



Mineral Resources Limited (ASX:MIN)

Integrated Mining Services

FY2014 FULL YEAR RESULTS Investor Presentation



CORPORATE PROFILE



SERVICES PROVIDER

MINERALS PRODUCER



PROCESS MINERALS

- Mineral Processing
- Logistics
- Ship Loading
- Commodity Marketing
- Camp Development
- Camp Management
- Manganese operations



CRUSHING SERVICES

- Crushing & Screening
- Mineral processing
- Mining & Haulage
- Construction
- Beneficiation



PIHA

- Services Infrastructure
- Pipeline Solutions
- Water Solutions
- Fittings Manufacture & Supply
- Equipment Hire

MINERAL SERVICES

MINERALSERVICES

- Crushing & Screening
- Plant & Equipment Hire
- Stemming
- Ballast
- Road base



POLARIS METALS

- Iron Ore Exploration
- Fe Tenement Ownership
- Iron Ore Producer



MESA MINERALS *

- Manganese Technology
- Tenement Ownership
- *(59% Owned)



HIGHLIGHTS

- Record 10.4 million tonnes exported – 88% growth
- Record EBITDA of \$554 million - 45% growth
- \$0.6bn⁽¹⁾ increase in net cash position, plus \$407m in undrawn debt facilities
- \$1.96 per share increase in Total Shareholder Return – 22% growth
- Operational initiatives and efficiency measures reducing costs
- Significant improvement in safety - 12 month rolling Total Recordable Incident Frequency Rate (“TRIFR”) down 51%

Notes:

(1) Including \$179m proceeds from disposal of Aquila investment on 3 July 2014



OPERATIONAL HIGHLIGHTS

Safety

- Significant reduction in group wide TRIFR rate - 12 month rolling rate down 51% to 7.16

Mining Services

CSI

- Ramp up of new BOO contracts assist to offset FMG crushing tonnes
- Jerriwah Accommodation Village EPC construction contract completed
- Nammuldi Below Water Table process plant EPC construction contract in progress and due for completion FY15

PMI

- Site Services growth on target with installed capacity of 1,068 beds – 7% growth + 258 beds due to be commissioned
- Jerriwah Village contract operational

Mineral Services

- Plant and equipment hire
- Small scale crushing services <5mtpa

Mining

- Record 10.4 million wmt exported – 88% growth
- 21% decline in achieved price from FY14 H1 to H2 - widening discount to Platts 62% Index
- Manganese market now relatively stable – currently monetising stock piles (3 ships sold FY15 to date)

Pilbara Iron Ore

- Strategy to move to Iron Valley as the major source of supply – development well advanced
- Phils Creek and Spinifex Ridge ramp up in operations – both projects will balance Iron Valley resource. Poondano in rehabilitation phase

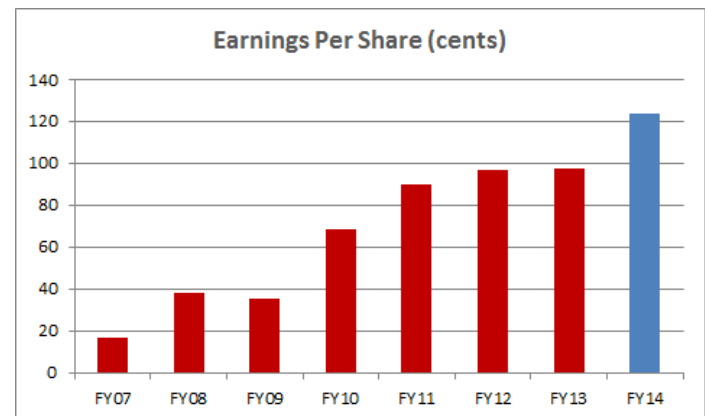
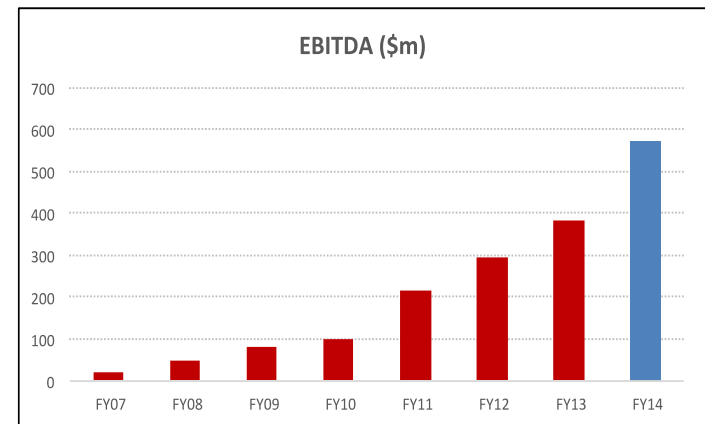
Yilgarn Iron Ore

