

Reed Resources Ltd

Diggers Presentation August 2005

OUTLINE

- Corporate Information
- Business Strategy
- Project Overview
 - **Comet Vale**
 - **Mt Finnerty**
 - **Barrambie**
- Opportunities



**Drill core from
Sand George Lode**

CORPORATE INFORMATION

- Established December 2001
- Floated July 2002 (raised \$6M)
- Directors

David Reed OAM - Executive Chairman
FCPA

Chris Reed - Executive Director/ Secretary
BCom, GradCertMinEcon (WASM) ASA MAusIMM

Peter Collins - Non-Executive Director
BSc(Hons) PhD MAIG

Ian Junk – Non-Executive Director
B.Eng (Hons) MAusIMM

CORPORATE INFORMATION

- **Capital Structure**

- Issued Shares 70 M shares
- Options 2.45 M @ 35c

Market Cap (@22c) \$15 M

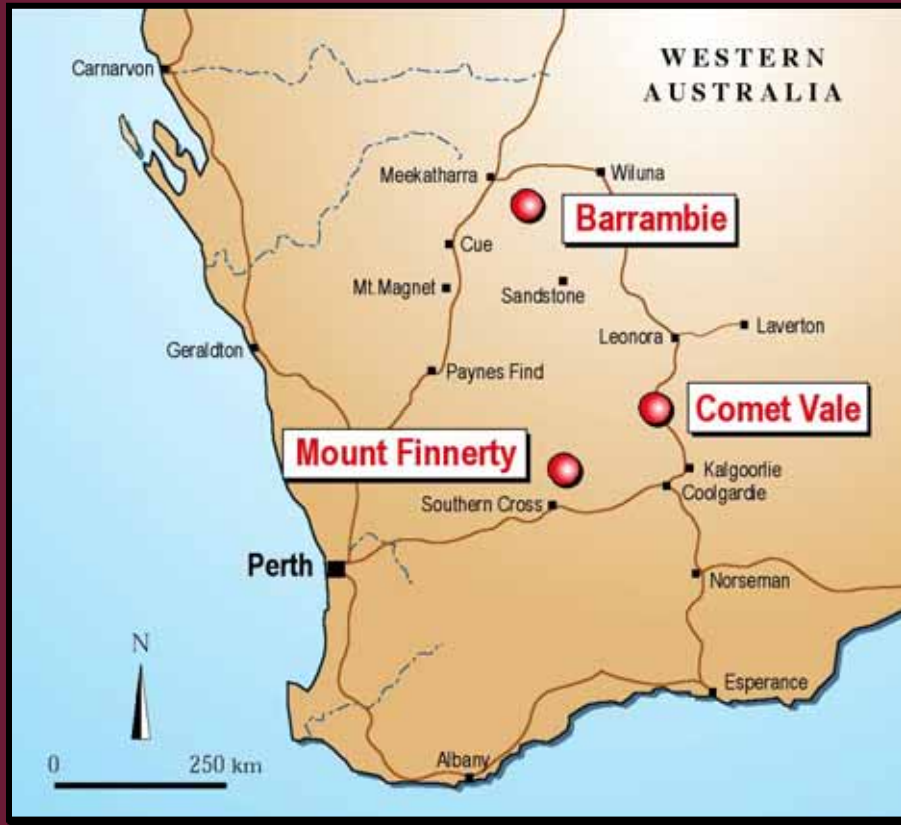
Cash (June 05) **\$2.3 M**

BUSINESS STRATEGY

- Develop high-grade gold deposits at Comet Vale
- Explore for other metals (Fe, Ti, V, Ni) in existing tenements
- Selective acquisition of new ventures to broaden resource base



