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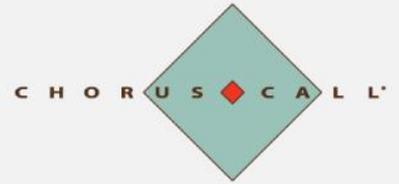
Company: Mineral Resources Limited
Date: 12 February 2020
Title: 1H20 Financial Results
Time: 10:00am (AWST)
Duration: 66 minutes
Reservation Number: 10003499

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Operator: Thank you for standing by and welcome to the Mineral Resources investor call for the first half FY20 financial results presentation. I'll shortly hand over to Chris Ellison, Managing Director of Mineral Resources. At the end of the Managing Director's address, there will be an opportunity for institutional investors, analysts and media to ask questions. To ask a question, you will need to press the star key followed by the number 1 on your telephone keypad. I will now hand over to Chris Ellison. Please go ahead.

Chris Ellison: Thank you. Good morning. I'm Chris Ellison. Welcome, everyone. Thanks for joining us. This is the Mineral Resources half-yearly results. I'm joined by our CFO, who you all know – Mark – and our Company Secretary, Derek. I'm going to run you through and give you a quick summary on where we've landed in the first half with a few of the highlights. Mark is then going to give you some detail through the financials and then I'll get a little more detailed around the operational performance and then I'll give you a bit of an overview of where we're taking the business moving forward.

Key headlines. We've had one of our best first halves ever. Our statutory EBITDA, \$1.6 billion, good result. Underlying EBITDA was \$330 million. The \$1.6 billion, as you know, has got the Wodgina transaction in it. Mining services continues to grow. I think I said at our AGM over the next three years we expect that part of the business to double. Iron ore kicked in \$185 million EBITDA. We got about \$1.3 billion cash sitting at the bank and we're going to pay everyone a dividend of \$0.23.



The mining services performed well. It's grown at about 40% but our mining services doesn't just include crushing and processing; it also includes our mining and transport fleet. We've had some good growth in that area. Crushing tonnes are up about 11% and a very robust part of the business. The iron ore - Kooly is about 10.5 million tonnes, heading towards 11 million tonnes at the end of February. We're bringing the Parker Range on board. You might remember we bought that off Cazaly last year, so all the approvals are in place. We're just finalising some bits on that but that will be coming into production as part of our blend late April, early May.

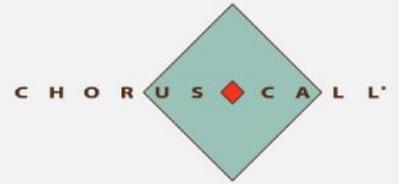
The lithium business. We're not selling a lot of lithium at the moment but we've got a pretty amazing business. We've got a lithium business that probably sits in the top 5 in the lithium businesses in the world. It's going to be a big part of Min Res going forward over the next 20, 30 years. It's probably got 40 or 50 years of lithium sitting in the ground and I don't think there's any doubt that with the push where everyone is heading with the environment that power storage is going to be a big part of the future.

Mt Marion. It's been continuing to run at a pretty steady state. It's a very reliable plant. It just spits its tonnes out regularly. The costs have been coming down. That's a short-term thing; we are probably going to get into a new pit with the strip going up a little bit going forward.

The Kemerton hydroxide plant. It is under construction and that's under the management of our new partners Albemarle and it's scheduled for commissioning in 2021, and Albemarle will deliver us a 40% shareholding in the plant once they've finished construction and start to wind up the commissioning.

Innovation has been quite strong in the business, as you know, and it's all heading in the right direction. It's mostly been successful; we'll touch on that again soon.

Safety performance. Outstanding result where we've landed with safety, considering we've had a lot of construction going on all last year. It's always very challenging bringing in the construction teams and new people into the business but we've worked through that. That's all over now.



We had about 600 of those guys on the payroll so we were sitting up at around over 3500 employees. We're back to around 3000 and a bit now. We're probably better than the top 10% of the mining industry where we've landed and the way we've managed that part of our business. It's critical. I always say it's no use having a good result financially if we can't back it up with our safety. If we can't keep our people safe, we don't have a sustainable business.

Lost time injury frequency rate. That means that the last time we had one of our people with an injury that lasted a full shift was over a year ago and we're working very hard to stay at that zero rate. Our TRIFR rate is starting to trend back down to our target, around 2.5, critically important.

Financial performance summary. Very strong half. Revenue is up, the balance sheet is very robust. Strong EBITDA as I said earlier, 52% return on invested capital. That's obviously inflated of course with the result we got out of Wodgina but nonetheless it's real and we've got the cash to prove it.

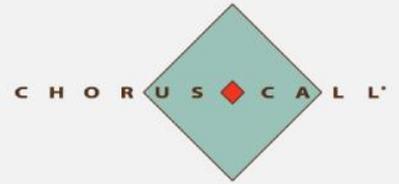
We're building a 30 to 50-year business. It's a very, very strong, robust business. It's across mining services, commodities, infrastructure, and innovative assets that we're bringing online. We've got a very solid mix of commodities across a range of geographical locations, so we've designed a business that we're trying to get it where it can weather commodity cycles over decades.

Shareholder value. Again, very strong and very compelling, what we've delivered. Over the last 14 years we've averaged 19% growth on earnings per share, 21% average return on invested capital, 26% total shareholder return growth per annum, and we've converted 99% of our EBITDA to cash, and we paid a dividend every year since we've listed so I think a good result for our shareholders.

I'll pass over to Mark and let Mark walk you through the financials and then we'll come back and have a look at a bit more detail around the operations.

Mark Wilson:

Thanks, Chris, and good afternoon, good morning depending on where you are. It's Mark Wilson here; a pleasure to be able to walk you through the results for the half and the financial perspective.



Chris has touched on a few of the key headlines. I'll take you through a little bit more detail. In the deck, this period that we've released to the platform this morning we've included a lot of material in the supplementary information so there's a fair bit of detail in the pack which should help you going forward. That's consistent with our approach in recent times to try to work to provide improved disclosure.

