

# Reed Resources Ltd

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## Diggers Presentation August 2006

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# CORPORATE INFORMATION

## Capital Structure

Issued Shares **80.1 M**

Market Cap (@50c) **\$40 M**

Options **4.25 M**

Cash (June 06) **\$1.6M**

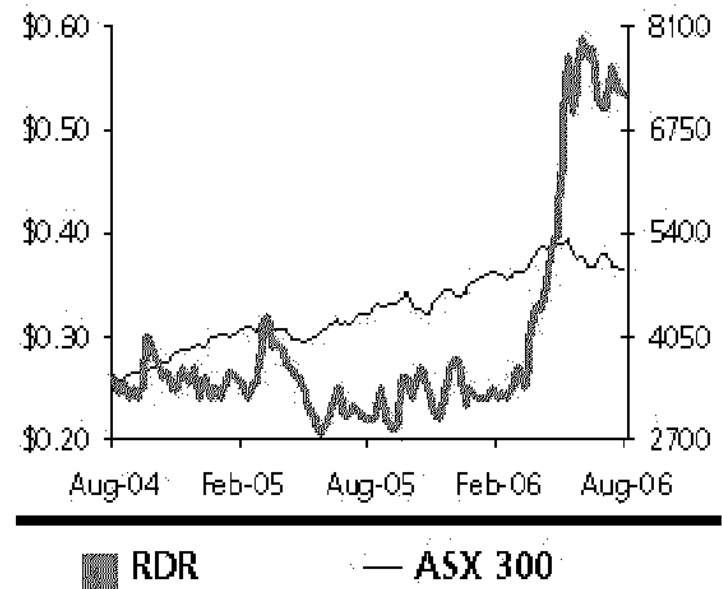
David Reed OAM - Executive Chairman

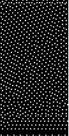
Chris Reed - Executive Director/ Secretary

