

09 February 2022

Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

## **PROGRESS REPORT FOR THE RHIOJV PROJECT**

Mineral Resources Limited (MinRes) have today released a Progress Report stating that they have signed a Heads of Agreement for the development of the Red Hill Iron Ore Joint Venture (RHIOJV) project.

This report provides our Company with the confidence that there should be no significant delay to the receipt of the second cash component of our Sales Agreement with MinRes and that our anticipated royalty streams will commence in a timely manner.

## **BACKGROUND**

In September 2021, Red Hill Iron Limited sold its 40% interest in the RHIOJV to MinRes. An initial payment of \$200 million was received with a further \$200 million to be paid when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs port.

In addition, a 0.75% FOB royalty revenue stream is to be received from:

- (1) all future production from the RHIOJV tenements;
- (2) for the first 10 years, from the APIJV owned Upper Red Hill Creek tenement;
- (3) all production from the MRL owned Bungaroo South resources that are developed in association with RHIOJV production.

## **THE MINRES REPORT**

The MinRes Report envisages a life of mine production arrangement with the other RHIOJV participants, Baowu, AMCI and Posco. The proposed Central Processing Facility is planned to be constructed adjacent to the RHIOJV Project Kens Bore Resource. The design capacity is 30 million tonnes per year with the product planned to be road hauled some 140 kilometres to Ashburton Port, near Onslow township.

The report projects a \$36 million Capex figure for the first half of calendar 2022.

The Report explains that the mining will be handled as a joint venture with MinRes acting as Manager. The road haulage and port facilities will be the responsibility of MinRes. It states that a final investment decision is anticipated in June 2022, and that a target has been set to achieve first production by March 2024.

Released with the authority of the board,

Joshua Pitt  
Chairman

115°E

116°E

Dampier



# RED HILL IRON PROJECTS WEST PILBARA

21°S



Western  
Australia

Cape Preston

North West Coastal Highway

**THREE PEAK HILL  
QUARRY PROJECT  
RHI 100%**

**PANNAWONICA PROJECT  
RHI 100%  
WHITEGATE & REDGATE**

Ashburton  
Port

Onslow

ROBE RIVER IRON ASSOCIATES  
MESA A MINE

Yarraloola

Pannawonica

ROBE RIVER IRON ASSOCIATES  
MESA J MINE

**Proposed  
HAULAGE NETWORKS**

Red Hill  
Homestead

Mineral Resources Ltd  
Bungaroo South Deposit

22°S

**Proposed APIJV  
Processing Facility**

API  
Buckland Hills  
Deposit

**RHIOJV AREA  
OTHER MINERALS  
RHI 100%**

Cardo Outstation

Nanutarra  
Roadhouse

Mount Stuart  
Homestead

API  
Catho Well  
Deposit

