



## **QUARTERLY REPORT**

For three months ending 31 December 2003

### **SUMMARY**

- ***Pungkut Gold Project, Sumatera, Indonesia***

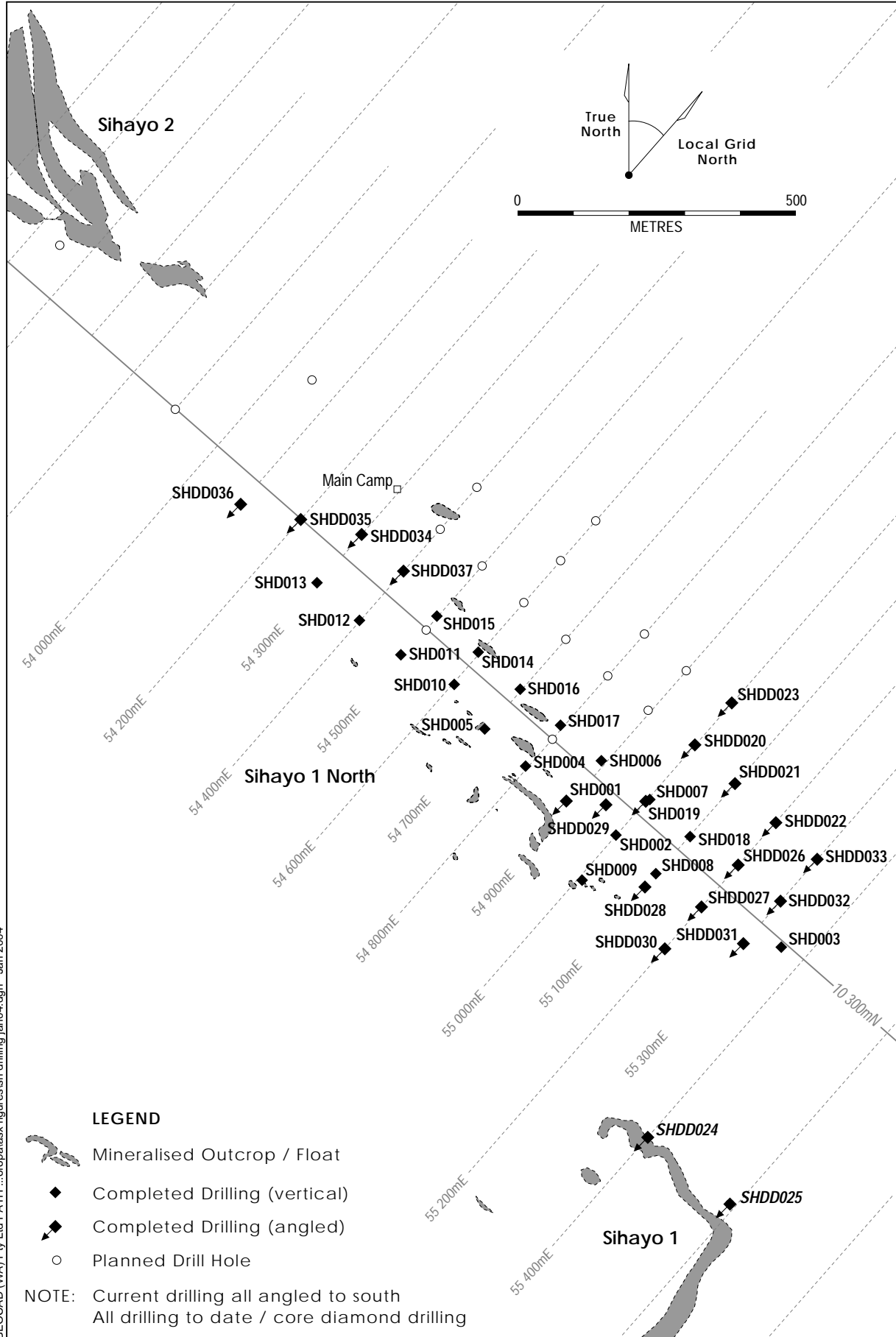
Resulting from Oropa Limited's ("Oropa's") ongoing diamond drilling programs at the Sihayo 1 North prospect at the Pungkut gold project, Oropa has substantially increased the known extent of mineralisation. Pacmin Mining Corporation ("Pacmin") previously calculated a resource estimate of 304,000 oz Au (3.5Mt @ 2.7g/t Au) in September 1999. Drilling by Oropa and in-house modelling and assessment has **increased this mineralized envelope to 609,000 oz Au (7.1Mt @ 2.7g/t Au)**, using a 1.00g/t lower cut off. Drilling is presently continuing in the central and western areas of Sihayo 1 North to further increase the known extent of this mineralization and to gain a better understanding of the geological model.

