

**BARRAMBIE VANADIUM PROJECT
INFILL DRILL RESULTS**

23 JULY 2007

Highlights

- Final infill drilling results (68 of 120 holes) continue to confirm exceptional grades from both the Eastern Band and Central Bands.
- Average grade of intercepts of targeted high-grade mineralisation is **0.90 % V₂O₅** and **15.5% TiO₂**, using 0.6 % V₂O₅ lower cut-off.
- All of the mineralisation is in strongly oxidised material, which would be amenable to low-cost open pit mining and beneficiation.
- Mineral Resource estimate is due early August.

The Board of Reed Resources Ltd (ASX:RDR) ("Reed") is pleased to announce the final results from the second phase of the Company's drilling programme being undertaken as part of its feasibility study on the Barrambie Vanadium Project.

The latest assay results, from the **Bay** and **Cove** segments of the Barrambie deposit (Figure 1), continue to confirm the exceptional tenor of the massive and disseminated vanadiferous ilmenomagnetite-ilmenite mineralisation.

The average grade of **all** high-grade intercepts (i.e., 682 assays greater than 0.6% V₂O₅ continuous within each intercept) is **0.90 % V₂O₅**, **15.5 % TiO₂** and **35.4 % Fe**, including 225 assays in excess of 1.00 % V₂O₅ and a maximum assay of 1.80 % V₂O₅ over two metres.

High-grade intercepts in excess of 10 metres down-hole thickness (Table 1) generally are from the thick massive Eastern Band, which has been traced along the eastern edge of the deposit throughout the entire 11km of the Mining Lease (ML57/173).

Most of the other high-grade intercepts are from a series of narrower massive bands with intervening disseminated mineralisation that make up the Central Bands (Figure 2). Many of these intercepts have **average grades in excess of 1.00 % V₂O₅** over down-hole lengths of 3 to 8 metres, which is equivalent to horizontal widths in excess of about 2 metres (Table 2).



Table 1 High-grade intercepts (>0.6 % V₂O₅) with a **down-hole length in excess of 10 metres** (full details in Appendix A).

HOLE ID	Collar mN	Collar mN	Depth (m)		Length (m)	V ₂ O ₅ %	TiO ₂ %	Fe %
			From	To				
BRC173	8400	5125	34	44	10	1.11	19.1	34.0
			54	70	16	0.69	23.1	41.8
BRC184	9200	5230	33	53	20	0.87	29.3	32.3
BRC227	10530	5609	20	31	11	0.77	28.7	38.3
BRC236	10900	5625	35	45	10	0.77	8.7	19.0
BRC258	11640	5760	29	49	20	0.74	27.5	40.0
BRC264	11880	5660	1	16	15	0.70	12.2	28.8
BRC273	12400	5790	37	54	17	0.78	30.1	37.3
BRC327	12400	5590	50	63	13	1.28	13.6	35.3

Table 2 Significant high-grade intercepts **greater than 1.0 % V₂O₅** over down-hole lengths **in excess of 3 metres** (full details in Appendix A).

