

**ASX Announcement**

**17 March 2011**

## **REED UNCOVERS HIGH GRADE COPPER-GOLD AT MEEKATHARRA**

### **HIGHLIGHTS**

- **High grade intersections around historic Chunderloo Copper Mine;**
- **Chunderloo copper-gold-silver target includes intersection of 15m@ 14.7g/t Au and 4.1% Cu (including 7m of 28.9 g/t Au and 8.3% Cu);**
- **Numerous geochemical and geophysical targets over 1.5km strike.**

Australian diversified resources company Reed Resources Ltd (**ASX: RDR**) (the “Company” or “Reed”), is pleased to announce that a review of historical information on the Yaloginda area of its Meekatharra Gold Project has identified significant high grade copper–gold intercepts beneath the historic Chunderloo Copper Mines. Chunderloo is 3km west of the Company’s 3Mtpa Bluebird processing facility (Figure 1).

Chunderloo was the third largest copper producer in the Murchison District prior to the discovery of Golden Grove. It was mined at two locations about 1km apart; Chunderloo North and Chunderloo South (Figure 1). Endeavour Resources undertook a RC drilling campaign into the northern deposit in the early 1990’s and intersected a shallow north east plunging shoot (Figure 2). The best result from this program was 15m @ 14.7g/t Au and 4.1% Cu, including 7m @ 28.9 g/t Au and 8.3% Cu from hole PHC016.

Whilst the previous owner was in administration, four RC holes were drilled into Chunderloo North. These holes were designed to test a geophysical target. Hole O8CHRC001 confirmed the intersection in PHC016 returning 7m @ 5.3g/t Au, 2.1% Cu and 18.2 g/t Ag. This intersection is in amphibolite and includes a logged intercept of massive sulphides (up to 90% pyrrhotite). This hole was stopped in mineralisation (Figure 3).



Holes 08CHRC002 to 08CHRC004 targeted the down-plunge extension of the ore body. All holes intersected mineralisation (Appendix A). Hole 08CHRC002 failed to reach the target but intersected a smaller hanging-wall structure that graded 3m @ 1.52g/t Au. Holes 08CHRC003 and 08CHRC004 intersected anomalous gold and it is thought that the main target may have been missed due to the ore body geometry.

The two areas that have been historically mined are about 1 km apart with surface geochemistry anomalies extending substantially further (Figure 6) and geophysical anomalies indicating depth extensions to the mineralisation (Figures 4 and 5).

