

Thursday, 8 February 2018

## Half Year Profit Announcement

**Mineral Resources Limited (ASX: MIN) ('MRL' or 'the Company')** today announced its financial results for the Half Year ended 31 December 2017 (HY18).

### Financial Highlights

- Revenues of A\$0.962 billion, represent a 22% increase on the previous corresponding period (pcp);
- Reported EBITDA of A\$352 million, represents a 25% increase on pcp;
- Underlying EBITDA of A\$250 million, on target to achieve full year guidance of a minimum of \$500m Underlying EBITDA;
- Reported Net profit after tax of \$163 million, represents an increase of 16% on pcp;
- Fully franked interim dividend of 25.0 cents per share declared.

|                                  | <b>HY18</b>    | <b>HY17</b> |
|----------------------------------|----------------|-------------|
| Revenues                         | <b>\$962m</b>  | \$786m      |
| EBITDA Reported                  | <b>\$352m</b>  | \$282m      |
| EBITDA Underlying                | <b>\$250m</b>  | \$232m      |
| NPAT Reported                    | <b>\$163m</b>  | \$140m      |
|                                  |                |             |
| Fully Franked Dividend (Interim) | <b>25.0cps</b> | 21.0cps     |

### One-off items and impairment charges

|  |                 |
|--|-----------------|
| <b>One-off items</b> (excluded from EBITDA Underlying and included in NPAT Reported) |                 |
| • Unrealised increases in the value of listed investments                            | \$93.5m         |
| • Gain on business combination Empire Oil acquisition                                | \$8.5m          |
| • <b>Total</b>   | <b>\$102.0m</b> |
|  |                 |
| <b>Impairment Charges</b> (included in NPAT Reported)                                |                 |
| • Yilgarn iron ore assets  | \$46.9m         |
| • Goodwill   | \$6.4m          |
| • Investment on acquisition of Empire Oil  | \$3.2m          |
| • <b>Total</b>   | <b>\$56.5m</b>  |

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### **Operational Highlights**

- Crushing capacity was in line with expectations – with operations at Mt Marion and Wodgina contributing to results in the half
- Iron ore exports totalled 4.8 million tonnes achieving at EBITDA of A\$8.8 / wmt for the half year - realised prices were \$72.6/wmt, representing 88% of the average Platts 62% index price;
- Mount Marion spodumene operation shipped 202k wmt with production currently at 450k wmt per annum run rate;
- Wodgina lithium project exported 1.77 million wmt of direct shipping ore (DSO) for the half with a high level of customer satisfaction with the product. The operation is on target to achieve exports of between 4.5 and 4.75 million wmt for FY18;

### **Capital / Financial Management:**

The Company maintained its disciplined approach to capital management while continuing to meet the ongoing capital requirements and development targets.

The balance sheet at half year end remained in a very strong position with a net cash position of A\$94 million and substantial undrawn debt facilities. The Company is well placed to pursue development opportunities.

### **Interim Dividend**

The directors have resolved to distribute a fully franked interim dividend of 25.0 cents per share for shareholders at 16 February 2018, an increase of 19% on the interim dividend of 21.0 cents per share for 2017.

### **Financial Guidance for FY18**

The Company confirms its FY18 Underlying EBITDA guidance of greater than \$500 million. The accounting impact of unrealised changes in the market value of listed investments are excluded from underlying EBITDA.

Mineral Resources Managing Director Chris Ellison said *“the financial results are in line with the Company’s expectation for the half year and reflects the progress towards its growth targets in FY18 and beyond. Mineral Resources has a significant long-term growth opportunity ahead as a leading and highly innovative developer and full-service provider of world class mining infrastructure services in Australia.”*

### **Contacts**

**Chris Ellison – Managing Director**

**Ph: 08 9329 3600**

**Bruce Goulds – Chief Financial Officer**

**Ph: 08 9329 3600**



# HALF YEAR REPORT

## 31 DECEMBER 2017

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MINERAL RESOURCES LIMITED  
ABN 33 118 549 910

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

**Mineral Resources Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

|                   |  |
|-------------------|--|
| Name of entity:   | Mineral Resources Limited                |
| ABN:              | 33 118 549 910                           |
| Reporting period: | For the half-year ended 31 December 2017 |
| Previous period:  | For the half-year ended 31 December 2016 |

**2. Results for announcement to the market**

|   |    |          | <b>\$'000</b> |
|---|----|----------|---------------|
| Revenues from ordinary activities   | up | 9.2% to  | 854,491       |
| Profit from ordinary activities after tax attributable to the owners of Mineral Resources Limited | up | 16.6% to | 163,631       |
| Profit for the half-year attributable to the owners of Mineral Resources Limited                  | up | 16.6% to | 163,631       |

*Comments*

The profit for the Group after providing for income tax and non-controlling interest amounted to \$163,631,000 (31 December 2016 \$140,349,000).