EXPLORATION PROJECTS



Barrambie

Murchison province
Vanadium Titanium

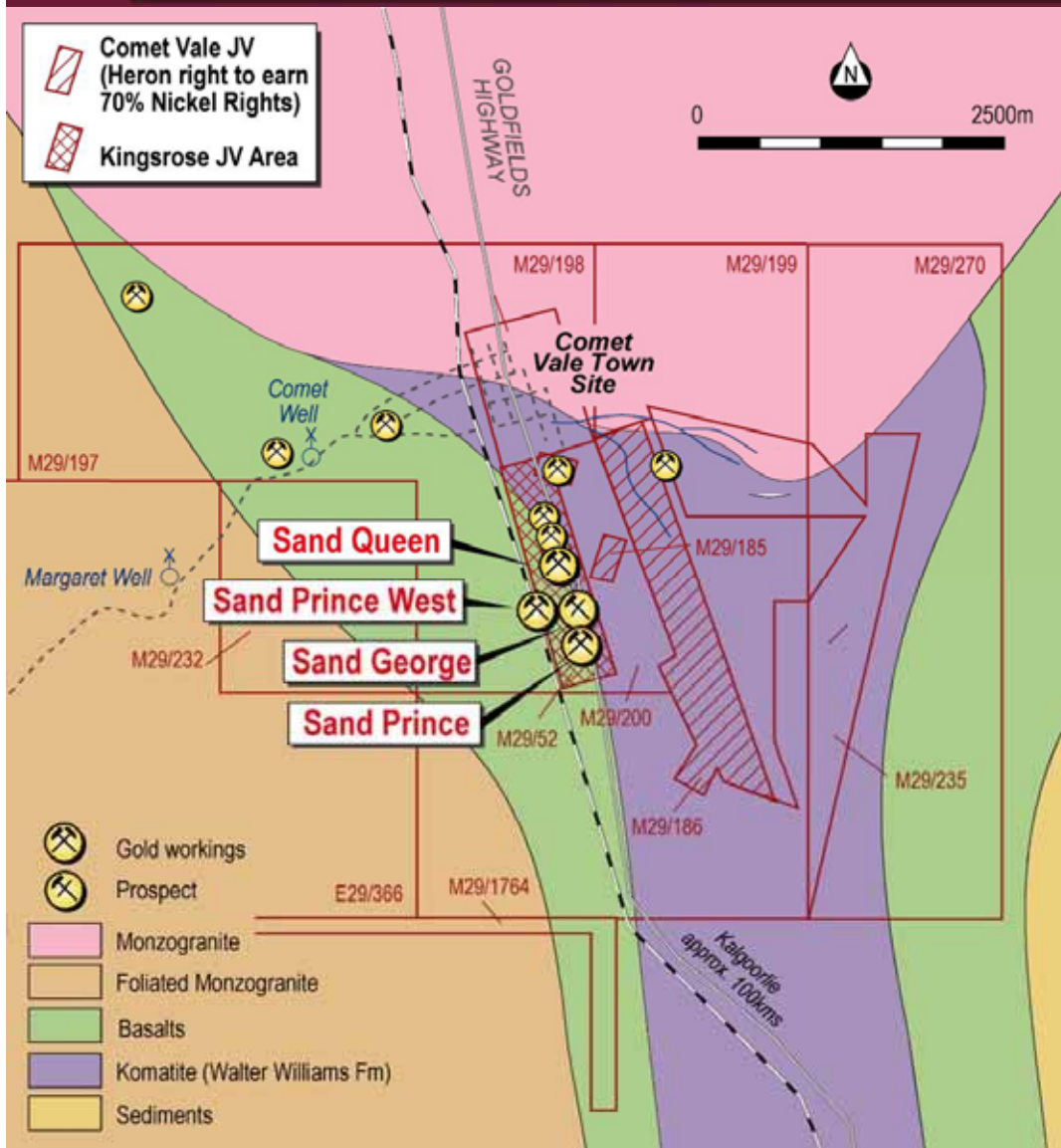
Comet Vale

Eastern Goldfields province
Gold Nickel

Mt Finnerty

Southern Cross province
Iron Ore Nickel Gold

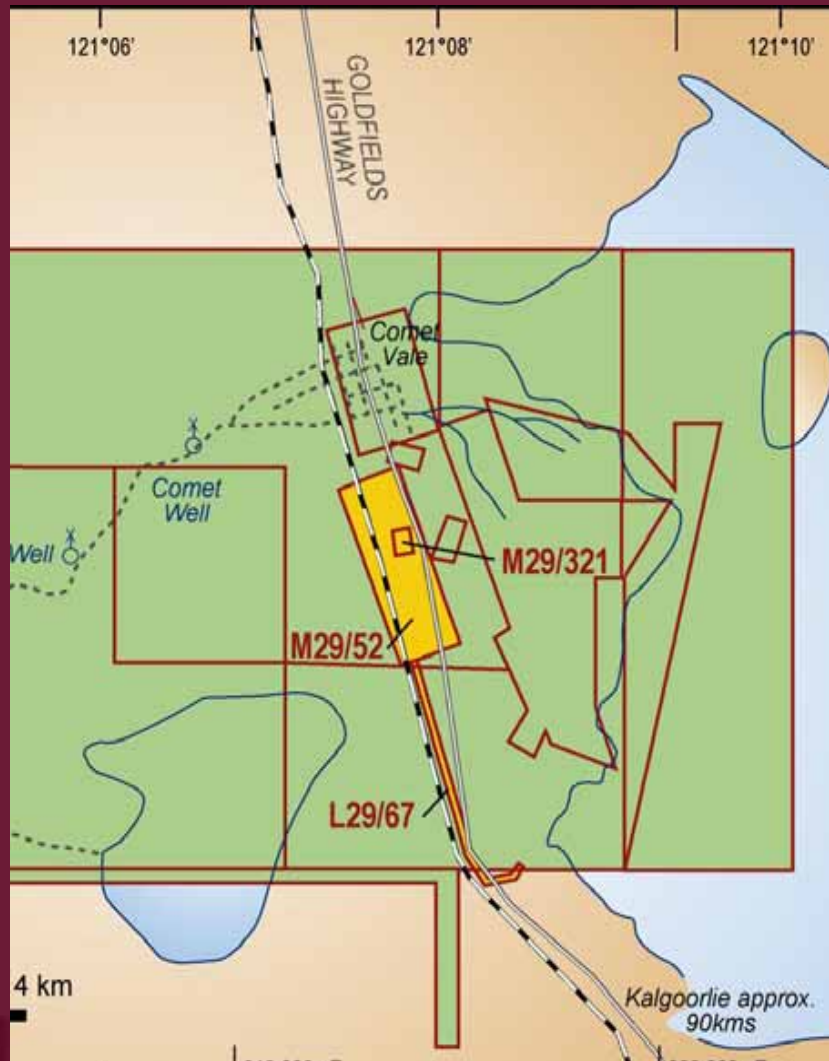
COMET VALE PROJECT



PROJECT STRATEGY:

- Low risk cashflow from Production JV with Kingsrose over of Sand George Deposit.
- Extend and upgrade resources along strike
- Define resources on known quartz reefs.
- Develop nickel laterite resource
