8 OCTOBER 2021

2021 FINANCIAL YEAR - ANNUAL REPORT

Mineral Resources Limited (**ASX:MIN**) is pleased to provide the 2021 Financial Year (FY21) Annual Report.

Printed copies are being mailed today to those Shareholders who have requested a printed copy.

The FY21 Annual Report can also be downloaded from the Mineral Resources website at **www.mrl.com.au**.

ENDS

This announcement dated 8 October 2021 has been authorised for release to the ASX by Derek Oelofse, Company Secretary of Mineral Resources Limited.

For further information, please contact:

JAMES BRUCE

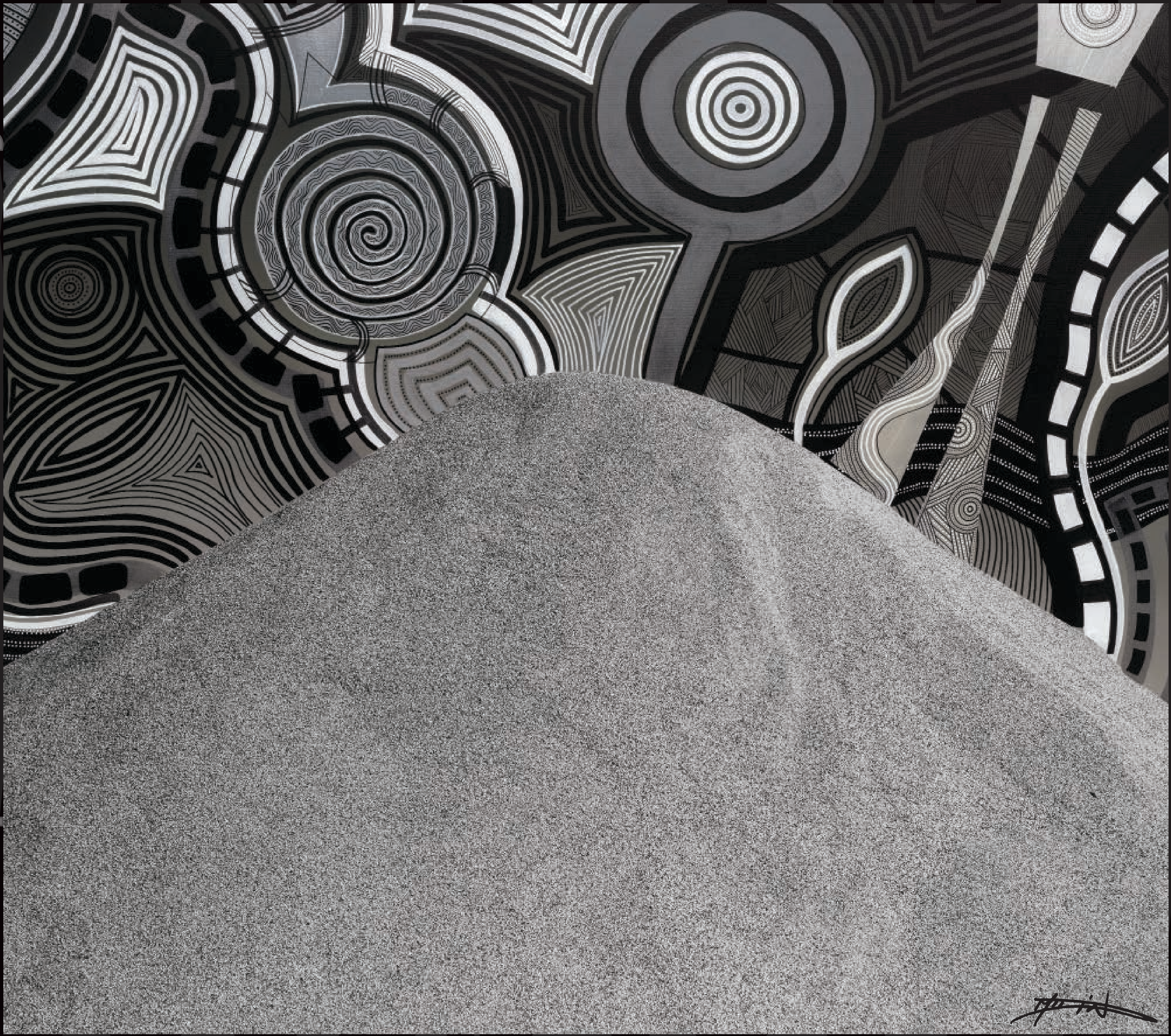
Head of Investor Relations
Mineral Resources Limited
T: +61 8 9329 3607
E: **james.bruce@mrl.com.au**

PETER KLINGER

Media Relations
Cannings Purple
T: +61 (0) 411 251 540
E: **pklinger@canningspurple.com.au**

About Mineral Resources

Mineral Resources Limited (ASX: MIN) is a Perth-based leading mining services provider, with a particular focus on the iron ore and hard-rock lithium sectors in Western Australia. Using technical know-how and an innovative approach to deliver exceptional outcomes, Mineral Resources has become one of the ASX's best-performing contractors since listing in 2006.



MINERAL RESOURCES

MINERAL RESOURCES LIMITED

2021 ANNUAL REPORT

CONNECTION

THIS YEAR IS DEDICATED TO THE **WELLBEING** OF OUR PEOPLE, COMMUNITIES AND ENVIRONMENT.

The art shared with you throughout this report is a unique community collaboration between Aboriginal artists Aaron Hayden, Edwin Lee Mulligan, Rebecca Morgan, Nathan Mundraby and Clifton Bieundurry, and photographer Russell James. Together, they have created a collection of works that speak to social responsibility, environment, culture and our shared space. The original works will be proudly displayed at our new headquarters as a daily reminder to us all at Mineral Resources of the importance of partnership, community and mutual respect.

OUR CONNECTION

Our business is all about discovery and, in the past year, we've discovered a great deal about ourselves, each other and the connections that bind us.

If 2020 was the year of isolation, at Mineral Resources Limited (MRL), 2021 has been a year of renewal and reconnection. A time in which we have come to realise and appreciate just how connected and interdependent we all are. Now, more than ever, we understand that without each other, machines, systems and technologies are useless.

Having our colleagues and families around us, our stakeholders supporting us, our communities growing with us and our environment nurturing us, are the most important connections in our lives.

And because we value our connections so strongly, our interdependence is a source of great pride and fulfilment. Knowing that we can rely on our colleagues, family, friends and the community is uplifting and empowering – and having our colleagues, family, friends and community rely on us is humbling and motivating. It drives each of us to look out for each other, and do our best, all the time.

The MRL family will look back on 2021 as the year we renewed, strengthened and valued our connections like never before, and remember how powerfully it has affected our lives and our business.

CONNECTING WITH OUR PEOPLE

The leadership team at MRL has consciously engaged in a process of improving every aspect of the way we care for the people who are at the heart of our Company. The events of 2020 helped us to further appreciate the importance and urgency of achieving our goals in this area.

The wellbeing of our team members is, in large part, dependent on the quality of their working and living spaces, and the role that workplace design plays in the health and wellness of our people has never been more evident.

That's why in 2021 we made such encouraging progress in designing workspaces that enhance both the physical and mental health of the people that use them by creating a safer, healthier, more pleasant and creative environment.

Our new headquarters in Osborne Park will set the standards for health and wellbeing, with a Platinum WELL v2 rating envisaged on completion. This means that the design incorporates features that will enhance the occupants' mood, nutrition, fitness and work patterns, as well as deploying a range of energy saving measures.

In recognising that our remote workers are the most vulnerable in many ways, we've made significant inroads into re-imagining their workplaces and living arrangements. Through the work we've undertaken in designing our new headquarters, we are now rewriting the rule book when it comes to mining camp life. We've embarked on a project to turn these living places into hometowns that genuinely rival holiday resorts for the quality and variety of facilities and amenities.

Our aim is to revolutionise what "working space" means for everyone who works with us at MRL to enrich and reinforce the connection we all have to each other.

CONNECTING WITH OUR COMMUNITIES

Our activities affect many people across many communities and our recognition of the connection we all share extends to everyone we cross paths with. We're acutely focused on our connection with the local communities in the areas we operate, as well as all of our stakeholder communities, and that shows in the progress made in 2021.

Cooperating and collaborating with our Indigenous peoples, who are the Traditional Custodians of the lands where we work and live, has been one of our major priorities during the past year and will continue to be so into the future.

Our newest mine site, opened in 2021 at Wonmunna, was purchased in late 2020. We were able to negotiate a mutually beneficial arrangement with the tenement owners in record speed, and to be actively working with the Traditional Owners to protect their cultural heritage and, together, identify opportunities. This is a source of pride and a model for how we intend to proceed going forward.

During the past year, in our broader community we were pleased to considerably step up our sponsorship and philanthropic activities, reflecting the success that we had as a company. We helped sustain local organisations who assist in improving the health and wellbeing of the more vulnerable in our society. We supported mental health initiatives, medical research and equipment and recreational and arts activities across Western Australia. We also provided much-needed funding for crisis centres who have experienced an increase in demand during the challenges of the past year brought about by the pandemic.

Communicating with one of our most important communities – our shareholders – has been crucial in ensuring that we were able to navigate the complexities of 2020 and continue to fully engage during the period of expansion and success that 2021 has brought. The insights, advice and support of our shareholders has helped to guide us through these challenging times. Maintaining our continued connection will remain a focus in years to come.

CONNECTING WITH OUR ENVIRONMENT

Understanding our connection with the planet we share and the impact our activities can have on the environment, forms a key part of our planning for the future. Our goal is to find smarter, cleaner and more sustainable ways to operate, with a goal of attaining net zero emissions by 2050.

A roadmap to this goal has been developed and explained in our 2021 Sustainability Report, including our progress towards the milestone of eliminating diesel usage. We are working on a range of alternative fuels including LNG, natural gas, solar and wind power, and we're making encouraging advances.

Ultimately, we believe we can achieve zero emissions sooner than the target date of 2050, and our investment in the search for alternative fuels and the adoption of emerging technologies is significant.

We encourage all of our people to explore new ideas and opportunities and continually review our environmental management policies to seek and empower innovation in this vital area.

Our world shifted in 2020 and we found new ways to connect – with our people, our communities and the environment we live in. As a proud Western Australian company, we will continue to connect with our communities to ensure we contribute positively to society and the world around us.

CONTENTS

ABOUT THIS REPORT

This annual report is a summary of Mineral Resources Limited's operations and financial results for the financial year ended 30 June 2021. All references to 'Mineral Resources', 'MRL', 'the Company', 'the Group', 'we', 'us' and 'our' refer to Mineral Resources Limited (ABN 33 118 549 910) and the entities it controlled, unless otherwise stated.

References in this report to a 'year' are to the financial year ended 30 June 2021 unless otherwise stated. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated. All references to 'Indigenous' people are intended to include Aboriginal and/or Torres Strait Islander people.

Photography by Russell James. Creative direction by Ali Franco.

Mineral Resources Limited acknowledges the Traditional Custodians and their Ancestors of the lands across Australia where we conduct our business. MRL recognises and acknowledges the Traditional Custodians' connection to Country and pays our respects to their Elders and Leaders past, present and emerging.

MINERAL RESOURCES

WHO WE ARE

MINERAL RESOURCES IS AN INNOVATIVE AND LEADING MINING SERVICES COMPANY, WITH A GROWING WORLD-CLASS PORTFOLIO OF MINING OPERATIONS ACROSS MULTIPLE COMMODITIES, INCLUDING IRON ORE AND LITHIUM.

MINERAL RESOURCES
WE'RE DIFFERENT

VISION

To be recognised as a great Australian company and a leading provider of innovative and sustainable mining services and mining operations.

PURPOSE

To provide innovative and low-cost solutions across the mining infrastructure supply chain by operating with integrity and respect, working in partnership with our clients, our customers, our people and our community.

OUR VALUES

AGILE

- You won't hear "I don't know" or "I can't" very often at MRL. We employ the best in the business to keep us moving forward.
- We act fast and seize opportunities.
- We think differently.

FAMILY

- We show up for each other and have each other's backs.
- We care for each other and the world around us.
- We celebrate our differences because they make us stronger.
- Above all else, we are family.

ACHIEVE

- Every person in our business contributes to our success.
- We do challenging work and we achieve incredible things.
- We have the courage to take on the impossible and the passion to make it happen.

ON BEHALF OF THE BOARD, IT GIVES ME GREAT PLEASURE TO PRESENT THE **ANNUAL REPORT** FOR THE 2021 FINANCIAL YEAR.

This has been an extraordinary year. When I wrote to you this time last year, we had just devised plans to successfully deal with the onset of COVID-19. Twelve months on, it is clear the pandemic is yet to run its full course and that the threat of this virus remains real and dangerous.

The fact our Company has been able to continue to operate – without needing to shut a single mine site or operation – and keep more than 5,000 people employed, is a tremendous achievement. Full credit must go to our Managing Director, Chris Ellison, and his leadership team, as well as the entire MRL family for their united and dedicated approach.

I also want to acknowledge the mental health impact felt across our business because of the pandemic. State border closures experienced across the country due to COVID-19 outbreaks have caused employees to be separated from their families for longer periods and the resulting changes have impacted the daily lives, of our FIFO workforce in particular. I am pleased that MRL has stepped up its focus on the wellbeing of its workforce, especially during these difficult times.

As challenging and impacting as COVID-19 continues to be, the market conditions for our business were exceptional and allowed MRL to reap early rewards for the investments made during the past several years to build 20 to 50-year operating horizons.

Iron ore prices remained higher for longer than anyone had anticipated and any business that was able to maximise production – as MRL did – was generously rewarded during FY21. But we have been around for long enough to appreciate that commodities operate in cycles so we are far from complacent. While iron ore prices are strong, the lithium market remained weak, in part because of COVID-19 sparking economic turmoil. Pleasingly, lithium prices are on the rise as we enter FY22 and there is no denying that this second coming of the battery minerals surge will be more sustained. MRL is perfectly positioned because of our world-class portfolio of lithium assets that will soon include our share of the Kemerton lithium hydroxide operation.

Another year of strong growth for our Mining Services division, which is at the core of MRL, and record iron ore production were the standout drivers that allowed the Company to report a 76 per cent jump in revenue to $3.7 billion for an underlying net profit after tax of $1.1 billion, up 230 per cent. Our balance sheet remains strong and provides us with the necessary flexibility, notwithstanding the significant capital investments the Company made in FY21.

Your Board declared a final fully franked dividend of $1.75 per share. The final dividend is in addition to the $1 per share interim dividend that was paid on 9 March.

Following payment of the FY21 final dividend, the total dividends paid to MRL shareholders since the Company listed on the ASX in 2006 at 90¢ a share will amount to $8.56 per share. MRL's total shareholder return over the past 10 years alone has been tracking at a compound annual growth rate of 24 per cent, underlining how serious your Company takes its role as guardians of shareholder funds.

In January, we welcomed Susie Corlett to the Board as a Non-Executive Director. Susie, a geologist by profession, has strengthened and diversified the Board's experience in a number of key areas including strategy and growth, risk

management, mergers and acquisitions and sustainability. Susie is a Member of the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee.

Your Board has spent a considerable amount of time in the past year overseeing the Company's sustainability strategy, culminating in the announcement in February that MRL would target a position of net zero emissions by 2050. I urge you to read our Sustainability Report, which provides more detail on our pathway to achieving this important target. The Company is already heavily engaged in reducing its carbon footprint through the removal of diesel, the adoption of renewable energy and the use of innovation and technology. This is an exciting journey for MRL and one we are confident we can complete successfully alongside delivering operational and financial growth.

During the year MRL also released its maiden Modern Slavery Statement and the Board approved our first Reconciliation Action Plan (RAP), which has been submitted to Reconciliation Australia. Our roadmap to net zero emissions, Modern Slavery Statement and the RAP are key elements of MRL's sustainability journey. They align with our approach of connecting with our stakeholders and the world around us by putting safety and wellbeing at the forefront of all we do, working together to achieve great outcomes and caring for and respecting our people, the environment and the communities in which we operate.

I am also delighted that the Company continues to invest heavily in the next generation of MRL employees, whether they be apprentices, graduates or trainees, and it is rewarding to see so many second-generation MRL employees joining our Company. At a time of tightening labour markets, attracting and retaining the best talent is crucial to MRL's future successes.

The global economic outlook remains uncertain. The pandemic and continued geopolitical tensions, including again in the Middle East, pose significant challenges for businesses worldwide. At MRL, we remain focused on what we can control, being the best at what we do and abiding by our purpose.

FY21 has truly been a year like no other. I sincerely thank my fellow Directors for their efforts, dedication and commitment during these uncertain times.

On behalf of the Board, I also extend my gratitude to Chris and his leadership team for delivering such an outstanding outcome for MRL, our people and our shareholders.

The pandemic may prevent me from attending the AGM in November in person. If that is the case, I look forward to meeting you virtually and providing further updates on our Company.

Peter Wade
Chair

THIS HAS BEEN AN OUTSTANDING YEAR, **HIGHLIGHTED BY A RECORD PROFIT.** BUT IT HAS ALSO BEEN A CHALLENGING 12 MONTHS AS WE NAVIGATED A WORLD IN WHICH THE PANDEMIC WAS AFFECTING US DAILY.

MRL remains focused on protecting the jobs and health of our people during the threat created by the global pandemic.

Since we introduced world-class, gold-standard PCR COVID-19 swab testing into our fit-for-work regime last year, we have carried out more than 110,000 tests through our screening facilities - for our people, for over 60 other resource sector companies and, when requested, on behalf of the State Government. COVID-19 will be with us for years to come and MRL is committed to doing everything possible, including participating in the vaccine rollout as soon as regulators permit, to keep COVID-19 out of our business.

MRL takes great pride in being an industry leader in workplace safety. In the past year, our Total Recordable Injury Frequency Rate fell to 2.31, which is a 30 per cent improvement compared to FY20. This is an outstanding result, given we added more than 1,500 people to our workforce during the course of the year to support and deliver significant growth in our business.

Caring for our people is not just about ensuring a physically safe workplace but also looking after their mental wellbeing. Our aim is to make mental health as equally important as physical health. We have more than 40 nurses on our payroll and are building up our internal capabilities, which has seen 50 of our people trained as mental health first-responders through our Lifeline WA partnership. A further 700 have completed mental health literacy modules. Our head office in Osborne Park will set

a new benchmark in workplace wellness and we will also incorporate many of the wellness features into our accommodation villages on our mine sites.

This heavy investment in, and for, our people – our most important asset – has underpinned another record operational and financial performance for MRL.

MRL's underlying EBITDA was $1.9 billion, up 148 per cent, operating cash flows were $1.3 billion, up $714 million on FY20, and we ended the financial year with cash of $1.5 billion, roughly in line with FY20. We invested $745 million during the year, with a substantial component supporting a number of exciting and significant growth opportunities created by the business. Our return on invested capital continued to remain strong at 38.6 per cent despite the significant investment we made in our business.

Volumes in our Mining Services business were up 20 per cent for the year and margins remained strong. MRL started life as a mining services organisation and the capability and know-how remain in our DNA. During the year we were successful in winning new contracts and had multiple contracts renewed. Our customers value our ability to deliver safely and efficiently on our promise.

MRL was able to deliver additional tonnes of iron ore into a strong market because of the solid investments we have made in the preceding years. MRL shipped a record 17.3 million tonnes in FY21, an increase of 23 per cent on the prior year. In the September quarter, we acquired a new deposit in the Pilbara region called Wonmunna and, following an incredible performance by our Mining Services and Commodities teams, we celebrated first production at the site in March. Initially approved as a 5 million tonne per annum operation, we now have approval to operate the mine at up to 10 million tonnes per annum to provide for future growth.

Our Yilgarn iron ore business, centred on the Koolyanobbing operation, again performed extremely well by shipping 10.5 million tonnes.

The FY21 results did not fully reflect the strong performance of the Mt Marion lithium mine, which we own 50-50 with, and operate on behalf of, our partner Ganfeng Lithium. Lithium prices have been weak but we kept Mt Marion running and profitably delivered a record 485,000 tonnes of high-quality spodumene concentrate, up 23 per cent year-on-year. Mt Marion is probably the only hard-rock lithium mine in Australia that has been running at 100 per cent capacity, which leaves us well placed in FY22 as lithium prices rise again. The Kemerton lithium hydroxide plant, constructed by Albemarle Corporation on behalf of the MARBL JV, remains on track for mechanical completion by the end of this calendar year.

On the energy front, MRL increased its exploration footprint, acquiring additional exploration permits. We are now the largest acreage holder in the Perth Basin and in the onshore Carnarvon Basin. We commenced our maiden drilling program in the Perth Basin at the start of FY22 as part of our strategy to secure our own natural gas supplies.

We made significant progress on the Ashburton Hub and the South West Creek Hub projects in line with MRL's ambition to substantially grow the size of our iron ore business. Innovation will drive these growth projects and, during the year, MRL made great strides in this area, including delivering the first 15 million-tonne-a-year NextGen 2 plant to a key client in the Pilbara and introducing our 320-tonne iron ore road trains, developed in collaboration with Kenworth in the Yilgarn. I look forward to discussing the progress of our growth projects in more detail at MRL's AGM in November.

In February, MRL announced a target of net zero emissions by 2050. I am confident MRL will get there sooner. In the past year, we reduced our emissions intensity by 5 per cent. We are developing a transition plan to a low-carbon future, which will see us replacing diesel with gas and, increasingly, renewable energy and clean fuels for power generation, road transport and mining equipment, all aimed at delivering responsible and sustainable success.

During FY21, we became a signatory to the United Nations Global Compact (UNGC), a voluntary initiative focused on corporate sustainability, affirming our commitment to the Ten Principles. We continue to support the UNGC and remain committed to the initiative and its principles.

Sustainability for MRL is not just about making sure we look after our environment. We are also investing heavily in the communities in which we operate through the creation of jobs, local spending and paying taxes and royalties.

In FY21 we spent almost $1.3 billion in the Western Australian economy and paid $693 million in taxes and royalties. We also invested in our young people, employing 130 apprentices, trainees and graduates during the year who will be part of the next generation of MRL employees.

FY21 was the best year in MRL's history. It has not been easy as we continued to navigate the challenges that COVID-19 brought our way, but we have managed to achieve an outstanding result that is a credit to the amazing people in our business.

MRL has started FY22 with a sense of optimism and energy. Our growth plans are ambitious, and while the threat of COVID-19 remains ever-present, I have full confidence in the MRL family to achieve our goals.

I thank the MRL Board for their guidance and support during another exceptional year that has not been without its challenges, as well as my leadership team for their commitment and each and every one of MRL's people for helping deliver outstanding value for all shareholders.

Chris Ellison
Managing Director

MRL'S CONSISTENTLY **STRONG PERFORMANCE** HAS DELIVERED RECORD RETURNS FOR SHAREHOLDERS

Collaborative art by Clifton Bieundurry.
Photography by Russell James.

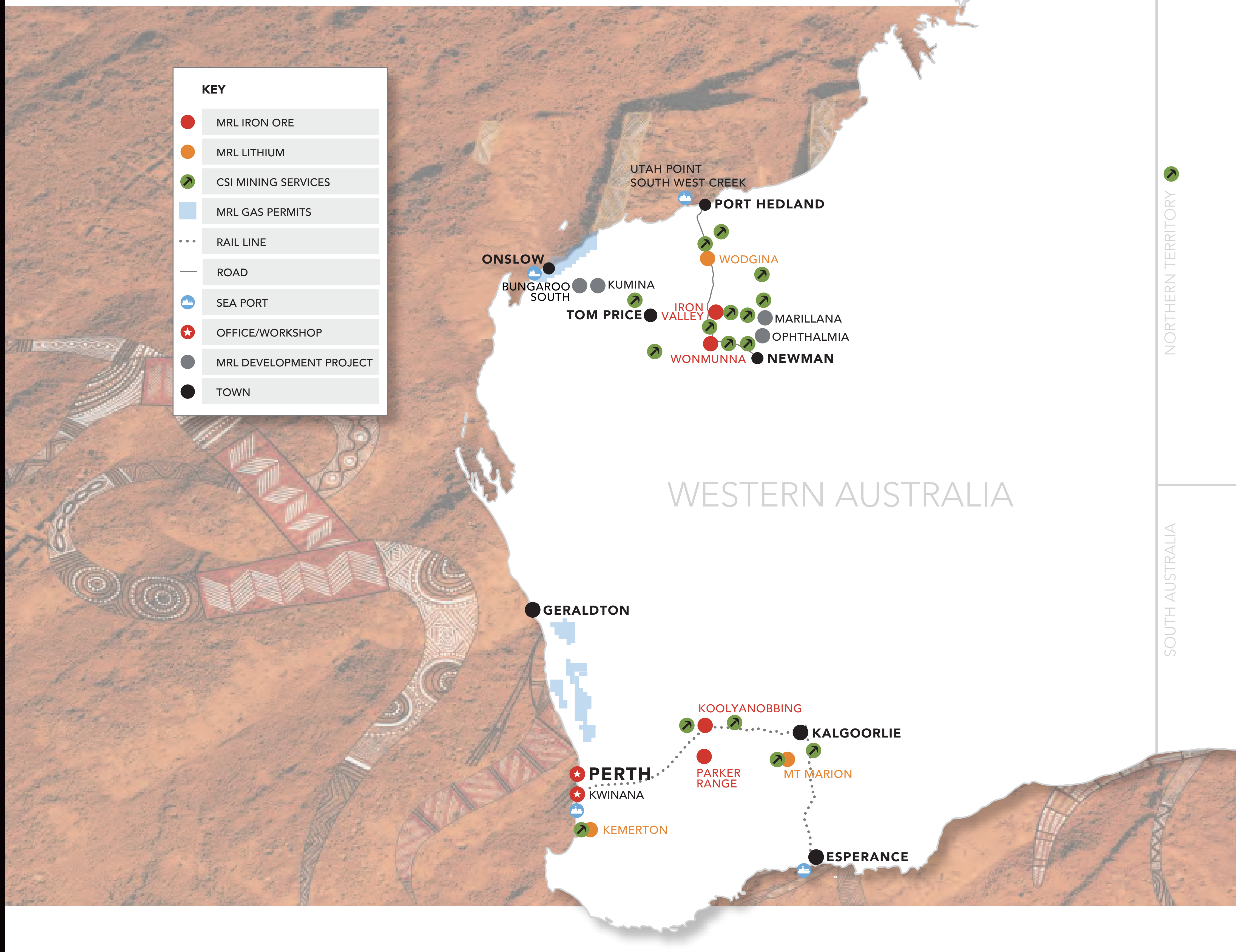
MINERAL RESOURCES AT A GLANCE

MAKING TRACKS

From the ancient to the new – making tracks in the Pindan.

Collaborative art by Nate Mundraby.
Photography by Russell James.

MRL AT A GLANCE: WHERE WE OPERATE



TRACK RECORD SNAPSHOT

TSR GROWTH OUTPERFORMS PEERS

32% P.A.

SINCE LISTING

A DECADE OF CONSISTENT DIVIDEND GROWTH

20% P.A.

FULLY FRANKED

RETURN ON INVESTED CAPITAL AFTER TAX

22.8%

SINCE LISTING[1]

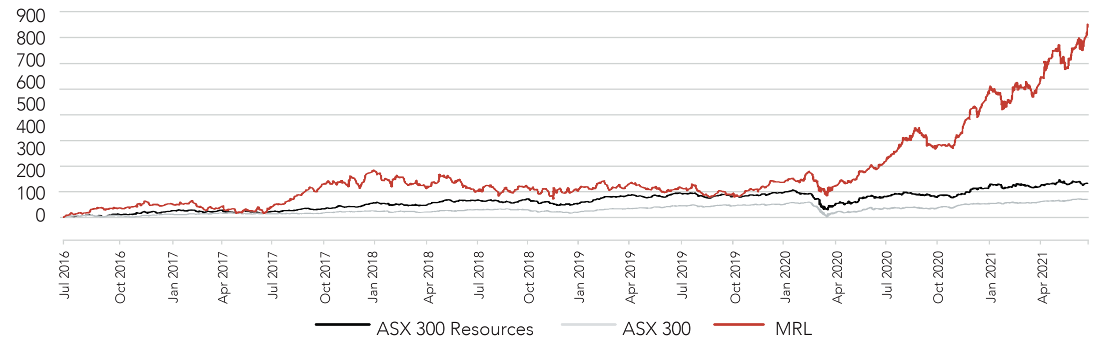
CONSERVATIVELY GEARED BALANCE SHEET NET CASH

$280.1m

[1] Rolling Average Return on Invested Capital from FY07-FY21.

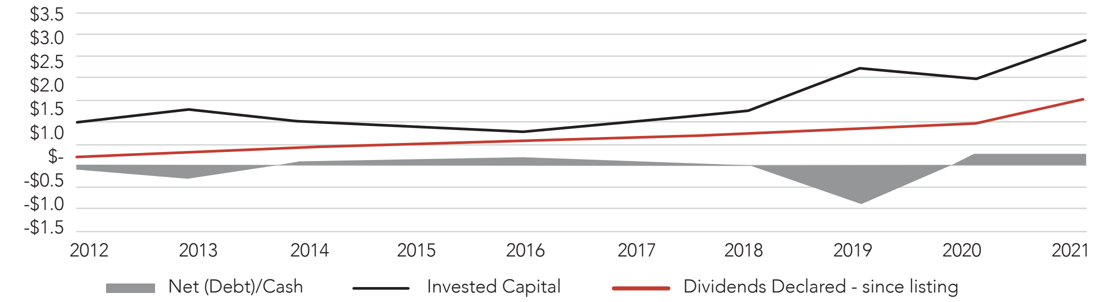
SHARE PRICE PERFORMANCE

TOTAL SHAREHOLDER RETURNS - 5 YEARS TO 30 JUNE 2021



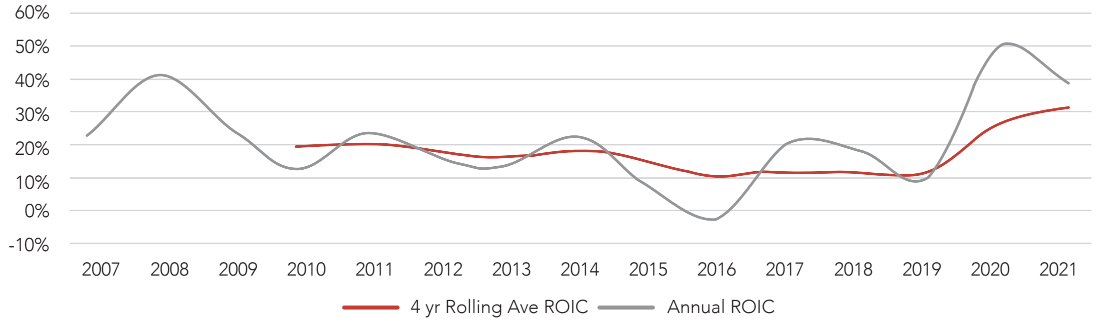
CUMULATIVE RETURNS TO SHAREHOLDERS

GROWTH IN DIVIDENDS ($B)

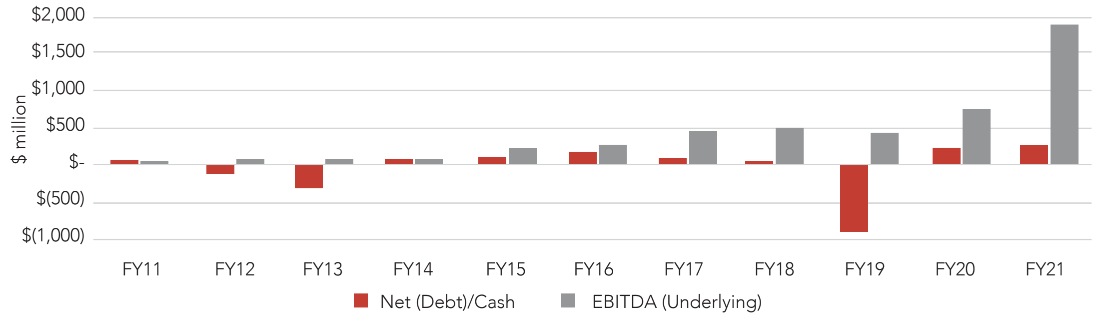


RETURN ON INVESTED CAPITAL AFTER TAX

SINCE LISTING



CONSERVATIVELY GEARED



MINERAL RESOURCES

DELIVERING A DECADE OF STRONG FINANCIAL RETURNS

Financial Summary ($millions unless otherwise stated)	2012[1]	2013	2014	2015[2]	2016	2017	2018	2019	2020	2021
EARNINGS										
Revenue	926	1,097	1,899	1,299	1,178	1,458	1,624	1,512	2,125	3,734
EBITDA	297	383	554	283	278	473	575	386	2,006	2,183
NPAT	177	180	231	78	-26	201	272	165	1,002	1,268
Return on Revenue %	19%	16%	12%	6%	-2%	14%	17%	11%	47%	34%
Return on Equity %	19%	18%	20%	7%	-3%	18%	21%	12%	44%	39%
Diluted EPS (cents/share)	95.82	97.37	124.1	41.52	-13.31	107.66	145.3	87.09	532.96	673.18
BALANCE SHEET										
Total Assets	1,436	1,804	1,858	1,592	1,618	1,835	2,085	3,161	4,631	5,853
Total Equity	917	1,018	1,139	1,082	1,009	1,132	1,305	1,380	2,296	3,246
Net tangible assets per share ($/share)	4.55	5.08	5.75	5.44	5.14	5.64	6.58	6.89	11.78	16.55
CASH GENERATION										
Operating Cash Flow	243	329	567	52	316	296	411	186	595	1,309
Net (Debt)/Cash	-111	-310	81	118	188	104	1	-897	231	280
MARKET CAPITALISATION										
Number of shares on issue (millions)	185	186	187	188	187	187	188	188	188	189
Share price at 30 June ($/share)[3]	8.95	8.25	9.59	6.6	8.31	10.85	16	14.98	21.17	53.73
Market Capitalisation	1,654	1,534	1,789	1,238	1,553	2,033	3,003	2,818	3,990	10,141
RETURNS TO SHAREHOLDERS										
Total Shareholder Return (cumulative) ($/share)	9.31	9.07	11.03	8.44	10.38	13.34	19.07	18.58	25.31	59.64
Dividends declared (cents/share)	46	48	62	22.5	29.5	54	65	44	100	275

[1] 2012 Financial Year NPAT and Earnings Per Share exclude the Deferred Tax Asset arising on the introduction of Minerals Resource Rent Tax (MRRT). NPAT for the 2012 Financial Year would be $242 million and Diluted EPS 131.1c/share if the impact of MRRT were to be included.
[2] 2015 Financial Year NPAT and Earnings Per Share exclude the impact of the reversal of Deferred Tax Asset on the abolition of the Minerals Resource Rent Tax (MRRT). NPAT for the 2015 Financial Year would be $13 million and Diluted EPS 6.85c/share if the impact of MRRT were to be included.
[3] Total Shareholder Return is calculated as the cumulative share price appreciation and dividends paid per share since listing.

FY21 SNAPSHOT

OPERATING CASH FLOW

$1.3bn

↑ $714m on FY20

CASH

$1.5bn

↑ $20.3m on FY20

UNDERLYING EBITDA

$1.9bn

↑ 148% on FY20

REVENUE

$3.7bn

↑ 76% on FY20

MINERAL RESOURCES

INPUTS

HUMAN CAPITAL:
Our employees and contractors (5,000+ as at 30 June 2021) which provide the skills, experience and knowledge required to undertake our business activities.

NATURAL CAPITAL:
The natural resources such as water by us to land, materials and energy required to undertake our business activities.

SOCIAL AND RELATIONSHIP CAPITAL:
The relationships we have with communities, government agencies and other stakeholders, as well as our reputation and brand that are essential to our social licence to operate and the long-term sustainability of our business.

FINANCIAL CAPITAL:
The pool of funds provided by shareholders, bondholders and banks, or generated through investments and operations that are required to undertake our business activities.

MANUFACTURED CAPITAL:
The manufactured tangible objects such as buildings, plant, equipment and infrastructure that are required to undertake our business activities.

INTELLECTUAL CAPITAL:
Intangible aspects such as intellectual property, organisational knowledge, systems and processes required to undertake our business activities.

VALUE CREATION BUSINESS MODEL

LEVERAGING OFF OUR EXISTING FOOTPRINT, INFRASTRUCTURE AND SKILL SET, WE HAVE BUILT A **STRONG AND DIVERSIFIED PORTFOLIO** IN MINING SERVICES AND MINING OPERATIONS, PROVIDING **LONG-TERM SUSTAINABLE GROWTH,** WITH 20-50 YEAR BUSINESS HORIZONS.

We achieve this by:

- Targeting stranded deposits and partnering with junior miners
- Acquiring a project stake and developing it at the lowest cost in an expedited time-frame
- Optimising the mine plan, increasing efficiency and maximising profitability
- Monetising the asset and divesting for maximum capital gain
- Retaining the life-of-mine, build-own-operate mining services contracts

FY21 OUTPUTS

TOTAL MATERIAL MOVED
131.6Mt

IRON ORE PRODUCTION
19.5Mt

SPODUMENE PRODUCTION
485kt

MINING SERVICES VOLUME INCREASE
20%

REDUCTION IN GHG EMISSIONS INTENSITY
5%

COVID-19 SCREENINGS
84,207

RETURN ON INVESTED CAPITAL (ROIC)
38.6%

FY21 OUTCOMES

HUMAN CAPITAL

TRIFR	2.31
LTIFR	0.12
Employee wages and benefits paid	\$479.9m
Overall female representation	16.98%
Graduates, Apprentices and Trainees	130

NATURAL CAPITAL

Energy consumption	4,359,773GJ
Solar energy generation	3,462GJ
Scope 1 & 2 GHG emissions	298,336tCO_2e
Total material moved	131,565Mt
Rehabilitated land	1,220ha

SOCIAL AND RELATIONSHIP CAPITAL

Community contributions	\$5.25m
Suppliers screened for Modern Slavery	15
Payment to Federal, State and local governments	\$693m

FINANCIAL CAPITAL

Underlying net profit after tax	\$1,103m
Share price	\$53.73
Dividends	\$2.75

MANUFACTURED CAPITAL

Capital expenditure	\$745m
Mines owned/operated	5
Crushing & processing operating plants	26

INTELLECTUAL CAPITAL

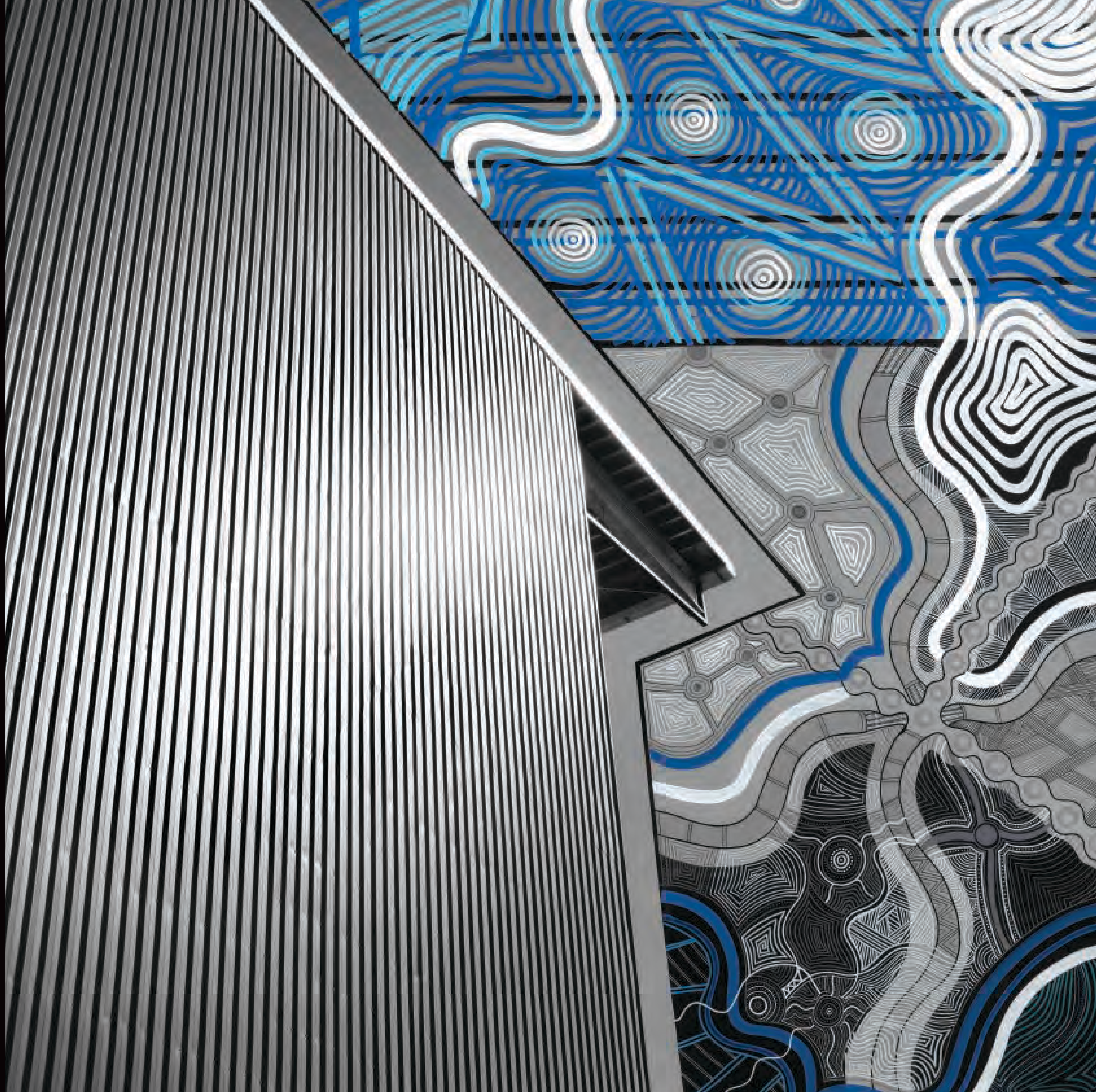
NextGen 2 modular crushing plant	5Mtpa-30Mtpa
Spodumene concentrate processing	1.15Mtpa
Kemerton lithium hydroxide	50ktpa capacity

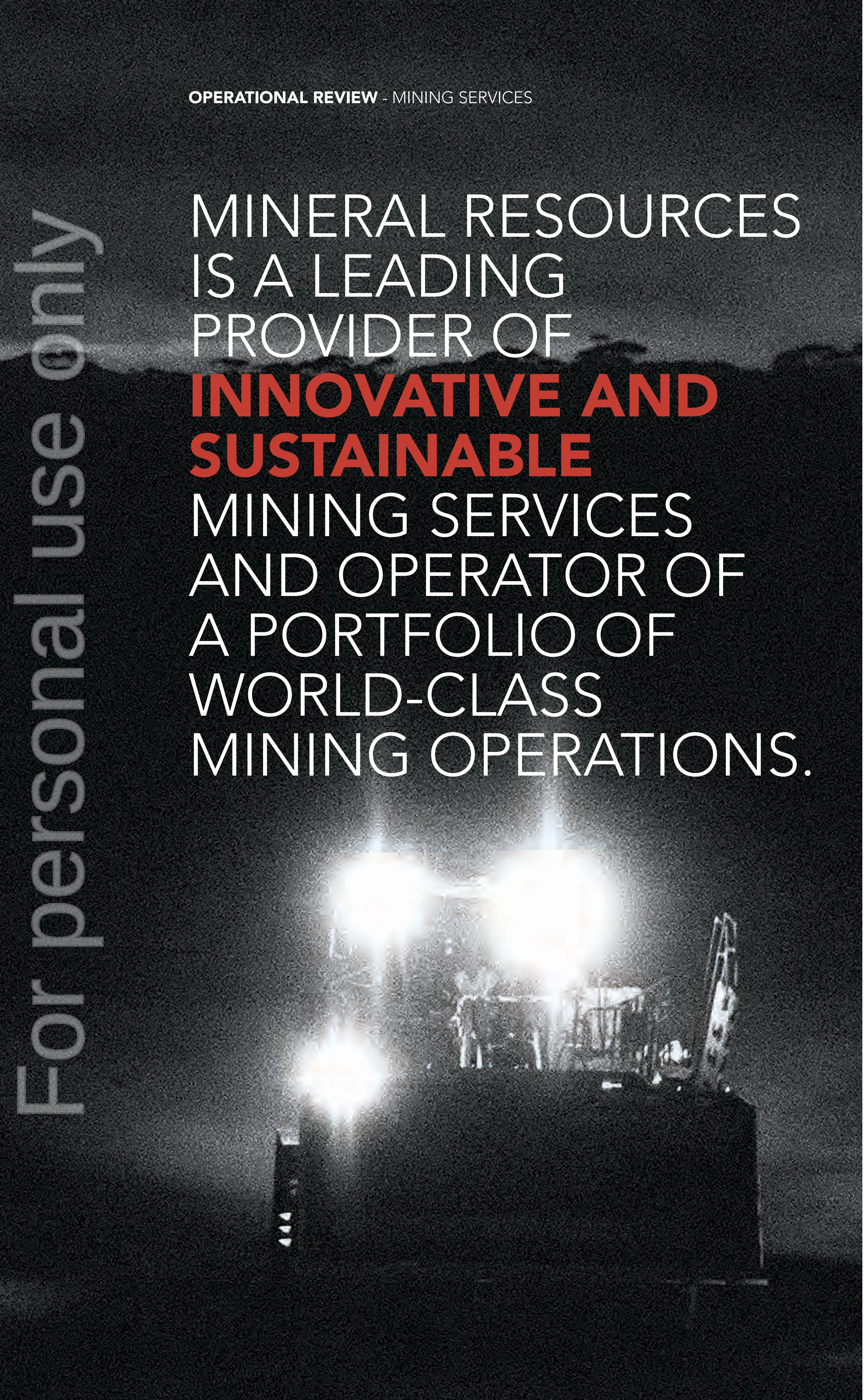
OPERATIONAL REVIEW

THE SHED

The metal corrugations of the workshop remind me of patterns I see on my country, the land, wind and sea moving together. Our worlds are often like a water reflection of each other and that has inspired this art work.

