



**KALGOORLIE-BOULDER
RESOURCES LTD**

ABN 48 106 732 487

**ACTIVITIES REPORT
FOR THE QUARTER ENDING 31 DECEMBER 2005**

HIGHLIGHTS

- *Scoping study of the Jackpot Project completed*
- *Planned mine commencement in late March 2006 at Jackpot Project announced*
- *Acquisition of tenements adjoining Broad Arrow Project*
- *Joint venture with Redport Ltd (ASX: RPT) to explore the Kintyre East Uranium Project*
- *Agreement entered into to acquire 75% Working Interest in oil and gas covering 640 acres in Oklahoma, USA.*
- *\$1,562,440 raised via successful share placement to fund the payment of an initial instalment to acquire the Working Interest in oil and gas assets in Oklahoma, USA.*

INTRODUCTION

Kalgoorlie-Boulder Resources Ltd (ASX: KAL) is pleased to present the following report on activities for the three months ending 31 December 2005.

GOLD AND BASE METALS

Jackpot Project

The Company completed a scoping study for an open pit mine at the Company's Jackpot Project. The highlights of the scoping study include:

- planned production of 5,300oz at a cash cost of A\$435;
- forecasted revenue of A\$3.6m based on a gold price of A\$660 per ounce;
- low capital outlay;
- planned mine commencement in late March 2006; and
- mine life of 3-4 months.

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 NOI and other statutory applications for approvals for mine development are well advanced as the Company moves towards production.

Broad Arrow Project

The Company entered into an agreement to acquire 20 tenements adjoining its Broad Arrow Project. The acquisition has more than doubled the project area to almost 6,000Ha, with said acquisition containing a range of prospects ranging from advanced exploration stage to untested gold in soil anomalies.

Consideration for the acquisition consists of \$85,000 in cash (paid) and the issue of 375,000 fully paid ordinary shares to the vendors on 21 April 2006.

Plans for the commencement of drilling at the enlarged Broad Arrow Project are currently being developed.

Other Projects

The Company's other projects, Dunnsville, Clinker Hill, Lake Johnston, and Siberia, have had limited work conducted on them. Work on other projects will follow as resources permit.

The Company is negotiating to purchase the geophysical data covering the Broad Arrow tenements.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including overheads, for the quarter ended 31 December 2005 was approximately \$369,000 (\$242,000 previous quarter).

URANIUM PORTFOLIO

The Company has acquired a portfolio of uranium assets which consists of:

- ten exploration licences in the Gascoyne region of Western Australia covering a total area of 1,321km²;

- one exploration licence in South Australian which covers an area of 182km²; and
- a 50% interest in a joint venture to explore the Kintyre East Uranium Project which consists of five exploration licences covering an area of approximately 1,000m².

The landholdings came as a result of detailed geological review and have been selected based on conceptual geological models and examination of exploration results produced by earlier operators. The prospects range from the advanced exploration stage where drilling by previous holders has resulted in the delineation of defined zones of calcrete hosted mineralisation through less advanced prospects where initial reconnaissance exploration will focus on target definition.

Kintyre East Uranium Project Joint Venture

The Company announced the formation of a joint venture with Redport Ltd to explore the Kintyre East Uranium Project following the Company's discovery of a radiometric anomaly. The joint venture came about after the Company identified an airborne radiometric anomaly and invited Redport to become a partner and undertake follow up work. Historical data and information from low-level airborne radiometrics had confirmed the uranium potential of the area.

A total of five exploration licenses covering the anomalies and other calcrete/lake areas considered prospective for uranium have been applied for by the joint venture partners. Redport will manage the joint venture.

The project is located in the Kintyre-Rudall River province, which hosts Rio Tinto's 36,000t Kintyre uranium deposit, and is 100km east of Redport's wholly owned Kintyre Rocks uranium project.

OIL & GAS

The Company entered into an agreement to acquire a 75% Working Interest in oil and gas leases covering 640 acres in Oklahoma, USA, known locally as the 'Wilson Prospect'.

The acquisition represents a ground floor opportunity for the Company to participate in the Caney and Woodford shale's gas play, with relatively shallow depths (1,100 to 3,300 feet) to penetrate all potential zones. The project has very similar geology to nearby analog wells and existing wells (located on the leases) which have produced or demonstrated strong hydrocarbon shows. The project is well located, with easy access to existing infrastructure and gas sales lines.

The acquisition has the potential of near term cash flow from initial drilling and rework program.

The Company has agreed to enter into a Joint Operating Agreement with Metro Energy Group, Inc ('Metro'), a Louisiana based oil and gas explorer and producer, who will provide specialised drilling, completion and development services to the Company. Metro is currently active on a number of conventional and unconventional oil and gas projects in the mid west of the United States. The Joint Operating Agreement provides the Company with access to the experience and expertise of Metro as well as access to the entire workforce of Metro without the costs associated with directly employing such a workforce.

See the Company's website at www.kalgoorlieboulderres.com.au for more information on the Company's oil and gas assets in the United States.

