



Report for the Quarter Ending 30th September, 2010

28th October, 2010

Highlights

- ◆ Completion of Joint Venture documentation to explore and develop the iron ore potential of three tenements covering approximately 311km² in the Midwest region of WA. Another separate Joint Venture Agreement is currently being finalized for an additional four tenements covering approximately 390km². Potential for Direct Shipping Ore (DSO) with grades of up to 67.3% Fe has been identified within the tenements. Statutory formalities are currently being completed prior to commencing an extensive RC drilling program of approximately 5,000 metres with the objective of defining an initial Inferred JORC compliant resource and to investigate the potential for additional iron ore resources.
- ◆ Commencement of a drilling program of 25 reverse circulation (RC) boreholes designed to investigate high grade gold and copper mineralisation identified in surface samples collected from EPM15547 'The Return' and over portions of EPM15440 'Percyville' located in north Queensland. Early encouraging results of 2 metres grading 10.1g/t gold, 33g/t silver and 0.6% copper at a depth of 21 metres in one borehole and 20.3g/t gold, 35g/t silver and 0.6% copper for the interval 64metres to 65metres in another borehole confirm the high grade gold evident from surface samples is continuous with depth.
- ◆ Five hundred and twelve shallow vacuum boreholes, totaling 4,257.1 metres were completed during the quarter within EL3931 located within the Musgrave Province of South Australia. Maximum nickel and copper results have been recorded over the interpreted Caroline Intrusion, confirming the prospectivity of the Giles Complex mafic-ultramafic rocks.
- ◆ Six diamond cored boreholes were completed within EL3931 during the quarter, totaling 1,634.7 metres. The intersection of rare earth element (REE) hosting phosphate minerals (>1020ppm La+Ce+Y) indicates the potential of felsic units of the Birksgate Complex for hosting REE mineralisation.

- ◆ Approval of drilling programs targeting base metal and uranium mineralisation within the PepinNini Sinosteel Joint Venture tenements of the Curnamona Province Project. Four deep precollared diamond boreholes to investigate gravity targets within EL3587 Scott Hill and an extensive aircore drilling program to investigate uranium and base metal targets within EL4239 Kalabity are scheduled to be completed before the end of the year.
- ◆ At the end of the quarter the Company held \$4.7 million in cash.



SOUTH AUSTRALIA

Musgrave Province Project

PepinNini Minerals Limited is currently undertaking exploration programs designed to target nickel-copper sulphide mineralisation and base metal mineralisation in the Musgrave Province, South Australia. PepinNini has four granted exploration licences (EL3368, EL3536, EL4048, EL3931) covering ~5,669 km² and six exploration licence applications (ELA118/96, ELA185/96, ELA278/82, ELA491/94, ELA367/09, ELA368/09) covering ~3,932 km² (Figure 1). PepinNini subsidiary PepinNini Resources Pty Limited is earning a 51% interest in EL3931 and ELA278/82 and ELA491/94 under a Farm-in and Joint Venture Agreement with Rio Tinto Ltd subsidiary Rio Tinto Exploration Pty Limited.

During the current Quarter, exploration activity again focused on EL3931 'Woodroffe' in green-field areas not previously explored. Exploration activity also occurred along the western margin of Giles Complex layered mafic-ultramafic Caroline Intrusion. The Caroline Intrusion has been the focus of exploration activity within EL3931 and an adjoining tenement, EL4048 Mt Caroline. The Giles Complex is considered to be highly prospective for nickel-copper sulphide and platinum group element mineralisation following the discovery of the Nebo-Babel deposit in Western Australia by WMC (392Mt @ 0.3%Ni and 0.33%Cu).

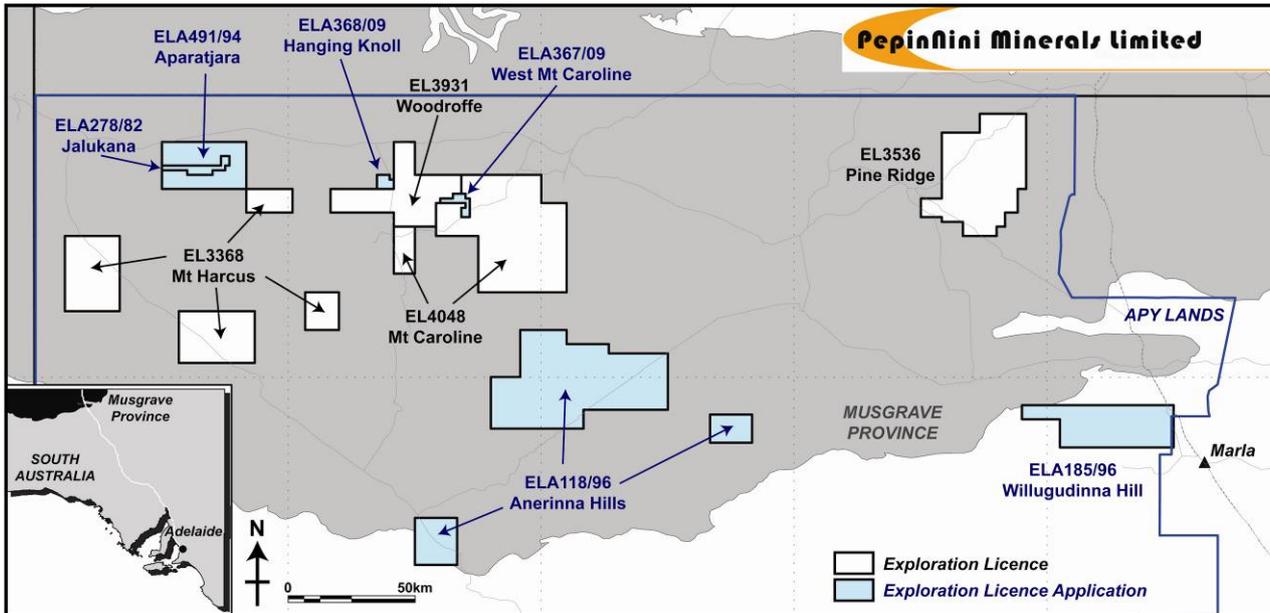


Figure 1. PepinNini tenement distribution in the Musgrave Province, South Australia

Exploration Licence EL3931 – Woodroffe

During the quarter exploration activities were focused in the northeast of EL3931 over a previously unexplored region and in the east of EL3931 over the interpreted Giles Complex Caroline Intrusion. A total of 512 vacuum boreholes were completed (WVC533-1044), totaling 4,257.1 metres. Since commencing exploration within EL3931 in November, 2009 a total of 1,044 vacuum boreholes have been completed for a total of 9,146.6 metres (Figure 2). Assay results from 551 samples (WVC476-872) were received during the reporting period (Table 1). Maximum nickel and copper results have been recorded over the interpreted basal units of the Caroline Intrusion, confirming the prospectivity of the Giles Complex mafic-ultramafic rocks.

