



ASX Release: 28 October, 2009

## Quarterly Activities Report - for the period ended 30 September 2009

ASX Code: HIG

Shares on Issue: 656 million

Options on Issue: 98 million

*Construction of the Ramu Nickel project is nearing completion with commissioning to commence by the end of the year*

### Directors

Ken MacDonald, *Chairman*

John Gooding, *Managing Director*

Ian Burvill

Mike Carroll

Rod Mitchell

Fiu Williame-Igara

### Management

Craig Lennon, *CFO & Co.Sec*

Terry Smith, *GM Mining & BD*

Larry Queen, *Chief Geologist*

Peter Jolly, *GM Technical*

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## HIGHLIGHTS

### Ramu Nickel (8.56%)

- Project fully funded and construction on schedule and on budget for a total cost of US\$1.4 billion.
- Expenditure for the quarter was US\$135m (and US\$1,065 million to date)
- 135km slurry pipeline completed and pressure testing commenced.
- All major items, purchased, shipped to site and are in an advanced stage of installation.
- Commissioning of power stations and water supply systems commenced in October.

### Frieda River (16.9%)

- US\$9.0m expenditure for the quarter with Highlands free carried.
- Expenditure of US\$25.9 million year to date against a budget of US\$27.4 million.
- Upgraded resource model expected in December 2009.
- 9,078m drilled for the quarter (31,958m drilled year to date)
- 200 personnel employed on site at the end of September.
- Pit designs including access road and ramp designs are being progressed.

### Exploration:

- Tifalmin (EL 1392) exploration licence (100% Highlands) renewed with Highlands sole funding a US\$3m exploration program on this and the Nong River licences (Highlands 100% subject to joint venture agreement with Xstrata). Both licences are in an area 20km from Ok Tedi in the Sandaun or West Sepik Province.

### Corporate:

- Cash reserves at the end of the quarter of US\$23.5 million (or AU\$26.7 million).
- Continued review of projects and corporations with Australasia Pacific focus.

## SUMMARY COMMENTS by Managing Director John Gooding

"Highlands Pacific remains in a financially robust position with no debt, US\$23.5 million of cash and carried interest in two world scale projects. Construction of the Ramu Nickel project is proceeding at pace with commissioning of various ancillary parts of the plant already commenced. At the Frieda River copper gold project 5 rigs are on site doing resource drilling, in-pit geotechnical and infrastructure geotechnical drilling. Work on the pre-feasibility study is progressing well and throughput options of 50Mtpa now being considered firmly places Frieda as one of the world's Top 10 emerging open-pit copper projects. Our recently announced exploration program on the Nong River and Tifalmin EL's is a further exciting development with drilling anticipated next year to follow up good intersections obtained by Kennecott in the early 1970's."

## OUTLOOK

"With the construction of the Ramu project nearing completion focus is very much turning towards a staged commissioning. While some sections have already commenced commissioning, the key items will take place over the next six months and will be an exciting time for the project."

"At Frieda River the very encouraging resource drilling results during the past 12 months point to a significant resource update due in December this year. This will divetail with the technical and community work currently being undertaken and will culminate in the finalisation of the Pre-Feasibility study in mid 2010."



## About Ramu Nickel Cobalt Project

**Location:** Ramu is located 75 km west of the provincial capital of Madang, PNG.

**Resource:** An updated feasibility study released in 2007 showed 3.4 mtpa at 1.01% Nickel and 0.10% cobalt to sustain a minimum 20 year mine life. The mineral resources at Ramu have the potential to increase the mine life by a further 15-20 years.

**Production:** The Basamak treatment plant will have an annual production of 31,150 tonnes of nickel and 3,300 tonnes of cobalt.

**Share:** Highland's share of product based on its 8.56% share is 2,666 tpa of nickel and 282 tpa of cobalt, rising to 3,520 tpa of nickel and 373 tpa of cobalt when equity increases to 11.30%.