Dr Peter Collins - Non-Executive Director

Ian Junk – Non-Executive Director

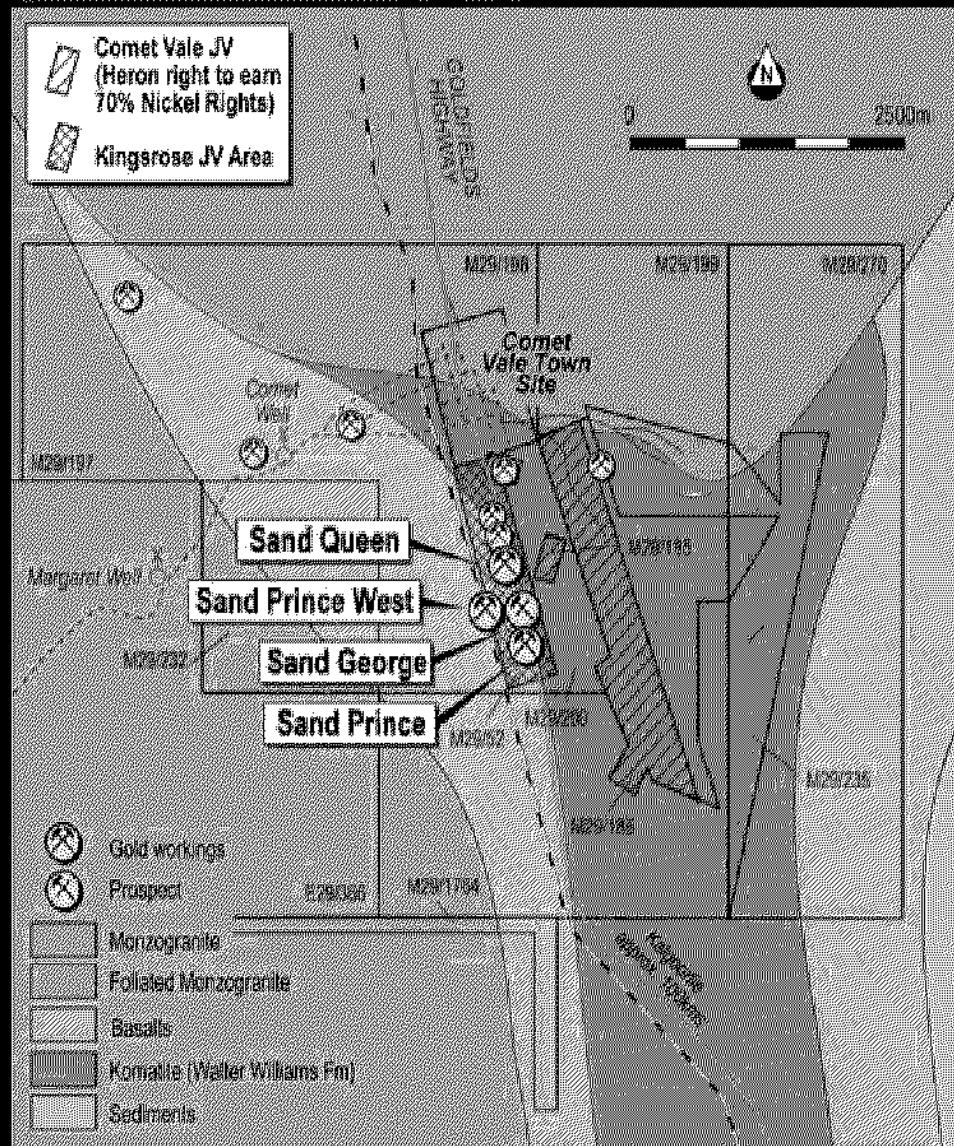
**Chart: RDR vs ASX 300**





Reed Resources Ltd

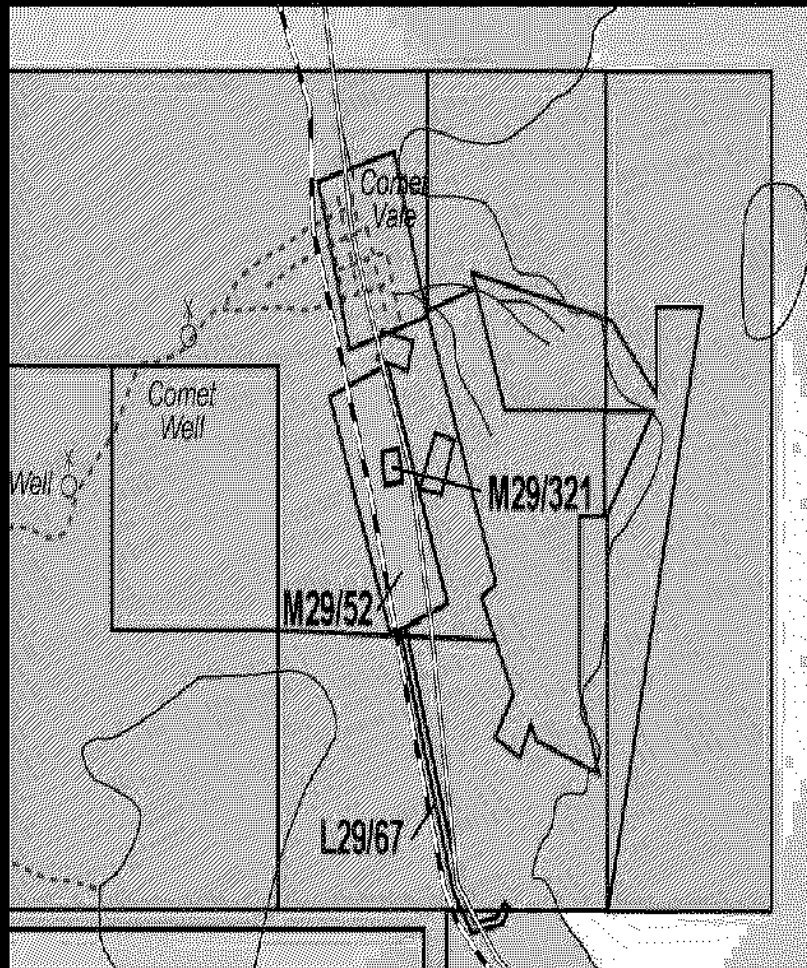
# COMET VALE PROJECT



## PROJECT HIGHLIGHTS:

- Low risk cashflow from Production JV with Kingsroose Mining over Sand George Deposit.
- First gold in June 2006
- Extend and upgrade resources from 65,000 to 136,000 oz in last yr
- Evaluating increasing production levels
- Regional Exploration confirms gold and base metal potential

