

Mineral Resources Limited (ASX:MIN)



Quarterly Report, Ending 31 December 2012 Update on Mining & Exploration Activities



An Integrated Australian Mining Services Company

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HIGHLIGHTS



PHIL'S CREEK IRON ORE MINE

- Construction and commissioning of mine & plant complete
- First road trains leave site for Utah Point at Port Hedland
- Ramp up schedule to full production in progress
- Production & logistics schedules re-organised to facilitate introduction of Phil's Creek ore into MRL's product offering.

CARINA IRON ORE MINE

- September quarter shipments 695,512 tonnes
- Industrial action at Kwinana Berth & planned maintenance of port facilities reduces export run rate for quarter
- Average iron ore prices impacted by reduction in index prices during the quarter
- Early 2013 export tonnes at significantly increased rate as improved logistics chain free of interruption.



YILGARN EXPLORATION

- Resource definition drilling completed at Chameleon & Hunt Range
- Mining Proposal for Carina Extended submitted for formal approvals
- WA Environment Minister clears path for drilling at J4.

PILBARA EXPLORATION

- Federal environmental authorities determines in MRL's favour that the Lamb Creek development is not a controlled action, improving development timeframes
- Exploration drilling at Weelumurra completed. Identified deposits being evaluated
- Exploration drilling at Caliwinga commenced with resource identification programme continuing.



PHIL'S CREEK DEVELOPMENT



Key

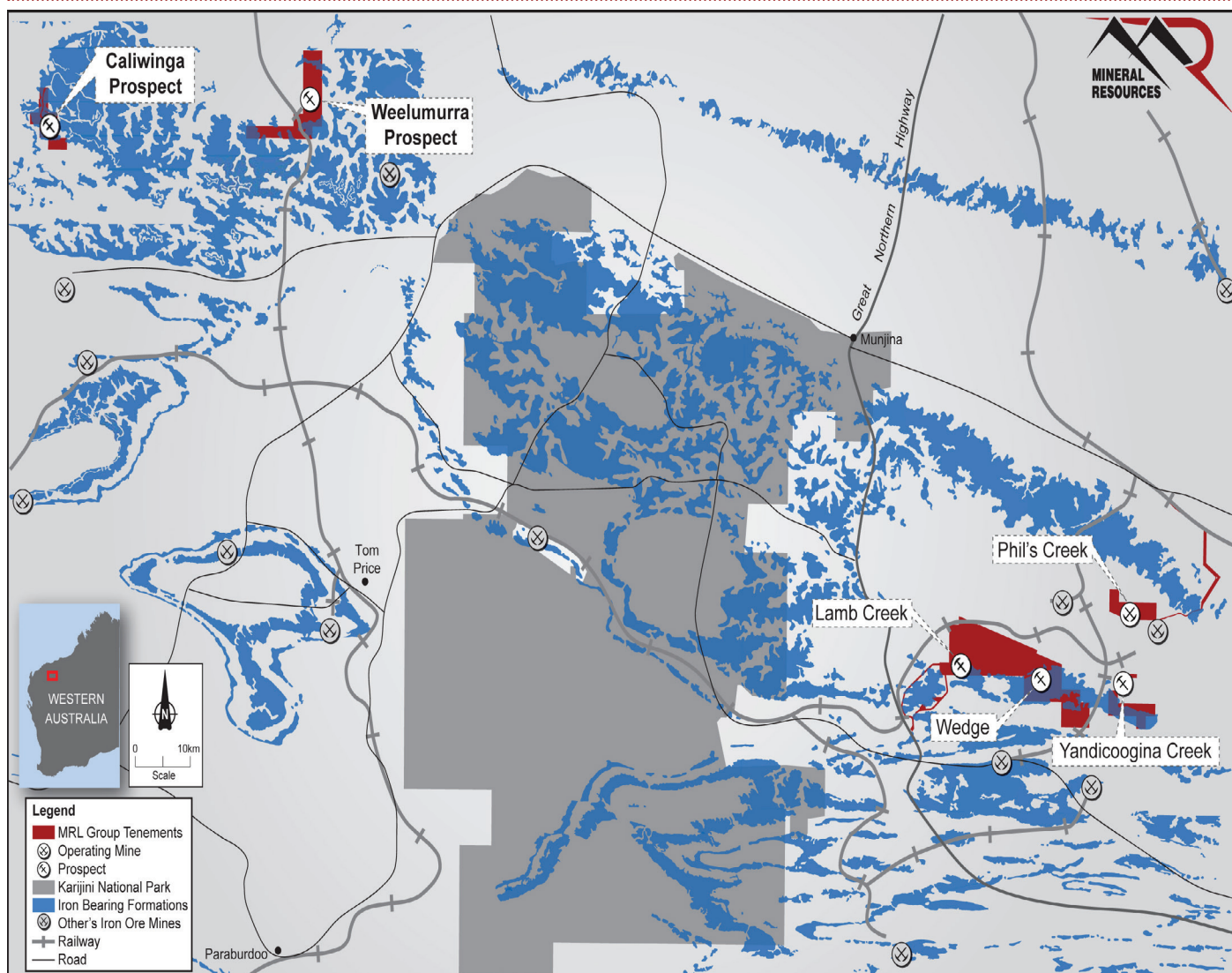
- Phil's Creek
- Utah Point, Port Hedland