HOLE ID	Collar mN	Collar mN	Depth (m)		Length (m)	V ₂ O ₅ %	TiO ₂ %	Fe %
			From	To				
BRC173	8400	5125	34	44	10	1.11	19.1	34.0
BRC175	8400	5075	38	41	3	1.02	15.2	40.6
			49	55	6	1.03	15.6	39.4
BRC216	10290	5424	51	58	7	1.23	16.3	44.7
BRC226	10530	5582	63	71	8	1.10	13.2	39.6
BRC230	10654	5584	49	54	5	1.00	12.3	41.4
BRC231	10660	5550	33	38	5	1.24	15.6	43.8
			41	44	3	1.04	11.6	44.0
BRC234	10900	5700	24	32	8	1.10	14.8	44.0
BRC243	11270	5700	36	42	6	1.23	13.5	47.6
BRC244	11270	5725	41	44	3	1.11	13.2	40.7
BRC245	11270	5753	68	71	3	1.06	13.5	35.3
BRC248	11400	5675	7	10	3	1.11	12.4	41.0
			28	31	3	1.02	11.6	29.9
BRC249	11520	5675	16	20	4	1.15	13.2	38.6
			23	32	9	1.12	12.6	45.3
BRC250	11520	5700	4	7	3	1.17	10.5	39.1
BRC252	11520	5750	44	47	3	1.11	16.3	43.4
			57	63	6	1.08	16.1	43.9
BRC255	11640	5688	2	8	6	1.09	13.5	34.8
BRC263	11880	5635	33	37	4	1.04	14.7	44.3
BRC264	11880	5660	43	47	4	1.00	15.5	45.0
BRC267	11970	5545	59	65	6	1.13	12.6	44.4
BRC270	12200	5575	27	35	8	1.10	9.9	33.1
BRC272	12400	5615	20	28	8	1.03	12.9	36.4
BRC274	12600	5637	38	42	4	1.01	13.0	41.6
BRC276	12600	5585	3	9	6	1.06	12.3	38.0
BRC327	12400	5590	39	45	6	1.11	15.0	36.0
			50	63	13	1.28	13.6	35.3
BRC328	12600	5560	58	64	6	1.09	13.3	38.9
BRC335	12600	5535	57	64	7	1.21	14.7	40.2

DRILLING AND ASSAY RESULTS

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

This second phase of the drilling programme (120 RC drill holes) has included a number of infill drill lines in the Bay, Cove and Gulf segments (Figure 1) of the Barrambie deposit in preparation for estimation of mineral resources and ore reserves.

Drilling results reported here are for the final 68 drill holes (BRC173-175, BRC184-185, BRC216-232, BRC 234-276, BRC327-328, BRC335) of the drilling programme for 4,677 metres of drilling (3,085 assays) within the Bay and Cove segments of the Barrambie deposit, predominantly between drill lines 10290N and 12600N (Figure 1).

The drilling program has confirmed that vanadiferous ilmenomagnetite-ilmenite mineralisation occurs in massive bands ranging from about 1 metre to in excess of 28 metres true thickness with disseminated mineralisation in the intervening material between massive bands.

All high-grade drill intercepts (i.e., assays greater than 0.60 % V_2O_5 continuous throughout each intercept) are presented in **Appendix A**. These high-grade intercepts are considered to be representative of the massive bands, which are interspersed with low-grade disseminated mineralisation much of which has grades of 0.4 to 0.6 % V_2O_5 .

FORWARD WORK

Drill results are currently being compiled and validated for inclusion in a comprehensive database from which a geological model of the Barrambie deposit will be constructed in preparation for resource modelling by Snowden.

A Mineral Resource estimate is expected to be available in early August.



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.

