

# 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

RED METAL LIMITED

ACN

ACN 103 367 684

Quarter ended ("current quarter")

31 DECEMBER 2003

### Consolidated statement of cash flows

		Current 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	25	25
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(501)	(501)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	67	67
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – Monies received to fund joint venture exploration activities from alliance partner	270	270
<b>Net Operating Cash Flows</b>		(273)	(316)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(3)	(3)
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 (provide details if material)		
<b>Net investing cash flows</b>		(3)	(3)
1.13	Total operating and investing cash flows (carried forward)	(276)	(319)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(276)	(319)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	12,000	12,200
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		80
1.17	Repayment of borrowings	(80)	(80)
1.18	Dividends paid		
1.19	Other – COSTS OF ISSUE	(580)	(788)
	<b>Net financing cash flows</b>	11,340	11,412
	<b>Net increase (decrease) in cash held</b>	11,064	11,093
1.20	Cash at beginning of quarter/year to date	38	9
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	11,102	11,102

**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	38
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors' remuneration	38

**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

Issue of 12,476,471 shares and 1,897,059 options pursuant to Strategic Alliance and Sale Agreement for the acquisition of mineral interests and plant and equipment (total value \$2,495,294).

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

Not Applicable.

**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	Nil
3.2	Credit standby arrangements	Nil

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	-
	<b>Total</b>	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
<b>5.1</b>	Cash on hand and at bank	707	38
5.2	Deposits at call	10,395	-
5.3	Bank overdraft		
5.4	Other (provide details)		
	<b>Total: cash at end of quarter (item 1.22)</b>	11,102	38

### 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	Els 24007 – 24015.  Also refer below.	Granted applications.  Nil.	100%.

Mineral interests also acquired pursuant to Strategic Alliance and Sale Agreement – refer prospectus dated 11 September 2003.

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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	<b>Preference securities</b> <i>(description)</i>				
7.2	Changes during quarter				
7.3	<b>*Ordinary securities</b>	83,176,472	61,000,000		
7.4	Changes during quarter				
	(a) Increases through issues	72,476,471	60,000,000		
	(b) Increase through ASX listing (seed capital)	-	1,000,000		
7.5	<b>*Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter				
7.7	Options <i>(description and conversion factor)</i>	8,850,000	-	Exercise Price 20 cents	Expiry Date 30.09.2007
		1,897,059	-	20 cents	30.09.2007
		2,000,000	-	35 cents	30.12.2006
7.8	Issued during quarter	1,897,059	-	20 cents	30.09.2007
		100,000	-	20 cents	30.09.2007
		2,000,000	-	35 cents	30.12.2006
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

+ 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: 27 January 2004  
(Company secretary)

Print name: PATRICK FLINT

## 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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