

Reed Resources Ltd

RIU Explorers Conference
February 2005

OUTLINE

- Corporate Information
- Business Strategy
- Project Overview
 - **Comet Vale**
 - **Mt Finnerty**
 - **Barrambie**
- Opportunities



**Drill core from
Sand George Lode**

CORPORATE INFORMATION

- Established December 2001
- Floated July 2002 (raised \$6M)
- Directors

David Reed OAM - Executive Chairman
FCPA

Chris Reed - Executive Director/ Secretary
BCom, GradCertMinEcon (WASM) ASA

Peter Collins - Non-Executive Director
BSc(Hons) PhD MAIG

Ian Junk – Non-Executive Director
B.Eng (Hons) MAusIMM

CORPORATE INFORMATION

- **Capital Structure**

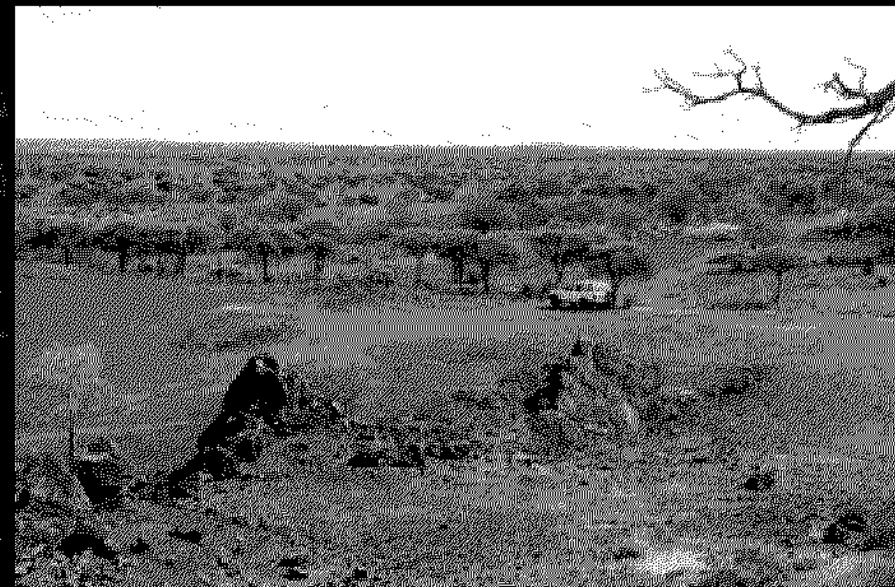
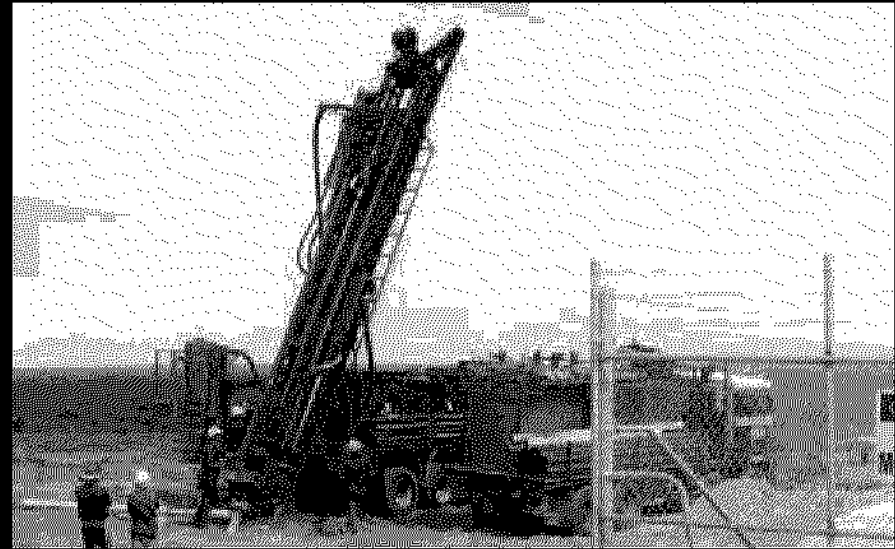
- Vendor shares 15M @ 20c
- Seed capital 4M @ 10c
- Shares issued 30M @ 20c
- Barrambie acquisition 0.75M @ 20c
- Consolidated Minerals 12.3M @ 25c
- **Total issue 62 M shares**

Market Cap (@26c) \$16 M

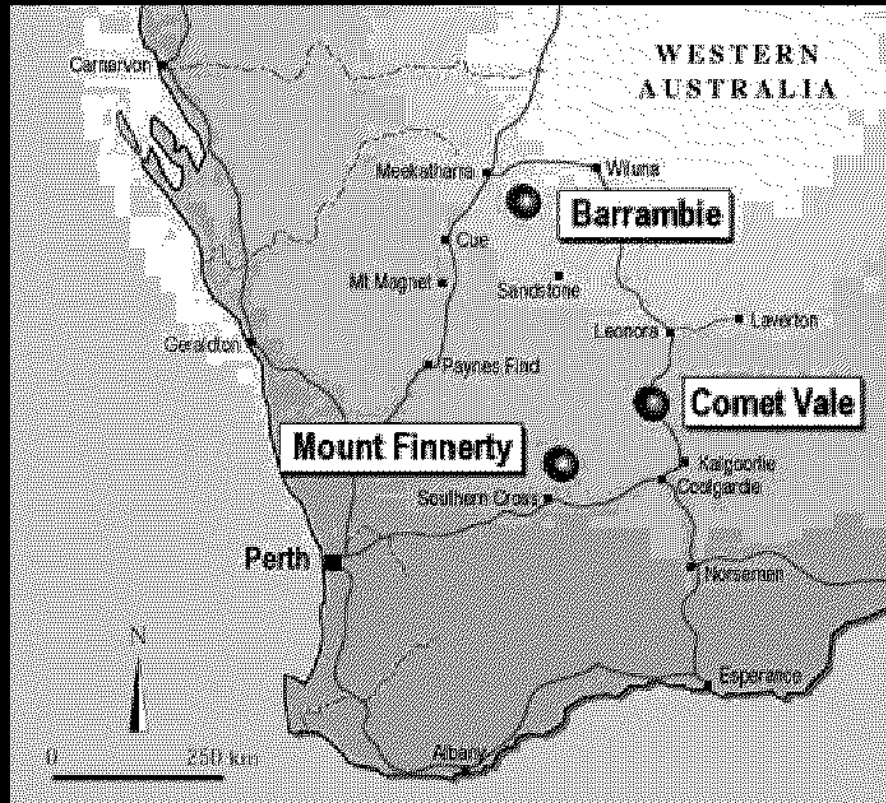
Cash (Jan 05) \$1.1 M

BUSINESS STRATEGY

- Develop high-grade gold deposits at Comet Vale
- Explore for other metals (Fe, Ti, V, Ni) in existing tenements
- Selective acquisition of new ventures to broaden resource base



