Fortescue
The New Force in Iron Ore

Diggers and Dealers 2017

People. Innovation. Performance.

Forward looking statements

Important Notice

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Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2016 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 statement for its Hematite and Magnetite projects at 30 June 2016 as released to the Australian Securities Exchange on 19 August 2016. 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.

Building a world class company

Committed to supporting strong and vibrant communities

Safety focus

Engagement
Empowerment
Leadership

First ore in 2008

Core supplier to China

Low cost producer

Shipped over
880mt

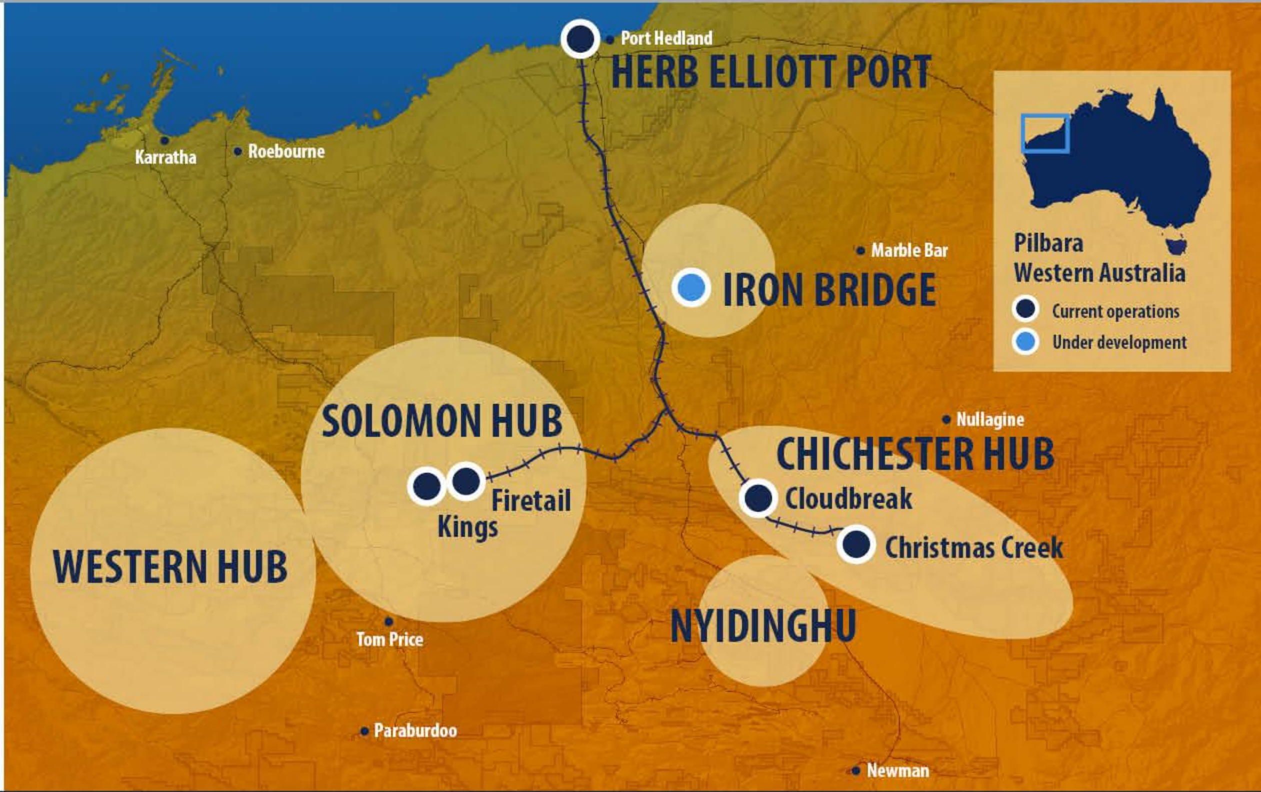
170mt
Production rate

Unique culture

Generating shareholder value

Focus on safety, productivity and efficiency

- Operational **performance**
- **Market** strategy
- Capital **discipline**
- **Long life** resources
- Shareholder **returns**



