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## OUTSTANDING DRILL RESULTS – BARRAMBIE VANADIUM PROJECT

The Board of Reed Resources Ltd (ASX:RDR) ("Reed") is pleased to announce the completion of the Company's reverse circulation percussion (RC) drilling programme as part of the feasibility study on the Barrambie Vanadium Project.

Assays for 42 of the 142 RC holes drilled have been received and, as anticipated, confirm the **exceptional tenor and continuity** of both the massive and disseminated mineralisation. A small number of shallow cored drill holes are currently being drilled for initial metallurgical and geotechnical test work.

The average result from **all** 1,457 assays received to date is 0.46% $V_2O_5$. Using a cut-off of 0.6% $V_2O_5$, **401 assays averaged 0.87% $V_2O_5$**, with 102 assays over 1.00% $V_2O_5$ and a maximum of 1.83% $V_2O_5$.

Some of the better intercepts are listed below.

| HOLE ID | Collar mN | Collar mN | Depth (m) From | Depth (m) To | Length (m) | $V_2O_5$ % | $TiO_2$ % | Fe % |
|---|---|---|---|---|---|---|---|---|
| BRC056 | 10000 | 5400 | 6 | 10 | 4 | 1.51 | 15.4 | 37.1 |
| BRC037 | 9400 | 5300 | 25 | 31 | 6 | 1.40 | 16.0 | 44.1 |
| BRC041 | 9600 | 5300 | 65 | 71 | 6 | 1.17 | 13.2 | 47.5 |
| BRC044 | 9600 | 5375 | 57 | 62 | 5 | 1.14 | 15.5 | 51.0 |
| BRC032 | 8600 | 5125 | 17 | 29 | 12 | 0.96 | 16.1 | 29.4 |
| BRC041 | 9600 | 5300 | 31 | 46 | 15 | 0.94 | 11.4 | 37.7 |
| BRC038 | 9400 | 5325 | 15 | 27 | 12 | 0.92 | 10.4 | 17.8 |
| BRC039 | 9400 | 5350 | 0 | 16 | 16 | 0.85 | 25.5 | 26.1 |
| BRC045 | 9600 | 5400 | 0 | 45 | 45 | 0.82 | 33.0 | 33.5 |
| BRC029 | 8600 | 5200 | 3 | 23 | 20 | 0.78 | 24.1 | 28.3 |

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

## BACKGROUND

The aim of the RC drilling is to confirm continuity of the vanadiferous ilmenomagnetite-ilmenite mineralisation throughout the entire 11 km strike length of the 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 mining operation.

The ilmenomagnetite-ilmenite mineralisation occurs in massive bands with disseminated mineralisation in the intervening material. There is one thick massive band on the eastern edge of the deposit (Eastern Band) and, to the west, there is a series of thin massive bands and disseminated mineralisation that is referred to as the Main Zone (Figure 2).

The current drilling program is testing both the massive Eastern Band and the Main Zone mineralisation.

## DRILLING RESULTS

The drilling program has confirmed the presence of massive mineralisation in bands ranging from about 1 metre to in excess of 20 metres true thickness. The intervening material between massive bands is mostly disseminated mineralisation but this may also include thin bands (less than 1 metre thick) of massive mineralisation. Higher vanadium grades tend to be within the 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 over each drilled intercept. These high grade sections are considered to be representative of the massive bands. Much of the intervening material, between high grade intercepts, is most likely a mix of disseminated mineralisation and narrow massive bands.

The thick intersection in some holes at the eastern end of drill lines (e.g., BRC029, BRC045) are attributed to the Eastern Band and most of the thinner, wider spaced high grade intersections make up the Main Zone.

## DRILLING, SAMPLING AND ANALYSIS

A total of 142 RC drill holes were completed in February 2007 for a total of 10,340 metres of drilling. In the Gulf, Cove and Bay sections of the deposit the drill lines are spaced at 200 and 400 metres apart. In the Bight and Strait sections at the northern end of the deposit, where there has been no previous drilling, drill lines are spaced at intervals of 800 metres.

Six holes were drilled on each line with drill collars spaced 25 metres apart along each line testing 150m across strike, with additional holes on lines 12600mN (7 holes) and 14200mN (8 holes). Some lines of holes were drilled to in-fill previous drilling.

