FMG Limited

FORTESCUE METAL GROUP LTD

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Companies Officer
Australian Stock Exchange
Exchange Plaza
The Esplanade
Perth, WA 6000

18th July 2003.

Chief Executive Officer's address to the shareholders meeting.

Attached is copy of the presentation made by Andrew Forrest at the extraordinary general meeting held today on July 18th 2003.

Signed,

Andrew Forrest,
Chairman.

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PRESENTATION TO

SHAREHOLDERS

OF THE

FORTESCUE METAL GROUP

July 2003

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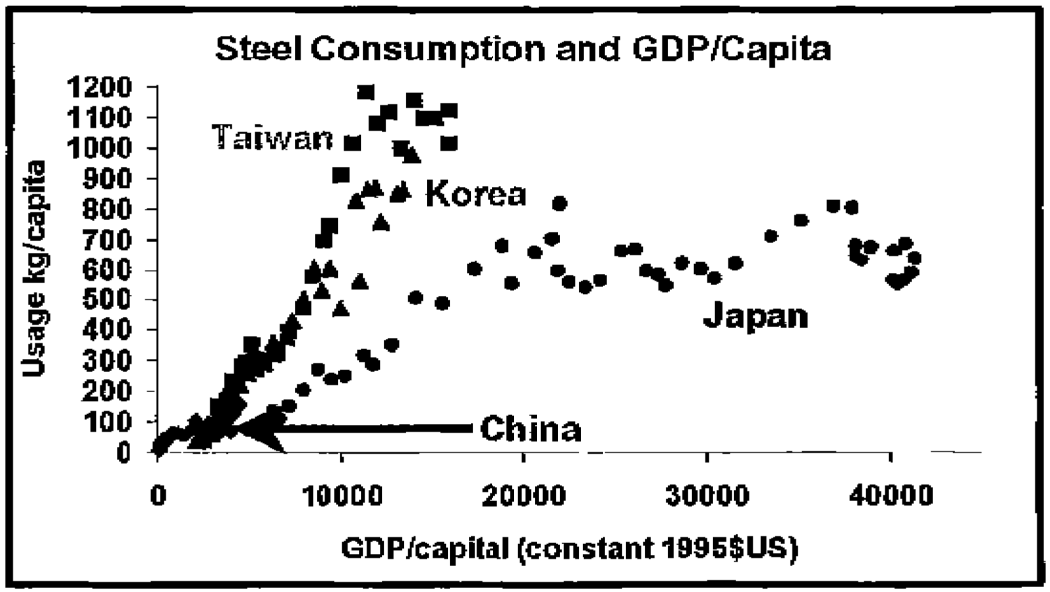
AUSTRALIA IS FACING ITS MOST SIGNIFICANT MINING INFRASTRUCTURE DEVELOPMENT OPPORTUNITY FOR THE PAST 40 YEARS

STEEL DEMAND – GROWTH!

China has enormous potential to further grow steel consumption



Source: IISI, World Bank, uses crude steel basis

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THE 80 MILLION TONNE GAP

- Current supply incapable of meeting demand growth
- World seaborne iron ore consumption forecast to increase from 480Mtpa to 700Mtpa by 2007
- But existing "best case" seaborne capacity only forecast to increase to 620Mtpa by 2007
- The world needs at least 80 Mtpa above best case

This gap represents an unparalleled opportunity for FMG and Western Australia's greater iron ore industry

Sources: Merrill Lynch, UBS Warburg

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THE OPPORTUNITY

Create a new Australian owned major iron ore group

- Iron ore is on a record growth path
- Now is the best time in four decades to REVITALISE our iron ore industry
- But, current infrastructure "control" denies new entrants
- With your support

FMG will be both

the competent multi user infrastructure developer and an additional resource provider

