FMG Fortescue
The New Force in Iron Ore

CEO Presentation

Building a world class company

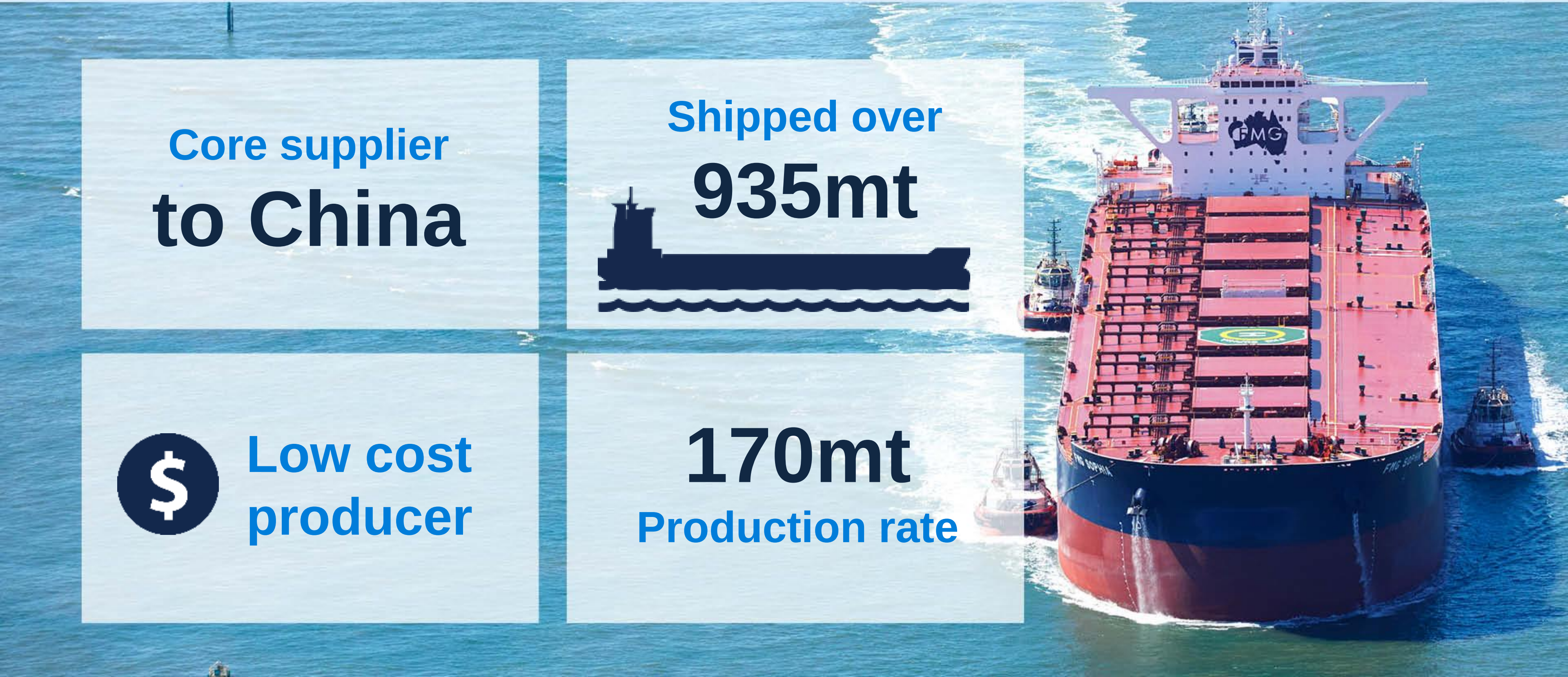
Safety focus: engagement, empowerment, leadership