- Carina 4.6 million wmt exported – 28% growth
- J4 ready for mining
- Resource development in progress

FINANCIAL HIGHLIGHTS

Record full year result

- Revenue \$1.9bn up \$0.8bn +73% on prior year
- NPAT \$249m⁽¹⁾ +38% on prior year, in line with guidance
- FY14 reported result includes \$18m impairment of Aquila investment
- EPC style profit from FMG exit
- CML settlement, costs incurred over last 4 years, site delays and access, plant retained for future use
- Cash from operating and investing \$679m
- Balance Sheet net cash by \$260m (including AQA share sale)
- MRL restructured its available financing facilities and has \$407m in undrawn facilities
- MRL retained dividend payout policy of 50% NPAT at 62 cents fully franked

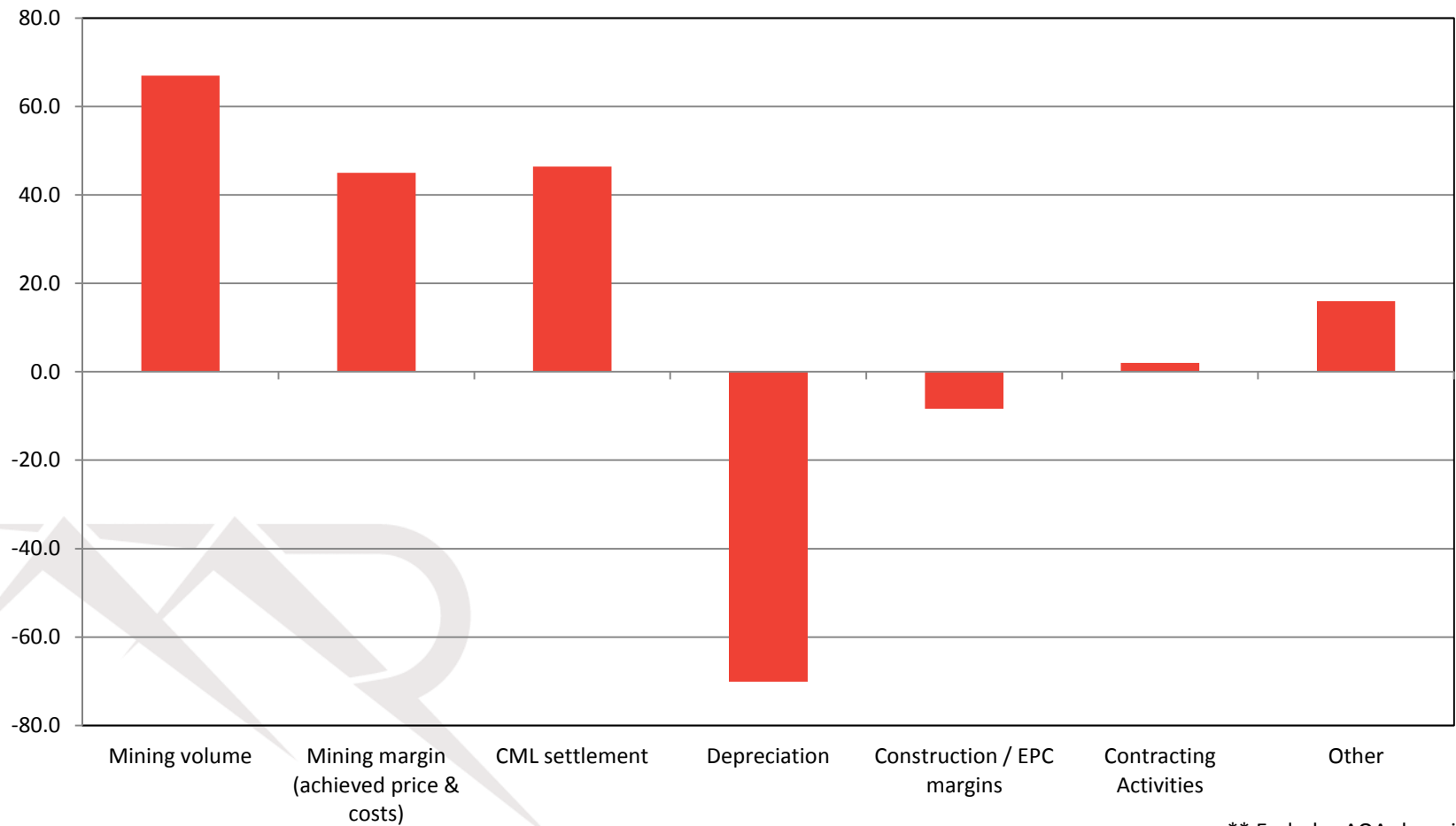


Notes:

⁽¹⁾ Excludes \$18m impairment of Aquila investment



Profit Before Tax FY13 TO FY14

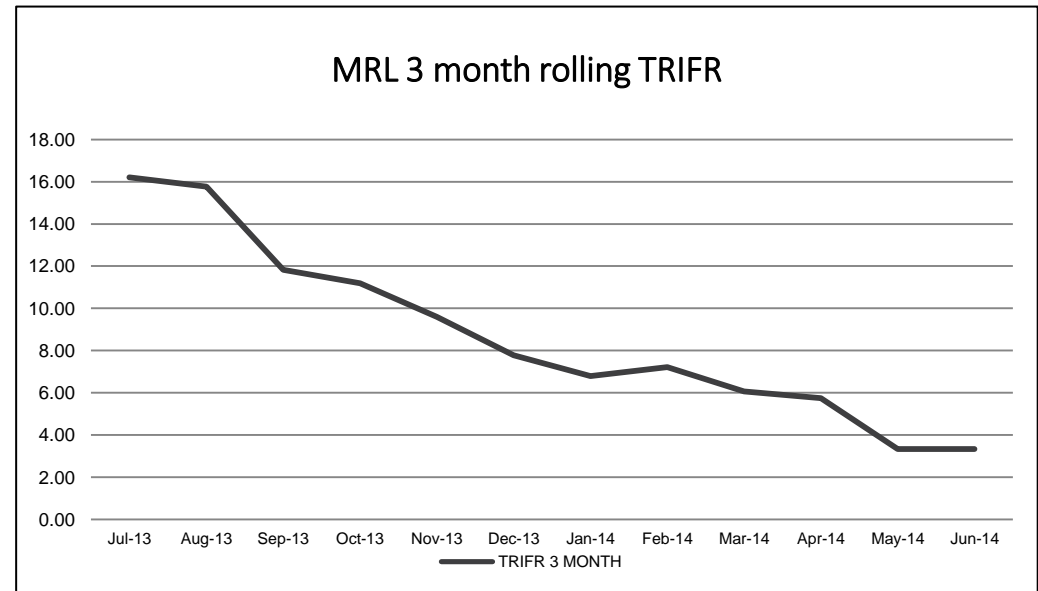


** Excludes AQA share impairment

SAFETY PERFORMANCE

51% improvement in 12 month rolling TRIFR

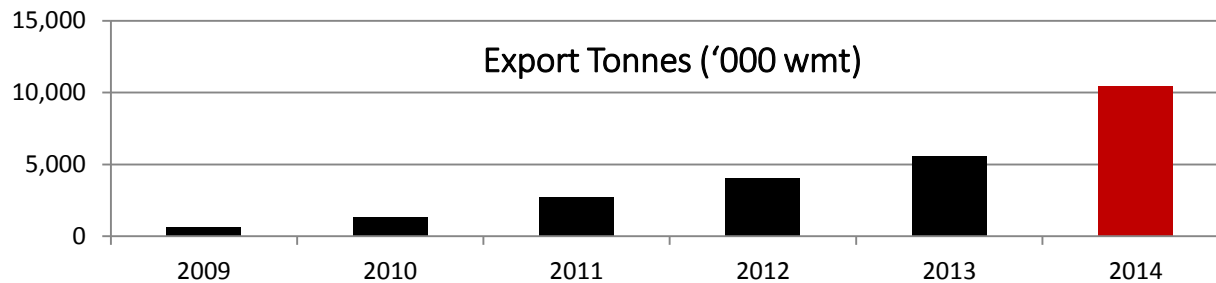
- Continued improvement in safety management with number of key initiatives to further improve safety culture and performance
- Significant drop in group wide TRIFR rate - 12 month rolling rate declining by 51%
- MRL Cross Roads program released to facilitate upgraded Occupational Hazard Management System
- Operational businesses now taking ownership of OHM personnel
- KPI tracking currently focussed on field interactions, OHM communications, hazard cards, workspace interactions, and overdue actions



