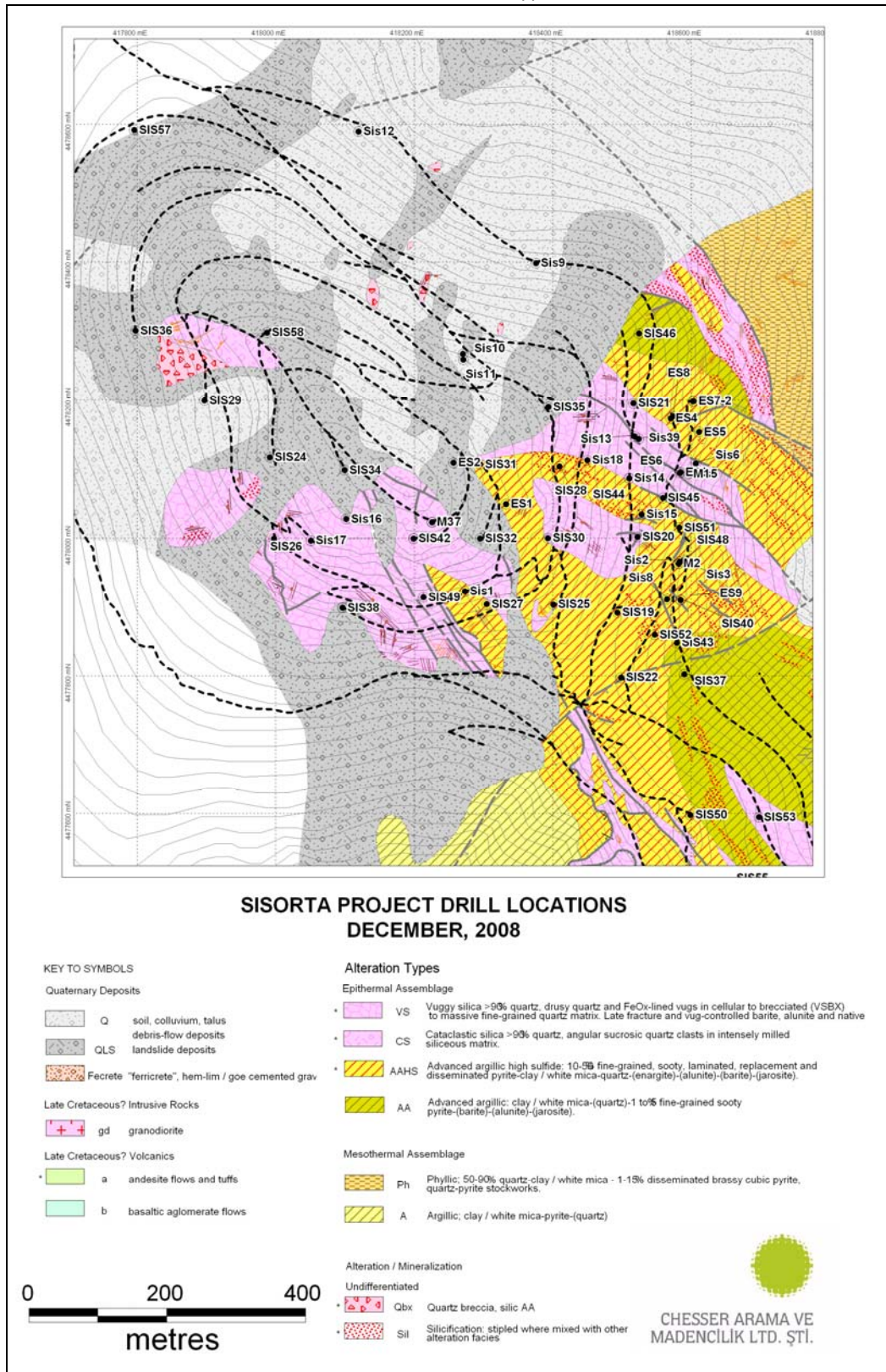


Figure 4. Sisorta area geological map with drill locations.

