



GME RESOURCES LIMITED

ABN 62 009 260 315

REPORT FOR THE QUARTER ENDING 31 December 2005

HIGHLIGHTS

- **UPDATED RESOURCE STATEMENT INCREASES HIGH GRADE NICKEL LATERITE TONNAGE AND GRADE**
 - **23 Million Tonnes 1.40% Nickel and 0.10% Cobalt**
- **DRILLING AT EUCALYPTUS IDENTIFYS NEW RESOURCE POTENTIAL**
 - **Continuous nickel mineralisation over 1.5 kilometres**
 - **Elevated cobalt grades including 2 metres at 1.1% Co**

EXPLORATION REVIEW

Updated Resource Statement

During the reporting period, the Company announced a major increase in High Grade Nickel Laterite Resources for its nickel project located near Murrin Murrin in the north eastern goldfields of Western Australia.

The increase in drill *indicated* resources follows the completion of 17,000 metres of infill RC drilling carried out at the Mt Kilkenny, Eucalyptus and Murrin North projects over the past year.

Table 1 highlights the higher grade resources that are now at *indicated or measured status* at a 1.2% nickel cut off grade.

Resources by project area at a 1.0% nickel cut off grade are listed in Table 2.

Drill programs to date have shown that the conversion rates from inferred tonnes to indicated tonnes (at 1% cut off grade) are around 80%. Potential exists to build on indicated resource tonnes and increase the total resource through Company's infill and resource expansion programs.

This ongoing work is supported by the recent round of drilling at the Eucalyptus project where a new zone of mineralisation has been identified at Eucalyptus

North East and infill drilling at Camelback has been successful in extending the indicated resource 1500 metres to the south and 2000 to the north.

Table 1. Indicated / Measured High Grade Resource Statement at 1.2% Nickel cut off grade

Project	Category	Million Tonnes	% Ni	% Co
Mt Kilkenny	Indicated	9.28	1.43	0.12
Eucalyptus	Indicated	5.80	1.40	0.10
Murrin North	Indicated	1.36	1.50	0.10
Waite Kauri	Measured/Indicated	0.65	1.48	0.08
Total	Measured/Indicated	16.47	1.43	0.11
Total	Inferred	6.65	1.34	0.08
Total	Combined	23.12	1.40	0.10

Table 2. Resource by project at 1% cut off grade

Project	Category	Million Tonnes	% Ni	% Co
Mt Kilkenny	Indicated	13.72	1.29	0.10
Mt Kilkenny	Inferred	1.37	1.14	0.07
Eucalyptus	Indicated	9.25	1.23	0.08
Eucalyptus	Inferred	9.46	1.19	0.07
Waite Kauri	Measured	1.30	1.33	0.14
Murrin North	Indicated	2.15	1.34	0.09
Murrin North	Inferred	0.97	1.14	0.11
Hepi	Inferred	2.60	1.26	0.10
Mertondale	Inferred	1.20	1.24	0.08
Macey Hill	Inferred	0.30	1.40	0.15
Duck Hill	Inferred	1.50	1.27	0.30
Total	Indicated	26.47	1.28	0.10
Total	Inferred	17.41	1.21	0.10
Total	Combined	43.83	1.25	0.10

EUCALYPTUS PROJECT

During the quarter the company released results from the September drilling work and completed a further drill program in December. Work undertaken at the Eucalyptus project is shown on the following project plan and results from the drilling is summarised in tables 3 & 4 in appendix 1.

