10Rule 5.3

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

DEMPSEY MINERALS LIMITED

ABN	Quarter ended ("current quarter")
87 149 349 646	30 June 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(53)	(353)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(72)	(274)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	22	90
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(103)	(537)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	-	(4)
	(c) other fixed assets	-	-
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	-	(4)
1.13	Total operating and investing cash flows (carried forward)	(103)	(541)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(103)	(541)
	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 of share issues	-	(48)
	Net financing cash flows	-	(48)
	Net increase (decrease) in cash held	(103)	(589)
1.20	Cash at beginning of quarter/year to date	1,867	2,353
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	1,764	1,764

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	22
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and employees for services to the economic entity.

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'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	-
4.3	Production	-
4.4	Administration	100
	Total	**300**

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	69	26
5.2	Deposits at call	1,695	1,841
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**1,764**	**1,867**

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				

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	Amount paid up per security
7.1	**Partly paid +securities**				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	29,500,001 *Refer note 1 below*	29,500,001		Fully Paid
7.4	Changes during quarter (a) Increases through issues + (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

Note 1

Ordinary securities as listed include 6,250,000 Contingent Entitlement Shares. These Shares were issued for nil consideration to a Contingent Entitlement Trustee, Barclay Wells Limited who has entered into a declaration of trust under which it declares that it holds the Contingent Entitlement Shares on trust for certain shareholders of the Company (Eligible Beneficiaries).

The Contingent Entitlement Trustee will distribute the Contingent Entitlement Shares to each of the Eligible Beneficiaries on a pro-rata basis in accordance with the following formula: **A/B x C = X**

A is the number of shares in the Company held by an Eligible Beneficiary as at the Entitlement Date
B is the total number of shares in the Company held by all of the Eligible Beneficiaries as at the Entitlement Date
C is the total number of Contingent Entitlement Shares
X is the amount of Contingent Entitlement Shares which the Eligible Beneficiary is entitled to receive on the Entitlement Date

Eligible Beneficiaries are those shareholders who hold at least 10,000 shares in the Company as at 6 June 2011 and who hold at least one share in the Company on the first business day following 8 June 2013.

+ See chapter 19 for defined terms.

7.7	**Options**	100,000	-	*Exercise Price* $0.26	*Expiry Date* 20 September 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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: .... Date: 31 July 2012

Print name: Julie Hill
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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