FY2016 results information pack

18 August 2016

Agenda

Result highlights

FY16 Financials

- Revenue of A$1.2 billion in line with the prior corresponding period ('pcp'). Lower transactional revenue (EPC) in Mining Infrastructure Services and lower global iron ore prices, offset by an increase in export volumes in the Commodity business
- Normalised EBITDA of A$286m in line with pcp and at high end of guidance range of A$250m to A$290m. Higher Commodity business margins per tonne achieved as a result of a 18% pcp decrease in cash costs
- Normalised Net Profit After Tax of A$110m in line with pcp
- Net Cash position improved A$70m in FY16 to $188m as a result of improved Commodities cash flow and working capital management

Mining Infrastructure Services

- Mining Infrastructure Services continues to perform in line with expectations with equivalent crushing capacity growth of 11% pcp
- Lower transactional revenue (EPC) from external clients in FY16. Nammuldi Below Water Table Expansion Stage 2 (NP2) contract on budget and 4 weeks ahead of schedule—expected to reach operational completion in 1H FY17
- Construction activities for Mt Marion Build-Own-Operate (BOO), life-of-mine contract well advanced and progressing according to plan. First shipment expected in October 2016

Commodities business

- Commodities business increased EBITDA from A$5.40 to A$8.60 per tonne driven by a 18% pcp cash costs savings. Export volumes increased by 14% pcp to a record 12.1 Mt
- Mining of the J4 deposit in Yilgarn commenced in year with ore transported to central processing hub at Carina site
- Group exercised option to purchase further 13.1% of Mt Marion Project at agreed price, lifting equity interest to 43.1%
- Mt Marion Project Mineral Resource estimate increased 160% in year to JORC compliant indicated and inferred resources of 60.5Mt (>25 year mine life). Additional drilling success to facilitate a further resource upgrade
- Annualised exports from Mt Marion projected expected to ramp-up to approximately 400,000t Li2O by end FY17

MINERAL RESOURCES

Result highlights

Innovation & growth

- Wodgina site acquired in FY16 and represents a significant Build-Own-Operate and profit share opportunity for MRL as a regional processing facility. Site has potential for significant lithium operations
- Continue to progress the development of MRL's own LNG and gas power generation capabilities. Mt Marion will be the first site to adopt gas power generation. This initiative is expected to deliver cost savings based on today's oil prices. Shareholding in EGO provides access to gas reserves
- Two 150 tonne haul pack, carbon fibre tray's in construction to be trialled at MRL's Yilgarn commodity operation. Pending a successful trial, commercial production for widespread adoption on MRL sites expected in FY17
- Super-quads introduced in September 2015 are now fully implemented at Iron Valley with increased payload of 138 tonnes compared with conventional road trains
- MRL continues to assess long term contract opportunities for its proprietary, low cost mine-to-port transport and infrastructure service ('Bulk Ore Transport System' or BOTS)
- MRL has finalised design for a proprietary 'Bulk Ore Shuttle System' (or BOSS) that combines the efficiency of a track mounted vehicle with modern fuel efficient automotive hybrid technology that is more flexible, and a cost efficiency vastly superior to an Overland Belt Conveyor

Capital management

- Strong balance sheet with net cash of A$188m and A$400m finance facilities (renewed for 3 years in FY16)
- Share buy-back in operation in FY16 purchasing 1.2 million at average price of A$3.63/share (A$4.3m)
- Final dividend of 21.0 cents per share (fully franked) in addition to 8.5 cents per share interim dividend (fully franked) representing 50% distribution of normalised net profit

Outlook

- EBITDA guidance of A$360m to A$400m for FY17 based on 62% CFR iron ore average price of US$60 per dry tonne and AUD / USD to average 0.75 in FY17
- Expect capital expenditure of A$100m to A$150m

MINERAL RESOURCES

MRL background and business model

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MRL overview

Innovative mining infrastructure services provider	Founded in 1993, Mineral Resources (MRL) is a leading and highly innovative full-service provider of mining infrastructure services in Australia
Unique value proposition	MRL provides innovative and low cost Pit to Port solutions across the mining infrastructure supply chain including mining, crushing, processing, materials handling and full support logistics in an efficient manner to add significant value for clients
High proportion of annuity earnings	Mining Infrastructure Services revenues and earnings are supported by long term contracts and are not driven by global commodity prices. 66% of FY16 normalised EBITDA from Mining Infrastructure Services
Experienced management team & board	Stable senior leadership team with a proven track record of safely delivering world class mineral processing and infrastructure solutions and creating shareholder value. Board and management own approx. 16% of Company
Selection of customers	RioTinto, bhpbilliton, Roy Hill, GanfengLithium, Newmont, Newcrest, Barrick
MRL operating brands	Mineral Resources, CSI Crushing Services International, PMI Process Minerals International, PIHA


