

HD Gina Rinehart secures \$7.2 bn funding for \$10-bn Roy Hill **iron ore** project

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Gina Rinehart, Australia's richest woman, has secured \$7.2-**billion** loan for her \$10 **billion** Roy Hill **iron ore mining** project, enabling her to emerge as a direct competitor to larger Australian rivals like Rio Tinto, BHP Billiton and Fortescue Metals Group.

Rinehart secured loans and guarantees from five Export Credit Agencies from Japan, South Korea and the US and 19 commercial banks from Australia, Japan, Europe, **China**, Korea and Singapore.

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Rinehart's Hancock Prospecting owns 70 per cent of Roy Hill, while the remaining is held by a consortium that includes Japanese trading house Marubeni Corp with 15 per cent, South Korean steel giant Posco 12.5 per cent and Taiwan's **China** Steel Corp 2.5 per cent.

The consortium jointly acquired 30 per cent of Roy Hill Holdings in March 2012, for A\$3.2 **billion**. Posco had originally acquired 15 per cent, but in April 2012 sold 2.5 per cent of the **stake** to **China** Steel Corp for \$316.7 **million**.

The investment will give the consortium a combined 16.5 **million** tonnes of **iron** per year from the mine.

The entire development of Roy Hill project is expected to cost around A\$10 **billion** and is already 30 per cent built.

In March last year, South Korean engineering and construction giant Samsung C&T, which has built the Burj Khalifa in Dubai, bagged a A\$5.59 **billion** (\$5.86 **billion**) order to develop the Roy Hill **iron ore** project. (See: S Korea's Samsung C&T; bags \$5.86-bn order to develop Roy Hill **iron ore** project (/industry/Steel/20130328_samsung.html))

Under the deal, Samsung C&T; will build infrastructure for the Roy Hill **iron ore** project, including a plant that can process 55 **million** tons of **iron ore** annually, a 340-km railroad from the project site to Port Headland that will operate eight trains per day, and port facilities that include two berths and container yards.

Construction started in early April 2013 and is expected to be completed by November 2015.

The Roy Hill project is a giant, low-phosphorus **iron ore** deposit located in the Chichester Ranges of the Pilbara region of West Australia. Hancock holds five tenements collectively referred to as Roy Hill 1 since 1993.

Located in one of the world's premier **iron ore** provinces, which currently exports more than 300 **million** tonnes annually, Roy Hill deposit holds more than 2.4 **billion** tonnes of low phosphorous **iron ore** resources.

Once operational, Roy Hill targets to produce 55 **million** metric tons of **iron ore** a year, adding to the current surplus of the mineral required to make steel.

Iron ore prices are now low because of oversupply and analysts believe it will slide down further to around \$80-\$90 a tonne, about 23 per cent below current prices.

CO ambol : Fortescue Metals Group Ltd | chnstl : China Steel Corporation | hkpros : Hancock Prospecting Pty. Ltd. | mrubni : Marubeni Corp

IN i211 : Metal Ore Mining | i2111 : Iron Ore Mining | i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | ibascm : Basic Materials/Resources | imet : Mining/Quarrying | i8396 : Diversified Holding Companies | ibcs : Business/Consumer Services | isteel : Steel Production

NS ccat : Corporate/Industrial News

RE skorea : South Korea | austr : Australia | jap : Japan | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | easiaz : Eastern Asia

IPD steel

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