



**ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 30 APRIL 2014**

**MARCH 2014 QUARTERLY REPORT**

Sierra Mining Limited (“Sierra” or “the Company”) is pleased to present its Quarterly Report for the period ended 31 March 2014 (“Quarter”).

Highlights during the quarter include:

➤ **Merger with RTG Mining Inc**

On 25 February 2014, the Company announced that it had entered into a conditional Merger Agreement with RTG Mining Inc. (TSX:RTG) (“RTG”) to combine the two companies at an agreed exchange ratio of 3 RTG shares for each Sierra share held plus 1 new RTG option for every 3 Sierra shares held (the RTG options will be exercisable for a period of three years at an exercise price of C\$0.15 (approx. \$A0.15)).

The resultant combined entity will be led by a management team with the essential exploration, mine development and operating experience in the Philippines to optimise Sierra’s Projects.

➤ **Mabilo Project**

Drilling continued at the Mabilo Project with a number of outstanding drill intersections being recorded, including:

- Hole MDH-35 intersected a significant interval of mineralisation outside the limits of the initial magnetic model, confirming that the South A and B Bodies are continuous and the combined body dips to the SW and thickens along the open south west margin. The hole intersected:

**115.1 m at 2.51 g/t Au, 2.16 % Cu and 47.31 % Fe**

- Step out drilling extended the known strike of the high grade mineralisation along the SW margin previously intersected in Hole MDH-16. Hole MDH-40, located approximately fifty metres further to the SE, intersected:

**54.15 m at 2.77 g/t Au, 2.02 % Cu and 50.72 % Fe.**

- Drilling has extended the high grade supergene copper mineralisation on the northern end of the South Body with Hole MDH-29 intersecting a chalcocite zone grading:

**20.8 m at 2.45 g/t Au, 22.96 % Cu and 32.19 % Fe.**

- Other drill holes in the North and South Bodies continue to extend the high grade Cu-Au-Ag-Fe skarn mineralisation while further drilling on the East Body has confirmed very high grade Fe skarn, with low grade Cu and Au.

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## **MERGER WITH RTG MINING INC.**

On 25 February 2014, the Company announced that it had entered into a conditional Merger Agreement with RTG Mining Inc. (TSX:RTG) (“RTG”) to combine the two companies at an agreed exchange ratio of 3 RTG shares for each Sierra share held plus 1 new RTG option for every 3 Sierra shares held (the RTG options will be exercisable for a period of three years at an exercise price of C\$0.15 (approx. \$A0.15)).

The resultant combined entity will be led by a management team with the essential exploration, mine development and operating experience in the Philippines to optimise Sierra’s Projects. The management team of RTG, led by Michael Carrick and Justine Magee, was previously responsible for the successful development and operation of the Masbate Gold Mine for CGA Mining Limited, prior to its acquisition by B2Gold Corp. in early 2013. The transaction with RTG will also provide improved funding capability, a listing on the Toronto Stock Exchange (“TSX”) and a strong institutional shareholder following, resulting in a combined company well positioned to capitalise on the significant mine development opportunity at Mabilo as well as Sierra’s other projects in the Philippines.

The merger will be implemented by way of Scheme of Arrangement between Sierra and its shareholders under the Australian Corporations Act 2001 (“Merger”). RTG is listed on the TSX, and will also seek a listing on the Australian Securities Exchange (“ASX”) as part of the transaction.

The Merger is conditional upon approvals from Sierra shareholders, RTG shareholders and the Australian Court as well as necessary regulatory approvals and other customary conditions (see Scheme Implementation Deed for more details – ASX Announcement 25 February 2014). In conjunction with the Merger, RTG also intends to undertake a consolidation of its securities on a 10:1 basis<sup>1</sup>. It is expected that the consolidation will occur prior to the implementation date and issue of consideration securities.

Sierra’s listed options will be acquired under a separate scheme of arrangement between Sierra and its optionholders under the Corporations Act (“Option Scheme”). The exchange ratio<sup>2</sup> for the listed options is 2 RTG shares for each Sierra listed option held plus 2 RTG options for every 9 Sierra listed options held, which reflects the exchange ratio for the acquisition of Sierra shares under the Merger. The Merger is subject to a waivable condition that the Option Scheme is approved. The Option Scheme is itself conditional and will only be implemented if the Merger proceeds.

Following the Merger becoming effective, Sierra’s Managing Director Mr Matthew Syme, will be invited to join the Board of the merged RTG entity as a Non-Executive Director.

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<sup>1</sup> To allow comparison with current share market trading prices, the information and exchange ratios in this report are shown on a pre RTG share consolidation basis. On a post RTG share consolidation basis, the exchange ratio is 3 RTG shares for each 10 Sierra Shares held and 1 RTG Option for every 30 Sierra Shares held with the RTG Options to be issued as consideration having an exercise price of C\$1.50 after the RTG Share Consolidation.

<sup>2</sup> To allow comparison with current market trading prices, the information and exchange ratios in this report are shown on a pre RTG share consolidation basis. On a post RTG share consolidation basis, the exchange ratio under the Option Scheme is 2 RTG shares for each 10 Sierra Listed held and 1 RTG Option for every 45 Sierra Listed Options held with the RTG Options to be issued as consideration having an exercise price of C \$1.50 after the RTG Share Consolidation.



## **First Court Hearing**

The Federal Court of Australia approved the despatch of the Company's Scheme Booklet ("Scheme Booklet") on 9 April 2014 and ordered that the Company convene a meeting of its shareholders and a meeting of its optionholders to consider and, if thought fit, approve the Schemes ("Scheme Meetings").

## **Release of Scheme Booklet**

The Scheme Booklet was released on the ASX following registration with ASIC and is also available on the Company's website at [www.sierramining.com.au](http://www.sierramining.com.au). The Scheme Booklet has been despatched to shareholders and optionholders.

