

ASX RELEASE

27 September 2012

\$19M Debt Facility to fund the development of the Meekatharra Gold Project

HIGHLIGHTS

- **Credit Suisse to act as arranger to provide \$19M in debt finance**
- **Credit approved term sheet signed for a debt and hedging facility for the Meekatharra Gold Project.**

Reed Resources Ltd (**ASX: RDR**) (**Reed**) has appointed Credit Suisse (**CS**) to act as arranger for a debt facility of \$19 million for the working capital requirements for its 100% owned Meekatharra Gold Project located in the Murchison region of Western Australia. The Company has received a credit approved term sheet which is subject to detailed documentation.

The key features of the facility are summarised as follows:

- \$19 million Senior Secured Term Loan Facility.
- Tenor of twelve months from first utilisation, with an option to extend a further six months.
- A hedging facility which includes 70,000 ounces in forward delivery contracts and 40,000 ounces in bought puts.
- Mining approval for the Batavia open pit is a condition precedent to utilisation (mining approval for the Bluebird and Surprise Stage 1 pits have been received, with the required approvals for the Batavia pit expected in the coming weeks).

Managing Director Luke Tonkin said: "The Credit Suisse facility, which replaces the previously announced \$23M facility offer by another lender, provides the company with a flexible funding and hedging package which will not only provide funding for the development of Stage 1 of the Meekatharra project but will also allow the company to commence preliminary work on Stage 2 of the project in a shorter timeframe."



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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 December 2012.

Reed Resources' wholly owned Meekatharra Gold Project is located in the prolific Murchison region of Western Australia and currently has 3.59Moz of gold in JORC resources 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 of 6300t of vanadium per annum. Currently in approvals process and evaluating recovery of titanium and iron units.
- **Comet Vale:** Currently on care & maintenance. High grade JORC resource of 186,000 oz at 10.8 g/t Au.
- **Mount Finnerty:** Iron ore JV with Cliffs Natural Resources and nickel option 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

COMPETENT PERSONS STATEMENT

Geological aspects of this report have been compiled by Mr Craig Fawcett (MAIMM), a full time employee of Reed Resources 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 for 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.