



# **2011 RESULTS PRESENTATION**

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**AUGUST 2011**

# AGENDA



- About Mineral Resources
- Finance
- Operations
- Development Projects
- Strategy, market and outlook
- Appendices

# DISCLAIMER



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# MINERAL RESOURCES



## Service Provider



### Process Minerals

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



### Crushing Services

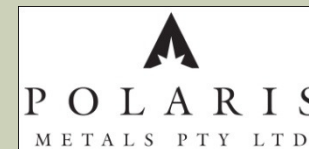
Australia's largest specialist BOD crushing, screening and processing contractor



### 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 company

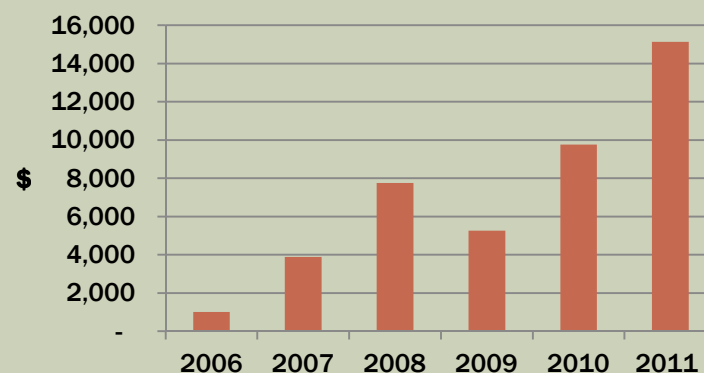
# FINANCIAL HIGHLIGHTS

- Record net profit \$150.5 million, up 141% on normalised 2010
- Fully franked final dividend of 27.0 cent, brings full year dividend to 42.0 cents (110% increase)
- DRP effective for final dividend
- Cash balance - ~\$300 million(at 18/8/11)
- Balance sheet enhanced and continues to strengthen
- NTA per share increased to \$3.45 from \$2.75
- 2011 CAPEX programme \$272 million in line with expectations
- 802% growth in EPS since listing in 2006

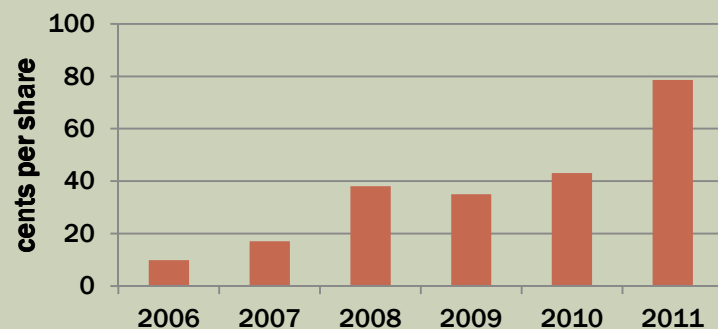
# FINANCIAL HISTORY



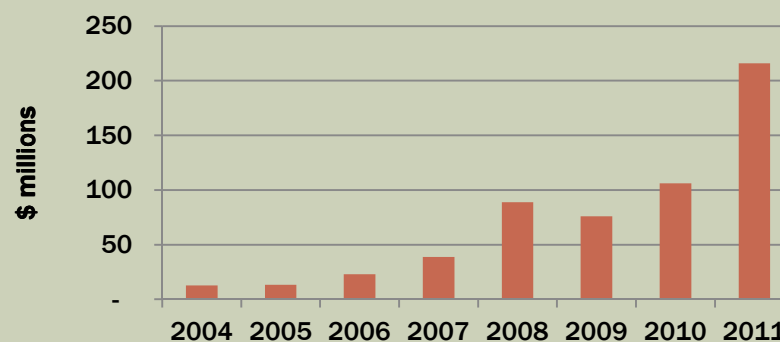
**Value of an investment of \$1,000 in  
MIN on float in 2006**