**3. Net tangible assets**

|   | <b>Reporting<br/>period<br/>Cents</b> | <b>Previous<br/>period<br/>Cents</b> |
|---|---------------------------------------|--------------------------------------|
| Net tangible assets per ordinary security | <u>620.54</u>                         | <u>569.19</u>                        |

**4. Dividends**

|  | <b>Cents</b> | <b>Franked %</b> | <b>\$'000</b> |
|--|--------------|------------------|---------------|
| 2018 Interim Dividend – declared 8 February 2018 | 25.00        | 100%             | 46,752        |
| 2017 Final Dividend – paid 20 September 2017     | 33.00        | 100%             | 61,699        |
| 2017 Interim Dividend – paid 15 March 2017       | 21.00        | 100%             | 39,278        |
| 2016 Final Dividend – paid 15 September 2016     | 21.00        | 100%             | 39,235        |

|   |                  |
|---|------------------|
| Record date for determining entitlements to the 2018 interim dividend | 16 February 2018 |
| Payment date for the 2018 interim dividend                            | 8 March 2018     |

## **5. Dividend reinvestment plans**

Shareholders are able to elect to participate in the following Dividend Reinvestment Plan (DRP) for the 2018 interim dividend:

|   |                         |
|---|-------------------------|
| Date of interim dividend declaration  | 8 February 2018         |
| Record date for determining entitlements to the interim dividend  | 16 February 2018        |
| Closing date for election to participate in the DRP   | 19 February 2018        |
| Closing date for calculation of DRP share issue price, based on the Volume Weighted Average Price ("VWAP") for Mineral Resources Limited shares sold on the ASX in the five business days following record date (rounded to the nearest whole cent) | 26 February 2018        |
| DRP discount to be applied  | None                    |
| DRP to be underwritten  | No                      |
| Payment date for interim dividend/issue of shares under the DRP   | 8 March 2018            |
| DRP share ranking with existing Mineral Resources Limited shares  | Equally in all respects |
| Date by which DRP participant's holdings will be updated with additional shares issued under the DRP  | 12 March 2018           |

Details of the DRP are available on the Group's website [www.mineralresources.com.au](http://www.mineralresources.com.au)

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## **6. Audit qualification or review**

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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# **Mineral Resources Limited**

**ABN 33 118 549 910**

**Interim Report - 31 December 2017**

**Mineral Resources Limited**  
**Corporate directory**  
**31 December 2017**

|                             |   |
|-----------------------------|---|
| Directors                   | Peter Wade (Chairman)<br>Chris Ellison (Managing Director)<br>Kelvin Flynn<br>James McClements (Lead Independent Non-Executive Director)<br>Tim Roberts<br>Xi Xi (appointed 11 September 2017)                    |
| Company Secretaries         | Bruce Goulds<br>Simon Rushton   |
| Registered office           | 1 Sleat Road<br>Applecross WA 6153<br>P: + 61 8 9329 3600<br>F: + 61 8 9329 3601<br>Postal address: Locked Bag 3, Canning Bridge, Applecross WA 6153  |
| Principal place of business | 1 Sleat Road<br>Applecross WA 6153  |
| Share register              | Computershare Investor Services Pty Limited<br>Level 11, 172 St Georges Terrace<br>Perth WA 6000<br>P: 1300 850 505<br>F: + 61 3 9473 2500 <a href="http://www.computershare.com/au">www.computershare.com/au</a> |
| Auditor                     | RSM Australia Partners<br>Level 32, Exchange Tower, 2 The Esplanade<br>Perth WA 6000<br>P: + 61 8 9261 9100<br>F: + 61 8 9261 9111 <a href="http://www.rsm.com.au">www.rsm.com.au</a>                             |
| Bankers                     | National Australia Bank<br>100 St Georges Terrace<br>Perth WA 6000<br><a href="http://www.nab.com.au">www.nab.com.au</a>  |
| Stock exchange listing      | Mineral Resources Limited shares are listed on the Australian Securities Exchange<br>(ASX code: MIN)  |
| Website                     | <a href="http://www.mineralresources.com.au">www.mineralresources.com.au</a>  |

**Mineral Resources Limited**  
**Directors' report**  
**31 December 2017**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Mineral Resources Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

**Directors**

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Peter Wade  
Chris Ellison  
Kelvin Flynn  
James McClements (Lead Independent Non-Executive Director)  
Tim Roberts  
Xi Xi (appointed 11 September 2017)

**Principal activities**

During the half-year, the principal continuing activities of the Group consisted of the integrated supply of goods and services to the resources sector.

**Dividends**

Dividends paid during the financial half-year were as follows:

|  | <b>Cents</b> | <b>Franked %</b> | <b>\$'000</b> |
|--|--------------|------------------|---------------|
| 2018 Interim Dividend – declared 8 February 2018 | 25.00        | 100%             | 46,752        |
| 2017 Final Dividend – paid 20 September 2017     | 33.00        | 100%             | 61,699        |
| 2017 Interim Dividend – paid 15 March 2017       | 21.00        | 100%             | 39,278        |
| 2016 Final Dividend – paid 15 September 2016     | 21.00        | 100%             | 39,235        |

On 8 February 2018, the Directors declared a total interim dividend for the year ending 30 June 2018 of 25 cents per ordinary share to be paid on 8 March 2018, a total estimated distribution of \$46,752,000.

**Review of operations**

**Financial performance**

The Group achieved revenues and other income of \$962 million for the half-year ended 31 December 2017, which was up \$176 million (22%) on the prior corresponding period ('pcp'). This includes other income of \$93 million which relates to the unrealised increase in the value of listed investments at the balance date as a result of the early adoption of AASB9.

The Group produced earnings before interest, tax, depreciation and amortisation (EBITDA) of \$352 million for H1 FY18 which was up \$70 million (25%) on pcp., including the \$93 million unrealised increase in the value of listed investments mentioned above and \$9 million due to the impact of the business combination of Empire Oil and Gas. Underlying EBITDA was therefore \$250 million, in line with the Group's financial guidance to the markets. This led to net profit after tax (NPAT) of \$163 million which was up \$23 million (16%) on pcp.

