A long term, high volume, quality supplier of iron ore lump and fines

Utilising 15 of the over 40 orebodies held by three joint ventures to deliver 10 iron ore products for the world
Newman to Nelson Point - 426km
- Jimblebar spur line is 32km

Yandi to Nelson Point - 310 km
- Yandi spur line is 30km
- Area C spur line extension from Yandi is 38km

Yarrie to Finucane Island - 208km
BHP Billiton Iron Ore’s Joint Ventures

- **Mt. Newman JV (≈35Mwmt/a)**
  - 85 per cent BHP Billiton Minerals Pty. Ltd.
  - 10 per cent Mitsui - Itochu Iron Pty. Ltd.
  - 5 per cent CI Minerals Australia Pty. Ltd.
  - *Note: Jimblebar is 100% owned by BHP Billiton Minerals Pty Ltd*

- **Mt. Goldsworthy Mining Associates JV (≈8Mwmt/a)**
  - 85 per cent BHP Billiton Minerals Pty. Ltd.
  - 7 per cent Mitsui Iron Ore Corporation Pty. Ltd.
  - 8 per cent CI Minerals Australia Pty. Ltd.

- **POSMAC JV (Sublease of Mt. Goldsworthy JV’s ‘C deposit’)**
  - 65 per cent BHP Billiton Minerals Pty. Ltd.
  - 20 per cent POSCO
  - 7 per cent Mitsui Iron Ore Corporation Pty. Ltd.
  - 8 per cent CI Minerals Australia Pty. Ltd.

- **Yandi JV (≈37Mwmt/a)**
  - 85 per cent BHP Billiton Minerals Pty. Ltd.
  - 7 per cent Mitsui Iron Ore Corporation Pty. Ltd.
  - 8 per cent CI Minerals Australia Pty. Ltd.

*BHPBIO is the operator and marketer for each of the above Joint Ventures*
Iron Ore Products

The Iron Ore business is made up of several joint ventures (JV) each having their own range of products:

1. **Mt. Newman Joint Venture**
   - Mt Newman High Grade Lump (Hematite ore)
   - Mt Newman High Grade Fines (Hematite ore)
   - Port Hedland Sinter Fines (Hematite and Pisolitic ore)

2. **Mt. Goldsworthy Mining Associates Joint Venture**
   - Goldsworthy High Grade Lump (Hematite ore)
   - Goldsworthy High Grade Fines (Hematite ore)
   - Goldsworthy Siliceous Run-Of-Mine (Hematite ore)

3. **Mining Area C Joint Venture**
   - MAC™ Lump (Marra Mamba ore)
   - MAC™ Fines (Marra Mamba ore)

4. **Yandi Joint Venture**
   - Yandi Fine Ore (Pisolitic ore)
   - Yandi Lump Ore (Pisolitic ore)
Mt. Whaleback Mine

- Newman Joint Venture – Over 1 billion tonnes shipped in 34 years
- Brockman Ores – highest Fe material available from Western Australia
- Newman Fines ideal for sintering
- Newman Lump – premium blast furnace feed
- Remaining mine life – 20 years plus
Goldsworthy Mine - Yarrie Y2

Separate infrastructure system

Potential life extension study underway
Yandi Development

- Yandi has seen unprecedented growth in demand over the past decade
- Can currently produce ore from 4 separate pit areas to 3 processing facilities
- Processing facilities and site infrastructure have been expanded to provide additional product and capacity
- Further plant has recently been approved to improve operational efficiency (small capacity increase)
- Reviews are continuing into future long term strategy for Yandi
Yandi Plant Development:
New Primary Crusher Location & Overland Conveyor Route
Yandi Plant Development:
Central 1 to Ore Handling Plant 2 – Primary Crusher & Overland Conveyor
Yandi Plant Development:
Ore Handling Plant 2 + Interim Crushing Plant

ICP

ICP Feed Stockpiles
Lump Stacker
Fines Stacker
YEJ 2003 Total = 80.6Mt (wet metric tonnes)
BHP Billiton Iron Ore Sales by Product (Year Ending June 2003)