**Earnings per share**



**EBITDA**



# CASH FLOW



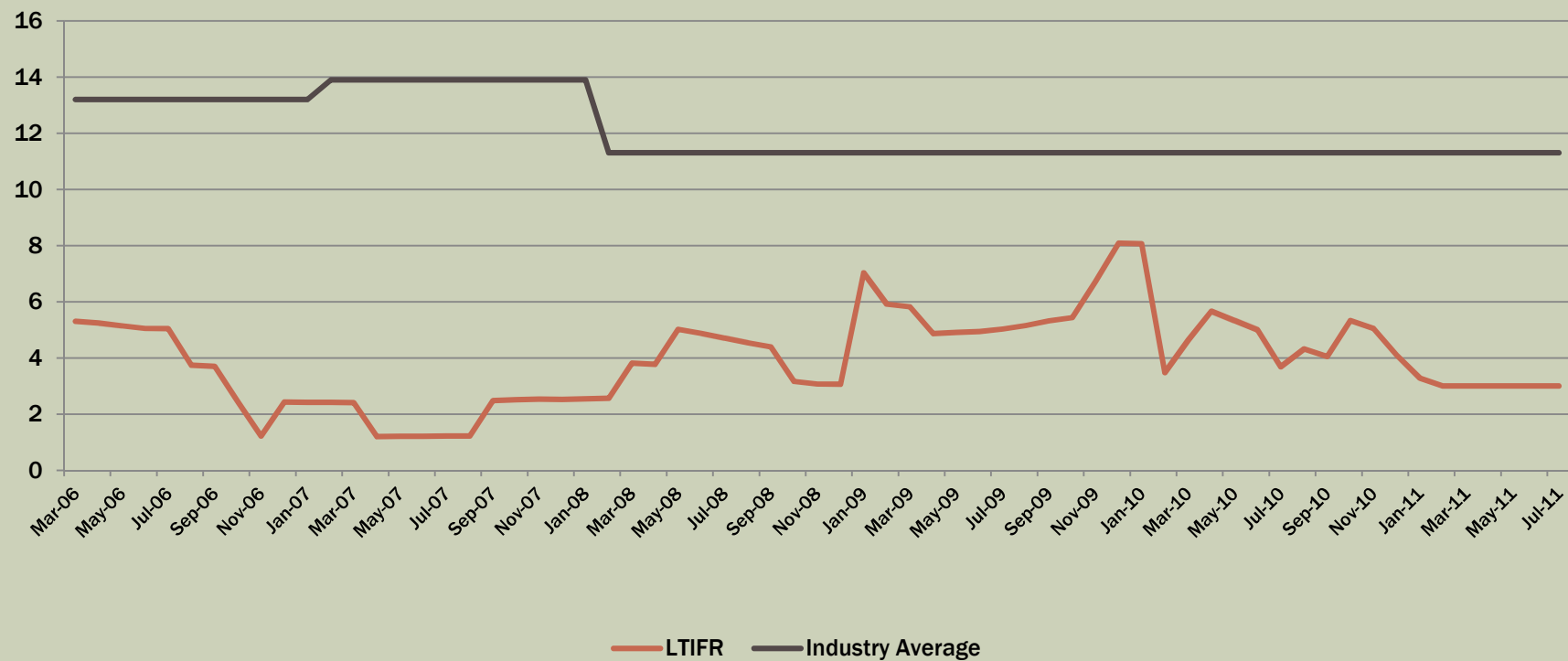
<b>\$AUD millions</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>EBITDA</b>	<b>216.0</b>	<b>103.7</b>	<b>74.4</b>
<b>Net Interest Payments</b>	<b>(0.5)</b>	<b>(2.7)</b>	<b>(1.8)</b>
<b>Income Taxes Paid</b>	<b>(1.6)</b>	<b>(17.3)</b>	<b>(24.1)</b>
<b>Working Capital and Other</b>	<b>9.5</b>	<b>76.6</b>	<b>4.3</b>
<b>CAPEX (including funded items)</b>	<b>(272.1)</b>	<b>(88.0)</b>	<b>(56.6)</b>
<b>Sale of assets</b>	<b>82.3</b>	<b>17.4</b>	<b>1.6</b>
<b>Net Operating and Investing cash flow</b>	<b>33.6</b>	<b>89.7</b>	<b>(2.2)</b>

