

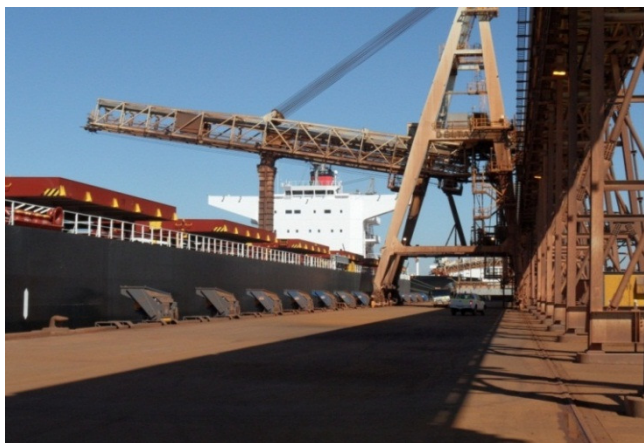
# Mineral Resources Limited

Chairman's Address – 2011 Annual General Meeting

17 November 2011



# Mineral Resources Limited



**Mineral Resources (ASX:MIN)**

ASX/S&P 200 company  
Market Cap ~\$AUD 2 billion  
Employs ~ 1,200 people



## Service Provider



**Process Minerals**

Minerals and base metals processing, logistics, ship loading & marketing



**Crushing Services**

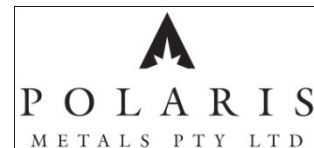
Australia's largest specialist BOO crushing, screening and processing contractor



**PIHA**

Pipeline, services, site infrastructure, contractor and polyethylene fittings manufacturer

## Minerals Producer



**Polaris Metals**

Specialist Iron Ore resources company



**Mesa Minerals (64% owned) & Auvex Resources**

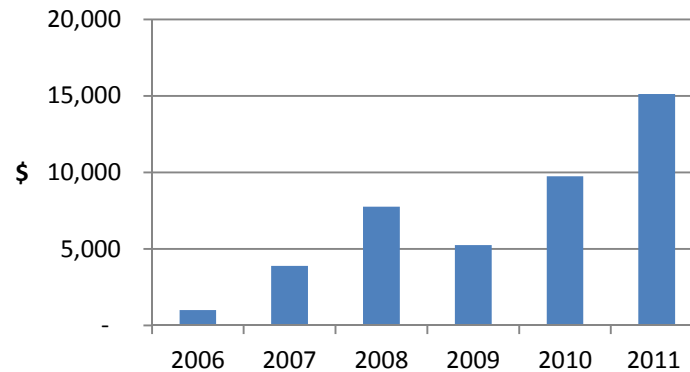
Specialist manganese and technology companies

# 2011 financial highlights

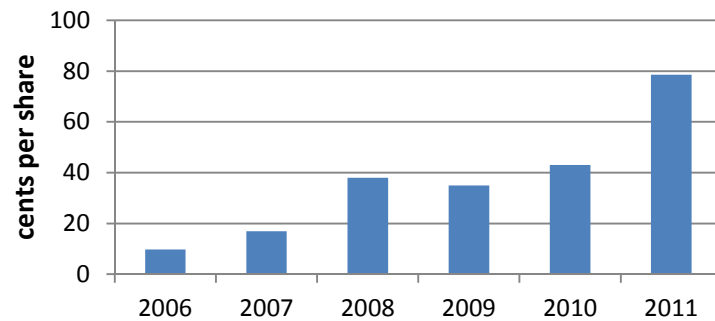
- Record 2011 net profit \$150.5 million, up 141% on 2010
- 2011 fully franked dividend 42.0 cents, 110% increase
- 802% growth in EPS since listing in 2006
- Balance sheet continues to strengthen
- NTA per share increased to \$3.45 in 2011 from \$2.75
- Cash balance and free cash flow available to fund published 2012 CAPEX programme