December 2005 drill program

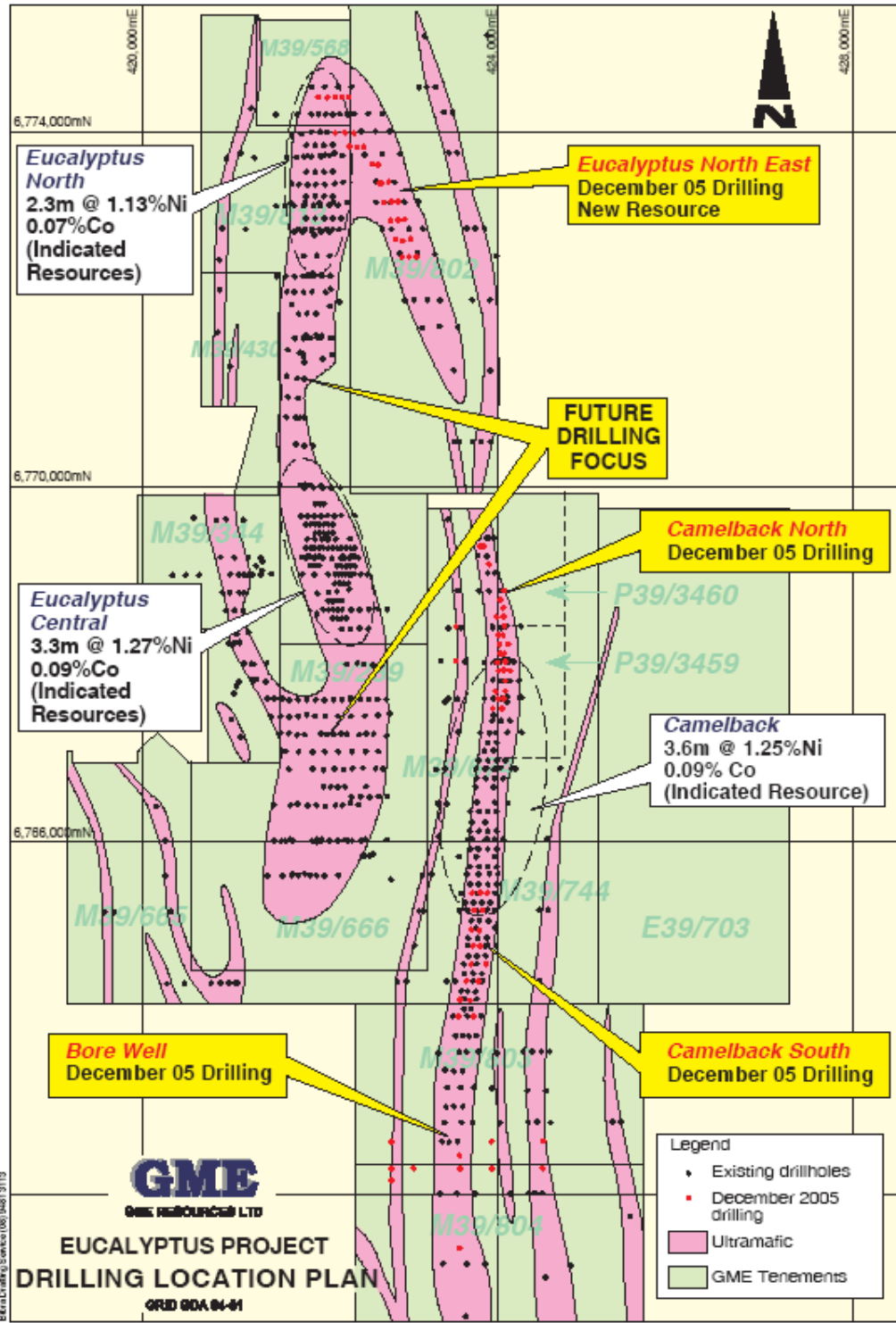
In December the company completed 2760 metres of reverse circulation drilling at the Eucalyptus project. The focus of the campaign was to test a new area mineralisation at the Eucalyptus North East zone and to complete infill drilling at 100 metre centres over the Camelback North and Camelback South areas.

Drilling at Eucalyptus North East has identified a new zone of high grade mineralisation that is continuous over 1.5 kilometres of strike. Well developed laterised ridges overlying ultramafics continue to the south for several kilometres and are untested by drilling. The recent drilling is on 200 metre line spacing with hole centres at 80 metres.

Several holes recorded discrete high grade zones of cobalt, the highest recorded assay being 1.11% cobalt over 2 metres in hole EBCO279. A further three holes returned assays between of 0.3% and 0.6% cobalt over similar intercepts. Further drilling is planned to test the resource to the south and infill the drill line spacing to 100 metres.

Drilling at Camelback North and Camelback South has confirmed high grade nickel laterite mineralization in the Camelback area is now continuous over five kilometres of strike and remains open to the north. Drill hole spacing over the Camelback resource which includes Camelback South and Camelback North areas is now on 100 metres centers. The results from this recent drilling will be incorporated into the Camelback resource and are sufficient for the Company to provide an updated **indicated resource** calculation for this area during this quarter.

