

ASX RELEASE

21 March 2012

REED ANNOUNCES RESOURCE INCREASE AT THE MEEKATHARRA GOLD PROJECT

HIGHLIGHTS

- **Reed Resources adds 283,000 ounces of gold to its flagship Meekatharra Gold Project, taking the total gold resource to 3.59 million ounces:**
 - o Magazine-Grants trend adds 194,600 Maiden Resource Ounces
 - o Five Mile Well adds 39,900 Maiden Resource Ounces
 - o Boomerang Deeps adds 48,500 Resource Ounces

Emerging Australian gold producer Reed Resources Ltd (**ASX: RDR**) (the “Company” or “Reed”) has added an additional 283,000 ounces of gold in Indicated and Inferred Mineral Resource (Table 1) to its Meekatharra Gold Project, representing an 8.5 per cent increase in total gold resources that now stand at 3.59 million ounces.

Reed’s geological team is continuing to evaluate the numerous Brownfield and Greenfield targets at Meekatharra to further enhance both its Resources and Reserves in order to extend the life of the Project. The latest program has identified maiden resources at the Magazine-Grants trend and Five Mile Well deposits along with a further resource at Boomerang Deeps. The new Resources will now be optimised ahead of detailed design and reserve estimation. Reed plans to release an updated reserve estimate in the June Quarter 2012.

Reed Resources Managing Director, Mr Christopher Reed, said: **“This latest announcement further highlights the massive potential the Meekatharra group of tenements offer. We have an ongoing program to fully evaluate prospective areas of our tenement holding and are confident of further increases to the resource endowment in the coming months.”**

The ongoing increases to the Meekatharra Gold Project’s resource base reinforces Reed’s recent decision to mine at Meekatharra, based on the robust economic viability of the project. The operation remains on target to start production in the December quarter and each new resource provides Reed with future production opportunities.



Table 1. *Summary of additional Mineral Resources*

Resource	Resource Classification	Tonnes (kt)	Grade (g/t)*	Total Ounces
Five Mile Well	Indicated	415	2.36	31,500
	Inferred	165	1.61	8,400
	Sub-Total	580	2.14	39,900
Magazine-Grants	Indicated	2,135	1.54	105,400
	Inferred	1,780	1.56	89,600
	Sub-Total	3,915	1.55	194,600
Boomerang	Inferred	267	5.7	48,500
TOTAL		3,462	2.54	283,000

**Five Mile Well and Magazine-Grants are reported at >0.5g/t Au cut off, Boomerang at >2.0 g/t cut off*

ENDS

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COMPETENT PERSONS STATEMENT

Information in this report that relates to Mineral Resources is based upon geological domains constructed by Reed Resources Ltd's internal geological team (under Mr Craig Fawcett BSc MAusIMM) 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 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 these matters in the form and context in which they appear.

Geological aspects of this report have been compiled by Mr Craig Fawcett (MAusIMM), a full time employee of Reed Resource 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 of 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 an emerging Western Australian gold producer focused on bringing its flagship Meekatharra Gold Project into production in the second half of 2012.

Reed Resources' wholly owned Meekatharra Gold Project is located in the prolific Murchison region of Western Australia and has a current JORC resource of 3.59 Moz and existing infrastructure including the 3 Mtpa Bluebird processing plant.

Reed Resources' other projects include:

- **Mount Marion:** High-grade lithium project located 40km south of Kalgoorlie in JV with Mineral Resources Limited (ASX: MIN). Currently under construction.
- **Barrambie:** Definitive Feasibility Study completed on the production 6300t of vanadium per annum. Currently in approvals process and evaluating recovery of titanium slag and pig iron as co-products.
- **Comet Vale:** Currently on care & maintenance. JORC Code compliant resource of 186,000 oz at 10.8 g/t Au.
- **Mount Finnerty Iron Ore:** Iron ore JV with Cliffs Natural Resources and nickel farm-in with Barranco Resources NL.

Reed Resources' American Depositary Receipts (ADR's) trade under the code RDRUY (CUSIP Number: 758254106). Each Reed Resources ADR is equivalent to 10 ordinary shares of Reed Resources as traded on the ASX. The Bank of New York Mellon is the depository bank.

