

ASX Announcement

4 March 2010

Mt Marion Lithium Project – Final Drill Results and Development Timetable

HIGHLIGHTS

- **Phase 2 resource extension drilling completed (57 holes) and confirms multiple, stacked, high-grade pegmatites at the Nos 1, 2, 2W and 5 Deposits,**
- **All deposits remain open along-strike and down-dip,**
- **Diamond drilling for geotechnical and metallurgical purposes complete,**
- **Resource estimate planned for completion by April 2010, and**
- **Development Timetable issued, plant commissioning December Q 2010.**

Australian diversified resources company Reed Resources Ltd (**ASX: RDR**) (the “Company” or “Reed”), together with joint venture partner Mineral Resources Limited (**ASX: MIN**) (“Mineral Resources”), remains on track for a Q1 2011 first shipment from the Mount Marion Lithium Project in the goldfields region of Western Australia (refer Fig 1), with the completion of Phase 2 resource extension drilling confirming multiple, stacked, high-grade pegmatites at the Nos 1, 2, 2W and 5 Deposits.

“With the completion of the two phases of drilling, a total of 197 vertical holes have been drilled for an aggregate of 9,959 metres at four of the six known deposits on the Mt. Marion tenement,” Said Reed Resources Managing Director, Mr Chris Reed. “The structure of the pegmatite deposits is relatively simple, forming a series of sub-parallel stacked sills that dip at 10-20 degrees to the west,” he added

For the second phase of RC drilling when using a cut-off grade (“COG”) of 0.5 % Li₂O the average thickness of the intercepts is 5.8 metres at a grade of 1.35 % Li₂O and 1.42 % Fe₂O₃. Deposit 5 is thinner than the other three Deposits that have been drill tested to date and, if excluded, then the average thickness of the mineralized pegmatite intercepts is 8.6 metres at a grade of 1.37 % Li₂O and 1.07 % Fe₂O₃. Intercepts of 10 metres or greater, at a COG of 0.6 % Li₂O, are listed in Table 1. All intercepts at a COG of 0.5 % Li₂O are included in Appendix A for the three deposits that were drill tested during the second phase of RC drilling.



