



**MONAX
MINING LIMITED**

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For immediate release
29 October 2010

Monax Mining Limited
Quarterly Report

For the period ending 30 September 2010

HIGHLIGHTS

- Farm-In agreement signed with major international copper miner, Antofagasta PLC for Punt Hill copper-gold project, South Australia.
- Antofagasta to expend a minimum of \$US1.5 million over first two years.
- Further encouraging copper mineralisation reported from Melton copper-gold project.
- Heli-mag survey completed over Miranda prospect at Melton copper-gold project.
- Final results received from Waddikee manganese drilling program. Best intersections of manganese include 10m @ 17.5% Mn, 7m @ 17.1% Mn, 5m @ 19.2% Mn and 3m @ 21.2% Mn. Best iron results include 20m @ 32.1% Fe, 6m @ 37.2% Fe, 7m @ 31.3% Fe and 8m @ 29.5% Fe.
- Regional auger sampling for manganese at Waddikee provided encouraging results. Drilling planned for early 2011.
- Five tenements forming part of the Cape York bauxite project granted.
- Geophysical surveys on Kangaroo Island produced a significant IP anomaly at Dewrang and provided further targets at Bonaventura prospective for zinc-lead mineralisation.
- Monax seeking joint venture partner for Kangaroo Island zinc-lead project.



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Corporate

Punt Hill Farm-In Agreement

On 1 September 2010, Monax announced it had signed a farm-in agreement over the highly prospective Punt Hill copper-gold project tenements (EL 3457 & EL 4548) with a major international copper mining company, Antofagasta PLC ("Antofagasta"), through its wholly-owned subsidiary Antofagasta Minerals S.A.

Antofagasta is a Chilean based copper mining company listed on the London Stock Exchange which owns and operates three copper mines in Chile. Antofagasta produced 442,500 tonnes of copper in 2009 and is forecasting an increase in production to 700,000 tonnes in 2011, ranking it as one of the top 10 copper producers in the world. Antofagasta is looking to grow its portfolio and currently has exploration and evaluation programs in North America, Latin America, Europe, Africa and Asia. The Punt Hill farm-in agreement represents Antofagasta's first investment within Australia.

Under the Agreement, Antofagasta can earn a 51% interest in the Punt Hill project by expending US\$4 million over 4 years. The agreement commits Antofagasta to spend no less than US\$1.5 million on the Punt Hill project within the first two years, thus ensuring that ongoing exploration activity will take place at the project.

Once Antofagasta has obtained this 51% interest, Monax has the ability to remain at 49% by co-funding exploration or development costs, or can elect to have its interest diluted. Antofagasta can earn a further 19% equity in the project by expending a further US\$5 million on exploration and development of the project tenements. If a development decision is made, Antofagasta will pay Monax a success fee of \$US10 million.



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Exploration

South Australian Projects

Monax has four core South Australian projects (Figure 1).

1. Punt Hill – copper, gold (farm-in with Antofagasta)
2. Melton – copper, gold (JV with Marmota Energy)
3. Waddikee – manganese, iron (farm-in with OM (Manganese) Limited)
4. Kangaroo Island – zinc, lead, gold



Figure 1: Location of Monax's Core South Australian Projects



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Punt Hill Project (Monax 100%; Antofagasta earning 51%)

The Punt Hill project is located within the highly prospective Iron Oxide Cu-Au Province on the eastern margin of the Gawler Craton (Figure 2). This province is host to the world class Olympic Dam and Prominent Hill mines, as well as the recently discovered Carrapateena and Hillside deposits (Figure 2). The Punt Hill tenement is adjacent to Carrapateena, which consists of a complex hematite breccia extending at depth from 470m.

During the quarter, EL 4548 (Yeltacowie) was granted for a period of two years. EL 4548 together with EL 3457 (Punt Hill) comprise the Punt Hill project area. Initial exploration under the farm-in agreement with Antofagasta will comprise an extensive gravity survey covering both tenements. Selected areas will be infilled on a 250m x 250m grid and areas with no gravity coverage will have gravity data collected on a 1000m x 500m grid. The gravity survey is designed to provide a comprehensive data set to enable drill hole targeting.

Gravity is the main targeting tool for iron-oxide copper-gold (IOCG) style mineralisation within the area. The new gravity survey will consist of over 8000 stations, taking the total gravity stations to nearly 15000 across the project area, providing a significant dataset for drill hole targeting. The gravity survey is planned to commence in late October and to be completed in early December, 2010.

Previous exploration on EL 3457 by Monax comprised various geophysical methods including gravity, aeromagnetic and IP surveys, which have successfully defined numerous targets worthy of drilling. Gravity surveying defined two prominent northwest trending gravity ridges and drilling undertaken by Monax has demonstrated that these ridges contain significant zones of IOCG style alteration and mineralisation.

Recent detailed gravity by Monax has defined two further targets on EL 3457, the Gopher and Otcheck prospects (Figure 3). The Gopher prospect is located approximately 15km northwest of Groundhog, representing a discrete gravity target compared to the prominent gravity ridge seen within the Groundhog area. Modelling of the gravity data shows the source is located between 250-450m below the surface. The Gopher anomaly is approximately 1.5km in length and drilling at Flickertail to the north has shown the basement rocks are shallower within this part of the Punt Hill tenement EL 3457. Drilling is planned for April-June 2011 after the necessary approvals are granted.



