

# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

## MINRES DELIVERS STRONG MINING SERVICES EARNINGS AS ONSLOW IRON PROGRESSES TOWARDS NAMEPLATE

Mineral Resources Limited (**ASX: MIN**) (**MinRes** or the **Company**) is pleased to announce its financial results for the half-year ended 31 December 2024 (1H25).

### Solid underlying financial results despite weaker price environment:

- Revenue of \$2,290 million (**M**), down 9% (1H24: \$2,515M).
- Underlying EBITDA<sup>1</sup> of \$302M, down 55% (1H24: \$675M).
- Underlying NPAT of (\$196M), down 200% (1H24: \$196M).
- Statutory NPAT of (\$807M), down 252% (1H24: \$530M) after including (\$352M) of post-tax impairment charges primarily related to Bald Hill, and (\$232M) post-tax translation impact on foreign currency denominated balances.

### Strong liquidity position maintained while funding peak investment for Onslow Iron:

- Receipt of \$1,100M upfront payment for the sale of a 49% interest in the Onslow Iron haul road.
- Receipt of \$780M initial cash consideration from the gas transactions with Hancock Prospecting Pty Ltd (**Hancock**).
- Available liquidity of \$1,520M (FY24: \$2,833M), including cash on hand of \$720M (FY24: \$908M).
- Net debt of \$5,084M (FY24: \$4,428M).

### Mining Services:

- Delivered record underlying EBITDA of \$379M, up 49% (1H24: \$254M), consisting of production EBITDA of \$350M and inaugural Onslow Iron Road Trust EBITDA of \$29M.
- Production volumes stable at 136M wet metric tonnes (**wmt**) (1H24: 139Mt).
- Commenced two new contracts (rehabilitation and mining) and renewed four existing external crushing contracts.

### Iron Ore:

- Shipments totalled 9.7M wmt across all hubs, up 11% (1H24: 8.7M wmt).
- Onslow Iron development progressed well, with production of 6.3Mt (100%) and shipments of 4.6Mt (100%). Onslow Iron turned operating cash flow positive from November, with carry loan (\$794M) starting to be repaid.
- Weighted average achieved price of US\$83 per dry metric tonne (**dmt**), down 25% (1H24: US\$111/dmt) reflecting a weaker Platts 62% IODEX.

### Lithium:

- Shipments totalled 261k dmt SC6, up 28% (1H24: 204k dmt SC6).
- Bald Hill was placed into care and maintenance (**C&M**) in November 2024.
- Weighted average achieved price of US\$820 per dmt SC6 (1H24: US\$1,719/dmt SC6).

<sup>1</sup> The reconciliation of underlying results, a non-IFRS measure, to the IFRS financial metrics reported is contained in note 3 of the half-year financial statements.

# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

## Energy:

- Transaction entered into with Hancock for MinRes assets in the Perth Basin and Carnarvon Basin for total potential consideration of up to \$1,131M.
- Part of the Hancock transaction was completed – the sale of 100% of Exploration Permits (EP) 368 and 426 – with receipt of initial consideration of \$780M on 18 December 2024.

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

“Across the first half we made huge progress in ramping up production at Onslow Iron, a project that will transform the quality of our earnings across commodities and mining services.

“I’m pleased to report all parts of the Onslow Iron pit-to-ship supply chain were operational, with the first three transhippers performing beyond expectations at this stage of the ramp up.

“Transhippers four and five are due to arrive at the Port of Ashburton in February and April respectively, with each vessel adding seven million tonnes per annum capacity to the project.

“January shipments were operating at an annualised run rate of 18 million tonnes, well on the way to the Onslow Iron’s nameplate capacity, before we lost eight days of transhipping to Severe Tropical Cyclone Sean.

“The cyclone dropped an extraordinary amount of rain on parts of the Pilbara and the deluge was exacerbated days later by a low-pressure system that dumped more heavy rain inland.

“These weather events caused significant flooding that damaged parts of the Onslow Iron haul road. We have decided to repair the damage with cement stabilisation and to resurface the haul road with asphalt, which will significantly reduce downtime and maintenance costs. Haulage will continue on the haul road while these works are carried out.

“I acknowledge investors’ focus on our balance sheet, which reflects a period of high construction spend at Onslow Iron. Capital expenditure peaked in the first half and Onslow Iron is now generating positive cash flow, which will enable us to accelerate efforts to deleverage the balance sheet. Nonetheless, the Board took the prudent step to temporarily halt dividend payments.

“Record underlying earnings of \$379 million in the first half from Mining Services – which had another standout period – was offset by the impact of weakness in iron ore and lithium prices.

“The Lithium division responded to a sustained tough global market by further reducing costs and improving performance, with the benefits of these measures coming to the fore late in the half, which coincided with a modest recovery in prices.

“We made the decision to preserve the Bald Hill orebody for when market conditions improve and placed the Yilgarn Hub in care and maintenance. At the same time, our head office workforce was reduced to align with revised operational requirements.

“During the half we highlighted our ability to crystallise value for shareholders with the completion of the \$1.1 billion divestment of a 49% stake in the Onslow Iron haul road. We also received the first \$780 million payment from Hancock Prospecting, which has become a partner in our Energy business.

# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

“It has been a challenging six-month period for MinRes, but our Company has a history of weathering storms and coming out stronger. It is a credit to the dedication and professionalism of the MinRes team that we remain in a strong position and well placed to deliver improved performance going forward.”

## CONFERENCE CALL

MinRes Managing Director Chris Ellison and Chief Financial Officer Mark Wilson will provide a half-year results webcast presentation on 19 February 2025 at 9:00AM AWST / 12:00PM AEDT.

To register, please visit <https://meetings.lumiconnect.com/300-710-618-643>.

## 1H25 OPERATIONAL PERFORMANCE

The Lost Time Injury Frequency Rate (**LTIFR**) was 0.21 and the rolling 12-month Total Recordable Injury Frequency Rate (**TRIFR**) was 3.87. These increases reflect significant construction activity during the year – safety remains a top priority for the Company and a focus on improving these performance indicators is never-ending.

Mining Services delivered production volumes of 136M wmt (1H24: 139M wmt), reflecting Onslow Iron's progress to achieving the nameplate capacity of 35 million tonnes per annum (**Mtpa**), while Bald Hill and the Yilgarn Hub moved into C&M. Mining Services commenced two new contracts and renewed four existing external crushing contracts. In addition, the 150-kilometre Onslow Iron haul road became fully operational in 1H25, with final upgrade works completing in Q1FY26. The Onslow Iron Road Trust reported its maiden EBITDA of \$29M, following completion of the sale of a 49% non-controlling interest in the Onslow Iron haul road on 25 September 2025 to Morgan Stanley Infrastructure Partners (**MSIP**) for \$1,100M.

The Iron Ore division achieved shipments of 9.7M wmt across all hubs, an increase of 11% on the prior corresponding period (**pcp**<sup>1</sup>). Mining at Onslow Iron continued to ramp up as the third NextGen crushing plant, the reclaimer and truck load out commenced commissioning activities in December. The third transhipper began operations in 1H25 and the fourth and fifth transhippers are due to arrive at the Port of Ashburton in 2H25.

The Lithium division achieved a total attributable share of SC6 shipments across all three operations of 261k dmt, an increase of 28% (1H24: 204k dmt). Production decreased across Mt Marion and Wodgina by 7% on the pcp as the business focused on lower-volume, higher-quality production with tight cost control to match current market conditions. Bald Hill was placed into C&M in November because of prevailing market conditions and the fact it was MinRes' highest cost operation.

MinRes entered a transaction with Hancock for assets in the Perth Basin and Carnarvon Basin for a total potential consideration of up to \$1,131M. MinRes and Hancock also agreed to form two 50/50

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<sup>1</sup> Comparison to pcp being the half-year ended 31 December 2024 (1H24).



# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

exploration joint ventures over MinRes' remaining exploration permits in the Perth Basin and Carnarvon Basin, with Hancock to also purchase 50% of the MinRes Explorer drill rig and associated infrastructure.

## 1H25 FINANCIAL PERFORMANCE

METRIC	1H25 RESULTS	COMPARISON TO PCP
Revenue	\$2,290M	Down 9%
Underlying EBITDA <sup>(a)</sup>	\$302M	Down 55%
Statutory net loss after tax	(\$807M)	Down 252%
Underlying basic earnings per share (EPS)	(99cps)	Down from 101cps
Interim dividend declared	-	Down from 20.00cps
Cash	\$720M	Down 21%
Net debt	\$5,084M	Up 15%
Net assets	\$3,785M	Up 6%
Return on invested capital (ROIC) <sup>(b)</sup>	(8.1%)	Down from 5.3%

(a) Refer to note 3 of the financial statements for reconciliation of the non-IFRS measure to the IFRS financial metric reported in the financial statements.

(b) ROIC calculated as per FY24 Remuneration Report definition on a rolling 12-month basis.

Revenue of \$2,290M (1H24: \$2,515M) decreased 9% due to weaker iron ore and lithium pricing, offset by growth in Mining Services revenue from Onslow Iron.

MinRes generated Underlying Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment (**Underlying EBITDA**) of \$302M (1H24: \$675M), down 55% on pcp. A reduction in commodity prices weighed on the results but was offset by record Mining Services earnings, which benefited from higher ramp up rates at Onslow Iron. The Iron Ore division reported a small loss as operations at the Yilgarn Hub transitioned into C&M. The Lithium division was impacted by a weak price environment, resulting in Bald Hill being placed into C&M.

Statutory NPAT was (\$807M) (1H24: \$530M), down \$1,337M on pcp. The result included (\$352M) of post-tax impairment charges, primarily related to Bald Hill, and (\$232M) post-tax translation impact on foreign currency denominated balances as at 31 December 2024.

Operating cash flow before financing and tax of (\$476M) was down \$1,297M on pcp, inclusive of a net working capital impact of (\$458M) and a (\$320M) increase in the Onslow Iron carry loan receivable. Net debt increased to \$5,084M (FY24: \$4,428M) and reflects capital expenditure of \$1,098M<sup>1</sup> and a net cash inflow from investments and acquisitions of \$1,678M.

