Quarterly Activities Report

DECEMBER QUARTER 2009

ASX Code NTU

ABN 61 119 966 353

CAPITAL DETAILS

Shares on issue	72.7M
Share Price	$0.18
Market cap	$13.1M
12 month low	$0.10
12 month high	$0.43
Cash at 31 Dec	$1.37M

DIRECTORS

Executive Chairman
Mr Kevin Schultz

Non-executive Directors
Mr Adrian Griffin
Mr Bob Hair
Mr Colin McCavana
Mr Philippe Portella

PRINCIPAL OFFICE

Level 2, 7 Havelock Street
West Perth WA 6005
Tel: (08) 9481 2344
Fax: (08) 9481 5929
www.northernuranium.com.au
info@northernuranium.com.au

PROJECTS

Gardiner-Tanami (WA / NT)
Kurundi (NT)
Epenarra & Amadeus (NT)
Wallal (WA)
Lake Barlee (WA)

INVESTMENT HIGHLIGHTS

- **DRILLING REVEALS EXCITING URANIUM POTENTIAL ON THE GARDINER-TANAMI PROJECT**
  - **Primary uranium mineralisation (pitchblende) and clay alteration common to unconformity-style uranium deposits intersected in three holes out of five at Soma A1 Target**
  - **Preliminary Afmex mineralogical studies confirm similarities with the highly productive Athabasca and Alligator Rivers uranium provinces**
  - **Soma A1 mineralisation extends for 8km, including 6km in adjacent Manhattan Corporation Limited (ASX:MHC) exploration licence where Northern Uranium is earning 60% interest**
  - **Structures with potential to host an ore deposit can now be pinpointed and tested by drilling**
  - **Follow up exploration program planned for 2010**
- **HIGH VALUE RARE EARTH ELEMENT (REE) TARGETS IDENTIFIED AT GARDINER-TANAMI**
  - **Highly significant concentrations of valuable heavy rare earths (HREE) in quartz-xenotime mineralisation found at Browns Range Dome area**
  - **Interest in HREE fuelled by rising market prices following China's export prohibition and growing demand from key high technology end users**
  - **Dedicated HREE exploration planned for 2010 in conjunction with the company's core uranium exploration program.**
- **ANNOUNCED MANHATTAN FARMIN AGREEMENT EXPANDING URANIUM EXPLORATION TARGETS**
- **DEVELOPMENT OPTIONS CONSIDERED FOR ROCK PHOSPHATE TENEMENTS**

SUMMARY OF ACTIVITIES DURING THE DECEMBER 2009 QUARTER

The drilling program on the Gardiner-Tanami Project, which commenced during the September Quarter at the Lewis Creek North and Oracle-Soma uranium target areas (Figure 2), concluded with a total of eight holes completed for 1,547 metres of diamond drilling.

Significant results from Lewis Creek North, reported in the September Activities Report, included a narrow intersection of uranium mineralisation that confirmed the validity of the exploration approach implemented by project operator Afmeco Mining and Exploration Pty Ltd ("Afmex") and the effectiveness of the geophysical Versatile Time-Domain Electromagnetics ("VTEM") method as a means of detecting potential unconformity uranium host rocks.

In the Oracle Soma target area, one diamond core hole was drilled into the Soma A3 VTEM conductor (GT03 - Figure 3) and five diamond core holes were drilled on a single cross section line across the Soma A1 VTEM conductor (GT04-GT08 - Figures 3 and 4). Hand-held XRF measurements on the drill core located significant anomalous uranium concentrations, including spot measurements up to 2,100ppm U (0.252% U_3O_8) in GT04 (155.9m – 156.3m) and up to 1,470ppm U (0.176% U_3O_8) in GT07 (164.45m – 165.6m).

These uranium concentrations are due to the presence of uranium minerals pitchblende and autunite in small veinlets. Downhole gamma logging and subsequent assaying only returned values up to 235ppm U in a 0.1m interval; but preliminary mineralogical and geochronological studies of the pitchblende mineralisation by Afmex confirmed that the Gardiner-Tanami region displays similarities in geology and style of mineralisation/alteration with the Athabasca Basin and Alligator Rivers uranium provinces.

In October, Northern Uranium finalised and announced a farm-in agreement with Manhattan Corporation Limited (ASX:MHC) which expands its uranium exploration targets. The agreement provides an exclusive right to earn a 60% interest in Manhattan's Gardiner Range Project which adjoins the Gardiner-Tanami project. During the December Quarter an airborne VTEM survey was flown from the Oracle Soma target area eastward across the Manhattan exploration licence (Figure 5). Results of the survey showed that the VTEM conductors which were drilled on the Soma A1 target extend over a total of 8km, of which 6km is a continuation to the east under sandstone cover in Manhattan's E80/3275.

The conductors are potential host rocks for high grade uranium ore deposition and structures likely to host an ore deposit, both within the Company's 100%-owned tenements and within Manhattan's E80/3275, can now be pinpointed by on-ground mapping and other surveys and tested by drilling in 2010.

During the December Quarter, the Company announced significant discoveries of quartz-xenotime mineralisation (a source of rare earths) in the Browns Range Dome area of the Gardiner-Tanami Project (Figure 2). Interest in rare earths was fuelled by an announcement by the Chinese Government that it had restricted the annual export of some rare earths and prohibited exports of heavy rare earth elements (HREE). HREE are of immense strategic importance in a world embracing green technology and China has traditionally supplied about 95% of the global rare earths market. The announcement of export restrictions has heightened the need for additional sources as firming demand causes a tightening in supply and higher prices. Preliminary studies of the distribution of rare earth elements in the xenotime mineralisation at Browns Range highlight the unusually high concentrations of HREE.

EXPLORATION ACTIVITIES

GARDINER-TANAMI PROJECT (Northern Uranium 100% - Afmex operator)

The Gardiner-Tanami project covers an area of approximately 11,000km^2 centred on the WA-NT border 200km southeast of Halls Creek (Figures 1 and 2).

