



Reed Resources Ltd

ASX: RDR



Diggers and Dealers Mining Forum – August 2012

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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

Assets

2

Meekatharra

3

Comet Vale

4

Mount Marion

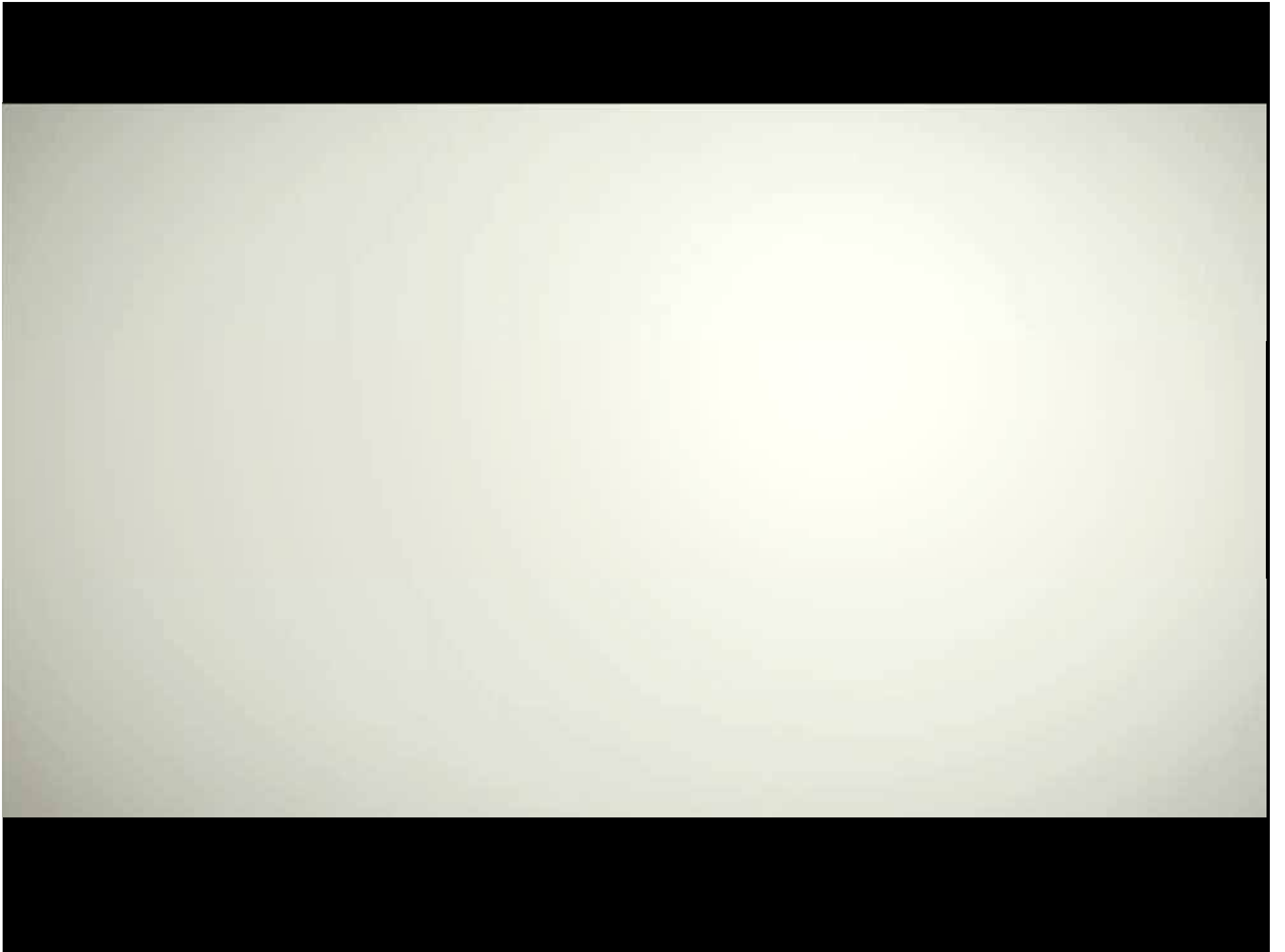
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Barrambie





Gold	Tonnes (Mt)	Grade (g/t)	Ounces (Moz)
Total Resource	64.8	1.9	3.8
Meekatharra	63.9	1.8	3.6
Comet Vale	0.8	7.7	0.2
Lithium	Tonnes (Mt)	Grade (%)	Li₂O (kt)
Mount Marion	14.9	1.35	200.7
Titanium - Vanadium	Tonnes (Mt)	Grade (%)	Mt
Barrambie (TiO₂)	65.2	17.3	11.3
Barrambie (V₂O₅)	65.2	0.82	0.54

