ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 31 JULY 2013

JUNE 2013 QUARTERLY REPORT

The Board of Sierra Mining Limited ("the Company" or "Sierra") is pleased to present the quarterly report for the quarter ending 30 June, 2013.

HIGHLIGHTS

Mabilo Project

- Modeling of the recently completed ground magnetic survey provides an improved understanding of the extent of magnetite skarn mineralisation and outlines a new deep extension yet to be drill tested.
- Re-logging of core and petrology study of alteration of andesite/diorite intrusive rocks adjacent to the magnetite skarns confirms potential for porphyry Cu style mineralisation.
- The key Exploration Permit was granted and drilling was mobilized subsequent to the end of the quarter.
- The Company reached agreement with Galeo Equipment and Mining Co, Inc to earn a 36% interest in the Mabilo and Nalesbitan projects by providing drilling and management services totaling US$4.25m over the next 2 years. Shareholders approved the Agreement after the end of the quarter.

Bunawan Project

- Soil sampling over the Mahunoc diatreme and adjacent margins indicates a large low level Au anomaly containing a number of discrete multi-point high level anomalies. The largest anomaly is co-incident with a district scale fault on the diatreme margin at depth, as indicated in ground magnetic data.
- The Compliance Certificate from the NCIP was received for EXPA-000037-XIII and the final application for granting was lodged with the MGB.

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MABILO PROJECT

The Mabilo Project is located in the Paracale Mineral District of Camarines Norte Province, Eastern Luzon, Philippines. Access is by 20 km of all-weather road from the highway at the nearby town of Labo. The Project comprises one Exploration Permit 014-2013-V of approximately 498ha and an exploration permit application EXPA-000188-V totaling 2985ha. The project area is covered by a thin blanket of Quaternary age lahar deposits of the Labo Formation overlying the Paleocene Universal Formation which hosts magnetite skarn deposits in the Paracale District. Magnetite skarn mineralisation in a window of outcropping Universal Formation was discovered within the project area at the Venida Pit and worked between 1963-65.

Previous Exploration

In late 2012, Sierra completed 12 exploration drill holes aimed at magnetic targets defined by a previous holder of the tenement. The contoured magnetic data (blue indicates high magnetic background), modeled targets and drill holes completed by Sierra in 2012 are shown in Figure 1 below.

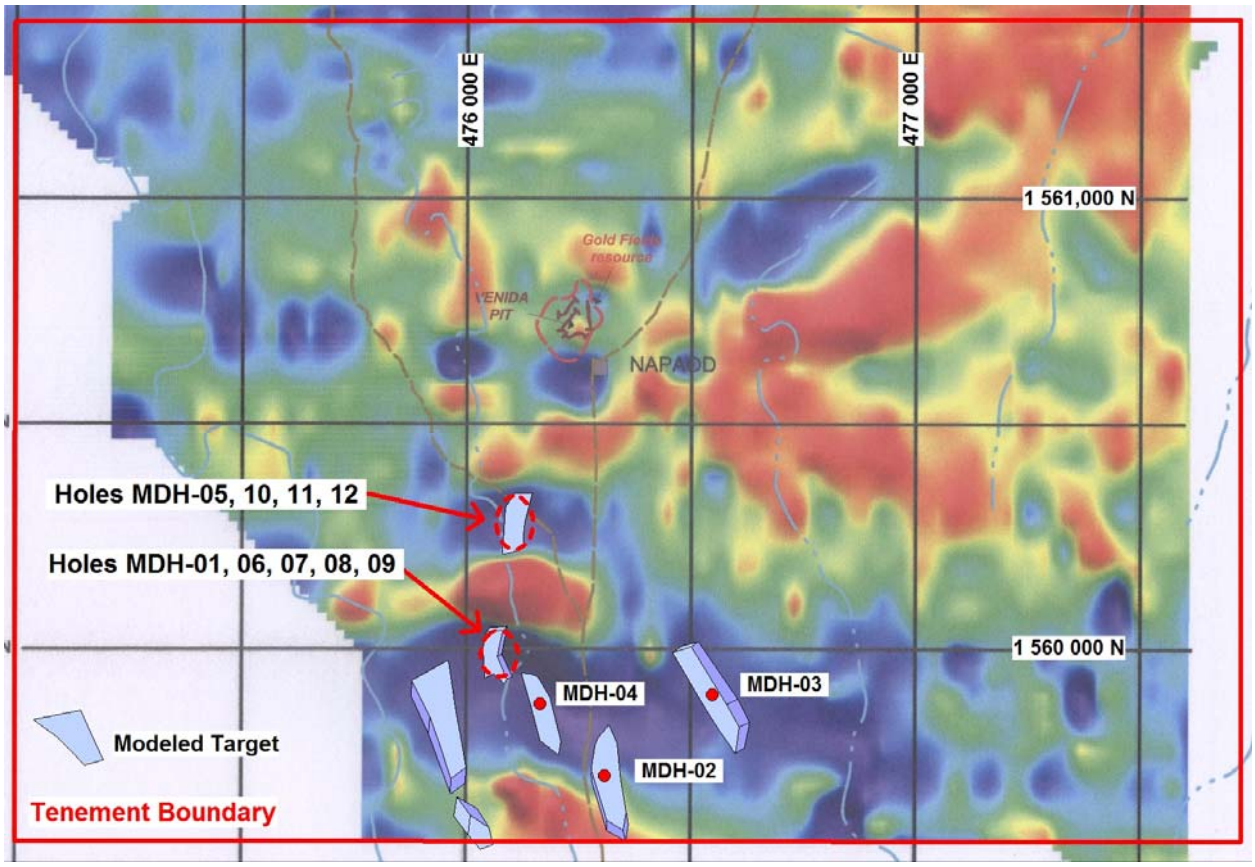

***Figure 1**. Contoured TMI ground magnetics, modelled targets and location of Sierra's drilling.*

Drilling at 3 of the 5 target bodies tested intersected significant magnetite skarn mineralisation with two of the intersections of magnetite skarn mineralisation containing high grade Cu, Au and Ag values. The third zone of magnetite skarn was only intersected in one hole (MDH-04) and encountered lower Cu and Au grades, in addition to more abundant pyrite. The two eastern most targets were not drilled due to land access issues.

Additional drilling on the two high grade magnetite skarn zones indicated consistent high grade Cu and Au grades and ore thickness. The magnetite skarns have been effected by weathering and are variably altered to hematite. The upper section of the southernmost body in particular was weathered prior to deposition of the overlying cover rocks leading to complete hematite replacement of the original magnetite and significant remobilization of Cu and Au within the weathered skarn. Gold has been variably remobilized throughout the weathered skarn whereas copper has been concentrated into a high grade supergene zone containing native copper at the base of the weathering profile.

All three of the magnetite skarn bodies are in places surrounded by zones of significantly elevated Cu and Au values both in the surrounding and underlying calcic skarn altered sediments and in andesite/diorite dykes within the sequence, indicating a large hydrothermal system. In places the dykes have potassic alteration typical of the inner propylitic zone surrounding porphyry copper mineralisation and contain veins and disseminations of chalcopyrite, bornite and covellite. There is potential for lower grade large tonnage mineralisation both within the calcic skarn surrounding the magnetite skarn and within a causitive Cu-Au porphyry intrusive.

