

## COMET VALE DRILLING RESULTS

Reed Resources Ltd (ASX:RDR) is pleased to announce the latest results from reverse circulation (RC) drilling of a newly defined gold lode at its Comet Vale operations 100 km north of Kalgoorlie.

Intersections of the new lode, referred to as the Princess Grace lode (Figure 1), include **5 m @ 10.63 g/t Au** from 16 m down-hole, **9 m @ 6.9 g/t Au** from 34 m (including 3 m @ 19.0 g/t Au from 40 m) and **2 m @ 4.03 g/t Au** from 33 m (including 1 m @ 7.1 g/t Au from 33 m). Details of the drilled intercepts are tabulated below.

The successful RC drilling program was designed to follow-up on previous shallow RC drill intercepts in earlier drilling campaigns that were targeting the Sand George and Sand Prince West lodes. Previous drill intercepts include 4 m @ 1.28 g/t Au from 46 m (in hole DRC161), 8 m @ 3.6 g/t Au from 42 m (JVD006), and 2 m @ 3.87 g/t Au from 27 m (SPWGC092).

Primary gold mineralisation in the Princess Grace lode is within stacked *en echelon* quartz veins that are adjacent to porphyry intrusives (Figure 2), similar to those seen at the Sand George deposit (295,000 t @ 12 g/t Au for 114,000 oz gold). There is minimal weathering of the basalt-dolerite host rock, which is covered by a thin transported regolith.

The new lode structure has now been intersected over approximately 250 m along strike and is open to the north and south, and down dip, at depth. Higher grades appear to be in the thickest parts of the quartz vein(s) and show a shallow plunge to the north-northeast, similar to what is seen at the adjacent Sand Prince West deposit (121,000 t @ 2.36 g/t Au for 9,300 oz gold).

Further drilling is planned to test the down-dip extension of the lode system and for initial resource definition.

David Reed  
**Executive Chairman**  
Tel: 08 9322 1182



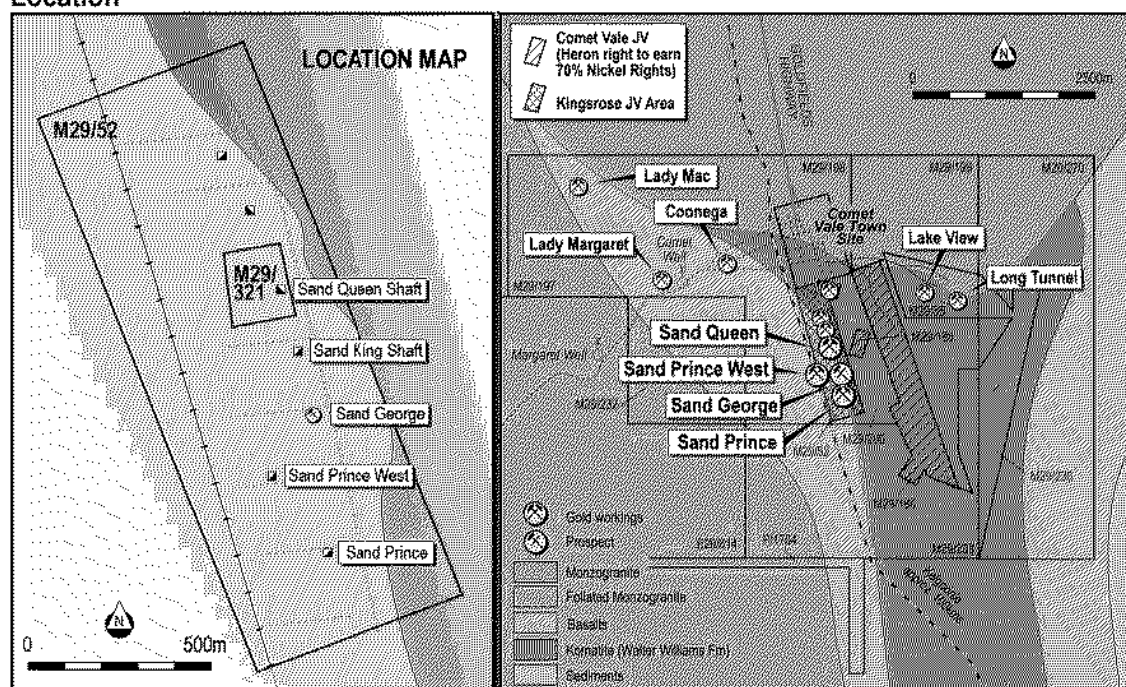
## RC drilling results, Princess Grace lode, Comet Vale WA.

