

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Reed Resources Ltd

ABN

89 099 116 631

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	13,052	13,052
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	-	-
(c) production – gold	(17,609)	(17,609)
(d) gas transmission	(288)	(288)
(e) administration	(709)	(725)
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)	-	-
(a) option premium	-	-
(b) Hedge closure proceeds	-	-
Net Operating Cash Flows	(5,554)	(5,554)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(15)	(15)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(3)	(3)
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
(a) Interest and other items of similar nature received	62	62
(b) exploration & evaluation	(551)	(551)
Net investing cash flows	(507)	(507)
1.13 Total operating and investing cash flows (carried forward)	(6,061)	(6,061)

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1.13	Total operating and investing cash flows (brought forward)	(6,061)	(6,061)
	Cash flows related to financing activities		
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	(194)	(194)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	(a) share issue costs	-	-
	(b) Interest paid / borrowing costs		
	Net financing cash flows	(194)	(194)
	Net increase (decrease) in cash held	(6,255)	(6,255)
1.20	Cash at beginning of quarter/year to date	7,214	7,214
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	959	959

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	420
1.24	Aggregate amount of loans to the parties included in item 1.10	3

1.25 Explanation necessary for an understanding of the transactions

During the quarter \$420,204.67 was paid to directors of the entity and a loan of \$2,705.19 was made to associate entity Reed Industrial Minerals Pty Ltd.

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 quarter the Chairman provided a stand by facility of up to \$3M to support the company's working capital position.

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

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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	3,000	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	1,000
Total	1,300

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	959	7,164
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (restricted deposits)	8,859	11,877
Total: cash at end of quarter (item 1.22)	9,818	19,041

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	L15/0309 M51/0806 Surrendered Withdrawn	100% 100%	0% 0%

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6.2 Interests in mining tenements acquired or increased	M29/0270	Granted 25/06/2013	100%	100%
	P63/1961	Applied for 04/09/2013	100%	100%
	P63/1962	Applied for 04/09/2013	100%	100%
	P63/1963	Applied for 04/09/2013	100%	100%
	P63/1964	Applied for 04/09/2013	100%	100%
	P63/1965	Applied for 04/09/2013	100%	100%
	P63/1966	Applied for 04/09/2013	100%	100%
	P63/1967	Applied for 04/09/2013	100%	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 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	522,731,064	522,731,064		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,754,500	2,754,500	nil cash	
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	2,450,000 500,000 1,000,000	Nil Nil Nil	Exercise price \$0.784 \$0.984 \$1.000	Expiry date 31/12/2013 01/07/2014 31/12/2014
7.8 Issued during quarter				
7.9 Exercised during quarter				

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7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 30 October 2013
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 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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