



## **QUARTERLY REPORT**

for three months ending 30 September 2006

### **HIGHLIGHTS**

#### **PUNGKUT GOLD PROJECT**

- o Drilling activities at the Sambung Prospect continue to discover broad zones of gold mineralisation
- o High grade gold “feeder zone” identified at central Sambung
- o Drilling continuing towards Resource estimation
- o Tambang Ubi historical Dutch gold/copper mine underground workings accessed and sampled– High grade gold / copper mineralisation identified
- o Drill rig mobilised to Tambang Ubi to commence drilling this coming quarter
- o Ground magnetic surveys over Tambang Tinggi and Tambang Ubi completed

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## 1. REVIEW OF OPERATIONS

### 2.1 Indonesia

#### *Pungkut Gold Project, Sumatra (75%)*

Exploration activities conducted by Oropa on its 75% owned Pungkut Project, located in North Sumatra, Indonesia, included:

#### ➔ **Sambung Prospect:**

- 29 diamond drill holes for 1,741m completed
- Broad zones of gold mineralisation encountered
- High grade feeder zone discovered over 300m strike length

#### ➔ **Tambang Ubi Prospect:**

- Acquisition of historical Dutch underground mine plans and 3D modelling completed
- Two adits refurbished to gain access to underground workings
- Sampling of adits encountered high grade gold / copper values
- Drill rig mobilised to site
- Detailed geological mapping on-going
- Ground magnetic survey completed

#### ➔ **Tambang Tinggi**

- Detailed geological mapping on-going
- Ground magnetic survey completed

#### **Sambung Prospect**

The Sambung Prospect is located in the North Block of the Project, approximately 2km south of the 610,000 Oz Au Sihayo 1 North Inferred Resource.

Exploration activities this quarter at Sambung have largely focussed on continued drilling of the central Sambung zone. Over 5,000m of diamond drilling has now been completed at Sambung; of which 1,741m were completed during this reported Quarter.

Detailed geological modelling of the central portion of the Sambung prospect based on drill hole information, trenching and surface mapping has revealed the presence of a high grade “feeder zone” of gold mineralisation within a broader blanket of mineralisation.

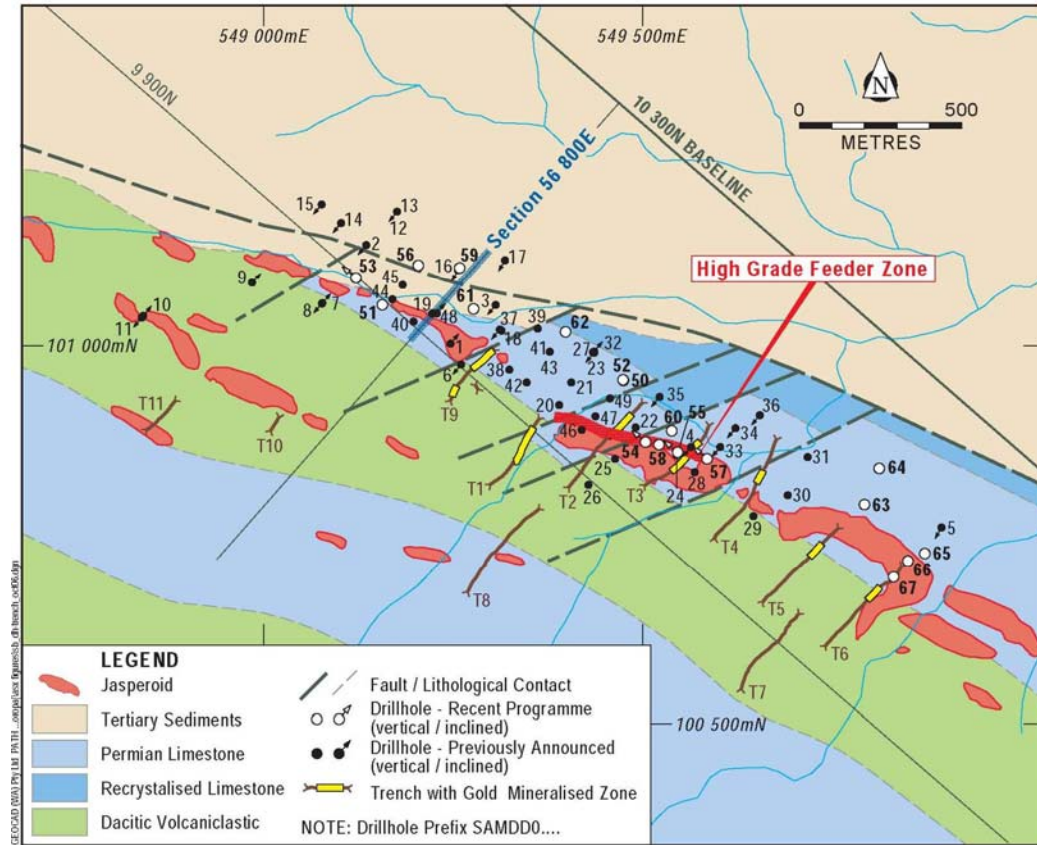
Better recent intersections include:

SAMDD054:	25m @ 2.84 g/t Au from 15m (including 6m @ 8.77 g/t Au from 23m)
SAMDD055:	24m @ 3.25 g/t Au from 14m
SAMDD056:	8m @ 8.66 g/t Au from 35m (including 3m @ 20.85 g/t from 35m)
SAMDD059:	10m @ 3.40 g/t Au from 48m
SAMDD061:	8m @ 2.60 g/t Au from 0m 21m @ 5.36 g/t from 27m

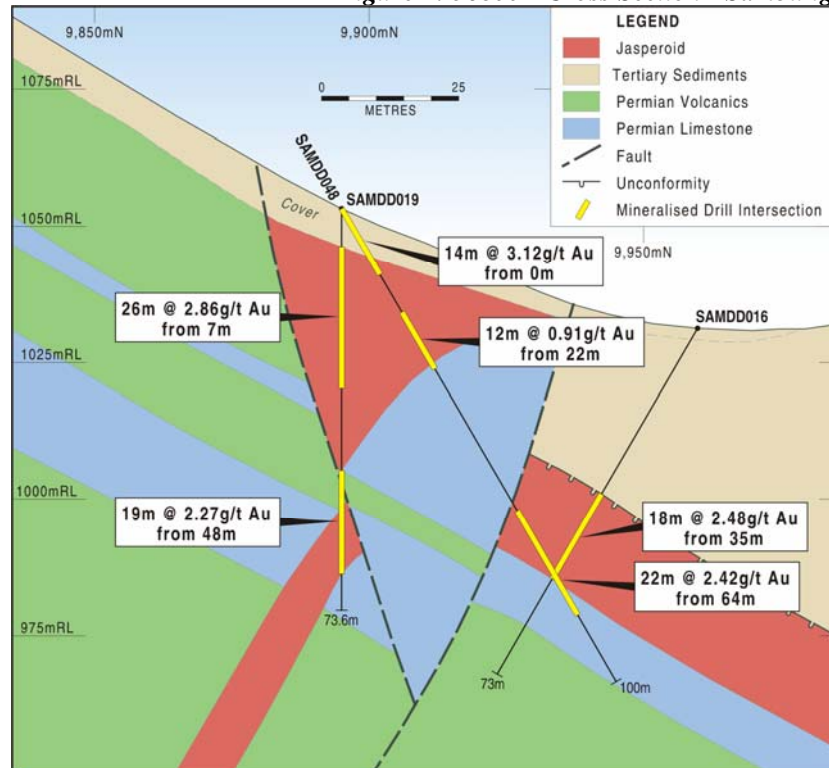
Gold mineralisation at Sambung predominantly occurs as a blanket of shallow-dipping siliceous jasperoid that formed at or near the unconformity contact between older Permian limestone and younger Tertiary sediment. Mapping, drilling and geological interpretation strongly suggested the presence of a high grade primary “feeder zone” of gold mineralisation that had until now remained elusive or unrecognised. High gold grades discovered in recent drill holes are associated with a structurally controlled jasperoid hydrothermal breccia, dipping steeply back towards the south west and trending north west. Additional diamond drilling will test the down dip extent of this mineralised zone and will endeavour to follow the strike extent of the structure beyond late-stage cross cutting faults that disrupt the sequence.

