**TRANSCRIPTION**

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**[START OF TRANSCRIPT]**

Operator: Ladies and gentlemen, thank you for standing by and welcome to Mineral Resources Investor Call and Presentation for the Half Year 2021 Financial Results. I will shortly hand over to Chris Ellison, Managing Director of Mineral Resources.

Please be advised that today's call is being recorded and the presentation contains forecast and forward-looking information. You should carefully read the disclaimer at the back of the presentation. A copy of the presentation and a transcript of this call will be posted to Mineral Resources' website under the new section at mrl.com.au.

At the end of the Managing Director's address there will be an opportunity for institutional investors, analysts and media to verbally ask questions. If you wish to ask a question via the phone, you will need to press the star key, followed by the number one on your telephone keypad. If you wish to ask a question via the webcast, please type your question into the ask a question box. I will now hand over to Chris Ellison.

Chris Ellison: Thank you. Thanks everyone. Good morning, welcome to Mineral Resources' half year result. If you dialled in for that you're in the right place. I am Chris Ellison. I am going to be joined by Mark Wilson, who is going to - will run us through the financials.

We have had another fairly solid year. We've been able to follow on from our results from last year. It's got better, solid, no surprises and probably almost predictable, but the business is operating extremely well. We have continued to manage through COVID. I mean it's still out there in the world, I mean it's something that we work on every day to make sure that our people are safe and well and healthy.

Over the next few minutes, I'm going to tell you where we've been over the past six months. I will talk about the performance of the business, we will have a look at where we're going over the next three years, where we're going to take the business and we are going to give some guidance around production and opportunities. Towards the end, as I said earlier, Mark will come in and will walk us through the financials and if we've got any time left at the end, we'll have some Q&A.

Highlights for the year. So far, we have survived these uncertain times. We've thrived in fact. We've done incredibly well. Revenue is up 55%. Our first half EBITDA is almost equivalent to the whole of last year and we are going to pay a dividend of $1.00 a share to keep our track record intact.

The mining services continues to grow at as good or if not better than its normal growth path. We are up 23% on volume and we're up 37% on EBITDA. We're commissioning three plants right now, three crushing plants. All going well they're just over 31 million tons of capacity. Commodities have performed incredibly well in the face of a number of challenges that our business has had to face this year.

Control of costs has been a highlight. Costs are extremely well managed. We've invested heavily in iron ore over the last few years. We are reaping the benefits of that. Production is up 38%. Lithium, pricing as we all know is not great. We've been in a very flat market.

The Mt Marion mine site has continued to run extremely well. Again, cost control has been another highlight in being able to pull the costs down. Probably the only spodumene producer out there that's running a mine at full production, plus we've been able to pull the costs down substantially. The Kemerton hydroxide plant is progressing very well in light of the fact they've got a lot of challenges still around this COVID.

Sustainability, another outstanding result. Credit to the staff and everyone in the business on these sorts of results. We've kept the LTI rate at zero which is almost unheard of in a business like ours. The TRIFR is down below three, which is our target, we're down at 2.75 mark, but while all that's been going on, we've added 800 new people to the business.

To be able to bring them in and make sure that they've got the culture and make sure that they understand how important the wellbeing and safety of our people is, is always a challenge and to be able to bring those statistics back to the level they're at now is - we'd be one of the few that's achieved that. We've put a lot more focus on our wellbeing of our people around mental health as well.

This is another area that we're growing and I think we're seeing a lot of benefits out of that, making sure that the people know that they're cared for and their health and their state of mind is incredibly important, particularly in times like we are in now with all of the different challenges that are getting around just in Australia with bushfires that keep coming and going and the COVID. Luckily, we had a flood to put the bushfires out but I'm not sure what we're going to face next month. I mean trying to keep our open pits running and trucks on the road while all that goes on has been quite challenging.

Sustainability performance again in terms of our people, new apprentice intake this year, the best we've had so far. We have got 16 we have brought in, so we've got 54 in total. Incredibly important to make sure that we've got a workforce for the future. People have become the major focus in the mining industry and making sure that we've got good quality people that can deliver is important. Trainees and graduates, our intakes, it's around 72 people.

The focus on supporting the community and issues out there, we've got 40 charities that we're supporting sitting around health, wellbeing, education and employment. Our spend in WA, over $500 million. Tax paid over $400 million. We've committed to zero emissions by 2050 at the latest. Realistically I think we're going to achieve it a lot sooner than that. We've developed a road map on how we're going to get there.

We've got some issues out there we're yet to have technology to be able to solve but we'll keep delivering at least twice a year on a road map on how we're going to progress through to achieve that result. It's easy to be able to stand here and say we're going to do it, but more importantly it's how we're going to do it and how quickly we can there.

Stage one of our emissions control is to simply try and eliminate diesel. It's the worst pollutant that we have in our business, so we've been working on that over the last four years. We've made some good results. Our first step is to get rid of that by using solar power, wind power, we're going to use natural gas, LNG, so it's going to be a progression of being able to reduce the damage that we're doing getting right through to zero. As I said, I think we can, with the focus worldwide now, I think we're going to have better technology and better innovation to be able to bring that on a lot quicker.

Financially, the business remains in incredibly good shape, a great balance sheet. We've got plenty of fire power and more importantly we've got some extremely good management around that. So, I'll pass over to Mark to let him walk you through that.

Mark Wilson: Thanks Chris. Good morning. A pleasure to be here to walk you through the interim results for the Group for the half. The numbers we've released this morning I believe reflect another strong half of operating performance across each of our businesses. I also believe they show the benefit of our commitment to reinvest for future growth.

Starting with underlying profitability. I am pleased to report the Group has delivered record underlying profitability for the half with EBITDA of $763 million and net profit after tax of $430 million and those results have been achieved - they don't include unrealised gains of over $160 million sitting in foreign exchange and in the value of our listed investments. Full reconciliation of that is in the appendix. Those items are non-cash I emphasise.

As Chris said, the EBITDA result is broadly in line with what we delivered over the last, sorry, over the previous 12 months. A very strong result and it's come out of strong contributions of each of the mining services and commodity businesses. As Chris said, revenue is up 55% and the underlying EBITDA is up 131% on the prior corresponding period.