# COMET VALE Production Joint Venture



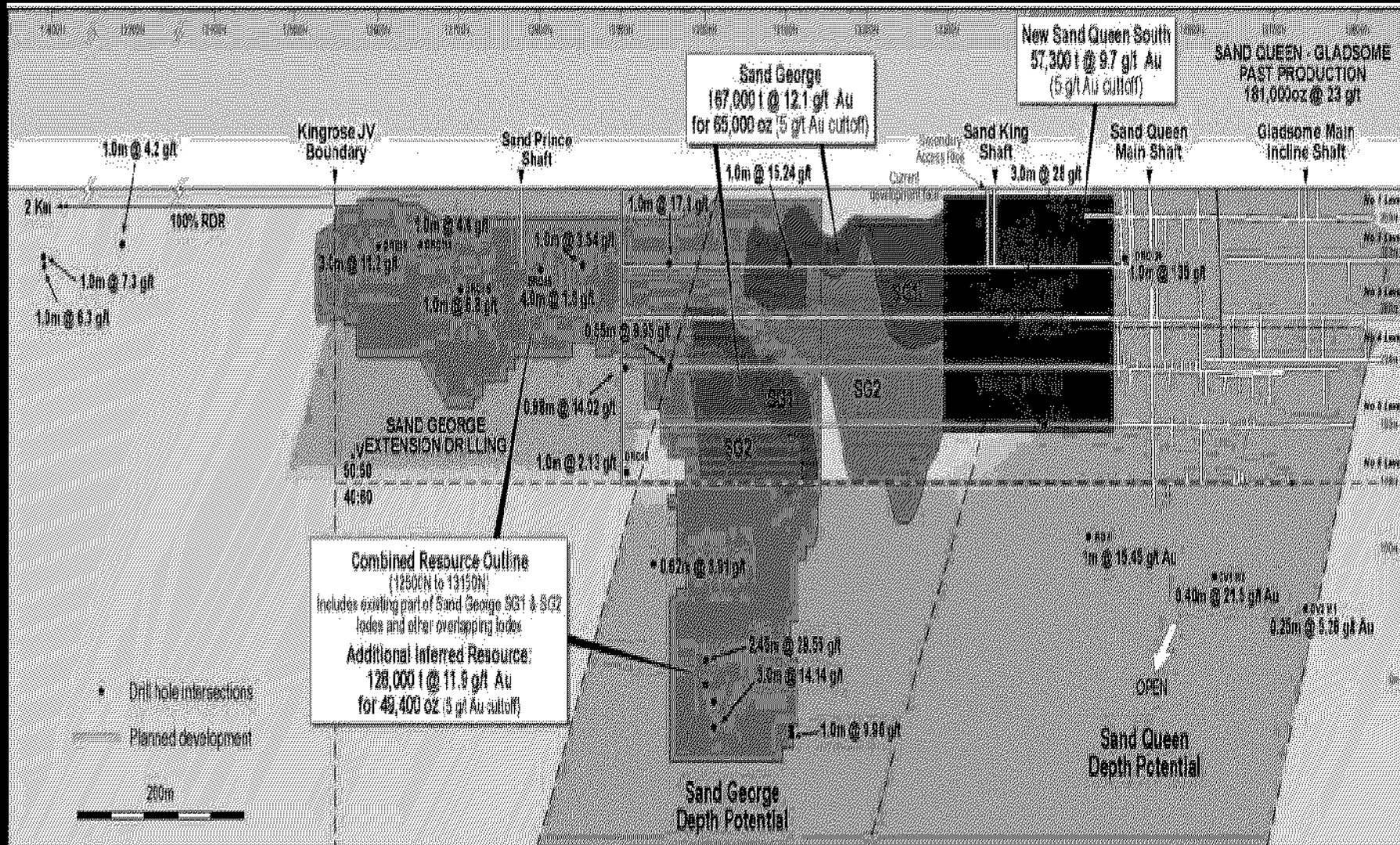
## Kingsrose

- **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

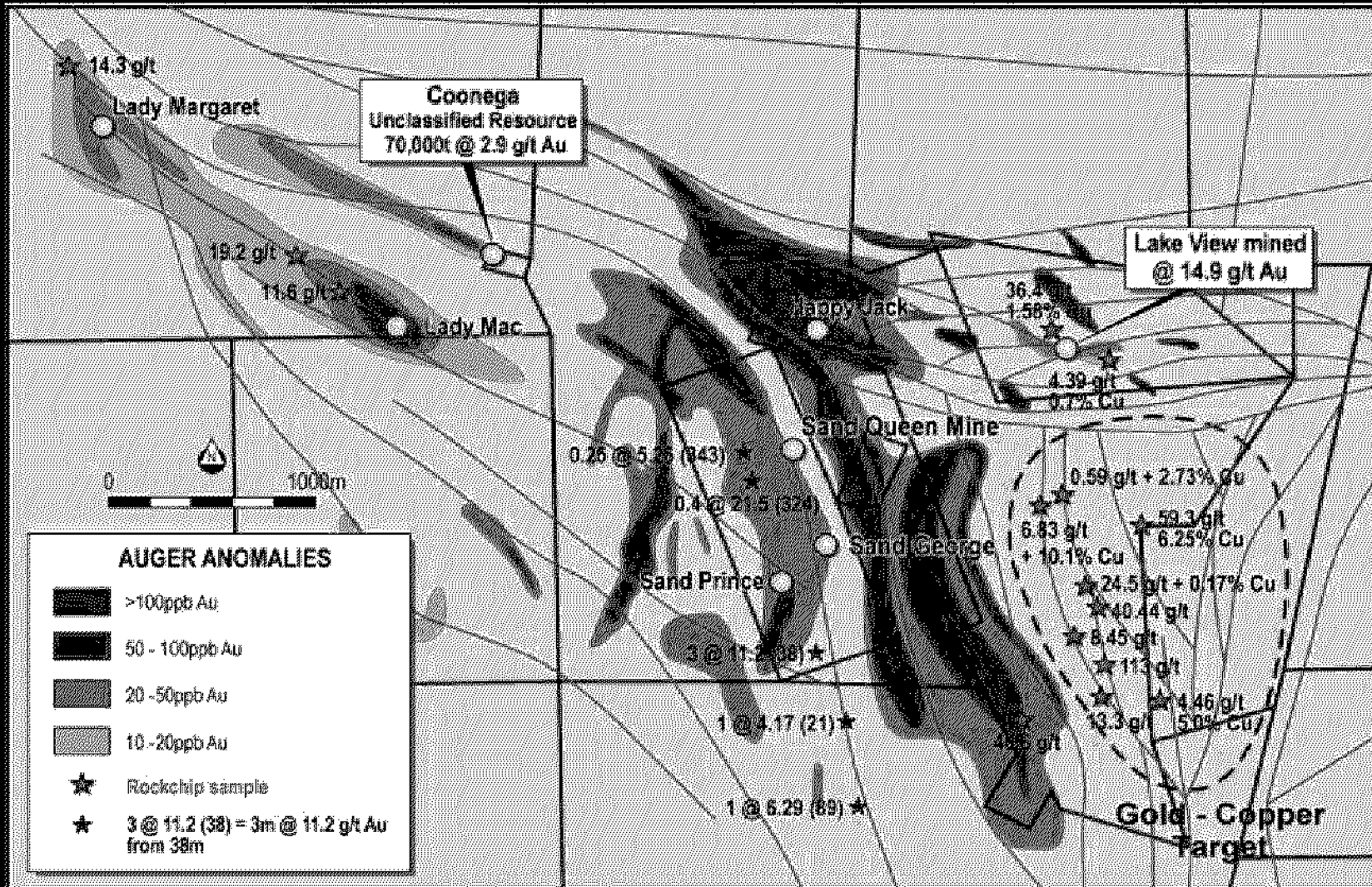
- **Transport & Treatment Costs**
  - Budgeted \$50/tonne (~\$230/oz)
  - Retains open-pit gold resource
  - +\$5m p.a net cash flow at current production level.

