

WEDGETAIL EXPLORATION NL

ABN 85 003 257 556



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QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003

Highlights for the quarter include:

- Further encouraging results returned from the new Linq Prospect
2 metres @ 20.97 g/t gold from 23 metres
- All Nations mineralisation extended 100 metres
8 metres @ 2.50g/t gold from surface
- Mineralisation confirmed 750 metres southwest of Golden Eagle
15 metres @ 2.37 g/t gold from 34 metres
- A total of \$7,201,805 raised via Entitlements Issue



Corporate Activities

Following the conclusion of a pro-rata non-renounceable entitlements issue pursuant to its Prospectus dated 7 November 2003, the Company raised gross proceeds of \$7,201,805 represented by 205,765,862 shares at \$0.035 each. With each share there is 1 free attaching option exercisable at 5 cents on or before 31 December 2005. The funds will be used for exploration and to further the development of the Nullagine Project.

Exploration Activities

Linq Prospect

Highlights include: -

- Significant mineralisation encountered over nearly 1 kilometre of strike.
- Further confirmation of the effectiveness of the aeromagnetic survey.

Resample results have been returned from the initial and infill RAB programmes at the Linq prospect in the Five Mile Creek area. The drilling was designed to test 'gaps' from the first pass drilling and extend some of the previous lines. The interpreted shear structure at Linq has a NE/NNE trend similar to other prospects in the Five Mile Area.

Geological logging noted foliated and variably haematite-sericite-albite altered psammite and pelite. Quartz veining and albite alteration are typical in the more competent psammite. Two NNE shears appear to host the mineralisation but additional drilling is required to confirm this orientation. Further drilling is planned to test the along strike and down dip components of the Linq mineralisation. One metre samples were submitted to Ultratrace Laboratories for Fire Assay analysis for gold only. Intersections returned from drilling are tabulated below. A plan detailing drill hole locations is appended.

HOLE ID	NORTHING (AMG)	EASTING (AMG)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
WTRB158	7573804	207711	27	28	1	1.86
WTRB162	7573698	207772	51	57	6	1.36
WTRB163	7573666	207787	26	29	3	1.88
			33	34	1	2.02
WTRB169	7573470	207801	24	35	11	1.71
WTRB170	7573457	207804	41	42	1	1.25
WTRB172	7573385	207831	32	36	4	2.24
WTRB189	7574066	207930	23	25	2	20.97
WTRB190	7574047	207937	27	28	1	1.20
WTRB192	7573989	207972	42	49	7	2.12
Including			42	44	2	5.20
WTRB193	7573898	208013	30	31	1	1.14
WTRB199	7573530	208188	4	6	2	1.93
			10	11	1	1.21
			52	55	3	1.31
WTRB307	7573949	207989	28	30	2	1.01
WTRB308	7573920	208003	9	11	2	1.06
WTRB310	7573409	207827	24	27	3	1.51

Note:

Fire Assay analysis – Ultratrace laboratories.
 Intersections calculated as weighted averages.
 Intersections calculated using averaged gold value.
 Intersections calculated using a 0.5g/t Au lower cut and no upper cut.

Golden Eagle Prospect

Highlights Include: -

- Mineralisation confirmed in 'southern shear' at Golden Eagle.
- Drilling intersects mineralisation 750m southwest of current pit outline.
- Aircore drilling of aeromagnetic target intersects mineralisation.

Further drilling to the south of the current pit outline has intersected additional mineralisation along strike from drill holes WTRB143-145 in the interpreted offset from the Golden Eagle shear. The program also tested a mineralised 'southern shear' to the south of Golden Eagle. Drilling was designed to test the shear position defined from previous drilling and intersected mineralisation similar to the main shear at Golden Eagle. Results from the drilling are presented below, including resample results for drill holes WTRB143-145. Plans detailing drill hole locations are appended to this report.

