Fortescue
The New Force in Iron Ore

WA Annual Resources Overview

October 2017

Together we are Fortescue

Forward looking statements

Disclaimer

Important Notice

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Additional Information

This presentation should be read in conjunction with the Annual Report at 30 June 2017 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 2017 as released to the Australian Securities Exchange on 18 August 2017. 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

Safety focus: engagement, empowerment, leadership

Core supplier

to China

Shipped over

880mt

Low cost producer

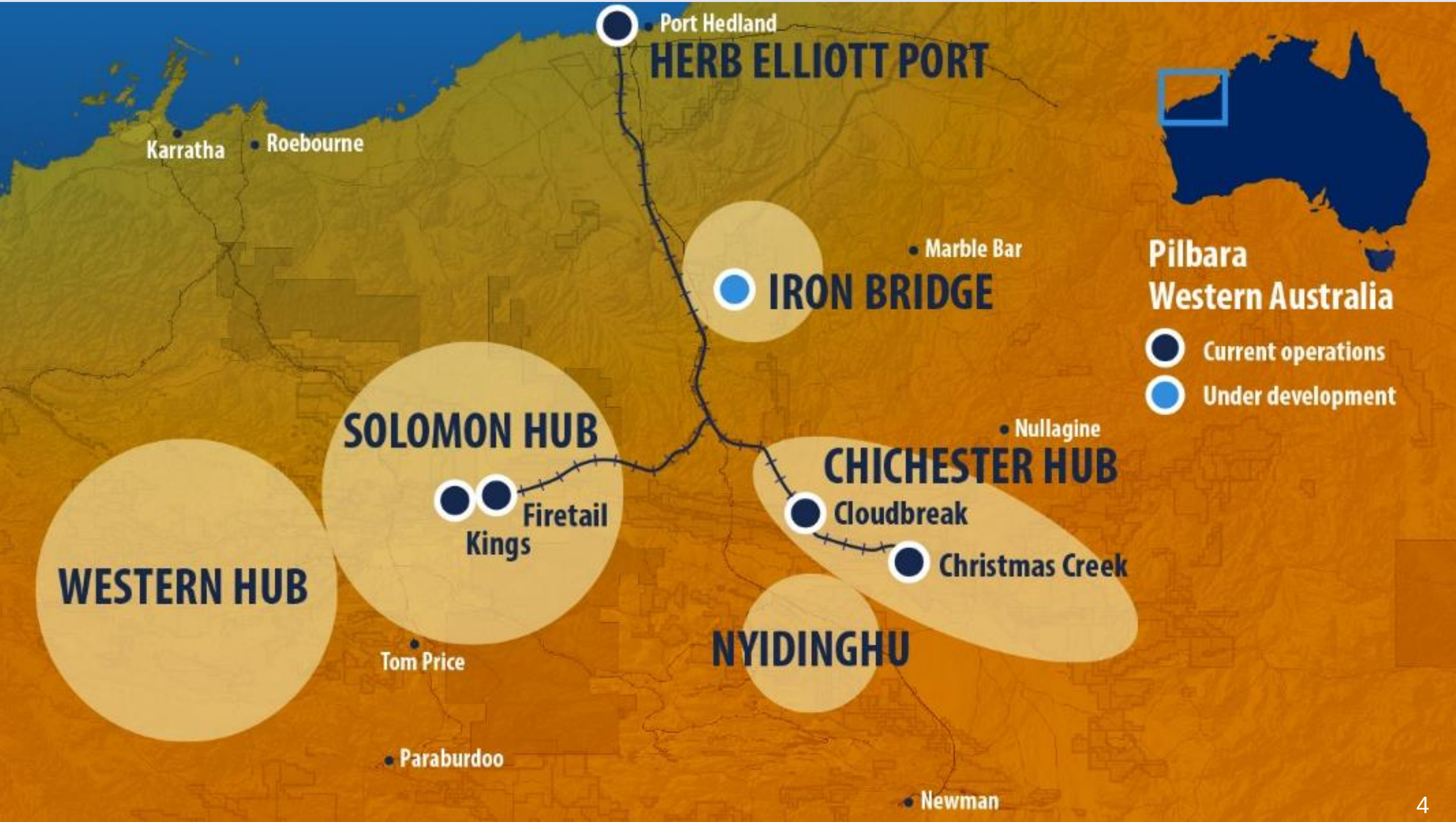
170mt

Production rate

Generating shareholder value

Focus on safety, productivity and efficiency

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



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

FMG

Fortescue

The New Force in Iron Ore

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

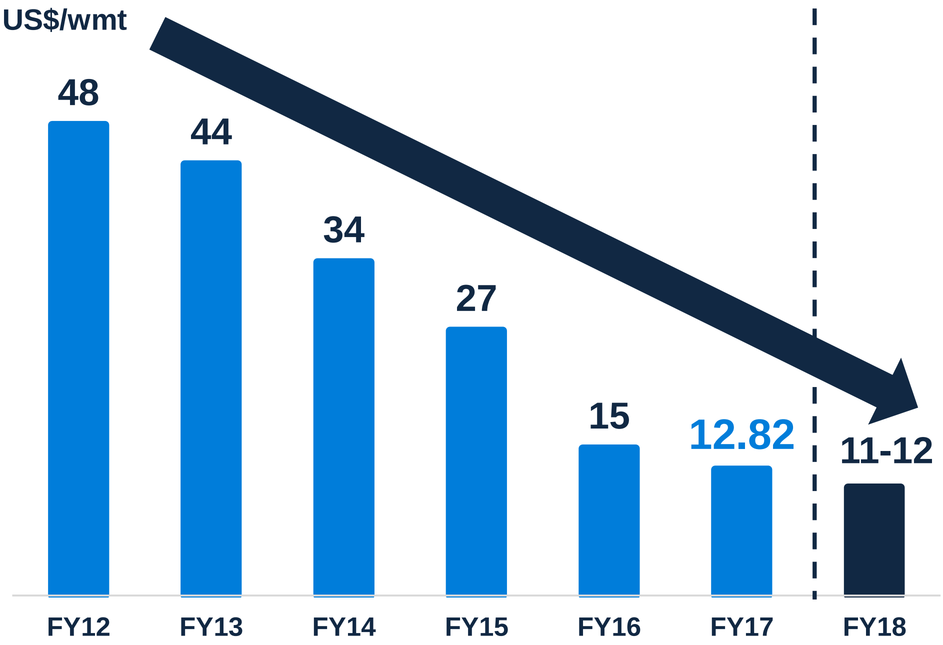
Sustainable cost improvements

Initiatives delivering long term low cost outcomes

Structural improvements
Solomon + Blending + Processing

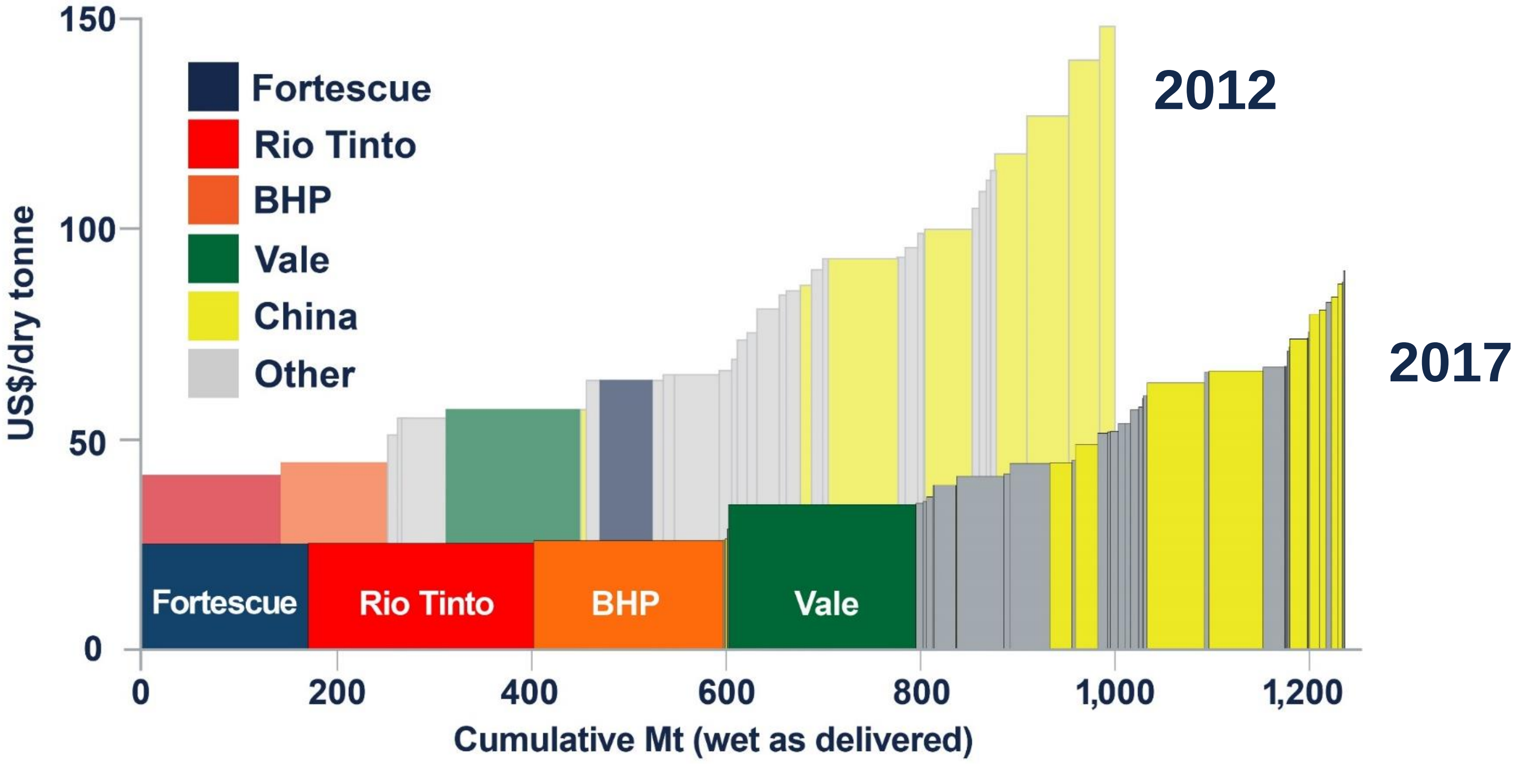
Productivity and Efficiency
Utilisation, Recoveries, Maintenance

