

*

JUPITER MINES LIMITED

ABN 51 105 991 740

14th Floor, *Suite 1405*, 33 Bligh Street, SYDNEY NSW 2000 *Tel:* 02 9235 2755 *Fax:* 02 9235 2955

Jupiter asx065 06-01-31

31 January 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Number of pages – 19

Dear Sir,

Re: Quarterly report to 31 December 2005

Enclosed for release to the market is the Company's activity report for the quarter ended 31 December 2005 including a duly completed Appendix 5B.

For and on behalf of the directors of
Jupiter Mines Limited

A handwritten signature in black ink, appearing to read 'P. Hewson'.

Paul S Hewson
Secretary

DECEMBER 2005 QUARTELY REPORT

- **Acquisition of option over the Mount Mason iron hematite project located 100km from the Leonora to Esperance railway with iron grades averaging 64.2% iron.**
- **Jupiter successfully completed a diamond drilling program at the Cassini nickel prospect near Widgiemooltha. Best results included 1.35m @ 6.36% Ni from 161.9m down hole (including 0.35m @ 8.19% Ni).**
- **Jupiter varied the Klondyke sale agreement and completed an independent scoping study.**
- **Jupiter received encouraging iron assays from its Beasley River CID iron project, with surface samples averaging 54.89% iron.**

MOUNT MASON HEMATITE IRON PROJECT.

During the quarter Jupiter entered into an option agreement to acquire the rights to iron covered by active Exploration Licence E29/495.

Terms of the Option Agreement with the owner, Mr Robert Watson, include:

1. An option fee of \$30,000 for 12 months
2. Upon exercise of the option, Jupiter to pay \$250,000 and 5 million fully paid shares in Jupiter Mines Limited
3. Jupiter to pay a royalty of 1.5% on gross iron ore revenue
4. During the option period Jupiter must spend \$200,000 on exploration on the tenement.
5. Jupiter is obliged to maintain the tenement in good standing during the option period.

By road the Mount Mason hematite iron deposit is located 111km west of Leonora and 101km north west of Menzies. The railway starts at Leonora and travels through Menzies, ending at Esperance. Currently the railway is underutilized and accessible.

The port of Esperance has a capacity for 8.0 million tonnes of iron ore per year with Portman Mining Limited currently using 5.0 million tonnes of this capacity. This leaves adequate capacity for Jupiter, should the project prove viable.

Previous mapping and sampling in 1969 by BHP yielded average assay figures of **62.8% Fe with 0.042% phosphorus**, but the tonnage was considered too small for BHP.

Recent mapping by the vendor has determined that the hematite body at Mt Mason outcrops over some 64,700square metres, while sampling averaged **64.18% Fe, 3.97% Silica, 1.24% Al₂O₃, and 0.05% Phosphorous**. Based on this data, the Mt Mason deposit has the potential for several million tonnes of high grade hematite.

The nearest iron ore production is at the Windarling deposit of Portman Mining, which is 120km to the southwest. Windarling is 100km north of Portman's load out facility at Koolyanobbing. Portman exports its iron ore from the port of Esperance.

Although the size of the Mt Mason deposit is modest, it offers JMS shareholders the opportunity to participate in the current demand for direct shipping iron ore.

During the March quarter Jupiter will have completed ground clearing in preparation for a resource/reserve drilling program in conjunction with a pre-scoping study already underway.

Sample No	Fe %	SiO2 %	Al2O3 %	P %	LOI
BWA	66.18	1.71	0.90	0.045	2.33
BW005	65.23	1.73	0.56	0.044	4.37
BW008	63.61	5.95	0.72	0.052	1.86
BW009	60.15	5.42	3.22	0.059	1.05
BW010	64.63	5.21	1.35	0.032	0.81
BW011	66.89	2.31	0.59	0.159	0.81
BW012	68.08	0.96	0.46	0.054	1.09
BW013	63.82	4.26	1.32	0.055	2.35
BW014	66.09	1.72	0.5	0.039	2.91
BW015	63.11	2.94	1.7	0.051	4.5
BW016	61.61	6.54	0.72	0.056	4.31
BW017	65.45	4.08	1.14	0.02	1
BW019	60.55	6.34	2.82	0.046	3.84
BW020	64.15	3.92	1.82	0.041	2.34
BW021	65.84	2.75	0.35	0.027	2.71
BW022	63.49	5.44	1.31	0.032	2.26
Average	64.18	3.97	1.24	0.05	2.41

Table 1. Rock chip assays > 60% iron. These rock chip assays and LOI were undertaken by the Vendor.