Depreciation and amortisation, generally flat, in line with the growth in business. Effective tax rate back to 30%, as we had foreshadowed and as Chris said, the Board has declared a fully franked dividend of $1 a share, and that represents a payout ratio slightly less than half of net profit after tax.

A year ago, we reported underlying EBITDA of $330 million and this next chart shows the build of this current result. You can see from it the clear driver has been the increase in the iron ore price over that period, but the point I want to make is that this half is not just about the iron ore price. What we've seen is strong margins being maintained through the business, particularly in the mining services business. We've seen great cost control throughout the business and in very difficult circumstances, a lot of cost pressure starting to emerge in the business and commodities cost generally performing extremely well.

Volumes are up across each of mining services and commodities and if you were to exclude the impact of the iron ore price movement, the business underlying profitability is still up 25% year-on-year or half-on-half.

In terms of our cashflow over the period, key impact has been working capital as a duration of $108 million. Major driver for that has been increase in trade receivables of $178 million. That balance started to increase towards the end of the half as volumes started to increase, shipping volumes started to increase and the iron ore price started to increase, and I would expect that balance to reduce over this coming half.

Over the period, towards the end of the period, we moved to respond to the Federal Government initiative to ensure fair payment terms for small business. We've taken steps to implement change in our system to ensure that small businesses that supply us, they represent about two thirds of our suppliers, are paid within 30 days. Those changes won't have a material impact on our working capital position.

Other drivers in cashflow through the period have been CapEx, which I'll talk about shortly, and tax. At the end of the period we paid $322 million to the Tax Office for the final payment on Wodgina profit, making the total payments paid in respect of - tax payments paid in respect of that transaction just over $410 million.

In terms of capital expenditure, the typical sort of sustaining CapEx spend on deferred stripping and the commodities business continuing to invest in the support and growth of that business. In terms of the growth aspects of CapEx, the major item in the commodities number is the Wonmunna expansion, Wonmunna investment sorry, and deliveries we've previously advised to market. We expect to spend about $126 million on that investment and we're starting to see that come through this half.

On the mining services spend, that represents investment in growth - investment in opportunities, which will deliver higher production over coming periods. We're also investing in this half, we've previously advised that we've made an office acquisition. We're investing again to support the growth of the business, we're supporting infrastructure as well.

As a result of these changes over the half, we've increased our capital expenditure forecast for the year, our guidance, to $600 million. Details within the appendix. The major driver of that increase is Wonmunna. The balance represents increased investments in our mining services business.

In terms of the balance sheet, I think the notes there are pretty self-explanatory. The key point I want to emphasise is we finished the period with the $1.1 billion in cash, a very strong performance.

The following slide shows the movement in our net debt position over the half. We've taken the net cash position at the start, made a few adjustments including for the Wodgina tax payment to get to a pro forma balance at 30 June of minus $8 million. So the net debt, you can see there that we finished the period at a net debt position of $75 million. So a small increase in the net debt over - more than, more than explained by the increase in trade receivables of $178 million in the period.

Before I hand back to Chris, I just want to take a couple of minutes to reflect on some of the financial aspects of the business over the last four, 4.5 years. Over that period, we've worked hard to grow our core mining services capabilities. We've broadened the offering, we're offering a broader range of infrastructure solutions to the mining industry throughout Australia. We've leveraged that capability, that deep capability, into growing our commodities business and that commodities business as Chris said is performing extremely well.

We've made these changes, this growth, without increasing our equity base, issuing fresh equity. We've maintain our gearing levels at conservative levels. So with both of those changes, there's been an increased diversification of our business, greater production, greater production capacity, increased revenue and more reliable, more predictable earnings and cash streams.

How do we do that? We do that by taking our capital base and ensuring we invest it prudently. We target returns of at least 20% after tax, return on invested capital basis when we're evaluating our investment decisions. We take a conservative view in terms of the commodity price needed to make a project stack up. Over the last 4.5 years, we've accumulated 3 quarters of a billion dollars' worth of free operating cash flow as a result.

The group has an extremely bright future. We're well-placed financially to ensure that we deliver on the opportunities in front of that. With that, I'd like to hand back to Chris. Thanks.

Chris Ellison: Thanks Mark. Operationally, let me just talk a little bit about the business and anyone that's new to the business, I'll tell you a little bit about what MinRes is. We are the unique organisation on a world standard. We have a unique group of people, about 4000 people in the business and without doubt, the leaders of each of the divisions and parts of our business, collectively the best group of people I've ever had the pleasure of working with in my career.

They've been around awhile and they are incredibly good at what they do and they're the people that have created this business we have. I'd rate Mineral Resources probably the top of the mining services in Australia, possibly in the world because I think Australia is probably the best in the world at mining and commodities and all the good things that we do. So we're a West Australian headquartered business. We've got about 4000 people in our business full time. We're headquartered in Perth and most of our operations are in Western Australia which is arguably possibly one of the best mining regions in the world.

We've got a high social acceptability in WA for mining but we're very good at it. We protect our land. We're very environmentally conscious, the mining industry right across Australia and I think what we leave behind is without doubt probably the best in the world.

There's four pillars in the MinRes business. I mean they're basically our mining services, iron ore, our lithium and our energy and innovation. The mining services part of the business is where we started. It's the heartbeat of MinRes, foundation of the group and it's that engine room that gives us the culture and the drive and that can do, well we can make anything happen in a fairly short period of time but we can do it extremely well. We can engineer everything inhouse. We can construct it. We can own it. We can operate it. We can fund it. We have incredible core competencies to achieve all of those parts.

The iron ore business, we've got three operating mines, two in the Pilbara, one out in the Yilgarn. The Yilgarn mine has been around probably for about 18 months now we took it over, and it was a forgotten child and we've rehabbed that. I'll talk a bit about that a bit more later. Probably in the top five iron ore mine that's in Australia. In the lithium business we're probably in the top five producers in the world. I mean our lithium business is very strong and robust. It's just the price of lithium isn't great at the moment, but I think give it another couple of years, it's going to be a fairly significant contributor to the business.