Website: www.reedresources.com

Appendix A

Five Mile Well

The Five Mile Well deposit (Figure 1.), which forms part of the Meekatharra North area is located approximately 9km north-northeast of the town of Meekatharra. The main host rocks are comprised of intercalated mafic schists and volcanic derived sedimentary rocks.

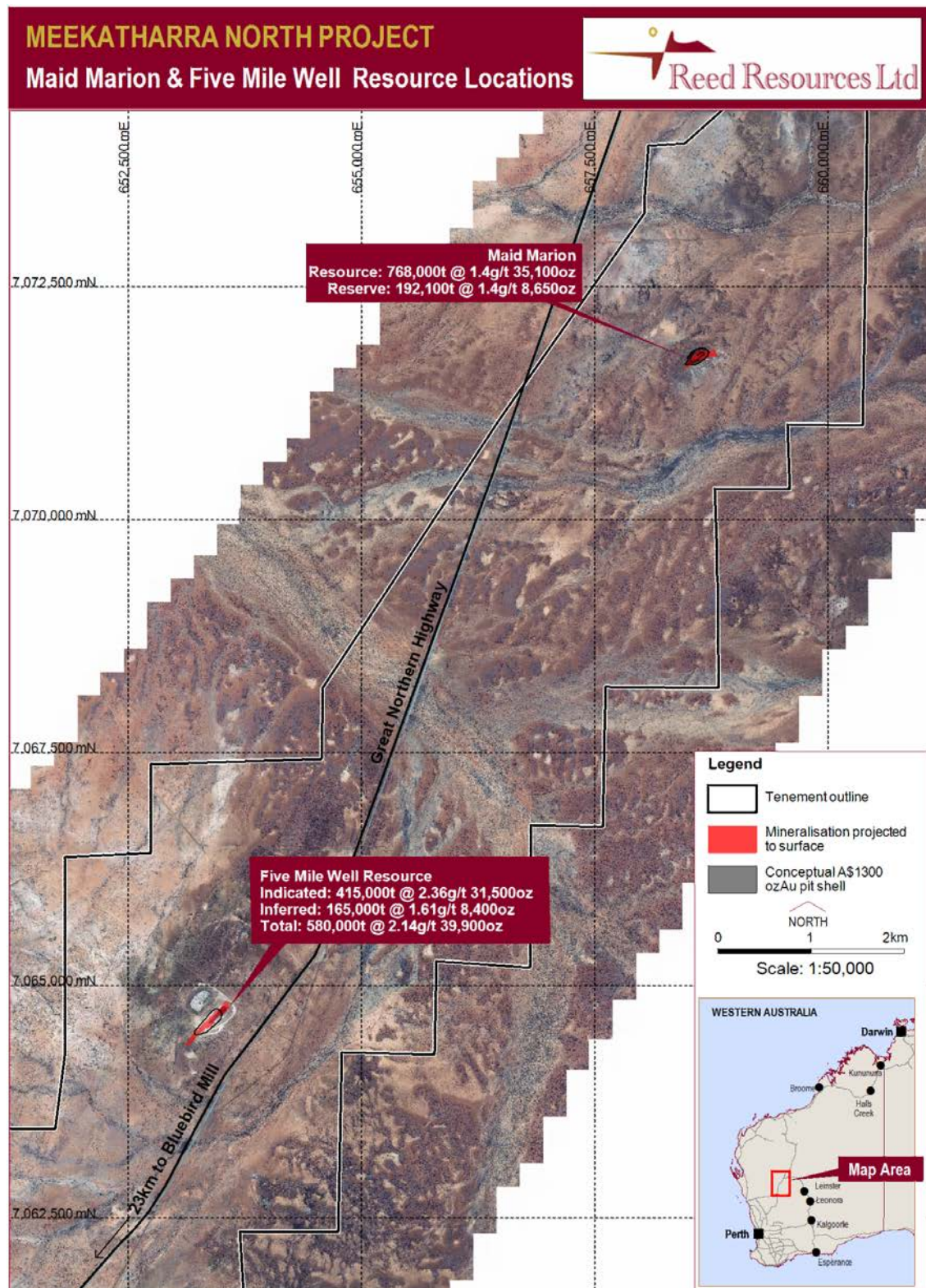


Figure 1. Location of the Five Mile Well Resource

Gold mineralisation at Five Mile Well is associated with increased veining and carbonate alteration. Mineralisation is typically 5m to 10m in