



NGM Resources Limited

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QUARTERLY REPORT 31 December 2009

ELS 04 2010

HIGHLIGHTS

Niger

- Second drilling program completed in Niger with continued success
- Shallow sandstone hosted inferred resource of 23Mt @ 210ppm for estimated 11Mlbs of U₃O₈ at 120ppm cut off announced for Takardeit main zone and remains open
- Aerial surveys completed
- Field programs undertaken
- Data interpretation providing immediate target leads
- Mise en Garde lifted

Madagascar

- Rock chip results from field program of itabirite iron ore prospect provide promising results
- Fe grade range 28-66% with low impurities

Niger Uranium Project - Summary

The Company drilled a total of 3,796m including 143m of diamond drilling to use as check assay analysis of down-hole logging and to also assist with geological control interpretation. Drilling focused on the Takardeit area with three distinct zones being Takardeit, Takardeit East and Takardeit North (Fig 1). These areas are all within several kilometres of each other.

The Takardeit area, like much of the Company's concessions, has substantial and at times high grade outcropping mineralisation. Takardeit is located just 18km from the Company's operational at Agadez City and this target area was a logical place for the Company to commence its first exploration programs. It is also noteworthy the Company at that time did not have access to high grade radiometric or magnetic data making Takardeit an attractive first target to drill test.

The Company has announced an inferred resource of 23Mt @ 210ppm for an estimated 11Mlbs of U₃O₈ utilising a 120ppm cut off. This number is generated from the Takardeit prospect only and does not include any numbers from the Takardeit East or North prospect.

The U₃O₈ is sandstone hosted, less than 30m from surface and remains open to the south and south west. The mineralisation is supergene in nature and in the event it is mined it is anticipated the material will crush easily and conventional acid leach should ensure high recoveries based upon nearby mining information. The resource estimate was calculated by independent consulting group Hellman & Schofield Pty Ltd.

The region that NGM operates in hosts several significant sandstone hosted, large, high grade mining operations. These types of deposits are the principal target for the Company however; lack of airborne data has hindered the Company's technical team in assessing targets based upon structural control interpretation. This has now been rectified with the receipt of the recently flown data over the Company's concessions.

Interpreted data is now being received by the Company's technical team and structures on the Company's concessions are becoming clear to see. A number of priority target areas have already been identified and will be tested in the next drilling program, proposed to commence March 2010. Field work will commence in early February.

With respect to the Takardeit area there is potential the surface mineralisation may be associated with re-activation of a basement structure. This opens up the possibility of mineralisation in the yet to be drilled Carboniferous (host rocks to the Arlit, Madouela, and Akouta deposits) interpreted to be approximately 100m deeper than the current drilling depth (Fig 2). Deeper holes will be drilled at Takardeit in the upcoming program.

Takardeit East had a small program which yielded some excellent results. Of 12 holes drilled in the main target area four yielded the following results:

- 11.7m @ 821ppm eU₃O₈ from 0.2m
- 4.2m @ 417ppm eU₃O₈ from 7.3m
- 4.0m @ 712ppm eU₃O₈ from 0.2m
- 3.3m @ 901ppm eU₃O₈ from 0.2m

Access proved a little difficult and it was decided to complete drilling at Takardeit and return to Takardeit East in the next program better equipped to manage the rocky conditions.

Takardeit North is deeper and has thinner zones than the other two areas. It still remains of interest and may be the subject of deeper drilling in the next program.

The bulk of the Company's drilling program has been released to market however Table 1 has all previously released information plus the final December 2009 drill holes interpreted during January.

In November 2009 the Niger Government lifted the Mise en Garde (security alert). The Company has recently been operating while the alert was in place with no security issues.

The Mise en Garde was put in place in December 2007 and precluded the Company from working on its concessions from this date to the recommencement of operations in mid 2009.

The Company has instigated a number of social programs in the local region which includes water bores, educational assistance and support of the local school of mines.

Madagascar Iron Ore Prospect - Summary

The Company conducted a field program at the Mahanoro Iron Ore prospect. 40 samples were collected from across the outcropping structure and sent for analysis.