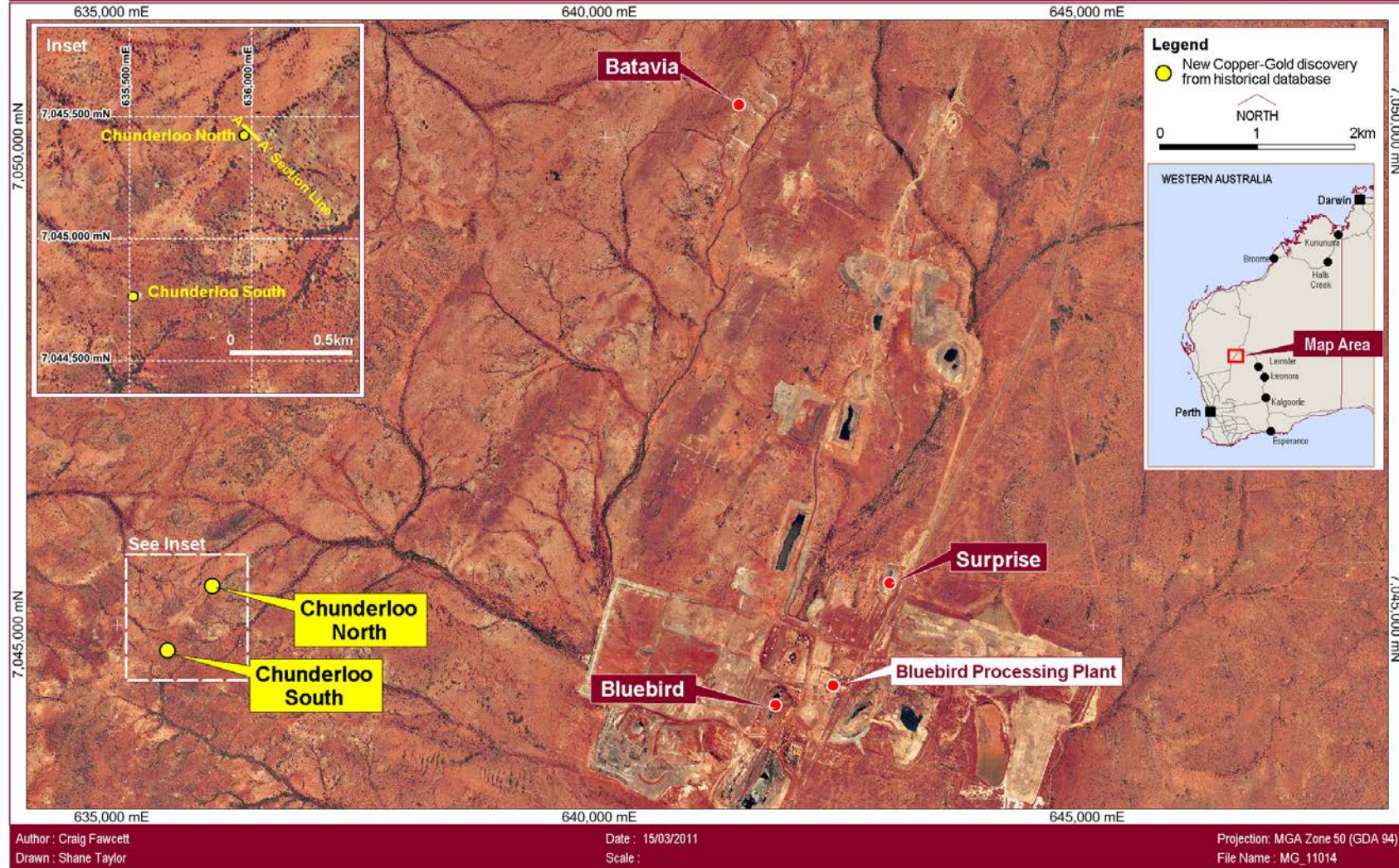
**Managing Director, Mr Christopher Reed said “Chunderloo is a terrific re-discovery. It opens up this section of the Murchison Province for additional copper-gold discoveries following other successful discoveries elsewhere in the Province, such as the discovery of Doolgunna by Sandfire Resources NL. We aim to fast track drilling into this ore body and additional targets close to our Bluebird processing facility whilst we continue to progress the feasibility study to recommence production from our 2.5 Moz resource.”**