- Test base metal and PGE potential

COMET VALE Production Joint Venture

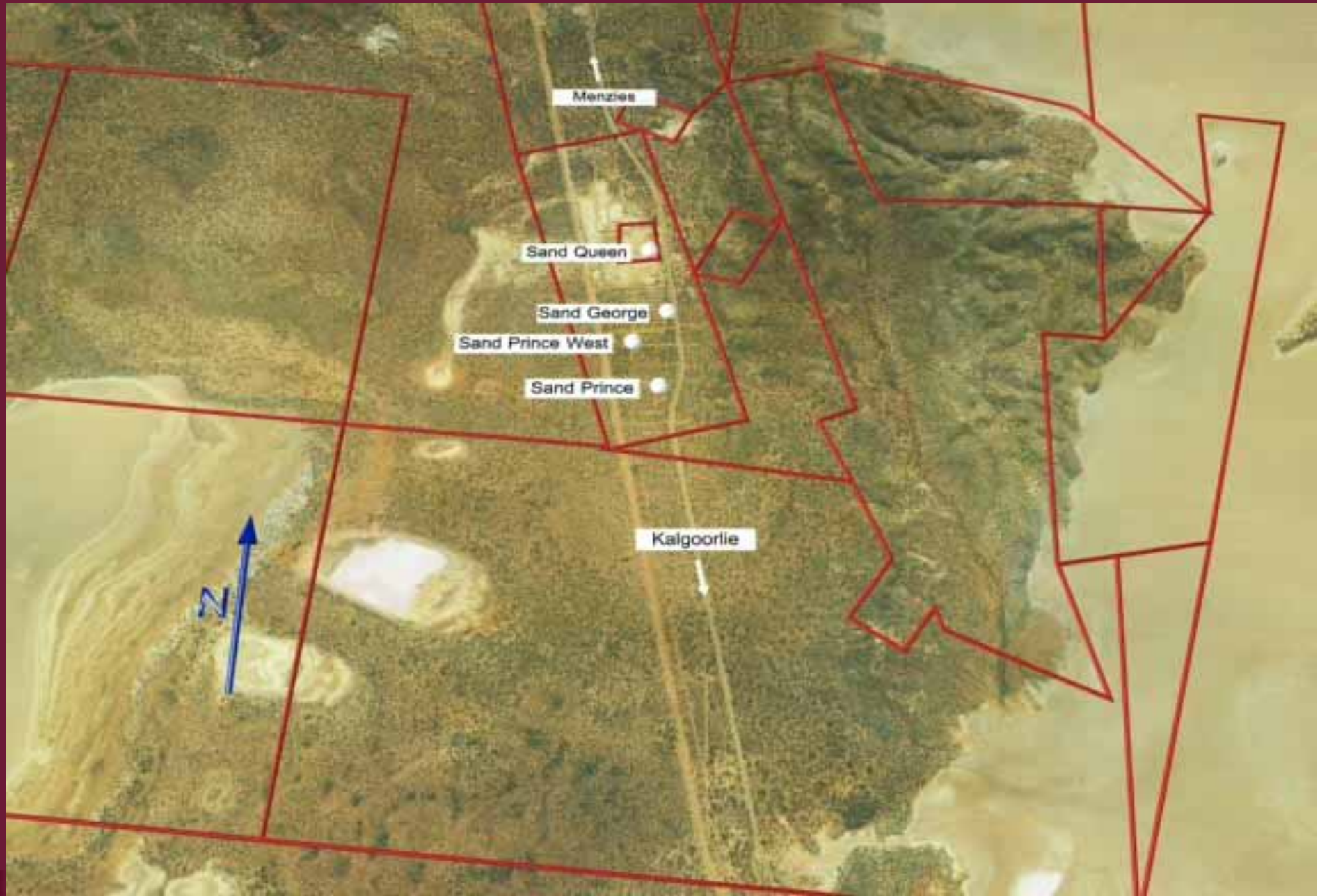


Kingsrose

- **Development & Production Costs**
 - to earn 50% gold down to 243m
 - to earn 60% gold below 243m
- 50% Equity in leases after 25,000 oz
- Min.Expend \$2,000,000

Reed

- **Transport & Treatment Costs**
 - Budgeted \$33/tonne (sub\$200/oz)
 - Retains open-pit gold resource
 - \$4m p.a net cash flow for 3.5years



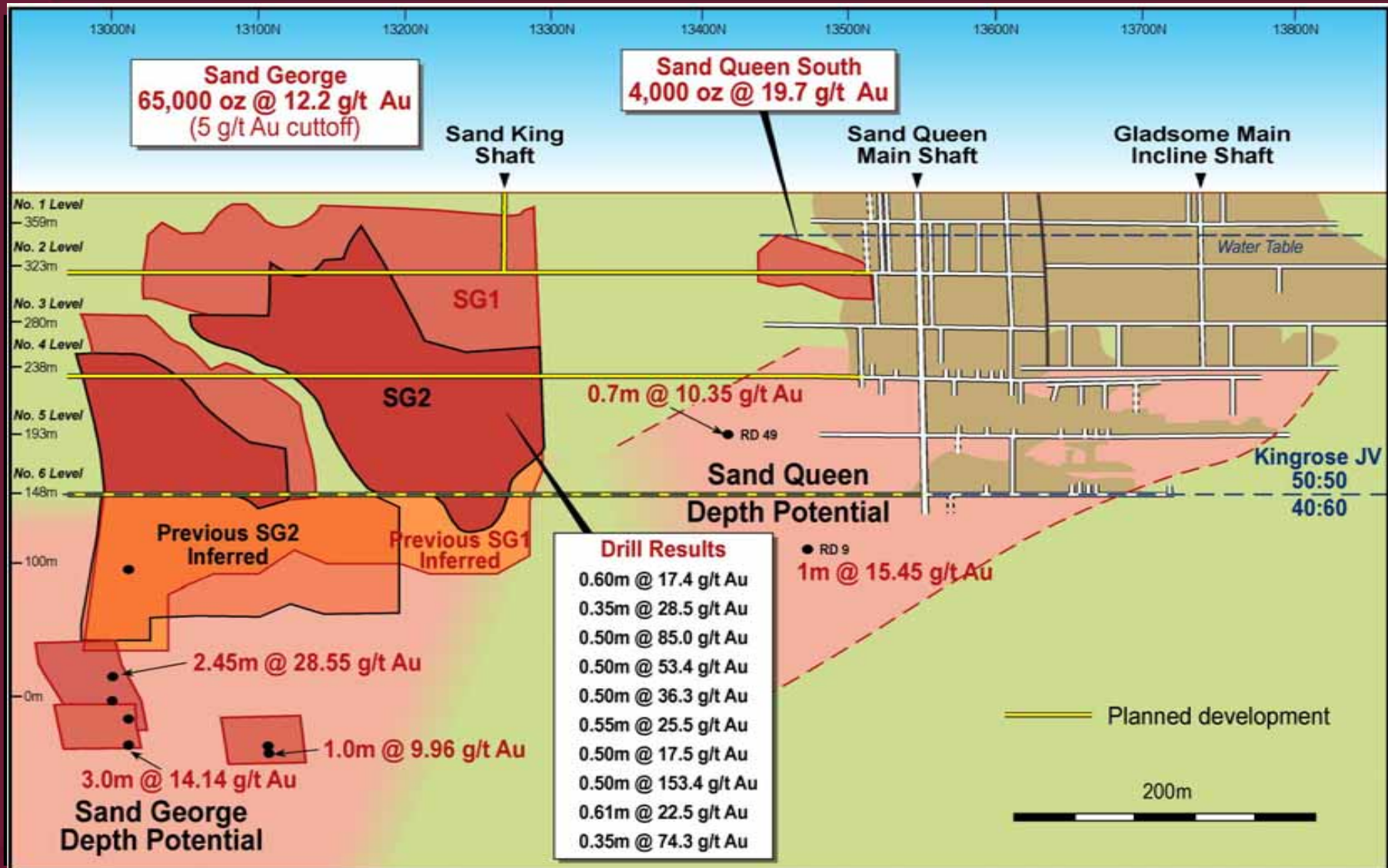
COMET VALE – Gold Inventory (5 g/t Cutoff)

