



QUARTERLY REPORT

for three months ending 31 December 2004

HIGHLIGHTS

CORPORATE

- o Agreement in principle reached with London based financial institutions and Findlay & Co. Stockbrokers (Underwriters) Pty Ltd to raise up to A\$1.2 million via a share placement to fund ongoing work programs at Pungkut and for working capital purposes

PUNGKUT GOLD PROJECT

- o Significant advancement of the Sihayo 1 North gold deposit was achieved this quarter through focussed exploration activities
- o New Sihayo Deposit Model drill tested; substantial exploration upside demonstrated
- o Significant mineralisation in drilling outside the current Sihayo 1 North Resource Envelope
- o Follow-up drilling to commence shortly

BLOCK D-7

- o Negotiations well advanced between Oropa's joint venture partner and state government to remedy the long standing controversy over the rights to explore the Block D-7 diamond prospect

1. CORPORATE

At the Annual General Meeting held on 26 November 2004, the Company's shareholders carried all resolutions with the required majority.

Subsequent to the end of the December quarter, the Company reached agreement in principle with London based financial institutions and Findlay & Co. Stockbrokers (Underwriters) Pty Ltd to place up to 50 million ordinary fully paid shares in Oropa at an issue price of 2.4 cents each, together with up to 16.67 million free attaching options each to acquire one share exercisable at 5 cents on or before 31 December 2007 on the basis of one option for every three shares issued to raise up to \$1.2million. The funds raised from this placement will be used to continue the delineation and infill drilling at the Sihayo 1 North prospect, along with metallurgical test work and a detailed petrological investigation of the Sihayo mineralization, which is scheduled to commence this quarter.

2. REVIEW OF OPERATIONS

2.1 Indonesia

Pungkut Gold Project, Sumatra (75%)

New Deposit Model

Initial exploration of the Sihayo 1 North gold deposit (Inferred Resource of 7.1 million tonnes @ 2.71g/t Au) indicated that gold was sedimentary hosted, forming relatively flat-lying blankets of mineralisation, with the source of gold mineralisation, the so-called "feeder zone", unknown. This interpretation had never been properly scrutinised and appeared to be inconsistent with drill data and field observations. During this quarter, careful re-logging of old holes, revisiting of outcrop and trenches, revision of existing geochemistry and geophysical data made known the presence of previously unrecognised mineralised intrusive breccia systems.

Pungkut Gold Project - Sihayo Deposit Model

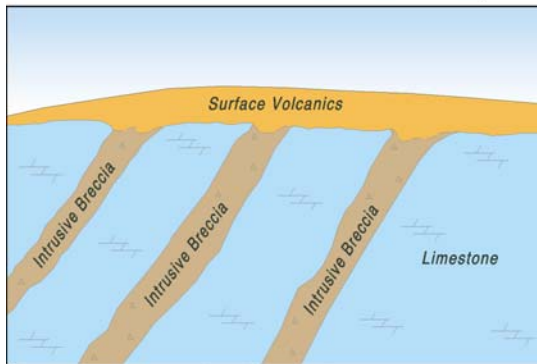


Figure 1: Breccia systems intrude Permian limestone

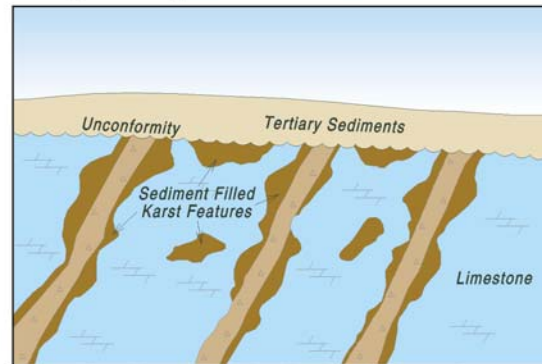


Figure 2: Upper limestone eroded and buried by Tertiary sediments. Weathering creates karst features adjacent to breccia zones

