

Reed Resources Ltd

RIU Explorers Presentation February 2006



Reed Resources Ltd

OUTLINE

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



**New Headframe
Sand Queen Main Shaft**

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 MAusIMM

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

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

CORPORATE INFORMATION

- **Capital Structure**

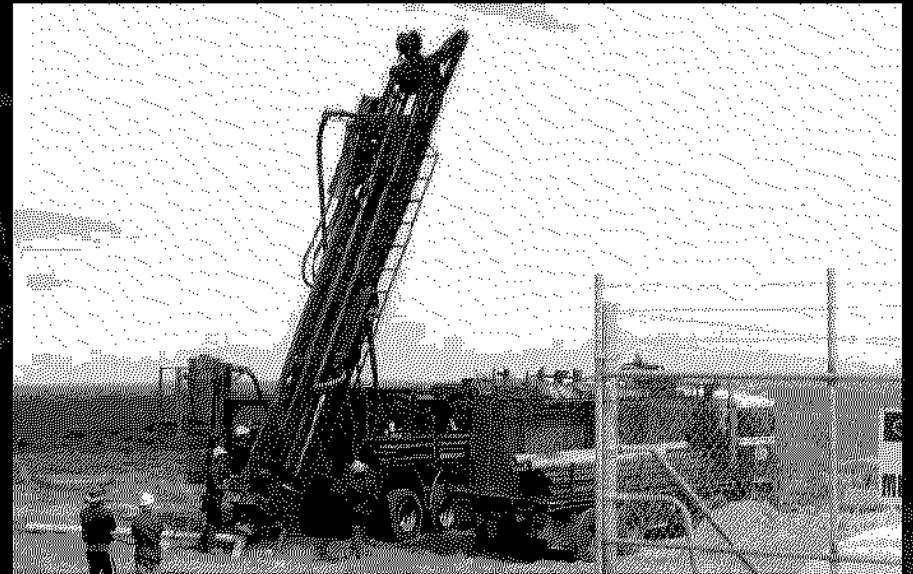
- Issued Shares 75 M shares
- Options 2.45 M @ 35c
1 M @ 50c

Market Cap (@24c) \$18M

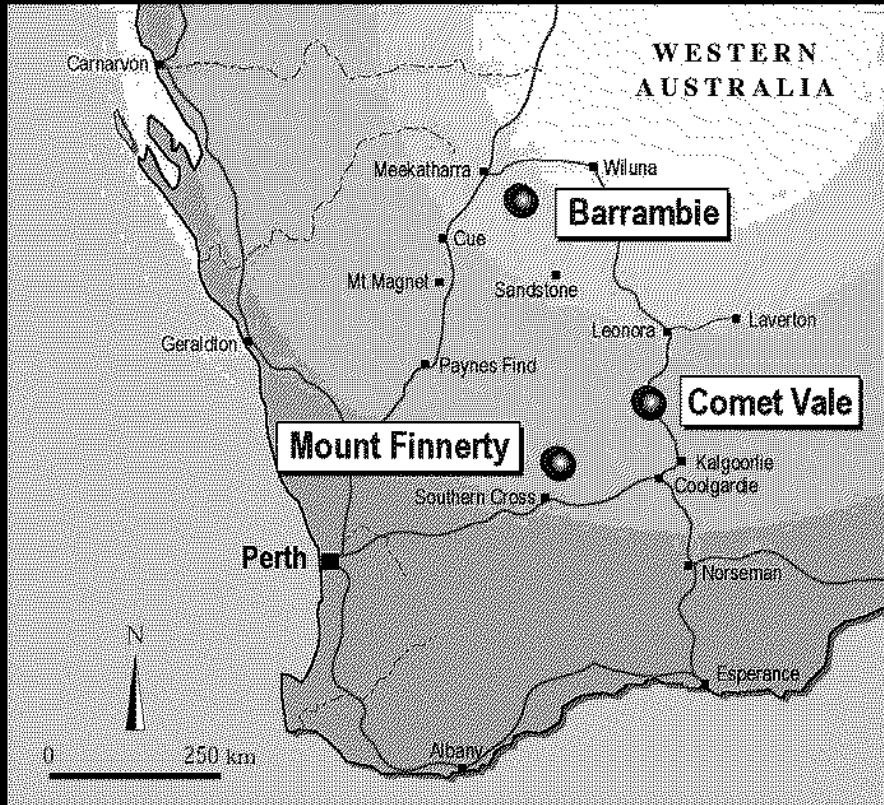
Cash (Dec 05) \$1.6 M

BUSINESS STRATEGY

- Develop high-grade gold deposits at Comet Vale
- Explore for other metals (Fe, 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

