Reed Resources Ltd

ABN 89 099 116 631

AUSTRALIAN STOCK EXCHANGE

RDR000005

FACSIMILE TRANSMITTAL SHEET

TO: Company Announcements Office	FROM: Chris Reed
COMPANY: Australian Stock Exchange	DATE: 31 January 2003
FAX NUMBER: 1 300 300 021	TOTAL NO. OF PAGES INCLUDING COVER: 7
PHONE NUMBER	SENDER'S REFERENCE NUMBER:
RE: Quarterly Report	YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

REED RESOURCES LTD (ASX: RDR) – SECOND QUARTER CASHFLOW REPORT

Please find following the Second Quarter Cashflow Report for the period ending 31 December 2002

If you have any queries please do not hesitate to contact me on 08 9322 1182.

Kind regards

CReed

Christopher Reed
DIRECTOR

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Rule 5.3

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 DECEMBER 2002

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	4	5
1.2	Payments for (a) exploration and evaluation	(371)	(683)
	(b) development	(434)	(682)
	(c) production		
	(d) administration	(199)	(545)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	29	62
1.5	Interest and other costs of finance paid		(1)
1.6	Income taxes paid		
1.7	Other – GST Refund, Diesel Fuel Rebate	128	128
	Net Operating Cash Flows	(843)	(1,716)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	(164)	(212)
	(b)equity investments	(29)	(29)
	(c) other fixed assets	(89)	(175)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities	(9)	(9)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)	(4)	(4)
	Net investing cash flows	(295)	(429)
1.13	Total operating and investing cash flows (carried forward)	(1,138)	(2,145)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,138)	(2,145)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		6,000
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(4)
1.18	Dividends paid		
1.19	Other – Prospectus Costs		(337)
	Net financing cash flows	-	5,659
	Net increase (decrease) in cash held	(1,138)	(3,514)
1.20	Cash at beginning of quarter/year to date	4,411	(241)
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	3,273	3,273

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	(82)
1.24	Aggregate amount of loans to the parties included in item 1.10	(9)

1.25 Explanation necessary for an understanding of the transactions

Office rent and service fees paid to a company related to a director	**(43)**
Salary, superannuation and consulting fees paid to directors	**(39)**
Loan to wholly owned subsidiary	**(9)**

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

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'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	**200**
4.2	Development	**300**
	Total	**500**

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	**325**	**418**
5.2	Deposits at call	**3,028**	**4,000**
5.3	Bank overdraft	**(80)**	**(7)**
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	**3,273**	**4,411**

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	**GML29/6196**	**Lapsed**	**100%**	**0%**

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased	M29/321	Conversion of GML 29/6196	0%	100%
	M29/85	Acquisition	0%	100%
	M29/185	Acquisition	0%	100%
	M29/186	Acquisition	0%	100%
	M29/269	Acquisition	0%	100%
	M29/270	Acquisition	0%	100%
	E29/423	Acquisition	0%	100%
	E29/466	Acquisition	0%	100%
	P29/1643	Acquisition	0%	100%
	P29/1644	Acquisition	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	**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**	49,000,000	32,000,000		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

				Exercise price	Expiry date
7.7	**Options** *(description and conversion factor)*				
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

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: ......CReed...... (Director/Company secretary) Date: ...31 January 03...

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.

+ See chapter 19 for defined terms.

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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