



**Half Year results to  
31 December 2022**

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# **Investor and Analyst Call transcript**

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**Company:** Fortescue Metals Group  
**Title:** FY23 Half Year Results  
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### Start of Transcript

**Operator:** Thank you for standing by and welcome to the Fortescue Metals Group FY23 Half Year Results. 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:** Thank you very much. A huge welcome all. It's great to be back with you. I can say that I have loved my time again, temporary though it might be, as being this Company's Chief Executive. As you know, we've only had three Chief Executives in our 20-year history. I will be gladly handing over to Hutch and Fiona Hick for our next quarterly, half year, and annual results team. You won't hear that much from me, but all of you can contact me any time you like. I've loved this short period of being able to speak with you like this.

It's only two weeks ago that we presented results which included our highest ever half year shipments at 96.9 million tonnes. I won't repeat what we discussed then, but I would like to say we are consistent. We deliver very strong results while, at the same time, we challenge ourselves further to step beyond fossil fuel to deliver across society's highest expectations. This, of course, has made us one of the highest, if not the highest, returning companies on the Australian Stock Exchange over 20 years. We consistently deliver returns to our shareholders, building on the almost US\$22 billion since we started this company from scratch. Two men and a dog and we used to argue which one was the dog.

Today we've announced a fully franked interim dividend of A\$0.75 per share, exactly in line with our guidance of between 50 per cent and 80 per cent. We've also maintained our position as the world's lowest-cost iron ore producer while decarbonising our operations profitably and becoming a global green energy metals and products business. This is all while delivering record iron ore shipments and finishing off construction on the massive, ground-breaking Iron Bridge project. As you know, this has been a mammoth effort by our own construction teams, I am immensely proud of and who - with the successful experience of turning Iron Bridge around, executing Eliwana and all our other very successful projects - are match fit to go into arguably the highest-growth period in this Company's history through consolidating our Pilbara and our African operations and delivering major construction projects around the world for green energy.

Now I have to say that with Iron Bridge in particular, like with FFI, we do the technical hard work first, but we have been working furiously on green technology testing now for three years. You all know that we successfully piloted - at commercial scale - Iron Bridge, because it's breakthrough technology, never been brought on in such a large plant and certainly not in magnetite. But it worked perfectly at our commercial scale, US\$500 million pilot plant, so we are expecting great things when we start to fully commission and ramp up Iron Bridge.

Gabon, because I don't want to undercook Gabon. Gabon is a huge iron ore province, undeveloped. The Gabonese Government didn't put us up to tender, didn't ask us to compete. They simply did what some great governments do and do their own research, their own global investigation and then they invite the company they think is the best to develop their iron ore industry. We're deeply honoured that the Gabonese Government invited Fortescue to develop the Belinga Project which will I believe - because this is how we roll - have a very positive impact both on the Australian hematite iron ore industry and, through the differences in minerals and metals within each other's ores, have a very positive effect on the Gabonese iron ore industry as well. It will dovetail into our Pilbara operations, maximising the mineral content to our

customers' satisfaction and extend and optimise the mine lives and efficiency of both our Pilbara and emerging Gabon metal complexes.

To do this, we're implementing a production plan now. A production plan that with our extreme sensitivity to community and endemic fauna and fauna studies, we believe we'll see our first iron ore shipped this year, not this decade, not next decade, this year. This is possible because we're using an existing road and we're using existing rail line, which limits the possibility of environmental delays as these have already, of course, been approved because they're already operating. The necessary equipment which normally has very long lead times - for a new start could be many, many years - is available to Fortescue right now. We're utilising our residual crushing and screening plant, residual haul trucks, railcars and our own locomotives.

It's due to Fortescue's clear and unambiguous industrial leadership away from climate change that we've attracted respect from governments around the world. Together we're now switching on the world's first green iron facility through an electrolyser and expanding our Major Automation Centre and our Green Fleet Tech Hub in WA, that has been responsible for breakthroughs that our Company has made in zero pollution trucks and mobile equipment, including advancing train and ship engines.

This is the key, ladies and gentlemen. Remarkably, over this intense period of growth, we've actually reduced our debt. We've improved on what was already a very strong balance sheet and continue to create great value for all our stakeholders, including our shareholders.

If Fortescue does well, ladies and gentlemen, the entire Australian community does well. We consistently contribute hundreds of millions to our state and federal government coffers every month. I'll now pass to Hutch. Hutch, how's FFI going, mate?

**Mark Hutchinson:** Good. Thanks, Andrew. We really are in quite a unique inflection point for our business at the moment, as we work extremely hard to bring at least five projects to Final Investment Decision this calendar year. No one has done what we are on track to do. That's really to deliver green energy and green molecules at scale on a global basis. We totally believe that the global market is ready and waiting for our product. Actually, Andrew and I have travelled a bit over the last few weeks and including Davos. It was really clear to us that really, we're the only game in town doing multiple projects globally.

As we see the world - and we learn every day really - we see four ecosystems building. The first is the United States. There we have the *Inflation Reduction Act* which has created a serious advantage for product in America. This will be a very domestic-focused market. They will produce green energy and green hydrogen locally for that market.

The second market is Europe. This week we saw very positive signs in Europe with the long-awaited Delegated Act published by the European Commission. This act will create a clear definition for renewable and green hydrogen, providing the certainty that is needed for producers, manufacturers and investors to do business in the EU. We will be very much part of the EU ecosystem. We also will supply Europe from places like Canada, Latin America, North Africa and the Middle East.

The third ecosystem developing is in Asia where Singapore, Korea and Japan will be big markets. Again, we will supply these markets from Australia and India as well as possibly Canada and Latin America.

The fourth market is China which we just can't simply afford to forget. We will be travelling to China later this year to better understand and engage with the local market there.

But in the United States, we're very much going to focus on Texas, Arizona and California. This is where there's an immediate need for product. In Europe we plan to focus initially on places like Norway, because what we're looking for is

really good affordable energy. We see some really wonderful opportunities in Norway to get going. In Latin America, Brazil is going to be a focus. In Africa, we're looking at places like Namibia and Kenya. In North Africa, Morocco is a target. The Middle East, we've made great progress in Egypt and Jordan. Of course, Australia is a big priority for us. As you can see, we're really creating a global business here.

