



## Morgan Stanley 2013 Emerging Companies Conference

An Integrated Australian Mining Services Company | June 2013

[www.mineralresources.com.au](http://www.mineralresources.com.au)



## Service Provider



### Process Minerals

A leading processor, producer & exporter of quality mineral deposits



### PIHA

Innovative pipeline technology & water solutions



### Crushing Services International

A leading contractor providing crushing, screening and processing facilities

## Minerals Producer



### Polaris Metals

Dynamic explorer & minerals producer



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

Specialist manganese and technology companies

# About Mineral Resources

## An Integrated Australian Mining Services Company

- Mineral Resources Limited is a Western Australian, publicly listed, ASX 100 company (**ASX:MIN**) with a market cap approximately \$A2 billion
- Employs in excess of 1,600 people
- Largest Australian specialist contract crushing, materials handling and mining services provider with:
  - installed and operating crushing and processing plants for blue chip clients:
  - combined installed capacity of +130 million tonnes pa for external customers
- Mid-tier iron ore and manganese producer and mine operator with export allocations at Kwinana and Port Hedland.



# Strategic Positioning

## Diversified Revenue Streams

- Mining services comprising contract crushing, site accommodation and mine infrastructure
- Commodity mining and exporting of iron ore and manganese

## Strong Balance Sheet

- Corporate strength supports major business opportunities
- Extensive spares and consumables inventory supports traditional balance sheets assets

## Contractor of Choice

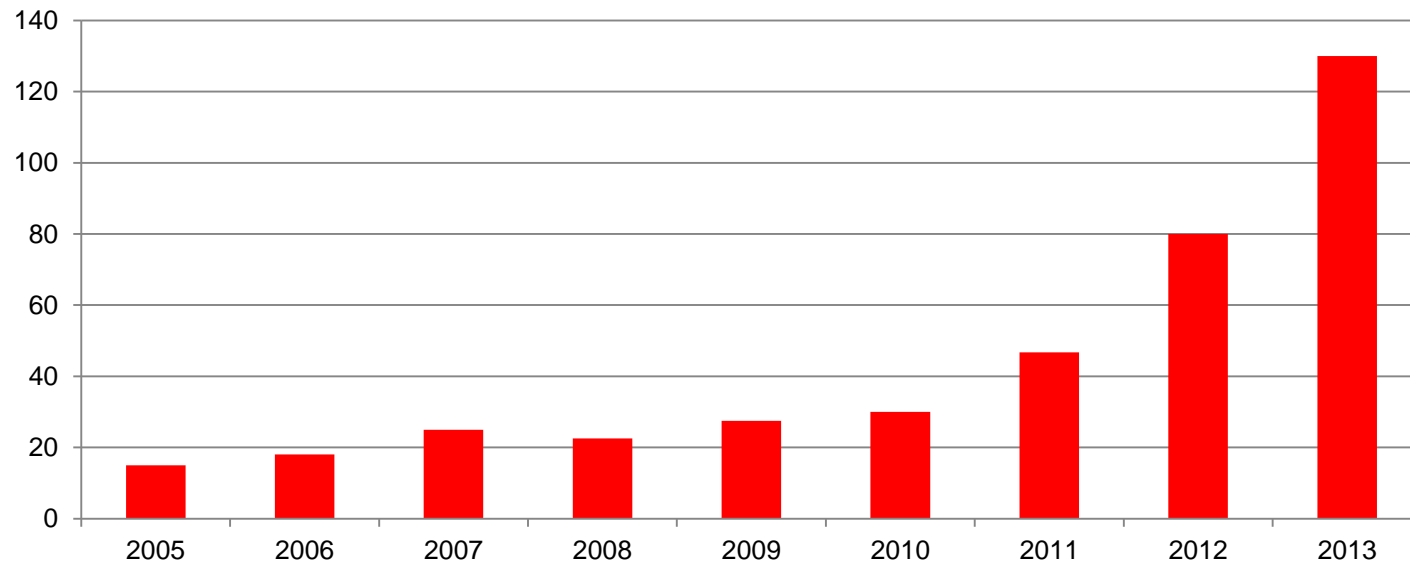
- Recognised as world leader in Build Own Operate (BOO) contract crushing
- Reputation and performance recognition wins major contracts with blue chip mining companies

# Crushing Services International (CSI)

A leading contractor providing crushing, screening & processing facilities

- CSI's core business is to provide crushing, screening and beneficiation services to commodity producers throughout Australia.
- CSI has established a strong reputation as a provider of unique, purpose built, high quality products and services tailored specifically to the needs of each client.
- CSI determines the crushing requirements for its clients, designs a job-specific plant, manufactures and constructs the plant and provides on-site operation and maintenance services.

