



MACMIN SILVER LTD

(A.B.N. 53 056 776 160)

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27th January 2006

COMPANY ANNOUNCEMENTS OFFICE

TECHNICAL REPORT – QUARTER ENDED 31st DECEMBER 2005

I. SUMMARY & COMMENTS

Macmin Silver Ltd (Macmin) is a silver focused company whose primary project is the Texas Silver Project, S.E. Queensland, Australia. Macmin also has exposure to gold by way of a 27% equity in New Guinea Gold Corporation (NGG) and a 1% NSR royalty on production by NGG. In addition, Macmin maintains equity investments in junior Australian explorers, Malachite Resources NL and TasGold Ltd.

- Construction activity at Twin Hills picked up pace during the final quarter of 2005 with up to twenty (20) workers employed on-site.
 - The storm containment dam area was cleared of vegetation and bedrock was drilled, blasted and cleared to prepare base on which dam wall is to be constructed.
 - The erection of the electro-winning plant will be undertaken on site during the first quarter of 2006 with the first two batches of anodes fabricated in Italy having arrived in January.
 - Further grade control drilling was undertaken prior to the commencement of waste stripping of rock for storm containment dam wall construction in February 2006.
- Drilling on Boonoo Boonoo project confirms gold-silver mineralisation at Star of Hope lode.
- A share purchase plan in December raised AUD\$5.1 million.

2. TEXAS SILVER MINES PTY LTD

The Texas Project (EPMs 8854, 11455, and 12858; ML 5932 and ML 50161) is located 100km west of Stanthorpe. Texas Silver Mines Pty Ltd is a wholly owned subsidiary of Macmin Silver Ltd.

2.1 Twin Hills (ML 50161) – Development Activities

- Construction activity at Twin Hills increased during the final quarter of 2005 with up to twenty (20) workers employed on site.
- Detailed design documents were finalized by engineering consultant firm, Ove Arup on the civil works required for the construction of the storm containment dam. EPA approval of the design was received to allow work to commence. Subsequently, vegetation was cleared, drilling and blasting carried out and a base into the underlying bedrock was prepared on which the wall is to be constructed. Subject to the constraints of wet weather conditions, wall construction will commence in February.
- Major components of the electro-winning plant were supplied to site by Electrometals in December and erection of the plant will be undertaken during the first quarter of 2006. The first batches of DSA coated anodes fabricated in Italy arrived in January. The concrete floor and steel framing for the plant building has been completed.
- The non-delivery of the core crusher from a UK manufacturer for the crushing circuit after a five month wait resulted in the cancellation of the order during the December quarter. A replacement unit was sourced in Western Australia and has now arrived on site. The crushing circuit will be assembled and ready for commissioning by the end of the first quarter of 2006.
- A major programme of grade control drilling was carried out during the quarter. Further drilling is currently in progress so that a major portion of the top 20m of the orebody will be drilled prior to the commencement of waste stripping of rock for the storm containment dam wall construction, which begins in February 2006.
- A further construction update and revised production schedule will be provided in February.

2.2 Exploration Drilling

• Toolbox Prospect

The Toolbox prospect is situated approximately 3.5km north of Twin Hills. A programme of seventeen (17) percussion drill holes tested a low level base metal anomaly previously defined by soil geochemistry. Although drill hole assays showed enhanced values in the bedrock for base metals and silver, the values were only in the anomalous range. A low level zinc-lead soil anomaly still remains to be drill-tested.

• Boonoo Boonoo Project

Macmin has completed a preliminary programme of percussion drilling on the Boonoo Boonoo project in Northern New South Wales, as part of the Joint Venture Agreement with Malachite Resources N.L. Significant results were obtained from the Star of Hope lode when ten (10) holes were drilled for a total of 403m drilled. The highest intercept occurred in hole BBP4 where 3m at 5.34g/t gold and 212g/t silver was encountered from 31m downhole.

Further drilling will be undertaken using a reverse circulation rig to fully evaluate the lodes.