In collaboration with the University of Adelaide, a regional biogeochemical program has been initiated within EL3931 and EL4048. Spinifex species were primarily sampled over selected areas to assess this technique for wider usage in the Musgrave Province. Biogeochemical sampling is considered to be a highly efficient and effective reconnaissance exploration technique in the Musgrave Province as the bedrock is commonly obscured by regolith and vegetation. During, the quarter, 200 samples were collected from 7 transects over a variety of geophysical, geochemical and lithological targets.

Table 1. Selected vacuum drilling assay results, EL3931 'Woodroffe' (Datum: MGA GDA94 z52).

Hole ID	Easting	Northing	Sample	From m	To m	Ni ppm	Cu ppm	Co ppm
WVC615	664453	7084540	107571	8.4	9.3	1200	380	850
WVC636	663736	7084439	107592	3.0	3.9	650	500	310
WVC666	663673	7084138	107622	5.7	6.6	1300	95	75
WVC669	663607	7084208	107625	7.5	8.4	1100	105	70
WVC670	663588	7084227	107626	5.7	6.6	600	185	600
WVC675	663506	7084315	107631	5.7	6.6	1200	175	65
WVC714	663729	7083291	107670	3.0	3.9	1000	130	85
WVC755	662737	7083938	107711	3.9	4.8	550	550	38.5

During the quarter six diamond boreholes were also completed (DD10WOD0011 – DD10WOD016), totaling 1,634.7 metres (Table 2, Figure 2). The diamond borehole collar locations were selected on the basis of geophysical and geochemical anomalies. Boreholes DD10WOD011 and DD10WOD012 are situated in the northeast of the tenement in a region that has not been previously explored. Lithologies intersected in this region included Birksgate Complex felsic and mafic gneisses, Pitjantjatjara Supersuite granite, Giles Complex gabbros and post-Giles Complex mafic rocks. Sulphides were recorded in all boreholes although no economic concentrations were intersected. Boreholes DD10WOD013 – DD10WOD016 were collared into, or immediately adjacent to, the Giles Complex Caroline Intrusion.

Assay results for diamond boreholes DD10WOD007 – DD10WOD013 (192 samples) were received during the quarter. A selection of maximum assay results from these boreholes are listed in Table 3. Enrichment of rare earth element (REE) hosting phosphate minerals between 270.66m – 270.78m in DD10WOD007 (>1020ppm La+Ce+Y) increase the potential of felsic units of the Birksgate Complex for hosting REE mineralisation. Elevated Ni, Cu and Cr (1380ppm, 1150ppm and 322ppm, respectively) from 100.45m – 100.87m in DD10WOD013 further highlight the economic potential of the basal units of the Caroline Intrusion. Exploration activities are continuing within EL3931 to further elucidate the Ni-Cu sulphide and REE mineral potential.

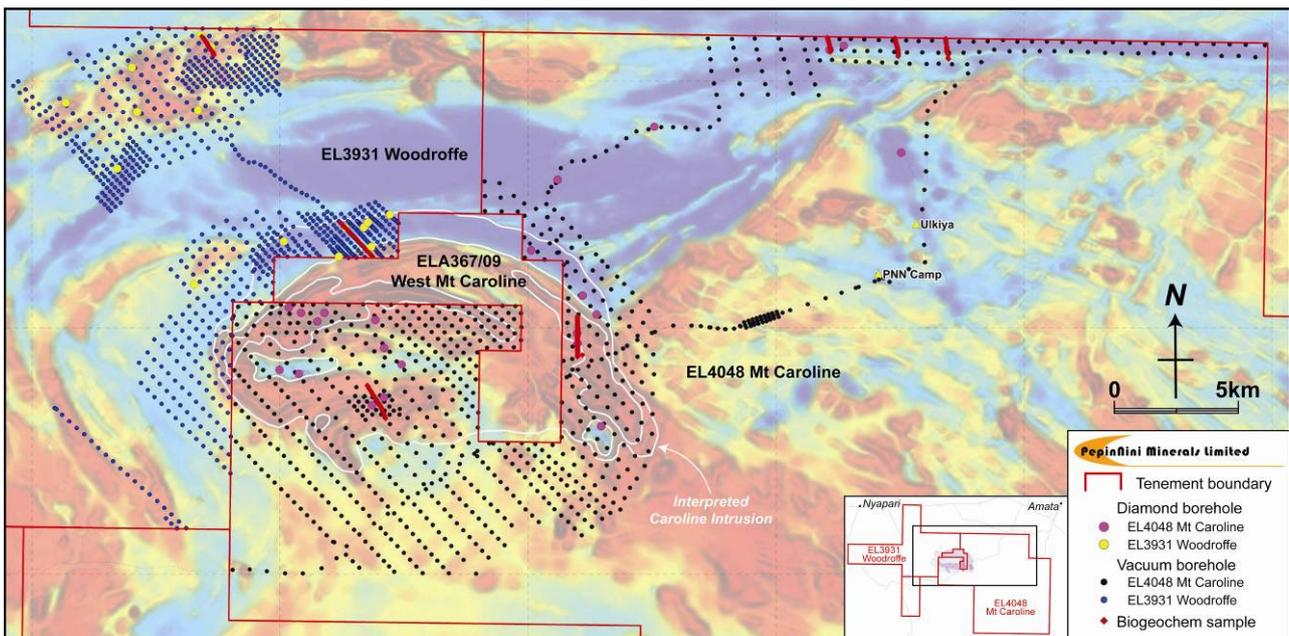


Figure 2. Diamond and vacuum borehole localities, EL3931 Woodroffe.

