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Roy Hill Celebrates Historic First Shipment

Hancock Prospecting Pty Ltd and Roy Hill Holdings Pty Ltd are pleased to announce the historic inaugural shipment from Port Hedland of low phosphorous iron ore from the Roy Hill mine on the **MV ANANGEL EXPLORER** bound for POSCO's steel mills in South Korea.

Mrs Gina Rinehart, Chairman of Hancock and Roy Hill Holdings Pty Ltd, said "The Roy Hill mega project is the culmination of hard-work from the dedicated small executive and technical teams at Hancock and more recently by the entire Roy Hill team."

"Given that the mega Roy Hill Project was a largely greenfield project that carried with it significant risks and considerable cost, it is remarkable that a relatively small company such as Hancock Prospecting has been able to take on and complete a project of this sheer size and complexity."

"The Roy Hill Project has recorded many achievements already and with the first shipment it will also hold one of the fastest construction start-ups of any major greenfield resource project in Australia. This is a considerable achievement, and although the media refer to a contractors date for shipment, it remains that the shipment still occurred ahead of what the partners schedule had planned in the detailed bankable feasibility study."

"The performance on the construction gives great confidence we can achieve performance as a player of international significance in the iron ore industry. To put the scale of the Roy Hill iron ore project into perspective in regard to Australia's economy, when the mine is operating at its full capacity, Roy Hill will generate export revenue significantly greater than either Australia's lamb and mutton export industry or our annual wine exports. This one mega project will generate more revenue than either of these two industries that generate many jobs and are very significant to the Australian economy."

"Roy Hill has already delivered many benefits to West Australia and Australia and following this first shipment will continue to do so for many years to come."

Mrs Rinehart also said, "I am very pleased that representatives from Marubeni, POSCO and China Steel, our good partners in the Roy Hill Project could be present to bon voyage the maiden shipment, as our first shipment of ore will be delivered to POSCO's steel mills in South Korea."

Tad Watroba, Executive Director of Hancock said, "This first shipment is testament to Mrs Rinehart's vision, effort, determination and hard-work. This mega-Australasian project could not have occurred without Mrs Rinehart's leadership from the initial pegging of the deposit more than 20 years ago to this historic day. Her decision to stick with the Roy Hill development through "thick and thin" has profoundly influenced the lives of thousands of people, including mine, who have been given a lifetime opportunity to work on such a world class project, and all of us are very proud of it."

"It is unreasonable that the media and industry analysts are continually overstating the impact the Roy Hill Project will have on the iron ore price and ignore that prices dropped last year, pre Roy Hill even shipping. They also ignore the significant increases from now to the end of 2017 from other companies which will significantly exceed shipments from Roy Hill. The initial shipments, such as this one today from Roy Hill, will only represent a small portion of its capacity of 55Mtpa and their assessments don't take into account that over 50% of Roy Hill's output will be taken by

the minority investment partners who are outside of China. With more than 90% of Roy Hill's production secured under long-term contracts very little ore will actually enter the spot iron ore market."

"The fact is Roy Hill was not in the market when the iron ore price crashed last year or continued to drop this year, and won't be shipping 55Mtpa next year as it continues to ramp up production," Mr Watroba added.

Barry Fitzgerald, CEO of Roy Hill said "This is a very happy day for our Chairman, Hancock, Marubeni, POSCO and China Steel and of course the many employees and contractors who contributed to making this happen. I would particularly like to thank our Chairman, Mrs Rinehart, for demonstrating her confidence in the Roy Hill Team and for her valuable guidance throughout the construction phase."

"The delivery of the project combined with the safety record which delivered a Lost Time Injury Frequency Rate performance 10 times better than the WA mining industry average, over the 33 million hours worked of which the last 11 million hours have been LTI free, demonstrates the excellent performance of the business in achieving this great and significant milestone. This overall delivery performance exceeds that of many of the similar mega projects completed over the past decade in Australia. In true Roy Hill style we delivered more than what we said we would deliver," Mr Fitzgerald added.