The following releases were made to ASX in the fourth quarter of 2005:

15th November 2005

“DRILLING TO START ON MALACHITE JV PROPERTIES

Macmin Silver will soon start drilling on two projects in northern New South Wales which are the subject of a Joint Venture Agreement with Malachite Resources N.L. (Malachite). Under the terms of the joint venture, Macmin holds an initial 60% interest and may increase this to 75% by funding \$500,000 in exploration on the projects over three years.

A programme of 1,700m of drilling will commence on the Boonoo Boonoo project at the end of November to be followed by 1,600m of drilling of the Rivertree project at the end of January.

- *The Boonoo Boonoo project comprises a single exploration licence (EL6032) covering an old silver and gold field and lies about 20km northeast of the town of Tenterfield in northern New South Wales. A number of gold and silver bearing fissure veins were mined 100 years ago, many of which have been relocated by Malachite personnel, who then undertook initial reconnaissance drilling in 2004. The best drilling was recorded at the Star of Hope lode, where hole BBRC02 intersected 1m at 6.25g/t gold and 285g/t silver. At the Demonstration lode an intercept of 1m at 1.93g/t gold and 120g/t silver was recorded.*
- *The Rivertree project consists of a single exploration licence (EL5714) covering the historic Rivertree silver field in northern New South Wales, about 100km west of the town of Casino. Malachite report that old workings are present at more than 40 fissure veins occurring within a north-easterly trending corridor, within which, individual veins vary in strike length from under 100m to around 900m, and in width, generally from 0.5 to 3m. A limited programme of drilling was carried out by Malachite in 2004 at the Spring Gully prospect (4 holes) and Silver King prospect (1 hole). Silver values up to 60g/t over 2m and gold values up to 0.46g/t over 1m were reported at Spring Gully.*

Macmin’s drilling programme will test more of the lodes identified at the two projects and also follow up the mineralisation identified in Malachite’s initial drilling investigation.”

25th January 2006

“MACMIN CONFIRMS SILVER-GOLD MINERALISATION AT STAR OF HOPE LODGE, BOONOO BOONOO PROJECT

Macmin has completed a preliminary programme of percussion drilling on the Boonoo Boonoo project, which forms part of the Joint Venture Agreement with Malachite Resources N.L.

Significant results were obtained from the Star of Hope lode where ten (10) holes were drilled for a total of 403m drilled. The highest intercept occurred in hole BBP4 where 3m at 5.34g/t gold and 212g/t silver were encountered from 31m downhole (Fig 1). A table of intercepts greater than 0.5g/t Au is presented below.

| Hole No. | Co-Ords | | Interval (m) | Width (m) | Gold (g/t) | Silver (g/t) |
|-----------------|----------------|-----------|---------------------|------------------|-------------------|---------------------|
| BBP004 | 414,814 | 6,803,799 | 31 – 34 | 3 | 5.34 | 212 |
| BBP005 | 414,816 | 6,803,814 | 27 – 29 | 2 | 0.75 | 22 |
| BBP006 | 414,816 | 6,803,313 | 41 – 45 | 4 | 0.76 | 69 |
| BBP008 | 414,828 | 6,803,830 | 18 – 20 | 2 | 1.75 | 17 |
| BBP009 | 414,878 | 6,803,910 | 22 – 24 | 2 | 2.26 | 37 |