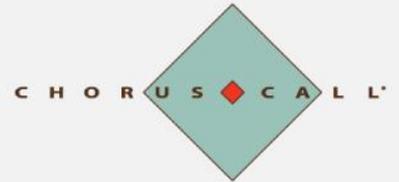
In terms of the overall perspective, as Chris said, strong underlying result of \$330 million, the headline just under \$1.6 billion of EBITDA. As Chris said, that's driven by the Wodgina sales disposal which recognised a profit of about A\$1.3 billion. That disposal, as we've said in periods past, is consistent with our approach to recycling capital. That's something you should expect us to continue to do into the future as we pursue growth.

Also sitting within the statutory - well, within the results - in addition to the Wodgina numbers, the usual unrealised losses on foreign exchange and also our listed investments, primarily in the minerals. There's a reconciliation, a detailed reconciliation of those adjustments to help you follow that linkage through in the appendix, in the supplementary information, and I'll talk shortly about impairments that we've taken in the half; that also sits in the numbers.

In terms of the return on invested capital - and I just want to touch on this for a moment because I know it's important to investors - we recognise that we're now sitting on a significant balance of cash. We've said, as long as I've been in the business, that we will continue to invest for growth. That is, what we're going to do with that cash, we will value it highly. I think the returns that Chris has just touched on in terms of our track record over 14 years shows an ability within the business to be able to invest successfully for growth.

Nothing has changed as we look to the future. Chris will take you through some of the investment opportunities that we have. From my perspective, it's an incredibly exciting period to be in the business with what we have in front of us. We will continue to target returns in excess of 20%. That's how we think about the business.

In terms of the P&L, there are a couple of key themes that I just want to pull out. One is - and Chris will talk through the mining services performance in a little bit more detail, but that's a very solid result and it's importantly driven by



performance on projects that we have already, as well as new contracts that we landed late in fiscal '19 and we're seeing the full benefits of those contracts come through in this half.

Higher tonnes through the period, as Chris said, but also broader service offering, which has led to that growth and, importantly, that's consistent with what we've said in recent periods where we've talked in terms of the growth prospects for this business. You're seeing in this result that growth emerging in the bottom line of \$172 million of EBITDA for the mining services business.

On the commodities business, a very strong performance, particularly by iron ore. Tonnes were solid. The price certainly on the PCP was much higher but costs, importantly, under control and in line with what we had foreshadowed a few months ago with our AGM release.

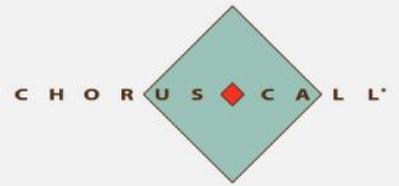
In terms of the realisations that iron - of iron ore, just to help people understand, there have been a couple of factors that have meant the realisations on an average per tonne basis are a little bit softer than you might have expected.

One is the discount, certainly for the 58% product, did open up a little bit during the period and that had an impact. Also, as we've moved to increase output at Kooly, that has opened up other opportunities with that ore body.

That's giving us access to other product that we are now putting into the market, which has a slightly different profile. As we continue to grow Kooly, you should expect that sort of profile to continue.

In terms of lithium, lithium was effectively a net zero marginal contributor to earnings in the half. That is one of the stories of the business, with the lithium market where it is, it's soft at the moment. Marion contribution was there, offset by some costs at Wodgina for care and maintenance. The details of all that are in the supplementary information. As lithium comes back on, including the hydroxide in the future, that represents a significant opportunity for the business.

Just walking quickly through some of the other features, depreciation amortisation again more detail in the back. Depreciation charged a little bit higher than might have been expected to be the case a few months ago and



that's really driven by the increased run rates coming out of Kooly. It means we're turning over some of those assets a little bit quicker.

Interest expense, we've got the \$700 million bond sitting there at 8% offset by interest earnings that we've made on the cash and will continue to make until that cash is invested.

Tax for the period was a little bit higher. Effective tax rate at about 33%. We don't see that as being anything other than a one-off and we would expect that to revert to the norms which is 30% or thereabouts, going forward.

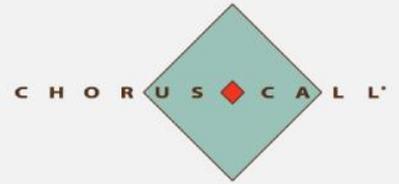
We provided in the deck, a bridge to help investors understand how the business has performed on the prior comparable period, showing the movement to take us from the \$102 that we did in the first half of '19, through to the \$330 and you can see a strong performance by both services. Mining services and the iron ore business.

In terms of the impairments, basically what is assets that we've impaired almost without exception, other than perhaps the stockpiles, were assets that were acquired in one form or another, either directly or by virtue of some sort of acquisition of a business more than five years ago.

As we've refined our operating plans over the last six months and thought about how we're taking the business forward, we've taken the view that those assets aren't required and we've effectively taken them through the impairment mechanism.

In terms of the cash flow, much better performance from the business in terms of the cash conversion this period. Just to put that in context, the last full financial year, FY19, we had a working capital outflow of over \$160 million over that year and that's reduced significantly in this half to \$13 million.

That outflow that occurred last financial year was primarily - just to remind people that it was primarily associated with the build in stocks as we grew and ramped up the Kooly operation. We are continuing to grow Kooly but through the period, we've also had the benefit of selling a significant volume of tonnes at Iron Valley and also some residual BSO holdings. So the cash performance in the business has been solid.



Just note that consistent with what we expected, we paid circa \$70 million in tax on the Wodgina transaction and profit in December, so we'd previously guided to \$400 - circa tax liability, \$400 to \$450 on Wodgina. \$70 of that has gone in December and that's hit the cash number.

In terms of the balance sheet, as I said and Chris said, we need cash. That cash balance is very valuable to us. It offers us a lot of resilience with current uncertainties globally, as Chris will touch on but it also gives us a wonderful platform to continue to grow the business with and as I said, we'll keep that with the discipline that you would expect us to apply.

