



December 2022 Quarterly Production Report

Investor and Analyst Call transcript

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Start of Transcript

Operator: Thank you for standing by and welcome to the Fortescue Metals Group December 2022 Quarterly Production Report. All participants are in a listen only mode. There will be a presentation followed by a question and answer session. If you wish to ask a question, you will need to press the star key followed by the number one on your telephone keypad. I would now like to hand the conference over to Dr Andrew Forrest AO, Executive Chairman. Please go ahead.

Andrew Forrest: Welcome all and thank you. Today we report a record performance for our Company. Ladies and gentlemen I do admit I'm even more proud of Fortescue and its family today than I've ever been as we enter our 20th year as a company and 15th year of operations.

Fortescue Metals team has delivered our highest ever December quarterly shipments of 49.4 million tonnes. Clicking along at the 200 million tonne run rate even before our massive Iron Bridge project comes online. A record quarter, a record half of 96.9 million tonnes shipped, all ladies and gentlemen while growing our minerals and green energy business globally. All while adding great net assets, and using cash flow not debt, to pay for it all.

Despite its heavy investment in new assets, critical to our future, key to industry, we've further delivered, we've further lowered net debt in our already super strong balance sheet. While accelerating production we have kept our costs the lowest in the industry while maintaining our excellent safety performance.

Our Company has never performed better. Not on mining, not on exploration, not green hydrogen, not on green energy development ever. This is a record quarter. It's a record half and it's getting stronger from here.

All while pioneering the first heavy industry company in the world to achieve real zero with a fully costed plan to step beyond fossil fuels this decade which, ladies and gentlemen, is well underway and on track, saving shareholders approximately US\$1 billion a year. Not to be sneezed at.

Of course, this is the really key, setting the path worldwide for all environmentally responsible companies. Stripping away the excuses, the froth, the talk. Just get on and do it. That's what Fortescue is doing and they're saving money for shareholders. Really, we're short of excuses not to crack on and step beyond fossil fuels so we do not cook this planet for the kids.

When we talk about real zero, we mean the elimination of emissions rather than the use of offsets, many of which are of dubious quality. Getting fossil fuels out of our business and saving a fortune by 2030 and every year thereafter, by doing so.

This last half, we've focused on delivering production and growth as we transition to a global renewable and resources company and it's worked. We've made strong progress in our massive iron ore interest in Gabon. Our electrolyser facility in Gladstone is on target to open this year with world-leading technology at the scale which Fortescue rolls at.

Our battery facilities in the UK will be commissioned in April this year, and green energy projects worldwide are developing on schedule. I know our FFI CEO, Mark Hutchinson will say more on that but I want to make the point, all of these assets, some of which give us preeminent leadership capability in the industry have been added through operating cash flow.

Despite this major asset growth, cash flows have allowed all of them and a reduction to our net debt, adding further weight to the existing strength of our very strong balance sheet.

Demand for Fortescue's suite of iron products remains strong and our entry into the highest grade segment of the market has been well received with significant interest in the Iron Bridge magnetite concentrate.

This is further supported by the high grade Belinga Project in Gabon with engagement rapidly advancing and very positive geological assessments from ground surveys. An initial drilling program is expected to commence in March 2023 and our Head of Exploration will be happy to describe it. I'll try and get him to give you a little bit of colour ladies and gentlemen. It's even hard for me, but it's a great project.

Look, I'd have to say to all the doomsayers out there, the global economy is more optimistic than many had expected. Not that we had forecast and I'll be happy to take questions on that later. Then also for the sceptics, to transition away from fossil fuel is happening and this is why you will continue to witness Fortescue's transformation. When you see a company in change, criticise it because it's changing people, but it's just fake news.

We are a company in change. We are transforming and, as you know, professed by Einstein, you cannot get a different result by doing things the same way. The steps we have taken to future proof and grow our business with the great people we have and attracting great people as well, are now proving of course to be the right ones.

We're doing all this as we've foreshadowed, we've worked hard to deepen and broaden that leadership team. We are that different company now, more than capable of collectively facing the challenges. These are challenges, ladies and gentlemen, which are not run of the mill. These are challenges created by the massive opportunities which Fortescue has created for itself, which are now firmly in front of us over the last several years.

We are transforming our Company for the way the world will be, not the way the world is or was or even how we might wish it to be. It is changing rapidly. The Inflation Reduction Act came in in the United States, and as we predicted is having a major positive impact on America so that other great economics powers such as EU, have signalled their intent to follow. Country after country are now owning up to their responsibility. Sure, sure to serve their citizens economically.

You can basically do that by getting out of the road, but while protecting them, which they can't do without government support from the real and present threat, the growing imminent obvious danger of global warming.

Chief Executive Officer of FFI, Mark Hutchinson has stepped into the role of Chairman of WAE Technologies, formerly Williams Advanced Engineering, perhaps the most advanced prototype battery company in the world and is transforming it. Manufacturing, distribution, and all, which Mark will speak of is that company's future as well as continuing to lead the world in battery technology. It will accelerate WAE Technology's growth into a multibillion-dollar green technology, battery distribution and vehicle control systems company.

Under the leadership, which I'm quietly excited about and very glad we took our time to choose - not that I think the Company was badly led in the meantime, team, I just want to point that out - our Chief Executive Officer of our Metals Group, Fiona Hick, will be joining us next month. A really great leader in her own way, to join the Fortescue culture and build it out over the Company from the heights it's currently at.

In doing so, Fiona will build on our record operational performance while leading heavy industry under her guidance but with our entire Company support, away from expensive, polluting, dangerous, and planet threatening fossil fuels. With that, I'll now pass over to Mark.

Mark Hutchinson: Thank you Chairman. Andrew and I have just returned from the World Economic Forum in Europe where as a result of the energy crisis, it was really clear to us that there's an immediate and urgent need for green energy from government to business all around the world.

FFI was really in high demand and it was clear we cannot deliver the green energy to the European partners fast enough as they race to replace Russian fossil fuel. What was clear was the world is really looking to us to show the world that we can do this at scale.

We really attended the forum to commence work on assuring the capital is aligned with our ambition for five green energy projects to progress the final investment decision this calendar year. The response actually was very positive from the capital markets. The last 10 months has seen an unprecedented acceleration of the green energy transition and policy makers around the world are helping to drive this.

