MINERAL RESOURCES

2024 FINANCIAL YEAR RESULTS ANNOUNCEMENT

28 August 2024

MINRES DELIVERS RECORD MINING SERVICES EARNINGS AND ONSLOW IRON FIRST ORE ON SHIP

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or the **Company**) is pleased to announce its financial results for the full year ended 30 June 2024 (FY24).

- **Solid underlying financial results and cash flow despite lithium price**
  - Revenue of $5,278M, up 10% (FY23: $4,779M).
  - Underlying EBITDA of $1,057M, down 40% (FY23: $1,754M).
  - Underlying Net Profit After Tax (NPAT) of $158M, down 79% (FY23: $769M).
  - Statutory NPAT of $114M, down 53% (FY23: $244M).
  - Operating cash flow before financing and tax of $1,909M, up 9% (FY23: $1,750M), including iron ore customer prepayments of $600M. Excluding the iron ore prepayments, cash conversion was 124%.
- **Strong liquidity position maintained during peak investment for Onslow Iron**
  - Completed US$1,100M Senior Unsecured Notes Offering in October 2023.
  - Executed an iron ore customer prepayment of US$400M ($600M).
  - Available liquidity of $2,833M (FY23: $1,791M), including cash of $908M (FY23: $1,379M).
  - Net debt of $4,428M (FY23: $1,896M).
- **Mining Services**
  - Production volumes increased 9% to 269M wet metric tonnes (wmt) (FY23: 248M wmt).
  - Delivered record Underlying EBITDA of $550M, an increase of 14% (FY23: $484M).
  - Awarded six new contracts and renewed three contracts.
  - Entered into a binding agreement with Morgan Stanley Infrastructure Partners for the sale of a 49% interest in the Onslow Iron dedicated haul road for total expected proceeds of $1,300M.[1]
- **Iron Ore**
  - Onslow Iron delivered first ore on ship in May 2024. Mining continued to ramp up and construction of the dedicated haul road is scheduled for completion in October 2024.
  - Exports totalled 18.1M wmt across all hubs, up 3% (FY23: 17.5M wmt) and revenue increased 20% to $2,578M (FY23: $2,147M).
- **Lithium**
  - Achieved price of US$1,279 per dry metric tonne (dmt) SC6, down 76% (FY23: US$5,267/dmt SC6).
  - Shipments across three lithium operations of 486k dmt SC6 (FY23: 293k dmt SC6).
  - Record shipments from Wodgina (up 41% to 201k dmt SC6) and Mt Marion (up 46% to 218k dmt SC6).
  - Mt Marion plant expansion commissioned and underground decline commenced.
  - Acquired Bald Hill effective 1 November 2023, with 67k dmt SC6 shipped.
  - Completed the restructure of the MARBL joint venture, increasing ownership in Wodgina to 50%.
  - Exited investments in downstream conversion assets to focus on upstream production.
- **Energy**
  - Lockyer-5 Sidetrack-1 (ST-1) development well achieved the highest stabilised flow rate in the Perth
  - Basin of 104 million standard cubic feet (MMscf) per day.
  - North Erregulla-2 well test achieved a strong flow rate, with a current estimated potential average production rate of more than 1,100 barrels of oil per day.
  - Acquired a rig that drills to a vertical depth of 5,000 metres using an automated drill floor.

[1] Gross proceeds are payable in cash and comprise upfront consideration of $1,100M and deferred consideration of $200M, subject to achieving 35Mtpa run rate for any quarter before 30 June 2026.

Commenting on the results, MinRes Managing Director Chris Ellison said:

"This was the biggest year of development in our history, culminating with the start-up of the transformational Onslow Iron project.

"Onslow Iron achieved first ore on ship ahead of schedule in May, just 11 months after we broke ground at the Ken's Bore mine site. This phenomenal achievement is a testament to the in-house project delivery expertise that MinRes has developed over more than three decades.

