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HANCOCK
PROSPECTING

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Roy headed up the Hill

Roy Hill Holdings Pty Ltd chief executive Barry Fitzgerald says the company's namesake iron ore mine is poised to hit a run rate of 55 mtpa by Christmas.

In September, the desired run rate was achieved for the first time and the 90-day lenders' test period for production triggered.

Ramp-up hasn't happened as quickly or as smoothly as Roy Hill envisioned, but Fitzgerald believes the company now better understands the mining and processing requirements to treat material from the orebody.

"The reality was that the orebody had a few more difficulties than we thought and the material was much harder," Fitzgerald told the WA Mining Club last month.

"There were more difficulties in blending or getting the exact blend between grade and physical properties. We had significant wear [on the plant] that we hadn't foreseen because when we started the project seven years ago all the experts said to me: 'Barry you will never make 40% lump, that material is so soft.' I am happy to say 18 months on we have got some of the hardest material in town."

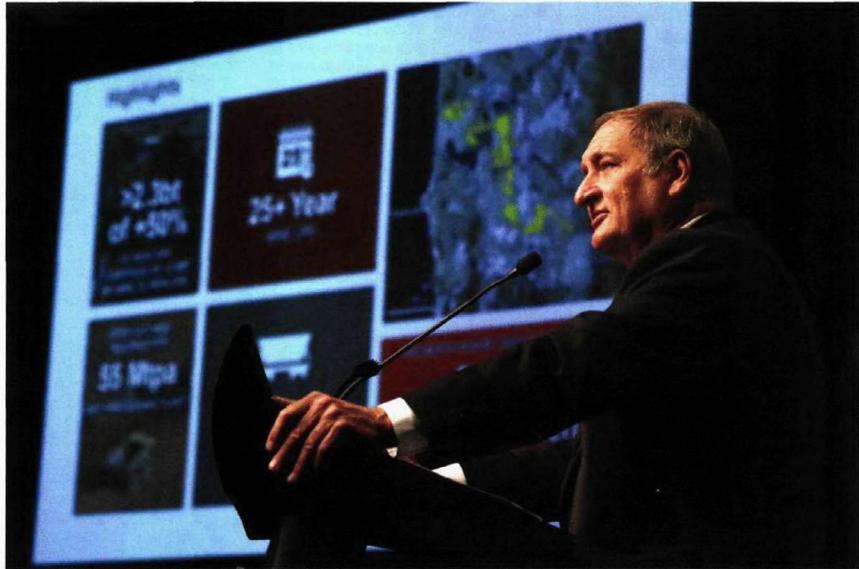
A change in mining, material handling and the introduction of some jaw crushers at Roy Hill, 340km south-east of Port Hedland, were part of the solutions implemented to have the mine running in good shape today.

Fitzgerald said it was a "horrible period" for the company as it worked through the problems and doubts around Roy Hill's viability surfaced.

"I can assure you that there were some interesting questions around the business about whether we were ever going to get out of that," he said.

"Those problems are now solved. We know what the issues are and we now believe we are at the point [nominal run rate]. With our improved orebody knowledge and better mine planning, we continue to ramp up our mining capacity. Our crushing has certainly allowed us to not only introduce the crushed material with realistic aerate, but also allow us to put the right feed into the process plant."

With 28mt of ROM material stockpiled, 1mt per week now consistently processed through the plant, and 53mt of iron ore produced to date from three



Barry Fitzgerald

pits, Fitzgerald said the operation was performing reliably on both the supply and quality fronts.

Maintaining production rates and optimising performance is the next challenge, which the ongoing development and roll out of the company's SMART mining strategy is central.

Autonomy is a key part of the SMART mining initiative, with cruise control currently being introduced in the rail system. Fitzgerald said the company would enjoy the benefits that cruise control and driver-assist technology offer and keep its options open for that technology to advance to the next stage before considering fully automating rail operations.

Fitzgerald said the use of autonomous drill rigs was a step the company was also taking to introduce autonomy more broadly across the business in the context of the SMART mining plan.

"The autonomous drills are slightly cost-beneficial in terms of overall economics, they do provide an economic return, but we think of it as part of a much larger package which will drive the whole move forward," he said.

"As a new company we need to make sure we move forward, so autonomous drills is a good way to introduce autonomy into the business. It is basically a baby step, we have done two drills and have proven that up. We did a comparative test between manual drilling and

automatic drilling and we think it is economic."

Roy Hill's adoption of autonomous systems is in preparation for the "enormous change" Fitzgerald sees unfolding in the mining industry, whereby the consumerisation of autonomy – robotics and data analytic techniques – would become more prevalent.

Fitzgerald believes technology will be so readily available and accessible that companies could pick their preferred operating systems from the shelf like in a "supermarket".

He urged industry to embrace, review, understand and apply technology across the sector and called for service providers to collaborate and find ways of doing things differently.

"I think some of the stuff on big data analytics is a really good opportunity where people in different areas can develop value propositions, which allow you to analyse the data so you don't need to have the data but you need to be able to use that data and package it," Fitzgerald said.

"I think there are other opportunities in the longer term in maintenance, whether it is robotics, echo skeletons or 3D printing. Who knows where that leads to and I think there is a whole lot [more] stuff coming up."

– Mark Andrews