

Advanced Mineral Developers



Titanium

Lithium

Disclaimer

Summary information: This document has been prepared by Reed Resources Ltd ("Reed" or "the Company") to provide summary information about the Company and its associated entities and their activities current as at the date of this document. The information contained in this document is of general background and does not purport to be complete. It should be read in conjunction with Reed's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Forward-looking information: This document includes certain statements, opinions, projections, forecasts and other forward-looking information which, while considered reasonable by Reed, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results included in this document. Recipients of this document are cautioned that forward-looking statements are not guarantees of future performance – they must make their own independent investigations, consideration and evaluation of the opportunity to invest in the Company. By accepting this document, recipients agree that if they proceed further with their investigations, consideration or evaluation of the opportunity to invest in the Company, they will make and rely solely upon their own investigations and enquiries and will not in any way rely upon this document.

Any statements, opinions, projections, forecasts and other forward-looking information contained in this document do not constitute any commitments, representations or warranties by Reed and its associated entities, directors, agents and employees, including any undertaking to update any such information. Except as required by law, and only to the extent so required, directors, agents and employees of Reed shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of, or in connection with, the information contained in this document.

Financial data: All figures in this document are in Australian dollars (AUD) unless stated otherwise.

Not financial product advice: This document is for information purposes only and is not financial product or investment advice, nor a recommendation to acquire securities in Reed. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making any investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

Investment risk: An investment in securities in Reed is subject to investment and other known and unknown risks, some of which are beyond the control of Reed. The Company does not guarantee any particular rate of return or the performance of Reed. Investors should have regard to the risk factors outlined in this document.

Competent Persons Statement:

The information in this document that relates to "Barrambie Scoping Study Results", "Mt Marion test work results", "Barrambie Mineral Resource Estimates", "Mt Marion Mineral Resource Estimates" and Mt Marion – Successful Semi-Pilot Plant Results is extracted from ASX Releases set out below. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Releases set out below, and in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in those ASX Releases continue to apply and have not materially changed.

13/11/2013	Barrambie - Scoping Study Results
2/12/2013	Mt Marion – Breakthrough test work results
6/12/2013	Barrambie – Amended JORC 2012 Mineral Resource Estimate
9/12/2013	Mt Marion – JORC 2012 Mineral Resource Estimate
30/6/2014	Mt Marion – Successful Semi-Pilot Plant

The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the Barrambie Scoping Study continue to apply and have not materially changed.

Corporate

www.reedresources.com

Company Strategy

U Focus on advanced mineral assets **02** Demonstrate low-cost competitive advantage **03** Co-venture with strong partners to reduce operating and financial risk

Minerals for the 21st Century

Lithium

Titanium





Corporate Overview

ASX Code: RDR	ОТС	: RDRUY
Last close (30 June 2014)	\$	0.018
Shares on issue	М	523.4
Cash (est 30 June 2014)	\$m	13
Incl Restricted Term Deposit	\$m	6.2
Market capitalisation	\$m	9.4

2014 share price



Board

David Reed OAM Chairman

Steven Cole
Independent Director

Chris Reed Managing Director/CEO







major onarone	
M&G	13.5%
Melaid Holding Inc	8.6%
David Reed (*)	5.4%
Top 20 (26 May 2014)	49.4%

Major shareholders

(*) Excludes S2M convertible note at 3 cents

Group structure chart



Rebuilding the Balance Sheet

Cash at Bank A\$8.7M 31 March 2014*

Comet Vale A\$1.9M cash sale, completed 23 June.

Mt Finnerty Sale process for Iron Ore project underway

Meekatharra

A\$4.6M cash + cancellation of 24M shares**, settlement 30 June

* Includes \$6.2M of restricted access term deposits www.reedresources.com

** Subject to shareholder approval of selective buyback

Mount Marion Lithium Project

RDR 70%, MIN 30% (Fund and operate)

www.reedresources.com

Secure Lithium Mineral Supply



Captive Resource

Infrastructure

Mine Ready

use only

For personal

Strong Partner for upstream

Mineral Resources Limited

are an **ASX100 Listed Company** worth **+A\$2 Billion** (ASX: MIN), are Australian largest contract processor of minerals