HOLE ID	NORTHING (AMG)	EASTING (AMG)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
WTRB143	7567764	202196	34	49	15	2.37
Including			34	41	7	3.66
WTRB144	7567742	202196	19	32	13	1.48
Including			25	29	4	2.69
			41	46	5	1.24
WTRB145	7567723	202201	10	15	5	1.38
			42	45	3	1.56
WTRB146	7567792	202296	19	20	1	1.05
WTRB147	7567770	202300	19	23	4	1.65
			30	35	5	1.07
WTRB148	7567750	202305	20	26	6	1.13
WTRB149	7567791	202316	0	3	3	1.63
			9	13	4	1.00
			26	28	2	1.22
			37	38	1	1.31
WTRB150	7567774	202324	21	30	9	0.95
WTRB152	7567735	202484	14	25	11	1.97
Including			14	18	4	3.67
Including			22	24	2	2.03
WTRB153	7567738	202398	39	40	1	3.59
WTRB154	7567719	202396	26	28	2	1.21

Note:

Fire Assay analysis – Ultratrace laboratories.
Intersections calculated as weighted averages.
Intersections calculated using first reported gold value.
Intersections calculated using a 0.5g/t Au lower cut and no upper cut.

A line of angle overlapping RAB drilling was completed 750m to the southwest of the Golden Eagle deposit. The aeromagnetic survey suggested the continuation of the main Golden Eagle shear and the possibility of further shear splays in the area. Mineralisation was intersected in several drill holes with results from the drilling presented below. Initial results are encouraging and demonstrate the Golden Eagle shear continues to the southwest. Follow up drilling to better delineate this mineralisation is planned in early March.

WEDGETAIL EXPLORATION NL
ABN 85 003 257 556
QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2003

HOLE ID	NORTHING (AMG)	EASTING (AMG)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
WTRB324			39	41	2	2.95
WTRB325			10	11	1	2.05
			38	39	1	2.88
WTRB328			35	36	1	2.34
WTRB329			14	15	1	1.05
WTRB337			6	7	1	1.16

Note:

Fire Assay analysis – Ultratrace laboratories.
Intersections calculated as weighted averages.
Intersections calculated using first reported gold value.
Intersections calculated using a 0.5g/t Au lower cut and no upper cut.

An area structurally similar to Golden Eagle defined from the aeromagnetics was drilled using angle overlapping aircore. The aircore technique was utilised due to significant groundwater rendering RAB drilling unsuitable. The area is adjacent to the Cadjebut Creek 2 km North of Golden Eagle. Several thin zones of mineralisation were intersected in this drilling with the best results presented below.

HOLE ID	NORTHING (AMG)	EASTING (AMG)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
WTAC011			11	12	1	2.95

Note:

Fire Assay analysis – Ultratrace laboratories.
Intersections calculated as weighted averages.
Intersections calculated using first reported gold value.
Intersections calculated using a 0.5g/t Au lower cut and no upper cut.

All Nations Prospect

Highlights include: -

- Mineralisation extended by 100 metres.
- Drill intersections include:- 8m @ 2.50 g/t Au, including 3m @ 4.11 g/t Au.

The northern extension of the All Nations mineralisation was drilled on nominal 40m spaced sections. The area had not been previously tested due to the topography hindering rig access. Reverse circulation drilling of the northern extension intersected mineralisation in three lines to the north of previous drilling at All Nations.

These results are considered extremely encouraging and additional drilling is planned to test the mineralisation defined in this program at depth. The mineralisation is still open to the north of the latest drilling and further drill testing to the north will be required. Intersections returned from the drilling are tabulated below. A plan detailing drill hole locations is appended.

WEDGETAIL EXPLORATION NL
ABN 85 003 257 556
QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2003

HOLE ID	NORTHING (AMG)	EASTING (AMG)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
WTRC001			0	2	2	1.26
			23	25	2	0.80
WTRC003			0	3	3	1.06
WTRC004			7	9	2	2.71
WTRC005			0	3	3	2.29
WTRC006			0	8	8	2.5
Including			2	5	3	4.11
WTRC007			0	7	7	1.07
WTRC008			0	8	8	1.34
WTRC009			6	9	3	1.06

Note:

Fire Assay analysis – Ultratrace laboratories.
Intersections calculated as weighted averages.
Intersections calculated using first reported gold value.
Intersections calculated using a 0.5g/t Au lower cut and no upper cut.

Beatons Creek Prospect

A detailed aeromagnetic / radiometric survey was flown over a 150 square kilometers area, encompassing Beatons Creek Prospect.

Geological interpretation of the image will be completed early in the March quarter. Drilling will recommence at the end of February (contingent on the wet season finishing), whence targets generated from the geophysics will be prioritized and drill tested.