Construction and commissioning activities were completed at Phil's Creek during the quarter. The first ore was crushed on the 18th October 2012 and the plant is now fully operational. Operations teams are being assembled to facilitate the ramp up schedule.

The first road train left site for Utah Port in Port Hedland on 19th January 2013 via the southern route. Construction (including the upgrading and sealing) of the northern route is underway in stages. The trucking rate is scheduled to steadily ramp up to the planned run rate over the coming months.

The overall Pilbara iron ore operations were re-organised to facilitate introduction of Phil's Creek ore into the product offering. Short-term export volume reductions from Utah Point in December allowed for an advanced programme commencing in January coinciding with delivery of the first Phil's Creek ore.

Figure 1 - Pilbara deposit locations including the Phil's Creek Iron Ore mine.





CARINA OPERATIONS



Iron Ore shipments decreased in the December quarter to 695,512 tonnes. The reduction in shipped volumes was as a result of industrial action at the Kwinana Berth (October and December) and 2 planned maintenance events.

In total, 3,719,515 tonnes have been exported from the project since commencement of export operations in November 2011.

Mine development is well advanced and ore supply and presentation has become consistent. This provides good blending opportunities and the ability to deliver on specification product to our customers. Movement of iron ore throughout the Carina supply chain (mining, road haulage, processing and rail) has been streamlined and the operation is well placed to increase shipped volumes in the March Quarter as normalised port operations and debottlenecking improves access to shipping through Fremantle Port.



Photos. Carina Iron Ore Photo Library



YILGARN REGION DRILLING

37 holes were drilled during the quarter for 4,580m. This included the completion of first pass exploration drilling at Hunt Range, infill and extension drilling at Chameleon and J4.

The WA Environment Minister opened the way for drilling at J4, which is planned to be the next major deposit for development in the Yilgarn region. Spring flora and fauna surveys were completed at J4, J5 and Bungalbin East during the quarter.

A Mining Proposal was submitted for the development of Carina Extended, 2km north of Carina. This has been referred to the EPA for determination.

A 42 man exploration camp has been constructed at the old Aurora gold mine. By locating the camp on previously disturbed ground, the impact to the environment has been minimised. It provides a central base for exploration in the region as well as providing an important first front for future mine and haul road developments once the necessary approvals have been granted. Sufficient rooms are now available such that accommodation will no longer be a constraint for exploration activities.

