Reed Resources Ltd

PAYDIRT GOLD CONFERENCE PRESENTATION

March 2011

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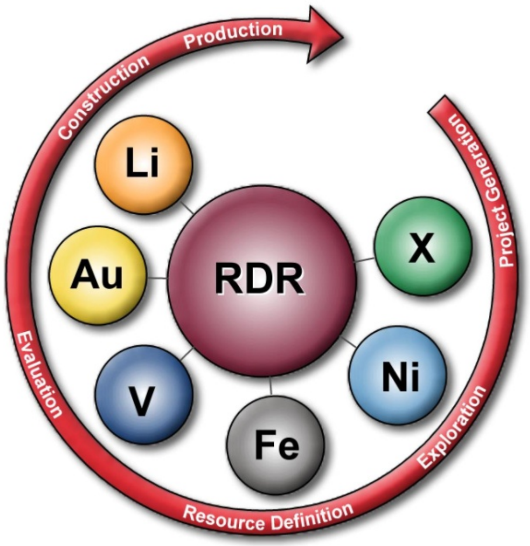
Reed Corporate Snapshot

Background

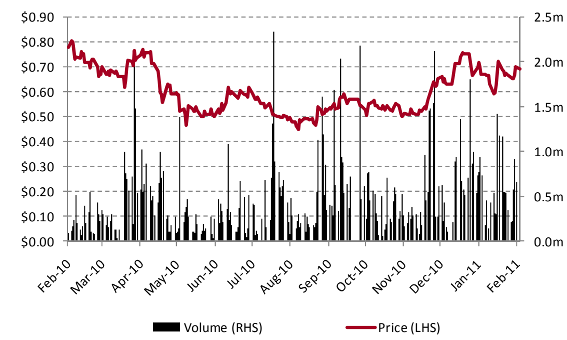
- Reed Resources Ltd (**ASX: RDR**) is a WA-focused exploration and mining company, listed in 2002
- 3 main projects across gold, lithium and vanadium - proven strategy to **acquire and develop undervalued assets** across varying commodities
- Completed $40 million raising in February 2011 to fund the purchase and feasibility study of **2.5 Moz Meekatharra gold project** in Murchison region of WA
  - » **Grade focused strategy** has already delivered a 34% improvement in grade at Jack Ryan deposit and first resource estimate at Callisto deposit
- Now evaluating opportunities for other advanced projects, including:
  - » **Mt Marion lithium (Reed 70%)** - poised to be the world's 2nd largest spodumene producer in 2012
  - » **Barrambie vanadium (Reed 100%)** – project has the highest grade reserves in Australia and is forecast to produce +$180 million EBITDA per year in operation



Market Capitalisation

Last price *(30-Mar-11)*	$	0.58
Shares on issue *(Post EGM)*	$	262.2
Market capitalisation	**$m**	**152**
Cash *(Post EGM 6-Apr-11)*	$m	31
Debt *(due 30 June 2011)*	$m	9.0
Enterprise value	**$m**	**130**

12 Month Share Price



Reed Project Snapshot

Reed Resources Ltd

	LITHIUM Mt Marion, 100%	GOLD Meekatharra, 100%	VANADIUM Barrambie, 100%	Other Au, Fe, Ni
Resource	**10.5Mt @ 1.4% Li_2O**	**2.5Moz (contained)**	**65.2Mt @ 0.82% V_2O_5**	**Gold – care & maintenance** ▪Reed 100% ▪Includes the high grade Comet Vale mine and 250ktpa Nimbus plant **Iron ore (DSO) – exploration** ▪Reed 20% ▪JV with Cliffs Natural Resources at Mt Finnerty ▪Maiden JORC resource 4.7Mt @ 53.5% Fe **Nickel – exploration** ▪Reed earning 60% ▪JV with Barranco Resources at Mt Finnerty ▪Prospective for massive nickel sulphide mineralisation
Asset Stage	**Under construction**	**Care & maintenance**	**Evaluation**	
JV Partners	**Mineral Resources** ▪Incorporated JV with MIN who are fully funding evaluation, construction and further exploration ▪MIN earning 30% on completion of plant	▪ Reed to fully fund and develop the project ▪ Near ready production with 3Mtpa mill and camp ($100m replacement cost) ▪ Assets to merge into wider gold play	**China Nonferrous Metal Industry (NFC)** ▪MOU with NFC for fixed price EPC and financing ▪NFC are a Chinese-listed industrials company with a market cap of A$3.2bn	
Total Funding	**$40 million (inc. BOO)**	**$30 million**	**TBA**	
Cost to Reed	**0%**	**100%**	**TBA**	
Production	**December Qtr, 2011** ▪ 200,000 tpa of +6% Li_2O ▪ Mining approval granted (February 2011) ▪ Assessing downstream processing options	**Target late 2012** ▪ Target 120-150koz pa and 4-5 year production plan ▪ BFS underway ▪ Resource re-estimates, optimise reserves	**Target 2014** ▪ A$186m EBITDA pa ▪ Fixed price EPC estimate from NFC by March 2011 ▪ NTA in place, PER lodged, EA by June Qtr 2011	

Reed Board and Senior Management

David Reed *FCPA, OAM*

Executive Chairman

Fellow member of CPA Australia with 40 years experience in stockbroking. Extensive public company experience and has a long history in the gold mining industry, including chairman of fund raising for the Australian Prospectors and Miners Hall of Fame and a founder of the Diggers and Dealers forum in Kalgoorlie

Steven Cole *Llb(Hons), FAICD*

Non-Executive Director

35 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non-executive appointments. Extensive experience across the industrial, financial, educational, professional services, health and resources sectors

Peter Collins *BSc(Hons), PhD, MAIG*

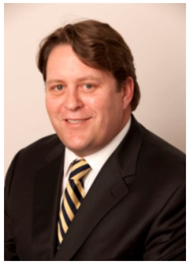
Non-Executive Director

Over 35 years experience as a geologist and has been an economic geologist and tin-tungsten commodity specialist with the Tasmanian Geological Survey. Has lectured in geology at Curtin University of Technology since 1987 and has been widely active in the investigation of mineral deposits in Western Australia

Ian Junk *BEng(Hons), MAusIMM*

Non-Executive Director

Highly respected mining engineer with considerable experience in narrow vein underground mining and project development, having managed several private mining companies and commissioned various mining operations. National finalist in the Ernst & Young – Entrepreneur of the Year awards



Chris Reed *BCom, GradCertMinEcon, MAusIMM*

Managing Director and CEO

Over 15 years experience in the mineral exploration and mining industry and is currently Vice-President of the Association of Mining and Exploration Companies. Graduated from the University of Notre Dame and holds a Graduate Certificate in Mineral Economics from the WA School of Mines. Also an Associate Member of CPA Australia

Craig Fawcett *BSc(Hons), GDipMining*

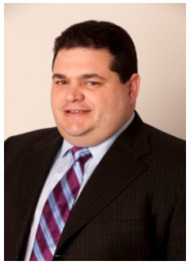
General Manager – Gold

Qualified geologist and engineer who has previously held the positions of Chief Mine Geologist at Tanami Gold and Avoca Resources during both of their respective start-up phase of operations. Also held the position of Geology & Mining Manager at Apex's Wiluna Gold Mine during their re-start of operations

Bill Crossley *BApdSc, WA 1st Class Mine Manager*

Project Manager – Lithium/Gold

Mining engineer with over 35 years experience in the management of mines. Previously Project Manager of the Barrambie Vanadium Project for Reed Resources, General Manager of the Macraes Gold Mine in NZ and Operations Manager for Dominion Mining in the Northern Territory. Fellow of both AusIMM and AICD



Jason Carone *BCom, CA*

Financial Controller and Company Secretary

Member of the Institute of Chartered Accountants since 2000. Joined Reed in September 2007 as Financial Controller and in March 2009 was appointed joint Company Secretary. Over 10 years experience working in various professional and corporate capacities in Australia and South East Asia

Presentation Format

1 **Meekatharra Overview, History & Strategy**

2 **Paddys Flat**

3 **Yaloginda**

4 **Reedys**

Meekatharra Project Background

Geology

▪Located 640km northeast of Perth and 15km south of Meekatharra, in the Murchison Region of WA

▪800km^2 tenement holding with over 100km identified strike length on Murchison greenstone belt, a proven fertile greenstone hosting multi-million ounce deposits

»Greenstone belt hosts multi-million ounce deposits at Mt Magnet, Tuckabianna, Reedys, Bluebird and Paddys Flat

▪5 projects within Reed's tenements including the 3 principal areas of Paddys Flat, Yaloginda-Bluebird (including 3Mtpa mill) and Reedys - all production areas within 70km of Bluebird mill

▪Historical production of 4.5Moz in acquired project area and proximal mining centre production of 9Moz

History

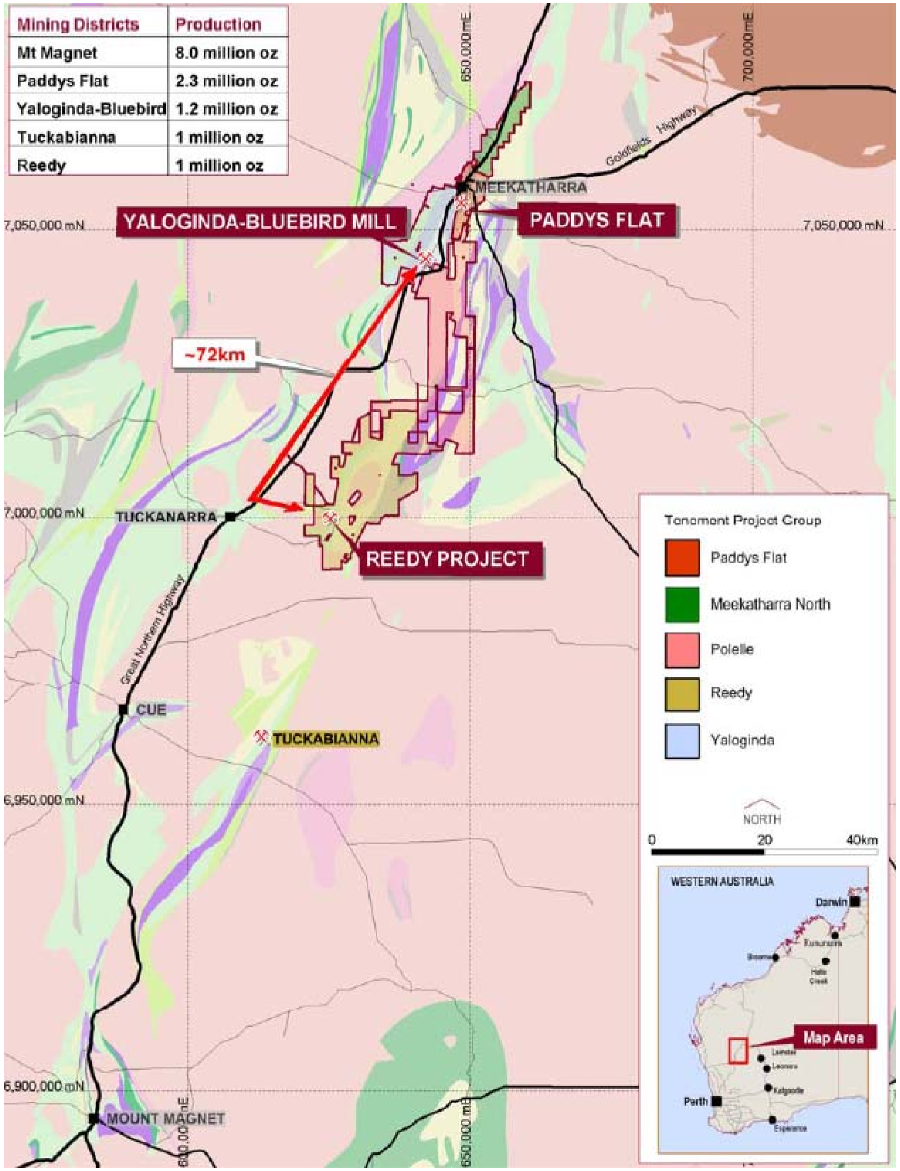
▪Mercator Gold Australia Pty Ltd purchased the Meekatharra interests from St Barbara Mines in Jan 2006 for A$38m

▪Mercator then spent A$26m on exploration to establish a JORC resource of 2.5Moz and reserve of 0.4Moz by 2007

▪Following a mining review and feasibility study, Mercator spent A$6m refurbishing Bluebird mill to produce 120koz pa

▪Mill feed was planned to be derived from local sources; the first main source of ore being the Surprise Pit at Yaloginda

▪Mining commenced in July 2007 and produced 44,000oz prior to suspension of operations in October 2008



Meekatharra Assets Acquired

Key infrastructure inclusive in Reed's purchase includes a 3Mtpa processing plant (below), a 184-man camp and fully furbished offices (bottom) with a replacement value >A$100m

Resources have been estimated by a number of recognised industry professionals including Snowden, Runge and Cube. These are global resources and include low-grade material

