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MINERAL RESOURCES

FY19 Results

Investor Presentation

August 2019

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FY19 Key Headlines

- Largest growth period since inception, with capex of $900M this year on lithium, iron ore & mining services equipment
- Arguably built one of the best lithium portfolios in the world with 30 to 50 year life
- Forming a Joint Venture for mining at Wodgina and downstream lithium hydroxide processing at Kemerton
- Raised US$700m unsecured bonds in the US
- Normalised EBITDA of $433m was 15% above midpoint of guidance

Mining Services

- Mining Services achieved 39% growth in EBITDA in H2 FY19

Lithium

- Wodgina 750ktpa (dry) construction 86% complete, Train 1 commissioned
- Mt Marion upgrade project mostly complete; 20+ year life

Innovation

- 150t Carbon fibre dump truck trays in operation
- Synthetic graphite pilot plant successfully commissioned
- Light rail design and 3rd party verification ongoing
- JV with Metso for 15Mt NextGen portable crusher

Iron Ore

- Commissioned Koolyanobbing; Currently at 7.5Mtpa
- Iron Valley at steady state
- Expanded iron ore investment at Kumina & Marillana

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FY19 Financial Performance Summary

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Revenue **$1,512m** FY18 ↓ 7%	Diluted EPS (normalised)[1] **108cps** H1 FY18 ↓ 25%	Capex and investments **$858m** FY18 ↑ 140%
EBITDA (normalised)[1] **$433m** FY18 ↓ 14%	Dividends declared **44cps** FY18 ↓ 32%	Net assets **$1,380m** FY18 ↑ 6%
NPAT (normalised)[1] **$205m** FY18 ↓ 24%	Operating cash flow[2] **$269m** FY18 ↓ 50%	Return on Invested Capital[3] **9.7%**

Notes
1. Refer to the Appendix in the Information Pack (MIN ASX: 22 August 2019) for reconciliation of non-IFRS financial information
2. Cash flow from operating activities before interest and taxation
3. Return on invested capital (ROIC) calculated as per Remuneration Report definition

Track record of delivering shareholder value

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EPS growth p.a. Since IPO FY07-19	15% p.a.	**Total Shareholder Return (TSR)[1]** Since IPO FY07-19	$18.58	**Cumulative dividends paid** Fully franked	$4.50 / share
Cumulative pre tax profits Since IPO FY07-19	>$2.1bn	**TSR growth rate[2]** Since IPO FY07-19 (pre tax)	26% p.a.	**Management ownership** Current	~15%

All with EBITDA to cashflow conversion averaging 100% between FY07 and FY19

More detailed information on our business investment track record can be found in the Appendix

Notes
1. TSR is calculated as the gain from a change in the share price plus dividends paid since IPO in FY07 at $0.90/share
2. TSR and EPS growth rates are calculated using the Compound Annual Growth Rate formula

