

13 October 2020

The Companies Officer  
Australian Securities Exchange Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Madam or Sir

**PRESENTATION – DIGGERS & DEALERS MINING FORUM**

Fortescue Metals Group Limited (ASX: FMG) advises that Elizabeth Gaines, Chief Executive Officer, is presenting at the Diggers & Dealers Mining Forum on Tuesday, 13 October 2020. A copy of the presentation is attached.

Yours sincerely  
**Fortescue Metals Group Ltd**

**Authorised by**  
**Cameron Wilson**  
Company Secretary

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# The resources industry contributing to our economy

Elizabeth Gaines, CEO  
Diggers & Dealers Mining Forum  
13 October 2020

Thriving communities | Global force



# Forward Looking Statements Disclaimer

## Important Notice

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## Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2020 together with any announcements made by Fortescue in accordance with its continuous disclosure obligations arising under the Corporations Act 2001 and ASX Listing Rules. Any references to reserve and resources estimations should be read in conjunction with Fortescue’s Ore Reserves and Mineral Resources statements released to the Australian Securities Exchange on 21 August 2020. Fortescue confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. All amounts within this presentation are stated in United States Dollars consistent with the functional currency of Fortescue Metals Group Ltd, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.



# Our Purpose

Thriving communities | Global force

## Fortescue's Values



Safety



Family



Empowerment



Frugality



Stretch targets



Integrity



Enthusiasm



Courage and  
determination



Generating  
ideas



Humility





# Response to COVID-19

Prioritise the health of our people, maintain jobs, sustain our business and protect communities

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Temporary extension of operational roster

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Temperature and health testing and rapid screening

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Village gyms and licensed areas temporarily closed

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Additional bus and air charter services as needed

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Non-essential site and office-based teams worked from home

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1,300 care packages to Aboriginal communities



