



KEEPING THE RESOURCE SECTOR RUNNING

ALLMINE GROUP LIMITED
(ASX: AZG)

ASX and Media Release

20 July 2011

Reed Resources Limited (ASX:RDR) Barrambie Vanadium Project Update

Allmine Group Limited (**Allmine Group**) is pleased to announce that its wholly owned subsidiary Arcon (WA) Pty Ltd (**Arcon**), in conjunction with its alliance partner China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Ltd (**NFC**) has tabled the EPC budget estimate for the Reed Resources Limited (**Reed Resources**) Barrambie Vanadium Project, Western Australia (the **Project**).

The total Definitive Feasibility Study estimate for the Project of A\$629m includes A\$50m for indirect (pre-production) costs and A\$30m for a Ferro-vanadium circuit. The NFC / Arcon budget estimate is to an accuracy of +/- 7.5% and is subject to future cost escalation and foreign exchange movements. The total construction cost based on the NFC / Arcon budget estimate and holding constant the indirect, pre-production costs, amounts to A\$489m.

The consortium of Arcon and NFC expects to deliver a final, fixed price EPC quote for the Project to Reed Resources in early August 2011.

A key term of Reed Resources Memorandum of Understanding with NFC / Arcon is an obligation on NFC to procure a debt terms sheet from Chinese financial institutions for at least 70% of the Project's total funding requirement. Several indicative financing proposals have been tabled to Reed Resources to date.

Allmine Group will ensure that the market is fully informed regarding further developments as they arise.

Ends -

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About Allmine Group: Allmine Group Limited is a mining services business with a focus on the maintenance and repair of earthmoving machinery across principally Western Australia and the Northern Territory. Allmine Group operates service centres across Perth, Leinster, Karratha and Darwin. In addition to the service centres, the Allmine Group provides on-site labor hire and field service operations and sales of after-market earthmoving components across Australia and Fiji.

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