Core supplier
to China

Shipped over
935mt

Low cost
producer

170mt
Production rate



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

Fortescue
The New Force in Iron Ore

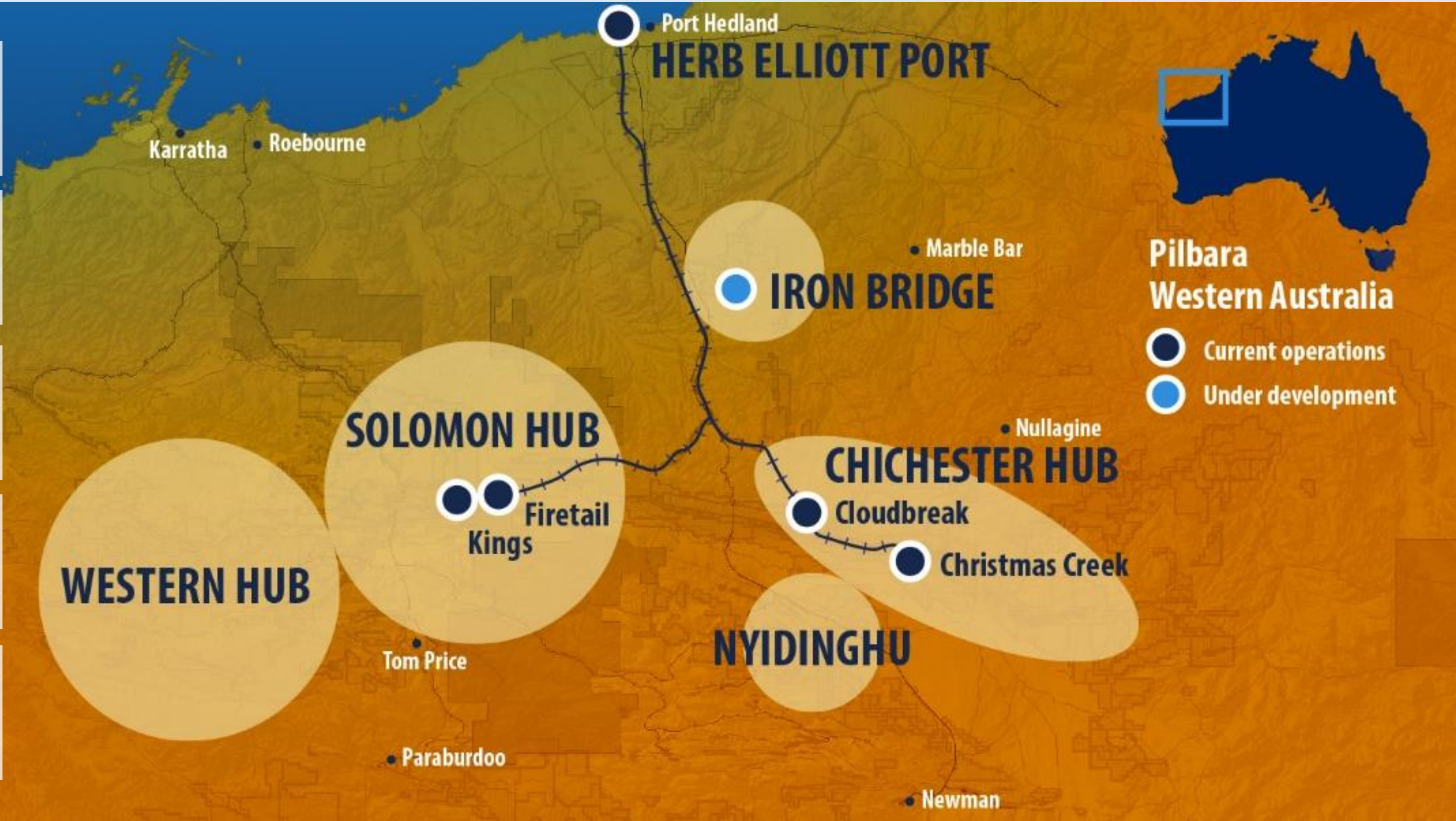
- Safety
- Family
- Empowerment
- Frugality
- Stretch targets
- Integrity
- Enthusiasm
- Courage and determination
- Generating ideas
- Humility