Included in NPAT were one-off items totalling \$35.1 million after adjusting for tax. These were made up of a \$6.4 million gain on the acquisition of Empire Oil and Gas's assets, offset by impairment charges of \$32.8 million in relation to the Yilgarn assets, \$6.4 million for goodwill in Mineral Resources Transport and \$2.3 million for MRL's investment in Empire Oil and Gas NL.

The effective tax rate during the period was 30%.



## Operational performance

### *Mining Services & Processing*

Total Mining Services & Processing revenues of \$531 million (internal and external) were \$227 million (75%) greater than pcp. EBITDA of \$130 million was \$65 million (100%) above pcp.

Increased revenue and EBITDA was primarily as a result of increased crushing, processing and mining production, driven by full period contributions of new clients' operations, Wodgina and Mount Marion mining services operations.

### *Mining*

The Group's commodity export sales volumes in the period were as follows:

| Commodity exports<br>('000 WMT)   | H1 FY17      |              | H1 FY18      |              |
|---|--------------|--------------|--------------|--------------|
|   | Produced     | Shipped      | Produced     | Shipped      |
| <b><u>Utah Point</u></b>  |              |              |              |              |
| Iron Valley   | 4,337        | 4,209        | 3,996        | 3,058        |
| Wodgina   | -            | -            | 2,017        | 1,772        |
| Manganese   | -            | 146          | -            | -            |
| <b>Total Utah Point</b>   | <b>4,337</b> | <b>4,355</b> | <b>6,013</b> | <b>4,830</b> |
| <b><u>KBT2</u></b>  |              |              |              |              |
| Carina & J4   | 2,588        | 2,506        | 2,046        | 1,777        |
| Mount Marion <sup>1</sup>   | -            | -            | 221          | 201          |
| <b>Total KBT2</b>   | <b>2,588</b> | <b>2,506</b> | <b>2,267</b> | <b>1,978</b> |
| Total Iron Ore  | 6,925        | 6,715        | 6,042        | 4,835        |
| Total Spodumene   | -            | -            | 221          | 201          |
| Total DSO Lithium   | -            | -            | 2,017        | 1,772        |
| Total Manganese   | -            | 146          | -            | -            |
| <b>GRAND TOTAL</b>  | <b>6,925</b> | <b>6,861</b> | <b>8,280</b> | <b>6,808</b> |
| <sup>1</sup> Volumes produced and shipped is presented as 100% for the Mt Marion project.<br>MRL's ownership interest in the Mt Marion project is 43.10%. |              |              |              |              |

**Mineral Resources Limited**  
**Directors' report**  
**31 December 2017**

Mining revenues of \$685 million were \$152 million (29%) greater than pcp, driven by full period of operations and exports at the Mount Marion project and Wodgina, partially offset by iron ore fines sales slowing in a heavily discounted market.

The Platts 62% Iron Ore Index (Platts) expressed in Australian dollars and adjusted for moisture is set out in the table below.

| Month                       | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | H1 FY18 | H1 FY17 |
|-----------------------------|------|------|------|------|------|------|---------|---------|
| Platts 62% Index (AU\$/wmt) | 80.1 | 90.3 | 83.2 | 74.1 | 80.3 | 89.3 | 82.9    | 81.0    |

Platts averaged \$82.90/wet tonne for H1 FY18, an increase of 2.3% on pcp, reflecting global iron ore market conditions.

The Group's average iron ore price achieved for H1 FY18 was \$72.60/wet tonne reflecting a net 12.4% discount to Platts, driven by a heavily discounted market for iron ore fines products.

Decrease in iron ore's contribution to EBITDA was offset by Lithium exports undertaken for a full period contribution at both Mount Marion and Wodgina.

### **Cash and working capital**

At 31 December 2017, the Group had net cash (cash and cash equivalents less debt) of \$94 million, which was down \$10 million from \$104 million at end June 2017 primarily from working capital outflows.

Net cash from operating activities of \$137 million in H1 FY18 was \$212 million less than EBITDA. The result was impacted by:

- income taxes of \$81.7 million due to the payment of monthly income tax instalments to the Australian Tax Office
- increases in working capital relating to Iron Ore operations of \$22.8 million and Lithium operations of \$12.1 million, offset by decreases in Mining Services of \$6.6 million
- non-cash gains on revaluations of investments and acquisitions of \$102 million.

Net cash used in investing activities in H1 FY18 was \$66.1 million (\$79.1 million in growth capital and \$10.9 million in maintenance capital of which \$19.3 million was financed through leasing arrangements and \$4.6 million from proceeds from the sale of assets). Investment in the period included ongoing development and enhancement of Lithium related processing infrastructure and in the Group's installed crushing capacity.

In addition to its period end cash holdings of \$319 million, the Group has in excess of \$300 million of undrawn debt facilities to support business development activities.

### **Capital management**

The Group continues to maintain a strong and conservative balance sheet that provides flexibility to facilitate the growth of the business. This includes maintaining a significant cash balance to ensure that it is available for strategic investments as the opportunity arises.

A fully franked interim dividend of 25 cents per ordinary share has been declared for shareholders as at 8 February 2018, with a payment date of 8 March 2018.

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial half-year.