Oropa is advancing exploration activities at Sambung towards the completion of a preliminary resource estimation this coming quarter. Reconnaissance soil sampling, trenching and step-out drilling will also be undertaken to assess the strike extent of gold mineralisation towards grid east.

**Figure 1: Sambung Drill Hole Location Plan and Schematic Geology**



**Figure 2: 56800E Cross Section - Sambung**



**Table 1: Sambung Drill hole Locations and Mineralised Intersections**

Hole	Local N	Local E	Dip	Azimuth	Depth	From	To	M	Au g/t
SAMDD034	10030	57200	-60	220	77.8	0	5	5	1.31
						8	13	5	1.02
SAMDD035	10000	57100	-60	220	100	4	8	4	2.11
SAMDD036	10080	57200	-60	220	70.7	0	9	9	0.61
SAMDD037	9936	56895	-60	220	90	5	10	5	3.27
						14	16	2	2.01
						38	40	2	0.82
						46	49	3	0.94
SAMDD038	9900	56920	-90		54.6	3	7	4	2.4
SAMDD039	9960	56925	-90		60	30	35	5	1.63
SAMDD040	9870	56800	-90		93	No significant intersections			
SAMDD041	9950	56950	-90		68.9	15	20	5	1.27
						27	37	10	1.05
						39	41	2	0.77
SAMDD042	9878	56750	-90		77.2	0	34	34	1.61
					including	22	33	11	2.7
						39	41	2	1.34
						44	55	11	2.09
						57	64	7	0.88
						68	70	2	1.02
SAMDD043	9925	56950	-90		46.5	4	6	2	2.01
						11	15	4	1.47
SAMDD044	9900	56950	-90		33	12	13	1	2.01
SAMDD045	9900	56750	-90		52	0	5	5	2.87
						17	19	2	2.29
						25	38	13	0.81
SAMDD046	9900	57050	-90		33	2	8	6	0.87
						12	19	7	0.96
SAMDD047	9900	57050	-90		60	10	15	5	0.92
						19	26	7	3.74
						35	41	6	0.71
SAMDD048	9895	56802	-60	40	100	0	14	14	3.12
						22	34	12	0.91
						42	43	1	1.1
						64	86	22	2.42
SAMDD049	9950	57050	-90		60	1	16	15	3.43
SAMDD050	9975	57050	-90		16	Hole abandoned due to collapse			
SAMDD051	9850	56750	-90		57	18	21	3	1.64
SAMDD052	9975	57048	-90		60	12	17	5	0.73
						24	29	5	0.81
SAMDD053	9863	56694	-65	40	78	6	24	18	1.79
					including	18	23	5	4.66
						42	45	3	5.9
						49	78	29	1.69
SAMDD054	9940	57125	-60	40	61.5	15	40	25	2.84

Hole	Local N	Local E	Dip	Azimuth	Depth	From	To	M	Au g/t
					including	23	29	6	8.77
SAMDD055	9950	57163	-60	40	52	0	11	11	1.16
						14	38	24	3.25
					including	14	20	6	7.88
SAMDD056	9925	56750	-90	0	80.5	35	43	8	8.63
					including	35	38	3	20.85
SAMDD057	9965	57200	-60	40	40	0	8	8	0.89
SAMDD058	9975	57150	-90		37.1	3	5	2	6.42
						10	32	22	1.33
					including	17	22	5	2.36
SAMDD059	9960	56793	-90		80	48	58	10	3.40
SAMDD060	10000	57150	-90		30	0	7	7	0.93
						13	20	7	0.63
SAMDD061	9921	56846	-90		72.2	0	8	8	2.60
						27	48	21	5.36

