



Mineral Resources Limited (ASX:MIN)

Integrated Mining Services

## Quarter 2 | FY2014 Mining Activities Report



## QUARTERLY HIGHLIGHTS

### EXPORT VOLUME GROWTH

- ⇒ Total export volume up by 42% from previous quarter
- ⇒ Total export volume for first half exceeds 5 million tonnes



Tonnes Shipped	Q1 FY14 wmt (000's)		Q2 FY14 wmt (000's)		Change %	
	Produced	Shipped	Produced	Shipped	Produced	Shipped
Mine Sites						
Phil's Creek	784	600	950	1,121	21%	87%
Spinifex Ridge*	350	249	414	404	18%	62%
Poondano & Other*	244	150	189	169	-22%	13%
Carina	1,162	999	1,256	1,282	8%	17%
<b>Total</b>	<b>2,540</b>	<b>2,093</b>	<b>2,809</b>	<b>2,976</b>	<b>11%</b>	<b>42%</b>

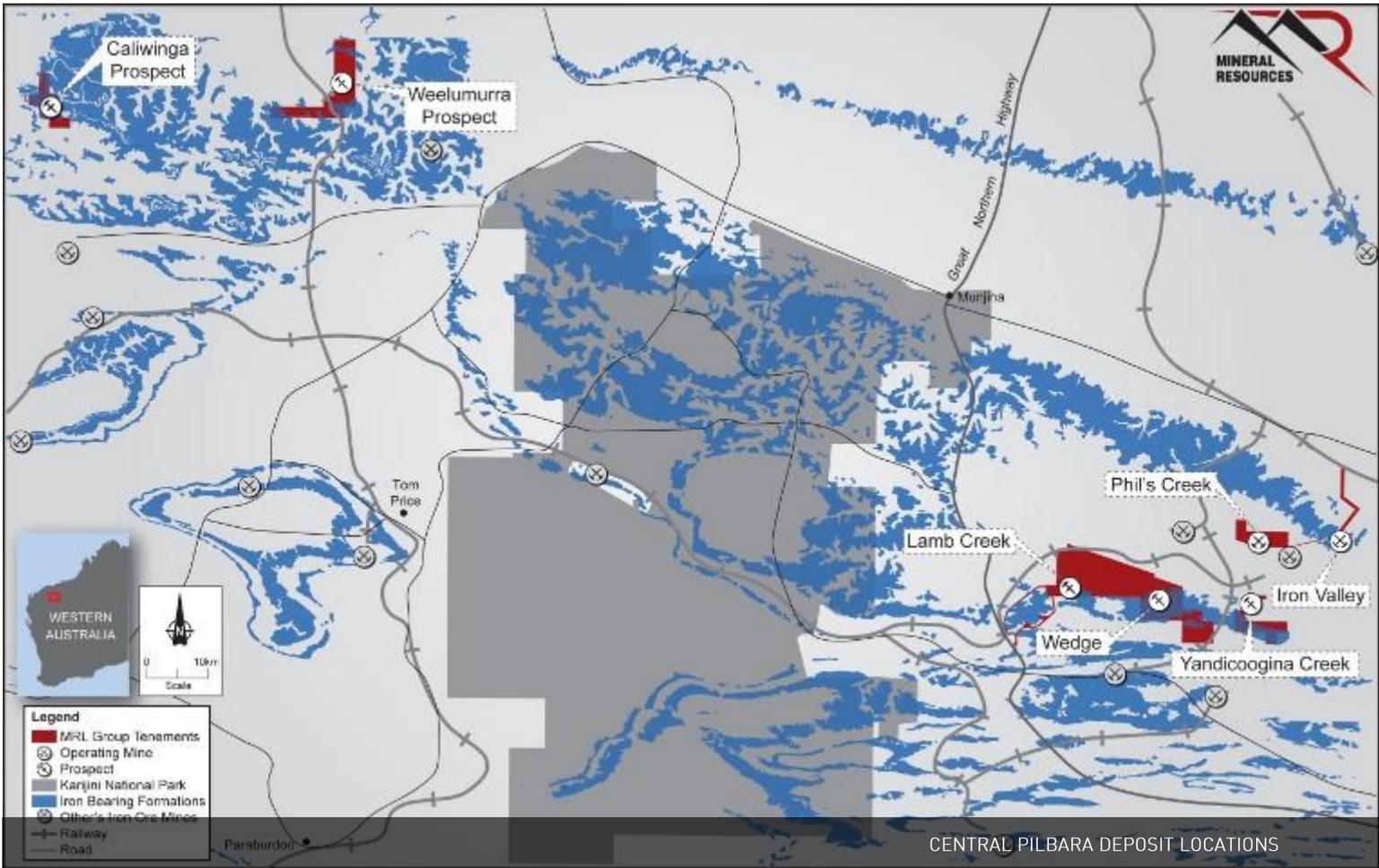
\*Reported as Mining Services Segment in Financial Reports

