

## BARRAMBIE VANADIUM PROJECT OUTSTANDING DRILL RESULTS CONTINUE

The Board of Reed Resources Ltd (ASX:RDR) (“Reed”) is pleased to announce the results from an additional 50 reverse circulation percussion (RC) drill holes from the Company’s drilling programme being undertaken as part of the feasibility study on the Barrambie Vanadium Project.

The latest assay results, from the Bay-Cove segment, continue to confirm the exceptional tenor and continuity of the massive and disseminated vanadiferous ilmenomagnetite-ilmenite mineralisation that makes up the Barrambie deposit.

The average of **all** 2,017 assays compiled for the drill holes reported here is 0.47 % V<sub>2</sub>O<sub>5</sub> and 10.87 % TiO<sub>2</sub>, which includes assays of waste material. Using a cut-off of 0.6% V<sub>2</sub>O<sub>5</sub>, 527 assays average 0.90 % V<sub>2</sub>O<sub>5</sub> and 19.9 % TiO<sub>2</sub>, with 177 assays over 1.00 % V<sub>2</sub>O<sub>5</sub> and a maximum of 1.55 % V<sub>2</sub>O<sub>5</sub>.

Significant high-grade intercepts (0.6 % V<sub>2</sub>O<sub>5</sub> cut-off) with a down-hole length in excess of 10 metres are listed below:

HOLE ID	Collar mN	Collar mN	Depth (m)		Length (m)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe %
			From	To				
BRC059	10180	5492	8	30	22	1.09	19.1	41.9
BRC060	10180	5545	12	46	34	0.77	34.0	31.1
			74	119	45	0.67	25.9	42.5
BRC064	10600	5630	26	42	16	0.68	25.8	36.1
BRC068	10800	5645	45	63	18	1.12	14.0	36.7
BRC069	10800	5670	41	51	10	1.10	14.0	41.3
BRC075	11000	5710	9	23	14	0.99	12.7	28.9
BRC077	11000	5760	20	37	17	0.88	34.5	26.1
BRC100	11970	5695	12	23	11	0.88	18.6	30.9
BRC101	11970	5720	5	31	26	0.80	28.6	32.9
			50	65	15	1.28	25.2	30.3
BRC106	12200	5695	52	62	10	0.85	36.3	31.9
BRC111	12400	5690	26	36	10	0.93	12.7	37.6
BRC114	12400	5765	1	21	20	0.79	29.	37.7
BRC119	12600	5760	0	29	29	0.81	31.6	34.1
BRC120	12600	5785	6	21	15	0.87	14.6	35.7
			46	71	25	0.81	33.2	35.3

Collar coordinates are for a local grid (Figure 1). Depths and intercept lengths are down-hole distances. Refer to Appendix A for full details.



## DRILLING PROGRAM

The aim of the RC drilling is to confirm continuity of the vanadium-enriched mineralisation throughout the entire 11 km strike length of granted Mining Lease (M57/173) (Figure 1). The drilling is designed to test the mineralisation to a vertical depth of about 50 metres below surface, which is the planned depth for an initial open pit mining operation.

Vanadiferous ilmenomagnetite-ilmenite occurs in massive bands and as disseminated mineralisation. There is one thick massive band on the eastern edge of the deposit (Eastern Band) and, to the west, a series of narrower massive bands with intervening disseminated mineralisation is referred to as the Central Bands (Figure 2).

Drilling results reported here are for 50 drill holes (BRC059-084, BRC096-102, BRC104-121) within the **Bay** and **Cove** segments of the Barrambie deposit between drill lines 10180N and 12600N (Figure 1). Six holes were drilled on each line with drill collars spaced 25 metres apart along each line testing 150m across strike, with seven holes on line 12600N. Two deeper holes were drilled on line 10180N to in-fill previous drilling.

Results for 42 RC drill holes (BRC017-BRC058) were announced to the market on 2 March 2007. Results for the remainder of the drill holes, which are mostly throughout the Bight and Strait segments of the deposit (Figure 1), will be announced later this month following receipt of all assay results.

## DRILLING AND ASSAY RESULTS

The RC drilling program has confirmed massive mineralisation in bands ranging from about 1 metre to in excess of 20 metres true thickness with disseminated mineralisation in the intervening material between massive bands.

The results presented in **Appendix A** are for those assay samples which have a grade of better than 0.60 %  $V_2O_5$  continuous throughout each drilled intercept. These high-grade sections are considered to be representative of the massive bands.