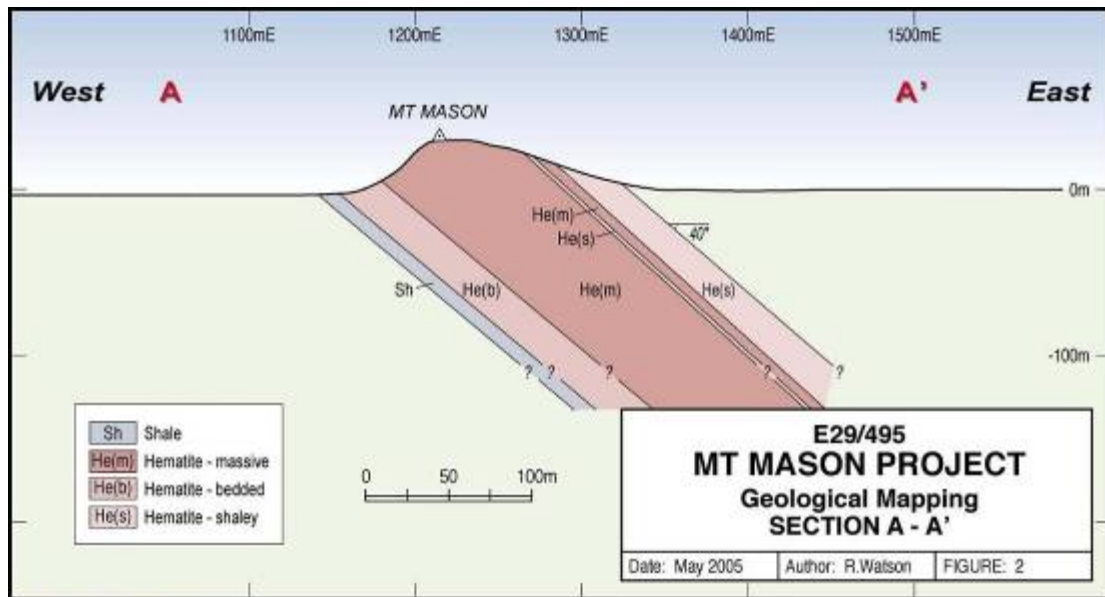


Figure 2. Mount Mason stylised geological cross section.



Figure 3. Outcropping massive hematite. This is located approximately 300m south of Mt Mason Trig, as shown on Figure 1.

CASSINI NICKEL PROSPECT AT WIDGIEMOOLTHA

Jupiter's Widgiemooltha nickel/gold project covers the southern part of the highly prospective Widgiemooltha dome and is located 28 km south of the Widgiemooltha townsite.

Since listing in December 2004 exploration has been concentrated on the Cassini Nickel Prospect where, since October 2005, Jupiter has completed 4 diamond drillholes JWDDH001 to JWDDH004 totaling 1268.5m.

Hole JWDDH003 intersected a main zone of nickel sulphide mineralisation that included **1.35m @ 6.36% Ni** (down hole width) from 161.9m down hole (including **0.35m @ 8.19%**). Other significant assayed include **0.15m @ 7.89% Ni** from 157.15m. The mineralisation consisted of predominately pyrrhotite with lesser amounts of pentlandite, chalcopyrite and violarite and is described as medium to high tenor matrix/ massive mineralization that contains approximately 20% clasts of surrounding host rock within the mineralized interval.

Interpretation of drill core suggests that the mineralisation is hosted within a steeply dipping and intensely sheared talc carbonate ultramafic that has been potentially structurally dislocated from a basal basalt/ultramafic contact. The immediate hanging wall to the mineralisation is a moderate to weak talc carbonate altered ultramafic.

Down hole EM work and conductivity core testing has been completed and currently Jupiter is developing a model in conjunction with their geological and geophysical consultants. Once complete it will help guide exploration.

Jupiter is planning the next phase of exploration to be focused on extending the massive nickel sulphide along strike and at depth and expanding its previous moving loop electromagnetic survey in the Cassini area, including over 4km strike of the Dordie Rocks basal contact.

HOLE ID	DEPTH m	NORTH	EAST	FROM m	TO m	INTERVAL m	GRADE % Ni	GRADE % Cu
JWDDH003	250	6491946	369396	157.2	157.3	0.15	7.89	0.08
				159.4	160.3	0.9	1.06	0.04
				161.9	162.2	0.25	4.24	1.14
				162.2	162.7	0.65	7.34	0.41
				162.8	163.2	0.35	8.19	0.1
				163.2	163.3	0.1	5.84	0.11
				164.9	165.8	0.9	0.85	0.09
JWDDH004	250	6491946	369399	202.7	203	0.3	2.25	0.21

Table 2. Cassini diamond drill intercepts > 0.5% nickel.

JWDDH003: Grid Azimuth 90°, Dip 63°.

JWDDH004: Grid Azimuth 90°, Dip 68°.

