

**ASX announcement
3 February 2011**

Reed Resources/Mineral Resources receive final mining approval from DMP for Mt Marion Lithium Project

HIGHLIGHTS

- **Reed Resources and Mineral Resources receive approval from Department of Mines and Petroleum for final mining proposal, allowing siteworks to commence immediately at its Mt Marion Lithium Project, near Kalgoorlie, Western Australia.**

Australian diversified resources company Reed Resources Ltd (**ASX: RDR**) (the “Company” or “Reed Resources”) is pleased to advise that it has received final approval from the Department of Mines and Petroleum (“DMP”) for its mining proposal, allowing siteworks to commence immediately at its Mt Marion Lithium Project, near Kalgoorlie, Western Australia.

Construction of the plant in modular form by joint venture partner, Mineral Resources Limited (**ASX: MIN**) (“Mineral Resources”), at its workshops in Kwinana, is well advanced (Figure 1).

It is expected the mobilisation of plant and equipment to site will commence this quarter.

Reed Resources is finalizing the construction timetable with Mineral Resources and will advise the market shortly with a definitive timeline to production.

Ends

For further information contact:

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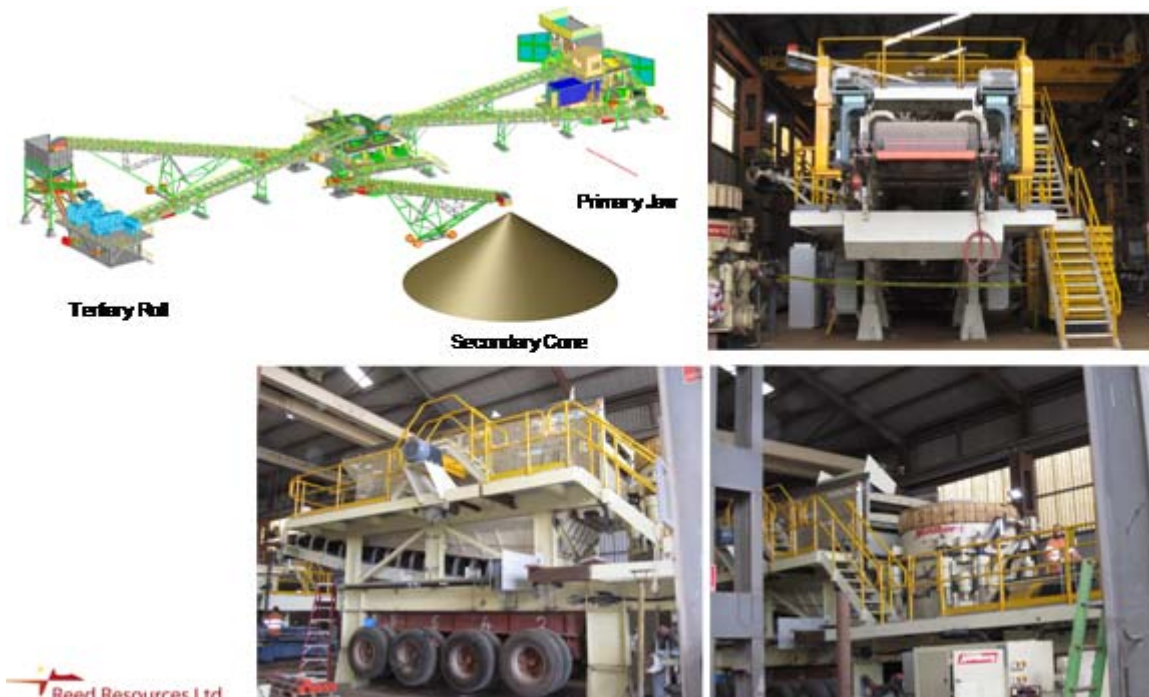


Figure 1. Crushing Circuit Layout and Construction images.

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About Reed Resources

Reed Resources Ltd (ASX: RDR, OTC: RDRUY) is a diversified mining and exploration Company based in Western Australia. Reed's American Depositary Receipts (ADR's) trade under the code RDRUY (CUSIP Number: 758254106). Each Reed ADR is equivalent to 10 ordinary shares of Reed as traded on the ASX. The Bank of New York Mellon is the depository bank.

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 Limited.
- **Meekatharra** – Recently acquired 2.5M oz Gold project with 3Mtpa processing plant and associated infrastructure, conducting feasibility study to recommence gold production in 2012.
- **Barrambie** – Definitive Feasibility Study completed on a Ferrovandium operation to produce 6300t of vanadium per annum. Currently in approvals process. MOU with China Nonferrous Metals for EPC & Financing assistance.
- **Comet Vale** – Evaluating recommencement of high-grade underground gold production and refurbishment of processing plant, both currently on care & maintenance.
- **Mount Finnerty** – Iron ore JV with Cliffs Natural Resources & Nickel Farm-in with Barranco Resources NL.

Website: www.reedresources.com