

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

DMC Mining Limited

ABN

38 121 513 620

Quarter ended ("current quarter")

30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(375)	(803)
(b) development	-	-
(c) production	-	-
(d) administration	(298)	(745)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	102
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other project generation	(52)	(171)
Net Operating Cash Flows	(712)	(1,617)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(12,819)	(13,706)
(b) equity investments	-	-
(c) other fixed assets	(62)	(70)
1.9 Proceeds from sale of:		
(a) prospects	5	5
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid to other entities	-	-
1.12 Deposits paid	-	(18)
Net investing cash flows	(12,876)	(13,789)
1.13 Total operating and investing cash flows (carried forward)	(13,588)	(15,406)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(13,588)	(15,406)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	12,064	15,000
1.15	Proceeds from exercise of options	1,504	1,550
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Refund of application funds	-	(2,772)
1.19	Other – Capital raising costs	(41)	(240)
	Net financing cash flows	13,527	13,538
	Net increase (decrease) in cash held	(61)	(1,868)
1.20	Cash at beginning of quarter/year to date	1,089	2,896
1.21	Exchange rate adjustments to item 1.20	(6)	(6)
1.22	Cash at end of quarter	1,022	1,022

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	119
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 includes directors' fees, and remuneration to David Sumich, and fees for rental of office and use of office services from Globe Metal & Mining Limited, an entity in which David Sumich has a related interest, directors fees and consulting fees paid to Australian Renewable Energy Pty Ltd, an entity in which William Witham has a related interest, directors fees and consulting fees paid to Zen Magnolia Pty Ltd, an entity in which Bruce Franzen has a related interest.

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

The following securities have been issued as approved at a General Meeting of Shareholders on 15 May 2008 :

- 7,583,333 ordinary fully paid shares issued on 19 May 2008;
- 11,000,000 listed options expiring 30 June 2009, exercisable at 20c each issued on 19 May 2008;
- 3,000,000 unlisted options expiring 30 June 2010, exercisable at 40c each issued on 19 May 2008

The following securities have been issued as executive incentive/remuneration :

- 150,000 unlisted options expiring 12 May 2011, exercisable at 55c each issued on 19 May 2008

+ See chapter 19 for defined terms.

- 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

In May 2008, DMC entered into a transaction whereby it has executed a Deed of Assignment, Assumption, & Variation to assign its option to earn up to 80% in the Tumut Project EL6647 including satisfaction of conditions precedent.

The Purchaser Allegra Minerals Limited (ACN 125 039 125) has agreed to pay DMC the following consideration:

- \$5,000 30 days from execution of the Deed
- 500,000 shares in Allegra Minerals Limited at an issue price of \$0.20 each and \$75,000, upon Allegra Minerals Limited achieving listing on the ASX, no later than 31 December 2008.

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	\$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
5.1 Cash on hand and at bank	962	309
5.2 Deposits at call	60	780
5.3 Bank overdraft		
5.4 Other		
Total: cash at end of quarter (item 1.22)	1,022	1,089

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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	n/a	n/a	n/a
6.2	Interests in mining tenements acquired or increased	n/a	n/a	n/a

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

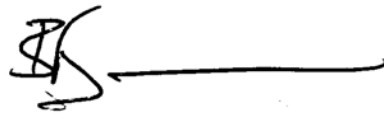
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	39,700,307	18,441,974		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	3,748,641 7,583,333	3,748,641 -	20 cents 82 cents	20 cents 82 cents
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	20,258,026 3,000,000 150,000	20,258,026 - -	<i>Exercise price</i> 20 cents 40 cents 55 cents	<i>Expiry date</i> 30 June 2009 30 June 2010 12 May 2011
7.8 Issued during quarter	11,000,000 3,000,000 150,000	11,000,000 - -	20 cents 40 cents 55 cents	30 June 2009 30 June 2010 12 May 2011
7.9 Exercised during quarter	3,748,641		20 cents	
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ 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:

(Company Secretary)

Date: 31 July 2008

Print name: Bruce Franzen

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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