Nammuldi Below Water Table plant - Pilbara region


MRL locomotives in action – Yilgarn region


Accommodation at Carina – Yilgarn Region

Mining Infrastructure Services

MRL delivers integrated infrastructure services across the mining supply chain

Mining supply chain






	Site services	Mining	Plant / Processing	Transport	Port services	Sales
Current MRL services	• Remote, mine-site accommodation services • Remote power services • Aerodrome management / personnel transport	• Mine scheduling and grade control • Mining operations and mine site haulage • Dewatering • Equipment hire	• Crushing and mineral processing • Beneficiation services • Mobile processing services • Pipeline and water solutions	• Road & rail logistics from mine to port • Owner of locomotives and customised wagons • Road transport solutions (inc. bulk ore road haulage)	• Port logistics • Ship loading	• Commodity sales & marketing
Key attributes of revenue model	**Option 1** • Build, own, operate • Performance based model **Option 2** • Design, build and transfer (EPC)	• Paid per tonne	**Option 1** • Build, own, operate • Performance based model **Option 2** • Design, build and transfer (EPC)	• Build, own, operate • Performance based model	• Build, own, operate • Performance based model	• Profit share model
Services by external parties	• Aircraft services	• Drill and blast		• Below rail (Yilgarn operation)	• Port infrastructure (Yilgarn & Pilbara operations) • Shipping and stevedoring	

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Unique value proposition

"Partner with selected clients to deliver innovative high quality and cost efficient mineral processing and mining infrastructure Pit to Port solutions"

Global leader in design and technology development	• Proven track record of innovative designs for crushing, screening, mineral processing and mining infrastructure solutions • Significant annual investment in technology research and development
Speed to market	• Significant database of proven designs and engineering utilising in-house capability developed over the last 25 years • Substantial inventory of new and used mineral processing equipment, accumulated over the last 20 years to expedite project execution
Reduced capital intensity	• MRL's core business of 'Build-Own-Operate' solutions reduce the need for the clients to use their own capital • Proven construction methodologies and in-house engineering and labour allow for plant construction at a significantly reduced capital intensity
Lower cost of production	• Innovative, high quality designs lead to significant operating efficiencies with specific focus on crushing, screening and processing activities. This provides clients the opportunity to achieve lower costs of production
Largest inventory of parts and consumables	• Largest inventory of mineral processing equipment in the Southern Hemisphere providing a significant cost and speed to market advantage (including quick response repair capability)
Culture of innovation	• Experienced, high quality people with a focus on innovation and challenging market norms to provide substantial value add to client operations

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Profit share model

MRL is uniquely positioned to benefit from profit share partnerships

MRL's profit share model - stages in the cycle

Acquire / joint venture
- MRL targets undeveloped resource assets that will materially benefit from MRL's mining infrastructure solutions

Development
- MRL designs, constructs and operates mine to port services

Optimise
- MRL operates mine infrastructure under a Build-Own-Operate contract
- MRL works to improve efficiencies across the supply chain

Monetise
- Monetise MRL's equity share over medium to long term. Look to reinvest capital in opportunities to further develop Mining Infrastructure Services business

Services contract
- MRL retains services contract under new ownership of resource asset

Benefits of profit share model

1. Attractive financial returns over the cycle

- MRL has a track record of delivering high returns on capital employed

2. Enhanced benefits of innovation

- Profit share projects are MRL's "breeding ground" for new solutions (e.g. site services, remote power, super quads, carbon fibre products, rail capability, BOTS)
- Projects benefits from MRL's innovative solutions as reduced operating costs are value accretive

3. New annuity-style earnings

- MRL Mining Infrastructure Services are integral to the ongoing operation of projects and are retained post monetisation of MRL equity stake

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Case Study – Mt Marion

Track record of investing in projects with strong returns on capital employed

- In 2015, MRL agreed to proceed with project to produce 280ktpa of +4-6% lithium spodumene concentrate and provide complete mine-to-port solution on a Build-Own-Operate (BOO) basis for life-of-mine
- MRL holds a 43.1% equity interest in Mt Marion project via a special purpose vehicle (Reed Industrial Minerals or RIM). MRL exercised its option to acquire further 13.1% in year. Other shareholders are Ganfeng Lithium Co. Ltd (Ganfeng) and Neometals Limited (Neometals) with equity interests of 43.1% and 13.8% respectively. Ganfeng is China's largest lithium producer
- Exploration drilling program approved in 2015 largely completed in year—increased JORC compliant resource by 160% to 60.5Mt (>25 year mine life). Additional drilling success will facilitate a further resource upgrade
- Project now upgraded to 400ktpa of +4-6% lithium spodumene concentrate with associated increase in BOO services and MRL's capital cost
- Ganfeng entered into a life-of-mine, take-or-pay off-take agreement with MRL which includes floor price protection mechanism
- After initial 3 year term, the offtake agreement provides for an option for MRL and Neometals to retain 51% of Mt Marion production. Option allows consideration of a downstream project utilising patented ELi process or conventional technology
- Project construction commenced in December 2015 and is expected to be completed by in FY17 with the first product shipment expected in October 2016
- MRL will look to divest its shareholding in the project (whilst retaining its life of mine BOO contract)

Total expected Investment	AU$70m
Expected annual EBITDA [1]	AU$60m for 43.1%

[1] Based on current AUD/USD and lithium price for 400,000tpa of 4%-6% Li20

MRL Services (on long term contracts)	**Mining and haulage** **Crushing and beneficiation** **Remote power services** **Road haulage** **Port handling** **Ship loading**
External 3rd Party Services	Drill and blast Shipping