EXPLORATION PROJECTS



Barrambie

Murchison province

Vanadium Titanium

Comet Vale

Eastern Goldfields province

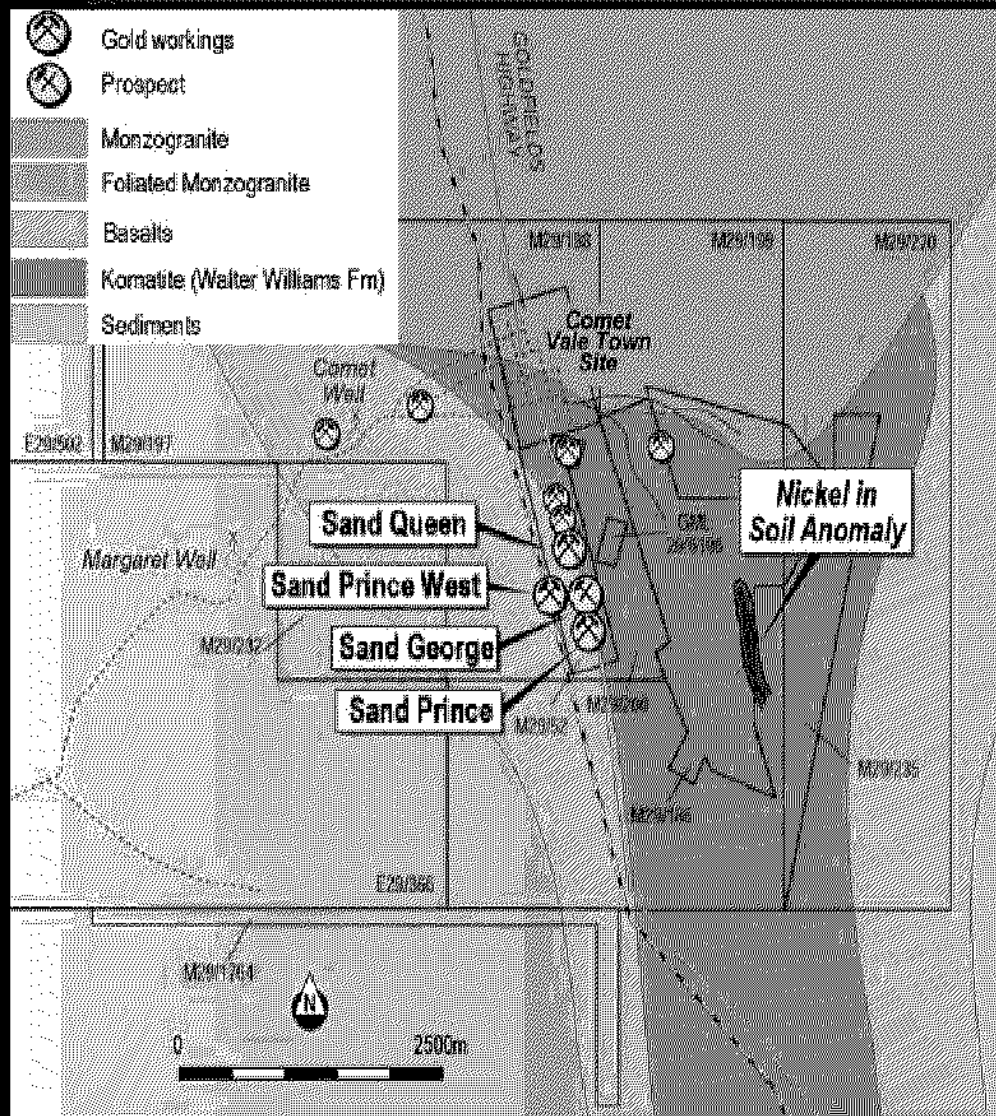
Gold Nickel

Mt Finnerty

Southern Cross province

Iron Ore Nickel Gold

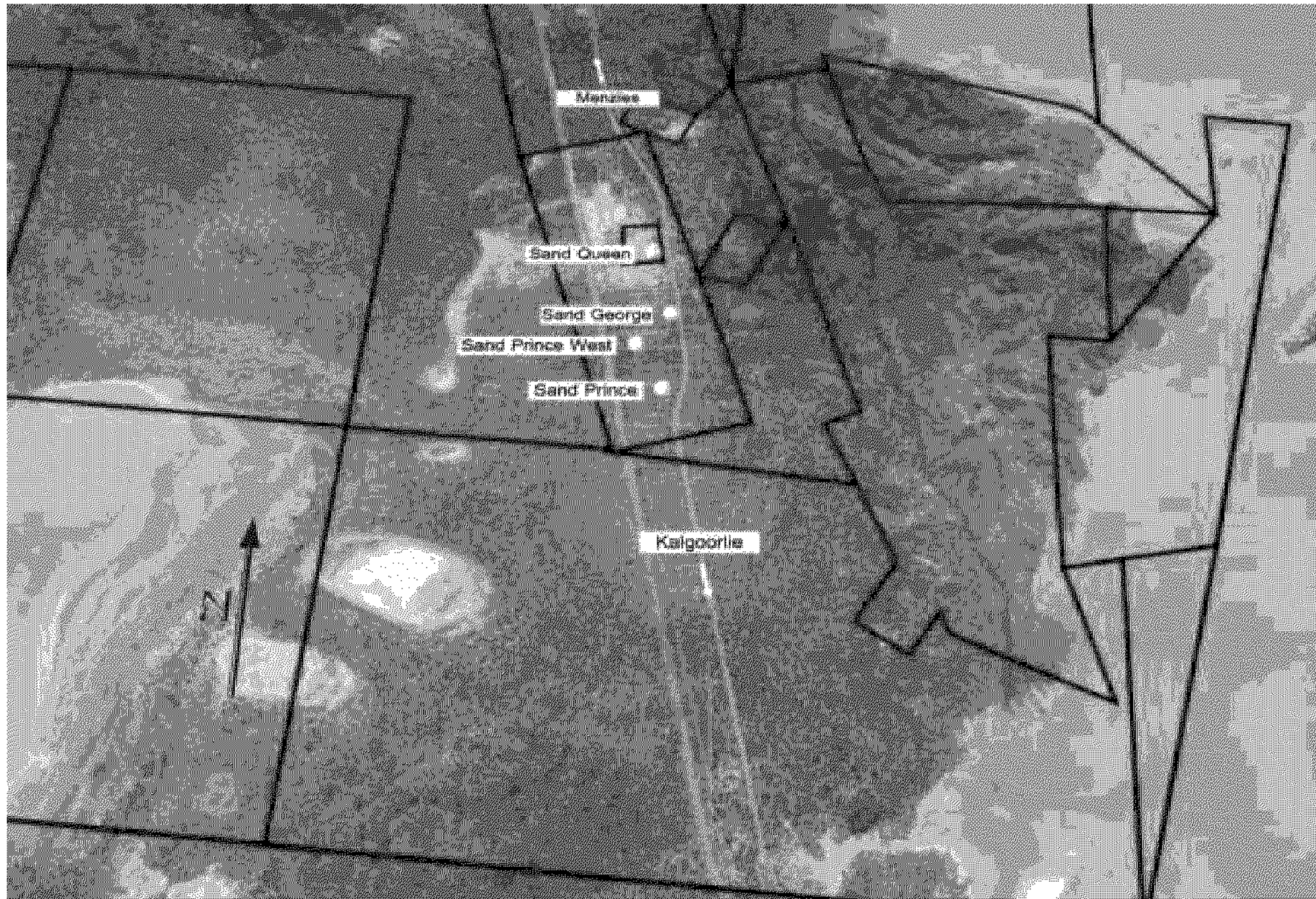
COMET VALE PROJECT



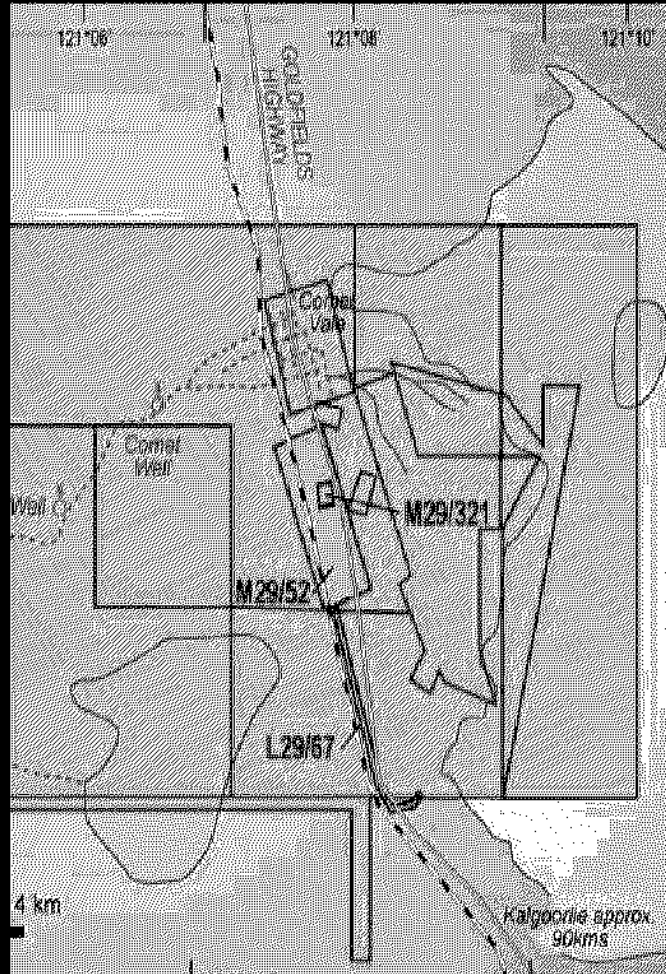
Near-mine gold exploration

PROJECT STRATEGY:

- Riskless Cashflow from Production JV with Kingsrose over of Sand George Deposit
- Extend and upgrade resources along strike
- Test regional Au targets
- Test nickel sulphide potential



COMET VALE Production Joint Venture



Kingsrose

- **Development & Production Costs**
