



# HALF-YEAR RESULTS ANNOUNCEMENT

Friday, 24 February 2023

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or the **Company**) is pleased to announce its financial results for the half-year ended 31 December 2022 (1H23).

MinRes generated underlying earnings before interest, tax, depreciation, amortisation and impairment (Underlying EBITDA)<sup>1</sup> of \$939 million, up 503% on the prior corresponding period (pcp)<sup>2</sup>.

The Company delivered a strong first-half performance, driven by record Lithium earnings from the conversion of both Mt Marion and Wodgina spodumene concentrate into lithium battery chemicals. The first-half performance was further underpinned by consistent Mining Services earnings and an improved contribution from Iron Ore on the back of higher achieved prices.

Group underlying earnings after tax<sup>1</sup> were \$387 million, up \$423 million on pcp. Statutory net profit after tax was \$390 million, up \$370 million on pcp.

Operating cash flow of \$281 million was up \$399 million on pcp from increased earnings with corresponding increases in working capital associated with the conversion of MinRes' spodumene concentrate into lithium hydroxide.

The Board of Directors has declared a fully franked interim dividend for FY23 of \$1.20 per share. The dividend is due to be paid on 30 March 2023 to shareholders on the register at 10 March 2023.

## MinRes delivered a strong and stable 1H23 with achievements including:

- ▶ No Lost Time Injuries and maintaining low Total Recordable Injury Frequency Rate of 2.81
- ▶ First lithium battery chemicals earnings from Wodgina spodumene concentrate feed
- ▶ Record lithium battery chemicals earnings from Mt Marion under the tolling agreement with Jiangxi Ganfeng Lithium Co. Ltd (Ganfeng)
- ▶ Extended Ganfeng tolling agreement to December 2023, with an option to extend to December 2024
- ▶ Final Investment Decision (FID) made to develop the Red Hill Iron Ore Joint Venture assets as part of the Onslow Iron project, with construction on the project progressing well
- ▶ Off-market scrip takeover bid for Norwest Energy NL (**ASX: NWE**) (**Norwest**), with the revised offer unanimously recommended by Norwest Directors subsequent to 1H23

During 1H23, Mining Services delivered production volumes of 138Mt and continues to perform within guidance. Mining Services excluding Construction EBITDA of \$1.8/t is maintained in line with historical performance. The Mining Services business was awarded 3 new contracts with Tier 1 clients.

<sup>1</sup> In order to provide additional insight into the performance of the business, the Group uses non-IFRS measures such as Underlying EBITDA. Reconciliations to IFRS measures are provided in Note 2 of the financial statements.

<sup>2</sup> Comparison to pcp being the half year ended 31 December 2021 (1H22).

In Iron Ore, improved achieved prices contributed to stronger earnings. MinRes shipped a total of 8.7Mt of iron ore in the period, with production in the Yilgarn slightly lower to allow for the processing plant to be successfully converted to process both lump and fines, with lump shipments commencing in the period.

Significant progress continues to be made at the Company's game-changing Onslow Iron project, which will transform MinRes' Iron Ore business into a large, low-cost, long-life producer.

The Lithium division achieved record earnings from strong pricing and increased volumes. Wodgina continues to ramp-up steadily, with two trains operational and all three trains commissioned. During 1H23, MinRes delivered maiden earnings from lithium battery chemicals produced from Wodgina spodumene. MinRes also extended its successful lithium battery chemicals tolling agreement with Ganfeng to the end of calendar 2023, with an option for both parties to further extend it to the end of calendar 2024.

Activity in the Energy division was headlined by preparations for the Lockyer-2 appraisal well and a scrip takeover bid for Norwest Energy, the Company's minority partner in the Lockyer Deep gas discovery in the Perth Basin. Subsequent to period end, Norwest's Board unanimously recommended in favour of MinRes' revised offer.

METRIC	1H23 RESULTS	COMPARISON TO PCP
Revenue	\$2,350M	Up 74%
Underlying EBITDA <sup>1</sup>	\$939M	Up 503%
Underlying earnings after tax <sup>1</sup>	\$387M	Up 1,175%
Net profit after tax	\$390M	Up 1,890%
Diluted earnings per share (EPS)	202cps	Up 1,888%
Interim dividend declared	120cps	n/a
Operating cash flow	\$281M	Up 333%
Capex	\$741M	Up 84%
Cash <sup>2</sup>	\$1,714M	Down 29%
Net debt <sup>2</sup>	\$1,394M	Up 100%
Net assets <sup>2</sup>	\$3,493M	Up 7%
Return on invested capital (ROIC) <sup>3</sup>	18.4%	Down from 23.9%

<sup>1</sup> Refer to Note 2 for reconciliation of non-IFRS measures to the IFRS financial metrics reported in the financial statements.

<sup>2</sup> Calculated comparisons as per FY22 results

<sup>3</sup> ROIC calculated as per FY22 Remuneration report definition on a rolling 12 month basis.

#### MinRes Managing Director Chris Ellison said:

"MinRes had a strong and stable first half, with solid earnings set to deliver shareholders a \$1.20 fully franked interim dividend. We are well set-up for an excellent year, with our balance sheet and performance across all areas in a great position.

"Our first half was headlined by record lithium earnings from conversion of Mt Marion and Wodgina spodumene concentrate into lithium battery chemicals. This was underpinned by consistent mining services earnings and a return to positive iron ore earnings due to improved product discounts.

<sup>1</sup> ROIC calculated as per FY22 Remuneration Report definition on a rolling 12 month basis.

“Over the past 12 months, the business has been restructured for growth in each of our four business pillars.

“We have locked in substantial growth in each of these business divisions for the next five years and built the foundations that will set up MinRes for the next 50 years.

“This half has seen us take the business from a mining services contractor and upstream miner to a leading downstream supplier of lithium to global auto manufacturers.

“In lithium, we are expanding our fully integrated battery chemicals business through the restructure of the joint venture with Albemarle. Owning the rock and converting it into battery chemicals, sold by MinRes, means we capture more margin of the value chain.

“In iron ore, we are progressing plans to unlock stranded deposits at our game-changing Onslow Iron project, which will transition us to a low cost, long-life iron ore producer.

“In energy, we are pursuing opportunities to secure reliable, low-cost natural gas to power our operations, transition away from diesel and coal-fired power and unlock downstream potential.

“In mining services, our innovative and cost-effective solutions in crushing, haulage and port services are gaining international attention and potentially leading to new options offshore.

“We’re also taking MinRes to the world by exploring options outside of Western Australian across the business.

“This financial year is set up for a strong run home, with the pieces in place for an exciting second half that should deliver even better results, as we consistently do.”

**ENDS**

## **CONFERENCE CALL**

MinRes Managing Director Chris Ellison and Chief Financial Officer Mark Wilson will provide a webcast presentation on the half-year results on **24 February 2023 at 9:00am AWST**.

To register, use this link: <https://s1.c-conf.com/diamondpass/10027496-oz4ild.html>

Dial-in details and individual PIN will be received upon registration.

This announcement dated 24 February 2023 has been authorised for release to the ASX by Mineral Resources Limited’s Board of Directors.