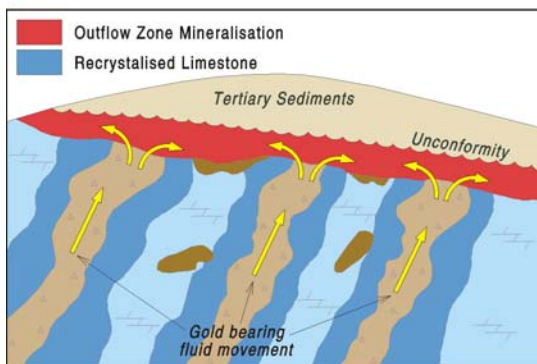


Figure 3: Mineralising fluids migrate up through breccia zones and karst features, recrystallising limestone. Fluids migrate laterally along the Tertiary unconformity forming "Outflow Zone" mineralisation

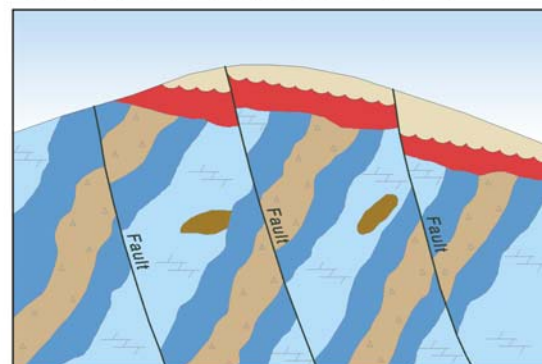
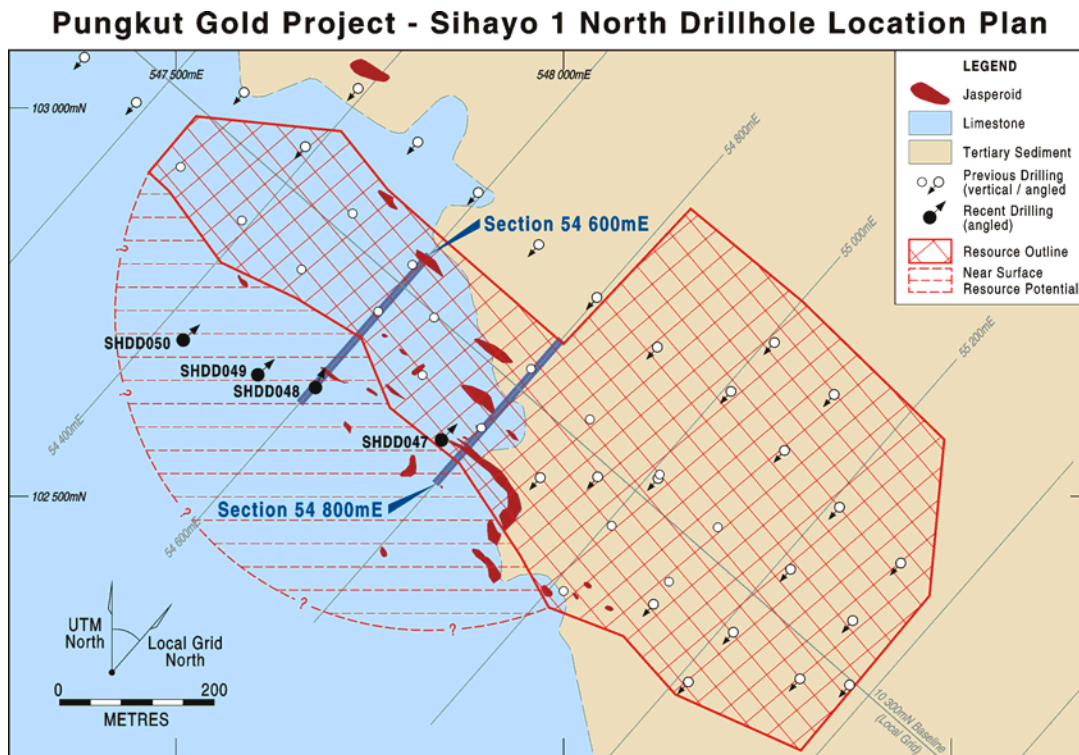


Figure 4: Late stage faulting offsets stratigraphy and mineralisation

In the new model, the breccia systems act as the elusive “feeder zone” for gold mineralisation. Breccias are open along strike and at depth, indicating that the potential Resource size at Sihayo 1 North could be substantially larger than originally thought.

This outflow zone mineralisation included a zone of **9.8m @ 2.68g/t Au from 1m** down hole.

Beneath the fault zone, a 37m wide, highly oxidised hydrothermal breccia system was encountered, confirming the hypothesised dip direction of breccia “feeder zones” as being generally towards magnetic south.