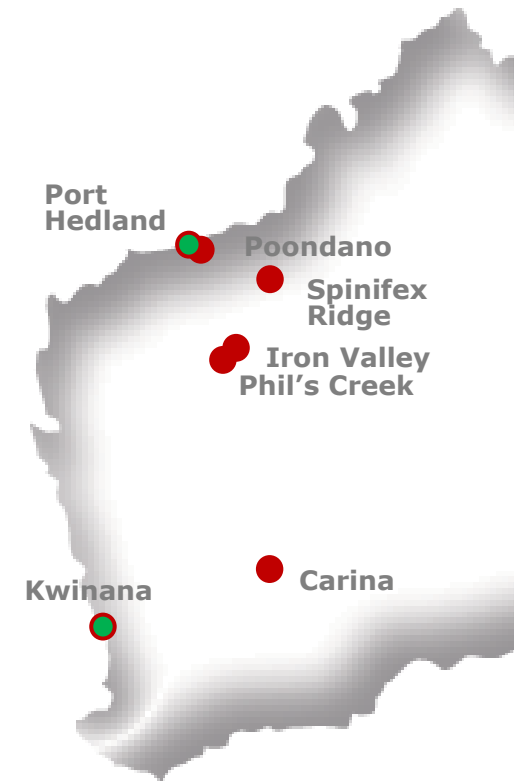


MINING OPERATIONS

Record 10.4 million wmt exported - 88% growth



Export Volumes ('000 wmt)	FY13 H1	FY13 H2	FY13 Total	FY14 H1	FY14 H2	FY14 Total
Utah Point						
<u>Iron Ore</u>						
Phil's Creek	-	464	464	1,721	2,289	4,010
Spinifex Ridge	-	-	-	653	737	1,390
Poondano & Other	1,015	386	1,401	319	161	480
Total Iron Ore	1,015	850	1,865	2,693	3,187	5,880
<u>Manganese</u>						
	117	30	147	-	-	-
Total Utah Point	1,132	880	2,012	2,693	3,187	5,880
KBT2						
Carina Iron Ore	1,528	2,016	3,544	2,376	2,177	4,553
Total KBT2	1,528	2,016	3,544	2,376	2,177	4,553
Total Commodity Sales	2,660	2,896	5,556	5,069	5,364	10,433





IRON VALLEY DEVELOPMENT

Mine site development well advanced in FY14

- Project commenced on site in March 2014
- Bulk Earthworks, Crushing Plant and all Non-Process Infrastructure all well advanced in FY14
- Test pit dug - 7,000 tonne of material removed and crushed at the Phil's Creek mine site
- Mining operations commenced July 2014 – top soil and pre-stripping of waste along with the initial haul road construction
- First blast took place on 2 August 2014
- Wet commissioning of crushing plant to start in August 2014
- Commissioning of the crushing plant will consist of initial start up and processing of a small quantity of ore
- MRL will gradually increase amount of ore through the plant and continue monitoring performance and market conditions

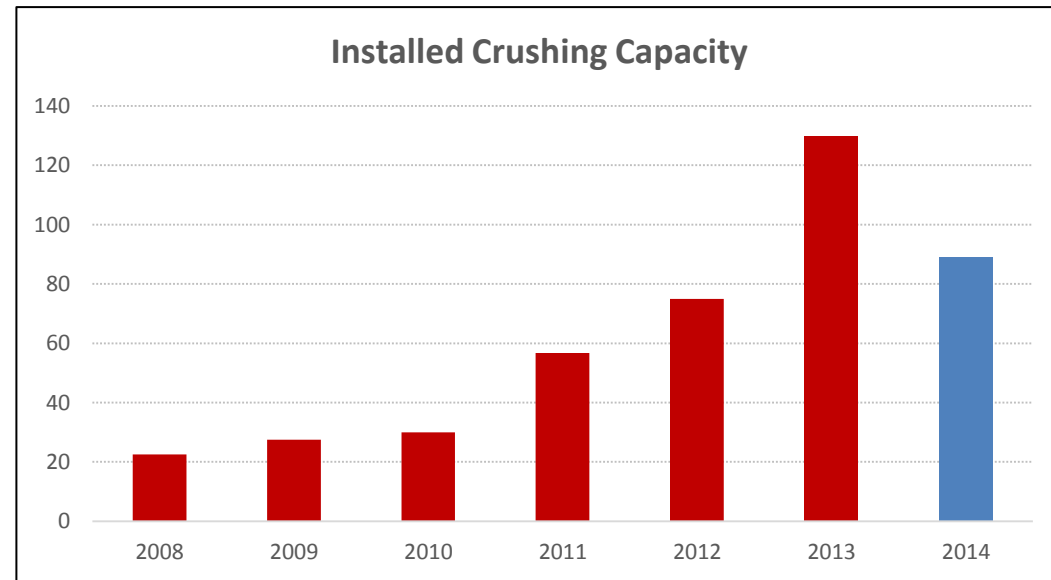


Construction Work at Iron Valley

CSI CRUSHING & HAULAGE

Strong pipeline of new and existing BOO contracts

- Crushing and haulage volumes marginally higher FY13 to FY14
- Annualised run rate 85-95 mtpa
- Volumes in FY14 H1 were higher than in H2 from loss of FMG volumes
- Business focussed on the acquisition of crushing tonnes
- Potential for new contracts and improvements in existing activities on track to achieve this objective
- New BOO contract won in FY14 (Nammuldi Above Water Table) expected to ramp up in FY15





