

Hon Jay Weatherill MP

Premier

Hon Tom Koutsantonis MP

Minister for Mineral Resources and Energy

Wednesday, 3 May 2017

Iron Road project approved for Eyre Peninsula

Iron Road has received a mining lease and development approval for a \$4.5 billion project set to create about 2000 jobs during construction and 700 jobs over the 25-year life of the mine.

If the company meets the conditions of the approval the Central Eyre Iron Project will be Australia's largest magnetite mine, estimated to produce 21.5 million tonne each year.

The project will include the construction of a new 145 km rail link and deep-water port at Cape Hardy, near Tumbly Bay. The port will also be able to be used to export other goods from the region, such as grain.

The rigorous development assessment process considered a wide range of environmental, social and economic impacts on local residents and businesses.

The assessment resulted in 127 conditions that Iron Road will have to meet to proceed with the project, including the resolution of land access issues, continuous monitoring and public reporting of dust emissions and noise and taking measures to prevent any loss of agricultural productivity from surrounding properties.

Iron Road is seeking to secure the remaining financing for the project by December 2017. The full list of conditions can be found online at: <http://www.ceipconsultation.sa.gov.au/>

Background

Magnetite is a higher-grade, value-added iron ore sought after by international steelmakers due to its low impurities and greater energy efficiency.

South Australia has 14 billion tonnes of untapped magnetite, but currently only mines about 2 million tonnes a year for export and to support production at the Whyalla Steelworks.

The Central Eyre Iron Project has the potential to substantially increase production in line with the State Government Magnetite Strategy aim of exporting 50 million tonnes a year by 2020.

Approvals for the mine, rail line, port and associated infrastructure were based on assessment of an environmental impact statement, a mining lease proposal, 105 submissions from the community and other stakeholders and the company's response to the issues these raised.

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Quotes attributable to Premier Jay Weatherill

We are lucky enough in this state to have vast reserves of magnetite, which is a cleaner form of iron that produces lower CO₂ emissions when used to produce steel.

If Iron Road meet the conditions of their approval this project will create thousands of jobs and have a significant, lasting impact on our economy.

Connecting the Eyre Peninsula to the world's markets through a modern rail link and deep-water port that can be used by other businesses will also enable this important region of our State to grow.

Quotes attributable to Mineral Resources and Energy Minister Tom Koutsantonis

There are 14 billion tonnes of magnetite underground in South Australia and the State Government is committed to developing this resource in order to boost exports, create jobs and drive economic activity in regional areas.

This is an extremely important milestone in the Central Eyre Iron Project, which is the latest in a pipeline of magnetite projects under development in South Australia.

If this project proceeds to production it won't be a sugar hit to our economy, it will deliver 700 jobs over a 25-year mine life and will underpin the growth of a local industry with the capacity to supply an enormous global market.

Quotes attributable to Iron Road Managing Director Andrew Stocks

The Mining Lease and Development Authorisation received today are recognition of the detailed exploration work, feasibility studies and impact assessments undertaken by Iron Road over the past nine years and enable us to continue onto the next stage of our development journey.

Iron Road will continue its engagement work with all stakeholders, prepare its secondary approval applications and continue working with strategic partner China Railway Group towards reaching a Final Investment Decision and achieving financial close.