The drilling indicated that the three magnetite bodies were thinner and occurred at shallower depths than indicated in the modeling of the previous ground magnetic data. The best intersections from Sierra's drilling are shown in the table below.

Hole	Interval	Metres	Au g/t	Cu %	Ag g/t	Fe %
MDH-01	26 - 86	60	2.28	3.28	11.8	49.05
MDH-05	51 - 113	62	2.66	2.76	10.3	48.82
MDH-07	39 - 136	97	2.25	2.22	7.1	50.26
MDH-09	34 - 121	87	2.94	1.74	7.9	43.44
MDH-10	59 - 123.4	64.4	2.25	2.28	10.2	45.25
MDH-11	60 - 168	106	0.74	0.72	4.8	21.26
MDH-12	62 - 119	57	2.30	2.37	8.9	45.02

Table 1 - *Best intersections from Mabilo 2012 drilling program. Holes 01 and 05 were vertical holes and the others angled (see previous announcements for details).*

New Ground Magnetic Survey

Subsequent to the 2012 drilling program, Sierra engaged Southern Geoscience Consultants (SGC) to review the previous magnetic survey. SGC identified deficiencies in the previous data acquisition procedures and recommended a new ground magnetic survey be undertaken.

The new ground magnetic survey was conducted on 50m spaced lines in-filled to 25m spacing over the priority areas, with readings taken at 5m spacing on all lines. The survey was conducted by Sierra staff, with an SGC consultant reviewing the data quality on a daily basis. The data from the priority areas has now been processed and modeled by SGC. Figure 2 shows the total magnetic intensity (TMI) image for the ground magnetic survey area.

The survey data is considered to be superior in quality to that of the old survey data and the modeling of the new data is significantly better as geology logs and magnetic susceptibility readings from the recent drilling by Sierra have been used to constrain potential models for the magnetite bodies. It should be noted that the modeled magnetite bodies discussed below do not include hematite zones, because hematite is not magnetic. Therefore, in places the mineralisation is more extensive than indicated by the modeled magnetic bodies.

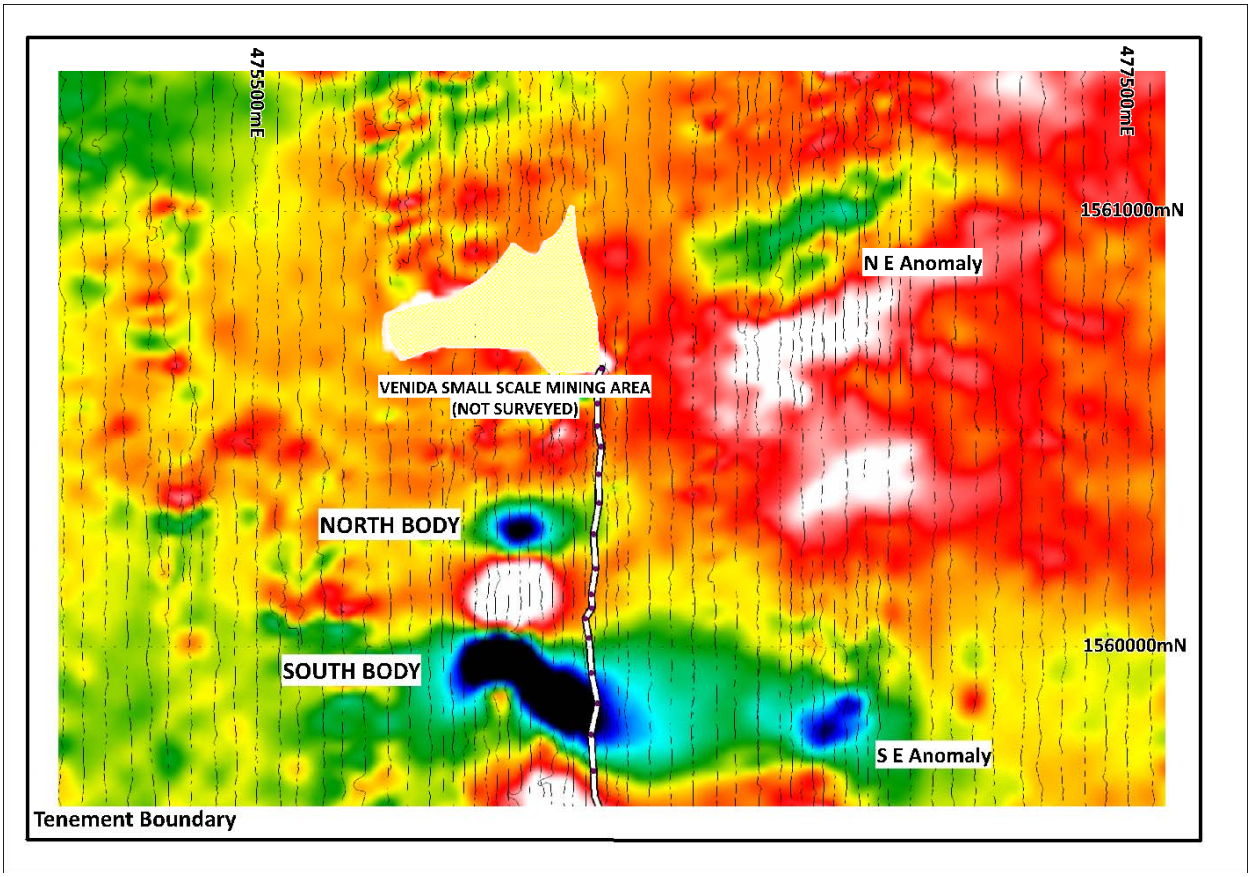

Figure 2. *TMI image from 2013 ground magnetic survey.*

SGC have modeled the new survey data using both 3D inversion modeling of the gridded data and 2D forward modeling based on individual survey lines adjacent to drill holes which intersected magnetite skarn mineralisation.

SGC have identified four targets for Sierra's upcoming drilling program as shown in Figure 2. Two of these (the South East and North East Anomalies) are as yet untested by drilling. The North Body was previously tested by holes MDH-05, 10, 11 and 12 while the South Body was previously tested by holes MDH-01, 04, 07 and 09. The modeling has significantly extended the South Body to include the mineralisation in MDH-04 (previously interpreted to be a separate body) and a deep extension of the mineralisation to the SE as discussed further below.

North Body

The modeled magnetite mineralisation shown as the red stippled square in Figure 3 below correlates with modeled Target A from the previous ground magnetic survey. Sierra's drill holes MDH-05, 10, 11 and 12 were drilled to test the target with holes 05, 10 and 12 all intersecting Fe-Cu-Au mineralisation from approximately 50 to 110 m below surface. The new modeling shows that hole MDH-11, which intersected an extensive zone of low grade Au-Cu in predominantly hematite mineralisation, was collared above but oriented to the north, away from the magnetite target zone.