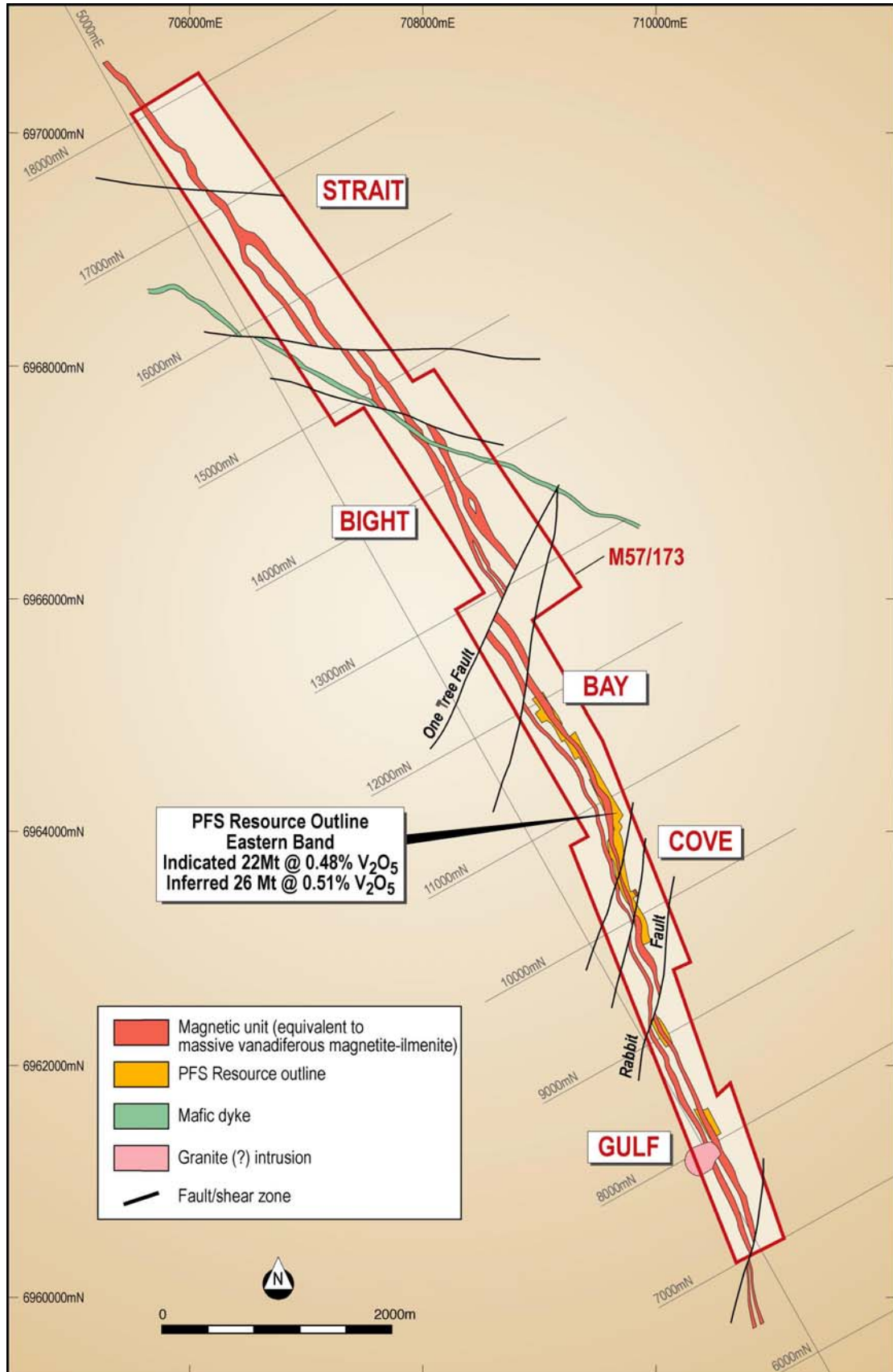


Figure 1 Position of the local grid and subdivision of the Barrambie deposit into five segments. Distribution of vanadiferous magnetite-ilmenite mineralisation is based on interpretation of aeromagnetic survey data.

