Reed Resources Ltd

AMEC Presentation

June 2010

Company Snapshot

Reed Resources (ASX: RDR) is a diversified mining and exploration company with 5 primary projects all based in WA.

Current project portfolio includes:

1. **Mount Marion – Lithium**
2. **Barrambie – Vanadium**
3. **Comet Vale – Gold**
4. **Mt Finnerty – Iron Ore and Nickel**
5. **Bell Rock Range – Nickel and Copper**

Shares on Issue	176 Million
Market Cap.	+90 Million
Cash	$10.7 Million (Mar)
Shareholders	*David Reed 12.6%* *Top 20 Shareholders ~32%*

Company Strategy

AIM : MULTIPLE INDEPENDENT CASHFLOW STREAMS
COMMODITIES WITH STRONG LT FUNDAMENTALS

PRECIOUS METALS

- DERISK THROUGH DEVELOPMENT
- PRODUCTION 80kt @10 g/t Au
- SECURED MILL
- PLANNING MILL EXPANSIONS AND RECOMMENCEMENT OF MINING

STEEL MINERALS

- VANADIUM DERISKED - DFS
- IRON JV WITH CLIFFS
- NI-S FARM IN WITH BARRANCO
- NI + CU + PGE FARM OUT TO ANGLO AMERICAN

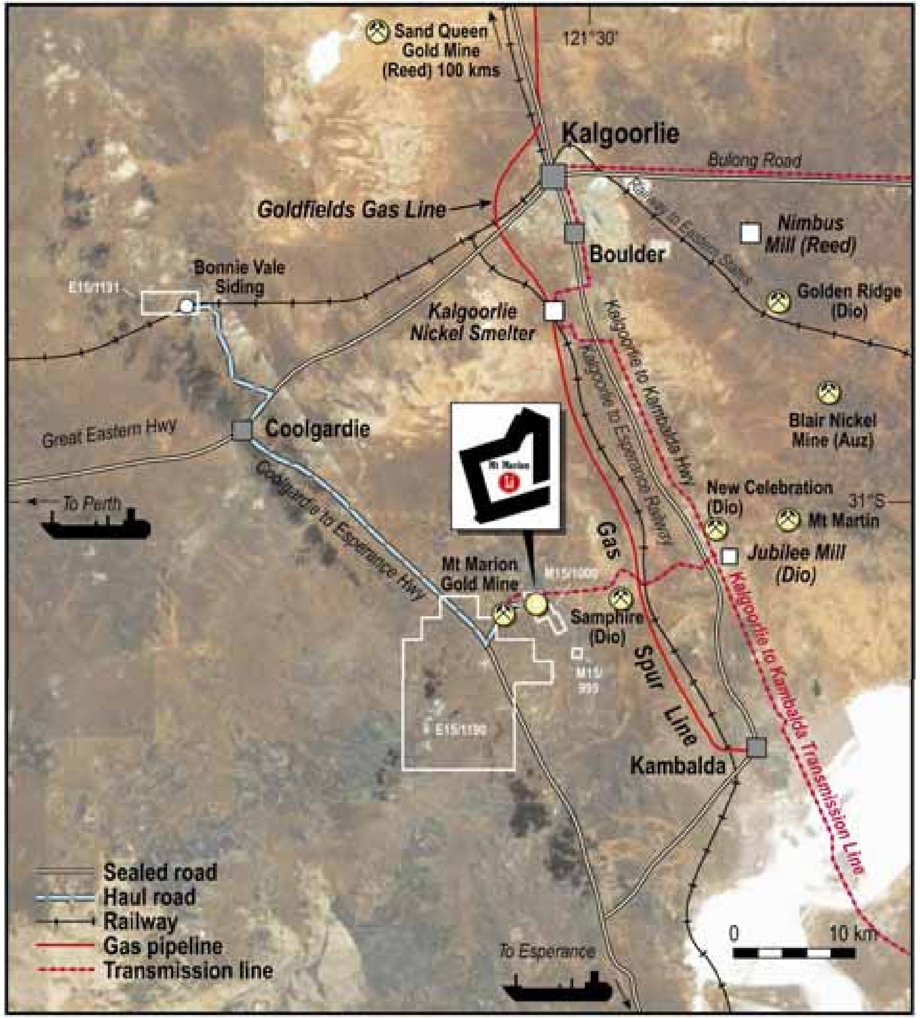
INDUSTRIAL MINERALS

- LITHIUM DERISKED - PFS
- STAGE 1 : ~200 ktpa SPODUMENE CONCENTRATE JV WITH MINERAL RESOURCES
- STAGE 2: VALUE ADD - LITHIUM CARBONATE

HIGH GRADE + INFRASTRUCTURE + STRONG PARTNERS

Mount Marion Lithium Project Overview

- Secured 2 year option to acquire, August 2009
- Landmark JV with Mineral Resources Ltd (ASX 200)
- Substantial infrastructure enables fast-tracking of project to become second largest Spodumene producer in the world, planned production rate:
  200,000 tpa of +6.5% Li_2O.
- Mineral Resources JV:
  - to fund all Evaluation and Development Costs, recover over mine life
  - MIN to BOO Processing Plant + Operate project
  - Operations Commencement Notice by 30 June and Commercial Production by 31 Dec 2010 to earn 40% of EBIT.
  - **RDR retain 60% EBIT and right to offtake**
- Extensive drilling and evaluations have previously conducted by WMC (1960's – 1980's).
- Bill Crossley appointed as Project Manager for Mt.Marion – previously held the position of open cut/underground manager for Greenbushes, the world's largest spodumene (lithium) and tantalum mine.



Reed Resources Ltd

MINERAL RESOURCES LIMITED (ASX:MIN)(ASX200)

Mineral Resources Group

Process Minerals

Minerals and base metals processing, logistics, ship loading & marketing

Polaris Metals

Specialist Iron Ore resources company

Crushing Services

Australia's largest specialist crushing, screening and materials movement contractor

PIHA

Pipeline, services, site infrastructure, contractor and polyethylene fittings manufacturer

Shares on Issue	~156 Million
Market Cap.	~$1.2 Billion
Forecast FY10 NPAT	A$49 - 62M

