September 2024 Quarterly Production Report

Investor and Analyst Call Transcript

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TRANSCRIPTION

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[START OF TRANSCRIPT]

Operator: Thank you for standing by and welcome to the Fortescue September 2024 Quarterly Production Report Briefing. All participants are in listen-only mode. There will be some opening remarks 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 1 on your telephone keypad. In the interests of time, we ask that you please limit yourself to two questions per person. If you would like to ask further questions, please requeue.

I would now like to hand the conference over to Mr Andrew Driscoll, Director Corporate Finance. Please, go ahead.

Andrew Driscoll: Thank you, Kayleigh and welcome all. I'm joined in the Perth office by Mark Hutchinson, Hutch, CEO Energy, Apple Paget, Group CFO, and joining on the line is Dino Otranto, CEO Metals who is joining us from the Commonwealth Business Forum in Samoa.

We're pleased to implement a new format for our Quarterly Production Report calls. There will be no change to the format for our interim and full-year financial result calls, but for the quarterlies, we're seeking to optimise Executive time, while making sure that we provide you with access to the CEOs and the CFO on a quarterly basis. That remains a priority for us.

So, I'm going to share just a few highlights from the Quarter just to set the scene, and then you'll have ample opportunity to ask questions from the Executive, as well as some of the Senior Leadership here in the office with me.

Now we always start with safety, and our ongoing focus contributed to a Total Recordable Injury Frequency Rate for the Group of 1.2 for the 12 months ending 30 September 2024, and that's a 29 per cent improvement on the prior year. A remarkable achievement and remains absolutely an unrelenting focus.

Our total iron ore shipments in the quarter were 47.7 million tonnes. That's 4 per cent higher than the prior comparable period, it's a record for the first quarter and it included 1.6 million tonnes from Iron Bridge. That's more than a full year's shipment in FY24.

Hematite C1 costs was US$20.16 per tonne. Now that was up 12 per cent on Q1 FY24. It was impacted by a higher strip ratio in the quarter, together with some inflationary pressures and we can talk to that in more detail.

The Hematite average revenue, US$83 a tonne in Q1, it's 83 per cent of the average Platts 62% Index, and for Iron Bridge, the Concentrate revenue was US$111 a tonne in the quarter, 97 per cent of the Platts 65% Index.

In August we celebrated the significant milestone, our Billion Opportunities program crossed the threshold of awarding more than A$5 billion in contracts and sub-contracts to First Nations businesses since its inception. That program is going from strength to strength, a key part of our First Nations engagement.

We made tangible progress towards transitioning Fortescue's diesel mining fleet to a zero emission fleet. Equipment partnerships were signed at MINExpo with Liebherr and MacLean. The Liebherr partnership, you'll see, has a value of US$2.8 billion, so it's to jointly validate a range of zero equipment mining solutions. That significantly includes the supply of the battery power systems for those equipments by our own Fortescue Zero.

Fortescue Zero also completed the first test run of its Battery Electric Locomotive prototype at the facility here in Perth. This is clearly an important step in decarbonising our rail operations.

Last month, we released an externally verified Climate Transition Plan. That's of course to reach Real Zero by 2030. That Plan is on our website, there are a lot of details on our pathway to get there and I really encourage you to read that if you haven't had opportunity.

In the quarter, works commenced on the Green Metal Project at Christmas Creek, which many of you have visited the Green Energy Hub there. So that Project has capacity for 1,500 tonnes per annum of green iron metal and first production is planned next year.

A Feasibility Study assessing an approximately 1 million tonnes per annum green iron metal project in the Pilbara is proposed to kick-off next year.

Work continues on our four green hydrogen projects in Australia, the United States, Norway, and Brazil. In particular, Feasibility Studies continue to advance at the Holmaneset Project in Norway, while the Pecém Project received an approval relating to export processing zones.

On the balance sheet, cash on hand, US$3.4 billion, net debt of US$2.1 billion at 30 September 2024. That's after payment of the FY24 final dividend of US$1.9 billion, and capital expenditure of US$0.8 billion in the quarter. It is worth flagging there that during the quarter our Revolver and Syndicated Term Loan were amended and extended by two years, maturing in now July 2027 and June 2028, respectively.

Fortescue's Board has elected Dr Larry Marshall as the new Lead Independent Director, and that's effective from the Company's 2024 Annual General Meeting, which is early next month.

