FMG Fortescue

Technology and innovation driving growth at Fortescue

Elizabeth Gaines, CEO
27 November 2019

Forward looking statement

Important Notice

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Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2019 together with any announcements made by Fortescue in accordance with its continuous disclosure obligations arising under the *Corporations Act 2001*.

Any references to reserve and resources estimations should be read in conjunction with Fortescue's Ore Reserves and Mineral Resources statements released to the Australian Securities Exchange on 2 April 2019 for its Magnetite projects and on 23 August 2019 for its Haematite projects. Fortescue confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

All amounts within this presentation are stated in United States Dollars consistent with the functional currency of Fortescue Metals Group Limited, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

A world class company

Wholly owned, fully integrated supply chain

>1.3 billion
Shipped

~170mtpa

Core supplier to China

Low cost producer

FY19: a record year

Underpinned by record safety performance

167.7 million tonnes
Shipped

US$6.0 billion
Underlying EBITDA

US$3.2 billion
Net profit after tax (NPAT)

US$13.11/wmt
C1 cost

US$2.1 billion
Net debt

A$1.14 per share
Total FY19 paid dividend

Fortescue

A strong start to FY20

First quarter of FY20 builds on record results in FY19

Safety 2.7
Total Recordable Injury Frequency Rate

42.2mt
Shipments for the quarter

US$12.95/wmt
C1 costs

US$85/dmt
Average revenue received

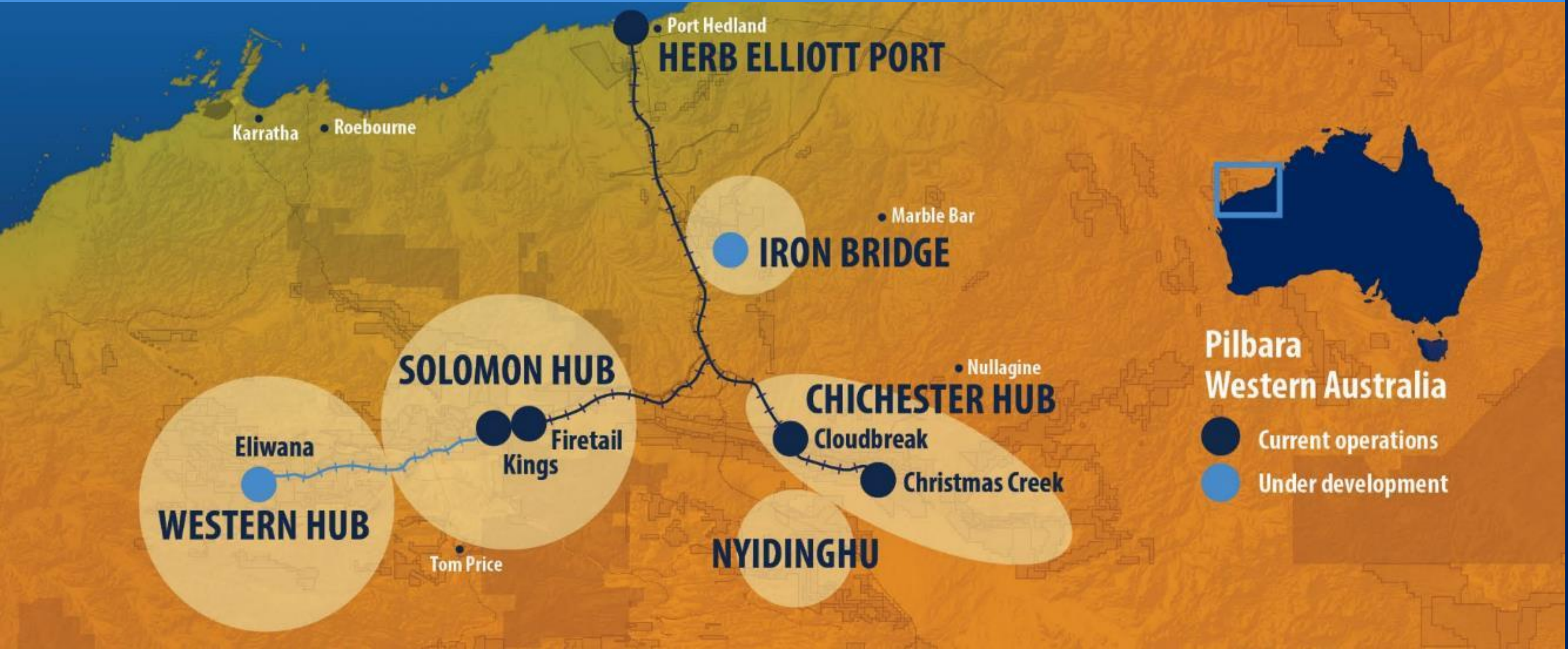
US$3.4 billion
Cash on hand

US$0.5 billion
Net debt

Fortescue

Investment in growth

Unparalleled track record and capability in safely developing and operating major iron ore projects in the Pilbara



Resources sector: Australia's economic powerhouse

Underpinning the first current account surplus in 44 years

WA exports

Accounts for 43% of Australian exports*

WA GSP

14% of Australia's Gross Domestic Product*

China

Represents 50% of WA's export market*

Australian exports

Mining and resources accounts for 57%#

*Department of Jobs, Tourism, Science and Innovation | WA Economic Profile (August 2019);
#Department of Mines, Industry Regulation and Safety | 2018-19 review of mineral and petroleum industry activity

Fortescue

Building strong relationships with China

WA companies have forged strong connections with China

Supplier

First shipment to China in 2008

Investment and financing arrangements

Procurement

Over US$1 billion procurement from China

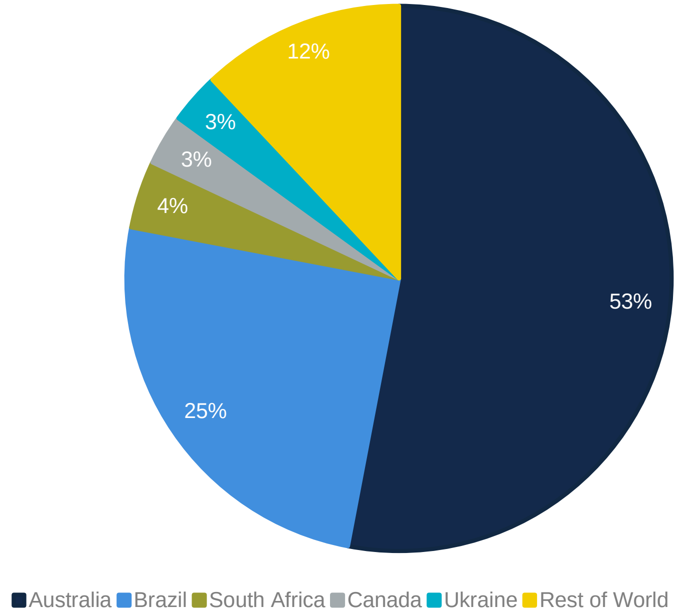
Academic, policy and social engagement

Fortescue

Global steel production

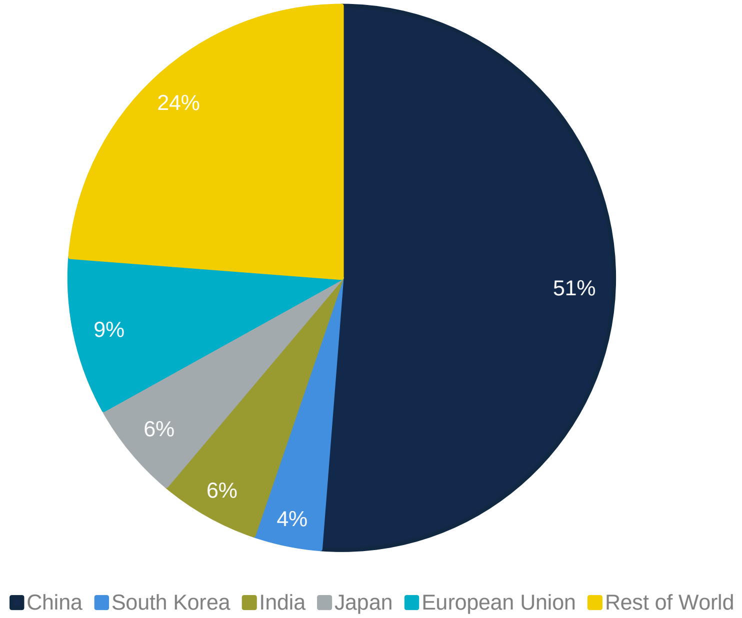
China produces 51 per cent of global steel