thickness, but locally ranges from 1m to 15m thick, and occurs over a strike length of approximately 650 m (Figure 2). The mineralisation dips at approximately 60° towards a bearing of 105° (local grid).

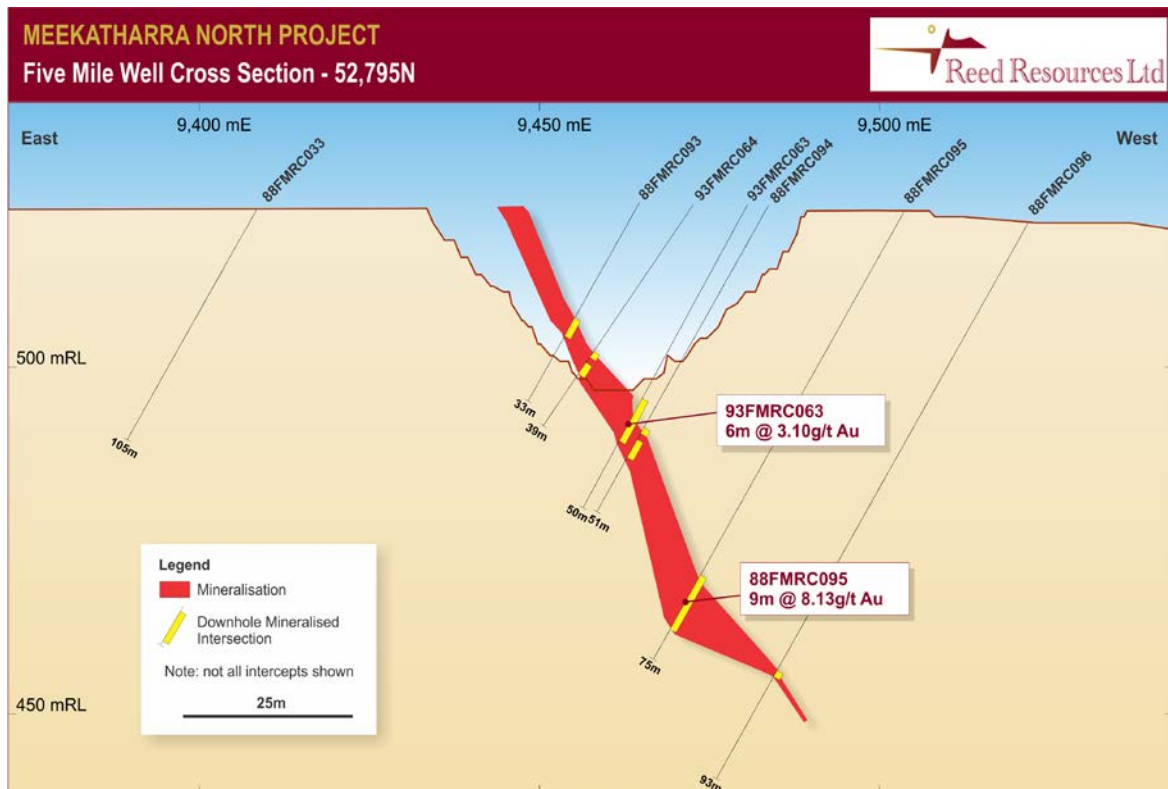


Figure 2. Typical Cross Section of the Five Mile Well Resource.

The deposit has been modelled by Reed’s internal geological team with Snowdens having completed a Mineral Resource estimate using Ordinary Kriging. This has resulted in a total Resource of 580,000 tonnes @ 2.14 g/t for 39,900 ounces (Table 2.).