The IRA in the United States is stimulating private investment in green energy and it's making it the greatest place in the world to invest. In response, the European Commission has now announced its own plans for a Net Zero Industry Act and here in Australia progress has been made on carbon pricing with the Federal government's recent announcement to introduce important reforms to the safeguard mechanism.

Fortunately, FFI is already ahead of the game. We've been very busy for some time building a global portfolio of renewable resources and developing the technology required for the green energy transition. This quarter we established a framework agreement with the Government of Kenya to develop green ammonia and green fertiliser facilities.

We also entered into agreement with the Egyptian Government to study and develop green hydrogen projects, for renewable energy projects in that country. We've also commenced work with Siemens Energy using FFI technology developed with the CSIRO on an ammonia cracking prototype.

In addition to building our global portfolio, we're leading the decarbonisation of Fortescue profitably. The carbon credit cap price announced by Australian Government is more than twice what we had assumed in our modelling. This means of course that Fortescue will realise a further incremental saving every year because of our move to real zero.

We are confident that 2023 will be a year of real progress for FFI. I would like to now hand over to Fortescue Chief Operating Officer Iron Ore, Dino.

Dino Otranto: I'll start with safety. I want to commend the entire Fortescue team for maintaining their strong focus on safety with a Total Recordable Injury Frequency Rate (TRIFR) of 1.8 at 31 December. And there's no doubt in my mind that our operational excellence is underpinned by our strong focus on the health, safety and wellbeing of our entire Fortescue family.

On the operations, it's always good to report record performance and we achieve that again with iron shipments of 49.4 million tonnes in the December quarter, contributing to a record half year performance of 96.9 million tonnes and a calendar year record of 192.8 million tonnes. We have an amazing team behind these outstanding results and I want to thank all of them for their ongoing commitment, particularly out in the operations in the Pilbara.

On Iron Bridge, which is a huge differentiator for us, I'm really pleased with the progress the team is making across the processing facility, pipelines and at the port. In fact, I recently took the couple hour drive from Hedland to the processing facility at Iron Bridge, and I couldn't have been proud of the entire team getting on with it despite the intense heat across a number of fronts on the pipeline.

There were a number of key milestones achieved during the quarter. Most importantly, first ore into the processing plant, which we celebrated together at Iron Bridge in October 2022. We're also seeing great progress on the installation of the

concentrate and return water pipelines, as well as energisation and commissioning activities commencing in the wet plant. Our focus now is getting the ramp up from March done well and setting us up for a long-term high grade operation.

We continued to make strong progress during the year on our beyond fossil fuel plan, inclusive of the delivery of our first prototype battery system from WAE Technologies, which will be integrated into Fortescue's zero emission battery haul trucks very soon.

In addition, the delivery of the first prototype, green ammonia locomotive to Port Hedland is to undergo further testing before we deploy it into all of our rail operations.

And civil works has commenced for the installation of the solar farm as part of the Pilbara Energy Connect program. Just reminding everyone, Pilbara Energy Connect includes the transmission infrastructure and large-scale battery storage network to enable the future integration of additional renewable energy into our network.

On that note, I'm going to hand over to Nick Nitschke, who heads our exploration team, an 18-year veteran of the Company. Nick, over to you mate.

Nicholas Nitschke: Thanks Dino, and hi everyone. It's really great to provide an update on the exploration activities across our global portfolio for the quarter.

We continue to have new mine and regional exploration success within our suite of projects in the Pilbara. We completed around 40,000 metres of drilling, both resource definition and exploration in the quarter with a particular focus on our Nyidinghu and Mindy South development projects in the Hamersley Ranges, as well as exploration works at Wyloo North, a project in the Western Hub and White Knight, a project which sits to the west of Cloudbreak.

These programs are progressing really well with activities aligned with our stretch targets to add over 600 million tonnes of new hematite resources, as well as 400 million tonnes of new magnetite resources to our mineral resource base this financial year.

Further afield, the team are really excited with the initial geological work at Belinga Iron Ore Project in Gabon, and I recently was in country with that team and there's no question it's an absolutely phenomenal deposit. We are focused on the geological mapping and sampling programs on the primary target areas ahead of three RC and diamond drill rigs which will start drilling later this quarter.

Finally, we continue to ramp up our exploration activities in the critical minerals portfolio with a key focus on copper, rare earths and lithium. During the quarter, we commenced drilling on a number of highly prospective targets in Latin America as well as Australia.

In addition, our target generation with multiple geophysical and geochemical surveys are underway, which will further delineate high quality targets within our global portfolio, which will lead into preparation for drilling these targets later this year. I will now hand over to Vivienne Tieu, who has joined us this week as the Director of Sales, Marketing and Shipping.

Vivienne Tieu: Thanks Nick and hi everyone. I'm really excited to be joining the Fortescue family this week and to be joining this call. I'm here in the room with Ben Kuchel and I'd like to take this opportunity to just recognise and thank Ben for the outstanding job that he's done in stepping up to lead the Sales, Marketing and Shipping team over the last few months. Thanks Ben.

Ben Kuchel: Thanks Vivienne.

Vivienne Tieu: I'll start with a brief update on the market. Over the quarter we saw iron ore prices trend down and bottom in October before recovering on expectations of strengthening steel and iron ore demand from China, after the removal of COVID restrictions, and the government expressing clear support for the property and infrastructure sectors.

Over the year in China, despite headwinds, steel demand was resilient, with crude steel production around one billion tonnes for the fourth year in a row, and strong pig iron production. The supply side was broadly aligned with demand, with no material change in inventory across the supply chain and low-grade inventories remaining particularly low.

It was this robust demand for lower grade iron ore, together with the ongoing success of our integrated operations and marketing strategy that contributed to strong price realisations for Fortescue products, which Ian will talk more about later.

Finally, our sales and marketing strategy has not changed and remains focused on the needs of our customers and ensuring that the value of Fortescue's products, including our consistent quality is well recognised by the market. I will now hand over to Ian, Fortescue's Chief Financial Officer for the finance update.

Ian Wells: Thanks Vivienne and can I also extend a warm welcome to you for joining our team.

As you can see, the team has delivered another excellent quarter with record volumes and continued strong in cost and capital management, and that sees us maintain guidance at the halfway mark for FY23. We continue to reinvest in the business, investing in growth, and that's all supported by our strong balance sheet and disciplined capital allocation framework.