Cookes Creek Prospect

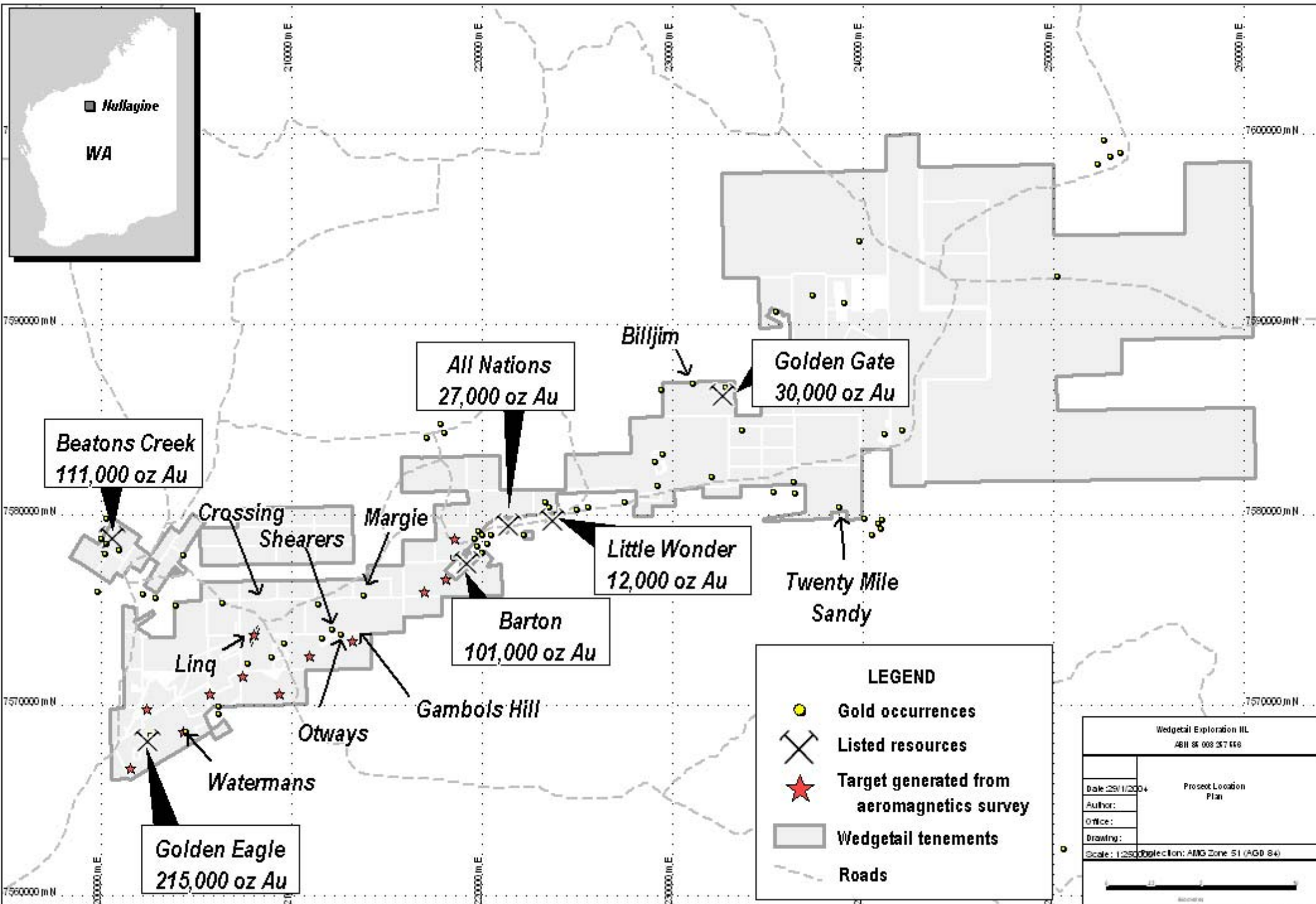
The Cookes Creek Prospect is situated 60km east of Nullagine and consists of a similar series of interbedded pelites and psammites of the Mosquito Creek Formation.

