



# FY2017 RESULTS PRESENTATION PACK

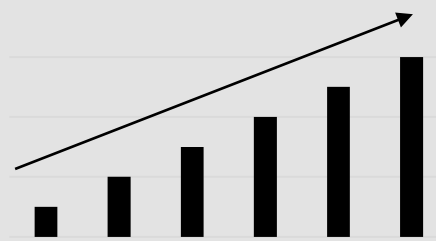
# THE MRL BUSINESS



Innovative Mining  
Services Provider



Unique Value  
Proposition



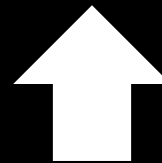
Focus on Increasing  
Annuity Earnings



Experienced  
Management Team  
and Board



Track Record of  
Delivering High  
Returns on Capital



# THE MRL BUSINESS



## MINING SERVICES



SITE SERVICES



PROCESSING



PORT SERVICES



MINING



TRANSPORT



SALES

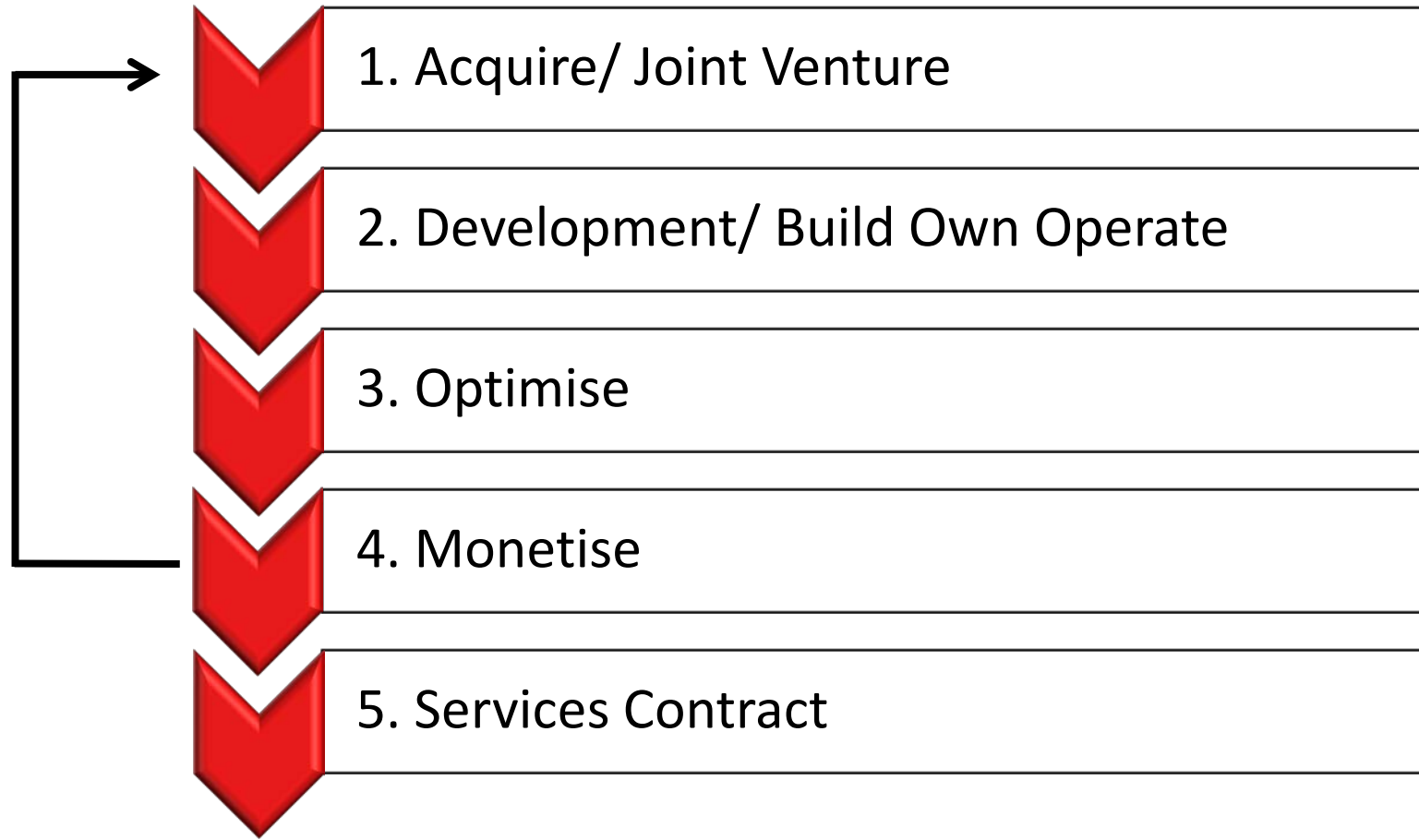


ENERGY

## COMMODITY PROJECTS

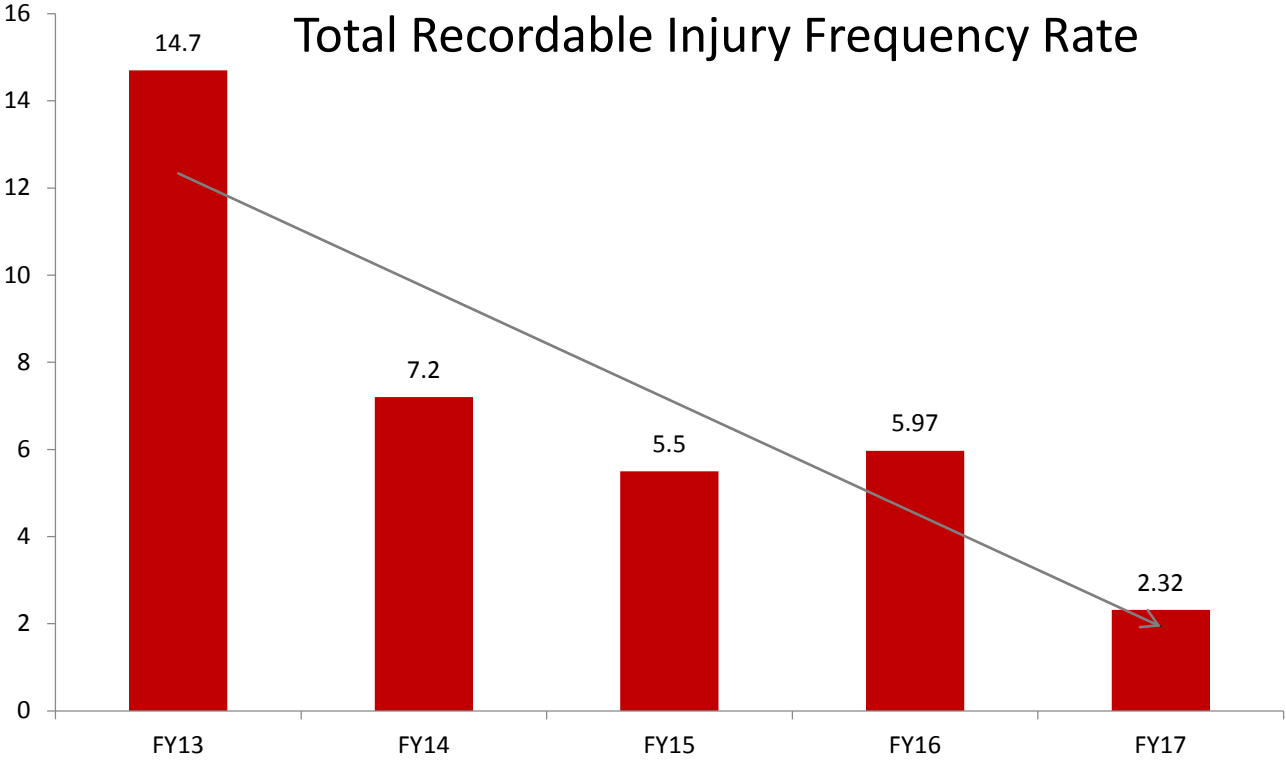
Mine Site	Yilgarn	Iron Valley	Mt Marion	Wodgina
Commodity	Iron Ore	Iron Ore	Spodumene	DSO
Production	5-6Mtpa	8Mtpa	400Ktpa	4-5Mtpa
Ownership	100%	100%	43.1%	100%