Table 1. Selected intercepts from Sisorta drill program

Drillhole	Easting (UTM37)	Northing (UTM37)	Azimuth (degrees)	Dip (degrees)	Total Depth (metres)	From (metres)	To (metres)	Length (metres)	Intercept	
SIS19	418493.93	4477893.80	270	60	125					
			*			Gold intercept in sulphide zone	41.3	64.5	23.2	0.75 g/t Au
			*			including	44.7	64.5	19.8	0.86 g/t Au
						including	58.4	62.0	3.6	1.16 g/t Au
						Gold intercept in sulphide zone	69.0	92.2	23.2	0.42 g/t Au
SIS20	418522.94	4478003.63	270	60	125					
						Gold intercept in sulphide zone	17	23.6	6.6	0.54 g/t Au
						Gold intercept in sulphide zone	33.0	44.5	11.5	0.42 g/t Au; 0.29% Cu
						Copper intercept in sulphide zone	102.0	110.4	8.4	0.25% Cu; 0.09 g/t Au
SIS21	418517.08	4478196.82	270	60	125					
						Gold intercept in sulphide zone	0	38.3	38.3	0.62 g/t Au
						including	13.9	27.3	13.4	0.95 g/t Au; 0.58% Cu
						including	18.2	27.3	9.1	1.16 g/t Au; 0.78% Cu
						Copper intercept in same zone	8.3	38.3	30	0.57% Cu; 0.64 g/t Au
SIS22	418499.08	4477799.54	270	60	113.9					
						Chalcocite-energite zone	86.5	98.8	12.3	2.37% Cu; 0.13 g/t Au
						Chalcocite-energite zone	87.5	96.3	8.8	3.14% Cu; 0.16 g/t Au
SIS23	418204.56	4478014.85	270	60	197.5					
						Gold intercept in oxide zone	42.1	63	20.9	0.65 g/t Au
						including	42.1	47.7	5.6	1.47 g/t Au
SIS24	417992.82	4478115.69	90	-60	211.5					
						Gold intercept in oxide zone	42.4	73.6	31.2	0.36 g/t Au
						including	42.4	59.6	17.2	0.44 g/t Au
						including	48.6	59.6	11	0.51 g/t Au
SIS25	418402.39	4477901.30	270	60	125					
						Gold intercept in sulphide zone	78	83.8	5.8	0.37 g/t Au
						Gold intercept in sulphide zone	93.2	103.2	10	0.38 g/t Au; 0.20% Cu
						Copper intercept in sulphide zone	98.8	114.8	16	0.19% Cu; 0.28 g/t Au
SIS26	418031.89	4478019.12	90	-60	166.5					
						Gold intercept in oxide zone	72.3	78.6	6.3	0.30 g/t Au
						Gold intercept in oxide zone	83.3	98.1	14.8	0.40 g/t Au
						including	89.2	98.1	8.9	0.46 g/t Au
SIS27	418308.01	4477902.36	90	-60	125.5					
						Gold intercept in oxide zone	0	6.6	6.6	0.38 g/t Au
						Gold intercept in sulphide zone	16.6	20.3	3.7	0.59 g/t Au; 0.14% Cu
						Gold intercept in oxide zone	28.7	33.9	5.2	0.73 g/t Au
						Gold intercept in oxide zone	46	49.35	3.35	0.46 g/t Au
						Gold intercept in mixed sulphide zone	87	89.2	2.2	1.30 g/t Au; 0.13% Cu
SIS28	418410.15	4478105.17	270	-60	125.8					
						Gold intercept in oxide zone	53.6	57.5	3.9	0.75 g/t Au
SIS29	417904.54	4478200.83	90	-60	279					
						Gold intercept in oxide zone	178.1	192.4	14.3	0.36 g/t Au
						Gold intercept in oxide zone	198	208.5	10.5	0.42 g/t Au
						Gold intercept in oxide zone	251.7	260.9	9.2	0.36 g/t Au
						Gold intercept in oxide zone	268	276	8	0.63 g/t Au

* interval with minor solution cavities

Table 1. continued...