#### **Forward Work at Chunderloo**

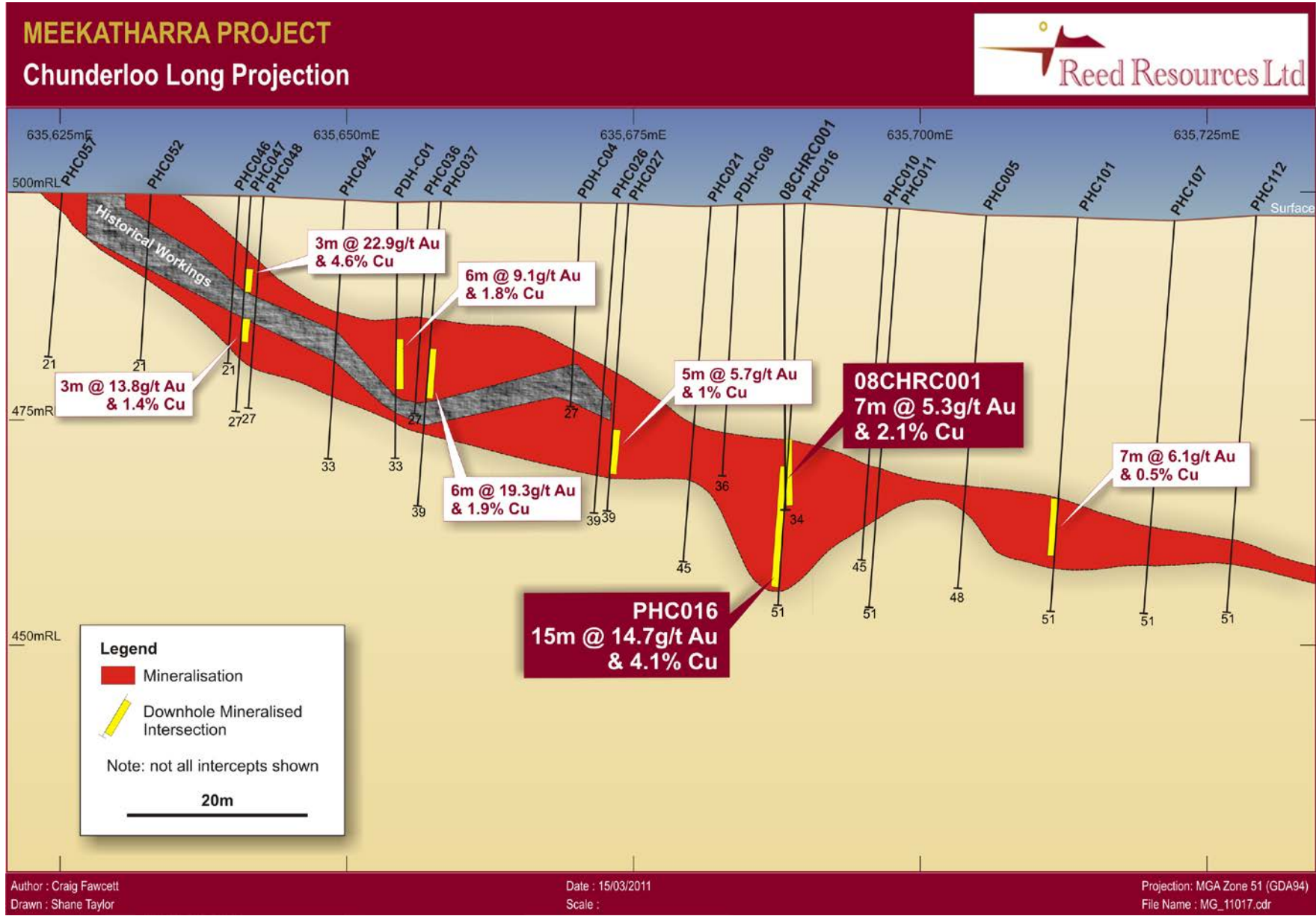
A number of RC drill holes are planned, and once permitted will be undertaken to test the down plunge and along strike potential around the Chunderloo workings. Other surficial gold-copper targets further along strike to the north and south and around the Southern Chunderloo workings are being prioritised.

# MEEKATHARRA PROJECT

## Location plan of recent re-discoveries from data review



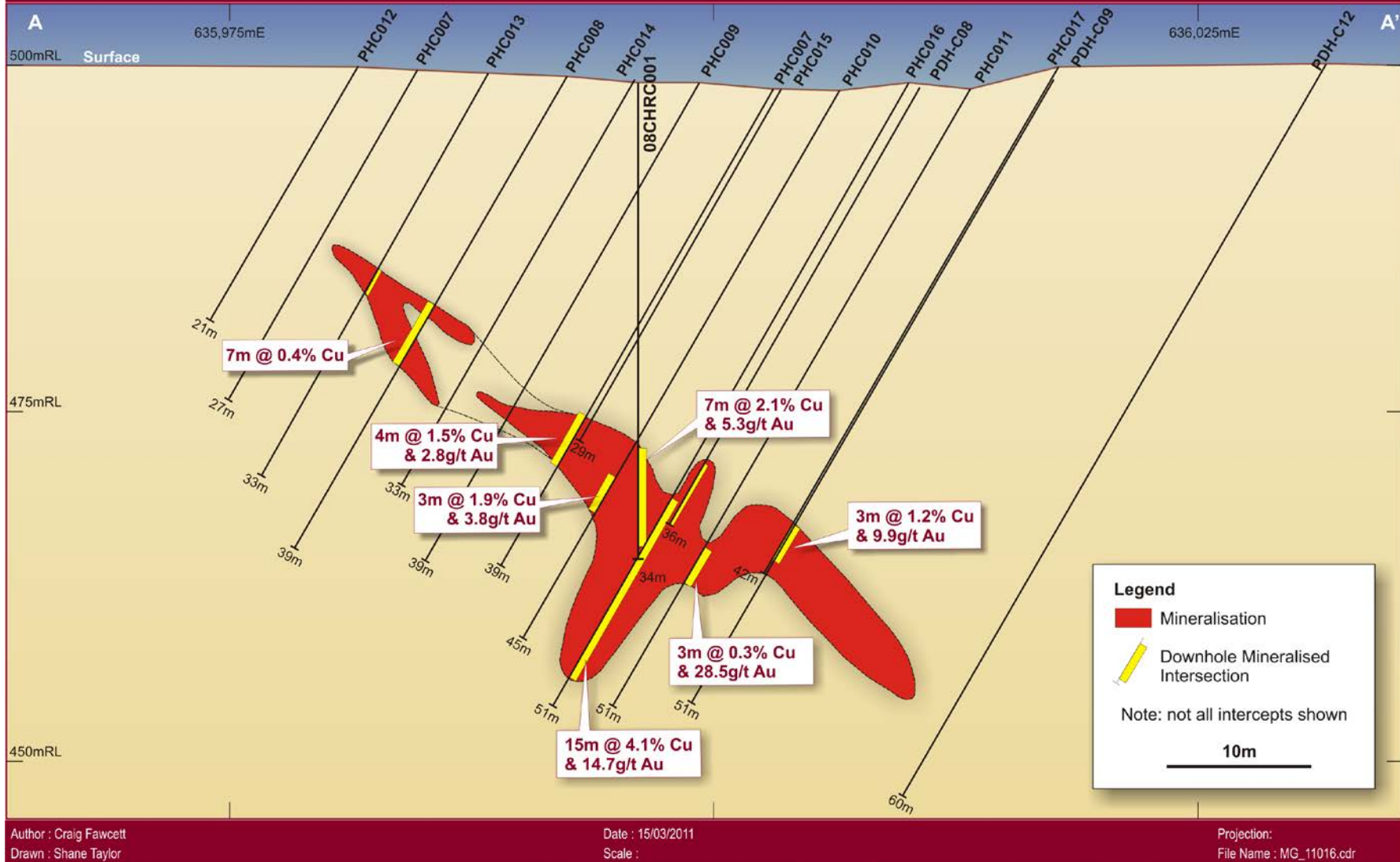
**Figure 1.** Location plan of recent re-discoveries from data review.



