

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

DEPARTMENT 13 INTERNATIONAL LIMITED

ABN

36 155 396 893

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(46)	(73)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(554)	(622)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes	-	-
1.7	Other – mining exploration by disposed entity	(19)	(201)
	Net operating cash flows	(619)	(895)

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(619)	(895)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other - bonds returned	20	20
- cash from acquired entity	446	446
Net investing cash flows	466	466
1.14 Total operating and investing cash flows	(153)	(429)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	6,000	6,000
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (share issue costs)	(239)	(239)
Net financing cash flows	5,761	5,761
Net increase (decrease) in cash held	5,608	5,332
1.21 Cash at beginning of quarter/year to date	272	554
1.22 Exchange rate adjustments to item 1.20	(8)	(14)
1.23 Cash at end of quarter	5,872	5,872

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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
1.24 Aggregate amount of payments to the parties included in item 1.2	47
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

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

The following securities pursuant to the acquisition of Department 13 LLC ("D13") were issued by the Company:

- 200,000,000 ordinary shares and 200,000,000 performance shares to the vendors of D13 as consideration for the acquisition of D13;
- 42,000,000 ordinary shares in satisfaction of loans provided to D13;
- 65,000,000 ordinary shares, 84,000,000 performance shares and 40,000,000 options exercisable at 2.5 cents each on or before 18 December 2020 as advisor fees;
- 51,250,000 performance rights as incentives to directors; and
- 4,600,000 ordinary shares in satisfaction of director fees and salaries.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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	-	-

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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
4.1	Cash on hand and at bank	5,872	260
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (mining exploration joint venture funds)	-	12
Total: cash at end of quarter (item 1.23)		5,872	272

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Department 13 LLC
5.2	Place of incorporation or registration	African Mining Capital 3 Pty Ltd
5.3	Consideration for acquisition or disposal	USA
5.4	Total net assets	\$1,097,588
5.5	Nature of business	(\$9,364)
		Nil
		Nil
		Technology development
		Mineral exploration

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 January 2016
 (Company secretary)

Print name: Ian Hobson

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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 definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **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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