



**KALGOORLIE-BOULDER
RESOURCES LTD**

ABN 48 106 732 487

KBRL ON TRACK TO JOIN TOP ECHELON OF WA GOLD EXPLORERS

Kalgoorlie Boulder Resources Ltd (ASX:KAL) remains on track to join the ranks of Western Australia's leading gold and nickel explorers, following excellent progress during the December quarter.

During the course of the quarter, KBRL made enormous strides on several fronts, including:

- a 40% increase in total JORC gold resources to 1.4 million ounces at the flagship Norseman Gold project following extension drilling at the Mt Henry and Selene deposits
- improved confidence in the resource with 64% of the resource upgraded to Indicated status
- recorded highly encouraging results from exploration drilling at the Everlasting, Break of Day and Telegraph gold prospects at Norseman
- continued scoping studies for the Norseman Gold Project
- raised \$2.5 million to fund ongoing exploration via a placement to sophisticated and professional investors at \$0.18 per share

The significant dividends generated by the Company's aggressive exploration and development program clearly demonstrates the benefits of the Company's narrowed focus on its core assets, namely the Norseman Gold Project and the Clinker Hill and Lake Johnston nickel projects.

That focus is expected to result in a further resource upgrade at the Norseman Gold Project within three weeks, incorporating recent drilling results from the Mt Henry deposit.

The Company also expects to complete the Norseman scoping study during the March quarter.

In addition, KBRL has launched a major new exploration initiative at Norseman to identify additional gold targets. The program includes the use of leading-edge VTEM airborne geophysics technology which has been highly successful in identifying similar-style gold deposits in Canada but has never before been used to look for gold in the Norseman region.

The Company has also commissioned airborne geophysics programs at the Lake Johnston and Clinker Hill nickel projects.

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With the Australian dollar gold price currently trading above \$1000 per ounce and the sharemarket suffering from extreme volatility, the gold sector is becoming increasingly attractive to investors seeking “safe haven” investment opportunities and superior returns.

In that context, the Company believes that its high-quality confirmed resource base of 1.4 million ounces now positions it as one of the best value investment propositions in the Australian gold sector.

Please refer to the attached December Quarter report for more information about the Company’s activities.

For more information, please contact:

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**ACTIVITIES REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2007**

HIGHLIGHTS – DECEMBER QUARTER

- *Increase of 40% to JORC resources at Norseman Gold Project*
- *Total resource now 64% Indicated from Inferred resource category*
- *Significant drilling intersections at Norseman Gold Project*
- *Placement of \$2.5 million made during quarter*

ROAD MAP – MARCH QUARTER

- *Update resource calculation for Norseman gold project*
- *Complete Norseman scoping study*
- *Major Geophysical initiative for Norseman gold project*
- *Geophysical survey for Clinker Hill nickel project*

INTRODUCTION

Kalgoorlie-Boulder Resources Ltd (ASX: KAL and KALO) (the “Company” or “KBRL”) is pleased to report exploration activities report for the quarter ended 31 December 2007.

NORSEMAN GOLD PROJECT

JORC Resource Upgrades

During the quarter, the company achieved two significant resource upgrades at the Mt Henry and Selene deposits, as a result of the resource drilling work undertaken in the September and December quarters.

The Mt Henry resource was upgraded to **630 Kozs** from **462 Kozs**, representing an increase of **36%** from the previous resource. Likewise the Selene resource was also upgraded during the quarter to **720 Kozs** from **470 Kozs** representing an increase of **52%** in overall resource.

The total resource for the Norseman project was increased to **1.4 Moz** from **1.0 Moz**, using a 1g/t lower cut off, for a **40%** increase in total resource ounces.

Further to this accomplishment, the previously all Inferred resource was upgraded to include Indicated resource for the first time since taking over the project in March 2007.

The resource now includes **64%** Inferred resource for **900 Kozs** and **36%** Inferred resource of **500 Kozs**.