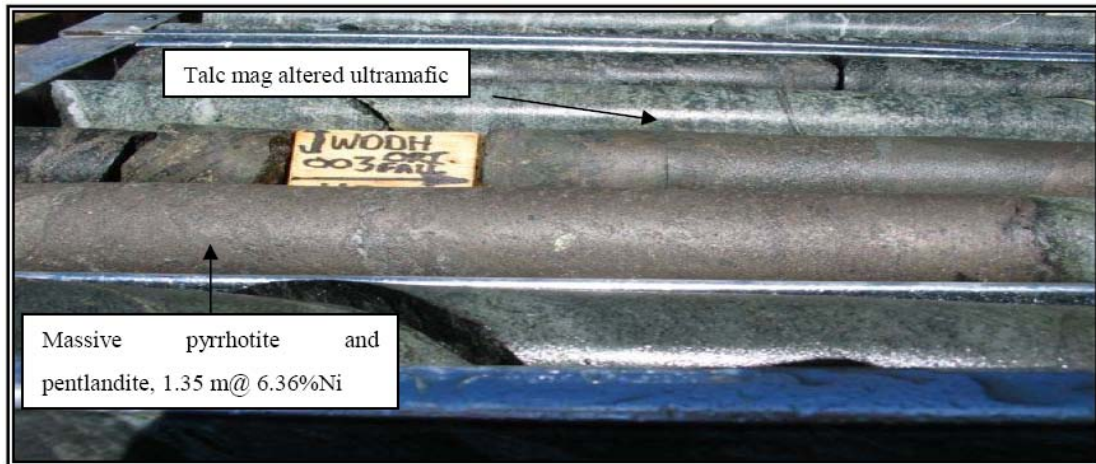


Figure 4. Photo of JWDDH003 massive nickel sulphide intersection. Note wooden core block is at 162m and down hole is from left to right.

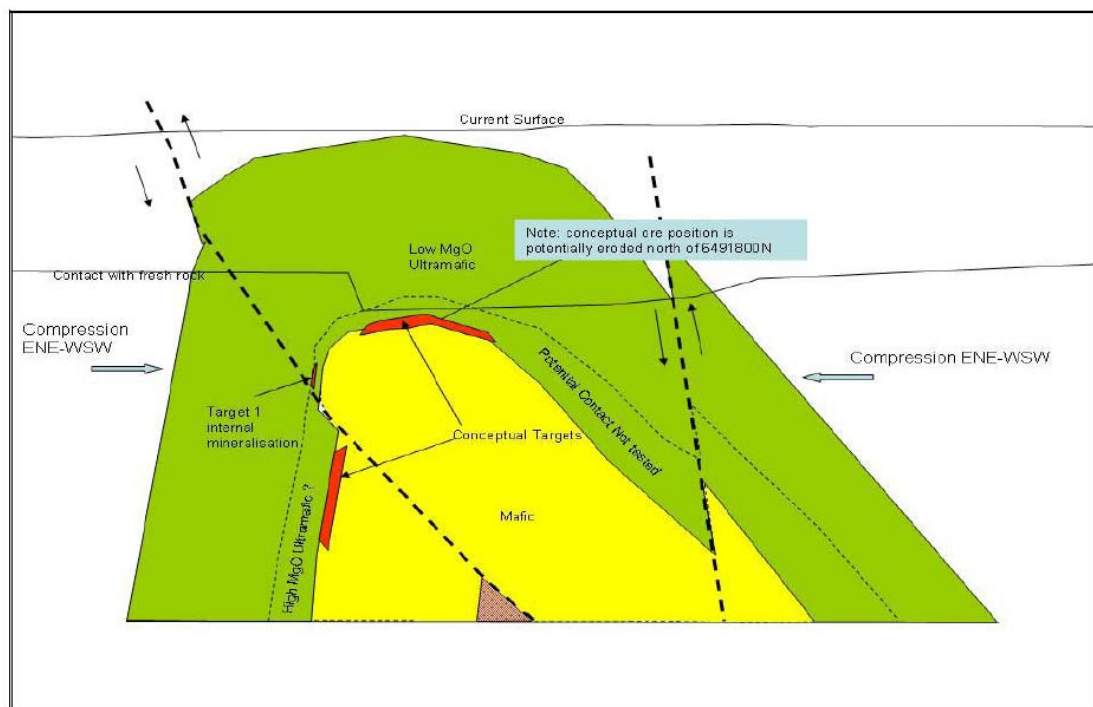


Figure 5. Schematic section at Cassini nickel prospect.

KLONDYKE GOLD PROJECT IN THE PILBARA

During the quarter Jupiter varied the Klondyke sale agreement from AUD\$250,000 payment due in December 2005 to a mixture of cash and shares as follows:

1. Payment of \$100,000 on the 17 December 2005
2. The issue of 1,500,000 fully paid ordinary shares in Jupiter Mines Limited.

The issue of shares is subject to approval of the Company's shareholders. It is anticipated that a meeting of shareholders will be held during the March quarter.

