

Reed Resources Ltd

Diggers Presentation August 2006

CORPORATE INFORMATION

Capital Structure

Issued Shares 80.1 M

Options 4.25 M

Market Cap (@50c) \$40 M

Cash (June 06) \$1.6M

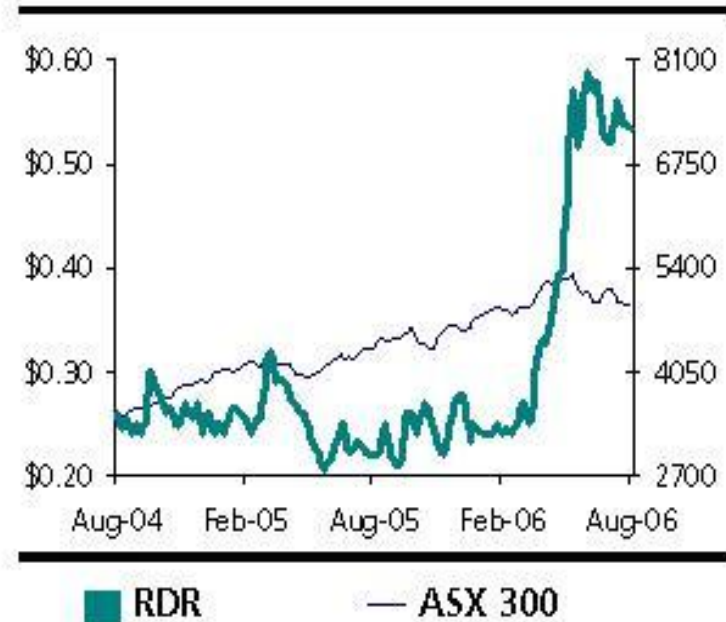
David Reed OAM - Executive Chairman

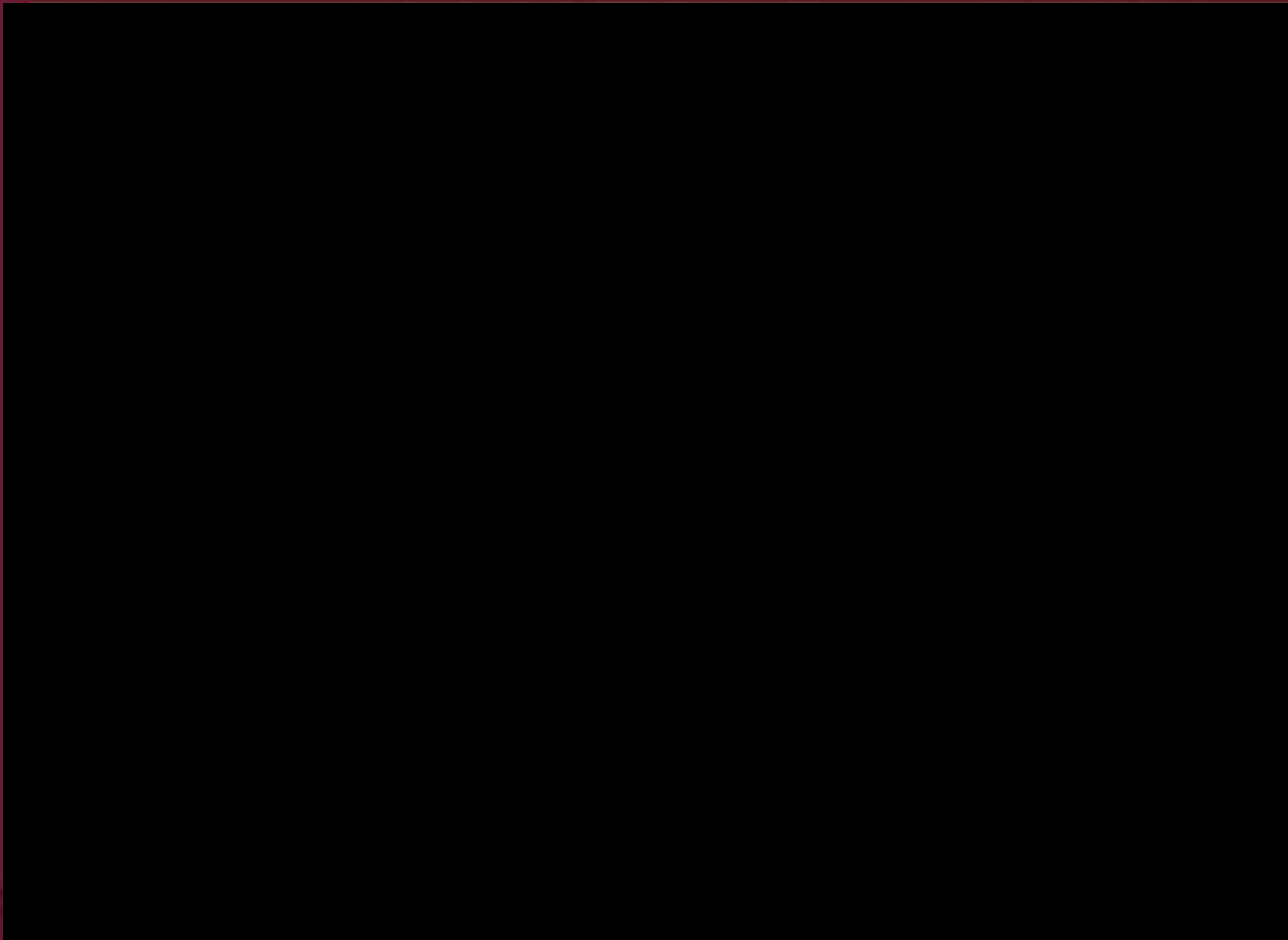
Chris Reed - Executive Director/ Secretary

