

REPORT ON FORTESCUE (FMG)

Fortescue Metals Group (FMG) was established by Andrew 'Twiggy' Forrest in 2003, and currently produces 170 million tonnes of iron ore per annum in Australia.

Within 5 years of establishing FMG, Forrest had become Australia's wealthiest person with a net worth of \$AU9.41 billion (\$US6.82 b). This was the fastest wealth accrual in Australia.

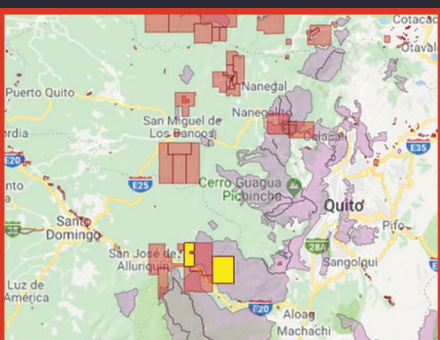
The level of debt owed by Fortescue has its own record, reaching a high of \$US12.7 billion in 2013. To put this in perspective, Ecuador's debt to China was \$US 6.5 billion in January 2019.

Forrest remains a controversial and contradictory figure. On one hand he appears to be a generous philanthropist and supporter of indigenous (Aboriginal) rights in Australia, yet his company FMG has been involved in lengthy battles with a number of Aboriginal groups over native title, mining rights and destruction of sacred sites.

He signed a declaration with the Vatican to end slavery, only to have them walk away nine months later because they felt he had been exploiting the Pope.

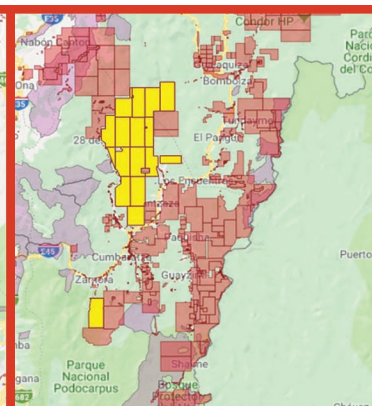
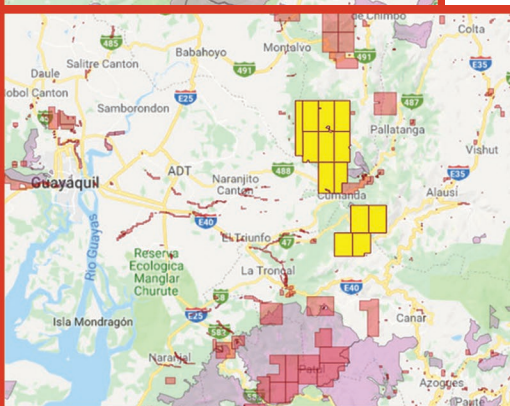


FMG IN SOUTH AMERICA



Fortescue are the second-most active explorer in Ecuador after SolGold, with 62 exploration concessions for porphyry copper deposits awarded in the provinces of Pichincha, Bolivar, Guayas, Chimborazo and Zomora-Chinchi, in lands that belong to indigenous Shuar, Kichwa and mestizo populations.

In Ecuador, Fortescue operates under the subsidiaries FMG Ecuador Tenements Pte Ltd, FMG Ecuador Operations Pte Ltd, and Ecuador Fortescue SAN/A.



FMG are also exploring for minerals in Colombia and Argentina, with 65 concession applications lodged in Colombia for copper and gold.

Fortescue's concessions in Ecuador (in yellow). Mauve areas indicate Protected Forests. Note overlap of mining concessions with Protected Forests.

Top Left: North Ecuador. Bottom: Central and South Ecuador.

ANDREW 'TWIGGY' FORREST: LEGAL & TAX ISSUES

After studying politics and economics at the University of Western Australia, Forrest worked as a stockbroker before becoming the founding CEO of Anaconda Nickel in 1995.

