



HALF YEAR 2017 RESULTS PRESENTATION

16 FEBRUARY 2017

AGENDA

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2 Operational Performance

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5 Guidance Update



HIGHLIGHTS

Financial

- Revenue of A\$783m up 36% on previous corresponding period (pcp)
- EBITDA of A\$282m up 112% on pcp
- Cash balance of A\$389m, and net cash position of A\$86m
- Strong balance sheet and excess of A\$400m finance facilities to support further growth
- Fully franked interim dividend declared of 21.0 cents per share, representing an estimated payout rate of 50% on an annualised basis

Mining Services

- Mining Services continues in line with expectations - equivalent crushing capacity growth of 13% on pcp
- Nammuldi Below Water Table Expansion Stage 2 (NP2) construction contract completed with commissioning underway
- Mt Marion Build-Own-Operate (BOO), life-of-mine contract commenced. Crushing plant commissioned and ramped-up. Processing plant in commissioning and ramp-up stage
- Significant BOO opportunities under negotiation – growth target of 20% equivalent crushing capacity over next 12 months

Commodities Business

- Iron ore export volumes increased 14% pcp to a record 6.7Mt
- Achieved iron ore price A\$79.30/wmt, up 23% from A\$64.50/wmt driven from improved global iron ore prices
- C1 costs reduced by 3% to A\$39.40/wmt
- First Mt Marion lithium shipment of 15,000 tonnes on 6 February 2017
- Wodgina asset acquired and exploration drilling program in progress – success exceeding expectations

