



## **QUARTERLY REPORT**

for three months ending 30 September 2005

### **HIGHLIGHTS**

#### **CORPORATE**

- o The Company raised a total of \$1,452,560 via a placement of 120,966,666 ordinary shares to overseas investors and sophisticated investors. Owing to regulatory requirements the placement was conducted in two tranches. A total of \$1,011,600 was raised unconditional under the Company's 15% capacity and the remainder (\$440,960) via obtaining shareholder approval at a Shareholders Meeting that was convened on 31 October 2005.

#### **PUNGKUT GOLD PROJECT**

- o Exploration at Pungkut focussed on the Southern Block. After completing reconnaissance work early in the quarter, a drilling rig was mobilised to the Tambang Hitam prospect in early October.

#### **BLOCK D-7**

- o The Chhattisgarh state government and B.Vijaykumar Exploration Pvt Ltd ("BVCE") are collectively pressing the Chhattisgarh high court for a hearing date for the court to dismiss BVCE's long standing claim against the government and hand the matter back to the state for processing the reinstatement of the Block D-7 Prospecting License. A hearing date is being touted for mid-November after the spate of Muslim and Hindi holidays occurring throughout India during October and early November.

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## **1. CORPORATE**

On 23 September 2005, the Company announced that it had raised \$1,452,000 before costs and fees to fund expanded exploration and development programmes in the southern block of the Pungkut gold project in Indonesia. These funds were raised in two tranches (\$1,011,600 under the Company's 15% capacity and the balance, by obtaining shareholder's approval at a Shareholders Meeting that was convened earlier today. Shareholders also overwhelmingly endorsed a consolidation of Oropa's share capital on a 10:1 basis, resulting in a post consolidation share capital of 68,224,000 ordinary shares on issue and 13,280,500 listed options exercisable at 50 cents on or before 31 December 2007.

## **2. REVIEW OF OPERATIONS**

### **2.1 Indonesia**

*Pungkut Gold Project, Sumatra (75%)*

Owing to the fund raising during the quarter, limited exploration was undertaken at Pungkut.

#### **Reconnaissance Exploration**

Activities focussed on the Southern Block, with ongoing reconnaissance sampling and geological mapping at a number of prospects in the general Tambang Ubi, Tambang Hitam and Tambang Tingi areas.

#### **Tambang Ubi**

One of the prospects that will be drilled during the December quarter, Tambang Ubi hosts an historical underground gold mine operated by a Dutch company between 1935 and 1939. Approximately 20km of underground development was completed by the Dutch during their mining operations, targeting gold-rich copper mineralisation within a limestone skarn. Recent rock chip sampling from this area have returned values up to 39g/t Au and 88g/t Ag.

A small number of artisanal miners are active at Tambang Ubi. Material mined by these people was sampled during the June quarter, returning values of **22.6g/t Au, 1.6% Cu and 16 g/t Ag.**

Additional sampling was undertaken this quarter, the results of which are being evaluated.

#### **Tambang Hitam**

Tambang Hitam is located approximately 1.5km to the south of Tambang Ubi and is situated at a slightly higher elevation. During the early part of the September quarter a limited soil sampling programme was conducted to follow up previous sampling completed by Aberfoyle Resources Ltd in 1998. This sampling has outlined a cohesive 0.1ppm soil gold anomaly some 1km in strike length, with values up to 4g/t Au. Limited trenching of the anomaly encountered **18m @ 7.45g/t Au and 10m @ 2.22g/t Au.** More recently, reconnaissance sampling around the Tambang Hitam area encountered numerous parallel epithermal vein sets that justify follow up drilling.