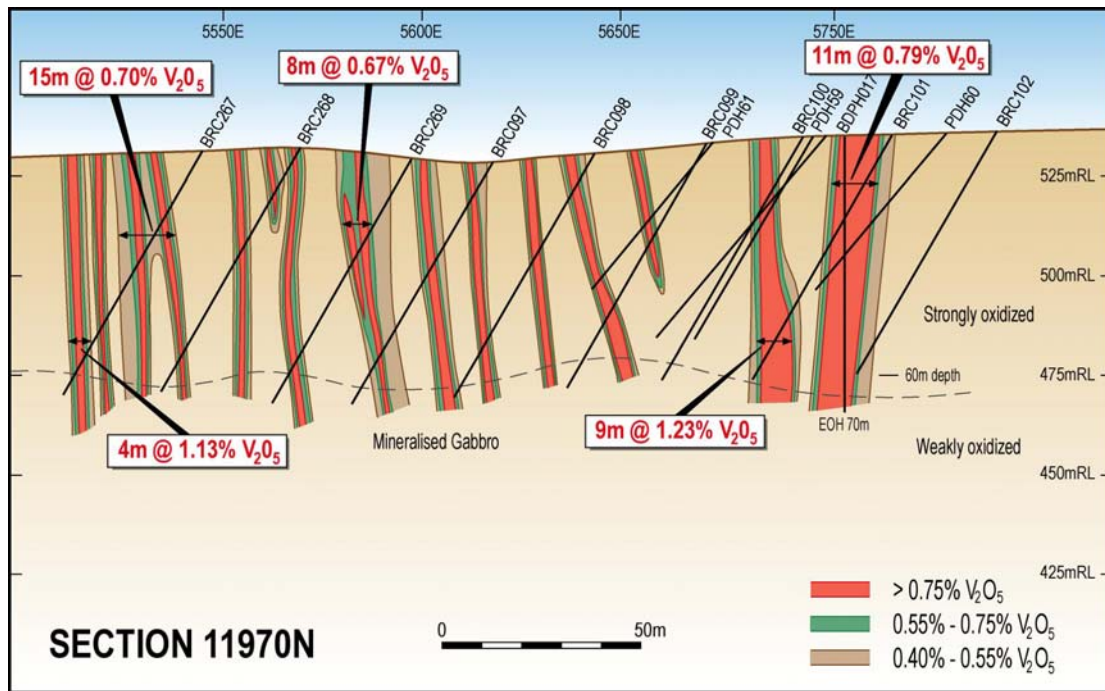


Figure 2 Drill section 11970N at the central part of the Bay segment of the Barrambie deposit showing interpreted distribution of high-grade (>0.55% V₂O₅) bands, including several high-grade intersections within the Central Bands (interpretation by Bryan Smith Geosciences). High-grade intercepts highlighted are for true widths of some of the more significant bands and may include narrow intersections of benign dilution (i.e., <0.55 % V₂O₅). Drill holes with a PDH or BDPH prefix are from previous drilling programmes.

Reed Resources is a junior gold miner based in the Eastern Goldfields of Western Australia, with modest production and sound margins we are expanding and diversifying our production base.

Reed Resources has three main projects all in Western Australia:



Comet Vale - High-grade underground gold mine in JV with mining contractors, generating A\$5m per annum from 07/08. Nickel Laterite JV with Heron Resources NL.

Mt.Finnerty – Iron Ore JV with Portman Ltd Nickel JV with Western Areas NL

Barrambie – Completing Bankable Feasibility Study on 20M lb per annum Vanadium Pentoxide operation.

Appendix A

Intercepts of high grade mineralisation (>0.6 % V₂O₅)

Summary of all intercepts of high-grade, vanadiferous mineralisation for all assays with greater than 0.6 % V₂O₅, continuous throughout each intercept. Much of the intervening material is also mineralised with grades in excess of 0.4 % V₂O₅.