Following two years of geophysical surveys and ground geological reconnaissance covering 6,000km^2 of tenements diamond drilling commenced during the September 2009 Quarter at two priority drill target areas, Lewis Creek North and Oracle-Soma. The drilling program concluded during the December 2009 Quarter with a total of eight holes completed for 1,547 metres of diamond drilling.

Lewis Creek North Drilling Results

Results from the Lewis Creek North target area (Figure 2), reported in the September 2009 Activities Report, included a narrow intersection of uranium mineralisation that confirmed the validity of the exploration approach implemented by Afmex and the effectiveness of VTEM as a means of detecting subsurface conductive potential host rocks.

Soma Drilling Results

As a first pass test of the uranium potential of the Oracle-Soma target area (Figures 2 and 3), one diamond core hole was drilled into the Soma A3 VTEM conductor and five diamond core holes were drilled on a single cross section across the Soma A1 VTEM conductor. The details of the drill holes are tabulated below and illustrated in cross section in Figure 4.

Table 1: Drill Holes on Soma Target

Hole Id	Target conductor	Northing* (m)	Easting* (m)	Azimuth	Inclination	Depth (m)
GT03	A3	7867890	481794	0°	-90°	170.1
GT04	A1	7869344	483040	6°	-60°	263.8
GT05	A1	7869410	483063	7°	-50°	161.7
GT06	A1	7869410	483063	15°	-80°	140.8
GT07	A1	7869206	483006	0°	-70°	230.6
GT08	A1	7869410	483063	180°	-75°	80.8

* Coordinates in GDA94 Zone 52

To test the Soma A1 VTEM conductor holes GT04-GT08 were located on an elevated plateau of Gardiner Sandstone, which unconformably overlies metasedimentary basement rocks referred to as Killi Killi Beds. As a generalisation, the holes encountered flat-lying Gardiner Sandstone to depths varying from 35 to 60m. The Gardiner Sandstone displays localised weak to moderate bleaching, the presence of quartz dissolution features and drusy quartz along fractures.

The unconformity is characterised by a strong argillisation and bleaching overprinting a 25-50m thick zone of intensely hematised (iron oxide enriched) Killi Killi Beds.

At depths ranging from 80-250m three of the holes intersected meta-pelite with “conductive” graphite and associated 0.4m-3.0m wide radiometrically anomalous zones with disseminated sulphides (pyrite and chalcopyrite) and thin siderite veins. A high degree of fracturing associated with immature brecciation is observed within some graphitic zones, such as in Hole GT04 between 134m and 146m. An apparent east-southeasterly trending fault zone is interpreted to be the cause of a 12m offset of the unconformity.

Hand-held XRF measurements on the drill core located the following significant anomalous uranium concentrations with disseminated sulphides:

GT04 144.5m - 145.6m: spot measurements up to 113ppm U (0.013% U_3O_8)

155.9m – 156.3m: spot measurements up to 2,100ppm U (0.252% U_3O_8)

GT06 102.6m – 103.4m: spot measurements up to 219ppm U (0.026% U_3O_8)

GT07 164.45m – 165.6m: spot measurements up to 1,469ppm U (0.176% U_3O_8)

Downhole gamma logging returned values up to 125ppm eU_3O_8 and selected intervals of the diamond drill core were sampled for chemical assay.

The first available assays gave the following results:

GT04 155.9m – 156.1m: 162 ppm U, including 235 ppm U on 0.1m

GT06 102.8m – 103.1m: 76 ppm U, including 101 ppm U on 0.1m.

The uranium concentrations in the drill cores are due to the presence of the minerals pitchblende and autunite (a calcium uranyl phosphate mineral). Preliminary mineralogical and geochronological studies of the pitchblende mineralisation and accompanying alteration by Afmex confirmed that the Gardiner-Tanami region displays similarities with the Athabasca and Alligator Rivers uranium provinces (see below).

Mineralogical and Age Dating Studies

The initial results of the scientific studies of the Soma diamond drill cores by Afmex show that the uranium mineralisation occurs as pitchblende–siderite–sulphide veinlets associated with hydrothermal alteration. Secondary uranium remobilisation as autunite is disseminated in the surrounding altered host rocks. A preliminary primary uranium deposition age was determined at approximately 1400-1500 million years (Ma), which is younger than the age of deposition of the

overlying Gardiner Sandstone (1750-1640Ma). Further age determination on pitchblende will be done to better constrain the model.

Such observations of age range link the primary uranium mineralisation in the Killi Killi basement rocks with hydrothermal fluid movement that took place after the Gardiner Sandstone deposition. This reinforces the comparisons that have been made between the Gardiner-Tanami region and the Athabasca and Alligator Rivers uranium provinces, which host the world's largest high grade unconformity-style uranium deposits.

GARDNER RANGE JV (Northern Uranium earning 60%, Manhattan 40%)

As announced on 16 October 2009 Northern Uranium has reached an agreement with Manhattan providing an exclusive right for Northern Uranium to earn 60% interest in Manhattan's Gardner Range Project by spending A$1.05m within four years.

Manhattan's Gardner Range Project comprises exploration licences which are adjacent to some of Northern Uranium's Gardiner-Tanami tenements, most notably E80/3275 which is contiguous with a Northern Uranium tenement covering the Oracle and Soma target areas (Figure 2).

Within Manhattan tenement E80/3275 drilling of "The Don" prospect in the 1980s intersected unconformity-style uranium mineralisation of 0.44m of 1.5% U_3O_8 and 1.7g/t gold in graphitic shale at a depth of 40m. A 2008 Manhattan VTEM survey line over The Don prospect identified a significant conductor which was considered to be a primary uranium target at depth in fresh rock. In the announcement disclosing the agreement, Northern Uranium stated that it intended a more detailed airborne VTEM survey, to be followed up in 2010 with ground radiometric surveying, geological mapping, geochemical sampling and drilling.

