

Managing Director's Presentation

2017 MINERAL RESOURCES AGM

22 November 2017



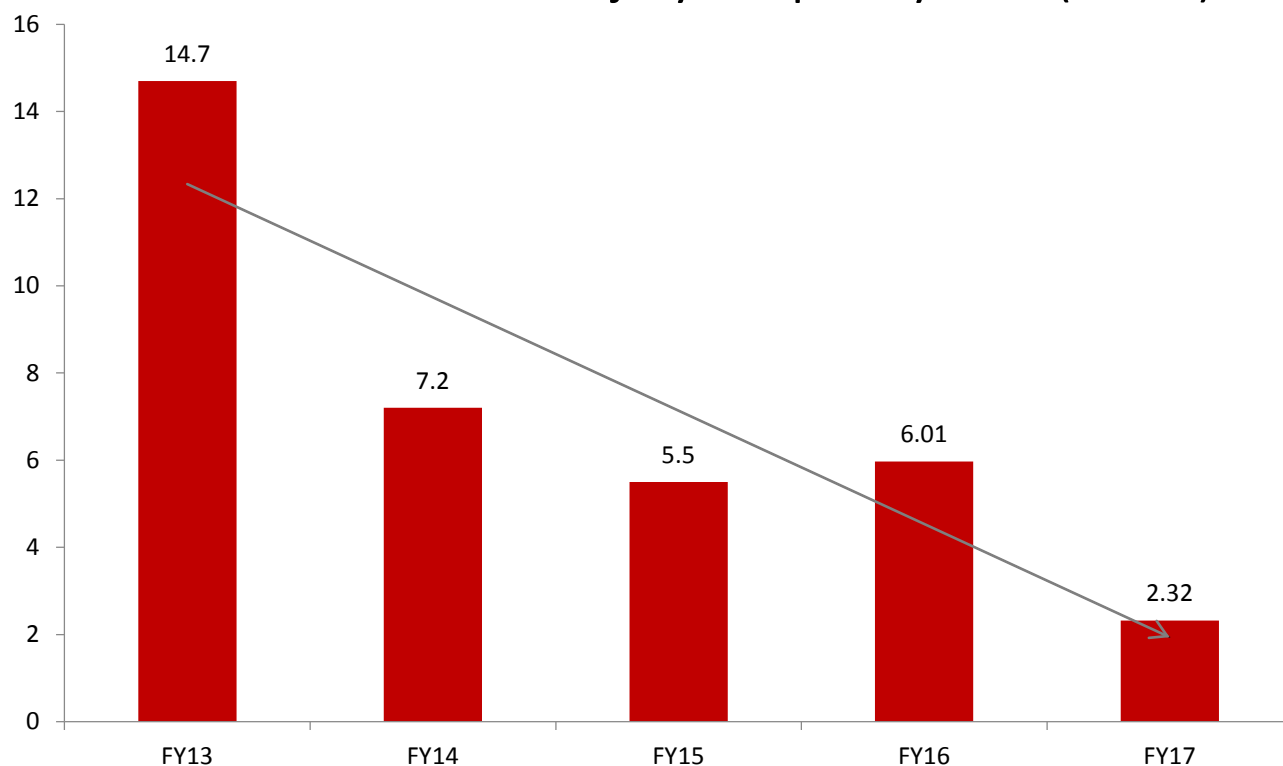
FY17 RESULTS AND HIGHLIGHTS



SAFETY & ENVIRONMENTAL PERFORMANCE



Total Recordable Injury Frequency Rate (TRIFR)



TRIFR 2.32

- 62% reduction
- Top ranked mining and mining services ASX listed company

Lost Time Injury (LTI)