Generating shareholder value

Fortescue The New Force in Iron Ore

Focus on safety, productivity and efficiency

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



Delivering on our targets in FY17

Fortescue
The New Force in Iron Ore

Sustainable cost reduction and consistent production performance

TRIFR 2.9
33% reduction

170.4mt
Shipped

C1 cost
US$12.82/wmt
17% reduction

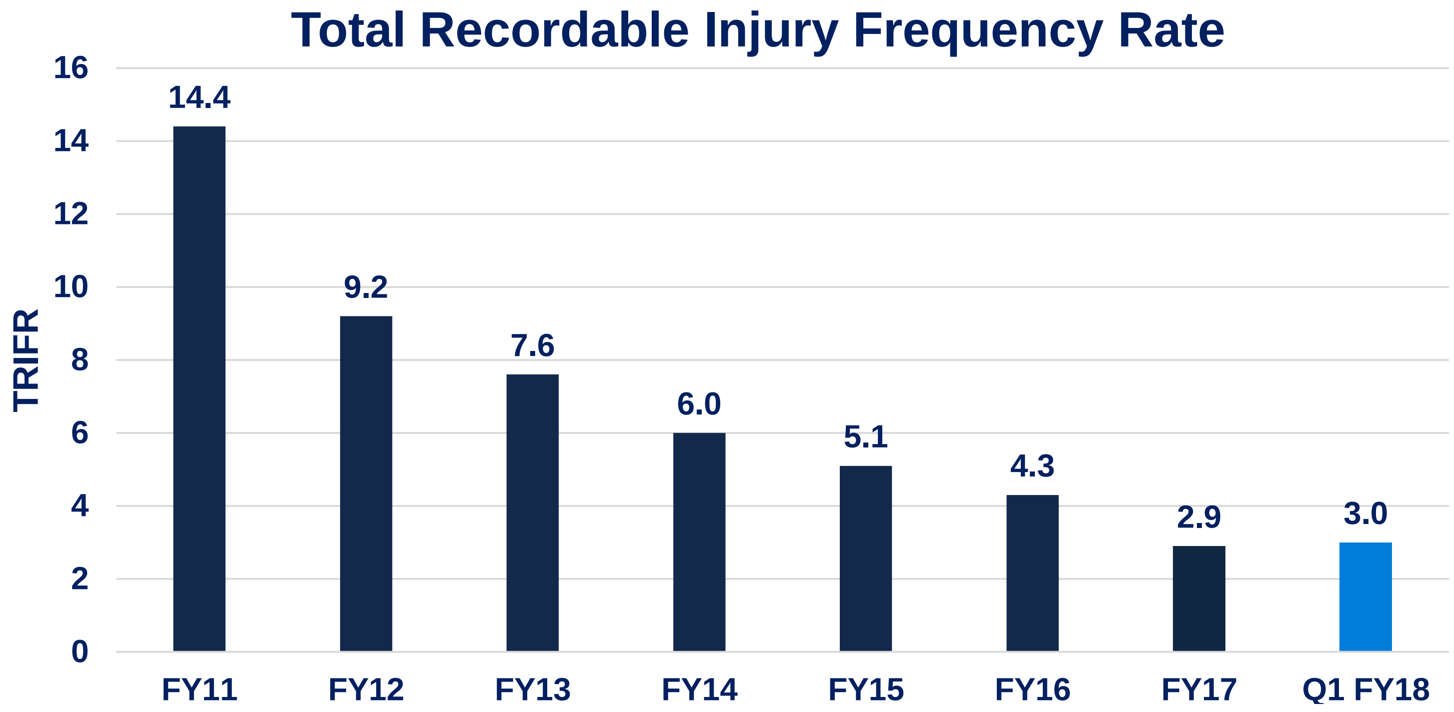
A$0.45
Total FY17 dividends
52% pay-out

21%
Net gearing

US$2.7bn
Debt repaid

Safety performance improves year on year

Significant improvement since FY11



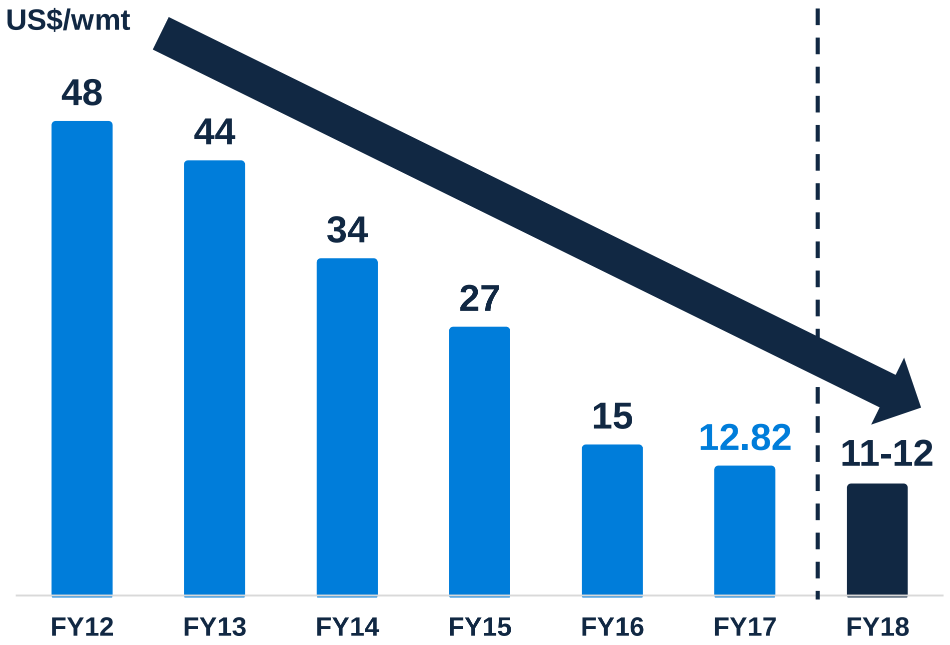
