



ASX ANNOUNCEMENT

19 March 2020

Mineral Resources to Restructure Non-Core Manganese Assets

Mineral Resources Limited (**ASX: MIN; MRL or Company**) is pleased to announce that it has entered into an Asset Sale Agreement with Resources Development Group Limited (**ASX: RDG; RDG**) that will deliver value to MRL from its non-core manganese assets (**Manganese Assets**). As part of the transaction, MRL will transfer its Manganese Assets to RDG in return for MRL receiving scrip equivalent to a 75% shareholding in RDG (**Transaction**).

In addition and subject to completion of the Transaction, MRL will provide assistance for the development of a manganese project via a services contract (**Services**) with RDG and provide funding assistance through a secured loan (**Loan**) to enable RDG to develop the Manganese Assets and deliver shareholder value. MRL Services will include the design, construction, supply and commissioning of processing and non-processing infrastructure. The Loan of up to \$35 million will have a 5 year term with an interest rate of 8.125% per annum.

The Manganese Assets subject to the transaction are tenements M46/237 (which covers the Sunday Hill manganese project), M46/238 (which covers the Ant Hill manganese project) and L46/67.

MRL's core focus will increasingly be on assets that have significant scale and mine life to leverage the Company's project execution and mining services capabilities for years to come. The Manganese Assets are more relevant in scale to a company like RDG, which can provide the necessary strategic and financial support and attention to deliver significant value for all shareholders.

RDG was co-founded by chairman Andrew Ellison, the brother of MRL managing director Chris Ellison. As a result, Chris Ellison has recused himself from all MRL Board discussions relating to RDG or the Transaction.

Upon completion of the Transaction, MRL will nominate three of five directors on RDG's board. Andrew Ellison will remain RDG's managing director.

Mineral Resources' Chairman, Peter Wade, commented:

"MRL has a strong balance sheet with a number of large, long life opportunities that will be developed subject to meeting a minimum 20% Return on Invested Capital".

"The restructure of the Manganese Assets enables value to be realised today while preserving longer term optionality, at a time when there are significant opportunities within our portfolio."

"MRL will support RDG in its aspirations to grow the volume and value of project work in the mining, energy and infrastructure sectors at a level that is complementary to MRL's own contracting and mining services focus."

MRL anticipates completion of the Transaction by the end of the financial year.



This announcement dated 19 March 2020 has been authorised for release to the ASX by Mark Wilson, Company Secretary of Mineral Resources Limited.

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For further information:

Investor Relations

James Bruce
Head of Investor Relations
T: +61 8 9329 3706
E: James.Bruce@mrl.com.au

Media

Peter Klinger
Cannings Purple
T: +61 411 251 540
E: pklinger@canningspurple.com.au

Mineral Resources Limited
1 Sleat Road
Applecross, WA 6153
Australia

T: +61 8 9329 3600
E: investorrelations@mrl.com.au
W: www.mineralresources.com.au

About Mineral Resources

Mineral Resources Limited (ASX: MIN) is a Perth-based leading mining services provider, with a particular focus on the iron ore and hard-rock lithium sectors in Western Australia. Using technical know-how and an innovative approach to deliver exceptional outcomes, Mineral Resources has become one of the ASX's best-performing contractors since listing in 2006.

To learn more, please visit www.mineralresources.com.au.

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