Collaborative art by Nate Mundraby.
Photography by Russell James.





MINERAL RESOURCES IS A LEADING PROVIDER OF **INNOVATIVE AND SUSTAINABLE** MINING SERVICES AND OPERATOR OF A PORTFOLIO OF WORLD-CLASS MINING OPERATIONS.

MRL has a track record of delivering world-class mining services and innovative pit-to-port solutions, continually improving operational efficiencies and generating a highly favourable return on investment. The experience gained through MRL's mining services business over three decades has enabled MRL to successfully develop and operate long-life commodity projects.

MRL is committed to creating long-term, diverse annuity earnings through the mining services business and mining operations. Spanning multiple commodities across different geographical locations, MRL provides mining services to a range of major Tier 1 mining companies throughout Western Australia and the Northern Territory.

MRL also has ownership in and operates mines in the Pilbara and Yilgarn regions, shipping product through Utah Point (Port Hedland), the Port of Esperance and Kwinana Bulk Terminal.

MRL's business is structured into two core groups, supported by shared corporate functions:

- Mining Services
- Commodities

MINING SERVICES

For the past 25 years, MRL's wholly-owned subsidiary, CSI Mining Services (CSI), has specialised in Build, Own, Operate (BOO) projects, providing both the capital infrastructure and operational expertise.

Providing a range of world-class specialised crushing, screening and processing services, CSI has developed long-standing relationships with some of the world's largest mining companies and earned a strong reputation as a provider of purpose-built, high quality products and services.

CSI also offers design, manufacture, commissioning and on-site operation and maintenance of plant facilities as well as the provision of specialised mine services such as materials handling, plant and equipment hire and maintenance, tails recovery, aggregate crushing and mine design, engineering and construction.

During FY21, CSI's experienced construction team successfully completed the installation of three new crushing and screening plants, bringing the total number of crushing and processing plants in operation to 26. CSI experienced very high client retention during FY21, with multiple contracts renewed and awarded. CSI's BOO business model, together with trusted, long-standing client relationships, has led to an exceptionally strong performance during FY21 with a 20 per cent increase in mining services volumes year-on-year.

In April 2021, CSI was awarded a mining contract by Rio Tinto for the Brockman 2 iron ore mine in the Pilbara. The scope of the contract will see CSI carry out load and haul, drill and blast and short-term mine planning activities. This contract builds on a 16-year relationship with Rio Tinto and follows the completion of a 30 million tonne load and haul contract at its Tom Price mine.

MRL's blue-chip clients achieve tangible and quantifiable cost and time benefits by working in collaboration with CSI, the industry-leading materials handling specialist. MRL also leverages the experience and skills of CSI when developing and operating MRL's own commodity projects. This creates a pipeline of future work for MRL's mining services business.

With Australia's largest inventory of crushing and mineral processing equipment, parts and rotable spares, CSI can rapidly design and construct plants and capitalise on opportunities ensuring that MRL retains a market-leading position against its competitors.

KWINANA WORKSHOP AND LOGISTICS HUB

MRL's Kwinana Workshop and Logistics Hub is a world-class engineering and fabrication facility strategically located to the south of Perth. This workshop enables MRL to provide innovative and low-cost solutions for all MRL projects, supporting expedited development timeframes and in-house testing capabilities.

Set on 10 hectares of land, the Workshop is the largest facility of its kind in Western Australia and employs 165 people. During the year, MRL employed 14 new apprentices across a range of trades including boilermakers, heavy duty fitters, electricians, and mechanical fitters. MRL finished the year with 63 apprentices employed across the business.

The Workshop undertakes fabrication of mining and processing plants and is the primary support and service centre for MRL's operational crushing and processing sites. The Workshop, combined with MRL's Asset Management Group, services remote operations throughout Western Australia, for both MRL-owned and operated sites, as well as MRL's BOO operations on client-owned sites. MRL's field service crews provide high-performance resources for scheduled fixed and mobile plant and equipment maintenance, shutdowns, annual leave coverage, site special projects, plant upgrades, rotable spares and urgent breakdown support.

MINING WEAR PARTS

During FY21 Mining Wear Parts (MWP) continued to expand in line with its strategic national growth plan to meet demand for quality aftermarket parts in the mining, recycling, and quarrying industries. MWP supports CSI through the timely supply of high-quality aftermarket parts, reducing operating overhead costs and improving expected life of products to support crushing process timelines and performance.

With offices in Brisbane and Perth, MWP also supports resource sector customers across the mining, recycling and quarrying industries through tailored solutions, stock holdings of critical components and specialist services.

SITE SERVICES

The increase in development activity on MRL mine sites produced an increase in activity for MRL's Site Services division. By managing its own airports and accommodation villages, MRL focuses on creating a positive experience for its employees and contractors, who work in isolated and extreme environments.

COVID-19 continued to impact Western Australia this year. Having redesigned services in response to the onset of COVID-19 in FY20, MRL's Site Services delivery team was well equipped to apply and adapt COVID-19 controls as required to ensure MRL's people were kept safe and well.

MRL places a high priority on quality village accommodation and services and, during the year, a number of villages were upgraded to improve the on-site experience. The implementation of an 'On-Demand' entertainment, information and messaging system commenced across all sites. With 2,022 rooms spread across seven village sites, the installation process was scheduled over 12 months and completion is due in the first quarter of FY22.

At Koolyanobbing the wet and dry mess facilities and grounds were upgraded, while at Parker Range a 99-room camp was constructed to support mine operations. With expansion of the Yilgarn Hub operation leading to an increase in the workforce, the Carina village reopened with 163 rooms providing accommodation for MRL's workforce.

At Windarling the aerodrome was recertified, providing access to Dash 8 and smaller aircraft to ensure an efficient turnaround time for the MRL workforce. Windarling continues to maintain a positive relationship with Ramelius Resources via the provision of long-term accommodation and access to the aerodrome.

The development of the Wonmunna mine site saw the construction of new village accommodation and facilities. A mobile camp was initially established for the early development works. This was followed by the construction of a 197-room camp and central facilities including wet and dry mess, laundry, sports court and gym.

The Phil's Creek accommodation village was given a significant upgrade including installation of a café, updated central facilities and upgraded wastewater treatment plant.

Upgrades at Mt Marion included 40 new rooms, an additional gym and laundry, tavern upgrades and sound proofing to some existing accommodation units.

With a skeleton crew at Wodgina operations looking after the facility while in care and maintenance, the village was operating at 15 per cent occupancy during FY21.

SUPPLY CHAIN LOGISTICS

MRL manages its own mine-to-port logistics for all MRL-owned and/or operated mine sites in the Yilgarn and the Pilbara.

During FY21, Total Material Mined (TMM) in MRL's mining pits was 131.6 million tonnes. A total of 17.8 million tonnes of product was transported to export facilities by on-highway road trains, rail locomotives and rail wagons. A total of 17.3 million tonnes of iron ore and 485,000 dry metric tonnes of lithium was shipped through Utah Point, Kwinana Bulk Terminal and the Port of Esperance to customers throughout Asia.

INNOVATION

MRL's people are encouraged to actively explore new ideas and opportunities, and this culture has fostered the development of a range of innovative products and processes which add value and provide MRL with a distinct competitive advantage. MRL's innovations have underpinned Mining Services' growth for the past two decades. By investing in patented technology MRL creates lower-cost mining services solutions with high barriers to entry.

NEXTGEN 2 CRUSHING AND SCREENING PLANT

MRL's NextGen 2 crushing and screening plant is the next revolution in modular crushing plants. The plant is assembled in modules and, compared with fixed crushing plants, provides for sustained reliable performance over time with the flexibility to meet clients' changing production requirements.

Modular assembly offers a variety of benefits including reduced site construction hours, lower risks, a reduction in construction materials and less environmental impact. The unique design requires minimal in-ground services and concrete, allowing faster, safer and more efficient construction in less than 10 weeks.

During FY21, MRL commissioned the first 15 million tonne per annum NextGen 2 plant on a client site in the Pilbara. Initial results from the NextGen 2 plant show a reduction in dust and noise emissions compared to traditional crushing plants.

OFF-HIGHWAY TRIPLE TRAILER ROAD TRAINS

To support an increase in iron ore exports, MRL has designed and developed a fleet of single-powered 'jumbo' road trains, each with a payload of 320 tonnes.

Trailers for the road trains are manufactured locally in Perth, Western Australia, and deliver superior speed to market benefits compared with traditional rail haulage options. These road trains offer significant benefits including leading edge safety features, fewer emissions and lower costs, which makes the haulage costs comparable to medium-gauge rail.

MRL is currently testing the autonomous capability of the road trains in Perth. At the time of writing, a successful trial has been completed and, during FY22, testing will commence on an MRL site.

TRANSHIPPERS

MRL's in-house marine capability includes the experience to design, build, commission and operate marine assets.

In preparation for MRL's expanding iron ore operations in the Pilbara region, MRL has developed a unique Articulated Tug and Barge (ATB) transhipping solution that will operate out of the Port of Ashburton. The transhippers transport the ore to cape-size carriers offshore, thereby removing the need for substantial dredging and construction costs for a deep water berth.

Each transhipper will be capable of carrying 20,000 tonnes of iron ore product in a specially-designed hopper fitted into the barge to an ocean-going vessel. The transhippers have been designed by MRL with the support of naval architects and engineering firms in Australia and Canada. The design caters for local Western Australian coastal conditions and is fully enclosed to prevent dust emissions during loading and discharge.

Transhippers form part of the logistics solution to cost effectively monetise stranded tonnes in the Pilbara.

CARBON FIBRE TECHNOLOGY

In line with MRL's vision to provide innovative and low-cost solutions across the mining infrastructure supply chain, the Company is pursuing the design and development of carbon fibre products for the mining industry.

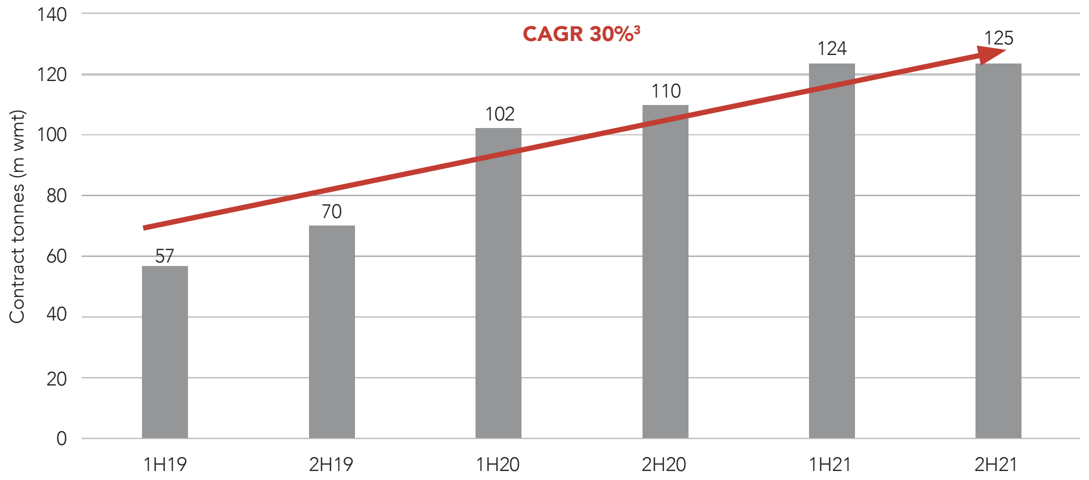
In FY21, MRL progressed the development and testing of carbon-fibre vibrating screens, a major component of crushing and beneficiation plants, which offer a range of benefits relative to traditional steel vibrating screens. Offering a longer lifespan, carbon-fibre screens will not experience corrosive fatigue cracking like traditional screens. MRL will retain the intellectual property of the carbon-fibre screen technology, which has been developed in-house and tested at MRL's local manufacturing facilities. The screens will undergo on-site testing in MRL crushing and screening plants throughout FY22.

MINING SERVICES OPERATIONAL PERFORMANCE

Mining Services generated EBITDA of $464 million, an increase of 29 per cent compared to FY20. Mining Services revenue, from both internal and external clients, was $1,750 million, which is $475 million, or 37 per cent, higher than FY20.[1]

Growth in Mining Services revenue and EBITDA was primarily driven by continued growth in operations at the Yilgarn and Utah Point Hubs, along with new external contracts. Mining Services achieved a margin of 27 per cent, slightly down from 28 per cent in FY20. Margins in FY21 were impacted by higher costs amid labour pressures in the market brought on by COVID-19-related border closures.

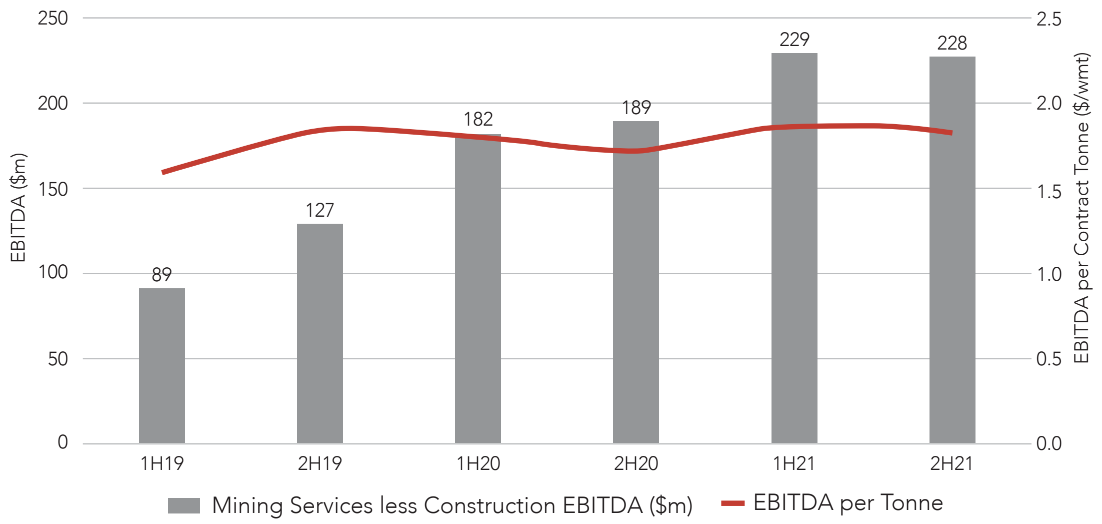
MINING SERVICES PRODUCTION-RELATED CONTRACT TONNES[1,2]



1. To improve disclosure, actual contract tonnes have been disclosed rather than the index in prior reports.
2. Mining Services production-related contract tonnes are based upon TMM, crushed, processed, transported and other logistical services.
3. CAGR since 1H19 calculated as the CAGR for the successive 6-month periods from 1H19 to 2H21 multiplied by 2.

Figure 1: Mining Services volume growth

MINING SERVICES LESS CONSTRUCTION EBITDA[1]



1. Mining Services less construction EBITDA reflects MRL's annuity style production-related earnings.

Figure 2: Mining Services less construction EBITDA

1 Mining Services less Construction underlying EBITDA is $457 million (FY20 was $371 million).

COMMODITIES

MRL continues to grow and diversify its mining operations through ownership and management of iron ore and lithium mine sites across the Pilbara, Goldfields and Wheatbelt regions of Western Australia.

IRON ORE

During the year, MRL outlined plans to grow its business to include four iron ore hubs. The Yilgarn Hub and Utah Point Hub incorporate the existing Koolyanobbing and Iron Valley mine sites respectively. During the year both hubs were expanded with previously undeveloped iron ore deposits being brought into the mine plan.

The Ashburton Hub and the South West Creek Hub are development projects with the aim of expanding MRL's iron ore footprint in the Pilbara region.

YILGARN HUB

The Yilgarn Hub is located within the Yilgarn Shire in the Goldfields region.

MRL acquired the Koolyanobbing iron ore operation in 2018 with 10 operating pits supporting ore blending to extract maximum value in line with market specifications. At the time of acquisition, the mine site employed approximately 285 people and supported another 415 indirect jobs across the supply chain.

Ongoing productivity improvements at Koolyanobbing, including a strong focus on supply chain optimisation, demonstrate MRL's capability to manage complex mining operations and develop practical solutions to capitalise on market conditions. Towards the end of FY21, successful conversion to an 'all-in fines' product reduced the number of iron ore products produced in the Yilgarn Hub, simplifying operations. This was further supplemented with an additional mobile crushing plant arriving at Koolyanobbing. With the expansion of the Yilgarn Hub to production of nearly 11 million tonnes this year, additional export flexibility was required. During FY21, MRL recommenced shipping from the Kwinana Bulk Terminal, south of Perth in addition to its existing operations at the Port of Esperance.

MRL acquired the Parker Range Project in 2019[2], located 85 kilometres from the Koolyanobbing mine site. During FY21, Parker Range development and construction works commenced to support the Yilgarn Hub expansion. This included construction of the accommodation village and approximately 90 kilometres of roadworks, site offices, workshops, a refuelling station and wash-down bays, water treatment and mining earth works.

First ore from Parker Range is scheduled for the first quarter of FY22. This project has delivered further employment opportunities across the region and supported businesses servicing MRL's local operations and shipping activity from the Port of Esperance and the Kwinana Bulk Terminal.

By the end of FY21, the Yilgarn Hub included five additional pits and directly employed approximately 1,100 people at the mine site and a further 250 people across the rail and port operations.

UTAH POINT HUB

The Utah Point Hub is in the Pilbara region and includes MRL's Iron Valley and Wonmunna mine sites. Product from both Iron Valley and Wonmumma is hauled via road to Port Hedland for export from Utah Point.

Iron Valley is located approximately 75 kilometres north-west of Newman. As MRL's oldest iron ore-producing mine, during FY21, Iron Valley benefitted from operational improvements including a successful dewatering campaign, robust risk management of ground conditions and a focused effort on waste movement.

Minimal hydrogeological issues also allowed for a more consistent and improved throughput rate for the site's fixed plant and mobile crusher.

Wonmunna is located 80 kilometres north-west of Newman and 360 kilometres south of Port Hedland in the Pilbara.

MRL purchased the undeveloped Wonmunna Iron Ore Project from the Australian Aboriginal Mining Corporation (AAMC) in the first quarter of FY21. In line with the terms of the Wonmunna transaction, AAMC shareholders will receive royalty payments for the first 40 million dry metric tonnes extracted and removed from the area.

Following the safe and rapid development of the Wonmunna mine – just five months after first breaking ground at the site – iron ore shipments commenced in the third quarter of FY21[3] . With site capacity currently at 5 million tonnes per annum – with the potential to further expand output to 10 million tonnes per annum pending additional approvals and at little capital cost – Wonmunna demonstrates MRL's capacity to identify and capitalise on new opportunities with agility and speed. Wonmunna ore underpins MRL's Utah Point Hub iron ore blend, which also incorporates tonnes from the Iron Valley mine.

The Wonmunna mine underpinned the creation of 500 jobs across its mine site and transport network during a year in which COVID-19 has impacted so many industries.[3]

MRL experienced haulage constraints during FY21, caused by a shortage of truck drivers resulting from the unplanned sudden state border closures implemented following COVID-19 outbreaks around the country. Despite these constraints, record iron ore shipments were achieved in FY21 across both the Yilgarn and Utah Point Hubs.

[2] ASX MIN 30 August 2019
[3] ASX MIN 22 March 2021

Lamb Creek is an MRL-owned deposit and exploration project located 50 kilometres west of Iron Valley.

During FY21, reverse circulation and diamond drilling continued on site, with data informing updated resource modelling. This included an infill drill program designed to close the drill spacing across the deposit boundary.

MRL decreased its in-house mineral resource estimation for Lamb Creek by 6.2 million dry metric tonnes, reflecting the declassification of resources occurring within native title heritage buffer zones.[4]

Throughout FY21 mine design and development progressed, with a view to the project becoming operational in 2022.

ASHBURTON HUB

MRL owns multiple iron ore deposits within 300 kilometres of the Port of Ashburton in the Pilbara region. The Ashburton Hub project will enable stranded tonnes to be monetised through the development and construction of a 30 million tonne per annum operation delivered by an innovative pit-to-ship infrastructure solution. This solution is expected to result in comparatively low-capital intensity for the project. Construction is scheduled to commence in the first half of FY22; pending approvals, which are well advanced.

The first product is targeted to be delivered from MRL's fully approved Bungaroo South project, followed by ore mined from MRL's Kumina project. MRL will use its proven open pit, drill, blast, mine and haul methodology which has successfully been applied for decades.

MRL's NextGen 2 crushing and processing technology will form a critical part of the central processing facilities. MRL owns the intellectual property of the state-of-the-art technology, which offers unique benefits including fully modular 'plug and play' scalable design with rapid deployment.

The final product will be transported to port using fully enclosed 320 tonne road trains on dedicated private haul roads and shipped out of a purpose-built export facility at the Port of Ashburton. Transhippers will transport the ore to cape-size carriers off shore. Development of the port infrastructure is subject to approval of the development application, which had been submitted at the time of writing.

In June 2021, MRL subsidiary, Onslow Steel Pty Ltd, purchased a 15 per cent interest in Aquila Resources from Aurizon Operations Limited[4]. Aquila's main asset is a 50 per cent stake in the undeveloped West Pilbara Iron Ore Project in Western Australia. The terms of the agreement were confidential and not material to MRL. MRL has agreed with Aquila's 85 per cent shareholder, Baosteel Resources Australia Pty Ltd, to seek to progress a restructure of Aquila so that MRL's interests are limited to its iron ore assets, subject to various approvals and other conditions, including regulatory approvals, being met.[5]

Just prior to this report going into print, MRL announced the successful completion of a transaction with Red Hill Iron Limited (RHI) to acquire its 40 per cent participating interest in the Red Hill Iron Ore Joint Venture (RHIOJV) in the West Pilbara region of Western Australia[5]. On completion of the transaction, MRL made a payment of $200 million to RHI and, under the terms of the agreement, a further $200 million will be paid when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs port. In addition MRL will pay RHI a royalty of 0.75 per cent of Free on Board (FOB) revenue on all iron ore that is extracted and sold from the RHIOJV tenements and from MRL's Bungaroo South tenement, provided Bungaroo South is developed in association with the development of the RHIOJV tenements.

SOUTH WEST CREEK HUB

MRL's South West Creek Hub is an integrated pit-to-port iron ore infrastructure solution that would see development of iron ore deposits located in the Pilbara, approximately 350 kilometres from Port Hedland.

In April 2021, MRL entered into an amended 50/50 joint venture agreement with Brockman Mining[6] to progress development of the Marillana and Ophthalmia projects into an iron ore mining hub capable of producing a minimum of 25 million tonnes per annum of final product for export from South West Creek at Port Hedland.

Underpinning the South West Creek Hub is development by MRL of berth capacity at South West Creek in the inner harbour at Port Hedland, which was set aside by the State Government in 2008 for development by a junior iron ore miner. As at the end of FY21 a decision by the Western Australian State Government on whether MRL would be awarded the right to develop these berths is pending.

IRON ORE OPERATIONAL PERFORMANCE

Iron ore produced EBITDA of $1,537 million, $1,058 million higher compared to FY20. This reflects higher prices and increased tonnes shipped following strong market conditions, which was partially offset by increased royalties and haulage costs due to labour constraints in the market.

Iron ore revenue of $3,057 million was $1,504 million, 97 per cent higher than FY20. Record iron ore exports achieved in FY21 of 17.3 million wet metric tonnes were 23 per cent higher than FY20 due to growth in the Yilgarn and Utah Point Hubs, with Wonmunna commencing exports in the second half of FY21.

During FY21, MRL achieved an average iron ore price of $177 per wet metric tonne (US$142 per dry metric tonne), which is an increase of 60 per cent compared to FY20. This was driven by strong Platts pricing during the year.

[4] ASX MIN 30 July 2021
[5] ASX MIN 03 September 2021
[6] ASX BCK 23 April 2021

LITHIUM

MRL has ownership in two lithium operations in Western Australia, one in the south-east of the State and one in the north-west.

MT MARION LITHIUM

The Mt Marion mine site is located 40 kilometres south-west of Kalgoorlie in the Goldfields region.

Operated by MRL under a life-of-mine BOO mining services contract, Mt Marion Lithium Project is jointly owned between MRL, with a 50 per cent interest, and one of the world's largest lithium producers, Jiangxi Ganfeng Lithium Co. Ltd. (Ganfeng), with a 50 per cent interest.

In a year which saw depressed market conditions continue, the results of the mine optimisation efforts from FY20 saw improved lithium ore recovery and increased yields during FY21. The result was a 34 per cent increase in production and record shipment volumes of spodumene concentrate.

Given the market conditions, Mt Marion's performance demonstrates MRL's ability to adapt to changing circumstances and maintain strong and consistent performance through the commodity cycles. It further demonstrates the strength of MRL's relationship with its JV partner Ganfeng, which continued to take 100 per cent of Mt Marion product throughout FY21.

MT MARION OPERATIONAL PERFORMANCE

Mt Marion produced EBITDA of $7 million for MRL compared to $16 million in FY20. This is a direct reflection of a reduction in sales prices due to market conditions. This was offset by an improvement in yields, with costs decreasing by 6 per cent from FY20 and export volumes increasing to a record 485,000 dry metric tonnes, up 23 per cent on FY20.

MARBL JOINT VENTURE

MARBL JV is an unincorporated joint venture between MRL and Albemarle Corporation Inc (Albemarle) with MRL holding a 40 per cent interest and Albemarle a 60 per cent interest. The MARBL JV operates the Wodgina Lithium Project and will operate the Kemerton Lithium Hydroxide Plant upon completion.

Under the joint venture agreement, Albemarle will manage the marketing and sales of spodumene concentrate produced at the Wodgina Lithium Project and the lithium hydroxide produced at the Kemerton Lithium Hydroxide Plant.

WODGINA LITHIUM PROJECT

Due to continued low lithium prices experienced throughout the year, the Wodgina Lithium Project, located in the Pilbara, remained on care and maintenance during FY21. The MARBL JV regularly reviews market conditions with a view to resuming spodumene concentrate production when market conditions improve and there is more depth and certainty in market demand. MRL's Mining Services division is contracted to provide life-of-mine crushing and camp services at the Wodgina Lithium Project operation and a skeleton crew remains on site to perform care and maintenance activity.

KEMERTON LITHIUM HYDROXIDE PLANT

During FY21, Albemarle progressed the construction of two 25,000 tonne per annum lithium hydroxide trains at Kemerton, located in the south-west of Western Australia, near the regional town of Bunbury. Once constructed, the Kemerton Lithium Hydroxide Plant will provide lithium hydroxide to battery makers globally.

Construction was impacted during the year by a tightening labour market and border closures brought on by COVID-19. It is expected that Train 1 will be completed by the end of 2021 with commercial production mid-2022. Train 2 is expected to be completed by end of the third quarter of FY22, with commercial product in the first half of FY23.

COMMODITIES OPERATIONAL PERFORMANCE

Commodities in FY21 performed strongly, with record export tonnes and strong iron ore prices.

MRL's commodity export volumes in the period are shown in Table 1.

Commodity exports	1H20	2H20	FY20	1H21	2H21	FY21
Iron Ore ('000 wet metric tonnes)						
Utah Point Hub	3,590	3,106	6,696	2,934	3,835	6,769
Yilgarn Hub	3,158	4,221	7,378	4,979	5,526	10,505
Total Iron Ore	**6,748**	**7,327**	**14,074**	**7,913**	**9,361**	**17,274**
Spodumene ('000 dry metric tonnes)						
Mt Marion[1]	188	206	394	203	282	485

[1] Volumes presented as 100% for the Mt Marion Lithium Project. MRL operates 100% of the project, in which it owns a 50% interest.

Table 1: Commodity export volumes

ENERGY

MRL continues to pursue long-term, lower-cost energy solutions to reduce reliance on diesel fuel and lessen its carbon footprint. During FY21, MRL committed to achieving net zero emissions by 2050.

To achieve this goal, MRL's Energy team works with other areas of the business to ensure that MRL's operations integrate lower-emission and renewable energy solutions into future growth and development plans. The Energy team works closely with government, industry and community stakeholders to ensure all new energy opportunities are explored responsibly and safely.

GAS EXPLORATION

A key element of achieving MRL's goal of net zero emissions by 2050 is the displacement of diesel with alternative fuels. In support of this goal, MRL, through its wholly owned subsidiary Energy Resources Limited (ERL), is pursuing opportunities to integrate gas where possible, to provide energy security, reduce MRL's reliance on diesel and deliver lower carbon emissions while transitioning to renewable energy fuel sources.

ERL is the largest holder of gas exploration permits in the Perth Basin, operating eight permits across more than 7,200 square kilometres.

In the third quarter of FY21, ERL was awarded two highly prospective gas exploration permits in the Perth and Carnarvon Basins.[7]

Permit L20-4 in the Perth Basin is home to several recent conventional gas discoveries, while Permit L20-1 in the Northern Carnarvon Basin was acquired as part of a 50/50 joint venture with Buru Energy. Managed by Buru, Permit L20-4 spans more than 6,200 square kilometres and is close to existing gas infrastructure, including MRL's proposed Ashburton Hub development.

The awarding of these permits makes MRL the largest acreage holder of exploration permits in both the Perth and Carnarvon Basins.

During the fourth quarter of FY21, ERL commenced 3D seismic survey activity within exploration permits in the Shire of Gingin. The aim of the seismic activity is to identify drillable targets to transition the idle Red Gully gas processing facility back into production.

Following delays due to COVID-19 in the past 12 months, ERL was successful in securing a drill rig for the Lockyer Deep 1 gas exploration well in Mingenew. First drilling of the conventional gas exploration program is scheduled to commence in the first quarter of FY22.

RENEWABLE ENERGY

MRL continues to investigate alternative and renewable energy options for power generation, road transport and mining equipment that will deliver responsible and sustainable success.

In FY21, MRL progressed development of its *Roadmap to Net Zero Emissions*, presenting the operational framework to support achievement of net zero emissions by 2050. The Roadmap is outlined in the *2021 Sustainability Report*.

The feasibility study for the installation of a 2.1 megawatt solar power station at Wonmunna to offset diesel consumption at the site was completed during the year and planning for construction commenced. The project is scheduled for delivery in the first half of FY22 and will support around 30 per cent of the site's energy needs. This will reduce diesel consumption by approximately 600,000 litres and carbon emissions by around 1,800 tonnes of CO_2 per year.

The solar power station has been designed with an expected life of up to 20 years, providing the flexibility for the solar array to be redeployed to another location when Wonmunna reaches its end-of-mine life.

[7] ASX MIN 16 April 2021

FINANCIAL REVIEW

FLYING

Flying above the landscape gives me a sense of belonging to the earth on which we walk. In this art work I visited our ancestors homeland.

Collaborative art by Edwin Lee Mulligan.
Photography by Russell James.

FY21 HAS DELIVERED AN **EXCEPTIONAL FINANCIAL PERFORMANCE** INCLUDING RECORD PROFITS, RECORD REVENUE AND RECORD DIVIDENDS.

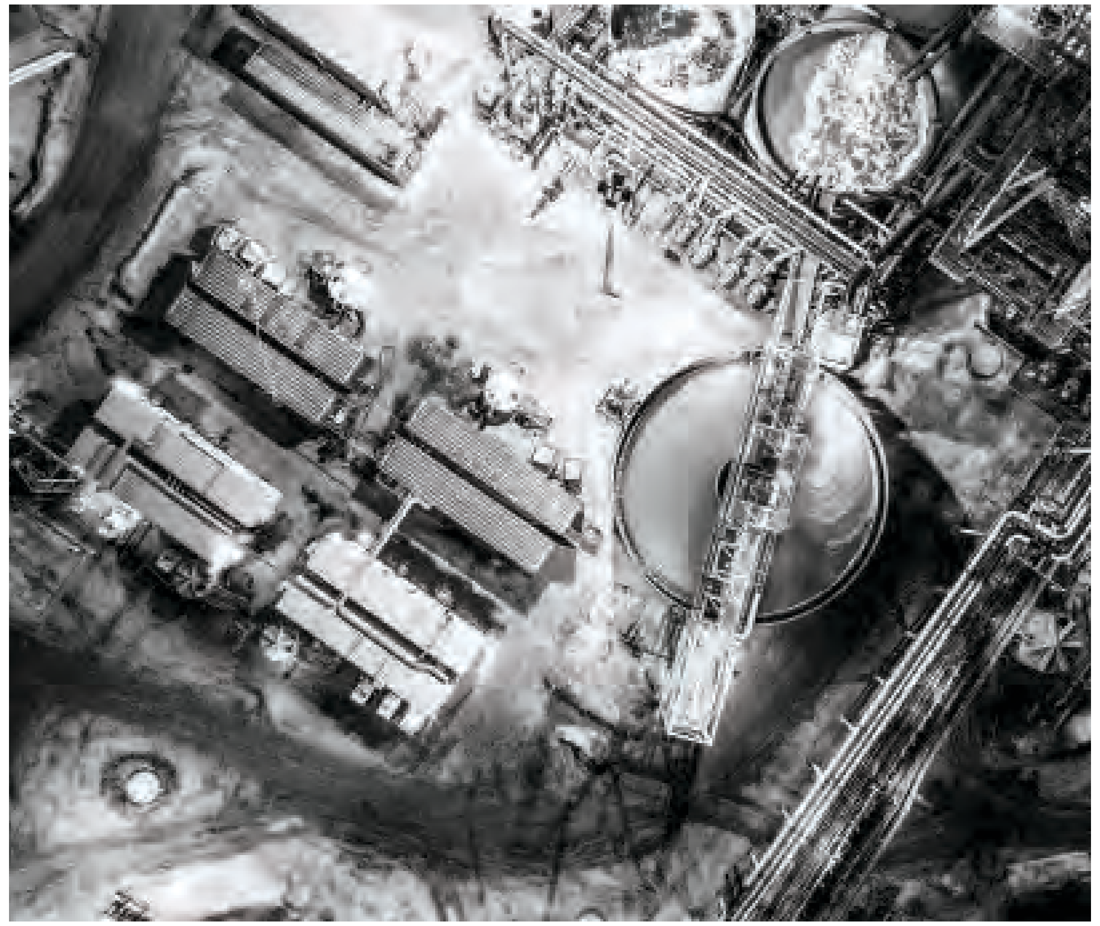
MRL generated underlying earnings before interest, tax, depreciation and amortisation (EBITDA)[8] of $1,901 million for the financial year ended 30 June 2021 (FY21). Underlying EBITDA was up $1,135 million (148 per cent) on FY20, underpinned by continued growth in the Mining Services segment and record iron ore sales volumes and prices.

Underlying net profit after tax (NPAT) was $1,103 million, up $769 million (230 per cent) on FY20 and Statutory NPAT was $1,268 million, which was up $265 million (26 per cent) compared with last financial year. Statutory NPAT includes a net post-tax fair value unrealised gain of $161 million on listed investments, a net post-tax $36 million unrealised foreign exchange gain on the Group's US$ denominated notes and cash holdings, and ($33) million of post-tax impairment charges in relation to intangibles, plant and equipment and inventory.

Group revenue for FY21 was $3,734 million, up $1,609 million (76 per cent) compared with FY20. This strong performance was driven by continued growth in our Mining Services business with volumes up 20 per cent, iron ore exports growing by 23 per cent as well as spodumene exports increasing by 23 per cent.

Volatility in commodity prices saw iron ore prices continuing to climb during the year with the Platts Iron Ore 62 per cent Fines Index (Platts) strengthening 66 per cent to average US$155 per dry metric tonne, while the average realised lithium spodumene price for the year came to $535 per dry metric tonne, a reduction of $82 per dry metric tonne (13 per cent) on FY20.

The Directors have resolved to distribute a fully franked final dividend of $1.75 per ordinary share; declared on 11 August 2021, for shareholders as at 18 August 2021, to be paid on 7 September 2021. Inclusive of the fully franked interim dividend of $1.00 per ordinary share paid in February 2021, total dividends declared in respect of FY21 amount to a record $2.75 per ordinary share, an increase of 175 per cent compared with FY20.



CASH AND CAPITAL MANAGEMENT

At 30 June 2021, the Group continues to maintain a strong balance sheet and held cash and cash equivalents of $1,542 million (30 June 2020: $1,522 million). In addition to its 30 June 2021 cash holdings, the Group has access to substantial undrawn debt facilities to support business development activities ($331 million as at 30 June 2021).

Net cash from operating activities before interest and tax of $1,970 million in FY21 was up $1,175 million on FY20, reflecting a strong underlying EBITDA during the year. Tax paid of $584 million includes $333 million for the Wodgina transaction, paid as part of the Group's FY20 tax return instalment.

Net cash used in investing activities of $816 million in FY21 represented an increase of $1,660 million on FY20, which included cash proceeds from completion of the sale of a 60 per cent interest in Wodgina to Albemarle.

FY21 was a year of significant investment in growth, with capital expenditure of $745 million including:

- Development of Wonmunna for Utah Point Hub
- Increasing Yilgarn Hub production
- New external Mining Services plants constructed to support new contracts
- Investment in a new headquarters for the Group

[8] 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 3 of the financial statements.

SUSTAINABILITY REVIEW

This Sustainability Review summarises MRL's sustainability performance in FY21.

For the full 2021 Sustainability Report visit www.mrl.com.au.

