

December 2006 Quarterly Report

HIGHLIGHTS

- The Mt Ida Iron Project became a granted exploration licence and the flora, fauna and heritage surveys were completed
- The 100% purchase of Mt Mason Iron Project was completed.
- The Beasley Iron project was granted and the native title survey was completed.
- Jupiter negotiated the 100% purchase of the Beasley Iron Project.
- Discovery of hematite on the Brockman Iron Project.
- Moving and fixed loop TEM survey continued at the Widgiemooltha Nickel Project with five conductors discovered.
- Confirmatory sampling and mapping at Klondyke East was completed.
- RC drilling commenced at the Klondyke Gold Project.

CENTRAL YILGARN IRON PROJECT

During the quarter the Mt Ida exploration licence E29/560 was granted by the DOIR, the company exercised its option over the Mount Mason Iron project to acquire 100% ownership and surveys were completed for flora, fauna and heritage sites.

Once all the reports from the surveys are lodged and accepted by the WA government Jupiter can commence approval for drilling which is already planned at Mt Mason, Mt Mason East, Eastern Zone and two hematite zones heading towards Mt Ida.

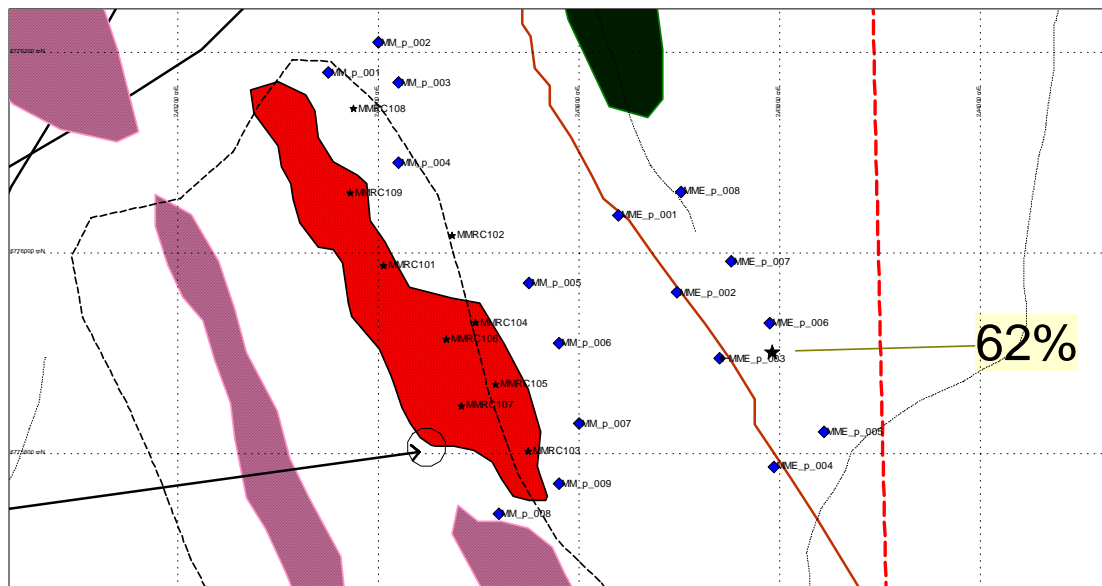


Figure 1. Planned drill locations for the second round of drilling at Mt Mason and Mt Mason East

This next drilling program will test the potential outlined by mapping and is approximately 3,000m of drilling. Prior to drilling and site clearing a Permit of Works (POW) is required from Department of Environment and Conservation.

Negotiations with infrastructure groups in relation to haul roads, water, mining, crushing and screening facilities, rail loading, rail transport and port facilities continued.

Negotiations with Wuhan Giant Economic Development Co Ltd continued in relation to off-take agreements of Jupiter's iron ore output.

WIDGIEMOOLTHA NICKEL PROJECT

During the quarter Jupiter re-commenced the moving loop TEM Squid survey at Widgiemooltha to test for massive sulphide zones (conductors) that can potentially host nickel sulphides.