On the financials and starting with revenue, our average revenue in Q2 was US\$87 a tonne. That was at a realisation of 88% of the Platts Index. That's up from the 85% we reported in the September quarter and reflects cyclical factors in the market and the ongoing strong demand for Fortescue's suite of products.

Moving to costs, our C1 cost of US\$17.17 a tonne in the December quarter was 3% lower than September. And our C1 guidance for hematite remains unchanged at US\$18.00 to US\$18.75 a tonne, and that's at a guided exchange rate of AUD:US\$0.70.

Switching gears to cash flows, closing cash at 31 December was US\$4.0 billion. That compares to US\$3.3 billion at 30 September. That's after investing capex of US\$728 million. The point to note there was some movement in working capital and that's reflecting the pricing impact on receivables and we expect that to unwind in Q3.

Capex, in H1 totalled US\$1.4 billion, and that's reflecting that reinvestment back in the existing business, also, growth project Iron Bridge. Just a reminder, the increase in investment has an associated increase in depreciation of course, as those assets come online.

On the balance sheet, gross debt at 31 December was unchanged at US\$6.1 billion and net debt reduced to US\$2.1 billion. Central to our capital allocation framework is our commitment to a strong balance sheet, with targeted investment grade credit metrics. What all that means is, we retain balance sheet and operating cash flow capacity to fund future growth and we'll continue to manage our debt maturity profile and continue to optimise our debt capital structure.

A robust balance sheet, together with disciplined capital allocation puts us in great shape as we execute on our short, medium and long-term growth options and as always, by focusing on the things that we can control, which is safety, production and cost, we continue to create value for all stakeholders.

So in closing, just on a personal note, it's been an absolute privilege to work at Fortescue for the best part of 13 years and most recently serve as Fortescue's CFO for the last five years. I've been fortunate to work with a talented and committed team, doing what we say we're going to do, taking on the seemingly impossible and staying focused on the

fundamentals, which from my experience, is a formula that results in shareholder returns and making a contribution to the communities in which we work.

So thank you to everyone. I look forward to watching the continued success at Fortescue and my last job is to hand back to Darcy to facilitate the Q&A.

Andrew Forrest: Well done, Ian. Let's give him a hand, team. We wish you the best. Darcy, it's over to you.

Operator: Thank you. If you wish to ask a question, please press star/one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star/two. If you're on a speakerphone, please pick up the handset to ask a question. In the interest of time, we ask that you please limit to two questions per person. If you wish to ask further questions, you may press star/one again to re-join the queue. First question comes from Robert Stein from CLSA. Please go ahead.

Robert Stein: (CLSA) Congratulations team on a pretty good operational result for the quarter, especially on costs which was pretty impressive versus my numbers. Just two quick questions, one on hydrogen and the news this morning in the AFR of Plug Power's withdrawal from the electrolyser factory in Gladstone. So the question really relates to what does that withdrawal mean on the ground there in terms of losing of knowhow and expertise and how are you based to cover that loss? Then I've got a second question on realisations which are a little bit more tactical and short term, thank you.

Andrew Forrest: Robert, I would have thought the best half ever and the strongest December quarter and now being able to nudge that 200 million tonne run rate is a pretty strong statement, mate. So I'm pleased you were pretty good, you're obviously from the English families of deliberate strong understatement. I always reckon that records are pretty good, mate. But we've built in for an even stronger future. Loved the last part of the question, but we'll let Hutch answer it.

Mark Hutchinson: Yes, look thanks Andrew and Robert, I think our need for electrolysers globally is going to be huge over the next few years and so we've been very thoughtful about how we build really the best value for our shareholders, not just in the production side, but also in the technology side. So, we have been developing our own technology on PEM and alkaline for some time, we've learnt a lot since the discussion with Plug Power. We love Andy, we have a relationship ongoing with Plug Power, they are still suppliers with electrolysers in some of our projects. We're going to need all the OEMs to chip in at some stage.

But the feeling really was that we were advanced in our own technology; the IP was ours; we can do it at scale. I think Plug Power is very much locked in to a certain technology and on a production cycle and what we're good at here is building things at scale and exactly what we're going to do on the electrolyser side.

So, the facility in Gladstone is going ahead as planned, nothing changes. What the exciting thing is, it's going to be Australian technology and we're going to do that on time, it's going to be our own technology and that's being developed very, very well.

Robert Stein: (CLSA) Thank you. Then the second part of the question, I'll try not to understate or overstate this part, but just in terms of realisation, obviously with provisional pricing impacts in a rising price environment we're seeing across the board, realised pricing would be positively impacted this quarter. Just wondering if you can give us an indication of where your realised pricing was ex that provisional pricing impact or that lag pricing impact of the rising price environment and where is that coming from? Is it coming from grade, is it coming from negotiations with mills and discounts? Just looking to unpick that.

Ian Wells: Hi Robert, it's Ian. There was a slight positive impact because the closing price prior to the previous quarter was up US\$96 in the previous quarter to US\$117. The average was a bit lower to the closing price, so the closing price

is where the mark to market comes from. That's the first point. The second point is that we've talked about in the last quarter an expectation of we lag the market on our realised price, so our contractual realisations on the context, if you like, was probably 1% lower but broadly consistent with that. Also, where is it coming from? Well, we're realising good prices because of the consistency of our product in the integrated operations and marketing strategy, which you've heard us talk about before and Vivienne and Dino will continue to be the champions of that.

Andrew Forrest: I think it really helps, Robert, how we run the operations. The Sales, Marketing and Shipping team are all in the same control room, all in the boiler room with the people who run Cloudbreak or Christmas Creek, all of our projects and they give our operators up onsite that are actually operating these huge operations real-time information, i.e. just walking across from one desk to another in the same room, as to what's happening around the world and particularly in China and what the customers want. So if we need to flex to a particular mill, we can and they really appreciate the fact that while we're huge, they're completely dynamic in response to their needs.

Operator: Thank you. Your next question comes from Rahul Anand from Morgan Stanley. Please go ahead.

Rahul Anand: (Morgan Stanley) Morning Andrew and team, congratulations on a strong result. Look I wanted to touch on the iron ore business quickly in the first question and then perhaps circle back on some of your future options. So in terms of the iron ore business, I just wanted to understand, in terms of the port, is there flex there available to perhaps stretch beyond? Then also, the strip ratio I wanted to understand, is it going to revert to that 1.5 that you've guided? I'll come back with my second, thanks.