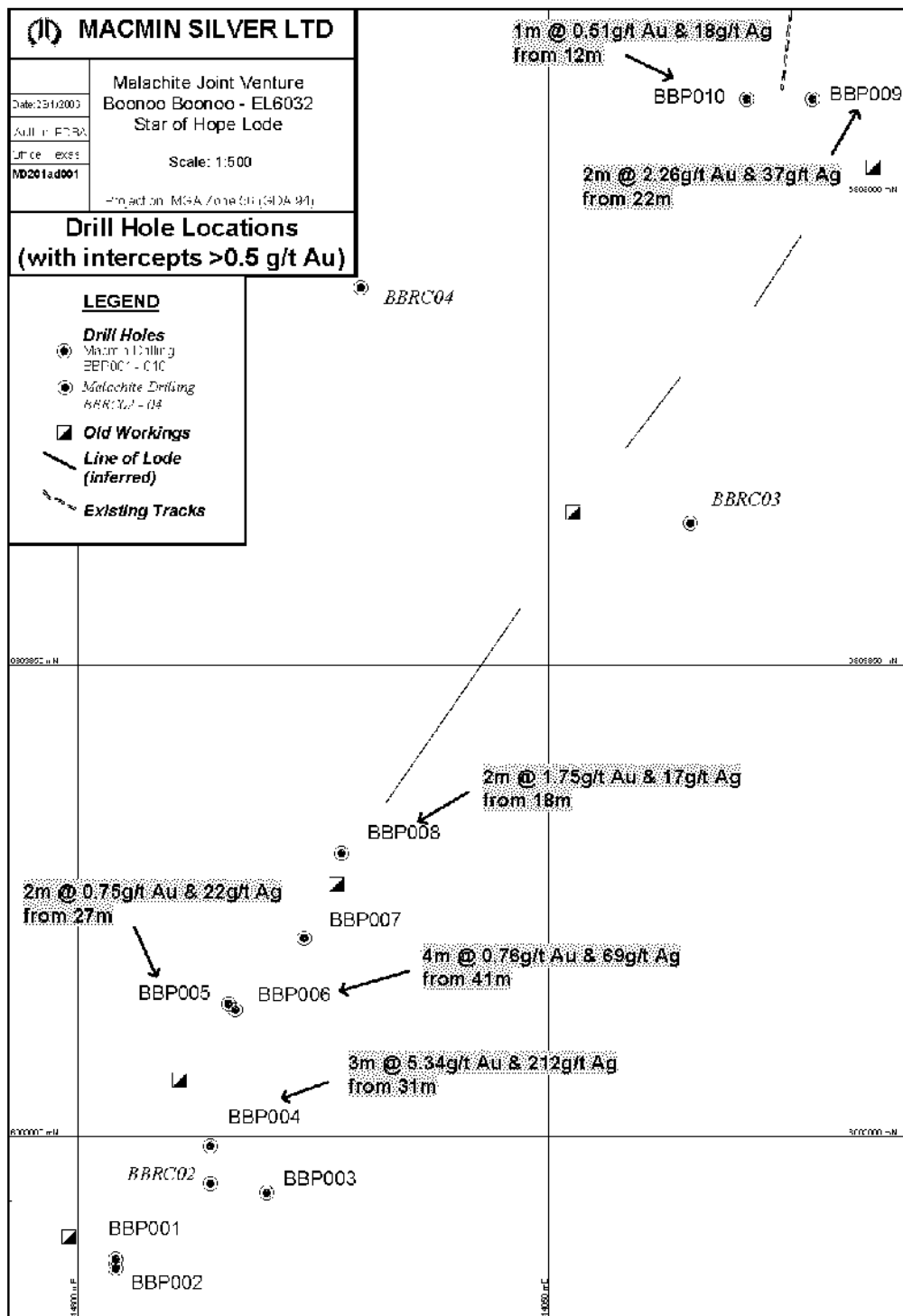
Samples were collected at 1m intervals and chemical analyses were undertaken at the ALS Chemex Laboratory in Brisbane.

It is encouraging to see that these results confirm the presence of gold/silver mineralisation at potentially economic levels at the Star of Hope lode. It should be noted that the percussion drilling technique may not

lend itself to providing accurate widths of mineralisation, when testing vein systems which host gold, due to potential downhole sample contamination. Consequently, a reverse circulation (RC) drilling rig will be used to further assess the Star of Hope lode in the coming months.

Percussion drilling was attempted at three other lodes (i.e. Specimen Gully, Demonstration and Golden Crown) and was largely unsuccessful due to the presence of water at shallow depths, which prevented adequate testing of the lodes. When a Reverse Circulation rig is brought back to evaluate the Star of Hope lode, testing of these other lodes will also be undertaken.

In February, drilling will commence on the Rivertree Project, the other project in Northern NSW subject to the Malachite Resources Joint Venture."