# COMET VALE – Expansion Potential



Long Section Looking West

# COMET VALE – Regional Gold Contours



**+20km of untested gold anomalous structures**

# COMET VALE – Nickel

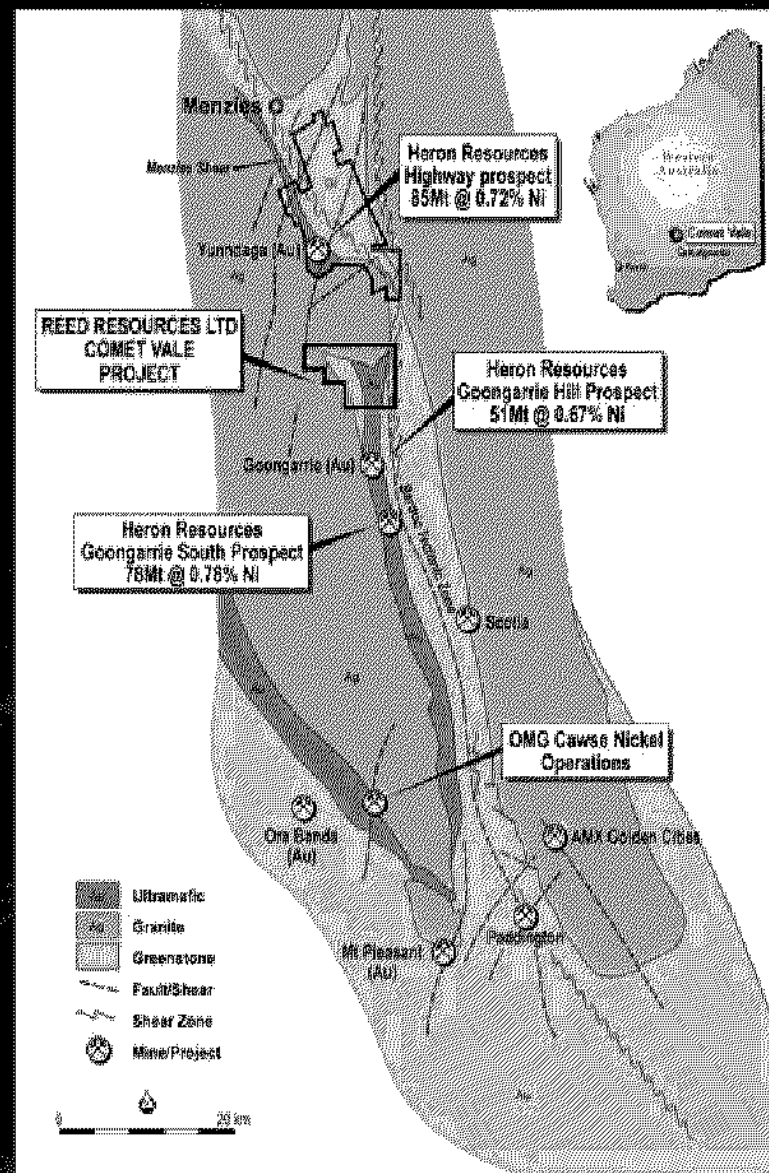
## TARGET

- High-grade Ni Laterite resource in well-developed lateritic profile

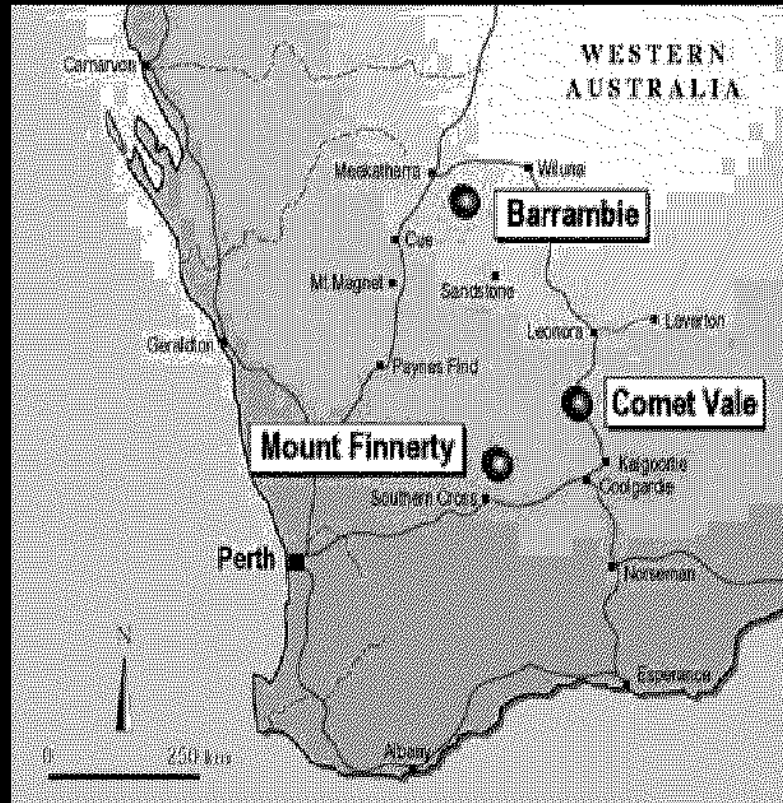
Tenements host over 4.8km  
Strike of Walter Williams Form

## DRILL RESULTS (unscreened)

- 12m at 0.83% Ni from 17
- 60m at 0.60% Ni from 5
- 36m at 0.69% Ni from 33
- 35m at 0.61 % Ni from 4
- 26m at 0.62% Ni from 15



