



**QUARTERLY REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2005**

HIGHLIGHTS

MOTO GOLD PROJECT

- Revised independent resource estimate of:
 - Indicated Resource - 34.33 million tonnes at 2.5 g/t Au for **2.809 million ounces of gold**; and
 - Inferred Resource - 92.87 million tonnes at 2.7 g/t Au for **8.158 million ounces of gold**.
- Feasibility work continued during the quarter, including:
 - **Conceptual study indicated potential for development of significant gold mine**
 - **Appointment of Lycopodium Engineering to undertake pre-feasibility study.**
- Infill and extension drilling during the quarter continued to identify significant gold mineralisation. **A resource upgrade is planned for March 2006.**
- Appointment of Dr Jeff O'Leary as a non-executive director and Andrew Dinning as Chief Operating Officer.

DEMOCRATIC REPUBLIC OF CONGO – MOTO GOLD PROJECT

The Company continued its activities to advance project feasibility and development for the Moto Gold Project in the north-east of the Democratic Republic of Congo during the quarter ended 31 December 2005. The Company employed 4 drill rigs (one RC and three diamond) at the Moto site, with the focus predominantly on infill drilling designed to upgrade the Resource from the Inferred to the Indicated category.

Cube Consulting completed an updated independent resource estimate on November 14, 2005, and a conceptual study on November 17, 2005. Details of both are summarised below. The Company has also appointed Lycopodium Engineering to manage, and various consultants to contribute to, the pre-feasibility study. Activities in relation to project feasibility and development are ongoing.

Reports on the exploration activities during the quarter have previously been released on October 25, 2005 “Further significant results at Karagba and Pakaka” and November 7, 2005 “Exploration Update”. The details reported in these releases have not been repeated in the following report, but in summary the infill and extension drilling completed during the quarter continued to identify significant gold mineralisation.

Resource Estimate for Moto Gold Project Deposits

In November 2005 independent consultants Cube Consulting estimated the following Resources at a nominal 1 /gt Au lower cutoff:

Deposit	Indicated			Inferred		
	Tonnes Mt	Au g/t	Au '000Oz	Tonnes Mt	Au g/t	Au '000Oz
Pakaka	19.47	2.4	1,509			
Gorumbwa				8.55	6.4	1,750
Kibali				22.60	2.0	1,417
Mengu Hill	8.00	3.3	844	0.98	1.4	43
Mengu Village				1.83	1.6	91
Karagba				36.70	3.1	3,634
Megi				5.21	1.9	312
Marakeke				1.66	1.4	74
Kombokolo	2.08	2.3	155			
Sessenge	4.78	2.0	301	0.92	2.3	67
Ndala				0.49	4.0	62
Pamao				13.93	1.6	708
TOTAL	34.33	2.5	2,809	92.87	2.7	8,158

Upgrading of confidence in Resource

Upon completion of the November 2005 Resource estimate extensive infill and / or extension drilling programmes were undertaken at Karagba / Chauffeur / Durba East, Sessenge and Mengu Hill. Results of these programmes are expected to be released in early February 2006. The infill drilling programmes were designed to upgrade the Resource from the Inferred to the Indicated category. A continuous infill and extension drilling programme is planned for the first 6 months of 2006.

A resource upgrade for the Karagba / Chauffeur / Durba East, Sessenge and Mengu Hill deposits is planned for March 2006.

Conceptual Study

On the basis of the results of the August 2005 Resource Estimate, Cube Consulting reviewed the potential for a mining operation based on a number of the ore bodies at the Moto Gold project. In November 2005 Cube Consulting completed a Conceptual Study indicating that a gold mine supporting production of approximately 240,000 ozs of gold per annum could be developed at the Moto Gold project (based on production of 3 million ounces over 12 years). Significant study parameters and assumptions include:

Average Throughput	Mtpa	3
Feed Grade	grams/tonne	2.7
Average Gold Production	koz pa	240
Average strip ratio	waste:ore	3.1
Average Recovery Rate	%	88
Estimated Cashflows*:		
@ gold price of 400 \$/oz net	US\$ Million	517
@ gold price of 425 \$/oz net	US\$ Million	589
@ gold price of 450 \$/oz net	US\$ Million	661
@ gold price of 475 \$/oz net	US\$ Million	732
@ gold price of 500 \$/oz net	US\$ Million	803
Estimated operational unit cost	US\$/oz (rec'd)	218
Indicative Mine Life	Years	12

*Undiscounted

The above evaluations are preliminary in nature and remain subject to completion of a feasibility study. The numbers shown are projections, which may not reflect actual performance.

The conceptual study does not include capital expenditure and infrastructure costs. Preliminary estimates of these costs are currently being prepared. Due to the number and variety of ore bodies, extensive metallurgical test work is being undertaken to further quantify indicative recovery rates for each orebody and better define the process flow sheet.

Pre-feasibility Work

The Company has appointed Lycopodium Engineering Pty Ltd from Perth, Western Australia (WA) to manage key elements of and compile the pre-feasibility study. Their scope includes process flow sheet definition, design and costing of the process plant and infrastructure, management of Knight Piesold and compilation of the overall study. The team of consultants working with Lycopodium include:

- Cube Consulting (Perth WA) – Resource Estimates and Mine Design
- Independent Metallurgical Laboratories Pty Ltd (Perth WA) – Metallurgical test work

- SGS Ghana – Environmental and Social studies
- George Orr & Associates (Perth WA) – Geotechnical studies
- Knight Piesold (through Lycopodium, Perth, WA) – Tailings dam design

Activities in relation to project feasibility and development are ongoing and the Company is continuing to work towards completion of pre-feasibility work by mid 2006 and completion of a bankable feasibility study in 2007.

