



# QUARTERLY REPORT

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DECEMBER 2008



Positioning of Autoclave (750t – 38 metres long)  
Ramu Nickel-Cobalt Mine

## KEY POINTS

### RAMU NICKEL PROJECT

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- Project fully funded and construction on plan for completion by end of 2009 and on budget for a total cost of US\$1.4 billion.
- First of three autoclaves arrived late December 2008 and was offloaded and positioned on 2 January 2009 (weighing 750t and nearly 40 metres in length).
- Ramu NiCo Bridge over the Ramu River completed and officially opened on 11 December 2008.
- Wharf completed in late November and in full use.
- Access road between the Ramu NiCo Bridge and mine site completed by 2008 year end.
- Major earth works and foundations at refinery and mine site completed.
- Work continued on 135km slurry pipeline – 30km welded and installed while 75km has been manufactured and anticorrosion treatment completed.
- Madang offices completed and only final fit out outstanding.
- Project expenditure to date is approximately US\$600million.

### FRIEDA COPPER / GOLD PROJECT

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- Project advances to pre-feasibility stage.
- 2008 program expenditure US\$30.1 million – drilling totalled 21,285 metres from 65 holes.
- Execution model from the 2008 Extended Scoping Study has a configuration of 40Mtpa being mined over 27 years producing copper concentrate averaging approximately 600kt for the first 10 years then decreasing to an average of approximately 450kt for the balance of 27 years of mine life, with an average concentrate grade of 31%
- Project delivering 4.29Mt copper metal (160,000tpa) and 6.41Moz (240,000 oz pa),
- Further encouraging assay results released earlier this week together with an updated Mineral Resource estimate for the Horse-Ivaal-Trukai porphyry copper deposit.
- Highlands' share of costs until completion of a Feasibility Study to be fully funded by Xstrata.

### KAINANTU

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- Transfer of EL 1277 remains outstanding – the transfer will result in a further US\$3 million being received from Barrick Gold Corporation.

### EXPLORATION

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- 2008 exploration program completed 7 holes for 1300 metres at Yangalemu (Wau/Bulolo EL 1340) – US\$1.3 million.
- A follow up hole and final report to be completed in the first quarter of 2009.

### CORPORATE

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- Cash reserves at the end of the quarter of US\$20 million (or AU\$29 million) – funds held in both AUD and USD holdings.
  - Management continues to review projects and corporations with a focus on gold and base metals in a time of potentially low acquisition prices, while acknowledging that cash will be a valuable asset for the near future.
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## **RAMU PROJECT**

(HIGHLANDS PACIFIC: 8.56%)

MCC Ramu NiCo Limited (owner of 85% of the Ramu nickel cobalt project) and 100% owned subsidiary of China Metallurgical Construction Corporation (MCC) is the project manager for the project. The project remains on track for the targeted completion of construction by the end of 2009 and on budget with a total cost of US\$1.4 billion.

Highlights for the quarter included the following:

- First autoclave (750 tonne, 40 metres long) shipped from China and now installed at Basamuk. Remaining two autoclaves will be installed in the 2<sup>nd</sup> quarter 2009.
- Ramu NiCo Bridge completed and officially opened in December 2008. This bridge, while bringing great benefits to the local community, facilitates access and the shipment of large equipment to the mine site.
- Wharf capable of berthing 50,000 tonne ships was completed in November and is now central to importing large prefabricated equipment to hasten construction.
- Madang offices completed in December 2008
- A meeting of world experts on Deep Sea Tailings Disposal (DSTP) was held in Madang in November 2009. A design that meets world's best practices has been chosen for the Ramu project.
- Continued work on 135km slurry pipeline – about a third of the pipe work is now completed. Extensive surveying carried out to find the best location for the pipeline and areas requiring the pipe to be buried have been identified. All pipes are coated with an anti-corrosion coating.

Total capital expenditure and commitments to date on the project is approximately US\$600m. Over 2,000 people employed on the project through the operator and contractors, with some 1,900 PNG nationals employed. Numbers will increase further as the project continues through the construction phase in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2009.

The project is fully funded.