JORC Resources				
Project	**Classification**	**Tonnes**	**Grade (g/t)**	**Contained Oz**
Meekatharra North	Indicated	706,000	1.3	29,000
	Inferred	174,000	1.2	6,000
Paddys Flat	Indicated	17,879,000	1.7	986,000
	Inferred	7,925,000	1.4	349,000
Yaloginda	Indicated	9,693,000	1.7	528,000
	Inferred	3,856,000	1.8	227,000
Reedy	Indicated	2,043,000	2.4	159,000
	Inferred	2,404,000	2.4	182,000
SUB-TOTAL	INDICATED	30,321,000	1.7	1,702,000
SUB-TOTAL	INFERRED	14,359,000	1.7	764,000
TOTAL INDICATED & INFERRED		**44,680,000**	**1.7**	**2,466,000**

Reserve estimates undertaken in 2007 at an indicative gold price of $750-$800/oz and reviewed by Snowden in 2010. Reserves represent 3-4 years of mining at initial projected milling rates

JORC Reserves				
Project	**Classification**	**Tonnes**	**Grade (g/t)**	**Contained Oz**
Bluebird	Probable	1,500,000	1.9	87,000
Surprise	Probable	136,000	3.0	13,000
Batavia	Probable	200,000	2.4	14,000
SUB-TOTAL OPEN PIT	Probable	1,836,000	2.0	114,000
Prohibition	Probable	1,372,000	4.1	179,000
Vivian/Consols	Probable	256,000	10.4	83,000
Fattas/Mudlode	Probable	362,000	4.0	46,000
SUB-TOTAL UNDERGROUND	Probable	1,990,000	4.8	308,000
TOTAL PROBABLE		**3,826,000**	**3.4**	**422,000**

Operational

The Meekatharra gold project was a failure of Mercator's due to a number of factors, most notably a poor mine plan:

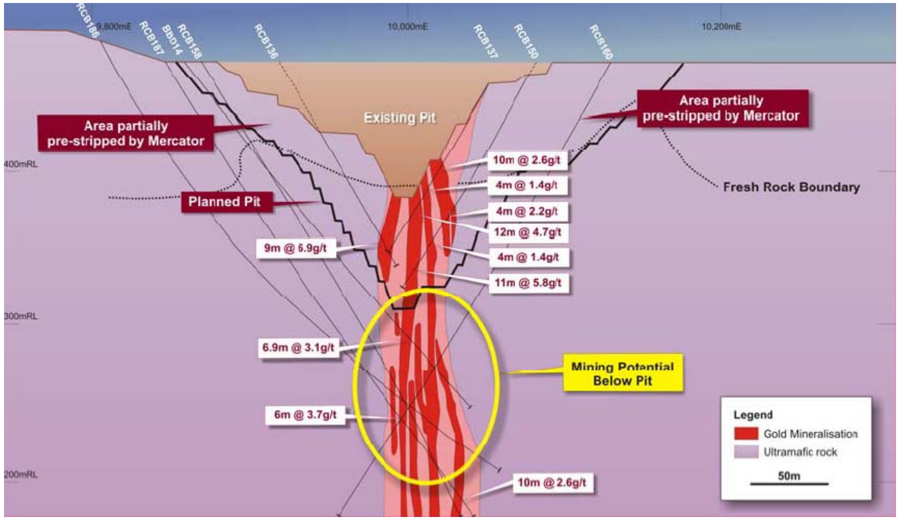
- ☒ Proximity of Surprise Pit to the Great Northern Highway caused cracking in the road when mining commenced. This caused costly time and production delays
- ☒ Development at Bluebird Pit (closest to mill) incurred significant upfront capital for a cutback with minimal immediate available ore. This created a large cash flow drain with no realised revenue
- ☒ Mill at Bluebird was fed with ore outside of specification in an effort to retain mill throughput rates of ~1.5MTpa
- ☒ Reliance on a single ore source with little perceived succession planning or operational longevity

Financial

The ultimate failure of Mercator arose by being unable to raise further working capital during the 2008 financial crisis:

- ☒ Insufficient working capital was raised to support any contingencies at Surprise Pit
- ☒ Mercator unable to raise additional funding following operational problems
- ☒ Operations ceased in October 2008 after only 18 months of mining and production

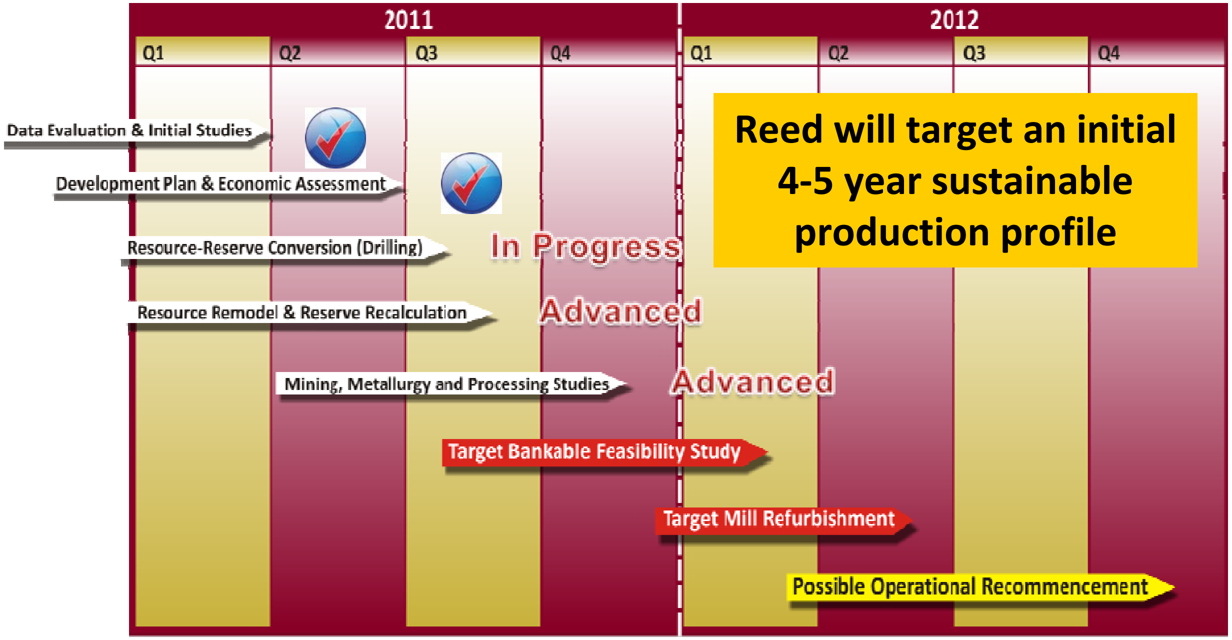
[1] Rebuild of the Great Northern Highway to the west of the Surprise Pit following cracking in original highway (below) and [2] poor mine plan at Blue Bird pit (bottom)



Reed Turnaround Strategy

First steps

- ☑ Review all newly acquired data to upgrade resources and increase reserves through targeted resource and exploration drilling
- ☑ Initial review of existing workings has already identified potential for immediate expansion
- ☑ BFS already underway and targeted for completion by February 2012
- ☑ Dedicated gold team led by Reed's chief geologist and General Manager – Gold, Craig Fawcett. Full team is now in place



2011: Intensive evaluation

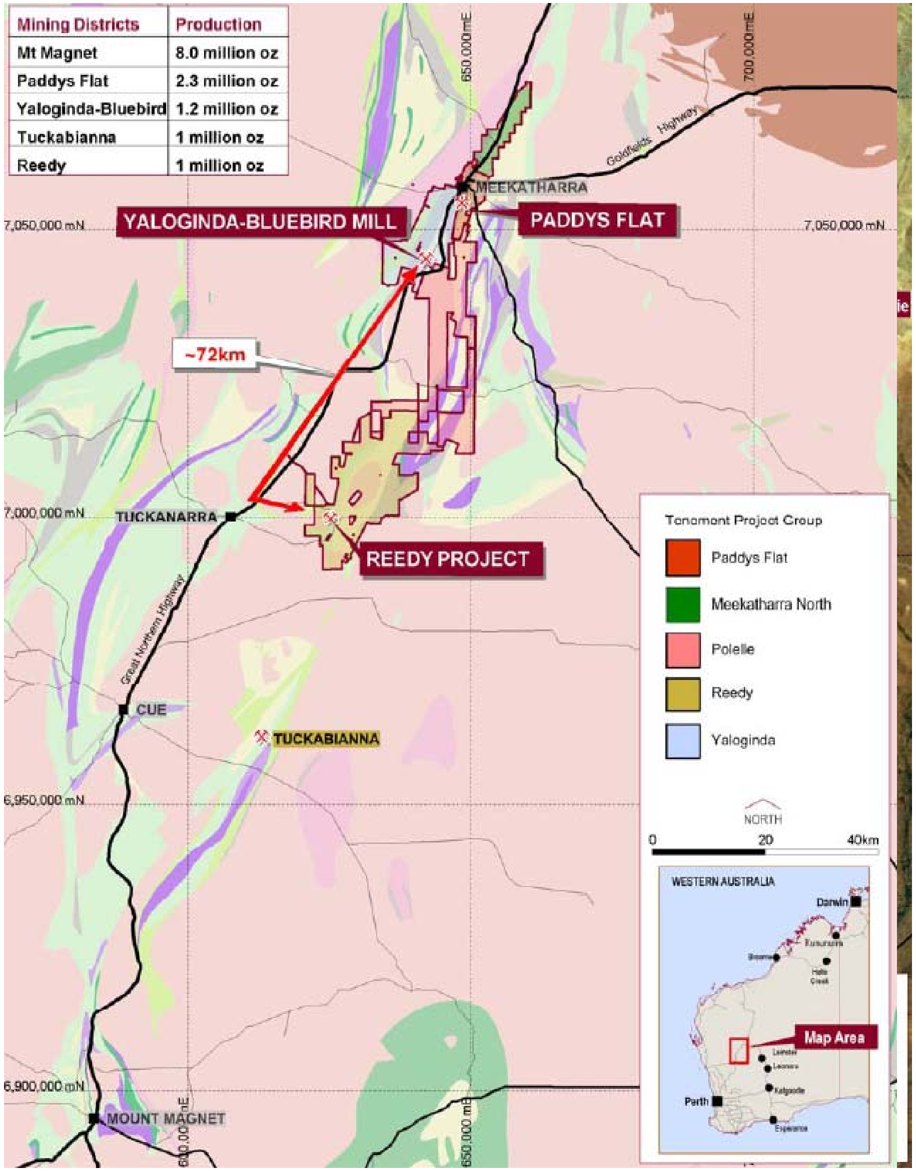
- ☑ Focus on 10 best ore bodies from extensive database (under review)
- ☑ Resource re-estimates, optimise reserves to deliver higher grades
- ☑ Five main pits at Reedys all have significant intersections beneath existing workings
- ☑ Cutbacks at both Jack Ryan and Rand pits aborted in 1997 when gold price was approx. US$300/oz

2012: Operations

- ☑ Modifications to optimise mill at a cost of approx. A$10 million
- ☑ Target operational recommencement and a 120,000 – 150,000 oz p.a. production rate

2013: Aggressive exploration

- ☑ Separate team to be appointed to advance regional exploration
- ☑ Density of drilling sparse in relation to size of the land holding
- ☑ Limited drilling beneath 100m around historical mining centres – exploration success in deep holes has been high within project area



