



# ASX ANNOUNCEMENT

Tuesday, 25 October 2016

## MINERAL RESOURCES AND PILBARA MINERALS REACH AGREEMENT ON FIRST RIGHT OF REFUSAL AT PILGANGOORA

Mineral Resources Limited (ASX: MIN) ("**Mineral Resources**" or "**Company**") is pleased to advise that it has reached agreement with Pilbara Minerals Limited (ASX: PLS) ("**PLS**" or "**Pilbara Minerals**") to resolve the dispute over the sale notice and right of first refusal (**ROFR**) in a landmark settlement which will see the ROFR and 2.5% royalty permanently relinquished in exchange for Mineral Resources taking a stake in Pilbara Minerals and committing to support the development of the Pilgangoora Lithium-Tantalum Project.

Under the agreement, the Company will be issued \$A50 million in PLS shares based on \$0.48 per share in exchange for the relinquishment of the ROFR and the royalty.

In addition, Mineral Resources has committed its support to Pilbara Minerals during the development and operation of its Pilgangoora Project, including being willing to provide mining and mine related services to Pilbara Minerals to ensure a safe, low-cost development and operation of the project.

The parties have also agreed to collaborate with each other to explore and exploit possible synergies that may exist between Mineral Resources' Wodgina and Pilbara Minerals Pilgangoora projects for mutual commercial benefit.

Court proceedings will be immediately discontinued and the dispute resolution process before the expert will be immediately closed.

It is proposed the parties will negotiate in good faith to formalise the terms of settlement in a more detailed and formal agreement in the next 10 business days.

Chris Ellison, Managing Director of Mineral Resources, welcomed the commercial agreement reached between the parties.

"The Wodgina/Pilgangoora area is recognised as the best hard rock, lithium address in the world and we are committed to working in collaboration with Pilbara Minerals to introduce world best technologies on the sites and become the lowest cost producer over the long term life of the mines", he said.



“Mineral Resources has a proven track record as an outstanding mining services contractor and welcomes the opportunity to support Pilbara Minerals in the development and operation of the Pilgangoora tenements. We recognise that the Western Australia mining industry, working collaboratively, can compete successfully against the world’s best miners and this agreement shows the way for future joint project opportunities.”

For further information contact:

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#### **Mineral Resources Limited Company Profile**

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, 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.