TRANSCRIPTION

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Operator: Ladies and gentlemen, thank you for standing by and welcome to the Mineral Resources Investor Call and Presentation for the Half Year 2023 Financial Results. Please be advised that today's call is being recorded and the presentation contains forecasts and forward-looking information. You should carefully read the Disclaimer at the back of the presentation. A copy of the presentation and transcript of this call will be posted to Mineral Resources website under the investor presentation page at mineralresources.com.au.

Shortly, I will hand over to Chris Ellison, Managing Director, and Mark Wilson, CFO, who will present the half year results. At the end of the presentation, there will be an opportunity for institutional investors and analysts to ask questions. If you wish to ask a question via the phones, 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'll now pass over to Chris Ellison.

Chris Ellison: Thank you. Good morning everyone. Thanks very much for joining us. It's MinRes' half year results for 2023. I'm going to run you through the performance of the business over the last six months then I'm going to talk a little bit about - or a lot about where the business is going over the next two to four years. We'll talk about some of the innovation that we've got in the business, some of the opportunities we've got sitting out there. Mark will join us shortly for a run through on the financial results and then when we get towards the end, we'll take in a few questions.

So a few highlights. An overview of the first six months of the year. We've delivered a fairly decent result. It's been quite a strong result. Revenue is up 74%. EBITDA as you can see is $939 million and we're going to declare a dividend of - or we've declared a dividend of $1.20 per share. Traditionally, we've always targeted 20% plus on return on our investor capital. You will notice there its slid down a little over the last period. The reason for that is that we're building a couple of significant projects out there. We're developing Mt Marion and we've started to build and commit a lot of capital on long lead items on the Onslow Iron Project.

So we're really - if you take the amount on our operating assets, we're closer to 25% ROIC and I have said in the past I'm aiming to be heading towards 30 and when these newer projects come online, they will deliver that so we're in good shape. We've had more than 16 years above 20% and we're going to grow at closer to 30%. Mining Services? We doubled the business from 2019 to 2022 and we're on track to probably do that again over the next two to two and a half years and that's basically driven by JV activity and a lot of external projects that we're looking at negotiating and talking to. So about two and a half years from now, we're going to double that business again.

As I said - look, there's a record number of enquiries we've got out there that are not just in Western Australia but around the world so we're looking at sort of expanding offshore. The iron ore business? We signed FID with our partners on the Onslow Project with Baowu, AMCI and POSCO. So there's significant achievement two and a half years in the making to get that. I actually first started working on trying to develop that region in 2013 so it's been a labour of love. Yilgarn and Central Pilbara? We've been focused up there on reducing costs and product improvement and the iron ore team have done an awfully good job on that.

Lithium business? As you would have read, we've signed finally - I mean, it's been again a long time in the making but we've signed a binding agreement where we're restructuring the Albemarle Joint Venture in Australia. That's been over a year in the making but an awful lot of work's gone into not just coming to an agreement but also understanding how we're going to run that business going forward. So, we've got a lot of clarity around where that's heading over the next five to 10 years. We've also - we're in full production on both the trains up at Wodgina so that's been great. We have got Mt Marion in the upgrade phase running a little late on that. I'll talk a bit later about that and we've got Ganfeng working with MinRes on long term tolling arrangements with all the audits coming out of Mt Marion.

The Energy? We are very focused on developing the Perth Basin. We're doing definition and exploration drilling or we're trying to. Drill rigs have been fairly difficult to get. We've got majority shareholding in Norwest Energy and the acceptances continue to roll in and we're developing renewable energy on all of our sites, and we're mainly focused on solar and wind power to try and eliminate diesel and make sure we're not connected to any coal fired power. People? People and safety? Very, very focused as always on attracting and retaining the best people in the industry. Our safety results are in great shape. We are nearing 6,000 permanent employees and contractors on the payroll.

Our TRIFR is at an industry standard low led-by in-house training and we work awfully hard to keep it there. We drive that primarily through all of the in-house training that we do on our people from inception when they start right through to developing them with better skills and better work practices. No lost time injuries which is always pleasing in our industry. There's been some tragedy around the mining industry of late and that always brings home how important it is that we get that absolutely right before we go and do anything.

As the business grows, the MinRes culture is growing very strongly. As I said over - almost 6,000 in the workforce. Retention on our people is just getting better and better. We're focused on development of our people across the board. A few examples, we've currently got about 50 apprentices, we've got 34 graduates, 16 trainees and we've doing 12 trade upgrades. Thirty four percent of those people are what we call NexGen. So that means that they've got a mum/dad/uncle/aunt working in the business so they know the culture of the business and our retention rate on NextGen people is quite outstanding.

We've increased the participation of Torres Strait and Aboriginal people by 68% this financial year. Proud of what we're doing there but we've brought new systems and people in the business over the last 12 to 18 months and it's working well. I mean, we really have to get those numbers up and get way more integrated but working hard on that. We've got a centralised in-house training centre now and we're much faster and safer at getting our people onboarded and getting them on site and we hope that we're going to improve those safety results through that.

We've got a great program running on with - our female staff. We call it the Inspire Program and we're helping them grow into leadership roles. We're starting to do the same with a lot of the younger generation people. We've just completed the first program on that recently and we've got a very good scholarship program running through Curtin University where we're bringing in graduates, we're paying them a substantial amount of money per annum to keep them focused on their study and we're giving them work inside the business as much as they can handle. We're intending to increase those participants over the next short period of time up to 15 a year. We've been doing about 10 but we're going to grow that and again, a great partnership with a great university.

We are also - or have been on a journey to redefine not just the workplace but the environment that we put our people in and it's all part of - to grow the business, we need to get high quality people and we need to keep them. To do that, we've got to do a lot more than just pay them well. We do pay well in the mining industry but the younger generation that are coming along don't consider pay as the number one attraction in their career. They're very much a delight. So I'll continue to work on our culture. They've got strong opinions out there and we've got to make sure that we take notice of them because they're the future of the business and they're going to be running it. We've got to be very focused on being able to shape it in that way.

We've been in our new head office now for eight months. It's a unique experience. It's very different to what the rest of the country's used to or the mining industry. We've created an incredibly different work environment. Our retention is up, the productivity of our people is better than we expected. A few facilities we have in here. We've got a creche, we've got a health centre that's now open and it's operated by some very good doctors and nurses that we've got working with us full-time. We've got a large gym. Over 700 members are using it now. In-house psychologist, full restaurant with chefs so we feed 800 to 900 people a day and that includes take away meals for night-time. Coffee shops with some great baristas.

So we've got all the facilities in-house where we can bring the people into the facility in the morning. They stay in the facility all day. We have a lot of our clients and customers that want to come around here and have a cup of coffee in the coffee shop and talk about business. So all of that's working well. We're taking that out onto site because we want to really up the retention rate that we have out at our sites. So our first experience is going to be resort style accommodation we're going to build on the Onslow project. Primarily, we're building rooms that are three times the size of the standard dongas that are out on the site now.

We're going to have double capability in all the rooms. So queen size bed, lounge, big screen TV, kitchenette, separate ensuite, laundry, balcony with a BBQ. So it's something quite different. It's really going to be something that's more akin to an apartment. The other reason that we're looking at this and changing to this is we're looking to make sure that our people onsite are safer and much more secure. We think that if we create this community type environment where there's a very large proportion of females that will be out there as boyfriend/girlfriend/husband/wife or whatever, we're going to have a very different environment and we're going to build into each of these communities.

