

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AusNiCo Limited

ABN

84 122 957 322

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	
1.2 Payments for (a) exploration & evaluation	(413)	(413)
(b) development	-	-
(c) production	-	-
(d) administration	(6)	(6)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	4	4
Net Operating Cash Flows	(406)	(406)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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 (security deposits)	(40)	(40)
Net investing cash flows	(40)	(40)
1.13 Total operating and investing cash flows (carried forward)	(446)	(446)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(446)	(446)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	800	800
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (related parties)	-	-
1.17	Repayment of borrowings (leases and related parties)	(1)	(1)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(40)	(40)
	Net financing cash flows	759	759
	Net increase (decrease) in cash held	313	313
1.20	Cash at beginning of quarter/year to date	978	978
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,291	1,291

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	15
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

In addition to the \$800K raised from the issue of shares in item 1.14 in the current quarter, an additional \$600K will be received in the following quarter under the Company's fully underwritten share purchase plan.

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

Management fees of \$46K owing to D'Aguilar Gold Ltd and directors fees of \$68K owing to the Directors of the Company for the quarter ended 30 September 2011 are proposed to be paid via the issue of shares, which is subject to shareholder approval at the Extraordinary General Meeting scheduled on 2 November 2011.

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

Nil

+ 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	404
4.2 Development	-
4.3 Production	-
4.4 Administration	184
Total	588

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		978
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		978

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	Nil	Nil	Nil	Nil
6.2 Interests in mining tenements acquired or increased	7830	Exploration License "EL"	0%	100%
	7831	EL	0%	100%
	7832	EL	0%	100%
	7833	EL	0%	100%
	7834	EL	0%	100%
	7835	EL	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
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>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 +Ordinary securities	126,160,000	54,160,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	16,000,000	16,000,000	5 cents	5 cents
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7 Options <i>(description and conversion factor)</i>	22,000,000	-	<i>Exercise price</i> 30 cents	<i>Expiry date</i> 19/11/2013
	23,100,000	-	20 cents	31/07/2012
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

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

Sign here: 

Date: 26 October 2011

Print name: Karl Schlobohm (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.
- 6 **Second Quarter Expenditure** In order to preserve cash and have sufficient cash to fund its exploration activities, the Company has reduced the salaries and fees paid to executives and Directors and is in the process of obtaining shareholder approval to have 50% of these salaries and fees paid in shares.

== == == == ==

+ See chapter 19 for defined terms.