



10 October 2016

The Companies Officer  
Australian Securities Exchange Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Sir or Madam

### **Fortescue acquires 75% of Nullagine Joint Venture Interest**

Fortescue Metals Group (ASX: FMG, Fortescue) wishes to advise that it has agreed to acquire BC Iron's 75 per cent interest in the Nullagine Joint Venture ("NJV") for A\$1.00.

Fortescue will assess the viability of restarting operations having regard to ongoing market conditions.

The acquisition includes all assets and rehabilitation obligations of the NJV. Fortescue will pay BC Iron a royalty from sales of iron ore mined in the future which will be partially withheld, up-to A\$7.5 million, to offset obligations, including rehabilitation, assumed by Fortescue.

Chief Executive Officer, Nev Power said the decision to purchase BC Iron's interest in the NJV reflected the outcome of constructive discussions between the parties since suspension of operations in late 2015.

"We have enjoyed a strong working relationship with BC Iron through the life of the Nullagine Joint Venture and believe this is a positive outcome for both companies. We will review operations over the coming months to determine the best path forward, taking into account all relevant factors including market demand and other potential opportunities to extract value from the assets," Mr Power said.

Yours sincerely

**Fortescue Metals Group Ltd**

**Ian Wells**  
Company Secretary

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