We're going to have Olympic size pools, wellness centres, large gym, coffee shop, restaurant. So trying to create something that's much more normalised and then whenever we're near towns, we're going to start building homes so that we can encourage our staff to go up with the families and live there full-time. So 10 houses going into Onslow right now as a bit of a pilot program and if we fill them up, we're going to continue to do that so let's hope that that works. Sustainability? We - as the whole mining industry committed to beginning to decarbonisation 50% by 2035 and as we've said, we're aiming to do better than that and net zero by 2050.

We really are in the hands of the outside world on being able to develop a clean, green energy for us. I mean, when that's developed, like everyone else, we'll be able to use that but, in the meantime, we're doing everything we can to reduce our carbon footprint. So we continue to reduce our use per tonne produced of diesel. We are looking at how we can transition completely away from diesel so we've got gas as that transition fuel. We think that's going to play a major role. It's not the final solution, it's not the ideal solution but it's way better than coal and diesel. So I think gas is going to be around for some time.

We are also - we have a strong focus on regional communities. So wherever we can, we are making sure that we integrate with any of the local communities and we're very focused on the Traditional Owners that are out there. We've got extremely great relationships with them and all of that's working well. A lot of effort has gone in around Onslow gas, around Port Hedland, Perth Basin. I'm making sure that we really are engaged with the community and that we're going to provide benefits to the community and we're not going to be obtrusive in any way.

Performance over the first half, I'll run through that very quickly. You've had a good look at it this morning. Mining Services? We're slightly down on EBITDA and on tonnes. That's mainly because we've had a couple of contracts come to an end. We have recently had three new mining services contracted to add back into that business so we're sort of about net square. We've got a very, very strong project of - pipeline of projects as I said coming up. I'll go through those a bit later so no concerns around where mining service is going. Iron ore? Again, we're down a little bit on the volume but the price has been much better than the same period, so the price of iron ore has been in a really decent place for a while now.

All of our sites are operational and they're going reasonably well. Focus on optimisation. The Yilgarn? We've lifted production down there slightly to a sustainable level. Really improved the product quality down there so we're getting a bit better return per tonne. In the Central Pilbara, we've had a few issues out the with Wonmunna site. We've got a transition ore out there that's retaining the moisture better over the next few months and Onslow Iron construction down there has commenced. Long lead items are out and on order. Big transhippers are in the shipyard. In fact, one of them is only about three months away from rolling off so the only issue we've got up there again is the hangover from the pandemic. From COVID.

Everyone is short of people. The government agencies are short of people. Getting approvals done now. I'm going to say it's like somewhere between two and three times longer than it was three years ago. Not to say the Government isn't doing everything they possibly can to help the project get underway. They are but just short of people and they have a lot in front of them. So that project we look like first ore going on ship in about - somewhere around May or June of 2024. So not overly happy with that but we can't do a lot about it.

Lithium performance has been fairly decent. 177,000 tonnes of spod shipped so we're up on that. We are turning into a chemical producer. So in the half, 11,284 tonnes of hydroxide and 1080 tonnes of carbonate so grand total of 10,627 tonnes that we've produced and there's always a difference. We've got to be a little bit careful and point out there is a difference between tonnes that are mined, shipped, converted and sold. There's quite a long lag on all that timing. So - but pretty proud. We're the first Australians to get into downstream production but as I said, the lead time for ore coming out of the pit, turning into spod and finally getting to its destination somewhere in China, Europe or the Americas takes quite some time. So we're getting there with that.

Mt Marion has been running pretty well. Running at steady state. We're doubling the size of the plant down there and we're doing that while the plant is running so challenging. The upgrade's probably running about three months behind. Capex is fine.

There's no change in the capital spend but just the degree of difficulty. Again, people and trying to make sure we're producing while we're upgrading. We're also doing a couple of studies down there on dry stacking the tails and water recovery so trying to be a lot more responsible on how we operate the mines.

Wodgina is going fine. Two trains are running. Train 3 is actually running but we're using that as an R&D plant. We've got some different ore types up there that we're dealing with and we've also got a lot of work around the pit to do on - we've got a bit of a mountain to move before train 3 can really come into full production.

We've commenced a study for building somewhere around hydroxide plant or somewhere between spod and hydroxide. I've been very keen to be able to bring that production back into Australia. We've got a steady second study running out there on building train 4 and it may be a bigger capacity train than the three we've got running but that's going well. We've got the binding agreement finalised, as I said. Both Albemarle and we've got them in the tent on both those studies. So they're going pretty well.

On the Energy, haven't done a lot in the Perth Basin over the last six months. Been incredibly challenging with the drill rigs. We've got one heading for there now. Carnarvon Basin, again, not a lot done. Highly prospective region. We've got about 500 kilometres of seismic reprocessing that we've done and we're having a look at where we're going to put our first drill holes down out there. So we expect to do two of those in 2024 and we're also starting to look very closely on geothermal and we've started exploration work in that region.

We've got about - to give you an idea of size, we're the largest landholder in the Canning Basin and joint venture with Buru Energy. They had a 25% shareholding. We've got about 17,500 square kilometres. Again, we're the largest landholder in the Perth Basin which a lot say it's the most prospective land in - well for gas in Australia. We've got about 5,300 square kilometres up there.

So it's sort of a bit of a run down on where we're at in the first half. Mark's going to run you through the financials and then I'll come back and tell you where the business is sort of heading over the next two to four years. Thank you.

Mark Wilson: Thanks, Chris and good morning, everyone. I'm Mark Wilson. It's a pleasure to be here with you this morning to walk you through the first half results for MinRes for FY23. As Chris has mentioned, we've had a strong and stable start to the year. I believe the performance in the first half demonstrates the robustness yet again of the business model that we employ.

Our balance sheet remains healthy and we're in good shape to support the growth that we have in front of us. In terms of the underlying profit and loss, first half has seen us deliver record first half revenue of $2.35 billion. Underlying EBITDA of $939 million is our second best first half results. Lithium has been our strongest contributor in the period, almost three quarters - well just over three quarters of a billion dollars at $756 million.

Through the half, we've accelerated our amortisation on our iron ore projects. That's driven the increase in depreciation and amortisation that you see there. Our underlying net profit after tax coming in for $387 million and, as Chris said, the Board has declared a fully franked dividend - interim dividend of $1.20.

On to the next page on our performance on the prior corresponding period. Big story here is lithium. Lithium in that prior period was $61 million contributor, up almost $700 million. You see there the real benefits of the move to the integrated production that Chris referenced. Also in the first half, generally across the board, consistent with the rest of the industry, we're seeing that in labour, we're seeing that in plant. Pretty much every category is under inflationary pressures. We've also seen some increased costs at Marion as we've opened up some new mining areas.

The external contracts have a rise and fall mechanism in them to protect them against cost escalation but typically have a lag. Sometimes six months, often 12 months. So we haven't yet seen the benefits of that rise and fall protection kick in. Overall, we're sitting - we're maintaining our full costs - sorry, full year cost guidance.

In terms of the cash flow, the story here is in the increase in working capital that's supporting the growth in business to an integrated producer. $380 million. I've got more detail on the next slide to walk you through on that. You'll also see increase in Capex there. That's driven largely by the spend in Onslow as we build out the growth story for the next 30 to 50 years.

In terms of the moving - sorry, the movement in working capital on the following slide, we can see receivables increased by over $400 million. The lithium receivables at Ganfeng and Albemarle or from them. So just those two parties, again driven by this move to integrated production. Iron ore receivable increase is largely driven by the higher price achieved for the commodity.

In terms of the timetable for our conversion and working capital, we've budgeted this out to help investors understand how and when we recognise revenue in cash for our lithium operations. You can see from this that the timing to receive all the cash from our conversion of - well production of spodumene can be up to six months. Four to six months depending on the project.