Ten holes were drilled the Bore Well prospect (formerly referred to as Eucalyptus South) which is located in the southern most extremities of the Eucalyptus project. Aeromagentic over the area highlighted a number of targets that had not been drill tested. Whilst zones of mineralised clays up to eight metres thick were intercepted, nickel grades were generally in the 0.7% to 1% range. Two of the holes returned intercepts around 1.2% nickel with elevated cobalt grades over two and three metres. Given that most of the holes drilled, were spaced at least 250 metres apart, a further program is justified to follow up on these anomalous results later in the year.



September 2005 drill program

During the quarter the company released results from a drill program undertaken in late September at the Eucalyptus project. The drill program focused on the mineralization to the south of the Camelback resource. The drilling confirmed that the Camelback mineralized zone extends for approximately 1500 metres to the south and is at least 100 metres in width.

Significant results from the September 2005 drill program at Eucalyptus are detailed in table 6 in appendix 1.

MURRIN NORTH PROJECT

September 2005 drill program

During the quarter the Company released results from the drilling completed at the Murrin North project in late September. The program included a number of angle holes to test down dip of high grade (+4%nickel) intercepted in the previous program and to completed the infill drill work required to upgrade the resource from inferred to indicated status. As a result of this work, the Company released its updated ***indicated resource*** calculations for this project in November.

2.1 Million Tonnes at 1.34% nickel 0.09% cobalt (1% cut off grade)

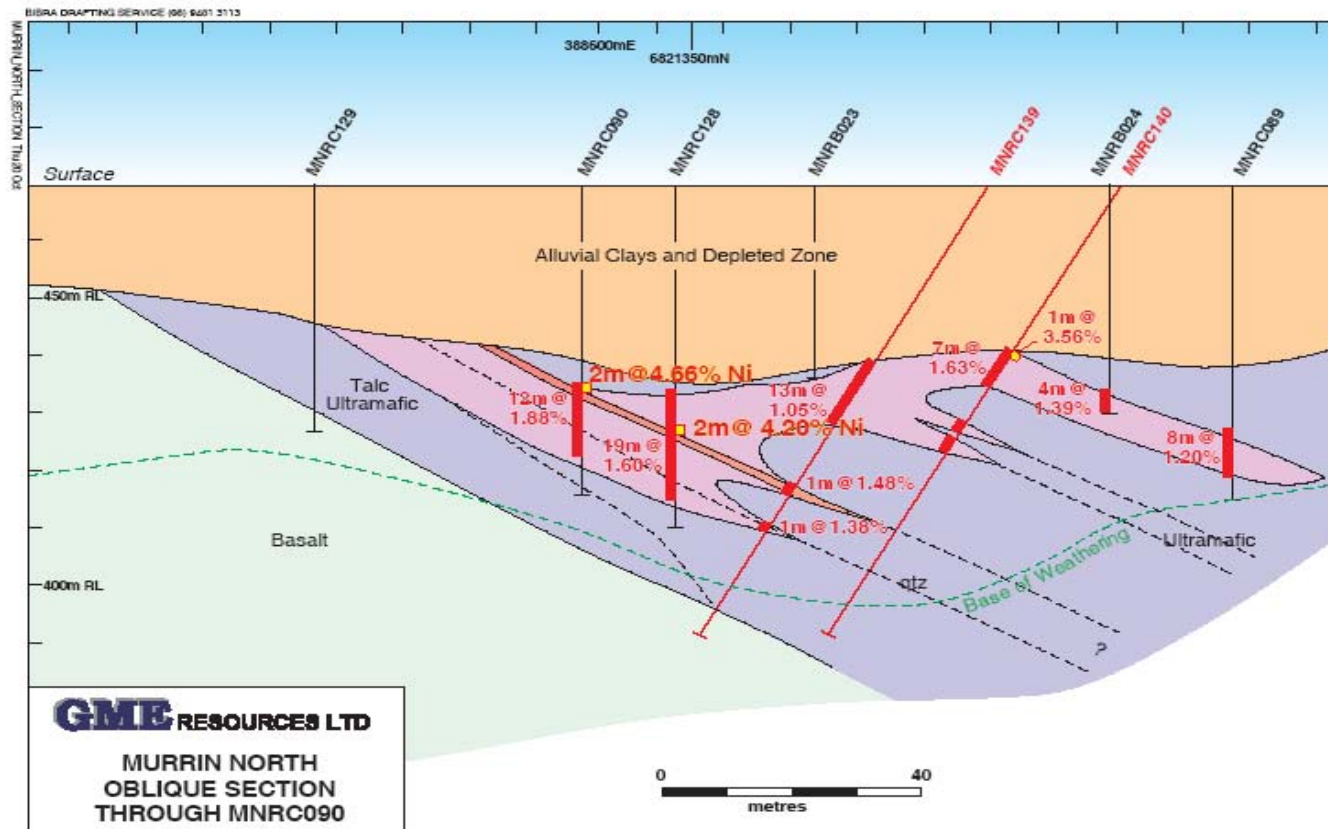
1.36 Million Tonnes at 1.50% nickel 0.10% cobalt (1.2% cut off grade)

