



Reed Resources Ltd

ASX: RDR



EGM Presentation – 12 July 2012

Disclaimer

Summary information: This document has been prepared by Reed Resources Ltd (“Reed” or “the Company”) to provide summary information about the Company and its associated entities and their activities current as at the date of this document. The information contained in this document is of general background and does not purport to be complete. It should be read in conjunction with Reed’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not a prospectus: This document is not a prospectus or a product disclosure statement under the *Corporations Act 2001* (Cth) (“Corporations Act”) and has not been lodged with the Australian Securities and Investment Commission. This document does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this document nor anything contained in it shall form the basis of any contract or commitment.

The distribution of this document in jurisdictions outside Australia may be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities law.

Not financial product advice: This document is for information purposes only and is not financial product or investment advice, nor a recommendation to acquire securities in Reed. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Cooling off rights do not apply to an investment in securities in Reed.

Investment risk: An investment in securities in Reed is subject to investment and other known and unknown risks, some of which are beyond the control of Reed. The Company does not guarantee any particular rate of return or the performance of Reed. Investors should have regard to the risk factors outlined in this document.

Forward-looking information: This document includes certain statements, opinions, projections, forecasts and other forward-looking information which, while considered reasonable by Reed, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results included in this document. Recipients of this document are cautioned that forward-looking statements are not guarantees of future performance – they must make their own independent investigations, consideration and evaluation of the opportunity to invest in the Company. By accepting this document, recipients agree that if they proceed further with their investigations, consideration or evaluation of the opportunity to invest in the Company, they will make and rely solely upon their own investigations and enquiries and will not in any way rely upon this document.

Any statements, opinions, projections, forecasts and other forward-looking information contained in this document do not constitute any commitments, representations or warranties by Reed and its associated entities, directors, agents and employees, including any undertaking to update any such information. Except as required by law, and only to the extent so required, directors, agents and employees of Reed shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of, or in connection with, the information contained in this document.

Financial data: All figures in this document are in Australian dollars (AUD) unless stated otherwise.

Competent person's statement

Unless otherwise indicated, mineral exploration, resource and reserve estimates contained in this document have been prepared in accordance with the 2004 edition of the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code").

The information in this document that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Craig Fawcett (MAIMM), a full time employee of Reed. Mr Fawcett has sufficient experience 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 JORC Code. Mr Fawcett consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

1

Investment Highlights

2

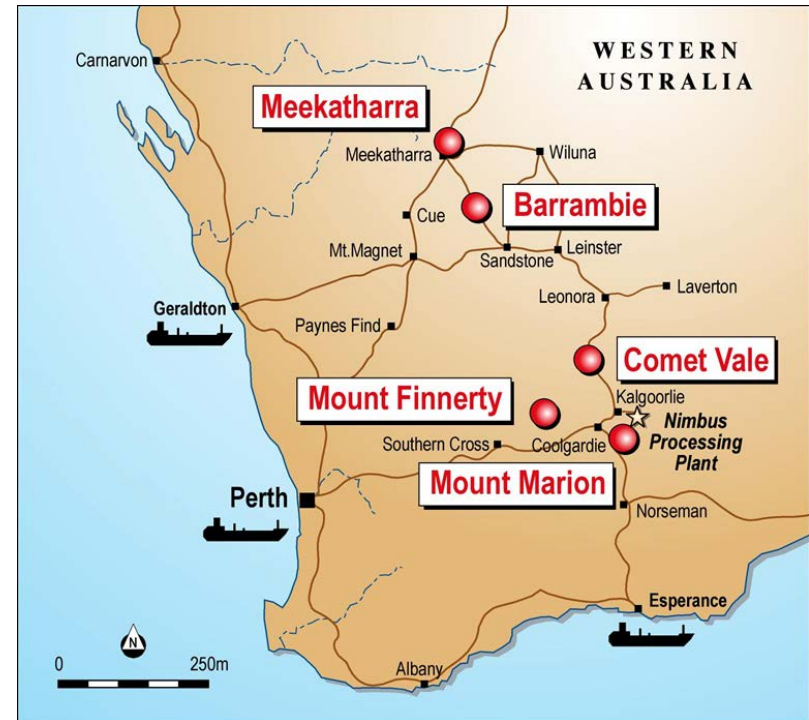
Meekatharra Gold Project

3

Advanced Minerals

4

Conclusion





Reed 100% focussed on bringing MGP into production



~3.6 Moz resources and 752 Koz reserves



Low technical risk, multiple open-pit only mine plan



Targeting production in DecQ 2012



Significant discount to peers



Retains strategic advanced minerals projects

1

Investment Highlights

2

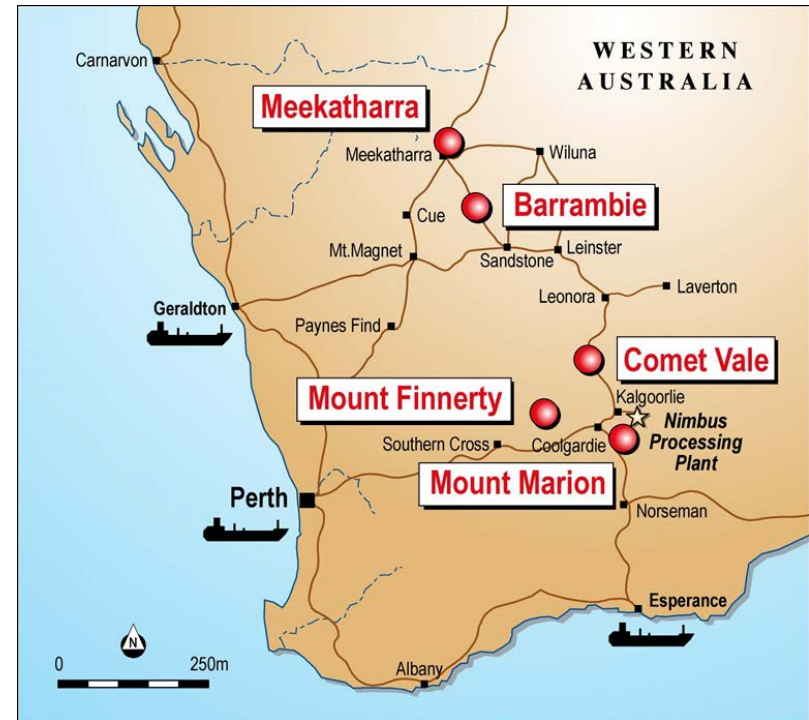
Meekatharra Gold Project

3

Advanced Minerals

4

Conclusion



Project

- **3.6Moz resource** in historic green stone belt with **past production of 4.5Moz** →
- Purchased at **\$11/oz resource** including plant and facilities (**replacement +\$100M**)

Timing

- BFS Completion ~ **Feb 2012**
- Commence mining ~ **Sep 2012**
- Commence commissioning ~ **Nov 2012**

Strategy

STAGE 1: Low risk start-up

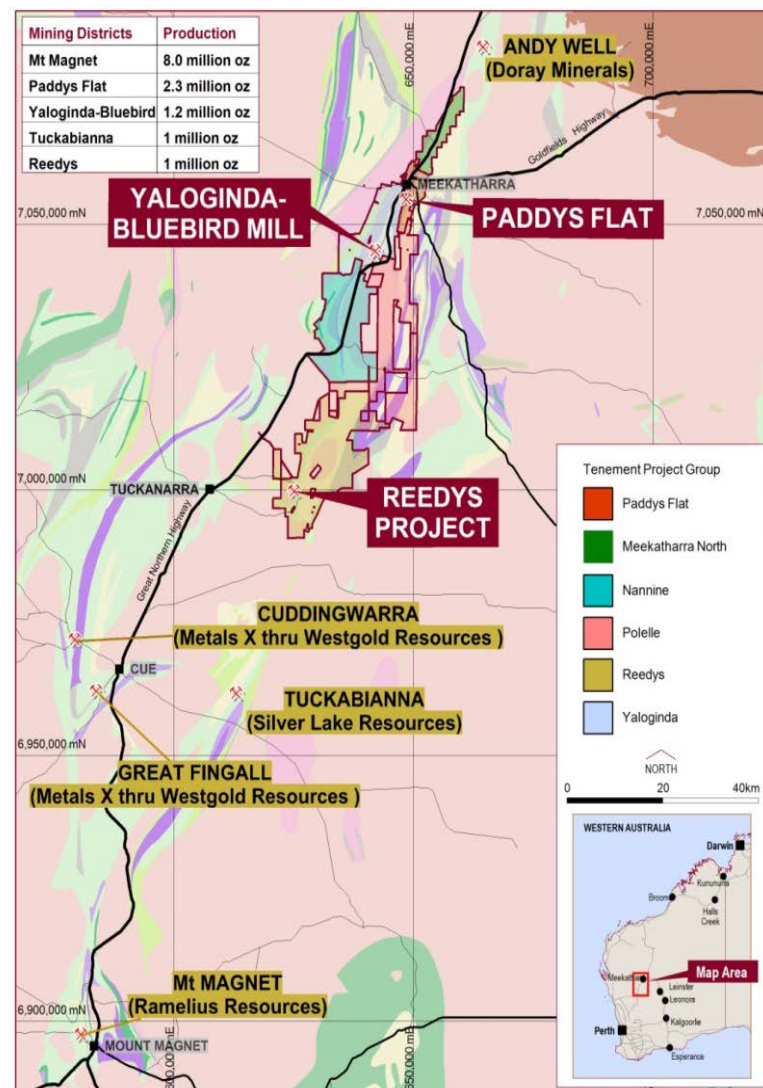
- Steady state production ~**100,000oz p.a.**
- Initial 2 year mine life from **open pits only**