Flythrough

Resource Definition Drilling

Initial Exploration Target
7- 8 MT of 1.3 – 2.0% Li_2O

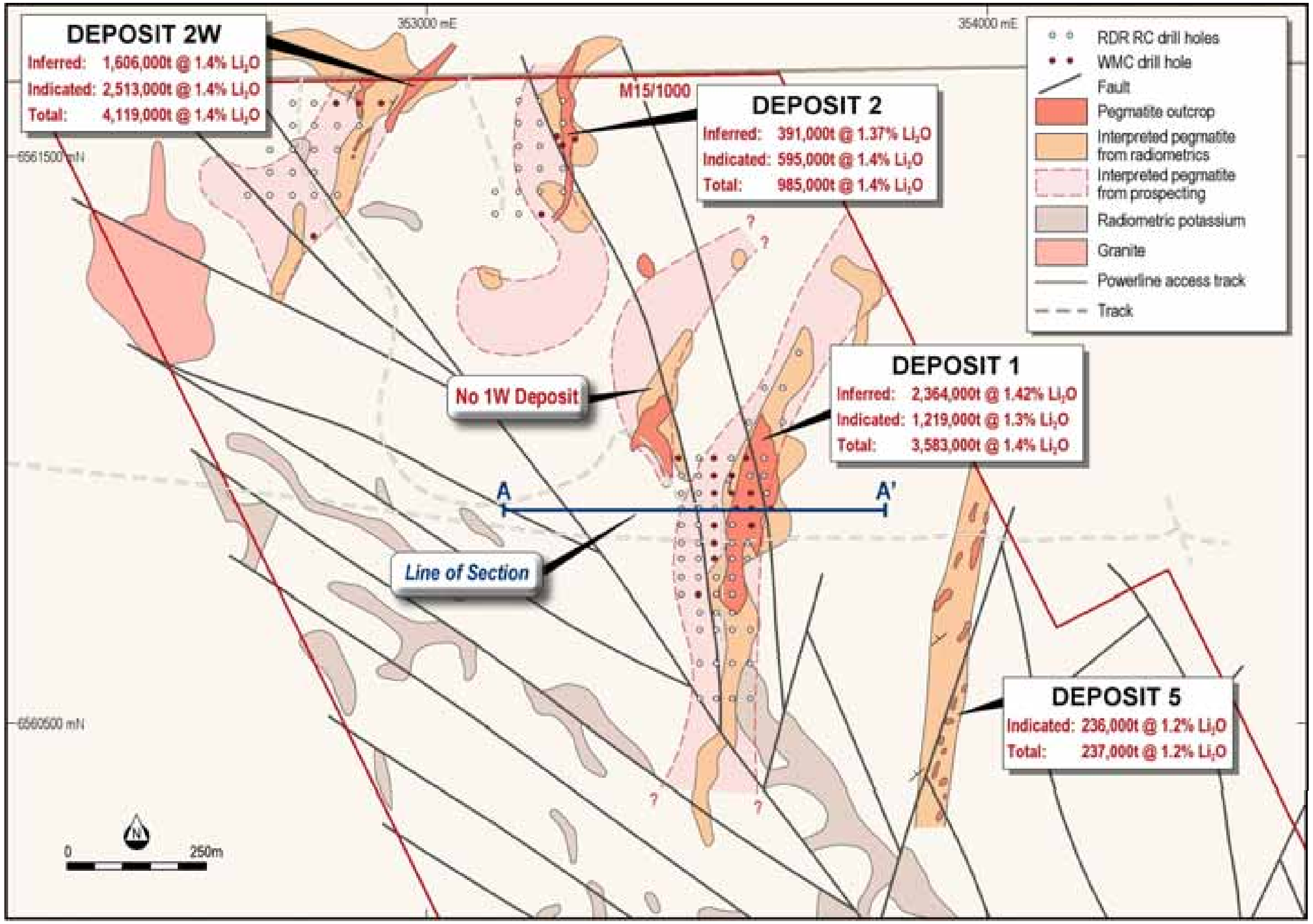
Phase 1 ☑
139 RC holes

Average Intercept
9.2m @ 1.5% Li_2O

Phase 2 ☑
57 RC/Diamond

Average Intercept *
8.6m @ 1.4% Li2O

Resource Estimate - April
8.9 MT of 1.4% Li_2O



April 2010 - total contained lithium oxide resource increase by 220%, to 128,000 tonnes (Li2O). The planned production rate, subject to a decision to mine, is 200,000 tonnes per annum of +6.5% Li2O concentrate, which contains 13,000 tonnes lithium oxide (Li2O).

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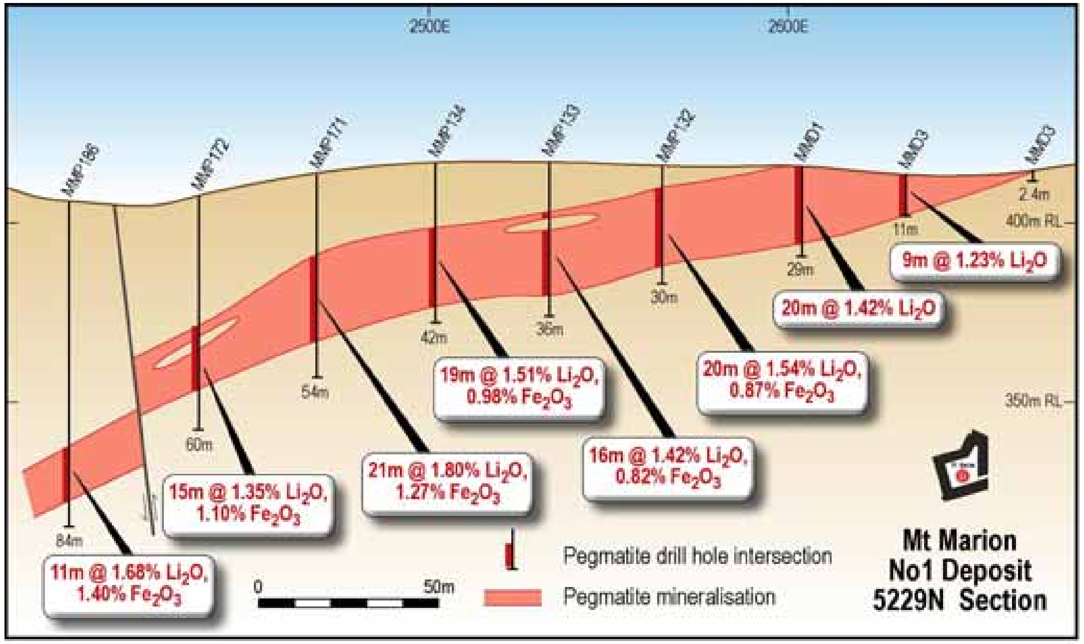
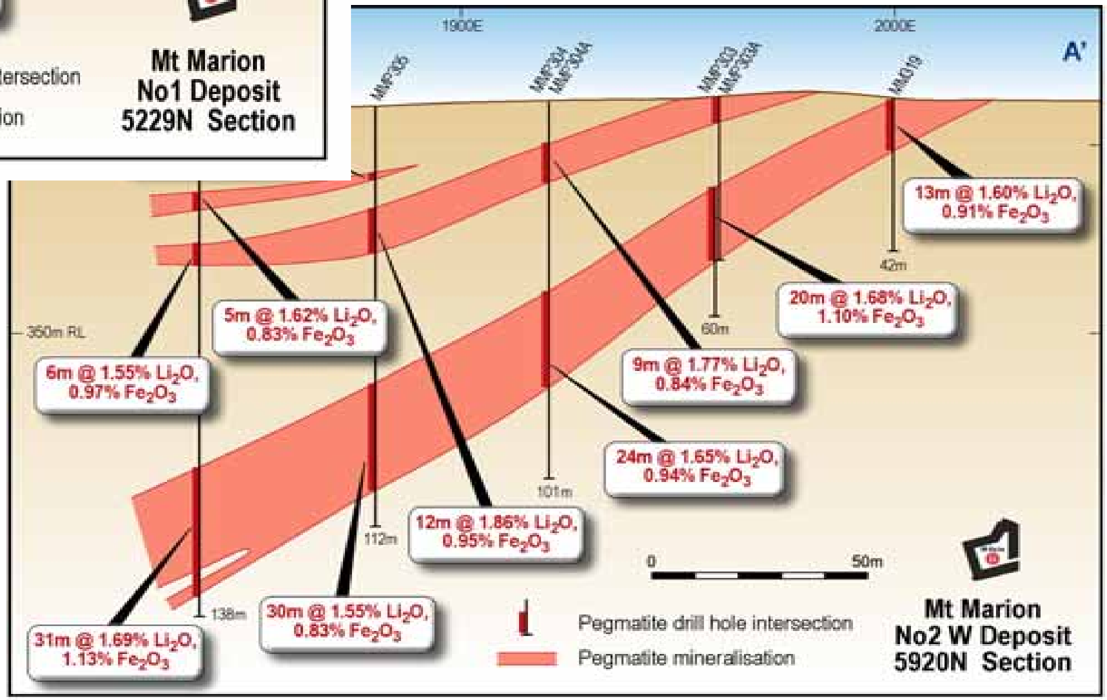
Cross Sections



- Thick – av. 9m downhole intercept
- Shallow
- Gently dipping
- Ore virtually fresh from surface
- Ore visually distinguished (white)

