

30 January 2009
ASX Announcement

Quarterly Activities Review For the period ending 31 December 2008

SIBERIAN POTASH ACQUISITION AGREEMENT

On 16 December 2008 the Company announced it had entered into an agreement to acquire a 70% interest in a substantial potash project in South-East Siberia, Russia (**Potash Project**). The acquisition is conditional, inter alia, on the vendor demonstrating that it has clear title to the Potash Project. The Company expects that the acquisition of the Potash Project will be completed by mid 2009.

The consideration for acquiring the Potash Project is US\$9million cash and 6 million fully paid ordinary shares in the capital of the Company plus a further 6 million shares for every 50 million tonnes of JORC compliant potash resource, commencing from 100 million tonnes and up to a maximum of 500 million tonnes (with such resource being calculated up until the completion of the bankable feasibility study).

The 30% interest that the vendors retain will be free carried through to completion of a bankable feasibility study. The Company will provide such financial assistance to the vendors as they require to enable the vendor to be in a position to deliver the 70% interest in the Potash Project. Any such financial assistance will either be applied to the cash portion of the acquisition consideration to be refunded in full (in the event the acquisition does not proceed).

The agreement is subject to and conditional upon all required shareholder and regulatory approvals (if any) being obtained.

The Company will look to raise at least A\$25million in the first half of 2009 to fund the acquisition, to meet costs associated with undertaking a scoping study and related work on the Potash Project and for general working capital.

RUSSIAN TIMBER PROJECT

As announced to ASX on 19 June 2008, the Company has entered into a Memorandum of Understanding with Russian partners whereby the partners will provide the Company with the opportunity to acquire a 100% interest in a license to harvest a timber resource in Russia.

The Company continues to monitor the progress of the acquisition and remains confident that it will proceed to the acquisition of the License.

OTHER PROJECTS WITH RUSSIAN PARTNERS

The Company and its Russian Partners continue to source and review alternative resource projects, including mineral resources, for attractive opportunities to add shareholder value. The Company is currently reviewing several prospective projects.

The Company looks forward to updating the market on these exploration projects in the future.

EXPLORATION UPDATE

JILLEWARRA PROJECT

GPX Airborne completed a helicopter borne electromagnetic and magnetic survey over a portion of E51/1114 and P51/2565 with a view to identifying conductive bodies associated with massive sulphide beneath the surface. Results from the survey were received and were forwarded to a third party consultancy for processing and interpretation. The processing of both data sets has been completed but interpretation of the electromagnetic data is yet to be received.

A heritage survey was completed over likely drill areas on the Project. A final report has been received, clearing the way for reconnaissance drilling to begin over selected targets.

Yours faithfully



Kent Hunter
Managing Director - Red Emperor Resources NL