



中钢澳洲中西矿业公司

SINOSTEEL MIDWEST CORPORATION LIMITED

MEDIA RELEASE

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First shipment of Sinosteel Midwest ore sets sail; Completion of positive BFS achieved

The Premier spent his 60th birthday in Geraldton in the State's Mid West region today, joining with federal, state and local politicians and industry and community leaders to celebrate Sinosteel Midwest Corporation's first shipment of iron ore.

It was a monumental day for Sinosteel Midwest with the celebrations coinciding with the announcement of the completion of the Bankable Feasibility Study (BFS) for its flagship Direct Shipping Ore (DSO) project at Weld Range.

MV "Hai Lang" will depart with 60,000 tonnes of ore mined from the Koolanooka Blue Hills project from Geraldton Port to China steel mills.

The milestone is a significant step forward for the developing Mid West iron ore province and signals the dawn of a new era for the Koolanooka mine, which was first discovered nearly 50 years ago.

Speaking at an official celebration in Geraldton, Sinosteel Midwest managing director Tony Cheng said the company's inaugural shipment is a culmination of \$30 million invested in the region.

"Going forward, the Koolanooka and Blue Hills mines are expected to provide about \$25 million worth of royalties for Western Australia, and revenues of \$350 million throughout the life of the mine," Mr Cheng said.

"This is just the beginning of our long-term commitment to the region and we look forward to a long and prosperous future in partnership with the Mid West and the State of Western Australia.

"Bringing the Koolanooka project through planning, approvals and development to its first shipment has paved the way for Sinosteel Midwest's major project at Weld Range and ensures we can move forward with confidence," Mr Cheng said.

The timing of Sinosteel Midwest's first shipment coincides with the announcement of the completion of the Bankable Feasibility Study for the Weld Range project. The BFS is a culmination of over \$140 million of studies and drilling over the past three years.

Weld Range, located 65km south-west of Meekatharra and 50km north-west of Cue in Western Australia, will be a major resources project for the region and is expected to produce 15 million tonnes of iron ore per annum over 15 years, which equates to revenue of approximately \$22 billion. The project is a cornerstone customer for the Oakajee port and rail infrastructure.

Sinosteel Midwest Chief Operating Officer Giulio Casello said the company is aiming to commence production at Weld Range by 2013 with the first shipment of Weld Range iron ore scheduled for

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2014, pending the development of the Oakajee infrastructure.

“We estimate the Weld Range project will create more than 850 long-term jobs, including employees and contractors,” Mr Casello said.

“At peak of construction, we expect the workforce to be in the region of 1000 and we will commence recruitment in mid-2011.

“Weld Range has the potential to become a strategically important stand-alone iron ore development in the Mid West region, effectively underpinning the third party infrastructure required to support the Project and other potential iron ore projects in the region.

“The project’s proximity to other potential Sinosteel Midwest prospects at Jack Hills and Robinson Range could provide additional cost saving synergies, improved product blending opportunities and establish Sinosteel Midwest as the dominant iron ore participant in the region.”

Sinosteel Midwest says the viability of the \$2 billion Weld Range project is dependent on the Oakajee port and rail infrastructure getting up and running.

“We are now at a crucial point in the development of a worldclass efficient port and rail infrastructure at Oakajee, with essential planning needing to be finalised in 2010 to ensure the 2014 delivery date,” Mr Casello said.

“Discussions with OPR in this regard are ongoing, and we hope to see significant progress in the coming months.”

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Note to editor/COS: Photos and copies of the speeches from the official ceremony will be available on request.

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About Sinosteel Midwest Corporation Limited

Sinosteel Midwest Corporation (Sinosteel Midwest) is developing iron ore and steel materials projects from one of the largest land holdings in the expanding Mid West resources region of WA. It has advanced production opportunities for iron ore at Koolanooka, Weld Range, Jack Hills and Robinson Range.

Sinosteel Corporation, one of China’s biggest suppliers of raw materials to Chinese steel mills, purchased Midwest Corporation in 2008. It is committed to the responsible and sustainable development of Sinosteel Midwest’s assets. Sinosteel Midwest possesses the capital, resources, technical skills and the people to play a major role in the development of the Mid West region, and is positioned to continue doing so actively now, notwithstanding the global financial crisis.

Sinosteel Midwest continues to actively develop and explore the potential of its deposits and the outlook for the Company is exciting.

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