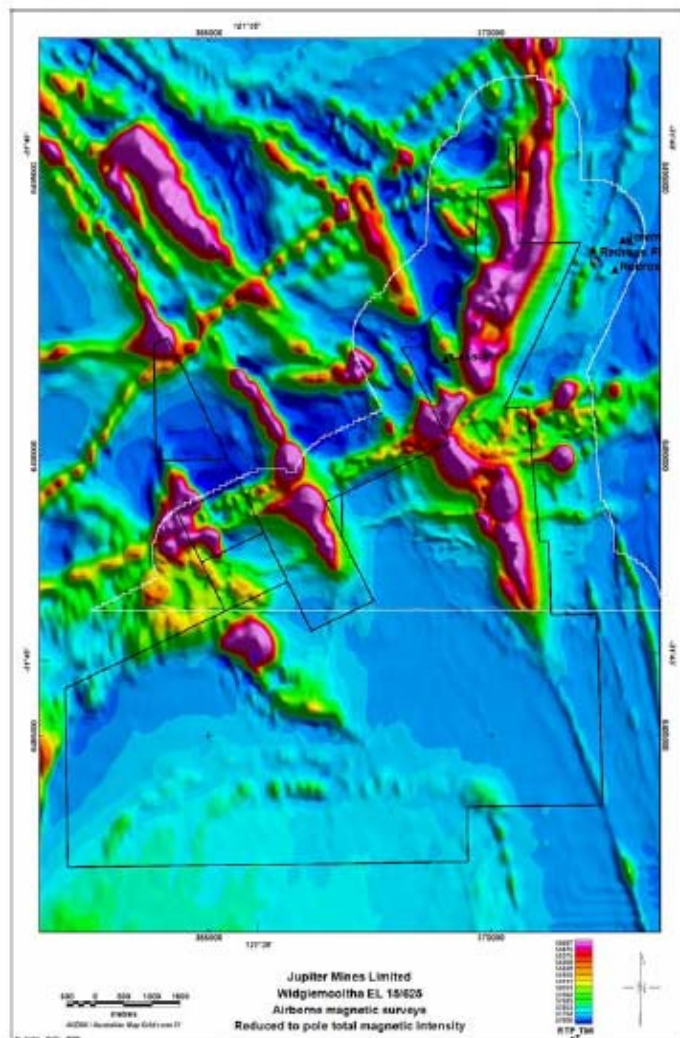


Figure 2. Total magnetic intensity reduced to pole showing Jupiter's land holding and the highly prospective ultramafic rock units which host nickel sulphides.

During the moving loop survey Jupiter discovered 5 TEM conductors that are currently being followed up by fixed loop to define the conductors size, shape and depth. Drilling to test these conductors for nickel sulphides will commence during February 2007

