



# Delivering on our strategy; investing for the future

6 August 2019

Together we are Fortescue



**Fortescue**  
The New Force in Iron Ore

# Forward looking statements

## Disclaimer

### Important Notice

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

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

# A world class company

**>1.3 billion  
tonnes shipped**

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**~170mtpa  
Production rate**

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**Core supplier  
to China**

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**Low cost  
producer**

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# Fortescue's Values

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



# June quarter highlights

**2.8 TRIFR**

Record  
annual low

**46.6mt**  
Q4 shipments  
**167.7mt FY19**

**US\$92/dmt**  
Q4 average revenue received  
**US\$65/dmt FY19**

**US\$12.78/wmt**  
C1 cost  
**US\$13.11/wmt FY19**

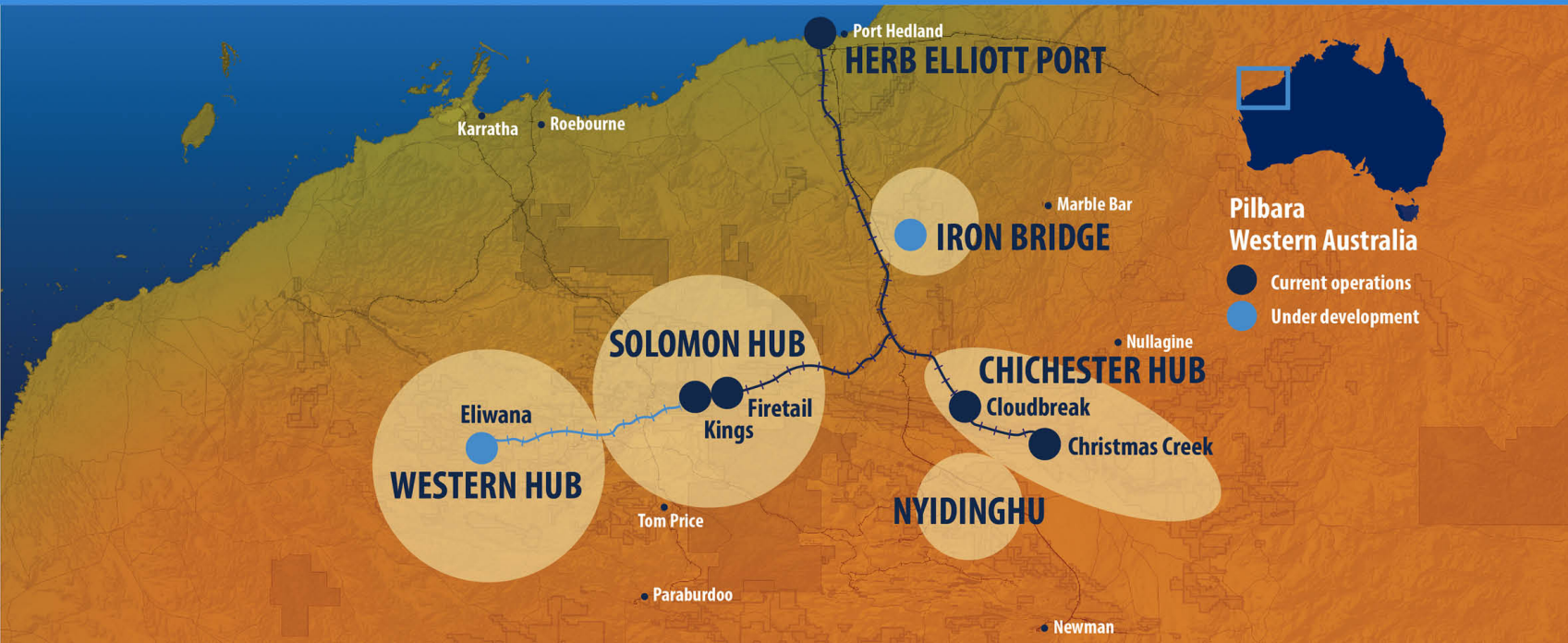
**A\$0.90**  
FY19 dividends  
to date

**Completed  
towage  
infrastructure**  
Judith Street Harbour



# Eliwana and Iron Bridge

Building on Fortescue's unparalleled track record and capability in safely developing and operating major iron ore projects in the Pilbara





# Eliwana Mine and Rail Project

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

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**First ore on train**  
**Dec 2020**  
On time and budget

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**Underpins**  
**the future**  
**of West Pilbara Fines**

