

30 JULY 2021

## Mineral Resources to acquire Red Hill Iron's JV interest

Mineral Resources Limited (**ASX: MIN**) (**MRL** or the **Company**) is pleased to announce an agreement with Red Hill Iron Limited (ASX: RHI; Red Hill Iron) to acquire RHI's 40% participating interest in the Red Hill Iron Ore Joint Venture (RHIOJV) in the West Pilbara region of Western Australia.

The proposed acquisition of the RHIOJV interest aligns with MRL's strategy to expand its resource inventory around the Ashburton Hub to underpin a long-term, sustainable iron ore export business.

The RHIOJV was created in 2005 when the Australian Premium Iron Joint Venture (APIJV) farmed into RHI's mineral tenements, covering some 1,900km<sup>2</sup> along the western margin of the Hamersley Province. APIJV retains a 60% interest in RHIOJV. RHI has previously reported that the RHIOJV tenements contain a Mineral Resource of 820Mt grading 56.44% iron – see RHI ASX announcement dated 30 January 2020 *Red Hill Iron Ore Joint Venture Mineral Resource Update*.

The material terms of MRL's proposed acquisition of RHI's participating interest in RHIOJV are as follows:

- The transaction is conditional on RHI obtaining shareholder approval.
- MRL will pay RHI \$200m, out of existing cash resources, on completion of the acquisition of the RHIOJV interest and a further \$200m cash when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs port.
- In addition, MRL will pay RHI a royalty of 0.75% of FOB revenue on all iron ore that is extracted and sold from the RHIOJV tenements and, from MRL's Bungaroo South tenement, provided Bungaroo South is developed in association with the development of the RHIOJV tenements.

MRL expects the acquisition of the RHIOJV interest to complete around early September 2021.

The APIJV is held 50-50 by Aquila Steel Pty Ltd (50%) and AMCI (IO) Pty Ltd (50%). Aquila Steel is a wholly owned subsidiary of Aquila Resources Pty Ltd which is owned 85% by Baosteel and 15% by MRL, while AMCI (IO) is owned 51% by AMCI and 49% by POSCO.

MRL's Ashburton Hub project envisages annual iron ore exports of up to 30Mtpa, based on iron ore deposits including Bungaroo South and Kumina.

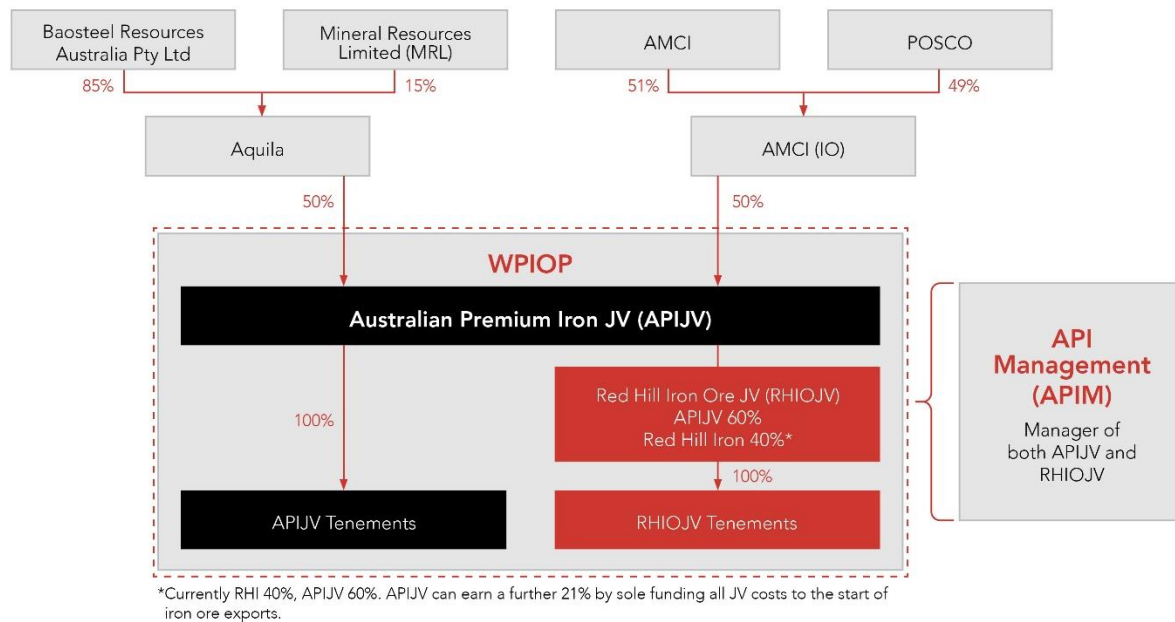
### **Mineral Resources Managing Director Chris Ellison said:**

"We are pleased to have reached agreement with Red Hill Iron to acquire its participating interest in RHIOJV. The transaction is in line with our strategy to build own and operate infrastructure assets to unlock stranded iron ore deposits in the Pilbara and build a long-life, sustainable iron ore business exporting out of Onslow."

"The RHIOJV holds a sizeable iron ore Mineral Resource in a strategically significant location in the West Pilbara. MRL's proposed acquisition of RHI's participating interest in the RHIOJV will enhance the Company's iron ore footprint in the West Pilbara as we progress our Ashburton Hub development."

"We look forward to joining the RHIOJV and working constructively with the other partners to deliver value for all stakeholders."

## Information regarding Red Hill Iron Ore Joint Venture



As set out in RHI's announcement on 30 January 2020, the Mineral Resource defined within the RHIOJV is 820Mt at 56.4% Fe (JORC Code 2012 Edition). Red Hill Iron previously reported JORC Ore Reserves of 537Mt at 57.2% Fe at a strip ratio of 0.79:1 covering multiple deposits in an announcement dated 16 September 2015.

### Mineral Resources (JORC 2012): (Red Hill Iron ASX announcement 30 January 2020)

Project	JORC Category	Mt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	LOI (%)	P (%)
West Pilbara Iron Ore Project (RHIOJV)	Measured	263	57.2	5.72	3.67	8.24	0.08
	Indicated	452	56.3	6.32	3.85	8.65	0.07
	Inferred	104	55.2	6.82	4.21	9.38	0.06
	<b>Total</b>	<b>820</b>	<b>56.4</b>	<b>6.19</b>	<b>3.84</b>	<b>8.62</b>	<b>0.07</b>

### Ore Reserves (JORC 2012): (Red Hill Iron ASX announcement 16 September 2015)

Project	JORC Category	Mt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	LOI (%)	P (%)
West Pilbara Iron Ore Project (RHIOJV)	Proved	208	57.7	5.5	3.6	7.9	0.08
	Probable	329	57.0	5.9	3.7	8.4	0.07
	<b>Total</b>	<b>537</b>	<b>57.2</b>	<b>5.7</b>	<b>3.6</b>	<b>8.2</b>	<b>0.07</b>

ENDS

*This announcement dated 30 July 2021 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary.*

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**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.