

29 November 2012

Dear Shareholders

Good afternoon. It is my pleasure to welcome you to the 2012 Annual General Meeting of Reed Resources, my 10th as Chairman of the Company.

2012 has been a significant year for Reed Resources and one which ends with the Company on the cusp of achieving a long-held and highly-anticipated goal: *The realisation of our vision to become a mid-tier gold producer.*

This has been made possible by the long-term support of Reed shareholders and the hard work of our management team, both of whom I'd like to acknowledge and thank.

This goal has been achieved against a backdrop of challenging market conditions, which has meant 2012 will be remembered as a hard year for our industry. Despite these headwinds the Company has continued to progress its plans and achieve major milestones, with a strong focus on building a long-life gold business.

While equity and debt markets have been tight throughout the year, we have successfully raised almost \$70 million. And, despite the construction sector coming under pressure, we have completed our capital expenditure program at the Meekatharra Gold Project both on time and under budget.

I would like to take this opportunity to acknowledge the outstanding efforts of management and staff in achieving these goals over the course of the year.

Reed has secured an experienced team of key personnel who will help ensure the success of both the Meekatharra Gold Project and the Company over the coming years. We have designed incentives in order to achieve active employee engagement and buy-in to the Company's performance.

As part of this process the Company appointed Mr Luke Tonkin as Managing Director and CEO, and Mr David Lim as CFO, during 2012. Both Luke and David bring a wealth of relevant experience to Reed and we are pleased to have them as part of the senior team.

I and your fellow Directors acknowledge that, at the moment, the market value of the Company remains lower than at this time last year, and that we are trading at a substantial discount to other mining companies with comparative levels of reserves and resources. We remain confident that this will change as the Meekatharra Gold Project is successfully commissioned in the months ahead.

However, I will also say that while we have an unwavering commitment to maximising shareholder value in the medium and long term, short-term share market performance is not management's main focus at Reed. This philosophy has served us well to date and we are confident it will serve us well in the future. This approach has also underpinned the hard work, focus and commitment it has taken to bring Meekatharra back to life.



This year has also seen a restructuring and refreshing at the Board level. I have reverted to Non-Executive Chairman and Mr Christopher Reed moved to the position of Executive Director with responsibility for enhancing and realising value from our lithium, titanium and vanadium assets.

I would like to thank all of my Board colleagues for their counsel and guidance over the past year, and the retiring directors for their dedication and commitment to this Company during their tenure. To both Mr Ian Junk and Dr Peter Collins, a founding director, we wish you well for the future.

Finally, I would like to thank our all our employees for their hard work and perseverance, and our shareholders for their ongoing support.

Thank you.

David Reed
CHAIRMAN