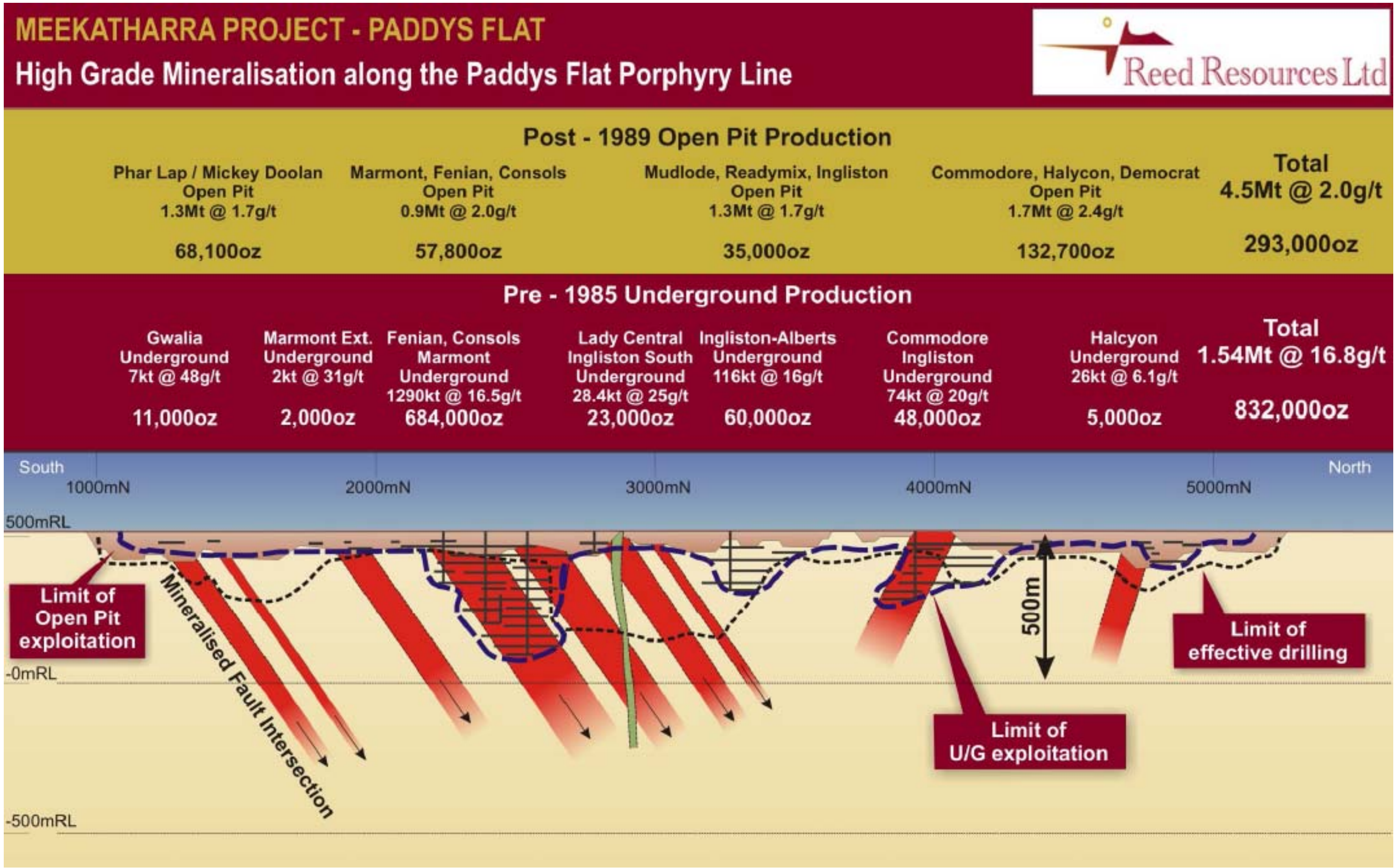
Comments

- Historical production of 2.3Moz including surrounding pits and lodes
- Mainly open pit mining from modern mining (since 1989)
- Underground mining pre-1985 for 832koz
- Reserves of 0.31Moz
- Immediate gains on resource to reserve conversion expected at the highlighted areas
- Significant upside on current known orebodies

Immediate Targets:

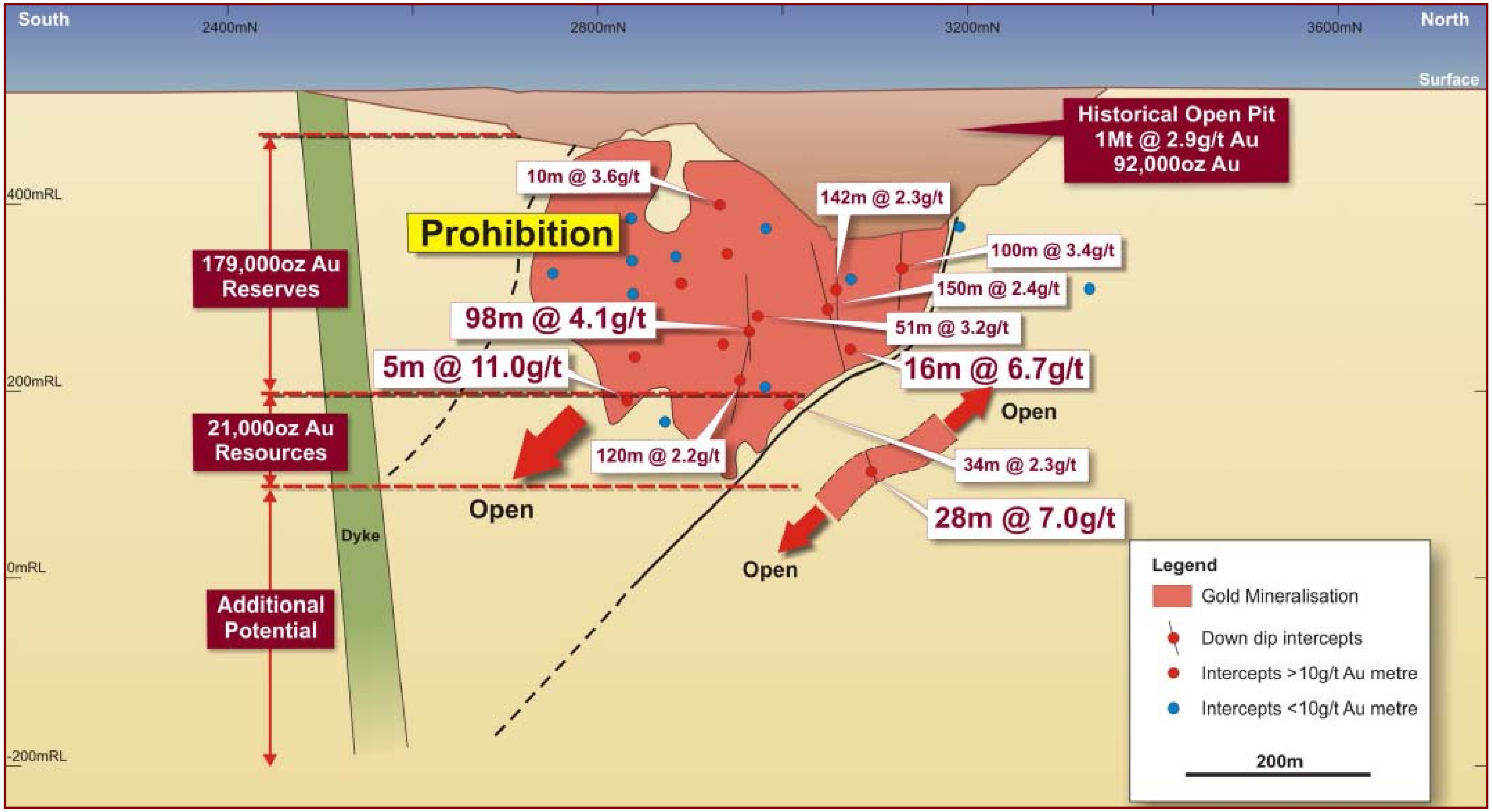
- Northern Corridor
    - Macquarie
    - Ingliston and Democrat
- "Old Mill"
    - Fold axis defined by magnetics
- Mikey Doolan / Golden Bar
    - Strike extensions and metallurgical recovery work

- *Still to evaluate the Grants-Magazine Trend*



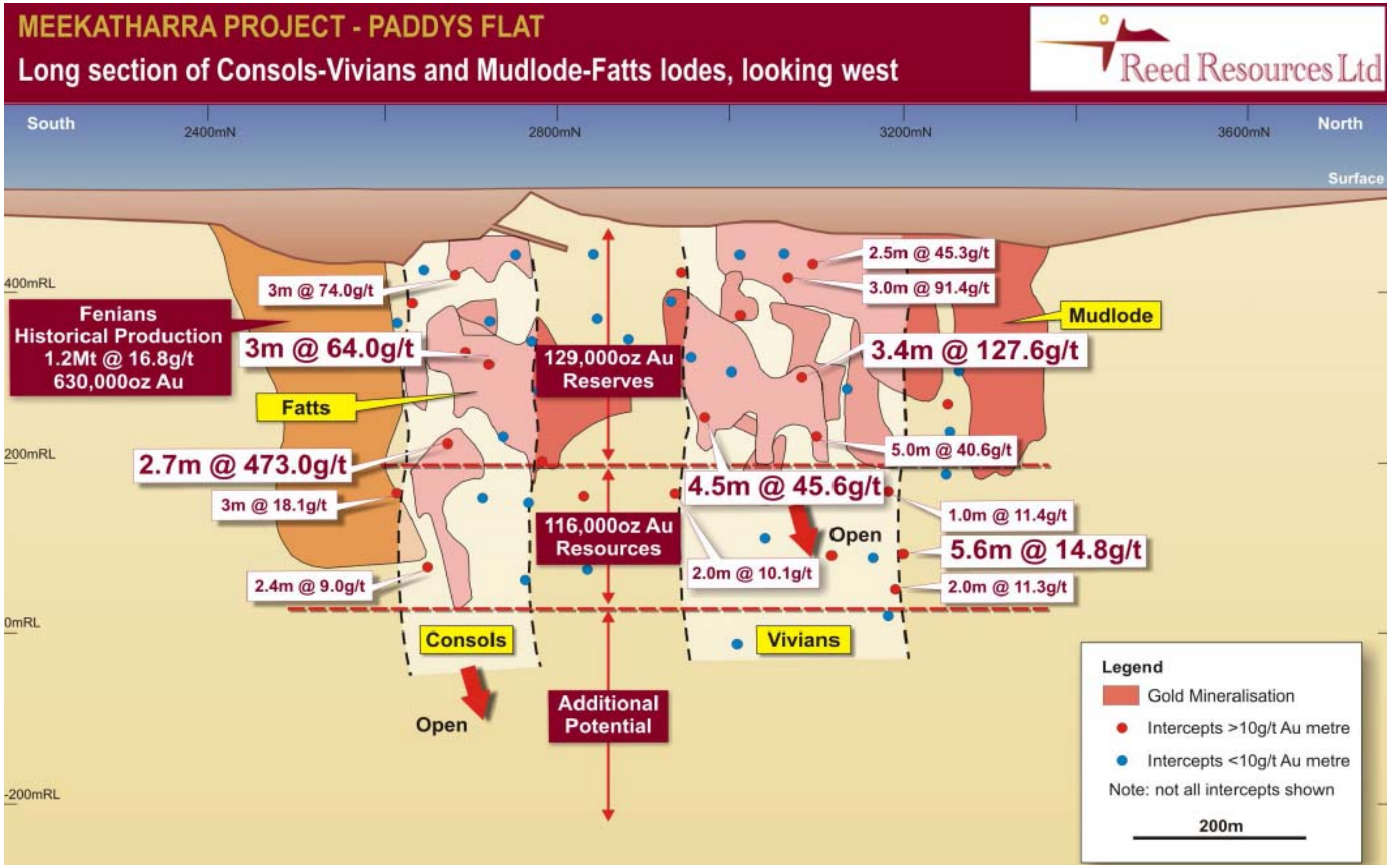
Comments

- Pits generally a maximum depth of 100m with some exceptions
- Reserves of 0.31Moz at Prohibition-Mudlode-Fatts-Consols-Vivians. No other reported reserves in the area
- Immediate gains on resource to reserve conversion expected
- Significant upside on current known orebodies
- Holistic re-evalutation to be undertaken of entire area



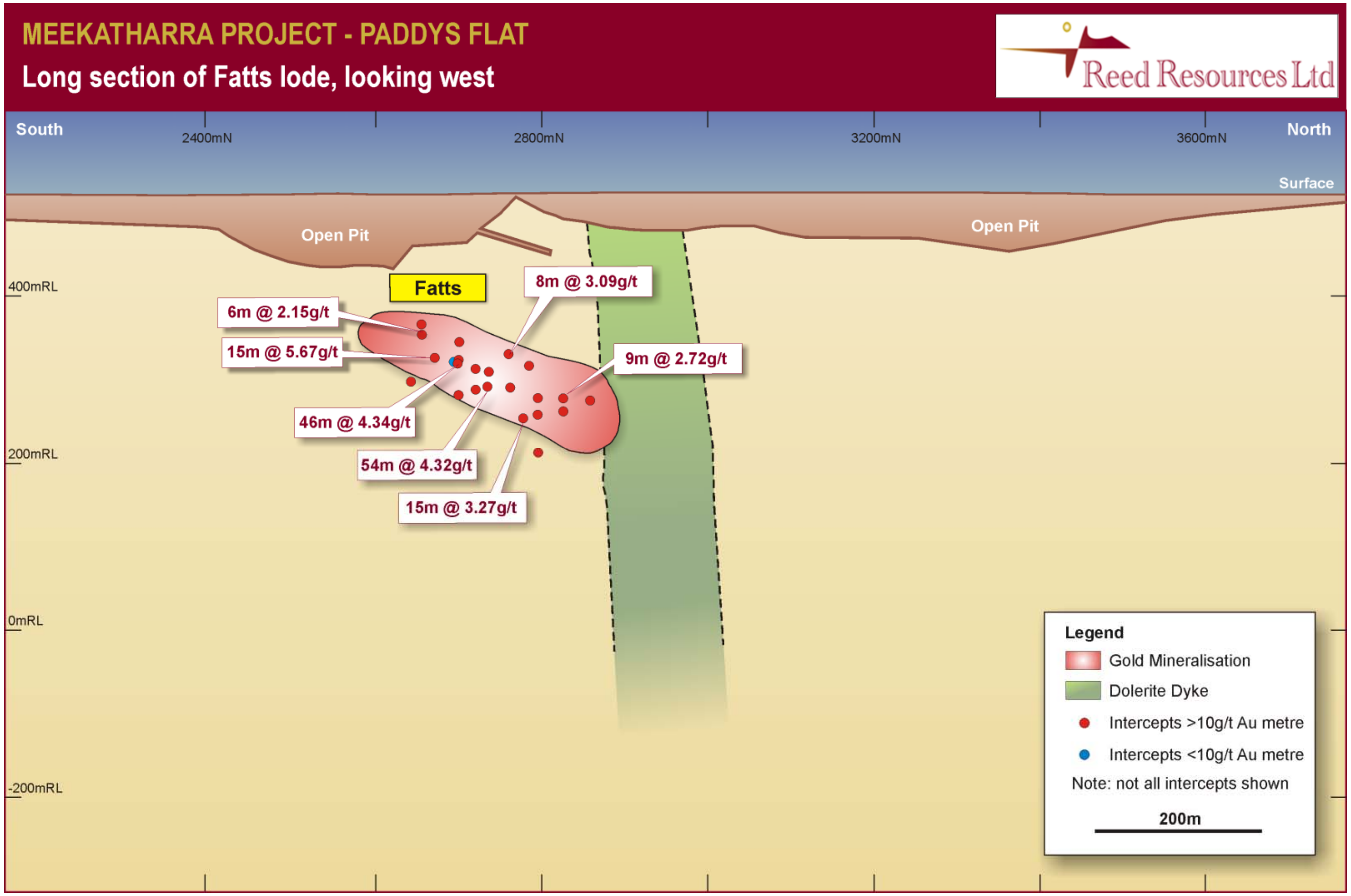
Comments

- Prohibition represents a source of immediate open pit cutback potential and future underground
- Excellent width and grade for a low risk mining opportunity
- Open at depth with a stacked parallel lode system
- This has been a historically proven mining area with excellent future potential
- Intersections are highlighted as above



