

29 January 2010

The Company Announcements Office
ASX Limited

Via E Lodgement

**QUARTERLY OPERATIONS REPORT AND
APPENDIX 5B FOR PERIOD ENDING 31
DECEMBER 2009.**

Yours faithfully

CAPE LAMBERT RESOURCES LIMITED

Tony Sage
Executive Chairman

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its "hands on" approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

**Australian Securities Exchange
Code: CFE**

Ordinary shares
565,166,467

Unlisted options (30 June 2010)
8,350,000

Unlisted options (31 Oct 2010)
28,000,000

Board of Directors

Tony Sage Executive Chairman
Tim Turner Non-executive Director
Brian Maher Non-executive Director

Eloise von Puttkammer
Company Secretary

Key Projects and Interests

Lady Annie Copper Project
Marampa Iron Ore Project
Sappes Gold Project
DMC Mining Limited
Corvette Resources Limited

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HIGHLIGHTS

- During the quarter, Shareholders approved the change of the Company's name to **Cape Lambert Resources Limited**. The change in name more accurately reflects the multi commodity, and diverse portfolio of mineral assets and investments the Company now has.
- The Company had approximately \$59 million in cash at bank on 28 January 2010.
- Copper sales from the Lady Annie Project totalled 366.8 tonnes realising US\$2.3 million.
- During the quarter, the Company disposed of non-core shareholdings in Herencia Resources plc and Charaat Gold Holdings Ltd, and in January Platmin Limited to realise \$27.7 million.
- The Company increased its stake in the Marampa Iron Ore Project (West Africa, Sierra Leone) to 100% after Shareholder approval was received at a General Meeting held on 25 January 2010.
- The Company commenced the sell down of its interest in the Lady Annie Project via an initial public offering ("IPO") of Q Copper Australia Limited ("Q Copper"). Late in the quarter, the IPO closing date was extended to 3 February 2010 and the minimum raising reset to \$164.5 million. On successful IPO, and under the revised terms, Cape Lambert will retain a maximum 15% interest in Q Copper and receive a minimum \$108.5 million in cash.
- During the quarter, the Company gained control of a 37.6% interest in NiPlats Australia Limited.
- The Company was successful in its bid to acquire the assets comprising the 9,000 tonne per annum Leichhardt Copper Project for \$8.5 million. It is expected that the sale will complete late February 2010.
- The acquisition of 100% of the share capital of Mojo Mining Pty Ltd ("Mojo") was completed on 25 November 2009. Mojo holds 15 contiguous exploration tenements located in northwest Queensland, which are also contiguous with the tenement package held by 100% owned Cape Lambert subsidiary Australis Exploration Limited.
- Cauldron Energy Limited received shareholder approval to issue to Cape Lambert the balance of ordinary shares pursuant to the convertible note conversion of 15 July 2009, increasing the Company's interest to 18%.
- On 16 December 2009, the Company exercised 10 million, 10 cent options in unlisted, public company, Latin Resources Pty Ltd. The Company now holds 12 million shares in, or 15% of, Latin, which has coastal iron ore interests in Peru.
- Assay results were received for the first 8 holes drilled at Marampa, with several significant intersections including;
 - MPDD005: 138 m at 27.5% Fe from 170 m
 - MPDD007: 160 m at 31.8% Fe from 110 m; and
 - MPDD008: 138 m at 32.7% Fe from 238 m,
- Exploration drilling at the Lady Annie Project to commence in February 2010.

CORPORATE

Strategy and Business Model

Cape Lambert Resources Limited (**ASX: CFE**) ("Cape Lambert" or the "Company") is an Australian domiciled, cashed-up resources and investment company, with interests in a number of substantial resource projects and companies.

Through acquisitions in its own right and the acquisition of CopperCo Limited's ("CopperCo") assets, and subscriptions to convertible notes, the Company has exposure to iron ore, copper, gold, coal, uranium, phosphate and lead-silver-zinc assets in Australia, Africa and South America. The Company's group structure is summarised in Figure 1.

The Company's strategy is to acquire and invest in undervalued and distressed mineral assets and companies ("Assets"), and to add value to those Assets through a hands on approach to management, exploration and evaluation, to enable the Assets to be monetised at a multiple. As Assets are monetised, the Board of the Company intends to follow a policy of distributing surplus cash back to Shareholders.

Change of Name

At the Annual General Meeting held on 16 November 2009, Shareholders approved the change of company name from Cape Lambert Iron Ore Limited to Cape Lambert Resources Limited, which more accurately reflects the multi commodity and diverse portfolio of mineral assets and investments that comprise the Assets.

Acquisitions

NiPlats Australia Limited (37.6% interest)

On 12 November 2009, the shareholders of NiPlats Australia Limited (ASX: NIP) ("NiPlats") approved Cape Lambert taking a relevant interest in 30 million existing shares in NiPlats. The NiPlats shares were included as a part of the CopperCo transaction.

At the end of the quarter, the Company controlled 30 million shares in NiPlats representing a 37.6% interest. NiPlats is a mining and exploration company whose prime focus is the definition and development of its vanadium, platinum and fluorite discoveries in the East Kimberly region of Western Australia.