 - 50% gold down to 243m (6L)
 - 60% below 243m
- 50% Equity in leases after 25,000 oz
- Min.Expend \$2,000,000

Reed

- **Transport & Treatment Costs**
 - Budgeted \$30/tonne
 - Retains open-pit gold resources
 - Retains Strike extensions
 - Retains regional exploration

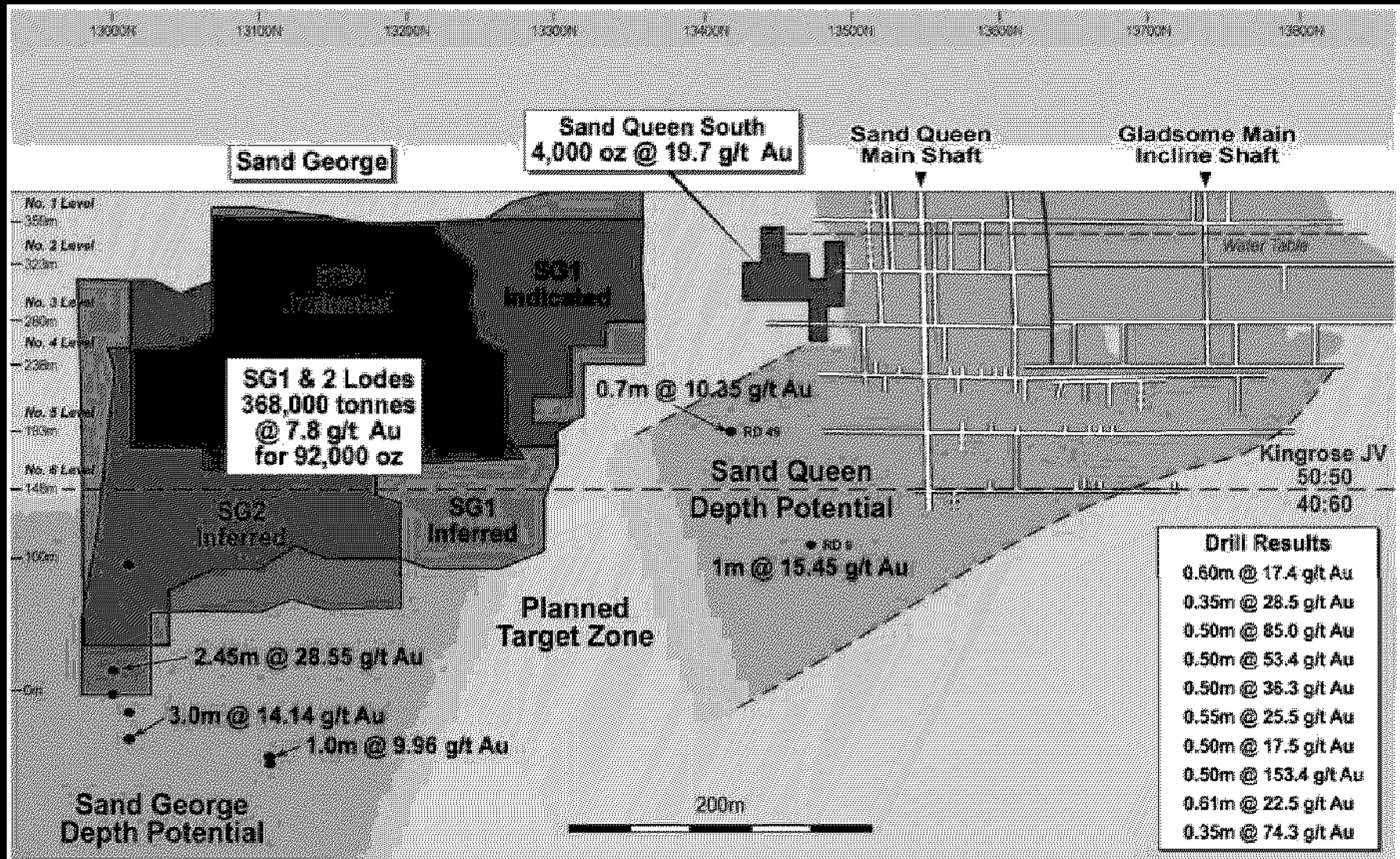
MINERAL RESOURCES

VEIN	CATEGORY	TONNES	GRADE	OUNCES
SG1	Indicated	136,000	9.6	42,000
SG2	Indicated	131,000	6.5	27,000
	Sub-Total	267,000	8.1	70,000
SG1	Inferred	41,000	6.8	9,000
SG2	Inferred	59,000	7.1	13,000
	Sub-Total	101,000	7.0	22,000
TOTAL		368,000	7.8	92,000

Sand Prince West Lode

77,000 tonnes @ 3.9 g/t Au (Unclassified, 1 g/t Au lower cut)