So we've got Mt Marion, a joint venture with Ganfeng from China, a very, very good partner, very competent. It's been a very successful operation. The MARBL joint venture, again another world class partner in Albemarle. It's a 40/60 joint venture with us having the 40 and we're currently building and getting ready to start commissioning a fairly major hydroxide plant down in Kemerton. That's getting very close to the first train going into commissioning phase.

Energy and innovation - we've got a large landholding in the Perth Basin. The land is highly prospective, we've done a lot of work on it. We expect in the next couple of years to own and operate our own gas out there and be able to use that. Going forward, we'll be able to reduced our carbon footprint. That'll be part of our journey.

The multiple innovation project we have, particularly around green energy and carbon fibre, transport systems with - being incredibly innovative on how we can move dirt from a mine site to the coast and then we're working on the transhipping which I'll talk a bit more about when we get to Ashburton.

So in our mining services business, over the last six months, again I mean it's a carbon copy of the previous six months - performed extremely well. Very competitive in the market, very strong on delivery to our clients. Volumes are up 23%. EBITDA as I said earlier, up 37%. We've had two new contracts during the period and we've had two contracts renewed. So our customer retention remains at the very top end of the charts, so again, people at our mining services business are very focused on customers and very focused on making sure we do as we say.

We're operating 23 crushing plants around the country. As I said, we've got contract mining, we've got 19 open pits, construction division. We generally run a fair number of people in there. We've had a lot of people in that division have been with us 10 to 20 years, incredibly good at being able to deliver major projects on time and they're generally bringing it on budget or a bit better and they've been like that for more than a decade, but just one very large core group of people and equipment that is run incredibly well.

We've built - the Wonmunna mine site, we acquired that in about September and we're turning it on as we speak now. Carina, we decommissioned that mine so we've got more iron ore going out at Carina and some of that's going out to Kwinana. We've just started loading out through Kwinana again.

Again, as I said on the energy, we've got exploration activities have progressed well and we're preparing to sync while up in the Perth Basin and the landowner negotiations are going extremely well. So that's almost ready to go. It's just a matter of getting a hold of the drill rig. We're in line to get that sometime later this year.

The long term on the mining services business – it generally grows at about 20% per annum. I know I say that every time I stand up here and it always does better than that. As I said probably 18 months ago, it'd double over the next three years. I think it's close to getting there now. Our margins have always been very healthy inside that business, mainly because we are innovative and being able to deliver high-quality equipment, we're able to manage and operate that, control the cost and be consistent on putting the tonnes on the ground. Business provides very predictable cash flows and that business has got very, very long annuities threads, so very easy to be able to understand where you're going to be at five or 10 years with that financially and looking ahead, substantial growth opportunities.

Commodities, we've provided what we think we're going to deliver in terms of tonnes, costs, revenue. Again the cost control as we said earlier, has been again very good, incredibly good. I mean it's been some tough times from there. We've had some challenges, I said, down in the Yilgarn Hub. We took over a mine that was extremely rundown, way behind the eight ball in terms of approvals, no mine planning in place, all the infrastructure was very tired, but we've been working hard on that and the team have fixed that up almost.

We've got a bit more work to be done down there, but they've got it in incredibly good shape. We've got a pretty good mine plan down there; we're working that out to a 10-year plan and we'll get there. We've had dewatering issues in the Deception pit, we've overcome those. We've finally got approval for that. So all of these things are going to help us to be able to better manage the quality of the blend coming out of there in the next six months. As I said earlier, we're shipping out of Esperance and Kwinana. We've got Esperance pretty much choked and as we get better and better each quarter, this financial year gets better in terms of volume and the better the volume, again, the better the cost control.

Utah Point Hub, again solid performance, mainly the dirt coming out of Iron Valley. The lithium, we're seeing an increase in demand finally. We're starting to feel the prices are starting to lift out there. I mean it's going to be gradual over the next sort of six months, but as I said, I think two years down the track our lithium business is going to be a very strong performer, it's going to add significant value to Min Res.

Mt Marion, we had one shipment that was the third from quarter two to quarter three, otherwise everything went fairly normal down there. Production up 36%, exports were up 8% and our costs 15% lower than the previous. So trending in the right direction again with Mt Marion.

Kemerton, the construction is going extremely well down there. The Albemarle team have done a great job; got about 1250 people on site; we've got probably 20 of our cranes down there helping them. We've got one of our core construction teams down there also just making sure that we help them wherever that we can to get that delivered, but around April for Train 1 and October for Train 2 at this stage, all things going well.

So that's sort of what we've done over the last six months. Doesn't sound like a lot, but we're busy here every day. I mean we're all sort of here in the business here every day, we're focused, we're running an essential service, we've been able to keep our core operational people in the office during the recent lockdown, but we're well versed on how to manage that and how to make sure that we've got the right social distancing.

Great credit to our people, we had probably the largest COVID gold testing facility up and running within 24 hours of a case coming live. We have got probably the two largest testing stations in WA. We opened that up to the government, to the public, so that we could help wherever we could with that. We're still testing our people to make sure that everyone then goes to the sites free of the virus.

So growth strategy going forward is probably the part you'd like to glean as much out of as you can and we'll tell you as much as we can. So our four pillars of the business is obviously where our focus is. We're going to continue to build the crushing business with the normal external work that we do out there. It's a good own-operate model. It's got high-quality equipment. We've got great innovation and it keeps us pretty much ahead of the competition.

We've got a balance sheet now that allows us to be able to take advantage of good opportunities when they come along, so the sort of things we're looking for going forward, this was a summary in the mining services business, we're looking at build own operator with our own ports, we've got a couple of them that we're looking at. We want to have privately owned transport systems where again we're looking at two of them up in the Pilbara.

We want to continue to identify joint venture opportunities with high-quality, complementary partners, like we've been doing through the last decade and we've been very successful at that. That's something we want to carry forward. In those joint ventures we're able to provide them security in terms of how they operate with our skill set we have here, with the local guys on the ground, but we will be looking at securing more of those mining services contact, life-of-mine type contracts in those joint ventures.

In the iron ore business, we're going to extend the Yilgarn and the Utah Hubs. We're going to get a good mine plan around them for the next decade out to make that a lot easier to manage. We're going to establish the Ashburton Hub. We're going to develop a carry capacity shipping through Port Hedland to support our Pilbara Hub.

