

# 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

Reed Resources Ltd

ABN

89 099 116 631

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'ooo	Year to date (12months) \$A'ooo
1.1 Receipts from product sales and related debtors	100	1,943
1.2 Payments for (a) exploration & evaluation	(4,185)	(6,945)
(b) development	-	(591)
(c) production	-	(1,304)
(d) administration	(1,691)	(5,646)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	331	1,017
1.5 Interest and other costs of finance paid	-	(130)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	438
<b>Net Operating Cash Flows</b>	<b>(5,445)</b>	<b>(11,218)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments	-	(6,011)
(c) other fixed assets	(458)	(11,815)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	232
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Option Fee for Tenements)	-	-
<b>Net investing cash flows</b>	<b>(458)</b>	<b>(17,594)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(5,903)</b>	<b>(28,812)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(5,903)	(28,812)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	21,926	47,087
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 (capital raising costs)	(1,622)	(2,656)
	<b>Net financing cash flows</b>	20,304	44,431
	<b>Net increase (decrease) in cash held</b>	14,401	15,619
1.20	Cash at beginning of quarter/year to date	11,271	10,053
1.21	Exchange rate adjustments to item 1.20		
		25,672	25,672
1.22	<b>Cash at end of quarter</b>		

**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	203.1
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and superannuation: \$137,612  
Rent & Service charge: \$65,446

**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	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	5,000
4.2 Development	-
4.3 Production	-
4.4 Administration	1,000
<b>Total</b>	<b>6,000</b>

**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	13,883	2,242
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (term deposits)	11,789	9,029
<b>Total: cash at end of quarter (item 1.22)</b>	<b>25,672</b>	<b>11,271</b>

**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	L15/313	Withdrawn	100%	0%
	L15/314	Withdrawn	100%	0%
	E15/897	Surrendered	100%	0%
	E15/903	Surrendered	100%	0%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining tenements acquired or increased	P15/5556	Granted	0%	100%
	E15/1190	Granted	0%	100%
	E15/1191	Granted	0%	100%
	E29/762	Granted	0%	100%
	L53/166	Application	0%	100%

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues	32,406,645	32,406,645		
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	262,237,201	262,237,201		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

				<i>Exercise price</i>	<i>Expiry date</i>
7.7	<b>Options</b> <i>(description and conversion factor)</i>	2,700,000	Nil	\$0.75	30/06/2011
		1,800,000	Nil	\$0.85	31/12/2012
		1,850,000	Nil	\$1.20	30/06/2013
		2,450,000	Nil	\$0.80	31/12/2013
		4,500,000	Nil	\$0.80	30/06/2012
		3,150,000	Nil	\$1.00	01/07/2013
		4,000,000	Nil	\$1.00	01/07/2012
		500,000	Nil	\$1.00	01/07/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## 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: 29 July 2011  
Company secretary

Print name: Jason Carone

## 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

+ See chapter 19 for defined terms.

## Appendix 5B Mining exploration entity quarterly report

---

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.

== == == == ==