Dr Peter Collins - Non-Executive Director

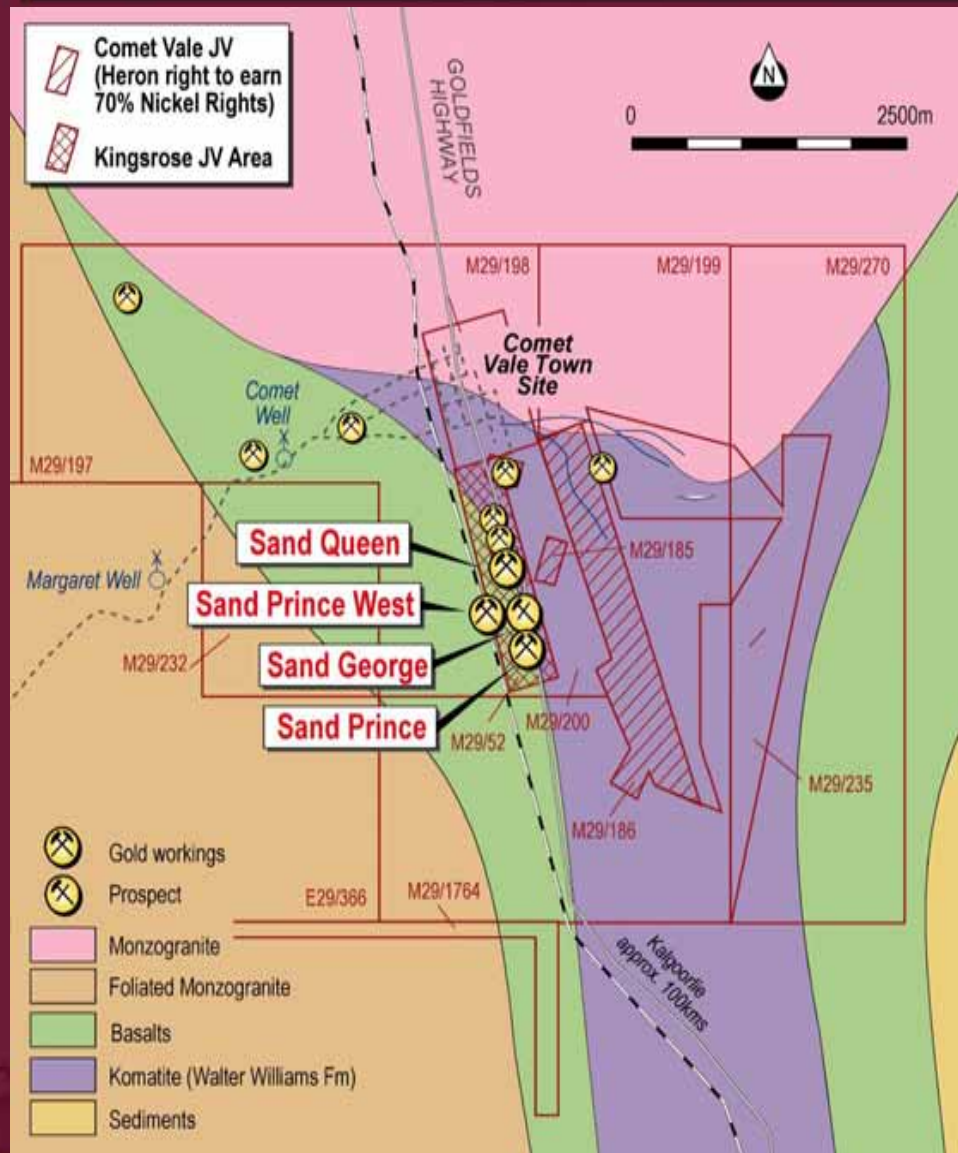
Ian Junk – Non-Executive Director

Chart: RDR vs ASX 300





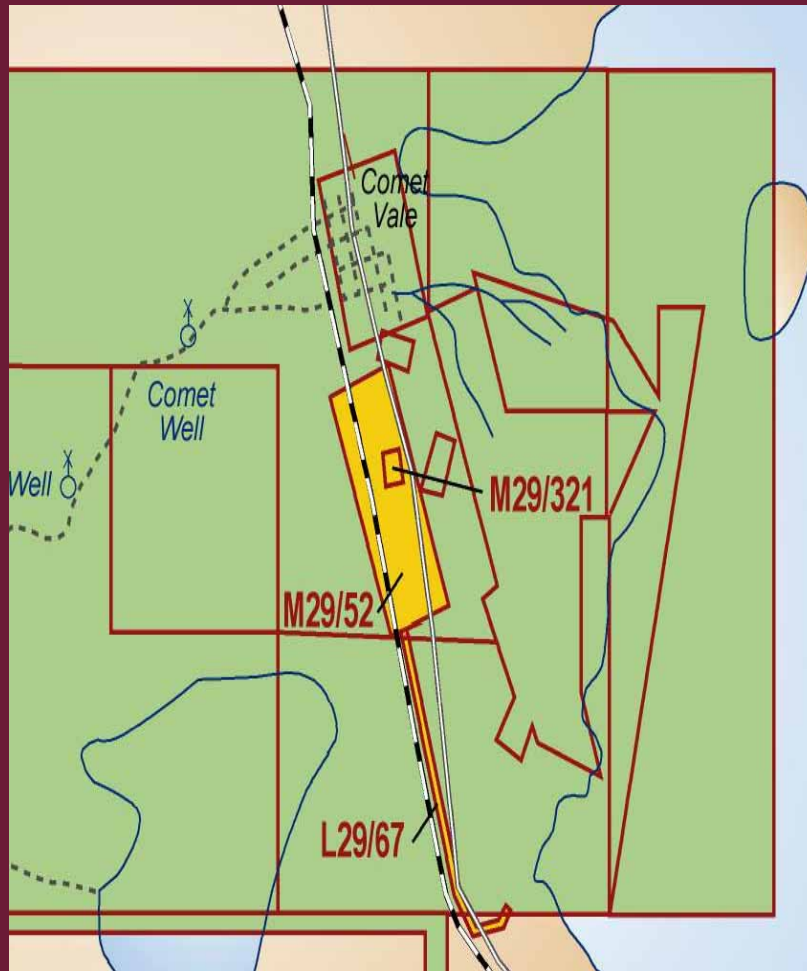
COMET VALE PROJECT



PROJECT HIGHLIGHTS:

- Low risk cashflow from Production JV with Kingsrose Mining over Sand George Deposit.
- First gold in June 2006
- Extend and upgrade resources from 65,000 to 136,000 oz in last yr
- Evaluating increasing production levels
- Regional Exploration confirms gold and base metal potential

COMET VALE Production Joint Venture



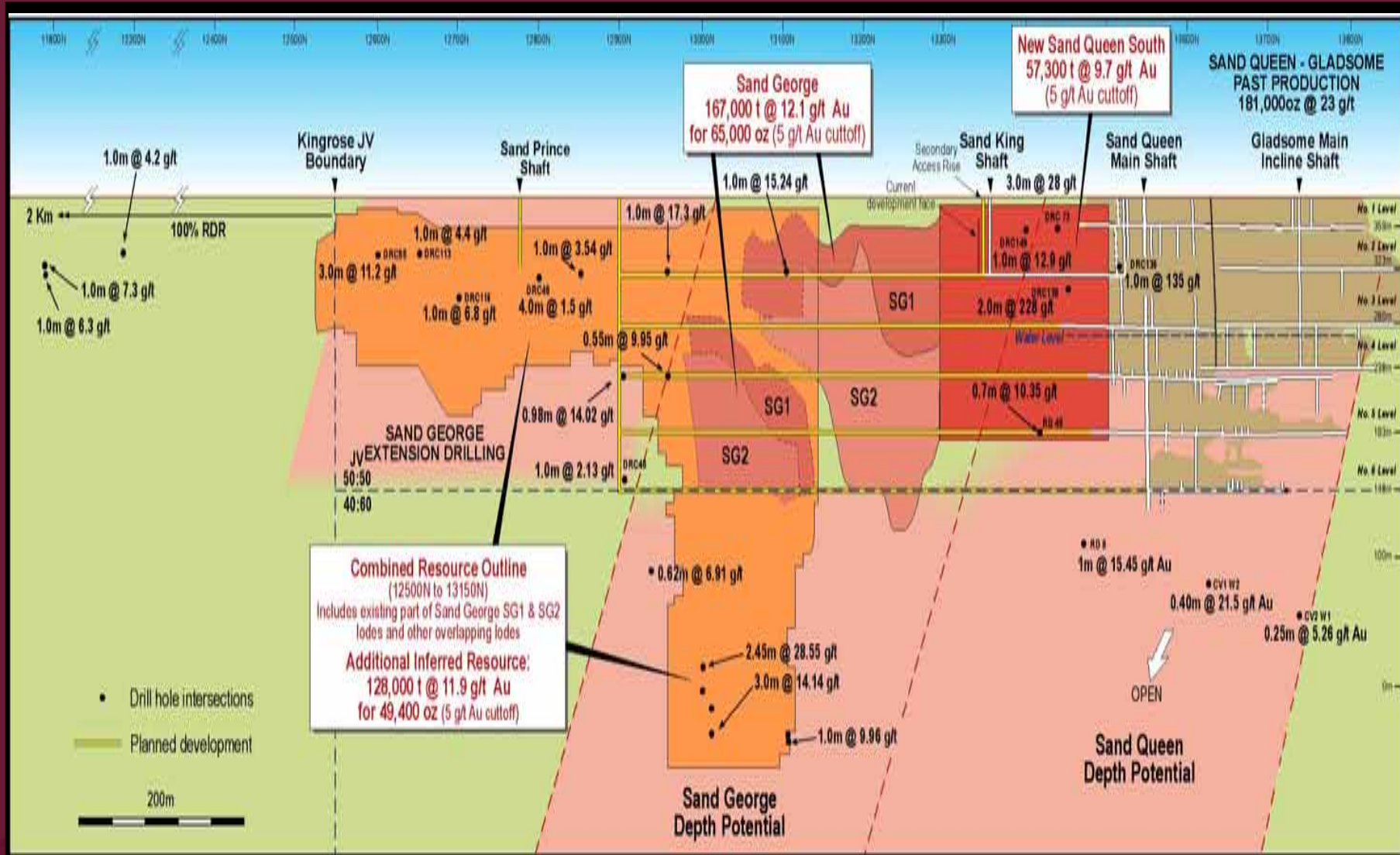
Kingsrose

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

Reed

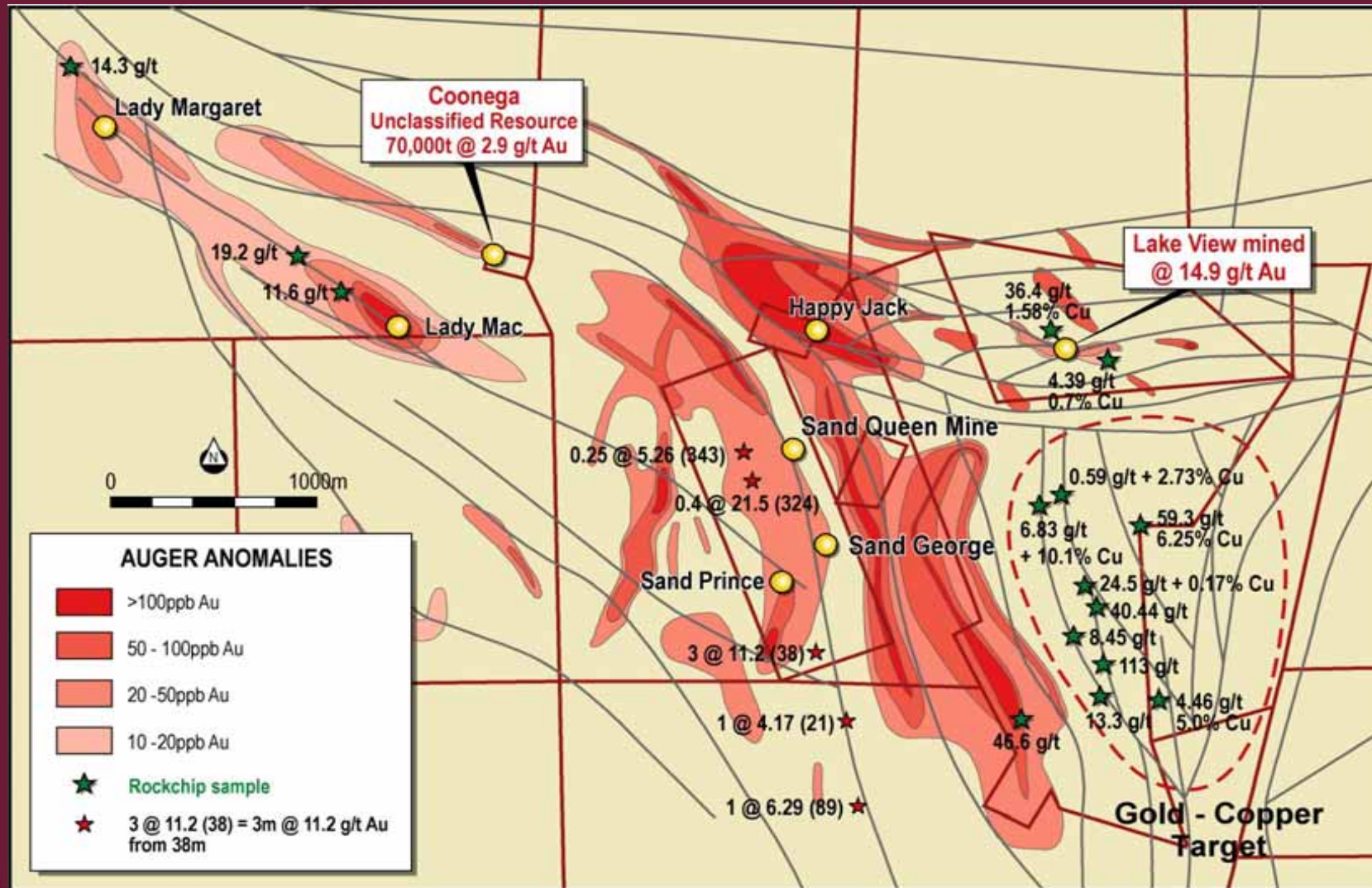
- **Transport & Treatment Costs**