# PROJECTS



## **Barrambie**

Murchison province

**Vanadium Titanium**

## **Comet Vale**

Eastern Goldfields province

**Gold Nickel**

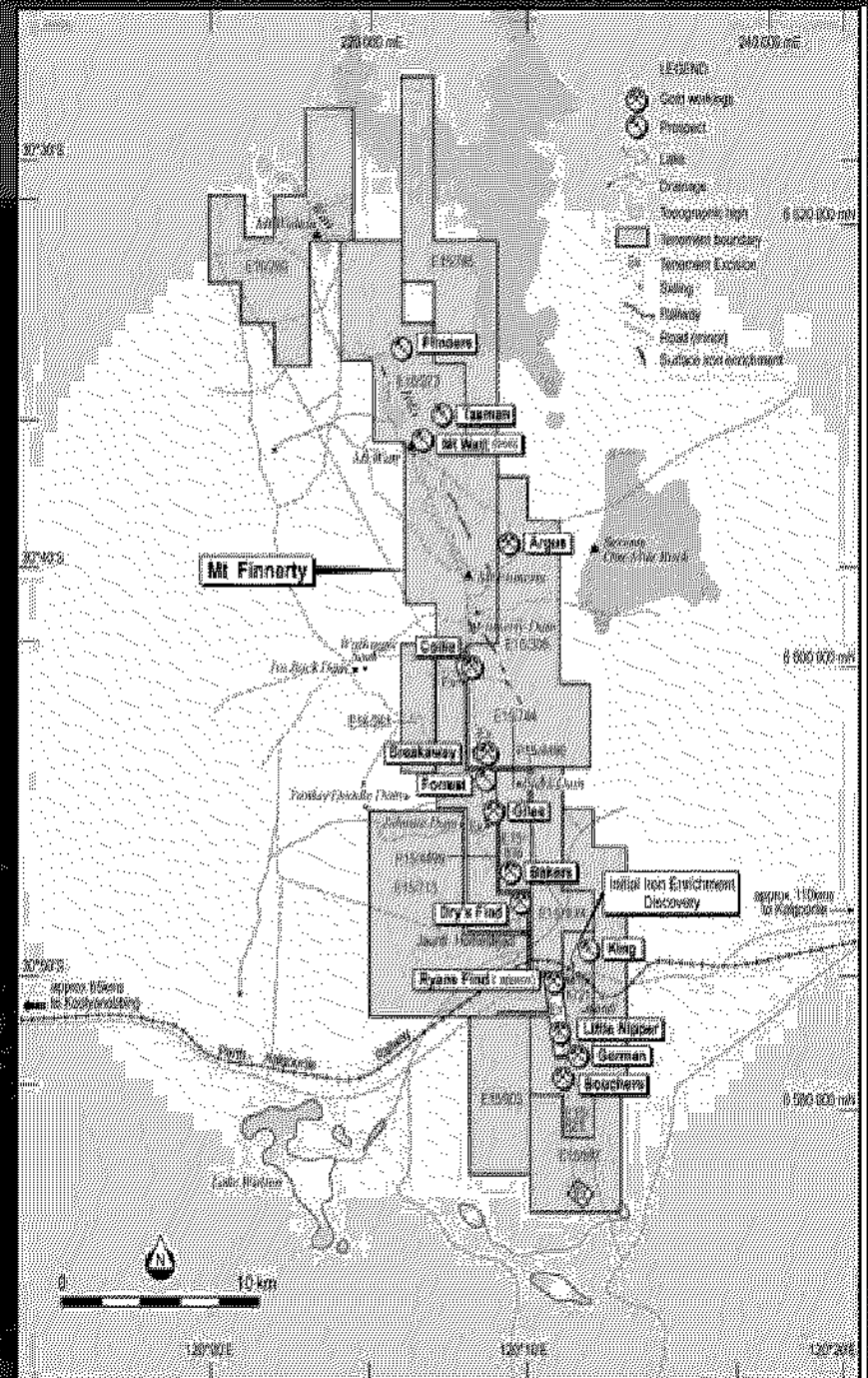
## **Mt Finnerty**

Southern Cross province

**Iron Ore Nickel Gold**

# 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