During the quarter Jupiter undertook an independent project review of the 300,000 ounce Klondyke gold deposit by Sandercock and Associates Pty Ltd.

In summary, Sandercock and Associates Pty Ltd report states the following about the Klondyke gold deposit.

Summary

- Mineralisation extends along the northwest/southeast striking trend of the MLs and drilling suggests the mineralisation extends to a depth of at least 240 m.
- Much of the mineralisation is in the order of 1 – 3 g/t gold, with patchy higher grade material of greater than 20 g/t. Mineralised lodes are likely boudinaged and have a greater vertical than horizontal extent, and are possibly localised by cross-cutting structures.
- Coarse gold, particularly in the oxide zone, is a feature of the mineralisation, leading to a high nugget effect and causing difficulties with sampling and assaying.
- Past exploration has failed to properly evaluate the Klondyke Project, suffering inconsistent sampling and assaying procedures, insufficient and often wide spaced drilling and a lack of understanding of the geology and the nature of the mineralization.
- Anomalous soil geochemistry and isolated high grade drill intercepts located some distance from the historic workings and mineralisation highlight potential for other mineralised lodes across the shear system.
- In view of the poor state of the digital database and data quality problems, a complete data validation and recompilation of base plans are critical tasks to be undertaken.
- If and when future drilling is undertaken, a consistent sampling and assaying protocol should be implemented and large samples collected for a variety of analysis methods to ensure the nugget effect issue is minimised.

BEASLEY CREEK CHANNEL IRON DEPOSIT (CID) PROJECT NEAR TOM PRICE, WA

During the quarter Jupiter received iron assay results from its Beasley Creek project and was pleased to advise the confirmation of its original ground truthing programme with ore grade Channel Iron Deposits grading up to 57.6% Fe.

The board is extremely encouraged after analysing 12 **channel iron deposit (CID)** samples with an average grade of **54.89% Fe**. The overall results confirm the average grade of Jupiter’s CID samples is comparable with current mining operations of CID’s in the Pilbara and recent assay results announced to the ASX by AusQuest and Iron Ore Holdings.

SAMPLE DESCRIPTION	Fe %	SiO2 %	Al2O3 %	P %	LOI %
Average	54.89	5.69	3.35	0.0298	10.46

Table 3. Jupiter Mines (JMS) average sample grades for their Beasley River, Mithgoondy Well and Moona Well iron ore targets.

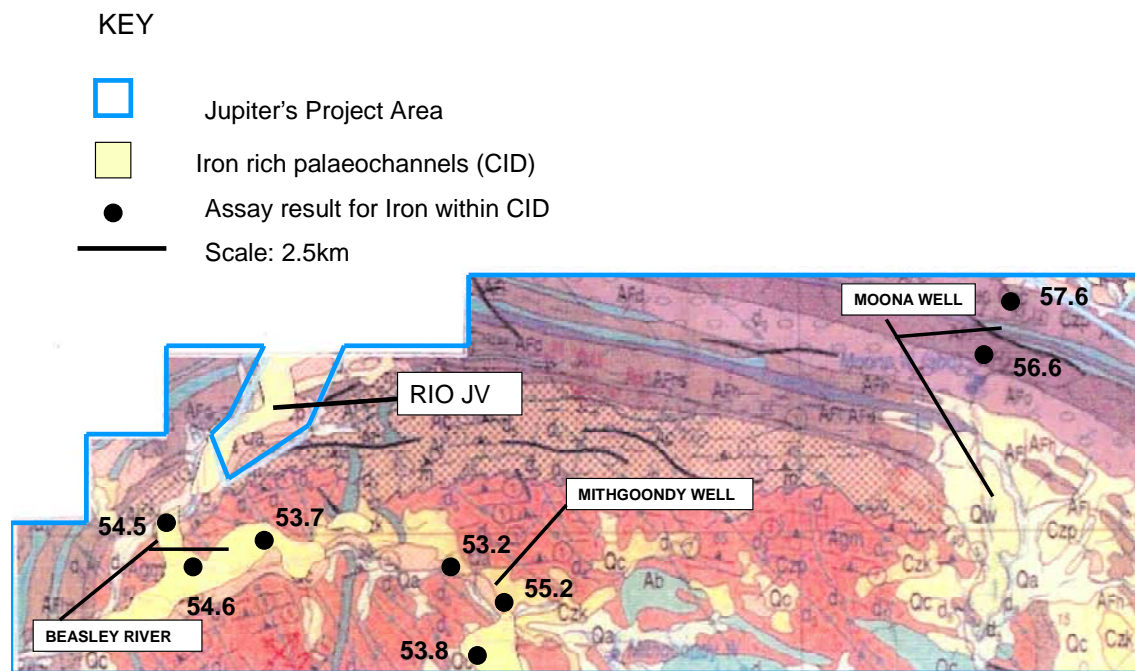


Figure 6. Iron analysis and geology for Jupiter’s Beasley River Project.

