

Premier Jay Weatherill

Minister Martin Hamilton-Smith

Minister for Investment and Trade

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## \$4 billion iron ore project strikes agreement with China

The stock exchange has today been advised that a major South Australian iron ore project has taken a significant step closer to development, after agreements were struck with five Chinese steel companies.

Iron Road has signed with five global leading Chinese steel companies, including with Shandong Iron & Steel Group at the Adelaide Convention Centre last night.

Managing Director Andrew Stocks said it marks significant progress to forming long term iron ore supply agreements that will underpin development of the Central Eyre Iron Project.

“These memorandums of understandings confirm the Chinese steel companies will conduct technical evaluations of the Central Eyre Iron Project concentrate, to verify the commercial and technical merits of the high quality product,” Mr Stocks said.

“It is a precursor to entering discussions concerning entry into a Letter of Intent for the long term supply of Central Eyre Iron Project concentrate.

“Four of the Chinese companies involved have requested anonymity. The other is Jinan based and state-owned Shandong Iron & Steel Group, the seventh largest producer of steel in China.

“Shandong Iron & Steel Group signalled its intent to enter an agreement with Iron Road, for the supply of premium iron products and to collaborate on a project funding solution to enable Iron Road to move towards construction in early 2017.”

The signing was witnessed by Premier Jay Weatherill and Shandong Party Secretary Mr Jiang Yikang at a welcome dinner for China’s largest ever trade delegation to South Australia.

Mr Weatherill said the agreements were a genuine milestone for Iron Road.

“This project has the potential to transform the Eyre Peninsula,” Mr Weatherill said.

“It is a vote of confidence in our state’s economy.

“2500 jobs would be generated during construction, before producing over 20 million tonnes of high grade iron ore each year, over an expected mine life beyond 25 years.

Minister for Investment and Trade Martin Hamilton-Smith said the development showed South Australia’s special relationship with Shandong was delivering great results for the state.

“It is remarkable that a significant South Australian iron ore development is bucking the global trend in mining investment,” Mr Hamilton-Smith said.

“This project would be a significant contributor to the state’s economic future, boosting exports and fuelling job creation.

“The multi-user deep sea port and 148 kilometre rail would open up the west coast for grain and other bulk commodity exports, supporting farmers and other industries.”