COMET VALE – Depth Potential

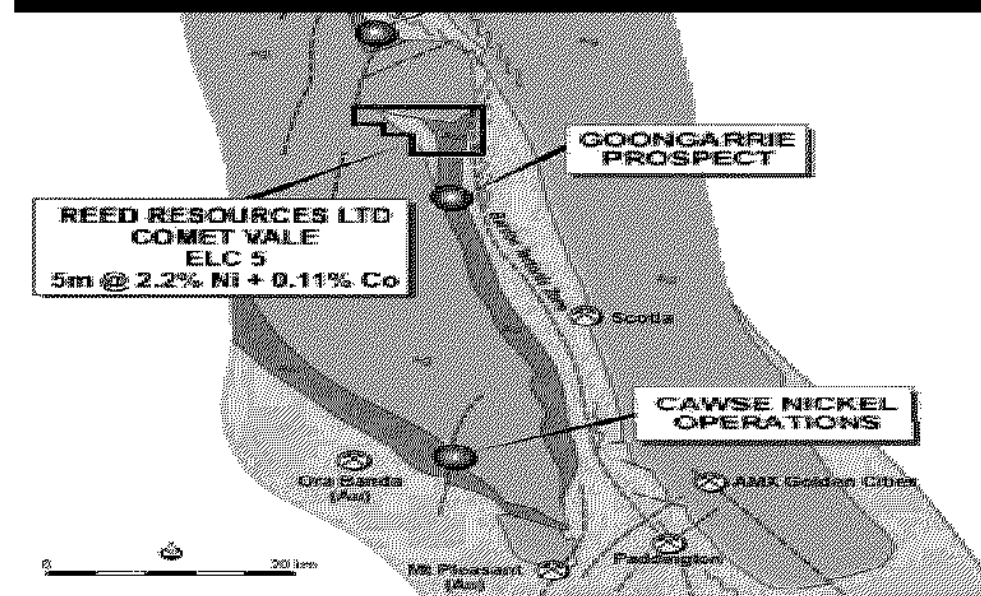
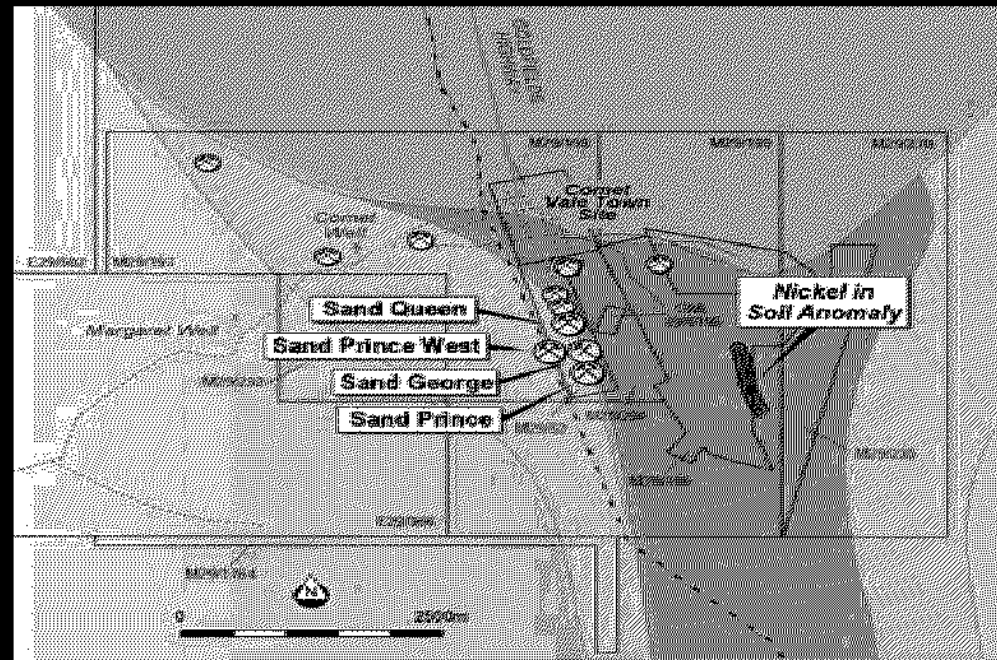


Long Projection Looking West

COMET VALE – Nickel

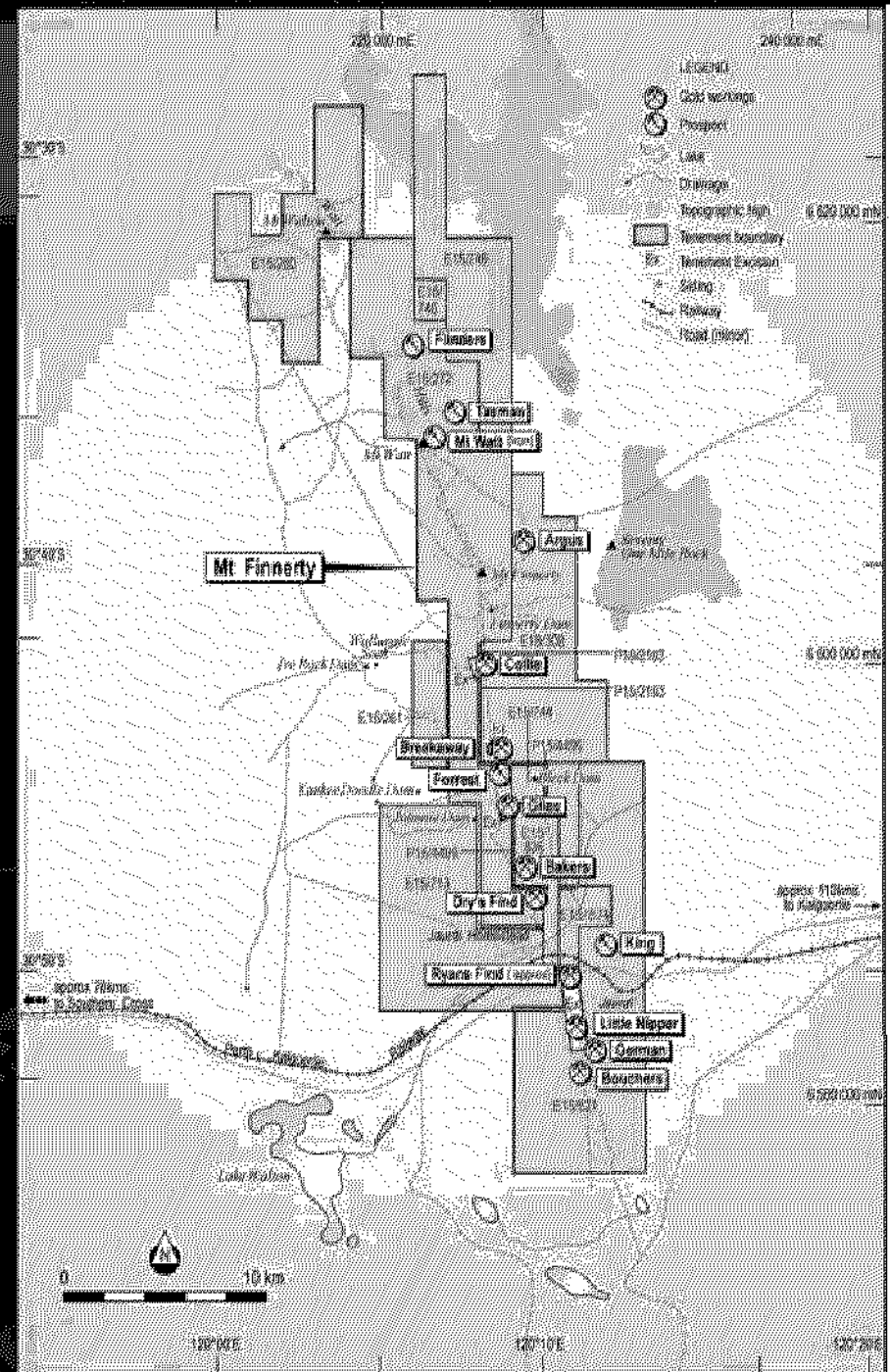
Target – komatiite-hosted massive nickel sulphides