Sihayo 1 North Drilling

In December 2004, the new model was tested by four drill holes; SHDD047, 48, 49 and 50. Holes were designed to test for down-dip extensions of interpreted breccia zones in areas of high gold geochemistry, outside the current Resource envelope.

SHDD047

SHDD047 encountered a thick zone of broken Permian limestone at surface, with significant jasperoid development typical of outflow zone mineralisation. A zone of **29m at 1.89/t Au from surface** was intersected before the hole encountered a late-stage, steeply dipping fault zone.

The high degree of oxidation is interpreted as being fault-related.

Although in a highly oxidised state, this breccia zone returned intercepts of **13m @ 1.01g/t Au from 39 metres** down hole and **6 metres @ 1.45g/t Au from 60 metres** down hole, with assays up to 2.6g/t Au.

SHDD048

SHDD048 encountered a highly weathered breccia zone from surface to 43m down-hole, with interfingered zones of highly altered, recrystallised limestone.

A massive recrystallised limestone unit in a faulted contact with the breccia was intersected from 43m to the bottom of the hole at 100m.

Three zones of mineralisation were encountered in SHDD048:

- **5m @ 1.66g/t Au from surface**
(including 3m @ 2.35g/t Au from surface),
- **14m @ 1.62 g/t Au from 9m**
(including 4m @ 3.01 from 19m)
- **11m @ 1.07g/t Au from 32m.**

Gold grades are thought to be lower within this breccia due to the intensity of weathering. This may be attributable to the absence of Outflow Zone jasperoid, which may reduce weathering effects elsewhere within the deposit.

Observations made from earlier drilling suggest that intensity of alteration and fracturing observed in SHDD049 is indicative of close proximity to a breccia zone. Extensive faulting observed in the hole indicates that the breccia may be offset at this location, with the hole trace passing through the gap between the offset breccia zone. Outcropping mineralised breccia and jasperoid some 80m upslope from the collar position of SHDD049 suggests that additional drilling is required to track down the breccia system.

Sihayo 1 North Section - 54 800mE (looking grid west)

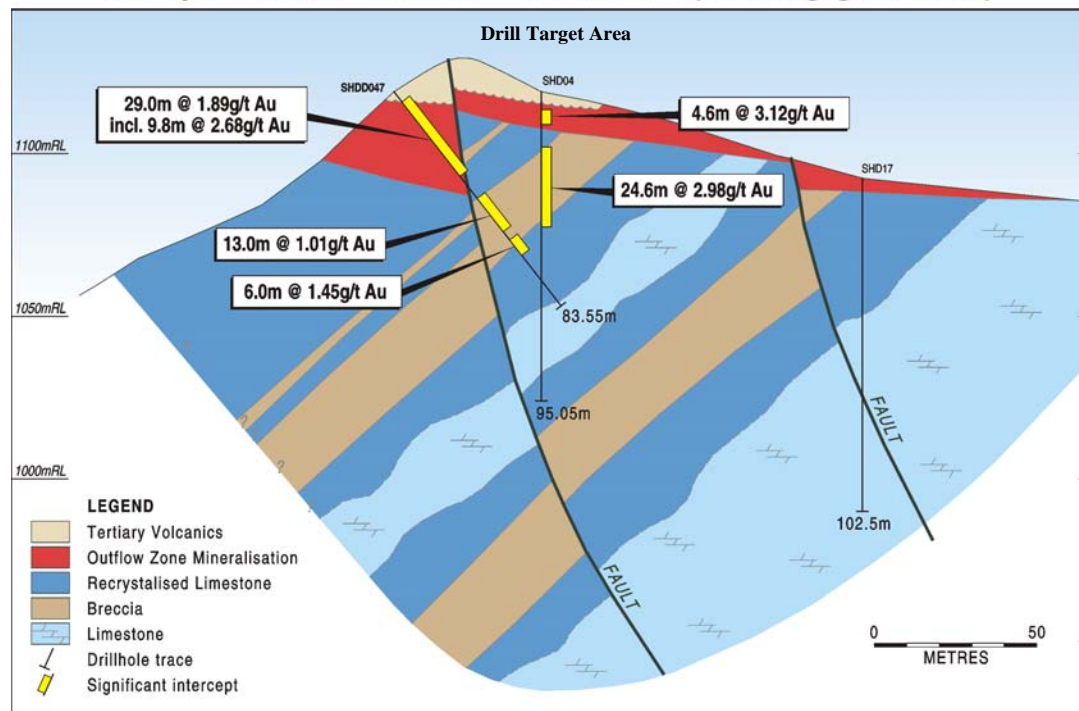


Figure 6

The fact that the breccia encountered in SHDD048 is both thick and mineralised is very encouraging and augurs well for future exploration success.