## **Scheme Meetings**

The Scheme Meetings will be held on Friday, 16 May 2014 at Plaza Level, the BGC Centre, 28 The Esplanade, Perth, Western Australia at:

10:00 am for Sierra shareholders.

10:30 am for Sierra optionholders.

## **Second Court Hearing**

In the event that the Schemes are approved at the Scheme Meetings and all conditions of the Schemes are satisfied or waived, the Company will apply to the Court for orders approving the Schemes.

## **Board recommendation**

The Directors have each concluded that the Schemes are in the best interests of shareholders and optionholders and recommend that shareholders and optionholders vote in favour of the Schemes, in the absence of a superior proposal.

The Directors' reasons for their recommendation are set out in detail in section 3 of the Scheme Booklet.

Each Director intends to vote in favour of the Schemes with respect to any shares and options they hold or control, in the absence of a superior proposal.



**Expected key dates for the Schemes are set out below:**

<b>Event</b>	<b>Date</b>
Last time and date for receipt of proxies from shareholders and optionholders for the Scheme Meetings	10.00am on Wednesday 14 May 2014
Date and time for determining eligibility to attend and vote at the Scheme Meetings	5.00 pm on Wednesday 14 May 2014
Scheme Meetings commencing	10.00 am on Friday 16 May 2014
Second Court Hearing Date	Thursday 22 May 2014
Lodge court order with ASIC (Effective Date)	Friday 23 May 2014
Record Date	Wednesday 28 May 2014
Implementation Date	Wednesday 4 June 2014

This timetable is indicative only. The actual timetable will depend upon the time at which the conditions precedent to the Schemes are satisfied or, if applicable, waived. The Company has the right to vary the timetable set out above, subject to the approval of such variation by the Court and ASX, where required.



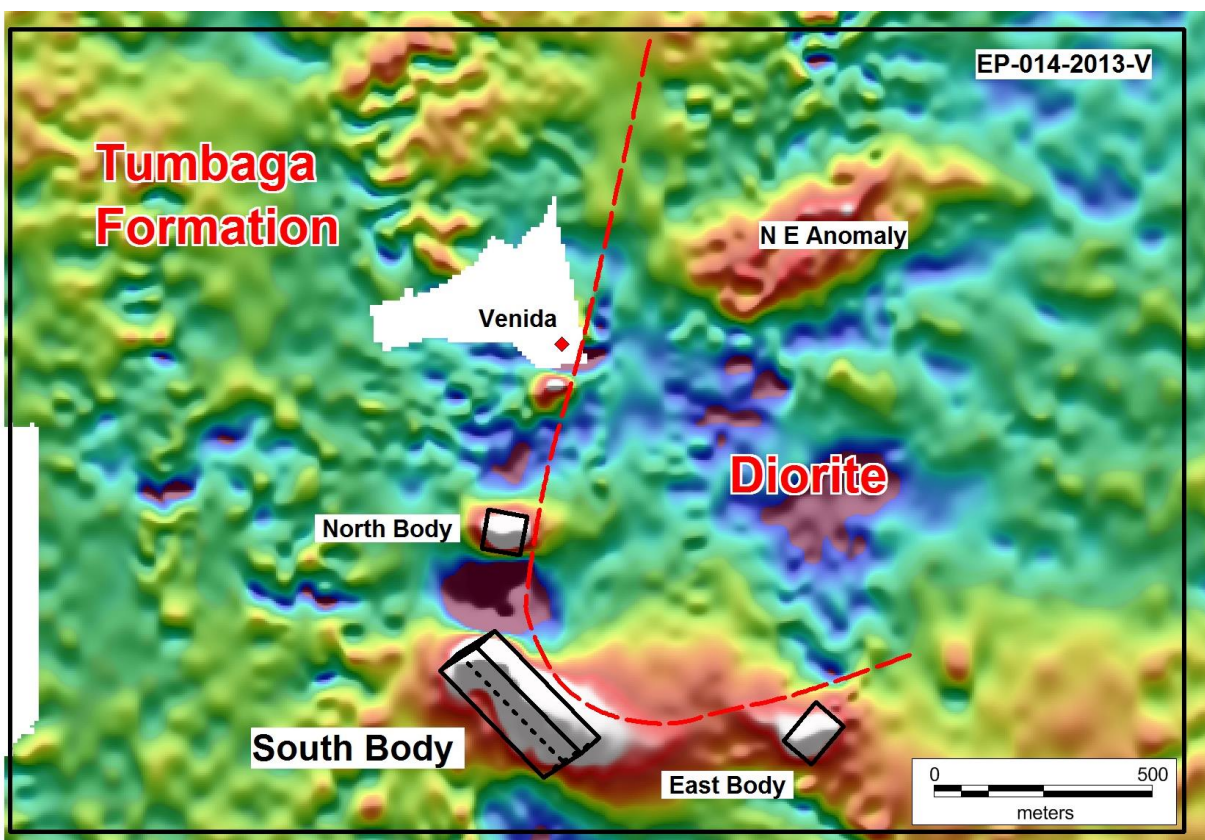
## **MABILO PROJECT**

### **Background**

The Mabilo Project is located in Camarines Norte Province, Eastern Luzon, Philippines. It comprises one granted Exploration Permit (EP-014-2013-V) of approximately 498 ha and one Exploration Permit Application (EXPA-000188-V) of 2,820 ha. The Project area is relatively flat and is easily accessed by 15 km of all-weather road from the highway at the nearby town of Labo.