Projects aside, it's also important to acknowledge that we're making great progress on technology. This week our research and development team had a major breakthrough on green iron and produced some in our Western Australia facility. We're making great progress on many breakthroughs. All this is to aim to build a global business that will continue to deliver returns for our shareholders well into the future. With that, I'll pass over to Andy.

**Andy Driscoll:** Thank you, Hutch. Good morning, all. It's a real privilege for me to represent the finance team and step you through the key highlights of what was another period of strong earnings and cash flow generation.

Starting at the top line, revenue for the half was US\$7.8 billion. Our focus on cost management, on productivity contributed to EBITDA of US\$4.4 billion at a margin of 56 per cent. Now this represents EBITDA of US\$52 per dry tonne sold. In fact, it's the eighth consecutive half year period generating a margin north of US\$50 a tonne. That's a result of Fortescue's industry-leading cost position and our integrated sales and marketing strategy. It's achieved by focusing on what we can control.

We reported NPAT of US\$2.4 billion for the half. For those on the webcast, you can view the reconciliation to the first half of last year in the waterfall on this slide. It's a clean and transparent set of numbers. You can see all the moving parts including the impacts of price, volume and costs.

Now on the next slide, it's clear that the business continues to generate exceptional cash flows with free cash flow generation of US\$1.6 billion in the half. Now that's after capital investment including growth of US\$1.4 billion.

The balance sheet remains really strong with cash on hand of US\$4 billion which includes reserved cash of about US\$1.6 billion for payment of the interim dividend that was declared today and a commitment of around US\$1 billion to FFI, and that's consistent with our capital allocation framework.

Gross debt was unchanged over the period at US\$6 billion. You can see that we're positioned inside of our targeted investment-grade credit metrics and we have a well-balanced debt maturity profile. Our liquidity is further supported by an undrawn revolving credit facility and undrawn term loan.

Disciplined capital allocation is a core competency and it's really important to us. You can see from this slide on the webcast that since FY14 - and that's the first year that production exceeded 100 million tonnes - Fortescue has generated US\$48 billion of operating cash flow. We've invested US\$16 billion. We've repaid US\$9 billion of debt and declared US\$23 billion of dividends. That equates to almost 70 per cent of net profit after tax over the period.

As you can hear, we've achieved outstanding operating and financial results for the first half of FY23. We're really well placed to again deliver on our guidance. On that note, Ashleigh, I'll hand back to you to facilitate the Q&A where we welcome your questions.

**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 your question. Please limit your questions to two per person. If you wish to ask further questions, please re-join the queue.

Your first question comes from Rahul Anand with Morgan Stanley Australia. Please go ahead.

**Rahul Anand: (Morgan Stanley)** Thank you for that. The first one I wanted to ask was perhaps for Hutch. Hutch, you've talked about the five FID projects for FFI this year. Would you be able to provide perhaps a bit more colour? Which one's coming up first? How is that progressing, a bit more colour around that portfolio of the five projects perhaps? It's a broad-based question, but a bit more visibility would be much appreciated. That's the first one and then I'll come back with the second. Thanks.

**Mark Hutchinson:** Thanks for the question. I think we have a number of horses in the race. That's what I want to see at this point of the year. We have a number of projects we're working on. America's going to play a big part to this. As I mentioned, Norway. Australia's going to be a big part of that as well. We have another few projects around the world, including Africa. At the moment, we really want to get the horses to run and see who gets to the finishing line there. But I can absolutely say we have certainty that we'll see five by the end of the year.

**Rahul Anand: (Morgan Stanley)** Okay. Any further colour in terms of are these hydrogen projects? Are these green ammonia? Is there anything specific that you're targeting in these regions?

**Mark Hutchinson:** I think it really does depend on the markets. As I mentioned in the discussion just before, the United States is a very different market than the rest of the world. It's going to be domestic, so it's going to be probably more like a hydrogen play, just plain hydrogen, because that's what the buyers want. Texas, there's a huge hydrogen market there, grey. Our job will be to try and replace that with green. You will actually just produce hydrogen and replace that. Other places where we're going to export green hydrogen, you're probably going to turn those to ammonia. For example, Gibson Island - which is in Brisbane - will be an ammonia facility, green hydrogen, green ammonia to export.

**Rahul Anand: (Morgan Stanley)** Perfect. Thank you for that. The second question is around Gabon. I think it might be Andrew that might be able to help on that one. I just wanted a bit of understanding. Obviously quite interesting to see that the existing infrastructure's going to allow the first shipment pretty quickly. I wanted to understand, with that existing infrastructure, what type of run rates can you achieve? Then once you do get the environmental approvals, where do you envision this asset getting to in terms of size of production and product grades, et cetera, once you have all the kit and all the approvals in place?

**Andrew Forrest:** Yes, excellent questions. We're getting to know the existing surface infrastructure, road and rail. We've been pretty conservative, and said look, let's take the initial operation to two million tonnes and just trial everything, learn like crazy. We are completely comfortable with the operation being put together with sticky tape and binder twine, mate, but it will be safe. Our priority is safety.

We'll get into production obviously at a speed which you see in developments in Africa, which is breathtaking and do that because of the ability to provide a very flexible, fast, efficient mining company with excellent infrastructure and export those skills and equipment straight into Gabon and use roads and use rail which already exist.

Of course, you'd like me to speculate, and that's fair Rahul, on rail. But you've just got to go on form, mate. I mean we did Cloudbreak at 40 million tonnes, Christmas Creek at 50, we looked at Solomon at 60, each one of these has overperformed, Eliwana 30 million tonnes, overperformed and we have the ability, we believe, if we wanted to probably settle this show at around 50 million tonnes and grow it from there. But look, it is speculation, Rahul.

We think we've got a minimum of 1.5 billion tonnes high grade close-to-surface ore. It could be much, much larger than that, but it is a huge iron ore province which has totally taken the world by surprise, the last one remaining undeveloped, it's due to the Gabonese Government selection as opposed to fighting it out in the courts or this or that which colleagues have done with a speckled history of other African projects; this has been immensely clean and efficient. It comes from of course decades of understanding of the deposit, but no development being encouraged, whereas with Fortescue we were chosen to develop the project and develop it quickly, on an environmentally sound, deep respect for endemic species, that's exactly what we're doing.

