

**Rule 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.

Name of entity

Gulf Mines Limited

ABN

73 059 954 317

Quarter ended ("current quarter")

31 December 2013

**Consolidated statement of cash flows**

	Current quarter \$A'000	Year to date (6 Mths) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	50
1.2 Payments for (a) exploration and evaluation	(93)	(190)
(b) development	-	-
(c) production	-	-
(d) administration	(346)	(477)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(439)</b>	<b>(617)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(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 (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(439)</b>	<b>(617)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Gulf Mines Limited – December 2013 quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(439)	(617)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares/options	-	631
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 (capital raising costs)	(18)	(18)
	<b>Net financing cash flows</b>	(18)	613
	<b>Net increase (decrease) in cash held</b>	(457)	(4)
1.20	Cash at beginning of quarter/year to date	457	4
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	_*	_*

\* the major shareholder has committed to funding the company when required in the short term until suitable capital is raised

**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	109
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amount included under 1.23 includes director's fees and remuneration.

**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

On the 14<sup>th</sup> October 2013:

- 385,000,000 shares were issued for shares in Asian Minerals Corporation Limited,
- 6,000,000 shares were issued in lieu of payment for capital raising costs and corporate fees.

On the 23<sup>rd</sup> October 2013:

- 8,670,000 shares were issued in lieu of payment for capital raising costs and corporate fees.

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

N/a

+ 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (includes R&D)	100
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>200</b>

### 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	-	457
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	-	457

### 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				

+ 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 (cents)	Amount paid up per security (cents)
7.1 <b>Preference<sup>+</sup>securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
7.3 <b>+Ordinary securities</b>	1,055,003,856	1,055,003,856		
7.4 Changes during quarter				
(a) Increases through issues	556,169,998	556,169,998	0.6 cents	0.6 cents
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted Options	1,000,000	-	5 cents	31/01/2014
Unlisted Options	10,583,334	-	2 cents	30/04/2015
Unlisted Options	121,766,668	-	1.5 cents	31/10/2014
Unlisted Options	665,000,000	-	0.75 cents	31/07/2017
Unlisted Options	58,450,000	-	0.75 cents	30/06/2016
7.8 Issued during quarter				
Unlisted options	26,500,000	-	1.5 cents	31/10/2014
Unlisted options	665,000,000	-	0.75 cents	31/07/2017
Unlisted options	58,450,000	-	0.75 cents	30/06/2016
7.9 Exercised during quarter				
7.10 Expired/Lapsed during quarter				
Unlisted options	35,000,000	-	5 cents	31/12/2013
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.

Piers Lewis  
Company Secretary

Date: 31 January 2014

## 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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