31 October 2024

$1.1 billion gas deal reached with Hancock

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or **Company**) is pleased to announce it has reached a $1.1 billion agreement with Hancock Prospecting Pty Ltd (**Hancock**) on its oil and gas exploration ground.

MinRes and Hancock have executed a binding Sale and Purchase Agreement for MinRes to sell 100% of its Exploration Permits (**EP**) 368 and 426 in the Perth Basin to Hancock, and enter two Joint Venture Agreements over MinRes' remaining onshore Perth Basin and Carnarvon Basin exploration acreage. Under the agreements, Hancock will pay MinRes a total cash consideration of up to $1.13 billion.

As announced on 16 September 2024, MinRes has been reviewing options to best release value from its gas exploration ground in response to a number of inbound queries from domestic and global parties. The Company has been assisted by JP Morgan in this process.

This transaction reflects the long-standing, value-enhancing relationship between MinRes and Hancock, two proudly Western Australian leaders in resource project development and operation who are together spearheading investment in the State's future energy needs.

Transaction summary

The transaction proceeds are payable by Hancock in cash and comprise:

- **Upfront consideration of $804 million** for EP368 and EP426, payable upon completion and subject to limited conditions precedent, including ministerial consents. Completion is expected by the end of 2024; and
- **Additional purchase price adjustments of $327 million**, subject to meeting certain resource thresholds and classifications for the Moriary Deep Prospect and Lockyer Gas and Erregulla Oil discoveries. Definition drilling related to the purchase price adjustment for the Moriary Deep Prospect and the Lockyer Gas discovery are expected to be completed during FY25, with drilling of the Moriary-2 well to begin in November 2024.

On completion of the transaction, Hancock will acquire 100% of EP 368 and EP 426 (Figure 1), plus receive a 50% share in MinRes' remaining Perth Basin and Carnarvon Basin permits (**Exploration JV**[1]). MinRes will retain a 50% interest in the Exploration JV assets and remain as operator, while receiving initial funding for the high-priority work program in the Carnarvon Basin.

If a commercial discovery is made and a joint decision to develop is agreed, Hancock has agreed to fund 100% of post-FID development costs for the Exploration JV assets. MinRes' interest will be carried at a commercial interest rate on reasonable terms.

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[1] For the Perth Basin this includes EP 430, 454, 507, 432, 389 and 440; Carnarvon Basin includes EP 510, L 22-2 and L 22-4.