**Operator:** Your next question comes from Hayden Bairstow with Macquarie. Please go ahead.

**Hayden Bairstow: (Macquarie)** Good morning, Andrew and team. Just a couple from me. The first one, just on the capital allocation, Andrew, on the dividend, I mean your payout ratio is back down to 65 per cent. You do talk about US\$1 billion of unallocated capital in FFI, I mean is this effectively a precursor to these five projects coming and there'll be a much bigger capital commitment in FY24? Where should we think about that payout ratio, given you're moving into starting to spend some real money?

**Andrew Forrest:** Look, Hayden, you've been around it a long while, mate. You know that 65 per cent payout ratio would have just been breathtaking only a few years ago. That is a very high NPAT payout ratio relative to what we've seen. Now of course mining companies around the world, after making disastrous investments in takeovers and the like, have pulled in their horns and have followed Fortescue by saying actually we need to be really disciplined and we need to stop being so arrogant as to say that shareholders can't manage money better than we can.

We broke the mould, as you know, Hayden, with providing capital growth and income, which, as you know from the analytics rule of the past, you could have either one or the other. We broke that mould, Hayden. But 65 per cent, I think it's really strong. Yes, it makes sure that we've got a huge amount of headroom, but I'm having no shareholder complain that 65 per cent is not generous.

**Hayden Bairstow: (Macquarie)** Okay, great. Second one just on the FFI projects in the Pilbara, I mean these are the ones I guess you guys can control because you're running it within the iron ore business, I mean what are we seeing on the ground in the next 12 months? Is it largely around the solar farm at Solomon or are there other projects that we'll actually see physical construction as part of that decarb plan this year?

**Andrew Forrest:** Hayden, I know Hutch and I will answer a broader question, but yours specifically, you do mention projects in the Pilbara. Iron Bridge is satisfactorily completing, we've had excellent performance from all our projects. We're adding 600 million tonnes of iron ore a year and only using 200 million tonnes. I mean our Pilbara operations have never looked stronger, nor more exciting. That's a perfect environment for Hutch to have to come in and match that excellent construction and operating performance. We hereby publicly challenge him to do so and Hutch, give us a rundown.

**Mark Hutchinson:** Bring it on.

**Andrew Forrest:** Bring it on.

**Mark Hutchinson:** So, really focused on the decarbonisation for the Pilbara. Really that is the number one priority for the Company. We came out and told the market we'll spend US\$6.2 billion on fully decarbonising this Company and we're off to the races. It's solar, it's going to be wind, we're going to be feeding renewable resources down the veins of our transmission lines in the Pilbara and a lot of focus in on trucks, trains and making sure everything else is pollution free.

I'm going to throw to Christiaan Heyning who heads the decarbonisation, so Christiaan, do you have any other comments?

**Christiaan Heyning:** Thank you, it's Christiaan here. Just building on what Hutch was saying, we continue to build out our renewable assets already, mostly solar at the moment. That was already part of the plan and we're accelerating that. At the same time, we're gearing up for significant additional investments in the Pilbara for additional green energy infrastructure, but we haven't taken FID on those yet, but we will expect to do so in the next 12 months or so.

Of course, then there are the trucks, which we will bring the first prototype truck to our operations this financial year, battery electric haul truck, which will start productive use in the mines again in the next six months, which will give us invaluable insights to develop the production version of that truck, which will then bring in big numbers later this decade.

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

**Kaan Peker: (Royal Bank of Canada)** Hi Andrew, Mark and Andy, two questions from me. Just firstly on Iron Bridge, can we get an update on that given that concentrate is expected to be shipped at Q2? Also, assuming that we have an 18-month ramp up, it sounds roughly like 10 million tonnes should be expected in FY24. I'll circle back with a second question, thanks.

**Andrew Forrest:** So, Warren Harris, he's our chief constructor, deliverer of Iron Bridge and while I'd love to speak to this project because I'm in love with it, I'm going to ask Warren to answer that, Kaan.

**Warren Harris:** Okay, thanks Andrew. So yes, look Iron Bridge is well progressed. We've had an extremely strong construction performance over the quarter, extremely safe as well. We're well into our commissioning phase of the project. That's going extremely well so far, and we are on track to get first production out in March this year.

**Kaan Peker: (Royal Bank of Canada)** Sure, thanks. Just maybe on the Gladstone electrolyser factory, Plug Power's CEO cited poor economics as a part of the key reason for withdrawing from the project. Since we don't have any metrics, I think most people take this at face value, but would it not be easier to dispel some of those concerns with giving some project estimates? Thanks.

**Mark Hutchinson:** So, let me handle that. I think with Gladstone, our view is there's great economics in this. We are on track to have the facility ready in March and then our first electrolyzers this year. So, our belief is different than Plug Power's. We still have a great relationship with Plug, they will be very much part of our journey for green hydrogen and we're going to make our own electrolyzers ourselves. We think there's a massive market globally, not just here in Australia, other parts of the world, so you'll see us do other facilities in due course in America, maybe some other places as well.

**Andrew Forrest:** Yes, and look, I'd like to build on that. We have great relationship with Andy over at Plug Power. We're growing our own technology here furiously, as you know, Kaan. We're a technology company, we'll soon be a manufacturing company, but for green technology, I don't think we'll have a peer in the world, maybe one which should be in Colorado, which is the United States green energy facility, but we've contracted with them as their key partner, so we're capturing that technology as well.

So, it is unsurprising that we say well we can improve on these electrolyzers and improve on their performance. Andy, we think your electrolyzers are great, we're not knocking them, we just would like to do our own and still have Plug Power as a deliverer to our business of electrolyzers because we just need so many and so much. So, I know Andy made that throwaway line and that he can get economics which are better elsewhere.

But look, if you're looking for a reason to make a big bruhaha out of a rounding error, which is all that is, a rounding error in a small project, then you can jump all over it. Andy made a throwaway line, which was basically saying that Fortescue is going to go their own way but they're still going to be great friends, which is exactly what's happening.

**Operator:** Your next question comes from Lyndon Fagan with J.P. Morgan. Please go ahead.

**Lyndon Fagan: (J.P. Morgan)** Thanks very much. The first one is just on the green iron. You mentioned there was a breakthrough within the last month. I'm wondering if you're able to give us a bit more detail on that.

**Christiaan Heyning:** Thanks Lyndon, Christiaan here. Yes, as you know most of our emissions are actually in the downstream Scope 3 when our iron ore is used to make steel. Traditionally that's done in blast furnaces which create a lot of CO<sub>2</sub>. In order to make sure that the world is on a better trajectory, we need to find a better way of making steel out of our iron ore. So, with that in mind, Fortescue has already started a few years ago a technological development to come up with a reduction process that allows us to make steel without producing any CO<sub>2</sub>.