Andrew Forrest: Okay, look we do have capacity in the port and approval in the port and the government wants us to grow to the optimal size for Fortescue, because that's the optimal size and revenues for the State of Western Australia. Dino, over to you.

Dino Otranto: Yes, just adding a bit more colour on the port, reminding everyone we did recently get our licence amendment where now we're not constrained by hematite only. We have a cap of 210 million tonne for the entire portfolio now which we actually needed in this calendar year, so we got that just in time with our 192.8 million tonne result. On the strip ratio, it will revert; it's just a timing issue.

Rahul Anand: (Morgan Stanley) Yes, Dino, is there any flex to go any further beyond 210? Obviously you're doing the traditional business, well, annualised in this quarter at about 200 and then you're going to have Iron Bridge on top of that, is there any sort of flex available in maybe Class C, Class B, anything else you can do to go beyond?

Dino Otranto: Any good business runs right to the end of their production bottlenecks. If you weren't, you weren't doing your job. So we're always looking for more max, increasing our volumes. Iron Bridge gives us a unique ability to take away from those constraints, gives us a whole bunch of new infrastructure with a new canyon that we've installed there and it does all go through our current ship loading.

Rahul Anand: (Morgan Stanley) Understood. Okay, look the second question, perhaps one for Andrew, just wanted to understand your plans around the future of the business. Obviously you've mentioned rare earth there as well. What tenements are you focused on, what jurisdictions, how are you thinking about that? You've also talked about Gabon a bit more today. Is that a competitor for your Pilbara business? Is that an addition? How are you thinking about these two upcoming mining opportunities, if you want to call them that, other than FFI of course?

Andrew Forrest: Yes, thank you Rahul, great question. Look I'm in the camp of not being unduly concerned about the minerals which the world needs to go into the energy revolution. I can really see abundant minerals in the terrestrial or in the land environment. I don't see any point in destroying rainforests or deep-sea mining or any of the other excuses used to extract minerals which could be very environmentally destructive.

We have, Rahul, a very rare insight, I think, for a mining company, into what's happening in the green energy revolution because we speak to everybody and we own businesses, like electrolyser facilities, very large battery facilities which are amongst the most advanced prototypes in the world and it's showing us where we need to go, what we need to focus on. So look, I am very interested in rare earths. I think there are abundant sources of rare earth which have not yet been brought to the market. Clearly our interests are also in copper and our team in Australia doing a great job on that. There's a number of other elements which WAE are showing to us could be the future of any storage beyond lithium and we keep a very close eye on those too, making sure we have got options over sources of those metals and minerals.

But let's not forget iron ore. Iron ore particularly, once we can produce it without pollution, is the key ingredient to the energy revolution. I'm staying as a very strong and growing producer in iron ore, will ensure that Fortescue plays a really significant role, giving customers across the world the confidence that when they change their technologies, when they step prototypes into mass manufacturing and distribution like Fortescue is doing right now with WAE, that we have the elements which they need reliably for their manufacturing.

Operator: Thank you. Your next question comes from Austin Yun from Macquarie. Please go ahead.

Austin Yun: (Macquarie) Good morning Andrew and the team, congratulations on the strong iron ore production in the quarter. Two questions from me, please. The first one is from Gabon, again sounds like the result is really good and you are accelerating the project. I just wanted to understand if you can provide a bit more colour on this one and what are the key milestones for this project over the next couple of years? Are you going to commit some capital to further accelerate this project? Thank you.

Andrew Forrest: Yes, look it's a great question, Austin and it comes back to something which Rahul asked as well. We see Gabon as really complementary to Fortescue. We have very large, lower grade, but very low in impurities which the steels mill hate, like phosphorous and the like, ore bodies in the Pilbara and to have a high-grade deposit, which is also very large in Africa, means we can either blend or virtual blend in China and in the major steel mill markets.

The Gabonese government didn't run a beauty parade to get Fortescue's interest. They actually did years and years of their own analysis and then chose Fortescue and approached Fortescue to develop this project for them. One of the reasons is, of course, the fact that we're going green, that really mattered to Gabon, they've got massive, massive environmental value. Second was that we move quickly. We are just a very large company, but run as a small family company. We're all around the table, we make decisions on the spot and they like to see us get into production, even if it's just utilising their existing railway systems and cutting a haul road to it.

Once we are confident that there's no irreplicable species, flora or fauna, within the road of that haul road and we'll cut a haul road to the railway line, no doubt put our own rail systems on there with trucks and trains, it's a standard gauge; unfortunately we're not going to be able to run them with anything like the speed or weight which we can at Fortescue, we've got really the most robust railway lines in the world in the Pilbara, you can't expect that to be replicated in Africa, but it does mean that we will be able to get into production quickly. Of course, manual production with front-end loaders can be expected initially, but don't be surprised, that's how I got the Cloudbreak going as well, with front-end loaders. Then novel offloading systems which not yet able to talk about, will make offloading very cheap. So yeah, we're excited about getting this into production quickly and I'll hand over to Dino for greater knowledge than I have.

Dino Otranto: Thanks Andrew. Well summarised. The only additional thing I'd mention is the last few weeks, we did walk hand-in-hand with the environmental and mining minister in Gabon and as I stated in the outset, we're getting very, very good support from all stakeholders in the project. I think combined with the ability for us to be quite nimble and fast moving, there's a lot of excitement in the project. Obviously some challenges, that Andrew has already articulated to work through, but on the back of exemplary project performance that Fortescue has shown over many years, we're really confident in getting this ore body up and running sooner than later.

Austin Yun: (Macquarie) Okay, thank you Dino and Andrew. The second question is around the Midwest magnetite project. Given now that iron grade, are you going to exercise options to increase your interest in that Midwest project? I understand that you started accelerated assessment this time last year, which is supposed to last 12 months, so any updates on that study please? Thank you.

Andrew Forrest: Yes, look it's a project under deep assessment, it's a very interesting project, it's got great partners that obviously have a solid market. I don't think the engineering or construction is really going to be a challenge for Fortescue. It's what we do in our sleep. At the same time as the details being developed for that project, the approvals were also underway and Warren might like to comment on it. But it's happening, I can assure you, in a separate part of the Company from Iron Bridge.

Iron Bridge is where we have the Company completely focused. It's Iron Bridge which will revolutionise the reputation of magnetite ore bodies. I'm not saying the commissioning and ramp up is going to be easy, like all the multibillion-dollar massive projects from extremely complex to simple, they all are going to come with interesting challenges. So I'm an absolute realist here and it deserves this Company's attention while we commission and ramp up Iron Bridge, but happening in the background, you're quite correct, is the project. I'll ask Warren to just give us a bit of a rundown on how the approvals are going.

