

# BHP Billiton Iron Ore – Western Australia

## Mining Operations



Phil Price – Vice President Integrated Planning

Iron Ore



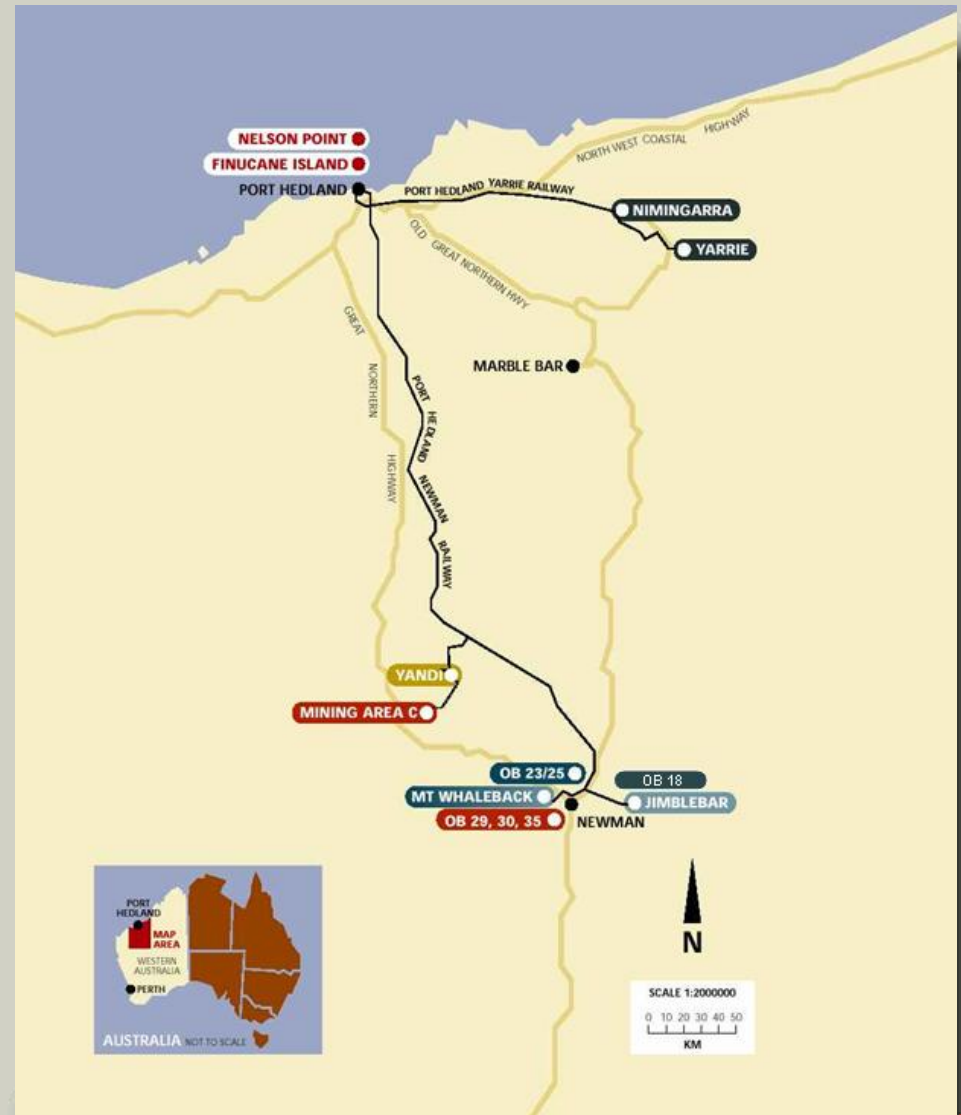
**bhpbilliton**

# Visitors Safety Induction – Office Area

1. In an emergency - a siren will sound
2. Stay with your escort at all times
3. Evacuate building through main entrance
4. Muster point is in car park adjacent to front door
5. We have a no-smoking policy inside buildings