# MT FINNERTY – Iron Ore

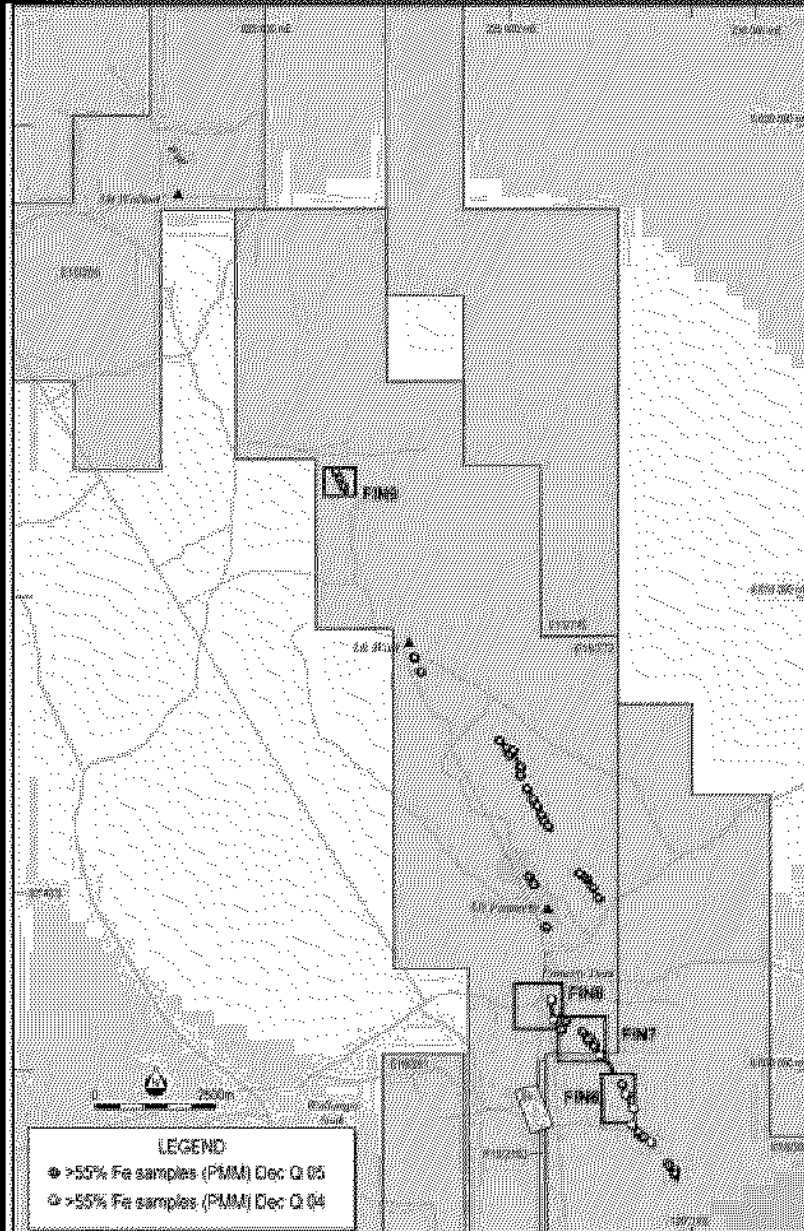
Portman earning 80% Fe rights

Utilise existing plant and infrastructure

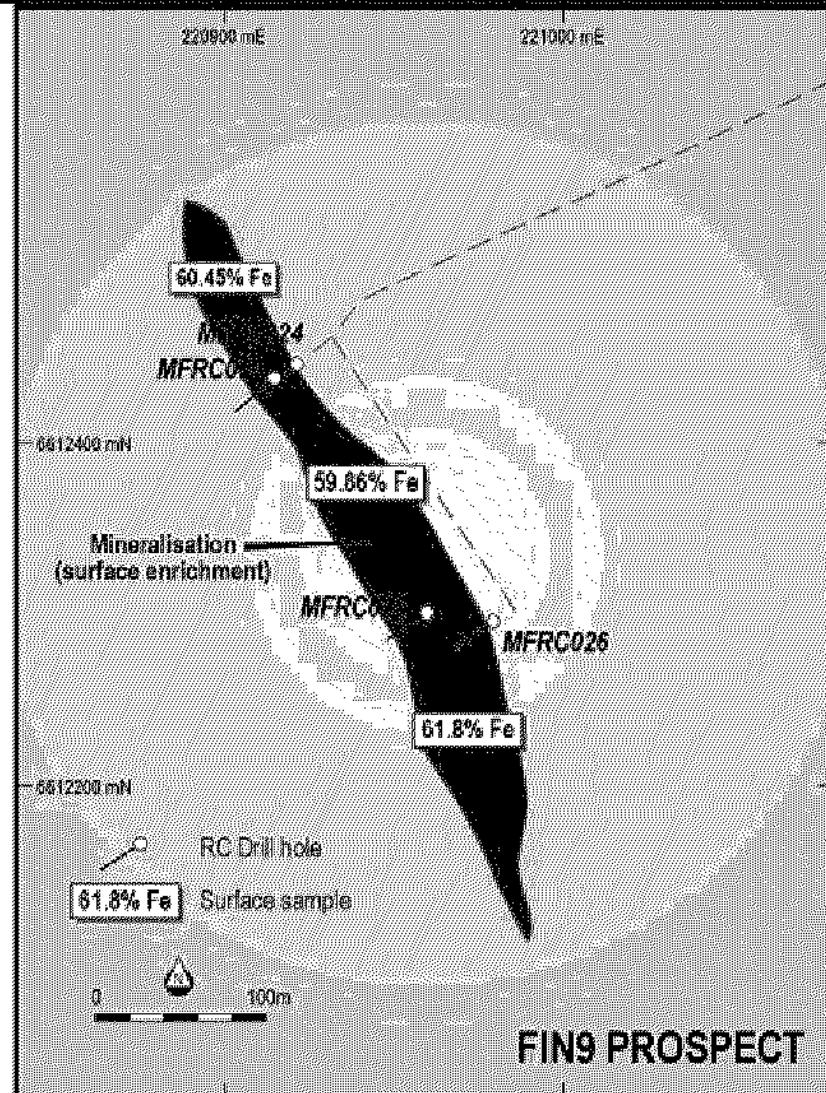
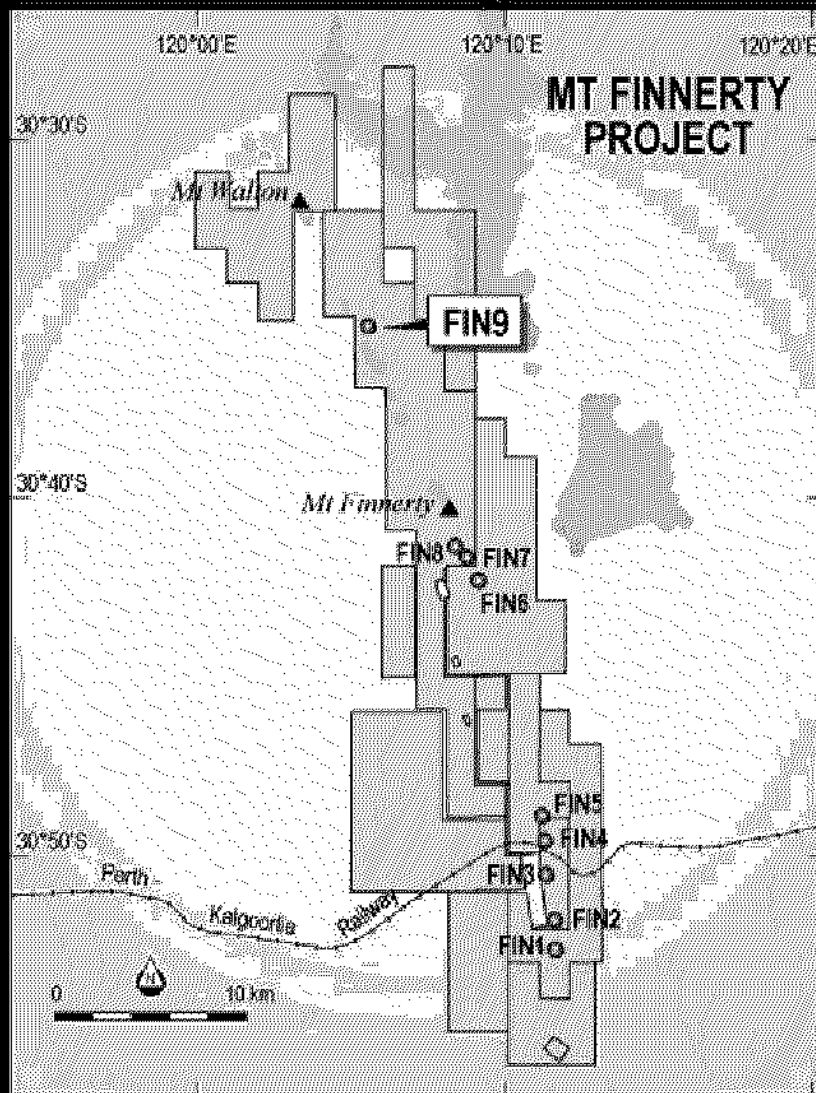
- Reduces lead time
- Reduces critical size for development