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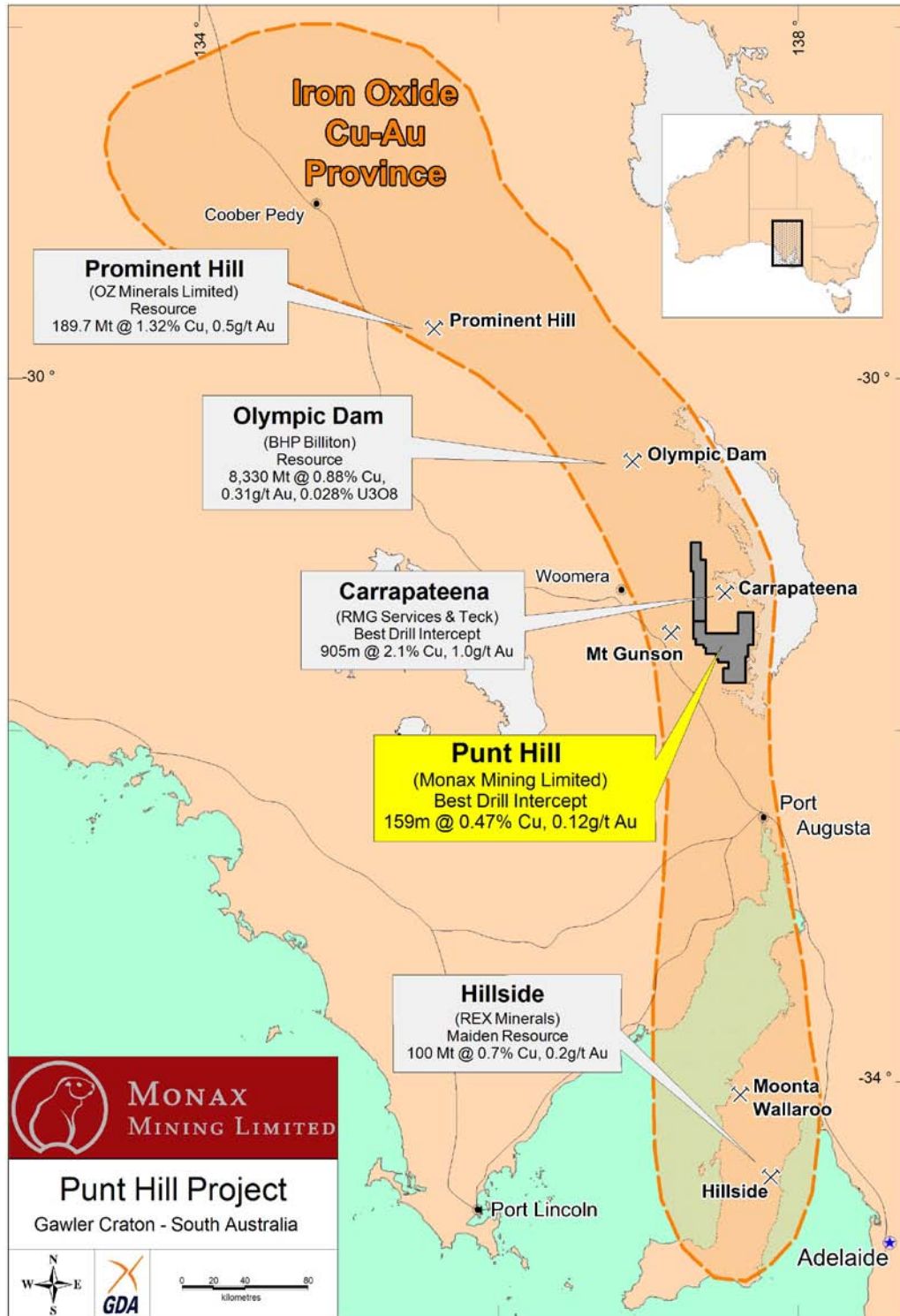


Figure 2: Location of Monax's Punt Hill project within the Iron Oxide Cu-Au Province.



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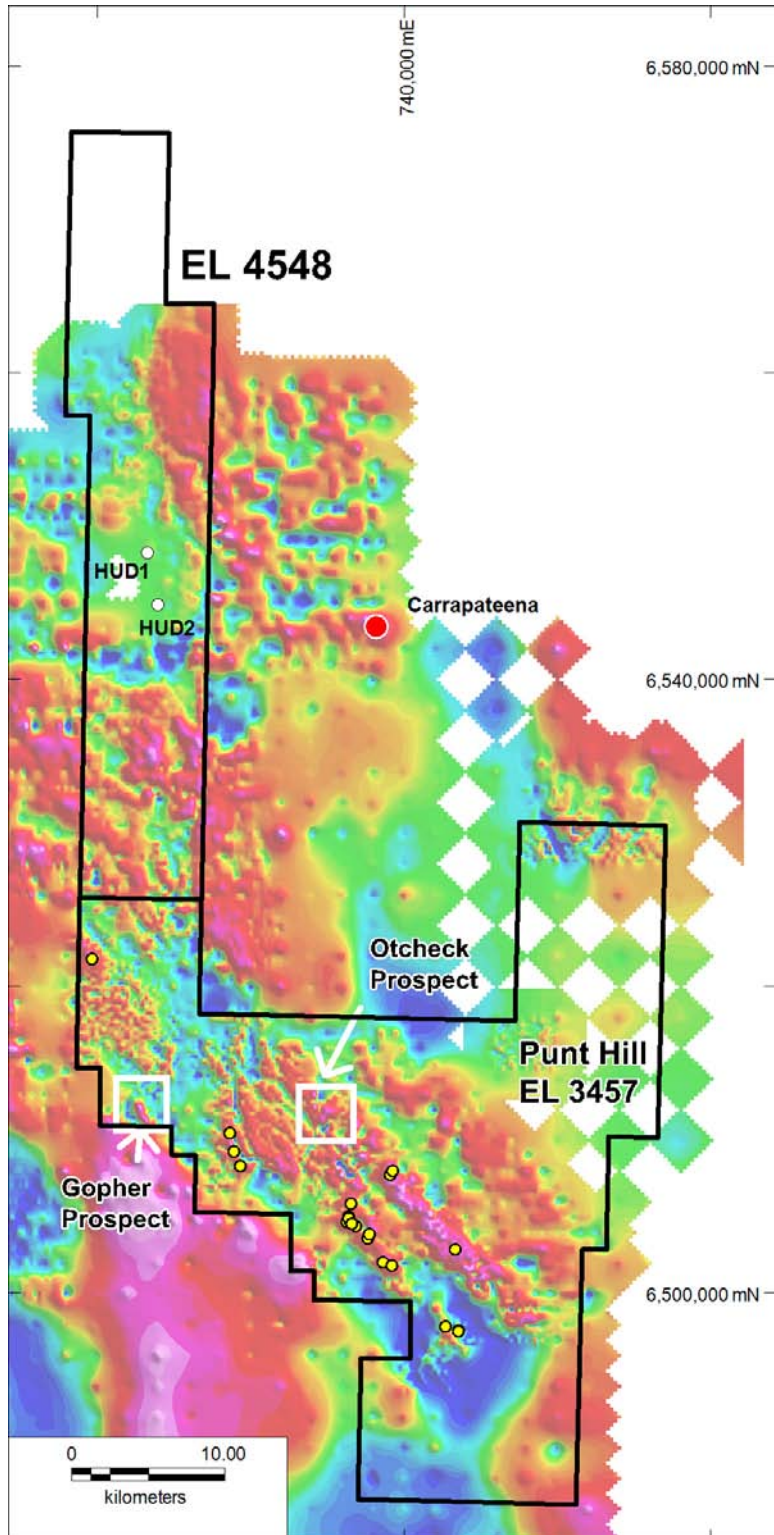