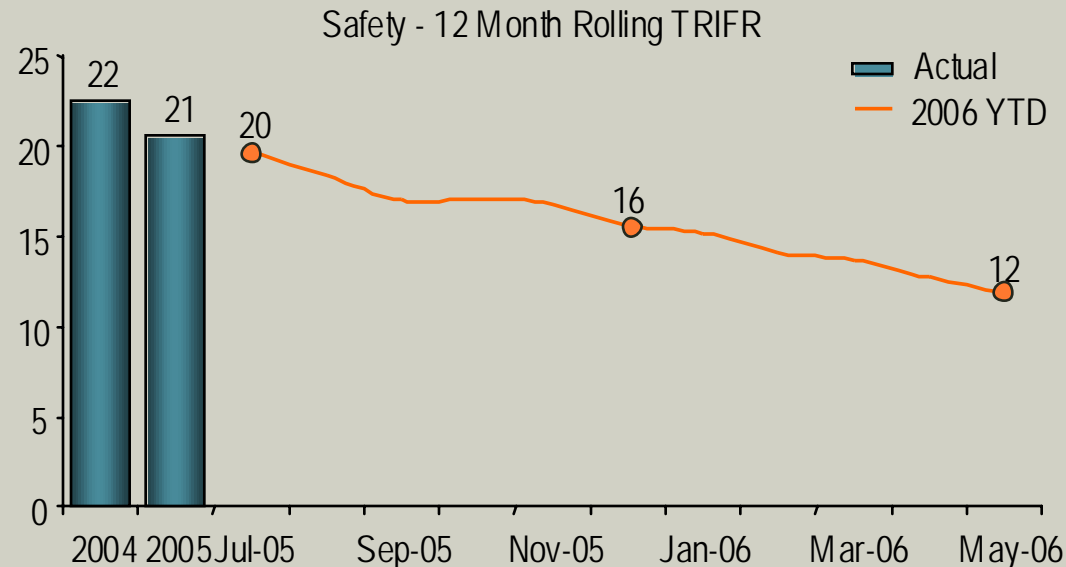
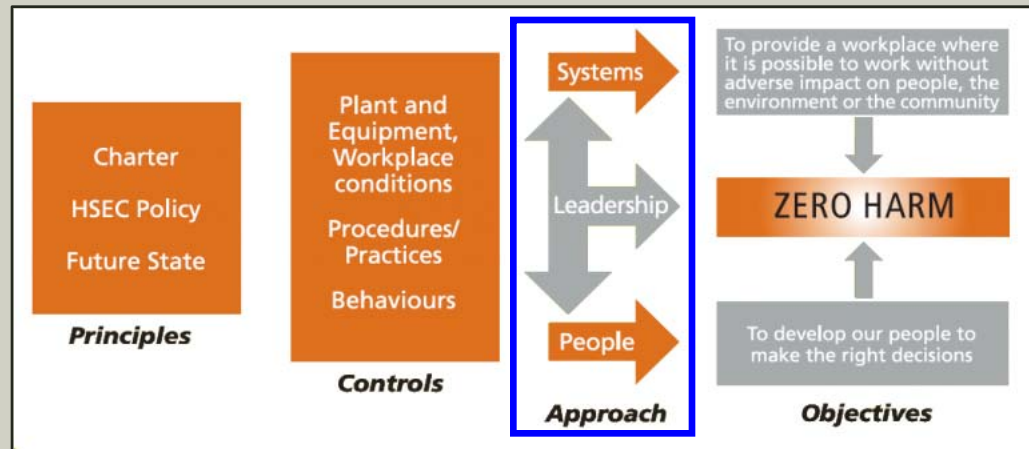
# Summary

- 7 mines producing approx 106 Mtpa;
- 6 mines contract operated: BHP Billiton WAIO performs mine planning and scheduling - Contractor provides statutory role of Registered Manager;
- Total productive movement ~ 300 Mtpa;
- 2800 mining employees (inc. 1700 full time contractors);
- Integrated system: mine/rail/port.

