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MT FINNERTY IRON ORE JOINT VENTURE DRILL RESULTS

The Company is pleased to advise the results of an exploration drilling campaign that was completed by our joint venture partner Cliffs Asia Pacific Iron Ore Pty Ltd ("Cliffs") during June-August 2009. Cliffs have earned an 80% interest in the iron rights.

The RC drilling programme targeted extensions to goethitic iron mineralisation in banded iron formations (BIF) at the FIN9, FIN10 and FIN11 prospects (Figure 1). These are three of the more advanced prospects along the NNW-SSE trending central spine of BIFs that traverses the full length of the Mt Finnerty project.

Significant intercepts, with grades in excess of 50% Fe, are listed in Table 1. These intersections also have significantly low phosphorous and sulphur levels.

Drilling at the **FIN9 prospect** (24 holes; 3,364 metres) has confirmed BIF-hosted iron (goethitic) mineralisation over a strike length of about 550 metres. Several of the iron-enriched BIF intercepts include sections with grades in excess of 58% Fe (83% Fe_2O_3 equivalent), as follows (c.f., Table 1):

Hole ID	Depth From	Depth To	Interval m	Fe %
MFRC063	56	60	**4**	**58.19**
MFRC069	58	65	**7**	**58.39**
MFRC073	48	55	**7**	**58.53**
MFRC076	17	21	**4**	**59.76**
MFRC077	2	17	**15**	**58.80**
MFRC077	21	24	**3**	**58.57**
MFRC079	2	23	**21**	**58.09**

Drill results at the **FIN10 prospect** (24 holes; 2,622 metres) have confirmed BIF-hosted iron (goethitic) mineralisation extends over a strike length of 450 metres and that iron mineralisation in the enriched BIF extends to the water table which is about 65m below the natural surface.

Geological interpretation of the three drilled prospects has been completed, and Cliffs is currently undertaking a resource and reserve evaluation of the prospects.

This phase of drilling at the FIN9, FIN10 and FIN11 prospects comprised 58 holes for a total of 7,255 metres of drilling (Table 2).

FORWARD WORK

Data is being compiled in preparation for resource estimates which are planned to be completed in November.

C J Reed
MANAGING DIRECTOR

Competent Person Statement

Geological aspects of this report that relate to Exploration Results 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 remains optimistic about the potential of the Mt Finnerty project, 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.

About Reed Resources

Reed Resources Ltd is a diversified mining and exploration Company based in Western Australia. It has modest gold production and is expanding and diversifying its production base.

Reed Resources has five main projects (all in Western Australia) including;

- **Comet Vale** – High-grade underground gold mine in JV with Kingsrose Mining Limited (until 31 May 2010).
- **Barrambie** – Definitive Feasibility Study completed on a Ferrovanadium operation to produce 6300t of vanadium per annum. Currently in approvals process.
- **Mount Finnerty** – Iron ore JV with Cliffs Natural Resources & Nickel JV with Western Areas NL.
- **Mount Marion** – High-grade Lithium project located about 40km south of Kalgoorlie in JV with Mineral Resources Ltd.
- **Bell Rock Range** – Nickel-Copper-PGM JV with Anglo American Exploration.