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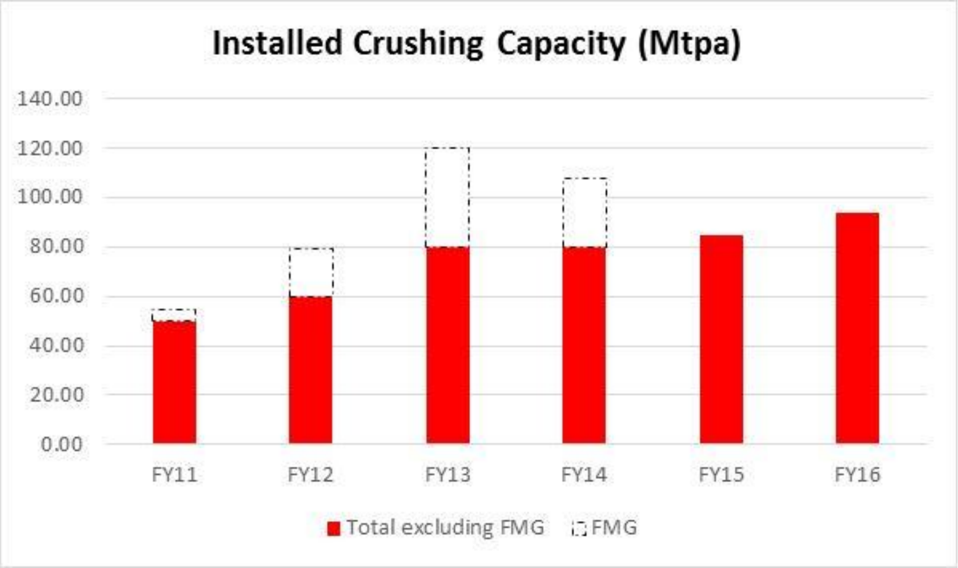
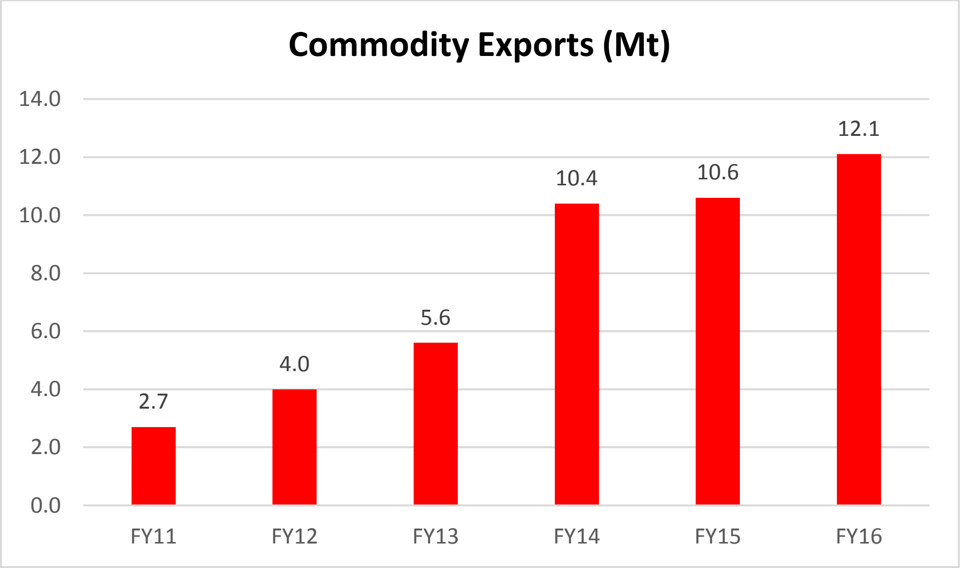
Operational performance

MRL locomotives in action - Yilgran region

Operational highlights





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Mining Infrastructure Services

MRL is currently operating across 26 sites and 5 different commodity types

Annuity style earnings

- Increased equivalent crushing capacity by 11% pcp in FY16
- Strong customer retention for crushing and processing business as a result of unique plant designs, high efficiency and availability developed over the last 25 years
- Average weighted contract term for existing crushing and screening contracts is approx. 6 years
- Mt Marion mine to port services to contribute to annuity earnings from mid FY17

Transactional earnings

- Progressed works on Nammuldi Below Water Table Expansion Stage 2 (EPC construction contract) which is currently on budget and 4 weeks ahead of schedule and is expected to reach operational completion in 1H FY17
- Completed a number of significant pipeline and water services projects for top tier clients in FY16

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Commodity Business - Projects

Key statistics for Mining Operations (with profit share) (by commodity)

	Iron Ore		Lithium	Manganese
Project name	Iron Valley	Yilgarn	Mt Marion	Mesa
% of product profit	100%[1]	100%	43.1%[2]	81.5%
Annual production	7Mt	5-6Mt	400Kt(4-6% Li20)	On hold
Annual potential production	16Mt tonnes with a mine / port supply chain upgrade	5-6Mt	400Kt(4-6% Li20)	200Tt
Project Life	>10 yrs	15-20 yrs[3]	>25 yrs	>10 yrs

[1] Iron Valley % of product profit is 100% less a mine gate charge
[2] MRL exercised its option in the year to acquire an additional 13.1% equity interest
[3] Subject approval of mining applications for J5 / Bungalbin East