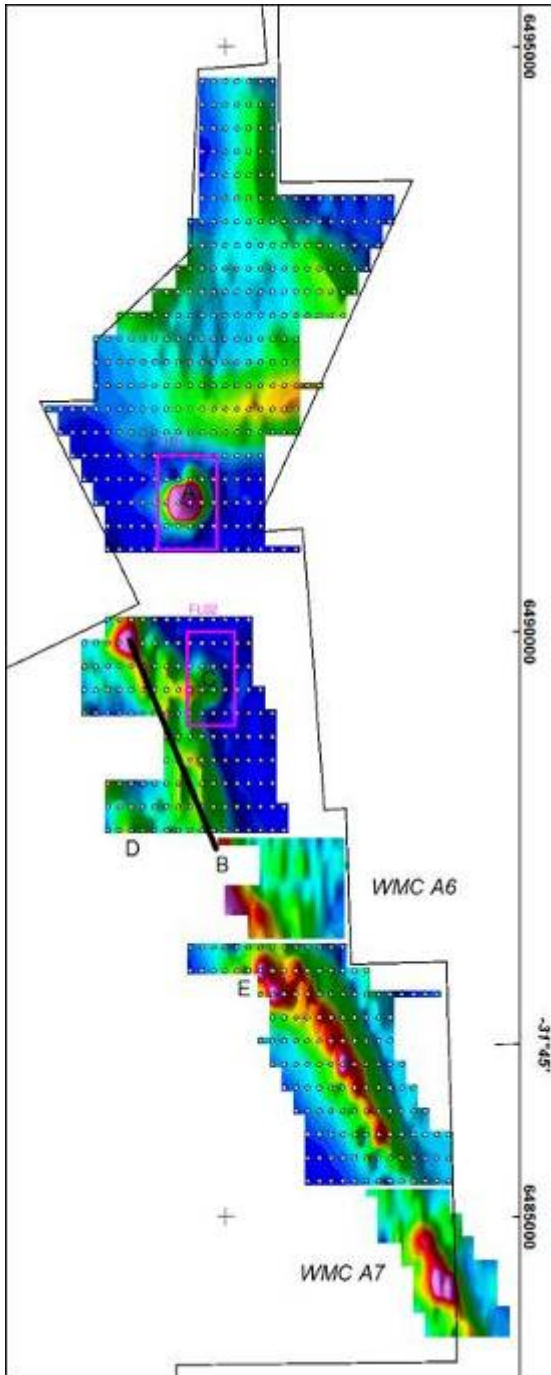


Figure 3. Shows the magnetic response received from the TEM Squid moving loop and the 5 conductors discovered (A to E). The areas WMC A6 and WMC A7 are old WMC works which will be redone by Jupiter Mines once the fixed loop has finished over the 5 conductors.

Fixed loop has been completed over Conductor A (FL01) and C (FL02) as shown in figure 4. The results received so far are consistent with sulphide mineralisation and could be nickel bearing.

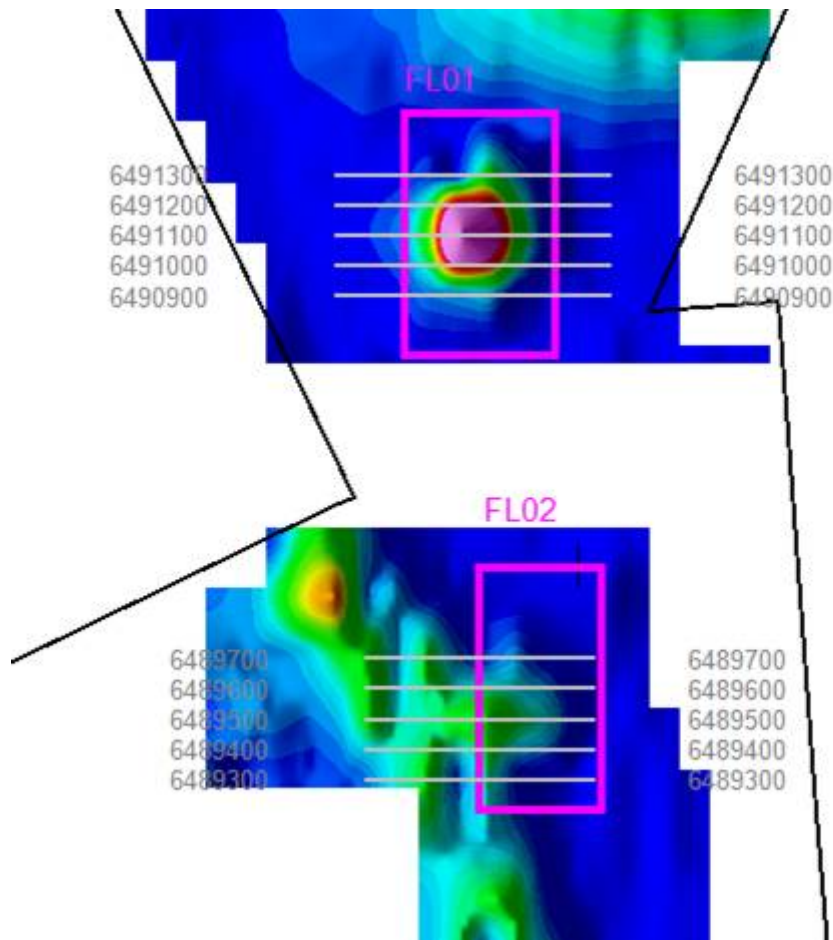


Figure 4. Position of fixed loop TEM over Conductor A (FL 01) and C (FL 02)

Once all 5 conductors have been covered by fixed loop TEM the crew will recommence moving loop in the area of WMC A6, WMAC A7, the zone between 86700N and 85300N, the area west of WMAC7 and additional ultramafic basal units in the north-west of the tenement before moving the TEM crew to Jupiter's other exploration licence west of E15/625.