# OPERATIONAL HIGHLIGHTS

- World class safety record maintained
- Substantial year on year increase in commodity tonnes exported
- Christmas Creek 1 plant operating at nameplate
- Christmas Creek 2 awarded
- Atlas Iron / GAM crushing facility agreed
- Carina iron ore project on track for first tonnes Q2 FY2012
- 100% of Mesa Joint venture secured
- Progressive development of Mt Marion lithium project
- Pipeline order book strong



# SAFETY



Industry Average Source: Worksafe Mining Services category

# EXPORT VOLUMES



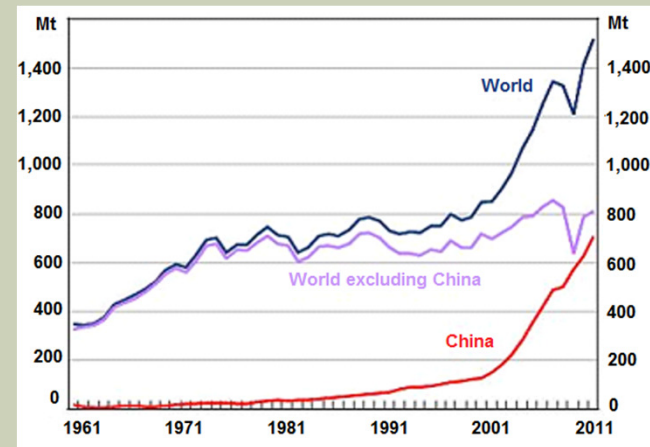
<b>'000 tonnes</b>	<b>2009/10 Actual</b>	<b>2010/11 Actual</b>	<b>% increase</b>
<b>Iron Ore</b>	<b>875</b>	<b>2,259</b>	<b>158%</b>
<b>Manganese</b>	<b>428</b>	<b>449</b>	<b>0%</b>
<b>TOTAL</b>	<b>1,303</b>	<b>2,708</b>	<b>107%</b>

# COMMODITY MARKET



- Demand and pricing of iron ore continues to be strong
  - China steel production
  - Prices historical high in USD
- Manganese pricing & volumes expected to improve in 2012
- AUD / USD continuing volatility

World Steel Production History



Source: Alan Kohler, 2011

Platts IODEX 62% Fe CFR North China (June 2, 2008 - July 15, 2011)



# NORTH WEST IRON ORE



- Iron ore volumes limited by allocated export capacity
- Remaining iron ore stockpile tonnes to be fully utilised in 2012
- Poondano operation to provide Fe lump and fines product in Q3 2012



# CHRISTMAS CREEK 1



- Construction completed on time, within budget
- Plant fully operational at 19 mtpa
- Expansion to 25 mtpa concurrent with Christmas Creek 2 project





# CHRISTMAS CREEK 2



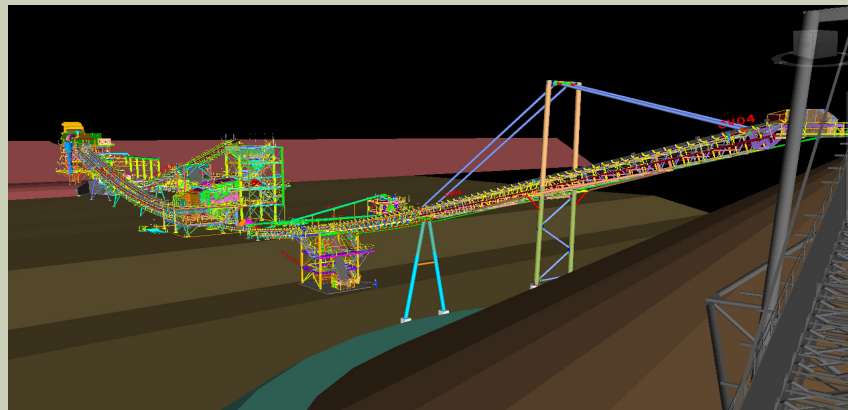
- 10 year, \$1 billion+ B00 contract awarded 4 July
- Construction programme 15 month duration
- 25 mtpa plant configuration:
  - Remote primary crushing station
  - 7 km overland conveyor
  - Scrubbing & wet screening circuit
  - 25mtpa crushing & screening circuit
  - Jigging beneficiation circuit
  - Upgrade of existing 19mtpa crushing & screening plant by installation of additional screen to achieve CC1 25mtpa capacity