In lithium, we're going to look over the next two to three years of being able to build out a lot of hydroxide capacity so that we simply stop selling spodumene. We want to be able to convert all the spodumene that we produce into hydroxide and then we want to be able to deliver that out to the battery makers and we want to do that obviously with our partners.

The clean energy and the innovation side, we aim to own our own natural gas, that's a key part of our strategy going forward. Then on all of our major projects, we're looking at solar, wind and any new developments that we can make work to eliminate firstly the diesel.

So just a little more detail around where we're going on the mining services, as I said, the unique skill set, the innovative equipment that we create, develop the opportunities and we do that in multiple ways. We do that directly with our good clients that we've been out there working with for the last 10, 15 years and longer and then we also take advantage of opportunities where there's stranded deposits and commodities that are out there that we can use our skill set, our equipment and be able to deliver that to value somewhere, we can get it to a port, get it to customers that want to buy those products and we do that sometimes on our own, sometimes we do it in joint venture with partnership with other organisations.

We've got the balance sheet to be able to do that. We're looking at the moment on projects where we can set ourselves for 30 to 50 years and we want A-grade infrastructure and resources to do that. So we've identified how we're going to do that, so we're going in the mining services, we want to own and operate those ports, haul roads, we're looking at four to five major crushing hubs that we're going to develop over the next three years and we're going to establish a trans shipping business and we aim to commence with about four 20,000 tonners that we've been able to design and develop, not just in house, but with some of the experts around the world in North America and Europe. So we're close to having a lot of that ready to go into construction phase.

We're always subject to approvals, so we're working through a whole range of approvals, you can imagine and through the mining, the haul roads, the miscellaneous licenses, getting the approvals with the ports and where we're going to put all our storage, all those things. It's intense; our teams have been working on that now for close on a year and we're getting very close to being in a position where we can make some sort of solid announcement. We'll keep you abreast of that.

We're looking to develop, as I said, South West Creek and Port Hedland. That was set aside by the government in 2008 and it was to be used by emerging mining companies, juniors they call them, junior miners, but generally those companies that have got a balance sheet but they don't own a rail and port system like the big guys. That would be us. Mineral Resources is probably the only emerging iron ore miner with the financial capability to be able to develop those berths and we're waiting on ministerial sign off and anticipate a decision will be made sometime shortly after the election.

So great strategy in iron ore, the hubs for our existing operations both in Utah and Yilgarn. The Utah Hub, we're about to bring on the Wonmunna mine, so we were approached back in about September last year and we had it done by the end of September. We've started building fairly quickly on that, so a four-month timeframe. I mean that's testimony to our people on how they deliver. I mean who does that in four months? I mean we're going to be first ore coming out of there in the next couple of weeks and we'll be at a five million tonne run rate and we'll probably grow that. So incredibly innovative of our people. Crushing plant's up there, mining equipment, camps, approvals and we've had all of the government agencies join with us to make sure that that happened and the way it has.

Lamb Creek, it's going to be construction ready by about second half of next year and Wedge, it'll be construction ready about 12 months down the track. Ashburton Hub, we're going to develop the Kumina and the Bungaroo South. We're finalising the approvals in there now and I think there's over 200 approvals we've got to get for that project. A lot of them are in hand. We certainly have a good partnership going with the government agencies to make sure that they help us get that all the way through to operation.

We anticipate being ready to start construction about mid this year; it's about a two-year build. It entails about a 25 to 30 million tonne a year run rate. It'll be on road transport that we've developed these very large trucks that can move about 330 tonne payload at a time. So our cost on transporting that ore from that mine site to the coast is probably in the order of about a third per tonne kilometre as what it is with the Iron Valley operation. So fairly innovative again, we've got the – they're the largest off-highway road trains in the world.

Then we're going to go to the trans shipping operation out of the Ashburton Port, so we hope that we're going to start construction on those trans ships probably before June. But again, once we've got all that wrapped up and it's approved to go ahead by our Board, we'll come out with an announcement.

Again, South West Creek, as I said, that's simply waiting on us to get approval to build the best space we need in South West Creek and Marillana is basically construction ready. So we'll be turning our attention to both of those probably simultaneously.

Growth and strategy on the lithium business, we'll simply continue where we are at Mt Marion. We'll continue with the focus on reducing cost. Production is probably where it's going to sit for the foreseeable future. Wodgina remain on care and maintenance. Kemerton, by the end of this year we're going to have those two trains running and once they get up and running with the period of time they've got to operate, produce what they call Panasonic grade, which is probably about six months, but you can see that that's going to be a high-quality plant that we've got based here in Western Australia. Good for WA and good for Min Res.

We're committed to lithium long term. We're certainly looking to invest a lot in the next 18 months to 2.5 years in terms of hydroxide. So hopefully we'll be able to achieve all of those things. We've got a lot there on our plate, but they're all real and they're sitting there and we're pretty much ready to go on most of them.

So, guidance. We've got substantial opportunities. I'll just give you taste of what they look like, both with existing customers, joint venture partners and new opportunities over the next 2.5 to three years. I think three years down the track from now, the Min Res business in terms of tonnes and in terms of revenue and bottom line will be at least double where we're sitting at the moment, so we've got some work to do.

Commodities, obviously a key focus on being able to develop the business going forward. We've given you tonnes and we've shown you what we think the costs are back further, so you would be able to figure out where we're going on that.

Iron ore production going forward for this quarter and the next quarter are going to be always more than the previous. I don't know why that is. Our second half production is always higher than the first. Our second half results always seem to be higher than the first, so I don't know why it is. There's no reason, it just happens that way, but it's going to happen again in this year in the same way.

Lifting production. Look, it's going to remain stable and I think around the mining services, just to give you a bit of colour on that, I expect that probably about 30% growth per annum over the next three years year-on-year. That does not include what we would do with Ashburton and South West Creek. With Ashburton we will probably have a mining services arrangement sitting in there where we do the crushing, the road haulage, and the transhipping. That's all using proprietary MinRes innovation and that's not something that we let outside of the business, so we control that.

