

HD Rinehart secures Roy Hill funding**BY** Saskia Pickles**WC** 500 words**PD** 21 March 2014**SN** Business News**SC** WABN**LA** English**CY** © Copyright 2014 Business News Pty Ltd.**LP**

Gina Rinehart has secured final funding for her massive Roy Hill project, virtually ensuring her family's long-held dream of operating its own **iron ore** mine.

Mrs Rinehart's Hancock Prospecting signed a \$US7.2 **billion** (\$A7.98 **billion**) funding package in Singapore on Thursday with an international consortium of 19 banks and five export credit agencies.

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Roy Hill chief executive Barry Fitzgerald said the funding package was the biggest of its kind in the world.

"I am advised this is the largest ever project financing for the development of a land-based **mining** project worldwide," he said in a statement.

Mrs Rinehart said the \$US10 **billion** project, which is already under construction, will employ up to 3,600 people during construction, and a further 2,000 staff once **operations** start.

The mine expects to export its first **iron ore** in 2015 and is targeting annual production of 55 **million** tonnes.

Mrs Rinehart said the mine, which is 70 per cent owned by Hancock Prospecting, would "significantly benefit our West Australian and national economy".

"We look forward to becoming a major **iron ore** producer on an international scale, and thank our partners for their steadfast support for this major Australian project," she said in a statement.

While Hancock Prospecting has a half share in the Rio Tinto-operated Hope Downs **iron ore** mine, Roy Hill will be its first majority owned and operated mine, a dream Mrs Rinehart's father Lang Hancock originally aspired to.

Korea's Posco, Japan's Marubeni and Taiwan's **China** Steel Corporation have 30 per cent **equity** in Roy Hill.

The US\$7.2 **billion** debt package includes substantial support from Japan Bank for International Cooperation, Korea Eximbank, Korea Trade Insurance Corporation, Nippon Export and Investment Insurance and Export-Import Bank of the United States.

The Australian commercial banks involved are National Australia Bank, ANZ Banking Group, Commonwealth Bank of Australia and Westpac.

Roy Hill's financial advisers were BNP Paribas and NAB. Latham and Watkins and Herbert Smith Freehills provided legal counsel.

The finance deal comes as **iron ore** prices slump and follows numerous media coverage about delays and feasibility concerns of attracting the debt.

It also marks more than a decade since the tenements for Roy Hill were acquired.

Western Australian Premier Colin Barnett welcomed the finance announcement and congratulated the parties involved.

"Roy Hill's continued pursuit of this project represents a substantial vote of confidence in the future of WA's resources sector," Mr Barnett said.

"This is great news for workers in **mining** and construction and shows there are still opportunities out there despite recent reports of a slowing of growth."

Major subcontractor to Roy Hill, Samsung C&T has awarded more than \$3.5 **billion** in contracts in seven engineering, procurement and construction contracts and two design contracts.

Roy Hill has directly awarded more than \$1.1 **billion** in contracts for airport, mine camp accommodation and works at the mine.

CO hkpros : Hancock Prospecting Pty. Ltd.

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