

QUARTERLY EXPLORATION AND MINING ACTIVITIES REPORT



October to December 2020 (Q2 FY21)

29 January 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 December 2020.

Q2 HIGHLIGHTS

- 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 2.75 at December 2020. This represents an improvement of 14% over the quarter.
- Mining Services production volumes for the quarter increased 22% on the prior corresponding period (Q2 FY20). Guidance for FY21 volumes is expected to be at the upper end of the previously advised 20% to 25% range.
- Total iron ore production of 5.1 million wet metric tonnes (wmt) was 22% higher than Q1 FY21 and up over 26% on the prior corresponding period in line with the mine plans. Iron ore shipments of 4.4 million wmt were 23% higher than Q1 FY21 and up over 33% on the prior corresponding period (Q2 FY20). Shipment guidance for FY21 is expected to be at the lower end of the previously advised 20.5m wmt to 23.2m wmt range
- Average iron ore revenue received of US\$138 per dry metric tonne (dmt) during the quarter, 42% higher than the previous quarter driven by strong iron ore prices. The weighted average iron ore revenue received was US\$119 per dmt for the half.
- Development of the 5mtpa Wonmuna Iron Ore Mine continued as planned with first iron ore expected during the current quarter.
- Mt Marion Lithium Project continued to deliver in line with the optimised mine plan with production of 129,000 dmt. Shipments of spodumene concentrate were lower during the quarter with one shipment delayed into the current quarter.
- Construction by Albemarle Corporation (NYSE: ALB) 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 2021.
- MRL continues to monitor developments around the world along with guidelines introduced by the Federal and State Governments and health authorities to minimise the risks that COVID-19 presents to our community and the resource industry in Western Australia.

Production and Commodity Shipments

| '000 wet metric tonnes | Q2 FY21 | | Q1 FY21 | | Q2 FY20 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | PRODUCED | SHIPPED | PRODUCED | SHIPPED | PRODUCED | SHIPPED |
| IRON ORE ('000 wet metric tonnes) | | | | | | |
| Koolyanobbing | 2,955 | 2,742 | 2,644 | 2,236 | 1,938 | 1,745 |
| Iron Valley | 2,144 | 1,622 | 1,543 | 1,313 | 1,391 | 1,535 |
| TOTAL IRON ORE | 5,099 | 4,364 | 4,187 | 3,549 | 3,329 | 3,280 |
| SPODUMENE ('000 dry metric tonnes) | | | | | | |
| Mount Marion ¹ | 129 | 85 | 133 | 118 | 100 | 96 |

¹ 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

Koolyanobbing

| '000 wet metric tonnes | Q2 FY21 | Q1 FY21 | Q2 FY20 |
|------------------------|---------|---------|---------|
| Mined | 2,381 | 2,076 | 2,367 |
| Produced | 2,955 | 2,644 | 1,938 |
| Shipped | 2,742 | 2,236 | 1,745 |

Ore mined was 2.4m wmt during the quarter, an improvement on the prior quarter following the arrival of additional mining fleet at the end of Q1.

Overall, produced tonnes increased in the quarter to 3.0m wmt, driven by the successful recommencement and commissioning of the existing Carina fixed plant. Ongoing hydrogeology issues in Deception and Windarling pits and unseasonal rainfall reduced the Koolyanobbing throughput.

Q2 FY21 shipped tonnes of 2.7m wmt were 23% higher than the previous quarter, with the ramp up of haulage and shipping continuing despite network issues caused by port infrastructure reliability and wet product impacting wagon unloading times.

Iron Valley

| '000 wet metric tonnes | Q2 FY21 | Q1 FY21 | Q2 FY20 |
|------------------------|---------|---------|---------|
| Mined | 2,166 | 1,601 | 1,275 |
| Produced | 2,144 | 1,543 | 1,391 |
| Shipped | 1,622 | 1,313 | 1,535 |

An improvement in overall production was facilitated by additional mining fleet and manning throughout the quarter. Hydrogeological issues were minimal, allowing for a more consistent, higher throughput rate for the fixed plant and mobile crusher.

Hauled and shipped tonnes increased 24% on the prior quarter, although COVID-19 restrictions led to a reduction in availability of our haulage contractors. This resulted in additional inventory at site, which will be utilised in the planned Q3 FY21 ramp up of haulage and shipping.

LITHIUM

Mt Marion

| SPODUMENE | | | |
|------------------------|---------|---------|---------|
| '000 dry metric tonnes | Q2 FY21 | Q1 FY21 | Q2 FY20 |
| Mined | 647 | 632 | 788 |
| Produced | 129 | 133 | 100 |
| Shipped | 85 | 118 | 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).

Operations continued in line with the optimised mine plan and Ganfeng product requirements. This has resulted in overall improved lithium recovery and increased yields.