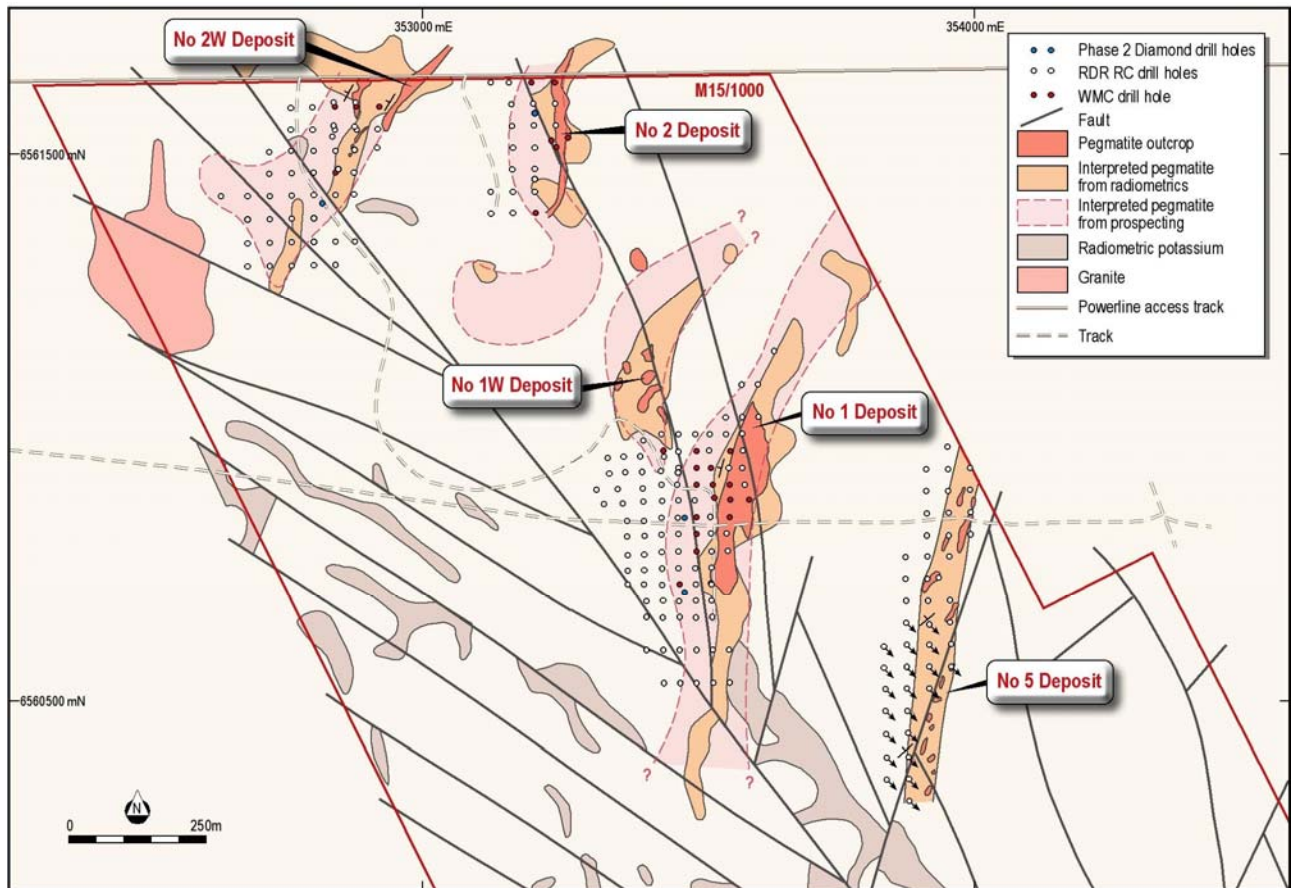


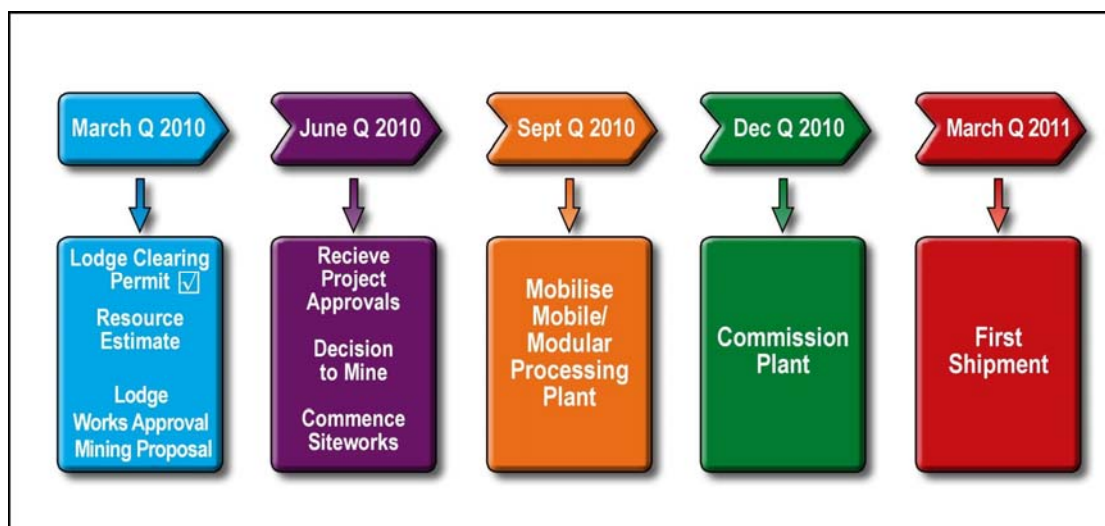
Figure 1 Mount Marion pegmatite group within the northern half of mining lease M15/1000.

Table 1 High-grade intercepts (>0.6 % Li₂O) with a **down-hole length in excess of 10 metres** (full details in Appendix A).

DEPOSIT	HOLE_NO	Local Northing	Local Easting	FROM m	TO m	Interval m	Li ₂ O %	Fe ₂ O ₃ %
No.1	MMP 158A	5014.3	2558.4	0	15	15	1.58	1.04
No.2	MMP 167A	4893.8	2531.3	59	71	12	1.22	1.12
No.1	MMP 193	4954.5	2472.2	65	76	11	1.12	1.62
No.1	MMP 195	5078.6	2444.1	57	71	14	1.57	1.05
No.1	MMP 196	5103.0	2470.9	51	65	14	1.74	1.11
No.1	MMP 197	5104.4	2442.6	60	77	17	1.55	0.96
No.1	MMP 199	5318.2	2437.5	10	20	10	1.32	1.30
No.2W	MMP 326	5757.3	1879.1	20	31	11	1.29	0.92
No.2W	MMP 327	5757.7	1842.6	55	82	27	0.88	0.91
				84	105	21	1.13	0.83
				107	136	29	1.34	0.87
No.2W	MMP 331	5718.1	1839.6	10	25	15	1.19	0.76
				52	65	13	1.36	0.74
No.1	MMP 1100	5320.6	2399.5	28	39	11	1.28	1.61
No.1	MMP 1102	5363.7	2433.0	8	19	11	1.30	1.57

FORWARD WORK

The Joint Venturers expect to mobilise a processing plant and related equipment with a production rate of 17,000 tonnes per month of +6.5% Li₂O concentrate in 2010 subject to a decision to mine and obtaining all necessary approvals, the development timetable is below.