# FY20 highlights

## Excellent operational performance drove record financial results

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### 2.4 TRIFR

14% improvement

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### ↑ 178.2 mt shipped

6% on FY19

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### US \$12.94 /wmt

C1 cost includes US\$0.22/wmt  
COVID-19 impact

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### ↑ US \$79 /dmt

Average  
21% on FY19

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### ↑ US \$8.4bn

Underlying EBITDA

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### ↑ US \$4.7bn

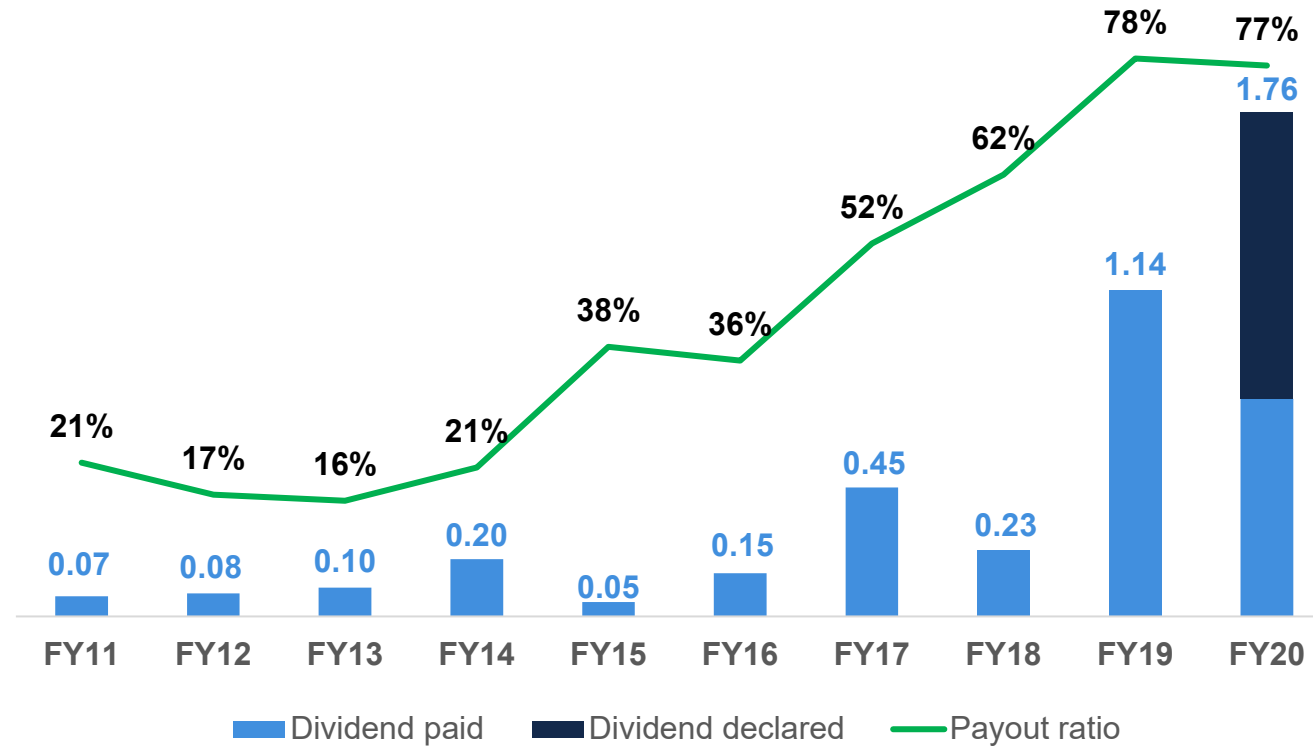
NPAT



# Delivering dividends

Fully franked dividend of A\$1.76 per share, representing a 77% payout of FY20 NPAT

Dividends declared (A\$/share) and payout ratio (%)

