Great Gold Mines NL

ABN 44 009 157 439

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2005

INTRODUCTION

Great Gold Mines N.L. (the "Company" or "GNL") is an Australian gold explorer with a strategic and significant land holding covering a strike extent of over 230 kilometres within the Southern Laverton Tectonic Zone (SLTZ), a highly prospective gold province in the Eastern Goldfields of Western Australia. It also has tenements in the Halls Creek area of the Kimberley region of northern Western Australia which cover 207 square kilometres of prospective gold, nickel and base metal prospects.

The Company is manager and has a 70% interest in the Trouser Leg Joint Venture at Pinjin, within the SLTZ, 140 kilometres east northeast of Kalgoorlie, Western Australia. The joint venture area consists of five granted mining leases covering a number of significant lines of old workings including the Saxon Extended gold resource.

The Triumph group of gold workings and the Savannah prospect area are located to the northwest, also within the SLTZ. The Yundamindera prospects lie at the northwest end of the SLTZ tenement group. Wide intercepts of low to moderate grade gold have previously been returned from these areas.

Tenements to the south of Pinjin cover zones of highly favourable lithology and structure under a cover of recent sediments. Prospects such as Liberty Bore and Sardine Dam are structurally similar to the world class Sunrise Dam gold mine to the north.

Airborne and ground geophysical programs will be considered in these areas to help focus on targets in prospects with anomalous gold.

Programs for the initial exploration during the 2006 field season at Pinjin-Saxon Extended and on the regional tenements are complete and arrangements are being finalised to commence drilling and field sampling.

The Company entered into a farm in and joint venture agreement with Newmont Exploration Pty Ltd ("Newmont") on several tenements in the southern regions of the SLTZ. Newmont have to spend $1 million on exploration to earn a 75% interest in the tenements.

Over the past few months, a number of the major international and Australian gold producers have approached the Company to either joint venture or purchase interests in tenements held by the Company. The Company assesses each approach on its merits and will continue to consider such approaches that it believes are in the best interests of all shareholders.

REVIEW OF OPERATIONS

Pinjin Gold Project

The project area is located 35 kilometres east of the Carosue Dam gold deposit. The Saxon Extended gold resource consists of multiple zones of stacked quartz pyrite veining over a distance of at least 1,200 metres and is open to the south and at depth.

The structural trends containing old gold workings may be over 1 kilometre in width. Previous drilling has intersected widespread gold mineralisation. The Pinjin Extended mineralisation has been followed 300 metres to the south of previous drilling and at depth. Additional lode structures adjacent to previously delineated mineralisation have been discovered and will require further assessment.

Trends to the south and north of the main Pinjin line, and on the parallel mineralised structures immediately west of the main Pinjin line are particularly prospective. Potential exists along covered extensions of other lines of old gold workings, such as the Lillian line to the west, where very little previous work has been carried out.

The potential for significant mineralisation at depth will also be examined.

Pinjin-Saxon Extended Geophysics

A review of previous geophysical data is being undertaken in order to characterise the structural and geological setting of the Saxon Extended mineralisation in an attempt to generate additional targets.

Preliminary findings indicate that the Saxon Extended mineralisation is associated with a NNW trending shear zone which is demagnetised and locally is likely to be the main conduit for mineralising fluids. In addition, historical workings and broader zones of gold anomalism can be associated with the intersection between the main mineralised NNW trend and a number of conjugate NE and NW cross faults. Further investigations are aimed at defining a number of geophysical targets and relating those targets to recently completed drilling and geochemistry.

Ground geophysics in the form of gradient array IP, may also be trialled as a tool to help locate buried silicious zones or zones of quartz stock works along these trends.

A proposed RAB programme in the northern areas may be modified to readily test these various targets. Ministerial approval for RAB drilling within the overlying water reserve in this area has recently been received.

Regional Exploration

Areas to be examined closely over the next field season include the Yundamindera prospects to the northwest, where previous drilling has encountered wide zones of low to medium grades of gold. The Yundamindera 4 prospect in particular has returned highly encouraging results.

Areas to be examined to the south include tenements covering the north-south Claypan Fault, which is a major regional structure within the SLTZ. Highly prospective areas include the Yindi and Quartz Peak tenements, along with the Salmon Dam prospects.

Newmont Joint Venture

The Company has entered into a joint venture with Newmont Exploration Pty Ltd which covers several tenements associated with the Company's Wild Dog dam project. The tenements are approximately 20 kilometres south of Pinjin and cover the interpreted southern extension of the Pinjin shear. Newmont have to spend $1 million on exploration to earn a 75% interest in the tenements and are required to spend $200,000 within the first 12 months. Once Newmont have earned their 75% interest, the Company has the right to convert its 25% contributing interest into a 10% free carried interest to decision to mine. If a feasibility study prepared by Newmont results in a proposal that does not meet Newmont's development criteria, the Company has the right to buy-back Newmont's participating interest for 200% of Newmont's exploration costs and a 1.5% royalty.

East Kimberley Joint Venture (Farm Out)

Exploration completed on the joint venture by Thundelarra Exploration Ltd ("THX") includes the completion of a geophysical Hoist EM (Electro Magnetic) survey over the prospective joint venture tenements. This survey outlined three electromagnetic anomalies within the ultramafic body and beneath a shallow black soil cover sequence. These targets will be drilled tested as a priority.

