

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

GRAYNIC METALS LTD

ABN

87 112 898 825

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration and evaluation	(118)	(118)
	(b) development		
	(c) production		
	(d) administration	(250)	(250)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	34	34
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid		
1.7	Other (Bond)		
	Net Operating Cash Flows	(335)	(335)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects		
	(b)equity investments		
	(c)other fixed assets	(30)	(30)
1.9	Proceeds from sale of:		
	(a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	Net investing cash flows	(30)	(30)
1.13	Total operating and investing cash flows (carried forward)	(365)	(365)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(365)	(365)
	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		
1.18	Dividends paid		
1.19	Other - costs to issue		
	Net financing cash flows		
	Net (decrease) increase in cash held	(365)	(365)
1.20	Cash at beginning of quarter/year to date	2,467	2,467
1.21	Exchange rate adjustments to item 1.20		-
1.22	Cash at end of quarter	2,102	2,102

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
1.23	Aggregate amount of payments to the parties included in item 1.2	26
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

1. Payment of consulting and directors fees to directors.

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'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	\$230
4.2 Development	\$80
Total	\$310

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
5.1 Cash on hand and at bank	1,801	2,166
5.2 Deposits at call	301	301
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,102	2,467

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	N/A	N/A		
6.2 Interests in mining tenements acquired or increased	N/A	N/A		

+ See chapter 19 for defined terms.

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	55,485,415	55,485,415		
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>			Exercise price	Expiry date
	2,000,000		30 cents	31/10/2008
	250,000		30 cents	18/10/2010
	2,000,000		30 cents	01/11/2010
	2,000,000		30 cents	02/11/2010
	1,000,000		30 cents	31/07/2009
	250,000		45 cents	18/10/2011
	1,000,000		45 cents	01/11/2011
	1,000,000		45 cents	02/11/2011
	250,000		46 cents	24/10/2011
	1,000,000		65 cents	01/11/2012
	1,000,000		65 cents	02/11/2012

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