Further, on 9 December 2009 and as part of a placement, the Company subscribed for a further 2.5 million ordinary shares in NiPlats at an issue price of 40 cents per share. This placement is subject to NiPlats shareholder approval.

Leichhardt Copper Project (acquiring 100% interest)

On 16 December 2009, Cape Lambert signed an Asset Sale Agreement with Matrix Metals Limited (Receivers and Managers Appointed) (In Liquidation) ("Matrix") to acquire the assets comprising the Leichhardt Copper Project for \$8.5 million. Matrix entered voluntary administration on 11 November 2008, with receivers and managers subsequently appointed by the secured creditor.

The Leichhardt Copper Project, which is currently on care and maintenance, is located approximately 100 km northeast of Mt Isa in the highly prospective Mt Isa Inlier (refer Figure 2) and comprises;

- The Leichhardt process plant at Mt Cuthbert – a heap leach, solvent extraction and electrowinning facility with installed capacity of 9,000 tpa of copper cathode,

- A package of 42 granted tenements of approximately 760 km² located within the highly prospective Mt Isa Inlier,
- A further 600 km² of tenement applications (12), also located within the Mt Isa Inlier,
- The established Mt Watson oxide, open pit located approximately 30 km north of the Leichhardt process plant, and
- Mineral resources at Leichhardt, Mighty Atom Group, Hidden Treasure, Ned Kelly and Mt Cuthbert, together with advanced exploration prospects at Mt Earl and Prospector.

Copper cathode production commenced at the project in June 2007 and in the 2008 financial year, copper sales were 4,656 tonnes. In December 2007, a decision was taken to increase installed production capacity from 5,500 to 9,000 tpa. Construction and commissioning were subsequently completed in July 2008 and September 2008 respectively.

Matrix reported in its 2008 Annual Report to shareholders¹, total mineral resources of 10 million tonnes at 0.9% copper for 94,000 tonnes of contained copper metal.

The transaction is subject to a number of conditions including regulatory and court approvals and third party consents, and is expected to be completed in late February 2010.

Mojo Tenement Acquisition (acquired 100% interest)

During the quarter, the Company completed the acquisition of 100% of the share capital of Mojo Mining Pty Ltd ("Mojo").

Mojo holds 15 contiguous exploration tenements located in northwest Queensland, which are prospective for copper, lead-zinc-silver and uranium mineralisation.

These 15 tenements are contiguous to the land package held by 100% owned Cape Lambert subsidiary, Australis Exploration Limited ("Australis"), and are located 200 km south of Mt Isa. Henceforth, the Mojo tenements will be included in the Australis land package and reported there under.

Marampa Iron Ore Project (increased to 100% interest)

On 24 November 2009, Cape Lambert entered into an agreement to increase its stake in the Marampa iron ore project, located in Sierra Leone, West Africa, from 35% to 100%, through an all scrip deal with AIM listed, African Minerals Limited ("African Minerals") valued at approximately \$31 million.

Under the terms of the transaction, Cape Lambert will issue African Minerals 57,162,723 fully paid ordinary shares in the capital of the Company, thereby taking African Minerals' interest in the Company to 19.76%.

The issue of shares to African Minerals was done in two tranches, being;

- Tranche 1; 24,569,934 shares, issued at time of settlement; and
- Tranche 2; 32,592,789 shares will now be issued following Cape Lambert Shareholder approval.

At a General Meeting of Shareholders held on 25 January 2010, Shareholders ratified the issue of Tranche 1 shares and approved the issue of the Tranche 2 shares.

¹ Refer page 29 of Matrix Metals Limited (ASX: MRX) 2008 Annual Report to shareholders released to ASX on 28 October 2008.

Monitor Energy Limited (ASX: MHL)

On 16 December 2009, the Company subscribed \$1.5 million toward a \$2 million placement being undertaken by Monitor Energy Limited ("Monitor"). Monitor is farming in to exploration oil assets in the Cooper Basin. Cape Lambert will hold approximately 10.3% of Monitor's issued capital on completion of the placement.

Divestments***Q Copper Australia Limited (selling down to 15%)***

On 16 November 2009, Q Copper Australia Limited ("Q Copper") lodged an initial public offering ("IPO") prospectus with ASIC to raise a minimum A\$203 million (before costs) through the issue of 203 million shares at an issue price of A\$1 each.

On 15 December 2009, the Company advised that Q Copper had extended the closing date of the IPO to 3 February 2010 and revised the minimum subscription to \$164.5 million, as a result of general market conditions together with the seasonal timing of the IPO. A supplementary prospectus was lodged with ASIC on 14 December 2009.

Under the revised terms, and on successful IPO, Cape Lambert will receive a total consideration of approximately \$137.5 million in cash and Q Copper shares.

The change in consideration to be received by Cape Lambert required Shareholder approval, which was granted at a General Meeting of Shareholders held on 25 January 2010.

A delay to the listing of Q Copper is expected to have minimal impact to the recommencement of exploration, mining and processing operations at the Lady Annie Project.

Non-Core Securities

During the quarter, the Company disposed of non-core shareholdings in Herencia Resources plc and Charaat Gold Holdings Ltd, and in January Platmin Limited to realise \$27.7 million. The shareholdings in these three companies were included in the CopperCo transaction.

