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BY ELECTRONIC LODGEMENT

Aurizon – West Pilbara Iron Ore Project Update

Please find attached announcement for immediate release to the market.

Yours faithfully

Dominic D Smith
VP & Company Secretary

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West Pilbara Iron Ore Project Update

Aurizon Holdings wishes to update the market regarding the West Pilbara Iron Ore Project (the "Project") following recent discussions with the other participating companies, Baosteel Resources, Aquila Resources, POSCO and AMCI ("Mine Participants").

Aurizon delivered to the Mine Participants an initial, non-binding indicative $\pm 25\%$ tariff for the mine-to-ship supply chain services in accordance with the Infrastructure Framework Agreement, at the end of March 2015.

Aurizon and the Mine Participants are committed to the technical and commercial feasibility study stages of the Project, on the basis that it will ultimately deliver a competitive overall cost position compared with other major Pilbara producers. A key driver of this competitive cost position is the significant reduction in the 2012 capital costs estimates, which is expected to be achievable given the subdued market for major capital activity.

Aurizon and the Mine Participants are mindful of the volatility in the iron ore market price since the completion of the takeover of Aquila Resources in 2014. Senior executives of Aurizon and the Mine Participants have therefore made an in-principle decision that further Project governance measures, in the form of assessment stage gates, be implemented to allow for 'whole of project' (mine and infrastructure) oversight and program management.

Key expected dates in the revised Project assessment schedule, subject to execution of formal documentation and necessary internal approval (of all parties), will be as follows:

1. Extension of Aurizon's period of exclusivity to develop an infrastructure solution for the Project until 30 April 2016
2. Aurizon to provide an indicative and non-binding $\pm 15\%$ tariff (port and rail) by 30 November 2015 (previously $\pm 15\%$ binding by October 2015)
3. Aurizon and Mine Participant senior executives to meet by 31 December 2015 to review the non-binding $\pm 15\%$ tariff (as above), initial feasibility studies for mine and infrastructure, and, based on project economics and present/forecast market views determine whether to continue work to complete Definitive Feasibility Studies ("DFS")
4. If the decision is to proceed, delivery of DFSs for Mine and Infrastructure by 30 April 2016, including simultaneous delivery by Aurizon of a binding $\pm 10\%$ tariff (with exclusivity automatically extending to 31 July 2016)
5. Aurizon and Mine Participant senior executives to meet by 31 May 2016 to review the DFS and binding $\pm 10\%$ tariff

Final investment decisions on whether to proceed with the Project by all Participants are currently contemplated to occur in late CY2016, subject to the above stage gates and long term iron ore market fundamentals, including pricing.

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