The first half has seen an increased impact from Wodgina as we ramped up from nothing and built those inventory and receivable balances up. In terms of the capital expenditure on the following slide, you can see that it's pretty much running in line with where we were 12 months ago. The only real difference is the second half on Onslow, as Chris said, early items, long lead items. You can really see that ramp up in the second half.

In terms of the balance sheet, the balance sheet remains very healthy. We've got cash and undrawn facilities sitting at over $2 billion. Just to put a little bit of context to this, three years ago, the capital employed in the business was $1.9 billion. It's now almost $5 billion. It shows the growth in the balance sheet over that period.

As Chris said, we are absolutely committed to driving returns on invested capital well in excess of 20%. Nothing has changed in that respect. We expect to continue to do that into the future. This business has had a very successful history over 30 years of allocating capital efficiency and that's not changing now.

In terms of the net debt waterfall on the next slide, net debt is sitting at $1.4 billion. Nine months ago, we had very strong support from the bond market, the debt market. We've brought net debt back below one times EBITDA. It's sitting at 0.8. Gross debt is now sitting below two - two times, at 1.7. So happy with that positioning. Interest coverage remains very strong with more detail in the back of the deck on the credit metrics.

Next slide, I just wanted to show the impact of the shift in the business as Chris described, to this integrated lithium production. You can see in those two charts, just how important that is for us and will be going forward. It's had a material impact on the diversification of the earnings.

In terms of the Capex guidance for FY23, we've increased it by about $300 million from where we were in August. That's largely off the announcement yesterday around Albemarle and the restructure of the Australian arrangements. So we've added in about $0.5 billion dollars there for that initial amount that was outlined in that announcement, US$350 million. We've pulled back Onslow a couple hundred million just a bit of the delays with approvals and so on that Chris was referencing earlier.

Overall guidance for the business remains unchanged for the full year. Over this period we've gained more visibility as - again as a result of the announcement yesterday around the outlook for our lithium battery chemicals business. So for the first time we've provided some guidance on production and sales for that part of the business. Pleasingly, as I said for the full year, we're expecting to be where we thought we were going to be in August.

Before I hand back to Chris, we're just going to play a short video for you. thanks.

[Video played]

Chris Ellison: I hope you enjoyed that little movie. It often gives you a really realistic view of what we're actually doing onsite. We're trying to do that more and more so that our shareholders can actually see the size and the quality of the operations that we're running but Mark, thanks for the financials.

Now heading in the second half and then where we're going over the next two to four years. It's fairly important. I don't know why but for some reason, our second half is always better than the first. This year is going to be no different. The second half will be substantially better than the first.

Over the last six months, the business has been incredibly busy. We've been out there doing a whole lot of different things but I mean, look, in essence we've put some stuff together. We think we've set the business up with 20-to-50-year contracts and operations and deposits. We're going down a pathway now where we've the foundations in place so that 50 years from now, the business is still going to be around and it'll still be growing.

So just a few of these achievements, just to give you a bit of a snapshot of what we've done. Of course we've got the Onslow iron business developed. That's nothing to take lightly. It's a 35 million tonne operation on day one and it's got billions of tonnes in that region.

So you've sort of got the regions in the Pilbara, you've got the top of the Pilbara where BHP and FMG operate at Roy Hill. In the middle, it's sort of owned by Hamersley Iron, Rio Tinto. Below that, this region's always been locked up. It's been difficult to get the right infrastructure on it but quite an achievement. I'll talk a bit more about that later.

We have restructured the lithium business, both with Albemarle and Ganfeng and we've got a fairly good lock on where that's heading now over the next 10 to 20 years and the plans around how we can grow that in a sensible way.

We've moved from being a spod producer now out to being a battery chemicals business in our lithium. We are a primarily producing hydroxide and will be doing some carbonate but the intention going forward is that we want to get the upstream value of being able to convert all that - our spod now into a chemical. We're going to look at the most efficient and the way - the opportunities that give us the best return going forward. We're well advanced on doing that.

We're very shortly - in the next days or week or so, we're going to make application to the Chinese Government to buy a 50% share in two hydroxide plants. We're doubling production at Mt Marion. We're growing our mining services business rapidly. We're doing that through transshippers. We've got five of them under construction. We are looking, incidentally, at being able to take these transshippers offshore to other areas where we've got a lot of interest.

We've developed the big jumbo road trains. Have been quite an innovative move. We're moving closer now to the cost of rail on these big trucks. We're moving 340 tonne payloads with a single prime mover and doing it incredibly safely. Looking very shortly to have those driverless.

We're exploring a couple of large offshore opportunities and we're basically down to negotiating terms on those. So many, many years ago, we were offshore Africa. Did some operations over there but we've always been pretty much WA-based but we're going to change that.

We've consolidated our JV with Hancock on building the cape carrier berth up in Port Hedland and we're doing all the work around getting that developed. We have developed some substantial plans around where we're heading in the Perth Basin. That's important to us. It's going to become a significant pillar in our business moving forward and it's going to give us a lot of opportunity in downstream.

So the foundations for going forward, the next chapter. We've moved from mining services contractor through to an upstream miner. Now we're looking to go into downstream supplier which is quite a significant change but it's an evolution and giving the business much more stability, much more longer-term in terms of our projects and our operations. Much more predictable on the margins and the revenue that we can make.

As I said, we're exploring options outside of WA and offshore for all the business pillars except the gas and we are, in some areas, we're under negotiation.

Mining Services, very important to the business. It is the foundation of MinRes. It provides the design, development, the engineering, the construction of all of our plants with both our mining services and with our joint venture partners. They're incredibly innovative. They've got proprietary products out there and we're taking some of those products to the international market.

Iron ore, we're committed to iron ore. It's got strong fundamentals. It's - we're focussed on long-term, low-cost operations and we're looking at diversifying our products in markets and reducing supply chain costs. We're doing that in a range of different ways.

Onslow Iron, it's an impressive project but again, it wouldn't have happened without the innovation of our products that mainly on the haulage. The haulage from mine site into the coast. The project wouldn't support heavy haul rail and again, the transhippers from the coast, offshore to the cape carriers and again, project would not support digging a trench and building cape carrier type berths. So a lot of good things happening in that.

As I said, we've restructured the whole of the Australian business. We're expanding as a fully integrated batteries chemicals producer and we're looking at more supply chain value. We are starting discussions with OEMs. That's where we think we need to be.

In the Energy, a lot of work to do around that. It's going to be an enabler for us to reduce our carbon footprint and a big part of the energy business is working on how we can develop wind, solar and cleaner, greener fuels. So that takes lot of people in-house dedicated to trying to make sure we achieve - in fact, we better the targets that we've set out.

I'll just give you a little bit of detail around each of the business pillars. So as I said, the heartbeat of MinRes is the mining services. They're the largest contractor in the world when it comes to crushing and they're one of the very large leading mining services contractors and they're doing that on the back of being able to provide innovative services to customers. Low cost. Consistent on production and a very, very safe contractor.

In many cases, we run safer - sorry, we run better safety results than our clients but we have the ability to do that because we are a diversified business and we can move them through our mining operations, into our mining services with a whole portfolio of training that we build around them.

We're running about 2,500 people in the workforce in the mining services. That's probably going to grow by about another 500 during the course of this year and in doing that, as I said, a lot of the proprietary equipment now - we're reducing the head count on it, both on the trucks and on the big mixed crushing plants. Eventually, they will be run by remote control.

We're one of the few organisations left in the world that can actually go out and design and build a plant on a fixed lump sum. We do all of that in-house and that gives us a huge amount of flexibility.