# WODGINA OPERATION



- Construction programme to install new 3mtpa tantalum plant in Q4 2012
- Existing 7mtpa plant upgraded and dedicated to Atlas iron ore production in Q4 2012



# CARINA IRON ORE PROJECT

- Mining commenced on site
- Temporary crusher in place
- 258 rooms complete / permanent site facilities in construction
- Permanent processing plant progressing to plan
- Train load-out facility being automated, civils 95% complete
- Rail loop installed
- Haul road sealing work in August





# KWINANA BERTH 2 UPGRADE

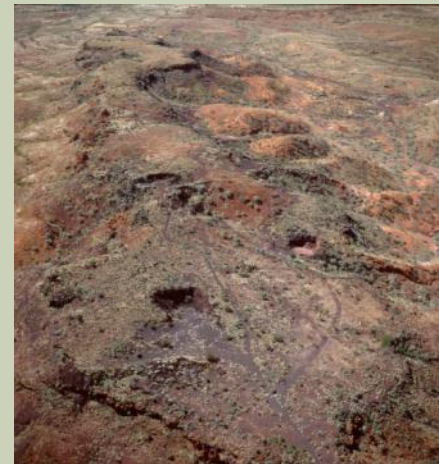


- Construction activity in line with project plan
- Programme to coincide with first trains of ore
- Major equipment items secured and being installed



# MESA MINERALS

- Mesa Manganese Joint Venture
  - Partners - Mesa Minerals 50%, Auvex Resources 50%
  - Resource – Ant Hill & Sunday Hill manganese tenements
- MRL holds 64% of Mesa Minerals
- MRL purchased 100% of Auvex Resources via scheme of arrangement finalised August 2011.
- Manganese technology commercialisation of assets being pursued with local and overseas customers

