



ASX ANNOUNCEMENT

13 June 2018

ACQUISITION OF CLIFFS' YILGARN IRON ORE ASSETS

Mineral Resources Limited (**ASX: MIN, MRL, the Company**) is pleased to announce that it has entered into a definitive agreement with Cleveland-Cliffs Inc. (**NYSE: CLF, Cliffs**) to acquire the assets that were used by its wholly owned subsidiary, Cliffs Asia Pacific Iron Ore Pty Ltd, to run its Koolyanobbing iron ore operation in the Yilgarn region of Western Australia.

The assets that MRL will acquire include Cliffs' tenements and all remaining iron ore as well as the fixed plant, equipment and non-process infrastructure items on those tenements.

In addition, MRL will assume ownership of Cliffs' fixed infrastructure assets at the Port of Esperance, which include the rail car dumper and two large storage sheds.

Koolyanobbing is located approximately 50km north of Southern Cross and immediately adjacent to MRL's existing Carina Iron Ore Project.

The acquisition of the remaining iron ore in the Cliffs deposits will enable MRL to realise further value from the investments it previously made in fixed plant, mobile equipment and rail rolling stock, which the Company has used to operate Carina since 2011. This transaction will also see MRL commence an iron ore export business from Esperance using larger and more cost-effective cape-size vessels.

MRL acknowledges the significant support it has received from the West Australian Government. The Government has helped facilitate this transaction by implementing a set of measures that in turn allows continuation of iron ore mining activities in the Yilgarn, the associated ongoing utilisation of the Port of Esperance and the continued employment of hundreds of West Australians.

The Company also extends its appreciation to Arc Infrastructure for agreeing a track access framework that assists with the economics of a continued Yilgarn-to-Esperance iron ore operation at a time of challenging market conditions for producers of lower-grade iron ore.

Financial terms of the transaction with Cliffs are commercial in confidence.

Mineral Resources Managing Director Chris Ellison said:

"I would like to thank Cliffs, their local management team and their advisers KordaMentha and Norton Rose Fulbright for working tirelessly with the MRL team over recent weeks to successfully conclude this transaction.

"I particularly wish to acknowledge the efforts of the State Government, the Premier Mark McGowan and his Ministers whose commitment to preserving jobs in Western Australia and getting better results for the Yilgarn has been plainly evident in our dealings with them.



“I also wish to thank the team at Arc Infrastructure for their pro-active approach in agreeing an acceptable below-rail access arrangement that recognises the challenging conditions in the lower-grade iron ore market.

“Our combined efforts have culminated in a transaction that delivers a win-win outcome for all parties involved:

- Cliffs achieves a clean exit from Australia on economic terms that are more favourable than if they were to have simply shut down the Koolyanobbing operation;
- The remaining iron ore left on the Cliffs tenements will be extracted and sold to create ongoing economic activity and benefit for Western Australia; and
- MRL will continue sending tonnes down the rail to Esperance and by doing so continue to provide jobs for hundreds of West Australians for the next five to six years.

“I can confidently say that this transaction, and the many benefits it will create for Western Australia, would simply not have been possible without the cooperation and commitment from Cliffs, the State Government and Arc Infrastructure.”

ENDS

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