Fund 'sunk' costs to Final Investment Decision, then construct and operate project from mine-to-port, with no upfront capital cost

Development strategy: de-risk with strong partners



12

Leverage to a Megatrend - rechargeable Li batteries



www.reedresources.com Demand & Price Forecast Source: signumBOX

For personal use only

Lithium is the only real alternative to gasoline



Sources: Roskill

Low Cost Strategy

Developing the Competitive Edge in Lithium Hydroxide

RIM and Partner

www.reedresources.com

RIM LiOH Production Process

High efficiency purification circuit delivers ultrapure electrolyte - the key to high current efficiency electrolysis for LiOH (and opens the door to Li metal)



Proprietary adaption of a Mature Technology – Chlor Alkali



Step 1: Proof of concept

- Top quality 99.9% LiOH
- ✓ Very efficient 90% recovery

☑ Semi-pilot scale testing in USA

Why LiOH? Its Physical Properties

New second generation cathode chemistry wet production process favours LiOH - chelates with Fe or Mn salts to produce cathode without roasting

LITHIUM HYDROXIDE

Cathode crystal structure – Spherical Flow of ions easier Higher energy density for given volume

LITHIUM CARBONATE

Cathode crystal structure – Flat, angular More fragile = shorter battery life Often lower energy density compounds

Solubility 268g/l

VS

Chlor-alkali Cell

Comparison Results

Battery grade specifications with leading lithium hydroxide monohydrate producer

Items	FMC	RIM Results
LiOH.H2O % Min	56.5	56.5
Fe ppm	≤5	0.1
Na ppm	≤20	0.6
K ppm	≤10	1.3
CI ppm	≤20	20
Ca ppm	≤15	0.6
Al ppm	≤10	3
Ni ppm	≤10	0.2
Si ppm	≤30	3.3

Operating cost advantage

www.reedresources.com

Capital cost advantage

Capital Efficiency (US\$/ Production tonne LCE per annum)

www.reedresources.com

Sources: FMC Corporate Presentation 2011, Reed Pre-feasibility Study 2012, Reed management analysis

Robust downstream economics

Annual Production	10,000t LiOH 8,800t Li ₂ CO ₃
Life of Mine (LOM)	20 years
Average Net Operating Cost per tonne of recovered LiOH	US\$ 3,878
Low initial capital costs (excluding mineral concentrator and mine)	US\$ 83 million
Pre-tax NPV (12% discount rate)	US\$ 321 million
Payback of capital costs	2 years

All analysis is in US dollars and assumes a selling price of US\$ 6,900/t for battery-grade lithium hydroxide and lithium carbonate, a spodumene input cost of US\$ 350/t CIF, an AUD exchange rate of US\$1.05 and a MYR exchange rate of US\$ 0.32. Operating Revenues and Costs are both escalated at 2% per annum. Capital Costs are valid at September 2012 with an indicative accuracy of \pm 35% and a 15% contingency.

Downstream Strategy

Near-term milestones

Barrambie Titanium Project

100% RDR

www.reedresources.com

Secure Raw Material Supply

34% Lac Tio **RioTinto**

18% Tellnes KRONOS[®]

Sources: company reports

Simple upstream – dig and deliver

Development strategy: de-risk with strong partners

Potential lowest quarter operating costs

www.reedresources.com

Source: Snowden Scoping Study 2013 and Reed management analysis

Flowsheet

Milling

Scoping Study – unoptimised

Annual Production	13,000t TiO ₂ 300t V ₂ O ₅
Life of Mine (LOM)	27 years
Average Net Operating Cost per tonne of recovered TiO ₂	US\$ 1,214
Total initial capital costs	US\$ 109 million
Pre-tax Internal Rate of Return	24%
Payback of capital costs	4 years

Assumes US\$3,000/t TiO2 and US\$11,000t V2O5 and AUD:USD parity

CAUTIONARY STATEMENT

The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support reporting of Ore Reserves using recognised codes or guidelines or to provide definitive assurance of an economic development case, or to provide certainty that the conclusions of the Scoping Study will be realised.

