



Mineral Resources Limited

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ASX Announcement

Mineral Resources reaches Farm-in agreement with Reed Resources on Mt Marion Lithium Project

Mineral Resources Limited (**ASX: MIN**) ("Mineral Resources") announces today that it has reached a Farm-in agreement with Reed Resources Ltd (**ASX: RDR**) ("Reed Resources") to develop the Mount Marion Lithium Project ("Mount Marion Project") located between Kalgoorlie and Kambalda in the Goldfields region of Western Australia.

Mineral Resources will complete the Feasibility Study incorporating information derived from a number of studies completed by previous tenement owners and further exploration activities with a view to subsequently build, own and operate processing facilities; fund development costs and operate open pits at the project.

The Feasibility Study, which is currently underway, will confirm the parameters by which initial production will occur, particularly in relation to the mix of chemical/ glass grade products. Initially, the project is expected to deliver up to 1Mtpa of ore (or the equivalent of 200,000 tonnes of concentrate at 6.5% Li₂O) to a Mineral Resources designed and built start-up plant alongside the existing Nimbus processing plant. This level of production is planned to continue until a larger plant and increased production is required.

Mineral Resources, which has extensive experience in the construction and operation of significant processing operations throughout Australia, expects to mobilise a processing plant and related equipment to Nimbus in Q2 2010. First shipments of product, at a production rate of 17,000 tonnes per month of +6.5% Li₂O concentrate, is expected to commence from Q3 2010, subject to a decision to mine and obtaining all necessary approvals.

Simultaneously with activities occurring on the Nimbus tenements, Mineral Resources will also conduct a Feasibility Study into the establishment of a large, standalone plant located at the Mount Marion Project, with processed ore likely to be railed to Port.

Under the Farm-in Agreement, Mineral Resources will earn an entitlement to 40% of net profit from the operations at the Mount Marion Project, with Reed Resources retaining the balance of net profit and the right to purchase all Spodumene produced at fair market value.

Mineral Resources' Managing Director Peter Wade believes the agreement with Reed is a further step in Mineral Resources' strategy of assisting tenement holders to bring their projects into operation in a cost effective manner. "Mineral Resources' extensive experience in the build, own and operation of successful, low-cost process operations in Australia enhanced by its significant supply chain will provide a cost effective solution to bringing the Mount Marion Project into operation." Mr Wade said.

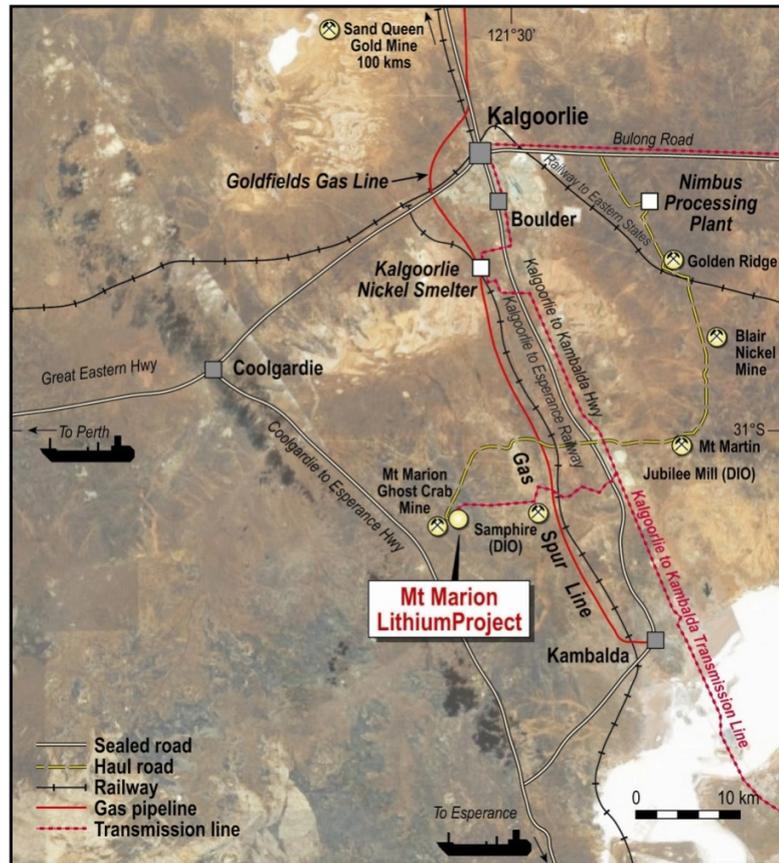


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Figure 1: Mount Marion Lithium Project Location



Mineral Resources Limited is a leading, integrated, Australian based mining services and processing company with operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export. Operations are supplemented by rehabilitation and sale of heavy duty crushing and processing equipment, hire of engineering and crushing fleet plant and workshop manufacture of polyethylene pipe fittings and components.

Comprising three long standing brands, PIHA, Crushing Services International and Process Minerals International, Mineral Resources Limited has developed a strong reputation for the cost effective delivery of its services and products to the resources and infrastructure sectors.

Mineral Resources Limited was admitted to the official list of the Australian Stock Exchange on 28 July 2006.

For further information contact:

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