CORPORATE

New Issue

The Company raised of \$1,562,440 before costs through a share placement through the issue of 9,765,250 fully paid ordinary shares at an issue price of 16 cents per share and 4,882,625 options with an exercise price of 20 cents per share expiring 31 July 2008.

The monies raised from the placement funded the initial payment under the Wilson Prospect Letter Agreement with, subject to its completion, will see the Company acquire a 75% Working Interest in oil and gas leases covering 640 acres in Okmulgee County, Oklahoma, United States of America.

Delta Securities was issued with 3,750,000 options with an exercise price of 20 cents and expiring on 31 July 2008 as part consideration for their services in connection with the share placement.

The Company issued 2,250,000 and 2,250,000 options with an exercise price of 30 cents and 40 cents respectively and expiring 31 July 2008 to directors and senior management as approved by members at the Annual General Meeting held on 30 November 2005.

The Company has:

- [] ounce gold resource (Indicated and Inferred Mineral Resource of [] tonnes at []g/t) with an open pit mine scheduled to commence in March 2006, located within 10 kilometres of an operating processing plant.
- Oil and gas in Oklahoma covering 640 acres with near term production potential.
- Uranium tenements in Western Australia and South Australia covering [2,503] square kilometres (including the joint venture with Redport Ltd to explore the Kintyre East Uranium Project).
- 43 million fully paid ordinary shares, 14 million 20 cent options expiring on 31 July 2008, 8 million 30 cent options expiring on 31 July 2008, and 2 million 40 cent options expiring on 31 July 2008 on issue.
- Cash of approximately \$1,000,000.

Trevor Matthews
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Lindsay Cahill, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Lindsay Cahill is a self employed consultant. Lindsay Cahill 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'. Lindsay Cahill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

KALGOORLIE-BOULDER RESOURCES LIMITED

ABN

48 106 732 487

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	(353)	(507)
(b) development		
(c) production		
(d) administration	(57)	(127)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	14	36
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) GST refund received	145	-
Net Operating Cash Flows	(251)	(598)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(2,046)	(2,133)
(b)equity investments	-	(1)
(c) other fixed assets	(4)	(19)
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	(2,050)	(2,153)
1.13 Total operating and investing cash flows (carried forward)	(2,301)	(2,751)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,301)	(2,751)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,562	1,562
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) - cost of capital raised	(117)	(117)
	Net financing cash flows	1,445	1,445
	Net increase (decrease) in cash held	(856)	(1,306)
1.20	Cash at beginning of quarter/year to date	1,975	2,425
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,119	1,119

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	42
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of \$30,000 to Contango Consulting Pty Ltd, a company controlled by Trevor Matthews, for the provision of executive services rendered by Trevor Matthews.
Payment of non-executive directors fees of \$12,000.

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

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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

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Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	nil	nil
3.2 Credit standby arrangements	nil	nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	65
4.2 Development	50
Total	115

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	1,119	1,975
5.2 Deposits at call	nil	nil
5.3 Bank overdraft	nil	nil
5.4 Other (provide details)	nil	nil
Total: cash at end of quarter (item 1.22)	1,119	1,975

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		
		<i>Refer to schedule 1 attached to this Appendix 5B</i>		

+ 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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	43,270,694	28,970,650		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,765,250	9,765,250		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	13,632,625	8,632,625	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 31 July 2008
	8,250,000	-	30 cents	31 July 2008
	2,250,000	-	40 cents	31 July 2008
7.8 Issued during quarter	8,632,625	8,632,625	20 cents	31 July 2008
	2,250,000	-	30 cents	31 July 2008
	2,250,000	-	40 cents	31 July 2008
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date:
(~~Director~~/Company secretary)

Print name: John Coles (Company Secretary)

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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+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Schedule 1
Interests in Mining Tenements Acquired or Increased

Tenement reference	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
P24/3979	Application	0%	100%
P24/3980	Application	0%	100%
P24/3981	Application	0%	100%
P24/3982	Application	0%	100%
P24/3983	Application	0%	100%
P24/3984	Application	0%	100%
P24/3985	Application	0%	100%
P24/3986	Application	0%	100%
P24/3987	Application	0%	100%
P24/3988	Application	0%	100%
P24/3989	Application	0%	100%
P24/3990	Application	0%	100%
P24/3991	Application	0%	100%
P24/3992	Application	0%	100%
P24/3993	Application	0%	100%
P24/3994	Application	0%	100%
P24/3995	Application	0%	100%
P24/3996	Application	0%	100%
P24/3997	Application	0%	100%
P24/3998	Application	0%	100%
E45/2789	Application	0%	50%
E45/2790	Application	0%	50%
E45/2791	Application	0%	50%
E45/2792	Application	0%	50%
E45/2793	Application	0%	50%
P16/2315	Application	0%	100%
P16/2316	Application	0%	100%
P16/2317	Application	0%	100%
P16/2318	Application	0%	100%
P16/2319	Application	0%	100%
P16/2320	Application	0%	100%
P16/2321	Application	0%	100%

+ See chapter 19 for defined terms.