LAJA: BUILD UP SEASON (START OF HOT SEASON)

This collaborative piece represents the build up of the season 'summer storm'. The design represents the 'Wangal'-wind and the 'Ringu'- clouds. The energy these natural elements release during the first storm is electrifying. Through our belief system this collaboration piece brings energy and depth and awakens one's soul.

Collaborative art by Rebecca Morgan.
Photography by Russell James.

WE STRIVE TO GENERATE SHAREHOLDER VALUE BY **MANAGING OUR MATERIAL SUSTAINABILITY TOPICS** AND MAINTAINING OUR SOCIAL LICENCE TO OPERATE.

SUSTAINABILITY OVERVIEW

Our sustainability reporting covers activities for which MRL and its subsidiaries have operational control and is prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core option), the Sustainability Accounting Standards Board, and recommendations from the Taskforce on Climate-related Financial Disclosures of the Financial Stability Board.

MRL has obtained external assurance for six of our sustainability performance indicators. (Refer to our *2021 Sustainability Report* for a copy of the Independent *Limited Assurance Statement*.)

MRL has joined the United Nations Global Compact (UNGC) and in the *2021 Sustainability Report* we outline how the Ten Principles – covering human rights, labour, environment, and anti-corruption – are integrated into our business strategy, culture and daily operations.

MRL is committed to continually improving its sustainability performance to provide the metals and minerals the world needs to transition to a low-carbon future. We strive to make a difference through our leadership in mining services and operations, encouraging responsible business practices and advancing the UN Sustainable Development Goals.

MRL has a *Sustainability Policy* outlining our commitment to sustainability risk and opportunity identification, management, performance measurement and reporting. The *Sustainability Policy* is supported by a suite of governance policies including a *Human Rights Policy, Anti-Bribery and Corruption Policy* and a *Supplier Code of Conduct.*

Our governance embeds sustainability throughout our business and is supported by a cross-functional Sustainability Working Group, which develops our sustainability strategy and manages and monitors key sustainability topics.

OUR MATERIAL SUSTAINABILITY TOPICS

MRL applies GRI reporting principles for defining report content by undertaking a thorough review process to understand our material sustainability topics. The materiality assessment is undertaken annually to identify the most critical sustainability issues influencing our ability to create and maintain value in the short, medium and long term.

As a result of the analysis, six material topics were identified: business ethics and integrity, health and safety, people, environment, climate change and social engagement.

While this is consistent with the previous reporting period, some of the material sustainability topics have been updated as outlined in Table 2.

Theme	Material Topic
Business Ethics and Integrity	1. Operating with ethics and integrity
Health and Safety	2. Maintaining a safe working environment that promotes health and wellbeing
People	3. Attracting and retaining talent while developing a diverse and inclusive workplace
Environment	4. Managing our environmental impacts by enhancing water stewardship and resource efficiency
Climate Change	5. Understanding and managing our climate-related obligations, risks and opportunities under a changing climate
Social	6. Developing and maintaining strong community and stakeholder relationships

Table 2: MRL's material sustainability topics

BUSINESS ETHICS AND INTEGRITY

We are committed to operating ethically and with integrity in all business activities and stakeholder relationships.

MRL believes consistent and proper business conduct creates loyalty and trust with our stakeholders and we are committed to promoting a culture of ethical corporate behaviour.

MRL's *Code of Conduct and Business Integrity* (the Code) defines the way we do business, which is based on our Values and represents our commitment to upholding the highest standards of ethics in our business practices.

During FY21, our e-learning package on the Code was widely communicated and implemented throughout the business and 89 per cent of our employees completed the training.

Training on the Code is mandated prior to commencing employment at MRL, with refresher training required on an annual basis to ensure all employees understand their requirements and acknowledge and agree to abide by the most recent Code and other relevant policies.

MRL has also implemented a *Whistleblower Policy*, supported by a *Whistleblower Procedure*, which outlines the ways stakeholders can report matters they genuinely believe are in breach of the Code or are illegal. An independent external whistleblowing service, MRL Integrity Assist, has been established to allow stakeholders to raise concerns of suspected or actual misconduct in the workplace.

Bribery and corruption adversely affect the business environment by undermining legitimate business activities. During FY21, MRL's *Anti-Bribery and Corruption Policy* was updated and we reaffirmed our commitment to fair and legal business practices and avoiding bribery, corruption and fraud.

MRL's *Risk Management, Internal Compliance and Control Policy* outlines the risk management process and internal compliance and controls, which includes the Business Risk Register.

The Business Risk Register considers all strategic, operational, compliance, regulatory and financial risks impacting MRL. Our sustainability and climate-related risks are also incorporated into the Business Risk Register. Risk workshops are conducted across the business to encourage awareness and ensure sustainability issues are integrated appropriately into day-to-day operations.

During FY21, MRL conducted a review and update of its risk management framework and approach. The review was performed with the Risk Working Group and included multiple workshops attended by subject matter experts from across the business.

Also during the year, MRL developed its first *Modern Slavery Statement* which aims to increase business awareness of modern slavery risks and improve transparency across global supply chains.

MRL requested 15 *Modern Slavery Self-Assessment* questionnaires during the year and no modern slavery risks were identified in our supply chain during FY21. We continue to monitor and assess our high-risk supplier base to ensure their understanding of our commitment towards sustainable procurement practices across our supply chain.

HEALTH AND SAFETY

We strive to maintain a healthy and safe working environment for our employees, contractors and visitors and enhance the wellbeing of our people.

Health and safety performance are fundamental to MRL's overall success and pivotal to our social licence to operate. MRL works hard to protect the safety and wellbeing of the MRL family – our workforce, their families and the communities in which we operate.

During FY21, COVID-19 continued to influence our activities due to lockdowns and state border closures across Australia.

From the beginning of the pandemic, MRL's response has focused on three key areas:

- Keeping our people safe and well
- Maintaining safe and reliable operations
- Supporting our communities

In FY21, MRL continued to mitigate the risk of COVID-19 to our workforce, operations, communities and our industry. This included conducting more than 84,000 COVID-19 tests through our screening facilities using our own gold-standard COVID-19 testing equipment capable of performing PCR-SARS-CoV-2 tests. These screening and testing processes were made available to MRL employees and their families. In addition, more than 60 resource sector companies in Western Australia used MRL's screening facilities.

At the request of health officials, we also made our collection facilities and testing equipment available to the public during the COVID-19 outbreaks in Western Australia during FY21.

To manage the safety of our people while at work, MRL seeks to proactively identify and control hazards and minimise exposure to health and safety risks. MRL's Critical Risk Management (CRM) Program informs a detailed analysis of activities presenting the greatest risk of high-consequence injury.

This analysis is based on a review of industry statistics, historical MRL hazard and incident data, project risk registers, incidents with significant potential consequences, significant incident reports and the results of our safety management system audits.

During FY21, as part of the rollout of the CRM, MRL developed and trained 255 CRM leaders within the business and trained 1,784 additional people in the CRM Program.

MRL has a dedicated Health Services team responsible for the full spectrum of health services support to maintain and improve employee health and wellbeing. MRL's program covers physical and mental wellbeing, injury prevention and management, and lifestyle and social wellbeing.

A Mental Health Framework was developed during the year to integrate positive mental health messaging and activities into the MRL culture. The framework is informed by:

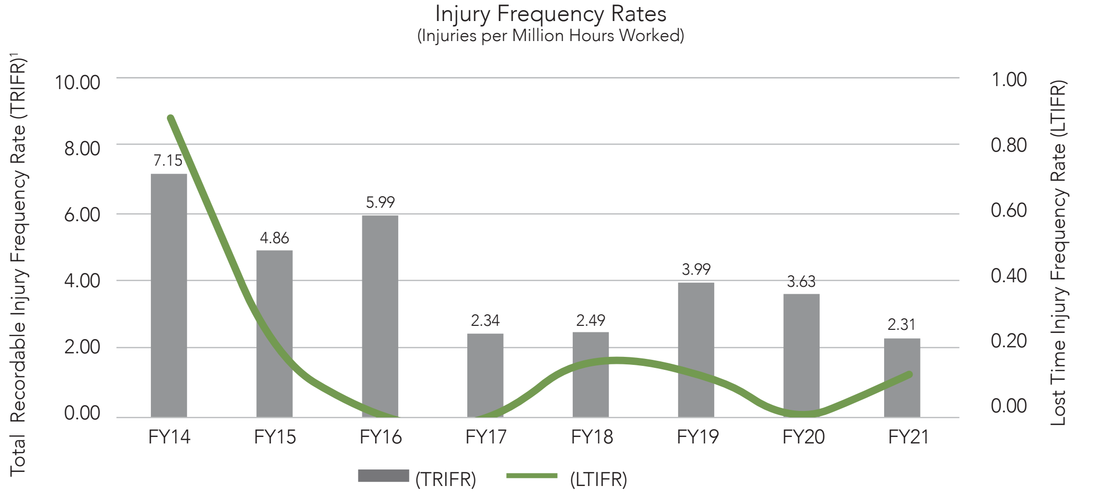
- WELL Business Standards™ (Concept 9 MIND)
- Department of Mines, Industry Regulation and Safety (Code of Practice) Mentally Healthy Workplaces for Fly-in Fly-out Workforce
- The Four Pillars of MRL Health (Physical Health, Mental Wellbeing, Lifestyle and Social Wellbeing, Injury Prevention and Management)
- Global sustainability frameworks and guidance

Further information on mental health initiatives at MRL can be found in our *2021 Sustainability Report.*

Measuring our health and safety performance is a critical part of our safety management framework. During FY21, our Total Recordable Injury Frequency Rate (TRIFR) was 2.31, which is a 36 per cent improvement compared to FY20. This is an encouraging result given our workforce grew by 39 per cent during the same period. MRL continued to work closely with key contracting partners to ensure alignment of safety and health expectations to deliver successful safety outcomes.

During FY21, MRL experienced its first Lost Time Injury in two years, with a finger injury sustained at one of our operations. Due to the speed of the response and expert medical care, a full recovery is expected. The incident was fully investigated and changes have been implemented across all operations to ensure this hazard is eliminated.

A summary of MRL's FY21 safety performance is outlined in Table 3. Figure 3 shows MRL's injury frequency rate based on 1,000,000 hours worked for employees and contractors.



[1] FY20 TRIFR has increased by 10 per cent due to a revision in our exposure hours reporting boundary to capture activity within our direct control.

Figure 3: Historical trends in LTIFR and TRIFR - combined employees and contractors

FY21 Safety Metric *per 1,000,000 hours worked*	Employees	Contractors	Combined Employees & Contractors	FY21 Target
Work-related Fatality Rate	0.00	0.00	0.00	Zero Meets Target
Lost-time Injury Frequency Rate	0.16	0.00	0.12	<0.25 Exceeds Target
Total Recordable Injury Frequency Rate	2.09	3.02	2.31	<3.00
High-consequence Work-related Injuries Rate[1]	0.16	0.00	0.12	
All Incident Rate[2]	-	-	196.70	
Near Miss Frequency Rate	-	-	42.48	
Hours worked	6,228,302	1,987,048	8,215,349	

[1] High consequence injuries are defined as significant injuries, which include LTIs and fatalities.
[2] All Incident Rate excludes non-work related injuries.

Table 3: FY21 Safety Performance

For further information on MRL's historical injury rate performance and frequency rates, refer to our *2021 Sustainability Report* and standalone publication of our *2021 Sustainability Performance Data* Tables.

PEOPLE

We are committed to creating a fair, diverse and inclusive workplace that supports us in attracting and retaining talent.

Our people are the foundation of our business and instrumental to our success. As of 30 June 2021, MRL employed 3,268 employees[8], an increase of 39 per cent when compared to 30 June 2020. It is critical for our business to identify, attract and retain high-quality people to help us meet our objectives. Our Human Resources team works to build organisational capability by ensuring our people are treated fairly and have access to career development opportunities.

During FY21, MRL reaffirmed its focus on encouraging and maintaining safe and respectful workplace behaviours through a review and strengthening of our *Code of Conduct and Business Integrity*. The updated Code reinforces our stance that discrimination, bullying and harassment, including sexual harassment, will not be tolerated under any circumstances. It also provides additional guidance on avenues for reporting, investigating and addressing complaints. Our business stance and employee responsibilities were further reinforced through communications from our Managing Director to all employees.

During FY21, we also undertook several initiatives to enhance employee attraction and recruitment to better position MRL to achieve its ambitious growth plans over the next two to three years. Initiatives included:

- Targeting talent audiences through a unified Employee Value Proposition and employer branding strategy. To execute the strategy, the MRL Communications and Brand team held a range of workshops and interviews with site-based and office-based employees to identify benefits they most value in return for working for MRL
- Introducing a new retention bonus plan to reward commitment to MRL and share our company's success with employees
- Formalising flexible work arrangements, allowing employees to work in ways that better suit their lifestyle while maintaining access to development and career progression opportunities
- Maintaining our Employee Referral Program to supplement existing recruitment strategies. This program incentivises current employees to refer suitably qualified and skilled candidates to MRL
- Continuing to review our job advertisement templates to ensure our employment messaging attracts a diverse workforce
- Updating the MRL LinkedIn 'Life' page to further highlight our brand, employees, accomplishments and company culture
- Attending and sponsoring several career development events including platinum sponsorship of the three-day 'Get Into Resources' 2021 program (For further information, refer to 'Material Topic 6: Developing and maintaining strong community and stakeholder relationships – Promoting careers in the mining industry')
- Continuing our Apprenticeship Program, in partnership with the Kwinana Industries Council (KIC)
- Delivering an Entry Level Dump Truck Operator Training Program, which included 48 female operators. This was part of our commitment to creating career pathways and supporting a diverse workplace, including retaining women across all roles and levels (For further information, refer to 'Material Topic 6: Developing and maintaining strong community and stakeholder relationships – Skills Development')

We know developing a diverse, inclusive and non-discriminatory workplace brings many benefits to our business. These include improved organisational performance, positive impacts on organisational culture and reputation, employee attraction and retention, and enhanced internal, customer and stakeholder relationships.

In FY21, our workforce achieved 17 per cent female representation, exceeding our Board-approved target of 16.1 per cent.

As of 30 June 2021, our Board comprised four male members (67 per cent) and two female members (33 per cent). Female participation on the Board increased by 13 percentage points from FY20 with the appointment of Ms Susan Corlett in January 2021.

Table 4 shows the overall female and Indigenous representation across our business.

	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	As at 30 June 2021	Industry average[1]
Overall Female Representation	14.8%	13.2%	15.4%	17.0%	16.1%
Overall Indigenous Representation	1.7%	1.6%	1.4%	1.8%	4.7%

[1] Industry benchmarks identified in line with 2019 Workplace Gender Equality Agency (WGEA) average female representation in the Metal Ore Mining Industry for organisations with 1000-4999 employees and Chamber of Minerals and Energy of Western Australia, 2019: 'Diversity in the Western Australian Resources sector' report. New MRL targets have been disclosed for FY22 in the 2021 *Sustainability Report*.

Table 4: Overall female and Indigenous representation

Refer to our *2021 Sustainability Report* and *2021 Sustainability Performance Data* on our website for more information about our diversity and inclusion performance based on age, gender and Indigenous representation using the WGEA employee categories.

[8] This figure does not include contractors or Non-Executive Directors.

ENVIRONMENT

We are committed to environmental management that maintains our licence to operate in an environmentally responsible and sustainable manner.

Environmental management is essential in maintaining our social licence to operate. We adopt a systematic approach to mitigate risk and identify management strategies to ensure our operations avoid unacceptable environmental impacts. MRL supports a precautionary approach to environmental challenges.

Our *Environmental Policy* is implemented through our Environmental Management System (EMS), developed in line with the *ISO 14001:2015 - Environmental Management Systems* standard.

AIR QUALITY

Across MRL's business, the equipment used to undertake operational activities – such as drilling, blasting, load and haulage and ore processing – generates dust and other air emissions. To manage air emissions, we apply dust suppression measures such as water carts on high traffic areas, roads and tracks, and install sprinkler systems on transfer points at our crushing and train load-out facilities.

At our Yilgarn operations, where we manage several private haul roads, investment in surface sealing has delivered a range of benefits including significant reductions in wheel-generated dust from our road haulage fleet. We have disclosed historical air quality emissions data in our *2021 Sustainability Report.*

WATER

MRL recognises the increasing materiality and importance of water as a fundamental societal, environmental and economic resource. We are committed to advancing our understanding of water risks and value, while seeking new opportunities for water efficiency.

Water remains a key input for our operations and is used for dust suppression, domestically in our camps and offices, for washing vehicles and infrastructure, and in the spodumene concentrate beneficiation plants at our lithium operations.

MRL operates in the Pilbara and Yilgarn regions of Western Australia, which have varying climates and associated water risks. The World Resources Institute's (WRI) 2019 Aqueduct Water Risk Atlas provides an indication of overall water risk in our operational locations, which is summarised in Table 5.

Operation	Water Related Risk
Iron Valley	Medium - High (2-3)
Koolyanobbing	High (3-4)
Wonmunna	Medium - High (2-3)
Wodgina	Extremely High (4-5)
Mt Marion	High (3-4)

Table 5: Summary Water Related Risk referenced to World Resource Institute

Water management is a key focus for MRL and we continue to develop and enhance our risk mitigation strategies. We collect data on the amounts of water withdrawn and report it against water quality categories and sources, as shown in Table 6.

This year, we increased our efforts in water stewardship and updated our water disclosure to align more closely with the Minerals Council of Australia's Water Accounting Framework. As the accepted industry water accounting standard, this framework aims to improve data integrity and comparability across the sector to ensure the continuous improvement of water reporting.

MINERAL RESOURCES

Operation	Water Quality Category[1]	Source[2]	FY19	FY20	FY21
Yilgarn Hub (Iron Ore)					
	Category 3	Groundwater	673.21	878.84	929.77
	Category 1	Third Party	91.99	190.40	174.28
Utah Point Hub (Iron Ore)					
Iron Valley	Category 3	Groundwater	15,709.46	25,363.00	15,871.55
Wonmunna	Category 3	Groundwater	-	-	154.23
Lithium Commodities					
Mt Marion	Category 3	Groundwater	2,279.69	1,512.18	1,614.58
	Category 1	Third Party	42.79	40.69	35.12
Wodgina	Category 3	Groundwater	1,191.10	500.87	-[3]
FY21 Water Withdrawn Summary					
Total Water Withdrawn - Groundwater (total) + third-party water (total)[4]					**18,779.53**
Total Groundwater Withdrawn					**18,570.13**
Total Third Party Withdrawn					**209.40**

[1] Criteria for determining water quality categories correlates with the Mineral Council of Australia's Water Accounting Framework with high-quality water (Category 1) and low-quality water (Category 3).
[2] Water sources are defined as groundwater, surface water, and third-party. Third-party water is water supplied by an entity external to the operation, such as from a municipality. MRL has no operations that withdraw seawater.
[3] Wodgina has been in care and maintenance and used an insignificant volume of water in FY21.
[4] Water withdrawal is water that enters the operational water system and is used to supply the operational water demands.

Table 6: FY19 to FY21 Water withdrawn by source and water quality (ML)

WASTE AND TAILINGS

During regular operations, MRL generates mining-related waste streams in the form of waste rock and tailings. Waste rock is excavated to reach the ore body and typically disposed in waste rock landforms and/or backfilled into pits where possible. Selected inert waste is used for the construction of mine roads and run-of-mine pads.

MRL's total waste rock is disclosed in Table 7, with the increase in quantities reflecting changes in our operations over time and significant growth in our mining operations.

Unit '000 WMT	Operation	FY17	FY18	FY19	FY20	FY21
Yilgarn Hub (Iron Ore)		24,726	7,870	13,582	38,765	51,301
Utah Point Hub (Iron Ore)	**Iron Valley**	6,407	8,960	10,909	11,177	28,816
	Wonmunna	-	-	-	-	3,603
Lithium Commodities	**Mt Marion**	5,583	19,615	18,980	25,401	27,654
	Wodgina[1]	1,554	26,159	4,768	1,540	176
Total		**38,271**	**62,605**	**48,240**	**76,883**	**111,549**

[1] Wodgina has been in care and maintenance through FY20- FY21. Aggregated volume is calculated based on actuals and estimates.

Table 7: FY17 to FY21 Waste rock quantities in Wet Metric Tonnes

MRL is committed to operating in line with the 15 principles and 77 requirements set out by the *Global Industry Standard on Tailings Management* (GISTM) published by the International Council on Mining and Metals, the United Nations Environment Program, and the Principles for Responsible Investment.

During FY21, we completed a detailed gap assessment across our directly controlled and managed operations to measure compliance to the GISTM requirements. The assessment identified compliance uplift required for approximately 25 to 30 per cent of design tasks and 50 per cent of administrative tasks. No operational tasks required uplift.

During FY21, MRL managed two active Tailings Storage Facilities (TSF):

1. Mt Marion Ghost Crab Pit in-pit tails dam, located at our Mt Marion lithium operation. A solids extraction process is used to dry stack most of the tailings. This process reduces our water footprint by recycling a higher quantity of water associated with tailings disposal. In-pit tails disposal represents a reduced environmental risk when compared to a TSF, as the risk of failure is significantly lower.
2. Wodgina TSF3 Expansion at our Wodgina lithium operation. The Wodgina site is currently in care and maintenance so there was no tailings disposal during FY21.

Two decommissioned TSFs and one inactive TSF remain at the Wodgina operation. TSF3 is inactive, while TSF1 and TSF2 have been decommissioned and covered with waste rock.

We have disclosed our tailings waste data in Table 8.

Operation	FY18	FY19	FY20	FY21
Mt Marion	508,132	736,563	935,020	1,702,954
Wodgina	-	131,591	414,879	-[1]
Total	**508,132**	**868,154**	**1,349,899**	**1,702,954**

[1] No tailings generated at Wodgina operation in FY18 and FY21.

Table 8: FY18 to FY21 Cumulative tailing waste waste (tonnes) for Mt Marion and Wodgina operations

BIODIVERSITY AND LAND MANAGEMENT

Biodiversity, land management and rehabilitation are important aspects of responsible mining across the life of a mining operation. Table 9 provides a summary of land disturbance and rehabilitation information for FY19, FY20 and FY21, consolidated for all MRL tenements and as reported to the Mining Rehabilitation Fund.

	Land Disturbed (ha)			Land Under Rehabilitation (ha)		
Operation	**FY19**	**FY20**	**FY21**	**FY19**	**FY20**	**FY21**
Yilgarn Hub (Iron Ore)						
	2,378	2,484	3,560	463	507	824
Utah Point Hub (Iron Ore)						
Iron Valley	468	494	515	3	3	0
Wonmunna	0	0	116	0	0	0
Lithium Commodities						
Mt Marion	573	628	634	0	33	43
Wodgina [1]	937	909	909	119	353	353
Total	**4,357**	**4,515**	**5,735**	**585**	**897**	**1,220**

[1] Wodgina land disturbance footprint FY20 figures have been updated in due to a reclassification of the disturbance area reallocated to rehabilitation.

Table 9: Total land disturbance and rehabilitation information cumulative for FY19, FY20 and FY21 consolidated for all MRL tenements, as reported to the MRF (hectares).

All MRL mine sites have Mine Closure Plans to ensure mining operations are closed, decommissioned and rehabilitated in an ecologically sustainable manner. During FY21, MRL made enhancements to its mine closure framework, with an emphasis on the purposeful management of closures to integrate existing business processes with our stakeholder engagement management plan.

This framework:

- Integrates with existing corporate strategies that detail and define requirements for business planning, investment evaluation, risk management and the minimum expectations of key business units to protect and create value for MRL and maintain our social licence to operate
- Considers risks and opportunities to shareholder value and the communities and environment in which we operate
- Helps MRL transition to closure effectively, ensuring that all risks are managed well and opportunities realised where possible

CLIMATE CHANGE

We are committed to understanding and managing our climate-related obligations, risks and opportunities as we operate within an increasingly carbon-constrained and changing climate.

MRL recognises the need to consider our carbon footprint, work towards reducing greenhouse gas emissions and support collaborative approaches to accelerate the use of low emissions technologies in the future. We will identify opportunities to commercialise low and zero emission innovations, at scale and acceptable cost, that are critical for the transition to a 1.5°C world.

To demonstrate our commitment to climate change, MRL has adopted a Paris-aligned climate-related risk framework and long-term emission reduction target of net zero operational emissions by 2050 – as detailed in our *Roadmap to Net Zero Emissions*[9] in Figure 5. MRL will utilise its experience gained over three decades of operations and a proven ability to deliver – combined with our BOO capability and innovative materials handling solutions – to respond to climate change challenges at our operations and provide mining services solutions to assist the resources industry in its decarbonising efforts.

To support our emission reduction target, MRL conducted a thorough review process to further understand and prioritise our:

- Current and projected emissions profile
- Climate-related risks and the resilience and adaptability of our business in a low-carbon economy
- Overall indicative abatement challenges for our business
- Potential emissions reduction initiatives

The process undertaken to develop the roadmap is illustrated in Figure 4.

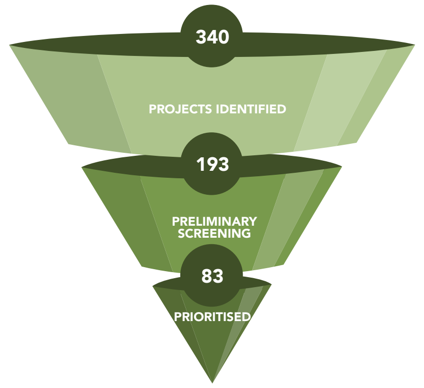


Figure 4: Process undertaken to develop the Roadmap to Net Zero Emissions

MRL engaged Deloitte to support a series of workshops with employees from across our business and operations to help identify abatement projects that will further support our target of net zero emissions.

Four workshops were held in-person and online, capturing the views of over 60 participants, which identified 340 potential decarbonisation projects. These suggestions were evaluated against six key criteria, including technological readiness, decarbonisation potential and other co-benefits or trade-offs. Following this evaluation process, 83 projects were identified for consideration and integrated into our *Roadmap to Net Zero Emissions.*

MRL will strive to achieve its net zero target by focusing on displacing diesel fuel, renewable generation, electrification of equipment and transport, energy storage and adopting future fuels. Abatement projects will prioritise current operational efficiencies and 'net zero ready' asset design to drive emissions reductions before carbon offset purchasing is considered.

We will also continue to review our *Roadmap to Net Zero Emissions* to remain agile and responsive to technological and commercial advancements. We will continue to assess our performance against this roadmap and report our progress on an annual basis. For further detail refer to our *2021 Sustainability Report.*

[9] This excludes GHG emissions from our mining services activities, as MRL does not have operational control over these activities.

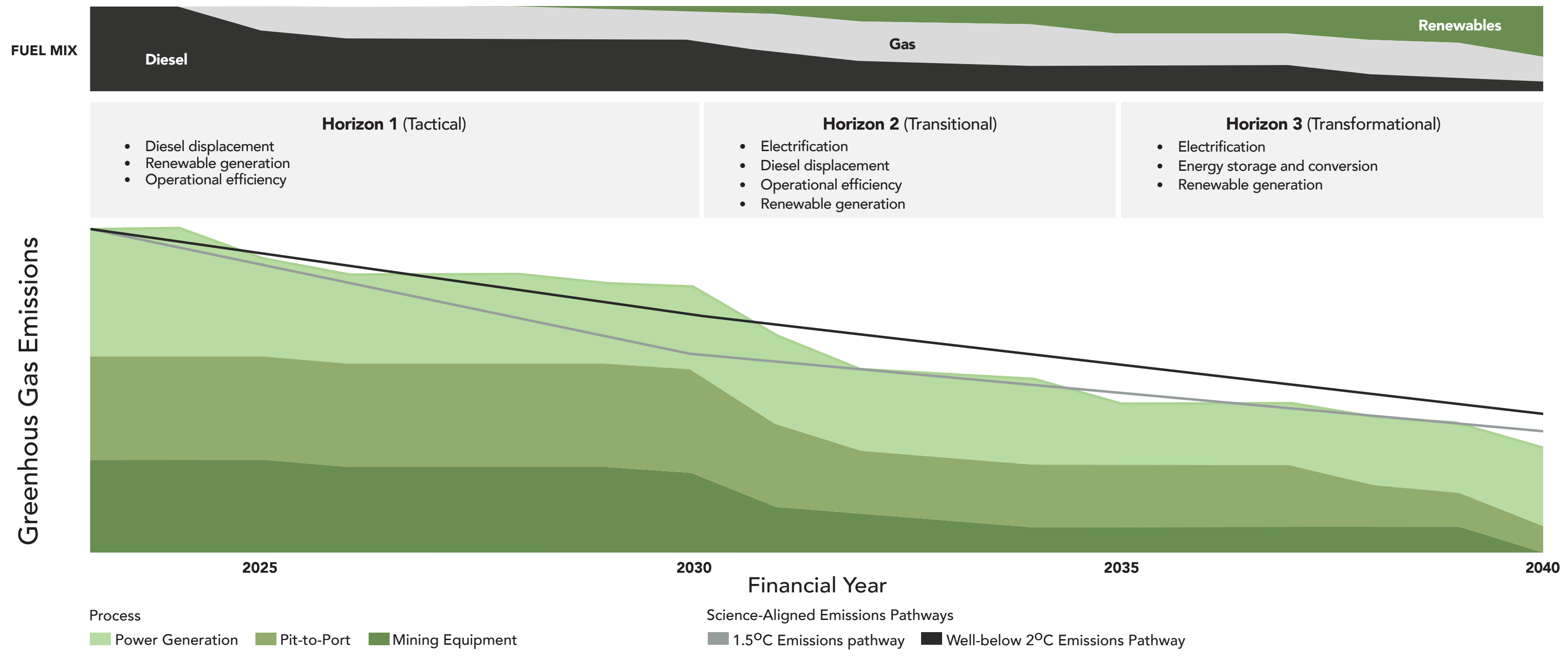


Figure 5: Roadmap to Net Zero Emissions

GREENHOUSE GAS EMISSIONS PROFILE

Our greenhouse gas (GHG) emissions are directly related to our energy use and growth of our operations. MRL calculates its direct (Scope 1) and energy indirect (Scope 2) GHG emissions for entities under its operational control in alignment with the GHG Protocol and the *Australian National Greenhouse and Energy Reporting Act (2007).* While our absolute GHG emissions continue to increase as our business grows, we are actively working to reduce the GHG emission intensity of our operations. Emission intensity of our operations per TMM for sites under our operational control is shown in Table 11. Between FY20 and FY21, we have seen a five per cent reduction in our GHG emission intensity.

Table 10 shows our FY16 to FY21 Scope 1 and 2 GHG emissions in metric tonnes of CO_2e equivalent.

	FY16	FY17	FY18	FY19[1]	FY20[2]	FY21
Scope 1 (tCO_2e)	108,427	181,475	215,726	195,034	222,978	296,343
Scope 2 (tCO_2e)	1,898	3,007	2,222	2,373	1,917	1,993
Total (tCO_2e)	**110,325**	**184,482**	**217,948**	**197,406**	**224,895**	**298,336**

[1] GHG emissions for FY19 have been restated, reduced by 11 per cent, following adoption of the legal position relating exclusion of rail operator emissions.
[2] GHG emissions for FY20 have been restated, reduced by 17 per cent, following adoption of the legal position relating to the exclusion of rail operator emissions.

Table 10: FY16 to FY21 Scope 1 and 2 GHG emissions

	FY19	FY20	FY21	Change
GHG intensity[1]: tCO_2e/ TMM (wet metric kt)	3.21	2.39	2.27	Year-on-year reduction of 5%

[1] The GHG emissions included in the intensity metrics are Total Scope 1 and 2 GHG emissions, which include the greenhouse gases CO2, CH4, N2O and SF6.

Table 11: FY19 to FY21 carbon intensity of our operations (tCO2e/TMM)

EMISSIONS REDUCTION INITIATIVES

MRL continues to investigate alternative and renewable energy options for power generation, road transport and mining equipment, all aimed at delivering responsible and sustainable success.

Our short-term transitionary decarbonisation efforts will include gas alternatives. ERL continues to identify and explore opportunities to develop and secure low-cost gas solutions to support the growth and development of MRL and the broader resource industry in Western Australia. Renewable energy technologies, such as solar and wind generated electricity, will become an increasingly significant part of our energy mix going forward.

MRL FY21 emission reduction initiatives include:

POWER GENERATION

- Committed of a $6 million, 2.1 megawatt peak solar array with battery storage to displace diesel generation for crushing, non-process infrastructure and camp requirements at our Wonmunna iron ore operation in the Pilbara. This is planned for completion during the first half of FY22 and will support around 30 per cent of the site's energy needs – reducing diesel consumption by approximately 600,000 litres and carbon emissions by around 1,800 tonnes of CO_2 per year. The system has been designed with an expected life of up to 20 years, such that when Wonmunna reaches its end-of mine life, the solar array can be redeployed to another location.
- Analysed geothermal potential in Western Australia
- Modelled the feasibility of using wind power for one of our coastal projects
- Completed design of modular LNG storage facilities

MINING EQUIPMENT

- Participated as a patron in the "Charge On" Haul Truck Electrification Challenge
- Tested autonomous road trains in Perth, with plans to test in the Yilgarn in the first half of FY22
- Purchased the first electric truck fully assembled in Australia

FUTURE ENERGY

- Participant in the Future Energy Exports Cooperative Research Centre including:
  - Paths to a Sustainable Hydrogen Supply Chain project
  - Net-Zero Australia project
- Supported the development of the proposed Kwinana Energy Transformation Hub

SOCIAL

We strive to develop and maintain strong community and stakeholder relationships as part of our social licence to operate and to build capacity.

An important part of maintaining our social licence to operate is demonstrating the value we create for society. We achieve this through developing strong community and stakeholder relationships and creating opportunities for skills development.

Positive community relationships are essential to MRL's operations. They align expectations, minimise project disruptions and delays, benefit local communities and enhance MRL's reputation. We recognise genuine and effective stakeholder engagement involves building relationships based on mutual trust, respect and understanding.

During FY21, we strengthened our community connections by:

- Developing deeper relationships with members of the communities in which we operate, including non-government entities
- Building awareness of projects to ensure they are known and understood prior to approval processes
- Engaging with non-government conservation organisations and individuals
- Conducting MRL-focused community forums
- Participating in existing local community forums and local shire meetings
- Presenting our plans to the Chamber of Commerce and Industry WA
- Establishing relationships with schools and developing work experience programs at mine sites for local high schools
- Hosting business development and employment sessions
- Further investing in our community development partnerships at a local level
- Supporting school NAIDOC events, country week events, regional fairs and community festivals

ENGAGEMENT ACTIVITIES

MRL is committed to providing local communities with open and transparent access to information about our operations.

The aim of our *Stakeholder Engagement Management Plan* and *Community Relations Strategy* is to ensure we engage effectively with local communities, government and other key stakeholders on matters concerning environment, land access, heritage and community during all phases of our operations.

We have a dedicated Cultural Heritage and Native Title team, which work closely with, Traditional Owners to ensure continued identification, recognition and protection of all cultural heritage. Our team carries out heritage surveys across all our operations in alignment with the individual heritage agreements with Traditional Owner groups and within the guidelines of the *Australian Aboriginal Heritage Act (1972)*. These surveys inform the location and design of our operations to avoid areas of heritage significance.

MRL has several agreements in place with Traditional Owners, which outline a range of obligations such as heritage protocols, employment and business opportunities, community engagement, cultural awareness training, health and education initiatives, and work-ready programs. We continue to proactively work with Traditional Owners to identify further opportunities to collaborate.

During FY21, MRL submitted a Board-approved *Reconciliation Action Plan (RAP)* to Reconciliation Australia, which outlines and further strengthens our commitment to reconciliation with Aboriginal and Torres Strait Islander communities.

Our RAP includes opportunities to make meaningful contributions towards reconciliation within the communities where MRL operates, while outlining proposed initiatives across relationships, respect, opportunities, and governance.

COMMUNITY CONTRIBUTIONS

MRL supports local communities through contributions that offer positive community benefits. Our community contributions generate value for society, while also promoting MRL, enhancing our reputation and demonstrating our corporate social responsibility.

MRL defines community contributions as voluntary spend that benefits the community and applies its contributions across four categories:

- Community partnerships in the form of multi-year commitments to organisations that focus on creating positive outcomes in health and wellbeing, education and employment
- Donations to community charity fundraisers and not-for-profit organisations
- Contributions towards education support for primary and high schools
- Contributing to community facilities and events

During FY21, MRL supported more than 70 charitable organisations focused on improving health and wellbeing, employment and education outcomes. This included increased contributions to organisations offering domestic violence support services, which have faced increased demand due to the pressures of COVID-19 on families.

MRL also continued its multi-year partnerships with the following organisations during FY21:

- Shooting Stars
- Youth Focus
- Starlight Children's Foundation
- Lucy Saw Centre
- Harry Perkins Institute of Medical Research
- Telethon 7
- Ronald McDonald House Charities (extended with a three-year partnership FY22-24)

Additionally, we developed new partnerships with:

- Perth Children's Hospital Foundation
- Telethon Kids Institute - Yawardani Jan-ga
- Lifeline WA
- McGovern Foundation

During FY21, MRL contributed $5.25 million to communities, more than doubling efforts from FY20, which reflects the financial success of our business this year (refer to Figure 6).

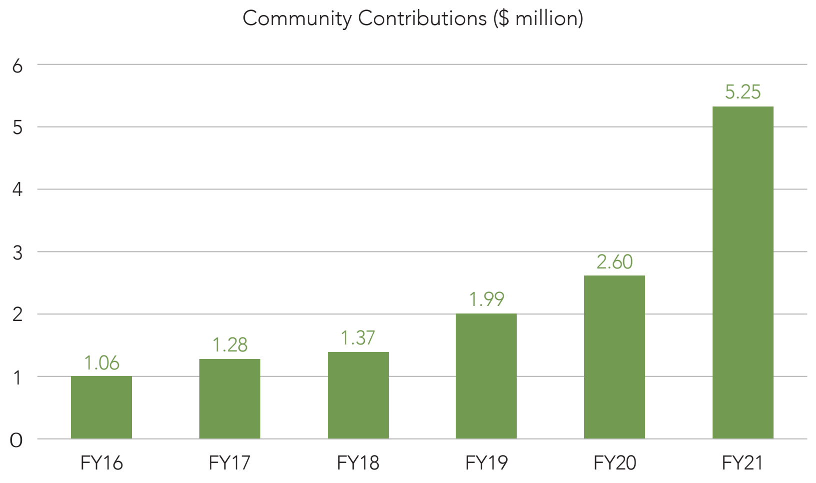


Figure 6: Community contributions ($ million)

SKILLS DEVELOPMENT

As competition for employee talent increases, MRL needs to contribute to the development of skills our business requires now and into the future. Our Learning and Development Tactical Plan provides pathways for introducing new talent to our business and details development initiatives for existing employees. MRL offers apprenticeships, traineeships and a Graduate Program designed to attract new talent to our company.

Our Apprenticeship Program continues to strengthen each year. During FY21, we employed apprentices across a range of trades including heavy duty fitters, electricians, boilermakers and mechanical fitters – bringing the total number of apprentices in our business to 52, an increase of 53 per cent from the previous year. This total includes seven apprentices who identify as female, more than doubling from the previous year. To further support our apprentices, we also employed a full-time apprentice mentor to help guide their professional and personal development. Through our partnership with Youth Focus, our employees under the age of 25 also have access to a counsellor specifically trained to assist younger people.

In addition, MRL offers 12-month trainee programs with Registered Training Organisations. In FY21 we developed 17 trainees, of whom 65 per cent identify as female.

To further support business growth and address the developing skills shortage across our industry, we are committed to providing professional development opportunities for our existing employees. During FY21, we introduced our Trade Upgrades Program and currently have 11 employees completing trade upgrades within the business. Nine of these are upskilling to become heavy duty fitters and two are training to become auto electricians.

Our Graduate Program is a 24-month structured program, internally developed and assessed across a mixture of site and office-based work. Graduates gain industry experience through corporate and site-based work placements of four, six-month rotations. This allows graduates to experience different areas of their chosen career path. Our FY21 intake welcomed 14 graduates – across a range of disciplines including accounting, geology, engineering, metallurgy and environment – an increase from six in FY20.

PROMOTING CAREERS IN THE MINING INDUSTRY

For the past eight years, MRL has sponsored several scholarships at Rockingham Senior High School. The MRL Scholarship Program supports students who excel in hands-on skills and have achieved outstanding results in trade-related areas of study.

During FY21, we also continued our relationship with the Kwinana Industries Council (KIC), which has a rich history of supporting the growth, development and sustainability of businesses in the Kwinana industrial area. This included hosting 12 female students on work experience placements.

MRL also continued its sponsorship of iWomen Projects, an initiative promoting career opportunities in the mining sector to Year 10 female students from KIC-collaborating schools in the region.

We also attended and sponsored several career development events including the 2021 'Get Into Resources' event at North Metro TAFE, The Big Meet 2021 Perth graduate recruitment fair, the 2021 Chamber of Minerals and Energy Inspiring Girls Career Forum, and the Shape Your Future Youth Expo in Kwinana. These events were attended by members of our Learning and Development team, who engaged with students and offered advice on career pathways available within the industry.

ANNUAL FINANCIAL REPORT

GENERAL INFORMATION

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

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

1 Sleat Road
Applecross WA 6153

A description of the nature of the Group's operations and its principal activities are included in the notes to the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11 August 2021.

SUN AND MOON

The goanna has been with us for all time. He has been with us on our journey and he will still be here long after we have moved on.

Collaborative art by Nate Mundraby.
Photography by Russell James.

DIRECTORS

The Directors present their report, together with the financial statements, for the year ended 30 June 2021.

