

# FY18 Half Year Results

## Investor presentation

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# Agenda

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- 2 Track record of delivering shareholder value
- 3 World-class safety performance
- 4 Operational performance 1H FY18
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- 6 Long-term pipeline of projects and business development

# Financial performance 1H FY18



**Revenue**

\$962m

**22%**

**Diluted EPS**

~70cps\*\*\*

**25%**

**Net assets**

\$1.24bn

**9%**

**EBITDA**

\$250m\*\*\*

**8%**

**Dividends  
declared**

25cps\*

**19%**

**Return on invested  
capital**

21%\*\*\*

**NPAT**

\$131m\*\*\*

**26%**

**Operating  
cash flow**

\$221m\*\*

**69%**

**FY18 financial  
guidance confirmed**

EBITDA >\$500m

\* Dividends have been calculated on 50% of projected trading profits, excluding one-off items \*\* Before financing activities and tax \*\*\* Underlying: excludes one-off items



# Track record of delivering shareholder value

## Superior shareholder returns since 2006 listing

32% compound annual growth rate\* | Total dividend per share \$3.97\*\*

## Consistently maintained strong balance sheet

Net cash positive

## Robust and diverse business

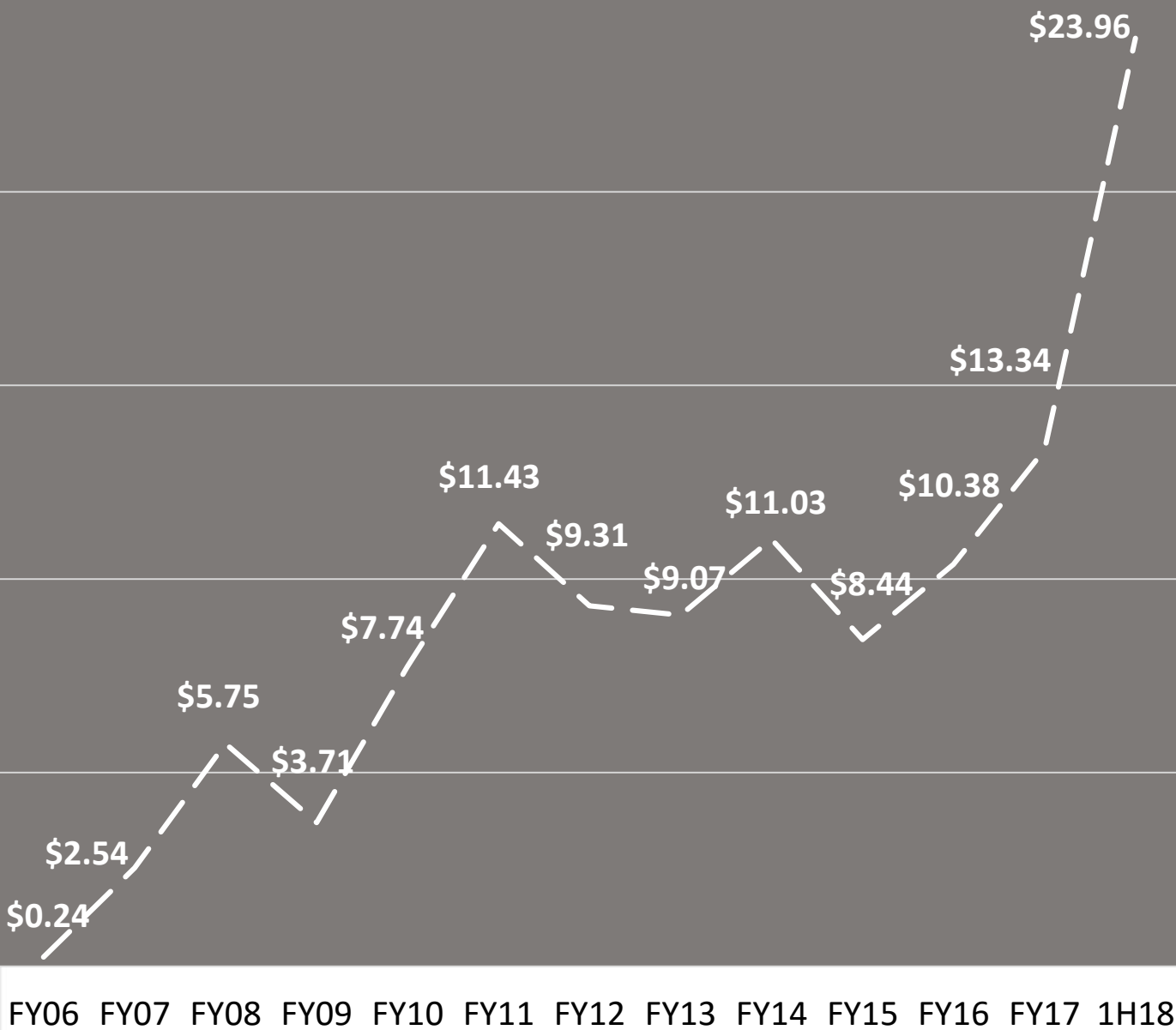
Mining services | Multiple commodities and geographic locations