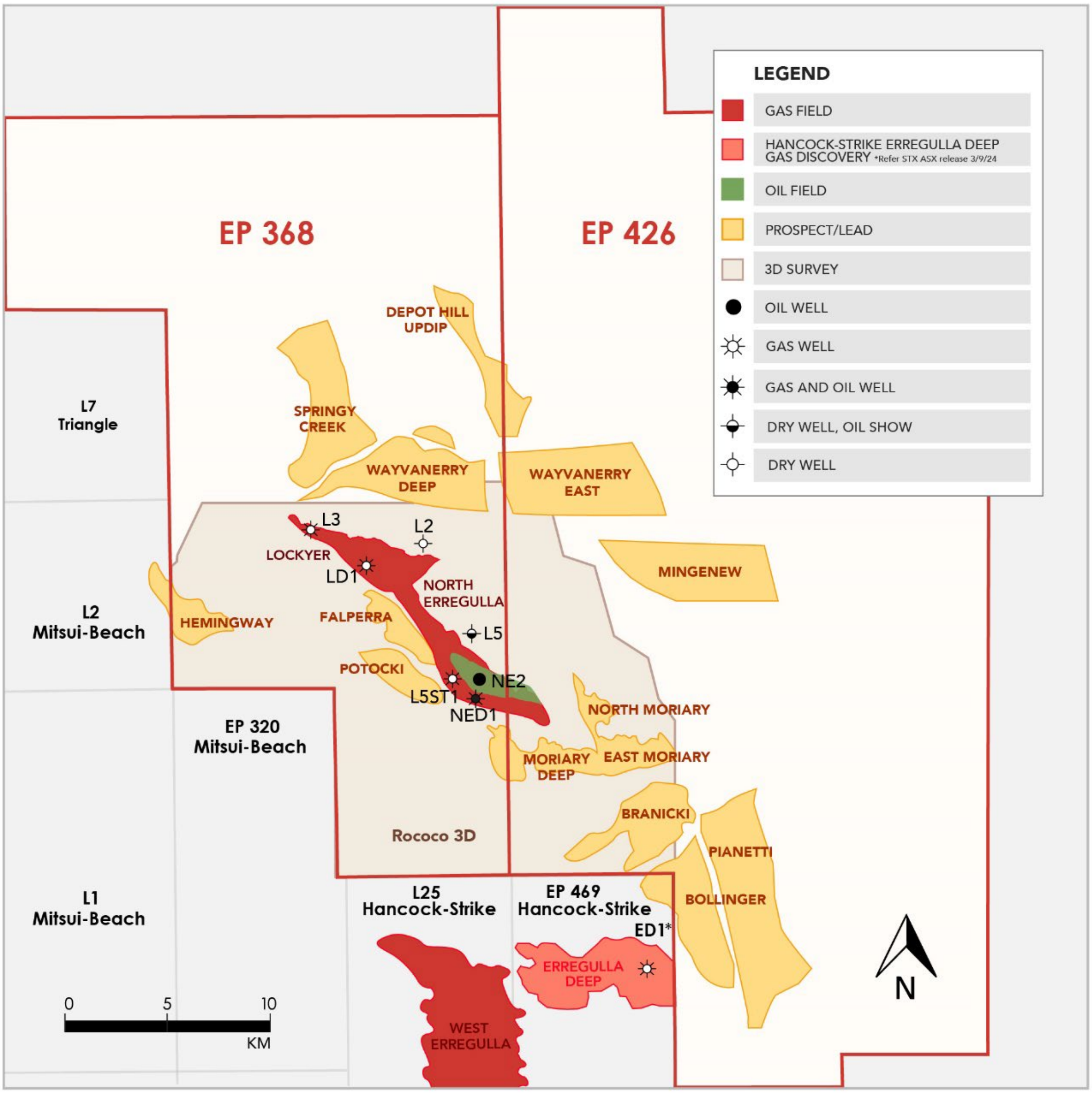

Figure 1: EP 368 & EP 426 location map

Transaction rationale

This transaction accelerates value for shareholders from MinRes' exploration success and de-risks near-term exploration and development by reducing capital requirements. It also brings a high-quality exploration partner to MinRes' energy business, further strengthening MinRes' relationship with Hancock.

MinRes has a track record of delivering strong shareholder returns, driven by its ability to identify and develop high-return projects and recycle the Company's capital into further shareholder value.

Since the Lockyer Deep-1 discovery in 2021, MinRes has invested in exploration within EP 368 and EP 426, leading to the recently announced maiden 2C contingent resource for the Lockyer Gas Project and Erregulla Oil Project.[2]

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[2] ASX Announcement 16 September 2024.

MinRes has successfully brought on high-quality partners to accelerate value creation from its Tier 1 assets. Hancock is a highly credible, world-class partner, with the ability to bring forward drilling and provide funding support to the Exploration JV which has the potential to unlock value for both companies.

Purchase Price Adjustment

In addition to the $804 million upfront cash payment, Hancock has agreed to additional purchase price adjustment mechanisms linked to near-term exploration upside.

Moriary Deep

MinRes' recent maiden resource announcement indicated that Moriary Deep had a prospective 2U resource of 157 billion cubic feet (**Bcf**).[3] The Company expects to complete a drilling, flow-test and resource definition program at Moriary-2 to confirm a 2C contingent resource before 28 February 2025 (Figure 2).

Under the terms of the agreement, Hancock will pay a further $200 million to MinRes as soon as practicable after receipt of results of the Moriary-2 well demonstrating a 2C contingent resource of at least 89 Bcf with third-party verification in accordance with the Petroleum Resource Management System (PRMS). The purchase price adjustment payment will be reduced proportionally if the discovery is estimated at between 30 and 89 Bcf. No payment will be made if the discovery is estimated at less than 30 Bcf.

