



March 17, 2010

Managing Director
Reed Resources Ltd
97 Outram Street
WEST PERTH, WA 6005

Attn: Chris Reed

Dear Chris,

The Gidgee Gold Project and associated *Mining Act* tenements were acquired in 2007 and are currently 100% owned by Apex Minerals NL. Previously mined open cuts on M57/33 and M57/19 contain substantial quantities of relatively fresh to brackish water (i.e. Swan Bitter pit).

Reed Resources has requested Apex Minerals permission to access and abstract process water from the Gidgee pits at sometime in the future as a contingency, supplementary water supply for the proposed Barrambie Vanadium Project located approximately 40km to the southwest of Gidgee.

Apex Minerals agrees to allow Reed Resources access to the Gidgee pits for water abstraction, if required for a supplementary water supply for the Barrambie Vanadium Project provided that such abstraction does not interfere with future Apex operations and/or compromise Apex' own water requirements. It is also understood that any proposal to abstract water from the Gidgee pits would require a license to be issued under Section 5C of the *Rights in Water and Irrigation Act*.

We trust that this arrangement is satisfactory to Reed Resources and look forward to mutually beneficial cooperation between our mining interests in the Murchison region.

Yours sincerely,

Rod Jacobs
General Manager
Wiluna Operations