Highlands has an 8.56% interest in the Ramu project which will increase to 11.30% at no cost to the Company after repayment of the debt raised to finance the project has been completed. From commissioning, HPL is able to have access to its pro-rata 8.56% share of Ramu's post-debt servicing net cash flow. When the finance is repaid, HPL will also have the option to purchase an additional 9.25% in Ramu at fair market value which, if exercised, would take HPL's interest to 20.55%. It should be noted that the development of the Ramu project will be non-recourse to HPL with respect to the debt funding, while the equity funding is a free carry to HPL in respect to its 8.56% interest. HPL's share of product based on its 8.56% share is 2,666 tonnes of nickel and 282 tonnes of cobalt per annum, rising to 3,520 tonnes of nickel and 373 tonnes of cobalt when equity increases to 11.30%.

MCC (Fortune 500 Company) is a major driving force behind the growth of China's steel industry and a major contractor on a number of key projects in China and the Asia Pacific region. The company is a leading investor, licensed by the Chinese Government, in natural resources exploration. MCC has to date invested as much as US\$1 billion in mining resources abroad, including the production facilities and interests in mineral deposits. MCC is one of the largest equipment manufacturers in China and has total assets of approximately US\$20 billion. In 2007, the company had revenue of US\$18 billion and total profit for the group of US\$1 billion. It has over 50,000 technical and managerial employees.

Other Chinese parties involved with MCC are Jinchuan Group Limited; Jilin Jien Nickel Industry Co., Ltd.; and Jiuquan Iron and Steel (Group) Co., Ltd. These are all major players in the steel and nickel industry in China. Jinchuan is also the largest producer of nickel metal and cobalt in China and is the fifth largest in the world. It has been very active in the Australasian market recently in both signing off-take agreements and taking holdings directly in companies. Jilin is one of the largest producers of nickel sulfate in the world and Jiuquan is a major domestic iron and steel smelting company which is listed in the top 500 of Chinese national enterprises.

## **FRIEDA RIVER PROJECT**

(HIGHLANDS PACIFIC: 16.68%)

HPL is exploring the Frieda porphyry copper gold deposit in joint venture with Xstrata Frieda River Limited (Xstrata) and OMRD Frieda Co. Limited (OMRD). Xstrata is funding Highlands' share of the expenditure until completion of the Feasibility Study.

After the completion of the Extended Scoping Study in 2008, the project will now progress to the pre-feasibility stage which is estimated to take 18 months.

The Extended Scoping Study defined an execution model with the following configuration:

- Open pit operation at Horse-Ivaal-Trukai mining 40Mtpa with a LOM strip ratio of 0.96;
- A two line concentrator delivering concentrate to be exported via a pipeline to a new port on the north coast of PNG;
- Copper concentrate production averaging approximately 600kt for the first 10 years then decreasing to an average of approximately 450kt for the balance of 27 years of mine life, with an average concentrate grade of 31%;
- On site hydro power generation;
- Construction commencing in 2012;
- Production commencing in 2016; and the
- Project delivering 4.29Mt copper metal (160,000tpa) and 6.41Moz (240,000 oz pa),

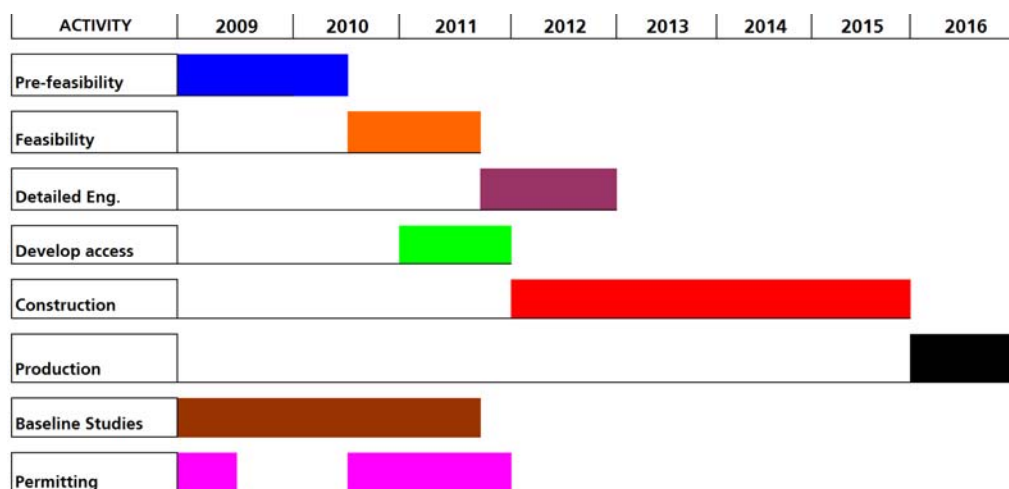
The 2009 Pre-Feasibility Study program will include the following activities:

- 35-37,000m of drilling – consisting of infill drilling, metallurgical samples, waste rock characterisation, geotechnical data for pit wall design; sterilisation drilling for infrastructure sites;
- Revised resource estimate (approximately November 2009);
- Preparation work for the mine plan and schedule;
- Flotation test work on Nena ores;
- Preparation for pilot plant;
- Engineering design work on the hydro-electric dam including geotechnical evaluation;
- Environmental baseline monitoring will continue;
- Re-estimation of capital and operating costs; and
- Community affairs work aimed at resolving outstanding land ownership claims.

The 2008 program resulted in the completion of an Extended Scoping Study and had expenditure totalling US\$30.1 million which included 21,285 metres of drilling from 65 holes. Other work completed in the quarter as part of the 2008 program included:

- An update to the Mineral Resource estimate for the Horse-Ivaal-Trukai porphyry copper deposit;
- A Topographical survey;
- Phase 1 of the Sepik River biological survey;
- A desktop water management study;
- Continued infrastructure, environmental, process engineering, mine scheduling and planning studies; and
- Flotation test work on the six Horse-Ivaal-Trukai characterisation composites. Preliminary flotation results have good copper recoveries and excellent gold recoveries.

The work program prepared by Xstrata for the Frieda River project which, provided a number of challenges are met, will have the following timeline:



The project covers Exploration Licences 58 and 1212 and the Nena Deposit which is subject to Xstrata making an option payment of US\$10.8million to Highlands. The project is a Joint Venture between Xstrata 75.14%, HPL 16.68% and OMRD 8.18%. To retain its interest in the project, Xstrata must complete a Feasibility Study by January 2012.

Xstrata is the project operator.

## EXPLORATION

Drilling program at Yangalemu resulted in 7 holes being drilled for 1300 metres at a cost of US\$1.3 million. Results received to date are as follows:

2008 Drill Collars						
Hole	North	East	Level	Depth	Azimuth	Dip
008YD08	9194820	465690	1170	200.2	177	50
009YD08	9194820	465690	1170	203.1	356	56
010YD08	9194920	465690	1140	134.2	172.5	50
011YD08	9194820	465540	1195	234.1	185.5	52
012YD08	9194820	465540	1195	200.6	360	50
013YD08	9194920	465540	1170	200.6	186	50

Intercepts assaying greater than 0.5 g/t gold are as follows

Hole	Depth from	Depth to	Sample No	Interval (m)	Au (g/t)
008YD08	6.2	8.5	148202	2.3	2.5
008YD08	100	102	148263	2	0.66
008YD08	102	104	148264	2	3.31
008YD08	147	148	148294	1	1.82
008YD08	148	149	148295	1	0.69
008YD08	196	197	148330	1	9.31
009YD08	0	2	148334	2	17.7
009YD08	42.6	44.2	148358	1.6	2.1
009YD08	60	61	148373	1	0.68
009YD08	99	100	148412	1	2.47
009YD08	183	184	148696	1	1.28
009YD08	194	195	148707	1	0.57
009YD08	195	196	148708	1	0.83
010YD08	0	1.5	148716	1.5	0.71
010YD08	14	15	148726	1	0.74
010YD08	20.2	21.6	148730	1.4	0.61
010YD08	74	75	148816	1	0.95
010YD08	91	92	148833	1	0.58
010YD08	109	110	148851	1	0.91
010YD08	114	115	148856	1	1.57
010YD08	115	116	148857	1	2.03
010YD08	131	132	148873	1	0.5
011YD08	2	3	148877	1	0.77
011YD08	19	20	148893	1	14
011YD08	20	21	148894	1	0.54
011YD08	52	53	148926	1	1.49
011YD08	105	106	148979	1	0.59
012YD08	26	27	93426	1	0.59
012YD08	29	30	93429	1	0.83
012YD08	31	32	93431	1	3.35
012YD08	32	33	93432	1	2.84
012YD08	124	125	93572	1	0.64
013YD08	24	25	100825	1	0.75
013YD08	31	32	100832	1	0.61
013YD08	32	33	100833	1	0.67
013YD08	71.5	72	100874	0.5	1.31
013YD08	72	73	100875	1	0.77
013YD08	77	78	100880	1	5.14
013YD08	78	79	100881	1	1.58
013YD08	89	90	100892	1	1.07
013YD08	99	100	100902	1	0.75
013YD08	124	125	100927	1	1.3
013YD08	126	127	100929	1	11