VEIN	CATEGORY	TONNES	GRADE	OUNCES
SG1	Indicated	78,000	11.5	28,800
SG2	Indicated	68,000	13.0	27,000
	Sub-Total	146,000	11.9	55,800
SG1	Inferred	11,400	9.4	3,450
SG2	Inferred	10,200	14.8	4,900
	Sub-Total	21,600	12.0	8,350
TOTAL		167,800	12.2	65,700

SAND QUEEN SOUTH

6,500 tonnes @ 19.7 g/t Au - (4,100 Ounces)

COMET VALE – Depth Potential



Long Section Looking West

Sand Queen Potential – Old vs New



Sand Queen historical production

- 250,000t @ 22.7g/t for ~ 185,500 oz equating to ~750 oz per Vm.
- Leaching of tailings (1980`s) yield 2.7g/t

Sand George Resource

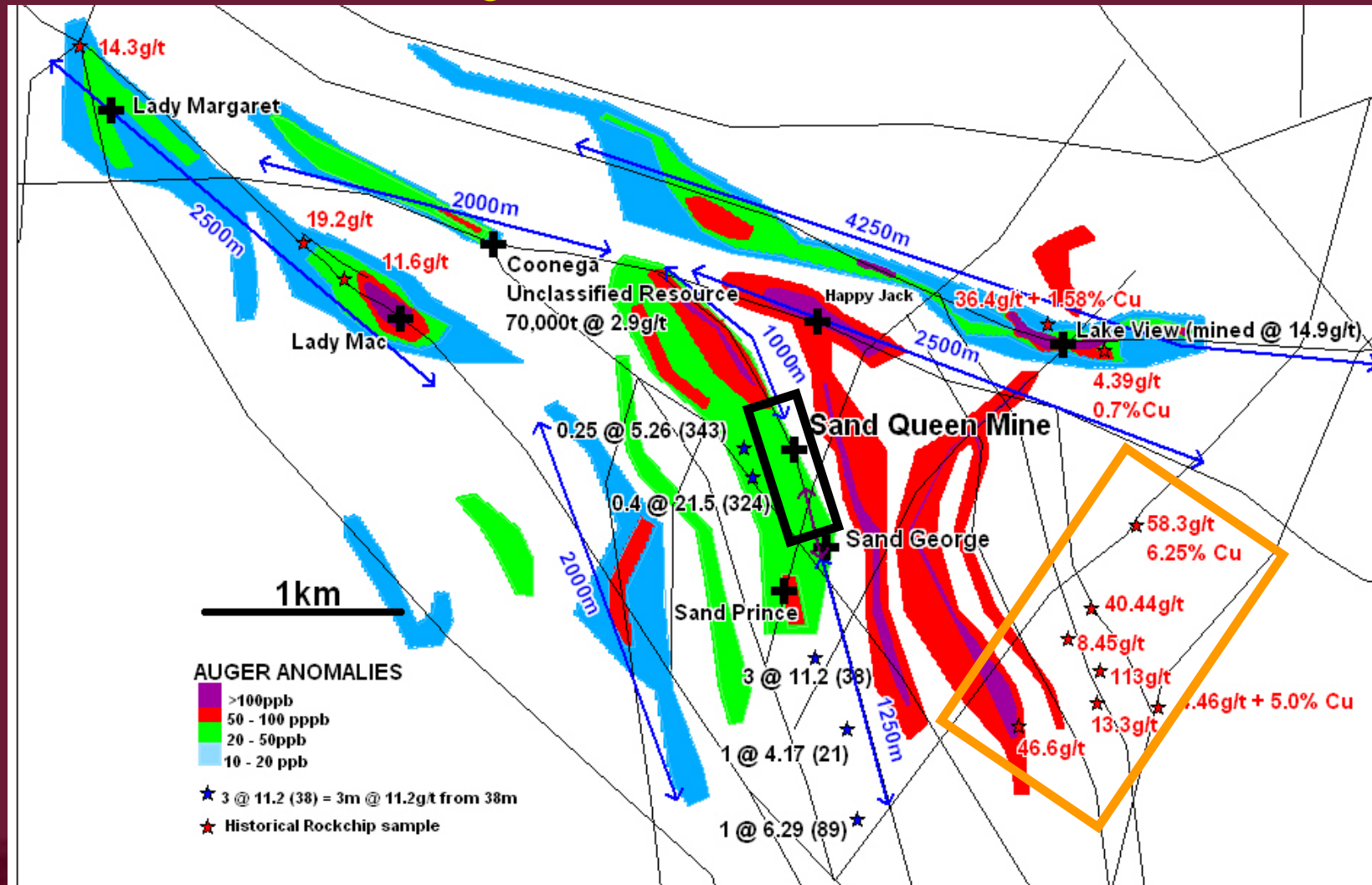
- 350m strike length

Southern Extensions

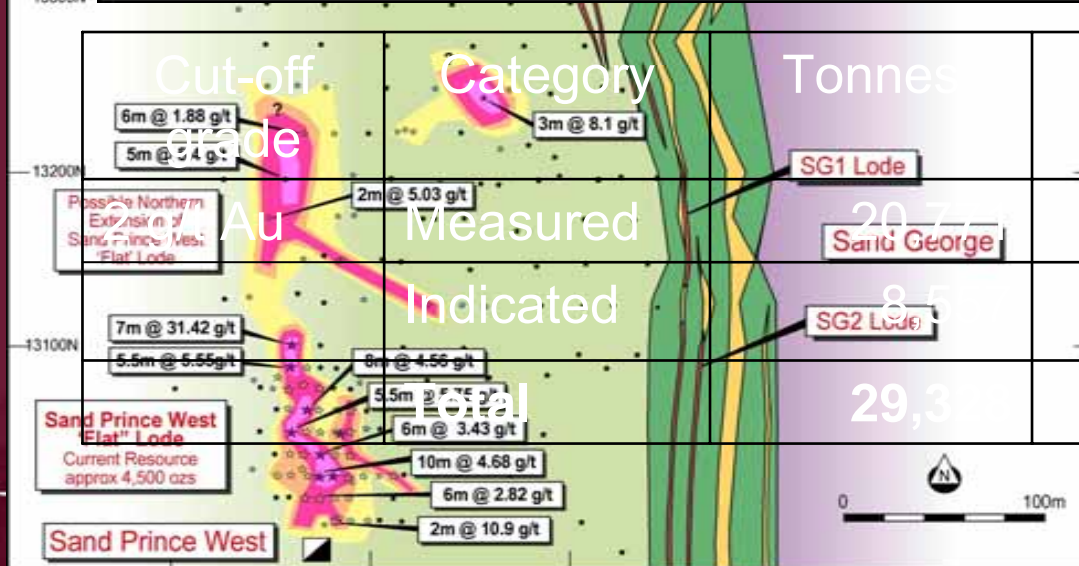
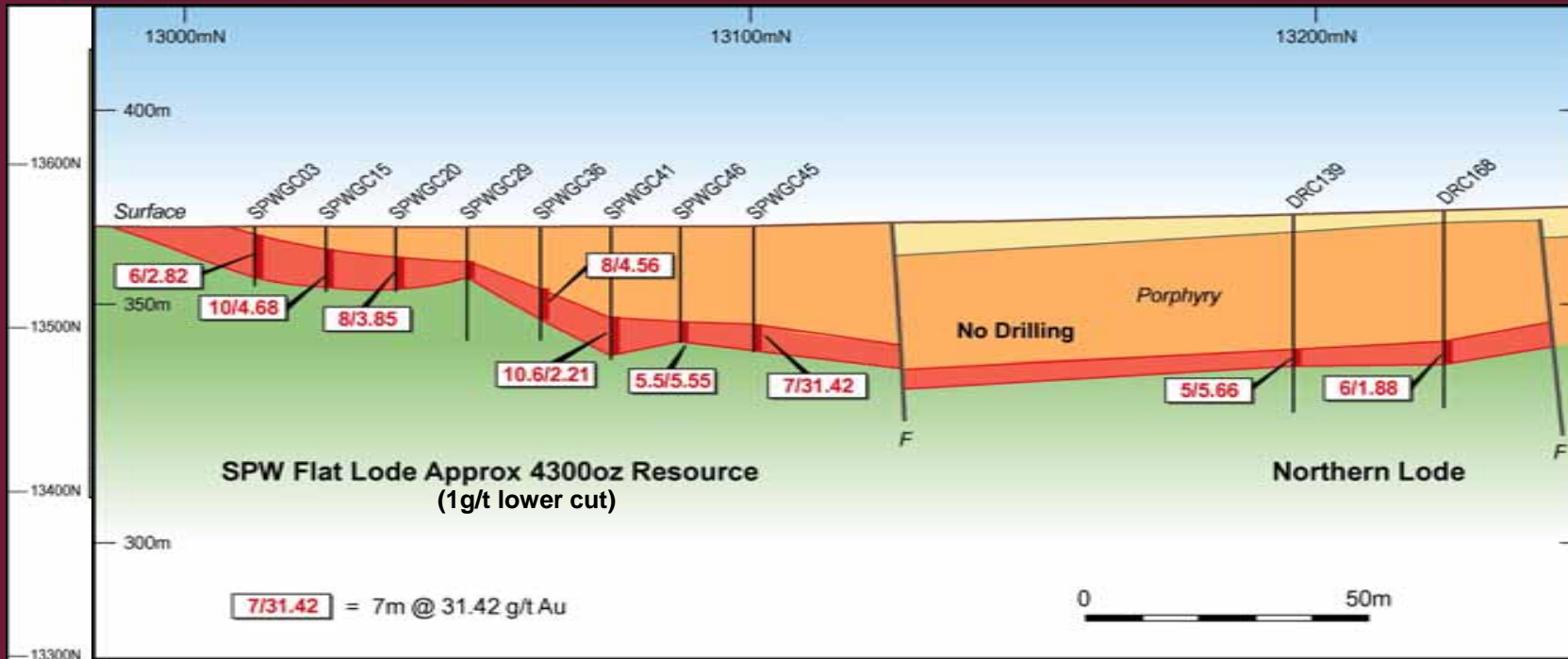
- Quartz reef intersected over 1250m further to the South

COMET VALE – Regional Gold Contours

+20km of untested gold anomalous structures



COMET VALE – Sand Prince West



Tonnes	Grade g/t Au	Contained ounces
20,771	3.89	2,598
8,500	5.31	1,460
29,300	4.31	4,058