The results presented here are for seven fences of drill holes along a 2.4 km section of the deposit between 7600mN and 10000mN, through the Gulf segment and into to the southern end of the Cove segment (Figure 1).

Samples were collected from an RC cyclone at 1m intervals and split using a 3-way splitter to provide a 3-4 kg 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 will be 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 March.

A second phase of infill RC drilling and diamond cored drilling is scheduled to commence in late April, for completion by the end of May.

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

Chris Reed

**EXECUTIVE DIRECTOR**

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*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" and "high-grade" in this report is conceptual in nature. Use of the term "grade(s)" is not intended to represent the grade of a resource.*

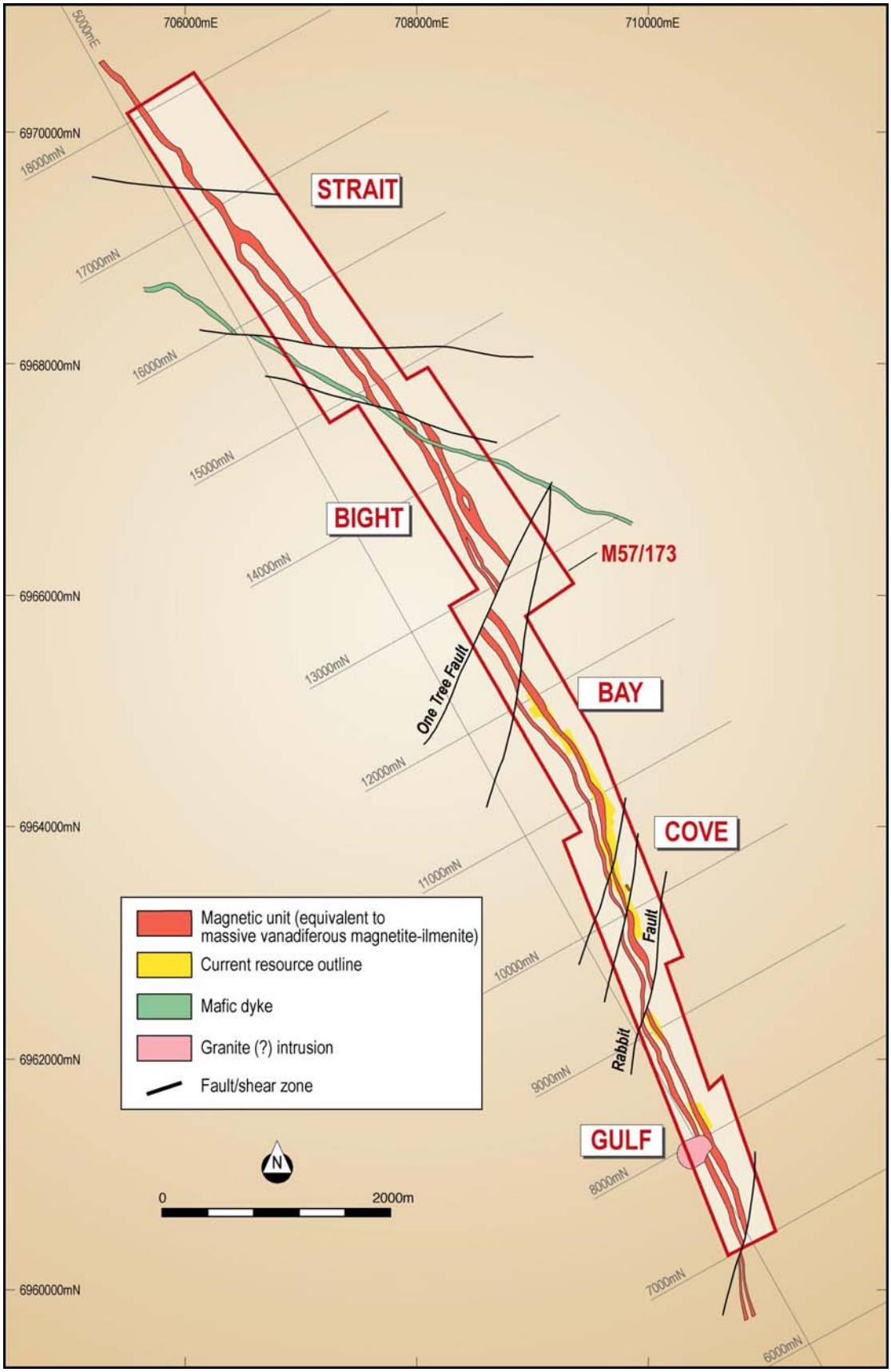


**Figure 1** Position of the local grid and subdivision of the Barrambie deposit into five segments. Distribution of vanadiferous magnetite-ilmenite mineralisation based on interpretation of aeromagnetic survey data.