**Equity:** Highlands has an 8.56% interest in the Ramu project which will increase to 11.3% at no cost to the Company after repayment of the debt raised to finance the project has been completed from operating cash flow (estimated to be 8 years). Highlands also has an option to acquire an additional 9.25% at fair market value which could increase its 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.

From commissioning, Highlands is able to have access to its pro-rata 8.56% share of Ramu's post-debt servicing net cash flow.

## RAMU NICKEL PROJECT (8.56% with potential to move to 20.55%)

- Project fully funded and construction on schedule and on budget for a total cost of US\$1.4 billion.
- Project expenditure for the quarter was US\$135 million and approximately US\$1,065 million to date.
- 135km slurry pipeline is completed.
- Construction on schedule for completion by end of 2009,
- Commissioning of various ancillary parts of the plant has already commenced. Commissioning is likely to continue through the first quarter of 2010 as planned.
- All major equipment has been purchased, shipped to site and is in the advanced stage of installation. This includes autoclaves, flash vessels, acid plant, power generators, thickeners, pumps and major valves

### COMMENTS

MCC Ramu NiCo Limited owns 85% of the Ramu Nickel Cobalt project and is a 61% owned subsidiary of China Metallurgical Construction Corporation (MCC) which through its 100% owned Ramu NiCo Management (MCC) Limited is the project manager. The project remains on track for the targeted completion of construction by the end of 2009 and on budget.

Highlights for the quarter included the following:

- 135km slurry pipeline completed with pressure testing commenced.
- Commissioning on power stations and water supply systems commenced in October.
- HAZOP conducted on the HPAL system in early October using an Australian consultant familiar with HPAL plants to augment studies already completed by MCC.
- Completion of 10 relocation houses for the Kurumbukari villagers and the development of further plans in conjunction with the landowners to complete the entire relocation by end of 2009.
- Project video produced and shown on PNG national television.
- All major equipment has been purchased, shipped to site and is in an advanced stage of installation. Equipment used is from world renowned suppliers to the industry including, autoclaves (Morimatsu), autoclave pumps (Wirth), autoclave stirrers and seals (Ekato), autoclave valves (Mogas), thickeners (FSSmith), power generators (Wartsilla), filters (Larox) and Liebherr excavators and Volvo trucks for mining.
- Madang offices and accommodation complex completed and now operational.
- A detailed commissioning plan has been developed and 144 managerial, technical and operational employees have been recruited.
- Production operational procedures and safety procedures have been developed.

China Metallurgical Construction Corporation (MCC) (Fortune 500 Company and recently listed on the Hong Kong and Shanghai Stock Exchanges) 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. MCC is a large industrial group operating in various specialized fields, across different industries and in many countries, with engineering and construction, resources development, equipment manufacturing and property development as their principal businesses. In 2008, the company had total assets of approximately US\$25 billion, revenues of nearly US\$25 billion and total operating 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

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Picture 1 -Construction at Basamuk treatment plant at the Ramu Nickel-Cobalt Mine.



Picture 2 – Part of the new mining fleet to be used at the Ramu Nickel-Cobalt Mine.



Picture 3 – Administration complex for the Ramu Nickel Cobalt Mine in Madang.





## About Frieda River Copper Gold Project

**Location:** The Frieda River project is one of the world's largest undeveloped copper/ gold resources.

**Owners:** The project owners are Xstrata Frieda River Limited (76.2%), Highlands (16.9%) and OMRD (6.9%). Highlands has a free-carried interest in the Frieda project through to completion of a Feasibility Study (required to be completed by January 2012).

The adjacent Nena project is 100% owned by Highlands, however Xstrata have an option to move to the same percentage as above by paying Highlands US\$10.8m.

**Studies:** The project is currently the subject of an 18-month pre-feasibility study due in mid-2010.

**Scale:** The results of an extended scoping study were released in early 2009 and envisaged a 40Mtpa plant with production over an initial 27 year mine life averaging 160,000 tonnes of copper metal and 240,000 ounces of gold per year.