Table 2. Diamond borehole collar details, EL3931 ‘Woodroffe’ (Datum: MGA GDA94 z52).

Hole ID	Easting	Northing	Angle	Azimuth	EOH Depth
DD10WOD011	653442	7086456	-60°	120°	272.95m
DD10WOD012	654031	7090557	-60°	315°	251.9m
DD10WOD013	660158	7083498	-60°	135°	251.95m
DD10WOD014	656534	7081767	-60°	135°	251.95m
DD10WOD015	662374	7082897	-60°	135°	251.9m
DD10WOD016	663548	7084269	-60°	160°	354.05m

Table 3. Diamond drilling maximum assay results, EL3931 'Woodroffe'.

Hole ID	From (m)	To (m)	Int (m)	Sample No.	Ni ppm	Cu ppm	Cr ppm	Co ppm	Pb ppm	Zn ppm	V ppm	Ti %	La ppm	Ce ppm	Y ppm	P ppm	Mg %	Fe %	S %
DD10WOD007	202.82	202.97	0.15	200724	8	9	7	7	65	35	48	0.26	40	50	<10	410	0.36	2.17	0.02
	254.62	255.62	1	200733	70	22	184	48	26	491	281	0.75	<10	<50	40	550	4.51	11.15	0.11
	270.66	270.78	0.12	200735	14	31	1	11	59	257	46	0.98	340	>500	180	4160	0.53	8.06	0.07
DD10WOD008	19.12	19.21	0.09	200766	287	162	415	42	<2	48	176	0.15	<10	<50	10	50	6.7	5.28	0.03
	50.67	50.77	0.1	200768	379	172	516	66	<2	49	255	0.25	<10	<50	10	290	10.05	7.43	0.11
	64.7	64.78	0.08	200770	134	143	44	90	6	162	1200	1.81	<10	<50	10	80	3.93	18.5	0.36
DD10WOD009	32.32	32.47	0.15	200776	7	16	6	15	37	188	118	0.9	80	170	70	1960	0.55	8.67	<0.01
DD10WOD011	22.52	22.62	0.1	200851	89	86	51	95	<2	170	877	4.41	<10	<50	10	50	4.85	20.5	0.86
	78.55	78.67	0.12	200858	58	54	26	97	6	110	966	3.48	10	<50	10	40	4.23	15.9	0.66
	95.81	95.93	0.12	200860	82	158	23	101	2	107	962	3.38	<10	<50	10	30	4.12	14.8	0.62
	228.11	228.22	0.11	200875	402	768	58	45	11	69	40	0.11	<10	<50	<10	180	2.22	4.01	0.75
DD10WOD012	74.94	75.06	0.12	200886	21	65	11	51	11	242	453	3.22	40	120	60	8440	2.1	15.05	0.33
	78.17	78.34	0.17	200887	22	54	11	50	12	210	458	3.63	30	70	40	4740	2.59	15.25	0.4
	146.64	146.77	0.13	200897	11	48	5	37	16	247	313	2.12	50	140	60	8300	2.04	13.25	0.33
DD10WOD013	80.25	83.25	3.00	200923	190	267	35	88	6	119	974	1.32	10	<50	10	170	3.98	14.65	0.33
	100.45	100.87	0.42	200926	1380	1150	322	103	4	63	172	0.12	10	<50	<10	40	9.61	8.01	0.79

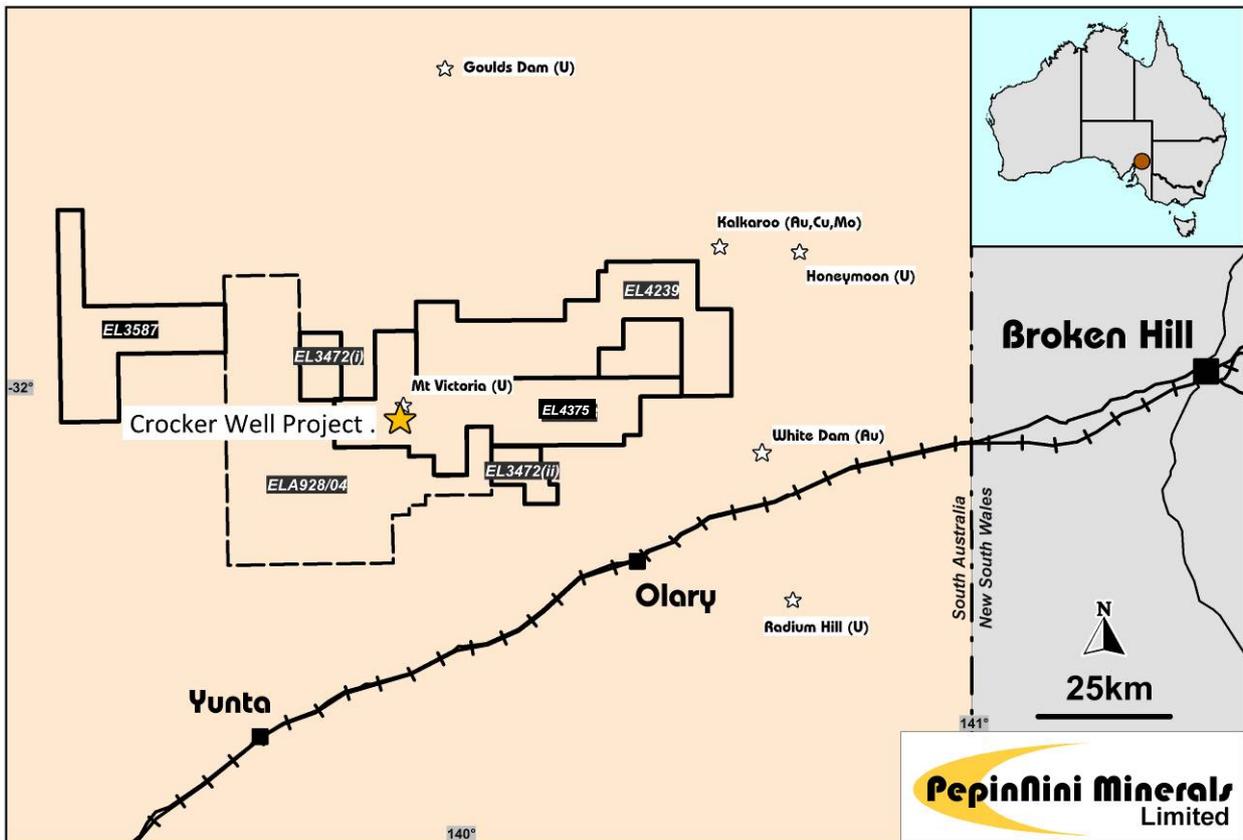


Figure 3. Curnamona Province Project Tenement Location Plan

Curnamona Province Project

The development of the Curnamona Province Project which includes the Crocker Well Uranium Deposit is being managed by Sinosteel PepinNini Curnamona Management Pty Limited (SPCM) on behalf of the Joint Venture partners Sinosteel Corporation (60%) and PepinNini Minerals (40%).