CIDs have their origin as iron-rich sedimentary deposits which infilled ancient river channels (Such as the Beasley River of RIO and JMS, See Figure 2, below). These palaeochannels were incised into an old land surface 40-50 million years ago. The primary source of the iron-bearing sediments was iron-rich laterite derived from the Brockman Formation rocks (see Figure 3), which was then eroded and transported into the channels. These sediments were subsequently enriched and cemented by iron-bearing groundwaters under sluggish river flow conditions.

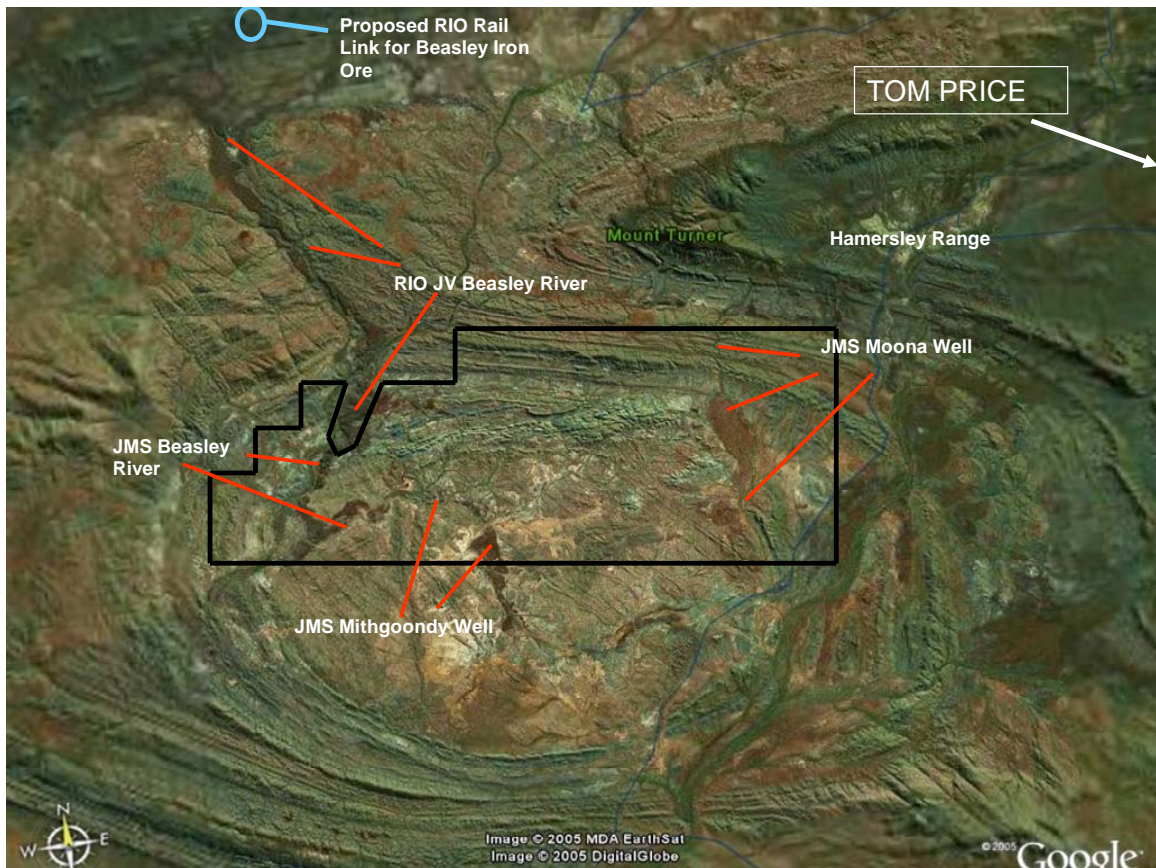


Figure 7. MDA Earthsat image of part of the Tom Price district (Courtesy of Google).

Jupiter's Beasley River Iron project is located near existing iron ore infrastructure and is 34km west of the town of Tom Price, 34km south of the current Brockman Rosella Junction Railway and Brockman No.2-Crushing Plant and 15km south of the proposed rail loop (see Figure 8).