### MINING

- ⇒ Record iron ore shipments for Q2 FY14
- ⇒ Poondano mining completed, remediation of residual iron ore stockpiles and environmental clean-up has commenced
- ⇒ Iron Valley mine development to commence next quarter and first production forecast for FY15
- ⇒ Orders have been placed for new rail wagons and locomotives which is expected to realise cost savings and production improvements at Carina mine site

### EXPLORATION

- ⇒ Exploration drilling at Wedge completed
- ⇒ Infill drilling at Iron Valley progressing to prepare for production
- ⇒ Diamond drilling for geotechnical studies continues at J4
- ⇒ RC drilling closed off the western extent of J4 and tested the 919 prospect located on the ridge north of J4
- ⇒ Drilling proposal for J5 and mining proposal for J4 were referred to the EPA for assessment



## IRON ORE MINING

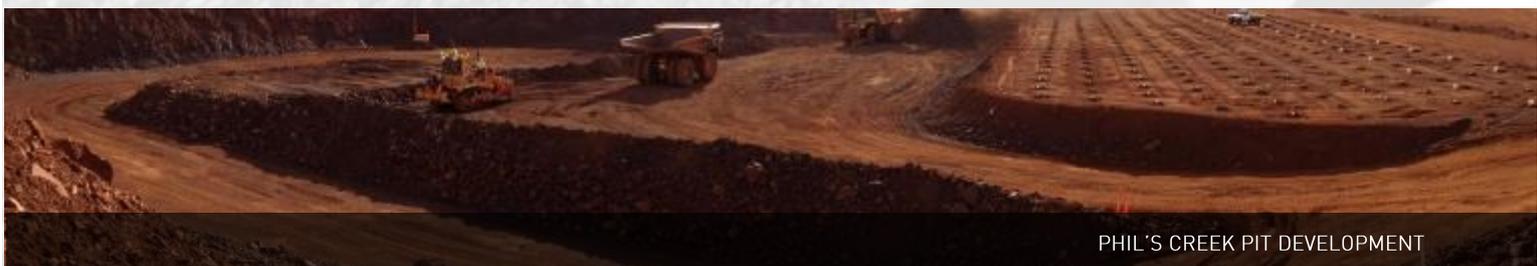
### PHIL'S CREEK IRON ORE MINE

A seamless transition into a 24/7 operational mine site has produced increases in mining, production, haulage and shipping to record levels.

The private haul road is fully operational and planned haulage rates to Utah Point are being met on time and in a safe manner.

In December 2013, Tropical Cyclone Christine dropped 149mm of rain in a 24 hour period in the area. Site was fully operational 36hrs after the cyclone had cleared the area and the haul route was operational within 72 hours.

Product quality remains in line with the mining model.



PHIL'S CREEK PIT DEVELOPMENT



CARINA PIT DEVELOPMENT & YILGARN DEPOSIT LOCATIONS



## IRON ORE MINING

### CARINA IRON ORE MINE

The Stage 2 cut back of Carina Pit, which incorporates the final pit design, commenced during the quarter. Ore presentation within the deeper stage 1 is very healthy, as are the stock levels throughout the logistics chain.

Export volumes are in accordance with the current capacity of the rail system. To further improve volume output, the Company has invested in new rolling stock. This will allow ageing leased rail wagons to be retired, production capacity to increase and costs to be lowered through direct ownership. The Company has also placed an order to purchase locomotives, expected for delivery in May, June and July 2014.

The Carina Extended deposit, a satellite ore body located 2km north of the main pit, received all necessary government approvals during the quarter. This allows mining of this deposit to commence in 2015 in accordance with the mine plan.

The J5 drilling program and J4 mining proposal were referred for assessment by the EPA during the quarter. Field botanical surveys were completed for all planned Yilgarn mine developments to enable referral to the EPA during 2014.



SPINIFEX RIDGE PIT DEVELOPMENT



## IRON ORE MINING

### SPINIFEX RIDGE IRON ORE MINE

This was the first full quarter that mining operations were conducted on a double shift basis. Efficiencies gained in crushing have allowed the crushing operations to predominantly stay on a single shift basis. Road haulage has also been increased to deliver the required volumes to Utah Point.