Occupational Health & Safety

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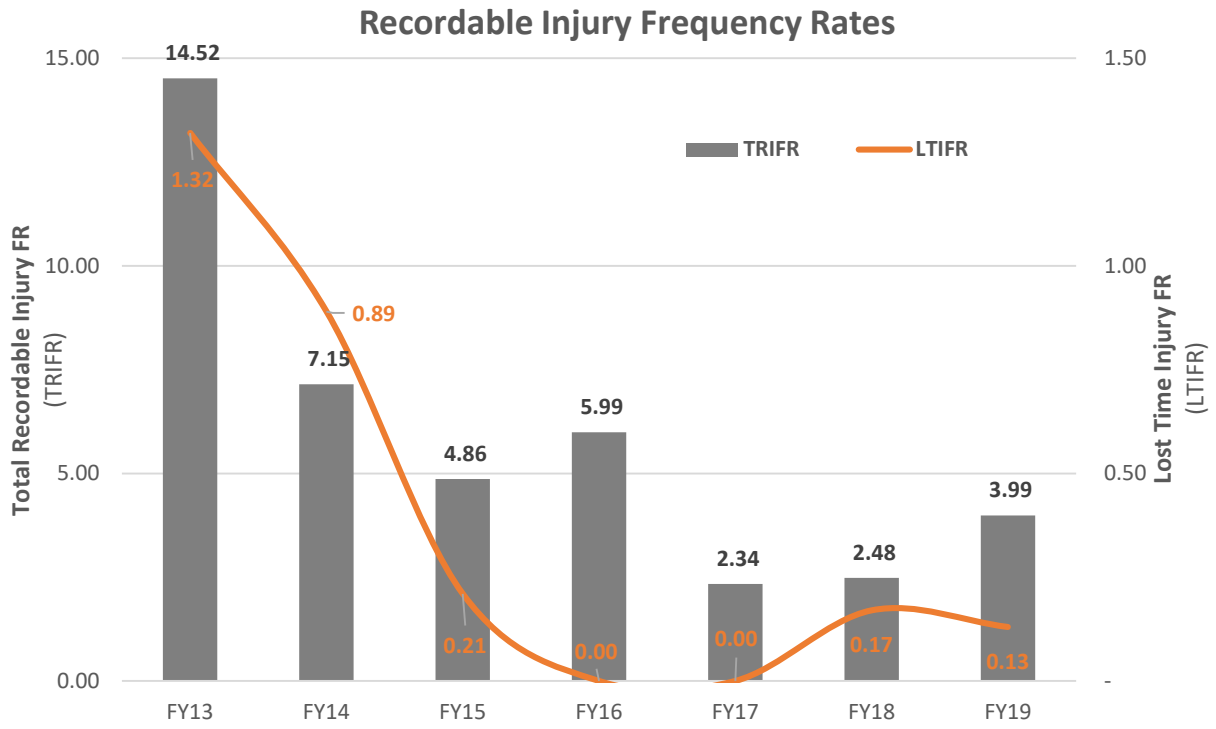
TRIFR of 3.99[1]
LTIFR of 0.13[2]
Total employees: 3,746[3]



Safety

- 24% decrease in LTIFR
- 21% increase in employees
- 32% increase in the number of hours worked
- Increase in TRIFR due to behaviour based incidents

FY19 Actions

- Behaviour workshops
- Increase in on site leadership presence – observations, audits, inspections

Notes

1. Total Recordable Injury Frequency Rate calculations measure the total number of injuries (excluding first aid) per million hours worked as at 30 June 2019
2. Lost Time Injury Frequency Rate calculation measure the number of lost time injuries per million hours work as at 30 June 2019
3. Total employees & contractors as at 30 June 2019

Our Mining Services Business

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MINING SERVICES

- Delivers contracted earnings through:
  - Open Pit Mining
  - Contract Crushing
  - Mineral Processing
  - Road & Rail Bulk Haulage
  - Site Services

SUPPLY CHAIN INFRASTRUCTURE

- Strategic port allocations at Utah Point (Port Hedland) and Esperance
- Extensive road train network in Northwest WA, owned by third parties
- Rail locomotives and purpose built wagons in Southern WA

INNOVATION

- Delivering innovative projects, focussed on providing lower cost solutions to the mining industry:
  - Nextgen crushing plants
  - Carbon fibre manufacturing facility (stage one: light weight dump truck trays)
  - Synthetic graphite continuous feed pilot plant
  - Light rail system

Loading ore at Mt Marion lithium mine, Goldfields

One of MRL's train fleet at Esperance Port

A carbon fibre, light weight dump truck tray at Koolyanobbing

FY19 Mining Services Performance

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Crushing & Processing

- Koolyanobbing currently running at 7.5Mt run rate
- Mt Marion operating at steady state production
- Wodgina crushing plant commenced operations
- Wodgina Train 1 commissioning & producing on-spec product

Construction

- Wodgina Lithium:
  - Crusher & screening plant complete
  - Train 1 & 2: 97% complete and in commissioning phase
  - Train 3: 73% complete
- Mt Marion:
  - Process plant construction complete

Energy

- Oil & Gas Perth Basin
  - Progressed planning, stakeholder engagement and approval processes to support exploration programs
- Wodgina 10” gas pipeline construction complete

Mining

- Total Material Moved: 65.2Mt
- Awarded 2 external contracts for load and haul
- Mobilised additional fleet to Koolyanobbing & 2 external customers
- Progressed mine design, planning & approvals at Marillana

Site Services

- Koolyanobbing: established camp & catering services
- Wodgina: accommodated & catered for an average of 700 people every day of the year
- Kumina camp established to support exploration

Supply Chain Logistics

- 15.0Mt Ore Hauled
  - 3.2Mt by rail
  - 11.7Mt by road train
- 11.4Mt total shipped
- Koolyanobbing: ramping up off highway haulage & additional rail capacity
- Commenced spodumene shipments from Esperance

