



# HALF-YEAR RESULT ANNOUNCEMENT

21 February 2024

## STRONG HALF-YEAR OPERATIONAL PERFORMANCE ACROSS ALL BUSINESSES

### ► Solid underlying financial results:

- Revenue increased 7 per cent on prior corresponding period to \$2,514.7M.
- Underlying EBITDA of \$674.9M, representing an EBITDA margin of 27 per cent.
- Fully franked interim dividend of \$0.20.

### ► Robust liquidity position maintained:

- Completion of US\$1,100.0M Senior Unsecured Notes Offering in October 2023.
- Net debt at \$3,546.7M and Net debt/Underlying EBITDA of 2.4x (calculated on a rolling 12 month basis).
- Available liquidity at 31 December 2023 of \$1,783.1M, including cash on hand of \$1,383.1M.

### ► Safety:

- Maintained an industry leading Total Recordable Injury Frequency rate of 1.90.
- Lost Time Injury Frequency Rate was 0.18.

### ► Mining Services:

- Production volumes of 139Mt within guidance.
- Delivered Underlying EBITDA of \$253.7M.
- Awarded five new contracts and renewed three contracts with Tier 1 clients.

### ► Iron Ore:

- Onslow Iron construction within budget and on target for first ore-on-ship in June 2024.
- Sales volumes of 8.7M wet metric tonnes (wmt) on track to guidance across both hubs.
- High prices and low product discounts delivered Underlying EBITDA of \$266.2M.

### ► Lithium:

- Mt Marion plant expansion commissioned, with 99k dry metric tonnes (dmt) of SC6 equivalent spodumene concentrate shipped, up 39%.
- Pre-strip activities at Wodgina well advanced and 87k dmt of SC6 equivalent spodumene concentrate shipped, up 36%.
- Acquired Bald Hill effective 1 November 2023, with 18k dmt of SC6 equivalent spodumene concentrate shipped.
- Completed the restructure of the MARBL joint venture in October 2023, increasing ownership in Wodgina to 50%. Received US\$383.6M (\$587.8M) from Albemarle Corporation (**Albemarle**).

► **Energy:**

- High quality clean gas has been intersected through further drilling activities at the Lockyer-3 appraisal well.
- Development application lodged for gas processing facility. Final Investment Decision expected in 2H24, subject to WA Government agreement for partial export.

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or the **Company**) is pleased to announce its financial results for the half year ended 31 December 2023 (1H24).

Commenting on the results, MinRes Managing Director Chris Ellison said:

“A focus on delivery has our lithium, iron ore and mining services divisions on track to guidance this year and the transformational Onslow Iron project on time and on budget.

“MinRes’ diversified business model ensured a solid set of financial results despite weaker lithium prices, with revenue for the first half up 7 per cent to \$2,514.7M. Underlying EBITDA of \$674.9M was evenly split between lithium (\$271.4M), iron ore (\$266.2M) and mining services (\$253.7M), with statutory net profit after tax of \$518.0M. The decision to declare an interim dividend of \$0.20 aligns with our disciplined financial approach given the current environment.

“Incredible progress was made on Onslow Iron over the half. We currently have more than 2,000 people working on the project, with first ore-on-ship on target for June 24. Our unique ‘build, own, operate’ model at Onslow Iron ensures we have full control over costs and project delivery despite the high inflationary environment. The in-house expertise that gives MinRes a competitive advantage was recognised with the creation of our fifth pillar, Engineering and Construction.

“We continued to invest in the Lithium business, with the acquisition of a third hard rock mine, Bald Hill, and the expansion of our footprint in Western Australia through strategic investments in the world’s most prospective ground.

“Shipments from Wodgina and Mt Marion were up significantly over the year. We took the opportunity with last year’s high prices to complete major pre-strip activity. Unit costs are now falling at both sites. Further reducing costs while prices are depressed remains a priority this half.

“Iron Ore was the half’s star performer as stronger prices and solid volumes drove up revenue 37 per cent to \$1,329.4M. Mining Services was awarded five new contracts and renewed three contracts, including our first major contract in Queensland.

“The Energy division progressed our pathway to gas production. The processing facility’s development application has been submitted and a Final Investment Decision is due this half. Drilling continues at Lockyer-5, the fourth of 10 production wells. Our gas exploration program steps up in FY25, with nine wells planned after the purchase of a new automated rig, MinRes Explorer, significantly boosted our drilling capacity.

“MinRes continues to redefine the FIFO experience. Recent initiatives include direct flights from the east coast, couples moving into resort-style accommodation and the introduction of a la carte service.

“We are now expanding our mental health service with the recruitment of a team of counsellors who will provide expert support at our sites. We remain committed to investing in our 7,200-strong workforce, whose dedication and professionalism made this half’s impressive achievements possible.”

**CONFERENCE CALL**

MinRes Managing Director Chris Ellison and Chief Financial Officer Mark Wilson will provide a webcast presentation on the half-year results 22 February 2024 at 08:00AM AEST.

To register, use this link <https://web.lumiconnect.com/366584996>

## 1H24 OPERATIONAL AND FINANCIAL PERFORMANCE

MinRes generated statutory net profit after tax of \$518.0M, up \$127.9M on prior corresponding period (pcp), which includes a \$279.8M pre-tax net gain plus a net tax benefit of \$79.5M recognised on completion of the MARBL joint venture restructure.

Underlying earnings before interest, tax, depreciation, amortisation and impairment (Underlying EBITDA)<sup>1</sup> was \$674.9M, down 28 per cent on the pcp<sup>2</sup>.

MinRes delivered a strong performance in a highly productive half with consistent mining services results, increased lithium volumes at lower cost and strong iron ore earnings from improved prices.

Underlying operating cash flow before financing and tax<sup>3</sup> of \$820.8M was up \$261.5M on pcp, representing an excellent conversion rate from Underlying EBITDA of 122 per cent.

Continued to maintain an industry-leading Total Recordable Injury Frequency rate of 1.90. Lost Time Injury Frequency Rate was 0.18. Mining Services delivered production volumes of 139 million tonnes (Mt) and Underlying EBITDA of \$253.7M. Mining Services excluding Construction Underlying EBITDA of \$1.9 per contract tonne was in line with historical performance. The Mining Services business was awarded five new contracts and renewed three contracts with Tier 1 clients.

The Iron Ore division achieved Underlying EBITDA of \$266.2M from shipments of 8.7Mt. Earnings benefited from a strong Platts 62% IODEX and low product discounts. The average achieved price increased to US\$111 per dry metric tonne (dmt) (1H23: US\$84/dmt), partially offset by higher haulage costs and royalties. Onslow Iron is progressing well and within budget. The project remains on target for first ore-on-ship in June 2024.

The Lithium business achieved Underlying EBITDA of \$271.4M. The result was impacted by weakening lithium prices, partially offset by lower costs due to higher plant recoveries and increased volumes. Wodgina focused on pre-stripping activities for Stage 2 development work. In 1H24, 87k dmt SC6 equivalent (attributable) was shipped. A total of 10.7kt (attributable) of lithium battery chemicals produced from Wodgina spodumene concentrate was sold.

At Mt Marion, produced tonnes increased to 147k dmt with the plant expansion commissioned and ramping up. Mt Marion shipped 99k dmt SC6 equivalent (attributable). The decision to commence underground development resulted in a change to the open pit mine plan and a lower strip ratio, resulting in lower FOB Cost.

The Energy division continued to progress its exploration and drilling program in the Perth Basin. Assembly of the new automated drill rig, the MinRes Explorer, commenced during 1H24, which will allow for the fast-track development of exploration and production wells. Lockyer-5 gas drilling also commenced and will be executed as one of 10 production wells. Development application was submitted for the gas processing facility. A Final Investment Decision is expected in 2H24, subject to approval by the WA Government of a partial export agreement.

<sup>1</sup> In order to provide additional insight into the performance of the business, the Group uses non-IFRS measures such as Underlying EBITDA. Reconciliations to IFRS measures are provided in note 2 of the financial statements.

<sup>2</sup> Comparison to pcp being the half year ended 31 December 2022 (1H23).

<sup>3</sup> Underlying operating cash flow before financing and tax of \$820.8M represents Net cash from Operating activities of \$624.2M excluding cash from net financing costs and income taxes paid of \$196.6M.

| METRIC   | 1H24 RESULTS | COMPARISON TO PCP |
|--|--------------|-------------------|
| Revenue  | \$2,514.7M   | Up 7%             |
| Underlying EBITDA <sup>1</sup>                 | \$674.9M     | Down 28%          |
| Statutory net profit after tax                 | \$518.0M     | Up 33%            |
| Diluted earnings per share (EPS)               | 272.41cps    | Up 35%            |
| Interim dividend declared                      | 20.00cps     | Down 83%          |
| Cash conversion                                | 122%         | Up from 60%       |
| Capex  | \$1,476.0M   | Up 99%            |
| Cash <sup>2</sup>                              | \$1,383.1M   | Stable%           |
| Net debt <sup>2</sup>                          | \$3,546.7M   | Up 91%            |
| Net assets <sup>2</sup>                        | \$3,985.3M   | Up 13%            |
| Return on invested capital (ROIC) <sup>3</sup> | 5.3%         | Down from 18.4%   |

### 1H24 INTERIM DIVIDEND

The Board of Directors has declared a fully franked interim dividend of \$0.20 per share. The dividend is due to be paid on 26 March 2024 to shareholders on the register at 4 March 2024.

### ENDS

*This announcement dated 21 February 2024 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary of Mineral Resources Limited.*

### FOR FURTHER INFORMATION PLEASE CONTACT

#### CHRIS CHONG

Investor Relations Manager  
T: +61 8 9315 0213  
E: [chris.chong@mrl.com.au](mailto:chris.chong@mrl.com.au)

#### PETER LAW

Media Manager  
T: +61 (0)428 925 422  
E: [peter.law@mrl.com.au](mailto:peter.law@mrl.com.au)

### About Mineral Resources

Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006. For more information, visit [www.mineralresources.com.au](http://www.mineralresources.com.au).

Mineral Resources Limited  
20 Walters Drive, Osborne Park WA 6017  
T: +61 8 9329 3600  
E: [investorrelations@mrl.com.au](mailto:investorrelations@mrl.com.au)

Follow us on:



<sup>1</sup> In order to provide additional insight into the performance of the business, the Group uses non-IFRS measures such as Underlying EBITDA. Reconciliations to IFRS measures are provided in note 2 of the financial statements.

<sup>2</sup> Calculated comparisons as per FY23 Results.

<sup>3</sup> ROIC calculated as per FY23 Remuneration report definition on a rolling 12 month basis.



# HALF-YEAR REPORT

## APPENDIX 4D

21 February 2024

### 1. COMPANY DETAILS

|                   |  |
|-------------------|--|
| Name of entity:   | Mineral Resources Limited                |
| ABN:              | 33 118 549 910                           |
| Reporting period: | For the half-year ended 31 December 2023 |
| Previous period:  | For the half-year ended 31 December 2022 |

### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

|   |    |       |    | \$M     |
|---|----|-------|----|---------|
| Revenues from ordinary activities   | up | 7%    | to | 2,514.7 |
| Profit from ordinary activities after tax attributable to the owners of Mineral Resources Limited | up | 38.3% | to | 537.3   |
| Profit for the half-year attributable to the owners of Mineral Resources Limited                  | up | 38.3% | to | 537.3   |

#### Comments

Commentary on the results for the period is contained within the Financial Report that accompanies this announcement.

