

ASX RELEASE

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## Meekatharra Gold Operation Update

- Bluebird open pit continues to exceed production budget
- Gold produced from the Bluebird open pit continues to exceed budget
- Planned mill throughput rate achieved early
- Bluebird mill achieving budget mill recovery of 94%
- Gold produced as budgeted
- Unit cash costs materially meeting budget

Western Australian gold producer, Reed Resources Ltd (ASX: RDR) (“Reed” or “the company”), is pleased to announce that its Meekatharra Gold Operation (“MGO”) is successfully continuing its planned production ramp up.

Reed commenced mining operations at MGO in late October 2012, commenced wet commissioning of the 3Mtpa Bluebird Processing Plant (“Bluebird”) on 20 December 2012 and poured its first gold bar on 11 January 2013.

**Meekatharra Gold Operation  
YTD Production Performance  
Summary - Production Statistics  
for the period ended 28 February 2013**

	Actual	Budget	Variance
<b>TOTAL MATERIAL (BCM)</b>	2,540,773	2,402,416	138,357
TOTAL ORE TONNES MINED (t)	219,663	105,975	113,688
<b>MINED GRADE (g/t)</b>	0.96	1.30	(0.34)
TOTAL MINED OUNCES	6,808	4,431	2,377
<b>TOTAL MILLED TONNES (dry tonnes)</b>	243,031	203,488	39,543
MILLED GRADE (g/t)	0.91	1.02	(0.11)
<b>MILL RECOVERY (%)</b>	87.2	94	-6.8
RECOVERED OUNCES	6,218	6,191	27



**Figure 1** – The Bluebird open pit looking west with the remnant pre-existing Bluebird pit to the left and the remnant pre-existing Bluebird North pit to the right.

To the end of February total material movement exceeded budget by 6%, ounces mined exceeded budget by 54% and ounces produced were in line with budget. Mill recovery YTD was 7% below budget resulting from the introduction to the mill feed of pre-existing lower recovery Triton tailings mixed with mill scats. This material was removed from the blend in mid-February resulting in budgeted recovery being met for the remainder of the month.

Metallurgical recovery for March is forecast to meet budget recovery of 94% and is currently at 95%, month to date. Budget ounces mined for March is 2,657oz which is expected to be exceeded by 36% whilst MGO is on target to meet budget ounces produced of 3,975oz.

To the end of February, mining unit costs per BCM marginally exceeded budget by 3%, predominantly resulting from increased drill and blast volumes in the upper Bluebird mined benches. Unit processing and administration costs were 8% and 18% below budget per processed ore tonne.

Commenting on MGO's ramp up, Reed Managing Director, Luke Tonkin, said: "Typical of all operations transitioning from commissioning to steady state production, the Meekatharra Gold Operation has been continually challenged, and yet has managed to successfully meet key operational targets whilst improving operational performance.

"The Meekatharra Gold Operation is budgeted to be cash flow positive in April, which given the strong operational performance to date, remains Reed's primary objective," Tonkin said.

"The Bluebird open pit is positioned as planned to commence accessing higher grade ore from mid-April and the Bluebird mill will achieve in March the planned increased throughput budgeted for April of 136,000 tonnes," Mr Tonkin concluded.

**ENDS**

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## About Reed Resources

Reed Resources Ltd (ASX: RDR, OTC: RDRUY) is a Western Australian gold producer.

Reed Resources' wholly owned Meekatharra Gold Operation is located in the prolific Murchison region of Western Australia and includes the 3Mtpa 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).
- **Barrambie:** Currently in approvals process and evaluating recovery of titanium, vanadium and iron units via a proprietary hydrometallurgical processing route.
- **Comet Vale:** Currently on care & maintenance. High grade gold resource.
- **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](http://www.reedresources.com)