During the quarter mining remained steady with ore mined of 0.65m dmt and 7.1m dmt total material mined.

The processing plant's total utilisation remained in line with the prior quarter at 91% while the throughput rate increased to 303 tph from 292 tph in the previous quarter. This resulted in beneficiated feed tonnes of 577,000 dmt compared to 567,000 dmt in the previous quarter. The total spodumene concentrate produced in the quarter was 129,000 dmt, with 72% (dry) being high-grade, compared to 76% in the previous quarter.

Shipped tonnes were lower in the quarter at 85,000 dmt due to timing of shipments.

Wodgina

The Wodgina Lithium Project is an unincorporated joint venture (MARBL JV) between MRL (40%) and Albemarle Corporation (60%) (Albemarle) effective from 1 November 2019. The project remains 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 with a ramp-up to 1,250 people on site. The Kemerton Lithium Hydroxide Plant is on track for completion in the first half of FY22.

MINING EXPLORATION AND DEVELOPMENT ACTIVITY

Yilgarn Hub

Koolyanobbing

MRL completed resource definition at Windarling, with a total of 5,614 metres of reverse circulation (RC) drilled throughout the campaign. A program of 11,000 metres of RC drilling at Parker Range commenced, with drilling expected to be completed in Q3 FY21.

Utah Point Hub

Wonmunna

Wonmunna, purchased from Australian Aboriginal Mining Corporation Limited (AAMC) in the previous quarter, is located 80km north-west of Newman and 360km south of Port Hedland.

As disclosed in the previous quarterly report, Fortescue Metals Group (ASX: FMG) (FMG) commenced legal proceedings against the Minister for Mines and Petroleum, the DMIRS Registrar and Wonmunna Iron Ore Pty Ltd (an MRL subsidiary), seeking declarations that the Wonmunna mining leases (M47/1423, M47/1424, M47/1425) are invalid. In its claim, FMG alleges the Minister should not have granted the mining leases in 2012 as the applications for the mining leases in 2008 were not accompanied by mineralisation reports. Wonmunna Iron Ore Pty Ltd denies the mining leases are invalid and is defending the action.

MRL has continued to develop Wonmunna to deliver a 5mt per annum iron ore operation. Exports of 1.0m to 2.0m wmt are expected in H2 FY21.

MRL plans to commence a 10,000 metre RC resource definition drilling programme at Wonmunna in Q3 FY21.

Lamb Creek

Drilling at the Lamb Creek Iron Ore project continued with a total of 8,129 metres of RC and 270 metres of diamond drilling completed during the quarter. The drilling programme is scheduled for completion in Q3 FY21, with a resource model update expected in Q4 FY21.

Ashburton Infrastructure Development

Kumina and Bungaroo South

MRL continues to progress exploration and project development activities at Kumina and Bungaroo South. A total of 2,930 metres of RC was drilled at Kumina during the quarter. Drilling will continue into Q3 FY21.

South West Creek Development

Marillana

MRL progressed drilling and metallurgical test work at Marillana 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). 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 the Marillana Project (the Joint Venture). The Farm-in Obligations are expected to be completed in the first half of FY22. See Brockman Mining Limited (ASX: BCK) ASX announcement 11 January 2021 for further details on the status of the Marillana development.

Energy

Upstream Energy

MRL, via its wholly owned subsidiary Energy Resources Limited (ERL), operates seven oil and gas exploration permits across the onshore Perth Basin, extending from south of the Perth metropolitan area to the Shire of Mingenew north of Perth. MRL continues to progress exploration programs as part of its vision for its Perth Basin acreage to one day underpin long-term access to low-cost, cleaner energy for current and future MRL mining operations.

The Lockyer Deep-1 well (LD-1) is a conventional gas well planned to be drilled in the northern Perth Basin. As the rig planned to drill LD-1 is currently engaged by another Perth Basin operator, our drilling program is now forecast to commence in H1 FY22.

The Romanesque seismic survey is on track to commence in Q3 FY21 with the objective of the survey being to identify drillable targets to bring the 10 terajoule per day Red Gully gas processing facility (currently on care and maintenance) back into production.

Renewable Energy

MRL has a strong focus on implementing renewable energy solutions on existing and future projects. A 2.1 MW re-deployable solar installation has now been selected for the Wonmunna project and is designed to achieve a site power renewable energy component of 24%. This solar deployment will pave the way for an increased roll-out of solar across our sites. Wherever practical, solar power will be supported by natural gas (via pipeline or LNG) due to its lower carbon footprint than diesel.

MRL continues to research renewable energy solutions and emerging technologies for power generation, mobile equipment and transport.

This announcement dated 29 January 2021 has been authorised for release to the ASX by Mark Wilson, Company Secretary of Mineral Resources Limited.

Further Information

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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.

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