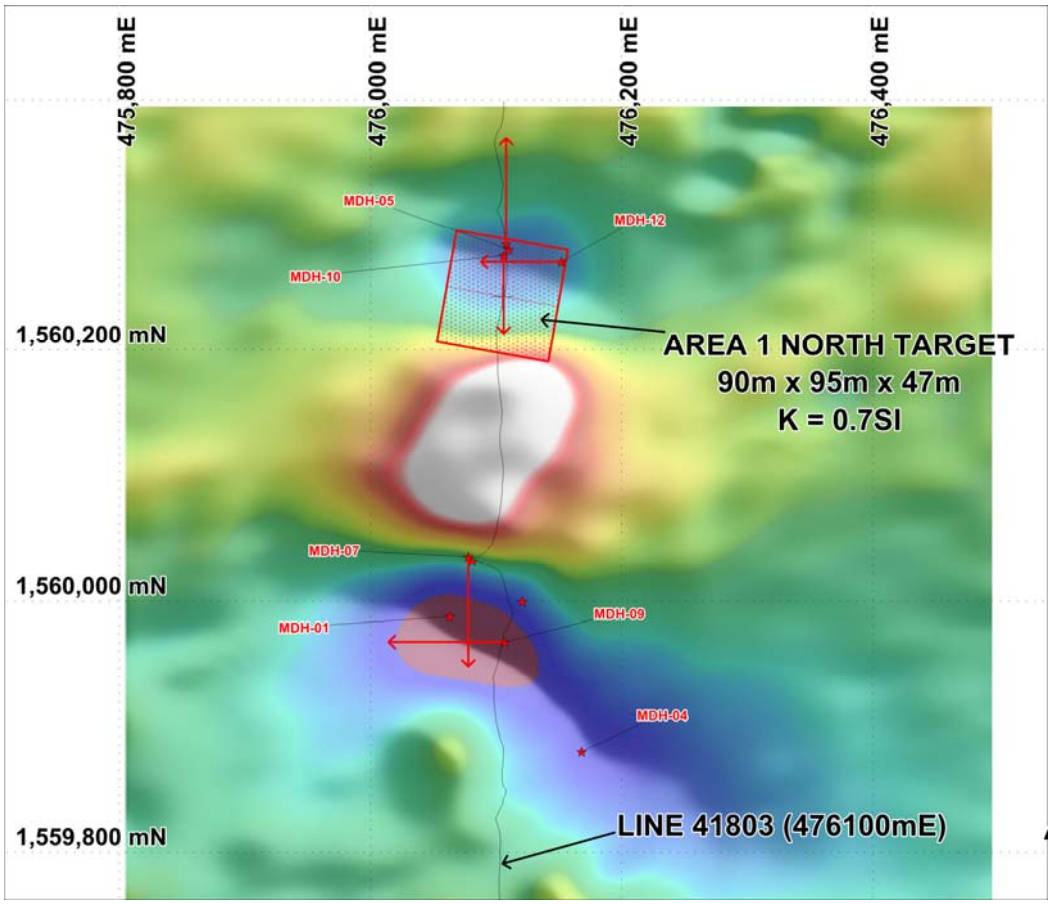

Figure 3. *North Body (based on 2D modeling) and location of Sierra's previous drill holes.*

The modeled thickness of the mineralisation is 47m, which is based on a magnetic susceptibility cut-off of 0.7 SI units in holes 5, 10 and 12 and the ground magnetic data. However, in reality the mineralisation is thicker as the upper part of the body is more hematite rich and therefore below the magnetic susceptibility cut-off and outside the modeled magnetic body. Hematite altered skarn overlying the magnetite in MDH-05 (the only vertical hole) graded 4.56 g/t Au, 5.02% Cu and 22.74% Fe over 9 metres from 51 metres depth.

South Body

Modeling of the South Body suggests that the zone intersected in Holes MDH-01, 07 and 09 is continuous with the mineralisation intersected in MDH-04, although they are represented as two intersecting but different orientated modeled bodies in Figure 4 below. The northernmost of the two bodies is flat-lying and modeled as 50 metres thick at a magnetic susceptibility cut-off of 0.7 SI units. This zone is significantly weathered to hematite in the upper parts with a high grade copper zone (with native copper) at the base of the weathering and therefore, the mineralisation is thicker than indicated by the modeled magnetic body. The lithological variation in the mineralisation in MDH-01 (the only vertical hole) is shown in the table below.

From	To	metres	Lithology	Au g/t	Cu %	Fe %
26	40	14	Hematite, clays	2.25	0.27	36.13
40	52	12	Hematite/magnetite	2.66	9.32	46.61
52	86	34	Magnetite skarn	2.16	2.39	55.23

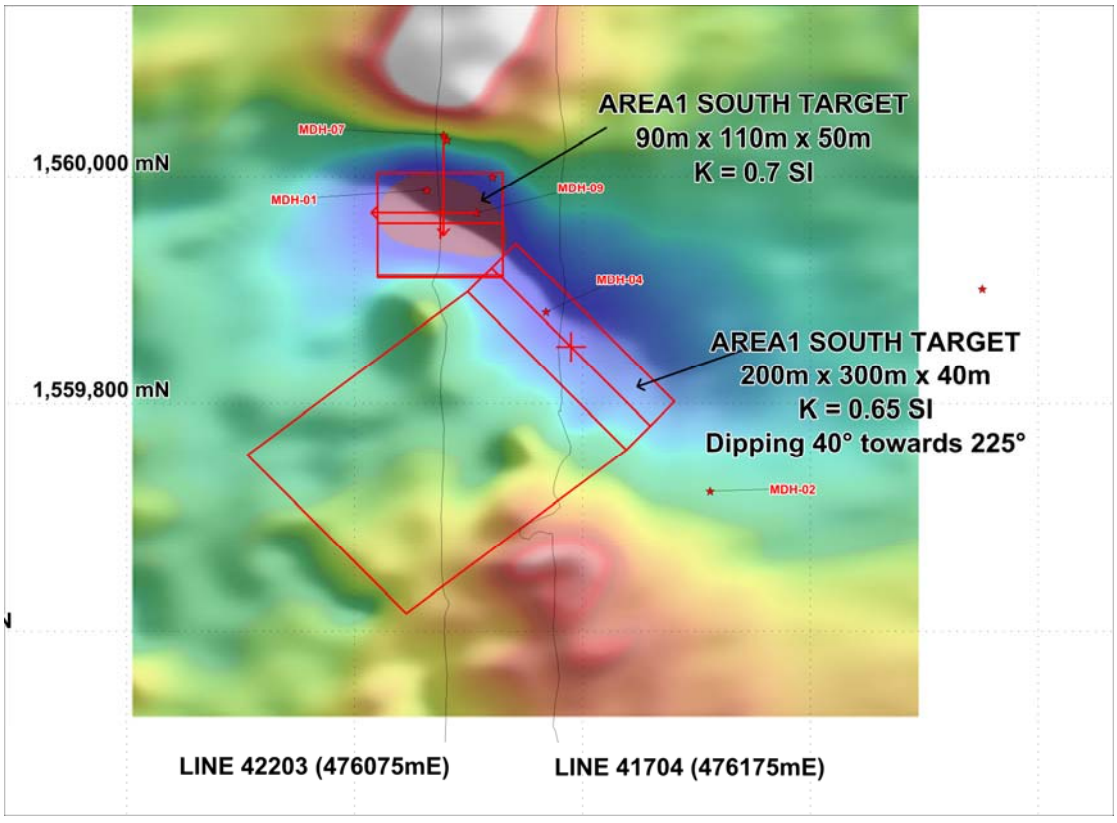

Figure 4. *South Body (based on 2D modeling) and location of Sierra's previous drill holes.*

The larger southern part of the zone was only intersected in Hole MDH-04, which is now interpreted to have intersected the upper NE edge of a large SW dipping body. The magnetite skarn interval in MDH-04 was shorter (22 metres) and had lower Cu and Au grades (22m at 0.44 g/t Au, 0.20 % Cu and 45.67 % Fe from 65 metres) than other holes which intersected magnetite skarn. There is no obvious hematite zone but the magnetic susceptibility readings for the magnetite interval are low (average of 0.19 SI units) suggesting pervasive alteration of magnetite to other non-magnetic Fe oxide minerals along fractures and grain boundaries. The presence and down dip extent of this modeled body is largely based on the 3D modeling of the ground magnetic data taking into account the better constrained mineralisation immediately to the north as well as the northern body further to the north. The orientation and dimension of the body is based on 2D modeling taking into account the hole 4 intersection.

