

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

GINDALBIE METALS LTD

ABN

24 060 857 614

Quarter ended ("current quarter")

31 DECEMBER 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(2,176)	(3,284)
(b) development	-	-
(c) production	-	-
(d) corporate administration	(665)	(1,118)
(e) rehabilitation & site admin	(197)	(372)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	111	240
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	(2,927)	(4,534)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(59)	(115)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	30	30
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(29)	(85)
1.13 Total operating and investing cash flows (carried forward)	(2,956)	(4,619)

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1.13	Total operating and investing cash flows (brought forward)	(2,956)	(4,619)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,075	3,258
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(13)	(69)
1.18	Dividends paid	-	-
1.19	Capital raising costs	(15)	(117)
	Net financing cash flows	2,047	3,072
	Net increase (decrease) in cash held	(909)	(1,547)
1.20	Cash at beginning of quarter/year to date	9,496	10,134
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,587	8,587

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	153
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive Directors Salary	76
Non Executive Directors Fees	43
Other Payments to Directors and related entities	34

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

Gindalbie increased its assets by \$400,000 without any cash flow occurring as a result of Vital Metals issuing 2 million fully paid shares in Vital Metals as part of it entering into a joint venture on Gindalbie's Mt Mulgine tungsten project.

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

Nil

+ See chapter 19 for defined terms.

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	-	-
3.2 Credit standby arrangements	-	-

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	137	15
5.2 Deposits at call	8,450	9,481
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,587	9,496

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	E59/1130	Surrendered	100%	0%
6.2 Interests in mining tenements acquired or increased	E59/1136	Granted to Gindalbie Metals	0%	100%
	E59/1138	Granted to Gindalbie Metals	0%	100%
	E59/1170	Granted to Lotus Minerals	0%	100%
	E45/2429	Granted to Gindalbie Anketell	0%	100%
	E59/1139	Purchase via sale agreement	0%	100%
	E59/1140	Purchase via sale agreement	0%	100%

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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				
7.3 +Ordinary securities	338,114,406	338,114,406		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	22,722,222	22,722,222		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>	<i>Vested Employee Options</i>		<i>Exercise price</i>	<i>Expiry date</i>
	50,000	Nil	12 cents	30 November 2006
	3,150,000	Nil	15 cents	31 December 2006
	150,000	Nil	18 cents	30 November 2006
	70,000	Nil	20 cents	30 November 2006
	300,000	Nil	25 cents	30 November 2006
	200,000	Nil	32 cents	30 November 2006
	890,000	Nil	35 cents	30 November 2006
	200,000	Nil	40 cents	30 November 2006
	890,000	Nil	45 cents	30 November 2006
	890,000	Nil	55 cents	30 November 2006
	250,000	Nil	15 cents	30 April 2008
	<i>Non Vested Employee Options</i>			
	400,000	Nil	14 cents	30 September 2008
	400,000	Nil	Vesting 30 June 2006 20 Cents	30 September 2008
	100,000	Nil	Vesting 31 March 2007 22 cents	30 September 2008
	<i>Other Options</i>			
	750,000	Nil	15 cents	31 December 2006
7.8 Issued during quarter	250,000	Nil	15 cents	30 April 2008
	100,000	Nil	22 cents	30 September 2008
			Vesting 31 Dec 2006	
7.9 Exercised during quarter	500,000	Nil	15 cents	31 December 2006
7.10 Expired during quarter				

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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 give a true and fair view of the matters disclosed.



Sign here:

Company Secretary

Date: 30 January 2006

Print name:

Darren Gordon

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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