

# Reed Resources Ltd

## RIU Explorers 2007 Presentation

# CORPORATE INFORMATION

## Capital Structure

Issued Shares 80.3 M

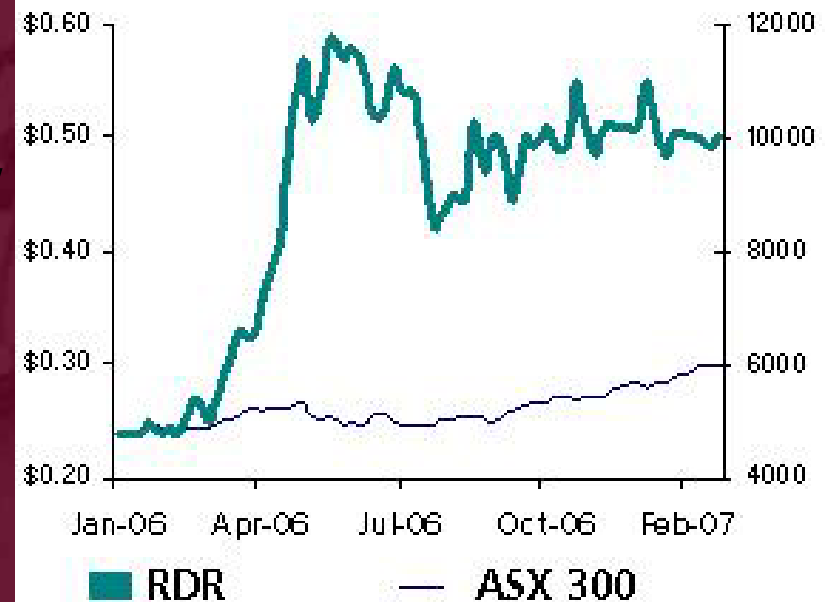
Options 4.25 M

**Market Cap (@50c) \$40 M**

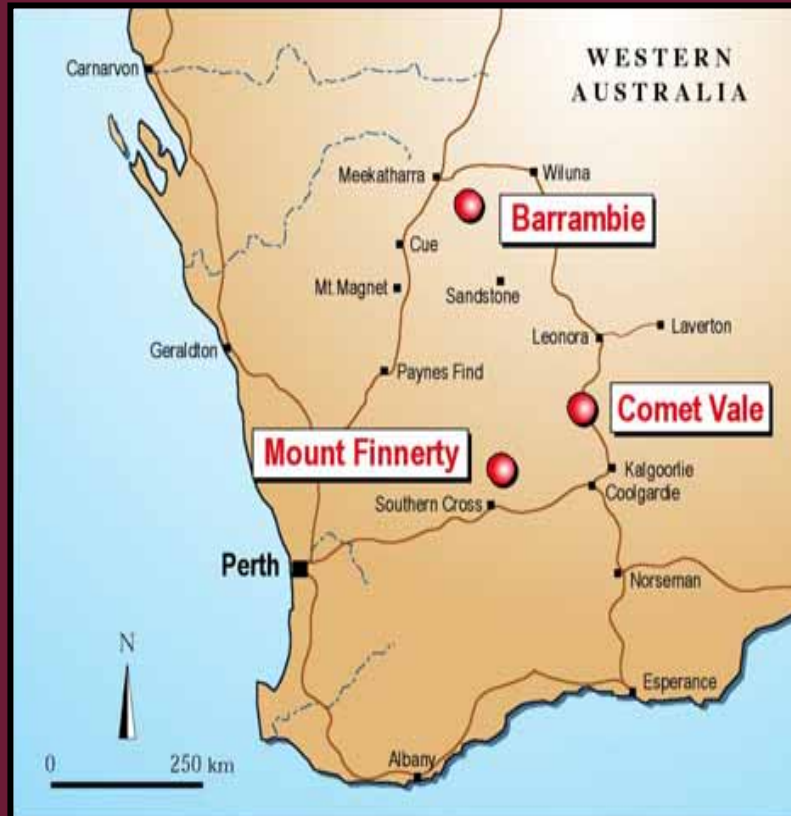
**Cash (31 Dec) \$0.5 M**

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**



# MAIN PROJECTS



## Barrambie

Murchison province  
Vanadium Titanium

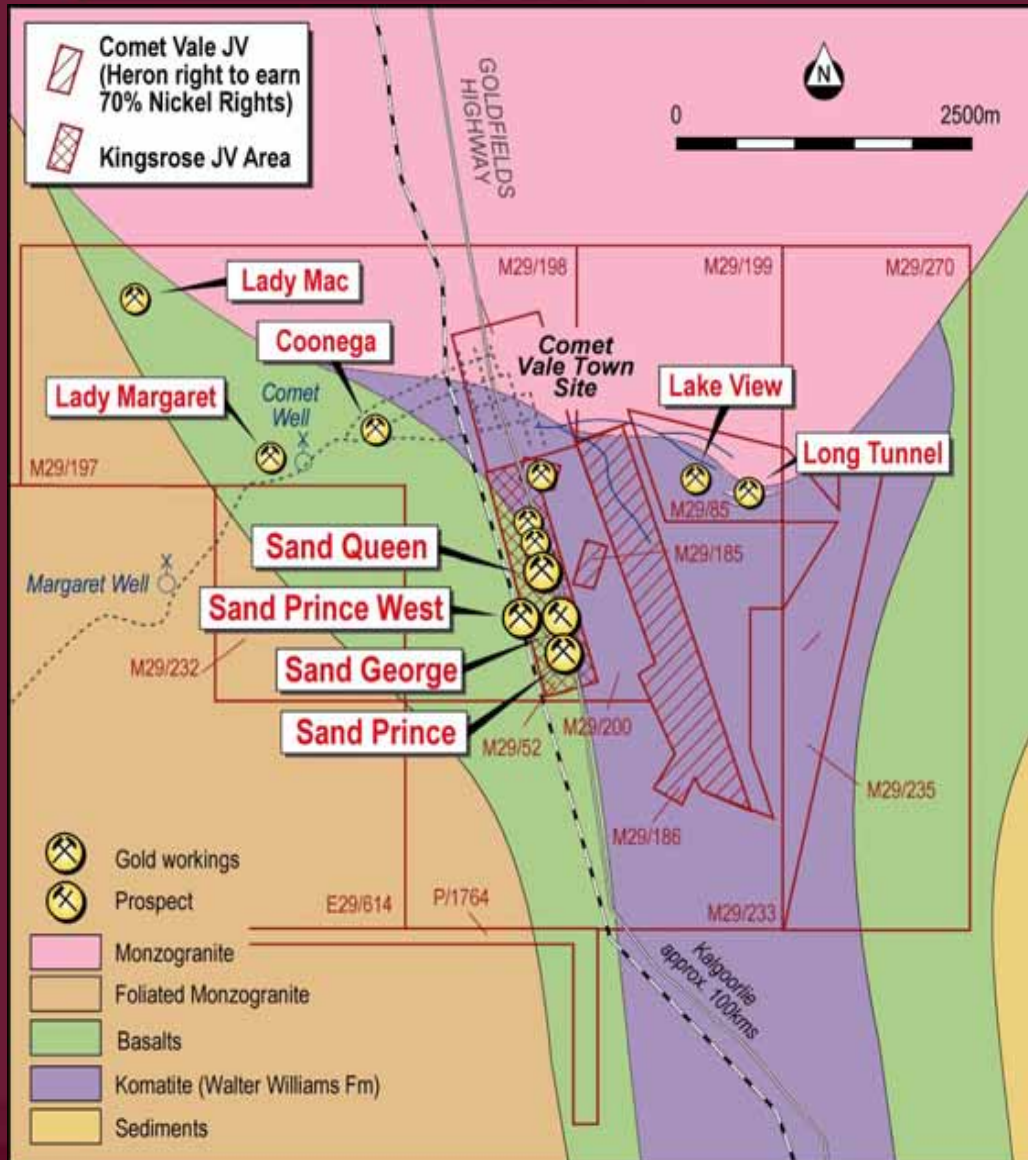
## Comet Vale

Eastern Goldfields province  
Gold Nickel

## Mt Finnerty

Southern Cross province  
Iron Ore Nickel Gold

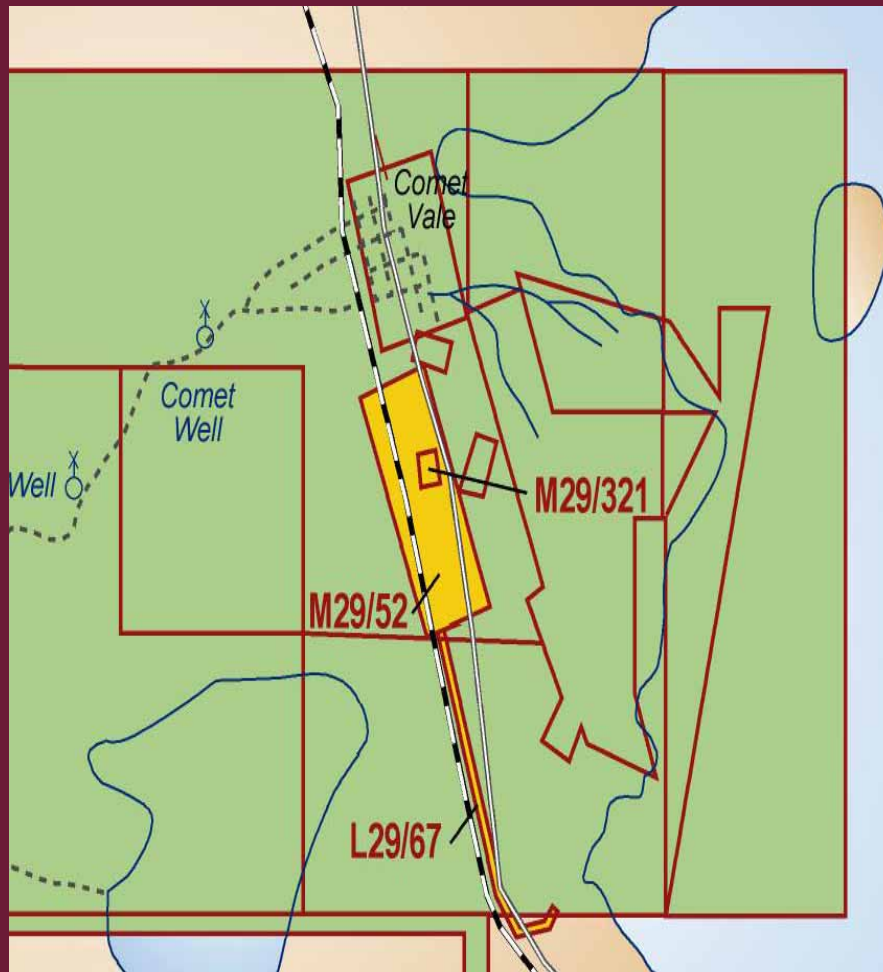