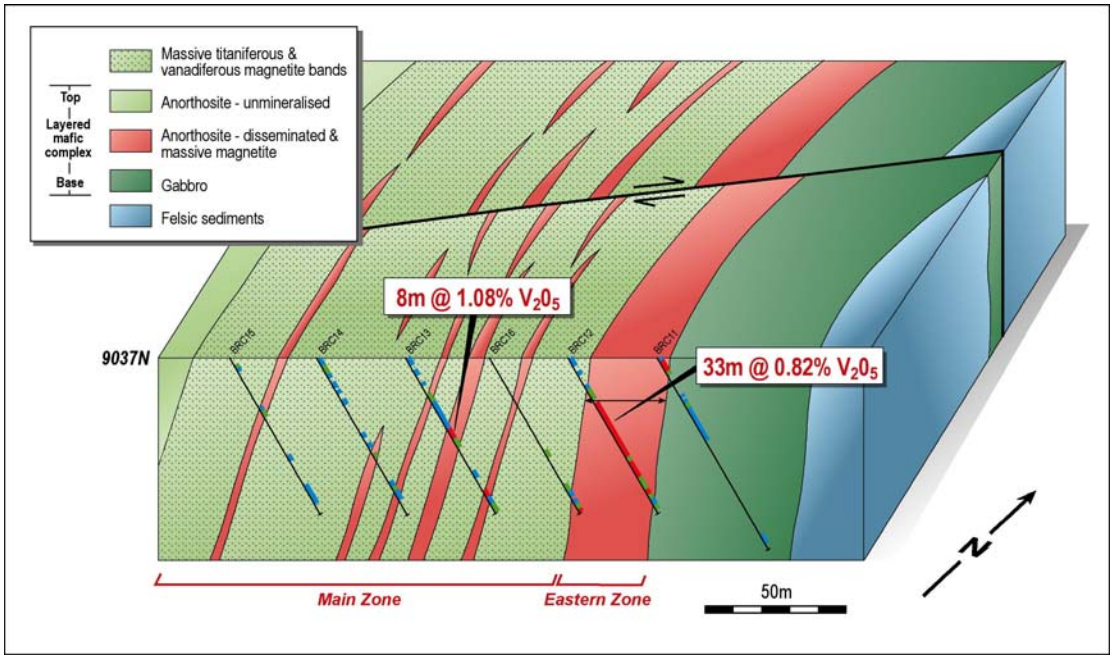


**Figure 2** Interpreted schematic block diagram of the Barrambie deposit (compiled from previous drilling) showing the massive Eastern Band and the distribution of thinner massive bands among disseminated mineralisation making up the Main Zone to the west. Drilling data from which this diagram has been compiled is not from the drill results reported here. Section 9037N is between the Gulf and Cove sections of the deposit.

**APPENDIX A** **I**ntercepts of high grade bands of massive mineralisation (> 0.6 % $V_2O_5$ )

Summary of intercepts of bands of high grade ilmenomagnetite–ilmenite mineralisation for all assays with greater than 0.6 % $V_2O_5$, continuous over each intercept. Intervening material between high grade intercepts may still be mineralised but with less than 0.6 % $V_2O_5$.

