



29 October 2009

ASX Limited  
Companies Announcement Platform

#### **APPENDIX 4C QUARTERLY CASH FLOW SEPTEMBER 2009**

Attached is the report for the September 2009 quarter submitted by Arafura Pearls Holdings Limited.

##### Operations

The 2009 harvest was undertaken during June at Beagle Bay in WA, and was completed during September at Elizabeth Bay, NT.

Pearls harvested totalled approx 80,000 pieces, over 3 times the harvest of the previous year. 10% of this relates to a small 2005 wholesale MIS which is in line with expectations.

Oysters operated for harvesting in 2011 totalled 190,000, an increase of 27 percent over seedings in 2008.

As previously reported, in the 2010 operating seasons, the Company will be in a position to seed its full quota of approximately 300,000 shell in NT and WA.

##### Marketing

Pearl sales receipts for the quarter were \$0.6 million. Further pearl sales in excess of \$2m have been completed since the end of the quarter. Prices achieved have been in line with the assessed value used for the June inventory valuation. The sales effort will resume once the September harvest from Elizabeth Bay has been integrated with present stocks to increase the prospects for value adding.

##### Hatchery

The 2009 – 10 spawning season will run from September 2009 to May 2010 and indications are that the target of 750,000 spat will be produced within this time and the hatchery will be able to shut down early.

##### Corporate

The Company is seeking to raise an additional \$5 million through a convertible note offered to sophisticated investors at an interest rate of 12% pa and a conversion price of 8 cents per share.

The 2010 Managed Investment Scheme (MIS) has been launched and is expected to attract considerable interest given the availability of a 143% tax deduction of the subscription price for MIS investments made prior to 31 December 2009. Further information is available at <http://www.arafurapearls.com.au/content.asp?cid=83>

Receipts of approx \$2m were collected during the quarter from investors in the 2009 MIS who elected to use the Terms Payment Facility to pay for their MIS investment.

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+ See chapter 19 for defined terms.

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

ARAFURA PEARLS HOLDINGS LIMITED

ABN

88 092 266 067

Quarter ended ("current quarter")

30 SEPTEMBER 2009

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from customers	2,588	2,588
1.2 Payments for		
(a) staff costs	(1,593)	(1,593)
(b) NT farm operations	(242)	(242)
(c) Corporate Admin	(155)	(155)
(d) MIS expenses	(1,099)	(1,099)
(e) other working capital	(489)	(489)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(322)	(322)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net operating cash flows</b>	<b>(1,310)</b>	<b>(1,310)</b>

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	Curent quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,310)	(1,310)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(118)	(118)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>	(118)	(118)
<b>1.14 Total operating and investing cash flows</b>	(1,428)	(1,428)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	942	942
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	18	18
1.18 Repayment of borrowings	(155)	(155)
1.19 Dividends paid		
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	805	805
<b>Net increase (decrease) in cash held</b>	(623)	(623)
1.21 Cash at beginning of quarter/year to date	1,411	1,411
1.22 Exchange rate adjustments to item 1.1	(11)	(11)
1.23 <b>Cash at end of quarter</b>	777	777

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**Quarterly report for entities**  
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**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
1.24	Aggregate amount of payments to the parties included in item 1.2	143
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Executive directors fees included in Staff costs 1.2 (a)	119
	Non Executive Directors fees included in 1.2 (a)	24
	Fees due for services rendered last year related entity – prior to appointment as director included in 1.2(f)	0

**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
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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses 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. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	3,046	2,298
3.2	Credit standby arrangements	6,000	5,928

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## 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
4.1 Cash on hand and at bank	662	1,300
4.2 Deposits at call	115	111
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)	777	1,411

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 October 2009  
(Director)

Print name: Andrew Hewitt

## Notes

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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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **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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