The current resource is as follows:

Total Norseman Resource

Prospect	Classification	Tonnes (Mt)	Gold Grade	(Koz)
Mt Henry	Indicated	5.0	2.0	310
Selene	Indicated	11.3	1.6	580
Total	Indicated	16.4	1.7	900
Mt Henry	Inferred	5.6	1.8	320
Selene	Inferred	3.0	1.4	140
Nth Scotia	Inferred	0.3	3.4	40
Abbottshall	Inferred	0.5	2.0	30
Total	Inferred	9.4	1.7	500
Grand Total	Indicated & Inferred	25.8	1.7	1.4 Million Ozs

- 1) All resources are reported to a cutoff grade of 1.00gm/t.
- 2) Rounding, conforming to the JORC code may cause computational errors.

These resources will be used in the Scoping Study which is due to be completed in the First quarter of 2008.

Resource Drilling

During the quarter, the Company completed a 5000 metre resource drilling and exploration program at its wholly-owned Norseman gold project, following the success of the exploration program from the September Quarter.

The primary objective of this program was to upgrade and increase the significant JORC mineral resources at Norseman. The resource drilling comprised of 2564 metre of Reverse Circulation drilling. This work forms an integral component of the Company's ongoing scoping study into the development of the project.

The secondary objective of the program was to start some scout exploration drilling outside of the known resource areas.

Encouraging results were received from the resource drilling program in October to November 2007. Some of the more significant intersections were:

Assay width and intersection	Drill hole	From metres
Mt Henry deposit		
11m @ 6.69 g/t	7HENC131	0
10 m @ 5.70 g/t	7HENC123	62
11m @ 2.59 g/t	7HENC131	14
9 m @ 3.71 g/t	7HENC131	45
9 m @ 2.92 g/t	7HENC122	12
14 m @ 2.10 g/t	7HENC134	66
Selene Deposit		
1m @ 20.2 g/t	7SELC028	70
6m @ 2.26 g/t	7SELC029	60
8m @ 2.18 g/t	7SELC030	20 (Composite)
10m @ 2.02 g/t	7SELC030	33
7m @ 2.22 g/t	7SELC068	32
3m @ 2.48 g/t	7SELC023	37

These results demonstrate the substantial width and consistency of the mineralisation at both the Mt Henry and Selene deposits. The results have helped to develop the confidence in the individual orebodies, to allow the company to elevate some of the previously Inferred resource to Indicated resource status, under the JORC reporting system.

Exploration Drilling

Further to the resource drilling, the company conducted some scout exploration drilling at its Everlasting, Break of Day and Telegraph prospects. This drilling was designed to drill under some old gold workings, to test for potential reef structures and to infill some previous RAB drilling which had been undertaken by previous explorers.

The drilling was conducted by McAndrews Drilling of Kalgoorlie, using an RC drill rig. The samples were initially composited into four metre samples and analysed.

Some of the highlights from the exploration program were as follows:

Assay width and intersection
Telegraph deposit
8m @ 1.27 g/t
8m @ 1.24 g/t
Break Of Day
4m @ 0.72 g/t
Everlasting
4m @ 2.98 g/t

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These results are encouraging and will be followed up during the next round of exploration drilling during the June quarter of 2008.

NEXT QUARTER ACTIVITIES

- Update JORC resource statement for Mt Henry deposit and the overall Norseman resource.
- Complete Norseman scoping study.
- Major geophysical VTEM program for Norseman and Lake Johnson projects.
- Geophysical SQUID MLTEM program for Clinker Hill project.

JORC resource upgrade.

The next quarter will see a new updated resource for Mt Henry as the latest drilling from the October campaign is incorporated into the Mt Henry resource model. (Total Norseman resource total now at 1.4 Mozs at 1 g/t cutoff.)

Scoping Study for Norseman project.

The Scoping study will be completed for the Norseman project, which is designed to provide the framework for the development options for the project and redirect any further resource development/drilling work during the following quarter.

New Geophysical initiative

As announced in January, a new initiative of a VTEM geophysical program has been commissioned for January to help guide the exploration efforts for the following year. The VTEM process employs a helicopter-borne EM unit which drives a radio signal into the ground to induce a response thereby identifying any conductive geological structures which may lie below the surface.