Results from the angle holes drilled under the high grade nickel intercepts in MNRC090 and MNRC128 show that nickel grade decreases with depth down the chloritic zones. Hole MNRC139 intercepted two one metre zones of oxidised nickel mineralization grading 1.48% and 1.38% at 60 metres and 67 metres. The result indicates that the high nickel grades are probably related to supergene and solution migration.

The drilling has highlighted that there is potential for additional zones of high grade mineralization within the resource. Hole MNRC140 intercepted one metre grading 3.67% nickel at 36 metres and holes MNRC109 and MNRC154 recorded one metres intercepts at 2.97% and 3.15% nickel respectively. Significant results from the program are listed in table 4 in appendix 1.

Table 5 in Appendix 1 lists the intercepts recorded at Murrin North with grades greater than 2.5% nickel.

Murrin North oblique section showing interpreted geology and nickel intercepts from vertical and angle drilling.



Planned Exploration

The Company intends to continue with its strategy of rolling drill campaigns to systematically evaluate all resources areas and upgrade and expand resources in the most cost effective manner.

Infill drilling is currently in progress at the company’s Hapi project which is located approximately 10 kilometres to the west of the Murrin Murrin Nickel refinery. The drilling program comprising of approximately 30 vertical holes is designed to test the continuity of mineralization over 1.5 kilometres of strike where previous work has identified an inferred resource of 2.6 million tonnes grading 1.26% nickel and 0.10% cobalt.

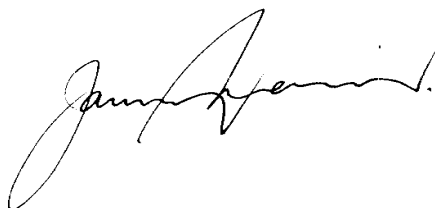
This campaign also includes 1000 metres of infill RC drilling at the Mertondale project which is located approximately 35 kilometres to the West of the Murrin

Murrin nickel refinery. The Mertondale project contains an inferred resource quoted at 1.2 million tonnes grading 1.24% nickel and 0.08% cobalt.

Further work is also planned for the Eucalyptus project in March. The program will focus on the area between the Eucalyptus Central and Eucalyptus North resources. Drilling will test three kilometres of laterised ultramafics between the two resources. The other area of interest is to the south of the Eucalyptus Central resource where previous drilling has recorded intercepts of up to 10 metres grading 1.8% nickel. (Refer to Eucalyptus project plan)

Other Projects

No field work was undertaken on any of the company's gold projects during the quarter. Whilst the company is focused on its nickel laterite projects, the board continues to evaluate opportunities located in the region.



JAMIE SULLIVAN
MANAGING DIRECTOR

Date: 25 JANUARY 2006

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bill Hill and Mr Steve Goertz, both whom are members of The Australasian Institute of Mining and Metallurgy. Mr Hill is self employed and consults to the Company as and when required, Mr Goertz is a former employee. Both Messrs Hill and Goertz have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Both Mr Hill and Mr Goertz consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

Appendix 1. Drill Results

Significant results from the December 2005 program at the Eucalyptus Project.