Our Profit Share Commodities Business

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Commodity Profit Share Model

- Acquire joint ownership of ore bodies in partnership with explorers
- MRL funds & operates Life-of-Mine (LOM), Build Own Operate mining services contract and takes substantial ownership of the ore body

Wodgina Lithium Mine, Pilbara

Iron Ore

- Producer of iron ore:
  - Yilgarn - Koolyanobbing
  - Pilbara - Iron Valley
- MRL awarded LOM mining services contracts

Wagon loading at Koolyanobbing Iron Ore

Lithium

- One of the world's largest owners of hardrock lithium units:
  - 100% of Wodgina, reducing to 40% JV partner with Albemarle[1]
  - 50% Mt Marion, increased from 43.1%[2]
- MRL awarded LOM mining services contracts

Mt Marion Lithium Mine, Goldfields

Notes
1. MIN ASX: 1 August 2019
2. MIN ASX: 18 March 2019

FY19 Commodities Performance

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Lithium

Mt Marion

- 378Kt spodumene concentrate delivered
  - 272Kt of 6%
  - 106Kt of 4%
- Revenue of $1,044/t achieved
  - $1,182/t for 6%
  - $683/t for 4%
- Average cost of $621/t CFR for all tonnes shipped

Wodgina

- 13Kt of spodumene concentrate produced
- Delayed mainly due to valve quality & miscellaneous mechanical supply issues

Iron Ore

Koolyanobbing

- Commenced operating and exported 3.2Mt iron ore
- Currently running at 7.5Mt run rate
- Revenue of $117/t achieved
- $75/t CFR Cost shipped during start up phase

Iron Valley

- Running at steady state: 7.4Mt shipped
- Sold all stockpiled fines that were unsaleable last year
- Revenue of $77/t achieved (includes sale of stockpiled fines)
- $68/t CFR Cost shipped

Notes

- Revenue / wmt shipped figures include prior year revenue adjustments from finalization of forward contract pricing based on the Platts Index for FY18 shipments, and adjustments to shipping revenue for the application of AASB15 due to the timing of shipments reaching their destination ports.
- CFR Costs / wmt shipped figure includes adjustments to shipping costs for the application of AASB15 due to the timing of shipments reaching their destination ports.

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Where we are going in FY20

FY20 Mining Services Outlook

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Crushing

- Increase Koolyanobbing by 4Mtpa
- Two contracts pending for 18Mtpa
- Commenced MRL / Metso Partnership for 1- 15Mtpa crushing & screening plants
- Expect to maintain volume growth rate of 15% per annum

Mining

- Ramp up to 11.5Mtpa operations at Koolyanobbing, additional 4Mtpa production
- Additional 9Mt external client load & haul contracts
- 34Mt mining contracts currently under negotiation

Supply Chain Logistics

- Additional rail haulage
  - 390 wagons
  - 5 locomotives
- Additional road haulage
  - 28 on-highway trucks
  - 14 off-highway trucks

FY20 Planned Commodities Production

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Lithium

Mt Marion

- Focus is on cost management during a period of high strip ratio
- Expected to produce and export between 340Kt and 360Kt
- Average cost per tonne is expected to be similar to FY19
- Project construction complete
- Currently optimising water and power usage & upgrading tails to dry stacking

Wodgina

- Experienced significant delays due to faulty valves – mostly replaced
- Construction for all three trains will be complete by end of September
- Focus is on completion of commissioning
- Production profile to be determined by Joint Venture once established

Iron Ore

Koolyanobbing

- Focus is on production increase to 11.5Mtpa by end of Q2
- Expected to produce and export between 8Mt and 9Mt, with 40% lump
- Average cost per tonne may increase marginally as external equipment is introduced to support expansion

Iron Valley

- Focus is on maintaining production as water and quality issues increase
- Production and export rates unlikely to vary materially from FY19
- Average cost per tonne is expected to increase by around 5% as the mine deepens

Environment - Wodgina Tailings Storage Facility (TSF)

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Engaged independent hydrogeology company, AQ2, to assess the tailings facility

AQ2 Findings

- Performing as expected during the ramp up stage of the project
- More water is pumped into the TSF during ramp up as the plant is stopped, restarted and flushed through the plant and pipework
- Due to this, the average solid content does not reflect steady state operations
- Initial rates of seepage are within expectations; we have monitoring mechanisms in place
- Impact of any seepage on ground water was negligible
- Full report is on our website