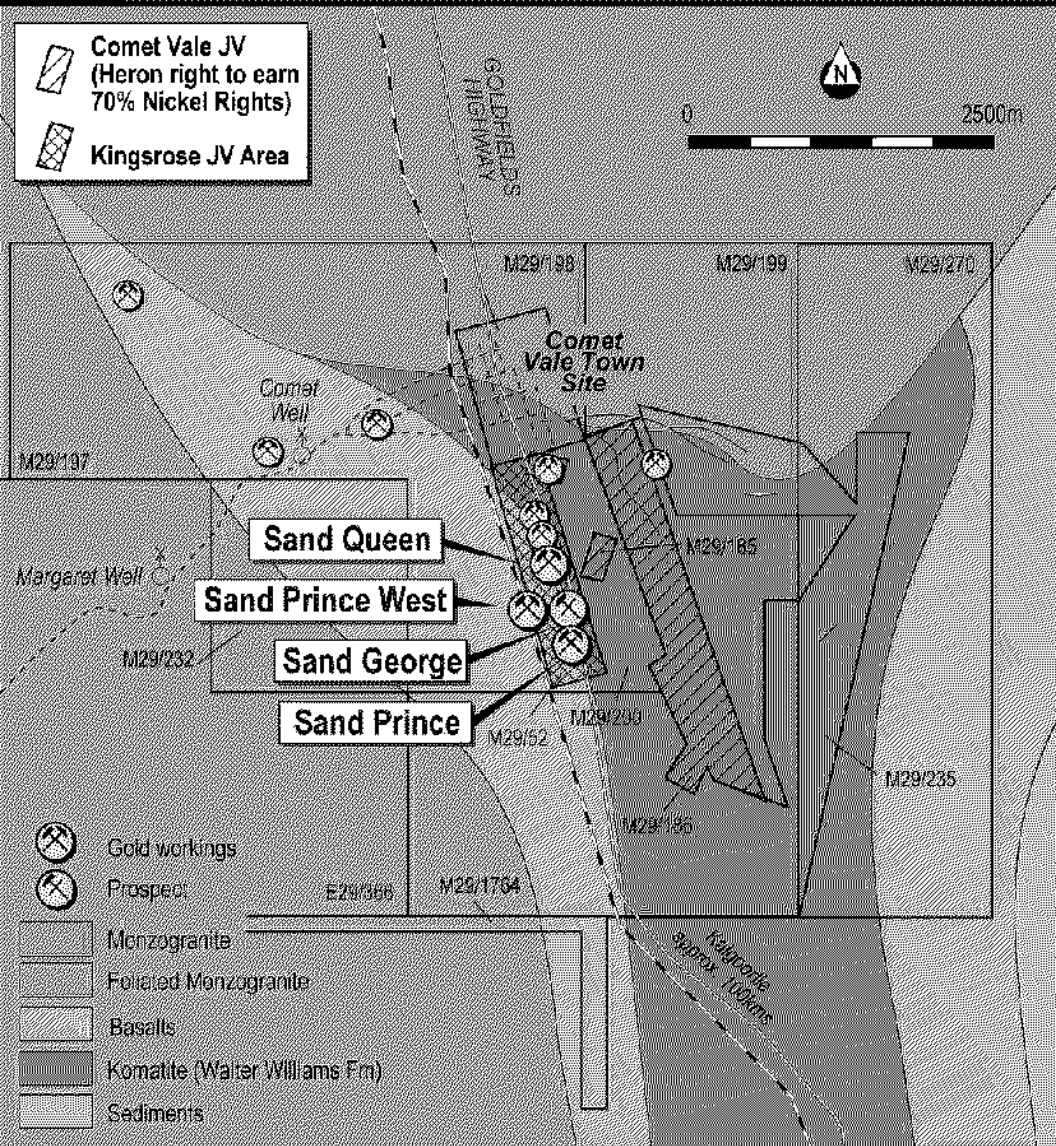
Gold Nickel

Mt Finnerty

Southern Cross province

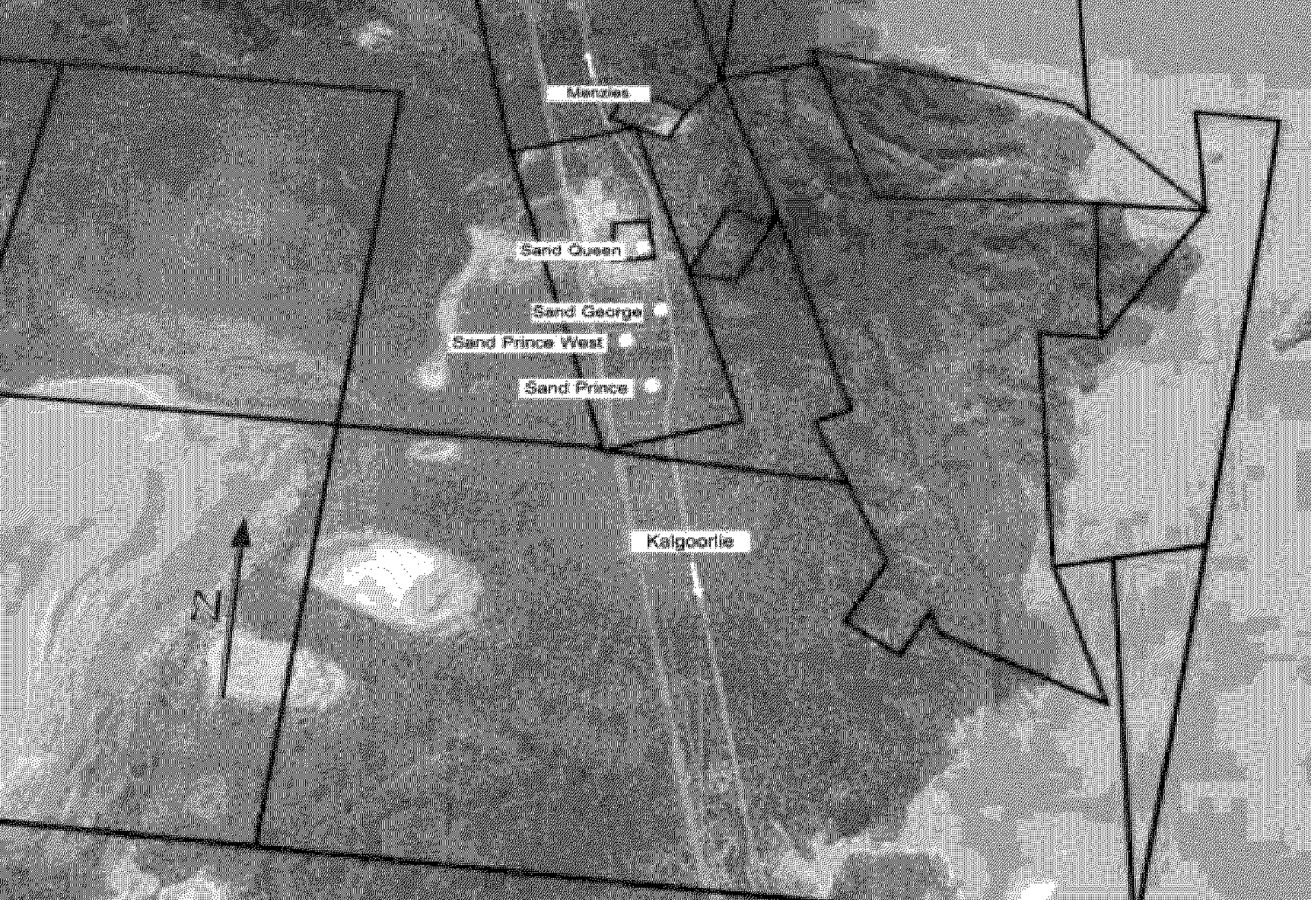
Iron Ore Nickel Gold

COMET VALE PROJECT



PROJECT STRATEGY:

- Low risk cashflow from Production JV with Kingsrose Mining over Sand George Deposit.
- Extend and upgrade resources along strike
- Define resources on known quartz reefs.
- Develop nickel laterite resource
- Test base metal and PGE potential