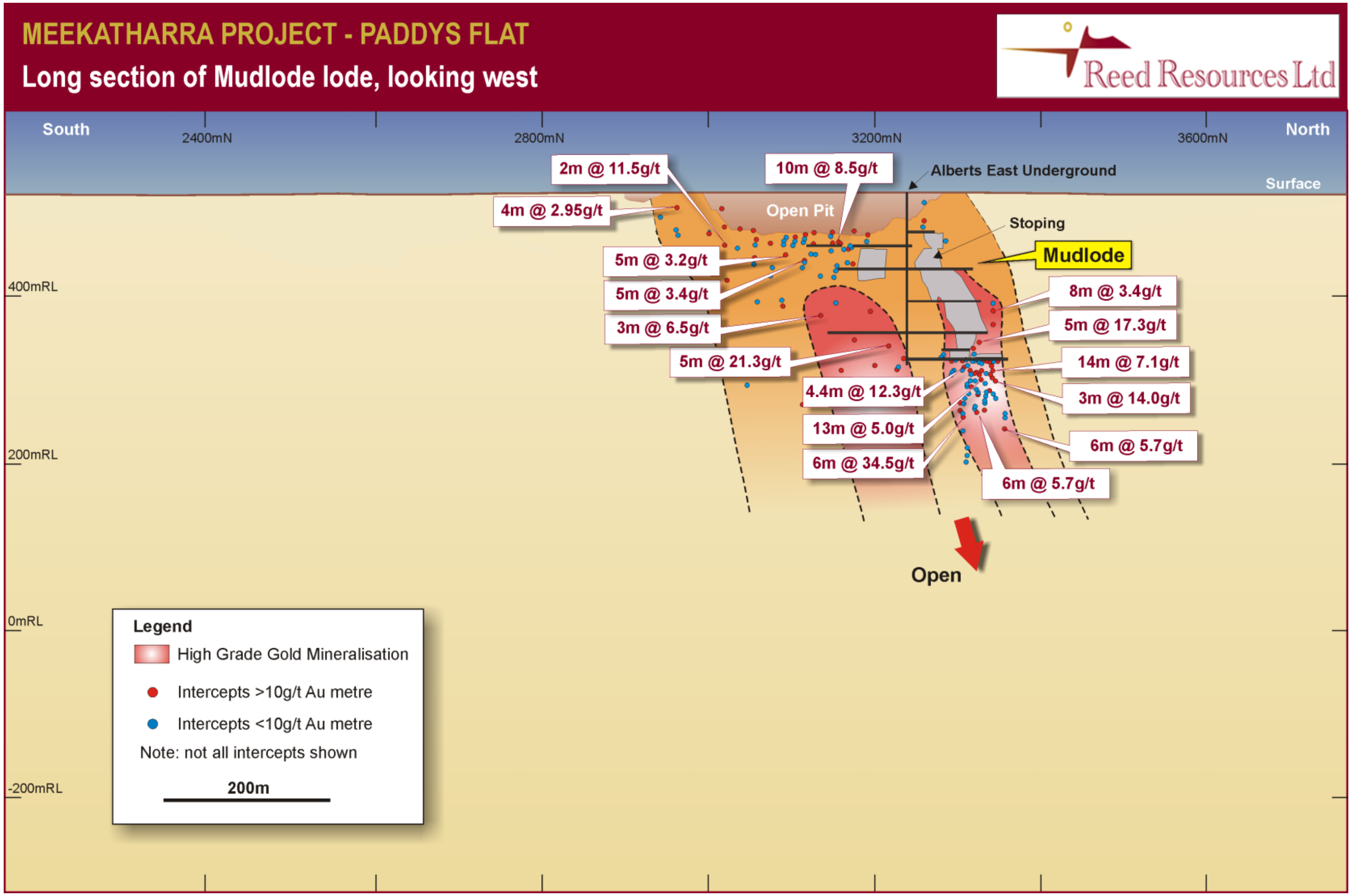
Comments

- This part of the orebody represents the narrower higher grade section
- Resources and reserves were calculated by Snowdens
- From the intersections shown a re-optimisation of the entire area is warranted for either open pit or underground potential
- This will allow a feed stream of higher grade material to blend with lower grade material from Prohibition or other open pits



Comments

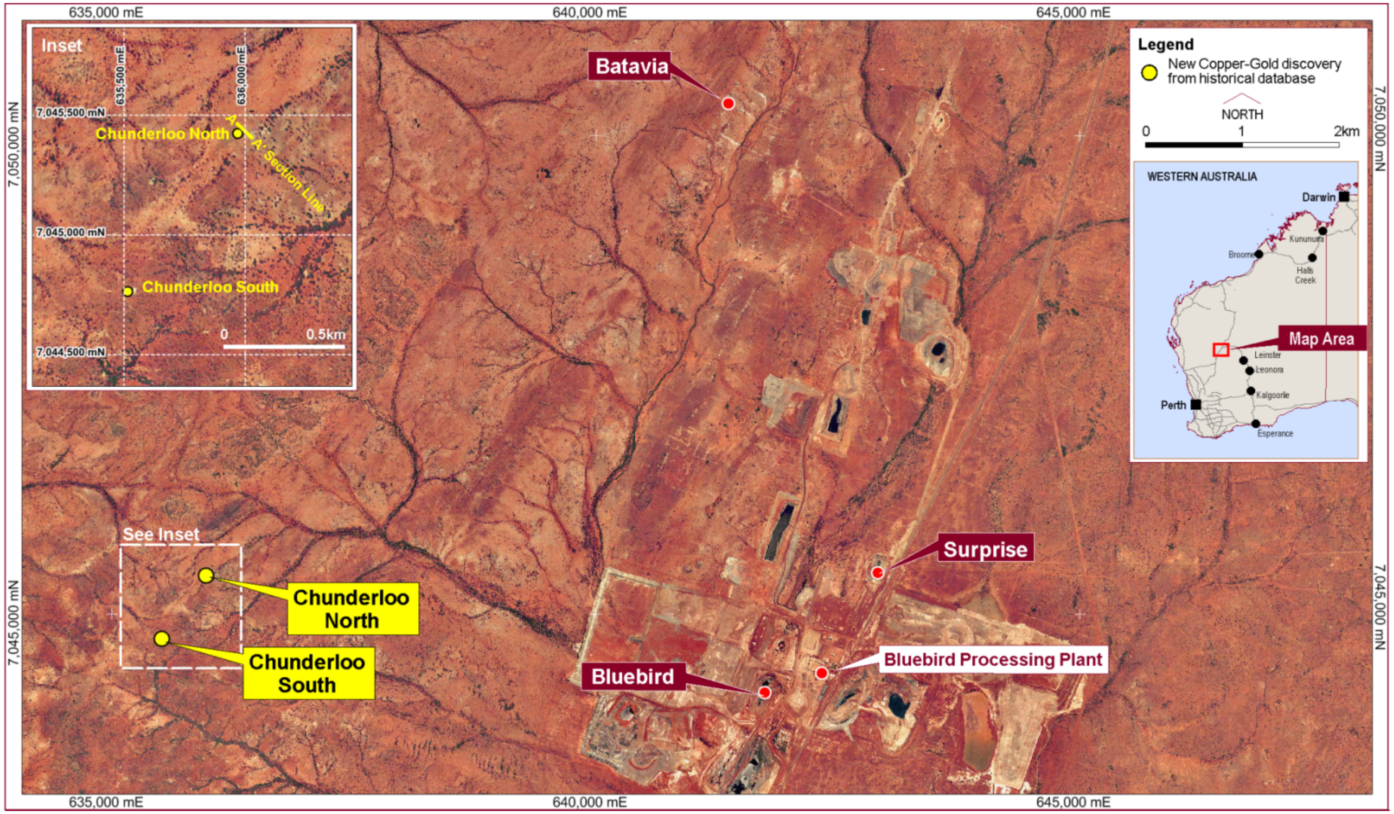
- This part of the orebody represents a massive plunging mineralised shoot (~40m wide)
- Resources and reserves were calculated by Snowdens
- Review of mine design commencing shortly



Comments

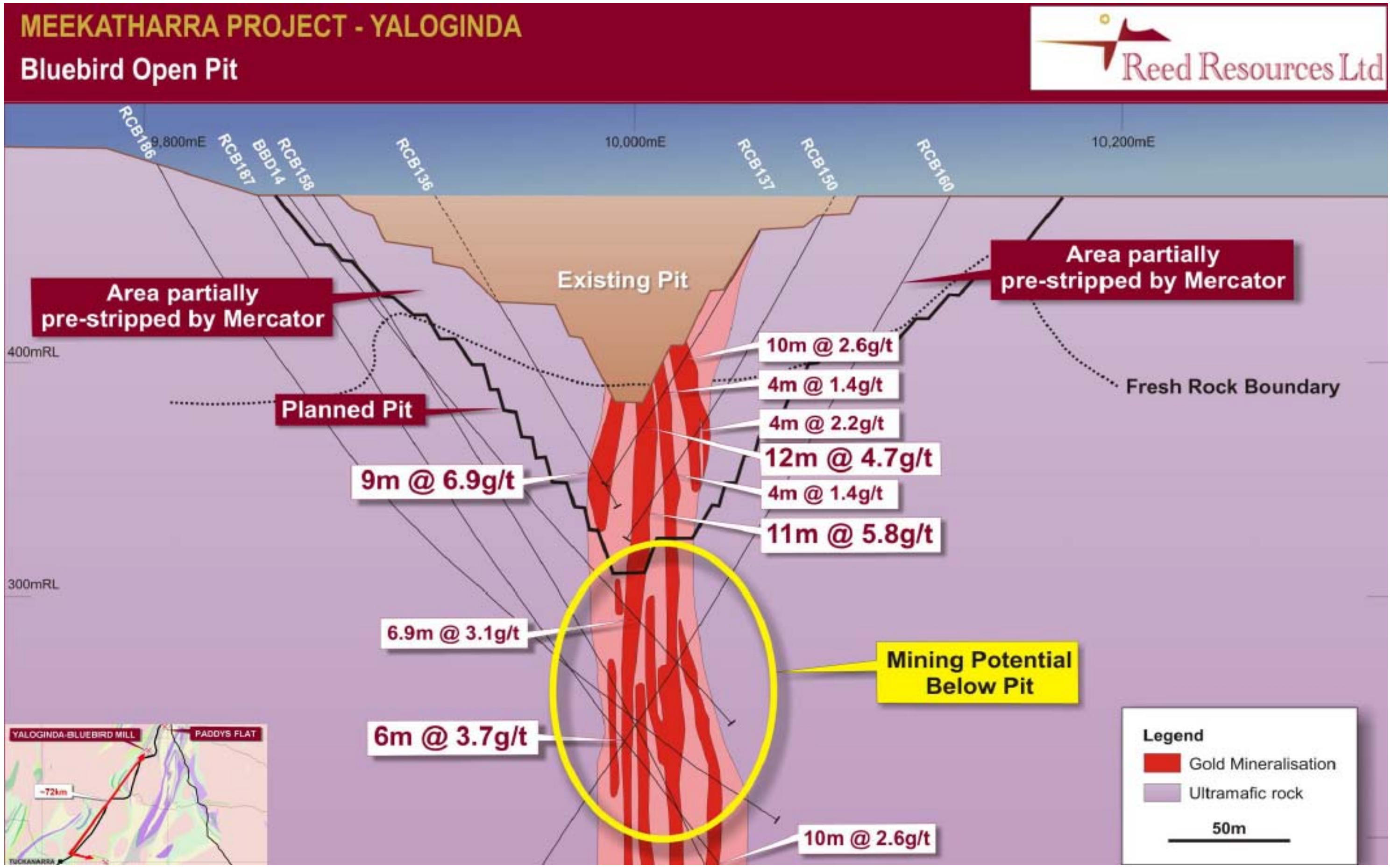
- This part of the orebody represents the continuation of the historically mined Alberts Underground Mine
- Resources and reserves were calculated by Snowdens
- Re-optimisation will commence shortly with a review of the underground mine designs