CSI EPC CONSTRUCTION

Nammuldi Below Water Table Process Plant

- Contract awarded 9 August 2013
- Scope of work:
 - Design and construct, 25Mtpa below water table process facility
 - Remote primary crushing facility and overland conveyor
 - Secondary crushing facility
 - Dewatering and thickening facility
 - Waste lines transfer pipeline
- Construction activities commenced 26 August 2013
- Project achieved 500,000 LTI free hours on 11 June 2014
- Dry commissioning commenced in August 2014 with an expected duration of 3 months

- First ore on ground forecast for November 2014
- Load commissioning is forecast to commence in November and will extend until the date of acceptance which is currently forecast in April 2015
- Prudent approach taken to FY14 uptake of EPC profit

Jerriwah Accommodation Village

- Construction completed with 414 rooms made available progressively from August 2013 to January 2014. EPC profit taken in FY14
- Operations managed by PMI

Nammuldi BWT Consturction



PMI SITE SERVICES

1,068 rooms under management with further expansion for FY15

- 1,068 rooms under management at end of FY14 – 7% growth from the prior year end
- Strategy of leveraging accommodation services for our own operations to provide services for external customers
- In November 2013 service agreement for Jerriwah village secured
- Poondano village construction completed in February 2014
- 3 year contact secured with third party to occupy part of Poondano village
- Current plan to expand Poondano village from 62 rooms to 320 rooms : additional 258 rooms forecast to be available in early H2 FY15



Poondano Village Grand Opening

FY14 acquisitions expand offering to oil and gas infrastructure sectors

- The business continues to provide solid contribution to earnings
- During the year PIHA made 2 acquisitions - GFR's valve business and Spiral Pipe Australia - expanding its offering in the oil and gas infrastructure sectors
- The traditional business areas continue to perform in accordance with targets



Vent Master Valves



GROWTH AND OUTLOOK

COMMODITY PRICES

- We believe we have seen the bottom of the iron ore index price fall
- There is still heavy discounting in the iron ore market, but we believe this will ease over time

INFRASTRUCTURE DEVELOPMENT

- New projects of interest, have a long term horizon to support investment case
- New developments are sought with potential for multi user infrastructure assets including:
 - Haul roads / Rail solutions
 - Port infrastructure
 - Logistics – including transshipping
 - Mine development and operation

FINANCIAL CAPACITY FOR GROWTH

- Balance sheet currently under geared (cash positive)
- MRL can support major, integrated projects within the strategic framework

MINING SERVICES

- Traditional BOO opportunities (primary processing and volume enhancement)
- EPC work for key clients
- Accommodation BOO / operate only
- Water service / pipelines
- Coal seam gas sector – specialised products

MINERAL SERVICES

- Plant & equipment hire
- Small crushing operations
- Stemming, road base, ballast



INFORMATION PACK



CORPORATE PROFILE

- Mineral Resources Limited (MRL) is a Perth based integrated mining services provider, commodity producer and infrastructure company
- MRL is an ASX100 Company with a market capitalisation of approximately \$2.0 billion
- The business was founded in 1993 by the current management team of Chris Ellison, Steve Wyatt and Bob Gavranich and the current Chairman, Peter Wade, who joined the business in 1999
- Management and board ownership is approximately 21% of the issued capital
- Small board and management team focused on success by achievement
- Management structure is flat and motivated by performance



MINING OPERATIONS - PILBARA

Record 10.4 million wmt exported - 88% growth

Phil's Creek

- Record 4.0 million wmt exported in FY14 – up 3.5 million wmt on prior year as production ramped up
- Cost reductions achieved from higher export volumes
- Strategy to move to Iron Valley as major source of supply for Pilbara - operations to end in FY15

Spinifex Ridge

- Project operational on 1 July 2013
- 2.4 million wmt resource available
- Operations expected to be scaled back to allow for Iron Valley tonnes

Poondano

- Rehabilitation in progress



Spinifex Ridge Pit Development



Phil's Creek Pit Development



MINING OPERATIONS - YILGARN

Record 10.4 million wmt exported - 88% growth

Carina

- Record 4.6 million wmt exported in FY14 – up 28% on prior year
- Stage 2 cut back of Carina pit, which incorporates the final pit design, delivered in FY14 H2 with limited impact on production
- J4 resource ready to mine as programme allows



PMI LOGISTICS & HAULAGE

MRL rail fleet launched with full service to Carina from 1 Sept 2014

- Launch of MRL rail fleet on 23 July 2014, consisting of 6 new locomotives and 382 purpose built iron ore wagons
- Initially to carry iron ore from Carina mine site to Kwinana Port for export - forecast to cut costs
- Full service is 2 consists of 2 locomotives and 116 wagons, and 1 consist of 2 locomotives and 58 wagons
- Capability to operate 3 consists of 2 locomotives and 116 wagons when required
- Rail fleet facilitates the expansion of Carina exports to 5.2 million wmt per year
- First train loaded at Carina on 6 July 2014 and discharged first ore at Kwinana the day after. Consist was 2 locomotives and 58 wagons
- First 116 wagon consist loaded at Carina on 5 August 2014 and unloaded at Kwinana the day after as part of commissioning works – 3 weeks ahead of schedule
- Aurizon contract terminates on 31 August 2014 with full service from the MRL rail fleet thereafter