Hole ID	Collar mN	Collar mE	Dip/ Azimuth degrees	Depth From m	Depth To m	Intercept m	V ₂ O ₅ %	TiO ₂ %	Fe %
BRC162	8000	5125	60/060	0	3	3	0.66	12.8	34.2
				12	14	2	0.69	23.5	42.0
BRC173	8400	5125	60/060	34	44	10	1.11	19.1	34.0
				45	46	1	0.63	11.5	21.4
				52	53	1	0.73	17.7	38.1
				54	70	16	0.69	23.1	41.8
BRC174	8400	5100	60/060	11	15	4	0.80	11.4	38.9
				22	25	3	0.93	13.6	37.3
				41	45	4	0.92	14.2	37.5
				54	55	1	0.84	13.0	39.8
BRC175	8400	5075	60/060	3	6	3	0.61	7.9	18.4
				18	23	5	0.92	12.0	34.3
				32	36	4	0.79	10.9	34.7
				38	41	3	1.02	15.2	40.6
				49	55	6	1.03	15.6	39.4
				61	62	1	0.87	14.1	32.6
BRC184	9200	5230	60/060	9	10	1	0.73	15.8	23.1
				12	20	8	0.87	14.4	22.9
				33	53	20	0.87	29.3	32.3
BRC185	9200	5205	60/060	8	9	1	1.46	20.4	34.3
				28	35	7	0.91	14.9	26.5
				47	50	3	0.80	12.5	27.0
BRC216	10290	5424	60/060	3	4	1	1.00	10.2	33.6
				38	41	3	0.77	9.3	32.3
				51	58	7	1.23	16.3	44.7
BRC217	10290	5400	60/060	67	68	1	1.14	11.9	36.8
				21	22	1	0.66	4.9	19.4
				48	50	2	0.68	8.8	24.6
				54	55	1	0.68	8.0	25.9
BRC220	10405	5440	60/060	54	57	3	0.74	8.2	27.9
BRC223	10405	5460	60/240	12	15	3	0.95	9.9	29.0
BRC224	10530	5534	60/240	3	10	7	0.84	9.0	35.9
BRC225	10530	5559	60/240	3	6	3	0.61	9.5	24.1
				10	11	1	1.05	12.4	40.3
				44	45	1	0.71	8.5	26.2
BRC226*	10530	5582	60/240	6	8	2	0.95	11.4	34.4
				13	16	3	0.64	9.1	27.0
				32	34	2	0.94	11.7	36.7
				63	71	8	1.10	13.2	39.6

BRC227	10530	5609	60/240	14	15	1	0.63	25.4	34.5
				18	19	1	0.64	27.0	37.6
				20	31	11	0.77	28.7	38.3
				41	43	2	0.85	16.0	40.7
				49	50	1	0.63	9.5	27.6
				54	56	2	0.74	10.6	32.7
BRC230*	10654	5584	60/060	0	1	1	1.14	13.0	40.7
				4	7	3	0.95	11.5	34.4
				29	30	1	1.02	13.4	38.8
				31	33	2	1.10	14.5	36.5
				38	40	2	0.88	10.9	25.3
				49	54	5	1.00	12.3	41.4
				70	71	1	0.67	8.8	28.2
BRC231	10660	5550	60/060	10	12	2	0.65	7.2	36.2
				33	38	5	1.24	15.6	43.8
				41	44	3	1.04	11.6	44.0
BRC232	10660	5503	60/060	27	29	2	0.95	10.3	41.1
				57	58	1	0.63	7.1	25.8
				65	67	2	0.91	9.8	37.9
BRC234	10900	5700	60/060	9	11	2	0.94	11.8	42.6
				24	32	8	1.10	14.8	44.0
				68	69	1	0.77	11.8	34.8
BRC235*	10900	5652	60/060	5	8	3	0.77	9.6	33.2
				25	28	3	0.61	11.2	18.4
				51	53	2	1.00	13.1	39.5
				54	56	2	0.75	10.0	30.1
				70	71	1	0.80	11.0	35.2
BRC236	10900	5625	60/060	11	12	1	0.66	5.5	23.8
				35	45	10	0.77	8.7	19.0
BRC237	11000	5635	60/240	13	14	1	0.84	9.2	35.7
				15	17	2	0.79	10.2	35.2
				29	35	6	0.66	8.8	24.9
				41	43	2	0.71	9.5	26.9
BRC240	11150	5780	60/240	4	6	2	0.73	28.4	40.0
BRC241	11150	5805	60/240	4	5	1	0.63	23.7	35.0
BRC242	11270	5675	60/240	7	10	3	0.98	11.0	41.5
				11	14	3	0.95	10.7	41.3
				29	31	2	0.96	10.5	37.3
BRC243	11270	5700	60/240	2	3	1	0.79	8.8	28.5
				4	5	1	0.70	8.2	26.3
				14	19	5	0.74	8.2	36.2
				22	23	1	1.21	12.1	43.9
				24	26	2	0.86	14.1	24.7
				31	33	2	1.05	11.8	38.5
				36	42	6	1.23	13.5	47.6
BRC244	11270	5725	60/240	4	7	3	0.65	8.6	25.4
				16	17	1	0.88	10.6	35.8
				31	32	1	0.71	7.1	38.5
				36	37	1	0.66	9.5	16.8
				41	44	3	1.11	13.2	40.7
				45	47	2	0.92	10.8	38.6

