

16 February, 2018



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

Dear Madam or Sir

FORTESCUE'S BILLION OPPORTUNITIES PROGRAM ACHIEVES A\$2 BILLION MILESTONE

Fortescue Metals Group's (ASX:FMG Fortescue) Billion Opportunities program has reached a significant milestone, recognising the award of A\$2 billion in contracts and sub-contracts to Aboriginal businesses and joint ventures.

The Billion Opportunities program commenced in 2011 as an initiative to promote sustainable business opportunities for Aboriginal people and has since awarded 250 contracts and sub-contracts worth A\$2 billion to 110 Aboriginal businesses.

Fortescue Chief Executive Officer Nev Power said the program formed a critical element of the Company's approach to ensuring economic opportunity and participation were the focus of Native Title agreements.

"Through the program, we have encouraged and assisted the development of capability and capacity of Aboriginal businesses to supply a significant portion of the goods and services we need in our business," Mr Power said.

"This has provided our traditional custodians and other Aboriginal businesses the chance to build sustainable futures for their communities through the provision of genuine economic opportunity.

"I would like to thank and congratulate the entire Fortescue team for their commitment which has resulted in the achievement of this significant milestone."

PT Kingkira Director Tammy O'Connor, a Palyku traditional custodian, said the Billion Opportunities program has provided significant benefits to her community through the opportunities for people to get a job and support their family.

"Through Fortescue's commitment and ongoing mentoring, we are able to showcase who we are and that we can be just as successful as any other business out there," she said.

Fortescue Founder and Chairman Andrew Forrest AO said Billion Opportunities served as the blueprint for the Forrest Review's recommendation to the Commonwealth Government to set Indigenous procurement targets.

"I am proud that this has resulted in the implementation of the Federal Indigenous Procurement Policy in 2015, which has led to the award of over \$1 billion in contracts to Indigenous businesses across Australia over the past two and half years," Mr Forrest said.

"Procurement is a powerful lever for social and economic change and a strong Indigenous business sector is best placed to create employment opportunities for Indigenous Australians."

The Billion Opportunities program is complemented by a range of additional practical measures introduced by Fortescue to provide Aboriginal businesses with the tools to build value and sustainability.

In 2017, Fortescue introduced 14-day payment terms to help Aboriginal business partners improve operational cash flow. A \$50 million funding initiative with ANZ was also announced, which allows eligible businesses to access finance at a competitive rate for the purchase of equipment required to deliver services to Fortescue.

Fortescue Chief Executive Officer-elect Elizabeth Gaines said Fortescue's commitment to Aboriginal development extends to providing both employment and training opportunities through the Vocational Training and Employment Centre and Trade Up programs.

"We are proud to be working with our traditional custodian and Native Title groups in the Pilbara as they work for a better future for their communities by embracing training, jobs and business opportunities," she said.

Yours sincerely

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