

TRANSCRIPTION

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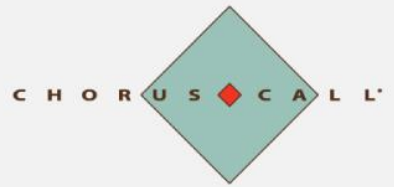
Chris Chong: Ladies and gentlemen, thank you for standing by and welcome to Mineral Resources December 2022 quarterly call. My name is Chris Chong, Manager of Mineral Resources Investor Relations. Shortly I'll hand over to James Bruce, EGM Corporate Development, to provide a short introduction before opening the lines for analyst questions. A little bit of admin before we kick off; please be aware that today's call is being recorded and a written transcript will be uploaded to our website.

This call is a Q&A with our sell side analysts to discuss our quarterly production reports. If you wish to ask a question via the phones, press the star key followed by the number one on your telephone keypad. The moderator will then open your line and invite you to speak. Please start with your name and company for the record. If you wish to ask via the weblink, please type your question into the Ask A Question box. This is meant to be an interactive and free-ranging discussion.

With that, I'll pass the call over to James.

James Bruce: Thanks very much, Chris and good morning everyone or good afternoon, thank you for joining us. This has been another busy quarter for MinRes. All four of our businesses are going well and the market for our products and services is strong. Our safety and performance continued to be strong. We had no LTIs during the quarter. Our mining services business is on track for guidance, so a predictable business and there was another predictable quarter.

In iron ore, our production and shipments are in line with our plans and we're on track to meet our guidance. Iron ore realisations are strong at 98% and just to note that net of any prior period adjustment, the realisations would have been



84%. Shipments for our iron ore business have moved from a two-month lag to a one-month lag and we've successfully completed this program.

In lithium, spodumene, Mt Marion production was in line. I'll talk a bit more about the expansion a little bit later. And at Wodgina, it's ramping up well and all three trains are now online and we're producing to product spec. In lithium hydroxide and carbonate, at Mt Marion converted and sold 4300 tonnes of lithium hydroxide, up 15% quarter on quarter. At Wodgina we sold our first lithium hydroxide carbonate, 2200 tonnes, so that was pleasing. And our average realised pricing of US\$65.99 a tonne, excluding VAT, was a good outcome.

On Mt Marion, the expansion to 900,000 tonnes has been delayed by a couple of months due to supply and process equipment and labour shortages. Our FY23 guidance therefore reduced to 250,000 to 280,000 tonnes, down from previously 300,000 to 330,000 tonnes. We're maintaining 40% will be high-graded product, that's unchanged. Our FOB guidance is also similarly increased as a result of the delay in the expansion and so costs will be \$540 to \$590 a tonne, previously was \$460 to \$510 a tonne FOB.

The capex for the expansion remains at \$120 million of 100% basis and pleasingly during the quarter we also completed an extension to the Ganfeng toll treating agreement to the end of 2023 with an option to extend this further to 2024. Just note within our results and I think we've talked to you before about this, but there is a working capital build-up as we build our hydroxide business and conversion capacity. There's a lag of about a six-month period from shipment of spodumene to lithium hydroxide and so you should just be aware of that as you model the Company going forward.

So, at Kemerton, Train 1 is commissioning and the product remains subject to qualification. We continue to work on the Albemarle transaction and as the terms are set out in the 2022 results presentation, so that's continuing. In our gas business, it was a very busy quarter. We've made an off-market scrip offer for Norwest Energy in December and we revised that offer yesterday and then Norwest directors have recommended that offer. We've also contracted a drill rig to drill Lockyer-2 and North Erregulla Deep, that rig is now mobilising from the Northern Territory. In addition, we took a 19.17% stake in Warrego Energy.



In the Carnarvon Basin we picked up an additional acreage with our JV partner, Buru.

So, with that, they were some of the highlights in the quarter. So, I might pass it over to everyone and see if you'd like to ask a question. Darcy, can you please queue the questions?

Operator: Thank you. If you wish to ask a question via the phones, you will need to press the star key followed by the number one on your telephone keypad. If you wish to ask a question via the weblink, please type your question into the Ask A Question box. The first question comes from Kaan Peker from Royal Bank of Canada. Please go ahead.