SGC noted that “The forward 2D magnetic models, constrained by previous drilling results, produced good model fits for the shallow targets (ie the Northern Target and the northern extent of the Southern Target). There is a strong degree of confidence in these modeling results. The deeper SE limb of the Southern Target is less well constrained and confidence in the modeling is lower.”

South East Anomaly

This target is located approximately 700 m to the east of the South Body and has not been drilled tested. Therefore, the SGC model is not constrained by drill hole magnetic susceptibility data. The modeled body is similar in size to the North Body and northern part of the South Body. The top of the target is modeled as approximately 85m below surface however, a possible weathered hematite zone above the modeled magnetic zone would increase the thickness of the mineralisation as well as decrease the depth to mineralisation.

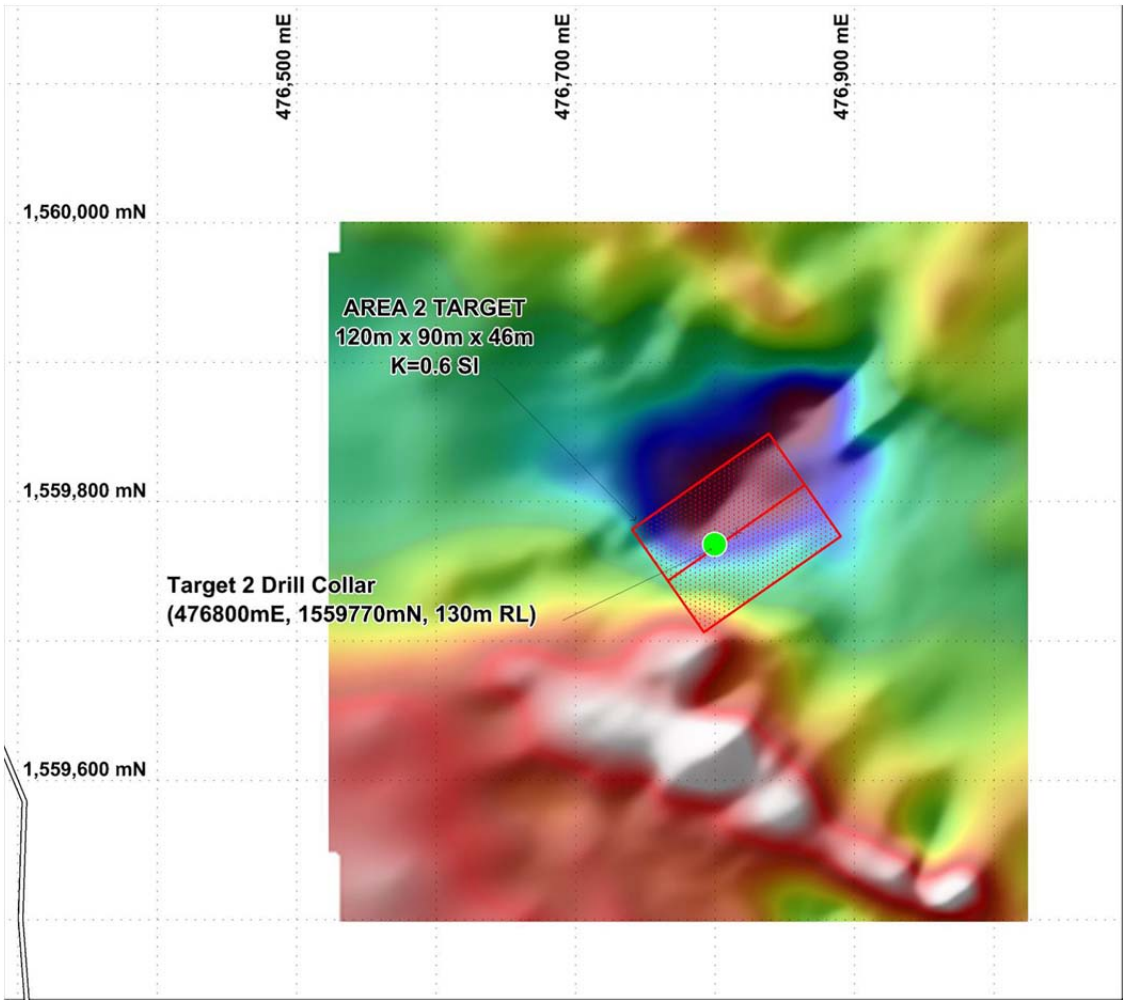

***Figure 5**. Modeled South-East Anomaly and proposed drill hole.*

North East Anomaly

The North East Anomaly is a less intense but more extensive magnetic anomaly over a strike length of 250 to 300m. The anomaly trends ENE to WSW and is located approximately 650m along strike from the Venida artisanal workings. The anomaly is lower in amplitude than the anomalies over the North and South bodies and the SE Anomaly. Modeling suggests the anomaly is caused by at least two bodies or magnetic trends interpreted to dip steeply to the NNW (Figure 6). The tops of the modeled bodies are interpreted to be relatively shallow (48 and 52 m below surface) thus magnetite may be extensively weathered to hematite and the two modeled magnetic bodies may represent the less weathered core zones of a more extensive hematite body.