A follow up hole and the final report on the program will be completed during the first quarter 2009.

*Notes:*

*The following statements apply to the Yangalemu results:*

- *Mineralised intersections are quoted as down hole widths. The mineralisation occurs as vein stockworks.*
- *Collar locations are in UTM Zone 55 co-ordinates using the AGD66 horizontal datum.*
- *Drill core is HQ or NQ size.*
- *Assays were carried out on half sawn core. The half core is crushed and pulverized to ~ 180 mesh. 200 gram samples are despatched for assay. QAQC control samples make up approximately 10% of each batch sent for analysis. The unused half core is stored on site.*
- *Samples were analysed at Intertek in Jakarta. Gold is by 50g fire assay and copper by ICP-AES on an a three acid digest.*
- *Hole positions are based on surveys of the drill pad. Actual collars are within 10m of stated locations.*

*The exploration results reported here are based on information compiled by Mr L.D. Queen who is a member of the Australian Institute of Mining and Metallurgy, and who is employed by Highlands Pacific Limited. Mr Queen has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2004 Edition". He consents to the inclusion in the report of the matters based on the information compiled by him in the form and context in which it appears*

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#### Forward Looking Statements

This announcement includes certain 'Forward Looking Statements'. All statements, other than statements of historical fact included herein, including without limitation, statements regarding potential mineralization, resources and reserves, exploration results and future plans and objectives of Highlands Pacific Group Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

# ATTACHMENT 1

## LIST OF MINING TENEMENTS

Tenement Reference	Beneficial Interest at Commencement of Period	Beneficial Interest at End of Period
Exploration (Highlands Pacific Resources Limited) ELs 1277 and 1340	100% Note 1	100% Note 1
Frieda River Project (Highlands Frieda Limited) ELs 0058 and 1212 ELs 1312 and 1392 ELAs 1654, 1655, 1656, 1657, 1658 and 1659	16.68% Note 1, 2 28% Note 1, 3 16.68% Note 1	16.68% Note 1, 2 28% Note 1, 3 16.68% Note 1
Ramu Project (Ramu Nickel Limited) SML 8 ML 149 LMPs 42, 43, 44, 45, 46, 47, 48 and 49 MEs 75, 76, 77, 78 and 79 ELs 193 and 1178	8.56% 8.56% 8.56% 8.56% 8.56%	8.56% 8.56% 8.56% 8.56% 8.56%

## NOTES

1. Subject to the right of the Independent State of Papua New Guinea to acquire a 30% equity interest in any mining development in that country.
2. Highlands Pacific retains an 89.22% interest in the Nena Deposit (part of EL 0058), which is subject to an Option Agreement with Xstrata.
3. Highlands Pacific holds 28% of the Nong River EL's – EL1312 and EL 1392.
4. Definitions:
  - EL - Exploration Licence
  - ELA - Exploration Licence Application
  - SML - Special Mining Lease
  - ML - Mining Lease
  - LMP - Lease for Mining Purpose
  - ME - Mining Easements

## APPENDIX 5B

### MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HIGHLANDS PACIFIC LIMITED

ACN or ARBN

ARBN 078 118 653

QUARTER ENDED ("CURRENT QUARTER")

31 DECEMBER 2008

**NOTE:** As Highlands operating and mining development decisions are based on US dollars, Highlands Directors have adopted the US dollar as Highlands functional and management reporting currency. For ease of understanding by the Australian and PNG investment communities, results have been converted, in this report, to \$A at the rate ruling at the end of the quarter of \$A/\$US 0.6928.