During the quarter the Joint Venture approved a drilling program of four deep precollared diamond boreholes to investigate priority drill targets defined by ground gravity data over EL3587 (Scott Hill). Previous exploration within the tenement has targeted IOCG type mineralisation, porphyry style mineralisation, high tonnage stockwork gold, stratabound Cu-(Pb) mineralisation and

sedimentary uranium. The gravity-magnetic data, widespread low grade mineralisation and potassic alteration has been interpreted as evidence of a deeper larger mineralising system.

An extensive aircore drilling program was also approved to be undertaken within EL4239 Kalabity to investigate uranium and base metal targets identified from recently acquired aero magnetic data and mineralised intercepts defined by previous explorers. Integration and interpretation of historical data with the newly acquired airborne data has generated high priority exploration targets for further testing within the tenement package.

Heritage Clearances and program preliminaries are currently being organized to facilitate the completion of both the diamond drilling and the aircore drilling programs by the end of the year.

Regional Uranium Prospects

Investigation of regional uranium projects in the vicinity of the Crocker Well Project is currently ongoing. Reverse circulation (RC) percussion drill testing of regional uranium prospects returned encouraging U + REE (Ce, La, Y) assay results at the Becaroo Prospect. At Becaroo Prospect drill testing in the vicinity of anomalous rockchip samples (max 1200ppmU₃O₈) returned broad intervals of anomalous U + combined REE enveloping narrower higher grade intercepts within a number of drillholes as presented in Table 4.

Table 4. Becaroo Prospect RC drilling assay results, EL4375, 'Bimbowrie'

Drillhole	MGA_E	MGA_N	Dip	Az (Mag)	From	To	Interval	U ₃ O ₈ (ppm)	Ce (ppm)	La (ppm)	Y (ppm)
RC09BEC006	396351	6464902	-60	180	36	46	10	469	582	606	204
including					36	38	2	801	760	850	350
					44	46	2	519	1260	1240	240
RC09BEC008	396401	6464813	-60	180	40	88	48	340	367	365	107
including					40	46	6	593	473	440	113
					72	82	10	634	972	948	224
RC09BEC009	396403	6464850	-60	180	10	32	22	271	241	262	110
					36	44	8	171	1125	1090	118
RC09BEC010	396449	6464804	-60	180	14	70	56	178	234	255	109
including					26	32	6	263	350	377	153
					84	86	2	-	3580	3300	110

At Mt Victoria drilling intersected mineralised lodes as defined by handheld scintillometer and downhole geophysical logging. Assay results of core samples from 5 boreholes drilled at the Mt Victoria deposit were received during September. Mineralised samples were resubmitted to ALS Perth for confirmation assaying and additional assaying by analytical method ME-MS81 for the complete suite of Rare Earth Elements (REE). The REE's are separated into the light rare earths including yttrium (LREE's; La to Sm + Y) and heavy rare earths (HREE's: Eu to Lu). As with the reporting of uranium results as U₃O₈ the rare earth elements are converted to their oxide form and reported as rare earth oxides (REO) or total rare earth oxides (TREO). Final analytical results returned significant intersections of U₃O₈ + TREO including 7m @ 4.9kg/T U₃O₈, 1.76%TREO from 10m downhole depth in hole DD09MTV001 and 9m @ 2.8kg/T U₃O₈, 1.0%TREO from 14m downhole depth in hole DD09MTV002. All results are shown in Table 5.

Table 5: Mt Victoria diamond drill assay results

Drillhole	MGA_E	MGA_N	Dip	Az (Mag)	From	To	Int (m)	U ₃ O ₈ (ppm)	LREO* (%)	HREO** (%)	TREO (%)
DD09MTV001	390803	6466178	-75	351	10	17	7	4927	1.57	0.19	1.76
including					13	16	3	7180	2	0.28	2.28
DD09MTV002	390754	6466148	-75	351	10	13	3	2238	0.49	0.06	0.55
DD09MTV002					14	23	9	2846	0.89	0.11	1.0
including					20	21	1	3655	1.25	0.14	1.39
DD09MTV002					53	54	1	1297	0.49	0.06	0.55
DD09MTV003	390801	6466095	-65	351	79	84	5	2630	0.98	0.14	1.12
including					79	82	3	3561	1.25	0.19	1.44
DD09MTV004	390767	6466062	-75	351	84	88	4	846	0.61	0.07	0.68
including					84	85	1	1438	1.18	0.13	1.31
DD09MTV004					118	120	2	2320	0.67	0.09	0.76
DD09MTV005	390781	6466036	-75	351	120	122	2	1017	0.27	0.03	0.3
					123	124	1	1963	0.27	0.04	0.31

* LREO: includes oxide of yttrium. CeO₂, La₂O₃, Y₂O₃, Pr₆O₁₁, Nd₂O₃, Sm₂O₃

** HREO: Dy₂O₃, Er₂O₃, Eu₂O₃, Gd₂O₃, Ho₂O₃, Lu₂O₃, Tb₂O₃, Tm₂O₃, Yb₂O₃.

WESTERN AUSTRALIA

Robinson Range Iron Ore Project

On 24th August, 2010 the Company announced that its wholly owned subsidiary, PepinNini Robinson Range Pty Ltd, had entered into a Joint Venture Agreement (JVA) to explore and develop the iron ore potential of three tenements covering approximately 311km² in the Midwest region of WA. Another separate Joint Venture Agreement is currently being finalized for an additional four tenements covering approximately 390km².