# COMET VALE PROJECT



## PROJECT HIGHLIGHTS:

- Low risk 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 @ 12 g/t in last yr
- Regional Exploration in Dec/Jan discovers new Princess Grace lodes

# COMET VALE Production Joint Venture



## Kingsrose

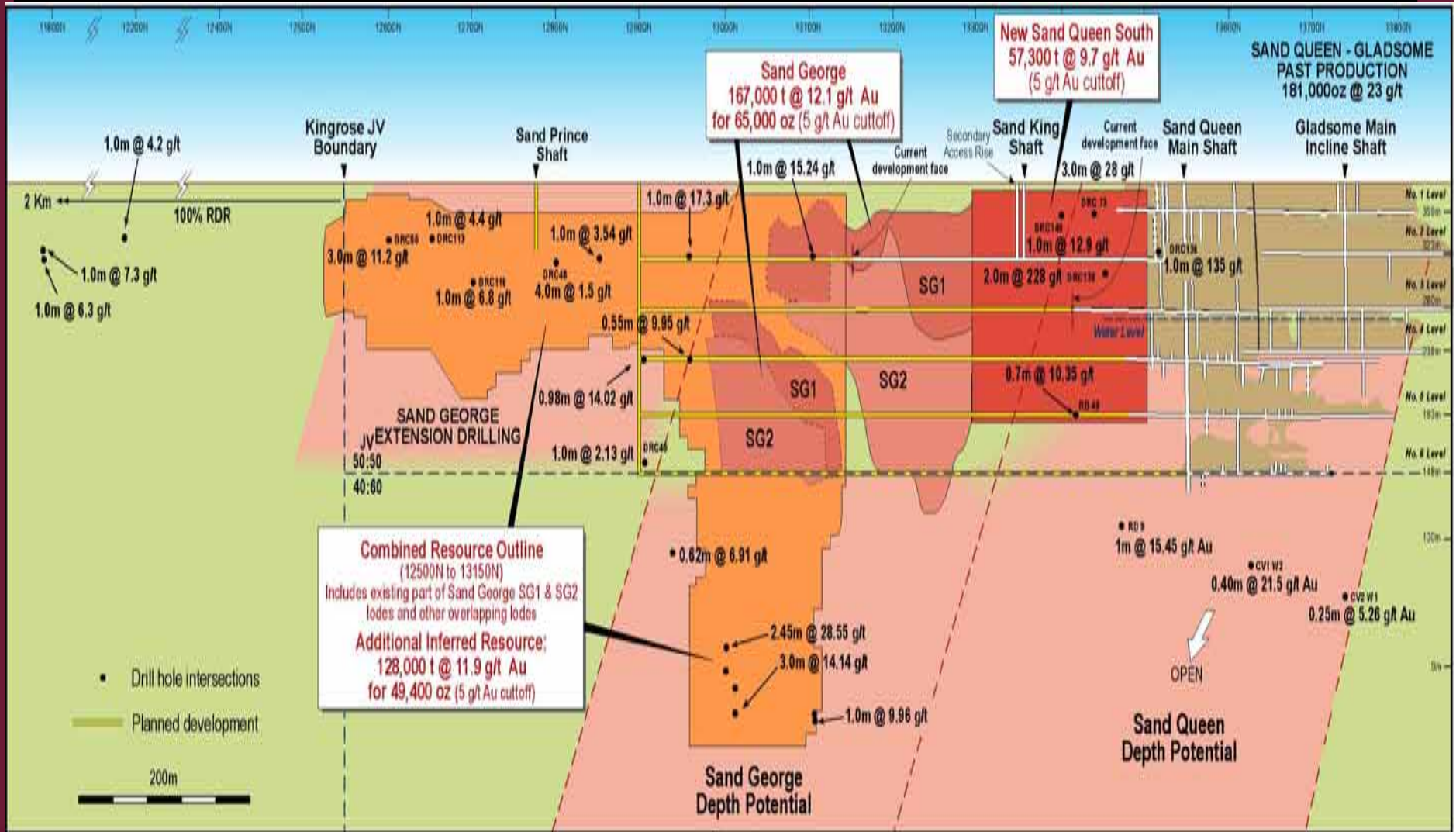
- **Development & Production Costs**
  - to earn 50% gold down to 243m
  - to earn 60% gold below 243m
- 50% Equity in leases after production of 25,000 oz
- Min. Expend \$2,000,000

## Reed

### - **Transport & Treatment Costs**

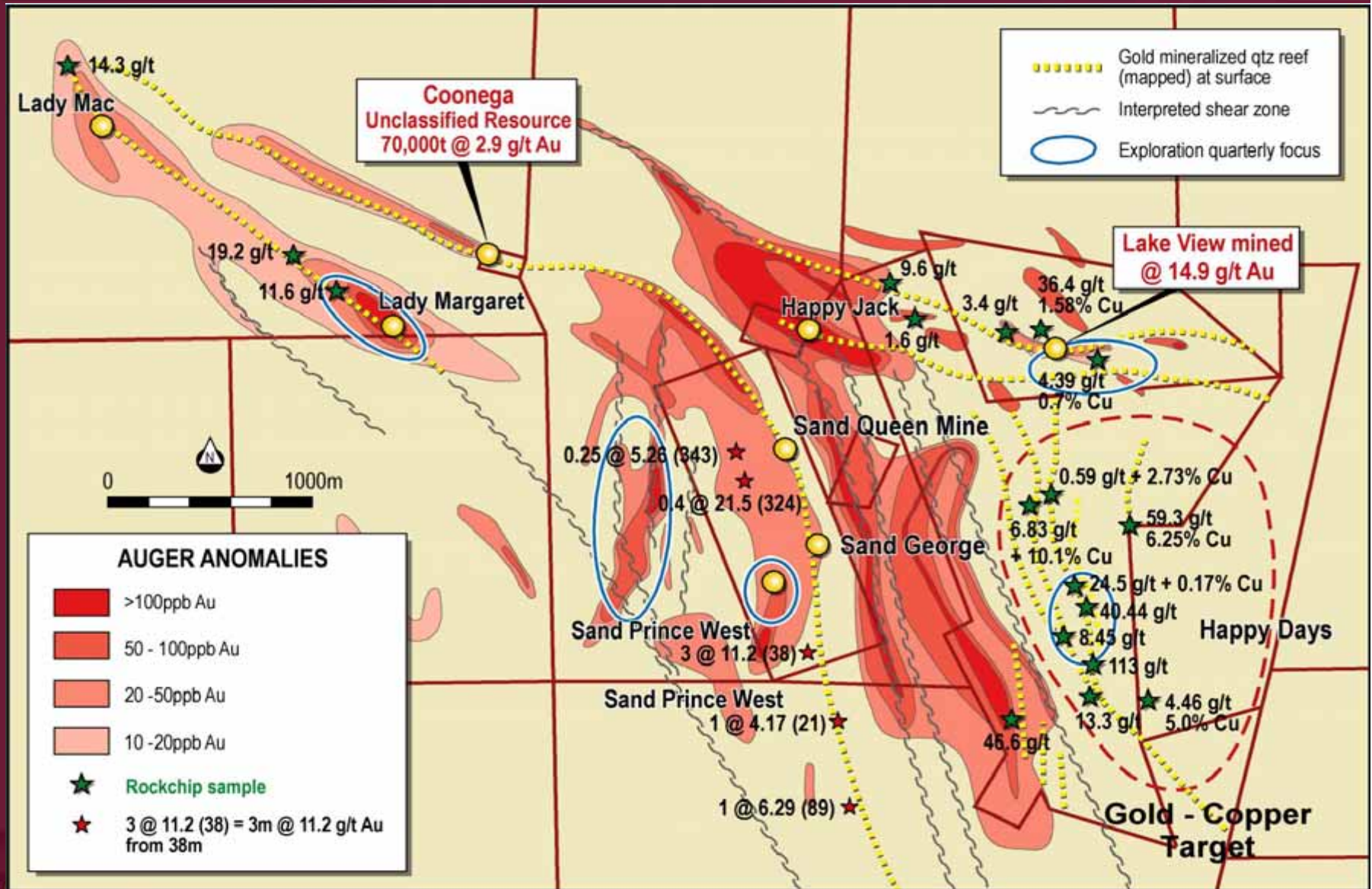
- Budgeted \$50/tonne (~\$230/oz)
- Retains open-pit gold resources
- +\$5m p.a net cash flow at production level of 20,000 oz pa.