Ore presentation from Auton and Dalek is going well and the cutback in Gallifrey pit is underway, with ore presenting next quarter. In pit RC drilling in Dalek was conducted during the quarter to further define the ore body.

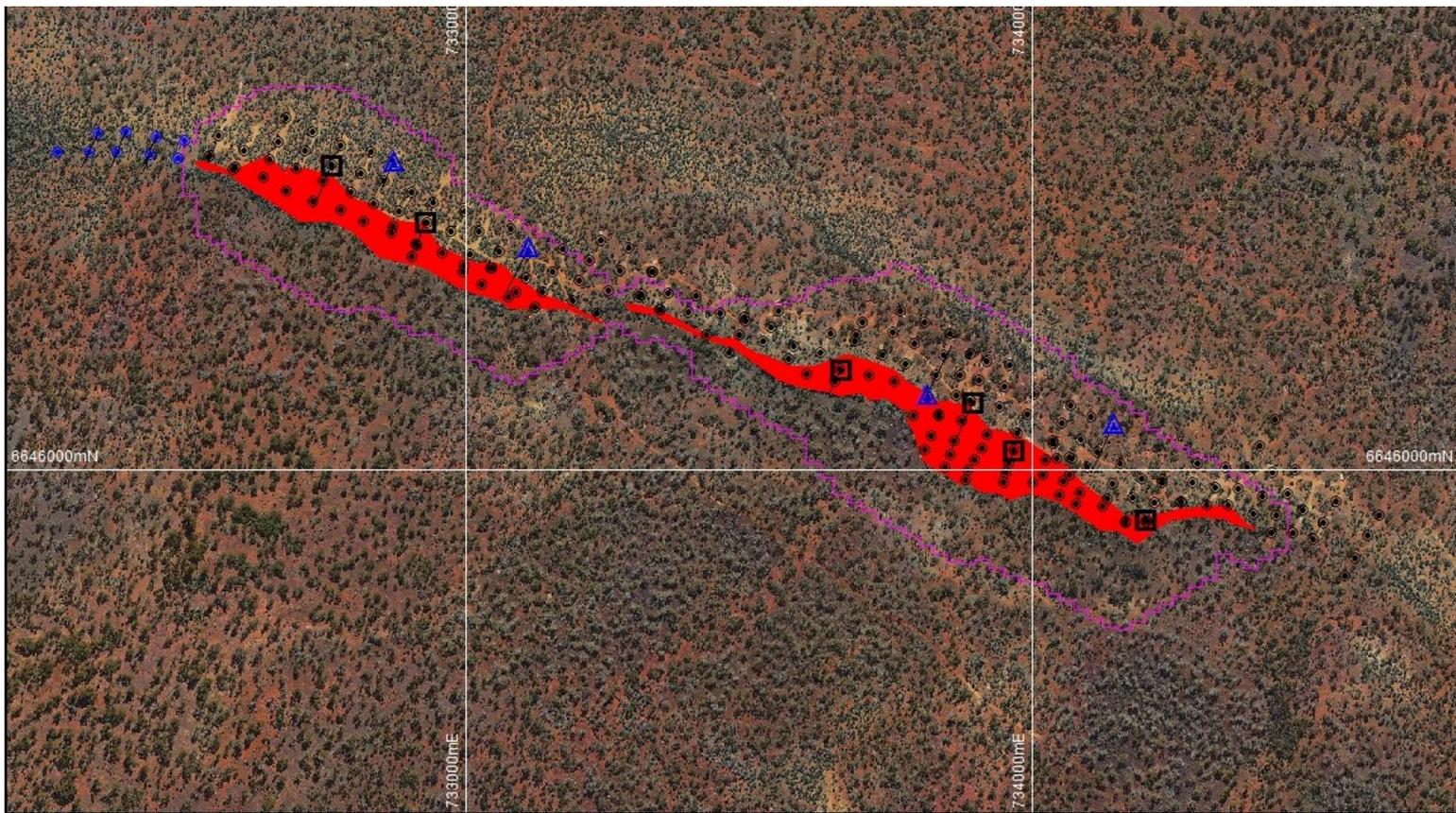
Numerous safety initiatives have been undertaken during the quarter which has seen a more methodical approach in operational activities. Cyclone Christine impacted production for several days late in the quarter, with the operations going on yellow alert for two days before the operations resumed safely.

### IRON VALLEY - NEW IRON ORE MINE

IOH received all primary approvals to enable mine construction to commence during the next quarter, Q3 FY14. MRL will commence construction during the current quarter and is seeking further secondary approvals to enable haulage to commence during FY15.