Massive magnetite mineralisation containing significant copper and gold grades occurs as replacement bodies in garnet skarn altered rocks within a sequence of hornfelsed sediments of the Eocene aged Tumbaga Formation. The garnet and magnetite skarn rocks were extensively altered by argillic retrograde alteration and weathering prior to being covered by 25-60 metres of post mineralisation Quaternary volcanoclastics (tuff and lahar deposits) of the Mt Labo Volcanic Complex. The deposits are localised along the margins of a diorite stock which does not outcrop within the Exploration Permit.

The primary copper mineralisation (predominantly chalcopyrite with lesser bornite) occurs as disseminated blebs and aggregates interstitial to magnetite grains and in voids within the magnetite. A strong correlation between gold and copper values in the un-weathered magnetite skarn indicates the gold is hosted by the chalcopyrite. A late stage phase of sulphide mineralisation (predominantly pyrite) veins and brecciates the magnetite mineralisation.



**Figure 1.** RTP ground magnetic image with the modeled South, North and East bodies



In places the more shallow upper parts of the magnetite skarn bodies were weathered to form hematite skarn. Copper in the weathered zone was remobilised forming high-grade supergene copper zones (chalcocite and native copper) at the base of the weathering profile. The gold was more variably remobilised throughout the hematite skarn and into the adjacent country garnet skarn rocks in places. The average Fe grade of the hematite skarn is consistent with the magnetite skarn.

Sierra discovered the mineralisation in 2012 during a reconnaissance drilling program targeted on magnetic anomalies from a ground magnetic survey conducted by a former explorer. Sierra subsequently conducted a new ground magnetic survey in early 2013, remodeled the data and commenced a second phase of drilling in mid 2013.

Drilling is ongoing and 46 holes had been completed at the end of the Quarter.

### **South Body**

Drilling has been concentrated on the South Body, which is substantially larger than the North and East Bodies. The drilling has now shown the mineralisation to be continuous between the previously termed South A and South B Bodies which were based on initial magnetic modeling. A revised magnetic model for the combined South Body indicates a large tabular shaped body which strikes to the NW (plunging shallowly to the SE) and dips variably to the SW at approximately 45 degrees (Figure 2).

The modelled body is approximately 340 metres long. To date drilling has confirmed approximately 250 m of the strike length. The mineralisation pinches out along its upper NE edge but is open down dip to the SW along most of its length. The SW down dip extension is unconstrained by magnetic modeling as it dips below the depth reliably modelled from the ground magnetic data and has not been closed off by drilling to date.

Significant intersections returned from the South Body during the Quarter are listed below and the hole locations are shown in Figure 2.

#### MDH-29

This angled hole drilled on the NW end of the body intersected a high grade zone of supergene chalcocite outside the magnetic model and at a deeper level than the supergene zone encountered in other holes on the South Body. The mineralisation is interpreted to represent a “draping” of the chalcocite supergene mineralisation down the NW margin on the mineralisation.

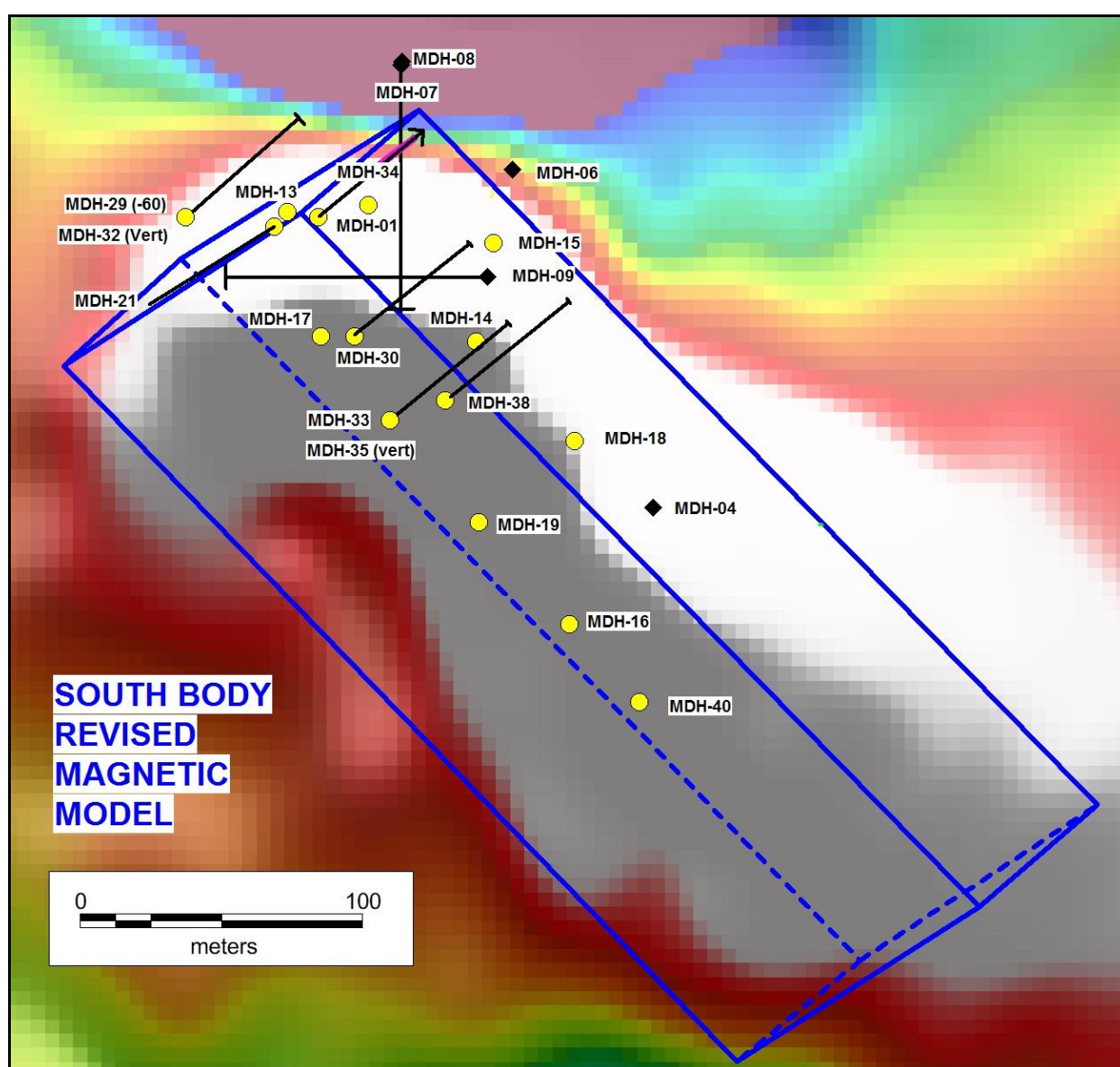
MDH-29							
<i>From</i>	<i>To</i>	<i>Metres</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
<b>69.1</b>	<b>89.9</b>	<b>20.8</b>	<b>2.45</b>	<b>22.96</b>	<b>8.4</b>	<b>32.19</b>	Supergene Copper zone