The Company is encouraged by the results. The iron is itabirite and the samples have a mean iron content of 42.4%. Impurities are low. Table 2 presents the results of the program.

The Company has done some desk top work on logistics. The prospect is just 15km from the coast, meaning rail transport is not an issue. The hinterland has a great potential for hydroelectric power due to its high rainfall and dense river pattern. The prospect is located next to a major river. The nearby town of Mahanoro may have potential for development as a port or as a base for trans-shipping.

The Company is considering future financing options for the prospect.

Description of Logging (Uranium)

The drill holes are approximately 110-121mm in diameter and drilled with bentonite mud.

The down hole logging was undertaken by ULC using their GeoVista Natural Gamma Ray Spectroscopy (NGRS) system with a NaI crystal. Higher grade intercepts were re-run using a Geiger-Muller gamma probe. All holes were gamma logged at 10cm intervals. The holes were also separately logged for resistivity, recording both shallow resistivity (RLLS) and deep resistivity (RLLD).

The natural gamma records were corrected by ULC for the hole diameter, mud density, logging speed, probe dead time, to record a "corrected gamma value" expressed in counts per second (CPS). The corrected gamma is converted to ppm eU using a k-factor of 0.22 and converted to eU308 by multiplying by 1.179. All records assume the radiometric data is in equilibrium. This is a reasonable assumption from the extensive experience of ULC working for Areva and Goviex on sandstone hosted mineralisation in similar host rocks and depths north of the Company's concessions.

All holes were logged by an experienced uranium geologist from ULC with more than five years experience in logging in the Tim Merso Basin in Niger.

All hole co-ordinates and sample locations are recorded in WGS84, 32N. All references to U3O8 and eU3O8 are calculated as the U grade in ppm by 1.178. All references to U and U3O8 are to actual assay values of samples assayed by ALS-Chemex. All references to eU or eU3O8 are to drill hole intervals logged by NGRS and converted to an equivalent uranium value.

Corporate

Following the General Meeting held on 5 October 2009, the company completed the placement of shares to Paladin Energy Limited and a number of Australian and International sophisticated investors. The placement was undertaken in two tranches totalling 35,267,358 shares raising \$5,290,000 before costs.

As a result of the placement to Paladin, they have increased their shareholding from 16.7% of the shares on issue to now hold 19.9% of the shares on issue.

The Company has prepared presentations for shareholders and investors which are available on the Company's website www.ngmresources.com.au

For further information please contact:

Mr Robert Kirtlan
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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Peter Rolley, who is a Member of the Australian Institute of Geoscientists. Mr Rolley is a consultant to the company.

Mr Rolley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'.