Peter Wade
Chris Ellison
James McClements
Kelvin Flynn
Susan Corlett (appointed 4 January 2021)
Xi Xi

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

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

The overview of the Group's operations, and a review of the operational performance, financial performance and cash and capital management are contained in the following sections of the Annual Report: Overview on pages 7 to 12, Operational Review on pages 13 to 24 and Financial Review on pages 25 to 28.

DIVIDENDS

	Cents	Franked %	$m
2021 Financial Year final dividend – declared 11 August 2021	175.00	100%	329.4
2021 Financial Year interim dividend – paid 10 February 2021	100.00	100%	188.6
2020 Financial Year final dividend – paid 15 September 2020	77.00	100%	144.6
2020 Financial Year interim dividend – paid 26 March 2020	23.00	100%	43.4

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The following significant events have arisen since the end of the financial year.

Dividend

On 11 August 2021, the Directors declared a final fully franked dividend for the year ended 30 June 2021 of $1.75 per share to be paid on 7 September 2021, a total estimated distribution of $329.4 million based on the number of ordinary shares on issue as at 18 August 2021.

COVID-19 pandemic

During FY21 the Group continued with its proactive implementation of a range of measures and adaptations to its operations in response to the COVID-19 pandemic. However, border closures and lockdowns following COVID-19 outbreaks around Australia continue to impact MRL operations, primarily through the forced curtailment of staff movements from interstate and overseas. This impacts the Group's ability to transport iron ore from its operations as the shortage of road train drivers constrains the movement of materials.

During FY21 MRL continued COVID-19 testing checks as part of the fit-for-work regime for all Fly In Fly Out (FIFO) workers as and when required. In addition, the Group maintains its ability, through MinRes Health, to rapidly re-activate these testing services, thereby benefitting the Group and the wider resources industry and general community in Western Australia. Importantly, MinRes Health testing facilities are able to be re-commissioned within approximately 12 hours of a public health notification of a positive COVID-19 case in Western Australia. Despite these measures, the challenges presented by COVID-19 are fluid and continue to change; it is therefore not practical to estimate the potential impact of COVID-19 after the reporting date. The Group will continue to assess its response to the COVID-19 pandemic on an ongoing basis.

Red Hill Iron Limited

On 30 July 2021 the Company reached agreement with Red Hill Iron Limited (ASX: RHI; Red Hill Iron) to acquire RHI's 40 per cent participating interest in the Red Hill Iron Ore Joint Venture (RHIOJV) in the West Pilbara region of Western Australia. (ASX: MIN 30/07/2021). The proposed acquisition of the RHIOJV interest aligns with MRL's strategy to expand its mineral resources around the

Ashburton Hub to underpin a long-term, sustainable iron ore export business. The transaction is conditional on RHI obtaining shareholder approval. MRL will pay RHI $200m, out of existing cash resources, on completion of the acquisition of the RHIOJV interest and a further $200m in cash when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs port. In addition, MRL will pay RHI a royalty of 0.75 per cent of "Free on Board" (FOB) revenue on all iron ore that is extracted and sold from the RHIOJV tenements and from MRL's Bungaroo South tenement, provided Bungaroo South is developed in association with the development of the RHIOJV tenements. MRL expects the acquisition of the RHIOJV interest to complete around early September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report as the Directors believe it would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation of its operations, including exploration and mining activities. The Directors are not aware of any significant known breaches of environmental regulations to which the Group is subject.

The Group is registered under the *National Greenhouse and Energy Reporting Act 2007*, under which it is required to report annual energy consumption and greenhouse gas emissions for its Australian facilities. The Group has systems and processes in place for the collection and calculation of data. Further information on the reporting and results under the Act can be found on the Group's website.

INFORMATION ON DIRECTORS

PETER WADE

Title: Non-Executive Chair

Appointment: 27 February 2006

Qualifications: BE (Hons) LGE

Experience and expertise: Peter has over 46 years of experience in engineering, construction, project management, mining and infrastructure services. He started his career with the NSW Public Service managing the construction of significant infrastructure projects in NSW including the Port Kembla coal loader and the grain terminals at Newcastle and Wollongong and was also the Deputy Director for the Darling Harbour Redevelopment construction project.

Following his period of employment with the NSW Public Service, Peter joined the executive team of the Transfield Group. Throughout the 1980s and 1990s he was General Manager of Sabemo Pty Ltd, Transfield Construction Pty Ltd, and Transfield Power Technologies and subsequently became Transfield Chief Operations Officer (Southern). During this period Peter was responsible for significant build, own, operate projects including the Melbourne City Link, the Airport Link, the Northside Storage Tunnel and the Collinsville and Smithfield Power Plants.

Peter became Managing Director of Crushing Services International Pty Ltd and PIHA Pty Ltd in 1999, and subsequently Process Minerals International Pty Ltd in 2002 (now wholly owned subsidiaries of Mineral Resources Limited). He managed the companies through a sustained period of growth and development prior to the formation and listing of Mineral Resources Limited in 2006 at which time he was appointed Managing Director of the Group. He was subsequently appointed Executive Chair in 2008 and Non-Executive Chair in 2012.

Other current directorships: None

Former directorships (last 3 years): SRG Global Limited (ASX: SRG) (resigned 26 November 2019)

Special responsibilities: Chair of Board of Directors

Interests in shares: 348,498

Interests in options: None

CHRIS ELLISON

Title: Managing Director

Appointment: 27 February 2006

Experience and expertise: Chris is the founding shareholder of each of the three original subsidiary companies of Mineral Resources Limited (Crushing Services International Pty Ltd, PIHA Pty Ltd and Process Minerals International Pty Ltd). He has over 40 years of experience in the mining contracting, engineering and resource processing industries within Australia.

Since 2013, Chris has also served as Honorary Consul for New Zealand within Western Australia.

Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities: Managing Director

Interests in shares: 22,922,980

Interests in options: None

INFORMATION ON DIRECTORS (CONTINUED)

JAMES MCCLEMENTS

Title: Lead Independent Non-Executive Director

Appointment: 29 May 2015

Qualifications: B Econ (Hons)

Experience and expertise: James has 35 years of experience in the mining industry as a banker and fund manager financing projects globally. He was raised and educated in the Pilbara region of Western Australia and began his professional career with BHP Limited before joining Standard Chartered Bank in Perth and N.M. Rothschild & Sons in Sydney then Denver. James also spent 11 years in the USA and co-founded Resource Capital Funds during that time. James is currently the Managing Partner of RCF and has extensive Board experience having served as a Director of 12 RCF portfolio companies.

Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities: Chair of Remuneration Committee
Member of the Audit and Risk Committee (May 2015 to January 2021)
Member of Nomination Committee

Interests in shares: 18,383

Interests in options: None

KELVIN FLYNN

Title: Independent Non-Executive Director

Appointment: 22 March 2010

Qualifications: B Com, CA

Experience and expertise: Kelvin is a qualified Chartered Accountant with over 30 years of experience in investment banking and corporate advisory roles, including private equity and special situations investments in the mining and resources sector. He has held various leadership positions in Australia and Asia, having previously held the position of Executive Director/Vice President with Goldman Sachs and Managing Director of Alvarez & Marsal in Asia. He has worked in complex financial workouts, turnaround advisory and interim management.

Kelvin is the Managing Director of the specialist alternative funds manager Harvis, which focuses on investments in the real estate and real assets sectors. Kelvin is currently a Non-Executive Director of Silver Lake Resources Limited.

Other current directorships: Silver Lake Resources Limited (ASX: SLR)

Former directorships (last 3 years): None

Special responsibilities: Chair of Audit and Risk Committee
Member of Nomination Committee
Member of Remuneration Committee

Interests in shares: 18,354

Interests in options: None

INFORMATION ON DIRECTORS (CONTINUED)

SUSAN CORLETT

Title: Independent Non-Executive Director

Appointment: 4 January 2021

Qualifications: BSc (Geo, Hons), FAusIMM, GAICD

Experience and expertise: Susan Corlett is a professional Non-Executive Director following a 25-year executive career spanning mine operations, investment banking and private equity. Susan is currently Non-Executive Director of Iluka Resources Ltd, Aurelia Metals Limited, a Director of The Foundation for National Parks and Wildlife and a Trustee of the Australian Institute of Mining and Metallurgy (AusIMM) Education Endowment Fund.

Originally a geologist, Susan has a background in mining operations and mineral exploration. During her executive career, she was an Investment Director for global mining private equity fund and worked in mining credit risk management and project finance for Standard Bank Limited, Deutsche Bank and Macquarie Bank.

Susan has a track record of delivering significant value to stakeholders through the deployment of growth strategies, oversight of capital allocation, project execution and operational excellence. Her career success has been underpinned by sound commercial judgement, strong risk management skills and a long standing commitment to diversity, inclusion, shared values and sustainability.

Susan's qualifications include a Bachelor of Science (Hons. Geology) from the University of Melbourne. Susan is a Graduate of the Australian Institute of Company Directors and Fellow of the AusIMM. Susan is a member of Chief Executive Women. Susan is an active mentor to female leaders in the natural resources industry through AusIMM Women in Mining and to disadvantaged youth through the David Burgess Foundation.

Other current directorships: Iluka Resources Limited (ASX: ILU)
Aurelia Metals Limited (ASX: AMI)

Former directorships (last 3 years): None

Special responsibilities: Member of Audit and Risk Committee
Member of the Nominations Committee
Member of Remuneration Committee

Interests in shares: 1,071

Interests in options: None

XI XI

Title: Independent Non-Executive Director

Appointment: 11 September 2017

Qualifications: MAIR, BS. CPR

Experience and expertise: Xi Xi has over 20 years of experience in the global natural resources sector having served as a Director of Sailing Capital, a US$2 billion private equity fund founded by the Shanghai International Group in 2012. She has worked with numerous Chinese state owned and privately owned enterprises, advising on international acquisitions and investments overseas. Xi Xi has previously served as an analyst and portfolio manager for the Tigris Financial Group (Electrum) in New York, focused in the oil and gas and mining sectors. Xi Xi currently serves as a Non-Executive Director of Zeta Resources, a closed-end investment company with a broad portfolio of oil and gas, as well as mining assets.

Other current directorships: None

Former directorships (last 3 years): Galaxy Resources Limited (ASX: GXY) (ceased 11 September 2017)

Special responsibilities: Chair of Nomination Committee
Member of the Audit and Risk Committee (joined January 2021)

Interests in shares: 16,887

Interests in options: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities and excludes directorships of all other types of entities, unless otherwise stated.

'Interest in shares' quoted above are as at the date of this report.

MINERAL RESOURCES

COMPANY SECRETARIES

MARK WILSON joined Mineral Resources Limited as Chief Financial Officer in August 2018, and was subsequently appointed as Company Secretary on 19 October 2018. Mark is an experienced senior executive with a strong track record in development and implementation of business strategy, balance sheet management, organisational design, project management, and transaction execution. Mark has held senior positions in a number of Australian and international companies, including Laing O'Rourke, Multiplex and Brookfield Multiplex. Mark holds a Bachelor of Commerce (Finance) and Bachelor of Laws from the University of New South Wales, and has a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA).

DEREK OELOFSE has over 35 years' financial and commercial management experience in large private, governmental and listed entities based within Australia, South Africa and the United Kingdom. Derek has a Bachelor of Accounting and Bachelor of Commerce degree from the University of the Witwatersrand in South Africa, a Master of Business Administration from Henley Management College in the United Kingdom, and is a Fellow of the Institute of Chartered Accountants Australia and New Zealand. Derek joined Mineral Resources Limited in 2012 as Group Financial Controller and was appointed joint Company Secretary on 4 October 2018.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors (the Board) and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director while they were a member of the Board/committee were:

	Full Board		Audit & Risk Committee		Remuneration Committee		Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Peter Wade[1]	13	13	2	4	1	4	2	2
Chris Ellison	13	13	n/a	n/a	n/a	n/a	n/a	n/a
James McClements[2]	13	13	2	4	4	4	2	2
Kelvin Flynn	13	13	4	4	4	4	2	2
Susan Corlett[3]	7	7	2	2	2	2	1	1
Xi Xi	13	13	2	4	n/a	n/a	2	2

[1] Peter Wade served as an interim member of the Audit and Risk Committee and Remuneration Committee from July 2020 through to January 2021; prior to the appointment of Susan Corlett as a Committee member.
[2] Rotated off the Audit and Risk Committee in January 2021.
[3] Joined Audit and Risk Committee and Remuneration Committee in January 2021. All Non-Executive Directors are members of the Nominations Committee.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 35 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 35 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

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 million 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 immediately after this Directors' Report.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors.

Chris Ellison
Managing Director

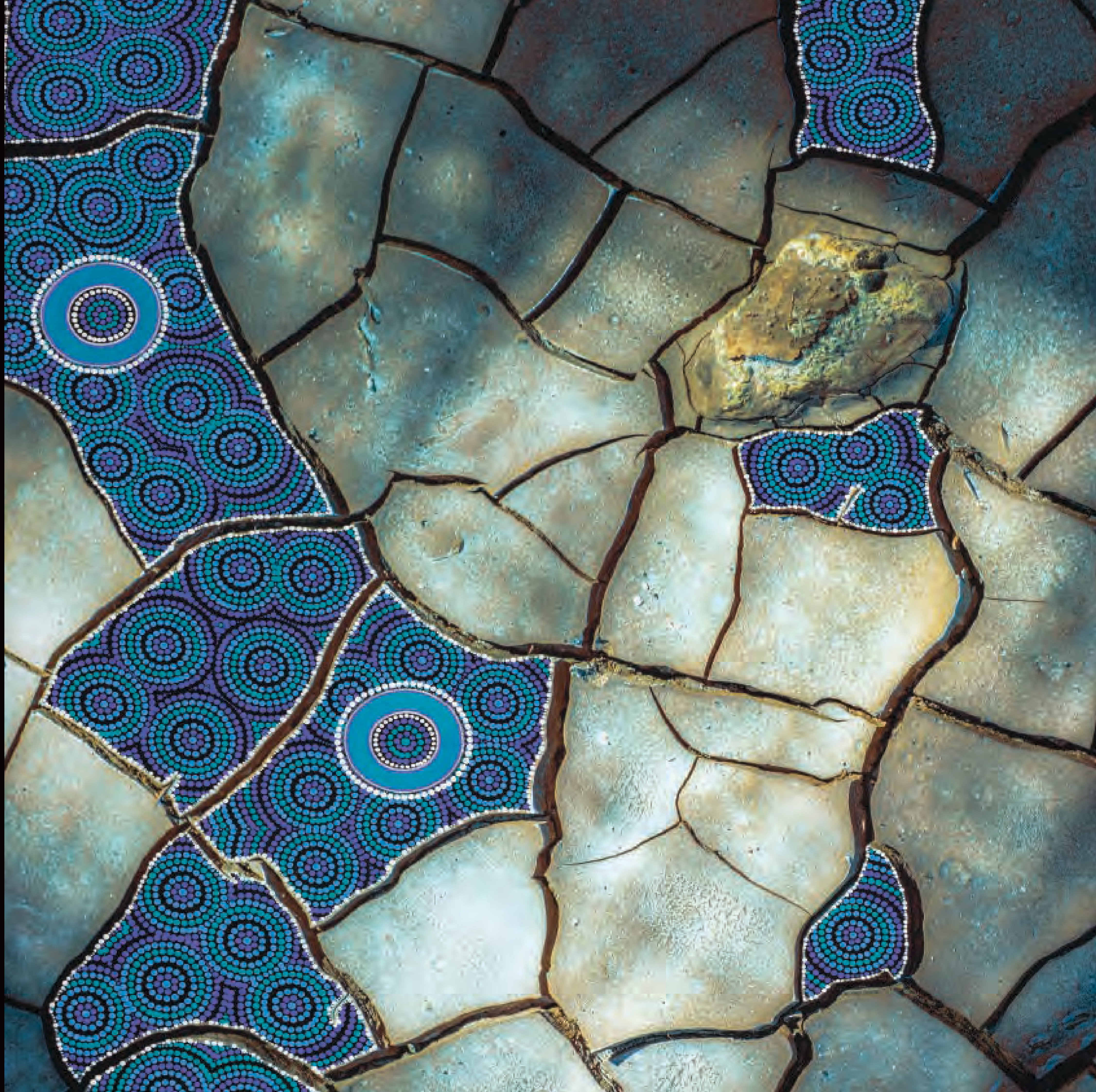
11 August 2021
Perth

REMUNERATION REPORT

HUNTING GROUNDS

This painting is a depiction of our hunting grounds where we have been travelling to for many years connecting from the Yilgarn region near Lake Deborah - Bullfinch/Koolyanobbing, travelling through to the Wheatbelt regions connecting our hunting grounds to Lake Campion near Nungarin and on to Baandee Lake in between Merredin and Kellerberrin finishing at Mount Stirling South of Kellerberrin.

Collaborative art by Aaron Hayden.
Photography by Russell James.



LETTER FROM THE REMUNERATION COMMITEE CHAIR

Dear Shareholder,

I am pleased to present the 2021 Financial Year (FY21) Remuneration Report (Remuneration Report) for Mineral Resources Limited (MRL, the Group or the Company) on behalf of the Remuneration Committee (the Committee). Significant engagement has been undertaken with investors and Proxy Advisors in recent years as we developed a new remuneration framework suited to the Group's strategy. The Committee has been pleased with shareholder support for the Company's remuneration strategy and structures following the substantial changes to remuneration structures first announced in the 2019 Remuneration Report and effective from the 2020 Financial Year (FY20).

FY21 has again been a very successful year for the Company with considerable operational success achieved, despite COVID-19 constraints. The year saw record iron ore shipments, coupled with an expansion of operations in our Utah Hub with the successful acquisition, development and commissioning of the new Wonmunna Iron Ore Mine. Our Yilgarn Hub was also expanded through the development of new mining regions that will ensure greater operational flexibility. Mining Services volumes increased, in part through the installation and commissioning of the first instance of our new second generation NextGen crushing plants. Lithium production at Mt Marion was maintained, whilst costs were contained in a challenging economic environment for lithium. Construction by Albemarle Corporation (NYSE: ALB) (Albemarle) of the 50ktpa Kemerton Lithium Hydroxide Plant continued in the year, and mechanical completion of the first 25ktpa train is due by the end of this calendar year.

FY21 remuneration outcomes were driven by the significant growth in the business. Mining Services activity increased by 20 per cent and the Commodities business delivered a pleasing growth in shipped tonnes of 23 per cent. These increases combined with a high iron ore price to generate a record underlying profit after tax of $1.1 billion, up 230 per cent on the prior year. During FY21, the Company's market capitalisation increased by 155 per cent, net assets increased by 41 per cent and revenue from normal operations increased by 76 per cent. The Company was included in the ASX 100 index on 21 December 2020. Most notably, the Company has continued both to lead the industry in its response to operational challenges created by the COVID-19 pandemic and to improve its industry-leading safety performance, despite its workforce growing by 39 per cent in FY21.

The Company's strong focus on sustainability continued in FY21, with the adoption of a commitment to achieve net zero carbon emissions by 2050. To achieve this, the Company needs to establish an effective transition pathway from the consumption of diesel fuel, currently a key source of energy for its operations. Natural gas has a critical role to play in this transition, and the Company is progressing its search for gas resources in the Perth Basin and Northern Carnarvon Basin. Likewise, the Company's focus on innovation continued unabated in FY21, with the development of carbon fibre screening trays that will both reduce energy consumption and increase longevity of critical screening components.

The changes implemented in FY20 to the remuneration strategy and structures have assisted to ensure retention of the Company's senior leadership group. During a period of considerable change within the mining and mining services industries, this stability has enabled positive cultural change to be effected, with an increased focus on mental and physical health and wellbeing. This change, in turn, has provided a platform to attract outstanding talent to strengthen the Company's capability, and this is essential to the foundation of our business to support the substantial growth ahead of us in a highly competitive market.

Given both this success and continued shareholder support for the remuneration strategy and structures that became effective in FY20, there have been no changes to our overall executive remuneration structure in FY21.

CHANGES TO EXECUTIVE REMUNERATION

No changes were made to the remuneration in FY21 of the Managing Director, Chief Financial Officer or Chief Executive, Mining Services. The Fixed Annual Remuneration (FAR) for the Chief Executive – Commodities was revised in FY21, to align with the Chief Executive – Mining Services.

Following the Company's substantial growth in recent years, the Remuneration Committee updated the group of Comparator Businesses used to benchmark the Company's remuneration structures. Details of the revised Comparator Businesses are included in the body of the Remuneration Report (see Section 3.3).

The Managing Director's FAR is now around the 25th percentile of the Comparator Businesses, with more remuneration 'at risk' and able to be earned only through performance. On target total remuneration sits around the 63rd percentile.

CHANGES TO NON-EXECUTIVE DIRECTOR REMUNERATION

Following approval by members at the November 2020 Annual General Meeting for a Director Fee Pool increase, the Board recommended a change to the Non-Executive Director (NED) fee structure. These changes represent the first change to this structure since FY15, and include the introduction of Board committee fees to recognise the significant workload inherent in service on these committees, and an increase in base fees for the Chair and Board members. The changes reflect the Company's increasing scale and scope with additional responsibilities incumbent on the Board as areas of governance risk

(such as sustainability) become more complex and have a greater impact on company perception and market performance. In addition, as the Board renews and expands over the coming years, these changes maintain the Company's ability to attract suitably qualified and experienced Directors.

FY21 OUTCOMES AND ALIGNMENT

FY21 has been an exceptional year for the Company, with a record operating result for shareholders. The result was delivered despite intense labour shortages that resulted from the State and Federal Government's COVID-19 border restrictions. Not only was the Company able to expand operations as outlined above, over the period, MinRes Health facilitated over 89,000 COVID-19 tests of the Group's employees along with employees of 60 other companies operating in the Western Australian resources and extractive industries. This unique capability played a key role in ensuring continued production and delivery to end-customers over the year, while also supporting the wellbeing of the broader industry.

In such circumstances, the Committee is pleased that the incentive programmes in place have assisted in delivering outstanding results for shareholders, and short-term incentives have been awarded ranging from 84 per cent of maximum for the Managing Director, to 93 per cent for the remaining Key Management Personnel (KMP).

Consistent with the design of the Short-Term Incentive (STI) program, a significant portion of rewards will be deferred for up to two years and settled in equity, to further align management and shareholder interests. Further detail of these outcomes can be found in Section 5 of the Remuneration Report.

Under the current LTI program the Long- Term Incentive (LTI) of each KMP executive will be paid in full only if the four- year average ROIC exceeds 18 per cent, with FY21 being the first of those four years. In other words, the LTI program will make significant rewards to KMP only if the strong performance persists, irrespective of commodity cycles.

FY21 saw LTI grants made in FY18 under an earlier LTI scheme vest and become unrestricted based on the Company's 38.6 per cent ROIC performance, which was well over the 12 per cent threshold required for vesting under the FY18 LTI plan.

In conclusion, we are satisfied that the FY21 remuneration outcomes reflect and support the Company's strategic and financial performance.

Our Chair Peter Wade, our Head of Investor Relations James Bruce, and I once again met with a number of Institutional Investors and Proxy Advisors over the last few months. It was pleasing to note the high level of continued support at these sessions for the Group's remuneration arrangements. This feedback is sincerely appreciated, and we continue to value any further feedback you may have in this regard.

I invite you to review the full report laid out over the following pages and thank you for your interest in our Company.

Yours faithfully

James McClements
Lead Independent Non-Executive Director
Chair, Remuneration Committee

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2021 and has been audited in accordance with section 300A of the *Corporations Act 2001*.

The report addresses the following key areas:

1. KEY MANAGEMENT PERSONNEL

Key Management Personnel (KMP) comprise those persons that have responsibility, authority and accountability for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. In this report, a reference to an "Executive" or "Executives" is a reference to a KMP, including the Managing Director.

The following table outlines the KMP of the Group during the whole of FY21 and up to the date of this report, unless otherwise stated:

EXECUTIVE KMP

Current

Chris Ellison	Managing Director (MD)
Paul Brown	Chief Executive – Commodities
Mike Grey	Chief Executive – Mining Services
Mark Wilson	Chief Financial Officer

NON-EXECUTIVE KMP

Current

Peter Wade	Non-Executive Chair
Kelvin Flynn	Non-Executive Director
James McClements	Lead Independent Non-Executive Director
Xi Xi	Non-Executive Director
Susan Corlett	Non-Executive Director (appointed on 4 January 2021)

2. REMUNERATION GOVERNANCE

2.1 REMUNERATION COMMITTEE INDEPENDENCE

The Remuneration Committee continued to be comprised solely of independent Non-Executive Directors (NED):

- James McClements, Committee Chair
- Kelvin Flynn, Committee Member
- Susan Corlett, Committee Member (appointed 4 January 2021)

The third position on the Remuneration Committee, vacant in FY20 has since been replaced by Susan Corlett. Peter Wade assisted in this role for the first half of FY21.

2.2 ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee advises the Board on KMP remuneration by performing the following functions:

- making recommendations to the Board on remuneration structure, practices, policy and quantum for the Managing Director (MD), KMP, and NEDs
- determining the eligibility, award and vesting of Short Term Incentives (STI) and Long Term Incentives (LTI); and
- providing oversight of company diversity and gender pay equity and recommendations to the Board on appropriate targets.

The Remuneration Committee convened regularly throughout FY21 and invited senior management and external consultants' input as required. In addition, our Chair, Head of Investor Relations, and the Chair of the Remuneration Committee conducted a number of engagements with Proxy Advisors and Institutional Investors in FY21 to assess feedback and obtain comments on their views relating to the remuneration levels and current structures.

2.3 EXTERNAL AND INDEPENDENT ADVICE

As with previous years, the Remuneration Committee engaged the services of independent external consultants to provide insights on KMP remuneration trends, regulatory and governance updates and market data.

No remuneration recommendations as defined in Section 9B of the *Corporations Act 2001* were obtained during FY21.

3. REMUNERATION STRATEGY

3.1 THE CONTEXT IN WHICH WE SET OUR REMUNERATION STRATEGY

The remuneration framework is designed to support the Company's vision to be recognised as a great Australian company that:

- is a leading provider of innovative and sustainable mining services;
- provides innovative and low-cost solutions across the mining infrastructure supply chain;
- operates with integrity and respect; and
- works in partnership with our clients, our customers, our people and our community to achieve these objectives.

To create wealth for shareholders, we task our management team with employing the capital entrusted to them to sustain attractive rates of return, that is, exceeding the long-term returns that could be achieved elsewhere at comparable levels of risk.

The Board has approved a strategy to deliver on this objective comprising:

- a core business as a mining services contractor;
- an owner and operator of mining-related infrastructure;
- an acquirer of significant profit share stakes in mineral projects with rights to operate the associated mines, for longer-term sustainability, higher capital efficiency and lower risk including from diversification;
- recycling of capital; and
- a flexible balance sheet to fund organic growth for mining services and mining infrastructure businesses, while retaining a level of agility for opportunistic growth opportunities as they arise.

The ability to execute this strategy innovatively, sustainably and in a way that creates attractive returns for shareholders is highly dependent on the quality of the Company's culture, management and workforce.

The difficulty of attracting and retaining executives of the necessary calibre to realise the above vision and strategy varies depending on the current phase of Australia's resources industry. Presently, industry demand for executive talent is strong.

This requires the Company to have adequate and effective retention mechanisms in place (such as the STI deferral arrangements introduced in FY20) to ensure the company retains experienced and competent employees who are capable of innovating to promote growth, ultimately leading to attractive long-term rates of return. The Company's requirement that each of its KMP be an outperformer in terms of innovation and agile thinking is reflected in the low ratio between the Managing Director and direct report fixed remuneration, also reducing succession risk.

Long-term sustainable growth of the Company is promoted within the framework by the delivery of a significant portion of remuneration in equity, and equity holdings of the equivalent of at least one year's FAR for KMP, assisting in aligning the senior leadership team's interest with shareholders' interests.

3.2 REMUNERATION PRINCIPLES

The following principles guide the Company's KMP remuneration decisions:

- fairness and impartiality;
- transparency;
- promotion of a direct link between reward and performance;
- encouraging retention of key personnel over the longer term;
- alignment of employee, customer and shareholder interests;
- incentivising behaviour that optimises return on shareholder capital;
- flexibility to optimise returns via changes in investment strategy; and
- prioritisation of the Company culture and behaviours that continue to promote safety, social and environmental responsibility, innovation and risk management.

3.3 MARKET POSITION FOR REMUNERATION

The Company again conducted a review of its market position for KMP remuneration that included examination of common practice within comparable businesses, external advice and input from investors and their advisors. Changes introduced from FY20 resulted in fixed remuneration for the Managing Director targeted at the 50th percentile of comparable roles in Comparator Businesses (see below) while total remuneration, inclusive of fixed and at-risk remuneration, is targeted at the 75th percentile of Comparator Businesses.

Comparator Businesses

The Company's business model is not typical of peers in the resource sector due to its dual-pronged business operations – first in providing mining services to resources companies and secondly in the ownership and management of resource tenements. It is also unusual in the level of cash reserves it retains, along with undrawn debt facilities, which can be quickly called on to support strategic investments that improve shareholder returns and provide long-term sustainable returns.

Therefore, in determining the amount and mix of remuneration to offer, the Board considers remuneration from a broad group of ASX-listed companies of a comparable size in terms of enterprise value and revenue, with a particular focus on those in the

commercial services and mining sectors (Comparator Businesses). Enterprise value provides a more complete valuation of a company than market capitalisation alone.

The list of Comparator Businesses was reviewed in FY21 to ensure it remains relevant, given the growth in operating activity, revenue and enterprise value. As a result of this review, six companies were removed from the FY20 Comparator Businesses list: Iluka, Maca, Regis Resources, Resolute Mining, St Barbara and Whitehaven Coal. Saracen Mineral Holdings was removed due to its merger with Northern Star in February 2021. The following seven entities were added: CIMIC Group, Aurizon Holdings, Beach Energy, Cleanaway Waste Management, Orica, South32 and Seven Group Holdings.

The current Comparator Businesses therefore comprise:

ALS Limited
Aurizon Holdings Limited
Beach Energy Limited
CIMIC Group Limited
Cleanaway Waste Mgt Limited
Downer EDI Limited
Evolution Mining Limited
IGO Limited
New Hope Corporation Limited
Northern Star Resources Limited
NRW Holdings Ltd
Orica Limited
OZ Minerals Limited
Perenti Global Limited
Qube Holdings Ltd
Seven Group Holdings Limited
Sims Limited
South32 Limited
Washington H. Soul Pattinson
Worley Limited

4. REMUNERATION FRAMEWORK FOR FY21

4.1 REMUNERATION FRAMEWORK

The table below outlines the remuneration framework that applied in FY21.

	Fixed remuneration	At-risk remuneration		
Element	Salary, superannuation & other fixed benefits	Short-Term Incentive (STI)		Long-Term Incentive (LTI)
Delivery format	Cash		Share rights	
		Up to 40% of FAR (50% for MD) paid in cash after the financial year	Portion of award over 40% of FAR (50% for MD) deferred and awarded as share rights – the first half of which vest 12 months, and the second half 24 months after grant date, subject to ongoing service and claw-back provisions	Rights will vest, subject to performance hurdles, ongoing service and clawback provisions, 4 years after the grant date
Performance measures		Targets in the areas of Safety, Governance and Sustainability; Strategic Growth; Financial Measures; and Organisational Culture		Return on Invested Capital (ROIC)
Performance period		One year		Vesting subject to four-year average ROIC performance over the performance period (Starting 1 July in the financial year of grant)
Link to MRL strategy	Serves to attract high-calibre people and motivate them to deliver on the Company's immediate business objectives over a 12-month period			Recognises that MRL is a capital intensive business and management and shareholder wealth are created through achieving superior returns on capital deployed

The timeline below illustrates the timing of rewards under the FY21 remuneration arrangements for KMP. Details for each component are set out in section 4.3.

	FY21	FY22	FY23	FY24	FY25
FAR (Salary, superannuation & fixed benefits)	Paid throughout the year				
STI	**Performance period (12 months)**	STI up to 40% of FAR (50% for MD) paid Aug 2021. Any portion of award over 40% of FAR (50% for MD) deferred to Aug. 2022 and Aug. 2023	Half of deferred portion vests Aug. 2022, subject to ongoing service and claw-back provisions. Number of shares awarded based on value of award divided by the five-day VWAP up to and including 30 June 2021	Half of deferred portion vests Aug 2023, subject to ongoing service and claw-back provisions. Number of shares awarded based on value of award divided by the five-day VWAP up to and including 30 June 2021	
LTI	**Total Performance Period (4 years)** LTI rights granted July 2020. Number of shares awarded based on value of award divided by the five-day VWAP up to and including 30 June 2020				Aug 2024: Portion of LTI rights vest, subject to 4 year average ROIC, continuous service and clawback provisions

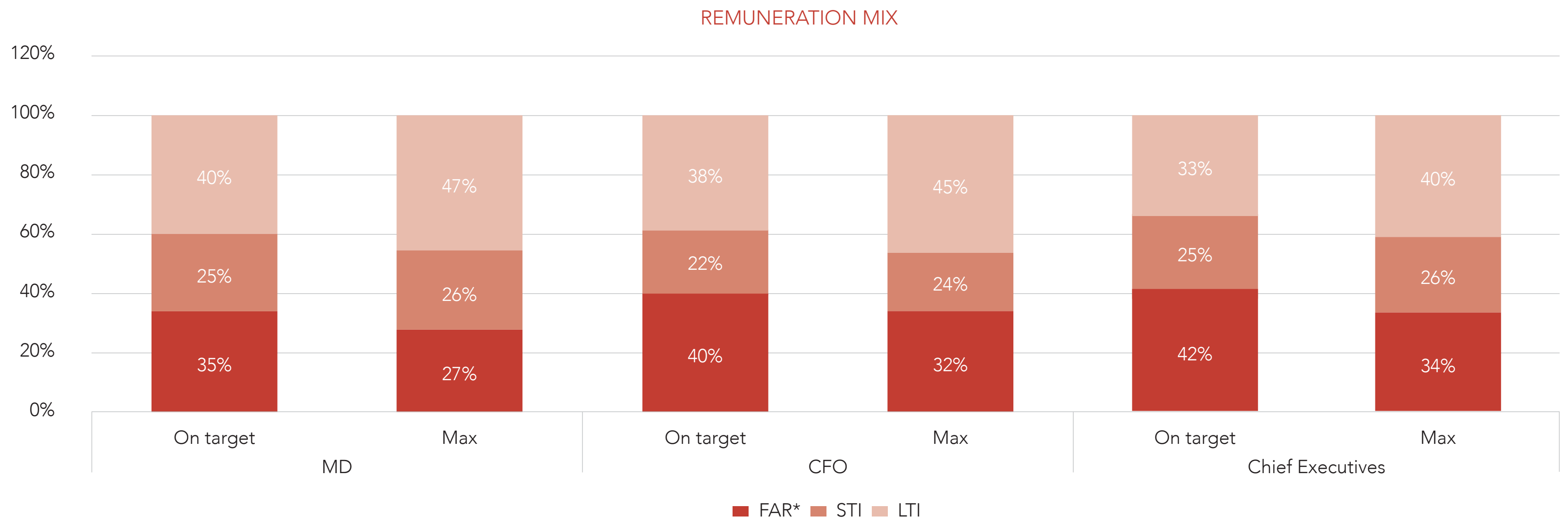
MINERAL RESOURCES

4.2 REMUNERATION MIX

The mix of KMP fixed, short and long-term remuneration reflects the Company's remuneration strategy of:

- having substantial amounts of pay subject to service and performance so that remuneration can be maximised only by sustained high levels of performance over rolling 4 year periods; and
- paying a significant portion in equity, to reduce cash remuneration costs, align executive and shareholder interests, and enable the enactment of malus provisions if Mineral Resources' values of integrity and respect are not upheld.

The table below summarises the 'on-target' remuneration mix, with 'on target' being two thirds of maximum entitlement, applicable in FY21 for KMP.



* FAR for the purpose of the Remuneration Mix comprises base FAR and other long-term benefits, and excludes one-off benefits such as relocation allowances (refer to the Remuneration tables in section 8 for these details).

4.3 KEY COMPONENTS OF REMUNERATION

The tables below summarise the key components of KMP remuneration for FY21.

FIXED ANNUAL REWARD

Composition	FAR comprises salary, superannuation and other fixed elements of remuneration such as vehicle allowances.
Determination	Fixed remuneration is determined based on market comparisons for similar positions, taking account of the experience and skills of the manager involved.
Review	FAR is determined on appointment and reviewed annually.

SHORT-TERM INCENTIVE

The key elements of the FY21 STI plan are as follows:

Purpose	Focus participants on delivery of business objectives over a 12-month period.
Participation	All KMP.
Opportunity	The current maximum STI opportunity is 100% of FAR for the MD and 80% for other KMP.
Performance period	Performance is measured per financial year (1 July to 30 June).
Exercise of discretion	The Board has discretion, after considering recommendations from the Remuneration Committee, to adjust overall STI awards or an individual's final STI award. This discretion will be exercised in the case of extraordinary events, exceptional circumstances/business performance and/or individuals' scorecard outcomes.
Payment	Awards made under the STI plan to KMP that exceed 50% of FAR for the Managing Director or 40% of FAR for other KMP, are deferred in the form of rights to Company shares (Rights) that vest in two equal instalments; one year and two years following grant of the Rights. Vesting is subject to continued service and the application of clawback provisions. The quantity of Rights provided for each deferred portion is based on the deferred value for each financial year divided by the Volume Weighted Average Price for the five trading days up to and including the last day of the financial year immediately preceding the award year.
Rights on termination	To be eligible for payment, a participant in the STI must be employed by the Company on the date of payment and on the date at which Rights vest, subject to the application of the clawback provisions mentioned below. KMP whose employment is terminated before the date of payment/grant of Rights are not eligible for any STI payment/grant of Rights. Rights that have not yet vested will be cancelled where a KMP's employment is terminated prior to the vesting date.
Clawback and malus policy	The Board may, at its discretion, reduce or rescind any awards made under the STI for a period of up to two years following cash payment/grant of Rights in the event that it determines that the cash payment/grant of Rights has been made inappropriately, including in the instance of fraud, dishonesty, breach of duties, misstatement or manipulation of financial information.
Performance Category, Weighting and Measure[3]:	
Safety, Governance and Sustainability – weighting 20%	Safety Performance; Total Recordable Injury Frequency Rate (TRIFR)
	Market and investor relationships including external perception study
	Diversity targets
	Sustainability performance (emissions intensity, strategy development and implementation)
Strategic Growth - weighting 25%	Growth in iron ore tonnes and resources
	Develop additional downstream capacity for lithium spodumene, additional to Kemerton
	Deliver growth in Mining Services activities (tonnes of material moved)
	Expand natural gas strategy

[3] Refer section 5.2 for FY21 outcomes.

SHORT-TERM INCENTIVE (CONTINUED)

Financial Measures – Weighting 40%	EBITDA performance against Target
	Balance sheet management
	Cashflow performance
	Cost discipline against Target
Organisational Culture - weighting 15%	Senior staff retention metrics
	Cultural development and brand repositioning

LONG-TERM INCENTIVE

The key elements of the FY21 LTI plan are as follows:

Purpose	To focus KMP on: • achieving a high and sustained ROIC over the longer term, being a total of four years, including the current financial year (Grant Year); • encouraging agility and entrepreneurialism to seize opportunities for higher returns, contingent on rapid capital deployment within relatively short timeframes; and • alignment with shareholders' interests through share rights that do not vest until completion of a four-year period.
Payment vehicle	LTI grants provide rights to Company shares (Rights) with Rights granted with effect from the first day of the Grant Year (Grant Date). Subject to the Performance Measures mentioned below, Rights vest in the fourth financial year after the Grant Year. Participants have up until the fifteenth anniversary of the Grant Date (Expiry Date) to exercise Rights (convert Rights to Company Shares) with no exercise price being payable. Any vested Rights not previously exercised are automatically exercised at the Expiry Date.
Opportunity	The maximum LTI grant opportunity for the Managing Director is equal to 180% of FAR and up to 150% of FAR for other KMP.
LTI grant value	An amount equal to the maximum LTI opportunity is granted to each LTI participant annually; being the Grant Year (e.g. FY21). Rights vest in the fourth financial year after the Grant Year (e.g. following the end of FY24 for the FY21 award) subject to the Performance measure mentioned below. The number of Rights to be issued is determined using the following formula: LTI Rights issued = (FAR x Maximum LTI Opportunity)/VWAP where 'VWAP' is the five-day Volume Weighted Average Price to the Grant Date (in the case of the FY21 LTIP, up to and including 30 June 2020).