Convertible Notes**Conversions*****Cauldron Energy Limited (ASX: CXU)***

The balance of 9,224,721 shares to be issued to Cape Lambert pursuant to the conversion of its convertible note on 15 July 2009 was approved by Cauldron shareholders at its Annual General Meeting on 16 November 2009. The shares were subsequently issued to Cape Lambert on 30 November 2009.

Cape Lambert currently holds 18% of Cauldron's share capital.

Latin Resources Pty Ltd

On 16 December 2009, the Company exercised 10 million, 10 cent options in unlisted, public company, Latin Resources Pty Ltd. The Company now holds 12 million shares in, or 15% of, Latin, which has coastal iron ore interests in Peru.

As consideration for the early exercise of the options, Cape Lambert was issued with a further 10 million replacement options.

PROJECTS

Sappes Gold Project (100% interest) ("Sappes")

Sappes is located in north eastern Greece approximately 30 km north west of the Aegean Sea port city of Alexandroupoulos, on a 20.1 km² mining lease granted until 2023.

Sappes is based on the development of the high-grade, underground Viper Deposit and an open pit nearby at the St Demetrios deposit. A feasibility study was completed in 2003 by Kvaerner Engineering and Construction UK Ltd ("Kvaerner") and updated in 2006.

The Company's strategy is to commence the permitting of Sappes for operations to enable its sale with a significant portion of the permitting discount removed. Full permitting is expected to take in the order of 24-36 months, with minimum expenditure related to the updating of the feasibility study and environmental impact studies.

Proposals have been sought from Aker Solutions (formerly Kvaerner) and SRK Consulting (UK) Limited, with regard to updating the various studies that form part of the feasibility study. Cape Lambert technical personnel visited Sappes in mid-January 2010, to meet stakeholders and to determine the best strategy for the timely completion of the permitting process.

Lady Annie Project (selling down to 15%)

The Lady Annie Project ("Lady Annie") is located approximately 120 km north of Mt Isa, Queensland (refer Figure 2).

Exploration

Work during the quarter focused on detailed planning and resourcing of the exploration drilling program scheduled to commence in February 2010.

A 2 year drilling contract was awarded to Swick Mining Services Limited, to carry out approximately 70,000 meters of RC and 10,000 m of diamond exploration drilling on near mine and priority regional targets. Drilling will commence on extensions in the Mt Kelly Mining Area.

Snowden Mining Consultants was commissioned to update the oxide, copper resource estimates for the Mt. Clarke and Flying Horse deposits, incorporating more than 50 holes completed since the last resource estimate prepared by CopperCo in 2007.

Copper Sales

Copper recovery from circuit was completed during the quarter, with final stripping in early December. The plant was subsequently placed on full care and maintenance. Copper production during the December 2009 quarter totaled 379.1 tonnes, while sales totaled 366.8 tonnes realising US\$2.3 million. The remaining 12.2 tonnes of cathode will be sold in the March 2010 quarter.

Metallurgical Test Work

HRLTesting, a Brisbane metallurgical testing laboratory, commenced metallurgical test work programs on bulk samples from Lady Annie ROM material and the Anthill deposit. This test work program, including agglomeration and column leaching work, will continue throughout the next quarter.

Metallurgical balances were completed for the last three heaps stacked by CopperCo/receivers and managers, showing that the leaching of these heaps was successful, with very low levels of acid soluble copper remaining.

Metallurgical consultants RMDStem Limited undertook a metallurgical review of Lady Annie and made recommendations on future test work to optimise copper recovery.

Plan of Operations

Environmental consultant MBS Environmental has been retained to prepare an environmental risk assessment of Lady Annie, which will be used to support the Plan of Operations required for recommencement of production.

Personnel

Recruitment of key operations personnel commenced during the quarter including the Mining Manager, Processing Manager, HSE Manager, Administration Manager and Indigenous Liaison Officer. Personnel ramp-up will continue ahead of the recommencement of operations.

Marampa Iron Ore Project (100% interest)

Introduction

Marampa is a brownfields, hematite iron ore project at exploration stage, located 90 km north east of Freetown, Sierra Leone, West Africa. Six drill targets prospective for hematite schist mineralisation have been identified to date with drilling in progress at Gafal West and Matukia (refer Figure 3).

Work during the quarter focused on completing diamond drilling of the first geological cross section at Gafal West, and carrying out prospect mapping, trenching and sampling at the Matukia and Mafuri prospects in readiness for initial diamond drilling. A new drilling contractor mobilised to site and started drilling in late November.

Gafal West

Drill hole MPDD013, the final hole planned on the first geological cross section at Gafal West, section 18450mN local grid, was completed at 396.8 m.

Assay results were received for the first 8 holes drilled at Gafal West (MPDD005-012). The location, geological setting and analysis of the results are more fully reported in the ASX announcement dated 28 January 2010. The results are summarised in Table 1.

The mineralised intervals comprise medium to coarse-grained specular hematite with minor magnetite hosted in hematite-quartz-albite-mica schist units. The best results are located in the west limb and hinge zone of a south-plunging synform located 1 km west of Gafal Hill. The results confirm the presence of significant widths and grades of hematite schist mineralisation over the 1 km segment of the cross section drilled to date. The hematite schist unit at Gafal West is open up-plunge to the north, and to the east and west along the cross section.