In terms of Kemerton, we do have, as Chris said, effectively a 40% interest in that project as it's completed. That shows in the balance sheet as a non-current asset, effectively a receivable and once that's complete, that will come onto the balance sheet as an asset and then be depreciated thereafter.

In terms of the CapEx and the net debt, we have included a pretty detailed breakdown of the CapEx. You'll see later on in the deck that the CapEx number for the year hasn't changed but a key part of the spend over the last six months has been a deferred strip, which has happened at various sites including Kooly.

There is also the Wodgina construction that was completed during the half as we moved that project through in advance of the sale to Albemarle.

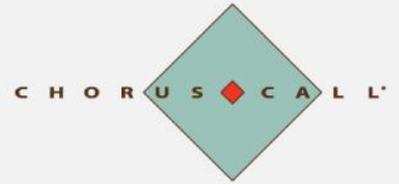
They're the major items of the CapEx and you can see in the waterfall that was exploded, the build of the net debt.

We have included the office lease, consistent with the new accounting standards, in that calculation to arrive at a net debt cash position of just under \$80 million.

So, to summarise from my perspective, a very strong performance across the board, particularly during a period when lithium prices have been very soft with cash conversion very healthy balance sheet and very well positioned for the future. Thanks, Chris.

Chris Ellison:

Okay, so operational performance during the period, for those of you that are new to the business, last year was a building year for us. This year is a growth year.



Our business, Mineral Resources, it is generally made up of four core pillars. So we have the mining services, the commodities of what we'd call the profit share and the infrastructure and innovation. So sitting in the mining service, that's the heartbeat of the business. It's the foundation. The engine room. That's where we focus. That's where we get our agility to be able to get fast movers and to be able to make sure we've got a highly productive workforce that keeps as agile.

Generally speaking, I don't think it's unrealistic to say if you just sat owning a couple of mines, life would get pretty boring and you'd get fairly lethargic. Our contracting business keeps us at the front-end of where we're going.

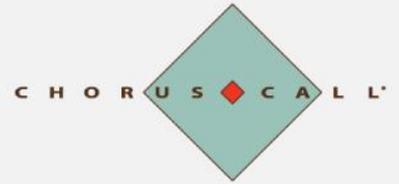
Commodities business, we operate four mines in the business. So we've got iron ore and lithium in the Pilbara and then we've got iron ore and lithium down in the goldfields, Yilgarn region. We like to be spread geographically and we're lucky we've got those locations where they are. A little bit of good planning and a little bit of luck in having that.

Then we've also, of course, we've got the 40% ownership in the Kemerton lithium hydroxide plant. We don't own that yet, that is being built by Albemarle, that will be delivered in 2021 when the commissioning starts and we'll take up ownership, our 40% then. That's part of the Wodgina sell-down of that 60%.

Profit share, we take generally an equity position and a mine asset, 40% to 100% normally. We'll fund it, design it, build it, operate it. We'll take a like for mine services contract.

Finally, on the infrastructure and innovation, what we aim for there is, we want to own strategic port and rail allocations. We run supply chain networks which are very valuable and then we have the innovation and technology which helps us develop mainly around a mining services business which, again, keeps us at the front edge of being competitive and delivering to our clients.

So performance through the mining services, first. In the first half. Great performance from our team. Total tonnes crushed is up at 11%, compared to an annualised rate of last year. Client retention, amazingly very focussed. We have lost no contracts. We've added three, in fact.



Koolyanobbing, good performance down at Kooly. We've got about a 10 million tonne run rate, we're heading up to 11, hopefully around the end of this month and then it's our intention over the next 12 months to be able to grow that out to around 15 million tonne and that's sustainable in the longer term.

The open pit mining business, so all the dirt that we dig has basically doubled over the last six months and continues to grow. Supply chain logistics, we've moved about 7.1 million tonne of ore either by rail or road, to the port and construction has started on our 15 million tonne next gen plant. That's going to be replacing an existing plant of about 7 million tonne.

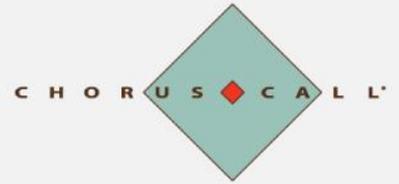
We were originally, we lit the contract to build that in China about four weeks ago and then about a week ago, we terminated it and we removed that up into eastern Europe. That was probably the only exposure we've had that's directly been affected by the coronavirus but we will keep that on track.

In the energy, we've got a study going on to put some solar power down in the Yilgarn. We want to displace a couple of megs of power we're generating by diesel and that's our continued effort to try and get the business free of diesel over the foreseeable future.

We're doing a study on a 35-meg gas fired power station and in the Perth basin, we're getting ready to start running a 250 k of onshore seismic survey and we're going to drill at least one conventional gas well about 4.5 k's deep.

I emphasise conventional because all of the region up there so far has been conventional gas and that means that we are not keen on fracking for a lot of reasons.

Commodities performance, we've laid out for you the tonnes on the three sites and Wodgina of course is sitting in care and maintenance so you can run that across your model. Iron ore prices are up, as we all know. The lithium is down and it's been on a continued decline over the last 12 months. Iron ore pricing this year, about 40 bucks a tonne better than it was same time last year. Good result. It has softened over the last month with the - mainly the news of the coronavirus. But it keeps sort of bouncing around the mid-80s at the moment. We've got an improvement over the last year of about \$0.04 a tonne on the exchange rate. So that's worth - on our grade ore it's worth about an extra \$6 a tonne. So sometimes you just get lucky with commodities. We've got everything



sort of running in our favour in iron ore. The low-grade discounts as Mark said earlier have softened a lot as the prices have been firming.

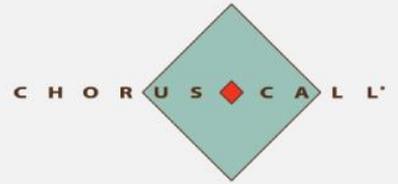
Koolyanobbing performed to expectations and guidance and as I said it's going to continue to grow tonnes. Iron Valley - it's a high cost operation but it's one of those mines that just keeps giving. It is dependent on elevated iron ore prices. If prices get down to low numbers it won't be able to deal with that. The tonnes that we're running and the costs are basically in expectations with our budget and our guidance we're given.