Finally, you can see that guidance for FY25 shipments, C1 cost, and capital expenditure remains unchanged.

On that note, Kayleigh, we'd be pleased to move to Q&A.

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 pretty star two. If you're on a speakerphone, please pick up the handset to ask your question.

In the interest of time, we ask that you please limit to two questions per person. If you would like to ask further questions you may rejoin the queue by pressing star one again.

Your first question comes from James Redfern with Bank of America.

James Redfern: (Bank of America) Hi Dino, Mark, Andy, and Apple. Thank you for the call this morning. My first question is just relating to the strip ratio. You're calling out a strip ratio of two times. I was just wondering if you could please talk through why it increased so much and just guidance for the strip ratio for the remainder of FY25 please.

Apple Paget: Yes thanks. I'll take that one James. Look, for a bit of colour, Q1 was impacted by unseasonable weather impacts and sequence changes just resulting in more waste being moved and less ore mined relative to recent quarters.

This is a timing impact with no change to the outlook, as you mentioned, in FY25. So the full year as you may recall, we've indicated approximately 1.8.

James Redfern: (Bank of America) Okay. Thank you, understood. Then the second question, please, relates to the Iron Bridge price realisation of 97 per cent relative to the Platts 65% Index. I just want to understand that a bit better because Iron Bridge is 67% Fe content so it should attract a premium. The premium was only 1 per cent in the previous quarter, and now it's a discount of 3 per cent. So just wondering if you could please talk about what's happening there just for our understanding. Thank you.

Dino Otranto: Yes, thanks James. Good pick up, mate. It's certainly been an interesting quarter for Iron Bridge. Our realisations, as you've mentioned, weren't in line with what we were expecting. A couple of factors which have changed most recently, but low steel volumes, depressed margins, and a slight oversupply of the concentrate market in China caused that.

I think we have seen that now improved in the last few weeks and months with improved concentrate with inventories, and we're seeing good movement of our products at the moment, James.

Operator: Your next question comes from Rahul Anand with Morgan Stanley.

Rahul Anand: (Morgan Stanley) Hi Team. Good morning. Two questions pretty much similar to James' but I want to touch on them perhaps a bit more. Strip ratios, first up, Apple you talked about 1.8 being the guidance for this year. My understanding was it's 1.7. Then just as a follow-up there, in terms of your FY24 to FY28 guide, it was last provided in FY18 at 1.7 as an average. Does that still hold?

That's the first question. Thanks.

Apple Paget: Thank you. Look, our guidance is 1.8. So, I'm not quite sure where the 1.7 came from, it may be a bit of a guidance. We are guiding one year out and that's 1.8, so we don't provide any guidance beyond that even if it's on average.

Andrew Driscoll: Rahul, Andy here. I'm not sure what you're sort of referencing in terms of that midterm guidance but that might be a site visit several years ago. Clearly, the mine plan changes over time as we seek to optimise it. I think we have shared that 1.8 is your approximate number this year. It is going to be similar in FY26.

There is a modest increase after that until the next large hub development, when the strip ratio would be expected to decrease once more.

Rahul Anand: (Morgan Stanley) Okay. Got it. Okay, thanks for that. Yes, it did come from a previous site visit presentation, Andy. Thanks for that.

Look, just to follow up on Iron Bridge perhaps in terms of that price realisation again. It's interesting to hear the comments around obviously the movement in inventories. Is this underperformance to the Index largely driven by the timing of sales, i.e. QP? Is the actual contractual price receiving a lower number than 65% as in the Index itself?

Because if it's below the Index - I'm just trying to square away whether there is any sort of impurities in the product that might have led to that during the quarter? Thanks.

Dino Otranto: I might kick it off, Rahul and then get Benny, he's on the line, Head of Marketing, to comment. Look there's certainly no issues with the quality of the product. In fact, it's meeting and in some respects exceeding our expectations to date.

But just on the marketing dynamics, Ben, did you want to jump in mate?

Ben Kuchel: Yes, thanks Dino, happy to add some additional comments. Broadly speaking, concentrates and pellet feeds all suffered similar pricing outcomes in the quarter, with discounts to the prevailing 65 Index. So that was a common feature across products not just for Iron Bridge material. There are always some minor QP elements to a pricing outcome in a quarter, but the dominant issue here was the overriding market factors of oversupplied concentrate.

Operator: Your next question comes from Paul Young with Goldman Sachs.