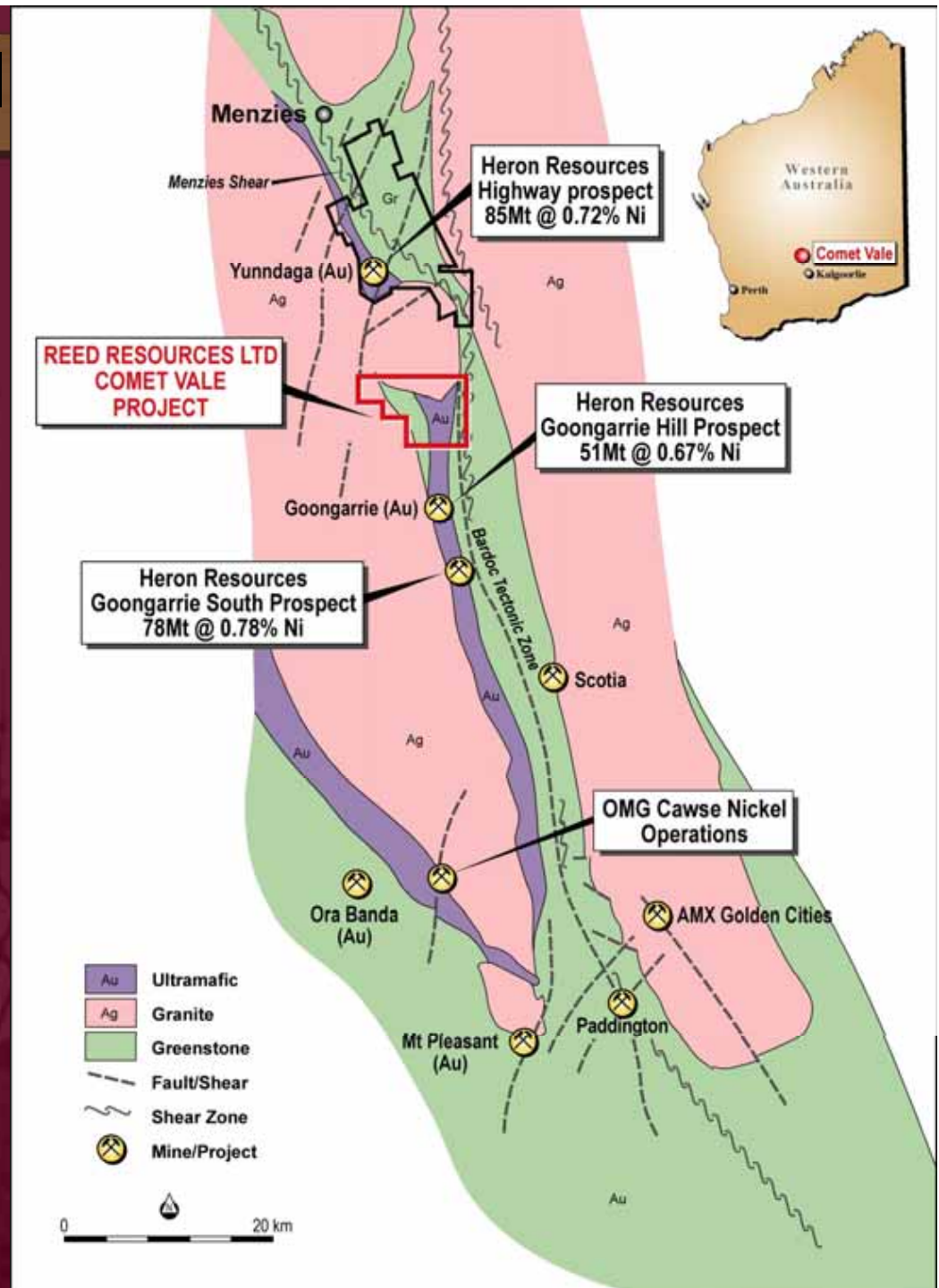
COMET VALE – Nickel

TARGET

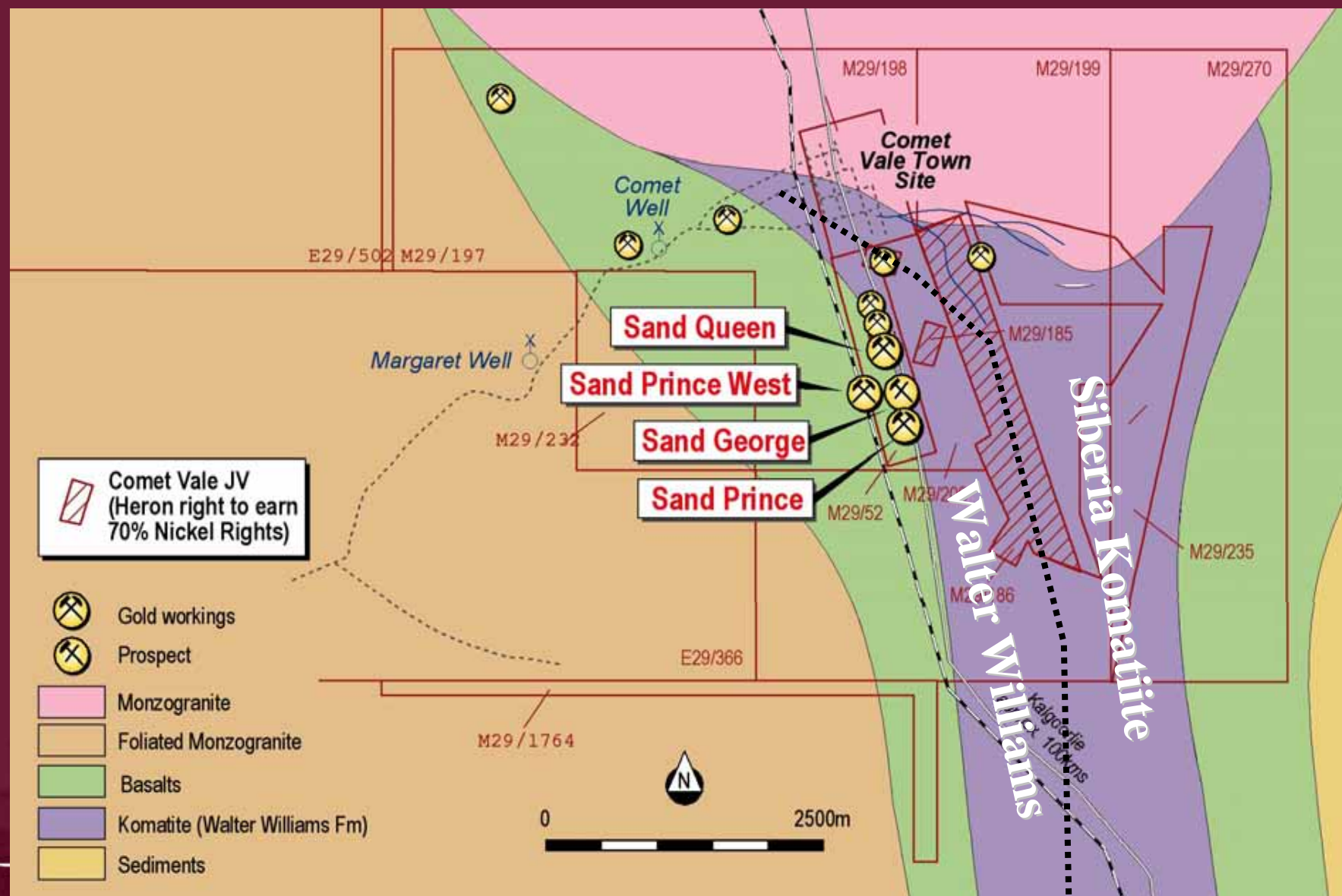
1. High-grade Ni Laterite resource in well-developed lateritic profile
2. Komatiite-hosted massive nickel sulphides

Tenements host extensive sequence of ultramafic lithologies over 4.8km strike.

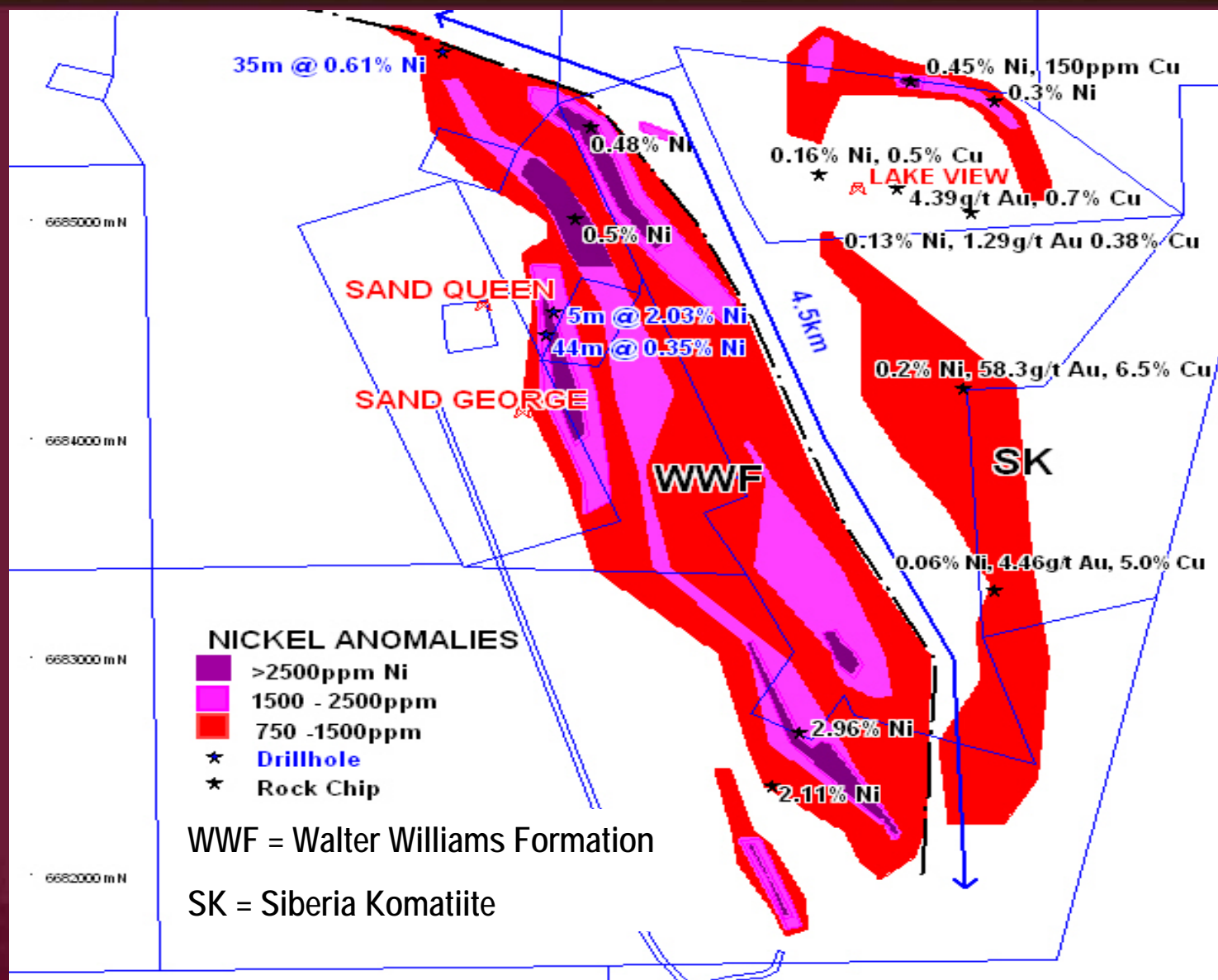
- Walter Williams Form
- Siberia Komatiite