## Exploration Results

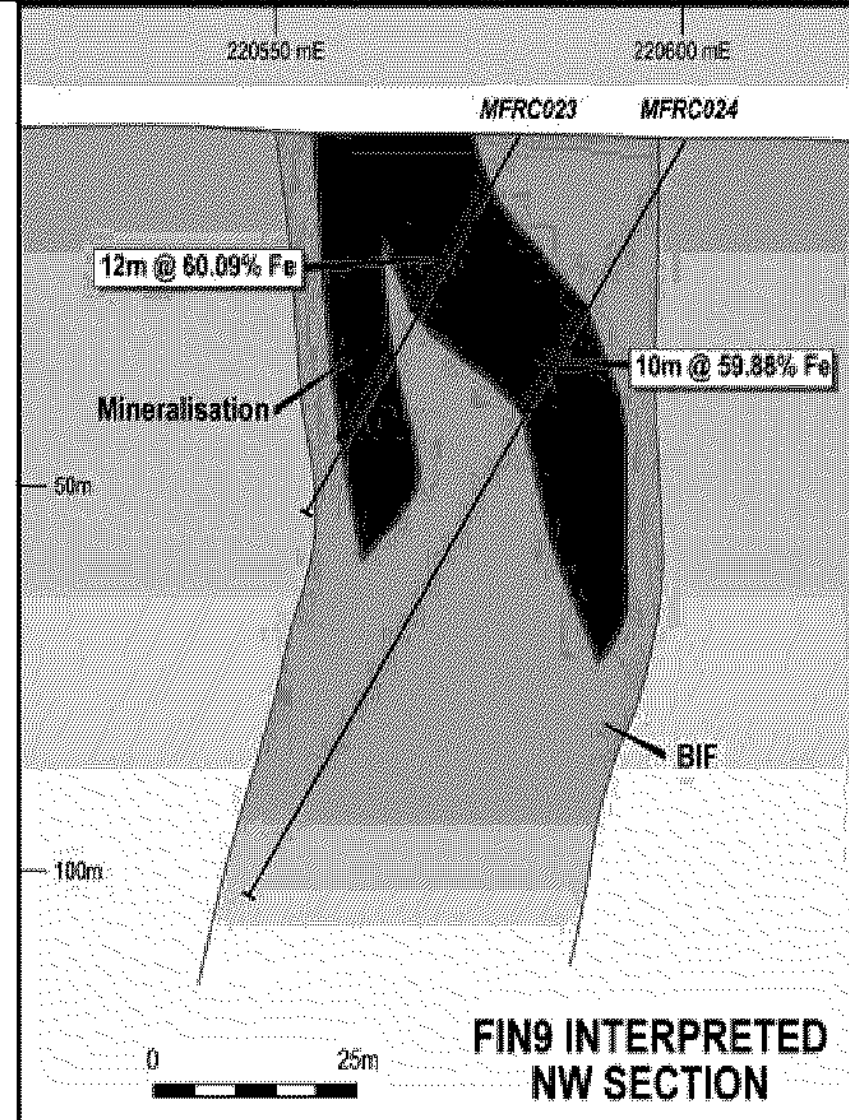
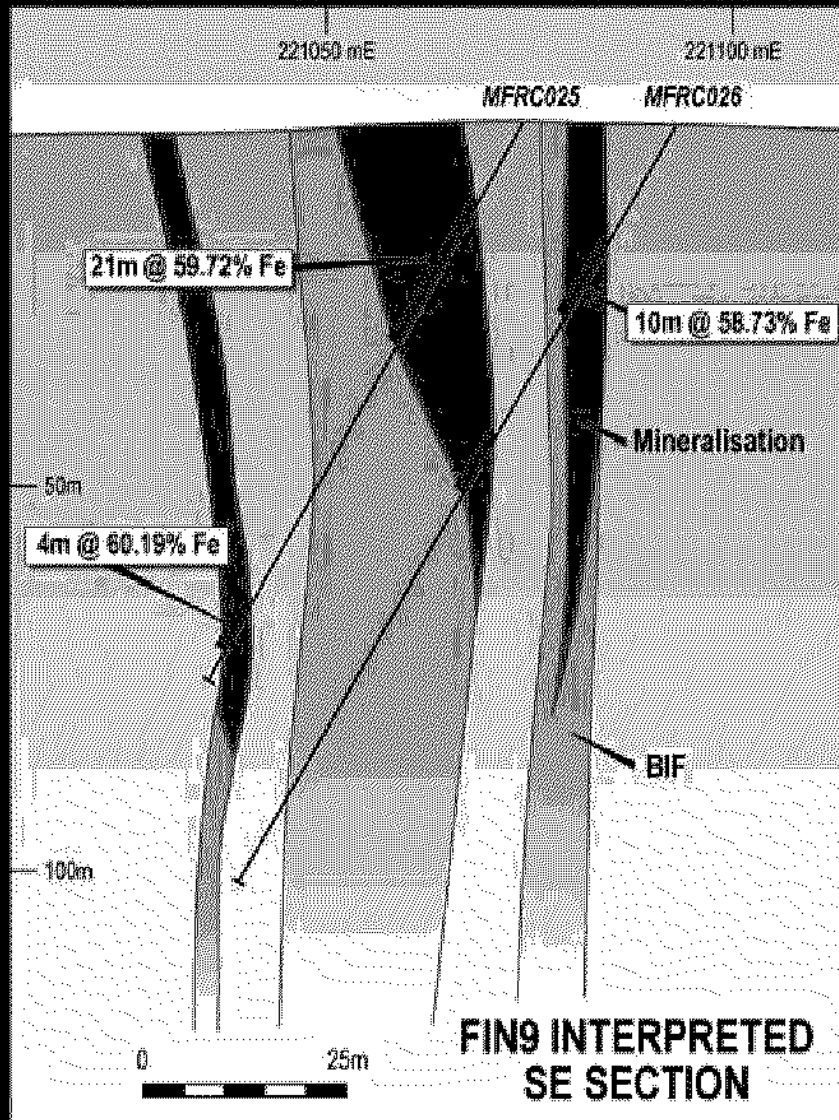
- Enriched BIF over +30km
- Grades up to 68% Fe
- Widths up to 15m
- Attractive P Levels – ideal for blending