The lithium business, it's under pressure. We all know that. It's going to stay there for the foreseeable future. But Mt Marion has continued at its steady run rate. It just keeps delivering about the same tonnes every month. Costs of – the guys have pulled the costs back there over the last six months but it's a temporary thing. We're going to go into a higher strip pit so those costs are going to move up a bit. Of course Ganfeng has an offtake arrangement with Mt Marion. So they take all of the production.

Wodgina - pretty much totally complete the construction. Turned out to be a very impressive site albeit that it's sitting on care and maintenance. We had about 270 people up there when we shut the mine. Out of the total 270 we were able to move most of them around and we ended up with about 80 on redundancy. First time Mineral Resources has ever had to go and make mass redundancies like that. But we managed it very well. Our people - moved a lot of them around. We've still got them around the business. That will stay on care and maintenance until we see any sort of improvement in the lithium market which is a ways off.

Outlook for 2020 - crushing - we expect growth to continue at the same pace, Kooly to keep growing its tonnes. As I said we've got this NextGen plant, 15 million tonne unit, under construction. We're going to deliver that by August this year. We've got a number of high-quality opportunities in the mining services area that are under discussion. There's expectation of more significant growth in that area. Processing will remain flat. We expect the mining fleet to probably grow another 20% or 30% over the next six months.

Commodities outlook - we've given you some tonnes in there and what we expect to happen over those three sites. You can pretty much bank on Wodgina



staying shut for the foreseeable future at least the remainder of this calendar year.

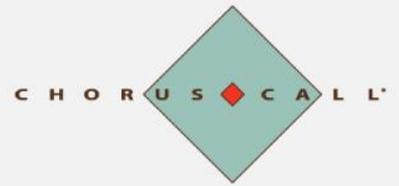
Iron ore development - an area that we're quite focused on. We've got a lot of growth in this area going forward. Koolyanobbing you understand where that's sort of heading. I mean it's laid out - as I said it's heading towards the 15 million tonne run rate. We're going to continue to consolidate that whole Yilgarn region. We're talking to our neighbours. We're locking everything that's got any signs of black. There are lots of iron ore outcrops down there that haven't been drilled. We are lining all those up. We're going to drill them. Mt Richardson drilling is starting in March.

So we'll continue working through that region. There is a lot of upside for us down there. By the end of this year we're going to have in excess of 800 people on the payroll down there. So you may remember when the McGowan government wanted to try and save that entire region and try and hold people at work - there was about 440 jobs that we saved down there. Indirectly there was probably about another 500 at the time. So well done to them. They've done a good job and we've got a good asset out of it. Our people have managed it extremely well. They've carved some more costs out of the business. So that's a good story.

Iron Valley as I said it'll just continue to tinker along at about an 8 million tone run rate as long as we sort of have reasonable sale prices.

A couple of the bigger projects going forward - Marillana we hold a lot of hope for that. We've got drill rigs up now. We're running a fairly aggressive campaign through the labs. We've probably got about another four months of work up there to see if we've got a 20 to 25-year mine life of about 15 million tonnes to 20 million tonnes a year. That ore will be coming out of there in excess of 60% Fe all going well. We're looking at - mass yield recovery is important and then balancing that with a grade that we can sell at the top end of the market.

Then in the West Pilbara we're doing a lot of work down there. We've got a camp down there, an exploration team, quite a significant study going on. We think we're going to have some very good news coming out of there over the next six months. We've got exploration drill rigs down there pumping down holes. We are doing a study in the meantime. We understand roughly how



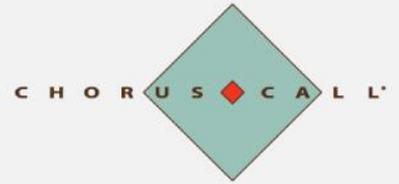
much ore we've got out there. That will be proved up over the next six months and 12 months. But we're looking at about a three-mine operation in that region. We're looking at running a medium gauge rail out to the West Pilbara.

That will deliver tonnes into Port Hedland. We are looking at building two Capesize carrier berths in the inner harbour. So quite an extensive project for us. We've been talking about that for some time but it's actually starting to get a heartbeat. We've got a very strong team doing that development.

The hydroxide - just a repeat of before - we've got a partnership with a great company in Albemarle. We see them as probably the leading lithium downstreamer in the world. They're very competent at what they do. They've been around running these chemical plants for a long time. They're building the Kemerton plant. They're actually doing an exact copy of the plant they operate in China. That's being built down in the South West. We expect that to commission around 2021. It's probably going to be from commissioning through to its ramp-up to get it to its final design of two 25,000 tonne trains it's probably going to be into 2022 when that's really starting to come into its own. But once that's built and they've finished spending the money they then pass over 40% share to us. So we don't have any exposure at all to capital. We add no dollars to that.

Perth Basin we've got about 6500 square kilometres of highly prospective acreage up there. In 2020 as I said we're planning the seismic drilling and a conventional well. We're surrounded out there by three of the largest conventional on-shore gas discoveries. Two of them happened in the last 12 months. We also have a partner up there. So the well that we're going to drill is Lockyer Deep One. Norwest Energy has a 20% interest in that with us. They've got a 22% interest in another plot, EP426 which looks reasonably prospective as well. We have a 17.3% shareholding in Norwest Energy.

Future projects - we're running fairly hard on four significant greenfield projects that we're looking at. They're sizable projects. They all look like they're going to get over the line and they'll get to development stage. A couple of them have got very high-quality infrastructure assets that sit in there that will last 20 to 40 years that will be operated by Mineral Resources. They'll add a lot of horsepower to our mining services business. As I said earlier we've got about \$1.3 billion cash at the bank and we're adding about \$50 million a month to that.