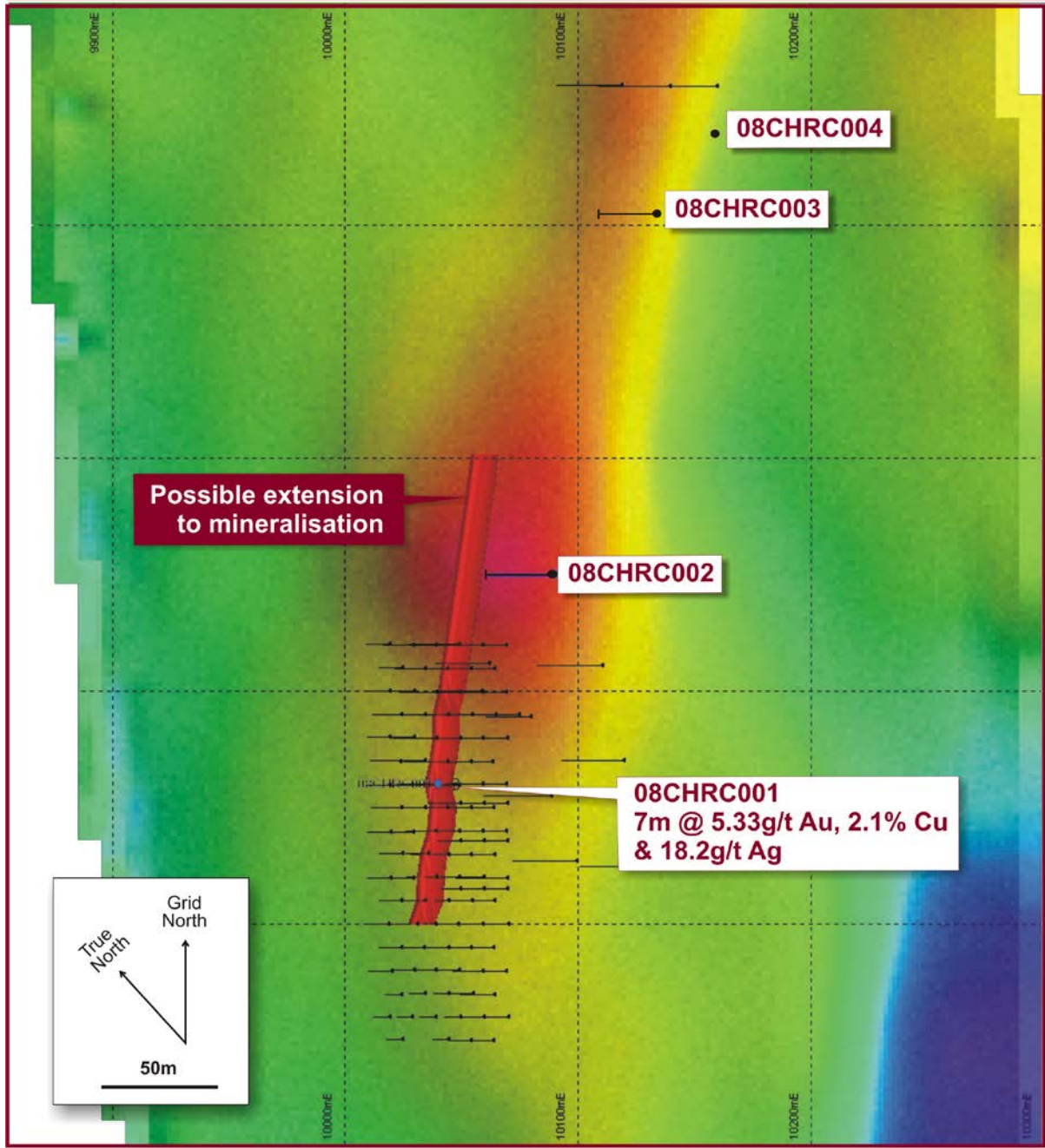
**Figure 2.** Long section of Chunderloo North deposit and grades of mineralised intercepts in RC drill holes.

