

## **Mineral Resources Limited (MRL; ASX:MIN)**

### **QUARTERLY UPDATE ON MINING AND EXPLORATION ACTIVITIES QUARTER ENDING 30 JUNE 2012**

#### **HIGHLIGHTS**

- Carina Iron Ore
  - June quarter shipments of 797,431 tonnes, up from 752,734 tonnes in the previous quarter. Project to date exports of 1,875,240 tonnes from the Carina mine.
  - Commissioning of Carina permanent crushing plant and stockyard well advanced after completion of construction. Temporary facilities stand ready to de-commission.
- Phil's Creek Iron Ore
  - Construction at the new Phil's Creek mine is progressing with production scheduled to commence in the December 2012 quarter.
- Exploration
  - Exploration and production drilling focused on near term production resource development in Yilgarn region.

#### **Carina Operations**

797,431 tonnes of iron ore were shipped in the June quarter, a 6% increase on the previous quarter. Production was limited by the capacity of the installed temporary crushing and stockyard facilities. This bottleneck will progressively be removed as the new crushing plant and stockyard complete their commissioning and are ramped up. In total, 1,875,240 tonnes have been exported from the project since commencement of export operations in November 2011.



Reclaimer in action on Carina stockpile



Carina Mining Operation

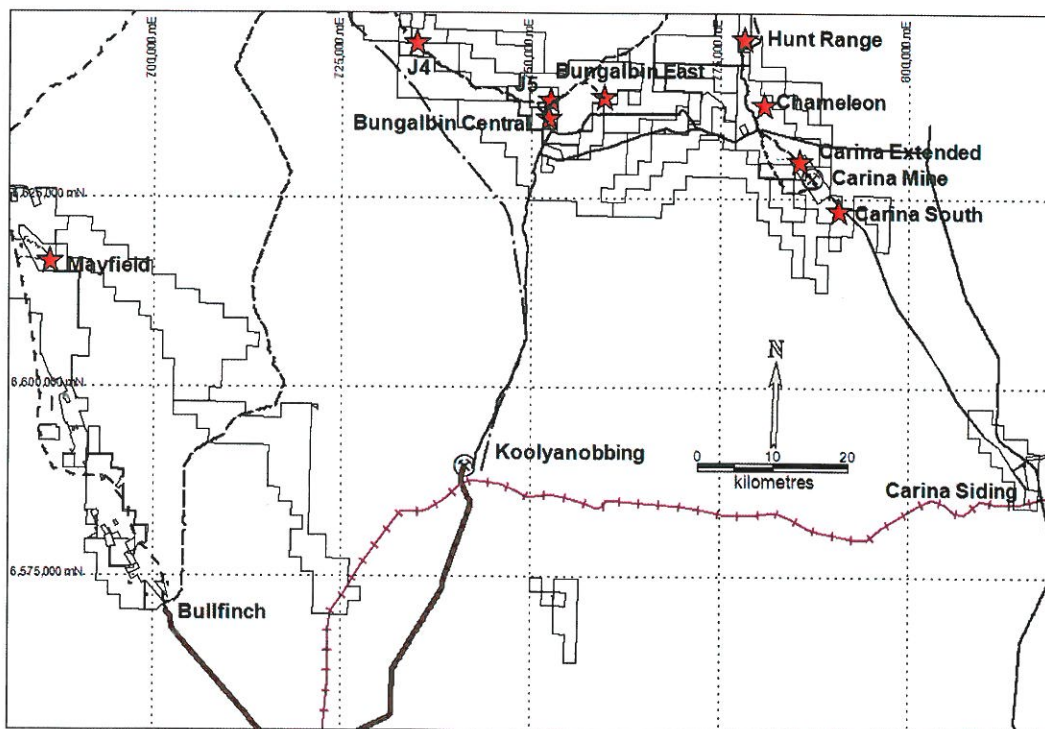


Carina Process plant in operation

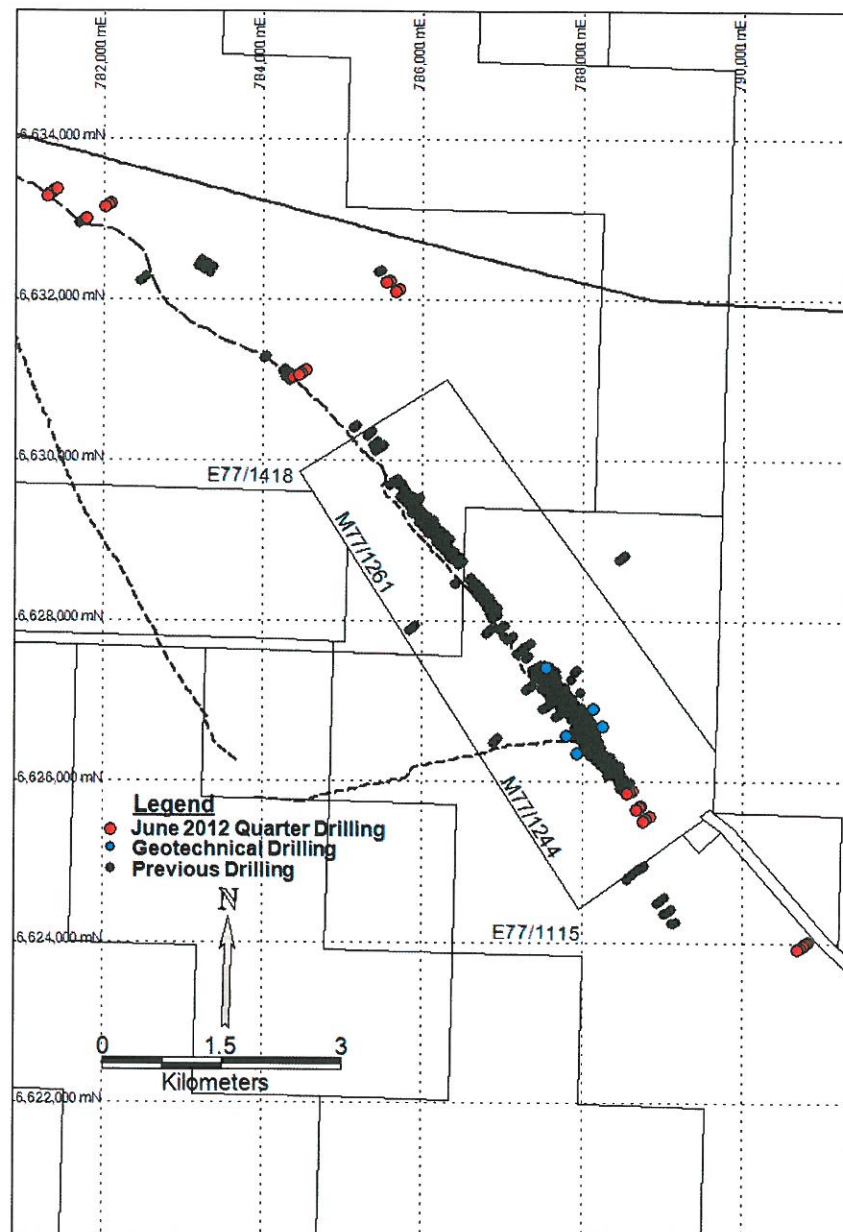
### Yilgarn Drilling / Exploration Programme

Ninety RC holes were completed for a total of 12,214m, including 8,944m in 57 holes at Mayfield, with the remainder in the Carina corridor. An additional 904m of HQ geotechnical diamond drilling was completed in 4 holes with an additional hole in progress. Several hydrological monitoring bores were drilled and cased around the Carina pit. The purpose of this drilling is to provide information for project development and resource continuity in the medium term and drilling in this region is one of the key focus points of the exploration programme.