Xstrata's budgeted expenditure for 2009 is US\$36 million, with similar annualised levels of expenditure expected for the first half of 2010 to complete the Pre-Feasibility Study prior to a decision on a 12 month feasibility study.

## Frieda River copper / gold project (16.9%)

- Project in pre-feasibility stage.
- US\$9.0m expenditure for the quarter with Highlands free carried.
- Expenditure of US\$25.9 million year to date against a budget of US\$27.4 million.
- Upgraded resource model expected in December 2009 with a number of holes from the 2009 drilling program extending beyond the current resource model, to be included.
- 31,958m drilled year to date (9,078m drilled for the quarter) – latest drilling results released on 8 October 2009.
- Initial draft pre-feasibility study on potential hydroelectric power generation completed and under review.
- Pit designs including access road and ramp designs are being progressed.
- Project has completed 12 months free of disabling injuries.
- Highlands' share of costs until completion of a Feasibility Study to be fully funded by Xstrata.

### COMMENTS

Highlands Pacific is exploring the Frieda River 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. The project progressed into the pre-feasibility stage at the beginning of 2009.

The December 2008 Extended Scoping Study defined a project 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;
- On site hydro power generation;
- Construction commencing in 2012 and production commencing in 2016.

The 2009 Pre-Feasibility Study program includes the following activities:

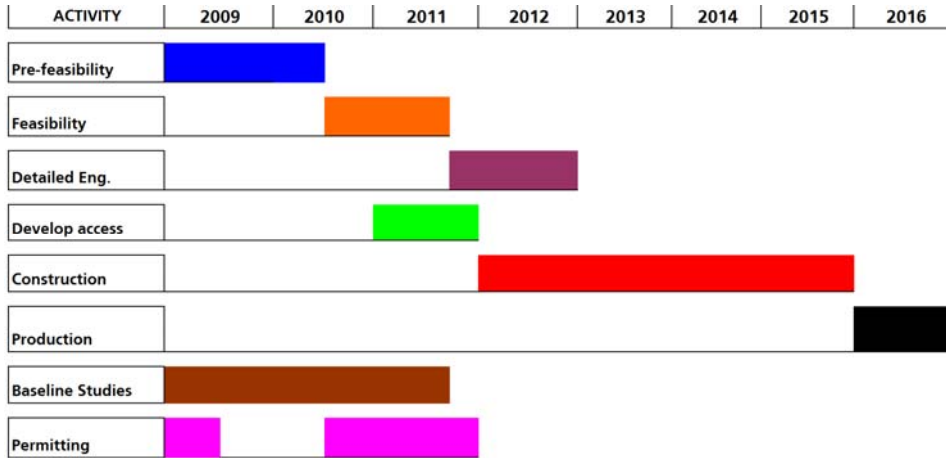
- Review of execution models for a plus 40Mtpa operation;
- 37,000m of drilling consisting of infill drilling, metallurgical sampling, waste rock characterisation, generation of geotechnical data for pit wall design, dam construction and plant facilities and sterilisation drilling for infrastructure sites;
- Revised resource estimate (due in December 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;
- Re-estimation of capital costs; and
- Community affairs work aimed at resolving outstanding land ownership claims.

Other work completed year to date includes the following:

- Initial draft pre-feasibility study on potential hydroelectric power generation completed and under review;
- Appointment by Xstrata (as the manager of the project) of Bechtel to provide technical services in relation to the overall project evaluation; and
- Annual project sustainability report completed and released,



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



The Frieda River project covers Exploration Licences 58 and 1212, with the Nena Deposit subject to Xstrata making a further option payment of US\$10.8million to Highlands for it to be included. The Frieda River project is a Joint Venture between Xstrata 76.2%, HPL 16.9% and OMRD 6.9%. To retain its interest in the project, Xstrata must complete a Feasibility Study by January 2012.