Commodity Business

- Mining business currently in iron ore, lithium and manganese
- Future supply chain initiatives and efficiencies continue to be evaluated and implemented where appropriate
- Cash costs of A$54.60/wmt in 2H FY16 (costs include arms length MRL Mining Infrastructure Services agreements)
- Mining cash costs savings influenced by global oil prices
- Mining and crushing production at Iron Valley in the Pilbara ramped up in FY16 to over 7Mtpa
- Mining at J4 deposit in Yilgarn commenced in FY16 with ore hauled to Carina processing facility
- Mining applications in the Yilgarn for J5 / Bungalbin East subject to Public Environmental Review – outcome expected in FY17
- First shipment from Mt Marion lithium project expected in October 2016
- Manganese projects currently on hold due to market conditions. Stockpile available to sell opportunistically

Key per tonne statistics for iron ore operations with profit share

A$/wet metric tonne (WMT)	1H 14	2H14	1H 15	2H 15	1H 16	2H 16
Platts 62% Fe (adj. for moisture)	137.3	114.3	87.6	74.0	66.9	67.0
Number of tonnes	5.1	5.4	5.5[1]	4.8	5.9	6.2[1]
Revenue	124.6	98.0	76.5	70.4	64.5	64.6
Expenses[2]	88.6	87.7	72.9	63.1	57.2	54.6
EBITDA	**36.0**	**10.3**	**3.6**	**7.3**	**7.3**	**9.9**

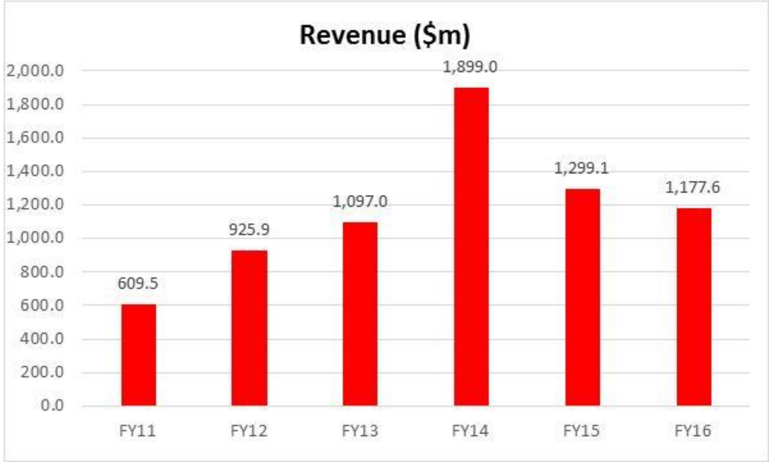
[1] Excludes Manganese sales of 0.3mt in 1H15 and 0.1mt in 2H16
[2] Costs include arms length mining infrastructure service agreements with MRL (Mining Infrastructure Services)