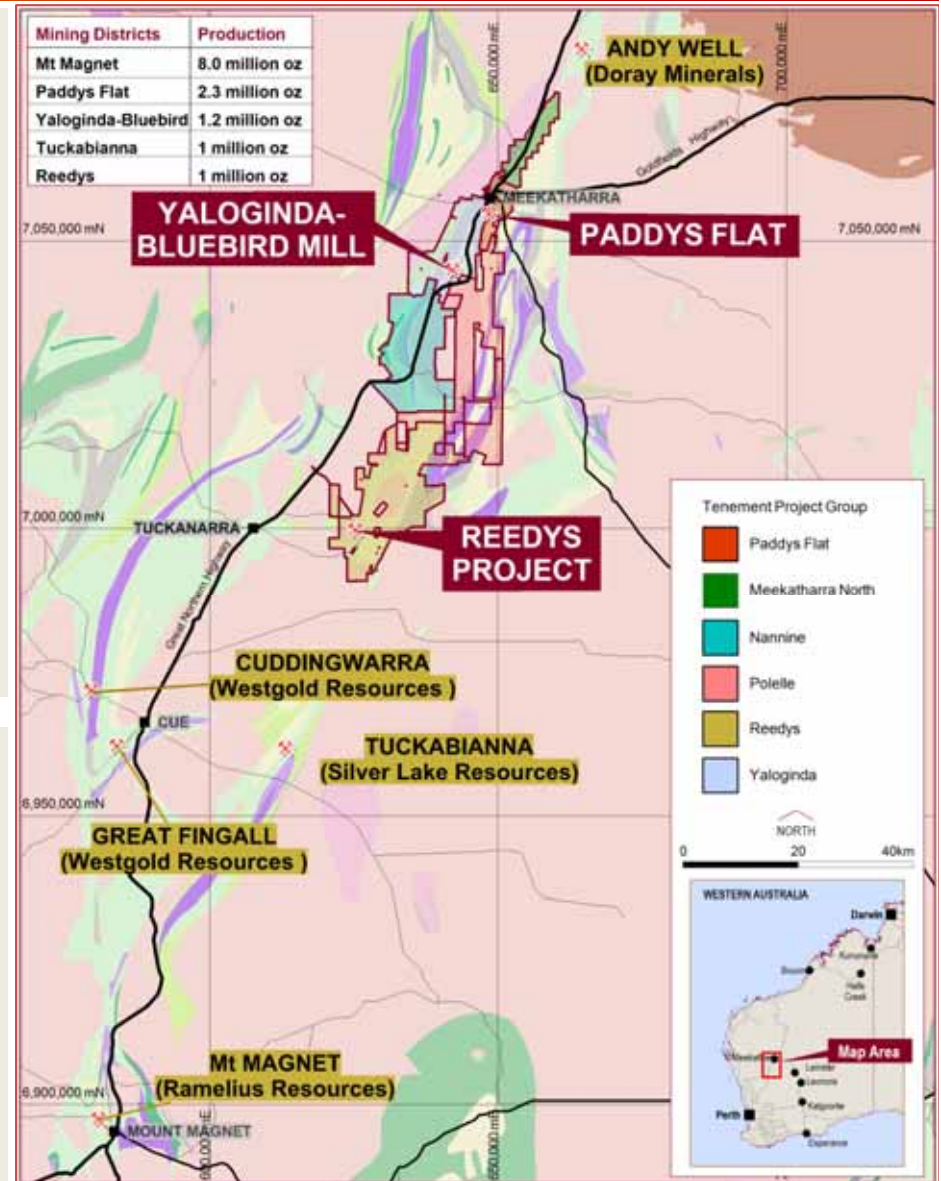


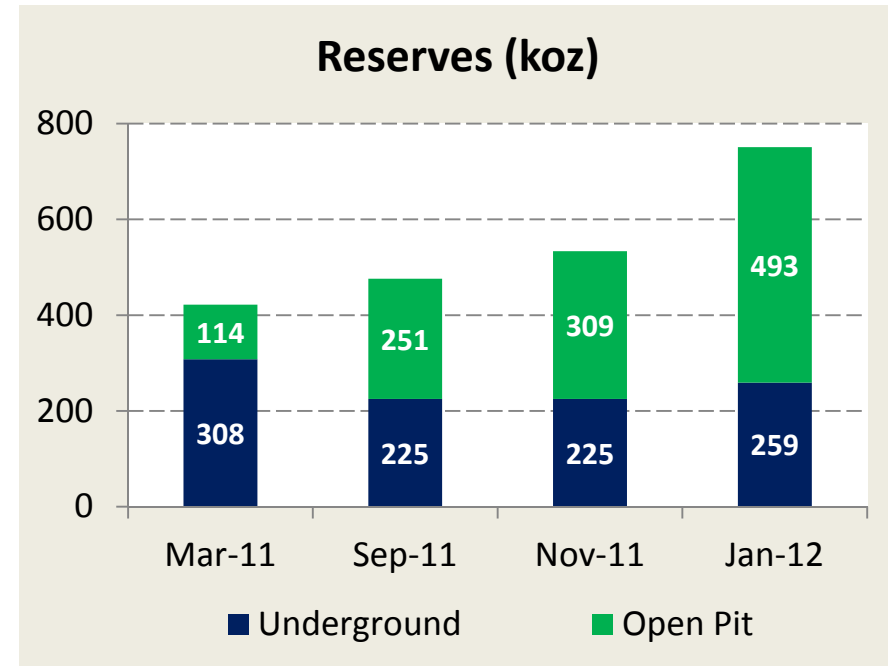
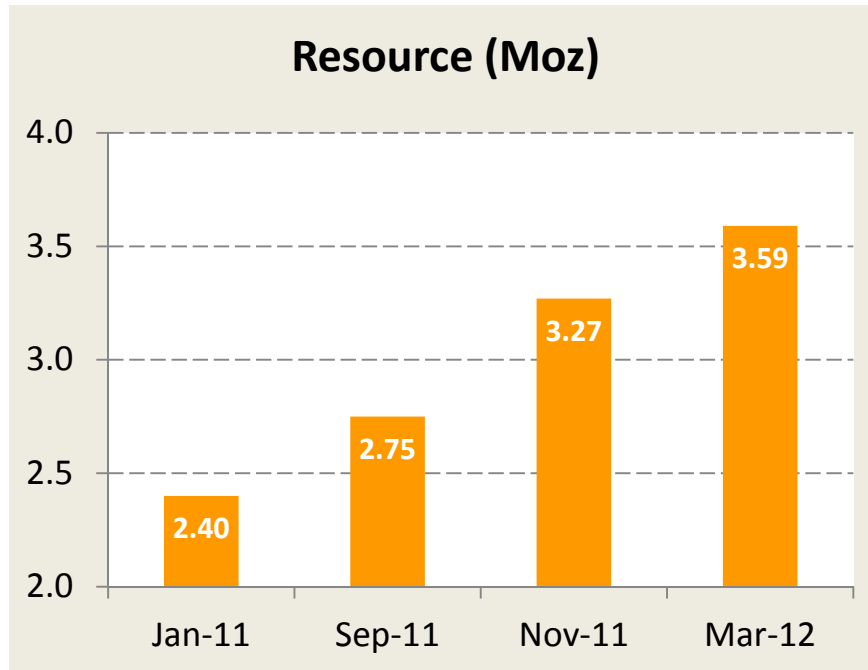
Project


- Acquisition - June 2011 **\$11/oz Resource**
- Outstanding address within the **fertile** Wydgie Greenstone Belt
- **1000 km²** over **110 km** of strike
- **6** historically significant mining centres
- Multiple open pit & underground ore sources – **65** historically mined open pits
- Multiple open pit and underground **exploration** targets
- Comprehensive infrastructure & facilities (**replacement +\$100M**)
- **4.5 Moz** produced
- **3.6 Moz Resource**
- **752 koz Reserve**


Timing


- Purchase completed – **July 2011**
- Stage 1 Feasibility Completion – **Feb 2012**
- Decision to mine – **Feb 2012**
- \$40 million Underwritten Entitlement Offer – **May 2012**
- \$20 million debt facility commitment – **July 2012**
- Commence mining – **Oct 2012**
- Commence commissioning – **Dec 2012**







- 


50% 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**
- 

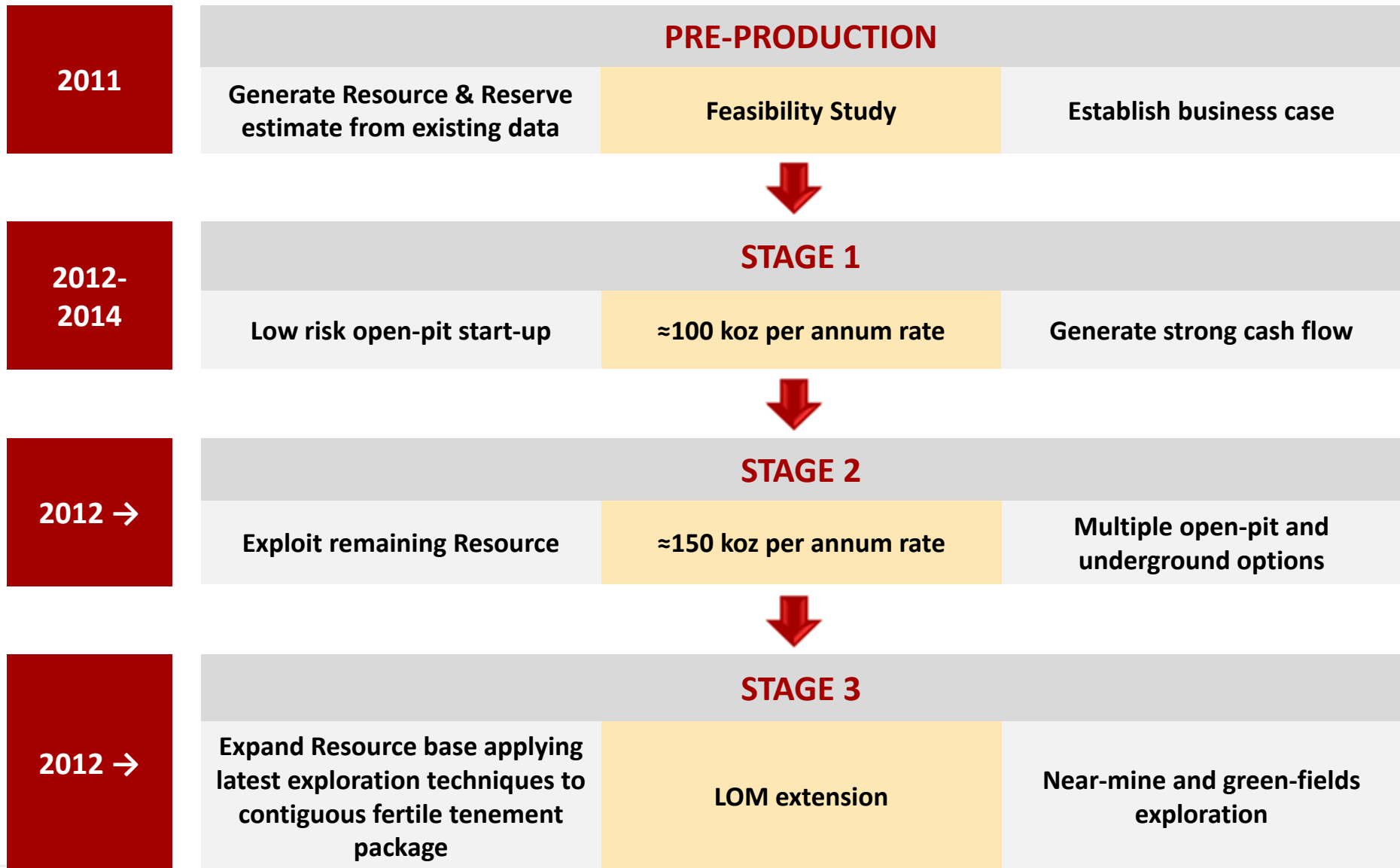
Strong **exploration** committed to deliver long term, lower cost sustainable gold production

- 

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

331% increase in open pit reserves since project acquisition
- 

Includes two **large scale** open pits & **high grade** underground **ore sources**



OPERATING INPUTS

Ore Milled	2.4 Mt
Feed Head Grade	1.88 g/t
Recovery	94%

OPERATING OUTPUTS

Recovered ounces	134,000
Revenue @ A\$1520 / oz	\$205 million
CFADS	\$66 million
Cashflow available for equity distribution	\$45 million

FUNDING

Capex	-\$24 million
Owners cost including mining	-\$11.4 million
Equity Contribution	\$35.4 million
Working capital	-\$ 8 million
Revolving Credit Facility	\$20 million

Capital Works



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 - GRE

Camp

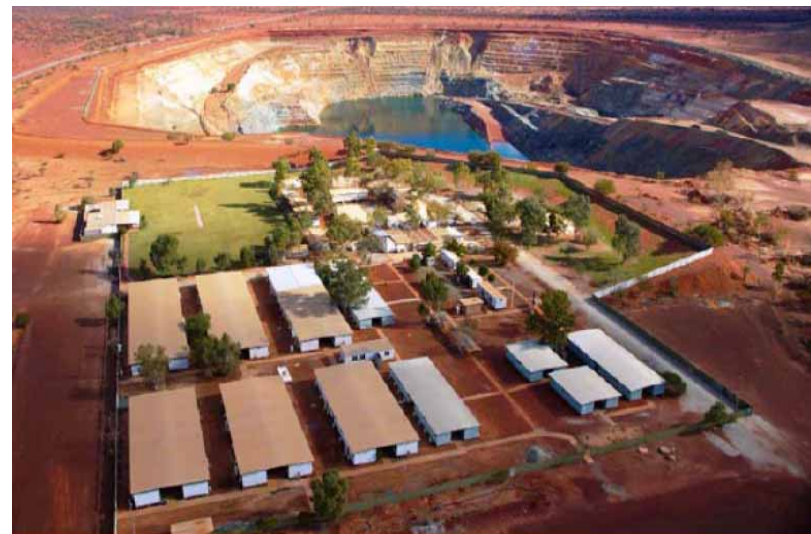
184 man camp

- Refurbishment of existing accommodation
- 80 additional rooms to be installed
- New dry mess
- Awarded to APB

Power

Milling plant power supply

- Contract BOO model
- New 8Mw diesel fired power station
- Contract awarded - KPS



Bluebird

- 1.53 Mt @ 1.9g/t
- 93,300 ounces
- 8:1 SR
- < 1km to the Bluebird processing plant