#### Notes

1. All Au assays determined by 50gm fire assay with AAS finish by Intertek- Caleb Brett Laboratories of Jakarta
2. Lower cut of 0.5ppm Au used
3. A maximum of 2m of consecutive internal waste (material less than 0.5ppm Au) per reported intersection
4. All interval grades were calculated as a weighted average
5. All intervals reported as down hole lengths
6. All drilling diamond core predominantly of HQ diameter
7. Sampling regime as ¼ core for PQ diameter core and ½ core for all other core diameters
8. *Quality Assurance and Quality Control (QAQC):*  
Gold intersections reported have been verified by the company's QAQC protocols, which include routinely inserted standards. All samples from drill holes are prepared by Intertek-Caleb Brett and pulverised to 90% passing 75 microns then analysed for gold using Fire Assay methods

#### **Tambang Ubi Prospect**

Tambang Ubi, located just 3km from the Trans Sumatran Highway in the South Block of the Project, is a garnet – epidote skarn deposit developed on the contact between footwall limestone and hanging wall granodiorite / andesite intrusive bodies. Mining of the deposit by the Dutch Moeara Sipongi Mining Company commenced in the late 1930's, producing approximately 100,000t of ore, with recovered grades of 6.2g/t Au, 2.77g/t Ag and 0.24% Cu. Mining ceased in 1939 due to the commencement of WW2.

Historical sections and mine plans were sourced and digitized by Oropa in conjunction with the completion of access negotiations with local miners still exploiting gold / copper mineralisation in the area. A number of access drives were refurbished to allow for safe entry.

Modelling clearly shows the stoped-art area during the last year of Dutch mining operations and that stoping did not continue far below the current water table. Historical records indicate

that mineralisation remains open at depth in both a down-dip and down plunge direction.

Sampling of underground workings was limited to those access drives already refurbished and deemed safe for entry. During the mapping of access drives, Oropa geologists recognised repetitions of the contact skarn mineralisation exploited by Dutch miners elsewhere in the ore body. Channel sampling of skarn zones returned high grade gold values in association with copper mineralisation. These zones were not exploited by Dutch miners and may represent parallel zones of mineralisation to the main contact previously mined by the Dutch.

Better 3m channel sampling of access drives included:

Sample 951270: 7.43g/t Au, 0.64% Cu

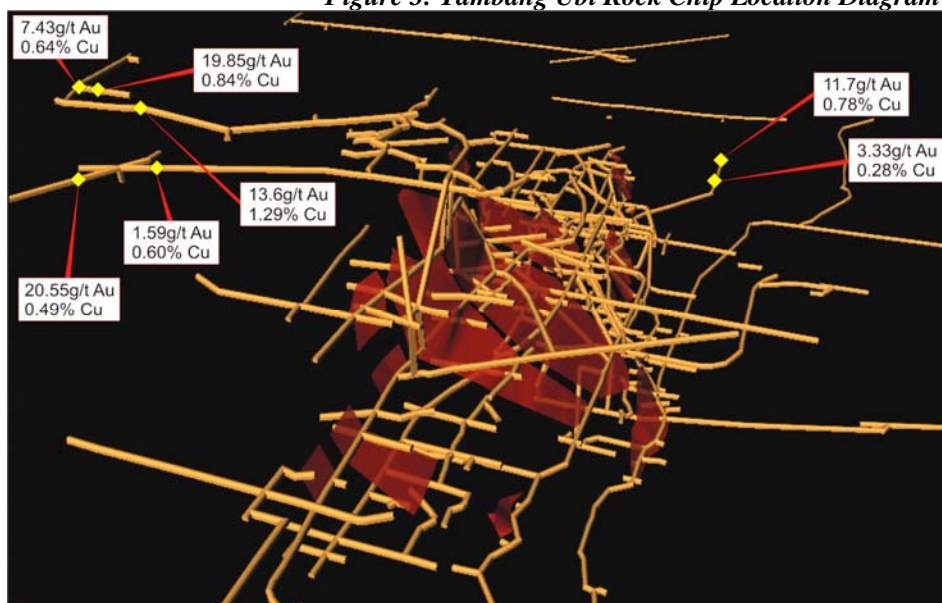
Sample 951271: 20.55g/t Au, 0.49% Cu

Sample 951275: 19.85g/t Au, 0.85% Cu

Sample 951276: 13.6g/t Au, 1.29% Cu

Oropa has completed programmes of gridding, mapping and a ground magnetic survey over the Tambang Ubi area in preparation for drilling this coming quarter. A drill rig is on site and drilling will commence upon the return of field crew at the end of the annual Idul Fitri break in early November.