With the departure of the first shipment, Roy Hill and its owners will now focus on a rapid ramp-up to the Project's name-plate capacity of 55 million tonnes of annual exports. Customer demand for Roy Hill's low phosphorus, fines and lump products is strong with over 50% of total capacity attributed to Roy Hill's partners and more than 40% committed under long-term contracts with other customers in Asia.



Quotes from Hancock Prospecting Employees

From opening the first exploration camp for Roy Hill to now has been an absolutely awesome journey. Being able to see the fruition of all the hard work, long hours and no doubt lots of sleepless nights is a joy to behold. Having seen the mine in action with the stackers and the conveyor belts to the loading of the first ore cars – I can quite easily stand there and watch it over and over again, it is really a magnificent sight. Congratulations to Mrs Rinehart in driving and seeing her dream come true, Hancock Prospecting Group of Companies have come of age and is truly a Mining House!! Daphne Dhimitri, Executive Assistant to Chairman

I have been one of the fortunate employees at HPPL who, has had the opportunity to watch the birth and progression of a Vision. An outstanding Tribute to our chairman and all the people who have worked so tirelessly to make the great Roy Hill Project a reality. Congratulations! Sue Westcott, EA to Executive

The Roy Hill story is a truly inspirational one, and the opportunity to be part of the project has been a tremendous honour and career highlight for me. It has been a privilege to witness how this mammoth project was nurtured from its humble beginnings with little money available to fruition by the relentless drive and determination of the Chairman and the Board, and with the blood, sweat and tears of the many thousands who have worked on it. Congratulations and kudos to Mrs Rinehart, the Board and all the staff for your truly monumental achievement! Jabez Huang, General Manager, Finance

Mega projects like Roy Hill take investment, risk, great effort and years to progress through the stages of resource evaluation, pre-feasibility, bankable feasibility, partnering, financing, and eventually construction. In 2007 we set-up a small local area network for the two geologists, to record the thousands of drill hole logs. By 2010, we set-up an online data-room for a huge variety of geological and engineering documents, to be viewed by potential equity partners. What an epic project! Of great importance to our country. Warmest best wishes and congratulations to the projects driver, our Chairman. Mark Bickerton, Information Manager

I am honoured and privileged to be closely associated with a Chairman who possessed such unparalleled vision resulting in turning a dream into one of the world's greatest iron ore projects. She has worked like hell! Sue Mitchell-Burden, Executive Assistant to Chairman

Having seen the Roy Hill project grow from a few tin sheds and drill rigs in the expanse of Pilbara nothingness, to a fully developed mine, rail and port operation employing thousands of Australians and on the cusp of generating billions of dollars of export income for our country, can only make one proud to have been associated with it over the years. The Roy Hill project is a fitting testament to the vision and sheer determination and effort of Mrs Rinehart to achieve what her father couldn't, ably assisted by her Board and team – an operating iron ore mine, and on a world class scale. Jay Newby, Chief Financial Officer

The Japanese proverb fall seven times and stand up eight aptly describes Roy Hill and the people over the 22 years it has taken to get to exporting high grade iron ore. Without the leadership of Mrs Rinehart, there would be no Roy Hill. John Klepec, Chief Development officer

The Roy Hill story is that of hard work, dedication and vision. It has been truly wonderful to be part of its progression over the years and now to be privileged to share in the excitement of the First Shipment is an outstanding moment for all involved. Congratulations. Sharon Kennedy, Assistant Information Manager

I have felt privileged to be part of this crucial project in the Pilbara. It is hard for me to believe that up until April 2012 I was paying the 150 employees they had on their books at that time. They have now grown to over a 1,000. Karen Parolo, Senior Accountant

