



**SALLY MALAY MINING LIMITED**



28 April 2006

Manager Announcements  
Companies Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor 20 Bond Street  
SYDNEY NSW 2000

Dear Sir/Madam,

*By e-lodgement*

**CASH FLOW REPORT FOR THE QUARTER ENDED 31 MARCH 2006**

Please find attached Consolidated Statement of Cash Flows (Appendix 5B) for the quarter ended 31 March 2006.

Should you have any further queries in relation to the above please do not hesitate to contact me.

Yours faithfully,  
SALLY MALAY MINING LIMITED

TREVOR ETON  
Chief Financial Officer &  
Company Secretary

## 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

**Sally Malay Mining Limited (Consolidated)**

ABN

**47 095 792 288**

Quarter ended ("current quarter")

**31 March 2006**

#### **Consolidated statement of cash flows**

		Current quarter	Year ended (9 months)
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
1.1	Net receipts from product sales and related debtors (inc hedging)	23,597	81,854
1.2	Payments for		
	(a) exploration and evaluation	(665)	(1,359)
	(b) development/other capital	(1,185)	(6,419)
	(c) production (inc. royalties)	(18,766)	(53,912)
	(d) administration	(521)	(2,190)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	199	493
1.5	Interest and other costs of finance paid	(1,182)	(4,564)
1.6	Income taxes paid		
1.7	Other (R&D tax conc. rebate)	-	30
<b>Net Operating Cash Flows</b>		<b>1,477</b>	<b>13,933</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(e) exploration and evaluation		
	(f) Lanfranchi mine/Tramways tenements – stamp duty	(1,159)	(1,159)
	(g) equity investments		
	(h) other fixed assets	(3,495)	(8,686)
1.9	Proceeds from sale of:		
	(i) prospects		
	(j) equity investments		
	(k) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other – Term deposit for environmental bonds		
<b>Net investing cash flows</b>		<b>(4,654)</b>	<b>(9,845)</b>
1.13	<b>Total operating and investing cash flows</b>	<b>(3,177)</b>	<b>4,088</b>

1.13	Total operating and investing cash flows (carried forward)	(3,177)	4,088
<b>Cash flows related to financing activities</b>			
1.14	Net Proceeds from issues of shares, options, etc.	340	1,090
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings/hire purchase	(5,839)	(9,895)
1.18	Dividends paid		
1.19	Other (provide details if material)		
<b>Net financing cash flows</b>		(5,499)	(8,805)
<b>Net increase (decrease) in cash held</b>		(8,676)	(4,717)
1.20	Cash at beginning of quarter/year to date	19,307	15,348
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	10,631	10,631

***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	149
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

Employee services aggregated \$129,000. Consulting Fees paid to Companies associated with Directors' totalled \$20,000

***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

Nil

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

Nil

**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 (ex. Enviro. Bonds/Leases)	41,347	39,297
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development/other capital	1,500
<b>Total</b>	<b>2,100</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	2,722	2,459
5.2 Deposits at call	7,909	16,848
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,631</b>	<b>19,307</b>

**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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

**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)	Amount paid up per security (see note 3)
7.1 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	165,704,337	165,704,337		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	350,000 210,000	350,000 210,000	41.5 cents 75.0 cents	41.5 cents 75.0 cents
7.5 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	200,000 1,000,000 400,000 1,000,000 3,500,000 2,525,000 1,200,000 <b>9,825,000</b>		Exercise price 35.0 cents 43.0 cents 93.0 cents 93.0 cents 75.0 cents 75.0 cents 85.0 cents	Expiry date 10/09/2006 31/03/2008 30/09/2007 31/03/2008 24/08/2008 20/09/2008 20/09/2008
7.8 Issued during quarter	1,200,000		Exercise price 85.0 cents	Expiry date 20/09/2008
7.9 Exercised during quarter	350,000 210,000		Exercise Price 41.5 cents 75.0 cents	

7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

### 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: 28/04/2006

Company secretary

Print name: TREVOR ETON

### 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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