**Figure 3: Tambang Ubi Rock Chip Location Diagram**



**Table 2: Tambang Ubi Rock Chip Description and Assays**

Sample	Northing	Easting	Type	Width	Sample Description	Au ppm	Cu %
951269	68597	589647	OC	Chip	Grey recrystallised limestone skarn with malachite / hematite staining	0.06	0.00%
951270	68608	589611	OC	Chip	Grey recrystallised limestone skarn with malachite / hematite staining, chalcopryrite, pyrite.	7.43	0.64%
951271	68595	589658	OC	Chip	Contact between porphyritic andesite and recrystallised limestone skarn, with malachite, pyrite, and chalcopryrite.	20.55	0.49%
951272	68588	589658	CH	3m	Contact between porphyritic andesite and recrystallised limestone skarn, with malachite, pyrite, and chalcopryrite.	1.59	0.60%
951273	68573	589827	CH	3m	Porphyritic andesite with pyrite (oxidised)	0.01	0.01%
951274	68583	589765	CH	3m	Contact between porphyritic andesite and recrystallised limestone skarn, with malachite, pyrite, and chalcopryrite.	0.47	0.77%
951275	68610	589619	CH	3m	Grey recrystallised limestone skarn with malachite / hematite staining	19.85	0.85%
951276	68613	589625	CH	3m	Grey recrystallised limestone skarn with malachite / hematite / azurite staining	13.6	1.29%
951277	68972	589678	CH	3m	Contact between porphyritic andesite and recrystallised limestone skarn, with malachite, pyrite, and chalcopryrite.	0.09	0.06%
951278	68968	589679	CH	3m	Porphyritic andesite with malachite, chalcopryrite, pyrite	3.33	0.28%

Sample	Northing	Easting	Type	Width	Sample Description	Au ppm	Cu %
951279	68995	589660	CH	3m	Porphyritic andesite with malachite, chalcopyrite, pyrite	11.7	0.78%
951280	68864	588683	CH	2m	Contact between porphyritic andesite and recrystallised limestone skarn, with malachite, pyrite, and chalcopyrite.	7.85	1.70%

**Notes**

1. Au analysis determined by 50gm fire assay
2. Cu analysis determined by 50gm AAS

## **Tambang Tinggi**

Exploration at Tambang Tinggi this Quarter has focussed on completing a detailed ground magnetic survey over the soil sampling grid and detailed geological mapping over prospective areas identified by drilling, rock chip sampling, soil geochemistry and geophysics.

### **2.2 India**

#### *Block D-7 Project, Chhattisgarh (18%)*

The long running high court case against the Chhattisgarh state government over the suspension of the Block D-7 Prospecting Licence ("P/L") which has made some progress throughout 2006 took another direction in early September with the retirement of the case judge who had presided over most of the hearings since legal action was initiated in early 2002. Although more than 40 case dates were set by the high court to determine the case over the intervening period, a final judgement was not handed down by the now retired judge. We have been informed that the Chief Justice of the high court will either assign the case to one of the other high court judges or await a replacement judge to take over the portfolio of unheard cases. Owing to the recent Hindu and Muslim holidays throughout India, the nation's courts have been in recess and are scheduled to resume activities this week.

#### *Krishna River Gravels, Andhra Pradesh (20%)*

B.Vijaykumar Technical Services Pvt Ltd's ("BVTS's") two Reconnaissance Permit ("RP") applications, for in excess of 9,000km<sup>2</sup> of the lower reaches of the Krishna River in Andhra Pradesh ("AP") remain unapproved by the AP state government. Late last year,

BVTS initiated legal proceedings in the AP high court against the state which were not heard by the court before it went into recess. These hearing dates will now be pursued with the court's resumption this week.