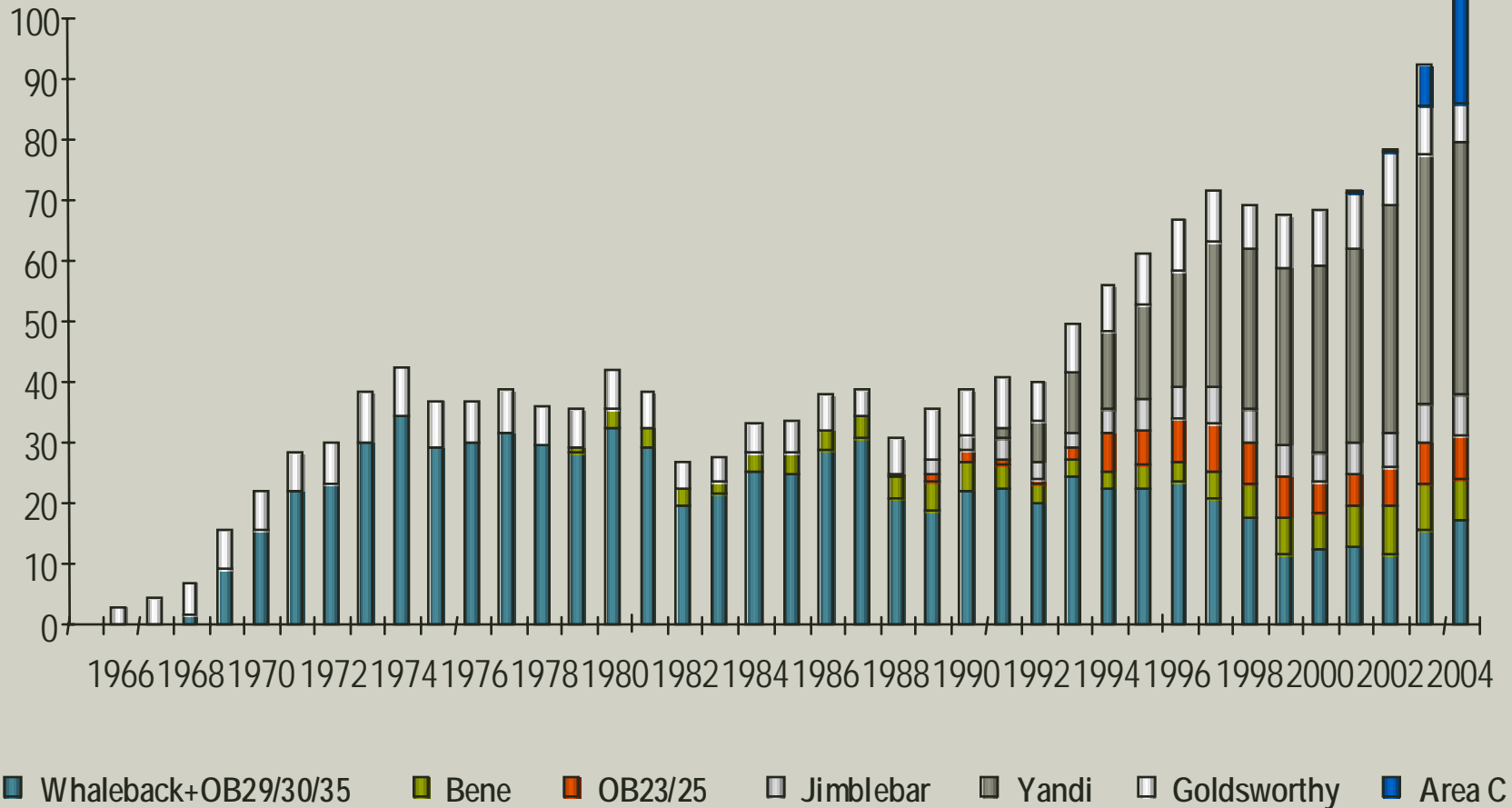


# Continuous Improvement in Safety Performance

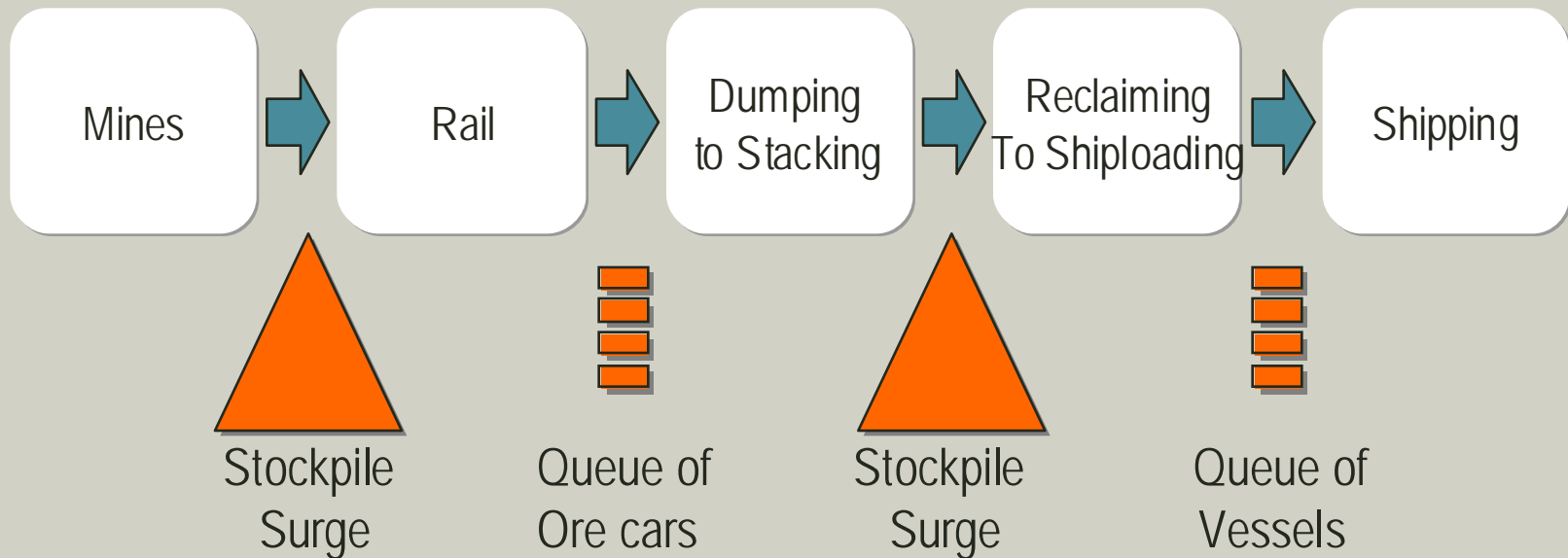
- Continued development of One Business approach to HSEC systems and processes.
- Focus areas:
  - Leadership
  - Behavioural based systems
- Programs & actions:
  - Take 5/JHA's
  - Stop for safety
  - Risk assessments
  - Fit for work/life (fatigue management)
  - 15 HSEC Standards
- 40% reduction in TRIFR during FY06 – last quarter was a record low of 7.9.



