

MINING EXPLORATION ENTITY QUARTERLY REPORT

APPENDIX 5B

Name of entity:

Magnetic Resources NL

ABN:

34 121 370 232

Quarter ended ("current quarter")

30/6/2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$AUD'000	Year to date (12 months) \$AUD'000
1.1	Receipts from product sales, related debtors, GST Credits	25	109
1.2	Payments for:		
	(a) exploration and evaluation	(906)	(1,711)
	(b) development		
	(c) production		
	(d) administration	(124)	(526)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	90	121
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(915)	(2,007)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	(93)	(289)
	(b) equity investments		
	(c) other fixed assets	(48)	(90)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans advanced by/repaid to other entities		
1.12	Other (Loan repayments to associated company)		
	Net investing cash flows	(141)	(379)
1.13	Total operating and investing cash flows (carried forward)	(1,056)	(2,386)

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1.13	Total operating and investing cash flows (brought forward)	(1,056)	(2,386)
1.14	Cash flows related to financing activities Proceeds from issues of shares, options, etc.	3,890	6,342
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 applications received after end of previous quarter now issued	(1,184)	
1.19	Other – Share issue expenses	(54)	(109)
	Net financing cash flows	2,652	6,233
	Net increase (decrease) in cash held	1,596	3,847
1.20	Cash at beginning of quarter/year to date	3,074	823
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,670	4,670

**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 \$AUD'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

N/A

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

N/A

Financing facilities available

		Amount available \$AUD'000	Amount used \$AUD'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

	\$AUD'000
4.1 Exploration and evaluation	700
4.2 Development	
4.3 Administration	130
Total	830

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 \$AUD'000	Previous quarter \$AUD'000
5.1 Cash on hand and at bank	97	1,259
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) – Short Term Deposit	4,573	1,815
Total: cash at end of quarter (item 1.22)	4,670	3,074

Changes in interests in mining tenements

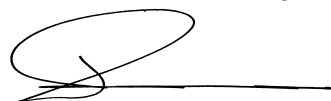
	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E70/2790	Relinquished	100%	0%
	E70/2792	Relinquished	100%	0%
	E63/992	Relinquished	100%	0%
6.2 Interests in mining tenements acquired or increased	E59/1674	Application	0%	100%
	E59/1697	Application	0%	100%
	E70/3888	Application	0%	100%
	E70/3910	Application	0%	100%
	E70/3911	Application	0%	100%
	E70/3912	Application	0%	100%
	E70/3918	Application	0%	100%
	E70/3919	Application	0%	100%
	E70/3921	Application	0%	100%
	E70/3922	Application	0%	100%
	E70/3925	Application	0%	100%
	E70/3533	Granted	100%	100%
	E70/3775	Granted	100%	100%
	E70/3782	Granted	100%	100%
	E70/3783	Granted	100%	100%
	E70/3784	Granted	100%	100%
	E70/3785	Granted	100%	100%
	E70/3789	Granted	100%	100%
	E70/3790	Granted	100%	100%
	E70/3791	Granted	100%	100%
	E70/3792	Granted	100%	100%
	E70/3793	Granted	100%	100%
	E70/3794	Granted	100%	100%
E70/3795	Granted	100%	100%	

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid-up per security (cents)
7.1 Preference securities	N/A			
7.2 Issued during quarter				
7.3 Ordinary securities				
Fully paid shares	64,717,636	64,717,636		
Partly paid shares	17,418,862	17,418,862		
7.4 Issued during quarter				
Fully paid shares	3,960,230	3,960,230	\$0.40	\$0.40
Partly paid shares paid up	1,526,710	1,526,710	\$0.20	\$0.20
Fully paid shares	4,444,443	4,444,443	\$0.45	\$0.45
7.5 Convertible debt securities	N/A			
7.6 Issued during quarter				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
	2,295,000		\$0.2709	23.12.2014
7.8 Issued during quarter	195,000		\$0.2709	23.12.2014
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures	N/A			
7.12 Unsecured notes	N/A			

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.
- 2 This statement does give a true and fair view of the matters disclosed.



Rudolf Tieleman
Company Secretary
 Date: 30 July 2010