Batavia

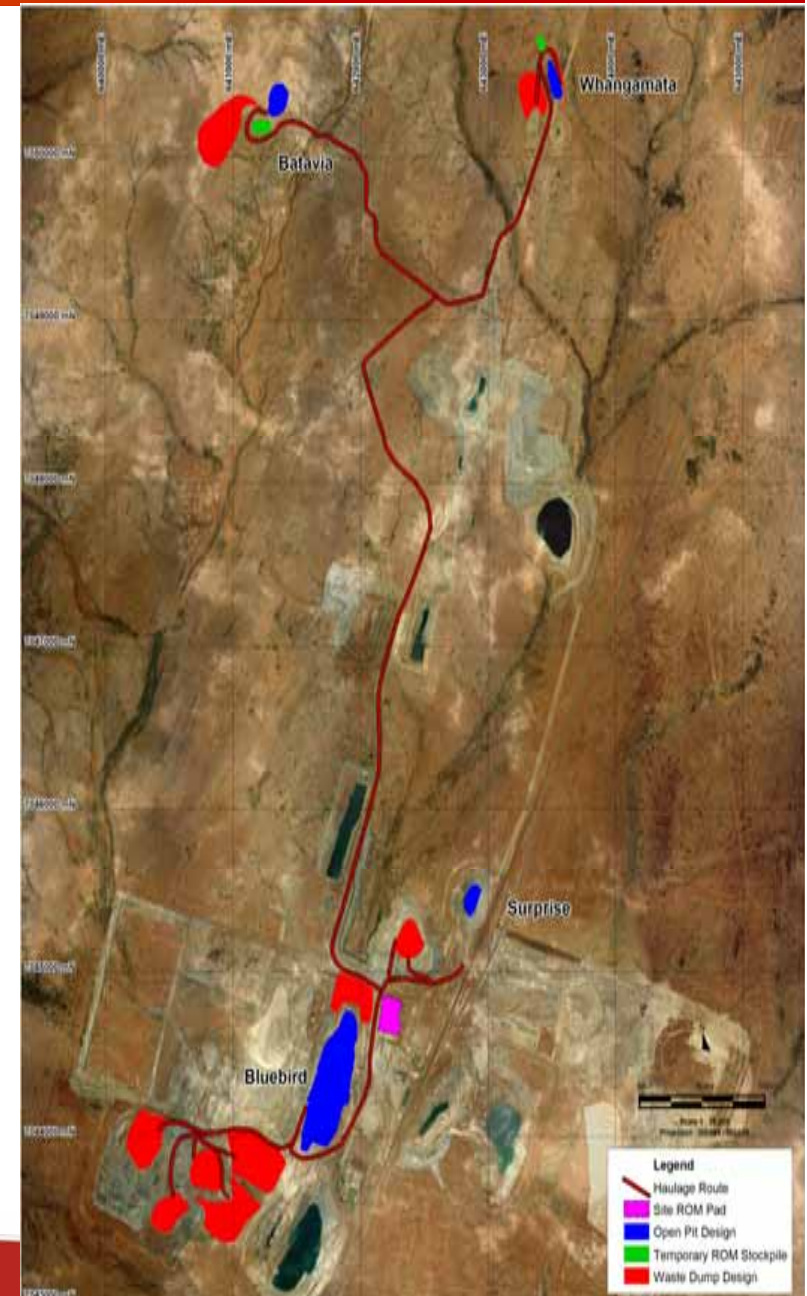
- 160 kt @ 2.4g/t
- 12,500 ounces
- 11:1 SR
- 6.5km to the Bluebird processing plant

Whangamata

- 337 kt @ 1.4g/t
- 15,900 ounces
- 7:1 SR
- 6km to the Bluebird processing plant

Surprise

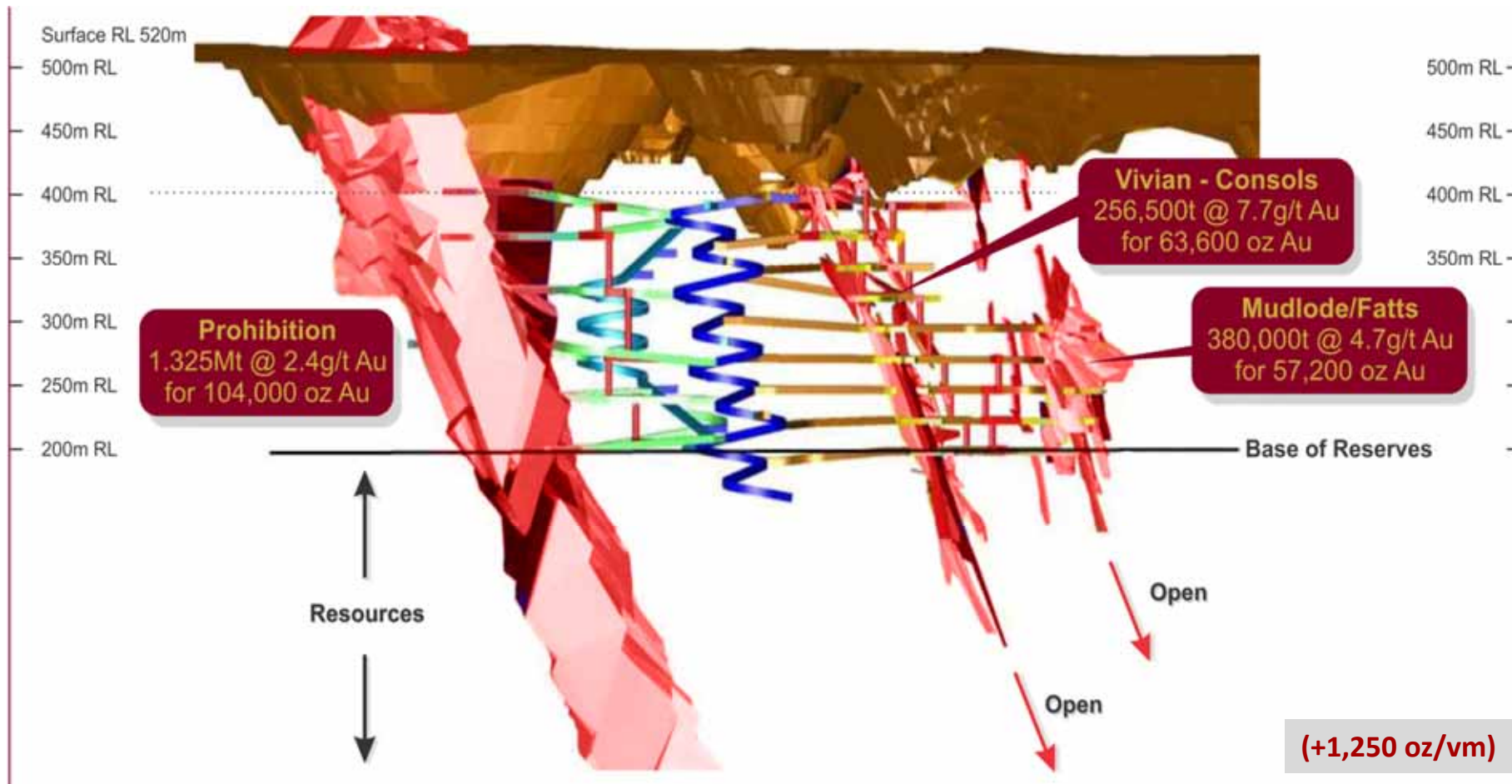
- 172 kt @ 3.0g/t
- 16,800 ounces
- 11.5:1 SR
- 1km to the Bluebird processing plant