### POONDANO - COMPLETED IRON ORE MINE

Iron ore mining was completed at Poondano in December. Processing of stockpiled ore and rehabilitation work will continue during the next quarter.



	Scale 1 : 10000	Plot Date 20-Jan-2014	Sheet 1 of 1	<b>LEGEND</b> — DRILL HOLE TRACE    ● Q4 RC HOLES (BARREN)    ▲ Q4 DIAMOND HOLES    ■ IRON MINERALISATION — PIT OUTLINE    ● PREVIOUS RC HOLES    □ PREVIOUS DIAMOND HOLES    □ WASTE ROCK	<b>J4 PROJECT</b>
	J4 PROJECT Q4 REPORT				

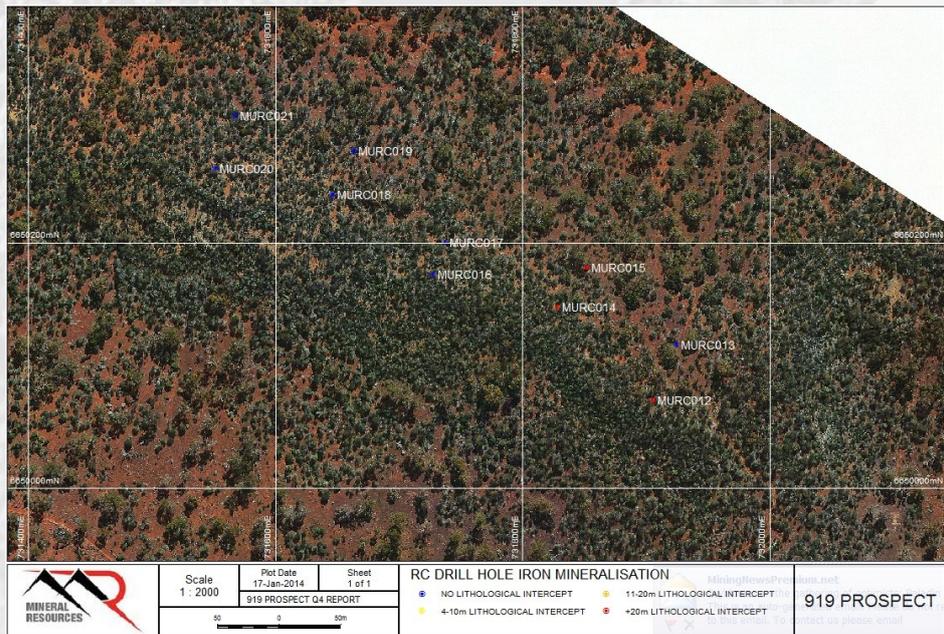
## MINERALS EXPLORATION

### YILGARN EXPLORATION

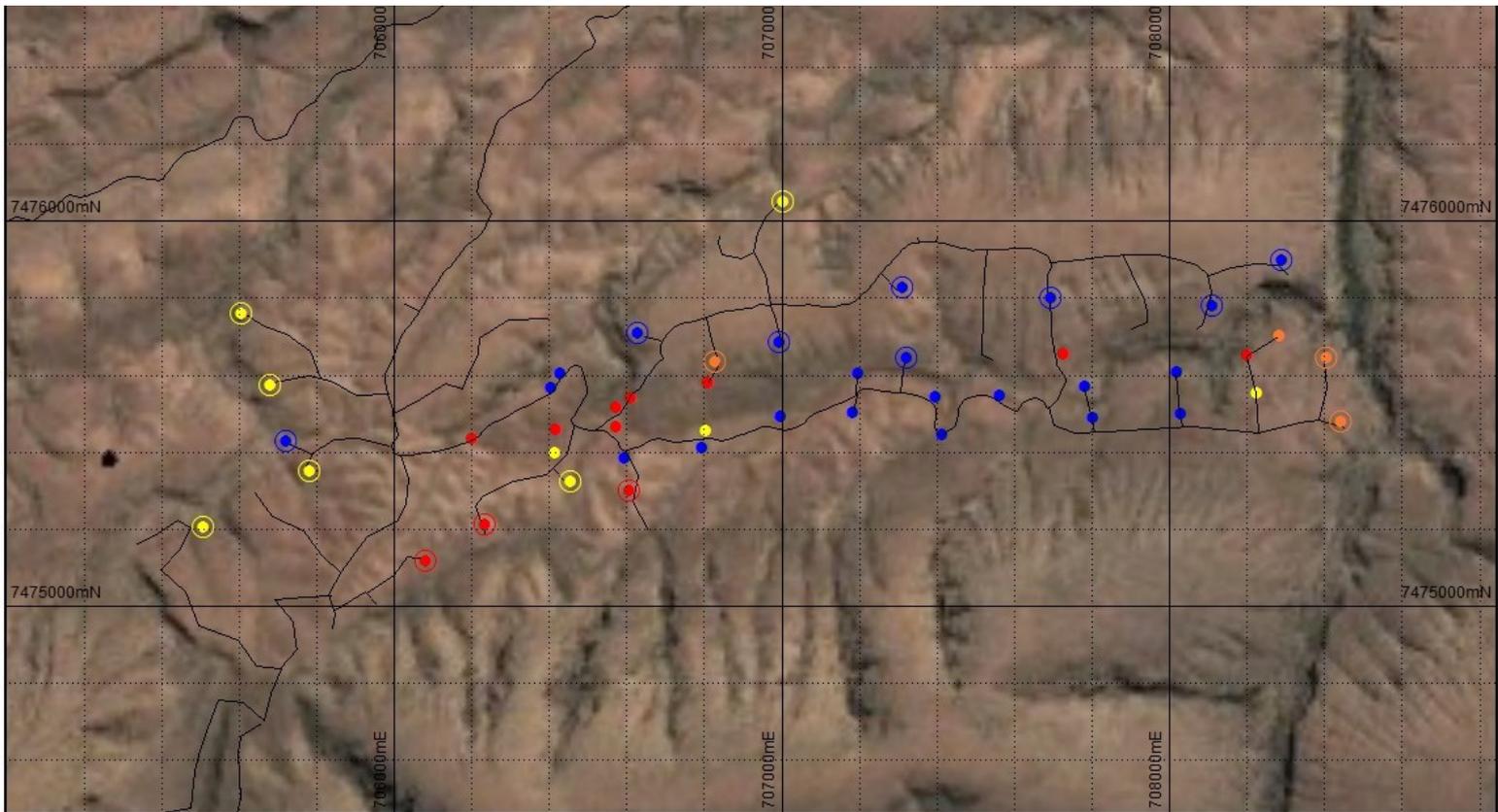
Four diamond holes for 677m for geotechnical studies were completed at J4, nine RC holes for 780m closed off the western strike extents of J4. Ten RC holes for 1038m were drilled to test the 919 prospect, 4km to the north-west of J4.

Holes MURC12, 14 and 15 at 919 intersected some iron mineralisation up to 40m thick. Assays are awaited.

Metallurgical work during the quarter confirmed that J4 will also be suitable for fines production consistent with the approach at Carina.



	Scale 1 : 2000	Plot Date 17-Jan-2014	Sheet 1 of 1	<b>RC DRILL HOLE IRON MINERALISATION</b> ● NO LITHOLOGICAL INTERCEPT    ● 11-20m LITHOLOGICAL INTERCEPT ● 4-10m LITHOLOGICAL INTERCEPT    ● >20m LITHOLOGICAL INTERCEPT	<b>919 PROSPECT</b> <small>Mineral Resources Pty Ltd          15 Dorr Street, Carina NSW 1585          contact us please email</small>