The more detailed VTEM survey was flown in the December Quarter and results indicate that the conductors which were drilled on the Soma A1 target extend over a total of 8km, of which 6km is a continuation to the east under sandstone cover in Manhattan's E80/3275 (Figure 5). As a consequence, a series of new priority drill targets with potential for high grade uranium ore deposition can now be defined, most notably where fault structures transect the conductors. Such targeting is illustrated in Figure 3 with example potential drill target areas situated within a few hundred metres of the uranium mineralisation intersected in the Soma A1 drill holes.

Similar targets may be also expected in the adjacent Manhattan exploration licence, providing a near term focus for Northern Uranium's exploration expenditure that is required for the Company to earn its 60% interest. The new VTEM survey has also revealed that the conductor beneath The Don prospect extends to the west-northwest below sandstone cover towards Northern Uranium's 100%-owned Soma exploration licence.

IDENTIFICATION OF STRATEGIC RARE EARTHS TARGETS
(Gardiner-Tanami Project - Northern Uranium 100%)

On 22 December 2009 the Company announced significant discoveries of quartz-xenotime mineralisation (a source of rare earths) in the Browns Range Dome area of the Gardiner-Tanami Project (Figure 2). Interest in rare earths was triggered by an announcement of the Chinese Government that it had restricted the annual export of rare earths and prohibited exports of heavy rare earth elements (HREE) such as dysprosium, terbium, thulium, lutetium and yttrium.

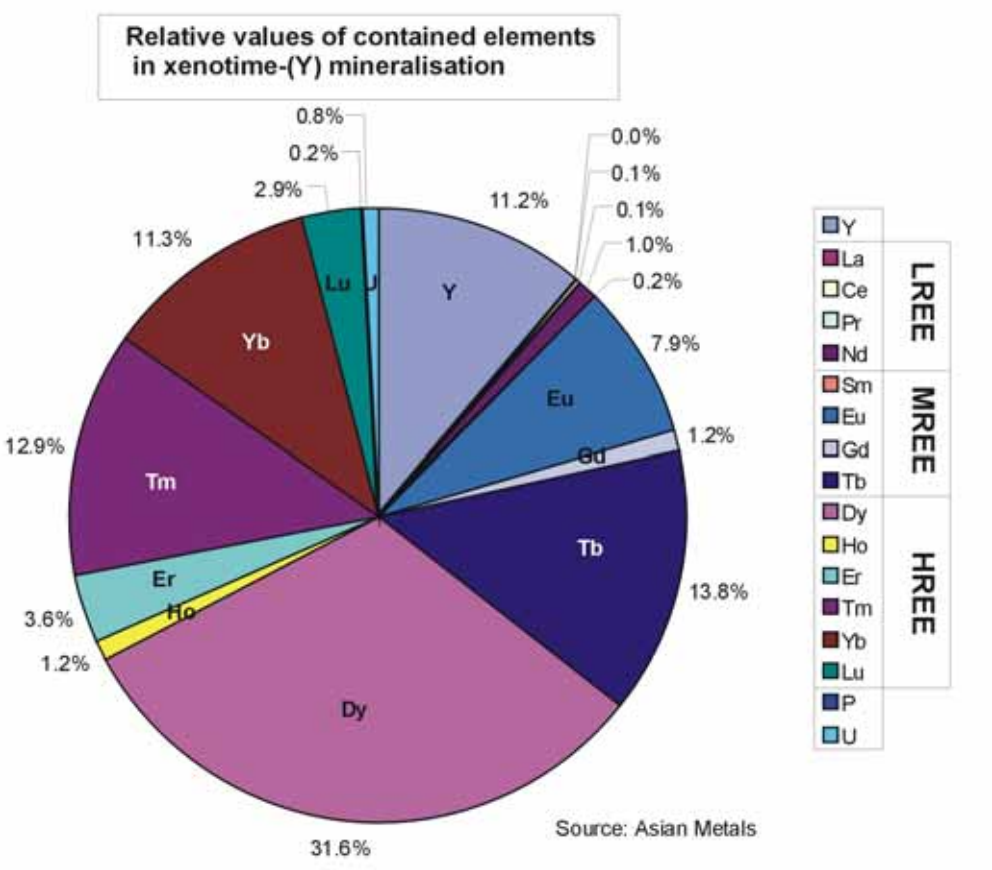
China has traditionally supplied about 95% of the global rare earths market, and the announcement of export restrictions has heightened the need for additional sources as firming demand causes a tightening in supply and higher prices.

Rare earths are vital in high-technology developments such as hybrid cars and wind turbines, and are of immense strategic importance in a world embracing green technology.

Distribution of HREE in Browns Range Quartz-Xenotime Mineralisation

Xenotime (a yttrium and rare earths bearing phosphate mineral) in the western Browns Range Dome area was first identified in the 1980s by Japanese nuclear energy organization PNC Exploration while exploring for uranium. PNC named the area of quartz-xenotime mineralisation "Area 5 Prospect" and one of the larger quartz-xenotime veins gave extremely high grade results up to 16% yttrium, 0.2% uranium, 0.5% light rare earth elements (LREE) and 12% HREE.

Previously unknown quartz-xenotime mineralisation was encountered 4km to the north-northeast of Area 5 Prospect during recent Northern Uranium exploration programs. These newly discovered hydrothermal quartz-xenotime stockworks are similar to the Area 5 occurrences, with xenotime concentration being up to 3-4 wt-%. Preliminary analyses of the mineralisation indicated a favourable rare earths distribution emphasising HREEs, particularly dysprosium, holmium, erbium, ytterbium and yttrium.



Price distribution by REE in the xenotime mineralisation, Browns Range Dome area

Afmex conducted preliminary U-Pb isotopic dating on xenotime from the area NNE of Area 5 Prospect and obtained an age of 1701±26Ma which suggests that the quartz-xenotime mineralisation may be linked to regional scale tectonic reactivation, implying ore-deposit potential in the Browns Range Dome area.