CORPORATE

During the quarter Dr Jeff O’Leary joined the Board in the position of Non-Executive Director. Mr Andrew Dinning was also appointed Chief Operating Officer. Mr Dinning has principal responsibility for managing operational activities including the feasibility process and subsequent mine development and plant construction and commissioning at the Moto Gold project.

At 31 December 2005 the Company had cash at bank of approximately AU\$24.5 million.

For further information in respect of the Company’s activities, please contact:

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Additional Notes:

Scientific or technical information in this news release has been prepared under the supervision of Greg Smith, Exploration Manager of the Company and a qualified person under National Instrument 43-101 and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Greg Smith has sufficient experience which is relevant to the style of mineralisation 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” (the JORC Code).

The Information in this report that relates to Mineral Resources is based on a resource estimate compiled by Ted Coupland who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), Mineral Industry Consultants Association (MICA) and is a Chartered Professional (Geology), and a qualified person under National Instrument 43-101. Ted Coupland is a director of Cube Consulting Pty Ltd. Ted Coupland has sufficient experience which is relevant to gold mineralisation and resource estimation to qualify as a competent Person as defined in the December 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code). Ted Coupland consents to the inclusion in this report of the Information, in the form and context in which it appears.

Conceptual Study

- *The study was undertaken by Cube Consulting Pty Ltd. The objectives of this high level study were a) to provide a first pass indication of the potential of the resource, and b) to provide guidance for exploration drilling with the aim of improving the confidence level of the resource.*
- *The assessment is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary assessment will be realized.*
- *The study comprised open pit optimisation on 12 deposits, preliminary pit designs on 3 deposits (including 2 phased cutback designs) and a top-down whole-bench mining schedule with associated*

simple (undiscounted) cashflows. Cost parameters used in the study were mostly derived from average data for similar types of operations and no costing analyses was carried out. Metallurgical recoveries were based on initial test results on five of the deposits, the results of which were applied to resources for which no testing was available. No geotechnical evaluations were completed for the study and indicative slope angles were used.

Caution Regarding Forward Looking Statements: Statements regarding the Company's plans with respect to developing the Moto Gold Project are forward-looking. There can be no assurance that any mineralisation will be proven to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits identified with the project or that future required regulatory approvals will be obtained.

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

MOTO GOLDMINES LIMITED

ACN

ARBN 113 274 874

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 (b) development (c) production (d) administration	(3,167) (911)	(7,720) (1,702)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	236	313
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(3,842)	(9,109)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	- (27)	- (254)
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	(27)	(254)
1.13 Total operating and investing cash flows (carried forward)	(3,869)	(9,363)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,869)	(9,363)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	17,685	29,087
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 – Share issue costs	(877)	(1,734)
	Net financing cash flows	16,808	27,353
	Net increase (decrease) in cash held	12,939	17,990
1.20	Cash at beginning of quarter/year to date	11,036	5,985
1.21	Exchange rate adjustments	516	516
1.22	Cash at end of quarter	24,491	24,491

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	191
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors' remuneration	176
Accounting, secretarial and legal services	15

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

Not Applicable.

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

Not Applicable.

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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,750
4.2 Development	-
Total	3,750

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	2,622	2,916
5.2 Deposits at call	21,869	8,120
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	24,491	11,036

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	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ 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 ⁺secs				
7.2 Changes				
7.3 ⁺Ordinary securities	45,205,067 shares [equivalent to 226,025,335 share CDIs]	45,205,067 shares [equivalent to 226,025,335 share CDIs]		
7.4 Changes during quarter				
(a) Increases	Shares	Shares		
- through issues	4,800,000	4,800,000	270 cents(CDN)	
- exercise option	1,000,000	1,000,000	200 cents	
- exercise option	21,374	21,374	135 cents(CDN)	
- exercise option	882,984	882,984	140 cents	
(b) Decreases				
7.5 ⁺Convertible debt securities				
7.6 Changes				
7.7 Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
	7,230,281 [eq to 36,151,405 option CDIs]	7,230,281 [eq to 36,151,405 option CDIs]	140 cents	31.5.2006
	500,000	-	28 cents	31.5.2006
	540,000	-	75 cents	31.12.2006
	200,000	-	110 cents	31.1.2007
	137,760	-	175 cents	31.12.2007
	206,640	-	125 cents	17.11.2006
	1,000,000	-	125 cents	30.11.2006
	278,670	-	225 cents	6.06.2006
	4,000,000	-	135 cents(CDN)	26.05.2007
	400,000	-	325 cents(CDN)	27.8.2007
	1,750,000	-	270 cents(CDN)	27.8.2007
	800,000	-	260 cents(CDN)	5.10.2011
	400,000	-	270 cents(CDN)	5.10.2011
	1,050,000	-	315 cents(CDN)	5.10.2011
		-	300 cents(CDN)	31.10.2011
7.8 Issued during quarter	2,400,000	-	325 cents(CDN)	27.8.2007
	240,000	-	270 cents(CDN)	27.8.2007
	1,750,000	-	260 cents(CDN)	5.10.2011
	800,000	-	270 cents(CDN)	5.10.2011
	400,000	-	315 cents(CDN)	5.10.2011
	1,050,000	-	300 cents(CDN)	31.10.2011
7.9 Exercised during quarter	882,984	882,984	140 cents	31.5.2006
	21,374	-	135 cents(CDN)	26.05.2007
	1,000,000	-	200 cents	6.12.2005
7.10 Expired quarter				
7.11 Debentures				
7.12 Unsecured notes				

Compliance statement

+ See chapter 19 for defined terms.

- 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: 31 January 2006
(Company secretary)

Print name: PATRICK FLINT

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.