# COMET VALE – Progress to date

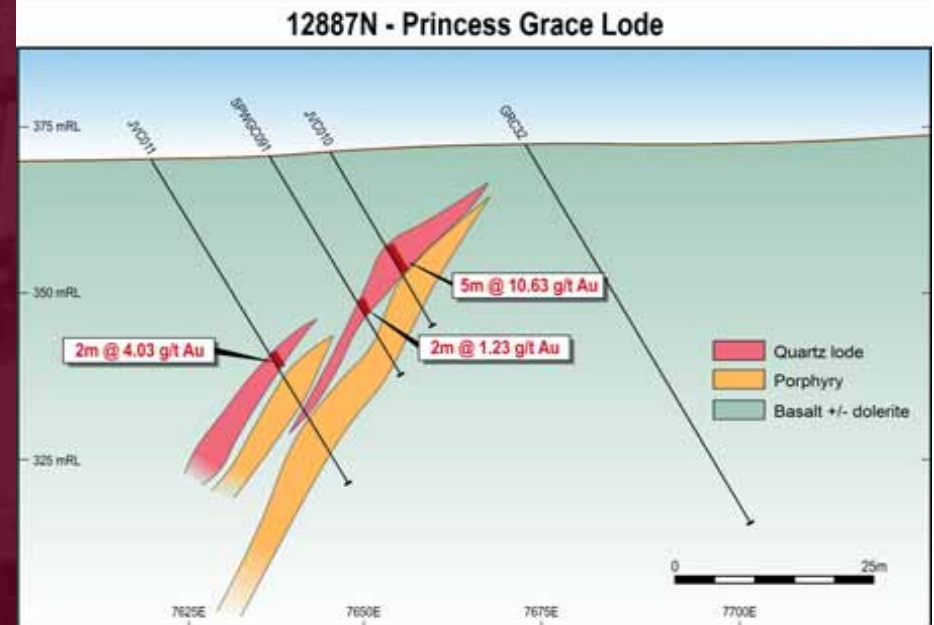
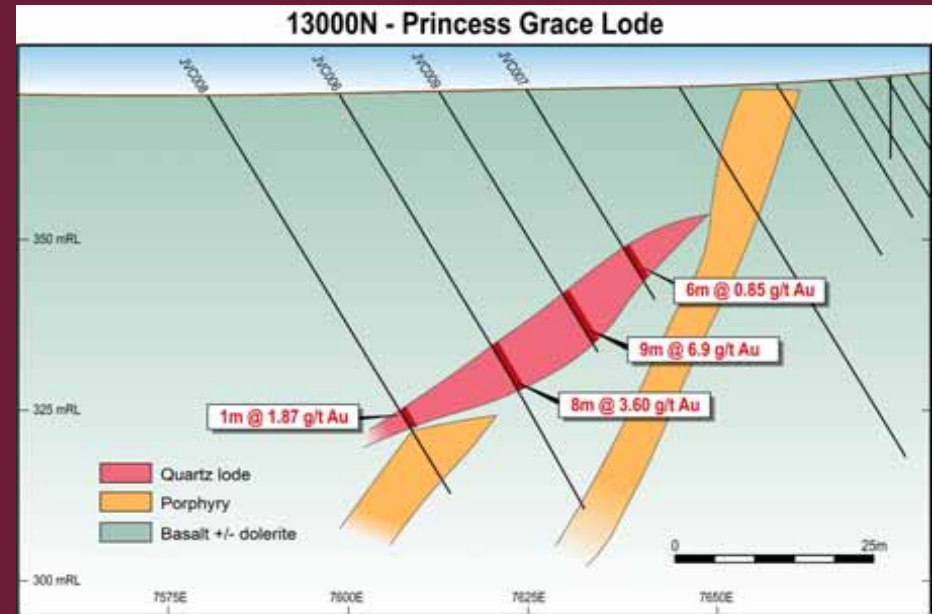
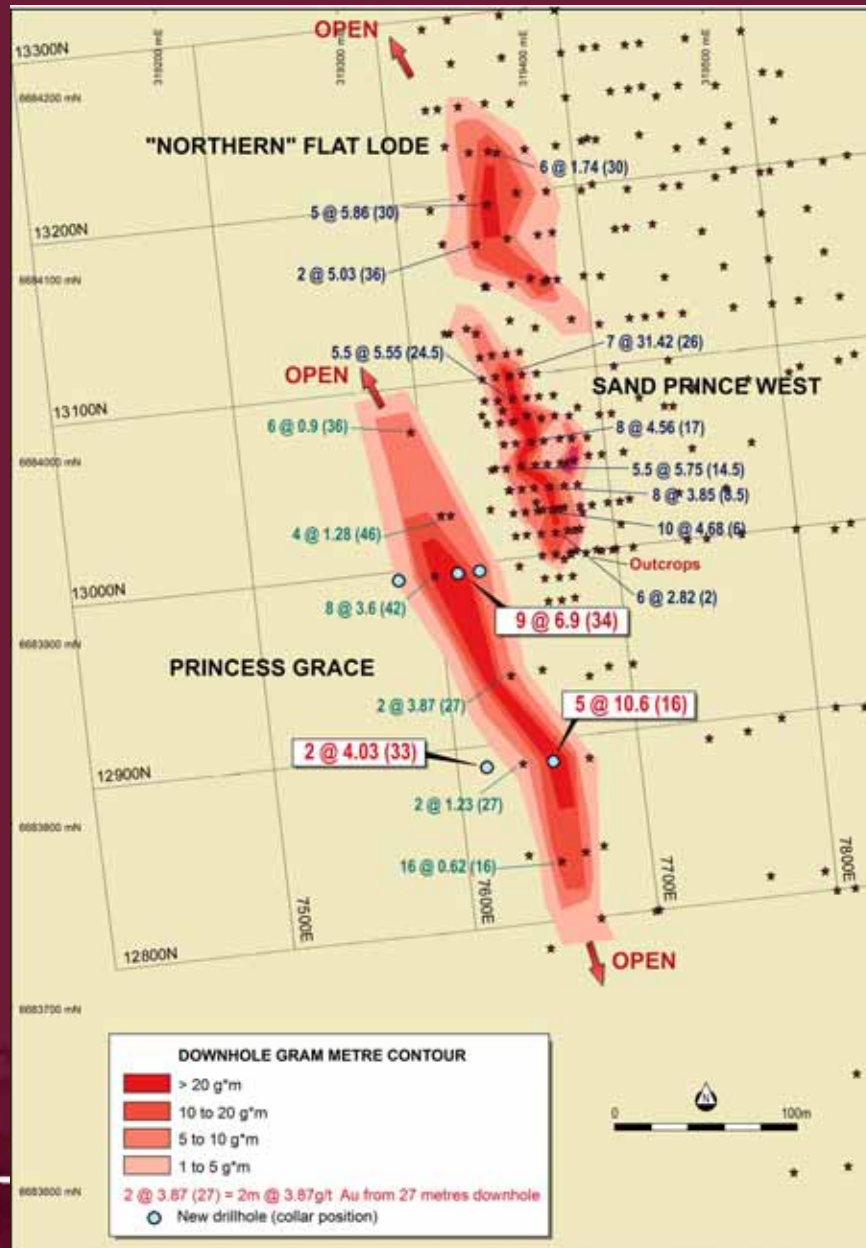


