

# **NAMING OF LOCOMOTIVES CERMONY**

**2<sup>ND</sup> MAY 2018**

## **TAD'S LOCOMOTIVE**

Distinguished guests, friends,

One of my greatest pleasures as HPPL and Roy Hill's Executive Chairman, is to be able to advise that, today we are here together to celebrate the Roy Hill project reaching 55 mtpa. We are as part of this historic milestone going to name in honour of Tadeuz Watroba, a Roy Hill locomotive. This locomotive leading a Roy Hill train, will forever bear Taddies name. Taddie will after this speech be christening it with ginger beer!

Taddie has been with me since before we successfully applied for the Roy Hill tenements, so he has been with us for the entirety of the Roy Hill project, most of those years as Executive Director. This is rare in Australia's history, to be with a major project as a director right from its virtual beginning, right through to reaching its milestone capacity.

Standing here together today, is a day to really appreciate, that projects, financeable studies, revenue earning ore tonnages, railways and bridges and locomotives, don't spring from tenements. Once you get a tenement, there is no tap to turn on from which revenue flows. Many tenements never even become mines, so revenue doesn't flow. None of this revenue is possible without yearly investment, rent to government, and government expenditure requirements must be met, or tenements are lost. None of these mining projects are possible without years of hard work. Indeed, just to get this project to pre-construction level, took many years to get through more than 4,000 government approvals, permits and licences. Plus, more government tape of course for construction, then years of time

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and money consuming compliance burdens. This is a significant part of the reason you don't see much in the way of new mega projects like Roy Hill on the horizon in Australia. And investment in Australia has dwindled to levels not seen since Whitlam anti-business days, when investment dried to a trickle.

And Tad was here, for all, endlessly working late, giving up weekends, birthdays, available on his holidays, we even at times worked on part of Christmas Day, didn't we Taddie?

But it was only recently, while at an investment review dinner meeting a few nights ago, that Tad shared something I hadn't known. Getting finance to make this project possible, was a huge undertaking, especially as we needed to get it done as low cost as possible given the size of the debt. It sounds easy to say, 19 major banks, including 11 of the world's largest banks were involved. But, I can assure you, this was not easy, and the fact it involved many countries and time zones, was only a start of the complexities.

We had some special moments through this process though! Garry was then Roy Hill's CFO, so he was under what he described as "blow torch pressure". Where did Garry go, when there were crises and difficulties, repeatedly to Tad. Tad had been involved in 2 financings for major projects before, for Hope Downs, and the experience and insights gained are invaluable. But, what I only just learnt from Taddie, was that night after night, pre-meetings, or during those crises or difficult times, Tad was having sleepless nights, trying to work out approaches to get through such impasses. He never swayed from this, was never saying this is too hard, let's give up. In fact, he encouraged others to continue. He never complained, or even let me

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know until very recently of his sleepless nights, and the strain he was under.

What a man. How fortunate was our Roy Hill project.

It is with immense thanks, and sincere respect, I now ask Taddie to christen this Roy Hill locomotive, “Tad”.

After christening, Taddie, would you like to say a few words?

Taddie has kindly agreed to this year be a co-Patron with me of national mining and related industries day, held each year on November 22, which this year will be held in Canberra.

Please join with Tad and me to be photographed next to the locomotive “Tad”.

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## **Speech for christening of locos all 3 other Roy Hill minority owners.**

It is now with immense pleasure I would like to honour our 3 steadfast partners in our Roy Hill venture, namely Marubeni, POSCO and China Steel Corporation.

I am going to talk about these excellent partners, and then their representatives will christen their respective locomotives, and then perhaps say a few words, if they so wish.

As I stand here, in front of these huge locomotives, I am immensely grateful for all the support which Marubeni, POSCO and China Steel Corporation have brought to the Roy Hill project. At the time of their investment, there was nothing on the ground where we are now standing, no construction of this mega project had started. POSCO made it possible for us to dredge the harbour, for our berths and turning basin, a huge investment, years prior to the debt funding being arranged. And committed prior to our other partners joining us.