For further information please contact:

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**About Mineral Resources**

Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX’s best-performing companies since listing in 2006. For more information, visit [www.mineralresources.com.au](http://www.mineralresources.com.au)



# HALF-YEAR REPORT APPENDIX 4D

24 February 2023

## 1. COMPANY DETAILS

Name of entity:	Mineral Resources Limited
ABN:	33 118 549 910
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

## 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			\$m
Revenues from ordinary activities	up	74% to	2,350.1
Profit from ordinary activities after tax attributable to the owners of Mineral Resources Limited	up	1,924% to	388.6
Profit for the half-year attributable to the owners of Mineral Resources Limited	up	1,924% to	388.6

### Comments

Commentary on the results for the period is contained within the Financial Report as well as the Media Release that accompanies this announcement.

## 3. NET TANGIBLE ASSETS

	Reporting period \$	Previous period \$
Net tangible assets per ordinary security	<u>18.28</u>	<u>15.32</u>

#### 4. DIVIDENDS

	Cents	Franked %	\$m
2023 interim dividend – declared 24 February 2023	120.00	100%	233.0
2022 final dividend – paid 23 September 2022	100.00	100%	188.3
2021 final dividend – paid 6 September 2021	175.00	100%	329.4

#### 5. DETAILS OF ASSOCIATES

	Reporting entity's percentage holding		Contribution to profit/(loss)	
	Reporting period %	Previous period %	Reporting period \$m	Previous period \$m
Norwest Energy NL <sup>1</sup>	19.88%	19.29%	(0.6)	-
Aquila Resources Pty Ltd	15.00%	15.00%	(1.1)	(0.8)

<sup>1</sup> Refer to Note 12 for further information on the Norwest Energy NL off-market takeover bid.

#### 6. AUDIT QUALIFICATION OR REVIEW

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.





# INTERIM REPORT

31 December 2022

ABN 33 118 549 910



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Mineral Resources Limited (referred to hereafter as the 'Company' or 'MinRes') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022 (1H23).

**DIRECTORS**

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

James McClements  
Chris Ellison  
Susie Corlett  
Kelvin Flynn  
Colleen Hayward (appointed 1 January 2023)  
Justin Langer (appointed 1 January 2023)  
Zimi Meka  
Xi Xi

**PRINCIPAL ACTIVITIES**

During the half-year, the principal continuing activities of the Group consisted of the integrated supply of goods and services to the resources sector and mining activities.

**DIVIDENDS**

Dividends paid or declared during the financial half-year were as follows:

	<b>Cents</b>	<b>Franked %</b>	<b>\$m</b>
2023 interim dividend – declared 24 February 2023	120.00	100%	233.0
2022 final dividend – paid 23 September 2022	100.00	100%	188.3
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## REVIEW OF OPERATIONS

### SUMMARY OF RESULTS

MinRes continued its focus to safely and efficiently deliver world class projects and sustained returns for its people, partners and shareholders. Key highlights during 1H23 include:

- No Lost Time Injuries and maintaining low Total Recordable Injury Frequency Rate of 2.81
- First lithium hydroxide and lithium carbonate earnings from Wodgina spodumene concentrate feed
- Record earnings from lithium hydroxide tonnes sold under the Mt Marion toll-treating agreement with Ganfeng
- Extended Ganfeng tolling agreement to December 2023, with an option to extend to December 2024
- Final Investment Decision (FID) made to develop the Red Hill Iron Ore Joint Venture assets as part of the Onslow Iron Project, with construction on the project progressing well
- Off-market scrip takeover bid for Norwest Energy NL (ASX: NWE) (Norwest), with the revised offer unanimously recommended by Norwest Directors subsequent to 1H23

MinRes generated Underlying EBITDA ('EBITDA') of \$939 million for the financial half-year ended 31 December 2022 (1H23) (1H22: \$156 million), up 503 per cent on pcp. MinRes delivered a strong first-half performance with record Lithium earnings from conversion of both Mt Marion and Wodgina spodumene concentrate into lithium hydroxide and lithium carbonate. This was underpinned by consistent Mining Services earnings and positive Iron Ore earnings due to improved product discounts.

Underlying earnings after tax were \$387 million, up \$423 million on pcp. Statutory net profit after tax was \$390 million, up \$370 million on pcp.

The MinRes Board of Directors has declared a fully franked interim dividend for FY23 of \$1.20 per share. The dividend is due to be paid on 30 March 2023 to shareholders on the register at 10 March 2023.

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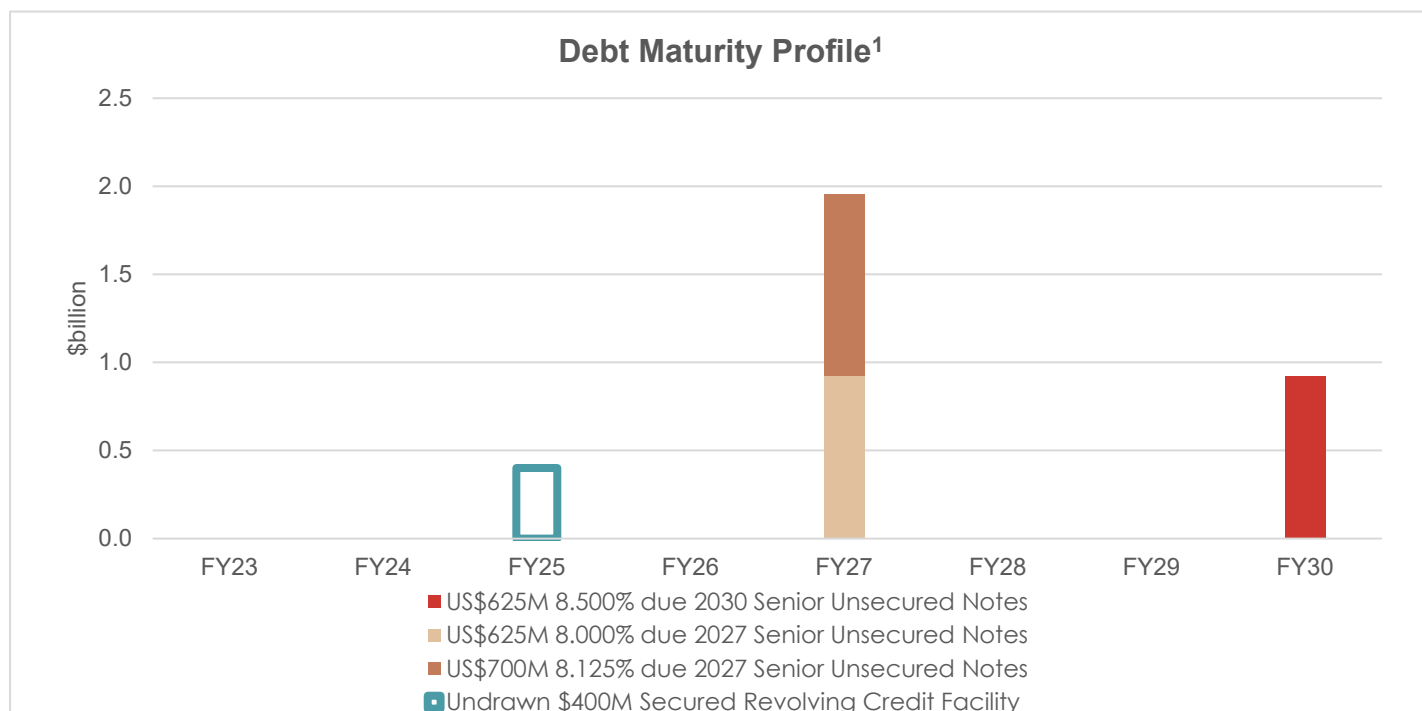
<sup>2</sup> Calculated comparisons as per FY22 results

<sup>3</sup> ROIC calculated as per FY22 Remuneration report definition on a rolling 12 month basis.



