

5 June 2024

MinRes sells minority stake in Onslow Iron Haul Road

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or **Company**) is pleased to announce it has entered into a binding agreement with Morgan Stanley Infrastructure Partners (**MSIP**) for the sale of a 49% interest in the Onslow Iron project's dedicated haul road (**Onslow Haul Road**) for total expected proceeds of \$1.3 billion.

The Onslow Haul Road is a key component of an innovative transportation infrastructure solution developed by MinRes which has unlocked stranded iron ore deposits in the West Pilbara region of Western Australia.

The 150 kilometre dual lane road, which links the Ken's Bore mine site to the Port of Ashburton, will be fully sealed, fenced and equipped with fibre optic cabling to support the operation of MinRes' autonomous road trains.

MinRes will retain majority ownership and exclusive rights to use, operate and maintain the Onslow Haul Road. The arrangement will ensure seamless mine-to-ship delivery of Onslow Iron product to customers.

The transaction vehicle (**Road Trust**) will receive a life-of-mine CPI-adjusted tolling fee per tonne of iron ore transported through the Onslow Haul Road of \$8.04¹ (100% basis), capped at 40 million wet metric tonnes per annum (**Mtpa**). The tolling fee will be reset at a reduced rate after 30 years. Any tolling payments for volumes above 40Mtpa will be fully owned by MinRes.

The transaction values the Onslow Haul Road (100%) at \$2.7 billion, representing a 9.4 times pro-forma EBITDA¹ multiple based on the 35Mtpa nameplate capacity.

The gross proceeds are payable in cash and comprise upfront consideration of \$1.1 billion and a deferred consideration of \$200 million that is subject to achieving a 35Mtpa run rate for any quarter before 30 June 2026.

MinRes expects total after tax net cash proceeds of \$1.2 billion.

MinRes engaged with MSIP following a competitive process involving leading global infrastructure investors.

Completion is expected in the second half of this calendar year, subject to finalisation of project conditions and Foreign Investment Review Board approval. MinRes has entered into a US\$750 million undrawn facility with J.P. Morgan that is expected to be cancelled upon or before the transaction's completion.

MinRes has a track record of delivering strong shareholder returns, driven by its ability to identify and develop high return on investment (**ROIC**) projects and recycling the Company's capital.

The introduction of a new partner at an attractive cost of capital is consistent with a focus on long-term shareholder value creation and agile approach to capital management to:

- Maintain a strong balance sheet to support MinRes' industry-leading growth.
- Release capital to redeploy toward projects that meet a post-tax ROIC target of more than 20%.
- Access new pools of capital that optimise capital allocation and returns.

¹ January 2024 price basis. The tolling charge increases annually with CPI.

MinRes Managing Director Chris Ellison said:

"I am proud of the strategic relationships we have formed with global industry leaders and pleased to welcome Morgan Stanley Infrastructure Partners as a partner in the Onslow Haul Road.

"This transaction is a strong endorsement of Onslow Iron's world-class credentials, after the project last month delivered first ore on ship ahead of schedule.

"As the first transaction of its kind in the Australian iron ore industry, it showcases the considerable value of MinRes' portfolio of infrastructure assets and our ability to unlock significant capital.

"The transaction also establishes access to a new pool of capital to further accelerate our growth and continue to deliver returns for our shareholders."

Advisers

MinRes is being advised by J.P. Morgan as financial adviser and Herbert Smith Freehills as legal adviser.

ENDS

This announcement dated 5 June 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.