Drillhole	Easting (UTM37)	Northing (UTM37)	Azimuth (degrees)	Dip (degrees)	Total Depth (metres)	From (metres)	To (metres)	Length (metres)	Intercept	
SIS30	418394.85	4477995.86	270	-60	149.5					
						Copper intercept in sulphide zone	106.3	119.2	12.9	0.29% Cu
						Copper intercept in sulphide zone	144	146.9	2.9	0.93% Cu; 0.22 g/t Au
SIS31	418294.99	4478107.46	270	-60	177.8					
						Copper intercept in sulphide zone	158	174.5	16.5	0.16% Cu
SIS32	418296.57	4478000.34	270	-60	123.5					
						Gold intercept in oxide zone	24.7	43	18.3	0.54g/t Au
						including	33.7	40.2	6.5	1.01 g/t Au
						Copper intercept in sulphide zone	93.1	112.8	19.7	0.20% Cu
SIS33	418087.53	4477892.48	90	-60	183					
						Gold intercept in oxide zone	14.5	22.9	8.4	0.31g/t Au
						Gold intercept in sulphide zone	31	48.6	17.6	0.31 g/t Au
						Copper intercept in sulphide zone	79.3	91.8	12.5	0.60% Cu
						including	82.8	86	3.2	1.19% Cu
						Copper intercept in sulphide zone	96.5	115.9	19.4	0.24% Cu
						including	107.5	115.9	8.4	0.44% Cu
						Copper intercept in sulphide zone	150.4	156.1	5.7	0.30% Cu
Copper intercept in sulphide zone	161	171.8	10.8	0.21% Cu						
SIS34	418096.72	4478102.75	90	-60	248					
						Gold intercept in oxide zone	147.8	156	8.2	0.66g/t Au
						Copper intercept in sulphide zone	201.9	210	8.1	0.14% Cu
SIS35	418391.26	4478199.28	270	-60	197	no significant intervals				
SIS36	417797.69	4478302.54	90	-60	138.6	no significant intervals				
SIS37	418591.24	4477804.66	270	-60	134					
						Gold intercept in sulphide zone	60.1	64	3.9	0.49 g/t Au; 0.12% Cu
						including	61.6	64	2.4	0.62 g/t Au; 0.15% Cu
						Gold intercept in sulphide zone	95.9	98	2.1	0.73 g/t Au; 0.14% Cu
						Copper intercept in sulphide zone	88	98	10	0.14% Cu; 0.26 g/t Au
						Copper intercept in sulphide zone	113.8	117.7	3.9	0.17% Cu; 0.12 g/t Au
						Gold intercept in sulphide zone	123.6	128.1	4.5	0.06% Cu; 0.30 g/t Au
SIS38	418086.78	4477892.54	0	-60	172.5					
						Gold intercept in oxide zone	4.7	14	9.3	0.32 g/t Au
						Gold intercept in oxide zone	28	35	7	0.86 g/t Au
						Gold intercept in oxide zone	39.8	49.2	9.4	0.6 g/t Au
						including	63.8	67.7	3.9	0.66 g/t Au
						Gold intercept in oxide zone	83.7	86	2.3	0.78 g/t Au
						Gold intercept in sulphide zone	127.5	138.4	10.9	0.31 g/t Au
						Copper intercept in sulphide zone	130.6	146.1	15.5	0.25 g/t Au; 0.29% Cu
						Copper intercept in sulphide zone	130.6	138.4	7.8	0.39 g/t Au; 0.43% Cu
						including	133.1	134.6	1.5	0.52 g/t Au; 0.99% Cu
including	135.7	138.4	2.7	0.6 g/t Au; 0.37% Cu						
SIS39	418519.00	4478148.00	120	-60	109.5					
						* Gold intercept in oxide zone	0	68.9	68.9	0.59 g/t Au
						Gold intercept in oxide zone	0	33.15	33.15	0.49 g/t Au
						including	36.8	68.9	32.1	0.74 g/t Au
						* including	42.5	58	15.5	1.11 g/t Au
						* including	44.5	52	7.5	1.38 g/t Au
						Copper intercept in sulphide zone	95.9	107.6	11.7	0.17%Cu

* interval with minor solution cavities

Table 1. continued...

Drillhole	Easting (UTM37)	Northing (UTM37)	Azimuth (degrees)	Dip (degrees)	Total Depth (metres)	From (metres)	To (metres)	Length (metres)	Intercept
SIS40	418590.79	4477912.27	0	-90	136				
			*			2	44.5	42.5	1.51 g/t Au
			* including			5	26.8	21.8	2.48 g/t Au
			* including			5	17.5	12.5	3.23 g/t Au
			* including			5	14.5	9.5	4.13 g/t Au
			including			32.3	36.4	4.1	1.05 g/t Au
			including			32.3	41.6	9.3	0.83 g/t Au
			Gold intercept in oxide zone			55	58	3	0.49 g/t Au
			Gold intercept in sulphide zone			66.1	89	22.9	0.75 g/t Au
			including			68.6	77.5	8.9	1.29 g/t Au
			Copper intercept in sulphide zone			101.5	105.1	3.6	0.36% Cu
			Gold intercept in sulphide zone			115.6	127.9	12.3	0.56 g/t Au
SIS41	416973.96	4479837.91	45	-60	150.2	no significant intervals			
SIS42	418204.56	4478014.85	225	-55	187.5				
						28.7	39.1	10.4	0.84 g/t Au
			including			28.7	32.6	3.9	1.5 g/t Au
			Gold intercept in oxide zone			55.6	64.9	9.3	0.58 g/t Au
			including			55.6	59.4	3.8	0.94 g/t Au
			including			56.9	59.4	2.5	1.27 g/t Au
			Gold intercept in oxide zone			77.9	95.9	18	1.02 g/t Au
			including			87.9	95.9	8	1.83 g/t Au
			including			89.2	95.9	6.7	2.1 g/t Au
			Gold intercept in oxide zone			110.5	117.5	7	0.4 g/t Au
SIS43	418581.47	4477853.17	90	-80	70				
						18.1	26	7.9	0.81 g/t Au
						62.5	70	7.5	0.31 g/t Au; 0.15% Cu
						56.8	70	13.2	0.13% Cu
SIS44	418511.28	4478088.39	90	-60	86.6				
						0	12.2	12.2	0.45 g/t Au
						44.9	77.9	33	0.58 g/t Au
			including			44.9	52.8	7.9	0.66 g/t Au
			including			55.1	65.3	10.2	0.70 g/t Au
			including			66.6	73.5	6.9	0.68 g/t Au
SIS45	418579.17	4478071.59	90	-70	90				
						18	32	14	0.37 g/t Au
						40	62.5	22.5	0.73 g/t Au
			including			45.5	55.9	10.4	1.14 g/t Au
SIS46	418525.33	4478298.01	270	-60	90				
						43.6	49.75	6.15	0.32% Cu
						43.6	47.3	3.7	0.49% Cu
SIS48	418580.06	4477971.01	90	-75	92.5				
						0	50.5	50.5	1.42 g/t Au
			including (minor sulphide)			4	25.5	21.5	1.92 g/t Au
			including			6	21.5	15.5	2.4 g/t Au
			including			6	19.5	13.5	2.56 g/t Au
			including (minor sulphide)			29.2	48.3	19.1	1.31 g/t Au
			including			29.2	34.5	5.3	1.16 g/t Au
			including			30.5	47.2	16.7	1.39 g/t Au
			including (minor sulphide)			41	48.3	7.3	1.57 g/t Au