Question: **(Kaan Peker, Royal Bank of Canada)** Good morning, James and Chris. A few questions from me, if that's okay. Just wanted to get a bit more detail around what's driving carbonate conversion or production from the MARBL JV. It seems like it's linked to qualification or accreditation and long-term lengthy contracts with Albemarle, which is temporary, is that correct?

James Bruce: Yes, hi Kaan. Yes, look there is a process to go through with qualification, you know, as we ramp up our hydroxide and carbonate sales, that's ongoing. We're pretty pleased about those outcomes and it's in line with our expectations.

Question: **(Kaan Peker, Royal Bank of Canada)** Should we expect more conversion of carbonate going forward?

James Bruce: Well, it will be a combination of both carbonate and hydroxide. We will make the best value decision at any point in time, whether it's carbonate or hydroxide, we're not guiding on either one and with our partners in Albemarle, we will make those decisions on a go-forward basis.

Question: **(Kaan Peker, Royal Bank of Canada)** Sure. I'm just wondering if there's a toll charge on the spodumene that's different if it's carbonate or hydroxide.

James Bruce: The very short answer is there's no difference, Kaan.

Question: **(Kaan Peker, Royal Bank of Canada)** Okay, sure. Just last one, just sticking with Wodgina. I think you mentioned that all three trains are online. Is there any constraints to ramping that up? Have all the approvals been receipts?

James Bruce: Yes, so as we've previously stated, we are going through approvals this half that we're in right now and our guidance contemplates those approvals. So right now, we have in place – we will be producing from two trains on a 100% basis and a third train will be available, but we're not able to lift our mining volumes until July of this calendar year. So actually, Wodgina is going extremely well and those approvals we expect to have in place by mid-year.

Question: **(Kaan Peker, Royal Bank of Canada)** Perfect, thanks, I'll pass it on. Appreciate it.

James Bruce: Thanks, Kaan.

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

Question: **(Austin Yun, Macquarie Group)** Morning James and Chris, just two questions from me. The first one is on the Mt Marion expansion. Noted there is a delay, which is not uncommon in the tender market. I'm just curious about these \$120 million capex, how much has been spent, how much is yet to be expensed in future quarters? Based on the recent update, it seems like the inflation is quite a common amount used in lithium peers. I'll come back with a second one, thank you.

James Bruce: Thanks Austin. No, so we build, own and operate everything ourselves using our mining services business and I think that's why we're able to keep costs under control. While there has been a delay because of the noted items, it hasn't led to cost increases for us and we'll disclose the capex for the half that we spend at our financial results in February.

Question: **(Austin Yun, Macquarie Group)** Thank you, James. The second question is around the iron ore price realisation, noted that there has been a change from two-month lag to one month. Just wanted to confirm that in the March quarter the realisation will be back to normal, more kind of reflective of the iron ore ecology or if there's any other adjustment, we need to be aware of? Thank you.

James Bruce: Yes, so Austin we're pretty pleased at what's happening in our iron ore business, we are and we have started producing more lump, especially at our Yilgarn operations and the guidance is the 20% lump on a go-forward basis. As you noted, our quotation period is also down from two months to one month, so there should be less variability on a quarterly basis on our realisations.

Then we're pretty pleased with how customers are receiving the product and demand for the product right now. I can't really guide you to the next quarter because it's subject to what happens to iron ore prices over that quarter. But needless to say, we're quite constructive on where the iron ore market is right now.

Question: **(Austin Yun, Macquarie Group)** Thank you James. So also it's better quality coming through as well – OK?.

James Bruce: That's right.

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

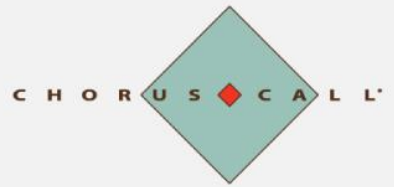
Question: **(Rahul Anand, Morgan Stanley)** Hi guys, happy new year. I just had a couple of...

James Bruce: Happy new year to you, Rahul.

Question: **(Rahul Anand, Morgan Stanley)** I had a couple of things to say. Thank you, thank you. Look, a couple from me, in terms of the Wodgina spod price achieved, just looking at – my understanding was that you got basically the previous quarter for the present six months. That was sitting at about a US\$6700, the price flagged today seems to be more around US\$6000. Is there any other adjustments in there? Obviously, there's the shipping to get to the FOB, but that's minimal. I just want to understand that part first and the second on the spod side, the ownership, if there's an update there.

