

26 July 2018

Ms Isabelle Andrews  
Australian Securities Exchange

**By email: [isabelle.andrews@asx.com.au](mailto:isabelle.andrews@asx.com.au)**

**Copy: [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au)**

Dear Isabelle

**Response to ASX Letter dated 24 July 2018**

We refer to your letter dated 24 July 2018 ("**Aware Letter**").

Unless otherwise defined, capitalised terms have the same meaning in this letter as the meaning given to those terms in the Aware Letter.

On 19 July 2018, MIN was requested by Morgan Stanley to attend a video conference with a number of institutional investors in order to provide a high level overview of the MIN business and our operations ("**Video Conference**").

Prior to providing an overview of the MIN business and operations, MIN Managing Director, Mr Chris Ellison, expressly stated to the audience that the purpose of the Video Conference call was ***not*** to provide material non-public information or information that was not otherwise publicly available.

Further, Mr Ellison made it clear that he did not intend to provide any new information and that MIN would be releasing its full year results on 15 August 2018.

Mr Ellison provided an overview of the MIN business and operations. The remaining discussions held during the Video Conference were dictated by questions asked by the audience.

**1 At what time and over what time period was the Video Conference given?**

The Video Conference was conducted via a video conference call that commenced at approximately 10.30 am WST on Thursday 19 July 2018 and ceased at approximately 11.45 am WST that day.

**2 Who gave the Video Conference on behalf of MIN?**

The MIN Managing Director, Mr Chris Ellison, held the discussion with the audience.

There were three other staff members in the room generally providing technical/IT support but not involved in the discussion.

**3. Who else participated in the Video Conference?**

**Sydney:**

Institutional Broker: Morgan Stanley

Investor

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Amp Capital Investors  
Argo Investments  
Ausbil Investment Management  
Balyasny Asset Management  
Cadence Asset Management  
Ophir Asset Management  
Pental Group  
Perpetual Investment Management  
Qvg Capital  
Renaissance Smaller Companies  
T Rowe Price  
Ubs Asset Management  
Ubs Asset Management  
Watermark Funds Management  
Watermark Funds Management  
Wilson Asset Management

**Melbourne:**

Investor

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Australian Foundation Investment  
Balanced Equity Management  
Bennelong Long Short Equity Management  
Bennelong Long Short Equity Management  
Ceres Capital  
Cooper Investors  
Greencape Capital  
Intrinsic Investment Management  
Janus Henderson Investors (Hgi)  
Jcp Investment Partners  
Karara Capital  
L1 Capital  
Perennial Value Management Group  
Ralton Asset Management  
Victorian Funds Management  
Yarra Capital Management

**Dial in:**

Perennial Value Management

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4. **Did the Video Conference include any information that had not previously been disclosed by MIN to the market and that a reasonable person would expect to have a material effect on the price or value of MIN's securities?**

No.

5. **If the answer to question 4 is "no", please advise the basis for that view.**

As noted above, the Video Conference was intended to provide a general update on operations. The update on operations was prefaced by an express statement by Mr Ellison to the audience that the purpose of the conference was **not** to provide material non-public information or to provide any new information.

MIN is of the view that all information (including, for the avoidance of doubt, the Relevant Information) discussed on the Video Conference fell within one or more of the following categories:

- (a) information already in the public domain including (without limitation) available on MAP;
- (b) information which is able to be readily deduced from information already in the public domain;  
or
- (c) information which is by its nature so inherently speculative or uncertain that it could not form a rational basis for making an investment decision in relation to MIN securities.

These factors are elaborated upon further in the response to Question 8 below.

6. **In light of the Announcement, please confirm whether the Relevant Information was disclosed at the Video Conference on 19 July 2018 while MIN's quoted securities were trading on ASX.**

Confirmed.

7. **Noting the recent share price movement in MIN's securities at or around the time of the Video Conference and immediately following the release of the Announcement, does MIN consider that the Relevant Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of MIN's securities?**

No.

**In answering this question please detail the Relevant Information MIN considers to be information that a reasonable person would expect to have a material effect on the price or value of MIN's securities.**

Not applicable.

8. **If the answer to question 7 is "no", please advise the basis for that view.**

MIN's view is that each item of Relevant Information in paragraph E of the Aware Letter is **not** material and was already publicly available for the following reasons:

## Relevant Information

That MIN's estimated annual earnings before interest, taxes, depreciation and amortisation for the Wodgina project was expected to be AU\$600 million ("**Wodgina Earnings Statement**")

## Basis for view on materiality

As set out in the Announcement, this number is arithmetically derived from:

- the US\$ spodumene price (as noted by MIN in ASX announcements on 11 April 2018 and 7 May 2018) converted to A\$ (with exchange rates publicly available from multiple sources);
- multiplied by the nameplate capacity of the Wodgina spodumene plant (numerous ASX announcements including, most recently, the announcement of 15 June 2018);
- less operating costs (compared with Mt Marion costs as set out in the half yearly results information pack 8 Feb 2018).