= Simple Open Pit Mining



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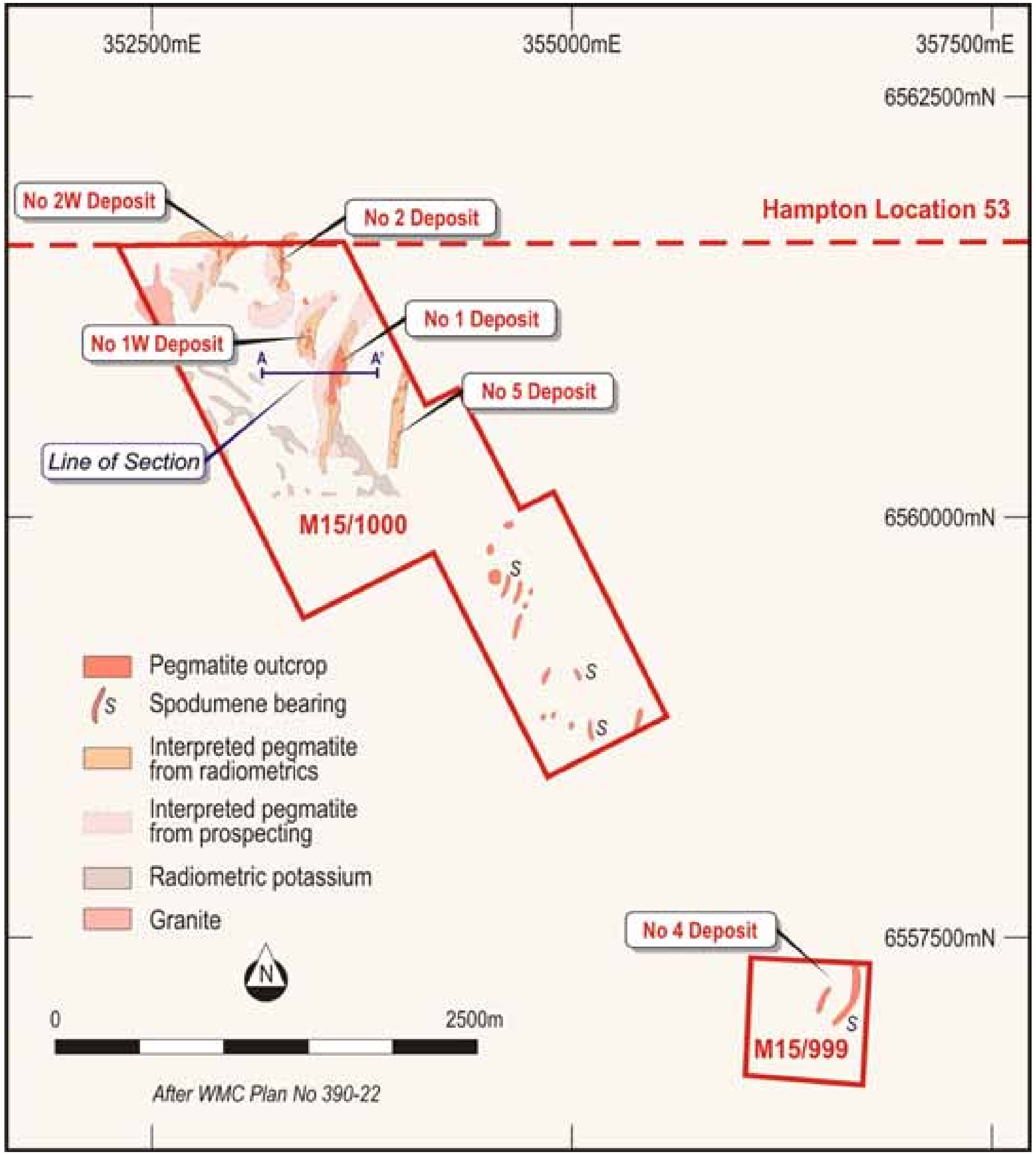
Exploration Potential

Potential for significant addition to the current resource base.

Currently all 5 Deposits are open along strike and at depth

Explored 1 of 3 Pegmatite Groups.

New Resource Target being prepared



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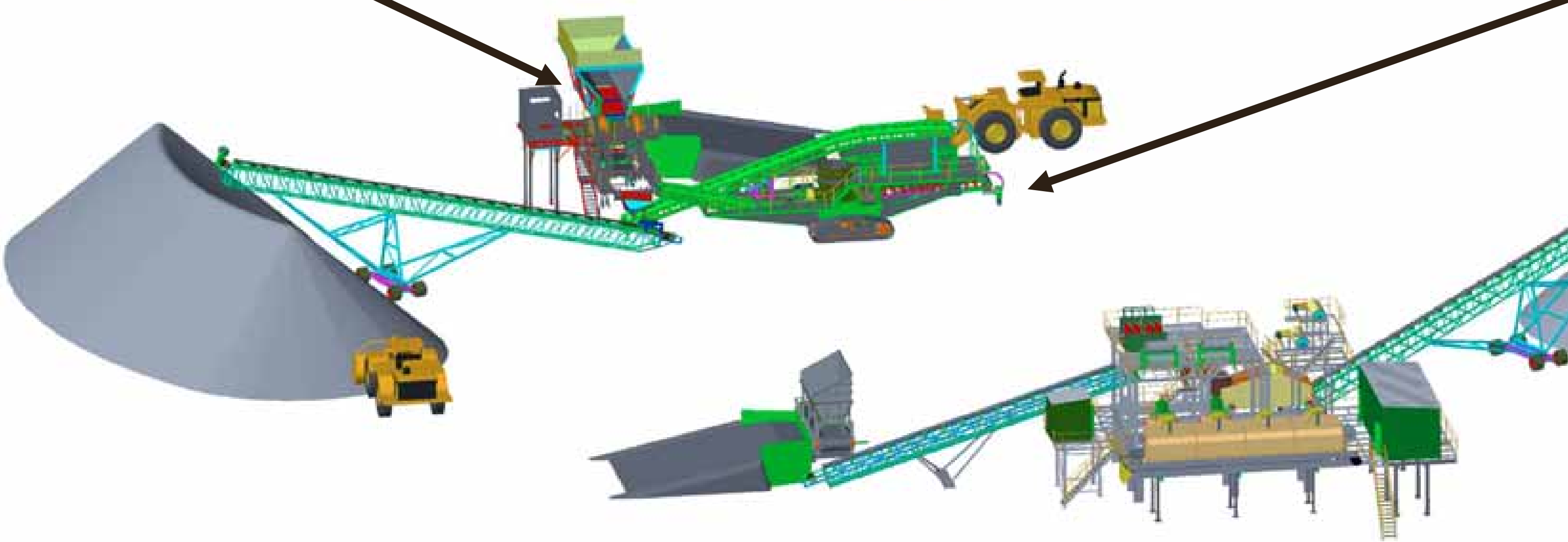
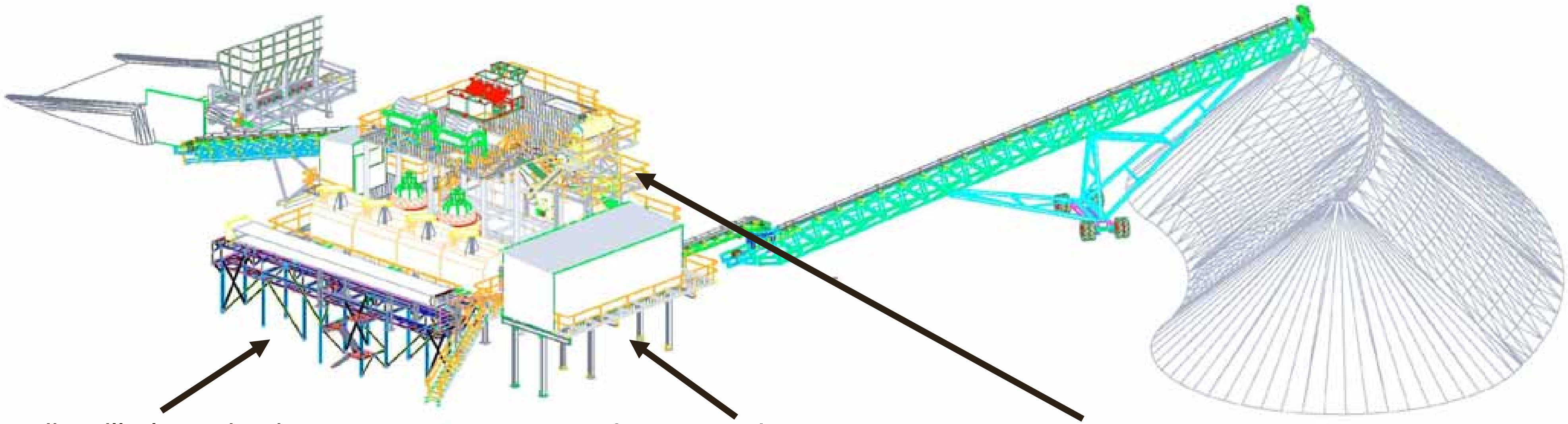
Plant Layout