Long Section Looking West

# COMET VALE – Regional Gold Contours



# COMET VALE – Princess Grace



# COMET VALE – Nickel

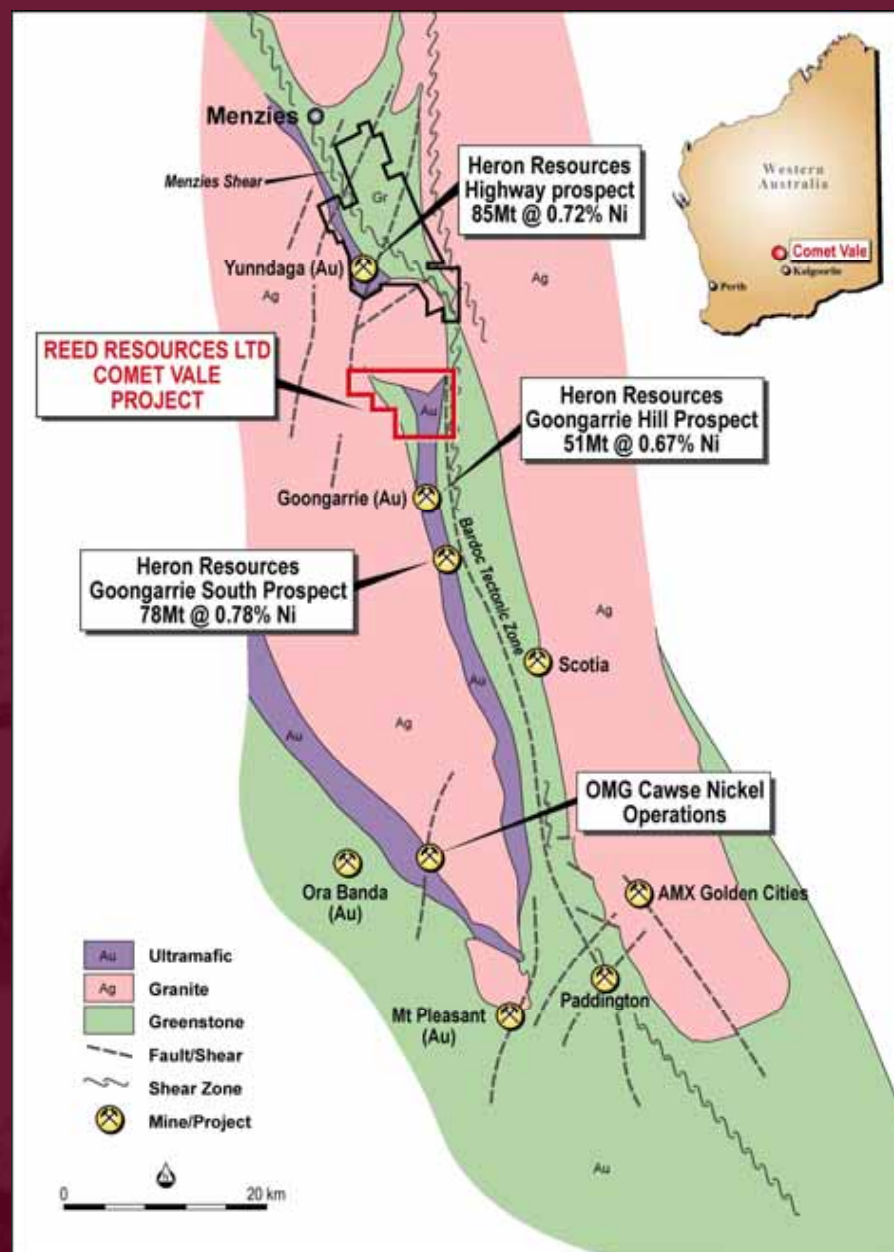
## TARGET

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

Tenements host over 4.8km  
Strike of Walter Williams Form

## DRILL RESULTS (unscreened)

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

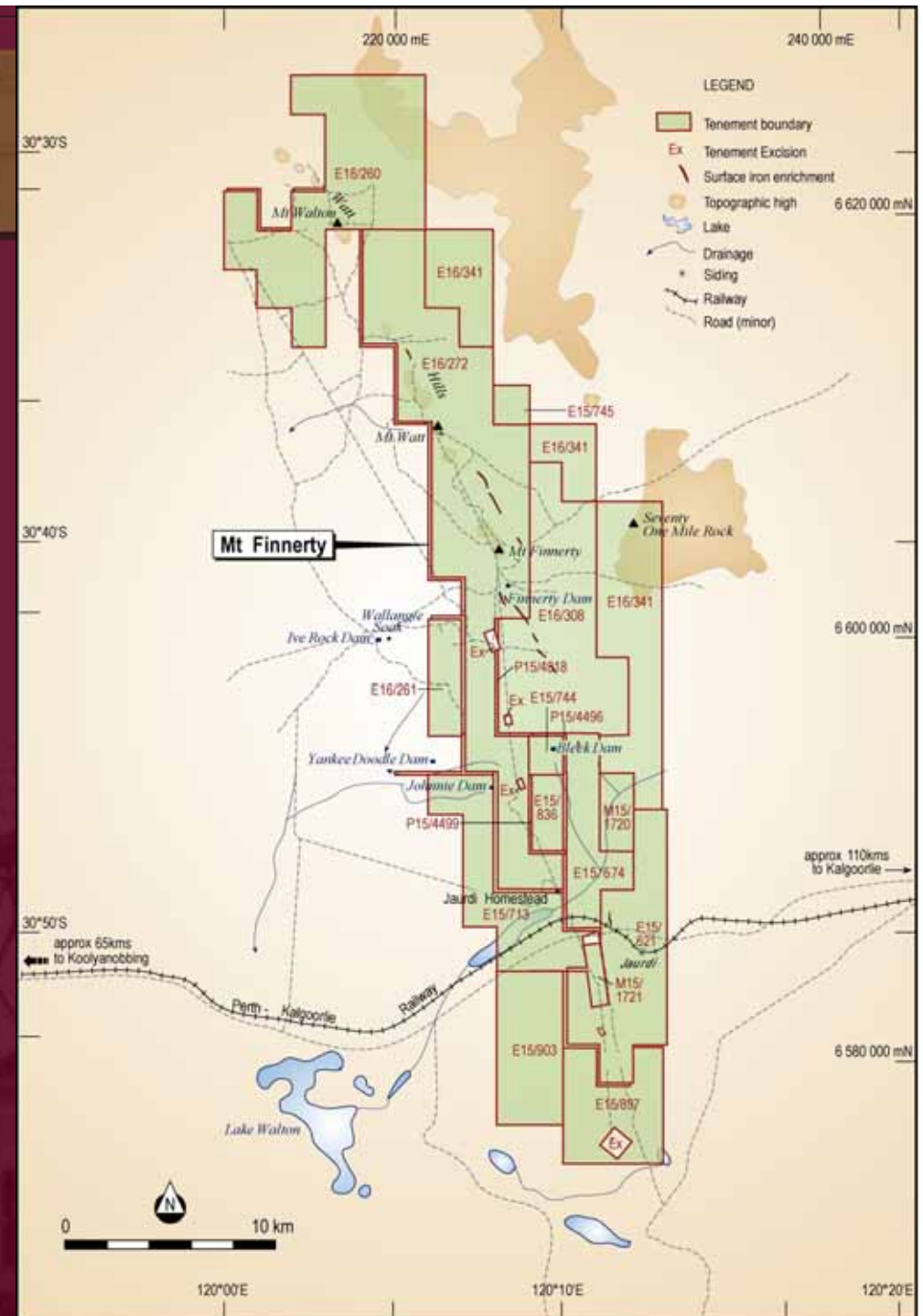


# MT FINNERTY PROJECT

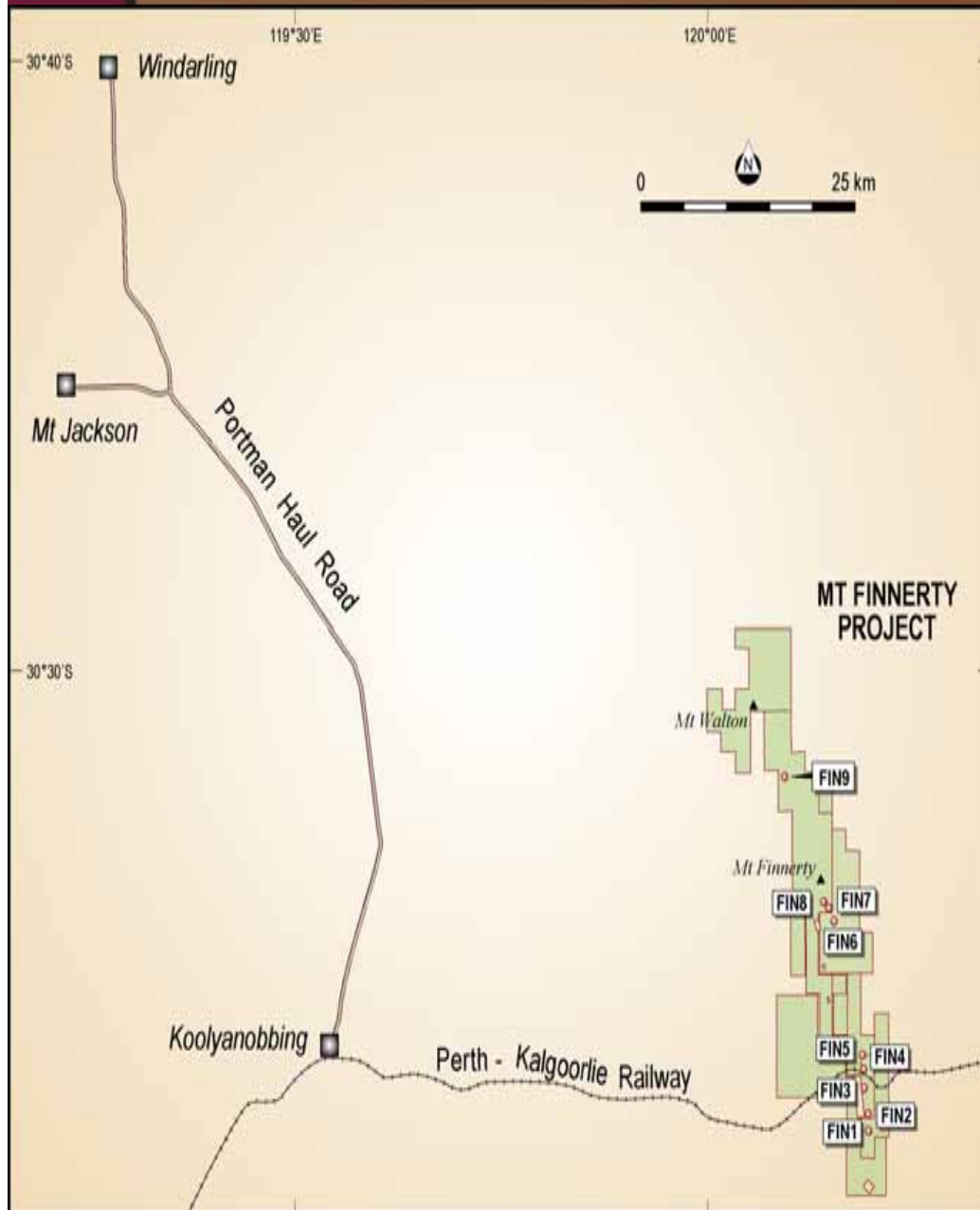