| Hole ID | Collar mN | Collar mE | Dip/ Azimuth | Depth From m | Depth To m | Length m | $V_2O_5$ % | $TiO_2$ % | Fe % |
|---|---|---|---|---|---|---|---|---|---|
| BRC017 | 7600 | 5120 | 60/060 | 1 | 9 | 9 | 0.69 | 25.7 | 40.3 |
| | | | | 11 | 12 | 1 | 0.62 | 25.5 | 40.8 |
| BRC018 | 7600 | 5095 | 60/060 | 47 | 61 | 14 | 0.67 | 23.2 | 41.4 |
| BRC019 | 7600 | 5070 | 60/060 | 14 | 15 | 1 | 0.98 | 14.1 | 42.6 |
| | | | | 26 | 28 | 2 | 0.94 | 14.0 | 43.6 |
| | | | | 51 | 58 | 7 | 0.83 | 14.6 | 41.6 |
| | | | | 60 | 61 | 1 | 0.62 | 11.6 | 33.7 |
| | | | | 62 | 64 | 2 | 0.92 | 17.1 | 46.6 |
| BRC020 | 7600 | 5045 | 60/060 | 22 | 26 | 4 | 0.84 | 11.5 | 37.5 |
| | | | | 47 | 48 | 1 | 0.89 | 13.0 | 41.6 |
| | | | | 61 | 64 | 3 | 0.99 | 14.8 | 46.4 |
| BRC021 | 7600 | 5020 | 60/060 | 25 | 27 | 2 | 0.88 | 10.8 | 37.1 |
| | | | | 44 | 47 | 3 | 0.84 | 10.3 | 37.8 |
| | | | | 69 | 71 | 2 | 0.84 | 12.2 | 39.0 |
| BRC022 | 7600 | 4995 | 60/060 | 21 | 25 | 4 | 0.81 | 9.8 | 34.7 |
| | | | | 33 | 40 | 7 | 0.87 | 10.4 | 36.7 |
| | | | | 58 | 61 | 3 | 1.16 | 14.0 | 48.2 |
| BRC024 | 7800 | 5095 | 60/060 | 8 | 9 | 1 | 0.98 | 17.5 | 40.1 |
| | | | | 10 | 11 | 1 | 0.98 | 17.3 | 43.2 |
| | | | | 20 | 31 | 11 | 0.65 | 22.1 | 40.4 |
| BRC025 | 7800 | 5070 | 60/060 | 9 | 12 | 3 | 0.91 | 13.6 | 41.7 |
| | | | | 39 | 44 | 5 | 0.86 | 15.3 | 43.8 |
| | | | | 45 | 48 | 3 | 0.70 | 13.5 | 37.0 |
| | | | | 61 | 68 | 7 | 0.70 | 20.7 | 41.4 |
| BRC026 | 7800 | 5045 | 60/060 | 17 | 19 | 2 | 1.06 | 14.5 | 46.5 |
| | | | | 27 | 28 | 1 | 0.91 | 13.9 | 41.5 |
| | | | | 37 | 40 | 3 | 0.90 | 13.4 | 41.7 |
| | | | | 47 | 50 | 3 | 0.84 | 13.1 | 40.1 |
| BRC027 | 7800 | 5020 | 60/060 | 14 | 19 | 5 | 0.84 | 11.0 | 38.1 |
| | | | | 43 | 45 | 2 | 1.05 | 14.1 | 46.8 |
| BRC028 | 7800 | 4995 | 60/060 | 11 | 18 | 7 | 0.95 | 11.5 | 40.2 |
| BRC029 | 8600 | 5200 | 60/060 | 3 | 23 | 20 | 0.78 | 24.1 | 28.3 |
| BRC030 | 8600 | 5175 | 60/060 | 18 | 27 | 9 | 0.87 | 13.4 | 29.6 |
| BRC031 | 8600 | 5150 | 60/060 | 6 | 12 | 6 | 0.72 | 8.4 | 16.0 |
| | | | | 65 | 67 | 2 | 0.80 | 14.7 | 37.4 |
| BRC032 | 8600 | 5125 | 60/060 | 1 | 11 | 10 | 0.70 | 13.0 | 22.3 |
| | | | | 17 | 29 | 12 | 0.96 | 16.1 | 29.4 |
| | | | | 68 | 72 | 4 | 1.15 | 16.0 | 48.9 |
| BRC033 | 8600 | 5100 | 60/060 | 36 | 39 | 3 | 0.64 | 8.5 | 23.0 |
| | | | | 42 | 51 | 9 | 0.61 | 8.7 | 26.1 |