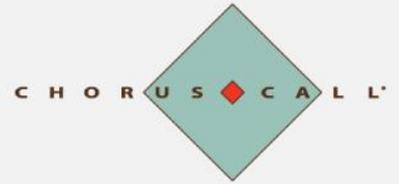
So we're going to continue to build our war chest. We're going to continue to invest as we have over the last 25 or so years.

It's nice to be in a strong cash position, not somewhere we've been before. We've always done it pretty tough. But having the cash and investing in higher quality, higher return projects I think is going to give the business significant growth going forward. But we always aim for and we are able to achieve at least a 20% return on the capital we invest. So we see that growing our business the way we have in the past is probably the best use of those funds going forward. So we have been asked in the past what we're going to do with all the cash. I always say to them we're going to do what we do best. That is we're going to be remaining at the top end of a mining services group that's probably been in the top 5% of delivering returns to their shareholders. We'll keep doing that.

Just briefly, innovation - it's going pretty well. We're expecting to be able to add some significant revenue to our business through a number of these projects. The 15 million tonne NextGen plant is a significant development, developed in-house by our engineering staff here. Very clever what they've developed with that. They can put the plant on the ground in about six weeks from zero to commissioned and ore coming out of it. In about eight weeks you can put two of them side by side. You can have a 30 million tonne operation. The capital cost is extremely low. The operating cost is low. So a great achievement we can deliver to our clients.

We'll be putting a number of those on the ground over the next 12 to 18 months. The first one is getting built now, I expect that we'll probably follow that up with another audit so we can get one in the yard ready to go straight behind that one.

Carbon fibre - we've gone a little bit slower on that. So we've finished developing the 150 tonne trays for the MRL internal fleet. We've moved on now. We're focused on developing the 200-tonne model. We expect to have that on the ground well before we get to mid-year. But we're also looking at working with a partner - the same partner we've got the NextGen plant with - on developing carbon fibre springs. We've got them on the drawing board now.



Synthetic graphite has been very successful. The pilot plant has produced 96% graphitic product. We're looking now at how to commercialise that. The BOSS system, that is on hold at the moment. We've had a couple of technically challenging issues. We're working to try and overcome those. We're confident that we will. We've engaged some external experts to help us find those solutions. That doesn't affect our Pilbara infrastructure project. That was never designed for that. The Pilbara infrastructure project needs to move significantly more tonnes. Where the BOSS system comes into its own it's a great unit for a feeder system to existing hubs.

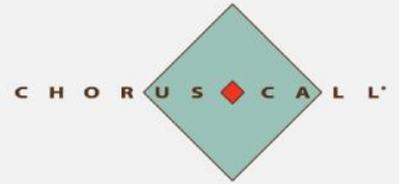
So that pretty much wraps up where we are. I want to thank our senior staff. We've got an exemplary team sitting in the business. You can see from the results that we've got. We've got a much smaller team than we've had in the past but very agile, very clever, hard working. So from Mark running the financial side of the business and getting involved much more in the operational side. I've got Mike Grey and Paul Brown that run this business and done an exceptional job for us. So well done to them.

I also want to pay a tribute to a good friend and colleague Bruce Goulds. Bruce passed away on 11 January, 2020. I had to sit down, have a conversation with him and tell him a while back that it's time for him to move on out of the business. He'd been with me 14 years and he needed to go and pay a lot of attention to his health. That broke Bruce's heart, not coming to Mineral Resources every day. Then finally Bruce lost the battle. We buried him a short while ago. But I'm sure there's a lot of you out there that dealt with Bruce over the years. He was an outstanding human being and he absolutely took huge ownership of his part of this business as we grew it over the years.

So, that pretty much wraps it up. We're out in Sydney tomorrow and Melbourne on Friday presenting. So, if any of you have got any questions, we'll field them now. Other than that, probably we'll see you out east. So, look I'll hand back to you and see if anyone wants to ask us any questions around that.

Operator:

Thank you. If you wish to ask a question, please press star 1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star 2. If you're on a speaker phone, please pick up the handset to ask your question. Please limit to two questions at a time. If you have any further questions, please re-join the queue.



There will be an opportunity for institutional investors, analysts and media to ask questions. Your first question comes from Hayden Bairstow of Macquarie. Please go ahead.

Question:

(Hayden Bairstow, Macquarie Group) Hi, Chris. Yes, thanks for that. It's a great result. Just wanted a couple of questions on guidance. I mean, you left everything unchanged, which I guess is partially prudent, given the uncertainty. But just looking at the first half run rates. I mean, Mining Services looks like it's in a pretty good position, given Kooly's ramping-up in the second half.

Also, on some of the cost's guidance. I mean, it's a similar story, I guess, is with that ramp-up at Kooly, surely we'd see some sort of cost reduction if we get much higher tonnes into the second half. A similar story for Mt Marion, I guess, given how low the costs were in the first half. Just interested in your thoughts on the decision not to move any of those guidance ranges at this point. Thanks.

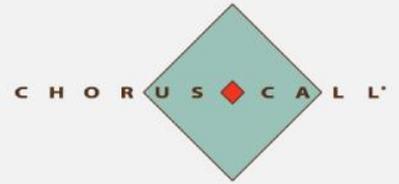
Chris Ellision:

Yes, Hi, Hayden. Good questions. First, I mean, I don't think there's any doubt that this coronavirus is going to have an effect on the mining business. It's going to have an effect on a lot of businesses from where we're sitting. We just don't understand how much of an effect it will have.

Secondly, look, over the years there's always been something that comes along that really - the unexpected that touches us. Like we've had the SARS, we've had the Asian meltdown, we've had the GFC, all of those events, no one saw them coming. I'm just not quite sure if there's a knock-on effect with this coming out. But if we get down the track to March/April and we can see a different result coming out to the guidance we've given, we'll flag it then.

But, I mean, look, I think that if we tried to increase the result now, I mean, I think we'd be a little bit foolish. Because, I mean, we can see some headwinds out there. Look, I mean, you guys can figure it out as much as we can. I mean, we're no smarter than what you are. But I think it's inevitable that there's going to be an effect, where whether they slow down shipping, or no one's quite sure yet.