Recent Activity

- Since end June, TSF has approached design operation conditions:
  - showing a significant reduction in volume of water and seepage
  - during periods of consistent run-time, achieving 60% solids as designed
- We monitor water downstream for any chemistry change but there are no harmful chemicals in our tailings (inert)

Wodgina Tailings Storage Facility

Wodgina Lithium JV Update

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Joint Venture

- August 2019 signed a revised agreement with Albemarle[1]
- Albemarle to acquire 60% ownership of Wodgina mine site to form a 60:40 JV with MRL
- Albemarle to pay MRL US$820m cash on closing & transfer 40% interest in two, 25Ktpa (dry) lithium hydroxide modules at Kemerton
- Albemarle responsible for designing, building & funding the Kemerton hydroxide plant
- Combined strength of each company's skill set creates a very strong partnership:
  - MRL are the local partner with proven experience in design, construct, own & operate mine & process plants
  - Albemarle is recognized as one of the best hydroxide & chemical plant operators with an extensive network of Tier 1 clients for their products
- MRL: continue to provide crushing services at Wodgina for life-of-mine & provide local support services to JV
- Albemarle: manage marketing/sales for the JV
- Transaction remains subject to regulatory approvals but still expected to complete CY19

Lithium Hydroxide

- The Kemerton modules, when complete, will be able to process Wodgina's spodumene concentrate
- Timing and location of future lithium hydroxide plants will be based on market dynamics and forecasted demand of customers

Wodgina Lithium beneficiation plant construction

Notes
1. MIN ASX: 1 August 2019

Iron Ore Project Update

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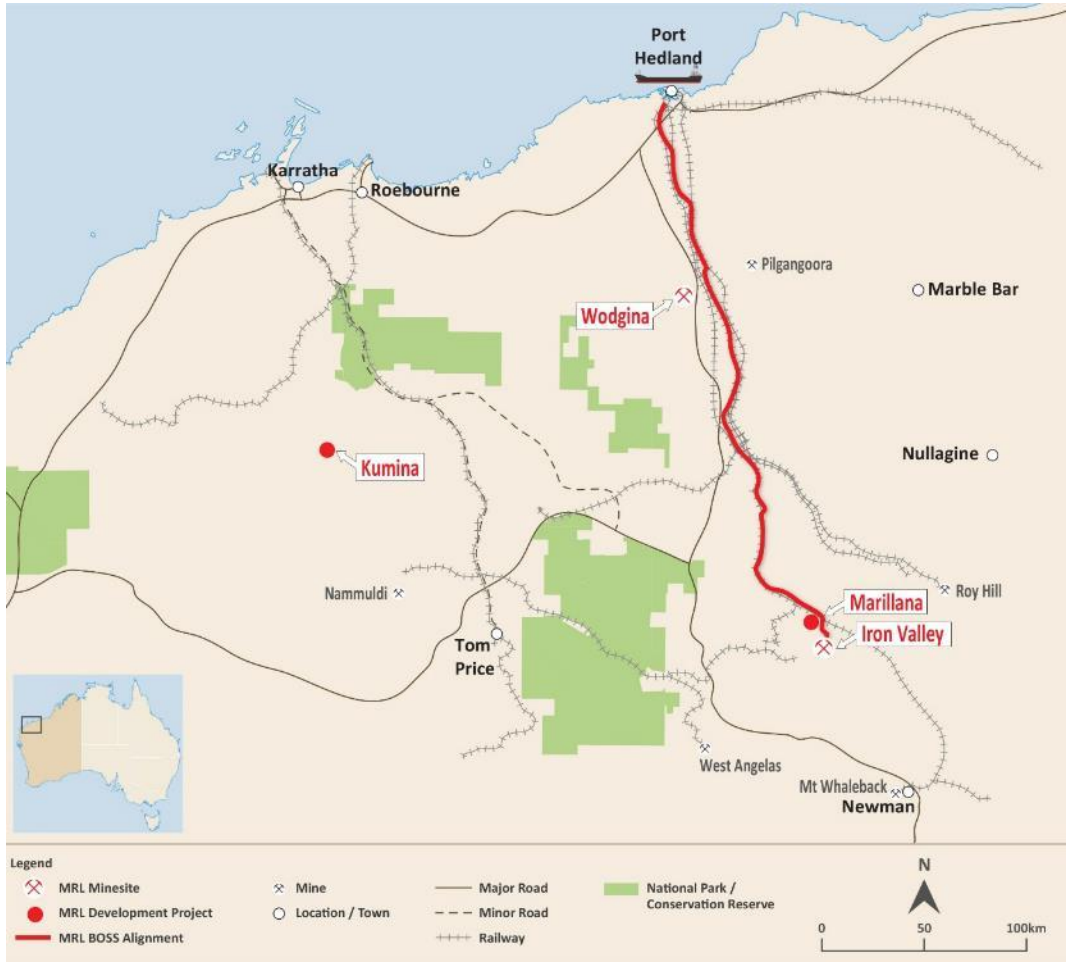
Marillana Iron Ore Project