Paul Young: (Goldman Sachs) Yes morning, thanks for the opening comments, Andy and hi Dino, Apple, Mark. First question is just on the iron ore market, any colour you can provide in the last two or three weeks what you're seeing in China with respect to any restocking from Chinese steel mills, any comments you can make around your inventories?

Also, I'm just trying to square away your price realisations during the period, the fact that the product mix actually improved quite a lot, a jump in Fortescue Blend and the reduction of Super Special Fines, why the price realisations, why they weren't actually a little bit better as a result?

Dino Otranto: Yes, maybe just to make some commentary, Paul, on the ground in China, I've been there a couple of times, and going there again next week. Certainly, there's a more buoyant mood since President Xi announced certainly, as I said before, a bit of an inflection in policy, which was announced at the 75th birthday of the People's Republic of China (PRC) over there. So certainly, more buoyant, we're getting more interest from the steel mills, but I think it's still relatively early days with more structural announcements planned into the future. In terms of our product, still moving liquidity wise very, very well, good demand, low stock, relative stocks in China.

Ben, did you want to add anything else?

Ben Kuchel: Yes, I can say a little Dino, I think there was a question there around realisations. Look, in contrast to Iron Bridge, the hematite realisations were, I think, affected to a greater degree in terms of timing of sale, so in that sense we were back weighted towards August and September and that's had an impact on realisations for hematite in the quarter.

Paul Young: (Goldman Sachs,) Okay, thanks Ben. That's what I thought it was, so appreciate that. Then maybe Dino, maybe just on Iron Bridge, there's not much of an update in this quarterly. I know we spoke about it with the full year results, so maybe not much has changed, but anything you can add on the water banking strategy, how the plant is performing, key kit and the uptime and anything you can add on the mining side as well? I see that you're not disclosing the development tonnes in your numbers, so just any sort of broader update you can provide on how Iron Bridge performed in the quarter?

Dino Otranto: Sure, and in fact we've got Graham on the line here who is our Director of Operations at Iron Bridge and can add a bit more colour and touch on that development rate issue as well, which thanks for picking up, Graham.

Graham Howard: Yes, no dramas. Hey thanks Paul, it's Graham Howard here. Just on your first question in relation to Iron Bridge how it's going, the water banking strategy is actually performing really well. You might recall that it's an operation-led initiative which is really in line with our Fortescue Values, hinges on the fact that we bank about 0.8 of a gigalitre of water within our operation, it allows us to really decouple the water that comes in from the West Canning Basin with our operations, so that's proving really, really well. That's the first part of your question.

In terms of FY25, still in line with our 5 to 9 million tonne guidance. Really good shipments in the first quarter of 1.6 million tonnes. Ramp up is going really well. There are some challenges within air classification and we're working through that, majority around wear, all really normal operation commissioning ramp up activities, so tracking well on that part.

In relation to not including the development, so that's just a function of Iron Bridge being an early mining activity, so we have a lot of development waste as we uncover our pits. All of that deferred capex is captured in our sustaining capex, so just basically in line with our previous commentary.

Operator: Your next question comes from Rob Stein with Macquarie.

Rob Stein: (Macquarie) Hi guys. Two questions primarily around cash. So in the period, if my reconciliations are correct, it looked like that you generated around US$1.1 billion of operational cash flow if you net off the changes occurring from the dividend payment, off the change in net debt. If you put that over the amount of tonnes shipped in the quarter, it's only implied for a US$25 a tonne margin that you'll produce in the Fe prices, circa 100. So I guess key question is how much of that increased cost that hits operational cash flow but doesn't hit your C1 was in working capital adjustments? I've got a follow-up, thank you.

Apple Paget: Yes, thanks Rob, I'll take the answer to that. So we did disclose our cash balance as US$3.4 billion, opening cash balance was US$4.9 billion. In terms of working cap directly, there wasn't actually much movement in there, so it was fairly clean between opening and cash, taking into account operations and also taking into account dividend, as you mentioned of US$1.9 billion and the capital expenditure, which Andy disclosed of US$780 million in the quarter.

Rob Stein: (Macquarie) Okay, so potentially then the difference may be associated with spend in the Energy business. Can you highlight how much was spent on opex in the Energy business in the quarter? It's just really hard to reconcile a break-even cost or a number that represents your headline financials if there was such a big move in cash.