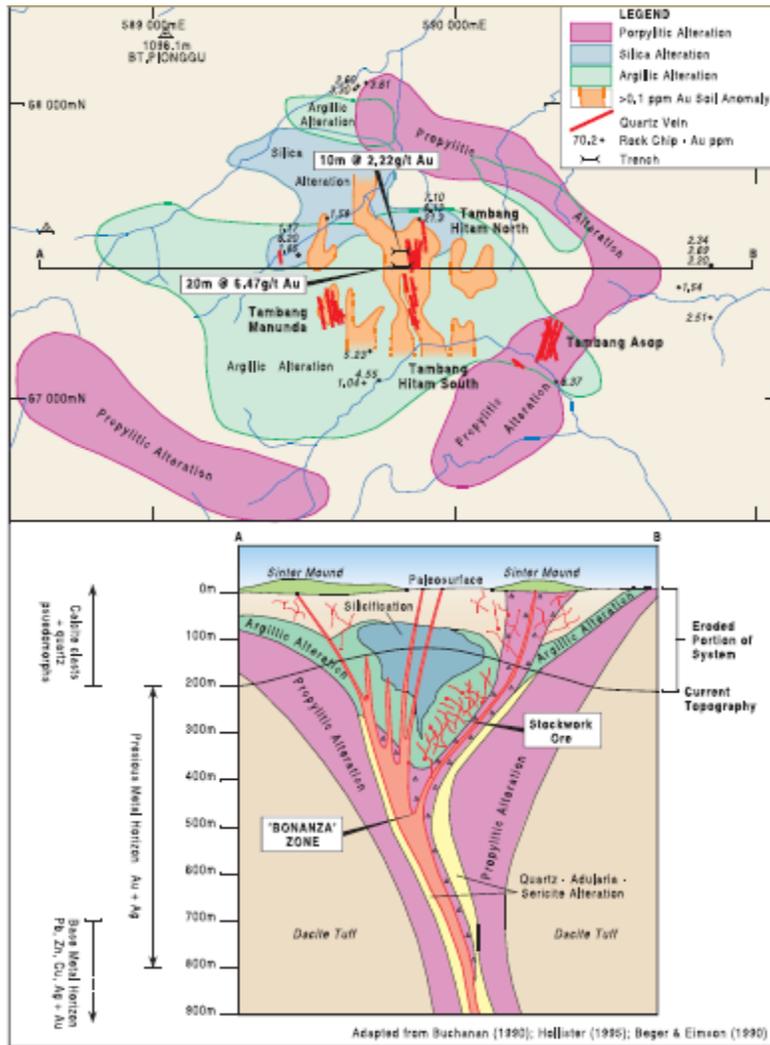
#### **Drilling**

Following on from the encouraging sampling programmes completed early in the quarter, preparation for drilling commenced in early October, with drilling now well underway. Located some 3km from the Trans Sumatran Highway, Tambang Hitam is a low sulphidation epithermal vein system. To date 350.6m over three holes along the northern strike extent of known veins has encountered favourable lithologies, but to date no assays are available for publication.

This suite of targets exemplifies the excellent exploration potential of the Southern Block area and the company looks forward to making significant progress through its drilling activities during the December quarter.



**Figure 3 : Tambang Hitam Alteration & Mineralisation Model**



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## 2.2 India

### *Block D-7 Diamond Project, Chhattisgarh (18%, option to increase to 27%)*

BVCE continues to strenuously lobby with the Chhattisgarh state government and the high court to have its case against the Chhattisgarh state government dismissed to facilitate the reinstatement of the Block D-7 Prospecting License ("P/L"). During the quarter, several meetings were convened between, BVCE, its solicitors and high ranking state government officials to collectively urge the high court to expedite the case. In March this year BVCE received written notification from the court that the case would be heard in early April, but the high court has scheduled very few single judge hearings since that time. During recent months, these court delays have not seriously disadvantaged BVCE, owing to the mid-year monsoon season. However, this year's exploration season has already commenced and any major ongoing delays will seriously curtail BVCE's field programmes that were planned for the December quarter of this year. The Chief Minister and his cabinet are aware of this situation and are extremely concerned over the apparent lack of progress through the state's judicial system.

### *Raipur West Project, Chhattisgarh (20% with option to increase to 30%)*

Although the state government is positively supporting BVCE's quest to resume work on Block D-7, they will not issue the Raipur West Reconnaissance Permit ("RP") to B.Vijaykumar Technical Services Pvt Ltd ("BVTS") until the Block D-7 matter is resolved. Raipur West is located immediately to the west of Block D-7 and covers an area of 2,600km<sup>2</sup>. There are a number of major structural lineaments that trend north-west from Block D-7 into Raipur West which warrant investigation. Oropa has been pushing its Indian partners to get Raipur West granted to permit work on the ground while the Block D-7 matter is being resolved. The Mainpur laboratory and Base camp facilities are idle and could be used to cost effectively evaluate the mineral potential of Raipur West.

### *Krishna River Gravels, Andhra Pradesh (20%, option to increase to 30%)*

Discussions have been ongoing between BVTS and the Andhra Pradesh state government to progress BVTS' two first-in-time RP applications covering two contiguous areas of the lower reaches of the Krishna River and its delta. The two applications with a combined area of in excess of 9,000km<sup>2</sup> cover the lower meandering reaches of the river, where some of the world's largest diamonds were recovered in the middle ages. The state government is yet to process the application for the delta area, even though they indicated that they would do so in June/July this year. BVTS' Krishna River Valley application has been forwarded to Delhi along with another more recent application from another company for the Central government to appraise.