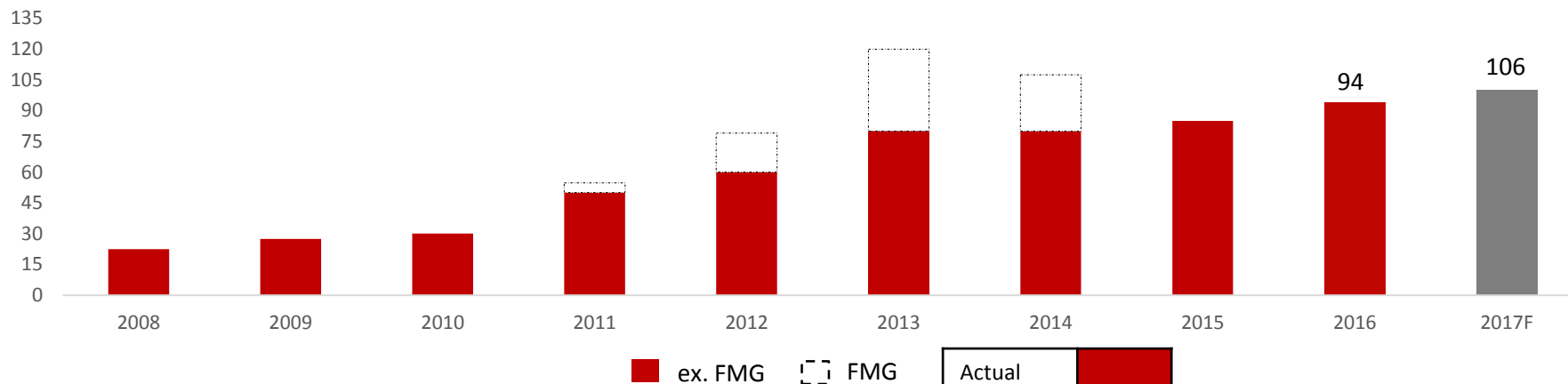
Profit Guidance

- FY17 EBITDA guidance upgraded by 25% to A\$480m - A\$520m

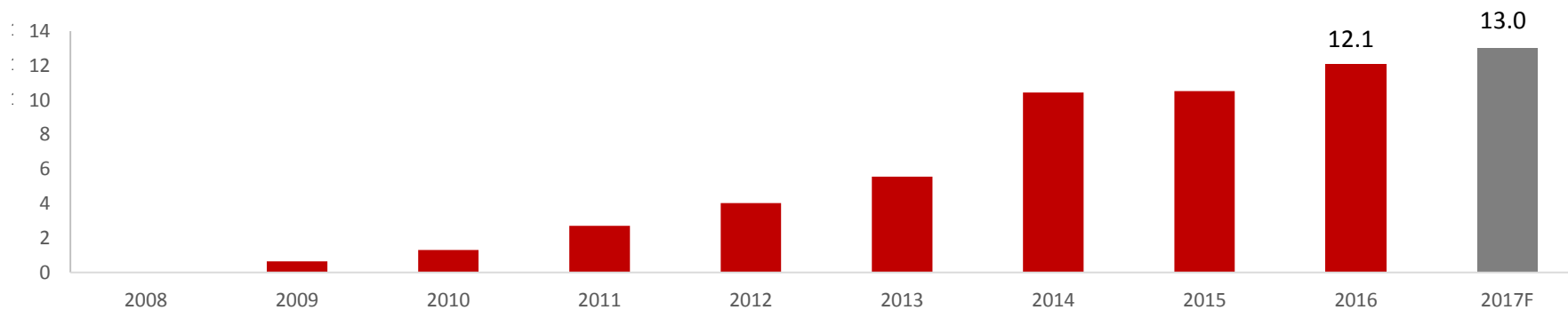
OPERATIONAL TRENDS



Installed Crushing Capacity
(millions tonnes per annum)



Commodity exports
(millions tonnes per annum)



Actual data	Red
Forecast data	Grey

FINANCIAL TRENDS



MRL share price movement since July 2015

Financial Summary (\$millions)	2013	2014	2015	2016	1H2017
Total Revenue	1,097	1,899	1,299	1,178	783
EBITDA	383	554	283	286	282
NPAT	180	243	109	110	140
Return on Revenue	16.4%	12.8%	8.4%	9.3%	17.9%
Return on Equity	17.7%	21.3%	10.1%	10.9%	25.0%
EPS (cents/share)	97.4	136.6	58.2	56.5	75.1
TSR (cents/share)	9.07	11.03	8.44	10.39	14.41



MINING SERVICES

Annuity style earnings

- Increased equivalent crushing capacity by 13% pcp to 106Mt (94Mt in 1H FY16)
- Strong customer retention for crushing and processing business
- Average weighted contract term for existing crushing and screening contracts is approx. 6 years
- Mt Marion mine to port services to contribute to annuity earnings in FY17
- Significant BOO opportunities under negotiation – growth target of 20% equivalent crushing capacity over next 12 months



New EX2600 Excavator at Iron Valley

Transactional earnings

- Completed works on Nammuldi Below Water Table Expansion Phase 2 (EPC construction contract)
- Expand growth strategy from EPC model to equity share and life of mine (LOM) BOO service model to optimise risk/reward ratio & protect MRL's valuable IP
- Identify mineral projects with strong forward looking value, negotiate material equity stake and life of mine BOO mining services contract
- Assist junior miners lacking technical and financial capacity to create asset of high value by applying MRL's BOO experience and balance sheet
- Divest equity stake for maximum value once project is fully operational and retain life of mine BOO contract

COMMODITY BUSINESS



Profit share earnings

Iron Ore

- Iron Ore export volumes increased 14% pcp to record 6.7Mt
- Average achieved revenue increased per tonne to A\$79.30/wmt
- C1 cash costs reduced by 3% pcp to A\$39.40/wmt in 1H FY17 from improved mining practices and efficiencies
- Mining applications in the Yilgarn for Jackson 5/Bungalbin East subject to Public Environmental Review (PER) and final determination by the Government of WA
- Progressing initiatives to reduce operating costs (eg higher capacity superquad fleet) and innovative equipment solutions (eg carbon fibre trays, LNG fired power stations)

Lithium

- First lithium shipment of 15,000 tonnes from Mt Marion sent early February. Next shipment scheduled to depart week commencing 20th February 17.
- Flotation circuit due for completion in February 17, re-grind circuit under construction between April and November 17
- Full production of 400,000 tpa by end CY 2017 once additional processing equipment installed
- Increased JORC resources at Mt Marion increasing mine life to +30 years (78Mt @ 1.37% Li) with substantial out-cropping targets available for future drilling
- Exploration drilling program for Wodgina project well underway with outstanding results to date