- Brown-fields exploration project
- 45 km of Watt Hills G/B
- Known high-grade gold and BIF-hosted Fe ore (hematite)
- 30 km of prospective Ni-sulphide hosting Ultramafic

## Exploration Targets:

- BIF-hosted iron ore
- Ni Sulphides
- Archaean lode gold



# MT FINNERTY – Iron Ore



## Exploration Results

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

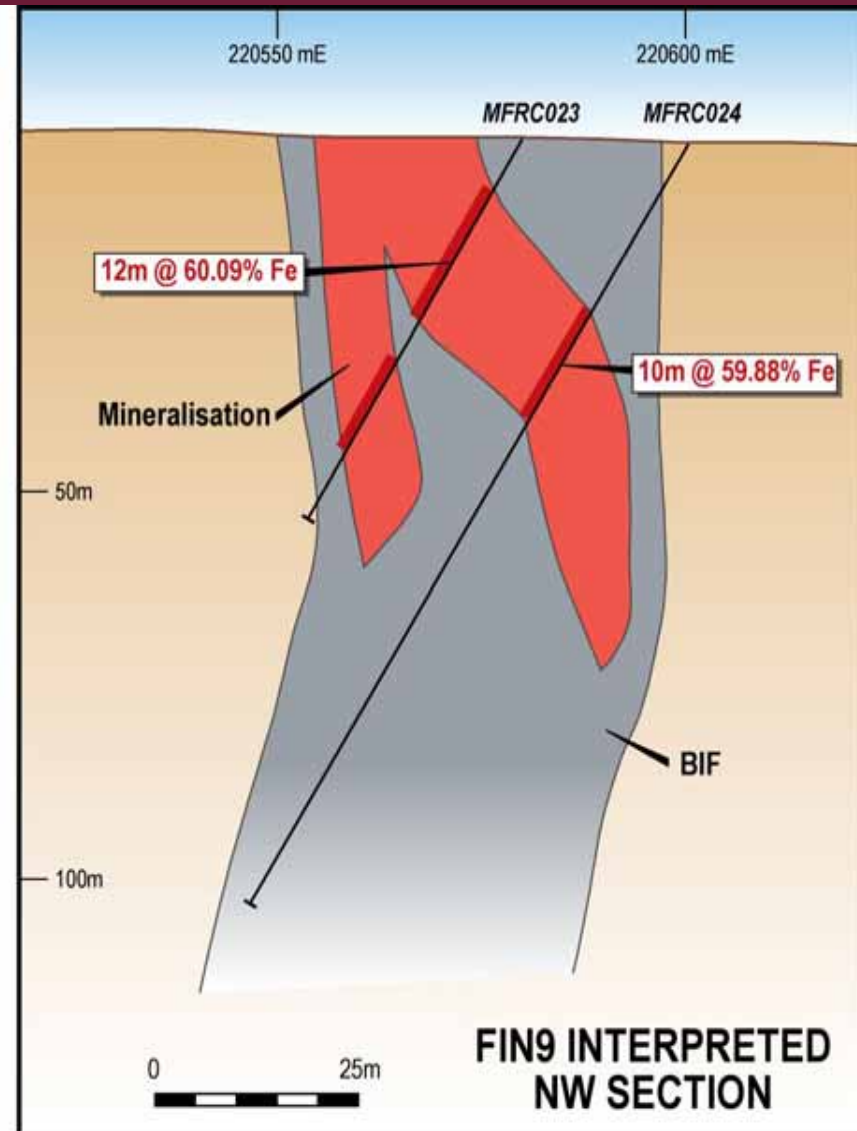
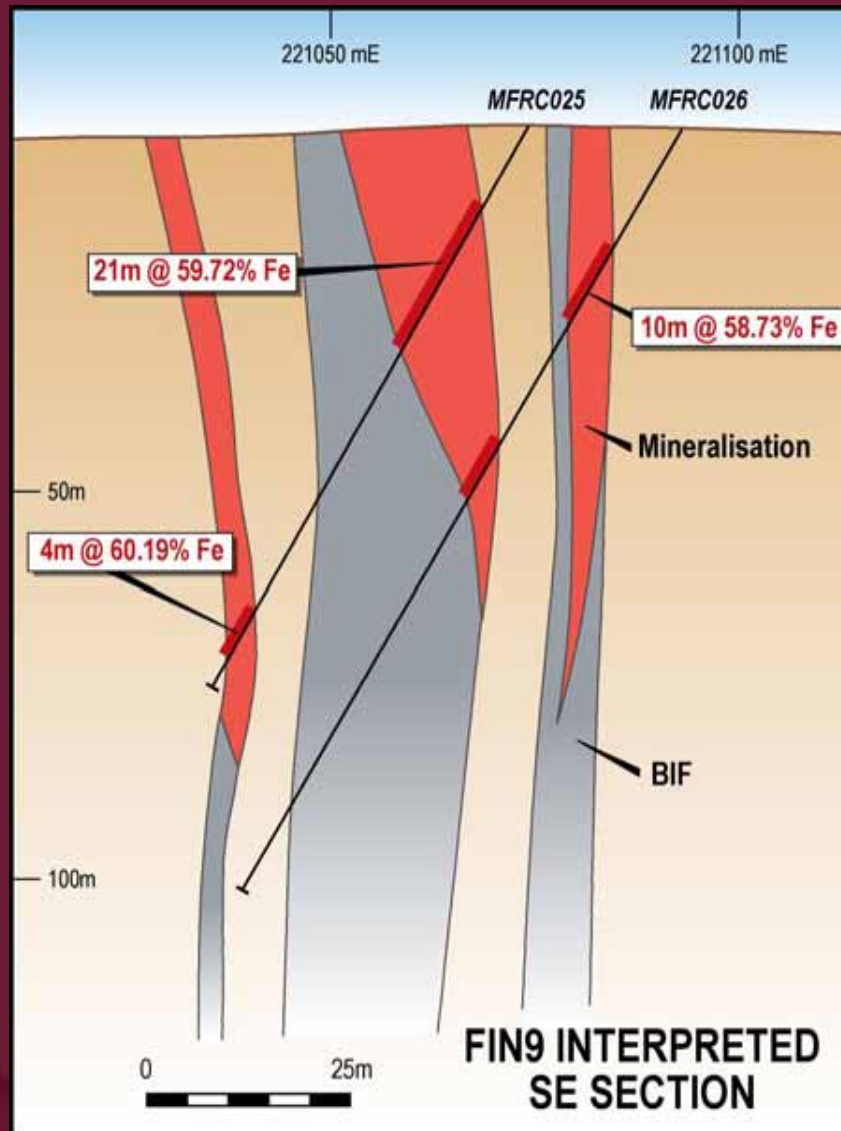
## PORTMAN JV

