

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

AUSTRALIAN MINES LIMITED – AUZ

ABN

68 073 914 191

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

	Current Quarter \$A	Year to Date (12 Months) \$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration & evaluation	(111,691)	(350,496)
(b) development	-	-
(c) production	-	-
(d) administration	(218,139)	(1,031,450)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16,344	84,321
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(313,486)</b>	<b>(1,297,625)</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	-	2,500,000
(b) equity investments	-	-
(c) other fixed assets	13,121	20,582
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net Investing Cash Flows</b>	<b>13,121</b>	<b>2,520,582</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(300,365)</b>	<b>1,222,957</b>

**Appendix 5B**  
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1.13	Total operating and investing cash flows (brought forward)	(300,365)	1,222,957
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
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>	(300,365)	1,222,957
1.20	Cash at beginning of quarter/year to date	2,003,732	487,510
1.21	Exchange rate adjustments to item 1.20	(2,755)	(9,855)
1.22	<b>Cash at end of quarter</b>	<b>1,700,612</b>	<b>1,700,612</b>

**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	
1.23	Aggregate amount of payments to the parties included in item 1.2	104,625
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive and Non-Executive Directors 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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### Financing facilities available

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

	Amount Available \$A	Amount Used \$A
3.1 Loan facilities –	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	156,000
4.2 Development	-
4.3 Production	-
4.4 Administration	210,000
<b>Total</b>	<b>366,000</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	Previous Quarter \$A
5.1 Cash on hand and at bank	58,812	51,932
5.2 Deposits at call	1,630,000	1,940,000
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Security bonds, restricted	11,800	11,800
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,700,612</b>	<b>2,003,732</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	<u>Western Australia</u> E52/2394	Heads of Agreement (see below)	-	-
	E52/2395	Heads of Agreement (see below)	-	-

During the quarter, Australian Mines Limited entered into a Heads of Agreement with Riedel Resources Limited (ASX: RIE) covering the Marymia copper-gold-nickel project, which is located along strike of Sandfire Resources' DeGrussa copper-gold mine in Western Australia.

The key commercial terms of the Heads of Agreement are as follows:

- Australian Mines paid \$50,000 to Riedel Resources on signing of the Heads of Agreement
- Australian Mines has the right to withdraw subject to spending a minimum of \$150,000 in exploration on the Marymia Project within six months from the signing of the Agreement ('Minimum Expenditure').
- If Australian Mines exercises its option to continue following the \$150,000 Minimum Expenditure, the Company must make a cash payment to Riedel Resources of \$250,000.
- Australian Mines may acquire a 51% interest in the Marymia Project by spending \$1 million (including the Minimum Expenditure) on exploration within an initial two year period from the signing of the Agreement.
- Following the acquisition of the initial 51% Australian Mines may elect to acquire an additional 29% interest (taking the total to 80%) in the Marymia Project by spending a further \$2 million on exploration within a further 36 month period.
- Once Australian Mines has satisfied its earn-in obligations, with a resulting joint venture interest of either 51% of 80%, Riedel Resources may elect to contribute on a pro-rata basis or dilute their interest according to the standard industry formula.
- Australian Mines will be the operator and manager of the Project

Further details are available in the **Company's** ASX Announcement released on 30 April 2014 (*Marymia copper-gold-nickel project*)

### 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>	666,911,575	666,911,575		
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>			<u>Exercise price</u>	<u>Expiry date</u>
	11,333,330	Nil	\$0.027	30 Nov 2014
	11,333,335	Nil	\$0.035	30 Nov 2014
	11,333,335	Nil	\$0.045	30 Nov 2014
	4,533,334	Nil	\$0.020	30 Nov 2014
	4,533,333	Nil	\$0.025	30 Nov 2014
	4,533,333	Nil	\$0.030	30 Nov 2014
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>				

## 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:  
(Managing Director)

Date: 23 July 2014

Print name: Benjamin Bell

### 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 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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