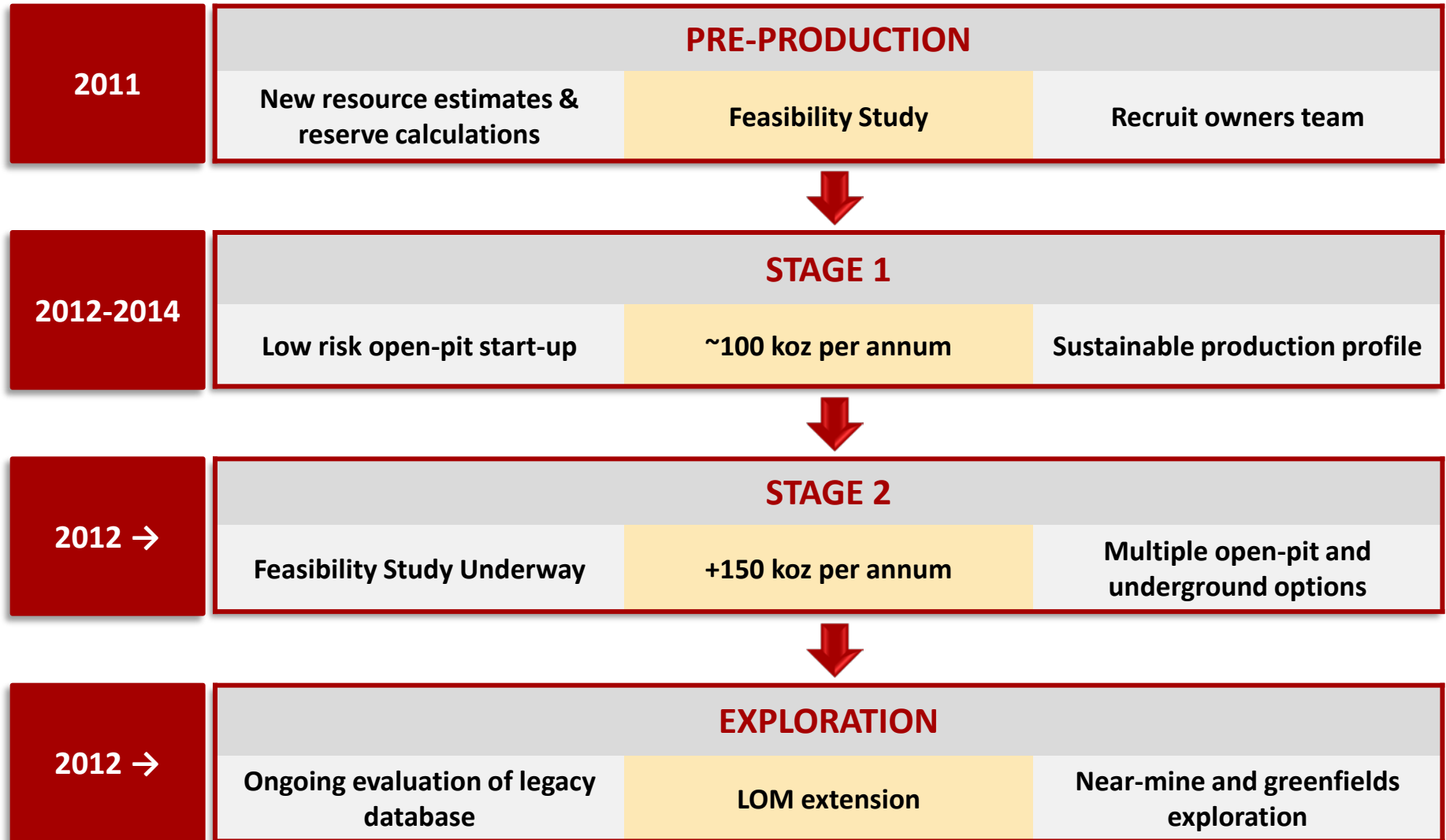
STAGE 2: Increase production profile

- Target **+150,000oz p.a.**
- Multiple open pit & underground options

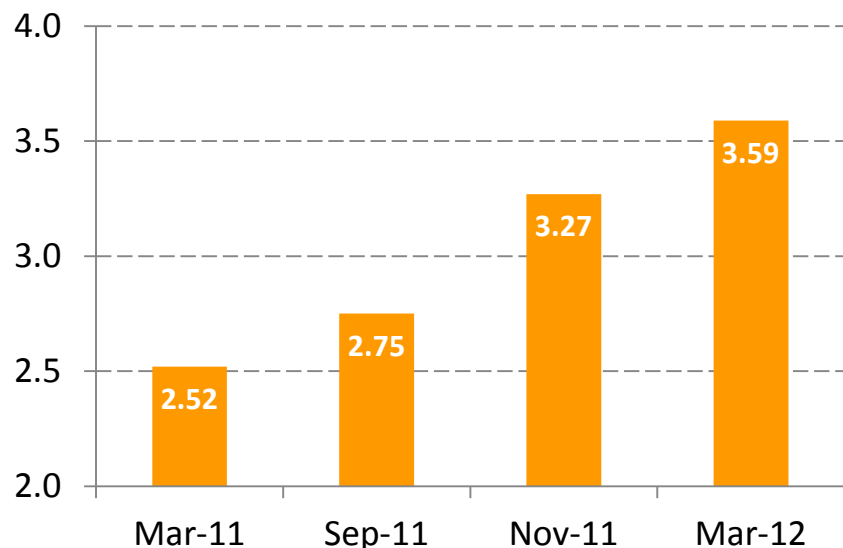
Funding

- Completed A\$40m rights issue
- Equity fund to commissioning ~\$35m
- Debt facility commitment received from Barclays for \$23 million subject to CP's

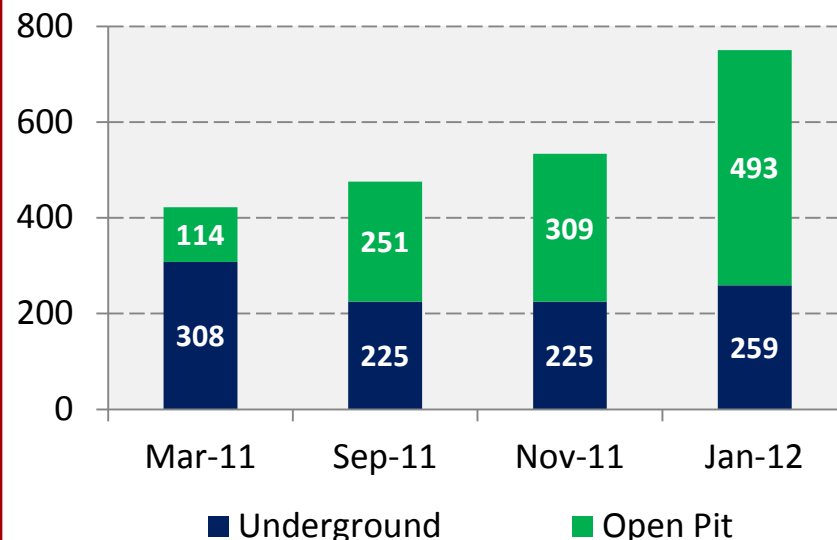




Resource (Moz)



Reserves (koz)



32% increase in resource base since project acquisition – **now at 3.6 Moz**



Strong upside given limited exploration on majority of Reed's **1000km² tenement area**



Minimum **\$4M p.a. exploration budget** committed to further proving up MGP



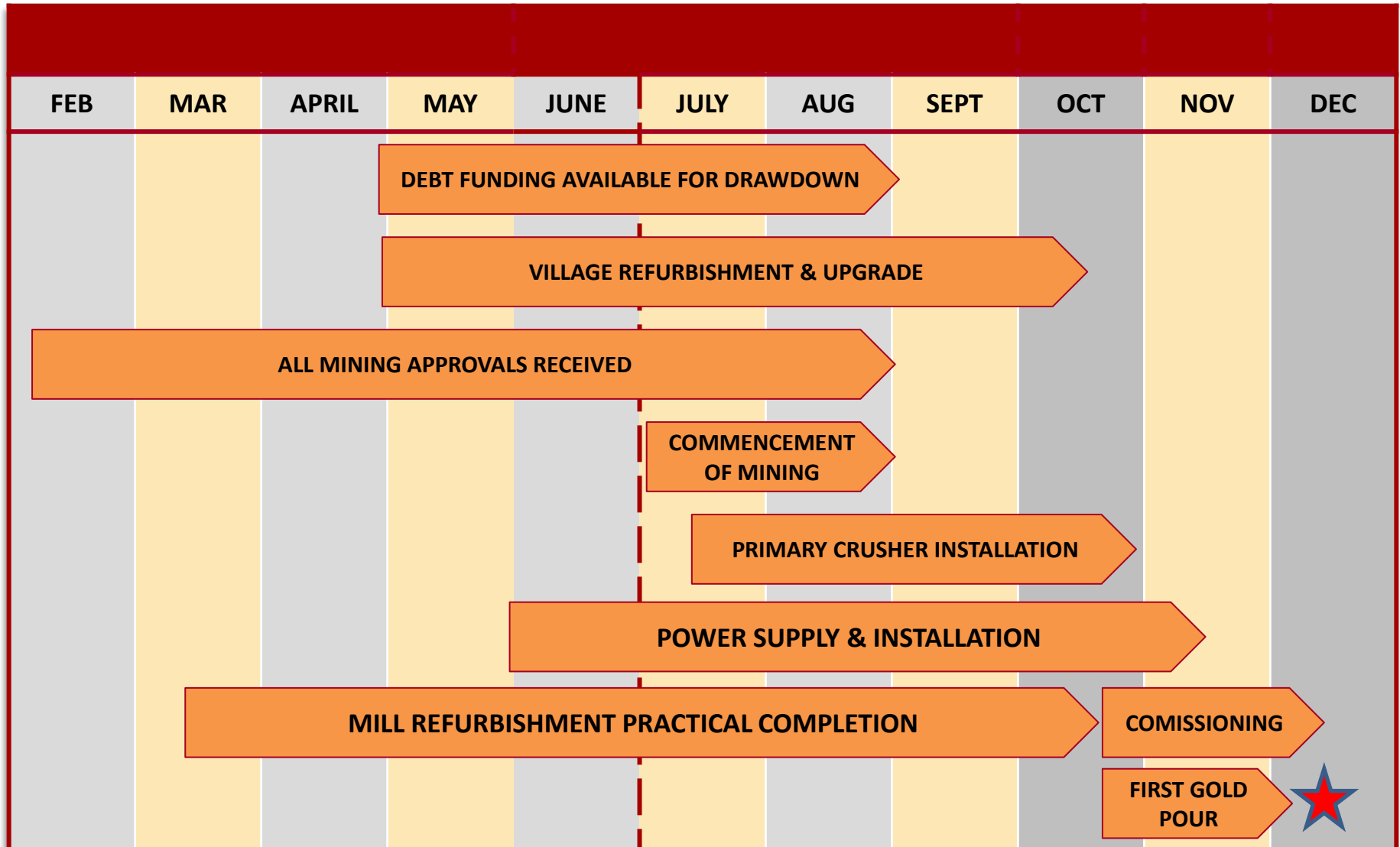
Total reserves (including underground) now at **752,000oz** – **majority in open pits**