James Bruce: There's just on, on Wodgina, so in term of the spod price, we achieved 95% of the average three-month trailing set of the three indices: past markets, Asian metals and benchmark minerals so you, that's the formula, if I can guide you to that. In terms of our discussions with Albemarle, they're continuing on, in terms of ownership.

Question: **(Rahul Anand, Morgan Stanley)** Okay, no worries. And then if we talk about the conversion side then, in terms of the achieved price, the \$51,000 per tonne, what was the product quality there? Was there any sort of adjustments because you're still ramping up and qualifying, and was that technical-grade product or was that battery grade and how should we think about pricing for that side of the business?



James Bruce: So, I can confirm it was battery grade product and that we have been able to achieve the specifications on the spodumene, as I stated. There are legacy contracts that some material was sold into and we've also stated that on a go-forward business, we expect it to be more in line with spot or indices out there. I think you would have seen some of Albemarle's disclosures overnight, they've got a chart in there, sort of indicating that as well, Rahul, so I think that would be the expectation.

Question: **(Rahul Anand, Morgan Stanley)** Understood, okay. Then, pleasing to see the toll treating arrangement being extended, any changes to cost structure that I can expect? Obviously, calendar year 2023 probably similar, but do you expect that you'd be able to perhaps negotiate a lower cost of conversation in calendar year 2024 if you can get that contract extension and I mean, I presume that's the topic of discussion at the moment for that extension.

James Bruce: So, I mean we have; we've included those discussions. We've extended the contracts for a year as stated and we've got the option for another year and the terms are very similar to the terms that we've achieved in the past, so I think the best guide for you, Rahul, is to look at the last two reporting periods and look at what we've been able to achieve and the margins we've been able to achieve from the tolling of the slow [unclear] and to hydroxide and carbonate and that's the best guide that I could give you.

Question: **(Rahul Anand, Morgan Stanley)** Perfect and that calendar year 2024 option is for MinRes, yeah? You've already got that available now, basically.

James Bruce: It's for both parties, so it's both parties, Rahul, so we will see how this year goes and then determine what 2024 looks like.

Question: **(Rahul Anand, Morgan Stanley)** Perfect, that's all from me, thank you.

James Bruce: Thanks Rahul.

Operator: Thank you. Your next question comes from Jim Xu from Barrenjoey. Please go ahead.

Question: **(Jim Xu, Barrenjoey)** Good morning Chris, good morning James, thanks for your opportunity to ask a question. So, just maybe on iron ore first, I know 98% realisation, 84% with out the PPA and better quality, but was there anything

else in the quarter and to why the realisation was so high? I think you were around 70% for the quarter.

James Bruce: Jim, look no, there wasn't. I mean I think we've done a good job of managing the books and we - for our team as customers are requesting the product and we're selling into a willing market.

Question: **(Jim Xu, Barrenjoey)** Okay, understood. Thank you. Then one question just on lithium. Is my understanding that Wodgina, the hydroxide sales will effectively just get the Albemarle price, so that's why - Albemarle guided that in 2023 they'll get some combination of spot with the lag in spot. Is that - so you'll be getting Albemarle's price, you won't have a separate agreement whereby you only get the spot index?

James Bruce: Jim, we expect - this is subject to the current ownership and current transaction. Your comments probably hold if we don't conclude the transaction but if we conclude the transaction, and I think probably some different outcomes that you would need to think about and that we'll announce at the time.

Question: **(Jim Xu, Barrenjoey)** Okay, understood. Thank you. If I can squeeze one more question in. How are the discussions with Albemarle going with the ramp-up of - well, with train 4? Has a decision been made; when can we expect to hear more information about that?

James Bruce: With regard to train 4, we're working through the numbers. I think we've previously advised that we would do that over the next six months or the first half of this year. We are determining what the size of train 4 should be, whether it should be the same size as the other three trains or something larger. We're doing that technical work right now and through calendar 2023 we'll then have the discussions with Albemarle and if there's anything to announce we'll obviously [unclear].

Question: **(Jim Xu, Barrenjoey)** Okay. Thank you very much.