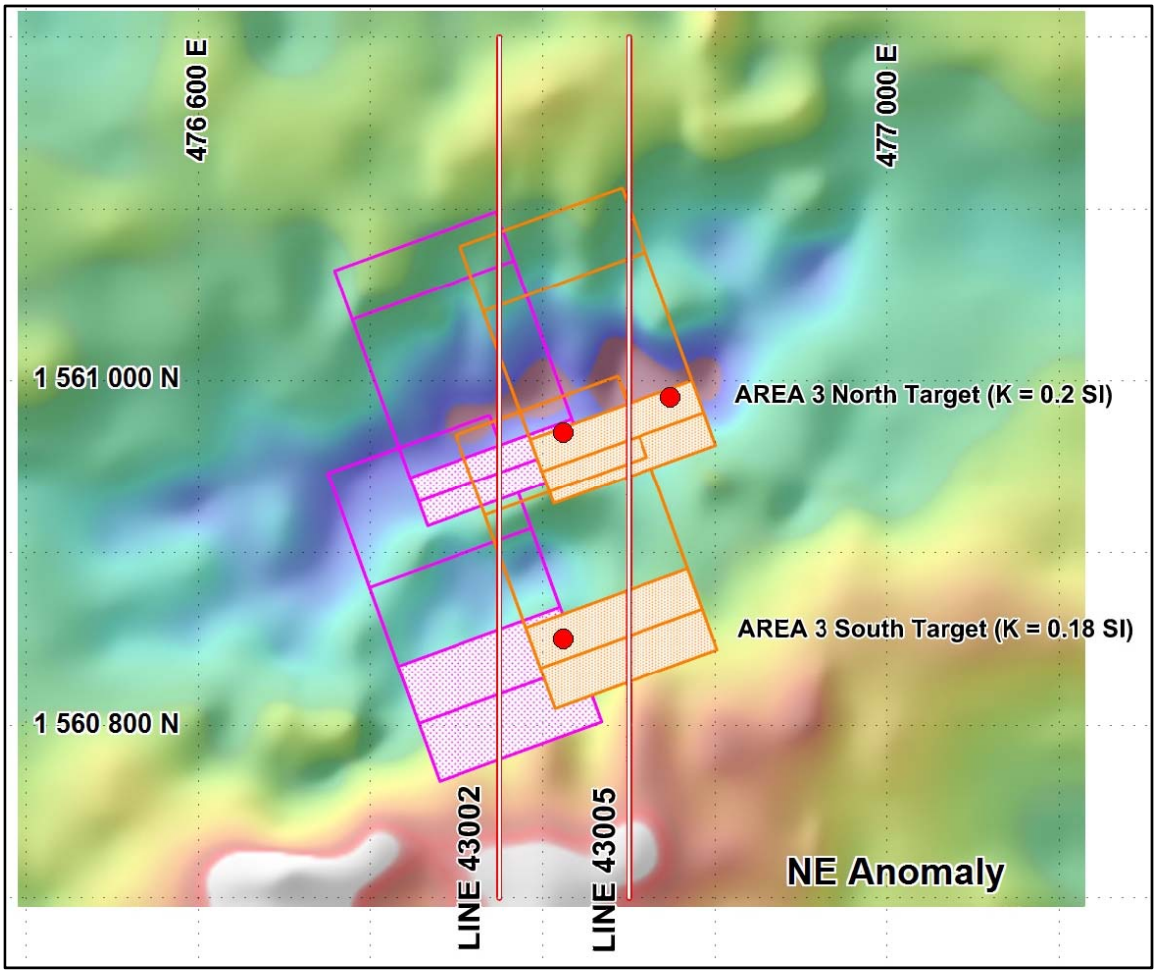

***Figure 6**. Modeled magnetic targets for the North-East Anomaly and three proposed drill hole locations. Note that two sets of modeled targets (shown in purple and orange) based on two ground magnetic survey lines are shown for the two NNE dipping bodies.*

SGC note that the TMI data has been modeled using 2D forward and 3D inversion modeling routines neither of which method has produced robust results, due to the low amplitude and high noise levels in the TMI signal. The 3D inversion algorithm produced a weakly magnetic, amorphous body that strikes to the northeast and plunges steeply to the north while 2D forward modeling of selected profiles indicates two moderately north-dipping, moderately magnetic

bodies that extend from 50 to 150m below surface. There is a higher degree of confidence in the northern modeled magnetic body, therefore two of the three proposed drill holes aimed at intersecting the top of the magnetic bodies have been targeted on the northern body.

Joint Venture with Galeo Equipment and Mining Co, Inc.

The Company reached agreement with a leading Filipino mining contractor and supplier, Galeo Equipment and Mining Company, Inc ("Galeo") to partner Sierra in exploring and developing the Mabilo and Nalesbitan Projects.

Galeo can earn up to a 36% interest in the Projects, down to 200m below surface, by contributing approximately US$4.25m of exploration drilling and management services for the Projects over the next 2 years.

The "drilling for equity" component of the Agreement represents approximately 9,000m of diamond core drilling. Galeo will also provide management services for the security, community relations and administration functions for the Joint Venture in the 2 year period.

Galeo is associated with Sierra director Francisco Enrico M. Gutierrez, so the transaction was put to and approved by shareholders at a meeting held on 19 July 2013.

Permit Granted and Drill Program Commenced

The key Mabilo Exploration Permit #014-2013-V was issued by the Mines and Geosciences Bureau subsequent to the end of the quarter, on 11 July 2013. A new drilling campaign was immediately mobilized and drilling has commenced.

The drilling program is intended to:

1. Allow estimation of mineral resources on the North Body and the northern block of the South Body, intersected initially in holes 1 and 5 previously.
2. Test the modeled extension previously encountered in hole 4 and if results warrant, generate sufficient information to estimate a mineral resource.
3. Test the previously undrilled South East and North East Anomalies.
4. Test any other substantial targets generated by the ground magnetic survey.

The drill program is expected to initially comprise 16-20 vertical diamond core holes from 100-150m deep. If the initial results validate the SGC model for the large SW dipping block, up to 15 further holes (to 300m max) may be required to test the deeper extensions and generate data for a mineral resource estimation.

The drilling will be undertaken by Galeo, pursuant to the Joint Venture agreement described above.

BUNAWAN PROJECT

Sierra's Bunawan Project comprises two permit applications totaling 88km^2 in eastern Mindanao, surrounding the high grade Co-O gold mine owned by Medusa Mining Ltd. Sierra's applications which comprise a number of discrete blocks represent a significant land holding in the area around the Co-O mine and cover a similar geological sequence including much of a distinct diatreme breccia similar to the one recently recognized by Medusa Mining adjacent to their Co-O mine. Numerous artisanal gold workings are located within and adjacent to the Mahunoc diatreme.