Hydrothermal quartz-xenotime mineralisation in the Browns Range area

Geology of the Browns Range Dome

Area 5 Prospect is located on the western side of the Browns Range Dome, a Paleoproterozoic dome formed by a granitic core intruding the Paleoproterozoic "Browns Range Metamorphics" (meta-arkoses, feldspathic metasandstones and schists) and an Archaean orthogneiss and schist unit to the south. The dome and its aureole of metamorphics are surrounded by the Mesoproterozoic Gardiner Sandstone of the Victoria-Birrindudu Basin (Figure 2).

Area 5 was described by PNC Exploration as consisting of outcrops of arkose, conglomerate and minor quartz mica schist. Sub-cropping ultramafic rocks and a banded iron formation (BIF)/quartz pebble conglomerate occur in the area. Calc-silicate rocks are also recorded 4km to the east. Elongate, probably discontinuous magnetic ultramafic bodies, up to 400m wide, appear to have been intruded along faults trending 060˚.

Proposed follow-up work program in 2010

Figure 6 shows that the Area 5 Prospect and the new quartz-xenotime discovery 4km to the NNE are in areas of anomalous uranium radiometrics and topographic highs. The topographic highs may be due to erosion-resistant outcropping quartz stockworks and are immediate targets for on-ground investigations. The figure also shows that based on anomalous uranium radiometrics the REE target zone is open in several directions and extends over some 11km.

An REE exploration program, which is to proceed in conjunction with the 2010 Oracle-Soma uranium exploration program, will include review and re-processing of the Hymap hyperspectral airborne mapping data and airborne radiometrics. The presence of minor uranium in xenotime means that any subtle airborne radiometric anomalies will require checking on the ground. Hymap may be useful in detecting the quartz stockworks (+/- xenotime) and associated alteration clay signature.

After the initial reconnaissance promising areas will be selected for detailed geological and structural mapping, rock chip sampling and ground radiometrics. Follow-up in areas of interest will include detailed geochemical soil sampling and/or systematic detailed ground radiometrics to outline potential drill targets.

GARDINER-TANAMI NORTHERN TERRITORY EXPANSION

Northern Uranium is continuing to progress plans for a significant expansion of the Gardiner-Tanami exploration program in the NT. Meetings with the Central Land Council ("CLC") are being arranged in order that the draft Exploration Deed submitted to the Company by the CLC is negotiated to a mutually satisfactory conclusion. The negotiations are expected to be concluded in time to allow the commencement of exploration on the tenements in 2010.

In addition to known uranium prospects/occurrences that were discovered in the 1970s and 1980s tenements around the Browns Range Dome, are likely to be prospective for HREE.

DENISON RANGE JV (Northern Uranium earning 60%, Polaris Metals 20%, Independence Group 20%)

A tenement (E80/2907) that was deemed to have no potential for unconformity-style uranium mineralisation was relinquished during the December 2009 Quarter.

KURUNDI PROJECT (Northern Uranium operator)

The Kurundi project is situated approximately 100km southeast of Tennant Creek in the NT (Figure 1). It comprises two ELs covering an area of 730km^2 (in which Northern Uranium holds uranium and phosphate rights) and one 18.8ha mineral claim (MCC968) covering the historic Munadgee uranium mine, presently under option to Northern Uranium for purchase.

The Company intends diamond drilling a potentially high-grade uranium target immediately below the historical Munadgee mine following the conclusion of negotiations with traditional owners concerning Aboriginal heritage and access across Aboriginal freehold land that adjoins mineral claim MCC968.

WALLAL PROJECT (Northern Uranium 100%)

Situated approximately 50km east-northeast of Goldsworthy in WA (Figure 1), the Wallal Project has primarily targeted sandstone-hosted uranium deposits in sediments of the Canning Basin.

A geochemical Mobile Metal Ion (MMI) soil sampling program was conducted during the December 2009 Quarter, covering a basement EM conductor identified by a 2007 airborne TEM survey.

Results from the MMI sampling indicated a weak zinc anomaly (up to nine times background) which is partly coincident with the EM anomaly.

NORTHERN TERRITORY PHOSPHATE PROJECTS

In October 2009 the Company advised that Northern Uranium and Korean interests (FSL Resources) had entered into a non-binding Heads of Agreement ("HOA") to combine and advance their rock phosphate projects. A binding agreement was expected to be finalised before 30 November 2009, following due diligence.

The formalisation date passed, and no later date was agreed by the parties, and as a consequence the Board of Northern Uranium resolved to withdraw the Company's phosphate tenement interests from the non-binding HOA.

Northern Uranium currently holds 6750 km^2 of 100%-owned exploration licenses in the Georgina Basin and Amadeus Basin, where Cambrian-age sedimentary rocks host phosphate deposits and mineralisation.

ABOUT NORTHERN URANIUM

Northern Uranium Limited is primarily a uranium exploration and development company and holds large and prospective projects in Western Australia and the Northern Territory.

The Company has a strategic alliance with the French nuclear group, Areva NC, via its wholly owned subsidiaries, Areva NC Australia Pty Ltd (Areva) and Afmeco Mining and Exploration Pty Ltd (Afmex). Areva, which has a substantial shareholding in Northern Uranium, is the operator, through Afmex, of uranium exploration and development of the Gardiner-Tanami Project, and will also market any uranium produced by Northern Uranium.

The Gardiner-Tanami project covers an area of approximately 11,000km^2 centred on the WA-NT border 200km southeast of Halls Creek. The area is compared favourably with the Athabasca Basin (Canada), which hosts the world's highest grade unconformity-related uranium deposits, and the Alligator Rivers region in the NT where the Ranger mine, Australia's largest operating uranium mine, is located.