So, there'll be mining services coming out of there, probably - that's a substantial life-of-mine contract, probably 30 years plus, and then we'll be sitting in a similar position where we'll deliver the iron ore road transport and port facilities for the Marillana operation. Again, that will be a life-of-mine mining services contract, so a lot of growth sitting inside there. So, we'll see if we can make all that work, but I think we will.

Then look, just to wrap it up, closing comments. I want to acknowledge Mark McGowan and his team. They've been pretty amazing in managing us through this COVID. I think he copped a bit of criticism from the east coast, but just understand that we've all had our freedom - for all but one week - most of the way through the COVID virus. Most importantly, we've been able to keep our mines running, our business running and the best part of that was we kept all our people employed, they all remained on the same pay and everyone's been able to get through this unscathed.

I have no doubt we're probably close on the best region in the world for large-scale right here right now, so well done to Mark and his team, and also the support that we've been getting out of the government agencies and being able to get the projects going. They're very focused on trying to improve the timing on getting these approvals done and work a lot closer with industry to make sure we've got plenty of jobs going forward for our people.

I want to thank our Board. They've been incredibly supportive. A lot of them have been operating remotely but keeping their finger on the pulse and making sure that we've got the support we need, and all the right controls are in place. Also welcome to Susie Corlett, a great addition to our Board, very savvy lady, understands what's going on under the earth and she understands what's happening commercially in the business, so a great skillset that she's brought onto our Board and she's going to be very invaluable to us going forward. So, welcome Susie and thanks for joining us.

Huge thanks of course mostly to the MinRes team for the management that support me, for the effort you guys put in, and for putting up with me. I don't think I'm - according to my wife - the easiest person to put up with. Thanks, guys, for being there, and thanks to everyone out on the sites for the effort you've put in, particularly over the last 12 months. It's been nothing short to outstanding.

My team, Paul Brown, Mike Grey, Mark Wilson, the guys that help me make this work, to all of you that have believed in the MinRes business so far, thanks for that. We've got miles to travel, with a lot of opportunity ahead of us, particularly around the mining services and the commodities. We're going to continue to deliver to our clients, we're going to put safety and wellbeing of our people in front of everything we do, and most importantly, we're going to make sure that our customers, the people we work with, everyone that we deal with, we're going to do it with respect and with dignity, most important for the culture that we have in MinRes. It's one of those things that is getting stronger and it glues us together.

I want to - just a last mention. I want to say we want to keep doing the things that we've done around the Traditional Landowners for the last 25 years. We want to make sure that we continue to engage with them. We're looking at better ways of doing that. We're looking at better ways of bringing more of the Traditional Landowners inside our business. We're putting a lot more effort in on that.

We're going to understand what they require and we're going to make sure that commitments that we've made to them, we will always continue to deliver, and we're certainly going to always acknowledge them as the Custodians of this land that we live on and we operate on. So, with the utmost respect for all people that we deal with regardless of who they are is a core fabric in MinRes.

So, with that, we're done, thanks. If there's any questions out there, I'm glad to see if we can answer them. Mark, do you want to join me?

Operator: Thank you. If you wish to ask a question via the phones, you will need to press the star key followed by the number 1 on your telephone keypad. If you wish to ask a question via the webcast, please type your question into the ask a question box. As a courtesy to others, please limit yourself to two questions at a time, and if you have further questions, you're more than welcome to re-join the queue to ask further questions.

Your first question comes from **Hayden Bairstow with Macquarie**. Please go ahead.

Hayden Bairstow: Hi, Chris and Mark. Great result. Just a couple of things. On iron ore, firstly, just to get an understanding of timing of what you're thinking at Bungaroo and how that might play out in terms of the second half, or is it literally just going to be an FY22 story in terms of real spend on that project?

Just secondly, on lithium - Mt Marion cost performance really impressive. Have you advanced any thoughts on going downstream in that JV with Ganfeng? The discussions with Albemarle, with Kemerton finishing, are we expecting Wodgina to be turned on the day Kemerton gets commissioned or are you going to give yourself a bit of a head start ahead of that, or maybe afterwards? I'm keen to see how those levers might play out over the 12 months.

Chris Ellison: Okay, Hayden. Well done on getting your response to our results out in record time. It must have been about eight minutes, so congratulations on that, good write-up.

Ashburton, Bungaroo South, Kumina, up there. Look, we can't say too much more than where we're at at the moment because we're still working on getting a few of the approvals finalised and we're still working through with a couple of government agencies on a bit of detail, but look, we're optimistic that in the next couple of months that we'll have all that done.

Being a bit conservative, saying we're going to start construction by about mid-June and it's about a two-year build, but I can't tell you a lot more on that side. Look, certainly, on the downstreaming around our lithium business, it's something that we're heavily engaged. Not a lot that I can tell you on that other than the fact that we're engaged in doing it; we're going to do it. I can't exactly tell you what yet. I think probably in fairness, I don't think I have ever given you too much information, so I probably don't want to spoil you now.

Hayden Bairstow: No problems. Thanks for that.

Operator: Your next question comes from **Matthew Frydman with Goldman Sachs**. Please go ahead.

Matthew Frydman: Yes, thanks. Morning, Chris, and Mark. A couple of questions from me if I can. Firstly, just on the iron ore business, and I guess picking up on your last comments there, Chris, you've clearly got a number of new iron ore projects in the pipeline. Can you talk through where you're at with heritage approvals across those projects? Where do section 18s exist across that portfolio? Do you expect you would have to potentially revisit your timelines on any of those projects if there was a change in the approvals process?

Chris Ellison: Yes. Look, everything is going exceptionally well on the approvals, and even on the section 18s, they're probably not a great topic to talk about it, but I think section 18s are still being issued to mining companies out there, as they have in the past. I think everyone is heavily focused on that no doubt, and we've recently had one issued to us, but again, I think all the normal things out there that are happening around that are still okay.

We have always been very engaged with the TLOs and I think we've always delivered on our commitments. We're not going to change from that. We've obviously got a much stronger emphasis on that now because we don't want to have a slip. The approvals - look, all I can say is they're going well. There's a lot of them we're doing out there, and we expect to probably pretty much be there with them over the next three or so months.