**Mineral Resources Limited**  
**Directors' report**  
**31 December 2017**

**Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, unless otherwise indicated.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in this report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in dark ink, appearing to be 'C. Ellison', with a horizontal line extending to the right.

---

Chris Ellison  
Managing Director

8 February 2018  
Perth

**RSM Australia Partners**

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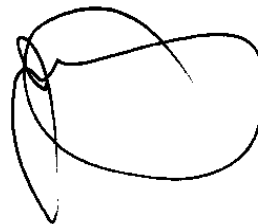
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Mineral Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



JAMES KOMNINOS  
Partner

Perth, WA  
Dated: 8 February 2018

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**AUDIT | TAX | CONSULTING**

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## **Mineral Resources Limited**

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**31 December 2017**

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### **General information**

The financial statements cover Mineral Resources Limited as a consolidated entity consisting of Mineral Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Mineral Resources Limited's functional and presentation currency.

Mineral Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1 Sleat Road  
Applecross WA 6153

A description of the nature of the Group's operations and its principal activities are included in the notes to the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 8 February 2018. The Directors do not have the power to amend and reissue the financial statements.

**Mineral Resources Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2017**

|   |             | <b>Group</b>       |                    |
|---|-------------|--------------------|--------------------|
|   | <b>Note</b> | <b>31 Dec 2017</b> | <b>31 Dec 2016</b> |
|   |             | <b>\$'000</b>      | <b>\$'000</b>      |
| <b>Revenue</b>  |             | 854,491            | 782,721            |
| Other income  | 3           | 107,439            | 3,270              |
| <b>Expenses</b>   |             |                    |                    |
| Changes in closing stock  |             | 21,705             | 11,529             |
| Raw materials and consumables   |             | (76,908)           | (67,907)           |
| Equipment costs   |             | (38,309)           | (17,338)           |
| Subcontractors  |             | (85,250)           | (42,801)           |
| Employee benefits expense   |             | (106,897)          | (99,085)           |
| Transport and freight   |             | (255,064)          | (224,588)          |
| Depreciation and amortisation   |             | (59,112)           | (78,161)           |
| Impairment charges  | 4           | (56,548)           | 373                |
| Other expenses  |             | (67,132)           | (62,693)           |
| Finance costs   |             | (5,093)            | (6,109)            |
| <b>Profit before tax</b>  |             | 233,322            | 199,211            |
| Income tax expense  |             | (70,007)           | (58,901)           |
| <b>Profit after tax for the half-year</b>                                 |             | 163,315            | 140,310            |
| <b>Other comprehensive income</b>   |             |                    |                    |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |             |                    |                    |
| Gain on asset revaluation reserve, net of tax                             |             | -                  | 3,241              |
| Cash flow hedges transferred to profit or loss, net of tax                |             | -                  | 385                |
| Other comprehensive income for the half-year, net of tax                  |             | -                  | 3,626              |
| <b>Total comprehensive income for the half-year</b>                       |             | <u>163,315</u>     | <u>143,936</u>     |
| Profit for the half-year is attributable to:                              |             |                    |                    |
| Non-controlling interest  |             | (316)              | (39)               |
| Owners of Mineral Resources Limited                                       |             | 163,631            | 140,349            |
|   |             | <u>163,315</u>     | <u>140,310</u>     |
| Total comprehensive income for the half-year is attributable to:          |             |                    |                    |
| Non-controlling interest  |             | (316)              | (39)               |
| Owners of Mineral Resources Limited                                       |             | 163,631            | 143,975            |
|   |             | <u>163,315</u>     | <u>143,936</u>     |
|   |             | <b>Cents</b>       | <b>Cents</b>       |
| Basic and diluted earnings per share                                      |             | 87.30              | 75.05              |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Mineral Resources Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2017**

|  |      | Group                 |                        |
|--|------|-----------------------|------------------------|
|  | Note | 31 Dec 2017<br>\$'000 | 30 June 2017<br>\$'000 |
| <b>Assets</b>  |      |                       |                        |
| <b>Current assets</b>  |      |                       |                        |
| Cash and cash equivalents                                      |      | 319,360               | 378,169                |
| Trade and other receivables                                    |      | 118,506               | 93,313                 |
| Inventories  |      | 109,412               | 116,443                |
| Current tax assets   |      | 31,205                | -                      |
| Other  |      | 9,958                 | 6,109                  |
| Total current assets   |      | <u>588,441</u>        | <u>594,034</u>         |
| <b>Non-current assets</b>                                      |      |                       |                        |
| Receivables  |      | 272                   | 15,350                 |
| Financial assets   |      | 146,374               | 54,890                 |
| Property, plant and equipment                                  |      | 756,914               | 723,732                |
| Intangibles  |      | 73,182                | 75,639                 |
| Exploration & mine development                                 |      | 314,180               | 319,187                |
| Deferred tax   |      | 42,941                | 51,680                 |
| Total non-current assets                                       |      | <u>1,333,863</u>      | <u>1,240,478</u>       |
| <b>Total assets</b>  |      | <u>1,922,304</u>      | <u>1,834,512</u>       |
| <b>Liabilities</b>   |      |                       |                        |
| <b>Current liabilities</b>                                     |      |                       |                        |
| Trade and other payables                                       |      | 172,197               | 164,327                |
| Borrowings   |      | 65,700                | 208,443                |
| Current tax liabilities  |      | -                     | 6,163                  |
| Employee benefits  |      | 29,082                | 32,417                 |
| Provisions   |      | 32,675                | 19,264                 |
| Total current liabilities                                      |      | <u>299,654</u>        | <u>430,614</u>         |
| <b>Non-current liabilities</b>                                 |      |                       |                        |
| Borrowings   |      | 159,921               | 66,218                 |
| Deferred tax   |      | 159,706               | 142,807                |
| Provisions   |      | 66,183                | 62,781                 |
| Total non-current liabilities                                  |      | <u>385,810</u>        | <u>271,806</u>         |
| <b>Total liabilities</b>                                       |      | <u>685,464</u>        | <u>702,420</u>         |
| <b>Net assets</b>  |      | <u>1,236,840</u>      | <u>1,132,092</u>       |
| <b>Equity</b>  |      |                       |                        |
| Issued capital   | 5    | 505,483               | 502,448                |
| Reserves   |      | 1,152                 | 1,152                  |
| Retained profits   |      | 712,062               | 610,130                |
| Equity attributable to the owners of Mineral Resources Limited |      | <u>1,218,697</u>      | <u>1,113,730</u>       |
| Non-controlling interest                                       |      | 18,143                | 18,362                 |
| <b>Total equity</b>  |      | <u>1,236,840</u>      | <u>1,132,092</u>       |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Mineral Resources Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2017**