COMPETENT PERSON DECLARATION

The information in this report accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Mineral Resources and Ore Reserves). It is compiled by Mr K Schultz, an employee of the Company who is a Fellow of The Australasian Institute of Mining and Metallurgy with the requisite experience in the field of activity in which he is reporting. Mr Schultz has sufficient experience which is relevant to the style of mineralisation and the 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 Schultz consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

INVESTOR INFORMATION

Principal Office:
Level 2, 7 Havelock Street
West Perth WA 6005
PO Box 669
West Perth WA 6872
Tel: 08 94812344
Fax: 08 94815929
Email: info@northernuranium.com.au
Web: www.northernuranium.com.au

Capital Structure:
Share Price (NTU): $0.18
Issued Shares: 72.7M
Market Cap: $13.1M
Options 20c (NTUOA):14.5M
Options 55c (Unlisted): 500,000

Company Directors & Management:
Kevin Schultz – Executive Chairman
Adrian Griffin - Non exec. Director
Colin McCavana - Non exec. Director
Philippe Portella – Non exec. Director
Bob Hair - Non executive Director and Company Secretary
Robin Wilson – General Manager

Announcements since 1 October 2009:
01/10/2009 - Change of Director`s Interest Notice X 4
01/10/2009 - Early success in Gardiner Tanami Drilling
05/10/2009 - Agreement to create Major Player in Rock Phosphate
16/10/2009 - Agreement to acquire majority interest in Manhattan Project
28/10/2009 - Notice of Annual General Meeting/Proxy Form
29/10/2009 - Quarterly Activities Report and Quarterly Cashflow Report
30/10/2009 - Annual Report to shareholders
16/11/2009 - Drilling reveals exciting Uranium Potential Gardiner Tanami
27/11/2009 - NTU AGM - Chairman's Presentation
27/11/2009 - Results of Meeting
10/12/2009 - Expiry of Options
14/12/2009 - Amendment Letter - Expiry of Options
18/12/2009 - Withdrawal from Phosphate HOA with FSL Resources Limited
22/12/2009 - Strategic Rare Earth Element targets identified
24/12/2009 - Appendix 3B