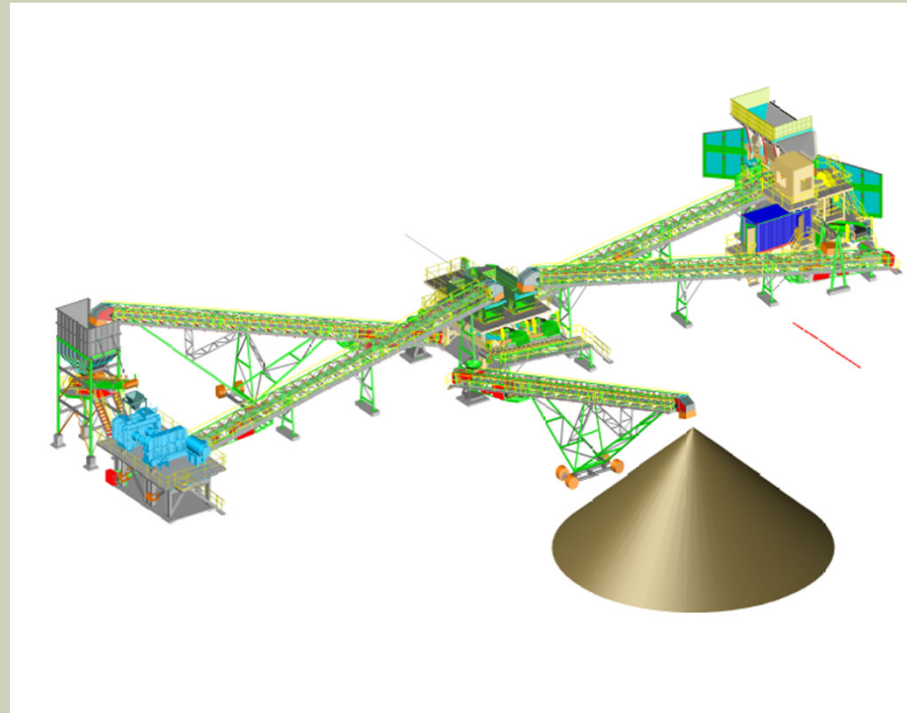




# MT MARION LITHIUM



- Focus on plant construction
- Opportunity to vertically integrate
- Plant operation scheduled for first quarter 2012
- MRL key contribution as process plant operator



# PIPELINE OPERATIONS

- Contract lining projects at record levels
- Repeat business major local and international companies
- Order book full for 2012
- Entry into coal seam market
- Maintained reputation as major infrastructure contractor



# STRATEGY



- Major opportunities to grow in contracting – clients looking to accelerate production growth
- Key to success continues to be seamless execution of major projects for clients and MRL
- Infrastructure investment provides significant opportunities for client and shareholder value generation
  - Ports
  - Accommodation
  - Logistics
- Further resource definition in Yilgarn Region for iron ore production increase
- Potential for international expansion of commodity business

# PORTS



- Port infrastructure is the oxygen of WA mining industry
- MRL has secured allocation at two WA public bulk materials common user berths
- MRL is the only southern producers of iron ore with the capacity to be in operation within the next 24 months (Carina operating within 3 months)
- Port infrastructure investment is a natural extension of the CSI BOO model
- MRL has the operational skill and balance sheet to play a significant role in the development of WA ports



Esperance Port



Kwinana Berth

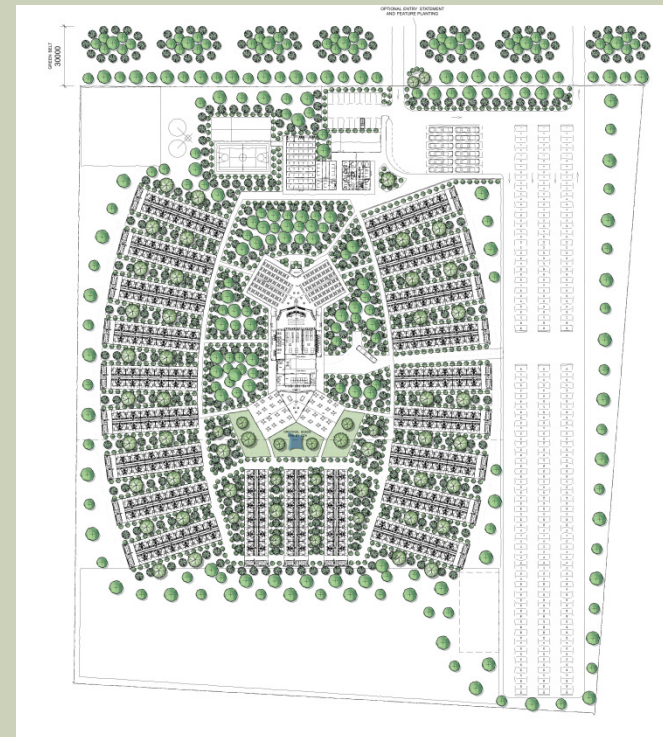
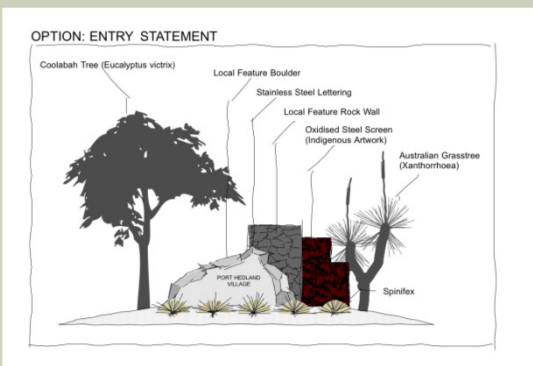