Our Vision: The safest, lowest cost, most profitable iron ore producer

Safety

Family

FMG
Fortescue
The New Force in Iron Ore

Integrity

Determination

Enthusiasm

Set yourself stretch targets

Empowerment

Generating ideas

Frugality

Delivering on our targets in FY17

Sustainable cost reduction and consistent production

TRIFR
2.9
33% reduction

170.4mt
Shipped for FY17

170mt for FY18

$12.16/wmt
C1 cost for June Quarter

$11-12 for FY18

US$1.8bn
Cash on hand

US$2.7bn
Debt repaid

21%
Net gearing

Sustainable cost improvements

Initiatives delivering long term low cost outcomes

Structural optimisation improvements

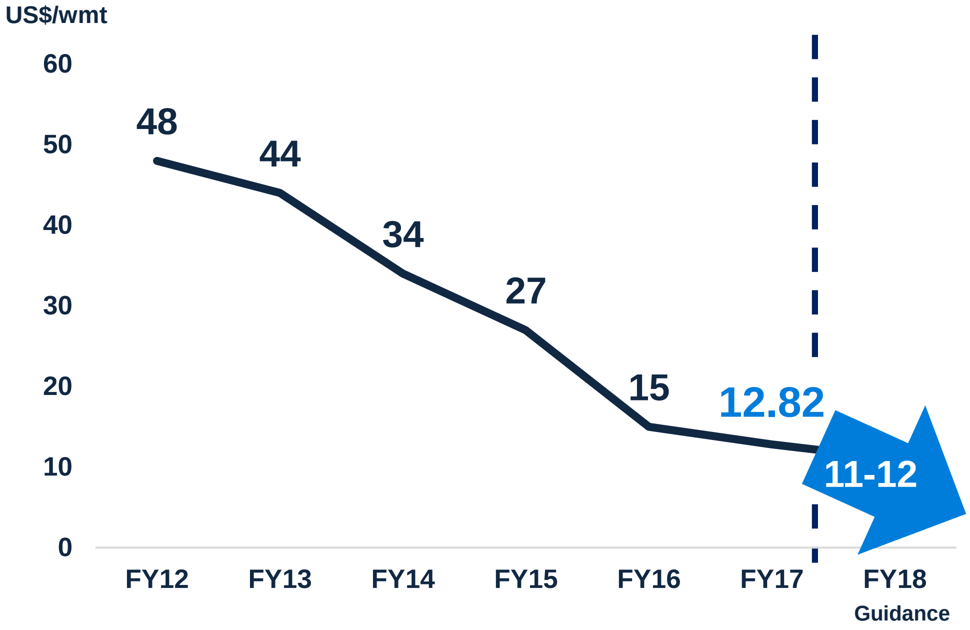
Solomon + Blending + Processing

Productivity + **Efficiency**

Utilisation, Recoveries, Maintenance

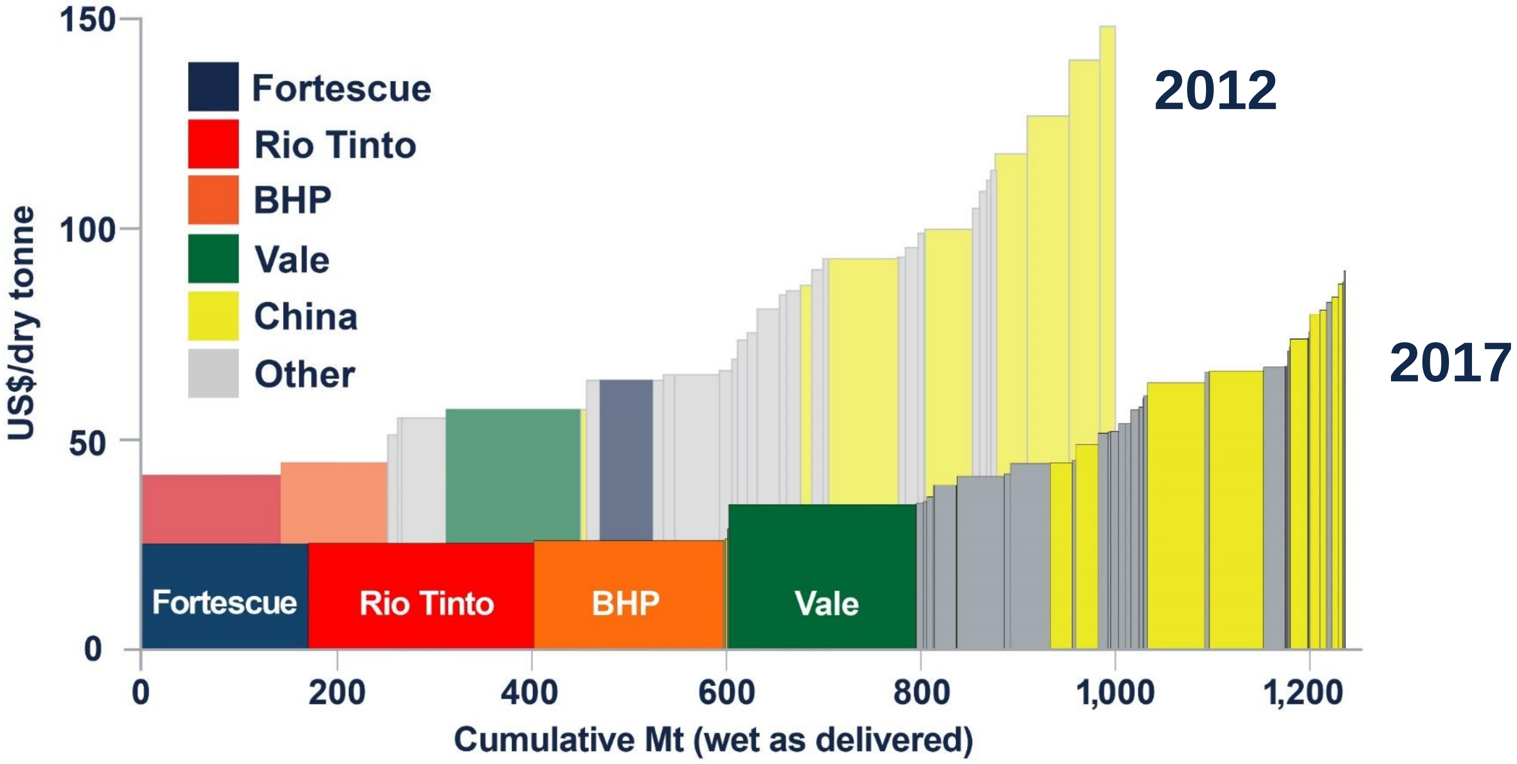
Innovation + **Technology**

Autonomy, Gas, Ore Carriers, Data processing



Maintaining position on the cost curve

China's Iron Ore Supply CFR Costs *(including royalties & ocean freight)*