Oropa's interpretation of the mineralization suggests that there is considerable upside potential as drilling continues along strike and at depth at Sihayo 1 North. The mineralization remains open down dip and along strike.

- ***Block D-7 Project, Raipur, India***

Election results from the recent state elections in Chhattisgarh, India where the former Congress Party has been displaced by the Bharatiya Janata Party have renewed the possibility of the Block D-7 Prospecting Licence and its associated access permits being reinstated. Oropa is monitoring the current situation closely.

OROPA LIMITED Sihayo 1 North Prospect: Drill Location Plan



GEOCAD (WA) Pty Ltd PATH ...oropalex figures\sh drilling\jan04.dgn Jan 2004

## 1. REVIEW OF OPERATIONS

### 1.1 Indonesia

*Pungkut Gold Project, Sumatera; (earning 75%)*

The current diamond drilling program commenced in late October 2003 to follow up the successful ten hole program previously completed by Oropa at the Sihayo 1 North and Sambung prospects within the Pungkut Contract of Work area (“Pungkut” or “Pungkut CoW”) during the previous quarter. At the end of December 9, holes for 1361.6 m were completed with a further 5 drillholes for 720.1 m being completed during January to date. This program is ongoing.

Pacmin, the former operator of the Pungkut CoW, outlined an inferred resource at Sihayo 1 North of 304,000 oz Au (3.5Mt @ 2.70g/t Au), with a 1.0 g/tAu lower cut-off. Results obtained from the commencement of Oropa’s drilling programs at Sihayo 1 North until now have substantially increased the known extent of this mineralisation. A scoping study of all drill results from the Sihayo 1 North Prospect completed by Oropa in-house suggests that the mineralised envelope has now doubled to 609,000 oz Au contained within 7.1Mt grading 2.70 g/t Au, using a lower cut off at 1.0g/t Au. Oropa’s interpretation of the drill results obtained to date suggest that there is **considerable upside potential as drilling continues along strike and at depth at Sihayo 1 North.**

Present drilling and the drilling planned for the rest of the program between 54200mE and 54950mE (refer to attached drill location plan) is likely to further increase this resource estimate considerably, based on the mineralisation already encountered in those drill traverses and taking into account the parameters used to define the current model.

Pungkut is situated some 70km south of PT Newmont’s Martabe gold project, which is now a major precious metal deposit hosting 73.5 Mt containing approximately 3.7M oz Au, of mineralised material (not currently in reserves) as reported by PT Newmont in October 2003. Access to the project area is via the trans Sumateran highway.

All drill hole locations at Sihayo 1 North have been sited on 100m section step-outs with some minor infill drilling. Broad mineralised intercepts encountered in several drillholes in the eastern portion of the Sihayo 1 North resource are particularly encouraging. One intercept within SHDD027 (17.90m @ 6.10 g/t Au) indicates the potential for relatively wide zones of mineralisation at good grade. Subsequently, six holes were drilled in this area to follow up this result. Drilling has now moved to the western and central areas of Sihayo 1 North to follow up and extend previous drill results reported by Pacmin.

Whilst moving the rig from Sambung to Sihayo 1 North, two reconnaissance holes were drilled some 500 metres south at the Sihayo 1 prospect. Both holes encountered mineralisation and will be investigated further at a later date.

All results from significant mineralised intercepts returned from the current Sihayo 1 North drilling program are tabulated below.

*Drill Results*

Drill hole	Sihayo 1 North Local Grid				Down Hole		Grade	
	Easting	Northing	Depth (m)	Dip/ Azimuth	From (m)	To (m)	Interval	Au (g/t)
SHDD026	55200	10350	164.60	-65/180	98.30	107.70	9.40	7.52
SHDD026					141.75	147.35	5.60	1.41
SHDD027	55200	10250	176.00	-65/180	115.80	133.70	17.90	6.10
SHDD028	55100	10210	152.50	-65/180	60.55	62.05	1.50	5.28
SHDD028					84.60	87.60	3.00	7.33
SHDD029	55950	10275	204.30	-60/180	35.10	37.65	2.55	3.67
SHDD029					54.30	59.40	5.10	1.69
SHDD031	55300	10250	170.60	-65/180	121.25	129.05	7.80	4.46
SHDD032	55297	10353	186.35	-65/180	154.80	161.45	6.65	1.94
SHDD032					170.85	173.15	2.30	1.45
SHDD032					176.55	182.55	6.00	2.41