**3. NET TANGIBLE ASSETS**

|   | Reporting<br>period<br>\$ | Previous<br>period<br>\$ |
|---|---------------------------|--------------------------|
| Net tangible assets per ordinary security | 19.27                     | 18.28                    |

**4. DIVIDENDS**

|  | Cents  | Franked % | \$M   |
|--|--------|-----------|-------|
| 2024 interim dividend                        | 20.00  | 100%      | 39.0  |
| 2023 final dividend – paid 27 September 2023 | 70.00  | 100%      | 135.9 |
| 2023 interim dividend – paid 30 March 2023   | 120.00 | 100%      | 229.7 |
| 2022 final dividend – paid 23 September 2022 | 100.00 | 100%      | 188.3 |

**5. DETAILS OF ASSOCIATES**

|                                    | Reporting entity's<br>percentage holding |                         | Contribution to<br>profit/(loss) |                           |
|------------------------------------|--|-------------------------|----------------------------------|---------------------------|
|                                    | Reporting<br>period<br>%                 | Previous<br>period<br>% | Reporting<br>period<br>\$M       | Previous<br>period<br>\$M |
| Norwest Energy NL <sup>1</sup>     | -  | 19.88%                  | -                                | (0.6)                     |
| Aquila Resources Pty Ltd           | 15.00%                                   | 15.00%                  | 3.1                              | (1.1)                     |
| Binding Solutions Ltd              | 18.50%                                   | -                       | (0.8)                            | -                         |
| Delta Lithium Ltd <sup>2</sup>     | 23.83%                                   | -                       | (0.5)                            | -                         |
| Wildcat Resources Ltd <sup>3</sup> | -  | -                       | -                                | -                         |

<sup>1</sup> The takeover of Norwest Energy NL (Norwest) was completed on 16 February 2023. Norwest is a wholly-owned subsidiary and no longer classified as an associate in the current reporting period.

<sup>2</sup> Delta Lithium Ltd (Delta) became an associate on 12 September 2023. In the previous reporting period, MinRes' shareholding in Delta was 0.97%, and was recognised as a financial asset.

<sup>3</sup> Wildcat Resources Ltd (Wildcat) was an associate between the dates of 30 October 2023 to 22 December 2023 due to MinRes' interest in Wildcat reaching 19.85% during this time. MinRes' shareholding was diluted on 22 December 2023, and as at 31 December 2023, Wildcat is recognised as a financial asset. The contribution to profit/(loss) during the period that Wildcat was an associate was insignificant.

## 6. GAIN OF CONTROL OVER ENTITIES

Effective 1 November 2023, MinRes gained control over the following entities:

- Lithco No.2 Pty Ltd
- Tawana Resources Pty Ltd.

---

## 7. AUDIT QUALIFICATION OR REVIEW

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

---



# INTERIM REPORT

31 December 2023

ABN 33 118 549 910

The Directors present their report, together with the financial statements, on the consolidated entity (the 'Group') consisting of Mineral Resources Limited (the 'Company' or 'MinRes') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 (1H24).





## **DIRECTORS**

The following persons were Directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated:

James McClements

Chris Ellison

Colleen Hayward AM

Denise McComish (appointed 1 December 2023)

Jacqueline McGill AO (appointed 31 January 2024)

Justin Langer AM

Kelvin Flynn (resigned 31 January 2024)

Susie Corlett

Xi Xi

Zimi Meka

## **PRINCIPAL ACTIVITIES**

During the half-year, the principal continuing activities of the Group consisted of mining activities and the integrated supply of goods and services to the resources sector.

**DIVIDENDS**

Dividends paid or declared during the half-year were as follows:

|   | Cents  | Franked % | \$M   |
|---|--------|-----------|-------|
| 2024 interim dividend                                   | 20.00  | 100%      | 39.0  |
| 2023 Final Year final dividend – paid 27 September 2023 | 70.00  | 100%      | 135.9 |
| 2023 Interim Year final dividend – paid 30 March 2023   | 120.00 | 100%      | 229.7 |

**REVIEW OF OPERATIONS****SUMMARY OF RESULTS**

MinRes continued to maintain an industry leading Total Recordable Injury Frequency rate of 1.90. Lost Time Injury Frequency Rate was 0.18.

1H24 was a period of significant activity for the business. Key achievements include:

- Mining Services:
  - Production volumes of 139Mt within guidance.
  - Delivered Underlying EBITDA of \$253.7M.
  - Awarded five new contracts and renewed three contracts with Tier 1 clients.
- Iron Ore:
  - Onslow Iron construction on budget and on target for first ore-on-ship in June 2024.
  - Sales volumes of 8.7M wet metric tonnes (wmt) on track to guidance across both hubs.
  - High prices and low product discounts delivered Underlying EBITDA of \$266.2M (1H23: \$37.1M).
- Lithium:
  - Mt Marion plant expansion commissioned, with 99k dry metric tonnes (dmt) of SC6 equivalent spodumene concentrate shipped, up 39%.
  - Pre-strip activities at Wodgina well advanced, with 87k dmt of SC6 equivalent spodumene concentrate shipped, up 36%.
  - Acquired Bald Hill effective 1 November 2023, with 18k dmt of SC6 equivalent spodumene concentrate shipped.
  - Completed the restructure of the MARBL joint venture in October 2023, increasing ownership in Wodgina to 50%. Received US\$383.6M (\$587.8M) from Albemarle Corporation (**Albemarle**).
- Energy:
  - High quality clean gas has been intersected through further drilling activities at the Lockyer-3 appraisal well.
  - Submitted development application for gas processing facility. Final Investment Decision expected in 2H24, subject to WA Government agreement for partial export.
- Completion of US\$1,100.0M Senior Unsecured Notes Offering in October 2023.

MinRes generated net profit after tax of \$518.0M (1H23: \$390.1M), up \$127.9M on pcpr, and includes a \$279.8M pre-tax net gain plus a net tax benefit of \$79.5M recognised on completion of the MARBL joint venture arrangement<sup>4</sup>. Underlying EBITDA<sup>5</sup> for the half-year ended 31 December 2023 (1H24) was \$674.9M (1H23: \$939.1M), down 28 per cent on pcpr.

MinRes delivered a strong performance in a highly productive period with consistent Mining Services results, increased lithium volumes whilst lowering costs and strong Iron Ore earnings from improved achieved prices.

The Board of Directors has declared a fully franked interim dividend of \$0.20 per share<sup>6</sup>. The dividend is due to be paid on 26 March 2024 to shareholders on the register at 04 March 2024.

| METRIC   | 1H24 RESULTS | COMPARISON TO PCP |
|--|--------------|-------------------|
| Revenue  | \$2,514.7M   | Up 7%             |
| Underlying EBITDA <sup>1</sup>                 | \$674.9M     | Down 28%          |
| Statutory net profit after tax <sup>2</sup>    | \$518.0M     | Up 33%            |
| Diluted earnings per share (EPS)               | 272.41cps    | Up 35%            |
| Interim dividend declared                      | 20.00cps     | Down 83%          |
| Cash conversion                                | 122%         | Up from 60%       |
| Capex  | \$1,476.0M   | Up 99%            |
| Cash <sup>3</sup>                              | \$1,383.1M   | Stable%           |
| Net debt <sup>3</sup>                          | \$3,546.7M   | Up 91%            |
| Net assets <sup>3</sup>                        | \$3,985.3M   | Up 13%            |
| Return on invested capital (ROIC) <sup>4</sup> | 5.3%         | Down from 18.4%   |

<sup>1</sup> Refer to Note 2 for reconciliation of non-IFRS measures to the IFRS financial metrics reported in the financial statements.

<sup>2</sup> In addition to the statutory net profit of \$518.0M, the MARBL transaction achieved a net tax benefit of \$79.5M, representing recognition of a deferred tax asset of \$180.1M on Wodgina, offset by a tax liability on the sale of Kemerton of \$100.6M.

<sup>3</sup> Calculated comparisons as per FY23 results.

<sup>4</sup> ROIC calculated as per FY23 Remuneration report definition on a rolling 12 month basis.

<sup>4</sup> Net pre-tax gain of \$279.8M includes \$333.4M Gain on Business Acquisition (Note 19), gain on settlement of pre-existing MARBL JV relationship \$50.5M (Note 4), partially offset by pre-completion losses and transaction costs totalling (\$104.1M). In addition to the net pre-tax gain of \$279.8M, the transaction achieved a net tax benefit of \$79.5M, representing recognition of a deferred tax asset of \$180.1M on Wodgina, offset by a tax liability on the sale of Kemerton of \$100.6M.

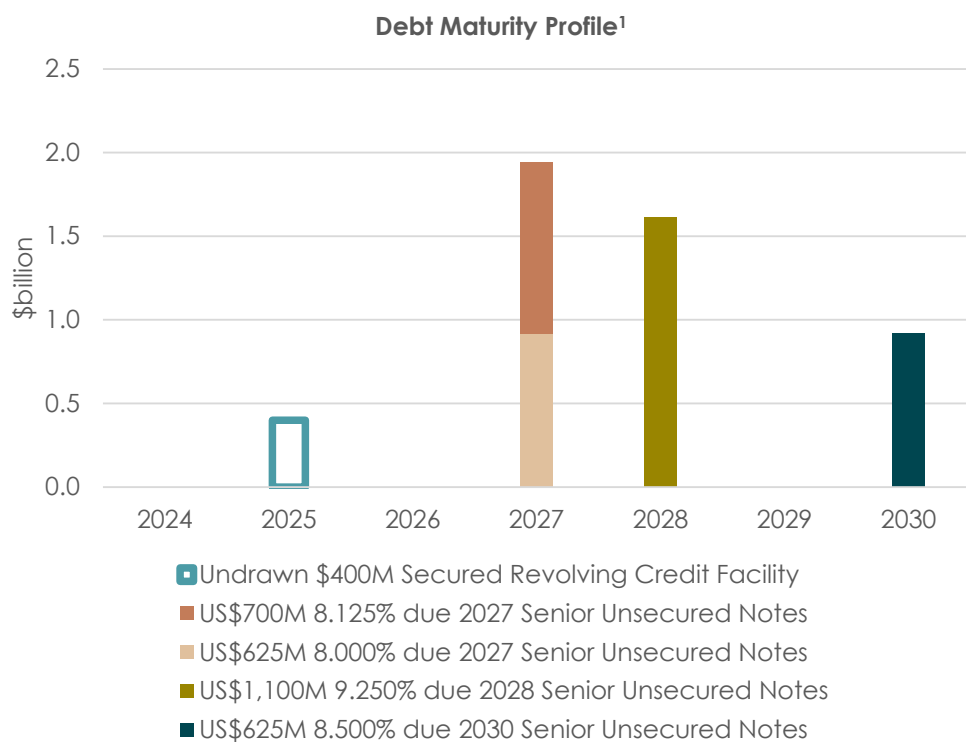
<sup>5</sup> The reconciliation of Underlying EBITDA to the IFRS financial metrics reported is contained in Note 2 of the financial statements.

<sup>6</sup> Historically calculated in line with MinRes' payout policy of 50% of Underlying NPAT, excluding any non-trading gains. For the half year ended 31 December 2023, the dividend has been adjusted to preserve cash through a capital intensive period.

