

QUARTERLY EXPLORATION AND MINING ACTIVITIES REPORT

April to June 2022 (Q4 FY22)



28 July 2022

Mineral Resources Limited (ASX: MIN) (MinRes or the Company) is pleased to present its Quarterly Exploration and Mining Activities Report for the period to 30 June 2022.

Q4 KEY POINTS

- Safety performance for the quarter remained strong with no Lost Time Injuries and a Total Reportable Injury Frequency Rate of 2.33, an improvement quarter on quarter (qoq).
- Mining Services production volumes were 64Mt during the quarter, achieving a record 274Mt for FY22, slightly below the guidance range of 275-290Mt.
- Iron ore shipments were 4.7M wet metric tonnes (wmt) during the quarter. FY22 iron ore shipments of 19.2M wmt were at the upper end of FY22 guidance (18.5-19.5M wmt), and 11% higher than FY21. Costs (CFR ex-royalties) will be within FY22 guidance of A\$96-104/wmt for Yilgarn and A\$80-88/wmt for Utah Point.
- Average realised iron ore price for the quarter was US\$85.95 per dry metric tonne (dmt), 15% lower qoq and representing a 62% realisation of the Platts 62% IODEX.
- Mt Marion produced 128k dmt and shipped 141k dmt of spodumene concentrate during the quarter. A total of 442k dmt of spodumene concentrate was shipped during FY22, marginally below guidance of 450-475k dmt. Costs (CFR ex-royalties) will be within FY22 cost guidance of A\$570-615/dmt. The average realised spodumene concentrate price for the quarter was US\$2,645/dmt, 35% higher qoq.
- MinRes' maiden share of offtake for Mt Marion spodumene concentrate was converted into 6,722t of lithium hydroxide in China under the tolling agreement with Ganfeng¹. The structure of this agreement is such that Mt Marion lithium hydroxide EBITDA for FY22 is now expected to be US\$150-160 million (unaudited). Revenue for the sale of this product is now expected to be US\$510-520 million (unaudited).
- MinRes has exercised an option to extend the Mt Marion tolling agreement with Ganfeng for an additional three months to 30 November 2022, with scope for further extensions.
- The restart of operations at Wodgina has progressed well with first spodumene concentrate from Train 1 delivered as planned in May and 20k dmt of spodumene concentrate produced in the quarter. The restart of Train 2 progressed well with first spodumene concentrate delivered in early July, in line with guidance.
- First product from Train 1 of the Kemerton Lithium Hydroxide Plant owned by the MARBL JV was delivered in early July 2022. Train 2 completion is progressing well with first product sample on track for Q2 FY23.
- During the quarter, MinRes successfully completed a US\$1.25 billion Senior Unsecured Notes offering, consisting of US\$625 million with 8.000% coupon due 2027 and US\$625 million with 8.500% coupon due 2030. MinRes was also added to the S&P/ASX 50 index², effective 20 June.

¹ ASX Announcement on 9 February 2022

² ASX Announcement on 3 June 2022

PRODUCT SUMMARY

Total Sales	FY22	FY21	Var	Q4 FY22	QoQ Var	PcP Var
IRON ORE (k wmt) (100%)						
Yilgarn Hub	8,679	10,504	(17%)	2,129	- %	(30%)
Utah Point Hub	10,533	6,770	56%	2,560	1%	16%
TOTAL IRON ORE	19,212	17,274	11%	4,689	- %	(11%)
SPODUMENE CONCENTRATE (k dmt) (100%)						
Mt Marion	442	485	(9%)	141	50%	(9%)
Wodgina	22	-	N/A	-	N/A	-
TOTAL SPODUMENE CONCENTRATE	464	485	(4%)	141	22%	(9%)
LITHIUM HYDROXIDE (t) (51% share)						
Mt Marion	6,722	-	N/A	6,722	N/A	N/A
TOTAL LITHIUM HYDROXIDE	6,722	-	N/A	6,722	N/A	N/A