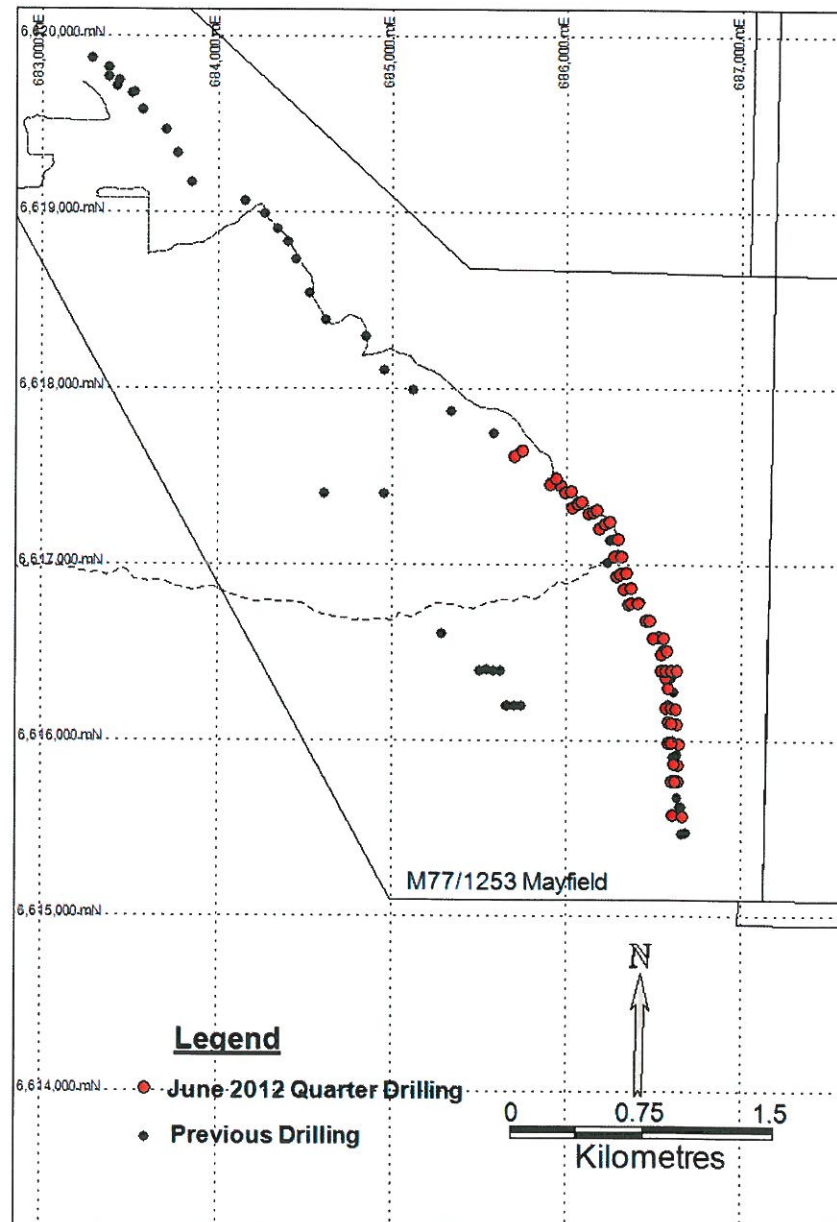
Planning continued for exploration within the greater Yilgarn area. A Program of works (POW) for Chameleon, 10km north of Carina and J4, located 60km to the west was approved in the quarter. Heritage surveys were completed at Hunt Range and Flora surveys were completed at J4, J5, Hunt Range and Chameleon. Metallurgical testwork is underway from drilling at Mayfield.