Figure 3: Punt Hill project EL 3457 and EL 4548 on available gravity data.



Melton Project (50:50 Joint Venture with Marmota Energy Limited)

Final results from the maiden drilling program at Melton were received during the quarter. Results from hole MIRDD04 from the Miranda anomaly reported low-grade copper mineralisation similar in grade to previously reported results from hole MIRDD01.

Drill holes MIRDD01 and MIRDD04 at the Miranda target intersected a zone of low-grade copper mineralisation associated with an amphibole-magnetite-pyrite-chalcopyrite alteration system. The alteration system is interpreted to be related to the intrusion of an extensive mafic body into the metasedimentary host rocks. The best intersections include:

- 21m @ 0.11% Cu (hole MIRDD01 from 451m)
- 4m @ 0.15% Cu (hole MIRDD04 from 432m)
- 4m @ 0.12% Cu (hole MIRDD04 from 463m)
- 3m @ 0.26% Cu (hole MIRDD04 from 487m – see Figure 4)

During the quarter a detailed heli-mag survey was completed over the Miranda target. The detailed magnetic data is currently being reviewed to assist with the follow-up drilling program planned for early 2011.

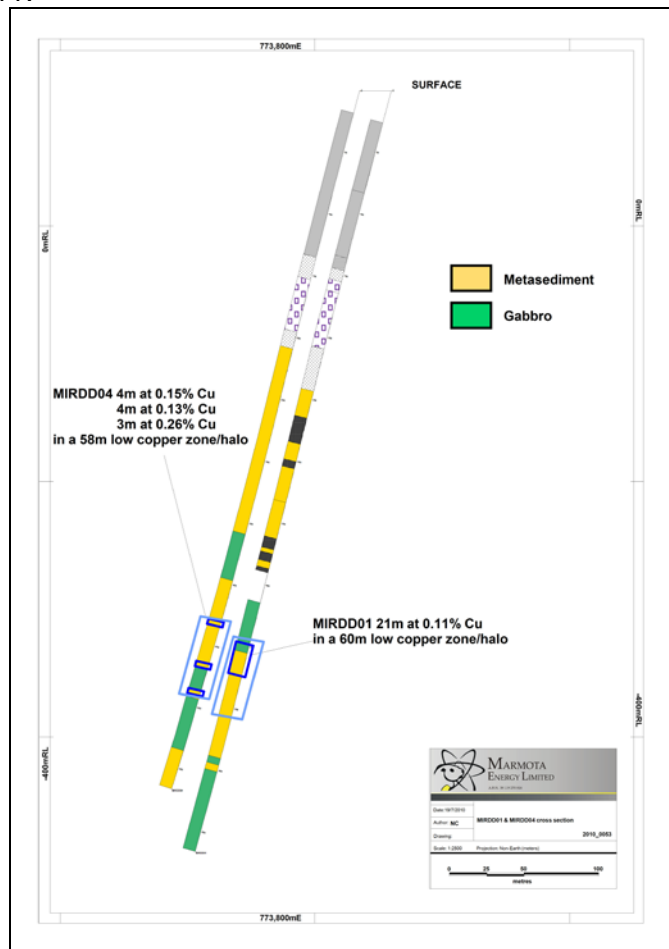


Figure 4: Drill hole intersections for holes MIRDD01 and MIRDD04.



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Waddikee Project (Monax 100%; OM (Manganese) Limited earning 60% interest in manganese and iron)

The Waddikee project is located approximately 5km south of the township of Kimba on the central Eyre Peninsula, South Australia. The Eyre Peninsula region is the new focus of iron ore exploration in South Australia. The Waddikee project is the subject of a farmin agreement with OM (Manganese) Ltd (OMM), a wholly owned subsidiary of OM Holdings Limited (ASX:OMH). OMM is required to fund A\$2 million over four years to acquire a 60% participating interest in the Waddikee project.