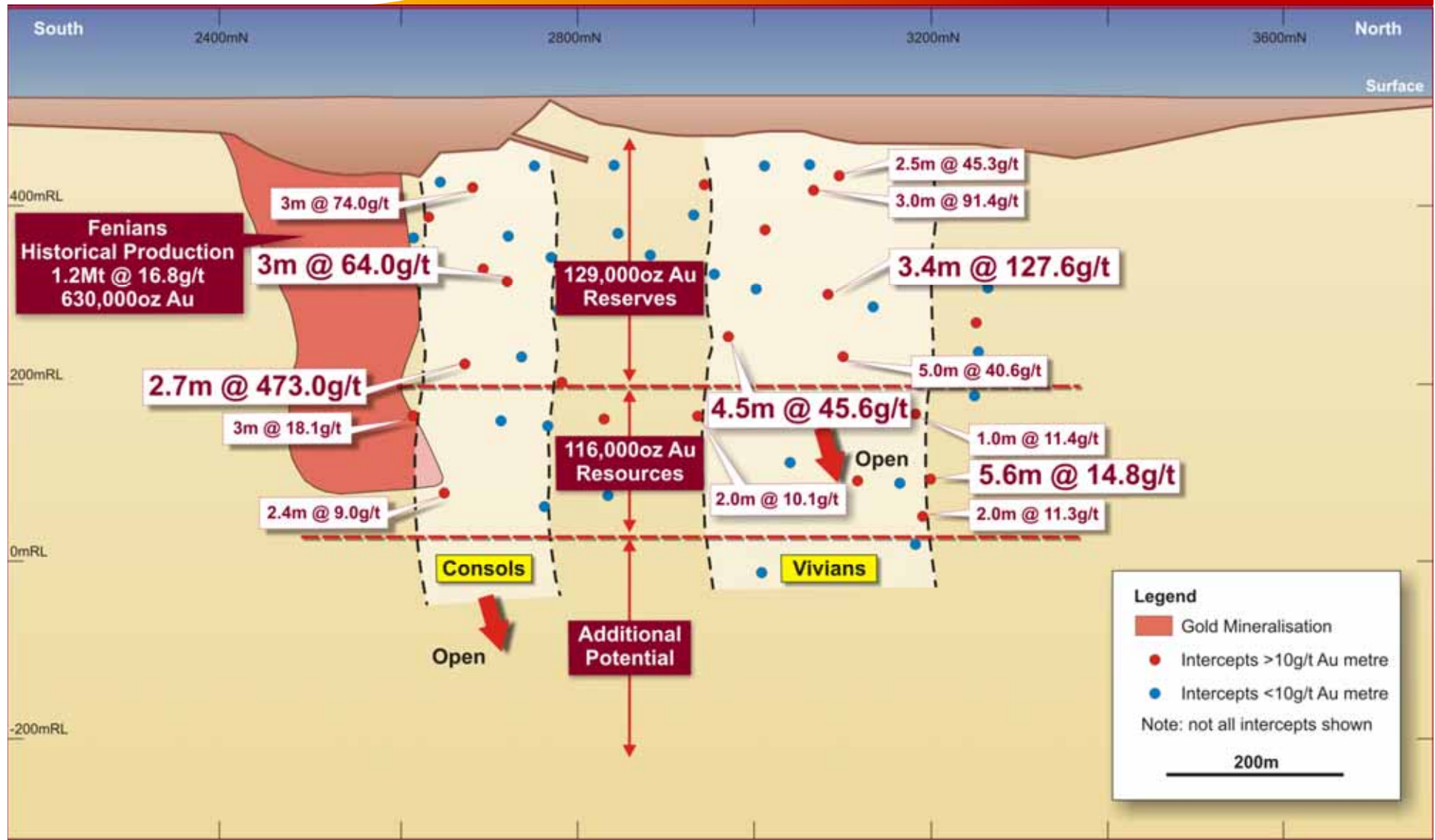




PADDYS FLAT UNDERGROUND

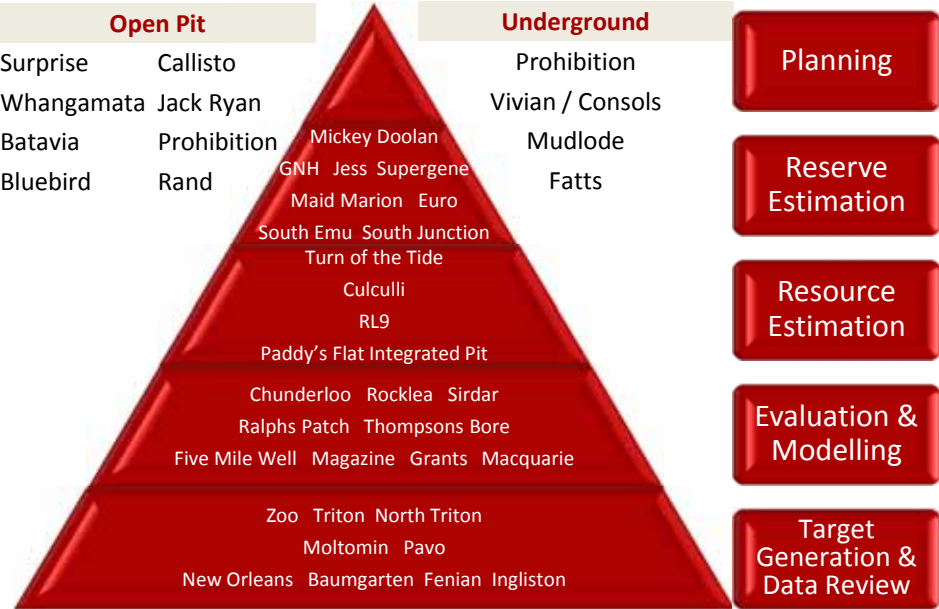
Probable Reserve 2Mt @ 3.6g/t Au for 225,000oz





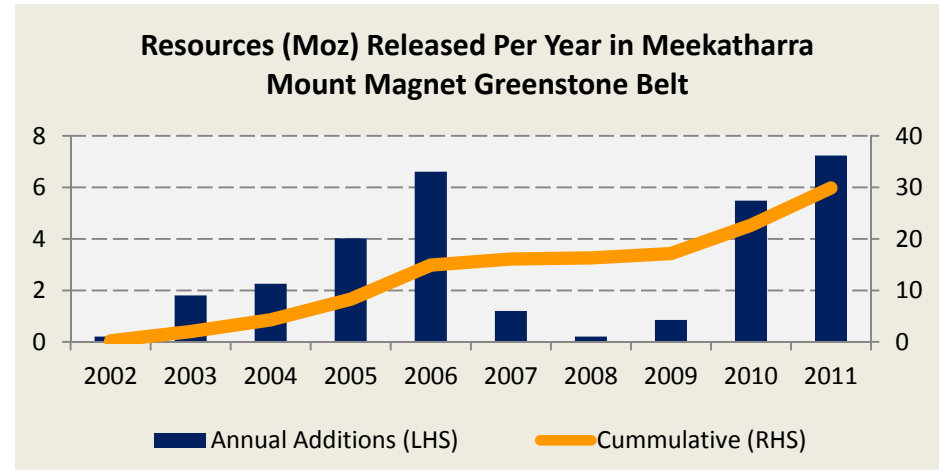
Immediate Opportunity

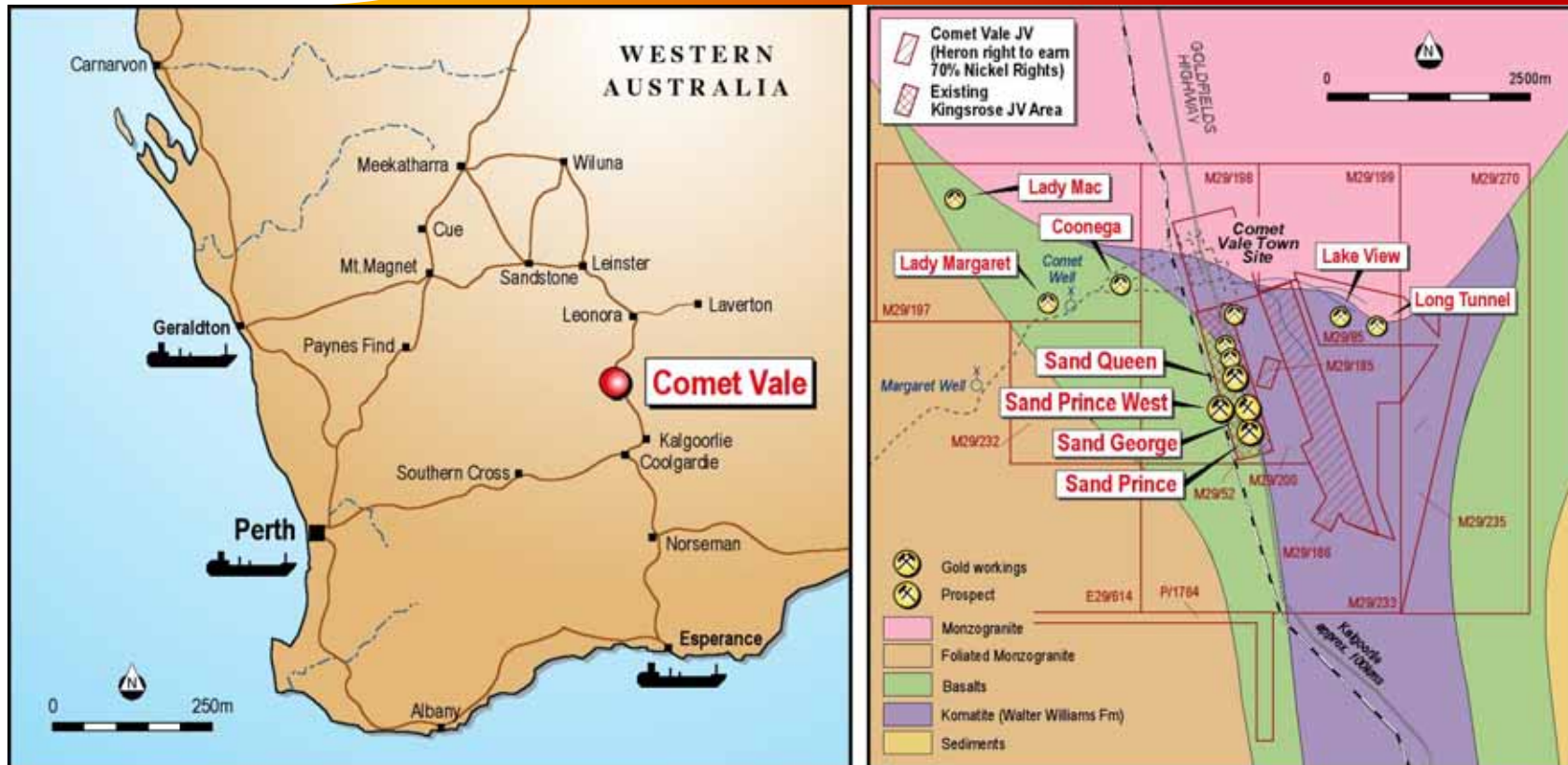
- ✓ Brown field, near mill exploration to add immediate ounces
- ✓ Resource evaluation and modelling of historic prospects
- ✓ Extensions of existing resources along strike & near proximity drilling
- ✓ Apply latest invasive & non-invasive technology including SAM geophysical surveys



Expandable & Scalable

- ✓ Reed holds a **110km long continuous land package** over highly prospective greenstone
- ✓ Extensive exploration over fertile historic mining centres, **limited exploration elsewhere**
- ✓ Reed's **1000km² tenement package with large areas ineffectively explored**