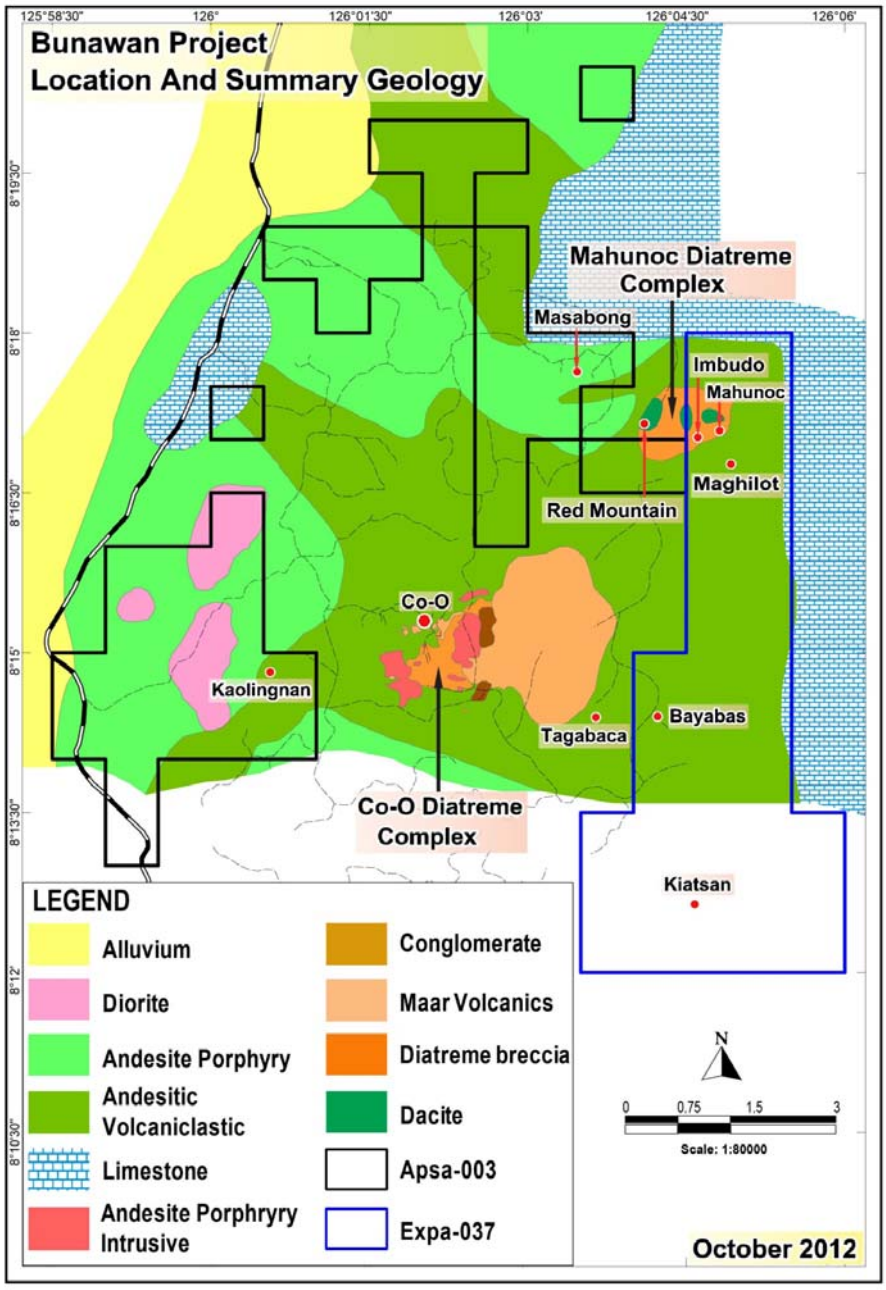

Figure 7. *Bunawan simplified geology and Sierra's permit applications.*

Due to delays in permitting Sierra has historically conducted only limited reconnaissance work in the Bunawan area, despite the area's obvious prospectivity. Following recent advances in the permitting process, Sierra commenced an integrated exploration program initially concentrated on the Mahunoc diatreme complex including a ground magnetic survey and grid based soil sampling. A TMI image from the ground magnetic survey conducted by McPhar Geophysics (reported previously) is shown in Figure 8 below.

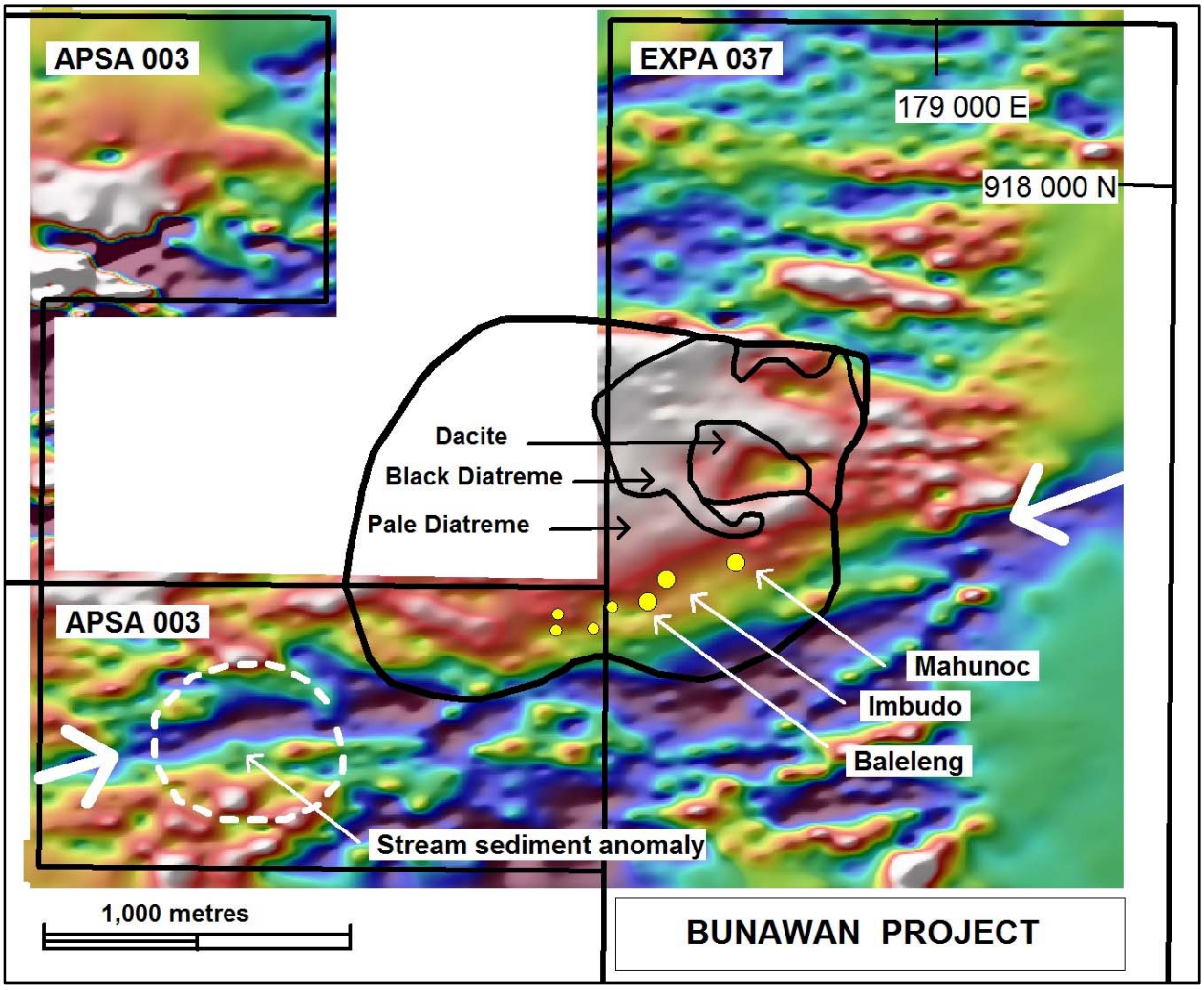

Figure 8. *Total Magnetic Intensity (TMI) image of the Mahunoc area with mapped outline of the diatreme dome complex (black lines) superimposed. Note that strongly magnetic zones are marked by blue "lows" and weak magnetic intensity zones by red to white "highs". The two diatreme phases and a dacitic endogenous dome intruding the diatreme all have very low magnetism but the mapped southern margin of the diatreme is more magnetic indicating it is thin and underlain by more magnetic country rocks. The southern margin is also marked by a distinct ENE linear fault zone conformable with an area of artisanal mining operations (yellow dots) and a zone of anomalous stream sediment samples further to the SW. The Mahunoc artisanal mine is developed on a hydrothermal breccia zone and is one of the most substantial operations in the district. The Imbudo and Baleleng artisanal workings are both characterized by wide (up to 20 m) ENE trending zones of thin quartz veins conformable with the magnetic linear and the interpreted diatreme margin at depth.*

Work Conducted During the Quarter

Work completed during the quarter comprised a 325 sample soil survey over the Mahunoc diatreme and its margins. An initial 35 sample orientation soil line (reported previously) across the Mahunoc diatreme had highlighted the Baleleng-Imbudo artisanal mining trend as well as an area of anomalous (Au-As) associated with the dacite intrusion within the diatreme complex.

