



28 February 2013

## ASX Announcement

# MRL agrees mine gate purchase agreement for Iron Valley iron ore

Mineral Resources (MRL; ASX:MIN) announces today that it has signed a mine gate purchase agreement for iron ore from Iron Ore Holdings Ltd's (IOH; ASX:IOH) Iron Valley tenement, located in the Pilbara region of Western Australia.

- MRL has agreed to develop the mine on IOH's behalf for operations to commence within 6 months of final mining approvals being granted;
- IOH is responsible for securing approval for the mining proposal and other statutory items and MRL having responsibility for operating approvals;
- Commencement of the construction phase is expected to be early in Q3 2013;
- MRL will utilise its core mining, processing and logistics competencies to develop and operate the mine and will buy minimum annual volumes of iron ore product from IOH at the mine gate;
- MIN will target a production ramp-up over a three to four year period, depending on economic conditions and the availability of infrastructure and supply chain resources;
- MIN will transport the ore by road to Port Hedland and ship product from port facilities in the Port Hedland region while also investigating the potential of lower cost mine to port transport solutions;
- Mine gate payment prices and the minimum tonnage purchase obligations are both structured in a manner that provides appropriate protection to the parties against the risk of adverse operational and economic conditions whilst ensuring the parties also share in the upside from fluctuations in iron ore prices.

MRL Managing Director, Chris Ellison, said "*entry into this agreement with Iron Ore Holdings provides the opportunity for both companies to work to their strengths. It further cements MRL's presence in the Pilbara iron ore region and provides the opportunity to expand its iron ore business. The IOH agreement provides MRL with access to a substantially increased resource base in the region complementing its current iron ore and manganese operations.*"

MRL operates its own Phil's Creek and Poondano iron ore mines and other manganese operations in the region. The Phil's Creek mine was constructed and brought into operation within 7 months of final approvals being granted with the first iron ore shipped from this site in November 2012. The proximity of Iron Valley to Phil's Creek may provide an opportunity for the sharing of common resources for both sites. MRL purchased its Phil's Creek, Lamb Creek and Yandicoogina Creek tenements from IOH in 2011 and the Phil's Creek deposit is the first of this package to be put into production.



MRL currently undertakes a number of other large-scale mining and contract crushing, processing and services activities throughout Western Australia. The Carina mine in the state's Yilgarn region has been in operation since 2011. MRL exported 4 million tonnes of iron ore and manganese from its operating mines in FY 2012 and 2.7 million tonnes in the first half of 2013. Its annual contract crushing capacity is expected to be approximately 130 million tonnes per annum by the end of FY 2013.

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*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.*

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