SHDD049

SHDD049 encountered extremely altered and recrystallised limestone, often with pyrite infilling hydrothermal fractures. Although the peak value returned from this hole was 1.33g/t Au, broad zones of weakly mineralised material were intersected down the entire hole length.

SHDD050

SHDD050 encountered a volcanogenic sequence similar to a small, late stage andesitic porphyry observed in the southern portion of the Sihayo deposit. This unit is believed to post-date mineralisation and is therefore unmineralised.

Implications

Several very important observations can be made from these drill holes:

1. Outflow Zone mineralisation can be very thick, well-mineralised (up to 5.5g/t Au in SHDD047 and 31g/t Au in outcrop) and persistent from surface. This has important economic implications as mineralisation is accessible from surface.
2. The hypothesised breccia zones are confirmed, thick, mineralised and dipping to the south.
3. Unoxidised breccia zones intersected in earlier holes elsewhere in the Resource returned significantly higher gold grades (e.g. SHDD019: 19.75m @ 3.23g/t Au from 106.45m down hole) suggesting significant exploration upside in targeting

4. Earlier drilling was angled to the south and therefore sub-parallel to breccia zones. Significant scope remains to discover additional breccia zones between earlier wide-spaced drilling.
5. Breccia zones dip sub-parallel to topography, making them relatively accessible at shallow depths.
6. Breccia zones dip towards grid south, **away from** the existing Resource envelope, making the current Resource completely open in this direction.