- Farm-in and Joint Venture Agreement unconditional[1]; farm-in period commenced & extended[2]
- Timeframe for rail & port construction and operation extended by 12 months[2]

Kumina Iron Ore Project

- Completed the acquisition of Kumina Iron Ore deposit[3]
- Progressed permits
- Received Regulator[4] environmental approval for exploration work
- Mobilised camp to support environmental and exploration works
- Currently undertaking environment & heritage surveys; exploration works; earth works in preparation for drilling
- Planned exploration drill out FY20



Notes
1. MIN ASX: 22 January 2019
2. MIN ASX: 22 July 2019
3. MIN ASX: 21 December 2018
4. DMIRS: Department of Mines, Industry Regulation and Petroleum

Energy Initiatives

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We remain focussed on reducing our reliance on diesel fuel:

- Natural gas
- LNG
- Battery storage
- Solar

Lower Carbon Energy Initiatives	Achieved FY19
Mt Marion: LNG gas fired power station. Capacity doubled to 11.2MW	6,500t CO_2e less compared to diesel
Wodgina: natural gas fired power station FY19	4,000t CO_2e less compared to diesel
Perth facilities: 2,700 solar panels	635t CO_2e less compared to grid
Lower Carbon Energy Initiatives	**Estimated FY20**
Mt Marion: Battery Energy Storage System (BESS)[1] to achieve up to 12% reduction in fuel usage	2,500t CO_2e less than FY19
Wodgina: natural gas power station FY20 annual rate	20,000t CO_2e less compared to diesel

Notes
1. Battery Energy Storage System (BESS) is an ABB registered product name

Oil & Gas

- Perth Basin: Continue exploration work and obtaining approvals to commence drilling

Wodgina Gas Pipeline Delivery Station

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Innovation

1. Pilbara Infrastructure Project
2. Carbon Fibre Dump Truck Trays
3. Synthetic Graphite
4. NextGen Crushing & Screening Plant

Innovation Strategy

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- Enables us to develop and offer unique mining products and services with high barriers to entry
- Increases the value-add proposition to our clients
- Provides a competitive advantage
- Retains our position as a leader in the mining services industry
- Sustainably delivers long-term project horizon for mining services business

Pilbara Infrastructure Project

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- Progressing development of Pilbara Infrastructure Project:
  - Light rail system: continue work on finalising design and right of way approvals
  - Port stockyard and capesize carrier berth: progressing with approvals
- Anticipate construction commencing 2020

Carbon Fibre Technology

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- Developed a carbon fibre manufacturing facility producing structural members –with the capability of making equipment & products for the mining industry
- Currently 2 dump trucks operational with carbon fibre trays at Koolyanobbing; 3 more to be fitted in September
- Next 12 months:
  - 200t dump truck tray engineering & design complete
  - First tray on site November
  - 200t steel to carbon fibre tray weight reduction: 25.4t
- Optimisation work going forward is critical
- Current capital cost is challenging

Synthetic Graphite Plant

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Synthetic Graphite Plant

- Pilot plant commissioned and operational
- First graphite produced June 2019
- Initial results, better than expected, exceeded 96% TGC[1] vs target 92%
- Product certification process takes 12 months
- Optimising process to scale to 1,000t per annum – modular plant

Synthetic Graphite Pilot Plant, Kwinana

Notes
1. Total Graphitic Carbon (TGC)

15Mt NextGen Portable Crushing & Screening Plant

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- New partnership with Metso to supply 15Mtpa NextGen portable crushing and screening plants:
  - Low capital cost
  - About 12 weeks install
  - MRL will market under a Build-Own-Operate in Australia
  - Metso to provide global marketing
  - MRL owns all IP rights
  - Commence fabrication by November

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