LONG-TERM INCENTIVE (CONTINUED)

Performance Period	Performance is measured over four consecutive years, being the Grant Year and the following three financial years. For grants made in FY21, the Performance Period is FY21 to FY24 inclusive, with Rights vesting in FY25.
Performance measure	The number of Rights that vest is subject to the four-year average ROIC achieved by the Company over the Performance Period. Further discussion of the calculation of ROIC is included in Section 4.4.
Vesting hurdle	The amount of Rights that vest at the end of the Performance Period is determined by reference to the following hurdles: **4 year average ROIC achievement** — **% of maximum LTI opportunity** Less than 12% — Nil Between 12% and 18% — Pro-rata between 67% & 100% 18%+ — 100% The selection of 12% ROIC, being an after tax measure, as the threshold below which the LTI is zero, was made as a 12% return is materially above the Company's nominal post-tax Weighted Average Cost of Capital and ensures that value-destroying performance is not rewarded – i.e. that KMP are focused on achieving returns for shareholders in excess of the Company's cost of capital.
Vesting period	All Rights vest, subject to performance and continued service, four years after the Grant Year.
Holding lock	No holding lock applies to Rights that vest under the FY21 LTI plan, as Rights vest only at the end of the Performance Period, provided the Performance Measure has been achieved.
Dividends	No dividends are received by KMP on any Rights. To ensure alignment between shareholder and KMP interests, each Right entitles KMP to one MRL share, plus an additional number of MRL shares equal in value to the dividends paid on an MRL share over the period from the Grant Date of the Rights to the date of exercise (Exercise Date) (Dividend Rights). Without this entitlement, KMP might be motivated to seek growth over dividend payments. If any Rights are forfeited, their associated Dividend Rights are likewise forfeited.
Clawback and malus policy	The Board has the discretion to lapse Rights that are on foot, or claw back previously vested LTI awards, in the event that the Board concludes that Rights should not vest or should not have vested due to: (a) fraud, dishonesty or fundamental breach of duties (including misstatement or manipulation of financial information) of any person; or (b) the intentional or inadvertent conduct of any person that the Board determines resulted in an unfair benefit being obtained by a participant.
Hedging	Hedging, or the use of derivatives such as collars, caps or similar products in relation to MRL securities, including vested shares or unvested Rights, allocated under Company incentive schemes,are strictly prohibited, as is the KMP providing share entitlements/Rights as security for loans that may result in margin calls.
Cessation of employment	Cessation of employment prior to the Vesting date will result in automatic forfeiture of all unvested Rights unless the Board exercises its discretion (e.g. for health reasons or Change of Control as set out below).
Change of Control / Resignation / Retirement in the event of ill health	In the event of a Change of Control, resignation or retirement due to ill health, the Board may exercise its discretion to determine whether to vest granted but unvested Rights.
Board discretion	The Board retains the discretion to amend, vary, terminate or suspend the LTI plan at any time. Any such variation, amendment, termination or suspension is not to adversely affect or prejudice rights of LTI participants holding Company shares or Rights at that time.

4.4 LTI PERFORMANCE MEASURES

CALCULATING RETURN ON INVESTED CAPITAL (ROIC)

ROIC is measured at a Group consolidated level, on the following basis:

ROIC = NOPAT/Invested Capital

Where: Net Operating Profit After Tax **(NOPAT)** is calculated as the Company's statutory Earnings Before Interest and Taxes (EBIT) for the year, after applying the prevailing corporate tax rate. The earnings amount is adjusted to remove the impact of changes to accounting policies and fair value adjustments for listed investments, whether favourable or unfavourable.

Profits, arising on the monetisation of investments such as on the formation of joint ventures or the divestment of portion of the Group's operations, are a standard part of the Group's strategy and are therefore included in NOPAT.

Invested Capital is calculated as the sum of Net Assets less Strategic cash, and Net Interest Bearing Debt at balance date less, adjusted for accumulative accounting policy adjustments and accumulated fair value adjustments for listed investments.

TREATMENT OF CASH BALANCES FOR THE PURPOSES OF CALCULATING ROIC

Strategic cash is defined as cash, over and above normal operational requirements, retained for future opportunities. The Board nominated strategic cash holdings ($100 million) that is excluded from the calculation of Invested Capital on the basis that retention of a strong cash balance, and available borrowing facilities, are required to enable strategic growth and investment. As retention of strategic cash holdings is a Board decision that senior executives and KMP are unable to influence, the Board has determined it is reasonable not to require KMP to earn a return on these facilities.

The quantum of the strategic cash holding will be reviewed in FY22 given both the substantial growth in scale of operations over recent years, and the strategic growth plans for the business.

WHY ROIC HAS BEEN CHOSEN AS THE SOLE MEASURE TO DETERMINE LTI AWARDS

The Remuneration Committee continues to be of the view that:

(a) ROIC remains the most appropriate measure for evaluating entitlement to an LTI award, as:

(i) it provides a clear and unambiguous link between Company performance and the creation of shareholder value;

(ii) it is the key value driver considered when management decides when and how to invest capital; and

(iii) the financial return earned on capital deployed is a true measure of value creation and a long-term representation of Company value.

(b) MRL continues to be a highly capital intensive business. As such, it is vital that KMP ensure that maximum returns are generated on invested capital, which again supports utilisation of ROIC as the most appropriate measure for assessing KMPs' entitlement to LTI.

(c) Any additional measure would dilute KMP's focus on what is viewed by the Board as the Company's key objective – i.e. the effective deployment of capital to ensure creation of long-term wealth.

(d) Management already has a strong alignment with Total Shareholder Return (TSR), given their exposure to the Company's share price performance and dividends through the incentive structures and associated Rights.

(e) ROIC is a measure that is directly controlled by KMP and is not influenced by market sentiment which can result in alternate measures, such as TSR, delivering volatile outcomes.

The use of ROIC and the base target of 12%, materially above the Company's post-tax Weighted Average Cost of Capital, are designed to encourage strong longer-term performance of the Company.

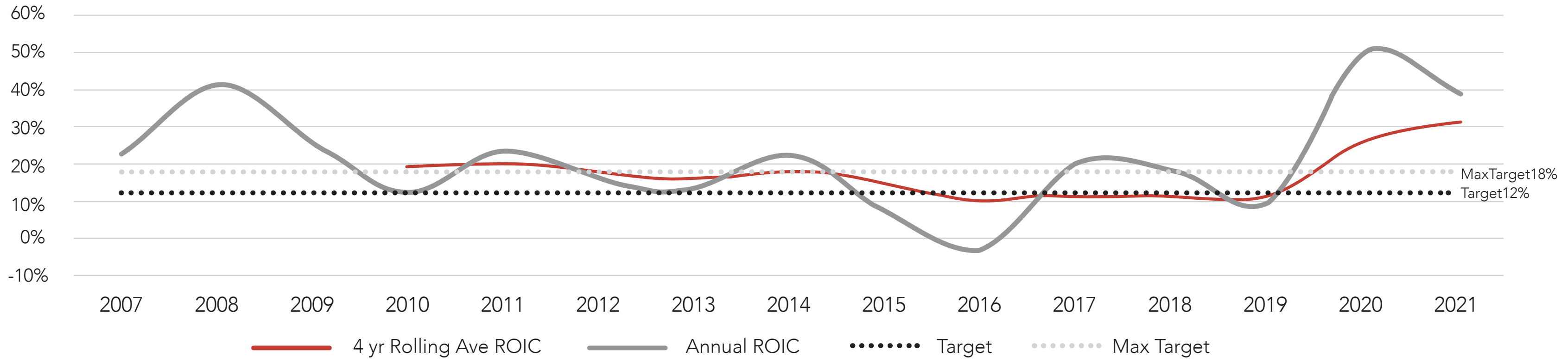
The following table sets out the components used to calculate ROIC for each of the last five financial years, and shows that with the exception of FY19, where the capital base increased significantly due to the development of the Wodgina project, ROIC has exceeded the 12% hurdle in each of these years.

$ millions	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual
NOPAT:					
EBITDA	473.5	575.2	385.9	2,006.1	2,182.9
Normalised [a]	-	(68.5)	46.8	35.4	(230.3)
EBITDA for ROIC	473.5	506.7	432.7	2,041.5	1,952.6
Less impairments	(16.7)	(65.4)	(9.8)	(285.8)	(46.5)
Less depreciation and amortisation	(160.2)	(112.9)	(108.6)	(193.6)	(258.0)
Net Operating Profit Before Tax	296.5	328.4	314.3	1,562.1	1,648.1
Less tax at 30%	(89.0)	(98.5)	(94.3)	(468.7)	(494.4)
NOPAT	**207.6**	**229.9**	**220.0**	**1,093.4**	**1,153.7**
Invested Capital:					
Net assets (per balance sheet)	1,132.1	1,304.6	1,380.2	2,295.6	3,246.1
Normalised (cumulative, net of tax) [a]	-	(47.9)	(14.8)	6.9	(154.3)
Net Assets for ROIC	1,132.1	1,256.6	1,365.4	2,302.5	3,091.8
Net Debt	-	98.9	997.1	-	-
Total invested capital	1,132.1	1,355.5	2,362.5	2,302.5	3,091.8
Strategic cash holding	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Net Invested Capital	**1,032.1**	**1,255.5**	**2,262.5**	**2,202.5**	**2,991.8**
ROIC %	**20.1%**	**18.3%**	**9.7%**	**49.6%**	**38.6%**

[a] Normalised for the impact of matters outside of the control of management, such as gains/losses on strategic investments where such investments are held at the discretion of the Board. Adjustments are also made to operating profits for the effect of new/revised accounting standards, where these adjustments are outside of management's day-to-day operational control.

The Company's focus on disciplined investment has, since listing, delivered outstanding returns on the capital invested in it, and in turn delivered outstanding returns for its shareholders.

ROIC SINCE LISTING (%)



5. REMUNERATION OUTCOMES FOR FY21

5.1 SUMMARY OF PERFORMANCE

Despite the significant challenges created by COVID-19, FY21 has been an outstanding year for the Group, driven by growth in both the Mining Services and Commodities divisions. The Company continued to lead the industry in its response to mitigating the risk of COVID-19 on our workforce, production and our communities, thereby maintaining the reliability of services and production to our customers. The Company conducted over 84,207 Covid tests over FY21, both for Group employees and their families, as well as for 60 other organisations in the Western Australian resources and extractive industries sector.

The Group invested $815.9 million in Investment Capital Expenditure during FY21 and inclusive of this Capital Expenditure, achieved a ROIC of 38.6%. Operating cashflow increased 120% allowing the company to maintain a conservatively geared balance sheet and increase fully franked dividends to a record $2.75 per share. The Group's performance was recognised by the investment market with a 154% increase in share price over the year.

Notable achievements in FY21 include:

- industry leading safety performance, with Total Recordable Injury Frequency Rate (TRIFR) statistics improving, despite a substantial increase in employee numbers;
- a focus on the mental health of employees, with an in-house psychologist providing internal psychological consultation intervention support services as well as capacity-oriented counselling sessions focused on optimal functioning for individuals and the Company;
- considerable operational success despite COVID-19-imposed constraints. Highlights were:
  - expansion of Mining Services output and the commissioning of NextGen plants;
  - the successful expansion of production output for the Commodities business (e.g. Wonmunna and Koolyanobbing); and
  - maintenance of output from Mt Marion and containment of costs.
- strong progress with sustainability such as:
  - commitment to Net Zero Emissions pathway by 2050, with the development of a road-map to achieve this goal and commencement of associated supporting actions and activities;
  - decarbonisation initiatives and projects in Energy including:
    - Deloitte Decarbonisation Initiative
    - Net Zero Australia Project
    - LNG and Hydrogen Futures Facility
    - decarbonisation of haul trucks;
  - continued construction of new corporate headquarters in Osborne Park, Western Australia, designed to meet the Platinum WELL v2 Building Standard;
  - submitted the Board-endorsed Reconciliation Action Plan (RAP) to Reconciliation Australia, with an associated ramp-up of actions and activities to support the goals and objectives outlined in the RAP;
  - progressing preparation for exploration activities to source natural gas resources that are able to be used to substitute the use of diesel fuel;
  - continued review and update of policies and procedures to ensure they remain relevant and appropriate, including:
    - update to Anti-Bribery and Corruption Policy
    - update of sustainable reporting guidelines
    - updated our Community Grievance Mechanism;
  - active participation in the community with $5.1 million in community contributions;
- achieved above target increase in female workforce participation with:
  - the workforce now comprising 17.0% females, from 15.3% in FY20
  - improved diversity ratios through a number of actions such as a focus on recruiting female truck drivers for our mine sites.
- continued progress across multiple growth opportunities with the aim of ensuring the business has multiple future income streams, such as the development of:
  - the Ashburton Hub, targeting the shipping of 30Mtpa out of Onslow;
  - the Utah Point Hub, which will include the existing Iron Valley operation, the new Wonmunna operation, and Lamb Creek; and
  - the South West Creek Hub, which will include the Marillana and Ophthalmia projects.

[1] The WELL Building Standard v2 is a vehicle for buildings and organisations to deliver more thoughtful and intentional spaces that enhance human health and well-being. WELL v2 includes a set of strategies—backed by the latest scientific research—that aim to advance human health through design interventions and operational protocols and policies and foster a culture of health and wellness. Well Platinum is the highest level of certification.

REMUNERATION OUTCOMES FOR FY21 (CONTINUED)

Other highlights included:

5.1.1 SAFETY, GOVERNANCE AND SUSTAINABILITY

The Company continued to drive safety improvements throughout the business. Regrettably, during June 2021, the Company incurred its first Lost Time Injury (LTI) since August 2018, however, the business remains industry leading in relation to its injury performance. It also made significant progress through the year with its sustainability agenda:

- TRIFR of 2.31 as compared to 3.29 in the prior year, representing an improvement in safety performance of 30% year-on-year.
- Lost Time Injury Frequency Rate (LTIFR) of 0.12 – a slight increase on 0.00 in the prior year.
- Implementation of the Company's Sustainability Policy, Human Rights Policy, Anti-Bribery and Corruption Policy and Supplier Code of Conduct.
- Continued regular meetings of the cross-functional Sustainability Working Group to support and advise the business with the management and monitoring of key sustainability topics.
- Update and continued rollout of the Code of Conduct and Business Integrity e-learning training program across the business.
- Completion of a climate-related risk and opportunity review based on the Recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD).
- Development of the Company's 2021 Modern Slavery Statement with review of the sustainable procurement and modern slavery screening programme to meet the requirements of the *Modern Slavery Act, 2018* (Cth).
- Community contributions increased by 104% from the prior year to $5.1 million.

5.1.2 STRATEGIC GROWTH

The Group continued to focus on growing our mining services capability in FY21 to build, own and operate crushing, screening and processing plants and providing infrastructure solutions to the mining industry, predominantly in Western Australia. Mining services volumes grew by 20% due to new contracts both internally and externally including the development, deployment and first production of the inaugural 15Mtpa NextGen 2 crusher at the Mt Whaleback mine. Iron ore production and exports also increased with the Yilgarn Hub shipping 10.4Mt and Utah Point Hub increasing its capacity via the acquisition, development and first production from the 5Mtpa Wonmunna mine. Iron ore shipments increased by 23% to a record 17.3Mt, allowing the business to benefit from the high iron ore price environment.

Development of the Kemerton Lithium Hydroxide plant continued during the year, with commissioning anticipated in the 2022 calendar year. The Group acquired significant additional exploration resources in the highly prospective Perth Basin, as well as the onshore Northern Carnarvon Basin, to expand the Energy Division.

The Group continued to explore and develop innovative solutions for the mining industry with the development and deployment of its first carbon fibre screen as well as the 320t Jumbo Road Trains which dramatically lower operating costs and emissions for bulk ore haulage. Plans for the expansion of the Ashburton Hub and South West Creek Hub were announced during the financial year.

5.1.3 FINANCIAL MANAGEMENT AND PERFORMANCE

The Company achieved a number of record financial milestones during the financial year, including:

- Revenue of $3.7 billion, up 76% year-on-year
- EBITDA of $2.2 billion
- Underlying EBITDA of $1.9 billion, up 148% year-on-year
- Cash at bank of $1.5 billion, with net cash on hand of $275 million
- ROIC of 38.6%

5.1.4 ORGANISATIONAL CULTURE AND DEVELOPMENT

The Company made significant progress in the important area of organisational culture and development:

- The Company is invested in creating and maintaining an inclusive, inspiring and high-performing workplace enabled by a supportive culture. Employees are invited to drive their own development in an environment that provides access to opportunities for career growth through a mix of formal training, on-the-job learning and mentoring opportunities.
- The Group has experienced an increase in female workforce participation rate, rising from 15.31% in June 2020 to 16.99% in June 2021. The increase puts the Group above the target level of 16.1% set in mid-2020. The increase in female participation has been predominantly driven by a focus on introducing female entry-level talent to the business, via a graduate program, apprenticeships and entry level operator programs. These initiatives have allowed the Group to increase female numbers in work areas and occupations that are traditionally male dominated; an important step in creating a more gender diverse and inclusive workforce.
- The Group's commitment to the introduction and development of apprentices, graduates and vacation students continues to grow and evolve into a strong pipeline of future talent.
- The Group has focused on attraction of new industry talent via operational industry entry pathways in the Commodities and Mining Services divisions, allowing entry pathways for a diverse pool of talent.
- The Company places significant focus on the quality of its leadership, given the impact leaders have on workplace culture. Bespoke programs and initiatives continue to support leadership development.

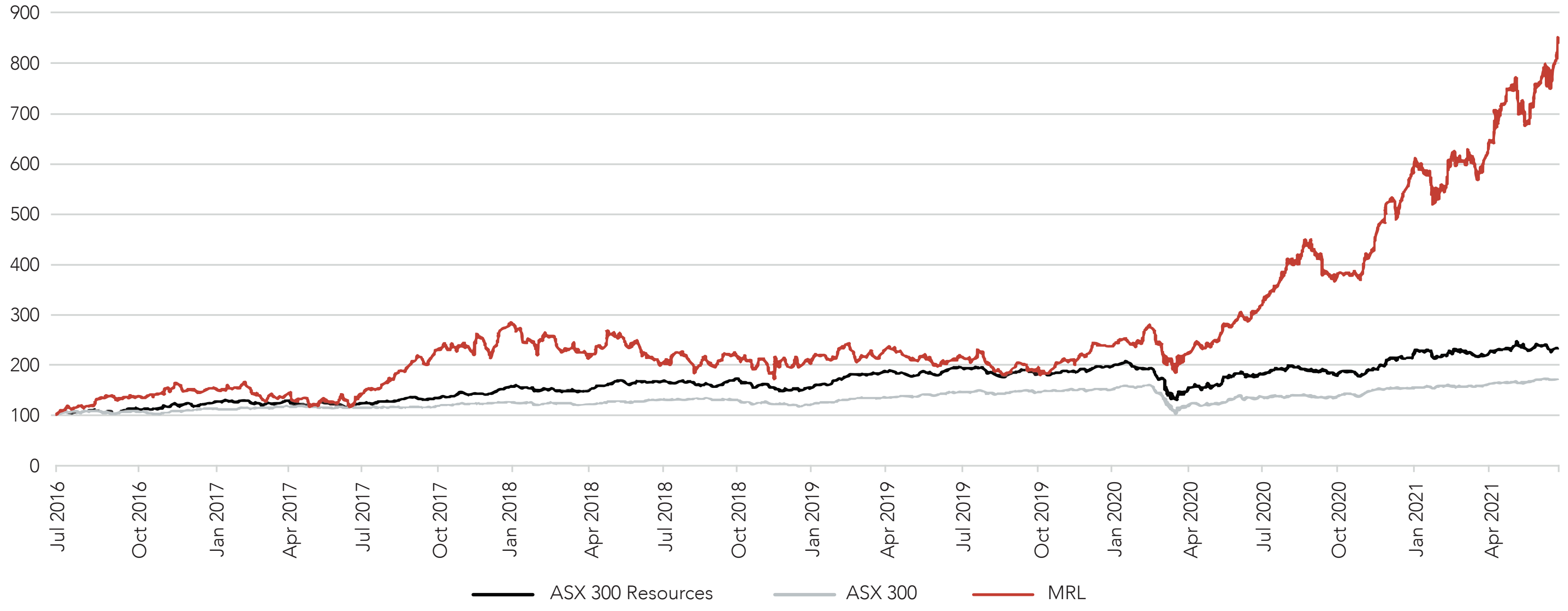
MINERAL RESOURCES

A summary of the Group's financial performance over the past five years is set out in the tables below. The relationship between the Group's financial performance, return to shareholders and KMP remuneration reflects the direct correlation between financial performance, shareholder value creation and executive remuneration.

Financial Summary ($millions unless otherwise stated)	2017	2018	2019	2020	2021
Earnings					
Revenue	1,458	1,624	1,512	2,125	3,734
EBITDA	473	575	386	2,006	2,183
NPAT	201	272	165	1,002	1,268
Return on Revenue	14%	17%	11%	47%	34%
Return on Equity	18%	21%	12%	44%	39%
ROIC	20.1%	18.3%	9.7%	49.6%	38.6%
Diluted EPS (cents/share)	107.66	145.30	87.09	532.96	673.18

Financial Year Ended 30 June	2017	2018	2019	2020	2021
Final dividend for the preceding financial year	0.2100	0.3300	0.4000	0.3100	0.7700
Interim dividend for the current financial year	0.2100	0.2500	0.1300	0.2300	1.0000
Total dividend paid	0.4200	0.5800	0.5300	0.5400	1.7700
Share price	10.85	16.00	14.98	21.17	53.73
Total Shareholder Return (TSR) (cumulative)	13.34	19.07	18.58	25.31	59.64

MRL SHARE PRICE PERFORMANCE
TOTAL SHAREHOLDER RETURNS
5 YEARS TO 30 JUNE 2021



5.2 STI PERFORMANCE OUTCOMES

The Executive Key Management Personnel work very closely together as a leadership group to direct and manage the affairs of the Group. This approach has been important in the development and strengthening of the Group's culture, particularly during the challenges experienced during FY21 as a result of the global pandemic. For that reason, for the year ended 30 June 2021 the performance of the Executive KMP has been assessed on a common, consistent basis.

Safety, Governance and Sustainability - weighting 20%		
Performance measures	Outcomes	Commentary
Safety Performance Total Recordable Injury Frequency Rate (TRIFR)	Improved the Company's already industry-best safety performance, resulting in a TRIFR of 2.31, compared to 3.29 in FY20. The Company experienced its first Lost Time Injury in three years with a finger injury at one of its sites. The employee is expected to make a full recovery. The Company continued to work closely with key contractors to align expectations of safety, and this will remain a priority in the short to medium term.	Delivered these results despite a 39% increase in the size of the Company's workforce. The Company mitigated the risk of COVID-19 on its workforce, production, communities and the resources industry by conducting over 89,000 COVID tests over FY21, using the Company's own gold-standard PCR tests. These tests were provided to Group employees and their families, as well as to 60 other organisations in the Western Australian resources and extractive industries sector. On multiple occasions, the Company also made available to members of the public its collection facilities and testing equipment at the request of health officials, in the interests of public health.
Market and investors relationships including external perception study	Independent external perception survey indicated communication and transparency has improved in reporting and presentations.	External perception survey noted strong positive feedback received from a range of stakeholders.
Diversity targets	Established successful entry-level programmes for blue collar female operators. Increased female workforce participation from 15.31% in June 2020 to 16.99% in June 2021. Implemented 15 new Indigenous business partnerships across our business. Submitted the Group's Board-approved Reconciliation Action Plan (RAP) to Reconciliation Australia, with an associated ramp-up of actions and activities to support the goals and objectives outlined in the RAP.	There has been a strong focus on introducing women into the business, particularly in roles such as dump truck drivers that have been traditionally male dominated.
Sustainability performance (emissions intensity, strategy development and implementation)	Improved emissions intensity from 2.9 to 2.3 tC02e/TMM; third-party ESG ratings have improved. Committed to Net Zero by 2050, and well progressed with development of roadmap to achieve this goal for inclusion in FY21 Sustainability Report.	Emissions intensity is now included as a factor in project evaluation.

FY21 Discretionary adjustments:

Board determination reached, following consideration of above and other factors, that no discretionary adjustments impacting payment outcomes are required.

FY21 Outcome:

85%

5.2 STI PERFORMANCE OUTCOMES (CONTINUED)

Strategic Growth - weighting 25%		
Performance measures	Outcomes	Commentary
Growth in iron ore tonnes and resources	Identified, acquired and developed a new 5Mtpa iron ore project, Wonmunna, with first ore delivered within five months of acquisition. This acquisition added 98Mt of mineral resources. Substantial progress made in positioning the Group for significant future growth across major iron ore projects. This progress included new arrangements reached with the Group's joint venture partner in relation to the Marillana project, while adding the nearby Ophthalmia project to the joint venture. In addition, the development of the Ashburton project has progressed, with planning, project design and project approvals each well advanced. However, the Company had expectations of being further progressed as it has worked to evaluate a range of alternative structures that enhance the project, and this has impacted the STIP outcome for the Managing Director during FY21.	The Group's progress in strengthening and diversifying its iron ore operations is important in improving its longer terms earnings outlook.
Develop additional downstream capacity for lithium spodumene, additional to Kemerton	Developed a roadmap to enable down- streaming of 100% of the Group's spodumene production. Again, the Company had expected to be further progressed on this topic.	Down-streaming of lithium repositions the Group's exposure to this critical mineral.
Deliver growth in Mining Services activities (tonnes of material moved)	Overall growth in volumes of 20% achieved. Successful installation and commissioning of a number of plants including the NextGen 2 crushing plant, and the plant and facilities at Wonmunna.	Innovation within Mining Services remains at the core of the Company. Continued to drive a program of innovation resulting in delivery of first carbon fibre screen, along with the establishment of a Marine division and significant advances in the Company's bulk haulage capabilities.
Expand natural gas strategy	Secured additional gas exploration territory of over 9,000 square kilometres, and finalised preparations for drilling of existing target in early FY22.	Natural gas offers an important transition path as the Group reduces its reliance on diesel. It also offers a future Mining Services opportunity.

FY21 Discretionary adjustments:

Board determination reached, following consideration of above and other factors, that no discretionary adjustments are required to this measure.

FY21 Outcome:

Managing Director: 60%
Other Key Management Personnel: 96%

5.2 STI PERFORMANCE OUTCOMES (CONTINUED)

Financial Measures – weighting 40%		
Performance measures	**Outcomes**	**Commentary**
EBITDA performance against Target	Underlying EBITDA increased 148% year-on-year. Excluding the impact of increased iron ore prices, underlying profitability improved 18% year-on-year exceeding the Company's internal target. Overall shipments were up by 23%, although guidance tonnes were missed on more than one occasion due to operational challenges in part arising out of COVID-19 restrictions.	The FY21 performance was achieved against the backdrop of an operating environment made challenging by the continued impact of the global pandemic. This included unexpected labour shortages with workers unable to enter Western Australia, impacting haulage rates.
Balance sheet management	Strengthened liquidity risk management processes. Increased access to asset finance through increased limits. Tightened capital investment processes and reporting. Working capital performance strong despite substantial growth across the business.	Preparatory work undertaken to position the Group in advance of significant expansion in capital investment expected during the short to medium term.
Cashflow performance	Cash performance was very strong, with operating cashflow of $1.6 billion[1] sufficient to self-fund sustaining capex investment after paying taxes, interest costs and dividends. The Group remains in a net cash position as it prepares for what are expected to be large investments in coming years. Operating cashflow increased 143% allowing the Company to maintain a conservatively geared balance sheet and increase fully franked dividends in respect of the year to $2.75/share.	The Group continued to make significant investment in capital projects during FY21 in support of its expansion plans and achieved a ROIC of 38.6%.
Cost discipline against Target	Controllable costs increased as a result of a conscious decision to target volume in a price-rich environment.	Controllable costs remain an important factor and the Company will continue to retain the ability to adapt quickly to changing market circumstances.

[1] During the year the Company also paid $0.3 billion in tax on the prior year partial disposal of the Wodgina mine, resulting in Net Cash from Operations for FY21 of $1.3 billion.

Y21 Discretionary adjustments:

Board determination reached, following consideration of above and other factors, that no discretionary adjustments that impact payment outcomes are required.

FY21 Outcome:

92.5%

5.2 STI PERFORMANCE OUTCOMES (CONTINUED)

Organisational Culture - weighting 15%		
Performance measures	**Outcomes**	**Commentary**
Senior staff retention metrics	Senior staff retention rates have been very high with no turnover of KMP and attrition of senior management at less than 3%.	Changes made to the Remuneration Structures, initially foreshadowed in FY19 and implemented in FY20, have created a framework that has helped to ensure retention of the KMP as well as senior leadership group; this outcome has been delivered despite intense competition for skills in the Western Australian resources sector. This stability in turn has enabled consistency of messaging regarding the desired culture, providing a platform to continue to attract outstanding talent, and strengthen capabilities throughout the organisation.
Cultural development and brand repositioning	Began the process of repositioning the Group's brand, which in turn underpinned the successful recruitment of 970 additional employees during the year within a very tight labour market. Considerable progress made over the year with strengthened engagement on employee wellbeing including mental health topics. Commenced development of new head office that will deliver on the Company's goal of being one of the best workplaces in the country for staff wellbeing. Developed a commitment to adopt best- in-country wellness principle for future camp developments.	Increased focus during the year on wellbeing of employees, supported by the appointment of an in-house psychologist. COVID-19 border closures have reduced the number of applicants to roles significantly, making recruitment of required talent much more difficult than pre-Covid-19.

FY21 Discretionary adjustments:

Board determination reached, following consideration of above and other factors, that no discretionary adjustments that impact payment outcomes are required.

FY21 Outcome:

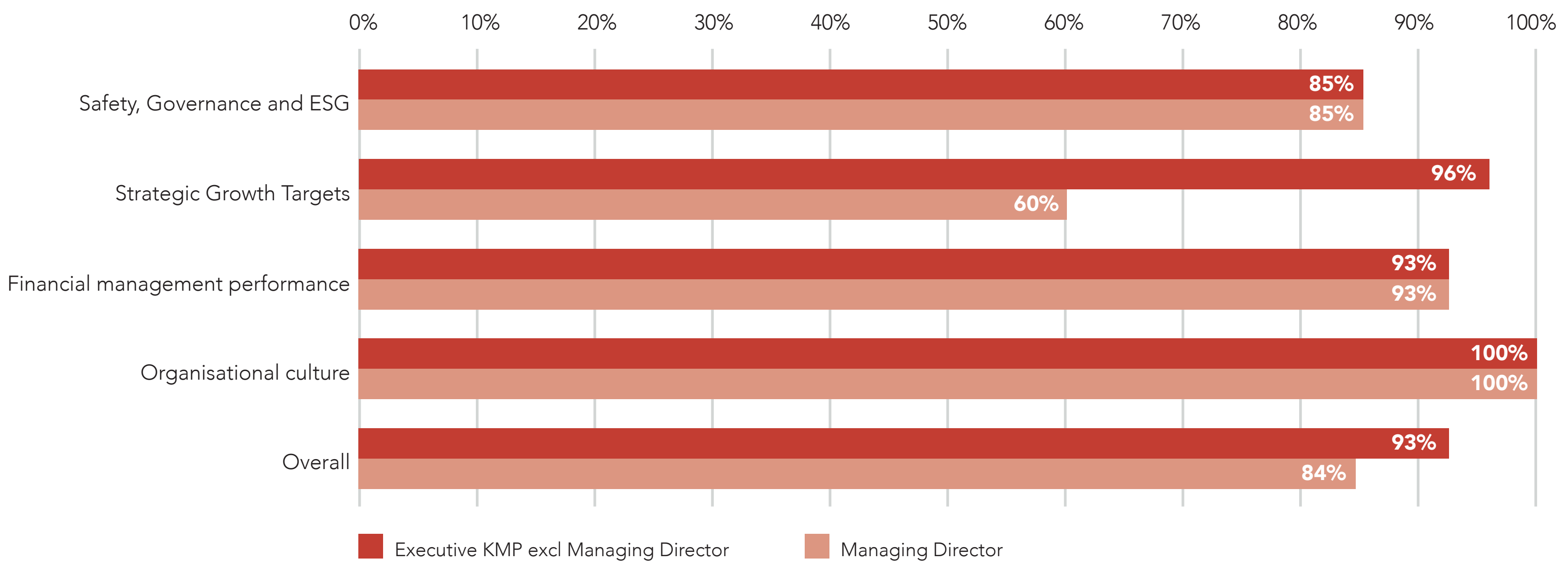
100%

5.2 STI PERFORMANCE OUTCOMES (CONTINUED)

OUTCOMES ACROSS ALL MEASURES NOTED ABOVE

After consideration of the above factors, the Remuneration Committee recommended, and the Board accepted, the following outcomes for the Executive KMP for FY21. These resulted in an overall outcome of 84% of maximum for the Managing Director and 93% of maximum for the remaining KMP:

FY21 SHORT TERM INCENTIVE OUTCOMES



5.3 LTI PERFORMANCE OUTCOMES: FY21 GRANT

Consistent with the redesigned LTI program, a grant equal to the maximum LTI opportunity has been made to FY21 plan participants. The LTI awards will vest in early FY25 with the amount vesting dependent on the Company's average ROIC performance over the four year period FY21 to FY24.

Where average ROIC is less than 12% no LTI award will vest. Where average annual ROIC is between 12% and 18% over the four year period the LTI will vest pro-rata from 67% to 100% of the LTI grant. Where average annual ROIC is greater than 18%, 100% of the LTI grant will vest.

5.4 LTI PERFORMANCE OUTCOMES: EARLIER GRANTS ON-FOOT

- **FY17 Grant**

  As FY20's ROIC exceeded 12%, the final tranche of the FY17 LTI Plan vested in August 2020, and all three tranches were released from holding lock.

- **FY18 Grant**

  As FY21's ROIC exceeded 12% actual of 38.6%, Tranche 3 will vest on 11 August 2021, and the holding lock on Tranche 1 and Tranche 2 shares will be lifted on 12 August 2021, making these shares available to KMP.

- **FY19 Grant**

  As noted above, due to a period of substantial investment, ROIC in FY19 was 9.7%. Under the LTI plan rules in place at that time, there was no LTI grant for FY19 nor was there any opportunity to retest this in subsequent years despite that investment generating substantial returns for the Group.

- **FY20 Grant**

  A grant equal to the maximum LTI opportunity was made available to FY20 plan participants on 1 July 2019. The LTI awards will vest in early FY24 with the amount vesting dependent on the Company's average ROIC performance over the four year period FY20 to FY23.

  Where average ROIC is less than 12% no LTI award will vest. Where average annual ROIC is between 12% and 18% over the four year period the LTI will vest pro-rata from 67% to 100% of the LTI grant. Where average annual ROIC is greater than 18%, 100% of the LTI grant will vest.

  FY20's ROIC exceeded 12% (actual 49.6%) and FY21's ROIC is 38.6%, therefore contributing to a favourable average ROIC over the first and second years of the KMP's FY20 LTIP award. This program is therefore half- way through its four-year life, with average ROIC over the four years needing to meet a minimum of 12%. Final vesting is due August 2023.

- **FY21 Grant**

  As per the FY20 grant, a grant equal to the maximum LTI opportunity was made available to FY21 plan participants on 1 July 2020. The LTI awards will vest in early FY25 with the amount vesting dependent on the Company's average ROIC performance over the four year period FY20 to FY23.

  Where average ROIC is less than 12% no LTI award will vest. Where average annual ROIC is between 12% and 18% over the four year period the LTI will vest pro-rata from 67% to 100% of the LTI grant. Where average annual ROIC is greater than 18%, 100% of the LTI grant will vest.

  FY21's ROIC is 38.6%. This program is a quarter through its four-year life, with average ROIC over the four years needing to meet a minimum of 12%. Final vesting is due August 2024.

5.5 REMUNERATION OUTCOMES SCHEDULES

The following tables provide a summary of remuneration received by KMP during the year, which may be useful in understanding current year pay and alignment with performance. These remuneration outcomes tables differ from the statutory remuneration tables in Section 8 which are prepared in accordance with Australian Accounting Standards.

FY21	FAR (cash)[2] $	STI cash bonus[3] $	LTI vesting[4] $	NED fees (shares)[5] $	Other benefits[6] $	Total $	LTI vesting share price growth[7] $	Total including share price growth $
Non-Executive Directors								
Peter Wade	135,000	-	-	135,000	21,694	**291,694**	-	**291,694**
Susan Corlett[1]	46,708	-	-	46,708	8,875	**102,291**	-	**102,291**
Kelvin Flynn	86,250	-	-	86,250	16,388	**188,888**	-	**188,888**
James McClements	87,500	-	-	87,500	16,625	**191,625**	-	**191,625**
Xi Xi	90,338	-	-	82,500	-	**172,838**	-	**172,838**
Executive Director								
Chris Ellison	1,200,000	600,000	2,933,350	-	51,865	**4,785,215**	2,605,893	**7,391,108**
Other Executives								
Paul Brown	850,000	280,000	435,918	-	101,694	**1,667,612**	382,496	**2,050,108**
Michael Grey	850,000	340,000	-	-	102,069	**1,292,069**	-	**1,292,069**
Mark Wilson	950,000	380,000	-	-	143,448	**1,473,448**	-	**1,473,448**
Total	4,295,796	1,600,000	3,369,268	437,958	462,658	**10,165,680**	2,988,389	**13,154,069**

1 Susan Corlett commenced on 4 January 2021.
2 FAR is excluding superannuation contributions, which is reported within 'Other Benefits'.
3 40% of the FY21 STI plan to KMP is paid in cash (50% for the Managing Director) and relates to the performance during FY20, paid in FY21.
4 FY17 and FY18 LTI share awards that have vested during FY21, calculated as the number of shares vested multiplied by the face value at grant date. FY17 LTI shares were freed of trading restrictions on 20 August 2020, while FY18 LTI shares (Tranche 1 and 2) that vested on 20 August 2020 retain their trading restrictions and clawback provisions until 12 August 2021.
5 Equity component of Non-Executive Directors' (NED) remuneration. NED fees continue to be paid 50% in cash and 50% in MRL shares. Remuneration disclosed relates to the performance during FY21.
6 Other Benefits relate to non-monetary benefits and superannuation benefits that are awarded for performance during FY21. Paul Brown, Michael Grey and Mark Wilson each received $80,000 in Resource Development Group Ltd (RDG) share options during FY21 as remuneration for their RDG NED remuneration. RDG is 65.77% owned by the Group.
7 The 'share price growth' amount is equal to the number of rights vested multiplied by the increase in the Company share price over the period from grant date to vesting date.

FY20	FAR (cash)[4] $	STI cash bonus[5] $	LTI vesting[6] $	NED fees (shares)[7] $	Other benefits[8] $	Total $	LTI vesting share price growth[9] $	Total including share price growth $
Non-Executive Directors								
Peter Wade	125,000	-	-	125,000	23,750	**273,750**	-	**273,750**
Kelvin Flynn	70,000	-	-	70,000	13,300	**153,300**	-	**153,300**
James McClements	70,000	-	-	70,000	13,300	**153,300**	-	**153,300**
Xi Xi	83,300	-	-	70,000	-	**153,300**	-	**153,300**
Executive Director								
Chris Ellison	1,200,000	600,000	1,762,738	-	52,583	**3,615,321**	77,015	**3,692,336**
Other Executives								
Current[1]								
Paul Brown[2]	350,000	140,000	-	-	22,753	**512,753**	-	**512,753**
Michael Grey	824,038	340,000	-	-	68,409	**1,232,447**	-	**1,232,447**
Mark Wilson	937,019	380,000	-	-	140,809	**1,457,828**	-	**1,457,828**
Former								
Rohan O'Grady[3]	148,077	-	-	-	24,931	**173,008**	-	**173,008**
Total	3,807,434	1,460,000	1,762,738	335,000	359,835	**7,725,007**	77,015	**7,802,022**
Current KMP subtotal	3,659,357	1,460,000	1,762,738	335,000	334,904	**7,551,999**	77,015	**7,629,014**
Former KMP subtotal	148,077	-	-	-	24,931	**173,008**	-	**173,008**
Total	3,807,434	1,460,000	1,762,738	335,000	359,835	**7,725,007**	77,015	**7,802,022**

1 Current as at the date of the 30 June 2020 Remuneration Report.
2 Paul Brown regarded as KMP with effect from 1 January 2020. Remuneration disclosed is for the period 1 January 2020 to 30 June 2020.
3 Rohan O'Grady resigned as Chief Operating Officer - Construction & Development on 13 September 2019. Remuneration disclosed is for the period 1 July 2019 to 13 September 2019.
4 FAR is excluding superannuation contributions, which is reported within 'Other Benefits'
5 40% of the FY20 STI plan to KMP is paid in cash (50% for the Managing Director) and relates to the performance during FY19, paid in FY20.
6 LTI awards that have vested during FY20, calculated as the number of rights vested multiplied by the face value at grant date. Vested shares may still be subject to trading restrictions and clawback provisions.
7 Equity component of Non-Executive Directors' (NED) remuneration. NED fees continue to be paid 50% in cash and 50% in Company shares. Remuneration disclosed relates to the performance during FY20.
8 Other Benefits relate to non-monetary benefits, superannuation and termination benefits that are awarded for performance during FY20 or have vested during FY20.
9 The 'share price growth' amount is equal to the number of rights vested multiplied by the increase in the Company share price over the period from grant date to vesting date.

6. KEY CHANGES TO REMUNERATION FOR FY22

At the time of preparing this report, there are no changes planned for remuneration of KMP in FY22.

7. SUMMARY OF KMP EMPLOYMENT CONDITIONS

7.1 EXECUTIVES

The table below summarises the employment agreements in place with executive KMP as at the date of this report.

KMP	Term of agreement	FAR	Notice period: KMP and MRL	Termination entitlements[1]
Chris Ellison (Managing Director)	Full time – permanent	$1,200,000	12 months	Notice period per contract
Paul Brown (Chief Executive – Commodities)	Full time – permanent	$850,000	12 months	Notice period per contract
Michael Grey (Chief Executive – Mining Services)	Full time – permanent	$850,000	12 months	Notice period per contract
Mark Wilson (Chief Financial Officer and Company Secretary)	Full time – permanent	$950,000	12 months	Notice period per contract

[1] Should this amount be a value that requires shareholder approval then it can be reduced to maximum permissible amount without shareholder agreement.

7.2 NON-EXECUTIVE DIRECTORS

Non-Executive Directors (NED) receive fees to recognise their contribution to the work of the Board and the additional time and effort associated with chairing and/or participating in Board sub-committees on which they serve.

NED remuneration is reviewed annually by the Remuneration Committee. The most recent review concluded that 'Mineral Resources' director fees were significantly under market, having not changed since mid-2017. The absence of sub-committee fees for committee service was identified as a key cause of the below-market fee structure. The workload on committees has become increasingly more onerous as the accountability has increased.