CJ Reed

C J Reed
MANAGING DIRECTOR

Competent Persons Statement

Geological aspects of this report that relate to Exploration Results have been compiled by Dr Bryan Smith (MAIG), a consultant to Reed Resources Ltd. Dr Smith 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 Smith 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 Mount Marion 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;

- **Mount Marion** – High-grade Lithium project located about 40km south of Kalgoorlie in JV with Mineral Resources Ltd.
- **Comet Vale** – High-grade underground gold mine in JV with Kingsrose Mining Limited (resuming 100% equity on 1 June 2010).
- **Barrambie** – Definitive Feasibility Study completed on a Ferrovandium operation to produce 6300t of vanadium per annum. Currently in approvals process.
- **Mount Finnerty** – Iron ore JV with Cliffs Natural Resources & Nickel Farm-out Western Areas NL. A Nickel Farm-in with Barranco Resources NL
- **Bell Rock Range** – Nickel-Copper-PGM JV with Anglo American Exploration.

Website: www.reedresources.com

Appendix A

Summary of all intercepts of mineralisation for all assays with greater than 0.5 % Li₂O,
continuous throughout each intercept.

DEPOSIT	HOLE_NO	Local Northing	Local Easting	FROM	TO	Interval	Li2O	Fe2O3
				m	m	m	%	%
No.1	MMP 10A	5321.7	2505.7	7	10	3	1.45	1.28
				30	34	4	1.46	1.59
No.1	MMP 158A	5014.3	2558.4	0	15	15	1.58	1.04
No.1	MMP 159A	5014.8	2528.6	22	31	9	1.53	1.09
				47	51	4	1.57	1.14
No.1	MMP 166A	4895.0	2557.3	53	60	7	1.39	1.00
No.1	MMP 167A	4893.8	2531.3	7	12	5	1.65	1.16
				59	71	12	1.22	1.12
No.1	MMP 193	4954.5	2472.2	65	76	11	1.12	1.62
				78	81	3	0.74	0.81
No.1	MMP 194	5018.9	2474.2	39	42	3	1.28	2.79
				54	55	1	1.31	1.04
				61	69	8	1.79	0.76
No.1	MMP 195	5078.6	2444.1	57	71	14	1.57	1.05
				73	77	4	1.98	1.25
No.1	MMP 196	5103.0	2470.9	51	65	14	1.74	1.11
No.1	MMP 197	5104.4	2442.6	60	77	17	1.55	0.96
No.1	MMP 198	5291.6	2379.0	54	61	7	1.42	0.95
No.1	MMP 199	5318.2	2437.5	10	20	10	1.32	1.30
				28	32	4	1.55	1.47
				44	49	5	1.45	2.00
No.2W	MMP 326	5757.3	1879.1	20	31	11	1.29	0.92
No.2W	MMP 327	5757.7	1842.6	17	21	4	1.63	1.27
				40	43	3	1.27	0.86
				55	82	27	0.88	0.91
				84	105	21	1.13	0.83
				107	136	29	1.34	0.87
No.2W	MMP 330	5716.5	1876.0	43	45	2	1.82	0.87
No.2W	MMP 331	5718.1	1839.6	10	25	15	1.19	0.76
				52	65	13	1.36	0.74
				68	71	3	0.83	0.99
No.2W	MMP 332	5719.0	1793.9	36	42	6	1.22	0.65
No.2W	MMP 333	5716.1	1957.7	41	50	9	1.57	1.26
No.2W	MMP 338	5675.3	1956.2	51	58	7	1.91	1.19
No.5	MMP 501	5320.5	3019.6	38	40	2	1.28	5.28
				44	46	2	0.54	5.30
				33	36	3	1.15	1.30
No.5	MMP 504	5277.7	2983.9	58	63	5	1.61	1.30