But probably the one thing I would say about the coronavirus is that I think that we don't want to overreact to it. I think we just need to make sure we're doing all of the precautionary things that we can and managing our business going



forward. An overreaction would be silly. But it could be that they've got this under control. But for all those reasons, we're not moving our guidance.

Mark Wilson: Hayden, Mark. Just to extend on that and to your question on the cost side, again, that will factor into anything that we have through March/April, when we look at the costs as we increase it

Question: (Hayden Bairstow, Macquarie Group) Okay, great, thanks, guys.

Operator: Thank you. Your next question comes from Rahul Anand, of Morgan Stanley. Please go ahead.

Question: (Rahul Anand, Morgan Stanley) Hi Chris. Hi Mark. Thanks for the opportunity. I might start with Mt Marion, if I may, please? So, in terms of the first half results, we're running roughly 45,000 tonnes ahead of shipments. You're clocking roughly 480,000 tonnes on a production run rate.

I don't want to ask the guidance change question, but I guess, what I want to ask is, is there any reason for us to think that perhaps there's a difference in the production and shipment numbers being reported? Or are they exactly like for like, i.e. you built inventories to the tune of about 45,000 tonnes? That's the first part of it. I'll come back with a second question which is also on Mt Marion.

Chris Ellison: Yes, hi, Rahul. The tonnes we're running out of there, we seem to consistently ship around 33,000 to 35,000 a month. That goes pretty well. We're about to move into a new pit and the mining costs are going to go up. There is no doubt with that. I mean, our mine planning tells us that. So, that's why we've left the guidance on Mt Marion where it is, because we think the guidance we've given is pretty much spot on with what those final numbers will be. So, good costs in the first half, high costs in the second half.

Question: (Rahul Anand, Morgan Stanley) Right. So, I'm actually trying to touch more on the differential between production and shipments, Chris. So, we saw about 45,000 tonnes being produced more than what was shipped. Has that all gone to a build in inventories in the first half?

Chris Ellison: No. I mean, I'll have to come back to you on that.

Mark Wilson: It's a timing thing, Rahul. Just in terms of timing of the shipments.

- Question: (Rahul Anand, Morgan Stanley) Right. Okay, but that is all going to be shipped out, right? There's no sort of moisture differentials or anything that we need to worry about?
- Chris Ellison: No.
- Mark Wilson: No. No permanent sort of adjustment that you need to think, or work through.
- Question: (Rahul Anand, Morgan Stanley) Perfect. Okay. Then the second part of the question is more related to your grade guidance for the full year which also remains unchanged. Now, we've obviously switched to a split whereby only 63% of the first half was high grade. It looks like the second half is going to have a lot more lower grade now as well, as you wait for, I guess, new studies and study results and plans to take the plant to full 6%. Could we perhaps chat about that a bit to understand whether that's something that needs to be looked at closely in terms of guidance? Then also, I saw an announcement from Gangfeng setting aside 50 million for the Marion plant so is there a progression in the study or how is it moving at the moment? Thanks.
- Chris Ellison: No, look it's moving well but I mean Gangfeng - the 4% was only, it was an innovation the guys did a few years ago where they could add some equipment and pull that 4% out on top of the 6%. By the time we got around to changing it all in six, Gangfeng decided they really liked it and they had a plant that was almost designed for that, so they want us to keep supplying it for the foreseeable future.
- So, what we've done is we've done quite a lot of work on the plant. We've been able to throttle the plant back and not run it as hard, so that means we've turned a lot of components off and we're trying - that's giving us a downward pressure on our costs. So, we've been able to wash some costs out doing that but we're going to lose those savings as I said, going forward on the stripping; this new deposit we're moving into.
- It should only last somewhere around three to six months but once we get through that we get back to a much steadier state and a lower cost run rate in the plant. So, we'll tie those together in about six months' time and you'll see a noticeable difference.

- Question: (Rahul Anand, Morgan Stanley) Okay, so I mean in the second half then, would you be doing roughly 75% to 80%, 6% product because that's roughly what's required to be at 70% for the full year?
- Chris Ellison: No. No, we're not going to achieve that, not in the six months going forward.
- Question: (Rahul Anand, Morgan Stanley) All right, I'll pass it on. I might come back to you again for a few, thanks.
- Chris Ellison: Okay.
- Operator: Thank you. Your next question comes from Levi Spry, from JP Morgan. Please go ahead.
- Question: (Levi Spry, JP Morgan) Yeah, g'day Chris and Mark. Two questions I've got by the sounds of it. So, firstly, Mining Services, EBITDA of 172 but your guidance is 280 to 300. Is that right? What are the risks to that not being analysed?
- Chris Ellison: The risks are China throttling back on its intake of ore, of commodities.
- Question: (Levi Spry, JP Morgan) Yeah, but how does that affect that division?
- Chris Ellison: We...
- Question: (Levi Spry, JP Morgan) How will we see it?
- Chris Ellison: Well, we would be producing, I mean if China has to throttle back, they have to shut down some of their plants. There will be less ore going in. We'll have to pull back on the production. That's worst case scenario.
- Question: (Levi Spry, JP Morgan) So?
- Mark Wilson: It affects us in a couple of ways Levi. Hi, it's Mark. Clearly we have an arms' length type approach to the way that we think about Mining Services. It charges typically on a per tonne basis either internally or externally. We think of them as the same. So, if we're selling externally or crushing externally and there's reduced demand, there's a risk there. We have some sort of contractual protections in those external contracts but more on the internal side with Kooly, even Iron Valley. Mt Marion as well.
- We provide mining services to the joint venture there. If there's for whatever reason, reduced ability to transact on lithium spod, it will

impact on the Mining Services. So, all of those are possible. Do we think they're likely? We think it's a risk and all we're doing is trying to be prudent at this point in time, given that we're in the fifth week in the new period.

Question: (Levi Spry, JP Morgan) Yes, okay, thank you. Thanks for that. On Kemerton, can you just give us a bit of an update on what it looks like down onsite? What stage is it up to and I'm also just interested in when we start to think about I guess, the third and fourth train or what your intentions are for the other 50% of the Wodgina product; finding a home for it. The timeframes around that.

