

Appendix 5B

Mining exploration entity quarterly report

Name of entity

AUSTRALIAN MINES LIMITED – AUZ

ABN

68 073 914 191

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current Quarter \$A	Year to Date (9 Months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration & evaluation	(7,897)	(238,805)
(b) development	-	-
(c) production	-	-
(d) administration	(192,142)	(813,310)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18,391	67,977
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(181,648)	(984,138)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	2,500,000
(b) equity investments	-	-
(c) other fixed assets	-	7,461
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net Investing Cash Flows	-	2,507,461
1.13 Total operating and investing cash flows (carried forward)	(181,648)	1,523,323

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1.13	Total operating and investing cash flows (brought forward)	(181,648)	1,523,323
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(181,648)	1,523,323
1.20	Cash at beginning of quarter/year to date	2,185,942	487,510
1.21	Exchange rate adjustments to item 1.20	(562)	(7,101)
1.22	Cash at end of quarter	2,003,732	2,003,732

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	104,625
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive and Non-Executive Directors Fees 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

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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

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount Available \$A	Amount Used \$A
3.1 Loan facilities –	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	134,000
4.2 Development	-
4.3 Production	-
4.4 Administration	155,000
Total	289,000

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	51,932	24,142
5.2 Deposits at call	1,940,000	2,150,000
5.3 Bank overdraft	-	-
5.4 Other (provide details) – Security bonds, restricted	11,800	11,800
Total: cash at end of quarter (item 1.22)	2,003,732	2,185,942

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	<u>Nigeria</u>			
	EL8988	Lapsed	100%	--
	EL8989	Lapsed	100%	-
	EL8990	Lapsed	100%	-
	EL9008	Lapsed	100%	-
	EL8589	Lapsed	100%	-
	EL8991	Lapsed	100%	-
	EL8993	Lapsed	100%	-
	EL9451	Relinquished	100%	-
	EL9010	Lapsed	100%	-
	EL9015	Lapsed	100%	-
	EL9017	Lapsed	100%	-
	EL9018	Lapsed	100%	-
	EL9020	Lapsed	100%	-
	EL8585	Lapsed	100%	-
	EL8586	Lapsed	100%	-
	EL8591	Lapsed	100%	-
	EL8593	Lapsed	100%	-
	EL8743	Lapsed	100%	-
	EL8992	Lapsed	100%	-
	EL9009	Lapsed	100%	-
	EL9011	Lapsed	100%	-
	EL9013	Lapsed	100%	-
	EL9014	Lapsed	100%	-
	EL9019	Lapsed	100%	-
	EL9629	Relinquished	100%	-
	EL1032	Lapsed	100%	-
	EL1033	Lapsed	100%	-
	EL1127	Lapsed	100%	-
	EL8582	Relinquished	100%	-
	EL8592	Lapsed	100%	-
	EL9016	Lapsed	100%	-

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.2 Interests in mining tenements acquired or increased	<u>Western Australia</u>			
	P58/1281	Farm-in (see below)	-	-
	P58/1288	Farm-in (see below)	-	-
	P58/1346	Farm-in (see below)	-	-
	P58/1348	Farm-in (see below)	-	-
	P58/1349	Farm-in (see below)	-	-
	P58/1351	Farm-in (see below)	-	-
	P58/1503	Farm-in (see below)	-	-
	P58/1590	Farm-in (see below)	-	-
	P58/1591	Farm-in (see below)	-	-
	P58/1592	Farm-in (see below)	-	-
	P58/1593	Farm-in (see below)	-	-
	P58/1594	Farm-in (see below)	-	-
	P58/1595	Farm-in (see below)	-	-
	P58/1596	Farm-in (see below)	-	-
	P58/1597	Farm-in (see below)	-	-
	P58/1598	Farm-in (see below)	-	-
	P58/1599	Farm-in (see below)	-	-
	P58/1600	Farm-in (see below)	-	-
	P58/1601	Farm-in (see below)	-	-
	P58/1602	Farm-in (see below)	-	-
	P58/1603	Farm-in (see below)	-	-
	P58/1604	Farm-in (see below)	-	-
	P58/1605	Farm-in (see below)	-	-
	P58/1606	Farm-in (see below)	-	-
	P58/1607	Farm-in (see below)	-	-
	P58/1621	Farm-in (see below)	-	-
	P58/1623	Farm-in (see below)	-	-
	M58/061	Farm-in (see below)	-	-
	M58/183	Farm-in (see below)	-	-
	M58/214	Farm-in (see below)	-	-
	M58/336	Farm-in (see below)	-	-
E58/285	Farm-in (see below)	-	-	
E58/441	Farm-in (see below)	-	-	
E59/1933	Farm-in (see below)	-	-	

During the quarter, Australian Mines Limited entered into a Farm-In and Joint Venture Agreement with Mount Magnet South NL (ASX: MUM) covering the Jumbulyer gold and copper project located within the Murchison Goldfields district of Western Australia.

The key commercial terms of the Farm-In and Joint Venture Agreement are as follows:

- Australian Mines may acquire a 60% interest in the Jumbulyer project by spending \$1 million on exploration within an initial two year period. Australian Mines has the right to withdraw subject to spending a minimum of \$200,000 in exploration on the project
- On expending \$1 million, Australian Mines may acquire an additional 20% interest in the project by spending a further \$2 million on exploration within 48 months of the completion of the initial 60% acquisition

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- Australian Mines will free carry Mount Magnet South's residual 20% interest in the project to completion of a Pre-Feasibility Study, at which point Mount Magnet South may elect to contribute on a pro-rata basis or dilute their interest according to the standard industry formula
- Australian Mines will be the operator and manager of the project

Further details are available in the Company's ASX Announcement released on 7 March 2014 (*Farm-In Agreement Jumbulyer Gold and Copper Project*)

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	666,911,575	666,911,575		
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>			<u>Exercise price</u>	<u>Expiry date</u>
	11,333,330	Nil	\$0.027	30 Nov 2014
	11,333,335	Nil	\$0.035	30 Nov 2014
	11,333,335	Nil	\$0.045	30 Nov 2014
	4,533,334	Nil	\$0.020	30 Nov 2014
	4,533,333	Nil	\$0.025	30 Nov 2014
	4,533,333	Nil	\$0.030	30 Nov 2014
7.8 Issued during quarter				

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	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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.



Sign here:
(Managing Director)

Date: 17 April 2014

Print name: Benjamin Bell

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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