#### Exploration Focus

*A number of highly prospective exploration leases.*

*Nong River and Tifalmin US\$3m exploration program. Both only 20km from Ok Tedi mine.*

#### EXPLORATION

- Activity during the quarter related to desk top reviews on exploration licenses on the Wau-Bulolo area (EL 1340 – 100% owned) containing the Yangalemu and Kobiak prospects, the Tifalmin area (EL 1392 – 100% owned) and the Nong River area (EL 1312 – subject to joint venture agreement with Xstrata).
- Recently announced US\$3m exploration program over the known copper gold porphyry prospects covered by the Nong River and Tifalmin exploration licences.
- Exploration program will commence in the next quarter and consist of 860km of airborne electromagnetic survey over both Tifalmin and Nong River licences and 2,400m of diamond drilling
- The Nong River EL is subject to a joint venture agreement with Xstrata whereby they can earn a 72% interest by producing a feasibility study. Under the agreement Highlands can sole fund its own exploration program in the absence of an Xstrata exploration program. Xstrata has the right to revert to a 72% interest by paying Highlands three (3) times the expenditure incurred by Highlands .

#### Corporate Focus

*A Papua New Guinea (PNG) based diversified mineral resource company.*

#### CORPORATE – Cash Reserves \$US23.5 Million

- Cash reserves at the end of the quarter of US\$23.5 million (or AU\$26.7 million) – funds held in both AUD and USD holdings.
- During the quarter management continued to review projects and corporations with a focus on gold and base metals in the Australasia Pacific region.



## 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) EL 1340	100% Note 1	100% Note 1
Frieda River Project (Highlands Frieda Limited) ELs 0058 and 1212	16.9% Note 1, 2	16.9% Note 1, 2
EL 1312	28% Note 1, 3	28% Note 1, 3
EL 1392	100% Note 1	100% Note 1
ELAs 1654, 1655, 1656, 1657, 1658 and 1659	16.9% Note 1	16.9% Note 1
Ramu Project (Ramu Nickel Limited) SML 8	8.56%	8.56%
ML 149	8.56%	8.56%
LMPs 42, 43, 44, 45, 46, 47, 48 and 49	8.56%	8.56%
MEs 75, 76, 77, 78 and 79	8.56%	8.56%
ELs 193 and 1178	8.56%	8.56%

### NOTES

- 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.
- Highlands Pacific retains an 89.22% interest in the Nena Deposit (part of EL 0058), which is subject to an Option Agreement with Xstrata.
- Highlands Pacific holds 28% of the Nong River EL's – EL1312.
- 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

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### MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HIGHLANDS PACIFIC LIMITED

ACN or ARBN

ARBN 078 118 653

QUARTER ENDED ("CURRENT QUARTER")

30 SEPTEMBER 2009

**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 0.8801.



## CONSOLIDATED STATEMENT OF CASH FLOWS

	Current quarter \$US'000	Current quarter \$A'000	Year to date (6 months) \$US'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>				
1.1 Receipts from product sales and related debtors	5	6	23	26
1.2 Payments for:				
(a) exploration and evaluation	(35)	(40)	(356)	(404)
(b) development	-	-	-	-
(c) production	-	-	-	-
(d) administration	(1,080)	(1,227)	(3,016)	(3,427)
1.3 Dividends received	-	-	-	-
1.4 Interest and other items of a similar nature received	87	99	325	369
1.5 Interest and other costs of finance paid	-	-	-	-
1.6 Income taxes paid	(2)	(2)	(10)	(11)
1.7 Other	-	-	-	-
<b>Net Operating Cash Flows</b>	<b>(1,025)</b>	<b>(1,165)</b>	<b>(3,034)</b>	<b>(3,448)</b>
<b>Cash flows related to investing activities</b>				
1.8 Payment for purchases of:				
(a) prospects	-	-	-	-
(b) equity investments	-	-	-	-
(c) other fixed assets	(43)	(49)	(58)	(66)
1.9 Proceeds from sale of:				
(a) prospects	-	-	3,000	3,409
(b) equity investments	-	-	-	-
(c) other fixed assets	333	378	1,347	1,531
1.10 Loans to other entities	-	-	-	-
1.11 Loans repaid by other entities	-	-	-	-
1.12 Other	-	-	-	-
<b>Net investing cash flows</b>	<b>290</b>	<b>330</b>	<b>4,289</b>	<b>4,873</b>
1.13 Total operating and investing cash flows (carried forward)	(735)	(835)	1,255	1,426