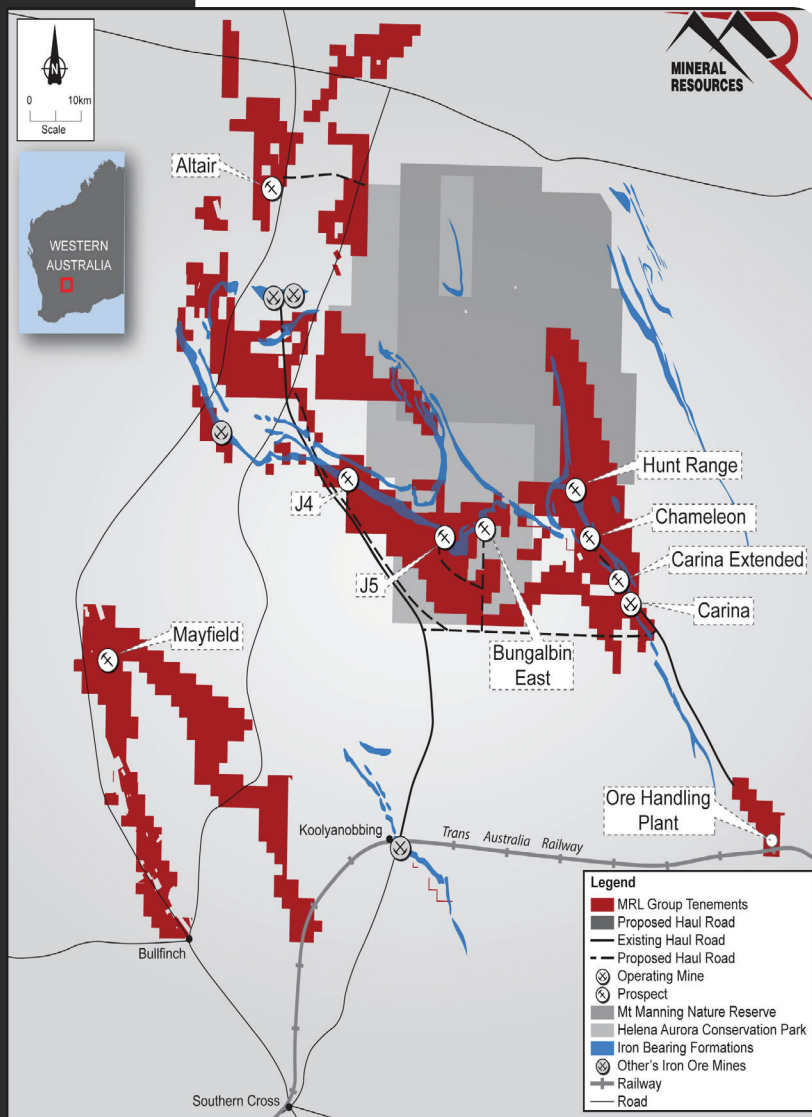


Figure 2 (above) - Yilgarn deposit locations