Apple Paget: Rob, we don't guide to any sort of financials on a quarterly basis, but you can use, as a proxy, what we've got as a guidance to opex for Energy spend, which is US$700 million, but even if you go through that or use last year's run rate, we do come to see not a lot of movement in working capital there and it reconciles fairly cleanly, of course tax adjusting that.

Operator: Your next question comes from Kaan Peker with RBC.

Kaan Peker: (RBC) Good morning Dino, Mark, Apple and Andy. Just if we can get an update on the indicated time for the FIDs for Pecém and Holmaneset, are we still looking for FID for 1Q for Holmaneset and late CY25 for Pecém? Thanks.

Mark Hutchinson: Yes, hi Kaan, Mark here. Look we're just working through these projects as we talked about the last time we met. Obviously, offtakes and locking in a power price are critical to all the projects we're doing. We're being very careful how we look at all the projects we're doing, making sure we have the right financial discipline around them. We will be looking at going into Feasibility Study and that's the focus initially. We will take them to FID when we're ready, which I would imagine is not going to be until next year.

Kaan Peker (RBC): The Green Metal Project, does that count as one of the projects for Energy? I mean if you could give maybe a rough ballpark of what that would be in terms of capex?

Mark Hutchinson: The Pilot Plant was one of the three that we announced last year. We haven't given guidance beyond really what we've said when we announced our project, but that is progressing well.

Andrew Driscoll: Kaan, we haven't started the Feasibility Study yet for the proposed one million tonne project, so a bit too early to comment on capex, that's part of the purpose of the Feasibility Study. Dino, did you want to comment further on that proposed Feasibility Study?

Dino Otranto: Yes, so look we're in concept stage now, we're meeting with a bunch of OEMs, solar and wind suppliers, technology suppliers, steel mills in China. We're getting a lot of interest, actually on the formation of a partnership to then kick off the proper Feasibility Study early next year. Just a reminder, this is a big, ambitious project between China and Australia, so there's a lot of ducks we need to get in a row before we kick this off.

Operator: Your next question comes from Lyndon Fagan with J.P. Morgan.

Lyndon Fagan: (J.P. Morgan) Good morning everyone. First question I've got is just on the idea of selling down some of the energy assets that you're building in the Pilbara. Is there an active process happening here and maybe any update on that would be useful in terms of potential cash injection. Then the other question I had was just to really dig into this oversupply of the concentrate market in China. Are you able to give some more colour on what's caused that in terms of, is it new projects or is it simply that steel production was quite weak in China through the quarter, and it was the higher grade concentrate market that suffered more than hematite? Thanks.

Dino Otranto: Thanks, I'll take the first one and let Ben jump in on the supply dynamics. Look we're always looking around our portfolio and what gives our shareholders the best value, but certainly nothing to announce, Lyndon, in terms of what our power assets look like in terms of potential third-party sales or accessing lower cost of capital there at this stage.

Ben, do you want to jump in on the concentrate, mate?

Mark Hutchinson: Yes, just if I can jump in here Dino, Mark here, I think the power assets in the Pilbara are all to do with our decarbonisation program, which is progressing extremely well. We always have the optionality to look at those power assets to do other things with them, so we'll continue to that, but at the moment there's nothing to announce. Ben?

Ben Kuchel: Yes, thanks Mark, thanks Dino. Look in terms of the dynamics impacting the supply/demand balance for concentrate, there has been a little bit more supply in the market from places like the Ukraine, in part balanced by some exits, but broadly speaking the biggest influence has been the extremely low margins that we saw in the middle of the year, which did encourage mills to use lower-grade material and limit their use of higher quality, higher grade products. So that's the single largest reason for the imbalance in supply and demand.

Operator: Your next question comes from Lachlan Shaw with UBS.

Lachlan Shaw: (UBS) Morning all, thanks very much for your time. I just have two questions. I just wanted to start off with the battery electric trucks. There's potentially some dramatic changes forthcoming in terms of mine plans, infrastructure layout, charging infrastructure, intraday production profiles. When are you aiming to be in a position to help us understand what that looks like in terms of impacts on production, risks and ultimately, I guess volumes and C1 costs? I'll come back with my second.

Dino Otranto: Great question, Lachlan and we don't anticipate any change at all in production profile, that's the name of the game. If you are interested in how the dynamics of how the new mine will operate into the future, certainly we'll take that on note and take you through one of them on the next investor day. What was the second part of the question, sorry, Lachlan?