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Current quarter	Current quarter	Year to date	Year to date
	\$US'000	\$A'000	(12 months) \$US'000	(12 months) \$A'000
<b>Cash flows related to operating activities</b>				
1.1 Receipts from product sales and related debtors	19	27	6,880	9,931
1.2 Payments for:				
(a) exploration and evaluation	(738)	(1,065)	(1,343)	(1,939)
(b) development	-	-	-	-
(c) production	-	-	(1,566)	(2,260)
(d) administration	(882)	(1,273)	(3,683)	(5,316)
1.3 Dividends received	-	-	-	-
1.4 Interest and other items of a similar nature received	264	381	958	1,383
1.5 Interest and other costs of finance paid	-	-	-	-
1.6 Income taxes paid	-	-	-	-
1.7 Other - Education Endowment Trust	(463)	(668)	(463)	(668)
<b>Net Operating Cash Flows</b>	<b>(1,800)</b>	<b>(2,598)</b>	<b>783</b>	<b>1,130</b>
<b>Cash flows related to investing activities</b>				
1.8 Payment for purchases of:				
(a) prospects	-	-	(1,017)	(1,468)
(b) equity investments	-	-	-	-
(c) other fixed assets	(4)	(6)	(377)	(544)
1.9 Proceeds from sale of:				
(a) prospects	-	-	4,000	5,774
(b) equity investments	-	-	-	-
(c) other fixed assets	-	-	686	990
1.10 Loans to other entities	-	-	-	-
1.11 Loans repaid by other entities	-	-	-	-
1.12 Other	-	-	-	-
<b>Net investing cash flows</b>	<b>(4)</b>	<b>(6)</b>	<b>3,292</b>	<b>4,752</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,804)</b>	<b>(2,604)</b>	<b>4,075</b>	<b>5,882</b>

<b>Cash flows related to financing activities</b>					
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	-	-	-	-
	<b>Net financing cash flows</b>	-	-	-	-
	<b>Net increase (decrease) in cash held</b>	(1,804)	(2,604)	4,075	5,882
1.20	Cash at beginning of quarter/year to date	25,098	31,388	20,751	21,104
1.21	Exchange rate adjustments to item 1.20 - unrealised	(3,028)	468	(4,560)	2,266
1.22	<b>Cash at end of quarter</b>	<b>20,266</b>	<b>29,252</b>	<b>20,266</b>	<b>29,252</b>

**Payments to directors of the entity and associates of the directors**  
**Payment to related entities of the entity and associates of the related entities**

	Current quarter	
	\$US'000	\$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	82	118
1.24 Aggregate amount of loans to the parties in item 1.10	nil	nil
1.25 Explanation necessary for an understanding of the transactions	<div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Refer Quarterly Report</div>	

**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	<div style="border: 1px solid black; padding: 5px; margin: 5px 0;">None</div>
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	<div style="border: 1px solid black; padding: 5px; margin: 5px 0;">None</div>

### Financing facilities available

	Amount available		Amount used	
	\$US'000	\$A'000	\$US'000	\$A'000
3.1 Loan facilities:				
Bridging Facility	nil	nil	nil	nil
Project Finance	nil	nil	nil	nil
3.2 Credit standby arrangements	Nil	Nil	n/a	n/a

### Estimated cash outflows for next quarter

	\$US'000	\$A'000
4.1 Exploration and evaluation		
Wau/Bulolo	250	361
Frieda River (to be funded by joint venturer)	-	-
Other	-	-
<b>Total Exploration and evaluation</b>	<b>250</b>	<b>361</b>
4.2 Development		
Ramu (to be funded by joint venture)	-	-
Other	-	-
<b>Total Development</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>250</b>	<b>361</b>

