



ASX ANNOUNCEMENT

24 July 2018

UPDATE ON INVESTOR DISCUSSION ON 19 JULY 2018

Mineral Resources Limited (**ASX: MIN, MRL, the Company**) refers to an investor telephone discussion on 19 July 2018. Set out below is a summary of the matters discussed in that telephone discussion.

Wodgina Lithium Project

The development of the Company's 100% owned Wodgina Lithium Project is progressing as expected.

Commissioning of the spodumene concentrate processing plant remains on target to commence in October 2018. The plant will progressively ramp up production through to the second quarter of CY 2019.

The Company's forecast capital costs for the project is expected to be in the order of \$610 million* with a significant portion of these costs already committed. The main items of capital expenditure include the new crushing plant, the three spodumene concentrate trains, an airport, the gas pipeline and the power station.

Once fully commissioned, the plant will have three trains, with the capacity to produce 750,000 dry metric tonnes of 6% Li₂O spodumene concentrate per annum increasing to approximately 880,000 dry metric tonnes in the event that 5.5% spodumene concentrate grade is targeted.

The Company's forecast sale price for 6% spodumene concentrate remains at US\$960 per tonne in accordance with the Company's financial guidance update of 11 April 2018 and the pricing estimates in the Company's ASX announcement of 7 May 2018.

Once the plant is fully commissioned and operating in accordance with nameplate capacity, the Company's estimated annual earnings before interest, taxes, depreciation and amortisation for the Wodgina project is expected to be AU\$600 million** based on:

- the assumptions set out above;
- the Company's forecast operating costs at Wodgina which are expected to be similar to the operating costs at Mt Marion as set out in the Company's half yearly results information pack of 8 February 2018; and
- the AUD/USD exchange rate as at 19 July 2018.



Wodgina Lithium Minority Sale Process

The Company has commenced a process to sell up to 49% of the Wodgina Lithium Project.

Macquarie Capital (Australia) Limited and Gilbert + Tobin have been appointed to assist the Company to manage the minority interest sale process.

Non-binding indicative offers are expected in mid to late August and the Company is targeting an announcement of a transaction by the end of calendar year 2018.

The Company will enter into a transaction only if it is in the best interests of the Company's shareholders.

Pilbara Infrastructure Development

The Company's proposed narrow gauge, lightweight rail system is progressing and has been modelled on a base case 20 million tonnes per annum run rate, with a total system capacity of 50 million tonnes per annum.

The estimated total cost for this development is in the order of AU\$1.4-1.6 billion* and will include costs for construction of a 320 kilometre rail system, rolling stock for the rail system, a fully automated stockyard and development for one cape size carrier berth.

Once completed, this significant infrastructure development will form a key part of the Company's mining services business.

Cliffs Transaction

On 13 June 2018, the Company announced an agreement with Cleveland-Cliffs Inc. 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.

Matters discussed in the telephone discussion about the Cliffs transaction are set out in the Company's announcements on 13 June and 19 July 2018.

ENDS

For further information, please contact:

Simon Rushton
Company Secretary
Mineral Resources Limited
T: +61 8 9329 3600

E: Simon.Rushton@mineralresources.com.au

* Capital requirements have been estimated through the MRL Group's internal specialist engineering capability.

** This release contains forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties. Actual results and developments may differ materially from the forecasts, projections in this release.