<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(735)</b>	<b>(835)</b>	<b>1,255</b>	<b>1,426</b>
1.20 Cash at beginning of quarter/year to date	23,348	28,775	20,266	29,252
1.21 Exchange rate adjustments to item 1.20 - unrealised	851	(1,279)	1,943	(4,017)
1.22 <b>Cash at end of quarter</b>	<b>23,464</b>	<b>26,661</b>	<b>23,464</b>	<b>26,661</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	80	91
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		
Refer Quarterly Report		

**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
	None
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
	None



#### 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	25	28
Frieda River (to be funded by joint venturer)	-	-
Other	-	-
<b>Total Exploration and evaluation</b>	<b>25</b>	<b>28</b>
4.2 Development		
Ramu (to be funded by joint venture)	-	-
Other	-	-
<b>Total Development</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>25</b>	<b>28</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 \$US'000	Current quarter \$A'000	Previous quarter \$US'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,594	1,811	2,440	3,007
5.2 Deposits at call	-	-	-	-
5.3 Bank overdraft	-	-	-	-
5.4 Other short-term deposits	21,870	24,849	20,908	25,768
<b>Total cash at end of quarter (item 1.22)</b>	<b>23,464</b>	<b>26,661</b>	<b>23,348</b>	<b>28,775</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 conversion factor)</i>				
7.5				
7.6 Issued during quarter				
7.7 Options <i>(description and conversion factor)</i>	Refer Attachment A		<u>Exercise Price</u>	
Project Financiers	32,144,483	Nil	Refer attached	Nil
Directors' and Executives' Option Incentive Scheme	27,250,000	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: 28 October 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	
Number of Options	11,144,483	Nil
Expiry Date	31 December 2009	
Exercise Price	A\$0.423	
Number of Options	1,000,000	Nil
Expiry Date	31 July 2010	
Exercise Price	A\$0.50	
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	
Exercise Price	A\$0.55	
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	
Exercise Price	A\$0.60	
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	
Exercise Price	A\$0.65	
Number of Options	10,756,477	Nil
Expiry Date	4 May 2010	
Exercise Price	A\$0.175	
Number of Options	2,500,000	Nil
Expiry Date	19 July 2010	
Exercise Price	A\$0.175	
Number of Options	200,000	Nil
Expiry Date	31 July 2011	
Exercise Price	A\$0.155	
Number of Options	10,000,000	Nil
Expiry Date	21 May 2010	



Outstanding at the end of the quarter	Issued	Exercised
Exercise Price	A\$0.20	
Number of Options	21,000,000	Nil
Expiry Date	21 Aug 2010	
Exercise Price	A\$0.175	
Number of Options	3,800,000	Nil
Expiry Date	12 Dec 2010	
Exercise Price	A\$0.30	
Number of Options	3,390,000	Nil
Expiry Date	28 Feb 2013	
Exercise Price	A\$0.13	
Number of Options	2,000,000	Nil
Expiry Date	19 July 2011	
Exercise Price	A\$0.078	
Number of Options	1,360,000	Nil
Expiry Date	29 Jan 2014	
Exercise Price	A\$0.078	
Number of Options	2,000,000	Nil
Expiry Date	29 Jan 2014	
Exercise Price	A\$0.117	
Number of Options	1,000,000	Nil
Expiry Date	26 Jun 2012	

No options expired or lapsed during the quarter

No options were issued during the quarter.

No options were exercised during the quarter.