

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Red 5 Limited

ABN

73 068 647 610

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(1,782)	(4,041)
(b) development (pre-development expenditure)	(1,288)	(1,970)
(c) production	-	-
(d) administration	(348)	(1,529)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	813	1,869
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: net cash flow from goods and services tax	190	(19)
Net operating cash flows	(2,415)	(5,690)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments (Merrill Crowe)	(1,607)	(1,607)
(c) other fixed assets	(12)	(12)
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	-	-
Net investing cash flows	(1,619)	(1,619)
1.13 Total operating and investing cash flows (carried forward)	(4,034)	(7,309)

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1.13	Total operating and investing cash flows (brought forward)	(4,034)	(7,309)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	44,950
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: share issue expenses	-	(2,432)
Net financing cash flows		-	42,518
Net increase/(decrease) in cash held		(4,034)	35,209
1.20	Cash at beginning of quarter/year to date	61,375	22,453
1.21	Exchange rate adjustments to item 1.20	258	(63)
1.22	Cash at end of quarter	57,599	57,599

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	317
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and director-related entities for executive salaries, directors fees and the provision of management services to the consolidated entity. Also included for the current quarter is a one-off payment of \$172,000 for accrued annual leave and long service leave paid on cessation of employment of an executive director.

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

Issue of 28,000,000 ordinary shares to the shareholders of Merrill Crowe Corporation in part consideration for the transfer of shares in Merrill Crowe Corporation.

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

Not applicable.

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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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development (pre-development expenditure)	14,800
4.3 Production	-
4.4 Administration	430
Total	16,230

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	6,632	9,098
5.2 Deposits at call	19,825	10,207
5.3 Bank overdraft	-	-
5.4 Other: term deposits	31,142	42,070
Total: cash at end of quarter (item 1.22)	57,599	61,375

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			
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 (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities				
Fully paid shares	977,288,043	977,288,043		
7.4 Changes during quarter				
(a) Increases through issues	28,000,000	28,000,000	15.1 cents	15.1 cents
(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>
Options over fully paid shares	700,000	-	15 cents	30.06.11
	6,000,000	-	15 cents	31.12.12
	700,000	-	25 cents	30.06.13
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

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: *Frank Campagna*
(~~Director~~/Company Secretary)

Date: 28 July 2010

Print name: FRANK CAMPAGNA

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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