# Production History since 1966 - Million Wet Tonnes OFR



# Total Integrated System Approach

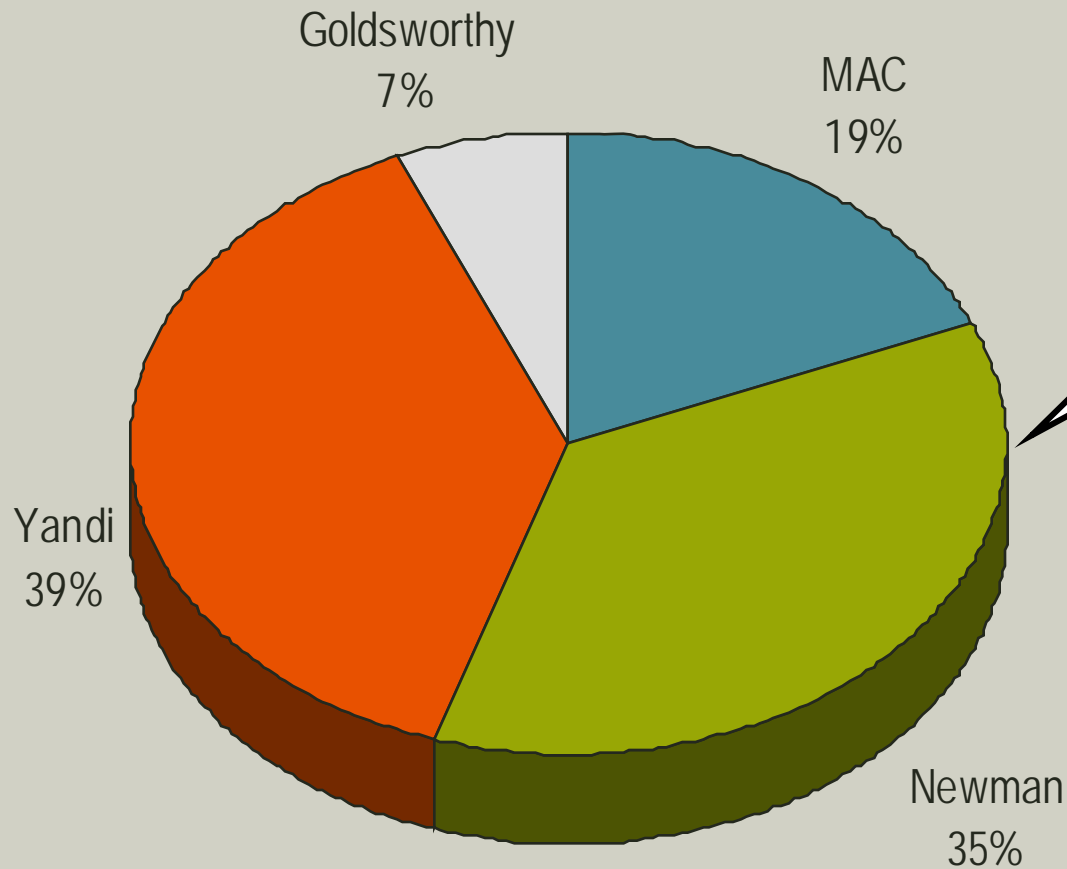


*Dynamic simulation modelling is necessary to understand, optimise and improve our integrated process*