The thick intersections in some holes at the eastern end of drill lines (e.g., BRC060, BRC077) may be attributed to the titanium-rich (25-35 %  $TiO_2$ ) Eastern Band.

The Central Bands are comprised of a series of 2-12 metre thick (true thickness) bands of high-grade vanadium mineralisation (>1 %  $V_2O_5$ ) with lower titanium grades (10-15 %  $TiO_2$ ) that are interspersed among low-grade disseminated mineralisation. Some of the disseminated mineralisation may also include thin (less than 1 metre thick) bands of massive mineralisation much of which has grades of 0.4 to 0.6 %  $V_2O_5$ .

All of the mineralisation is in strongly oxidised material which would be amenable to low cost open pit mining and beneficiation. Most of the magnetite has been oxidised to hematite.

Several of the high-grade intercepts with the Central Bands have average grades in excess of 1.00 % V<sub>2</sub>O<sub>5</sub> over down-hole lengths of 3 to 8 metres (listed below), which is equivalent to horizontal widths in excess of about 2 metres.

HOLE ID	Collar mN	Collar mN	Depth (m)		Length (m)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe %
			From	To				
BRC059	10180	5492	142	145	3	1.07	13.43	46.2
BRC060	10180	5545	164	167	3	1.00	14.18	45.6
BRC067	10800	5620	0	6	6	1.16	11.8	44.3
BRC071	10800	5720	49	56	7	1.05	14.55	36.5
BRC073	11000	5660	62	65	3	1.23	13.97	41.2
BRC074	11000	5684	59	63	4	1.10	14.38	35.0
BRC076	11000	5735	17	23	6	1.02	7.49	25.0
			43	46	3	1.01	16.18	33.2
BRC077	11000	5760	42	47	5	1.10	16.97	32.7
BRC083	11200	5700	50	53	3	1.13	13.15	39.1
			54	59	5	1.28	14.79	40.3
BRC097	11970	5620	29	32	3	1.02	14.47	41.6
BRC098	11970	5645	28	31	3	1.26	15.41	38.6
BRC104	12200	5645	61	66	5	1.15	16.31	34.3
BRC109	12400	5640	64	69	5	1.08	13.1	36.2
BRC110	12400	5665	4	8	4	1.06	15.91	30.9
			54	57	3	1.04	13.3	41.7
BRC113	12400	5740	5	10	5	1.04	16.6	44.0
			57	61	4	1.02	18.8	36.1
BRC121	12600	5815	0	3	3	1.17	16.16	43.9

Collar coordinates are for a local grid (Figure 1). Depths and intercept lengths are down-hole distances. Refer to Appendix A for full details.

Significantly, the Central Bands commence immediately west of the Eastern Band and therefore is likely to be accessible from a single open pit. Some of the high-grade bands may be sufficiently close for the intervening low-grade material to be included in much wider, but still high-grade, intersections (eg, BRC083 has a 9 metre intercept at 50-59 metres down-hole at a grade of 1.12 % V<sub>2</sub>O<sub>5</sub>, and a 28 metre intercept at 31-59 metres down-hole grading 0.83 % V<sub>2</sub>O<sub>5</sub>).

## SAMPLING AND ANALYSIS

Samples were collected from an RC cyclone at 1m intervals and split using a 3-way splitter to provide a 3-4 kg of sample, which was collected in calico bags for transport to the analytical laboratory.

Samples of disseminated mineralisation between the massive bands were collected, initially, as a composite sample over 3m intervals. Where composite grades are sufficiently high, these intervals are being re-sampled and re-analysed at 1m intervals.

For QA/QC purposes, a duplicate sample was collected after every 20 samples and submitted blind to the analytical laboratory. In addition, a sample of Certified Reference Material (CRM) was included at random among each batch of samples and submitted blind to the laboratory.

All samples have been analysed by SGS Australia at their Welshpool laboratory, WA. Samples were sorted, dried, split and pulverised then prepared as fused beads for analysis by X-Ray fluorescence spectrometry (method XRF780) for V, Ti, Fe, Si, Al, Mg, Ca, Mn, P, K and Na, and LOI by gravimetric method.

As an added control on analytical quality, pulverised CRMs and Reed standards have been included with each analytical batch. This is in addition to routine laboratory repeat, duplicate and certified standards.

Additional information regarding sampling and analysis is included in footnotes to Appendix A.

