

# Karara Iron Ore Project – General Fact Sheet<sup>1</sup>

## Project

<b>Resources</b>	2.5bt @ 36%Fe (~1bt concentrate @ 68.2%Fe)
<b>Production</b>	<p>Stage 1 - from 1H 2011, 2Mtpa hematite</p> <p>- from Aug 2011, 8Mtpa magnetite concentrate – a value added premium iron ore product</p> <p>Potential - +30Mtpa magnetite for +30-year life</p>
<b>Capital Investment</b>	~\$2 billion for stage one (10Mtpa production, infrastructure for 14-35Mtpa)
<b>JV Partner</b>	<p>Ansteel</p> <ul style="list-style-type: none"> <li>- China's second biggest steel maker</li> <li>- China's biggest iron ore miner</li> <li>- Life of mine offtake arrangement for all Karara production</li> <li>- Access to Chinese project debt funding for Karara</li> <li>- Joint Venture includes 4Mtpa pellet plant to be built in China</li> </ul>
<b>Key Milestones</b>	<p>Aug 2007 - Bankable Feasibility Study Completed</p> <p>Sep 2007 - Signing of Joint Venture Development Agreement, witnessed by President Hu Jintao and Prime Minister John Howard</p> <p>Sep 2009 – State Environmental Approval Received</p> <p>Oct 2009 – Federal Environmental Approval Received</p> <p>Nov 2009 – Groundbreaking by WA Premier Colin Barnett, start of construction</p>

## Economic Impact

<b>Total Construction Workforce</b>	+1500
<b>Permanent Workforce</b>	~500
<b>Indirect Jobs</b>	Additional 300 in the Mid West with significant business opportunities
<b>Export Revenue</b>	~\$1 billion per annum rising to ~\$3 billion per annum
<b>Royalties</b>	~\$50 million per annum rising to ~\$150million per annum for 30+ years

## Infrastructure Investment

<b>Geraldton Port</b>	Upgrade to support up to 14Mtpa
<b>Oakajee Port</b>	<ul style="list-style-type: none"> <li>- Karara supports Oakajee development and can commit foundation tonnages</li> <li>- Oakajee provides significant expansion opportunities for Karara</li> </ul>
<b>Rail</b>	<ul style="list-style-type: none"> <li>- 80km spur line Karara to Morawa, connecting to existing network</li> <li>- Rail upgrades Morawa to Geraldton to support production tonnages</li> </ul>
<b>Power</b>	<ul style="list-style-type: none"> <li>- 330Kv power line Karara to Eneabba</li> <li>- 15-year 120MW/year power supply agreement with State Government (Verve Energy)</li> </ul>
<b>Water</b>	Water pipeline Karara to Mingenew

<sup>1</sup> As at Feb 2010