Strong Ti Demand and Price

TiO₂ Demand vs Price

Source: US Geological Survey, Industrial Minerals (Price) and TZMI Data (Demand)

Strong long term fundamentals

Developing Economies Pigment Use Growing with GDP 5 4 Pigment (Kg) Person **North America** 3 **Europe** 2 Japan China 1 Global India Asia 0 5,000 10,000 15,000 35,000 45,000 20,000 25,000 30,000 40.000 50,000

REAL GDP/CAPITA (US\$)

Source: Iluka

Near-term milestones

*Subject to board approval

Focus

A growth story for coming year

Realise inherent value of Advanced Materials assets

Goldindex (XGD)

Source: Datastream

Lithium peer comparison

Company	Shares on Issue (M)	Resource (Mt)	Grade Li ₂ O (%)	Contained Li ₂ O (kt)	Last Trade (AUD\$)	Market Cap (AUD\$m)	Mkt Cap/ per t of Li ₂ O
Stria	18	0	0	0	0.18	3.2	n/a
RB Energy	254.2	17.1	0.94	160	0.69	175.4	\$1,091
Talison	0	61.5	2.8	1,722	0	848	\$492
Critical Elements	120.7	26.5	0.98	259	0.21	25.3	\$97
Nemaska	162	28	1.57	439	0.095	15.4	\$35
						Average	\$429
Reed Resources (70% Equity)	523.5	14.8	1.3	192	0.018	\$9.4	\$70

Sources: Company websites http://strialithium.com/, http://www.rb-e.com/s/home.asp , http://www.talisonlithium.com/, http://www.cecorp.ca/en/projects/rose-tantalum-lithium.html , http://www.nemaskalithium.com/en/

For personal use only

Thank you

www.reedresources.com

Mineral Resource Estimates

	Mineral Resource Estimate for	or the Mt Marion Lithium	deposit, as at July 2011,	for a block cut-off grade	of 0.3% Li,O
--	-------------------------------	--------------------------	---------------------------	---------------------------	--------------

	Material truce	Measured		Indicated		Inferred			Total				
Project Area	wateria type	Tonnes	Li ₂0%	Fe ₂ 0 ₃ %	Tonnes	Li ₂ 0%	Fe₂O₃%	Tonnes	Li 20%	Fe₂O ₃ %	Tonnes	Li ₂0%	Fe₂O ₃ %
	Oxide	60,000	1.19	0.67	144,000	1.26	0.82	179,000	1.2	1.0	383,000	1.2	0.9
Aroa1	Transitional	658,000	1.44	0.79	727,000	1.41	1.14	353,000	1.3	1.4	1,739,000	1.4	1.1
Alcui	Fresh	666,000	1.54	0.98	1,051,000	1.41	1.31	1,379,000	1.3	1.4	3,096,000	1.4	1.3
	Subtotal	1,384,000	1.48	0.88	1,923,000	1.40	1.21	1,911,000	1.3	1.4	5,218,000	1.4	1.2
	Oxide	-	0.00	0.00	-	1.64	1.19	18,000	1.3	1.1	18,000	1.3	1.1
Area?	Transitional	-	0.00	0.00	19,000	1.42	1.50	215,000	1.3	1.4	234,000	1.3	1.4
Areuz	Fresh	64,000	1.31	1.41	385,000	1.35	1.59	833,000	1.3	1.5	1,281,000	1.3	1.5
	Subtotal	64,000	1.31	1.41	404,000	1.35	1.59	1,065,000	1.3	1.5	1,532,000	1.3	1.5
Area2W	Oxide	-	0.00	0.00	6,000	0.90	0.92	33,000	0.9	1.0	39,000	0.9	1.0
	Transitional	2,000	1.23	1.19	56,000	1.09	1.11	210,000	1.1	1.1	268,000	1.1	1.1
	Fresh	433,000	1.38	0.97	1,554,000	1.39	1.12	2,669,000	1.3	1.1	4,655,000	1.3	1.1
	Subtotal	435,000	1.38	0.97	1,616,000	1.38	1.12	2,911,000	1.3	1.1	4,963,000	1.3	1.1
	Oxide	-	0.00	0.00	-	0.00	0.00	4,000	0.8	1.6	4,000	0.8	1.6
AreaA	Transitional	17,000	1.31	1.43	182,000	1.22	1.35	251,000	1.1	1.5	450,000	1.1	1.4
Alcu	Fresh	28,000	1.47	1.26	223,000	1.32	1.34	397,000	1.3	1.3	648,000	1.3	1.3
	Subtotal	45,000	1.41	1.33	405,000	1.28	1.34	652,000	1.2	1.4	1,102,000	1.2	1.3
	Oxide	-	0.00	0.00	-	0.00	0.00	22,000	1.1	2.2	22,000	1.1	2.2
Area5	Transitional	-	0.00	0.00	2,000	1.41	1.82	102,000	1.3	2.4	104,000	1.3	2.4
Areus	Fresh	-	0.00	0.00	9,000	1.44	2.24	216,000	1.3	2.2	226,000	1.3	2.2
	Subtotal	-	0.00	0.00	11,000	1.43	2.17	340,000	1.3	2.3	351,000	1.3	2.3
	Oxide	-	0.00	0.00	2,000	1.57	1.36	55,000	1.6	1.7	58,000	1.6	1.7
Aroa6	Transitional	16,000	1.57	1.12	208,000	1.53	1.24	663,000	1.4	1.4	887,000	1.4	1.3
Areuo	Fresh	71,000	1.59	0.98	200,000	1.54	1.15	485,000	1.5	1.2	756,000	1.5	1.1
	Subtotal	87,000	1.59	1.01	411,000	1.54	1.20	1,203,000	1.5	1.3	1,701,000	1.5	1.3
Project	Total	2,015,000	1.45	0.93	4,769,000	1.39	1.22	8,082,000	1.3	1.3	14,866,000	1.30	1.2