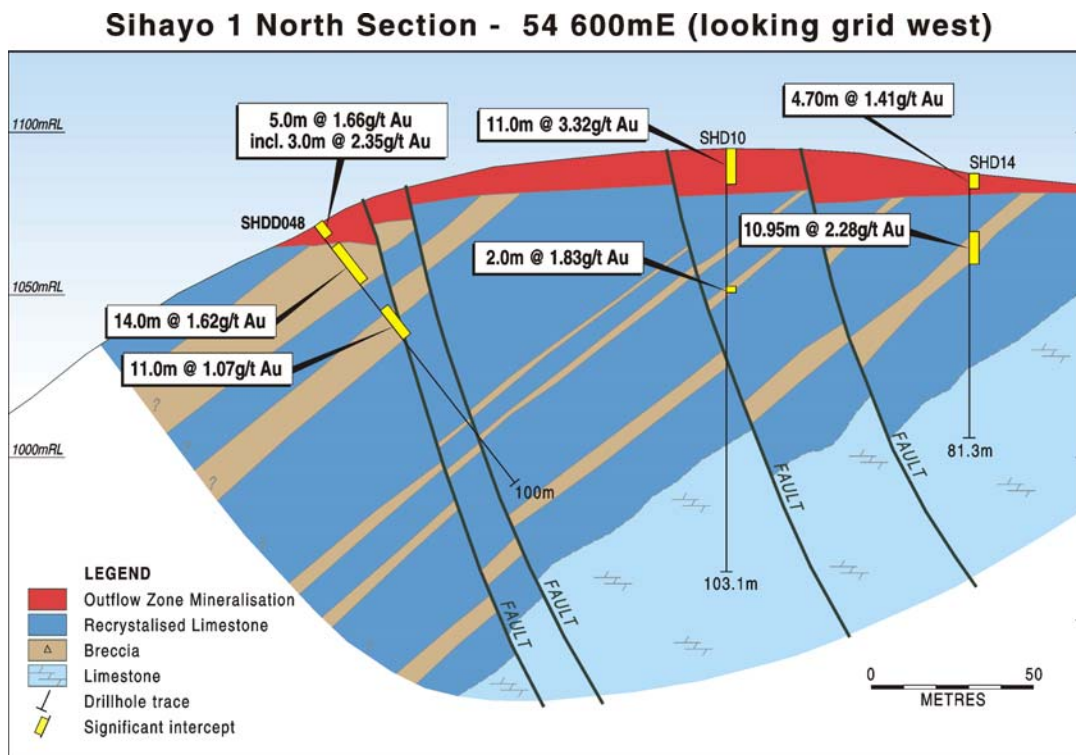


Figure 7

Drill Intercept Table

Hole	Easting (local grid)	Northing (local grid)	Depth (m)	Dip	Azimuth (magnetic)	Downhole Interval (m)	Grade g/t Au	From (m)
SHDD047	54,769	10,175	83.55	-52	047	29m including 9.8m 13m 6m	1.89 2.68 1.01 1.45	0m 1m 39m 60m
SHDD048	54,611	10,120	100	-52	025	5m including 3m 14m 11m	1.66 2.35 1.62 1.07	0m 0m 9m 32m
SHDD049	54,540	10,088	100	-51	047	3m	0.88	0m
SHDD050	54,445	10,055	87.5	-51.5	050			

Notes on Reported Drill Intercepts:

1. All assays were determined by 50gm fire assay
2. A 0.5ppm Au lower cut was 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

Exploration Upside

It is clear that the identification of mineralised breccia systems has the potential to significantly lift the current Resource. The figure below outlines the current Resource envelope in red, with recently modelled breccia zones (not included in the Resource) in purple. The breccia zones are open at depth and along strike as evidenced by intercepts in recent drilling.

Mineralisation is now confirmed at over a 1km strike length at Sihayo 1 North, with some of the best intercepts generated on the grid easternmost drill traverse. When viewed on a regional scale, it appears that Sihayo 1 North represents only a small portion of a substantially larger alteration system that, where sampled, consistently return anomalous gold values up to 101g/t Au.

Soil gold geochemical anomalies have a distinct relationship to the presence of jasperoid at the overlying Tertiary sediment unconformity. This is interpreted as representing gold “leakage” as outflow zone mineralisation, with obvious implications for a substantially larger Resource if mineralisation is proven to be present under the Tertiary

unconformity over the entirety of the anomalous area.

Sambung

The Sambung prospect is located 1.5km southeast of the Sihayo1 North Resource.

A broad soil gold anomaly, rock chip samples to **101.5g/t Au** and drill intercepts of up to **443g/t Au** (SAMDD002 20cm @443g/t from 25.55m), make Sambung a high priority target area.

High gold values in colluvial material in earlier drilling (SAMDD004 13.8m at 2.69g/t Au from surface) were recently followed up by a series of vertical test pits designed to ascertain the upslope edge of mineralised material.

3 test pits were completed with 8 samples returning assays over 1g/t Au. Test pit 3 effectively found the edge of the mineralised system, with colluvial clay samples returning values of up to **3.41g/t Au** and embedded float rock chip samples returning assays of **11.7g/t Au** and **13.7g/t Au** respectively.

Although identified in two drill holes 350m apart, the dimensions of the mineralised colluvial material remains completely open along strike and down slope.

