



**KALGOORLIE-BOULDER
RESOURCES LTD**

ABN 48 106 732 487

**ACTIVITIES REPORT
FOR THE QUARTER ENDING 30 SEPTEMBER 2005**

HIGHLIGHTS

- *Strategic alliance with Cazaly Resources Ltd (ASX: CAZ) over Gascoyne uranium assets*
- *Acquisition of further uranium tenements in Western Australia and South Australia*
- *Commencement of drilling programme at Jackpot*

POST REPORT PERIOD ACTIVITIES

- *Acquisition of interest in oil and gas project in Oklahoma, USA.*
- *Joint venture with Redport Ltd (ASX: RPT) to explore the Kintyre East Uranium Project.*

INTRODUCTION

Kalgoorlie-Boulder Resources Ltd (ASX: KAL) is pleased to present the following report on activities for the three months ending 30 September 2005.

GOLD AND BASE METALS

Jackpot Project

The Company's activities report for the quarter ended 30 June 2005 described the RC drilling programme which had been completed during that quarter. The results of the infill drill programme were used to update the Company's geological models for the area of the Stage 1 pit development.

A 1,700m RC drilling programme and a 300m NQ diamond core ("DD") programme commenced on 21 September 2005. The aim of the RC drilling programme is to increase the size of the geological model by confirming continuity of deeper mineralisation to the south and target down dip extensions of shallow mineralisation to the north.

The three drill-hole DD programme consists of 150m of pre-collar RC drilling and 300m of NQ core drilling. It is designed to test the continuity and orientation of the mineralisation identified from the RC programme conducted earlier this year and previous drilling programmes. Once completed the Jackpot initial pit model will be updated and a new resource calculated prior to a decision to mine.

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

Other Projects

The Company's other projects, Broad Arrow, Dunnsville, Clinker Hill, Lake Johnston, and Siberia, have had limited work conducted on them. Plans for the commencement of drilling at Broad Arrow are currently being developed. 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 for the quarter ended 30 September 2005 was approximately \$242,000 (\$276,000 previous quarter).

URANIUM PORTFOLIO

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

- ten exploration licences in Western Australia covering a total area of 1,321km²;
- one exploration licence in South Australian which covers an area of 182km²; and
- an interest in a joint venture to explore the Kintyre East Uranium Project which consists of five exploration licences covering an area of approximately 1,000km².

On 12 August 2005, the Company announced the acquisition of:

Western Australia:

- Nyang East, ELA 08/1551

- Bordah Well, ELA 09/1244
- Winmar Creek, ELA 09/1246
- Mt James, ELA 52/1889
- Mt Phillips, ELA 09/1249
- Jamieson Well, ELA 09/1248

South Australia

- Port Lincoln

The Company has an initial 50% interest in E 09/1246 and E 52/1889 and with funding and exploration and other expenditure it can increase its interest to 95%. The remaining West Australian and South Australian applications are wholly owned by the Company.

The West Australian tenements are located in the Gascoyne region and complement the previously announced acquisitions of the Lyndon prospect and the Edamullah and Winmar Creek applications also located in the Gascoyne region.

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

On 12 October 2005, 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.

Strategic Alliance

On 15 July 2005, the Company announced a strategic alliance with Cazaly Resources Ltd. The agreement is aimed at ensuring maximum value is obtained from the quality uranium exploration projects held by each company. The alliance does not preclude either party from sole development nor from entering into agreements with third parties but the spirit of co-operation should ensure productive and efficient exploration on the uranium tenements.

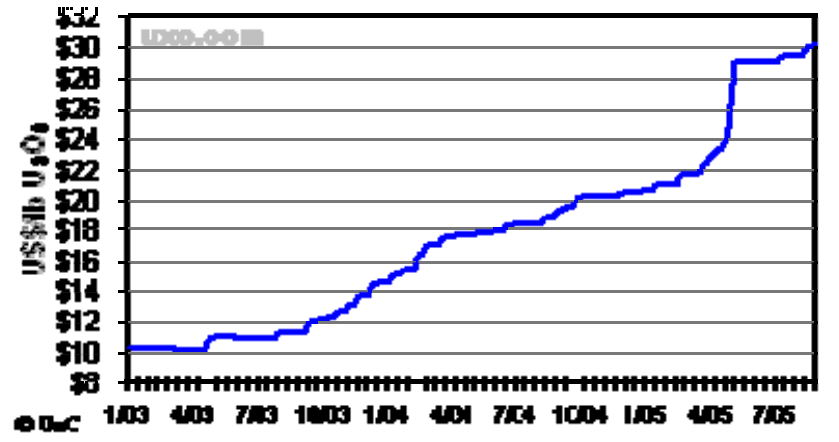
Uranium Portfolio Strategy

The acquisition of the uranium assets in the Company's portfolio is a strategic move to expose the Company to rising uranium prices as demand continues to outstrip supply.