High Grade Expandable

Resource

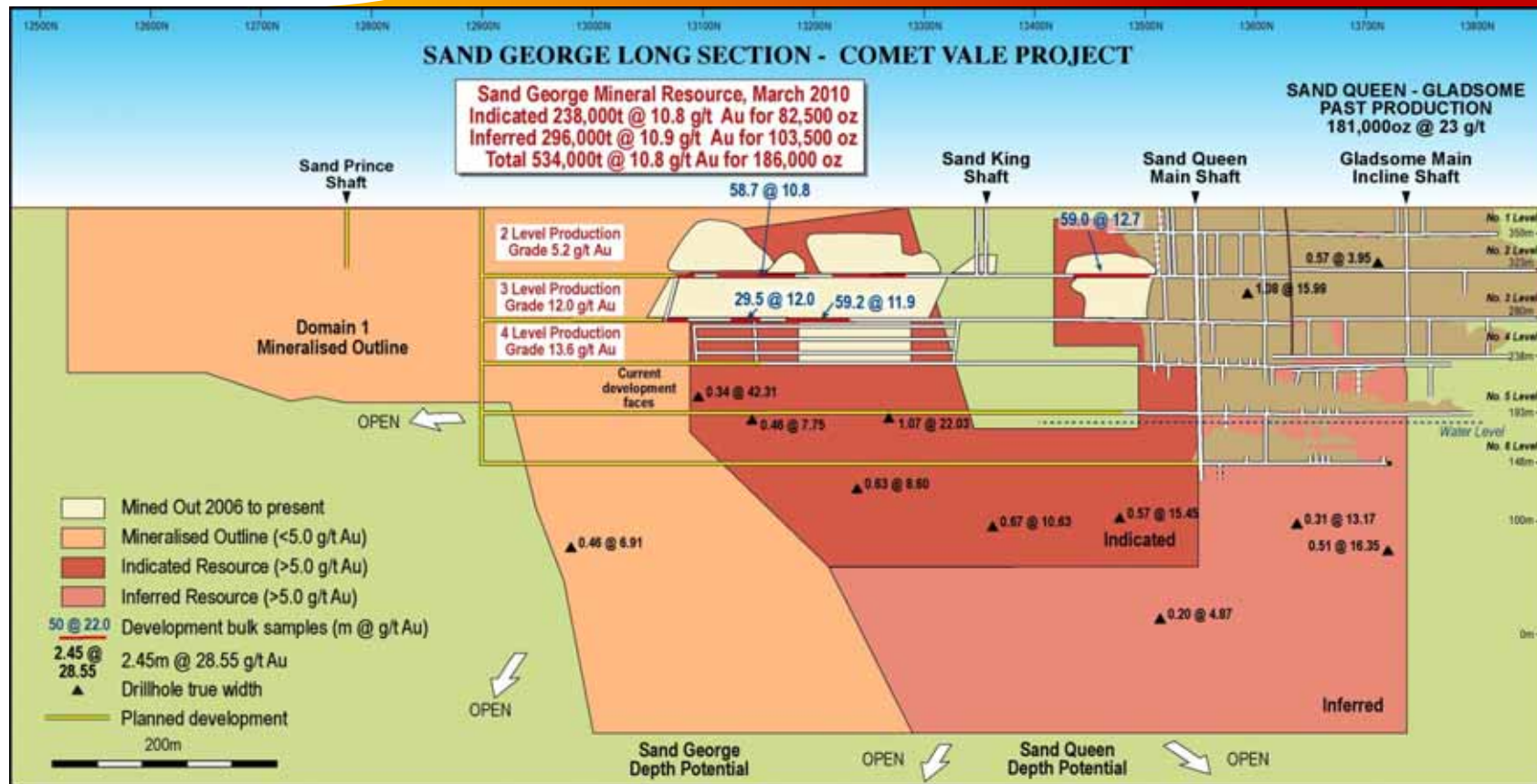
- 850,000t @ 7.66 g/t containing **209,000 oz**

Underground

- 534,000t @ 10.8 g/t containing **186,000 oz**

Open Pit

- 316,000t @ 2.35 g/t containing **23,000 oz**

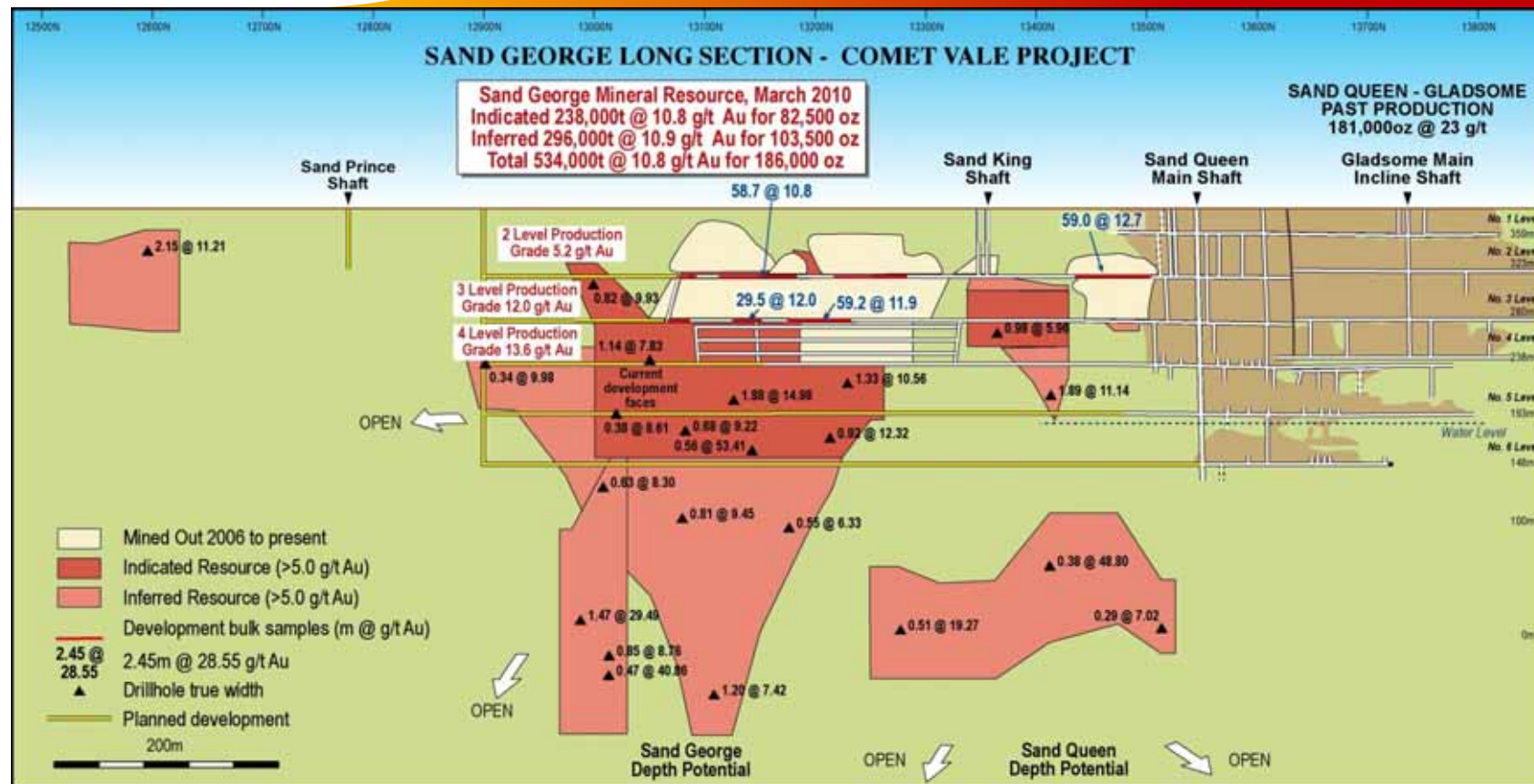


Tenure

- 35 km2 of granted mining leases
- Granted ML's
- Approved Mining Proposal
- Granted licenses and permits
- Production suspended

