

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

AUSTRALIAN MINES LIMITED

ABN

68 073 914 191

Quarter ended ("current quarter")

30 JUNE 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A	Year to date (12 months) \$A
1.1	Receipts from product sales and related debtors	3,249,961	3,249,961
1.2	Payments for		
	(a) exploration and evaluation	(492,241)	(1,900,999)
	(b) development	(2,724,477)	(4,084,575)
	(c) production	(1,965,122)	(1,988,682)
	(d) administration	(222,834)	(924,004)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	41,093	95,076
1.5	Interest and other costs of finance paid	(37,693)	(40,593)
1.6	GST paid	131,858	(69,766)
1.7	Other (provide details if material)	0.00	10,465
Net Operating Cash Flows		(2,019,455)	(5,653,117)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	3,142	(59,983)
	(b)equity investments	-	
	(c) other fixed assets	11,153	(776,562)
1.9	Proceeds from sale of:		
	(a)prospects		
	(b)equity investments		
	(c)other fixed assets		
	(d) Hedge Contracts	992,611	992,611
1.10	Loans to controlled entity	-	-
1.11	Loans repaid by other entities	-	-
1.12	Loan to other entity- short term	-	-
Net investing cash flows		1,006,906	156,066

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1.13	Total operating and investing cash flows (carried forward)	(1,012,549)	(5,497,051)
1.13	Total operating and investing cash flows (brought forward)	(1,012,549)	(5,497,051)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,312,800	6,000,585
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(2,950,000)	-
1.18	Dividends paid	-	-
1.19	Other – costs of capital raising	(173,683)	(312,884)
	Net financing cash flows	(1,810,883)	5,687,701
	Net increase (decrease) in cash held	(2,823,432)	190,650
1.20	Cash at beginning of quarter/year to date	4,576,354	1,562,272
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,752,922	1,752,922

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	76,682
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$28,750 directors' fees paid in the quarter.
\$42,292 paid in relation to exploration and management services in respect of the tenements.
\$5,640 legal services.

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

None

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

None.

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	300,000
4.2 Development	400,000
4.3 Acquisition of interests	100,000
Total	800,000

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	93,458	1,232,168
5.2 Deposits at call	1,659,464	3,345,186
5.3 Bank overdraft	-	-
5.4 Other (security deposit with CBA)	-	-
Total: cash at end of quarter (item 1.22)	1,752,922	4,576,354

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	.		

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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				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	144,676,132	144,676,132	20cents	20 cents
7.4 Changes during quarter				
(a) Increases through issues	10,337,966	10,337,966	20 cents	20 cents
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	18,100,001 37,500,000	nil nil	Exercise price 20 cents 20 cents	Expiry date 31 December 2005 1 February 2006
7.8 Issued during quarter	nil			
7.9 Exercised during quarter	7,310,111	7,310,111	20 cents	31 March 2004
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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:



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Date: 27 July 2004

Chief Financial Officer/Company Secretary

Print name: Mel Campbell

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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