331% increase in open pit reserves since project acquisition



Includes **two 1 million tonne open pits**



Plant

3Mtpa (Oxide) CIL Circuit

- On care and maintenance since Oct 2008
- New Metso 'heavy duty' jaw crusher on site
- Refurbishing existing milling/leach circuit in-house
- Crusher installation contract award imminent



Camp

184 man camp

- New dining facility to be built
- Refurbishment of existing accommodation
- 80 additional rooms to be installed
- Awarded to APB



Power

Milling plant power supply

- Contract BOO model
- Diesel powered at estimated \$0.30/kWh
- Contract award imminent

Inputs - Operations

Construction capex (\$m)	24
Timing – con / min / mill (months)	8 / 21 / 19
Total ore mined (Mt)	2.3
Total ore milled (Mt)	2.4
Recovery rate (%)	94.0
Recovered grade (g/t)	1.77
Fixed opex (\$m p.a.)	30.8
Av. mining costs (inc. waste & prelims) (\$/bcm)	9.33
Variable milling costs (\$/t)	11.69
Royalty (%)	4.5

Inputs - Financial

Gold price (floor) (\$/oz)	1,520
FX (AUDUSD) (average)	1:1
Debt (\$m)	20.0
Cost of debt (base rate + margin) (% p.a.)	7.0
Equity (\$m)	40.0

Outputs - Operations

Total gold recovered (koz)	134
Total revenue @ A\$1,520 (\$m)	205
Total expenses (\$m)	155
→ C1 cash costs (\$/oz)	1,076
CFADS (\$m)	66
Principal (\$m)	20.0
Interest (\$m)	1.5
Cashflow available for equity (\$m)	45

Funding

Capex	-24.1
Owners Costs incl mining	-11.4
Equity Contribution (\$m)	35.4
Working Capital	-8.0
Revolving Credit Facility (\$m)	20.0

Head Grade

- Low nugget ore bodies
- Geologically understood
- Estimated by Snowdens
- Historical reconciliations
- Substantial mining database

Mining and Milling Costs

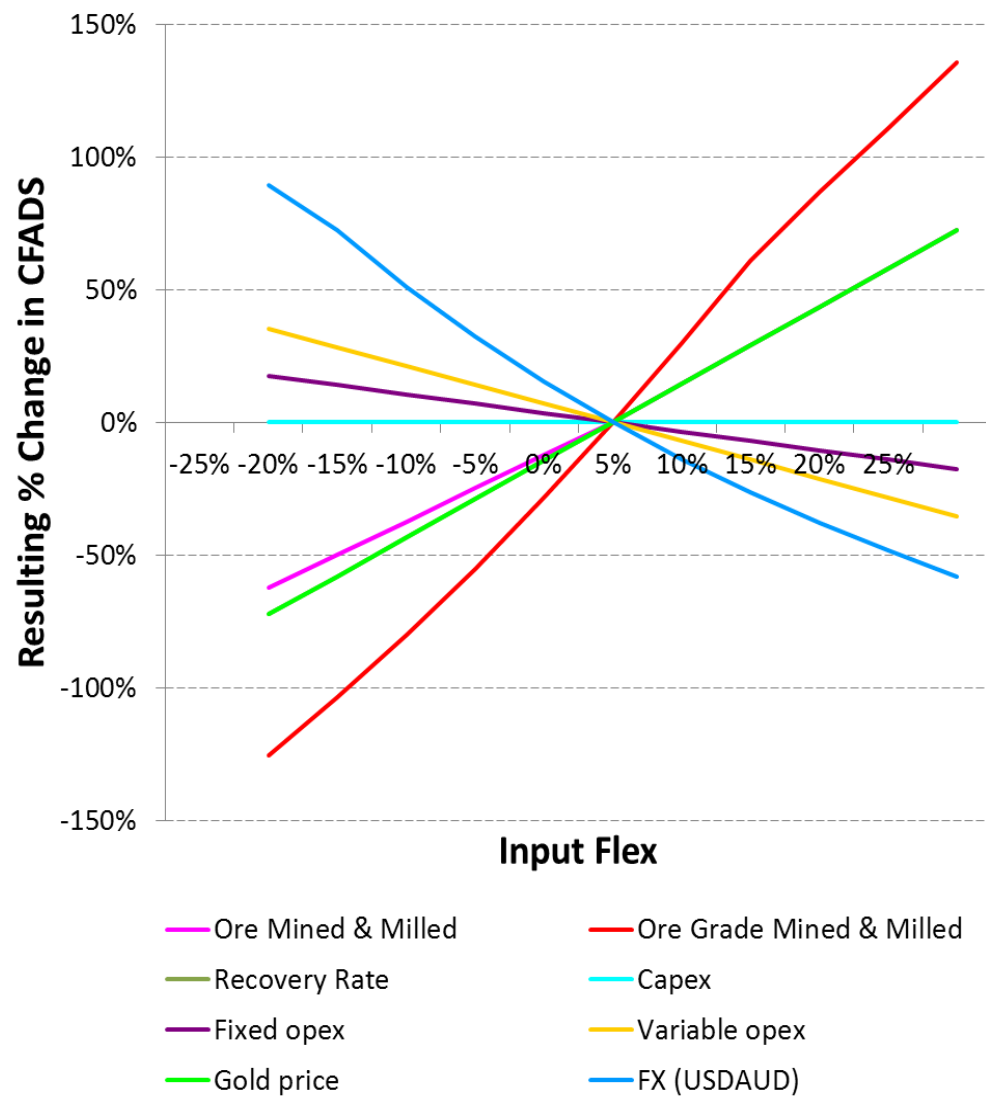
- Historical production
- Traditional milling circuit
- BFS prices = mining tender
- Contract – preferred status

Ore Mined and Milled

- Mill centrally located
- Historical rate of 3Mtpa oxide
- Mill optimised for ore type
- Low technical risk

Gold Price

- Participating Forward preferred structure
- Early hedge – 70k A\$1560 puts
- +A\$1,500/oz floor price achievable



Bluebird

- 1.39 Mt @ 1.9g/t
- 86,200 ounces
- 8:1 SR
- < 1km to the Bluebird processing plant

Batavia

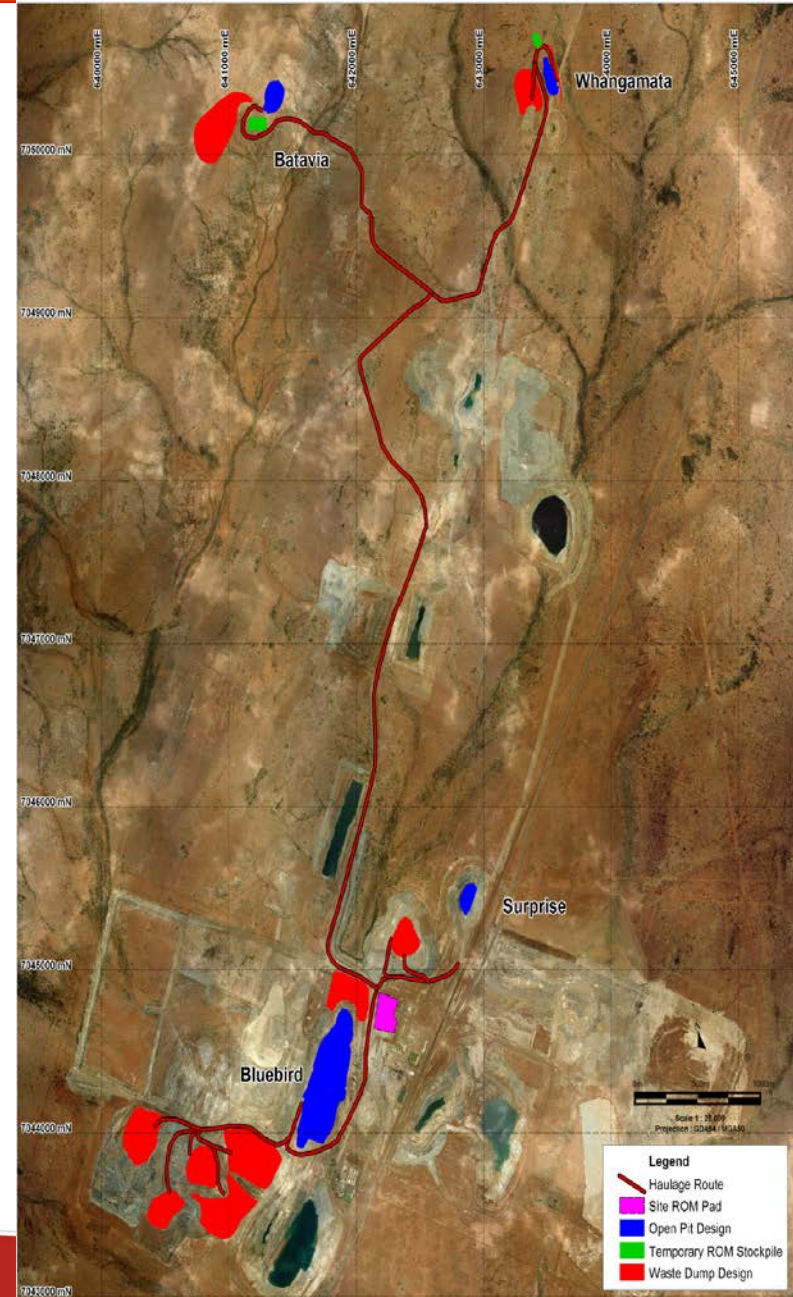
- 200 kt @ 2.4g/t
- 14,000 ounces
- 11:1 SR
- 6.5km to the Bluebird processing plant

Whangamata

- 259 kt @ 1.4g/t
- 11,900 ounces
- 7:1 SR
- 6km to the Bluebird processing plant

