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# Gina Rinehart, Australia's Richest, Adds To Her Fortune With A Strong Profit From Iron Ore Mining



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The fortune of Australia's richest person, Gina Rinehart, continues to grow with her primary business reporting a 28% increase in net profit to \$961 million in the year to June 30.

Hancock Prospecting, which is named after her late father, Lang Hancock, generated most of its profit from the sale of iron ore mined in several project in Western Australia. The company also has extensive farming interests and has started to expand into the international mining industry.



Gina Rinehart, chairman of Hancock Prospecting Pty, during a tour of the company's Roy Hill Mine in the Pilbara region, Western Australia. Photographer Philip Gostelow/Bloomberg.

Mrs Rinehart, who is estimated by Forbes to be worth \$16.8 billion and is 69th on the global billionaires list, said in a report filed on Hancock Prospecting's website

that revenue in the latest 12-month period was up 36% to \$4.23 billion with a strong contribution from the majority owned Roy Hill mine which is producing 55 million tons of high-grade iron ore a year.

Three other mines, which are half-owned by the mining giant, Rio Tinto, and operate as the Hope Downs series of projects, continued to produce at more than their design capacity of 45m/t a year. A fourth Hope Downs mine named Baby Hope has just started.

Rinehart said her iron ore business had achieved virtually the same price for its output as last year, avoiding the heavy discounting of low-grade ore which has hit some miners.

"The impact on ore produced by Roy Hill, which is priced on the higher grade 62% (iron ore) index was much more limited with Roy Hill continuing to achieve more than 90% of the 62% Platts Index on average over the year," she said.

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Iron ore mining at Roy Hill. Photographer: Philip Gostelow/Bloomberg

Debt reduction remains a focus of Hancock Prospecting with \$560 million paid back last year, reducing debt which is mainly associated the the recently

completed Roy Hill project to \$4.87 billion, cutting balance sheet gearing from 86% to 71%.

A long-running family dispute continues to impede the flow of dividends from Hancock Prospecting with \$134 million paid and \$236 million provided but not paid. The latest provision for unpaid dividends takes the total set aside over the past three years to \$635 million.

Though most of Rinehart's business interests are in Australia she has been slowly expanding into the international market, including investment in a potash business being developed in Britain, as well as copper and gold exploration in Ecuador.

*I studied geology in the 1960s and worked for a small mining company before getting a start in journalism during the 1969 nickel boom. Since then I've covered repeated booms and busts in the commodities sector for a passing parade of newspapers, magazines and website. I am a... **MORE***

*Tim Treadgold has been writing about the mining and oil industries for more than 40 years*