During the previous quarter, Monax completed an 83 hole, 4565m aircore and RC drilling program at the Jamieson Tank prospect. A total of 905 samples were analysed and the highest individual 1m sample for manganese was 31.13% Mn (hole JTRC117, 9-10m) and for iron was 49.43% Fe (hole JTRC054 18-19m). The drilling confirmed the presence of manganese over a strike length of >3km at the Jamieson Tank prospect with a further 2km of prospective stratigraphy along strike to the southwest, yet to be drill tested. The evidence from the drilling indicates the presence of multiple seams of manganese that have the potential to increase the overall prospectivity of the project.

Figure 5 shows the location of drill holes and highlights drill holes which reported >14% manganese. The best intersections of manganese included 10m @ 17.5% Mn (JTRC069 26–36m) including 2m @ 26.7% Mn (26–28m), 5m @ 19.2% Mn (JTRC119 14-19m) and 3m @ 21.2% Mn (JTRC 067 28-31m). Table 1 summarises all significant manganese intersections. The drilling also reported encouraging zones of iron mineralisation and the best intersections included 20m @ 32.1% Fe (JTRC054 5-25m), 7m @ 31.3% Fe (JTRC067 11-18m) and 6m @ 37.2m (JTRC 17-23m). Table 2 summarises all the significant iron intersections from the drilling program.

During the quarter, Monax completed a regional auger sampling program aimed at testing areas of anomalous manganese reported from previous explorers' calcrete data (Figure 6). 435 soil samples were taken and results showed that manganese is present along the eastern margin of a prominent magnetic anomaly in the Windyzell area (see Figure 7). This is a similar scenario to the Jamieson Tank prospect, where the main manganese horizons are located adjacent to the east of the main magnetic unit (see Figure 5). The Windyzell area represents a significant new target area with up to 20km strike extent of prospective ground yet to be tested.

Previous exploration by Monax at the Pollinga and Hodgins prospects has also provided good initial results. Initial rock chip sampling at Pollinga and Hodgins reported manganese up to 41.9% Mn and 37.2% Mn respectively. Four holes were drilled at Pollinga in 2008 and hole PRC003 reported 4m @ 14.5% Mn (25-29m) and 6m @ 16.3% Mn (31-37m). Hole PRC001 reported 44m @ 34.6% Fe, highlighting the potential of this area for both manganese and iron. No drilling was undertaken at the Hodgins prospect.

Monax is planning to undertake RC drilling at these regional prospects in early 2011 after harvesting. Monax is also planning two diamond drill holes in the Jamieson Tank area to



assist in understanding the nature and distribution of manganese and provide samples suitable for beneficiation.