## **FORWARD WORK**

Drill results are currently being compiled and validated for inclusion in a comprehensive data base from which a geological model of the Barrambie deposit will be constructed in preparation for resource modelling by Snowden. This work is ongoing and is expected to be completed by the end of April.

A large diameter Calweld bucket rig is to commence bulk sampling after Easter, to provide samples for extensive bench and pilot-scale testwork.

A second phase of infill RC drilling is scheduled to commence in late April, for completion by early June.

A Mineral Resource estimate is expected to be available early in the September Quarter.

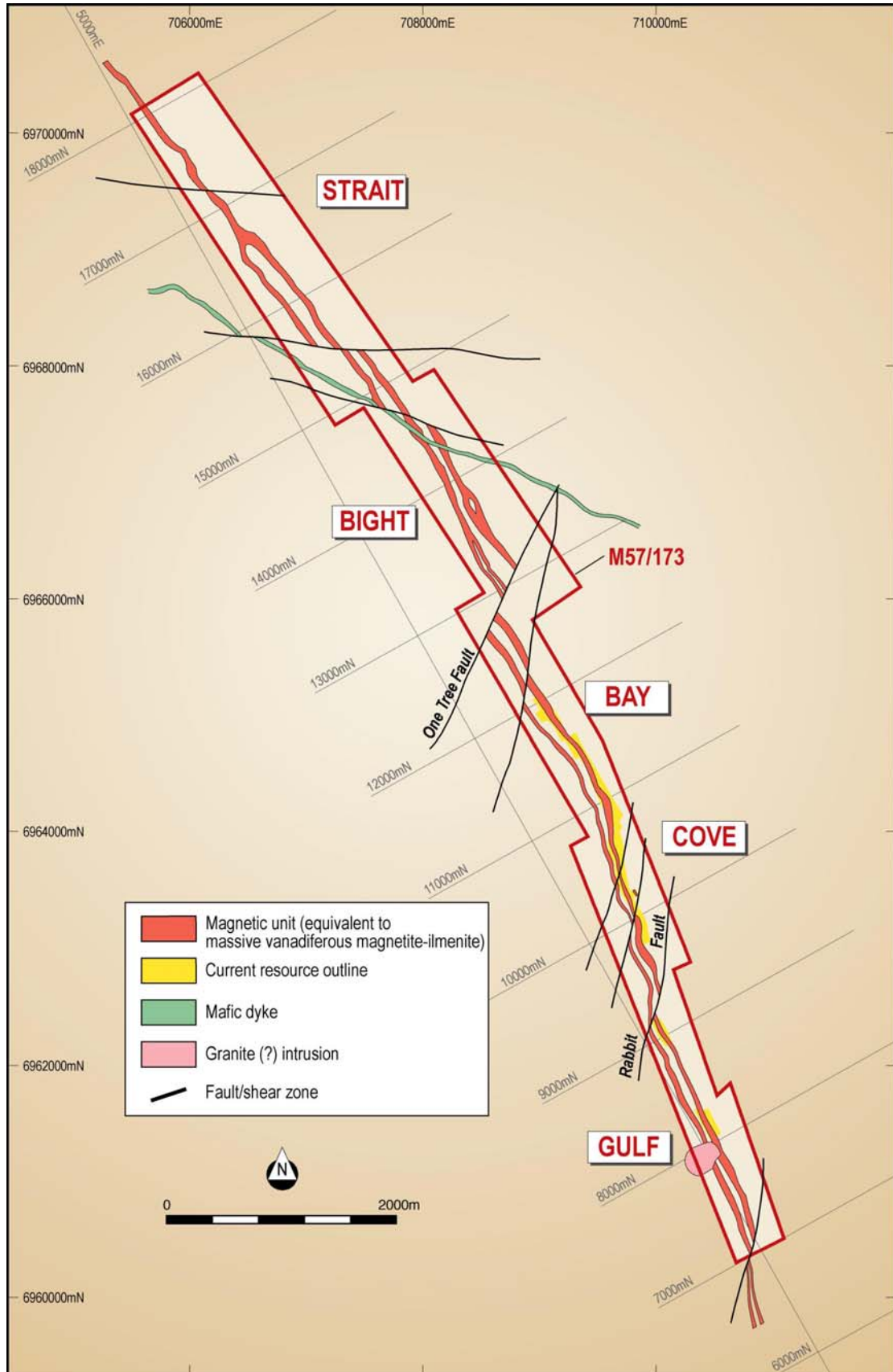


Chris Reed  
**EXECUTIVE DIRECTOR**

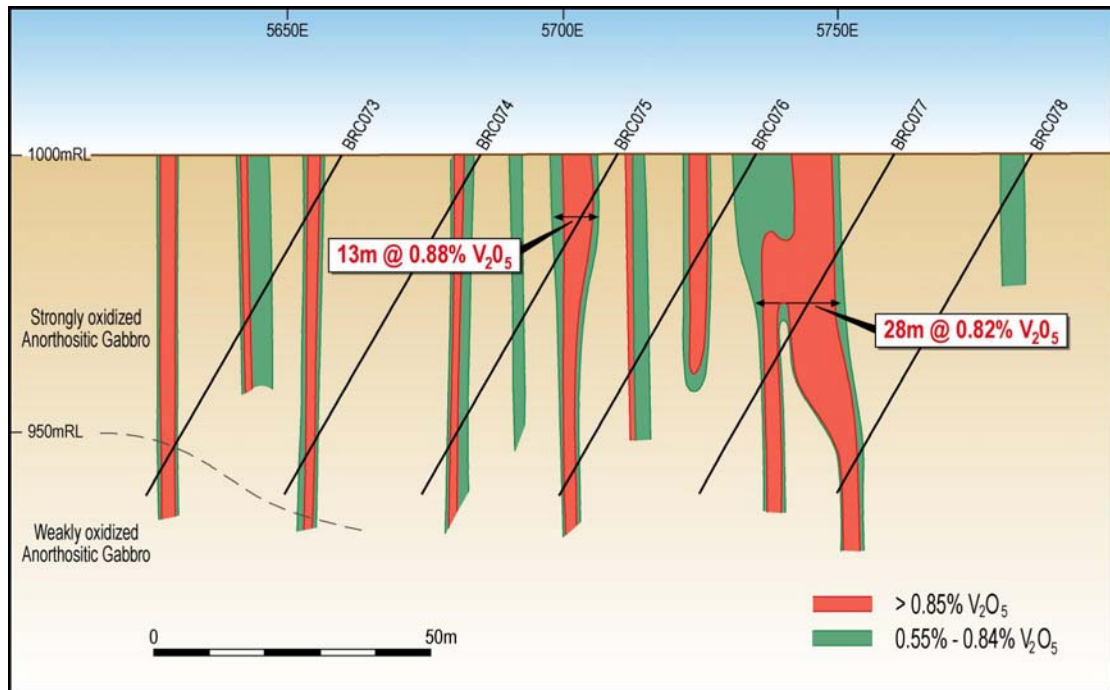
---

*Geological aspects of this report have been compiled by Dr Peter Collins (MAIG), a Director of Reed Resources Ltd. Dr Collins 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. Dr Collins consents to the inclusion in the report of the matters in the form and context in which it appears.*

*Although Reed Resources remain optimistic about the potential of the Barrambie tenements, any reference to the terms "ore", "high-grade" and "low-grade" in this report is conceptual in nature. Use of the term "grade(s)" is not intended to represent the grade of a resource.*



**Figure 1** Position of the local grid and subdivision of the Barrambie deposit into five segments. Distribution of vanadiferous magnetite-ilmenite mineralisation is based on interpretation of aeromagnetic survey data.



**Figure 2** Drill section 11000N in the Bay segment of the Barrambie deposit showing interpreted distribution of high-grade bands including the massive Eastern Band and high-grade bands among disseminated mineralisation making up the Central Bands to the west (interpretation by Bryan Smith Geosciences). Much of the intervening material between the high-grade bands has grades in the range 0.4-0.55 %  $V_2O_5$ .

## Appendix A

### Intercepts of high grade mineralisation (>0.6 % V<sub>2</sub>O<sub>5</sub>)

Summary of intercepts of high-grade, vanadiferous ilmenomagnetite-ilmenite mineralisation for all assays with greater than 0.6 % V<sub>2</sub>O<sub>5</sub>, continuous throughout each intercept. Much of the intervening material is still mineralised with grades in excess of 0.4 % V<sub>2</sub>O<sub>5</sub>.