# MEEKATHARRA PROJECT

## Chunderloo cross section 7,045,450mN (A - A')



**Figure 3.** Oblique cross section of Chunderloo North at approx. 7,045,450mN showing drill hole 08CHRC001 confirming the grade in the historical PHC016 hole.

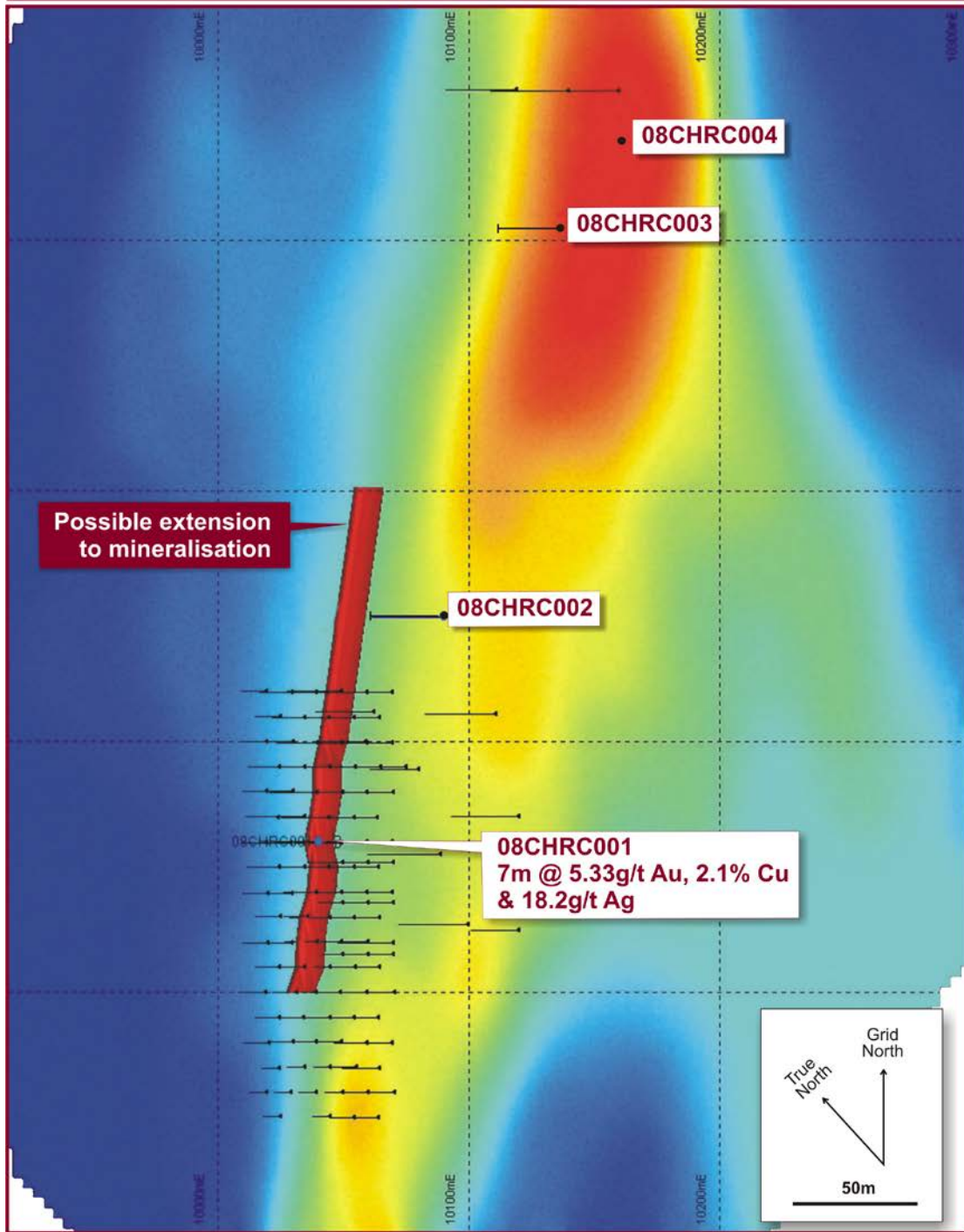