James Bruce: Thanks, Jim.

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

Question: **(Alex Ren, Credit Suisse)** Morning, James and Chris. Happy new year. A couple from me, please. A follow-up question on the Wodgina mine approval. Is

stage 3/stage 5 - stage 3 expansion approval still on track to arrive to arrive this quarter?

James Bruce: Yes. I think we've said this half, Alex. I think it's important to maybe just say a few things. We're pretty pleased with how Wodgina is going. We've ramped up to all three trains pretty quickly where at product spec.

The tailings management is going well. We have commissioned a dry stack tails facility which will extend the life of the existing tails dam. The approvals are progressing and our guidance contemplates all of this and we expect those approvals in place by middle of this year.

Question: **(Alex Ren, Credit Suisse)** Sorry, just a bit more on this. What about fleet preparation, lay-by recruitment as well as pre-strip? I think all that you've previously mentioned on a site trip that that's going to take another six to nine months after approval, right?

James Bruce: I don't think - I think once we have approvals, all three trains will be able to ramp up very quickly to 100% of their capacity. We do have options around train 4. We do and are expanding the pit so that we're doing the pre-stripping to move the waste to allow the production at the pit to increase in line with the approvals that we expect to get in midyear. There's a lot of activity going on right now, Alex, and I think our guidance contemplates all of that.

Question: **(Alex Ren, Credit Suisse)** Yes, understood. Also, could you give a bit more colour on the 9000-tonne spodumene spot sales via Albemarle this quarter? I think management previously flagged a couple of times on not selling standalone spodumene product. I'm just trying to understand the rationale behind this. Is this because of Wodgina ramp-up is faster than the downstream tolling could accommodate currently, and do you expect spot sales to continue over the foreseeable future?

James Bruce: So Alex, downstream processing facilities are available to treat this product but there is a qualification process that it all needs to go through. We have sold some sales on a spot basis to some toll treaters, and they're going through their own qualification. All that's going pretty well on a go-forward basis. We expect to - we will determine where the best value for the product is, whether that's selling into hydroxide, whether it's selling into carbonate, or maybe it's also doing some spot sales.

Some of this, this is obviously the first quarter or first half that we've sold hydroxide from Wodgina and produced it, so we're pretty pleased with those outcomes on a go-forward basis we expect to do firstly higher volumes and as qualification and as market acceptance of the product improves obviously over time, then I think we'll be well set up but we'll maintain some flexibility.

Question: **(Alex Ren, Credit Suisse)** Yes, roger that. Lastly on the Albemarle JV finalisation. I think you've been marketing the 50% stake at Wodgina for a while, but the finalisation process is still tracking on. Just wondering, is there any clause that could allow backdated earnings in cash flow upon finalisation?

James Bruce: Look, it's all subject to final determination but I think potentially there could be - at the moment we've given the caveat to our guidance and right now we're at 45% at Wodgina and hoping to get to 50% at some point. I can't really - until the transaction is concluded, I can't really be any more definitive than that.

Question: **(Alex Ren, Credit Suisse)** Okay, yes. Understood. That's it from me. Thanks team. I'll pass it on.

James Bruce: Thanks, Alex.

Operator: Thank you. Your next question comes from Matthew Frydman from MST Financial. Please go ahead.

Question: **(Matthew Frydman, MST Financial)** Sure. Thanks. Morning, James and Chris and happy new year to you gents. A couple of questions on Wodgina firstly if I can. Firstly, any comments on the tolling cost at Wodgina that we should be thinking about in particular compared to Mt Marion? You mentioned just now obviously that the best guide that we've got on tolling cost is obviously to look back at what you guys have achieved at Marion with Ganfeng but clearly, you're feeding a much higher-grade material from Wodgina, you've got different tolling partners apart from just your relationship with Ganfeng when you think about the Wodgina material. How should we be thinking about those sales?

James Bruce: Matt, the best guide I can give you is it's pretty similar, and if you looked on a backwards basis, if you worked on around US\$10,000 a tonne, you're there and thereabouts. That's the best guide that I can give you.

Question: **(Matthew Frydman, MST Financial)** Okay, so that's US\$10,000 a tonne a per-tonne of product basis. Sorry, does that include VAT or that's ex-VAT? I think

previously you've said you contemplated including that VAT charge in the conversion.