When I was recruited by the then Chief Geologist Richard Paquay in 2007 to look after the Resource Definition drilling program at Roy Hill I had to leave my preconceptions on the Marra Mamba Iron Formation and Hancock Prospecting (HPPL) "on the other side of the Fortescue Valley". Things were different, there was high grade hematite mineralisation to the base of the Marra mamba, unheard of in "normal sequences". We also had to grow the capacity of HPPL to manage the vast increase in logistics, approvals and data management. I am proud of our achievements and feel privileged to have been part of the "second wave" and confident that the current "third wave" Roy Hill team can do justice to the Deposit and the Company. Chris Sullivan, (then) Chief Geologist Hancock Prospecting

Roy Hill is a true shining example of sharing a vision and letting absolutely nothing stand in the way of making it a reality. Tobias Kane, Principal Project Analyst

This monumental milestone marks a proud day for not only myself but all Australians. We are a nation that today can celebrate the benefits of a mega project that will provide generations of wealth and help to sustain the wonderful living standards we enjoy in this great country of ours. Today could not have been achieved without the collective extreme hard work and dedication of every single person who worked directly and indirectly on the Roy Hill mega project, to all those individuals I extend my humble gratitude and I hope you stand as proud as I do today to know you are the men and women who built Australia's single largest iron ore mine! There is one exceptional Australian in particular I would like to recognize, of whom my pride simply is immeasurable, my mother. To her decades of overtime, her drive, determination, leadership and iron blooded perseverance that brought this mega project from a remote high risk concept to what we are here witnessing today, first ore export from Roy Hill's 55Mtpa! Congratulations and thank you mum you make us all proud to be Australian! Ginia Rinehart

Quotes from Roy Hill Employees

I would like to acknowledge and pay tribute to Mrs Rinehart for the incredible work that she has done over 20 years to overcome so many challenges come what may to develop and bring the Roy Hill project together. Without your efforts there would be no Roy Hill. Although I have only been on board for a comparatively short period it has been an exciting journey and one that I am proud to be associated with. Garry Korte, Chief Financial Officer

I was given a wonderful opportunity by Roy Hill and have thrived on the variety and the challenges of working on a Greenfields project of this size and scale. I feel really proud to have been part of the superb team that has delivered this remarkable achievement. Jeanette Hasleby, Manager Community Development

I feel immensely proud to be part of this project. It has been every bit the challenge I expected as well as sometimes very trying, but ultimately very rewarding looking back at what we've all achieved together. John Adams, Superintendent Planning Mobile Equipment

Being a part of the early days, it certainly has been a ride. Upon joining Roy Hill I didn't envisage how big the project would be, but always had the belief we would get there. As we approach First Shipment I feel quite proud that we have made a contribution to this iconic project. Scott Paton, Superintendent GIS

Roy Hill is no place for the faint hearted, you need tenacity, ideas and stoic determination. Together we have achieved something amazing. Felicity Smith, Advisor Recruitment

It's amazing to imagine how Roy Hill has evolved within such a short period of time. Four years ago we used to raise hand written Purchase Orders, today all processes are automated. I feel proud to have been with the organisation a little longer to see and be involved as these changes happened. Tobias Njobo, Accountant Project

As a UWA geology graduate, with my own personal connection to the Pilbara, I understand and appreciate the Hancock iron ore legacy. Hence, I could not pass up the opportunity to be part of this unique and iconic Pilbara iron ore project. Ron Colman, Manager Water

I feel very proud of the achievement and proud of the team that has made it happen. Through the challenges and adversity, the persistence and doggedness to reach First Shipment was unwavering. I am relieved and excited about what the Chairman, Barry and the Roy Hill Community has created for Australia. Chris Eriksen, General Manager, Information Technology

It's been quite a journey! I've been on the project for over four years, so the Pilbara has been like a home away from home and the people at Roy Hill have become my second family. I am in awe of what we have all been able to achieve. Chris Lake, Advisor Heritage