| <b>Group</b>   | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Retained profits<br/>\$'000</b> | <b>Non-controlling interest<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|--|----------------------------------|----------------------------|------------------------------------|--|--------------------------------|
| Balance at 1 July 2016                                   | 502,353                          | 382                        | 487,055                            | 18,864                                     | 1,008,654                      |
| Profit/(loss) after tax for the half-year                | -                                | -                          | 140,349                            | (39)                                       | 140,310                        |
| Other comprehensive income for the half-year, net of tax | -                                | 3,626                      | -                                  | -  | 3,626                          |
| Total comprehensive income for the half-year             | -                                | 3,626                      | 140,349                            | (39)                                       | 143,936                        |
| Share issued under Dividend Reinvestment Plan            | 2,313                            | -                          | -                                  | -  | 2,313                          |
| Acquisition of subsidiary                                | -                                | -                          | -                                  | 771  | 771                            |
| Acquisition of non-controlling interests                 | -                                | -                          | 771                                | (771)                                      | -                              |
| Dividends paid (note 6)                                  | -                                | -                          | (39,235)                           | -  | (39,235)                       |
| Balance at 31 December 2016                              | <u>504,666</u>                   | <u>4,008</u>               | <u>588,940</u>                     | <u>18,825</u>                              | <u>1,116,439</u>               |
| <b>Group</b>   | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Retained profits<br/>\$'000</b> | <b>Non-controlling interest<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
| Balance at 1 July 2017                                   | 502,448                          | 1,152                      | 610,130                            | 18,362                                     | 1,132,092                      |
| Profit/(loss) after tax for the half-year                | -                                | -                          | 163,631                            | (316)                                      | 163,315                        |
| Other comprehensive income for the half-year, net of tax | -                                | -                          | -                                  | -  | -                              |
| Total comprehensive income for the half-year             | -                                | -                          | 163,631                            | (316)                                      | 163,315                        |
| Share issued under Dividend Reinvestment Plan            | 3,035                            | -                          | -                                  | -  | 3,035                          |
| Acquisition of non-controlling interests                 | -                                | -                          | -                                  | 97   | 97                             |
| Dividends paid (note 6)                                  | -                                | -                          | (61,699)                           | -  | (61,699)                       |
| Balance at 31 December 2017                              | <u>505,483</u>                   | <u>1,152</u>               | <u>712,062</u>                     | <u>18,143</u>                              | <u>1,236,840</u>               |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*



**Mineral Resources Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2017**

|   | <b>Group</b>       |                    |
|---|--------------------|--------------------|
| <b>Note</b>   | <b>31 Dec 2017</b> | <b>31 Dec 2016</b> |
|   | <b>\$'000</b>      | <b>\$'000</b>      |
| <b>Cash flows from operating activities</b>                           |                    |                    |
| Receipts from customers   | 845,928            | 685,361            |
| Payments to suppliers and employees                                   | (624,367)          | (554,402)          |
|   | 221,561            | 130,959            |
| Interest received   | 2,021              | 1,515              |
| Interest and other finance costs paid                                 | (5,015)            | (4,175)            |
| Income taxes paid   | (81,735)           | (19,715)           |
| Net cash from operating activities                                    | 136,832            | 108,584            |
| <b>Cash flows from investing activities</b>                           |                    |                    |
| Payments for property, plant and equipment                            | (55,131)           | (64,900)           |
| Proceeds from disposal of property, plant and equipment               | 4,551              | 7,262              |
| Payments for exploration and evaluation                               | (2,315)            | (38,289)           |
| Payments for mine development   | (7,845)            | (25,955)           |
| Payments for investments and subsidiaries                             | -                  | (13,825)           |
| Amounts advanced to joint operations                                  | -                  | (2,002)            |
| Amounts advanced to other parties                                     | -                  | (15,100)           |
| Payments for intangibles  | (5,374)            | (3,848)            |
| Net cash used in investing activities                                 | (66,114)           | (156,657)          |
| <b>Cash flows from financing activities</b>                           |                    |                    |
| Proceeds from borrowings  | 113,438            | 357,850            |
| Repayment of borrowings   | (181,769)          | (293,398)          |
| Dividends paid  | (58,665)           | (36,921)           |
| Net cash (used in)/from financing activities                          | (126,996)          | 27,531             |
| Net decrease in cash and cash equivalents                             | (56,278)           | (20,542)           |
| Cash and cash equivalents at the beginning of the financial half-year | 378,169            | 407,293            |
| Effects of exchange rate changes on cash and cash equivalents         | (2,531)            | 1,919              |
| Cash and cash equivalents at the end of the financial half-year       | 319,360            | 388,670            |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