*Models developed and enhanced over a period of about 14 years*

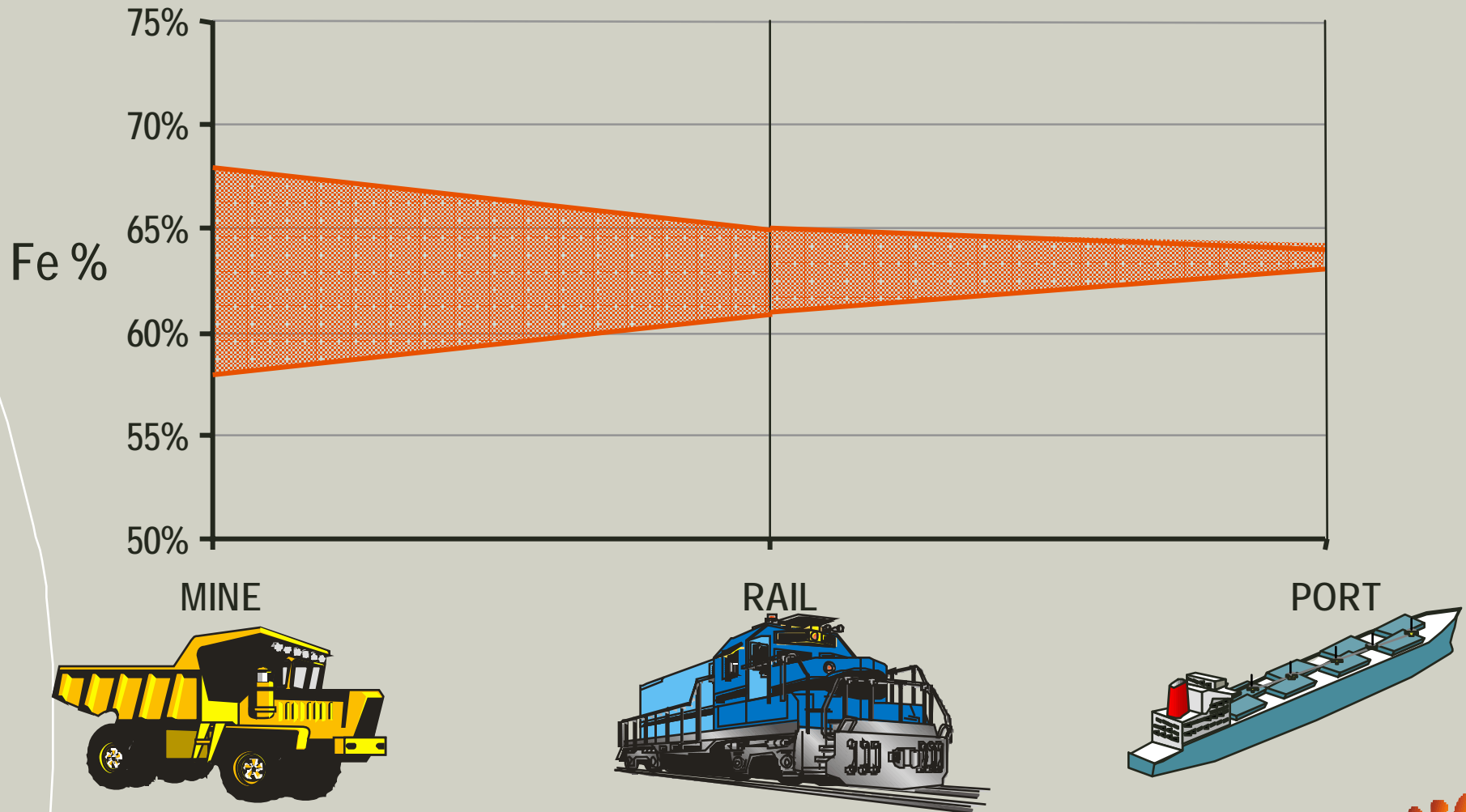
# BHP Billiton WA Iron Ore Production Distribution

YEJ 2005 Sales Total = 104Mt (100% basis, wet metric tonnes)



