

QUARTERLY EXPLORATION AND MINING ACTIVITIES REPORT

January to March 2021 (Q3 FY21)



16 April 2021

Mineral Resources Limited (ASX: MIN) ("MRL" or the "Company") is pleased to present its Quarterly Exploration and Mining Activities Report for the period to 31 March 2021.

Q3 KEY POINTS

- Safety performance continued to improve, with a 12-month rolling Lost Time Injury Frequency Rate (LTIFR) maintained at zero and a Total Reportable Injury Frequency Rate (TRIFR) of 2.39 at March 2021. This represents an improvement of 13% over the quarter.
- Mining Services production volumes for the quarter was consistent with the prior corresponding period (Q3 FY20) (pcp) and in-line with expectations.
- Iron ore shipments totalled 4.1 million wet metric tonnes (wmt), consistent with Q2 FY21 and up over 51% on pcp. During the past six months MRL has produced 10.1m wmt but have shipped 8.5m wmt. MRL has experienced haulage constraints caused by a shortage of truck drivers resulting from the unplanned sudden state border closures, implemented following COVID-19 outbreaks around the country. This shortage has meant that, on average, hauling capacity of approximately 10,000 wmt per day otherwise available to MRL was sitting idle. FY21 guidance of 19.5m wmt to 20.5m wmt was based on an expected increase in shipments aligning with production. It is not clear when these haulage issues will be resolved and, therefore, iron ore shipment guidance for FY21 is now expected to be in the 17.4m to 18.0m wmt range.
- Total iron ore production during the quarter of 4.9m wmt was consistent with Q2 FY21 and up more than 44% on pcp, in line with mine plans. Crushed iron ore stockpiles on site at 31 March 2021 increased 1.3m wmt to 1.4m wmt since 30 June 2020.
- The average realised iron ore price was US\$144.8 per dry metric tonne (dmt), which is 5% higher than the previous quarter.
- The first iron ore shipments from the 5mtpa Wonmunna Iron Ore Mine commenced during the quarter, following the safe and rapid development of the mine.
- During the quarter, MRL commissioned three crushing plants, including a NextGen 2 plant at Mount Whaleback, the Wonmunna plant and another at a third-party site. The combined capacity of these plants is 31mtpa.
- In March 2021, MRL was awarded two highly prospective gas exploration permits in the Perth and Northern Carnarvon Basins. The award of these permits aligns with MRL's strategy to secure its own natural gas supply to provide energy security for current and future MRL mining operations at lower cost and with lower emissions to replace diesel use across the business.
- Mt Marion Lithium Project production of 108,696 dmt was 16% lower than Q2 FY21 because of lower yielding ore being used in production, as part of the optimised long-term mine plan. Production was up 22% pcp. Shipments of spodumene concentrate were back in line with expectations and the mine remains on track to meet or exceed shipment guidance for FY21 of 450kt to 475kt.
- Construction by Albemarle Corporation (NYSE: ALB) (Albemarle) of the 50ktpa Kemerton Lithium Hydroxide Plant continued, with a workforce of approximately 1,250 people on site. The project remains on track for completion in the second half of calendar year 2021.

Production and Commodity Shipments

'000 wet metric tonnes	Q3 FY21		Q2 FY21		Q3 FY20	
	PRODUCED	SHIPPED	PRODUCED	SHIPPED	PRODUCED	SHIPPED
IRON ORE ('000 wet metric tonnes)						
Yilgarn Hub	2,698	2,494	2,955	2,742	1,752	1,574
Utah Point Hub ¹	2,244	1,623	2,144	1,622	1,684	1,323
TOTAL IRON ORE	4,942	4,117	5,099	4,364	3,436	2,897
SPODUMENE ('000 dry metric tonnes)						
Mount Marion ²	109	128	129	85	89	96

¹ Utah Point Hub consists of Iron Valley and Wonmunna.

² Volumes presented as 100% for the Mt Marion project. MRL operates 100% of the Mt Marion project, in which it owns a 50% interest.