"Our hands-on, agile and creative culture made Onslow Iron possible and will enable the unlocking of an entire new mining region in the West Pilbara. Thank you to our people for their commitment, professionalism and ingenuity in making this vision a reality.

"Our meaningful partnerships with every level of government, communities and – importantly – the Traditional Owners of the lands that Onslow Iron is located on has helped bring the project to life. We look forward to continuing to spread the project's benefits widely.

"Onslow Iron will generate strong returns through commodity cycles and underpin significant growth in our services and infrastructure earnings. The value of Onslow Iron has already been demonstrated by the sale of a minority share of the dedicated haul road to Morgan Stanley Infrastructure Partners for $1.3 billion.

"The sale of the haul road stake further strengthens the MinRes balance sheet and demonstrates the Company's unique ability to recycle capital. We expect to de-leverage rapidly as Onslow Iron hits nameplate capacity and becomes cashflow positive over the next 12 months.

"Overall, the results highlight the strength of MinRes' business model, with our diverse income streams all contributing to solid group earnings, despite a depressed lithium price. Our core Mining Services division increased Underlying EBITDA by 14%, driven by record production and new external contracts, with its growing infrastructure focus spearheading a new era of future growth.

"The Lithium division achieved record shipments from Wodgina and Mt Marion, where we began the transition to an open pit and underground operation. During the year we also acquired a third lithium mine, Bald Hill, and expanded our strategic footprint in the Goldfields, providing low-cost optionality when lithium prices rebound.

"The Iron Ore division increased shipments by 3% and revenue grew 20%. In June we announced that, after 13 years, exports would cease from the Yilgarn Hub. This was a difficult decision to make and one we did not take lightly. We have prioritised approximately 1,000 employees in the Yilgarn for redeployment, particularly to Onslow Iron.

"The Energy division enjoyed further success in our natural gas exploration program in the Perth Basin. We continue to encourage the State Government to update the WA Domestic Gas Policy to incentivise investment, exploration and additional supply.

"Given the stubborn lithium price and our remaining investment in Onslow Iron, we will continue to take a conservative approach during FY25, deferring expansion projects and focusing on cost reduction and cash preservation. This approach was reflected by the Board's decision to not declare a final dividend for FY24.

"Our management team has decades of experience through commodity peaks and troughs. I have full confidence in our ability to manage the balance sheet and keep delivering leading returns for our shareholders."

CONFERENCE CALL

MinRes Managing Director Chris Ellison and Executive General Manager, Finance Jonathan Cowper will provide a webcast presentation on the full year results at 8:00am (AEST) on 29 August 2024. To register, use this link **https://web.lumiconnect.com/305226886** and enter meeting ID 305-226-886.

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FY24 OPERATIONAL PERFORMANCE

The Total Recordable Injury Frequency Rate (TRIFR) was 2.74 and the Lost Time Injury Frequency Rate (LTIFR) was 0.14 for FY24.[2] These increases reflect significant construction activity during the year – and safety remains a top priority for the Company.

Mining Services delivered production volumes of 269M wmt, an increase of 9% (FY23: 248M wmt). Mining Services was awarded six new contracts and renewed three contracts with Tier 1 clients. A binding agreement was entered into with Morgan Stanley Infrastructure Partners for the sale of a 49% interest in the Onslow Iron dedicated haul road for total expected proceeds of $1,300M.

The Engineering and Construction division developed all the infrastructure on the Onslow Iron pit-to-port supply chain, including the 150-kilometre dedicated haul road. This allowed first ore on ship to be delivered ahead of schedule in May 2024 and only 11 months from last approvals.

The Iron Ore division achieved shipments of 18.1M wmt across all hubs, an increase of 3% on the prior corresponding period (pcp). Mining at Onslow Iron continued to ramp up and construction of the dedicated haul road is scheduled for completion in October 2024.