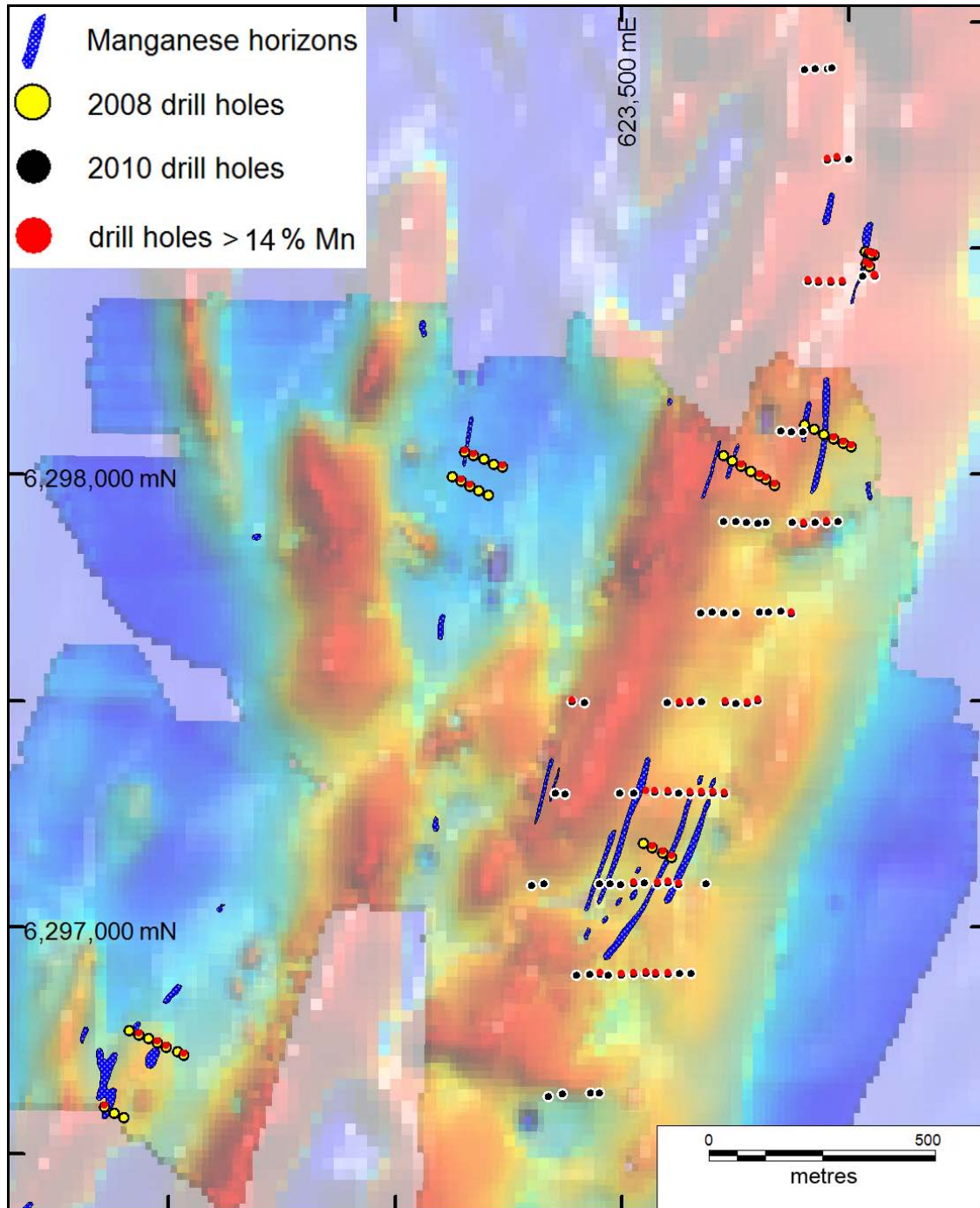


Figure 5: Drill hole location plan for Jamieson Tank prospect highlighting drill holes with intersections >14% Mn (background regional magnetic data).

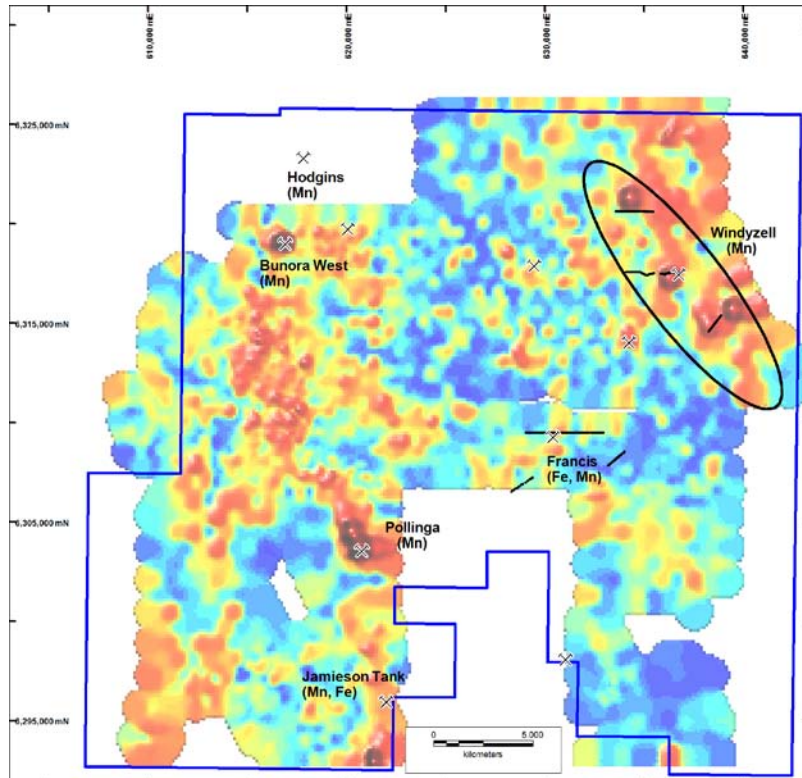


Figure 6: Regional prospects on calcrete data highlighting the Windyzell area (red areas represent areas of anomalous manganese from calcrete sampling).

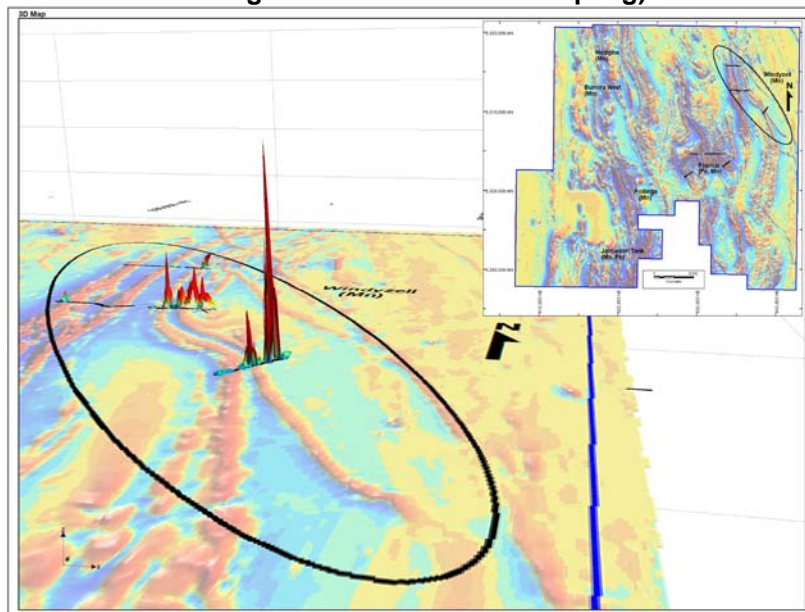


Figure 7: Manganese anomalies from the auger sampling program at the Windyzell prospect. Map looking north.



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Kangaroo Island Project (Monax 100%)

Processing of the detailed heli-mag data and the IP survey data was undertaken during the quarter and has outlined a significant conductivity anomaly and magnetic feature at the Dewrang prospect and areas of potential zinc-lead mineralisation adjacent to the known mineralisation at the Bonaventura prospect.

Modelling of the magnetic and IP data at the Dewrang prospect has delineated a prominent chargeable zone adjacent to a circular magnetic low. The circular magnetic low may be related to an intrusive at depth, which potentially could be a source of metals and fluids. The conductive body is located immediately above the interpreted intrusive body, providing encouragement that this may represent potential base metal mineralisation. Monax has not undertaken any drilling at Dewrang and previous company drilling has not tested this feature.

