

About the Alliance

The Geraldton Iron Ore Alliance is dedicated to promoting the development of a viable and successful iron ore industry in the Mid West region of Western Australia.

Iron ore is one of the most exciting new growth sectors to emerge in the diverse Mid West economy. The rich endowment of mineral resources has the capacity to bring greater prosperity to the region for at least the next 20 years.

Membership of the Alliance currently includes seven companies, each of which is exploring, developing or expanding its own iron ore projects in the region. Collectively, the members have the capacity to develop a substantial new iron ore export industry, delivering significant economic benefits to both large and small communities throughout the Mid West. These members are:

- Mount Gibson Iron Limited
- Midwest Corporation Limited
- Murchison Metals Ltd
- Gindalbie Metals Ltd
- Golden West Resources Limited
- Royal Resources Limited
- Asia Iron Holdings Limited

Alliance Objectives

- Promote development of essential common-user infrastructure for Mid West iron ore industry development and expansion
- Promote effective stakeholder relations with local and State Governments and the community
- Enhance efficiency and capacity of Geraldton Port
- Communicate an industry view on matters of common interest



For more information on the Geraldton Iron Ore Alliance contact:

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www.gioa.com.au

Or for direct business enquiries call these Alliance members:

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Midwest Corporation Ltd
Chris Lee, 08 9921 2033

Murchison Metals Ltd
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Gindalbie Metals Ltd
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Golden West Resources Ltd
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Royal Resources Ltd
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Asia Iron Holdings Ltd
08 9216 2600

Atlas Iron Ltd
08 9476 7900



Iron Ore Mining and its benefits for the Mid West



www.gioa.com.au

BENEFITS OF MID WEST IRON ORE INDUSTRY

Community Support

Recent research* has indicated overwhelming community support for the iron ore industry in the Mid West:

87% believe the economic flow-on from iron-ore mining will be important for the region

81% think iron ore mining will have a positive impact

82% support expansion of the industry

In the survey, the community indicated that they thought the main benefits of the iron ore industry for the Mid-West community would be direct and indirect employment opportunities, population growth, making regional communities more viable, retaining young people in the region and better facilities and infrastructure.

** Research undertaken by Patterson Market Research on a "statistically reliable sample" of people living in 18 local government areas in the Mid-West – the City of Geraldton-Greenough and the Shires of Carnamah, Chapman Valley, Coorow, Cue, Irwin, Meekatharra, Mingenev, Morawa, Mt Magnet, Mullewa, Murchison, Northampton, Perenjori, Sandstone, Three Springs, Wiluna and Yalgoo.*

Community Benefits

This community support for iron ore mining is well founded with the members of the Geraldton Iron Ore Alliance supporting and promoting:

- Local purchasing and local employment preference policies
- Work with indigenous communities and organisations to achieve agreements respecting indigenous culture and providing training and employment opportunities
- A range of local community activities and organisations
- Education, training and initiatives to assist the development of courses and facilities in the region
- A commitment to operate in a sustainable manner
- Responsible environmental management and operational work practices, including support for flora research projects

Employment and prosperity

The economies of Geraldton and regional shires of the Mid West stand to benefit from the expanding iron ore mining in the region over a 25-year period.

A recent economic study* quantified these benefits:

- 1,360 jobs a year during five years of construction
- 4,254 direct jobs a year, averaged over the 25 year period of operation
- A total of 12,000-plus direct and indirect jobs a year in WA, 8,500 of these in the Mid West
- An addition of \$1.4 billion a year direct operational expenditure and with economic flow on effects \$2.0 billion per year to be expended in the Mid West
- About \$7 billion in taxes and duties to the Federal Government and around \$3.5 billion in royalties and other payments to the State Government

** ECS Report 'Mining Expansion in the Mid West: Social and Economic Benefits', based on the planned projects documented in the report proceeding.*

Additional benefits to flow to the Mid West from these projects will include:

- Construction of the base infrastructure for the port at Oakajee
- A substantial population increase in the Region, likely to lead to improved health, education and community facilities
- New rail and road infrastructure
- Increased air services to the City of Geraldton
- An improved local tax base for local government
- Additional range of job opportunities for young people who would otherwise shift to the metropolitan area and
- Improved prospects for the growth of local industries



GERALDTON IRON ORE ALLIANCE MEMBERS

Asia Iron Holdings Ltd

Asian Iron has a range of interest in the Mid West including:

- Extension Hill magnetite project where a feasibility study has indicated potential to produce in excess of 10mtpa of coarse ground magnetite concentrate from a proven resource of 240 million tonnes.
- Mt Gibson Range magnetite project
- Koolanooka South hematite and magnetite projects
- Wolla Wolla magnetite project
- Irwin River Coal Deposit (potential for 30 million tonnes of coal)

Construction is soon to commence at Asia Iron's Nanjing Pellet Plant on the Yangtze River in China, which will process ore from Extension Hill. Exporting of ore is expected to commence in late 2009.