Hon. Bill Marmion congratulates Chairman Peter Wade

PROFIT & LOSS

Record full year result on all P&L metrics

- Revenue \$1.9bn up \$0.8bn (73%) on prior year
- \$0.6bn from increase in iron ore exports,
\$0.2bn from increase in EPC construction activity
- FMG and CML exits included in FY14 other income
- EBITDA of \$554m up \$171m (45%) on prior year
- Depreciation and amortisation increased \$70m from prior year – increased iron ore exports, new crushing contracts/plant. Reduction from FY14 H1 to H2 from FMG exit and project ramp up
- FY14 includes \$18m impairment of Aquila investment

Profit & Loss	FY14 (\$m)	FY13 (\$m)	Variance (%)
Revenue	1,899.0	1,097.0	73%
Other income	116.6	8.4	
EBITDA	554.1	382.8	45%
EBIT ⁽¹⁾	357.4	255.7	40%
PBT ⁽¹⁾	345.3	250.5	38%
PAT ⁽¹⁾	248.7	180.4	38%
PAT - FY14 inc. Aquila impairment	230.5	180.4	28%
Basic Earnings Per Share (cents)	124.10	97.48	27%

Notes:

⁽¹⁾ Excludes \$18m impairment of Aquila investment

CASH FLOW & BALANCE SHEET

\$0.6bn⁽¹⁾ cash inflow in the year

- Net cash from operating and investing activities up \$679m:
 - FY14 CAPEX includes: recommissioning Nammuldi Above Water Table crushing plant; Iron Valley; Phil's Creek, Aurora and Poondano camps; Steelpile and GFR businesses; and rail locomotives and wagons
 - FY14 Working Capital and Other includes billings to cover commitments on Nammuldi Below Water Table EPC Project
- MRL retained dividend payout policy of 50% PAT: interim and final dividend up 14 cents per share (29%) to 62 cents
- During the year, MRL restructured its available financing facilities whilst managing interest costs
- ROCE of 39% - 100% improvement from FY13, result enhanced by year end cash holdings ⁽¹⁾
- ROE of 20% - a 14% improvement from FY13

Cash flow and balance sheet Including cash from AQA share sale	FY14	FY13	Variance
EBITDA	554.1	382.8	171.3
CAPEX (inc. funded items)	(184.1)	(417.4)	233.3
Proceeds from sale of PPE	322.1	-	322.1
Payments for investments	(25.4)	(2.3)	(23.1)
Net interest payments	(11.2)	(4.8)	(6.4)
Income taxes paid	(55.3)	(30.9)	(24.4)
Working capital and other	79.5	(17.4)	96.9
Operating and Investing Cash Flow (\$m)	679.6	(90.1)	769.7
Dividends (\$m)	(109.9)	(80.2)	(29.7)
Dividends per share (cents)			
Interim (paid)	30.0	16.0	14.0
Final (proposed)	32.0	32.0	-
62.0	48.0	14.0	
Net (debt) / cash (\$m)	259.7	(310.3)	570.0
Net assets (\$m)	1,139.3	1,017.7	121.6
Return on Capital Employed (%) ⁽¹⁾	38.6%	19.3%	19.3%
Return on Equity (%) ⁽²⁾	20.2%	17.7%	2.5%