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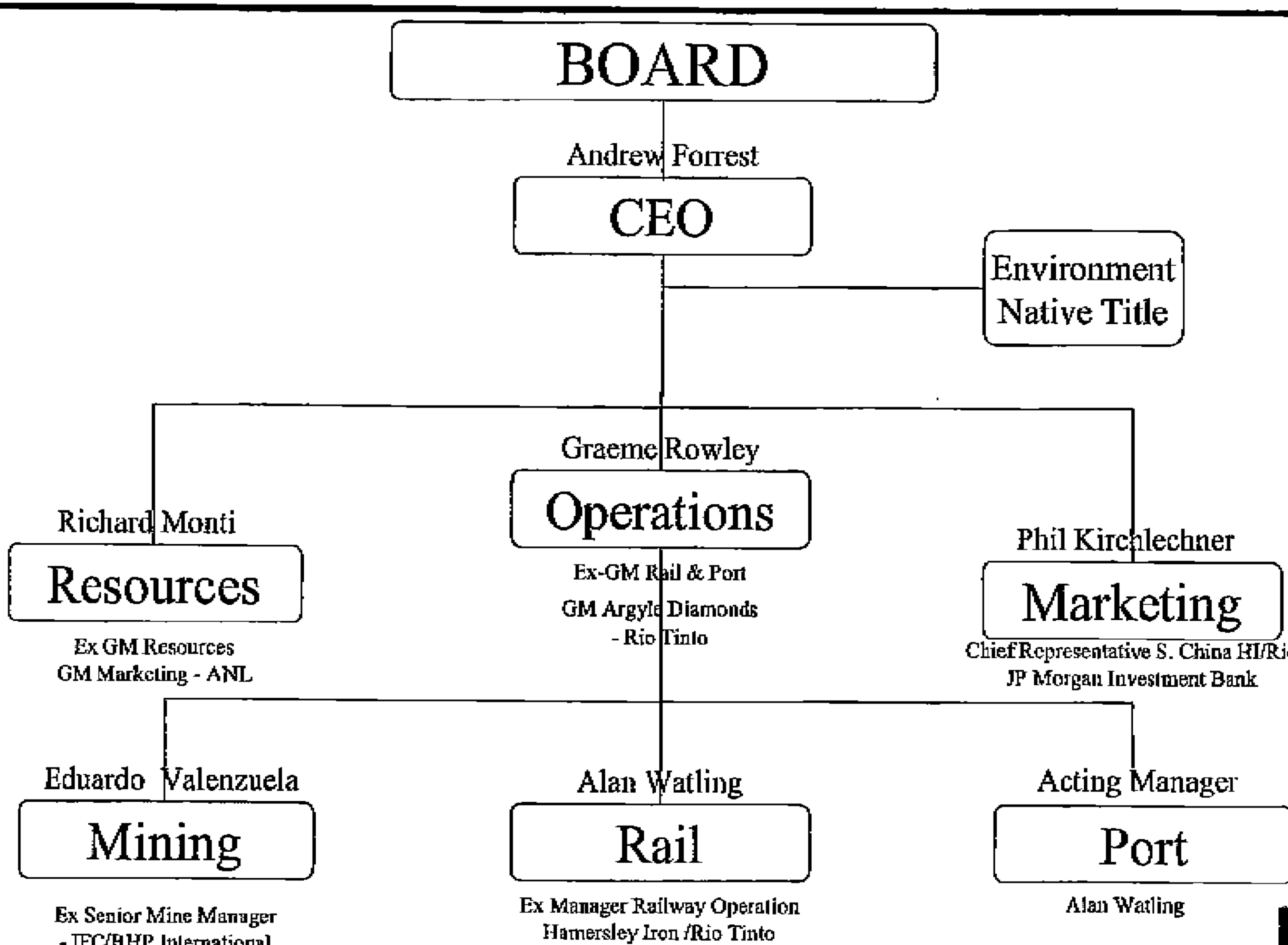
THE NEW SUPPLIERS

- **FMG drilling shows potential for huge resources**
  - Previous management estimate up to 1 Bt
  - Current potential resource estimate >500 Mt
- **Hope Downs – ready to go**
  - 400 Mt reserve in the initial mining areas
  - 810 Mt total resource
- **The resources of several other iron ore companies are stranded without infrastructure access to the coast**

