



## **FORTESCUE METALS GROUP LTD**

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The Companies Officer  
Australian Stock Exchange  
Exchange Plaza  
The Esplanade  
Perth  
WA 6000

Dear Sir,

### **Fortescue Metals Group announces new Board, Executive appointments and preliminary drilling results.**

Fortescue Metals Group is progressing towards its objective of creating a new force in iron ore by releasing the stranded resources of the Pilbara.

As part of that development, the board of directors has been enhanced by the appointment of five prominent individuals with demonstrated world success and experience in finance, marketing, industry and leadership. The new board of FMG comprises;

Mr Andrew Forrest	Chairman and Managing Director
Mr Ken Ambrecht	Non-executive Director
The Lord Coe OBE	Non-executive Director
Mr Herb Elliott AC MBE	Non-executive Director
Mr Chris Linnegar	Non-executive Director
Mr Graeme Rowley AM	Director of Operations
Mr Russell Scrimshaw	Non-executive Director

Mr Mark Caruso has indicated his intention to resign. Given his pivotal role in the company's evolution, the board has suggested this take place at the forthcoming Annual General Meeting to be held towards the end of November 2003.



It is proposed that as initial remuneration the non-executive directors each be issued with 750,000 three year options to purchase FMG shares in three equal tranches. The first tranche of 250,000 options shall be exercisable at 50 cents, the second at 75 cents and the third at \$1.00, subject to shareholder approval at the AGM. Directors have foregone a cash component of remuneration until the critical mass of the company increases. In line with modern practise, directors will not be entitled to retirement benefits and future cash remuneration will be in accordance with market standards.

FMG's strong management and technical skills have been welded into a highly productive team that has already produced two comprehensive studies and is working on three major drilling and metallurgical programmes.

FMG's executive team has also been enhanced by the appointment of an experienced Chief Financial Officer Chris Catlow and General Manager Sustainable Development Harry Adams.

## **BOARD OF DIRECTORS**

### **Ken Ambrecht – Non-Executive Director**

Mr Ambrecht is a Managing Director at the Royal Bank of Canada. He is the senior member of the Bank's High Yield Group Bond Business in New York. Prior to joining the Bank he was with Gleacher and Co. where he specialised in raising funds in the US capital markets for offshore companies. Mr Ambrecht was previously associated with Lehman Brothers for twenty five years where he was a Managing Director in Capital Markets.

### **Sebastian Coe OBE – Non-Executive Director**

Lord Sebastian Coe is a successful business, marketing and political leader in Britain since his retirement from competitive Athletics in 1990.

During his career in athletics, Lord Coe won two Gold and two Silver medals in the 1980 Moscow Olympics and 1984 Los Angeles Olympics, as well as breaking four world records.

In his business career, he launched the successful chain of Sebastian Coe Health Clubs with the Jarvis Hotel Group and is also Chairman of Fast Track Limited. He is Global Advisor to the Nike Corporation and has written five books as well being a regular contributor to The Daily Telegraph. More recently, Lord Coe has been appointed Vice-Chairman of the 2012 London Olympic Bid.



He became a Member of Parliament in 1992 and during his major political career he has been the Private Secretary to the British Deputy Prime Minister and the Minister for the Armed Forces. More recently, he was Private Secretary to William Hague, Leader of the Opposition and Leader of the Conservative Party. He was appointed to The House of Lords in 2000.

Lord Coe was voted 'BBC Sports Personality of the Year' and was awarded 'Most Outstanding Contribution to British Sport in the last 50 Years' by the British Sports Writers Association.

### **Herb Elliott AC MBE – Non-Executive Director**

Mr. Elliott's career includes Chief Executive Officer of PUMA Australia, the international sports marketing company, before his promotion in 1995 to President of PUMA North America.

Main Directorships include:

- Director of Ansell Ltd
- Chairman of the Telstra Foundation.
- Director of Sydney Olympic Park Authority.
- Director of World Olympic Association.

Mr Elliott is an Australian Olympian who enjoys the very rare achievement of having never been beaten in his sporting career.

He was formerly the inaugural Chairman of National Australia Day Committee, Commissioner of the Australian Broadcasting Commission, Director of Australian Olympic Committee, Director of the Australian Institute of Sport and is currently a Director of Athletics Australia.



### **Graeme Rowley AM – Executive Director Operations**

Mr Rowley is a former senior executive of global resources group Rio Tinto, holding senior roles in Hamersley Iron, Argyle Diamonds and the former CRA corporate headquarters.

As General Manager of Argyle's Polished Diamond business, Graeme demonstrated his considerable business acumen by positioning Argyle's polished sales as a significant and profitable contributor to the Business returns. He was subsequently appointed to the role of General Manager of Rail and Port Operations for Hamersley Iron. During a very successful six year term in that appointment, Graeme was responsible for significant improvements in unit costs and productivity expanding the capacity of the port and rail system from 54 to 76Mta. Graeme will bring a wealth of operational talent to the FMG Board with particular emphasis on FMG's infrastructure strategy.

Graeme's Directorships have included Dampier Port Authority, the Pilbara Development Commission (Chairman), the Council for the West Pilbara College of TAFE (Chairman) and the WA State Government's Technical Industry Advisory Council.

Prior to his 25 year career with Rio Tinto, Mr Rowley had a 20 year Royal Australian Air Force career, which included a period as Commanding Officer of the RAAF's VIP Squadron at Canberra.

### **Russell Scrimshaw – Non-Executive Director**

Mr Scrimshaw's business experience has included senior executive and general manager positions for some of the world's largest companies in the Banking and Finance, Technology and Telecommunications industries.