Rolls Crusher

Mobile Jaw Crusher



Beneficiation Plant



Radio Hill Float Circuit

Plant Control Room

Sister DMS Plant at Woodie Woodie

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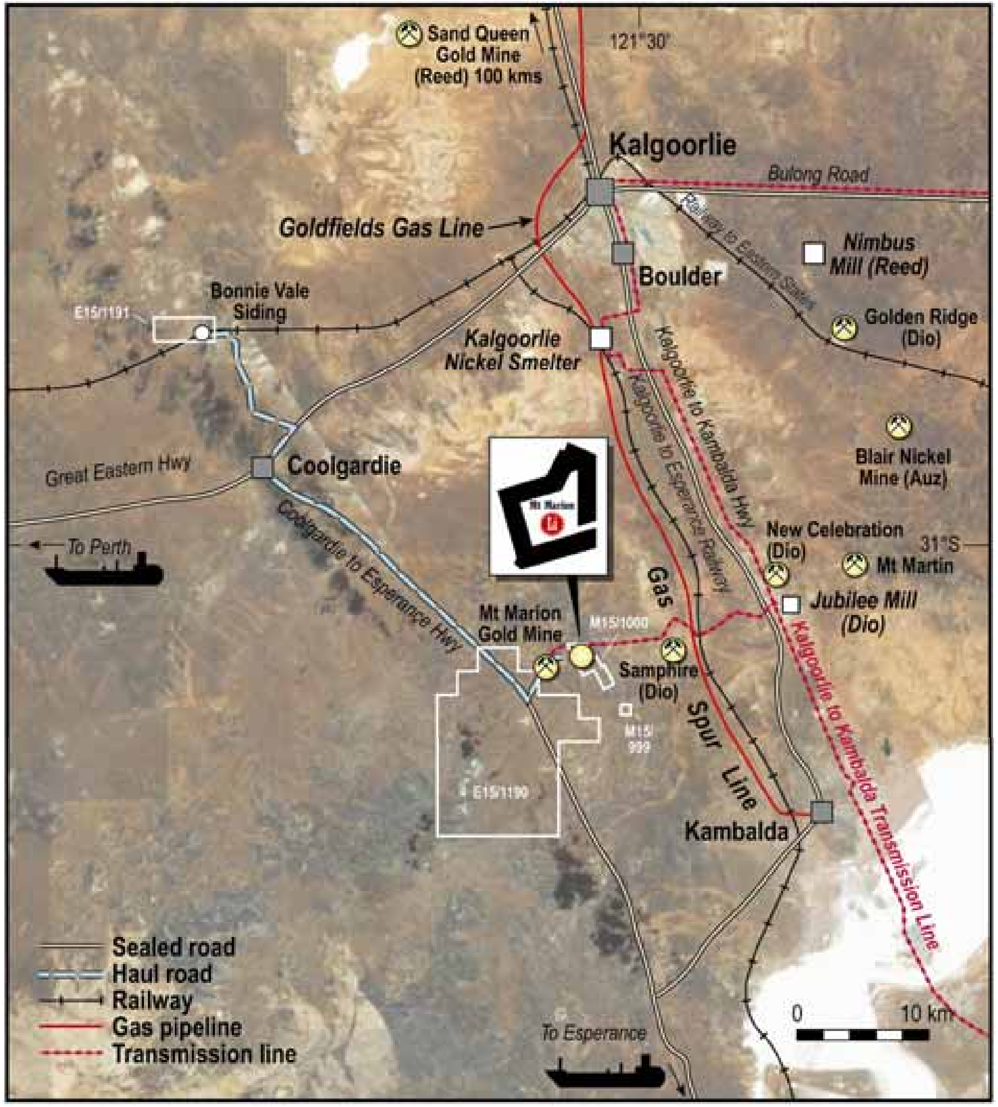
Infrastructure and Logistics



- Western Power HV Powerline to site
- Abundant process water within 10km
- Access to existing haul roads(8km), then
- Sealed road (37km) to Bonnie Vale siding
- Open Access Rail to Port (670km)

Bonnie Vale Siding

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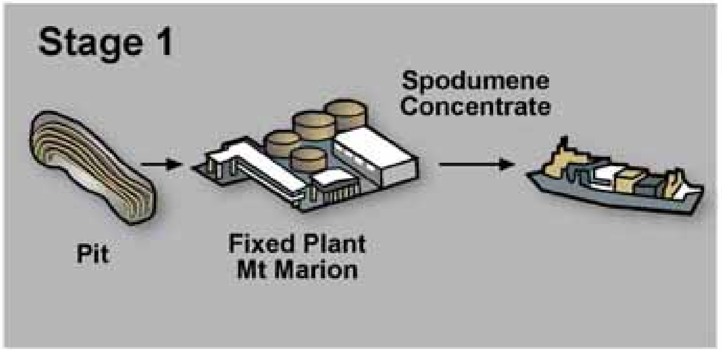
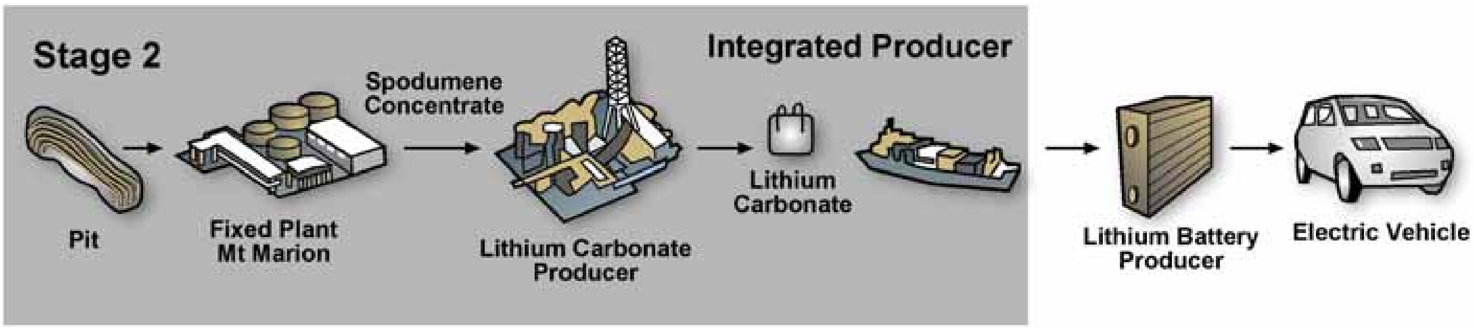
Logistics – Bulk – Kwinana Berth 2

