BAML Conference

14 May 2019

Together we are Fortescue

Fortescue
The New Force in Iron Ore

Forward looking statements

Disclaimer

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Any references to reserve and resources estimations should be read in conjunction with Fortescue's Ore Reserves and Mineral Resources statement for its Hematite and Magnetite projects at 30 June 2018 as released to the Australian Securities Exchange on 17 August 2018, together with the Iron Bridge Magnetite Mineral Reserves and Resources Report as released to the Australian Securities Exchange on 2 April 2019. Fortescue confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

All amounts within this presentation are stated in United States Dollars consistent with the functional currency of Fortescue Metals Group Limited, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

A world class company

>1.1 billion
tonnes shipped

~170mtpa
Production rate

Core supplier to China

Low cost producer

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Fortescue's Values

Our Vision:
The safest, lowest cost, most profitable mining company.

HY19 highlights

US$1.6bn
Underlying EBITDA

NPAT
US$644m

A$0.30/share
dividends

82.7mt
shipped

US$13.11/wmt
C1 cost

West Pilbara Fines
Shipments commenced

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March quarter highlights

TRIFR 3.6
10% improvement over the prior quarter

US$71/dmt
average price received
▲ 47%

38.3mt shipped
including 3.8mt of West Pilbara Fines

C1 cost
US$13.51/wmt

Iron Bridge Magnetite Project
US$2.6bn Stage 2 approved

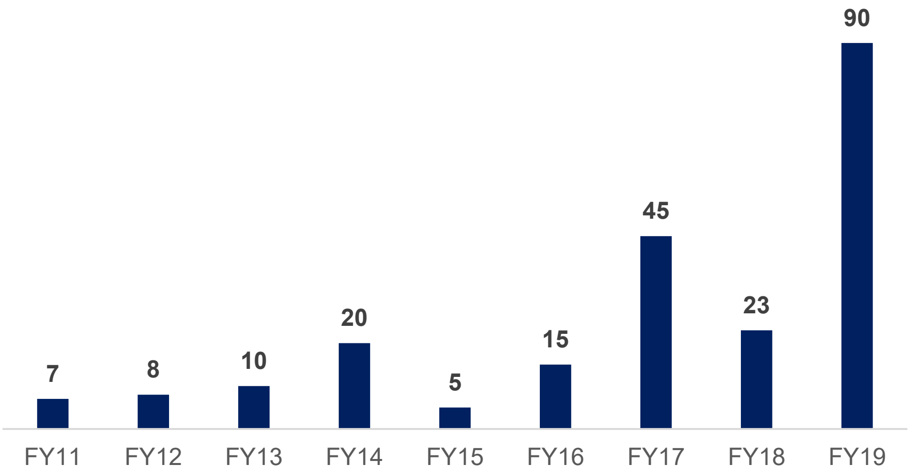
Cash on hand
US$1.1bn

Fortescue delivering growth and income for shareholders

Fully franked A$0.60/share dividend declared*
FY19 dividends total A$0.90/share

- **A$0.19/share fully franked interim dividend**
- **A$0.11/ share fully franked special dividend**
- **A$0.60/share fully franked dividend***
- **A$139m share back**

Total A$ dividend payments



** Declared 14 May 2019, payable 14 June 2019*

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Integrated operations and marketing

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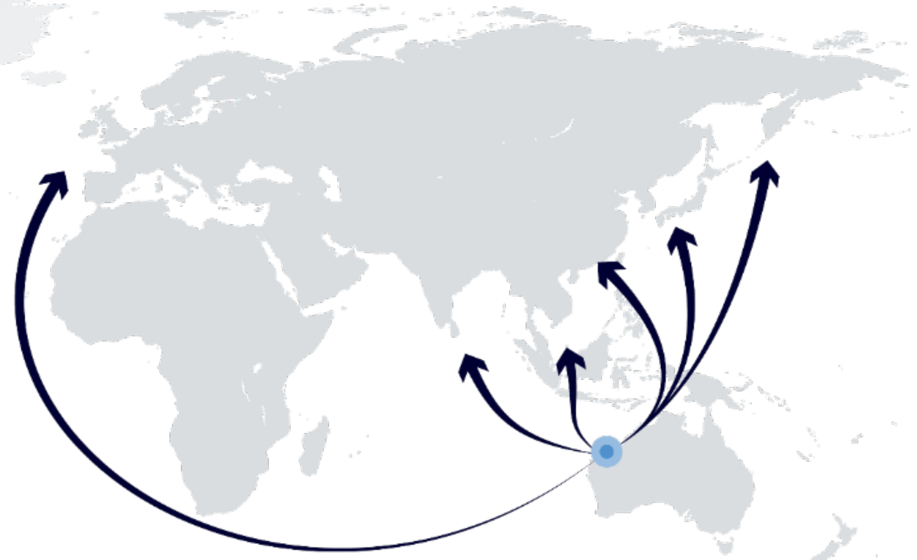
Strong demand for Fortescue products in China and other regions