James Bruce: There's no VAT in that, but that is - that's a US dollar number. What that number is, it includes the capital charge and the operating costs of hydroxide.

Question: **(Matthew Frydman, MST Financial)** Got it. That's very clear. Thanks very much, James. Secondly, just so I'm at least in the right ballpark when I look at my financials for the first half, what are you expecting to report in terms of Wodgina's stake in - with the February results? Should we be thinking about reporting on a 40% basis?

James Bruce: Matt, it depends on what happens between now and our results. What I can say today it's at 40% but if we concluded the transaction then the number would change.

Question: **(Matthew Frydman, MST Financial)** Okay. A very diplomatic answer. Thanks, James. Just a couple of quick ones on iron ore if I can. The 98% realisation in the December quarter, my impression is that there was obviously a tailwind of provisional pricing there. Can you give us a sense of what that realisation would have been ex any provisional pricing adjustments, just to get a gauge of where your discounts are at currently or at least in the last quarter?

James Bruce: Yes. Matt, in my opening comments I gave that number for the prior period adjustment. Without prior period adjustments it would have been 84%.

Question: **(Matthew Frydman, MST Financial)** Thanks, James. Sorry, I must have missed that one. Thank you for that detail. Then just quickly on Ashburton. Some comments in the quarterly of course but can you give us an update on where you're at with permitting for that project? Any key permits still outstanding and any expected timelines on those?

James Bruce: Yes. The onsite project is making good progress with a number of activities that have been going on during the quarter. The 330-person camp at Ken's Bore is progressing, the airport earthworks are continuing. The port earthworks are advancing and the transhipper construction is going pretty well. All these are pretty important enablers for the project on a go-forward basis.

We're well advanced on the key approvals and they are also well progressed. We're looking forward to starting production within the next year, or in the next

year, sorry. The approvals, we are waiting on them and as they are received we'll progress with the project. That's about it for now. I think we'll probably say some more in our results.

Question: **(Matthew Frydman, MST Financial)** Yes, okay. Got it. Thanks, James. I think obviously the haul road to port, one of the key activities in order to be able to ultimately export that product, is that critical path in terms of that approval and is that one of the ones that's still outstanding?

James Bruce: Well, we do need the approvals for the road and we're hopeful of - as I said, the approvals are well advanced and we're hopeful in the near term of receiving them.

Question: **(Matthew Frydman, MST Financial)** Got it. Okay, thanks very much, James.

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

Question: **(Lachlan Shaw, UBS)** Morning guys, happy new year from me. A couple if I can. Just on the capex numbers at Mt Marion, obviously you're guiding to stable unchanged capex there. How confident are you around that? I guess also related, capex at Onslow, what's the risk on those capex numbers, the guidance? Is it more on the dollars spend or is it more on timing of getting equipment to site?

James Bruce: One of the, I think, huge advantages of MinRes is that we do everything in-house and do it ourselves through our mining services business, which means that we have great control over both quantities of equipment that we need for a project, and we manage that very well. As it relates to delays, then we don't have variations to contracts because we are the contractor doing our own work.

As a scope of a project changes, we don't find that we have to renegotiate with anyone. What happens is we just have a delay in deliver. That's what you've seen with the Mt Marion project right now; that's why the capex hasn't increased. As it relates to Onslow, I think it's still early days and we'll just have to - well, as we go through our financial results during the year we'll disclose the capex, but I can't give you an update on Onslow today.

