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## ASX RELEASE

### **“S.A. FIRST” MULTI-USER PORT FACILITY INCLUDING FLOATING HARBOUR TO BE DEVELOPED IN SPENCER GULF**

South Australia is set to have its first multi-user bulk shipping port facility – including a floating harbour - following an announcement made in Adelaide today.

IronClad Mining – an Australian development company on the verge of mining iron ore from the Eyre Peninsula – announced today it has signed an option agreement with Sea Transport Corporation which is developing a multi-user bulk shipping port at Lucky Bay, near Cowell, on South Australia’s Spencer Gulf.

The announcement was made today by IronClad’s Executive Chairman, Mr Ian Finch, at the second day of the ***Paydirt 2011 South Australian Resources & Energy Investment Conference*** in Adelaide.

In a South Australian first, IronClad will use a multi-user port facility concept developed by Sea Transport Corporation – the same company that established a passenger/transport ferry from Moonta to Lucky Bay – to ship iron ore from a holding warehouse at Lucky Bay to a floating harbour, located about 5-10km offshore.

Cape-sized vessels with storage capacity of up to 150,000 tones will then be loaded with iron ore from the floating harbour.

South Australia Transport and Infrastructure Minister, Mr Pat Conlon, has already supported the multi-user harbour under Section 49 of the Development Act, which facilitates approvals for infrastructure projects considered essential to the South Australia’s development.

Sea Transport Corporation is currently preparing a comprehensive development application utilising key design and environmental impact assessment specialists.

“This is a significant announcement for South Australia’s future bulk shipping needs,” said IronClad’s Executive Chairman, Mr Ian Finch.

“It is a win-win situation for everyone, and is a very exciting project for all parties involved,” he said.

“Necessity is the mother of invention, and the establishment of our state-of-the-art floating harbour and Sea Transport’s multi-user port facility are testament to what can be achieved when innovative people put their heads together to solve an issue.”

Mr Finch said both developments – the multi user port and floating harbour would provide an important port outlet and significant cost savings for the Joint Venture’s Wilcherry Hill Iron Ore project **(the Wilcherry Hill project is an 80:20 Joint Venture between IronClad Mining Limited and its**



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**associated company Trafford Resources Limited**), situated near Kimba on the Eyre Peninsula, and would also strengthen economic growth and employment opportunities in the region.

Previously, IronClad had announced plans to transport iron ore from the project via road to Whyalla, where it would be loaded onto rail to Port Adelaide, before being transferred to ships.

Under today's announcement, the iron ore will be transported by road from Wilcherry Hill to Lucky Bay, where it will be loaded onto a barge to transport the resource to the floating harbour, where it will then be transferred to ships moored at the facility.

The Lucky Bay port option will reduce the land transport distance from Wilcherry Hill to ships from 540km to only 154km.

Crucially, the Joint Venture (of which IronClad owns 80%) expects to reduce operating costs by about \$20 per tonne, from \$85 to \$65 per tonne.

The Joint Venture plans to export premium grade Direct Shipping Ore (DSO) from Wilcherry Hill from late this year, targeting an annual rate of up to two million tonnes a year within two years.

Although the Wilcherry Hill project will begin life as a relatively small project by iron ore industry standards, it will be producing a premium grade product and it is planned to expand rapidly in three stages to a total production target over 10 million tonnes of iron ore a year.

The passenger ferry service, which is currently awaiting a new vessel, will not be restricted by the bulk port's operation.

Mr Finch said the multi-user port facility will be developed in two stages.

Stage One will operate via a tug and barge system. IronClad has already purchased a tug and construction of the barge will commence soon.

Stage Two will be developed with customised motorised feeder barges, on-shore loading facilities and an off-shore floating harbour.

For the first two years, iron ore will be transported in containers by road to the port and transhipped in feeder barges, still in containers, to iron ore carriers equipped with cranes and dust suppression systems. The containers will be lifted by crane and emptied into the hold.

As the tonnage increases, this system will be replaced with a bulk loading system in which bulk ore will be carried from the land based port to a floating harbour, a floating facility with ore stockpiling space and docking facilities, which will be permanently anchored in water deep enough for +150,00 tonne ore carriers to tie up and load alongside.

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