

13 October 2011

## ASX Announcement

# MRL agrees purchase of Central Pilbara iron ore tenements with Iron Ore Holdings

Mineral Resources (MRL; ASX:MIN) announces today that it has agreed to purchase three of Iron Ore Holdings Ltd's (IOH; ASX:IOH) Central Pilbara satellite tenement packages including Phil's Creek, Lamb Creek and Yandicoogina Creek tenements located in the Pilbara region of Western Australia, through its subsidiary, Process Minerals International Pty Ltd (PMI).

**MRL Pilbara projects**



The transaction involves PMI paying a deposit of \$5 million on execution of the sale and purchase document with the balance of \$37 million payable over a 90 day period subject to receiving ministerial consent to the transfer of the relevant tenements and approval of the Mining Proposal for Phil's Creek by the Department of Minerals & Petroleum on terms acceptable to PMI within 45 business days.

Phil's Creek, Lamb Creek and Yandicoogina Creek tenements currently have a total 54.8Mt of combined Inferred and Indicated JORC Resource at an average grade of 56.7% Fe (see table below) with further exploration potential.

Wedge Prospect, one of the exploration targets within the Lamb Creek tenement, has been identified by IOH as a resource target during a recent geological mapping program (see ASX announcement date 12 August 2011). A Reverse Circulation (RC) drilling program was completed by IOH in June 2011 comprising 26 holes for a total of 1,638 metres. The drilling at Wedge prospect was successful, with eleven holes revealing broad mineralisation intersections commencing at or near the surface. This mineralisation is hosted within the Brockman Iron Formation. The maximum thickness in this drilling program was 94 metres at 61.2% Fe. MRL intends to continue exploration and resource definition drilling in the region.

### Current JORC Mineral Resource for acquired tenements<sup>1</sup>

Project	JORC Indicated Resource	JORC Inferred Resource	Fe (%)	CaFe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	Cutoff (Fe)
Phil's Creek	15.1		55.6	60.5	7.2	4.2	0.10	8.1	50%
Lamb Creek	15.2		60.6	64.5	4.4	2.2	0.13	6.0	50%
		24.5	54.9	58.6	10.3	4.0	0.09	6.3	50%
Total Mineral Resource	30.3	24.5							

MRL Executive Chairman, Peter Wade, said *“the acquisition of these tenements cements MRL’s presence in the Pilbara iron ore region and provides an opportunity to expand its iron ore business. The IOH tenement package provides MRL with a substantially increased resource base in the region complementing its current iron ore and manganese holdings.”*

MRL will utilise its core mining, processing and logistics competencies through its subsidiaries PMI, Crushing Services International and PIHA to initially advance development of the Phil’s Creek project. On Completion of this agreement with IOH, the relevant regulatory permits and approvals will be in place to bring Phil’s Creek into production. Subject to continuing strong market conditions, MRL plans to be in a position to commence iron ore production from Phil’s Creek in mid-2012.

MRL is also currently undertaking a number of large-scale mining and contracting activities throughout Western Australia. It is constructing its own iron ore operation at Carina in the state’s Yilgarn region and expects to have first iron ore on train from this project in the final quarter of 2011. In addition, it has been awarded a contract for the build, own and operation of the second 25 million tonne per annum ore processing facility and related infrastructure at Fortescue Metals Group Ltd's (ASX:FMG) Christmas Creek mine to be jointly funded by Fortescue and Mineral Resources. Construction of this facility is well advanced with commercial production scheduled to commence by September 2012.

*Mineral Resources Limited is a leading, integrated, Australian based mining services and processing company with operations in contract crushing, general mine 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 long standing core businesses reporting as a single entity, PIHA Pty Ltd, Crushing Services International, Pty Ltd Process Minerals International Pty Ltd, Polaris Metals Pty Ltd and Mesa Minerals Limited, Mineral Resources Limited has developed a strong reputation for the cost effective delivery of its services and products to the resources and infrastructure sectors.*

For further information contact:

**Peter Wade**

Executive Chairman

Telephone: (08) 9329 3600

[www.mineralresources.com.au](http://www.mineralresources.com.au)

#### Competent Persons Statement:

The information in this report that relates to exploration and drilling results is based on information compiled by Mr Manohar Ghorpade, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ghorpade is a full time employee of Iron Ore Holdings Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ghorpade consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Widenbar is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate based on data and geological information supplied by IOH. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

<sup>1</sup> Information provided by Iron Ore Holdings as at 10 October 2011.