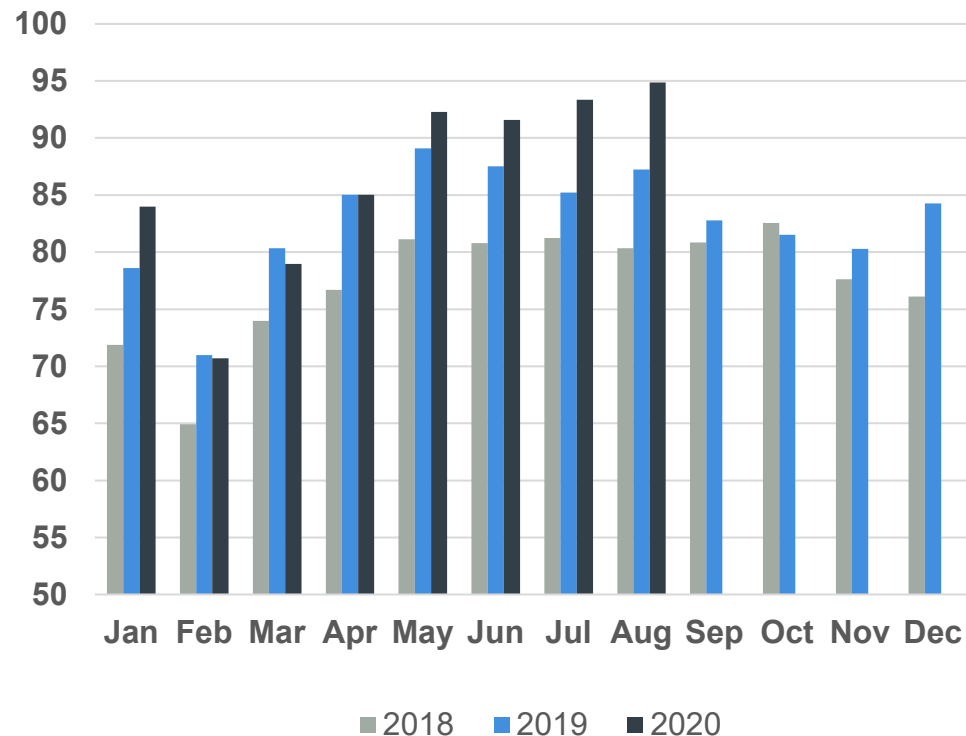




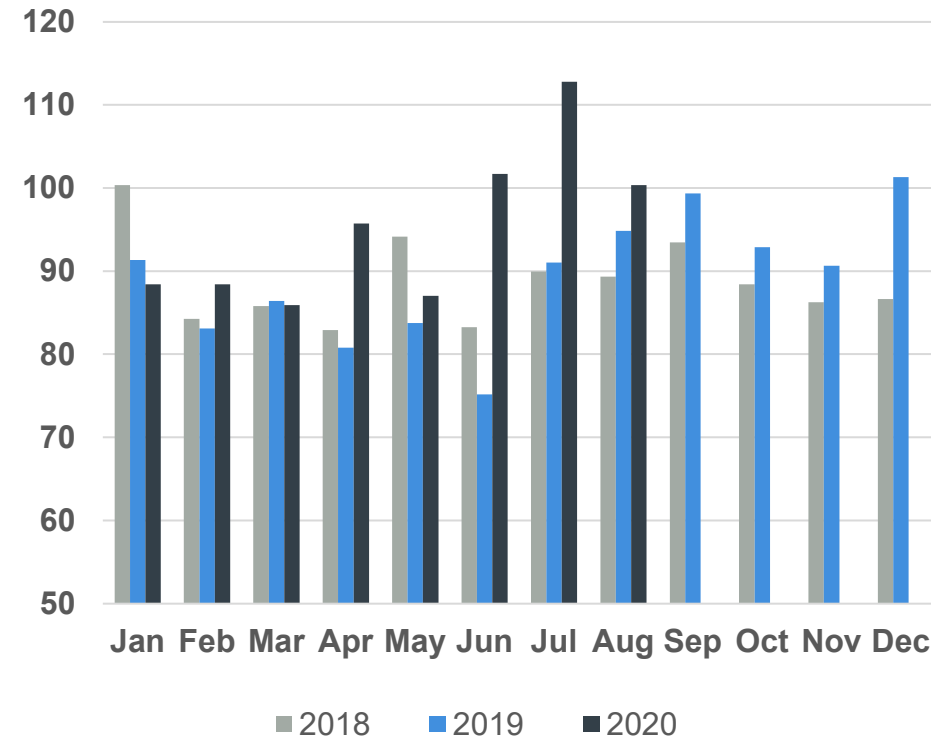
# Strong demand for iron ore in China supported by increased imports

Sustained growth in China's crude steel production

China monthly crude steel output (mt)



China monthly iron ore imports (mt)

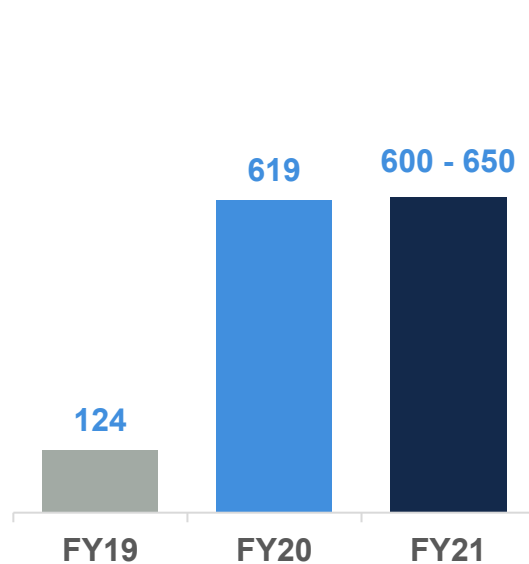




# Investing in growth

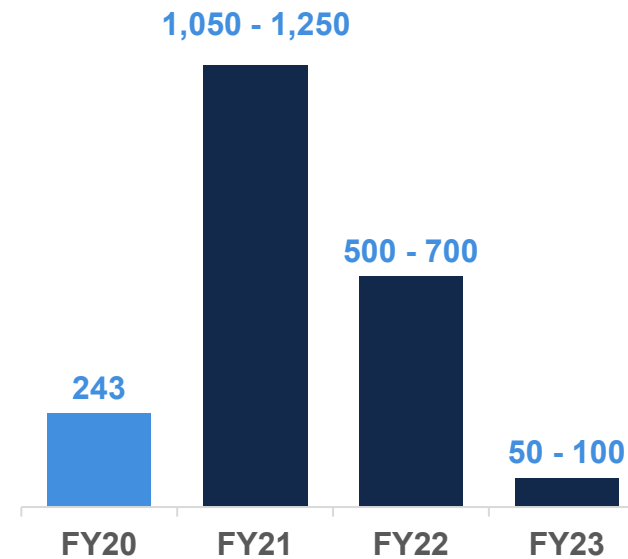
## Executing on product, growth and decarbonisation strategy

Eliwana Mine and Rail Project (US\$m)