Hole ID	Collar mN	Collar mE	Dip/ Azimuth	Depth From m	Depth To m	Length m	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe %
BRC059	10180	5492	60/240	6	8	2	0.79	11.5	30.0
				8	30	22	1.09	19.1	41.9
				67	69	2	0.85	12.2	42.0
				75	78	3	0.62	8.7	32.1
				142	145	3	1.07	13.4	46.2
BRC060	10180	5545	60/240	12	46	34	0.77	34.0	31.1
				74	119	45	0.67	25.9	42.5
				134	137	3	0.86	14.8	42.4
				152	155	3	0.66	9.9	31.3
				164	167	3	1.00	14.2	45.6
BRC061*	10600	5555	60/240	65	71*	6	0.88	9.6	36.9
BRC062	10600	5580	60/240	0	3	3	0.61	6.3	31.4
BRC063	10600	5605	60/240	11	14	3	0.66	10.1	40.9
				29	32	3	0.61	8.0	22.3
BRC064	10600	5630	60/240	26	42	16	0.68	25.8	36.1
				45	46	1	0.73	16.0	37.2
BRC065*	10600	5655	60/240	58	62*	4	0.67	29.3	33.6
BRC067	10800	5620	60/240	0	6	6	1.06	11.8	44.3
				9	13	4	0.70	7.6	19.1
BRC068	10800	5645	60/240	45	63	18	1.12	14.0	36.7
BRC069	10800	5670	60/240	41	51	10	1.10	14.0	41.3
BRC070	10800	5695	60/240	4	5	1	0.62	8.0	34.4
				11	13	2	0.87	10.7	33.8
				17	18	1	0.85	11.7	31.2
				19	22	3	0.75	9.4	33.5
				36	39	3	0.89	11.0	42.2
BRC071	10800	5720	60/240	9	10	1	0.64	10.5	30.0
				11	13	2	0.83	11.9	38.6
				27	29	2	0.86	10.1	29.4
				49	56	7	1.05	14.6	36.5
BRC072	10800	5745	60/240	17	20	3	0.67	25.3	36.3
				24	28	4	0.79	13.5	32.5
				35	36	1	0.62	10.3	34.9
				51	54	3	0.74	11.3	32.2
				62	65	3	0.88	13.6	36.5
BRC073	11000	5660	60/240	8	12	4	0.97	12.0	32.6
				33	36	3	0.88	12.6	26.4
				60	61	1	1.03	13.3	35.7
				62	65	3	1.23	14.0	41.2
BRC074	11000	5684	60/240	6	8	2	1.12	12.0	37.5
				59	63	4	1.10	14.4	35.0
				64	65	1	0.71	7.7	33.3

**Appendix A, cont'd**  
Intercepts of high grade mineralisation (>0.6 % V<sub>2</sub>O<sub>5</sub>)

Hole ID	Collar mN	Collar mE	Dip/ Azimuth	Depth From m	Depth To m	Length m	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe %
BRC075	11000	5710	60/240	9	23	14	0.99	12.7	28.9
				35	38	3	0.64	8.6	22.4
				56	57	1	0.62	9.1	24.6
				58	60	2	1.12	16.7	39.7
BRC076	11000	5735	60/240	2	8	6	0.68	6.1	25.5
				17	23	6	1.02	7.5	25.0
				32	35	3	0.69	7.0	15.5
				43	46	3	1.01	16.2	33.2
				64	68	4	0.98	14.9	44.2
BRC077	11000	5760	60/240	20	37	17	0.87	34.5	26.1
				40	41	1	0.64	9.7	19.7
				42	47	5	1.10	17.0	32.7
BRC078	11000	5785	60/240	3	10	7	0.72	17.9	25.7
				62	69	7	0.84	29.4	35.7
BRC079	11200	5800	60/060	1	3	2	0.78	13.8	35.5
				16	17	1	0.70	14.1	34.8
BRC080	11200	5775	60/060	11	13	2	0.80	15.2	40.1
BRC082	11200	5725	60/060	0	3	3	0.68	13.2	30.2
				6	7	1	1.05	9.4	35.5
BRC083	11200	5700	60/060	11	15	4	0.81	10.1	27.6
				16	21	5	0.90	11.0	39.9
				31	36	5	0.84	10.0	28.9
				39	41	2	0.61	8.4	22.3
				50	53	3	1.13	13.2	39.1
				54	59	5	1.28	14.8	40.3
BRC084	11200	5675	60/060	22	27	5	0.95	9.7	38.1
				58	61	3	0.94	10.1	34.2
BRC097	11970	5620	60/240	9	11	2	0.99	15.4	38.0
				29	32	3	1.02	14.5	1.6
				55	56	1	0.94	12.4	41.6
BRC098*	11970	5645	60/240	8	11	3	0.94	17.7	39.3
				28	31	3	1.26	15.4	38.6
				53	57	4	0.80	12.1	36.9
				69	71*	2	0.83	11.4	38.0
BRC099	11970	5670	60/240	26	29	3	0.91	15.2	33.8
				46	51	5	0.95	14.2	42.0
BRC100	11970	5695	60/240	0	2	2	0.75	21.7	40.1
				12	23	11	0.87	18.6	30.9
BRC101	11970	5720	60/240	5	31	26	0.80	28.6	32.9
				50	65	15	1.28	25.2	30.3
BRC104	12200	5645	60/240	13	15	2	1.07	15.0	32.3
				27	28	1	0.73	6.0	23.5
				33	38	5	0.77	9.4	26.3
				44	45	1	0.96	12.8	33.3
				57	59	2	0.94	10.5	22.2
				61	66	5	1.15	16.3	34.3