Lithium Strategy (*) Development Timetable

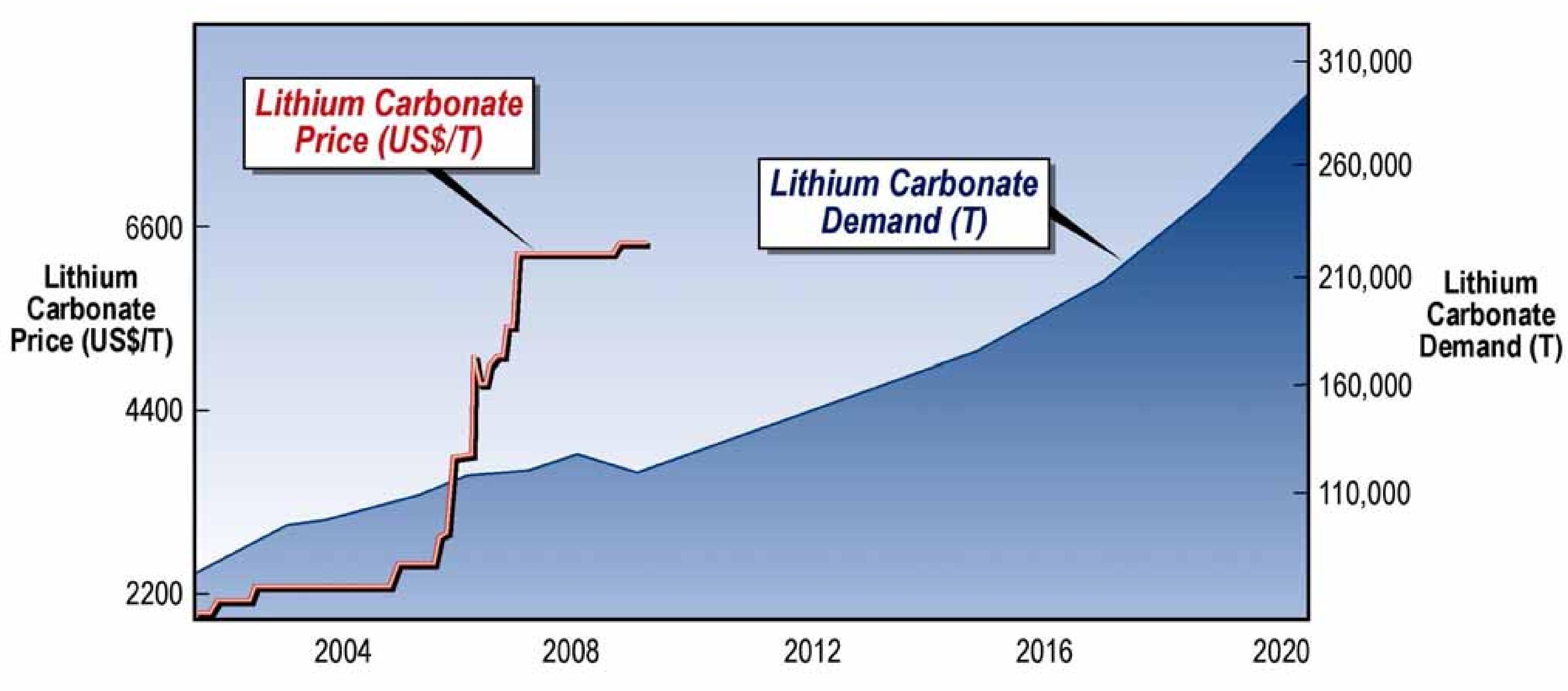


March Q 2010	June Q 2010	Sept Q 2010	Dec Q 2010	March Q 2011
Lodge Clearing Permit ☑ Resource Estimate	Lodge Works Approval Mining Proposal Decision to Mine Recieve Project Approvals	Commence Siteworks Mobilise Mobile/ Modular Processing Plant	Commission Plant	First Shipment



(*) Stage 1 - Subject to Decision to Mine
Stage 2 - Subject to Feasibility Study, yet to be commissioned

Lithium Market Overview



Barrambie Vanadium Project Overview

- **Reed owns 100% of the world class, high-grade Barrambie Vanadium Project.**
- **Highest grade vanadium reserves in Australia.**
- **Attractive project economics from DFS and highly leveraged to a recovering vanadium price.**
- **Barrambie project is located 125 km north-east of the Windimurra project in Murchison region of Western Australia**
- **Barrambie is serviced by major regional roads.**
- **Safe water supply from Barrambie borefield**
- **Barrambie Native Title Agreement in place**
- **Strong support from local stakeholders**

	Mt	V_2O_5 (%)
RESOURCE		
Indicated	49.2	0.82
Inferred	16.0	0.81
Total	**65.2**	**0.82**
RESERVE		
Probable	**39.7**	**0.82**

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Barrambie Project Economics & Strategy

	Base Case US$30/kg	5 Year Average US$50/kg	FY07/08 US$77/kg
US$:A$ Exchange rate	0.60	0.79	0.89
Capital Costs (AUD M)	$630	$630	$630
EBITDA (AUD M)	**$105**	**$186**	**$327**

Attractive economics and highly leveraged to the recovering world economy

- 12yr mine life;
- A$456m direct construction costs, A$172 EPCM, owners costs and contingencies;
- A$186m EBITDA at 5 year average vanadium price; and
- Operating cost of < US$20/kg

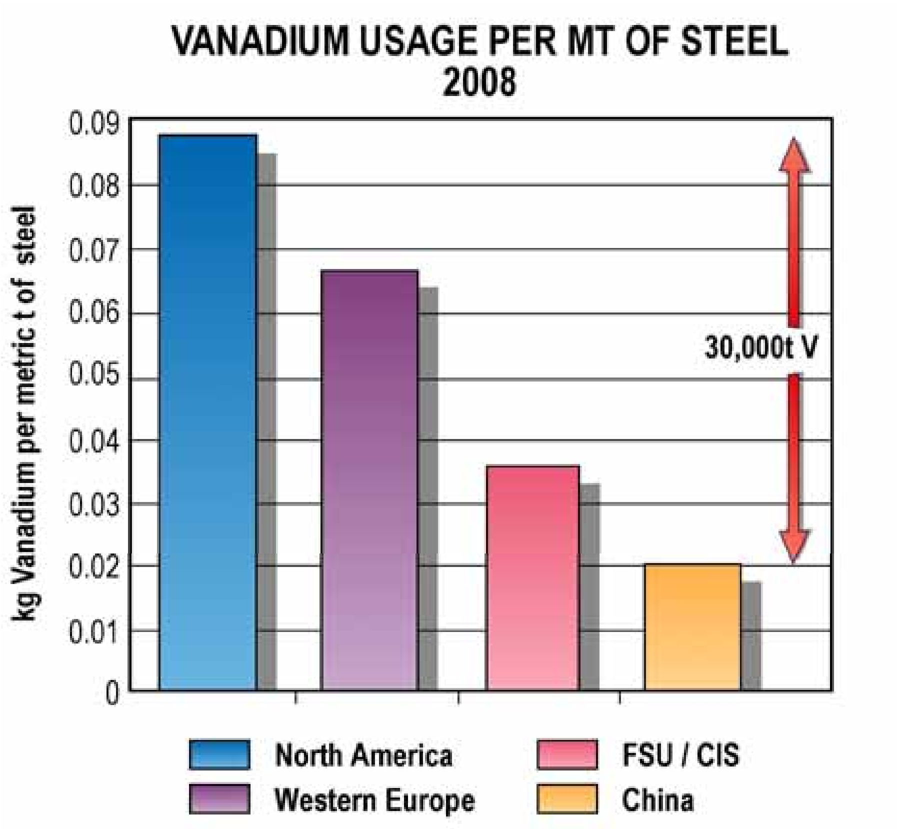
Exclusivity Agreement with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd

- EPCM and Financing proposal on or before 31 August 2010

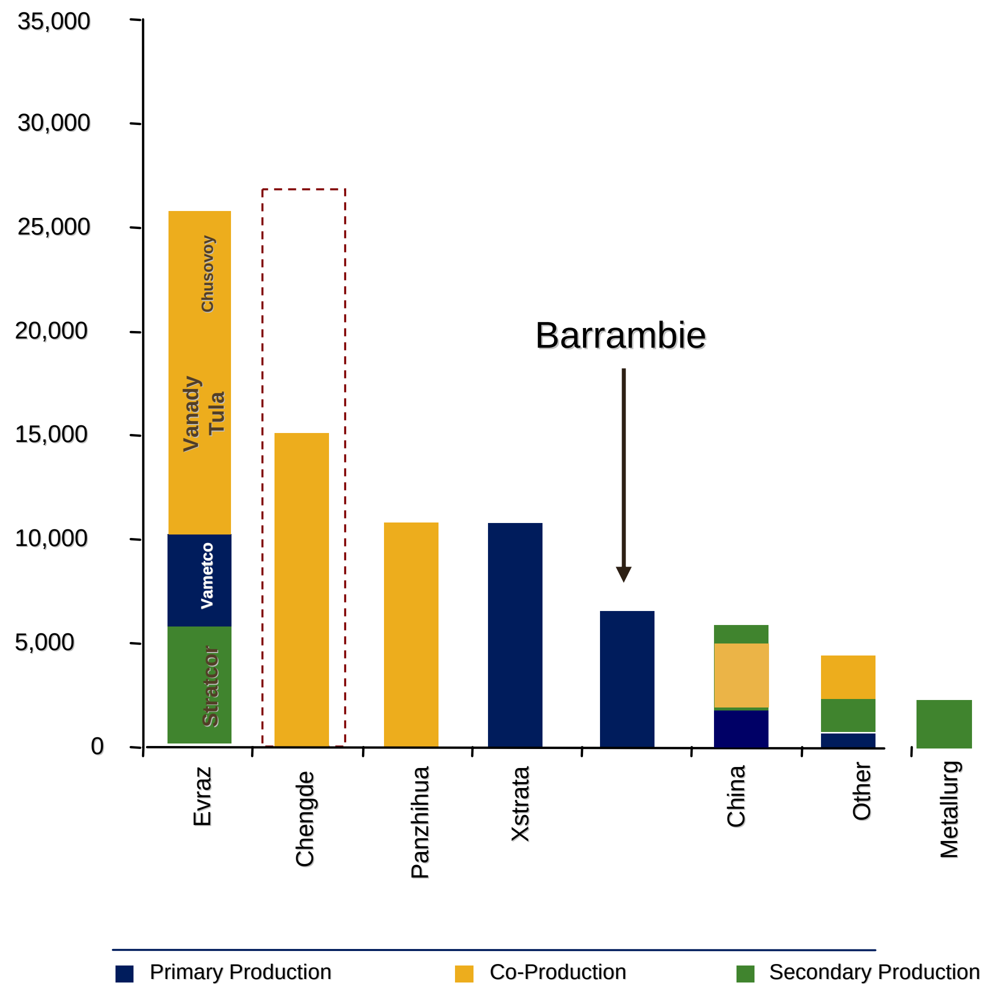
PER Lodged - Environmental Approval expected Q4 2010