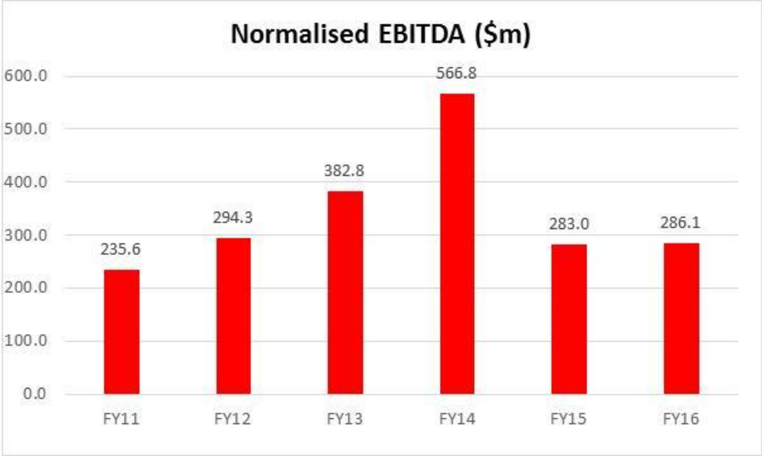
Financial performance

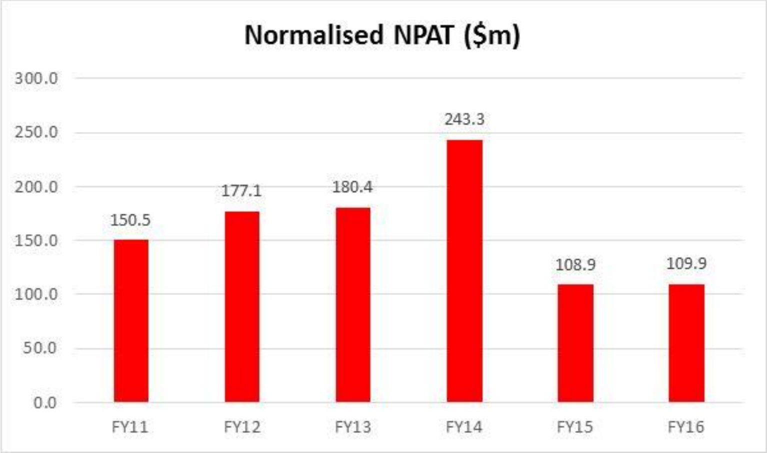
MRL's Carina operations in the Yilgarn

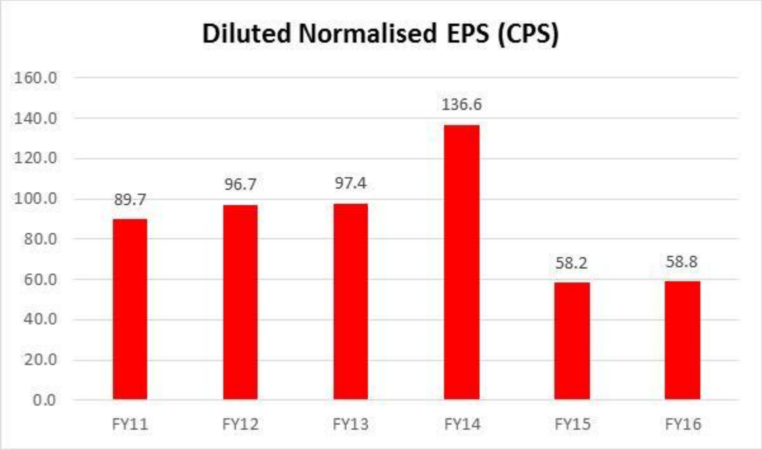
Financial highlights

MRL has a track record of improving its financial performance and delivering returns for shareholders over the long term









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Profit and loss statement

Stable FY16 earnings and improved margins despite difficult commodity price environment

Normalised Profit & Loss A$ million	FY15	FY16
Revenue	**1,299.1**	**1,177.6**
Operating Costs	(1,016.1)	(891.5)
EBITDA	**283.0**	**286.1**
EBITDA margin	*21.8%*	*24.3%*
Depreciation and amortisation	(126.9)	(134.0)
EBIT	**156.1**	**152.2**
EBIT margin	*12.0%*	*12.9%*
Net finance costs	(3.8)	(5.4)
Profit before tax	**152.4**	**146.7**
Tax	(43.5)	(36.9)
Net profit after tax	**108.9**	**109.8**
NPAT margin	*8.4%*	*9.3%*

- Revenue of A$1.2 billion in line with the pcp reflecting:
  - Lower transaction revenue (EPC) for external clients in Mining Infrastructure Services
  - Equivalent crushing capacity in Mining Infrastructure Services increased 11% (pcp)
  - 18% decline in the Platts 62% iron ore price expressed in AUD and adjusted for moisture
  - 14% increase in commodity exports to record 12.1Mt
- Normalised EBITDA of A$286m in line with the pcp and at the top end of guidance range of A$250m to A$290m
  - Lower transactional profit in Mining Infrastructure Services (NP2 operational completion scheduled 1H FY17)
  - Iron ore EBITDA per tonne increased 59% (pcp) from A$5.40 to A$8.60 as a result of an 18% reduction in cash costs partially offset by further declines in global iron ore prices
  - Commodity export volumes increased 14% (pcp) to 12.1 Mt
- Depreciation and amortisation up 6% (pcp) reflecting higher volumes in Commodities business
- Effective tax rate of 25% as a result of tax relief from R&D activities
- Net Profit After Tax of A$110m in line with pcp

Cash flow statement

Cash Flow A$ million	FY15	FY16
Normalised EBITDA	**283.0**	**286.1**
Movement in working capital (ex. Construction)	(109.0)	62.2
Movement in working capital - Construction	(25.0)	6.0
Net cash flow from operating activities before financing activities and tax	**149.1**	**354.3**
Maintenance capital expenditure	(17.1)	(26.4)
Operating free cash flow (before growth capital expenditure)	**132.0**	**327.9**
Growth capital expenditure	(110.1)	(140.2)
Net free cash flow (before financing and tax)	**21.9**	**187.8**
Tax paid	(94.5)	(32.2)
Net interest paid	(2.2)	(6.4)
Share buyback	-	(4.3)
Dividends paid	(64.4)	(42.1)
Net change in borrowings	(38.6)	79.3
Sale of property, plant and equipment and Aquila interest	181.3	15.1
Net increase in cash and cash equivalents	**3.4**	**197.5**

- Cash and cash equivalents increased by A$198m in the year. Net Cash of A$188m increased by A$70m
- Substantial working capital improvements delivered
  - timing differences on construction contracts resulting in cash inflow of A$6m in FY16. A cash outflow of A$27m expected in FY17
- Growth capex of A$140.2m in FY16 included:
  - Mt Marion Project – BOO infrastructure and increase in equity share of Reed Industrial Minerals (RIM)
  - J4 iron ore operation and larger mining fleet
  - Gas strategy and infrastructure to support power generation at mine sites, and
  - Additional crushing capacity.
- Maintenance capex of A$26.4m continues to run well below depreciation
- Share buy-back scheme in operation in year with 1.2 million shares bought back at average price of A$3.63/share
- Additional borrowings associated with mining fleet renewal and reconfiguration, and working capital to support Growth Capex projects

MINERAL RESOURCES

Statement of financial position

Significant balance sheet flexibility to grow the business in the future

A$ million	30-Jun-15	30-Jun-16
Current assets		
Cash and cash equivalents	210	**407**
Trade and other receivables	136	**83**
Inventories	74	**80**
Other current assets	8	**16**
Total current assets	428	**586**
Non-current assets		
Property, plant and equipment	672	**684**
Deferred tax assets	38	**33**
Intangibles and mine development	434	**292**
Other non current assets	19	**23**
Non-current assets	1,163	**1,032**
Total assets	1,592	**1,618**
Current liabilities		
Trade and other payables	162	**198**
Borrowings	21	**148**
Other current liabilities	39	**27**
Total current liabilities	222	**373**
Non-current liabilities		
Borrowings	71	**71**
Provisions	34	**41**
Deferred tax assets	183	**124**
Total non-current liabilities	288	**237**
Total liabilities	509	**610**
Net assets	1,082	**1,009**
Equity		
Issued capital	505	**502**
Retained profits	556	**487**
Other	21	**19**
Total equity	**1,082**	**1,009**