March Quarter China steel production increased by 9.9% yoy*

- **Proximity** to high growth region
- **Responsive** to market needs
- **Diverse customer** base
- **Half year sales outside China** 10 per cent
- Maiden **shipments** to new Indonesian and German customers
- Competitive **value in use**



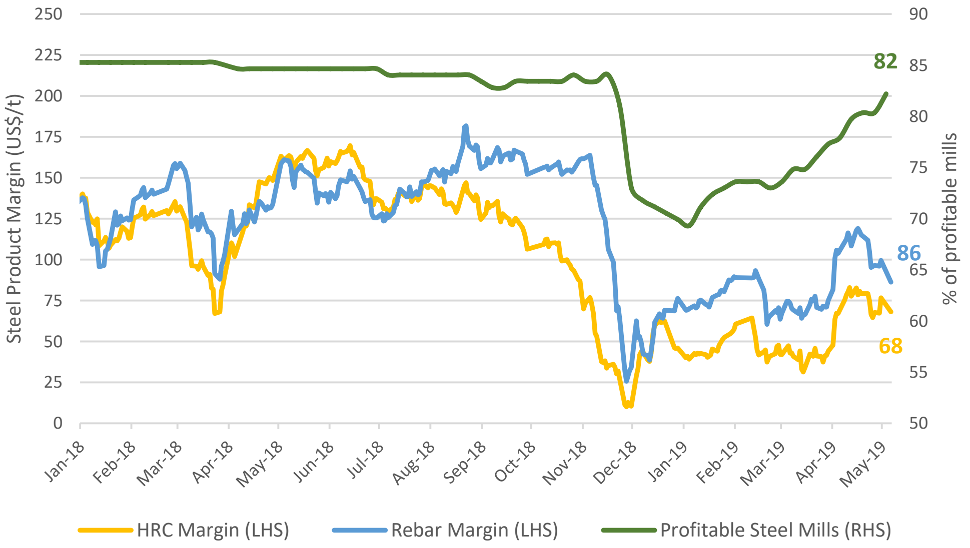
Source: National Bureau of Statistics

Chinese steel mill profits driving iron ore price spreads

China steel **margins moderating**

Focus moved to **input costs**

Increasing demand for **lower Fe** products



Source: Mysteel and Platts

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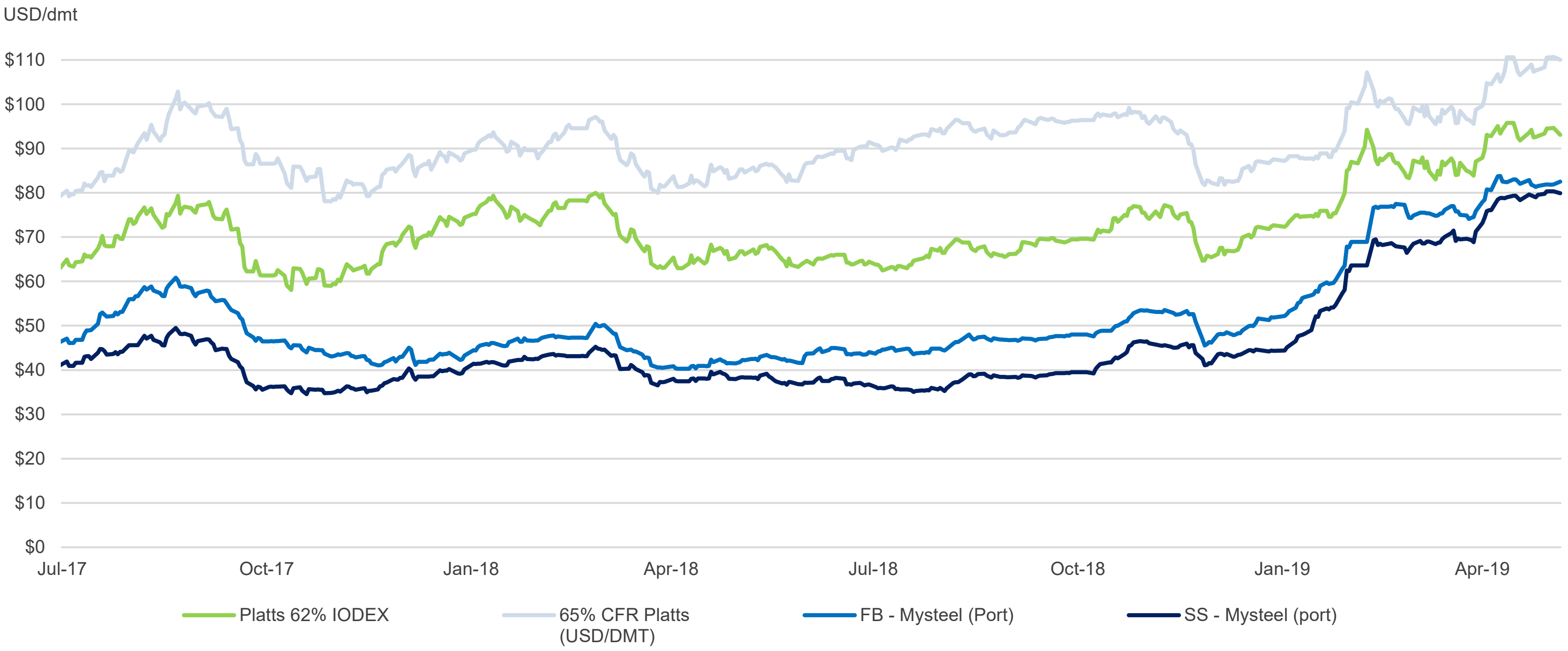
Iron Ore price

Average price increased to US$71/dmt driven by higher realisation and iron ore supply



FMG Fortescue The New Force in Iron Ore

Optimise product mix

Product mix optimisation delivers real value:

Q3 average realised price increased 47% v Q2FY19:

- Introduction of West Pilbara Fines
- Increased Fortescue Blend shipments
- Production of Fortescue Lump
- Reduced Super Special Fines
- Other marketing initiatives

Tonnes shipped millions, (wmt)	Q3 FY19	Product mix %	Q2 FY19	Product mix %	Q1 FY19	Product mix %
West Pilbara Fines	**3.8**	*10%*	**0.4**	*1%*	**-**	-
Kings Fines	**3.4**	*9%*	**3.2**	*8%*	**3.5**	*9%*
Fortescue Blend	**16.1**	*42%*	**20.0**	*47%*	**19.2**	*48%*
Fortescue Lump	**2.2**	*6%*	**2.7**	*6%*	**0.4**	*1%*
Super Special Fines	**12.6**	*33%*	**15.9**	*37%*	**17.0**	*42%*
Manganese Iron Ore	**0.2**	*0%*	**0.3**	*1%*	**0.1**	*0%*
Total	**38.3**	*100%*	**42.5**	*100%*	**40.2**	*100%*