Website: www.reedresources.com

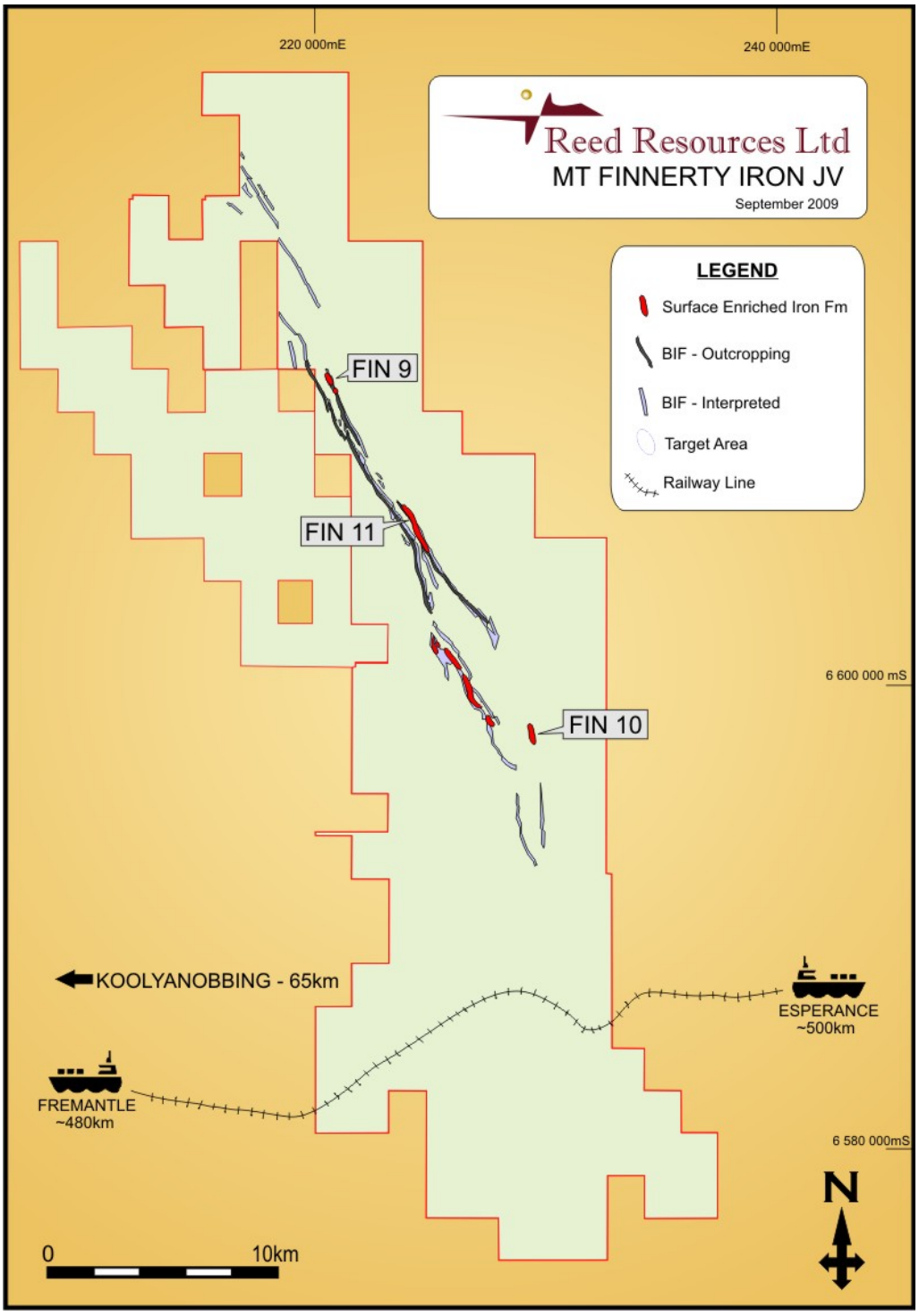

Figure 1. Location of the FIN9, FIN10 and FIN11 prospects within the Mt Finnerty project. The project is in close proximity to Cliff's Koolyanobbing iron ore mining operations.

Table 1. Intersections with in excess of 50% Fe from RC drilling at the FIN9, FIN10 and FIN11 prospects*, Mt Finnerty project.

Hole	Depth From, m	Depth To, m	Interval m	Fe %	SiO_2 %	Al_2O_3 %	P %	S %
FIN9 prospect								
MFRC057	15	23	8	52.38	7.31	5.77	0.142	0.140
MFRC060	19	22	3	50.26	12.80	4.39	0.082	0.154
MFRC063	55	66	11	52.48	17.02	0.68	0.107	0.014
including	56	60	**4**	**58.19**	7.42	0.75	0.118	0.020
MFRC069	58	65	**7**	**58.39**	5.62	2.41	0.106	0.011
MFRC073	12	19	7	50.25	8.58	8.85	0.177	0.199
MFRC073	42	58	16	51.57	12.57	0.99	0.057	0.046
including	48	55	**7**	**58.53**	8.60	0.91	0.044	0.057
MFRC073	68	72	4	52.18	16.63	0.75	0.099	0.034
MFRC073	79	86	7	53.47	15.75	0.51	0.094	0.014
MFRC076	1	21	20	55.41	9.47	2.71	0.064	0.090
including	17	21	**4**	**59.76**	3.39	2.75	0.085	0.122
MFRC076	25	28	3	55.83	5.22	5.41	0.031	0.191
MFRC076	33	36	3	51.67	6.93	6.60	0.079	0.161
MFRC077	2	24	22	56.30	8.40	3.31	0.108	0.139
including	2	17	**15**	**58.80**	4.30	3.82	0.113	0.160
including	21	24	**3**	**58.57**	6.15	1.30	0.104	0.092
MFRC078	53	65	12	51.37	16.94	1.58	0.165	0.017
MFRC079	2	26	24	53.13	6.83	2.53	0.050	0.078
including	2	23	**21**	**58.09**	7.33	2.78	0.054	0.083
FIN10 prospect								
MFRC091	11	19	8	51.00	9.83	7.30	0.040	0.183
MFRC091	23	34	11	54.30	9.66	4.83	0.063	0.031
MFRC095	21	27	6	51.90	14.19	2.58	0.057	0.072
MFRC097	40	45	5	51.10	10.57	6.50	0.043	0.113
MFRC098	15	19	4	55.20	3.79	6.20	0.042	0.578
MFRC103	10	15	5	56.30	6.33	5.35	0.042	0.250
MFRC103	23	35	12	52.50	7.91	5.90	0.057	0.088
MFRC104	33	55	22	53.60	11.00	3.78	0.066	0.023
MFRC106	6	11	5	52.20	10.58	6.04	0.046	0.120
MFRC106	12	20	8	52.70	6.99	4.66	0.055	0.141
MFRC108	52	56	4	58.20	8.09	2.00	0.066	0.025
FIN11 prospect								
MFRC113	4	8	4	52.90	10.04	3.24	0.020	0.072
MFRC114	85	88	3	52.90	14.08	0.74	0.031	0.096

* Drill hole details are listed in Table 2.

