

SE Business
 HD Rinehart secures \$7.2b deal
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Gina Rinehart has landed a \$7.2 billion financing package for her giant Roy Hill iron ore mine in the Pilbara, signing off on the deal in Singapore last night.

After 18 months of negotiations, Mrs Rinehart has cemented her family legacy by putting the final blocks in place of what Roy Hill chief executive Barry Fitzgerald says is the biggest ever funding package for a mine.

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It also defies many industry sceptics who did not think Australia's richest person would be able to pull off such a financing at a time when the iron ore price is under pressure and questions are being asked about the sustainability of China's growth.

Five international export credit agencies and 19 commercial banks contributed to the \$7.2 billion package, which will help build the 55 million tonne a year port, rail and mine project. Mrs Rinehart and her 30 per cent equity partners in Roy Hill, Korea's POSCO, Japan's Marubeni and Taiwanese steel maker China Steel Corporation, have already poured more than \$3 billion into construction of the ambitious project, which is about 30 per cent complete.

The debt funding deal completes Roy Hill's project financing and cements the legacy of Mrs Rinehart and her father, Lang Hancock, credited as one of the important fathers of the Pilbara iron ore industry.

Although Mrs Rinehart's Hancock Prospecting is half owner of the Rio Tinto-operated Hope Downs mine, Roy Hill is the first opportunity for Mrs Rinehart to make good on her family's long-held dream of owning and operating their own iron ore mine.

In a statement last night, Mrs Rinehart said she was immensely proud of Hancock Prospecting's achievements at Roy Hill.

"Today we already have 2500 people working on the construction of the project. This will peak at 3600 later this year before we employ 2000 permanent staff through operations," she said.

"We look forward to becoming a major iron ore producer on an international scale."

CO

chnstl : China Steel Corporation

IN

i211 : Metal Ore Mining | i2111 : Iron Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | isteel : Steel Production

NS

ccat : Corporate/Industrial News

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