IRON ORE

Yilgarn Hub

'000 wet metric tonnes	Q3 FY21	Q2 FY21	Q3 FY20
Mined	2,485	2,381	1,262
Produced	2,698	2,955	1,752
Shipped	2,494	2,742	1,574

Ore mined was 2.5m wmt during the quarter, an improvement on the prior quarter following the arrival of additional mining fleet at the end of Q2 and the reallocation of equipment to improve productivities across the pits.

In order to simplify production and shipment planning, during the quarter the decision was taken to focus production for the short to medium-term on fines ore. The resulting crusher conversions along with abnormally high weather delays, wet ore constraints and long-road haulage from the northern pits all negatively impacted on production during the quarter.

Total shipped tonnes decreased from the previous quarter as a result of crushing and haulage constraints along with train delays and the cancellation of two trains because of a bushfire near Kwinana.

Utah Point Hub

'000 wet metric tonnes	Q3 FY21	Q2 FY21	Q3 FY20
Mined	2,374	2,166	1,357
Produced	2,244	2,144	1,684
Shipped	1,623	1,622	1,323

An improvement in overall production was facilitated by the successful commissioning of the Wonmunna plant. The Iron Valley crushing plant performed well, with a healthy stockyard inventory.

LITHIUM

Mt Marion

SPODUMENE			
'000 dry metric tonnes	Q3 FY21	Q2 FY21	Q3 FY20
Mined	603	647	579
Produced	109	129	89
Shipped	128	85	96

Volumes presented as 100% for the Mt Marion project. MRL operates 100% of the Mt Marion project, in which it owns a 50% interest.

The MRL-operated Mt Marion Lithium Project is a joint project between MRL (50%) and one of the world's largest lithium producers, Jiangxi Ganfeng Lithium Co., Ltd (50%) (Ganfeng).

Mining was slightly lower during the quarter at 0.6m dmt, in line with the mine plan. Total material mined remained steady with 6.8m dmt.

The processing plant's total utilisation was 90% while the throughput rate remained steady at 302 tph. This resulted in beneficiated feed tonnes of 575,000 dmt compared to 577,000 dmt in the previous quarter. The total spodumene concentrate produced in the quarter was 109,000 dmt, with high grade in line with mine plan.

Shipped tonnes were higher in the quarter at 128,000 dmt due to of the timing of shipments.

Wodgina

The Wodgina Lithium Project is an unincorporated joint venture - MARBL JV - between MRL (40%) and Albemarle (60%) and came into effect on 1 November 2019. The project remains in care and maintenance. The MARBL JV regularly reviews market conditions with a view to resuming spodumene concentrate production as and when required and as driven by market demand.

Kemerton

MRL, through the MARBL JV, has a 40% interest in two 25ktpa (product) lithium hydroxide processing trains being constructed by Albemarle at Kemerton, located in Western Australia's South West near the regional city of Bunbury. Construction and receipt of equipment are ongoing. The plant is on track to track for completion and the commencement of commissioning, in the second half of calendar year 2021.

MINING EXPLORATION AND DEVELOPMENT ACTIVITY

Yilgarn Hub

Koolyanobbing

MRL completed resource definition drilling at Parker Range, with a total of 11,724 metres of reverse circulation (RC) drilled throughout the campaign.

A 27,000-metre campaign of RC and diamond drilling is scheduled to commence at Mt Richardson in Q4 FY21. The drilling is aimed at delivering a maiden mineral resource over the exploration target.

Utah Point Hub

Wonmunna

In March, MRL commenced a 12,000-metre resource definition drilling program at the Wonmunna Iron Ore Mine. A total of 2,194 metres of RC and 181 metres of diamond core was drilled during the quarter. Drilling is on track for completion in Q4 FY21.

Lamb Creek

Drilling at the Lamb Creek Iron Ore project was completed during the quarter. A total of 9,456 metres of RC and 369m of diamond core was drilled throughout the campaign.