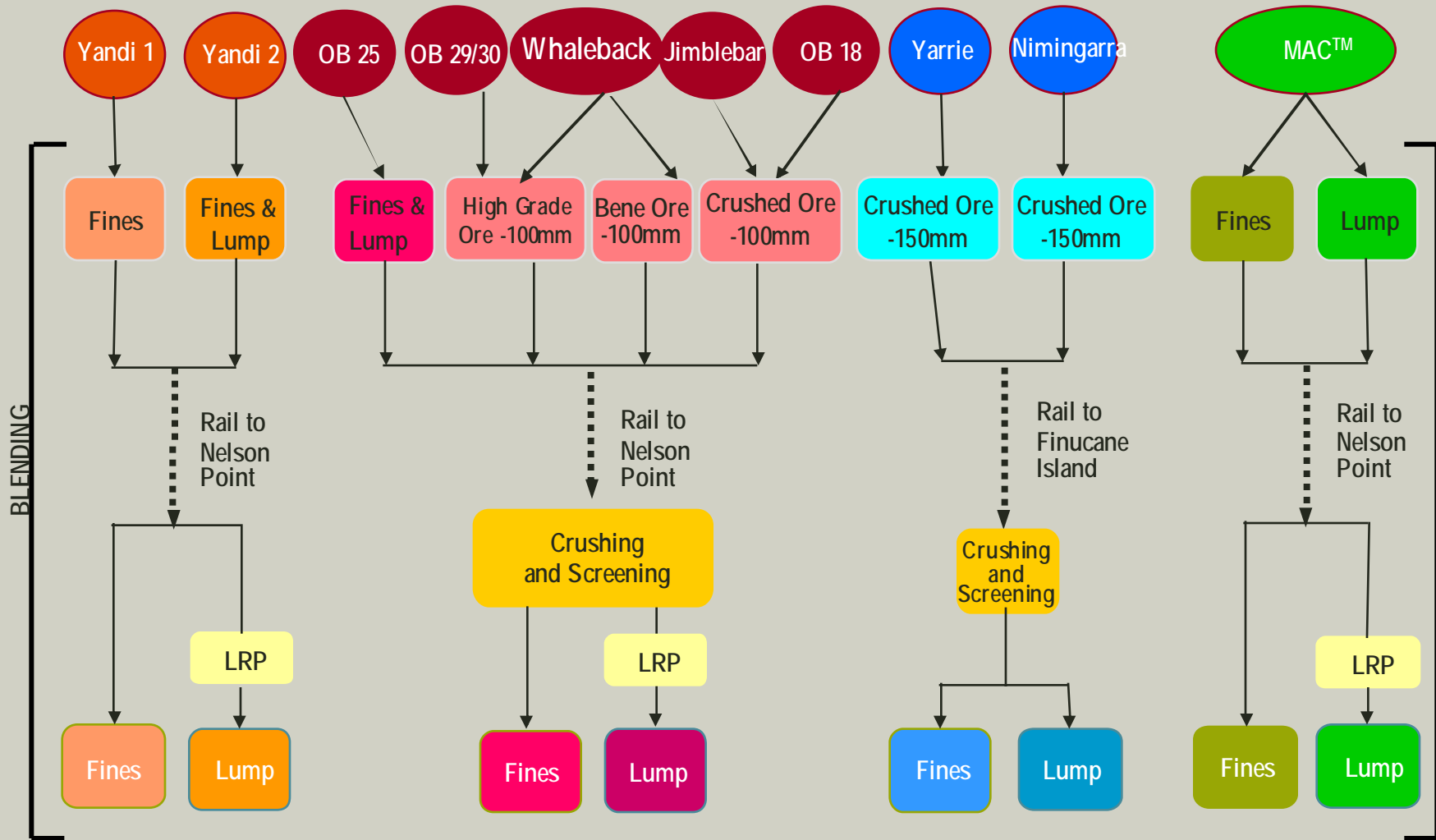
Dwt %	Fines	Lump
Fe	64.0	65.4
Silica	3.7	3.0
Alumina	1.95	1.3
Phos	0.070	0.057
LOI	2.4	1.9