Surprise

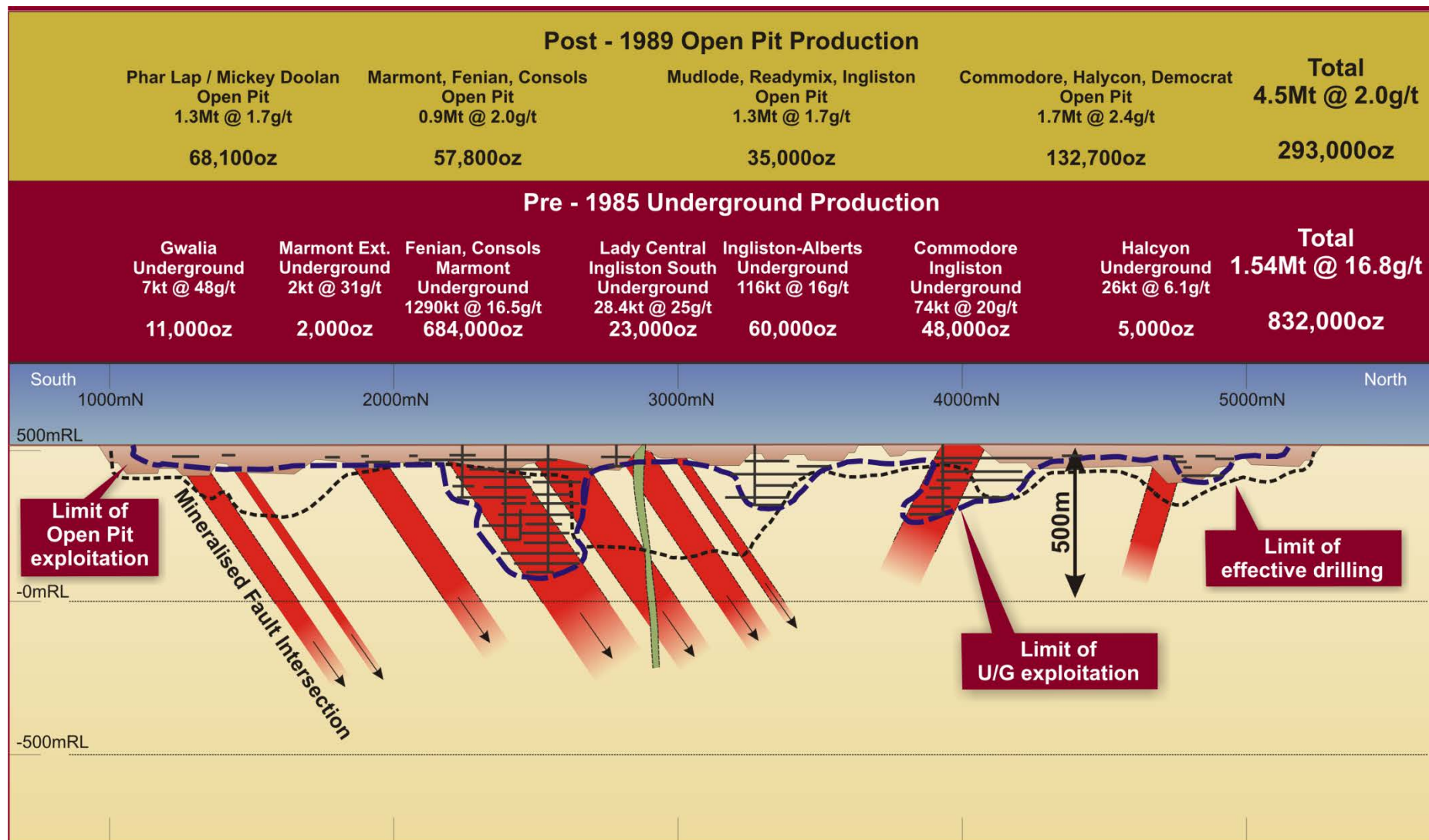
- 136 kt @ 3.0g/t
- 13,000 ounces
- 2:1 SR
- 1km to the Bluebird processing plant



	Reserve Location ¹	Tonnage (kt)	Grade (g/t)	Contained Gold ₂ (oz)	Recovery (%)	Strip Ratio	Mining & Milling (\$/oz)
Stage 1	Bluebird	1,390	1.9	86,200	94	8:1	878
	Batavia	200	2.4	14,000	95	11:1	736
	Whangamata	259	1.4	11,900	90	7:1	1007
	Surprise	136	3.0	13,000	94	2:1	375
	GNH	880	1.3	35,600	94	2:1	974
	Sth Junction	97	1.5	4,500	93	7:1	938
Stage 2	Prohibition	1,110	2.7	96,000	90	21:1	1084
	Mickey Doolan	3,312	1.1	121,700	88	3:1	1129
	Aladdin	384	1.7	21,500	94	5:1	850
	Maid Marion	192	1.4	8,700	94	5:1	996
	TOTT	505	1.8	29,400	96	7.5:1	910
	Jack Ryan	222.5	3.1	21,800	96	19:1	1086
	Callisto	72.5	3.1	7,200	96	14:1	811
	Rand	100	2.4	7,600	96	14:1	939
	South Emu	91.1	4.7	13,800	92	25:1	839
	Total	8,951	1.7	492,900	92	7.5:1	984

¹ Reserves correct as of 31 January 2012

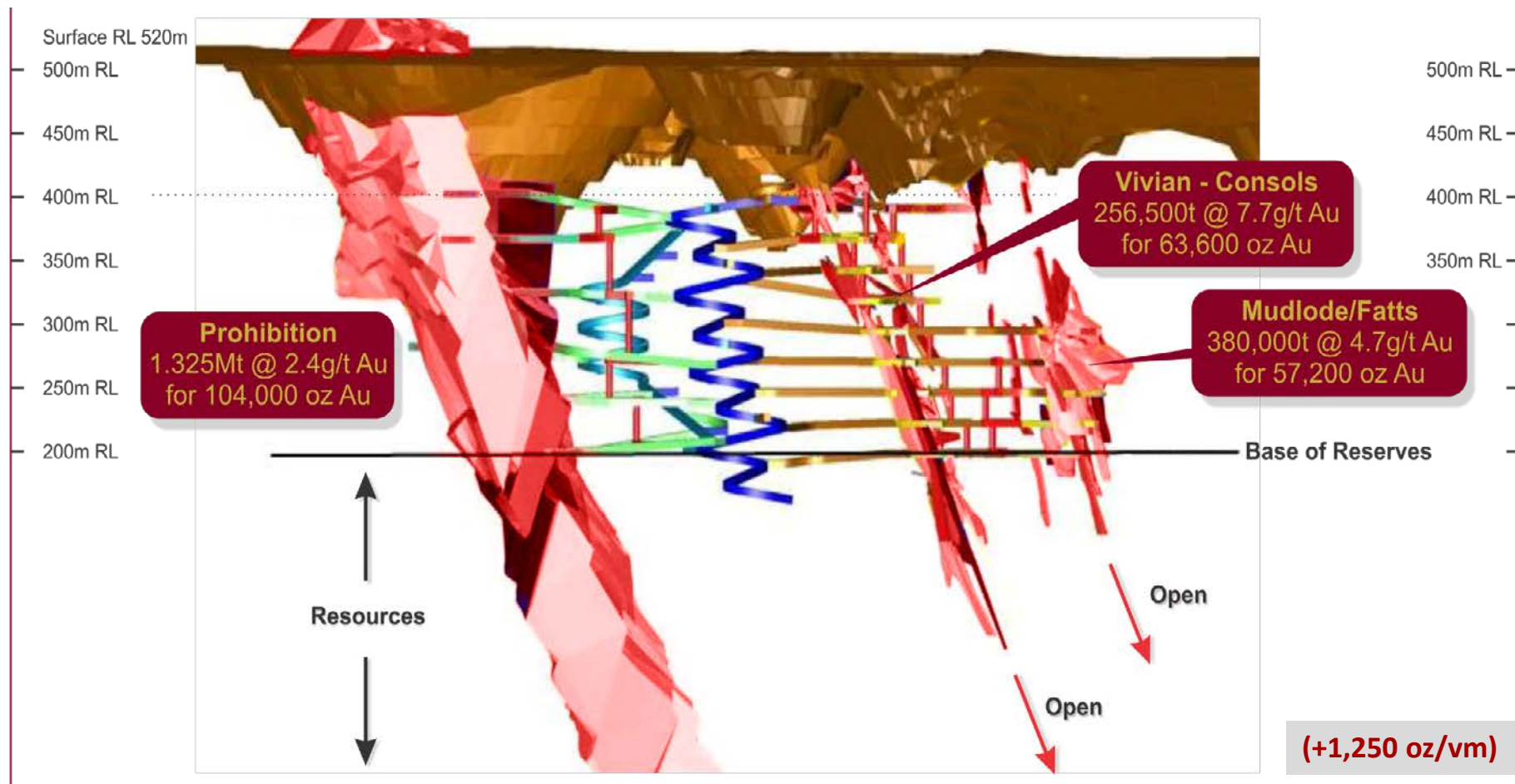
² One Troy ounce equal to 31.10348 grams