**APPENDIX A** **I**ntercepts of high grade bands of massive mineralisation (> 0.6 % $V_2O_5$ )

| Hole ID | Collar mN | Collar mE | Dip/ Azimuth | Depth From m | Depth To m | Length m | $V_2O_5$ % | $TiO_2$ % | Fe % |
|---|---|---|---|---|---|---|---|---|---|
| BRC034 | 8600 | 5075 | 60/060 | 1 | 5 | 4 | 1.10 | 15.6 | 34.9 |
| | | | | 21 | 24 | 3 | 0.80 | 10.7 | 29.7 |
| | | | | 50 | 52 | 2 | 1.07 | 13.2 | 41.8 |
| BRC036 | 9400 | 5275 | 60/240 | 8 | 12 | 4 | 1.20 | 11.6 | 32.8 |
| | | | | 13 | 15 | 2 | 1.03 | 10.2 | 28.6 |
| BRC037 | 9400 | 5300 | 60/240 | 21 | 24 | 3 | 1.12 | 13.0 | 27.5 |
| | | | | 25 | 31 | 6 | 1.40 | 16.0 | 44.1 |
| | | | | 41 | 43 | 2 | 0.84 | 7.6 | 35.7 |
| BRC038 | 9400 | 5325 | 60/240 | 6 | 9 | 3 | 1.09 | 12.4 | 25.9 |
| | | | | 15 | 27 | 12 | 0.92 | 10.4 | 17.8 |
| | | | | 58 | 61 | 3 | 0.96 | 11.6 | 41.0 |
| BRC039 | 9400 | 5350 | 60/240 | 0 | 16 | 16 | 0.85 | 25.5 | 26.1 |
| | | | | 22 | 28 | 6 | 0.73 | 7.0 | 13.6 |
| | | | | 31 | 34 | 3 | 0.77 | 7.9 | 18.3 |
| | | | | 51 | 52 | 1 | 0.75 | 11.1 | 36.0 |
| | | | | 57 | 59 | 2 | 0.84 | 11.8 | 37.2 |
| BRC040 | 9400 | 5375 | 60/240 | 50 | 52 | 2 | 0.68 | 26.0 | 41.3 |
| | | | | 53 | 54 | 1 | 0.66 | 24.7 | 40.0 |
| BRC041 | 9600 | 5300 | 60/240 | 2 | 6 | 4 | 0.96 | 10.2 | 30.0 |
| | | | | 31 | 46 | 15 | 0.94 | 11.4 | 37.7 |
| | | | | 59 | 60 | 1 | 0.89 | 10.9 | 34.5 |
| | | | | 65 | 71 | 6 | 1.17 | 13.2 | 47.5 |
| BRC042 | 9600 | 5325 | 60/240 | 21 | 24 | 3 | 0.75 | 9.8 | 31.7 |
| | | | | 34 | 36 | 2 | 0.77 | 9.7 | 34.8 |
| | | | | 49 | 52 | 3 | 1.03 | 12.9 | 35.2 |
| BRC043 | 9600 | 4350 | 60/240 | 0 | 3 | 3 | 0.70 | 12.3 | 22.6 |
| | | | | 29 | 30 | 1 | 0.60 | 8.5 | 28.8 |
| | | | | 57 | 59 | 2 | 0.95 | 11.8 | 41.7 |
| BRC044 | 9600 | 5375 | 60/240 | 3 | 6 | 3 | 0.64 | 15.7 | 19.0 |
| | | | | 9 | 12 | 3 | 0.84 | 10.0 | 15.9 |
| | | | | 15 | 18 | 3 | 0.66 | 8.0 | 21.1 |
| | | | | 51 | 52 | 1 | 0.91 | 13.2 | 42.0 |
| | | | | 57 | 62 | 5 | 1.14 | 15.5 | 51.0 |
| | | | | 69 | 71 | 2 | 1. 03 | 14.0 | 45.5 |
| BRC045 | 9600 | 5400 | 60/240 | 0 | 45 | 45 | 0.82 | 33 | 33.4 |
| BRC047 | 9800 | 5300 | 60/240 | 33 | 36 | 3 | 0.73 | 8.3 | 24.0 |
| BRC048 | 9800 | 5325 | 60/240 | 25 | 27 | 2 | 0.93 | 11.5 | 34.7 |
| | | | | 30 | 33 | 3 | 0.94 | 11.9 | 34.3 |
| | | | | 61 | 65 | 4 | 1.02 | 12.1 | 41.9 |
| BRC049 | 9800 | 5350 | 60/240 | 21 | 24 | 3 | 0.60 | 8.2 | 27.9 |
| BRC050 | 9800 | 5375 | 60/240 | 11 | 12 | 1 | 1.07 | 15.4 | 42.7 |
| | | | | 22 | 23 | 1 | 0.80 | 11.6 | 36.2 |
| | | | | 40 | 41 | 1 | 0.89 | 12.5 | 43.2 |