Source: Metalytics – March 2017

Innovation

Generating ideas for future innovation

People, processes and techniques are the catalyst for innovation

- **Exploration**
- Integrated **Operations Centre**
- Mine **planning** and **optimisation**
- Harnessing **automation**
- Low cost, relocatable **conveyor**
- Fortescue **Ore Carriers**
- **Data** processing and management

World class autonomous haulage operation

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Building on our success and expanding to the Chichester Hub

Improved safety

56
Operating at Solomon
+12 converted

20%
Increase in productivity

Chichester Expansion
100 trucks converted over 3 years

390mt
Autonomously moved at Solomon

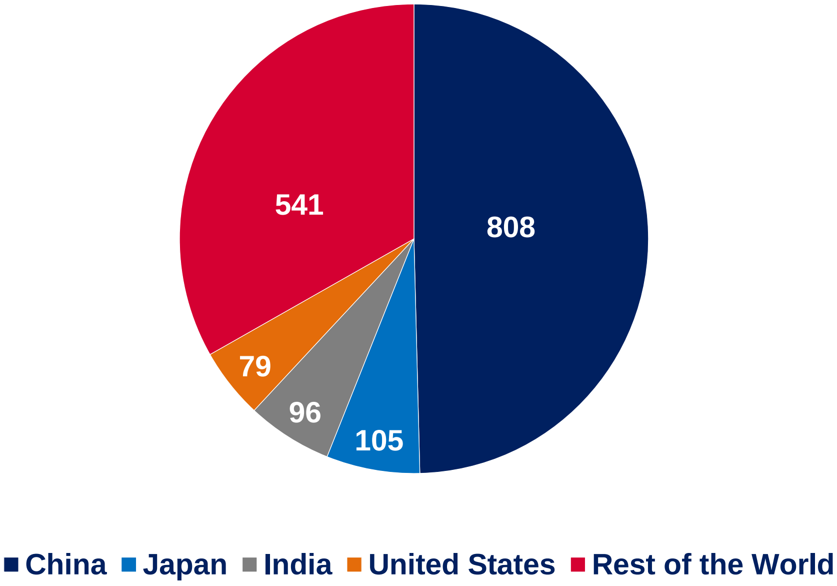
Market

Core supplier to Asia

Well established 17% market share of imported iron ore to China

- **Low impurity** 58% Fe average
- Competitive **value in use**
- Large diverse **customer base**
- **Responsive** to market needs
- **Proximity** to high growth region