- Question: (Lachlan Shaw, UBS) No, that makes sense. Thank you. Then just a couple on Mt Marion, just the shift back to index pricing. What was the rationale there? Was that initiated by you or by the customers or mutual agreement?
- James Bruce: Mutual agreement between us. We renegotiated, or we extended, sorry, the Ganfeng contract and that there's potential agreement of other parties that we wanted to go back that formula that we'd used in the past.
- Question: (Lachlan Shaw, UBS) Okay, got it. Then just in terms of Wodgina, and obviously we're all looking forward to you guys getting that completed in terms of the ownership and restructuring change. Can you just remind us, what does the critical path look like. If it's a fourth train, I think you've talked to the studies underway right now, but then the one I'm interested here is the potential shift to 5.5% spod from 6%. What sort of studies or test work does the JV need to go through to get to that decision point?
- James Bruce: Yes. I think the decisions are quite separate decisions. Train 4 I think I've spoken about in answering another question. We expect to work through that through this calendar year. We're looking at the scale of it. The decision between 5.5% and 6% is an imminent decision and we know what the benefits are from doing so, because we've done the same thing at Mt Marion and it does lead to margin improvement going forward. We'll probably have a little bit more to say about that at our full year results - sorry, half year results.
- Question: (Lachlan Shaw, UBS) Okay. Just to follow up quickly then. On that basis would it be fair to assume that perhaps the test work has been done by Albemarle in terms of taking the 5.5% to the 6% through their refineries?
- James Bruce: Look, I'm not going to answer on behalf of Albemarle. As MinRes, we know what we would like to do. As I said, we've proven that works at Mt Marion. I think we've got great confidence in the technical reasons for moving to 6% to the 5.5%.
- Question: (Lachlan Shaw, UBS) Okay, great, thanks. That's very helpful. I'll pass it on.
- Operator: Thank you. Your next question comes from Alexander Papaioanou from Citi. Please go ahead.

- Question: **(Alexander Papaioanou, Citi)** Hi, James and Chris. Will your cash flow for 1H reflect the sold chemical volumes at Wodgina, or the produced? Secondly, can you remind me again on the lag to cash flow and P&L for Wodgina?
- James Bruce: Just making sure I've got this right. It will reflect the sold volumes. The second part of it is repeated - I want to make sure I'm answering the right question.
- Question: **(Alexander Papaioanou, Citi)** If you can just remind of the lag to the cash flow and P&L from Wodgina, how it flows through.
- James Bruce: It's a six-month lag but I think we've talked about that a couple of times, and I made the comments in my prepared remarks that there is a lag from spodumene through to the hydroxide. It's about three months for shipping and then it's a further three months through processing and payment.
- Question: **(Alexander Papaioanou, Citi)** Okay. Is that the same for Mt Marion as well?
- James Bruce: Yes.
- Question: **(Alexander Papaioanou, Citi)** Okay. Just one more from me. What's the current permitted mining rate at Wodgina?
- James Bruce: Permitted mining rate. We've got – we can expand to all three trains and there are - from a mining point of view we can do that. The permits that we require, I've referred to a number of times, but they're not mining-related permits.
- Question: **(Alexander Papaioanou, Citi)** Okay. That's it from me, thanks.
- James Bruce: Thank you.
- Operator: Thank you. Your next question comes from Robert Stein from CLSA. Please go ahead.
- Question: **(Robert Stein, CLSA)** Hi guys. Happy new year. Thanks for the opportunity to ask a couple of questions. The first one I just had was on the mismatch between production and shipments at Utah hub. Is that inventory that we can expect to flow on into Q1 - or sorry, calendar year Q1 or calendar year Q2, weather depending? I'll come back with my second one around realisation.
- James Bruce: Yes, Rob, that's right. We would expect those volumes to - I'll go to what happened during the quarter. The shipments were lower than production because there was a shiploader breakdown in October. That lasted three days.

There was also planned port maintenance in November of a further 10 days. Shipments were lower than production and to the extent that they were, we expect to draw down on those stocks in the second half of financial year '23.

Question: **(Robert Stein, CLSA)** Yes, cool. I thought so. Just one other quick one just on grades at Yilgarn. I saw a big pickup there in the results and I was just wondering is that what we can expect going forward or is that an anomaly? We saw I think it was up towards the 58%, 59% at Yilgarn, which has traditionally been around the 56.5%, 57%.

James Bruce: Yes. I think in reality it's probably back up to where it was historically rather than anything else, the prior half were smaller. It's also because of the lump, the percentage lump coming back. I think it's a combination of both factors.

Question: **(Robert Stein, CLSA)** Cool, okay. So then that blended Fe grade for the aggregate, that's a bit lower. Is that just because of some sort of moves in stockpiles in terms of what was sold versus what was coming out of mine gate versus what was sold?

James Bruce: That would be a very small impact. That impact is negligible.

Question: **(Robert Stein, CLSA)** Okay. Maybe we can just take that one offline then in terms of doing my maths to work on that one. I might be missing something.