* interval with minor solution cavities

APPENDIX 5B
Mining exploration entity quarterly report

CHESSER RESOURCES LIMITED

ACN 118 619 042

Quarter ended

31-Dec-08

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(110)	(1,945)
(b) development	-	-
(c) production	-	-
(d) administration	(329)	(498)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - Refund of Shire Rates	-	-
1.7 Other - Refund of GST	-	-
Net Operating Cash Flows	(430)	(2,401)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(15)
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 Cash assets of acquired entity	-	-
Net Investing cash flows	0	(15)
1.13 Total operating and investing cash flows (carried forward)	(430)	(2,416)

1.13 Total operating and investing cash flows (brought forward)	(430)	(2,416)
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 (Share issue costs)	-	-
Net financing cash flows	0	0
Net increase (decrease) in cash held	(430)	(2,416)
1.20 Cash at beginning of quarter / year to date	991	2,896
1.21 Exchange rate adjustments to item 1.20	29	110
1.22 Cash at end of quarter: refer to 2.1	590	590
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		80
1.24 Aggregate amount of loans to the parties included in item 1.17		-
1.25 Explanation necessary for an understanding of the transactions		
Directors' fees and payments to entities the directors are associated with.		
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		
During the next quarter (January 2009 - March 2009) the Company expects to receive a Value Added Tax (VAT) refund of approximately \$A375,000, of which approximately \$A150,000 will cover the first anniversary payment to Eurasian Minerals, with the remainder to be spent exclusively on exploration on the Sisorta property.		

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

3.1 Loan facilities

3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	-
-	-

Estimated cash outflows for next quarter

4.1 Exploration and evaluation

4.2 Development

Total

\$A'000

227

-

227

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.

5.1 Cash on hand and at bank

5.2 Deposits at call

5.3 Bank overdraft

5.4 Other (provide details) - 30 and 60 day term deposits

Total: cash at end of quarter (item 1.22)

Current quarter \$A'000	Previous quarter \$A'000
231	390
359	601
-	-
-	-
590	991

Changes in interests in mining tenements

6.1 Interests in mining tenements relinquished, reduced or lapsed

6.2 Interests in exploration licenses acquired or increased

Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (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	35,000,000	35,000,000		Fully paid
Ordinary securities	2,600,000	-		Fully paid
Ordinary securities	500,000	500,000		Fully paid
Ordinary securities	50,000	-		Fully paid
Ordinary securities	2,100,000	2,080,000		Fully paid
Ordinary securities	500,000	500,000		Fully paid
7.4 Changes during quarter (a) Increases through issues Release of shares from escrow				
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>	2,000,000		<u>Exercise price</u>	<u>Expiry date</u>
	3,000,000		0.35	28/05/2011
	1,500,000		0.25	30/05/2011
	500,000		0.25	19/09/2011
	500,000		0.30	19/09/2011
	292,500		0.35	19/09/2011
			0.40	21/02/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter				

7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1.0 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2.0 This statement does give a true and fair view of the matters disclosed.



Sign here:.....

Date: 30/01/2009

Company Secretary

DONALD STEPHENS

Print name:

Notes

- 1.0 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.
- 2.0 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.
- 3.0 **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.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **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.