### Cash and capital management

At 31 December 2022, MinRes maintained a strong balance sheet with cash and cash equivalents of \$1.7 billion (30 June 2022: \$2.4 billion). In addition, MinRes has access to substantial undrawn debt facilities to support business development activities of \$518 million as at 31 December 2022.



<sup>1</sup> Excluding capital repayments on hire purchase arrangements.

Operating cash flow of \$281 million was up \$399 million on pcp, from increased earnings with corresponding increases in working capital associated with the conversion of MinRes' spodumene concentrate into lithium battery chemicals.

Investment in MinRes' expansion projects continued in 1H23 with capital expenditure including:

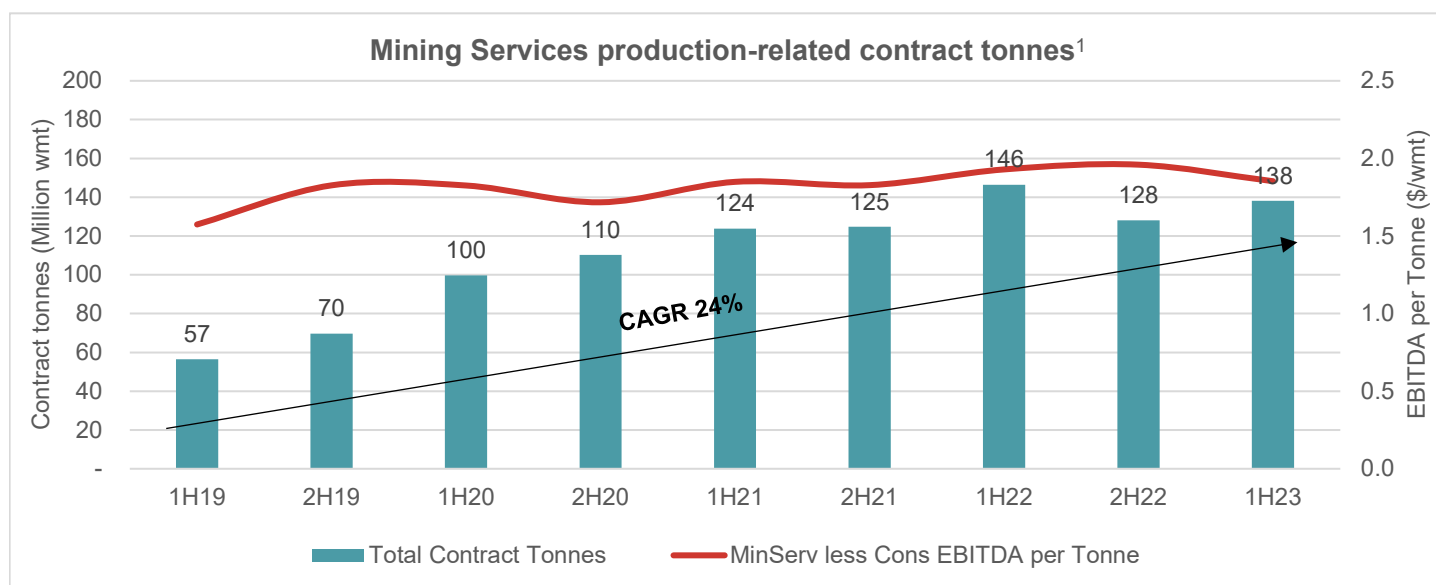
- Progressing development of the Onslow Iron Project, with initial earthworks underway at the Port of Ashburton and construction progressing at the Ken's Bore mine site construction camp and airport. Works have also been progressing on the construction of the transhippers in China.
- Commenced Mt Marion to production capacity of 900ktpa (100% basis) from April 2023
- Ramp up of Wodgina with practical completion of Train 3, providing additional flexibility to maximise production and optimise recoveries.

## OPERATIONAL PERFORMANCE

### Mining Services

Mining Services revenue of \$1.2 billion (1H22: \$1.1 billion), EBITDA of \$255 million (1H22: \$281 million) and production of 138Mt for 1H23 (1H22: 146Mt), stable on pcp and in line with guidance.

Mining Services achieved a margin of 21 per cent, down from 27 per cent in 1H22, impacted by higher parts and labour costs. However, Mining Services excluding Construction EBITDA of \$1.8/t is maintained in line with historical performance.



<sup>1</sup> Mining Services production-related contract tonnes are based upon TMM, crushed, processed, transported and other logistical services.

### Iron Ore

Iron Ore sales (100% attributable basis, unless otherwise indicated)	Units	1H22	2H22	FY22	1H23	PcP Variance
Yilgarn Hub	k wmt	4,421	4,258	8,678	3,588	(833)
Utah Hub	k wmt	5,436	5,097	10,533	5,098	(338)
<b>Total</b>	<b>k wmt</b>	<b>9,857</b>	<b>9,355</b>	<b>19,212</b>	<b>8,686</b>	<b>(1,171)</b>

MinRes owns two iron ore operations in Western Australia being the Utah Point Hub and Yilgarn Hub. Iron ore exports in 1H23 totalled 8.7Mt across both hubs, in line with the mine plan and FY23 guidance (17.2 – 18.8M wmt). Production in the Yilgarn Hub was slightly lower on 1H23 to allow for the processing plant to be successfully converted to process both lump and fines, with lump shipments commencing in the period.

Iron Ore revenue of \$973 million (1H22: \$883 million) was 10 per cent higher, with improved achieved prices from lower product discounts, partially offset by lower volumes sold. The Platts 62% IODEX was volatile during the half ranging from US\$118/dmt to a low of US\$80/dmt, before recovering to finish 1H23 at US\$117/dmt and averaging US\$101/dmt. MinRes' 1H23 average iron ore price achieved was US\$84/dmt, an increase of 18 per cent on pcp. This represented a realisation of 83% to the Platts 62% IODEX. Excluding prior year adjustments, iron ore shipments for 1H23 achieved a price of US\$88/dmt.

Iron Ore produced EBITDA of \$37 million (1H22: \$104 million loss) up \$141 million from pcp from improved achieved prices, partially offset by higher FOB costs from increased haulage and labour costs.

*Lithium*

**Mt Marion**

Mt Marion	Units	1H22	2H22	FY22	1H23	PcP Variance
Spodumene concentrate shipped (50% attributable basis)	k dmt	103	117	221	113	10
Lithium battery chemicals equivalent tonnes <sup>1</sup>	t	-	6,722	6,722	8,337	8,337

<sup>1</sup> MinRes has a 51% offtake share of spodumene concentrate produced which is toll-converted into lithium hydroxide based on conversion rates as per the toll treating agreement with Ganfeng. Revenue under the tolling arrangement is recognised as the achieved price less the cost of production and excludes central costs.