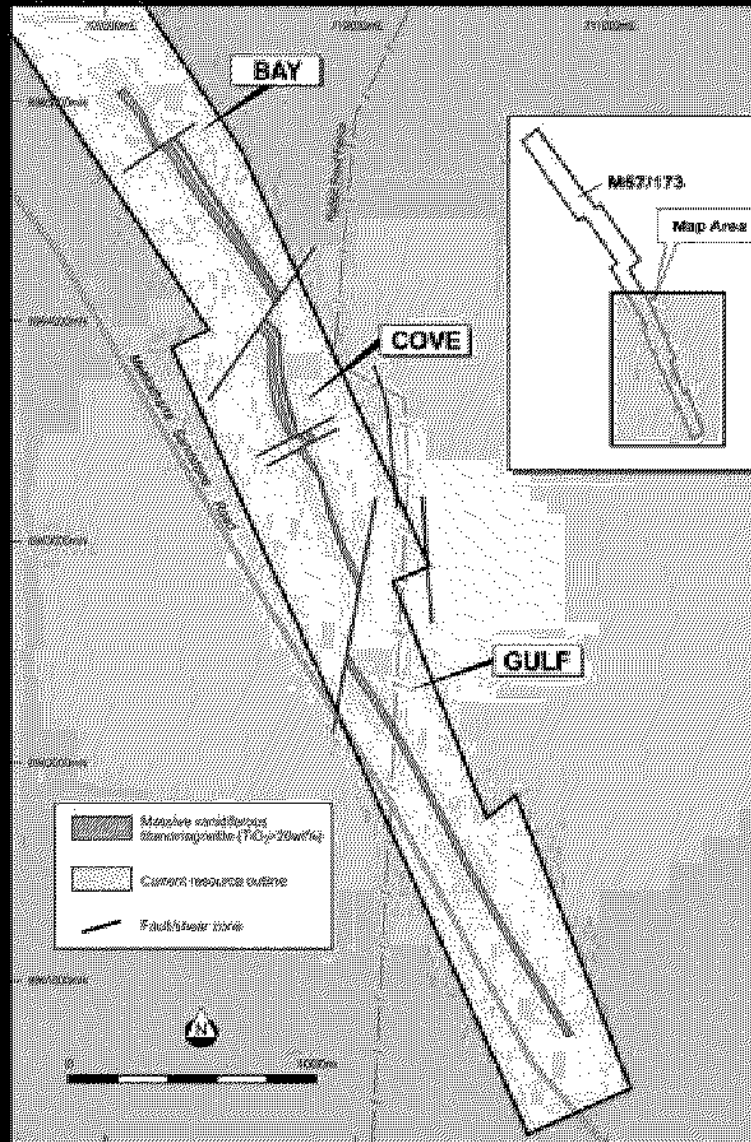
# MT FINNERTY – Portman Scout Drilling



# MT FINNERTY – FIN 9 Cross Sections



# BARRAMBIE – Vanadium/Titanium Deposit



## Resources

Indicated 42 Mt @ 0.45%  $V_2O_5$   
Inferred 97 Mt @ 0.35%  $V_2O_5$

## PFS – Eastern Band

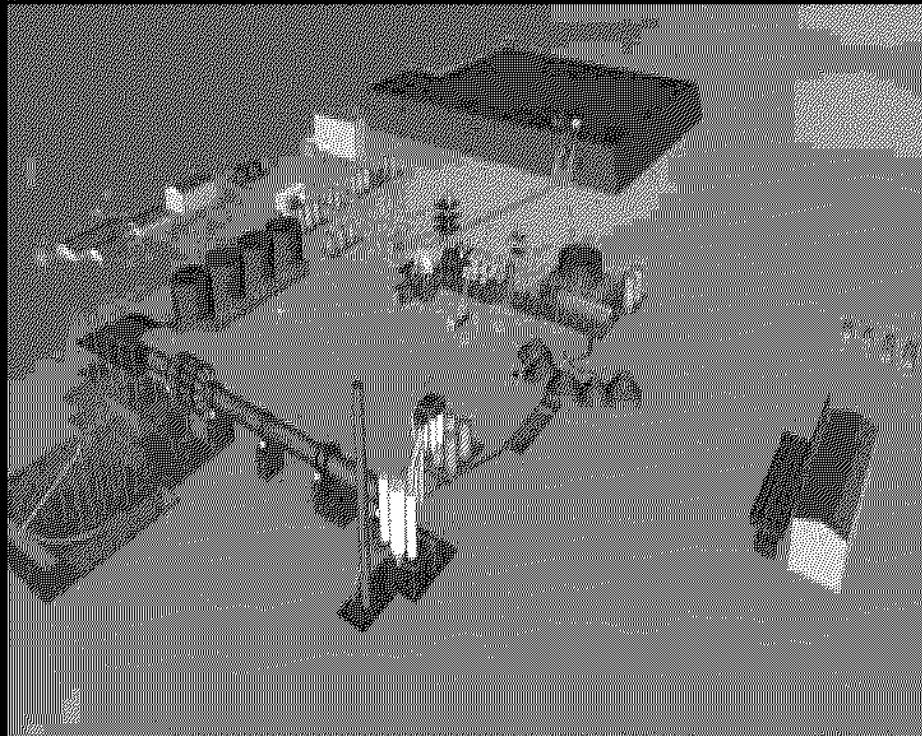
Oxidised to 60m  
True Width >20m

## Optimised Pits

25 Mt @ 0.53%  $V_2O_5$  to 50m

Strip Ratio 0.6:1

# BARRAMBIE – PFS



| Concentrate Grade<br>% V <sub>2</sub> O <sub>5</sub> | Concentrate Recovery<br>% mass | Process Recovery<br>% |
|--|--------------------------------|-----------------------|
| 1.37   | 36                             | 90+                   |

| Mining Costs<br>A\$/lb V <sub>2</sub> O <sub>5</sub> | Plant, Infrastructure & Admin Costs<br>A\$/lb V <sub>2</sub> O <sub>5</sub> |
|--|---|
| 0.17   | 2.50  |

NPV<sub>12</sub> – A\$379m  
IRR – 40%  
Payback - 4 yrs

|   |                    |
|---|--------------------|
| Plant Direct<br>(Processing plant & Infrastructure) | A\$ 174.8 m        |
| Plant Indirect<br>(EPCM and Contingency allowance)  | A\$ 61.7 m         |
| Natural gas turn key package                        | A\$ 19.5 m         |
| <b>Total</b>  | <b>A\$ 256.0 m</b> |

# SUMMARY

## **Mt Finnerty (iron ore, nickel, gold)**

- Portman JV. Iron ore enrichment over 30km outcrop.

## **Barrambie (vanadium, titanium)**

- Pre-Feasibility Study results **NPV<sub>12</sub> A\$379 million**

## **Comet Vale (gold, nickel)**

- High Margin, Low Risk **Gold Production 20koz pa**
- First Gold June 2006
- Resources Increased **+136,000 oz @ 12 g/t**  
Evaluating Increasing Production to **40 koz pa**
- Exciting Regional Potential