Ashburton Infrastructure Development

Kumina and Bungaroo South

MRL continues to progress project development activities at Kumina and Bungaroo South. A total of 6,486 metres of RC and 525 metres of diamond core was drilled at Kumina during the quarter. Drilling and on-ground project development activities will continue into Q4 FY21. A programme of 11,000 metres of RC and 3,000 metres of diamond core is scheduled to commence at Bungaroo South in Q1 FY22.

South West Creek Development

Marillana

MRL progressed drilling and metallurgical test work at Marillana Iron Ore Project in line with the Farm-in and Joint Venture Agreement (FJV Agreement) entered into on 26 July 2018 with Brockman Iron Pty Ltd, a subsidiary of Brockman Mining Limited (SEHK: 159; ASX: BCK) (Brockman). Pursuant to the FJV Agreement, and subject to the terms and conditions therein, MRL may farm in by satisfying the farm-in obligations and earn a 50% interest in Marillana. The Farm-in Obligations are expected to be completed around mid-2021. See Brockman ASX announcement dated 11 January 2021 for further details on the status of the Marillana development.

Energy

Gas

In March 2021, MRL was awarded two highly prospective gas exploration permits in the onshore Perth and Northern Carnarvon Basins.

The award of these permits aligns with MRL's strategy to secure its own natural gas supply to provide energy security for current and future MRL mining operations at lower cost and with lower emissions to replace diesel use across the business. MRL has committed to achieving Net Zero Emissions by 2050, and natural gas will play a key role in this transition.

Permit L20-4 is located in the Perth Basin, host to several recent conventional gas discoveries. MRL now operates eight permits in the Perth Basin and is the largest petroleum acreage holder in the basin, with permits spanning more than 7,200km².

Permit L20-1 is located in the Northern Carnarvon Basin and spans more than 6,200km². MRL and Buru Energy (ASX: BURU) jointly bid on this permit and will form a 50:50 Joint Venture, with Buru as operator. This permit is immediately adjacent to MRL's proposed Ashburton Infrastructure Development, including the Bungaroo and Kumina mining projects, and located close to existing gas infrastructure.

In current operations, the Romanesque 3D Seismic Survey will commence in the current quarter, with the objective of identifying drillable targets to bring the 10 TJ/day Red Gully gas processing facility (currently on care and maintenance) in the Shire of Gingin back into production.

The Lockyer Deep 1 conventional gas well remains on track to commence drilling in 1H FY22.

Renewable Energy

MRL is developing a Decarbonisation Roadmap to lead the Company to Net Zero Emissions by 2050. This Roadmap will provide the operational framework to support reaching this target as soon as practical.

Plans are currently in place to install a 1.5MW solar array and battery at the Wonmunna mine site in 1H FY22. Wonmunna is currently powered by diesel, and this solar installation will:

- Reduce the diesel consumption on site by approximately 600,000 litres per annum
- Reduce the carbon emissions on site by approximately 1,800 tonnes of CO2 per annum

The combined solar/battery system will provide approximately 30% of the site's installed power requirements.

The system has been designed with an expected life of up to 20 years, such that when Wonmunna reaches its end-of-mine life, the solar array can be redeployed to another site.

In addition to solar energy, MRL continues to look at all forms of renewable energy for power generation, road transport and mining equipment in the quest to reduce emissions as rapidly as possible.

This announcement dated 16 April 2021 has been authorised for release to the ASX by Mark Wilson, Company Secretary of Mineral Resources Limited.

Further Information

Investor Relations

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

Media

Peter Klingler
Cannings Purple
T: +61 (0)411 251 540
E: pklingler@canningspurple.com.au

Competent Person's Statement

The information presented is extracted from previous MIN ASX announcements available on the company website at www.mrl.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.

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.mrl.com.au.

Mineral Resources Limited

1 Sleat Road
Applecross, WA 6153
Australia
T: +61 8 9329 3600
E: investorrelations@mrl.com.au
W: www.mrl.com.au

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