



**QUARTERLY EXPLORATION AND
MINING ACTIVITIES REPORT
JANUARY TO MARCH Q3 FY2018**

MINERAL RESOURCES LIMITED

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HIGHLIGHTS

- Total lithium and iron ore production for the quarter was 3.95 million wet tonnes with 3.34 million wet tonnes shipped. This is in line with operational targets.
- Lithium production was on target, although some delayed shipping of Wodgina DSO occurred in January and February.
- Construction of the Wodgina 750,000 dry tonne per annum spodumene processing facility is well underway. Construction of the first 250,000 tonne module is due for completion in Q4 CY18.
- Prices for low iron ore fines continue to make iron ore operations challenging. The Platts 62% index price ended the quarter at \$USD63 and discounts for low grade fines products remain high.

PRODUCTION AND COMMODITY SHIPMENTS

'000 WMTs	Q2 FY18		Q3 FY18		YTD FY18	
	PRODUCED	SHIPPED	PRODUCED	SHIPPED	PRODUCED	SHIPPED
UTAH POINT						
Iron Valley	2,021	1,513	1,800	1,539	5,796	4,597
Wodgina	1,104	1,044	1,159	956	3,176	2,728
Total Utah Point	3,125	2,557	2,958	2,495	8,972	7,324
KWINANA BULK TERMINAL 2						
Carina & J4	999	936	890	760	2,936	2,537
Mount Marion ¹	109	111	105	86	326	287
Total Kwinana Bulk Terminal 2	1,108	1,047	995	846	3,262	2,824
TOTAL IRON ORE	3,020	2,449	2,690	2,299	8,732	7,133
TOTAL SPODUMENE	109	111	105	86	326	287
TOTAL DSO LITHIUM	1,104	1,044	1,159	956	3,176	2,728
GRAND TOTAL	4,233	3,604	3,953	3,340	12,233	10,148

¹ Volume produced and shipped is presented as 100% for the Mt Marion project.
MRL's ownership interest in the Mt Marion project is 43.10%.



Images: Construction underway of crushing and beneficiation plants

LITHIUM WODGINA PROJECT

'000 WMTs	Q1 FY18	Q2 FY18	Q3 FY18
Mined	1,132	1,039	1,416
Produced	913	1,104	1,159
Shipped	728	1,044	956

Production of DSO lithium for the quarter was 1.16 million wet tonnes, an annualised rate of 4.6 million wet tonnes. Production rates are now benefiting from additional operational capacity introduced into the mining fleet during March, which lifted the DSO mining rates above 5 million wet tonnes per annum.

DSO export volumes from Wodgina were 0.96 million wet tonnes for the quarter. These results were impacted by adverse weather and port congestion in January and February. March volumes were back on target and, subject to the weather and shipping schedules, will continue at the current level for the balance of this financial year.

Construction of the 750,000 dry tonne per annum three stage spodumene processing plant along with the associated crushing and non-process infrastructure upgrades continue as planned

with the first stage 250,000 tonne module to begin commissioning in Q4 CY18 followed by stages 2 and 3 in Q1 CY19 and Q2 CY19 respectively.

Customer acceptance of the product continues to be positive as customers processing plant configurations and ramp-up programs are completed and enter production. MRL technical staff continue to support the development and ramp-up of customers plants on an ongoing basis.

The Wodgina resource exploration drilling program is now complete and a new resource estimate is being calculated. The drilling program targeted three key areas, Cassiterite Pit East, East Valley and West Wodgina over the 100-day program drilling approximately 7,300 metres. A separate JORC resource statement will be provided when completed with the results.



Image:
Mount Marion:
Accommodation village

LITHIUM MOUNT MARION PROJECT

'000 WMTs	Q1 FY18	Q2 FY18	Q3 FY18
Mined	665	722	737
Produced	112	109	105
Shipped	90	111	86

Safety performance at the Mt Marion operation remains in line with MRL's high standards with a Lost Time Frequency Rate (LTFR) of zero, representing 875 days free of any Lost Time Injuries.

The development of new mining areas CO1 and N06 continued with first ore produced ahead of schedule from the CO1 pit. Record total material movement of 6.9 million wet tonnes for the quarter has accelerated the exposure of ore in both of these pits providing blending opportunities with other ore sources within the project area.

Processing plant operations maintained consistent plant reliability, yield and throughput rates. Improved product blending has optimised the proportion of high grade product being produced and offtake agreement product grades are being consistently achieved.