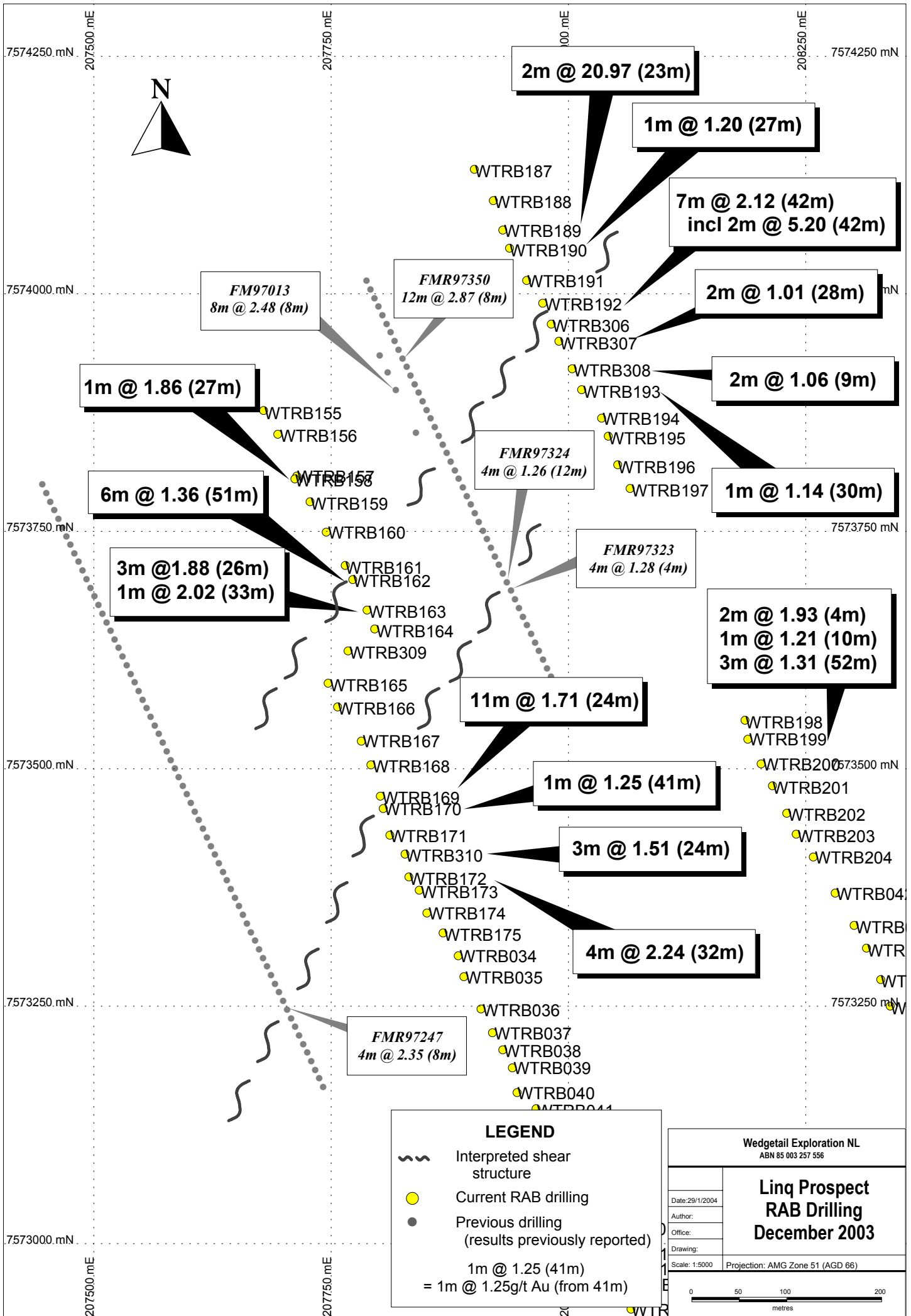
A total of 12 rockchips, 4 dump samples and 34 RAB drillholes for 1581 metres were completed at Cookes Creek during the quarter. Results for the dump samples were encouraging with a best result of 5.83g/t gold. Results for the drilling will be available next quarter.

Development Activities

Bullfinch CIP Plant

To date the Company's gold treatment plant is 100% dismantled and will be stored for redesign and refurbishment before transport to the Nullagine.