Yilgarn Regional Location Map



Drilling in the Carina Corridor during the June 2012 quarter

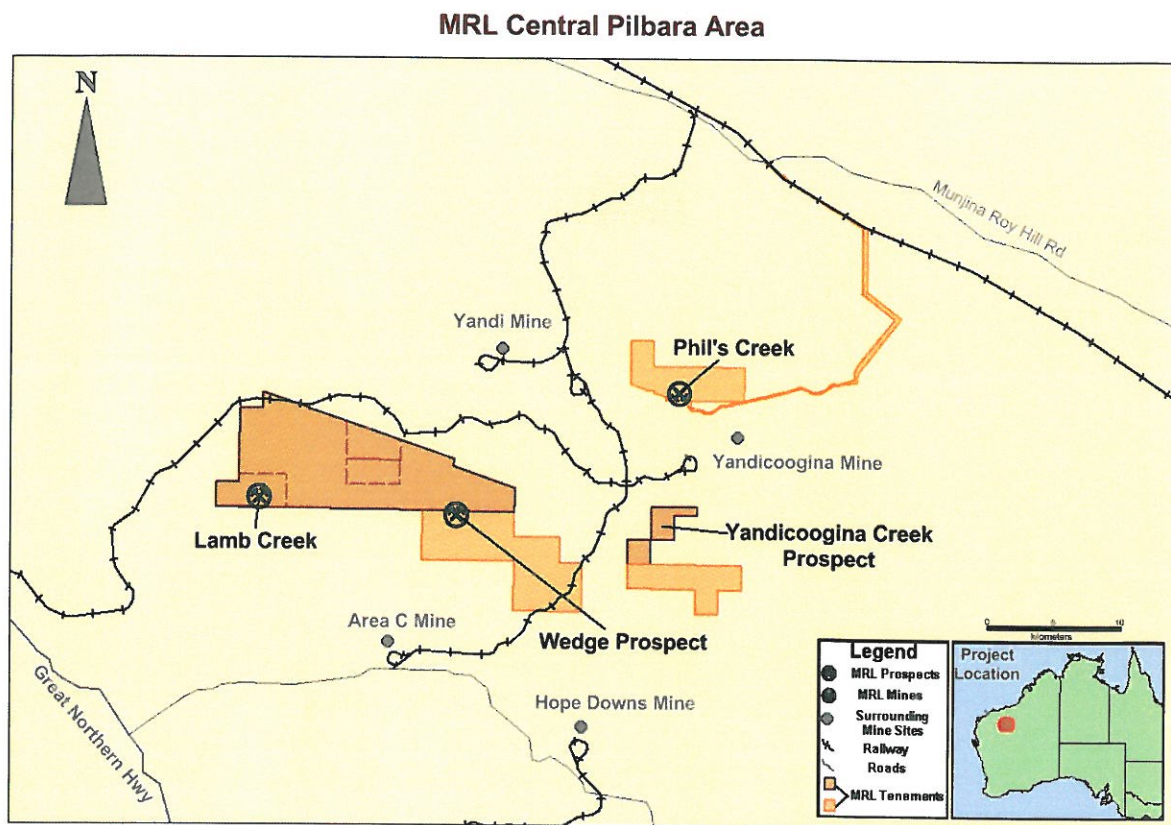


Drilling at Mayfield during the June 2012 quarter

### Pilbara Exploration / Drilling

A dedicated exploration team for the MRL extensive Pilbara landholdings has been assembled. RC exploration drilling will commence in the September 2012 quarter at Weelumurra and will then move to drill Caliwinga, Lamb Creek Boundary and Wedge projects over the next 12 months.

Twenty large diameter PQ3 diamond drill holes were completed at Phil's Creek for 428m during the June quarter. This drill core will be used to confirm the quality of RC sampling and also for accurate density determination.



Location of MRL Central Pilbara Projects

### Phil's Creek Mine Development

Construction activities continued at Phil's Creek during the quarter. This project will supplement the iron ore volumes through Utah Point in Port Hedland.

The HPGR crusher has now been installed, work on the site fuel farm has commenced, along with installation of utilities for the workshop, and the main accommodation village nears completion.

The village is currently servicing 76 personnel, with a total of 112 rooms available for use and the assembly of plant infrastructure continues, with the primary hopper now in place. Construction of the ROM is complete, with all the fill material needed to backfill, stockpiled ready to be used once the wall is in place. Installation of the workshop utilities has begun with water pipework and electrical conduits installed.

Production from this operation is scheduled to commence in the September quarter at an initial rate of 2 mtpa, supplementing existing Pilbara iron ore production. Completion of roadworks is the key constraint for commencement of this operation with the critical work programme currently in progress.



Phil's Creek accommodation village in construction



Phil's Creek Haul Road Borrow Pit



Phil's Creek Stacker Assembly



Phil's Creek HPGR

### **Tenements**

The following tenements were granted during the quarter:

- L45/247 on 2/4/12,- Poondano
- E77/1964-I on 3/4/12,- Bullfinch
- E77/1831-I on 3/4/12,- Yilgarn Iron
- E77/1832-I on 16/5/12,- Yilgarn Iron
- M77/1261-I on 15/5/12,- Yilgarn Iron
- E77/1989-I on 17/5/12,- Yilgarn Iron
- E77/1990-I on 17/5/12,- Yilgarn Iron
- E77/1991-I on 17/5/12,- Yilgarn Iron
- E77/1996-I on 17/5/12,- British Hill North
- E77/2012-I on 18/5/12,- Koolyanobbing
- E77/2013-I on 18/5/12,- Koolyanobbing
- E52/2774-I on 31/5/12,- Peak Hill
- E52/2775-I on 31/5/12,- Peak Hill
- L15/329 on 1/6/12,- Yilgarn Iron
- L47/554 on 20/6/12,- Phil's Creek
- L47/560 on 19/6/12,- Phil's Creek
- L45/265 on 22/6/12- Poondano
- L45/266 on 22/6/12- Poondano

The following tenements expired during the quarter:

- E77/946-I, Yilgarn Iron
- P77/3670-I to P77/3674-I, Johnson Range
- P77/3676-I & P77/3677-I, Johnson Range
- E77/842-I, Yilgarn Iron
- E77/919-I, Yilgarn Iron

## **COMPETENT PERSONS AND JORC COMPLIANCE STATEMENT**

### **Exploration Results**

The information in this report that relates to exploration results is based on information compiled by Mr Sean Gregory who is a member of the Australian Institute of Mining and Metallurgy and an employee of Mineral Resources Limited. Sean Gregory has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Sean Gregory consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **Geological Data, Interpretation and Resource Estimation**

The information in this report that relates to mineral resource results is based on information compiled by Mr Sean Gregory who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Mineral Resources Limited. Sean Gregory has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Sean Gregory consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.