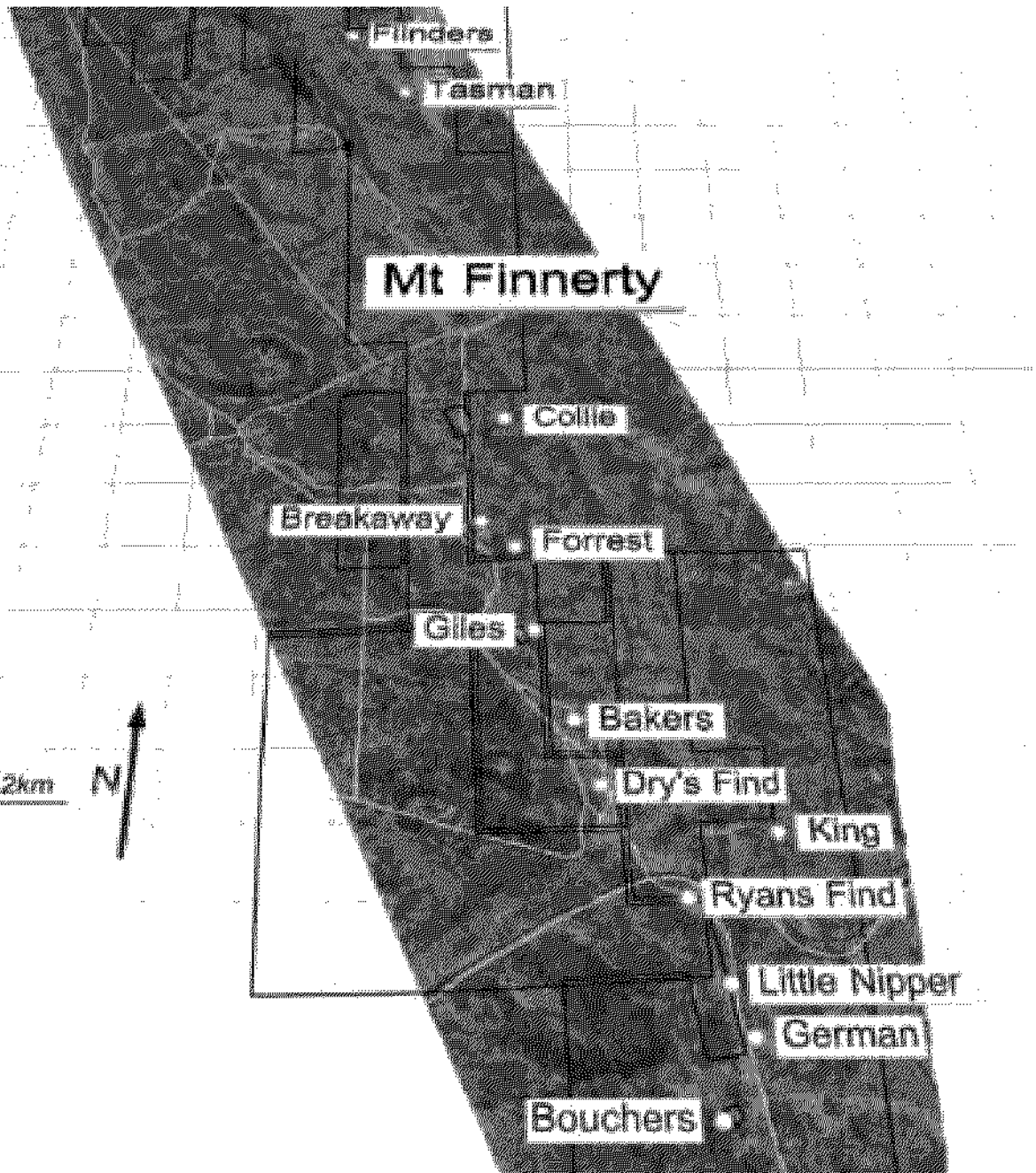
- Tenements host extensive sequence of ultramafic lithologies over 5km strike.
 - Siberia Komatiite
 - Walter Williams Form
- Potential high-grade Ni Laterite resource in well-developed lateritic profile
- Limited previous exploration
 - 8m @ 1.48 % Ni (RC drill hole ELC5)
 - inc. 5m @ 2.2 % Ni



MT FINNERTY PROJECT

- Brown-fields exploration project
- 45 km of Watt Hills G/B
- Known high-grade gold and BIF-hosted Fe ore (hematite)
- 20 km of prospective Ni-sulphide hosting Ultramafic
- **Exploration Targets:**
 - BIF-hosted iron ore
 - Ni Sulphides
 - Archaean lode gold