Vanadium Market Overview

DEMAND



SUPPLY



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Comet Vale - Gold Business Overview

- **High grade underground mine**
  - High grade resource – 186,000oz @ 10.8g/t - 25% lift in grade
  - FY09 production of ~3,225oz + 598 oz stockpiles (RDR share), FY09 cash costs ~A$588/oz
  - FY10 production of ~ 3,575oz + 704 oz stockpiles (RDR share) Estimated FY10 cash costs ~ A$750/oz
  - Ore Sale April ~ 16,260t @ 12.3 g/t Au - RDR share 2,400 oz @ A$775/oz

- **Placed on care and maintenance 1 June 2010 – unable to secure milling agreement for FY11**

- **Strategy - Establish Nimbus as a toll-milling facility and resume gold production**
  - 250,000 tpa Merrill-Crowe Circuit (hard rock)
  - A$15M replacement cost, acquisition cost A$2.4m
  - Finalising PFS on conversion to CIP at capacity's of 200, 500, 750 and 1,000kt (1Mtpa)
  - MIN funding connection to grid power

Nimbus Processing Plant

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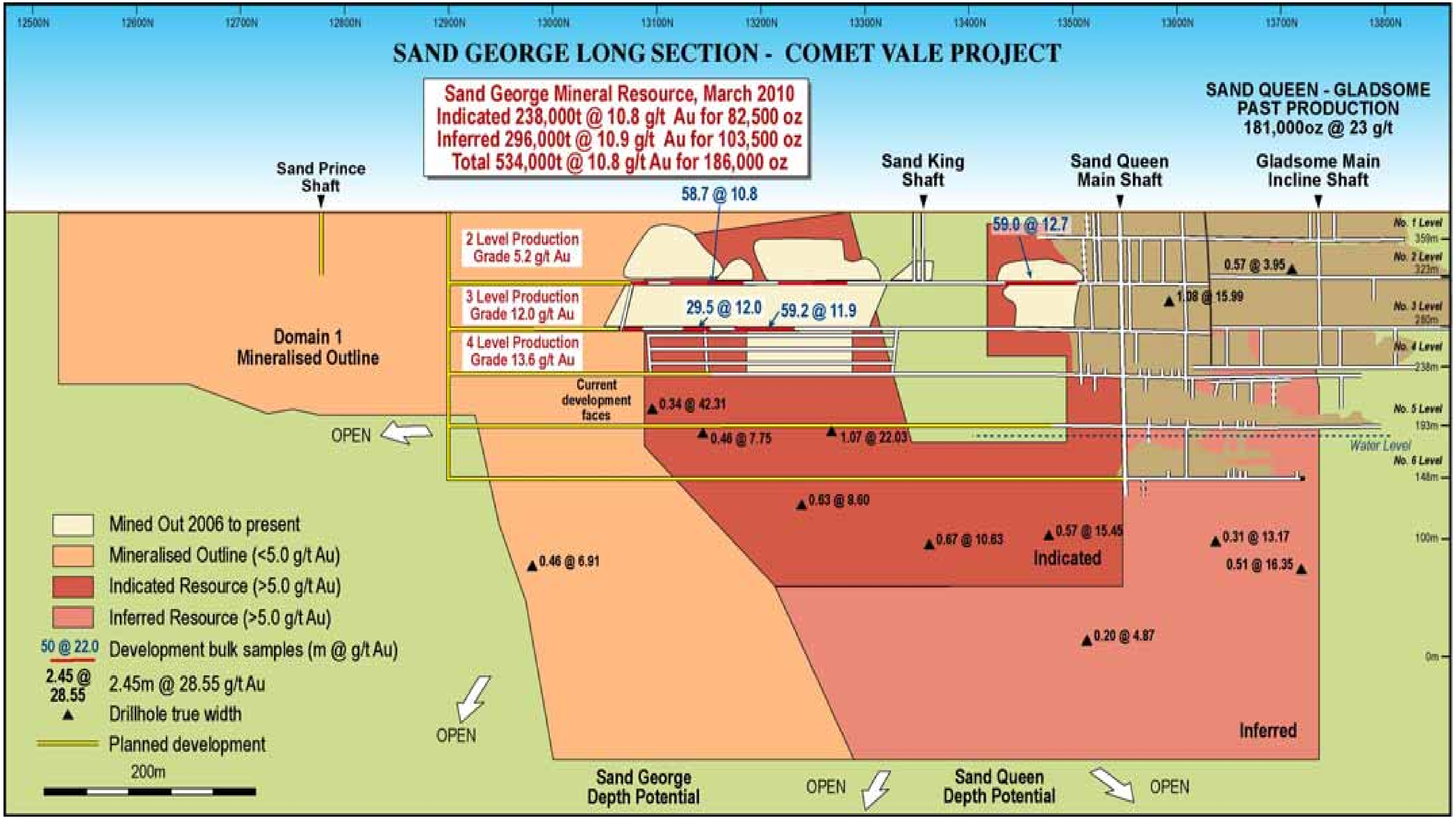
Comet Vale – De-Risked Through Development



Est Life of Mine ("LoM") to 31 May 2010 – 81,000t @ 10g/t (Grade increasing at depth)

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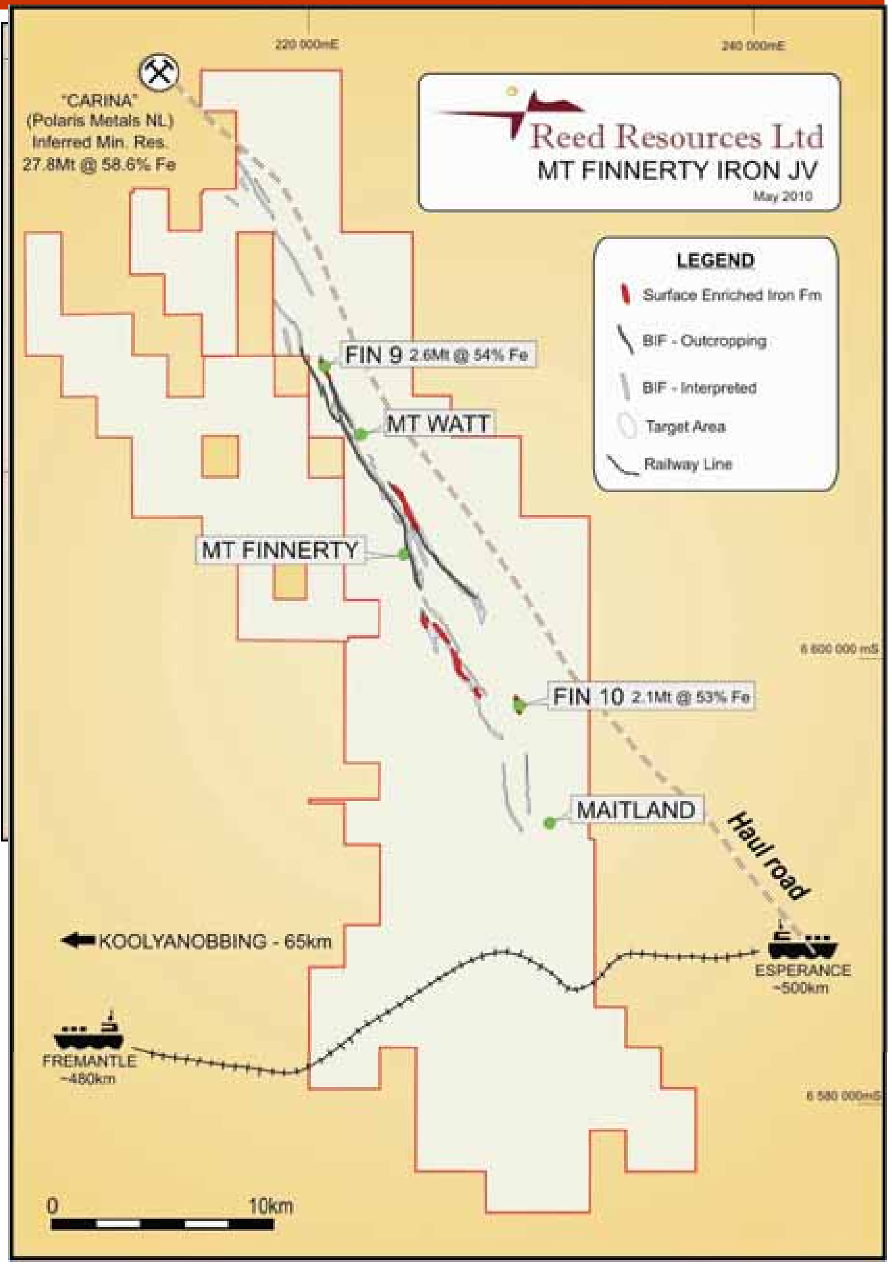
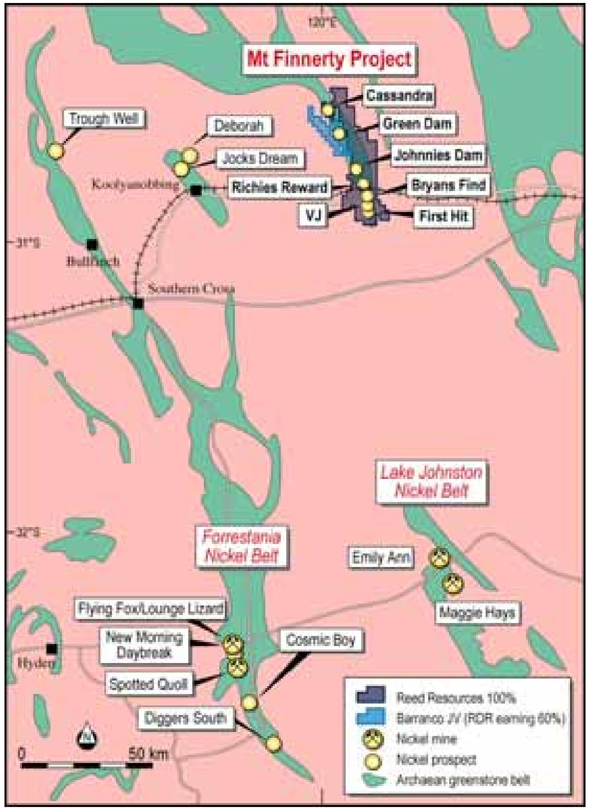
Mt Finnerty - Iron Ore