# Financial history

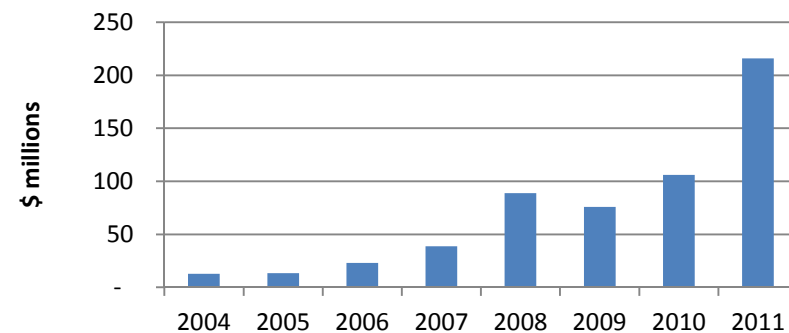
**Value of an investment of \$1,000 in MIN  
on float in 2006**



**Earnings per share**



**EBITDA**





# Recent financial performance

<b>\$AUD millions</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Revenue	<b>609.5</b>	<b>322.4</b>	<b>+95%</b>
NPAT	<b>150.5</b>	<b>62.5</b>	<b>+141%</b>
EPS	<b>90.0</b>	<b>68.5</b>	<b>+31%</b>
Net Assets	<b>627.5</b>	<b>485.7</b>	<b>+29%</b>
Net Cash (at October 2011)	<b>91.2</b>	<b>88.2</b>	
Funds Employed	<b>536.3</b>	<b>397.5</b>	<b>+35%</b>

# Safety management

- People's safety is the company's core focus



Each MRL group operating company (PIHA, Crushing Services International, Polaris Metals and Process Minerals International) was awarded Gold awards at 2011 IFAP/CGU Safe Way Achiever Awards for excellence in safety.

These awards are in recognition of being among the top tier of organisations in Western Australia that achieved outstanding levels of occupational safety.

MRL employs world best practice safety management systems at each of its operating sites supported by extensive professional resources at the group level.



# MRL commodity story

- MRL – a growing steel making commodities producer;
- Export of manganese and iron ore since early 2004;
- Business developed from services contractor skill base

## Commodity export volumes

'000 tonnes	2009/10 Actual	2010/11 Actual	% increase	2011/12 Target
Iron Ore	875	2,259	158%	
Manganese	428	449	0%	
TOTAL	1,303	2,708	107%	+4,000

# Iron ore export operations

- **Operational Sites**

- Yilgarn
  - Carina;
  - Yilgarn / Mid West Region.
- Pilbara
  - Port Hedland;
  - Poondano;
  - Phil's Creek (recent purchase from IOH).

- **Volumes**

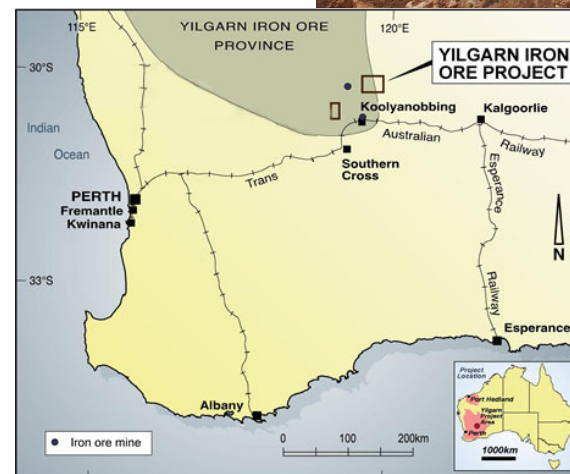
- Carina, target 4.4mtpa rate from early C2012;
- Pilbara, target 3.0mtpa ongoing;
- Export targets depend on port allocations.

- **Pricing**

- Model options contract, spot and index;
- Index prices have reduced recently from historic highs;
- MRL modelling based on conservative price assumptions.

