



**CI RESOURCES LIMITED**  
**ANNUAL GENERAL MEETING**  
**23 NOVEMBER 2018 @ 10.00AM**

**CHAIRMAN'S INTRODUCTION AND WELCOME**

Good morning ladies and gentlemen and welcome to the 2018 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 Tee Lip Sin
- Tee Lip Jen

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

Dato' Sri Kamaruddin Mohamed, a director is an apology 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 2018.

The Company has recorded a net profit for the year of \$21.1million after tax, despite a very challenging year, which was a strong result for the Company.

During the year, Management has undertaken a wide ranging review of the operations to identify additional efficiencies that will lower costs, improve product quality and allow us to more effectively meet our regulatory obligations.

A number of steps have already been taken in this regard, with investments in automation, infrastructure, safety and the work environment.

## **DIVIDENDS**

The Board continues to seek and materialise investment opportunities and it 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 10 cents per share.

## **CHRISTMAS ISLAND**

As reported in the Annual Report, the Phosphate Resources Ltd's (PRL) application to undertake an exploration drilling program involving the re-clearing a total of some 6.8 hectares on historic drill lines on Christmas Island was rejected by the former Minister for the Environment and Energy, which is disappointing for PRL employees, shareholders and long term island residents.

PRL is determined to meet this challenge and extend its operational viability and investments in businesses on Christmas Island and elsewhere.

Towards that end the Company continues to be vigilant on cost management and efficiency to maintain jobs, increase shareholder value and reduce the risk from price competition in the market.

Based upon our ongoing estimation and review of indicated and inferred resources 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.

In addition, and as previously reported, the Company is continuing to consider additional phosphate mining opportunities, with the aim of growing our business and our range of products into the future.

## **THE MARKET**

As reported by our Managing Director in our Annual Report 2018, as a result of challenging market conditions over the past two years, PRL undertook a review and restructure of its operations with the aim of achieving efficiencies. As a result, the 2017/18 financial year saw 37 employees take a voluntary redundancy package. Many of these employees took the opportunity to transition into retirement. This reduction in workforce is expected to make us more competitive in the market, reduce ongoing costs, and enable the operations to move to a more flexible operating model that is better suited to changing market conditions.

## **THE FUTURE**

The Board of CI Resources is satisfied that the Company remains in a strong financial position. Whilst the market conditions for our mining operations have weakened over the past few years, our diversified portfolio along with our strong balance sheet is enabling the company to provide strong returns to its shareholders. In addition, the company is well placed to explore strategic investments in the coming year that will further diversify its business.

## **CLOSING**

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.**