Sustainable cost improvements

Initiatives delivering long term low cost outcomes - US$12.15 Q1 FY18

Structural improvements
Solomon + Blending + Processing

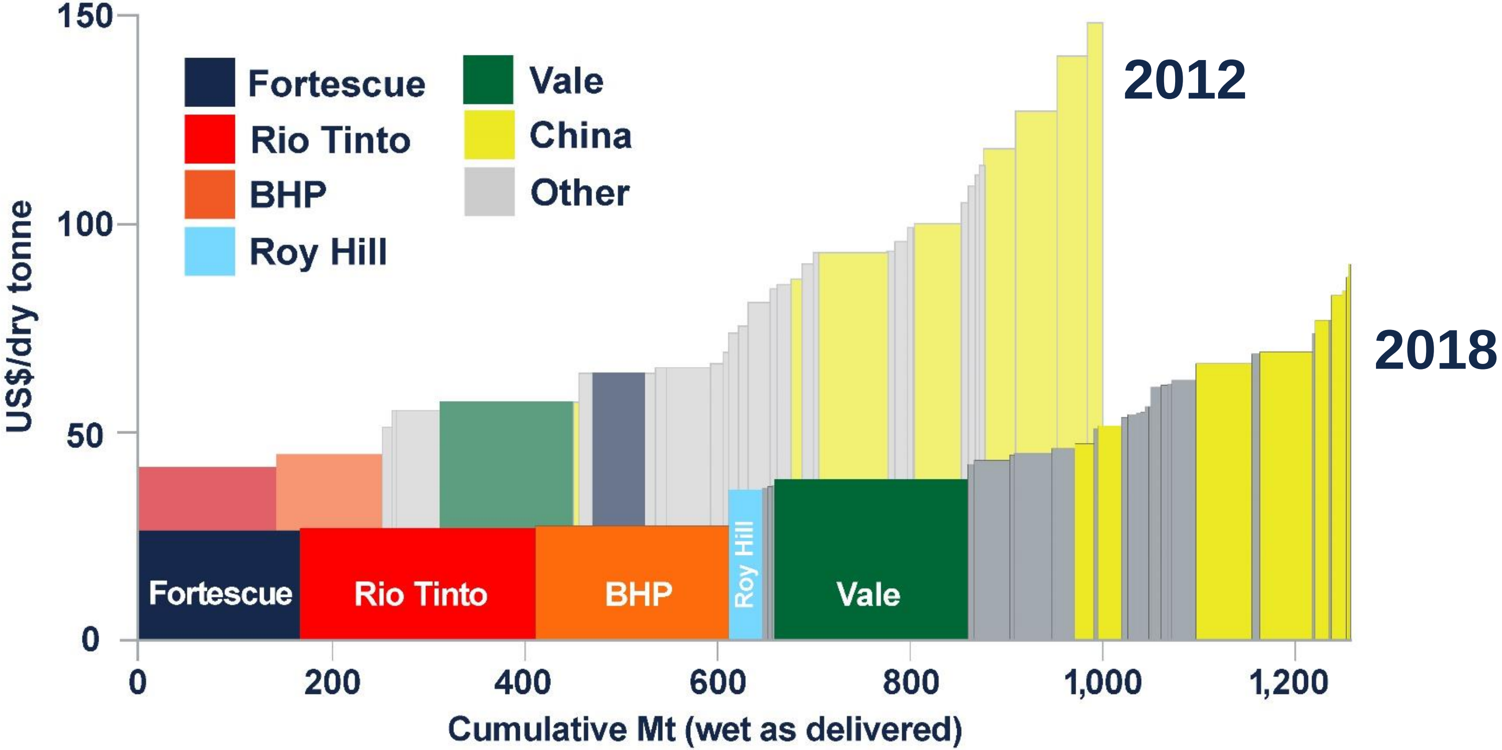
Productivity and Efficiency
Utilisation, Recoveries, Maintenance

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 – October 2017

Financial performance

FY17 financial outcomes

Operational performance delivering financial results

Revenue	Underlying EBIDTA	NPAT
US$8.4bn	US$4.7bn	US$2.1bn
⬆ 19%	⬆ 48%	⬆ 112%

Free cash flow	Debt repaid	Earnings per share
US$3.5bn	US$2.7bn	US$67.3cents
⬆ 65%	Net Debt US$2.6bn	⬆ 113%