Hole ID	Collar Northing <sup>(1)</sup>	Collar Easting <sup>(1)</sup>	Interval From (m)	Interval To (m)	Intersection Width (m) <sup>(2)</sup>	Grade (g/t Au) <sup>(3)</sup>
JVC007	13000	7625	26	32	6	0.85
JVC008	13000	7687.5	55	56	1	1.87
JVC009	13000	7612.5	34	43	9	6.90
		including	40	43	3	19.0
JVC010	12888	7645	16	21	5	10.63
JVC011	12888	7620	33	35	2	4.03
		including	33	34	1	7.1

### Notes:

1. Collar coordinates are for a local grid. All holes collared at 60° toward 089° on the local grid.
2. Samples are of RC drill chips sampled at 1 m intervals.
3. Samples analysed by Fire Assay using a 50g charge at AMDEL Laboratory Services, Kalgoorlie.

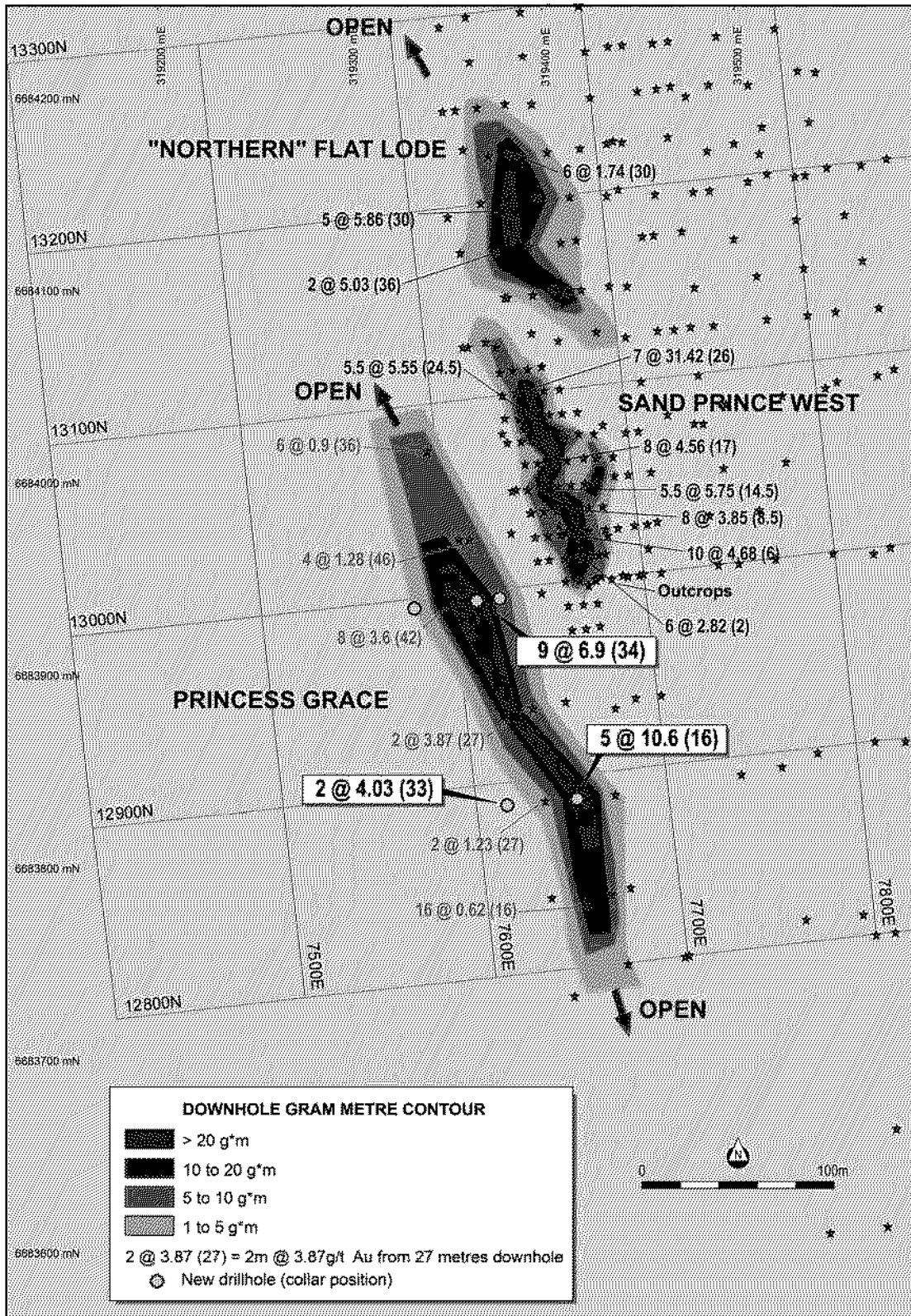
### Location



### Competent Persons

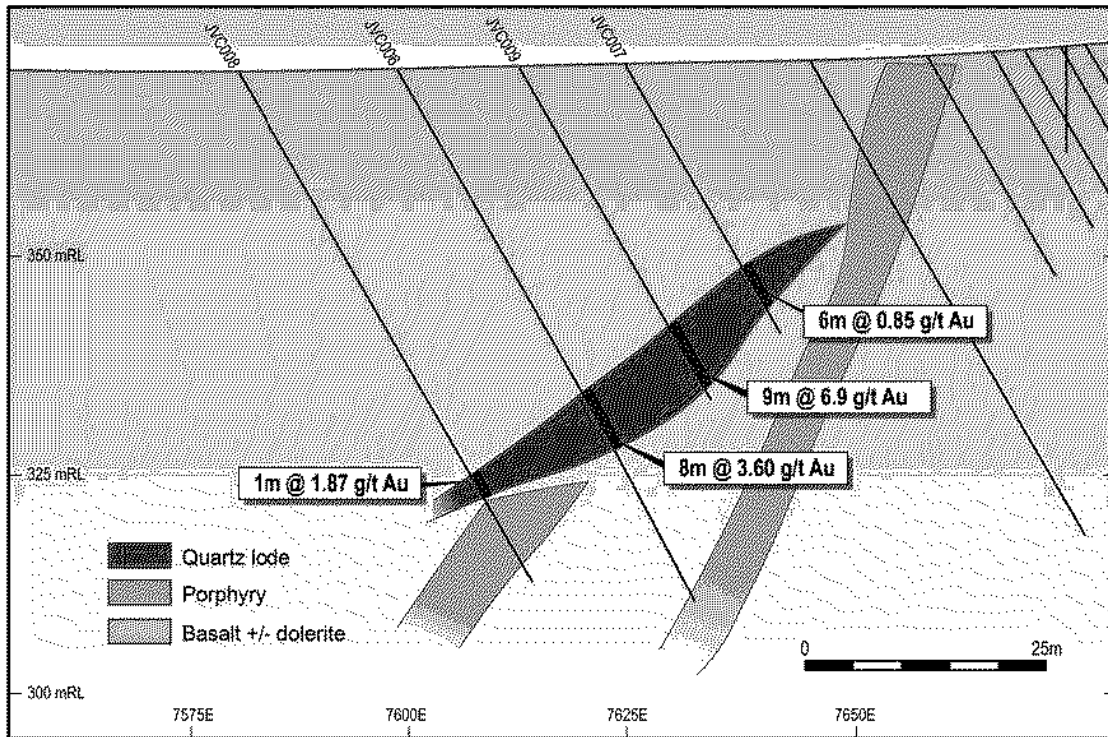
Information in this report that relates to Exploration Results has been compiled by Dr Peter Collins, based on information prepared by Mr. David Potter. Dr Collins and Mr. Potter are both Members of the Australian Institute of Geoscientists.

