

Iron Ore, Coking Coal & China's Appetite For Steel

Commodities that drive Australian Export Trade & China's ongoing demand for a fundamental product

General Briefing Document

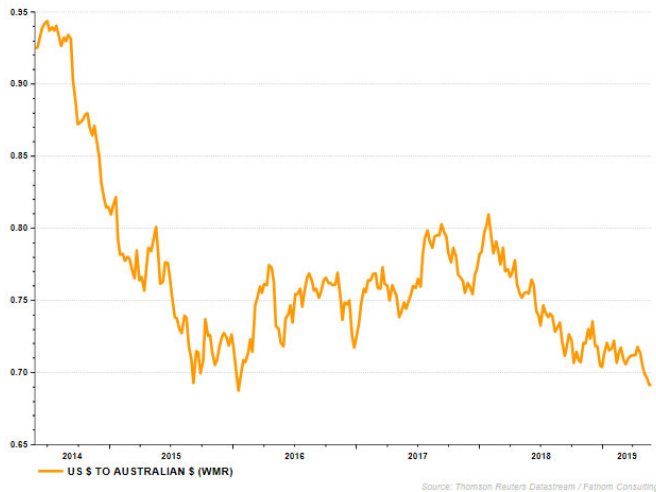
May 29th, 2019



Weakening AUD Boosts Iron Ore & Coal Export Dollars

The benefit of producing in AUD and being paid in USD

Weakening AUD vs USD Exchange Rate Assists Exporters



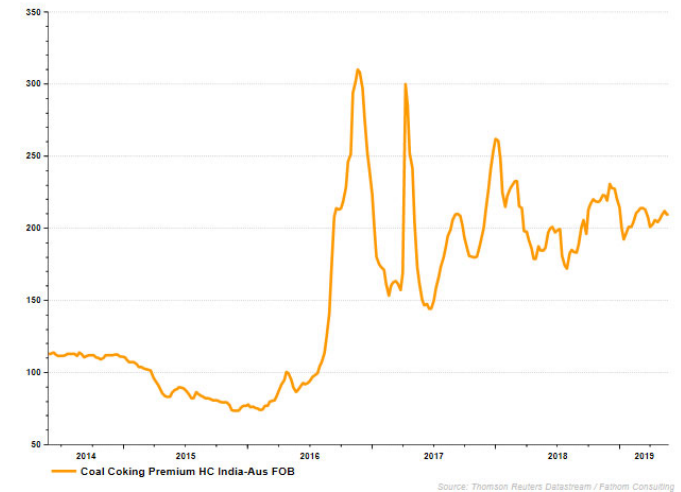
A continuation of weakening in the AUD results in positive gains for Australian producers (*unhedged*)

Iron Ore's Continued Recovery



Iron Ore has climbed back to the USD \$100 mark – which with the weakening AUD (and AUD denominated production) provides positive fundamentals for both the Industry and the Australian Government in terms of Export Dollars

