



Project News

## **Fortescue Metals approved USD 1.2 billion Iron Ore Mine and Rail Project**

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On May 28, 2018, Fortescue Metals Group (ASX: FMG, Fortescue) advised that the company's Board has approved the development of the Eliwana mine and rail project, located in Western Australia's Pilbara region.

### **Eliwana Highlights**

- Estimated capital cost of USD 1.275 billion
- 143 kilometres of rail, a new 30 mtpa dry ore processing facility (OPF) and infrastructure
- Production commences December 2020 with a life of mine strip ratio of 1.1
- Underpins the introduction of a 60% iron grade product (Fortescue Premium) in the second half of FY19
- Financed from operating cashflows at a capital intensity of USD 42 per tonne

Fortescue's Chief Executive Officer, Elizabeth Gaines said "Development of the Eliwana Project will maintain Fortescue's low cost status, providing us with greater flexibility to capitalise on market dynamics while maintaining a minimum 170 million tonnes per annum production rate over 20 years." "This Project allows us to commence the supply of Fortescue Premium product to the market from existing operations in the second half of FY19 with volumes increased as Eliwana ramps up to full production." "Fortescue has now shipped over one billion tonnes of iron ore in just ten years, generating strong returns from our position at the lowest end of the global cost curve. This Project is important to Fortescue and the state of Western Australia, creating up to 1900 jobs during construction, 500 full time site positions once operational and the continued flow of benefits to our communities and the state economy." "The Eliwana Project will build on Fortescue's development and construction capability, utilising the latest technology, autonomous trucks and design efficiency while redeploying existing assets to this world leading development. Capital expenditure is expected to be incurred as follows:

- FY19 - USD 165 million
- FY20 - USD 760 million
- FY21 - USD 350 million

A definitive feasibility study report (DFS) has been completed with detailed design about to commence. The approvals process is under way for two public environmental reviews and a mining proposal.