Hancock will pay MinRes a further $22 million to recover the associated drilling costs to confirm the 2C contingent resource, assuming the discovery is estimated at 30 Bcf or more. This will be paid concurrently with the purchase price adjustment payment.

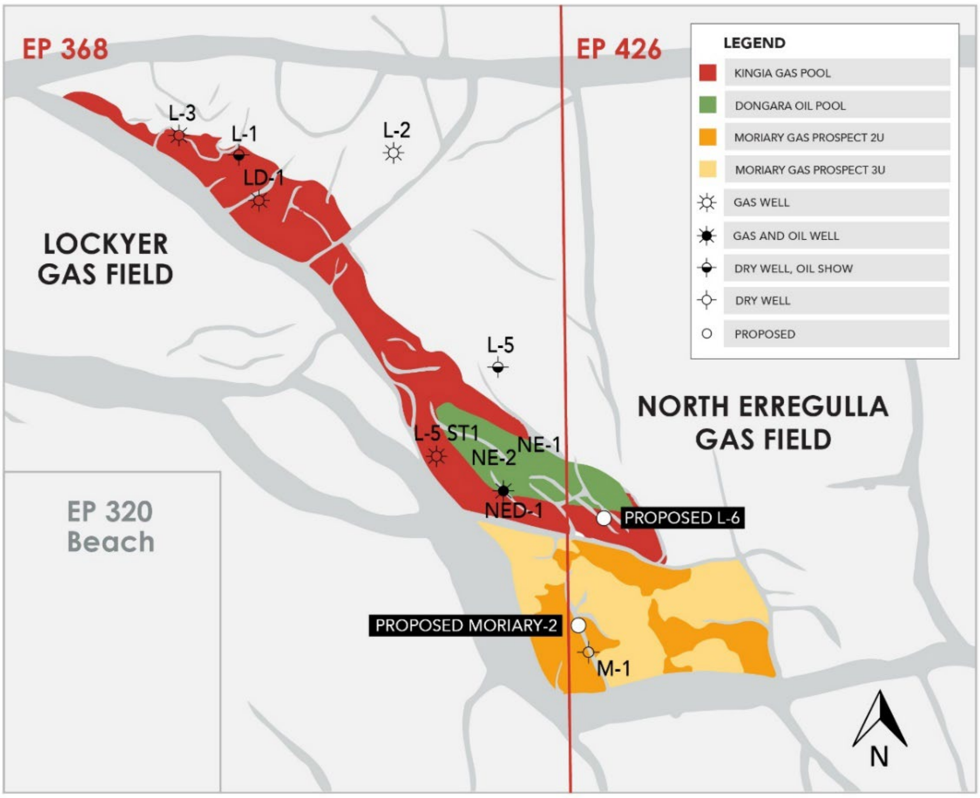

Figure 2: Lockyer and North Erregulla gas fields with Moriary-2 and Lockyer-6 well locations

[3] ASX Announcement 16 September 2024. The estimated quantities of gas that may potentially be recovered by the application of a future exploration project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable gas. Prospective Resources quoted were derived probabilistically, totals are summed arithmetically, and are unrisked.

<u>Lockyer Gas</u>

Hancock will pay MinRes $2 per gigajoule (**GJ**), up to a maximum consideration of $74 million, if an additional 37 petajoule (**PJ**) can be upgraded to a 2C contingent resource at Lockyer-6 (**L6**), in accordance with third-party verification in accordance with PRMS.

The proposed Lockyer-6 well (Figures 2 and 3) is being drilled two kilometres south-east of the North Erregulla Deep-1 (**NED-1**) gas discovery well.

Hancock will contribute 50% of the cost to complete the drilling and flow testing of the L6 well, with their share of the cost capped at a maximum of $11 million. Drilling at L6 will be scheduled as soon as practicable following testing at Moriary Deep, with completion expected by 31 May 2025.