<sup>1</sup> Including Onslow development expenditure incurred on behalf of the APIJV of \$263M, total outflow for 1H25 was \$1,361M.

# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

MinRes maintained a strong liquidity position of \$1,520M (FY24: \$2,833M), including cash on hand of \$720M (FY24: \$908M) and access to substantial undrawn debt facilities of \$800M.

## 1H25 INTERIM DIVIDEND

Consistent with a focus on the Group's balance sheet and to maintain liquidity over the remainder of FY25 as completion of Onslow Iron development approaches, no interim dividend has been declared.

## GOVERNANCE

On 13 February 2025, the MinRes Board provided an update on the implementation of new processes and protocols to strengthen the Company's corporate governance practices.

New or enhanced protocols and policies cover: related party transactions and potential conflicts of interest, including eliminating the use of Company resources by key management personnel other than in exceptional circumstances; the disposal of Company assets, including to key management personnel; investment decisions, including amending delegations of authority and Board decision information papers; and management of whistleblower complaints.

As per the update, the appointment of a new Board Chair is well advanced and the Company expects to make an announcement on the appointment in the June quarter.

The new Chair will play an instrumental role in selecting a replacement for the Managing Director, who will transition in accordance with the timeline outlined on 4 November 2024.

## FY25 GUIDANCE & OUTLOOK

MinRes has built a diversified portfolio of world-class commodity and infrastructure assets that ensures the Company remains well placed to deliver long-term returns for shareholders.

Onslow Iron is a transformational project for the Company that transitions the Iron Ore division to a low-cost, long-life producer that will generate strong returns through commodity cycles.

As construction nears completion and shipping ramps up to full capacity, the project is poised to generate significant cash flow and deleverage the balance sheet. The four life-of-mine mining services contracts, including crushing, haulage, port services and transshipping – along with the Onslow Haul Road Trust – will significantly grow the Company's long-term mining services and infrastructure earnings.

The ramp up of Onslow Iron progressed to schedule in the first half, with January 2025 shipments operating at an 18Mtpa run rate before Severe Tropical Cyclone Sean disrupted eight days of transshipping. The cyclone and a separate heavy rainfall event five days later also caused flood damage to parts of the haul road.

The Company has taken the decision to upgrade the haul road while Onslow Iron is in the ramp-up phase. Damaged sections of the haul road are being repaired with cement stabilisation and the entire route will be resurfaced with asphalt.

As a result of the severe weather impacts and the haul road upgrade, Onslow Iron attributable volume guidance for FY25 has been reduced to 8.8 to 9.3Mt (from 10.5 to 11.7Mt) and FOB Cost revised to \$60

# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

to \$70/t (from \$58 to \$68/t), with the resultant impact reducing Mining Services-related tonnes production volumes to 280 to 300Mt (from 295 to 315Mt).

Haulage will continue throughout the haul road upgrade, which is scheduled to be completed by September 2025. All other parts of Onslow Iron infrastructure have operated at or above nameplate capacity. The addition of transhippers four and five in February 2025 and April 2025 respectively will increase transshipping capacity to 35Mtpa this half, with Onslow Iron well progressed to achieving its nameplate 35Mtpa capacity, which we expect in Q1 FY26.

Despite the downturn in prices, the long-term outlook for lithium remains strong. The Lithium division responded to market conditions by lowering volumes, focusing on cost reductions and operational efficiency to maximise the long-term value of assets. The benefits of these initiatives will be realised in the second half of FY25 and ensure the Company is well-positioned to navigate the commodity cycle.

In the Energy division, MinRes and Hancock have agreed to exploration joint arrangements in the Perth and Carnarvon basins that will derisk and accelerate future natural gas exploration programs. MinRes believes natural gas is an essential transition fuel for the Company's operations and the domestic energy market.

FY25 guidance is summarised in the table below:

	IRON ORE		LITHIUM	
	ONSLOW	PILBARA HUB	MT MARION	WODGINA
<b>MinRes Share</b>	57% <sup>1</sup>	100%	50%	50%
<b>Product</b>	All Fines	25% Lump	Spodumene Grade 4.1%	Spodumene Grade 5.5%
<b>Volume (attributable)</b>	8.8 to 9.3Mt	9.0 to 10.0Mt	150 to 170kdmmt (SC6 equivalent)	210 to 230kdmmt (SC6 equivalent)
<b>FOB Cost</b>	\$60 to \$70/t	\$76 to \$86/t	\$870 to \$970/t (SC6 equivalent)	\$800 to \$890/t (SC6 equivalent)
<b>MINING SERVICES PRODUCTION VOLUMES 280 to 300MT</b>				

<sup>1</sup> Onslow attributable volumes are expected to average at MinRes' 57% equity share over the life of the project. MinRes also holds an indirect interest of 3.3% through its shareholding in aquila resources.

## ENDS

*This announcement dated 18 February 2025 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary of Mineral Resources Limited.*



# 2025 HALF-YEAR RESULTS ANNOUNCEMENT

18 February 2025

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**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. For more information, visit [www.mineralresources.com.au](http://www.mineralresources.com.au).

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