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JUPITER MINES LIMITED

ABN 51 105 991 740

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31 January 2005

DECEMBER 2004 QUARTERLY REPORT

- ❖ **Jupiter completes a successful listing on the ASX**
- ❖ **Exploration drilling commences at the Cassini nickel project.**

CORPORATE

On 23 December 2004 Jupiter Mines Limited made its debut on the Australian Stock Exchange, listing through the Brisbane Exchange Branch. Jupiter's shares are now trading on the ASX.

CASSINI NICKEL PROSPECT AT WIDGIEMOOLTHA

Jupiter commenced its first exploration drilling program at the Cassini nickel prospect immediately after it had successfully completed its Initial Public Offering. A reverse circulation (RC) drilling program was commenced at Cassini in the Widgiemooltha tenement block to follow up on nickel sulphide mineralization identified in some previous air-core drilling. The prospect area is situated about 22 km south of the town of Widgiemooltha and about 3 km southwest on Mincor's Redross Nickel Mine.

This drilling program was designed to explore for the occurrence of komatiite hosted nickel sulphide mineralization in Archaean ultramafics along the southern extension of the Widgiemooltha Dome. Air-core drilling by previous explorers seeking gold in this area encountered several encouraging nickel bearing intersections, and the drill cuttings were observed to contain nickel sulphide minerals typical of komatiite lava channel nickel sulphide mineralization.

The first drill hole, JWRC1 – a vertical RC hole – was located near WMAC126, a previous air-core hole that encountered nickel sulphide mineralisation. JWRC1 had to be abandoned at 57 metres down hole due to difficult drilling conditions. A second drill hole, JWRC2, also a vertical RC hole, was put down 50 metres north of WMAC126 and 50 metres south of WMAC131, and drilled to a depth of 177 metres.

High levels of saturated clays, especially in the upper parts of both holes created some difficult drilling conditions and limited the capacity of the drilling rig. The drilling program was suspended at this stage until after the holiday season, with work to recommence in the March quarter.

Events subsequent to the quarter

During January, Jupiter received the assay results from its initial drilling program at the Cassini nickel prospect. These results contained some very encouraging nickel grades from JWRC1, the first hole drilled at Cassini. The best result was a 4 metre intercept carrying 2.75% nickel at the base of the hole. These results were the subject of a Company announcement on 13 January 2004.

Based on these results Jupiter has commissioned additional geophysical work at Cassini. This will include a detailed surface EM survey and a revision and reprocessing of magnetic data covering the project area.

The objective of this work will be to assist in delineating mineralization trends in the area to more accurately plan future drilling.

KLONDYKE PROSPECT

Work has commenced on detailed drill site planning for the first drill program at Jupiter's Klondyke leases near Marble Bar. It is anticipated that drilling will be underway in the March quarter 2005. Some additional local geological mapping will be carried out prior to drilling to confirm drill hole locations.

Warren Staude
Chief Executive Officer

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 2004

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	(91)	(135)
(b) development	-	-
(c) production	-	-
(d) administration	(163)	(400)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material):	(8)	(8)
Net Operating Cash Flows	(266)	(547)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(509)	(553)
(b) equity investments	-	-
(c) other fixed assets	(3)	(3)
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	(512)	(556)
1.13 Total operating and investing cash flows (carried forward)	(778)	(1,103)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(778)	(1,103)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,801	4,337
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	50	50
1.17	Repayment of borrowings	(50)	(50)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) - issue expenses paid	(179)	(246)
	Net financing cash flows	3,622	4,091
	Net increase (decrease) in cash held	2,844	2,988
1.20	Cash at beginning of quarter/year to date	146	2
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,990	2,990

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	142
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	\$38,700
Executive director remuneration	\$39,600
Payments to principal consultants	\$63,500

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

During the quarter the Company issued 6,800,000 ordinary fully paid shares as part consideration for the acquisition of mineral tenements on completion of the agreements detailed in sections 9.1, 9.4 and 9.5 of the Company's prospectus dated 22 October 2004.

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

N/A

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	Nil	N/A

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
Total		200

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	2,990	146
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,990	146

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			
6.2	EL 15/625	Exercise of option	0%	100%
	ML 45/552	Exercise of option	0%	75%
	ML 45/668	Exercise of option	0%	75%
	ML 45/669	Exercise of option	0%	75%
	ML 45/670	Exercise of option	0%	75%
	ELA 45/2292	Agreement to purchase	0%	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	49,336,250	25,337,500	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	25,805,000	19,005,000	20 cents	20 cents
(b) Decreases through returns of capital, buy-backs	Nil	N/A	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>			<i>Exercise price</i>	<i>Expiry date</i>
	2,000,000	Nil	20 cents	31 December 2006
	3,000,000	Nil	20 cents	31 December 2006
	7,812,500	Nil	20 cents	31 January 2007
	3,000,000	Nil	30 cents	31 July 2007
	1,000,000	Nil	20 cents	22 October 2009
	1,000,000	Nil	20 cents	21 December 2009
7.8 Issued during quarter	3,000,000	Nil	20 cents	31 December 2006
	1,000,000	Nil	20 cents	22 October 2009
	1,000,000	Nil	20 cents	21 December 2009
7.9 Exercised during quarter	Nil	N/A	N/A	N/A
7.10 Expired during quarter	Nil	N/A	N/A	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 2005

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.

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