The IP survey at the Bonaventura prospect has delineated several zones of potential mineralisation. Previous drilling at Bonaventura reported:

- 5m @ 26.9% Zn, 10% Pb and 1.54 g/t Ag
- 5m @ 5.8% Zn
- 16m @ 2.69% Zn
- 10m @ 3.22% Zn, 1.62% Pb and 1.53 g/t Ag

Drilling by Monax and others has shown that sphalerite (zinc) is the dominant mineral at Bonaventura and sphalerite is difficult to detect with IP surveys. The IP survey at Bonaventura showed that the mineralised bodies, defined by earlier drilling, are represented in the data as a prominent chargeability low and moderate low resistivity (Figure 8). The IP survey has defined two zones of similar response to the north and west of the known mineralisation within an area of scrub. These areas have not been drill tested and warrant further investigation to add to the current known zones of mineralisation.

During the quarter, EL 4530 (Western River Cove) was granted to Monax. EL 4530 covers the western extension of the prospective Cygnet-Snelling Shear Zone (CS-SZ) and initial rock chip sampling provided encouraging results with up to 9.4% Pb, 57 g/t Ag and 2.75% Zn reported.

The CS-SZ is a deep crustal feature, and is interpreted to coincide at depth with the southern margin of the Gawler Craton. Gold and base metal occurrences are found along much of the CS-SZ, including the historic Grainger's Mine, Bonaventura prospect, Dewrang prospect and the Kohinoor Gold Mine. Monax has four tenements covering the CS-SZ totalling 404 km².

Monax is currently seeking a joint venture partner for the Kangaroo Island project.



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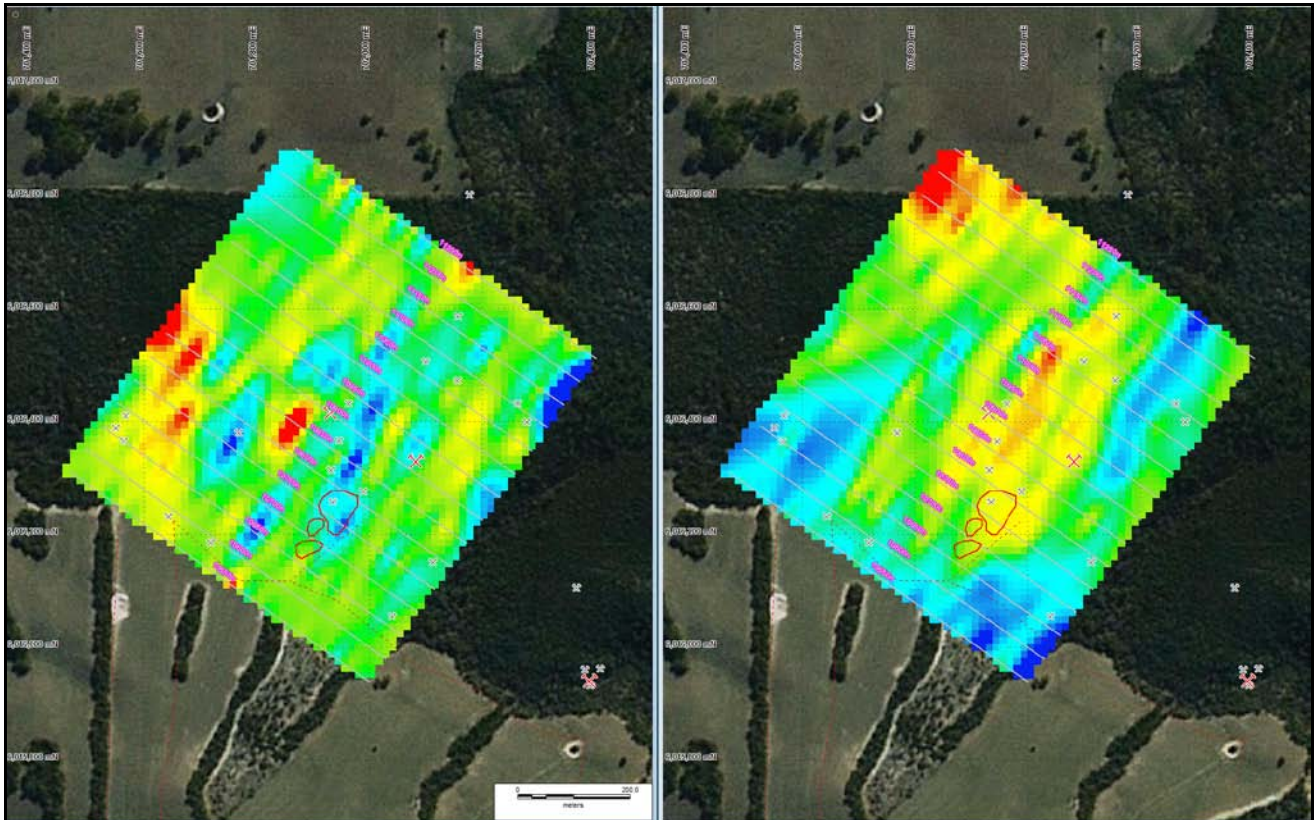


Figure 8: Images of the chargeability (left) and resistivity (right) from IP survey at Bonaventura prospect. The mineralisation outlined in red is associated with a distinctive chargeable low and strikes north-east and has a moderate broad low resistive zone.