Prices of uranium, the fuel used in most of the world's nuclear power plants, have tripled in the last five years to record levels due to years of under-investment in the supply chain.

Soaring oil prices and international attempts to reduce greenhouse gas emissions have thrown the spotlight back onto nuclear energy after many years of disfavour. European manufacturers are looking at nuclear energy to secure long-term power prices, with Alcan considering building a plant to feed its aluminium smelting capacity in France and construction of a reactor in Finland is already under way to supply the paper and pulp industry. China plans to build 30 new reactors by 2020 and the United States, Britain, South Korea, Russia, Ukraine, India and Chile also looking at reactor programs.

Spot uranium is trading at \$29.50/lb according to the Ux Consulting (UxC) website, a leading publisher of uranium prices and price forecasts, against \$8-10/lb three or four years ago.



OIL & GAS

On 14 October 2005 the Company announced the acquisition of a 75% Working Interest in oil and gas leases covering 640 acres in Oklahoma, USA.

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.

The Company has incorporated KAL Energy Pty Ltd, a wholly owned subsidiary of the Company, to acquire the interest in the leases.

CORPORATE

Voluntary Escrow Release

On 20 July 2005, the Company announced the release of 2.9 million fully paid ordinary shares from a voluntary escrow of three months from the date of listing on the ASX.

New Issue

On 30 September 2005, the Company announced the issue of:

- 625,000 fully paid ordinary shares; and
- 1,500,000 30 cent options expiring on 31 July 2008.

The abovementioned shares and options are promoter shares which were disclosed in the Company's prospectus dated 22 February 2005 and are consequently subject to escrow of 24 months from the date of listing on the ASX.

The total number of fully paid ordinary shares on issue is 33,514,444 of which 14,925,044 are classified as restricted securities and not quoted on ASX. The Company also has on issue 5 million 20 cent options expiring on 31 July 2008 and 6 million 30 cent options expiring on 31 July 2008.

The Company has announced the issue of up to 10 million shares at \$0.20 each to partially fund the acquisition of the oil and gas leases with one free attaching \$0.20 option for every two shares subscribed for as at the date of the share placement.

Annual Report

The Company's Annual Report was released on 30 September 2005 outlining the performance and position of the company over the past 12 months.

The Board thanks shareholders for their continued support.

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")

30 September 2005

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (3 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 | (155) | (155) |
| (b) development | | |
| (c) production | | |
| (d) administration | (214) | (214) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 23 | 23 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other (provide details if material) | | |
| Net Operating Cash Flows | (346) | (346) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a)prospects | (87) | (87) |
| (b)equity investments | (1) | (1) |
| (c) other fixed assets | (14) | (14) |
| 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 | (103) | (103) |
| 1.13 Total operating and investing cash flows (carried forward) | (449) | (449) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|---|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (449) | (449) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | | |
| 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 | | |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (449) | (449) |
| 1.20 | Cash at beginning of quarter/year to date | 2,425 | 2,425 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 1,975 | 1,975 |

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

The Company issued 625,000 fully paid ordinary shares and 1,500,000 2008 30 cent options expiring on 31 July 2008 to promoters of the Company's listing as disclosed in the prospectus dated 22 February 2005.

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

Financing facilities available

+ See chapter 19 for defined terms.

Add notes as necessary for an understanding of the position.

| | 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 | 211 |
| 4.2 Development | 30 |
| Total | 241 |

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 | 1,975 | 2,424 |
| 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) | 1,975 | 2,424 |

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 | | |

Refer to schedule 1 attached to this Appendix 5B

+ 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 | 33,505,444 | 19,205,400 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 625,000 | - | | |
| 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> | 6,000,000 5,000,000 | - - | <i>Exercise price</i> 30 cents 20 cents | <i>Expiry date</i> 31 July 2008 31 July 2008 |
| 7.8 Issued during quarter | 1,500,000 | | 30 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 |
|--------------------------|--------------------|----------------------------------|----------------------------|
| Uranium Tenements | | | |
| E 08/1551 | | 0% | 100% |
| E 09/1244 | | 0% | 50% |
| E 09/1246 | | 0% | 50% |
| E 09/1248 | | 0% | 100% |
| E 09/1249 | | 0% | 100% |
| E 52/1889 | | 0% | 50% |

+ See chapter 19 for defined terms.