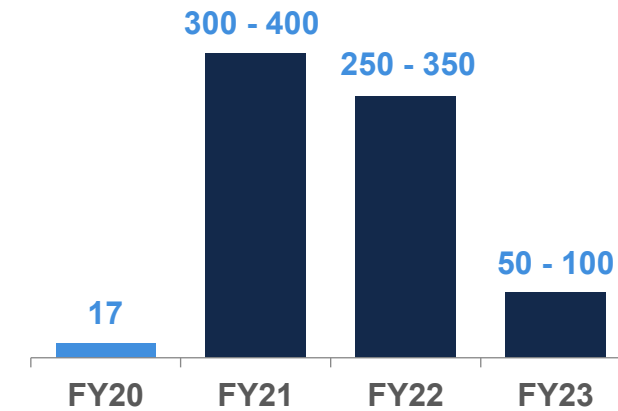
US\$1.325 to US\$1.375 billion investment  
30mtpa processing and 143km rail  
Increases mine life and West Pilbara Fines  
First ore on train scheduled for Dec 2020

Iron Bridge Magnetite Project



US\$2.6 billion investment  
Fortescue's share US\$2.1 billion  
22mtpa 67% Fe magnetite  
concentrate product

Pilbara Energy Connect



US\$700 million investment  
Solar-gas hybrid energy and  
transmission infrastructure  
Low cost energy to operations



# Eliwana Mine and Rail Project

Opening up the Western Hub



**Ore processing facility**



**Eliwana rail bridge**



# Iron Bridge Magnetite Project

Construction on schedule



Ore processing facility site



Iron Bridge camp



# FY21 guidance

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**175 – 180mt**

Iron ore shipments

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**US\$13.00 –  
US\$13.50/wmt**

C1 costs based on assumed  
exchange rate of AUD:USD 0.70

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**US\$3.0 –  
US\$3.4 billion**

Capital expenditure

# Sustainability highlights



Thriving communities | Global force

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**19% female**

employment rate

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**14% Aboriginal**

employment across Pilbara operations

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**A\$17.2 billion**

Global economic contribution including A\$4.3 billion in taxes



# Energy infrastructure

Industry leading emissions reduction goal, to achieve net zero operational emissions by 2040, underpinned by practical initiatives

## Chichester solar gas hybrid project



- US\$100 million investment by Alinta Energy
- 60MW of solar generation
- 60km transmission line linking Chichester operations with Alinta Energy's Newman gas-fired power station
- 35MW battery facility
- Displaces 100 million litres of diesel

## Pilbara Energy Connect



- US\$250 million Pilbara Transmission Project
- 275km of high voltage transmission lines
- US\$450 million Pilbara Generation Project
- 150MW of gas fired generation, 150MW of solar PV and large-scale battery storage

## Hydrogen



- Reduce carbon emissions and reliance on diesel in our operations
- Hydrogen mobility and improving domestic energy security
- Export potential of green hydrogen from Australia
- Partnership with CSIRO ATCO Australia agreement Green Hydrogen Consortium

# Protecting Aboriginal heritage



Detailed processes for the conduct of Aboriginal cultural heritage surveys, consultation, project planning, impact mitigation and negotiation

## Seven agreements

with Native Title Groups

## Heritage avoidance

Primary objective

## ~6,000 heritage sites

Protected and avoided

## 2.7 million ha of land

Ethnographically surveyed



A large cargo ship is docked at a port, with a yellow loading bridge extending over its deck. The ship's deck is visible, showing various structures and equipment. The background shows a body of water and a distant shoreline under a clear sky.

# We are a trading nation

## Mining sector supporting Australia's COVID-19 recovery

### **A\$19 billion**

invested in WA's resource sector in 2019-20

### **A\$100 billion resource projects**

in the pipeline in WA

### **Record A\$102 billion**

iron ore exports in FY20

### **A\$9.3 billion**

total royalty revenue to the WA Government for 2019-20

Source: WA Department of Mines, Industry Regulation and Safety; WA Chamber of Minerals and Energy; Department of Industry, Science, Energy and Resources (2020)

# Mining industry delivering opportunities

Contributing to the vibrancy of  
Western Australia

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New energy  
technologies

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Empowering our  
people and  
communities

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Building our  
regions

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