FY18 on track

Q1 Operational performance delivering financial results and cashflows

Safety

Total Recordable Injury Frequency Rate

3.0

Production

Shipped

44.0 mt

C1 Cost

US$12.15 /wmt

FY18 September Quarter Results

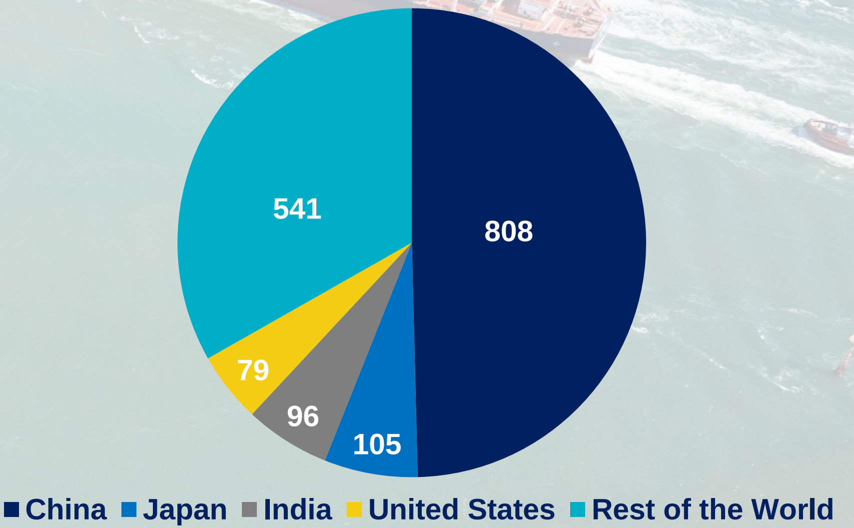
Core supplier to Asia

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

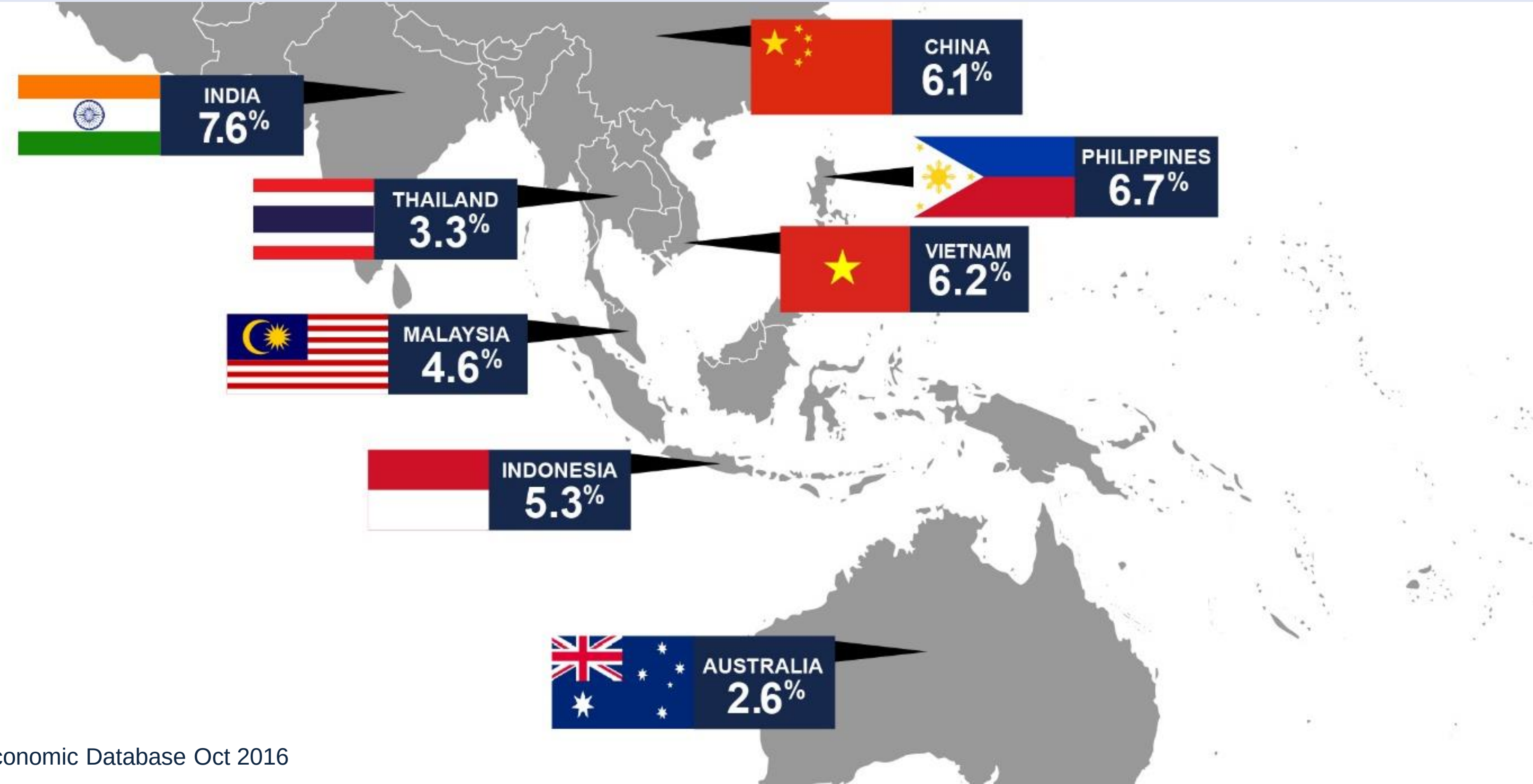
Total 2016 global steel production 1,629mt



