*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

DVM INTERNATIONAL LIMITED			
ABN	Quarter ended ("current quarter")		
80 072 964 179	30 September 2009		

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(103)	(332)
1.2	(b) development	(103)	(332)
	(c) production	_	_
	(d) administration	(143)	(386)
1.3	Dividends received	· · ·	-
1.4	Interest and other items of a similar nature		
	received	16	89
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(230)	(629)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(1)	(1)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
1.10	(c)other fixed assets Loans to other entities	-	-
1.10	Loans to other entities  Loans repaid by other entities		_
1.12	Other (provide details if material)	-	-
	(F 1746 details it illustrate)		
	Net investing cash flows	(1)	(1)
1.13	Total operating and investing cash flows	` ,	, ,
	(carried forward)	(231)	(630)

31/03/2009 Appendix 5B Page 1

<sup>+</sup> See chapter 19 for defined terms.

1.13	Total operating and investing cash flows		
	(brought forward)	(231)	(630)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 - share issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(231)	(630)
1.20	Cash at beginning of quarter/year to date	2,093	2,492
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,862	1,862

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	(89)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25	Explanation	necessary for an	understanding	of the	transactions
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Payments to directors for services to the company.

#### Non-cash financing and investing activities

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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
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

Appendix 5B Page 2 31/3/2009

<sup>+</sup> See chapter 19 for defined terms.

#### 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	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

4.1	Exploration and evaluation	\$A'000
1.1	Exploration and evaluation	120
4.2	Development	-
	Total	120

### **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	804	2,093
5.2	Deposits at call	1,058	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,862	2,093

#### **Changes in interests in mining tenements**

		Tenement reference	(note (2))	beginning of quarter	end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			•	
6.2	Interests in mining tenements acquired or increased				

31/03/2009 Appendix 5B Page 3

<sup>+</sup> See chapter 19 for defined terms.

# **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	Amount paid up per security
7.1	Partly paid *securities		4		2000000
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<sup>+</sup> Ordinary securities	35,621,547	35,621,547		Fully paid
7.4	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options				
		142,857	Nil	Exercise Price \$0.35 per share	Expiring 1 November 2010
		3,961,440	3,961,440	Exercise Price \$0.20 per share	Expiring 30 June 2010
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	Unsecured notes (totals only)				

Appendix 5B Page 4 31/3/2009

<sup>+</sup> See chapter 19 for defined terms.

### **Compliance statement**

- 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: 30 October 2009

Print name: Michael Higginson

Company Secretary

#### **Notes**

- 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.
- 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.
- The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 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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31/03/2009 Appendix 5B Page 5

<sup>+</sup> See chapter 19 for defined terms.