

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**STONEHENGE METALS LTD**

ACN

119 267 391

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (6 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(307)	(597)
(b) development	-	-
(c) production	-	-
(d) administration	(332)	(571)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	47
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST)	(6)	(24)
<b>Net operating cash flows</b>	<b>(629)</b>	<b>(1,145)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of		
(a) prospects	-	(400)
(b) equity investments	-	-
(c) other fixed assets	-	(5)
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 (employee loans)	(14)	(14)
<b>Net investing cash flows</b>	<b>(14)</b>	<b>(419)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(643)</b>	<b>(1,564)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(643)	(1,564)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	21
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Oversubscription of capital raising	-	-
1.19	Other (costs of issue)	-	-
	<b>Net Financing Cash Flows</b>	-	21
	<b>Net increase (decrease) in cash held</b>	(643)	(1,543)
1.20	Cash at beginning of quarter/year to date	2,197	3,114
1.21	Exchange rate adjustments to Item 1.20	(4)	(21)
1.22	<b>Cash at end of quarter</b>	1,550	1,550

**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	219
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payments of Directors fees and salaries of \$148,538  
Payments made to Hemisphere Corporate Services Pty Ltd for the provision of administrative and tenancy related services of \$71,077. Bevan Tarratt is both a director of Hemisphere Corporate Services Pty Ltd and Stonehenge Metals Ltd.

**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 projects in which the reporting entity has an interest

N/A

## 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 outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	330
4.5 Capital Acquisitions	-
<b>TOTAL</b>	<b>530</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	34	66
5.2 Deposits at call	967	1,582
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	549	549
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,550</b>	<b>2,197</b>

## Changes in interests in mining tenements

	Tenement Reference	Nature of Interest [note (4)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

## 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	Amount paid up
7.1 <b>Preferences securities</b> (description)				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 <b>Ordinary securities</b>	289,940,843	289,940,843		
7.4 Changes during quarter  (a) increases through issues (b) decreases through returns of capital, buybacks	14,000,000	14,000,000		
7.5 <b>Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 <b>Options</b>			Exercise Price	Expiry Date
	4,500,000	-	7.5 cents	12/10/2012
	39,889,336	39,889,336	10 cents	21/12/2012
	5,000,000	-	12 cents	19/4/2013
	6,003,763	-	8.4 cents	23/11/2013
	6,250,000	-	11.2 cents	23/11/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				
7.13 <b>Performance Shares</b>	47,500,000	47,500,000		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law 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: *lodged electronically* ..... Date: 31 January 2012.....  
(Company Secretary)

Print name: Matthew Foy.....

## 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 the topic, the Australian standard on that topic (if any) must be complied with.
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