



**Asia Iron Australia Pty Ltd**



**Extension Hill Pty Ltd**

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## **MEDIA RELEASE**

### **PROJECT MANAGEMENT CONTRACT FOR ASIA IRON'S EXTENSION HILL MAGNETITE PROJECT AWARDED**

Asia Iron Australia has taken a major step forward with the appointment of WorleyParsons as the Project Management Contractor for the \$2.4 billion first stage of the Extension Hill Magnetite Project in Western Australia's Mid West region.

Under the PMC services contract, WorleyParsons will be responsible for the delivery of a comprehensive and detailed Implementation Study for the Extension Hill Magnetite Project. This will require the completion of front-end engineering and the development of contract packages and project specific baselines for management and control of the construction phase of the Project.

Managing Director Bill Mackenzie said that the awarding of the PMC services contract to WorleyParsons was the culmination of a thorough selection and assessment process.

"WorleyParsons' recent experience in scoping and delivering resources projects in Western Australia is well regarded, and we look forward to working closely with them to deliver a great project outcome".

The Implementation Study is scheduled for completion in January 2012, with construction anticipated to commence immediately thereafter.

First shipments of magnetite concentrate through Geraldton Port should commence before the end of 2013.

"An early works program involving procurement of long lead equipment and services, along with completion of the site establishment works necessary to match this timetable will be initiated in the second half of this year," Mr Mackenzie said.

"The Extension Hill Magnetite Project is now well on the development path and the engagement of WorleyParsons to complete the Implementation Study allows us to build on the solid foundations already laid.

We have confidence that the project is well placed to meet our development timetable."

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### **About Asia Iron**

The Asia Iron group is owned 60% by Chongqing Chonggang Minerals Development Investment Limited (CCMD) and 40% by SINOM Investments Limited. Asia Iron has a portfolio of mineral development projects in the Mid West region of Western Australia, including the Extension Hill, Koolanooka South and Minga Well magnetite projects, as well as the Irwin River and Mintaja coal projects.

### **About CCMD**

CCMD is a joint venture established between Chongqing Iron and Steel (Group) Company Limited (CISC) and Chongqing Foreign Trade and Economic Cooperation Group (CFTEC). CISC and CFTEC are incorporated in the People's Republic of China, based in Chongqing municipality. CISC is primarily a manufacturer of steel products and also has machinery manufacturing, construction and real estate, electronics and IT, environmental engineering and mining business units. CFTEC engages in foreign economic assistance programs, international construction projects contracting, labour exporting, equipment and technology import & export, and international trade.

### **About SINOM**

SINOM is a company incorporated in the British Virgin Islands. SINOM is engaged in mineral resources development business and ultimately controlled by Mr Andy Zhang.

### **About Extension Hill Magnetite Project**

The Extension Hill Magnetite Project is located on Badimia country, 280km south east of Geraldton. Asia Iron has approval under Western Australian and Commonwealth environmental legislation to construct and operate an open pit mine, magnetite concentrator, associated offsite and onsite infrastructure and facilities to produce high quality magnetite concentrate at an initial production rate of 10 million tonnes per annum. Product will be transported to Geraldton Port via slurry pipeline. First production is scheduled for 2013. The multi-billion tonne resource base will support future, phased expansion of the project as regional infrastructure capacity expands along with the Oakajee Port development.