**Appendix A, cont'd**  
Intercepts of high grade mineralisation (>0.6 % V<sub>2</sub>O<sub>5</sub>)

Hole ID	Collar mN	Collar mE	Dip/ Azimuth	Depth From m	Depth To m	Length m	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe %
BRC105	12200	5670	60/240	7	8	1	0.64	8.8	16.9
				54	55	1	0.94	11.9	39.6
BRC106	12200	5695	60/240	4	8	4	0.71	24.4	27.5
				52	62	10	0.85	36.3	31.9
BRC109	12400	5640	60/240	26	27	1	0.73	10.0	33.3
				36	37	1	0.60	8.0	30.0
				64	69	5	1.08	13.1	36.2
BRC110	12400	5665	60/240	4	8	4	1.06	15.9	30.9
				18	20	2	0.79	10.1	29.2
				21	22	1	0.62	7.6	21.1
				26	27	1	0.78	10.2	38.4
				54	57	3	1.04	13.3	41.7
				58	60	2	0.87	11.5	32.8
BRC111	12400	5690	60/240	3	5	2	0.84	10.8	39.8
				26	36	10	0.93	12.7	37.5
				37	38	1	0.66	7.8	28.6
				54	57	3	0.89	12.9	29.2
				60	61	1	0.95	12.4	38.6
				62	63	1	0.86	11.7	36.6
BRC112	12400	5715	60/240	15	16	1	0.80	9.4	34.4
				22	26	4	0.99	13.2	37.4
				36	37	1	1.18	22.9	37.9
				63	66	3	0.93	14.9	31.7
BRC113	12400	5740	60/240	1	3	2	0.99	17.9	42.0
				5	10	5	1.04	16.6	43.9
				11	12	1	0.62	11.9	18.4
				48	50	2	1.14	16.4	41.1
				57	61	4	1.02	19.0	36.1
BRC114	12400	5765	60/240	1	21	20	0.79	29.8	37.7
				22	24	2	0.63	11.6	19.4
				36	40	4	0.95	17.7	40.1
BRC119	12600	5760	60/240	0	29	29	0.81	31.6	34.1
				32	33	1	0.60	34.0	28.2
				34	35	1	0.60	33.7	30.5
				36	41	5	0.66	27.4	26.6
BRC120*	12600	5785	60/240	6	21	15	0.87	14.6	35.7
				22	25	3	0.95	16.7	41.1
				46	71*	25	0.81	33.2	35.3
BRC121*	12600	5815	60/240	0	3	3	1.17	16.2	43.9
				15	17	2	0.91	11.7	37.2
				39	45	6	0.66	11.5	19.7
				63	71*	8	0.93	16.3	40.7

\* Drill hole finished in high-grade mineralisation.

NOTES:

1. Collar coordinates are for a local grid as illustrated in Figure 1
2. All holes drilled at an angle of 60 degrees from the horizontal toward grid east or west, depending on the apparent dip of massive bands. All holes drilled to a depth of 71 metres except for BRC059 (180m), BRC060 (180m), BRC065 (62m), BRC068 (67m).
3. All depths and intercept lengths are down-hole distances and not intended to represent the true width of high-grade bands.
4. Vanadium and titanium grades are reported as V<sub>2</sub>O<sub>5</sub> and TiO<sub>2</sub> and iron is reported as total Fe, in accordance with convention for reporting this style of mineralisation.
5. Some holes that were drilled to the east of the Eastern Band did not intersect significant mineralisation and are not listed above.
6. Use of the term "high-grade" in this appendix is conceptual in nature and is not intended to represent the grade of a resource.

**ENDS**