Midwest Corporation Ltd

www.midwestcorp.com.au

Midwest Corporation operates one project in the Mid West:

- Koolanooka Direct Shipping Iron Ore Project - Exporting haematite iron ore fines at 1 million tonnes per annum expanding to 2 mtpa combined lump and fines from a Reserve base of 8.4 million tonnes.

Midwest Corporation proposes to develop:

- The Weld Range Project - Export of haematite iron ore lump and fines at a combined rate of 15-20 mtpa.
- Jack Hills Project - Export of haematite iron ore lump and fines at a combined rate of 5-10 mtpa
- Koolanooka Magnetite Project - Exporting concentrates / iron pellets manufactured from magnetite iron ore at approximately 6-12 mtpa from a current resource base of 430 million tonnes.

Midwest Corporation has a 50:50 Joint Venture with Sinosteel Corporation to co-develop the Weld Range Hematite and Koolanooka Magnetite projects.

Gindalbie Metals Ltd

www.gindalbie.com.au

Gindalbie Metals Ltd operates the Karara Iron Ore Project, comprising:

- Stage 1 Mungada Hematite Project based on mining of direct shipping ore at an initial rate of 2 mtpa, subsequently increasing to 4 mtpa
- Stage 2 Karara Magnetite Project targeting production of 8mtpa of magnetite concentrate, to be transported to the Port of Geraldton and shipped to Yingkou, China, whereby 4 mtpa concentrate will be further processed in to pellets in a Joint Venture Pellet Plant.

Gindalbie has 50:50 joint venture and project funding agreements with AnSteel, one of China's largest steel producers and iron ore miners.

