



Fortuna Minerals Limited

22 January 2009

Companies Announcement Office
ASX Limited
Fourth Floor
20 Bridge Street
Sydney NSW 2000

DECEMBER QUARTERLY ACTIVITIES REPORT

The Directors of Fortuna Minerals Limited ("Fortuna") are pleased to provide an update of activities for the December Quarter.

Christmas Bore Project (*Fortuna earning 75%*)

No work was undertaken during the quarter.

Acquisition of Seluma Iron Sands Project (*Fortuna option to earn 100%*)

Fortuna has entered into an agreement pursuant to which it has the exclusive option to acquire 100% of the issued capital of a company (the "Company") to be incorporated in Indonesia which will hold a 100% interest in the Seluma Iron Sands Project located on the island of Sumatra in Indonesia. Please refer ASX announcement dated 14 January 2009.

The exercise of the option at any time prior to 12 January 2011 is conditional upon, but not limited to, respective shareholder and regulatory approvals, due diligence and the Company holding unencumbered legal and beneficial title.

The consideration payable by Fortuna for the option is US\$10,000 and, in the event Fortuna exercises the option to acquire the Company, a total royalty of US\$10 per tonne of mined concentrate of all minerals is payable ("Royalty").

In addition, upon a decision by Fortuna to commence mining operations, and subject to entering into a formal loan agreement on terms acceptable to Fortuna, Fortuna shall make available a loan in the amount of AU\$600,000 to one of the vendors of the Company.

The Project is located approximately 75km south of Bengkulu adjacent to the village of Pasar Talo on the south west coast of the Indonesian island of Sumatra.

The Project comprises one Kuasa Pertambangan ("KP", a mining license) located on the coastal plain proximal to a series of inactive volcanic centres which lie along the Great Sumatran Fault. Erosion of andesite from these volcanic centres is believed to be the source of the heavy minerals within deltaic and sand dune areas along the south west coast of the island. Together with the heavy minerals, the sedimentary sequences along the coastal plains comprise of silt, sand and gravel beds.

The KP overlies approximately 6.5km of beach frontage and extends from the hinterland out into the ocean, including the village of Pasar Talo. The area behind the beach is lightly wooded with forest re-growth, minor palm oil cultivation and subsistence farming operated by the local villagers. There is no known commercial scale cropping or land clearing.

Concentrations of heavy minerals sands (HMS) occur as bands within the sand beds. Sample pits within the Project area and other locations along the coast indicate that the HMS units can be over 2m thick. Heavy minerals include up to 30% magnetite, up to 5% zircon, monazite, and other coloured detrital minerals, up to 10% illmenite, and up to 5% hematite.

Analysis of samples collected from two programs completed in 2008 demonstrated that the sedimentary profile contains potentially economic Iron Sands, with iron content ranging from 4.8 to 22.5% (6.9 – 32.1% Fe₂O₃), and justify further evaluation of the project.

A comprehensive summary of historical work programs is detailed in the ASX release of 14 January 2009.



Mathew Walker
Chairman

For further information please contact:

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Fortuna Minerals Limited website: www.fortunaminerals.com.au

The information pertaining to the technical content of this report has been reviewed by Mr John Holmes, who is a member of the Australian Institute of Geoscientists. Mr. Holmes is employed by Zephyr Consulting Group Pty Ltd and 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. Holmes consents to the inclusion in the report of the information in the form and context in which it appears.

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