### Cash and capital management

MinRes consciously maintained a strong balance sheet throughout a period of significant capital investment. At 31 December 2023, MinRes held cash and cash equivalents of \$1,383.1M (30 June 2023: \$1,379.1M). In addition, MinRes has access to substantial undrawn debt facilities to support business development activities of \$400.0M as at 31 December 2023.

On 4 October 2023, MinRes completed a US\$1,100.0M Senior Unsecured Notes offering with 9.250% coupon due 2028. MinRes also completed the restructuring of the MARBL joint venture on 18 October 2023 and received net proceeds of US\$383.6M (\$587.8M) from Albemarle.



<sup>1</sup> Excluding capital repayments on hire purchase arrangements.

Underlying operating cash flow before financing and tax<sup>7</sup> of \$820.8M was up \$261.5M on pcp, representing a conversion rate from Underlying EBITDA of 122 per cent.

Significant capital investments during 1H24 included:

- Progressed development of Onslow Iron, with all major approvals received and equipment orders placed. Construction is expected to be within budget and remains on track to deliver first ore-on-ship in June 2024. Drill and blast and load and haul operations commenced in the period. The Onslow 300-room construction village has been completed and is fully occupied. The transshipping wharf was completed and the shiploader was installed in December 2023. Successfully completed first transhipper sea trials, with the first two transhippers scheduled to arrive in 2H24
- Mt Marion expansion commissioned and ramping up
- Pre-stripping of Stage 2 and 3 at Wodgina
- Continued focus on gas exploration in the Perth Basin. Commenced assembly of a new automated drill rig, expected to be operational from mid-2024
- Investment to support new Mining Services contract wins
- Acquisition of Bald Hill with project control assumed on 1 November 2023.

---

<sup>7</sup> Underlying operating cash flow before financing and tax of \$820.8M represents Net cash from Operating activities of \$624.2M excluding cash from net financing costs and income taxes paid of \$196.6M.

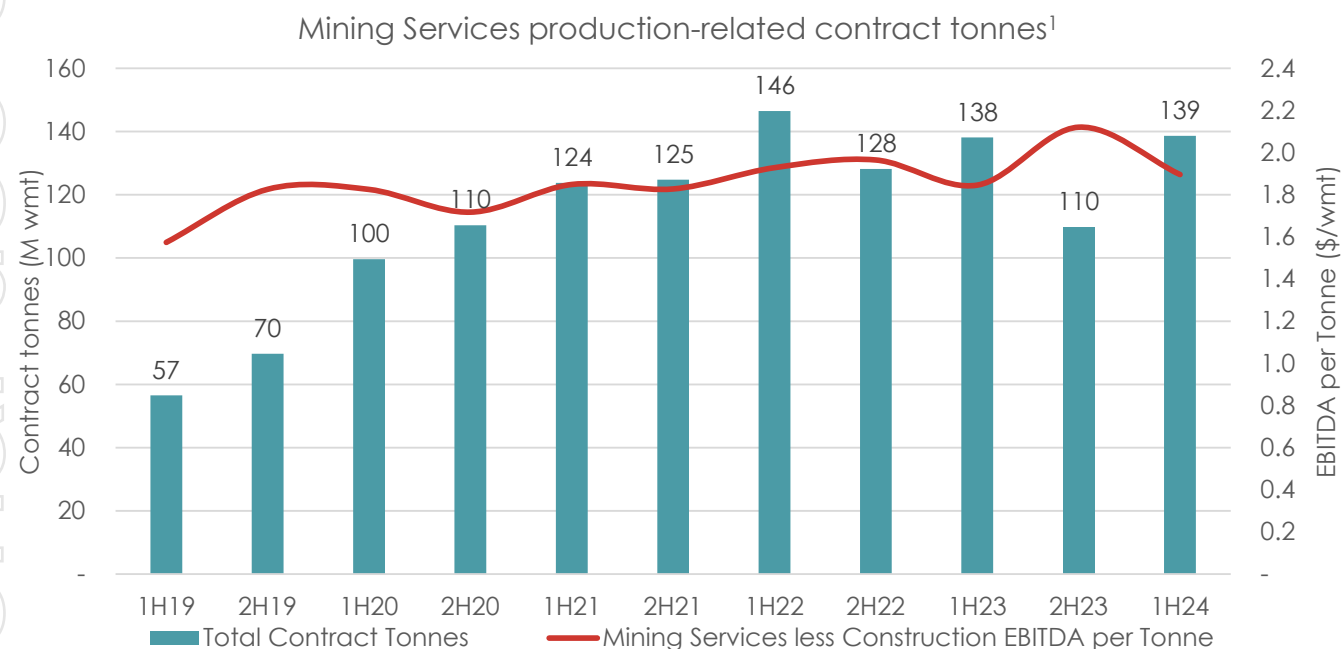


## OPERATIONAL PERFORMANCE

### Mining Services

Mining Services revenue of \$1,452.4M (1H23: \$1,194.4M), Underlying EBITDA of \$253.7M (1H23: \$254.7M) and production of 139Mt for 1H24 (1H23: 138Mt).

Mining Services achieved a margin of 17 per cent, in line with 2H23. However down from 21 per cent in 1H23, impacted by higher parts, components and labour costs. Mining Services, excluding Construction's Underlying EBITDA, of \$1.9/t is maintained in line with historical performance.



<sup>1</sup> Mining Services production-related contract tonnes are based upon TMM, crushed, processed, transported and other logistical services.

## Iron Ore

| Iron Ore sales<br>(100% attributable basis, unless otherwise indicated) | Units | 1H23  | 2H23  | FY23   | 1H24  | PcP<br>Variance |
|---|-------|-------|-------|--------|-------|-----------------|
| Yilgarn Hub   | k wmt | 3,588 | 4,068 | 7,656  | 3,758 | 170             |
| Pilbara Hub   | k wmt | 5,098 | 4,742 | 9,840  | 4,981 | (117)           |
| Total   | k wmt | 8,686 | 8,810 | 17,496 | 8,739 | 53              |

MinRes operates two iron ore operations in Western Australia, being the Pilbara Hub and Yilgarn Hub. Iron ore exports in 1H24 totalled 8.7M wet metric tonnes (wmt) across both hubs.

Yilgarn Hub was affected by haulage constraints early in 1H24 which improved by the end of the period, shipping 3.8M wmt in 1H24, and on track for guidance of 7.5-8.3M wmt.

Pilbara Hub shipped 5.0M wmt in 1H24, on track for guidance of 9.0-10.5M wmt, despite experiencing port constraints early in 1H24 and a wall failure at the Iron Valley mine in November 2023.

Iron Ore revenue of \$1,329.4M (1H23: \$972.8M) was 37 per cent higher pcP, attributable to a strong Platts 62% IODEX as well as lower product discounts. The Platts 62% IODEX strengthened in 1H24, averaging US\$121 /dmt and finishing the year at US\$141/dmt.

MinRes' 1H24 average iron ore price achieved was US\$111/dmt, an increase of 32 per cent on pcP. This represented a realisation of 91 per cent to the Platts 62% IODEX.

Iron Ore produced Underlying EBITDA of \$266.2M (1H23: \$37.1M), up \$229.1M from pcP from strengthening prices, partially offset by increased haulage costs and higher royalties.

## Lithium

## Mt Marion

| Mt Marion<br>(50% attributable basis, unless otherwise indicated) | Units | 1H23 | 2H23 | FY23 | 1H24 | PcP<br>Variance |
|---|-------|------|------|------|------|-----------------|
| Spodumene concentrate shipped                                     | k dmt | 113  | 123  | 236  | 150  | 37              |
| Spodumene concentrate shipped – SC6 equivalent                    | k dmt | 71   | 78   | 149  | 99   | 28              |

MinRes shipped 99k dmt SC6 equivalent (50 per cent share) of spodumene concentrate in 1H24. An increase of 40 per cent pcP. The plant capacity expansion was commissioned with operations ramping up during the period. Production also increased with higher utilisation of the plant and improved ore recoveries from a higher volume of fresh ore.

The achieved spodumene concentrate price SC6 equivalent at Mt Marion decreased 69 per cent pcP to average US\$1,848/dmt in 1H24, impacted by weakening index prices and a change to the reference pricing formula from September. The change to the reference pricing formula included a shift to a quotation period at the discharge date. Excluding the impact of the change (-US\$211/dmt), the average achieved price SC6 equivalent would have been US\$2,059/dmt.

Total Mt Marion Underlying EBITDA was \$173.4M (1H23: \$500.0M), impacted by lower achieved prices, partially offset by lower royalties and a lower FOB Cost. FOB Cost SC6 equivalent in 1H24 was \$844/dmt, below guidance of \$1,150-\$1,250/dmt due to a lower strip ratio from a change to the open pit mine plan, following a decision to commence an exploration decline.

**Wodgina**

| Wodgina<br>(Attributable basis, unless otherwise indicated) | Units | 1H23  | 2H23  | FY23   | 1H24   | PcP<br>Variance |
|---|-------|-------|-------|--------|--------|-----------------|
| Spodumene concentrate shipped                               | k dmt | 64    | 86    | 150    | 90     | 26              |
| Spodumene concentrate shipped – SC6 equivalent              | k dmt | 64    | 79    | 143    | 87     | 23              |
| Spodumene concentrate sold on market                        | k dmt | 9     | -     | 9      | -      | (9)             |
| Lithium battery chemicals produced                          | t     | 4,027 | 7,470 | 11,497 | 11,592 | 7,565           |
| Lithium battery chemicals sold                              | t     | 2,290 | 4,996 | 7,286  | 10,747 | 8,457           |

Operations during 1H24 focused on pre-stripping activities for Stage 2 development works to expand the mine.

MinRes shipped 87k dmt SC6 equivalent (attributable) of spodumene concentrate in 1H24, an increase of 36 per cent pcP. FOB Cost SC6 equivalent in 1H24 was \$875/dmt, at the bottom of guidance \$875-\$950/dmt.

MinRes' share of lithium battery chemicals produced totaled 11.6kt. Lithium battery chemical sales were 10.7kt, up by 8.5kt on pcP, at an average achieved price of US\$24,337/t (excluding VAT).

Total Wodgina Underlying EBITDA was \$134.1M (1H23: \$177.2M), impacted by lower lithium prices, partially offset by higher volumes sold and lower spodumene costs.

**MARBL JV**

Completed the restructuring of the MARBL joint venture with Albemarle on 18 October 2023. MinRes' share of the Wodgina mine increased from 40 per cent to 50 per cent and Albemarle took full ownership of the Kemerton lithium hydroxide processing plant.

MinRes received total net proceeds of US\$383.6M (\$587.8M) from Albemarle for its share of Kemerton and completion adjustments at Wodgina and Kemerton effective 1 April 2022, and recognised a net pre-tax gain of \$279.8M on completion of the MARBL JV arrangement.<sup>8</sup>

**Bald Hill**

| Bald Hill<br>(100% attributable basis, unless otherwise indicated) | Units | 1H23 | 2H23 | FY23 | 1H24 | PcP<br>Variance |
|--|-------|------|------|------|------|-----------------|
| Spodumene concentrate shipped                                      | k dmt | -    | -    | -    | 20   | 20              |
| Spodumene concentrate shipped – SC6 equivalent                     | k dmt | -    | -    | -    | 18   | 18              |

MinRes finalised the acquisition of the Bald Hill lithium mine and assumed control on 1 November 2023. Over this period, MinRes shipped 18k dmt SC6 equivalent of spodumene concentrate at a provisional price of US\$979/dmt.