Marzetta

Sand Queen

Sand George

Sand Prince West

Sand Prince

Kalgoorlie

N

COMET VALE Production Joint Venture



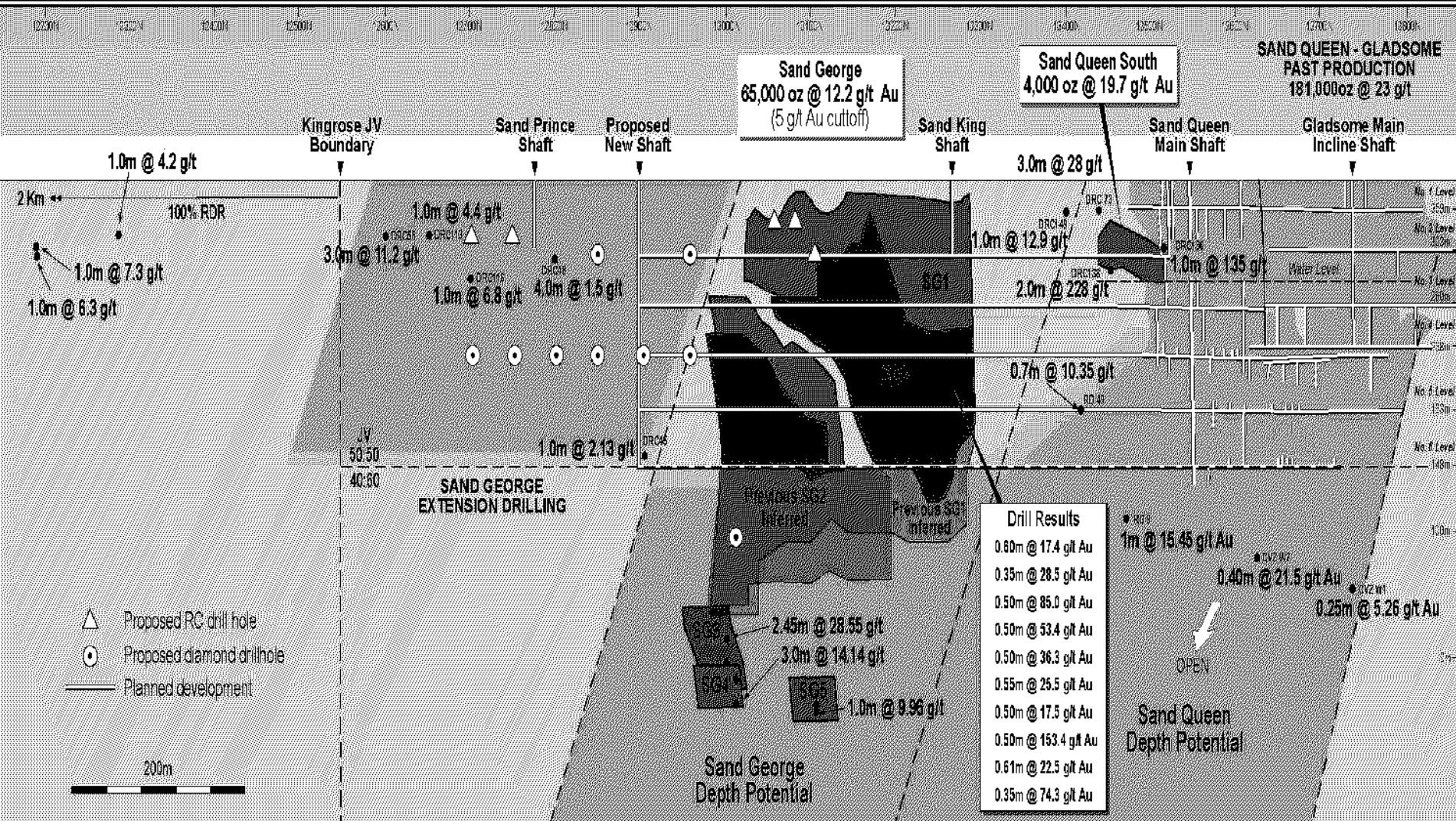
Kingsrose

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

Reed

- **Transport & Treatment Costs**
 - Budgeted \$50/tonne (~\$230/oz)
 - Retains open-pit gold resource
 - \$5m p.a net cash flow for 3.5 years