COMET VALE – Regional Geology



COMET VALE – Regional Nickel Contours



NICKEL ANOMALIES

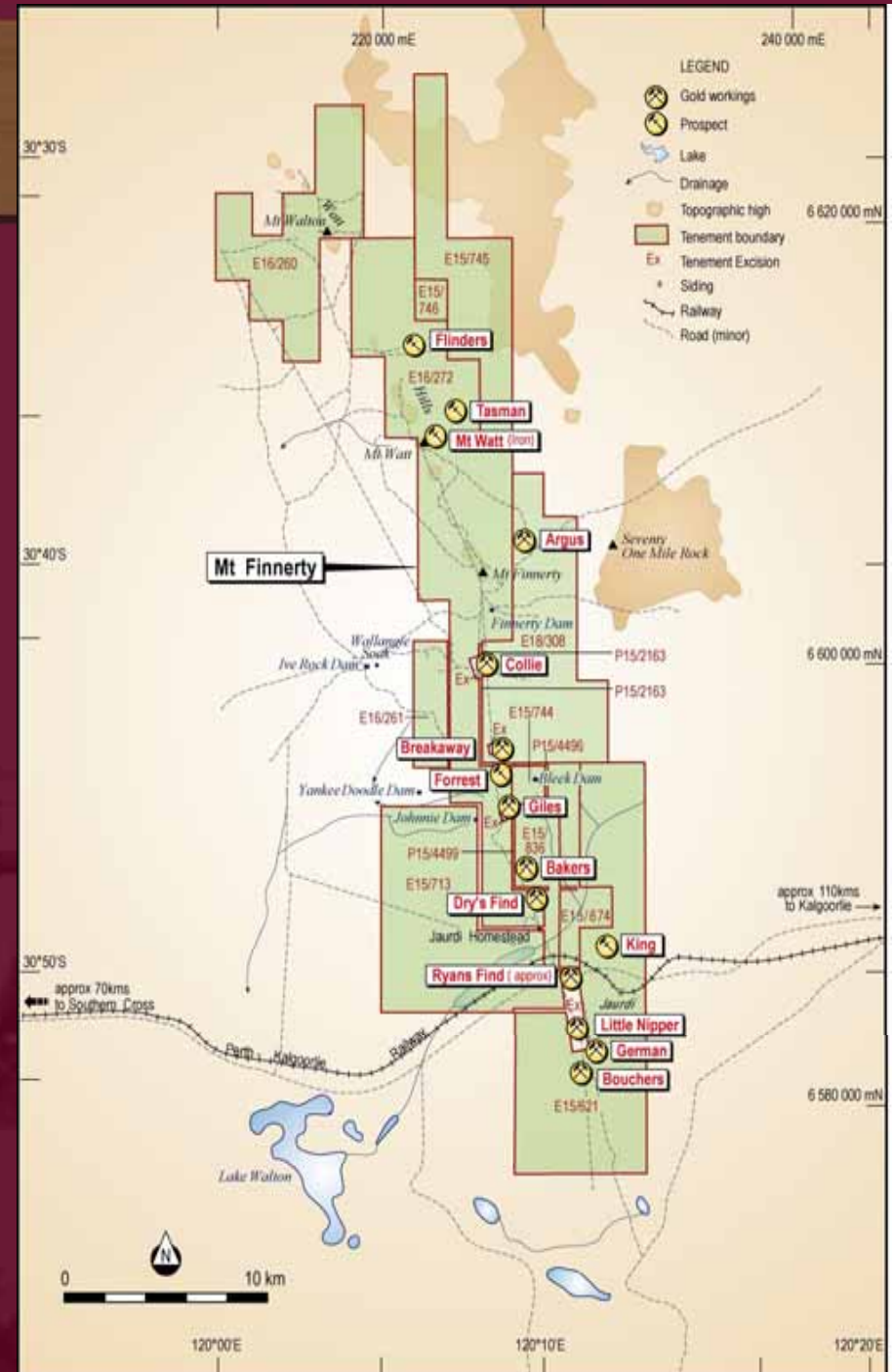
- >2500ppm Ni
- 1500 - 2500ppm
- 750 - 1500ppm
- ★ Drillhole
- ★ Rock Chip

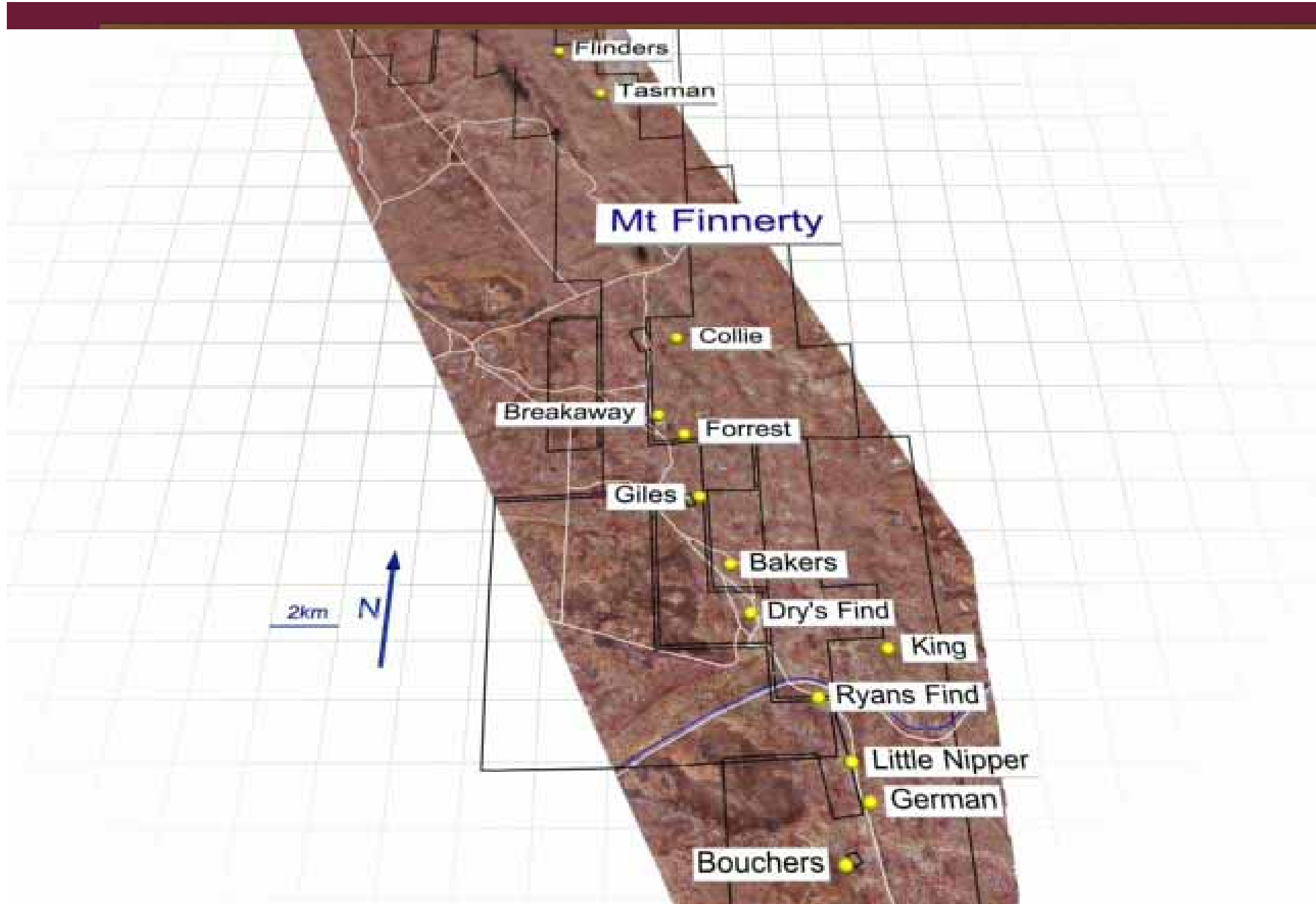
WWF = Walter Williams Formation

SK = Siberia Komatiite

MT FINNERTY PROJECT

- Brown-fields exploration project
- 45 km of Watt Hills G/B
- Known high-grade gold and BIF-hosted Fe ore (hematite)
- 20 km of prospective Ni-sulphide hosting Ultramafic
- **Exploration Targets:**
 - BIF-hosted iron ore
 - Ni Sulphides
 - Archaean lode gold