IRON ORE

IRON ORE (k wmt)	FY22	FY21	Var	Q4 FY22	QoQ Var	PcP Var
Yilgarn Hub (100%)						
Mined	7,625	9,013	(15%)	2,003	8%	(3%)
Produced	9,273	10,995	(16%)	2,082	3%	(23%)
Shipped	8,679	10,504	(17%)	2,129	- %	(30%)
Utah Point Hub (100%)						
Mined	11,560	8,663	33%	3,196	20%	27%
Produced	11,221	8,471	32%	2,953	3%	16%
Shipped	10,533	6,770	56%	2,560	1%	16%

Produced and shipped tonnes across both hubs remained stable qoq.

Yilgarn full year shipments of 8.7Mt exceeded FY22 guidance of 8.0-8.5Mt. Costs (CFR ex-royalties) will be within FY22 guidance of A\$96-104/wmt.

Utah Point Hub full year shipments of 10.5Mt achieved FY22 guidance of 10.5-11.0Mt. Costs (CFR ex-royalties) will be within FY22 guidance of A\$80-88/wmt. Shipments were impacted in Q4 by berth congestion.

The average realised iron ore price for the quarter was US\$85.95 per dry metric tonne (dmt), 15% lower qoq and representing a 62% realisation of the Platts 62% IODEX. MinRes intends to gradually transition its iron ore sales portfolio in FY23 toward a final quotation period of one month after shipment from the current quotation period of two months after shipment utilised in FY22.

LITHIUM SPODUMENE CONCENTRATE

SPODUMENE CONCENTRATE (k dmt)	FY22	FY21	Var	Q4 FY22	QoQ Var	PcP Var
Mt Marion (100%)¹						
Mined	1,908	2,466	(23%)	409	2%	(30%)
Produced	431	485	(11%)	128	23%	12%
Sold	442	485	(9%)	141	50%	(9%)
Wodgina (100%)²						
Mined	61	-	N/A	61	N/A	N/A
Produced	20	-	N/A	20	N/A	N/A
Sold	22	-	N/A	-	(100%)	- %

¹ Spodumene concentrate volumes presented as 100% for the Mt Marion Project. MinRes equity ownership in the project is 50% and has an offtake share of 51% for spodumene concentrate which is toll-converted into lithium hydroxide.

² Spodumene concentrate volumes presented as 100% for the Wodgina Project. MinRes equity ownership in the project is 40%.

Mt Marion

Mt Marion ore mined was steady qoq, but lower year-on-year because of continued mining of transitional ore located in the upper levels of the new stage of the pit, as well as the impact of a reduced operational workforce from COVID-19.

Spodumene concentrate production was marginally below plan with limited production of high-grade product because of the mining of lower-grade transitional material.

Shipments of 442k dmt in FY22 were marginally below guidance of 450-475k dmt. Costs (CFR ex-royalties) will be within FY22 cost guidance of A\$570-615/dmt.

The average realised spodumene concentrate price for the quarter was US\$2,645/dmt (35% higher qoq).

Wodgina

The restart of operations has progressed well with more than 90% of the workforce in place. Mining operations continue to ramp up steadily with most of the mining fleet now in position. Towards the end of the quarter 61k dmt of ex-pit ore was mined while ore stockpiles were crushed to feed Train 1.

The resumption of production from Train 1 exceeded expectations and was completed safely and successfully. First spodumene concentrate from Train 1 was delivered as planned in May 2022, with 20k dmt of spodumene concentrate produced in the quarter.

The restart of Train 2 progressed well, with first spodumene concentrate delivered in early July, in line with guidance.

The first cargo of concentrate produced from the restart was hauled to Port Hedland and shipped on 2 July 2022. Sales and earnings will be realised following conversion into lithium hydroxide in the coming months.

LITHIUM HYDROXIDE

LITHIUM HYDROXIDE (t)	FY22	FY21	Var	Q4 FY22	QoQ Var	PcP Var
Mt Marion (51% offtake share)						
Sold	6,722	-	N/A	6,722	N/A	N/A

MinRes equity ownership in the project is 50% and has an offtake share of 51% for spodumene concentrate which is toll-converted into lithium hydroxide.