**Growth in Installed Crushing Capacity (MTPA)**



# PMI Site Services



PMI Site Services has become the fastest growing division within the MRL Group. Its presence in the Pilbara and Yilgarn regions continue to grow strongly.

## Services

- Catering
- Accommodation
- Village management
- SPQ & Village cleaning
- Wetmess & Retail
- Village Facilities maintenance
- Specialised industrial cleaning
- Aerodrome operations
- Personnel transport

## Current Sites

- Carina
- Aurora
- Phil's Creek
- Koodaideri



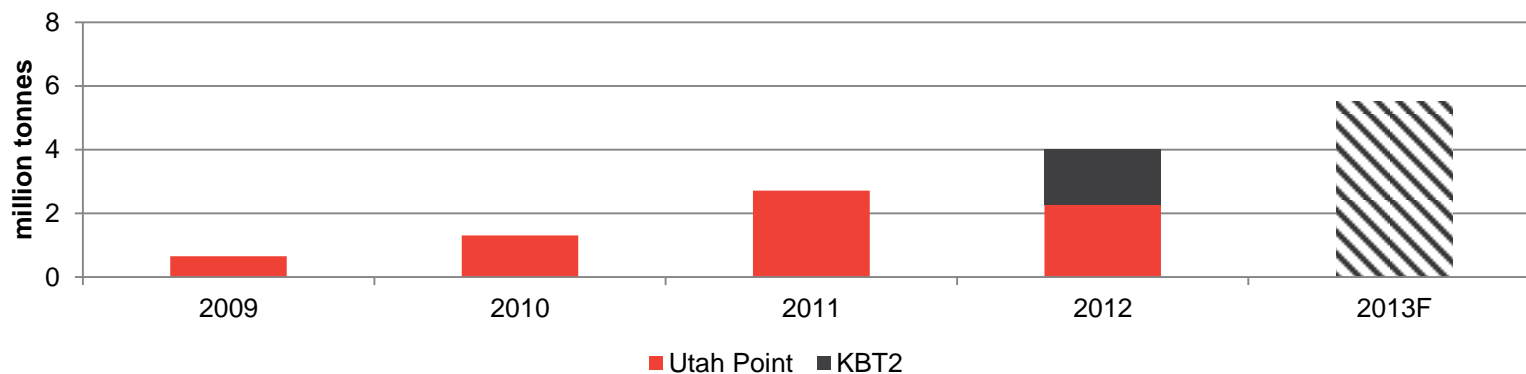
# PIHA

## Innovative Pipeline Technology & Water Solutions

- Undertakes all facets of polyethylene pipe fittings manufacture.
- Provides extensive project management, construction, plant & equipment hire, maintenance and support services to supplement its contracting operations.
- PIHA has Australia's largest fleet of HDPE welding equipment and can produce fittings and systems unique to any operation.
- PIHA's capabilities include:
  - Borefields and Dewatering Systems
  - HDPE Welding Capabilities to 2000mm diameter
  - Dust Suppression and Stockyard Piping Systems
  - Settlement Pond and Turkeys Nest Construction
  - Cross Country Pipelines (HDPE, carbon steel including high pressure gas, HDPE lined steel, DICL, MSCL, uPVC)
  - Associated Earthworks and Civil Works
  - Underground Cable Installation
  - Chain Trenching to 1800mm wide
  - Construction of Coal Seam Gas Pipelines
- PIHA is in the unique position of being able to undertake all stages of pipeline construction for the Coal Seam Gas (CSG) industry including manufacture and supply of HDPE pipe fittings as well as pipe supply and welding of both water and gas lines.



# Export Volume Growth



'000 tonnes	2009	2010	2011	2012	H1 2013
<b>Iron Ore</b>					
. Utah Point	375	875	2,259	2,004	1,015
. KBT2	-	-	-	1,759	1,528
. Total	375	875	2,259	3,763	2,543
<b>Manganese</b>	275	428	449	269	117
<b>TOTAL</b>	<b>650</b>	<b>1,303</b>	<b>2,708</b>	<b>4,032</b>	<b>2,660</b>

# BOO Model – the Counter Cyclical Effect

***BOO model is deleveraged from commodity price cycle, it defines customers' 'real business needs' in a low growth cycle***

