

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

COALBANK LIMITED

ABN

20 075 877 075

Quarter ended ("current quarter")

30 JUNE 2011

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 & evaluation	(580)	(2,945)
(b) development	-	-
(c) production	-	-
(d) administration	(301)	(1,385)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	92
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) BAS refunds received from the ATO	62	244
Net Operating Cash Flows	(806)	(3,994)
Cash flows related to investing activities		
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 (provide details if material)	(3)	(61)
Net investing cash flows	(3)	(61)
1.13 Total operating and investing cash flows (carried forward)	(809)	(4,055)

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1.13	Total operating and investing cash flows (brought forward)	(809)	(4,055)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	4,086
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 (provide details if material)	-	-
	Net financing cash flows	-	4,086
	Net increase (decrease) in cash held	(809)	31
1.20	Cash at beginning of quarter/year to date	1,614	774
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	805	805

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	60
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

During the quarter Coalbank Limited issued 40,000,000 conditional options exercisable at 25 cents each as consideration under the Share Sale and Purchase Agreement in which Coalbank Limited acquired 100% of the issued capital of Coalbank Qld Pty Ltd from Allegro Capital Nominees Pty Ltd which is controlled by Mr Greg Baynton. The options are subject to certain vesting conditions relating to exploration results.

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

Nil

+ 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,800
4.2 Development	-
4.3 Production	-
4.4 Administration	310
Total	2,110

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	77	86
5.2 Deposits at call	728	1,528
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	805	1,614

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	Nil			
6.2 Interests in mining tenements acquired or increased	EPC 2240 EPC 2241		Nil Nil	100% 100%

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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>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	679,597,740	679,597,740	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,000,000	1,000,000	o	Fully paid
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	40,000,000 3,000,000	- -	Exercise price 25 cents 10.33 cents	Expiry date 02/09/14 02/06/13
7.8 Issued during quarter	40,000,000 3,000,000	- -	25 cents 10.33 cents	02/09/14 02/06/13
7.9 Exercised during quarter	N/A			
7.10 Expired during quarter	9,000,000 1,900,000 11,000,000		20 cents 7 cents 20 cents	15/05/11 26/06/11 26/06/11

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7.10A	Performance rights	8,250,000	-	<i>Exercise price</i>	<i>Expiry date</i>
				-	-
	Changes during the quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities converted	1,000,000	-	-	-
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 \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 29 July 2011

Print name: Leni Stanley

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.

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- 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 Financial Reporting 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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