



## **MEDIA STATEMENT**

**21st August 2007**

### **INDEPENDENT RESEARCH CONFIRMS STRONG COMMUNITY SUPPORT FOR IRON ORE MINES**

82% of the Mid West community support the expansion of the iron ore industry in the Region, according to leading market research company, Patterson.

Commissioned by the Geraldton Iron Ore Alliance (GIOA) to undertake an independent community survey on community perceptions across a range of key issues, Pattersons interviewed more than 300 people living in 18 local governments across the Mid West region.

The survey was designed to accurately represent the views of the region's population as a whole.

"Direct employment opportunities, positive flow on effects to other business, retaining young people in the region, training programs, employment opportunities for Indigenous people and helping make rural communities more sustainable, were the major positives that residents saw an iron ore industry providing," stated Geraldton Iron Ore Alliance Chairman Clive Brown.

"The survey also revealed that 87% - virtually nine out of ten – of respondents believed the iron ore industry would have an important economic flow on to the Mid West economy," advised Mr Brown.

"The survey confirms the positive feedback the Alliance is receiving from face-to-face contacts with people across the region," stated Alliance Deputy Chairman, Rob Jefferies, "and adding to the good news is that the mining companies are keen to work with the regional communities to get the best practical outcomes in all the areas of importance identified in the survey."

"While the level of support is extraordinarily, the Alliance is sensitive to the potential environmental impacts of increased mining activity," advised Rob Jefferies. "The industry recognises the need to communicate the excellent work companies are doing to preserve plant species and address other issues, such as dust."

Alliance Chairman Clive Brown spoke strongly on some of the misconceptions surrounding the environmental issues in relation to a current iron ore mining proposal at the Mt Gibson Ranges at the recent MWCCI Resources forum.

He said there were some key facts relating to the environmental issues that appeared to have been overlooked in parts of the current public debate, in particular:

- No plant species will be made extinct by the proposed Mount Gibson mine at Extension Hill
- No fauna will be threatened by the proposed Mount Gibson mine at Extension Hill
- The total area to be taken up by mining in banded ironstone formations is very small – the footprint of the Extension Hill project for example, will take up less than 0.05% of the total banded ironstone ranges in the Region
- Mining companies are making significant investments in research carried out by the Botanical Parks and Gardens Authority in the translocation and regeneration of plant species;
- Work undertaken by Botanical Parks and Gardens on the translocation and regeneration of plant species has had considerable success.”

The Patterson research follows an economic and social benefits study by Economics Consulting Services which estimated that an average expenditure of around \$2 billion a year will occur in the Mid West Region over the 25 year period of mining operations, on the assumption that the currently planned iron ore projects get underway. The same study recognised the capital infrastructure spend would be in the order of \$5.5 billion.

While only three of the seven Alliance member companies have as yet commenced mining operations they are already delivering:

- 527 jobs in the region
- In excess of \$370,000 over the past year paid direct to community groups or to local governments for community initiatives
- Over \$670,000 a year to local indigenous groups and initiatives
- Over \$1 million a year to conservation and environment initiatives in the region
- An estimated \$3.7 million a year towards maintenance of local and state roads, (in addition to substantial local road upgrading works).

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## 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 seven 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

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.

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