These applications were lodged in late 2000 and early 2001, but the state government has been extremely reluctant to process them, preferring to wait on the outcome of the Block D-7 matter. During the quarter, BVTS met with the Central government's Mines Department in Delhi to persuade them to award the RP to BVTS under the Mining Act regulations and to also instruct the state government to process the second application (delta area).

The Krishna River gravels are highly prospective for containing alluvial diamonds. The kimberlite sources of the world famous diamonds recovered from the gravels in the middle ages have never been discovered. Upon the RP applications being granted, BVTS proposes to undertake ground and airborne geophysical surveys over the two areas, along with comprehensive sampling and dredging programmes.

## 2.3 Australia

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

The Lake Deborah tenement forms a part of a portfolio of tenements under a joint venture agreement entered into between Polaris Metals NL ("Polaris"), Western Areas NL, Geoinformatics Exploration Limited (collectively "JV Parties"). Oropa's interest in Lake Deborah is free carried to the completion

of a bankable feasibility study by Polaris, with an option for Oropa to increase its interest in the Lake Deborah tenements ("designated area") to a 15% participating interest by paying Polaris \$50,000 cash consideration, plus 15% of Polaris' total expenditure on the designated area..

The Trident and Aquarius gold targets are located within the salt flats of Lake Deborah West and were covered by a gravity survey in the June Quarter. Areas suitable for practical drill testing were outlined. These two gold targets had been identified by the Polaris-Geoinformatics prospectivity studies as "priority one" and were scheduled for immediate follow up drilling. However, information obtained in the course of preparing an application for ground disturbance prior to drilling showed that the whole of Lake Deborah is entered on the Interim Register in the Department of Indigenous Affairs as an Aboriginal heritage "mythological" site. The consent of the parties who recorded the site and the approval of the Minister for Indigenous Affairs under Section 18 of the Aboriginal Heritage Act are required before any work on the lake can proceed.

During the September Quarter a consulting anthropologist was commissioned to assist in obtaining the necessary clearances and his work is proceeding.

#### *Mulgabbie Gold Project (95% diluting to 44%)*

The Mulgabbie gold project is operated under a farm-in agreement with Mulgabbie Mining Pty Ltd ("Mulgabbie Mining"). Mulgabbie Mining is earning a 51% interest in the project by spending \$100,000 on exploration over a 3 year period, which recently expired. Oropa and Mulgabbie Mining have reached agreement to extend the term of this farm-in arrangement. No fieldwork was undertaken in the September quarter.

## **2.4 Project Evaluation**

Minimal project evaluation was carried out during the quarter.

## **3. NON MINERAL ASSETS**

### *CEPO Systems Pty Ltd (19.9%)*

Oropa retains its 19.9% interest in a restructured CEPO Systems Pty Ltd ("CEPO"). To concentrate on its core business, Oropa has agreed to relinquish 10% of its equity in CEPO to permit the substantial shareholders to source more appropriate investors that are able to better assist CEPO to develop its medium to long term financial requirements and marketing strategies. CEPO is systematically expanding its client base in Australia with the introduction of its Mobile Ordering and Processing Solutions (CEPO Mobile) to complement its e-solutions and invoicing products.



**PHILIP C CHRISTIE**  
Director

31 October 2005

**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 2005

### Consolidated statement of cash flows

	Current quarter	Year to date (3 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	(328,419)	(328,419)
(b) development	-	-
(c) production	-	-
(d) administration	(269,168)	(269,168)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5,773	5,773
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(591,814)	(591,814)
<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	(12,531)	(12,531)
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	-	-
	(12,531)	(12,531)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(604,345)	(604,345)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(604,345)	(604,345)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,444,617	1,444,617
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	(22,628)	(22,628)
	<b>Net financing cash flows</b>	1,421,989	1,421,989
	<b>Net increase (decrease) in cash held</b>	817,644	817,644
1.20	Cash at beginning of quarter/year to date	492,210	492,210
1.21	Exchange rate adjustments to item 1.20	(971)	(971)
1.22	<b>Cash at end of quarter</b>	(1,308,883)	(1,308,883)

**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	103,501
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	300,000
4.2 Development	-
<b>Total</b>	<b>300,000</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	1,272,883	456,210
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>1,308,883</b>	<b>492,210</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>	645,601,683	645,601,683		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	84,300,000	84,300,000	1.2 cents	1.2 cents
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>	132,808,142	132,808,142	<i>Exercise price</i> \$0.05	<i>Expiry date</i> 31/12/2007
7.8 Issued during quarter				
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: ..... Date: ..31 October 2005.....  
(Director)

Print name: PHIL 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.