Coking Coal Also Continues To Be Positive

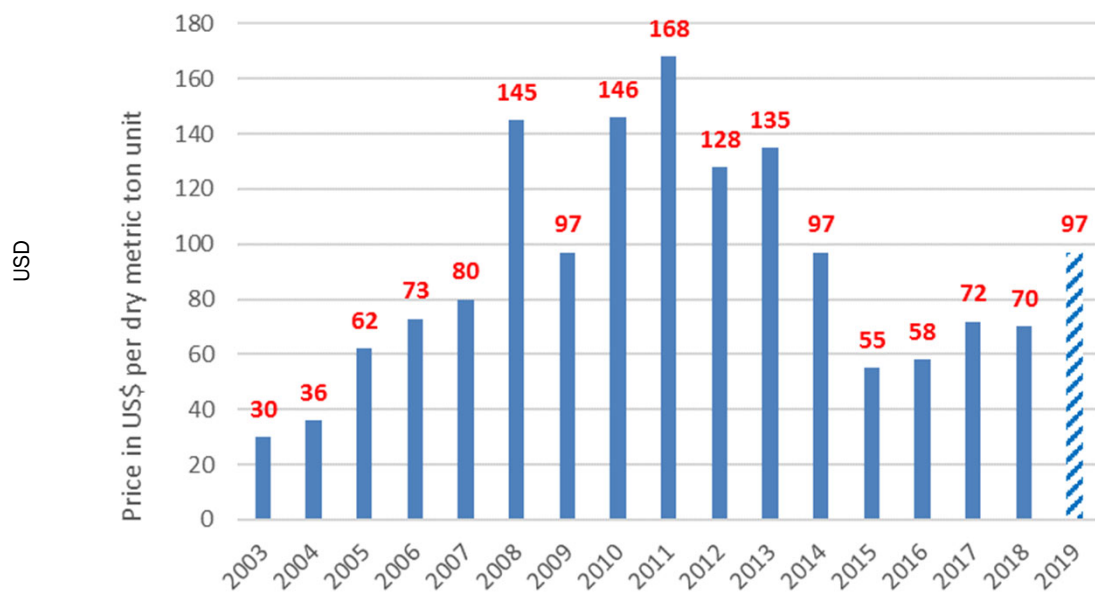


Coking Coal prices continue to trade positively on the global stage

Improving Price A Bonus For Producers

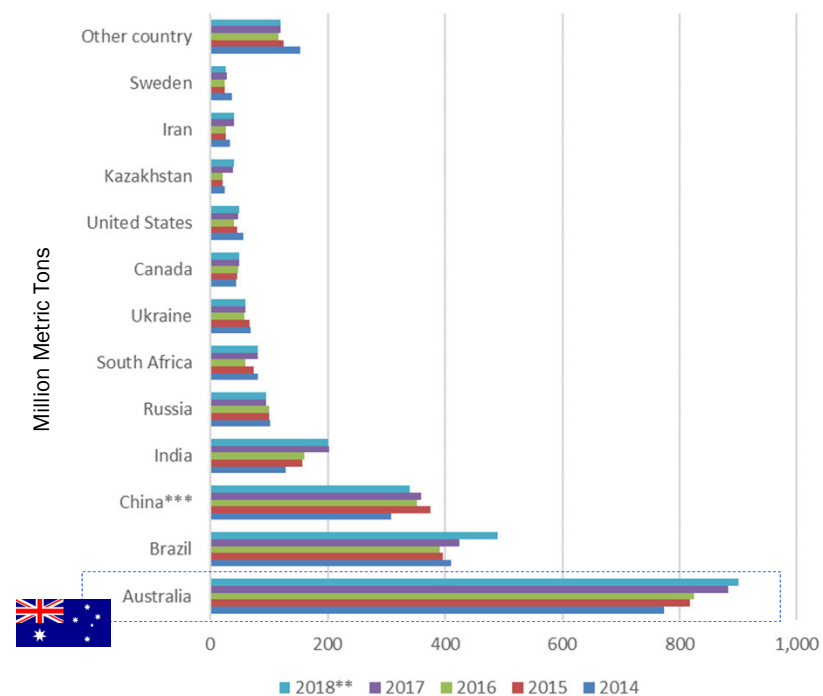
The Western Australian Government collected A\$4.5 billion in iron ore royalties in 2017 – 2018[^]

Global Average Iron Ore Price 2003 to 2019



2019 taken as latest SPOT price estimate (rounded)