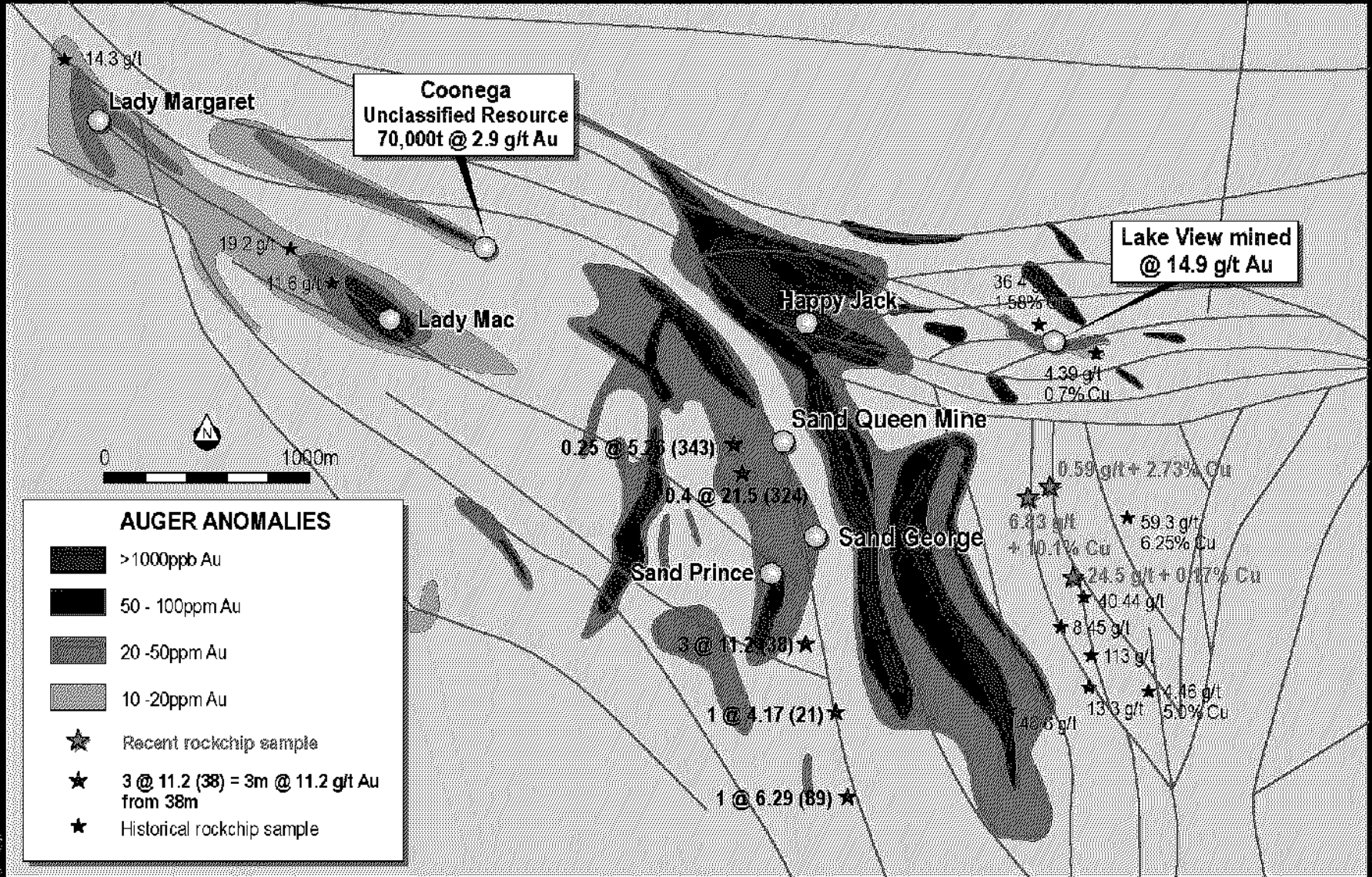
COMET VALE – Expansion Potential



Long Section Looking West

COMET VALE – Regional Gold Contours

+20km of untested gold anomalous structures



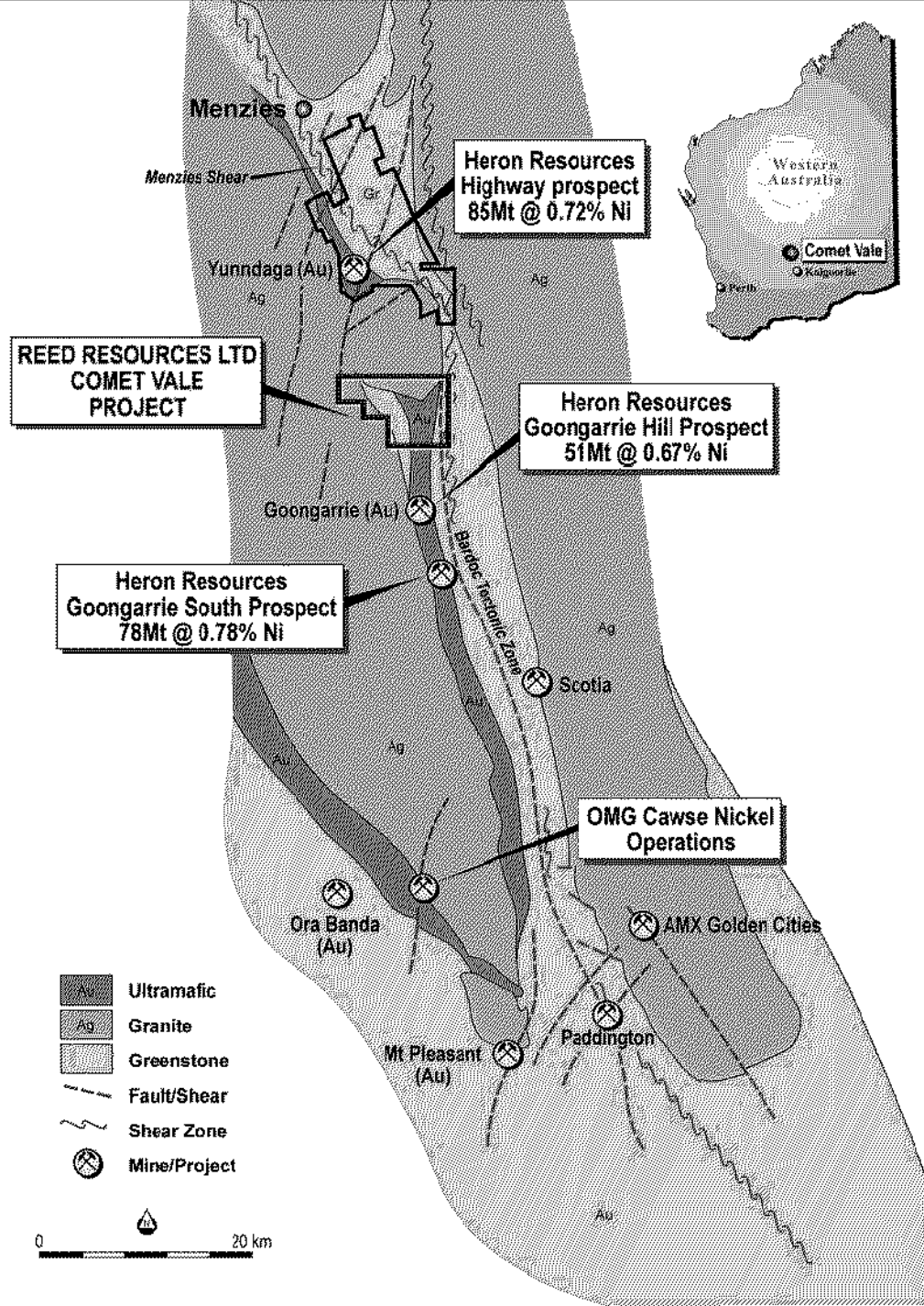
COMET VALE – Nickel

TARGET

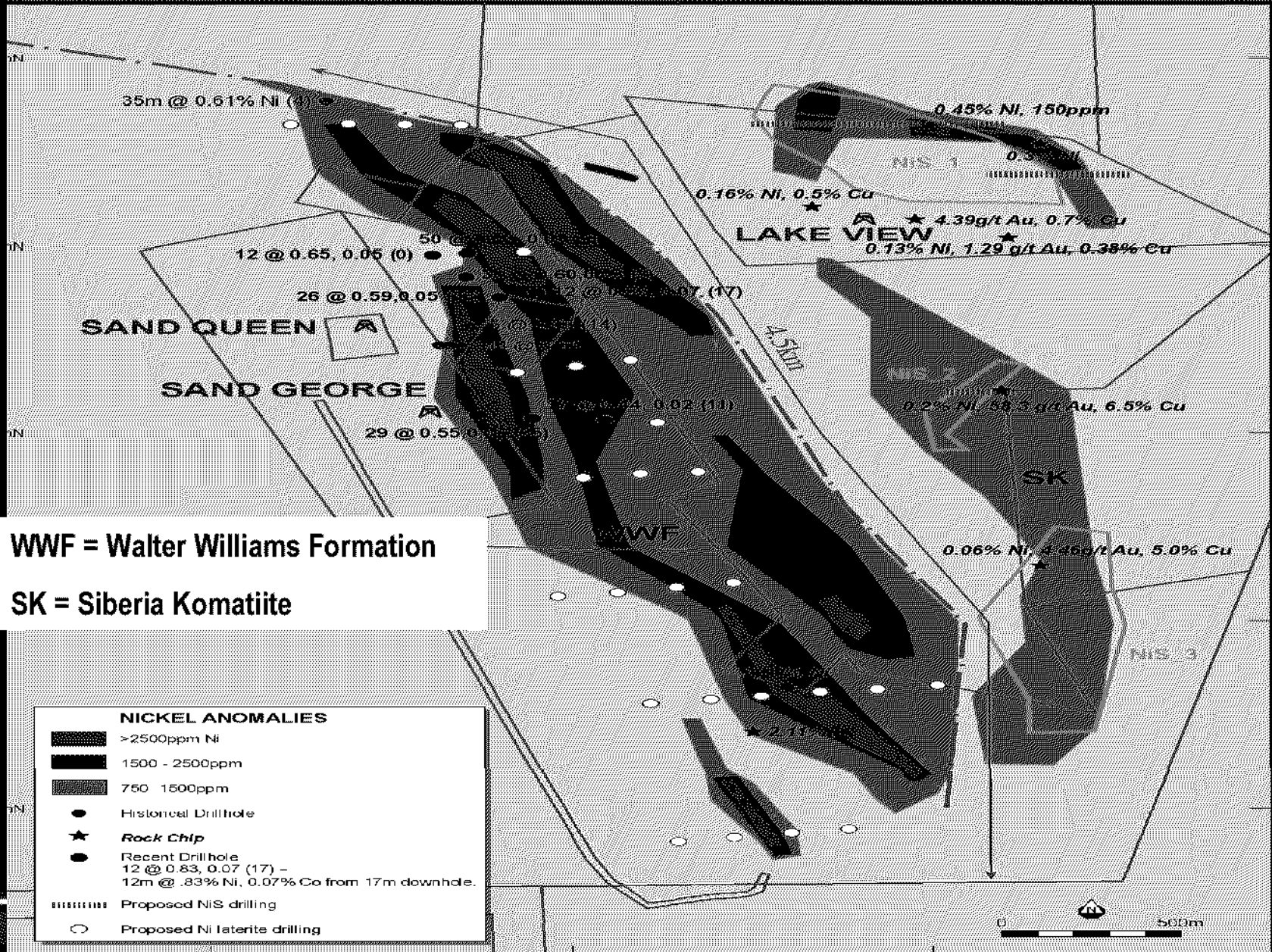
1. High-grade Ni Laterite resource in well-developed lateritic profile
2. Komatiite-hosted massive nickel sulphides

