

ASX RELEASE

20 June 2013

Meekatharra Gold Operation Update

Western Australian gold producer, Reed Resources Ltd (ASX: RDR) (**Reed** or **Company**), provides the following update regarding its Meekatharra Gold Operation (**MGO**).

The Company advises that to the end of May 2013 approximately 20,500 ounces of gold had been mined from the Bluebird open pit versus an estimated ore Reserve for the same period of approximately 22,600 ounces. The variance in mined ounces is principally attributable to ounces that have been previously mined from the legacy Bluebird North and Bluebird pits, and not recorded nor apparent from reasonable inspection due to back filling from historical mining and mill tailings deposition.

By the end of May, the Bluebird pit had been mined to below the base of the legacy Bluebird North pit whilst approximately 35 metres remains to be mined to reach the base of the legacy Bluebird pit.

Even since dewatering, as the legacy Bluebird pit contains rock back fill from historical mining it is still not reasonably possible to verify the final pit survey. However, possible mined ounces from the base of the existing Bluebird pit to the base of the legacy Bluebird pit which are included in the Bluebird Reserve is estimated at approximately 4,200 mined ounces.

To mitigate short term impacts on cash flow from the potential foregone ounces, the Bluebird pit has been redesigned into two concurrent stages to access higher grade ore earlier at the southern end of the pit. This has a short term impact on the timing of ounces extraction, but based on the remaining Bluebird Reserve the Bluebird open pit remains viable.

Mined to Mill Ounces Reconciliation

The Company performed an external and independent review of both the MGO grade control processes and reconciliation processes in April 2013. The review recommended some areas for improvement however concluded that the work at Bluebird in general is being carried out within typical Australian open pit mining standards.

Since the commencement of June, and based on analysis and data now to hand, the mine to mill ounces reconciliation at the MGO has declined materially from that previously achieved up until June. The Company is actively assessing the reasons for this, and management is reviewing geological and mining practices and processes to address this issue.

Reed has also mobilised both internal and external geological and technical resources to the MGO to identify possible contributing factors that may explain this recent variance in reconciliation, and to implement any practicable changes necessary to resolve the reconciliation variance.

Once this additional work has been completed, which is expected by the end of the month, the Company will be in a position to provide a further update to the market.

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, owned 70:30 with Mineral Resources Limited (ASX: MIN). Currently undertaking continuous-scale test work to prove wholly-owned processing route to produce lithium hydroxide and lithium carbonate.
- **Barrambie:** Currently 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