YEJ 2003 Total = 80.6Mt (wet metric tonnes)
China growth

- BHP Billiton Iron Ore is in a unique position to take advantage of meteoric Chinese growth:
  - **Low cost, low risk expansion options**
  - Flexible supply
  - Diverse product range
  - World class resource base
  - Proximity to key markets
BHP Billiton Exports to China – Iron Ore

Jan 03 – Jun 03 9.9Mwmt
EBIT Results – YEJ03 = $US464.1m

EBIT Results -- $USm

FYJune01 FYJune02 FYJune 03
Cost per tonne shipped

YEJ03 Cash Cost per Wet Tonne Shipped as a Percentage of the YEM 98 Cash Cost

- YEM 98: 100%
- YEM 99: 98%
- YEJ 00: 95%
- YEJ 01: 90%
- YEJ 02: 85%
- YEJ 03: 83%

Actual % vs. YEM98 dollars
Operating Excellence

Delivering significant financial benefits

• Total projects completed YEJ03 = 32
• Full year EBIT impact YEJ03 = US$15.2m

Embedding the Six Sigma Philosophy

• Total OE coaches trained = 33
• Total OE coaches in training = 5
• Total Accredited OE coaches = 10
• Total active OE coaches = 18
Boodarie™ Iron Plant
Boodarie Iron Sales Per Customer Country Year Ending 2003

- China: 62%
- Australia: 15%
- South Korea: 14%
- Qatar: 6%
- Indonesia: 2%
- Malaysia: 1%
2004 Roadmap

Our Vision:
“The most profitable, productive, safe and efficient global Iron Ore producer”.

Our Purpose:
We exist to maximise creation of shareholder value through the development and operation of our Western Australian Iron ore assets.

Our Values:
Guided by BHP Billiton’s Charter, we value:
- Health, safety, environment and community
- Integrity
- High performance
- Win/win relationships
- The courage to lead change
- Respect for each other

Key Strategic Themes:
- Zero Harm
- Building & Maintaining Employee Capability
- Operating Excellently
- Stretching Assets to Meet Current Market
- Growing the Business to Meet Future Market Needs

Business Driver Improvement Initiatives:
- Health & Safety
- Environment
- Community Relations
- People Management
- Cost
- Efficiency
- Planning
- Product Quality
- Tenorage
- Growth

Key Capabilities for the Journey:
- Leadership
- Whole of Business Focus
- Performance Management
- Market/Resource Integration
- Appropriate Technology Application
- Planning Process
- Commercial Application

HSE & C Integration:
- Contractor HSE & C Management
- Extend Process Safety/Risk Reduction System
- Information Business Systems - HSE & C
- Integrate HSE & C Standards and Corporate Initiative

Outcomes:
- Leaders who “walk the talk”
- Greater cross-functional interaction
- Reward for short and achievement
- Efficiently interpreting and meeting market demand while still maximising resource value
- Efficient and effective operations
- Maximising the value of integrated planning
- Achieving maximum value from business systems

Performance Score Card:
Target
Stretcch
Metrics
Success

30/06/2003
Summary

- Mining Area C and PACE projects are nearing completion
- First commercial shipment of MAC™ September 2003
- New Finucane Island berth and Western Stockyard will operate from late January 2004 for MAC™ and Yandi products
- BHPBIIO capacity is expanding to 100Mt/a
- Goldsworthy Operations extended to 2006 with a review in progress on potential to extend life to ~2010
- All operations are in a good state of development
- Further stages of expansion are being studied to satisfy committed customer demand and will be advised once approved
Conclusion

BHP Billiton Iron Ore product range is expanding and Port capacity increasing to meet future customer needs

- **Newman**: Premium hematite lump and fines with high Fe & excellent metallurgical properties
- **Yandi**: Coarse, low alumina & phosphorous sintering fines and moderate strength lump
- **MAC™**: Low silica+alumina hematite-goethite lump and fines with high calcined Fe
- **Goldsworthy**: Low alumina hematite lump and fines
- **Boodarie™ Iron**: High purity Iron Briquettes with high strength and low residuals
- **Port Capacity**: Increasing to 100Mwt by mid 2004