



SALLY MALAY MINING LIMITED



31 January 2006

Manager Announcements
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam,

By e-lodgement

CASH FLOW REPORT FOR THE QUARTER ENDED 31 DECEMBER 2005

Please find attached Consolidated Statement of Cash Flows (Appendix 5B) for the quarter ended 31 December 2005.

Should you have any further queries in relation to the above please do not hesitate to contact me.

Yours faithfully,
SALLY MALAY MINING LIMITED

TREVOR ETON
Chief Financial Officer &
Company Secretary

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

Sally Malay Mining Limited (Consolidated)

ABN

47 095 792 288

Quarter ended ("current quarter")

31 December 2005

Consolidated statement of cash flows

		Current quarter	Year ended (6 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Net receipts from product sales and related debtors (inc hedging)	31,357	58,257
1.2	Payments for		
	(a) exploration and evaluation	(288)	(694)
	(b) development/other capital	(3,716)	(5,234)
	(c) production (inc. royalties)	(19,685)	(35,146)
	(d) administration	(1,356)	(1,669)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	139	294
1.5	Interest and other costs of finance paid	(1,225)	(3,382)
1.6	Income taxes paid		
1.7	Other (R&D tax conc. rebate)	-	30
Net Operating Cash Flows		5,226	12,456
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(e) exploration and evaluation		
	(f) Lanfranchi mine/Tramways tenements		
	(g) equity investments		
	(h) other fixed assets	(2,996)	(5,191)
1.9	Proceeds from sale of:		
	(i) prospects		
	(j) equity investments		
	(k) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – Term deposit for environmental bonds		
Net investing cash flows		(2,996)	(5,191)
1.13	Total operating and investing cash flows	2,230	7,265

1.13	Total operating and investing cash flows (carried forward)	2,230	7,265
Cash flows related to financing activities			
1.14	Net Proceeds from issues of shares, options, etc.	750	750
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings/hire purchase	(3,246)	(4,056)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(2,496)	(3,306)
	Net increase (decrease) in cash held	(266)	3,959
1.20	Cash at beginning of quarter/year to date	19,573	15,348
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	19,307	19,307

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	180
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Employee services aggregated \$150,000. Consulting Fees paid to Companies associated with Directors' totalled \$30,000

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

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

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 (ex. Enviro. Bonds/Leases)	46,347	44,047
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development/other capital	1,500
Total	1,800

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	2,459	4,807
5.2 Deposits at call	16,848	14,766
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	19,307	19,573

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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)	Amount paid up per security (see note 3)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	165,144,337	165,144,337		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,659,574	2,659,574	28.2 cents	28.2 cents
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)	200,000 350,000 1,000,000 400,000 1,000,000 3,500,000 2,735,000 9,185,000		Exercise price 35.0 cents 41.5 cents 43.0 cents 93.0 cents 93.0 cents 75.0 cents 75.0 cents	Expiry date 10/09/2006 10/09/2006 31/03/2008 30/09/2007 31/03/2008 24/08/2008 20/09/2008
7.8 Issued during quarter			Exercise price	Expiry date
7.9 Exercised during quarter	2,659,574		Exercise Price 28.2 cents	

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 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: 31/01/2006

Company secretary

Print name: TREVOR ETON

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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