

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SUN RESOURCES NL

ABN

69 009 196 810

Quarter ended ("current quarter")

31 DECEMBER 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	241	241
1.2 Payments for		
(a) exploration and evaluation	(4,145)	(4,716)
(b) development	-	-
(c) production	(45)	(45)
(d) administration	(638)	(1,081)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Bond	-	(74)
<b>Net Operating Cash Flows</b>	<b>(4,580)</b>	<b>(5,633)</b>
<b>Cash flows related to investing activities</b>		
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	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(4,580)</b>	<b>(5,633)</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,580)	(5,633)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	5,030	17,901
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	<b>Net financing cash flows</b>	<b>5,030</b>	<b>17,901</b>
	<b>Net increase (decrease) in cash held</b>	<b>450</b>	<b>12,268</b>
1.20	Cash at beginning of quarter/year to date	15,048	3,551
1.21	Exchange rate adjustments to item 1.20	489	168
1.22	Cash at end of quarter	15,987	15,987

**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	180
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

1.23	Directors receive directors' fees for serving on the Board. Executive Directors are paid according to their contracts.
------	--

**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

Sun's second largest shareholder, Amerril Energy LLC agreed in terms of a placement in November 2013 to offset an amount of A\$1,050,000 owed to it by Sun in consideration for 35 million new Sun shares worth A\$1,050,000.
---

- 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'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	60	29

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,142
4.2 Development	-
4.3 Production	40
4.4 Administration	450
<b>Total</b>	<b>4,632</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	11,587	11,690
5.2 Deposits at call	4,400	3,358
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>15,987</b>	<b>15,048</b>

### Changes in interests in mining tenements and petroleum tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

+ 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	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	2,644,944,710	2,644,944,710	-	-
7.4 Changes during quarter				
(a) Increases through issues	210,000,000	210,000,000	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
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)			<i>Exercise price</i>	<i>Expiry date</i>
<b>Ordinary Share Options 1:1</b>				
1,300,000	-	12 cents	06/01/2014	
97,300,000	-	2.5 cents	31/03/2014	
23,650,000	-	3.6 cents	16/11/2014	
1,000,000	-	9.4 cents	08/08/2015	
5,000,000	-	10.5 cents	12/09/2015	
15,000,000	-	5.7 cents	03/05/2016	
15,000,000	-	6.7 cents	03/05/2016	
15,000,000	-	7.6 cents	03/05/2016	
<b>Performance Options 1:1</b>			<i>Exercise price</i>	<i>Milestone expiry date</i>
Class E	65,000,000	-	0.1 cents	31/08/2016
Class F	75,000,000	-	0.1 cents	31/08/2016

+ See chapter 19 for defined terms.

7.8	Issued during quarter	-	-	<i>Exercise price</i> -	<i>Expiry date</i> -
7.9	Exercised during quarter	-	-	<i>Exercise price</i> -	<i>Expiry date</i> -
7.10	Expired during quarter Options	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-	-	-
7.12	<b>Unsecured notes</b> <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 Law or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 January 2014  
 (Company Secretary)

Print name: CRAIG BASSON

---

+ See chapter 19 for defined terms.

## 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 and petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: 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.

== == == == ==

**APPENDIX 5B - ASX LISTING RULES**  
**MINING EXPLORATION ENTITY QUARTERLY REPORT**

**ITEM 6 - Changes in Interests in Mining Tenements and Petroleum Tenements**

**SUN RESOURCES NL**  
**ABN 69 009 196 810**

**FOR THE QUARTER ENDED 31 DECEMBER 2013**

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(A) Interests in mining tenements and petroleum tenements relinquished, reduced and/or lapsed	-	-	-	-
(B) Interest in mining tenements and petroleum tenements acquired and/or increased	-	-	-	-

**APPENDIX 5B - ASX LISTING RULES**  
**MINING EXPLORATION ENTITY AND OIL AND GAS EXPLORATION ENTITY**  
**QUARTERLY REPORT**

**SUN RESOURCES NL**  
**ABN 69 009 196 810**

**TENEMENT SCHEDULE**  
**31 DECEMBER 2013**

<u>Tenement Reference</u>		<u>Nature of Interest</u>
<u>Oil &amp; Gas</u>		
Margarita (private mineral)	South Texas, USA	37.5%
Delta Oil Project	Texas, USA	100%
Amerril Oil Project	Texas, USA	50%
Beeler Oil Project	Texas, USA	13.5% - 16.67%
Normangee Oil Project	Texas, USA	50%