

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

Reed Resources Ltd

ABN

89 099 116 631

Quarter ended ("current quarter")

30 September 2012

### Consolidated statement of cash flows

#### Cash flows related to operating activities

1.1 Receipts from product sales and related debtors

1.2 Payments for:

- (a) exploration & evaluation
- (b) development
- (c) production
- (d) administration

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (R&D refund and EMD Grant)

#### Net Operating Cash Flows

#### Cash flows related to investing activities

1.8 Payment for purchases of:

- (a) prospects
- (b) equity investments
- (c) other fixed assets
- (d) exploration & evaluation

1.9 Proceeds from sale of:

- (a) prospects
- (b) equity investments
- (c) other fixed assets
- (d) subsidiaries

1.10 Loans to other entities

1.11 Loans repaid by other entities

1.12 Other (tenement acquisition option fee)

#### Net investing cash flows

1.13 Total operating and investing cash flows (carried forward)

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(2,486)	(2,486)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	193	193
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R&D refund and EMD Grant)	-	-
<b>Net Operating Cash Flows</b>	<b>(2,293)</b>	<b>(2,293)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(9,502)	(9,502)
(d) exploration & evaluation	(1,525)	(1,525)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) subsidiaries	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (tenement acquisition option fee)	-	-
<b>Net investing cash flows</b>	<b>(11,027)</b>	<b>(11,027)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(13,320)</b>	<b>(13,320)</b>

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1.13	Total operating and investing cash flows (brought forward)	(13,320)	(13,320)
	<b>Cash flows related to financing activities</b>		
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	(48)	(48)
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	-
	<b>Net financing cash flows</b>	(48)	(48)
	<b>Net increase (decrease) in cash held</b>	(13,368)	(13,368)
1.20	Cash at beginning of quarter/year to date	40,309	40,309
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	26,941	26,941

**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
1.23	Aggregate amount of payments to the parties included in item 1.2	370,503
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: \$370,503

**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 \$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	360
4.2	Development	14,700
4.3	Production	9,500
4.4	Administration**	7,300
<b>Total</b>		<b>31,860</b>

\* Estimated cash outflows are based on the completion of the \$10M capital raising announced on 22 October 2012 and the execution and drawdown of the \$19M Credit Suisse debt facility announced on 28 September 2012.

\*\* Includes cost of finance facilities.

### 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	12,143	25,646
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (restricted deposits)	14,798	14,663
<b>Total: cash at end of quarter (item 1.22)</b>		<b>26,941</b>	<b>40,309</b>

### 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	P15/5556	Surrendered 02/07/2012	100%	0%
		P15/5557	Surrendered 20/07/2012	100%	0%
		P51/1903	Expired 31/08/2012	100%	0%
		P51/160	Expired 31/08/2012	100%	0%
6.2	Interests in mining tenements acquired or increased	E16/448	Application 12/09/2012	0%	100%
		E51/1496	Lease granted 31/07/2012	0%	100%
		M51/0679	Lease granted 31/08/2012	0%	100%
		M51/0561	Lease granted 31/08/2012	0%	100%
		M51/0871	Application 03/08/2012	0%	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 (cents)	Amount paid up per security (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>Ordinary securities</b>	464,112,073	464,112,073		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,410,500	1,410,500		
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				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	1,800,000	Nil	<i>Exercise price</i> \$0.834	<i>Expiry date</i> 31/12/2012
	1,850,000	Nil	\$1.184	30/06/2013
	2,450,000	Nil	\$0.784	31/12/2013
	3,000,000	Nil	\$0.984	01/07/2013
	500,000	Nil	\$0.984	01/07/2014
7.8 Issued during quarter				

7.9	Exercised during quarter				
7.10	Expired during quarter	4,000,000	Nil	\$0.984	01/07/2012
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.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 25 October 2012  
Company secretary

Print name: Jason Carone