Lachlan Shaw: (UBS) That's helpful, maybe I'll just go straight to my second question, thanks Dino, so really I guess it's around the decarb of the hematite and Iron Bridge business, so just with the renewable rollout, just trying to understand the critical path there and in particular heritage consultation in terms of impact, getting clearance for sites to put up the solar and the wind. Can you talk us through any updates there on timing and how that's progressing thanks?

Dino Otranto: Yes, I do remember the second part of the question, it was C1 impact, right? So obviously we're doing this because we believe it's economic, a billion litres of diesel equivalent is what we're going after, so we'll definitely have a C1 impact. We'll bring that into our normal two year annual cycle and what we guide to in time. But expect that to start impacting at about 2028 as we start getting a high volume of the trucks and infrastructure.

In terms of the access, to the generation of electricity, the solar and wind farms, we've already started to build, we're working exceptionally well with our First Nations partners, we've got North Star Junction, 100 megawatt-plus plant all ready and finished. We've got the other couple now approved already, so we're actually getting really good support from First Nations and it certainly fits with the values of our partners in terms of environmental protection and long-term sustainability. But in saying that, it is critical path for us, along with lead time and the logistics corridors. Thanks.

Operator: Your next question comes from Jon Bishop with Jarden Group.

Jon Bishop: (Jarden) Thanks for taking my questions. I think you've been asked this in a couple of different ways, but you've called out the higher concentrate volumes in the quarter impacting your price realisation for Iron Bridge. With the longer-term view, does it change your marketing strategy in terms of ex China or does the freight impact negate any benefit of doing that?

Dino Otranto: I'll cover this off, look in essence it doesn't change our long-term view. We've got a book that we believe covers all aspects of the cycle. We've got Iron Bridge now and we've got a suite of products and Super Special right now caters for the lower margins, so I think we're well positioned in future.

Ben, do you want to add anything?

Ben Kuchel: Dino, I was just going to reiterate what you said. Ultimately there is a bit of volatility when it comes to the concentrate market, but our medium and long-term view remains intact.

Jon Bishop: (Jarden) So just to close that out, is there a change in market strategy in terms of ex China or are you still fairly beholden to your Chinese counterparties?

Ben Kuchel: Look in terms of Iron Bridge, it's a different type of product that has a broader appeal and certainly when you look at the sales of Iron Bridge, you do see a different market distribution by geography compared to other products, so I wouldn't say that there's a specific focus on a geography of sales for Iron Bridge, but clearly it does appeal to steel makers outside of China, as well as in China.

Operator: Your next question comes from John Tumazos with Very Independent Research, LLC.

John Tumazos: (Very Independent Research) Thank you for taking my question. After Fortescue has been supplied and Liebherr or MacLean make sales to third party or other customers, what will be Fortescue's economic stake in the subsequent sales of Liebherr and MacLean after Fortescue's been satisfied?

Mark Hutchinson: Hi John, Mark here, look great question actually. So the first orders obviously for Liebherr are our own, but we also have a lot of interest from other parties, particularly after the rolling out of the truck in Vegas, that was a big event for us actually. A lot of interest about the trucks and our belief is there will continue to be a lot of interest going forward and also sales, because actually the intent is to stand up the business between ourselves and Liebherr and others and to sell to third parties.

We provide the power system to the truck, that's what we will continue to do with sales going forward to third parties. So that doesn't change and the relationship we have with Liebherr, they do the chassis, we do the power system and as I said, there's a lot of interest from third parties about how they can get some of these trucks as well.

John Tumazos: (Very Independent Research) Does Fortescue participate in the subsequent locomotive sales?

Mark Hutchinson: Absolutely. We're working with Downer, and this is just hot off the press, so we again will be looking to do something similar to Liebherr, where we provide the power systems and you'll see us do it in a couple of other areas going forward as well.

Operator: Your next question comes from David Coates with Bell Potter.

David Coates: (Bell Potter) Good morning guys and thanks very much for the time this morning. First one is just wondering if you can give us a bit more info on the cost inflation over the quarter. You've mentioned strip ratio and then general inflation. Can you break that down? Is it labour, is it power, what other costs have gone into that?

Apple Paget: Thanks David, I'll take that. Yes, it is, the inflationary impact is on wages, contractors, so generally labour. It's not high, it's probably low single digit.

David Coates: (Bell Potter) Okay, thank you. Another question with trucks, kind of already been asked. But you talked about the - just to confirm you're expecting the relative opex to be the same. But can you just give us some of the factors driving that? So obviously a fewer operators I suppose, but then greater infrastructure set up. What are the trade offs that keep that opex - either make it attractive or keep it competitive with existing costs?

