

02 May 2011
The Companies Announcements Office
ASX Limited

RBC Appointed as Financial Advisor and Sole Lead Manager to Potential IPO of Lao Bauxite/Alumina Project on the ASX

We are pleased to announce **Royal Bank of Canada Capital Markets (“RBC”)** has been appointed by Sino Australian Resources Co. Ltd (“SARCO”) as its Financial Advisor and Sole Lead Manager to a potential initial public offering (“IPO”) of shares in SARCO¹. RBC is a global resource focused investment bank with extensive equity markets experience in the bauxite and alumina sector.

RBC will assist China Non-Ferrous Metal Industry’s Foreign Engineering & Construction Co. Ltd (“NFC”) and Ord River Resources Ltd (“ORD”) to pursue a listing of SARCO on the ASX. Funds will be raised via an IPO to finance the construction of an alumina refinery in Laos with a minimum annual capacity of 600,000 tonnes. Attractive project financing will be sourced from Chinese financial institutions. Total construction capital required is expected to be approximately US\$600million.

ORD and NFC own 49% and 51% of SARCO, respectively. NFC and ORD will continue to hold substantial equity interests in SARCO post IPO.

Other Key Advisors Appointed

- SARCO has appointed **Allens Arthur Robison** to provide legal advice for ASX listing and corporate structure in Laos.
- **Ernst & Young** has been appointed to provide an Independent Accountant’s Report on historical and pro-forma financial information. E&Y will also advise on tax structuring.
- **SRK Consulting** was appointed to compile new JORC Resource Statements.

SARCO Investment Highlights

High Quality Asset with Significant Growth	Laos - A Strategic Location for Export
<ul style="list-style-type: none"> ✓ 130mt JORC Indicated Resource. 32%+ alumina grade and 2% silica. Resource upgrade expected near term. ✓ Open cut low cost mining with a long life. ✓ Access to essential infrastructure. ✓ Fixed price and term turnkey EPC contract². ✓ Attractive project financing terms². ✓ Long term off-take². ✓ Future expansion planned. 	<ul style="list-style-type: none"> ✓ As an investment destination Laos has improved its risk profile substantially to provide comfort and familiarity to investors. ✓ Stable government. Access to power, water and roads. ✓ A big advantage in being closer to China than other alumina supplying countries. ✓ China is committed to building a trans-Laos and Cambodia railway network in the foreseeable future.
Robust Industry Fundamentals	Institutional Investor Demand

¹ SARCO is 49% owned by ORD and 51% owned by NFC.

² In negotiations.

<ul style="list-style-type: none">✓ Alumina supply and demand are following the path of iron ore.✓ Long term growth in global demand for alumina will continue as China's domestic supply is being exhausted.✓ This underpins a bullish long term alumina price curve.	<ul style="list-style-type: none">✓ Institutional investors are hungry for pure exposure to the alumina growth play. Currently limited choices on the ASX and overseas for investors.✓ The large size of the refinery guarantees satisfaction of key investment size criteria set by institutional investors.
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If you have any questions please contact Frank Zhu, Head of Corporate Development via investor.relations@ord.com.au.

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