

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

REED RESOURCES LTD

ABN

89 099 116 631

Quarter ended ("current quarter")

31 March 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from product sales and related debtors	636,537	1,261,142
1.2 Payments for (a) exploration and evaluation	(2,354,206)	(6,605,166)
(b) development	(0)	(0)
(c) production	(228,572)	(600,142)
(d) administration	(493,621)	(1,823,501)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	104,528	240,349
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – R and D tax rebate	-	-
Net Operating Cash Flows	(2,335,334)	(7,527,318)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments		
(c) other fixed assets	(18,190)	(34,064)
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 Other		
Net investing cash flows	(18,190)	(34,064)
1.13 Total operating and investing cash flows (carried forward)	(2,353,524)	(7,561,382)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(2,353,524)	(7,561,382)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	16,285,000
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	-	(1,005,069)
	Net financing cash flows	-	15,279,931
	Net increase (decrease) in cash held	(2,353,524)	7,718,549
1.20	Cash at beginning of quarter/year to date	14,450,999	4,378,926
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	12,097,475	12,097,475

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	167,466
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Salary and superannuation payable to directors: \$109,541

Rent and service fees paid to a related party: \$57,925

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

\$8.7 million placed in a restricted term deposit as security for a bank guarantee in the same amount required under the gas transmission agreement with DBNGP (WA) Transmission Pty Ltd for the Barrambie 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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	3,000,000
4.2 Development	
Total	3,000,000

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	Previous quarter \$A
5.1 Cash on hand and at bank	314,234	78,653
5.2 Deposits at call	3,010,982	14,304,111
5.3 Bank overdraft		
5.4 Other (bonds)	8,772,259	68,235
Total: cash at end of quarter (item 1.22)	12,097,475	14,450,999

+ See chapter 19 for defined terms.

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	P37/6654	Transfer	50%	0%
	P37/6659	”	”	”
	P37/6607	”	”	”
	P37/6609	”	”	”
	P37/6610	”	”	”
	P37/6611	”	”	”
	P37/6612	”	”	”
	P37/6613	”	”	”
	P37/6615	”	”	”
	P37/6655	”	”	”
	P37/6656	”	”	”
	P37/6657	”	”	”
	P37/6658	”	”	”
	P37/6603	”	”	”
	P37/6662	”	”	”
	P37/6661	”	”	”
	P37/6660	”	”	”
	P37/6614	”	”	”
	P37/6606	”	”	”
	P37/6602	”	”	”
	P37/6601	”	”	”
	P37/6600	”	”	”
	P37/6599	”	”	”
	P37/6608	”	”	”
	P37/6605	”	”	”
	P37/6604	”	”	”
6.2 Interests in mining tenements acquired or increased	G57/5	Applications	0%	100%
	L20/55	”	”	”
	L57/28	”	”	”
	L57/29	”	”	”
	L57/30	”	”	”

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)				

+ See chapter 19 for defined terms.

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	122,116,667	122,116,667		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	2,200,000	Nil	<i>Exercise price</i> \$0.35	<i>Expiry date</i> 31/12/2008
		2,500,000	Nil	\$0.78	31/12/2009
		1,000,000	Nil	\$0.50	01/07/2010
		2,700,000	Nil	\$0.75	30/06/2011
		2,000,000	Nil	\$0.60	31/05/2009
		500,000	Nil	\$0.85	26/11/2012
		2,000,000	Nil	\$0.85	31/12/2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: 
Director/Company secretary

Date: **28 April 2008**

Print name: **CHRISTOPHER JOHN REED**

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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