 - Budgeted \$50/tonne (~\$230/oz)
 - Retains open-pit gold resource
 - +\$5m p.a net cash flow at current production level.

COMET VALE – Expansion Potential



Long Section Looking West

COMET VALE – Regional Gold Contours



+20km of untested gold anomalous structures

COMET VALE – Nickel

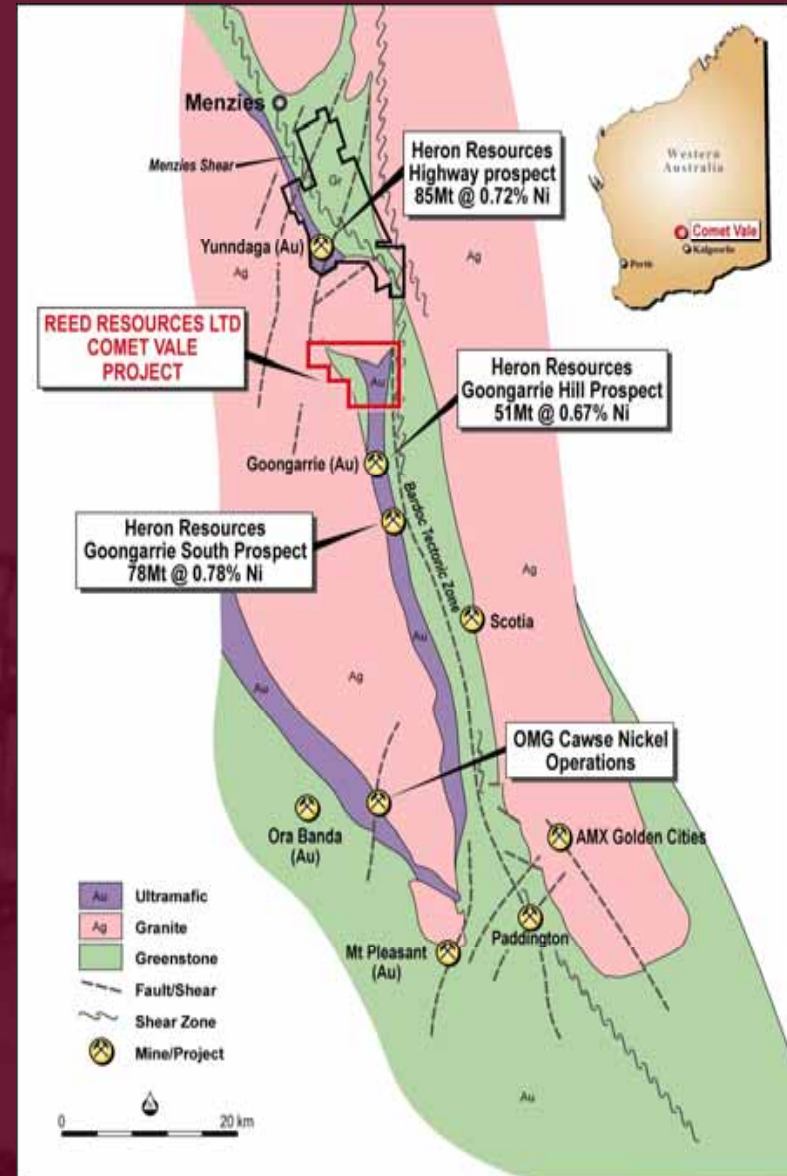
TARGET

- High-grade Ni Laterite resource in well-developed lateritic profile

Tenements host over 4.8km
Strike of Walter Williams Form

DRILL RESULTS (unscreened)

