



# QUARTERLY ACTIVITIES REPORT

For Period Ended 30 September 2013

**ASX: AUZ**

**11 October 2013**

Australian Mines Limited ("Australian Mines" or "the Company") is pleased to provide shareholders its Quarterly Activities Report for the period ended 30 September 2013.

## **SUMMARY**

- Following a strategic review, the Company realigned its corporate objective to acquire more advanced mineral projects outside of Nigeria
- The Company has identified several large projects which have undergone various levels of due diligence
- Australian Mines received the final payment of \$2.5 million from Alacer Corporation for the sale of Mt Martin gold assets
- Net cash position at the end of quarter was \$2.54 million
- The Company remains debt free

Australian Mines has made positive progress exploring its Nigerian tenements over the past two years. However, the recent decline in market sentiment for grass roots gold exploration coupled with the increased potential to acquire advanced mineral projects, resulted in Australian Mines finalising a strategy review of its assets this quarter.

Details of this review were announced by the Company on 1 August 2013 and resulted in Australian Mines suspending its early-stage West African gold exploration activities in favour of acquiring a more advanced project in another mining friendly jurisdiction, with the potential to develop into a profitable mining operation in the medium-term.



In line with this change of strategy, Australian Mines has now commenced winding down its activities in Nigeria including closing its field operations office in Abuja and reducing the number of tenements held by the Company. It is anticipated that within three months, Australian Mines will only hold the key exploration licences of Yargarma, Kasele, Tsauni and Kwali, which the Company will continue to maintain in good standing in anticipation of a positive turnaround in market sentiment for greenfield gold exploration projects in the medium-term.

The decisive actions undertaken by the Company during this quarter will significantly decrease Australian Mines' Nigerian administration and overheads costs. Cost reduction strategies implemented within the Company's Perth office will further reduce Australian Mines' total overheads for the coming year.

As value creation for shareholders remains the core driver for Australian Mines, the Company's primary focus throughout this quarter has been assessment of potential projects for acquisition. This process is on-going and the Company looks forward to updating shareholders as these opportunities are progressed.

The Company is in a sound financial position with approximately \$2.54 million net cash and no debt. The prudent use of these funds will ensure the assessment of potential acquisitions can be maintained without further need for equity raisings.

**\*\*\*ENDS\*\*\***

**For further information, shareholders and media please contact:**

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## Competent Person's Statement

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Benjamin Bell who is a member of the Australian Institute of Geoscientists. Mr Bell is a full-time employee and Managing Director of Australian Mines Limited. Mr Bell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Bell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

AUSTRALIAN MINES LIMITED – AUZ

ABN

68 073 914 191

Quarter ended ("current quarter")

30 September 2013

### Consolidated statement of cash flows

	Current Quarter \$A	Year to Date (3 Months) \$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration & evaluation	(219,775)	(219,775)
(b) development	-	-
(c) production	-	-
(d) administration	(250,094)	(250,094)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28,193	28,193
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(441,676)</b>	<b>(441,676)</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	2,500,000	2,500,000
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net Investing Cash Flows</b>	<b>2,500,000</b>	<b>2,500,000</b>
1.13 Total operating and investing cash flows (carried forward)	2,058,324	2,058,324

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

1.13	Total operating and investing cash flows (brought forward)	2,058,324	2,058,324
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
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 (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	2,058,324	2,058,324
1.20	Cash at beginning of quarter/year to date	487,510	487,510
1.21	Exchange rate adjustments to item 1.20	(6,538)	(6,538)
1.22	<b>Cash at end of quarter</b>	<b>2,539,296</b>	<b>2,539,296</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 \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	152,116
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive and Non-Executive Directors Fees and Superannuation.

**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

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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

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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount Available \$A	Amount Used \$A
3.1 Loan facilities –	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	66,047
4.2 Development	-
4.3 Production	-
4.4 Administration	282,789
<b>Total</b>	<b>348,836</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 \$A	Previous Quarter \$A
5.1 Cash on hand and at bank	77,496	145,131
5.2 Deposits at call	2,450,000	123,580
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Security bonds, restricted	11,800	218,800
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,539,296</b>	<b>487,511</b>

### 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			
	<u>Nigeria</u>			
	EL8587	Registered Holder	100%	0%
	EL9629	Registered Holder	100%	0%
	EL8726	Registered Holder	100%	0%
	EL8737	Registered Holder	100%	0%
	EL9382	Registered Holder	100%	0%
	EL9383	Registered Holder	100%	0%
	EL9598	Registered Holder	100%	0%
	EL9627	Registered Holder	100%	0%
	EL9628	Registered Holder	100%	0%
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 per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference *securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>*Ordinary securities</b>	666,911,575	666,911,575		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<u>Exercise price</u>	<u>Expiry date</u>
	11,333,330	Nil	\$0.027	30 Nov 2014
	11,333,335	Nil	\$0.035	30 Nov 2014
	11,333,335	Nil	\$0.045	30 Nov 2014
	4,533,334	Nil	\$0.020	30 Nov 2014
	4,533,333	Nil	\$0.025	30 Nov 2014
	4,533,333	Nil	\$0.030	30 Nov 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				



## 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:  
(Managing Director)

Date: 11 October 2013

Print name: Benjamin Bell

### 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 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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