In addition, on 15 December 2017 the Company released to MAP an announcement "Confirmation of Statements made during Teleconference held on 14 December 2017" that advised the market of potential revenue of A\$1.4B based upon potential spodumene concentrate and lithium carbonate production and noted the relevant underlying assumptions.

This Wodgina Earnings Statement therefore comprises information that is readily able to be derived from publicly available information, as evidenced by the fact that equity research reports on MIN by various analysts, including the following, contain varying estimates of the earnings potential of MIN's lithium operations:

- Henslow – 18 December 2017
- Macquarie Research – 11 Feb 2018
- Euroz – 12 April 2018
- Deutsche Bank – 16 April 2018
- Morgan Stanley – 17 June 2018

That MIN has commenced a process to sell up to 49% of the Wodgina lithium project ("**Wodgina Sale Process Statement**")

This information has been released on MAP and is in the public domain. See MIN's ASX announcements 1 May, 2 May and 15 June.

That MIN's proposed narrow gauge, lightweight rail system is progressing and has been modelled on a base case of 20 million tonnes per annum

This information has been released on MAP and is in the public domain. See ASX announcements at AGM 22 November 2017 and on release of the half yearly financial

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**Relevant Information**

run rate, with a total system capacity of 50 million tonnes per annum ("**Rail Capacity Statement**")

That the estimated cost for the development of the lightweight rail system is in the order of AU\$1.4 - \$1.6 billion ("**Rail Cost Statement**").

**Basis for view on materiality**

results on 8 Feb 2018.

In any event, MIN is of the view that a mere statement of the basis of a particular development scenario on which technical work is being based is not materially price sensitive information.

MIN has made a series of announcement and other references to the potential rail system (part of the Pilbara Infrastructure Project ("**PIP**") since at least August 2017.

MIN has consistently noted that the design and configuration of the rail component of the PIP is being refined and has not been finalised. MIN refers to:

- Full Year Profit Announcement – Results Information Pack released 16 August 2017
- Annual Report for FY2017 – released 18 October 2017
- Managing Director's Presentation to AGM – released 22 November 2017
- H1 FY18 Information Pack, H1 FY 18 Results – Investor Presentation – released 8 February 2018
- Macquarie Australia Conference – released 2 May 2018

Given the inherent variability and inconclusiveness of the development scenario (including scale, timing and final design), MIN does not consider the Rail Cost Statement to amount to materially price sensitive information.

In light of the above, MIN is not able to explain the movement in the MIN share price following the Video Conference. However, enquiries conducted following receipt of the Aware Letter with a number of brokers and analysts suggests that there may have been speculation within the institutional investment market regarding progress on the Wodgina spodumene project and MIN's ability to achieve its earnings guidance for full year FY2018. The fact that there was no new information on either matter during the Video Conference may have accounted for the increase in the MIN share price.

Finally, in MIN's view, there was no material movement in the price of MIN's securities "immediately following the Announcement" as suggested:

- MIN last traded prior to the trading halt on Friday 20 July 2018 at A\$16.46/share.
- The announcement was put on MAP after market close on 23 July 2018.
- MIN came out of trading halt at market open on 24 July 2018 with an opening price of A\$16.76/share.

- This is a 1.8% increase between last traded MIN price on 20 July 2018 and re-commencement of trading on 24 July 2018.
- This is **not** an unusual share movement for MIN based upon trading averages over the past 12 months.

**9. When did MIN first become aware of the Relevant Information? Please comment specifically on the date and time MIN became aware of each item of the Relevant Information.**

As a number of items the Relevant Information are dependent upon a range of variable factors (including, among other things, commodity prices and exchange rates) which are changing on a constant basis, it is not possible to attribute a definitive date at which it can be said that MIN became "Aware" of the Relevant Information.

Nonetheless, we respond as follows

<b>Relevant Information</b>	<b>Comment on Awareness</b>
Wodgina Earnings Statement	This statement is simply a mathematical calculation based on a combination of metrics which, as noted in the response to Question 8, are in the public domain and which will vary from time to time. Accordingly, the earliest point at which MIN could be said to be "Aware" of the information is at the time the Wodgina Earnings Statement was made.
Wodgina Sale Process Statement	<p>The MIN Board first resolved to consider a minority sale process for Wodgina on 19 April 2018 and preparations, including the appointment of advisers and compilation of information, commenced shortly thereafter.</p> <p>MIN only determined to embark on a public process with the making of its ASX Release dated 1 May 2018, and accordingly, the earliest point at which MIN could be said to be "aware" of that information was on that date.</p>
Rail Capacity Statement	As noted in the response to Question 8, this information has been released on MAP and is in the public domain. See ASX announcements at AGM 22 Nov 2017, half yearly on 8 Feb 2018.
Rail Cost Statement	The potential cost of the rail component of the PIP has been the subject of numerous internal reports since at least August 2017. As the nature, scale and design of the PIP has evolved, so have estimates of capital expenditure associated with PIP (including the information in the Rail Cost Statement). From time to time, where MIN has been able to provide an indication of estimated timeframes for finalisation of design and costings (which has not occurred yet) it has done so via MAP.