Matthew Frydman: Yes, fantastic. Thanks, Chris. Then secondly, again still on the iron business, and particularly the bigger projects that you've got in the pipeline. Would you consider a selldown on those assets over time, post-completion of construction, to crystallise value in the same way that you've done at Wodgina or do you see Min retaining 100% of the equity exposure in that particular part of the commodities business?

Chris Ellison: No. Look, we would certainly consider somewhere around a partial selldown or a joint venture, and those things are being considered. Hence the reason why we do it. Every project we develop like that we carve out the mining services parts that are important to us, for two reasons. One is that that proprietary equipment, we don't let it outside of the business, and secondly, our mining services business is probably the core to what we do, so everything we do has that focus front and centre. The answer is we would - we are considering in a couple of areas of doing just that, partnerships, JVs, and that would include selldowns down the track.

Matthew Frydman: Sure. Thanks for that, Chris. Look, I've got a few more questions on the lithium business and the mining services business as well, but I'll get back in the queue if there's time. Thanks.

Operator: Your next question comes from **Levi Spry with JP Morgan**. Please go ahead.

Levi Spry: Good day, Chris and Mark. Thanks for the call. Just on lithium and Wodgina. What exactly is required to turn that on and ramp it up in the context of Kemerton, and essentially Kemerton being fed by Greenbushes. Can you just step us through the process there over the next 18 months?

Chris Ellison: Yes, sure. There's no firm understanding of when we can turn Wodgina on. I think we're just a little more enthusiastic now than we were six months ago. There is no doubt that you can see demand out there is growing. No one can - I don't think anyone can guess when we're going to have enough demand to turn Wodgina on, and when we turn it on we'll probably do a train at a time, but I don't think we can get an understanding yet of what the demand looks like it, but I think we will. Over the next six months I can probably give you some - a little more colour around it but it won't be until around June.

Levi Spry: Okay, thanks. Just in the context of Albemarle raising equity to build more downstream in China and stage 2 of Kemerton, does that fit into your June timeline, thinking about doing stage 2 there, keeping construction guys onsite, making it - dovetailing those construction works? Is that how we think about that? I'm still not clear on this - how Greenbushes fits into the - to your JV with Albemarle.

Chris Ellison: Yes, look, I think it’s probably only in the last 30 days where the market seems to have turned somewhat and everyone’s enthusiastic about lithium again and that created an opportunity for Albemarle to go and do their cap raise.

We are talking to them about how we’re going to move forward. They are just back into growth phase again so look, it’s going to take some time to work out where the best opportunities are and the best bang for our buck is but I think it’ll probably take three to six months for us to get there and get a landing on what we’re going to do.

Levi Spry: Yes, okay, thank you and just a sneaky one on Utah Point. So Lamb Creek and Wedge are new to me, are they mine replacement projects and do I think about Utah Point production ramping up to 13 million tonnes or so over the next couple of years? Is that sort of the number?

Chris Ellison: You can think about us heading towards about 14 million over the next six to nine months. That's probably the number and yes, those - the other two projects, they're a combination of replacement tonnes and also blending tonnes. It's just - we're just getting our blend better and better up in that region bringing Wonmunna into the Iron Valley blend is going to make quite a significant difference. So we'll probably be backing off on Iron Valley tonnes shortly and ramping up Wonmunna, just to get that blend the way we want it.

Levi Spry: Yes, great. Thank you. Thanks, Chris.

Operator: Your next question comes from **Georgina Fraser with UBS**. Please, go ahead.

Georgina Fraser: Thanks, Chris and Mark and congratulations again on the result today. Just to circle back on this topic and it's been touched on a couple of times by the analysts in questions but hoping to get a little bit more clarity around this Kemerton and Wodgina relationship.

So if Kemerton - if Wodgina was to feed Kemerton and the timelines that you've flagged earlier on the call about the trains commissioning timeline, wouldn't Wodgina need - wouldn't you guys have to be starting to think about ramping Wodgina up now?

What would be the kind of timeline that you'd be looking at to get the Wodgina trains up and running or can you - are you still seeing Wodgina just purely selling spodumene and not being brought down to Kemerton for conversion?

Chris Ellison: No, look, like I said earlier, we need a lot more demand out there in the market to be able to consider turning Wodgina on. I mean, it's quite a commitment putting a workforce out there but we just don't have that demand out there. So we need to see that.

To turn it on is no big deal. I mean, it's a process. We've got to go and move some people around and bring some more people into our workforce to make that happen but three or four months, probably, to turn it on when the time's right. But what we're - I don't think we're even considering turning Wodgina on in the foreseeable future until we can see that demand. So, I mean, it's just not worth talking about at the moment.

Georgina Fraser: Okay, thanks for that. So what will feed Kemerton for the commissioning? You talked about that six months of qualification with the Panasonic product. What will be the ore that will be creating that product or being used to yes, bring that product online?

Chris Ellison: Look, we've got a couple of options with that. We can obviously - Albemarle are managing that but they'll obviously be something around their Greenbushes but we also have product that comes out of Mount Marion so we've got a few considerations in what to do but again, look, they'll be commissioning it and ramping it up on the Greenbushes dirt but in the medium term, I don't think we've figured out the best way of doing that yet.

Georgina Fraser: Okay, thank you.

Operator: Your next question comes from **Rahul Anand with Morgan Stanley**. Please, go ahead.

Rahul Anand: Hi, Chris and team. Thanks for the opportunity. Look, the first one's on the mining services. You did flag that one of the contracts wasn't renewed. I just wanted to firstly check with Mark. Mark, is the revenue and EBITDA contribution of that already out of the numbers? Or does it come out in FY22?

Then Chris, for you, if you could shed some light on the contract and perhaps a bit more detail, that'd be good. I'll come back with the second question.

Mark Wilson: Hi, Rahul. Thanks for the question. So the answer is, the contribution of that contract is not substantial to the mining services business. It's not a core crushing contract. It's one of the ancillary services that we provide to clients through Western Australia and you'll see those numbers disappear - well actually you won't see them because they're not going to make that big a difference in the second half.