James Bruce: Happy to do that.

Question: **(Robert Stein, CLSA)** That's all from me, thanks.

James Bruce: Thanks a lot.

Operator: Thank you. Your next question comes from Ben Lyons from Jarden. Please go ahead.

Question: **(Ben Lyons, Jarden)** Good day guys. First one - sorry to go back to the MARBL JV structure - but in response to Frydo's question it appeared that you were implying that it is MinRes' intention that if you close the deal it can be backdated. Can you just clarify that, if that's the intention, that you've got confidence that that can actually be achieved? Thanks.

James Bruce: Yes Ben. I think - I mean it's going to be subject to what we finally conclude in the agreement. I think right now we're at 40%. Upon closing the deal we'll announce what happens.

Question: **(Ben Lyons, Jarden)** The effective date?

James Bruce: We would announce that at the time as well.

Question: **(Ben Lyons, Jarden)** Thank you.

James Bruce: I think just to be conservative if you just ran the 40% this half. I think that's a reasonable assumption.

Question: **(Ben Lyons, Jarden)** Absolutely, thank you Chris. Secondly just going back to the lags in the system between Wodgina and the chemical produced in China. I just wanted to clarify because obviously there's going to be a material ramp-up in volumes of concentrate shipped across. Again it appeared that you're quite confident that there's abundance either Albemarle whole-owned processing capacity and or third party tolling capacity in China. So none of this assumption about the lag staying consistent is beholden on Albemarle's ability to actually deliver their greenfields converters? Can you just clarify? Thanks.

James Bruce: Look Ben I think that's probably a question for Albemarle. But our expectation is what we put in our announcement, that we expect to be able to sell everything that we produce. It will be either into - or into hydroxide and to the extent that there is any spodumene we will look at all of those decisions based on value at the time. I think - we also stated that the market is incredibly strong. Demand for the products is high. So I think we have some options available to us. I think it's a good time to be ramping up production. We will realise the benefits as they come through.

Question: **(Ben Lyons, Jarden)** Absolutely, thank you. Then just coming back to that potential third party spodumene sales and obviously the price that Albemarle have dictated in the December quarter had a five handle on it, probably wasn't the best price realisation that could have been achieved if MinRes was marketing the product. But just to clarify once more that if the MARBL JV structure stays as is, then it is Albemarle that determines whether or not third party spod concentrate sales occur and at what price.

James Bruce: So the - if the - under the current agreement, that's right.

Question: **(Ben Lyons, Jarden)** Thank you. The final one is just on the energy business and the upcoming drilling program in the Perth Basin. It appears to have been a slight change of schedule to put Lockyer 2 ahead of North Erregulla Deeps 1.

Just wondering if that's possibly about approvals for the drill pads. Because I would have thought that the bigger prize is actually seeing if that reservoir is potentially connected down to North Erregulla. Thanks.

James Bruce: Ben I think it's a small timing difference. We're going to sink both wells with - one will follow the other. It takes about six weeks to drill a well. So I mean the timing difference is six weeks. We've got the pad available. We'll drill Lockyer first and six weeks later we'll drill North Erregulla. I think in terms of value I don't think there's a big difference between when we get that information.

Question: **(Ben Lyons, Jarden)** Okay. Thanks very much James. All the best with the drilling program.

James Bruce: Thanks Ben.

Operator: Thank you. Your next question comes from Mitch Ryan from Jefferies. Please go ahead.

Question: **(Mitch Ryan, Jefferies)** Thanks for taking my call guys. Just a question on whether [unclear] Wodgina is JV or post the restructure if it goes ahead, if the offtake parties have different views on the product spec that they want. Can Kemerton Train be calibrated at C5.5% and another at SC6%? Or do they have to be calibrated to the same sort of spec?

James Bruce: Mitch I think I got your question. You were very faint there. But I think you were asking about the calibration of each train and whether at 5.5% or 6% spod. I think if we made the decision to go to 5.5% then it would be across all trains. Because the value difference - it's the value that gives us an answer. So I don't know why you'd want to produce a 6% product if you think 5.5% gives you better value. So all four trains will be operated under the same basis.

Question: **(Mitch Ryan, Jefferies)** Thank you.

James Bruce: Thanks Mitch.

