



Mineral Resources Limited

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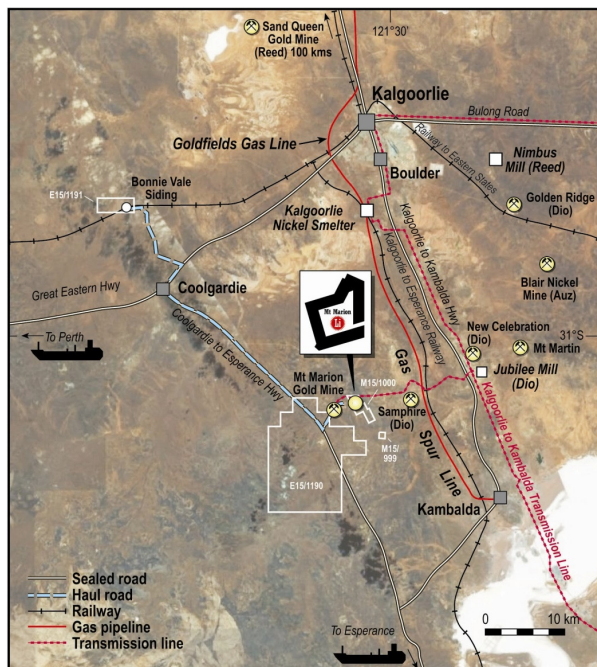
ASX RELEASE

MRL takes decision to mine Mt Marion Lithium project

Mineral Resources Limited (ASX: MIN) (MRL) has formally resolved to confirm commencement of operations at the Mt Marion lithium project, near Kalgoorlie in Western Australia in accordance with its operations agreement with **Reed Resources Ltd (ASX: RDR) (Reed)**.

Lithium production is programmed to commence by March quarter 2011 at an initial rate of 200,000ktpa of spodumene concentrate grading nominal 6.5% Li₂O processed from 1,200,000 tonnes of feed material.

Accordingly, Reed has committed to exercise its option to acquire 100% of the granted mining leases from the tenement holder. These leases are ideally located with well developed access to power and water supply to service the mining, crushing and processing plant operation to be undertaken by the MRL subsidiary companies – Crushing Services International Pty Ltd (CSI) and Process Minerals International Pty Ltd (PMI).



The operations agreement has also been expanded to include all other minerals that are separated during the feed ore processing operation including mica, tantalum and potash feldspars. Testwork has highlighted the potential to recover significant volumes of these minerals as a by product of the lithium recovery process with corresponding significant commercial benefits to the overall production system.

MRL Executive Chairman, Peter Wade said “MRL is pleased to be associated with this ground breaking project that will reinforce Western Australia’s position as the world leader in lithium production. MRL’s model for fast-track resource identification, project evaluation and process development has proved critical in achieving this positive outcome.”

Figure 1 Project Location

“Mt Marion will be a key player in the world expansion of lithium technology and provide substantial volume into existing and expanding world-wide demand.”

“The successful implementation of the operations agreement with Reed and the rapidity of the development phase from concept through to formal commitment to proceed is a credit to all of the team members from both companies. It reflects the capacity of MRL and Reed personnel to utilise the specific skills of each company in the best interests of the JV as a whole and to achieve superior outcomes in progressing to development,” Mr Wade said.

The partners are also reviewing the marketing strategies for the project's production with interest being expressed from a number of international sources close to established lithium markets. Substantial interest has also been expressed from local and international companies for downstream processing of the spodumene concentrate and that opportunity will be further assessed.

For further information:

Mr Peter Wade

Executive Chairman/Managing Director

Telephone: (08) 9437 7000

www.mineralresources.com.au

Background to Mineral Resources Limited

Mineral Resources Limited is a leading, integrated, Australian based mining services and processing company with operations in a contract crushing, general miner 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 core businesses, reporting as a single entity, PIHA Pty Ltd, Crushing Services International Pty Ltd and Process Minerals International Pty Ltd, Mineral Resources Limited has developed a strong reputation for the cost effective delivery of its services and products to the resources and infrastructure sectors. These operations have been supplemented by the acquisition of 100% of Polaris Metals which was completed in the first half of 2010 and supports Mineral Resources' strategy to become a major volume player in the steel making contracting and commodity market.