Rahul Anand: Okay, well noted. Okay and the second one was on Ashburton. So you flagged the mid-2021 construction. Chris, I wanted to quickly check, obviously this private haul road, you're using a new type of road train. Are there different types of requirements and costs, perhaps, for this road or can we just use a general industry average?

I'm just trying to get my head around how much CapEx could be and obviously the transhipping port there you talked about as well. Thanks - and also product grades, if you can comment on that?

Chris Ellison: Rahul, it would probably be easier if you let me give you that detail once we get to a point where it's a goer. That - look, I'm building private haul roads, it's something that we do inside the business. We've just built about 130 kilometres of private haul road over the last six or eight months, mainly down around the Yilgarn operation. Built it and bituminised it so that it's all weather.

We can build them fairly efficiently. We've probably got 200 to 250 Ks that we'll be building in the Ashburton region. We'll probably have two mining hubs there with our next gen 2 crushing plants.

The big road trains that we run, as I said, they carry 330 tonnes. They'll go into a port, they'll be - all of the iron ore will be covered on the transport and it'll stay covered until it gets out onto the Cape carriers about 20 miles offshore.

Yes, there is a fair bit of CapEx in setting that up but it's going to be operating at 25 to 30 million tonne run rate and the good thing about that is that the ore bodies are relatively close to the port. So our cost of getting the dirt to the port is fairly low and transhipping is fairly low compared to - it's less than half the cost of putting ore over to Utah Point or over to Wonmunna for example. So it's - there's a bit of involved but it's a 20-to-30-year type operation and it's got really good payback.

Rahul Anand: Okay, perfect. Just one on lithium, if I may, for Wodgina. Just how do you see the capability there of having similar sorts of recoveries going forward in terms of what you've been able to achieve at Mount Marion in terms of cost out, which is quite remarkable. Do you think there's opportunities on - in Wodgina as well? Similar in nature?

Chris Ellison: Yes, look, absolutely. The commodities business has done the work on that, they understand what the recovery is going to look like there. They're going to be very similar if not the same and they've reworked what they think their cost structure will be on that and it's obviously going to be less than what it was in the past. So yes, we've got a pretty good result out of that.

The capability of that plant in terms of tonnes per annum of production is probably up, probably more than 20%.

Rahul Anand: Okay, perfect. Thanks for that.

Operator: Your next question comes from **Jack Gabb with Bank of America**. Please go ahead.

Jack Gabb: Thanks and good afternoon, good morning. Just wanted to follow up one more on Ashburton. You obviously talked to potential OpEx savings from trucking - or larger trucks relative to Iron Valley and obviously transhipping relative to Utah Point.

I just wondered if you want to take the opportunity to put it all together and just give us an approximate operating cost or indeed capital intensity as well for the project? You obviously have the numbers so whether you want to guide here or you're going to wait until the full year? Thanks.

Chris Ellison: Yes. No, look, we're not ready to release those costs yet. Look, I promise you as soon as we've got the approvals and we know that those - both of those projects are clear to go, we'll give you all the detail around them. We're just not in the position to be able to release any of those numbers at the moment.

I mean, I've given you as much as I can around what I expect the tonnes to be and - but we'll be certainly in a good position. The Ashburton project is going to be in the low-cost quartile but we're aiming for it so that we've got security for long-term and so will the Pilbara project coming out of Marillana.

Jack Gabb: Thanks and then I guess broader picture on Ashburton, I guess it really opens up the West Pilbara to you. At what point does it make sense, or would it have made sense to put in a capesize berth at Ashburton? I guess the channel's big enough. Is it 50 million tonnes and what's the potential longer term from post the initial 25 to 30? Thanks.

Chris Ellison: Yes, look, good question. I mean, probably does it ever make sense? I mean, the capital that you've got to spend and the dredging and the disruption up there with the dredging is something we've considered but the cost of transhipping is not that big a deal. I mean, in - the transhipping is a business that we want to get into because the focus on that is to be able to exploit stranded tonnes and there's a lot of them around Australia.

So we want to be able to hone our skills and be very good on that transhipping operation. I mean - and you don't just need the tranship from areas where they don't have capesize carrier capacity. I mean, there's even capacity to be able to tranship out of places like Port Hedland and Karratha.

So it's a business we want to develop and I don't foresee that we would ever be looking at capesize carriers from Ashburton.

Jack Gabb: I've got it. Thanks very much. I'll pass it on.

Operator: Your next question comes from **Stuart McKinnon with *The West Australian***, please go ahead.

Stuart McKinnon: G'day Chris and Mark. Yes, look, I just wanted to get some colour around obviously there's a lot going on in the state's resources sector at the moment and I was just wondering if you were finding any sort of issues with skill shortages, wage inflation, getting equipment to site, getting equipment delivered and the equipment built? Yes and how does this boom - this mini boom, if you like, compare to the last one?

Chris Ellison: Thanks, Stuart. Yes to all of the above. If you want more detail around that, the yes? There is a skill shortage. We are all fishing out of the same pond in WA. It's very difficult when the borders open and close but there's a positive and negative of that. Hard to get people from interstate but because the borders were closed, we kept our mines open and kept them operating.

So the - as the borders open out east, it does make it a little easier for us and we've spent a lot of time and money with heavily incentivising any of our east coast people to consider coming over to WA with their families and to live here. We've got quite a number of packages that we've put together to be able to subsidise them and just simply pay them to relocate.

We keep growing our training facilities and we're looking at a whole new style of training facility where we can take people that haven't considered going into the mining industry and be able to train them to do – operate, to do processing. A whole range of things.

Getting equipment to site is okay. Securing equipment is getting much harder. The lead times are long, so good planning and being well organised is the key but in saying that too, we've been able to secure the equipment that sort of met where we're going and we've been able to make sure that we got those forward orders.

So look, we're surviving okay. I think our growth plans that we've put forward, probably achievable but we've just got to do things a lot differently. Again with the way that we care about our people, we've always cared very much about their safety but now we're caring about their wellbeing and their health and making sure that we can add value to that. So we've got nurses in the business, we've got psychiatrists and we're bringing doctors inside our business to be able to make sure that we can take care of all of our people's medical needs.

Stuart McKinnon: Great, thanks Chris.