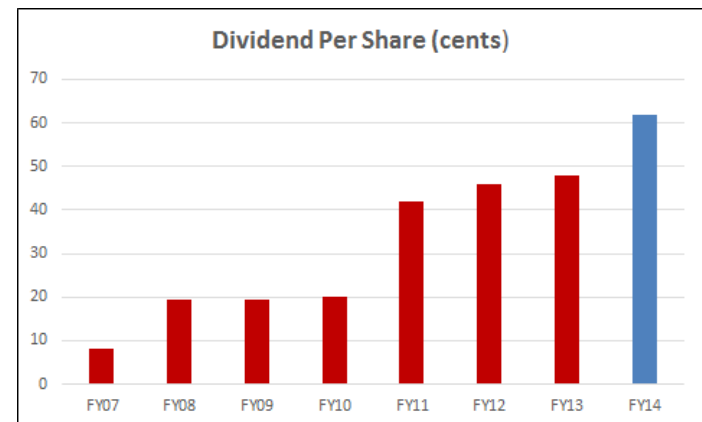
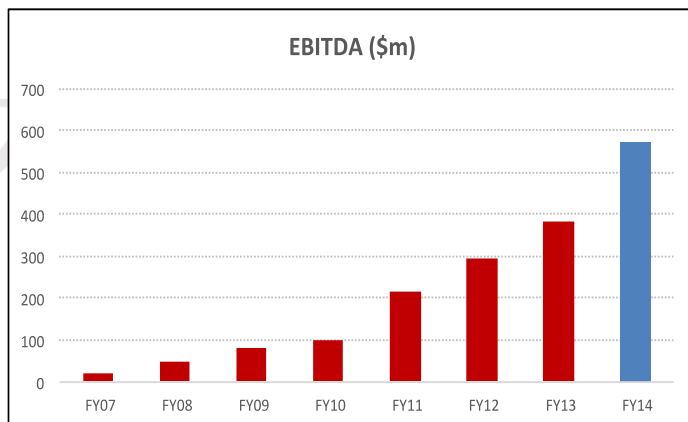
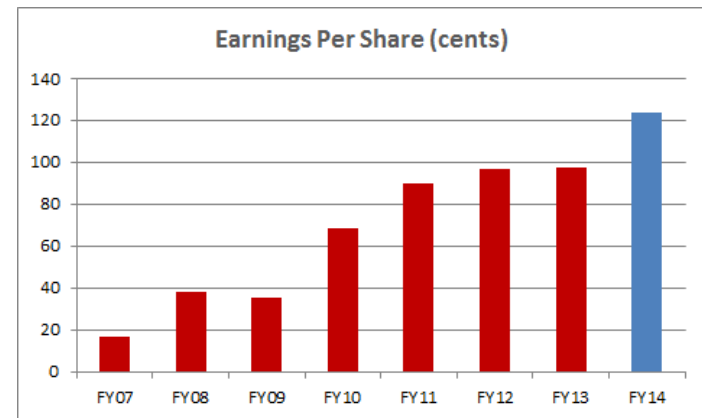
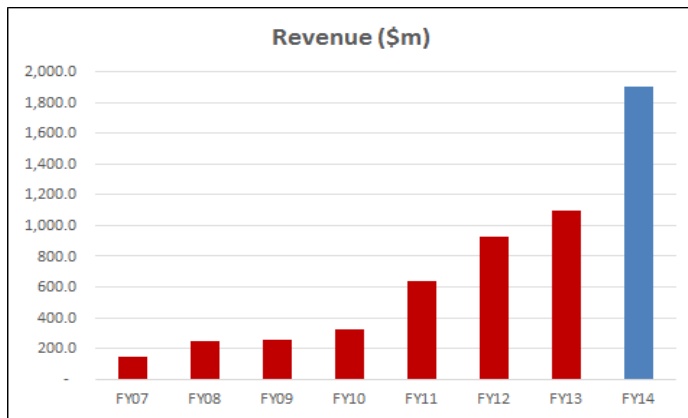
Notes:

(1) EBIT (FY14 inc. AQA impairment) / (year end Net Debt⁽¹⁾ + Total Equity)