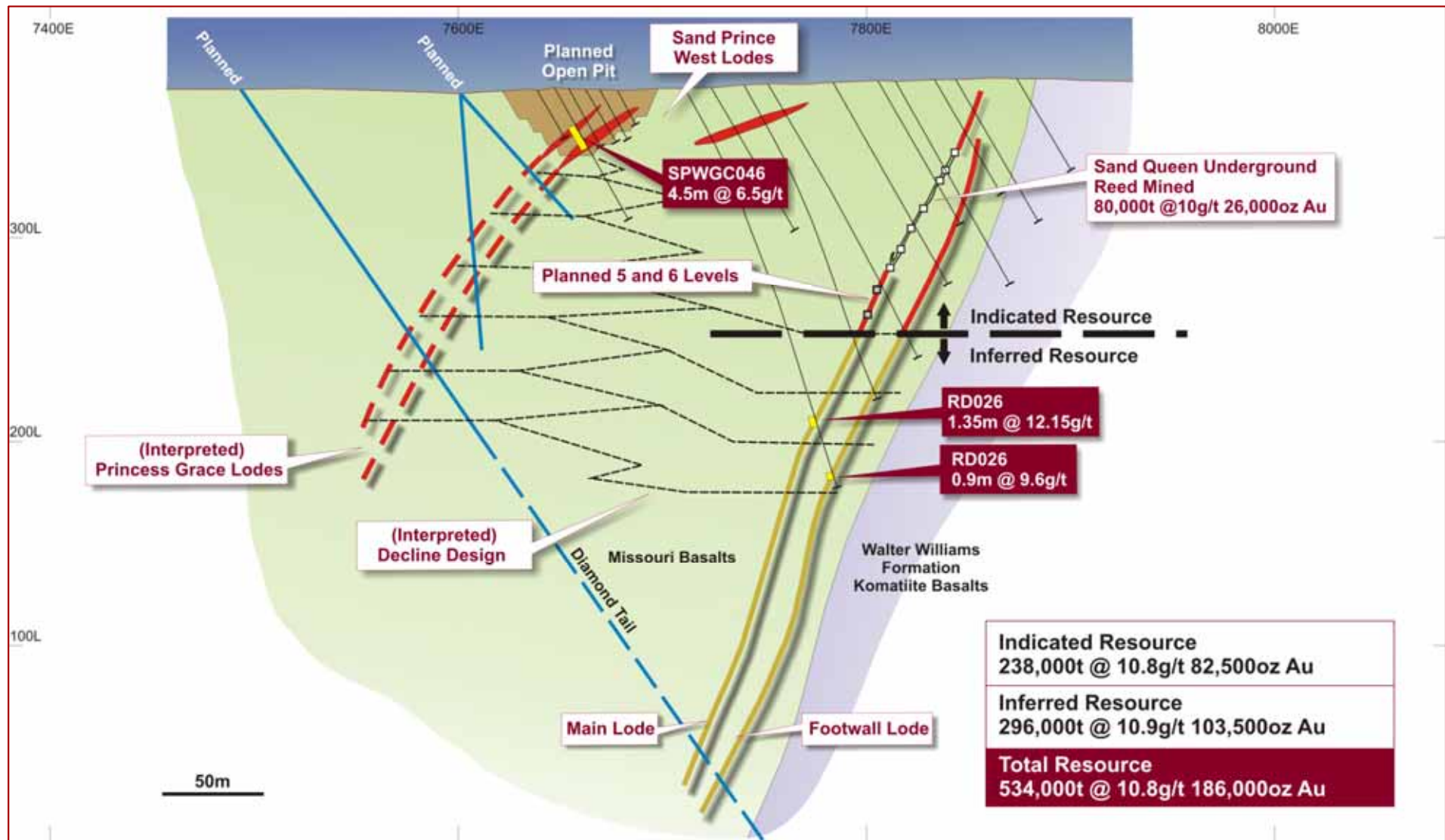
Infrastructure

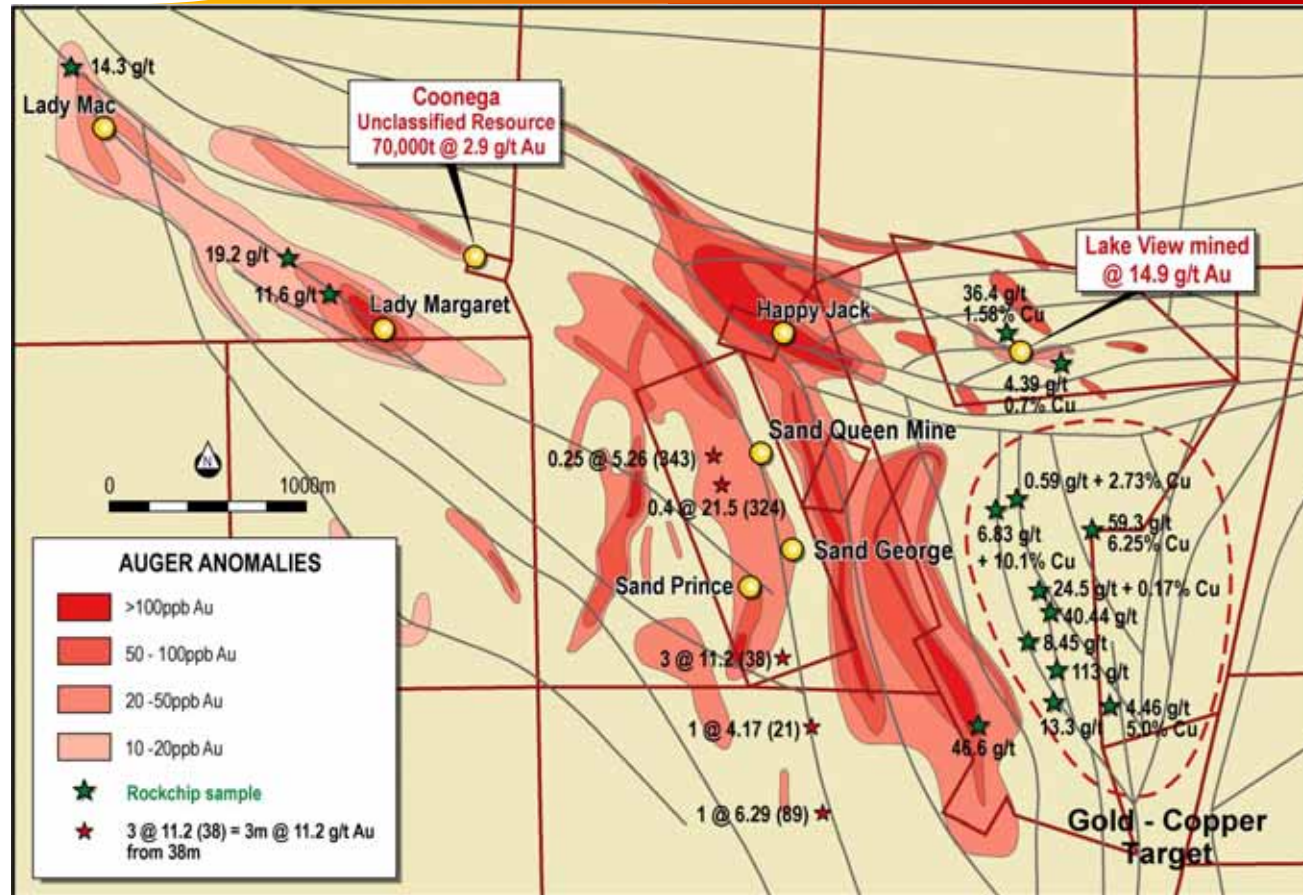
- Mine
- Services
- Transport
- Local
- Processing



Expandable

- Development stopped in ore grade headings
- Stopping blocks developed
- Multiple known underground ore surfaces
- Open along strike, down dip and down plunge
- Open pit ore sources identified
- Alternative decline access from open pit versus small shaft access





Exploration

- Limited exploration effectively testing north, south, east and west of Sand Queen
- Multiple mineralised quartz surface expressions
- Large regional structures providing conduits for mineralisation
- Multiple structural targets identified

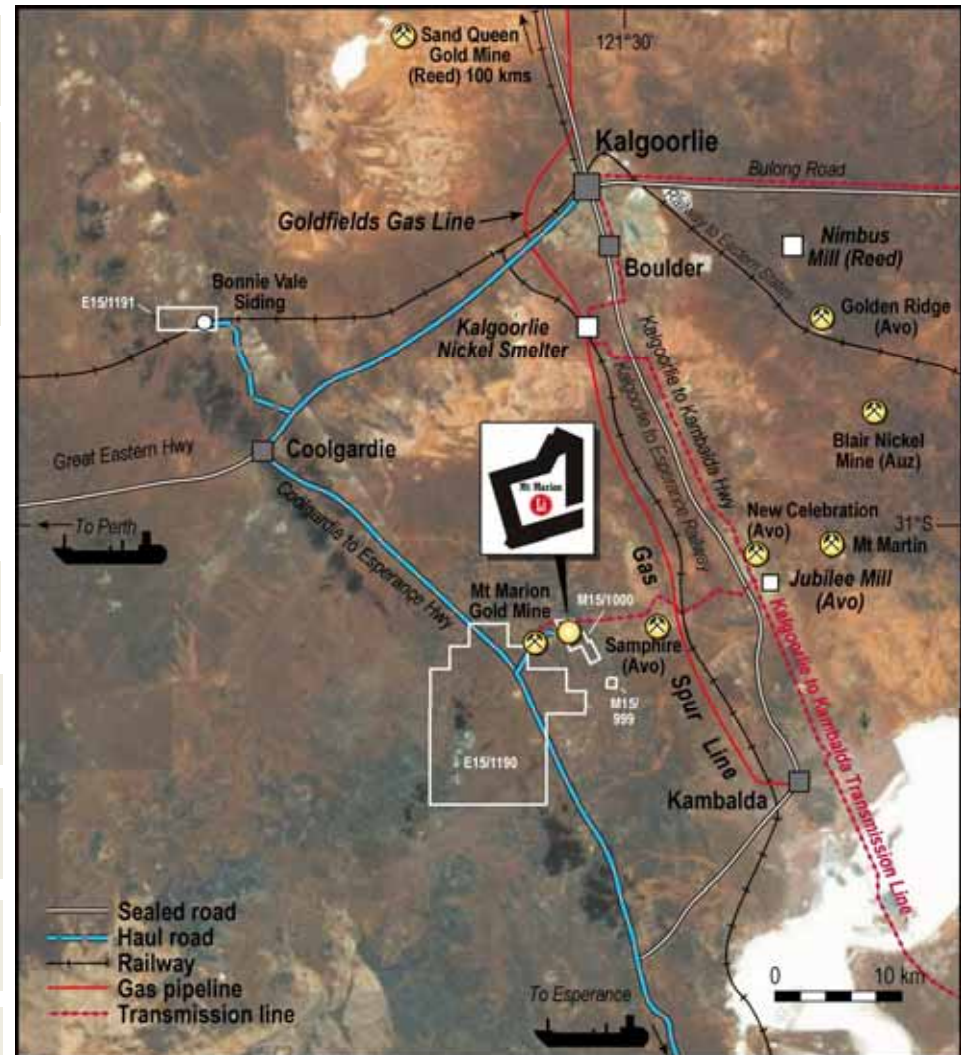
Ownership & Operating Structure

- ✓ 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
- Catalysts - stronger spodumene prices, or
- Decision to downstream into lithium battery feed-stocks – evaluating new technology
- Potential for partial sale or JV with lithium battery feedstock producer/end user, or
- IPO/RTO as integrated lithium developer