**APPENDIX A** **I**ntercepts of high grade bands of massive mineralisation (> 0.6 % $V_2O_5$ )

| Hole ID | Collar mN | Collar mE | Dip/ Azimuth | Depth From m | Depth To m | Length m | $V_2O_5$ % | $TiO_2$ % | Fe % |
|---|---|---|---|---|---|---|---|---|---|
| BRC051 | 9800 | 5400 | 60/240 | 0 | 8 | 8 | 0.72 | 18.1 | 36.1 |
| | | | | 15 | 17 | 2 | 0.72 | 15.0 | 31.0 |
| | | | | 41 | 44 | 3 | 1.03 | 17.8 | 41.5 |
| | | | | 53 | 55 | 2 | 0.94 | 14.0 | 42.8 |
| | | | | 60 | 62 | 2 | 0.98 | 13.6 | 35.3 |
| BRC052 | 9800 | 5425 | 60/240 | 52 | 58 | 6 | 0.72 | 24.0 | 41.8 |
| | | | | 59 | 61 | 2 | 0.65 | 20.4 | 37.7 |
| BRC053 | 10000 | 5475 | 60/060 | 8 | 12 | 4 | 0.93 | 13.0 | 41.6 |
| | | | | 19 | 22 | 3 | 0.94 | 13.9 | 41.8 |
| | | | | 34 | 40 | 6 | 0.90 | 34.7 | 23.9 |
| BRC054 | 10000 | 5450 | 60/060 | 0 | 2 | 2 | 1.32 | 15.2 | 44.2 |
| | | | | 14 | 18 | 4 | 0.85 | 11.9 | 29.3 |
| | | | | 32 | 33 | 1 | 0.75 | 11.0 | 42.1 |
| | | | | 39 | 45 | 6 | 0.87 | 12.9 | 31.2 |
| | | | | 48 | 60 | 12 | 0.71 | 28.7 | 38.0 |
| BRC055 | 10000 | 5425 | 60/060 | 18 | 21 | 3 | 0.64 | 8.1 | 22.1 |
| | | | | 22 | 26 | 4 | 0.97 | 11.7 | 36.4 |
| | | | | 27 | 30 | 3 | 0.60 | 8.1 | 27.7 |
| | | | | 41 | 46 | 5 | 0.87 | 12.0 | 36.3 |
| | | | | 70 | 71 | 1 | 0.94 | 17.0 | 44.5 |
| BRC056 | 10000 | 5400 | 60/060 | 6 | 10 | 4 | 1.51 | 15.4 | 37.1 |
| | | | | 11 | 12 | 1 | 1.12 | 12.5 | 30.2 |
| | | | | 21 | 22 | 1 | 0.75 | 8.7 | 22.1 |
| | | | | 25 | 27 | 2 | 0.95 | 13.3 | 27.6 |
| | | | | 39 | 41 | 2 | 0.74 | 9.5 | 28.7 |
| | | | | 58 | 59 | 1 | 0.77 | 10.2 | 34.9 |
| | | | | 61 | 62 | 1 | 0.93 | 12.1 | 42.2 |
| | | | | 63 | 64 | 1 | 0.91 | 12.2 | 41.2 |
| BRC057 | 10000 | 5375 | 60/060 | 0 | 3 | 3 | 1.08 | 12.9 | 33.2 |
| | | | | 9 | 14 | 5 | 0.98 | 12.3 | 34.8 |
| | | | | 38 | 43 | 5 | 0.79 | 9.0 | 30.3 |
| | | | | 51 | 55 | 4 | 1.26 | 16.5 | 42.2 |

NOTES:

1. Collar coordinates are for a local grid as illustrated in Figure 1.
2. All holes were drilled at an angle of 60 degrees from horizontal toward grid east or grid west, depending on the apparent dip of massive bands. All holes were drilled to a depth of 71-74 metres except for BRC017 (62m), BRC025 (68m), BRC030 (67m), BRC031 (69m), BRC036 (68m), BRC040 (54m), BRC042 (67m).
3. All depths and intercepts are down-hole distances and are not intended to be the true width of high grade bands.
4. 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.
5. Reference to the term “high-grade” in this report is conceptual in nature and is not intended to represent the grade of a resource.