MinRes shipped 113k dmt (50% share) of spodumene concentrate in 1H23, 10 per cent higher than pcp, with increased mining activity associated with the planned expansion of production capacity to 900ktpa (100% basis). Subsequent to 1H23, the expansion has been pushed back slightly to April 2023 due to supply delays of processing equipment, with the ramp up to full run rate from July 2023.

MinRes' share of Mt Marion spodumene concentrate revenue of \$630 million, \$487 million higher than pcp, mainly reflected the significant increase in spodumene concentrate prices. The achieved spodumene concentrate price at Mt Marion increased 268 per cent on pcp to average US\$3,721/dmt in 1H23. MinRes' share of Mt Marion spodumene concentrate EBITDA was \$500 million (1H22: \$67 million), driven by higher achieved prices.

In addition, MinRes' 51% offtake share of Mt Marion spodumene concentrate, once sold, is converted into lithium hydroxide under the tolling agreement with joint venture partner, Jiangxi Ganfeng Lithium Co. Ltd. (Ganfeng). During the period 8,337 tonnes (1H22: nil) of hydroxide were produced under this arrangement, with MinRes benefiting from the additional value added through the lithium hydroxide conversion. The average achieved price for the lithium hydroxide equivalent under the arrangement was US\$73,000/t (exclusive of China VAT). Revenue under the tolling arrangement is recognised as the achieved price less the cost of production (excluding central costs of \$35.9M).

MinRes' additional EBITDA as a result of the lithium hydroxide converted was \$84 million (1H22: nil). The tolling agreement has been extended by one year to the end of calendar year 2023, with an option to extend the agreement to the end of calendar year 2024. The agreement also provides MinRes the optionality to use other third party tollers from April 2023 for a portion of the spodumene concentrate offtake.

Total Mt Marion EBITDA was \$584 million (1H22: \$67 million).

**Wodgina**

Wodgina (40% attributable basis, unless otherwise indicated)	Units	1H22	2H22	FY22	1H23	PcP Variance
Spodumene concentrate shipped - total	k dmt	-	17	17	64	64
Spodumene concentrate sold on market	k dmt	-	9	9	9	9
Lithium battery chemicals sold	t	-	-	-	2,290	2,290

Mining operations continued to ramp up steadily with two trains operational and all three trains commissioned. A total of 64k dmt (40% share) of spodumene concentrate was shipped in 1H23. 9k dmt (40% share) of spodumene concentrate was sold on market at US\$5,131/dmt as directed by Albemarle.

2,290 tonnes (40% share) of lithium battery chemicals were sold during 1H23 an average realised price of US\$51,209/t (exclusive of China VAT) under the Albemarle marketing agreement, which included long-term offtake contracts at lower prices.

MinRes' share of Wodgina total lithium EBITDA was \$177 million (1H22: \$6 million loss).

### **Kemerton**

The MARBL JV (Albemarle and MinRes JV) also holds an interest in two trains of the Kemerton Lithium Hydroxide Plant, near Bunbury in the South West region of Western Australia, which will receive spodumene concentrate feed from the third-party Greenbushes lithium mine. Commissioning of the plant progressed during 1H23 with first product from Train 1 delivered and subject to the qualification process. Train 2 is mechanically complete and progressing through commissioning.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Group during the financial half-year.

### **ROUNDING OF AMOUNTS**

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest million dollars, unless otherwise stated.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in this report.

**MINERAL RESOURCES LIMITED**

DIRECTORS' REPORT

31 December 2022



This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Chris Ellison".

Chris Ellison  
Managing Director

24 February 2023  
Perth





**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Mineral Resources Limited**

As lead auditor for the review of the half-year financial report of Mineral Resources Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mineral Resources Limited and the entities it controlled during the financial period.

A handwritten signature in blue ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in blue ink that reads "D S Lewsen".

D S Lewsen  
Partner  
24 February 2023

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## GENERAL INFORMATION

The financial statements cover Mineral Resources Limited as a consolidated entity (the 'Group') consisting of Mineral Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Mineral Resources Limited's functional and presentation currency.

Mineral Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**20 Walters Drive  
Osborne Park  
Western Australia 6017**

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 February 2023.

	Group	
	Note	31 Dec 2021
		\$m
<b>REVENUE</b>	3	2,350.1
Other income	4	33.0
<b>EXPENSES</b>		
Changes in closing stock		218.4
Raw materials and consumables		(210.9)
Equipment costs		(142.8)
Subcontractors		(182.8)
Employee benefits expense		(403.7)
Transport and freight		(479.3)
Depreciation and amortisation		(258.2)
Other expenses	5	(238.5)
Finance income		18.1
Finance costs		(137.3)
Net finance costs		(119.2)
<b>PROFIT BEFORE TAX</b>		566.1
Income tax expense		(176.0)
<b>PROFIT AFTER TAX FOR THE HALF-YEAR</b>		<b>390.1</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net (loss)/profit on cash flow hedges		(7.9)
Other comprehensive income for the half-year, net of tax		(7.9)
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR</b>		<b>382.2</b>
Profit for the half-year is attributable to:		
Non-controlling interest		1.5
Owners of Mineral Resources Limited		388.6
		390.1
Total comprehensive income for the half-year is attributable to:		
Non-controlling interest		1.5
Owners of Mineral Resources Limited		380.7
		382.2
Earnings per share for profit attributable to owners of Mineral Resources Limited:		
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share		205.80
Diluted earnings per share		202.18

The above consolidated income statement should be read in conjunction with the accompanying notes

		Group	
	Note	31 Dec 2022 \$m	30 Jun 2022 \$m
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,714.3	2,428.2
Trade and other receivables		1,026.0	616.2
Inventories		378.9	252.6
Current tax assets		139.8	0.5
Other assets		50.4	62.3
Total current assets		<u>3,309.4</u>	<u>3,359.8</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		301.0	664.9
Inventories		6.3	-
Investments accounted for using the equity method		84.2	102.7
Financial assets		117.7	58.0
Property, plant and equipment		2,905.0	2,162.7
Intangibles		24.1	24.9
Exploration and mine development		1,420.8	1,240.2
Total non-current assets		<u>4,859.1</u>	<u>4,253.4</u>
<b>TOTAL ASSETS</b>		<u><u>8,168.5</u></u>	<u><u>7,613.2</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		831.6	635.7
Borrowings	6	103.1	129.2
Current tax liabilities		-	11.2
Employee benefits		89.9	82.0
Provisions		77.0	50.9
Total current liabilities		<u>1,101.6</u>	<u>909.0</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		1.0	-
Borrowings	6	3,005.3	2,996.5
Deferred tax		344.6	220.8
Provisions		223.0	215.8
Total non-current liabilities		<u>3,573.9</u>	<u>3,433.1</u>
<b>TOTAL LIABILITIES</b>		<u>4,675.5</u>	<u>4,342.1</u>
<b>NET ASSETS</b>		<u><u>3,493.0</u></u>	<u><u>3,271.1</u></u>
<b>EQUITY</b>			
Issued capital	7	525.8	504.5
Reserves		27.7	28.9
Retained profits		2,893.8	2,693.5
Equity attributable to the owners of Mineral Resources Limited		<u>3,447.3</u>	<u>3,226.9</u>
Non-controlling interest		45.7	44.2
<b>TOTAL EQUITY</b>		<u><u>3,493.0</u></u>	<u><u>3,271.1</u></u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes

**MINERAL RESOURCES LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the half-year ended 31 December 2022

<b>GROUP</b>	<b>Issued capital \$m</b>	<b>Reserves \$m</b>	<b>Retained profits \$m</b>	<b>Non-controlling interest \$m</b>	<b>Total equity \$m</b>
Balance at 1 July 2021	514.5	15.7	2,673.3	42.6	3,246.1
Profit after tax for the half-year	-	-	19.2	0.4	19.6
Other comprehensive income for the half-year, net of tax	-	0.3	-	-	0.3
Total comprehensive income for the half-year	-	0.3	19.2	0.4	19.9
<i>Transactions with owners in their capacity as owners:</i>					
Share issued under Dividend Reinvestment Plan	6.3	-	-	-	6.3
Equity-settled share-based payments	-	0.6	-	-	0.6
Award of shares under employee share plans	2.9	-	-	-	2.9
Purchase of shares under employee share plans	(16.9)	-	-	-	(16.9)
Dividends paid (note 8)	-	-	(329.0)	-	(329.0)
Balance at 31 December 2021	<u>506.8</u>	<u>16.6</u>	<u>2,363.5</u>	<u>43.0</u>	<u>2,929.9</u>

<b>GROUP</b>	<b>Issued capital \$m</b>	<b>Reserves \$m</b>	<b>Retained profits \$m</b>	<b>Non-controlling interest \$m</b>	<b>Total equity \$m</b>
Balance at 1 July 2022	504.5	28.9	2,693.5	44.2	3,271.1
Profit after tax for the half-year	-	-	388.6	1.5	390.1
Other comprehensive income for the half-year, net of tax	-	(7.9)	-	-	(7.9)
Total comprehensive income for the half-year	-	(7.9)	388.6	1.5	382.2
<i>Transactions with owners in their capacity as owners:</i>					
Share issued under Dividend Reinvestment Plan (note 7)	11.6	-	-	-	11.6
Equity-settled share-based payments	-	6.7	-	-	6.7
Award of shares under employee share plans (note 7)	1.8	-	-	-	1.8
Purchase of shares under employee share plans (note 7)	(2.8)	-	-	-	(2.8)
Dividends paid (note 8)	-	-	(188.3)	-	(188.3)
Tax effect on employee share plans	10.7	-	-	-	10.7
Balance at 31 December 2022	<u>525.8</u>	<u>27.7</u>	<u>2,893.8</u>	<u>45.7</u>	<u>3,492.8</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes



	Group	
Note	31 Dec 2022	31 Dec 2021
	\$m	\$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	2,133.5	1,529.5
Payments to suppliers and employees	<u>(1,574.2)</u>	<u>(1,451.4)</u>
	559.3	78.1
Interest received	18.1	3.9
Interest and other finance costs paid	(128.8)	(43.5)
Income taxes paid	<u>(167.6)</u>	<u>(158.9)</u>
Net cash from / (used in) operating activities	<u>281.0</u>	<u>(120.4)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for investments in financial assets	(15.4)	(7.8)
Proceeds from disposal of investments	-	326.2
Payments for property, plant and equipment	(491.1)	(240.9)
Proceeds from disposal of property, plant and equipment	9.4	5.7
Payments for exploration and evaluation	(64.5)	(237.9)
Payments for mine development	(184.0)	(123.2)
Amounts received from joint operations	-	11.0
Amounts advanced to other parties	(20.4)	-
Payments for intangibles	<u>(1.3)</u>	<u>(1.3)</u>
Net cash used in investing activities	<u>(767.3)</u>	<u>(268.2)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	16.2
Repayment of borrowings	(1.7)	(17.2)
Dividends paid	(176.7)	(324.3)
Payment of lease liabilities	(53.9)	(69.4)
Purchase of shares under employee share plans	<u>(2.8)</u>	<u>(16.9)</u>
Net cash used in financing activities	<u>(235.1)</u>	<u>(411.6)</u>
Net decrease in cash and cash equivalents	(721.4)	(800.2)
Cash and cash equivalents at the beginning of the financial half-year	2,428.2	1,542.1
Effects of exchange rate changes on cash and cash equivalents	<u>7.5</u>	<u>8.6</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,714.3</u></u>	<u><u>750.5</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

## **1. SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### *Reclassifications of items in the financial statements*

Minor reclassifications of items in the financial statements of the previous period have been made in accordance with the classification of items in the financial statements for the half year ended 31 December 2022.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretation did not have any significant impact on the interim consolidated financial statements of the Group. These include but are not limited to:

- Amendments to AASB 3 *Business Combinations* (i.e. references to the Conceptual Framework)
- Amendments to AASB 9 *Financial Instruments* (i.e. fees in the '10 per cent' test for derecognition of financial liabilities)
- Amendments to AASB 116 *Property, Plant and Equipment* (i.e. proceeds before intended use)
- Amendments to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (i.e. onerous contracts – costs of fulfilling a contract)

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Relevant standards include but are not limited to:

- New standard AASB 17 *Insurance Contracts*
- Amendments to AASB 101 *Presentation of Financial Statements* (i.e. classification of liabilities as current or non-current; and disclosure of accounting policies)
- Amendments to AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (definition of accounting estimates)
- Amendments to AASB 112 *Income Taxes* (i.e. deferred tax related to assets and liabilities arising from a single transaction)
- Amendments to AASB 16 *Leases* (i.e. lease liability in a sale and leaseback)

## 2. OPERATING SEGMENTS

### *Business segment*

The Group has identified its operating segments based on internal management reports that are reviewed by the executive management team (the Chief Operating Decision Maker) in assessing performance and in determining the allocation of resources.

The Group continues to report its business results as five operating segments (Pillars) being Mining Services, Iron Ore, Lithium, Other Commodities, and Central. All are operating within the Australian resources sector.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes. The performance of each segment is measured based on Underlying EBITDA, defined as earnings before interest, tax, depreciation, amortisation, impairment, fair value gain/loss on investments and exchange gain/loss. The reconciliation of Underlying EBITDA to net profit after tax is presented in this note.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

### *Operating segment information*

<b>GROUP - 31 DEC 2022</b>	<b>Mining Services \$m</b>	<b>Iron Ore \$m</b>	<b>Lithium \$m</b>	<b>Other<sup>1</sup> \$m</b>	<b>Central \$m</b>	<b>Inter- segment<sup>2</sup> \$m</b>	<b>Total \$m</b>
<b>REVENUE</b>							
Sales to external customers	380.1	972.8	997.2	-	-	-	2,350.1
Intersegment sales	814.3	-	-	-	-	(814.3)	-
<b>TOTAL REVENUE</b>	<b>1,194.4</b>	<b>972.8</b>	<b>997.2</b>	<b>-</b>	<b>-</b>	<b>(814.3)</b>	<b>2,350.1</b>
<b>UNDERLYING EBITDA</b>	<b>254.6</b>	<b>37.1</b>	<b>755.9</b>	<b>-</b>	<b>(67.8)</b>	<b>(40.7)</b>	<b>939.1</b>
Depreciation and amortisation	(102.7)	(147.7)	(28.9)	-	(11.4)	32.5	(258.2)
<b>UNDERLYING EBIT</b>	<b>151.9</b>	<b>(110.6)</b>	<b>727.0</b>	<b>-</b>	<b>(79.2)</b>	<b>(8.2)</b>	<b>680.9</b>
Items excluded from underlying earnings							4.4
Net finance costs							(119.2)
<b>PROFIT BEFORE TAX</b>							<b>566.1</b>
Segment assets	2,067.3	1,602.8	2,034.6	321.0	2,260.2	(117.4)	8,168.5
Segment liabilities	(574.8)	(488.8)	(483.6)	(51.3)	(3,077.0)	-	(4,675.5)
<b>SEGMENT NET ASSETS</b>	<b>1,492.5</b>	<b>1,114.0</b>	<b>1,551.0</b>	<b>269.7</b>	<b>(816.8)</b>	<b>(117.4)</b>	<b>3,493.0</b>