## MDH-30

An angled hole aimed at better defining the NE edge of the mineralisation intersected both hematite and magnetite skarn zones.

MDH-30							
From	To	Metres	Au g/t	Cu %	Ag g/t	Fe %	Lithology
33	56	23	2.36	0.29	2.1	57.72	Magnetite-hematite skarn
56	93.5	37.5	1.79	1.70	7.9	54.23	Magnetite skarn
93.5	101	7.5	0.95	0.65	2.2	37.29	Garnet skarn with magnetite veins
<b>33</b>	<b>101</b>	<b>68</b>	<b>1.89</b>	<b>1.11</b>	<b>5.3</b>	<b>53.54</b>	Total Intersection



**Figure 2.** Revised magnetic model (blue frame), RTP ground magnetic image and completed drill holes on the South Body. Hole collars from second phase drilling shown as yellow dots.



### MDH-33

An angled hole aimed at defining the SW edge of the modelled mineralisation intersected a thicker zone of mineralisation than indicated by the magnetic modelling, indicating the mineralisation was open on the SW margin in this area.

MDH-33							
<i>From</i>	<i>To</i>	<i>Metres</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
45.1	50.1	5	1.02	0.15	0.4	23.64	Garnet skarn with magnetite veins
50.1	56.2	6.1	1.57	0.31	3.1	52.82	Magnetite-hematite skarn
56.2	92.1	35.9	1.69	1.41	2.3	61.25	Magnetite skarn
<b>50.1</b>	<b>92.1</b>	<b>42</b>	<b>1.67</b>	<b>1.25</b>	<b>2.4</b>	<b>60.02</b>	Total Fe skarn zone

### MDH-34

An angled hole aimed at better defining the NE margin of the mineralisation intersected both hematite and magnetite skarn with Cu values elevated in the hematite skarn due to the presence of zones of supergene chalcocite enrichment.

MDH-34							
<i>From</i>	<i>To</i>	<i>Metres</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
34.9	46	11.1	1.74	0.49	0.8	26.25	Garnet skarn, ferruginous
46	66.55	20.55	2.76	4.70	116.4	50.77	Hematite skarn
66.55	88.7	22.15	2.33	2.89	5.2	50.48	Magnetite skarn
<b>34.9</b>	<b>88.7</b>	<b>53.8</b>	<b>2.37</b>	<b>3.09</b>	<b>46.8</b>	<b>45.59</b>	Total intersection

### MDH-35

A vertical hole collared outside the magnetic model drilled to further test the mineralisation intersected in MDH-33. The hole intersected a wide zone of mineralisation comprising garnet skarn veined by magnetite, massive magnetite and magnetite veined by late stage pyrite (see Figure 3). The intersection indicates that the mineralisation dips to the SW outside the previous magnetic model and in this area the zone is wider and higher grade than the adjacent mineralisation within the previous magnetic model.

MDH-35							
<i>From</i>	<i>To</i>	<i>Metres</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
45.9	77.0	31.1	1.08	1.06	4.3	35.65	Garnet skarn with magnetite veins
77.0	140.0	63.0	3.01	2.46	6.2	54.37	Magnetite skarn
140	154.6	14.6	3.24	2.83	6.6	46.49	Magnetite skarn with pyrite veins
154.6	161.0	6.4	2.89	2.98	5.3	36.46	Garnet skarn with magnetite veins
<b>45.9</b>	<b>161</b>	<b>115.1</b>	<b>2.51</b>	<b>2.16</b>	<b>5.7</b>	<b>47.31</b>	<b>Total Intersection</b>