Approximately 270 new employees were successfully onboarded. Commissioning of a new crushing plant is underway.

<sup>8</sup> Net pre-tax gain of \$279.8M includes \$333.4M Gain on Business Acquisition (Note 19), gain on settlement of pre-existing MARBL JV relationship \$50.5M (Note 4), partially offset by pre-completion losses and transaction costs totalling \$104.1M. In addition to the net pre-tax gain of \$279.8M, the transaction resulted in a net tax benefit of \$79.5M due to the recognition of a deferred tax asset of \$180.1M on Wodgina, offset by a tax liability that arose on the sale of Kemerton of \$100.6M.

### Energy

MinRes continued to progress its exploration and drilling program in the Perth Basin. The Energy division commenced assembly of a new automated drill rig, the MinRes Explorer, which when fully commissioned will allow for the fast-track development of exploration and production wells across the onshore Perth and Carnarvon basins. MinRes Explorer is a fully containerised, low-operating cost, onshore unit capable of drilling to a 5,000m vertical depth using an automated drill floor.

Seismic survey gas exploration campaigns commenced in December 2023 in the Perth Basin with the 100 line kilometre 2D seismic survey near Jurien Bay, which will be followed by the 300 square kilometre 3D seismic survey at Dandaragan and Moora in 2H24.

Lockyer-5 gas drilling also commenced during the period and will be developed as one of 10 production wells. A Final Investment Decision on the gas processing facility is expected in 2H24.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half-year.

### ROUNDING OF AMOUNTS

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest hundred thousand dollars, unless otherwise stated.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in this report.

**MINERAL RESOURCES LIMITED**

**DIRECTORS' REPORT**

31 December 2023



This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Chris Ellison".

Chris Ellison  
Managing Director

21 February 2024  
Perth

For personal use only





**Building a better  
working world**

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Auditor's independence declaration to the directors of Mineral Resources Limited

As lead auditor for the review of the half-year financial report of Mineral Resources Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mineral Resources Limited and the entities it controlled during the financial period.



Ernst & Young



D S Lewsen  
Partner  
21 February 2024

# CONTENTS

|  |    |
|--|----|
| Consolidated income statement  | 21 |
| Consolidated balance sheet   | 22 |
| Consolidated statement of changes in equity  | 23 |
| Consolidated statement of cash flows   | 24 |
| Notes to the consolidated financial statements                                     | 25 |
| Directors' declaration   | 44 |
| Independent auditor's review report<br>to the members of Mineral Resources Limited | 45 |

## GENERAL INFORMATION

The financial statements cover Mineral Resources Limited as a consolidated entity (the 'Group') consisting of Mineral Resources Limited (the 'Company' or 'MinRes') and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The Company is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**20 Walters Drive  
Osborne Park  
Western Australia 6017**

A description of the nature of the Group's operations and its principal activities are included in the directors' report.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 February 2024.

|  |             | <b>Group</b>       |                    |
|--|-------------|--------------------|--------------------|
|  | <b>Note</b> | <b>31 Dec 2023</b> | <b>31 Dec 2022</b> |
|  |             | <b>\$M</b>         | <b>\$M</b>         |
| <b>REVENUE</b>   |             |                    |                    |
|  | 3           | 2,514.7            | 2,350.1            |
| Other income   | 4           | 490.0              | 33.0               |
| <b>EXPENSES FROM OPERATIONS</b>  |             |                    |                    |
| Changes in closing stock   |             | 229.7              | 218.4              |
| Raw materials and consumables  |             | (224.5)            | (210.9)            |
| Equipment costs  |             | (170.1)            | (142.8)            |
| Subcontractors   |             | (233.6)            | (182.8)            |
| Employee benefits expense  |             | (654.7)            | (403.7)            |
| Transport and freight  |             | (445.6)            | (479.3)            |
| Depreciation and amortisation  |             | (253.6)            | (258.2)            |
| Impairment of equity accounted associate   |             | (20.2)             | -                  |
| Other expenses   | 5           | (619.5)            | (238.5)            |
| <b>PROFIT FROM OPERATIONS</b>  |             | <b>612.6</b>       | <b>685.3</b>       |
| Finance income   |             | 28.8               | 18.1               |
| Finance costs  |             | (167.3)            | (137.3)            |
| Net finance costs  |             | (138.5)            | (119.2)            |
| <b>PROFIT BEFORE TAX</b>   |             | <b>474.1</b>       | <b>566.1</b>       |
| Income tax benefit/(expense)   | 6           | 43.9               | (176.0)            |
| <b>PROFIT AFTER TAX FOR THE HALF-YEAR</b>  |             | <b>518.0</b>       | <b>390.1</b>       |
| <b>OTHER COMPREHENSIVE INCOME</b>  |             |                    |                    |
| Items that may be reclassified subsequently to profit or loss                      |             |                    |                    |
| Net profit/(loss) on cash flow hedges  |             | 3.5                | (7.9)              |
| Other comprehensive income/(loss) for the half-year, net of tax                    |             | 3.5                | (7.9)              |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR</b>                                |             | <b>521.5</b>       | <b>382.2</b>       |
| Profit for the half-year is attributable to:                                       |             |                    |                    |
| Non-controlling interest   |             | (19.3)             | 1.5                |
| Owners of Mineral Resources Limited  |             | 537.3              | 388.6              |
|  |             | <b>518.0</b>       | <b>390.1</b>       |
| Total comprehensive income for the half-year is attributable to:                   |             |                    |                    |
| Non-controlling interest   |             | (19.3)             | 1.5                |
| Owners of Mineral Resources Limited  |             | 540.8              | 380.7              |
|  |             | <b>521.5</b>       | <b>382.2</b>       |
| Earnings per share for profit attributable to owners of Mineral Resources Limited: |             |                    |                    |
|  |             | <b>Cents</b>       | <b>Cents</b>       |
| Basic earnings per share   |             | 275.88             | 205.80             |
| Diluted earnings per share   |             | 272.41             | 202.18             |

The above consolidated income statement should be read in conjunction with the accompanying notes.

Group  
**Note 31 Dec 2023 30 Jun 2023**  
**\$M \$M**

**ASSETS**

**CURRENT ASSETS**

|                              |    |                |                |
|------------------------------|----|----------------|----------------|
| Cash and cash equivalents    |    | 1,383.1        | 1,379.1        |
| Trade and other receivables  |    | 699.6          | 657.8          |
| Inventories                  | 12 | 707.5          | 606.4          |
| Current tax assets           |    | -              | 15.3           |
| Disposal group held for sale |    | -              | 775.2          |
| Other assets                 |    | 10.9           | 40.7           |
| <b>Total current assets</b>  |    | <b>2,801.1</b> | <b>3,474.5</b> |

**NON-CURRENT ASSETS**

|   |    |                |                |
|---|----|----------------|----------------|
| Receivables                                       |    | 53.0           | 69.9           |
| Investments accounted for using the equity method | 8  | 186.8          | 96.3           |
| Financial assets                                  | 9  | 586.8          | 205.7          |
| Property, plant and equipment                     | 10 | 3,979.1        | 2,973.4        |
| Deferred Tax                                      |    | 1.2            | -              |
| Intangibles                                       |    | 24.3           | 22.5           |
| Goodwill  | 20 | 128.7          | -              |
| Exploration and evaluation                        |    | 1,180.7        | 984.6          |
| Mine development                                  | 11 | 2,012.0        | 568.3          |
| <b>Total non-current assets</b>                   |    | <b>8,152.6</b> | <b>4,920.7</b> |

**TOTAL ASSETS**

**10,953.7 8,395.2**

**LIABILITIES**

**CURRENT LIABILITIES**

|  |   |                |                |
|--|---|----------------|----------------|
| Trade and other payables                                 |   | 1,170.2        | 891.5          |
| Borrowings   | 7 | 206.3          | 94.9           |
| Income tax   |   | 13.5           | 54.0           |
| Employee benefits  |   | 190.8          | 114.4          |
| Provisions   |   | 227.7          | 72.4           |
| Liabilities associated with disposal group held for sale |   | -              | 27.2           |
| <b>Total current liabilities</b>                         |   | <b>1,808.5</b> | <b>1,254.4</b> |

**NON-CURRENT LIABILITIES**

|                                      |   |                |                |
|--------------------------------------|---|----------------|----------------|
| Trade and other payables             |   | 61.5           | 64.5           |
| Borrowings                           | 7 | 4,723.5        | 3,139.2        |
| Deferred tax                         |   | -              | 95.0           |
| Provisions                           |   | 361.4          | 315.9          |
| Employee benefits                    |   | 13.5           | 4.4            |
| <b>Total non-current liabilities</b> |   | <b>5,159.9</b> | <b>3,619.0</b> |

**TOTAL LIABILITIES**

**6,968.4 4,873.4**

**NET ASSETS**

**3,985.3 3,521.8**

**EQUITY**

|  |    |         |         |
|--|----|---------|---------|
| Issued capital   | 13 | 950.2   | 886.9   |
| Reserves   |    | 84.5    | 69.4    |
| Retained profits   |    | 2,920.2 | 2,518.8 |
| Equity attributable to the owners of Mineral Resources Limited |    | 3,954.9 | 3,475.1 |
| Non-controlling interest                                       |    | 30.4    | 46.7    |

