



**GULLEWA  
LIMITED**

ACN 007 547 480  
ABN 30 007 547 480

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**QUARTERLY REPORT  
FOR THE PERIOD ENDING  
30 SEPTEMBER 2005**

**PROPERTY**

**ST IVES**

We are waiting for finalisation of the Development Control Plan (DCP) after which we can lodge a Development Application.

**NORMANHURST**

Rondav Pty Limited, a fully owned subsidiary of Gullewa Limited settled the purchase of a property on the North Shore of Sydney which will be subdivided and sold in individual blocks. Discussions with Council indicate there are no major impediments. The total cost will be approximately \$1 million and Rondav Pty Limited has a first mortgage of \$600,000.

**ALLEGIANCE**

The Chairman of Allegiance Mining NL made the following comments in their September quarterly.

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## **AVEBURY**

### **AVEBURY FEASIBILITY STUDY**

- Estimation of the Avebury nickel sulphide resources in the Definitive Feasibility Study area ("DFS resource area") has been completed and the draft independent expert resource audit is in hand. A resource statement is scheduled for release in early November.
- Delays due to the industry-wide shortage of key consultants have been overcome.
- Final report is in preparation, scheduled for release in late November 2005.

### **EXPLORATION**

- West Viking: The Avebury nickel sulphide deposit is now known to continue westwards from the DFS resource area. This extension is called West Viking.
- West Viking was identified as a significant resource expansion zone by hole A053 which intersected 14m of 2.5% nickel some 330m west of the DFS resource area.
- West Viking now has 5 intercepts, all moderately thicker and higher grade than the typical intercepts within the DFS resource area but otherwise typical of Avebury ore.
- Potential for major extensions to the west of Avebury is now considered to be very high.

### **MARKETING**

- Potential customers for the Avebury nickel sulphide concentrates have made offers for offtake agreements, several of which are considered attractive.
- Assessments of the offtake alternatives are being carried out by consultant experts.

### **FINANCE**

- Additional \$1 million loan facility with Societe Generale that had been previously undrawn since March this year. This brings total corporate debt to Societe Generale to \$4 million.
- Cash balance at the end of the Quarter stood at \$3 million.

### **CORPORATE**

- The company is assessing its options for conducting bulk trial mining and milling of Avebury ore through existing mill facilities in Tasmania. These assessments are secondary to the DFS work.



**DAVID DEITZ**  
**Chairman**

31 October 2005

# 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

GULLEWA LIMITED

ABN

30 007 547 480

Quarter ended ("current quarter")

30 September 2005

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(76)	(76)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	3	3
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(75)</b>	<b>(75)</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	116	116
1.10 Loans to other entities		
1.11 Loans repaid by other entities	(3)	(3)
1.12 Other (property)	39	39
<b>Net investing cash flows</b>	<b>151</b>	<b>151</b>
1.13 Total operating and investing cash flows (carried forward)	76	76

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	76	76
	<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	(98)	(98)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	(98)	(98)
	<b>Net increase (decrease) in cash held</b>	(22)	(22)
1.20	Cash at beginning of quarter/year to date	21	21
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	(1)	(1)

**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	10
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

NIL
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**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

NIL
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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

NIL
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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 – Guarantee of mortgage on St Ives property	1,050	1,050
Normanhurst property	600	600
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	
<b>Total</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	(1)	21
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>(1)</b>	<b>21</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.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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>	125,957,029	125,957,029		
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>	11,000,000	Nil	<i>Exercise price</i> 6 cents	<i>Expiry date</i> <b>30.06.2009</b>
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 give a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 31 October 2005

Print name: DAVID DEITZ

## 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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