Project Area 2 – Yaloginda



Comments

- Yaloginda is the site of the 3Mtpa Bluebird processing plant
- Approximately 18 open pits in the surrounding area
- 13,000oz of ore is immediately available from Surprise pit at a grade of 3g/t
- Open pit cutback commenced on Bluebird
- Potential to reopen Gibraltar underground
- Potential to expand South Junction pit to the south
- Holistic data and resource review required
- Significant geological and mining leg-work already completed
- **Copper-Gold at Chunderloo**

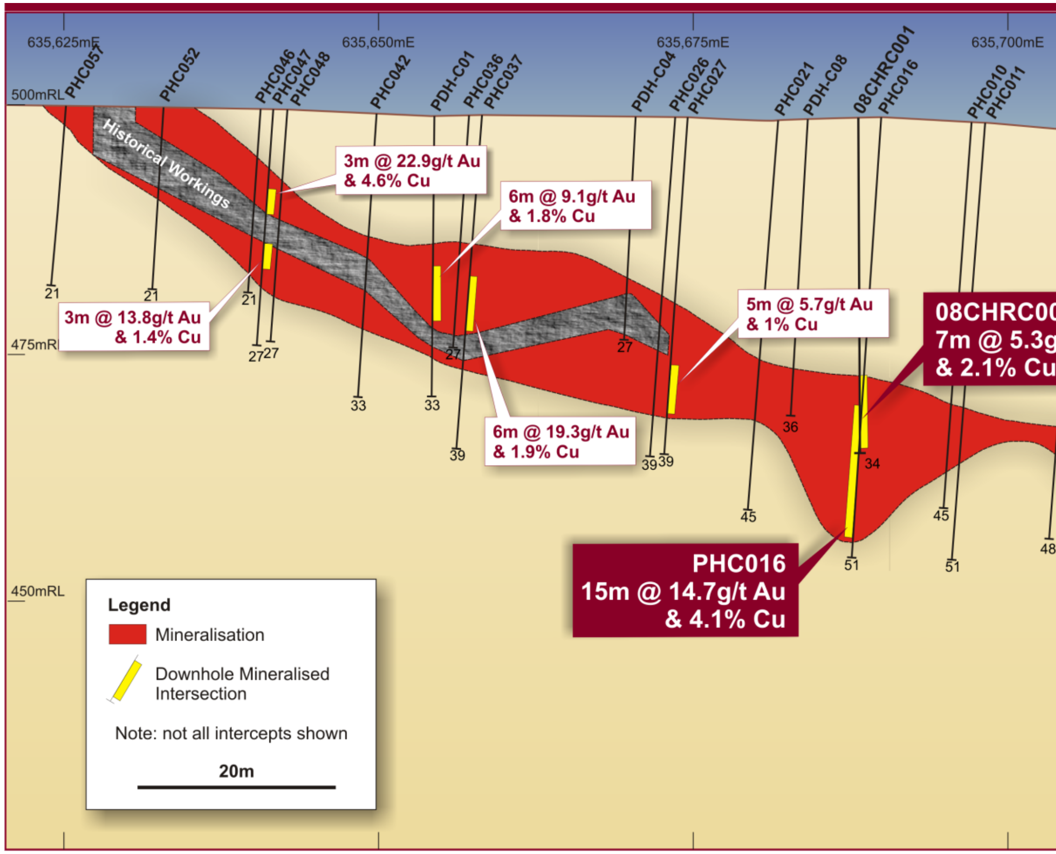


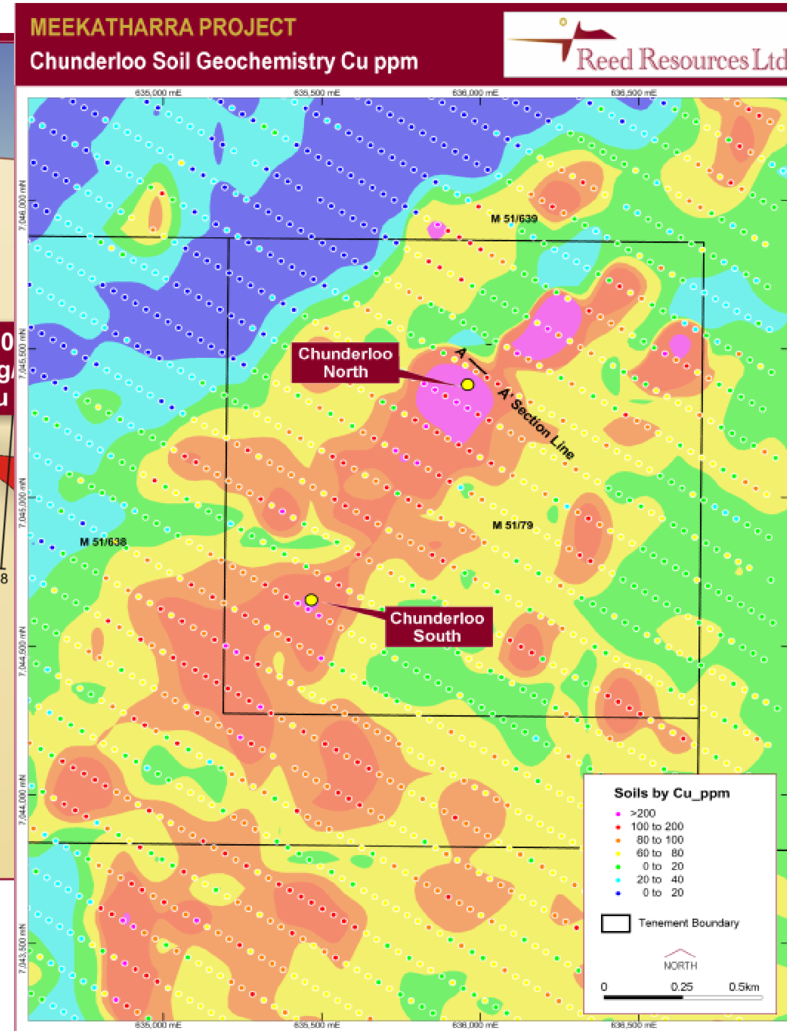
Comments

- Assessed by Coffey Mining as being a robust open pit design
- Potential for expansion to bulk underground operations on completion of open pit cutback
- Re-optimisation and potentially staged cutbacks to be undertaken once the mining plan has been evaluated
- New Probable Reserve of 1.4 Mt at 1.9 g/t for 87,000 ozs
- De-risked through metallurgy, geology and design

Comments

- Great Northern Highway moved 200m East
- Probable Reserve – 136,000t @ 3.0 g/t Au for 13,000 Ozs
- Evaluating potential cutback to south (top), porphyry host modeled to continue through Jess deposit (previously under road) to Great Northern Highway deposit
- De-risked through metallurgy, geology and design

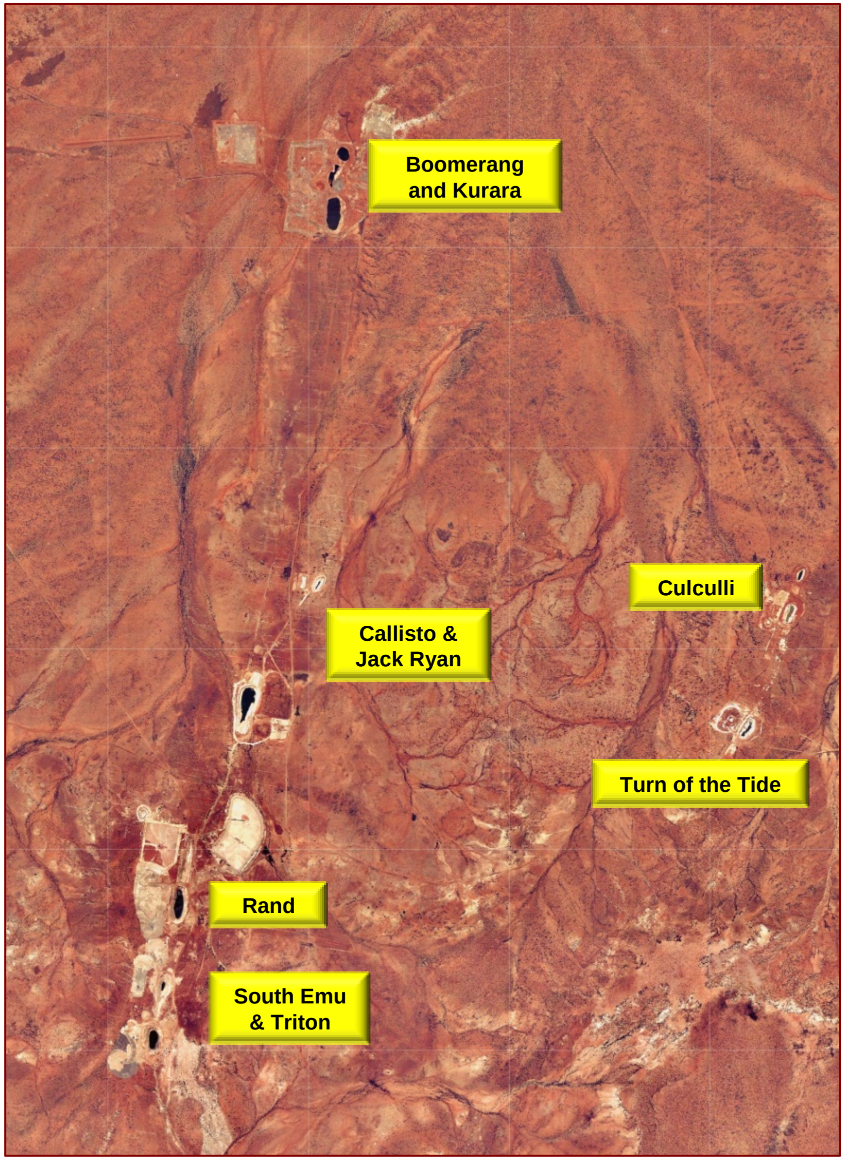




Comments

- Endeavour Resources last undertook a serious drill program in in the 1990's
- Follow up drilling in 2008 confirmed high grade hits
- Small footprint targeted historically
- Extensive anomalous soil anomalies would indicate a larger footprint