Portman earning 80% Fe rights

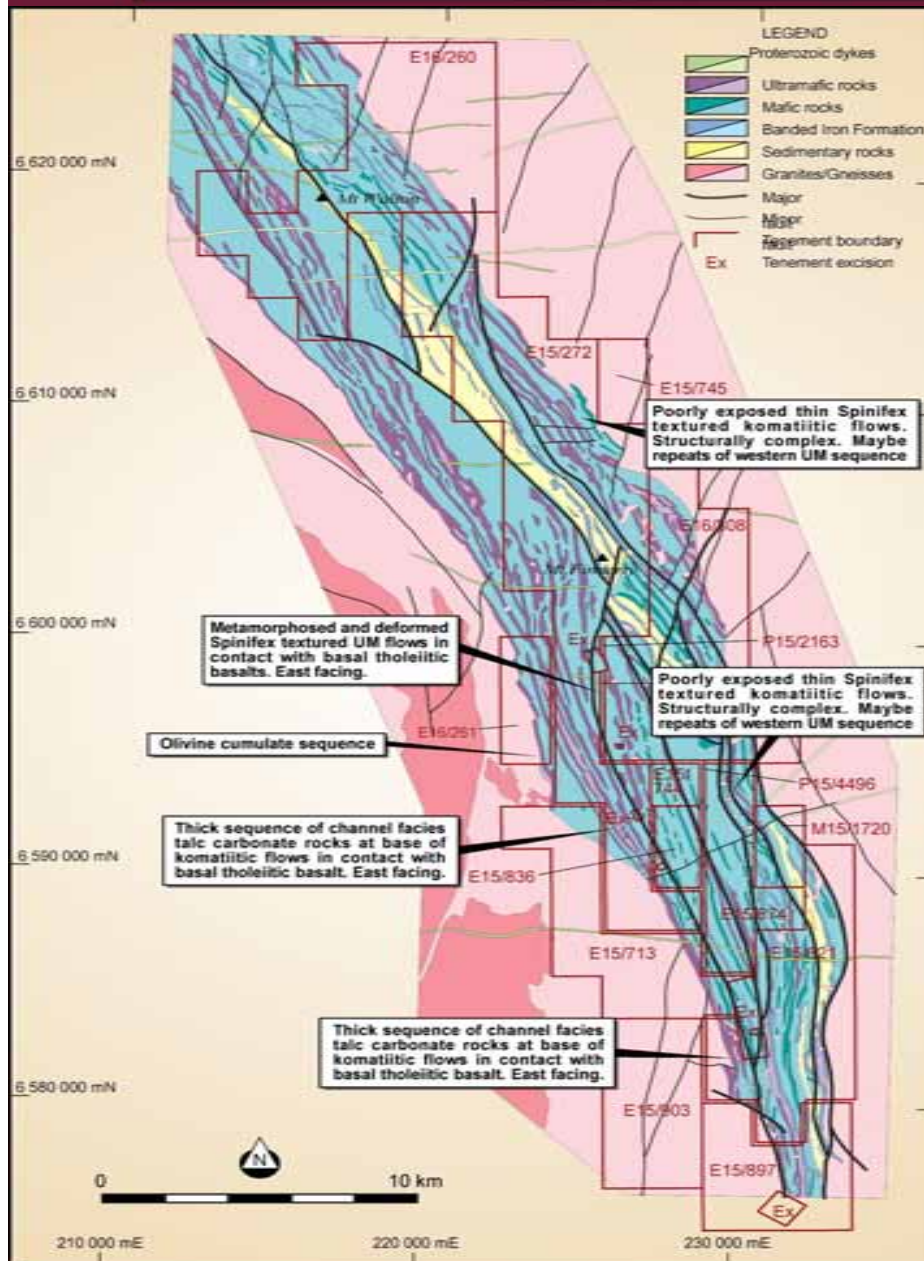
Utilise existing plant and infrastructure

- Reduces lead time
- Reduces critical size for development

# MT FINNERTY – FIN9



# MT FINNERTY – Nickel

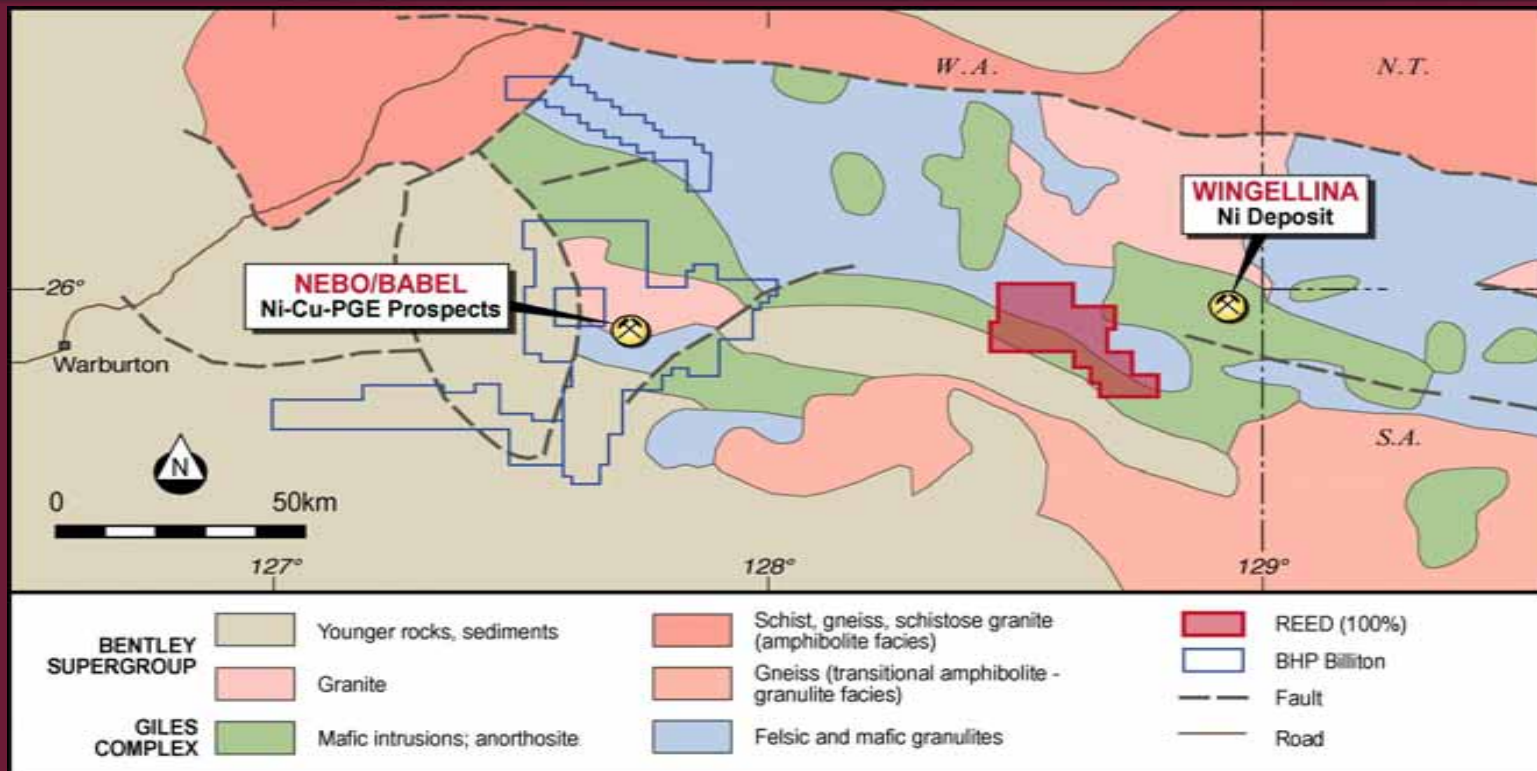


- 30km strike fertile ultramafics
- 2 interpreted channels at base of komatiitic flows
- Basal footwalls appear intact