Based on modeling of the geological mapping, trench and diamond drill information available to date, an exploration target size² of 100 – 200 million tonnes is estimated up-plunge and along strike of the present drilled section at Gafal West.

Assay results were received for trenches MPTR005 and MPTR006 located 300 m north of drill section 18450mN. Significant results included 92 m at 46 % Fe in MPTR005 and 172 m at 33 % Fe in MPTR006 (refer ASX announcement dated 28 January 2010 for further details).

² *Exploration Potential and Target Size: The estimates of exploration target sizes mentioned in this report should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Perth laboratory, AMMTEC Limited, completed preliminary bench-scale metallurgical test work on composite samples of diamond core from drill holes MARDH002-004 drilled in 2007 at the Gafal West prospect by African Minerals. This work indicated that a multi-stage Wet, High Intensity Magnetic Separation processing flowsheet produces a high quality hematite concentrate from Marampa mineralisation, of the type and grade encountered in the drilling at Gafal West.

Matukia

Assay results were received for the first 2 trenches excavated at the Matukia prospect, which is located along strike and 1 km north of the old open pit at Masaboin Hill (refer Figure 3). Significant results included 103 m at 47 % Fe in MPTR003 (refer ASX announcement dated 28 January 2010 for further details).

Scout drilling commenced at Matukia, with 2 holes drilled on the first traverse for a total of 496 m. Logging of these holes is in progress and assay results are expected in the March 2010 quarter. This initial program comprises 8 holes on 4 traverses.

Mafuri

Geological mapping and sampling commenced at the Mafuri prospect located 3 km west of Gafal West. Clasts and outcrop of hematite schist were located in this area during regional mapping earlier in 2009. The area is underlain by a series of gravity highs that may indicate hematite schist at depth.

Regional

Regional mapping to date has defined 6 drill targets at Marampa (which includes the Gafal West and Matukia targets). The regional mapping identified further prospective trends under cover north of the Matukia and Makambo targets respectively. A ground gravity geophysical survey will be undertaken in the March quarter 2010, along this prospective stratigraphy with the aim of identifying further drill targets.

Australis Exploration Limited (100% interest)

The Australis portfolio of tenements (refer Figure 4) and subsidiaries presently comprise:

- 15 granted Exploration Licences totaling 21,010 km² in the eastern Northern Territory that are prospective for rock phosphate, uranium and base metals;
- 41 applications for Exploration Permits totaling 20,608 km² in north west Queensland that are prospective for rock phosphate, uranium and base metals;
- 100% of Mojo Mining Pty Ltd, which holds 15 granted Exploration Permits totaling 4,557 km², located 150 km south of Mt Isa, that are prospective for large base metal deposits under younger cover rocks, and
- The exclusive rights to explore for and retain any value associated with rock phosphate on the tenements held by Cape Lambert Lady Annie Exploration Pty Ltd ("CLLAE")

Work during the quarter focused on the acquisition and evaluation of exploration datasets and identification and prioritisation of targets.

Cape Lambert South Project (100% interest)

No additional work was completed at Cape Lambert South during the quarter.

Table 1 – Gafal West Diamond Drill Hole Assay Results Above 20% Fe Cut-off

Hole Number	Easting WGS84 Zone 28	Northing	RL	Dip Degrees	Azimuth Degrees	From Metres	To	Down Hole Length	Fe %	Al ₂ O ₃ %	SiO ₂ %	P %	TiO ₂ %	LOI
MPDD005	769951	958748	96.4	-60	300	0	10	10	33.32	18.2	21.67	0.06	0.89	10.52
						170	308	138	27.45	5.37	44.38	0.13	0.19	2.99
MPDD006	769952	958748	96.4	-50	120	0	12	12	30.48	19.93	23.84	0.08	0.00	11.15
						336	452	116	30.94	4.58	40.64	0.13	0.18	3.01
MPDD007	769912	958783	97.0	-50	300	0	8	8	34.02	11.76	29.51	0.04	0.53	7.61
						110	270	160	31.78	4.49	38.69	0.11	0.18	3.42
MPDD008	770080	958727	94.3	-50	300	0	10	10	35.51	17.72	20.45	0.04	0.94	9.61
						238	376	138	32.68	4.14	38.17	0.12	0.17	3.54
MPDD009	769818	958722	89.2	-60	300	0	12	12	22.18	13.51	46.47	0.05	0.57	5.91
						258	286	28	29.13	5.20	42.87	0.11	0.18	3.03
MPDD010	770728	958244	98.8	-50	300	0	96	96	26.07	7.45	48.09	0.17	0.34	2.16
						192	272	80	21.23	7.11	52.83	0.24	0.29	1.47
						376	464	88	26.42	5.97	46.70	0.14	0.22	2.01
MPDD011	770130	958657	90.1	-60	300	0	8	8	30.20	10.41	38.87	0.04	0.39	5.59
						290	408	118	33.47	3.92	36.68	0.12	0.17	3.09
MPDD012	770127	958659	89.6	-60	120	0	32	32	28.05	8.82	46.12	0.05	0.31	2.85
						304	374	70	23.94	6.68	49.50	0.20	0.27	1.66
						402	476	74	26.95	5.91	46.01	0.19	0.23	1.99

Minimum intersection width is 6m down hole at >20% Fe. Maximum of 10 m of internal waste <20% Fe. All samples half sawn diamond core, HQ in weathered zone, NQ in fresh rock, 2 m composites in fresh rock, 2 – 5 m composites in weathered rock. Elements assayed by Ultra Trace Pty Ltd laboratories in Perth, Western Australia using XRF. The down hole intersection lengths do not represent true widths.