### **2.3 Australia**

#### *Lake Deborah Gold Project (5% Free Carried)*

The Lake Deborah gold project forms part of the Golden Valley Joint Venture ("GVJV") and Oropa holds a 5% free carried interest from Polaris Metals NL ("Polaris") for this portion of the GVJV. During the September quarter, Polaris focussed on the preparation of applications for the reversion of the GVJV project tenements to the new form of exploration licence established under the Mining Amendment Act 2004, which was proclaimed to operate from 10 February 2006.

The Minister for Indigenous Affairs approved an application under Section 18 of the Aboriginal Heritage Act for access to a cultural site (Lake Deborah) on 22 August, which will enable Polaris to commence drilling for gold and nickel targets beneath the lake.

### **2.4 Project Evaluation**

The Company continues to actively source another quality project to supplement the Pungkut gold project in Indonesia. Several mineral exploration projects were assessed during the September quarter, including a number of coal projects in Indonesia. Although coal exploration in Indonesia is on the increase, the projects that were evaluated were regarded as not being capable of hosting sufficient coal resources to develop mining operations, or were grossly overvalued. Project evaluation, both in Australia and overseas is ongoing.

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**PHILIP C CHRISTIE**

Director

31 July 2006

**Note 1:** *It is advised that in accordance with the Australian Stock Exchange Limited Listing Rule 5.6, the information in this report that relates to Exploration Results is based on information compiled by Mr. Jim Kerr, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Kerr is a full time employee of Oropa Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit which is 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". Mr. Jim Kerr consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

**Note 2:** *All statements in this report, other than statements of historical facts that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Oropa Ltd, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of environmental and other regulatory approvals, and general economic, market or business conditions.*



# 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

OROPA LIMITED

ABN

77 009 241 374

Quarter ended ("current quarter")

30 SEPTEMBER 2006

### Consolidated statement of cash flows

	Current quarter	Year to date (12 months)
	\$A	\$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(688,635)	(688,635)
(b) development	-	-
(c) production	-	-
(d) administration	(267,155)	(267,155)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	41,693	41,693
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(914,097)	(914,097)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5,678)	(5,678)
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 – cash acquired on purchase of subsidiary	-	-
	(5,678)	(5,678)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(919,775)	(919,775)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(919,775)	(919,775)
	<b>Cash flows related to financing activities</b>		
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 – cost of share issue	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(919,775)	(919,775)
1.20	Cash at beginning of quarter/year to date	2,543,747	2,543,747
1.21	Exchange rate adjustments to item 1.20	(5,479)	(5,479)
1.22	<b>Cash at end of quarter</b>	1,618,493	1,618,493

**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
1.23	Aggregate amount of payments to the parties included in item 1.2	75,643
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

NOT APPLICABLE

**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

+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A
4.1 Exploration and evaluation	600,000
4.2 Development	-
<b>Total</b>	<b>600,000</b>

**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	Previous quarter \$A
5.1 Cash on hand and at bank	1,582,493	2,507,747
5.2 Deposits at call – Bank Guarantee 20,000 - Term Deposit	20,000 16,000	20,000 16,000
5.3 Bank overdraft	-	-
5.4 Other – Share Purchase Plan A/c	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,618,493</b>	<b>2,543,747</b>

**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	-	-	-	-

+ See chapter 19 for defined terms.

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	93,816,886	93,816,886		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	13,280,776 12,795,104	13,280,776 12,795,104	<i>Exercise price</i> \$0.50 \$0.20	<i>Expiry date</i> 31/12/2007 31/12/2006
7.8 Issued during quarter			<i>Exercise Price</i>	<i>Expiry Date</i>
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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\* give a true and fair view of the matters disclosed.



Sign here: .....

(Director)

30 October 2006

Date: .....

Print name: PHILIP CHRISTIE

## 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.