- Net cash (cash and cash equivalents less borrowings) increased A$70m in the year to A$188m
- A$400m 3-year syndicated debt facility renewed in the year allowing Group to benefit from lower interest rates
- Trade and other receivables reduced $53m reflecting improved working capital management
- Trade and other payables increased $36m from improved payment terms and construction project cash management
- FY16 net assets impacted by A$130m of non-cash, after-tax impairments:
  - A$79m (after-tax) related to reduction in carrying value of the Group's investment in manganese resources held in Mesa Minerals Limited (in administration) and Auvex Resources Ltd
  - A$49m (after tax) related to reduction in carrying value of iron ore tenements, reflecting current iron ore market prices
  - Despite impairment, net assets held broadly consistent with FY15 primarily from proportional consolidation of RIM, the Mt Marion project special purpose company

MINERAL RESOURCES

Innovation and growth

Nammuldi Below Water Table process plant - Pilbara region

MINERAL RESOURCES

Priorities for innovation and growth

Multiple drivers of organic growth

1

Growth of existing business

- Management expects to grow build own operate contracts with two additional plants to be secured in the next 6 to 12 months
- Design, build and transfer (EPC) work declining
- Wodgina site acquired in FY16 with initial work confirming likelihood of a significant lithium resource. Wodgina also provides an opportunity to operate a regional logistics centre. MRL continues to assess the extent of this opportunity and will provide further details in FY17
- Opportunities exist in the current economic cycle to enter profit sharing partnerships by leveraging MRL's financial and mining infrastructure services strengths

2

Innovation for supply chain infrastructure

- Expand remote power supply services through the installation and operation of LNG plants which supply power to mining equipment and infrastructure with cost savings and a concurrent reduction in carbon footprint. EGO investment provides access to gas reserves
- On site trialling of carbon fibre mining truck trays and expected to generate haul cost savings of up to 15% utilising MRL mining fleet to prove out the concept
- Super-quad initiative now fully implemented and to provide a cost reductions in commodity transport in FY17
- Development of MRL's proprietary, mine-to-port transport and infrastructure service ('Bulk Ore Transport System' or BOTS) under a long term contract. MRL to explore opportunities where this new solution can be offered as a low cost transport alternative
- Introduction of MRL's proprietary 'Bulk Ore Shuttle System' (or BOSS) that combines the efficiency of a track mounted vehicle with modern fuel efficient automotive hybrid technology that is more flexible, and a cost efficiency vastly superior to an Overland Belt Conveyor

LNG and gas power strategy

MRL's expanded remote power service is expected to create significant savings

Project overview

- MRL will install and operate remote LNG and gas plants to power mine equipment and infrastructure underwritten by long term contracts
- MRL's new solution will provide certainty over energy costs and energy cost savings
  - one-off cost of converting MRL's mobile mine plants to run on LNG
- LNG operations located at Kwinana with state-wide distribution

Key features

- Low cost, safe to operate and highly scalable solution
- Safe to operate
- Substantial environmental benefits
- A future carbon tax on diesel fuel will improve the economics of an LNG solution

Project update

- MRL have taken a 19.4% equity stake and provided a A$15.1m working capital loan to Empire Oil & Gas to secure in-ground gas supply to control LNG costs
- LNG plants to be tested initially on MRL's projects with opportunities to expand services to others

Cryogenic plants for converting natural gas

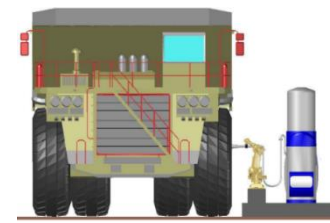
MINERAL RESOURCES

LNG and gas power strategy

MRL's LNG supply chain solution is fully vertically integrated providing certainty of supply and energy costs

MRL's LNG supply chain

EMPIRE OIL & GAS NL



Natural gas → LNG Conversion → Transport → Regasification → On site energy

Natural gas

- MRL has a 19.4% equity stake and provided a $15.1m working capital loan to Empire Oil & Gas to secure in-ground gas supply to control LNG costs

LNG Conversion

- MRL will convert natural gas to LNG at its LNG operations located at Kwinana

Transport

- MRL will transport LNG to its operating sites across the state

Regasification

- LNG down loaded to dedicated storage vessels on-site for consumption in operations

On site energy

- On-site, gas fuelled resources including power stations, mobile equipment, mineral processing facilities

MINERAL RESOURCES

Road transport initiatives

Super-quads

Overview

- MRL has worked closely with WA Department of Main Roads since to operationalise a raft of technology and safety features including a unique trailer coupling design system and electronic brake system
- Super-quads have 138 tonnes of payload compared with 110 tonnes from conventional road trains
- World first design provides significant operational and costs savings along with achieving the initial objective of safer equipment

Project update

- Super-quad haulage configuration introduced in September 2015
- Full cost benefit of the initiative is now in place delivering cash cost savings to the Iron Valley iron ore project
- Additional operational units under consideration
- A new project is underway to further improve safety whilst increasing payloads by another 9% to 150 tonnes per load