Tenements host extensive sequence of ultramafic lithologies over 4.8km strike.

- Walter Williams Form
- Siberia Komatiite

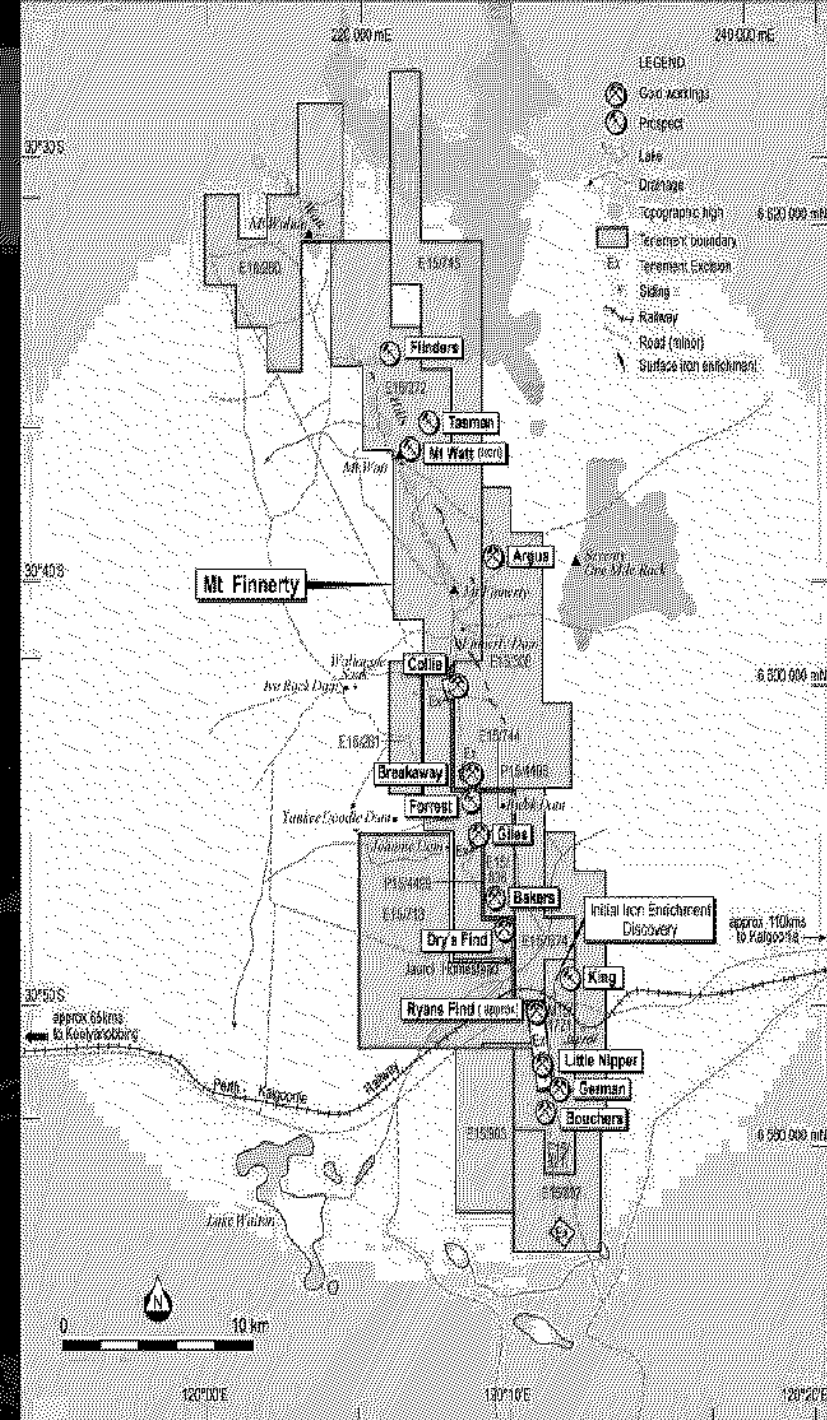


COMET VALE – Regional Nickel Contours



MT FINNERTY PROJECT

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



Flinders

Tasman

Mt Finnerty

• Collie

• Breakaway

• Forrest

• Giles

• Bakers

• Dry's Find

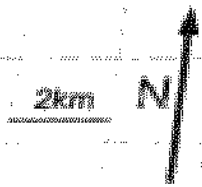
• King

• Ryans Find

• Little Nipper

• German

• Bouchers



MT FINNERTY – Iron Ore

Portman earning 80% Fe rights by spending
– \$300,000 over three years

Reed can:

– Contribute to 20% or 10% free-carried to DTM

– At DTM contribute or revert to royalty

Utilise existing plant and infrastructure

– Reduces lead time

– Reduces critical size for development

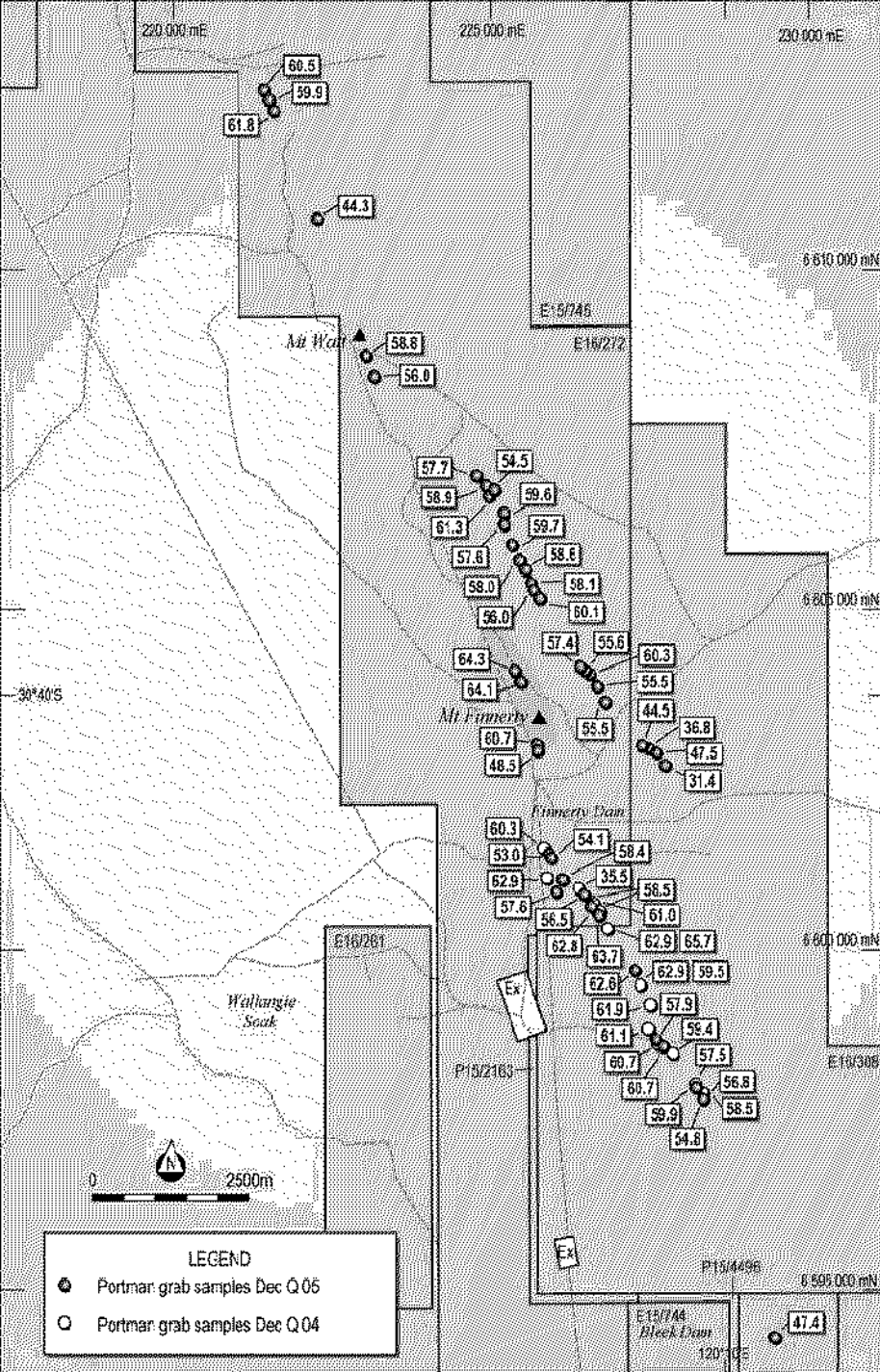
Exploration Results

- Enriched BIF over +30km
- Grades up to 68% Fe
- Widths up to 15m
- Attractive P Levels – ideal for blending