Source: World Steel Association Crude Steel Production 2016

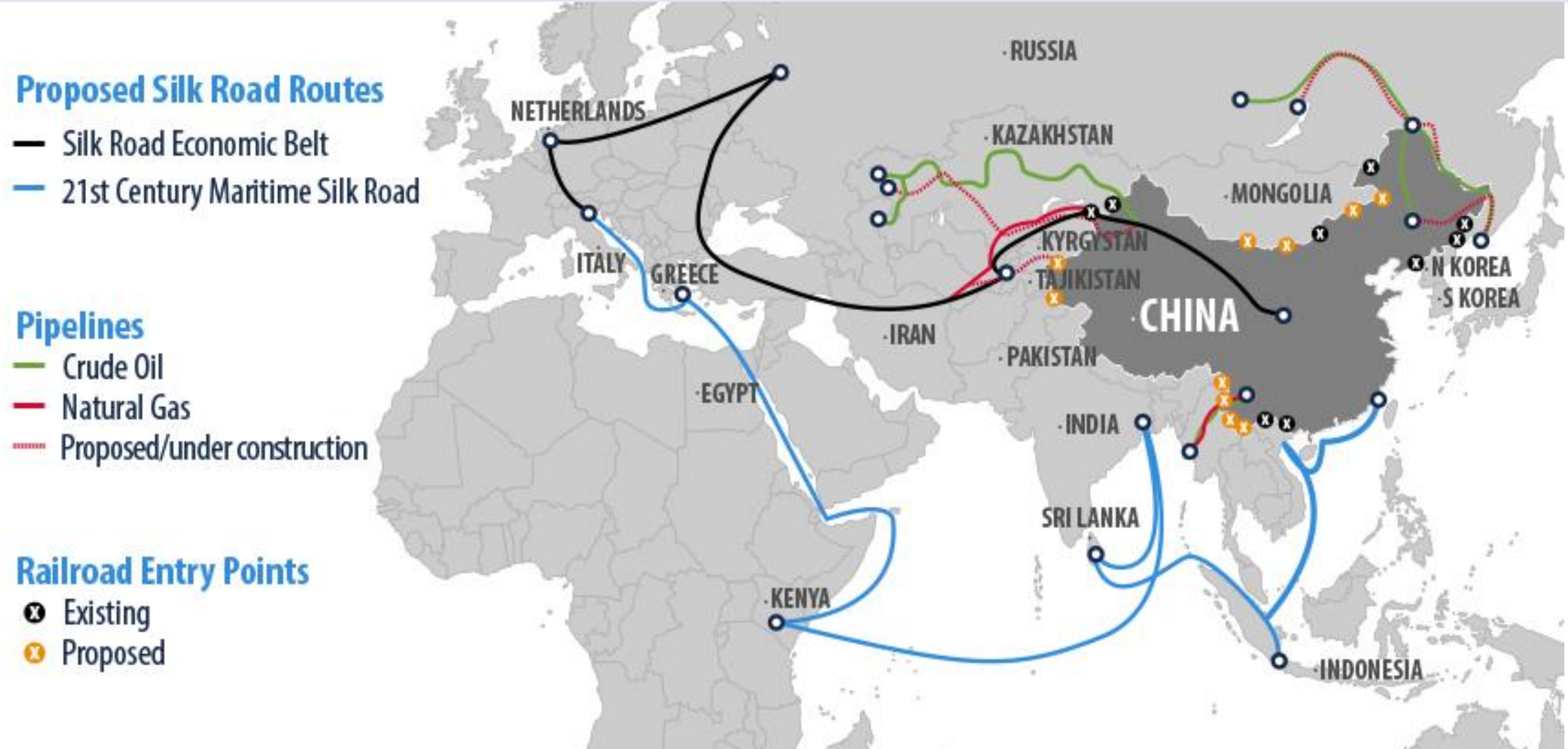
Developing and emerging Asia

Asian economies generating two thirds of global growth



Source: IMF World Economic Database Oct 2016

China’s New Silk Road Plan



Building strong communities

Ensuring communities benefit from the growth and development of our business

Setting high standards

Creating positive social change

Safeguarding the environment

Creating positive social change

FMG Fortescue
The New Force in Iron Ore

By building local communities and empowering Aboriginal people

15%
Aboriginal employment

$1.95billion
Contracts with Aboriginal businesses

Training
VTEC Trade Up

$50million
Guaranteed Leasing Facility
14 day payment terms

Setting high standards

Practical initiatives to creating a supportive and encouraging environment for women