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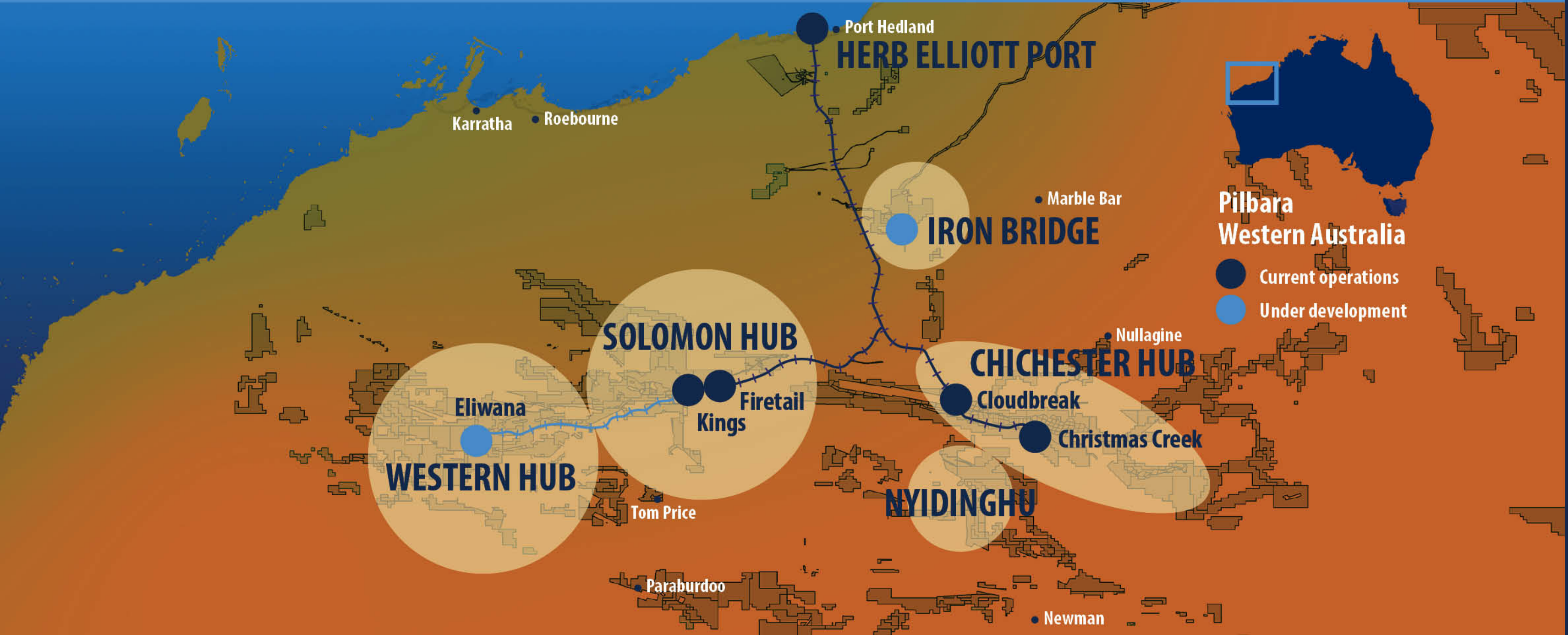
Growth and Development

Significant Pilbara footprint for long life production



On target for delivery on time and budget

US$1.275bn capital investment
30mtpa dry OPF
143km rail

Majority of major equipment tendered and in line with budget

Detailed design well progressed using in-house integrated team

200 person fly camp mobilised

Construction tenders early 2019

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Iron Bridge Magnetite Project

US$2.6bn investment in Stage 2 underpinned by Fortescue's track record in development and operations

22 mtpa*
67% Fe, low impurity premium product
First ore 1H CY22

Globally competitive low capital intensity and operating cost

Growth in earnings delivers enhanced returns to shareholders

Project validated through Stage 1 pilot and demonstration plants

Industry-leading energy efficient operation

Innovative design incorporating a dry grinding and crushing circuit

**wet million tonnes per annum*

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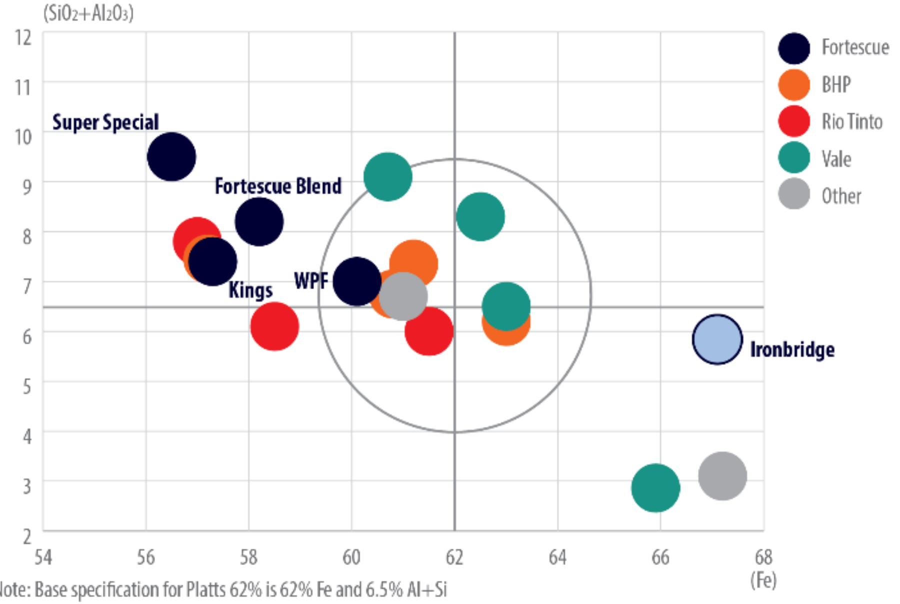
Ability to deliver majority of product over 60% Fe