Table 3 1% nickel cut off
Eucalyptus North East

Hole	N-GDA94	E-GDA94	From	To	Interval	Ni %	Co %
EBC0267	6774403	422244	15	19	4	1.04	0.29
EBC0269	6773997	422169	7	10	3	1	0.05
EBC0276	6773648	422582	13	15	2	1.08	0.03
EBC0277	6778640	422507	5	18	13	1.2	0.11
<i>Including</i>	6778640	422507	6	11	5	1.51	0.15
EBC0278	6773428	422659	7	12	5	1.12	0.06
EBC0278	6773428	422659	16	21	5	1.21	0.05
EBC0279	6773434	422687	30	37	7	1.3	0.07
<i>Including</i>	6773434	422687	17	19	2	1.08	1.11
EBC0282	6773216	422802	25	31	6	1.25	0.05
EBC0285	6773015	422875	13	17	4	1.47	0.07
EBC0285	6773015	422875	19	23	4	1.36	0.05
EBC0288	6772776	422927	37	65	28	1.19	0.11
EBC0289	6772800	423018	38	43	5	1.13	0.11
EBC0290	6772596	422921	25	31	6	1.15	0.06
EBC0290	6772596	422921	34	42	8	1.1	0.06
EBC0291	6772596	423001	44	49	5	1	0.06
EBC0292	6772598	423080	34	38	4	1.19	0.12
EBC0292	6772598	423080	53	56	3	1.32	0.06

Camelback North

Hole	N-GDA94	E-GDA94	From	To	Interval	Ni %	Co %
EBC0293	676532	423789	21	30	9	1.25	0.07
EBC0294	6769326	423809	27	42	15	1.12	0.07
EBC0295	6769322	423839	8	19	11	1.23	0.08
EBC0301	6768527	423990	20	58	38	1.26	0.05
<i>Including</i>	6768527	423990	21	33	12	1.46	0.07
EBC0304	6768323	424009	22	28	6	1.21	0.08
EBC0305	6768322	424059	11	22	11	1.27	0.1
EBC0307	6768218	424020	19	24	5	1.19	0.02
EBC0308	6768118	424026	23	26	3	1.21	0.08

EBC0309	6768116	424076	27	32	5	1.3	0.2
EBC0312	6768019	424090	41	44	3	1.17	0.04
EBC0314	6767927	424066	29	37	8	1.34	0.1
EBC0315	6767920	424013	23	26	3	1.14	0.06
EBC0316	676807	424085	26	36	9	1.3	0.08
EBC0317	6767687	423977	20	24	4	1.52	0.13
EBC0318	6767692	424087	22	24	2	1.08	0.22
EBC0319	6767605	424003	18	21	3	1.05	0.08
EBC0322	6767608	424069	14	19	5	1.25	0.12

Camelback South

Hole	N-GDA94	E-GDA94	From	To	Interval	Ni %	Co %
EBC0324	6765413	423797	10	12	2	1	0.11
EBC0326	6765219	423826	15	17	2	1.38	0.75
EBC0326	6765219	423826	21	22	1	1.19	0.06
EBC0329	6765000	423800	8	11	3	1.11	0.07
EBC0329	6765000	423800	12	16	4	1.15	0.07
EBC0332	6744605	423699	11	16	8	1.31	0.09
EBC0334	6764418	423647	27	33	6	1.61	0.12
EBC0335	6764415	423785	7	13	6	1.49	0.16
EBC0336	6764198	423688	12	22	10	1.27	0.09
EBC0336	6764198	423688	33	40	7	1.15	0.04

Bore Well

Hole	N-GDA94	E-GDA94	From	To	Interval	Ni %	Co %
EBC0345	6762299	423570	4	6	2	1.05	0.29
EBC0346	6762445	423567	5	7	2	1.02	0.15
EBC0348	6762300	422799	16	18	2	1.21	0.06
EBC0348	6762300	422799	27	28	1	1.02	0.06
EBC0349	6762165	422797	12	14	2	1.02	0.1
EBC0350	6762599	422799	16	19	3	1.18	0.25

Significant results from the September 2005 program at the Murrin North project.