MRL's first Super Quad road train on site at Iron Valley in the Pilbara region - the world's largest on-highway road train

Composite materials

Carbon fibre

Overview

- Carbon fibre manufacturing facility, employing robotic technology, for the manufacture of structural components
- Develop a range of composite products specifically for the mining and mineral processing industry
- New composite products have the potential to drive significant cost and efficiency savings

First development

- Innovative mining truck trays that utilise carbon fibre components to replace traditional steel structures
  - light weight, high strength technology with significant safety and wear life advantages compared to steel
- Total costs savings of up to 15% across the haul operation
  - MRL's carbon fibre trays facilitate a 15 tonne payload increase on a 150 tonne truck tray

Project update

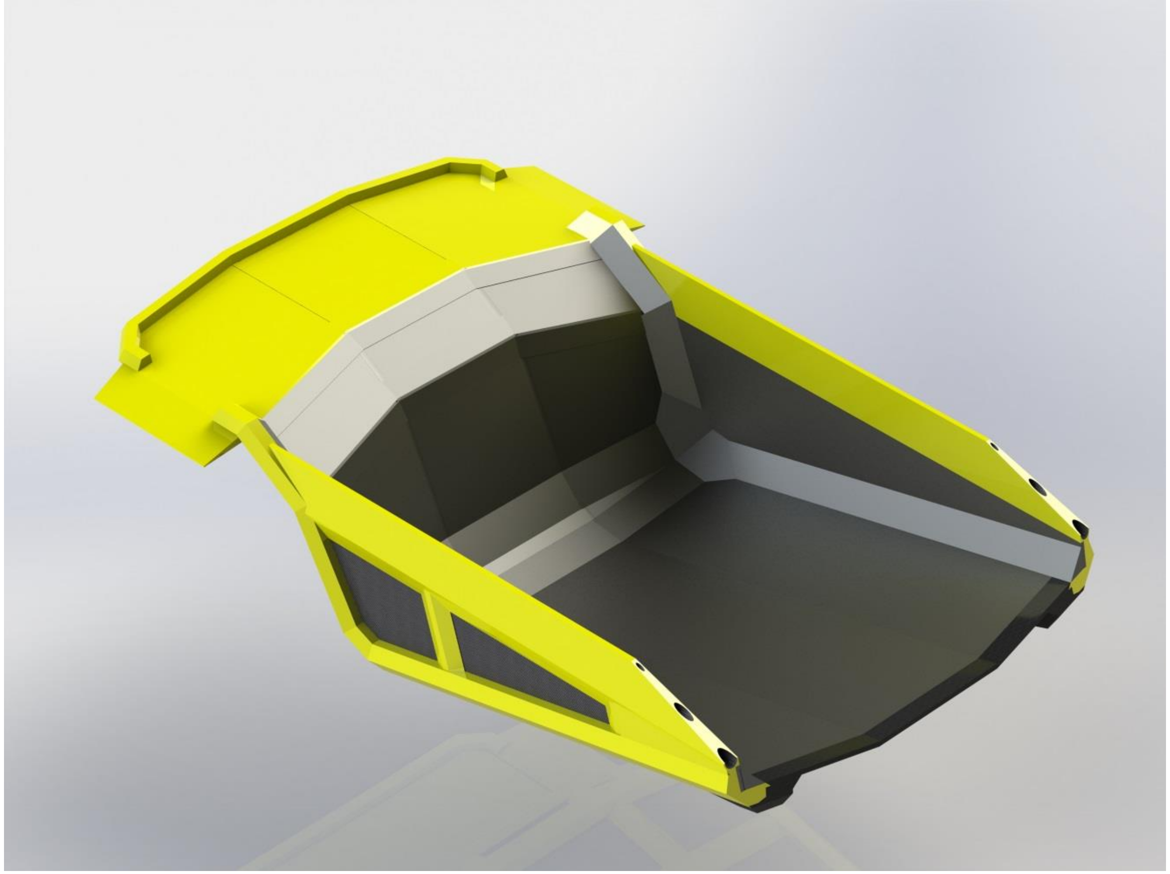
- MRL has completed the design and construction of manufacturing equipment to produce carbon fibre components (tubes, beams and fittings)
- Prototype has successfully completed a simulated 12 month trial in a specifically designed, computer controlled and monitored test bed
- MRL has commenced the design and manufacture of two 150 tonne trays for full-scale in-service testing to be trialled in the Yilgarn commodity operation
- MRL intents to replace its own mining truck trays and then explore opportunities to expand this service to 3rd parties, providing substantial cost savings for MRL customers
- Commercial production expected to commence in FY17 on successful completion of operational trials with next stage of project to focus on carbon fibre rail haulage solutions

MINERAL RESOURCES

Composite materials

Benefits

- Lighter, resulting in increased payload
- Stronger, more durable with Increased economic lifecycle
- Free from Oxidisation
- Reduced carbon footprint and improved safety during maintenance activities
- MRL dump truck fleet replacement will commence from completion of operational trials
- Other applications being explored: Rail cars, road bulk haulage trailers, general freight trailers, crushing plant structural and main component applications