Manganese

- Final 146kt of manganese exported from stockpiles

Platts 62% Fe Index by month

Month A\$/wmt	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16
Platts 62% Fe (adj. for moisture)	72.0	75.7	71.2	72.8	91.7	103.2

Key per tonne statistics for iron ore operations

A\$/wet metric tonne (WMT)	1H FY15	2H FY15	1H FY16	2H FY16	1H FY17
Platts 62% Fe (adj. for moisture)	87.6	74.0	66.9	67.0	81.0
Number of tonnes ¹	5.5	4.8	5.9	6.2	6.7
Revenue	76.5	70.4	64.5	64.6	79.3
C1 Costs ²	52.8	47.5	40.7	40.7	39.4
Total Expenses ²	72.9	63.1	57.2	54.6	55.9
EBITDA	3.6	7.3	7.3	9.9	23.4

¹ Excludes Manganese sales of 0.3Mt in 1H FY15, 0.1Mt in 2H FY16, and 0.1Mt in 1H FY17

² Costs include arms length mining infrastructure service agreements with MRL (Mining Infrastructure Services)

SAFETY & ENVIRONMENT



Best practice safety and environmental performance

Safety

- We have achieved outstanding safety performance over the past 5 years
- Our in-house designed programs have seen us develop over 500 of our people with the skills required to be effective safety professionals
- The Lost Time Injury Frequency Rate (LTIFR) remains at 0.00
- Our Total Recordable Injury Frequency Rate (TRIFR) sets us apart from our competitors and we are widely recognised as an industry leader in the mining services sector with a current TRIFR of 4.61
- Our focus remains on further driving our performance to even higher standards with our target to achieve a TRIFR of <3.0 well within our reach

Environment

- Our in-house Environmental Leadership Program is designed to educate management and front line leadership to ensure world class environment outcomes
- Our commitment to maintaining world class Environmental Management is demonstrated through our adoption of internationally recognised standards
- Our focus on the full mining life cycle is evident through our ongoing investment in mine rehabilitation and mine closure obligations that meet or exceed regulatory requirements
- The approvals effort for our J5 and Bungalbin East mine continues with a dedicated team of professionals, consultants and academics focused on ensuring a robust, transparent and responsible Environmental Impact Assessment is delivered

PROFIT AND LOSS



- Revenues of \$783m up 36% and EBITDA of \$282m up 112% on pcp as a result of:
 - increased commodity exports,
 - higher iron ore prices,
 - increased crushing and processing production,
 - conversion of Pilbara Minerals (PLS) offtake/royalty rights,
 - lower EPC construction activity
- Depreciation and amortisation of \$78m was up 22% on pcp due to higher mining production and the larger mining fleet implemented in Yilgarn in FY16 to improve mining efficiency
- Effective tax rate of 30% in the half-year
- NPAT up 195% on pcp

Profit & Loss		
(\$ million)	1H FY16	1H FY17
Revenue	577.2	782.7
Other income	11.2	1.7
Operating Costs	(445.6)	(502.9)
EBITDA	132.8	281.6
<i>EBITDA margin (%)</i>	<i>23.0%</i>	<i>36.0%</i>
Depreciation and amortisation	(64.0)	(78.2)
EBIT	68.8	203.4
<i>EBIT margin</i>	<i>11.9%</i>	<i>26.0%</i>
Net finance costs	(1.9)	(4.6)
Impairment charges	(0.8)	0.4
Profit before tax	66.1	199.2
Tax	(18.5)	(58.9)
Net profit after tax	47.5	140.3
<i>NPAT margin (%)</i>	<i>8.2%</i>	<i>17.9%</i>

CASH FLOW



- Temporary working capital outflow of \$100m in the half year from:
 - Price driven increases in iron ore receivables (\$72m) from Dec increase in Platts iron ore index. \$34m paid and \$38m finally priced at end Jan 2017
 - Mt Marion mining services receivables payable post plant commissioning period (\$25m)
- Net cash position \$86m prior to improved working capital in early 2017
- Significant growth capex of \$124m in 1H FY17 included:
 - Wodgina asset acquisition and drilling program
 - Construction of Mt Marion BOO assets
 - LNG infrastructure to support power generation at MRL mine sites
 - Iron Valley crushing plant below water table mods
- Maintenance capex of \$14m continues to run well below depreciation