Warren Fish: Thanks Andrew. Yes, we're undertaking an assessment of the approvals that have been had for previous projects to ascertain which of those are going to be useful for our requirements. But certainly there is a tremendous amount of work going on in the background with regard to figuring out exactly what it is that we would need should the project go ahead.

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

Kaan Peker: (Royal Bank of Canada) Good morning Andrew, Mark, Dino, Ian and thanks and all the best, Ian. Look another strong quarterly result, so congratulations on that. Just wanted to understand, there's been some minor changes to Iron Bridge guidance. Correct me if I'm wrong, but there appears to be a minor delay. Can you please talk through what has caused this delay? Is it the front end of the circuit that's been commissioned or is it more the back end with the pipeline and do we expect first sales to be on specification? Thanks.

Andrew Forrest: I'll hand over to Dino. But as my comments prefaced, I am not remotely surprised by the short-term challenges which have been thrown up by big, complex projects. I'm very happy with progress. Whether or not we do a million tonnes or less is kind of incidental. But Dino, over to you.

Dino Otranto: The project's making excellent progress and I think to note, we've well and truly broken the back of the peak construction activity now. Building on the back of our great overall production performance in the wider portfolio, our attention's now squarely on ramping up in a safe and sustainable manner. Remembering Iron Bridge is a 20 year plus long-term, high-grade investment.

So, making sure that this period over the next year is spot on will actually add value over the long-term when we get it right. For us, Kaan, it's more just a matter of short-term timing. We're still planning for first production in the March quarter. As I said before, the focus is on the Wet Plant, Dry Plant and everything else that is going on.

Ian Wells: Kaan asked about the first part is on spec which of course the answer is...

Dino Otranto: Absolutely. It has to be on spec. We're not going to send a high grade concentrate down the pipeline that's not actually high grade. So, that's part of the plan.

Kaan Peker: (Royal Bank of Canada) Sure. Thank you. Just a second question on the 210 million tonne approvals, which are no longer split between magnetite and hematite. Is there any restrictions on dust or delivery?

Dino Otranto: No. It's actually the same restrictions and they're very stringent restrictions that we already have for hematite. Nothing in addition.

Operator: Thank you. Your next question comes from Paul McTaggart from Citigroup. Please, go ahead.

Paul McTaggart: (Citigroup) Morning all. Just a simple one. Can you, Ian, maybe just give us a sense of in dollars per tonne - what the provisional pricing gain might've been at the back end of the quarter, given that iron ore prices have moved up? I just want to see if we could quantify it. We talked about it, but didn't really quantify it. Thank you.

Ian Wells: It's pretty simple. We have a couple of million tonnes roughly of open pricing. Therefore, at the end of the quarter - if you take in provisional price for a couple of million tonnes - and then the increase in the price per tonne, times two million tonnes, and you spread that across the tonnes in the quarter. So, it was about a 1% - logically US\$1 on an US\$100 Index price. So, to quantify that.

Paul McTaggart: (Citigroup) Thanks Ian. Thanks for all your support in your role. It's been great from the sellside's perspective. All the best with whatever's next. Thank you.

Ian Wells: Thanks Paul. I appreciate that. Cheers.

Andrew Forrest: Thank you, Paul. We all appreciate that acknowledgement.

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

Lachlan Shaw: (UBS) Good morning, Andrew, Dino and the team. Well done on a really strong operational performance in December quarter. Just a couple questions.

Just a quick one on costs. Costs were down quarter on quarter pleasingly. Just wanted to understand what's driving that? I guess you've maintained cost guidance for FY23. Does that imply that you're expecting a little bit of cost inflation to come through in the second half?

Ian Wells: Maybe I'll start and if there's anything that Dino wanted to add - so in the quarter, the FX was a bit lower. Also, as we know, fuel has come off a bit. So, those underlying market factors help a bit, offset by - there's still some underlying cost inflation to unpack - underneath that.

If you look at our guidance at \$0.70 and adjust it for the current FX. So, guidance was at \$0.70. If you adjust the actuals back to \$0.70, you'll see we're still in the middle of that range. So, really reflecting that strong cost control and staying focused on the things that we can control. Dino, anything?

Dino Otranto: On the things that we can control, I think the job around cost control is never done. There's always opportunity to go further. We've identified some of those opportunities coming into next year. The team's going to be working really hard to not only just keep the costs under control with the discipline that we have been, but demonstrate that we can continue going down that cost curve.

Because as Andrew indicated earlier on, I think it's critical underpinning the future of all of our aspirations that the iron ore part of the business remains at the heart and sets us up sustainably in the long-term.

Ian Wells: Probably just a reminder, we remind you each quarter - but for those of you who might not be aware - that the sensitivity of our cost base to a one cent move in the Aussie dollar is about US\$0.15 to US\$0.16 per tonne. So, that allows you to do the math that I just worked through.

Lachlan Shaw: (UBS) That's great. Thank you. Then second question from me, just back to the electrolyser facility in Gladstone. Could you just help us understand where the Australian technology is coming from? Is it inhouse or from a third party?

Then just to follow up on Plug Power's comments reported in the media, they are quoted as saying they think they can do better on economics. Is that economics of the JV deal or economics on making electrolysers in Gladstone, as you understand it?

Mark Hutchinson: Let me kick off. Andrew will have some comments as well, I'm sure. It's inhouse technology we're developing. On PEM and alkaline, which is really important. It goes to the same issue when we announce our decarbonisation, that we want to control our own destiny and that's why we designed - did our own haul trucks for the Pilbara. The same thing electrolysers. Our demand is going to be huge.

We think there's enormous value in earning the technology and it's going to develop very quickly, which we have the scale and capability to do. So, it's our own technology. It will be in production this year in Gladstone. We're very excited about this.

Andrew Forrest: Yes. The only thing I'd add is that we're the only company I'm aware of, certainly in the mining and energy industry, which has very significant research centres around the world, and of course here in Australia. You've got WAE in Britain, in the Netherlands and, with the National Renewable Energy Laboratory, the key renewable energy agency for the entire United States. That gives us really serious transparency into the cutting edge of what electrolyser and green energy technologies are doing.