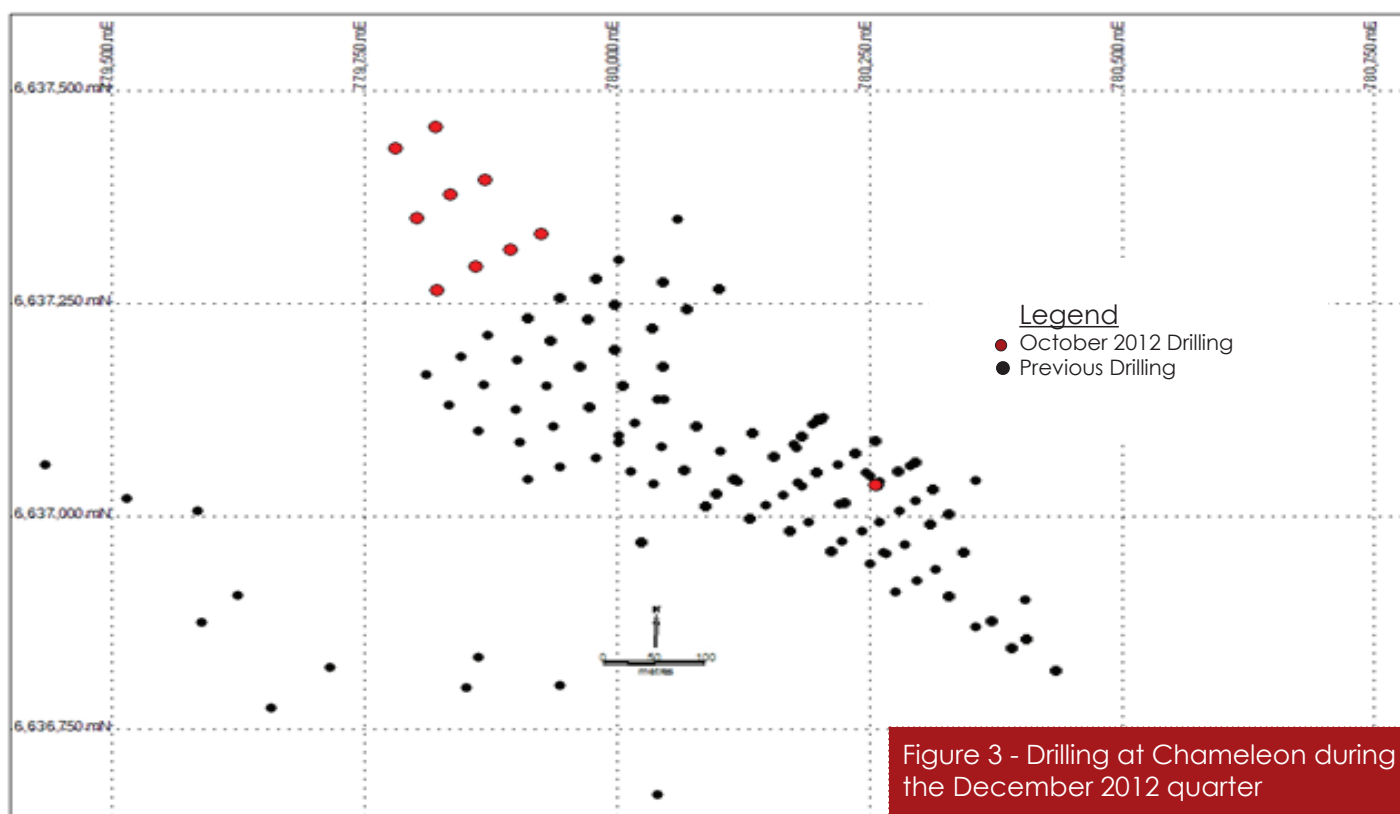
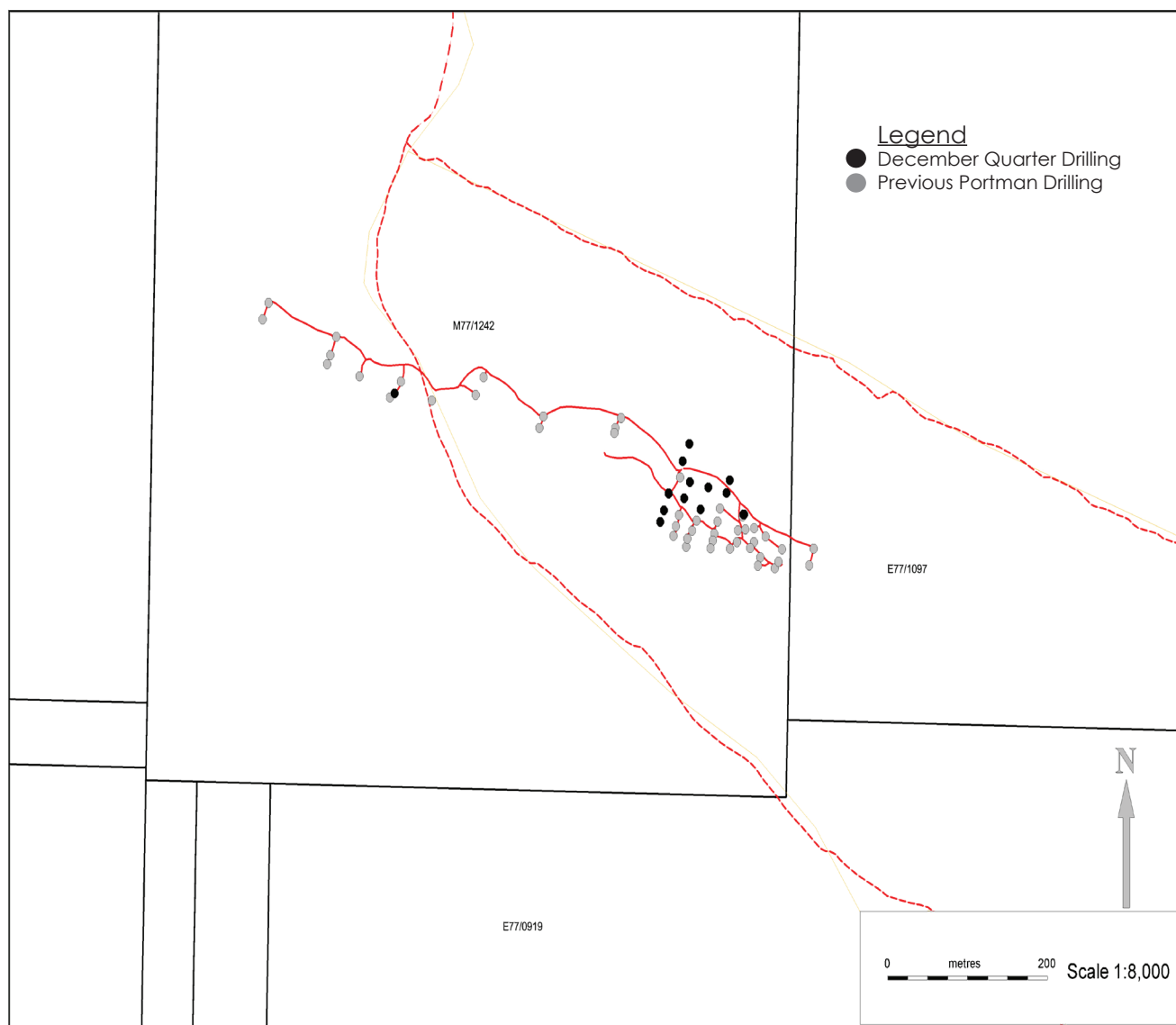
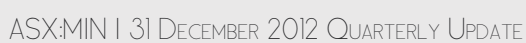