DEPOSIT	HOLE_NO	Local Northing	Local Easting	FROM	TO	Interval	Li2O	Fe2O3
No.5	MMP 505	5237.6	3058.8	6	7	1	1.99	1.49
No.5	MMP 506	5238.9	3019.6	20	22	2	0.79	2.09
				26	29	3	1.15	4.53
No.5	MMP 507	5241.9	2981.3	47	52	5	1.84	2.33
No.5	MMP 508	5202.3	3058.4	3	5	2	0.66	3.31
No.5	MMP 509	5201.6	3021.7	15	19	4	1.57	3.54
No.5	MMP 510	5199.2	2980.2	39	45	6	1.29	1.53
No.5	MMP 512	5158.4	3019.7	10	14	4	1.28	2.22
No.5	MMP 513	5160.8	2979.6	37	40	3	1.56	3.19
				44	46	2	0.71	4.49
No.5	MMP 515	5119.2	2979.1	18	23	5	1.30	2.75
No.5	MMP 516	5120.4	2939.7	37	40	3	1.32	2.70
No.5	MMP 517	5083.0	3008.8	0	1	1	1.11	4.37
No.5	MMP 518	5081.3	2980.4	3	7	4	0.80	1.02
No.5	MMP 518A	5080.0	3000.0	3	4	1	1.28	1.16
No.5	MMP 519	5079.5	2939.9	28	31	3	1.13	2.11
No.5	MMP 520	5037.1	3021.0	7	8	1	1.14	1.41
No.5	MMP 521	5032.6	2980.6	1	3	2	1.06	2.68
				20	21	1	1.57	1.58
No.5	MMP 522	5038.3	2941.8	15	17	2	1.00	4.87
No.5	MMP 528	4954.8	2944.8	14	16	2	0.65	2.87
No.5	MMP 532	4878.6	2980.0	8	9	1	0.75	4.72
No.5	MMP 533	4877.7	2943.2	27	29	2	0.86	4.83
No.5	MMP 534	4876.5	2903.3	16	18	2	0.72	2.10
				44	48	4	1.46	1.76
No.5	MMP 536	4841.8	2943.2	23	26	3	1.36	0.82
No.5	MMP 537	4840.1	2904.7	9	10	1	0.89	3.68
				38	43	5	1.77	2.16
No.5	MMP 539	4797.6	2940.0	18	21	3	1.67	1.55
No.5	MMP 540	4800.8	2910.0	31	35	4	1.08	1.22
No.5	MMP 542	4753.0	2943.0	6	11	5	1.39	2.56
No.5	MMP 545	4718.9	2944.1	6	10	4	1.73	1.02
No.5	MMP 546	4711.4	2903.6	19	24	5	1.37	3.27
No.5	MMP 550	4911.2	2908.4	47	50	3	1.26	2.12
No.5	MMP 551	4960.4	2905.3	37	39	2	0.69	2.85
No.1	MMP 1100	5320.6	2399.5	28	39	11	1.28	1.61
No.1	MMP 1101	5358.3	2477.4	0	5	5	1.51	0.98
				34	36	2	1.58	0.95
No.1	MMP 1102	5363.7	2433.0	0	3	3	1.46	0.98
				8	19	11	1.30	1.57
				45	48	3	1.31	1.09

NOTES:

1. Collar coordinates are for a local grid as illustrated in Figure 1
2. All holes at Deposits 1, 2 and 2W were drilled vertically while most of the holes at Deposit 5 were drilled at a 60 degree dip. The holes reported here were drilled to depths of between 6 and 152 metres. .
3. All depths and intercept lengths are down-hole distances and not intended to represent the true width of high-grade bands.
4. All samples analysed by Genalysis Laboratories , Maddington, WA. Samples were sorted, dried, split and pulverised then prepared as fused discs for analysis by X-Ray fluorescence spectrometry (method XRF01) for Fe, Si, Al, Mg, Ca, Mn, P, K, Na,Ta and Nb. Li was assayed by Atomic Absorption Spectrometry (AAS) following multi acid digest and LOI by gravimetric method. QA/QC was monitored using duplicate samples and a sample of Certified Reference Material (CRM) included at random among batches of samples and submitted blind to the laboratory; and analysis of pulverised CRMs and Reed standards have also been included sample batches.
5. Grades are reported as Li_2O and Fe_2O_3 , in accordance with convention for reporting this style of mineralisation.
6. Holes that that did not intersect significant mineralisation (i.e., intercepts $<0.4\%$ Li_2O) are not listed.
7. Spacing of the drill holes has ranged from 30m x 30m to 80m x 40m. At the No.1 and No.2 Deposits the average depth of the holes was 40 metres (Figure 1). The depths of the holes drilled at the No.2W Deposit averaged 75 metres with the deepest hole being 152 metres, while the average depth of the drill holes at the No.5 Deposit was 44 metres.

ENDS