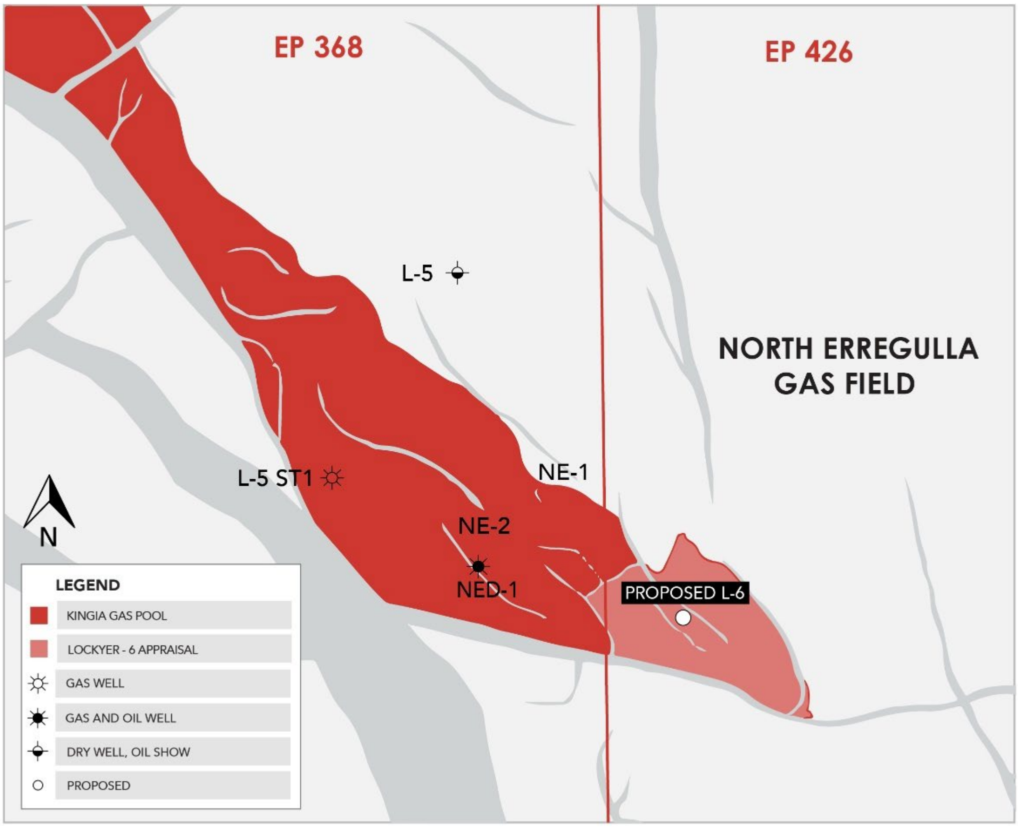

Figure 3: North Erregulla gas field and Lockyer-6 prospective resource area

<u>Erregulla Oil</u>

If exploration drilling confirms a 2C contingent resource of 30.6 million barrels (**MMbbl**) , an additional payment of $20 million will be paid by Hancock. The payment will be proportionally reduced if a 2C contingent resource is determined to be between 18.6 and 30.6 MMbbl.

The Erregulla Oil discovery includes the conventional oil discoveries in three oil pools across the Dongara-Wagina sandstone, Upper Arranoo and Lower Arranoo sandstones located in EP 368 and EP426, as currently defined by the North Erregulla Deep-1, and North Erregulla-2 wells (Figure 4).

The Erregulla Oil discovery resource amount is the volume (in MMbbl) of 2C Contingent Resources of oil contained within the Erregulla Oil discovery as determined by third-party verification in accordance with PRMS which would be recovered by the Erregulla Oil development plan, and excludes any new accumulation which is not contiguous with an existing pool within the Erregulla Oil discovery.