Continues to increase Fortescue's average grade

- **Competitively** positioned across all product segments
- **Flexibility to optimise** margins through iron ore market cycles
- **Highest grade Australian product** with global scale in magnetite

Product positioning: Natural Fe v Gangue ($SiO_2+Al_2O_3$)



Note: Base specification for Platts 62% is 62% Fe and 6.5% Al+Si
Source: Fortescue, company reports

Innovation

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Track record of embracing innovation

World first AHS on commercial scale

26 million km safely travelled by AHS

Remote Operations Centre

Port, Rail
Mine Control

Ore Carriers

Eight vessels
14% annual shipping vol

Future of Mobility Centre, Karratha

Explore autonomous mobility technology

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Innovation in every aspect of our business

Beyond technology and equipment

Safety culture
Empowering people to take control

Communities
benefit from our growth and development

Aboriginal Engagement
Jobs, employment and business development

Diversity
Practical initiatives

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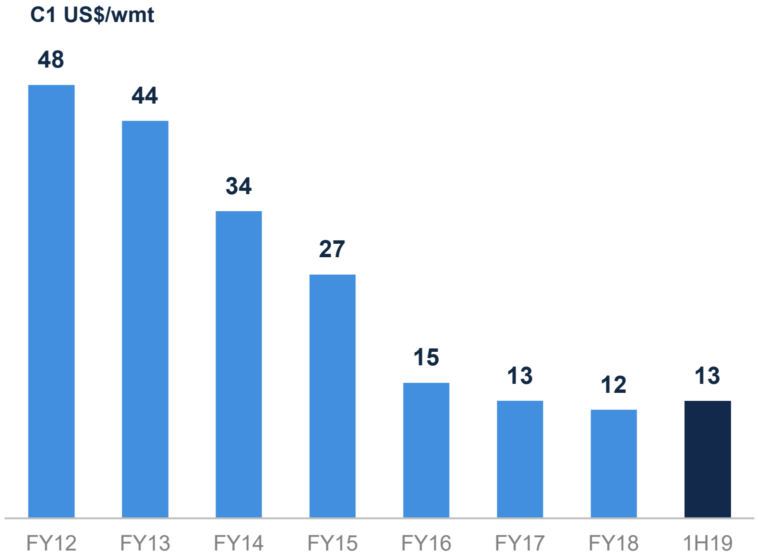
Sustainable cost improvements

Structural improvements
Solomon + blending + processing

Productivity and efficiency
Utilisation, recoveries, maintenance

Innovation and technology
Autonomy, conveyor, ore carriers, data analysis



Looking to the future

Product strategy
Integrated operations and marketing strategy

Eliwana and Iron Bridge
Latest technology including autonomy

New energy
Renewable energy, reduced emissions and increased connectivity

Exploration
Global opportunities to support demand

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World class exploration

Opportunities that will be driven by market demand

Paterson and Rudall projects, WA

Early stage target generation copper-gold

NSW

~2,000km^2 tenure

South Australia

~10,000km^2 tenure

Portugal

21 tenement applications
~6,000 km^2
Prospective lithium

Ecuador

Drilling commenced in Santa Ana, April 2019

Prospective for copper-gold

Colombia

64 applications for exploration concessions
Prospective copper-gold

Argentina

48 tenements,
San Juan Prospective for copper-gold

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FY19 Guidance

Shipments
165-170mt
Including 8-10mt WPF

C1 cost
US$13-13.50/wmt

Capital spend
US$1.2bn

Dividend policy
50-80%
pay-out of NPAT

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Key strategic focus

Balance sheet strength

Long term sustainability

Growth and development options

Returns to shareholders

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