

**HD Roy Hill Secures Long-term Project Financing****WC** 385 words**PD** 13 May 2014**SN** Financial Services Monitor Worldwide**SC** FINSMEN**LA** English**CY** © 2014 Global Data Point. All Rights Reserved. Provided by Syndigate.info, an Albawaba.com company**LP**

Roy Hill Holdings has signed a \$7.2 **billion** long-term financing agreement that completes necessary funding for its \$10 billion, 55-**million** metric tons per year (mt/y) Roy Hill **iron ore mining** project in the Pilbara region of Western Australia. The agreement comprises loans and guarantees from five Export Credit Agencies and a consortium of 19 commercial banks from Australia, Japan, Europe, **China**, Korea and Singapore. Substantial support from Japan Bank for International Cooperation, Korea Eximbank, Korea Trade Insurance Corp., Nippon Export and Investment Insurance, and Export-Import Bank of the United States underpinned the financing.

Roy Hill Holdings is owned 70% by Hancock Prospecting (Australia), 15% by Marubeni Corp. (Japan), 12.5% by Poseo (South Korea) and 2.5% by **China** Steel Corp. (Taiwan).

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The Roy Hill project is located 115 km north of Newman, Western Australia. Construction is 30% complete. Project resources stand at 2.3 **billion** mt at an average grade of 55% **iron**. The project includes a 344-km, heavy-duty railway and **ore** transfer facilities, stockyards, and two new shipping berths at Port Hedland, Western Australia.

The Roy Hill mine will have a mine life of more than 20 years, using conventional open-pit, drill-and-blast, truck-and-excavator **mining** at an average strip ratio of 4:1. At full production, the **mining** rate will be approximately 68 **million** mt/y of run-of-mine **ore**, for total material movement of about 350 **million** mt/y. Multiple pits will be in production at any given time, with each pit being broad and relatively shallow. The deepest pit will be less than 110-**m** deep.

Run-of-mine pads and crusher stations will be located in close proximity to each pit, with the crushed **ore** then conveyed to the processing plant. Three crushing stations will be in operation at any one time.

To support mine construction and **operations**, Roy Hill is constructing an airport to allow easy access for fly-in, fly-out workers and an **operations** village for 1,200 operational staff and contractors.

In December 2013, the Export-Import Bank of the United States authorized a \$694.4 **million** loan to Roy Hill contingent upon the **purchase** of U.S. **mining** and rail equipment from Caterpillar, GE and Atlas Copco.

**CO** chnstl : China Steel Corporation | exmbnk : Export-Import Bank of the United States | expimp : Export-Import Bank of Korea | hkpros : Hancock Prospecting Pty. Ltd. | mrubni : Marubeni Corp | neaiii : Nippon Export and Investment Insurance | peopf : National Life Finance Corp | jfsjap : Japan Finance Corporation

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