# COMMODITY PROFIT SHARE MODEL





# SAFETY PERFORMANCE



# FY17 HIGHLIGHTS



## Mining Services

- Equivalent crushing capacity 126Mt up 34%
- Strong customer retention
- New external crushing plants installed in second half
- Mt Marion and Wodgina mine to port services to make full year contribution in FY18

## Commodities Iron Ore Iron Valley & Yilgarn

- Exports stable at 12.3Mt
- Average achieved revenue \$75.1/t
- Second half impacted by increased market discounting
- C1 Costs \$39.8/t down 2%
- EBITDA \$18.0/t up 109%
- BE/J5 mining application progressed

# FY17 HIGHLIGHTS



## Commodities Lithium Mt Marion

- Current JORC resources of 78Mt at 1.37% Li
- 156Kt 6% and 4% spodumene produced
- 116Kt 6% and 4% spodumene exported
- June annualised run rate above 400Kt
- Offtake arrangements renegotiated – Q1 FY18 6% spodumene price US\$841/dmt

## Commodities Lithium Wodgina

- Current JORC resources of 198Mt:
  - Hard rock : 176Mt at 1.20% Li
  - Tailings : 22Mt at 0.98% Li
- Atlas Iron operations ceased in April
- Commenced lithium direct ship ore (DSO) operation and shipments in March and April
- 720Kt DSO exported in Q4 FY17

# FY17 FINANCIAL PERFORMANCE



Revenue	\$1.46bn	↑ 24%
EBITDA	\$464m	↑ 62% *
NPAT	\$201m	↑ 83% *
Diluted EPS	108 cps	↑ 91% *
Dividends declared	54 cps	↑ 83%
Operating cash flow before financing activities and tax	\$382m	↑ 8%
Capex	\$228m	↑ 37%
Cash in hand	\$378m	↓ 7%
Net assets	\$1.13bn	↑ 12%
Return on Invested Capital	19.5%	↑ **

\* Against normalised FY16 result

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



# STRATEGIC PRIORITIES



## Grow Mining Services

- Growth target of 20% per annum
- All-6% Mt Marion plant modifications
- Wodgina services contract
  - DSO
  - 500Ktpa spodumene plant
- New opportunities with existing and new clients
- Commence manufacturing of 10Mt modular, remotely operated, next generation crushing plants

## Sustainable Iron Ore Business

Pilbara – 30 year horizon

- Australia's lowest cost producer:
  - BOSS : 80% reduction haulage costs
  - Port cost and efficiency initiatives
  - Increased production

Yilgarn – 10-15 year horizon

- BE/J5 mining approval
- Port cost and efficiency initiatives

# STRATEGIC PRIORITIES



## Optimise and Monetise Mt Marion

- Continued optimisation of operations
- Upgrades to deliver 400Kt All-6% spodumene plant (currently 200Kt 6% and 200Kt 4%)
- Upgrade accretive 200Ktpa by US\$364/t
- Monetisation a priority – discussions progressing
- MRL to retain life-of-mine Mining Services contract

## Optimise and Monetise Wodgina

- DSO expected to continue at 4-5Mtpa
- Construct 500Kt 6% spodumene plant with commissioning planned for Q3 2018
- Monetisation of up to 50% shareholding – discussions progressing

# STRATEGIC PRIORITIES



## New Commodity Projects Next round of development

- Coking coal QLD
  - Strategic partner with MRL-like culture
  - Geographic location to introduce MRL supply chain / infrastructure services
- Iron ore Pilbara – strategic blending deposits

## Innovation

- BOSS
- Gas / remote power
- Carbon fibre structural components manufacturing facility:
  - Dump truck trays
  - Railway wagons
- Tyre and waste oil recycling plants

# FY18 OUTLOOK



<b>EBITDA</b>	<b>Minimum \$500m</b>
Equivalent crushing capacity	130Mt
Iron ore exported	13.3Mt
Lithium DSO exported	4.25Mt
Spodumene exported (MRL's share 43.1%)	400Kt
62% iron ore price	US\$65/dmt
6% spodumene price	US\$841/dmt
FX	0.78
Capex (inc 500Kt Wodgina spodumene plant)	\$200m - \$250m
No monetisation of commodity shareholdings	



# QUESTIONS







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