- 12m at 0.83% N from 17
- 60m at 0.60% Ni from 5
- 36m at 0.69% Ni from 33
- 35m at 0.61 % Ni from 4
- 26m at 0.62% Ni from 15



PROJECTS



Barrambie

Murchison province
Vanadium Titanium

Comet Vale

Eastern Goldfields province
Gold Nickel

Mt Finnerty

Southern Cross province
Iron Ore Nickel Gold

MT FINNERTY – Iron Ore

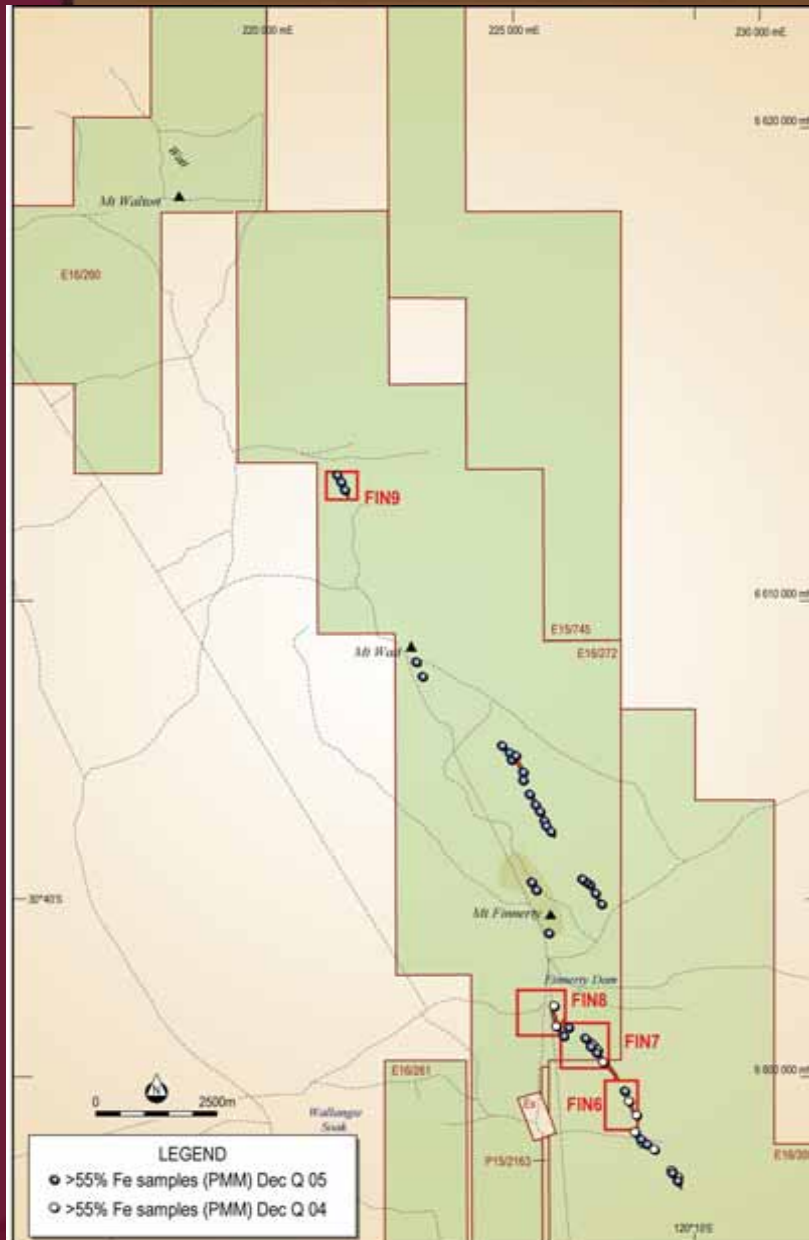
Portman earning 80% Fe rights

Utilise existing plant and infrastructure

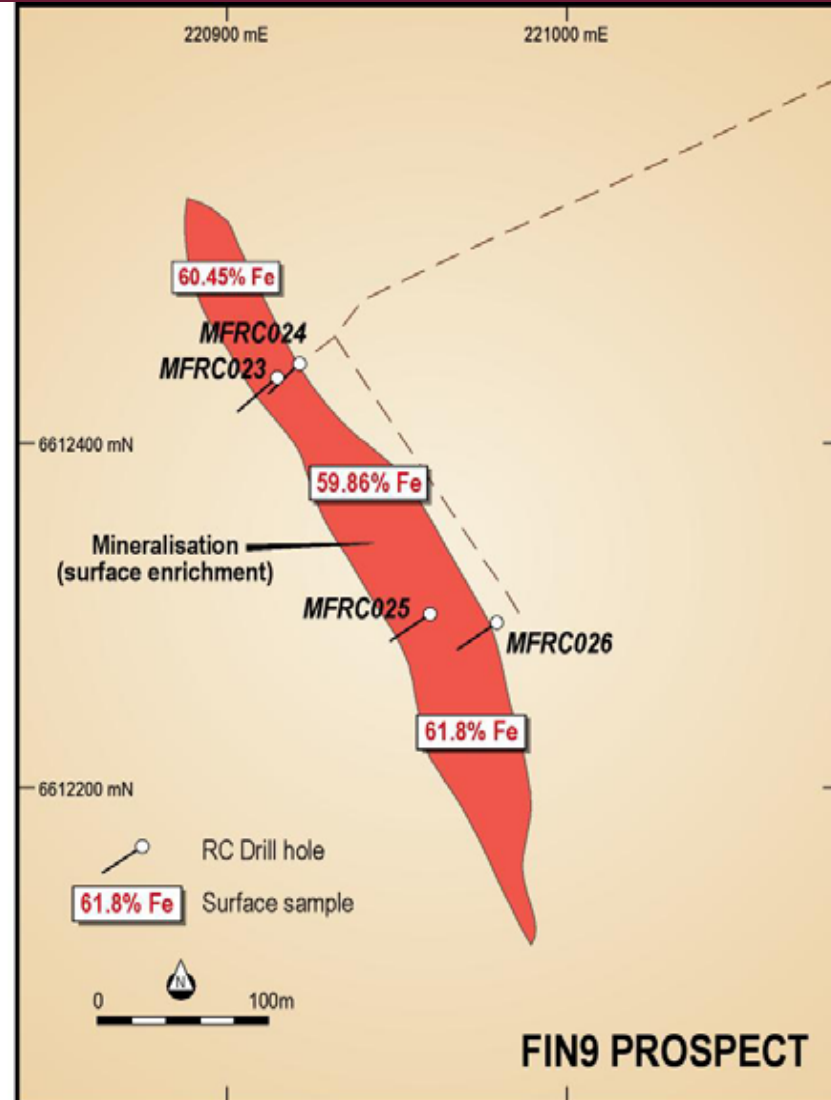
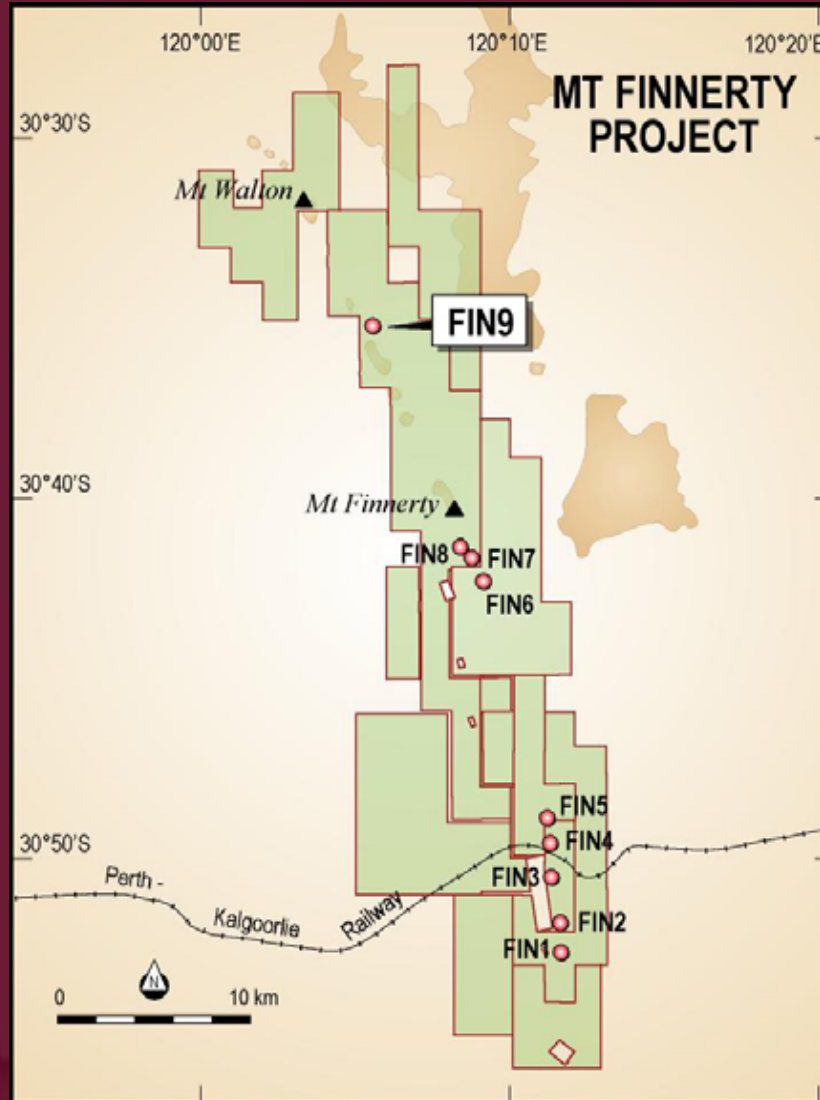
- Reduces lead time
- Reduces critical size for development

