

Appendix 4C

Quarterly report for entities admitted on the basis of commitments in Australian Dollar

Name of entity

Metals Finance Corp.

ARBN

127 131 604

Quarter ended ("current quarter")

30 November 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter A\$' 000	Year to date (3 months) A\$'000
1.1 Receipts from customers	190	190
1.2 Payments for		
(a)staff costs	(644)	(644)
(b)advertising and marketing	Nil	Nil
(c)research and development	(65)	(65)
(d)leased assets	(2)	(2)
(e)other working capital	(339)	(339)
1.3 Dividends received	Nil	Nil
1.4 Interest and other items of a similar nature received	195	195
1.5 Interest and other costs of finance paid	(106)	(106)
1.6 Income taxes paid	Nil	Nil
1.7 Other (see details on separate sheet)	(60)	(60)
Net operating cash flows	(831)	(831)

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		Current quarter	Year to date (12 months)
		A\$' 000	A\$'000
1.8	Net operating cash flows (carried forward)	(831)	(831)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	Nil	Nil
	(b) equity investments	(1,865)	(1,865)
	(c) intellectual property	Nil	Nil
	(d) physical non-current assets	Nil	Nil
	(e) other non-current assets	(117)	(117)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	Nil	Nil
	(b) equity investments	Nil	Nil
	(c) intellectual property	Nil	Nil
	(d) physical non-current assets	Nil	Nil
	(e) other non-current assets	Nil	Nil
1.11	Loans to other entities	Nil	Nil
1.12	Loans repaid by other entities	Nil	Nil
1.13	Other (provide details if material)	Nil	Nil
		(1,982)	(1,982)
	Net investing cash flows		
1.14	Total operating and investing cash flows	(2,813)	(2,813)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	Nil	Nil
1.16	Proceeds from sale of forfeited shares	Nil	Nil
1.17	Proceeds from borrowings	Nil	Nil
1.18	Repayment of borrowings	(50)	(50)
1.19	Dividends paid	Nil	Nil
1.20	Other (provide details if material)	Nil	Nil
		(50)	(50)
	Net financing cash flows		
	Net increase (decrease) in cash held	(2,863)	(2,863)
1.21	Cash at beginning of quarter/year to date	13,265	13,265
1.22	Exchange rate adjustments to item	Nil	Nil
1.23	Cash at end of quarter	10,402	10,402

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
1.24	Aggregate amount of payments to the parties included in item 1.2	303
1.25	Aggregate amount of loans to the parties included in item 1.11	65

1.26 Explanation necessary for an understanding of the transactions

The amounts in 1.24 are salaries that were paid to the two executive director and two non-executive directors. Included in this amount is the severance pay of one executive director due to the closure of our Canadian office.

The amounts in 1.25 are loans made to a subsidiary and two joint ventures of the entity. The amount is eliminated on consolidation, hence the difference to the amount reported in 1.11 which was after consolidation of the eliminating entries.

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

Not applicable

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

Not applicable

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available A\$'000	Amount used A\$'000
3.1 Loan facilities	3,500	3,500
.2 Credit standby arrangements	Not applicable	Not applicable

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
4.1 Cash on hand and at bank	598	598
4.2 Deposits at call	9,804	9,804
4.3 Bank overdraft	Nil	Nil
4.4 Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.23)	10,402	10,402

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not applicable	Not applicable
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for Acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: **23 December 2008**
(Director)

Print name: **P.A. Treasure**

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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 definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **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.

Additional Notes with reference to specific items in this report:

1.7 Other (Additional details)

In the current quarter and year to date, there were exchange losses made due to cash balances held in the Canadian Dollar and South African Rand. In the current quarter and year to date there was an exchange loss of A\$ 69K. The balances of the amount in this category are rental income amounts of A\$ 9K for the quarter and year to date.

3.1 Loan facilities

In October 2007, the entity issued convertible notes totaling A\$ 3,500,000. The notes have a term of three years, bear interest at 12% per annum, payable quarterly and are secured by a subordinated fixed and floating charge over the assets of the entity. The Note holders can convert the notes 180 days after issuance and prior to maturity to common shares of the entity at A\$0.50 per common share. The notes are redeemable by the entity, in multiples of A\$500,000, within 12 months from the date of issue. Upon conversion by the Note holder or redemption by the entity, the entity will issue to the Note holder one common share option for each A\$0.50 of the loan amount converted or redeemed, exercisable to purchase one additional common share of the entity for two years at A\$0.50 per share.