<sup>1</sup> Other Commodities includes manganese, energy and garnet

<sup>2</sup> Represents elimination of internal profits that are temporarily unrealised to the Group

**2. OPERATING SEGMENTS (CONTINUED)**

<b>GROUP - 31 DEC 2021</b>	<b>Mining Services \$m</b>	<b>Iron Ore \$m</b>	<b>Lithium \$m</b>	<b>Other<sup>1</sup> \$m</b>	<b>Central \$m</b>	<b>Inter- segment<sup>2</sup> \$m</b>	<b>Total \$m</b>
<b>REVENUE</b>							
Sales to external customers	327.1	883.4	143.0	-	-	-	1,353.5
Intersegment sales	724.5	-	-	-	-	(724.5)	-
<b>TOTAL REVENUE</b>	<u>1,051.6</u>	<u>883.4</u>	<u>143.0</u>	<u>-</u>	<u>-</u>	<u>(724.5)</u>	<u>1,353.5</u>
<b>UNDERLYING EBITDA</b>	281.5	(104.1)	60.8	-	(44.6)	(37.9)	155.6
Depreciation and amortisation	(99.3)	(60.7)	(9.7)	-	(3.9)	11.4	(162.2)
<b>UNDERLYING EBIT</b>	<u>182.2</u>	<u>(164.8)</u>	<u>51.1</u>	<u>-</u>	<u>(48.5)</u>	<u>(26.5)</u>	<u>(6.6)</u>
Items excluded from underlying earnings							79.5
Net finance costs							(45.6)
<b>PROFIT BEFORE TAX</b>							<u>27.3</u>
Segment assets	2,162.4	1,504.8	1,382.7	189.4	2,484.8	(110.9)	7,613.2
Segment liabilities	(651.0)	(502.2)	(197.1)	(99.3)	(2,892.5)	-	(4,342.1)
<b>SEGMENT NET ASSETS</b>	<u>1,511.4</u>	<u>1,002.6</u>	<u>1,185.6</u>	<u>90.1</u>	<u>(407.7)</u>	<u>(110.9)</u>	<u>3,271.1</u>

<sup>1</sup> Other Commodities includes manganese, energy and garnet

<sup>2</sup> Represents elimination of internal profits that are temporarily unrealised to the Group

**Reconciliation of underlying earnings to net earnings**

	<b>Pre-tax 2022 \$m</b>	<b>Taxation 2022 \$m</b>	<b>Net amount 2022 \$m</b>	<b>Pre-tax 2021 \$m</b>	<b>Net amount 2021 \$m</b>
<b>UNDERLYING EBIT<sup>1</sup></b>	680.9	(211.8)	469.1	(6.6)	(4.5)
Net finance costs	(119.2)	37.1	(82.1)	(45.6)	(31.5)
<b>UNDERLYING EARNINGS</b>	<u>561.7</u>	<u>(174.7)</u>	<u>387.0</u>	<u>(52.2)</u>	<u>(36.0)</u>
<b>Items excluded from underlying earnings</b>					
Net fair value gain on investments (note 4)	27.5	(8.3)	19.2	12.2	8.5
Profit on sale of financial assets (note 4)	-	-	-	94.3	66.0
Exchange losses on net debt	(23.1)	7.0	(16.1)	(27.0)	(18.9)
<b>TOTAL EXCLUDED FROM UNDERLYING EARNINGS</b>	<u>4.4</u>	<u>(1.3)</u>	<u>3.1</u>	<u>79.5</u>	<u>55.6</u>
<b>NET EARNINGS <sup>2</sup></b>	<u>566.1</u>	<u>(176.0)</u>	<u>390.1</u>	<u>27.3</u>	<u>19.6</u>

<sup>1</sup> Refer to Operating Segment information on page 16 & 17

<sup>2</sup> Refer to Consolidated Income Statement on page 12

**3. REVENUE**
*Disaggregation of revenue*

Set out below is the disaggregation of the Group's revenue from contracts with customers and other:

<b>GROUP - 31 DEC 2022</b>	<b>Mining Services \$m</b>	<b>Iron Ore \$m</b>	<b>Lithium \$m</b>	<b>Other \$m</b>	<b>Total \$m</b>
<i>Revenue from contracts with customers</i>					
Sale of iron ore	-	1,019.7	-	-	1,019.7
Sale of lithium	-	-	970.4	-	970.4
Contract and operational revenue	380.1	-	-	-	380.1
Total revenue from contracts with customers	380.1	1,019.7	970.4	-	2,370.2
<i>Other revenue</i>					
Iron ore pricing adjustments <sup>1</sup>	-	(46.9)	-	-	(46.9)
Lithium pricing adjustments <sup>1</sup>	-	-	26.8	-	26.8
Total other revenue	-	(46.9)	26.8	-	(20.1)
Total external revenue from operations	380.1	972.8	997.2	-	2,350.1
<i>Geographical information (by location of customer)</i>					
Australia	380.0	-	-	-	380.0
Asia	-	972.8	997.2	-	1,970.0
Other	0.1	-	-	-	0.1
Total external revenue from operations	380.1	972.8	997.2	-	2,350.1



**3. REVENUE (CONTINUED)**

<b>GROUP - 31 DEC 2021</b>	<b>Mining Services \$m</b>	<b>Iron Ore \$m</b>	<b>Lithium \$m</b>	<b>Other \$m</b>	<b>Total \$m</b>
<i>Revenue from contracts with customers</i>					
Sale of iron ore	-	1,178.1	-	-	1,178.1
Sale of lithium	-	-	130.2	-	130.2
Contract and operational revenue	322.4	-	-	-	322.4
Total revenue from contracts with customers	322.4	1,178.1	130.2	-	1,630.7
<i>Other revenue</i>					
Iron ore pricing adjustment <sup>1</sup>	-	(294.7)	-	-	(294.7)
Lithium pricing adjustments <sup>1</sup>	-	-	12.8	-	12.8
Other	4.7	-	-	-	4.7
	4.7	(294.7)	12.8	-	(277.2)
Total external revenue from contracts with customers	327.1	883.4	143.0	-	1,353.5
<i>Geographical information (by location of customer)</i>					
Australia	327.1	-	-	-	327.1
China	-	58.1	143.0	-	201.1
Singapore	-	825.3	-	-	825.3
Total external revenue from contracts with customers	327.1	883.4	143.0	-	1,353.5

<sup>1</sup> Commodity sales agreements are provisionally priced at initial revenue recognition. The value of provisionally priced receivables are adjusted to reflect market prices over a quotation period stipulated in the sales contract, typically on or after the vessel's arrival at the port of discharge.