His responsibilities have included General Management, Sales, Marketing, Technology, Finance shared services, Operations and IT. Key roles have included Executive Committee positions at the Commonwealth Bank of Australia and Optus as well as General Management roles for Alcatel and Amdahl USA.

In addition, he has worked successfully in a number of international markets, including Japan, Europe, USA, and Australia. .

Mr Scrimshaw has Board experience with companies such as Commonwealth Bank of Australia subsidiary companies Commonwealth Property Limited and Commonwealth Managed Investments Limited, as well as EDS Australia and Telecom New Zealand (Australia). He is also a board member of the Garvan Institute Foundation in Sydney and an Associate member of the Australian Society of Certified Practicing Accountants (CPA).



## **SENIOR MANAGEMENT**

### **Chief Financial Officer and Company Secretary Chris Catlow**

Mr Catlow has a Bachelor of Science Degree in Engineering from the University of Durham in the UK, is a chartered accountant and has more than twenty years professional experience in the resources sector holding senior executive positions in major international resource groups with exposure to iron ore, mineral sands, coal, gold, oil and gas. His background includes business development, mergers and acquisitions and investor relations.

Chris is skilled in major project financing, in raising equity, bank debt and funding from the US capital markets. He has in recent years been instrumental in coordinating and managing a US\$225 million non-recourse finance for an off-shore project, US\$150 million unsecured finance from the US capital markets and two US\$250 million unsecured revolving bank credit facilities. He was previously Executive General Manager Finance of Iluka Resources and Chief Financial Officer of Gold Fields Australia and Energy Equity Corporation.

Mr Catlow takes over as Company Secretary from Mr David Lymburn with effect from 27 October 2003.

### **General Manager Sustainable Development Mr Harry Adams**

Mr Adams has an unparalleled track record in major project approvals (community, government, environment, land access and native title) in Western Australia over the past 10 years. Achievements include feasibility through construction and operations for mining and downstream processing iron ore, nickel and petrochemical projects up to \$2.4 billion in value, relevantly located in the Pilbara and Goldfields regions of Western Australia. These projects have covered areas thousands of square kilometres.

Associated project and regional infrastructure for which he has held responsibility include 400km rail, 1,500km gas pipelines, materials handling options (slurry pipelines and conveyors) and major borefields with 800km of associated delivery lines. Mr Adams has secured both Major Project Facilitation Status (Commonwealth) and enabling Acts of Parliament ("State" Agreements)



## **PRELIMINARY DRILLING RESULTS**

### **Mt. Nicholas and Mindy Mindy Projects**

Recent reverse circulation drilling programs conducted on the Mt Nicholas and Mindy Mindy prospects has confirmed the presence of significant iron mineralisation. Drilling, metallurgical upgrading and quantitative analysis is ongoing on both these initial projects.

#### **Mt. Nicholas**

Drilling at Mt Nicholas totalling 125 holes and approximately 4500 metres on an 800 metre line spacing with holes at 100 or 200 metre centres has intersected iron rich material suitable for beneficiation. Most mineralised horizons in the Namuldi Member of the Marra Mamba Iron Formation (Bedded material) intersected on drill fences display geological continuity between holes and in some locations, remain open down dip. Further drilling is continuing with the aim of increase the known extent of the bedded iron enrichment.

Resting upon the bedded iron enrichment is an unconsolidated Tertiary scree material containing iron rich fragments. These detrital accumulations are up to 15 metres thick. Detrital iron deposits are amenable to beneficiation through a simple screening process.

Assays have been returned for approximately 30% of the drilling and grades in general are in line with expectations. The average grade for all bedded intersections with iron greater than 50% is approximately 55% Fe, 7.2% SiO<sub>2</sub>, 5.2% Al<sub>2</sub>O<sub>3</sub>, 0.05% P, 0.9% Mn and 6.6% LOI., in line with analytical expectations of material prior to metallurgical upgrade test work.

Previous preliminary metallurgical test work of the bedded material has demonstrated that the alumina and silica can be reduced to levels acceptable to the market with elevated Fe at reasonable recoveries through currently in use common processes. Initial screening of the detrital material will commence at the conclusion of the drilling program.

#### **Mindy Mindy**

Drill fences broadly spaced along the Mindy Mindy drainage system has confirmed the existence of a significant Channel Iron Deposit (CID) commonly referred to as Robe Pisolite. A preliminary interpretation based on geomorphology and drill intersections suggests the CID may be continuous for a significant part of the prospective drainage. The depth and thickness of the CID varies significantly from one end of the structure to the other.

## **FORTESCUE METALS GROUP LTD**

### **ANDREW FORREST**

#### **Chairman**

*For further information contact; Andrew Forrest + 61 8 9389 949*



## **About FMG**

**For the first time in forty years of the Australian iron ore industry, a unique demand focussed opportunity has emerged. Driven by spectacular growth in the Chinese steel industry, world iron ore demand exceeds supply by as much as 80 Mtpa.**

**FMG has positioned itself to take advantage of this opportunity, both as an owner of significant iron ore resources and as a competent provider of necessary infrastructure.**

**In addition, the provision of full open access infrastructure will bring into production many of the stranded ore resources which presently exist in the Pilbara.**

**In terms of its orebody assets, FMG is currently finalising a major drilling programme to delineate reserves at Mount Nicholas. The Company is involved in a 50/50 JV with Consolidated Minerals, which is nearing completion of resource identification at Mindy Mindy. FMG also has a number of other projects in the highly prospective Pilbara region in which to strongly grow its resource base. All projects contain significant iron ore mineralisation and are under ongoing evaluation.**

**With an internationally recognised Board and a top level executive team, FMG is well placed to complete its production pre-feasibility study by the end of 2003 and move to the full feasibility study in the first quarter of 2004.**