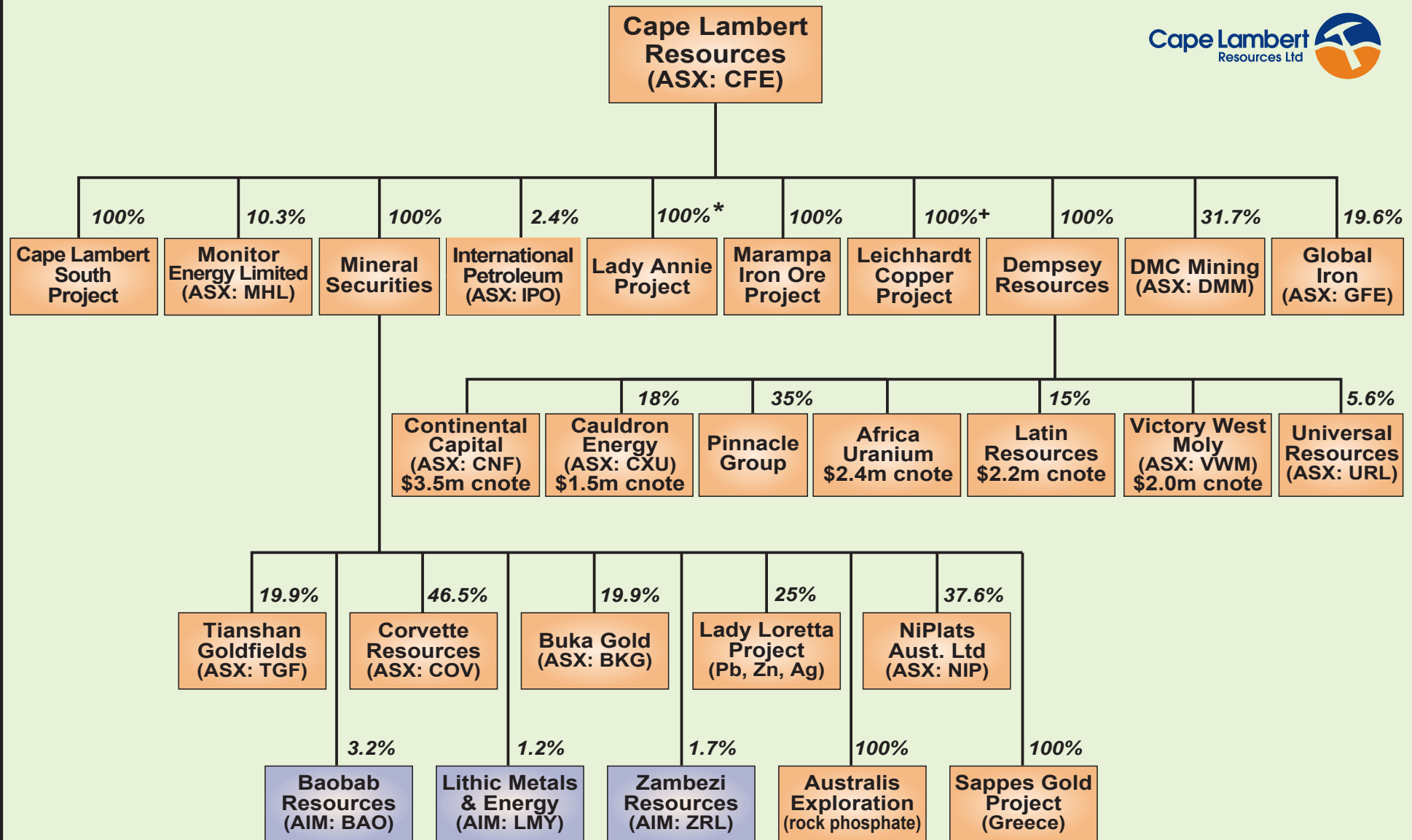
