

COMET VALE GOLD PRODUCTION

Reed Resources Ltd (ASX:RDR) announces the results of the second toll-treatment campaign of ore from the Sand Queen Gold Mine, situated at Comet Vale some 100 kilometres north of Kalgoorlie, Western Australia. Under the Kingsrose JV, Reed is required to truck and toll-treat the ore for 50% of the contained gold.

A parcel of 4,161 tonnes of development and stoping ore from the Sand George deposit has been processed at Higginsville Mining's Greenfields plant at Coolgardie during March. The bullion reconciled grade was 7.67 g/t Au, exceeding the expected grade by 16%.

A total of 1,006 ounces of gold and 66 ounces of silver have been extracted of which 493 ounces of gold has been credited to Reed. The gravity circuit recovered about 65% of the gold with a total gold recovery of 98% calculated from the metallurgical balance. The leach and adsorption kinetics of the ore parcel were excellent and the tail grade was about 0.10 g/t Au.

Mining is continuing on the 2 Level, production levels and broken ore stocks are steadily increasing. Development is continuing on the 2 Level and 3 Levels.

The next campaign is scheduled for June 2007. The size of each campaign is expected to increase as the contribution from the Sand George deposit (295,000 t @ 12 g/t au) increases until full production is reached early in the September quarter.



Chris Reed
Executive Director
Tel: 08 9322 1182

Information relating to Exploration Results, Mineral Resources or 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.

