

18 December 2009

Company Announcements Office  
Australian Securities Exchange Limited  
Via Electronic Lodgement

Dear Sirs,

**AGREEMENT TO ACQUIRE MINORITY INTEREST IN BARRAMBIE REGIONAL TENEMENTS**

Reed Resources Ltd (RDR) is pleased to announce that it has agreed to acquire some minor mining rights and legal interests in two tenements surrounding its Barrambie Vanadium Project.

The mining rights and interests includes the equitable ownership of a 20% legal and beneficial share in any mining tenements over the ground the subject of exploration licence applications 57/658 and 57/659 (since replaced by 57/769 and 57/770), free-carried through to completion of a bankable feasibility study (Figure 1). These rights have been acquired in consideration for the issue of 600,000 ordinary shares in RDR at issue price of 59 cents.

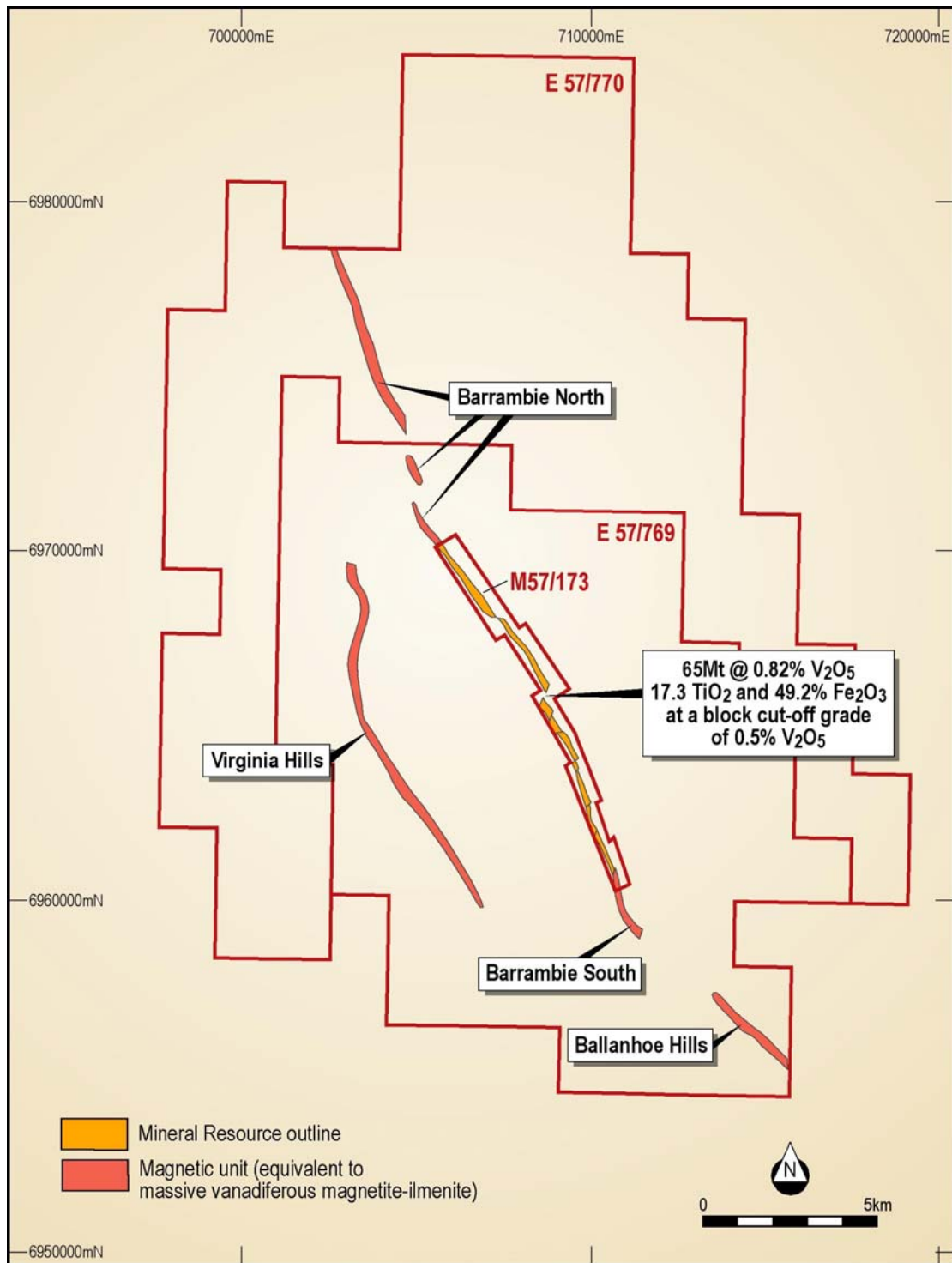
An appendix 3B is attached setting out the relevant detail together with a 708A Notice.