## Substantial market share: existing and future

Mining services | Lithium | Strategies to expand iron ore

\* Growth in MIN total shareholder return  
\*\* Includes 2018 interim dividend

Total Shareholder Return (cumulative) (\$/share)



# World-class safety performance

## Quantum improvement in safety

Searched the world for leaders in safety | DuPont best fit

## MRL safety transformation program

Culture | Senior & frontline leaders | Leadership & safety qualifications

1

Supervisor Leadership Program

2

Safe Production Program

3

Steel Cap Leadership Program

**TRIFR 2.95\***

**Top 5% ASX 100 companies**

**Zero LTIFR\*\***

**Top 3% ASX 100 companies**

**Targeting 1,000 days LTI\*\*\* free**

**> 13.6 million man hours**

**Upcoming key safety milestone**

# Operational performance in 1H FY18

## Mining services

- Crushing and processing tonnes – 63mt
- Strong customer retention average contract term 6-7 years
- Building 3 Nextgen crushers for installation in CY18

## Iron Ore

- Export volumes 4.84mt
- Achieved price A\$72.6/wmt (88% of Platts index price)
- C1 cash costs A\$43.60/wmt
- EBITDA of A\$8.80/wmt

## Mt Marion Spodumene

- Produced 221kt
- Shipped 202kt – on target for 0.45mt in FY18
- Sale prices for spodumene in Q2 FY18:
  - 6% product \$US843/dmt
  - 4% product \$US478/dmt

## Wodgina DSO Lithium

- Produced 2.01mt
- Shipped 1.77mt - on target for 4.5 to 4.75mt for FY18\*

\* Subject to weather and conditions which are a determining factor in the north west.

# Where we are going in 2H FY18: mining services

## Track record of operational excellence

Proven performer | Strong customer relationships

## Safe and low-cost mining services

Safest mining services business | Low cost operations

## Innovation unlocking further value

Improved productivity | Growth | New business areas



### *Actions:*

- Minimum of 3 Nextgen crusher installations in CY18
- Confident of maintaining normal growth in crushing
- Incremental growth in DSO lithium business
- Mining fleet upsized at several sites to improve efficiency
- Exploration programs for Perth basin gas, Wodgina lithium and Mt Marion lithium



# Where we are going in 2H FY18: iron ore

## Challenging market conditions likely to continue

Discounting of low quality ore | Record stockpiles China ports

## MRL has a clear strategy going forward

Confident in long-term value creation opportunity in iron ore



### ***Actions:***

- Continue at current volumes at operations
- Expect discounting of low quality ores to continue in foreseeable future

