



ASX ANNOUNCEMENT

9 April 2018

ACQUISITION OF ATLAS IRON LIMITED

Mineral Resources Limited (ASX: MIN, "MRL" or "Company") is pleased to announce that it has entered into a binding Scheme Implementation Deed with Atlas Iron Limited (ASX: AGO, "Atlas") in relation to a combination of the two companies.

Under the terms of the agreement, MRL has agreed to acquire all of the shares of Atlas via a Scheme of Arrangement ("Scheme").

Atlas shareholders will receive 1 new MRL share for every 571 Atlas shares held on the record date. Based on the closing prices of MRL and Atlas shares on 4 April 2018, this equates to a 59% premium.

The Directors of Atlas have unanimously recommended that Atlas shareholders vote in favour of the Scheme and intend to vote the Atlas shares that they control in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Atlas shareholders.

Commenting on the acquisition, Chris Ellison, Managing Director of MRL said,

"The acquisition of Atlas, including its portfolio of iron ore assets and its export capacity allocation at Utah Point, is on-strategy for MRL.

The culture that has been developed within Atlas is an exceptionally good fit with that which has been fostered in MRL.

The majority of the Atlas senior leadership team have been running the business for many years and their skillset, experience and intimate knowledge of the Atlas business will be an extremely valuable asset within the consolidated Atlas-MRL business. I look forward to them integrating into the MRL team over the coming months.

MRL has the balance sheet capacity required to support the rapid development of the Atlas assets.

The amalgamation of MRL's existing Pilbara iron ore assets with those of Atlas will enable us to exploit greater synergies and economies of scale which will drive down costs to ensure the consolidated iron ore business is sustainable in the new environment of lower global prices for low grade iron ore.

Creating a sustainable iron ore operation enables us to protect Western Australian jobs and ensures that our consolidated iron ore operation in the Pilbara continues to deliver a range of social and economic benefits to Western Australia.

The increase of our iron ore production in the region is also a key part of our strategy to ensure our 50Mtpa Pilbara Infrastructure initiatives are fully utilised and in turn forming a key pillar of the MRL business over the next 20 to 30 years.

I also look forward to welcoming the existing Atlas shareholders to the MRL register. By accepting MRL shares under the Scheme, they will retain their interest in the Atlas business as it grows under the MRL banner and also gain exposure, and the associated financial benefits, to the diversity of the MRL mining services, mining infrastructure and non-iron ore commodity business which continues to go from strength to strength."

Implementation

The Scheme is subject to certain terms and conditions, which are contained in the Scheme Implementation Deed (included in Atlas's release today) and include:

- Atlas Shareholder approval and Court approval of the Scheme;
- All necessary ASIC and ASX consents, waivers, exemptions, reliefs, confirmations or approvals as are necessary to complete the Scheme being obtained;
- No regulatory restraints to implementation of the Scheme;
- Exercise, acquisition or cancellation of all Atlas options
- No Atlas "Prescribed Occurrences" (as defined in the Scheme Implementation Deed);



- No Atlas “Material Adverse Change” (as defined in the Scheme Implementation Deed);
- No breach by Atlas or MRL of their respective covenants or warranties contained in the Scheme Implementation Deed; and
- The Independent Expert opining that the Scheme is in the best interests of Atlas Shareholders.

The Scheme Implementation Deed contains market standard terms and conditions regarding such matters as exclusivity, no-shop / no-talk, notification of approaches and matching rights. A break fee of A\$3.12 million may become payable by Atlas in certain circumstances, as detailed in the Scheme Implementation Deed.

Under the Scheme Implementation Deed, Atlas has agreed to certain restrictions on the conduct of its businesses between the date of the Deed and the second court date, subject to various exceptions.

Once the Scheme is implemented, Atlas shareholders will own approximately 8.2% of the total issued share capital of the combined group¹.

Completion of the Transaction is anticipated to occur by August 2018.

MRL is being advised by Gilbert and Tobin as legal adviser.

Alliance Agreement

Separate from the Scheme, Atlas and MRL have also identified a range of opportunities on which they can co-operate so as to enhance the resilience of their respective operations in the Pilbara.

To pursue these opportunities, the companies have entered into an Alliance Agreement which will govern the manner in which the various opportunities will be jointly pursued. MRL will provide working capital for the alliance.

The Alliance Agreement and SID are not inter-conditional.

Ends

For further information please contact the following on +61 8 9329 3600

Bruce Goulds – Chief Financial Officer & Joint Company Secretary
bruce.goulds@mineralresources.com.au

Simon Rushton – General Manager Commercial & Joint Company Secretary
simon.rushton@mineralresources.com.au

¹ Based on 187,701,751 MRL shares on issue at 9 April 2018 and that 16,845,835 new Mineral Resources shares are issued for 100% of the consideration.