Mark Hutchinson: Yes, so just the way we think about this is obviously the trucks cost a bit more, so capex goes up a bit. But then the opex comes down because you're not buying diesel. So, the plan here is to make sure that at least the trucks are a parody with diesel. That's the goal and we think on the plans that we have going forward, we can achieve that.

Operator: Your next question comes from Glyn Lawcock with Barrenjoey.

Glyn Lawcock: (Barrenjoey) Good morning. Just a question on the US$2.8 billion partnership with Liebherr. Just trying to understand that a little bit more. Is that dollars spent to get the trucks you need? Or is that additional investment in development of the trucks? I'm just trying to understand how that fits with your decarb spend of US$6 billion by the end of the decade et cetera. Thanks.

Mark Hutchinson: Yes, so it's the purchase of the vehicles. We just have to remember that a big part of that flows back to Fortescue Zero because a big part of the trucks is the power system.

Andrew Driscoll: Glyn, as we may have talked to, the majority of that US$2.8 billion is part of our sustaining capital expenditure. So, it's aligned with the fleet replacement cycle. There is a portion of that which is the incremental cost of green fleet over purchasing an in-kind diesel unit. For the Liebherr contract, it's broadly in line with the September '22 capex guidance for the decarb roadmap. I think it was US$1.2 billion or US$1.3 billion or something like that was the fleet component. Yes.

Glyn Lawcock: (Barrenjoey) Can I ask a second quick question? Just on Iron Bridge, you gave guidance of US$500 million cost base for FY25. I realise we're only quarter of the way through the year. How are you feeling? Are you tracking to guidance with that as well?

Apple Paget: I can answer that. Thank you. Yes, we did have a strong quarter, just to remind everyone, on Iron Bridge and we're tracking in line with that guidance that you quoted of US$500 million. That's based on our share, attributable to Fortescue share. Importantly, we're producing as per the ramp up profile with no changes to that guidance.

Operator: Your next question comes from John Tumazos with Very Independent Research LLC.

John Tumazos: (Very Independent Research LLC) Thank you again. With the capex up to US$4 billion combined and some of the human demands on the business, so many challenging tasks, and with the Iron Bridge start up or the rail derailment in December, there's obviously technical challenges.

Why not eliminate some lower priority endeavours to make the Company easier to manage and more deliverable? For example, non-Australian, non-ferrous exploration hasn't brought a project to bear yet. We don't want to detract from Fortescue Energy, we don’t want to detract from the iron ore. But what are some things you can do to make Fortescue easier to manage by trying to do a few fewer things?

Dino Otranto: I might kick that off and let Hutch comment as well. In terms of the exploration spend, it really doesn't consume a lot of management time. We have an exceptional empowered team that has a mission to go and find a next ore body.

We've got some prospective targets in Latin America which we're really, really excited about and will hold onto. But I think that's really part of the DNA of Fortescue. We bite off a lot and chew like hell, and some of those come off, and some of them don't. We get criticised for the ones we don't, but the ones we land on, like the Liebherr contract that we announced, who would have thought that we would have started in our business selling world premier power systems into that market.

So I don't think you're going to see that change much, John. Hutch, do you want to add anything?

Mark Hutchinson: Look, I think that's well said, Dino. I think we do look at a lot of stuff, but we have really good financial discipline when it comes to actually investing in any of these projects, regardless of what they are and that will continue.

Operator: Your next question comes from Rob Stein with Macquarie.

Rob Stein: (Macquarie) Hi guys. Sorry, just a follow up to earlier. Tax paid during the quarter, was that just at the instalment rate as per previous quarters, or in your reckoning did you overpay tax and so therefore should get a windfall later on? How should I think about that in just doing my cash reconciliation?

Apple Paget: Thanks, Rob, I'll take that. Yes, that's just the normal instalment that we pay, not the true-up.

Operator: Thank you. That is all the time we have for questions today. I'll now hand back to Mr Driscoll for closing remarks.

Andrew Driscoll: Thanks, Kayleigh. I think there might have been one more question there, but I can take that one offline. You can see it's been a really strong quarterly performance delivering on our key metrics, including safety, production, and costs. As you've heard, we're on track to meet our FY25 guidance. A lot happening and we look forward to engaging with you at the next opportunity. Thank you.

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

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