



11 December 2017

BBI State Agreement Bill officially becomes an Act of Parliament

BBI Group Pty Ltd (BBIG) is pleased to announce the *Railway (BBI Rail Aus Pty Ltd) Agreement 2017* has formally become an Act of Parliament of Western Australia, after receiving Royal Assent.

The State Agreement Bill was introduced into the WA State Parliament in September by Premier Mark McGowan, to ratify the State Agreement signed between the State Government and BBIG earlier this year.

The final assent of the State Agreement is a significant milestone for the BBI Project; a multi-billion-dollar development linking iron ore deposits in the Central Pilbara region with a new iron ore export facility at the Balla Balla Port, via a 162-kilometre purpose built railway.

It provides certainty to BBIG and its operational and commercial partners, so is a key enabler to a project that will ultimately create approximately 3,300 construction jobs and approximately 900 production jobs. BBIG estimates that the total royalties payable to the Western Australian Government from customer mines over the life of the BBI Project could be in excess of \$4 billion.

BBIG Chair Jon Young said BBIG was particularly pleased with the bipartisan support that both the BBI Project and its State agreement has received in Western Australia.

“The bipartisan support the State Agreement has received sends an excellent signal to our business partners. I would like to personally thank Premier Mark McGowan, and all Members of Parliament for their support,” Mr Young said.

“We can now fulfil BBIG’s commitment to provide employment, economic and social opportunities for Pilbara residents.

“BBIG will keep a sharp focus on meeting the requirements of the State Agreement. The agreement provides for community development and local industry participation commitments. These commitments will provide direct benefits to traditional landowners, the local community, and businesses as an outcome of the project’s construction and operation.”

Premier Mark McGowan stated in Parliament that: *“The agreement will facilitate the delivery of significant positive outcomes for local communities and those businesses servicing the mining and ancillary sectors of the Western Australian economy. The project has the potential to generate significant jobs in both its construction and operation phases, and it must be acknowledged, is a project to which both sides of the house have provided their support.”*

A key principle of the lead construction contractor agreement is that BBIG and China State Construction Engineering Corporation (CSCEC) will work together to ensure that the delivery of the on the ground project services will be undertaken by suitably qualified, locally experienced contractors in accordance with local industry participation.



This is in line with BBIG's commitment to maximising opportunities for local and regional businesses and employees.

The progression of the State Agreement Bill through Western Australian Parliament and the Memorandum of Understanding with CSCEC has generated significant interest from owners of iron ore deposits in the Pilbara that did not have access to transportation infrastructure. Port and rail access is a precondition to large scale low cost iron ore production.

The State Agreement specifically allows for the construction of rail extensions and spur lines by Ministerial consent.

The formalisation of the State Agreement follows BBIG's decision to enter into a terms sheet to farm-in to and progress the development of Brockman Mining Limited's Marillana iron ore Project in the Pilbara (Marillana).

Marillana represents one of the largest independently owned iron ore reserves in the Pilbara with a significant mineral resource estimate of 1,630 mt. The BBI Project provides a multi-user solution to iron ore resource owners in the Pilbara.

BBIG Chair Jon Young said that BBIG has designed its central rail corridor directly south from Balla Balla Port so that it can spur east or west to iron ore deposits that would otherwise be stranded thus generating employment, royalty revenue and economic growth for Western Australia.

Media contact:

Cameron Morse

FTI Consulting

Phone: 08 9485 8888 or 0433 886 871

Email: Cameron.morse@fticonsulting.com

Background

BBI Group Pty Ltd is jointly owned by Todd Corporation Ltd and Nyco Pty Ltd.

Todd Corporation is the majority shareholder and is one of New Zealand's largest and most successful companies. Established in 1884, Todd Corporation has interests in oil and gas, electricity generation, energy retailing, property development, minerals, healthcare and technology.

Nyco is an Australian investment company owned by Nicholas Curtis.