For and on behalf of
NORTHERN URANIUM LIMITED

Kevin Schultz
Executive Chairman
29 January 2010

Figure 1

NORTHERN URANIUM CURRENT PROJECTS

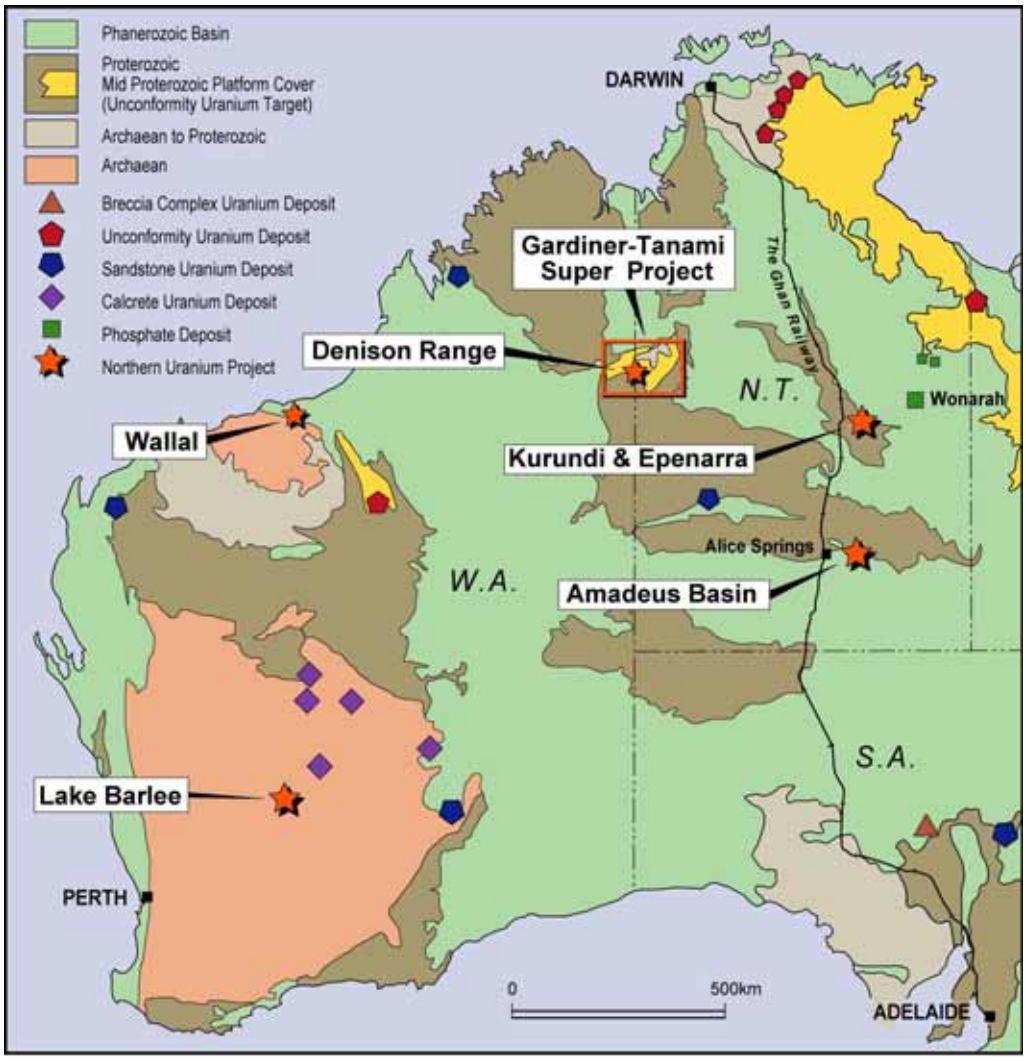


Figure 2
GARDINER-TANAMI PROJECT
GEOLOGY, TENEMENTS AND LOCATION OF TARGETS

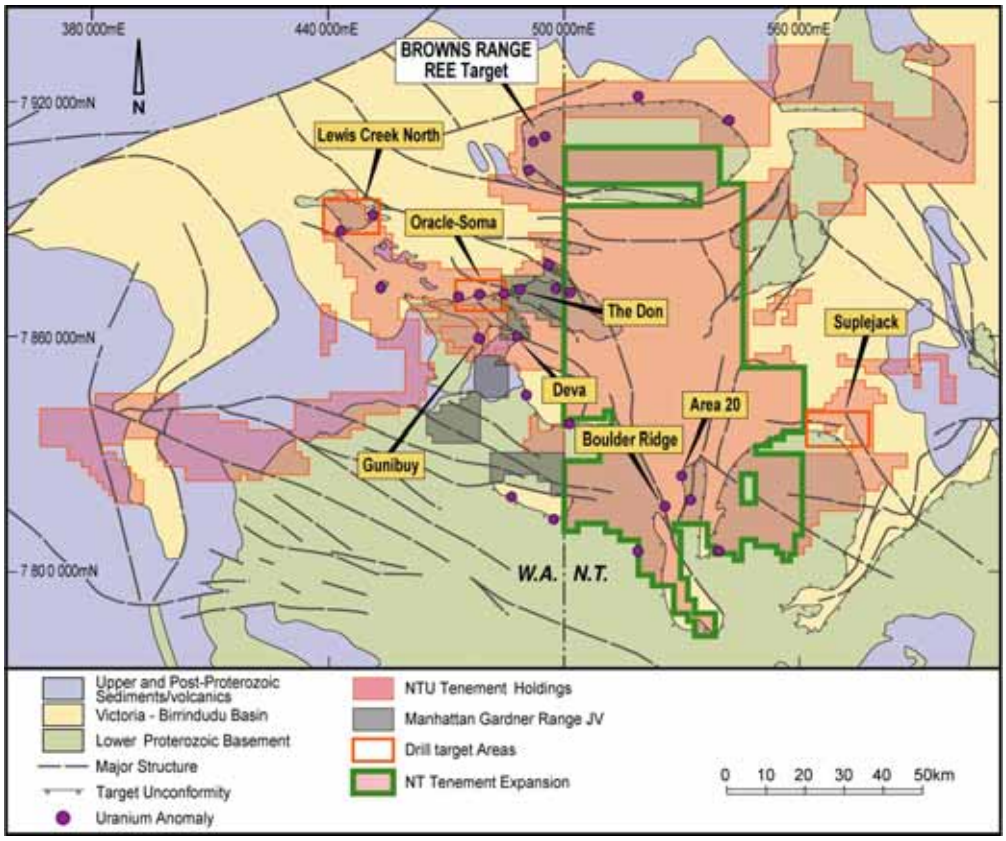


Figure 3
SOMA A1 DRILLED CROSS SECTION LOCATION
AND NEW PRIORITY DRILL TARGETS

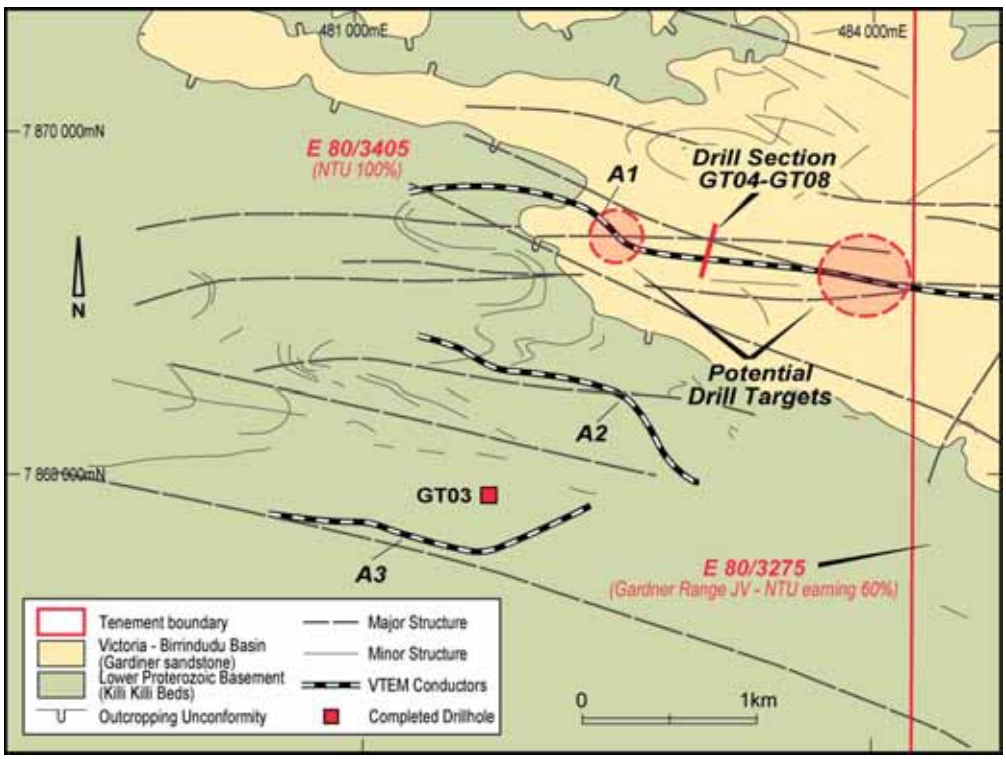


Figure 4

SOMA A1 – DRILLED CROSS SECTION

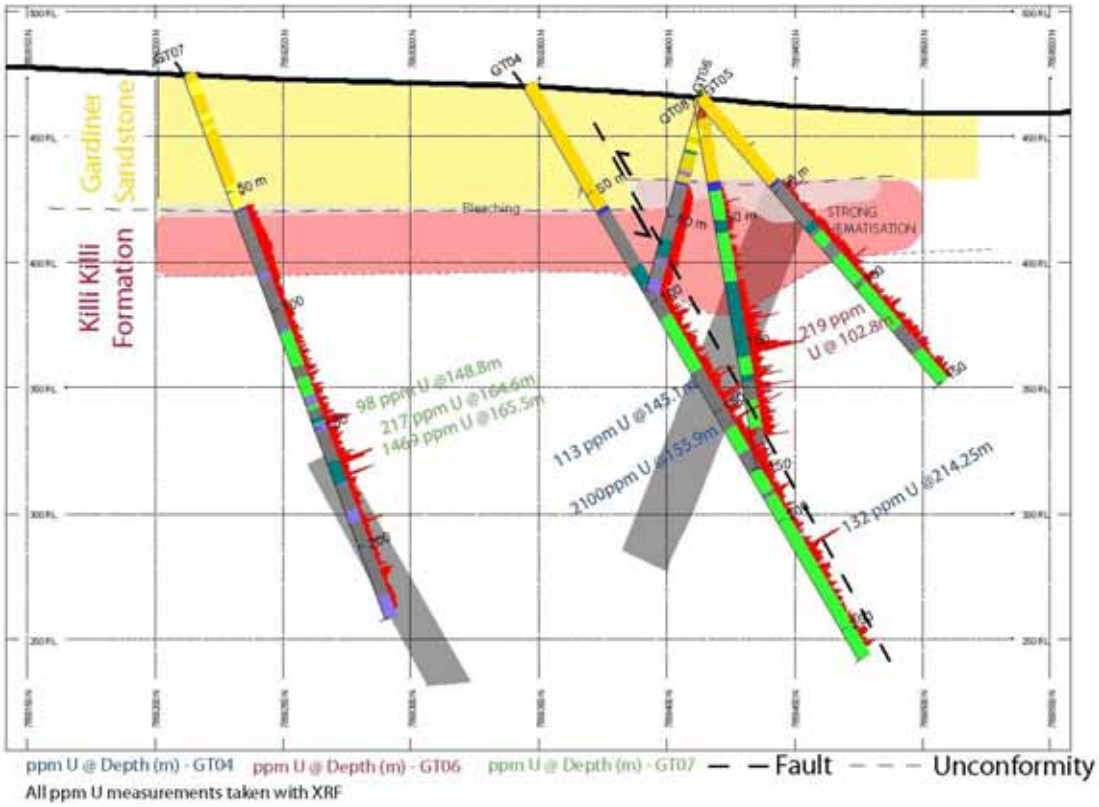


Figure 5

SOMA VTEM CONDUCTORS EXTENDING INTO MANHATTAN EXPLORATION LICENCE

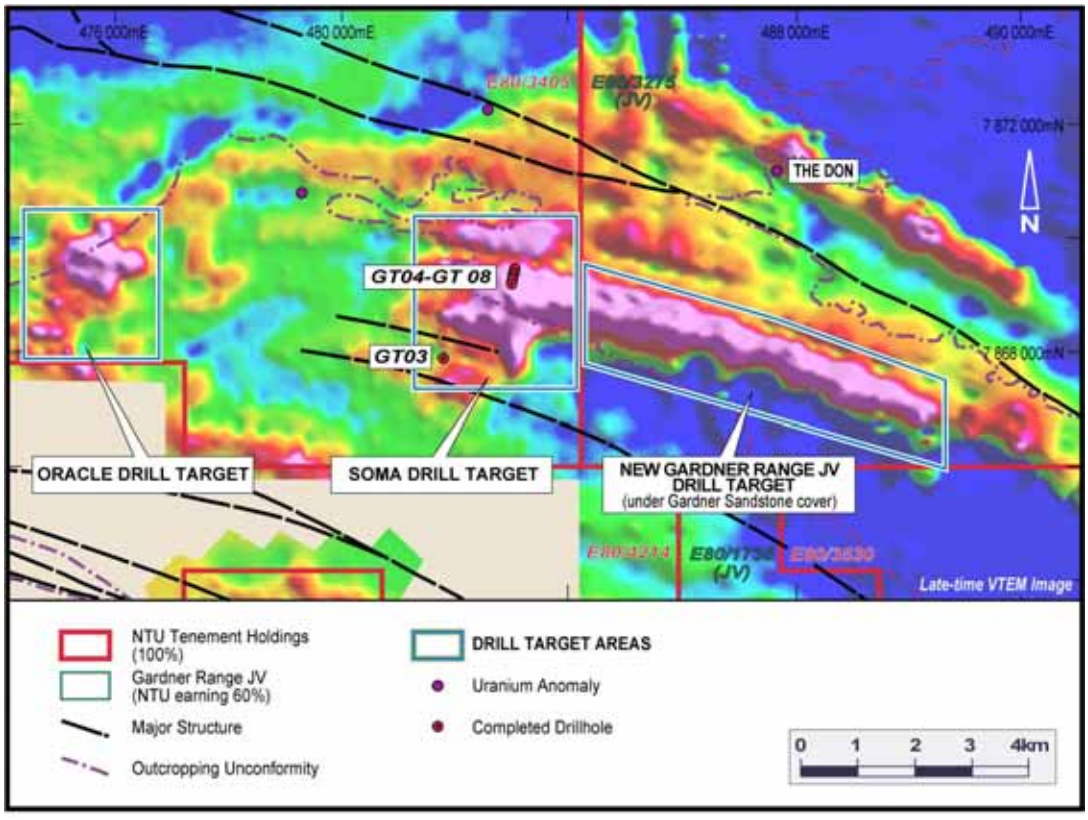
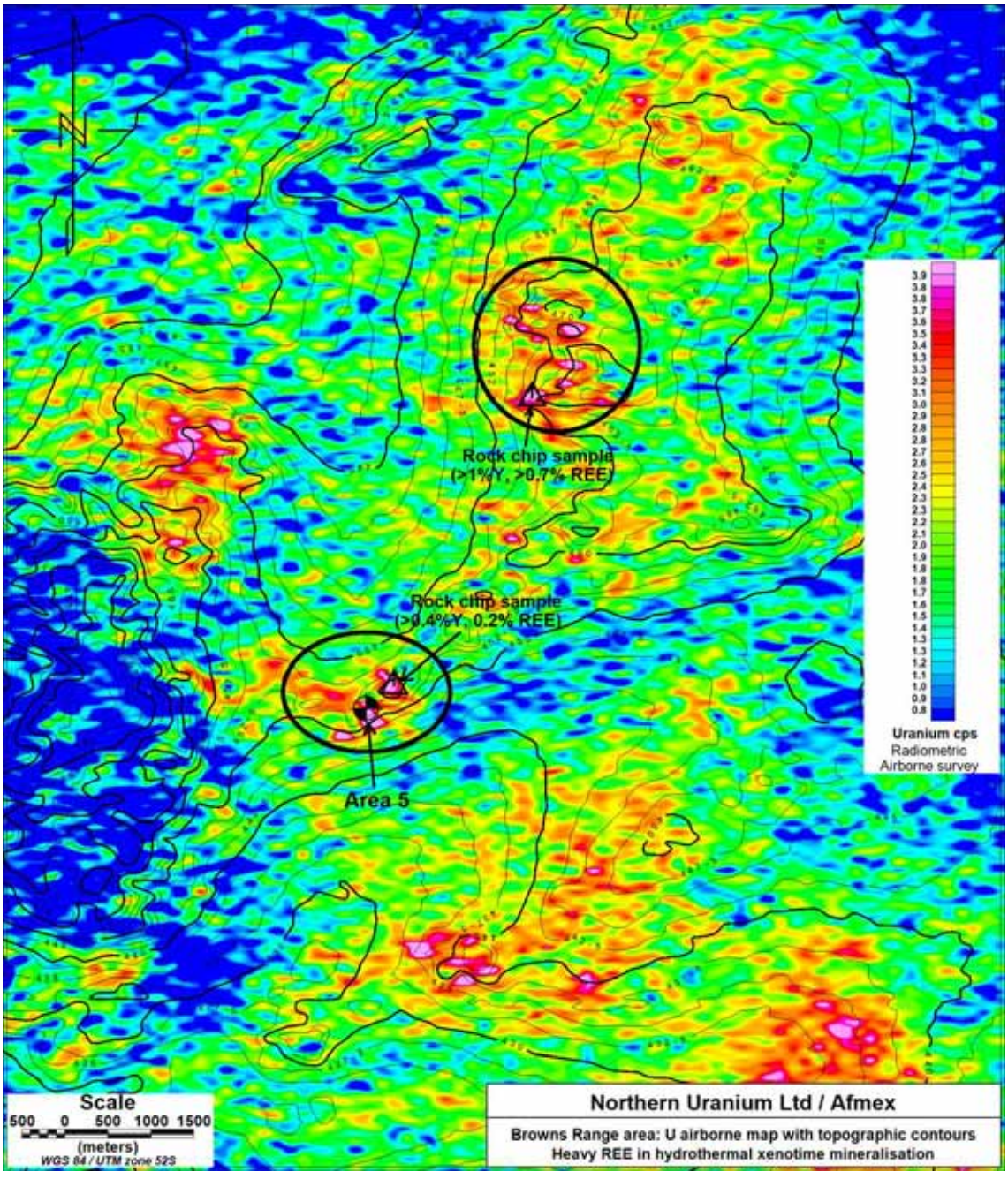


Figure 6

BROWNS RANGE REE TARGET AREA

URANIUM RADIOMETRICS AND TOPOGRAPHIC CONTOURS



Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Northern Uranium Limited

ABN	Quarter ended ("current quarter")
61 119 966 353	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		-	-
1.2	Payments for	(a) exploration and evaluation	(1,385)	(1,835)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(190)	(418)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		17	32
1.5	Interest and other costs of finance paid		-	-
1.6	Income tax refund		-	-