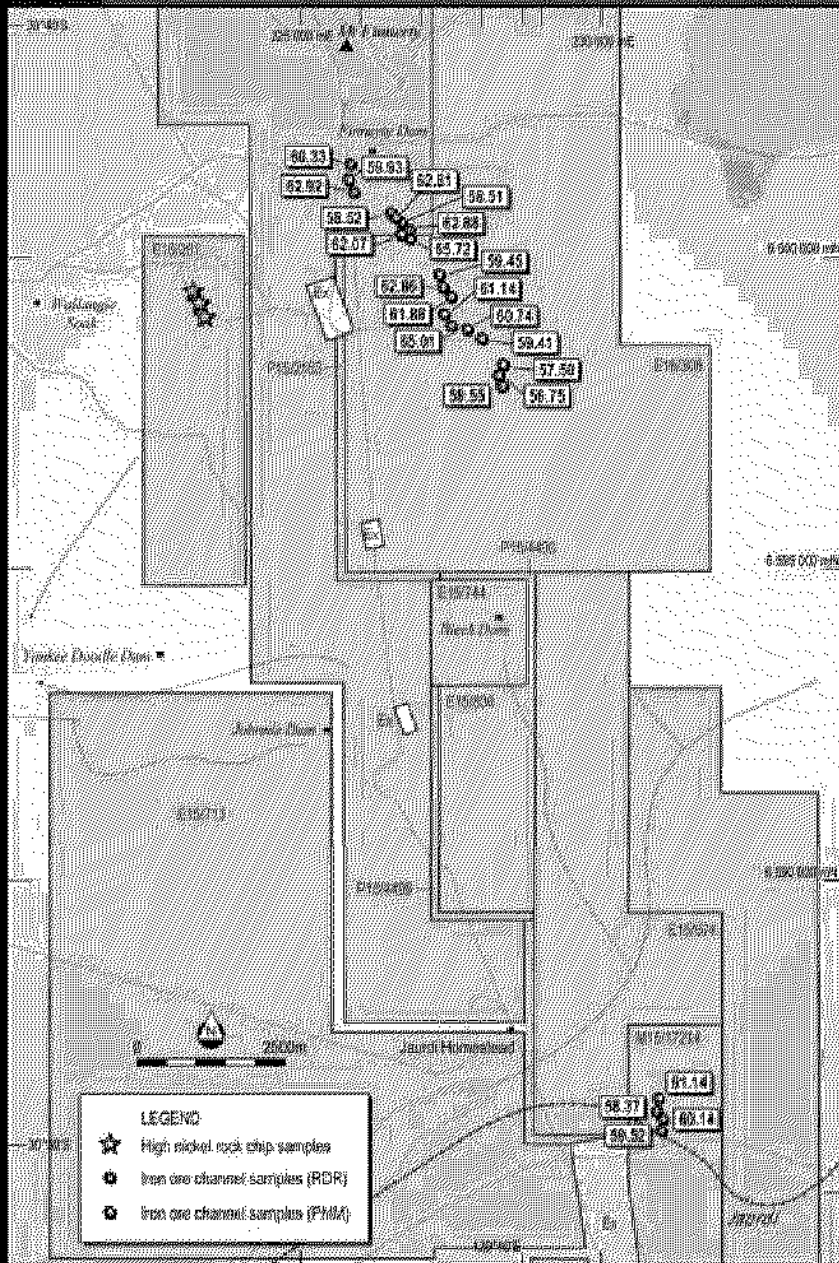




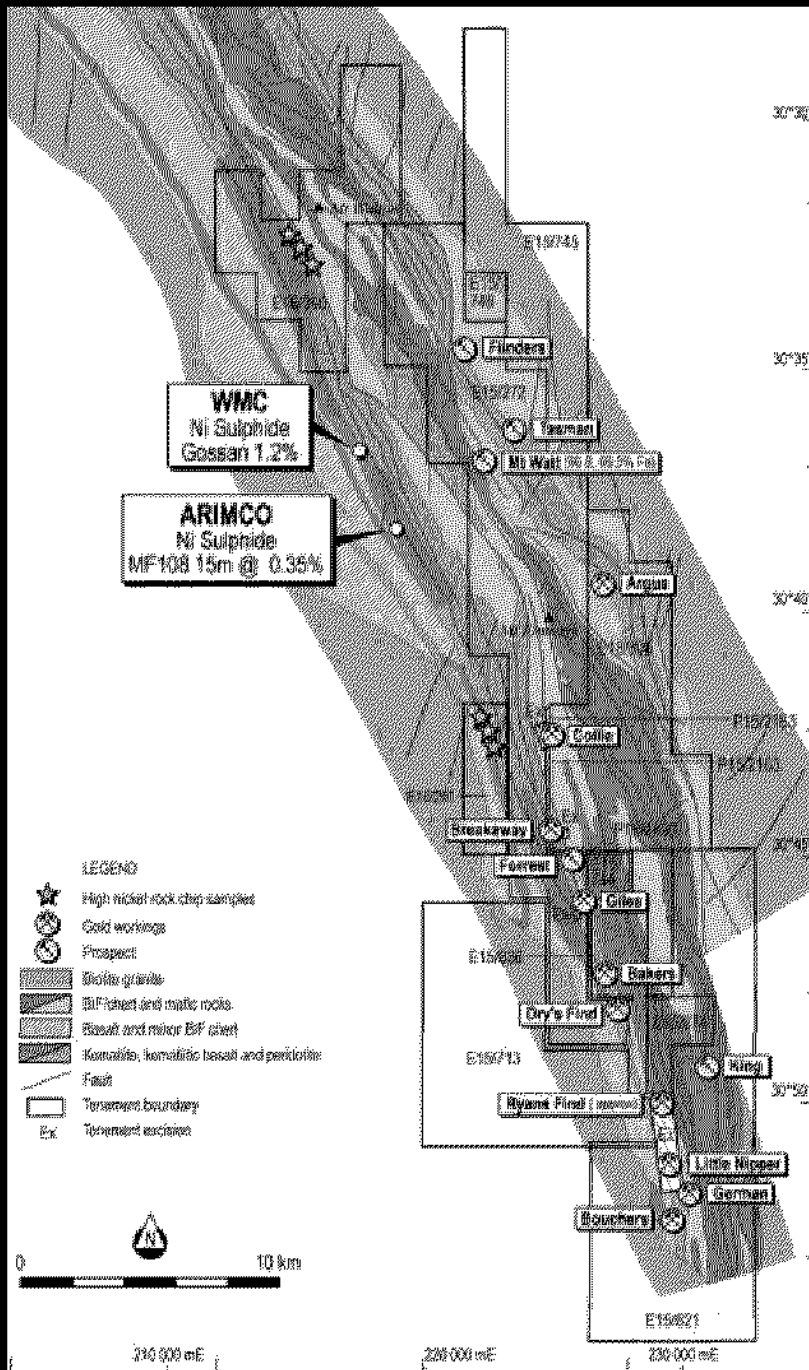
MT FINNERTY – Iron Ore JV

- Portman earning 80% Fe rights by spending
 - \$300,000 over three years
 - \$100,000 in first year
- Reed can:
 - Contribute to 20%
 - Revert to 10% free-carried to DTM
 - At DTM contribute or revert to royalty

65 km east of Koolyanobbing
Trans-Australian Railway Access

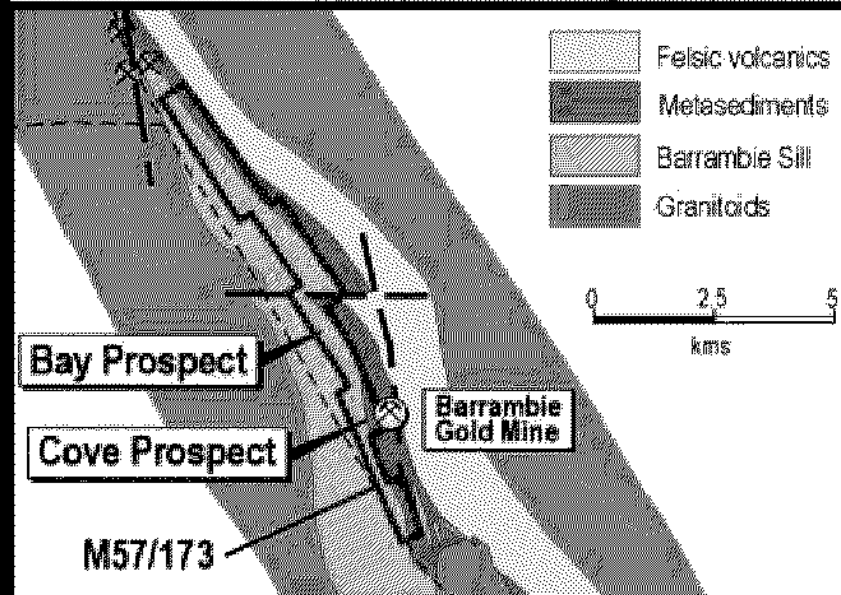
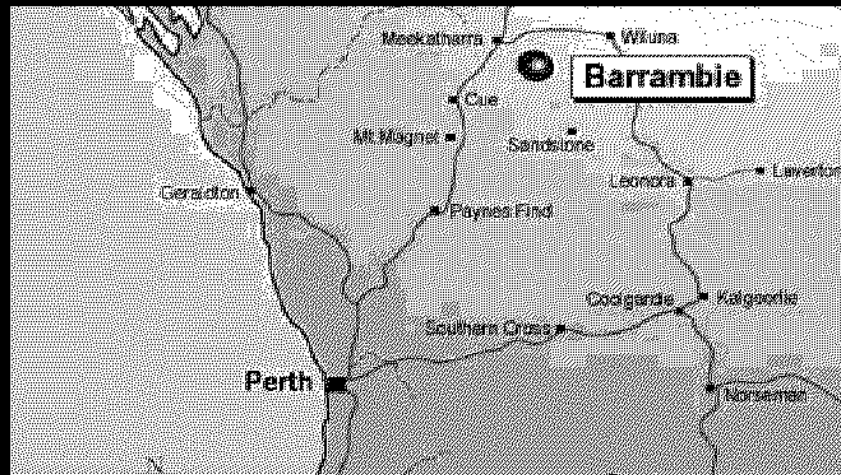


MT FINNERTY - Nickel



- **Airborne geophysical survey**
 - 8,248 line km at 100 m line spacing, 30 m sensor height
- **Preliminary results:**
 - Extensive ultramafic sequence, along strike from nickel sulphide occurrences.
 - Several gold targets (shear zones, jogs, dislocations)
- **Rock Chip Sampling (Dec 03)**
 - 0.53% Ni, 11 ppm Cu, 0.31% Cr
 - 0.61% Ni, 11 ppm Cu, 0.37% Cr
 - 0.41% Ni, 5 ppm Cu, 0.26% Cr
 - 0.19% Ni, 71 ppm Cu, 0.41% Cr
 - 0.26% Ni, 181 ppm Cu, 0.5% Cr
 - 0.21% Ni, 119 ppm Cu, 0.45% Cr