Exploration Results

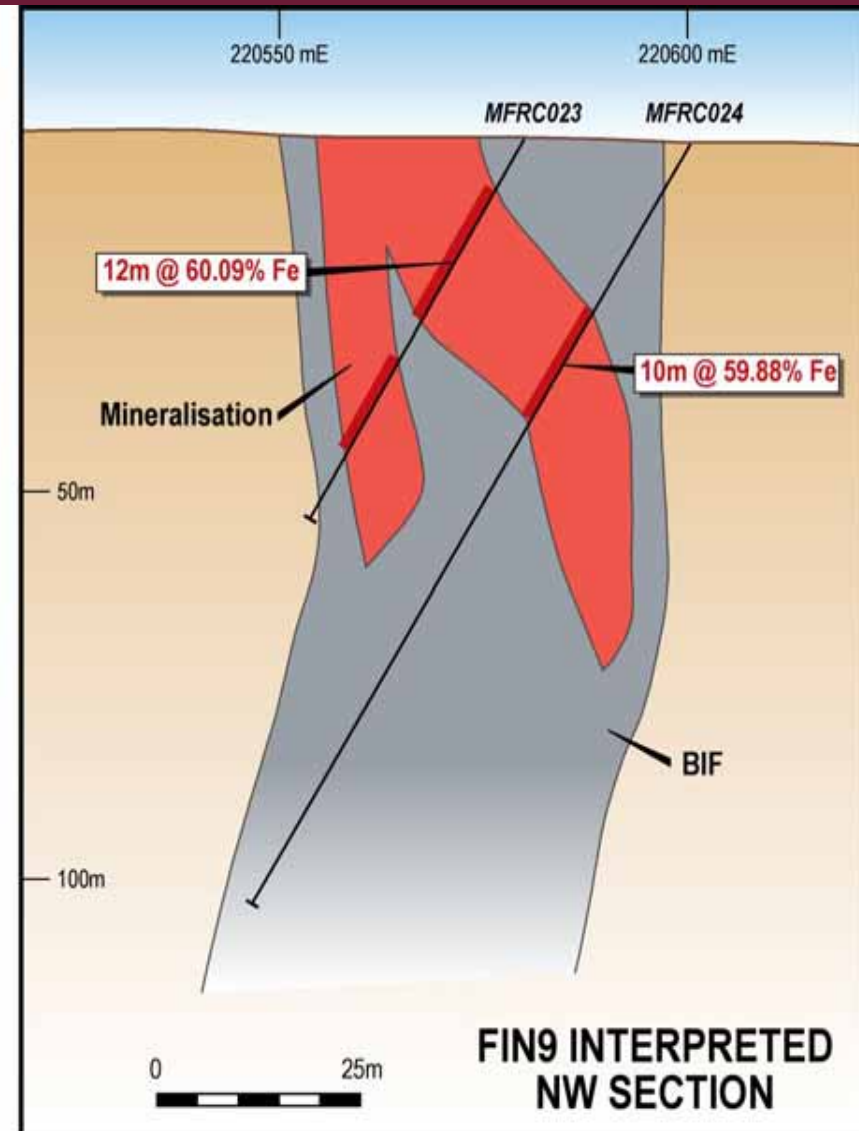
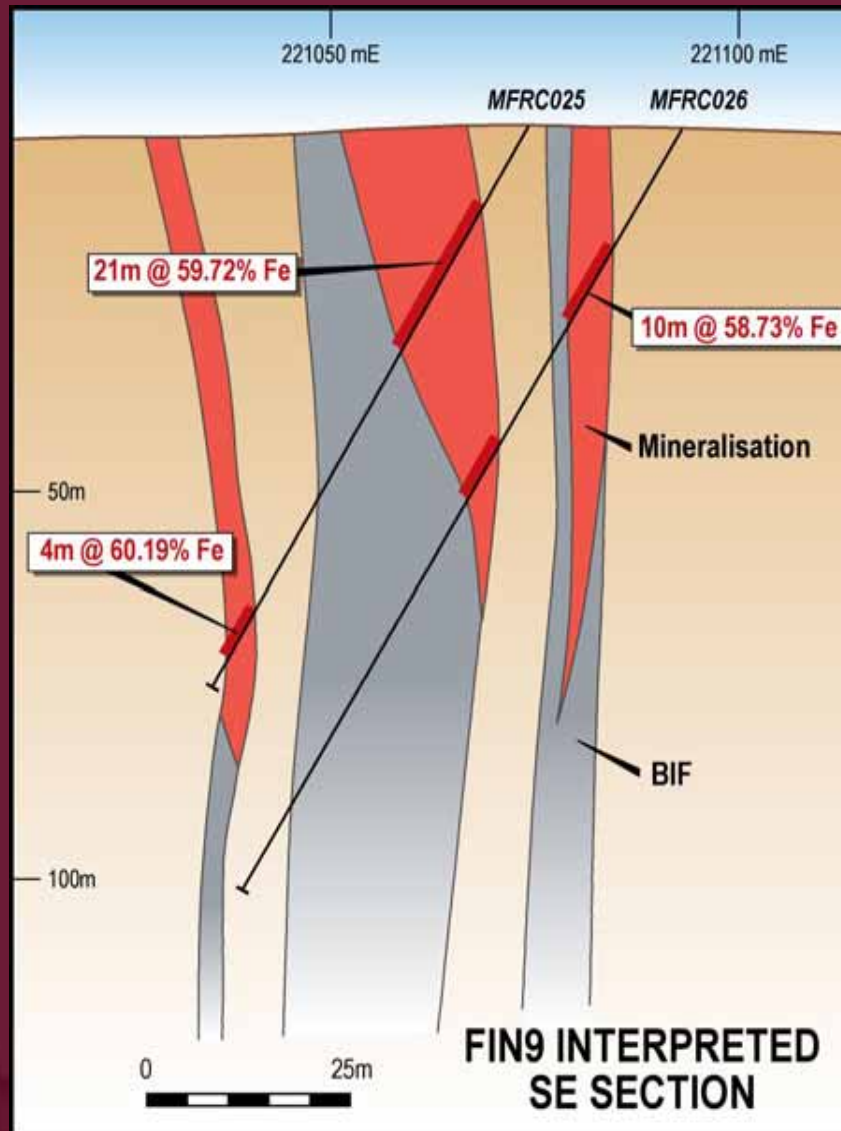
- Enriched BIF over +30km
- Grades up to 68% Fe
- Widths up to 15m
- Attractive P Levels – ideal for blending