3. CORPORATE

3.1 Share Purchase Plan

A Share Purchase Plan to shareholders closed on 10th January 2006 raising \$5,107,200 before costs. 25,536,000 new shares were issued pursuant to 1,208 applications from shareholders.

The Company has learned that a relatively large number of beneficial shareholders, whose shares are held through nominee companies, were not notified of the recent purchase plan offer. This is apparently due to a policy, adopted by some nominee companies, in relation to passing on share purchase plan offers to their underlying clients.

This was beyond the control of Macmin Silver Ltd, however, we wish to express our regret to those shareholders who were not given the opportunity to participate in the offer because their holdings are held via nominees.

The following releases were made during the fourth quarter of 2005:

11th November 2005

“MACMIN SILVER LTD ROADSHOW – MUNICH, LONDON, SAN FRANCISCO

Macmin Silver Ltd announces that Mr Denis O'Neill, Managing Director of the Company, will be attending the Resources/Gold Conferences at Munich on the 18th and 19th November (booth number 34), the Mines and Money event in London from 21st to 23rd November, and the San Francisco Gold Show on the 27th and 28th November (booth number 706).

Mr O'Neill will be happy to review Macmin's progress towards becoming a silver producer in 2006 and answer any questions about the Company from shareholders or interested investors.”

2nd December 2005

“CHANGE OF DIRECTORS

RESIGNATION OF DIRECTOR

Ces Iewago has resigned as a Director of Macmin Silver Ltd, effective 1st December 2005.

Mr Iewago has contributed significantly to the development of Macmin Silver Ltd over the last 5 years and I wish him well in his future endeavours.

He has resigned so that he can contribute more to the activities and development in Papua New Guinea of New Guinea Gold Corporation (NGG). Macmin Silver Ltd holds 17.6 million shares in NGG.

APPOINTMENT OF DIRECTOR

The Board of Macmin Silver Ltd announces the appointment of Edgar Newman as Director of Macmin Silver Ltd effective 1st December 2005.

Mr Newman has served as an Alternate Director for the past 18 months. He is Project Manager for the Twin Hills Silver Mine development and has been instrumental in developing the silver processing route used for the mine.

He has over 30 years experience in the mining and exploration industry. From 1968 to 1982 he held positions as chemist and manager of Labtech Pty Ltd, analytical services laboratory. Since 1982, he has been involved in feasibility studies, design, construction and commissioning of several mining and processing operations in Australia and Papua New Guinea.

Mr Newman has extensive metallurgical experience and has designed and supervised metallurgical investigations on projects in Australia, Papua New Guinea, USA, Canada, Mexico and Dominican Republic."

16th January 2006

***"SHARE PURCHASE PLAN COMPLETED
EXERCISE OF OPTIONS***

The Company will today issue 25,536,000 shares pursuant to 1,208 applications received for the Share Purchase Plan which closed on 10 January 2006. The issue raised \$5,107,200 before costs.

An additional 28,440 shares will be issued in respect of the exercise of MMNO listed 25 cent options."

4. INVESTMENTS

Macmin maintains equity investments in the following public companies with exposure to the precious and base metals sectors. Information and releases about these companies' activities can be found on each company's website.

| <i>Company</i> | <i>Shares</i> | <i>Options</i> | <i>Market Value 31 December 2005</i> |
|-------------------------------------------------------------------|-------------------|------------------|------------------------------------------|
| <i>New Guinea Gold Corporation (TSX) www.newguineagold.ca</i> | <i>17,847,020</i> | <i>-</i> | <i>\$4,460,000</i> |
| <i>Malachite Resources NL www.malachite.com.au</i> | <i>1,500,000</i> | <i>750,000</i> | <i>\$153,000</i> |
| <i>TasGold Ltd www.tasgold.com.au</i> | <i>3,364,824</i> | <i>3,104,167</i> | <i>\$373,000</i> |

5. NEW GUINEA GOLD CORPORATION

Macmin advises that it will no longer routinely issue technical releases from New Guinea Gold Corporation. Releases are available on the NGG website (www.newguineagold.ca) and also are released onto the Kitco website (www.kitco.com).

