

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 | 176,134,072 fully paid ordinary shares pursuant to the non-renounceable pro rata entitlement offer announced on 2 April 2012 (Entitlement Offer), comprising the issue of all shares in respect of shareholder acceptances and subscriptions for additional shares, and partial allotment of the shortfall shares in accordance with the underwriting agreement. The remainder of the shortfall shares will be issued after clearance of funds. |
| 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.

<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"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<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 on 2 April 2012 for further details.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>10 May 2012</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1529 995 1570">Number</th> <th data-bbox="995 1529 1287 1570">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1570 995 1796">440,876,573</td> <td data-bbox="995 1570 1287 1796">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	440,876,573	Fully paid ordinary shares
Number	+Class				
440,876,573	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 \$0.784 each, expiry 31/12/2013
		1,800,000	Unlisted options at \$0.834 each, expiry 31/12/2012
		1,850,000	Unlisted options at \$1.184 each, expiry 30/06/2013
		4,500,000	Unlisted options at \$0.784 each, expiry 30/06/2012
		3,000,000	Unlisted options at \$0.984 each, expiry 1/07/2013
		4,000,000	Unlisted options at \$0.984 each, expiry 1/07/2012
		500,000	Unlisted options at \$0.984 each, expiry 1/07/2014
		<i>(option exercise prices have been adjusted in accordance with the option terms as a result of the Entitlement Offer)</i>	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change to existing policy
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+ See chapter 19 for defined terms.

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 on 2 April 2012) received 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
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 +security holders	N/A
25	If the issue is contingent on +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 +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+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

39 Class of +securities for which quotation is sought

<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"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>N/A</p>
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<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>	<p>N/A</p>
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<p>42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	<table border="1"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A
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.

- 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: 10 May 2012
Company Secretary

Print name: Jason Carone

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