### 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	Current quarter	Previous quarter	Previous quarter
	\$US'000	\$A'000	\$US'000	\$A'000
5.1 Cash on hand and at bank	278	401	5,054	6,321
5.2 Deposits at call	5,214	7,526	3,024	3,782
5.3 Bank overdraft	-	-	-	-
5.4 Other short-term deposits	14,774	21,325	17,019	21,285
<b>Total cash at end of quarter (item 1.22)</b>	<b>20,266</b>	<b>29,252</b>	<b>25,098</b>	<b>31,388</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note 2)	Interest at beginning of qtr	Interest at end of qtr
6.1 Interests in mining tenements relinquished, reduced or lapsed		Refer Table 2 in Quarterly Report		
6.2 Interests in mining tenements acquired or increased		Refer Table 2 in Quarterly Report		

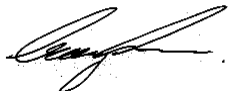
**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Issued during quarter				
7.3 + Ordinary securities	652,402,148	652,402,148		
7.4 Issued during quarter				
+ Convertible debt securities <i>(description and conversation factor)</i>				
7.5				
7.6 Issued during quarter				
7.7 Options <i>(description and conversation factor)</i>	Refer Attachment A		Exercise Price	
Project Financiers	32,144,483	Nil	AUD 0.54	Nil
Directors' and Executives' Option Incentive Scheme	22,990,000	Nil	Refer attached	Nil
Other Investors	43,025,908	Nil	Refer attached	Nil
7.8 Issued during quarter	Nil	Nil	Refer attached	Nil
7.9 Exercised during quarter	Nil	n/a	n/a	n/a
7.10 Expired & lapsed during quarter	Nil	Nil	n/a	Nil
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

## COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law 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: .....  
(Director/Company Secretary)

Date: 29 January 2009

Print name: C T LENNON

### 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.

## ATTACHMENT A

### HIGHLANDS PACIFIC LIMITED APPENDIX 5B – ITEM 7.7

#### OPTIONS (DESCRIPTION AND CONVERSION FACTOR)

Outstanding at the end of the quarter	Issued	Exercised
Exercise Price	A\$0.54	A\$0.54
Number of Options	11,144,483	Nil
Expiry Date	31 December 2009	31 December 2009
Exercise Price	A\$0.435	A\$0.435
Number of Options	100,000	Nil
Expiry Date	Various dates	Various dates
Exercise Price	A\$0.423	A\$0.423
Number of Options	1,000,000	Nil
Expiry Date	31 July 2010	31 July 2010
Exercise Price	A\$0.50	A\$0.50
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	4 May 2010
Exercise Price	A\$0.55	A\$0.55
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	4 May 2010
Exercise Price	A\$0.60	A\$0.60
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	4 May 2010
Exercise Price	A\$0.65	A\$0.65
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	4 May 2010
Exercise Price	A\$0.175	A\$0.175
Number of Options	2,500,000	Nil
Expiry Date	19 July 2010	19 July 2010
Exercise Price	A\$0.175	A\$0.175
Number of Options	200,000	Nil
Expiry Date	31 July 2011	31 July 2011
Exercise Price	A\$0.155	A\$0.155
Number of Options	10,000,000	Nil
Expiry Date	21 May 2010	21 May 2010
Exercise Price	A\$0.20	A\$0.20
Number of Options	21,000,000	Nil
Expiry Date	21 Aug 2010	21 Aug 2010
Exercise Price	A\$0.175	A\$0.175
Number of Options	3,800,000	Nil
Expiry Date	12 Dec 2010	12 Dec 2010
Exercise Price	A\$0.30	A\$0.30
Number of Options	3,390,000	Nil
Expiry Date	28 Feb 2013	28 Feb 2013
Exercise Price	A\$0.13	A\$0.30
Number of Options	2,000,000	Nil
Expiry Date	19 July 2011	19 July 2011

Options expired or lapsed during the quarter

Outstanding at the end of the quarter	Issued	Exercised
Exercise Price	A\$0.37	A\$0.37
Number of Options	443,750	Nil
Expiry Date	Various dates	Various dates
Exercise Price	A\$0.435	A\$0.435
Number of Options	37,500	Nil
Expiry Date	Various dates	Various dates

No options issued during the quarter.

No options were exercised during the quarter.