Cash Flow (\$ million)	1H FY16	1H FY17
EBITDA	132.8	281.6
PLS shares issued	-	(50.0)
Movt in working capital (ex. Construction)	28.9	(100.6)
Movt in working capital - Construction	28.0	-
Net cash flow from operating activities before financing activities and tax	189.7	131.0
Maintenance capital expenditure	(16.0)	(14.2)
Growth capital expenditure	(75.3)	(124.2)
Net free cash flow (before financing and tax)	98.4	(7.5)
Tax paid	(22.5)	(19.7)
Net interest paid	(2.2)	(2.7)
Dividends paid	(27.2)	(36.9)
Net change in borrowings ¹	26.0	47.4
Sale of property, plant and equipment, and other	9.3	(1.1)
Net increase in cash and cash equivalents	81.8	(20.5)

¹ Includes loans advanced to third parties and joint operations

BALANCE SHEET



- Cash balance of \$388m plus substantial portion of \$400m of syndicated debt facilities available for funding growth projects
- Net cash position \$86m prior to improved working capital in early 2017

Balance Sheet (\$ million)	30-Jun-16	31-Dec-16
Current assets		
Cash and cash equivalents	407.3	388.7
Trade and other receivables	83.3	176.4
Inventories	80.0	90.1
Other current assets	15.9	13.5
Total current assets	586.5	668.7
Non-current assets		
Property, plant and equipment	683.5	725.4
Deferred tax assets	33.3	42.2
Intangibles and mine development	292.0	369.7
Other non current assets	23.0	85.3
Non-current assets	1,031.8	1,222.7
Total assets	1,618.4	1,891.4
Current liabilities		
Trade and other payables	198.0	151.2
Borrowings	148.0	237.6
Other current liabilities	30.8	111.4
Total current liabilities	376.8	500.1
Non-current liabilities		
Borrowings	71.4	64.7
Provisions	37.0	74.0
Deferred tax liability	124.4	136.1
Total non-current liabilities	232.9	274.8
Total liabilities	609.7	774.9
Net assets	1,008.7	1,116.4
Equity		
Issued capital	502.4	504.7
Retained profits	487.1	588.9
Other	19.2	22.8
Total equity	1,008.7	1,116.4

GROWTH PRIORITIES AND INNOVATION



1

Growth of existing business

Mining services

- 20% growth in build own operate contract capacity over the next 12 months
- 3 additional plants on track for FY17
- BOO model supports equity based commodities projects.
- BOO/LOM services on 5 year to LOM contracts
- Current mining services provided by CSI:
 - Mining
 - Crushing
 - Camp accommodation
 - Power supply
 - Supply chain logistics
- 10-30% growth targets for all mining services

Profit share projects

- Multiple opportunities at various stages of evaluation
- Monetising value from assets and commodity projects, a standard feature of our business model
- Expect to continue to grow iron ore tonnes at 20% p.a. over next 2 years

Mt Marion (profit share)

- First export completed. Ramping-up to full production of 400Kt per annum by end CY17
- Flotation circuit completion due by end of February 17
- Addition of grinding circuit and further flotation by end CY17 to facilitate full production capability
- Several interested parties to monetise MRL equity interest in the project (MRL 43.1% ownership)
- Project has + 30 year life with potential to extend (78Mt of JORC compliant inferred and indicated resource)
- Future exploration targets from observed out-cropping on the site

Wodgina (profit share)

