

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

Niagara Mining Limited

ABN

60 060 525 206

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	(125)	(221)
(b) development	-	-
(c) production	-	-
(d) administration	(285)	(501)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	14	22
Net Operating Cash Flows	(378)	(680)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(5,250)	(5,250)
(b) equity investments	-	-
(c) other fixed assets	(13)	(30)
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	(5,263)	(5,280)
1.13 Total operating and investing cash flows (carried forward)	(5,641)	(5,960)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(5,641)	(5,960)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10,657	10,968
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 (provide details if material) – Share Issue Costs	(592)	(592)
	Net financing cash flows	10,065	10,376
	Net increase (decrease) in cash held	4,424	4,416
1.20	Cash at beginning of quarter/year to date	241	249
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,665	4,665

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	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

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

On 30 November 2005 shareholder approval was received for the following transactions:

- issue of 13,000,000 shares in consideration for facilitating the acquisition and funding of the Mount Windarra Project.
- placement of 60,000,000 shares of which 7,125,000 shares were issued in exchange for shares in an ASX listed company.

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

N/A

Financing facilities available

+ See chapter 19 for defined terms.

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	350
4.2 Development	-
Total	350

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	84	172
5.2 Deposits at call	4,581	69
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,665	241

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	M39/154	Owned	100%	Nil
	M39/155	Owned	100%	Nil
	M39/156	Owned	100%	Nil
6.2 Interests in mining tenements acquired or increased	M261SA Sec 1 and 2	Owned	Nil	100%
	G38/21	Owned	Nil	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

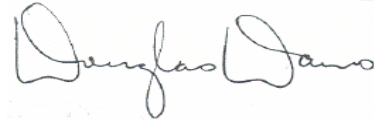
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	198,858,322 4,700,000 39,575,000	185,858,322 - -	\$0.06 \$0.051	\$0.01 \$0.001
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	73,000,000	60,000,000		
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>	2,000,000 7,000,000	- -	<i>Exercise price</i> \$0.20 \$0.20	<i>Expiry date</i> 1 December 2006 1 December 2015
7.8 Issued during quarter	7,000,000	-	\$0.20	1 December 2015
7.9 Exercised during quarter				
7.10 Expired during quarter				
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 give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2006
(Director/Company secretary)

Print name: Douglas Charles Daws

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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