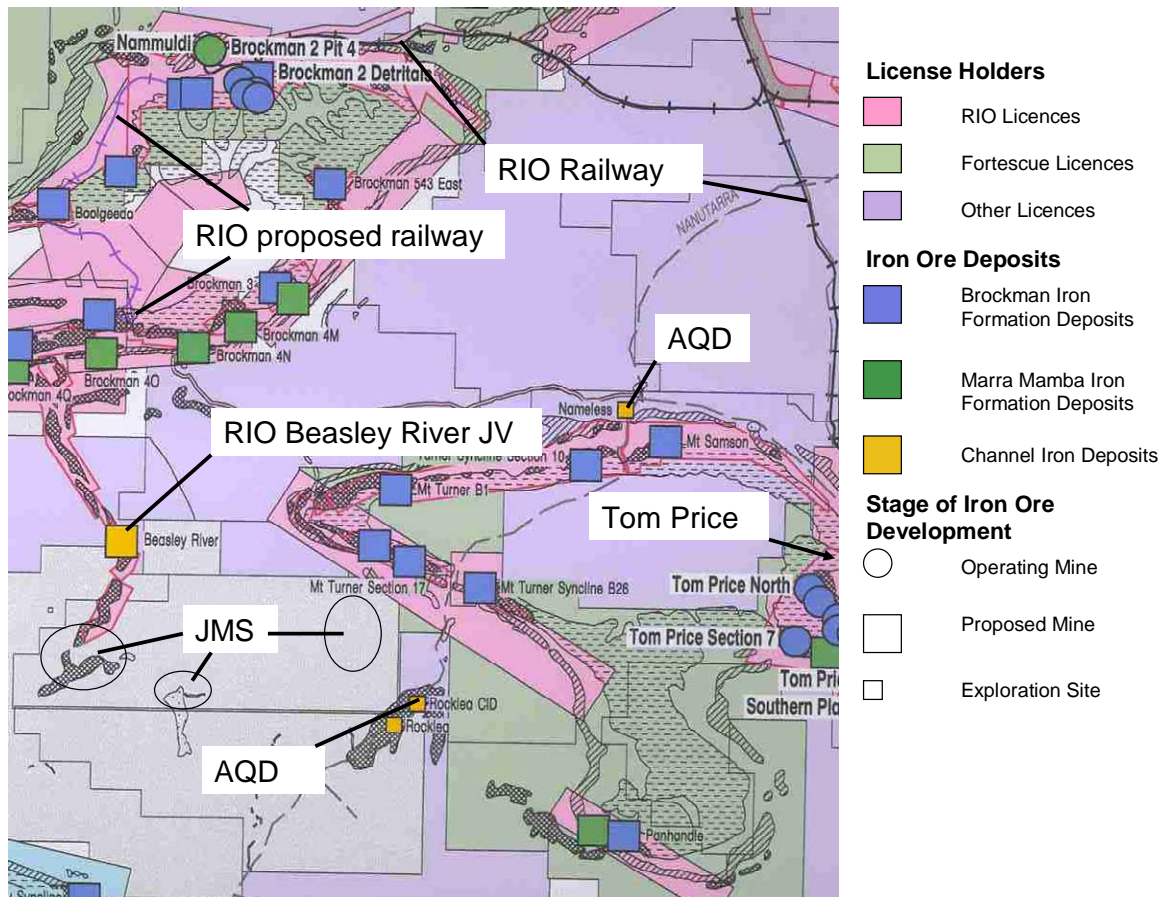


Figure 8. Extract from: Iron Ore Deposits of the Pilbara, October 2005 edition, DOIR, WA. This shows Jupiter’s (JMS) iron ore target zones (ovals), RIO’s Beasley River JV iron ore and AusQuest’s (AQR) iron ore targets.

The company’s area was initially mapped using remote sensing, aerial photography and published (1:250,000) geological maps. In turn Jupiter undertook a ground truthing site visit prior to the acquisition and during this visit it was noted that the project contained CID’s which were an extension to the Beasley River CID’s of RIO and their Beasley River joint venture Partners as mentioned in Jupiter’s ASX announcement of 30 August 2005, an extract of that announcement is shown below.

On October 29, 2004, the Rio Tinto Group announced the formation of the Beasley River Joint Venture to develop Hamersley Iron’s Beasley River iron ore deposits. The joint venture comprises Beasley River Mining Pty Ltd (100% owned by Hamersley Iron) which holds a 53% interest and Beasley River Iron Associates, a partnership of Japanese steel companies, which holds the remaining 47% interest. At the same time the Japanese partners reached agreement with Rio Tinto regarding the common usage of the infrastructure (rail, port and power plants) owned by Robe River Joint Venture and by Hamersley Iron.

To independently back up the initial field observations, Jupiter instructed Mackay & Schnellmann (M&S) to verify the company’s initial observations. M&S stated that the “property definitely contains channel iron deposits” and confirmed three areas of interest located in the west (Beasley River), central (Mithgoondy Well) and a new CID in the northeast (Moona Well).

Jupiter's Beasley River and Mithgoondy Well zones are the same drainage system (extension of RIO's Beasley River CID's) and are observed to be semi-continuous. The overall length of this drainage system on Jupiter's ground is in excess of 12km. CID sample grades throughout this drainage include 8 results of **54.5%, 52.9%, 53.2%, 53.8%, 55.2%, 53.8%, 54.3% and 54.6% Fe**. Observations by M&S of wood fragments (now limonite) within the samples are diagnostic of CID's and confirm correlations made with the Beasley River CID's.