That has been started from the ground up with fundamental research and the breakthrough that we've achieved this month is that we've now produced sizeable volumes of green metallics out of our own iron ore without producing any CO<sub>2</sub> in our production facility in Western Australia, which is extremely encouraging to go from a few grams to the scale significantly larger than that. Back to you, Andrew.

**Lyndon Fagan: (J.P. Morgan)** So what is the flow sheet of that, if I can just press it a little more?

**Andrew Forrest:** Look, that I could tell you, but then I'd have to kill you.

**Lyndon Fagan: (J.P. Morgan)** That's fair enough.

**Andrew Forrest:** Let me just say, to give a clue to all our competitors out there, it uses a membrane and they're going to have to come and talk to us if they want to borrow the membrane.

**Lyndon Fagan: (J.P. Morgan)** Okay, thanks for that. I did have another one. Andrew on the last call you mentioned the replacement hub for Cloudbreak wasn't necessarily Nyidinghu. I'm wondering if you can maybe just elaborate a bit more about whether it's still FID in FY25 that we need this thing and what it may be, what sort of extension of perhaps a Western Hub could be a replacement for Cloudbreak?

**Andrew Forrest:** A typically excellent question. Mate, you're damn right. We're pushing Nyidinghu back into the 2030s, out of the 2020s and that is because we have had a great deal of exploration success, we're consolidating around our existing operations, we're consolidating in our near operations. Nyidinghu will be a huge project one day, but as it's not required given the exploration success we've had.

But so yes, look I'd say this, we have really consolidated in the Pilbara. We've grown our resources there. We're not in a hurry to develop Nyidinghu because it will be a very large project and we have the resources to easily push that back into the 2030s.

**Operator:** Your next question comes from Paul Young with Goldman Sachs. Please go ahead.

**Paul Young: (Goldman Sachs)** Morning Andrew, Mark and Andy. A few questions on your project pipeline, a lot going on even in the last two weeks since you did your last call. Maybe a question first of all for Mark on FFI, thanks for providing that list of five countries, Mark, that might sort of form the five projects that to go FID at the end of the year. The fact that you've actually outlined those five countries means that I guess those projects are pretty advanced as far as scope is concerned, so wondering if you can provide some information as far as collective hydrogen production those five projects are targeting and also broadly speaking, or rough numbers around collective capex for those five projects please.

**Mark Hutchinson:** Look I'd say that's a little bit too early for that because as I said, we have a few projects in the race and as we bring this to FID, this will become a lot clearer to you and I think we want to make sure we tell you the information that is correct and rather speculate where it's going to go.

**Andrew Forrest:** Can I just maybe add because there's been a couple of commentators saying Hutch is being a little vague. He did outline the five countries, but I can say there are projects within each country which are competing to go for FID. If he specifically names them, then the other projects are going to down tools, so that's what we're seeking to



avoid. We want all projects working really hard. People love to compete within a family environment and that's the only reason why we're not specifically naming projects.

By the way, if he did name projects right now and then chose another one, you'd say, well, you misled us perhaps and that wouldn't be deliberate. So, because we've got really solid competing projects in those countries, that's the only reason why Hutch isn't naming them.

**Mark Hutchinson:** Just to add to that also, that they're the first to come to FID. We do have others in the pipeline behind that, so it's a matter of getting the right focus in the organisation, getting the teams focused on getting – we want to make hydrogen as quickly as we can.

**Paul Young: (Goldman Sachs)** Just maybe to add, so that tells me or does that indicate is there's a variance amongst production, essentially production by project and also capex by project?

**Mark Hutchinson:** Absolutely.

**Paul Young: (Goldman Sachs)** Okay, thanks Mark. Maybe the next question, back on to Gabon, Andrew, this deposit's been around for many decades, I know it's big and large, but Gabon is probably the most protected and pristine country in Africa. It's French, and Eramet is probably the only company that has actually been successful in developing a project in Gabon and developing in Africa is not easy. That's the reason why all the other projects that you've been referring to have taken so much time to develop. So, I guess the question I have for you is that doesn't Gabon just add a lot of jurisdiction environment risk to your portfolio?

**Andrew Forrest:** Look, everything you've said is true. It's a beautiful country. From a foundation perspective, we are looking at significant opportunities to invest in the preservation of rainforests and jungle, on scale. On scale. That's on the foundation side because we do love that country. We pride ourselves at Fortescue that you can tell where we have mined, but only because the country is a little richer and not because we've left an indelible scar anywhere or made a knock to any species which can't be immediately replicated, i.e., they're very endemic. That's the track record.

I don't think it was a bad thing. I have a PhD in ecology, which the President of Gabon was attracted to, and his first words were, I really expect you to build but protect my country and I said, I will do both, sir. So, we have a very good relationship with what is a very stable government, a popular presidency, a popular government. I'm not the only ecologist when we get in the room; on the Gabon side they've got a highly educated ministry, particularly on the conservation and environmental side with very strong views. We respect those views because they're right.

They've seen what we've done in the Pilbara. They know that we're extremely sensitive to the environment, they know that we've committed our Company to leading the industrial world away from pollution which will eventually destroy us. There's no country, I'd say more delicately poised against climate change apart from say the low-lying countries in the Asia-Pacific but who are very sensitive to ecological destruction from climate change than Gabon. So, we will be extremely sensitive and how we develop and ensure that anything we do has the flora and fauna able to be fully replicated and fully replaced and Paul, thank you for that observation.

**Operator:** Your next question comes from Robert Stein with CLSA. Please, go ahead.

**Robert Stein: (CLSA)** Hi, team. Thanks for the opportunity. Just a question on Gabon to start with. How are you thinking about the market impacts of additional volumes, and this is the scaled-up facility, the 50 million tonnes I'm talking about. Do you view it as an option if global steel picks up again, or if steel is peaking, there's supply coming no matter what, potentially impacting long-running prices? I've got a second question, thank you.

**Andrew Forrest:** Look, we're not beating our chest about this being a threat to the Pilbara or any such thing with its scale. We are simply saying that between Gabon and the Pilbara, you've got very different ores which react very differently in the blast furnace, but you put them together, you start getting the best of both worlds. So, I think we're going to create a very, very interesting - a real and virtual product and one which ensures the duration, maximises the mine life, the efficiency and the performance of both countries haematite industries.