Table 2. Five Mile Well Mineral Resource Estimate.

Resource Classification	Tonnes (kt)	Grade (g/t)*	Total Ounces
Indicated	415	2.36	31,500
Inferred	165	1.61	8,400
Sub-Total	580	2.14	39,900

*Reported at > 0.5g/t Au cut off

Magazine-Grants

The Magazine-Grants deposit is located approximately 0.5-1.5km south of the town of Meekatharra (Figure 3). The main host rocks are comprised of steeply east-dipping intercalated mafic and ultramafic rocks along with felsic intrusives and a cross-cutting dolerite dyke. The Grants deposit is hosted in BIF, in a similar geological setting to Prohibition.

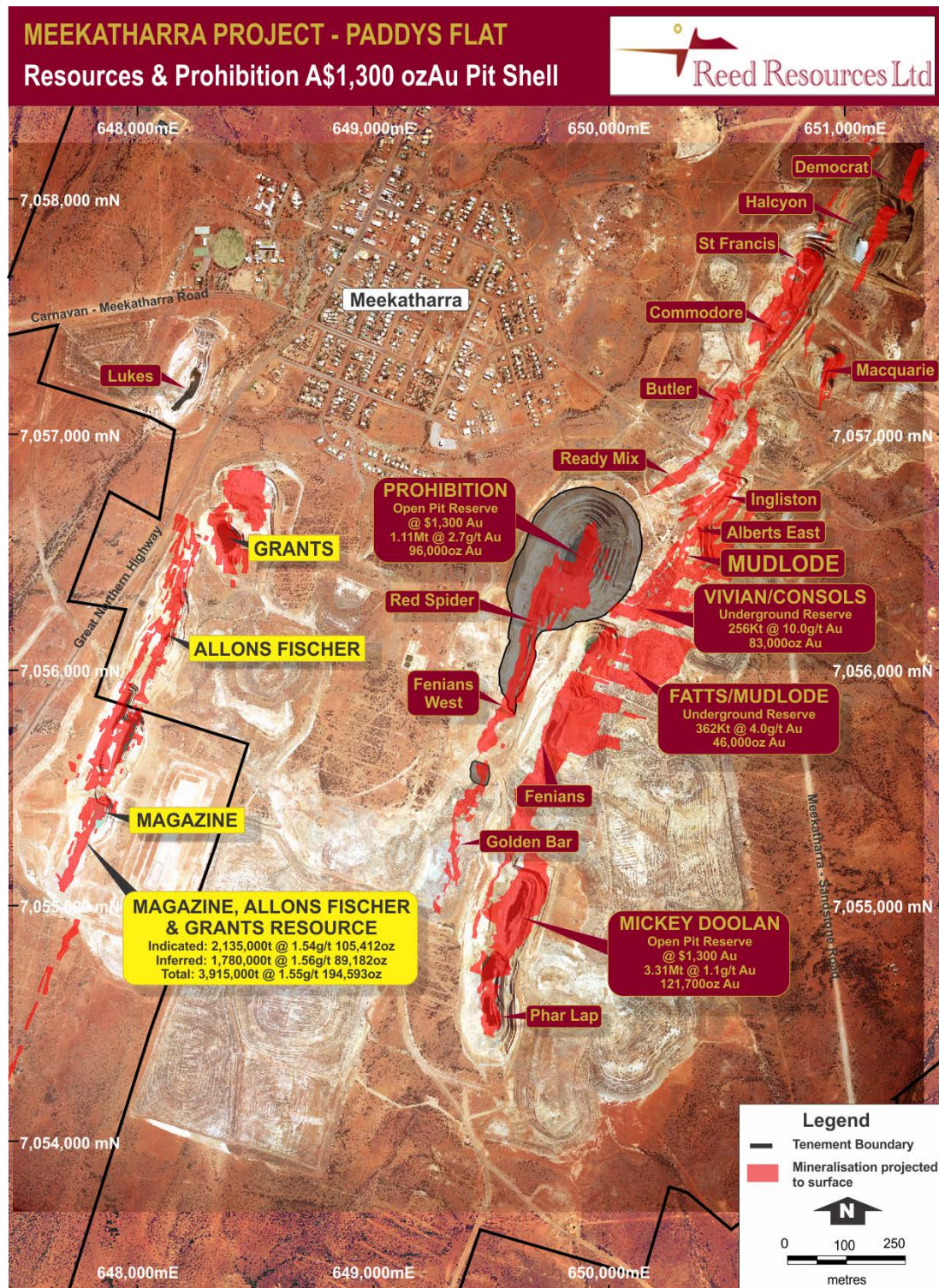


Figure 3. Location of Resources along the Magazine – Grants trend.

