Mineral Resources Limited (MRL; ASX:MIN)

QUARTERLY REPORT ON MINING AND EXPLORATION ACTIVITIES
QUARTER ENDING 31 MARCH 2012

HIGHLIGHTS

- **Carina iron ore**
  - March quarter shipments of 752,734 tonnes, up from 325,894 the previous quarter
  - Continued ramp-up of production and shipping via Kwinana Berth
  - Construction activities on schedule for completion in first quarter FY2013

- **Central Pilbara Tenements**
  - Completion of acquisition of Phil’s Creek, Lamb Creek and Yandicoogina Creek tenements from Iron Ore Holdings (ASX:IOH)
  - Construction kicks-off at Phil’s Creek iron ore mine

- **Exploration**
  - Significant exploration drilling activity continued

Shiploading at Kwinana Berth2
Carina Operations

The ramp up of the Carina Iron Ore Mine continued during the quarter with 752,734 tonnes of iron ore lump and fines being exported from this project. In total, 1,078,628 tonnes have been exported from the project since commencement of export operations in November 2011.

The operations team continue to take delivery of the completed operating assets from the construction crew. Completion of the construction programme will enhance the efficiency of the ongoing operation and allow for the project to settle into a steady state production cycle. Further work at Kwinana berth will also improve the efficiency of the ship loading operations.
Lump iron ore produced at Carina temporary crushing and screening plant

Carina train load-out
Carina Construction
Crushing Services (CSI) continued construction of the permanent facilities with assembly of the two stackers and one reclaimer commencing as planned during the quarter. Other works in progress include the sealed airstrip, main crushing plant, ROM and ancillary services. The overall construction programme is due for overall completion in the first quarter of FY2013.
Stockyard earthworks and machine assembly at Carina Ore Handling Plant

Reclaimer assembly at Carina Ore Handling Plant
**Carina Drilling**

Eighty Reverse Circulation (RC) holes were completed for 7,340m in the Carina area during the quarter. This included exploration and sterilisation work to the north (fifty three RC holes) and south (twenty RC holes) of the Carina deposit. Four RC holes were drilled to infill gaps within the Carina mining pit previously inaccessible due to topography. Three hydrogeological monitoring bores were drilled at the Carina Extended deposit for upcoming hydrogeological test pumping. Further geotechnical and hydrogeological work is planned for Carina in the coming period.

Drilling in the Carina and Carina Extended during the March 2012 quarter
Greater Yilgarn Exploration
Planning continued for exploration within the greater Yilgarn area. A Program of works (POW) was approved by the WA Department of Mines and Petroleum and site works were completed at Mayfield, located 100km west of Carina. A POW for Hunt Range 20km north of Carina was approved. POWs have been lodged and awaiting approval for Chameleon, 10km north of Carina and J4, located 60km to the west.
Central Pilbara Tenements

Subsequent to the quarter end, MRL completed the acquisition of the Central Pilbara Satellites from IOH. This tenement package includes the Phil’s Creek, Lamb Creek, Wedge, and Yandicoogina Creek areas.

MRL also entered into an agreement to purchase tenement E47/2366 from Murchison Metals Ltd (ASX:MMX) which is contiguous with and to the south of the Central Pilbara Satellites.

Location of MRL Central Pilbara Projects
Phil’s Creek Development
Construction activities commenced at the Phil’s Creek mine during the quarter. Work underway includes the clearing and grubbing of the mining area, main haul road, village access road and mining village. A new Komatsu mining fleet has arrived on site. Export of iron ore products from the mine will commence later this calendar year.

View from the ROM pad at Phil’s Creek

Cut and fill operations in the ROM area
First accommodation units arrive on site

New mining fleet at site
**Phil’s Creek Drilling**

Sixty holes for 1,196m of infill RC drilling of the Phil’s Creek deposit to a 50x50m spacing was completed during the quarter. A twenty hole diamond drilling program commenced subsequent to the quarter end.

![Geology team at Phil’s Creek site](image)

**Tenements**

The following tenements were granted during the quarter:

- Miscellaneous Licence L45/219 at Poondano
- Exploration Licence E77/1831 in the Yilgarn Area
- Prospecting Licences P77/3948, P77/3949, P77/3985, and P77/3986 in the Yilgarn Area

Exploration Licence E77/1342 at Mt Elvire was disposed during the period.

**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.