Mt Marion

MinRes' 51% offtake share of the Mt Marion spodumene concentrate from February was toll-converted into 6,722t of lithium hydroxide in China and sold under the tolling agreement (Agreement) with Jiangxi Ganfeng Lithium Co. Ltd (Ganfeng).

The average achieved price on the sale of lithium hydroxide for the quarter was US\$77,052/t. Based on unaudited forecasts, the Company anticipates Mt Marion lithium hydroxide FY22 Revenue of US\$510-\$520 million and EBITDA of US\$150-\$160 million.

MinRes has also exercised an option to extend the Agreement term with Ganfeng for an additional three months. The Agreement will now end on 30 November 2022, unless further extended by both parties.

Kemerton

First product from Train 1 of the Kemerton Lithium Hydroxide Plant was delivered in early July 2022. The plant, owned by the MARBL JV in which MinRes has a 40/60 interest with Albemarle Corporation, receives spodumene concentrate feed from the third-party Greenbushes lithium mine. Train 2 construction is progressing well with mechanical completion on track for Q2 FY23.

EXPLORATION AND DEVELOPMENT ACTIVITY

IRON ORE

Yilgarn Hub

MinRes commenced the Koolyanobbing Magnetite Phase 1 (30,000m) drilling program during the quarter. The program follows promising results that were received from the proof-of-concept drilling program undertaken earlier in FY22. The aim of the Phase 1 program is to scope the resource potential of an initial mining area footprint.

Ashburton Hub

Development activities at the Ken's Bore Deposit continued to progress throughout the quarter. In total, 177 reverse circulation (RC) holes for 9,114m and 16 diamond core holes for 872m were drilled. Unseasonal wet weather impacted drilling and construction activities in June. All activities have since recommenced.

Pilbara Hub

A drilling program designed to collect a bulk sample for pilot plant test material using a Bauer drill rig was completed at the Marillana deposit. In total, 18 holes for 695m were drilled, collecting 622t of ore for pilot plant feed. A comprehensive characterisation, batch and pilot plant program has commenced.

LITHIUM

Mt Marion

MinRes continued with a resource extension and exploration drilling program at Mt Marion. In total, 1,187m of diamond core and 16,012m of RC were drilled during the quarter. The diamond drilling component will be used for metallurgical test work studies aimed at improving product yield through the processing plant. The RC component of this program aims to increase the Mineral Resource confidence and is expected to support the mine plan in optimising the pit design.

Wodgina

A drilling program to support the mine restart continued, with a total of 1,919m of diamond core drilling during the quarter. Diamond core will also be used for geometallurgical test work and to identify the mineral domains that will optimise ore crushing and grinding parameters.

ENERGY

Gas

During the quarter, gas and condensate analyses from the Lockyer Deep-1 well – MinRes 80% and operator, Norwest Energy (ASX: NWE) 20% – were completed. The gas analysis indicates high-quality gas with less than 4% carbon dioxide.

Planning, ordering of long-lead items and negotiations on rig slots for the drilling of additional Perth Basin wells continued during the quarter. Four wells are currently planned for the Lockyer structure in EP 368 in addition to two other exploration wells planned for other Perth Basin acreage. Drilling is currently expected to commence in late Q2 FY23 and will continue across FY23 and FY24, subject to land access agreements, government approvals and rig availability.

Data processing of the Ringneck and Charger seismic surveys and interpretation of the Romanesque seismic survey commenced during the quarter. The Romanesque seismic survey is designed to identify drillable targets close to MinRes' 10TJ/day Red Gully Gas Processing Facility located near Gingin, which is currently in care and maintenance.

Planning has commenced with joint venture partner Buru Energy Limited (ASX:BRU) on petroleum and Carbon Capture and Storage (CCS) work programs for permit L20-1 (MIN 75% and operator, Buru 25%) located near the Ashburton Project.