Iron Ore Worldwide Production 2014 to 2018

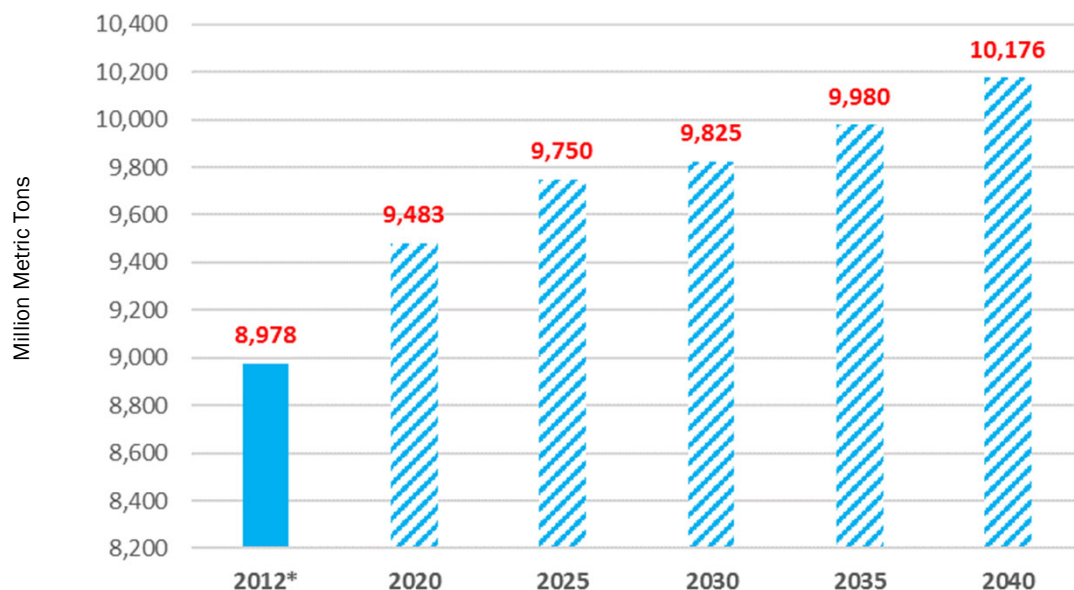


Increasing production combined with increasing iron ore spot price positions current and future royalty flow positively

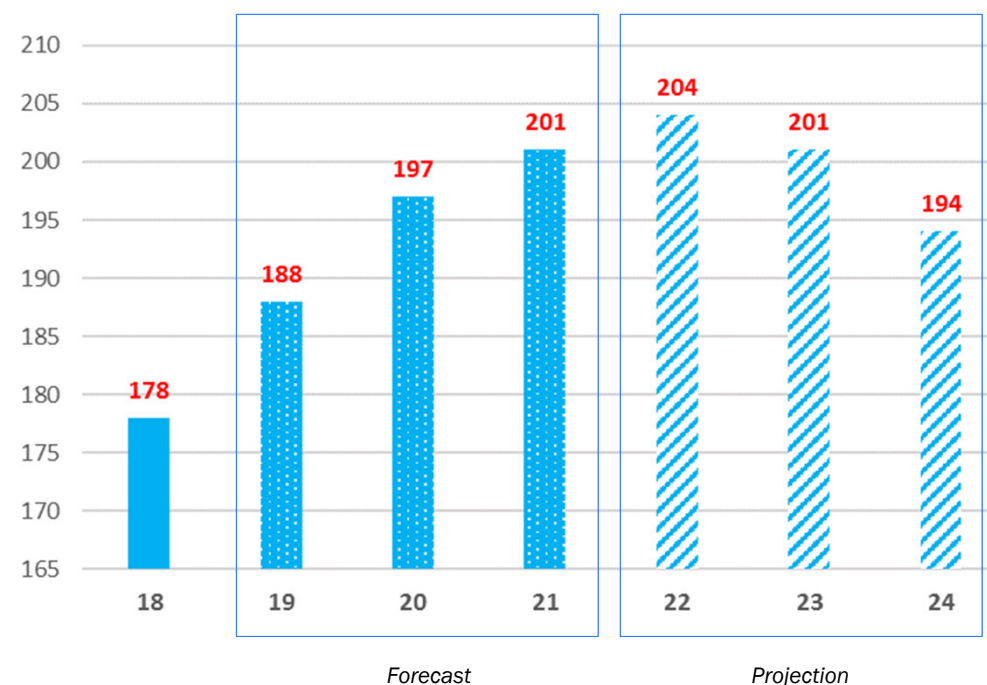
Coking Coal To Remain “Globally Relevant”

Coking Coal will continue to be a major contributor to the Australian Export Markets