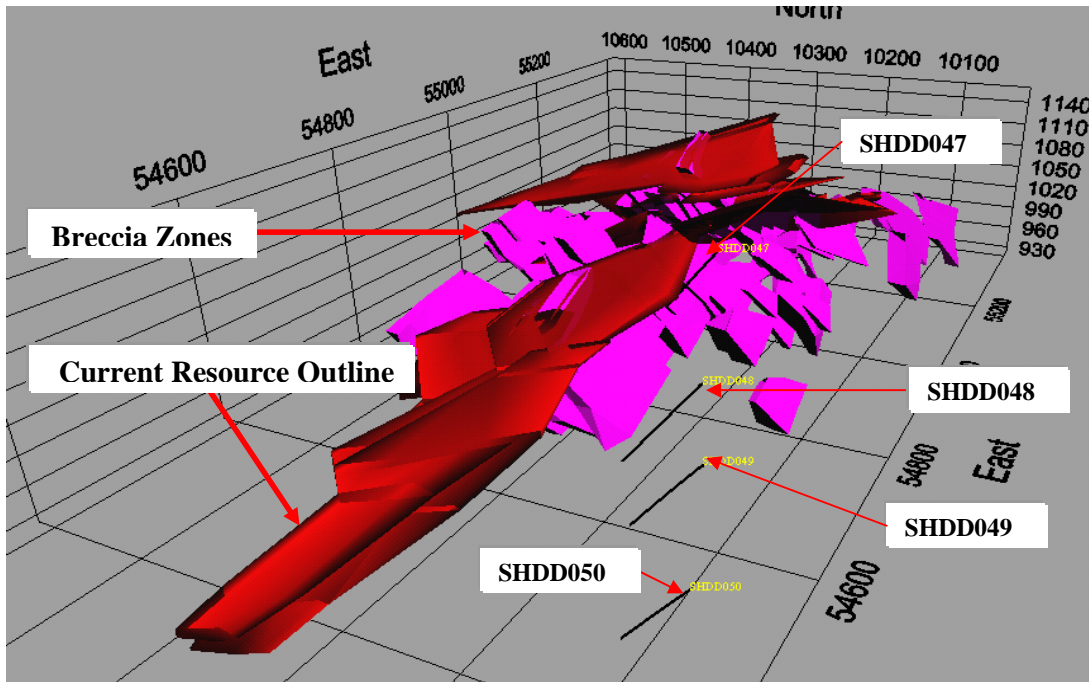


Figure 8

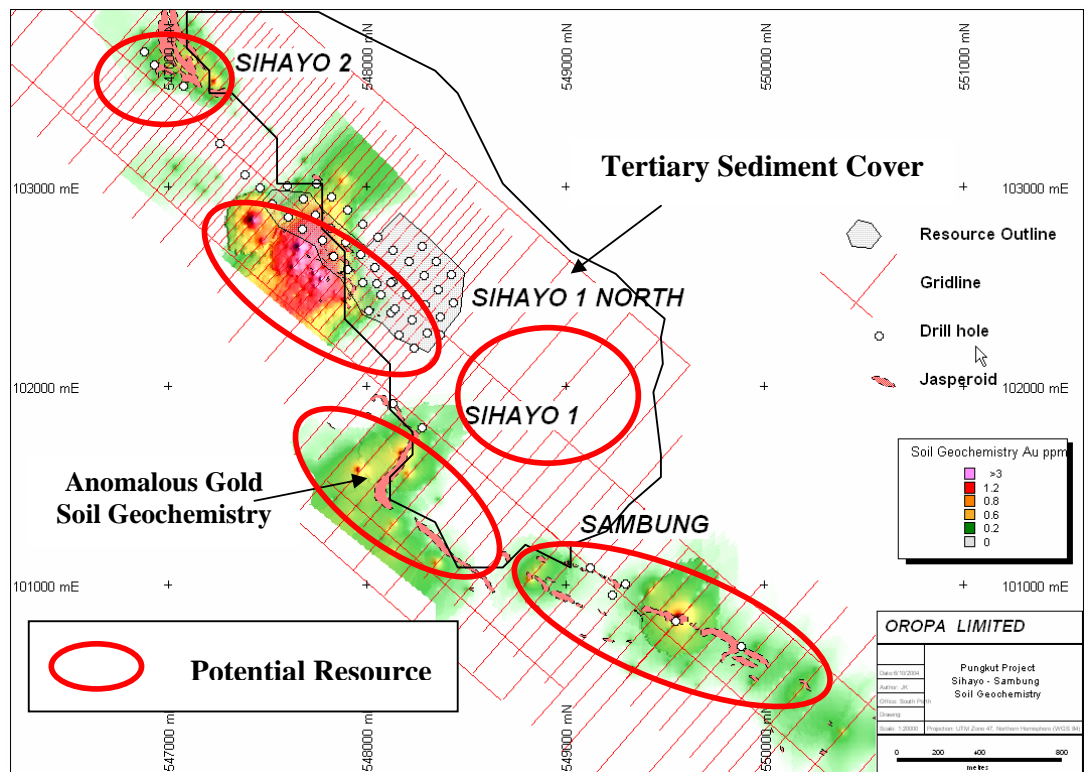


Figure 9

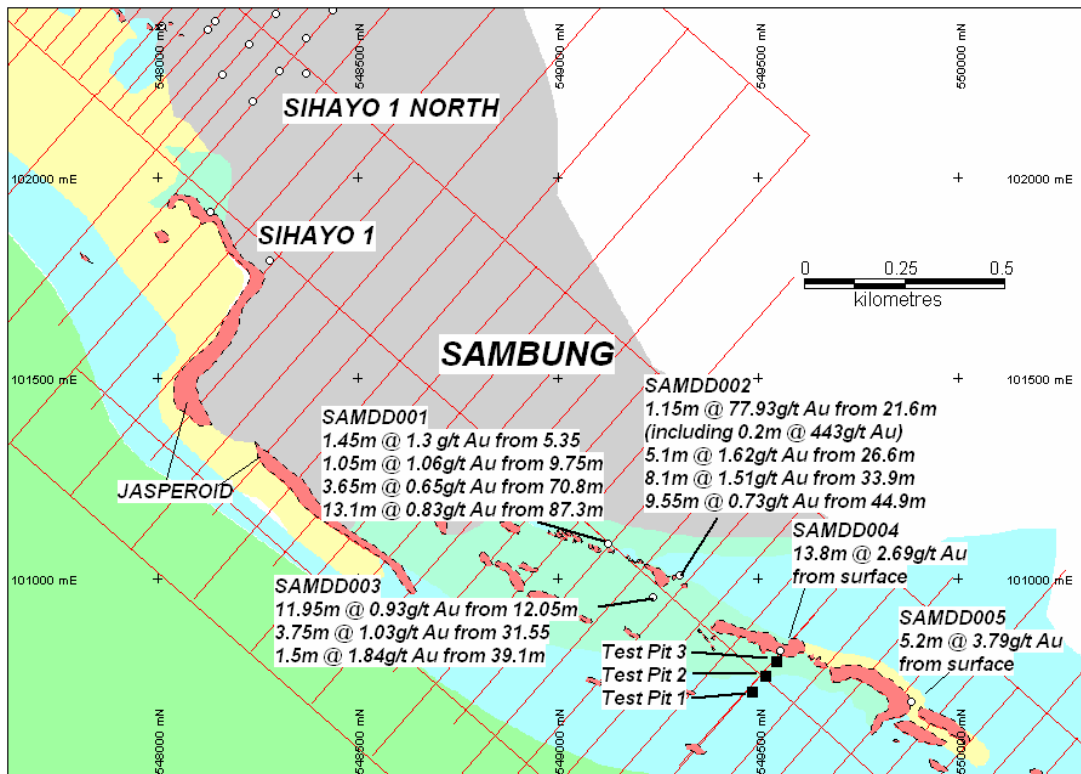


Figure 10 Sambung Geochemistry

Exploration Programme

Exploration activities scheduled for the first half of this calendar year will focus on additional drilling at Sihayo 1 North to infill wide-spaced earlier drilling and to test the down dip extent of identified breccia zones. It is envisaged that this drilling will provide further confidence in the mineralisation model and demonstrate Resource upside through intersecting mineralised breccias outside the current Resource envelope.

A rigorous metallurgical investigation of Sihayo ore will commence this quarter. Test work will assess ore mineralogy and is designed to provide parameters for potential processing options.

A comprehensive petrological study undertaken by Sinclair Knight Mertz will commence in February. This study is designed to gain better insight into the nature and controls of gold mineralisation, with a view towards identifying additional resource targets.

At Sambung, additional test pits are planned along strike to better define the underlying

mineralised system edge for future drill targeting.

2.2 India

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

Oropa's directors made another visit to India during the December quarter to meet with the Company's principal joint venture partner and the Indian legal advisers representing the joint venture company, B.Vijaykumar Chhattisgarh Exploration Pvt Ltd ("BVCE"). BVCE, holder of the Block D-7 Prospecting Licence ("P/L") has initiated legal action against the Chhattisgarh state government in its quest to have the Block D-7 P/L reinstated. A number of hearings in the high court of Chhattisgarh during the second half of 2004 were indicative of a compromise being achieved between the state and BVCE. Negotiations between the Indian parties continued throughout the December quarter to seek a resolution to the issue and a resumption of field work on the block. Oropa is keen to resume work to undertake a field program that was originally scheduled for early 2001,

including bulk sampling of some of the kimberlite pipes and a regional airborne geophysical survey of the entire 4,600 sq km block during the current field season. In order for Oropa to undertake these long awaited programs, a decision will need to be handed down by the state authorities and access permits subsequently approved during this present quarter, failing which a resumption of field work will not be possible until after this years monsoon season (October 2005).