As mentioned drilling is planned to commence drill testing the current 5 conductors as soon as the fixed loop has advanced further. It is estimated to start during February 2007.

Overall the Director's of Jupiter Mines Limited are very encouraged by the results produced by the TEM Squid survey and are looking forward to drill testing the targets for massive and disseminated nickel sulphides.

The Widgiemooltha Dome is a proven nickel producing region of West Australia and currently has a number of operating nickel mines.

BROCKMAN IRON PROJECT

During the quarter Jupiter conducted a boundary survey of the Brockman Iron Project and sampled 6 sites along the western boundary of the licence that adjoins RIO's Brockman 3 projects. From this work it was confirmed that hematite is present on Jupiter's ground and the assay results are shown in Table 1 below.

Sample	Fe	SiO2	Al2O3	TiO2	CaO	Mn	P	S	MgO	K2O
UNITS	%	%	%	%	%	%	%	%	%	%
S10	56.11	4.76	4.49	0.08	0.05	0.02	0.071	0.055	0.07	0.006
S11	61.87	2.84	1.35	0.2	0.06	0.02	0.086	0.05	0.07	0.004
S12	62.15	3.19	2.12	0.13	0.04	0.02	0.054	0.048	0.04	0.009
S13	62.05	3.21	1.35	0.06	0.02	0.03	0.054	0.05	0.02	0.006
S14	62.88	1.86	1.32	0.03	0.02	0.06	0.044	0.062	0.05	0.003
S14A	65.33	2.64	0.93	0.02	0.03	0.04	0.054	0.03	0.03	0.011

Table 1. Assay results from S10 to S14A.

Samples S11 to S14 were a mix of hard blue hematite and hematite-goethite ore, S14A was classic blue-grey massive hematite and S10 represented the softer goethite capping.

Field observations of this work indicate hematite of similar quality to S11 to S14A (shown above) extends in a zone for over 2.5km northeast-southwest and 3-400m wide. Depth of the zone cannot be measured until drilling has been completed.

A heritage survey was completed during the quarter and grant of the licence is anticipated to occur February-March 2007. Once grant is finalised, Jupiter can commence approval for drilling and clearing.

KLONDYKE GOLD PROJECT

- During the quarter drilling approval was received and a 10 hole RC drilling program for 2191 metres was completed during January 2007. Assays are due mid February 2007.

Drilling Summary

The Klondyke Project which contains a JORC compliant 300,000 ounce gold resource is situated in the East Pilbara District of the Pilbara Goldfield of Western Australia, approximately 25 kilometres southeast of the town of Marble Bar.

A program of drill site preparation, and reverse circulation drilling was undertaken at the Klondyke Project, Marble Bar between 9th and 24rd January 2007. Ten reverse circulation drill holes, totalling 2,193 metres (table 1) were drilled as part of an infill drilling program to test mineralisation between the surface and 200m depth level. This program focused on tested target at the Klondyke King and Klondyke Queen zone [M45/669]. The next drill program will examine the known mineralisation at Koepcke's Reward [M45/670] for an open pitable resource.

1047 samples were submitted to ALS Chemex Ltd for fire assay for gold. Samples were comprised of 4m, 2m, 1m, compsite samples. The sample interval was governed by visual mineralisation observed in the drill cuttings. The assay results are expected back in mid February.

The assay results from this drill hole program will aid in determining the open pit potential of the known mineralisation within the tenement M45/669.

Historically Klondyke Project has had problems with coarse gold. The gold is visible in the drill cuttings and the nugget nature has affected reproducibility of assay results. To help increase the reproducibility of assay results any 1m sample collected using the whole split from a four cone splitter on average produced a 2.5 to 3kg sample. It is hoped this size of sample which is of same weight as those used for grade control in existing mines will increase reproducibility of assay results.