Note:

1. Au result based on Fire Assay analysis.
2. Intercepts calculated using an length weighted average of Au1, Au2, Au3, Au4
3. Downhole intercept widths based on minimum width of 1m, 1 g/t Au trigger, 1 g/t Au minimum final grade with maximum 2m internal consecutive waste
4. Cavities included in intercept width with no grade influence.
5. Coordinates based on Sihayo Local Grid

The current vendors hold their collective beneficial interests in Pungkut through Aberfoyle Pungkut Investments Pte Ltd (“API”), a Singapore registered company that holds its 75% interest in the Pungkut CoW through its shareholding in an Indonesian operating company, PT Sorikmas Mining (“Sorikmas”), with the remaining 25% interest being held by the Indonesian state mining company, PT Aneka Tambang. Under the terms of the Option Agreement entered into between Oropa’s subsidiary Excelsior Resources Limited (“Excelsior”) and the vendors, Excelsior was required to spend \$900,000 on the project on or before 31 May 2004 to acquire a 100% interest in API. In the unforeseen event of a Force Majeure provision being invoked, Excelsior has until 30 September 2004 to exercise the option. Excelsior has already spent in excess of \$1.3 million on the project.

As a prelude to Oropa exercising the option on behalf of Excelsior, the former Western Metals Copper Limited directors have resigned from API and the new board comprises one director from Oropa and one director from Pacmin, as well as a Singapore based independent director. A similar reshuffle is currently in process with the Sorikmas board of directors and board of commissioners to reflect the changes that will be implemented by Oropa once the option is exercised.

## **1.2 India**

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

Oropa continues to hold its interest in the Block D-7 diamond project (“Block D-7”) in southeast Chhattisgarh, central India. Prior to the suspension of field activities in January 2001, this highly prospective project was one of the most advanced diamond exploration projects in India. Several diamondiferous kimberlite diatremes have been identified over the past decade, initially by Indian government geological departments and more recently by Oropa’s geologists.

In early December 2003, state elections were held throughout India and the former ruling Conservative Party was stripped of government and replaced by the Bharatiya Janata Party (“BJP”), which holds an overwhelming majority in the new state government. Oropa’s Indian joint venture partners have recently been in contact with senior members of BJP in Chhattisgarh and the new Chief Minister, Mr Raman Singh in an attempt to have the Block D-7 P/L and associated permits reinstated at the first opportunity. Oropa is maintaining close watch on these fresh developments and will advise of any significant progress in this respect. The former Conservative state government had made some progress in promoting mineral exploration in Chhattisgarh by granting several new Reconnaissance Permits (“RP’s”) covering large areas of land within the state and during the latter half of 2002 and throughout 2003, field activities undertaken by major mining companies and junior exploration companies increased significantly. Oropa is also awaiting the issuance of a RP covering a 2,400km<sup>2</sup> block adjacent to Block D-7’s western boundary that was granted by the Central government in July 2002.

## **1.3 Australia**

*Mulgabbie Gold Project; (currently 70%)*

The Mulgabbie gold project comprises five contiguous P/L’s located 130 km north-east of Kalgoorlie, immediately east of the Carosue Dam gold mine. These tenements are subject to a Joint Venture Agreement (“Mulgabbie JVA”) with Telezon Limited (“Telezon”), formerly Min-Tech 8 holding a 25% contributing interest and Civil and International (Aust) Pty Ltd, which holds a 5% free carried interest. Telezon has until recently been under the administration of Horwaths in Melbourne.

Oropa has long attempted to reduce or totally relinquish its interest in this project, but has been prevented from doing so by the circumstances surrounding Telezon. Early last year Oropa reached agreement with a Kalgoorlie based exploration company,

Mulgabbie Mining Pty Ltd (“Mulgabbie Mining”) for it to farm in to 51% of Oropa’s 70% interest in the project. Under this arrangement, Mulgabbie Mining is to contribute a minimum of \$100,000 towards joint venture expenditure on behalf of Oropa over a 3 year period, throughout which time Telezon is required to contribute towards its 25% participating interest. Oropa has the right to claw back a 31% interest from Mulgabbie Mining if a proven and probable resource of a minimum 500,000 oz Au is established. Since entering into the agreement with Oropa, Mulgabbie Mining has been active in the field undertaking field mapping, surface sampling, etc. to generate a RAB and/or diamond drilling program later this year to test structural positions of ore shoots at the Ironclad workings, as well as regional mineralization trends in the northern two tenements. It is intended that the three southern tenements will be surrendered to focus on the two northern tenements.