Trans-Australian Railway Access

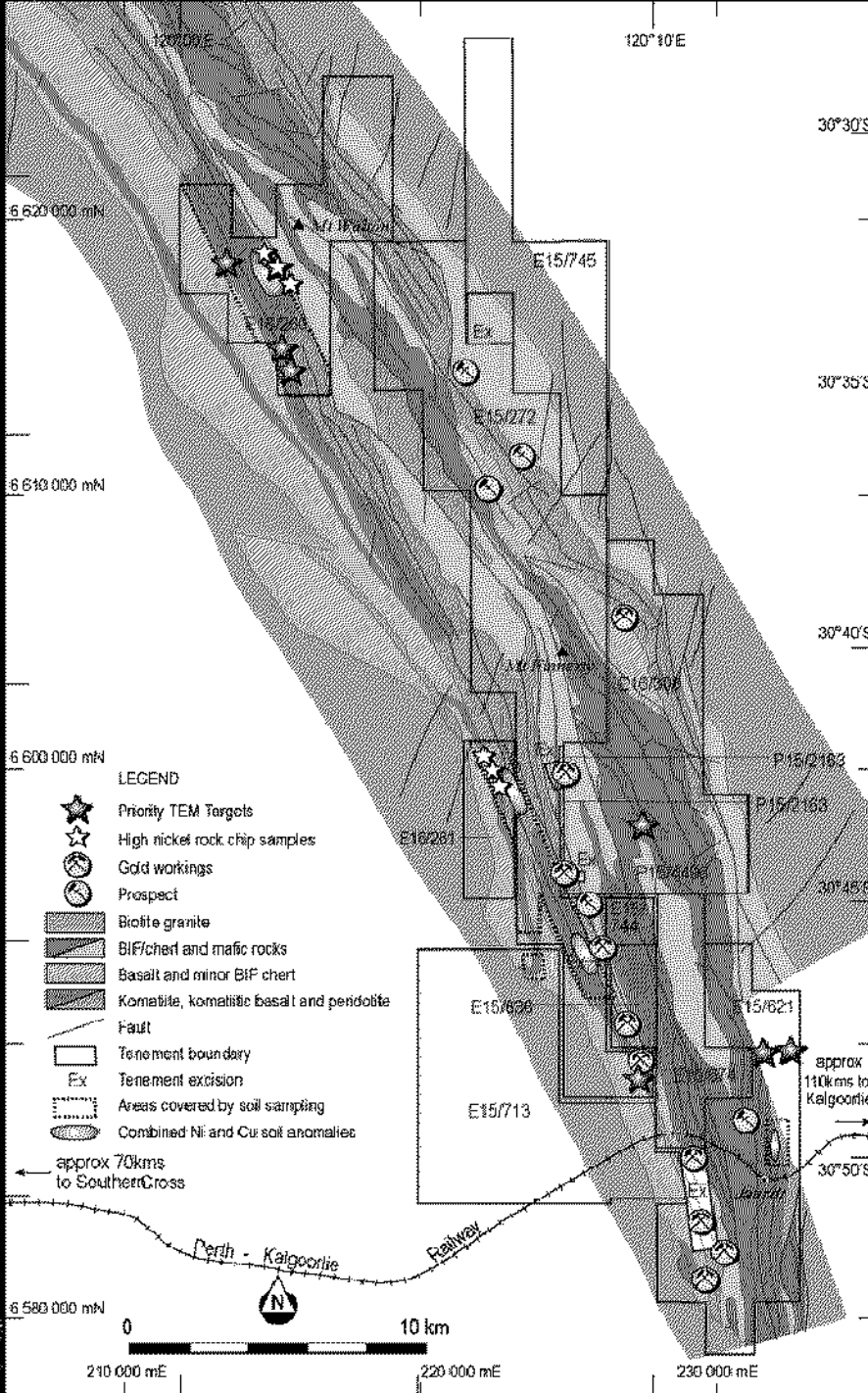
Full Native Title Agreement

Completed Flora/Fauna Study – no nasty bushes

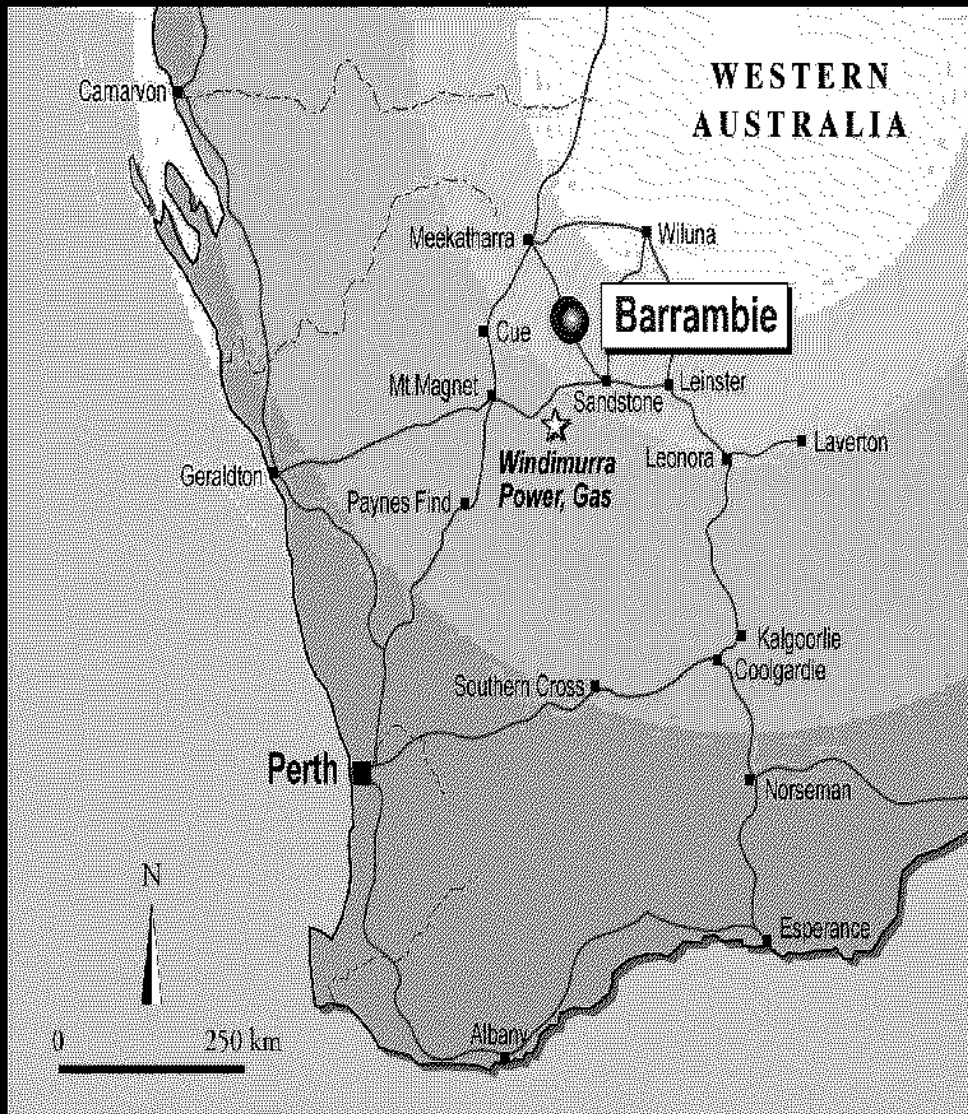


MT FINNERTY - Nickel

- **Preliminary results:**
 - Extensive ultramafic sequence, along strike from nickel sulphide occurrences.
- **Exploration Results 2005**
 - Soil Sampling** - up to 0.5% Ni and 125ppm Cu – 4 anomalies from 3 areas tested
 - RAB Drilling** – up to 1.0% Ni and 400ppm Cu – confirms soil anomalies
 - Ground EM** – 9 areas tested – 9 conductors – confirms anomalies
 - RC Drilling** – trace to disseminated barren sulphides, only 1 ultramafic/basalt contact tested

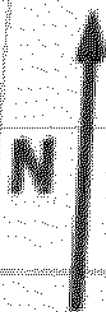


BARRAMBBIE PROJECT

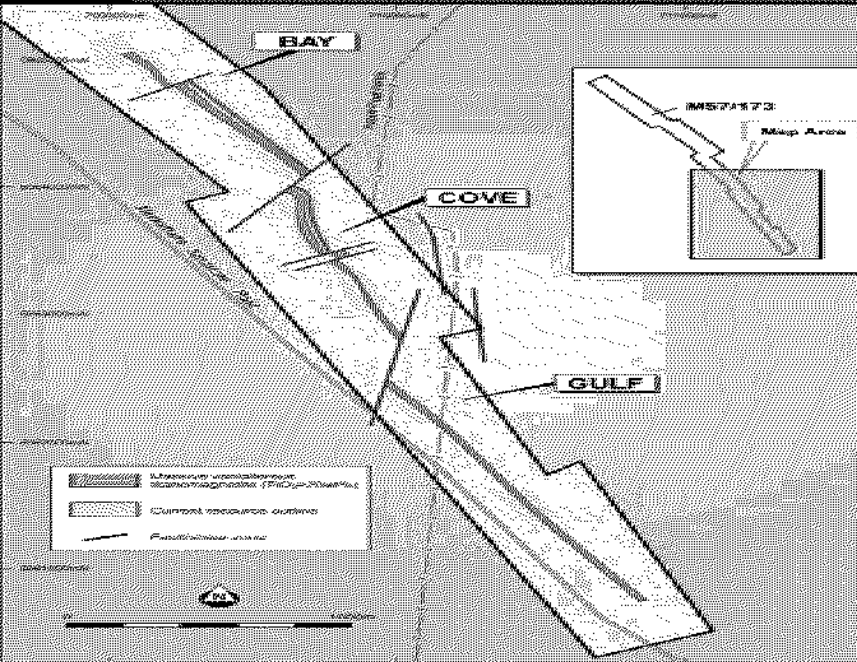


- Advanced exploration project acquired April 2003
- Magmatic Ti-Fe±V oxide deposit in anorthosite-gabbro
- PGMs, gold & nickel potential
- Completed PFS on production of 20M lbs V_2O_5
 - NPV₁₂ A\$379 million
 - IRR 40%
 - OPEX US\$2/lb
 - Market Price US\$10/lb
 - Study Price US\$6/lb
- **LOW COST ENTRY INTO WORLD-CLASS DEPOSIT**

