

SPEECH FOR OCCASION OF ROY HILL'S FIRST SHIPMENT In Port Hedland, 10 December 2015

It is with great pleasure that I warmly welcome you all for this exciting and historic occasion, an occasion to mark Roy Hill's first shipment. We wish bon voyage to the Anangel Explorer, which entered this harbour on November 30, as you can see on the screens, shining with the sun on it. It is now loaded with the first shipment of Roy Hill Iron Ore product bound for Pohang and our partners' steel mills.

Today, please join with me in thanks to the people and companies that have made possible this significant project. The names of around 50,000 people who have worked on Roy Hill will be showing on the screens. To borrow and adapt from the great leader Winston Churchill, "The light of history shall shine from all your hard hats. And on the mega Roy Hill's first shipment. "

As many of you would be aware the Roy Hill tenements were taken up by Hancock Prospecting at a time when our funds were short, but hopes and aspirations somewhat high! I had a desire and a vision that Roy Hill would one day be a project for the development of Hancock Prospecting, but at the time I did not realise that this would be the deposit of iron ore that allowed me to fulfil my father's and my dream, to be an owner-miner.

It was always our Hancock Prospecting vision that we would move from the early days of exploration and development by others, to where our company took increasing roles towards the lead and developed a deposit independently. And in a way which reflects my approach to establishing an efficient, technology-based business which delivers good quality, consistent grade products.

In particular, I would like to publicly thank Tad Watroba, the Executive Director of Hancock Prospecting, and fellow board member of Roy Hill, who has been with me throughout the Roy Hill endeavour, Richard Paquay, who was our chief geologist for decades, until his retirement this year.

Jay Newby, CFO, who helped Tad and me with the arrangements and negotiations to secure world class partners. Jabez Huang who's been acting CFO the many times I've had Jay engaged on project matters, and my PAs and night secretaries who have also worked amazing hours to help me and my tiny executive team with these ventures. Some of these people are here today, please stand, and please join me in applause.

We started from very humble beginnings. In the early Roy Hill years with little money for exploration, we brought one old caravan onto site which then expanded to three – including one for the site office. Tad, the geologists and other technical people mainly slept under the stars in their swags. Tad, Richard and I recall this well!

In those days, with little interest by most in iron ore, and very limited funds, progress couldn't be as fast as we would have liked, but our ambition and focus on bringing the project to development didn't waver.

This is not to say that in the early days there was support from my work colleagues to take on the Roy Hill undertaking, from tenements then BHP had initially explored, but decided were of little value and dropped.

One staff report recommended against applying for the tenements saying "Without the presence of the Mt. Newman Member formation of significant high grade mineralised bodies is generally precluded ... and ...it is recommended that these areas not be considered for acquisition."

Another said....."It is considered unlikely that mineable amounts of high grade ore can be found."

These and other multiple written recommendations not to take up Roy Hill, remain in our records. There was then no one supporting my desire that we take up tenements when money was very short and such tenements had been dropped by a major who unarguably knew Pilbara iron ore. But fortunately their geos had put drill holes in the wrong places, and it was our later exploration that found the deposits we are mining today.

I don't want to leave the impression that my staff and technical consultant were unnecessarily wrong, frankly I had no real understanding of the challenges, risks and hard work ahead, and had I had a better appreciation of this at that time, who knows what I would have done.

I may not be standing here in front of you today to celebrate with you this wonderful day for our company and our first Roy Hill shipment. It has been a hell of a task at times to get here, and the hours, especially for Tad and I, punishing.

Tad, could you please join me on the stage.

I would now like to take some time to recognise and thank our partners.

It took vision and courage for POSCO, under the leadership of Mr Park, to take an active role in the development of a Greenfields major project in Australia. They had the courage to put in funds with this then small Australian company, critical funds to help us finish the Bankable Feasibility Study, and funds to support the obligations that were entered into, to rescue the necessary berths in Port Hedland harbour.

Unlike the reinventions in the media, our Australian company was not always a wealthy company, we struggled financially for many years, so this funding by POSCO was very welcome.

The contribution of POSCO has been and is fantastic, and continued with their assistance to achieve South Korean debt funding for Roy Hill. I would like to record our thanks by presenting POSCO, represented here today by Mr Shin a painting to commemorate this special occasion.

This painting was chosen to be of this impressive wharf and ship loader as it encompasses two key aspects:

POSCO contributing the initial funds which supplied the hundreds of millions required for the dredging of the berths, turning basin and...

Today: when we farewell the first shipment it will be to POSCO's steel works through this facility.

I also want to warmly thank our long term friends, Marubeni. Marubeni and Hancock Prospecting have shared a long friendship, having significant involvement with Marubeni in the very early days of exploring and helping to introduce Japan to the Pilbara as a then new iron ore region.

I was therefore delighted when presented with the opportunity to participate in the Roy Hill project, Marubeni acted quickly and decisively to take the largest minority shareholding. This strong supportive

action marks a wonderful attitude that Marubeni continues to demonstrate as a shareholder and this has greatly assisted the development of the project.

To commemorate this day with Marubeni, I would like to present this painting of the railroad. The symbolism of the track is a mark of your long term relationship with Hancock Prospecting, and the bridge between the mine and the port and is akin to the role of Marubeni as a bridge between Roy Hill and the Japanese funding and Roy Hill and the Japanese steel mills.

Indeed, Marubeni assisted in the acquisition of the quality rail from Nippon in Japan.

Can I please ask Mr Ishizuki to join me to receive the painting on behalf of Marubeni?