The soil sampling was conducted on 100 x 100 metre squares over the diatreme and margins as shown in Figure 9. Samples were collected from the soil C horizon on average at approximately 40 to 50 cm depth below surface and submitted to the Intertek Laboratory in Manila where the minus 40 mesh (425 um) fraction was sieved for analysis. A quartz wash was conducted before each sample during sample preparation and a new pot was used for each fire assay in order to minimize any potential contamination. Gold analysis was by fire assay / AAS finish to a detection limit of 5 ppb.

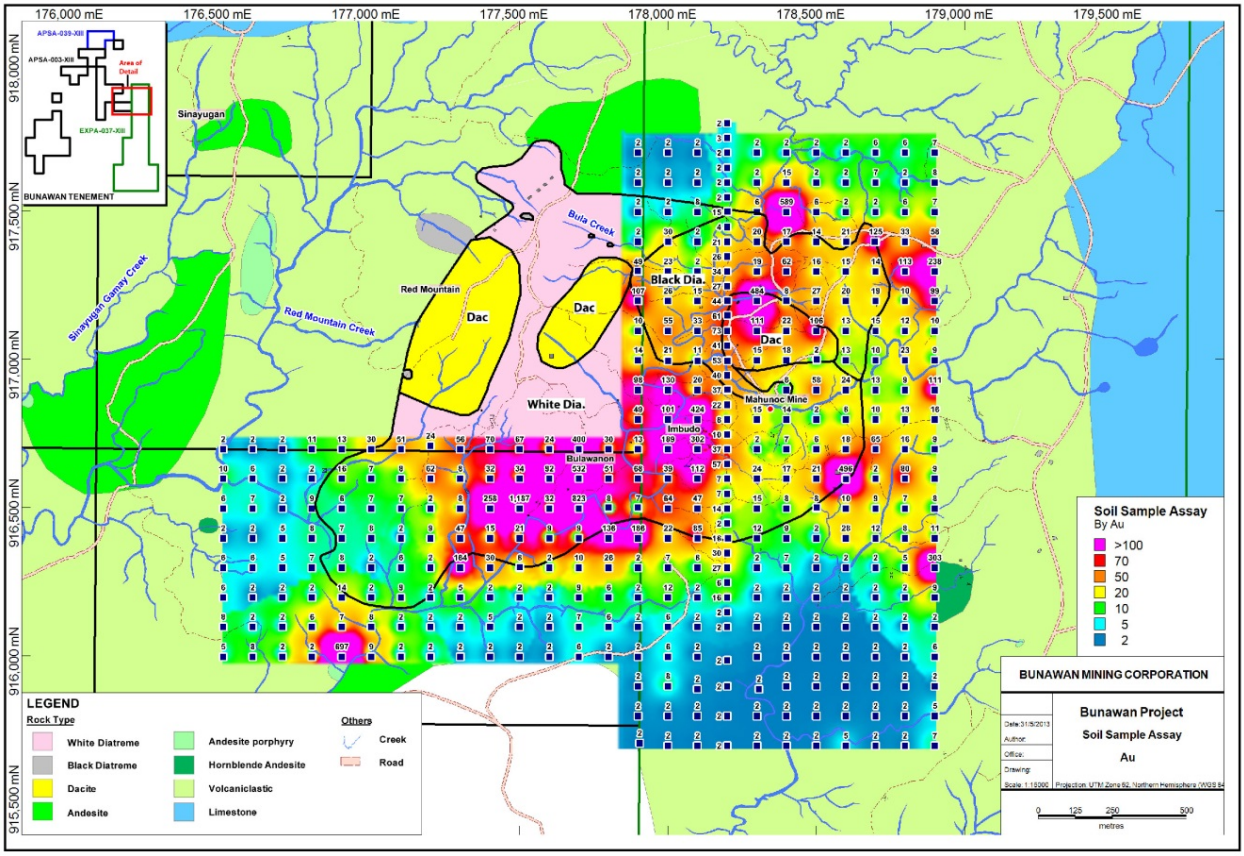

Figure 9. *Thematic contour map showing the area of soil sampling and contoured Au anomalies superimposed on the interpreted geology.*

The soil sampling (Figure 9 above and Figure 10 below) indicates extensive areas of low level anomalous gold (20 ppb) over the diatreme and its eastern margin and a prominent high grade gold anomaly (90 ppb) at Imbudo-Baleleng and along strike to the SW. Other high grade anomalies are associated with the dacite endogenous dome and the margins of the diatreme.

The As levels are broadly consistent with Au (although more scattered) with the strong anomaly detected in the orientation survey over the mapped southern diatreme margin extending west

along the mapped diatreme margin. Silver levels were generally below detection levels but 3 of the 4 samples over 2 ppm are co-incident with anomalous Au and As.

Low level Pb anomalies are broadly consistent with low level Au and more elevated Pb is associated with some but not all zones of elevated Au and As. Levels of Cu and Zn are antithetic to gold levels and are more elevated in the surrounding volcaniclastic country rocks.