Should the Directors consider that information released by NGG is material to Macmin, then Macmin will release it.

The following exploration and development update was compiled by Mr R D McNeil, Chairman and CEO of New Guinea Gold Corporation.

"Vancouver 16th January 2006. Exploration/development activity will resume in Papua New Guinea (PNG) on approximately 20th January after a month break for Christmas.

New Guinea Gold (NGG) has interests in 12 properties in PNG from which 4 gold projects Sinivit, Normanby (Imwauna), Sehulea (Weioko) and Mt Penck have been selected for potential development and focused work. In addition, NGG has two significant porphyry copper/gold/molybdenum systems (Simuku and Mt Nakru), which in view of the current interest in copper and molybdenum, have received substantial exploration/development during the past quarter.

Properties are not described in detail below and interested parties are referred to the NGG web site www.newguineagold.ca and releases for further information.

SINIVIT PROJECT

Development of a small gold mining operation has commenced at Sinivit.

Approximately 15kms of all weather, gravelled access road has been completed to link the project to the East New Britain road system and the access to the towns of Kokopo and Rabaul. The population of these towns is approximately 70,000 and excellent services, including port, airline and engineering and earth moving contractor services are available. The onsite camp and administration centre are largely complete, the mining, processing, crusher, stockpile, and leach pads have been cleared of timber in preparation for mining and construction of the vat leach sites. A portable sawmill will be used to recover useable timber. Mine haul roads are partially completed and two bulldozers and two excavators (all owned by NGG) will be on site by early February to construct the vat leach pads/complete other necessary earth works and prepare drill sites for the expected arrival in March of a third drill rig. Additional leased or hired excavators, trucks, bulldozer and ancillary equipment for the mining operation is scheduled to arrive mid March and the crushing plant should be onsite in April. It is intended that the mining equipment will be maintained and operated by the leasing/hire contractor.

Development has been delayed largely due to delays in sourcing mining equipment (due to a world wide shortage), unseasonably wet weather, and now an extremely rainy wet season. The wet season normally extends to the end of March with February being the wettest month. A site superintendent, Lloyd Collar who has previous experience in vat leaching has been hired and commenced early in January.

NGG has disclosed historical resource estimates for the Sinivit and Imwauna (Normanby) projects. However, these resource estimates have been based on historical estimates and have not been verified and supported by NI 43-101 compliant, independent technical reports. As such, the historical resource estimates cannot be relied upon until they have been verified and supported by NI 43-101 compliant technical reports.

The development of the Sinivit Mine Project is based on an update of an historical feasibility study. These studies and project economics cannot be released to the market until such time as they have been independently verified in a NI 43-101 compliant technical report. Investors and shareholders are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability and to proceed with development prior to completion of the above report, the absence of current mineral resources and reserves and an independent feasibility study that determines and supports the economic viability of the project, may involve additional risk that the project will not be economic.

An independent NI 43-101 report has been completed and lodged with the BCSC for comment.

IMWAUNA PROJECT (NORMANBY PROPERTY)

In late 2005, NGG received its first drill rig, which is intended to be used largely at the Imwauna Project throughout 2006, to define a NI 43-101 compliant resource, and if appropriate to proceed to a pre-feasibility study and mine permitting. 73 drill holes have been completed to date and have partially defined an extensive gold bearing vein system. All drill hole results are available on our web site at www.newguineagold.ca

The above drill rig was acquired at a cost (including drill strings, bits etc) of approximately CAD\$220,000 and is expected to lead to a more efficient drilling program at Imwauna. Drilling will recommence here in mid February, after the completion of one further hole at the adjacent Sehulea Prospect (Weioko Project).

WEIOKO PROJECT (SEHULEA PROPERTY)

The new drill rig, noted above, completed 3 holes totalling 385.7 metres at Weioko in late 2005. These holes are a part of proposed drill program at Weioko which is intended to lead to definition of NI 43-101 compliant resource. A further wild cat hole is planned to commence on about January 20th to test a "look alike" system to Weioko defined by an Induced Polarization (IP) geophysical anomaly.