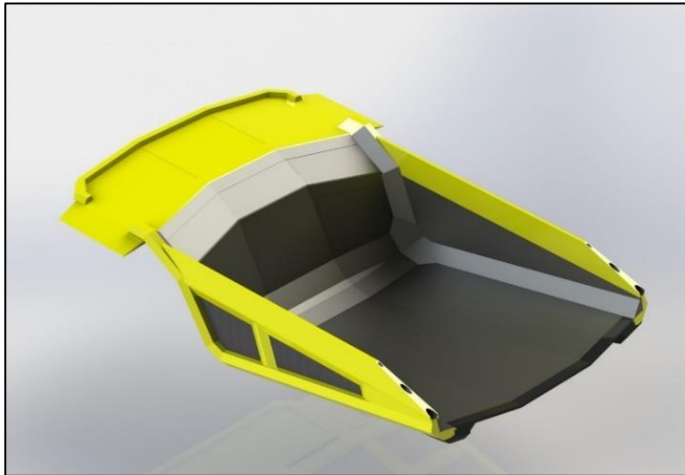
- Site acquired in FY16 including existing infrastructure:
 - 11MW of installed power
 - 400 person accommodation village
 - Existing CSI crushing plant
- Significant Build, own, operate opportunity in region to provide regional mining services
- Evaluating 400Ktpa spodumene operation
- Negotiations underway to export 100-200Ktpm of direct shipping lithium ore (DSO)
- 5 drill rigs working on site. Current drilling results have exceeded expectations

2

Innovation in supply chain



Mt Marion Power Station



Concept Design of MRL's Carbon Fibre Truck Tray

Remote Power

- MRL's remote power solution successfully installed and operating at Mt Marion with cost savings realised
- Expected to create savings, provide more certainty of energy costs and substantial environmental benefits for remote projects
- MRL plans to convert all of its existing diesel power stations to gas or LNG
- Potential power supply opportunities for external customers
- Security of gas supply through investment in gas in ground

Carbon Fibre

- On target for first tray by April 2017. Commercial manufacturing planned at rate to be determined
- Increased savings across business from utilising carbon fibre products
- Manufacturing facility developed, employing robotic technology, for the manufacture of carbon fibre structural components
- Short to medium term returns are substantial - MRL's carbon fibre trays facilitate a 15 tonne payload increase on a 150 tonne truck tray
- Significant testing undertaken to ensure product integrity

GROWTH PRIORITIES AND INNOVATION



2

Innovation in supply chain continued

BOTS / BOSS

- Ready to trial suitable project application in iron ore operations
- Project development slowed with alternative business development projects taking priority



MRL's design - Bulk Ore Transport System

Road Transport

- Super quad haulage configuration now in place delivering \$5/tonne cost and efficiency improvements
- New project underway to increase payloads to 167 tonnes (from 138 tonnes) with potential to deliver further cost savings
- Fleet changeover scheduled for progressive rollout, significant capital outlay required for transport subcontractors



MRL's Super Quad Road Train

FY17 FINANCIAL GUIDANCE

- **EBITDA guidance** for FY17 of between **A\$480m and A\$520m**
(increased 25% from previous guidance of A\$380m to A\$420m)
- **Key assumptions**
 - 62% CFR iron ore to average US\$70 per dry tonne
 - Average AUD/USD of 0.75
 - Lower grade iron ore will continue to attract substantial discounts
 - 13.0Mt of iron ore export
 - Mt Marion to reach full production by end of CY17
 - 106Mt of equivalent crushing capacity
 - Capital expenditure of between \$200m – \$250m¹

¹ Second half capex: Mt Marion processing plant expansion, Wodgina exploration, process plants for in house and external customers

APPENDIX – BUSINESS OVERVIEW



MRL OVERVIEW



Innovative mining services provider

Founded in 1993, Mineral Resources (MRL) is a leading and highly innovative full-service provider of mining infrastructure services in Australia

Unique value proposition

MRL provides innovative and low cost Pit to Port solutions across the mining infrastructure supply chain including mining, crushing, processing, materials handling and full support logistics in an efficient manner to add significant value for clients

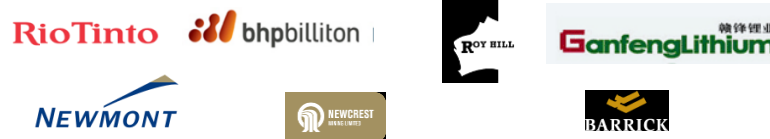
High proportion of annuity earnings

Mining Services revenues and earnings are supported by long term contracts and are not driven by global commodity prices.