Quotes from Contractors and Suppliers

As a proud Western Australian company working on the Roy Hill, the project has provided Decmil with an exceptional opportunity to grow its capability and be part of one of WA's great iron ore developments. Decmil is appreciative of being part of this historic project. Scott Criddle, CEO and Managing Director

Guma as an Indigenous Contractor has been awarded a number of standalone contracts by Roy Hill, which were delivered safely, on time and on budget. Roy Hill has acted professionally and respectfully at all times while building a world class project. Roy Hill's commitment to the community as a whole is evident through the establishment of the Roy Hill Foundation, this initiative will help secure a better future for those who need it the most. Guma looks forward to continuing the journey with Roy Hill. Clinton Wolf, Chairman

The WSP|Parsons Brinckerhoff team has been delighted to work as the project management contractor on this prestigious project. Our Client Roy Hill has always been exceptionally professional and treated us as their partner. Together we have achieved remarkable success on the project. Sam Bennett, PMC Project Director

Centurion has enjoyed an open and honest strategic relationship with Roy Hill Iron Ore project from the early planning stages through to first production. During this time both teams have worked closely together in order to create a strong and seamless supply chain incorporating best practice warehousing, transport and integrated IT solutions. Centurion looks forward to continuing and growing our strategic partnership into the future. Nick Houtby, General Manager Finance & Commercial

Ranger Drilling would like to congratulate Roy Hill Holdings Pty Ltd on their historic achievement of their first shipment of ore from Port Headland. It is with pride that Ranger Drilling reflect on our involvement with Hancock prospecting in the early exploration days through to current involvement with the Roy Hill Mine. It is a testament to the Roy Hill Mining family and all the people that have been involved with the project. This is the strong Australian values of honesty, integrity, loyalty and bloody hard work that we are proud to be associated with Roy Hill Holdings. CONGRATULATIONS ROY HILL! Matt Izett, Managing Director

Swift Networks has been the provider of In-Room digital services such as Pay TV, Internet, Movies & Wi-Fi to the Roy Hill project since inception in 2012. Throughout the life of the project these services have been delivered to all FIFO residents of Roy Hill and related contractors at the Rail Camps and main Construction Villages. The relationship between both companies and shared commitment to the well-being of FIFO workers has ensured the continual advancement of services and a harmonious ongoing future. Malcolm D'Silva, Chief Executive Officer

After serving 5.2million meals, changing 400,000 beds and unloading luggage from 5000 planes at the Ginbata airport, ISS is enormously proud to have been able to create a welcoming hospitality environment in which The Roy Hill staff and contractors could be properly sustained during the Construction phase of this iconic project. ISS warmly congratulates the Investors, management and staff of Roy Hill in achieving this incredible milestone and we look forward to continuing our partnership through the production life of the mine. Phillip Thomson, EGM Resources

From a vision to reality, from a strategy to execution Advisian has seen the Roy Hill project unwavering transformation into one of the most competitive and efficient iron ore world class mining business. Having worked together with Roy Hill team from the project early inception and seeing the first ore on ship is one of the most exciting and yet humbling experiences I have felt during my professional life. Developing Roy Hill is more than building an iron ore project it is a living testament of leadership, tenacity, solidly founded on commitment, attitudes, and behaviours of the people and their contribution to this world class project. It is a great contribution to the Pilbara and the people of Western Australia. I would like to congratulate the Hancock and Roy Hill team for their remarkable achievement of delivering on their business objectives and promises. Magued Moftah, Project and Business Advisor

Caltex Australia has been a proud partner with Roy Hill from the first initial drilling and exploration through to the recent milestone of first ore on ship. The supply of fuel and lubricants to this immense project has been a critical part of the successful transition from construction to operation and we celebrate with Roy Hill on this fantastic achievement. The most important part of any project is the people who make the whole operation come together. Being able to work with the fantastic people at Roy Hill has been a highlight for us and we thank them for genuinely making us part of the Roy Hill family. Caltex would also like to thank and recognize the Kariyarra, Palyku and Niyaparli peoples for without their help and support this world class mining operation could not exist. Congratulations Roy Hill, from everyone at Caltex Australia. Sean Phillips, WA B2B Direct Sales Manager