In response to this review, the decision was made to increase base committee fees for Chair and members by 16% and 21% respectively, and to introduce committee fees for participation on subcommittees.

The following table outlines the Non-Executive Director fees, exclusive of superannuation, effective from 1 January 2021 for the Board and associated Committees.

NED remuneration is not linked to Company performance, although in order to create alignment with shareholders, NED fees continue to be paid 50% in cash and 50% in Company shares. NEDs are encouraged to hold at least one year's worth of fees in Company shares and NEDs are subject to the Company's Security Trading Policy.

FY21 Board/Committee Fees (per annum)	Chair $	Member $
Board	290,000	170,000
Board - Lead Independent Director		20,000
Audit and Risk Committee	25,000	10,000
Remuneration Committee	20,000	10,000
Nominations Committee	10,000	-

A resolution was passed at the 2020 AGM to approve an increase in the maximum pool to $2,000,000 to facilitate sufficient headroom in the pool to allow for the appointment of additional NEDs, an allocation of entitlements for participation in Board Sub-committees, and for an increase in NED fees should this be recommended by the Remuneration Committee. The fee pool was previously at $1,000,000 per annum, which had not been increased since the 2015 Financial Year. The changes in NED fees took effect from 1 January 2021.

FY20 BOARD/COMMITTEE FEES (PER ANNUM)

FY20 Board fees were as follows:

Chair	$250,000 plus statutory superannuation
Non-Executive Director	$140,000 plus statutory superannuation

Committee members did not receive any additional remuneration for chairing/participation in Committees in FY20.

8. KMP STATUTORY REMUNERATION SCHEDULES

The following tables detail the statutory remuneration disclosures prepared in accordance with Australian Accounting Standards. These tables differ from the remuneration outcomes tables in section 5.5, due to the accounting treatment of share-based payments.

	Short-Term Benefits				Post-Employment Benefits	Share-based payments				
FY21	Cash salary and fees $	Other[4] $	STI cash value[2] $	Non-Monetary $	Superannuation $	STI equity value $	LTI equity value $	NED remuneration[3] $	Total $	Performance related %
Non-Executive Directors										
Peter Wade	135,000	-	-	-	21,694	-	-	135,000	**291,694**	-
Susan Corlett[1]	46,708	-	-	-	8,875	-	-	46,708	**102,291**	-
Kelvin Flynn	86,250	-	-	-	16,388	-	-	86,250	**188,888**	-
James McClements	87,500	-	-	-	16,625	-	-	87,500	**191,625**	-
Xi Xi	90,338	-	-	-	-	-	-	82,500	**172,838**	-
Executive Director										
Chris Ellison	1,200,000	-	600,000	30,172	21,694	175,087	1,454,710	-	**3,481,663**	64%
Other Executives										
Paul Brown	850,000	80,000	340,000	-	21,694	125,485	545,625	-	**1,962,804**	52%
Michael Grey	850,000	80,000	340,000	375	21,694	125,485	510,622	-	**1,928,176**	51%
Mark Wilson	950,000	80,000	380,000	41,754	21,694	140,226	713,366	-	**2,327,040**	53%
Total	4,295,796	240,000	1,660,000	72,301	150,358	566,283	3,224,323	437,958	**10,647,019**	

[1] Susan Corlett commenced on 4 January 2021.
[2] 40% of the FY21 STI plan to KMP is paid in cash (50% for the Managing Director) and relates to the performance during FY21.
[3] Equity component of Non-Executive Directors' (NED) remuneration. NED Remuneration is not linked to Company performance, however to create alignment with shareholders, Non-Executive Director fees continue to be paid 50% in cash and 50% in MRL shares.
[4] Paul Brown, Michael Grey and Mark Wilson each received $80,000 in Resource Development Group Ltd (RDG) share options during FY21 as remuneration for their RDG NED remuneration. RDG forms part of the Group.

8. KMP STATUTORY REMUNERATION SCHEDULES (CONTINUED)

	Short-Term Benefits				Post-Employment Benefits	Share-based payments				
FY20	**Cash salary and fees $**	**Other[3] $**	**STI cash value[4] $**	**Non-Monetary $**	**Superannuation $**	**STI equity value $**	**LTI equity value $**	**NED remuneration[5] $**	**Total $**	**Performance related %**
Non-Executive Directors										
Peter Wade	125,000	-	-	-	23,750		-	125,000	**273,750**	-
Kelvin Flynn	70,000	-	-	-	13,300		-	70,000	**153,300**	-
James McClements	70,000	-	-	-	13,300		-	70,000	**153,300**	-
Xi Xi	83,300	-	-	-	-		-	70,000	**153,300**	-
Executive Director										
Chris Ellison	1,200,000		600,000	31,581	21,003	222,876	2,260,533	-	**4,335,993**	71%
Other Executives										
Paul Brown[1]	350,000	-	140,000	-	22,753	59,095	139,080	-	**710,928**	48%
Michael Grey	824,038	-	340,000	47,406	21,003	143,515	253,322	-	**1,629,284**	45%
Mark Wilson	937,019	79,408	380,000	40,398	21,003	160,398	353,905	-	**1,972,131**	45%
Former										
Rohan O'Grady[2]	148,077	19,681	-	-	5,251	-	-	-	**173,009**	0%
Total	3,807,434	99,089	1,460,000	119,385	141,363	585,884	3,006,840	335,000	**9,554,995**	
Current KMP subtotal	3,659,357	79,408	1,460,000	119,385	136,112	585,884	3,006,840	335,000	**9,381,986**	
Former KMP subtotal	148,077	19,681	-	-	5,251	-	-	-	**173,009**	
Total	3,807,434	99,089	1,460,000	119,385	141,363	585,884	3,006,840	335,000	**9,554,995**	

1 Paul Brown regarded as KMP with effect from 1 January 2020. Remuneration disclosed is for the period 1 January 2020 to 30 June 2020.
2 Rohan O'Grady resigned as Chief Operating Officer - Construction & Development on 13 September 2019. Remuneration disclosed is for the period 1 July 2019 to 13 September 2019.
3 Annual leave payout on termination of Rohan O'Grady and relocation allowance for Mark Wilson.
4 40% of the FY20 STI plan to KMP is paid in cash (50% for the Managing Director) and relates to the performance during FY20.
5 Equity component of Non-Executive Directors' (NED) remuneration. NED Remuneration is not linked to Company performance, however to create alignment with shareholders, Non-Executive Director fees continue to be paid 50% in cash and 50% in Company shares.

9. SHARE RIGHTS GRANTED, VESTED AND POTENTIAL FUTURE VESTING

												Rights to shares:		
KMP	**Plan**	**Grant Date[1]**	**Performance Periods**	**No. of share rights granted**	**Value per share right granted at grant[10] $/right**	**Total value of share rights granted at grant date $**	**No. vested during the year**	**Vested during the year %**	**No. forfeited during the year**	**% forfeited during the year %**	**Remaining, subject to vesting conditions**	**Year in which share rights may vest**	**No. of share rights which may vest**	**Maximum value yet to vest $**
Chris Ellison	FY17 LTI[2]	16/08/2017	FY17 to FY20	269,730	13.96	3,765,431	89,910	33%	-	-	-	-	-	-
	FY18 LTI[3]	15/08/2018	FY18 to FY21	168,157	14.97	2,517,310	112,105	67%	-	-	56,052	FY22	56,052	839,103
	FY19 LTI[4]	22/08/2019	FY19 to FY22	-	-	-	-	0%	-	-	-	N/A	-	-
	FY20 LTI[5]	01/07/2019	FY20 to FY23	142,577	15.05	2,145,784	-	0%	-	-	142,577	FY24	142,577	2,145,784
	FY20 DER[6]	01/07/2019	FY20 to FY23	13,001	26.40	343,285	-	0%	-	-	13,001	FY24	13,001	343,285
	FY20 STI[7]	01/07/2020	FY20 to FY22	25,267	21.17	534,902	-	0%	-	-	25,267	FY22	12,634	267,451
												FY23	12,634	267,451
	FY21 LTI[8]	01/07/2020	FY21 to FY24	102,950	21.17	2,179,452	-	0%	-	-	102,950	FY25	102,950	2,179,452
	FY21 DER[6]	01/07/2020	FY21 to FY24	5,387	34.33	184,929	-	0%	-	-	5,387	FY25	5,387	184,929
	FY21 STI[9]	01/07/2021	FY21 to FY23	7,875	53.36	420,210	-	0%	-	-	7,875	FY23	3,938	210,105
												FY24	3,938	210,105
Paul Brown	FY20 LTI[5]	01/07/2019	FY20 to FY23	55,447	15.05	834,477	-	0%	-	-	55,447	FY24	55,447	834,477
	FY20 DER[6]	01/07/2019	FY20 to FY23	5,056	26.40	133,493	-	0%	-	-	5,056	FY24	5,056	133,493
	FY20 STI[7]	01/07/2020	FY20 to FY22	13,399	21.17	283,657	-	0%	-	-	13,399	FY22	6,700	141,828
												FY23	6,700	141,828
	FY21 LTI[8]	01/07/2020	FY21 to FY24	48,616	21.17	1,029,201	-	0%	-	-	48,616	FY25	48,616	1,029,201
	FY21 DER[6]	01/07/2020	FY21 to FY24	2,544	34.33	87,330	-	0%	-	-	2,544	FY25	2,544	87,330
	FY21 STI[9]	01/07/2021	FY21 to FY23	5,644	53.36	301,164	-	0%	-	-	5,644	FY23	2,822	150,582
												FY24	2,822	150,582

1 Grant date is determined in accordance with AASB 2 Share Based Payments.
2 FY17 was the Award Year for the LTI Plan (ROIC exceeded 12%). Each tranche of the FY17 LTI Plan vests in favour of participants provided participants remain employed with the Company over each of the subsequent Performance Years (FY18 to FY20) and ROIC for each subsequent Performance Years (FY18 to FY20) equals or exceeds 12%. As the average ROIC for FY18 and FY19 exceeded 12%, Tranche 2 of the FY17 LTI Plan vested in favour of participants who remained employed for all of FY20, and as FY20's ROIC exceeded 12% Tranche 3 of the FY17 LTI Plan vested on 20 August 2020. Trading restrictions on all three FY17 LTI Plan Tranches were lifted as at that date, subject to clawback provisions.
3 FY18 was the Award Year for the LTI Plan (ROIC for FY18 exceeded 12%). Each tranche of the FY18 LTI Plan vests in favour of participants provided participants remain employed with the Company over each of the subsequent Performance Years (FY19 to FY21) and ROIC for each subsequent Performance Years (FY19 to FY21) equals or exceeds 12%. As ROIC for FY19 was less than 12%, Tranche 1 of the FY18 LTI Plan became a Suspended Tranche. As average ROIC for FY19 and FY20 exceeded 12% Tranche 1 and Tranche 2 of the FY18 LTI Plan vested on 20 August 2020, subject to trading restrictions.
4 FY19 was the Award Year for the FY19 LTI Plan. As ROIC for FY19 is less than 12% there is no LTI award for FY19.
5 FY20 was the Award Year for the FY20 LTI Plan.
6 Dividend equivalent rights that attach to the FY20 and FY21 LTIP grants. These rights have an automatic vesting / exercise upon exercise of the underlying LTIP share right.
7 FY20 was the Award Year for the FY20 STI Plan. The number of share rights granted was calculated using the value of the award divided by the VWAP for the 5 days up to and including 30 June 2020. The value reflected in the table above is the quantity of shares calculated via this method, multiplied by the share price on the 1 July 2020 as required by Australian Accounting Standards. The share rights vest equally in August 2021 (FY22) and August 2022 (FY23).
8 FY21 was the Award Year for the FY21 LTI Plan. The number of share rights granted was calculated using the value of the award divided by the share price on 1 July 2020. The value reflected in the table above is the quantity of shares calculated via this method, multiplied by the share price on the 1 July 2020.
9 FY21 was the Award Year for the FY21 STI Plan. The number of share rights granted was calculated using the value of the award divided by the VWAP for the 5 days up to and including 30 June 2021. The value reflected in the table above is the quantity of shares calculated via this method, multiplied by the share price on the 1 July 2021 as required by Australian Accounting Standards. The share rights vest equally in August 2022 (FY23) and August 2023 (FY24).
10 Value per share right granted at grant refers to share price used for expense purposes under AASB 2 Share Based Payments, being the date when the entity and the counterparty has a mutual understanding to the terms and conditions of the arrangement. For the LTI and STI plans this is the first day of the financial year.

9. SHARE RIGHTS GRANTED, VESTED AND POTENTIAL FUTURE VESTING (CONTINUED)

				Rights to shares:									
KMP	Plan	Grant Date [1]	Performance Periods	No. of share rights granted	Value per share right granted at grant $/right	Total value of share rights granted at grant date $	No. vested during the year	Vested during the year %	No. forfeited during the year	% forfeited during the year %	Remaining, subject to vesting conditions	Year in which share rights may vest	No. of share rights which may vest	Maximum value yet to vest $
Michael Grey	FY19 LTI[4]	22/08/2019	FY19 to FY22	-	-	-	-	0%	-	-	-	N/A	-	-
	FY20 LTI[5] FY20 DER[6]	01/07/2019 01/07/2019	FY20 to FY23 FY20 to FY23	67,328 6,140	15.05 26.40	1,013,286 162,123	- -	0% 0%	- -	- -	67,328 6,140	FY24 FY24	67,328 6,140	1,013,286 162,123
	FY20 STI[7]	01/07/2020	FY20 to FY22	16,270	21.17	344,436	-	0%	-	-	16,270	FY22 FY23	8,135 8,135	172,218 172,218
	FY21 LTI[8] FY21 DER[6]	01/07/2020 01/07/2020	FY21 to FY24 FY21 to FY24	48,616 2,544	21.17 34.33	1,029,201 87,330	- -	0% 0%	- -	- -	48,616 2,544	FY25 FY25	48,616 2,544	1,029,201 87,330
	FY21 STI[9]	01/07/2021	FY21 to FY23	5,644	53.36	301,164	-	0%	-	-	5,644	FY23 FY24	2,822 2,822	150,582 150,582
Mark Wilson	FY19 LTI[4]	22/08/2019	FY19 to FY22	-	-	-	-	0%	-	-	-	N/A	-	-
	FY20 LTI[5] FY20 DER[6]	01/07/2019 01/07/2019	FY20 to FY23 FY20 to FY23	94,061 8,577	15.05 26.40	1,415,618 226,457	- -	0% 0%	- -	- -	94,061 8,577	FY24 FY24	94,061 8,577	1,415,618 226,457
	FY20 STI[7]	01/07/2020	FY20 to FY22	18,184	21.17	384,955	-	0%	-	-	18,184	FY22 FY23	9,092 9,092	192,478 192,478
	FY21 LTI[8] FY21 DER[6]	01/07/2020 01/07/2020	FY21 to FY24 FY21 to FY24	67,919 3,554	21.17 34.33	1,437,845 122,007	- -	0% 0%	- -	- -	67,919 3,554	FY25 FY25	67,919 3,554	1,437,845 122,007
	FY21 STI[6]	01/07/2021	FY21 to FY23	6,307	53.36	336,542	-	0%	-	-	6,307	FY23 FY24	3,154 3,154	168,271 168,271

1 Grant date is determined in accordance with AASB 2 Share Based Payments.
2 FY17 was the Award Year for the LTI Plan (ROIC exceeded 12%). Each tranche of the FY17 LTI Plan vests in favour of participants provided participants remain employed with the Company over each of the subsequent Performance Years (FY18 to FY20) and ROIC for each subsequent Performance Years (FY18 to FY20) equals or exceeds 12%. As the average ROIC for FY18 and FY19 exceeded 12%, Tranche 2 of the FY17 LTI Plan vested in favour of participants who remained employed for all of FY20, and as FY20's ROIC exceeded 12% Tranche 3 of the FY17 LTI Plan vested on 20 August 2020. Trading restrictions on all three FY17 LTI Plan Tranches were lifted as at that date, subject to clawback provisions.
3 FY18 was the Award Year for the LTI Plan (ROIC for FY18 exceeded 12%). Each tranche of the FY18 LTI Plan vests in favour of participants provided participants remain employed with the Company over each of the subsequent Performance Years (FY19 to FY21) and ROIC for each subsequent Performance Years (FY19 to FY21) equals or exceeds 12%. As ROIC for FY19 was less than 12%, Tranche 1 of the FY18 LTI Plan became a Suspended Tranche. As average ROIC for FY19 and FY20 exceeded 12% Tranche 1 and Tranche 2 of the FY18 LTI Plan vested on 20 August 2020, subject to trading restrictions.
4 FY19 was the Award Year for the FY19 LTI Plan. As ROIC for FY19 is less than 12% there is no LTI award for FY19.
5 FY20 was the Award Year for the FY20 LTI Plan.
6 Dividend equivalent rights that attach to the FY20 and FY21 LTIP grants. These rights have an automatic vesting / exercise upon exercise of the underlying LTIP share right.
7 FY20 was the Award Year for the FY20 STI Plan. The number of share rights granted was calculated using the value of the award divided by the VWAP for the 5 days up to and including 30 June 2020. The value reflected in the table above is the quantity of shares calculated via this method, multiplied by the share price on the 1 July 2020 as required by Australian Accounting Standards. The share rights vest equally in August 2021 (FY22) and August 2022 (FY23).
8 FY21 was the Award Year for the FY21 LTI Plan. The number of share rights granted was calculated using the value of the award divided by the share price on 1 July 2020. The value reflected in the table above is the quantity of shares calculated via this method, multiplied by the share price on the 1 July 2020.
9 FY21 was the Award Year for the FY21 STI Plan. The number of share rights granted was calculated using the value of the award divided by the VWAP for the 5 days up to and including 30 June 2021. The value reflected in the table above is the quantity of shares calculated via this method, multiplied by the share price on the 1 July 2021 as required by Australian Accounting Standards. The share rights vest equally in August 2022 (FY23) and August 2023 (FY24).
10 Value per share right granted at grant refers to share price used for expense purposes under AASB 2 Share Based Payments, being the date when the entity and the counterparty has a mutual understanding to the terms and conditions of the arrangement. For the LTI and STI plans this is the first day of the financial year.

10. EQUITY INSTRUMENTS HELD BY KMP

10.1 RIGHTS AWARDED UNDER INCENTIVE PLANS

The following table details share rights awarded under incentive plans that are subject to service conditions and performance hurdles that are yet to be tested and vested rights that have not yet been exercised and converted into shares. Non-Executive Directors do not participate in incentive plans and do not hold unvested share rights

Number of rights	Balance at the start of the year	Granted	Exercised and converted to shares	Notional dividends attaching in year[1]	Balance at the end of the year	Balance vested and exercisable
Executive Director						
Chris Ellison	425,910	110,825	(202,014)	18,388	353,109	-
Other KMP						
Paul Brown	108,222	54,260	(29,847)	7,600	140,235	-
Michael Grey	83,598	54,260	-	8,684	146,542	-
Mark Wilson	112,245	74,226	-	12,131	198,602	-
Total	729,975	293,571	(231,861)	46,803	838,488	-

1 Dividend equivalent rights that attach to the FY20 and FY21 LTIP grants. These rights have an automatic vesting / exercise upon exercise of the underlying LTIP share right.

10.2 KMP SHAREHOLDINGS

The number of MRL shares held during FY21 by each Director and Other Executive of the Company, including their related parties, is set out below:

Number of shares	Balance at the start of the year	Issued as part of remuneration	Other Additions[2]	Disposals /other	Balance at the end of the year
Non-Executive Directors					
Peter Wade	336,815	11,683	-	-	348,498
Susan Corlett	-	1,071	-	-	1,071
Kelvin Flynn[1]	11,566	6,788	-	-	18,354
James McClements[1]	11,566	6,817	-	-	18,383
Xi Xi[1]	10,186	6,701	-	-	16,887
Executive Directors					
Chris Ellison	22,191,729	202,014	32,002	-	22,425,745
Other KMP					
Current					
Paul Brown	10,789	29,847	-	(21,578)	19,058
Michael Grey	-	-	-	-	-
Mark Wilson	25,109	-	1,313	-	26,422
Total	22,597,760	264,921	33,315	(21,578)	22,874,418

[1] Shares paid to Non-Executive Directors disclosed in this table were part of their FY21 remuneration package. Shares for their FY20 remuneration package were issued in the current financial year. The quantity of shares granted is based on the proportion of fees payable divided by the Volume Weighted Average price for the five trading days to the end of each quarter of the financial year.
[2] Other additions include shares received as part of the Company's Dividend Re-investment Program.

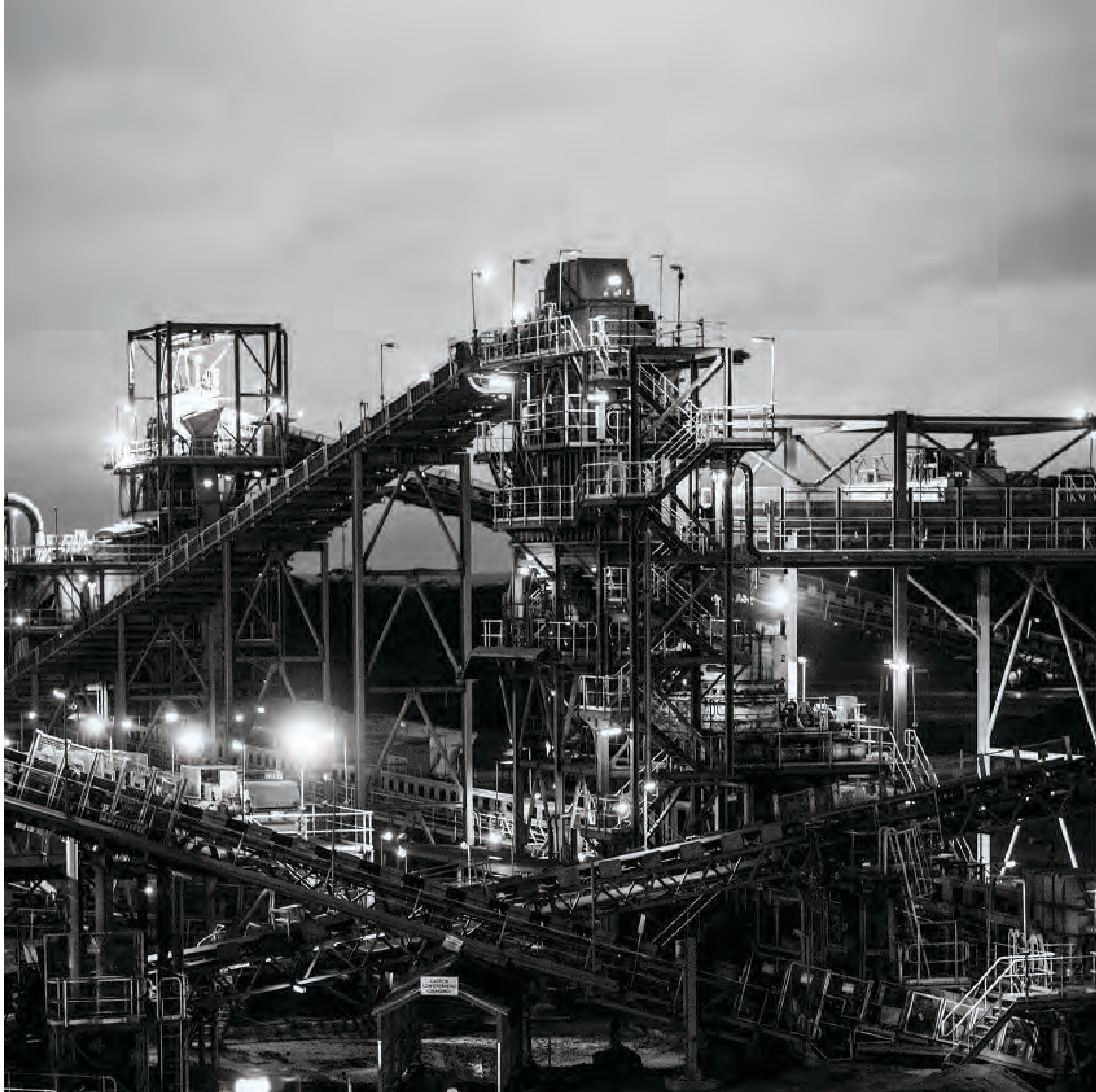
11. TRANSACTIONS WITH RELATED PARTIES

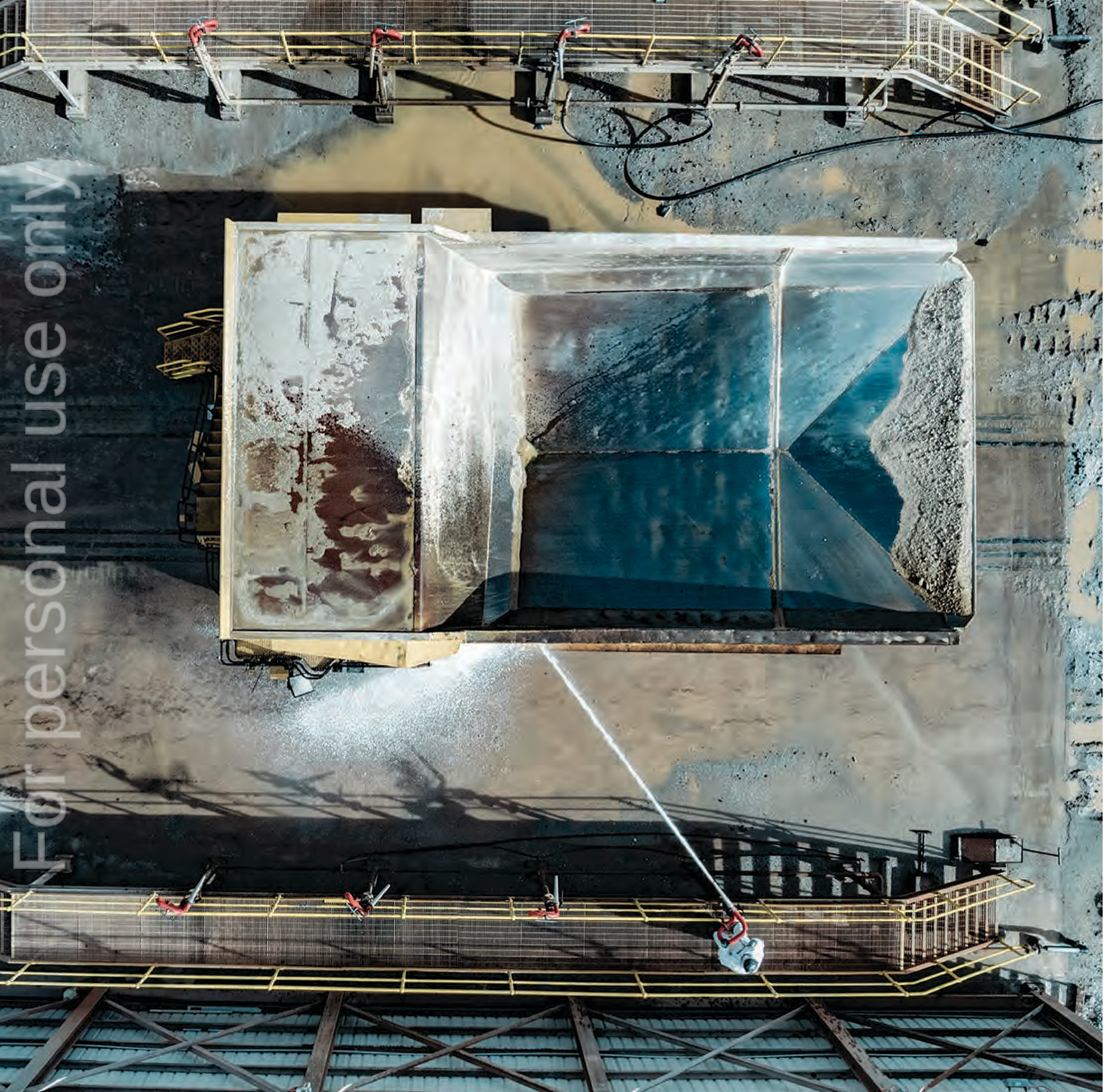
The following transactions occurred with related parties:

Key Management Personnel / Directors' interests:	2021 $	2020 $
Properties from which some of the Group's operations are performed are rented from parties related to Chris Ellison and Peter Wade.	(2,215,091)	(2,118,828)

Occupation of these premises date back prior to the Company's listing in 2006. The ongoing need for occupation of these premises, as well as rental arrangements, are assessed periodically. The Group has a Related Party Transaction Policy that requires the review and approval of Related Party Transactions by the Audit and Risk Committee (the Committee).

This concludes the Remuneration Report, which has been audited.





RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mineral Resources Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 11 August 2021

TUTU PHONG
Partner

FINANCIAL STATEMENTS

TRIBAL MARKINGS

Different designs for different tribes and this is how they interact…they mark the trees to represent their territory.

Collaborative art by Nate Mundraby.
Photography by Russell James.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group 2021 $m	Group 2020 $m
Revenue	4	3,733.6	2,124.7
Other income	5	245.3	1,311.9
Expenses from operations			
Changes in closing stock		118.9	130.3
Raw materials and consumables		(344.4)	(218.2)
Equipment costs		(191.2)	(113.9)
Subcontractors		(188.5)	(180.2)
Employee benefits expense		(504.1)	(383.1)
Transport and freight		(597.6)	(482.7)
Depreciation and amortisation	6	(258.0)	(193.6)
Impairment charges	6	(46.5)	(285.8)
Other expenses	6	(89.0)	(182.7)
Profit from operations		1,878.5	1,526.7
Finance income		10.0	14.4
Finance costs	6	(95.8)	(104.9)
Net finance costs		(85.8)	(90.5)
Profit before tax		1,792.7	1,436.2
Income tax expense	7	(525.0)	(434.0)
Profit after tax for the year		1,267.7	1,002.2
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net gain/(loss) on cash flow hedges		4.0	(9.3)
Other comprehensive income for the year, net of tax		4.0	(9.3)
Total comprehensive income for the year		1,271.7	992.9
Profit for the year is attributable to:			
Non-controlling interest		(2.0)	(1.5)
Owners of Mineral Resources Limited		1,269.7	1,003.7
		1,267.7	1,002.2
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	(1.5)
Owners of Mineral Resources Limited		1,271.7	994.4
		1,271.7	992.9
		Cents	Cents
Basic earnings per share	8	673.18	532.96
Diluted earnings per share	8	673.18	532.96

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

BALANCE SHEET AS AT 30 JUNE 2021

	Note	Group 2021 $m	Group 2020 $m
Assets			
Current assets			
Cash and cash equivalents	9	1,542.1	1,521.8
Trade and other receivables	10	331.3	177.5
Inventories	11	122.6	155.6
Other assets	12	37.3	38.8
Total current assets		2,033.3	1,893.7
Non-current assets			
Trade and other receivables	10	653.4	649.6
Inventories	11	62.4	35.3
Investments accounted for using the equity method	30	92.1	-
Financial assets	13	296.1	42.3
Property, plant and equipment	14	1,824.6	1,365.9
Intangibles	15	36.7	47.9
Exploration and mine development	16	725.8	476.4
Deferred tax	7	128.5	119.8
Total non-current assets		3,819.6	2,737.2
Total assets		5,852.9	4,630.9
Liabilities			
Current liabilities			
Trade and other payables	18	581.8	319.1
Borrowings	19	157.3	100.5
Income tax		166.7	415.9
Employee benefits	20	69.4	53.4
Provisions	21	9.2	29.5
Other		-	5.9
Total current liabilities		984.4	924.3
Non-current liabilities			
Borrowings	19	1,104.6	1,190.2
Deferred tax	7	322.7	122.5
Provisions	21	195.1	98.3
Total non-current liabilites		1,622.4	1,411.0
Total liabilities		2,606.8	2,335.3
Net assets		3,246.1	2,295.6
Equity			
Issued capital	22	514.5	516.3
Reserves		15.7	10.1
Retained profits		2,673.3	1,738.4
Equity attributable to the owners of Mineral Resources Limited		3,203.5	2,264.8
Non-controlling interest		42.6	30.8
Total equity		3,246.1	2,295.6

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Issued capital	Reserves	Retained profits	Non-controlling interest	Total equity
Group	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 July 2019	507.9	16.1	836.2	19.0	1,379.2
Profit/(loss) after tax for the year	-	-	1,003.7	(1.5)	1,002.2
Other comprehensive loss for the year, net of tax	-	(9.3)	-	-	(9.3)
Total comprehensive income for the year	-	(9.3)	1,003.7	(1.5)	992.9
Transactions with owners in their capacity as owners:					
Shares issued under Dividend Reinvestment Plan (note 22)	5.4	-	-	-	5.4
Equity settled share-based payments	-	6.0	-	-	6.0
Employee share awards issued (note 22)	3.0	(2.7)	-	-	0.3
Acquisition of subsidiary	-	-	-	13.3	13.3
Dividends paid (note 23)	-	-	(101.5)	-	(101.5)
Balance at 30 June 2020	516.3	10.1	1,738.4	30.8	2,295.6

	Issued capital	Reserves	Retained profits	Non-controlling interest	Total equity
Group	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 July 2020	516.3	10.1	1,738.4	30.8	2,295.6
Profit/(loss) after tax for the year	-	-	1,269.7	(2.0)	1,267.7
Other comprehensive income for the year, net of tax	-	4.0	-	-	4.0
Total comprehensive income for the year	-	4.0	1,269.7	(2.0)	1,271.7
Transactions with owners in their capacity as owners:					
Shares issued under Dividend Reinvestment Plan (note 22)	9.2	-	-	-	9.2
Equity settled share-based payments	-	10.3	-	-	10.3
Purchase of shares under employee share plans (note 22)	(20.2)				(20.2)
Employee share awards issued (note 22)	9.2	(8.7)	-	-	0.5
Acquisition of subsidiary	-	-	-	12.0	12.0
Acquisition of non-controlling interest	-	-	(1.0)	1.8	0.8
Dividends paid (note 23)	-	-	(333.8)	-	(333.8)
Balance at 30 June 2021	514.5	15.7	2,673.3	42.6	3,246.1

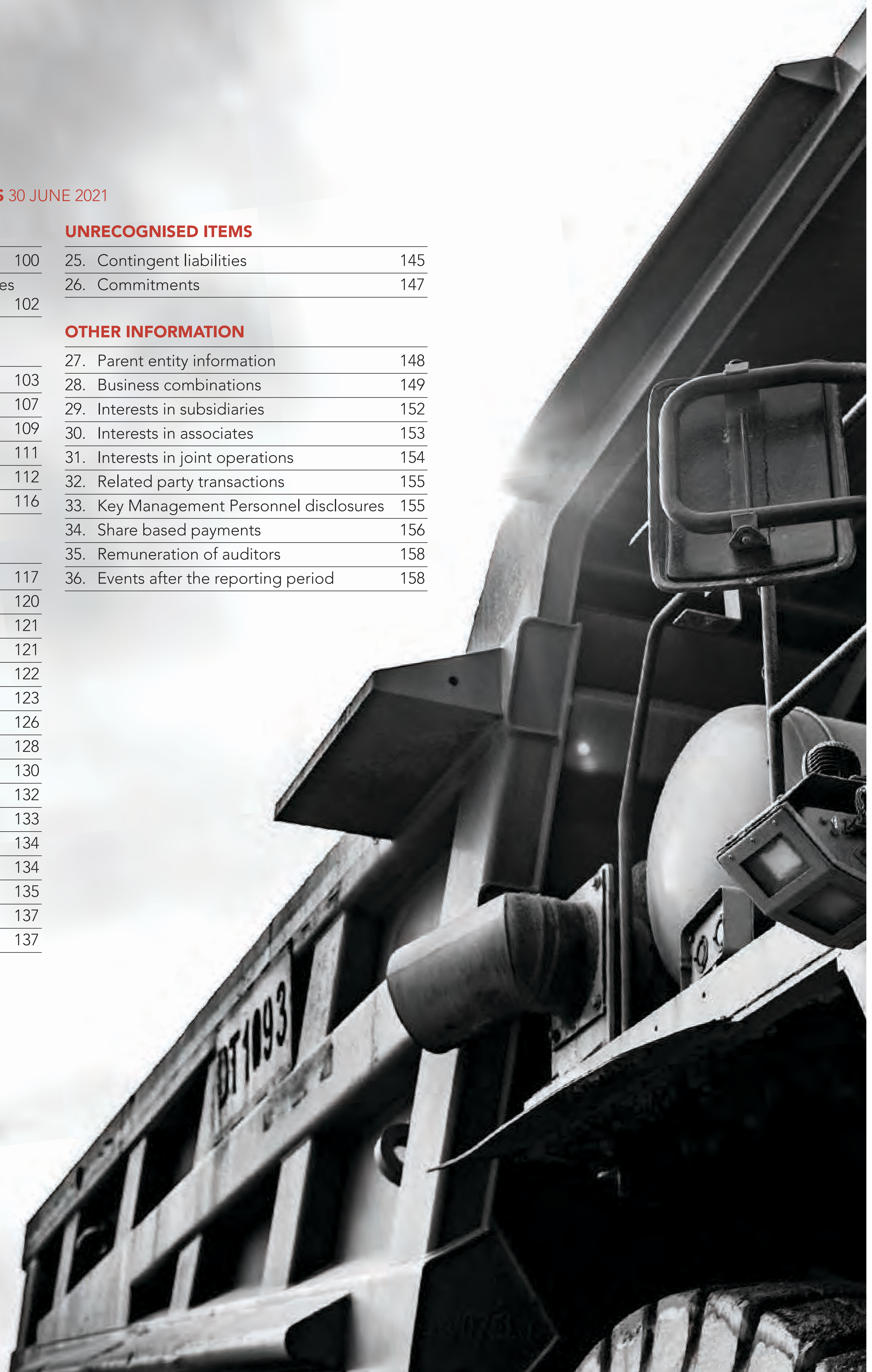
The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Group 2021 $m	2020 $m
Cash flows from operating activities			
Receipts from customers		3,689.7	2,189.2
Payments to suppliers and employees		(1,719.6)	(1,394.7)
		1,970.1	794.5
Interest received		10.0	14.3
Interest and other finance costs paid		(86.4)	(97.6)
Income taxes paid		(584.3)	(116.6)
Net cash from operating activities	9	1,309.4	594.6
Cash flows from investing activities			
Payments for investments		(50.1)	(8.1)
Proceeds from disposal of investments		9.5	1.0
Payments for property, plant and equipment		(517.2)	(217.4)
Proceeds from disposal of property, plant and equipment		11.5	26.5
Payments for intangibles		(16.4)	(15.9)
Payments for exploration and evaluation		(51.4)	(52.3)
Payments for mine development expenditure		(174.7)	(105.3)
Acquisition of businesses and joint operations, net of cash		-	9.5
Amounts advanced to joint operations		(17.2)	-
Amounts advanced to other parties		(10.0)	-
Proceeds from sale of disposal group		-	1,206.1
Net cash (used in)/from investing activities		(816.0)	844.1
Cash flows from financing activities			
Dividends paid		(324.6)	(96.1)
Proceeds from borrowings		31.9	11.6
Repayment of borrowings		(12.8)	(11.5)
Payment of finance lease liabilities		(109.8)	(64.0)
Purchase of shares under employee share plans		(20.2)	-
Net cash used in financing activities		(435.5)	(160.0)
Net increase in cash and cash equivalents		57.9	1,278.7
Cash and cash equivalents at the beginning of the financial year		1,521.8	265.4
Effects of exchange rate changes on cash and cash equivalents		(37.6)	(22.3)
Cash and cash equivalents at the end of the financial year	9	1,542.1	1,521.8

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

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2021



1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency

The financial statements are presented in Australian dollars, which is Mineral Resources Limited's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.2 PRINCIPLES OF CONSOLIDATION

(a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(b) Associates

Associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

(c) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

(d) Employee share trust

The Group has in place a trust to administer the Group's employee share and share rights schemes. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the consolidated entity. Shares held by the Mineral Resources Employee Share Trust are disclosed as treasury shares and deducted from contributed equity.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a summary of the accounting policies that are considered significant and relevant to the preparation of the financial statements, to the extent that they have not already been disclosed in other notes to the financial statements throughout the report. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) 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 Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(c) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 million dollars, unless otherwise stated.

(d) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below. There is currently no material impact from these new standards for the Group.

AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current

The amendment applies to annual reporting periods beginning on or after 1 January 2023. This narrow-scope amendment to AASB 101 Presentation of Financial Statements clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period; and also clarifies the definition of settlement of a liability.

Application date for the Group: 1 July 2023

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

The amendment applies to annual reporting periods beginning on or after 1 January 2023. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.

Application date for the Group: 1 July 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 2014 – 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 AASB

2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The amendment applies to annual reporting periods beginning on or after 1 January 2022. These amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

As a consequence of the amendment:

- a full gain or loss on the sale or contribution of assets between an investor and investee is recognised when a transaction involves a business (whether it is housed in a subsidiary or not);
- a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Application date for the Group: 1 July 2022

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

The amendment applies to annual reporting periods beginning on or after 1 January 2022. This amending standard makes narrow scope amendments to a number of standards:

- AASB 1: to simplify its application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- AASB 3: updating the reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations;
- AASB 9: clarifying which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- AASB 116: requiring an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use, and the related cost, in profit or loss, instead of deducting the amounts received from the cost of the asset;
- AASB 137: specifying the costs that an entity includes when assessing whether a contract will be loss-making; and
- AASB 141: removing the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

Application date for the Group: 1 July 2022

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment applies to annual reporting periods beginning on or after 1 January 2023. This amending Standard impacts a number of standards:

- AASB 7: clarifying that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101: requiring entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108: clarifying how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134: identifying material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, providing guidance on how to apply the concept of materiality to accounting policy disclosures.

Application date for the Group: 1 July 2023

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates.