After the completion of the above hole the drill rig will move to Imwauna and drilling is expected to resume later in 2006 after the acquisition of a further drill rig.

166 drill core samples from the above holes have arrived at the laboratory in Townsville, Australia and we expect to be able to report results within the next three weeks.

MT PENCK PROPERTY

NGG has a 60% beneficial interest in the Mt Penck property which is owned by Kanon Resources Ltd. Kanon acquired its own drill rig in late 2005 and that drill rig is presently in NGG's yard at Kimbe (provincial capital of West New Britain) awaiting transport to site.

An extensive and continuous drill program is planned for Mt Penck in 2006 with the objective of defining a NI 43-101 resource. Drilling is expected to commence before the end of January with the first drill assay results expected in March 2006.

All previous drill and trench results are available in previous New Releases or on NGG's web site.

Results of the soil sampling program at Mt Penck, completed in September, will be reported in February 2005. Results from this program (555 samples) and trenching programs at Bismarck, and Mt Nakru, have been delayed due to Australian customs computer problems at Townsville, and a large backlog of samples at the laboratory study.

For a detailed description of previous work at Mt Penck please refer to a News Release dated 29th September 2005.

SIMUKU (90% NGG) & MT NAKRU (75% NGG) PORPHYRY COPPER/GOLD/MOLYBDENUM PROPERTIES

The Simuku property has been partially explored with 19.5 kilometres of bulldozer trenching and 12 drill holes. This program was completed in late 2005, all results have been received and released including a 72 metre trench intersection which averaged 0.17% molybdenum. An independent NI 43-101 report which will recommend an ongoing development program, is presently being prepared and should be lodged on Sedar late in February 2006.

At Mt Nakru approximately 4km of trenching in four trenches were completed in December 2005. 1595 channel samples have been collected and await assay in Townsville, Australia. Results are not expected until March 2006. VP Exploration Dr David Lindley visited the property at the close of the trenching program and reported as follows:

"The overall dimensions of the zone of silicification and brecciation at Mt Nakru exposed by trenching presently stands at 800m length by 300m width. It is open-ended both to the N E and SW. Drill holes NAK001, 002 and 003 are located within the SW projections of this zone. The idea from the field is that these three holes may have been too far away from the main feeder/conduit to a breccia pipe that is the source to the observed brecciation and silicification.

Field observations suggest a polyphase system., A first hydrothermal phase resulted in the pervasive silicification and pyritisation of the host pyroclastic unit. A second hydrothermal event involved brecciation and introduction of quartz veining with associated Cu-Au mineralisation.

Observations supporting a northerly located centre to the Mt Nakru system include:

1. Quartz veins increase in width from south to north through the trenches (1cm width in T#1; 2-3cm in T#2 and 5cm in T#4).
2. The degree and style of hydrothermal brecciation is also observed to increase to the North."

For a detailed description of earlier exploration at Mt Nakru refer to a news release dated 10th November 2005.

The Simuku and Mt Nakru properties are not core gold projects for NGG, but with the resurgence in copper and molybdenum prices are regarded as very significant assets. The Company is presently evaluating the best way to achieve shareholder value for NGG in respect to these project and a further announcement in this respect will be made in due course."



D.M. O'Neill
MANAGING DIRECTOR

This report is based on & accurately reflects information compiled by a competent person as defined in Appendix 5A of the ASX Listing Rules

ke/dmo/qthyrep/dec05

Appendix 5B

Mining exploration entity quarterly report

Name of entity

MACMIN SILVER LTD

ACN OR ARBN

056 776 160

Quarter ended ("current quarter")