Innovation and Technology
Autonomy, Gas, Ore Carriers, Data analysis



Maintaining position on the cost curve

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



Source: Metalytics – March 2017

FY18 Q1 on track

Operational performance delivering financial results and cashflows

Safety

3.0 TRIFR

Production

44.0mt

Shipped for the quarter

C1 Cost

$12.15/wmt

On target to US$11-12

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Market

Core supplier to Asia

Well established market share of imported iron ore to China

Low impurity 58% Fe average

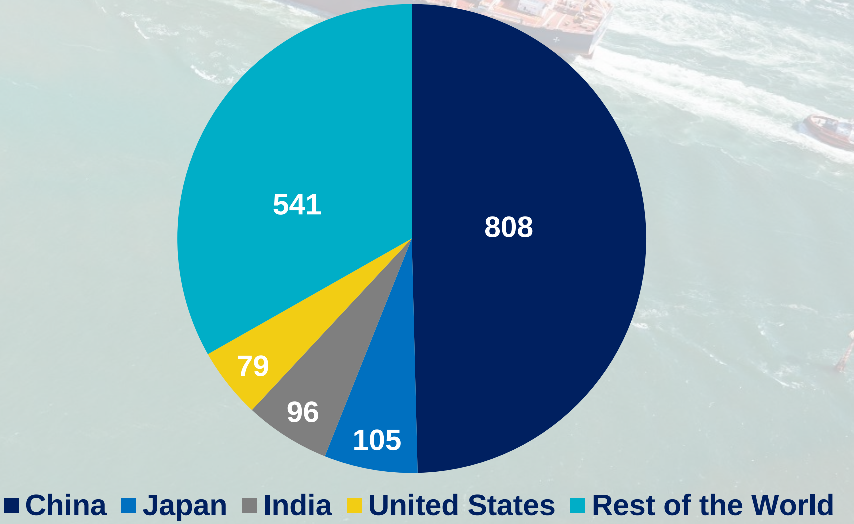
Competitive
value in use

Large diverse
customer base

Responsive
to market needs

Proximity
to high growth region

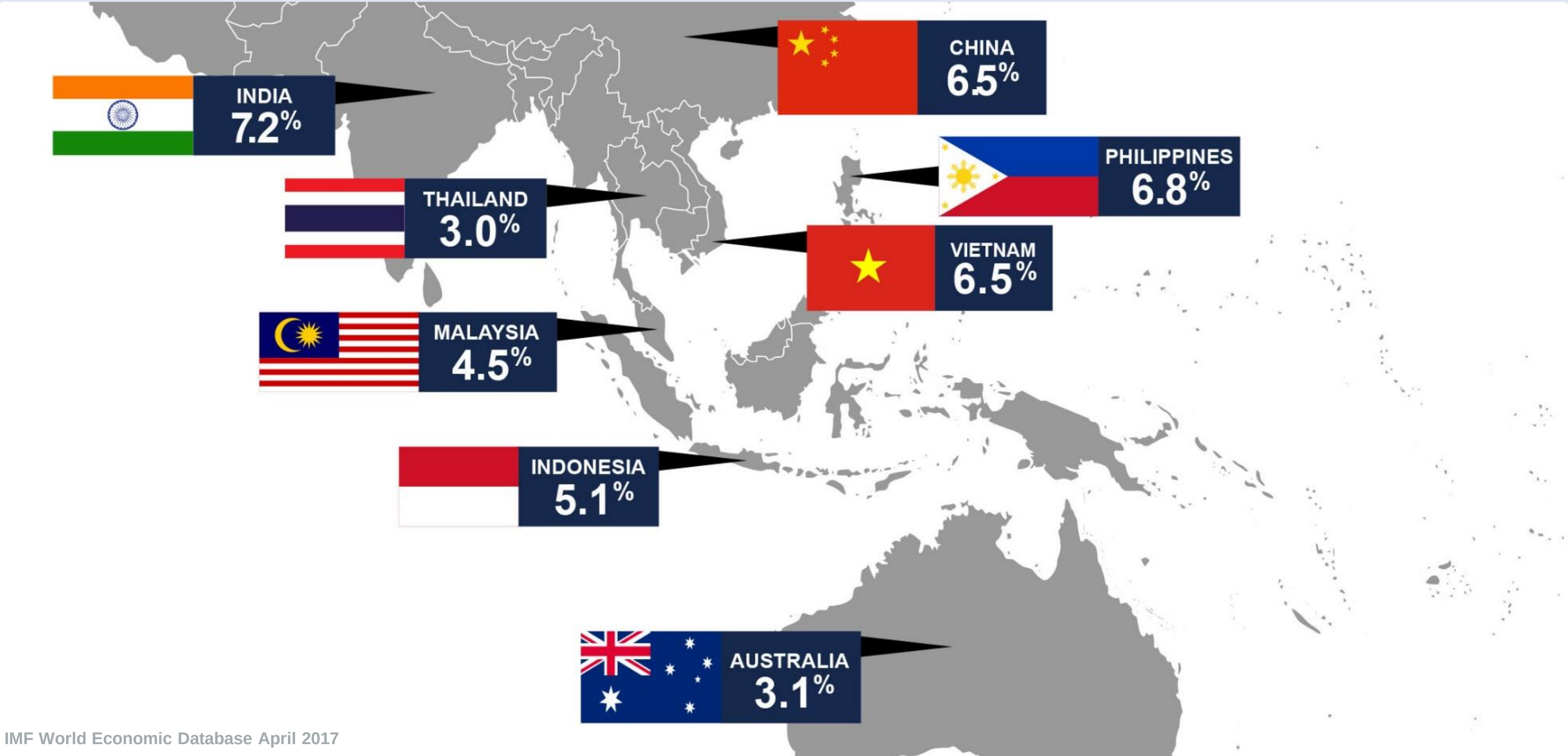
Total 2016 global steel production 1,629mt



Source: World Steel Association Crude Steel Production 2016

Developing and emerging Asia

Asian economies generating two thirds of global growth



Source: IMF World Economic Database April 2017

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Innovation

Generating ideas for future innovation

People, processes and techniques are all catalysts for innovation

Targets

Strong Plan B

Ownership

Engage
Empower
Encourage

Accountability

Delivering results

Evolution

Embracing change for continuous improvement

World class autonomous haulage operation

Building on our success and expanding to the Chichester Hub

Improved safety + productivity

56

Operating at Solomon

+12 to be converted

Chichester Expansion

100 trucks over 3 years

420mt

Material moved at Solomon

Early adopters and future opportunities

Innovation to drive safety, productivity and efficiency

	Early adopter	Current plans
Solomon Hub	Autonomous haulage Autonomous drilling	Dewatering telemetry Complete autonomous haulage
Chichester Hub	Dewatering telemetry OPF optimisation Autonomous drilling Integrated Operations Centre	Autonomous haulage Low cost, relocatable conveyor
Port and Rail	Integrated Operations Centre Fortescue Ore Carriers	Shiploader automation Rail cruise control

Future thinking

Data analytics
Blend optimisation
Alternative fuel sources
Automation projects
Artificial intelligence
Processing technology

Iron ore projects

Creating low cost future optionality

- **Firetail** Replacement
  - Within next **three years**
  - Capital estimate **$1-1.5 billion**
  - **Development works and environmental approvals** underway
- Decision on **Iron Bridge** expected in **FY18**

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Focussed strategy

Key strategic focus

Ensuring our communities benefit from the growth and development of Fortescue

Debt repayment and capital flexibility

Long term sustainability

Low cost growth options

Returns to shareholders

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

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Sustainable
Low cost producer

World class
Assets and people

Customer focus
Reliable and competitive

Unique culture
Drives performance

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