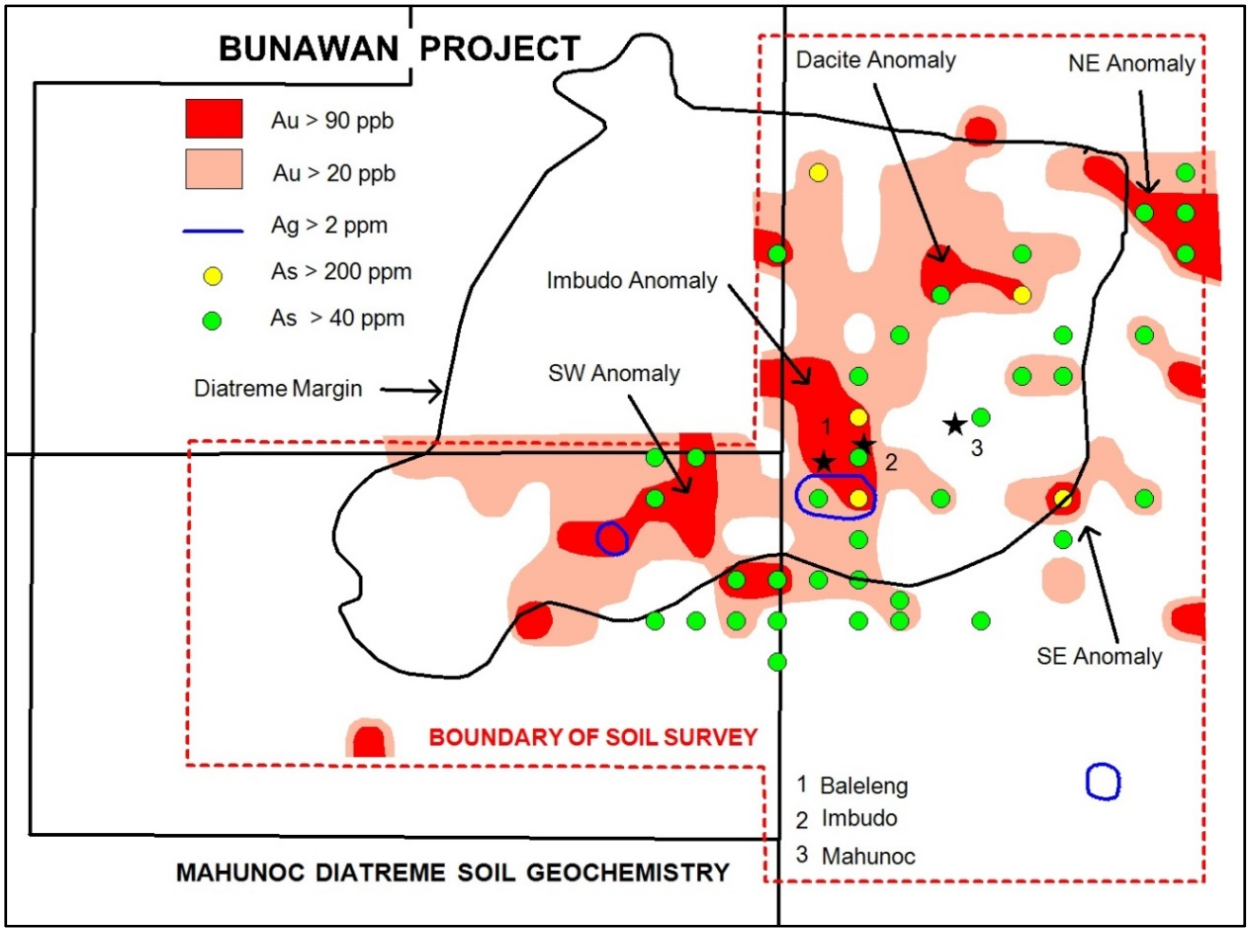

***Figure 10**. Summary of significant Au, As and Ag results from soil sampling. Note that the anomalous As sites are shown as points and not contoured anomalies.*

The multi-point, multi element, high grade Au anomaly encompassing the Imbudo and Baleleng artisanal workings is significant, although the apparent NW elongation of the anomaly appears to be inconsistent with the interpreted ENE magnetic structural trend, the overall trend of anomalous soil geochemistry and the quartz veining at both the Baleleng and Imbudo.

The survey confirmed the presence of anomalous gold and arsenic anomalies centred on the dacite intrusive within the diatreme. More brittle competent rocks such as the dacite and andesite rocks adjacent to the diatreme margin are generally better host rocks for mineralisation than softer clay rich diatreme rocks. Therefore the dacite intrusion would be a favourable site for Au mineralisation and the dacite anomaly is a high priority target. The sub-surface extent of the dacite is unknown at this stage as the dacite has a similar magnetic response to the surrounding diatreme rocks.

The multi-point Au-As anomaly on the eastern margin of the mapped diatreme is another priority target. The ground magnetics (Figure 8) indicate the diatreme extends further east than mapped in which case the anomaly would be adjacent to the northern margin of the extended diatreme in an area of intense faulting indicated by the ground magnetic data. The anomaly is on the edge of the surveyed area so additional sampling is required to determine the full extent of the anomaly.

Conclusion

Diatremes are commonly associated with epithermal Au mineralisation eg Acupan (Philippines), Wafi Creek (PNG) and Kelian (Indonesia). Diatremes themselves are poor host rocks as they are generally clay rich and do not fracture well however, their presence reflects magmatic and hydrothermal processes at depth and large fault structures which control their emplacement. Explosive emplacement of diatremes enhances structural preparation and access of mineralizing fluid into the adjacent country rocks. Thus epithermal Au vein mineralisation commonly occurs adjacent to diatremes in structures which controlled the diatreme emplacement (often tangential faults) and in secondary structures created by the diatreme emplacement.

The soil anomalies at Mahunoc are considered to reflect mineralisation controlled by faulting on the diatreme margin (Imbudo-Baleleng, SW anomaly, NE anomaly) and by faulting concentrated in the more brittle dacite intrusive within the diatreme.

The Imbudo-Baleleng anomaly encompasses a wide zone of thin ENE trending quartz veins currently being worked by artisanal miners and is therefore a priority drill target. During the quarter a program of follow up soil sampling was initiated to;

a. Close off the anomalies on the edge of the survey area, and
b. Infill the established high grade anomalies to better define drill targets.

Bunawan Permitting

The Bunawan Project comprises two permit applications - EXPA-000037-XIII and APSA-000003-XIII - in Agusan del Sur, Philippines.

During the quarter the National Commission on Indigenous Peoples (“NCIP”) issued a Certification as Precondition, confirming that Sierra’s Filipino associate company had complied with the NCIP procedure and process requirements for that part of Expa-000037-XIII that falls within the Municipality of Rosario. This Certificate satisfies the statutory requirements of the Mines and Geosciences Bureau as a key condition for the issuance of the Exploration Permit over the same area.

The completed Application for EXPA-000037-XIII now awaits final execution and release by the MGB Director.

Sierra’s Filipino associate company, together with the NCIP, has also commenced the process for seeking Free and Prior Informed Consent over the southern portion of the EXPA, lying within the Bunawan Municipality.

The Manobo Indigenous Cultural Communities covering APSA-000003-XIII are divided into the Municipalities of Prosperidad, Rosario and Bunawan. Many of the leaders and their customs covering the APSA are the same as those covering the EXPA. The Company has concluded the APSA pre-Field Based Investigation process for all three municipalities and completed the Field Based Investigation reports for Prosperidad and Rosario.

The balance of the FPIC process for the southern part of the EXPA and the complete process for the issue of APSA-000003-XIII is expected to be completed over the course of this year.

OTHER PROJECTS

No significant work was conducted on Sierra's other projects in the Philippines and PNG. The Company has taken necessary action to minimize expenditure and focus on the core Bunawan and Mabilo Projects.

The information in this report relating to exploration results, mineral resources or ore reserves is based on information provided to Mr Robert McLean by Sierra Mining Limited. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications and experience, which 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" (JORC code). Mr McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

SIERRA MINING LIMTED

ABN	Quarter ended ("current quarter")
89 118 060 441	30 JUNE 2013

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(420)	(1,800)
	(b) development		
	(c) production		
	(d) administration	(166)	(674)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	26	230
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(560)	(2,244)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(32)	(66)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	(209)	(1,722)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(241)	(1,788)
1.13	Total operating and investing cash flows (carried forward)	(801)	(4,032)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(801)	(4,032)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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): - Capital raising expenses		
	Net financing cash flows		
	Net increase (decrease) in cash held	**(801)**	**(4,032)**
1.20	Cash at beginning of quarter/year to date	4,278	7,509
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	3,477	3,477

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	140
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include directors' fees and superannuation, executive remuneration and consulting fees.

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

Not Applicable

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

Not Applicable

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 outflows for next quarter

		$A'000
4.1	Exploration and evaluation	450 (includes exploration expenditure incurred by Philippines Associate)
4.2	Development	-
4.3	Production	-
4.4	Administration	170
	Total	**620**

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	637	938
5.2	Deposits at call	2,840	3,340
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	3,477	4,278

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	EL1463 (Magavara - PNG)	Direct	100%	-
6.2	Interests in mining tenements acquired or increased	EXPA-0188-V (Philippines)	Direct	-	64%
		ELA2283 (Siakaka – PNG)	Direct	-	100%

+ See chapter 19 for defined terms.

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	232,854,663	232,854,663	Not applicable	Not applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
	- *Unlisted options*	3,583,333	-	$0.15	1 July 2013
	- *Unlisted options*	3,683,333	-	$0.20	1 July 2014
	- *Listed options*	31,970,363	31,970,363	$0.10	31 December 2014
	- *Unlisted options*	8,333,334	-	$0.25	1 July 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 5).

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

Sign here: ..... Date: 31 July 2013
(~~Director~~/Company secretary)

Print name: Clint McGhie

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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