Project Area 3 - Reedys

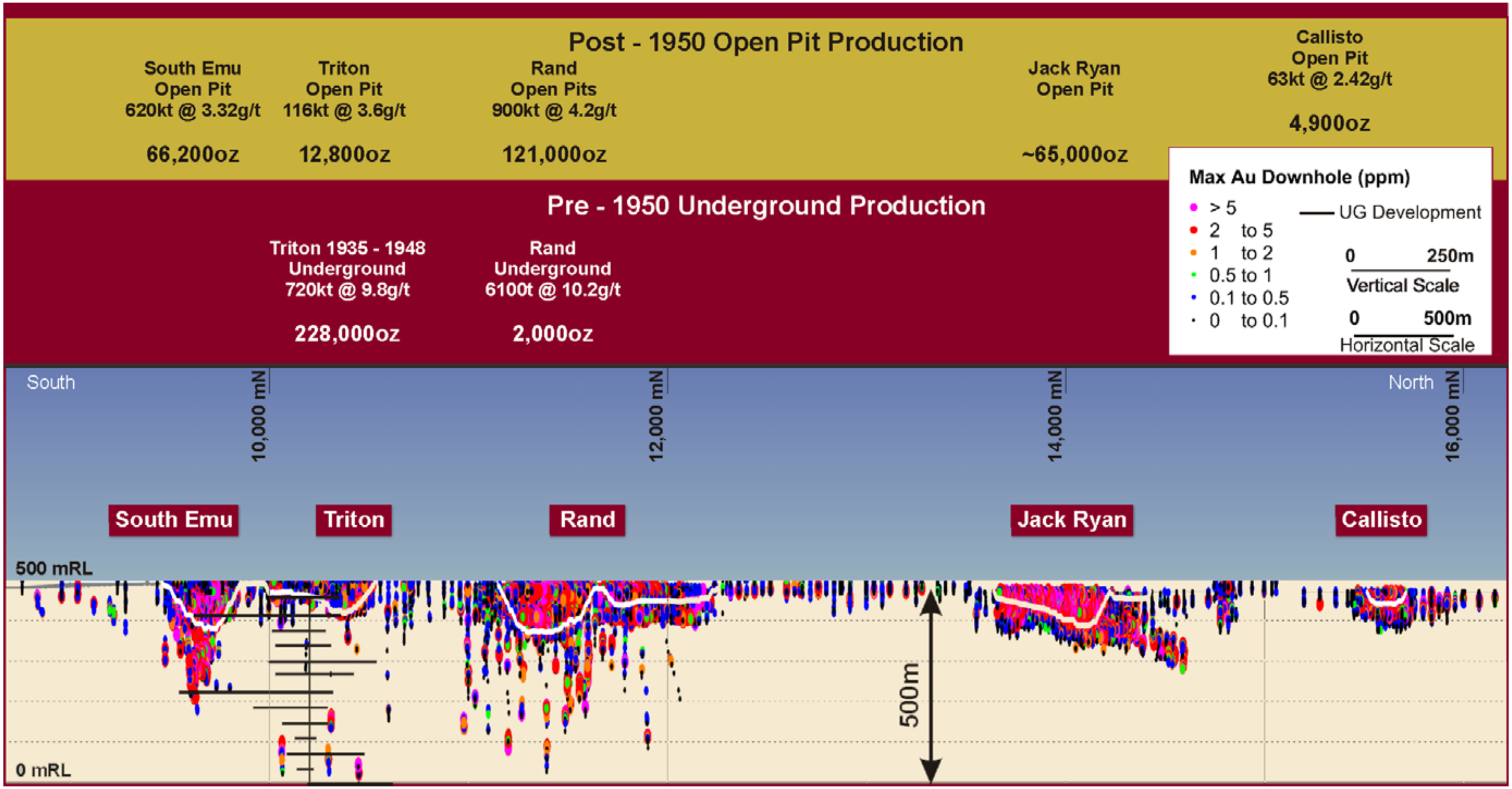


Comments

- Closed in 1997 when gold price was US$300/oz
- Cutbacks commenced on Jack Ryan and Rand
- Last review undertaken when gold was around US$429/oz
- Initial review under the 5 main pits indicate significant immediate open pit and underground reserve conversion
- Only 5 of a total 12 open pits that will ultimately be reviewed
- Excellent potential around these workings for expansion
- No current reserves reported at Reedys
- Resource remodelling well underway

Targets:

- Jack Ryan Repeats
  - Little drilling undertaken to discover a repeat
  - Rand Extensions and resource conversion
  - Extensively mineralised but sparsely drilled beneath 50m from surface
- Culcilli Line
  - Poorly understood mineralised felsic volcanics and volcaniclastics
  - Data in poor order
- South Emu
  - Underground mining evaluation to be undertaken

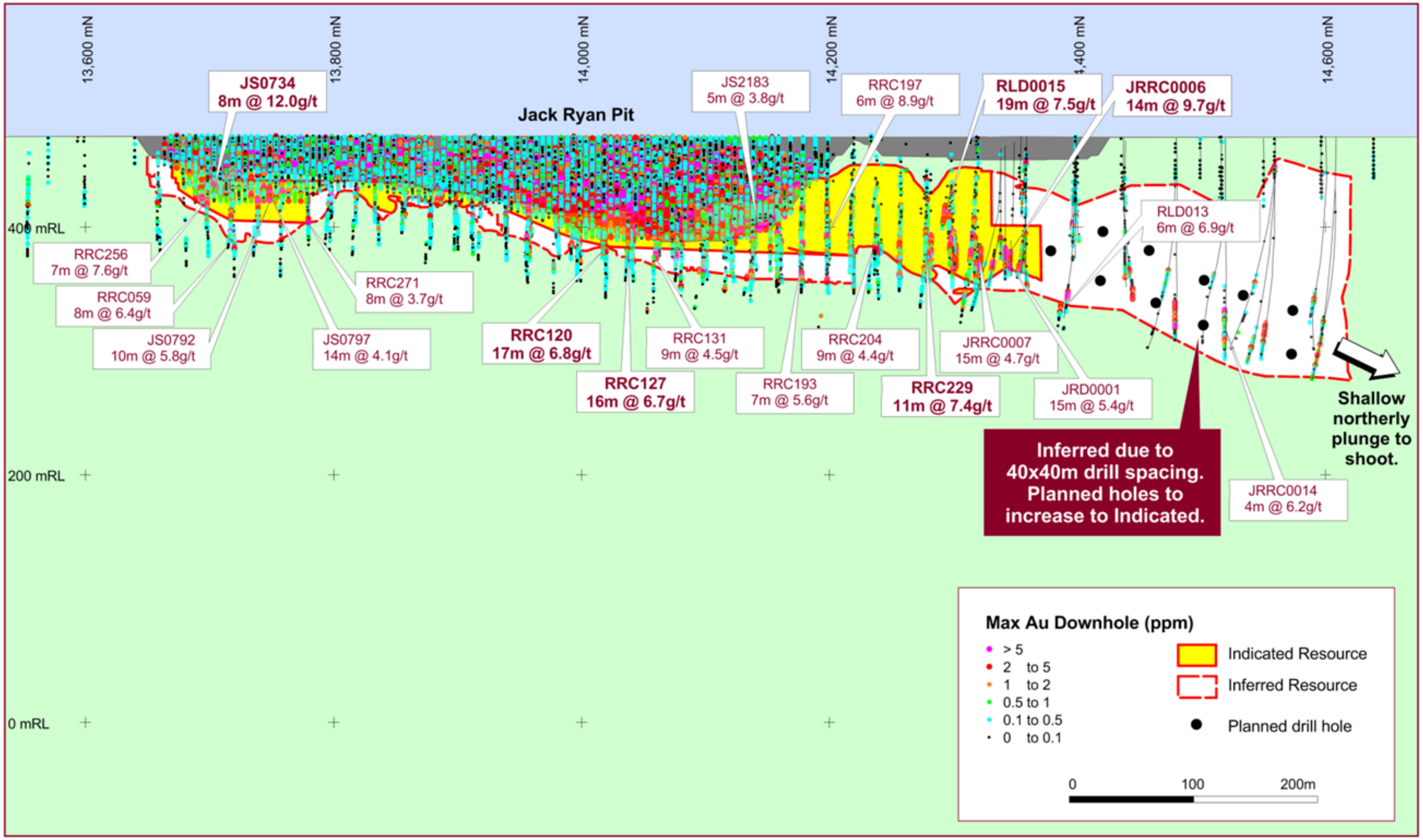


Comments

▪95% of drilling <100m deep. Drilling deeper than 100m indicates economic intersections for a sustainable and long mine life

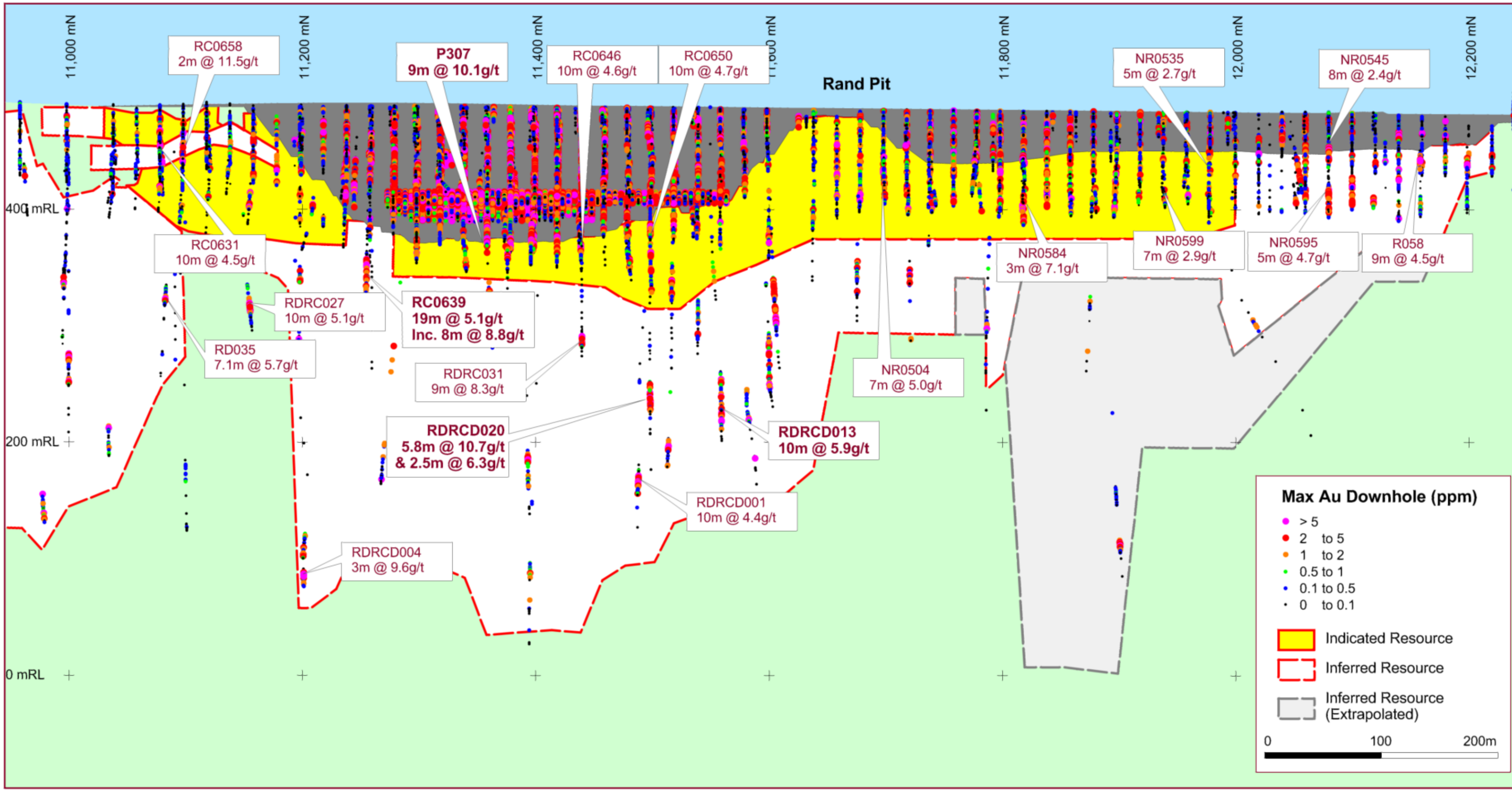
▪Mining ceased at US$300/oz

- Geologically well understood despite lack of development
- Underground and/or open pit cut-back potential on every pit
- Resources and reserves to be reassessed and re-optimised with current economics



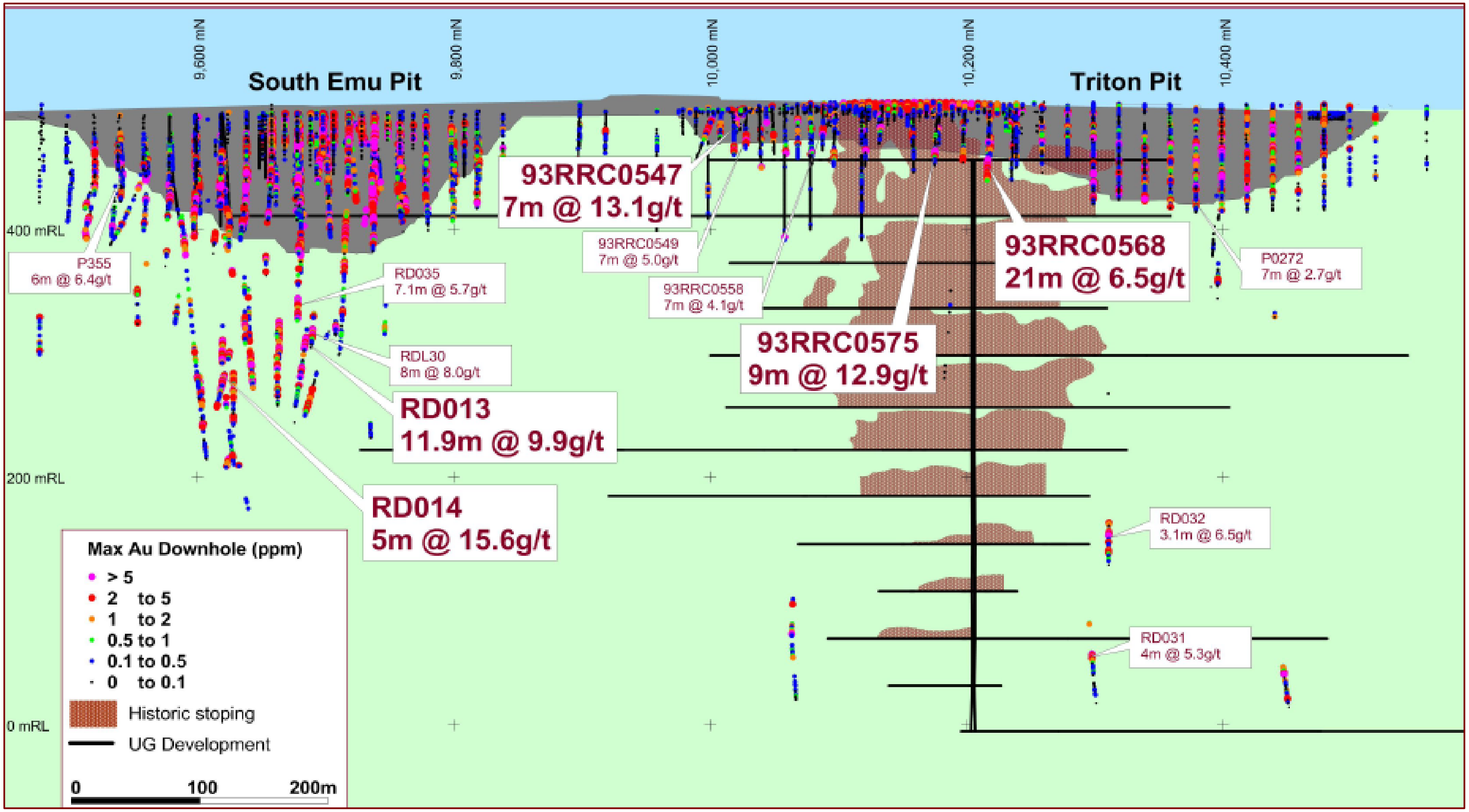
Comments

- Shallow northerly plunging shoot showing exceptional grade and continuity
- Cutback already commenced
- Orebody remodel and re-estimation produced a 34% increase in grade. Current Resource 1Mt @ 2.5 g/t
- Indicated Resource 341 Kt @ 2.9 g/t for 32,000 ozs



