

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AUSTRALIAN MINES LIMITED

ABN

68 073 914 191

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

		Current quarter \$A	Year to date 6 months \$A
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration & evaluation	(518,734)	(740,468)
	(b) development		
	(c) production		
	(d) administration	(585,350)	(693,955)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	22,203	32,232
1.5	Interest and other costs of finance paid	1,411	(249)
1.6	GST taxes paid		
1.7	Other (provide details if material)	200	400
Net Operating Cash Flows		(1,080,270)	(1,402,041)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(42,520)	(45,380)
1.9	Proceeds from sale of:		
	(a) prospects	2,250,000	2,500,000
	(b) equity investments	52,763	52,763
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		2,260,243	2,507,383
1.13	Total operating and investing cash flows (carried forward)	1,179,973	1,105,342

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1.13	Total operating and investing cash flows (brought forward)	1,179,973	1,105,342
	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	(660)	(1,650)
1.18	Dividends paid		
1.19	Other - costs of capital raising	-	(1,248)
	Net financing cash flows	(660)	(2,898)
	Net increase (decrease) in cash held	1,179,313	1,102,444
1.20	Cash at beginning of quarter/year to date	655,037	816,369
1.21	Exchange rate adjustments to item 1.20	91,327	6,864
1.22	Cash at end of quarter	1,925,677	1,925,677

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
1.23	Aggregate amount of payments to the parties included in item 1.2	\$182,261
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

\$182,261 directors' fees, salaries and superannuation.

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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	609,000
4.2 Development	
4.3 Production	
4.4 Administration	244,000
Total	853,000

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	Previous quarter \$A
5.1 Cash on hand and at bank	1,704,677	434,037
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) Restricted	221,000	221,000
Total: cash at end of quarter (item 1.22)	1,925,677	655,037

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				

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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	636,910,317	636,910,317		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	75,000 75,000 75,000 75,000 59,563,752 1,500,000 1,500,000 1,500,000 1,500,000 11,333,330 11,733,335 11,733,335 4,533,334 4,533,333 4,533,333	Nil Nil Nil Nil 59,563,752 Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil Nil	Exercise Price \$1.00 \$1.50 \$2.00 \$2.50 \$0.04 \$0.06 \$0.08 \$0.10 \$0.12 \$0.027 \$0.035 \$0.045 \$0.020 \$0.025 \$0.030	Expiry Date 31 Dec 2011 31 Dec 2011 31 Dec 2011 31 Dec 2011 30 June 2013 31 Dec 2014 31 Dec 2014 31 Dec 2014 31 Dec 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014
7.8 Issued during quarter	11,333,330 11,733,335 11,733,335 4,533,334 4,533,333 4,533,333	Nil Nil Nil Nil Nil Nil	\$0.027 \$0.035 \$0.045 \$0.020 \$0.025 \$0.030	30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014 30 Nov 2014
7.9 Exercised during quarter				

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7.10	Expired during quarter (options cancelled)	87,500	Nil	Exercise Price \$1.50	Expiry Date 31 Dec 2011
		87,500	Nil	\$2.00	31 Dec 2011
		87,500	Nil	\$2.50	31 Dec 2011
		1,750,000	Nil	\$0.06	31 Dec 2014
		1,750,000	Nil	\$0.08	31 Dec 2014
		1,750,000	Nil	\$0.10	31 Dec 2014
		1,750,000	Nil	\$0.12	31 Dec 2014
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ 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 \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 27 January 2012

Print name: Sally Grice

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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