**TOTAL EQUITY**

**3,985.3 3,521.8**

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

**MINERAL RESOURCES LIMITED**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the half-year ended 31 December 2023



| <b>GROUP</b>   | <b>Issued<br/>capital<br/>\$M</b> | <b>Reserves<br/>\$M</b> | <b>Retained<br/>profits<br/>\$M</b> | <b>Non-<br/>controlling<br/>interest<br/>\$M</b> | <b>Total equity<br/>\$M</b> |
|--|-----------------------------------|-------------------------|-------------------------------------|--|-----------------------------|
| Balance at 1 July 2022   | 504.5                             | 28.9                    | 2,693.5                             | 44.2   | 3,271.1                     |
| Profit after tax for the half-year   | -                                 | -                       | 388.6                               | 1.5  | 390.1                       |
| Other comprehensive income for the half-year, net of tax                     | -                                 | (7.9)                   | -                                   | -  | (7.9)                       |
| Total comprehensive income for the half-year                                 | -                                 | (7.9)                   | 388.6                               | 1.5  | 382.2                       |
| <i>Transactions with owners in their capacity as owners:</i>                 |                                   |                         |                                     |  |                             |
| Share issued under Dividend Reinvestment Plan (Note 13)                      | 11.6                              | -                       | (11.6)                              | -  | -                           |
| Equity-settled share-based payments  | -                                 | 8.5                     | -                                   | -  | 8.5                         |
| Purchase of shares under employee share plans (Note 13)                      | (0.4)                             | -                       | -                                   | -  | (0.4)                       |
| Employee share awards issued (Note 13)                                       | (2.4)                             | -                       | -                                   | -  | (2.4)                       |
| Tax effect on employee share plans   | 10.7                              | -                       | -                                   | -  | 10.7                        |
| Share-based payment awards vested  | 1.8                               | (1.8)                   | -                                   | -  | -                           |
| Dividends paid, net of employee share awards (Note 14)                       | -                                 | -                       | (176.7)                             | -  | (176.7)                     |
| Balance at 31 December 2022  | 525.8                             | 27.7                    | 2,893.8                             | 45.7   | 3,493.0                     |
| <b>GROUP</b>   | <b>Issued<br/>capital<br/>\$M</b> | <b>Reserves<br/>\$M</b> | <b>Retained<br/>profits<br/>\$M</b> | <b>Non-<br/>controlling<br/>interest<br/>\$M</b> | <b>Total equity<br/>\$M</b> |
| Balance at 1 July 2023   | 886.9                             | 69.4                    | 2,518.8                             | 46.7   | 3,521.8                     |
| Profit after tax for the half-year   | -                                 | -                       | 537.3                               | (19.3)   | 518.0                       |
| Other comprehensive income for the half-year, net of tax                     | -                                 | 3.5                     | -                                   | -  | 3.5                         |
| Total comprehensive income for the half-year                                 | -                                 | 3.5                     | 537.3                               | (19.3)   | 521.5                       |
| <i>Transactions with owners in their capacity as owners:</i>                 |                                   |                         |                                     |  |                             |
| Share issued under Dividend Reinvestment Plan (Note 13)                      | 3.6                               | -                       | (3.6)                               | -  | -                           |
| Equity-settled share-based payments  | 48.0                              | 16.2                    | -                                   | -  | 64.2                        |
| Share-based payment awards vested  | 11.7                              | (11.7)                  | -                                   | -  | -                           |
| Tax effect on employee share plans   | -                                 | 9.0                     | -                                   | -  | 9.0                         |
| Foreign currency translation reserve   | -                                 | (1.9)                   | -                                   | -  | (1.9)                       |
| Dividends paid, net of employee share awards (Note 14)                       | -                                 | -                       | (132.3)                             | -  | (132.3)                     |
| <i>Transactions with non-controlling interest:</i>                           |                                   |                         |                                     |  |                             |
| Shares issued by non-controlling interests arising on a business combination | -                                 | -                       | -                                   | 3.0  | 3.0                         |
| Balance at 31 December 2023  | 950.2                             | 84.5                    | 2,920.2                             | 30.4   | 3,985.3                     |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



|  | Group       |             |
|--|-------------|-------------|
| Note   | 31 Dec 2023 | 31 Dec 2022 |
|  | \$M         | \$M         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |             |             |
| Receipts from customers  | 2,502.2     | 2,133.5     |
| Payments to suppliers and employees                                  | (1,681.4)   | (1,574.2)   |
|  | 820.8       | 559.3       |
| Interest received  | 28.8        | 18.1        |
| Interest and other finance costs paid                                | (154.9)     | (128.8)     |
| Income taxes paid  | (70.5)      | (167.6)     |
| Net cash from operating activities                                   | 624.2       | 281.0       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |             |             |
| Payments for investments in financial assets                         | (587.7)     | (15.4)      |
| Payments for property, plant and equipment                           | (961.3)     | (491.1)     |
| Proceeds from disposal of property, plant and equipment              | -           | 9.4         |
| Payments for exploration and evaluation                              | (128.7)     | (64.5)      |
| Payments for mine development  | (925.0)     | (184.0)     |
| Amounts advanced to other parties                                    | (1.2)       | (20.4)      |
| Payments for intangibles   | (129.7)     | (1.3)       |
| Proceeds from sale of disposal group                                 | 587.8       | -           |
| Net cash used in investing activities                                | (2,145.8)   | (767.3)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |             |             |
| Dividends paid   | (133.0)     | (176.7)     |
| Proceeds from borrowings   | 1,741.6     | -           |
| Repayment of borrowings  | -           | (1.7)       |
| Payment of lease liabilities   | (60.8)      | (53.9)      |
| Receipt of dividends/(purchase of shares) under employee share plans | 0.7         | (2.8)       |
| Net cash from/(used) in financing activities                         | 1,548.5     | (235.1)     |
| Net increase/(decrease) in cash and cash equivalents                 | 26.9        | (721.4)     |
| Cash and cash equivalents at the beginning of the half-year          | 1,379.1     | 2,428.2     |
| Effects of exchange rate changes on cash and cash equivalents        | (22.9)      | 7.5         |
| Cash and cash equivalents at the end of the half-year                | 1,383.1     | 1,714.3     |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## 1. SIGNIFICANT ACCOUNTING POLICIES

These condensed general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### *Reclassifications of items in the financial statements*

Minor reclassifications of items in the financial statements of the previous period have been made in accordance with the classification of items in the financial statements for the half year ended 31 December 2023.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretation did not have any significant impact on the interim consolidated financial statements of the Group. These include but are not limited to:

- Adoption of new standard AASB 17 *Insurance Contracts*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (i.e. amendments to AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2)
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a single transaction* (i.e. amendments to AASB 112 to clarify accounting for deferred transactions that give rise to equal taxable and deductible temporary differences)
- AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform Pillar Two Model Rules* (i.e. amendments to AASB 112 to clarify the initial recognition exemption)
- AASB 2023-4 *Amendments to AASs – International Tax Reform Pillar Two Model Rules: Tier 2 Disclosures*

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Relevant standards include but are not limited to:

- Amendments to AASB 101 *Presentation of Financial Statements* (i.e. classification of liabilities as current or non-current; and Non-current liabilities with Covenants)
- Amendments to AASB 16 *Leases* (i.e. Lease liability in a Sale and Leaseback)
- Amendments to AASB 7 *Financial Instruments: Disclosures* (i.e. Disclosures: Supplier Finance Arrangements)
- Amendments to AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution or Assets between an Investor and its Associate or Joint Venture* (i.e. amendments to AASB 10 & AASB 128 to clarify the treatment of loss of control of a subsidiary that is sold or contributed to an associate or joint venture)
- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

## **2. OPERATING SEGMENTS**

### *Business segment*

The Group has identified its operating segments based on internal management reports that are reviewed by the executive management team (the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

The Group continues to report its business results as five operating segments (Pillars) being Mining Services (including Engineering and Construction), Iron Ore, Lithium, Energy, and Other Commodities. All are operating within the Australian resources sector.

"Central" comprises primarily non-segmental items of income and expenses, and associated assets and liabilities not allocated to Pillars as they are not considered part of core operations and are not directly attributable to the Pillars.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes. The performance of each segment is measured based on Underlying EBITDA, defined as earnings before interest, tax, depreciation, amortisation, impairment, fair value gain/loss on investments and exchange gain/loss and other one-off items. The reconciliation of Underlying EBITDA to net profit after tax is presented in this note.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

**MINERAL RESOURCES LIMITED**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023



## Operating segment information

| GROUP - 31 DEC 2023                                  | Mining<br>Services<br>\$M | Iron Ore<br>\$M | Lithium<br>\$M | Energy<br>\$M | Other <sup>1</sup><br>\$M | Central<br>\$M   | Inter-<br>segment <sup>2</sup><br>\$M | Total<br>\$M   |
|--|---------------------------|-----------------|----------------|---------------|---------------------------|------------------|---------------------------------------|----------------|
| <b>REVENUE</b>                                       |                           |                 |                |               |                           |                  |                                       |                |
| Sales to external customers                          | 473.4                     | 1,329.4         | 704.5          | -             | 7.4                       | -                | -                                     | 2,514.7        |
| Intersegment sales                                   | 979.0                     | -               | -              | 8.2           | -                         | -                | (987.2)                               | -              |
| <b>TOTAL REVENUE</b>                                 | <u>1,452.4</u>            | <u>1,329.4</u>  | <u>704.5</u>   | <u>8.2</u>    | <u>7.4</u>                | <u>-</u>         | <u>(987.2)</u>                        | <u>2,514.7</u> |
| <b>UNDERLYING EBITDA</b>                             | 253.7                     | 266.2           | 271.4          | 1.5           | 2.9                       | (102.7)          | (18.1)                                | 674.9          |
| Depreciation and amortisation                        | (108.1)                   | (61.4)          | (87.7)         | (1.2)         | -                         | (14.1)           | 18.9                                  | (253.6)        |
| Items excluded from underlying earnings <sup>3</sup> |                           |                 |                |               |                           |                  |                                       | 191.3          |
| Net finance costs                                    |                           |                 |                |               |                           |                  |                                       | (138.5)        |
| <b>PROFIT BEFORE TAX</b>                             |                           |                 |                |               |                           |                  |                                       | <u>474.1</u>   |
| Segment assets                                       | 3,321.0                   | 1,417.5         | 3,426.6        | 719.5         | 200.5                     | 1,981.3          | (112.7)                               | 10,953.7       |
| Segment liabilities                                  | (1,157.3)                 | (730.6)         | (333.4)        | (107.3)       | -                         | (4,639.8)        | -                                     | (6,968.4)      |
| <b>SEGMENT NET ASSETS</b>                            | <u>2,163.7</u>            | <u>686.9</u>    | <u>3,093.2</u> | <u>612.2</u>  | <u>200.5</u>              | <u>(2,658.5)</u> | <u>(112.7)</u>                        | <u>3,985.3</u> |

<sup>1</sup> Other Commodities includes Manganese and Garnet which relates to Resource Development Group Limited's (RDG) operations. RDG is 64.31% (31 December 2022: 65.77%) owned by the Group.

<sup>2</sup> Represents elimination of internal revenues that have not been realised by the Group.

<sup>3</sup> Refer to the reconciliation of underlying earnings to net earnings (Note 2).

|  | Mining<br>Services<br>\$M | Iron Ore<br>\$M | Lithium<br>\$M | Energy<br>\$M | Other <sup>1</sup><br>\$M | Central<br>\$M | Inter-<br>segment <sup>2</sup><br>\$M | Total<br>\$M |
|--|---------------------------|-----------------|----------------|---------------|---------------------------|----------------|---------------------------------------|--------------|
| <b>GROUP - 31 DEC 2022</b>                           |                           |                 |                |               |                           |                |                                       |              |
| <b>REVENUE</b>                                       |                           |                 |                |               |                           |                |                                       |              |
| Sales to external customers                          | 380.1                     | 972.8           | 997.2          | -             | -                         | -              | -                                     | 2,350.1      |
| Intersegment sales                                   | 814.3                     | -               | -              | -             | -                         | -              | (814.3)                               | -            |
| <b>TOTAL REVENUE</b>                                 | 1,194.4                   | 972.8           | 997.2          | -             | -                         | -              | (814.3)                               | 2,350.1      |
| <b>UNDERLYING EBITDA</b>                             | 254.7                     | 37.1            | 755.9          | (0.1)         | -                         | (67.8)         | (40.7)                                | 939.1        |
| Depreciation and amortisation                        | (101.6)                   | (147.7)         | (28.9)         | (1.1)         | -                         | (11.4)         | 32.5                                  | (258.2)      |
| Items excluded from underlying earnings <sup>3</sup> |                           |                 |                |               |                           |                |                                       | 4.4          |
| Net finance costs                                    |                           |                 |                |               |                           |                |                                       | (119.2)      |
| <b>PROFIT BEFORE TAX</b>                             |                           |                 |                |               |                           |                |                                       | 566.1        |
| <b>GROUP - 30 JUN 2023</b>                           |                           |                 |                |               |                           |                |                                       |              |
| Segment assets                                       | 2,866.4                   | 782.9           | 2,138.2        | 603.4         | 275.9                     | 1,867.5        | (139.1)                               | 8,395.2      |
| Segment liabilities                                  | (979.8)                   | (481.3)         | (197.5)        | (105.4)       | (117.8)                   | (2,991.6)      | -                                     | (4,873.4)    |
| <b>SEGMENT NET ASSETS</b>                            | 1,886.6                   | 301.6           | 1,940.7        | 498.0         | 158.1                     | (1,124.1)      | (139.1)                               | 3,521.8      |

<sup>1</sup> Other Commodities includes Manganese and Garnet which relates to Resource Development Group Limited's (RDG) operations. RDG is 64.31% (31 December 2022: 65.77%) owned by the Group.