www.reedresources.com

Figures may not sum due to rounding

Significant figures do not imply an added level of precision.

For personal use only

Mineral Resource Estimates

Mineral Resource estimates for the Barrambie Ti-V deposit, as at September 2013, for a block cut-off grade of 15% TiO₂

Classification	Zone	Ovidation	MTonnes	Density	TiO ₂	V ₂ O ₅	Fe ₂ O ₃	Al ₂ O ₃	SiO ₂
Classification	Zone	Oxidation	MIOIIIes	(t/m³)	(%)	(%)	(%)	(%)	(%)
	Eastern	Oxide	18.7	2.82	23.29	0.59	42.93	10.70	16.36
		Transition	8.7	3.52	23.11	0.61	50.80	7.34	12.99
		Fresh	2.4	3.85	21.77	0.56	52.90	5.99	12.84
		Sub-total	29.8	3.10	23.11	0.60	46.02	9.35	15.10
Indicated	Central	Oxide	3.5	2.95	16.84	0.92	49.82	11.06	14.91
		Transition	1.3	3.50	17.39	0.89	54.76	8.49	12.15
		Fresh	0.1	4.04	15.59	0.88	59.93	7.22	10.96
		Sub-total	4.9	3.12	16.95	0.91	51.40	10.28	14.08
		Total	34.7	3.11	22.25	0.64	46.77	9.48	14.95
	Eastern	Oxide	2.6	2.71	20.88	0.48	40.00	12.20	19.42
		Transition	3.3	3.29	23.04	0.59	47.51	8.62	14.45
		Fresh	5.5	3.71	22.82	0.57	47.50	8.39	14.57
		Sub-total	11.4	3.36	22.44	0.55	45.78	9.33	15.65
Inferred	Central	Oxide	0.1	3.07	16.64	0.98	53.63	9.96	13.33
		Transition	0.4	3.47	18.36	0.86	54.15	8.79	12.43
		Fresh	0.7	3.86	17.30	0.91	53.48	9.44	13.17
		Sub-total	1.2	3.64	17.55	0.90	53.71	9.30	12.96
		Total	12.5	3.38	21.99	0.58	46.51	9.32	15.40
		Grand Total	47.2	3.18	22.18	0.63	46.70	9.44	15.07

www.reedresources.com

NOTE:

Figures may not sum due to rounding

Significant figures do not imply an added level of precision.