The Lithium division achieved total attributable share of SC6 equivalent spodumene concentrate shipments across all three operations of 486k dmt (FY23: 293k dmt). Record shipments were achieved from Wodgina (201k dmt SC6) and Mt Marion (218k dmt SC6). At Mt Marion, the plant expansion was commissioned and produced a record 328k dmt, while the underground decline advanced in line with expectations. Bald Hill was acquired during FY24, with a total 67k dmt SC6 shipped since November. The restructure of the MARBL joint venture was completed in October, which increased MinRes' ownership in Wodgina to 50%.

The Energy division made significant progress on the pathway to gas production. The Lockyer-5 ST-1 development well achieved the highest stabilised flow rate in the Perth Basin of 104MMscf per day. Analysis confirmed low carbon dioxide levels of 3%. The North Erregulla-2 oil well test achieved a strong flow rate, with a current estimated potential average production rate of more than 1,100 barrels of oil per day. The MinRes Explorer drill rig, which is capable of drilling to a vertical depth of 5,000 metres using an automated drill floor, was deployed in FY24.

FY24 FINANCIAL PERFORMANCE

METRIC	FY24 RESULT	COMPARISON TO PCP
Revenue	$5,278M	Up 10%
Underlying EBITDA[1]	$1,057M	Down 40%
Underlying basic earnings per share	81.00cps	Down 80%
Total dividend per share	20.00cps	Down from 190.00cps
Cash	$908M	Down 34%
Net debt	$4,428M	Up 134%
Net assets	$3,584M	Up 2%
Return on Invested Capital (ROIC)[2]	5.3%	Down from 6.7%

1 Refer to note 3 of the financial statements for reconciliation of the non-IFRS measure to the IFRS financial metric reported in the financial statements.

2 ROIC calculated as per FY24 Remuneration Report definition on a rolling 12-month basis.

Revenue increased 10% on the pcp[3] to $5,278M (FY23: $4,779M), driven by growth in Mining Services revenue from Onslow Iron construction revenue and higher iron ore revenue, offset by weaker lithium pricing.

Underlying Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment (Underlying EBITDA)[4] was $1,057M, a 40% reduction on pcp and representing an EBITDA margin of 20%. Mining Services delivered a record result with Underlying EBITDA of $550M, up 14% (FY23: $484M), following growth in external crushing and haulage volumes and lithium production volumes. Mining Services Production Underlying EBITDA was $2.10 per tonne, 4% higher on pcp.

[2] TRIFR and LTIFR metrics are unaudited and are being finalised.
[3] Comparison to pcp being the financial year ended 30 June 2023 (FY23).
[4] To provide additional insight into the performance of the business, the Group uses non-IFRS measures such as Underlying EBITDA. A reconciliation of Underlying EBITDA to profit before tax is provided in note 3 of the financial statements.

Iron Ore achieved Underlying EBITDA of $394M (FY23: $185M), up 113% on higher achieved prices. Lithium recorded Underlying EBITDA of $384M (FY23: $1,325M), down 71%, impacted by weaker lithium prices despite record lithium volumes.

Statutory NPAT was $114M (FY23: $244M), down $130M on the pcp. This figure included a total $99M of non-cash, post-tax impairment charges, mainly on exploration in the Yilgarn Hub, and losses on equity accounted investments. A post-tax gain of $378M ($283M pre-tax) was also recognised on completion of the MARBL joint venture restructure. Underlying NPAT was $158M (FY23: $769M).

Operating cash flow before financing and tax was $1,909M, up 9% (FY23: $1,750M), and included iron ore prepayments of $600M. Excluding the iron ore prepayments, underlying operating cash flow was healthy and represented an overall conversion rate from Underlying EBITDA of 124%.

MinRes undertook significant capital expenditure of $3,355M,[5] with the majority for Onslow Iron, resulting in net debt increasing to $4,428M at financial year end. As at 30 June 2024, MinRes maintained a strong liquidity position of $2,833m (FY23: $1,791M), including cash and cash equivalents of $908M (FY23: $1,379M) and access to substantial undrawn debt facilities of $1,925M.