BRC245*	11270	5753	60/240	2	9	7	0.83	9.7	33.2
				15	17	2	0.90	11.5	35.5
				27	29	2	0.96	12.7	32.5
				33	34	1	0.61	5.4	18.7
				38	41	3	0.98	13.1	32.5
				51	53	2	0.90	11.9	30.5
				58	59	1	0.61	6.8	23.3
				60	61	1	0.63	8.9	23.7
				68	71	3	1.06	13.5	35.3
BRC246	11270	5775	60/240	0	7	7	0.91	11.3	38.5
				12	15	3	0.63	11.2	20.4
				44	46	2	0.97	14.7	29.4
BRC247*	11270	5800	60/240	64	66	2	0.61	24.3	26.0
				67	71	4	0.66	30.4	30.6
BRC248	11400	5675	60/240	7	10	3	1.11	12.4	41.0
				28	31	3	1.02	11.6	29.9
				45	47	2	0.88	10.2	29.0
				49	50	1	0.84	10.8	27.2
BRC249	11520	5675	60/240	16	20	4	1.15	13.2	38.6
				23	32	9	1.12	12.6	45.3
BRC250	11520	5700	60/240	4	7	3	1.17	10.5	39.1
				17	18	1	0.63	7.0	18.6
				20	21	1	0.63	7.6	18.4
				23	26	3	0.99	14.0	35.3
				41	42	1	0.98	12.7	28.6
BRC251	11520	5725	60/240	0	3	3	0.80	12.1	29.8
				27	30	3	0.64	7.6	18.4
				31	34	3	0.61	8.1	20.4
				57	59	2	0.69	9.4	19.7
				62	63	1	0.64	8.0	23.5
				65	66	1	0.64	8.0	23.6
BRC252	11520	5750	60/240	5	7	2	0.73	12.2	40.2
				8	15	7	0.92	14.5	36.5
				44	47	3	1.11	16.3	43.4
				57	63	6	1.08	16.1	43.9
BRC253	11520	5775	60/240	29	37	8	0.79	25.1	40.6
				40	48	8	0.94	16.5	42.6
				50	52	2	0.69	12.2	26.6
				54	63	9	0.93	15.7	39.2
				64	65	1	0.61	10.5	23.8
BRC254	11520	5800	60/240	62	71	9	0.69	33.2	30.3
BRC255	11640	5688	60/240	2	8	6	1.09	13.5	34.8
				14	15	1	0.86	12.2	23.8
				16	17	1	0.75	10.3	19.3
				57	58	1	0.79	10.0	33.6
BRC256	11640	5710	60/240	18	19	1	0.75	7.5	16.6
				27	29	2	0.93	15.9	30.7
				41	42	1	0.84	12.1	32.4
				44	45	1	0.63	8.5	24.1