## **Business Need**

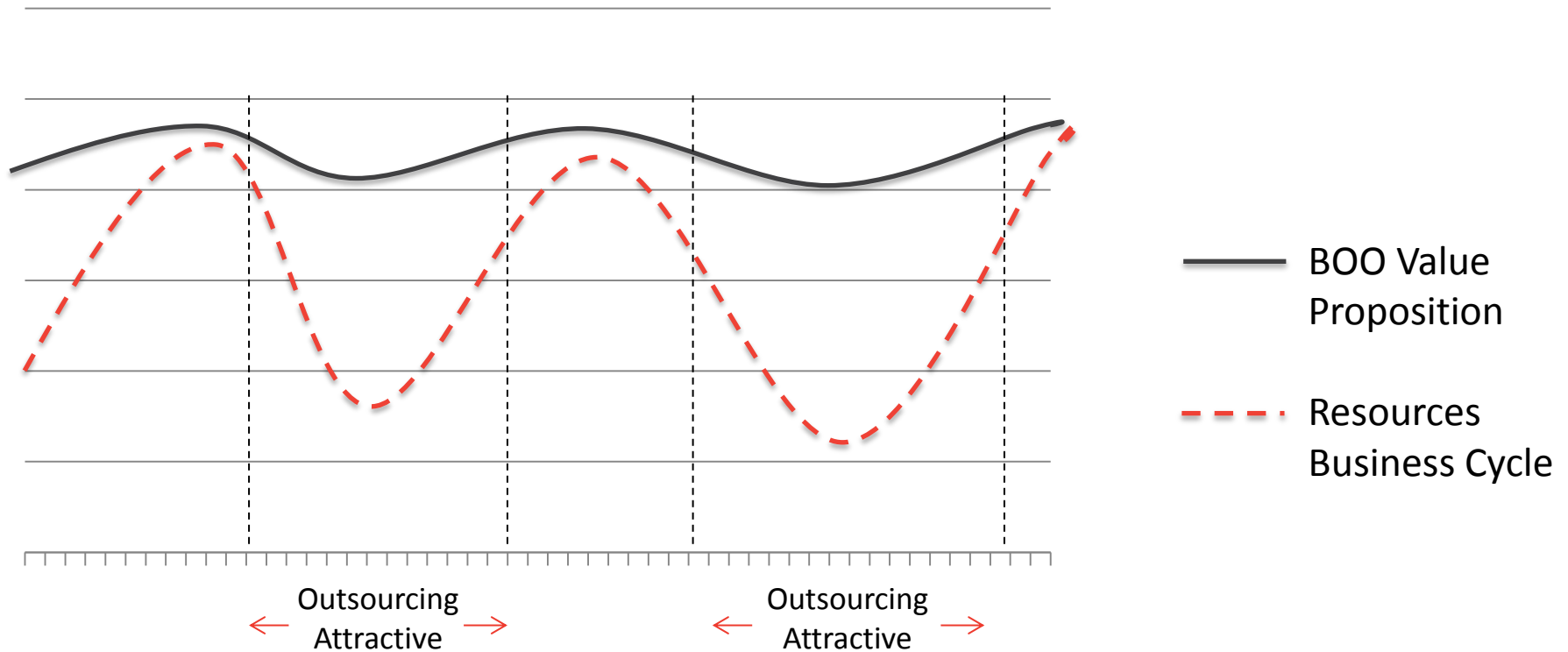
- Reduce capital spend
- Minimise labour employment
- Improve productivity
- Entrepreneurial approach to value
- Innovation
- Timeliness of performance
- Knowledge of industry

## **BOO Model Response**

- MRL funds plant
- MRL employs labour
- MRL model is performance based. Pay for what you use.
- Innovative technical + commercial solutions
- MRL's investment in technology
- MRL's record of plant construction and commissioning
- MRL's 20+ years of contracting experience



# BOO Model – across the business cycles



- Contract structure flexible enough to accommodate increasing and reducing demand over the long term
- Value adding crosses over business cycles

# What Differentiates Mineral Resources

- Strength of Balance Sheet
- Innovative operational approach
- Annuity based contracts
- Full in house service supply
- Strength of plant and equipment inventory
- Value adding
  - Lowest cost
  - Operational productivity
  - Timeliness of program
- Consistency of Management
- Consistency of qualified engineering and trades labour resources
- Flexibility



# Yilgarn Deposits

## Carina Iron Ore Mine Current Status

- In total, 4,318,699 tonnes have been exported from the project since commencement of export operations in November 2011. (16 months to March 2013)
- Mine development is well advanced and ore supply and presentation has become consistent. This provides good blending opportunities and the ability to deliver on specification product to our customers.
- Movement of iron ore throughout the Carina supply chain (mining, road haulage, processing and rail) has been streamlined and the operation has performed well to increase shipped volumes in the March Quarter as normalised.
- Port operations and debottlenecking improves access to shipping through Fremantle Port.