***AASB 9 Financial Instruments***

The Group has elected to early adopt AASB 9 Financial Instruments as issued in July 2014. Early adoption is permitted by AASB 9 and the change in accounting policy has been applied from 1 July 2017. The Group has elected to early adopt AASB 9 as the new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows.

AASB 9 requires that an entity classify its financial assets as subsequently measured at either amortised cost or fair value depending on the entity's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. In accordance with AASB 9, the Group has designated its investment in shares of listed corporations that were formerly designated as "available-for-sale" as "fair value through profit or loss". This results in all realised and unrealised gains and losses from the investment portfolio being recognised in profit or loss through "other income" or "other expenses" in the Statement of Profit or Loss and Other Comprehensive Income. The change in policy has been applied to investments in shares of listed corporations from the date of adoption 1 July 2017 with no restatement of comparative results. There has been no change in the carrying amount on adoption of AASB 9 to be reflected as a movement directly in equity.

The adoption of AASB 9 has no material impact on the measurement and classification of the Group's cash and cash equivalents, trade and other receivables. Under AASB 9, cash and cash equivalents, trade receivables and other receivables continue to be measured at amortised cost.

On adoption of AASB 9, the Group adopted the AASB 9 hedge accounting model which has simpler hedge accounting requirements that are intended to more closely align the accounting treatment with the risk management activities of the entity. The Group's cash flow hedge relationship for commodity prices would qualify as a continuing hedge upon the adoption of AASB 9. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

**Mineral Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2017**

**Note 2. Operating segments**

*Business segment*

The Group has identified its operating segments based on internal management reports that are reviewed by the Board, who are identified as the Chief Operating Decision Makers ("CODM") in assessing performance and in determining the allocation of resources.

The Group continues to report its business results as three operating segments being Mining Services & Processing, Mining and Central. All are operating within the resources sector of the Australian economy.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes and the performance of each segment is measure based on underlying Earnings before Interest and Tax ("EBIT") contribution.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

*Operating segment information*

| <b>Group - 31 Dec 2017</b>  | <b>Mining<br/>Services &amp;<br/>Processing<br/>\$'000</b> | <b>Mining<br/>\$'000</b> | <b>Central<br/>\$'000</b> | <b>Inter-<br/>segment<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|--|--------------------------|---------------------------|--------------------------------------|-------------------------|
| <b>Revenue</b>  |  |                          |                           |                                      |                         |
| External sales  | 169,961  | 684,517                  | 13                        | -                                    | 854,491                 |
| Intersegment sales  | 361,448  | -                        | -                         | (361,448)                            | -                       |
| <b>Total revenue</b>  | <b>531,409</b>   | <b>684,517</b>           | <b>13</b>                 | <b>(361,448)</b>                     | <b>854,491</b>          |
| Other income  | 2,831  | 85                       | 102,641                   | -                                    | 105,557                 |
| Expenses  | (403,909)  | (558,579)                | (6,817)                   | 361,448                              | (607,857)               |
| <b>Earnings before interest, tax, depreciation<br/>and amortisation</b> | <b>130,331</b>   | <b>126,023</b>           | <b>95,837</b>             | <b>-</b>                             | <b>352,191</b>          |
| Depreciation and amortisation   | (33,614)   | (24,800)                 | (698)                     | -                                    | (59,112)                |
| Impairment charges  | -  | (53,277)                 | (3,271)                   | -                                    | (56,548)                |
| Interest income   | 6  | 243                      | 2,031                     | (396)                                | 1,884                   |
| Finance costs   | (1,852)  | (783)                    | (2,854)                   | 396                                  | (5,093)                 |
| <b>Operating profit</b>   | <b>94,871</b>  | <b>47,406</b>            | <b>91,045</b>             | <b>-</b>                             | <b>233,322</b>          |
| Income tax on operating profit  |  |                          |                           |                                      | (70,007)                |
| <b>Profit after tax</b>   |  |                          |                           |                                      | <b>163,315</b>          |
| <b>Assets</b>   |  |                          |                           |                                      |                         |
| Segment assets  | 760,221  | 721,717                  | 440,366                   | -                                    | 1,922,304               |
| <b>Liabilities</b>  |  |                          |                           |                                      |                         |
| Segment liabilities   | 257,349  | 264,207                  | 163,908                   | -                                    | 685,464                 |