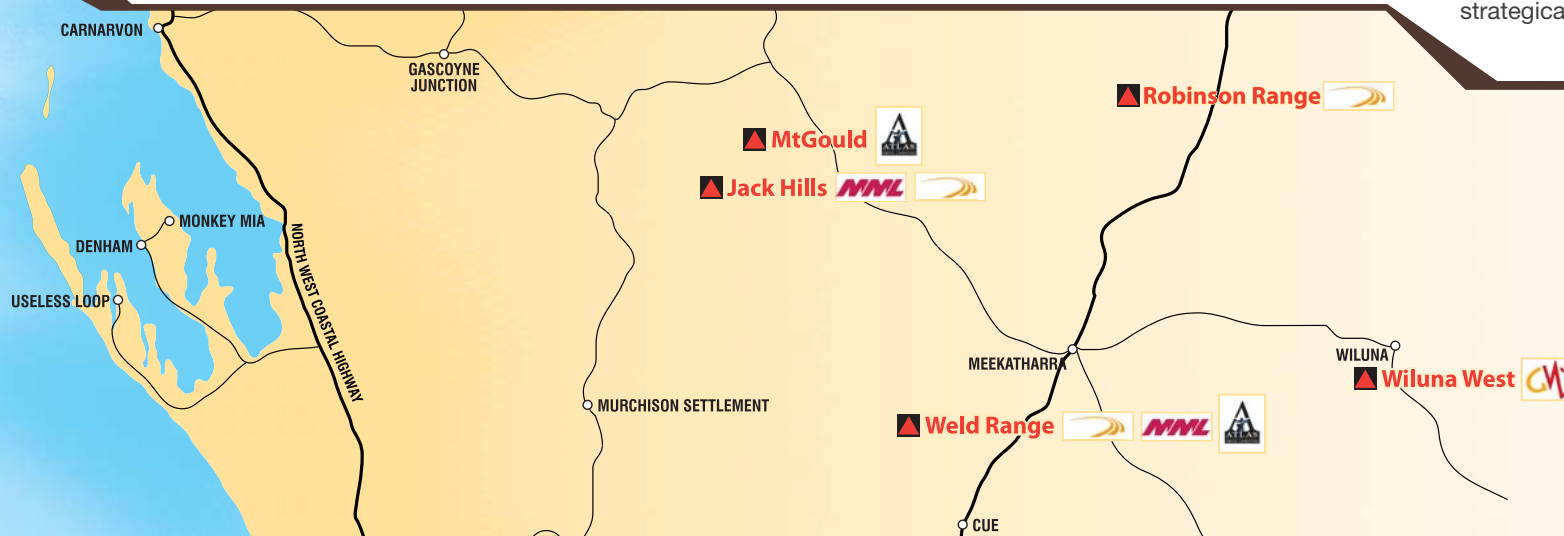
Atlas Iron Ltd

www.atlasiron.com.au

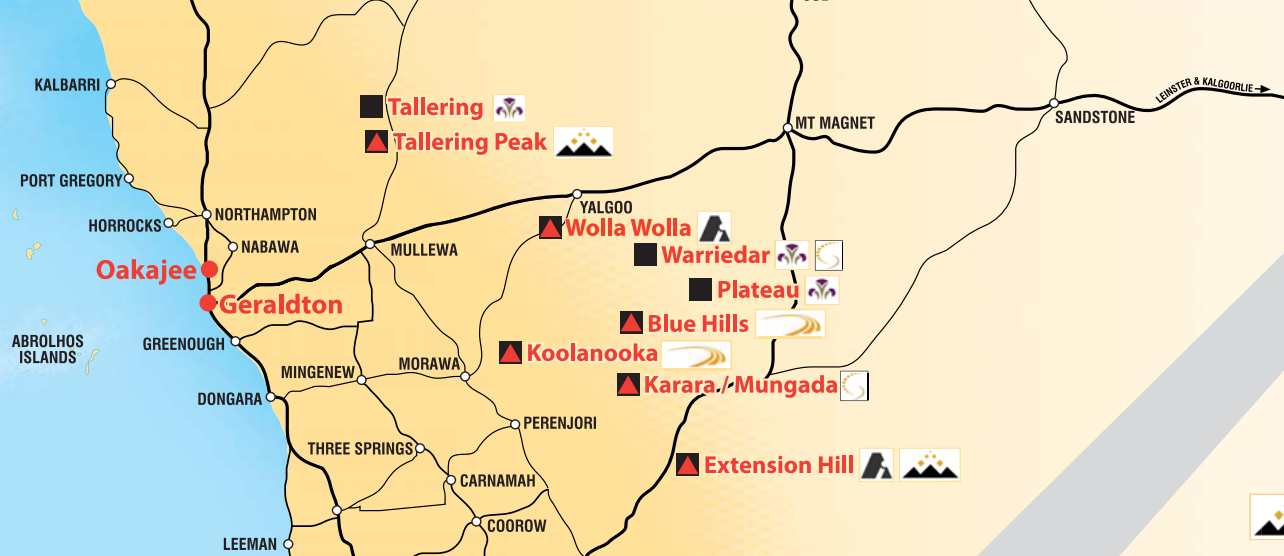
- Mid West projects are considered to have a combined potential for 30 – 40Mt grading between 60 – 66% Fe

Atlas Iron has an advantage through landholdings strategically located near existing or proposed infrastructure.

ALLIANCE MEMBER PROJECTS



As of Oct 2007



Mount Gibson Iron Ltd ("Mount Gibson")

www.mtgibsoniron.com.au

Mount Gibson Iron Limited was the first iron ore company to begin exporting out of Geraldton Port. They operate two Mid West projects:

- Talling Peak hematite project – now shipping 3mtpa of direct ship hematite ("DSO") ore; and
- Extension Hill DSO operation.

Mount Gibson expects to commence hematite mining at the Extension Hill DSO Operation in the Mt Gibson Ranges by late 2008 on completion of \$80+ million of capital works. Once Extension Hill reaches full production, Mount Gibson Iron should be producing 5-6mtpa of hematite for at least the next five years.

Mount Gibson also owns and operates the Koolan Island iron ore operation in the West Kimberly of Western Australia, which has an annual production rate of 4Mtpa.

Murchison Metals Ltd

www.mml.net.au

Murchison Metals projects in the Mid West include:

- Jack Hills iron ore project
- Weld Range iron ore project

Development of the Jack Hills Project is being conducted in two stages:

Stage 1: Currently underway, involving the mining of iron ore using contract mining, crushing, screening and transport to Geraldton by road haulage. This five-year mine plan has an initial production rate of 1.5mtpa increasing to 2.0mtpa in 2008.

Stage 2: Will see an increase in annual production up to 25mtpa, using a new rail and a new port facility at Oakajee for export to customers in North Asia.

Murchison Metals has entered into an agreement with Mitsubishi Corporation where they will jointly develop iron ore and multi-user infrastructure projects in the Mid West region.

Golden West Resources Ltd

www.goldenwestresources.com

Golden West's assets include the:

- Wiluna West iron ore project and 440km² of tenements, covering a 45km strike of the Joyner's Find Greenstone belt.
- Doherty's gold project
- Bullabulling gold project

The Wiluna West iron project hosts five mineralised ridges, two of which have been partially explored resulting in over 50 million tonnes of ore being outlined. The company is confident of the project hosting at least 200 to 250 million tonnes of iron ore.

Royal Resources Ltd

www.royalresources.com.au

Royal Resources has entered into a joint venture with Gindalbie Metals to develop the Warriedar Iron Ore projects as well as undertaking two other Mid West activities:

- Plateau Iron Ore Project –with the potential to contain significant tonnes of pisolitic hematite/goethite material
- Talling Iron Ore Project

