

SE Business
 HD **Roy Hill on track to start up**
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RESOURCES: While volatility in the **iron ore** price continues to spook investors, Gina Rinehart's \$10 **billion** Roy Hill project has chalked up another milestone, advancing past the 40 per cent completion stage.

The **company** also revealed yesterday that it had satisfied all of the lenders' requirements for its \$US7.2bn (\$7.6bn) loan facility and made its first drawdown. The debt package, which was finalised in Singapore in March, included five export credit agencies and a consortium of 19 commercial banks.

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The conditions on the loan included certain achievements being made in the construction progress and funding management controls.

Barry Fitzgerald, chief executive of Roy Hill Holdings, said accessing the first funds from the loan represented an independent health check of the construction progress.

"I am advised this is the largest ever project financing for the development of a land-based **mining** project worldwide, and is testament to the project and the steadfast support and commitment from our quality shareholders," he said.

Mrs Rinehart's **company**, Hancock Prospecting, owns 70 per cent of the project but she brought in three **equity** partners with varied interests to support its development: Japan's Marubeni (15 per cent), South Korea's Posco (12.5 per cent) and **China** Steel Corp (2.5 per cent).

The project, which sits 270km south of Port Hedland and 110km north of Newman in Western Australia's rich **iron ore** province, aims to produce 55 **million** tonnes of **ore** a year. Roy Hill will include the construction of a 344km heavy-haul railway to Port Hedland, where **ore** handling and berth facilities are being developed.

Roy Hill employs about 3500 employees and significant work is under way on the mine, rail and port infrastructure. "Roy Hill has already shown it will create new jobs and benefit the greater **mining** and construction-related industries," Mrs Rinehart said.

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