Utah Point

# ACCOMMODATION INFRASTRUCTURE

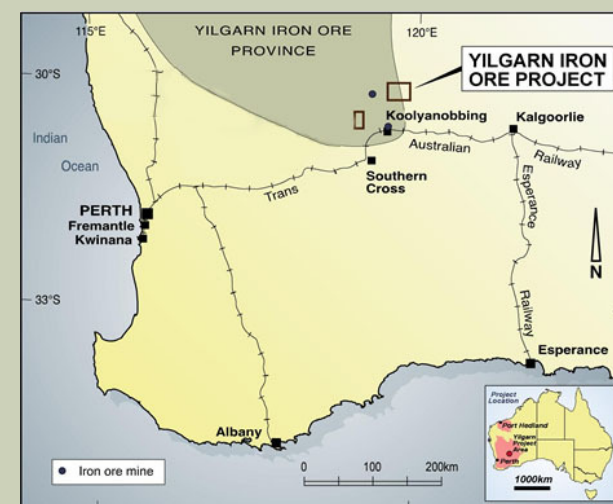
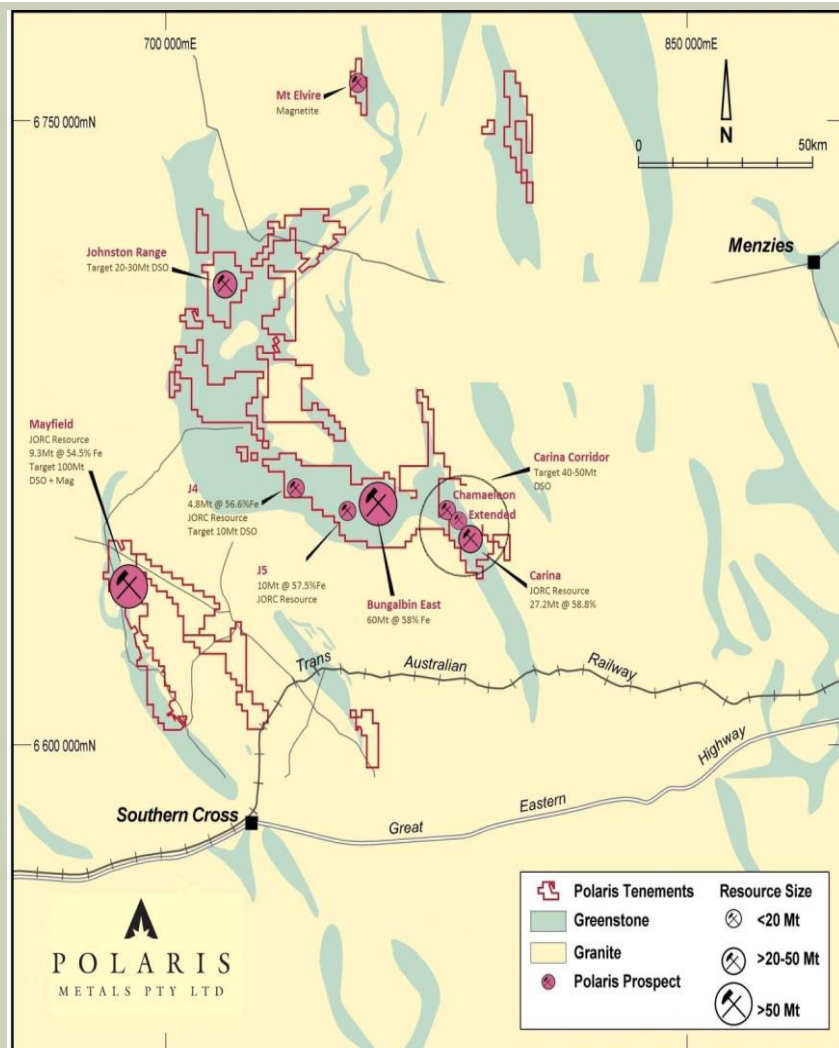