Author : Craig Fawcett  
Drawn : Shane Taylor

Date : 15/03/2011  
Scale :

Projection: Mine Grid  
File Name : MG\_11013b

Figure 4. Plan view of IP anomaly at Chunderloo North.



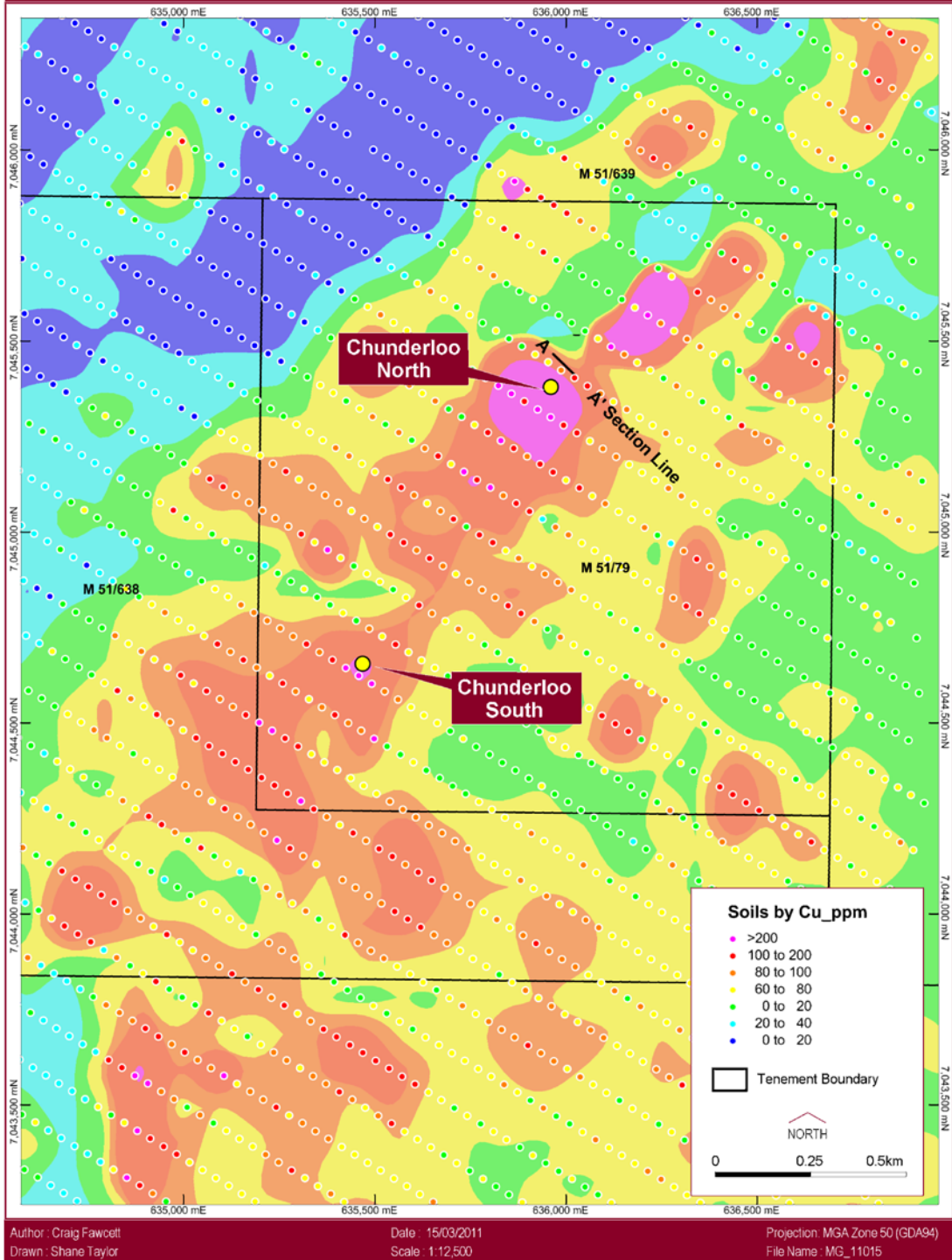
Author : Craig Fawcett  
Drawn : Shane Taylor