I would like also to recognise the role of China Steel Corporation; China Steel Corporation joined the project and have taken their role in the development of the business by providing, along with the other minority equity partners, to take their portion of production. The executive of China Steel's enthusiasm for this mega project has been fantastic and continuous, and I greatly appreciate this.

To commemorate the day with China Steel Corporation, I would like to present China Steel Corporation represented here today by Mr Wu, with a painting of the mining operations and this, of course, is the reason for us all being here.

It is critical to base a mega project on good deposits, and we have that at Roy Hill.

Can I please ask Mr Wu to the stage to accept this painting?

As we celebrate where we have reached in the development of Roy Hill, it is important that we reflect not only upon the journey to get to this point, the challenges, risks and hard work, but also to realise with pride, that each person who has worked on this project or contributed funding, can look back at their contribution to this mega project and realise it is projects like this that contribute to Australia, and contribute towards maintaining the living standards we in Australia are very fortunate to enjoy.

Perhaps we should have our own Roy Hill celebration hour, in the years and decades to come that Roy Hill will be helping the Australian economy?

To put the scale of the Roy Hill iron ore project into perspective in regard to Australia's economy, when the mine is operating at its full capacity, Roy Hill will generate export revenue significantly greater than either Australia's lamb and mutton export industry or our annual wine exports

Obtaining finance - This was possible only by the willingness of the partners to take a huge risk; the risk of spending their own funds on partaking to construct the project, with no certainty of final debt funding being achieved.

The risk was real, and those closely involved knew that we were only weeks away from not meeting deadlines and running out of equity money, indeed the project team were preparing to curtail activities and shut the project down. The achievement of this major debt fundraising, with the 11 largest banks in the world, 19 major banks in total and 5 ECAs, has been recognised internationally, and again I thank those who worked so hard on this, and our bank advisors, NAB and BNPB.

Roy Hill had to achieve more than 4,000 approvals, permits and licences – and more again for construction. The delays and costs of this were not only humongous, and waste human resources, but

do nothing to assist productivity, or recognise that Australia, already a very high cost country, has to be cost competitive when exporting to world markets.

They do nothing towards letting Australia compete from a level playing field. We are unaware of any other iron ore export countries who have both Australia's high costs, plus such a burden from government regulations, plus the record of declining productivity. Something needs to urgently change.

Let's look at the impact of the Roy Hill project, over 79% of the money has been spent in Australia, it has created 21,000 person years of direct employment on the construction phase and will create 53,000 person years of direct employment in the operations phase. This with the common multiplier for indirect jobs created from direct jobs means that it will create some 300,000 person years of additional employment over the life of the project. And many More, should the lower grade ore available at Roy Hill, later be exported.

Roy Hill is a project achieving several important firsts:

- The largest commercial deal between Australia and South Korea in history. The EPC Contract.
- The largest debt financing agreement in the world for a largely Greenfield mainland mineral resource project development.

Some of the world's largest equipment, including...

- The world's largest bucket wheel reclaimers operating at both the Port and Mine.
- The fastest Rail Car Dumper unloading cycle time in the world.
- The largest single iron ore mine in Australia.
- Award winning Corporate Headquarters & Remote Operations Center, with some of most advanced technology in the world.

Also it is worth mentioning that the EPC Construction start to First shipment took only 26.4 months. This is a considerable achievement, in particular given the delays caused by unseasonal weather.

This magnificent achievement has been realised by a combination of the Roy Hill team, with assistance from Hancock Prospecting, the lead EPC contractor Samsung C&T, and many other Australian contractors and subcontractors and international suppliers.

This reminds me of another of the famous orator Sir Winston Churchill's quotes – "It is no use saying, 'We are doing our best.' You have got to succeed in doing what is necessary." Please join me in applause.

Samsung C&T entered the largest EPC contract of its type in Australia and this was for them a contract in a country where they had not been active previously. It is a big project and within Australia there was

negativity in the left media. Congratulation Samsung C&T for your role in also showing that this negativity was poorly based, as shown by the success and achievement that we are celebrating today.

We would like to acknowledge Samsung C&T's contribution and ask that Roy Hill CEO, Barry Fitzgerald, CFO, Garry Korte, and the man of the moment.... Project Director, Mr Sanjiv Manchanda, present this painting to the CEO of Samsung C&T, Mr Chi Choi.

I would now like to recognise the Roy Hill team.

We have built a mega project, on its way to becoming the largest single iron ore mine in Australia, and today marks the historic shipment of the first cargo to Roy Hill's markets. Building this mega project and needing to reduce staff and salaries given the unforeseen large drop in iron ore prices, and cut costs, yet still maintain the high standard and safety performance is a great credit to the whole Roy Hill team, and especially the Roy Hill leadership team and the staff who have contributed more than their required working hours and put in extra effort.

Can the Roy Hill leadership team please stand as we recognise their contribution?

I know that they and those others who have worked long and hard beyond their required working hours, have shared the vision, and have been persistent and they have been successful, very successful. May I ask all Roy Hill staff who are present to please stand?

Thanks to each of you and very well done.

May I please ask my daughter Ginia to join me on the stage?

We thank you, all of the people who have worked on and contributed to the Roy Hill project.

Roy Hill is an outstanding example of dedication, the drive to succeed, the benefit of hard work and diligence and that we can achieve dreams and aspirations, challenges can be met and overcome and that by working together across nations, great projects can be dreamt of and then brought into reality.

Thank you.

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