Total 2016 global steel production 1,629mt



Source: World Steel Association Crude Steel Production 2016

China's 13th Five Year Plan (2016-2020)

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RMB12.5 trillion for ~ 11,000 listed projects

3,000km
New urban rail lines

152,000km
Roads in rural areas

New power projects
+480,000 MW

80% cities with high speed rail

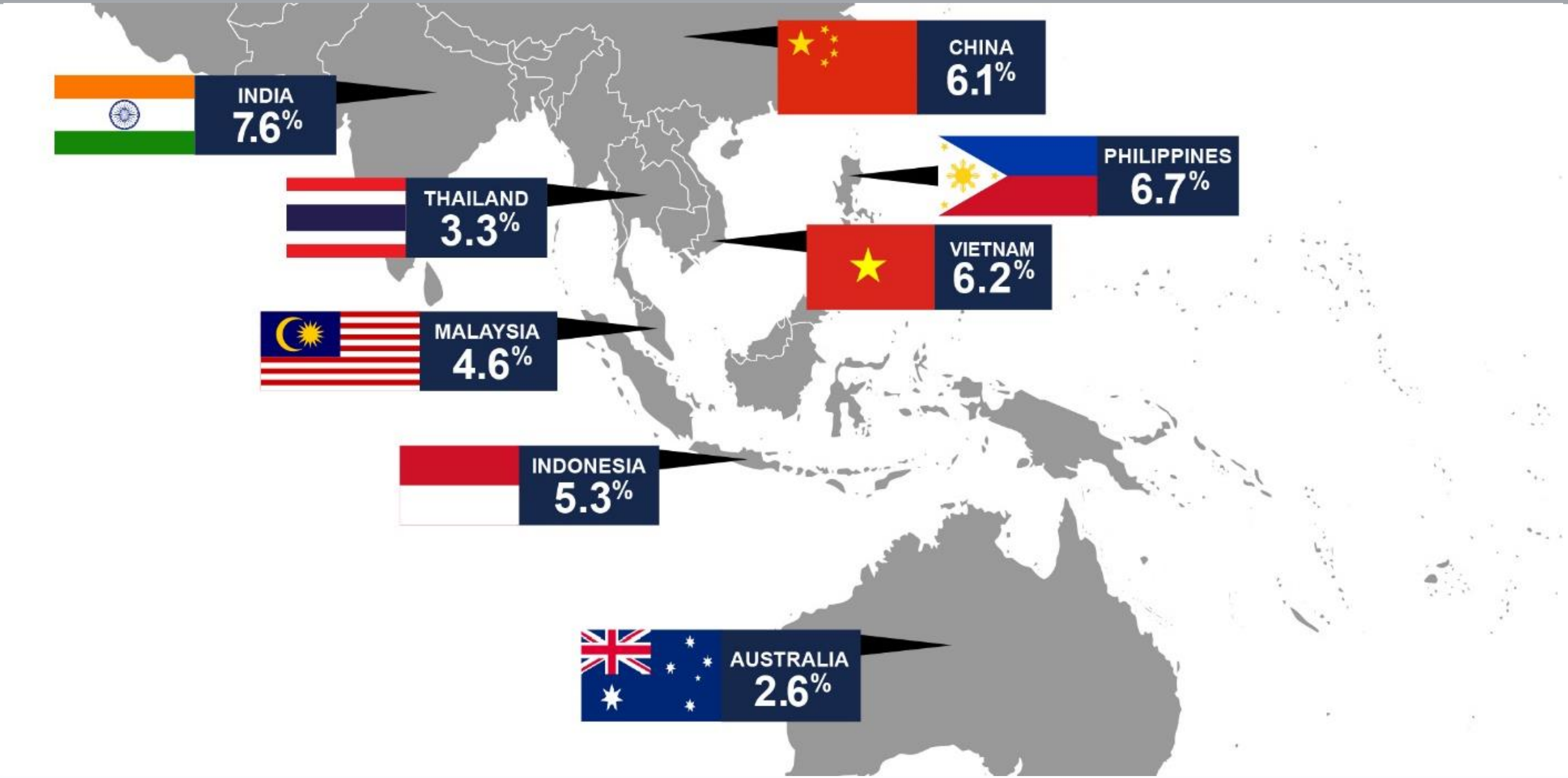
Over 50
civilian airports

Pipelines + gas storage

Source: China Daily

Developing and emerging Asia

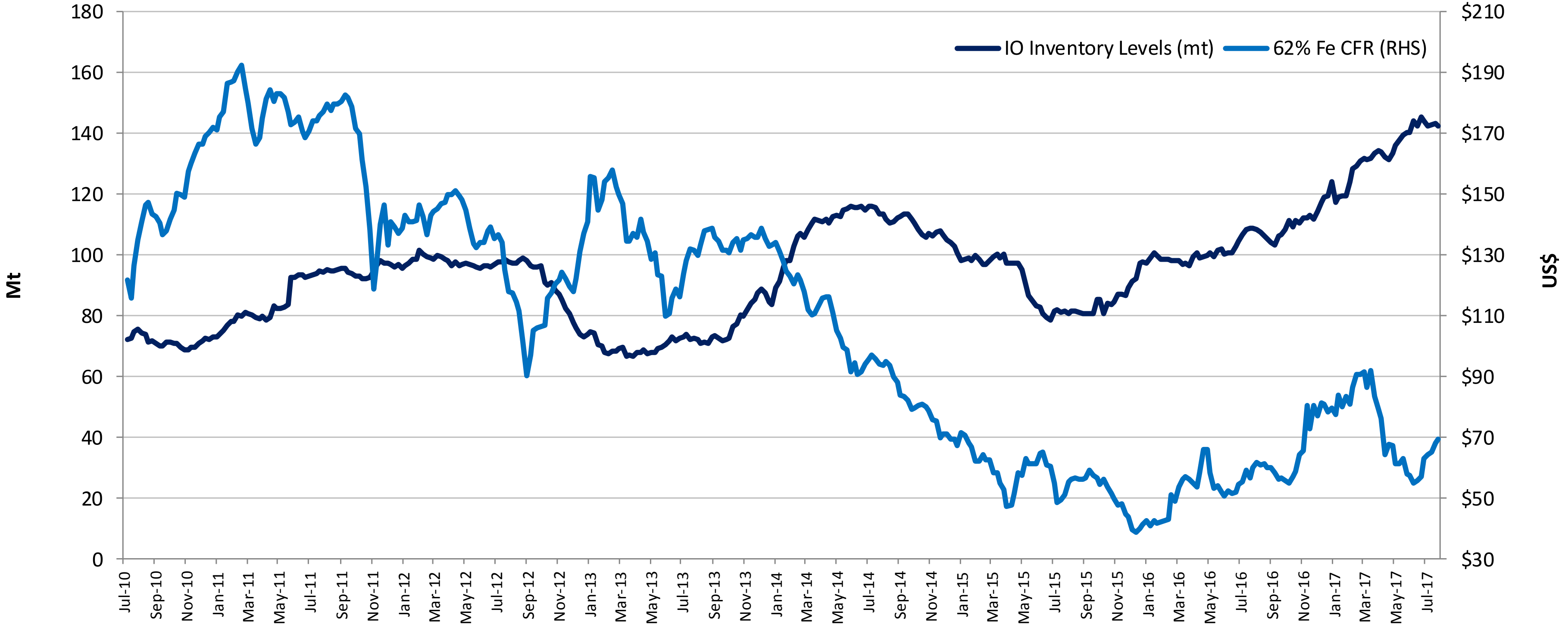
Asian economies generating two thirds of global growth