<sup>2</sup> Represents elimination of internal revenues that have not been realised by the Group.

<sup>3</sup> Refer to reconciliation of underlying earnings to net earnings (Note 2).



**MINERAL RESOURCES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2023*Reconciliation of underlying earnings to net earnings*

|  | Pre-tax<br>2023<br>\$M | Taxation<br>2023<br>\$M | Net<br>amount<br>2023<br>\$M | Pre-tax<br>2022<br>\$M | Net amount<br>2022<br>\$M |
|--|------------------------|-------------------------|------------------------------|------------------------|---------------------------|
| <b>UNDERLYING EBITDA<sup>1</sup></b>                         | 674.9                  | (196.1)                 | 478.8                        | 939.1                  | 649.8                     |
| Depreciation and amortisation                                | (253.6)                | 76.1                    | (177.5)                      | (258.2)                | (180.7)                   |
| Net finance costs  | (138.5)                | 41.6                    | (96.9)                       | (119.2)                | (82.1)                    |
| <b>Items excluded from underlying earnings</b>               |                        |                         |                              |                        |                           |
| Impairment of equity accounted associate                     | (20.2)                 | 6.1                     | (14.1)                       | -                      | -                         |
| Net fair value (loss)/gain on investments                    | (105.4)                | 31.7                    | (73.7)                       | 27.5                   | 19.2                      |
| Foreign exchange gain/(loss) on net debt                     | 94.2                   | (28.3)                  | 65.9                         | (23.1)                 | (16.1)                    |
| Hedge loss on fair value of commodity contract               | (43.9)                 | 13.2                    | (30.7)                       | -                      | -                         |
| Loss on disposal of Kemerton                                 | (48.5)                 | 14.6                    | (33.9)                       | -                      | -                         |
| Duties and other costs associated with business combinations | (68.8)                 | 20.7                    | (48.1)                       | -                      | -                         |
| Gain on settlement of restructured MARBL transaction         | 50.5                   | (15.2)                  | 35.3                         | -                      | -                         |
| Gain on Business Acquisition                                 | 333.4                  | 79.5                    | 412.9                        | -                      | -                         |
| <b>TOTAL EXCLUDED FROM UNDERLYING EARNINGS</b>               | 191.3                  | 122.3                   | 313.6                        | 4.4                    | 3.1                       |
| <b>NET EARNINGS/PROFIT BEFORE TAX<sup>2</sup></b>            | 474.1                  | 43.9                    | 518.0                        | 566.1                  | 390.1                     |

<sup>1</sup> Refer to Operating Segment information on page 26<sup>2</sup> Refer to Consolidated Income Statement on page 21

### 3. REVENUE

#### Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers and other:

| <b>GROUP - 31 DEC 2023</b>                                | <b>Mining Services<br/>\$M</b> | <b>Iron Ore<br/>\$M</b> | <b>Lithium<br/>\$M</b> | <b>Energy<sup>2</sup><br/>\$M</b> | <b>Other<sup>3</sup><br/>\$M</b> | <b>Total<br/>\$M</b> |
|---|--------------------------------|-------------------------|------------------------|-----------------------------------|----------------------------------|----------------------|
| <i>Revenue from contracts with customers</i>              |                                |                         |                        |                                   |                                  |                      |
| Sale of iron ore  | -                              | 1,279.8                 | -                      | -                                 | -                                | 1,279.8              |
| Sale of lithium   | -                              | -                       | 699.9                  | -                                 | -                                | 699.9                |
| Contract and operational revenue                          | 473.4                          | -                       | -                      | -                                 | -                                | 473.4                |
| Other   | -                              | -                       | -                      | -                                 | 7.4                              | 7.4                  |
| Total revenue from contracts with customers               | 473.4                          | 1,279.8                 | 699.9                  | -                                 | 7.4                              | 2,460.5              |
| <i>Other revenue</i>                                      |                                |                         |                        |                                   |                                  |                      |
| Iron ore pricing adjustments <sup>1</sup>                 | -                              | 49.6                    | -                      | -                                 | -                                | 49.6                 |
| Lithium pricing adjustments <sup>1</sup>                  | -                              | -                       | 4.6                    | -                                 | -                                | 4.6                  |
| Total other revenue                                       | -                              | 49.6                    | 4.6                    | -                                 | -                                | 54.2                 |
| Total external revenue from operations                    | 473.4                          | 1,329.4                 | 704.5                  | -                                 | 7.4                              | 2,514.7              |
| <i>Geographical information (by location of customer)</i> |                                |                         |                        |                                   |                                  |                      |
| Australia   | 473.4                          | -                       | 6.0                    | -                                 | 4.1                              | 483.5                |
| Asia  | -                              | 1,329.4                 | 698.5                  | -                                 | 1.5                              | 2,029.4              |
| Other   | -                              | -                       | -                      | -                                 | 1.8                              | 1.8                  |
| Total external revenue from operations                    | 473.4                          | 1,329.4                 | 704.5                  | -                                 | 7.4                              | 2,514.7              |

<sup>1</sup> Commodity sales agreements are provisionally priced at initial revenue recognition. The value of provisionally priced receivables are adjusted to reflect market prices over a quotation period stipulated in the sales contract, typically on or after the vessel's arrival at the port of discharge.

<sup>2</sup> Energy segment primarily carried out exploration activities during the period and did not generate revenue. Refer to Page 26 for more details.

<sup>3</sup> Other Commodities includes Manganese and Garnet which relates to RDG's operations. RDG is 64.31% (31 December 2022: 65.77%) owned by the Group.

**3. REVENUE (CONTINUED)**
**GROUP - 31 DEC 2022**

|   | Mining Services<br>\$M | Iron Ore<br>\$M | Lithium<br>\$M | Energy <sup>2</sup><br>\$M | Other <sup>3</sup><br>\$M | Total<br>\$M |
|---|------------------------|-----------------|----------------|----------------------------|---------------------------|--------------|
| <i>Revenue from contracts with customers</i>              |                        |                 |                |                            |                           |              |
| Sale of iron ore  | -                      | 1,019.7         | -              | -                          | -                         | 1,019.7      |
| Sale of lithium   | -                      | -               | 970.4          | -                          | -                         | 970.4        |
| Contract and operational revenue                          | 380.1                  | -               | -              | -                          | -                         | 380.1        |
| Total revenue from contracts with customers               | 380.1                  | 1,019.7         | 970.4          | -                          | -                         | 2,370.2      |
| <i>Other revenue</i>                                      |                        |                 |                |                            |                           |              |
| Iron ore pricing adjustments <sup>1</sup>                 | -                      | (46.9)          | -              | -                          | -                         | (46.9)       |
| Lithium pricing adjustments <sup>1</sup>                  | -                      | -               | 26.8           | -                          | -                         | 26.8         |
| Total other revenue                                       | -                      | (46.9)          | 26.8           | -                          | -                         | (20.1)       |
| Total external revenue from operations                    | 380.1                  | 972.8           | 997.2          | -                          | -                         | 2,350.1      |
| <i>Geographical information (by location of customer)</i> |                        |                 |                |                            |                           |              |
| Australia   | 380.0                  | -               | -              | -                          | -                         | 380.0        |
| Asia  | -                      | 972.8           | 997.2          | -                          | -                         | 1,970.0      |
| Other   | 0.1                    | -               | -              | -                          | -                         | 0.1          |
| Total external revenue from operations                    | 380.1                  | 972.8           | 997.2          | -                          | -                         | 2,350.1      |

<sup>1</sup> Commodity sales agreements are provisionally priced at initial revenue recognition. The value of provisionally priced receivables are adjusted to reflect market prices over a quotation period stipulated in the sales contract, typically on or after the vessel's arrival at the port of discharge.

<sup>2</sup> Energy segment primarily carried out exploration activities during the period and did not generate revenue. Refer to Page 26 for more details.

<sup>3</sup> Other Commodities includes Manganese and Garnet which relates to RDG's operations. RDG is 64.31% (31 December 2022: 65.77%) owned by the Group.

#### 4. OTHER INCOME

|   | Group        |             |
|---|--------------|-------------|
|   | 31 Dec 2023  | 31 Dec 2022 |
|   | \$M          | \$M         |
| Net fair value gain on investments held at fair value through profit or loss                  | -            | 27.5        |
| Net foreign exchange gain   | 94.2         | -           |
| Net gain on disposal of property, plant and equipment   | -            | 1.0         |
| Share of profit/(loss) of associates and joint ventures accounted for using the equity method | 1.8          | (1.7)       |
| Gain on settlement of restructured MARBL transaction (Note 19)                                | 50.5         | -           |
| Gain on Business Acquisition (Note 19)  | 333.4        | -           |
| Other   | 10.1         | 6.2         |
|   | <u>490.0</u> | <u>33.0</u> |
| Total other income  |              |             |

#### 5. OTHER EXPENSES

|   | Group          |                |
|---|----------------|----------------|
|   | 31 Dec 2023    | 31 Dec 2022    |
|   | \$M            | \$M            |
| Profit before tax includes the following specific expenses:                   |                |                |
| <i>Other expenses</i>   |                |                |
| Net foreign exchange loss   | -              | (23.8)         |
| Net fair value loss on investments held at fair value through profit or loss  | (105.4)        | -              |
| Hedge loss on fair value of commodity contract                                | (43.9)         | -              |
| Short-term leases, low value leases and leases with variable payments         | (1.8)          | (0.9)          |
| Royalties   | (174.8)        | (104.1)        |
| Rates and land tax  | (43.0)         | (14.2)         |
| Duties and other costs associated with business combinations (Note 19 and 20) | (68.8)         | -              |
| Loss on disposal of Kemerton  | (48.5)         | -              |
| Travel and accommodation  | (11.7)         | (21.2)         |
| Office & other administrative expenses  | (66.3)         | (38.2)         |
| All other expenses  | <u>(55.3)</u>  | <u>(36.1)</u>  |
| Total other expenses  | <u>(619.5)</u> | <u>(238.5)</u> |

**6. INCOME TAX**

|  | Group<br>\$M |
|--|--------------|
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>                        |              |
| Net profit before tax  | 474.1        |
| Tax at the statutory tax rate of 30%   | (142.2)      |
| <i>Permanent adjustments</i>   |              |
| Gain recognised on resetting of tax bases through restructured MARBL transaction                           | 180.1        |
| Gain on deconsolidation of subsidiary  | 6.6          |
| Other non-deductibles  | (0.6)        |
| Total permanent adjustments  | <u>186.1</u> |
| Tax Benefit  | <u>43.9</u>  |
| Effective tax rate   | (9.3%)       |
| Effective tax rate when excluding restructured MARBL transaction and gain on deconsolidation of subsidiary | <u>30.1%</u> |

## 7. BORROWINGS

|                                     | Group                 |                       |
|-------------------------------------|-----------------------|-----------------------|
|                                     | 31 Dec 2023<br>\$M    | 30 Jun 2023<br>\$M    |
| <i>Current liabilities</i>          |                       |                       |
| Other borrowings                    | 106.4                 | -                     |
| Lease liabilities                   | 99.9                  | 94.9                  |
|                                     | <u>206.3</u>          | <u>94.9</u>           |
| <i>Non-current liabilities</i>      |                       |                       |
| Senior unsecured notes (i - iv)     | 4,472.0               | 2,941.2               |
| Less: capitalised transaction costs | (39.4)                | (23.8)                |
| Lease liabilities                   | 290.9                 | 221.8                 |
|                                     | <u>4,723.5</u>        | <u>3,139.2</u>        |
|                                     | <u><u>4,929.8</u></u> | <u><u>3,234.1</u></u> |

(i) US\$700 million senior unsecured notes offering, issued April 2019, due 2027, at an interest rate of 8.125 per cent per annum.