So, look, we take a highly complementary attitude between the Australian and the Gabonese iron ore industry and make sure that they will not only dovetail in together but enhance the futures of both countries.

**Robert Stein: (CLSA)** So are you potentially lowering cut-off grades to extend the resource life in the Pilbara by blending either synthetically or physically the Gabonese ore? Is that a potential thing that you're looking at?

**Andrew Forrest:** Look, we could, but we don't have to, Robert because we are finding so much iron ore, mate. So that option isn't available to us. We've got to maintain grades in the Pilbara, we're just going to enhance it in Gabon, there's metallurgical characteristics of our Pilbara ores which are immensely attractive. They fire like a rocket. They convert very quickly to iron, some of the fastest of any ores in the world which of course reduces operating costs in the blast furnace. You add to that higher grade from Gabon, you've got a magic mix.

**Operator:** Your next question comes from David Coates with Bell Potter Securities. Please go ahead.

**David Coates: (Bell Potter Securities)** Good morning, everyone. Thanks so much for the opportunity, Andrew, Mark and Andy. Just following on some of those other questions on Gabon and the development pipeline. Just wondering if at some point we'll see I guess the equivalent of or something along the lines of a feasibility study, so that we have got good visibility on metrics like opex and production rates, fiscal terms and as you've sort of just been describing, how it dovetails in with the Pilbara operations.

**Andrew Forrest:** Yeah, look, remember we got invited to develop Gabon a few seconds ago and we've been working furiously ever since. We may have known of the ore body and looked at it closely for about four years, but the decisions by the government to choose decisively us to develop it has only just come down the pike. So, I don't want to speculate what is optimal. I want to look at the iron ore industry, the iron ore price. We do not want to hurt the Australian Pilbara operations of either BHP, Rio Tinto or ourselves. We're not about beating our chest and being the biggest in the world. What we are always looking for at Fortescue is to be the highest profit per tonne and be a very meaningful player and important to all our host countries. So, I'm still yet to do with my team, all those analytics, all that strategic research to make sure we enhance the global iron ore industry, we enhance the global steel industry, we don't cause damage anywhere.

**David Coates: (Bell Potter Securities)** Okay, thanks Andrew and just a follow-up with the plant that's commencing production this year, you mentioned the use of residual plant, does that mean you guys are shipping haul trucks and locos and process equipment to Gabon to sort of facilitate that rapid start-up?

**Andrew Forrest:** Yeah, it does, David and if you want a ride, mate, it'll be a great voyage.

**Operator:** Your next question comes from Glyn Lawcock with Barrenjoey. Please, go ahead.

**Glyn Lawcock: (Barrenjoey)** Oh, good morning, Andrew. Andrew, just on these five green projects for FFI, can you help me understand your thinking around the funding? Has that changed at all as you move forward with these projects?

**Andrew Forrest:** Yeah, I can say that everything is changing, but everything stays the same, Glyn. I'm going to say how everything is staying the same and then Hutch is going to talk to you about change. What's going to stay the same is the binary ferocious protection of our balance sheet. Hutch, over to you.

**Mark Hutchinson:** Yes, so look I think what you have to understand with these projects, let's start with the off-takers. The off-taker is going to be Germany, it's going to be Singapore, it's going to be Japan, Korea, so from a bankability perspective, I believe these projects will be very bankable. So we will look at these in the traditional project finance manner where we will bring in non-recourse project finance for these projects against a very bankable off-take. So that's in train.

Then on the equity side, we have the option to do it ourselves or bring in partners and there is an enormous amount of capital out there waiting for us to come with projects. I think the big advantage we have is, we have a pipeline of projects. Several others around the world have a project to do. We have talked to many investors, including some of the sovereigns, and the fact we have a pipeline of projects is extremely interesting to them. So look, that's the way we will finance them. We will build these, we will operate them, and we will be very smart about the way we finance them.

**Andrew Forrest:** Yes, and we share a bit of equity on the way through, we share a bit of equity on the way through. We will certainly keep you posted. The instant there is anything looking like a decision made, I am going to let you know but the world of finance is changing dramatically. There has never been a huge green hydrogen industry, or green energy industry. There has never been the government incentives. There has never been an IRA. These are all making massive impacts and adjusting dramatically the entire non-recourse finance project finance ecosystem as it relates to not destroying the planet.

**Mark Hutchinson:** Sorry Andrew, if I could just add on this. We have been talking to a number of investors. The signals from the governments around the world is really clear here, really clear. If you are an investor looking to, where do I put my money? The world's governments are saying, green hydrogen.

**Andrew Forrest:** It's a miracle molecule Glyn, which you can make so much from.

**Glyn Lawcock: (Barrenjoey)** Okay, so Andrew, is that, so therefore a potential FMG equity stake into one of this FFI projects this year is a distinct possibility in your mind?

**Andrew Forrest:** Well, Glyn, I mean if we don't have an equity stake Hutch is fired. So that's it for that straight out there. Yes, but does it mean we will add in further capital? Yes, mate, I don't know. Do we have heaps of capital to add in? Yes. Does it mean we will? No. That decision has got to be made. We're going to put our capital up against the enthusiastic equity capital we have seen, not only from Davos but around the world but particularly in the US capital markets.

We get the regular statements from bankers and fund managers that they have trillions of dollars of capital available, and no freaking projects, Glyn. When we have a pipeline of 100-plus projects, and as technology changes to match projects we choose them. When markets change to match projects, we choose them. Then we're going to come back to you with financing details.

But Glyn, I am not saying we are going to repeat the Fortescue miracle where we project finance everything and wind up with 100 per cent of all our projects. I am not as young and rash as I was, mate. So, I think we will dilute in those projects, I'm not sure. But will we have a substantial equity stake because of the massive value-add which our technology, our projects, our risk over the last several years. Putting up with the analysts and public relations people saying that we don't know what we're doing, we're nuts. Now they've all gone very quiet. So, we will have a reward for that, and that's called carried equity.

**Operator:** Our next question comes from Lachlan Shaw with UBS. Please go ahead.

**Lachlan Shaw: (UBS)** Yes, morning Andrew. Just two questions. So firstly, just on the iron ore market. What are your guys seeing in China at the moment in terms of anticipated steel demand this year?