**10. If MIN first became aware of the Relevant Information, or any part thereof, before the Relevant Date, did MIN make any announcement prior to the Relevant Date which**

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disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe MIN was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps MIN took to ensure that the Relevant Information was released promptly and without delay.

<b>Relevant Information</b>	<b>Comment on timing of disclosure</b>
Wodgina Earnings Statement	<p>For the reasons noted in response to question 8, MIN was (and remains) of the view that the Wodgina Earnings Statement comprises information able to be readily deduced from publicly available information.</p> <p>MIN also refers to its announcement dated 15 December 2017 to MAP titled "Confirmation of Statements made during Teleconference held on 14 December 2017"</p>
Wodgina Sale Process Statement	<p>Until 1 May 2018, the intended Wodgina minority sale process represented a confidential and incomplete proposal therefore MIN was not obliged to release the Wodgina Sale Process Statement until that time.</p>
Rail Capacity Statement	<p>As noted in the response to Question 8, this information has been released on MAP and is in the public domain. See ASX announcements at AGM 22 Nov 2017, half yearly on 8 Feb 2018.</p>
Rail Cost Statement	<p>The potential cost of the rail component of the PIP has been the subject of numerous internal reports and revisions which have been noted in previous ASX announcements (see the answer to Question 8). Given the fact that the final scope of the PIP is unresolved, final design of MRL's light weight rail is pending and no final investment decision in relation to PIP has been made, and accordingly any estimate of the capital expenditure which may be incurred in relation to PIP is necessarily inconclusive in nature, MIN is of the view that it is not obliged by Listing Rule 3.1 to release the Rail Cost Statement to the market.</p>

**11. Please comment on how the events described in this letter comply with MIN's Continuous Disclosure Policy, in particular, how disclosing the Relevant Information at the Video Conference prior to the release of the Announcement reconciles with MIN's commitment to:**

- (a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;**
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;**
- (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and**

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- (d) **ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.**

As noted in response to question 8, the Video Conference was intended to provide a general operational update and did not disclose information which MIN considered to be non-public, materially price sensitive information. For that reason, no written materials were prepared and no formal presentation delivered. The Video Conference was largely in a question and answer format and the Relevant Information was provided primarily in answer to questions proffered by investors and analysts.

Notwithstanding MIN's view that the Relevant Information was either or both publicly available and / or not materially price sensitive, following discussions with ASX throughout the morning of 20 July 2018, on or around 12.30 pm on 20 July 2018 made a decision to request a trading halt for the purposes of reviewing the information disclosed at the Video Conference and preparing the Announcement.

MIN acknowledges the importance of its continuous disclosure obligations and believes that it has acted in good faith and in compliance with those obligations in relation to the Relevant Information.

At no stage during the Video Conference or immediately following the conclusion of that briefing did MIN consider that it has disclosed information that was price sensitive.

**12. Please confirm that MIN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed.

- 13. Please confirm that MIN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MIN with delegated authority from the board to respond to ASX on disclosure matters.**

MIN confirms that the Company Secretary has been delegated with authority from the board to provide the responses to the questions set out in this letter.

Yours sincerely

***Mineral Resources Limited***



Simon Rushton  
Company Secretary





24 July 2018

Mr Simon Rushton

Company Secretary  
Mineral Resources Limited  
1 Sleat Road  
Applecross WA 6153

By email:

Dear Mr Rushton

**Mineral Resources Limited (“MIN”) aware query**

ASX Limited (“ASX”) refers to the following:

- A. The telephone briefing given by MIN to certain investors on Thursday 19 July 2018 (the “Investor Briefing”).
- B. The change in price of MIN’s securities from \$15.35 at 12:00:06 AEST to \$16.58 at 15:25:11 AEST on 19 July 2018.
- C. MIN’s announcement entitled “Update on Acquisition of Cliffs Yilgarn Iron Ore Assets” lodged on the ASX Market Announcements Platform (“MAP”) and released at 16:23 AEST on 19 July 2018 in relation to the acquisition by MIN of the assets used by a wholly-owned subsidiary of Cleveland-Cliffs Inc. to run its Koolyanobbing iron ore operation in the Yilgarn region of Western Australia. MIN stated in this announcement that the capacity of its owned and operated rail rolling stock will enable between 6.0 and 6.25 Mtpa to be transported from the site to the Port of Esperance.
- D. MIN’s announcement entitled “Trading Halt” lodged on MAP and released at 14:47 AEST on 20 July 2018 in which MIN requested a trading halt in its securities pending an announcement on various projects relating to the Investor Briefing held on the 19 July 2018.
- E. MIN’s announcement entitled “Update on Investor Discussion on 19 July 2018” (“Announcement”) lodged on MAP and released at 09:30 AEST on 24 July 2018 (“Relevant Date”), disclosing, amongst other things, that the following matters were discussed in the Investor Briefing:
  - a) that MIN’s estimated annual earnings before interest, taxes, depreciation and amortisation for the Wodgina project was expected to be AU\$600 million;
  - b) that MIN has commenced a process to sell up to 49% of the Wodgina lithium project;
  - c) that MIN’s proposed narrow gauge, lightweight rail system is progressing and has been modelled on a base case of 20 million tonnes per annum run rate, with a total system capacity of 50 million tonnes per annum; and
  - d) that the estimated cost for the development of the lightweight rail system is in the order of AU\$1.4 - \$1.6 billion(together “Relevant Information”).
- F. The change in price of MIN’s securities from an opening price of \$16.76 to an intra-day high of \$17.08 on 24 July 2018 following the release of the Announcement.

- G. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- H. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"*
- and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "When does an entity become aware of information".
- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 *One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - *The information is generated for the internal management purposes of the entity; or*
  - *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed."*
- J. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:
- "Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*
- K. Listing Rule 15.7, which requires that a listed entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released the information to the market.
- L. The Company's Continuous Disclosure Policy available on the Company's website that includes the following:
- "The Company is committed to:*
- a) *complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;*
  - b) *preventing the selective or inadvertent disclosure of material price sensitive information;*
  - c) *ensuring shareholders and the market are provided with full and timely information about the Company's activities;*

- d) *ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.”*

And

*“The Disclosure Officers will review all communications to the market to ensure that they are full and accurate and comply with the Company’s obligations. Such communications may include:*

- a) *media releases;*
- b) *analyst, investor or other presentations;*
- c) *prospectuses; and*
- d) *other corporate publications”*

And

*“Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are lodged with ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material is posted to the Company’s website. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.*

*The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market. The Company considers that one on one discussions and meetings with investors and stockbroking analysts are an important part of proactive investor relations. However, the Company will discuss only previously disclosed information in such meetings.”*

Having regard to the above, ASX asks MIN to respond separately to each of the following questions and requests for information:

1. At what time and over what time period was the Investor Briefing given?
2. Who gave the Investor Briefing on behalf of MIN?
3. Who else participated in the Investor Briefing?
4. Did the Investor Briefing include any information that had not previously been disclosed by MIN to the market and that a reasonable person would expect to have a material effect on the price or value of MIN’s securities?
5. If the answer to question 4 is “no”, please advise the basis for that view.
6. In light of the Announcement, please confirm whether the Relevant Information was disclosed at the Investor Briefing on 19 July 2018 while MIN’s quoted securities were trading on ASX.
7. Noting the recent share price movement in MIN’s securities at or around the time of the Investor Briefing and immediately following the release of the Announcement, does MIN consider that the Relevant Information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of MIN’s securities?  
  
In answering this question please detail the Relevant Information MIN considers to be information that a reasonable person would expect to have a material effect on the price or value of MIN’s securities.
8. If the answer to question 7 is “no”, please advise the basis for that view.
9. When did MIN first become aware of the Relevant Information? Please comment specifically on the date and time MIN became aware of each item of the Relevant Information.
10. If MIN first became aware of the Relevant Information, or any part thereof, before the Relevant Date, did MIN make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please

provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe MIN was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps MIN took to ensure that the Relevant Information was released promptly and without delay.

11. Please comment on how the events described in this letter comply with MIN's Continuous Disclosure Policy, in particular, how disclosing the Relevant Information at the Investor Briefing prior to the release of the Announcement reconciles with MIN's commitment to:
  - a. *complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;*
  - b. *preventing the selective or inadvertent disclosure of material price sensitive information;*
  - c. *ensuring shareholders and the market are provided with full and timely information about the Company's activities; and*
  - d. *ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.*
12. Please confirm that MIN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
13. Please confirm that MIN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MIN with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading i.e **before 07:30 am WST on Monday 30 July 2018**.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to MIN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MIN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MIN's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require MIN to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

- 
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

**Suspension**

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in MIN's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

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**Isabelle Andrews**

Adviser, Listings Compliance (Perth)