It's a significant cost advantage to all our partners and clients, when we can do that. Although in saying that, we're not exactly where we'd like to be on Mt Marion. But I think others are in far worse shape.

We've got great long-term 20–25-year relationships with a lot of our Tier 1 clients out there. So, huge amount of trust placed in us. With the innovation we have now, we’ve got the capability of moving stranded tonnes that others can’t do. We can dig and crush and we can haul at a fairly low cost. We can even put them on our customers’ ships in remote locations.

The economic benefits that we’re delivering to our JV partners and our customers is a big part of the reason why we always have fairly good growth behind us.

The crushing business, they intend to install three new NextGen crushing plants. This is the latest innovation again, going into Mt Marion now. Not too far down the track, we’ll be putting them into Onslow Iron and we expect to put, probably, another three to five of those away over the next two years.

We’ve got 42 of the big jumbo road trains out there operating and that’s a mixture of outside clients and on our own sites we will add about an extra 170 of those to the fleet over the next 18 months.

Five transhippers, as I said, are under construction. They’ll be coming into Onslow. The first one of those is not that far away.

A lot of those contracts that we’re entering into now, they’re 20 to 40-year type contracts, so it gives us a lot of stability. We can predict where we’re going and make sure that we’ve got everything, in terms of maintenance and planning and budgeting much easier.

As I said, they’re pursuing some offshore opportunities. We’ll let everyone know if - when that happens.

Iron ore business. As I said, we’re committed to the iron ore. Strong fundamentals on iron ore. The largest mining companies in the world use iron ore as their staple. They’ve been in it for decades.

It produces a very positive outcome every year, if you’ve got the right deposit and you can get it onboard a ship at the right cost. That’s where we’re heading with Onslow and other projects.

Traditionally though, the price of iron ore - I mean over the last couple of decades, it’s incrementally grown. We’ve seen some incredibly high prices and some ridiculously low prices, but it feels like we’re getting much more stable.

Where we’re sitting, the - globally, the mines are - they’re getting further away from their infrastructure, their costs are going up, the grades are slightly declining. So, we think there's good support for iron ore at around about $120 a tonne.

We think there's very strong support with that, but it's unpredictable, as we all know. No one knows exactly where it's going. We're transitioning our iron ore business into a long life, low cost operations.

The key projects that we got in front of us, we think will take us to about 90 million tonne run rate. Onslow, which I spoke about, Yilgarn, we're improving the quality down there and we're also looking at being able to do magnetite down in that region. We've got an awful lot. We're doing a lot of test work around that.

The Pilbara Hub, we are working up there very closely with Hancock in a joint venture where we've got a KPI birthing in the inner harbour of Port Hedland. Then the Central Pilbara, it's running at a steady state, smaller, high-cost operations. Not sustainable over the long-term.

The Iron Valley deposit has always been challenging. It's had a number of lives, but we seem to be able to keep that going. It does need a fair amount of capital thrown at it not too far down the track. So, that'll be something we'll be looking at closely.

Just a bit of an overview on Onslow. FID approval from all the partners in August. MinRes is going to fund the project, design it, construct it and operate it. The partners share of that funding will come back to us when the mine's in operation, so most of their income will cover us until that's repaid.

We're developing a great supply chain in that Ashburton region, down through to the Onslow port, where it's unlocking billions of tonnes of stranded iron ore. The Red Hill assets alone up there give us, at least, 30 years run rate at about 35 million tonne a year.

The FOB cost means that it's very profitable through all the cycles we've seen over the last 15 years, so a great project only made possible through the innovation that's come out of the CSI business with the NextGen crushers. Low cost and they'll have a 40 million tonne plant in there doing 35 million tonnes. The big jumbo road trains get sent down to the port at a very low cost.

The transhippers low draft - so they can come in close to the shore - would pretty much finish the dredging up there. We're about to start that, the transhipping birth. So, all of that's going well.

It’s probably the first commodity project in Australia that’s been designed from day one to be totally dust free. So, the iron ore won’t see the light of day from when it goes in the big jumbos 150 kilometres out, until it’s going into the cape carriers 22 miles offshore. We’ve been very mindful to make sure that we keep Onslow and that whole region pristine.

We’ve engaged with all of the farmers up there, the communities up there to make sure we’ve got everything as it should. The private haul road that we’re building, there’ll be zero interaction between our trucks and any other traffic whatsoever. That haul road will be fenced both sides to make sure that we don’t have any of the local communities’ stock wandering onto the roads, which is really important to get that relationship.

Early work to commence. We’re finalising approvals. First ore is expected around May, June of 2024 now. Capex is unchanged. We’re fairly locked on the $3 billion that we’ll spend, so no surprises coming from that.

Energy market, gas and the energy business in MinRes. About seven years ago, we identified the need to have some long-life gas in the business, so that we could fix the cost of what we’re doing. We think we can provide gas into the MinRes business for about $1 to $1.20 a gigajoule, and then above that whatever the cost is of transporting it. So, $2 a gigajoule will probably be what we can do and we can do that for the next 20 years, 30 years so, so huge opportunities for us.

It's, as I said, we see it as a traditional fuel. It’s not the final answer, but it’ll get our carbon down. We've got a lot of work to do in that Perth base, so the next three years to five years, we’re going to be drilling a lot of both exploration and development holes.

Quite a few highly prospective areas out there. We do expect to hit quite a bit more gas. We expect to bring the Red Gully plant back online over the next couple of years as well.

The ultimate aim for up there, I think it’ll be a help with WA because they’re predicting that there’s going to be a little bit of a gas shortage in a few years ahead and I think we can help fill that hole. But I think ultimately, where we’re looking for is those - again, that 30 year plus operations.

We'll be looking at the lithium chemicals business, so we can provide energy for that. Iron ore palletisation, again, to make our iron ore product cleaner and greener and better for the blast furnaces, particularly around magnetite.

Other products like ammonia and urea, we can be the lowest cost producers in the world, simply because we've got gas offshore about 400 kilometres north of Perth.

It'll be a major part of the business going forward and we're fairly focused on that. We've got an offer out in the market at the moment with a takeover for the Norwest Energy. We're at about 63% of that so far. I would encourage the shareholders that are out there to have a long, serious look.

We'll probably be taking over the Board very shortly, but we encourage everyone to have a look. If we can get beyond 80%, that means that all of the Norwest Energy shareholders get rollover relief.

In other words, no tax to be paid and they can be part of that same project going forward. They're not giving it away, they're actually adding the rest of the other 80% of the - of that gas build to their portfolio, plus they're going in lithium and iron ore mining services.

The past couple of times we've done this, the shareholders have got great benefits out of it. I really encourage you just to have a look and get onboard with that. I mean when I first got involved with a company up there called Empire Oil - which was where we got most of our land from - the value of Northwest Energy, their market cap was about $13.5 million.

A junior company, as was Empire, not a lot of money but drill holes to the right depth and doing the right research. It did need some money and it needed a balance sheet to make that happen.

Point out there a little negative around MinRes. We have taken your market cap from $13.5 million to about $450 million, so not a bad start. If we join together, we can do much better.

Lithium portfolio. It's a monster business we've got. With lithium, we've got world scale on what we're doing, high quality. Our deposits both operating.

We're in a tier 1 jurisdiction, probably the best jurisdiction in the world. Mount Marion, tier 1 asset, 50/50 JV with Ganfeng. MinRes designed, built and operated.

Upgrades, as I said, are underway down there. We first built it in 2016 and got it to 450,000 tonnes. We're taking it up to 900,000 tonnes and that should start commissioning in April.

Lots of exploration potential down there. There's about 80% of our land holding all around the mine that's simply been unexplored. We drilled sufficient out to create a mine and we haven't done too much drilling since, so we'll be thinking about doing that.