Mineralisation occurs over a distance of at least 7 kilometres throughout the entire Project area and extends for several kilometres outside the lease boundaries, trending roughly parallel to the strike of the schistose greenstone sequence. The Klondyke Project is part of a major mineralised shear system. At present the highest value target zones are the Klondyke King and Queen zone which were part of this drill program and Kopcke's Reward. Between the two zones there is approximately 2km of mineralisation potential.

A review of historical data and site visited revealed a 300m soil anomaly ranging from 103 ppb Au to 3000ppb Au. This anomaly occurs on M45/670 sub parallel to and south of Kopcke's Reward mineralisation zone. This anomaly from the site visit remains untested by drilling.

Drilling encountered mineralisation zones comprising of gold in quartz stringers and gold associated with pyrite and lesser chalcopyrite and arsenopyrite in altered and sheared country rock. Quartz veined fuchsite bearing schist is a commonly mineralised lithology associated with historic workings. Mineralised lodes tend to be narrow, sub vertically dipping, with steeply plunging higher-grade shoots having limited strike length but these shoots are encased in a large low grade halo of mineralisation.

HOLE	EASTING MGA 94 ZONE 50	NORTHINGS		DEPTH	AZIMUTH	DIP
		MGA 94 ZONE 50				
K07RC1	800201	7637625		140	0	90
K07RC2	800174	7637577		150	35	60
K07RC3	800107	7637565		240	35	60
K07RC4	800061	7637589		217	35	60
K07RC5	799920	7637638		247	35	50
K07RC6	799836	7637703		235	35	60
K07RC7	799812	7637701		283	33	60
K07RC8	799760	7637726		175	35	60
K07RC9	799353	7637973		258	32	60
K07RC10	799298	7637989		246	32	60
TOTAL				2191		

Table 2. Drillhole summary

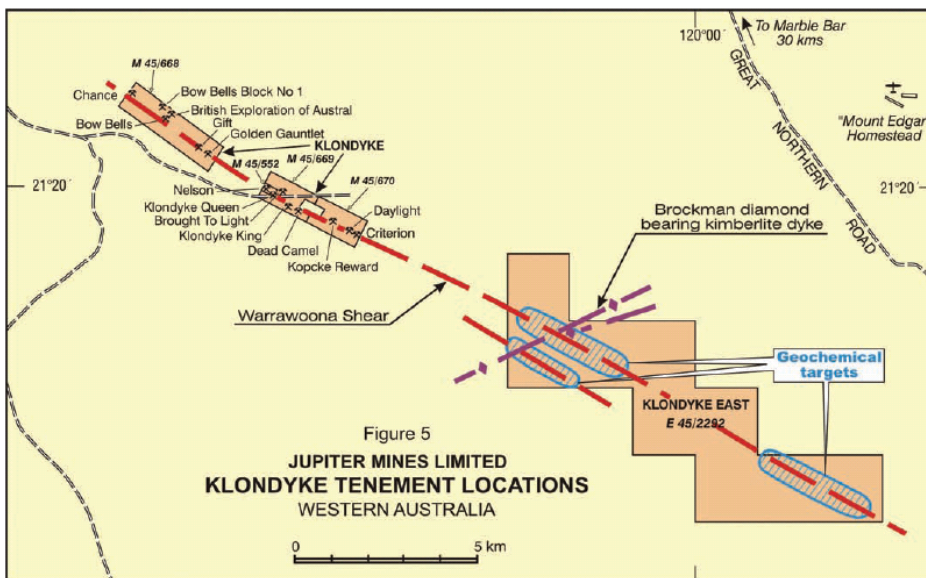


Figure 6. Project locations of Klondyke and Klondyke East Gold Projects.

KLONDYKE EAST GOLD PROJECT

During the quarter Jupiter conducted a mapping and rock sampling program. The summary of the work completed is detailed below.