(2) PAT (FY14 inc. AQA impairment) / year end Total Equity



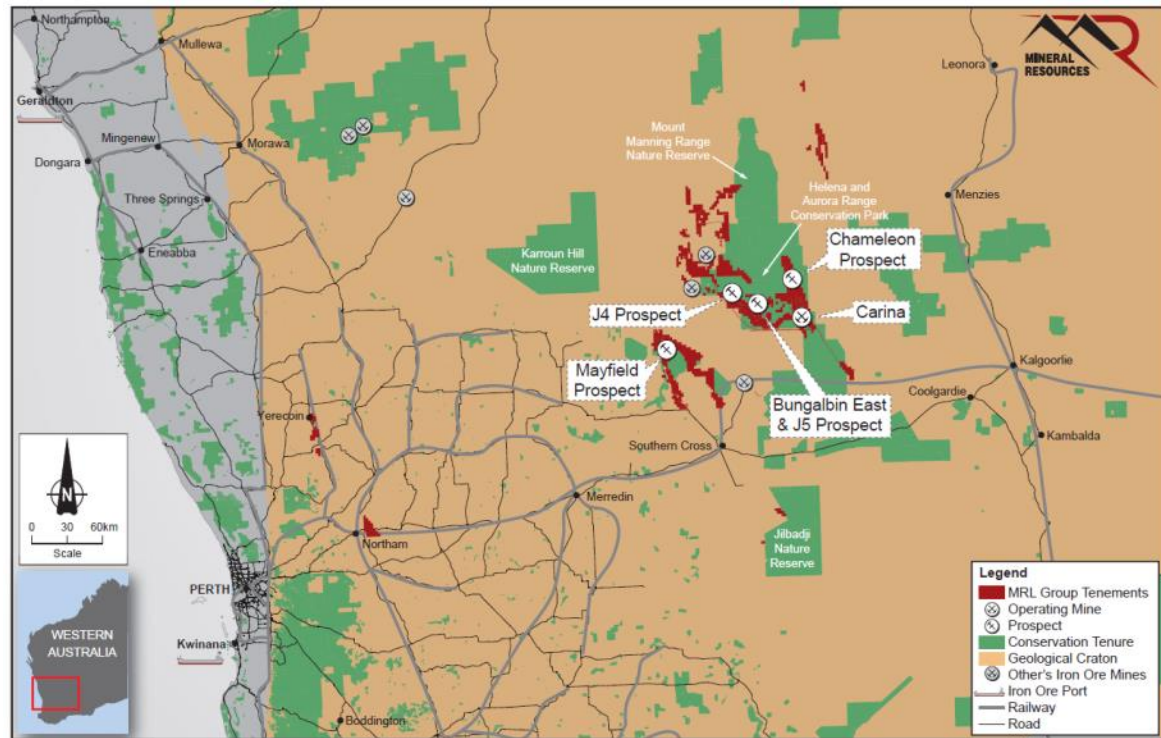
PERFORMANCE SINCE LISTING





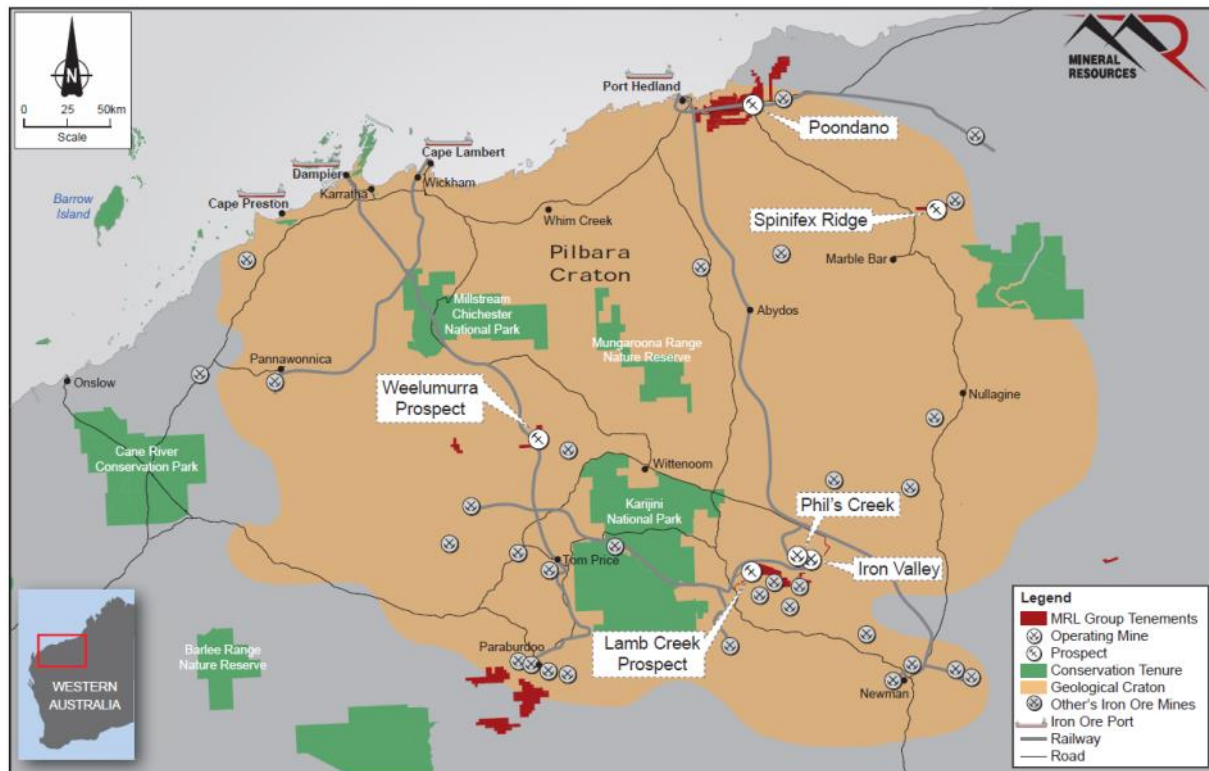
ENVIRONMENTAL APPROVALS

- J4 mine in final approval stages.
- J5 and Bungalbin East approvals referred to EPA for assessment
- Rehabilitation work in progress at Poondano mine received a special mention at AMEC environmental awards for innovative focus on restoring dens for the threatened Northern Quoll
- Partnership with Curtin University on landscape modelling and restoration



EXPLORATION & DRILLING PROGRAM

- Iron Valley Infill Drilling completed 50mx50m for first 3 years
- Iron Valley Metallurgical and Geotechnical Drilling completed
- Weelumurra Metallurgical Drilling completed





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