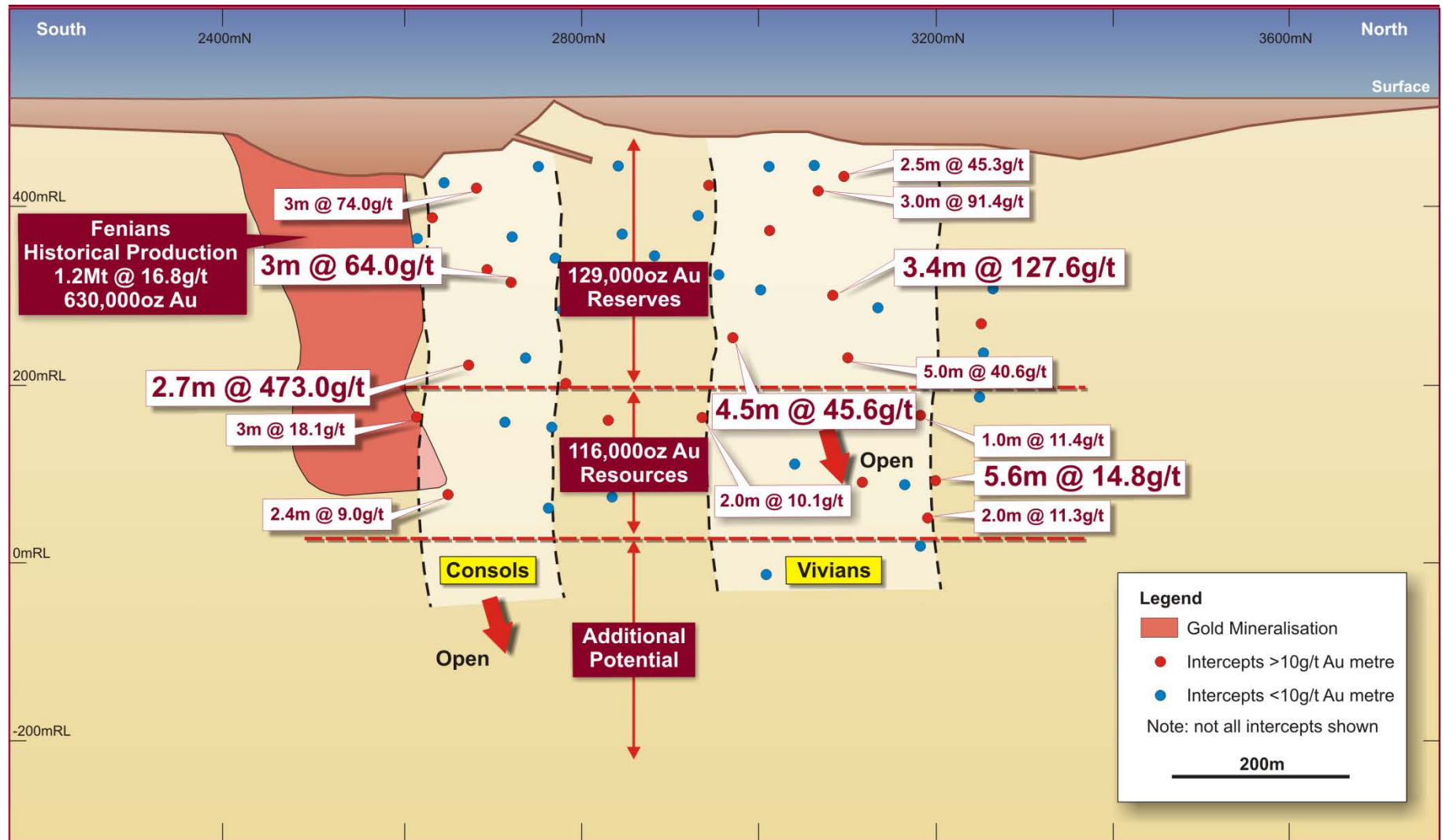




PADDYS FLAT UNDERGROUND

Probable Reserve 2Mt @ 3.6g/t Au for 225,000oz





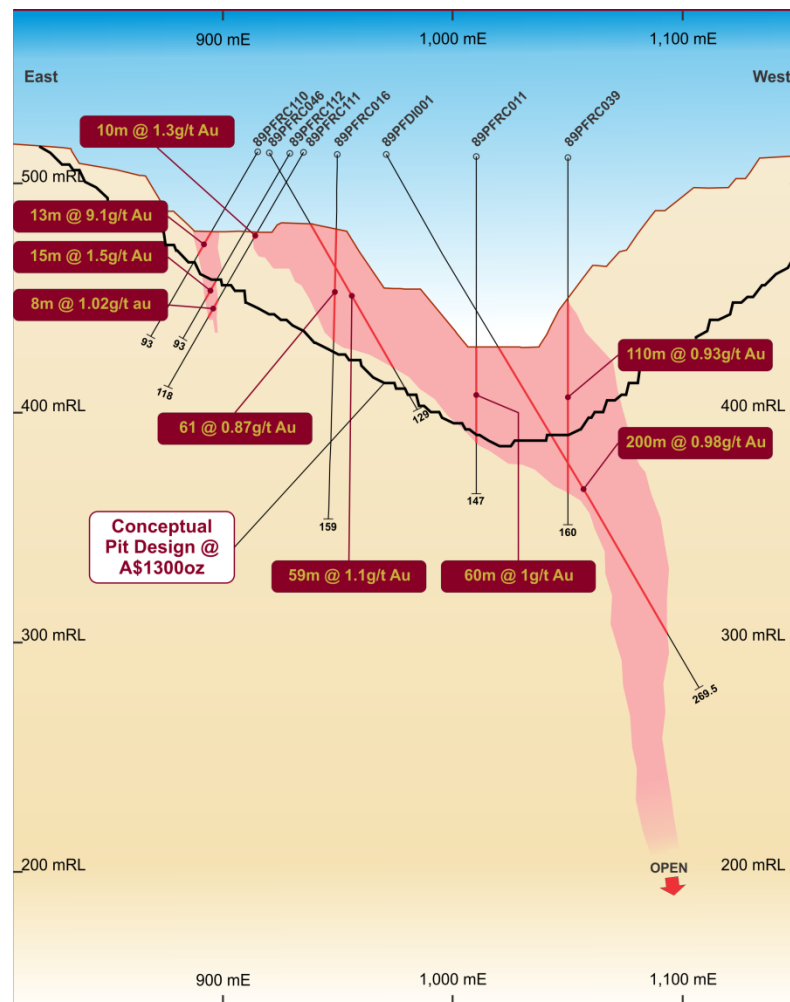
MEEKATHARRA SUPER PIT

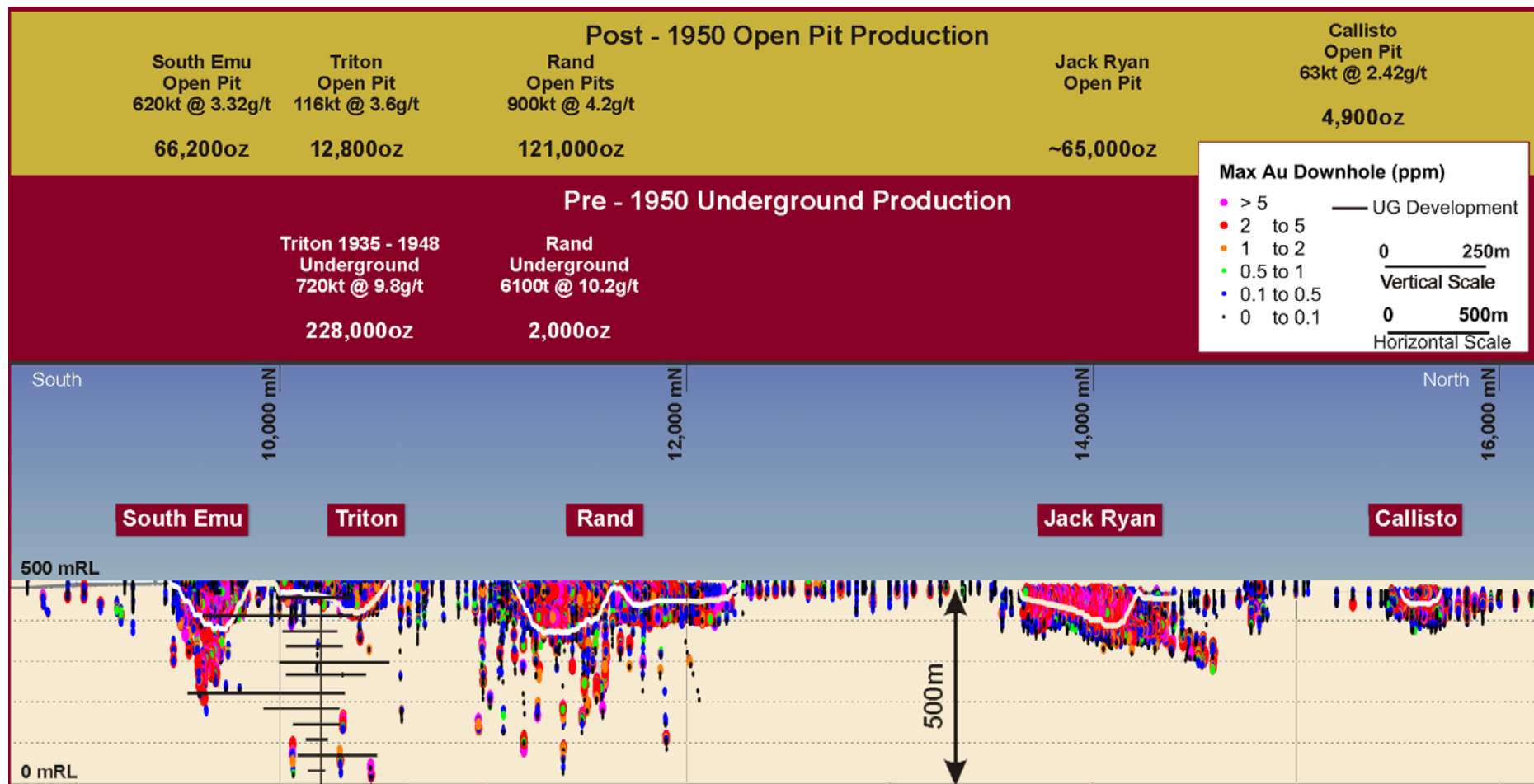
Resource 35.3Mt @ 1.6g/t Au for 1,763,000 oz