LEGEND

- ~ Interpretated shear structure
- Current RAB drilling
- Previous drilling (results previously reported)

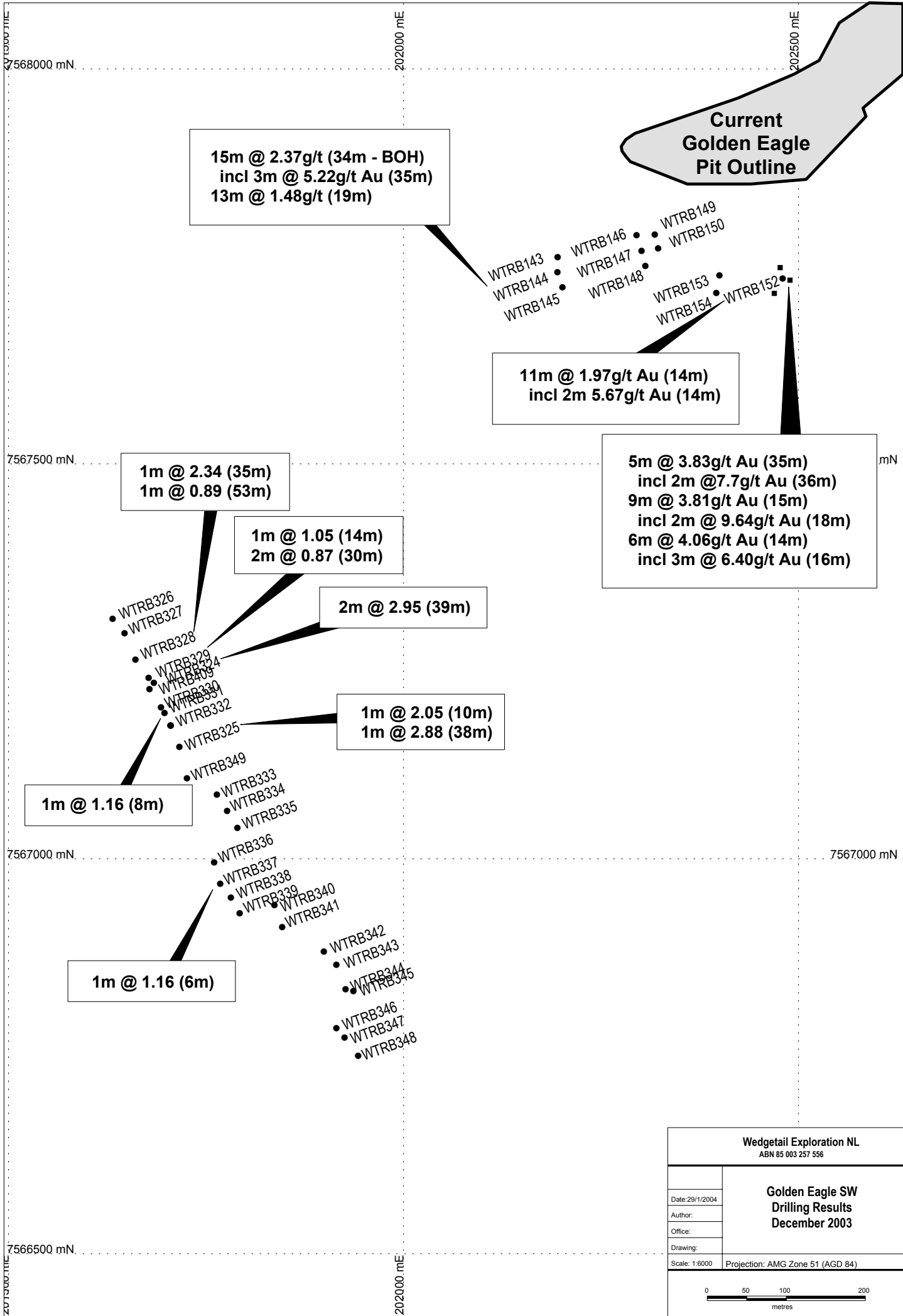
1m @ 1.25 (41m)
= 1m @ 1.25g/t Au (from 41m)

Wedgetail Exploration NL
ABN 85 003 257 556

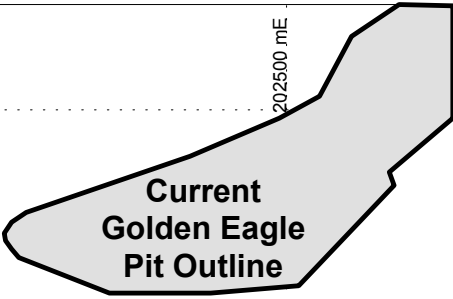
**Linq Prospect
RAB Drilling
December 2003**

Date: 29/12/2004
Author:
Office:
Drawing:
Scale: 1:5000 Projection: AMG Zone 51 (AGD 66)