BARRAMBIE VANADIUM PROJECT



BARRAMBIE – PFS



Eastern Band (2005)

Indicated 19 Mt @ 0.48% V_2O_5

Inferred 20 Mt @ 0.50% V_2O_5

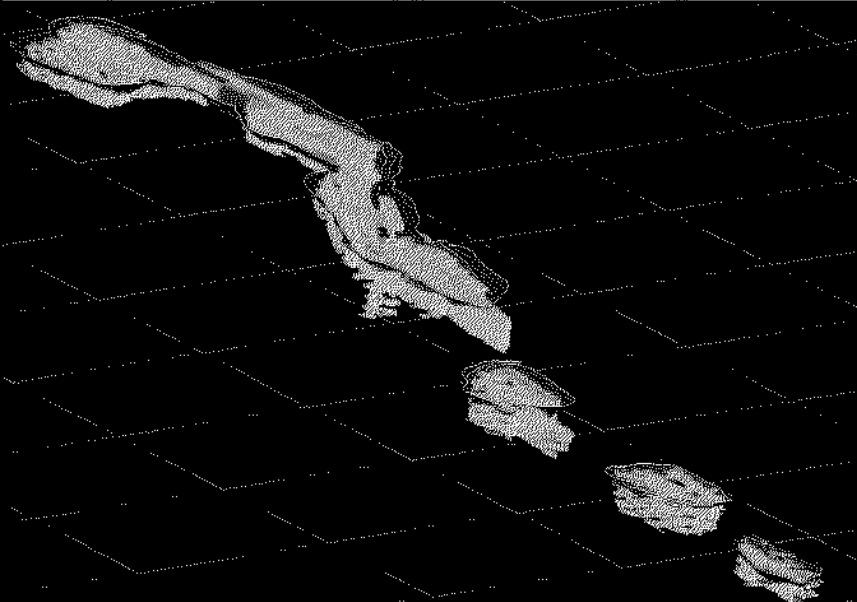
Bay-Cove Central (BFP 2000)

Indicated 23 Mt @ 0.43% V_2O_5

Inferred 17 Mt @ 0.35% V_2O_5

Gulf Central (Snowden 1999)

Inferred 60 Mt @ 0.30% V_2O_5

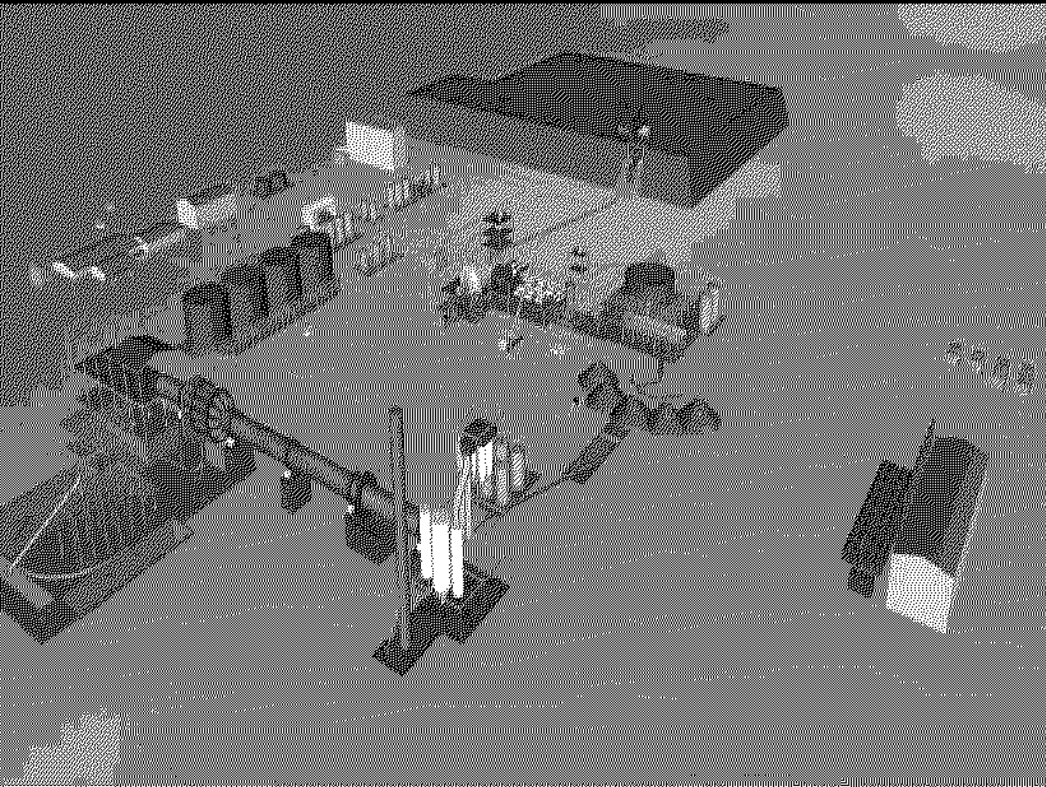


Optimised Pits

25 Mt @ 0.53% V_2O_5 to 50m

Strip Ratio 0.6:1

BARRAMBIE – PFS



Concentrate Grade % V_2O_5	Concentrate Recovery % mass	Process Recovery %
1.37	36	90+

Mining Costs A\$/lb V_2O_5	Plant, Infrastructure & Admin Costs A\$/lb V_2O_5
0.17	2.50

Plant Direct (Processing plant & Infrastructure)	A\$ 174.8 m
Plant Indirect (EPCM, commissioning, first fill and Contingency allowance)	A\$ 61.7 m
Natural gas turn key package	A\$ 19.5 m
Total	A\$ 256.0 m

SUMMARY

Mt Finnerty (iron ore, nickel, gold)

- JV with local producer Portman. Extensive iron ore enrichment over 30km outcrop. RC Drilling late March Q06
- Nickel Exploration – RC Drilling confirms prospective ultramafics

Barrambie (vanadium, titanium)

- Pre-Feasibility Study results indicate highly competitive operation.
- Currently evaluating funding options for DFS

Comet Vale (nickel)

- Delineating Ni-Laterite resource and testing Ni-sulphide potential at Comet Vale at present

SUMMARY

Comet Vale (gold)

Expansion/Exploration Potential

- Extension of SG 1 & 2 lodes at depth, along strike
- Sand George deep lodes (SG 3, 4 & 5 Lodes)
- Extension of Sand Queen lode below 6L
- Extension of Sand Prince West Deposit
- Repetition of Comet Vale Lodes along strike
- 20km untested Au soil anomalies
- Au/Cu quartz reefs

OPPORTUNITIES

- **Low Risk Cashflow from Production Joint Venture for development of Sand George deposit (est. Annualised CF of A\$5m)**
- **JV with local iron ore producer Portman**
- **PFS Study on world-class vanadium deposit**
- **Exploration success from highly mineralised projects**
- **Diversified commodity base**