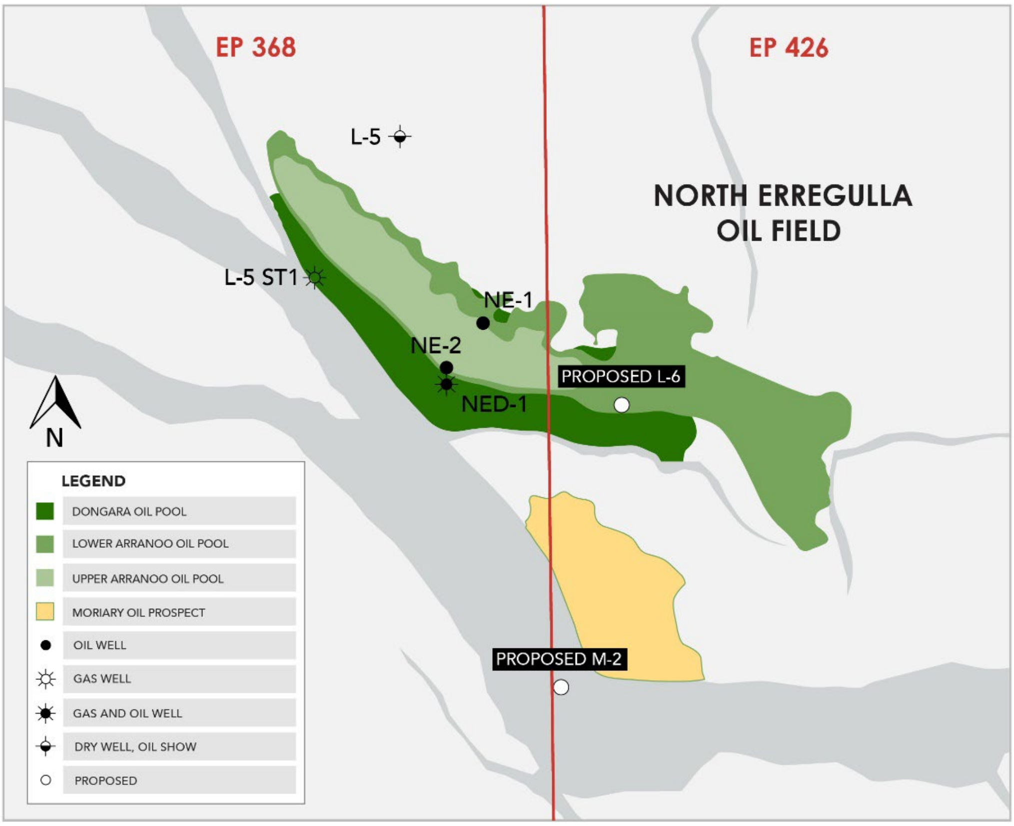

Figure 4: North Erregulla field oil pools

Joint Venture details

MinRes and Hancock will enter two separate 50:50 unincorporated JVs over the Company's remaining exploration permits in the Perth Basin (excluding L18 and L19) and Carnarvon Basin.