	919 PROSPECT Q4 REPORT				



Scale  
1 : 15000

Plot Date  
17-Jan-2014

Sheet  
1 of 1

Plot File: Q4 PLAN VIEW

200 0 200m

**IOH DRILL HOLE INTERCEPTS (ASSAYS Fe>50%)**

- NO SIGNIFICANT INTERCEPT
- 4-10m SIGNIFICANT INTERCEPT
- 10-20m SIGNIFICANT INTERCEPT
- +20m SIGNIFICANT INTERCEPT

**MRL Q4 DRILL HOLE INTERCEPTS (LITHOLOGY)**

- NO LITHOLOGICAL INTERCEPT
- 4-10m LITHOLOGICAL INTERCEPT
- 10-20m LITHOLOGICAL INTERCEPT
- +20m LITHOLOGICAL INTERCEPT

Wedge Project

## MINERALS EXPLORATION

### PILBARA EXPLORATION

Infill drilling to support accurate short term mine planning continued at Iron Valley with 42 holes for 2392 metres completed.

20 holes for 1692m were also drilled at the Wedge prospect. Mineralisation was logged up to 20m thick in some areas. Assays are awaited.



## COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Sean Gregory who is a full time employee of MRL. Mr Gregory is a Member of The Australasian Institute of Mining and Metallurgy and 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 Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.