All project approvals granted

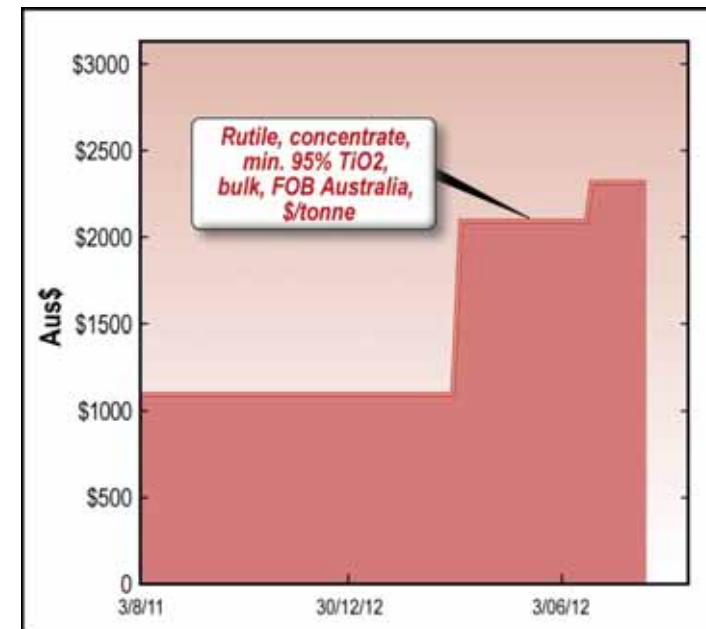
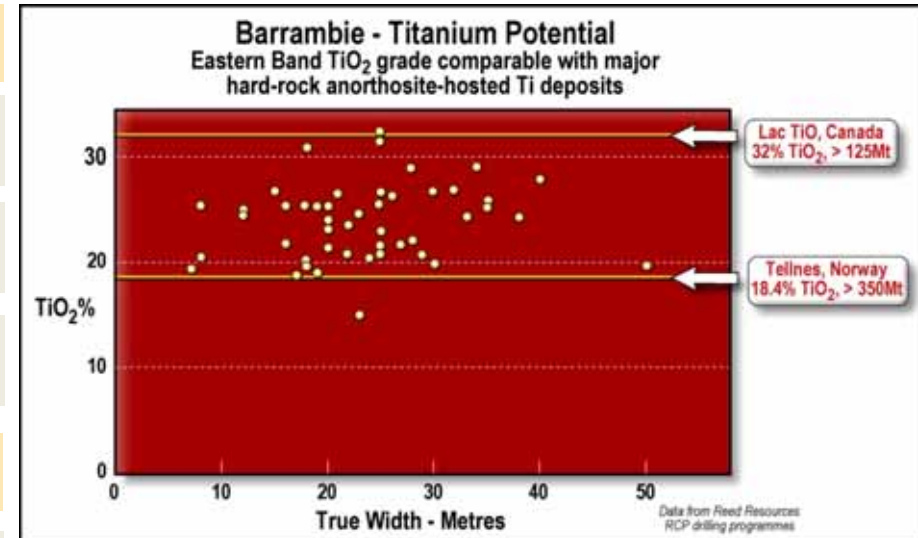


Vanadium

- ✓ 100% RDR & Australia's highest grade Reserve
- ✓ Ferro-vanadium DFS completed 2007-09
- Short- medium term outlook subdued – significant Ferro-niobium substitution

Titanium

- ✓ Among the world's highest grade Ti deposits
- ✓ DFS metallurgical test work produced +40% TiO₂ concentrate
- ✓ Proprietary hydromet process – game changer
- ✓ Targeting high grade Synthetic Rutile (+95% TiO₂) at cost below mineral sands producers
- Establish the business case
- Potential for partial sale or JV IPO/RTO as titanium, vanadium and iron producer



Source: Metals Bulletin

Key Messages

- Core business
- Disciplined
- Staged
- Scalable
- Expandable

Meekatharra



- High grade
- Production ready
- Expandable
- Scalable
- Non-core

Comet Vale



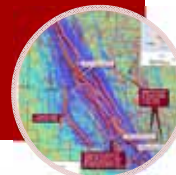
- Mine ready
- Funded
- Expandable
- Scalable
- Catalysts required

Mount Marion



- High grade
- Mine ready
- Expandable
- Scalable
- Catalysts required

Barrambie





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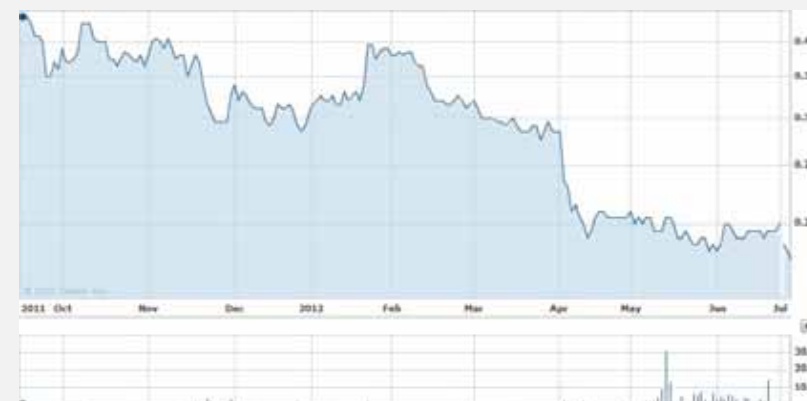


Appendices

ASX CODE: RDR

Last close (1-August-12)	\$	0.18
Shares on issue	M	464.1
Cash (June 30, 2012)	\$m	40.3
Market capitalisation	\$m	81

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

Appendix 1: Reserve & Resource

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	0.41	7.2	96.9
	Inferred	0.43	8.1	112.6
Total		0.85	7.6	209.5

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

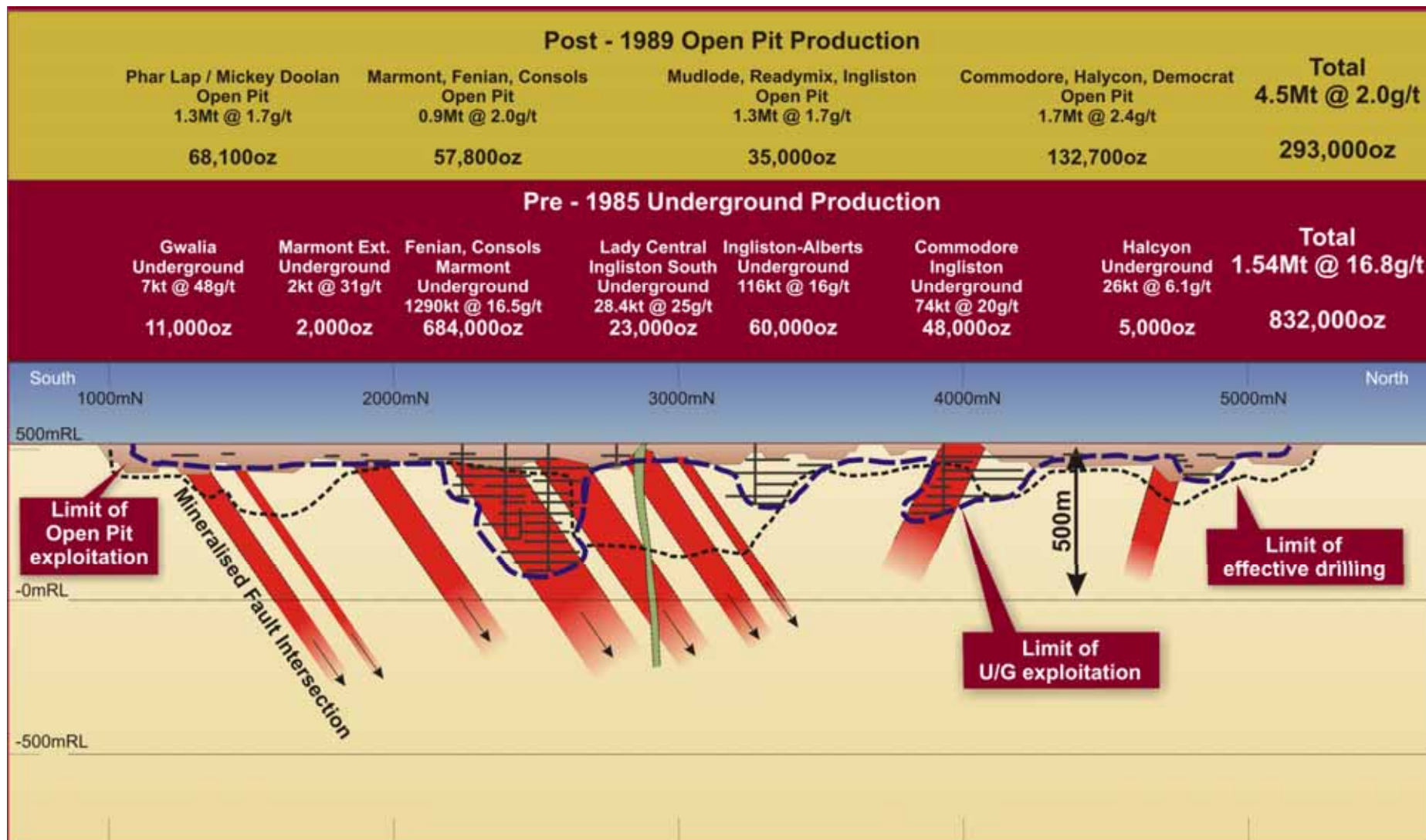
Open Pit Mining Strategy

	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
Extension	Sth Junction	97	1.5	4,500	93	7:1	938
	Prohibition	1,110	2.7	96,000	90	21:1	1084
Stage 2	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

