

# 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")

31 March 2013

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for (a) exploration & evaluation                   | (23)                       | (83)                                  |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (331)                      | (532)                                 |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 3                          | 6                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | (1)                                   |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (R&D concession refund)                               | -                          | -                                     |
| <b>Net Operating Cash Flows</b>                                 | <b>(351)</b>               | <b>(610)</b>                          |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 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, net of refunds)                  | 8                          | 5                                     |
| <b>Net investing cash flows</b>                                 | <b>8</b>                   | <b>5</b>                              |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(343)</b>               | <b>(605)</b>                          |

+ See chapter 19 for defined terms.

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|      |  |              |            |
|------|--|--------------|------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (343)        | (605)      |
|      | <b>Cash flows related to financing activities</b>          |              |            |
| 1.14 | Proceeds from issues of shares, options, etc.              | -            | -          |
| 1.15 | Proceeds from sale of forfeited shares                     | -            | -          |
| 1.16 | Proceeds from borrowings (related parties)                 | -            | -          |
| 1.17 | Repayment of borrowings (leases and related parties)       | (2)          | (2)        |
| 1.18 | Dividends paid   | -            | -          |
| 1.19 | Other (provide details if material)                        | -            | 744        |
|      | <b>Net financing cash flows</b>                            | <b>(2)</b>   | <b>742</b> |
|      | <b>Net increase (decrease) in cash held</b>                | <b>(345)</b> | <b>137</b> |
| 1.20 | Cash at beginning of quarter/year to date                  | 761          | 279        |
| 1.21 | Exchange rate adjustments to item 1.20                     | -            | -          |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>416</b>   | <b>416</b> |

**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<br>\$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   | Nil                        |

1.25 Explanation necessary for an understanding of the transactions

On 1 November 2012, AusNiCo Limited (“AusNiCo”) announced a merger transaction with Taronga Mines Limited (“Taronga”) to acquire 100% of the issued capital through an off-market takeover offer. Under the takeover offer, each Taronga shareholder was offered 5 AusNiCo shares for each 1 Taronga share resulting in Taronga shareholders becoming the controlling shareholders of AusNiCo and therefore the deemed “Acquirer” for accounting purposes. Consequently, this transaction was accounted for as a continuation of the financial statements of Taronga Mines Limited, using the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB3.

Accordingly, the amounts included in item 1.19 represents the cash acquired on the deemed acquisition of AusNiCo by Taronga. Refer to the 31 December 2012 half year financial statements for more detailed disclosure associated with “acquisition accounting”.

**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

Board and management fees of \$6K owing to the Directors and management of the Company for the quarter ended 31 March have been accrued to be paid via the issue of shares, under an arrangement approved by shareholders at the 2012 Annual General Meeting.

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<br>\$A'000 | Amount used<br>\$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 | 361        |
| 4.2 Development                | -          |
| 4.3 Production                 | -          |
| 4.4 Administration             | 275        |
| <b>Total</b>                   | <b>636</b> |

### 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 416                        | 761                         |
| 5.2 Deposits at call                             | -                          | -                           |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter</b> (item 1.22) | <b>416</b>                 | <b>761</b>                  |

### Changes in interests in mining tenements

|     | Tenement<br>reference  | Nature of<br>interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|--|-------------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements<br>relinquished, reduced or lapsed | Nil                                 |  |                                  |
| 6.2 | Interests in mining tenements<br>acquired or increased           | Nil                                 |  |                                  |

+ See chapter 19 for defined terms.

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**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 <b>Preference +securities</b><br><i>(description)</i>  | Nil   | Nil   |  |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions | Nil   | Nil   |  |  |
| 7.3 <b>+Ordinary securities</b>  | <u>Ordinary Shares</u><br>436,825,528<br><u>Performance Shares</u><br>8,919,595 | <u>Ordinary Shares</u><br>400,958,588<br><u>Performance Shares</u><br>Nil | Refer "Appendix 2" of Appendix 3B lodged 16.01.2013 for terms of Performance Shares. |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              | <u>Ordinary Shares</u><br>291,831,386<br><u>Performance Shares</u><br>8,919,595 | <u>Ordinary Shares</u><br>255,964,446<br><u>Performance Shares</u><br>Nil |  |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  | Nil   | Nil   |  |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              | Nil   | Nil   |  |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   | 22,000,000<br>65,500,000  | Nil<br>Nil  | <i>Exercise price</i><br>30 cents<br>4 cents   | <i>Expiry date</i><br>19/11/2013<br>30/06/2015   |
| 7.8 Issued during quarter  | 65,500,000  | Nil   | 4 cents  | 30/06/2015                                       |
| 7.9 Exercised during quarter   | Nil   |   |  |  |
| 7.10 Expired during quarter  | Nil   |   |  |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   | Nil   |   |  |  |
| 7.12 <b>Unsecured notes</b><br><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: 30 April 2013

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 **Forward Expenditure** In order to finance the forward expenditure, the Company has previously disclosed a potential requirement to raise capital (Replacement Bidders Statement dated 23 November 2012) and the Company intends to undertake a capital raising in the June 2013 quarter with funds to be utilised primarily to progress the Pre-Feasibility Study at Taronga Tin Project.

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