

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Reed Resources Ltd

ABN

89 099 116 631

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Approximately 198,556,876 fully paid ordinary shares pursuant to a non-renounceable pro rata entitlement offer ( <b>Entitlement Offer</b> ) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares  |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	<p>Yes – the new shares will rank equally in all respects from the date of allotment with the fully paid ordinary shares in Reed Resources Ltd currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>\$0.20 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Non-renounceable entitlement offer to eligible shareholders. Proceeds of the Entitlement Offer will be used for the development of the Meekatharra Gold Project and for working capital.</p> <p>See section 2.1 of the prospectus lodged with ASX today for further details.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>10 May 2012</p>

---

+ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	After the Entitlement Offer, approximately 463,299,377 (based on the number of shares on issue at the date of this Appendix 3B and the maximum number of shares to be issued under the Entitlement Offer, subject to the effects of rounding)	Fully paid ordinary shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,450,000	Unlisted options at \$0.80 each, expiry 31/12/2013
	1,800,000	Unlisted options at \$0.85 each, expiry 31/12/2012
	1,850,000	Unlisted options at \$1.20 each, expiry 30/06/2013
	4,500,000	Unlisted options at \$0.80 each, expiry 30/06/2012
	3,000,000	Unlisted options at \$1.00 each, expiry 1/07/2013
	4,000,000	Unlisted options at \$1.00 each, expiry 1/07/2012
	500,000	Unlisted options at \$1.00 each, expiry 1/07/2014

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change to existing policy
----	--	------------------------------

**Part 2 - Bonus issue or pro rata issue**

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	3 new shares for every 4 existing shares held on the record date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	5:00pm (Perth time) on 13 April 2012
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number of shares.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	Only shareholders with a registered address in Australia and New Zealand and certain approved shareholders in Switzerland, Singapore and the UK (as described in the prospectus lodged with ASX today) will receive the offer documentation.
19	Closing date for receipt of acceptances or renunciations	2 May 2012
20	Names of any underwriters	Bligh Capital Partners Pty Ltd
21	Amount of any underwriting fee or commission	5% of the proceeds raised under the Entitlement Offer

---

+ See chapter 19 for defined terms.

22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	N/A
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	17 April 2012
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Despatch date	10 May 2012

+ See chapter 19 for defined terms.

--

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

#### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

N/A
-----

39 Class of +securities for which quotation is sought

N/A
-----

---

+ See chapter 19 for defined terms.

<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A
---	-----

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A
---	-----

<p>42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	Number	+Class
	N/A	N/A

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 2 April 2012  
Company Secretary

Print name: Jason Carone

== == == == ==

---

+ See chapter 19 for defined terms.