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resourcing the future



# BHP Billiton Iron Ore Western Australian Overview



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## BHP Billiton Western Australia Iron Ore

BHP Billiton is a leading global resources company. We are a global organisation with over 100 operations throughout the world. Our success is underpinned by the 100,000 employees and contractors that work at BHP Billiton.

BHP Billiton Iron Ore is the world's third largest seaborne iron ore producer, with operations in Australia and Brazil.

Our principal iron ore operations are based in the Pilbara region of Western Australia and comprise of an integrated system of seven mines, two main railways and two port facilities located at Port Hedland.

Our Perth based workforce is located centrally in the city, where more than 2,000 of our employees are housed. Our Integrated Remote Operations Centre, or IROC as it commonly known, is also centrally located. IROC enables staff to coordinate, from Perth, the near term scheduling, planning and controlling of our mine, rail and port operations.

We employ more than 16,000 employees and contractors across the iron ore business in Western Australia. We attract, employ and develop people with exceptional skills who share Our Charter Values of Sustainability, Integrity, Respect, Performance, Simplicity and Accountability.

We prioritise safe and sustainable operations before all else and encourage our people to stretch their capabilities and use their functional expertise to help us deliver on our long-term business objectives.

We are fortunate to have a large resource endowment in the Pilbara, which provides us with all the options required to sustain and grow our business in the foreseeable future.

Since 2002, BHP Billiton has approved capital investment of approximately US\$19 billion<sup>1</sup> to expand its Western Australia Iron Ore business. This has resulted in the business more than doubling its annual production

(100 per cent basis) in 10 years, from 72.6 million tonnes in Financial Year (FY) 2002 to 174.1 million tonnes in FY2012.

We expect to continue to increase production in FY2013 and FY2014 and beyond, through increasing the productivity and efficiency of our existing Assets. Our current focus is to maximise our throughput capacity from the Inner Harbour to deliver material growth beyond 220 million tonnes per annum (Mtpa).

Our partners across our Western Australia Iron Ore operations are: Itochu Minerals & Energy of Australia Pty Ltd, Mitsui-Itochu Iron Pty Ltd and Mitsui Iron Ore Corporation Pty Ltd.

In FY2012, BHP Billiton Western Australia Iron Ore paid more than A\$1.4 billion in State and local government royalties, rates and taxes, and more than A\$4.5 billion in Commonwealth Government royalties, rates and taxes.

<sup>1</sup> BHP Billiton share of investment takes into account the 100 per cent owned BHP Billiton Iron Ore Jimblebar operation.

## Western Australia Iron Ore Operations

Our operations include an integrated system of seven mines, more than 1,300 kilometres of rail and two world-class port facilities at Port Hedland.

### Mines

Today, BHP Billiton Iron Ore has seven extensive high-grade hematite iron ore mining operations in the Pilbara, producing lump and fines ore. The ore is crushed, screened and blended on-site before being railed to the port.

Located approximately five kilometres from the Newman township, the Mount Whaleback mine is the biggest single-pit open-cut iron ore mine in the world. The mine was established in 1968 and is now more than five kilometres long and nearly 1.5 kilometres wide.

Adjacent to Mount Whaleback mine are smaller deposits, orebodies 29, 30 and 35. Other satellite orebodies, 23, 24 and 25 are located north of Newman. Orebody 18 and Wheelarra are located about 40 kilometres east of Newman. Ore from each of these mines is transported to the Company's "Newman Hub" at Mount Whaleback to be blended, then railed to the port.

In FY2012, over 60 million tonnes (100 per cent basis) of iron ore was produced at these operations.

The new Jumblebar mine, approximately 40 kilometres east of Newman and adjacent to the existing Wheelarra mine, is currently under construction. First production, from this new hub, is anticipated in the first half of calendar year 2014 and will deliver an additional 35Mtpa (100 per cent basis) annual production. Studies are continuing into opportunities to further expand the mine's production to up to 55Mtpa.

The Yandi and Area C mines are located about 100 kilometres north-west of Newman. Both mines have their own "hub" facilities and in FY2012 produced almost 63 million tonnes (100 per cent basis) and 50 million tonnes (100 per cent basis) of iron ore respectively.

The Yarrie mine is 200 kilometres east of Port Hedland. In FY2012, the Yarrie mine produced almost 2 million tonnes (100 per cent basis) of iron ore.

### Rail

An integrated heavy haulage rail line is used to carry the iron ore from the inland mining operations to the port for shipment.

Our 426 kilometre Newman to Port Hedland rail line is one of Australia's longest privately owned railways. It services the Mount Whaleback mine



with spur lines to orebodies 18, 23, 24, 25, Jumblebar, Wheelarra, Yandi and Area C. Substantial double tracking of the railway has been ongoing since 2008. Our separate 208 kilometre Goldsworthy rail line links the Yarrie mine with Finucane Island. Both lines are supported by a network of railway spurs, loops and marshalling yards.

Our rail system is amongst the most productive, heavy haul railroads in the world. The network forms a key part of the iron ore supply chain, delivering ore to port in specific volumes, sequences and timing for blending into final products, or direct shipping to customers.

### Port

Our port facilities include two operations located on opposite sides of the Port Hedland harbour.

Finucane Island operations are located on the western side of the harbour and includes Harriet Point. Production from our new car dumper (CD5) at Finucane Island commenced in Q2 FY2013.

Nelson Point operations are located on the eastern side of the harbour and includes Burgess Point. Two new berths and shiploaders were commissioned in Q2 FY2013, as part of our Port Hedland Inner Harbour

Project. The construction of these two new berths brings our total number of berths at Port Hedland to eight.

We also have a sophisticated conveyor system that runs under the harbour, through a 1.16 kilometre tunnel that carries ore from Nelson Point to Finucane Island.

Port Hedland is currently considered the world's largest bulk-export port<sup>2</sup>. In FY2012, we loaded 988 vessels at our Port Hedland port operations.

We export our products to steel makers in China, Japan, Korea, Taiwan, Europe and Australia.

<sup>2</sup> Port Hedland Port Authority.



## Health, Safety, Environment and Community



The health, safety and wellbeing of people are core to the success of our Company. We are committed to providing a safe workplace for our employees and contractors and will not be satisfied until we achieve Zero Harm. We are focused on continually improving our safety outcomes with the objective of ensuring that our people return home safely at the end of every day.

Sustainability is a key priority and is our first Charter Value. Our focus on environmental stewardship covers core issues including energy use, water conservation, land management, air emissions, hazardous and other waste management, as well as closure and rehabilitation.

We are committed to supporting the communities in which we operate. During FY2012 we invested more than A\$68 million in Community Development Programs. Our focus is in the Pilbara, in the areas of Indigenous education and strong communities. The majority of our regional activities are delivered through long term partnerships or sponsorships with government and not-for-profit organisations.

BHP Billiton is committed to achieving significant improvements in Indigenous employment, health, education and wellbeing. Through a range of education and training to employment programs we actively support over 590 Indigenous students of which 440 are based in the Pilbara, equating to more than 42 per cent of the total indigenous students in the area. We are proud to employ over 1,100 Indigenous employees and contractors through our successful employment programs and in FY2012 we directly engaged 15 Western Australian Indigenous owned businesses with a total spend of approximately A\$130 million.

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Rosie Williams, Dulcie Gibbs and Muni Rita Simpson, from Martumili Artists, working on *Yiwarra Kuju: the Canning Stock Route* project. Photo by Tim Acker, 2007, with endorsement of Martumili on behalf of the artists.

For more information please contact:

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