17%
Female employees

25%
Female management

- Fortescue Family Room
- Job share
- Flexible work

25%
Females in Trade Up

Key strategic focus

Fortescue
The New Force in Iron Ore

Ensuring our communities benefit from the growth and development of Fortescue

Long term sustainability

Debt repayment and capital flexibility

Low cost growth options

Returns to shareholders

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

Fortescue
The New Force in Iron Ore

Sustainable
Low cost producer

World class
Assets and people

Customer focus
Reliable and competitive

Unique culture
Drives performance

Fortescue
The New Force in Iron Ore

Chairman's Presentation

Achieving great results

Guinness Book of Records - the fastest, heavy haul railway in the world

Disciplined execution of a clear strategy

Achieving strong returns for all shareholders

Continue to set challenging stretch targets

The entire team has demonstrated their outstanding capability

Growth and development

The next phase of Fortescue's journey

Board governance

Fresh thinking, vitality, energy, diversity and depth of experience

Close engagement with China

Value our relationships with our customers

Minderoo Foundation

For the love of our country and commitment to serve others

Minderoo Foundation

Fortescue
The New Force in Iron Ore

Strengthening communities and vulnerable individuals with a hand up not a hand out

Minderoo Foundation

Six Foundations

WALK FREE FOUNDATION

eci Eliminate Cancer Initiative

thrive by five

GENERATION ONE

ARTS CULTURE COMMUNITY

FORREST RESEARCH FOUNDATION

All made possible by 15 years of stable leadership

Business of Meeting

Financial Reports

Consideration of the Financial Reports

To receive and consider the financial report, the reports of the Directors and the auditors of the Company and its controlled entities for the year ended 30 June 2017.

Further Information

Ms Elizabeth Gaines, Fortescue's CFO and Mr Nick Henry from PwC, the Company's auditor, are present to answer any questions.

Please note

There is no requirement for a resolution in relation to these reports.

Resolution 1

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory resolution:

> ***"That the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2017 be approved and adopted."***

Further Information

- This resolution is advisory only
- The Chairman will vote undirected proxies for Resolution 1
- Voting restrictions apply to key management personnel and their closely related parties.
- The Board recommend that Shareholders vote for Resolution 1
- The Remuneration Report can be found at pages 101 to 132 of the 2017 Annual Report

Resolution 1

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an advisory resolution:

> ***"That the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2017 be approved and adopted."***

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
1,439,905,165 (94.07%)	85,796,084 (5.60%)	4,295,321 (0.28%)	728,280 (0.05%)

Resolution 2

Re-election of Mr Andrew Forrest AO

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Andrew Forrest be re-elected as a Director of the Company."

Further Information

- Mr Forrest, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 2
- The Chairman will vote undirected proxies for Resolution 2
- Details of the experience and qualifications of Mr Forrest are set out on page 7 of the Explanatory Statement of the Notice of Meeting

Resolution 2

Re-election of Mr Andrew Forrest AO

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Andrew Forrest be re-elected as a Director of the Company."

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,300,322,607 (90.48%)	237,264,545 (9.33%)	4,047,670 (0.16%)	719,137 (0.03%)

Resolution 3

Re-election of Mr Mark Barnaba AM

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Mark Barnaba be re-elected as a Director of the Company."

Further Information

- Mr Barnaba, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 3
- The Chairman will vote undirected proxies for Resolution 3
- Details of the experience and qualifications of Mr Barnaba are set out on pages 7-8 of the Explanatory Statement of the Notice of Meeting

Resolution 3

Re-election of Mr Mark Barnaba AM

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Mark Barnaba be re-elected as a Director of the Company."

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,466,656,469 (95.96%)	98,911,630 (3.85%)	4,202,657 (0.16%)	725,736 (0.03%)

Resolution 4

Election of Ms Penelope Bingham-Hall

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms Penelope Bingham-Hall be elected as a Director of the Company."

