

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

ZYL LIMITED

ABN

15 008 720 223

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(461)	(1,828)
	(b) development		
	(c) production		
	(d) administration	(796)	(1,891)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	42
1.5	Interest and other costs of finance paid	(29)	(29)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	72	123
Net Operating Cash Flows		(1,201)	(3,583)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments		
	(c) other fixed assets	(1)	(9)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	(421)	(1,170)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(422)	(1,179)
1.13	Total operating and investing cash flows (carried forward)	(1,623)	(4,762)

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1.13	Total operating and investing cash flows (brought forward)	(1,623)	(4,762)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	30	52
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	2,000	2,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Bridging Facility and Convertible note costs	(350)	(506)
	Net financing cash flows	1,680	1,546
	Net increase (decrease) in cash held	57	(3,216)
1.20	Cash at beginning of quarter/year to date	1,225	4,525
1.21	Exchange rate adjustments to item 1.20	(8)	(35)
1.22	Cash at end of quarter	1,274	1,274

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
1.23	Aggregate amount of payments to the parties included in item 1.2	299,707
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 of Directors fees and salaries \$214,892

Payments made to Hemisphere Corporate Services Pty Ltd for the provision of company secretarial services (\$7,183), equipment lease (\$1,387), telephone (\$1,456), accounting (\$18,949), bookkeeping (\$2,254), corporate consulting (\$16,096), office manager (\$1,472) rent (\$16,300), general office expenses (\$7,641), and administration fees (\$12,077). Glenn Whiddon is a director of ZYL Limited and shareholder of Hemisphere Corporate Services Pty Ltd.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,000	2,000
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	274
4.2 Development	-
4.3 Production	-
4.4 Administration	861
Total	1,135

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	10	11
5.2 Deposits at call	1264	1,153
5.3 Bank overdraft	-	-
5.4 Other (term deposits)	-	61
Total: cash at end of quarter (item 1.22)	1,274	1,225

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	Mbila	Direct and indirect interest in holding company that owns the project	44%	0%
6.2 Interests in mining tenements acquired or increased				

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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	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	493,007,899	493,007,899		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,000,000	1,000,000	\$0.06	\$0.06
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	20,000,000 2,500,000	- -	<i>Exercise price</i> \$0.20 \$0.06	<i>Expiry date</i> 18 April 2015 21 September 2013
7.8	Issued during quarter				
7.9	Exercised during quarter	1,000,000	-	\$0.06	30 September 2012
7.10	Expired during quarter	500,000 3,000,000	- -	\$0.06 \$0.10	30 September 2012 30 September 2012
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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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 give a true and fair view of the matters disclosed.
3. The report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business. The Directors continue to monitor the capital requirements of the Company to ensure sufficient funding is available to enable it to adequately meet its obligations under its existing agreements. In accordance with the capital management mechanisms that the Company has implemented, the Directors continue to monitor the ongoing obligations matched against the capital on hand, and when required the Directors will procure the Company to raise additional capital via a private placement, rights issue, share purchase plan, debt financing or another means of capital injection. However there can be no guarantee that the Company will be able to obtain additional debt or equity funding on terms acceptable to the Company or at all.

Sign here: Date: ...31 January 2013...
(Company secretary)

Print name:Nicholas Ong.....

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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