Experienced management team & board

Stable senior leadership team with a proven track record of safely delivering world class mineral processing and infrastructure solutions and creating shareholder value. Board and management own approx. 14% of Company

Selection of customers



MRL operating brands



Iron Valley Dewatering Facility



MRL locomotives in action - Yilgarn region

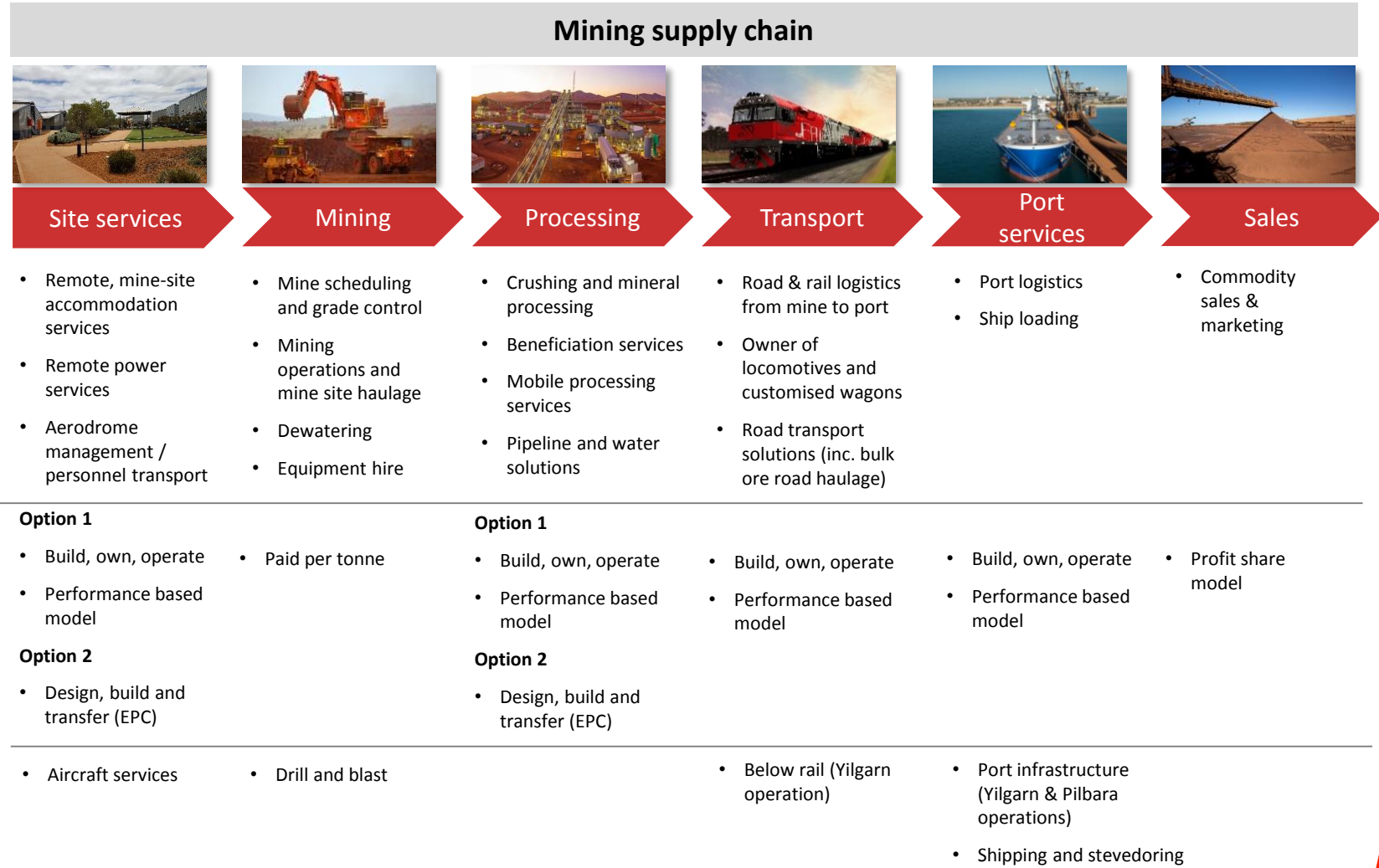


Carina Accommodation

MINING SERVICES



MRL delivers integrated infrastructure services across the mining supply chain



UNIQUE VALUE PROPOSITION



“Partner with selected clients to deliver innovative high quality and cost efficient mineral processing and mining infrastructure Pit to Port