Date : 15/03/2011  
Scale :

Projection: Mine Grid  
File Name : MG\_11013

Figure 5. Plan view of Chunderloo North MMR Conductivity Anomaly.

**MEEKATHARRA PROJECT**  
**Chunderloo Soil Geochemistry Cu ppm**



**Figure 6.** Contoured surface geochemistry soil sampling copper anomalism.

## APPENDIX A

**Table 1.** Assays from Chunderloo drilling, 2009. Assays are not true width due to the confidence in the ore body geometry.

Hole Number	Northing MGA	Easting MGA	Dip	Azi MGA	Depth Actual	Depth Planned	From	To	Assay Result			Comment
									Au g/t	Cu %	Ag g/t	
08CHRC001	7045436	635996.1	-90	0	34	60	26	27	2.18	0.99	7.1	Main Lode
							27	28	3.99	3.2	17.9	
							28	29	2.5	1.4	11.7	
							29	30	3.27	3.9	37.5	
							30	31	19.14	3.5	39.3	
							31	32	5.43	1.2	10.6	
							32	33	0.78	0.2	3	
08CHRC002	7045467	636094.1	-60	313	119	120	60	61	3.21	NOT ASSAYED	NOT ASSAYED	Hangingwall Lode
							61	62	0.72	NOT ASSAYED	NOT ASSAYED	
							62	63	0.64	NOT ASSAYED	NOT ASSAYED	
08CHRC003	7045519	636233.2	-60	313	63	50	32	33	0.29	NOT ASSAYED	NOT ASSAYED	
08CHRC004	7045557	636275.3	-90	0	66	50	48	49	0.38	NOT ASSAYED	NOT ASSAYED	
							49	50	0.19	NOT ASSAYED	NOT ASSAYED	

## ENDS

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## COMPETENT PERSONS STATEMENT

*Geological aspects of this report have been compiled by Mr Craig Fawcett (MAIMM), a full time employee of Reed Resources Ltd. Mr 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 (2004). Mr Fawcett consents to the inclusion in this report of the matters in the form and context in which it appears.*

## About Reed Resources

Reed Resources Ltd (ASX: RDR, OTC: RDRUY) is a diversified mining and exploration Company based in Western Australia. Reed's American Depositary Receipts (ADR's) trade under the code RDRUY (CUSIP Number: 758254106). Each Reed ADR is equivalent to 10 ordinary shares of Reed as traded on the ASX. The Bank of New York Mellon is the depository bank.

Reed Resources has five main projects (all in Western Australia):

- **Mount Marion** – High-grade Lithium project located about 40km south of Kalgoorlie in JV with Mineral Resources Limited. World's second biggest lithium concentrate operation under construction. Commissioning to occur in December 2011.
- **Meekatharra** – Recently acquired 2.5M oz Gold project with 3Mtpa processing plant and associated infrastructure, conducting resource re-optimisation and feasibility study to recommence gold production in 2012.
- **Barrambie** – Definitive Feasibility Study completed on a Ferrovandium operation to produce 6300t of vanadium per annum. Currently in approvals process. MOU with China Nonferrous Metals for EPC & Financing assistance.
- **Comet Vale** – Evaluating recommencement of high-grade underground gold production and refurbishment of processing plant, both currently on care & maintenance.
- **Mount Finnerty** – Iron ore JV with Cliffs Natural Resources & Nickel Farm-in with Barranco Resources NL.

Website: [www.reedresources.com](http://www.reedresources.com)