- 910 days / 12 million man hours LTI free

Environmental Non-Compliances

- Zero since May 2014

FY17 FINANCIAL PERFORMANCE



Revenue  **24%**
\$1.46bn

Diluted EPS  ^{*} **91%**
108cps

Capex  **37%**
\$228m

EBITDA  ^{*} **62%**
\$464M

Dividends declared  **83%**
54cps

Net Assets  **12%**
\$1.13bn

NPAT  ^{*} **83%**
\$201m

Operating cash flow  ^{**} **8%**
\$382m

Return on invested capital  ^{***} **19.5%**

* Against normalised FY16 result

** Before financing activities and tax

*** As defined in Remuneration Report in the FY17 Financial Statements

SHARE PRICE & FINANCIAL OUTLOOK



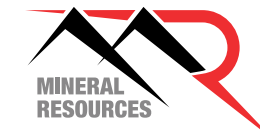
SHARE PRICE



FY18 OUTLOOK

- Maintaining a minimum EBITDA of \$500m
- Key drivers include:
 - 130Mt equivalent crushing capacity
 - 13.3Mt iron ore exported
 - 4.50 – 4.75Mt lithium DSO exported
 - 450Kt spodumene exported (MRL's share 43.1%)
- Key pricing assumptions:
 - Average AUD/USD of 0.78
 - 62% CFR iron ore to average US\$65 per dry tonne
 - Lower grade iron ore to continue to attract abnormally high discounts
 - 6% spodumene price of US\$841 per dry tonne
- Capital expenditure between \$300m and \$350m
- No monetisation of commodity shareholdings

FY17 MINING SERVICES HIGHLIGHTS



Crushing

- 130Mtpa installed capacity
- 30Mtpa new contract crushing tonnes added during year

Haulage

- 268 road trains: 12Mt/64,000,000kms
- MRL trains: 4.3Mt/584,200kms
- Mining fleet:
 - 11 excavators - 5 added during year
 - 45 dump trucks - 14 added during year

Customer Retention

- Extremely strong
- Three contracts extended

Village Accommodation

- 1100 total accommodation rooms under management
- Including accommodation at Wodgina and Mount Marion
- 388 rooms added

Construction and Operation

- Mount Marion commissioned and running above nameplate
- Wodgina DSO operation commenced and production rapidly ramping up

Energy

- 34.5MW total installed capacity
- 26MW capacity added during year
- Acquired strategic in ground gas assets

FY17 COMMODITY SHIPMENTS



12.27Mt

Iron Ore

0.15Mt

Manganese

0.116Mt

Spodumene*
100% basis

0.72Mt

DSO Lithium

*MRL ownership 43.1%

WODGINA DSO LITHIUM



DSO Processing

- 5 DSO clients taking monthly DSO deliveries
- 4 DSO plants successfully processing DSO on a continuous basis
- 5th DSO plant in start up & commissioning phase

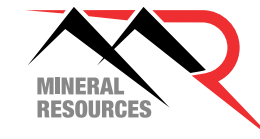
Exports

- 1.8Mt exported Apr to Oct 2017
- FY18 exports between 4.50Mt – 4.75Mt

Unprecedented Cooperation

- MRL technical team fully integrated with client operation teams in China

COMMUNITY SUPPORT



Major Financial Partnerships



COMMUNITY SUPPORT CONTINUED



MRL support the local community through a wide range of sponsorships, scholarships and donations



- City to Surf
- Esperance CCI Business Awards
- Esperance Tjaltjraak Services
- Lions Cancer Institute
- Moorine Rock Primary School
- Rockingham Kwinana Chamber of Commerce
- Rockingham Senior High School
- Roy Hill Community Foundation
- Scarborough Surf Lifesaving Club
- Southern Cross Motorcycle Club
- St Joseph's School
- Telethon
- USA Memorial Day
- Variety WA
- WA Squash Junior State Team
- Yilgarn Bowling Club



OUTLOOK FOR FY18 AND BEYOND



FY18 MINING SERVICES OUTLOOK



Crushing

- 15-20Mtpa new contract crushing capacity to be added

Haulage

- New mining fleet
 - 4 new excavators (400t & 600t class) taking total fleet to 15
 - 26 new dump trucks (200t class) taking total fleet to 71
- Gradual introduction of carbon fibre trays to MRL mining fleet