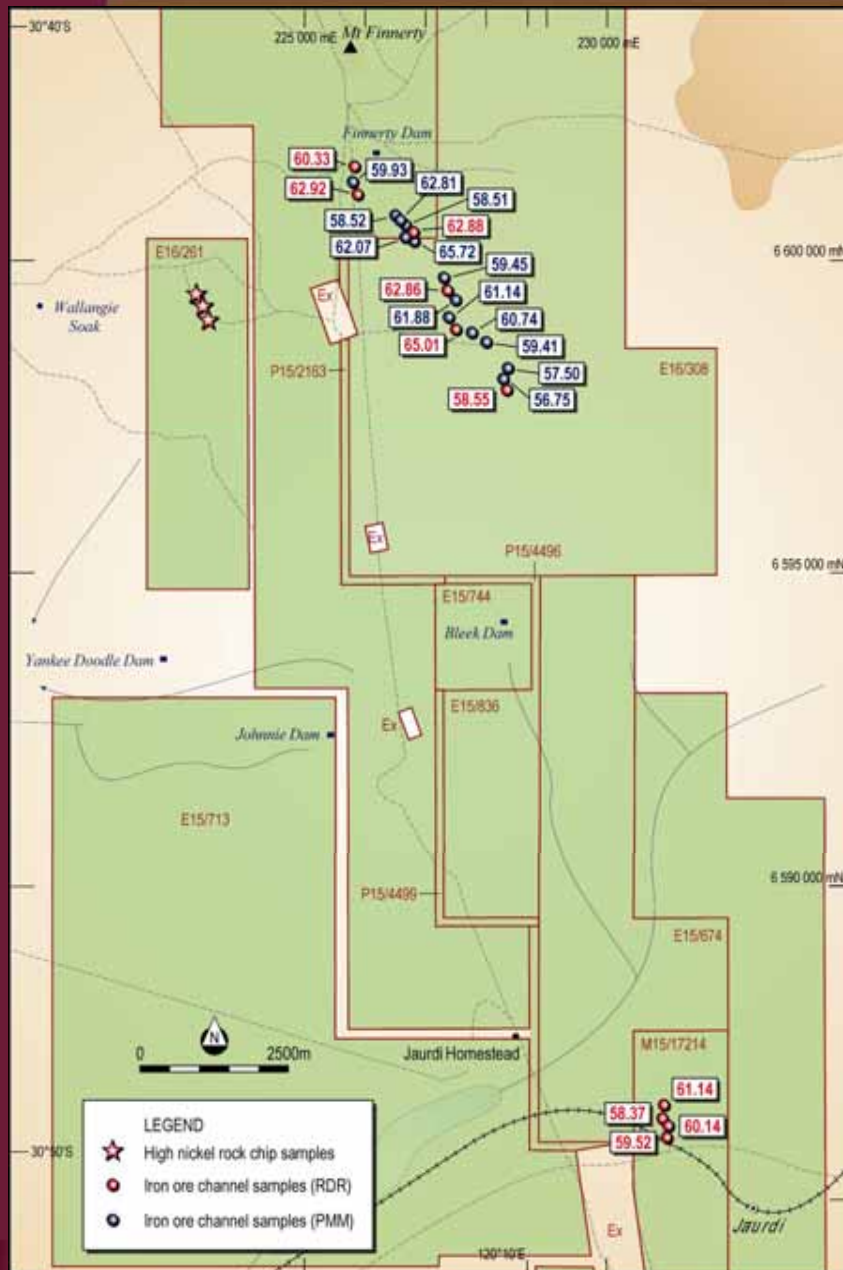




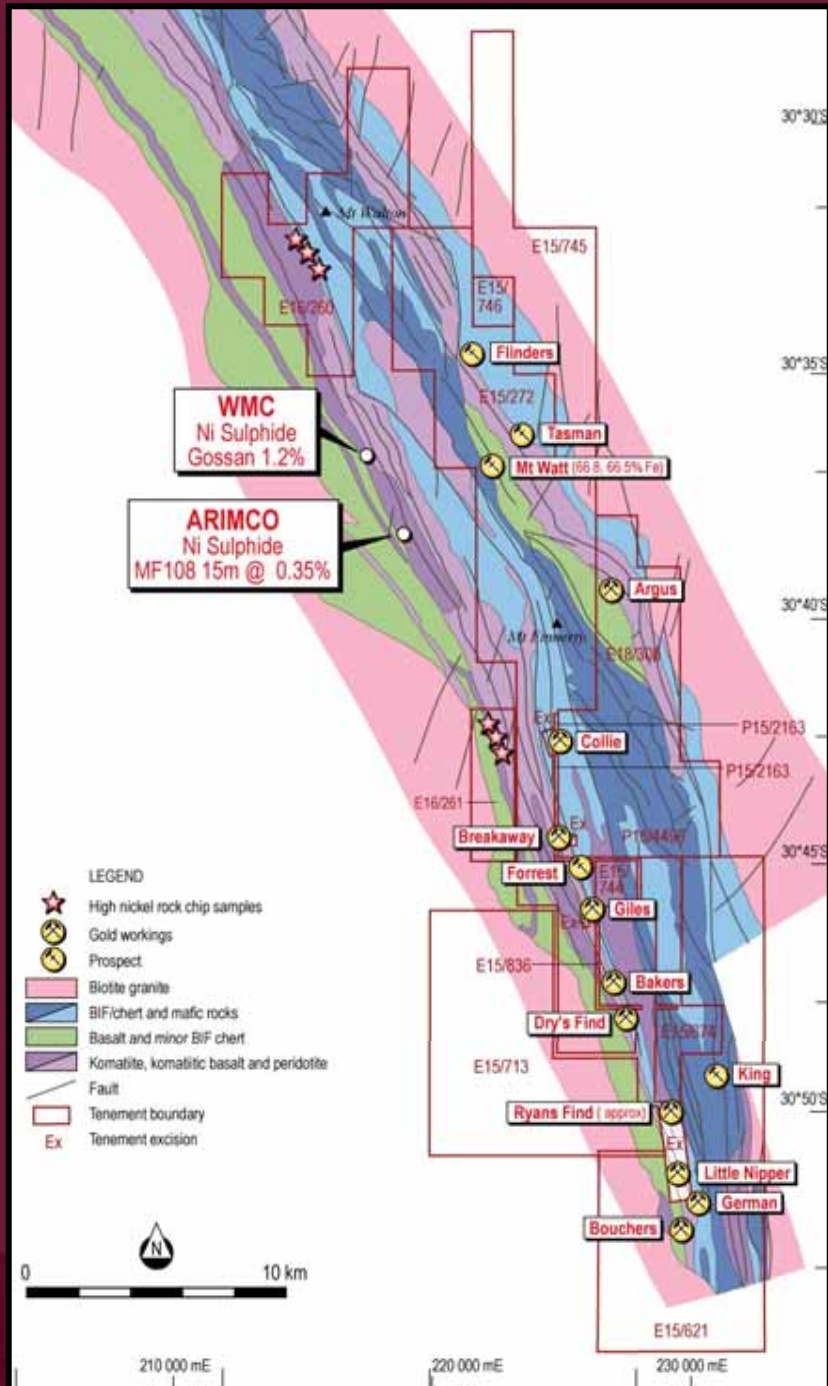
MT FINNERTY – Iron Ore JV

- Portman earning 80% Fe rights by spending
 - \$300,000 over three years
 - \$100,000 in first year
- Reed can:
 - Contribute to 20%
 - Revert to 10% free-carried to DTM
 - At DTM contribute or revert to royalty

65 km east of Koolyanobbing
Trans-Australian Railway Access



MT FINNERTY - Nickel



- **Airborne geophysical survey**

- 8,248 line km at 100 m line spacing, 30 m sensor height

- **Preliminary results:**

- Extensive ultramafic sequence, along strike from nickel sulphide occurrences.
- Several gold targets (shear zones, jogs, dislocations)

- **Rock Chip Sampling (Dec 04)**

0.53% Ni, 11 ppm Cu, 0.31% Cr

0.61% Ni, 11 ppm Cu, 0.37% Cr

0.41% Ni, 5 ppm Cu, 0.26% Cr

0.19% Ni, 71 ppm Cu, 0.41% Cr

0.26% Ni, 181 ppm Cu, 0.5% Cr

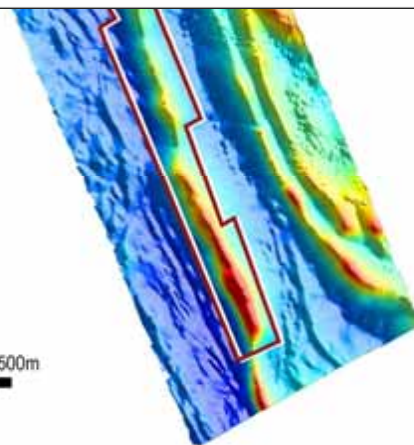
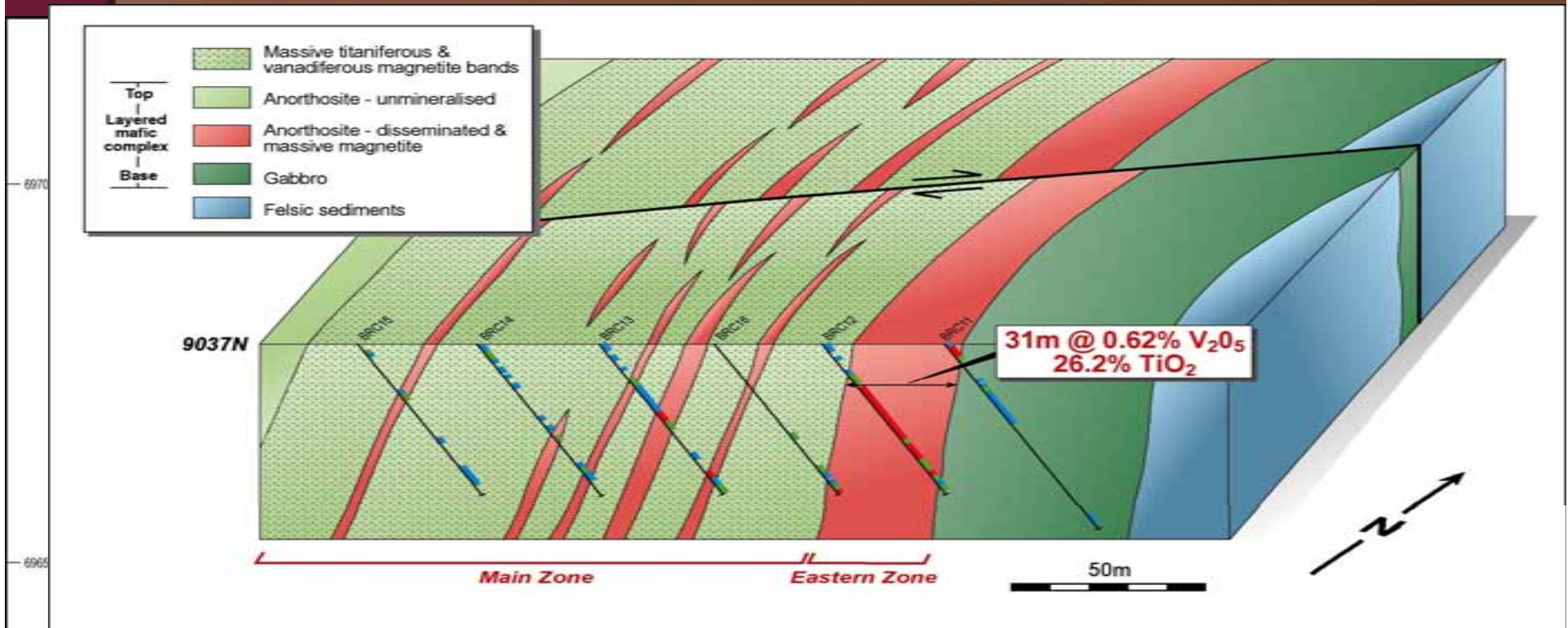
0.21% Ni, 119 ppm Cu, 0.45% Cr