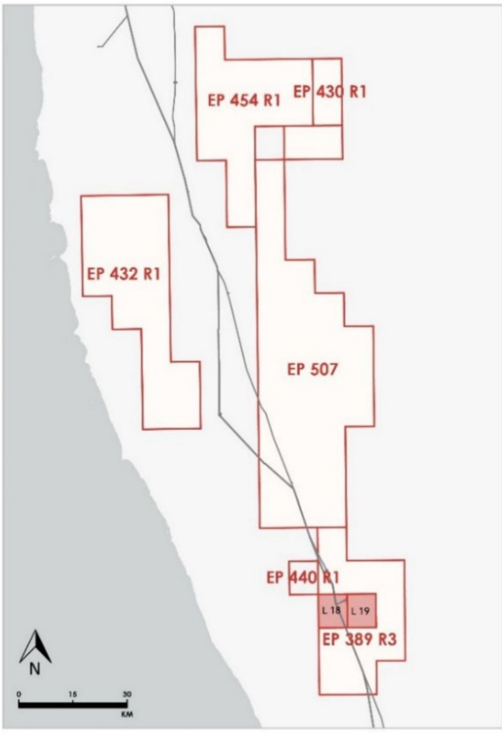

Figure 5: Perth Basin JV permits overview

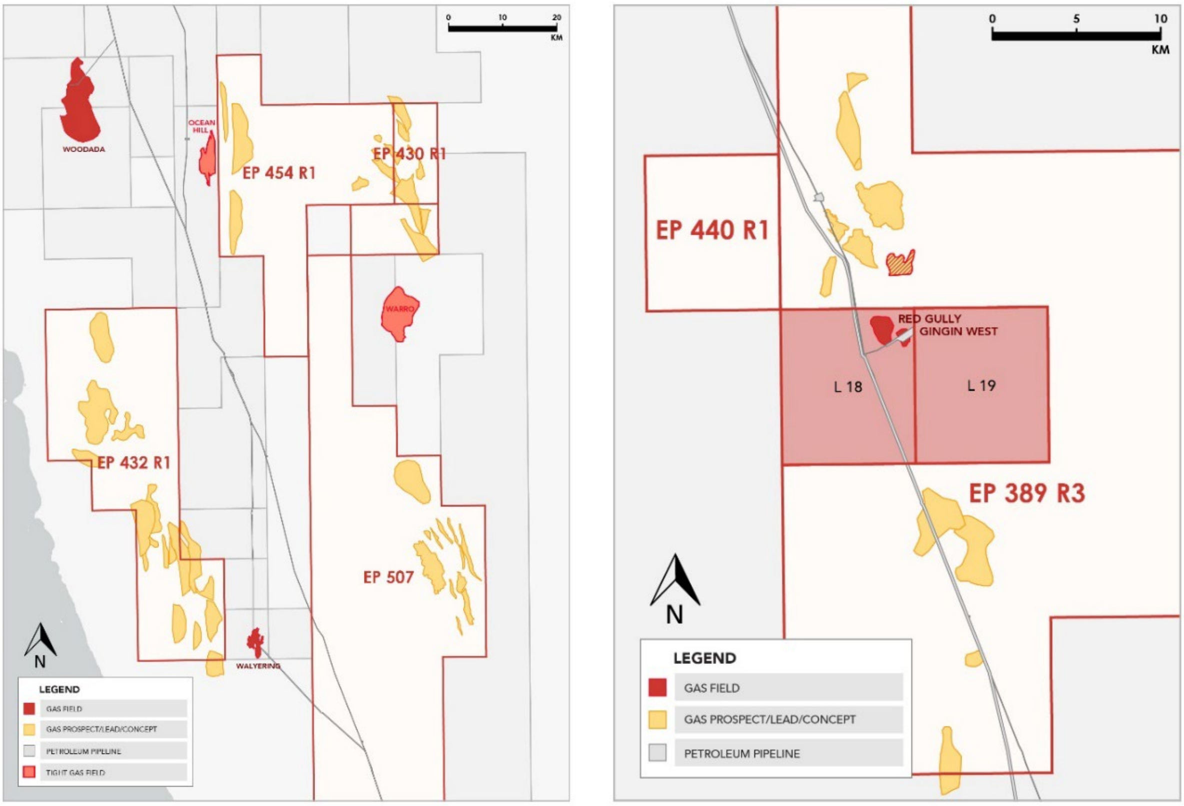

Figure 6: Central Perth Basin & Southern Perth Basin JV permits

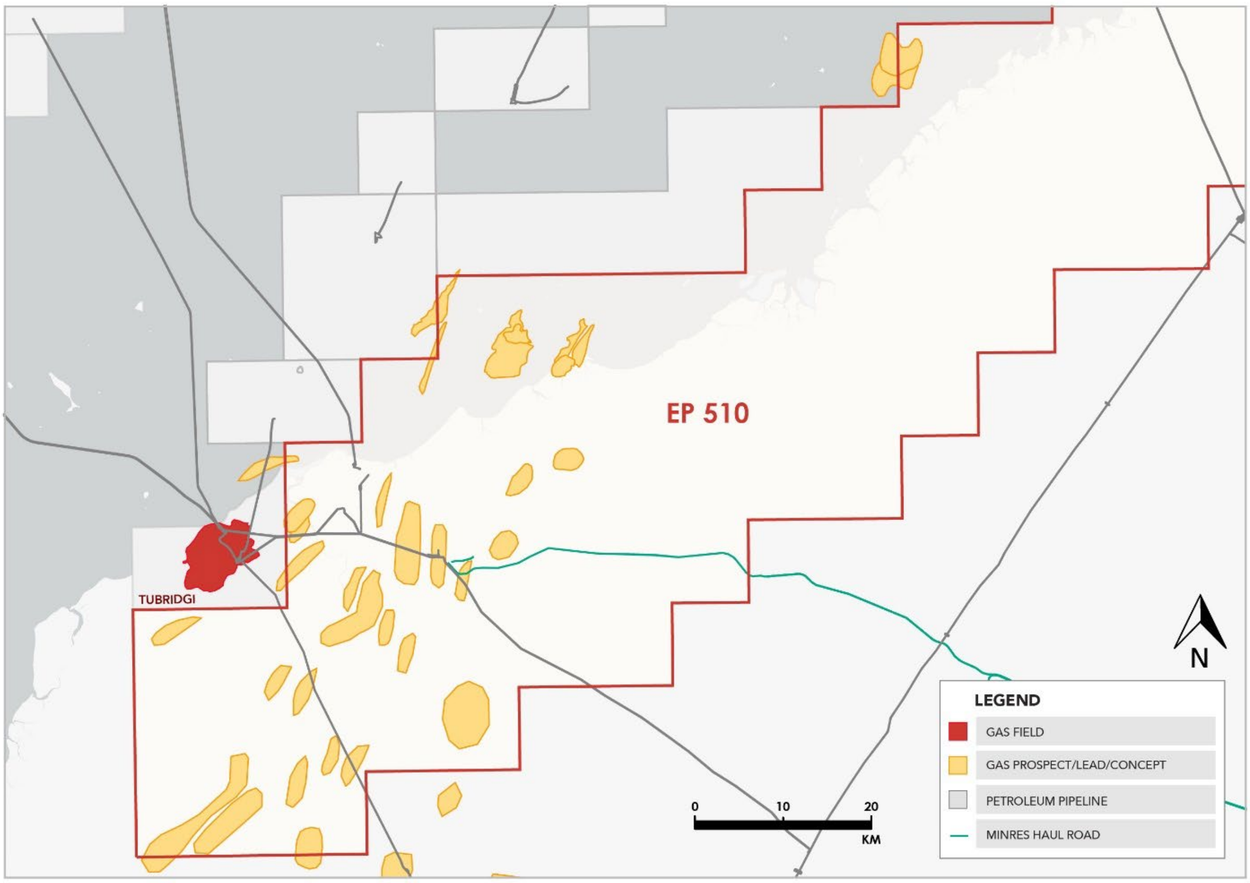

Figure 7: Carnarvon Basin JV (EP 510)

MinRes will be the operator of the Exploration JV, providing exploration and drilling services at cost. Additionally, on formation of the Exploration JV, Hancock will purchase 50% of the MinRes Explorer drill rig, mobile village and ancillary equipment for approximately $17.6 million, further reducing MinRes' ongoing operating costs.

All exploration and other costs for the Perth Basin will be covered in accordance with each party's respective 50% participating interests. Hancock has committed to funding its share of the remaining work program (Figures 5 and 6).

Upon formation of the Carnarvon Basin JV, Hancock will immediately contribute $6 million into the Carnarvon Basin JV to fund exploration activities, with near-term objectives including high-priority drilling of three onshore targets, one offshore target and 3D seismic surveying. Once Hancock's $6 million cash contribution is exhausted, both parties will contribute their respective 50% share of costs to the program.

If a commercial discovery is made in the Exploration JVs, and the JV partners jointly decide to develop the discovery into production, Hancock will fund 100% of the post-FID development costs of an upstream and midstream gas processing plant, with MinRes' interest carried at a commercial interest rate on reasonable terms.