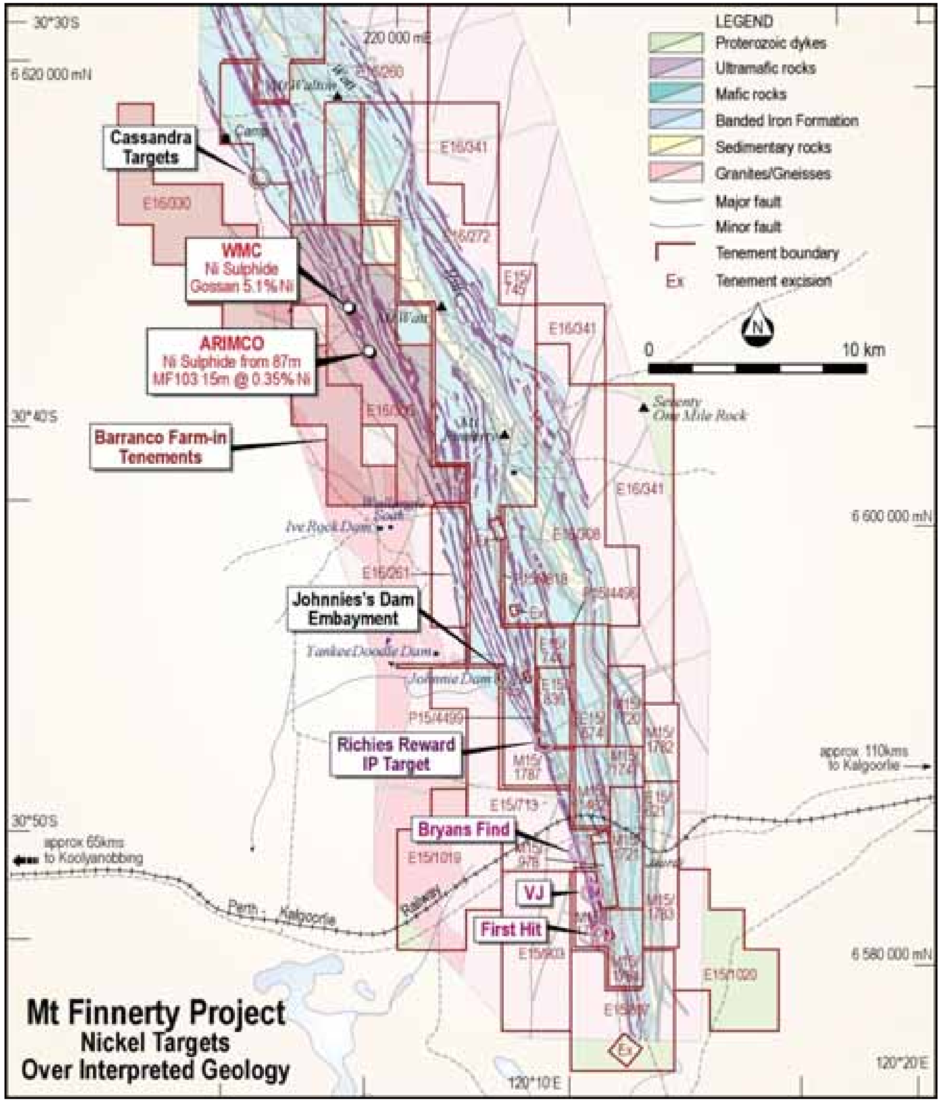
- **20:80 JV with Cleveland Cliffs (Australia's fourth largest iron ore exporter)**
- **Strategy : Satellite for Koolyanobbing**
- **Target 5-10Mt of DSO.**
- **Maiden Resource Estimate 4.6Mt @ 54% Fe**
- **> 50 New Targets identified in Dec Q 09**
- **Ground Geophysics March Q 10**
  - **7 Priority DSO Targets around FIN9, Mt Watt and Maitland**



Mt Finnerty - Nickel

- Multiple high MgO ultramafics over 45km strike confirmed by exploration to date.
  - Exploration focussed on three clearly defined nickel sulphide areas
  - Numerous geochemical, geophysical and structural targets
- Reed can earn 60% Nickel from Barranco by spending circa $1.5m on adjoining ground



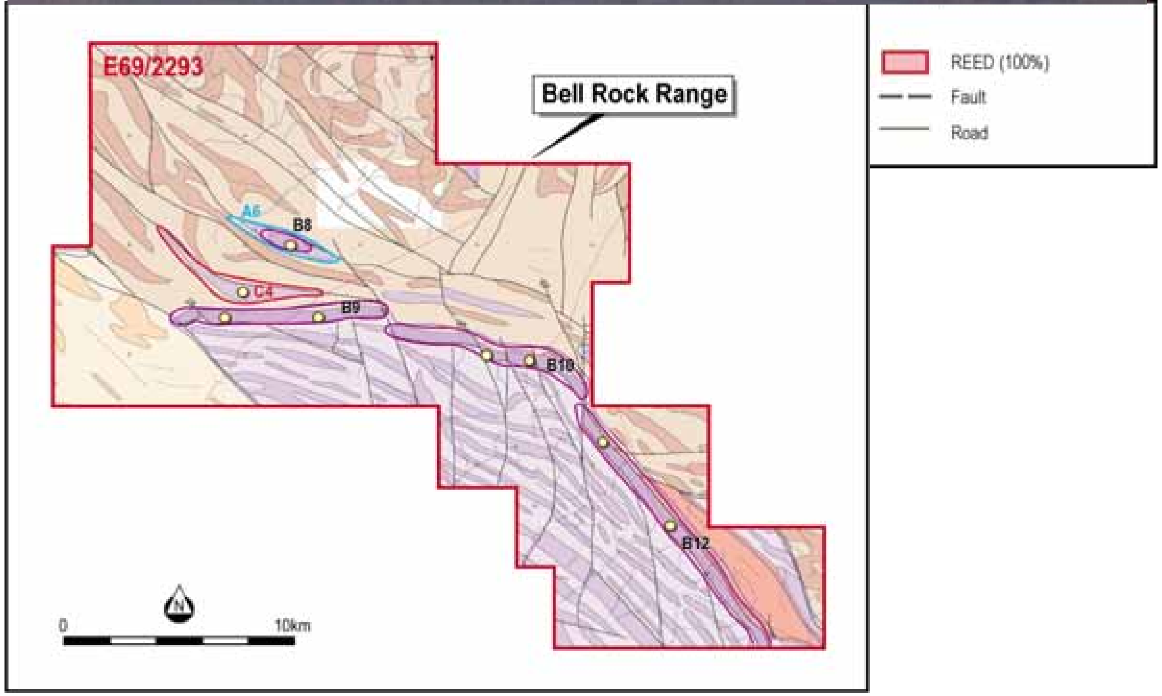


Bell Rock Range – Nickel and Copper

- Anglo American can earn 75% Nickel + Copper + PGE's by spending $3m

ANGLO AMERICAN

- Target 25-30km strike of basal ultramafic
  - an extensive geophysical survey in the form of a regional airborne electromagnetic ("EM") survey using their highly successful proprietary "Spectrem" EM system
  - Follow up ground activity will include AAE's proprietary EM "SQUID" system to investigate anomalies generated from the airborne survey.
- Aerial Survey flown – Ground truthing this CY.