Figure 3 - Drilling at Chameleon during the December 2012 quarter

Figure 4 - Drilling at J4 during the December 2012 quarter





PILBARA EXPLORATION

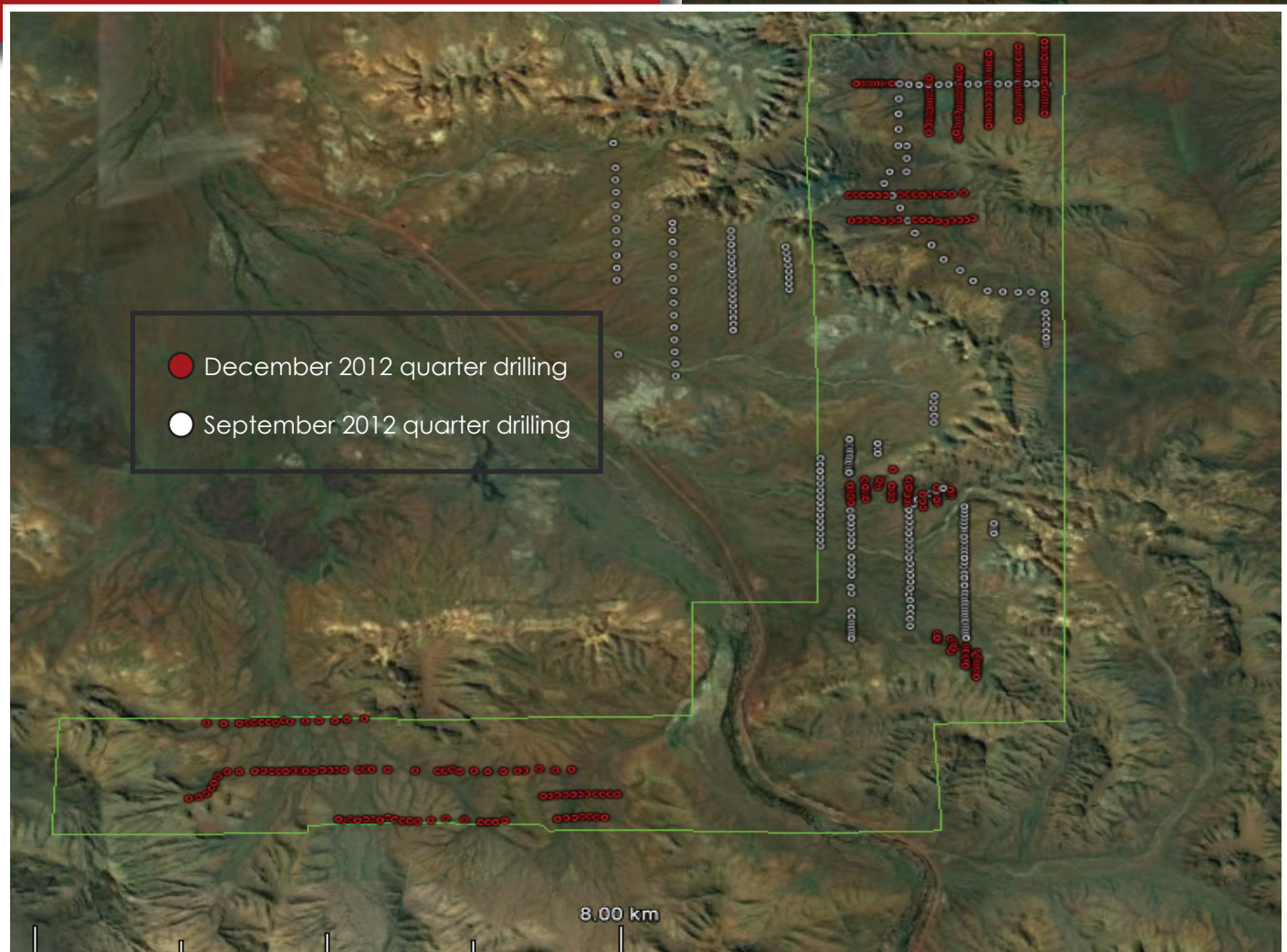
Exploration drilling at Weelumurra was completed during the quarter. 288 holes for 10,292m were drilled and samples have been delivered for laboratory assessment. Assays are pending.