## Dec Q Exploration

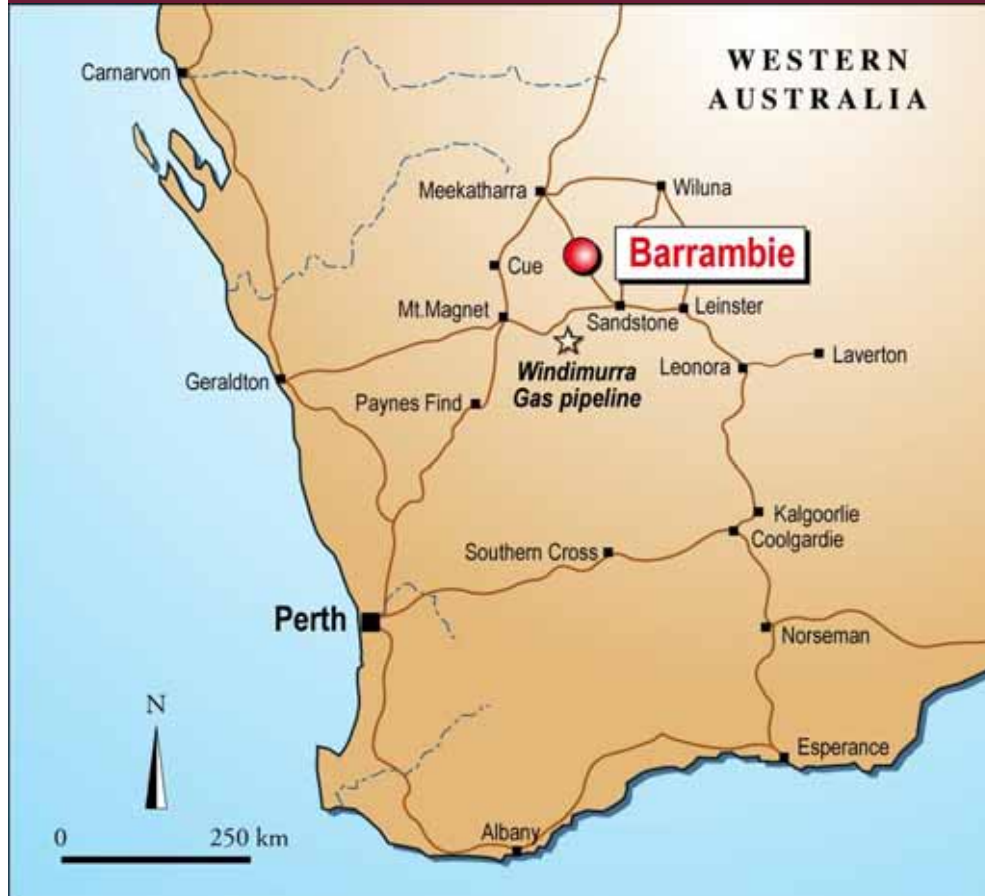
- Soil sampling to define drill targets

# MUSGRAVE – Nickel/Copper



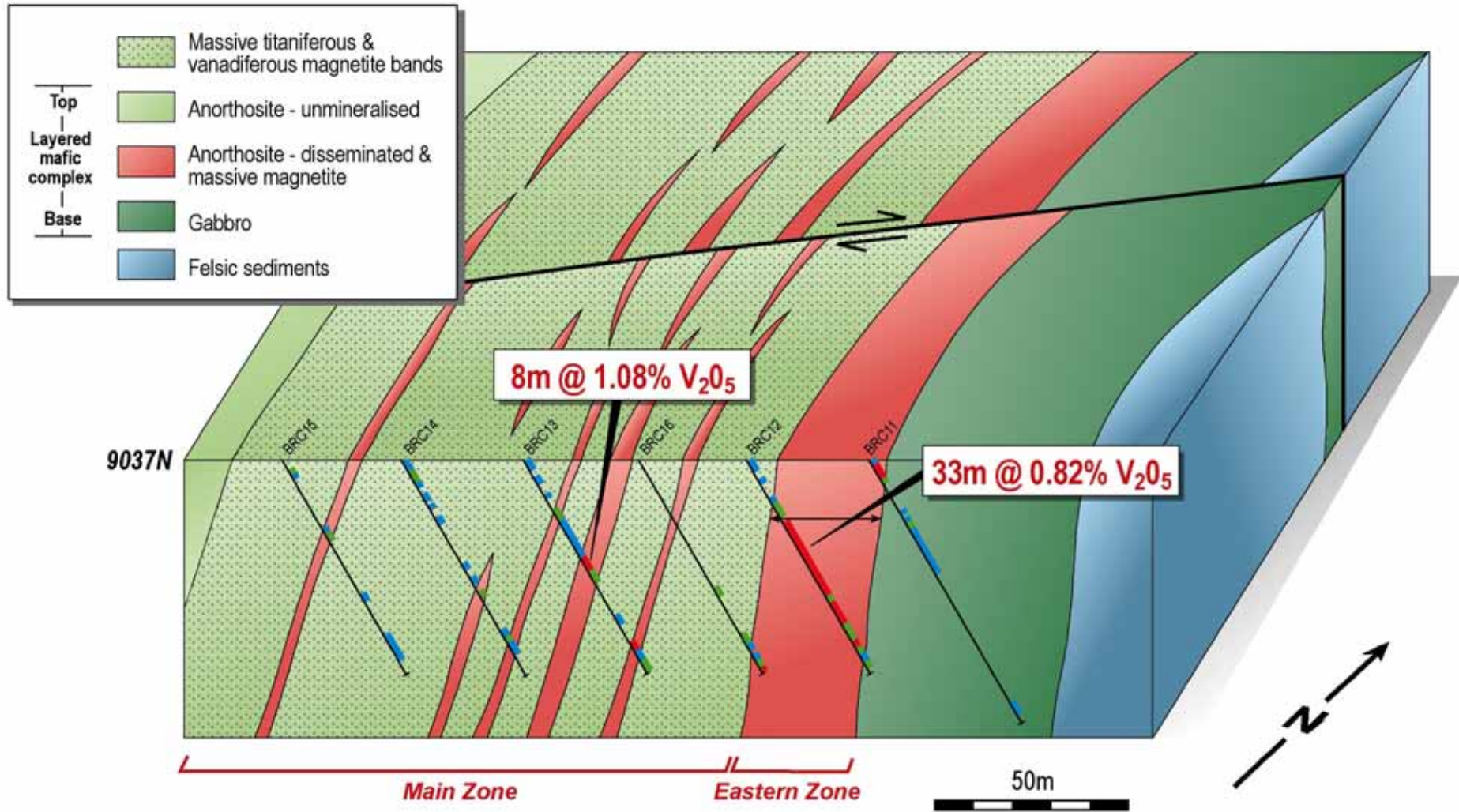
- 35km strike of Bell Rock Range mafic/ultramafic intrusion
- Rio/Delta considered “highly prospective for massive Ni-Cu sulphides + PGM’s
- Surrendered after failure to secure ground access

# BARRAMBIE PROJECT

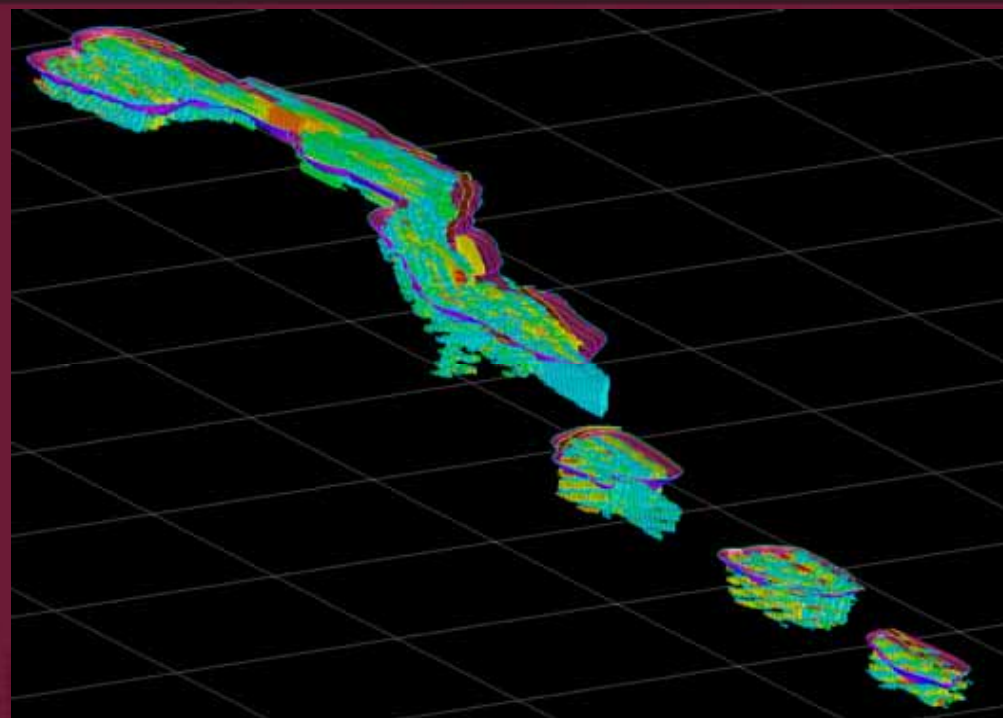
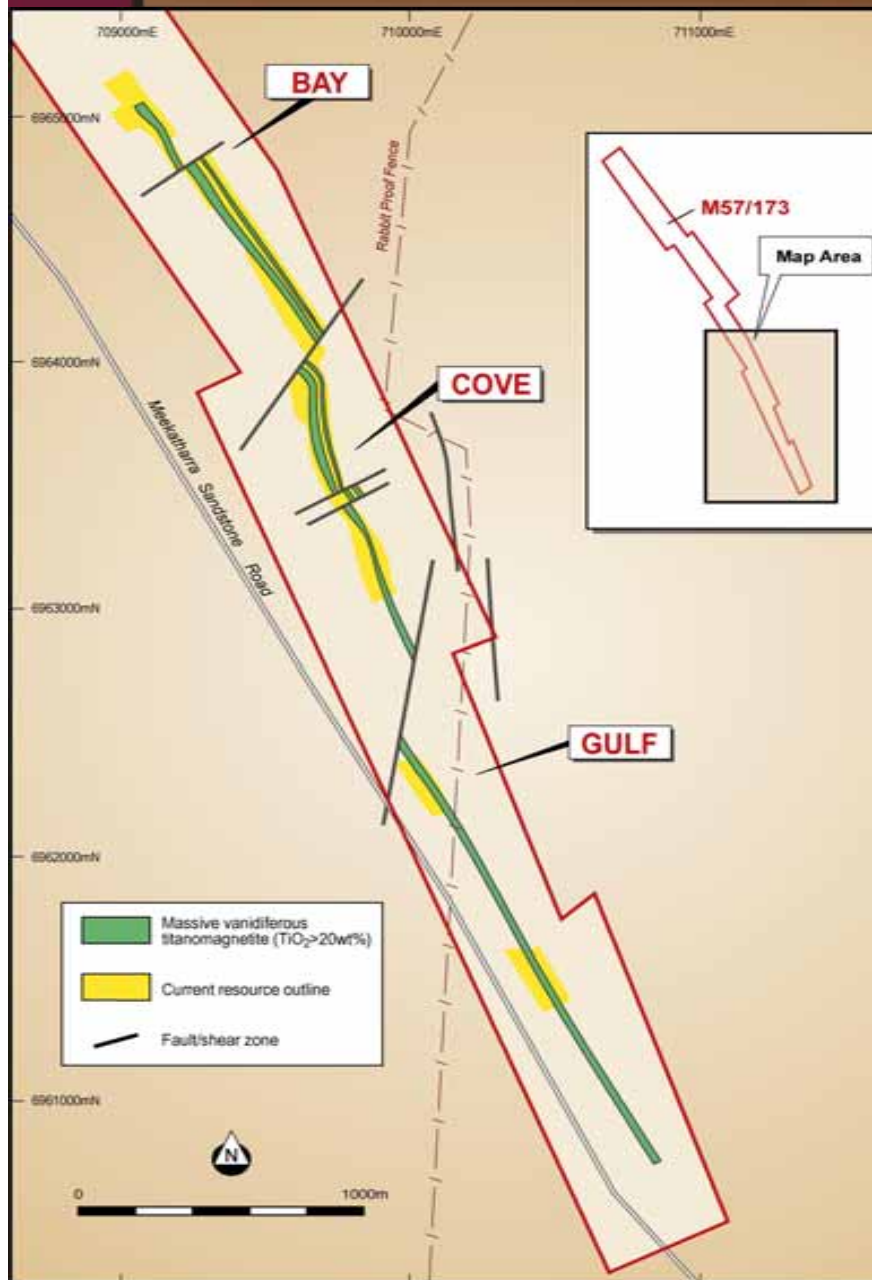