Village Accommodation

- 120 new rooms at Wodgina

Energy

- Develop existing Perth Basin assets
- Acquire additional gas assets
- Establish and grow upstream gas processing capability
- Expand LNG power solutions

FY18 PLANNED COMMODITY PRODUCTION



Iron Valley

- Current run rate of approximately 8Mtpa
- Marginal contributor to MRL business

Yilgarn

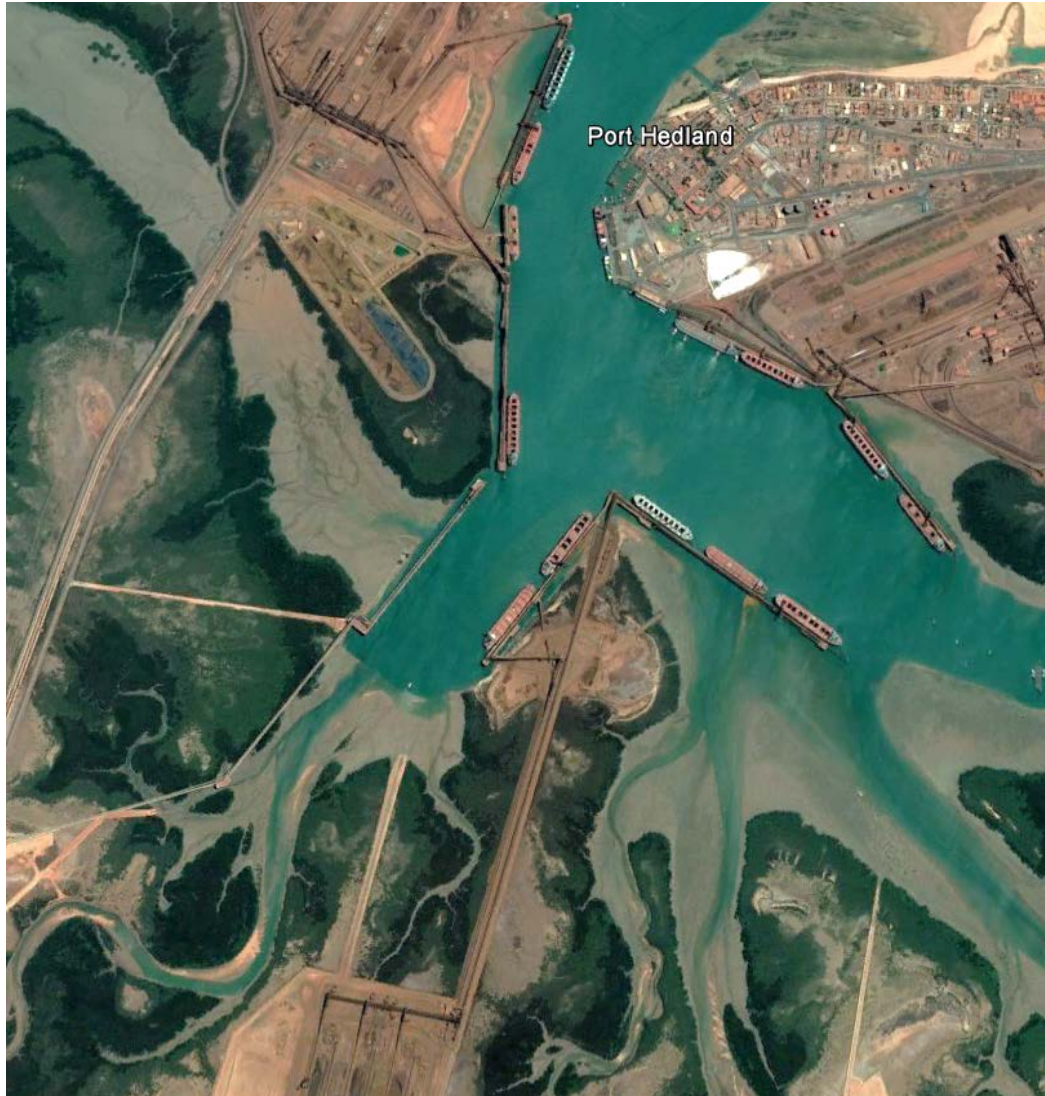
- Current run rate 5Mtpa
- Awaiting approval for Bungalbin and Jackson 5 – Government decision imminent
- Approval will facilitate:
 - 425 direct & 1500 indirect jobs
 - A\$65M annual revenue in port fees & royalties to assist State Government repair budget deficit