BRC257*	11640	5730	60/240	12	18	6	0.71	11.0	29.5
				52	53	1	0.75	16.6	25.3
				56	57	1	0.71	11.5	28.2
				65	66	1	0.63	8.9	29.5
				69	71	2	0.90	11.6	42.3
BRC258	11640	5760	60/240	26	27	1	0.61	24.5	39.7
				29	49	20	0.74	27.5	40.0
BRC259	11640	5810	60/240	1	3	2	0.63	14.9	33.4
BRC263*	11880	5635	60/060	33	37	4	1.04	14.7	44.3
				61	65	4	0.92	13.7	43.1
BRC264	11880	5660	60/060	1	16	15	0.70	12.2	28.8
				43	47	4	1.00	15.5	45.0
BRC265	11891	5682	60/060	0	3	3	0.65	9.4	26.2
				52	64	8	0.85	15.2	40.7
BRC267	11970	5545	60/240	16	17	1	0.80	15.0	28.4
				18	23	5	0.97	20.5	29.3
				30	34	4	0.87	9.1	24.7
				37	40	3	0.86	10.3	31.1
				50	52	2	1.04	12.0	41.6
				59	65	6	1.13	12.6	44.4
BRC268	11975	5570	60/240	1	2	1	0.93	9.7	33.9
				12	14	2	0.75	12.4	21.5
				28	30	2	1.01	15.8	31.0
				59	61	2	0.81	10.3	34.4
BRC269	11970	5597	60/240	20	25	5	0.90	12.4	33.2
				27	29	2	0.82	10.8	35.2
				56	60	4	0.91	11.0	37.7
BRC270	12200	5575	60/240	27	35	8	1.10	9.9	33.1
BRC271	12200	5600	60/240	38	39	1	0.82	9.0	32.1
				44	45	1	0.80	8.7	31.7
				46	47	1	0.73	8.2	29.7
BRC272	12400	5615	60/240	20	28	8	1.03	12.9	36.4
				39	44	5	0.84	9.1	27.6
				53	54	1	1.11	12.6	43.0
BRC273	12400	5790	60/240	24	28	4	0.69	28.6	20.4
				29	30	1	0.64	33.2	27.4
				31	36	5	0.65	29.5	30.1
				37	54	17	0.78	30.1	37.3
BRC274	12600	5637	60/060	8	10	2	0.74	10.0	39.3
				24	27	3	0.90	12.0	37.4
				38	42	4	1.01	13.0	41.6
				56	60	4	0.91	15.9	36.7
BRC275	12600	5611	60/060	22	23	1	0.70	9.0	35.3
				24	26	2	0.83	12.0	37.9
				42	46	4	0.89	12.5	39.2
				67	70	3	0.77	11.2	37.3
BRC276	12600	5585	60/060	3	9	6	1.06	12.3	38.0
				30	32	2	0.96	12.0	36.6
				50	54	4	0.77	9.5	31.2

BRC327	12400	5590	60/240	1	2	1	0.61	6.2	26.5
				39	45	6	1.11	15.0	36.0
				50	63	13	1.28	13.6	35.3
BRC328	12600	5560	60/060	50	52	2	0.71	8.7	23.4
BRC335*	12600	5535	60/060	58	64	6	1.09	13.3	38.9
				20	24	4	0.96	10.0	29.7
				57	64	7	1.21	14.7	40.2
				66	68	2	0.74	10.0	25.0

* 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 BRC237 (72m), BRC258 (70m), BRC263 (65m), BRC335 (68M).
3. All depths and intercept lengths are down-hole distances and not intended to represent the true width of high-grade bands.
4. All samples analysed by SGS Australia, Welshpool, WA. Samples were sorted, dried, split and pulverised then prepared as fused discs 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. QA/QC was monitored using duplicate samples and a sample of Certified Reference Material (CRM) included at random among each batch of samples and submitted blind to the laboratory; and analysis of pulverised CRMs and Reed standards included with each analytical batch.
5. Vanadium and titanium grades are reported as V_2O_5 and TiO_2 and iron is reported as total Fe, in accordance with convention for reporting this style of mineralisation.
6. Holes that did not intersect significant mineralisation (ie, $>0.6\% V_2O_5$) are not listed.
7. 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