

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Reed Resources Ltd

ABN

89 099 116 631

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	1,296	1,296
1.2 Payments for:		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(4,765)	(4,765)
(d) administration	(4,507)	(6,993)
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 (provide details if material)	-	-
- Option Premium	(3,058)	(3,058)
Net Operating Cash Flows	(11,034)	(13,520)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(10,115)	(19,617)
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 to other entities	-	-
1.12 Other (provide details if material)		
- Interest and other items of similar nature received	15	208
- Exploration & evaluation	(1,578)	(3,103)
Net investing cash flows	(11,678)	(22,512)
1.13 Total operating and investing cash flows (carried forward)	(22,712)	(36,032)

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1.13	Total operating and investing cash flows (brought forward)	(22,712)	(36,032)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10,000	10,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	19,000	19,000
1.17	Repayment of borrowings	-	(48)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	- Share issue costs	(445)	(445)
	- Interest paid / Establishment costs	(1,592)	(1,592)
	Net financing cash flows	26,963	26,915
	Net increase (decrease) in cash held	4,251	(9,117)
1.20	Cash at beginning of quarter/year to date	26,941	40,309
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	31,192	31,192

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	\$345,356
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' salaries, fees, superannuation and office rent: \$345,356

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 December quarter the Consolidated Entity entered into a series of transactions to hedge 110,000 ounces of gold production from the company's Meekatharra Gold Operation. 70,000 of these ounces are forward gold contracts requiring physical delivery of gold bullion to settle the commitment. The balance of the hedged ounces are put options which are exercisable at the company's discretion. These puts have an exercise price of A\$1,600 per ounce.

On 16 October 2012, the Company executed a shareholders' agreement pursuant to which 30% of the issued capital of Reed Industrial Minerals Pty Ltd (**RIM**) was issued to Process Minerals International Pty Ltd (**PMI**). RIM is the 100% owner of the Mt Marion Lithium Project.

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

PMI was issued 30% of the issued capital in RIM in consideration of execution of the shareholders' agreement.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	19,000	19,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	735
4.2 Development	-
4.3 Production	22,711
4.4 Administration	1,813
Total	25,259

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	19,248	12,143
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (restricted deposits)	11,944	14,798
Total: cash at end of quarter (item 1.22)	31,192	26,941

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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	P15/4818	Expired/Amalgamated	100%	0%
		P15/4819	Expired/Amalgamated	100%	0%
		L53/166(a)	Application withdrawn	100%	0%
	E15/1190		100%	70%	
	E15/1191	Net interest in these eight tenements 100% held by RIM, was reduced by entry into Shareholders' Agreement	100%	70%	
	M15/999		100%	70%	
	M15/1000		100%	70%	
	L15/315		100%	70%	
	L15/316		100%	70%	
	L15/317		100%	70%	
	L15/321		100%	70%	
	P51/1646		Expired	100%	0%
	P51/1606	Expired	100%	0%	
	P51/1628	Expired	100%	0%	
	P51/1647	Expired	100%	0%	
	P51/1637	Expired	100%	0%	
	P51/1650	Expired	100%	0%	
	P51/1649	Expired	100%	0%	
	P51/1583	Expired	100%	0%	
	P51/1607	Expired	100%	0%	
	P51/1581	Expired	100%	0%	
	P51/1648	Expired	100%	0%	
	P51/1656	Expired	100%	0%	
	P51/1657	Expired	100%	0%	
	P51/1642	Expired	100%	0%	
	P51/1582	Expired	100%	0%	
	P51/1991	Expired	100%	0%	
	P51/1732	Expired	100%	0%	
	P51/1788	Expired	100%	0%	
	P51/1755	Expired	100%	0%	
	P51/1717	Expired	100%	0%	
	P51/1723	Expired	100%	0%	
	P51/1789	Expired	100%	0%	
	P51/1818	Expired	100%	0%	
	P51/1907	Expired	100%	0%	
	P51/1760	Expired	100%	0%	
	P51/1719	Expired	100%	0%	
	P51/1750	Expired	100%	0%	
	P51/1718	Expired	100%	0%	
	P51/1721	Expired	100%	0%	
	P51/1720	Expired	100%	0%	
	P51/2082	Expired	100%	0%	
	P51/2061	Expired	100%	0%	
	P51/2062	Expired	100%	0%	
	P51/2056	Expired	100%	0%	
	P51/2058	Expired	100%	0%	
	P51/2081	Expired	100%	0%	
	P51/2057	Expired	100%	0%	

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	P51/2185	Expired	100%	0%
	P51/2189	Expired	100%	0%
	P51/1925	Expired	100%	0%
	P51/1820	Expired	100%	0%
	P51/1908	Expired	100%	0%
	P51/2059	Expired	100%	0%
	P51/2036	Expired	100%	0%
	P51/1909	Expired	100%	0%
	P51/1910	Expired	100%	0%
	P51/1904	Expired	100%	0%
	P51/1992	Expired	100%	0%
	P51/1990	Expired	100%	0%
	P51/2024	Expired	100%	0%
	P51/1764	Expired	100%	0%
6.2	Interests in mining tenements acquired or increased			
	M51/0557	Granted	0%	100%
	M51/0568	Granted	0%	100%
	M51/0569	Granted	0%	100%
	M51/0570	Granted	0%	100%
	M51/0571	Granted	0%	100%
	M51/0573	Granted	0%	100%
	M51/0575	Granted	0%	100%
	M51/0576	Granted	0%	100%
	M51/0581	Granted	0%	100%
	M51/0582	Granted	0%	100%
	M51/0637	Granted	0%	100%
	M51/0613	Granted	0%	100%
	M51/0587	Granted	0%	100%
	M51/0586	Granted	0%	100%
	M51/0677	Granted	0%	100%
	M51/0644	Granted	0%	100%
	M51/0645	Granted	0%	100%
	M51/0640	Granted	0%	100%
	M51/0628	Granted	0%	100%
	M51/0674	Granted	0%	100%
	M51/0584	Granted	0%	100%
	M51/0783	Granted	0%	100%
	M51/0782	Granted	0%	100%
	M51/0811	Granted	0%	100%
	M51/0834	Granted	0%	100%
	M51/0784	Granted	0%	100%
	M51/0678	Granted	0%	100%
	M51/0680	Granted	0%	100%
	M51/0688	Granted	0%	100%
	M51/0718	Granted	0%	100%
	M51/0737	Granted	0%	100%
	M51/0740	Granted	0%	100%
	M51/0758	Granted	0%	100%
	M51/0780	Granted	0%	100%
	M51/0638	Granted	0%	100%
	M51/0639	Granted	0%	100%
	M20/0421	Granted	0%	100%
	M51/0675	Granted	0%	100%
	M51/0746	Granted	0%	100%
	M51/0757	Granted	0%	100%
	M20/0420	Granted	0%	100%
	M51/0871	Granted	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 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	519,666,564	519,666,564		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	55,554,491	55,554,491	\$0.18	\$0.18
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>	1,850,000	Nil	<i>Exercise price</i> \$1.184	<i>Expiry date</i> 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
	1,000,000	Nil	\$1.00	31/12/2014
7.8 Issued during quarter	1,000,000	Nil	\$1.00	31/12/2014

7.9	Exercised during quarter				
7.10	Expired during quarter	1,800,000	Nil	\$0.834	31/12/2012
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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: 24 January 2013
Company secretary

Print name: Jason Carone