Renewable Energy

Installation of a 2.1MW solar array and battery at the Wonmunna iron ore mine site in the Pilbara continues to progress, with the solar panels installed during the quarter. Installation of the battery system is expected to be completed during FY23. The combined solar-battery system will provide approximately 30% of the site's installed power requirements and reduce carbon emissions by 1,800t of CO₂ per annum.

CONFERENCE CALL

MinRes' investor relations team will be conducting a quarterly results conference call on **28 July 2022 at 9:00am AWST**.

To register use this link: <https://s1.c-conf.com/diamondpass/10022344-3asm2la.html> Dial-in details and individual PIN will be received upon registration.

ENDS

This announcement dated 28 July 2022 has been authorised for release to the ASX by Mark Wilson, Company Secretary of Mineral Resources Limited.

Further Information

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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 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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OPERATING PERFORMANCE SUMMARY

	Share	Units	FY22	Q4 FY22	Q3 FY22	Q4 FY21
Safety						
TRIFR			2.33	2.33	2.56	2.15
LTIFR			0.00	0.00	0.10	0.11
Mining Services						
Contract Tonnes		M wmt	274	64	63	70
Yilgarn Hub						
Iron ore mined	100%	k wmt	7,625	2,003	1,848	2,071
Iron ore produced	100%	k wmt	9,273	2,082	2,022	2,698
Iron ore sales	100%	k wmt	8,679	2,129	2,129	3,032
Fe grade		%	56.8%	56.9%	56.6%	56.8%
Realisation		%	57%	60%	67%	85%
Revenue		US\$/dmt	78.5	83.4	94.8	170.5
Moisture		%	5.4%	6.1%	5.3%	5.5%
Revenue		\$/wmt	102.8	111.1	123.1	209.5
Utah Point Hub						
Iron ore mined	100%	k wmt	11,560	3,196	2,660	2,522
Iron ore produced	100%	k wmt	11,221	2,953	2,871	2,540
Iron ore sales	100%	k wmt	10,533	2,560	2,537	2,212
Fe grade		%	58.0%	57.9%	58.2%	58.5%
Realisation		%	62%	64%	76%	95%
Revenue		US\$/dmt	85.1	88.2	107.1	189.1
Moisture		%	10.6%	10.9%	10.9%	10.3%
Revenue		\$/wmt	104.8	110.1	131.0	81.3
Total Iron Ore						
Iron ore sales	100%	k wmt	19,212	4,689	4,666	5,244
Fe grade		%	57.4%	57.5%	57.5%	57.5%
Realisation		%	59%	62%	72%	89%
Revenue		US\$/dmt	82.0	85.9	101.3	178.0
Moisture		%	8.3%	8.7%	8.3%	7.5%
Revenue		\$/wmt	103.9	122.5	123.4	121.8

	Share	Units	FY22	Q4 FY22	Q3 FY22	Q4 FY21
Mt Marion Lithium Project¹						
Spodumene ore mined	100%	k dmt	1,908	409	402	584
Spodumene Concentrate production:						
Spodumene concentrate produced	100%	k dmt	431	128	104	114
Spodumene concentrate sold	100%	k dmt	442	141	94	155
High grade product contribution		%	31.4%	7.1%	17.0%	64.1%
Spodumene concentrate revenue		US\$/dmt	1,733	2,645	1,952	486
Lithium hydroxide uplift:						
Lithium hydroxide sold	51%	t	6,722	6,722	-	-
Lithium hydroxide revenue		US\$/t	77,052	77,052	-	-
Wodgina Lithium Project²						
Spodumene ore mined	100%	k dmt	61	61	-	-
Spodumene Concentrate production:						
Spodumene concentrate produced	100%	k dmt	20	20	-	-
Spodumene concentrate sold	100%	k dmt	22	-	22	-
Spodumene concentrate revenue		US\$/dmt	2,201	-	2,201	-

¹ MinRes operates 100% of the Mt Marion project, in which it has a 50% equity interest and a 51% offtake share of spodumene concentrate produced which is toll-converted into lithium hydroxide.

² MinRes has a 40% equity interest in the project.