31 December 2005

Consolidated statement of cash flows

| | Current quarter SA'000 | Year To Date (6 Mths) SA'000 |
|-----------------------------------------------------------------|---------------------------|------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (150) | (284) |
| (b) development (incl. machinery) | (2,202) | (3,296) |
| (c) production | - | - |
| (d) administration | (233) | (482) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 45 | 78 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other - reimburseable expenditure | 17 | (480) |
| Other - Operating and admin fees | 98 | 206 |
| Net Operating Cash Flows | (2,424) | (4,257) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchase of: | | |
| (a) prospects | - | - |
| (b) equity investments | (255) | (255) |
| (c) other fixed assets | (2) | (5) |
| 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 (Mines Dept deposits) | - | - |
| Net Investing Cash Flows | (258) | (261) |
| 1.13 Total operating and investing cash flows (carried forward) | (2,682) | (4,518) |

| | | | |
|---------------------------------------------------|---------------------------------------------------------------|----------------|----------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (2,682) | (4,518) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issue of shares, options, etc. * | 1,960 | 4,815 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 104 | 104 |
| 1.17 | Repayment of borrowings | (55) | (110) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other | | |
| | - Subscriptions re Prospectus/SPP * | 324 | (115) |
| | Net financing cash flows | 2,332 | 4,693 |
| Net increase (decrease) in cash held | | (350) | 175 |
| 1.20 | Cash at beginning of quarter/year to date | 2,849 | 2,324 |
| 1.21 | Exchange rate adjustments to 1.20 | | |
| 1.22 | Cash at end of quarter | \$2,499 | \$2,499 |

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 | 99 |
| 1.24 | Aggregate amount of payments to the parties included in item 1.10 | Nil |

1.25 Explanation necessary for an understanding of the transactions

Directors: salaries, consulting fees and superannuation

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 shares 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*

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | 1,904 | 1,101 |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 200 |
| 4.2 Development | 3,500 |
| Total | 3,700 |

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 | 591 | 40 |
| 5.2 Deposits at call | 1,908 | 2,809 |
| 5.3 Bank overdraft | | |
| 5.4 Other : fixed term deposits | | |
| Total: cash at end of quarter (item 1.22) | 2,499 | 2,849 |

Changes in interests in mining tenements

| Tenement Reference | Nature of Interest (note(2)) | Interest at Beginning 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 | | |

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 | Nil | | |
| 7.2 Changes during quarter | | | | |
| (a) Increases through issues | - | - | | |
| (b) Decreases through returns of capital, buy-backs redemptions | - | - | | |
| 7.3 +Ordinary securities | 381,298,797 | 381,298,797 | | |
| 7.4 Changes during quarter | | | | |
| (a) Increases through issues | 14,076,667 | 14,076,667 | \$0.120 | |
| | 250,000 | 250,000 | \$0.130 | |
| | 3,563 | 3,563 | \$0.200 | |
| | 262,500 | 262,500 | \$0.250 | |
| (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 +Convertible debt securities <i>(description)</i> | Nil | 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> | 250,000 | 56,811,795 | <i>Exercise price</i> 13 cents | <i>Expiry date</i> 06-Sep-07 |
| | 3,600,000 | | 20 cents | 31-Dec-07 |
| | 56,811,795 | | 25 cents | 30-Oct-08 |
| | 6,300,000 | | 20 cents | 12-Nov-08 |
| | 1,900,000 | | 15 cents | 01-Dec-08 |
| | 2,500,000 | | 20 cents | 01-Nov-09 |
| 7.8 Issued during quarter | 600,000 | 4,692,222 | 20 cents | 31-Dec-07 |
| | 4,692,222 | | 25 cents | 30-Oct-08 |
| | 2,500,000 | | 20 cents | 01-Nov-09 |
| 7.9 Exercised during quarter | 250,000 | 3,563 | 13 cents | 06-Sep-07 |
| | 3,563 | | 25 cents | 30-Oct-08 |
| | 262,500 | | 20 cents | 12-Nov-08 |
| 7.10 Expired/cancelled during quarter | 300,000 | | 20 cents | 12-Nov-08 |
| | 100,000 | | 15 cents | 01-Dec-08 |
| 7.11 Debentures <i>(totals only)</i> | Nil | Nil | | |
| 7.12 Unsecured notes <i>(totals only)</i> | Nil | Nil | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law 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: January 27, 2006
(~~Director~~/Company secretary)

Print name: Garry M. Edwards

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. Any 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 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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