As we are setting up manufacturing facilities, we're making sure that we can evolve these manufacturing facilities into the world's best technology. That led to the drive for independence from our good friends at Plug Power who will continue to be an electrolyser provider to us.

Operator: Thank you. A reminder that we ask you please limit to two questions per person. Your next question comes from John Tumazos from John Tumazos Very Independent Research. Please go ahead.

John Tumazos: (John Tumazos Very Independent Research) Thank you. I apologise if I don't understand all the technology. I understand that the battery pack for your new trucks is about 15 tonnes. That's very light in relation to a 240-tonne haul truck payload. The electric vehicles here in the States are about a half a tonne battery for a car that's less than two tonnes. My question is how do you get so much productivity out of the battery? Please explain the innovations.

Secondly two days ago, Nikola Motor put out a press release about its JV with you, with FFI. If you could explain that please.

Andrew Forrest: Okay. I'll just jump in. We took a US\$300 million investment a while ago to buy the best battery prototype company in the world. That is going to continue to deliver breakthroughs. Yes, we are really delighted that we're installing the lightest, most energy-efficient battery systems in mobile equipment in the world onto our trucks as we speak. We're not moving away from hydrogen fuel cells as well. I just want to point that out. Batteries and hydrogen fuel cells both have a huge future. Our Head of Decarbonisation, stepping beyond fossil fuel, Christiaan Heyning also might comment on this. Dino, Hutch, if you want to jump in, please do so.

Christiaan Heyning: Thanks, Andrew. Christiaan here. Thanks for the question. Building on what Andrew was saying, why do we get so much energy out of, quote unquote, a light pack, although 15 tonnes is fairly sizable.? Two reasons: One, with the help of WAE, we have been selecting very promising chemistry, so the cells that make up the battery are chemically quite strong. Secondly, WAE is the world's best in making the best use of those cells through very sophisticated battery management software, so we squeeze more out of the cell than they actually have.

The final thing I would say is that the optimal size, and therefore the weight of the battery, is still under I would say finalisation. We'll get our first truck up and running in the Pilbara this year with the current battery. Depending on the test results, you might scale up or down the battery a little bit further. Don't be surprised if the batteries a year from now are a little different from the ones that we currently put in our trucks. Hutch.

Mark Hutchinson: Yes. John, as you know, with the IRA there's just enormous opportunity in the United States. We're going to have many customers in America with the projects we're looking at. It's developing every day. Nikola's just one of those customers. They have a need for green hydrogen and we will be a supplier. There are some very fast-moving pilots we're looking at doing. One advantage they have is they'll come and pick the green hydrogen up themselves, so it helps a lot of the supply chain issues we have. Just one of our customers. Quite excited about working with them.

Operator: Thank you. Your next question comes from James Thomson from the Australian Financial Review. Please go ahead.

James Thomson: (Australian Financial Review) Hello, Andrew and team. There's been a bit more talk this week about Simandou and its potential to disrupt the iron ore market. I wonder if you could talk a little bit about how you're thinking about Simandou in your long-term planning and whether its potential entrance to the iron ore market underscores the importance of having the option that you've got on the table, whether that's Gabon, obviously FFI, rare earths and copper. Is the iron ore market maturing? Does that make these other options more important?

Andrew Forrest: James, two cracking questions. Let me just start with the other options. Not necessarily. Well, not as new news anyway, James. We bought WAE and developed our own technical facilities of research around the world, so we really got the clearest view possible in the energy and mining sector into where the world is going. I make that comment. It's not what we wish it to be. A lot of companies still just want to stick to the knitting and they don't realise the world is changing. Yes, we'll probably elevate a little priority on other metals, but that is to say we already have priority on other metals, James.

In terms of Simandou, I read a bit of that overseas. It's presented as a challenge and a threat to Australia. Who knows? It may be. But that's not how we're doing Gabon. We're seeing a bilateral relationship between Gabon and Australia, which is really great for both countries. That ore body has very high grade but can really be improved with the massive ore bodies which we have here in the Pilbara, on a blended basis so that both countries win.

We're not developing Gabon, as we've heard speculated by the developers of Simandou, as a challenge or threat to Australia. We're developing Gabon as an absolute complement to the very large iron ore fields we have, different mineralogy to Gabon, to the very large iron ore fields we're developing in Gabon. Different again, but the blend is spectacular. It is the strength of both countries and both ore bodies which will lift them both.

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

Glyn Lawcock: (Barrenjoey) Good morning, Andrew. First question, just if we could get an update on Flying Fish - I believe that deposit needs to come on round sometime middle of this calendar year just to help Eliwana out, so just an update on Flying Fish development.

Then the second question on Iron Bridge. When it starts up, does it have any impact on your DSO business? I thought it might start using some ground that the DSO business is currently utilising. When do you start thinking about applying for above 210 then as well in terms of tonnage given if you can cull the DSO where it is or even grow it further, you're going to push through 210 in one to two years' time?

Thanks very much. Also well done, Ian. Enjoy your next job, whatever it is. Take care.

Ian Wells: Thanks, Glyn.

Dino Otranto: Yes. Thanks, Glyn. Dino here. Just on the first Flying Fish, as we've mentioned in the past, the approvals landscape has changed somewhat here in Western Australia and across the world, mind you. But we aren't seeing any material change to the forecast that we spoke to you onsite. With Flying Fish, actually it's progressing really, really well. The first tranche of the Scania autonomous fleet is on track, which is a very new provision for the Pilbara which is an autonomous double-B road transport facility which has enabled that ore body to be economic over haul packs and conveying systems.

Second question on DSO, nothing to mention there. There's no conflict in terms of Iron Bridge on that one.

The third one was the 210 throughput. I think the first stage will be getting Iron Bridge to nameplate capacity. Then if it makes sense to then look at an expansion project with a port facility which includes a rail and logistics infrastructure, we'll do that in isolation.

Andrew Forrest: Glyn, mate. Thank you. I'd only say that we have designed in that expansion in the port. You can fit all your stock of course in, so it does not conflict at all with our operations or our market.

Operator: Thank you. Your next question comes from Alex Ren from Credit Suisse. Please go ahead.

Alex Ren: (Credit Suisse) Morning, Andrew and Fortescue team. Another great quarter, congrats. A couple from me, please, on Gladstone and FFI in general. Just a follow-up question on Gladstone economics, I understand you mentioned the construction, a constructive market outlook. I think Plug Power would be quite well-informed on that too. But just on the economics, Plug Power made the comments that they would get better value elsewhere, so just wondering what FMG is seeing differently from market outlook aside from an economic perspective.