Mr Rolley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

HoleID	Easting (m)	Northing (m)	RL (m)	Depth (m)	From (m)	To (m)	Width (m)	eU ₃ O ₈ (ppm)
IND119	369,855.4	1,882,997.1	477.0	18	0.3	1.2	0.9	298
IND119					13.8	15.3	1.5	212
IND120	369,058.1	1,883,643.8	478.2	16	10.9	12.5	1.6	244
IND121	369,380.0	1,883,640.0	478.0	18	4.4	4.8	0.4	132
IND121					6.5	7.2	0.7	564
IND122	369,220.0	1,883,80.0	478.0	16	3.6	4.8	1.2	503
IND122					5.8	6.6	0.8	362
IND123	368,740.0	1,883,640.0	478.0	18	2.3	3.5	1.2	221
IND123					4.4	5.4	1.0	404
IND124	369,060.0	1,883,960.0	478.0	14	7.9	8.4	0.5	294
IND125	368,580.0	1,883,800.0	481.0	14	3.6	5.1	1.5	479
IND126	368,900.0	1,883,800.0	481.0	14	9.1	10.2	1.1	141
IND127	368,900.0	1,882,360.0	478.0	30	8.2	8.9	0.7	386
IND127					11.4	13.7	2.3	252
IND127					16.5	18.5	2.0	536
IND127					25.0	26.3	1.3	151
IND127					28.5	29.1	0.6	224
IND128	368,580.0	1,882,360.0	478.0	32	13.0	13.7	0.7	294
IND128					15.0	15.8	0.8	750
IND128					17.0	17.8	0.8	495
IND129	368,260.0	1,882,360.0	478.0	36	17.2	17.7	0.5	129
IND129					19.5	19.9	0.4	113
IND130	368,260.0	1,882,040.0	478.0	40				NSR
IND131	368,580.0	1,882,040.0	478.0	39	33.4	34.1	0.7	320
IND132	368,900.0	1,882,040.0	478.0	29	17.5	18.0	0.5	455
IND133	369,220.0	1,882,360.0	478.0	27	5.9	7.3	1.4	294
IND133					12.4	13.7	1.3	169
IND133					15.7	16.5	0.8	638
IND133					21.7	22.3	0.6	201
IND134	368,740.0	1,883,960.0	478.0	12	4.5	5.5	1.0	159
IND134					7.2	7.6	0.4	158
IND135	368,420.0	,883,960.0	478.0	18	2.0	3.2	1.2	237
IND135					8.4	8.8	0.4	394
IND136	368,260.0	1,883,800.0	478.0	18	0.3	2.9	2.6	217
IND137	367,940.0	1,883,800.0	478.0	24	0.3	0.8	0.5	605
IND137					14.9	17.5	2.6	1,570
IND148	369,220.0	1,882,040.0	478.0	24	8.4	14.0	5.6	382
IND148					15.0	15.4	0.4	128
IND148					20.1	20.5	0.4	152
IND149	369,540.0	1,882,040.0	478.0	30				NSR
IND150	369,220.0	1,881,720.0	478.0	28	25.4	26.8	1.4	285
IND151	369,860.0	1,883,480.0	478.0	12	0.3	1.6	1.3	198
IND152	370,020.0	1,883,640.0	478.0	24	10.0	10.7	0.7	119
IND152					11.8	17.1	5.3	2,344
IND152				Incl	13.5	16.1	2.6	4,462
IND152				Incl	14.0	14.4	0.4	11,743

Takardeit East Drilling Results								
HoleID	Easting (m)	Northing (m)	RL (m)	Depth (m)	From (m)	To (m)	Width (m)	eU₃O₈ (ppm)
IND094	371,619.5	1,883,840.8	484.9	30	0.2	11.9	11.7	821
IND138	370,980.0	1,883,640.0	478.0	22	14.7	15.3	0.6	144
IND138					15.8	16.3	0.5	135
IND138					18.2	18.7	0.5	124
IND139	371,300.0	1,883,560.0	478.0	24				NSR
IND140	371,300.0	1,883,960.0	478.0	12				NSR
IND141	371,620.0	1,883,640.0	478.0	18	0.6	1.0	0.4	115
IND141					7.3	11.5	4.2	417
IND141					11.9	13.2	1.3	137
IND142	371,940.0	1,883,960.0	478.0	18	9.4	12.3	2.9	160
IND142					12.8	13.7	0.9	138
IND143	372,260.0	1,884,280.0	478.0	18				NSR
IND144	372,306.0	1,884,475.0	478.0	10	0.2	4.2	4.0	712
IND145	371,940.0	1,884,280.0	478.0	15				NSR
IND146	371,620.0	1,884,280.0	478.0	12				NSR
IND147	371,804.0	1,884,170.0	478.0	15	0.2	3.5	3.3	901

