



At last – the \$10 billion Roy Hill mine has hit its 55 million tonne per annum run rate. After overcoming significant orebody challenges during ramp up, the miner is now posting tidy profits as it nears the end of a 90 day lenders test to demonstrate sustainable levels of production.

All images: Roy Hill.

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IT has been a rocky road to full production for Roy Hill since sending off its first shipment in December 2015.

Teething issues encountered with the orebody caused a series of delays, pushing what was originally scheduled to be complete by the end of 2016, back until late 2017.

It was a tough time for the miner, but after much perseverance and the introduction of a new jaw crushing system to handle harder ore, the long-awaited target was met in September when production hit 4.8 million tonnes (the equivalent of 55mtpa on an annualised basis).

Reflecting on complications at a recent WA Mining Club lunch, Roy Hill chief executive Barry Fitzgerald described this time as a “horrible period” for the company.

“The reality was that the orebody had a few more difficulties than we thought and the material was much harder,” Mr Fitzgerald said.

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

“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 per cent lump, that material is so soft’.

“I am happy to say 18 months on we have got some of the hardest material in town.”

The miner was also in a stronger financial position.

According to an Australian Securities and Investments Commission filing, Roy Hill posted a profit of \$331 million for the 12 months ending June 30 2017, compared to a \$34 million loss the previous year.

Roy Hill was also the proud owner of a growing trophy collection; after receiving a handful of national industry awards in 2016,



Roy Hill and its executive chairman Gina Rinehart were recognised on an international

level in May 2017, snapping up the *Rising Star* and *Lifetime Achievement* awards, respectively, at the London Platts *Global Metals Awards*.

In October, Roy Hill also picked up the 2017 Golden Gecko *Certificate of Merit*, for its innovative and best practice approach to using its existing mining technology to track and manage rehabilitation materials.

In November, the award streak continued when Mrs Rinehart and Barry Fitzgerald received dual accolades at the CEO Magazine 2017 *Executive of the Year Awards*.

Completing (and passing) a 90 day lenders test was the next hurdle, which all going well was expected to be ticked off by Christmas.

“This is important to complete to ensure that we meet our obligations to our lenders and owners,” Mr Fitzgerald told *The Australian Mining Review*.

“To date, consistency in material (primarily hardness) and mineralogy have been our biggest challenges.

“Improved ore body knowledge is enabling us to better manage and optimise our mining, processing and logistics by knowing in advance what type of material will present.”

Advancing technology

Roy Hill was also soon to join its three Pilbara rivals – BHP, Rio Tinto and Fortescue Metals Group – in the roll out of autonomous trucks across its operations.

The introduction of driverless trucks was part of its Smart Mine program, which aimed to identify, develop and deliver solutions across its operations.

The plan included testing and implementing the latest technology to create a ‘digital twin’ of the physical ore body; evolving and developing the mine planning

and execution capacity to reflect the increased understanding of the ore body, and a series of automation initiatives.

The miner had already begun installing cruise control on its rail system, and several autonomous drills.

The next step was a phased roll out of the autonomous trucks, beginning in the second half of 2018.

“Our current plan will see a small fleet of six trucks being trialled in 2018 and then progressively rolled out through to 2021,” Mr Fitzgerald said.

“This will complement our current drill program where we have three of the nine Pit-Viper drills automated.

“The remaining six drills will be completed in 2018.”

When asked how the move to autonomous trucks and drills will effect jobs, Mr Fitzgerald said it “will change some existing roles and result in new roles emerging”.

“The future of work and the workforce is facing rapid changes brought about by technology, globalization and social values,” he said.

“Our personal lives, the mining industry and other industries are being disrupted and the rate of change is accelerating.

“We are developing a plan that includes pathways for people to learn additional skills with a mix of automation and manual.”

Over the next 12 months, Roy Hill will bring on another 300 workers, taking its total to about 2000 employees.

“Roy Hill’s vision is to be a high performing iron ore business where people contribute and realise their full potential,” Mr Fitzgerald said.

“The attitude, skills, knowledge and capabilities of our people are fundamental to our success.

“Our success has been possible with an exceptional team, a strong culture, and a carefully planned and coordinated effort from conception to commissioning and operations.”