The Roy Hill project has been a remarkable project with which to be involved. How could it not be with tight budgets and aggressive timeframes for delivery challenging us all to be at our best? For McConnell Dowell, the project has provided a great opportunity, working with Samsung C&T, to demonstrate our EPC capability across a range of disciplines; marine, civil, mechanical, electrical and commissioning. Neil Ferguson, General Manager - Western Region

Kerman Contracting congratulate Roy Hill on the first shipment of Ore from Port Hedland. Kerman has worked successfully with both Roy Hill & lead contractor Samsung to design & construct four rail construction camps & two sample laboratories. These project were carried out in a cooperative manner that allowed Kerman to deliver the works with a strong safety record on time & on budget. Congratulations again to Roy Hill for achieving this significant milestone. Chris Kerman, Managing Director

Schenck Process supplied all the vibrating screens, feeders and Train Load Out system for the Roy Hill Project. Our experience in the involvement can only be described as exhilarating as we see a new iron ore miner in the Pilbara, with the zest for the best technology can provide and a long term view of the way valuable assets should be managed. Our interactions at the ground level with the Principal Contractors and with Roy Hill Operations, have been very collaborative. This is aside of all the usual challenges we expect to see in a major project. We feel very privileged. Raja Ratnam, General Manager, BU Mining

Building the Accommodation Village and the Non Process Infrastructure Buildings on the Roy Hill Project was an a great honour for Brookfield Multiplex.

It was always clear to us that Roy Hill had an ambitious goal and were absolutely focussed of removing every obstacle and achieving there outcome – as they have successfully done. Congratulations. Chris Palandri, Regional Managing Director

One of the main lesson Ansaldo STS has learned during three years working for the Roy Hill project is that broad partnerships are the key to solving broad challenges. When all key stakeholders work hand in hand we can achieve great things. Michele Fracchiolla, Manager Freight

IMP Group Pty Ltd is proud to be part of the historic achievement of FOOS. In spite of the challenges presented by the current state of turmoil within the mining industry this visionary project has reached this historic milestone thanks to concerted dedication, effort and focus from all stakeholders. IMP Group is extremely proud and pleased to have played its role in supplying world class automated sample preparation and analytical facilities to SCT and Roy Hill. The Roy Hill Ship Loading and Mine Site laboratories have been designed, manufactured and commissioned by Perth based IMP Group using world best practice and equipment to serve Roy Hill well beyond the next decade. IMP looks forward to a long and fruitful relationship with Roy Hill Operations. Reg Bush, Director

John Holland has been involved in the Roy Hill project right from the start in 2010. As with any infrastructure project spanning a distance of 350km, we have faced some challenges. But what was most important was how they were overcome – with a strong spirit of collaboration between all project stakeholders, including other contractors, SCT and the owner and its representatives. Working together to achieve the project's goals was not just desirable but expected. Each contractor has been made accountable to meet the project's objectives. This team work and coordination was a very rewarding experience for us. And now we are proud to have delivered an outstanding piece of rail infrastructure. Graeme Spragg, Manager West Coast Operations – Rail

On behalf of Central Systems, we have worked with the Roy Hill management team since the very early days of the project. We have enjoyed being part of this very successful world class project. We take this opportunity to congratulate Barry, Sanjiv and rest of the Roy Hill management with the first successful shipment from Port Hedland. Central's team look forward to continuing to support the Roy Hill management team in the future. Andrew Ellison, Chairman