Yours faithfully



Jason Carone  
**COMPANY SECRETARY**





**Figure 1** Plan of Exploration Licenses E57/769 and E57/770, surrounding Mining Lease M57/173, showing extensions of the magnetic formations to the north and south of the current Barrambie vanadium resource.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Reed Resources Ltd

ABN

89 099 116 631

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 600,000                    |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes, the new shares rank equally with Reed Resources Ltd ordinary shares currently on issue.</p>				
<p>5 Issue price or consideration</p>	<p>Mr Mark Noel Clifton's rights under a Share Sale Agreement dated 5 October 2006 between Prime Minerals Ltd and Mr Clifton.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>600,000 fully paid ordinary shares were issued as consideration for the acquisition of all of Mr Mark Noel Clifton's rights under a Share Sale Agreement dated 5 October 2006 between Prime Minerals Ltd and Mr Clifton (which obligations the Company assumed from Prime Minerals Ltd in acquiring all of the shares of Australian Vanadium Corporation Pty Ltd), which includes the equitable ownership of a 20% legal and beneficial share in any mining tenements over the ground the subject of exploration licence applications 57/658 and 57/659 and the benefit of a free carried interest.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>Immediately upon allotment.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="711 1444 995 1478">Number</th> <th data-bbox="995 1444 1274 1478">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 1478 995 1690">172,260,337</td> <td data-bbox="995 1478 1274 1690">Ordinary fully paid</td> </tr> </tbody> </table>	Number	+Class	172,260,337	Ordinary fully paid
Number	+Class				
172,260,337	Ordinary fully paid				

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+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,000,000	Unlisted options at \$0.50 each, expiry 01/07/2010
	2,700,000	Unlisted options at \$0.75 each, expiry 30/06/2011
	2,500,000	Unlisted options at \$0.78 each, expiry 31/12/2009
	1,600,000	Unlisted options at \$0.80 each, expiry 31/12/2013
	1,800,000	Unlisted options at \$0.85 each, expiry 31/12/2012
	1,333,333	Unlisted options at \$1.08 each, expiry 30/06/2010
	1,850,000	Unlisted options at \$1.20 each, expiry 30/06/2013
	4,500,000	Unlisted options at \$0.80 each, expiry 31/12/2012
	850,000	Unlisted options at \$0.80 each, expiry 31/12/2013

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change in existing policy.
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## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A

+ See chapter 19 for defined terms.

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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A

+ See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
 1 - 1,000  
 1,001 - 5,000

+ See chapter 19 for defined terms.

**Appendix 3B**  
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5,001 - 10,000  
 10,001 - 100,000  
 100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought 

N/A
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39 Class of +securities for which quotation is sought 

N/A
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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
 If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A
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41 Reason for request for quotation now  
  
 Example: In the case of restricted securities, end of restriction period  
  
 (if issued upon conversion of another security, clearly identify that other security)

N/A
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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	N/A

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 18 December 2009  
Company Secretary

Print name: Jason Carone

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+ See chapter 19 for defined terms.

18 December 2009

The Manager  
ASX Company Announcement Platform  
PO Box H224  
Australian Square  
SYDNEY NSW 2000

**FOR RELEASE**

Dear Sir

**ISSUE OF SECURITIES  
NOTIFICATION PURSUANT TO SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001**

Reed Resources Ltd (the **Company**) advises that, on 18 December 2009, it granted 600,000 fully paid ordinary shares in the Company to Landlife Corporation Pty Ltd under a small-scale personal offer for securities for the purposes of section 708(1) of the *Corporations Act 2001* (Cth) (the **Act**) (the **New Securities**).

Accordingly, in accordance with section 708A(5) of the Act, the Company notifies ASX that:

- 1 the Company issued the New Securities without disclosure to investors under Part 6D.2 of the Act;
- 2 this notice is given pursuant to Section 708A(5)(e) of the Act;
- 3 as at the date of this notice, the Company has complied with:
  - (a) the provisions of the Chapter 2M of the Act as they apply to the Company; and
  - (b) section 674 of the Act; and
- 4 as at the date of this notice there is no excluded information (as defined in sections 708A(7) and 708A(8) of the Act) which is required to be disclosed by the Company.

For and on behalf of the Board

**REED RESOURCES LTD**



Jason Carone

**COMPANY SECRETARY**