The first 22 holes for 748m were drilled at Caliwinga in December and have intersected shallow channel iron deposits. Assays are pending.

The Federal environmental authorities determined in MRL's favour that the Lamb Creek development is not a controlled action. WA Mining Approvals and Native Title negotiations will be completed this year. Lamb Creek is planned to follow the Phil's Creek operation towards the end of that mine's production.

Figure 6 (right) - Drilling at Caliwinga during the December 2012 quarter.

Figure 7 (below) - Drilling at Weelumurra during the December 2012 quarter.



TENURE MOVEMENTS

(01/10/12 - 31/12/12)



Table 1. Granted - 1 Tenement

Tenement	Date	Project	Holder	Affected Area
L47/559	18/12/2012	Phil's Creek	PMI - LM	30 Hectares

Table 2. Purchased/Acquired - 8 Tenements

Tenement	Date	Project	Holder	Affected Area	Comments
E47/1236-I	7/12/2012	Yandicoogina Creek	PMI - LM	4 Blocks	Transfer registered from Iron Ore Holdings Ltd
E47/1237-I	7/12/2012	Phil's Creek	PMI - LM	6 Blocks	Transfer registered from Iron Ore Holdings Ltd
E47/1238-I	7/12/2012	Lamb Creek	PMI - LM	44 Blocks	Transfer registered from Iron Ore Holdings Ltd
E47/2002-I	7/12/2012	Phil's Creek	PMI - LM	1 Block	Transfer registered from Iron Ore Holdings Ltd
M47/1357-I	7/12/2012	Lamb Creek	PMI - LM	0 Hectares	Transfer registered from Iron Ore Holdings Ltd
M47/1358-I	7/12/2012	Lamb Creek	PMI - LM	0 Hectares	Transfer registered from Iron Ore Holdings Ltd
M47/1360-I	7/12/2012	Phil's Creek	PMI - LM	316.18 Hectares	Transfer registered from Iron Ore Holdings Ltd
M47/1468-I	7/12/2012	Lamb Creek	PMI - LM	0 Hectares	Transfer registered from Iron Ore Holdings Ltd

Table 3. Relinquished/Surrendered - 12 Tenements

Tenement	Date	Project	Holder	Affected Area
E77/1371-I	23/11/2012	Bullfinch North JV1	Polaris Metals - LM	5 Blocks
E29/654-I	17/12/2012	Perrinvale - Polaris	Polaris Metals - LM	3 Blocks
E77/1767-I	17/12/2012	Lake Deborah	Polaris Metals - LM	70 Blocks
E77/1768-I	17/12/2012	Lake Deborah	Polaris Metals - LM	66 Blocks
P29/1924-I	17/12/2012	Perrinvale - Polaris	Polaris Metals - LM	21.14 Hectares
P29/1925-I	17/12/2012	Perrinvale - Polaris	Polaris Metals - LM	72.5 Hectares
P77/3304	17/12/2012	Bullfinch	Polaris Metals - LM	190 Hectares
P77/4099	17/12/2012	Koolyanobbing	Polaris Metals - LM	23.17 Hectares
P77/4100	17/12/2012	Koolyanobbing	Polaris Metals - LM	119.96 Hectares
E77/946-I	25/10/2012	Yilgarn I.O Stage 1	Polaris Metals - LM	13 Blocks
P77/3946-I	25/10/2012	Yilgarn I.O Stage 1	Polaris Metals - LM	52 Hectares
P77/3949-I	25/10/2012	Yilgarn I.O Stage 1	Polaris Metals - LM	104.03 Hectares

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Sean Gregory who is a full time employee of MRL. Mr Gregory is a Member of The Australasian Institute of Mining and Metallurgy 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'. The Competent Person consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