The project produced 105,000 wet tonnes of spodumene in the period. This is consistent with the previous quarter's production. 54% of the product produced was high grade (6%) and 46% low grade

(4%). 86,000 wet tonnes were shipped in the quarter to Ganfeng's production facility in accordance with our offtake agreement.

The market price for 6% spodumene was \$USD900 per tonne and \$USD510 for 4% product during the current quarter with the prices increasing by 6.8% to \$USD960 and \$USD544 from April 2018.

Construction of plant upgrades and processing improvements to facilitate the production of all high grade (6%) spodumene is on track for completion in the Q4 CY18 with the plant being ramped up to 100% high grade production shortly after. Construction of the accommodation village expansion, ammonium nitrate explosives facility and dry tailings load out facility were completed during the current quarter.

The Mineral Resources operated, Mount Marion Project is a joint project between Mineral Resources (43.1%), Neometals Limited (13.8%) and one of the world's largest lithium producers, Jiangxi Gangfeng Lithium Co (43.1%).



IRON ORE

Images

Iron Valley: Production of 1.80WMT during the quarter

Yilgarn: Exports expected to conclude CY2018

MARKET PRICES

Iron ore prices continue to be challenging with the benchmark Platts 62% index falling by 15% during the quarter from \$USD74 to \$USD63. Product discounts for low grade fines material have also increased to above 40% and we believe these levels form the basis for future low grade fines pricing. Lump premiums improved marginally in the quarter, offsetting some of the effect of increasing discounts on fines.

IRON VALLEY PROJECT

'000 WMTs	Q1 FY18	Q2 FY18	Q3 FY18
Mined	2,120	1,868	1,702
Produced	1,975	2,021	1,800
Shipped	1,545	1,513	1,539

Iron Valley produced 1.8 million wet tonnes of product in the quarter and shipped 1.5 million wet tonnes. Some fines product continues to be held in stockpile to preserve value of the resource from the prevailing high discounts. This stockpile is blended with higher grade product and shipped as market conditions allow.

With the mobilisation of the second EX2600 excavator and two more HD1500 trucks late in 2017, Iron Valley has increased its workforce to meet an increase in material movement required during the quarter to gain access to high grade, low contaminant ore inside of the central C7, C2, C4 pits. Blending product is also being mined from MRL's wholly owned Phil's Creek mine.

YILGARN PROJECT

'000 WMTs	Q1 FY18	Q2 FY18	Q3 FY18
Mined	1,248	664	296
Produced	1,047	999	890
Shipped	841	936	760

Mining of additional ore from Carina Extended continued during the quarter. Mining has now ceased and iron ore exports are expected to end in late CY18.

Personnel required for mine care and maintenance preparation works such as rehabilitation continue to operate from the site. Mining and support personnel have been successful redeployed to meet expanding operational requirements at Wodgina and Mt Marion.

Operational staff remain on site from the road haulage, crushing and logistics teams. Crushing continued at high feed rates in the quarter to ensure costs are minimised during this period.

A comprehensive rehabilitation plan has been developed and implementation commenced once mining activities ceased. The majority of the rehabilitation activities are carried out during the operational phase.



Image: Red Gully

OIL AND GAS

MRL has largely completed the changes required at the Red Gully Production Facility, Red Gully-1, Gingin West-1 and Red Gully North-1 wells to enter care and maintenance. This process requires an updated safety case, changes to the plant and well configurations along with changes to the maintenance and monitoring regimes.

A formal request to the Minister for Mines and Petroleum via DMIRS

has been submitted for extensions to the Empire Oil WA exploration tenements. The extension submission is supported by a thorough technical review and revised work plan.

An internal review has identified prospective areas within the EGO portfolio for exploration drilling. A program of resource expansion is expected to be approved shortly.



Image: Applecross: Head Office

FURTHER INFORMATION

Bruce Goulds

Company Secretary & CFO

Mineral Resources Limited

T: +61 8 9329 3600

E: bruce.goulds@mineralresources.com.au

COMPETENT PERSON'S STATEMENT

The information is extracted from previous MIN ASX announcements available on the company website at www.mineralresources.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

STREET ADDRESS:

1 Sleat Road,
Applecross,
Western Australia 6153

PHONE & FAX

T. +61 8 9329 3600
F. +61 8 9329 3601

POSTAL ADDRESS:

Locked Bag 3, Canning Bridge,
Applecross,
Western Australia 6153

ONLINE

E. reception@mrl.com.au
www.mineralresources.com.au

