

10 September 2024

## FIRB Approval and Business Update

### FIRB approval received for \$1.3 billion minority stake sale in Onslow Iron haul road

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or **Company**) is pleased to announce that the Foreign Investment Review Board has provided unconditional approval for the sale of a 49% interest in the Onslow Iron haul road (**Haul Road**) to investment funds managed by Morgan Stanley Infrastructure Partners (**MSIP**) for total expected proceeds of \$1,300 million.

All conditions precedent are now satisfied and completion of the transaction is due to occur within 15 business days. Upon completion, MinRes will receive the upfront cash consideration of \$1,100 million from MSIP.

The additional deferred cash consideration of \$200 million will be paid to MinRes subject to Onslow Iron achieving a 35 million wet metric tonnes per annum run rate for any quarter before 30 June 2026. Upon receipt of the \$1,100 million upfront cash payment, the Company's US\$750 million undrawn bridge facility will be cancelled.

MSIP is a private infrastructure investment platform within Morgan Stanley Investment Management.

Onslow Iron has now shipped more than one million tonnes of iron ore (100% basis) since first ore on ship was achieved in May 2024. Shipments are increasing in line with the ramp-up plan, with 134kt exported in July 2024, 532kt in August 2024 and 720kt expected to be shipped in September 2024.

The project will be operationally complete with the completion of the Haul Road in October 2024 and remains on track to reach its nameplate 35Mtpa run rate from June 2025.

At current iron ore prices and while still ramping up, MinRes' operations at Onslow Iron will be cash flow positive from October 2024. As outlined in the FY24 full year result, Onslow Iron remains on time and fully funded to completion. As production volumes rise, cash inflows will increase significantly, facilitating a rapid deleveraging of the balance sheet.

Cash inflows include mining services and Haul Road income, neither of which are correlated to the iron ore price. In addition, MinRes will receive 80% of its project joint venture partners' share of free cash flows from Onslow Iron operations as repayment of the carried expenditure loan.

### Capital and operating cost reductions

MinRes continues to monitor commodity markets and manage its balance sheet accordingly. As foreshadowed at the FY24 full year results, the Company has been exploring measures to reduce capital and operational expenditure across the business.

Approximately \$180 million of FY25 capital expenditure savings and \$120 million of FY25 operational cost savings have been identified, including in the Lithium division.

Cost savings in Lithium include a reduction to operational headcount by transitioning to a two weeks on, one week off roster (from a two weeks on, two weeks off roster) at the Mt Marion and Wodgina operations. Employees have been notified and these changes will take effect over the next four to six weeks.

There is no change to the Lithium FY25 production guidance or Mining Services FY25 volume guidance as a result of these operational changes.

**MinRes Managing Director Chris Ellison said:**

“Our partnership with Morgan Stanley Infrastructure Partners will release \$1.3 billion of value from the haul road, highlighting the quality of earnings that Onslow Iron is set to achieve.

“Importantly, under this unique partnership, MinRes maintains majority exposure to the stable earnings that the haul road will deliver over the project’s life.

“Onslow Iron is scheduled to be operationally complete next month, with the ramp-up progressing to plan and the project cash flow positive for MinRes from October.

“As foreshadowed in our full year results, MinRes is focused on reducing costs and preserving cash in response to a period of low lithium prices and a softer iron ore price.

“We continue to identify measures to reduce capital and operational expenditure to suit the business environment.

“As the haul road partnership demonstrates, we have many non-dilutionary levers at our disposal across the business to release additional value for shareholders.”

**ENDS**

This announcement dated 10 September 2024 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary.

For further information, please contact:

**Chris Chong**

GM Investor Relations  
Mineral Resources Limited  
T: +61 8 9315 0213  
E: [chris.chong@mrl.com.au](mailto:chris.chong@mrl.com.au)

**Peter Law**

Media Manager  
Mineral Resources Limited  
T: +61 428 925 422  
E: [peter.law@mrl.com.au](mailto:peter.law@mrl.com.au)

**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](http://www.mineralresources.com.au).