Concept design of MRL's carbon fibre truck tray

MINERAL RESOURCES

BOTS and BOSS

'Bulk Ore Transport System' (BOTS) and 'Bulk Ore Shuttle System' (BOSS) developed and capable of delivering significant annuity profit streams for MRL and its customers

Overview

- BOTS is MRL's proprietary, mine-to-port transport and infrastructure service comprising an elevated, relocatable below rail system with autonomous locomotives. BOTS is significantly less capital intensive than traditional heavy-haul rail
- BOSS is MRL's proprietary bulk ore shuttle system that combines the efficiency of a track mounted vehicle with modern fuel efficient automotive hybrid technology that is more flexible, and a cost efficiency vastly superior to an Overland Belt Conveyor
- BOTS and BOSS enables MRL to provide a mine-to-port or mine to existing processing / transport hub solution to ore bodies that would otherwise be uneconomic to develop

Opportunities

- MRL is developing the BOTS technology based on a complete supply chain solution for its Iron Valley project comprising 400kms of rail to Port Hedland (with capacity of up to 40Mtpa capacity) including a new bulk ore wharf or transhipping facility in Port Hedland
- MRL will explore further opportunities where BOTS and BOSS solutions can be offered as a low cost transport alternative for client's otherwise stranded deposits

Project update

- Stakeholder engagement (including regulatory requirements for state authorities and port solutions) further progressed
- Funding structures and commercial models continue to be developed
- The timing and location of BOTS's or BOSS's first implementation will be assessed in the context of current market conditions and return on invested capital compared with alternative potential projects and uses of capital
- MRL management has a strong track record of allocating capital to maximise long term returns for shareholders

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Bulk Ore Transportation System (BOTS)

The Bulk Ore Transportation System (BOTS) is a fully autonomous, environmentally friendly and affordable, mine to port transport solution for major, mid and junior bulk commodity producers.

- Installed capital cost of BOTS track is approximately 75% cheaper than traditional heavy haul bulk commodity rail infrastructure; BOTS operating cost remains comparable
- BOTS will enable stranded deposits that are currently deemed uneconomic to be developed
- Design can be customised to suit the application, tonnage and ore type
- 80% of the below rail infrastructure is relocatable
- MRL can service mining juniors to achieve the lowest cost quartile, with the benefits replicable around Australia for bulk commodity transport
- BOTS has a potential worldwide application in the transport of bulk commodities

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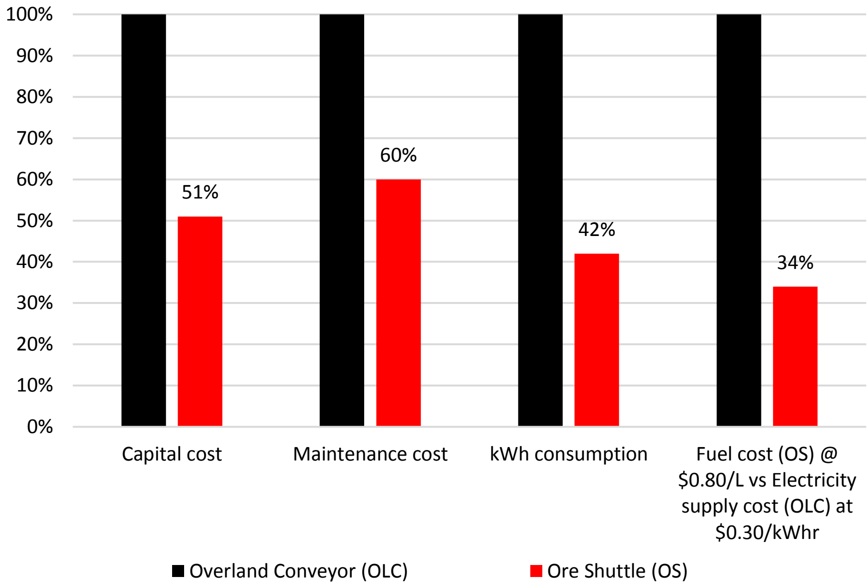
Bulk Ore Shuttle System (BOSS)

'Bulk Ore Shuttle System' (BOSS) is capable of delivering significant cost savings to MRL customers

- BOSS combines the efficiency of a track mounted vehicle with modern fuel efficient automotive hybrid technology, that is more flexible, and a cost efficiency vastly superior to an Overland Belt Conveyor

Illustration of MRL's BOSS

BOSS comparison to a traditional Overland Conveyer



FY17 outlook

FY17 Outlook

Outlook

- EBITDA guidance of between A$360m and A$400m (assumes proportional consolidation of Mt Marion)
- The key assumptions in this guidance include:
  - 62% CFR iron ore to average US$60 per dry tonne
  - Average AUD / USD to average 0.75
  - 12.3m tonnes of iron ore export volumes
  - Iron ore CFR cash costs forecast to remain at H2 FY16 levels (based on today's oil prices)
  - Mt Marion first export in October 2016 and ramping-up to full production of 400Kt per annum by end FY17
  - 100Mt of equivalent crushing capacity
- Capital expenditure to be in the range of A$100m and A$150m

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Capital management

- MRL commenced A$30m on-market share buy-back scheme as announced at Nov 2015 AGM. At 30 June 2016, MRL has bought back 1.2m shares at average price of A$3.63/share (A$4.3m)
- Board has declared fully franked final dividend of 21.0 cents per share, giving shareholders 29.5 cents per share for 2016

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