(ii) US\$625 million senior unsecured notes offering, issued May 2022, due 2027, at an interest rate of 8.000 per cent per annum.

(iii) US\$625 million senior unsecured notes offering, issued May 2022 due 2030, at an interest rate of 8.500 per cent per annum.

(iv) US\$1.1 billion senior unsecured notes offering, issued October 2023, due 2028, at an interest rate of 9.250 per cent per annum.

As at 31 December 2023, MinRes has access to undrawn debt facilities of \$400.0M (30 June 2023: \$411.5M).

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|   | Group              |                    |
|---|--------------------|--------------------|
|   | 31 Dec 2023<br>\$M | 30 Jun 2023<br>\$M |
| Aquila Resources Pty Ltd                          | 71.7               | 68.6               |
| Binding Solutions Ltd                             | 36.9               | -                  |
| Delta Lithium Ltd                                 | 77.1               | -                  |
| Essential Metals Limited                          | -                  | 27.2               |
| Other associates                                  | 1.1                | 0.5                |
|   | <u>186.8</u>       | <u>96.3</u>        |
| Investments accounted for using the equity method |                    |                    |
|   | <u>186.8</u>       | <u>96.3</u>        |

## 9. FINANCIAL ASSETS

|  | Group              |                    |
|--|--------------------|--------------------|
|  | 31 Dec 2023<br>\$M | 30 Jun 2023<br>\$M |
| <i>Financial Assets</i>  |                    |                    |
| Shares in listed corporations – at fair value through profit or loss | 585.4              | 205.7              |
| Other financial assets   | 1.4                | -                  |
|  | <u>586.8</u>       | <u>205.7</u>       |
| Total financial assets   |                    |                    |
|  | <u>586.8</u>       | <u>205.7</u>       |

## 9. FINANCIAL ASSETS (CONTINUED)

|  | Group       |             |
|--|-------------|-------------|
|  | 31 Dec 2023 | 30 Jun 2023 |
|  | \$M         | \$M         |
| <i>Reconciliation</i>  |             |             |
| Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below: |             |             |
| Shares in listed corporations – at fair value through profit or loss   |             |             |
| Opening fair value   | 205.7       | 58.0        |
| Additions  | 578.0       | 189.6       |
| Disposals  | (7.5)       | (84.0)      |
| Transfer   | (89.6)      | -           |
| Fair value adjustments   | (101.2)     | 42.1        |
| Closing fair value   | 585.4       | 205.7       |

## 10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment increased by \$1,005.7M (31 December 2022: \$742.3M). The additions include property, plant and equipment acquired through business combinations of \$151.1M (31 December 2022: \$nil) (refer to Note 19 and 20). Other additions relate mainly to capital expenditure associated with the Onslow Iron project.

The Group disposed of assets with a carrying value of \$6.5M (31 December 2022: \$21.3M).

## 11. MINE DEVELOPMENT

Mine development increased by \$1,443.7M (31 December 2022: \$117.2M). The additions include assets acquired through business combinations of \$922.3M (31 December 2022: \$nil) (refer to Note 19 and 20). Other additions mainly relate to stripping activities.

## 12. INVENTORIES

|   | Group       |             |
|---|-------------|-------------|
|   | 31 Dec 2023 | 30 Jun 2023 |
|   | \$M         | \$M         |
| Raw materials and stores                            | 138.0       | 116.6       |
| Work in progress                                    | 8.9         | 14.5        |
| Ore inventory stockpiles                            | 571.8       | 475.3       |
| Write-down of ore inventory to net realisable value | (11.2)      | -           |
| Total Inventories                                   | 707.5       | 606.4       |



### 13. ISSUED CAPITAL

|                       | Group                 |                       |                    |                    |
|-----------------------|-----------------------|-----------------------|--------------------|--------------------|
|                       | 31 Dec 2023<br>Shares | 30 Jun 2023<br>Shares | 31 Dec 2023<br>\$M | 30 Jun 2023<br>\$M |
| Ordinary shares       | 195,186,248           | 194,480,644           | 999.3              | 969.4              |
| Less: Treasury shares | (888,350)             | (1,494,631)           | (49.1)             | (82.5)             |
|                       | <u>194,297,898</u>    | <u>192,986,013</u>    | <u>950.2</u>       | <u>886.9</u>       |

| Movements in issued capital                              | Less:                        |                              |                    |
|--|------------------------------|------------------------------|--------------------|
|  | Number<br>Ordinary<br>shares | Number<br>Treasury<br>shares | Total<br>Number    |
| Balance at 1 July 2022                                   | 189,201,267                  | (1,091,931)                  | 188,109,336        |
| Shares issued under Dividend Reinvestment Plan           | 269,826                      | -                            | 269,826            |
| Purchase of shares under employee share plans            | -                            | (47,263)                     | (47,263)           |
| Shares issued under employee share plans                 | 690,243                      | (690,243)                    | -                  |
| Employee shares vested                                   | -                            | 334,806                      | 334,806            |
| Shares issued under the acquisition of Norwest Energy NL | 4,319,308                    | -                            | 4,319,308          |
| Balance at 30 June 2023                                  | <u>194,480,644</u>           | <u>(1,494,631)</u>           | <u>192,986,013</u> |
| Shares issued under Dividend Reinvestment Plan           | 50,573                       | -                            | 50,573             |
| Shares issued under employee share plans                 | -                            | (48)                         | (48)               |
| Employee shares vested                                   | -                            | 606,329                      | 606,329            |
| Shares issued under the acquisition of mining tenements  | <u>655,031</u>               | <u>-</u>                     | <u>655,031</u>     |
| Balance at 31 December 2023                              | <u>195,186,248</u>           | <u>(888,350)</u>             | <u>194,297,898</u> |

### 13. ISSUED CAPITAL (CONTINUED)

|  | Ordinary<br>shares<br>\$M | Less:<br>Treasury<br>shares<br>\$M | Total<br>\$M |
|--|---------------------------|------------------------------------|--------------|
| Balance at 1 July 2022                                   | 558.3                     | (53.8)                             | 504.5        |
| Shares issued under Dividend Reinvestment Plan           | 19.0                      | -                                  | 19.0         |
| Purchase of shares under employee share plans            | -                         | (2.8)                              | (2.8)        |
| Shares issued under employee share plans                 | 43.2                      | (43.2)                             | -            |
| Employee shares vested                                   | (10.9)                    | 17.3                               | 6.4          |
| Shares issued under the acquisition of Norwest Energy NL | 359.8                     | -                                  | 359.8        |
| Balance at 30 June 2023                                  | 969.4                     | (82.5)                             | 886.9        |
| Shares issued under Dividend Reinvestment Plan           | 3.6                       | -                                  | 3.6          |
| Employee shares vested                                   | (21.7)                    | 33.4                               | 11.7         |
| Shares issued under the acquisition of mining tenements  | 48.0                      | -                                  | 48.0         |
| Balance at 31 December 2023                              | 999.3                     | (49.1)                             | 950.2        |

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

#### Treasury shares

Movements in treasury shares represent newly issued shares to be reissued to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment plans. These shares are disclosed as treasury shares and deducted from contributed equity.

### 14. DIVIDENDS

|  | 31 Dec 2023                    |              | 31 Dec 2022                    |              |
|--|--------------------------------|--------------|--------------------------------|--------------|
|  | Dividend<br>per share<br>Cents | Total<br>\$M | Dividend<br>per share<br>Cents | Total<br>\$M |
| <b>DECLARED AND PAID DURING THE PERIOD</b> |                                |              |                                |              |
| Final franked dividend                     | 70.00                          | 135.9        | 100.00                         | 188.3        |
| <b>PROPOSED</b>                            |                                |              |                                |              |
| Interim franked dividend                   | 20.00                          | 39.0         | 120.00                         | 229.7        |

## **15. COMMITMENTS AND CONTINGENCIES**

### **Contingent liabilities**

#### *Legal contingencies*

##### *(a) Contingent Consideration and Royalties*

Contingent Consideration and Royalties relates to payment obligations whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events. The Directors consider it appropriate for these payments to be recorded only when the future event occur, therefore the Group has not provided for such amounts in these financial statements.

##### *(b) Other Royalties*

Other royalties are payable to government and non-government parties and are based on production and/or future product sales.

There have been no other material changes or new contingent liabilities since the last annual report.

### **Commitments**

At 31 December 2023, the Group had contractual commitments to capital expenditure of \$1,904.1M (30 June 2023: \$1,355.5M). Capital commitments as at 31 December 2023 predominantly relates to construction, fleet and maritime equipment commitments.

**16. FAIR VALUE MEASUREMENT***Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

|   | Level 1<br>\$M | Level 2<br>\$M | Level 3<br>\$M | Total<br>\$M |
|---|----------------|----------------|----------------|--------------|
| <b>GROUP - 31 DEC 2023</b>  |                |                |                |              |
| <i>Assets</i>   |                |                |                |              |
| Trade and other receivables at fair value                                 | -              | 159.6          | -              | 159.6        |
| Financial assets held at fair value through profit or loss:               |                |                |                |              |
| Shares in listed corporations   | 585.4          | -              | -              | 585.4        |
| Other assets: Foreign exchange forward contracts in cash flow hedges      | -              | 2.5            | -              | 2.5          |
| Total assets  | 585.4          | 162.1          | -              | 747.5        |
| <i>Liabilities</i>  |                |                |                |              |
| Other liabilities: Commodity option contracts                             | -              | (43.4)         | -              | (43.4)       |
| Total liabilities   | -              | (43.4)         | -              | (43.4)       |
| <b>GROUP - 30 JUNE 2023</b>   |                |                |                |              |
|   | Level 1<br>\$M | Level 2<br>\$M | Level 3<br>\$M | Total<br>\$M |
| <i>Assets</i>   |                |                |                |              |
| Trade and other receivables at fair value                                 | -              | 87.6           | -              | 87.6         |
| Financial assets held at fair value through profit or loss:               |                |                |                |              |
| Shares in listed corporations   | 205.7          | -              | -              | 205.7        |
| Other assets: Commodity option contracts                                  | -              | 0.6            | -              | 0.6          |
| Total assets  | 205.7          | 88.2           | -              | 293.9        |
| <i>Liabilities</i>  |                |                |                |              |
| Other liabilities: Foreign exchange forward contracts in cash flow hedges | -              | (0.9)          | -              | (0.9)        |
| Total liabilities   | -              | (0.9)          | -              | (0.9)        |

## **16. FAIR VALUE MEASUREMENT (CONTINUED)**

*Fair value of financial assets and financial liabilities that are not measured at fair value*

Unless otherwise stated, the carrying amount of all of the Group's financial assets and financial liabilities recognised in the financial statements are considered to approximate their fair values.