**4. OTHER INCOME**

	Group	
	31 Dec 2022	31 Dec 2021
	\$m	\$m
Net fair value gain on investments held at fair value through profit or loss	27.5	12.2
Net gain on disposal of property, plant and equipment	1.0	2.0
Realised profit on sale of financial assets	-	94.3
Share of profit of associates and joint ventures accounted for using the equity method	(1.7)	0.8
Other	6.2	1.0
	<u>33.0</u>	<u>110.3</u>
Total other income	<u>33.0</u>	<u>110.3</u>

**5. OTHER EXPENSES**

	Group	
	31 Dec 2022	31 Dec 2021
	\$m	\$m
Profit before tax includes the following specific expenses:		
<i>Other expenses</i>		
Net foreign exchange loss	(23.8)	(24.2)
Royalties (government and non-government)	(104.1)	(40.6)
Rates and land tax	(14.2)	(7.0)
Personnel & related costs	(31.7)	(20.0)
Other operating expenses	(64.7)	(36.1)
	<u>(238.5)</u>	<u>(127.9)</u>
Total other expenses	<u>(238.5)</u>	<u>(127.9)</u>

**6. BORROWINGS**

	Group	
	31 Dec 2022	30 Jun 2022
	\$m	\$m
<i>Current liabilities</i>		
Other borrowings	-	14.2
Lease and hire purchase liabilities	103.1	115.0
	<u>103.1</u>	<u>129.2</u>
<i>Non-current liabilities</i>		
Senior unsecured notes <sup>(i - iii)</sup>	2,855.9	2,830.6
Less: capitalised transaction costs	(26.5)	(29.1)
Lease and hire purchase liabilities	175.9	195.0
	<u>3,005.3</u>	<u>2,996.5</u>
	<u><u>3,108.4</u></u>	<u><u>3,125.7</u></u>

<sup>(i)</sup> US\$700 million senior unsecured notes offering due 2027, at an interest rate of 8.125 per cent per annum.

<sup>(ii)</sup> US\$625 million senior unsecured notes offering due 2027, at an interest rate of 8.000 per cent per annum.

<sup>(iii)</sup> US\$625 million senior unsecured notes offering due 2030, at an interest rate of 8.500 per cent per annum.

**7. ISSUED CAPITAL**

	Group			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$m	\$m
Ordinary shares	189,780,300	189,201,267	602.6	558.3
Less: Treasury shares	(1,485,127)	(1,091,931)	(76.8)	(53.8)
	<u>188,295,173</u>	<u>188,109,336</u>	<u>525.8</u>	<u>504.5</u>

## 7. ISSUED CAPITAL (CONTINUED)

Movements in issued capital

	<b>Ordinary shares Number</b>	<b>Less: Treasury shares Number</b>	<b>Total Number</b>
Balance at 1 July 2021	188,735,982	(534,582)	188,201,400
Shares issued under Dividend Reinvestment Plan	114,229	-	114,229
Purchase of shares under employee share plans	-	(396,784)	(396,784)
Award of shares under employee share plans	351,056	(160,565)	190,491
Balance at 30 June 2022	<u>189,201,267</u>	<u>(1,091,931)</u>	<u>188,109,336</u>
Shares issued under Dividend Reinvestment Plan	176,946	-	176,946
Purchase of shares under employee share plans	-	(47,263)	(47,263)
Award of shares under employee share plans	402,087	(345,933)	56,154
Balance at 31 December 2022	<u><u>189,780,300</u></u>	<u><u>(1,485,127)</u></u>	<u><u>188,295,173</u></u>

	<b>Ordinary \$m</b>	<b>Less: Treasury shares \$m</b>	<b>Total \$m</b>
Balance at 1 July 2021	535.9	(21.4)	514.5
Shares issued under Dividend Reinvestment Plan	5.9	-	5.9
Purchase of shares under employee share plans	-	(19.4)	(19.4)
Award of shares under employee share plans	16.5	(13.0)	3.5
Balance at 30 June 2022	<u>558.3</u>	<u>(53.8)</u>	<u>504.5</u>
Shares issued under Dividend Reinvestment Plan	11.6	-	11.6
Purchase of shares under employee share plans	-	(2.8)	(2.8)
Award of shares under employee share plans	22.0	(20.2)	1.8
Tax effect	10.7	-	10.7
Balance at 31 December 2022	<u><u>602.6</u></u>	<u><u>(76.8)</u></u>	<u><u>525.8</u></u>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

*Treasury shares*

Movements in treasury shares represent acquisition of the Company's shares on market and newly issued shares to be reissued to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment plans. These re-acquired shares are disclosed as treasury shares and deducted from contributed equity.

**8. DIVIDENDS**

	31 Dec 2022		31 Dec 2021	
	Dividend per share Cents	Total \$m	Dividend per share Cents	Total \$m
<b>DECLARED AND PAID DURING THE PERIOD</b>				
Final franked dividend	100.00	188.3	175.00	329.4
<b>PROPOSED</b>				
Final franked dividend	120.00	233.0	-	-

**9. COMMITMENTS AND CONTINGENCIES**

**Contingent liabilities**

*Legal contingencies*

*(a) Subiaco lease for corporate headquarters*

In July 2020, the Group terminated the lease agreement for corporate headquarters in Subiaco. The parties have since been in dispute over the validity of the termination. Both parties have alleged that they have incurred damages in connection with the disputed lease and the termination.

The status of the dispute is still preliminary and any potential award of damages against the Group is only possible, not probable, and cannot be reliably estimated as at the date of this report. Accordingly, no additional provision for liability has been made in these financial statements.

*(b) Validity of Wonmunna mining leases*

Fortescue Metals Group (ASX: FMG) (FMG) commenced legal proceedings against the Minister for Mines and Petroleum, the DMIRS Registrar and Wonmunna Iron Ore Pty Ltd (a MinRes subsidiary), seeking declarations that the Wonmunna mining leases (M47/1423, M47/1424, M47/1425) are invalid. In its claim, FMG alleges that the Minister did not have jurisdiction to grant the mining leases in 2012 as the applications for the mining leases in 2008 were not accompanied by mineralisation reports. Wonmunna Iron Ore Pty Ltd denies these claims and is defending the action.

The status of the matter is still preliminary and legal costs or potential claims are only possible, not probable, and cannot be reliably estimated as at the date of this report. Accordingly, no provision for liability has been made in these financial statements.



## **9. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

### *(c) Iron Valley haul road claim*

On 25 November 2020, FMG commenced legal proceedings against the Group alleging that the access deed, executed between FMG and MinRes on 30 August 2012 for the road which is used to haul iron ore from the Group's Iron Valley project has expired. FMG alleged that the Group must stop using the haul road and must remove the road and surrender its miscellaneous licenses over the area. The Group defended the claim. Consent orders were made in February 2022 enabling the grant of relevant tenure and the construction of a new road on certain conditions. The matter has been adjourned until 1 June 2023 while MinRes pursues the construction of a new haul road.

Legal costs or potential claims or impacts of these proceedings are only possible, not probable, and cannot be reliably estimated as at the date of this report. Accordingly, no provision for liability has been made in these financial statements.