Table 2: All Sample Results – Madagascar Iron Ore

Mahanoro Sample Results								
Hole ID	Map Co-ord.	Easting (m)	Northing (m)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
0001	BT016	254 905	7795231	47.99	25.71	0.19	0.110	4.89
0002	BT016A	255 131	7795292	41.11	38.75	0.18	0.038	1.98
0003	BT019	255 537	7795246	39.18	41.89	0.15	0.016	1.68
0004	BT021	255 892	7795226	43.43	36.44	0.26	0.044	0.72
0005	BT031	254 898	7795378	47.27	28.49	0.12	0.036	3.45
0006	BT033	255 316	7795381	43.15	36.80	0.19	0.044	1.19
0007	BT034	255 529	7795378	39.62	39.90	0.13	0.027	2.64
0008	BT035	255 735	7795436	42.11	37.32	0.75	0.078	1.20
0009	BT036	255 863	7795392	46.50	32.55	0.28	0.087	1.14
0010	BT046	254 973	7795632	43.54	36.19	0.29	0.052	0.99
0011	BT047	255 166	7795539	35.59	49.39	0.38	0.014	-0.98
0012	BT049	255 482	7795586	41.15	38.71	0.10	0.028	2.20
0013	BT050	255 732	7795608	39.00	41.35	0.10	0.048	2.40
0014	BT051	255 905	7795562	39.59	42.68	0.19	0.035	0.24
0015	BT052	256 090	7795583	46.45	31.95	0.19	0.038	1.33
0016	BT061	254 883	7795781	46.03	33.11	0.21	0.046	0.41
0017	BT062	255 144	7795828	46.78	28.13	0.37	0.034	4.18
0018	BT062A	255 263	7795697	28.59	57.06	1.16	0.046	0.72
0019	BT063	255 281	7795848	31.39	53.74	0.58	0.025	0.22
0020	BT064	255 480	7795780	39.08	42.21	0.08	0.048	1.30
0021	BT065	255 672	7795792	40.70	40.57	0.13	0.009	0.57
0022	BT066	255 928	7795796	42.52	38.38	0.07	0.014	1.19
0023	BT068	256 302	7795844	41.01	40.50	0.26	0.061	0.60
0024	BT076	254 824	7796036	44.00	34.77	0.21	0.019	1.93
0025	BT078	255 296	7796002	42.71	39.07	0.10	0.035	-0.42
0026	BT079	255 556	7795957	39.82	40.13	0.11	0.023	2.30
0027	BT081	255 838	7795970	68.09	0.88	0.75	0.007	0.57
0028	BT082	256 065	7795964	38.49	44.54	0.18	0.031	0.14
0029	BT084	256 440	7796966	39.76	42.09	0.13	0.010	0.80
0030	BT091	254 859	7796270	50.45	26.33	0.41	0.035	0.79
0031	BT092	255 096	7796147	42.94	38.15	0.18	0.044	0.04
0032	BT094	255 482	7796205	41.54	40.19	0.29	0.030	0.46
0033	BT095	255 757	7796202	39.52	42.79	0.28	0.012	-0.05
0034	BT097	256 132	7796140	45.56	33.78	0.56	0.060	0.66
0035	BT098	256 280	7796216	40.81	41.13	0.18	0.022	0.22
0036	BT108	255 312	7796353	35.50	49.45	0.11	0.011	0.01
0037	BT110	255 771	7796363	46.41	31.77	0.26	0.044	1.13
0038	BT112	256 152	7796426	44.22	36.13	0.32	0.042	0.23
0039	BT127	256 007	7796535	36.35	42.79	0.20	0.010	0.57
0040	BT128	256 312	7796576	46.14	32.24	0.39	0.038	0.92

Sample preparation and analysis were carried out by Genalysis. In Madagascar, one kilogram samples were dried and crushed, all material pulverized then riffle split to a 100g sample for dispatch to Perth. Perth analysis was by X-Ray Fluorescence using fused disks