- Advanced exploration project acquired April 2003
- Magmatic Ti-Fe±V oxide deposit in anorthosite-gabbro
- PGMs, gold & nickel potential
- Completed PFS on production of 20M lbs V<sub>2</sub>O<sub>5</sub>
  - Robust flowsheet
  - Low operating cost
  - Optimisation opportunities
- Two stage Bankable FS underway.

# Geology - Barrambie



# BARRAMBIE - PFS



Optimised Pits  
Strip Ratio <1:1

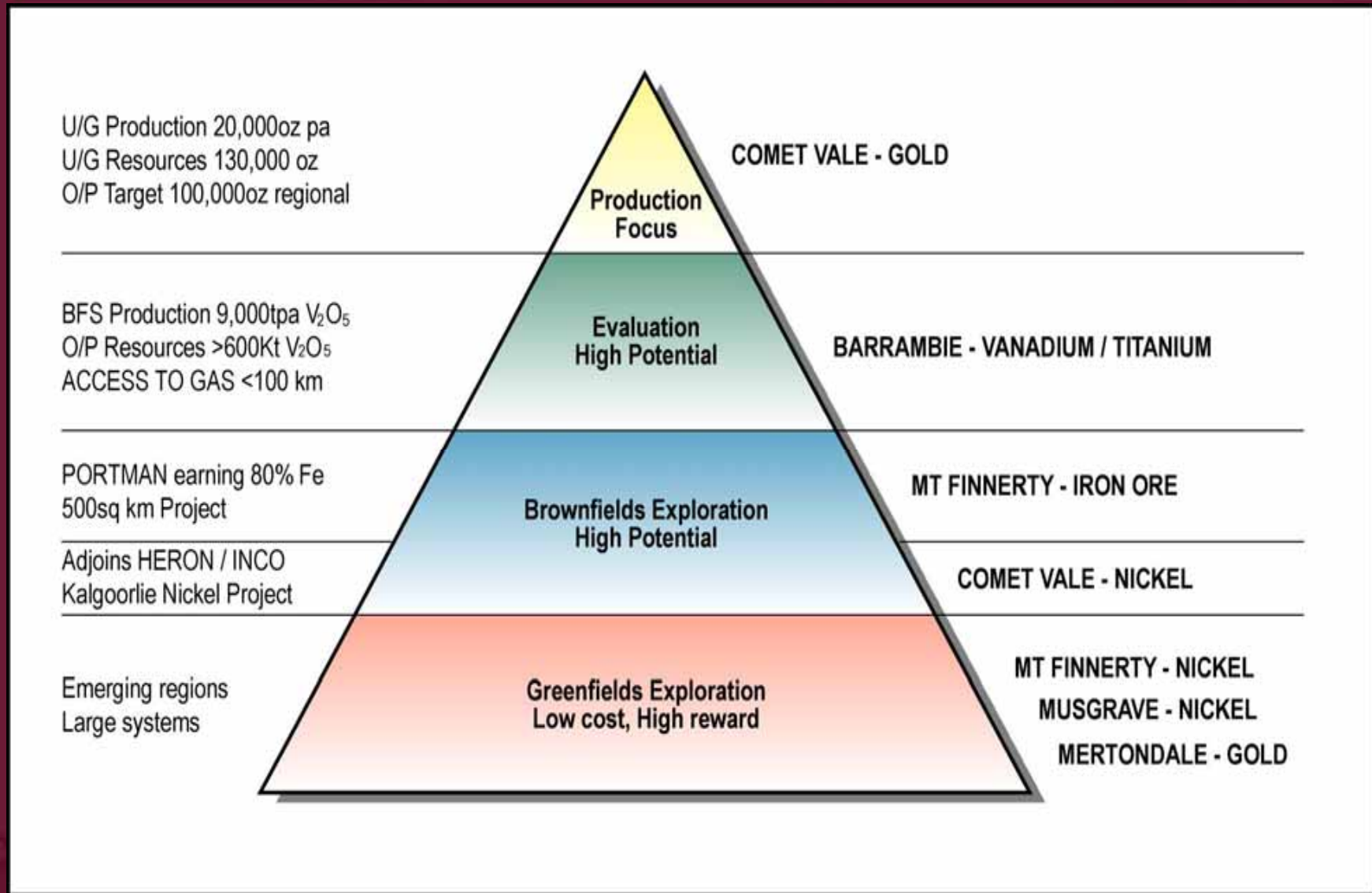
# Feasibility Study Team Established

- Experienced Project Manager
- Strong in-house geological team
- Resources and reserves estimate by Snowden Group
- Process engineering advice through METS
- Engineering, infrastructure and controls through Sinclair Knight Merz
- Environmental and water studies managed by Aquaterra
- Specialty advisors for energy and reagents
- Marketing partner a leader in Vanadium

# Feasibility Study Program

- Stage 1 Resource Definition Drilling  
– RC whole 11km strike Jan - Mar 2007
  - Diamond Drilling Feb – May 2007  
– Metallurgy, Density and Confirmation
  - Confirmation Testwork April – July 2007
  - Resource Estimate June - Aug 2007  
– Snowdens
  - Pilot Plant Testwork Aug - Dec 2007
  - Reserve Estimate Jan - Feb 2008  
– Snowdens
  - Stage 2 Engineering Design and PEP Sep – Mar 2007  
– Sinclair Knight Merz
  - Water and Environmental Studies Mar 07 – Feb 08
- COMPLETION June 2008**
- Order long lead items 2<sup>nd</sup> half 2008
  - Commissioning from late 2009 or early 2010

# BUSINESS STRATEGY



# SUMMARY

## **Mt Finnerty (iron ore, nickel, gold)**

- Portman Iron Ore JV. Resource Definition Drilling June Q 07
- Exciting Nickel Sulphide targets

## **Barrambie (vanadium, titanium)**

- PFS completed Long Life, Low Cost Vanadium project
- MOU Sales & Marketing Agreement with leading commodity trader
- Feasibility Study commenced Jan 07

## **Comet Vale (gold, nickel)**

- High Margin, Low Risk Gold Production, at rate of 20koz pa by June 07, next crushing last week February.
- Resources Increased +136,000 oz @ 12 g/t
- Exciting Regional Potential – Drilling discovers Princess Grace lodes analogous to Sand George lodes 200m to east.