

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

MOLY MINES LIMITED

ABN

32 103 295 521

Quarter ended ("current quarter")

30 JUNE 2010

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 & evaluation	(5)	(1,393)
(b) development	(1,311)	(7,042)
(c) production	-	-
(d) administration	(2,856)	(10,654)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	409	1,042
1.5 Interest and other costs of finance paid	(65,980)	(65,985)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	120
Net Operating Cash Flows	(69,743)	(83,912)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,339)	(22,264)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	24,755	41,879
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Payments for security deposits	-	(364)
Proceeds from security deposits	-	104
Net investing cash flows	23,416	19,355
1.13 Total operating and investing cash flows (carried forward)	(46,327)	(64,557)

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1.13	Total operating and investing cash flows (brought forward)	(46,327)	(64,557)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	154,771	203,896
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	64,711	64,711
1.17	Repayment of borrowings	(141,439)	(197,634)
1.18	Dividends paid	-	-
1.19	Other		
	(a) Payment of share issue costs	(1,471)	(4,653)
	(b) Payment of finance loans	(156)	(170)
	(c) Payments for loan costs	(285)	(702)
	Net financing cash flows	76,131	65,448
	Net increase (decrease) in cash held	29,804	891
1.20	Cash at beginning of quarter/year to date	28,634	64,012
1.21	Exchange rate adjustments to item 1.20	(558)	(7,023)
1.22	Cash at end of quarter	57,880	57,880

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	417,651
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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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

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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

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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 (A\$ equivalent of US\$ 60 million)	70,397	70,397
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	13,681
4.3 Production	1,015
4.4 Administration	2,900
Total	17,746

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	1,734	28,634
5.2 Deposits at call	56,146	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	57,880	28,634

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			

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6.2 Interests in mining tenements acquired or increased

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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	363,916,323	363,916,323	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	207,135,646	207,135,646		
(b) Decreases through returns of capital, buy-backs	100,000	100,000		
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>	79,203,157	-	<i>Exercise price</i> (i)	<i>Expiry date</i> (i)
7.8 Issued during quarter	35,500,000	-	(i)	(i)
7.9 Exercised during quarter	100,000	-	(i)	(i)

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7.10	Expired during quarter	-	-		
7.11	Debentures <i>(totals only)</i>	-			
7.12	Unsecured notes <i>(totals only)</i>	-			

(i) Options Outstanding - Additional Information

Unlisted employee options on issue at 30 June 2010:

Number	Exercise Price	Expiry
4,065,000	\$1.40	31 Dec 2010
1,906,000	\$0.40	31 Dec 2010
820,000	\$0.40	31 Dec 2010
5,871,000		

Unlisted institutional options/warrants on issue at 30 June 2010:

Number	Exercise Price	Expiry
14,000,000	C\$1.00/A\$1.06	31 Oct 2012

TCW Warrants on issue at 30 June 2010:

Number	Exercise Price	Expiry
12,928,751	\$0.0001	30 Oct 2018
4,945,367	\$0.0001	28 Nov 2018
5,958,039	\$0.0001	15 Feb 2020
23,832,157		

Hanlong Mining Investment Project Finance Options at 30 June 2010:

Number	Exercise Price	Expiry
35,500,000	C\$1.00	23 Apr 2013

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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 /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 30 July 2010

Print name: Andrew Worland

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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