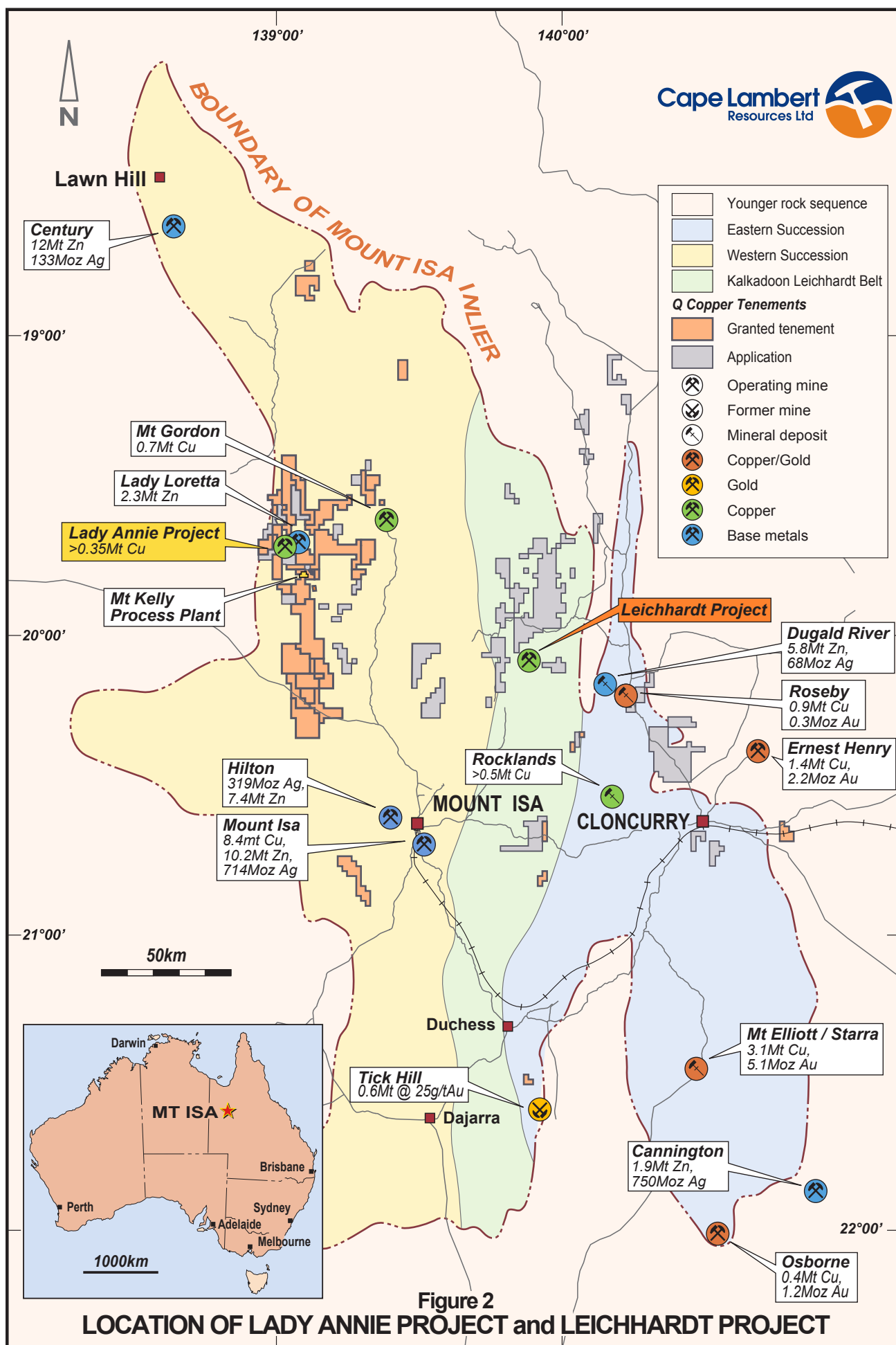
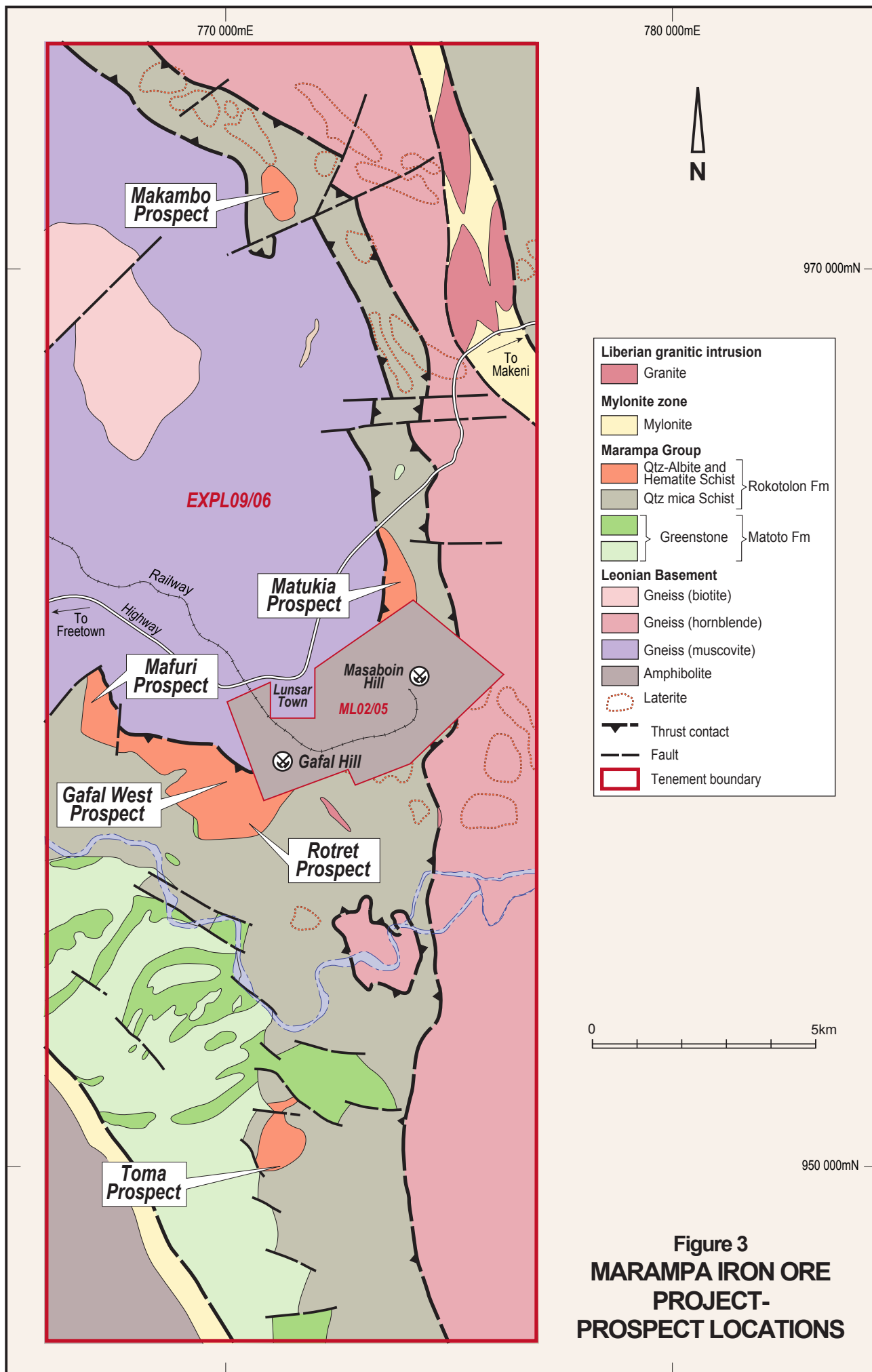