Introduction

Jupiter Mines is the owner of EL 45/2292 to the east of the Warrawoona Mining Centre which is situated some 50 kilometres south east of Marble Bar. The exploration licence comprises approximately 29 square kilometres and covers the strike extensions of the mineralised horizons of the Warrawoona Mining Centre situated some 7 kilometres to the north west.

Previous work on the lease area has been carried out by a number of companies exploring for both gold and diamonds with some success at a preliminary level. However, there has been little detailed work on the gold potential of the lease given the interesting results of this early work and the proximity to the substantial gold resources existing at Warrawoona.

It was decided that a comprehensive program of sampling of the numerous quartz veins in the lease area should be carried out to check for a repetition of the mineralisation at Warrawoona.

Location and Access

E 45/2292 (Klondyke East) is located in the Pilbara Mineral Field of Western Australia and centred approximately 50 kilometres south east of Marble Bar and 7 kilometres south east of the Warrawoona Mining Centre. Access is by the good gravel road from Marble Bar to Warrawoona then by exploration and station tracks that run through the lease. Alternatively, access can be gained by a station track that turns north west from the Marble Bar – Nullagine road at approximately 64 kilometres southeast from Marble Bar.

Previous work

Previous exploration here has located several diamondiferous dykes which will need further consideration at a later date.

Results from earlier gold exploration that are of interest are the rock chip samples close to a mafic/ultramafic contact. Two locations some 600 metres apart gave a result of 2.05g/t gold with 2.75% copper and 1.75 and 2.90 g/t gold.

Panning streams showed the presence of grains of gold at several locations. Limited follow up work did not reveal any hard rock source for this gold.

Limited wide spaced (50 metre centres on 400 metre line spacing) soil sampling delineated a number of north west trending anomalies with three peaking above 200 ppb gold. No follow up work has been carried out to test these anomalies.

Geology

The lease is underlain by the Warrawoona greenstone belt, a narrow greenstone sequence of mafic/ultramafic rocks with some felsic volcanics and narrow banded iron/chert units. The sequence is approximately 2.5 kilometres wide and is bounded to the north by the Mt Edgar Batholith and to the south by the Corunna Downs Batholith. The sequence has been faulted and sheared with strike slip faulting common along with cross faulting.

Quartz veining is common with large (100 metres wide) and small (centimetre sized) occurring particularly in the sheared zones. Particularly on the northern contact of the belt digestion of the greenstones is common along with rafts of greenstone floating in the granite. The sequence is cut by concordant and discordant dolerite dykes and by at least two diamondiferous kimberlite dykes.

Work completed

Twelve days were spent traversing the lease along lines that were roughly parallel and sampling any quartz veins encountered as well as any other rocks considered of interest. This work was carried out by a geologist and one field assistant. No attempt was made to map the geology of the lease as previous parties, in particular CRA, have already done this work recently.

A total of 75 rock chip samples numbered Ke 1 to 75 were collected and assayed for gold, silver, platinum, palladium, copper, arsenic, and lead. The samples were assayed by Ultratrace laboratories. All sample locations were noted by GPS coordinates and any rocks/features of interest, such as the kimberlite dykes, were also recorded using the GPS.

Summary of Results

A number of results were received that were of interest. The highest gold value was for Ke 68 at 2.6 g/t gold. This came from a small quartz vein located in an area where intensive metal detecting has been carried out and probably corresponds to a previous soil anomaly with plus 200 ppb values.

Quartz veining with associated fuchsite and gossan stringers, very similar in appearance to the rocks that host gold resources at the Klondyke Queen, were located widely distributed on the lease. These rocks were generally anomalous in arsenic and one sample (Ke 35) gave a value of 625 ppb gold.

This work program has confirmed the presence over a considerable strike length of the fuchsite quartz veining that hosts much of the gold resource at Klondyke 7 kilometres along strike to the north west in a zone anomalous in arsenic and occasionally in gold. It shows the presence of gold in quartz veins corresponding to the strong geochemical soil anomalies previously outlined. Both are targets for further, more detailed work.

BEASLEY RIVER IRON PROJECT

During the quarter the Beasley River Iron Project (E47/1153) was granted by DOIR, a heritage survey was completed over the western part of the project and Jupiter negotiated to purchase 100% of the project up from the original 75%.