The JVA gives effect to a Heads of Agreement signed in December 2007 and is essentially on the same terms and conditions contained within that agreement. PepinNini will hold a 50% interest in the iron ore contained within the three tenements subject to the executed agreement and will manage exploration on behalf of the Joint Venture (JV) which will be funded equally by both JV partners.

The formalisation of the Joint Venture facilitates the exploration and development of the identified Direct Shipping Ore (DSO) potential of the tenements. Twelve prospect areas with samples averaging >60% Fe have been identified for priority investigation within tenements explored by PepinNini during the Farm-in period.

Statutory formalities are currently being completed prior to commencing an extensive RC drilling program of approximately 5,000m with the objective of defining an initial Inferred JORC compliant resource and to investigate the potential for additional iron ore resources.

The Robinson Range Iron Ore Project (Project) is situated in the Midwest Region of Western Australia approximately 550kms north east of the Oakajee Port and Rail development at Geraldton. The Midwest Region has emerged as Western Australia's next major iron ore province (second to the Pilbara) Figure 4.

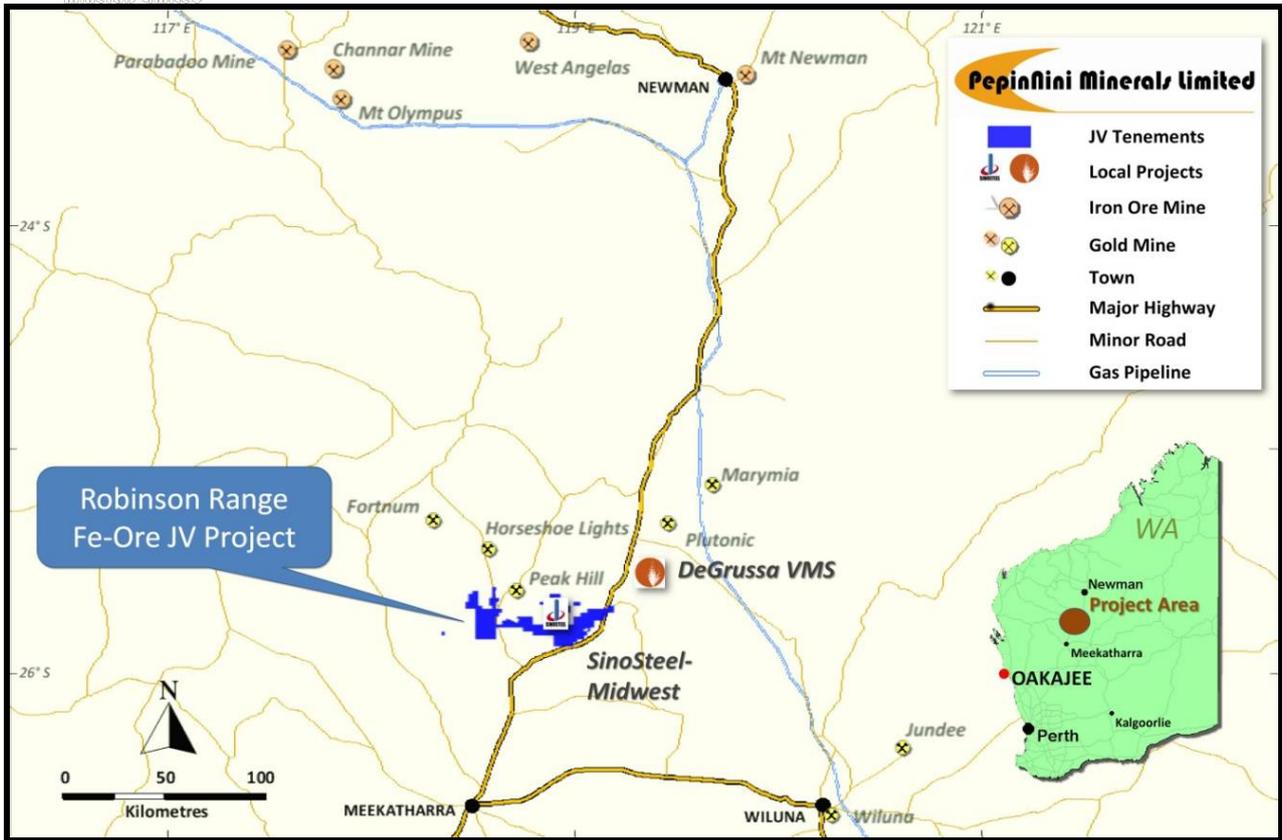


Figure 4. Location of the Robison Range Iron Ore Project.