# Growth Opportunities

## Mining Services

Organic growth opportunities across all operations

- Service contracting and construction projects under negotiation
- MRL business grows during normal countercyclical trend that creates outsourcing requirements
- Capital and labour restraints promote BOO contract works

## Mining Business

- Mine development projects being pursued to improve resources volume and mine life
- Exploration programme continuing on existing mine tenements
- Mining operations optimised to ensure business supportable in new pricing environment

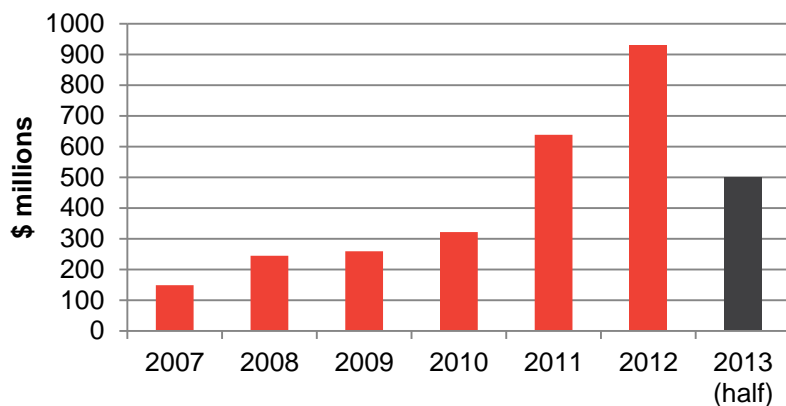
**Business model accommodates both BOO and EPC contracting philosophy**



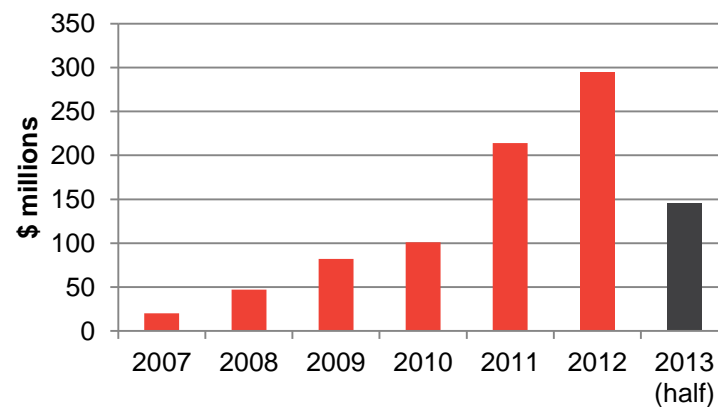
# Financial History

## Since Listing in 2006

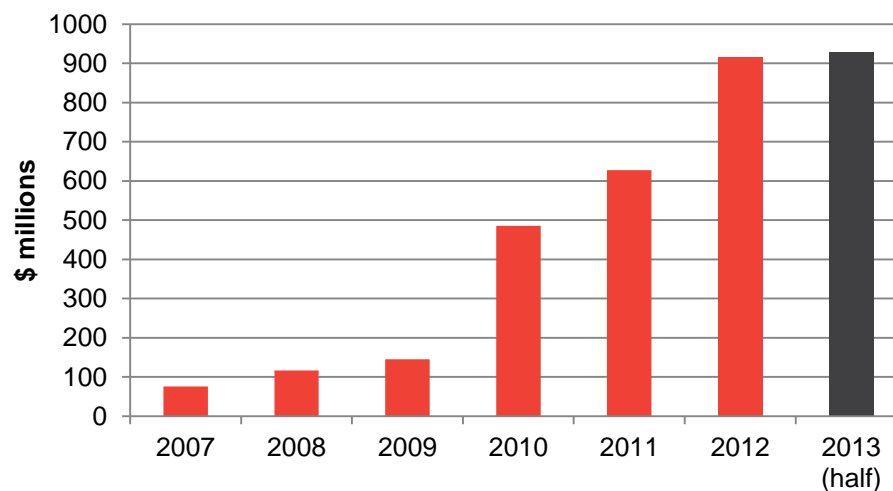
Revenue



EBITDA



Net Assets





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