

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")

31 March 2012

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 product sales and related debtors	26,115	26,115
1.2 Payments for: (a) exploration & evaluation	(320)	(320)
(b) development	(816)	(816)
(c) production	(24,053)	(24,053)
(d) administration	(4,445)	(4,445)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	409	409
1.5 Interest and other costs of finance paid	(546)	(546)
1.6 Income taxes paid	-	-
1.7 Other – Government Grants	-	-
Net Operating Cash Flows	(3,656)	(3,656)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(3,305)	(3,305)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	11,720	11,720
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Payments for security deposits	-	-
Proceeds from security deposits	500	500
Net investing cash flows	8,915	8,915
1.13 Total operating and investing cash flows (carried forward)	5,259	5,259

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	5,259	5,259
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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		
	(a) Payment of share issue costs	-	-
	(b) Payment of finance loans	(12)	(12)
	(c) Payment of borrowing costs	(21)	(21)
	Net financing cash flows	(33)	(33)
	Net increase (decrease) in cash held	5,226	5,226
1.20	Cash at beginning of quarter/year to date	44,587	44,587
1.21	Exchange rate adjustments to item 1.20	(490)	(490)
1.22	Cash at end of quarter	49,323	49,323

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 (includes \$970k iron ore marketing fee incurred with Hanlong Metals Limited pursuant to the Iron Ore Offtake Agreement between Moly Metals Australia Pty Ltd and Hanlong Metals Limited, a related party of Hanlong Mining Investment Pty Ltd)	2,542
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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+ 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 ⁽¹⁾ (A\$ equivalent of US\$ 15,334,947)	14,742	14,742
3.2 Credit standby arrangements	-	-

(1) The restructure of the US\$60 million Shareholder Loan arrangements with Hanlong Mining Investment Pty Ltd signed in December 2011 has resulted in the classification of US\$15.3 million as a non-current interest bearing liability and US\$44.7 million as a commitment. Refer to the ASX announcement dated 29th December 2011 for more information and the Company's 2011 Annual Report for further details.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	1,028
4.3 Production	28,652
4.4 Administration	3,643
Total	26,932

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	11,892	19,087
5.2 Deposits at call	37,431	25,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	49,323	44,587

+ See chapter 19 for defined terms.

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	-	-	-

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	384,893,989	384,893,989	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities (description)	-	-		

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7	Options (description and conversion factor)	34,010,491	-	Exercise price (i)	Expiry date (i)
7.8	Issued during quarter	15,350,000	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-			
7.12	Unsecured notes (totals only)	-			

(i) Options Outstanding - Additional Information

Unlisted institutional options/warrants on issue at 31 March 2012:

Number	Exercise Price	Expiry
13,828,334	C\$1.00/A\$1.06	31 Oct 2012

EIG Warrants on issue at 31 March 2012:

Number	Exercise Price	Expiry
4,832,157	\$0.0001	15 Feb 2020

Employee options at 31 March 2012:

				Total
Number	5,116,650	5,116,672	5,116,678	15,350,000
Grant date	14 Feb 2012	14 Feb 2012	14 Feb 2012	
Vesting date	14 Feb 2013	14 Feb 2014	14 Feb 2015	
Vesting price	65 cents	65 cents	65 cents	
Exercise price	55 cents	55 cents	55 cents	
Expiry	14 Feb 2016	14 Feb 2016	14 Feb 2016	

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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:

Date: 27 April 2012

Company secretary

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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