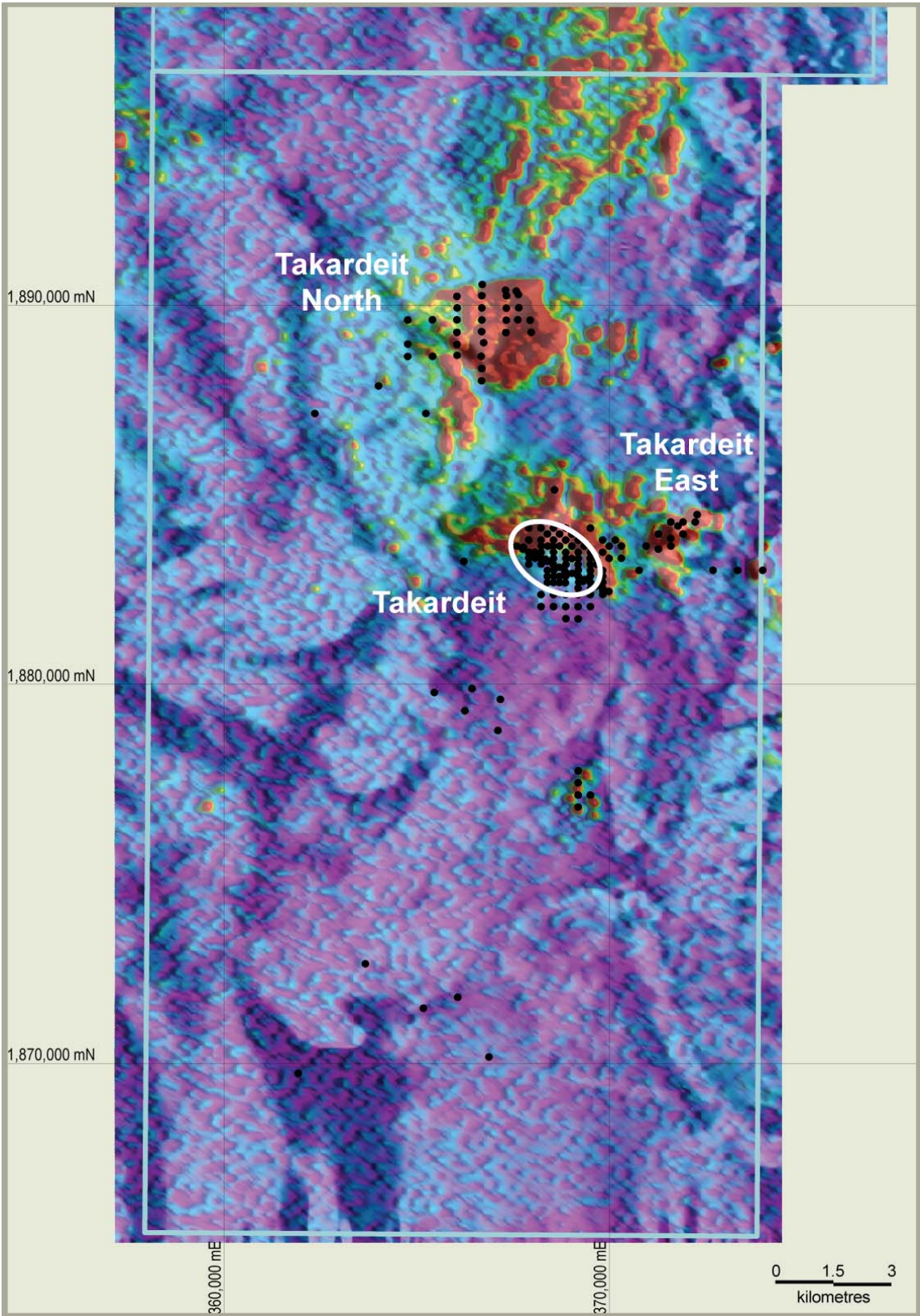


Figure 1: Areas drilled in recent program

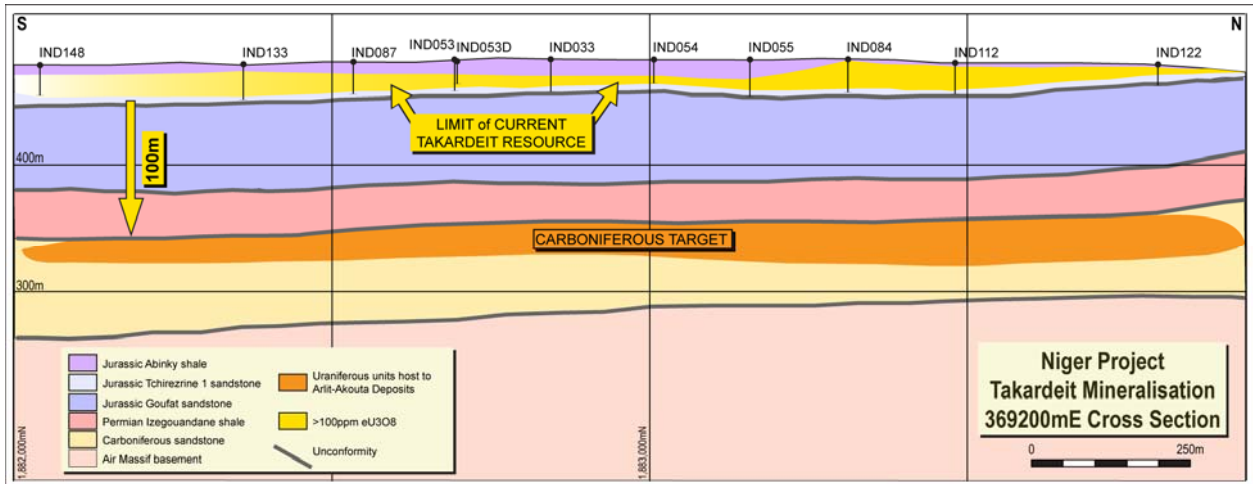
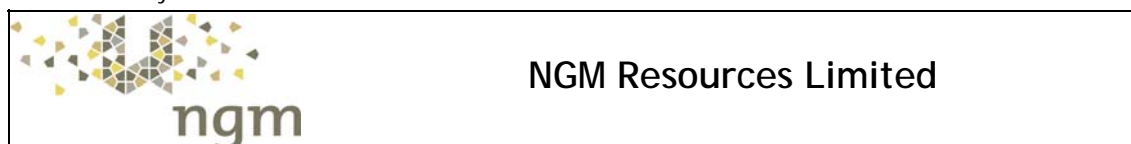


Figure 2: Takardeit resource in relation to Carboniferous target

Appendix 5B

Mining exploration entity quarterly report

Name of entity



ABN

27 107 131 653

Quarter ended ("current quarter")

31st December 2009

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 (b) development (c) production (d) administration	(809)	(1,361)
1.3	Dividends received	(458)	(777)
1.4	Interest and other items of a similar nature received	35	37
1.5	Interest and other costs of finance paid	(2)	(3)
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(1234)	(2,104)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets (d)security deposit	(16)	(70)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets (d) security deposit		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(16)	(70)
1.13	Total operating and investing cash flows (carried forward)	(1,250)	(2,174)

1.13	Total operating and investing cash flows (brought forward)	(1,250)	(2,174)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,160	5,055
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) Share issue costs		(14)
	Net financing cash flows	1,160	5,041
	Net increase (decrease) in cash held	(90)	2,867
1.20	Cash at beginning of quarter/year to date	3,445	491
1.21	Exchange rate adjustments to item 1.20	(14)	(17)
1.22	Cash at end of quarter	3,341	3,341

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	130
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1.23 Consulting fees paid to associates of directors, directors fees and fees for services relating to management, accounting and secretarial functions

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

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	800,000
4.2 Development	
Total	

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		641
5.2 Deposits at call		2,700
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)		3,341

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	Interests in mining tenements acquired or increased			

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, redemptions				
7.3	+Ordinary securities	180,447,359	180,447,359		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,467,050	18,467,050	15 cents	15 cents
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)	20,000,000 7,500,000		Exercise price \$1.00 \$1.00	Expiry date 31 December 2010 31 December 2011
7.8	Issued during quarter	4,350,000 500,000		15 cents 25 cents	31 December 2012 31 December 2012
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				
7.13	Other securities Incentive shares *	30,000,000		* These unlisted incentive shares have rights only after the achievement of certain performance hurdles.	

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: *Robert Kirtlan*

Date 28 January 2010

Print name: Robert Kirtlan - Director

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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