We've got - had some drill rigs down there in recent times. We got three good target areas down there and we've got some very good early results for pegmatite and extensions. So, we're going to get more serious on that and just see if we can have a look at bringing some other areas online and seeing if we can get a better balance on the strip ratio.

Wodgina, one of the world's largest - if not the largest - 50/50 between Albemarle and MinRes, another great partner. The pit up there's open in all directions and at depth. I mean again, it was 100% MinRes owned and we drilled it substantially until we had as much ore as I needed for my lifetime, but there's certainly a lot more to be had up there.

I think we're going to, probably, do some drilling up there not this year, probably next year. See how much deeper it goes and how better the grade gets. Two trains up there in operation. The third one's actually operating, but we're using it for a lot of test work around transitional ore. Some lepidolites we've got up there, we're doing test work on that.

We've got another fleet of mining at Wodgina and we've got a mountain of rock to move, so that we can get at the ore body and make it sufficient, so that we can feed that third train. That'll happen towards the back end of this year.

Of course, we've got a couple of studies underway up there. We're looking at what we can build up there for downstream processing. We've got another one running on the fourth train getting near completion.

Spod conversion in the business. We've got life of mind conversion agreement with Albemarle. That's for the four trains coming out of Wodgina.

Adding to that, as I said earlier, we're making applications to the Chinese Government to see if we can buy 50% share on those two plants. They've got a 50,000 tonne plant - Meishan plant, they call it - under construction. It's probably half built. They've gone very well on the construction on that and they're pretty much on time and on budget.

We've got a second application in to buy another plant they've got in Qinzhou. It's an operating plant. They bought that last year. It's operating, they're putting Greenbushes' dirt through that. We, hopefully, will get the approval of the Chinese Government.

We need to do that because we need to be quite early to market with our hydroxide. That's the best way of getting there. But as I said earlier, we're very keen to do development in Australia and I think that it's doable.

Kemerton; two 25,000 tonne trains down there. Train 1 is in operation, it's almost qualified. We're hoping that we're going to get some good product coming out of there in the next month or two. Train 2 is in commissioning phase, so Kemerton going fairly well.

Then Albemarle have made a few comments in their release last week, where they've had some issues down there with labour and the like. But we're slowly overcoming that.

The MARBL Agreement. MARBL, of course, is what we call the Albemarle joint venture. We've named that MARBL. It owns the Australian assets.

We signed off on that binding agreement on Wednesday. Been quite a long time in the making, but around doing those documents - I think, 57 in total - around doing that, we're also figuring out how we're going to run the business and develop it over the next 10 years to 20 years. We pretty much got a good handle on that.

Most of that agreement's back dated to 1 April 2022 and it's also subject to regulatory approvals in Australia. So, we need FIRB and Mines Department approvals to get that totally binding. Once that happens, we will pass them over a check and, I think, we publish all the money that goes back and forward, and then we'll be fully engaged with them. That'll be our share of making sure we're locking in the hydroxide production.

Kemerton. We've reduced our shareholding down at Kemerton from 40% down to 15%. I think the reason we've done that - this deal this way - is that I think we're now really well aligned. Not a lot of margin for MinRes coming out of Kemerton because we have to buy the product out of Greenbushes.

But a great story for Albemarle and the opposite for us up at Wodgina, so a much more balanced deal and we're running Wodgina. That's our core business, being able to mine and process and operate, and Albemarle take care of the chemical side - again, their core business. So, that's gone well.

We've also taken back the marketing. It's going to be a first for MinRes, marketing this style of product. But we've had many firsts in our career over the last 30 years, so not something's that going to be difficult for us to figure out.

Converting all of our spod to hydroxide, with a bit of it will be carbonate. We had no product that's locked into any contract, so we've got no legacy contracts and we've got no forward contracts whatsoever. Quite a unique position to be in.

We're going to be having discussions with a whole range of buyers out there, OEMs mainly. I'm sure you've got a few questions around how we're going to deal with that.

Total Capex for offshore for us is about US$650 million. Not a lot of money in the overall scheme of things for the conversion that we're going to get.

This slide here shows you a little bit of a view of the unique market position that we're sitting in. We've got world leading partnerships with two JV partners in Ganfeng and Albemarle. Both are very strong and just simply been great partners to have.

We're now developing that marketing strategy. Our focus, as I said, is going to be on the OEMs. We've got exposure to three of the world's best lithium mines. They're all operational and they're proven. They're all WA based.

WA probably - I see this often - is probably recognised the most ethical in the world. I mean we are right at the top of the chart in terms of how we look after our people, how we make sure that they're safe, how we care about the environment and the relationships we have with communities. So, we're in a very good position.

We're going to be very focused on being able to maximise our chemical conversion going forward. That's the way that the business will grow. We're going to get some fairly decent long-term JV partners locked in with us on buying. So, next three months, we're going to be busy talking to people around the globe on how to deal with it.

The demand for the product, incredibly high. We struggle to see how - as do the other producers and our partners - our supply’s going to keep up with demand. I mean it’s been struggling for some time.

I think that they’re still trying to figure out how many electric cars they’re going to make year on year. Not all the car manufacturers are out with that. But with a couple that we have been talking to are well advanced on where they’re heading, and they know how much product they need. They know that it’s going to be incredibly difficult for everyone to get the quantity they need.

I think most of the serious demand out there and I'm not talking about some of the analysts coming out with comments, I'm talking about the institutions that understand how many tonnes are needed to make the batteries for the cars. There is just not enough on the planet.

I think everyone underestimates too the time it takes to get one of these operations running. For us to get Wodgina, two trains running and get the third, that third one, it's an 18-month project, and the lead times are getting longer. To turn the fourth train on is probably from when we hit the button it's probably a couple of years to make that happen and you've got the long lead time on hydroxide.

There's a lot of time and work in getting the approvals. Now, just on these operating mines, when you go into new regions to open up the new mine it's going to be incredibly difficult, but not impossible. We're yet to get a clear picture on the demand. We think that probably - what I'm understanding is that most countries are going to be looking at having no new combustion engines on the road after 2035 so you get a bit of a picture on by 2030 how many of the new cars coming into production need to be electric.

Stationary battery power storage is becoming much more important; it's becoming quite a big story and there's quite a lot of demand around for that. I think a lot of the OEMs and the battery manufacturers are really starting to think about putting capital back into mines. They're talking about it more. We're seeing them joining up with the miners, and I think for them to spend the billions they have to commit to a factory to build cars, they need to have a guaranteed supply, so we'll be directly engaged with the OEMs.

Transition into the integrated lithium chemicals producer, we're on track I think within about four years to produce about 120,000 tonnes of hydroxide, but the first half of this year we've done 11,000 tonnes, we look like doing 19,000 so that takes it up to 30,000 tonne this financial year. We'll keep growing that year-on-year as we move forward, obviously.

We want to build downstream capacity in the Pilbara, as I've said. We're working hard on that and we're going to continue to look for other deposits internationally and in Australia. We're looking at a number of different regions where we've got pegmatites and we're going to grow our reserves and resources.

We are having good discussions with state and federal government, and they are very supportive of us building in Australia. We're just seeing if we can get them to come up close to some of the tax breaks and the financial investments that other countries are willing to make. We need a - if we can get our government to come across with some more benefits to help us to convince our JV partners to get involved, we'll have a much better shot at getting plants built here.

Look, I'm going to close now, I think it's sort of enough, I think I've gone on for long enough. We've delivered a good first result, second one is going to be better. There's a lot of effort underway to set us up over the next 20 to 50 years; we're building some of that now, we're getting approvals to do some of it but we've got all the foundations that we need. We're going to expand into a full integrated battery chemicals company and we've locked in substantial growth in all of our businesses and we've got a good plan on where we're heading over the next two to five years.