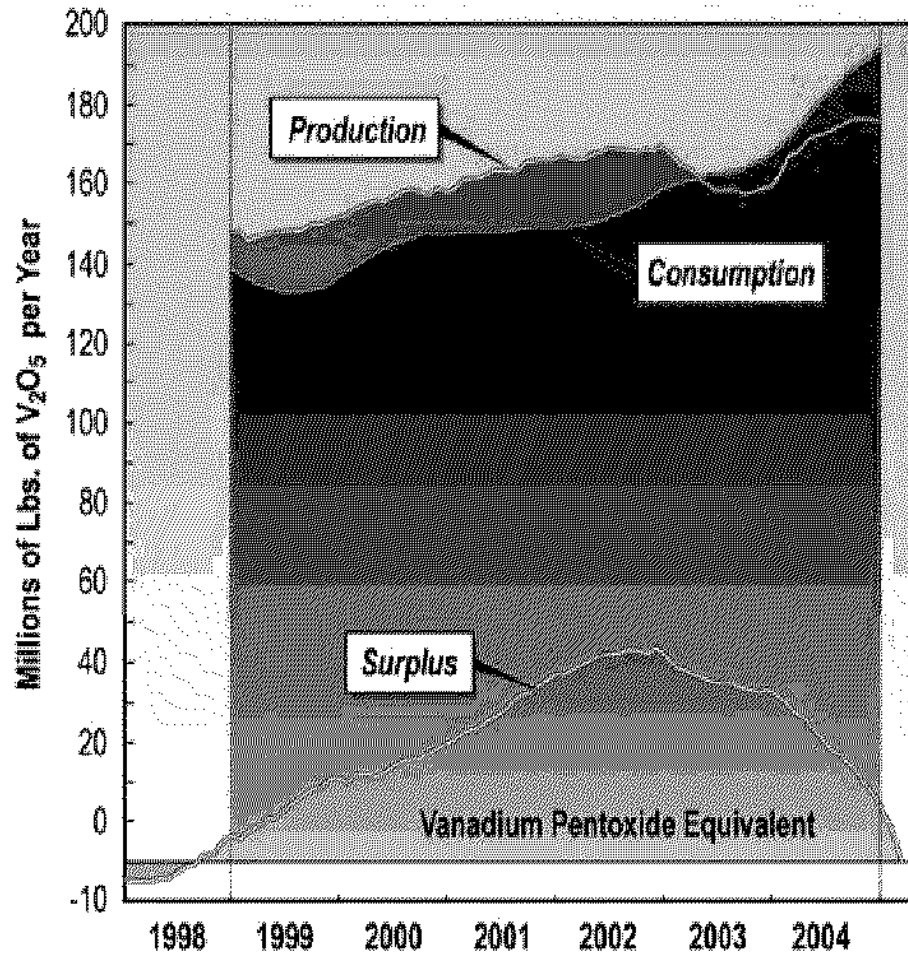
BARRAMBIE PROJECT



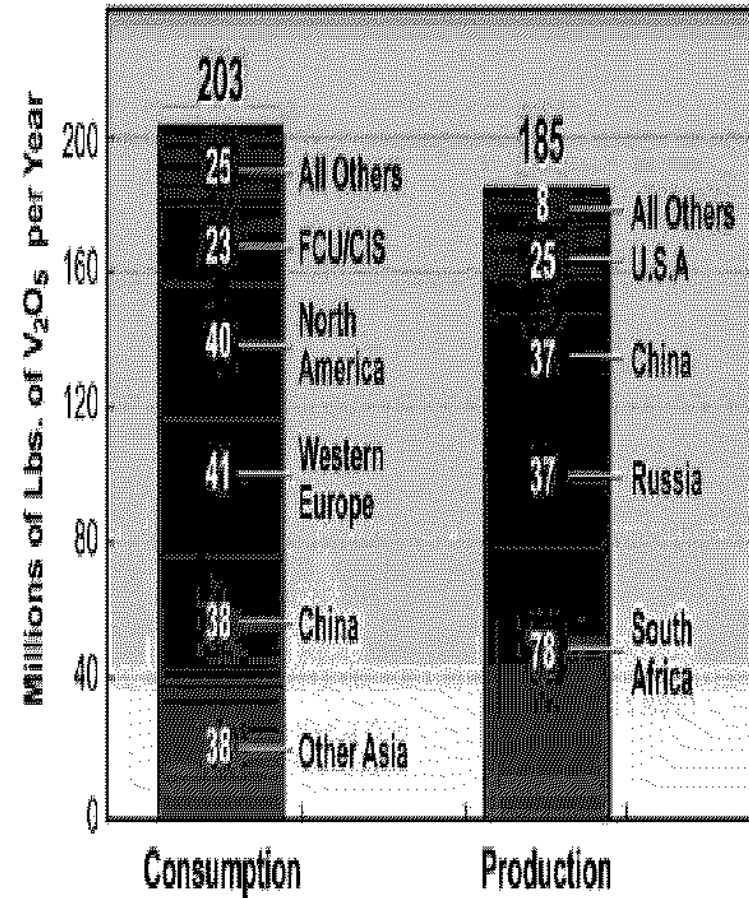
- Advanced exploration project acquired April 2003
- Magmatic Ti-Fe±V oxide deposit in anorthosite-gabbro
- Conducted testwork on recovery of Titanium
- Now focussing on recovery of Vanadium (Price US\$10/lb)
- PGMs, gold & nickel potential
- 11 km strike length within mining lease M57/173
- **LOW COST ENTRY INTO WORLD-CLASS DEPOSIT**

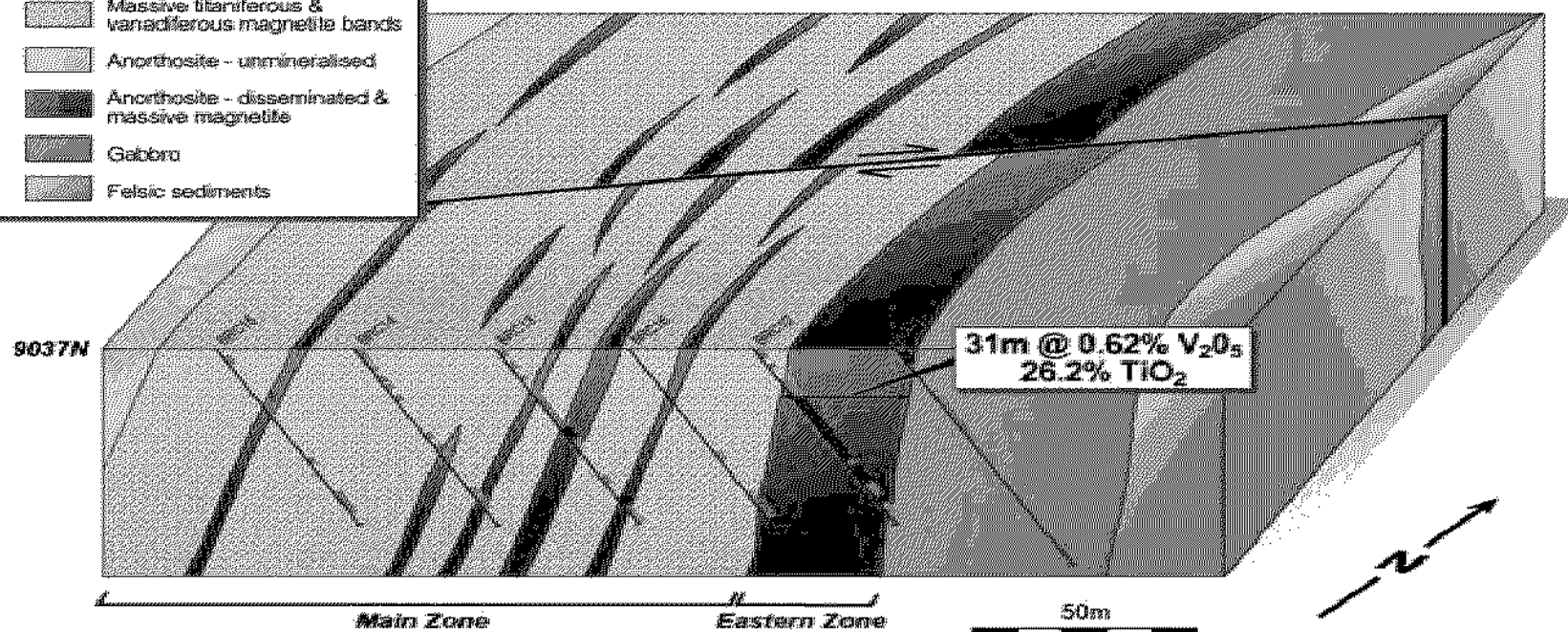
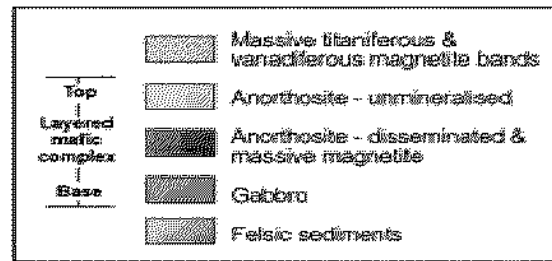
BARRAMBIE – Vanadium Market