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# Iron Bridge Magnetite project

US\$2.6bn investment in Stage 2 delivering enhanced returns to shareholders

**22 wmtpa\***  
**First ore**  
**1H CY22**

**67% Fe, low**  
**impurity**  
**premium product**

**Low capital**  
**intensity and**  
**operating cost**

**Industry-leading**  
**energy efficient**  
**operation**

*\*wet million tonnes per annum*



# Integrated operations and marketing



**Direct customer engagement**  
driving deep market insights

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**Collaborative operations and marketing**  
to capitalise on market opportunities

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**Co-location of key decision makers**  
enabling rapid response to market trends

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**Margin optimisation**  
through rapid product mix adjustments

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# Iron ore price

Price spreads have narrowed due to lower steel margins

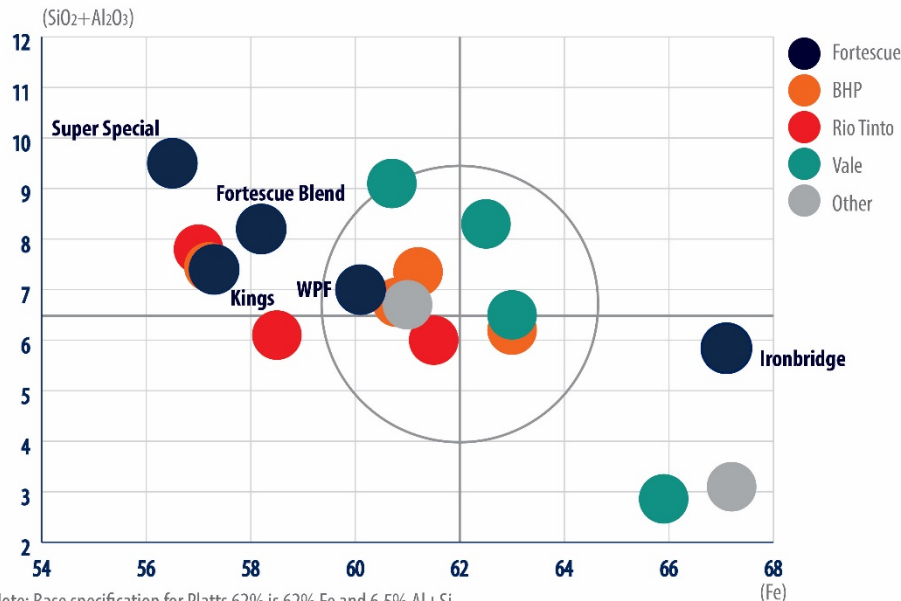


# Achieving our strategy to deliver majority of product over 60% Fe

## Increasing Fortescue's average grade

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

Product positioning: Natural Fe v Gangue ( $\text{SiO}_2 + \text{Al}_2\text{O}_3$ )



Note: Base specification for Platts 62% is 62% Fe and 6.5% Al+Si

Source: Fortescue, company reports



# Innovation agenda

## World first AHS on commercial scale

>32 million km  
safely travelled

## Industrial autonomous mobility

LV trials on site

## Energy strategy

Renewable energy,  
reduced emissions and  
increased connectivity

## Hydrogen

Technology, operations,  
domestic industry,  
global supply chain

# World class exploration

Opportunities that will be driven by market demand

## Pilbara

Largest tenement  
holder in the Pilbara

## Australia

NSW ~3,000km<sup>2</sup> tenure  
SA ~15,000km<sup>2</sup> tenure

## South America

Ecuador, Colombia  
Argentina  
Copper, lithium

## Portugal

Lithium



# Contribution to our State and our regions



**WA GSP 14% of  
Australia's GDP**

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**WA exports  
accounted for 35%  
of Australian exports**

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**Port Hedland and  
Goldfields-Esperance  
GRP \$52bn**

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# Building strong communities

## Large Aboriginal employer

15.1% across Pilbara operations workforce

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19.4% female participation rate  
25.5% senior management

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Trained and employed via VTEC  
860 Aboriginal team members

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Employees returning from parental leave  
95.2% Retention rate

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Billion Opportunities  
Over A\$2.3bn contracts with Aboriginal businesses

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Local procurement  
97% in Australia  
58% in WA

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# Looking forward: the next five years

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# Key strategic focus

**Balance sheet strength**

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**Long term sustainability**

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**Growth and development options**

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**Returns to shareholders**

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