SENIOR PERSONNEL ORGANISATION CHART



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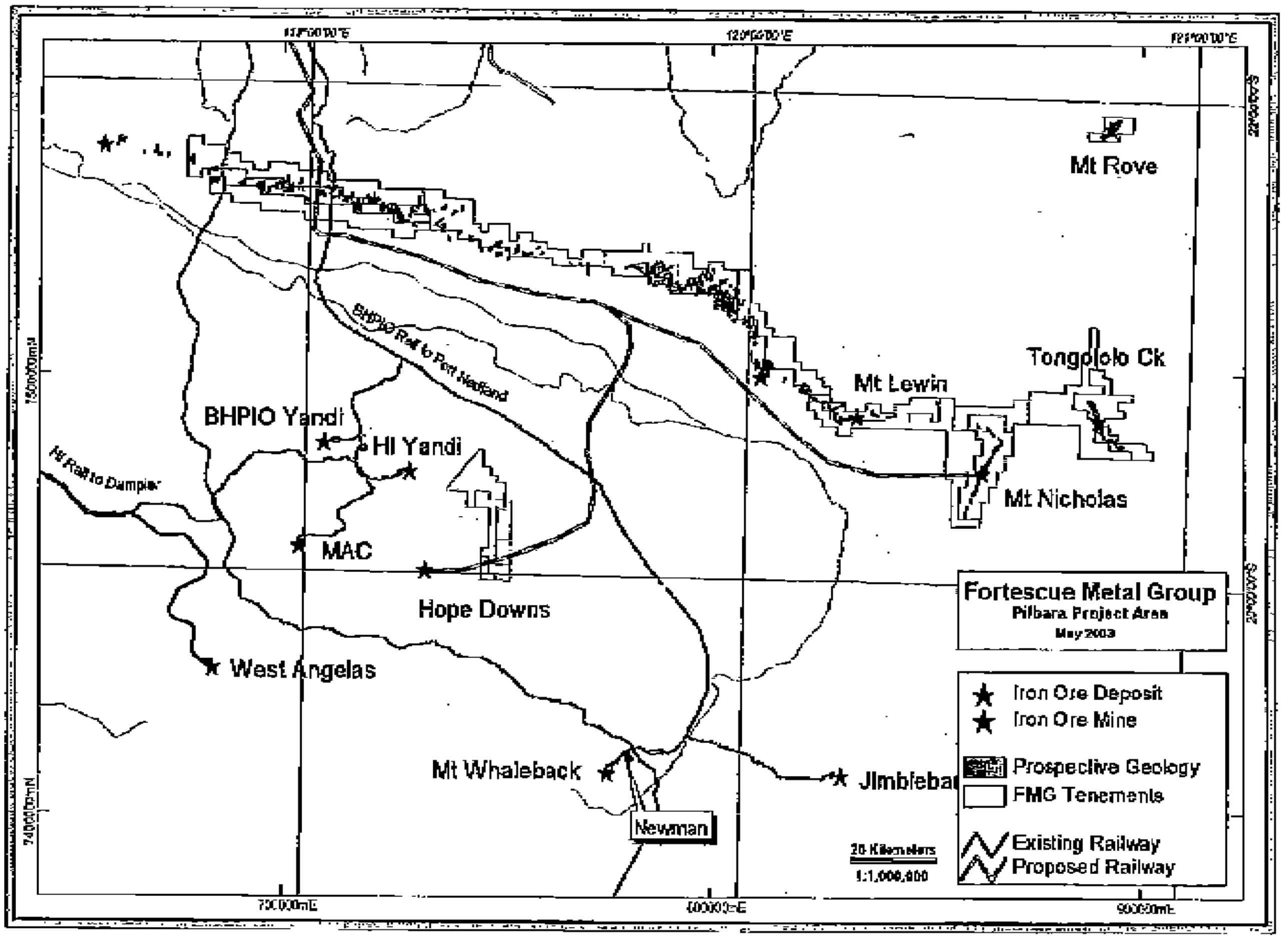
FMG RAIL AND RESOURCES



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FMG MARKETING

Goals

- Build a market position
- Achieve sustainable market share growth
- Maximise long term margins

Strategy

- Customer focus
- Sustain a reputation for quality
- Fully integrate sales and production
- Optimise customer mix and product portfolio

THE NEW RAIL AND PORT OPERATION

Excellence in Heavy Haul

- Maintain operational excellence
- Balance capital spend and operating cost
- Minimise cycle time

Loading more tonnes in less time for less cost

- Achieve maintenance excellence
- Minimise total time in port
- Produce product on spec

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OUTSOURCED INFRASTRUCTURE PRICING

- FMG will own and operate port and rail infrastructure guaranteeing
  - World class rail and port rates
  - Allow Hope Downs last right of refusal to build and finance infrastructure
  - Fairness to both parties

"FAIRNESS PRINCIPLE"

FMG offers world best practice rates to other iron ore parties. FMG will also give them the opportunity to develop the port & rail instead of FMG provided they offer the same rates.

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WHAT IS THE OPPORTUNITY?

Create:

An Australian owned iron ore group comparable in size with the current majors

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SYNOPSIS

- Growing demand for iron ore far exceeding supply – the 80 Million tonne gap
- Competitive growth in Australia's iron ore industry can fill this supply deficit
- The key is new infrastructure
- FMG will Build, Own and Operate that infrastructure

Australia captures $2b of potentially lost revenue

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THANK YOU

ARE THERE ANY QUESTIONS?