Secondly, on FFI, obviously plenty of projects going on around the world. Understandably it's a fast-moving process and market. But, yes, right now what are the, say, top three most advanced projects on the list? That's it.

Mark Hutchinson: Yes. Our belief is we can get the best economics out of our electrolyser facility. Andy has a different view. That's fine, so bring it on. I think we're looking in this very much as the start of how this technology's going to scale, so that's why we're doing both PEM and alkaline. We'll be looking at this from a global perspective.

On the project side, I think as we've announced today, we're going to go for five projects FID in calendar year 2023. This is important, because something we really learnt in Europe the last few weeks was the world is looking for us to do this at scale. This is not a science project. We have a number of projects lined up to get there. We've got an enormous amount of work to do this year to make this happen, but we're confident that it's going to happen. Certainly Australia, Gibson Island is going to be in the mix there early on. That's the plan.

But we also have projects in the United States moving very quickly. That market is developing very quickly. It's just huge opportunity there for us to step in with customers and supply green hydrogen which, because of the IRA, is very competitive immediately with grey. Other places around the world we're looking at is in Europe and Northern Africa as well, so the first few projects you'll see out of those locations.

Operator: Thank you. Your next question comes from Nick Evans from The Australian. Please go ahead.

Nick Evans: (The Australian) Yes. Good day guys. Just a couple of macro questions from me. I guess, Andrew, how are you looking at sort of China's return from last year? There was only a small dip in steel production, but there's sort of a bit of uncertainty around in terms of how their stimulus will actually affect the local construction market. My second question for Vivienne if I can, have you seen any activity from the China Mineral Resources Group in the market and what's your view of that single buying desk as it enters the market this year and what kind of changes it might have more broadly and for Fortescue as well?

Andrew Forrest: Okay, great question, thanks Nick. China's a really interesting beast and it's easy to look at the fact that they had really tough COVID restrictions which, in my view, they were too tough. But that's everyone else's view as well, nothing relevant about that. What is relevant is that they saved around US\$2.7 trillion during that process and they have a massive balance sheet within their government system. But more importantly, Nick, for the commodities market, that huge population are ready to roll.

We speak to people all over China from very small players looking at saying, oh now I can get out and buy that second house or develop that apartment which I've been trying to do for bloody ages and haven't been able to, to big developers saying, at least we can get a workforce now, we've got to get going, I mean there's demand there, I haven't been able to meet it. We're seeing stories like that all over China, so we collect and we look at it and we say, there's going to be nothing wrong with that economy. You can pick holes in it, but generally it will be a major growth centre and absorb huge amounts of commodities from around the world as people really want to get back on track. They're hungry, they're smart, they want a better future for their kids than they had and we will be looking at a strong market coming out of China, Nick.

Operator: Thank you. Your next question comes from Peter Ker from the Australian Financial Review. Please go ahead.

Peter Ker: (Australian Financial Review) Hi everyone, just a couple of questions for you.

Andrew Forrest: Hi Pete, we're going to come to your question in one second and thanks mate for being polite. I'd just like Vivienne to pass comment because she lives up there and knows Asia like the back of her hand.

Vivienne Tieu: I think to maybe round off the question around CMR and how we've viewed their entry into the market, firstly we continue to engage constructively with the CMR and as I've said before, our strategy hasn't changed in that we're focused on our customers' needs and adapting how we run our business according to what drives the best value for Fortescue. We maintain really strong local relationships from the ground to ensure that we continue to do that.

In terms of the view on their entry into the market, I might ask Ben to take that question. He has been dealing with CMR quite intimately over the last couple of months. Ben.

Ben Kuchel: Thanks Vivienne. Look I think it's probably too simplistic to call CMR a single buying desk. I think it's clear from their remit that they've got interests in various parts of the iron ore and steel industries. Those include resource development, they include the decarbonisation of the steel industry in China, as well as a role to play in the supply chain linking iron ore from the world to China. So look in that sense, their engagement with industry is quite embryonic and will develop over time.

Andrew Forrest: Okay, thanks. Sorry Pete, go ahead mate.

Peter Ker: (Australian Financial Review) No worries. Just on Simandou, they've got the March 2025 target to first production. Do you guys think you can have Gabon in the market around that same time or beat them? The second

question is on the Gladstone facility. What do you expect the capital cost of that to be now that I assume you guys are covering the whole cost yourselves?

Andrew Forrest: We always expected to cover the whole cost, but look, I'll let Hutch answer that. We're not in a race with Simandou and we really don't need to be. We are going to develop at Fortescue speed though, so probably gives you a solid clue. The cost of the facility?

Mark Hutchinson: Yes, so look the only difference is we've covered the whole thing ourselves, it hasn't changed. I think we announced US\$83 million, so A\$114 million and that doesn't change.

Operator: Thank you. Your next question comes from David Radclyffe from Global Mining Research. Please go ahead.

David Radclyffe: (Global Mining Research) Hi, good morning Andrew and team. My question is I wanted to come back to the sizeable exploration target you sort of mentioned right up at the beginning. It's sort of been a while since your business talked to targets like that, so is this your reviewed focus back on the resource base? Is there a particular reason here we should be thinking about? Then just wondering if there's a read-through here for Mindy as the next replacement hub, I think you've got a couple of years before you need to do that, but I think it does have quite a few challenges as well.

Andrew Forrest: Yes, I think there may be a renewed emphasis on exploration, on setting ourselves targets. How we got Fortescue up and away super-fast is with really stretched targets. We've been a little quite on how we've described exploration, but it's always been one of the most exciting parts of this business and that's why I've brought Nick Nitschke back in to be able to speak of exploration. If a mining company is not a successful explorer, it ceases to be a mining company pretty quick. But mate, over to you, Nick.

Nicholas Nitschke: Thanks Chairman. I think it's also important to recognise we have delivered ongoing new resources at around that same target number for the last three to five years. So the resource base, both from a hematite and magnetite perspective has grown consistently. Ultimately that provides optionality through the Pilbara, whether that's in the new mine brownfield satellite options or larger new development hubs as well. So it's critical we optimise our exploration portfolio and resource base to optimise the capital that we've invested through the cycles within the Pilbara.