We've got great tier 1 assets, we're in the best tier 1 mining jurisdiction in the world, we've got great partners, and we've got and getting really high-quality people onboard in the business. So, our track record has been strong so far and as we get a better balance sheet and the Company grows, we get better and better.

I'll wind up with that, and if anyone out there's got any questions for Mark or I, we'd welcome them.

Operator: Thank you. A reminder, 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. For those in the room, we have a microphone. Please raise your hand and wait for the microphone before asking your question. When asking a question, please state your name and affiliation. 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 phone question today comes from Paul Young with Goldman Sachs. Please go ahead.

Question: (**Paul Young, Goldman Sachs**) Thanks. Hi, Chris. Hi, Mark. I hope you're well. First point is on the Albemarle JV. Well done for getting it done, you got there in the end and it actually appears very value accretive in the spreadsheet so well done. First question, Chris, is on the timing of the switch from the current more expensive toll-treating arrangement and feeding the Wodgina concentrate into the Albemarle facilities.

Just two points on that. With Qinzhou, does Wodgina concentrate feed in as Kemerton ramps up? Then on the commissioning of Meishan, what is actually the timing of the commissioning and ramp up of Meishan? Thanks.

Chris Ellison: Yes. Look, Meishan - Paul, thanks for that and welcome. Meishan is around mid-2024 and they're expecting that to ramp up quite well. It's pretty much a copy over of what they've got over there and they've got a static workforce. Qinzhou - the one we actually call Saturn which is much easier to pronounce - that one is operating now. It's taking Greenbushes dirt. It needs work done to take Wodgina dirt so we're going over to flotation-style dirt, so there's about a year in getting the long lead items and getting all that done.

So, they'll continue to run that until they convert that over to Wodgina and in the meantime, all the Wodgina dirt, they're putting arrangements - and they have a lot of arrangements in place over there for toll treaters. Most of the Wodgina dirt is going to go out to third parties until we get those two plants running, but they have the capacity to do that and we've got an arrangement with them where that's their skill and expertise, we just send the dirt and they'll convert it.

We do get in the Saturn plant - once we write the cheque for them, for them doing conversions, we do then share in the benefits of that Saturn plant. That will happen immediately after getting approvals here from the Australian Government and the Mines Department for this transaction, the Australian transaction to happen. I don't know how...

[Audio lost]

Operator:	Ladies and gentlemen, we have temporarily lost connection with the conference speaker line. Please continue to hold and the conference will resume shortly.

[Standby Music]

Operator:	Pardon me, Chris. You are now reconnected. Please go ahead.
Chris Ellison:	Yes. I'm not sure if everyone's connected again. We've got some sort of technical difficulty, I apologise for that but hopefully we're over that, so if anyone's got any more questions.
Operator:	Thank you. Your next phone question comes from Hayden Bairstow with Macquarie. Please go ahead.
Question:	(**Hayden Bairstow, Macquarie**) Good morning, Chris and Mark. Yes, just echoing Youngie's comments, I think we're going to get that Albemarle build done finally. I'm just interested to understand couple of things. Firstly, growing the lithium business from here, is it likely that that JV and the Ganfeng JV will be how you try and structure the business or do you see yourselves going out and trying to find other assets to continue to grow this business more medium term? Then the second one is just on Wodgina and potentially building downstream in Australia. Obviously, this deal you've just done with Albemarle, the capacity cost is half of what it's cost other players in Australia to build capacity here. Is that something that you look to take to the government to try and get some financial aid given the increased costs to get downstream capacity, or more downstream capacity built here? Thanks.
Chris Ellison:	Yes. Apologies for the technical side. The first part of your question, Hayden, yes, we are looking to expand beyond the joint ventures in our own right, both in Australia and internationally. We're also looking - obviously we're expanding Mount Marion; that was a fairly easy arrangement to come to with Ganfeng, and we will be growing Wodgina. The way we will grow Wodgina will be first of all, we want to make sure we get conversion capacity in front of us. That's a combination of what we're applying to buy in China, downstream processing and hopefully being able to build in Australia. We do need government help, otherwise we're simply not going to get our joint venture partners in Australia but it is incredibly positive to Australia if we can get those plants done here. We're keen to do it ourselves but we can't get it done

on our own and the opportunities that are being offered by Europe and US is very significant, but again, it's more than worth them doing it.

Question: (**Hayden Bairstow, Macquarie**) Great. Thanks for that.

Operator: Thank you. Your next question comes from Kaan Peker with Royal Bank of Canada. Please go ahead.

Question: (**Kaan Peker, Royal Bank of Canada**) Morning Chris, Mark, and team. Following on with the same line of questioning, just on finalising that JV agreement. With regards to the downstream processing, of the 100,000 tonnes of capacity I think 75,000 was outlined. Where is the other 25,000 capacity coming from?

Chris Ellison: That will be basically extra capacity that Albemarle will probably build. We've simply got an arrangement with them where they're going to provide that 100,000 tonnes as it's required. I'm not quite privy to all of their plans, firstly, and secondly, we have to have the approval of the Chinese Government before we can go and think about information that's confidential.

Question: (**Kaan Peker, Royal Bank of Canada**) Sure, understood. Is there a region that's being considered or that's not really being provided yet?

Chris Ellison: Albemarle have plans locked away on what they're going to do. Outside of that, we are considering other regions as well and we're going to do some study work on that, but they have a fairly clear understanding of how they're going to convert that.

Question: (**Kaan Peker, Royal Bank of Canada**) Thanks. The second one is more around the opportunity of lowering grade of spodumene concentrate at Wodgina. I think there's a slide in the presentation that mentions it. So, just 10% to 12% uplift in recoveries. Isn't this something MIN plans to go ahead with and does it need sign-off from Albemarle? Thanks.

Chris Ellison: Look, we have an agreement with Albemarle on that and we've actually started that now. As of I think early January we went into the 5.5% range and that obviously just gives us better recoveries overall.

Question: (**Kaan Peker, Royal Bank of Canada**) Thank you. I'll pass it on.

Operator: Thank you. Your next question comes from Lachlan Shaw with UBS. Please go ahead.

Question: (**Lachlan Shaw, UBS**) Morning, Chris and Mark. Well done again on the finalisation of the JV. Just a couple from me. Just on Onslow, the pushback to mid-'24, can you just run through that again? I might have missed it earlier in the call, but what's driving that pushback in timing, please?

Chris Ellison: Purely around approvals. Approvals have been much, much slower than we anticipated and the reason for that is that over the last two years or so, and almost as a direct result of COVID, the departments, the government agencies have been shorthanded on people. That's half created by the mining companies; the mining companies have been stealing the government people.

They've been running shorthanded and it's simply taking two to two-and-a-half times longer to get approvals done whether that be through Mines, Environment, or anywhere, than it was going back in 2020. All our studies had the right times in them; we just didn't understand the time lag that it was going to take. Look, they're all in hand. We've been getting a lot of support from government, from the Ministers, the departments. Everyone wants the project to go ahead; it's just taking much longer than we anticipated.

We expected to be well into the haul road now and we're not, we're just waiting on that final approval on that to come through. That's sitting out for public comment at the moment and by about - look, the end of March we should be on the move. We have been given the go-ahead on certain areas so we've got early works going on up there in a range of areas at the moment. We're hoping we can pull that back from that but we would want to give you the most likely news.

