



23 April 2010

ASX Limited
Companies Announcement Platform

APPENDIX 4C QUARTERLY CASH FLOW MARCH 2010

Attached is the report for the March 2010 quarter submitted by Arafura Pearls Holdings Limited.

Operations

Mr David Jackson was appointed the General Manager of Operations during the quarter.

Mr Jackson has worked in aquaculture for the past thirty years. He held senior operational roles for some of the leading Australian pearl producers in the late 70's and 80's before co-founding the Australian pearl producer Maxima Pearling Company in 1987. After selling out of Maxima in the late 90's, Mr Jackson was involved in pearl farming in south-east Asia for a number of years. More recently, Mr Jackson has been the General Manager of an Australian group with trawling and pearling interests.

Mr Jackson has also been active on the pearling policy front having been a member of Pearling Industry Advisory Committee for approximately 10 years and a member and subsequently a term as Chairman of the Pearl Producers Association.

Mr Jackson will be responsible for managing the operations and continuing the operational development of the pearling business.

Marketing

The wholesale pearl market is seasonal and little activity tends to occur post Christmas in the March quarter. Arafura's representatives attended the Hong Kong Jewellery fair at the end of the quarter and expect material pearl sales activity to occur post this trip.

Ms Fiona Cranley was appointed Arafura's head of sales and distribution during the quarter. She has held similar roles at other leading Australian pearl wholesalers.

Rights Issue

The Company completed a Rights Issue offering during the quarter, and raised approximately \$5.08 million of a possible \$5.16 million under the offer. The proceeds of the Rights Issue were principally used to retire the Company's loan facility with the CBA, with the remaining proceeds directed towards debt reduction and the working capital requirements of the Company.

+ 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")

31 MARCH 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,297	11,865
1.2 Payments for		
(a) staff costs	(1,390)	(4,708)
(b) NT farm operations	(545)	(1,063)
(c) Corporate Admin	(412)	(1,112)
(d) MIS expenses	(539)	(2,263)
(e) other working capital	(818)	(1,026)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	8
1.5 Interest and other costs of finance paid	(298)	(1,156)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net operating cash flows	(1,697)	545

+ See chapter 19 for defined terms.

	Curent quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,697)	545
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(90)	(389)
(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)		
Net investing cash flows	(90)	(389)
1.14 Total operating and investing cash flows	(1,787)	156
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	4,459	5,852
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	183	251
1.18 Repayment of borrowings	(5,780)	(7,246)
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	(1,137)	(1,142)
Net increase (decrease) in cash held	(2,924)	(986)
1.21 Cash at beginning of quarter/year to date	3,349	1,411
1.22 Exchange rate adjustments to item 1.1	(4)	(3)
1.23 Cash at end of quarter	428	428

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	116
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)	136
	Non Executive Directors fees included in 1.2 (a)	21
	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

- 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

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	2,198	1,817
3.2	Credit standby arrangements	1,500	-

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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	337	3,258
4.2 Deposits at call	91	91
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	428	3,349

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: 23 April 2010
(Director)

Print name: Andrew Hewitt

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Appendix 4C
Quarterly report for entities
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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 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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