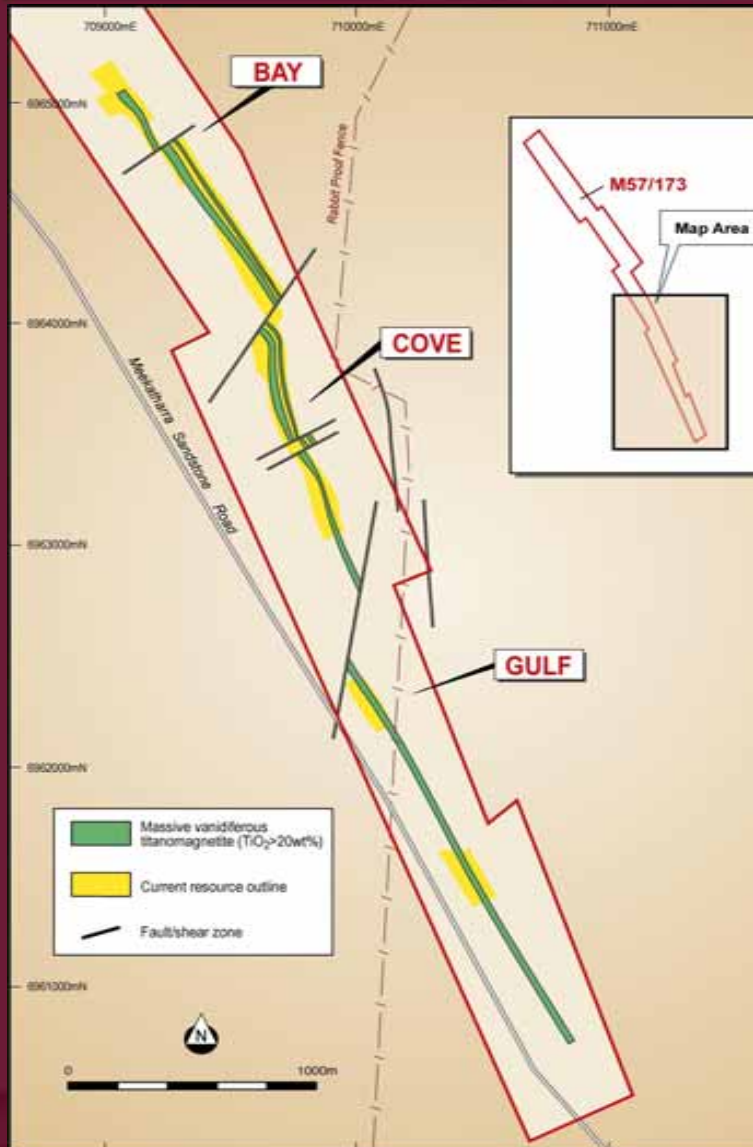
MT FINNERTY – Portman Scout Drilling



MT FINNERTY – FIN 9 Cross Sections



BARRAMBIE – Vanadium/Titanium Deposit



Resources

Indicated 42 Mt @ 0.45% V_2O_5
Inferred 97 Mt @ 0.35% V_2O_5

PFS – Eastern Band

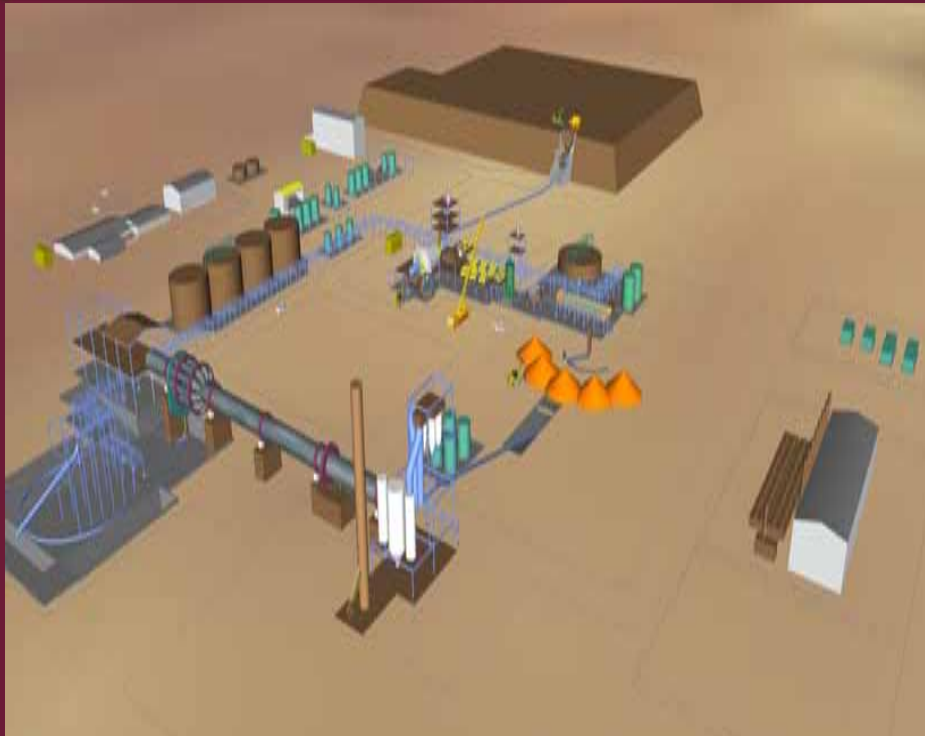
Oxidised to 60m
True Width >20m

Optimised Pits

25 Mt @ 0.53% V_2O_5 to 50m

Strip Ratio 0.6:1

BARRAMBIE – PFS



Concentrate Grade % V ₂ O ₅	Concentrate Recovery % mass	Process Recovery y %
1.37	36	90+

Mining Costs A\$/lb V ₂ O ₅	Plant, Infrastructure & Admin Costs A\$/lb V ₂ O ₅
0.17	2.50

NPV₁₂ – A\$379m
IRR – 40%
Payback - 4 yrs

Plant Direct (Processing plant & Infrastructure)	A\$ 174.8 m
Plant Indirect (EPCM and Contingency allowance)	A\$ 61.7 m
Natural gas turn key package	A\$ 19.5 m
Total	A\$ 256.0 m

SUMMARY

Mt Finnerty (iron ore, nickel, gold)

- Portman JV. Iron ore enrichment over 30km outcrop.

Barrambie (vanadium, titanium)

- Pre-Feasibility Study results NPV₁₂ A\$379 million

Comet Vale (gold, nickel)

- High Margin, Low Risk Gold Production 20koz pa
- First Gold June 2006
- Resources Increased +136,000 oz @ 12 g/t
Evaluating Increasing Production to 40 koz pa
- Exciting Regional Potential