



MEDIA RELEASE
Friday 09 November 2007

IRON ORE MINING TARGETS LESS THAN 1% OF MID WEST BIFs

A recent analysis undertaken by the Geraldton Iron Ore Alliance (GIOA) has revealed that less than 1% of the Mid West's Banded Iron Formation (BIF) ranges will be mined under current proposals of the eight Alliance companies.

The GIOA has undertaken the assessment in response to the State Government's Strategic Review into the BIFs, which called for 15 to 30% of the ranges to be protected as nature reserves.

"With iron ore mining impacting such a small percentage of the BIFs, the industry's development cannot be considered in conflict with balanced conservation of these ranges," GIOA Deputy Chairman Rob Jeffries said.

"This information puts into perspective the total area presently proposed for mining projects. There seems to be the impression that a substantial number of the BIF ranges are going to be impacted if mining is allowed to proceed – this is not the case," he explained.

"We expect the results of our analysis to be welcomed by Government, environmental groups and the community, as it shows that both the environmental conservation of the BIFs and the future growth of the iron ore industry can be achieved for the Mid West.

"Even if all current proposals gain environmental approval and mining doubles over the coming 50 or 60 years, iron ore mines within the BIFs are still unlikely to impact on more than 1.5% of the ranges," Mr Jeffries said.

"By quantifying the area of the BIFs likely to be impacted by iron ore mining, we are demonstrating that environmental protection of the ranges does not need to negate the economic and social benefits to be gained for the Mid West through the iron ore industry."

According to the Department of Industry and Resources (DOIR), mining contributes 45% of the Mid West region's Gross Regional Profit, with agriculture being the next largest contributor at 10.5%. With the effects of drought being felt by farmers in the Mid West, the future of the region is becoming increasingly reliant on mining.

In their contribution to the Strategic Review, the DOIR states that *“iron ore is the one bright light for the long term future (for the Mid West)”*, further stating that *“the only means of growing the prosperity of the region is undoubtedly the continued development of the iron ore industry.”*

“The Department’s report also indicates the impact of mining will be very small, but it was not quantified”, Mr Jefferies explained, “ The Alliance has now done this, and we believe it will remove any reasonable doubts about the industry moving forward with appropriate environmental controls.

“It is in the best interests of the region and the State for the iron ore industry to progress, and to achieve this, the location of potential conservation reserves must be established after formal consultation with the mining industry, and more particularly tenement holders,” Mr Jeffries said.

“Obviously conservation is important in an environmentally sensitive area, but this needs to be balanced with the minimal impact of iron ore mining in the area and the substantial potential benefits to the region.”

GOIA’s analysis was undertaken using DIOR mapping information on the total area of BIF ranges, compared with the estimated mining footprint of Alliance member companies, based on mining plans and resources available in the area.

Media Contacts:

Rob Jefferies, Deputy Chairman, GIOA - Ph 0407 447 923

Caroline Thomson, Purple Communications - Ph 0410 479 489

About the GIOA

The Geraldton Iron Ore Alliance was formed in December 2005 by a group of companies with iron ore deposits in the Geraldton/Mid West area of Western Australia. The primary role of the Alliance is to promote the development of a viable and successful iron ore industry in the region.

Iron ore is one of the most exciting new growth sectors to emerge in the diverse Mid West economy, which already includes a substantial mining sector. Spanning an area of more than 470,000 square kilometres, the Mid West region is richly endowed with iron ore and well serviced by road, rail and port infrastructure. Geraldton is the region’s commercial, administrative and service centre and is located just 400 kilometres north of Perth.

Membership of the Alliance has now expanded to eight companies, each of which is exploring, developing or expanding its iron ore projects. Collectively, the members have the capacity to develop a substantial new iron ore export industry, delivering significant economic benefits to both large and small regional communities. The 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
- Atlas Iron Limited

The members of the Alliance have agreed to cooperate in all key areas of the industry's development, with particular focus on infrastructure, statutory approvals and Government/community relations.

While all members of the Alliance have different development strategies, each recognises the benefit of promoting common-user infrastructure, advocating the region's infrastructure requirements and working closely with stakeholders.

Geraldton and the Mid West is currently the second fastest growing iron ore producing area in Australia and, given supportive Government policies and the goodwill of local communities, the area could be transformed over the next decade into the second most significant iron ore producing region in Australia, exporting some 50-60 million tonnes per annum of iron ore products, including a significant proportion of value-added products such as concentrate/pellets.

The Geraldton Iron Ore Alliance has an Independent Chairman, Mr Clive Brown, a former Western Australian Government State Development Minister who, during his tenure, was responsible for all resource projects in Western Australia.

Visit: www.gioa.com.au