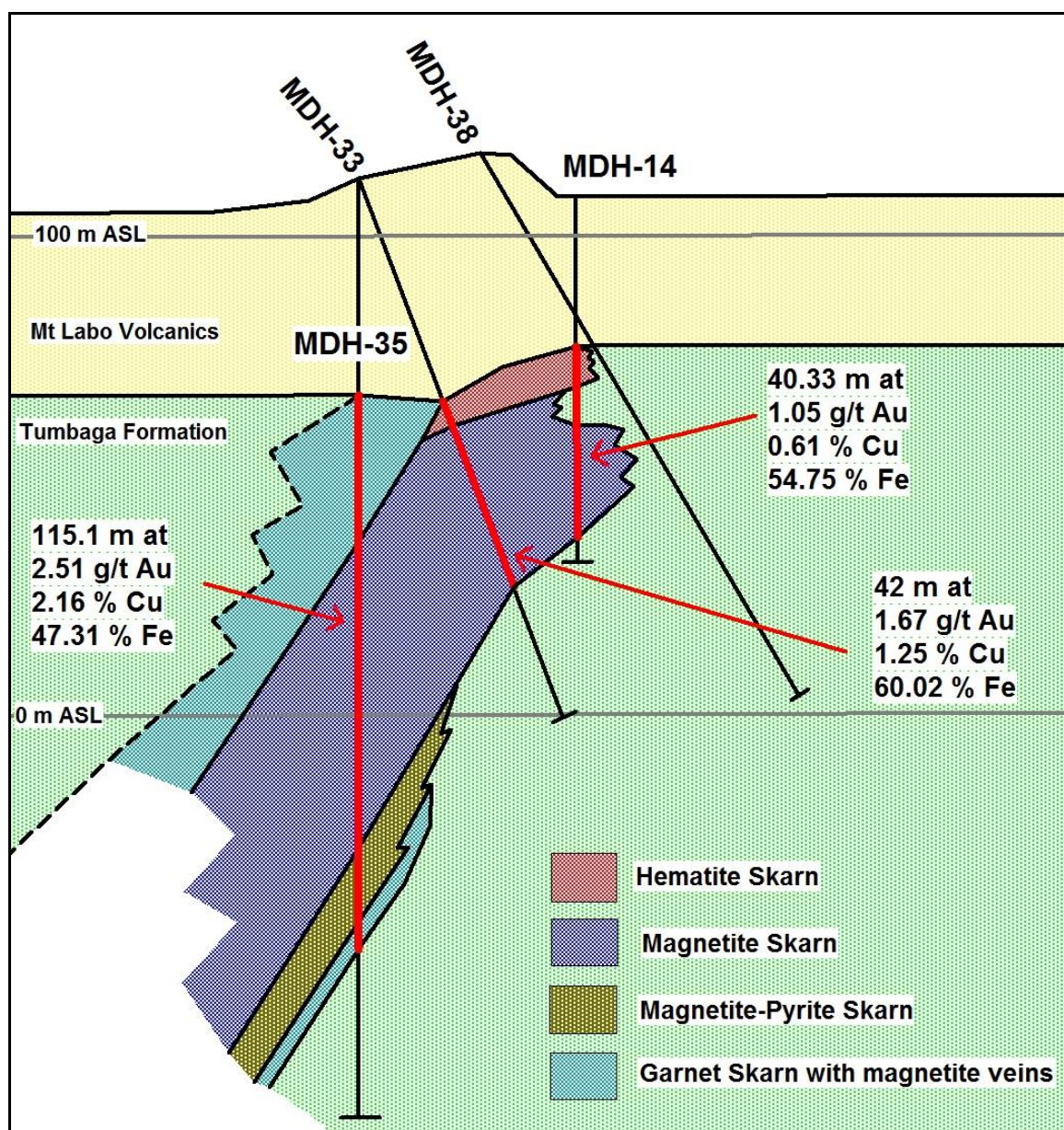




## MDH-40

A vertical hole drilled approximately 50 m along strike to the SE of MDH-16 intersected magnetite skarn with significant Au and Cu grades demonstrating the high grade zone intersected previously in MDH-16 extends along strike and is still open to the SE.

MDH-40							
From	To	Metres	Au g/t	Cu %	Ag g/t	Fe %	Lithology
107.85	162	54.15	2.77	2.02	4.8	50.72	Magnetite skarn

