

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Mount Magnet South NL

ABN

93 096 635 246

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(806)	(3,764)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(317)	(1,647)
1.3	Interest and other items of a similar nature received	38	119
1.4	Interest and other costs of finance paid	(18)	(66)
1.5	Income taxes paid	-	-
1.6	Other - R&D tax rebate received	-	1,310
	- Payment for litigation settlement	-	(300)
	Net operating cash flows	(1,103)	(4,348)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(134)
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	GST Refund	-	-
	Net investing cash flows	-	(134)
1.13	Total operating and investing cash flows (carried forward)	(1,103)	(4,482)

1.13	Total operating and investing cash flows (brought forward)	(1,103)	(4,482)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,193
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	500
1.17	Repayment of borrowings	-	
1.18	Other – share issue costs	-	(221)
1.19	Other - borrowings costs	-	(30)
	Net financing cash flows	-	4,442
	Net increase (decrease) in cash held	(1,103)	(40)
1.20	Cash at beginning of quarter/year to date	1,617	554
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	514	514

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	90
1.24	Aggregate amount of loans to the parties included in item 1.11	-
1.25	Explanation necessary for an understanding of the transactions	
	Item 1.23 – Amounts paid to related parties include directors' fees (\$44,000), company secretarial fees (\$27,513) and legal fees (\$19,000).	

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	
	N/A	
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	

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities (Convertible Notes)	1,500
3.2	Credit standby arrangements	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	550

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	514	1,617
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	514	1,617

At 30 June 2013, the Company had \$1.499 million held in a bank deposit which is subject to lien and is provided as collateral for a bank guarantee issued to the Department of Mines in relation to environmental rehabilitation provisions concerning the Company's mineral permits. This deposit amount is not included in cash balances at the quarter end for the purposes of this cash flow statement. Following the introduction of the WA Mine Rehabilitation Fund (MRF) legislation on 1 July 2013, the bank guarantee is no longer required and the \$1.499 million has been released to the Company's operating bank account since the end of the June Quarter.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quar- ter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	P58/1590 to P58/1604	Granted Licence	-	100/100
	E59/1881	Granted Licence	-	100/100

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 (fully paid)	538,020,816	538,020,816	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
	-	-	-	-
	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description) 10m unsecured notes convertible to 10m shares, redeemable by 27/ 08/2013, 5% coupon rate.	10,000,000	-	10	10
+Convertible debt securities (description) 11.1m unsecured notes convertible to 11.1m shares, redeemable by 17/01/2014, 7% coupon rate	11,111,111	-	4.5	4.5
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				

7.7 Options & Performance Rights (description and conversion factor)	6,000,000 Options	-	Exercise price 9c	Expiry date 31 October 2013
	10,000,000 Options	-	5c	31 August 2014
	19,599,998 Performance Rights	-		Various See table below
	42,479,275 Options	42,479,275	7c	31 August 2014
7.8 Issued during the quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

Each Performance Right can convert to one ordinary share upon satisfaction of specified performance conditions.

No. Rights	Performance	Expiry Date
	5,999,998	30 November 2013
	4,000,000	27 May 2014
	1,500,000	13 June 2014
	3,500,000	11 April 2015
	3,800,000	28 August 2015
	800,000	17 October 2015

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 give a true and fair view of the matters disclosed.



Sign here: (Company Secretary)
Print name: Susmit Shah

Date: 30 July 2013

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.