Mount Marion

- Current run rate exceeding 450Ktpa 4% & 6% product
- Plant upgrade to produce all-in 6% product by July 2018

Wodgina

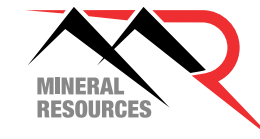
- 4.50Mtpa – 4.75Mtpa DSO weighted towards second half of FY18
- 5.50Mtpa – 5.75Mtpa in FY19
- Construction of 750Ktpa 6% spodumene plant in 3 modules – commissioning progressively between July 2018 and March 2019
- Construction of 50Ktpa lithium carbonate plant in 2 modules – commencing July 2018 with commissioning during quarter 2 CY20



Creating a Sustainable Iron Ore Business

- Install 330km mine to port lightweight, low cost rail system: Bulk Ore Shuttle System (**BOSS**)
- Develop fully automated port receival stockyard
- Develop port export infrastructure to support BOSS rail system
- 30 to 50Mtpa multi-user capacity
- All-in free on board cost < US\$20/tonne
- BOSS and port infrastructure allows users to become low cost quartile producers
- Strategic assets in one of the world's largest bulk export ports provides MRL with a logistics infrastructure business with a 30-50 year horizon

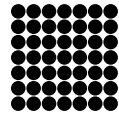
GAS AND REMOTE POWER



Securing Low Cost Power



- Secure long term, in-ground gas reserves to provide fixed price, low cost power to MRL sites and operations
- Develop Perth Basin gas assets and exploration opportunities
- Develop in-house upstream gas processing capability
- Control energy costs for 20+ years
- Key business development strategies:
 1. Expand mining services business by offering long term, fixed price power solutions to clients
 2. Create downstream processing opportunities using gas including synthetic graphite, spodumene concentrate and lithium carbonate products



CARBON FIBRE



GRAPHITE

INNOVATION



**NEXTGEN CRUSHING
PLANT**



**BULK ORE SHUTTLE
SYSTEM**



OVERVIEW OF INNOVATION STRATEGY



- MRL is a specialist mining services contracting company
- Our strategic use of innovation:
 - enables MRL to develop and offer unique mining products and services with high barriers to entry
 - substantially increases the value add proposition to our clients
 - provides a key point of differentiation to our competitors
 - provides a material competitive advantage
 - enables MRL to remain the leader in the mining services industry
 - delivers sustainability and 30 to 50 year horizon for MRL's mining services business

BULK ORE SHUTTLE SYSTEM (BOSS)



Innovation in Motion



- Narrow gauge, lightweight rail system
- Hybrid Power: electric driven, battery operated with reciprocating diesel gensets
- Driverless, fully autonomous shuttles with 120t payload
- Operated from Perth based remote operations centre
- Extremely low capital and operating costs
- Worldwide application across a range of commodities and mining uses
- Stage 1: Demonstration track underway and will be fully proven by quarter 2 CY18
- Stage 2: Commence construction of 330km dual track connecting Iron Valley to Port Hedland in quarter 3 CY18 with a projected 18 month construction program

