



CI RESOURCES LIMITED
ANNUAL GENERAL MEETING
24th NOVEMBER 2017 @ 10.00AM

CHAIRMAN'S INTRODUCTION AND WELCOME

Good morning ladies and gentlemen and welcome to the 2017 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)
- Dato' Sri Kamaruddin bin Mohammed
- Adrian Gurgone
- 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.

Clive Brown, a director and Kevin Edwards, our Joint Company Secretary are apologies at this meeting.

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 2017.

The Company has recorded a profit for the year of \$20.5 million after tax, despite a difficult financial year of negative outlook for pricing for our phosphate products.

DIVIDENDS

Despite this reduced profit, the Board has continued with a policy of dividend payments to return profits and retained earnings to shareholders.

The Company has paid a final fully franked dividend of 11 cents per share.

CHRISTMAS ISLAND

The Company currently operates under Mining Leases for salvage of stockpiles and secondary in situ recovery over previously mined and cleared ground, issued by the Minister under Applied W.A. Legislation, which runs until 2034 with access approved to some 1040 hectares or 7.5% of the Island. Despite public perceptions generated by environmental activists, mining itself has minimal observable impact on the total Island land mass and its unique ecology.

Based on our estimation of indicated and inferred resources and best judgements on current commercial parameters it is reasonable to aim to sustain viable operations through to the mid 2020's although price competition may have severe impacts on our profitability.

We anticipate that approval to extract from a further approximately 130 hectares of Unallocated Crown Land would allow us to maintain commercially viable operations until the early 2030's.

However, despite extensive input and representations to the Ministers involved and the Department we are yet to receive any resolution for the additional 130 hectares of Unallocated Crown Land.

The additional land we are seeking to access comprises less than 1% of the Island land mass and would increase the total mining area to only 10% of the Island. This would not impact on the 63.5% (8,770 hectares) of the Island that is protected by the National Park.

As I have reported in our Annual Report 2017 we are facing a barrage of ideological opposition from the bureaucracy and environmental activists aimed at prematurely closing our operations on Christmas Island and preventing us obtaining access to further resources.

The facts are considerably different from the assertions of these fringe extremists. Programmes designed to combat the impact of invasive species are having great success with the ecology of the Island positively improving. The Company initiated and provides the majority funding for a feral cat eradication programme on the Island. This has been a resounding success with evidence of increased bird breeding success due to lower cat numbers, and increases in flying foxes and other fauna across the Island which may also be attributable to reductions in feral cats.

The Company contributes some \$2m a year directly to the maintenance and improvement of the National Park to ensure this environmental heritage is preserved and protected for future generations.

THE MARKET

As reported by our Managing Director in our Annual Report 2017, lower oil costs have made shipping from North Africa to our traditional markets in Malaysia and Indonesia much cheaper. This together with increased production and dumping by largely state owned producers from Morocco to Saudi Arabia has resulted in a substantial decline in the market price achievable for our products.

This has necessitated a major drive for efficiency to reduce our unit production costs in order to maintain our profitability.

To assist in effecting this, we have reduced our mining workforce across all levels by 20% through a voluntary redundancy scheme.

Provided we can reduce our costs sufficiently to meet the price competition and remain economically viable we are satisfied that we have approved access to sufficient resources to maintain operations at least until the mid 2020's.

THE FUTURE

The Board has determined to continue pursuing investments in accord with its current "diversified industrial" strategy.

The Board is currently considering new business opportunities across a range of industries – including phosphate mining in Africa, biological fertilizer opportunities in Australia and New Zealand and property and tourism developments on Christmas Island.

CLOSING

The Board of the Company is satisfied that the Company continues to have a very sound financial underpinning as reflected in the published Balance Sheet, and by expanding into new opportunities will continue to perform positively.

At this time, I would like to thank Kevin Edwards, our Joint Company Secretary for his significant contributions to the Company over many years and wish him well in his retirement.

I finally take this opportunity to thank my fellow Directors for their support, and on their behalf thank our Managing Director, our employees, managers and executives for their contributions to a successful outcome for the year, as we move positively to dealing with the current challenges, and towards a positive future.

THIS CONCLUDES MY CHAIRMAN'S ADDRESS.