

Appendix 5B

Mining Exploration Entity Quarterly Report

SMC Gold Limited

ABN 45 071 349 249

Quarter ended 30 June 2006

Consolidated statement of cash flows

Cash flows relating to operating activities	Current quarter	Year to date
	\$A' 000	\$A' 000
1.1 Receipts from product sales and related debtors	10,761	22,278
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	5,826	18,213
(d) administration	714	3,152
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature	-	-
1.5 Interest and other costs of finance paid	148	429
1.6 Income taxes paid	-	-
1.7 Other	847	1,635
Net Operating Cash Flows	3,226	(1,151)
Cash flows relating to investing activities		
1.8 Payment for purchases of : (a) prospects	-	(56)
(b) equity investments	-	(972)
(c) other fixed assets	(3,147)	(10,959)
1.9 Proceeds from sale of : (a) prospects	-	-
(b) equity investments	-	310
(c) other fixed assets	-	307
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	1,369	1,369
1.12 Other	(1,262)	1,320
Net Investing Cash Flows	(3,040)	(8,683)
1.13 Total operating and investing cash flows (carried forward)	186	(9,834)
Cash flows relating to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	8,612
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	2,744
1.17 Repayments of borrowings	(1,193)	(1,777)
1.18 Dividends paid	-	-
1.19 Other (provide details if material)	(44)	(141)
Net financing cash flows	(1,238)	9,438
Net increase (decrease) in cash held	(1,052)	(396)
1.20 Cash at beginning of quarter	2,410	1,704
1.21 Exchange rate adjustments to item 1.20	21	29
1.22 Cash at end of quarter	1,337	1,337

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

1.25 Explanation necessary for an understanding of the transactions

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

A subsidiary, Compania Minera Tamaya acquired Plant and Equipment from costing US\$1,000,000 on lease for 4 years.

2.2 Details of outlays made by other entities to establish or increase their share in projects which the reporting entity has an interest

N/A

Financing facilities available

	Amount avail \$A'000	Amount used \$A'000
3.1 Loan facilities		
Drawdown on loan facility Peter Evans and Interest	3,630	3,630
Drawdown on loan facility Richard Palmer	3,354	3,354
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	262
4.2 Development	403
Total	665

Reconciliation of cash

Reconciliation of cash at end of 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	1,337	2,410
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total cash at end of quarter (item 1.22)	1,337	2,410

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note(2))	Interest at beginning of qtr	Interest at end of qtr
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Santa Elvira *	Option	Option	Option

* For details of these tenements see the activity report lodged with the ASX 30/1/2006 or go to www.smcgold.com.au

Issued or quoted securities at end of current quarter

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

	Number issued	Number quoted	Par Value (cents)	Paid Up Value (cents)
7.1 Preference securities	-			
7.2 Issued during quarter	-			
7.3 Ordinary securities	441,408,101			
7.4 Issued during quarter				
7.5 Convertible debt securities	-			
7.6 Issued during quarter	-			
7.7 Options	1,000,000		Exercise price	Expiry date
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	500,000		\$ 0.12	26/07/2006
7.11 Debentures	-			
7.12 Unsecured Notes	-			

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign Date 31 July 2006
(Company Secretary)

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.
- 2 The "Nature of Interest" (items 6.1 and 6.2) includes the 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 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 4 **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.