- **Exploration /resource development**

- Carina – production drilling
- Carina extended – resource definition
- Exploration programme next 12 months
  - Chameleon
  - J4
  - Mayfield
  - Bungalbin
  - Paulsen's East





# Carina iron ore project

## Location

- Yilgarn Region, 120 Km NE of Southern Cross
- Main process plant and train loader on PER/KAL Rail line
- Carina mine 50Km north of rail
- Approx. equal distance to Esperance/Kwinana Ports (550KM)

## Carina site history

- Carina discovered in May 2007 by Polaris Metals
- Initial Carina JORC Compliant Resource – 27 MT DSO Iron Ore published in Nov 2008

## Take over by MRL

- MRL acquisition of Polaris Metals completed in 2010

## Approvals

- PER (Public Environment Review) for Carina development submitted in March 2010, approved in December 2010
- Final approval for site construction in February 2011
- Port allocation granted May 2011 and construction commenced the following day
- All approvals in place to commence operations in July 2011

## Site Construction Stage 1 - COMPLETED

- Mining, operation and development
- Temporary crushing facility
- 50 Km haul road
- 6 Km rail loop and automatic train loader
- 2 x accommodation centres with 224 beds total
- First ore on train 31st October 2011
- First ship in port 15th November 2011

## Port Construction

- Train unloader refurbished and upgraded
- New stockyard with reclaim to the existing shiploader constructed
- Up-rate shiploader to nameplate capacity (2200 TPH) and later to 3000 TPH (in progress)

## Site Construction Stage 2

- Seal haul road
- Complete jet capable airstrip
- Permanent crushing facility with stockyards and mechanised stacking and reclaim under construction



# Carina iron ore project – Carina mine





# Carina iron ore project – Main facility





# Carina iron ore project – Rail siding





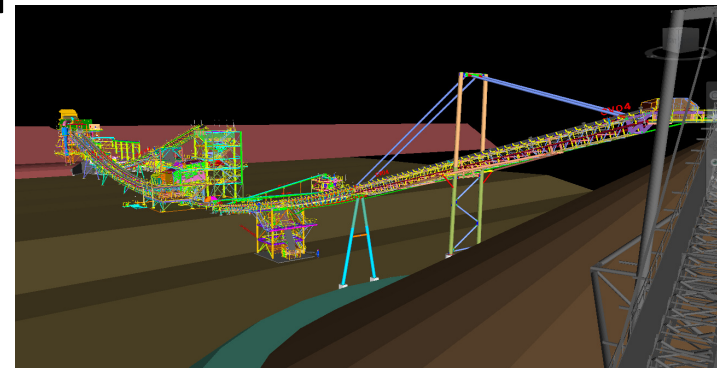
# Carina iron ore project – Kwinana Berth2



# Contracting operations

## Crushing and Processing

- Specialist BOO contractor
- Clients – top 10 mining houses
- Recent projects:
  - Christmas Creek 1 – in operation
  - Christmas Creek 2 – in construction
  - Wodgina – expansion of resources
- Strong opportunity base for further contract wins



## PIHA

- Specialist polyethylene contractor
  - Pipe laying;
  - Pipe lining;
  - Fittings manufacture
- Client base is major mining and infrastructure players





# Christmas Creek 1 operation





# Christmas Creek 2 construction





# Outlook and market guidance

- MRL first ore from the Carina mine completed and regular iron ore export programme will commence from early in 2012
- Global commodity demand continues to be strong albeit impacted by a variable pricing environment and AUD
- BOO installed crushing capacity to benefit from ramp-up of Christmas Creek 1 plant, further supported by solid progress in construction of Christmas Creek 2 and new Wodgina operations.
- MRL pipeline of contract crushing and infrastructure project opportunities consistent with client production growth plans
- Port infrastructure remains most significant challenge in achieving growth targets
- Purchase of Iron Ore Holdings tenements provides expanded resource life
- Drilling program will assist to prove up reserves for mining operations
- Substantial contract opportunities for PIHA operations

# Outlook and market guidance

- Management is confident of strong growth in annual performance with projected:
  - Strong increases in crushing volumes from completion and ramp-up of new and expanded plants
  - Increasing iron ore export volumes from additional capacity
  - Stockpiled manganese tonnes to take advantage of any positive movement in pricing and demand
  - PIHA contract activity remains solid
  - Second half performance including new iron ore production will exceed the first
  
- ***MRL FY2012 profit target to exceed prior year***

# Questions



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