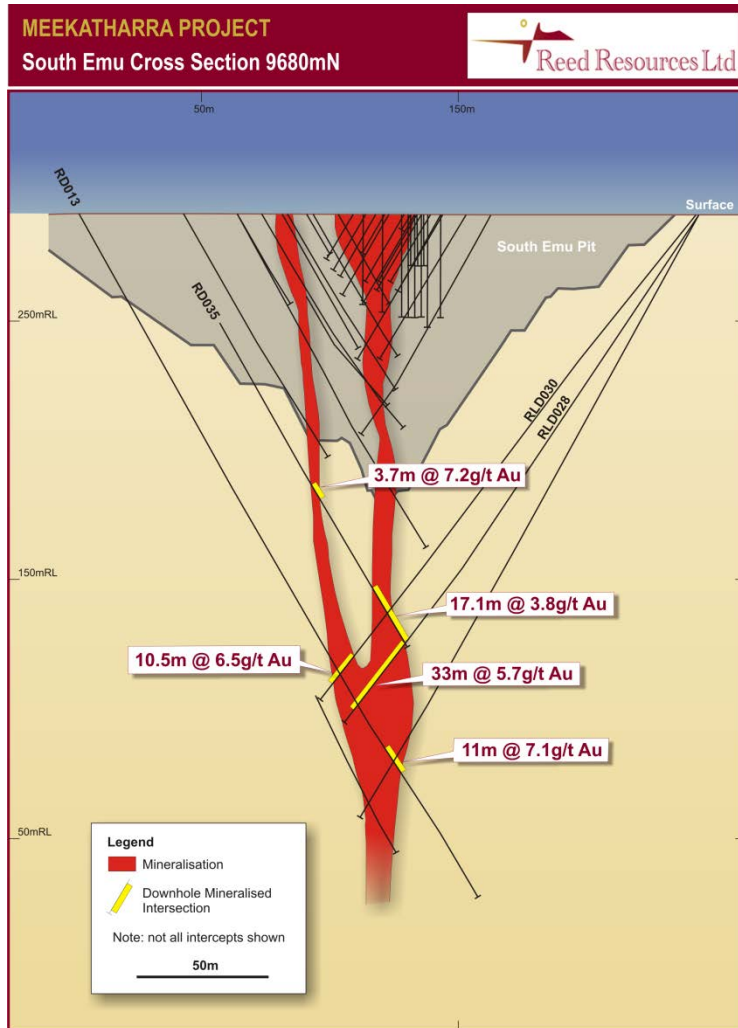


MICKY DOOLAN CUTBACK

Probable Reserve 3.3Mt @ 1.1g/t Au for 121,700oz

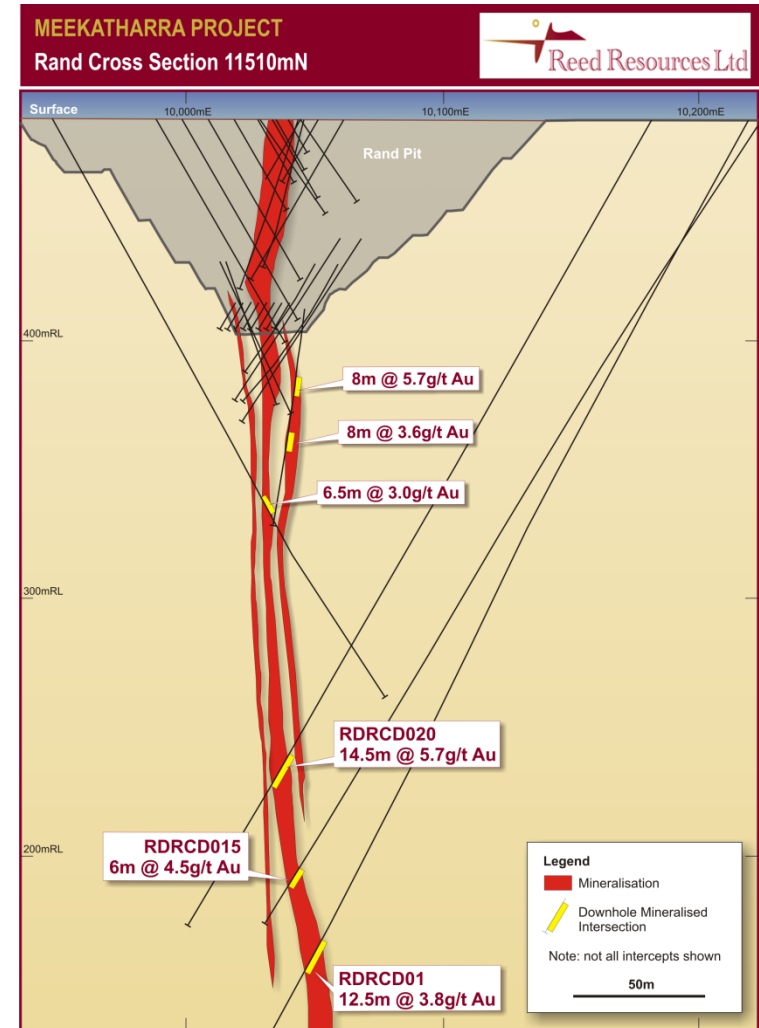






CONTINUITY

- ☑ Structure
- ☑ Geology
- ☑ Grade
- ☑ Depth



Immediate Opportunity



Brown field, near mill exploration to add short-term ounces



Resource evaluation and modelling of historic prospects



Possible extensions of existing resources using limited along strike drilling



Initial \$4M p.a. exploration budget

Longer-Term Potential



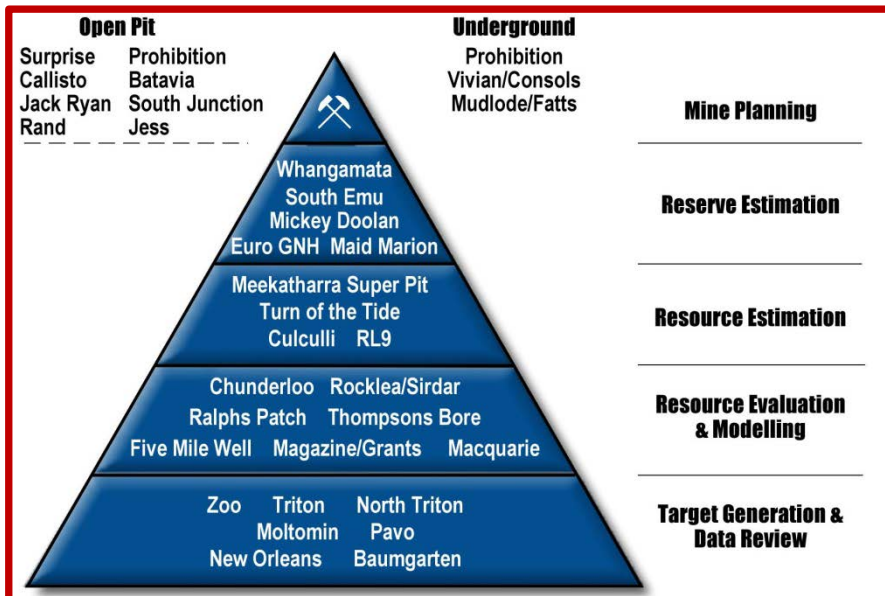
Reed holds a **110km long continuous land package** over highly prospective greenstone



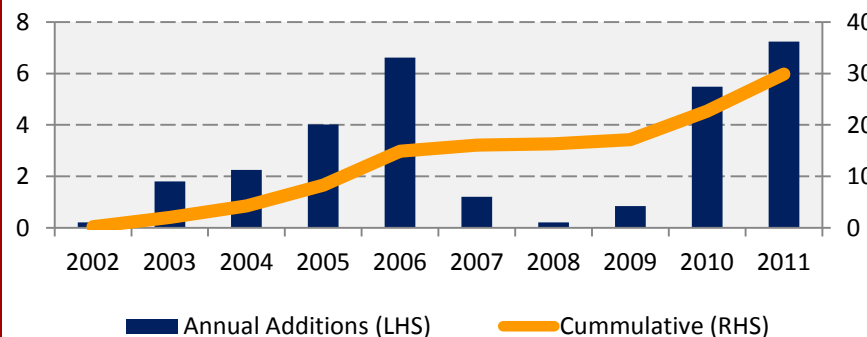
Extensive exploration over rich historic mining centres, **limited exploration elsewhere**



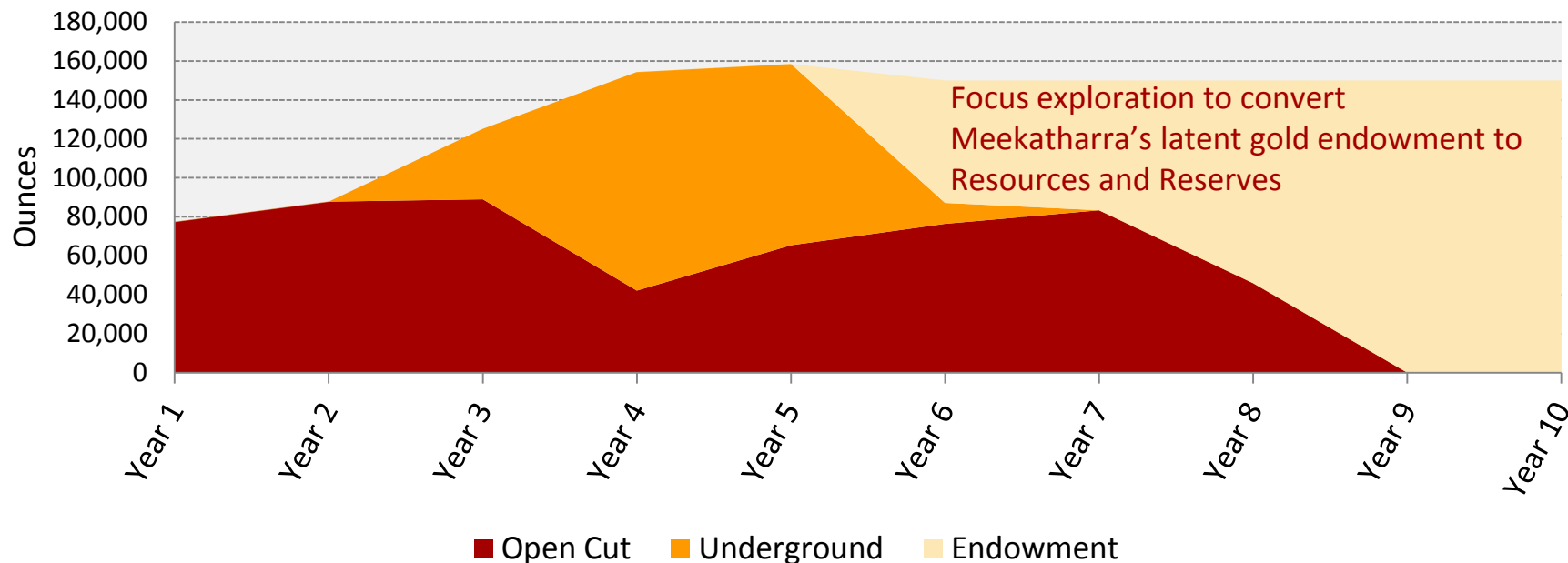
Reed's **1000km² tenement area largely unexplored**



