



HD Australia, Korea Republic of : Roy Hill Mining Project in Australia Succeeds in Project Financing of \$7.2 Billion

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The Roy Hill project, in which POSCO is participating, has succeeded in winning project financing (PF) of \$7.2 billion (7.6 trillion KRW). On April 15, Hancock Prospecting Executive Chairman Gina Rinehart, POSCO Stainless Steel Raw Materials Department Senior Vice President Ki-mok Yun and other relevant officials from shareholding companies and PF organizations gathered together in Singapore to celebrate the successful project financing. In total, 19 commercial banks from Korea, Japan, Europe and Singapore participated in the project financing, including 5 export credit institutions in Korea, the U.S. and Japan, as well as 4 leading banks based in Australia, such as Westpac, National Australia Bank, Commonwealth Bank and ANZ. Ultimately, the project has now secured financing for investment totaling \$7.2 billion, excluding the cash investment of shareholders. This is the largest amount in the history of mining project financing.

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Last December, the Export-Import Bank of Korea, Korea Trade Insurance Corporation, and the Export-Import Bank of the United States announced that they had decided to provide financial support totaling \$2.9 billion. The Roy Hill project is an iron ore mining project in the Pilbara region of Northwestern Australia. The mine has high-quality iron ore reserves of approximately 2.3 billion tons, and it has been a popular investment for Asian steel companies thanks to its short distance from Asian countries. POSCO formed a consortium with Marubeni and China Steel in 2012. The consortium acquired a 30% of stake in the project, with POSCO holding 12.5% of the total stake. From the point at which iron ore is first produced in Roy Hill, POSCO will be provided with at least 11 million tons of high-quality iron ore every year for the following 27 years. Showing a process rate of 35% until March this year, Roy Hill will begin producing 55 million tons of iron ore annually starting September 2015. Iron ore from Roy Hill has the excellent quality required to help it secure a dominant position in the market, particularly given the strengthened environmental regulations in recent years. It is also considered to be able to maintain profitability, even given the potential for a fall in iron ore prices.

CO expimp : Export-Import Bank of Korea | hkpros : Hancock Prospecting Pty. Ltd. | pohn : Posco Co

IN i211 : Metal Ore Mining | i2111 : Iron Ore Mining | i221 : Iron/Steel/Ferroalloys | i22 : Primary Metals | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i81501 : Credit Types/Services | i8150110 : Export-import Financing | ibnk : Banking/Credit | ifinal : Financial Services | isteel : Steel Production

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

IPD Industry - Mining

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