Gold mineralisation at the Magazine-Grants trend is associated with increased veining and silica-mica-carbonate alteration along two north-south striking sub-parallel shear zones, that are 60-80m apart (Figure 4). The individual mineralised lodes average 5m in thickness, but locally range from 1m to 15m thick and occur over a total strike length of approximate 2.7km.

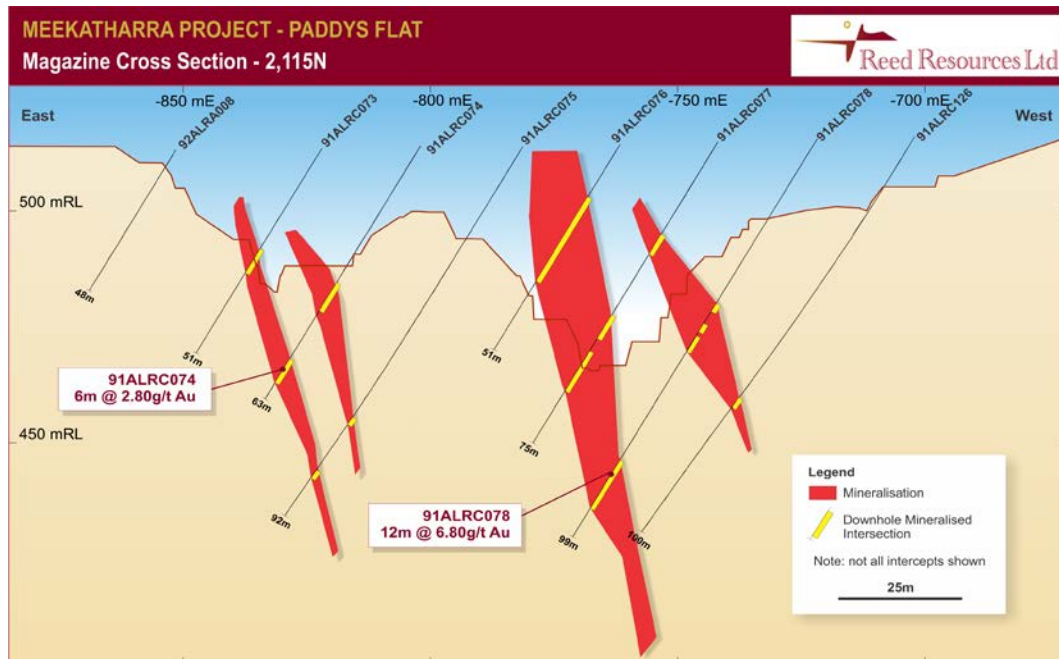


Figure 4. Typical Cross Section through the Magazine-Grants Resource.

The deposit has been modelled by Reed's internal geological team with Snowdens having completed a Mineral Resource estimate using Ordinary Kriging. This has resulted in a total resource of 3,915,000 tonnes @ 1.55 g/t for 194,600 ounces (Table 3.).

Table 3. Magazine-Grants Mineral Resource Estimate.