Ministerial and POW approvals are imminent and drilling will commence early February 2007. The drill crew and Jupiter's geological team are on site awaiting these approvals so drill testing can commence.

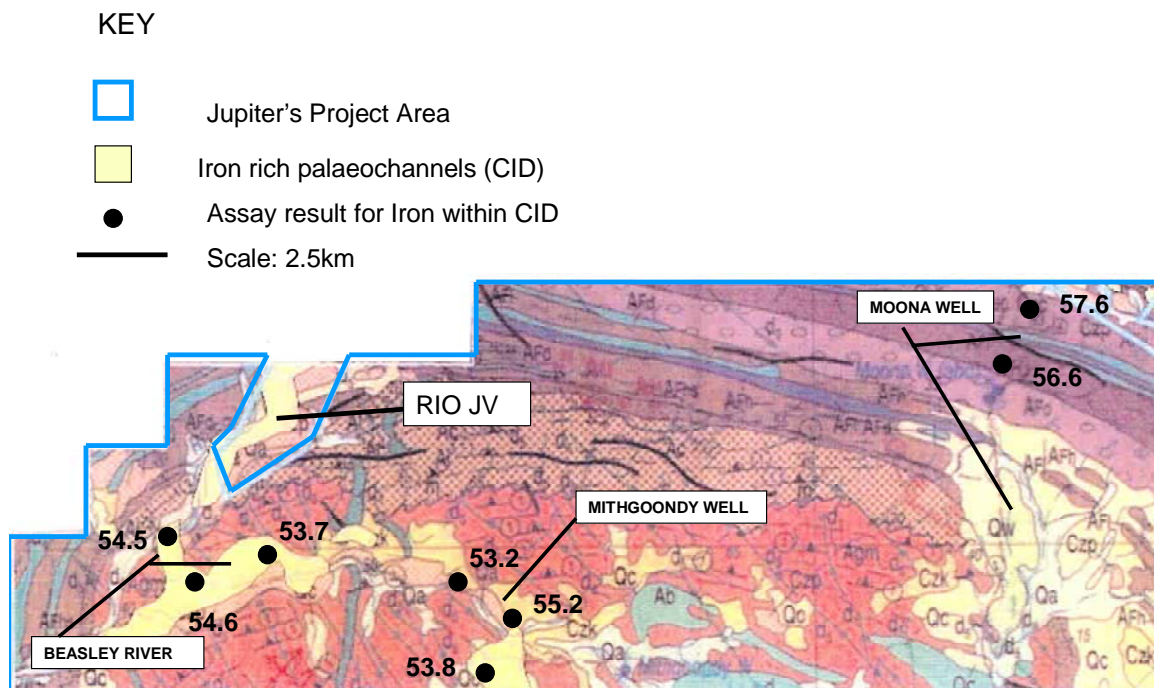


Figure 7. Jupiter's Beasley River iron project, showing surface sample results. Jupiter will be drill testing the Beasley River zone first.

CORUNNA DOWNS NICKEL AND BASE METAL PROJECT

During the quarter Jupiter applied for an exploration licence adjoining Jupiter's Klondyke East Gold Project. The Corunna Downs Project (E45/2964) is 42 graticular blocks

Open file data on this project indicates the project is prospective for magmatic nickel and copper mineralisation.

