

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96. Origin: Appendix 8. Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10.

Name of entity

Latrobe Magnesium Limited

ABN

52 009 173 611

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A	Year to date (6 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(101,418)	(179,216)
(b) prospects	-	-
(c) administration	(267,728)	(513,194)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3,560	6,074
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 R&D Tax Offset	-	421,651
Net Operating Cash Flows	(365,586)	(264,685)
Cash flows related to investing activities		
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 (intangible assets)	(3,696)	(6,520)
Net investing cash flows	(3,696)	(6,520)
1.13 Total operating and investing cash flows (carried forward)	(369,282)	(271,205)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(369,282)	(271,205)
	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	386,957	386,957
1.17	Repayment of borrowings	(1,428)	(1,418)
1.18	Dividends paid	-	-
1.19	Promissory Note	-	-
	Net financing cash flows	385,529	385,529
	Net increase (decrease) in cash held	16,247	114,324
1.20	Cash at beginning of quarter/year to date	712,832	614,755
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	729,079	729,079

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	95,391
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payment to Directors for 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

N/A

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	Amount used \$A
3.1 Loan facilities	Nil	Nil
3.2 Proceeds from issue of shares	Nil	Nil
3.3 Promissory Note	48,124	Nil
3.4 Other Receivables	37,234	Nil

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	100,000
4.2 Development	-
4.3 Production	-
4.4 Administration	100,000
Total	200,000

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	8,013	82,177
5.2 Deposits at call	721,066	630,655
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	729,079	712,832

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	-	-	-	-

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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 <i>(description)</i>	Nil	Nil		
7.2 Changes during quarter				
(a) Increases through issues	Nil	Nil		
(b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 +Ordinary securities	1,073,897,169	1,073,897,169		
7.4 Changes during quarter				
(a) Increases through issues	6,540,300	6,540,300	\$0.01	\$0.01
(b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5 +Convertible debt securities (unlisted)	Up to 40,000,000	Nil	Conversion Price: \$0.015	Convertible at any time prior to 16 Oct 2016
7.6 Changes during quarter				
(a) Increases through issues	40,000,000	Nil	Conversion Price: \$0.015	Convertible at any time prior to 16 Oct 2016
(b) Decreases through securities matured, converted	20,456,000	Nil	Conversion Price: \$0.10	Matured: 15 Oct 2016
7.7 Options (unlisted)	5,000,000	Nil	Exercise Price: \$0.015	Exercisable at any time prior to 16 Dec 2016
7.8 Issued during quarter	5,000,000	Nil	Exercise Price: \$0.015	Exercisable at any time prior to 16 Dec 2016
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (totals only)	Nil	Nil		

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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: 12 January 2016
(Director)

Print name: David Paterson
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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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