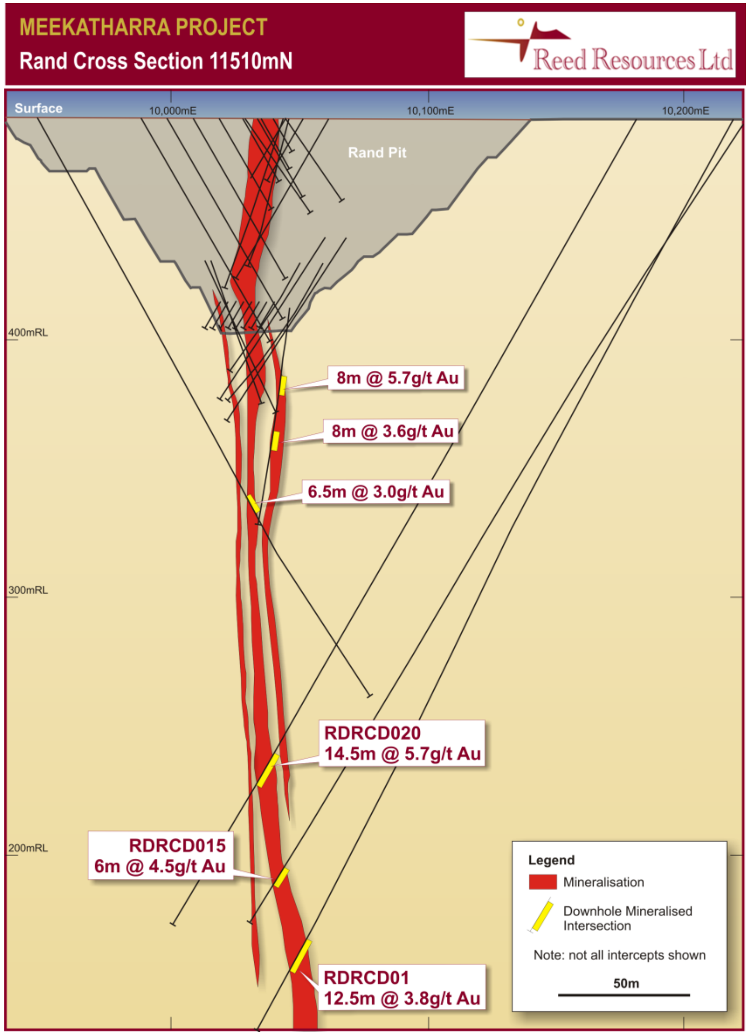
Comments

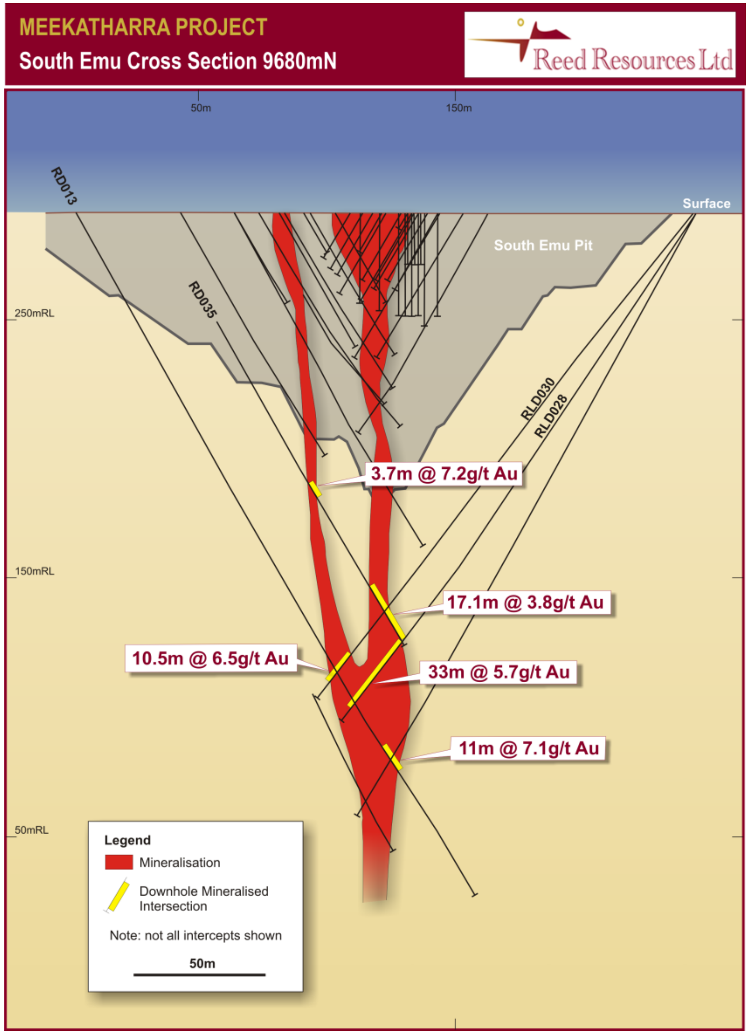
- Rand pits have highly favourable recommencement potential
- Cutback commenced at the northern end – stopped when gold price was US$300/oz
- New resource complete lifting grade by 10% and overall increase in ounces by 23% to 233Koz (2.8 Mt @ 2.6 g/t Au).
- Resource conversion drilling being planned
- Indicated Resource 642Kt @ 2.4 g/t Au ~ 49,400 ozs



Comments

- South Emu exhibits excellent potential for an underground operation
- Triton Pit cutback commenced
- Lack of drilling beneath both pits, despite there being (un-surveyed) working beneath the Triton Pit
- Underground at South Emu should emulate the underground already mined at Triton – derisked through historical reconciliation



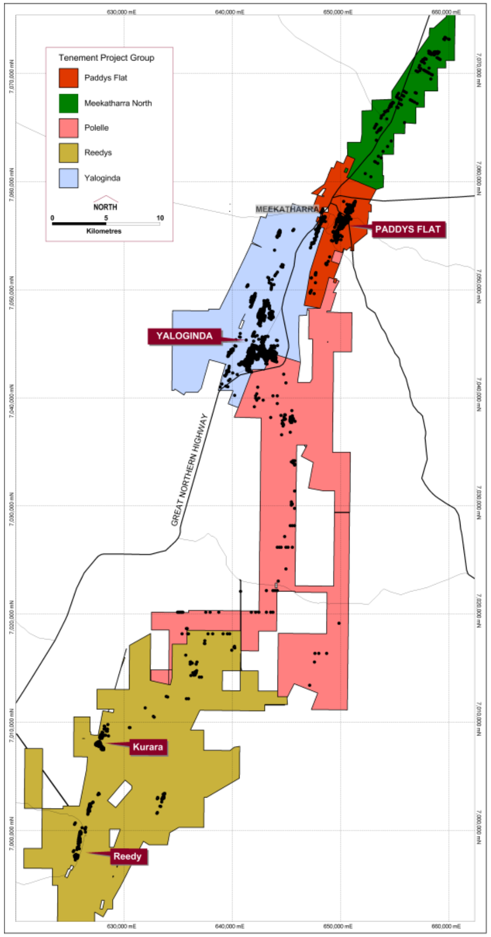


Comments

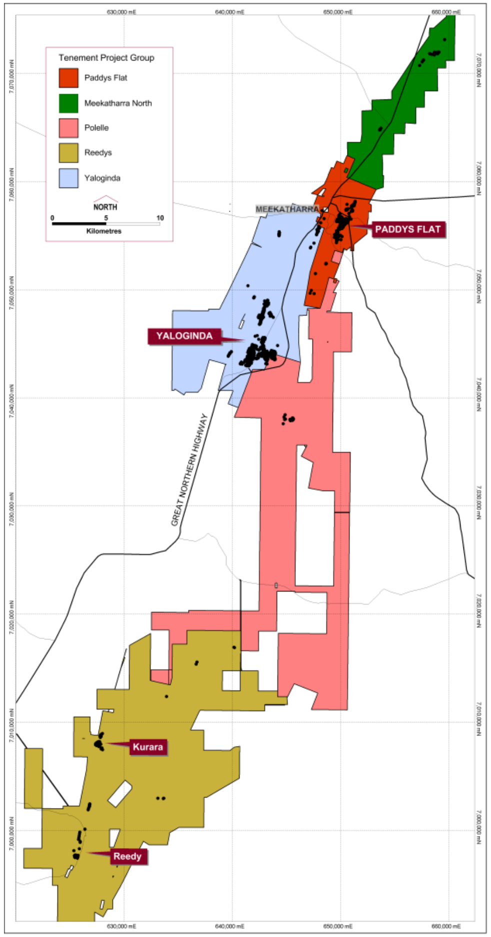
- Rand is the same structure as South Emu
- Deep drilling indicates strong mineralisation depth extensions
- Grades are of a similar tenor
- Expect Rand to have similar long-term potential as Triton and South Emu

Depth of Drilling

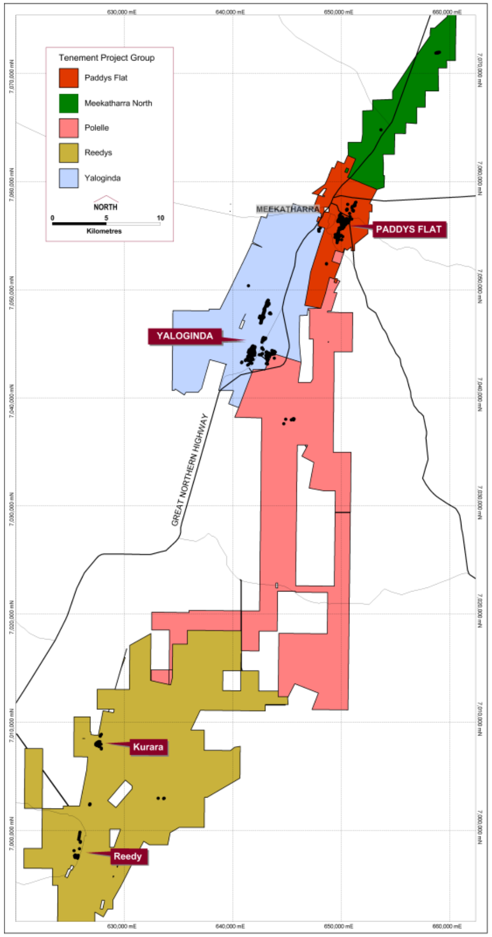
>50m



>100m



>150m



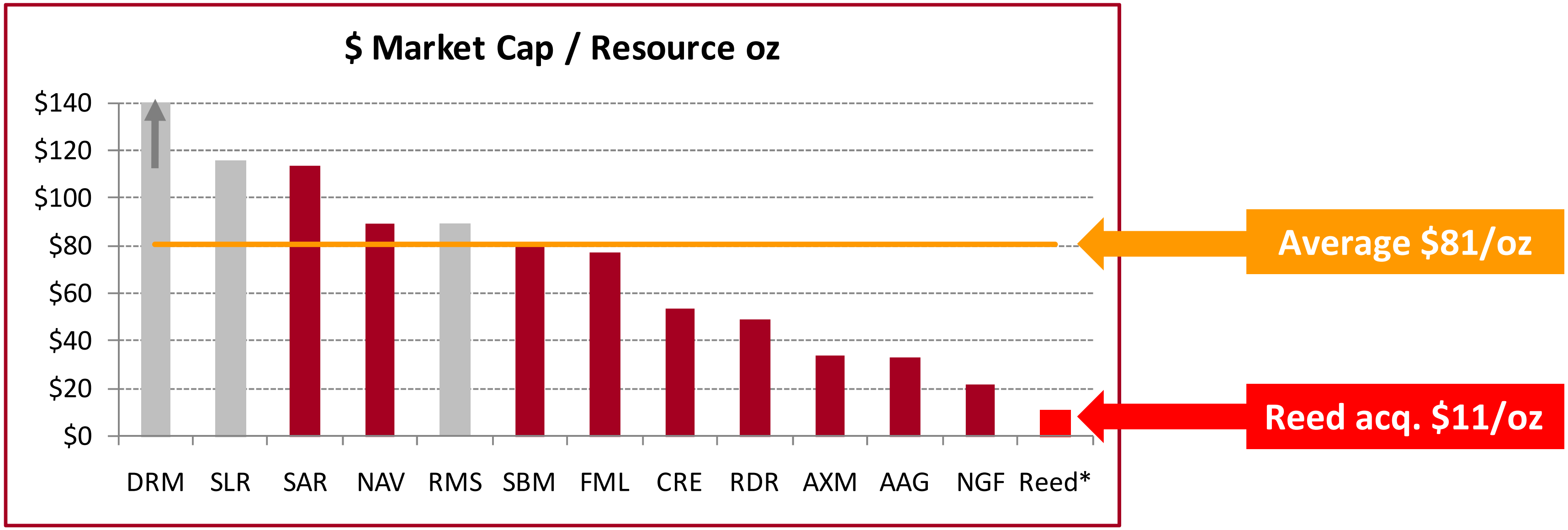
Comments

- Drilling density sparse across entire mineral field
- Drilling density centred around historical mining
- Significant exploration expansion potential