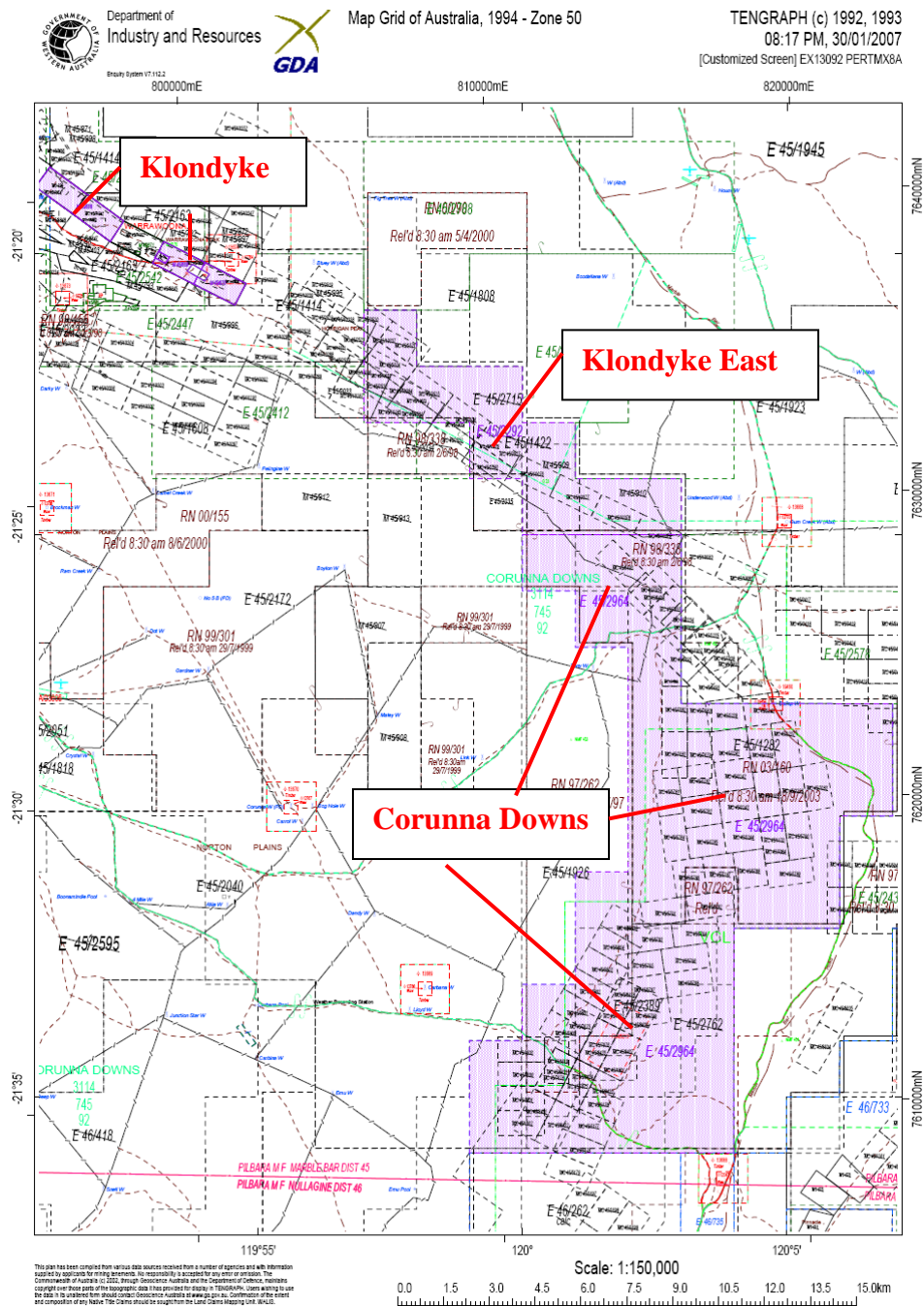


Figure 8. Tenement map showing Klondyke, Klondyke East and the new Corunna Downs Nickel – Base Metal Project

SHAY GAP IRON PROJECT

During the quarter Jupiter conducted an initial reconnaissance visit and marked out the boundaries of the exploration licence.

During the March quarter Jupiter will purchase radiometric data to refine target zones. The company is targeting Channel Iron Deposits.

LEONORA AND LEONORA SOUTH

During the quarter data entry processing commenced updating all old and current data into a user friendly system to aid future exploration.

CHANDLERS REWARD

During the quarter Jupiter applied for P37/7050 located approximately 80km north of Leonora. The project covers the 1km of gold workings known locally as Chandlers Reward.

Surface sampling along the workings returned gold results of 0.42g/t Au (J01), 2.49g/t Au (J03), 1.58g/t Au (J08), 2.56g/t Au (J14), 6.54g/t Au (J15), 7.48g/t Au (J16) and 7.07g/t Au (J19).