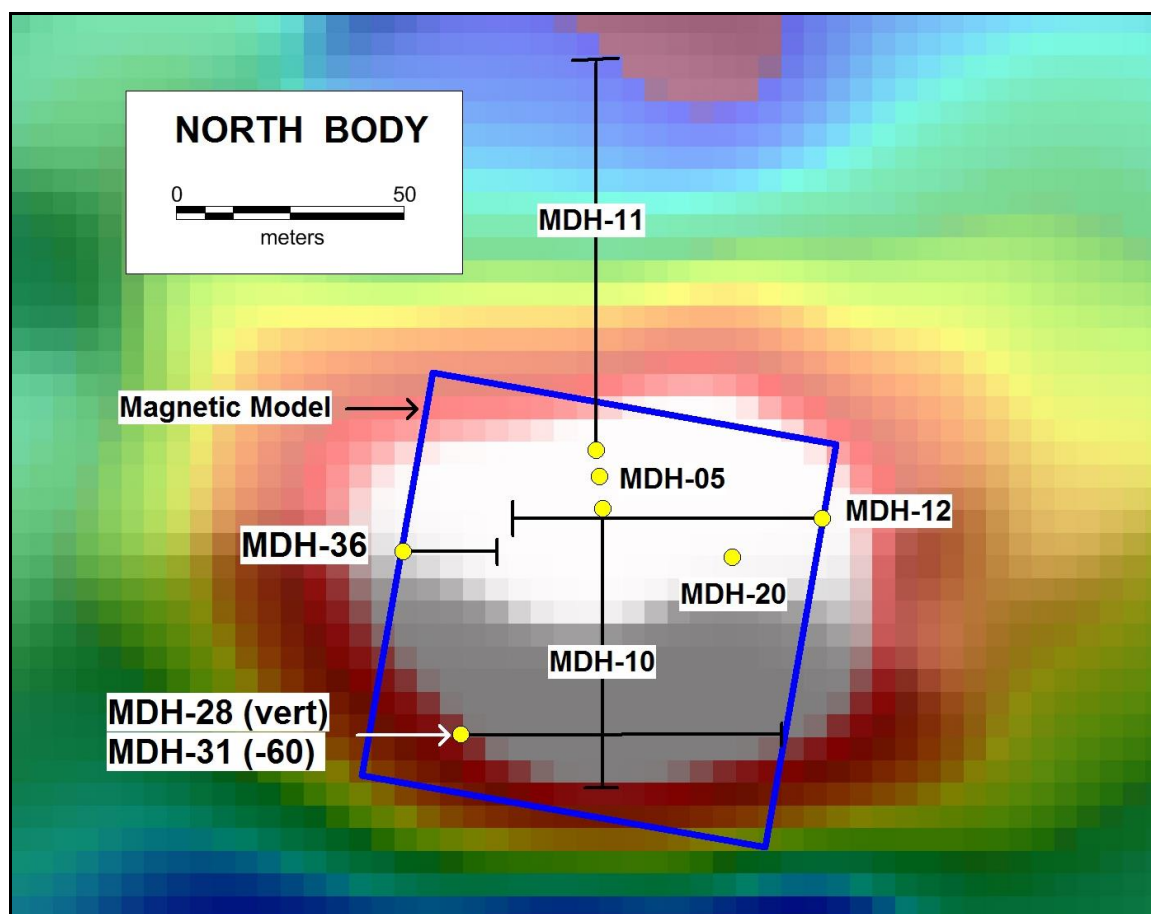


**Figure 3.** Section showing significant increase in mineralisation width and grade along the open SW down dip margin of the South Body mineralisation.



## NORTH BODY

The North Body is a discrete body of massive magnetite-Cu-Au mineralisation located approximately 200 metres to the north of the South Body. Reconnaissance drilling in 2012 returned extensive intervals of magnetite-copper-gold mineralisation. MDH-20, the first hole in the second phase of drilling, intersected a very high grade supergene copper zone overlying the magnetite skarn. The results of three holes completed during the Quarter are reported below.



**Figure 4.** Magnetic model (blue frame), RTP ground magnetic image and location of completed drill holes.

### MDH-28

A vertical hole aimed at testing the SW section of the modeled magnetite body. The hole intersected magnetite veined garnet skarn overlying magnetite skarn containing pyrite veins and patches of relict garnet skarn which lowers the Fe content of the intersection.

MDH-28							
From	To	Metres	Au g/t	Cu %	Ag g/t	Fe %	Lithology
51	66.4	15.4	0.83	0.98	4.9	17.10	Garnet skarn with magnetite veins
66.4	89.3	22.9	2.79	2.81	17.4	39.68	Magnetite Skarn with pyrite veins
<b>51</b>	<b>89.3</b>	<b>38.3</b>	<b>2.00</b>	<b>2.07</b>	<b>12.4</b>	<b>30.60</b>	Total Intersection



### MDH-31

An angled hole drilled from the same site as MDH-28 to test the southern margin of the modelled body. The hole intersected an enriched copper supergene zone in garnet skarn rocks overlying the magnetite skarn zone which in turn overlies a low grade zone of magnetite veined garnet skarn.

MDH-31							
<i>From</i>	<i>To</i>	<i>metres</i>	<i>Au g/t</i>	<i>Cu%</i>	<i>Ag g/t</i>	<i>Fe%</i>	<i>Lithology</i>
46.8	54	7.2	0.67	3.58	19.6	9.45	Garnet skarn, chalcocite
54	111	57	2.43	2.72	6.3	54.52	Magnetite Skarn
111	119	8	0.49	0.37	4.9	7.95	Garnet skarn with magnetite veins
<b>46.8</b>	<b>111</b>	<b>64.2</b>	<b>2.24</b>	<b>2.81</b>	<b>7.8</b>	<b>49.46</b>	Combined Intersection

### MDH-36

A steeply inclined hole to test the eastern edge of the modelled body. The hole intersected a zone of magnetite veined garnet skarn overlying a zone of massive magnetite.

MDH-36							
<i>From</i>	<i>To</i>	<i>metres</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
55	68.15	13.15	1.39	1.33	5.8	35.14	Garnet skarn with magnetite veins
68.15	78.55	10.4	1.95	2.17	14.5	58.37	Magnetite Skarn
78.55	102.6	24.05	0.37	0.36	5.31	14.8	Garnet skarn with pyrite veins
<b>55</b>	<b>78.55</b>	<b>23.55</b>	<b>1.64</b>	<b>1.70</b>	<b>9.6</b>	<b>45.40</b>	Partial Intersection
<b>55</b>	<b>102.6</b>	<b>47.6</b>	<b>1.00</b>	<b>1.02</b>	<b>7.4</b>	<b>29.94</b>	Combined intersection