**Mineral Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2017**

**Note 2. Operating segments (continued)**

| <b>Group - 31 Dec 2016</b>  | <b>Mining<br/>Services &amp;<br/>Processing<br/>\$'000</b> | <b>Mining<br/>\$'000</b> | <b>Central<br/>\$'000</b> | <b>Inter-<br/>segment<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|--|--------------------------|---------------------------|--------------------------------------|-------------------------|
| <b>Revenue</b>  |  |                          |                           |                                      |                         |
| External sales  | 201,066  | 532,241                  | 49,414                    | -                                    | 782,721                 |
| Intersegment sales  | 103,134  | -                        | -                         | (103,134)                            | -                       |
| <b>Total revenue<sup>(i)</sup></b>                                      | <b>304,200</b>   | <b>532,241</b>           | <b>49,414</b>             | <b>(103,134)</b>                     | <b>782,721</b>          |
| Other income  | (141)  | 1,879                    | -                         | -                                    | 1,738                   |
| Expenses  | (238,800)  | (377,316)                | 10,100                    | 103,134                              | (502,882)               |
| <b>Earnings before interest, tax, depreciation<br/>and amortisation</b> | <b>65,259</b>  | <b>156,804</b>           | <b>59,514</b>             | <b>-</b>                             | <b>281,577</b>          |
| Depreciation and amortisation   | (33,526)   | (44,357)                 | (278)                     | -                                    | (78,161)                |
| Impairment charges  | 3,049  | -                        | (2,676)                   | -                                    | 373                     |
| Interest income   | -  | 27                       | 1,841                     | (338)                                | 1,530                   |
| Finance costs   | (1,879)  | (685)                    | (3,882)                   | 338                                  | (6,108)                 |
| <b>Operating profit</b>   | <b>32,903</b>  | <b>111,789</b>           | <b>54,519</b>             | <b>-</b>                             | <b>199,211</b>          |
| Income tax on operating profit  |  |                          |                           |                                      | (58,901)                |
| <b>Profit after tax</b>   |  |                          |                           |                                      | <b>140,310</b>          |

<sup>(i)</sup> In the half-year ended 31 December 2016, the Group recognised revenue of \$50,000,000 arising from the Group being issued 104,166,667 shares in Pilbara Minerals Limited at \$0.48 per share in exchange for the relinquishment of the Right of First Refusal or 2.5% royalty that has been held by the Group's wholly owned Subsidiary, Wodgina Lithium Pty Ltd.

|                     |         |         |         |   |           |
|---------------------|---------|---------|---------|---|-----------|
| <b>Assets</b>       |         |         |         |   |           |
| Segment assets      | 619,744 | 668,044 | 603,567 | - | 1,891,355 |
| <b>Liabilities</b>  |         |         |         |   |           |
| Segment liabilities | 239,925 | 274,961 | 260,030 | - | 774,916   |

**Note 3. Other income**

|  | <b>Group</b>                  |                               |
|--|-------------------------------|-------------------------------|
|  | <b>31 Dec 2017<br/>\$'000</b> | <b>31 Dec 2016<br/>\$'000</b> |
| Net fair value gain on investments held at fair value through profit or loss | 93,468                        | -                             |
| Gain on bargain purchase   | 9,173                         | -                             |
| Net gain/(loss) on disposal of property, plant and equipment                 | 2,809                         | (536)                         |
| Interest income  | 1,882                         | 1,530                         |
| Other  | 107                           | 2,276                         |
| <b>Other income</b>  | <b>107,439</b>                | <b>3,270</b>                  |

**Mineral Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2017**

**Note 4. Impairment charges**

|   | <b>Group</b>               |                       |
|---|----------------------------|-----------------------|
|   | <b>31 Dec 2017</b>         | <b>31 Dec 2016</b>    |
|   | <b>\$'000</b>              | <b>\$'000</b>         |
| <i>Yilgarn and Road Haulage – mine operations CGUs:</i> |                            |                       |
| Inventory   | (23,490)                   | -                     |
| Property, plant and equipment                           | (6,500)                    | -                     |
| Goodwill  | (6,446)                    | -                     |
| Exploration and mine development                        | (16,842)                   | -                     |
|   | <u>(53,278)</u>            | <u>-</u>              |
| <i>Other:</i>   |                            |                       |
| Inventory   | -                          | 3,049                 |
| Financial assets  | (3,270)                    | (2,676)               |
|   | <u>(3,270)</u>             | <u>373</u>            |
| <br>Total impairment charge                             | <br><u><u>(56,548)</u></u> | <br><u><u>373</u></u> |

*Results of impairment testing - Yilgarn and Road Haulage – mine operations CGUs*

Non-financial assets are reviewed at the end of each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, an estimate of the recoverable amount is made.

An impairment assessment was performed on the Yilgarn cash generating unit (CGU) and Road Haulage – mine operations CGU as at balance date following the announcement of the government's decision not to grant approval to allow the Company to mine at J5 and Bungalbin East, which was considered an indicator of impairment for these CGUs.

As a result of this analysis, management recognised an impairment of \$53,278,000 in respect of the following assets relating to the Yilgarn project:

- low grade inventory (\$23,490,000) deemed uneconomically viable for sale or as blending material;
- goodwill (\$6,446,000) associated with Road Haulage – mine operations at the Yilgarn project to reflect the change in the strategic plan and the resulting reduction in the recoverable value of the goodwill; and
- a reduction in the recoverable value of property, plant and equipment (\$6,500,000) and exploration and mine development assets (\$16,842,000) to reflect the probability of changes in the production outlook while the Group considers its options for the Yilgarn region following the government's decision.

All other methodology and assumptions remained consistent with those used in the year ended 30 June 2017.