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Queensland Projects

Monax currently has two active projects located in northern Queensland (Figure 9):

1. **Cape York Bauxite**
2. **Percyvale Gold**

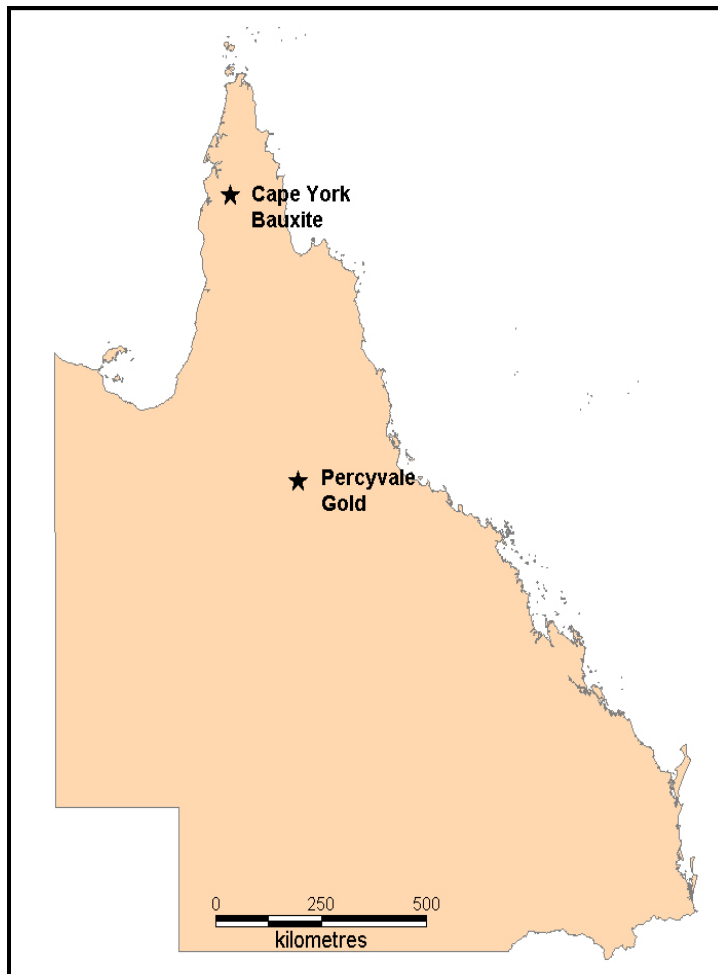


Figure 9: General location of Monax Queensland Projects

Cape York Bauxite Project

During the quarter, the five tenements which comprise the Delminco Option Agreement were granted. Monax is awaiting the grant of the three Monax EPM tenements before it commences exploration. The grant of these tenements is expected in the next 1-2 months and initial exploration will comprise shallow RC drilling aimed at testing interpreted zones of bauxite.



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Percyvale Gold Project

No field work was undertaken during the quarter.

For further information please contact:

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'The information in the Quarterly Report that relates to Exploration Results, Mineral Resources, Ore Reserves or targets is based on information compiled by Mr G M Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is employed full time by the Company as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies 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 Ferris consents to the inclusion of the information in this report in the form and context in which it appears.'



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Table 1: Significant Mn results from drilling program (using 14% Mn cut-off)

Drill Hole No.	Interval (m)	Metres	Grade (% Mn)	Fe (%)	P (%)
JTRC049	14 - 15	1	15.6	10.6	0.06
JTRC050	24 - 25	1	20.4	11.2	0.07
JTRC053	15 - 19	4	17.4	18.0	0.13
JTRC055	36 - 38	2	15.4	11.7	0.09
JTRC056	34 - 37	3	16.4	8.3	0.10
JTRC057	18 - 21	3	19.8	12	0.06
JTRC057	30 - 33	3	17.7	8.2	0.03
JTRC058	70 - 71	1	16.6	10.2	0.08
JTRC067	28 - 31	3	21.2	8.7	0.02
JTRC067	36 - 38	2	21.7	8.7	0.05
JTRC069	26 - 36	10	17.5	7.8	0.05
JTRC079	23 - 26	3	14.9	12	0.18
JTRC080	20 - 22	2	17	17.7	0.07
JTRC083	9 - 12	3	14.3	13.3	0.03
JTRC083	15 - 16	1	19.8	6.8	0.03
JTRC084	39 - 40	1	16.5	10.7	0.04
JTRC086	13 - 15	2	17.4	9.9	0.06
JTRC088	38 - 39	1	18.9	12.5	0.07
JTRC089	22 - 25	3	18.2	10.2	0.03
JTRC094	8 - 9	1	15.8	7.7	0.02
JTRC095	22 - 23	1	24.6	8.3	0.04
JTRC095	32 - 35	3	18.3	8.2	0.02
JTRC096	9 - 10	1	19.4	10.5	0.03
JTRC098	5 - 6	1	20.8	6.7	0.02
JTRC099	23 - 24	1	16.2	8.6	0.08
JTRC100	35 - 37	2	16.2	10.8	0.07
JTRC100	37 - 38	1	17.81	9.93	0.09
JTRC100	40 - 41	1	19.98	8.99	0.07
JTRC101	51 - 53	2	16.9	9.64	0.07
JTRC107	31 - 32	1	16.75	9.89	0.07
JTRC109	31 - 32	1	16.04	8.77	0.08
JTRC110	11 - 13	2	16.59	8.39	0.04
JTRC110	18 - 19	1	21.35	12.72	0.04
JTRC110	22 - 23	1	26.0	6.48	0.04
JTRC111	41 - 43	2	16.03	8.58	0.04
JTRC115	18 - 19	1	15.68	13.63	0.03
JTRC115	20 - 21	1	23.6	12.58	0.03
JTRC117	9 - 10	1	31.13	6.62	0.02
JTRC118	7 - 10	3	17.29	9.4	0.02
JTRC118	16 - 17	1	16.23	21.19	0.06
JTRC118	27 - 28	1	14.15	9.84	0.03
JTRC119	14 - 19	5	19.17	10.0	0.02
JTRC119	51 - 52	1	16.1	8.14	0.07



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Drill Hole No.	Interval (m)	Metres	Grade (% Mn)	Fe (%)	P (%)
JTRC120	27 - 28	1	14.6	11.19	0.03
JTRC120	30 - 33	3	15.94	10.6	0.04
JTRC121	17 - 18	1	14.65	7.52	0.06
JTRC121	19 - 20	1	14.23	16.05	0.12
JTRC121	22 - 29	7	17.1	12.68	0.07

(all holes drilled 60° to the west, samples split with 3 stage splitter. Downhole lengths, true width unknown. Analysis by Genalysis via XRF.)