Global leader in design and technology development



- Proven track record of innovative designs for crushing, screening, mineral processing and mining infrastructure solutions
- Significant annual investment in technology research and development

Speed to market



- Significant database of proven designs and engineering utilising in-house capability developed over the last 25 years
- Substantial inventory of new and used mineral processing equipment, accumulated over the last 20 years to expedite project execution

Reduced capital intensity



- MRL’s core business of ‘Build-Own-Operate’ solutions reduce the need for the clients to use their own capital
- Proven construction methodologies and in-house engineering and labour allow for plant construction at a significantly reduced capital intensity

Lower cost of production



- Innovative, high quality designs lead to significant operating efficiencies with specific focus on crushing, screening and processing activities. This provides clients the opportunity to achieve lower costs of production

Largest inventory of parts and consumables



- Largest inventory of mineral processing equipment in the Southern Hemisphere providing a significant cost and speed to market advantage (including quick response repair capability)

Culture of innovation



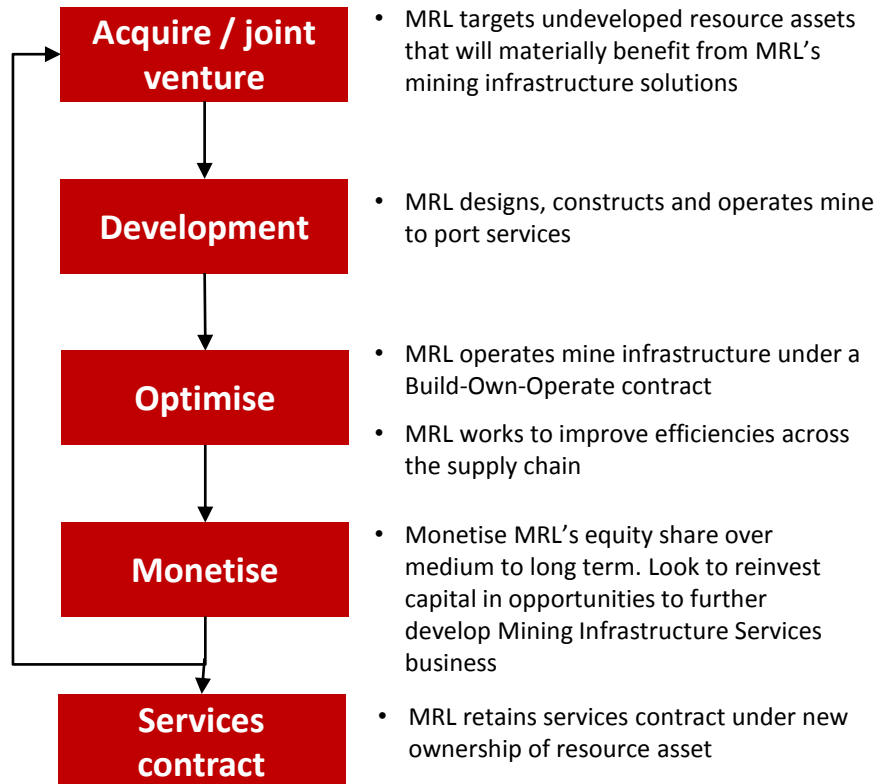
- Experienced, high quality people with a focus on innovation and challenging market norms to provide substantial value add to client operations

PROFIT SHARE MODEL



MRL is uniquely positioned to benefit from profit share partnerships

MRL's profit share model - stages in the cycle



Benefits of profit share model

1. Attractive financial returns over the cycle

- MRL has a track record of delivering high returns on capital employed

2. Enhanced benefits of innovation

- Profit share projects are MRL's "breeding ground" for new solutions (e.g. site services, remote power, super quads, carbon fibre products, rail capability, BOTS)
- Projects benefit from MRL's innovative solutions as reduced operating costs are value accretive

3. New annuity-style earnings

- MRL Mining Infrastructure Services are integral to the ongoing operation of projects and are retained post monetisation of MRL equity stake

4. Regular capital gains earnings

- Monetising equity from value-added assets at appropriate time in the cycle. Regular earnings / cash flow from releasing capital.

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