

28 February 2020

Market Announcements Office  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

**ASX Code: CII**

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### **CI RESOURCES LIMITED – MARKET UPDATE**

The Board of CI Resources Limited (ACN 006 788 754) (Company or CI Resources) wishes to provide further advice to the market in conjunction with the release of the Appendix 4D – Half Yearly Report.

As advised in the Report and prior ASX Announcements, in the past 12 months the Company has experienced a significant downturn in our main fertilizer market, which has affected production, and financial performance for the period to date.

The Board is disappointed with the results which arise from factors beyond the Company's control, including a major deterioration in agricultural market prices for our major customers (being fertilizer manufacturers) and recent economic instability in our Malaysian market.

In response to this downturn, Management, supported by the Board, has restructured operations on Christmas Island and Corporate. Operational efficiencies have included redundancies, a targeted wet-season shutdown and reductions in staff and overhead costs which, at current volumes, are expected to reduce costs by approximately \$6M in ensuing years.

While anticipating a recovery in our markets – the timing of such a recovery is less than clear, in the context of the current global uncertainties being experienced, and those of our existing markets.

In view of these conditions, the Board are determined to continue to act prudently, having decided to postpone the West African investment opportunity previously under consideration and disclosed to the market in late 2019. Nevertheless, the Board continues to review investment opportunities, targeting investments that strengthen the core business, and diversify markets.

In addition the Board has determined not to issue an Interim Dividend, and defer any decision on the Final Dividend until the end of the financial year.

The Board remains committed to the Company's objective to profitably maximise mine life and employment on Christmas Island, diversify its business interests, and pursue growth opportunities to maximise shareholder value.

## **CONTACTS**

For further information on CIR please visit its website, [www.ciresources.com.au](http://www.ciresources.com.au), or please contact:

David Somerville  
Chairman  
CI Resources Limited  
Telephone: +61 8 6250 4900

Elizabeth Lee  
Company Secretary  
CI Resources Limited  
Telephone: +61 8 6250 4900