CARBON FIBRE TECHNOLOGY



Industry Changing Innovation

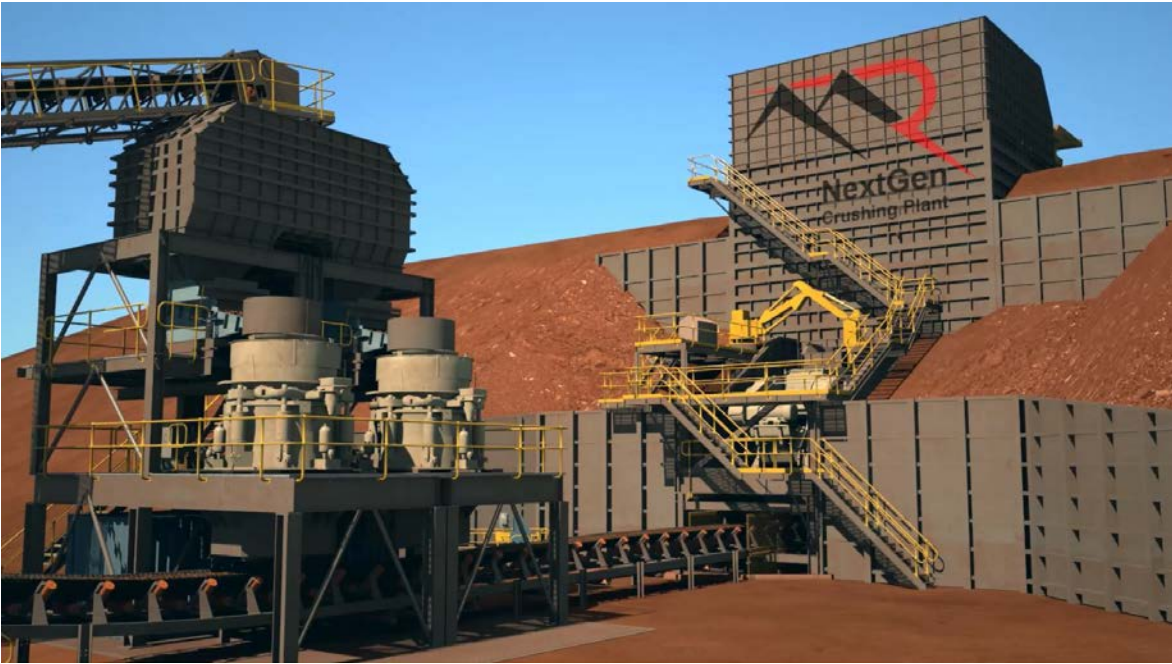


- Established a carbon fibre manufacturing foundry
- In-house designed and manufactured specialist equipment that produces large scale, lightweight structural beam, tubular and plate components
- Components used to produce diverse range of products for the mining industry
- Initial product lines 150/190/240T dump truck trays
- 150T dump truck tray completed:
 - Mk 1 reduces tray weight from 22t (traditional steel) to 9t
 - Mk 2 design targeting further weight reduction to 7t
- Tray weight reduction facilitates material payload increase when loaded and creates material fuel/tyre savings when unloaded: ~15% saving in total material movement costs
- Next phase: introduce automation for quicker & cheaper manufacturing

NEXTGEN CRUSHING PLANTS

Innovative Crushing Technology

- Developed 12Mtpa portable & modular crushing plant that is unique to the mining industry
- Evolution of 5Mtpa semi-fixed plants that MRL developed in 2010/11 and successfully deployed across a number of sites
- Features:
 - Autonomous: capable of operation from Perth based remote operations centre
 - Rapid deployment: 10 weeks from commencement to fully commissioned and operational
 - Direct tip feed from 240 T dump trucks
 - Increased safety, operability and maintainability
 - Substantial cost savings for clients



SYNTHETIC GRAPHITE PRODUCTION



Partnership with Hazer



- MRL is responsible for finalising development of the Hazer process that creates high quality, battery grade synthetic graphite using key ingredients of natural gas and iron ore
- MRL granted exclusive worldwide IP license to use Hazer process for graphite production
- Staged project execution

Stage 1: design & construct 1T pilot plant over 8 month period

Stage 2: design and construct 1,000T commercial production plant

Stage 3: expand commercial production to 10,000T and beyond

Stage 4: lowest cost, global graphite producer

- Product value at top of battery grade graphite market



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OFFICE: 1 Sleat Road,
Applecross, WA 6153

PO. Locked Bag 3,
Canning Bridge,
Applecross, WA 6153

P +61 8 9329 3600
F +61 8 9329 3601



www.mineralresources.com.au