Operator: Your next question is a webcast question from **Nick Maclean with Surrey Asset Management** and reads, you referenced your core pillars of the business as it is now. In five years, what, if any, new pillars would you like to add to Mineral Resources? Also when you retire in 20 years or so, what do you want Mineral Resources to look like? Is it a major resources business across different commodities? If so, what commodities would you like to be a leader in?

Chris Ellison: Twenty years is a long way. Will I still be here? Probably. Look, we're certainly heading down the path of making sure that we're in greener commodities. So we're looking at a number of other products out there and for obvious reasons, I really don't want to disclose what we're looking at doing because if I do, then we just add to our competition.

Twenty years' time, I'd like to make sure that MinRes is - it's a business where the people that are working with it know that they can be here for a lifetime that they can - they've got the total package inside the business. I mean we're working incredibly hard to make sure that we keep our people long term and to do that, we're building a new office at the moment that's going to be a very state-of-the-art building. It'll be very different to anything in Perth, so we're trying to create an environment for our people in Perth. We're trying to do the same on our camps, so we're going to change the style of the new camp that we build so it's more of a resort style accommodation than it is just dongas in the desert.

I'd like to think that people can be with the business. They can start out as an apprentice or a trainee or a junior accountant and they can be with the business long term with the aim of being able to progress through it and be able to run it.

So the commodities we're going to be in - too hard to tell at the moment but you know, we've got some - a good vision on where we want to be in over the next 10 years, we've got that mapped out and we've got some new products that we will be bringing on board over the next couple.

Operator: Once again, if you wish to ask a question, please press star one on your telephone or type your question in the ask a question box. Your next question comes from **Matthew Frydman with Goldman Sachs**. Please go ahead.

Matthew Frydman: Yeah, thanks for taking follow ups. Chris, just a quick one as obviously we've gone over the hour already but just wondering on the lithium business, appreciate that obviously you're still working through the details with your JV partner on how you're going to grow that business. Albemarle has talked in the past about the capital intensity being much more favourable in China and clearly they see that as a focus or a priority for lithium hydroxide conversion growth.

Is that an option that you're happy to consider within the MARBL JV and I guess how does that fit in with the key focus of MinRes being Australia and specifically Western Australia?

Chris Ellison: Look obviously, I mean we like to spend our money here in WA as much as we possibly can and we're much more focused now on trying to bring a lot of the products that we make back to WA. I mean that's important to us but we want surety of supply but we also want to support the industries here in WA to make sure that they can supply to us going forward. I'm not quite sure, what do you think?

Mark Wilson: I think…

Chris Ellison: Outlook in China - let me say that - what I mean - China has been - they are our biggest trading partner for Western Australian products. I mean we've got some extremely good partnerships and customers we've had with China over a long, long time and our relationship with China and our JV partners has never been stronger, so we want to keep growing that but we've also got other countries that we deliver product to. Nowhere near as much but you know, when people say we should go and find other markets for our product, I mean that's just simply not possible.

I mean Australia is awfully good at trading worldwide and I think that we trade all of the products we can right across the world. It just happens that we happen to have a lot of iron ore and a lot of gas and we're very close to China so our relationship with China will I hope will continue to grow over the years and strengthen. Look, we're certainly looking at the best places that we can strategically put plants like our hydroxide and downstream. We've awfully invested heavily in WA. We'll continue to do that, but we probably will look at opportunities in China as well.

Matthew Frydman: Yes, that's pretty clear. Thanks very much for taking the time on the questions, Chris.

Operator: Your next question comes from **Damien Williamson from Bell Potter**. Please go ahead.

Damien Williamson: Yes, hi Chris and Mark. Just can I get some clarity on what your medium term targets are for your - and your iron ore shipments out of Yilgarn and Utah Point? Also just a quick update on the status of the Wonmunna legal challenge as well, if I could just get an answer on that, thank you.

Chris Ellison: Yes look, I think we've highlighted that heading out of the Yilgarn Hub, we're looking at sort of around 12-ish million tonne run rate. There's some difficulties in achieving those tonnes. I mean it's always challenging on that railway line and the pits that we're mining out of, we're slowly getting a better and better mine plan down there but we're probably six months away from getting more security.

We need to bring Parker Range and those sort of deposits into the blend, but 12-ish million tonnes, sort of the aim down there and then up north out of Utah, it's about 14 million tonnes where we'll be sitting.

Damien Williamson: Okay and just in terms of Wonmunna, just a quick update on where the legal case that Fortescue brought? You know, is that…

Chris Ellison: You really want me to comment on that? I mean…

Damien Williamson: Okay, if you don't want to say, yes, just questioning because you're starting shipping while the…

Chris Ellison: No look, we see that as a nothing thing. It's I mean - we're a little mining outfit and we're just simply being bullied into trying to reduce the tonnes that we're putting out and we're just simply ignoring that. As a matter of interest, they're actually suing the Minister for Mines and they're using a - they had a case with around the Minderoo where because when the mining was applied for, they didn't put the mineral rights in at exactly the same time but I mean, that doesn't apply to Wonmunna in the sense that Wonmunna has changed hands twice with an arm's length transaction so that no longer applies. So I don't know where they're going other than trying to bully us into not putting tonnes in the market.

Damien Williamson: Okay, thanks for that.

Operator: There are no further questions at this time. I will now hand back to Mr. Ellison for any closing remarks.

Chris Ellison: Okay. Well look thanks everyone for joining us. I hope that - that we've worked hard, we try and results that we do. I think we're getting a little more predictable in what we're doing. There's obviously a certain amount of information that we're not ready to hand out. I don't want to go and give you budgets, cost and tonnes and what we think we're going to do at Ashburton and then come back in six months' time with changes.

Those things are the things that you guys remember so just give us the time, but we're growing out business and we're delivering a bottom line and we're delivering dividends so - and they're difficult times that we're working through at the moment with what's happening out there in the world but we will certainly, as soon as we are in a position where we know that we can give you real information and then we'll always make sure it's available to you.

So look thanks for your support everyone out there and thanks for - especially from my staff and we'll be back in six months' time, so thanks.

Operator: That does conclude our conference for today. Thank you for participating. You may now disconnect.

**[END OF TRANSCRIPT]**