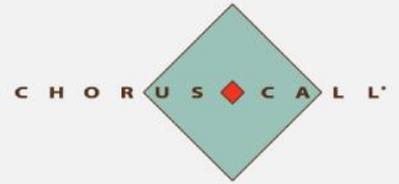
Chris Ellison: Yes, sure. So, we have no involvement in Kemerton at all but in saying that we're here to help Albemarle any way we can to get their costs down. So, we've put our crane fleet progressively is moving down there to be able to do all the heavy lifting and we've been able to save them some money on that. We're going to put some of our core construction crew down there and they're going to do some of the build. We get paid for that. We get reimbursed for anything we're doing on that.

The trains are scheduled to come online in '21 and we have an expectation that that ramp up could take six to nine months. Don't quote me on that at the moment but that's just a guess. The remainder of the ore for Wodgina, I expect that will be processed over in Asia in the medium term. I don't see any immediate plans for us at Kemerton but I'm not talking for Albemarle. They may decide to do something different but certainly for us, I think we'd top out at two trains down there.

Question: (Levi Spry, JP Morgan) Okay yep, thanks Chris. Thanks Mark.

Operator: Thank you. Your next question comes from Damien Williamson of Bell Potter. Please go ahead.

Question: (Damien Williamson, Bell Potter) Yeah, hi Chris and Mark. Just a quick question on capital management. You made the comment that you've got 1.3 billion in cash and growing. What's your view on the USD700 million bond which was priced at a bit over 8% which was really reflecting the high yield market in America last year and the hurdles that Wodgina sales still had to go through? Would you see the potential or potentials of buying that back early under the clause of that bond?



Chris Ellison: No. No, we don't - we have - I think we're happy with the interest rate we got on it. We're happy to have that bond and we're happy to have the cash in the bank considering that there's some very, very good opportunities out there going forward. If we can get - if we can invest that and get 20% plus return on that money invested, I would see no compelling reason why we would want to go and buy that bond back to - no, cash is king at the moment.

Question: (Damien Williamson, Bell Potter) This is another question on the Wodgina, with the mine going to care and maintenance. Do you see that potentially taking that mine back on board once the Kemerton modules are up and running and transferred across to you? Do you think that could be a catalyst to restarting the Wodgina mine?

Chris Ellison: Yeah, look we really haven't made - we haven't even thought about that. We're just playing it by ear because I mean there's no real indicators of when the demand is going to come back sufficient to turn that on. Look, over the last 30 years we've seen the tide change. We've seen prices go ballistic and we've seen them go through the floor. I mean, no one would have thought that last year we're going to see iron ore head up to USD125 a tonne. So, hard to know.

The one thing we do know is that in five years, 10, 15 years from now there's going to be a very large consistent demand for lithium and there's going to be a growing need for power storage. We just don't know when that's going to start sufficient to soak up the demand.

Question: (Damien Williamson, Bell Potter) Okay, thanks. That's all from me.

Chris Ellison: Thank you.

Operator: Thank you. Your next question is a follow up question from Hayden Bairstow from Macquarie. Please go ahead.

Question: (Hayden Bairstow, Macquarie) Thanks Chris, just a couple firstly on Mining Services. I mean there's obviously no new contracts or anything in the first half. Have you got any for the major renewals coming second half or are you seeing any opportunity for work with some of the majors in the Pilbara? There's obviously, in particular Rio struggling to hit volume targets of late. I'm just interested in your thoughts on that?

Then also, just on Mt Marion. Obviously spodumene prices are coming under pressure. Do you have some sort of floor price agreement with Gangfeng or if that mine starts losing a bit more money do you just keep pushing along with it or - given you've got the services contract and Gangfeng obviously makes money downstream? Or is there an opportunity or a chance that that actually could get put on care and maintenance as well? Thanks.

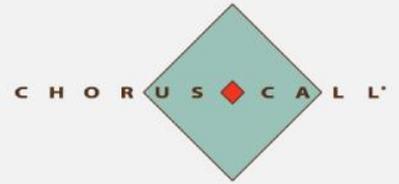
Chris Ellison: Never say never. I would think unlikely. That was Gangfeng's first source of good ore and it probably remains their only source of good ore. They own half the mine and they've got an offtake on all of it and yes there is a floor price. So, we get down to a cost plus arrangement. If the price is less than our cost of producing. It's designed so that the mine doesn't lose money.

Question: (Hayden Bairstow, Macquarie) Thanks and on the contract mining business in the Pilbara?

Chris Ellison: Sorry, yeah look I think there's a lot - there is no doubt, there's good opportunity. You can see from our growth, where we are that our team have been very successful and there is a range, as I said earlier, there's some good discussions going on and some opportunities that are sitting out there. We generally grow that business at about 15% a year. It's been more than that in the first half. It's going to be more than that in the second half. So, look, we are all over the opportunities that are sitting out there and we'd like to think we're going to continue to get more than our fair share.

Mark Wilson: Hayden, just if I can jump in to add to that, these opportunities typically take some time to negotiate. Occasionally they take longer than we would like, longer than we might expect but we typically get there in the end. So, there are a number of opportunities that we're pursuing. They're really underpinned by a few things. One is the ability of our business to perform with a high degree of safety, which is really important to our clients and to ourselves of course.

The second is productivity and we can show and have shown in the past that we're more productive than others in the sector. Then, the third piece is the IP that sits in the minds of our team. They're key



differentiators for us and that's what is driving those conversations with clients.

Question: (Hayden Bairstow, Macquarie) Okay, great thanks for that guys.

Operator: Thank you. Your next question comes from Matthew Chen of Softer Stockbroking. Please go ahead.