Transaction consideration
Across the upfront consideration and purchase price adjustments, MinRes expects to receive total cash consideration of up to $1.13 billion.

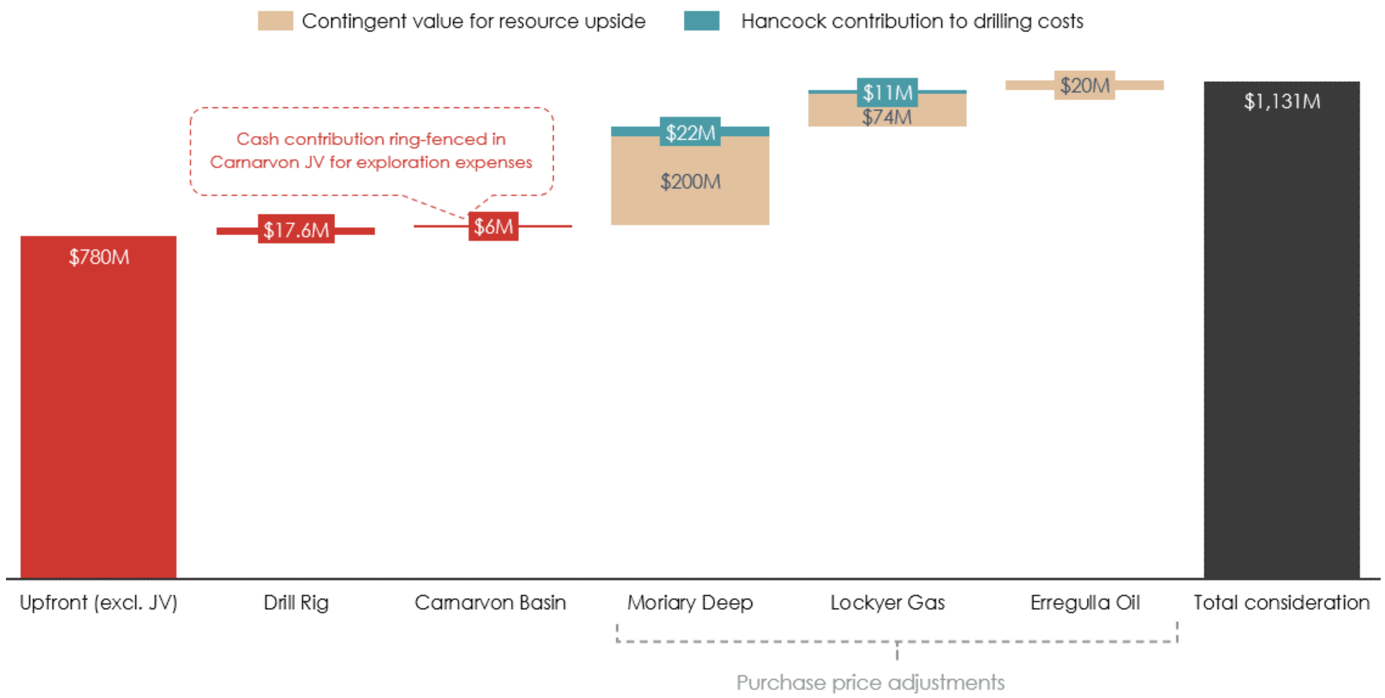

Figure 8: Overview of transaction proceeds

MinRes Chief Executive Energy Darren Hardy said:
"MinRes and Hancock have a long history built on a strong relationship and I'm excited that we are again deepening our ties, this time in energy.

"This transaction maximises the value of our exploration success for shareholders and again showcases our ability to unlock significant capital from MinRes' portfolio of assets.

"The new exploration joint ventures with Hancock in the Perth and Carnarvon basins immediately derisk and accelerate our future exploration programs across this highly prospective onshore petroleum acreage."

ENDS

This announcement dated 31 October 2024 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) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006. For more information, visit **www.mineralresources.com.au**.