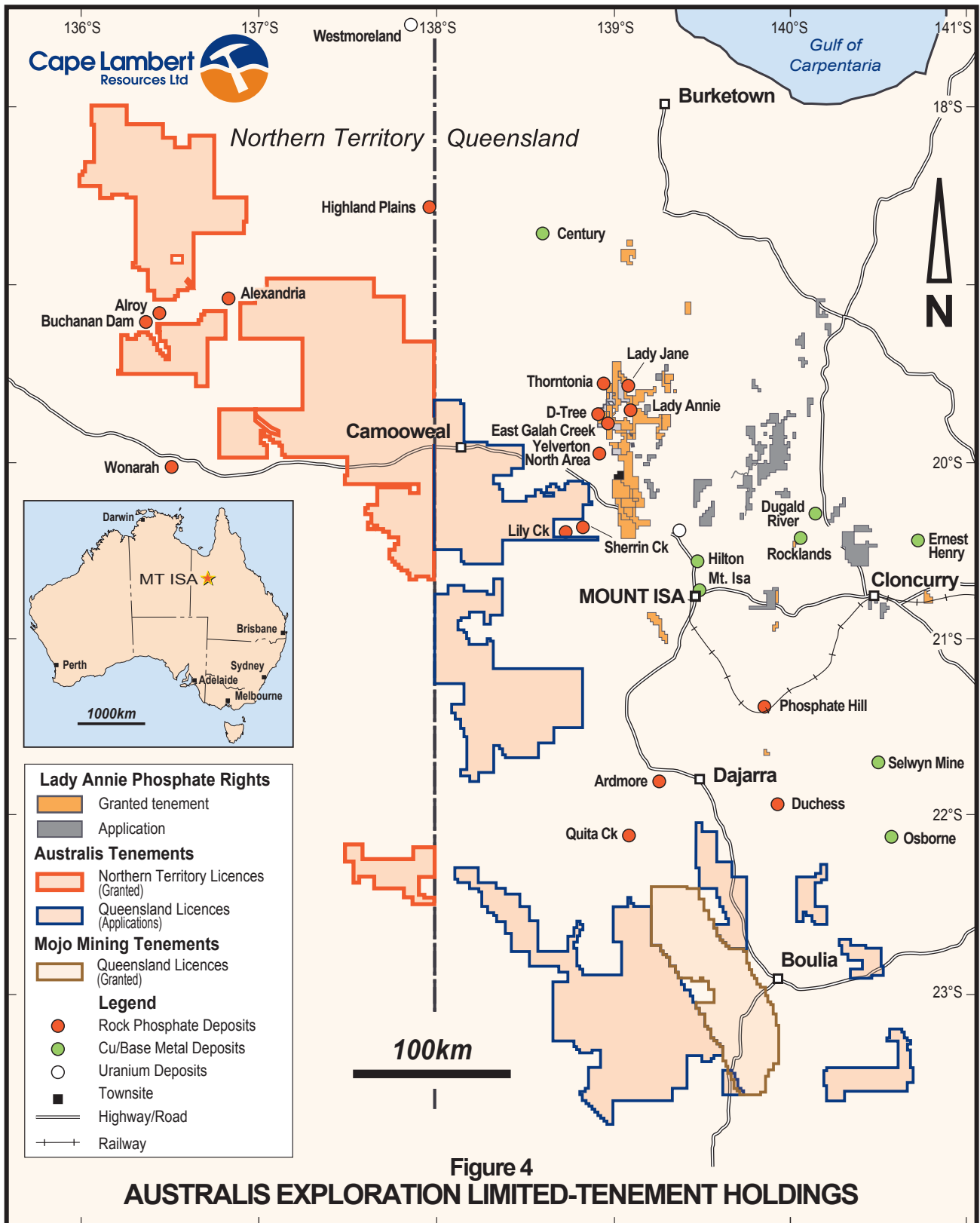