Resource Classification	Area	Tonnes (kt)	Grade (g/t)*	Total Ounces
Indicated	Grants	642	1.4	28,400
Inferred	Grants	273	1.4	10,800
Sub-Total	Grants	915	1.4	39,200
Indicated	Allons Fischer	1187	1.6	62,300
Inferred	Allons Fischer	875	1.7	48,600
Sub-Total	Allons Fischer	2,062	1.7	110,900
Indicated	Magazine	308	1.5	14,700
Inferred	Magazine	291	1.6	15,100
Sub-Total	Magazine	599	1.5	29,800
Indicated	Magazine South	-		-
Inferred	Magazine South	341	1.3	39,000
Sub-Total	Magazine South	341	1.3	39,000
Total		3,915	1.55	194,600

*Reported at > 0.5g/t Au cut off

Boomerang Deepes

The Boomerang deposit is located 55km south of the Bluebird Mill via the Great Northern Highway. The main host rocks are north-south trending greenstone sequences, including interbedded mafic volcanics and banded iron formations in the hanging wall, and ultramafic units in the footwall.

Gold mineralisation at Boomerang is hosted within brecciated quartz and quartz carbonate veins along with brecciated jaspilitic banded iron formation. They typically strike north-south, and dip at 70-75° to the west, flattening to 40° at depth. Mineralisation varies in thickness from 1 to 5 metres throughout the deposit (see Figure 5.)