Expansion Options: Paddy's Flat



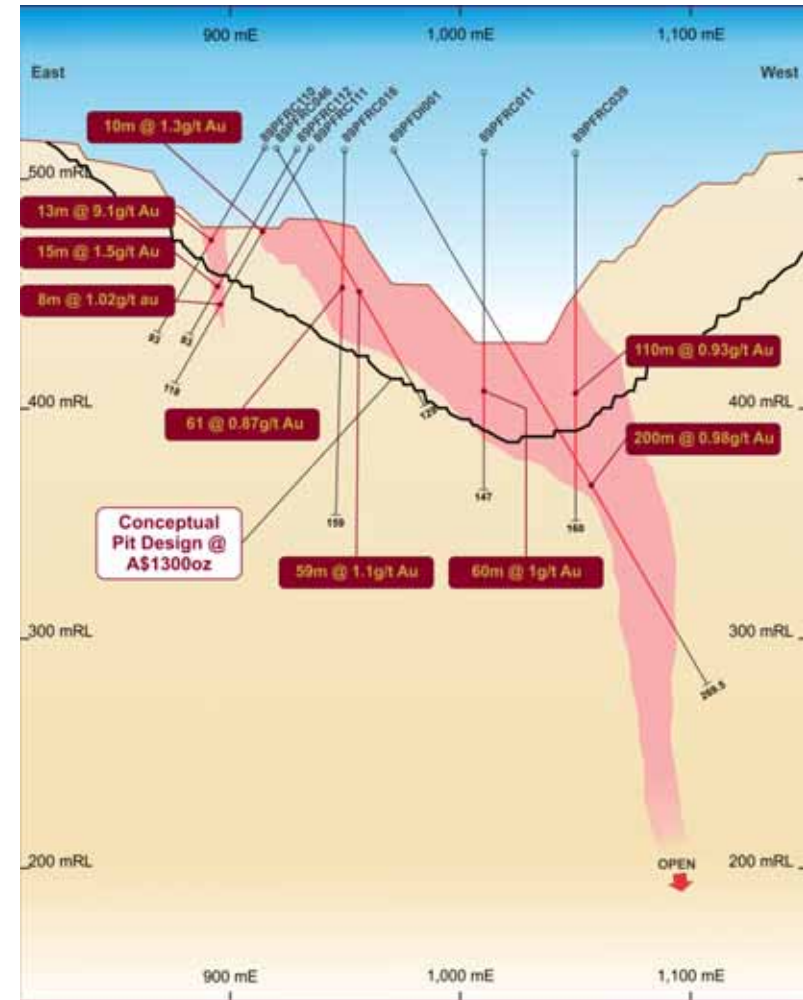
MEEKATHARRA SUPER PIT

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

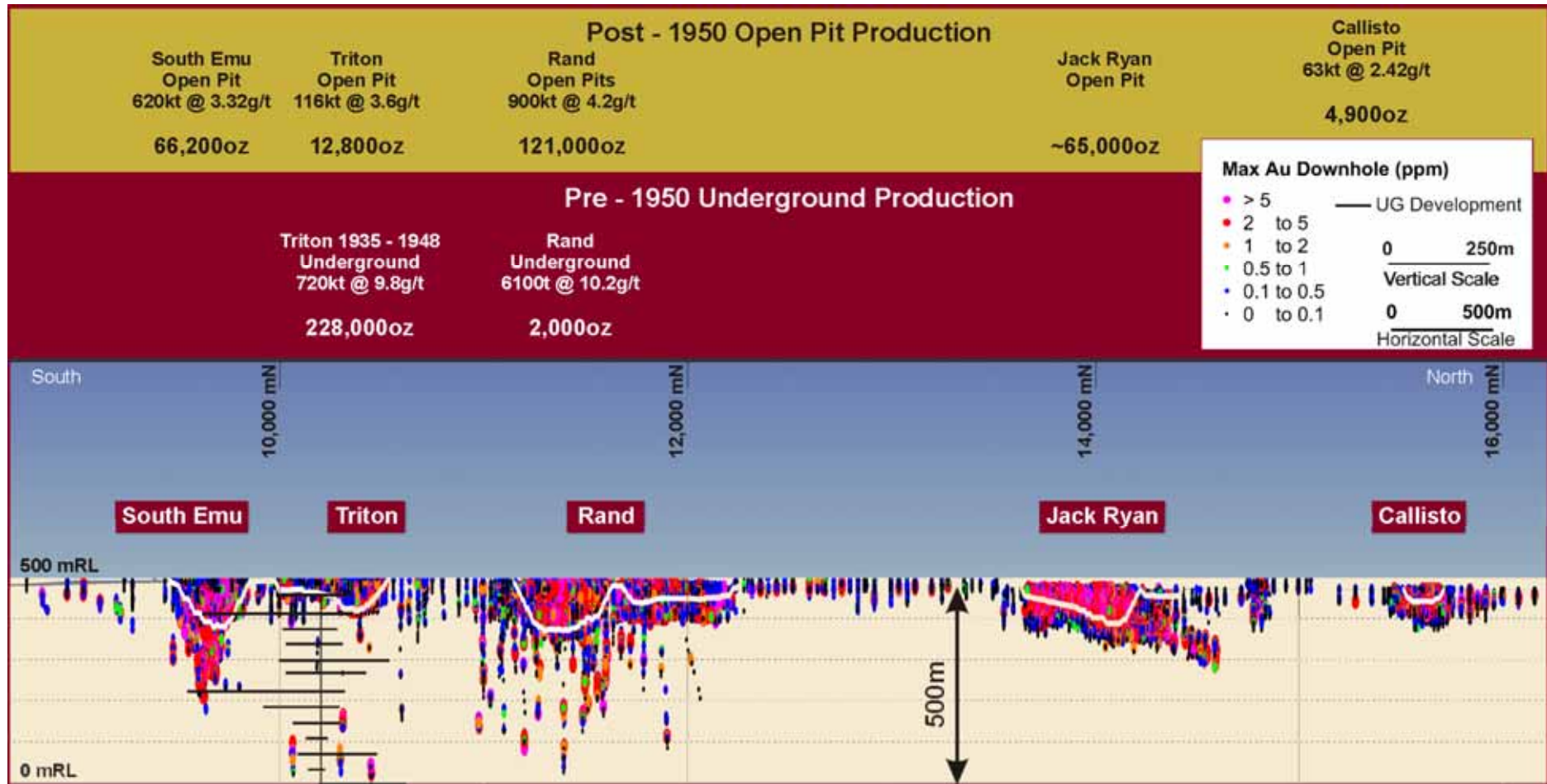


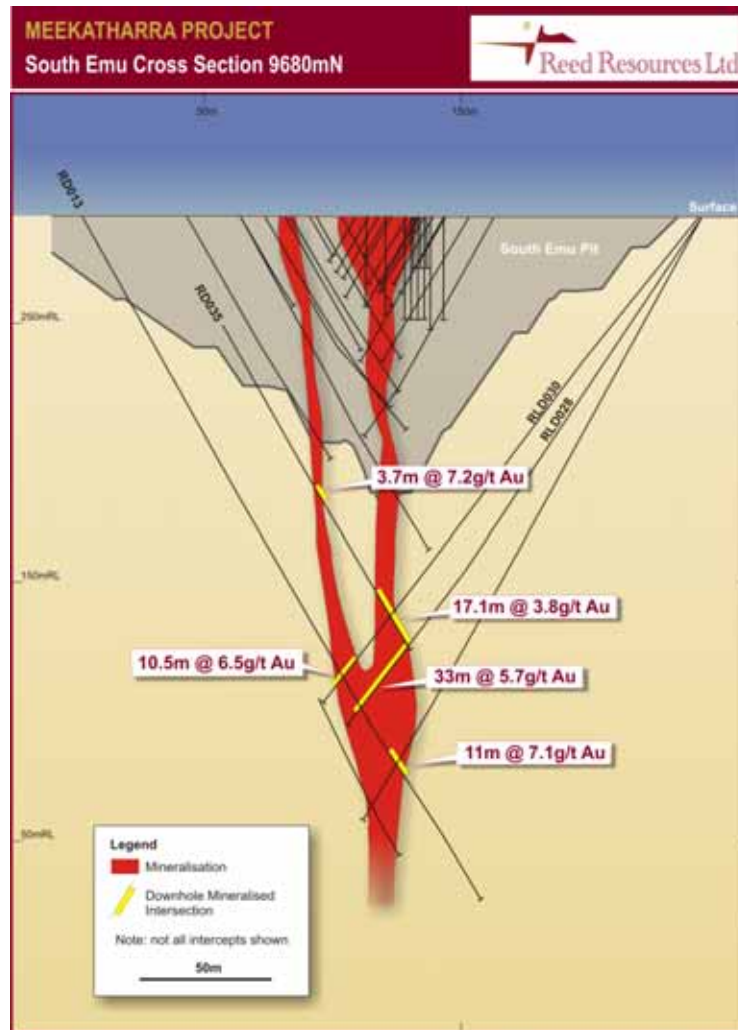
MICKY DOOLAN CUTBACK

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



Expansion Options: Reedy's





CONTINUITY

- Structure
- Geology
- Grade
- Depth