Oropa has made recent contact with Telezon’s directors in an attempt to reach an equitable solution to restructuring the participating interests under the Mulgabbie JVA.

#### *King George; (50%)*

The King George project (“King George”) comprises one Exploration License, which is located in the North Kimberley province of Western Australia. It covers part of the Bulgurri-Ashmore diamondiferous kimberlite fissure system and ground to the east of this fissure system hosting the Hadfield kimberlite sill and other inferred kimberlite bodies. King George is subject to the terms and conditions of a 50/50 joint venture between Oropa and Ellendale Resources NL , which manages the project.

Since the last Quarterly Report, no field work has been undertaken at King George and the joint venture partners are considering future exploration programs and equity issues. An area of interest in the eastern portion of the tenement that was identified from air photos of the area is located inside an Aboriginal Reserve, where no access is presently permitted. It is unlikely that any field work will be undertaken at King George during this field season.

## **1.4 Project Evaluation**

Oropa continues to evaluate mineral exploration and mining opportunities throughout Indonesia and Africa (primarily South Africa), as they are brought to the Company’s attention. One of these, the Aventura alluvial diamond prospect near the town of Christiana in South Africa remains under consideration, while a number of other mineral exploration projects in other African countries have recently been assessed. No projects evaluated during recent times have fulfilled the Company’s technical and/or commercial criteria to justify any follow up site inspections.

## 2. OTHER

*CEPO Systems Pty Ltd; (19.9%)*

CEPO Systems Pty Ltd (“CEPO”), an Internet hosted business to business service company in which Oropa currently holds a 19.9% interest, has made significant progress during the past quarter with developing its Mobile Ordering and Processing Solutions to compliment its established range of e-solutions and e-invoicing products. CEPO Mobile offers a unique wireless ordering product to facilitate mobile to mobile Internet ordering, or mobile to desktop Internet ordering via hand held devices, with the full support of CEPO’s online ordering solutions and automatic downloading of electronic invoices into its clients’ management systems.

In December, CEPO reached an exclusive arrangement with a major Telstra Dealer, GAP Communications, a national Telstra MobileNet dealer. Under this exclusive Telstra dealer license, GAP Communications will offer CEPO Mobile as their preferred mobile ordering solution to their customers through their national sales force.

Oropa currently has an agreement with the major shareholders of CEPO for Oropa to sell its entire shareholding in CEPO for a cash consideration of \$100,000. However, Oropa will retain its interest in CEPO until full settlement of this transaction is completed. Under the terms of the agreement, Oropa also has the right to buy back a 5% interest in CEPO within a 2 year period of the settlement date.

Yours faithfully,

**OROPA LIMITED**



**PHILIP C CHRISTIE**

Director

30 January 2004

Information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Mr Mark Small, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy and who has more than ten years experience in the field of the activity being reported on. This report accurately reflects the information compiled by that member.

# 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")

31 DECEMBER 2003

### Consolidated statement of cash flows

	Current quarter	Year to date (6 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	(610,075)	(1,029,228)
(b) development	-	-
(c) production	-	-
(d) administration	(210,550)	(405,053)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14,446	16,526
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(806,179)	(1,417,755)
<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	-	-
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)	-	-
	-	-
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(806,179)	(1,417,755)

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(806,179)	(1,417,755)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,050,522	2,850,000
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 issues	(119,047)	(119,047)
	<b>Net financing cash flows</b>	1,931,475	2,730,953
	<b>Net increase (decrease) in cash held</b>	1,125,296	1,313,198
1.20	Cash at beginning of quarter/year to date	550,762	362,860
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,676,058	1,676,058

**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	67,327
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	400,000
4.2 Development	-
<b>Total</b>	<b>400,000</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	656,058	530,762
5.2	Deposits at call – Bank Guarantee 20,000 - Term Deposit	20,000 1,000,000	20,000
5.3	Bank overdraft	-	-
5.4	Other – Share Purchase Plan A/c	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,676,058</b>	<b>550,762</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>	444,300,072	444,300,072		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	98,148,148	98,148,148	2.7 cents	2.7 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>	115,844,642 16,000,000 2,500,000	115,844,642 - -	<i>Exercise price</i> \$0.05 \$0.09 \$0.05	<i>Expiry date</i> 31/12/2007 23/12/2004 31/8/2004
7.8 Issued during quarter	32,716,050	32,716,050	\$0.05	31/12/2007
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 give a true and fair view of the matters disclosed.



Sign here:

.....  
(Director)

30 January 2004  
Date: .....

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.