



23 January 2017

BBI Group signs State Agreement with Western Australian Government

HIGHLIGHTS

- Western Australian Government signs State Agreement with BBI Rail Aus Pty Ltd, a wholly owned subsidiary of BBI Group Pty Ltd (BBIG), for its 50 million tonnes per year iron ore development in the Central Pilbara, the Balla Balla Infrastructure Project (the BBI Project).
- The State Agreement is a crucial milestone for the BBI Project.
- BBIG estimates that development of the BBI Project will create approximately 3,300 construction jobs and more than 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 has full agreement and support from the traditional owners who hold Native Title over the BBI Project land.
- The proposed port facility involves no dredging and has a low environmental footprint. All primary BBI Project environmental approvals are in place.

A subsidiary of BBI Group Pty Ltd has today signed a State Agreement with the Western Australian Government to develop its multi-billion dollar Balla Balla Infrastructure Project. State Agreements have been used in Western Australia for more than 50 years to facilitate private sector development of the State's natural resources.

Western Australian Premier Colin Barnett and BBIG Chairman Jon Young signed the Agreement in an official ceremony today. The Agreement demonstrates confidence in the further development of Western Australia's iron ore sector.

The BBI Project is 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. The initial capacity of the infrastructure is approximately 50 million tonnes of iron ore per year, however it has the capability to be increased in the future. This represents a new life for the historic Balla Balla port which was originally established in 1898.



Commenting on the State Agreement, Mr Young said Government support for the BBI Project through the State Agreement was crucial for BBIG to proceed with its development plans:

“The State Government has been very supportive throughout the State Agreement process and has demonstrated a real commitment to see this development proceed.”

“The signing of the State Agreement today is an important milestone for this multi-billion dollar project and the jobs it will create.”

“The BBI Project is positioned to be the next tier-one, low cost, large scale iron ore export infrastructure facility in the best address for producing iron ore in the world.”

“We are also pleased that the State Agreement contemplates the Flinders Mines Limited’s (ASX: FMS) Pilbara Iron Ore Project as a potential foundation customer for the BBI Project. BBIG has a good relationship with FMS and will be working closely with FMS to seek a mutually beneficial solution to provide access to BBIG’s infrastructure should FMS wish to utilise it.”

During the construction phase, the project will create approximately 3,300 construction jobs and more than 900 full time jobs once operations commence.

BBIG estimates that the total royalties payable to the WA Government from customer mines over the life of the BBI Project could be in excess of \$4 billion, depending on future market conditions.

BBIG is currently engaged with a number of parties that are potentially interested in the supply of iron ore sourced from the Central Pilbara region and or potential investment into the BBI Project. In addition, BBIG has secured other potential iron ore deposits in the Central Pilbara region capable of accessing the infrastructure.

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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.

Todd Corporation, through its subsidiary TIO (NZ) Limited, holds a ~53.4% interest in Flinders Mines Limited (ASX: FMS).

Nyco is an Australian proprietary company and acts as the trustee for the N.A. Curtis Superannuation Fund.