**Andrew Forrest:** Okay, look, I am right across this, but I've got an expert here. Vivienne, I would be delighted if you could answer that question. How are you seeing the iron market, and particularly the appetite for your products within the iron market?

**Vivienne Tieu:** So, we are seeing certainly a pick-up in demand post the Chinese New Year break. So particularly in the construction and real estate sectors we are seeing some positive activity in that space. But steel margins are still low, so we are seeing really good demand for low-grade products, and in particular for the Fortescue products. We see that across the inventory in our supply chain as well.

So, all in all, really positive in terms of the signs we are seeing and we expect that to continue. The government has been quite vocal in terms of their support for the construction and real estate sectors. So we expect to see that translate to real steel demand later on in the year.

**Lachlan Shaw: (UBS)** Understood, thank you. Then just a second question. So obviously just back to Gabon, and given the developments here and the rapid acceleration there, does this mean anything for the Sinosteel Mid-West JV? Is that perhaps less of a priority for the business going forward? Thank you.

**Andrew Forrest:** Oh, great question, Lachlan. No, it's not less of a priority. Look, we are still evaluating that project on its merits. I must admit, when you're so close to victory with Iron Bridge and you want to really see what the commercial scale benefits are once we enter ramp-up and complete ramp-up, that I am delighted that we will be able to bring across that real-time expertise and knowledge into the process flow sheet of that project.

So, I think it's fair to say, we are excited about that project. But I want to apply not forecast economics, and not forecast engineering assumptions, but actual against a very large operation called Iron Bridge. We will input all that knowledge into it. So, I just want to make that clear, Lachlan, we are in an enviable position, unique in the world, to develop magnetite projects and that Sinosteel project will certainly be one.

**Operator:** Your next question comes from Adrian Prendergast with Morgans Financial. Please go ahead.

**Adrian Prendergast: (Morgans)** Yes, thank you guys. Just two questions for me. First, just back on Gabon, and sorry for another one, it's just an interesting project. But you can certainly see the potential scale of it but just noting how far it is from the Trans-Gabon Railway and Libreville. Just yes, I understand it's too early for feasibility type talk but stepping back in a big way just conceptually, would the idea on the bigger build be to also build your own infrastructure or form some sort of agreement to build as far as that open access rail?

**Andrew Forrest:** No. Look, like Lachlan, like Hayden like all these questions. They're showing a lot of vision, they're showing a lot of foresight in the information you're looking for. So, Adrian, I'm very happy to take these questions. I'll be completely honest with you and say to you that.

So let me just be absolutely clear. In terms of locality to existing infrastructure, it's really close, right? We have a road nearby which the Government wants us to use that goes to a railway line which the Government wants us to use. Will that infrastructure sustain a Pilbara scale project we're used to building? Not a snowflakes chance in hell.

So, will we do a pipeline? We're showing real form in pipelines through Iron Bridge. Will we use a rail line? We built and operate the most efficient, fastest, heaviest bulk railway lines in the world. I mean, these are reasons why we were chosen Adrian. Now, we're putting the technical solutions up against each other and we're going to work this out. A pipeline is fantastic if you produce a slurry. What does that do for say lump iron? It means you crush it. So, do you lose a lump premium? Possibly. Does that - is that set off against the operating cost efficiencies and speed of the pipeline? Possibly.

So Adrian, good question and these are - this is the delightful environment which Fortescue's in which - this world of opportunity between green energy and green resources gives us. But then the instant after that, it's a world of challenges and we will continue to tip toe through the minefield of optimising how we meet those challenges to produce to you, our stakeholders, the best possible result.

**Adrian Prendergast: (Morgans Financial)** That's very helpful. Thanks Andrew. Just one more back on the Pilbara. You know it's good news to hear that through exploration and success, Nyidinghu won't have to be developed until the 2030s and yes, just thinking of it from a capex profile around the Pilbara iron ore business end. Should we essentially wipe out any associated infrastructure spend? Or with the exploration success, will that bring with it some need for additional infrastructure? So, we still keep some capex in there?

**Andrew Forrest:** No. Look, Adrian it's a great question. Look, unfortunately, you can't get anything for free, so you keep some capex in there but take out your really big capex.

**Operator:** Your next question comes from Peter Kerr with The Australian Financial Review. Please go ahead.

**Peter Kerr: (Australian Financial Review)** Hello everybody. Thank you for your time. Mark Hutchinson, that sounds like a very big year for FFI coming up. Can you please help clear up on a global basis, is FFIs head count going to rise or fall this year? Could you also help with that question in terms of Australian head count? Do you expect that to rise or fall this year?

**Mark Hutchinson:** Look, I you know I've been in the job for six months Peter and loving it. Andrew reminds me every day. Look, we have a dynamic business here. So, what we'll do is as we focus in on projects, the head count is going to ebb and flow just like the business as normal. So, will head count increase over time? Absolutely, as we build our projects around the world because we're going to need a lot of people to build projects in the all the places I've mentioned and that includes Australia. So, it will be business as normal, we will ebb and flow as we need resources and I think this year will be a big year for us in many ways.

**Andrew Forrest:** Look, if I could add to that Peter. We didn't go from two people to 20,000 people in a straight-line mate and it's such a nonsense to call out when we consolidate, to when we grow. This is the typical pattern of Fortescue. We grow, steady the ship, consolidate, grow again. Now that's just what we do every day we come to work, mate.

**Peter Kerr: (Australian Financial Review)** Okay. Andrew, just in politics we've seen the Greens here in Australia in the last 24 hours say that they will potentially block the safeguards mechanism legislation unless there is a ban on new coal and gas mines in Australia. Could I get your view on that? I mean, do you think that is a good idea worth holding up the safeguards mechanism for or do you think it's more a case of not - we shouldn't let the perfect stand in the way of good?

**Andrew Forrest:** Yes, thank you for that excellent "smack in the middle of a landmine field" question. So, I'm just being brought up to speed and I'm looking at the headline news: "*Green's risk setting back climate policy 10 years*". Look, all I'd say is that - I can answer it this way. There is a huge belt of frozen methane, carbon dioxide, organic matter two and a half times the size of Australia which is frozen for now but big infrastructure has started to fall into that where it's been built on it and there are big holes appearing in it as the Arctic, which is warming quicker than anywhere else on the planet, starts to warm.