In particular, I would especially like to thank POSCO and Marubeni for helping us with our debt financing. We had decided to seek financing from a number of Export Credit Agencies given the huge size of the debt required for this mega project. Marubeni and POSCO, in particular, worked hard and smoothed the way with the ECAs in their countries to the point where the ECAs were comfortable to participate and be senior lenders to our project. And they have helped keep important relationships with the ECAs since the financing package was approved by the syndicate of banks. It was a huge challenge to get the debt finance package together, and

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involved some world firsts, not just in size for a largely greenfield, land based project.

Each of POSCO and CSC are also customers who buy Roy Hill ore, plus Marubeni has assisted us with offtake also. Once again, having such offtake arrangements was vital to us in showing to our lenders that we would have a viable business.

And look where we are today. From bare red earth 6 years ago, to our partners joining with us to spend our equity money before debt financing was even raised, incredible bravery, to now a successful and major mining company!

The locomotives which are parked here in front of us are part of a fleet of 21 locomotives at Roy Hill. They play an essential role. each train load brings just over 32,000 tonnes of iron ore from the mine to the port, carried in 232 ore cars. we will be adding 4 new locomotives to the fleet in about 6 months, to strengthen our operations.

Also, in our mining operations the combined truck haulage fleet of which the pink trucks form the major part, will have further pink Japanese Hitachi mega-trucks being commissioned in October. After that, the combined haulage fleet will travel approximately 9 million kilometres per year. That's the equivalent of more than 10 return trips to the moon!

Our rail runs for 344kms from the mine site to Port Hedland. There are more than 500,000 rail sleepers and 55,000 tonnes of track steel. In comparison with another major landmark the tonnage of rail steel

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and sleepers is equivalent to 100 Sydney Harbour bridges! Marubeni organised Nippon Steel to supply the track steel.

I am delighted that we have the opportunity to have each of our partners here to christen one locomotive each in their honour, on this historic occasion marking reaching our 55 mtpa capacity.

I will now ask the representative of the train nearest to me, namely Marubeni, to christen their locomotive.

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## Naming of Barry's locomotive

Chairman publicly asks crowd to move nearer to fifth and last, but not least locomotive for christening.

Ladies and gentlemen, the person whose name is on this locomotive is here but like Taddie, is not aware that we are naming it after him.

It gives me very great pleasure to announce that our fifth locomotive is to be named Barry, in honour of Barry Fitzgerald, CEO of Roy Hill Holdings.

Barry, please step forward.

Barry joined us to work on the Roy Hill project in 2010. We did not present Barry with an easy project. Yet, Barry has never come to me and said anything like, it's too hard, he wants to resign. Indeed, he committed to me he'd stay to see the project reach its capacity and here he is! Indeed, he's now striving to get an extra 5 mtpa, aren't you Barry! And I for one am very keen to endorse extra investment once government approvals secured, to enable 4.5 mtpa be achieved from mined ore that would otherwise be tailings. He has been committed and dedicated working with us in taking the project from the bankable feasibility study phase all the way through to the mega operations which we have at Roy Hill today. I thank him for his tireless commitment for the last 7 years, and for helping Hancock and me and our partners to realise our vision for the mega mining operation which Roy Hill now is.

The list of achievements which Roy Hill has delivered while Barry has been CEO is remarkable. We executed the largest commercial deal between South Korea and Australia ever, this was with a South

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Korean company to build most of Roy Hill. We have some of the biggest mining equipment in the world at our mine and port (in fact our bucket wheel reclaimers at the mine and port are the largest in the world). We had an enviable safety record through the project with 17.4 million Lost Time Injury free total man hours over the period of a year when the project was at its peak. The project was built in record time for projects of this size in the Pilbara. And the ramp up to 55 mtpa has been achieved very quickly.

Well done Barry and team, and immense thanks.

We look forward to having the opportunity, once all government approvals are in place, to earn more revenue for West Australia and more jobs and expand the production to 60 mtpa. Our board is itching to better use and further invest in Roy Hill, so that another 4.5 mtpa can be achieved from already mined ore from Roy Hill.

Barry would you like to christen your locomotive? And perhaps after christening, say a few words if you wish?

Would everyone please move closer to locomotive Barry, for photos?