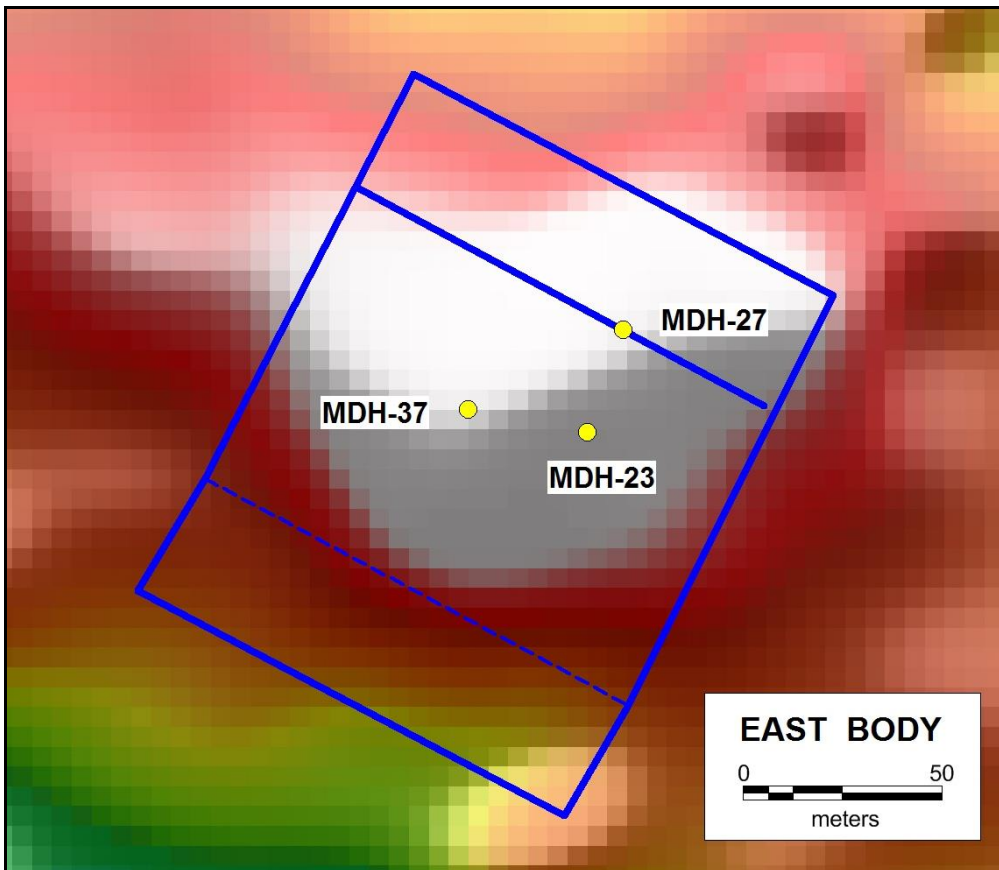
The initial magnetic modelling indicated the North Body was a relatively regular shaped flat-lying body. Drilling to date confirms it is flat-lying but indicates it is thicker in the middle and tapers on its eastern and western edges. Drilling is ongoing to explore for extensions of the mineralisation to the south towards the large South Body and to the north towards the Venida zone.

Mapping of artisanal workings at the Venida pit indicates the mineralisation at Venida extends shallowly to the south where Sierra's ground magnetic survey located a magnetic anomaly. The Company has now gained access to the area and the zone between Venida and the North Body has become a new focus for exploration drilling.



## EAST BODY

The East Body was a magnetic anomaly (SE anomaly) located by Sierra's ground magnetic survey. The first three holes completed have all intersected high grade magnetite (including a number of intervals higher than the 70% upper detection limit of the analytical method utilised) with lower copper and gold grades. The location of the first three holes drilled on the modelled target are shown in Figure 5 below and summarised further below.



**Figure 5.** East Body magnetic model (blue frame), RTP ground magnetic image and location of the first three completed vertical drill holes.

### MDH-23

The hole intersected two layers of high grade magnetite skarn (including 10 intervals totaling 9.6 m of greater than 70% Fe) separated by a layer of low grade marble. The hole ended in magnetite skarn due mechanical problems.

MDH-23							
From	To	Metres	Au g/t	Cu %	Ag g/t	Fe %	Lithology
86.60	114.0	27.40	0.34	0.09	1.8	62.52	Magnetite Skarn
114.0	140.3	26.3	0.01	0.007	0.8	6.79	Limestone/marble
140.3	174.60	34.30	0.29	0.33	4.9	60.15	Magnetite Skarn



## MDH-27

The hole intersected two layers of high grade magnetite skarn (including 9 intervals totaling 9 m of greater than 70% Fe) separated by a thin layer of garnet skarn.

MDH-27							
<i>From</i>	<i>To</i>	<i>Metre</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
76.3	87.4	11.1	0.26	0.05	0.9	57.92	Magnetite skarn
87.4	95.9	8.5	0.02	0.02	0.5	12.25	Garnet skarn
95.9	138.2	42.3	0.14	0.24	3.1	62.55	Magnetite skarn
<b>76.3</b>	<b>138.2</b>	<b>61.9</b>	<b>0.14</b>	<b>0.18</b>	<b>2.3</b>	<b>54.82</b>	<b>Combined intersect.</b>

## MDH-37

The hole intersected two layers of high grade magnetite skarn (including 5 intervals totaling 5 m of greater than 70% Fe) separated by a thin layer of garnet skarn. The lower layer is underlain by a zone of magnetite veining in garnet skarn.

MDH-37							
<i>From</i>	<i>To</i>	<i>Metres</i>	<i>Au g/t</i>	<i>Cu %</i>	<i>Ag g/t</i>	<i>Fe %</i>	<i>Lithology</i>
100.9	118.95	18.05	0.12	0.16	NA*	66.00	Magnetite skarn
118.95	123.5	4.55	0.05	0.12	NA*	17.17	Garnet skarn
123.5	141.9	18.4	0.13	0.03	NA*	52.64	Magnetite skarn
141.9	161.5	19.6	0.01	0.02	NA*	19.56	Garnet skarn + mag veins
<b>100.9</b>	<b>161.5</b>	<b>60.6</b>	<b>0.08</b>	<b>0.08</b>	<b>NA*</b>	<b>43.26</b>	<b>Combined</b>
<b>100.9</b>	<b>141.9</b>	<b>41</b>	<b>0.11</b>	<b>0.10</b>	<b>NA*</b>	<b>54.59</b>	<b>Combined</b>

NA\* Majority of sample intervals below Ag detection level of 0.5 ppm.

Exploration is continuing at the East Body to better define the extent of the mineralisation. Although Cu and Au grades are relatively low much of the magnetite is very high grade (pure magnetite is 72% Fe) thus the zone has potential as a high quality magnetite deposit.

## OTHER PROJECTS

No significant work was conducted on Sierra's other projects in the Philippines during the Quarter.