David Radclyffe: (Global Mining Research) Okay, thanks. So Mindy is still the preference at the moment for the replacement hub for the Chichester business?

Andrew Forrest: Can I just say that, can I let the rotary lie detector determine that please mate. The drills, we're still finding ore bodies as we go, so I don't want to get pegged on that. Mindy was actually one of our first we acquired in 2003 and we're continuing to build it out, but let's just make sure we optimise everywhere we go, David and that doesn't mean we're going to jam a stake in the ground right now and say, right, it's Mindy first when the drill rigs are showing other exciting discoveries.

Operator: Thank you. Your next question comes from Giles Parkinson from RenewEconomy. Please go ahead.

Giles Parkinson: (RenewEconomy) Thank you for taking questions. Just a couple, just to clarify about the five green energy projects that you talked about. So is that just one of them might likely be in Australia, the Gibson Island project, but the others overseas?

Andrew Forrest: That's correct. I think the first one, Gibson Island, will be in Australia. This is a global business and United States certainly is going to play a big part, but other places around the world as well.

Giles Parkinson: (RenewEconomy) Yes, okay. I just wondered, too, if you could just expand on the battery technology and tech, I mean it's a big call, talking about the multibillion-dollar potential for it, you've got some batteries that have

already arrived in the Pilbara, one for the large ore truck, a 15-tonne battery, is there much difference in battery technology that batteries make up for the gravity train, or the Infinity Train I think you're calling it? Can you just tell us a bit more about where you're sitting with these batteries' technologies?

Christiaan Heyning: Christiaan here. Thanks for the question. Yes, the development of the Infinity Train continues at pace and that will of course also have a very big battery in it. It's actually all synergy between the batteries for the trucks and the batteries for rail and actually also the batteries that we'll be using in our power system, so all three of them are being developed, in parallel but overseas in concert backed by Williams Advance Engineering.

Operator: Thank you. The next question comes from Anthony Barich from S&P Global Commodity. Please go ahead.

Anthony Barich: (S&P Global Commodity) Hi, I know you guys have answered, there was a question about this before, but just on the new mineral division that was kind of flagged, I was wondering if there was any more flesh to put around that. I mean previously talked about looking at stuff in South America, but are you able to speak any more since then about where that's going to go, how much exploration spend is going to be because the exploration was flagged in your AGM presentation and what that division might look like in any way in terms of how it might integrate with your broader business?

Andrew Forrest: Nick, why don't you give some flavour on that?

Nicholas Nitschke: Yes, thanks for the question. As touched on, we are increasing our efforts through the critical mineral space where it's one of our targets and commodities that we are focusing on. In addition to that, copper as well as lithium remain a key focus. It's still early stages in some of the projects that we're working on, albeit we are currently drilling some of our copper projects through Latin America and we'll also have some more prospects and projects that will come to the drilling phase through calendar year 2023.

Operator: Thank you. Your next question come from Danielle Le Messurier from WA News. Please go ahead.

Danelle Le Messurier: (WA News) Good morning, Andrew and team and congratulations on a strong report for the December quarter. Just two questions from me. The first is, I was just curious to know whether investors have expressed any concerns around Fortescue's ability to sustain a strong dividend payout ratio while funding rising expenditure for FFI as analysts at Macquarie have done. The second is a question for Mr Forrest. You said cultural issues in executive ranks following along some staff departures is fake news recently. But after the departure of Ian Wells, you'll have just two of the 11 members left of Fortescue's senior leadership team from 2021. Do you have a people problem? Thanks.

Andrew Forrest: In terms, just on dividends, we discuss always that we'll come in at 50% to 80%, with a median of 65%, as the target payout range and we're not uncomfortable with that and we don't see that changing. But you're right to point out the tremendous asset growth in the business, as well as strong improvement in the balance sheet has happened because of our strong cash flows, but it doesn't threaten that range and 65% median.

Just on the 11 you spoke of, this Company is super strong, its leadership is super strong. There's a whole lot more to the 11 than you refer to. I mean you're meeting Nick Nitschke maybe for the first time, only 18 years with us and there's a whole bunch of others, but Danielle please be aware of the Einstein quote, you don't get a different result doing it the same way, in fact you define insanity when you keep on trying.

So we knew, and we prefaced a year ago, when I explained to Elizabeth that I needed to bring on 10 to 12 superb world-class executives to take this Company into its new future of green energy, green metals and to be preeminent on that stage, and we would not be able to do it with exactly the same team. And it was Elizabeth who made the call to say if you really need to bring in a complete new bench, then I will have to step down. And it was, as I've remarked, one of the most

selfless and strong acts of leadership which I have seen. We announced that at the same time as we announced that we would be bringing in 10 to 12 and we've gone about that business.

So to impugn our culture or our leadership is just fake news. It missed the point entirely that this is the Company in major transition from strong to very strong and don't be surprised when we have to use a complete new energy. Remember, Danielle, we are the company, the only company in the world which is absolutely going to stop using fossil fuel, step beyond it like the rest of the world must and set that example for all environmentally responsible companies and it's not possible to do that without very different, wonderful leadership.

That doesn't impugn in any way the wonderful leadership which has brought on the super success which Fortescue has had since 2003, like Wellsy, like Elizabeth, like Nev Power before her. But we've had stability in leadership which is something I'm happy to defend.

We've had three Chief Executives in what, 20 years, and we are a Company in transition. So don't be surprised when you read that new people are joining and some people may retire because this is the Company in transition and every time someone writes, oh look, they're losing people, gaining others, why aren't they stable, they just don't understand what a company in transition looks like.

Operator: Thank you, there are not further questions at this time. I will now have back to Dr Forrest for closing remarks.

Andrew Forrest: Thank you for all the questions team and thanks for the 144 participants, I really appreciate it. Just want to say that Q2 results do underline how solid this leadership team is. I've made this point already a couple of times, I really want to thank Ian, who's been a great friend for all those years, made a great contribution to Fortescue. Mate, you joined us, if you remember as a relatively junior burger and I'm really delighted that in Fortescue's way, and you've exemplified this with your own team, of progress and great talent. You did become a committed, effective CFO and all of us here wish you that special time with your family you've spoken to us about and look forward to tracking your career mate.

Ian Wells: Thank you.

Andrew Forrest: Everyone, a really great quarter capping off a great calendar year and a great financial half and please stay safe team and we look forward to taking you through our half yearly financial results soon. Have a great day, have a Fortescue day.

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

End of Transcript