During FY21 the Group continued with its proactive implementation of a range of measures and adaptations to its operations in response to the COVID-19 pandemic. However, border closures and lockdowns following COVID-19 outbreaks around Australia continue to impact MRL operations, primarily through the forced curtailment of staff movements from interstate and overseas. This impacts the Group's ability to transport iron ore from its operations as the shortage of road train drivers constrains the movement of materials.

During FY21 MRL continued COVID-19 testing checks as part of the fit-for-work regime for all FIFO workers as and when required. In addition, the Group maintains its ability, through MinRes Health, to rapidly re-activate these testing services, thereby benefitting the Group and the wider resources industry and general community in Western Australia. Importantly, MinRes Health testing facilities are able to be re-commissioned within approximately 12 hours of a public health notification of a positive COVID-19 case in Western Australia. Despite these measures the challenges presented by COVID-19 are fluid and continue to change; it is therefore not practical to estimate the potential impact of COVID-19 after the reporting date. The Group will continue to assess its response to the COVID-19 pandemic on an ongoing basis.

Other than as noted above, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date.

Other key judgements, estimates and assumptions

Other key judgements, estimates and assumptions which are material to the financial report are found in the following notes:

	Note
Income tax	7
Recovery of deferred tax assets	7
Exploration and evaluation costs	16
Ore reserve and mineral resource estimates	16
Impairment of non-financial assets	17
Site rehabilitation provisions	21
Project closure	21

3. OPERATING SEGMENTS

Business segment

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

The Group continues to report its business results as three operating segments being Mining Services and Processing, Commodities, and Central. All are operating within the Australian resources sector.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes and the performance of each segment is measured based on EBITDA contribution.

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

MINERAL RESOURCES

3. OPERATING SEGMENTS (CONTINUED)

Operating segment information

	Mining Services	Commodities	Central	Intersegment*	Total
Group - 2021	**$m**	**$m**	**$m**	**$m**	**$m**
Revenue					
External revenue	546.7	3,186.9	-	-	3,733.6
Intersegment revenue	1,203.4	-	-	(1,203.4)	-
Total Revenue	1,750.1	3,186.9	-	(1,203.4)	3,733.6
Underlying EBITDA	464.2	1,517.4	(37.7)	(43.2)	1,900.7
Depreciation and amortisation	(155.5)	(111.7)	(9.5)	18.7	(258.0)
Underlying EBIT	308.7	1,405.7	(47.2)	(24.5)	1,642.7
Items excluded from underlying earnings					235.8
Net finance costs					(85.8)
Profit before tax					1,792.7
Assets					
Segment assets	1,561.8	2,316.1	2,047.9	(72.9)	5,852.9
Liabilities					
Segment liabilities	695.8	599.7	1,311.3	-	2,606.8
Segment net assets	866.0	1,716.4	736.6	(72.9)	3,246.1

* Represents elimination of internal profits that are temporarily unrealised to the Group

3. OPERATING SEGMENTS (CONTINUED)

Operating segment information (CONTINUED)

	Mining Services	Commodities	Central	Intersegment*	Total
Group - 2020	$m	$m	$m	$m	$m
Revenue					
External revenue	440.7	1,684.0	-	-	2,124.7
Intersegment revenue	834.3	-	-	(834.3)	-
Total Revenue	1,275.0	1,684.0	-	(834.3)	2,124.7
Underlying EBITDA	359.2	457.0	(28.0)	(23.0)	765.2
Depreciation and amortisation	(125.4)	(63.1)	(9.9)	4.8	(193.6)
Underlying EBIT	233.8	393.9	(37.9)	(18.2)	571.6
Items excluded from underlying earnings					955.1
Net finance costs					(90.5)
Profit before tax					1,436.2
Assets					
Segment assets	1,223.8	1,847.2	1,608.5	(48.6)	4,630.9
Liabilities					
Segment liabilities	481.7	278.0	1,575.6	-	2,335.3
Segment net assets	742.1	1,569.2	32.9	(48.6)	2,295.6

* Represents elimination of internal profits that are temporarily unrealised to the Group

3. OPERATING SEGMENTS (CONTINUED)

Reconciliation of underlying earnings to net earnings

	Pre-tax 2021	Taxation 2021	Net amount 2021	Pre-tax 2020	Net amount 2020
	$m	$m	$m	$m	$m
Underlying earnings	1,556.8	(454.2)	1,102.6	481.1	333.6
Items excluded from underlying earnings					
Impairment charges (note 17)	(46.5)	14.0	(32.5)	(285.8)	(200.0)
Net gain on sale of disposal group (note 5)	-	-	-	1,297.8	908.5
Gain on bargain purchase	-	-	-	4.2	3.0
Net fair value gain on investments (note 5)	230.3	(69.1)	161.2	(39.8)	(27.9)
Exchange gains / (losses) on net debt	52.1	(15.7)	36.4	(21.3)	(15.0)
Total excluded from underlying earnings	235.9	(70.8)	165.1	955.1	668.6
Net earnings	1,792.7	(525.0)	1,267.7	1,436.2	1,002.2

Geographical information

Refer note 4 for segment revenue disaggregation based on the geographical locations of external customers.

All non-current assets of the Group exclusive of, where applicable, financial instruments and deferred tax assets, are located in Australia.

Major customer information

During the year ended 30 June 2021, Commodities segment revenues from three customers amounted to $815.6 million, $899.3 million and $859.2 million respectively, arising from the sale of commodities and related freight revenue. No other single customer contributed 10% or more to the Group's revenue for the year.

During the year ended 30 June 2020, Commodities segment revenues from two customers amounted to $863.8 million and $258.9 million respectively, arising from the sale of commodities and related freight revenue. No other single customer contributed 10% or more to the Group's revenue for the year.

4. REVENUE

(a) Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Mining Services	Commodities	Total
Group - 2021	**$m**	**$m**	**$m**
Type of goods or service			
Sale of iron ore	-	3,057.1	3,057.1
Sale of lithium	-	129.8	129.8
Contract and operational revenue	437.8	-	437.8
Other	108.9	-	108.9
Total external revenue from contracts with customers	546.7	3,186.9	3,733.6
Geographical information (by location of customer)			
Australia	546.7	-	546.7
China	-	320.3	320.3
Singapore	-	2,866.6	2,866.6
Total external revenue from contracts with customers	546.7	3,186.9	3,733.6

	Mining Services	Commodities	Total
Group - 2020	**$m**	**$m**	**$m**
Type of goods or service			
Sale of iron ore	-	1,552.7	1,552.7
Sale of lithium	-	131.1	131.1
Contract and operational revenue	435.1	-	435.1
Other	5.5	0.3	5.8
Total external revenue from contracts with customers	440.6	1,684.1	2,124.7
Geographical information (by location of customer)			
Australia	440.6	0.3	440.9
China	-	292.8	292.8
Singapore	-	1,391.0	1,391.0
Total external revenue from contracts with customers	440.6	1,684. 1	2,124.7

4. REVENUE (CONTINUED)

(b) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs under the contract by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The Group does not have any material contract assets as at 30 June 2021, as performance and a right to consideration, occurs within a short period of time and all rights to consideration are unconditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to Note 10 for trade receivables.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

From time to time, the Group recognises contract liabilities in relation to:

- commodity sales which are sold under Cost and Freight (CFR) and Cost, Insurance and Freight (CIF) Incoterms, whereby a portion of the cash may be received from the customer before the freight/insurance services are provided; and
- mining services revenue, including crushing services, whereby mobilisation charges may be received from the customer but is to be allocated and recognised based on the actual tonnes crushed each period (each performance obligation).

See Note 18 for further details of contract liabilities disclosed within Trade and Other Payables.

Accounting policy for revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the "expected value" or "most likely amount" method. The measurement of variable consideration is subject to a constraining principle whereby revenue will be recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(i) Sale of goods

The Group earns revenue by mining, processing, and subsequently selling commodity products (including iron ore and lithium) by export to customers under a range of commercial terms.

Revenue from the sale of product is recognised at the point in time when control has been transferred to the customer, no further work or processing is required by the Group, the quantity and quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is reasonably assured. This is generally when title passes. The majority of the Group's sales agreements specify that title passes when the product is delivered to the destination specified by the customer, which is typically the vessel on which the product will be shipped. In practical terms, revenue is generally recognised on the bill of lading date, which is the date the commodity is delivered to the shipping agent. Within each contract to sell commodity products, each unit of product shipped is a separate performance obligation.

Revenue is generally recognised at the contracted price as this reflects the stand-alone selling price.

The Group's sales agreements may provide for provisional pricing of sales with pricing subsequently 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. The estimated consideration in relation to provisionally priced contracts is marked to market using the spot price at the end of each reporting period with the impact of the price movements recorded as an adjustment to sales revenue.

4. REVENUE (CONTINUED)

These sales agreements also allow for an adjustment to the sales price based on a survey of the goods by the customer (an assay for mineral content) therefore recognition of the sales revenue is based on the most recently determined estimate of product specifications. The effect of variable consideration arising from these arrangements with customers is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue recognised when any pricing uncertainty is resolved.

The Group sells the majority of its commodity products on CFR or CIF International Commercial Terms (Incoterms) which means that the Group is responsible for providing freight services and, in CIF instances, insurance, after the date at which title of the goods passes. The Group therefore has separate performance obligations for freight/insurance services provided for sale of products under CFR and CIF Incoterms.

Freight/insurance revenue is allocated from the overall contract price at its standalone selling price (where observable) or otherwise at its estimated cost plus margin. The recognition of freight/insurance revenue is deferred until the product is delivered rather than when the product is shipped.

The Group does not disclose sales revenue from freight and insurance services separately as it does not consider that this is necessary in order to understand the impact of economic factors on the Group; and the Group's Chief Operating Decision Makers (as defined in the operating segments note 3) do not review information specifically relating to these sources of revenue in order to evaluate the performance of business segments, neither is information on these sources of revenue provided externally.

The Group applies the practical expedient in AASB 15 paragraph 121 for its freight/insurance services and does not disclose information on the transaction price allocated to performance obligations that remain unsatisfied at the end of the reporting period as the performance obligations arising under sales arrangement for its commodity products have an original expected duration of one year or less.

(ii) Rendering of services

The Group's Mining Services & Processing segment earns contract and operational revenue from the provision of a range of mining services, including crushing services.

Revenue from mining services is recognised over time as the services are rendered. As mining services are invoiced on a monthly basis based on the actual services provided or at cost plus margin incurred to date, the Group has used the practical expedient available under AASB 15 to recognise revenue based on the right to invoice, on the basis that the invoiced amount corresponds directly with the value to the customer of the Group's performance completed to date.

For crushing service contracts specifically, each tonne of ore crushed represents a separate performance obligation. Revenue from the rendering of crushing services is measured and recognised as each tonne is crushed based on a schedule of rates that is invoiced to the customer, being the estimate of the price to which the Group expects to be entitled, and a corresponding trade receivable is recognised. Mobilisation / demobilisation charges on crushing service contracts constitute variable charges that will be associated and allocated to each tonne crushed (each performance obligation) and therefore recognised based on the actual tonnes crushed each period, rather than when invoiced.

The Group applies the practical expedient in AASB 15 paragraph 121 for its mining services revenue and does not disclose information on the transaction price allocated to performance obligations that remain unsatisfied at the end of the reporting period as these are not material.

5. OTHER INCOME

	Group	
	2021 $m	2020 $m
Net fair value gain on investments held at fair value through profit or loss	230.3	-
Gain on bargain purchase	-	4.2
Net (loss)/gain on disposal of property, plant and equipment	(4.0)	5.4
Net gain on sale of disposal group (a)(ii)	-	1,297.8
Other	19.0	4.5
Other income	245.3	1,311.9

5. OTHER INCOME (CONTINUED)

(a) Sale of 60% interest in Wodgina Lithium Project in the prior year

On 1 November 2019, the Group completed a transaction to sell a 60% interest in certain tenements, assets and related infrastructure, together comprising the Wodgina Lithium Project under a binding Asset Sale and Share Subscription Agreement (Sale Agreement) with Albemarle Corporation (NYSE: ALB, Albemarle). The Group recognised a pre-tax gain on disposal of $1,297.8 million (post-tax $908.5 million) in the year ended 30 June 2020.

(i) Current tax paid

Income Tax attributable to this transaction was comprised of an Income Tax payable amount of $411.2 million (included in current tax liabilities at 30 June 2020 of $415.9 million) and an offsetting Deferred Tax benefit of $21.9 million.

A total of $78.9m of the $411.2m Income Tax Payable on the transaction was paid in FY20 and the balance of $332.3m was paid in FY21, the impact of which is reflected in a reduction of the current tax liabilities balance on the consolidated balance sheet (a reduction from $415.9 million at 30 June 2020 to $166.7 million at 30 June 2021) and is included in the Income Taxes Paid total of $584.3 million in the consolidated statement of cash flows for the year ended 30 June 2021.

(ii) Assets and liabilities of disposal group at date of disposal

	Group
	$m
Assets	
Inventories	54.7
Property, plant and equipment	348.0
Exploration and mine development	128.4
Total assets disposed	531.1
Liabilities	
Lease liability	(13.5)
Provisions - site rehabilitation	(16.5)
Total liabilities associated with assets disposed	(30.0)
Net assets disposed	501.1

(iii) Gain on disposal

	Group	
	30 June 2021 $m	30 June 2020 $m
Proceeds	-	1,826.3
Net of transaction costs and other items	-	(27.4)
Less carrying amount of net assets disposed	-	(501.1)
Gain on disposal before tax	-	1,297.8
Income tax expense	-	(389.3)
Gain on disposal after tax	-	908.5

6. EXPENSES

	Group	
	2021 $m	**2020 $m**
Profit before tax includes the following specific expenses:		
Depreciation and amortisation		
Plant and equipment	183.1	161.7
Depreciation capitalised to assets	(0.2)	(0.7)
Total depreciation	182.9	161.0
Amortisation		
Mine development	72.1	28.7
Other	3.0	3.9
Total amortisation	75.1	32.6
Total depreciation and amortisation	258.0	193.6
Impairment		
Exploration and mine development (note 16)	-	71.2
Intangibles (note 17)	24.1	50.0
Property, plant and equipment (note 17)	14.2	145.4
Trade receivables	-	0.2
Inventory (note 17)	8.2	19.0
Total impairment	46.5	285.8
Finance costs		
Interest on borrowings	83.6	94.2
Interest on lease liabilities	9.4	9.0
Other	2.8	1.7
Finance costs expensed	95.8	104.9
Other expenses:		
Net foreign exchange (gain)/loss	(51.3)	22.7
Fair value loss on equity instruments at fair value through profit or loss	-	40.9
Short-term leases, low value leases and leases with variable payments	1.7	0.9
All other operating expenses	138.6	118.2
Total other expenses	89.0	182.7

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX

(a) Income tax expense

	Group	
	2021 $m	**2020 $m**
Income tax expense		
Current tax	368.4	563.1
Deferred tax - origination and reversal of temporary differences	157.4	(131.1)
Adjustment recognised for prior periods	(0.8)	2.0
Aggregate income tax expense	525.0	434.0
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(17.4)	(73.8)
Increase/(decrease) in deferred tax liabilities	174.8	(57.3)
Deferred tax - origination and reversal of temporary differences	157.4	(131.1)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,792.7	1,436.2
Tax at the statutory tax rate of 30%	537.8	430.9
Tax effect amounts which are not deductible in calculating taxable income:		
Non allowable expenses	1.6	0.1
Research and Development concessions	(13.6)	-
	525.8	431.0
Adjustment recognised for prior periods	(0.8)	2.0
Current year tax losses not recognised	-	1.0
Income tax expense	525.0	434.0

7. INCOME TAX (CONTINUED)

	Group	
	2021 $m	2020 $m
Amounts charged directly to equity		
Deferred tax liabilities	-	0.2
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	33.5	30.0
Potential tax benefit @ 30%	10.0	9.0

The above potential tax benefit for tax losses has not been recognised in the balance sheet. These tax losses can only be utilised (or transferred in upon joining the tax consolidated group) in the future if the continuity of ownership test is passed, or failing that, the business continuity test is satisfied.

7. INCOME TAX (CONTINUED)

(b) Deferred tax asset

	Group	
	2021 $m	2020 $m
Deferred tax asset Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	1.3	1.3
Contract liabilities	7.4	4.0
Employee benefits	15.4	16.1
Provisions	59.4	38.3
Accrued expenses	5.5	7.3
Unrealised foreign exchange (gain) / loss	(0.4)	13.5
Financial assets at fair value through profit or loss	-	22.6
Inventories	0.1	4.6
Development costs	30.9	10.7
Tax losses	5.2	1.4
Black-hole deductions	3.7	-
Deferred tax asset	128.5	119.8
Movements:		
Opening balance	119.8	45.5
Credited to profit or loss	17.4	73.8
Additions through business combinations (note 28)	-	0.3
(Over)/under provision from prior year	(8.7)	0.2
Closing balance	128.5	119.8

7. INCOME TAX (CONTINUED)

(c) Deferred tax liability

	Group	
	2021 $m	2020 $m
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Trade and other receivables	16.0	(5.1)
Property, plant and equipment	195.0	91.8
Exploration and evaluation	17.7	16.6
Research and development	33.2	8.3
Prepayments	9.2	10.4
Financial assets	50.0	-
Other	1.6	0.5
Deferred tax liability	322.7	122.5
Movements:		
Opening balance	122.5	185.6
Debited / (Credited) to profit or loss	174.7	(57.3)
Charged to equity	-	0.2
Additions through business combinations (note 28)	-	0.9
(Over)/under provision from prior year	25.5	(6.9)
Closing balance	322.7	122.5

Accounting policy for income tax

The income tax expense for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Key judgement: Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises the amount of tax payable or recoverable based on management's best estimate of the most likely outcome. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

7. INCOME TAX (CONTINUED)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Key judgement: Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Mineral Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax group.

Assets or liabilities arising under tax funding agreements with the tax group are recognised as amounts receivable from or payable to other entities in the tax group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

8. EARNINGS PER SHARE

	Group	
	2021 $m	2020 $m
Profit after tax	1,267.7	1,002.2
Non-controlling interest	2.0	1.5
Profit after income tax attributable to the owners of Mineral Resources Limited	1,269.7	1,003.7
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	188,612,740	188,326,986
Weighted average number of ordinary shares used in calculating diluted earnings per share	188,612,740	188,326,986
	Cents	Cents
Basic earnings per share	673.18	532.96
Diluted earnings per share	673.18	532.96

8. EARNINGS PER SHARE (CONTINUED)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Mineral Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

9. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

	Group	
	2021 $m	2020 $m
Current		
Cash at bank and on hand	1,327.6	1,184.9
Short-term deposits and other cash equivalents	214.5	336.9
	1,542.1	1,521.8

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, short-term deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. CASH AND CASH EQUIVALENTS (CONTINUED)

(b) Cash flow information - Reconciliation of profit after tax to net cash from operating activities

	Group	
	2021 $m	2020 $m
Profit after income tax expense for the year	1,267.7	1,002.2
Adjustments for:		
Depreciation and amortisation	258.0	193.6
Share-based payments	10.2	6.7
Foreign exchange differences	(52.0)	44.9
Impairment loss	46.5	285.8
Net loss/ (gain) on disposal of property, plant and equipment	4.0	(5.4)
Net gain on sale of disposal group	-	(1,297.8)
Fair value (gain)/ loss on investments held at fair value through profit or loss	(230.3)	40.9
Other non-cash transactions	(2.8)	1.1
Change in operating assets and liabilities:		
Increase in trade and other receivables	(123.6)	(9.1)
Increase in inventories	(12.7)	(53.9)
Increase in deferred tax assets	(10.4)	(68.1)
Decrease/(increase) in other operating assets	1.1	(8.9)
Increase in trade and other payables	196.8	70.4
(Decrease)/ increase in provision for income tax	(249.2)	470.4
Increase/(decrease) in deferred tax liabilities	200.2	(85.0)
Increase in provisions	5.9	6.8
Net cash from operating activities	1,309.4	594.6

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are classified as financial assets held at amortised cost.

9. CASH AND CASH EQUIVALENTS (CONTINUED)

(c) Cash flow information – Changes in liabilities arising from financing activities

	Lease liability	Senior unsecured notes	Other borrowings	Total
Group	$m	$m	$m	$m
Balance at 1 July 2019	153.2	982.6	1.1	1,136.9
Net cash (used in)/from financing activities	(64.1)	-	0.1	(64.0)
Lease liabilities recognised on adoption of AASB 16	11.7	-	-	11.7
Acquisition of leases	183.7	-	-	183.7
Exchange differences	-	21.8	-	21.8
Other changes	(1.7)	2.3	-	0.6
Balance at 30 June 2020	282.8	1,006.7	1.2	1,290.7
Net cash from/(used in) financing activities	(109.8)	-	25.2	(84.6)
Acquisition of leases	172.6	-	-	172.6
Exchange differences	-	(88.9)	-	(88.9)
Other changes	(30.4)	2.4	-	(28.0)
Balance at 30 June 2021	315.2	920.2	26.4	1,261.8

10. TRADE AND OTHER RECEIVABLES

	Group	
	2021 $m	2020 $m
Current		
Trade receivables	301.7	180.1
Less: Allowance for expected credit losses	(4.3)	(4.2)
	297.4	175.9
Loan receivables	33.9	1.6
	331.3	177.5
Non-current		
Loan receivables	46.9	37.7
Less: Allowance for expected credit losses	(0.5)	(0.5)
	46.4	37.2
Other receivables	-	4.9
Security deposits	0.9	1.4
Deferred consideration receivable from sale of disposal group (note 24)	606.1	606.1
	653.4	649.6

Expected credit losses on trade and other receivables are not material. Further information about the Group's exposure to credit and market risks, and impairment losses for trade receivables and contract assets is included in Note 24.

Accounting policy for trade and other receivables

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment losses. Trade receivables are generally due for settlement within 30 days.

Refer note 24 for the Group's credit risk management policies.

Impairment of trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that a receivable is credit-impaired. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Debts which are known to be uncollectable are written off by reducing the carrying amount directly. If an impairment allowance has been recognised for a debt that then becomes uncollectable, the debt is written off against the allowance account. If an amount is subsequently recovered, it is credited against profit or loss.

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Loans and other receivables

Other receivables generally arise from transactions outside the usual operating activities of the Group. Loans and other receivables are classified as financial assets held at amortised cost, less any allowance for impairment losses.

The Group's other receivables do not contain impaired assets and are not past due. Based on the credit history, it is expected that these other receivables will be received when due.

11. INVENTORIES

	Group	
	2021 $m	2020 $m
Current		
Raw materials and stores	52.4	48.5
Ore inventory stockpiles	67.3	91.7
Work in progress	2.9	15.4
	122.6	155.6
Non-current		
Ore inventory stockpiles	62.4	35.3

Accounting policy for inventories

Raw materials, work in progress and finished goods are stated at the lower of weighted average cost and net realisable value. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

12. OTHER ASSETS

	Group	
	2021 $m	2020 $m
Current		
Prepayments	37.6	38.8
Foreign exchange forward contracts	(0.3)	-
	37.3	38.8

13. FINANCIAL ASSETS

	Group	
	2021 $m	2020 $m
Non-current		
Shares in listed corporations - at fair value through profit or loss	296.1	42.3
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	42.3	75.1
Additions	40.2	8.1
Disposals	(9.6)	(1.1)
Transfer (note 30)	(7.1)	-
Revaluation	230.3	(39.8)
Closing fair value	296.1	42.3

Refer to note 24 for further information on fair value measurement.

Accounting policy for investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income (FVOCI) are classified as financial assets at fair value through profit or loss (FVTPL). Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The Group's investments in equity instruments that are not held for trading are measured at FVTPL. An irrevocable election has not been made by management to measure any instruments at FVOCI. This election is made on an investment by investment basis.

14. PROPERTY, PLANT AND EQUIPMENT

	Group	
	2021 $m	2020 $m
Non-current		
Land - cost	25.4	14.4
Buildings - cost	241.7	95.4
Less: Accumulated depreciation	(46.5)	(41.0)
	195.2	54.4
Right-of-use buildings - at cost	12.7	47.0
Less: Accumulated depreciation	(8.9)	(7.0)
	3.8	40.0
Right-of-use plant and equipment - cost	550.7	383.5
Less: Accumulated depreciation	(152.0)	(112.2)
	398.7	271.3
Plant and equipment - cost	1,743.1	1,434.8
Less: Accumulated depreciation	(541.6)	(449.0)
	1,201.5	985.8
	1,824.6	1,365.9

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land	Building	Right-of-use buildings	Right-of-use plant and equipment	Plant and equipment	Total
Group	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Balance at 1 July 2019	14.4	10.4	-	159.1	1,116.7	1,300.6
Additions	-	-	47.0	135.5	218.1	400.6
Additions through business combinations (note 28)	-	-	-	0.1	9.2	9.3
Disposals	-	-	-	(10.1)	(12.6)	(22.7)
Impairment of assets	-	-	-	-	(145.4)	(145.4)
Transfers	-	50.7	-	40.4	(106.6)	(15.5)
Depreciation expense	-	(6.7)	(7.0)	(53.7)	(93.6)	(161.0)
Balance at 30 June 2020	14.4	54.4	40.0	271.3	985.8	1,365.9
Additions	9.5	142.1	1.7	183.7	365.6	702.6
Disposals	-	-	(31.7)	(8.8)	(7.2)	(47.7)
Impairment of assets	-	-	-	-	(14.2)	(14.2)
Transfers	1.5	4.2	0.1	11.6	(16.3)	1.1
Depreciation expense	-	(5.5)	(6.3)	(59.1)	(112.2)	(183.1)
Balance at 30 June 2021	25.4	195.2	3.8	398.7	1,201.5	1,824.6

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 30 June 2021 was not material. In the prior year ended 30 June 2020, the amount of borrowing costs capitalised was not material.

Assets in the course of construction

At 30 June 2021, there were no material amounts included in property, plant and equipment relating to assets in the course of construction. In the prior year ended 30 June 2020, there were no material amounts included in property, plant and equipment relating to assets in the course of construction.

Impairment testing

Refer to note 17 for details of impairment testing.

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accounting policy for property, plant and equipment

Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self- constructed assets includes the cost of materials, direct labour and an appropriate portion of production overheads. The cost of self-constructed and acquired assets includes (i) the initial estimate at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and (ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Right-of-use assets

The Group has adopted AASB 16 Leases (AASB 16) from 1 July 2019. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the balance sheet when a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Depreciation

Depreciation is calculated either on the straight-line method to write off the net cost of each item of property, plant and equipment over the shorter of the lease term (where applicable) and their expected useful lives, or units of production method where the Group's ore reserves are used to determine the units of production depreciation.

Buildings	40 years
Buildings at mine sites	10 years or usage basis
Right-of-use buildings	Shorter of 40 years or the term of the lease
Right-of-use plant	Shorter of 3-20 years or the term of the lease
Plant and equipment	1 - 10 years or usage basis

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent costs

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

15. INTANGIBLES

	Group	
	2021 $m	2020 $m
Non-current		
Goodwill - cost	1.4	1.4
Development - at cost	-	21.8
Patents - cost	-	1.7
Access rights - cost	56.7	56.7
Less: Accumulated amortisation and impairment	(37.9)	(35.6)
	18.8	21.1
Other - cost	23.0	7.1
Less: Accumulated amortisation	(6.5)	(5.2)
	16.5	1.9
	36.7	47.9

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Goodwill	Capitalised development costs	Patents	Access rights	Others	Total
Group	$m	$m	$m	$m	$m	$m
Balance at 1 July 2019	1.4	56.7	1.7	23.6	1.3	84.7
Additions	-	15.1	-	-	2.0	17.1
Impairment of assets	-	(50.0)	-	-	-	(50.0)
Amortisation expense	-	-	-	(2.5)	(1.4)	(3.9)
Balance at 30 June 2020	1.4	21.8	1.7	21.1	1.9	47.9
Additions	-	0.6	-	-	15.9	16.5
Impairment of assets	-	(22.4)	(1.7)	-	-	(24.1)
Amortisation expense	-	-	-	(2.3)	(1.3)	(3.6)
Balance at 30 June 2021	1.4	-	-	18.8	16.5	36.7

15. INTANGIBLES (CONTINUED)

Allocation of goodwill to cash-generating units

The following cash generating units have carrying amounts of goodwill:

	Group	
	2021 $m	2020 $m
Process Minerals International Pty Ltd	1.4	1.4

Impairment testing

Refer to note 17 for details of impairment testing

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised when it is available for use in the manner intended by management on a straight-line basis over the period of their expected benefit.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit.

Access rights

Access rights acquired as part of a business combination are recognised separately from goodwill. The rights are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the access rights over their estimated useful lives.

Other Intangibles

Other Intangible assets are carried at cost and amortisation is calculated based on their useful life.

16. EXPLORATION AND MINE DEVELOPMENT

	Group	
	2021 $m	2020 $m
Non-current		
Exploration and evaluation	163.5	132.0
Mine development	765.5	475.9
Less: Accumulated amortisation	(203.2)	(131.5)
	562.3	344.4
	725.8	476.4

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration and evaluation	Mine development	Total
Group	$m	$m	$m
Balance at 1 July 2019	163.4	245.1	408.5
Additions	47.9	118.1	166.0
Disposals	-	(10.2)	(10.2)
Impairment of assets	(53.7)	(17.5)	(71.2)
Reassessment of rehabilitation	-	12.0	12.0
Transfers	(25.6)	25.6	-
Amortisation expense	-	(28.7)	(28.7)
Balance at 30 June 2020	132.0	344.4	476.4
Additions	66.9	190.7	257.6
Disposals	(2.4)	-	(2.4)
Reassessment of rehabilitation	-	65.9	65.9
Transfers	(33.0)	33.0	-
Amortisation expense	-	(71.7)	(71.7)
Balance at 30 June 2021	163.5	562.3	725.8

16. EXPLORATION AND MINE DEVELOPMENT (CONTINUED)

Accounting policy for exploration and mine development assets

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the balance sheet where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable ore reserves.

Key judgement: Exploration and evaluation costs

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are capitalised only if expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of ore reserves and mineral resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, the expenditure incurred in relation to the project or an area of interest will be written off in the period in which this determination is made.

Mine development

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which mineral resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the development expenditure and classified under non-current assets as development properties.

A development property is reclassified as a mining property at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

Depreciation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of estimated total ore to be mined. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The Group adopts a Run of Mine (ROM) tonnes of ore produced methodology.

Development properties are tested for impairment in accordance with the policy on impairment of assets.

Key estimate: Ore reserve and mineral resources

Ore reserves are estimates of the amount of product that can be economically and legally extracted from the Group's current mining tenements. The Group estimates its ore reserves based on information compiled by appropriately qualified persons able to interpret the geological data. The estimation of recoverable ore reserves is based on factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

Changes in the ore reserve or mineral resource estimates may impact on the value of exploration and evaluation assets, mine properties, property plant and equipment, provision for rehabilitation and depreciation and amortisation charges.

Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping costs both during the development phase and production phase of its operations.

Development stripping costs arise from the removal of overburden and other mine waste materials removed during the development of a mine site in order to access the mineral deposit. Costs directly attributable to development stripping activities, inclusive of an allocation of relevant overhead expenditure, are initially capitalised to exploration and evaluation expenditure. Capitalisation of development stripping costs ceases at the time that saleable material begins to be extracted from the mine. On completion of development, all capitalised development stripping included in exploration and evaluation is transferred to mine development.

Production stripping commences at the time that saleable materials begin to be extracted from the mine and, under normal circumstances, continue throughout the life of the mine. Costs of production stripping are charged to the profit or loss as operating costs when the ratio of waste material to ore extracted for a

16. EXPLORATION AND MINE DEVELOPMENT (CONTINUED)

"component" of the ore body is expected to be constant throughout its estimated life. A "component" is a specific section of the orebody that is made more accessible by the stripping activity. It will typically be a subset of the larger orebody that is distinguished by a separate useful economic life.

When the ratio of waste to ore is not expected to be constant, production stripping costs are accounted for as follows:

(i) All costs are initially charged to profit or loss and classified as operation costs.

(ii) When the current ratio of waste to ore is greater than the estimated life-of-component strip ratio, a portion of the stripping costs (inclusive of an allocation of relevant overhead expenditure) is capitalised to mine development as a stripping activity asset.

(iii) The amount of production stripping costs capitalised or charged in a financial year is determined so that the stripping expense for the financial year reflects the estimated life-of-component strip ratio. The stripping activity asset is amortised on a units-of-production method over the life of the component, unless another method is more appropriate.

Life-of-component strip ratios are based on estimates of ore reserves and mineral resources and the latest approved mine plan; they are a function of the mine design and therefore changes to that design will generally result in changes to the ratios. Changes to the estimated life-of-mine ratio are accounted for prospectively from the date of the change.

17. IMPAIRMENT OF NON-FINANCIAL ASSETS

	Pre-tax	Taxation	Net amount	Pre-tax	Taxation	Net amount
Group	**2021 $m**	**2021 $m**	**2021 $m**	**2020 $m**	**2020 $m**	**2020 $m**
Mining Services	(14.4)	4.3	(10.1)	(139.4)	41.8	(97.6)
Commodities	(5.2)	1.6	(3.6)	(109.1)	32.8	(76.3)
Central	(26.9)	8.1	(18.8)	(37.3)	11.2	(26.1)
Total impairment charge	(46.5)	14.0	(32.5)	(285.8)	85.8	(200.0)

Impairment testing

The Group tests non-financial assets for impairment:

- At least annually for indefinite life intangibles and goodwill; and
- Where there is an indication that the asset may be impaired.

If the asset does not generate independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs. The recoverable amount of each CGU is determined based on the higher of an asset's fair value less costs of disposal (FVLCD) and value- in-use (VIU).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

17. IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

Key assumptions: Assumptions used in the impairment assessments of non-financial assets

In determining the recoverable amount of assets, key assumptions and estimates are used that require significant levels of judgement and are subject to risk and uncertainty that are beyond the control of the Group, including political risk, climate risk, and other global uncertainty risks, such as the impact of COVID-19.

Key assumptions contained in the cash flow projections for FVLCD and VIU models include:

- Estimates of future production, operating costs, capital expenditure, and rehabilitation:
  The estimation of the future production driving the cash flow projections is based on a detailed data analysis that reflects current life of mine and long-term production plans. As each area of interest has specific economic characteristics, the cash flows applied have been calculated using appropriate models and key assumptions established by management;
- Future commodity prices:
  Commodity prices are estimated with reference to externally sourced, forward consensus prices, adjusted for ore properties;
- Future foreign exchange rates:
  Exchange rates are estimated with reference to externally sourced forward consensus rates;
- Discount rates:
  The cash flows are discounted using a real pre-tax discount rate of 8.3%, representing the target weighted average cost of capital for the Group, with appropriate adjustments made to reflect the risks specific to the cash generating unit;
- Terminal values:
  The terminal value calculation used in VIU models incorporates a nominal growth rate of 2.0% based on industry research and long-term inflation rates.

Recognised impairment – FY21

Assets are firstly assessed for impairment at the individual level. For the current financial year, this resulted in a pre-tax total of $46.5 million of impairments recognised in relation to various classes of assets, being:

- $24.1 million of capitalised development costs and associated intellectual property were impaired to align carrying values with future recovery expectations.
- $22.4 million of various idle plant and equipment and inventory were impaired to reflect a change in management's future operational plans which no longer required utilisation of these assets.

The Group considered assets which are assessed for impairment at the CGU level, with these assessments net of impairments summarised above. There was no resulting impairment charge for the year ended 30 June 2021 at the CGU level. There was no reversal of previous impairments recorded.

17. IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

Previously recognised impairment - FY20

In the previous financial year, an impairment expense of $285.8 million represented the write-down of various classes of assets, being:

- $71.2 million of capitalised exploration and mine development expenditure associated with the tenements in the Yilgarn region. Following a reassessment during the year of the Group's future iron ore operating plans in the Yilgarn region, the Group updated its Yilgarn Iron Ore Strategy which it announced to the ASX on 20 November 2019. The Yilgarn Iron Ore Strategy no longer places dependency on the need to mine at several deposits in which the Group had previously conducted significant exploration and development work. As a result, an impairment charge was recorded to fully write-off associated accumulated exploration and mine development expenditure;
- $145.4 million of various idle plant and equipment was impaired to reflect a change in management's future operational plans which no longer required utilisation of these assets; $22.5 million of this related to infrastructure associated with the Yilgarn tenements noted above;
- $15.4 million of ore stockpiles and $3.6 million of other inventory impaired to net realisable value; and
- $50.0 million of capitalised development costs to align recovery expectations with current carrying values.

18. TRADE AND OTHER PAYABLES

	Group	
	2021 $m	2020 $m
Current liabilities		
Trade payables and accruals	557.3	305.9
Contract liabilities (note 4(b))	24.5	13.2
	581.8	319.1

Refer to note 24 for further information on financial instruments.

19. BORROWINGS

	Group	
	2021 $m	2020 $m
Current		
Other borrowings	26.4	1.2
Lease liability	130.9	99.3
	157.3	100.5
Non-current		
Senior unsecured notes (i)	931.1	1,020.0
Less: capitalised transaction costs	(10.9)	(13.3)
Lease liability	184.4	183.5
	1,104.6	1,190.2

(i) US$700 million senior unsecured notes offering due 2027, at an interest rate of 8.125% per annum.

Refer to note 24 for further information on financial instruments.

Accounting policy for borrowings

Loans and borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments are comprised of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the balance sheet as right-of-use assets and revert to the lessor in the event of default.

MINERAL RESOURCES

20. EMPLOYEE BENEFITS

	Group	
	2021 $m	2020 $m
Current		
Employee benefits	69.4	53.4

Accounting policy for employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The current provision includes amounts for vested long service leave for which the Group does not have an unconditional right to defer settlement, regardless of when the actual settlement is expected to occur. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

21. PROVISIONS

	Group	
	2021 $m	2020 $m
Current		
Project closure	7.1	10.8
Site rehabilitation	1.4	17.2
Other	0.7	1.5
	9.2	29.5
Non-current		
Project closure	15.2	9.3
Site rehabilitation	179.9	89.0
	195.1	98.3

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Project closure	Site rehabilitation	Other
Group - 2021	$m	$m	$m
Carrying amount at the start of the year	20.0	106.3	1.5
Additional provisions recognised	9.0	74.8	0.2
Amounts used	(3.7)	(0.5)	-
Unused provisions reversed	(3.0)	-	(1.0)
Unwinding of discount	-	0.7	-
Carrying amount at the end of the year	22.3	181.3	0.7

21. PROVISIONS (CONTINUED)

Accounting policy for provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Key estimate: Site rehabilitation provisions

In accordance with the Group's legal requirements, provision is made for the anticipated costs of future restoration and rehabilitation of areas from which natural resources have been extracted. The provision includes costs associated with dismantling of assets, reclamation, plant closure, waste site closure, monitoring, demolition and decontamination. The provision is based upon current costs and has been determined on a discounted basis with reference to current legal requirements and current technology.

Each period the impact of unwinding of the discount is recognised in the income statement as a financing cost. Any change in the restoration provision is recorded against the carrying value of the provision and the related asset, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, with the effect being recognised in the income statement on a prospective basis over the remaining life of the relevant operation. The restoration provision is separated into current (estimated costs arising within 12 months) and non-current components based on the expected timing of these cash flows.

Key estimate: Project closure

At the completion of some projects the Group has a liability for redundancy and the cost of relocating crushing and other mobile plant. An assessment is undertaken on the probability that such expenses will be incurred in the normal course of business for contracting services and is provided for in the financial statements.

22. ISSUED CAPITAL

	Group			
	2021 Shares	2020 Shares	2021 $m	2020 $m
Ordinary shares	188,735,982	188,469,830	535.9	526.6
Less: Treasury Shares (Employee Share Plans)	(534,582)	(698,611)	(21.4)	(10.3)
	188,201,400	187,771,219	514.5	516.3

22. ISSUED CAPITAL (CONTINUED)

Movements in issued capital

Details	Ordinary shares Number	Less: Treasury shares Number	Total Number
Balance at 1 July 2019	188,098,571	(795,359)	187,303,212
Shares issued under Dividend Reinvestment Plan	371,259	-	371,259
Employee share awards issued	-	96,748	96,748
Balance at 30 June 2020	188,469,830	(698,611)	187,771,219
Shares issued under Dividend Reinvestment Plan	266,152	-	266,152
Purchase of shares under employee share plans	-	(449,293)	(449,293)
Employee share awards issued	-	613,322	613,322
Balance at 30 June 2021	188,735,982	(534,582)	188,201,400

Details	Ordinary shares $m	Less: Treasury shares $m	Total $m
Balance at 1 July 2019	519.6	(11.7)	507.9
Shares issued under Dividend Reinvestment Plan	5.4	-	5.4
Employee share awards issued	1.6	1.4	3.0
Balance at 30 June 2020	526.6	(10.3)	516.3
Shares issued under Dividend Reinvestment Plan	9.2	-	9.2
Purchase of shares under employee share plans	-	(20.2)	(20.2)
Employee share awards issued	0.1	9.1	9.2
Balance at 30 June 2021	535.9	(21.4)	514.5

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Movements in treasury shares represent acquisition of the Company's shares on market and allocation of shares to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment plans.

23. DIVIDENDS

Dividends

	2021		2020	
	Dividend per share Cents	Total $m	Dividend per share Cents	Total $m
Declared and paid during the year				
Final franked dividend for the year ended 30 June 2020 (2019: 30 June 2019)	77.00	145.2	31.00	58.1
Interim franked dividend for the year ended 30 June 2021 (2020: 30 June 2020)	100.00	188.6	23.00	43.4
	177.00	333.8	54.00	101.5
Proposed				
Final franked dividend for the year ended 30 June 2021 (2020: 30 June 2020)	175.00	329.4	77.00	144.6

Franking credits

	Group	
	2021 $m	2020 $m
Franking credits available for subsequent financial years based on a tax rate of 30%	903.0	716.0

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.

24. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group may look to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current Company's share price at the time of the investment. The Group is actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on financing arrangement covenants during the financial year.

The capital risk management policy remains unchanged from the prior year.

24. FINANCIAL INSTRUMENTS (CONTINUED)

The gearing ratio at the reporting date was as follows:

	Group	
	2021 $m	2020 $m
Current liabilities - borrowings (note 19)	157.3	100.5
Non-current liabilities - borrowings (note 19)	1,104.6	1,190.2
Total borrowings	1,261.9	1,290.7
Current assets - cash and cash equivalents (note 9)	(1,542.1)	(1,521.8)
Cash and cash equivalents, net of debt	(280.2)	(231.1)
Total equity	3,246.1	2,295.6
Total capital	2,965.9	2,064.5
Gearing ratio	(9%)	(11%)

(b) Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures.

Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

(c) Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the Group against unfavourable exchange rate movements for both the contracted and anticipated future sales undertaken in foreign currencies. Certain of these foreign exchange forward contracts are designated as hedging instruments, detailed in note 25(g).

24. FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Group	2021 $m	2020 $m	2021 $m	2020 $m
USD denominated	681.7	654.2	1,211.2	1,038.4

The following table demonstrates the sensitivity of these foreign currency denominated financial assets and financial liabilities to a weakening/strengthening in the Australian dollar, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

		2021		2020	
	AUD strengthened/ (weakened) %	Profit before tax higher/(lower) $m	Equity higher/(lower) $m	Profit before tax higher/(lower) $m	Equity higher/(lower) $m
USD denominated	5%	25.2	25.2	18.3	18.5
USD denominated	-5%	(27.9)	(27.9)	(20.2)	(20.4)

Commodity price risk

The Group is exposed to commodity price risk which arises from the Group's sale of iron ore, lithium direct ship ore (DSO) and lithium spodumene concentrate at contracted and/or spot prices.

		2021		2020	
	Change in price %	Profit before tax higher/lower $m	Equity higher/(lower) $m	Profit before tax higher/(lower) $m	Equity higher/(lower) $m
Iron Ore	+/- 10%	305.7	305.7	155.5	155.5
Lithium DSO	+/- 10%	-	-	0.9	0.9
Lithium Spodumene	+/- 10%	13.0	13.0	12.2	12.2

Equity price risk

The Group's investment in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Board reviews and approves all equity investment decisions.

At the reporting date, the Group's exposure to listed equity securities at fair value was $296.1 million (2020: $42.3 million). A decrease of 10% (2020: 10%) on the share prices could have an impact of approximately $29.6 million (2020: $4.2 million) on the profit or loss attributable to the Group.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial instruments that have variable interest rates.

24. FINANCIAL INSTRUMENTS (CONTINUED)

As at the reporting date, the Group is exposed to interest rate risk on its variable rate financial instruments as follows:

	2021		2020	
Group	Weighted average interest rate %	Balance $m	Weighted average interest rate %	Balance $m
Cash at bank and on hand	0.210%	1,327.6	0.880%	1,184.9
Net exposure to cash flow interest rate risk		1,327.6		1,184.9

An analysis by remaining contractual maturities is shown in 'liquidity risk' note 24(e) below.

The Group has considered sensitivity relating to exposure to interest rate risk at reporting date. An official increase/decrease in interest rate of 100 (2020: 100) basis points would have a favourable/adverse effect on the profit before tax of $13.3 million (2020: $11.8 million) per annum.

(d) Credit risk

Nature of the risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to financial position credit risk are as indicated by the carrying amounts of its financial assets, primarily from customer receivables from operating activities and deposits with financial instruments from financing activities. The Group does not have a significant exposure to any individual counterparty.

Credit risk management: trade receivables and contract assets

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and available forward-looking information.

The Group has a strict policy for extending credit to customers, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk and obtains letters of credit to mitigate credit risk for commodity sales. The maximum exposure to credit risk at the reporting date to trade receivables and contract assets is the carrying amount, net of any allowances for credit losses, as disclosed in the balance sheet and notes to the financial statements. The Group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

In monitoring customer credit risk, customers are grouped according to their credit characteristics and counterparty type, including whether they arise from commodity sales, crushing and processing services or construction contracts, and the existence of previous financial difficulties.

The Group's exposure to credit risk for trade receivables and contract assets by counterparty type as at the reporting date was as follows.

24. FINANCIAL INSTRUMENTS (CONTINUED)

	Group	
	2021 $m	2020 $m
Commodity sale customers	104.5	33.7
Crushing and processing services customers	73.0	51.5
Other mining services	55.7	47.7
Other	64.3	43.0
	297.5	175.9

The Group uses an allowance matrix to measure the ECLs of trade receivables based on shared credit risk characteristics and days past due. At 30 June 2021, the Group had $46.9 million (2020: $14.6 million) of trade receivables past due. These past due receivables substantially relate to customers for whom there is no history of default. On this basis, the resulting allowance for credit losses on trade receivables is not material.

At 30 June 2021, the carrying amount of receivables and contract assets for the Group's three major customers (commodity sale customers) (2020: two commodity sale customers) totalled $152.2 million (2020: $4.3 million).

The Group has no customers who are credit-impaired at the reporting date.

Credit risk management: cash deposits and derivatives

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are Australian banks with high credit-ratings assigned by international credit-rating agencies.

Credit risk management: loan receivables and other financial assets

Lending to external parties may be provided; secured by acceptable collateral as defined in the Group credit policy and business unit procedures. The Group restricts its dealings to counterparties that have acceptable credit ratings. Should the rating of a counterparty fall below certain levels, Group policy dictates that approval by the Board is required to maintain the level of the counterparty exposure. Alternatively, management may consider closing out positions with the counterparty or novating open positions to another counterparty with acceptable credit ratings.

Credit risk management: financial guarantees given to banks

There is also exposure to credit risk when the Group provides a guarantee to another party. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called upon. Details of contingent liabilities are disclosed in note 25.

(e) Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

24. FINANCIAL INSTRUMENTS (CONTINUED)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Group	
	2021 $m	2020 $m
Total facilities		
Bank overdraft	4.0	4.0
Syndicated loan facility	250.0	250.0
Senior unsecured notes	931.1	1,020.0
Lease liability	350.0	250.0
Other borrowings	21.0	21.0
Bank guarantee	40.0	40.0
	1,596.1	1,585.0
Used at the reporting date		
Bank overdraft	-	-
Syndicated loan facility	-	-
Senior unsecured notes	931.1	1,020.0
Lease liability	311.1	243.8
Other borrowings	1.3	1.2
Bank guarantee	21.6	33.9
	1,265.1	1,298.9
Unused at the reporting date		
Bank overdraft	4.0	4.0
Syndicated loan facility	250.0	250.0
Senior unsecured notes	-	-
Lease liability	38.9	6.2
Other borrowings	19.7	19.8
Bank guarantee	18.4	6.1
	331.0	286.1

24. FINANCIAL INSTRUMENTS (CONTINUED)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the balance sheet.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Group - 2021	%	$m	$m	$m	$m	$m
Non-derivatives						
Non-interest bearing						
Trade payables	-	506.8	-	-	-	506.8
Interest-bearing - fixed rate						
Senior unsecured notes	8.125%	-	-	-	931.1	931.1
Lease liability	2.760%	130.9	95.4	88.9	0.1	315.3
Other	0.850%	1.3	-	-	-	1.3
Total non-derivatives		639.0	95.4	88.9	931.2	1,754.5

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Group - 2020	%	$m	$m	$m	$m	$m
Non-derivatives						
Non-interest bearing						
Trade payables	-	319.1	-	-	-	319.1
Interest-bearing - fixed rate						
Senior unsecured notes	8.125%	-	-	-	1,020.0	1,020.0
Lease liability	3.616%	99.3	89.9	72.7	20.9	282.8
Other	1.030%	1.2	-	-	-	1.2
Total non-derivatives		419.6	89.9	72.7	1,040.9	1,623.1

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

24. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair value of financial instruments

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 $m	Level 2 $m	Level 3 $m	Total $m
Group - 2021				
Assets Financial assets held at fair value through profit or loss:				
- Shares in listed corporations	296.1	-	-	296.1
- Deferred consideration receivable from sale of disposal group	-	-	606.1	606.1
Total assets	296.1	-	606.1	902.2
Liabilities				
Other liabilities: Foreign exchange forward contracts in cash flow hedges	(0.3)	-	-	(0.3)
Total liabilities	(0.3)	-	-	(0.3)

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Group - 2020				
Assets Financial assets held at fair value through profit or loss:				
- Shares in listed corporations	42.3	-	-	42.3
- Deferred consideration receivable from sale of disposal group	-	-	606.1	606.1
Total assets	42.3	-	606.1	648.4
Liabilities				
Other liabilities: Foreign exchange forward contracts in cash flow hedges	(5.9)	-	-	(5.9)
Total liabilities	(5.9)	-	-	(5.9)

Unless otherwise stated the carrying amount of financial instruments reflect their fair value.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

24. FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques for fair value measurements categorised within level 3

The basis of the valuation of deferred consideration receivable is fair value. The Group obtained an independent valuation of the deferred consideration measured at fair value, arising from the sale of Wodgina on 1 November 2019. The main level 3 inputs used in the independent valuation were derived and evaluated as follows:

- Discount rate, assumed fixed tolling charges per annum per feed tonne capacity, assumed variable tolling charges per wet metric tonne feed.
- Considered against the value implied by the Wodgina sale consideration for the arms-length transaction that completed on 1 November 2019.

The Group assessed that there were no material changes at the end of the reporting period since initial recognition.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

25. CONTINGENT LIABILITIES

Legal claim contingency

(a) Subiaco lease for corporate headquarters

In July 2020, the Group terminated the lease agreement for corporate headquarters in Subiaco. The parties have since been in dispute over the validity of the termination. Both parties have alleged that they have incurred damages in connection with the disputed lease and the termination.

The status of the dispute is still preliminary and any potential award of damages against the Group is only possible, not probable, and cannot be reliably estimated as at the date of this report. Accordingly, no additional provision for liability has been made in these financial statements.

(b) Validity of Wonmunna mining leases

Fortescue Metals Group (ASX: FMG) (FMG) commenced legal proceedings against the Minister for Mines and Petroleum, the DMIRS Registrar and Wonmunna Iron Ore Pty Ltd (an MRL subsidiary), seeking declarations that the Wonmunna mining leases (M47/1423, M47/1424, M47/1425) are invalid. In its claim, FMG alleges that the Minister did not have jurisdiction to grant the mining leases in 2012 as the applications for the mining leases in 2008 were not accompanied by mineralisation reports. Wonmunna Iron Ore Pty Ltd denies these claims and is defending the action.

MINERAL RESOURCES

25. CONTINGENT LIABILITIES (CONTINUED)

The status of the matter is still preliminary and legal costs or potential claims are only possible, not probable, and cannot be reliably estimated as at the date of this report. Accordingly, no provision for liability has been made in these financial statements.

(c) Iron Valley haul road claim

On 25 November 2020, FMG commenced legal proceedings against the Group alleging that the access deed, executed between FMG and MRL on 30 August 2012 for the road which is used to haul iron ore from the Group's Iron Valley project has expired. FMG alleges that Group must stop using the haul road and must remove the road and surrender its miscellaneous licences over the area. The Group is defending the claim.

The status of the matter is still preliminary and legal costs or potential claims or impacts of these proceedings are only possible, not probable, and cannot be reliably estimated as at the date of this report. Accordingly, no provision for liability has been made in these financial statements.

(d) Claim for introduction of Reed Industrial Minerals Pty Ltd offtake partner and equity partner

Reed Industrial Minerals Pty Ltd (RIM) is a joint operation in which the Group has a 50% interest. During the period, an individual and a related company (the Claimants) lodged a claim in the Supreme Court against RIM's previous equity owners Neometals Limited (Neometals) and RIM (as a second defendant). The Claimants allege that agreements were reached in 2009 and 2015 which obliged Neometals to pay fees to one of the Claimants for having introduced Neometals to RIM's offtake partner and for introducing an equity partner. The Claimants allege that RIM is also liable to pay the fee relating to the introduction of the offtake partner.

Based on the information provided by the Claimants to date, the Directors consider that it is not probable that material damages will be awarded against RIM in respect of the claim. Accordingly, no provision for liability has been made in these financial statements.

There has been no other material change to contingent liabilities since the last annual report.

Bank guarantees

The Group has provided guarantee to third parties in relation to performance of contracts and against warranty obligations for a defects liability period after completion of the work. Defects liability periods are usually from 12 to 18 months duration. Bank guarantees are issued as security for these obligations.

	Group	
	2021 $m	2021 $m
Bank guarantee facility	40.0	40.0
Amount utilised	(21.6)	(33.9)
Unused facility	18.4	6.1

26. COMMITMENTS

	Group	
	2021 $m	2020 $m
Capital commitments Commitments relating to the purchase of property, plant and equipment contracted for at reporting date and not recognised as liabilities, payable:		
- Within one year	215.8	167.4
- Later than 1 year but no later than five years	9.5	-
Capital commitments relating to the Group's interest in a joint operation contracted for at reporting date and not recognised as liabilities, payable:		
- Within one year	-	27.4
- Within one to five years	-	1.2
Total capital commitment	225.3	196.0

Lease commitments - finance

Committed at the reporting date and recognised as liabilities, payable:		
Within one year	137.8	105.7
One to five years	189.7	167.7
More than five years	0.1	20.8
Total lease commitment	327.6	294.2
Less: Future finance charges	(12.3)	(11.4)
Net commitment recognised as liabilities	315.3	282.8

MINERAL RESOURCES

27. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Income statement

	Parent	
	2021 $m	2020 $m
Profit after tax	2,060.3	49.7
Total comprehensive income	2,060.3	49.7

Balance sheet

	Parent	
	2021 $m	2020 $m
Total current assets	1,413.6	1,415.4
Total assets	10,975.7	4,724.9
Total current liabilities	332.6	514.8
Total liabilities	9,141.7	4,620.9
Net assets	1,834.0	104.0
Equity		
Issued capital	514.6	516.4
Reserves	14.2	8.8
Retained profits/(accumulated losses)	1,305.2	(421.2)
Total equity	1,834.0	104.0

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020 other than as obligor under its syndicated financing facilities.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 (2020: $nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2021 (2020: $nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Investments in associates are accounted for at cost, less any impairment, in the parent entity
- Dividends received from subsidiaries are recognised as other income by the parent entity

28. BUSINESS COMBINATIONS

Business combinations in 2021

No business combination accounted for in 2021

Business combinations in 2020

Acquisition of Resource Development Group Limited (RDG)

On 17 June 2020, the Group acquired 1,897,587,201 fully paid ordinary shares of Resource Development Group Limited (ASX: RDG, RDG), which equated to 75% of RDG's total issued capital on a fully diluted basis (the Acquisition). The Acquisition was pursuant to an Asset Sale Agreement executed on 18 March 2020 for MRL to transfer a 100% interest in the Ant Hill and Sunday Hill manganese tenements to RDG in return for MRL receiving RGD scrip, equivalent to a 75% shareholding in RDG.

The Acquisition results in the restructure of MRL's non-core manganese assets, which are more relevant in scale to a company such as RDG that can provide the necessary strategic and financial support for the development of these assets, allowing MRL's core focus to increasingly be on assets that have significant scale and mine life and are able to deliver value for all shareholders.

The Acquisition has been accounted for using the Acquisition Method set out in AASB 3 *Business Combinations* (AASB3). In accordance with AASB 3, the acquirer is required to fair value all acquired assets and liabilities. The initial accounting for the acquisition of RDG has been provisionally determined (as permitted by AASB3) due to the proximity of the acquisition to the reporting date. The provisional determination will be reviewed and finalised within 12 months of the Acquisition, in accordance with AASB 3, should any new information obtained affect the fair values at the date of acquisition.

28. BUSINESS COMBINATIONS (CONTINUED)

Details of the business combination are as follows:

Fair value of identifiable assets acquired and liabilities assumed	$m
Assets	
Cash	11.1
Receivables	5.9
Inventories	0.5
Current tax asset	0.1
Property, plant and equipment	9.3
Exploration and mine development	14.8
Deferred tax assets	0.3
Total assets	42.0
Liabilities	
Payables	(4.6)
Provisions	(0.7)
Borrowings - lease liabilities	(3.5)
Deferred tax liabilities	(0.9)
Total liabilities	(9.7)
Fair value of net identifiable assets acquired	32.3
Non-controlling interest in RDG measured at fair value	(13.3)
Total consideration transferred	(14.8)
Provisional gain on bargain purchase arising on acquisition	4.2
Consideration satisfied by:	
- Manganese assets transferred	14.8
Total consideration transferred	14.8

28. BUSINESS COMBINATIONS (CONTINUED)

Consideration transferred relates to the manganese assets and is not recognised at fair value, in accordance with AASB 3, as the manganese assets remain within the consolidated entity and MRL therefore retains control of the manganese assets. As a result, the manganese assets continue to be measured at their carrying amount immediately before the acquisition date and no gain or loss is recognised before and after the business combination.

A Gain on Bargain Purchase (as defined in AASB 3) arose in the business combination of RDG, as the fair value of the net assets of RDG that MRL obtained control over, by virtue of a 75% shareholding in RDG, exceeds the fair value of the non-controlling interest.

The gain on bargain purchase of $4.2 million has been recognised as Other Income in the income statement for the year ended 30 June 2020.

The fair value of the 25% non-controlling interest in RDG has been estimated with reference to the quoted market price of the shares at acquisition date.

Analysis of cash flows on acquisition:	$m
Net cash acquired with the subsidiary (included in cash flows from investing activities)	11.1

Transaction costs relating to the acquisition were immaterial.

Given the proximity of the date of acquisition to the reporting date, RDG's contributed revenue and profit to the combined entity between the date of acquisition and the reporting date 30 June 2020 is immaterial.

If the acquisition of RDG had been completed on the first day of the financial year, Group revenues for the year would have been $28.8 million and Group profit after tax would have been $2.2 million higher.

Accounting policy for business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

28. BUSINESS COMBINATIONS (CONTINUED)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

29. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following material subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Country of incorporation	2021 %	2020 %
Crushing Services International Pty Ltd	Australia	100.00%	100.00%
Mesa Minerals Limited	Australia	59.40%	59.40%
PIHA Pty Ltd	Australia	100.00%	100.00%
Polaris Metals Pty Ltd	Australia	100.00%	100.00%
Process Minerals International Pty Ltd	Australia	100.00%	100.00%
Auvex Resources Pty Ltd	Australia	100.00%	100.00%
Mineral Resources (Equipment) Pty Ltd	Australia	100.00%	100.00%
MRL Asset Management Pty Ltd	Australia	100.00%	100.00%
MIS Carbonart Pty Ltd	Australia	100.00%	60.00%
Mineral Resources Transport Pty Ltd	Australia	100.00%	100.00%
Wodgina Lithium Pty Ltd	Australia	100.00%	100.00%
Bulk Ore Shuttle Systems Pty Ltd	Australia	50.00%	50.00%
Energy Resources Ltd	New Zealand	100.00%	100.00%
Cattamarra Farms Pty Ltd	Australia	90.00%	90.00%
Yilgarn Iron Pty Ltd	Australia	100.00%	100.00%
Iron Resources Pty Ltd	Australia	100.00%	100.00%
Kumina Iron Pty Ltd	Australia	100.00%	100.00%
Mineral Resources Rail Pty Ltd	Australia	100.00%	100.00%
MinRes Health Pty Ltd	Australia	100.00%	100.00%
Bungaroo South Pty Ltd	Australia	100.00%	100.00%
Buckland Minerals Transport Pty Ltd	Australia	100.00%	100.00%
Cape Preston Logistics Pty Ltd	Australia	100.00%	100.00%
Resource Development Group Limited*	Australia	65.77%	75.00%
Wonmunna Iron Ore Pty Ltd***	Australia	100.00%	-
MinRes Properties Pty Ltd**	Australia	100.00%	-

*On 1 February 2021, RDG issued shares resulting in a decrease in MRL's ownership interest to 65.77%
**Entity incorporated during the year
***Entity acquired during the year

30. INTERESTS IN ASSOCIATES

	Group	
	2021 $m	2020 $m
Norwest Energy NL	7.1	-
Aquila Resources Limited	85.0	-
Interest in associates	92.1	-

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2021 %	2020 %
Norwest Energy NL	Australia	19.90%	-
Aquila Resources Limited*	Australia	15.00%	-

*Aquila Resources Limited is accounted for as an associated company as the Group has significant influence primarily through representation on Aquila Resource Limited's Board of Directors

Information relating to each of these entities is set out below:

Acquisition of 19.9% in Norwest Energy NL

On 29 April 2021 the Group increased its investment in Norwest Energy NL, which lead to a reclassification of the investment in Norwest Energy NL of $7.1m from a Financial Asset, to an Investment in Associate.

The Acquisition has been accounted for using the Equity Method set out in AASB 128 *Investments in Associates*. In accordance with AASB 128, the investment is initially recognised at cost and subsequently the carrying value is increased or decreased to recognise the investor's share of the investee's profit or loss.

Due to the timing of the purchase, the Group's share of profit after income tax was not material and hence not recognised for the period ended 30 June 2021.

The details of the investment has not been disclosed since the Group's holding is not material.

Acquisition of 15% in Aquila Resources Limited

On 26 May 2021, the Group acquired 61,750,076 fully paid ordinary shares of Aquila Resources Limited, which equates to 15% of Aquila's total issued capital (the Acquisition) from Aurizon Operations Limited ("Aurizon").

The Acquisition has been accounted for using the Equity Method set out in AASB 128 *Investments in Associates*. In accordance with AASB 128, the investment is initially recognised at cost and subsequently the carrying value is increased or decreased to recognise the investor's share of the investee's profit or loss.

Due to the timing of the purchase, the Group's share of profit after income tax was not material and hence not recognised for the period ended 30 June 2021.

30. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the investment entity are as follows:

	$m
	31 December 2020
Summarised statement of financial position	
Current assets	87.2
Non-current assets	618.4
Total assets	705.6
Current liabilities	23.8
Non-current liabilities	48.8
Total liabilities	72.6
Net assets	633.0
Summarised statement of profit or loss and other comprehensive income	
Revenue	7.4
Expenses	(76.9)
Loss before income tax	(69.5)
Income tax benefit	19.0
Loss after income tax	(50.5)
Other comprehensive loss	(0.1)
Total comprehensive loss	(50.6)

The results between 31 December 2020 disclosed audit results and 30 June 2021 is not expected to be material.

31. INTERESTS IN JOINT OPERATIONS

The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2021 %	2020 %
Reed Industrial Minerals Pty Ltd	Australia	50.00%	50.00%
MARBL Lithium Joint Venture	Australia	40.00%	40.00%
Buru Energy Limited	Australia	50.00%	-

32. RELATED PARTY TRANSACTIONS

Parent entity

Mineral Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Associates

Interests in associates are set out in note 30.

Joint operations

Interests in joint operations are set out in note 31.

Key Management Personnel

Disclosures relating to Key Management Personnel are set out in note 33 and the remuneration report included in the Directors' Report.

Transactions with related parties

The value of transactions with related parties and outstanding balances in relation to transactions with related parties were as follows:

	Group			
	Transaction values for the year ended 30 June 2021 $m	Transaction values for the year ended 30 June 2020 $m	Balances outstanding as at 30 June 2021 $m	Balances outstanding as at 30 June 2020 $m
Key Management Personnel:				
Properties from which the Group's operations are performed are rented from parties related to Chris Ellison and Peter Wade	(2.2)	(2.1)	-	-

Occupation of these premises date back prior to the Company's listing in 2006. The ongoing need for occupation of these premises, as well as rental arrangements, are assessed periodically. The Group has a Related Party Transaction Policy that requires the review and approval of Related Party Transactions by the Audit and Risk Committee (the Committee).

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

33. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Group is set out below:

	Group	
	2021 $m	2020 $m
Short-term employee benefits	6.3	5.5
Post-employment benefits	0.2	0.1
Share-based payments	4.2	3.9
	10.7	9.5

Detailed information about the remuneration received by each KMP is provided in the Remuneration Report that is audited and forms part of the Directors' Report.

34. SHARE BASED PAYMENTS

Expense arising from share-based payment transactions

The expense recognised for employee services received during the year is shown in the following table:

	Group	
	2021 $m	2020 $m
Equity-settled share-based payment transactions	10.2	6.7

Number and fair value of share awards granted during the period

		Weighted average fair value $	Granted Number
FY21 STI plan (for Key Executives)	(Share Rights)	53.36	25,470
FY21 LTI plan (for Key Executives)	(Share Rights)	21.17	268,101
FY21 LTI and One-off Rights plans (for Employees)	(Share Rights)	21.17	565,061

The weighted average fair value of the above equity instruments granted was determined with reference to the share price on the date of grant.

Additional information on the award schemes granted in FY21 are as follows:

(i) **FY21 Short-Term Incentive Plan for Key Executives (FY21 STIP)**
KMP are invited to participate in the FY21 STIP, under which awards made under the STIP that exceed 50% of the FAR for the Managing Director or 40% of FAR for other KMP, will be settled in the form of MRL shares that vest progressively over the two years following grant, subject to continued service and application of clawback provisions.

(ii) **FY21 Long-Term Incentive Plan for Key Executives (FY21 LTIP)**
KMP are invited to participate in the FY21 LTIP, under which participants receive share rights in the Company, subject to four years of continuing service and testing of the performance measure over a four-year performance period. The performance measure is the four-year average ROIC enjoyed by the Company over the performance period compared with hurdles set in advance by the Board. Further details on the FY21 LTIP are provided in the Remuneration Report.

(iii) **FY21 Long-Term and One-off Rights Plans for Employees (FY21 ORP)**
Under the FY21 Annual Rights and One-off Rights Plans, eligible employees are invited to receive share rights in the Company, subject to employees remaining in service for a period of three to five years from the date of grant. Share Rights under the plan do not carry voting entitlements.

34. SHARE BASED PAYMENTS (CONTINUED)

Equity-settled awards outstanding

Details of equity-settled share awards outstanding as at the reporting date are presented in the following table:

		Grant date	Expected vesting date	Outstanding at 30 June 2021 Number	Outstanding at 30 June 2020 Number	Vesting conditions
FY17 LTIP	(Share Rights)	Aug-17	Aug-20	-	159,407	Non-market
FY18 LTIP	(Share Rights)	Aug-18	Aug-21	124,755	384,006	Non-market
FY20 STIP (for Key Executives) - Deferred shares component	(Share Rights)	July-20	Aug-21/22	73,120	73,120	Non-market
FY20 LTIP (for Key Executives)	(Share Rights)	Sep-19	Aug-23	359,413	359,413	Non-market
FY20 ARP & ORP (for Employees)	(Share Rights)	Sep-19	July-22/Sep-24	1,320,724	1,317,856	Non-market
FY21 STIP (for Key Executives) - Deferred shares component	(Share Rights)	July-21	Aug-22/23	25,470	-	Non-market
FY21 LTIP (for Key Executives)	(Share Rights)	July-20	Aug-24	268,101	-	Non-market
FY21 LTIP & ORP (for Employees)	(Share Rights)	July-20	July-23/Sep-25	548,283	-	Non-market

Outstanding balance in relation to Share Rights under the FY17 and FY18 LTI plans represent awards not yet vested nor issued. Shares are issued upon vesting (no exercise required) and may be subject to trading restrictions.

Outstanding balance in relation to Share Rights under the FY20 and FY21 plans represent awards not yet exercised. No awards have vested as at reporting date.

Accounting policy for share-based payments

Certain employees may receive remuneration in the form of share-based compensation.

Equity-settled

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date and recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

35. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Group	
	2021 $'000	2020 $'000
Audit services - RSM Australia Partners		
Audit or review of the financial statements	676.0	551.0
Other services - RSM Australia Partners & overseas network firms		
Taxation services	61.0	64 .0
Audit services – unrelated firms	66.4	-
	803.4	615.0

36. EVENTS AFTER THE REPORTING PERIOD

Dividend

On 11 August 2021, the Directors declared a final fully franked dividend for the year ended 30 June 2021 of $1.75 per share to be paid on 07 September 2021, a total estimated distribution of $329.4 million based on the number of ordinary shares on issue as at 18 August 2021.

COVID-19 pandemic

During FY21 the Group continued with its proactive implementation of a range of measures and adaptations to its operations in response to the COVID-19 pandemic. However, border closures and lockdowns following COVID-19 outbreaks around Australia continue to impact MRL operations, primarily through the forced curtailment of staff movements from interstate and overseas. This impacts the Group's ability to transport iron ore from its operations as the shortage of road train drivers constrains movement of materials. During FY21 MRL continued COVID-19 testing checks as part of the fit-for- work regime for all FIFO workers as and when required. In addition, the Group maintains its ability, through MinRes Health, to rapidly re-activate these testing services, thereby benefitting the Group and the wider Resources Industry and general community in Western Australia. Importantly, MinRes Health testing facilities are able to be re-commissioned within approximately 12 hours of a public health notification of a positive COVID-19 case in Western Australia. Despite these measures the challenges presented by COVID-19 are fluid and continue to change; it is therefore not practical to estimate the potential impact of COVID-19 after the reporting date. The Group will continue to assess its response to the COVID-19 pandemic on an ongoing basis.

Red Hill Iron Limited

On 30 July 2021 the Company reached an agreement with Red Hill Iron Limited (ASX: RHI; Red Hill Iron) to acquire RHI's 40% participating interest in the Red Hill Iron Ore Joint Venture (RHIOJV) in the West Pilbara region of Western Australia. (ASX: MIN 30/07/2021). The proposed acquisition of the RHIOJV interest aligns with MRL's strategy to expand its mineral resource inventory around the Ashburton Hub to underpin a long-term, sustainable iron ore export business. The transaction is conditional on RHI obtaining shareholder approval. MRL will pay RHI $200m, out of existing cash resources, on completion of the acquisition of the RHIOJV interest and a further $200m in cash when the first commercial shipment of iron ore extracted from the RHIOJV tenements departs port. In addition, MRL will pay RHI a royalty of 0.75% of FOB revenue on all iron ore that is extracted and sold from the RHIOJV tenements and from MRL's Bungaroo South tenement, provided Bungaroo South is developed in association with the development of the RHIOJV tenements. MRL expects the acquisition of the RHIOJV interest to complete around early September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Chris Ellison

Managing Director

11 August 2021

Perth

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MINERAL RESOURCES LIMITED

Opinion

We have audited the financial report of Mineral Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2021, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Revenue **-** Refer to Note 4 in the financial statements	
Revenue was considered a key audit matter as it is the most significant account balance in the income statement. The Group's sale agreements provide for provisional pricing of sales with pricing subsequently adjusted to reflect market pricing over a quotation period stipulated in the sales contract, typically on or after the vessel's arrival at the port of discharge. For sales where final settlement price is yet to be determined, the value of this revenue is adjusted by considering tonnes subject to price finalisation at the end of the period.	We performed the following audit procedures, amongst others, in relation to the recognition of revenue: • Assessed whether the revenue recognition policies are in compliance with Australian Accounting Standards; • Evaluated and tested the operating effectiveness of the Group's controls related to revenue recognition; • Sampled sales contracts with provisional pricing adjustments recorded at the reporting date, by recalculating the recorded provisional pricing adjustments to ensure it is comparable to relevant external price indices; • Sampled a selection of sales contracts and delivery documentation to ensure that revenue has been recognised in accordance with the Group's accounting policy; and • Reviewed sales transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period.
Provision for Site Rehabilitation - Refer to Note 21 in the financial statements	
As at 30 June 2021, the Group had provisions for site rehabilitation of $181.3 million relating to the estimated future cost of rehabilitation and restoration of areas disturbed as a result of its mining operations. The provision for site rehabilitation was considered a key audit matter due to the materiality of the balance, the significant judgements and estimation uncertainty, and the complexity involved in the quantification of the liability.	We performed the following audit procedures, amongst others, in relation to the provision for site rehabilitation: • Obtained an understanding of the process involved in determining the provision; • Obtained the calculations and the methodology used to determine if the provision is in accordance with Australian Accounting Standards; • Considered the competence and objectivity of the Group's internal and external experts involved in determining the cost estimates used in the calculations; • On a sample basis, agreed costs and inputs used in the calculations to supporting documentation; and • Benchmarked the key market related assumptions, being inflation rates and discount rates, used in the calculations against external market data.

RSM

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

MINERAL RESOURCES

RSM

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Mineral Resources Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 11 August 2021

TUTU PHONG
Partner

SHAREHOLDER INFORMATION CORPORATE DIRECTORY

BROLGA'S SACRIFICE

The brolga watches over us with her giants wings and feathers. She protects each one of us and our giant planet.

Collaborative art by Nate Mundraby.
Photography by Russell James.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 6 September 2021.

Range	Total holders	Units	% Units
1 to 1,000	18,311	5,896,069	3.12
1,001 to 5,000	4,429	9,611,785	5.095
5,001 to 10,000	565	4,119,252	2.18
10,000 to 100,000	336	8,056,018	4.27
100,001 and over	47	161,052,858	85.33
Rounding			0.01
Total	**23,688**	**188,735,982**	**100.00**

Unmarketable Parcels

Analysis of number of equitable security holders by size of holding.

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $53.7300 per unit	10	490	1,437

Equity Security Holders

The names of the twenty largest security holders of quoted equity securities are listed below.

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	61,732,229	32.71
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,549,004	17.25
3	CITICORP NOMINEES PTY LIMITED	23,057,279	12.22
4	CHRIS ELLISON	22,245,864	11.79
5	BNP PARIBAS NOMINEES PTY LTD	7,848,934	4.16
6	NATIONAL NOMINEES LIMITED	6,767,562	3.59
7	D + C GERAGHTY PTY LTD <GERAGHTY FAMILY A/C>	1,372,175	0.73
8	CPU SHARE PLANS PTY LTD	775,529	0.41
9	NETWEALTH INVESTMENTS LIMITED	970,670	0.51
10	WOODROSS NOMINEES PTY LTD	525,830	0.28
11	QUOTIDIAN NO 2 PTY LTD	415,000	0.22
12	PAKSIAN PTY LTD	371,000	0.20
13	CEDARFIELD HOLDINGS PTY LTD <CEDARFIELD A/C>	350,000	0.19
14	MR PETER WADE <WADE FAMILY A/C>	344,710	0.18
15	MCCUSKER HOLDINGS PTY LTD	325,000	0.17
16	MCCUSKER FOUNDATION LTD <THE MCCUSKER CHARITABLE A/C>	300,000	0.16
17	AMP LIFE LIMITED	248,943	0.13
18	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED <MLPRO A/C>	220,200	0.12
19	DARRELL JAMES HOLDINGS PTY LTD	200,000	0.11
20	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	197,977	0.10
	TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES	**160,817,906**	**85.21**

DIRECTORS

Peter Wade
Chris Ellison
James McClements
Kelvin Flynn
Susan Corlett (appointed 4 January 2021)
Xi Xi

COMPANY SECRETARIES

Mark Wilson
Derek Oelofse

REGISTERED OFFICE

1 Sleat Road
Applecross WA 6153
P: +61 8 9329 3600
F: +61 8 9329 3601
Postal address: Locked Bag 3,
Canning Bridge, Applecross WA 6153

PRINCIPAL PLACE OF BUSINESS

1 Sleat Road
Applecross WA 6153

WEBSITE

www.mrl.com.au

SHARE REGISTER

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000
P: +61 8 9323 2000
F: +61 8 9322 2033
www.computershare.com/au

AUDITOR

RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade
Perth WA 6000
P: +61 8 9261 9100
F: +61 8 9261 9111
www.rsm.com.au

BANKERS

National Australia Bank
100 St Georges Terrace
Perth WA 6000
www.nab.com.au

STOCK EXCHANGE LISTING

Mineral Resources Limited shares are listed on the Australian Securities Exchange (ASX: MIN)

INVESTING IN OUR PEOPLE - **OUR MOST IMPORTANT ASSET** -HAS UNDERPINNED RECORD OPERATIONAL AND FINANCIAL PERFORMANCE FOR MRL

Collaborative art by Rebecca Morgan.
Photography by Russell James.

NATHAN MUNDRABY

Nathan is a North Queensland based artist who has a distinctive and detailed style of cross-hatching using very fine brushes and tools. Nathan was taught by his grandparents, parents and Aboriginal elders the ways of his people through stories, dancing and art.

Nathan has exhibited his collaborative works with Nomad Two Worlds in the USA, Europe and Australia. He is also a talented didgeridoo player and has recently performed with Hugh Jackman in North America and for Nomad Two Worlds in Germany.

Language Group: Mandingalbay

EDWIN LEE MULLIGAN

Edwin is a Walmajarri artist from the Central Kimberley region of WA, who uses his painting to share stories and dreams of his culture and family. His works are usually inspired by his dreams that he translates into spoken English language for gallery audiences. His vibrant descriptions often involve flying over his country and viewing the land from a high-altitude perspective

Edwin has exhibited with Nomad Two Worlds in the USA, Europe and Australia and as a solo artist in various international locations. He is also the recipient of several art awards, including the Shinju and Kimberley Indigenous Art Prizes.

Language Group: Walmajarri

REBECCA MORGAN

Descended from the Gija, Wanamba, Yawuru and Karrajarri people, Rebecca is deeply committed to maintaining her strong cultural traditions and obligations and subsequently has a deep, personal commitment to showcasing her Aboriginal artist skills "My art is very personal and captures themes that include family values, unity, the journey of life and dreamtime stories passed down to me by my father and elders." Bec has exhibited nationally and internationally with her work.

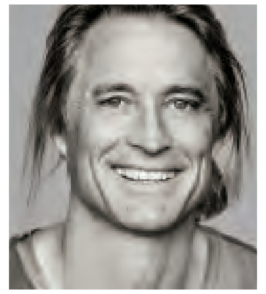
Rebecca also provides 'sharing stories' art sessions as part of her cultural awareness program.

Language Group: Gija / Wanambal / Yawuru

AARON HAYDEN

Aaron Hayden was born in Port Lincoln South Australia. He is a descendant of NjakiNjaki and Balardong people with traditional connections to the Wheatbelt, Yilgarn and Avon regions in Western Australia, Aaron is also a descendant of the Kokatha and Mirning people in South Australia. Aaron's paintings depict the different areas of his country, traditional dreaming stories and Australia's native wildlife. His art hangs in the WA Parliament House, government departments, hospitals and private collections throughout Australia and overseas. His work is also extensively published.

Language Group: NjakiNjaki / Balardong

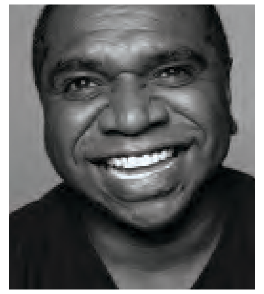


RUSSELL JAMES

Perth-born photographer Russell James moved to New York in 1996 where he become one of the most highly regarded photographers in the worlds of fashion, celebrity, fashion and fine-art.

His works are often exhibited in galleries and museums in Berlin, Shanghai, New York and other international cities.

In 2013 Russell was awarded the Arts and Culture Award as part of the Western Australian on the Year Awards for his collaborative work with Aboriginal artists and for promoting WA abroad. He now resides in Perth and is often engaged in photography projects in remote locations around Western Australia.



CLIFTON BIEUNDURRY

Clifton is a Perth based Walmajarri artist who is the foundation artist for Nomad Two Worlds and an internationally exhibited artist in his own right.

Clifton's works seek to bridge the cultural divide by explaining aspects of his Walmajarri culture, as well as sharing stories from his own childhood in the Great Sandy Desert. "I paint to share my culture with all people… it is important that we can all gain an understanding of our diversity and differences so we can accept and learn from each other."

Language Group: Walmajarri

OUR YEAR IN PICTURES


CAT


IRON ORE This year saw record iron ore production reaping the benefits of our investments over the past three years in the Yilgarn Hub and bringing Wonmunna into production.

LITHIUM Lithium prices are on the rise and MRL is perfectly positioned because of our world-class portfolio of lithium assets.

ENERGY As part of our *Roadmap to Net Zero Emissions*, we will transition away from diesel to alternative fuel sources. This year, we became the largest holder of exploration permits in the highly prospective Perth Basin and onshore Carnarvon Basin and commenced seismic and drilling activity.

INNOVATION Our NextGen 2 crushing and processing plants, carbon fibre screens, 320 tonne road trains and transhippers are all part of our innovative logistics solution that will underpin the Ashburton project.


DT1119
MINERAL RESOURCES

OUR PEOPLE The greatest asset to our business, today and in the future, is our people. We invest heavily in their wellbeing, safety and training. We believe that mental health is as important as physical health and that everyone deserves a workplace where they can feel safe and respected.

COMMUNITY Through the people we partner with and the programs we support, we value our place as part of the Australian community and are proud to have made a difference.

OUR FUTURE We are focused on creating a sustainable future with long-term projects and careers for life focussing on what we can control, being the best at what we do and abiding by our purpose.

MINERAL RESOURCES

A: 1 SLEAT ROAD, APPLECROSS,
WESTERN AUSTRALIA 6153

P: LOCKED BAG 3,
CANNING BRIDGE LPO,
APPLECROSS, WESTERN AUSTRALIA 6153

T: +61 8 9329 3600
F: +61 8 9329 3601

E: RECEPTION@MRL.COM.AU
W: WWW.MRL.COM.AU

LITHIUM EARTH'S ENERGY (Front Cover)

Energy takes many different forms.
My art reflects the powerful energy that
the rock gives us in all our lives.

Collaborative art by Nate Mundraby.
Photography by Russell James.