

# 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

**Nickel Australia Limited**

ABN

46 106 346 918

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	(1,296)	(1,981)
(b) development	-	-
(c) production	-	-
(d) administration	(273)	(445)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	78	185
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) GST reclaimable	-	-
<b>Net Operating Cash Flows</b>	<b>(1,491)</b>	<b>(2,241)</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>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,491)</b>	<b>(2,241)</b>

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(1,491)	(2,241)
<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 (provide details if material)	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		(1,491)	(2,241)
1.20	Cash at beginning of quarter/year to date	7,224	7,974
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	5,733	5,733

**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	85
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**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

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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

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+ See chapter 19 for defined terms.

### Financing facilities available

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

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
<b>Total</b>	<b>500</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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	26	47
5.2 Deposits at call	5,707	7,177
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>5,733</b>	<b>7,224</b>

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**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	M63/180	Mineral Exploration	100%	Nil
		M63/182	Mineral Exploration	100%	Nil
		M63/259	Mineral Exploration	100%	Nil
		E63/336	Mineral Exploration	100%	Nil
		M63/190	Mineral Exploration	100%	Nil
		M63/207	Mineral Exploration	100%	Nil
		E63/830	Mineral Exploration	100%	Nil
		M63/114	Mineral Exploration	100%	Nil
		M63/141 - 142	Mineral Exploration	100%	Nil
		M63/174	Mineral Exploration	100%	Nil
		M63/220	Mineral Exploration	100%	Nil
		M63/258	Mineral Exploration	100%	Nil
		M63/274	Mineral Exploration	100%	Nil
		M63/120	Mineral Exploration	100%	Nil
		M63/122	Mineral Exploration	100%	Nil
		M63/133	Mineral Exploration	100%	Nil
		M63/178	Mineral Exploration	100%	Nil
		M63/42	Mineral Exploration	100%	Nil
		E63/321	Mineral Exploration	100%	Nil
		M63/65 - 67	Mineral Exploration	100%	Nil
		M63/116	Mineral Exploration	100%	Nil
		M63/61	Mineral Exploration	100%	Nil
		M63/184	Mineral Exploration	100%	Nil
		M63/214	Mineral Exploration	100%	Nil
		M63/218 - 219	Mineral Exploration	100%	Nil
		M63/26	Mineral Exploration	100%	Nil
		M63/265	Mineral Exploration	100%	Nil
		M63/44	Mineral Exploration	100%	Nil
		M63/48	Mineral Exploration	100%	Nil
		M63/50	Mineral Exploration	100%	Nil
		M63/52 - 54	Mineral Exploration	100%	Nil
		M63/60	Mineral Exploration	100%	Nil
		P63/1193 - 199	Mineral Exploration	100%	Nil
	M63/51	Mineral Exploration	100%	Nil	
	M63/134	Mineral Exploration	100%	Nil	
	E63/826 - 827	Mineral Exploration	100%	Nil	
	P63/1203 - 1209	Mineral Exploration	100%	Nil	
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

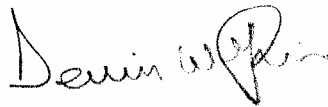
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	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>	85,000,004	85,000,004		
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>	1,780,000 3,560,000 3,560,000	Nil Nil Nil	<i>Exercise price</i> \$0.25 \$0.25 \$0.25	<i>Expiry date</i> 30/11/08 30/11/09 30/11/10
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~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: **25 January 2006**

Print name: **Dennis Wilkins**

## 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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