# Integrated Production Process – Creating the Perfect Blend

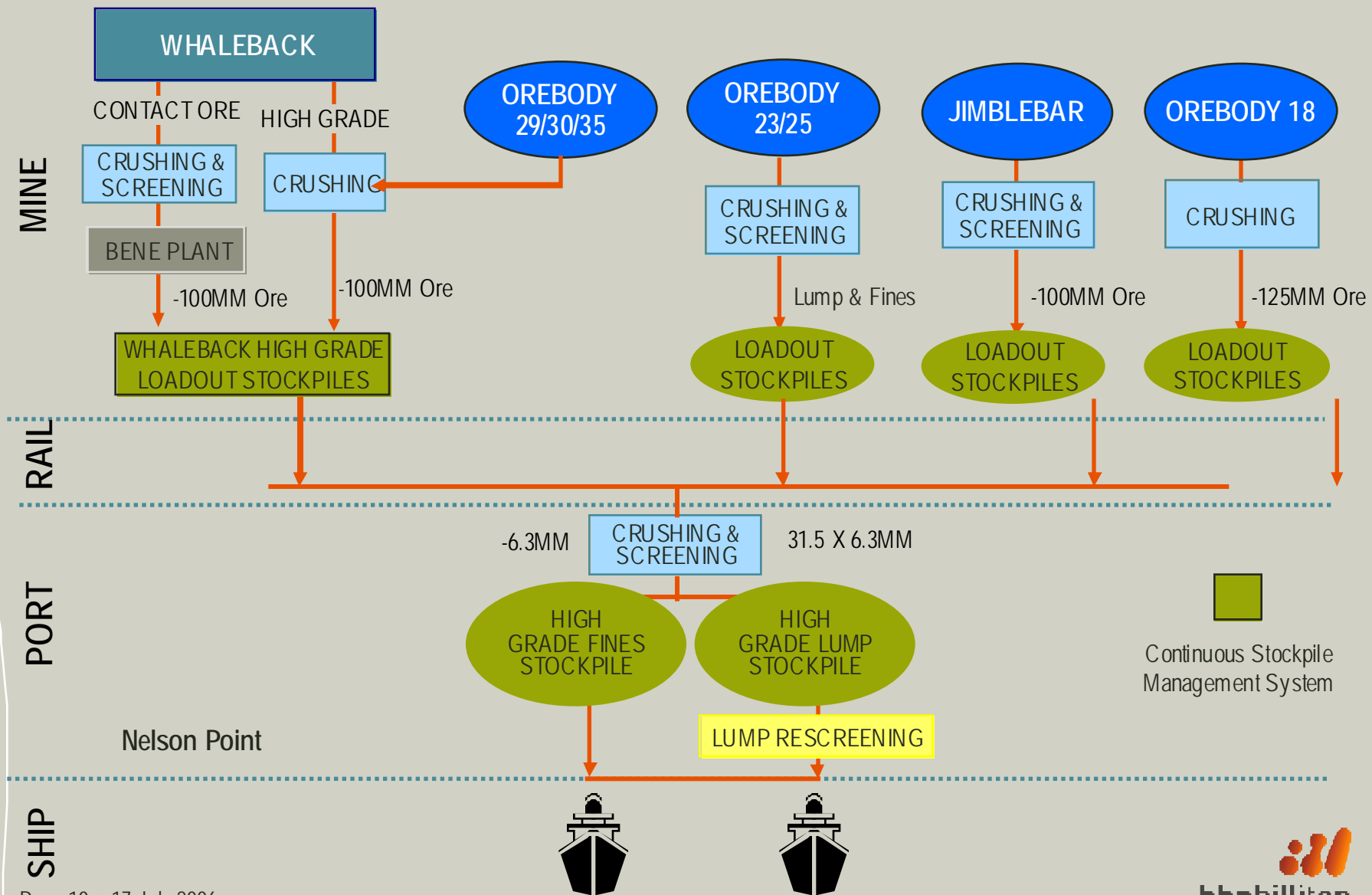




# 8 High Quality Products From Numerous Ore Sources

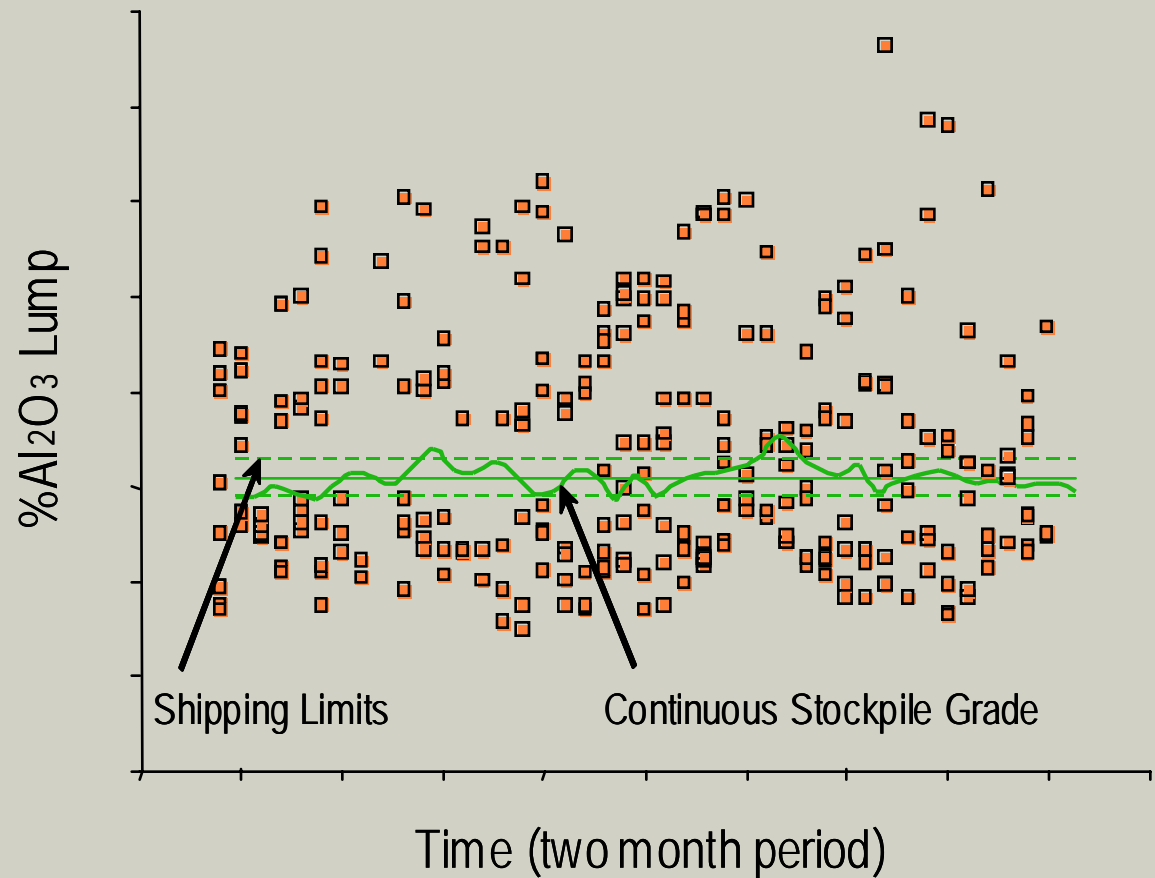


# Newman Joint Venture Process Flow



# Continuous Stockpile Management System

- Diverse ore grades at mines
- Computerised decision support system
- Intelligent sequencing of trains from mines
- On-grade lump & fines stockpiles at port



# Long Term Approach to Quality Control

- Quality control starts up to 25 years before mining
- BHP Billiton has consistently met customers' quality expectations – through 40 years of experience and leading edge mining practices
- Blending starts at the mine planning stage and includes ore types and their physical and chemical properties.

Work Completed	Up to 25 years	Up to 10 years	Up to 5 years
Exploration	✓		
Infill Drilling		✓	✓
Winzing		✓	
Orebody Modelling		✓	✓
Mine Planning		✓	✓
Customer Samples		✓	✓
Iron Making Testwork		✓	✓
Quality Control Systems			✓

# Growth Projects

- **RGP2:** Completion expected mid 2006
  - OB18 & OB25
  - Port & Rail
- **RGP3:** Approved October 2005
  - Area C
  - Port & Rail
- **RGP4 & Beyond** Feasibility Study expected to be complete in 2007. Evaluating a range of further options for expansion beyond 152m tpa



# Iron Ore - Crucial to the Nation and the State

- The Petroleum and Minerals sectors are worth around A\$40 billion to Western Australia;
- With a value of more than A\$11 billion, Iron Ore is the largest individual sector, recently taking over from crude oil and condensate;
- BHP Billiton Iron Ore is a significant contributor to Australia and WA:

	<u>A\$ million*</u>
– Federal Business Tax	451
– State Royalties & Taxes	136
– Local Rate Payments	2.3
– Payments to Local Contractors	658
– Community Contributions	3.7
– <b>TOTAL</b>	<b>1,215</b>



# Developing Partnerships to Enhance Newman

- Expect to invest more than A\$100 million in the Pilbara over next decade – based on internationally recognised social research
- Service Delivery:
  - Developed MOUs with WA Government to address service issues (>A\$12 million)
- Local Infrastructure:
  - Newman Community Planning Process – Look to 2020
  - A\$3 million to improve local infrastructure, ie: playgrounds, parks, footpaths, etc.
- Alternative Economic Development & Capacity Building:
  - Indigenous arts skills program – developing retail businesses and export opportunities
  - Upgraded Newman Visitor's Centre





**bhpbilliton**