Table 4. Murrin North Project 1% Nickel cut off

Hole Number	N-GDA94	E-GDA94	From	To	Interval	Ni%	Co%
MNRC0139	6821304	388642	35	48	13	1.05	0.08
MNRC0139	6821304	388642	60	61	1	1.48	0.09
MNRC0139	6821304	388642	67	68	1	1.38	0.03
MNRC0140	6821291	388658	33	40	7	1.63	0.15
MNRC0140	6821291	388658	51	53	2	1.02	0.03
MNRC0141	6821082	388444	27	43	16	1.36	0.07
MNRC0142	6821051	388468	18	24	6	1.39	0.10
MNRC0142	6821051	388468	29	30	1	1.25	0.05
MNRC0144	6820710	388111	25	26	1	1.01	0.05
MNRC0144	6820710	388111	43	45	2	1.06	0.05
MNRC0144	6820710	388111	59	60	1	1.05	0.04
MNRC0145	6821237	388556	43	60	17	1.10	0.08
MNRC0146	6821219	388585	38	42	4	1.02	0.08
MNRC0146	6821219	388585	51	52	1	1.13	0.03
MNRC0148	6821151	388518	34	43	9	1.24	0.06
MNRC0149	6821540	388972	28	39	11	1.30	0.07
MNRC0151	6821455	388915	31	35	4	1.25	0.09
MNRC0152	6821501	388743	45	47	2	1.05	0.10
MNRC0153	6821433	388793	36	43	7	1.15	0.06
MNRC0154	6821405	388686	25	26	1	1.04	0.19
MNRC0154	6821405	388686	31	51	20	1.64	0.09
MNRC0155	6821341	388749	30	35	5	1.52	0.06
MNRC0156	6820954	388265	38	45	7	1.09	0.06
MNRC0159	6820828	388137	37	54	17	1.13	0.04
MNRC0160	6820638	388021	20	27	7	1.56	0.06
MNRC0161	6820601	387937	26	32	6	1.49	0.22
MNRC0162	6820541	383985	19	22	3	1.28	0.05
MNRC0163	6820478	387893	24	29	5	1.43	0.10

Table 5. Murrin North Nickel intercepts greater than 2.5% nickel

Hole Number	N-GDA94	E-GDA94	From	To	Intercept	Ni%
MNRC090	388596	6821364	32	33	1	2.51
MNRC090	388596	6821364	38	39	1	4.10
MNRC090	388596	6821364	40	41	1	5.22
MNRC109	387933	6820447	34	34	1	2.97
MNRC128	388611	6821345	36	37	1	3.35
MNRC128	388611	6821345	39	40	1	5.05
MNRC140	388658	6821291	37	38	1	3.56
MNRC145	388556	6821237	33	34	1	2.72

Significant results from the September 2005 program at the Eucalyptus project.

Table 6 Camelback South

1% Nickel cut off

Hole	N-GDA94	E-GDA94	From	To	Interval	Ni %	Co %
EBC0231	423827	6765302	13	20	7	1.29	0.12
EBC0232	423726	6765298	9	12	3	0.99	0.16
EBC0235	423794	6765098	14	18	4	1.51	0.17
EBC0236	423701	6765097	10	12	2	1.26	0.09
EBC0238	423774	6764898	11	15	4	1.04	0.05
EBC0241	423765	6764696	7	9	2	1.26	0.04
EBC0241	423765	6764696	11	17	6	1.03	0.06
EBC0242	423677	6764696	7	9	2	1.11	0.05
EBC0242	423677	6764696	15	17	2	1	0.04
EBC0243	423822	6764500	7	14	7	1.39	0.071
EBC0244	423722	6764502	4	6	2	1.17	0.02
EBC0244	423722	6764502	11	16	5	1.26	0.16
EBC0244	423722	6764502	23	24	1	1.02	0.03
EBC0245	423625	6764498	3	9	6	1.04	0.05
EBC0246	423589	6764304	14	23	9	1.03	0.05
EBC0247	423661	6764300	22	23	1	1.08	0.04
EBC0247	423661	6764300	39	45	6	1.09	0.03
EBC0248	423749	6764296	6	16	10	1.16	0.05

TENEMENT DIRECTORY

Tenements held at 31st December 2005.