Global Forecast Of Coal Production 2012 To 2040



Australia's Future Coking Coal Production

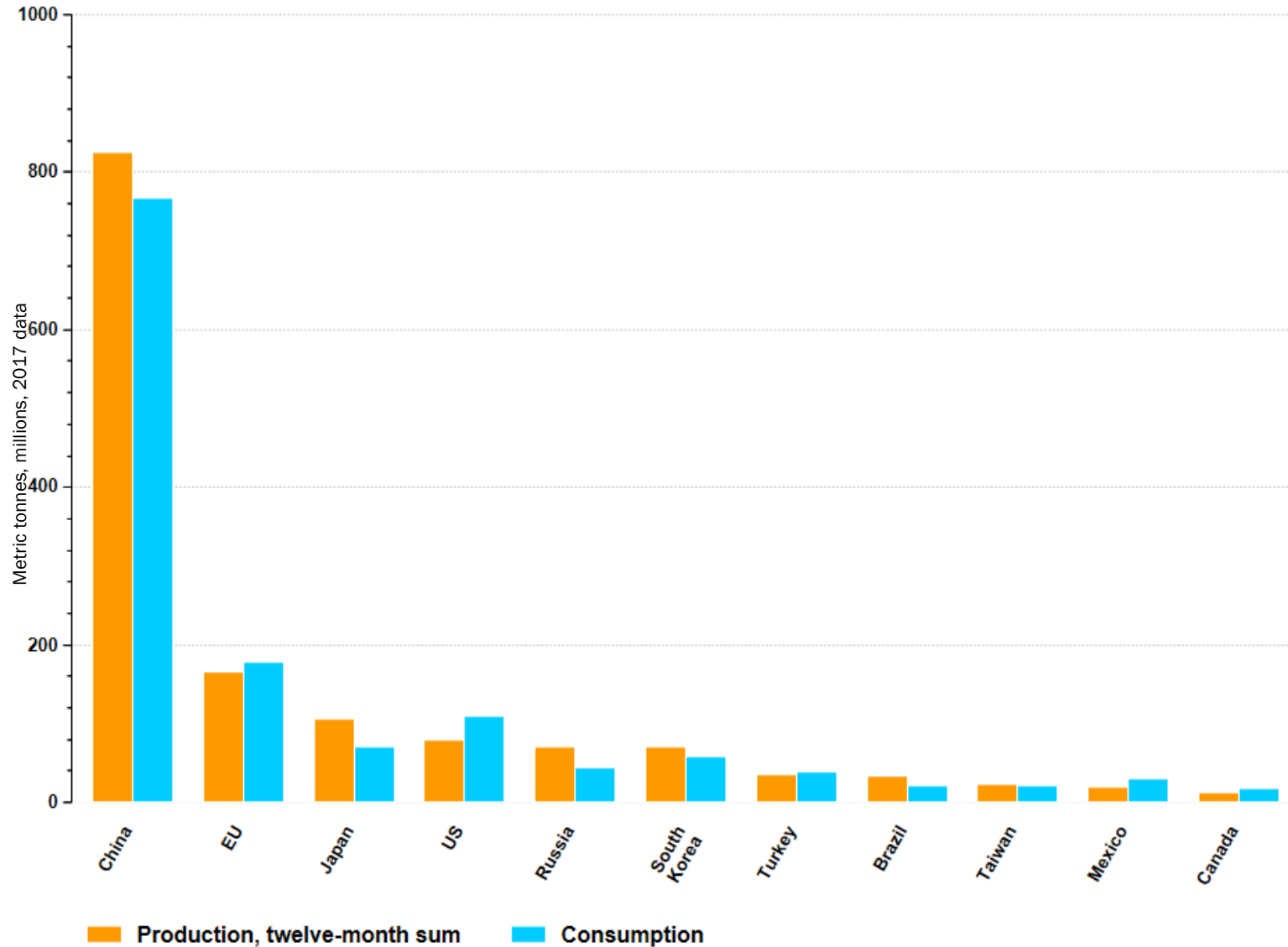


Global coal production is projected to continue to increase in the period to 2040

Australian Coking Coal Production will continue to be strong, fueled by industrialization in key regional partner markets