Question: (**Lachlan Shaw, UBS**) Okay, great. Thanks. Then just second question. Given that, would that have any impact on potential timing of studies on the fourth train at Wodgina? How should we think about timing there in any case given that you've just finalised the JV restructure, the agreement to go to 5.5% is done. How should we think about that timing and the studies and that fourth train at Wodgina? Thanks very much.

Chris Ellison: I think we're only probably a couple of months away from finalising the train study, I think the decision on that will be fairly quick, but the answer is yes, that – if I was building that in 2019 or 2020 I would think it would be a 12 to 15-month build. Today it's more like a two-year build. So, it's probably at least two years away.

We've got other issues surrounding that as well because we've got to make sure now that we've got all the changes that are going on with the Traditional Landowners, but our relationship up there is very strong but we've got to make sure that we've got all of those new agreements in place. So again, a lot of work to do around that.

Operator: Thank you. Your next question comes from Glyn Lawcock with Barrenjoey. Please go ahead.

Question: (**Glyn Lawcock, Barrenjoey**) Good morning, Chris. Chris, you've I guess essentially enabled Albemarle to get their capital out of China and relocate it back into Australia, and you've done the reverse. How comfortable are you at putting all this capital into China? I think since the JV discussion started the landscape has probably changed a little bit. So just interested in your thoughts on how you're thinking about that because we saw what happened with Russia and assets there became worthless, so I'm just wondering how you think about China? Thanks.

Chris Ellison: Yes, I mean and that's a really good question. Our relationship with our Chinese partners has always been incredibly strong but the issues surrounding the – how would you say it – the issues surrounding the cultural difference between the two countries is quite strong.

We are concerned. We've had long discussions with Albemarle around that issue and look, the returns that we get out of these plants in China is seriously significant. The payback is incredibly quick. So we think for a number of years, three or four years out, I think we're relatively safe.

We've looked at that on a short-term investment basis and it's more than worth doing that rather than taking the time to go build somewhere else. I mean it's one of the issues that's slowed MinRes down.

I mean I think if you're an American company the risk is somewhat less but it is easy for Australian products as we've seen with coal and wine and wheat and barley and the likes, it's fairly easy to turn Australia off. It's a concern, but it's a calculated risk and I think that the payback is going to be significant.

Question: (**Glyn Lawcock, Barrenjoey**) Yes, no, I get it.

Mark Wilson: Glyn it's Mark. Hi. The other point I'd add is obviously we're talking about pretty strategic minerals going into China and there's big demand for it inside China. So we think it's a symbiotic relationship. No real alternative for them.

Question:	(**Glyn Lawcock, Barrenjoey**) Yes, I get that. I look at what the market did to the value of Russian assets as well, when things go pear shaped.
	Just a second question, if I could just to clarify, you talked about, I think to answering Lachlan's question you hopefully have by end of March, the permit for the Onslow Road. Is that a critical date to make June or the middle of '24? What is the critical date for the road so you don't slip again on Onslow?
Chris Ellison:	I think we really need to have that by end of June would be probably a date that would push the following - push the project out. We've got a lot of support in those approvals through and it's gone pretty well so far. I'm being fairly optimistic on the fact that it's probably going to be trouble free, but look it is possible it could be as long as the end of June before we get it and the guys and the planning have counted the end of June as being the date.
	So all going well, we got it sooner, we would have some good news on first ore on ship.
Question:	(**Glyn Lawcock, Barrenjoey**) All right. Appreciate it. Thanks Chris.
Operator:	Thank you. Your next question comes from Alex Ren with Credit Suisse. Please go ahead.
Question:	(**Alex Ren, Credit Suisse**) Morning, Chris, Mark and team. Yeah, really good to finally see that deal coming through with Albemarle. Just a couple from me please and just look at the Capex guidance. Could you give us a bit more colour or clarification on the lithium growth Capex jump? Is that mainly just because of incorporating the downstream JV deposit or is there other reasons like inflation gearing up for Wodgina Train 3 and 4? I'll come back on the second one.
Mark Wilson:	It's incorporating. Hi Alex, it's Mark. We're incorporating the Wodgina or the Australian JV restructure and the expectation that we're going to be paying US$350 million sometime this half.
Question:	(**Alex Ren, Credit Suisse**) I mean the Capex has jumped I think rough calculation is $500 million versus the previous guidance. What's the other part?
Mark Wilson:	US$350 million is the commitment.
Question:	(**Alex Ren, Credit Suisse**) Yes. Converts to Aussie. Got it. Next question is just on the downstream hydroxide part with Albemarle, that Qinzhou plant will start processing spodumene from early 2024. Presumably during the interim they are

mostly processing their own products with some volume reserved for tolling your share.

I guess what I'm trying to ask here is that, does Albemarle have enough tolling capacity allocated to MIN covering the upstream. You're rapidly ramping up. Understandably, your part of the deal is to ship the rock to them. Just wondering if there is any discussion internally about a potential contingency if they can't accommodate your spodumene volume?

Chris Ellison: Yes, look, they've given us a fairly detailed plan for all of this calendar year and look, they appear to have all of the capacity locked away that's required. They've been working on this for quite some time. So yes, we're fairly confident with that.

Question: (**Alex Ren, Credit Suisse**) Yes, understood. That's great to hear. That's it from me. Thank you.

Operator: Thank you. Your next question comes from Matthew Friedman with MST Financial. Please go ahead.

Question: (**Matthew Friedman, MST Financial**) Thanks. Morning Chris and Mark. I have two questions. Firstly I suppose on funding and capital. You've already got a pretty sizable project pipeline, which obviously you've now added the capital for additional conversion capacity.

You've probably accelerated your plans in the Perth basins taking out Norwest. You're talking about potential offshore mining services projects among many, many other things but at the end of the half, gearing obviously quite high relative to history at 20%, 0.8x net debt to EBITDA. So wondering firstly, what are your upper limits around the balance sheet?

Where are you willing to take the balance sheet to fund this growth and how does that shape your options for funding going forward?

Mark Wilson: Hi Matthew. So it's not that long ago, we were over 3x gross to EBITDA. We've said consistently that we'll invest where we see great opportunities that will deliver that 20% to 25% after tax return.

When we make those decisions, we look closely at payback period. We look at our balance sheet, our capacity. We're comfortable with where the balance sheet is today. We expect the operating cash flow to be strong in this second half and even stronger in the following half. So we're going to generate considerable cash from operations.

We know that we're investing heavily, but as Chris said, we're doing that to build 30 to 50 year businesses. So to sum up, we're happy to go above 3x gross if we see that opportunity. As we've said to our debt investors, we do it where we expect to see it delivered relatively quickly.

Onslow on completion will have a fantastic position on the cost curve. We'll generate reasonable learnings from mining services perspective once that's turned on. So all of this is manageable.

Question: (**Matthew Friedman, MST Financial**) Thanks, Mark. Just following up on that, and correct me if I'm wrong, but when you did get up to 3x net debt to EBITDA that was followed pretty soon after with a pretty sizable selldown of Wodgina. So is that the type of thing that you'd be considering post-completion of Onslow or any other project in order to get leverage back to where you want it to be?

Mark Wilson: I was talking about the 3x gross that we just recently went to, but in terms of assets, we have no plans today to sell or dispose any of the portfolio. From a portfolio perspective we'll keep monitoring and reassessing from time to time.

Question: (**Matthew Friedman, MST Financial**) Yes, got it. Thanks Mark. Secondly, interested in the opportunities that Chris touched on in terms of offshore for mining services. Understanding, obviously you guys won't be able to provide many specifics, but just wondering, how do you think about the commodity spectrum, I guess the jurisdictional challenges or risks?

