

Queens Valley Development Approved



22 May 2019

Fortescue approves development of Queens Valley mining area, Solomon Hub

Fortescue has announced the development of the Queens Valley mining area (Queens) at its Solomon Hub in the Pilbara region of Western Australia. Development of Queens will maintain production of the low-alumina Kings Fines product and is consistent with Fortescue's strategy of optimising margin through an enhanced product mix.

Commenting on the development, Fortescue's Chief Executive Officer, Elizabeth Gaines said, "Fortescue's integrated operations and marketing strategy defines a product portfolio that maximises value from the Fortescue orebodies over the long term, ensuring the continued delivery of returns to shareholders. The Queens mining area development will maintain our highly valued Kings Fines low-alumina sinter fines product which supplies Fortescue's key customers in China as well as in Japan and Korea."

The Queens development is located approximately 15 kilometres from the Kings ore processing facility (OPF) and has an expected life between 10-15 years, with an initial strip ratio of 1.4, maintaining Fortescue's low operating cost of production. Environmental and heritage approvals are in place to commence the development of Queens.

Total capital expenditure for the Queens development is estimated to be US\$287 million and will be incurred as follows:

FY19	US\$10 million
FY20	US\$151 million
FY21	US\$98 million
FY22	US\$28 million

The Queens development will include the construction of an innovative hydraulic barrier wall in accordance with environmental approvals. It will also include the relocation of the Solomon mobile maintenance facilities closer to the Queen's operation to minimise travel distances, lower operating costs and provide access to additional tonnes in the vicinity of the Kings OPF.

This important mining development continues Fortescue's commitment to maintaining long mine-life, low operating costs and adopting innovation across the operations.

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INVESTOR RELATIONS

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REPORTING CALENDAR

EVENT	DATE
June Quarterly Production Report	25 July 2019
FY19 Results	26 August 2019