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Table 2: Significant Fe results from drilling program (using 20% Fe cut-off)

Drill Hole No.	Interval (m)	Metres	Grade (% Fe)	Grade P (%)
JTRC050	43 - 46	3	25.2	0.18
JTRC051	56 - 63	7	22.7	0.22
JTRC052	28 - 37	9	24.5	0.11
JTRC053	10 - 13	3	33.9	0.23
JTRC053	19 - 24	5	27.3	0.18
JTRC054	5 - 25	20	32.1	0.24
JTRC054	31 - 39	8	25.9	0.17
JTRC055	30 - 36	6	24.7	0.17
JTRC057	21 - 28	7	25.5	0.06
JTRC058	46 - 52	6	25.6	0.14
JTRC059	55 - 64	9	22.3	0.09
JTRC060	25 - 30	5	25.2	0.13
JTRC061	46 - 50	4	26.3	0.24
JTRC062	6 - 9	3	25.8	0.04
JTRC065	22 - 32	10	28	0.09
JTRC067	11 - 18	7	31.3	0.12
JTRC068	31 - 33	2	23.4	0.14
JTRC068	38 - 43	5	28.1	0.14
JTRC071	7 - 9	2	28.8	0.13
JTRC071	43 - 50	7	22.6	0.10
JTRC078	19 - 25	6	24.9	0.09
JTRC079	26 - 29	3	30.2	0.18
JTRC080	17 - 19	2	24.2	0.06
JTRC085	18 - 31	13	25	0.10
JTRC096	17 - 21	4	23.8	0.09
JTRC104	6 - 16	10	23.9	0.02
JTRC105	15 - 23	8	29.46	0.03
JTRC106	27 - 34	7	21.98	0.03
JTRC106	40 - 43	3	20.26	0.04
JTRC110	13 - 18	5	21.39	0.04
JTRC111	31 - 36	5	21.39	0.04
JTRC113	32 - 40	8	22.84	0.05
JTRC115	10 - 17	7	25.86	0.02
JTRC117	57 - 59	2	22.19	0.06
JTRC118	17 - 23	6	37.2	0.04
JTRC120	12 - 22	10	23.8	0.04
JTRC120	60 - 70	10	22.54	0.02

(all holes drilled 60° to the west, samples split with 3 stage splitter. Downhole lengths, true width unknown. Analysis by Genalysis via XRF).

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

Monax Mining Limited

ABN

96 110 336 733

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(129) - - (170)	(129) - - (170)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	87	87
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	64	64
Net Operating Cash Flows	(148)	(148)
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	-	-
1.13 Total operating and investing cash flows (carried forward)	(148)	(148)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(148)	(148)
	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	-	-
	Net increase (decrease) in cash held	(148)	(148)
1.20	Cash at beginning of quarter/year to date	4,808	4,808
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,660	4,660

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	124
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount at 1.23 above represents non executive directors' fees and executive director's salary (including SGC superannuation) and legal fees paid to a legal firm in which a director is a partner.
The amount at 1.24 above represents costs to be recovered in relation to shared facilities from a related entity.

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

+ See chapter 19 for defined terms.

Marmota Energy Limited pursuant to the Farm-In and Joint Venture Agreements for EL 4510(formerly EL 3358), EL 3458, EL 3684, EL 3685, EL 3357, EL 3775, EL 3911 and EL 4000 has incurred on an accruals basis \$25,529 in the quarter ending 30 September 2010.

OM (Manganese) Ltd pursuant to the Farm-in and Joint Venture Agreement for EL 3357 has incurred on an accruals basis \$60,771 in the quarter ending 30 September 2010.

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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	155
Total	355

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	142	190
5.2 Deposits at call	4,515	4,615
5.3 Bank overdraft	-	-
5.4 Other (provide details)	3	3
Total: cash at end of quarter (item 1.22)	4,660	4,808

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
	EL 3394	Relinquished	100%	0%
	EL 3871	Relinquished	100%	0%
	EL 3880	Relinquished	100%	0%
6.2	Interests in mining tenements acquired or increased			
	EL 4530 (formerly ELA 286/09)	Granted	100%	100%
	EL 4548 (formerly ELA 44/10)	Granted	100%	100%
	EPM 16963	Granted	100%	100%
	EPM 16964	Granted	100%	100%
	EPM 17005	Granted	100%	100%
	EPM 17006	Granted	100%	100%
	EPM 17715	Granted	100%	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 <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	148,053,668	148,053,668		
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>	150,000 215,000 10,000 3,000,000 18,309,654 425,000	Nil Nil Nil Nil 18,309,654 Nil	<i>Exercise Price</i> \$0.666 \$0.246 \$0.0517 \$0.10 \$0.15 \$0.0517	<i>Expiry Date</i> 14/02/2012 18/07/2013 23/12/2013 31/07/2012 30/11/2011 05/03/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				


+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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

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

Sign here:  Date:29/10/2010.....
 (Director/Company secretary)

Print name: Virginia Suttell

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.