What's attractive? Clearly MIN has a lot of internal capability in lithium and iron ore and in terms of jurisdictions, Canada or North America seem to be a pretty low hurdle for Australian companies. So are they the target markets to be thinking about for CSI or is that off base?

Chris Ellison: Not exactly Tier 1 countries we're looking at but we think certainly the risk is very manageable. Can't say a lot about it at the moment, but we've always stayed pretty much stuck to Western Australia because we really can get as much growth out of it as we could afford to turn on.

I mean our size now is getting beyond Western Australia and we've got some of these innovative pieces of kit that we've got are fairly highly sought after. Most of the big miners don't want to own it or operate it. They see us as being much more nimble.

Look, we're going to put our toe in the water almost certainly and go and do at least one sizeable project and we'll find out. I mean, we do understand too that some of these jurisdictions - I mean a number of Australian companies have been out in them before and some of them have succeeded and some have failed.

I think we have to expand outside of WA sooner or later and if we feel like we can manage the risk, we're going to give it a shot.

Question: (**Matthew Friedman, MST Financial**) Got it. Thanks Chris. Do you need to see better margins in order to take on that risk for an offshore project?

Chris Ellison: Not necessarily. I mean, we're fairly happy. One of the things that we do really, really well is that we really keep our margins consistent in good and bad times and our clients and customers know that. They know exactly what service they're going to get from us and if there's an opportunity to bump our rates up, we just don't do that.

We're extremely consistent with it. So our reputation is a very good, safe contract of safe and with our people and safe that will always deliver. I mean, that's something that's really important. That's why they want us. So I mean, we've got to provide a service to our customers if we want a long term relationship and all that boring stuff that people don't like to hear.

We've got to be consistent; we've got to deliver and you just can't rip them off. I've grown the business in that way for 30 years and I'll keep doing it.

Question: (**Matthew Friedman, MST Financial**) Understood. Thanks for all the detail, Chris and thanks also Mark.

Mark Wilson: My pleasure. Thanks.

Operator: Thank you. Your next question comes from Alexander Papaioanou with Citi. Please go ahead.

Question: (**Alexander Papaioanou, Citi**) Hi Chris and Mark. Just one from me. Following on from your comments regarding no legacy contracts and no forward contracts for the downstream product in the JV, can you give some more colour as to how you envisage pricing and marketing going forward, especially given you're in discussions with OEMs? Thanks.

Chris Ellison: Yes, look we're basically going to market our based on indices. I mean, we've always done that, so I don't like to hedge the dollar. I don't like to hedge our product. So my intention is always to have it floating on a couple of the indices that are out there. The indices on lithium have become quite reliable over the last 12 or so months and not too different to the way we deal with our iron ore.

Question: (**Alexander Papaioanou,** Citi) In terms of discussions with OEMs, is that likely to change the way you deal with marketing?

Chris Ellison: I don't think so. I just don't want to go and lock in prices because I'd rather it floated and I don't want to take that risk. I mean, we take the risk on the mining side and the OEMs, they'll have to take their risk on the supply demand curve.

Question: (**Alexander Papaioanou, Citi**) No worries. Thanks. That's it for that.

Operator: Thank you. We'll now move to the webcast questions.

Question: Your first webcast question comes from **Adrian Prendergast with Morgans Financial**. With Wodgina continuing to ramp up smoothly, has it increased your view on where full nameplate capacity sits?

Chris Ellison: No. I think look, if anything hard rock mining on a worldwide scale is in its infancy and I think our team are getting to understand different opportunities with the plant. So look, I think that there's no doubt there's an opportunity to get the plant to produce more than nameplate, but I mean that's got to be done in conjunction with water supply, tails dams, a whole range of things, the mine plan.

I mean the mine planning around lithium mining is very, very different to iron ore. You've got to know exactly what's out ahead of you and you've got to make sure we got that blend coming in right. So it's complicated.

Look, the answer is that I think there is no doubt these plants will produce more than nameplate and I also think that Train 4 is likely going to be a bigger version of Train 1, 2 and 3.

Operator: Thank you. Your next question is a phone question from Rahul Anand with Morgan Stanley. Please go ahead.

Question: (**Rahul Anand, Morgan Stanley**) Hi Chris and Mark. Thanks for the opportunity. Look first one perhaps for you Chris, just around MARBL. I wanted to understand, obviously you've got now two downstream conversion contracts available, one with Ganfeng and the other Albemarle.

I just wanted to understand what some of the other perhaps covenants, if any are. I mean can you go and build conversion capacity per se independently without asking either of the two parties? Do they have first right of refusal? Is there any geography involved in any of these contracts, i.e. if you're building a plant, let's say in China that you have to be with a certain party out of the two. That's my first question.

Chris Ellison: Okay. Look, the answer to that is generally no. So with Ganfeng, no. We have made a commitment jointly with Albemarle on exactly where the first 100,000 tonnes coming out of Wodgina goes because you simply need to do that to have the planning and the build and the capital.

Beyond that, we're looking together on where to build the next plant, but we're not committed that we have to build it together. So for example if we do a study on building one in Wodgina and one wants to build it there and one doesn't, then one can do it independently of the other.

Question: (**Rahul Anand, Morgan Stanley**) Is there a first ride of refusal in terms of you building that plant or you can do that without asking them basically?

Chris Ellison: No, what we want to do is we want to be good JV partners and we want to work together wherever we can. I mean that's our first objective. If one decides that it's better that they build a plant in the States and we want to build at Wodgina, we have the right to sit down, have that conversation and then for us to go ahead and build where we want.

Question: (**Rahul Anand, Morgan Stanley**) Understood. Okay. Just one follow up there Chris, in terms of the Chinese plants, is it fair to think that your marketing team's target the domestic Chinese market for that product and some of the other Western suppliers perhaps are going to look to build conversion capacity outside China like we're seeing in the industry?

Chris Ellison: I think look generally speaking, yes, I think you're right on both of those. In saying that too, I mean there's equal opportunity for us to be able to market that product outside of China as well. Both of them have got hooks and barbs with them. When you send product out of China, you're subject to a VAT. When you sell it internally, then it's a process to get the cash out. So we'll be looking for a number of reasons to balance those sales as well. Some of it to do with cash flow.

Question: (**Rahul Anand, Morgan Stanley**) Understood. Okay. One for Mark please, Mark just wanted to follow up on that debt question a bit. Can you maybe perhaps help us understand some of the covenants around the debt that currently exists?

Where can you take the balance sheet to perhaps in terms of net debt to EBITDA, gearing, interest cover? What type of metrics should we be looking at and be making informed decisions around any commodity volatility and how that might impact the balance sheet? Thanks.

Mark Wilson: Hi Rahul. So we have a senior facility which is undrawn, which is effectively a $400 million line, which has traditional debt type covenants. The bonds that we have in place, the key issue is that we pay the interest. If we pay the interest, we're okay. There are other restrictions in terms of dividends and so on.

They cap the ability to pay dividends in certain circumstances and so on if we start to have problems with the interest payment basically. That's it. So one of the attractions of the debt package that we've got in place is the flexibility it's given us.

Question: (**Rahul Anand, Morgan Stanley**) Understood. That's very helpful both. Thank you very much.

Chris Ellison: Thanks Rahul.

Operator: Thank you. There are no further questions at this time. I'll now hand back to Mr Ellison for closing remarks.

Chris Ellison: Okay, thanks. Look, thanks everyone. Thanks for coming online. Thanks for all the support during the year. The team are on a roadshow on Monday, Tuesday at Sydney and Melbourne. So we'll catch up with lot of you there. No doubt you'll have some more questions by then.

Look, thanks for coming online today and thanks for your time and we'll see you all shortly. Good morning.

[END OF TRANSCRIPT]