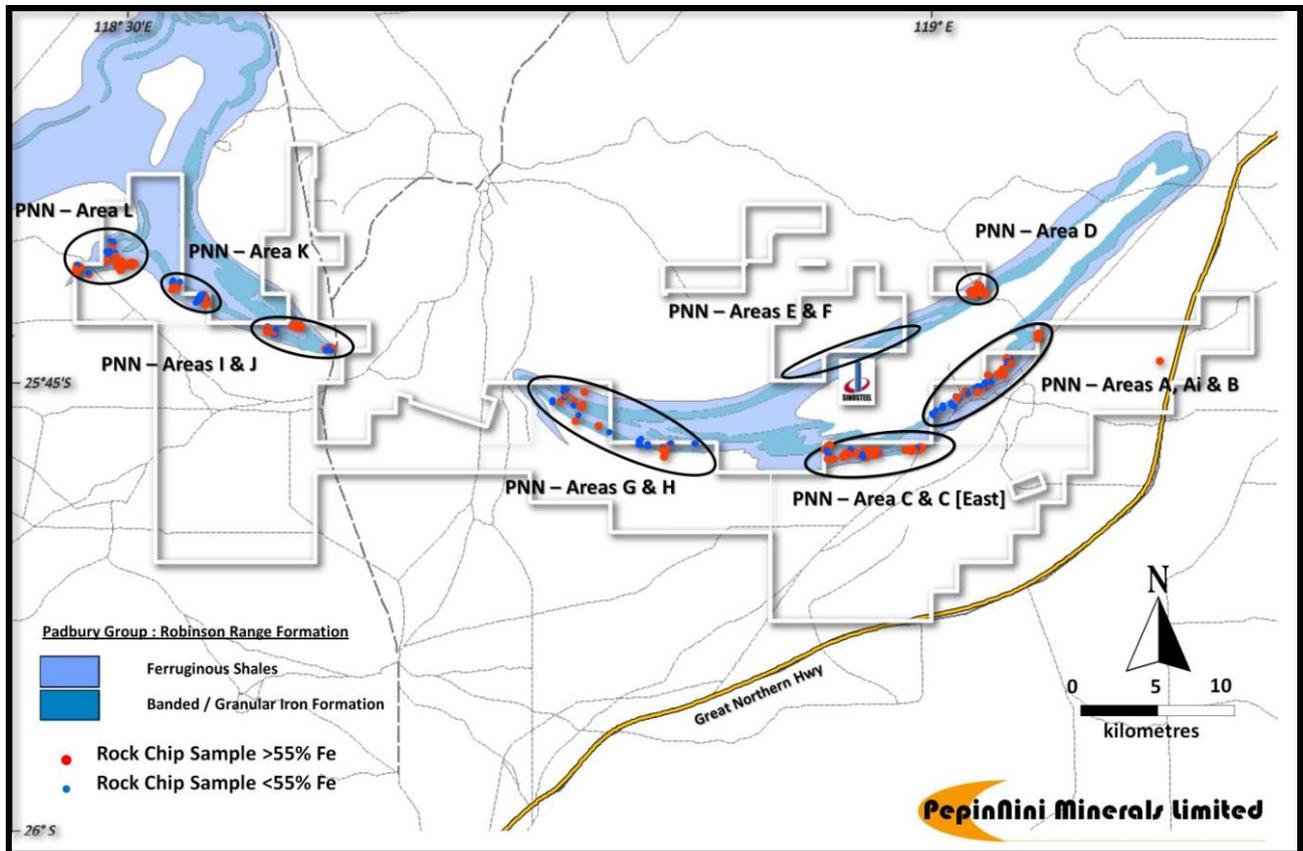


Figure 5. Robison Range Iron Ore Project - Prospect Location & Surface Sample Results



Figure 6. PNN-Area C Prospect – Iron enriched outcrop

NORTH QUEENSLAND

On 31st August, 2010 PepinNini Minerals announced it had commenced a reverse circulation (RC) drilling program at its Forsayth and Percyville Projects in north Queensland. The drilling program was designed to investigate high grade gold and copper mineralisation identified in surface samples from EPM15547 'The Return' and over portions of EPM15440 'Percyville'.

The drilling program of 25 boreholes for a total of 3,256metres has been completed subsequent to the current quarterly reporting period and encouraging early results have been received.

EPM 15547 – The Return (Forsayth Project)

Sixteen RC bore holes were completed to test five target areas within the Forsayth Project.

The targets were defined using extensive rock chip sampling, geological mapping and detailed helicopter magnetics undertaken by the Company since 2008. Several new vein systems and potentially significant structural environments were identified as a consequence of this work. Rock chip sampling returned a range of gold value from 0.1 g/t (country rock) up to 1710 g/t (55 oz/t). The majority (~80%) of the samples returned anomalous gold (> 1g/t) with almost half of those samples containing significant gold values in excess of 10g/t. Significant silver grades of up to 642 g/t (20 oz/t) were also identified.

Results have been received for six of the sixteen boreholes drilled on EPM15547 with significant high grade gold intersections evident in two boreholes. Table 6 summarises significant assay results received to date.