## **SECOND TRANCHE OF CONSIDERATION TO ACQUIRE MABILO AND NALESBITAN**

In November 2011, Sierra, in conjunction with its Philippine associate, acquired Mt Labo Exploration and Development Corporation, which holds the Nalesbitan and Mabilo Project permits (refer ASX Announcement dated 3 November 2011). Consideration for the acquisition included deferred consideration of 1.75M new ordinary Sierra shares plus cash consideration of A\$125,000 (“Deferred Consideration”) which was conditional on receiving approval of the Motion for Reconsideration of a Notice of Denial of the Nalesbitan APSA # V-0002 within two years from the date of execution of the agreement.

The two year period expired on 2 November 2013 and the Motion for Reconsideration has not been granted as at the date of this report. In October 2013, one of the Vendors filed a Petition for Declaratory Relief (“Petition”) in the Philippines seeking to extend the date for receiving the decision on the Motion for Reconsideration. A resolution of the applicable court denying the motion to dismiss filed by Mt Labo and Sierra is currently subject of a motion for partial reconsideration. Should the court uphold the Petition, the period within which to receive approval of the Motion for Reconsideration may be extended by up to 600 days and the Deferred Consideration may still become payable.

### **Competent Person Statement**

The information in this report that relates to the second phase of drilling at the Mabilo Project is extracted from the report entitled ‘Further Excellent Drill Results at Mabilo’ dated 3 April 2014. This announcement is available to view on [www.sierramining.com.au](http://www.sierramining.com.au). The information in the original ASX announcement that relates to the second phase of drilling at the Mabilo Project was based on information compiled by Mr Robert McLean, who is a member of the Australasian Institute of Mining and Metallurgy. Mr McLean is a consultant geologist engaged by Sierra Mining Limited. Mr McLean has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. The Company confirms that it is not aware of any new information or data that materially affects the information including in the original market announcement. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

The information in this report relating to exploration results, other than the second phase of drilling at the Mabilo Project, is based on information provided to Mr Robert McLean by Sierra Mining Limited. Mr McLean is a consultant geologist and is a member of the Australian Institute of Mining and Metallurgy. Mr McLean has sufficient 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’. Mr McLean consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



## Appendix 1: Summary of Mining Tenements

As at 31 March 2013, the Company had an interest in the following tenements:

Project Name	Permit Number	Percentage Interest	Joint Venture Partner	Status
<b>Philippines</b>				
<b><u>Mindanao:</u></b>				
Taguibo Project <sup>(1)</sup>	EP-01-06-XI	40%	-	Granted
	EP-01-10-XI	40%	-	Granted
	EPA-118-XI	40%	-	Application
Bunawan Project <sup>(1)</sup>	EPA-037-XIII	40%	-	Application
	APSA-003-XIII	40%	-	Application
Mawab Project <sup>(1)</sup>	EP-02-10-XI	40%	-	Granted
Bahayan Project <sup>(1)</sup>	EPA-123-XI	40%	-	Application
<b><u>Paracale:</u></b>				
Nalesbitan Project <sup>(2)</sup>	MLC MRD-459	55.61%	Galeo	Granted
	APSA-002-V	55.61%	Galeo	Application
Mabilo Project <sup>(2)</sup>	EP-014-2013-V	55.61%	Galeo	Granted
	EXPA-000188-V	55.61%	Galeo	Application

### Notes

- (1) The Taguibo, Bunawan, Mawab and Bahayan Projects in the Philippines are held through Sierra's associate entities in which Sierra has a direct 40% ownership interest. The Group's proportion of voting power held in each associate is the same as its direct ownership interest. The remaining 60% interest in the associates is held beneficially by a Philippine shareholder. The Philippine shareholder has granted a call option in favour of Sierra Philippines Pty Ltd (a wholly owned subsidiary of Sierra Mining Limited), subject to foreign ownership restrictions in the Philippines.
- (2) Sierra has a 64% direct and indirect economic interest in Mt Labo Exploration and Development Corporation which holds the Nalesbitan and Mabilo Projects. Mt Labo has entered into a joint venture agreement with Galeo Equipment and Mining Company, Inc ("Galeo") to partner in exploring and developing a delineated portion of the Mabilo and Nalesbitan Projects. Galeo can earn up to a 36% interest in the joint venture, which covers down to 200 metres below the surface, by contributing approximately US\$4,250,000 of exploration drilling and management services for the joint venture area over a 2 year period. As of 31 March 2014, Galeo have earned a 13.103% interest in the joint venture.



*Changes in interests in mining tenements during the quarter ending, 31 March 2014:*

No mining tenements were acquired or disposed of during the Quarter.

*Beneficial interests in farm-in and farm-out agreements held by the Company:*

<b>Agreement Name</b>	<b>Type of Change</b>	<b>Interest at beginning of quarter</b>	<b>Change during the quarter</b>	<b>Interest at end of quarter</b>
Mabilo and Nalesbitan Project	Farm-out	59.68%	-4.07%	55.61%



# 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 LIMITED

ABN

89 118 060 441

Quarter ended ("current quarter")

31 MARCH 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(729)  (149)	(1,996)  (508)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	12	62
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(866)</b>	<b>(2,442)</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)	  (39)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities	-	(15)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material) - Cash on consolidation of associate entities previously equity accounted (AASB 10)	  -	  101
<b>Net investing cash flows</b>	<b>(1)</b>	<b>47</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(867)</b>	<b>(2,395)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(867)	(2,395)
	<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		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material): - Changes in Ownership Interests		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	<b>(867)</b>	<b>(2,395)</b>
1.20	Cash at beginning of quarter/year to date	1,949	3,477
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>1,082</b>	<b>1,082</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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
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

+ 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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>750</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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	742	809
5.2 Deposits at call	340	1,140
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,082</b>	<b>1,949</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		
6.2		Interests in mining tenements acquired or increased		

+ 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 <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>	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 <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>Exercise price</i>	<i>Expiry date</i>
- 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 <b>Debentures</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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## 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 ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 April 2014  
(~~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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+ See chapter 19 for defined terms.