

8 September 2011

Company Announcements Office
ASX Limited
Via Electronic Lodgement

Dear Sirs

Completion of Sale of Nimbus Plant and Assets

Further to the ASX Announcement made on 20 May 2011, Reed Resources Ltd (**Reed Resources**) is pleased to announce that it has today completed the sale of its subsidiary company, Kalgoorlie Ore Treatment Company Pty Ltd (**KOTC**), to MacPhersons Reward Gold Limited (ASX Code: MRP) (**MRP**). KOTC owns the Nimbus processing plant and associated assets near Kalgoorlie.

Reed Resources has received consideration comprising of \$3 million cash, 5.36 million MRP Shares, and \$0.3 million for the reimbursement of certain costs. As part of the disposal of KOTC, Reed Resources has retained a 1% net smelter royalty on zinc production from KOTC's two mining leases. Reed Resources has also secured a toll treatment option at the Nimbus processing plant for ore from its Comet Vale gold project.

Yours faithfully

Darren Wates
COMPANY SECRETARY