Mr. David Potter (BSc, Dip FAI, MAIG), a full time employee of Reed Resources Ltd, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves'. Mr. Potter consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

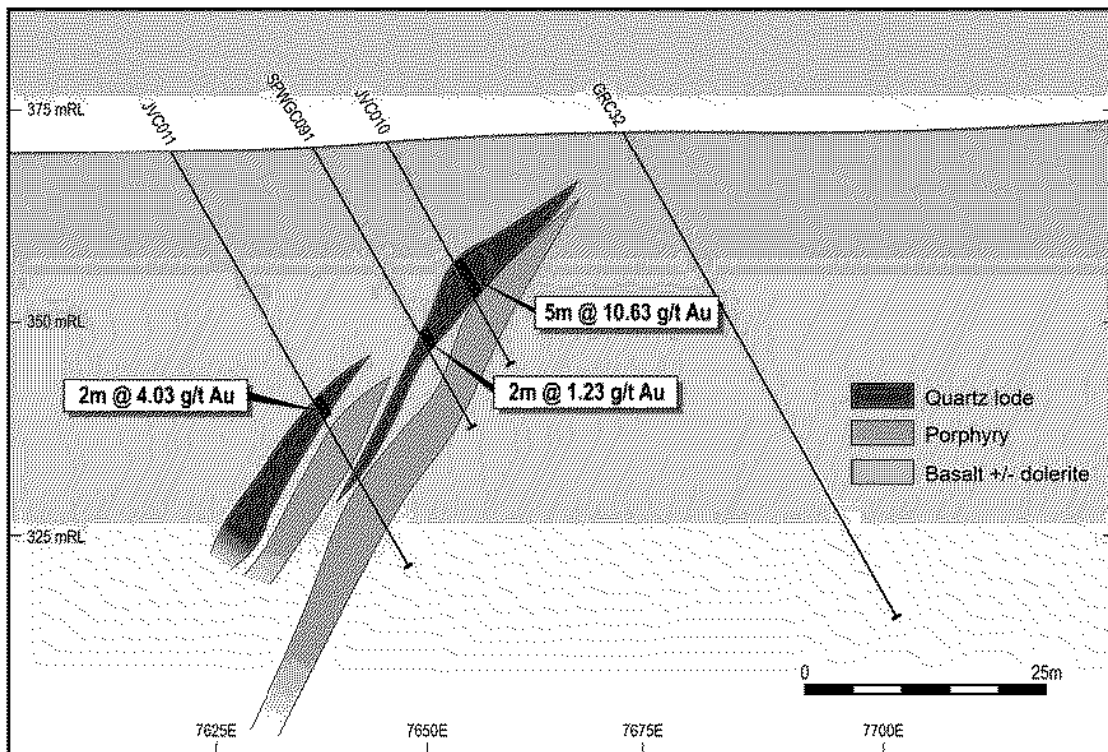


**Figure 1** Interpreted position of the Princess Grace lode structure, expressed in gram\*metre (g\*m) contours of intercepts, in relation to the adjacent Sand Prince West lodes. Recent drill results are in red and previous intercepts in green. Significant Sand Prince West drill intercepts are in dark blue.

### 13000N - Princess Grace Lode



### 12887N - Princess Grace Lode



**Figure 2** Cross sectional interpretation of recent drilled intersections of the Princess Grace quartz lode(s) adjacent to porphyry intrusives. The mineralisation is within fresh basalt-dolerite, beneath a thin (1-2m) transported regolith.