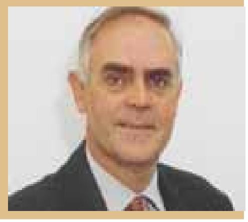


Board of Directors and Senior Management

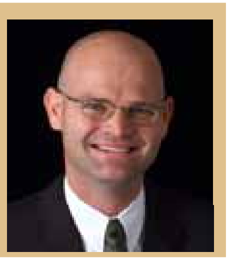
David Reed OAM FCPA
Executive Chairman

Steven Cole
Non-executive Director
Corporate Lawyer

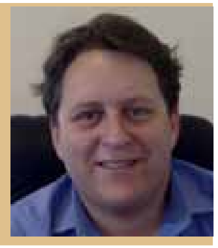
Dr Peter Collins
Non-executive Director
Geologist



Ian Junk
Non-executive Director
Mining Engineer

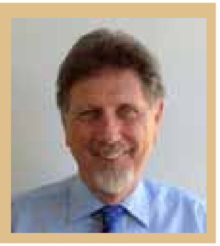


Chris Reed
Managing Director/
Chief Executive Officer



Jason Carone CA
Company Secretary/
Financial Controller

Bill Crossley
Project Manager/
Mining Engineer



Craig Fawcett
Chief Geologist

Company Strategy

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COMMODITIES WITH STRONG LT FUNDAMENTALS

PRECIOUS METALS

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- PRODUCTION 80kt @10 g/t Au
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- STAGE 2: VALUE ADD - LITHIUM CARBONATE

HIGH GRADE + INFRASTRUCTURE + STRONG PARTNERS

Important Notice

Disclaimer

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JORC Statement

Competent Persons/ Exploration Results in General

The information in this report that relates to exploration results is based on information compiled by Craig Fawcett (MAUSIMM), an employee of Reed Resources Ltd. Craig Fawcett has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the Code for Reporting of Mineral Resources and Ore Reserves. Craig Fawcett consents to the inclusion in the report of the matters in the form and context in which it appears.

References to Exploration/Production targets and Potential

While the company remains optimistic it will report increases in resources and reserves in the future, any discussion in relation to exploration targets, resource potential, reserves or 'ore' is only conceptual in nature, there has been insufficient exploration to define a Mineral Reserves and resources and it is uncertain if further exploration will result in the determination of a Mineral reserves and resources.

Mt Marion Lithium Project – Mineral Resource Estimate

Reed reported on the 14 April 2010 a resource of 8.9Mt @ 1.4% Li_2O for the Mt Marion Deposits. While the Company intends to do further exploration on the Mt Marion Project tenements and remains optimistic it will report additional resources in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the resource of 8.9Mt @ 1.4% Li_2O is only conceptual in nature. There has been insufficient explorations to define a Mineral Resources over and above the resource of 8.9Mt @ 1.4% Li_2O, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 8.9Mt @ 1.4% Li_2O.

The information in this report that relates to Mineral Resources (at Mt Marion) is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd and who is a Member of the Australian Institute of Geoscientists. Mr. Spiers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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. Spiers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

JORC Statement

Barrambie Vanadium Project – Mineral Resource Estimate

Reed reported on the 13 February 2009 a resource of 65.2 million tonnes at 0.82% V2O5. While the Company intends to do further exploration on the Barrambie Project tenements and remains optimistic it will report additional resources in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the resource of 65.2 million tonnes at 0.82% V2O5 is only conceptual in nature. There has been insufficient explorations to define a Mineral Resources over and above the resource of 65.2 million tonnes at 0.82% V2O5, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 65.2 million tonnes at 0.82% V2O5.

Information in the report (released 13/02/2009) that relates to Mineral Resources is based on information compiled by Ms Stephanie Gotley and Mr Michael Andrew both Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and Dr Bryan Smith a Member of the Australian Institute of Geoscientists (AIG). Ms Stephanie Gotley, Consultant Resource Geologist, and Mr Michael Andrew, Divisional Manager Resource Evaluation, are employed as consultants at Snowden and produced the resource estimate based on assay data and geological interpretations provided by Reed Resources Ltd. Ms Gotley and Mr Andrew have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves". Ms Gotley and Mr Andrew consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Barrambie Vanadium Project – Reserve Estimate

Reed reported on the 5 May 2009 a probable reserve of 39.7 million tonnes at 0.82% V2O5. While the Company intends to do further exploration on the Barrambie Project tenements and remains optimistic it will report additional reserves in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the probable reserve of 39.7 million tonnes a 0.82% V2O5 is only conceptual in nature. There has been insufficient explorations to define a Mineral Resources over and above the resource of 65.2 million tonnes at 0.82% V2O5, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 65.2 million tonnes at 0.82% V2O5 nor the development of a reserve over and above the probable reserve of 39.7 million at 0.82% V2O5.

Information in this report that relates to the Ore Reserve is based on information compiled by Mr Frank Blanchfield who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), and Dr Bryan Smith who is a member of The AusIMM and a member of the Australian Institute of Geoscientists (AIG). Mr Frank Blanchfield is Principal Consultant at Snowden and produced the Ore Reserve estimate based on data and geological interpretations provided by Reed Resources Ltd. and developed by Snowden. Mr Blanchfield has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Person for the Ore Reserve sign-off as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results Mineral Resources and Ore Reserves". All modifying Factors have been considered in the preparation of the Probable Mineral Reserve. Mr Blanchfield consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

JORC Statement

Comet Vale Gold Project – Mineral Resource Estimate

Reed reported on the 8 April 2010 a resource of 534,000t @ 10.8 g/t Au for the Sand Queen Gold Mine. While the Company intends to do further exploration on the Comet Vale Project tenements and remains optimistic it will report additional resources in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the resource of 534,000t at 10.8 g/t Au is only conceptual in nature. There has been insufficient explorations to define a Mineral Resources over and above the resource of 534,000t @ 10.8 g/t Au, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 534,000t @ 10.8 g/t Au.

The information in this report that relates to that relates to geological interpretations and Mineral Resources (at Comet Vale)is based on information compiled by Mark Zammit of Cube Consulting Pty Ltd, who is a Member of The Australian Institute of Geoscientists (AIG) and Australasian Institute of Mining and Metallurgy (AusIMM). Mark Zammit 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 Mineral Resources and Ore Reserves". Mark Zammit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mt Finnerty Iron Ore Project – Mineral Resource Estimate

Reed reported on the 14 April 2010 a resource of 4.66Mt @ 53.5% Fe for the Mt Finnerty Iron Ore Project, currently in Joint Venture with Cliffs Asia Pacific Iron Ore Pty Ltd. While the Company intends to do further exploration on the Mt Finnerty Project tenements and remains optimistic it will report additional resources in the future, any discussion in relation to targets, resources, reserves or 'ore' over and above the resource of 4.66Mt @ 53.5% Fe is only conceptual in nature. There has been insufficient explorations to define a Mineral Resources over and above the resource of 4.66Mt @ 53.5% Fe, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of 84.66Mt @ 53.5% Fe.

Mineral Resource estimation has been compiled in accordance with the guidelines outlined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004) by Leonora Hackman and Duncan Hackman of Hackman and Associates Pty Ltd. Leonora Hackman is a member of the Australasian Institute of Mining and Metallurgy and Duncan Hackman is a member of the Australian Institute of Geoscientists. Both have sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity undertaken to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Leonora Hackman and Duncan Hackman consent to the inclusion of the Mineral Resource estimations in the form and context in which it appears.