### *(d) Claim for introduction of Reed Industrial Minerals Pty Ltd offtake partner and equity partner*

Reed Industrial Minerals Pty Ltd (RIM) is a joint operation in which the Group has a 50 per cent interest. During the prior period, an individual and a related company (the Claimants) lodged a claim in the Supreme Court against RIM's previous equity owners Neometals Limited (Neometals) and RIM (as a second defendant). The Claimants allege that agreements were reached in 2009 and 2015 which obliged Neometals to pay fees to one of the Claimants for having introduced Neometals to RIM's offtake partner and for introducing an equity partner. The Claimants allege that RIM is also liable to pay the fee relating to the introduction of the offtake partner.

Based on the information provided by the Claimants to date, the Directors consider that it is not probable that material damages will be awarded against RIM in respect of the claim. Accordingly, no provision for liability has been made in these financial statements.

### *(e) Contingent Consideration and Royalties*

In September 2021, the Group acquired a 40 percent participating interest in the Red Hill Iron Ore Joint Venture (RHIOJV) from Red Hill Minerals Limited (formerly Red Hill Iron Limited) (Red Hill). As part of the consideration paid for that participating interest, an amount of \$200m is payable to Red Hill when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs a port in Western Australia (Port). In addition, there will be a royalty payable to Red Hill on all iron ore extracted from the RHIOJV tenements and transported through a Port.

The Directors consider it appropriate for the \$200m to be recorded only when the first shipment of iron ore extracted from the RHIOJV tenements departs Port, with the Group's share of all royalties payable on future shipments of iron ore extracted from the RHIOJV tenements to be recorded as and when those shipments occur.

### *(f) Other Royalties*

Other royalties are payable to government and non-government parties and are based on production and/or future product sales.

There have been no other material changes or new contingent liabilities since the last annual report.

## **Commitments**

At 31 December 2022, the Group had contractual commitments to capital expenditure of \$963.9m (30 June 2022: \$527.7m).

**10. FAIR VALUE MEASUREMENT**

*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

<b>GROUP - 31 DEC 2022</b>	<b>Level 1 \$m</b>	<b>Level 2 \$m</b>	<b>Level 3 \$m</b>	<b>Total \$m</b>
<i>Assets</i>				
Trade and other receivables at fair value	-	783.6	-	783.6
Financial assets held at fair value through profit or loss:				
- Shares in listed corporations	117.7	-	-	117.7
Foreign exchange forward contracts in cash flow hedges	-	-	-	-
<b>Total assets</b>	<b>117.7</b>	<b>783.6</b>	<b>-</b>	<b>901.3</b>
<i>Liabilities</i>				
Other liability - Foreign exchange forward contracts in cash flow hedges	-	(3.5)	-	(3.5)
<b>Total liabilities</b>	<b>-</b>	<b>(3.5)</b>	<b>-</b>	<b>(3.5)</b>

<b>GROUP - 30 JUNE 2022</b>	<b>Level 1 \$m</b>	<b>Level 2 \$m</b>	<b>Level 3 \$m</b>	<b>Total \$m</b>
<i>Assets</i>				
Trade and other receivables at fair value	-	463.0	-	463.0
Financial assets held at fair value through profit or loss:				
- Shares in listed corporations	58.0	-	-	58.0
Foreign exchange forward contracts in cash flow hedges	-	4.4	-	4.4
<b>Total assets</b>	<b>58.0</b>	<b>467.4</b>	<b>-</b>	<b>525.4</b>
<i>Liabilities</i>				
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 10. FAIR VALUE MEASUREMENT (CONTINUED)

*Fair value of financial assets and financial liabilities that are not measured at fair value*

Unless otherwise stated, the carrying amount of all of the Group's financial assets and financial liabilities recognised in the financial statements are considered to approximate their fair values.

*Valuation techniques for fair value measurements categorised within level 3*

There has been no other material change to the valuation techniques for fair value measurements categorised within level 3 since the last annual report.

## 11. INTEREST IN JOINT OPERATIONS

There were no new material joint operations during the current reporting period.

## 12. EVENTS AFTER THE REPORTING PERIOD

*Warrego Energy Limited*

On 6 January 2023, the Company announced an initial 16.35% interest and on 17 January an additional 2.82%, bringing the Company's shareholding to a total of 19.17% of Warrego Energy (Warrego) (ASX: WGO) (ASX: MIN 06/01/2023, MIN 17/01/2023). On 14 February 2022 the Company accepted the Hancock Takeover Offer for Warrego and the Company no longer holds any interests in Warrego. The Company realised a gain on this transaction of \$1.2M before fees.

*Off-Market Takeover Bid for Norwest Energy NL*

On 24 January, the Company amended its previously announced off-market takeover bid for Norwest Energy to one MinRes share for every 1,300 Norwest Energy shares held (original bid being one MinRes share for 1,367 NWE shares held). This revised bid received unanimous recommendation from the Norwest Energy Directors. The bid opened 3 January 2023 with a register date of 19 December 2022 (7:00pm Sydney time) and the close has been extended to 7:00pm Sydney time on 2 March 2023 (previously 20 February 2023) (ASX: MIN 3/01/2023, MIN 10/01/2023, MIN 19/01/2023, MIN 24/01/2023, MIN 17/02/2023). On 17 February 2022, MinRes announced that it had secured control of Norwest Energy after increasing its shareholding to 53.86% (ASX: 17/02/2023). As at 22 February 2023, the total consideration to acquire 62.67% of Norwest Energy shares was through the issue of 1,467,861 MinRes shares and \$15.94m of Norwest Energy shares acquired prior to the takeover bid being made.

*MARBL JV Agreement and Downstream Lithium Investment*

On 23 February 2023, MinRes announced that it entered into binding agreement with Albemarle Corporation (NYSE: ALB) for two separate transactions (ASX: MIN 23/02/2023). The first being a restructure of its arrangements relating to the existing MARBL JV. The second being a transaction for the acquisition of lithium conversion assets in China. The execution of these binding agreements follows the announcement of the signing of a non-binding letter agreement in February 2022 (ASX: MIN 09/02/2022).

The Agreements entail the following key principles and transactions, subject to receipt of required regulatory approvals:

- Ownership of the Wodgina mine to change from 60/40 (Albemarle/MinRes) to 50/50.
- Ownership of Kemerton I/II to change from 60/40 (Albemarle/MinRes) to 85/15.
- Kemerton I/II will be fed by the Greenbushes mine.
- Establishment of a new 50/50 partnership to produce lithium battery chemicals.
- MinRes will be the marketer of its share of battery lithium chemicals.

## **12. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)**

### *Interim Dividend*

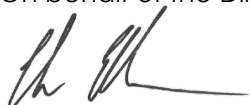
On 24 February 2023, the directors declared an interim fully franked dividend for the half year ended 31 December 2022 of \$1.20 per share to be paid on 30 March 2023, a total estimated distribution of \$233.0 million based on the number of ordinary shares on issue as at 10 March 2023. (ASX: MIN 24/02/2023)

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Chris Ellison".

Chris Ellison  
Managing Director

24 February 2023  
Perth



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## **Independent auditor's review report to the members of Mineral Resources Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Mineral Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2022, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.


### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

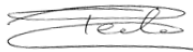
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



D S Lewsen  
Partner  
Perth  
24 February 2023



Philip Teale  
Partner  
Perth