If that frozen tundra lets go, then you might have several degrees Celsius increase or as Russian scientists tell me a sharp 10 degrees Celsius increase in temperature. That's going to change oceanic and atmospheric flows all over the world. So, I just say this. People who do not understand the grave risk of climate change should not be in any position of influence and if they exploit those who are trying to work against climate change, then history will judge them very, very badly.

We are on a climate edge here Peter and I want every legislator - not just in the Greens, not just in Labor, not just in Liberal or Country, every legislator in the world to bring themselves up to speed with the science. If they don't believe the science, then that can just f\*\*k off, right? They should be nowhere near having any responsibility whatsoever. But every legislator in the world should bring themselves up to speed on the science and act accordingly.

We need to be ambitious. This company, Fortescue, is leading by example and I'm urging Governments all over the world wherever I go. That's why I hit the road in the middle of COVID for effective years of my time to educating Governments that we are facing a real and present danger and there are solutions. They do not have to wipe out our planet.

**Operator:** Your next question comes from Melanie Burton with Thompson Reuters. Please go ahead.

**Melanie Burton: (Thompson Reuters)** Hi there. Thanks for your time. I'm wondering if you could give us any detail on how talks are going with China CMRG Buying Group? Have you guys made any deals? Are they looking at volume and brand type as well? Any colour on how those negotiations are going would be great. Thank you.

**Andrew Forrest:** Look, excellent question Melanie. I'm going to ask Vivienne - you've asked for colour. Let's have Vivienne give you the colour.

**Vivienne Tieu:** Hi Melanie. Firstly, I'll just reiterate our approach is built on respectful and constructive engagement with all participants in the industry. Customers as well as groups like CMR Group. We don't comment on commercially sensitive and confidential negotiations, so I'll just leave it as we'll continue to engage directly with all stakeholders and that approach underpins our marketing strategy and how we get the value of Fortescue's products in line with market fundamentals.

**Operator:** Your next question comes from Sue Lannin with ABC News. Please go ahead.

**Sue Lannin: (ABC News)** Hi Andrew. Thanks for your time. Look, I just wanted to ask you about the pending Yindjibarndi compensation - Native Title Compensation case. Have you done any initial assessment on what it could cost you if you lose, or if you're prepared to settle? Whether you're going to defend the case, or whether you're going to settle?

**Warren Fish,** Director of Communities Fortescue: Thank you for the question Sue - it's Warren Fish here. The matter is before the Courts. We certainly can't comment at all on quantum at this stage.

**Sue Lannin:** Sure ok.

**Andrew Forrest:** And Sue, I'd just say that we've treated all claimants, all our Traditional Custodians, fairly and equally. And where we're asked to treat one, like with the receipts of the Government, we're going to say we don't think that's fair on everyone else. And so, with deep respect for the Indigenous people who I grew up with, who I still call Aunty and Uncle, we will resist doing anything out of the ordinary and that's as far as I possibly can comment Sue, when a case is before the Courts. We operate through the lens of fairness all the time and when asked to be unfair, we'll resist.

**Sue Lannin: (ABC News)** Okay. If I could just follow up. I mean, you often use the term "Native Title welfare". I just wonder what you mean by that, because the Yindjibarndi won their case twice. First in the original Federal Court then in the Full Court. You were refused leave to appeal, so it's actually the law that you need to negotiate compensation and all the other big miners, even Gina Rinehart, have royalty agreements with the Traditional Owners. So why is it that Fortescue has not yet come to agreement, an agreement?

**Andrew Forrest:** Okay, Sue so thank you. I don't recall - I've just looked around my colleagues, if I've ever used the term Native Title welfare.

Of course, we act strictly according to the law and go far, far over and above that. Our A\$4 billion of jobs and training, education and contracts is way above anything in the law Sue.

And I believe in real practical action to end the savage disparity which has grown and grown over the period that I have been alive. And I know why it has. I know why you get Alice Springs alcohol disasters. I know why Sue. It's because people are without work. And cash welfare without work has obvious, typical, predictable results with communities all over the world. Don't think it's confined to our vulnerable populations. It's not.

And while we insist on not providing the education and the opportunities, while we insist on not making the choice to drugs and alcohol the easiest choice, then the result will continue to be predictable Sue.

So, for the people who I love and for the people who I grew up with and sadly for the people whose funerals I regularly go to - I'll be going to one shortly who didn't have cash welfare, who did work, who took huge pride in her family and has outlived all her kids, and that is because she escaped this era of cash for nothing. And I believe like Noel Pearson and others that you have responsibility with opportunity and I always do that. So, we have - we integrate as a company - I don't have to integrate I'm already there - with our Indigenous brothers and sisters because that's how we see them and we treat them all fairly and we give them the most opportunity we possibly can within our philosophy that we're not going to exacerbate Sue, opportunity without responsibility which has caused the deep social harms which we're witnessing today.

**Warren Fish:** If I could just add onto the end of that if you don't mind. You know something also not to forget is that we have seven other Native Title agreements with other Native Title parties that seem to be working fine.

**Andrew Forrest:** Which work perfectly and that's the exact fairness Warren. Thanks for pointing that out. I think Sue may have known that but just in case Sue, we've got seven other major agreements, all within that same community. I mean, they have family members across different groups. You probably know that Sue and we're just not going to have one singled out because it might suit our commercial interests. This is something I am deeply passionate about Sue. Ending the Indigenous disparity is not done with cash and Sue, let me trot you down to Alice Springs if you want any proof.

**Operator:** Your next question comes from Nick Evans with The Australian. Please go ahead.

**Nick Evans: (The Australian)** Good day Andrew. Good day guys. Thanks for your time. Andrew, just noting in your preamble, you spoke briefly about your time as Chief Executive almost as in the past tense. Am I sort of misunderstanding - or misreading what you were saying? Or as you are about to step back as an executive chairman back to your previous role as non-exec chair?

**Andrew Forrest:** Nick, a great question mate and you're overdue to shout me a beer. I'd say Nick that it's - that with Hutch coming on board doing a superb job, Fiona Hick just shows a steady ease with this company's culture and values has been getting around as a tourist just getting to experience it. You know, we have really two great chief executives Nick coming in.

I will stay Executive Chairman for as long as it takes to guide, to navigate this company through this massive transition period and then once that settles, then - and I feel sure that we've met all - that the three of us have met all the leadership challenges that we need to, then there will be two again Nick and I'll step back to being non-executive. But I have said mate as you're aware that I only become executive to help the Company steer its way through what is a massive transition and I'm delighted by that.