Figure 1
GROUP STRUCTURE (January 2010)

Note: *Selling down to 15% via Q Copper IPO.
 +Expected to settle in late February 2010.
 Holdings shown in blue are planned for near term divestment.







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

CAPE LAMBERT RESOURCES LTD

ABN

71 095 047 920

Quarter ended ("current quarter")

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	2,582	6,432
1.2	Payments for		
	(a) exploration and evaluation	(3,286)	(4,719)
	(b) development	-	-
	(c) production	(1,500)	(3,355)
	(d) administration	(2,816)	(5,167)
1.3	Dividends received	-	-
1.4	Interest and similar items received	868	2,849
1.5	Interest and other costs of finance paid	-	(99)
1.6	Income taxes paid	-	-
1.7	Other: other income received	-	-
	Net Operating Cash Flows	(4,152)	(4,059)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	(5,995)	(7,447)
	(c) other fixed assets	(752)	(824)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	2,078	2,078
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other : Payment for Convertible Notes	-	(5,900)
	Other: Purchase of interest in controlled entity	(1,092)	(1,092)
	Other: Cash balances acquired through acquisition of controlled entities	736	736
	Other: Proceeds from sale of associate interest	588	588
	Other: Cash backing security required for performance / other bonds & bank guarantees	(142)	(5,476)
	Other: Restricted cash balances released	3,242	3,242
	Other: Payment of transaction related costs	(1,388)	(3,420)
	Other: Payment of stamp duty	(2,676)	(2,676)
	Net investing cash flows	(5,401)	(20,191)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(9,553)	(24,250)
	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	648	648
1.17	Repayment of borrowings	(211)	(15,271)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	437	(14,623)
	Net (decrease) in cash held	(9,116)	(38,873)
1.20	Cash at beginning of quarter/year to date	44,301	74,058
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	35,185	35,185

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	192
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

\$192,088 payment for executive and non-executive salaries;
\$121 payment for accounting fees to entity related to non-executive director.

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

24,569,934 shares were issued to African Minerals Plc in December 2009 as part consideration for the acquisition of 65% of Marampa Iron Ore Limited. A further 32,592,789 shares will be issued in the March 2010 quarter as the remainder of the consideration. Marampa Iron Ore Limited holds the Marampa iron ore project located in Sierra Leone.

In November 2009, 3,976,729 shares were issued as consideration for the purchase of Mojo Minerals Limited which holds tenements in the southern block of Mt Isa, Queensland.

- 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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	-
Total	1,500

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	34,458	43,598
5.2 Deposits at call	727	703
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	35,185	44,301

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Refer attached schedule		
6.2 Interests in mining tenements acquired or increased		Refer attached schedule		

+ 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	565,166,467	565,166,467		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	28,546,663	28,546,663	N/A	N/A
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>	28,000,000 8,350,000	- -	<i>Exercise price</i> 30.9 cents 43.2 cents	<i>Expiry date</i> 31 October 2010 30 June 2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
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 give a true and fair view of the matters disclosed.

Sign here: Date: 29 Jan 2010
Company secretary

Print name: Eloise von Puttkammer

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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Appendix 5B
Mining exploration entity quarterly report

Appendix for item 6.2: Interests in mining tenements acquired or increased

Tenement reference		Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
EPM15687	Mojo Mining Pty Ltd	Granted	-	100%
EPM15688	Mojo Mining Pty Ltd	Granted	-	100%
EPM15690	Mojo Mining Pty Ltd	Granted	-	100%
EPM15691	Mojo Mining Pty Ltd	Granted	-	100%
EPM15692	Mojo Mining Pty Ltd	Granted	-	100%
EPM15693	Mojo Mining Pty Ltd	Granted	-	100%
EPM15694	Mojo Mining Pty Ltd	Granted	-	100%
EPM15695	Mojo Mining Pty Ltd	Granted	-	100%
EPM15696	Mojo Mining Pty Ltd	Granted	-	100%
EPM15697	Mojo Mining Pty Ltd	Granted	-	100%
EPM15698	Mojo Mining Pty Ltd	Granted	-	100%
EPM15699	Mojo Mining Pty Ltd	Granted	-	100%
EPM15700	Mojo Mining Pty Ltd	Granted	-	100%
EPM15701	Mojo Mining Pty Ltd	Granted	-	100%
EPM15702	Mojo Mining Pty Ltd	Granted	-	100%

+ See chapter 19 for defined terms.