**Note 5. Equity - issued capital**

|                 | <b>Group</b>       |                     |                    |                     |
|-----------------|--------------------|---------------------|--------------------|---------------------|
|                 | <b>31 Dec 2017</b> | <b>30 June 2017</b> | <b>31 Dec 2017</b> | <b>30 June 2017</b> |
|                 | <b>Shares</b>      | <b>Shares</b>       | <b>\$'000</b>      | <b>\$'000</b>       |
| Ordinary shares | 187,007,210        | 186,813,501         | 510,955            | 507,920             |
| Treasury shares | 516,695            | 516,695             | (5,472)            | (5,472)             |
|                 | <u>187,523,905</u> | <u>187,330,196</u>  | <u>505,483</u>     | <u>502,448</u>      |

**Mineral Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2017**

**Note 5. Equity - issued capital (continued)**

*Movements in ordinary share capital*

| Details                                | Ordinary shares<br>Number | Treasury shares<br>Number | Total<br>Number |
|--|---------------------------|---------------------------|-----------------|
| Balance at 1 July 2016                 | 186,829,800               | -                         | 186,829,800     |
| Share issued for dividend reinvestment | 500,396                   | -                         | 500,396         |
| Share buy-back                         | (516,695)                 | 516,695                   | -               |
| Balance at 30 June 2017                | 186,813,501               | 516,695                   | 187,330,196     |
| Share issued for dividend reinvestment | 193,709                   | -                         | 193,709         |
| Balance at 31 December 2017            | 187,007,210               | 516,695                   | 187,523,905     |

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

*Treasury shares*

Movements in treasury shares represent acquisition of the Company's shares on market to be reissued to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment plans. These re-acquired shares are disclosed as treasury shares and deducted from contributed equity.

**Note 6. Equity - dividends**

|  | 31 Dec 2017                    |                 | 31 Dec 2016                    |                 |
|--|--------------------------------|-----------------|--------------------------------|-----------------|
|  | Dividend per<br>share<br>Cents | Total<br>\$'000 | Dividend per<br>share<br>Cents | Total<br>\$'000 |
| <b>Declared and paid during the period</b> |                                |                 |                                |                 |
| Final franked dividend                     | 33.00                          | 61,699          | 21.00                          | 39,235          |
| <b>Proposed</b>                            |                                |                 |                                |                 |
| Interim franked dividend                   | 25.00                          | 46,752          | 21.00                          | 39,278          |

**Note 7. Contingent liabilities**

Since the last annual report, there has been no material change in contingent liabilities.

**Note 8. Business combinations**

*Acquisition of Empire Oil Company (WA) Limited*

On 8 November 2017, the Group acquired 100% of the ordinary shares of Empire Oil Company (WA) Limited (Empire WA) and 90% of the ordinary shares of Cattamarra Farms Pty Ltd (Cattamarra Farms), a subsidiary of Empire WA, through the effectuation of a Deed of Company Arrangement (DOCA).

**Mineral Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2017**

**Note 8. Business combinations (continued)**

As at 31 December 2017, the acquisition accounting balances recognised are provisional due to ongoing work finalising valuations and tax-related matters which may affect acquisition accounting entries. The provisional fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition are:

|  | <b>\$'000</b>       |
|--|---------------------|
| <b>Assets</b>  |                     |
| Receivables  | 606                 |
| Property, plant and equipment                              | 13,475              |
| Exploration and development assets                         | 16,274              |
| Total assets   | <u>30,355</u>       |
| <b>Liabilities</b>   |                     |
| Provision for rehabilitation                               | (6,000)             |
| Borrowings   | (15,085)            |
| Total liabilities  | <u>(21,085)</u>     |
| Provisional fair value of net identifiable assets acquired | <u>9,270</u>        |
| Consideration paid   | -                   |
| Non-controlling interests                                  | <u>(97)</u>         |
| <b>Gain on bargain purchase</b>                            | <u><u>9,173</u></u> |

A gain on bargain purchase arose in the business combination of Empire WA as the Group obtained control and ownership of the Red Gully Processing Facility and all of Empire WA's petroleum exploration tenure by virtue of a 100% ownership in the shares in Empire WA, without any purchase consideration being paid by the Group. This was a result of the DOCA that eventuated from Empire WA defaulting on a loan facility provided by the Company, on which Empire WA's Red Gully Petroleum assets were provided as security.

From the date of acquisition, the contribution from Empire WA to the net profit after-tax of the Group was insignificant. The 10% non-controlling interest in Cattamarra Farms, an unlisted company, has been estimated by reference to the proportionate share of the value of net identifiable assets acquired.

Direct costs relating to the acquisition totalling \$466,000 have been recognised in other expenses in the income statement for the half year ended 31 December 2017.

**Note 9. Events after the reporting period**

*Proposed interim dividend for the year ended 30 June 2018*

On 8 February 2018 the directors declared an interim fully franked dividend for the year ended 30 June 2018 of 25 cents per share to be paid on 8 March 2018, a total estimated distribution of \$46,752,000 based on the number of ordinary shares on issue as at 16 February 2018.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Mineral Resources Limited**  
**Directors' declaration**  
**31 December 2017**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Chris Ellison  
Managing Director

8 February 2018  
Perth



**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
MINERAL RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Mineral Resources Limited which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mineral Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mineral Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

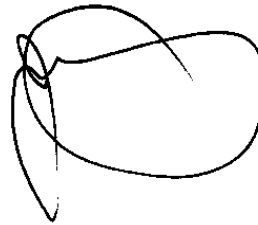
### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mineral Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



JAMES KOMNINOS  
Partner

Perth, WA  
Dated: 8 February 2018