Source: IMF World Economic Database Oct 2016

Iron ore inventory levels

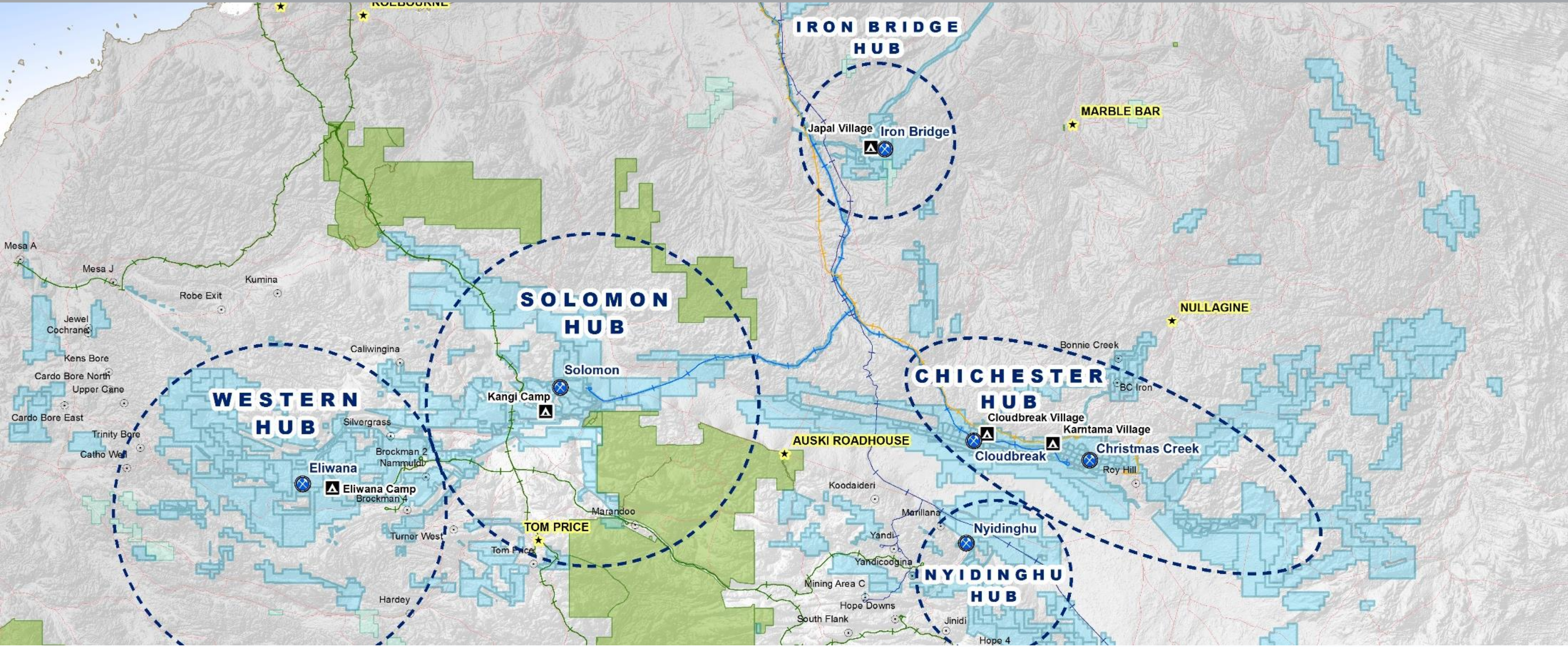
Construction and manufacturing projects support iron ore inventory levels



Reserves and resources

Focus on core iron ore business

Largest tenement in Pilbara with 18.3bt in mineral resources, including 6.7bt in magnetite



Active in exploration

Future low cost optionality

- Targeting copper and gold

  New South Wales
  - ~2,000km^2 tenure

  South Australia
  - ~6,000km^2 tenure

  South America
  - 32 concessions in Ecuador
  - Covering ~1,300km^2

Building strong communities

Diverse workforce representing our communities

Creating opportunities through training, employment and business development

17.3%
Female representation

15%
1,250 Aboriginal employees

A$1.95bn
Contracts to Aboriginal companies

98%
Spend Australia 64% in WA

Focussed strategy

Key strategic focus

Ensuring communities benefit from the growth and development of Fortescue

- ✓ Debt repayment and **capital flexibility**
- ✓ Long term **sustainability** of iron ore
- ✓ **Returns** to **shareholders**
- ✓ Create **low cost growth** options
  - Leverage skills and culture
  - Exploration and early stage development

Together we are Fortescue

Our vision is to be the safest, lowest cost, most profitable iron ore producer

Sustainable
low cost
producer

World class
assets & people

Customer focus

Reliable
Competitive

Unique culture
drives performance

FMG

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