Schneider Electric is pleased to be associated with the Roy Hill Iron Ore project, and congratulates the team on their impending first shipment from Port Headland. This is a key project for Australia and we are proud to have delivered a safe, reliable and efficient holistic electrical distribution and automation system for the port and wharf, along with an optimisation and simulation system for mine to vessel demand chain planning and scheduling. It is our aim to continue to contribute to the Roy Hill operations for years to come to help maximise efficiency, sustainability and create additional value. Diego A. Areces, Segment President, Schneider Electric

It is extremely pleasing to hear of Roy Hill's first shipment of iron ore. Ausco Modular has been proud to have been involved with this project since 2011 in the design, manufacture and supply of temporary, permanent and mobile accommodation and kitchens. It has been a pleasure to work with such a professional organization. Leo Crohan, General Manager - Western Region

Having completed the underground services piping in and around the Roy Hill Plant Site and ROM, OTOC Australia is proud to be associated with the successful completion of the Roy Hill Project. Working closely with Roy Hill construction representatives and alongside number of other site contractors, OTOC Australia successfully completed a challenging scope of works. Congratulations on the first shipment of iron ore and we look forward to continuing our relationship with Roy Hill Holdings in the future. Simon Thomas, CEO

Michelin is proud to be a key partner in the Roy Hill Project, and congratulate the team on their first shipment of iron ore. We have shared values of innovation and sustainable solutions that deliver results. Together we test and develop innovative ideas, continually striving for better results. "We will continue to work very closely with the project team to develop and improve their tyre management strategy to further optimise productivity, and ensure the sustainable growth of this major new operation. Yves Pouliquen, Michelin Commercial Director, Oceania-South East Asia (Earthmover)

The Roy Hill project mine site E&I has created a new 'new normal' at ECM, so many of our people achieved outcomes they perhaps previously thought were not possible. The opportunity to contribute to such a significant project has provided enormous benefits to our culture and confidence as a business. Simon Higgins, CEO & Managing Director

Quotes from Banking Partners

Roy Hill is not just a world class iron ore mine, it's the fulfilment of a dream that Gina has had to unlock the economic potential of the Pilbara. Like her father, Gina dreams big. Gina and her team have put in years of meticulous planning and hard work to this project. She's put together a fantastic set of partners. She's secured billions of dollars in funding from banks including ANZ. And if that wasn't enough, she's been able to get 50,000 people to work together to make Roy Hill a reality. I'm sorry I can't be there to see the Anangel Explorer sail with Roy Hill's first shipment. It's an amazing milestone and I want to extend my personal congratulations to Gina and to everyone involved with making the Roy Hill dream a reality. Mike Smith, Chief Executive Officer

Dear Mrs Rinehart,

Congratulations to you, Roy Hill and Hancock Prospecting for achieving first ore on ship for the Roy Hill project. This is part of a long journey began by the discovery of iron ore in the Pilbara by your father. As you know that first discovery has been a major part of the transformation and growth of the Australian economy creating countless jobs and wealth for this nation. Through your stewardship Hancock Prospecting has evolved from a small company into a major player in the seaborne iron ore market first with the development of Hope Downs and now Roy Hill. You should be rightly proud of these great achievements and achieving the dream of your father to make Hancock Prospecting into an owner and operator of a world-class iron ore project. Congratulations again from the whole NAB team. As banker to Hancock Prospecting for over 20-years and major financier of Hope Downs and Roy Hill we are also very proud to have supported Hancock Prospecting and Roy Hill in this amazing transformation which has taken place under your leadership. Spiro Pappas, Executive General Manager, Global Institutional Banking, Business Banking

Congratulations to the Roy Hill management team for the successful development of the world-class Roy Hill Iron Ore Project. One of Australia's largest independent integrated mining, rail and port projects, Roy Hill is a testament to the vision of Mrs Gina Rinehart and the project sponsors - Hancock Prospecting, POSCO, Marubeni Corporation and China Steel Corporation. As a leading natural resources bank in Australia, ANZ is proud to have supported the US\$7.2 billion financing of this project. Frank van Rooyen, ANZ - Head of Natural Resources Australia

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