The VTEM process was developed to assist with the identification of massive sulphide orebodies in base metal exploration. The gold mineralisation at the Company's Mt Henry and Selene deposits are rich in Pyrrhotite, a highly conductive Iron Sulphide mineral. This mineral is the key to the VTEM survey as it can be detected when excited by the radio waves. Any similar deposits, with sulphide associations, located in the target area will display good VTEM signatures.

It is believed that it is the first time that VTEM has been used for gold exploration in the Norseman area but the process has been used successfully to identify similar Banded Iron Formation-hosted gold mineralisation in Canada. As the majority of the company's resources are in BIF, it is hoped that similar success can be achieved.

It is hoped that the geophysics will be processed and analysed in March to allow the identification of further exploration targets.

Geophysical program for Clinker Hill Nickel project.

A SQUID MLTEM or Super conducting Quantum Interference Device – Moving Loop Transient Electro-Magnetic survey has been commissioned for the Clinker Hill project to identify possible conductive geological units. The SQUID system has been used by Mincor Resources Ltd and Consmin Nickel Pty Ltd, in the local area, where it has assisted the explorers to identify several nickel orebodies.

It is planned to start in the last week of January to be completed by mid-February, with the results processed by late February. Any targets will be followed up with drilling during the June and September quarters.

For further information please contact:

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The information in this report that relates to Exploration Results is based on information compiled by Richard Breyley, who is a member of the Australasian Institute of Mining and Metallurgy. Richard Breyley is a full time employee of Kalgoorlie Boulder Resources. Richard Breyley has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves. Richard Breyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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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

KALGOORLIE-BOULDER RESOURCES LIMITED

ABN

48 106 732 487

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	3,123
1.2 Payments for		
(a) exploration and evaluation	(631)	(788)
(b) development	-	-
(c) production	(124)	(1,618)
(d) administration	(359)	(631)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) – Movement in working capital	-	(871)
Net Operating Cash Flows	(1,099)	(766)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7)	(11)
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 – cash backed guarantees	-	(128)
Net investing cash flows	(7)	(139)
1.13 Total operating and investing cash flows (carried forward)	(1,106)	(905)

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Appendix 5B – Kalgoorlie-Boulder Resources Ltd
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,106)	(905)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,500	2,500
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) – Cost of capital raising	(110)	(110)
	Net financing cash flows	2,390	2,390
	Net increase (decrease) in cash held	1,284	1,485
1.20	Cash at beginning of quarter/year to date	1,207	1,006
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,491	2,491

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	41
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' fees.

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

N/A

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

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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	551
4.2 Development/Production	-
Total	551

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	2,491	1,207
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) – fixed term deposit	-	-
Total: cash at end of quarter (item 1.22)	2,491	1,207

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	P 25/1690 E 16/293	Relinquishment Partial relinquishment	100% 100%	0% 100%
6.2 Interests in mining tenements acquired or increased	E 63/1215 E 63/1212 P 63/1673 P 63/1674	New Applications		100%

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Appendix 5B – Kalgoorlie-Boulder Resources Ltd
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 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	174,780,277	124,780,277		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	12	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	51,555,472 8,250,000 2,250,000 2,000,000 2,000,000 1,300,000 1,300,000	51,555,472 - - - - - -	<i>Exercise price</i> 20 cents 30 cents 40 cents 10 cents 20 cents 10 cents 20 cents	<i>Expiry date</i> 31 July 2008 31 July 2008 31 July 2008 5 December 2010 5 December 2010 5 December 2010 5 December 2010
7.8 Issued during quarter	2,000,000 2,000,000 1,300,000 1,300,000	- - - -	10 cents 20 cents 10 cents 20 cents	5 December 2010 5 December 2010 5 December 2010 5 December 2010
7.9 Exercised during quarter				
7.10 Expired during quarter				

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7.11	Debentures <i>(totals only)</i>		
7.12	Unsecured notes <i>(totals only)</i>		

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 ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2008
 (~~Director~~/Company secretary)

Print name: Andrew Chapman (Company Secretary)

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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