

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/6/10.

Name of entity

<b>METGASCO LIMITED</b>
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ABN

24 088 196 383
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Quarter ended ("current quarter")

31 December 2013
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### Consolidated statement of cash flows

	Curent quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration and evaluation *	(1,721)	(5,752)
(b) development	-	-
(c) production	-	-
(d) administration **	(737)	(1,283)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	124	323
1.5 Interest and other costs of finance paid	(6)	(13)
1.6 Income taxes paid	-	-
1.7 Other	6	34
<b>Net Operating Cash Flows</b>	<b>(2,334)</b>	<b>(6,691)</b>
Notes on net operating cash flows		
* Includes \$912K on payments for decommissioning wells and ponds in the current quarter, \$4,105 year to date.		
** Includes \$155K spent on redundancies in the current quarter, \$187K year to date.		

+ See chapter 19 for defined terms.

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

<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(5)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	225	247
1.10	Loans to other entities	-	-
1.11	Security deposits (paid)/returned	-	13
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		221	255
1.13	Total operating and investing cash flows (carried forward)	(2,113)	(6,436)

1.13	Total operating and investing cash flows (brought forward)	(2,113)	(6,436)
<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	(16)	(55)
1.18	Dividends paid	-	-
1.19	Other (cost of share placement)	-	-
<b>Net financing cash flows</b>		(16)	(55)
<b>Net increase (decrease) in cash held</b>		(2,129)	(6,491)
1.20	Cash at beginning of quarter/year to date	16,494	20,856
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	14,365	14,365

+ See chapter 19 for defined terms.

**Payments to Directors of the entity & associates of the Directors.  
Payments to related entities of the entity & associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	161
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A
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**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
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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

N/A
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**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	-	-

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (Note A)	890
4.2 Development	
4.3 Production	
4.4 Administration	541
<b>Total</b>	<b>1,431</b>

Note A

This expenditure includes \$300K to be spent on the company's well decommissioning program and \$300K to be spent towards the drilling of the Rosella exploration well.

### 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.	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	200	570
5.2 Term deposits	14,165	15,924
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>14,365</b>	<b>16,494</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.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest & 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>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL			
7.3 <b>*Ordinary securities</b>	448,702,530	448,702,530		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b>	NIL			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL NIL			
7.7 <b>Options</b> ( <i>description and conversion factor</i> )	<i>Number</i> 1,202,222		<i>Exercise price</i> \$0.50	<i>Expiry date</i> 01/09/2014
7.8 Total				
7.8 Issued during quarter	NIL			
7.9 Exercised during quarter	NIL			
7.10 Expired during quarter	375,000			
7.11 <b>Debentures</b> ( <i>totals only</i> )	NIL			
7.12 <b>Unsecured notes</b>	NIL			

+ 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: [original signed] Date: 31/01/2014

Sean Hooper  
Company Secretary

## 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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