Global Steel Production & Consumption Data

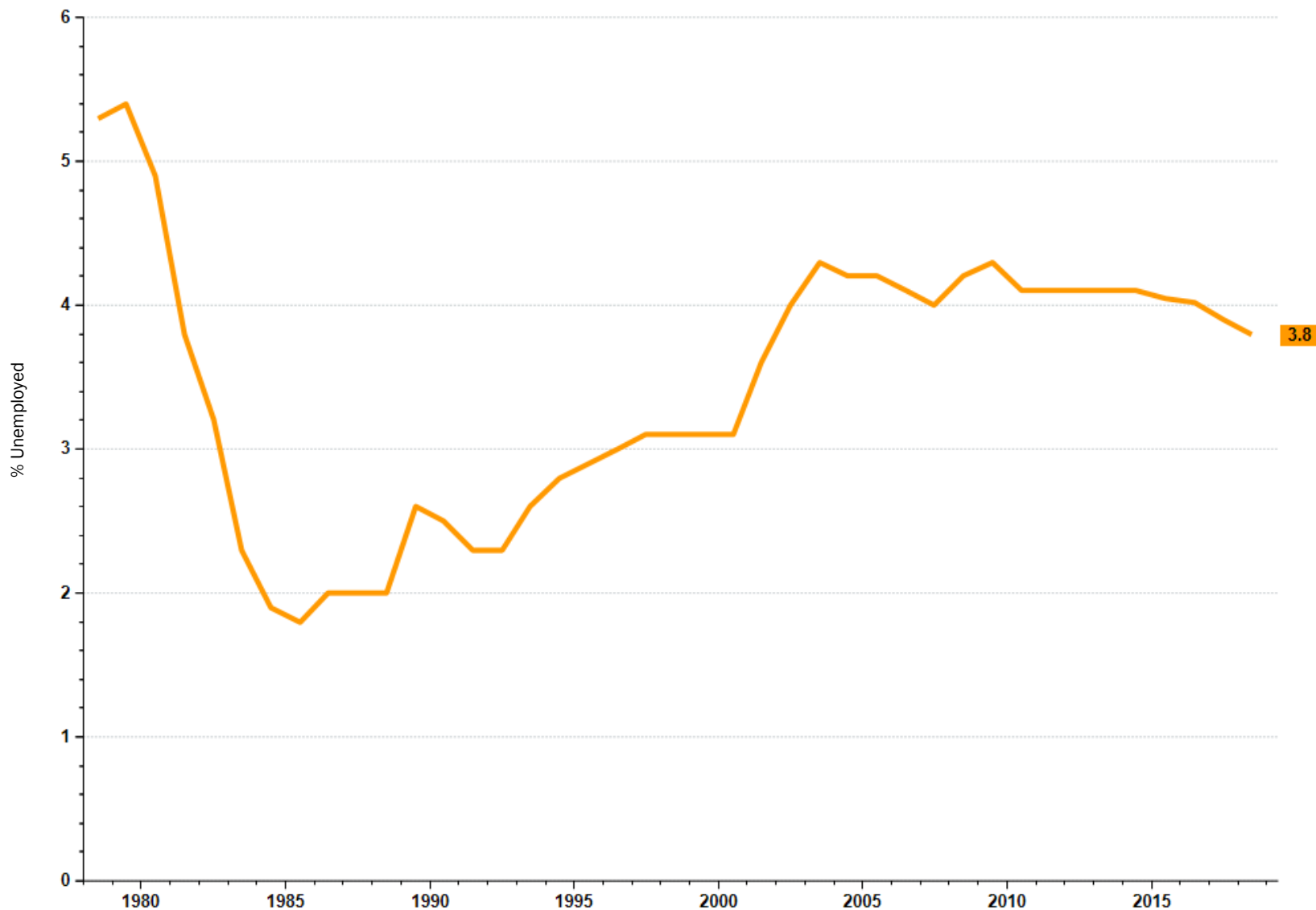
China is the dominant producer and consumer of steel products



Source: Thomson Reuters Datastream / Fathom Consulting

China's Urban Unemployment Rate

Unemployment rate continues to fall, driving middle class expansion & associated need for Infrastructure & Housing



Source: Thomson Reuters Datastream / Fathom Consulting

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