2.3 Australia

Golden Valley Gold Project (5% Free Carried)

The Golden Valley tenements comprise a portion of a joint venture agreement entered into between Polaris Metals NL (“Polaris”), Western Areas NL, Geoinformatics Exploration Limited (collectively “JV Parties”) and Oropa during the September quarter. In this particular segment of the joint venture, Oropa 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. No field work was undertaken by the JV Parties on Oropa’s area of interest during the December quarter.

Mulgabbie Gold Project (95% diluting to 44%)

The Mulgabbie gold project north-east of Kalgoorlie, is subject to a farm-in agreement with Mulgabbie Mining Pty Ltd (“Mulgabbie Mining”). Mulgabbie Mining is spending \$100,000 under the terms of the agreement over a 3 year period commencing 26 June 2002 to earn a 51% of Oropa’s 95% interest in the project. No fieldwork was undertaken during the December quarter.

King George Diamond Project (50%)

The King George project comprising one exploration license (E80/1592) is located in the North Kimberley province of Western Australia. During the quarter, Ellendale

Resources NL, 50% shareholder and manager of the project and Oropa commenced negotiations for Oropa to withdraw from the project. No field work was undertaken during the quarter.

Mt Keith Gold Prospect (10% Free Carried)

In keeping with the Company’s rationalisation of its Australian interests to focus on offshore projects and to minimize possible future expenditure commitments, Oropa and the other vendors of M53/490 and M 53/491 (collectively Oropa, KT Moore and Murchison Exports Limited) agreed to sell the project to a Kalgoorlie based exploration and mining group. Oropa, formerly holding a 10% free carried in the project agreed to 2% nett smelter royalty on all minerals produced from the Mt Keith tenements under the terms of the new agreement, which is currently being executed by the parties.

2.4 Project Evaluation

Limited project evaluation was undertaken during the quarter, although a number of interesting projects in S.E. Asia and Africa were reviewed by the Company. One of these is currently being followed up.

3. NON MINERAL ASSETS

CEPO Systems Pty Ltd (19.9%)

Oropa, which presently holds a 19.9% interest in CEPO Systems Pty Ltd (“CEPO”) agreed to extend an offer to CEPO’s substantial shareholders for them to acquire Oropa’s current 19.9% interest in CEPO. CEPO’s substantial shareholders are seeking a cornerstone investor to replace Oropa. In this respect, Oropa has offered to assist wherever possible to achieve this objective, thereby permitting Oropa to focus totally on its core business. However, Oropa may retain an ongoing interest in the five countries where it presently holds CEPO’s intellectual property rights, to facilitate an expansion of CEPO’s IT services into these foreign countries in the future.



PHILIP C CHRISTIE
Managing Director

31 January 2005

Information in this report, insofar as it relates to resource estimation and exploration activities, is based on information compiled by Mr Jim Kerr, 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 2004

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
Cash flows related to operating activities	\$A	\$A
1.1 Receipts from product sales and related debtors	-	
1.2 Payments for (a) exploration and evaluation	(372,876)	(680,485)
(b) development	-	-
(c) production	-	-
(d) administration	(176,093)	(322,409)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4,125	9,327
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(544,844)	(993,567)
Net Operating Cash Flows		
Cash flows related to investing activities		
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)	-	-
	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(544,844)	(993,567)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(544,844)	(993,567)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	687,426	687,426
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	(36,962)	(36,962)
	Net financing cash flows	650,464	650,464
	Net increase (decrease) in cash held	105,620	(343,103)
1.20	Cash at beginning of quarter/year to date	72,075	520,798
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	177,695	177,695

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	75,019
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	100,000
4.2 Development	-
Total	100,000

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	141,695	36,075
5.2	Deposits at call – Bank Guarantee 20,000 - Term Deposit	20,000 16,000	20,000 400,000
5.3	Bank overdraft	-	-
5.4	Other – Share Purchase Plan A/c	-	-
Total: cash at end of quarter (item 1.22)		177,695	72,075

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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	510,411,183	510,411,183		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	38,333,333	38,333,333	1.8 cents	1.8 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	115,844,642 16,000,000	115,844,642 -	<i>Exercise price</i> \$0.05 \$0.09	<i>Expiry date</i> 31/12/2007 23/12/2004
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	16,000,000	-	\$0.09	23/12/2004
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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)

31 January 05
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.

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+ See chapter 19 for defined terms.