The technical information in this report has been reviewed and approved by Mr K Washburn who is member of the Australasian Institute of Mining & Metallurgy and who has approximately 27 years experience in the exploration and mining industry.

Attached is a copy of the Company's Mining Exploration Entity Quarterly Report in accordance with Listing Rule 5.3.

J. I. Gutnick

J I GUTNICK
Chairman and Managing Director
30 January 2006

Rule 5.3

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

GREAT GOLD MINES N.L.

ABN	Quarter ended ("current quarter")
44 009 157 439	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	(84)	(356)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(157)	(297)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		14	15
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		(227)	(638)
	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)		5	8
	Net investing cash flows		5	8
1.13	Total operating and investing cash flows (carried forward)		(222)	(630)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(222)	(630)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,023	1,859
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	178	533
1.17	Repayment of borrowings	(1,774)	(1,774)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue costs	(10)	(10)
	Net financing cash flows	(583)	608
	Net increase (decrease) in cash held	(805)	(22)
1.20	Cash at beginning of quarter/year to date	827	44
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	22	22

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	37
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-

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.

Six months ended 31 December 2005.

The amount of $192,500 owing for consulting fees was paid by issue of ordinary shares per notice of general meeting dated 9 March 2005.

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.

-

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	Refer attached details	Refer attached details
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
	Total	**200**

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	22	827
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	22	827

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		See Attached		
6.2	Interests in mining tenements acquired or increased		See Attached		

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**	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	**+Ordinary securities**	264,248,547	264,248,547	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	30,977,343 -	30,977,343 -	- - -	- - -
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** (description and conversion factor)	280,000 13,716,713 13,569,422 165,084,231	- 13,716,713 13,569,422 165,084,231	*Exercise price* $1.875 $1.25 $0.20 $0.10	*Expiry date* 24 March, 2010 22 September, 2010 30 April, 2012 28 February 2013
7.8	Issued during quarter	30,977,343	30,977,343	$0.10	28 February 2013
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law 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: (Company Secretary) Date: 30 January 2006

Print name: Peter J. Lee

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 Appendix 5B has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS).

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.

== == == == ==

Mining exploration entity quarterly report

GREAT GOLD MINES N.L.
ABN 44 009 157 439

For the Quarter Ended 31.12.2005
(referred to in this Statement as the "Current Quarter")

Additional Information

Item 1.23 Payments to Other Entities

Some of the Directors of the Company are also Directors of AXIS Consultants Pty. Ltd. ("AXIS"). The Company does not consider AXIS to be a related party.

Item 3.1 Financing facilities

The Company has entered into a $5 million equity line of credit facility with a US Based Investment Fund. The Company may, at its discretion, issue shares to the Fund at any time over the period of 36 months from 31 May 2004, up to a total of $5 million. The Company may drawdown up to $75,000 in any five day period. A commission of five percent will be payable by the Company at the time of issue.

Item 7.7 Options

Listed
13,716,713 options maturing September 22, 2010 at an exercise price of $1.25 per option. Each option will convert into one ordinary share.

165,084,231 options maturing February 28, 2013 at an exercise price of $0.10 per option. The options are exercisable any time after January 1, 2004. Each option will convert to one fully paid ordinary share.

13,569,422 options maturing April 30, 2012 at an exercise price of $0.20 per option. The options are exercisable any time after January 1, 2003. Each option will convert to one fully paid ordinary share.

Unlisted
280,000 options maturing on March 24, 2010 issued under the employee share option plan have an exercise price of $1.875 per option. Upon exercise each option will convert into one fully paid ordinary share. These options cannot be exercised until after March 24, 2003 and only at this time, if the Company's share price on the ASX has increased by a factor of 20% over the share price at the date the options were issued.

GREAT GOLD MINES NL

ACN 009 157 439

CHANGES IN INTERESTS IN MINING TENEMENTS

6.1 Interests in mining tenements relinquished, reduced or lapsed

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
LINDEN NORTH			
E 39/661	Surrendered	80.00%	0.00%
E 39/663	Surrendered	80.00%	0.00%
LINDEN SOUTH			
E 31/448	Expired	100.00%	0.00%
E 31/472	Expired	100.00%	0.00%
MT GEORGE			
P 37/6287	Surrendered	100.00%	0.00%
P 37/6288	Surrendered	100.00%	0.00%
P 37/6289	Surrendered	100.00%	0.00%
P 37/6290	Surrendered	100.00%	0.00%
P 37/6291	Surrendered	100.00%	0.00%
P 37/6292	Surrendered	100.00%	0.00%
P 37/6293	Surrendered	100.00%	0.00%
SAVANNAH			
E 31/313	Surrendered	80.00%	0.00%
WILD DOG DAM			
E 28/872	Surrendered	100.00%	0.00%

GREAT GOLD MINES NL

ACN 009 157 439

CHANGES IN INTERESTS IN MINING TENEMENTS

6.2 Interests in mining tenements aquired or increased.

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
REQUIRING ALLO			
E 28/1517	Granted	0.00%	100.00%
E 28/1518	Granted	0.00%	100.00%
E 28/1519	Granted	0.00%	100.00%
YUNDAMINDERA			
E 39/717	Granted	0.00%	100.00%
E 39/812	Granted	0.00%	100.00%