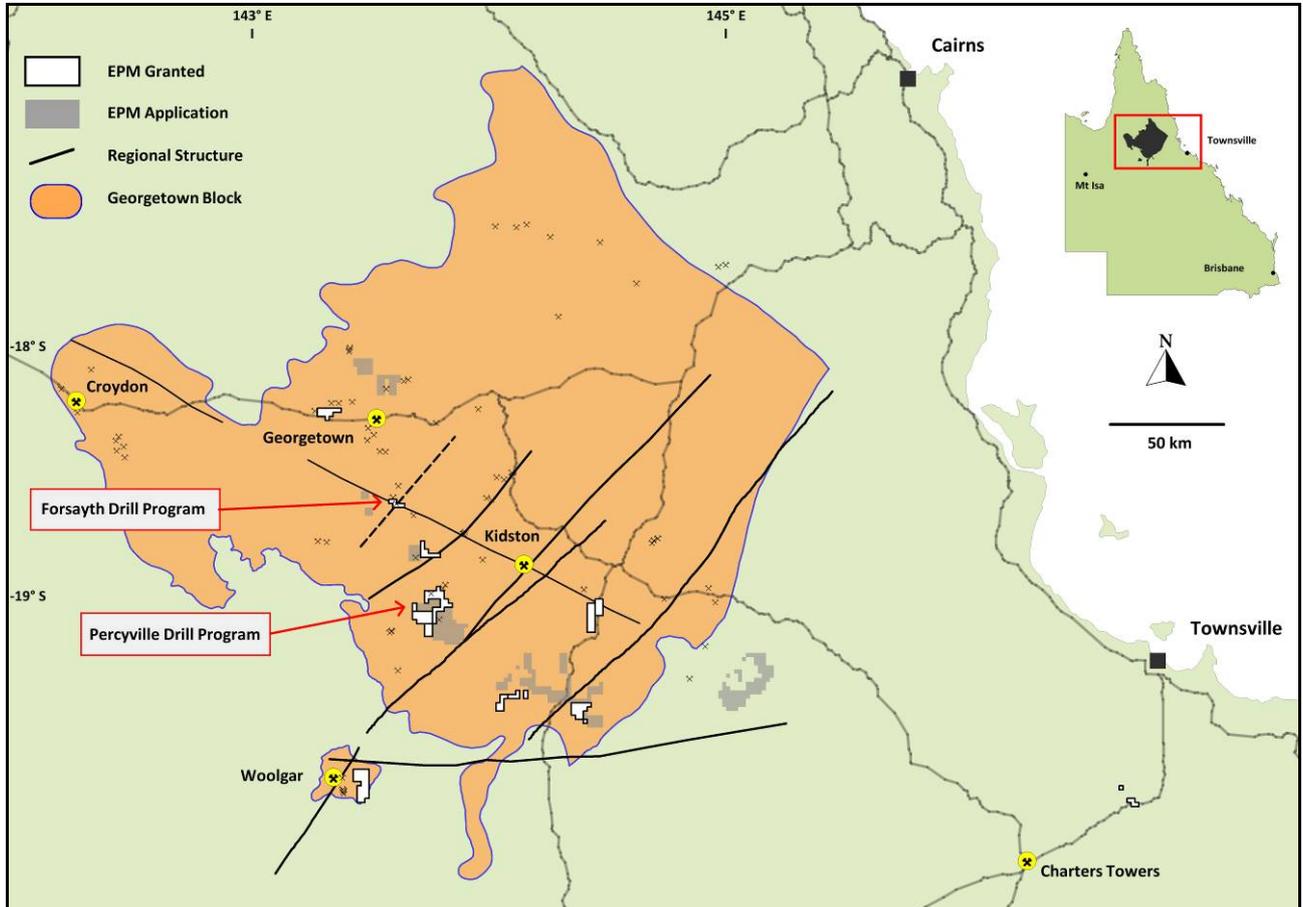


Figure 7. Location of Drilling Programs North Queensland



Figure 8. Drilling in Progress – EPM 15547 The Return, September, 2010.

Borehole RC10RT004 targeted shallow historic workings which extend for over 100 metres and from which surface samples displaying high grade gold, silver and copper were previously collected. The borehole intersected a 2 metre interval grading 10.1g/t gold, 33g/t silver and 0.6% copper at a depth of 21 metres. The result is encouraging in that the intersection is interpreted as representing the surface historic workings at depth confirming continuity of the high grade zone as presented in Figure 9.

Borehole RC10RT010 also targeted historic workings at the surface and intersected three zones of encouraging gold grades. A maximum grade of 20.3 g/t gold, 35g/t silver and 0.6% copper was returned for the interval 64metres to 65metres.

EPM 15440 – Percyville (Percyville Project)

Two priority gold-copper prospect areas (Union & Spring Valley) have been identified within the Percyville Project (EPM15440) from rock chip and soil sampling programs undertaken by the Company during 2008 and 2009. Gold grades of up to 65g/t and copper grades of up to 20.3% have previously been reported for The Union Prospect. At the Spring Valley Prospects gold grades of up to 335 g/t and copper grades of up to 32.8% have been reported.

Nine RC boreholes have been completed to test targets within the Union and Spring Valley areas.

Table 6. EPM 15547 The Return – Summary of Significant RC Drilling Results

Note: All depths quoted are downhole depths for drillholes inclined at 60 degrees

Hole ID	From (m)	To (m)	Grade Au (g/t)	Grade Ag (g/t)	Copper (ppm)
RC10RT001	No Significant Results				
RC10RT002	61	62	0.42	5.9	268
RC10RT003	21	22	0.84	4.5	417
	25	26	0.08	7.7	617
	55	56	0.60	<0.5	4
RC10RT004	21	22	6.54	15.3	2750
	22	23	13.7	50.7	>10000
	23	24	0.23	1.9	285
RC10RT010	45	46	0.47	1.1	113
	46	47	5.40	16.0	1085
	47	48	0.25	1.0	132
	63	64	0.42	0.9	120
	64	65	20.3	35.0	5880
	65	66	0.76	1.8	269
	152	153	1.89	5.3	425
	153	154	0.71	1.1	131
RC10RT011	No Significant Results				