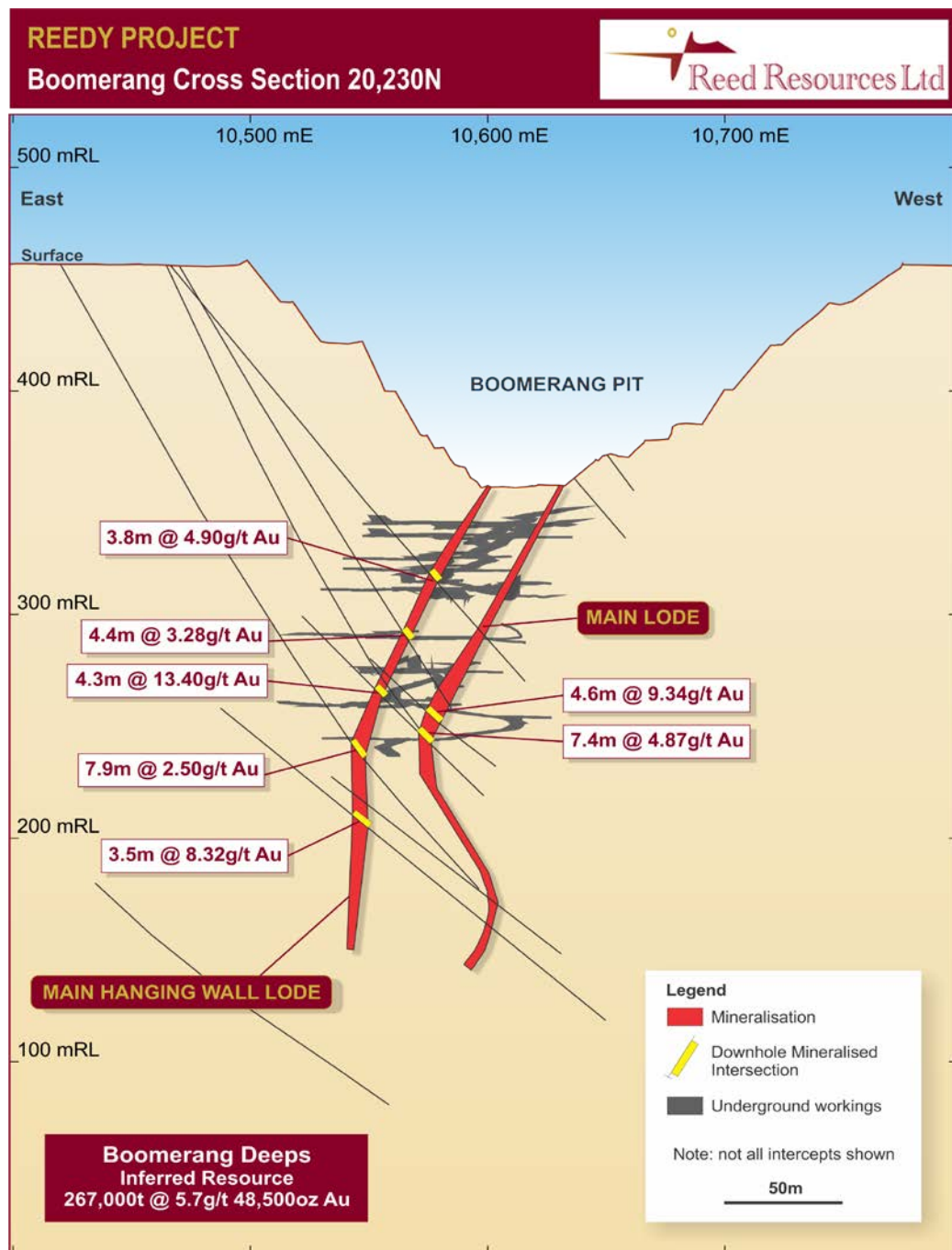


Figure 5. Typical Cross Section through the Boomerang Deepes Resource.

Reed is reporting a resource completed by Gold Mines of Australia in 1996 following underground mining at Boomerang. Reed have re-classified the resource as Inferred due to the historic estimation methods used (Table 4).

Table 4. *Boomerang Deeps Mineral Resource Estimate.*

Resource Classification	Tonnes (kt)	Grade (g/t)*	Total Ounces
Indicated	-	-	-
Inferred	267,000	5.7	48,500
Sub-Total	267,000	5.7	48,500

**Reported at > 2g/t Au cut off*

SUMMARY OF RESOURCES AND RESERVES

Table 5. *Summary of Current Mineral Resources*

Project	Resource Classification	Tonnes	Gold Grade (g/t)	Total Ounces
Meekatharra North	Indicated	1,164,200	1.8	65,700
	Inferred	184,600	1.6	9,300
	Sub-Total	1,348,800	1.7	75,000
Paddy's Flat	Indicated	25,231,700	1.6	1,280,687
	Inferred	13,389,000	1.6	670,034
	Sub-Total	38,620,700	1.6	1,950,722
Yaloginda	Indicated	10,049,000	1.7	563,603
	Inferred	6,291,000	1.7	346,877
	Sub-Total	16,340,000	1.7	910,480
Nannine	Indicated	611,000	1.6	30,900
	Inferred	243,000	1.6	12,700
	Sub-Total	854,000	1.6	43,600
Reedys	Indicated	2,740,000	3.1	276,401
	Inferred	3,955,000	2.7	337,859
	Sub-Total	6,695,000	2.9	614,260
TOTAL	Indicated	39,795,900	1.7	2,217,291
	Inferred	24,062,600	1.8	1,376,770
	TOTAL	63,858,500	1.8	3,594,062

Table 6. *Summary of Current Ore Reserves*

Type	Project	Reserve Classification	Tonnes	Gold Grade (g/t)	Total Ounces
Open Pit	Bluebird	Probable	1,390,000	1.9	86,200
	Prohibition	Probable	1,110,000	2.7	96,000
	Mickey Doolan	Probable	3,312,000	1.1	121,700
	Maid Marion	Probable	192,100	1.4	8,650
	South Junction	Probable	97,000	1.5	4,500
	Surprise	Probable	136,000	3.0	13,000
	Batavia	Probable	200,000	2.4	14,000
	Whangamata	Probable	258,962	1.4	11,900
	GNH	Probable	880,000	1.3	35,600
	Aladdin	Probable	383,700	1.7	21,450
	Jack Ryan	Probable	222,500	3.1	21,800
	Callisto	Probable	72,500	3.1	7,200
	Rand	Probable	100,000	2.4	7,600
	South Emu	Probable	91,100	4.7	13,900
	TOTT	Probable	505,000	1.8	29,400
	Sub-Total	Probable	8,950,862	1.7	492,900
Underground	Prohibition	Probable	1,325,260	2.4	104,100
	Vivian/Consols	Probable	256,500	7.7	63,600
	Fatts/Mudlode	Probable	380,000	4.7	57,200
	South Emu	Probable	249,700	4.3	34,200
	Sub-Total	Probable	2,211,460	3.6	259,100
Meekatharra Package - TOTAL			11,162,322	2.1	752,000

** All Reserves quoted at a gold price of A\$1,300*