Operator: Thank you. Once again if you wish to ask a question via the phones you will need to press the star key followed by the number one on your telephone keypad. If you wish to ask a question via the weblink please type your question into the ask a question box. Your next question comes from Alex Ren from Credit Suisse. Please go ahead.

Question: **(Alex Ren, Credit Suisse)** Hi gents. One more from me please. What is the thinking around this remaining 15% stake at Kemerton? I mean, you don't control it nor feed it. Just any discussions with Albemarle for you to just exit this asset for something that's currently working?

James Bruce: Alex, I mean that's just not contemplated at the moment. We've got a transaction that we're trying to close and we've given the broadest terms of what that closure looks like and we need to work to that.

Question: **(Alex Ren, Credit Suisse)** Yes. Yes, got it. That's it, thank you.

James Bruce: Thanks, Alex.

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

Question: **(Lachlan Shaw, UBS)** Thanks again, guys. Just a couple of follow ups. So just to confirm, current expectation for Train 3 operations is still to kick off from July? Is that the thinking, assuming the approvals fall into place?

James Bruce: That's right, Lachlan.

Question: **(Lachlan Shaw, UBS)** Okay, thanks. Then just a bit broader, so in terms of obviously the MARBL JV is yet to be finalised but in terms of your thinking about where you would look to be investing in downstream capacity, there's been a few changes. UFIRA, geopolitics, capex intensities et cetera.

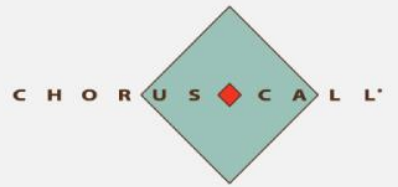
What's the current thinking? Has there been any evolution in the current thinking of where you would look to deploy capital into downstream?

James Bruce: I think if you went back to our comments that we made at either the full year results last year or even at our AGM in November, I think we've been clear at both of those events that we are interested in doing more downstream processing here in Australia and in particular in Western Australia. You know, we're having discussions with various parties about how best to do that.

Question: **(Lachlan Shaw, UBS)** Okay, thanks again.

Chris Chong: Thanks, Lachlan.

- Operator: Thank you. There are no further questions on the phones or the weblink at this time – pardon me, we’ve just had a follow up question from Matthew Frydman from MST Financial. Please, go ahead.
- Question: **(Matthew Frydman, MST Financial)** Sure, thanks. Sorry for dragging out the call for one more question, James, but just quickly wondering if you can make any comments on the Warrego stake that MinRes has been building? I mean I know there was some stuff in the press but yes, prefer to hear it from you guys directly.
- James Bruce: Yes, I mean Matt, we – you know, we acquired a 19% position. I think we see it as a strategic foothold and we look forward to being shareholders on a go forward basis.
- Question: **(Matthew Frydman, MST Financial)** Do you have a – I guess a blue sky picture of the ideal way that you’d like to see the two basins developed? I mean, clearly if there’s going to be a significant investment in the Lockyer Basin, it would make sense for MinRes to be involved in other developments in the area.
- James Bruce: I think, Matt, we’ve got a view on what the Lockyer field can do for our business and how we build out that business for MinRes and what that can do for a decarbonisation for the business on a – and what it means for economic returns. I’m feeling the Perth Basin is pretty attractive for us and we’re the largest landholder in the Perth Basin.
- So we think there’s a pathway over the next five years to build a very significant business for Min Res and our energy business will be the fourth pillar. Shelly Robertson is heading that business and we’ve got some very exciting plans for what we expect to be able to do. We’re a shareholder in Warrego and we’ll see how that develops over time but you know, I think it’s pretty exciting.
- Question: **(Matthew Frydman, MST Financial)** Okay, thanks for the thoughts, James. Good to hear that it’s not just collecting handbags as I think someone wrote in the pressers, so thanks.
- James Bruce: Thanks, Matt.
- Operator: Thank you. There are no further questions at this time. I will now hand back to Chris Chong for closing remarks.



Chris Chong:

Thanks guys, thanks for your time and have a great [unclear]. Looking forward to seeing you or speaking to you at first half results which are scheduled for 24 Feb although in the meantime, if you've got any questions just please reach out and happy to take any other questions offline.

Operator:

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

[END OF TRANSCRIPT]