- MRL implementing BOO accommodation infrastructure at its operating sites at Carina (258 beds) and Nicholas Downs (48 beds).
- Port Hedland accommodation at a premium
- MRL proposes to seek approval to develop accommodation within Port Hedland to meet its anticipated personnel requirements for its Port Hedland based contracting and commodity based requirements.





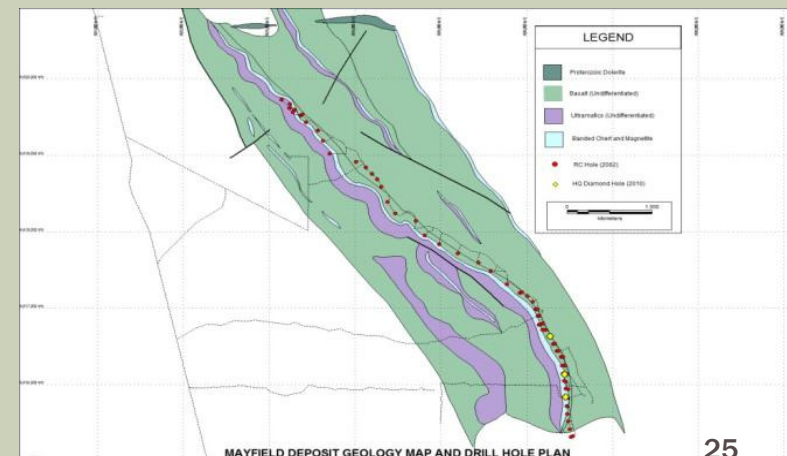
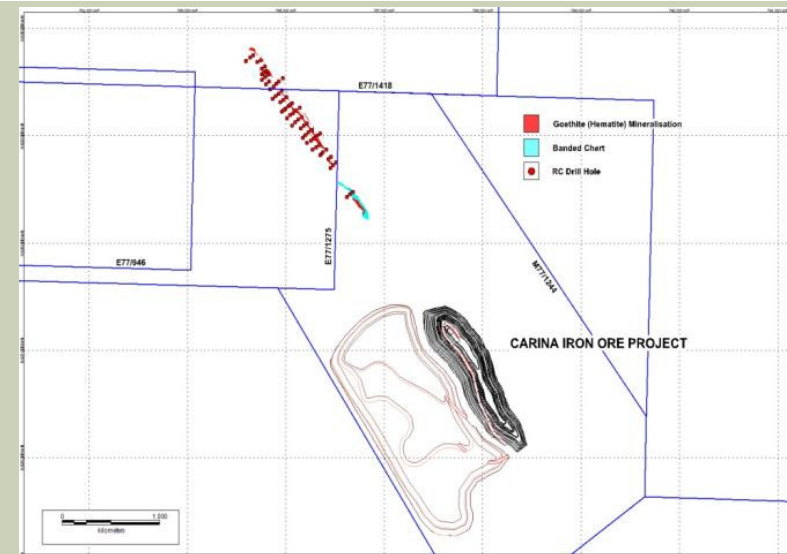
# EXPLORATION PROGRAMME



# EXPLORATION - YILGARN DISTRICT



- 2011/12 program
  - Carina Extended – resource definition drilling of the northern extension
  - Johnson Range – extension of previous resource definition programme
  - Mayfield – metallurgical testing of diamond drill core samples
- Short term program
  - Carina Extended targeted program to extend geological strike range
  - J4 – infill drilling of earlier positive results
  - J4 – infill drilling of earlier positive results



