

MEDIA RELEASE

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EPA Report on Koolanooka/Blue Hills may cost Mid West economy: GIOA

The Geraldton Iron Ore Alliance says the failure of the Environmental Protection Authority (EPA) Report to fully recommend Sinosteel Midwest Corporation's Koolanooka/Blue Hills (Mungada) Direct Shipping Ore (DSO) Project may have a detrimental impact on the Mid West economy.

CEO Rob Jefferies said the project represents more than 70 direct jobs in the Mid West and important social and economic flow-on benefits to the region.

"The loss of these jobs, combined with the impact of approvals delays on Gindalbie Metals' Karara iron ore project will hurt the local economy," Mr Jefferies said.

"After navigating through the environmental approvals process for more than two years, Sinosteel Midwest has received a recommendation from the EPA that fails to recommend the most significant part of the proposal for approval, which will leave the project uneconomical. If the Koolanooka/Blue Hills Project does not proceed, local jobs and contracts will be lost, along with other significant social and economic benefits," he said.

"This project is a vital first step in delivering a sustainable iron ore industry in the Mid West. The project is ready to come online quickly and bring early employment opportunities at a time when they are needed.

"WA Premier Colin Barnett has said that the development of the Mid West region is one of his Government's top priorities and there is no question that local economic development and job creation is more critical to the WA economy than ever before," Mr Jefferies said.

"As a whole, the Mid West iron ore industry has the potential to deliver 12,000 direct and indirect jobs a year in WA and around \$1.5 billion a year to Gross State Product. The industry is now at a crossroad and needs the support of the Government to progress through approvals processes and into production."

The Alliance will be lodging an appeal against some of the conditions recommended in the EPA Report in support of Sinosteel Midwest.

"We call on all stakeholders within the community to review the recommendations in the report and formally express their views prior to the end of the appeal period on 16 June," Mr Jefferies said.

Further information on how to do this is available on the Sinosteel Midwest website at www.sinosteelmw.com.au.

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About the Alliance

The Geraldton Iron Ore Alliance (Alliance) has a membership of five iron ore mining companies which are at various stages of exploration and development of mines in the Mid West. These companies are:

- Sinosteel Midwest Corporation Limited
- Crosslands Resources Ltd
- Gindalbie Metals Ltd
- Golden West Resources Limited
- Asia Iron Holdings Limited

The member companies that make up the Alliance are committed to developing and operating in a sustainable manner in their endeavour to establish a world class iron ore industry in the Mid West/Murchison Region of Western Australia.

Further details of the companies and their projects is available on the Alliance's website at www.gioa.com.au.

An independent Study by Economic Consulting Services (2007) estimated potential benefits the Mid West iron ore industry will bring to the State include:

- 1,360 jobs a year during construction;
- 4,254 direct jobs a year (for at least 25 years);
- >12,000 direct and indirect jobs a year in WA;
- \$1.5 billion a year to Gross State Product and
- estimated \$7 billion in taxes and duties to the Federal Government
- estimated \$3.5 billion in royalties and other payments to the State Government