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or

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Executive Director and
Company Secretary

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ASX Code: "RBM"
"RBMO"

e-lodgement
6 Pages

31 January 2007

Second Quarter Cash Flow Report

The Consolidated Entity's Cash Flow Report for the first quarter ending 31 December 2006 is attached.

Yours faithfully
Redbank Mines Limited

Susan J Field
Director and Company Secretary

Appendix 5B

Mining exploration entity quarterly report –

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

Name of entity

Redbank Mines Limited

ABN

66 059 326 519

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date 6 months \$A'000
Cash flows related to operating activities		
1.1 Receipts from copper sale and related debtors	716	1,161
1.2 Payments for:		
(a) exploration and evaluation	(218)	(380)
(b) development	(34)	(34)
(c) rehabilitation	(50)	(52)
(d) production	-	-
(e) operations and project management – Redbank Copper, NT	(564)	(825)
(f) administration/corporate	(199)	(322)
(g) compliance	(77)	(134)
(h) project management and care and maintenance – Mt Kasi, Fiji	(139)	(296)
1.3 Dividends received	-	-
1.4 Interest received	3	6
1.5 Interest and other costs of finance paid	(4)	(111)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(566)	(987)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) plant and equipment/ capital development costs	(306)	(4)
(b) equity investments	(306)	(306)
(c) inventory consumables	(335)	(335)
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 Payment for security term deposits for mining tenements	(99)	(99)
1.13 Payment for security rental bond	-	-
Net investing cash flows	(740)	(744)
Total operating and investing cash flows (carried forward)	(1,306)	(1,731)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Current quarter \$A'000	Year to date 6 months \$A'000
Total operating and investing cash flows (brought forward)	(1,306)	(1,731)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares	540	540
1.15 Share issue expenses	(14)	(14)
1.16 Proceeds from the Underwriting Advance	1,000	1,000
1.17 Repayment of borrowings	(12)	(28)
1.18 Dividends paid	-	-
1.19 Other (provide details if material)		
(a) Net proceeds from Directors loans	37	232
(b) Principal lease repayment	(32)	(32)
Net financing cash flows	1,519	1,698
Net increase (decrease) in cash held	213	(33)
1.20 Cash at beginning of quarter/year to date	188	434
1.21 Exchange rate adjustments to item 1.20	(1)	(1)
1.22 Cash at end of quarter ***	400	400

*** On 21 December the Company issued a prospectus to raise up to \$2.46 million after issue costs by means of an entitlements issue and a placement issue. The Company is obliged to repay the \$1.0 million proceeds from the underwriting at 1.16 above from the proceeds of the share issues. It is anticipated that an operating surplus will be derived from copper production at the Redbank Copper Mine during the March 2007 quarter. This is expected to make a positive contribution to the Company's working capital requirements.

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	98
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

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

+ 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	-	-
3.2 Credit standby arrangements	275	232

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	450
4.2 Development	90
Total	540

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	400	188
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	400	188

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	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	83,380,147	83,380,147		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,650,002 -	7,650,002 -		
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>	7,894,737 250,000 250,000 250,000 38,115,864	- - - - 38,115,864	<i>Exercise price</i> \$0.38 \$0.38 \$0.50 \$0.60 \$0.28	<i>Expiry date</i> 28 Feb 2008 28 Feb 2010 28 Feb 2010 28 Feb 2010 31 May 2008
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter *	-			
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

7.12	Unsecured notes <i>(totals only)</i>	-	-
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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 give a true and fair view of the matters disclosed.

Sign here:
Executive Director & Company Secretary

Date: 31 January 2007

Print name: **Susan J Field**

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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