



CI RESOURCES LIMITED
ANNUAL GENERAL MEETING
26 NOVEMBER 2019 @ 10.00AM

CHAIRMAN'S INTRODUCTION AND WELCOME

Good morning ladies and gentlemen and welcome to the 2019 Annual General Meeting of CI Resources Limited.

My name is David Somerville and I am the Chairman of CI Resources Limited.

Before we commence with the formal business of this meeting, I would like to take this opportunity to introduce you to my fellow directors:

- Lai Ah Hong (Managing Director)
- Clive Brown
- Adrian Gurgone
- Dato' Sri Kamaruddin Mohamed
- Dato' Sri Tee Lip Sin
- Tee Lip Jen

I would also like to introduce Elizabeth Lee, our company secretary and Mr Darryn Hall, our Audit Partner at Ernst & Young, the company's auditor, who is in attendance in the room to answer any queries that shareholders may wish to address.

The company secretary has advised me that a quorum is present and I hereby declare the meeting open.

CHAIRMAN'S ADDRESS AND PRESENTATION

I am pleased to be able to report on the performance for CI Resources Limited for the year ended 30 June 2019.

This past financial year was a challenging year, with many external factors materially impacting demand and price for agricultural product from our region, and as a result, we have experienced reduced demand for our Rock Phosphate product.

Although profits are well below recent years, the Company has been able to record a net profit after tax of \$8.7m.

In order to address the downturn in demand and subsequently reduced profitability Management has undertaken a restructure of the business, which has enabled the Company to maintain a reasonable profit in these difficult conditions in 2019.

DIVIDENDS

The Board continues to seek investment opportunities and diversification of the Company however has continued with a policy of providing consistent dividends to shareholders, and has paid dividends of 3 cents per share over the year.

CHRISTMAS ISLAND

Over the past two years, the Company has invested \$12m in capital on Christmas Island, in upgrades of infrastructure, new automation and making improvements in PRL's production processes. These projects have resulted in 20% improvement in production efficiencies, and together with operational restructures and redundancies, the Board is confident that there is a positive medium-term outlook for our business and the Christmas Island operations.

The Company understands its importance to the Christmas Island community and the reliance of Phosphate Mining for economic stability. We contribute both directly and indirectly almost 50% of the Island's Gross Regional Product. The Company is now working closely with the Commonwealth, and participating in an EPBC Strategic Assessment for Christmas Island. This aims to provide the community, and current and prospective businesses with a clear plan that will identify sustainable economic development opportunities for the Island, including future mining opportunities.

Based upon our ongoing estimation and review of indicated and inferred resources available to the Company and with our best judgements on current commercial parameters it is reasonable to expect we can sustain viable mining operations on Christmas Island through to the late 2020's.

DIVERSIFICATION STRATEGY

The Company's diversification strategy over the past 5 years has also strengthened its position and ability to weather this softening market. CI Maintenance Services (CIMS) and Indian Ocean Oil continue to perform well, and I am pleased to advise that CIMS has now secured a new 3 year contract with the Department of Home Affairs for Facilities Management Services for all of the Detention Centre assets on Christmas Island.

In addition, the Company has finalised an investment in a Biological Fertiliser company based in New Zealand, Pacific Biofert Fertilizers (PBF). PBF manufacture and distribute a product called BioPhos, that uses a patented biological process to enhance phosphate solubility. This product is sold as an organic alternative to traditional chemical enhanced fertilizers. CI Resources through its operating entity Phosphate Resources has taken a 50% interest in PBF. This opportunity represents a further diversification into value added and technically advanced phosphate products.

CI Resources, is also considering an investment in a West African Phosphate mining opportunity which would further assist the Company in diversifying its Phosphate offering, enabling it to enter into different markets.

CLOSING

The Board of CI Resources is satisfied that the Company remains in a robust financial position. Further steps have been taken over the past year to realise investment and diversification opportunities which will only strengthen the long-term viability of the Company.

The Company is expecting the soft conditions to continue over the next 12 months however we retain full confidence in our Leadership team, to navigate the Company through these headwinds and continue to deliver on our growth and diversification strategy and in turn create sustainable and long-term value for our shareholders.

I finally take this opportunity on behalf of the Board to thank our shareholders, employees, managers and executives for their contributions to a successful outcome in challenging circumstances.

THIS CONCLUDES MY CHAIRMAN'S ADDRESS.