FY24 **DIVIDEND**

Considering the Group's current capital investment program, no final dividend was declared by the Board. The fully franked interim dividend of $0.20 per ordinary share is the total full year dividend.

FY25 **GUIDANCE AND OUTLOOK**

The outlook for MinRes remains very positive, particularly for the Company's core Mining Services division.

MinRes enters FY25 with the conclusion of the construction phase of the world-class Onslow Iron project and targeted ramp-up to nameplate production of 35 million tonnes per annum from June 2025. As Onslow Iron volumes increase, Group cash flow is expected to increase significantly, facilitating a rapid deleveraging of the balance sheet from early 2025.

Onslow Iron is a major growth catalyst for the Mining Services division. Earnings will grow significantly through the execution of the project's innovative pit-to-ship operations over the life of mine, in addition to a toll fee per tonne of iron ore transported over the Onslow Iron haul road. Mining Services earnings from Tier 1 clients are also expected to expand strongly over the coming years as the business delivers on recent contracts wins and renewals.

The successful commencement of Onslow Iron will significantly increase volumes and transition the Iron Ore division to low-cost and long-life operations.

The Lithium division remains focused on maximising the value of its three upstream operations in Western Australia. In the near term, the division will concentrate on lowering costs and capital spend while assessing and maintaining flexibility to increase production subject to improved market conditions. The ongoing drilling across all three deposits and nearby tenure is expected to further improve resources and reserves.

Following the success of onshore natural gas discoveries, the Energy division has advanced to the development stage. This division looks forward to further exploration and definition of numerous natural gas and oil prospects in coming years.

MinRes will continue to invest in industry leading wellbeing initiatives to retain and attract high-quality people and promote a safe community on site.

The Company always assesses options to unlock value and release capital across its diverse portfolio. A recent example is the announced sale of a 49% interest in the Onslow Iron dedicated haul road to Morgan Stanley Infrastructure Partners for expected proceeds of $1,300M. Completion of the transaction is expected in 1H25, resulting in the first $1,100M upfront payment.

[5] FY24 capex includes $417M Onslow development expenditure incurred on behalf of the APIJV which is reported within 'Cash flows from operating activities' in the financial statements. MinRes will recover this development expenditure, plus capitalised interest, through the Onslow carry-loan.

A strong liquidity position and a focus on costs, combined with Onslow Iron becoming cash flow positive, ensure MinRes is well positioned to generate ongoing value for shareholders.

FY25 guidance is summarised in the below table:

	IRON ORE			LITHIUM		
	YILGARN HUB	**PILBARA HUB**	**ONSLOW**	**MT MARION**	**WODGINA**	**BALD HILL**
MinRes Share	100%	100%	57%[6]	50%	50%	100%
Product	25% Lump	25% Lump	Fines	Spodumene Grade 4.1%	Spodumene Grade 5.5%	Spodumene Grade 5.0%
Volume (attributable)	2.0 to 3.0Mt	9.0 to 10.0Mt	10.5 to 11.7Mt	150 to 170kdmt (SC6)	210 to 230kdmt (SC6)	120 to 145kdmt (SC6)
FOB Cost	$100 to $110/t	$76 to $86/t	$58 to $68/t	$870 to $970/t (SC6)	$800 to $890/t (SC6)	$800 to $890/t (SC6)
MINING SERVICES PRODUCTION VOLUMES 295 – 315MT						
CAPEX $1,945M						

[6] Onslow attributable volumes are expected to average at MinRes' 57% equity share over the life of the project. MinRes also holds a direct interest of 3.3% through its shareholding in aquila resources.

ENDS

This announcement dated 28 August 2024 has been authorised for release to the ASX by Mineral Resources Limited's Board of Directors.

FURTHER INFORMATION

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About Mineral Resources
Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006.

For more information, visit www.mineralresources.com.au.

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