# OUTLOOK



- Demand and pricing of iron ore to continue to be strong
- Manganese pricing & volumes to recover through second half 2012
- Infrastructure a key element in production growth
- Improved definition of commodity reserves and resources to be undertaken
- Award of piping contracts in growing CSM industry
- Contract crushing pipeline with blue chip mining companies expanding

# SUMMARY



- Record full year result for MRL
- All business segments performing above expectations
- Continued organic growth across all operations
- Executive team continues to be strengthened to facilitate growth strategy
- Outstanding balance sheet and cash position
- Commodity growth strategy on target with Carina iron ore mine being first of our Yilgarn tenements into production
- BOO contracting strategy continues to gain favour with blue chip miners / targeting expansion overseas

# APPENDICES

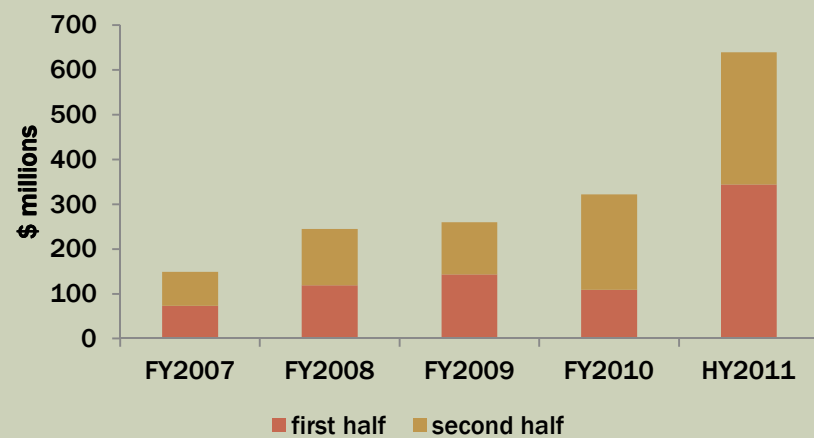




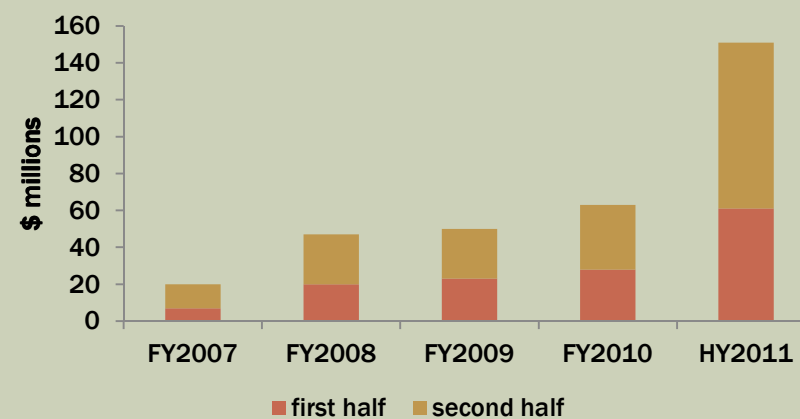
# FINANCIAL HISTORY



## Revenue



## NPAT (normalised)



# FINANCIAL PERFORMANCE

<b>\$AUD millions</b>	<b>2011</b>	<b>2010</b>	<b>% change</b>
Revenue	609.5	322.4	+95%
NPAT	150.5	62.5	+141%
EPS	90.0	68.5	+31%
Net Assets	627.5	485.7	+29%
Net Cash	78.4	88.2	
Funds Employed	549.1	397.5	+38%

# BALANCE SHEET



\$AUD millions	Jun 11	Jun 10	Jun 09	Jun 08
Total Assets	970.1	844.8	288.9	223.6
Total Liabilities	(342.6)	(359.1)	(144.0)	(107.6)
Net Assets	627.5	485.7	144.8	116.0
Net Cash Position	78.4	88.2	(11.6)	21.5
Funds Employed	549.1	397.5	156.4	94.5

## Funds Employed

