

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

STONE RESOURCES AUSTRALIA LIMITED

ABN

44 100 727 491

Quarter ended ("current quarter")

30TH September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter SA'000	Year to date (3 months) SA'000
1.1 Receipts from product sales and related debtors	505	505
1.2 Payments for (a) exploration and evaluation	(1,529)	(1,529)
(b) development	-	-
(c) production	(953)	(953)
(d) administration	(999)	(999)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	73	73
1.5 Interest and other costs of finance paid	(64)	(64)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
	(2,967)	(2,967)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	35	35
(d) environmental bonds	-	-
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)		
	35	35
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(2,932)	(2,932)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,932)	(2,932)
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		
	- Stone Resources Limited	1,654	1,654
	- Third party investor	1,500	1,500
1.17	Repayment of borrowings	(109)	(109)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	2	2
	Net financing cash flows	3,047	3,047
	Net increase (decrease) in cash held	115	115
1.20	Cash at beginning of quarter/year to date	87	87
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	202	202

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 SA'000
1.23	Aggregate amount of payments to the parties included in item 1.2	45
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The payment in item 1.23 were remunerations paid to Directors for the period.

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.

For personal use only

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available SA'000	Amount used SA'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	SA'000
4.1 Exploration and evaluation	1,000
4.2 Development	100
4.3 Production	-
4.4 Administration	500
Total	1,600

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 SA'000	Previous quarter SA'000
5.1 Cash on hand and at bank	72	2
5.2 Deposits at call	130	86
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	202	88

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			

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	635,997,520	635,997,520		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,655,296	6,655,296	1.182 cents	1.182 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	Director Options 9,500,000 2,500,000 Employee Options 425,000	- - -	<i>Exercise price</i> 30 cents 20 cents 30 cents	<i>Expiry date</i> 30 Nov 2012 29 Nov 2013 8 Jun 2013

+ See chapter 19 for defined terms.

For personal use only

7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter	Employee Options 625,000	30 cents	8 Jun 2013
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

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:


.....
(Director)

Date: 9 Nov 2012

Print name: Kaiye Shuai

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.

+ See chapter 19 for defined terms.

For personal use only

- 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.

=====

For personal use only

+ See chapter 19 for defined terms.