The north east CID observed by M&S is located in a substantial drainage system coming off the Hamersley Range. The three samples taken at the headwater of the drainage system contained **iron ore grades of 57.6%, 55.6% and 56.6% iron**. Remote sensing work has shown this area to contain four drainage systems converging into one with a total combined length of approximately 13km. This area needs to be drilled to confirm tonnage and grade. Observations by M&S of wood fragments (now limonite) within the samples are diagnostic of CID's and confirm correlations made with the Beasley River CID's.

Combining the three zones Jupiter controls over 25km of drainage. Future drilling on grant of the tenement will allow the company to ascertain the size and grade of the three areas.

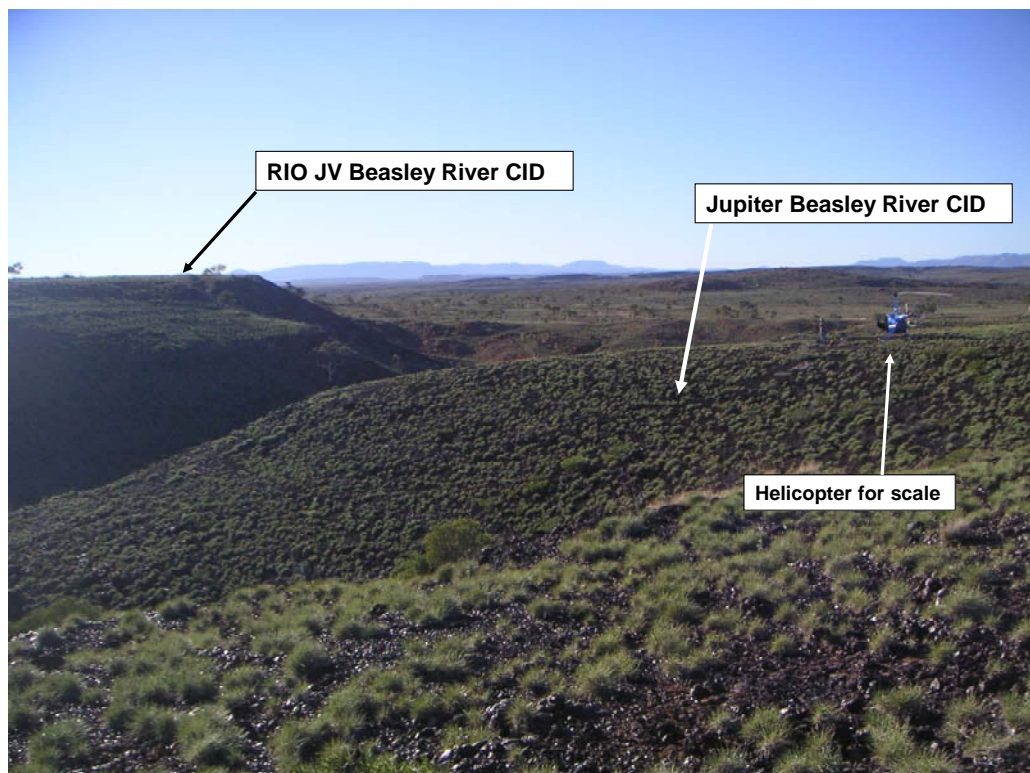


Figure 9. Helicopter sits on Jupiter's Beasley River CID which is a continuation of RIO's Beasley River CID.