Further Information

- Ms Bingham-Hall, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 4
- The Chairman will vote undirected proxies for Resolution 4
- Details of the experience and qualifications of Ms Bingham-Hall are set out on page 8 of the Explanatory Statement of the Notice of Meeting

Resolution 4

Election of Ms Penelope Bingham-Hall

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms Penelope Bingham-Hall be elected as a Director of the Company."

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,556,541,765 (99.47%)	8,723,488 (0.34%)	4,245,288 (0.16%)	724,236 (0.03%)

Resolution 5

Election of Ms Jennifer Morris

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms Jennifer Morris be elected as a Director of the Company."

Further Information

- Ms Morris, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 5
- The Chairman will vote undirected proxies for Resolution 5
- Details of the experience and qualifications of Ms Morris are set out on page 8 of the Explanatory Statement of the Notice of Meeting

Resolution 5

Election of Ms Jennifer Morris

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Ms Jennifer Morris be elected as a Director of the Company."

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,178,269,175 (84.75%)	387,005,236 (15.06%)	4,278,130 (0.16%)	727,736 (0.03%)

Resolution 6

Participation in the Performance Rights Plan by Ms Elizabeth Gaines

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve:

(a) the grant to Ms Elizabeth Gaines of:

i. 89,823 performance rights in respect of the financial year ended 30 June 2017; and

ii. 366,865 performance rights in respect of the financial year ending 30 June 2018; and

(b) the issue, transfer or allocation of, and acquisition by Ms Elizabeth Gaines of, fully paid ordinary shares in respect of those performance rights, in accordance with the terms of the Performance Rights Plan and on the basis described in the Explanatory Statement."

Further Information

- Ms Gaines, who has an interest in the Resolution, makes no recommendation
- The remaining Directors recommend that Shareholders vote for Resolution 6
- The Chairman will vote undirected proxies for Resolution 6
- Voting restrictions apply to any Director who may participate in the Performance Rights Plan, including Ms Gaines, and any of their respective associates
- Details of the Performance Rights Plan is set out on pages 8-12 and Annexure A of the Explanatory Statement of the Notice of Meeting

Resolution 6

Participation in the Performance Rights Plan by Ms Elizabeth Gaines

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve:

(a) the grant to Ms Elizabeth Gaines of:

i. 89,823 performance rights in respect of the financial year ended 30 June 2017; and

ii. 366,865 performance rights in respect of the financial year ending 30 June 2018; and

(b) the issue, transfer or allocation of, and acquisition by Ms Elizabeth Gaines of, fully paid ordinary shares in respect of those performance rights, in accordance with the terms of the Performance Rights Plan and on the basis described in the Explanatory Statement."

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,339,348,698 (91.03%)	225,515,256 (8.77%)	4,385,490 (0.17%)	727,180 (0.03%)

Resolution 7

Approval of an increase in fees paid to Non-Executive Directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

> ***"That for the purposes of ASX Listing Rule 10.17, rule 11.9 of the Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company's non-executive directors be increased by A$500,000 to A$2,500,000 per annum."***

Further Information

- As the Non-Executive Directors have an interest in the Resolution, the Board will make no recommendation
- The Chairman will vote undirected proxies for Resolution 7
- Voting restrictions apply to each of the Company's Directors and any of their respective associates
- Details of the fees paid to Non-Executive Directors are set out on page 12 of the Explanatory Statement of the Notice of Meeting

Resolution 7

Approval of an increase in fees paid to Non-Executive Directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

> ***"That for the purposes of ASX Listing Rule 10.17, rule 11.9 of the Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for the services of the Company's non-executive directors be increased by A$500,000 to A$2,500,000 per annum."***

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
984,489,824 (64.41%)	538,868,862 (35.26%)	4,335,910 (0.28%)	728,280 (0.05%)

Resolution 8

Refresh approval of proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

> ***"That approval of the proportional takeover provisions previously adopted at the 2014 Annual General Meeting and set out in the Company's Constitution be refreshed for a further three years."***

Further Information

- The Directors recommend that Shareholders vote for Resolution 8
- The Chairman will vote undirected proxies for Resolution 8
- Details of the proportional takeover provisions are set out on pages 12-13 and Annexure B of the Explanatory Statement of the Notice of Meeting

Resolution 8

Refresh approval of proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval of the proportional takeover provisions previously adopted at the 2014 Annual General Meeting and set out in the Company's Constitution be refreshed for a further three years."

Proxy Results

FOR	AGAINST	OPEN TO CHAIR	OPEN TO OTHER
2,467,535,556 (96.02%)	3,819,147 (0.15%)	97,660,842 (3.80%)	729,993 (0.03%)

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The New Force in Iron Ore

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