SURPLUS WORLDWIDE INVENTORY & PRODUCTION VS. CONSUMPTION



VANADIUM CONSUMPTION EXCEEDS PRODUCTION





Bay-Cove East (Smith 2005)

Indicated 7 Mt @ 0.58% V₂O₅, 22.9% TiO₂

Inferred 17 Mt @ 0.58% V₂O₅, 22.3% TiO₂

Bay-Cove Central (BFP 2000)

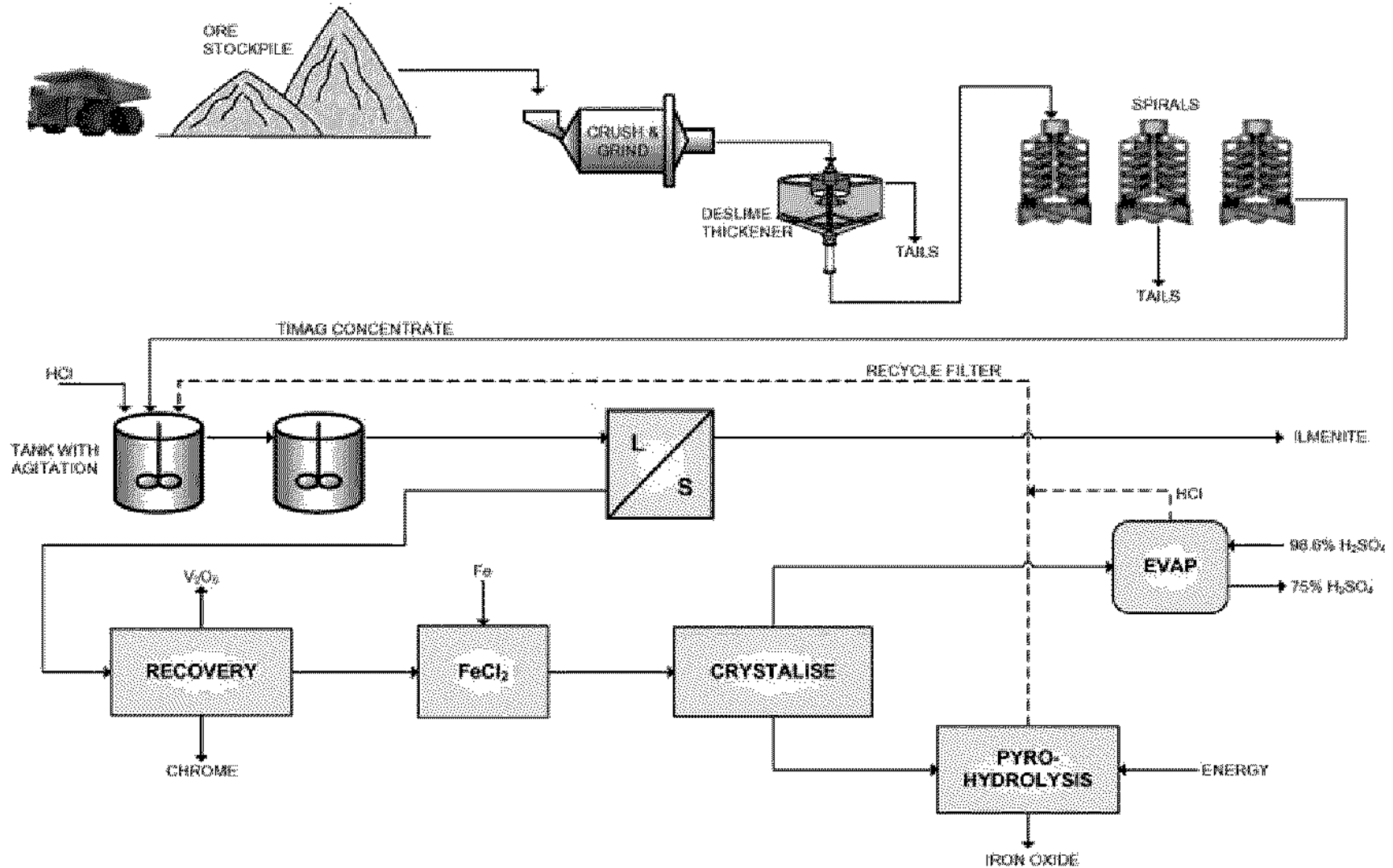
Indicated 23 Mt @ 0.43% V₂O₅

Inferred 17 Mt @ 0.35% V₂O₅

Cove-South Central (Snowden 1999)

Inferred 60 Mt @ 0.30% V₂O₅

BARRAMBIE – Pre-Feasibility Study



SUMMARY

Mt Finnerty (iron ore, nickel, gold)

- JV with local producer Portman
- Nickel Exploration planned for May

Barrambie (vanadium, titanium)

- Pre-Feasibility Study on Major vanadium-titanium resource (124mt @ 0.58%V₂O₅)
- Initial Metallurgical Testwork produces high-quality feedstock (55% TiO₂)
- Current Testwork to recover vanadium

Comet Vale (nickel)

- Untested Ni-laterite and Ni-sulphide potential at Comet Vale

SUMMARY

Comet Vale (gold)

Indicated Mineral Resource (at 2 g/t Au cut off)

- Sand George prospect: 267,000 tonnes @ 8.1 g/t Au (70,000 ounces gold)
- Sand Queen South: 6,500 tonnes @ 19.7 g/t Au (4,100 ounces gold)

Exploration Potential

- Upgrading Inferred Resource of 101,000 tonnes @ 7.0 g/t Au (22,000 oz)
- Sand George deep lodes (SG 3, 4 & 5 Lodes)
- Extension of Sand Queen lode at depth
- Sand Prince West Lode (77,600 tonnes at 3.9 g/t Au)
- Repetition of Comet Vale Lodes along strike

OPPORTUNITIES

- **Riskless Cashflow from Production Joint Venture for development of Sand George deposit**
- **JV with local iron ore producer Portman**
- **PFS Study on world-class vanadium deposit**
- **Exploration success from highly mineralised projects**
- **Diversified commodity base**