



MINERAL RESOURCES LIMITED

**QUARTERLY EXPLORATION AND
MINING ACTIVITIES REPORT
APRIL TO JUNE Q4 FY2018**

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HIGHLIGHTS

- Total lithium and iron ore production for financial year 2018 was 15.29 million wet tonnes with 13.21 million wet tonnes shipped.
- Spodumene concentrate increased to 109,183wmt during the quarter, with a 65% majority of high grade 6% product.
- Wodgina DSO production has been reduced in line with plans to maximise realised future value from ore body.
- Koolyanobbing will commence export in quarter one of financial year 2019 with the MRL rail fleet allowing between 6 to 6.25 million tonnes to be hauled each year.

PRODUCTION AND COMMODITY SHIPMENTS

	PRODUCED	SHIPPED	PRODUCED	SHIPPED	PRODUCED	SHIPPED	PRODUCED	SHIPPED
UTAH POINT								
Iron Valley	2,021	1,513	1,800	1,539	1,821	1,597	7,617	6,194
Wodgina	1,104	1,044	1,159	956	845	754	4,021	3,482
Total Utah Point	3,125	2,557	2,959	2,495	2,666	2,351	11,638	9,676
KWINANA BULK TERMINAL 2								
Carina & J4	999	936	890	760	282	618	3,218	3,155
Mount Marion ¹	109	111	105	86	109	95	435	382
Total Kwinana Bulk Terminal 2	1,108	1,047	995	846	391	713	3,653	3,537
TOTAL IRON ORE	3,020	2,449	2,690	2,299	2,103	2,215	10,835	9,349
TOTAL SPODUMENE	109	111	105	86	109	95	435	382
TOTAL DSO LITHIUM	1,104	1,044	1,159	956	845	754	4,021	3,482
GRAND TOTAL	4,233	3,604	3,954	3,341	3,057	3,064	15,291	13,213

¹ Volume produced and shipped is presented as 100% for the Mt Marion project.
MRL's ownership interest in the Mt Marion project is 43.10%.



Images: Construction progressing on beneficiation and power plants

LITHIUM WODGINA PROJECT

'000 WMTs	Q2 FY18	Q3 FY18	Q4 FY18
Mined	1,039	1,416	1,103
Produced	1,104	1,159	845
Shipped	1,044	956	754

Production of DSO lithium for the quarter was 845,000wmt, an annualised rate of 3.4 million wet tonnes. Total material movement mining rates exceeded 41 million wet tonnes per annum on an annualised basis.

DSO export volumes from Wodgina were 0.754 million wet tonnes for the quarter, in accordance with agreed reductions to maximise future product value.

Construction of the 750,000 dry tonne per annum three stage spodumene processing plant along with the associated crushing and non-process infrastructure upgrades continue as planned

with the first stage 250,000 tonne module to begin commissioning in quarter two financial year 2019 (FY19) followed by stages 2 and 3 in quarter three FY19 and quarter four FY19 respectively.

A further resource exploration drilling program commenced in quarter four, targeting the Cassiterite Pit resource at depths up to 500m. The 60 -day program consists of approximately 12,525 metres drilled. A separate JORC resource statement will be provided when the drilling program is completed.



*Image:
Mount Marion: aerial of
mine site*

LITHIUM MOUNT MARION PROJECT

'000 WMTs	Q2 FY18	Q3 FY18	Q4 FY18
Mined	722	737	799
Produced	109	105	109
Shipped	111	86	95

Safety performance continues to be exceptional with a Lost Time Injury Frequency Rate (LTIFR) remaining at 0.00, after achieving the significant milestone of 1000 days LTI free on 18 February 2018.

Mining continued in both C1 and N6 pits with another record total movement of 7.4 million wet tonnes being achieved during the quarter. The mining movements have provided consistent access to the ore body for processing.

The processing plant availability improved against the previous quarter increasing from 85% to 91% while beneficiation plant throughput increasing from 573,222wmt to 627,777wmt.

Spodumene concentrate production also improved against quarter three with a total production of 109,183wmt with the proportion of high grade (6%) spodumene concentrate increasing to 65%. A total of 95,133wmt was shipped to Ganfeng during the quarter.

The upgrade works for all in 6% product are on track for completion in quarter two FY19.

The Mineral Resources operated, Mount Marion Project is a joint project between Mineral Resources (43.1%), Neometals Limited (13.8%) and one of the world's largest lithium producers, Jiangxi Gangfeng Lithium Co (43.1%).



Images: Iron Valley
 left: Site at dusk
 right: Aerial of mine site

IRON ORE

MARKET CONDITIONS

The low grade iron ore business remains marginal, with growing impurities making it challenging. Management continues to monitor the iron ore operations closely.

IRON VALLEY PROJECT

'000 WMTs	Q2 FY18	Q3 FY18	Q4 FY18
Mined	1,868	1,702	1,406
Produced	2,021	1,800	1,821
Shipped	1,513	1,539	1,597

Mining of the Central, C2, C4 and E1 pits continued through the quarter for blended feed that was supplemented with ore from MRL's wholly owned Phils Creek mine. A second excavator fleet focused on developing the Central pit C7 cutback to access additional ore as the pit deepens. Mining of the E1 pit was completed to its current design with cutback currently in the planning and evaluation stage.

The Iron Valley crushing operations performed above nameplate to produce 1.8 million wet tonnes of product for the quarter, with a total of 1.6 million wet tonnes exported. Fines product continues to be held in stockpile to preserve value of the resource from the prevailing high discounts. This stockpile is blended with higher grade product and shipped as market conditions allow.

KOOLYANOBING

Assets from Carina are being relocated to Koolyanobing to prepare for commencement of production. Final iron ore product is expected to contain a split of 43% lump and 57% fines. The product will be transported by MRL owned locomotives and wagons to the Esperance Port and loaded onto capesize carriers for delivery to Chinese clients. First shipments are scheduled for the first quarter of FY19, the MRL rolling stock will allow product to be delivered to Esperance at the rate of 6-6.25Mt per annum.



Image: Red Gully

OIL AND GAS

During the quarter, MRL formally entered a period of care and maintenance at the Red Gully production facility after all regulatory approvals were received, and necessary site activities were completed. MRL intend to use the care and maintenance period to further evaluate existing “in well bore” and near field exploration opportunities.

MRL has received from the Department of Mines, Industry Regulation and Safety (DMIRS), a range of permit suspensions, variations and extensions, including those in non-operated ventures south of Perth; adding significant value to the portfolio, via reductions in firm commitments and extended tenure duration. The minimum effective extension period is 2 years.

MRL is continuing to progress the renewal of the EP389 Red Gully

development. The process is procedural in nature and we do not anticipate any material issues regarding this renewal.

MRL commenced using the additional portfolio flexibility to undertake detailed studies and drilling preparation works.

MRL has noted a significant increase in industry interest in the Perth basin and MRL’s portfolio since the completion of the AWE acquisition by Mitsui and the Lattice acquisition by Beach Energy.

MRL has undertaken a number of introductory meetings with potential WA asset (level) owners who are looking to farm-down their positions. MRL is engaging with a view to high-grading the MRL portfolio and maximising the chance of success in capturing (in ground) gas molecules.



Image: Applecross: Head Office

FURTHER INFORMATION

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COMPETENT PERSON'S STATEMENT

The information is extracted from previous MIN ASX announcements available on the company website at www.mineralresources.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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