Exports	1H FY18	FY18 F
Iron Valley	3.0mt	6.5mt
Yilgarn	1.8mt	4.5mt



# Where we are going in 2H FY18: lithium

## Now world's largest exporter of lithium units

Wodgina and Mt Marion: 30+ year mine life, low cost & high quality

## Upgrades under way at both operations

Wodgina: 750kt spodumene capacity under construction

Mt Marion: upgrade for all in 6% spodumene product

### *Actions:*

#### **Wodgina**

- Construction of 750kt spodumene plants (3 x 250kt trains) well under way
- First product from train 1 due September 2018
- Progress detailed feasibility study lithium carbonate plant – expect construction to start CY18

#### **Mt Marion**

- Current production will continue in 2H FY18
- Spodumene sale prices increased by 7% in Q3 FY18:
  - 6% product \$US900/dmt
  - 4% product \$US510/dmt
- Expect to complete 6% product upgrade in Q4 CY18
- Cost saving improvements
- Target an increase in resource

# Long-term opportunity in lithium supply chain

## Lithium market

- Large and growing demand – grown faster than forecast
- Demand for lithium to grow ahead of supply
- Limited supply of brine and hard rock deposits
- Few world-class projects capable of entering production

## MRL lithium assets

Develop Wodgina and shareholding in Mt Marion as far downstream as we can to extract the best value possible

- Lowest cost quartile
- Substantial market position
- Attract Tier 1 customers world-wide

## MRL lithium business

- MRL track record of delivering high quality at low cost
- Move to downstream lithium processing (DSO > spodumene > carbonate)
- Extract maximum value through the supply chain





# Pilbara infrastructure business

- World-class 50mtpa supply chain: Pilbara iron ore mines to Port Hedland
  - 330km lightweight, narrow gauge BOSS rail system
  - Fully autonomous shuttles run remotely from Perth
  - Automated port stockyard and cape size export infrastructure
- Multi-user supply chain that unlocks stranded deposits
- High quality world-class infrastructure with 30–50 year horizon
- Bulk Ore Shuttle System (BOSS) nearing design completion with clear pathway to prove and commercialise technology
- Provides MRL share of ownership in patented transport system to be marketed across mining industry



## Stage 1

BOSS demonstration track and trials to be complete by Sept 2018

## Stage 2

Construction of 330km dual track Iron Valley to Port Hedland scheduled to commence Nov 2018\*

# Carbon fibre business

- Designed and built carbon fibre manufacturing facility in-house
- Large scale production of light weight structural components: beams, tubes and plates
- Components assembled to produce equipment for mining industry: dump truck trays and rail wagons
- Progressing study to finalise optimum use of automation and robotics to streamline mass production
- Integrating sophisticated condition monitoring equipment and software gives valuable information to optimise mining operations



## Field test

First completed 150t dump truck tray to undergo field testing at MRL mine site Feb 2018

## Mass production

Following field test: finalise commercial production design - mass production starting Q3 CY2018



# Synthetic graphite business

## **Attractive product with long-term future**

Product value at top of battery grade graphite market

## **Highly innovative production technology**

MRL granted exclusive world-wide IP license

## **Consistent with MRL strategy**

Build exposure to green and renewable energy initiatives

## ***Partnership with Hazer Limited***

- Signed agreement to have world-wide rights for use of Hazer synthetic graphite technology
- MRL fund and finalise development of Hazer process
- Next 12 months: finalise development of continuous 1 tonne pilot scale plant
- Further year to create 1,000t commercial plant
- Capability to expand commercial production to more than 10,000t

# Benefits of securing long-life, low cost energy

## MRL strategy to secure long-life, low cost energy

Support power requirements for our mining and mining services business

Provide all energy needed for downstream processing

Expand mining services offering to include power supply



## *Actions*

Opportunities to secure gas resource:

- Existing exploration permits in Perth Basin gas (Empire Gas & Oil)
- Continue to look for other gas resources



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