



**KALGOORLIE-BOULDER
RESOURCES LTD**
ABN 48 106 732 487

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KBRL to generate cash flow from the Jackpot Gold project

KBRL has recently completed a scoping study of the Jackpot Gold project located 6kms NE of Coolgardie.

Highlights

- Planned production is 5300 ounces at a cash cost of A\$435.
- Forecast revenue is A\$3.6m.
- Low capital outlay.
- Planned mine commencement in late March 2006.

Optimisation Study

An optimisation was undertaken on the Jackpot resource ranging from \$625 to \$700/ounce. A Probable mining reserve has been calculated of 55,000t @ 3.1g/t Au to produce 5,300 oz recovered at a cash cost of only A\$435. The mine generates gross revenue of \$3.6 million at a gold price of A\$660/oz.

Preliminary metallurgical studies indicate a recovery of 97% through a conventional CIP plant with low reagent consumption. Further metallurgical studies will be completed.

Geotechnical and flora surveys have been completed and a Notice of Intent will be lodged with the Department of Industry and Resources and the Department of Environment shortly.

The Resource within the preliminary pit design comprises 6 plunging near surface lodes with high grades exploitable near surface.

Ore	t	54,994
Grade	g/t	3.10
Lower Cut	g/t	1.00
Contained Gold	oz	5,472
Met. Recovery	%	97%
Recovered Gold	oz	5,308
Total Movement	bcm	318,074
Strip Ratio	w/o	13

Jackpot Resources

Resource definition drilling of 35 RC and 3 diamond holes have increased the drill density in the proposed open pit to a nominal 10 by 10 metres and confirmed the continuity of mineralisation at depth and along strike.

Mineralisation at Jackpot is structurally controlled within the Gunga ultramafic belt and is comprised of multiple stacked lodes in a north-south trending mineralised zone that extends over 400metres. Individual lodes are continuous over 50 – 60 metres along strike and are commonly 3 to 5 metres wide.

Resources used for optimisation studies are detailed below:

Jackpot Resources			
Resource Classification	Tonnes	Grade	Ounces
Indicated	82,000	2.73g/t	7,200oz
Inferred	178,000	4.87g/t	27,900oz
Total	260,000t	4.20g/t	35,000oz

- Resources are reported to a lower cut of 1.00g/t.
- Figures reported in the above table are rounded.
- Indicated Resources were modelled using a 3 dimensional approach. Numerous high grade intersections were not modelled if they did not have 3 dimensional continuity.
- High grade outliers were cut to a grade deemed statistically appropriated for each lode. Top cuts varied from 5g/t to 30g/t for the high grade "Bakers Lode".
- Grades were interpolated using an inverse distance squared approach.
- A sectional approach was used for the Inferred mineralisation includes deeper mineralisation and mineralisation to the south of the open pit area.

Another 18 hole RC program is planned to extend the mineralisation along strike in the open pit area as well as confirm and up grade the high grade "Bakers" lode at the base of the pit.

On the completion of open pit mining the company will be in a position to properly evaluate the deep Inferred mineralisation for a possible larger scale open pit or underground operation.

The company has been in talks with various toll milling and contract mining companies to develop the open pit. Mining operations are planned to commence late March 2006.

For and on behalf of the directors of
Kalgoorlie-Boulder Resources Ltd

Trevor Matthews
Managing Director

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Richard Breyley, who is a member of the Australasian Institute of Mining and Metallurgy. Richard Breyley is a full time employee of Kalgoorlie Boulder Resources. Richard Breyley has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and 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 Mineral Resources and Ore Reserves. Richard Breyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.