Table 2. Full list of RC drill holes completed at the FIN9, FIN10 and FIN11 iron ore prospects at the Mt Finnerty project during June-August 2009.

Prospect	Site ID	GDA* East	GDA* North	RL, m	Depth, m	Azimuth	Dip
FIN9	MFRC057	220880	6612726	486	82	250	-60
FIN9	MFRC058	220917	6612734	485	100	250	-61
FIN9	MFRC059	220960	6612741	484	146	250	-60
FIN9	MFRC060	220934	6612690	486	118	250	-59
FIN9	MFRC061	220974	6612702	484	137	250	-60
FIN9	MFRC062	221014	6612717	482	200	250	-61
FIN9	MFRC063	221013	6612619	485	154	250	-63
FIN9	MFRC064	221062	6612625	482	196	250	-60
FIN9	MFRC065	220996	6612497	496	202	250	-61
FIN9	MFRC066	220905	6612461	492	89	250	-61
FIN9	MFRC067	220860	6612442	490	100	250	-60
FIN9	MFRC068	220953	6612481	495	136	250	-61
FIN9	MFRC069	221057	6612524	488	124	250	-60
FIN9	MFRC070	221085	6612531	486	202	250	-60
FIN9	MFRC071	221119	6612547	483	154	250	-60
FIN9	MFRC072	221138	6612449	488	130	250	-60
FIN9	MFRC073	221150	6612345	497	124	250	-60
FIN9	MFRC074	221175	6612351	494	154	250	-60
FIN9	MFRC075	221209	6612362	490	178	250	-60
FIN9	MFRC076	221152	6612231	502	76	250	-60
FIN9	MFRC077	221210	6612255	495	118	250	-60
FIN9	MFRC078	221241	6612265	491	178	250	-60
FIN9	MFRC079	221204	6612200	496	118	250	-60
FIN9	MFRC080	221234	6612212	493	148	250	-60
FIN10	MFRC085	230202	6596378	464	142	60	-60
FIN10	MFRC086	230216	6596506	469	52	57	-61
FIN10	MFRC087	230182	6596486	467	142	55	-61
FIN10	MFRC088	230172	6596592	469	100	58	-61
FIN10	MFRC089	230195	6596894	471	112	65	-60
FIN10	MFRC090	230168	6596880	471	142	63	-61
FIN10	MFRC091	230187	6597004	476	124	61	-60
FIN10	MFRC092	230154	6596986	476	154	61	-61
FIN10	MFRC093	230121	6597083	480	88	60	-60
FIN10	MFRC094	230050	6597159	481	100	66	-60
FIN10	MFRC095	230098	6597301	482	106	64	-59
FIN10	MFRC096	230062	6597282	479	100	63	-61
FIN10	MFRC097	230042	6597381	480	124	61	-60
FIN10	MFRC098	230014	6597359	478	118	63	-61
FIN10	MFRC099	229944	6597381	475	190	56	-61
FIN10	MFRC100	230199	6597533	477	58	60	-59
FIN10	MFRC101	230157	6597502	479	64	63	-61
FIN10	MFRC102	230121	6597484	482	64	67	-60
FIN10	MFRC103	230031	6597555	482	94	59	-60
FIN10	MFRC104	229986	6597523	479	100	60	-62
FIN10	MFRC105	229948	6597618	479	100	63	-60
FIN10	MFRC106	229995	6597644	480	82	60	-61

Table 2, cont'd

Prospect	Site ID	GDA* East	GDA* North	RL, m	Depth, m	Azimuth	Dip
FIN10	MFRC107	229971	6597351	476	148	61	-61
FIN10	MFRC108	229997	6597417	478	118	62	-58
FIN11	MFRC109	225365	6605184	466	124	60	-60
FIN11	MFRC110	225499	6605028	474	112	60	-60
FIN11	MFRC111	225458	6605009	469	112	60	-60
FIN11	MFRC112	225599	6604861	479	114	60	-60
FIN11	MFRC113	225559	6604848	476	136	60	-60
FIN11	MFRC114	225706	6604686	475	118	60	-60
FIN11	MFRC115	225667	6604669	473	118	60	-60
FIN11	MFRC116	225756	6604488	465	94	60	-60
FIN11	MFRC117	225719	6604462	463	178	60	-63
FIN11	MFRC118	225867	6604327	458	163	60	-60

* GDA coordinates of drill collars are for UTM zone 51J.