Resources (Moz) Released Per Year in Meekatharra Mount Magnet Greenstone Belt



Life of Mine Annual Production



Stage 1 - executing 134,000oz – Baseload Open pit - Yaloginda

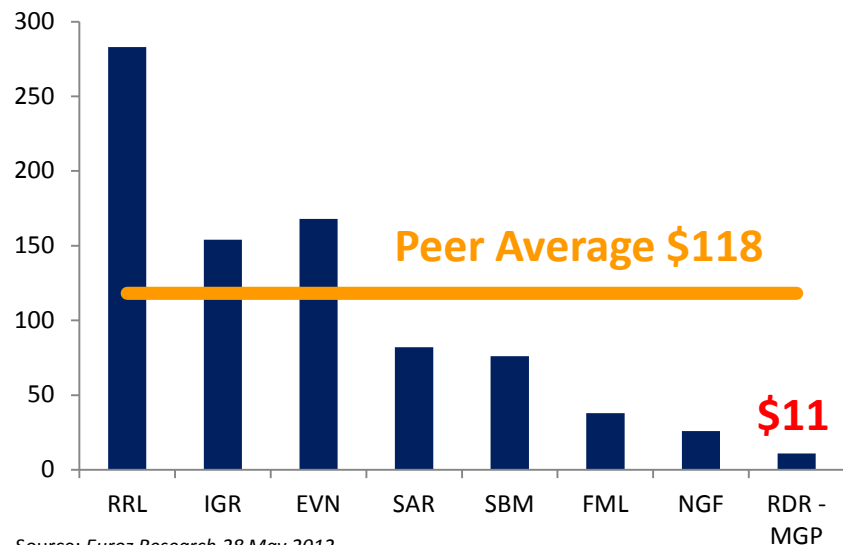


Stage 2 - planning 618,000oz – Baseload Open Pit + Underground – Paddy's Flat + Reedys

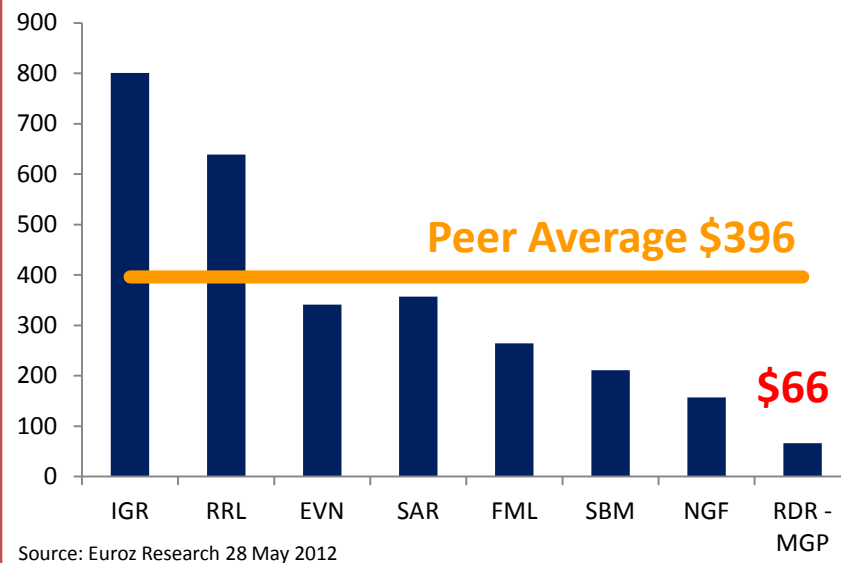


Stage 3 – grow 2.8 Moz inventory through disciplined exploration and evaluation

\$EV/Resource Oz



\$EV/Reserve Oz



WA producers av. trading multiple **\$118/oz**



MGP acquisition price only **\$11/oz resource**



WA producers av. trading multiple **\$396/oz**



MGP acquisition price only **\$66/oz reserve**

1

Investment Highlights

2

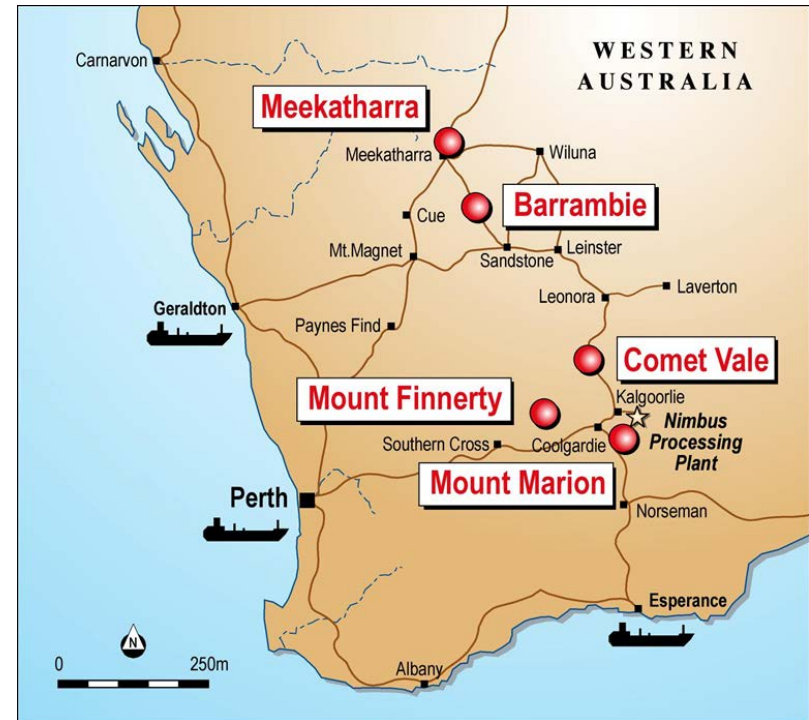
Meekatharra Gold Project

3

Advanced Minerals

4

Conclusion



Ownership & Operating Structure



70% RDR & Mineral Resources (“MIN”) earning 30%



No financial leakage with MIN funding sunk costs



No upfront capital expenditure with MIN operating from mine to port

Work Streams & Catalysts



Lithium Carbonate prices are firm whilst spodumene prices are subdued



Significant change in dynamics Demand/Supply e.g. Talison expansion 400kt to 780kt



Stronger spodumene/mica price required



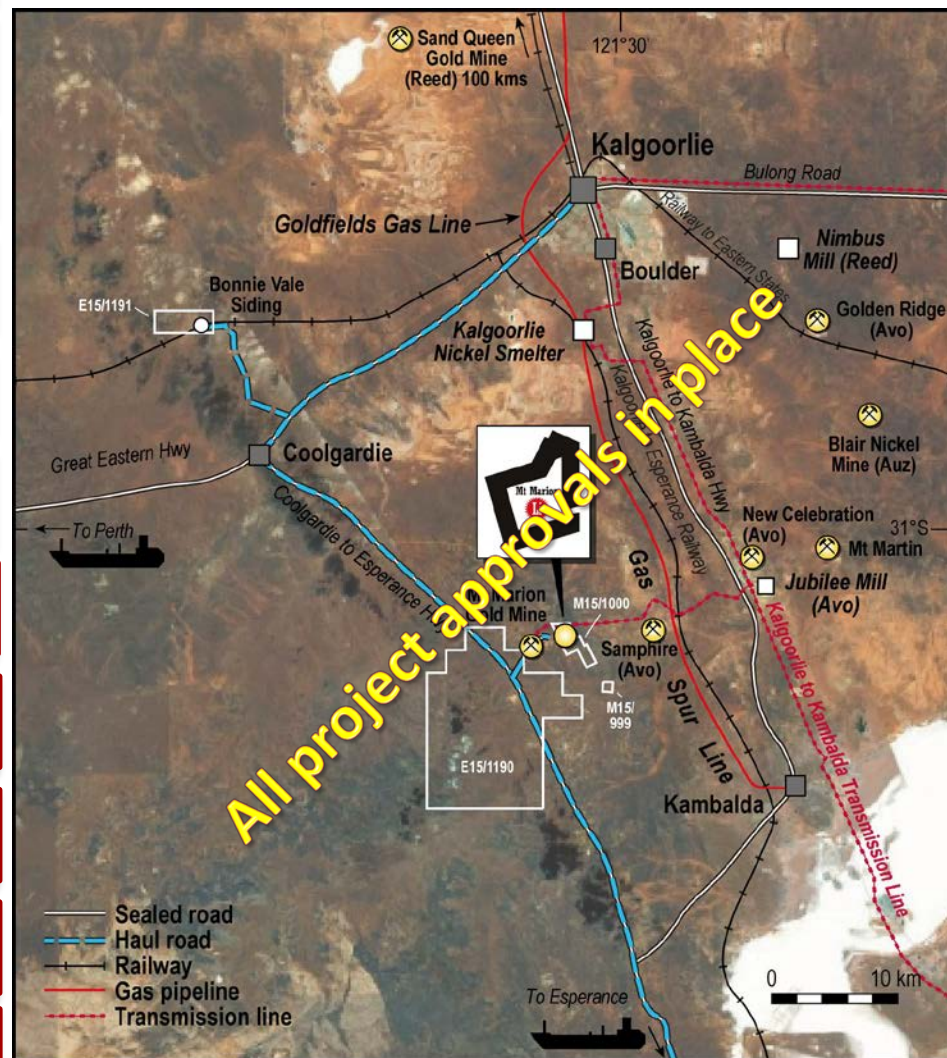
Down - streaming into lithium battery feed-stocks