Several court battles followed over Twiggy breaching negotiations and agreements with investors, with one judge saying in 1997: **"I regard [Mr Forrest] as quite untruthful. Indeed, I think it would be unsafe to rely on any account he has given, in or out of court, except to the extent that it has demonstrated by other evidence to be correct."**

The Australian Securities and Investment Commission (ASIC) began scrutinising Fortescue in July 2003 due to rapid increases in share price, with a staffer being charged with insider trading (these charges were dropped).

In May 2017, the Australian Financial Review stated: "FMG paid less tax in 2015 than the Warrnambool Cheese & Butter Factory." (Warrnambool is a small town in Victoria, AUST.)





FMG'S MINING AGENDA VS ABORIGINAL PEOPLE

The resources from which Forrest has made billions of dollars lie beneath Indigenous land. FMG's ideology can best be described as a capitalist missionary crusade, with Forrest saying he is committed to breaking the cycle of poverty and hopelessness by providing jobs for indigenous people. In Australia, more than 14.4% of FMG's workforce are indigenous.

However, the Yindjibarndi people of the Pilbara region, Western Australia, say his way does not give them self-determination, and **"only offers a future in the mining sector which goes against traditional custodial values towards the land"**. (Welcome to Country, 6 December 2017)

FMG's negotiations with Aboriginal groups have had ongoing problems, with extensive legal battles over mining and land rights issues, and destruction of sacred sites.

"He makes billions and billions of dollars from our murra, our country, that he destroyed, wrecked. They wrecked our sacred sites. Our country is wrecked... to this day, it causes such a rift in our community, our tribe... Some of our old people were too frightened to go out and about because they thought they'd be verbally and physically abused, which some of them were." Yindjibarndi woman Margaret Read. (CPA 20 June, 2018)

For another Aboriginal group, the Wintawari-Guruma, FMG's plans to construct the Eliwana iron ore mine and a railway line for transportation of ore threaten to destroy 12 culturally significant sacred sites.

"In less than a year, Eastern Guruma people have seen their age-old connection to Ngajanha Marnta ignored, belittled and ultimately threatened with destruction... the ancient route along Ngajanha Wuntu (the river) and its tributaries will no longer exist. For the first time in more than 20,000 years Eastern Guruma will not be able to care for or visit (these places) as their ancestors did... FMG have not consulted with us properly. We asked for time to do the assessments and the research, and they've proceeded with their plans. We don't believe the consultation's been sufficient. And now our report has just been ignored."

Archaeologist's report for the Wintawari-Guruma

"Indigenous people have felt the impact of mining more than any other Australians. Yet they have benefited from it the least. The same tricks, paternalism and political back-scratching that once saw Aboriginal land sold from under the people, is now being used by Andrew Forrest to sell their resources from under them as well". (The Aim Network, 29 May 2017)

"Forrest uses laws designed to protect Indigenous land rights to stop prospectors searching for minerals on his West Australian cattle farms, angering both traditional Aboriginal landowners and mining community members. It is one of the first known examples of a non-Aboriginal successfully using rights afforded to indigenous people to their own advantage, and adds to the fractious relationship he has with some indigenous groups." (Reuters, 17 May 2017)

FORREST AND THE CATHOLIC CHURCH

The Weekend Australian quoted Indigenous pastor, Geoffrey Stokes, saying Forrest often uses his Christianity to "win over claimants". "He took some of them to meet the Archbishop in Perth... they came back saying he's a good Christian." (20 May, 2017)

In December 2014, Pope Francis signed a declaration aimed at ending modern slavery at an event organised by the Global Freedom Network (run by Forrest). By 5 August 2015, the Vatican accused Forrest of exploiting the Pope, distancing itself from the anti-slavery campaign. Bishop Marcelo Sánchez Sorondo said the Vatican had walked away from Mr Forrest's campaign to end slavery because it felt the Pope had been exploited.