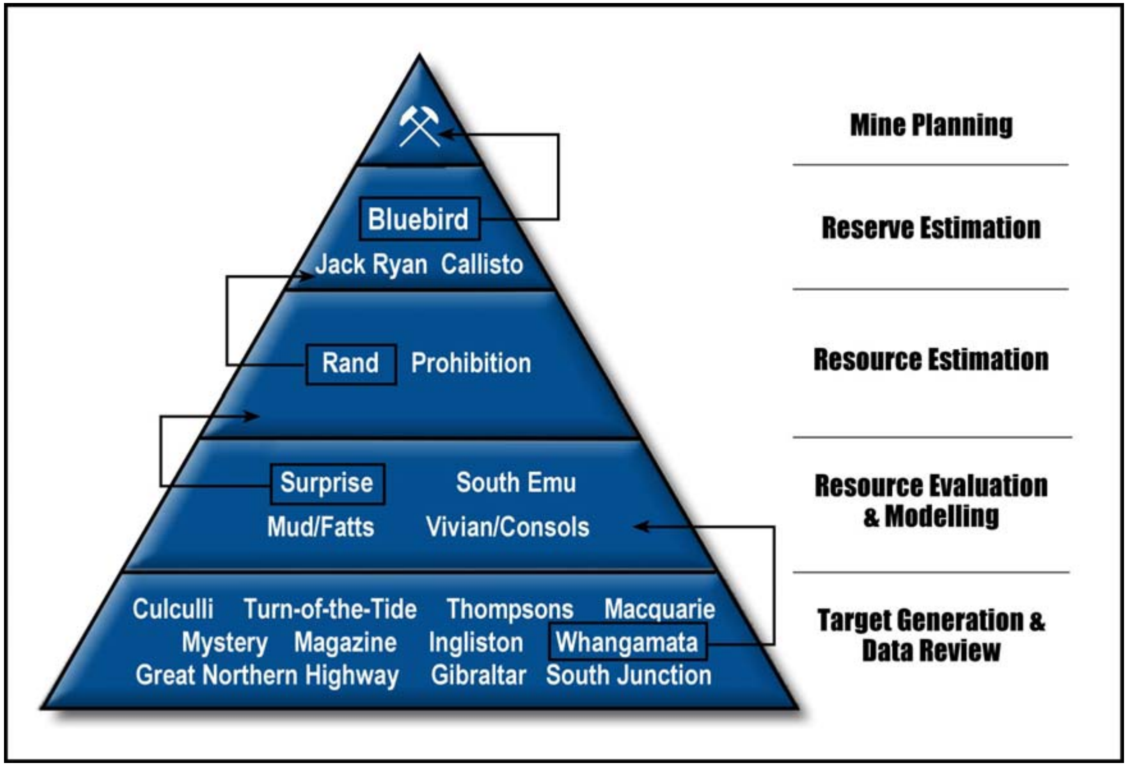
Gold Peer Comparisons

Peers (*close to Reed project area)	ASX Code	Shares (m)	Price ($)	Mkt Cap ($m)	Resource (Moz)	Mkt Cap/Res ($/oz)
Apex Minerals NL	AXM	3917.8	0.02	74.4	2.2	33.5
Aragon Resources Limited	AAG	233.0	0.28	64.1	2.0	32.7
Crescent Gold Limited	CRE	1063.5	0.11	111.7	2.1	53.6
Doray Minerals Limited*	**DRM**	**58.8**	**1.25**	**73.2**	**0.1**	**526.2**
Focus Minerals Ltd	FML	2865.5	0.06	157.6	2.1	76.9
Navigator Resources Limited	NAV	465.5	0.18	83.8	0.9	89.5
Norton Gold Fields Limited	NGF	684.8	0.18	123.3	5.8	21.4
Ramelius Resources Limited*	**RMS**	**291.2**	**1.08**	**313.0**	**3.5**	**89.4**
Saracen Mineral Holdings Limited	SAR	492.2	0.76	374.0	3.3	113.3
Silver Lake Resources Limited*	**SLR**	**178.9**	**1.93**	**344.3**	**3.0**	**116.0**
St Barbara Limited	SBM	325.6	1.90	618.7	7.7	80.9
Average (median)						**80.9**
Reed Resources Ltd	**RDR**	**193.3**	**0.67**	**129.5**	**2.7**	**48.8**
Reed Resources Ltd - Meekatharra only				**28.0**	**2.5**	**11.4**

- **Meekatharra represents a world class deposit that can develop into a strong long term producer of gold**
- **Reed is acquiring 100% of the Meekatharra project from Mercator for $28.5m with no outstanding obligations being passed onto Reed (refer ASX release 12 January 2011)**
- **Highly attractive pricing with an acquisition cost of $11/oz resource inclusive of +A$100m infrastructure**
- **Current peer median of $81 market cap per resource ounce**



- Careful planning and compliance
- Disciplined and thorough exploration
- Detailed evaluation and feasibility studies
- Reliable development schedules
- Sustainable operations



Comet Vale Gold Project

Comet Vale (Reed 100%)

- Located 100km north of Kalgoorlie and covers an area of 25km^2 surrounding the historic Comet Vale gold mining centre
- Tenements include the historic Sand Queen-Gladsome Gold Mines which produced 185,372 ounces of gold at a recovered grade of 22.7 g/t up to 1937
- In FY2003, Reed refurbished Sand Queen, in June 2006 JV partners Kingsrose recommenced underground gold production
- In FY10 a total of 8,818 ounces of gold was produced at an average cash cost of A$733/oz for a margin of A$560/oz
- Kingsrose JV was wound up in May 2010 and the project was placed into a production hiatus, pending suitable ore treatment facilities, on June 1, 2010
- Strategy now is to establish Nimbus as a standalone toll-milling facility and resume gold production in 2011/12
- Excellent scope for resource expansion at Comet Vale with diamond drilling continuing to intersect high grade gold
- Potential for open pit operations at Sand Prince West/Princess Grace – open pit ore is treatable at Nimbus
- Also prospective for nickel laterite and copper

JORC Resources (Revised resource from Cube Consulting March Quarter 2010)				
Project	**Classification**	**Tonnes**	**Grade (g/t)**	**Contained Oz**
Comet Vale	Indicated	238,000	10.8	82,500
	Inferred	296,000	10.9	103,500
TOTAL INDICATED & INFERRED		**534,000**	**10.8**	**186,000**

Nimbus Silver Project and Processing Plant

Nimbus (Reed 100%)

- Comprises two mining leases and a 250ktpa oxide processing plant (care and maintenance from 2007) 15km SE of Kalgoorlie
- Purchased in September 2009 for $2.4m (plant has $15m replacement cost) and will enable open pit and underground ores from Comet Vale to be processed. Reed has completed:
  - » Cleanup and rehabilitation of the mine site and plant
  - » PFS (FY10) for the recommissioning of Nimbus – conversion to 250ktpa hardrock CIP plant appears optimal
  - » Order of long lead items and commenced refurbishment of ball mill
- HV power connection target June Qtr 2011 and securing toll milling client to underwrite full refurbishment of mill
- Significant base metal exploration upside and in-situ high-grade silver mineralisation beneath and between the open pits

Location of the Nimbus Processing Plant and key regional infrastructure – 15km southeast of Kalgoorlie and approx. 100km from Comet Vale by highway and rail

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.

HISTORICAL RESOURCES – PAGE 8

Information in this report that relates to Indicated and Inferred Resources at Reedys was published in the St Barbara Mines Ltd 2005 Annual Report and is based upon reports prepared by Cube Consulting Pty Ltd who were commissioned by St Barbara Mines Ltd in July 2005 and its consultant Ms Ruth Vernon to undertake a new resource estimation for the Reedys Project. Information in this report that relates to Indicated and Inferred Resources at Meekatharra was published by Mercator Gold Ltd in 2007 and is based upon information reports prepared by Snowden Consulting Pty Ltd who were commissioned by Mercator Gold Ltd to undertake a new resource estimation of the Bluebird Pit and several select orebodies from the Paddy's Flat area near Meekatharra.

HISTORICAL RESERVES – PAGE 8

Information in this report that relates to Probable Reserves at Meekatharra was published by Mercator Gold Ltd in 2007 and is based upon information reports prepared by Snowden Consulting Pty Ltd who were commissioned by Mercator Gold Ltd to undertake a reserve estimate of the ore around the Bluebird Pit and Paddy's Flat revised resource estimate.

MINERAL RESOURCE ESTIMATES 2011

Information in this report that relates to Indicates and Inferred Mineral Resources for 2011 at Reedys (Rand, Jack Ryan and Callisto) is based upon geological domains constructed by Reed Resources internal geological team (under Craig Fawcett BSc MAusIMM – General Manager Gold) and estimates prepared by J Graindorge Bsc MAusIMM(CP) of Snowden Mining Industry Consultants Pty Ltd. Both Mr Fawcett and Mr Graindorge have 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. Both Mr Fawcett and Mr Graindorge consent to the inclusion in this report of the matters in the form and context in which it appears.

ORE RESERVE ESTIMATES 2011

Information in this report that relates to the Surface Ore Reserves at Reedys (Rand, Jack Ryan) was compiled by Gary McCrae, a full time employee of Minecomp Pty Ltd which is a corporate member of the Australian Institute of Mining and Metallurgy. Gary McCrae is a qualified mining engineer who 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 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Gary McCrae consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Appendix 2 Current Mineral Resource and Ore Reserve Estimates

Project	Resource Classification	Tonnes	Gold Grade (g/t)	Total Ounces
Meekatharra North	Indicated	706,000	1.3	29,000
	Inferred	174,000	1.2	6,000
	Sub-Total	**880,000**	**1.3**	**35,000**
Paddy's Flat	Indicated	17,879,000	1.7	986,000
	Inferred	7,925,000	1.4	349,000
	Sub-Total	**25,804,000**	**1.6**	**1,335,000**
Yaloginda	Indicated	9,693,000	1.7	528,000
	Inferred	3,856,000	1.8	227,000
	Sub-Total	**13,549,000**	**1.7**	**755,000**
Reedys	Indicated	1,794,000	2.7	153,400
	Inferred	3,095,000	2.4	241,200
	Sub-Total	**4,889,000**	**2.5**	**394,600**
TOTAL	**Indicated**	**30,072,000**	**1.7**	**1,696,400**
	Inferred	**15,050,000**	**1.7**	**823,200**
	TOTAL	**45,122,000**	**1.7**	**2,519,600**

Type	Project	Reserve Classification	Tonnes	Gold Grade (g/t)	Total Ounces
Open Pit	Bluebird	Probable	1,410,000	1.9	87,000
	Surprise	Probable	136,000	3.0	13,000
	Batavia	Probable	200,000	2.4	14,000
	Sub-Total	**Probable**	**1,746,000**	**2.0**	**114,000**
Underground	Prohbition	Probable	1,372,000	4.1	179,000
	Vivian/Consols	Probable	256,000	10.4	83,000
	Fatts/Mudlode	Probable	362,000	4.0	46,000
	Sub-Total	**Probable**	**1,990,000**	**4.8**	**308,000**
Meekatharra Package - TOTAL			**3,736,000**	**3.51**	**422,000**