Partial sale or JV with lithium carbonate producer/end user



IPO/RTO as integrated lithium developer



Vanadium



100% RDR & Australia's highest grade vanadium Reserve



Ferro-vanadium DFS completed 2007-09



Short- medium term outlook subdued – significant Ferro-niobium substitution

Titanium



One of the worlds highest grade deposits



DFS metallurgical test work produced +40% TiO_2 concentrate in 50% mass



Testing has commenced adopting proprietary hydromet' process



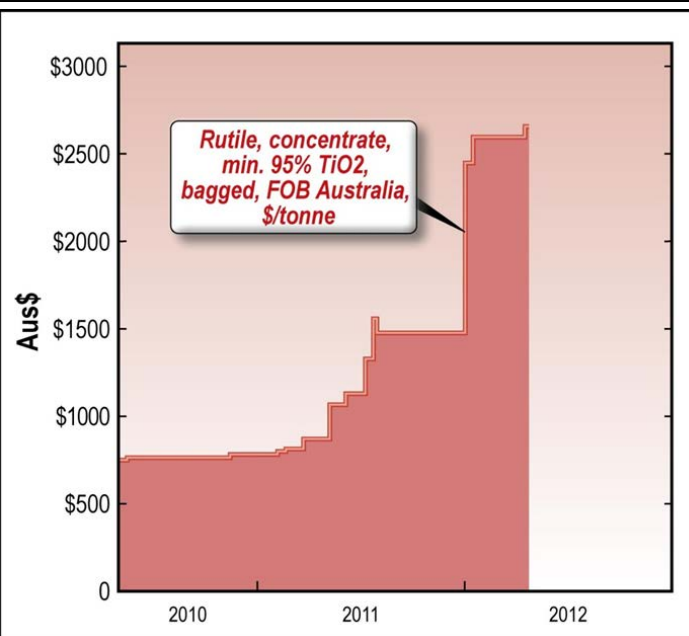
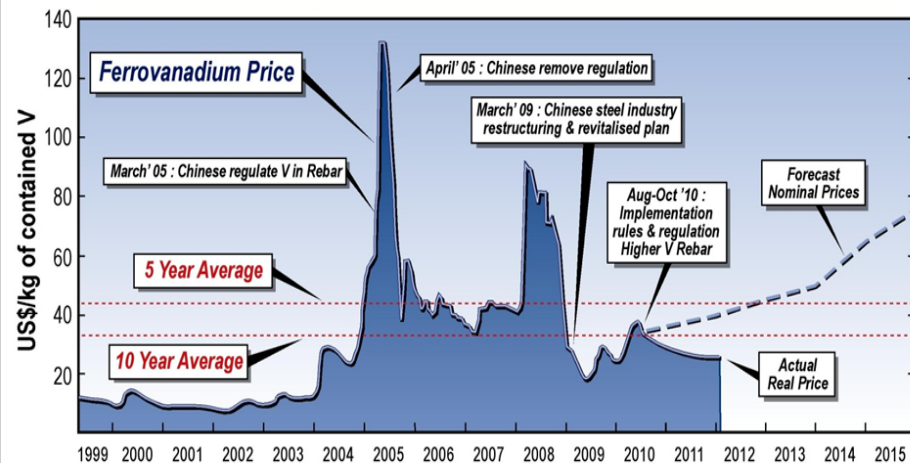
Targeting high grade Synthetic Rutile (+95% TiO_2) with opex below mineral sands producers



Establish the business case



Evaluate value equation and funding options



1

Investment Highlights

2

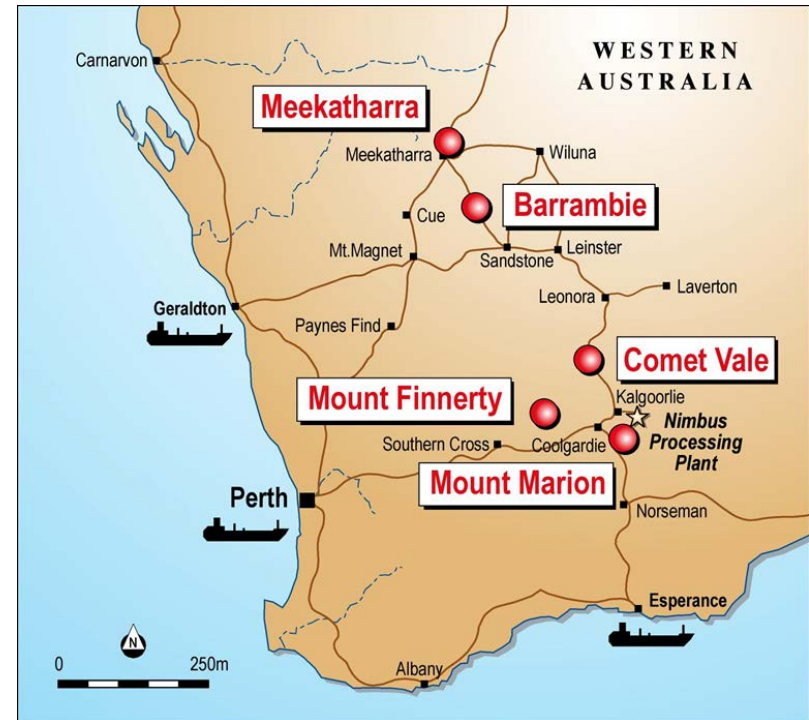
Meekatharra Gold Project

3

Advanced Minerals

4

Conclusion





Reed 100% focussed on bringing MGP into production



~3.6 Moz resources and 752 Koz reserves



Low technical risk, multiple open-pit only mine plan



Targeting production in DecQ 2012



Significant discount to peers



Retains strategic advanced minerals projects



For further information on Reed Resources, please contact:

Luke Tonkin

Reed Resources Ltd

T: +61 89322 1182

E: enquiries@reedresources.com

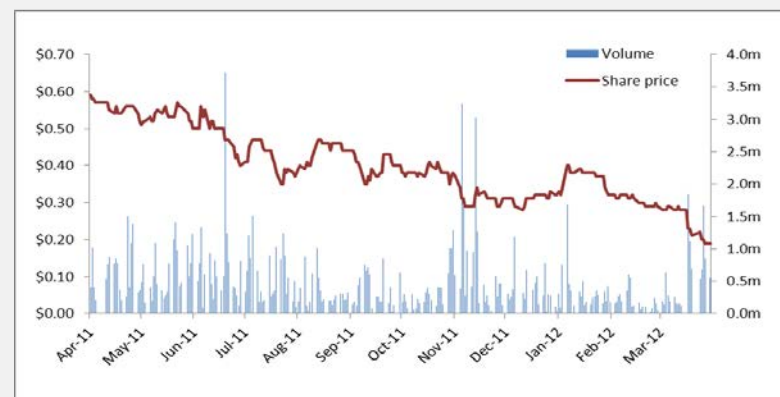


Appendices

ASX CODE: RDR

Last close (11-July-12)	\$	0.195
Shares on issue	m	462.7
Market capitalisation	\$m	90

12 MONTH SHARE PRICE



DIRECTORS

David Reed	Chairman
Luke Tonkin	Managing Director & CEO
Chris Reed	Executive Director
Steven Cole	Deputy Chairman
Dr Vanessa Guthrie	Non Executive Director
Dr Peter Collins	Non Executive Director

MAJOR SHAREHOLDERS

M&G / Vanguard	14.5%
David Reed	6%
AMP	6%
Top 20 (10 July 12)	54.25%

Appendix 1: Reserve & Resource

Deposit	Resource Category	Tonnage (Mt)	Au (g/t)	Au (koz)
Meek. North	Indicated	1.2	1.8	65.7
	Inferred	0.2	1.6	9.3
Paddys Flat	Indicated	25.2	1.6	1,280.7
	Inferred	13.4	1.6	670.0
Yaloginda	Indicated	10.0	1.7	563.6
	Inferred	6.3	1.7	346.9
Nannine	Indicated	0.6	1.6	30.9
	Inferred	0.2	1.6	12.7
Reedys	Indicated	2.7	3.1	276.4
	Inferred	4.0	2.7	337.9
Total		63.9	1.8	3,594.1

Deposit	Reserve Category	Tonnage (Mt)	Au (g/t)	Au (koz)
Bluebird	Probable	1.4	1.9	86.0
South Junct.	Probable	0.1	1.5	4.5
Prohibition	Probable	1.1	2.7	96.0
Surprise	Probable	0.1	3.0	13.0
Batavia	Probable	0.2	2.4	14.0
Whangamata	Probable	0.3	1.4	11.9
GNH	Probable	0.9	1.3	35.6
Jack Ryan	Probable	0.2	3.1	21.8
Callisto	Probable	0.1	3.1	7.2
Rand	Probable	0.1	2.4	7.6
Mickey Doolan	Probable	3.3	1.1	121.7
Maid Marion	Probable	0.2	1.4	8.7
Aladdin	Probable	0.4	1.7	21.5
South Emu	Probable	0.1	4.7	13.9
TOTT	Probable	0.5	1.8	29.4
Sub Total (O/Pit)	Probable	8.9	1.7	492.9
Prohibition	Probable	1.3	2.4	104.1
Vivian/Cons.	Probable	0.3	7.7	63.6
Fatts/Mud.	Probable	0.4	4.7	57.2
South Emu	Probable	0.2	4.3	34.2
Sub Total (U/G)	Probable	2.2	3.6	259.1
Total	Probable	11.2	2.1	752.0

1. Resources and reserves comply with the Australian JORC Code reporting guidelines
2. Resources are inclusive of reserves

Mt Marion	Category	Tonnes (Mt)	Li ₂ O (%)	Li ₂ O (kt)
1, 2, 2W, 4,5,6	Measured	2.0	1.45	29.2
	Indicated	4.8	1.39	66.3
	Inferred	8.1	1.30	105.1
Total		14.9	1.35	200.7

Barrambie	Category	Tonnes (Mt)	V ₂ O ₅ (%)	TiO ₂ (%)
Barrambie	Indicated	49.2	0.82	17.3
	Inferred	16.0	0.81	17.2
Total		65.2	0.82	17.3

Barrambie	Category	Tonnes (Mt)	V ₂ O ₅ (%)	TiO ₂ (%)
Barrambie	Probable	39.7	0.82	15.7
Total		39.7	0.82	15.7

Comet Vale	Category	Tonnes (Mt)	Au (g/t)	Gold (koz)
Comet Vale	Indicated	0.2	10.8	82.5
	Inferred	0.3	10.9	103.5
Total		0.5	10.8	186.0

1. Resources and reserves comply with the Australian JORC Code reporting guidelines
2. Resources are inclusive of reserves