1.7	Net goods and services tax received / (paid)		21	(68)
	Net Operating Cash Flows		(1,537)	(2,289)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(1)	(1)
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)	(1)
1.13	Total operating and investing cash flows (carried forward)		(1,538)	(2,290)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,538)	(2,290)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4	3,311
	Shares to be issued (exercise of options)	6	6
	Oversubscriptions to be refunded	(928)	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Payments for share issue costs	-	(268)
	Net financing cash flows	(918)	3,049
	Net increase (decrease) in cash held	(2,456)	759
1.20	Cash at beginning of quarter/year to date	3,826	611
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	1,370	1,370

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 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amounts in 1.23 are in relation to Directors' remuneration.

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

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

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	(367)
4.2	Development	-
	Total	(367)

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	162	3,229
5.2	Deposits at call	1,208	597
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,370	3,826

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	E77/1404	Direct	100%	0%
6.2	Interests in mining tenements acquired or increased	E80/4213	Direct	Application	Granted – 100%
		E80/4214	Direct	Application	Granted – 100%
		EL27368	Direct	Application	Granted – 100%

+ See chapter 19 for defined terms.

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**	72,796,431	71,496,431	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Release from escrow	 33,560 - -	 33,560 - -	 $0.25 - -	 $0.25 - -
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)*	 500,000 14,552,574	 14,552,574	***Exercise price*** $0.55 $0.20	***Expiry date*** 30/03/2011 30/09/2012
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	33,560	33,560	$0.25	31/12/2009
7.10	Expired during quarter	23,074,172	22,974,172	$0.25	31/12/2009
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

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

Sign here: Date: 29 January 2010
Company Secretary

Print name: Robert Hair

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.

+ See chapter 19 for defined terms.