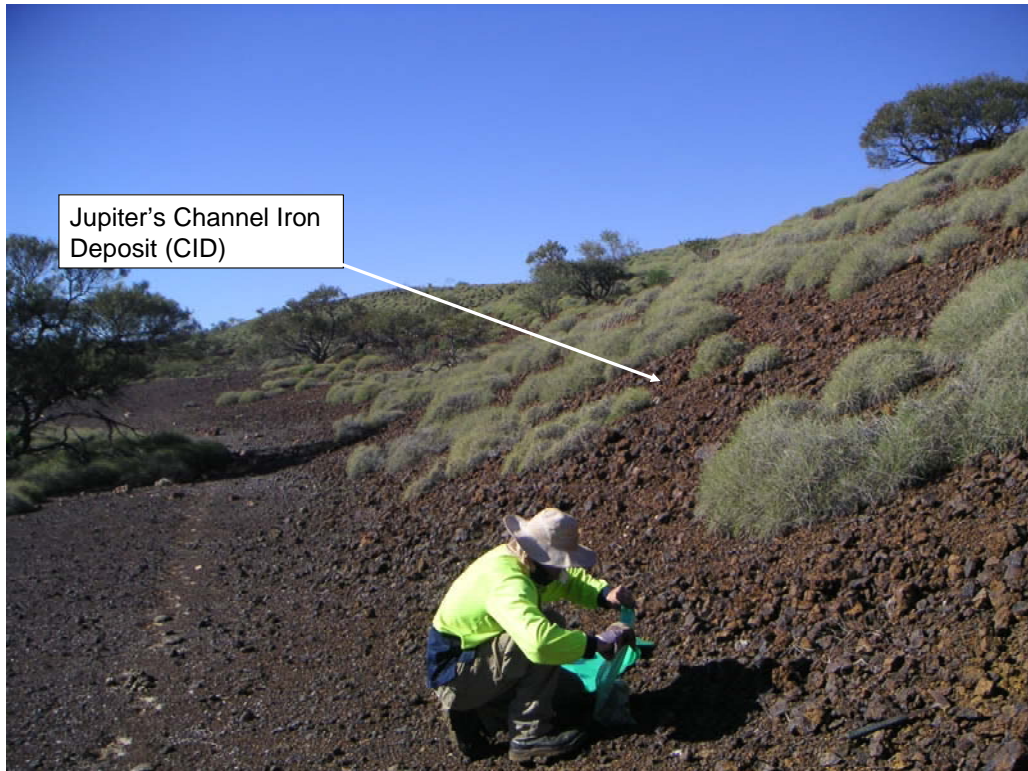


Photo 10. Sample site of the Mithgoondy Well. This site is located approximately 7km along strike from Photo 1.



Figure 11. Close up photo of the channel iron deposit on Jupiter's Beasley River zone.

The Beasley River and Mithgoondy Well zones are relatively flat lying and in places exposed. This will allow relatively easy access and reduce mining costs for any potential development.

Competent Person

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Jeremy Snaith who is a Member of the Australasian Institute of Mining and Metallurgy. Jeremy Snaith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Jeremy Snaith consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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

Jupiter Mines Limited

ABN

51 105 991 740

Quarter ended ("current quarter")

31 December 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(210)	(676)
(b) development	-	-
(c) production	-	-
(d) administration	(293)	(486)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	47	55
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) - GST refund	50	83
Net operating cash flows	(406)	(1,024)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(130)	(185)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(130)	(185)
1.13 Total operating and investing cash flows (carried forward)	(536)	(1,209)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(536)	(1,209)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc	495	495
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 (provide details if material) - issue expenses paid	(25)	(35)
	Net financing cash flows	470	460
	Net increase (decrease) in cash held	(66)	(749)
1.20	Cash at beginning of quarter/year to date	1,165	1,848
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,099	1,099

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	123
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees and expenses	\$42,500
Executive director remuneration	\$80,889

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

Nil

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

Nil

+ 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	Nil	N/A
3.2 Credit standby arrangements	10	6

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	285
4.2 Development	-
Total	285

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	1,099	165
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Term Deposits	-	1,000
Total: cash at end of quarter (item 1.22)	1,099	1,165

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	N/A	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	E40/220 South Leonora WA	Exploration licence application lodged during the quarter	0%	100%
	E29/495 Mount Mason WA	Option to purchase exploration licence acquired during the quarter	0%	Option over 100%

+ 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>	Nil	N/A	N/A	N/A
7.2 Changes during quarter				
(a) Increases through issues	Nil	N/A	N/A	N/A
(b) Decreases through returns of capital, buy-backs, redemptions	Nil	N/A	N/A	N/A
7.3 +Ordinary securities	57,636,250	47,730,000	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	5,500,000	5,500,000	N/A	N/A
(b) Decreases through returns of capital, buy-backs	Nil	N/A	N/A	N/A
(c) Increases through release and quotation of restricted securities	Nil	6,800,000	N/A	N/A
7.5 +Convertible debt securities <i>(description)</i>	Nil	N/A	N/A	N/A
7.6 Changes during quarter				
(a) Increases through issues	Nil	N/A	N/A	N/A
(b) Decreases through securities matured, converted	Nil	N/A	N/A	N/A
7.7 Options <i>(description and conversion factor)</i>	19,104,116 5,000,000 3,000,000 1,000,000 <u>1,000,000</u> <u>29,104,116</u>	14,354,116 Nil Nil Nil Nil	<i>Exercise price</i> 20 cents 20 cents 30 cents 20 cents 20 cents	<i>Expiry date</i> 31/01/2007 31/12/2006 31/07/2007 22/10/2009 21/12/2009
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	N/A		
7.10 Expired during quarter	Nil	N/A		
7.11 Debentures <i>(totals only)</i>	Nil	N/A		
7.12 Unsecured notes <i>(totals only)</i>	Nil	N/A		

+ 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: 
(Company secretary)

Date: 31 January 2006

Print name: Paul S Hewson

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.

== == == == ==