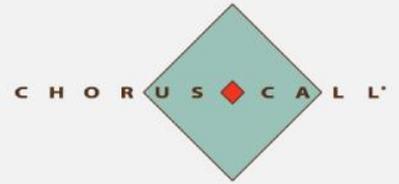
Question: (Matthew Chen, Softer Stockbroking) Hi Chris, hi Mark. Just wanted to get a sense of where your end users for your iron ore product are situated in China, the channels and the ports that the shipments are going to, returns from the Chinese New Year holiday at the start of this week, you might have some early indication of how things are playing out after the outbreak of the novel coronavirus. Thanks.

Chris Ellison: Yeah, look I haven't heard of any ships being turned away or laid up. There is a - the first issue that they've put in place is that any ships that leave China and come down to Australia, they've got to be 14 days clear of China. So, that just means that they want to know if they're all safe and well. So, if they get here and after 12 days steaming they park up for two, but I haven't heard of any ships being turned away and certainly none of our clients have asked us to stop or slow down. But I think we're all waiting for this weekend and that's when a big chunk of the, well the remainder of those that aren't back at work come off the new year and we're going to see a few hundred million people moving across China.

So, within the next seven to 10 days beyond that, that's when we get the indication on how bad this is going to get or how good it's going to be. So, in saying that there are a number of the smelters up there that are operating now, but there's a lot of them that didn't turn on. They run on a skeleton staff, so a lot of those are unaffected. I certainly know the guys from Albemarle on their hydroxide plants they're running, there's a few up there that aren't, so it's a bit patchy. But look, the real test comes at the end of February once all that migration back to the cities happens and they have time to see who has actually picked up the virus.

Question: (Matthew Chen, Softer Stockbroking) Okay, great. Thanks.

Operator: Thank you. Your question is a follow-up question from Rahul Anand of Morgan Stanley. Please go ahead.



Question: (Rahul Anand, Morgan Stanley) Hi. Thanks again for the opportunity. I just wanted to touch a bit on the mining services business. Mark, perhaps you can help here as well. First half '20 mining services EBITDA, taking out the negative \$10 million from construction, that \$182 million number, that's basically all ongoing business, there's no initiation payments of crushing or anything lumpy in there? That's the first part of the question, and then the second part is if you look into next year, the extra 15 million tonnes per annum, that's over and above this ongoing run-rate. Am I right to think of it that way?

Mark Wilson: That 15 million tonnes plant that we spoke about, the NextGen 2 plant, that's replacing an existing 7 million tonne plant. It's net of about 7 million or 8 million.

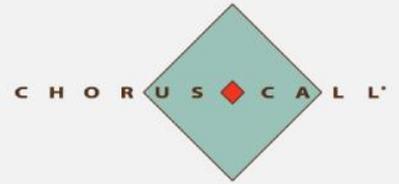
Question: (Rahul Anand, Morgan Stanley) Okay, understood. Any lumpy payments at all in that \$182 million number, Chris, in terms of sometimes there's initiation payments for setting up crushers et cetera, so anything of that sort in there?

Chris Ellison: I wish. No, there's nothing. No initiation gifts or anything of that matter. They're just not that generous anymore. In the old days we used to get them, the welcome to the site payments but now they tend to - now that our balance sheet, they say we can afford to get it there ourselves and spread it over the life of the mine. But no, they're all normal operating charges; there's no lumps in there.

Question: (Rahul Anand, Morgan Stanley) Thank you, that's very clear. I'll pass it on.

Operator: Thank you. Once again, if you wish to ask a question, please press star-1 on your telephone and wait for your name to be announced. Your next question comes from Scott Cashton of SHA Energy Consulting. Please go ahead.

Question: (Scott Ashton, SHA Energy Consulting) Good morning, Chris and Mark. Just a quick question on your energy business in WA. You've been pretty well known for making astute deals at the corporate and also at the asset level, so just wondering why don't you throw a bit more money at the energy business? You're only doing one well and a bit of seismic, so probably just on the back of that, what's the cost of the well that you plan to drill. I think from memory last year you were indicating maybe a three-well program so what sort of change there in going after a fairly big prize in terms of gas?



- Chris Ellison: Yes, interesting you should say that. We've been - I was going to say we've been playing with that for probably about 18 months or two years, that's probably the truth of it, but we've got a plan on where we're going on that. I can't share it with you at the moment but we're going to do something pretty amazing over the next few months that you'll be really impressed with. That will turn out to be a very good asset for us, and I'll give you some more news on that in about six months from now. We're doing something we think is pretty amazing with it.
- Mark Wilson: Just to explain on that - hi, Scott, it's Mark - we do see significant opportunity in that energy space and it does get a fair bit of attention internally.
- Question: (Scott Ashton, SHA Energy Consulting) Yes. I suppose again, I appreciate all that and I'm certainly not going to push you on it, but when you're generating \$50 million a month and the cash position that you've got, you're in a very privileged financial position to make some really meaningful changes, especially if you're going to build a multi-decade business on a couple of commodities. I hope you're not just doing a capital-light approach to really going after the gas, irrespective of the fact that you've got two other guys that have got what collectively may be 2 Tcf of gas if you find another Tcf there. That's money for jam for your business, I would have thought.
- Chris Ellison: Yes, it is but it's great to go and find the gas. It's like finding iron ore. Finding it is one thing but being able to monetise it and make some serious return off it is probably - that's where the trick is and I think that we've come up with a good solution on what we're going to do with that. But look, you'll be happy with the results we get on that, so just give us a little more time to be able to consolidate that.
- Question: (Scott Ashton, SHA Energy Consulting) Appreciate the feedback, Chris and Mark, thanks. That's all.
- Operator: Thank you. There are no further questions at this time. I will now hand back to Mr Ellison for closing remarks.
- Chris Ellison: Okay, thanks. Look, thanks everyone for joining. Thanks for your support that you've given us over the years and over recent times. We are - as always, we're focused on trying to deliver for our shareholders but also importantly, delivering for the people that work in the business as well; it's a circle. As I said



earlier, we'll be out in Sydney and Melbourne tomorrow and Friday, so we'll catch up with some of you then if we're not competing with anyone else that's delivering better results, and we'll be able to probably give you a little more detail. But look, thanks for joining and we'll see you over the next few days.

[END OF TRANSCRIPT]