0 50 100 200 metres



15m @ 2.37g/t (34m - BOH)
 incl 3m @ 5.22g/t Au (35m)
 13m @ 1.48g/t (19m)



- WTRB143
- WTRB144
- WTRB145
- WTRB146
- WTRB147
- WTRB148
- WTRB149
- WTRB150
- WTRB153
- WTRB154
- WTRB152

11m @ 1.97g/t Au (14m)
 incl 2m 5.67g/t Au (14m)

1m @ 2.34 (35m)
 1m @ 0.89 (53m)

5m @ 3.83g/t Au (35m)
 incl 2m @ 7.7g/t Au (36m)
 9m @ 3.81g/t Au (15m)
 incl 2m @ 9.64g/t Au (18m)
 6m @ 4.06g/t Au (14m)
 incl 3m @ 6.40g/t Au (16m)

1m @ 1.05 (14m)
 2m @ 0.87 (30m)

2m @ 2.95 (39m)

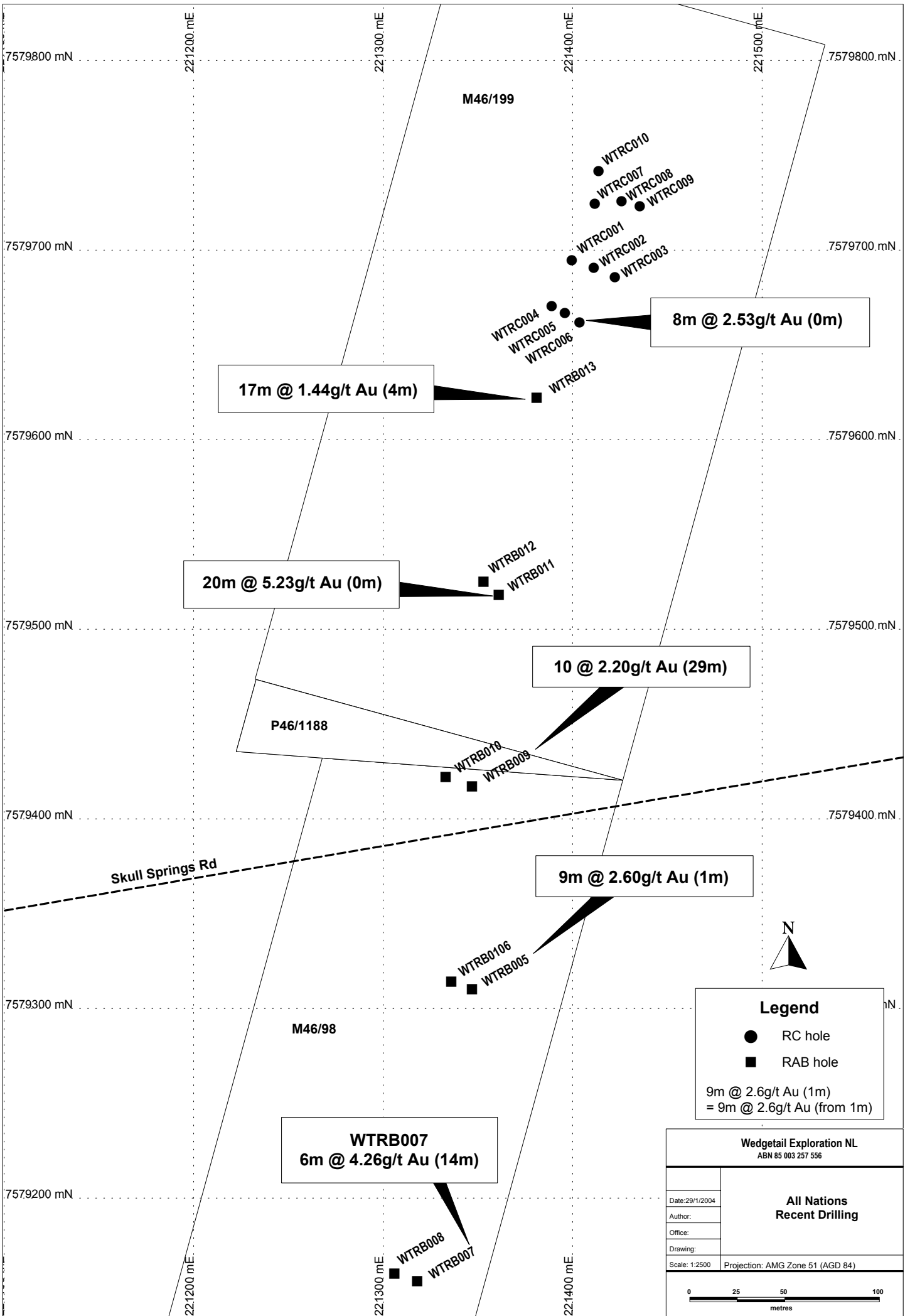
- WTRB326
- WTRB327
- WTRB328
- WTRB329
- WTRB330
- WTRB331
- WTRB332
- WTRB335
- WTRB336
- WTRB337
- WTRB338
- WTRB339
- WTRB340
- WTRB341
- WTRB342
- WTRB343
- WTRB344
- WTRB345
- WTRB346
- WTRB347
- WTRB348