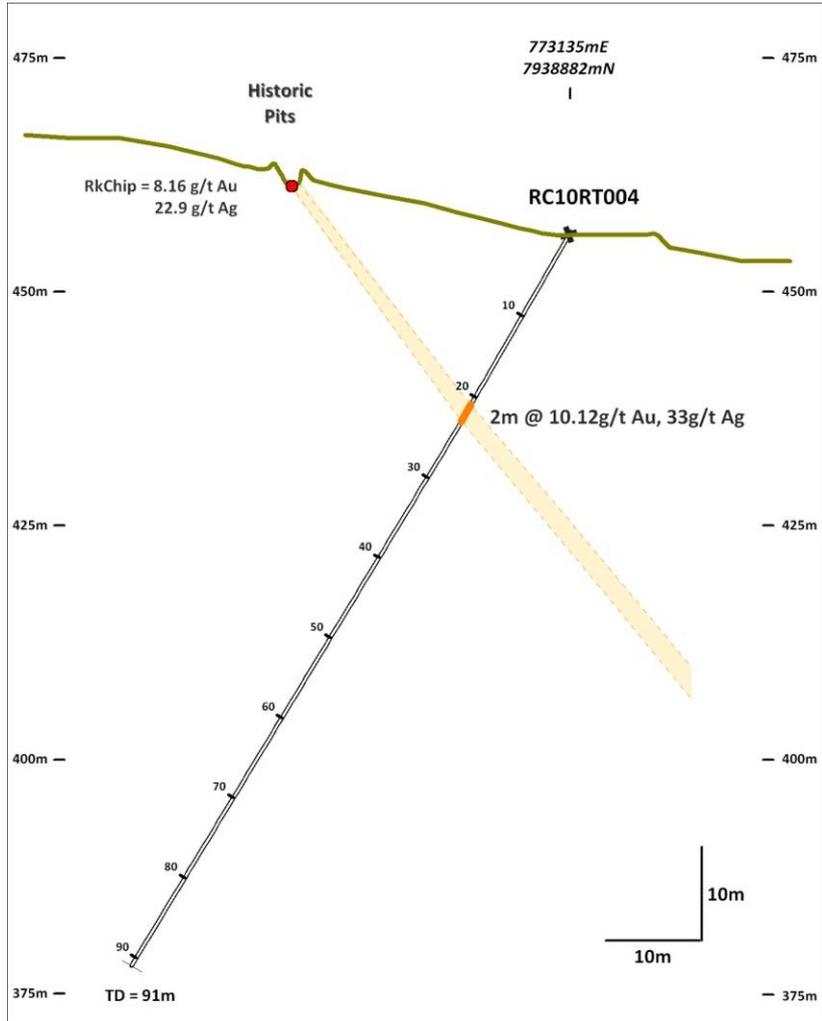


Figure 9. Diagrammatic Cross Section Borehole RC10RT004

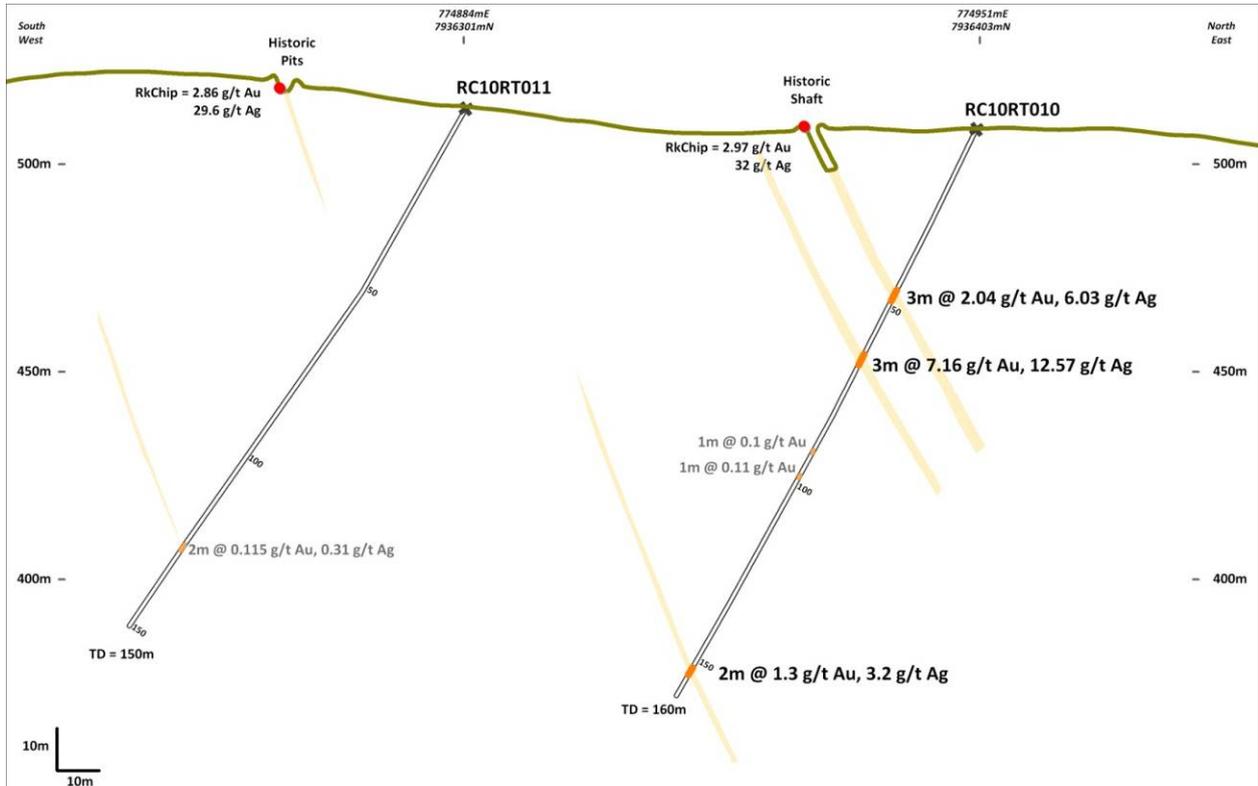


Figure 10. Diagrammatic Cross Section Boreholes RC10RT010 and RC10RT011



Drilling in Progress – Spring Valley Prospect EPM 15440, October, 2010.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Norman Kennedy BSc MAusIMM. Norman Kennedy is the Chairman and Managing Director of PepinNini Minerals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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”. Norman Kennedy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information please contact:

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Phone: (08) 8218 5000

Note: Additional information on PepinNini Minerals Limited can be found on the website:

www.pepinnini.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

PepinNini Minerals Limited

ABN

55 101 714 989

Quarter ended ("current quarter")

September 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (..3.. months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	22	22
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,082)	(1,082)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	84	84
1.5 Interest and other costs of finance paid		
1.6 Income taxes (paid)/refund		
1.7 Other (Government Grants)	5	5
Net Operating Cash Flows	(1,187)	(1,187)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	0	0
1.13 Total operating and investing cash flows (carried forward)	(1,187)	(1,187)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,187)	(1,187)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	0	0
	Net increase (decrease) in cash held	(1,187)	(1,187)
1.20	Cash at beginning of quarter/year to date	5,882	5,882
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,695	4,695

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	115
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Within Item 1.2

1. Managing Director, Administration Director and non-executive directors' remuneration.....	\$106,783.00
2. Managing Director and Administration Director Superannuation.....	\$8,214.00

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

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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

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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		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	1,000

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	695	1,882
5.2 Deposits at call	4,000	4,000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,695	5,882

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	EPM 14834	Statutory partial relinquishment	66 sub-blocks	33 sub-blocks
	EPM 15419	Statutory partial relinquishment	50 sub-blocks	25 sub-blocks
	EPM 15469	Statutory partial relinquishment	13 sub-blocks	7 sub-blocks
	EPM 15523	Statutory partial relinquishment	15 sub-blocks	8 sub-blocks
	EPM 15571	Statutory partial relinquishment	31 sub-blocks	15 sub-blocks
	EPM 15801	Statutory partial relinquishment	14 sub-blocks	7 sub-blocks
	EPM 16537	Statutory partial relinquishment	99 sub-blocks	50 sub-blocks
6.2 Interests in mining tenements acquired or increased	EL 3368	Lapsed	1,607 km ²	0 km ²
	EL 4587	Subsequent EL	0km ²	1,607km ²
	E52/1723	Acquired 50%	0 blocks	20 blocks
	E52/1910	Acquired 50%	0 blocks	67 blocks
	E52/1964	Acquired 50%	0 blocks	18 blocks

+ 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 <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	78,202,499	78,202,499	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	500,000 100,000		<i>Exercise price</i> 138 cents 35 cents	<i>Expiry date</i> 30 Nov 2010 31 Dec 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	(600,000)	(600,000)	130 to 230 cents	Employee options cancelled
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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 /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:Date: .. **Thursday 28th October 2010**....
(Director/Company secretary)

Print name: ... **Rebecca Holland-Kennedy**.....

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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+ See chapter 19 for defined terms.