Project	Tenements	Company Interest	Comments
Abednego West	MLA39/427 MLA39/824 MLA 39/825 MLA39/823	Golden Cliffs 100%	Placer Royalty
Chain Bore	MLA37/581	GME 100%	
Clermont	EPMA11575, EPMA11806, EPMA12164	GME 40%	Joint Venture with Australian Gold Fields NL (in Liquidation)
Duck Hill	MLA31/214	Niwest 50%	Murchison Metals 50%
Eucalyptus	P39/3459 - 3460 converted to MLA39/744 EL39/703 ML39/666 ML39/430 and ML39/344 ML39/665 - 666 and ML 39/674 M39/313 ML 39/568, 39/570, 39/616 and 39/802 M39/289 E39/480 converted to MLA39/803 - 804	NiWest 100% NiWest 100% nickel rights	Anglo 100% Gold Rights plus nickel royalty Oldcity Pty Ltd Nickel Royalty
Hawks Nest	M38/218, P38/2515 converted to MLA 38/683	GME 100%	
Ilgarari	E52/1452	100% rights to non copper minerals	Copper Royalty
Laverton Downs	E38/506 converted to MLA38/587 - 588 and 38/782 - 784	NiWest 100% nickel rights	Millennium Minerals 100% Gold Rights
Leonora East	P37/4106 converted to MLA37/566 P37/5330 - 5333, P37/5477 converted to MLA37/1059 MLA37/876	GME 30% Golden Cliffs 100%	Medusa Minerals 70%
Linden	P39/3417 - 3418 converted to MLA39/797 - 798 P39/2974 - 2976 converted to MLA 39/500 ELA 39/1181	GME100% GME 10% Golden Cliffs 100%	90% Haoma Mining NL
Macey Hill	ML39/845	NiWest 100%	
Mertondale	P37/4201 - 37/4205 converted to MLA37/591	NiWest 100%	
Mt Kilkenny	E39/688 ML39/878 – 879, ELA 39/1107- 09 P39/4404, P39/4412 -4417 E39/990 J/V JINDALEE RESOURCES	NiWest 100% Niwest 100%	Farmin to Earn 80%
Mt Morgan South	MLA39/702 - 703, MLA 39/481, MLA39/777	GME 100%	
Murrin Murrin	MLA39/554 and MLA39/457	Golden Cliffs 100%	

GME Resources Limited
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Project	Tenements	Company Interest	Comments
Murrin Murrin (Minara Resources)	MLA39/426, 456, 552, 553 and 569	Golden Cliffs 100% rights to non nickel laterite	Nickel laterite royalty 20 cents per tonne
Murrin Murrin HEPI	ML 39/717 - 718 ML39/819	Niwest 100%	
Murrin Murrin North	ML39/758 MLA39/757 and MLA39/759	Niwest 100%	
Pyke Hill	EL39/633	GME 100%	
Waite Kauri	M37/1216	Niwest 100%	

LEGEND:

<i>E:</i> Exploration Licence	<i>P:</i> Prospecting Licence	<i>EPM:</i> Exploration Permit for Minerals	<i>PLA:</i> Prospecting Licence Application
<i>M:</i> Mining Lease	<i>ELA:</i> Exploration Licence Application	<i>EPMA:</i> Exploration Permit for Minerals Application	<i>MLA:</i> Mining Lease Application

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

GME RESOURCES LIMITED

ABN

62 009 260 315

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	(440)	(843)
(b) development	-	-
(c) production	-	-
(d) administration	(145)	(249)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(7)	(15)
1.7 Other (provide details if material)	100	100
Net Operating Cash Flows	(481)	(987)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(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 from other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(481)	(987)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(481)	(987)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,696
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	-	-
	Net financing cash flows	-	1,696
	Net increase (decrease) in cash held	481	709
1.20	Cash at beginning of quarter/year to date	1,540	350
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,059	1,059

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	36
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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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	N/A	
3.2 Credit standby arrangements	N/A	

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

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	559	529
5.2 Deposits at call	500	1,011
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,059	1,540

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		
6.2	Interests in mining tenements acquired or increased	N/A		

+ 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			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	202,807,215	202,807,215		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL			
7.5 +Convertible debt securities <i>(description)</i>	NIL			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Unlisted options</i> 2,000,000 2,000,000 1,000,000	- - -	<i>Exercise Price</i> \$0.20 per option \$0.30 per option \$0.40 per option	<i>Expiry Date</i> 30 June 2007 30 June 2007 30 June 2007
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	NIL			
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ 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:  Date: 25 January 2006
(Company secretary)

Print name: MARK PITTS
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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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