1m @ 2.05 (10m)
 1m @ 2.88 (38m)

1m @ 1.16 (8m)

1m @ 1.16 (6m)

Wedgetail Exploration NL ABN 85 003 257 556	
Date: 29/1/2004 Author: Office: Drawing:	Golden Eagle SW Drilling Results December 2003
Scale: 1:6000	Projection: AMG Zone 51 (AGD 84)



17m @ 1.44g/t Au (4m)

8m @ 2.53g/t Au (0m)

20m @ 5.23g/t Au (0m)

10 @ 2.20g/t Au (29m)

9m @ 2.60g/t Au (1m)

**WTRB007
6m @ 4.26g/t Au (14m)**

Legend

- RC hole
- RAB hole

9m @ 2.6g/t Au (1m)
= 9m @ 2.6g/t Au (from 1m)

Wedgetail Exploration NL
ABN 85 003 257 556

**All Nations
Recent Drilling**

Date: 29/1/2004	
Author:	
Office:	
Drawing:	
Scale: 1:2500	Projection: AMG Zone 51 (AGD 84)

0 25 50 100
metres

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

Wedgetail Exploration NL

ABN

85 003 257 556

Quarter ended ("current quarter")

31 December 2003

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(498)	(1155)
	(b) development	-	(54)
	(c) production	-	-
	(d) administration	(311)	(730)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	19	46
1.5	Option fee	-	5
1.6	Interest and other costs of finance paid	(13)	(26)
1.7	GST	(55)	(68)
1.8	Plant Dismantling	(307)	(366)
	Net Operating Cash Flows	(1165)	(2348)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	(1)	(68)
	(b)equity investments	-	(96)
	(c) other fixed assets	(107)	(114)
	(d)security deposits	(31)	(144)
1.9	Proceeds from sale of:		
	(a)prospects	12	112
	(b)equity investments	-	148
	(c)other fixed assets	-	-
	(d)security deposits	-	4
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(127)	(158)
1.13	Total operating and investing cash flows (carried forward)	(1292)	(2506)

1.13	Total operating and investing cash flows (brought forward)	(1292)	(2506)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	6733	9144
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(200)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		6733	8944
Net increase (decrease) in cash held		5441	6438
1.20	Cash at beginning of quarter/year to date	1276	279
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6717	6717

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	91
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting fees paid at commercial rates.

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

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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	400
4.2 Development	50
Total	450

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	717	189
5.2 Deposits at call	6000	1087
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6717	1276

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	ML90008		100%	0%
	EPM13021		100%	0%
	ML7502		100%	0%
	ML6709		100%	0%
	EPM11503		100%	0%
	EPM11614		100%	0%
	EPM4885		100%	0%
	EPM5476		100%	0%
	EPM8272		100%	0%
	EPM8329		100%	0%
	EPM8763		100%	0%
	EPM9179		100%	0%
	EPM9593		100%	0%
	E38/954		100%	0%
	MLA38/874		100%	0%
6.2 Interests in mining tenements acquired or increased	P46/1123		0%	50%
	M46/282		0%	100%
	M46/283		0%	100%

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemption's				
7.3 +Ordinary securities	870,390,822	870,390,822		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	205,765,862	205,765,862		
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise Price</i>	<i>Expiry Date</i>
7.8 Issued during quarter	205,765,862	205,765,862	5 cents	31 December 2005
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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: Date: 27 January 2004
Company Secretary

Print name: John Sendziuk

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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