*Valuation techniques for fair value measurements categorised within level 3*

There were no material changes to the valuation techniques for fair value measurements categorised within level 3 since the last annual report.

## **17. INTEREST IN JOINT ARRANGEMENTS**

Effective 18 October 2023, the restructuring of the joint venture arrangement between MinRes and Albemarle Corporation (Albemarle) (the MARBL JV) was completed. Subsequent to completion, the arrangement is now accounted for as a joint operation (refer to Note 19).

There were no other material changes to joint arrangements during the current reporting period.

## **18. RELATED PARTIES**

There were no significant changes in transactions with related parties.

## **19. RESTRUCTURED MARBL TRANSACTION**

Consistent with MinRes' strategy to expand the Groups' commodity footprint, on 23 February 2023, MinRes entered into a binding agreement with Albemarle for a change in ownership structure of their interests in the Wodgina lithium mine (Wodgina) and Kemerton hydroxide plant (Kemerton). The agreement included an ownership change for Wodgina to 50/50 (previously 60/40) and Kemerton to 85/15 (from 60/40). Further, on 20 July 2023, MinRes amended the terms of the transaction with Albemarle. The amended agreement included an ownership change of the remaining interest in Kemerton, resulting in Albemarle taking full ownership of Kemerton in exchange for cash consideration of US\$180M. The agreements included completion payments to adjust consideration paid for an economic effective date of 1 April 2022.

Effective 18 October 2023, MinRes' share of Wodgina increased to 50 per cent and MinRes disposed of its 40 per cent interest in Kemerton.

Since acquisition, a total of approximately \$55.7M was contributed to revenue and \$33.6M to profit before tax. If the acquisition was held from the beginning of the reporting period, a total of approximately \$116.8M and \$33.6M would have been recognised as revenue and profit before tax, respectively.

## 19. RESTRUCTURED MARBL TRANSACTION (CONTINUED)

### Acquisition-date fair values

The provisional fair values of identifiable assets acquired and liabilities assumed are as follows:

|   | <b>Provisional<br/>fair value<br/>\$M</b> |
|---|---|
| <i>Assets</i>                               |   |
| Mine Development                            | 407.1                                     |
| Property, plant and equipment               | 54.5                                      |
| Inventories                                 | 60.1                                      |
| Trade and other receivables                 | 56.8                                      |
|   | <hr/>                                     |
| Total Assets                                | 578.5                                     |
|   | <hr/>                                     |
| <i>Liabilities</i>                          |   |
| Trade and other payables                    | (44.1)                                    |
| Provisions                                  | (4.7)                                     |
|   | <hr/>                                     |
| Total Liabilities                           | (48.8)                                    |
|   | <hr/>                                     |
| Total identifiable net assets at fair value | 529.7                                     |
|   | <hr/> <hr/>                               |
| Gain on Business Acquisition                | 333.4                                     |
| Total Consideration                         | 196.3                                     |
|   | <hr/> <hr/>                               |

### Acquisition-date fair value of consideration

|          | <b>Provisional<br/>fair value<br/>\$M</b> |
|----------|---|
| Kemerton | 746.2                                     |
| Cash     | (549.9)                                   |
|          | <hr/>                                     |
|          | 196.3                                     |
|          | <hr/>                                     |

### Reconciliation of cash payments

|   | <b>\$M</b> |
|---|------------|
| Completion payments   | 267.7      |
| Payment of US\$180.0M for 15% of Kemerton   | 282.2      |
|   | <hr/>      |
| Cash received as consideration and included in acquisition-date fair value of consideration | 549.9      |
| Gain on settlement of restructured MARBL transaction (Note 4)                               | 50.5       |
| Realised foreign exchange loss  | (12.6)     |
|   | <hr/>      |
| Proceeds from sale of disposal group  | 587.8      |

## **19. RESTRUCTURED MARBL TRANSACTION (CONTINUED)**

The Gain on Business Acquisition recognised in Other Income in the Consolidated Income Statement is a direct result of the time between the economic effective date (1 April 2022) and the transaction completion date (18 October 2023). The completion payments (\$267.7M) adjusts the purchase price to the 1 April 2022 economic effective date agreed between MinRes and Albemarle.

Due to the proximity of the transaction to the reporting date and complexity of the transaction, the initial accounting for the business combination is provisional.

## **20. BUSINESS COMBINATION**

Consistent with MinRes' strategy to expand the Group's commodity footprint, during the period, MinRes acquired a series of mining assets and tenements for total cash consideration of \$555.9 million. In addition, MinRes acquired the equity of Lithco No.2 Pty Ltd and Tawana Resources Pty Ltd for total cash consideration of \$100.0M. Based on the provisional accounting, the total assets and liabilities acquired in the reporting period included trade receivables and other assets of \$2.7M, inventory of \$25.0M, goodwill of \$128.7M, property, plant and equipment of \$96.6M, mine properties and exploration and evaluation assets of \$515.2M, along with liabilities of \$112.3M which included rehabilitation provisions, employee provisions, trade creditors and other provisions and contingencies. Goodwill represents expected synergies to be achieved by integrating our Mining Services expertise in operations. As part of the acquisition of Lithco No.2 Pty Ltd and Tawana Resources Pty Ltd, MinRes has indemnified the vendor for certain liabilities, with an estimated exposure of \$nil to \$202.8M. MinRes intends to dispute and defend any claims made.

Since acquisition, a total of \$28.5M was contributed to revenue and a net loss of \$3.6M to profit before tax.

Due to the proximity of certain transactions to the reporting date and complexity of those transactions, all initial accounting for the business combination is provisional.

## **21. IMPAIRMENT OF NON-CURRENT ASSETS**

As at 31 December 2023, the Group has performed an impairment test of the recently acquired Bald Hill cash-generating unit (CGU) due to the decline in the short-term lithium price combined with the mine life. The impairment test of the CGU, which includes goodwill of \$128.7M, is based on value-in-use (VIU) calculations. The Group used the VIU to determine the recoverable amount, which exceeded the carrying amount. Accordingly, no impairment expense was recognised.

The key assumptions used to determine the recoverable amount were as follows:

- Ore to be mined (based on the mine plan acquired from previous owners): 7.8M dmt
- Consensus pricing: US\$1,451/dmt to US\$2,211/dmt

It is estimated that a change of +10% / (10%) to the key assumptions, in isolation, would have the following impact on the recoverable amount:

- Forecast lithium prices: +\$110.9M / (\$110.9M)
- Ore to be mined: +\$20.9M / (\$78.6M)

Further test work is currently underway which is expected to further clarify the ore to be mined.

There were no indicators of impairment for the Group's remaining CGU's.



## **22. EVENTS AFTER THE REPORTING PERIOD**

On 31 January 2024, the following changes were announced:

- Kelvin Flynn resigned as an independent non-executive director
- Jacqueline McGill AO was appointed as an Independent non-executive director
- Jenna Mazza was appointed as joint Company Secretary, replacing Derek Oelofse who continues in his role of General Manager Corporate Finance. Mark Wilson continues in the role of CFO and joint Company Secretary.

On 21 February 2024, the Board of Directors declared an interim fully franked dividend for the half-year ended 31 December 2023 of \$0.20 per share to be paid on 26 March 2024, a total estimated distribution of \$39.0M based on the number of ordinary shares on issue as at 04 March 2024.

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Chris Ellison  
Managing Director

21 February 2024  
Perth



Building a better  
working world

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Independent auditor's review report to the members of Mineral Resources Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Mineral Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



**Building a better  
working world**

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

D S Lewsen  
Partner  
Perth  
21 February 2024

Philip Teale  
Partner  
Perth

**GLOSSARY**

|  |   |
|--|---|
| <b>1H, 2H, FY</b>                      | First half, second half, full year  |
| <b>\$</b>                              | Australian dollar   |
| <b>US\$</b>                            | United States dollar  |
| <b>Attributable</b>                    | Disclosed at MinRes' respective interest in the project   |
| <b>Australian Accounting Standards</b> | Australian Accounting Standards are developed, issued and maintained by the Australian Accounting Standards Board, an Australian Government agency under the Australian Securities and Investments Commission Act 2001  |
| <b>AASB</b>                            | Australian Accounting Standards Board   |
| <b>AM</b>                              | Member of the Order of Australia  |
| <b>AO</b>                              | Officer of the Order of Australia   |
| <b>ASX</b>                             | The Australian Securities Exchange  |
| <b>bn</b>                              | Billion   |
| <b>CAGR</b>                            | Compound annual growth rate   |
| <b>CFR</b>                             | Cost and freight rate   |
| <b>CFR cost</b>                        | Operating costs of mining, processing, rail/road haulage, port, freight and royalties, including mining infrastructure service agreements with MinRes Group entities, direct administration costs, and apportionment of corporate and centralised overheads   |
| <b>Corporations Act</b>                | Corporations Act 2001 of the Commonwealth of Australia  |
| <b>dmt</b>                             | Dry metric tonnes   |
| <b>EPS</b>                             | Earnings per share  |
| <b>Functional Currency</b>             | The currency of the primary economic environment in which the entity operates as defined in AASB 121  |
| <b>Gain on Business Acquisition</b>    | Accounting gain on bargain purchase in which there is an excess of consideration transferred compared to assets acquired and liabilities assumed on acquisition of a business as defined in AASB 3.   |
| <b>Gross debt</b>                      | Total borrowings and finance lease liabilities  |
| <b>Gross gearing</b>                   | Gross debt / (gross debt + equity)  |
| <b>k</b>                               | Thousand  |
| <b>LTIFR</b>                           | Lost Time Injury Frequency Rate   |
| <b>M</b>                               | Million   |
| <b>Mineral Resources / Resources</b>   | A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quantity and quality that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Where capitalised, this term refers to MinRes' estimated Mineral Resources. |
| <b>Net debt/(cash)</b>                 | Gross debt less cash and cash equivalents. Includes finance lease liabilities.  |
| <b>pcp</b>                             | Prior corresponding period  |

|                              |  |
|------------------------------|--|
| <b>Presentation Currency</b> | The currency in which the financial statements are presented as defined in AASB 121  |
| <b>ROIC</b>                  | Return On Invested Capital calculated as Net Operating Profit After Tax / Invested Capital at consensus commodity prices   |
| <b>T or t</b>                | Wet metric tonnes unless otherwise stated  |
| <b>TMM</b>                   | Total Material Mined   |
| <b>TRIFR</b>                 | Total Recordable Injury Frequency Rate per million hours worked  |
| <b>TSR</b>                   | Total Shareholder Return being CAGR in gain from change in share price plus dividends paid                                 |
| <b>Underlying EBIT</b>       | Earnings Before Interest and Tax adjusted for impact of one-off, non-operating gains or losses                             |
| <b>Underlying EBITDA</b>     | Earnings Before Interest, Tax, Depreciation and Amortisation adjusted for impact of one-off, non-operating gains or losses |
| <b>Underlying PBT</b>        | Profit Before Tax adjusted for impact of one-off, non-operating gains or losses  |
| <b>Underlying NPAT</b>       | Net Profit After Tax adjusted for after tax impact of one-off, non-operating gains or losses                               |
| <b>wmt</b>                   | Wet metric tonnes  |