The company which emerges from it will be a much bigger, much stronger and much more contributing to society company and I just - I'll stay with it for that period as an executive but as soon as I can, I'll be stepping away from it.

**Nick Evans: (The Australian)** Secondly, this week, the Board will have met to sign off on the financial report. At that board meeting, did the Board approve any major cost saving measures or sort of a job loss program and if so, how many jobs do you expect from both Fortescue and FFI ranks over the next couple of months as a result?

**Andrew Forrest:** Okay, Nick. Your reporting on this has been really balanced, thank you. Oh, look, there has been some irresponsible reporting on it by one media outlet in particular. Salacious, huge numbers, biased, dramatic, trying to cause concern in the community, trying to cause fear in the community. Nick, there's none of that. There's a range of resolutions which is as much as I'll of course share because it's in Board in-confidence that continues the march of this company to grow, steady the ship, consolidate, grow again. Are there wanton job cuts coming? Absolutely not. Are we continuing to constantly improve and evolve? Absolutely we are Nick but this is just business as usual.

**Operator:** Your next question comes from Peter Milne with WAToday. Please go ahead.

**Peter Milne: (WAToday)** Thanks very much. Look, question for you Andrew. Major resource company, obviously maintaining social licence is always a huge issue. Indigenous issues, violence, local content and the like. Yet you've chosen yesterday to pick a fight with the biggest media outlet in your home State. One, why did you do that and two, are you concerned that that's going to damage Fortescue's place in the community going forward?

**Andrew Forrest:** No, I think just the opposite. I mean, we're bringing in local content. I'm sure you know Peter that Caterpillar, who's franchisee owns The West Australian, has for a long said they're not going to be able to bring pollution free truck into the mining industry until the 2030s. Now, I made really clear, really clear, that if they didn't change that stance - I don't bluff. I will bring them in and of course, there was no way they could see I could do that, so they just called my bluff. Now we've ordered 120 trucks. We will be putting in local content, let me underline that for you, Peter. Batteries, which we'll be installing here which we'll be eventually manufacturing here - at large scale - like we will hydrogen fuel cell drive trains at large scale and that's all local content, mate. We're not just shipping in from North America or where Caterpillar does, the whole thing, we're actually going to manufacture it, maintain it here. I think we're actually going to accelerate local content, accelerate local employment.

Where this has come from though, Peter, is that that is a direct business threat to that Caterpillar franchise. I'm very happy to speak to the Stokes family and make sure that we keep them really busy and that they too can profit and enjoy distributing the trucks which we will be partly responsible for, which is certainly our drive trains. There's massive business which could be available to companies like WesTrac. What we've got to do, Peter, is see the opportunity and not try and fight it because you're really standing in the road of the tide. Everyone loves the fact that there's major change in technology, major change in efficiency, in community benefit, but they can get less happy when it's actually happening to them if they're not changing too.

**Operator:** Your next question comes from Danielle Le Messurier with The West Australian. Please go ahead.

**Danielle Le Messurier: (The West Australian,)** Good morning, Andrew and Mark. I was just hoping to ask about operating expenses and investment at FFI. I saw the report showed operating expenses were up pretty significantly to US\$283 million while investments fell to US\$49 million. I was just wondering what the cause of that was.

Just a second question. I see Fortescue is now providing further transparency on FFI's financial results in the notes to the financial statements. I was just wondering if that new disclosure is partly due to pressure from investors and analysts. Thanks.

**Andrew Forrest:** Look, I think you're an excellent journalist and they're great questions. I would really think carefully about not cooperating with your particular outlet. I don't know if you're under a lot of pressure or not but we've had some really salacious misreporting, inaccurate, trying to put fear into the Western Australian community, give the Western Australian community the poor impression of this Company. That hasn't worked at all. We have been barraged with



support from all over our State, and Perth. I'm particularly sensitive about answering questions from the West, we'd normally not cooperate but these are excellent questions so Hutch, I'd like you or Andy to respond. I don't think we're under any pressure from our investors. Our investors absolutely love us. I think you know, Danielle, we're one of the highest if not the highest-performing value-accreting companies which Australia or this State has ever seen, so we're not having any investors complaining when they're making fortunes, mate. Over to you, Andy.

**Andy Driscoll:** Thanks, Andrew. Danielle, FFI's opex in H1 was US\$283 million. That included some expenditure incurred on behalf of Fortescue related to decarbonisation, so if we strip that out it was a little bit below the midpoint of guidance for this year, which is opex of US\$500 million to US\$600 million, but well on track and on plan with relation to that.

Look, on the segment reporting, absolutely not in terms of responding to investors. That's just best-in-class transparency and good corporate governance.

**Operator:** That is all the time we have for questions today. I'll now hand back to Dr Andrew Forrest for closing remarks.

**Andrew Forrest:** I'd say to John and Lyndon and Nick, don't hesitate to call. We've just got to keep this show pretty disciplined. Look, I am - and Nick, just picking up, I don't intend to stand down anytime soon, but I do intend to do whatever it takes to provide maximum support to Fiona and Mark. I'm really delighted about this Company.

I just cannot see anywhere across its spectrum that it's not doing the very best it ever has, from consolidating a huge position into massive commercial opportunity in the Pilbara, to developing the largest undeveloped iron ore deposit I think it will emerge in the region, in the world, to Iron Bridge, to everything which FFI is doing, that potential, that pipeline of over 100 projects in FFI. Mark's got the unenviable responsibility of choosing a least five, a minimum of five but out of 100 that's a very difficult choice. That could eventually lead to a green energy company which could rival the success of the iron ore company. I just think the Company is in superb shape, both for how it is right now and for its future prospects.

In closing, I just cannot thank the team enough. I'm looking around at people who have been with me forever, some of my oldest friends and some of my newest like Vivienne, just fabulous to have you onboard. This half gives us a very strong start to what will be a great year for Fortescue. I don't think I should be changing guidance team, just to reiterate 187mt to 192mt, haematite cost of around US\$18.00 to US\$18.75, capex of US\$2.7 billion to US\$3.1 billion.

But look, Fortescue may well do what it does which is outperform. I want to thank everyone for your excellent questions, it's been a really top-quality call and really appreciate all of your interest in Fortescue. We love this Company; we'd love to have you on the journey with us. Thank you.

**End of Transcript**