Global Share of Iron Ore Exports (2018)



Source: Department of Industry, Innovation and Science, Resources and Energy Quarterly June 2019

Share of World Crude Steel Production (2018)



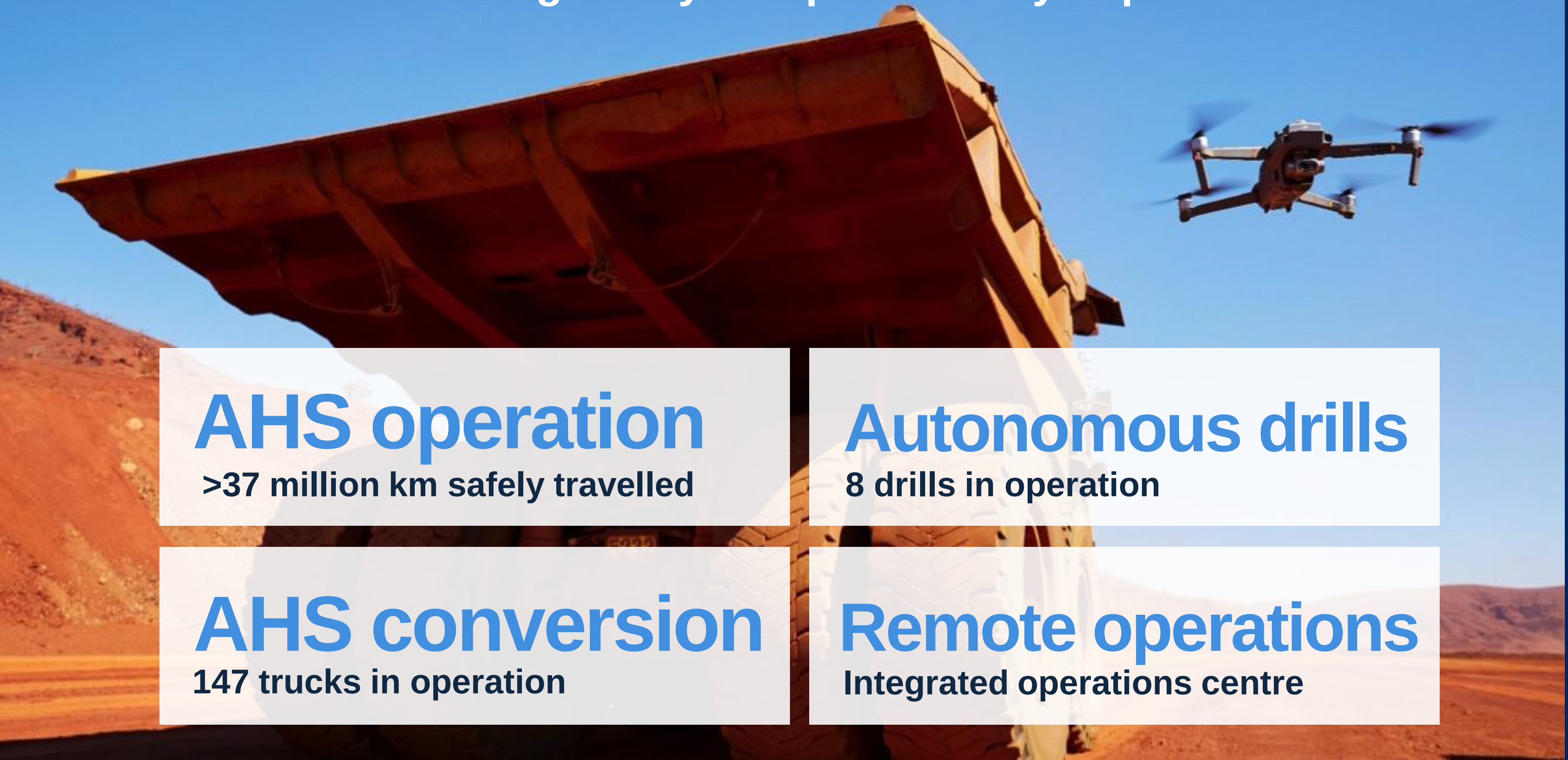
Source: World Steel Association

Fortescue

We are innovators

Automated mining

Innovation delivering safety and productivity improvements



AHS operation
>37 million km safely travelled

Autonomous drills
8 drills in operation

AHS conversion
147 trucks in operation

Remote operations
Integrated operations centre

FMG Fortescue

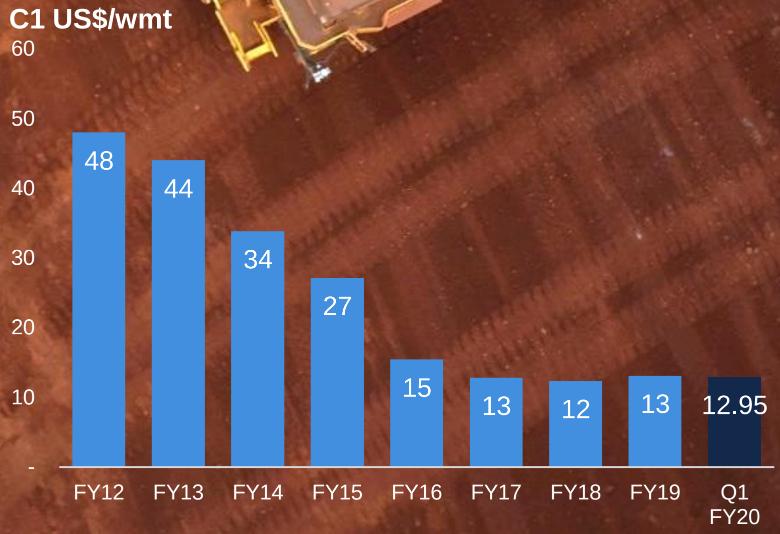
Sustainable low cost producer

Industry leading cost position

Structural improvements
Solomon + blending + processing

Productivity and efficiency
Utilisation, recoveries, maintenance

Innovation and technology
Autonomy, conveyor, ore carriers, data analysis



Fortescue

Energy strategy

Innovative and practical initiatives managing emissions and cost of supply

Gas opportunities

Displacing diesel using gas as a transition fuel

Automation

Offsetting haul distance, reducing fleet requirements

Relocatable conveyor

Reducing haulage distances, increasing efficiency

Hydrogen

Partnership with CSIRO

Fortescue

Ambition for hydrogen

Hydrogen is part of a broader energy strategy

FMG
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Technology
Research, study and commercialise

Our operations
Reduce carbon footprint and cost of energy

Domestic industry
Develop, partner or participate in hydrogen related projects

Global supply chain
Supporting export of green hydrogen

Chichester Solar Gas Hybrid

100 per cent of daytime stationary energy requirements at Fortescue's Chichester Hub will be powered by renewable energy

60MW solar pv generation facility	60-kilometre transmission line
Displace around 100 million litres of diesel	Pilbara Energy Connect

Fortescue

Beyond equipment and technology

Empowering our people to deliver practical solutions

Safety culture

Communities

Aboriginal engagement

Diversity

Fortescue

Training at the heart of what we do

Empowering our people to be successful

AHS Training

Over 3,000 people trained in autonomy

Successful retraining

Career transition and opportunities

VTEC and Trade Up

Training for a guaranteed job and providing pathways to an apprenticeship

FMG Fortescue

A State of innovators

Delivering for West Australian and national economies

World leader in safety

Renewable energy

Increased connectivity, new industry

Automation

Receiving global recognition, space industry

Workforce of the future

Our Vision

The safest, lowest cost, most profitable mining company

Fortescue's Values

- Safety
- Family
- Empowerment
- Frugality
- Stretch targets
- Integrity
- Enthusiasm
- Courage and determination
- Generating ideas
- Humility

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