BARRAMBIE PROJECT



- Advanced exploration project acquired April 2003
- Magmatic Ti-Fe±V oxide deposit in anorthosite-gabbro
- RDR Testwork produces high quality Titanium feedstock
- Now focusing on recovery of Vanadium (Price US\$11/lb)
- PGMs, gold & nickel potential
- 11 km strike length within mining lease M57/173
- **LOW COST ENTRY INTO WORLD-CLASS DEPOSIT**

BARRAMBIE – Resources



Bay-Cove Central (BFP 2000)

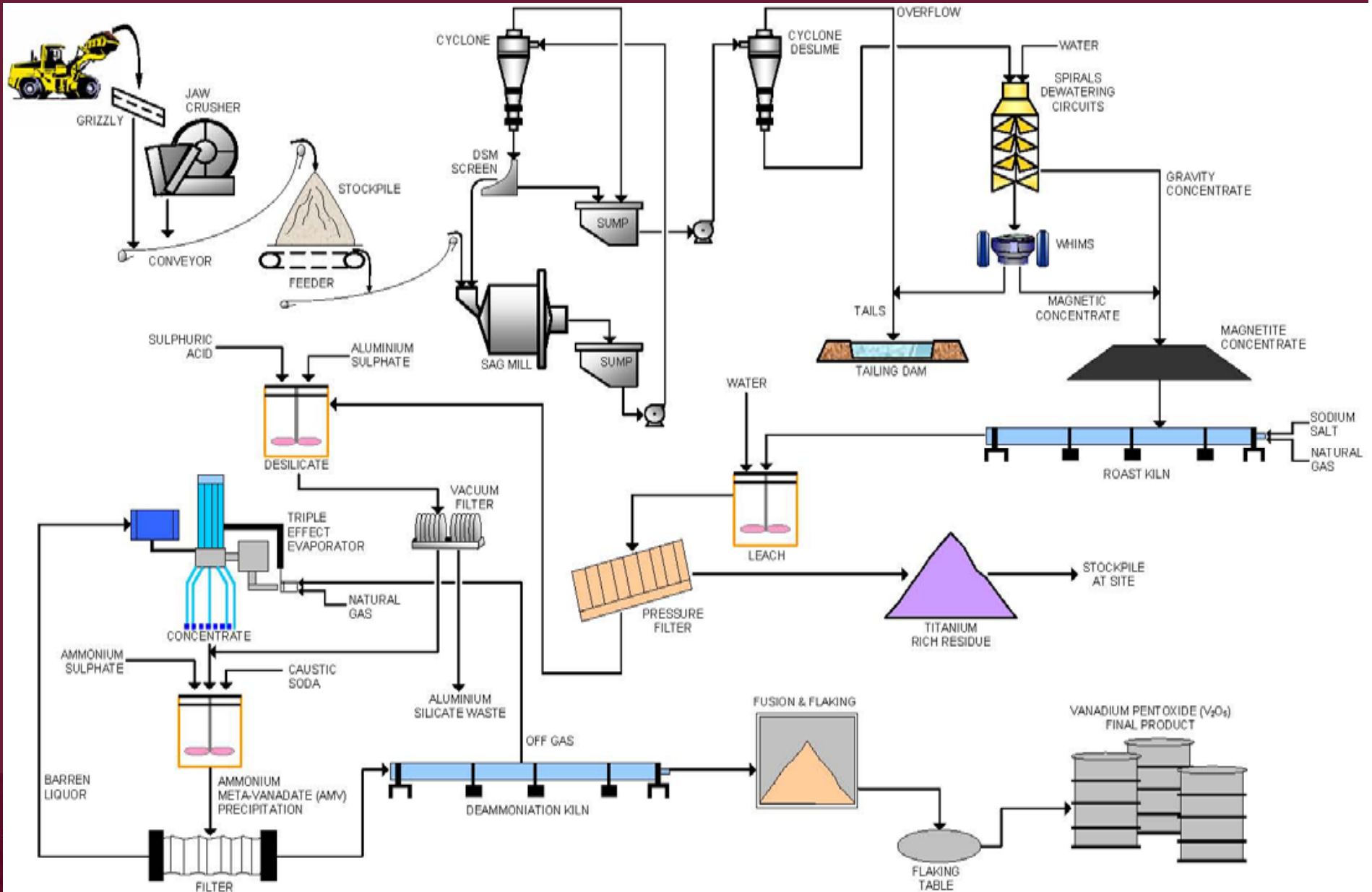
Indicated 23 Mt @ 0.43% V₂O₅

Inferred 17 Mt @ 0.35% V₂O₅

Gulf Central (Snowden 1999)

Inferred 60 Mt @ 0.30% V₂O₅

BARRAMBIE – Process Flowsheet



BARRAMBIE – Concentrate Testwork

Method (Laboratory, Year)	Size	Recovery Mass%	V ₂ O ₅ Recovery%	V ₂ O ₅ Grade%	SiO ₂ Grade%
Gravity (AMMTEC,2005)	106	25.9	30.5	0.85	1.80
Gravity (AMMTEC,2005)	250	37.3	42.8	0.83	2.43
Gravity/WHIMS (Carpco, 1973)	125	33.7	73.3	1.11	-
Gravity/WHIMS (Lycopodium PFS,1987)	75	28.2	67.8	1.25	-
Gravity/WHIMS (AMMTEC,2005)	150	awaiting	results		

Currently confirming previous testwork which

- recovers +70% V₂O₅ in concentrate
- recovers +80% V₂O₅ con → final product

SUMMARY

Mt Finnerty (iron ore, nickel, gold)

- JV with local producer Portman. RC Drilling Dec Q '05
- Nickel Exploration (Auger, EM survey, RAB drilling) in progress

Barrambie (vanadium, titanium)

- Pre-Feasibility Study on production of vanadium pentoxide flake from major vanadium-titanium resource
- Previous Testwork produced vanadium pentoxide flake (80% recovery) from salt roast-leach of gravity concentrate.
- Current Testwork to recover vanadium using same flowsheet as Windimurra (prod.cost US\$1.60/lb) nearing completion.

Comet Vale (nickel)

- Resource delineating Ni-laterite and testing Ni-sulphide potential at Comet Vale

SUMMARY

Comet Vale (gold)

Indicated Mineral Resource (at 5 g/t Au cut off)

- Sand George prospect: 167,800 tonnes @ 12.2 g/t Au (65,700 ounces gold)
- Sand Queen South: 6,500 tonnes @ 19.7 g/t Au (4,100 ounces gold)

Exploration Potential

- Extension of SG 1 & 2 lodes at depth, along strike
- Sand George deep lodes (SG 3, 4 & 5 Lodes)
- Extension of Sand Queen lode at depth
- Extension of Sand Prince West Deposit
- Repetition of Comet Vale Lodes along strike

OPPORTUNITIES

- Low Risk Cashflow from Production Joint Venture for development of Sand George deposit (est. Annualised CF of A\$4m)
- JV with local iron ore producer Portman
- PFS Study on world-class vanadium deposit
- Exploration success from highly mineralised projects
- Diversified commodity base