



SOUTHERN FLINDERS RANGES DEVELOPMENT BOARD SOUTH AUSTRALIA

NEWSLETTER 2009

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THE LIST OF MINING PROJECTS IN SOUTH AUSTRALIA GROWS

This Newsletter overviews many of the mining projects occurring in the north and north-east of South Australia and briefly explains what the Southern Flinders Ranges Development Board (SFRDB) and related Councils are doing to prepare for the opportunities ahead and how they can assist new businesses to establish in the region.

Port Pirie, as a regional centre, is perfectly placed to be the gateway to the new mining projects. The region has much to offer new businesses and their employees.

For business all major services are available including road access (National Highway One) rail, shipping port, power, natural gas etc. The city has a skilled and productive workforce and also offers a new Industrial Park with serviced blocks currently available for sale. A new Industrial Park has also been established at Jamestown 64 kms to the east.

For employees Port Pirie offers an enviable lifestyle with its Mediterranean climate, wide range of sporting and recreational activities including ready access to the scenic Southern Flinders Ranges and the idyllic waters of Spencer Gulf. Spencer Gulf is a great place for recreational fishing and other boating activities. Housing is very affordable and several new residential developments are underway.

The Port Pirie Regional Council is reviewing potential upgrades to the airport to make Port Pirie a FIFO residential base for the region.

Community leaders are keen for the city and region to capitalise on its advantages and welcome expressions of interest from companies considering establishing new businesses in the region and from people wishing to live in the region.

EXISTING MAJOR RESOURCE INDUSTRIES IN THE STATE'S NORTH

Perilya – Beltana Mine

Perilya own the Beltana high grade zinc oxide mine near Leigh Creek in South Australia. The high grade obviates the need for concentrating prior to shipment. The ore is exported by ship from Port Pirie.

BHP-Billiton (Olympic Dam)

Located 560 kilometres north of Adelaide, South Australia, Olympic Dam is a multi-mineral ore body. It is the world's fourth largest remaining copper deposit, fifth largest gold deposit and the largest uranium deposit. It also contains significant quantities of silver. Olympic Dam is Australia's largest underground mine. Most of Olympic Dam's employees live in Roxby Downs township, about 16 km south of the operations. The township has a population of about 4 000.

Dominion Mining

Operates the Challenger Gold Mine, which is located 600 km northwest of Adelaide and produces around 100,000 ounces of gold p.a. The company has embarked on a more aggressive exploration strategy with the view to expand production.

Flinders Power

Operates a coal mine at Leigh Creek and two power stations at Port Augusta producing a total of 780 MW. Significant amounts will be spent on maintenance to ensure reliability over the next few years.

Heathgate Resources

Operates one of the three uranium mines in Australia. The Beverly mine is located in the north east of the state. Currently produces about 1,000 tonnes of Uranium Oxide p.a. The company has recently received Federal Government approval to expand the mine.

Nyrstar Port Pirie Smelter

This is the largest lead smelter in the world and produces 230,000 t.p.a lead, 40,000 t.p.a zinc, 4,200 t.p.a copper, 450 t.p.a silver, 99,000 t.p.a sulphuric acid plus other by-products. The smelter has 670 employees and 110 contractors. The Port Pirie Smelter is part of the Nyrstar Group which is the world's largest producer of zinc.

OneSteel Whyalla Steelworks

Is both a mining and smelting operation. Over 1.2 million tonnes of iron is produced through the Blast Furnace each year. OneSteel has just completed a \$400 million upgrade to treat magnetite ore as a substitute for hematite and extend the life of the operations beyond 2027. The company is also increasing its exports of hematite from 4 million tonnes pa to 6 million tonnes pa by 2010.

OZ Minerals (formerly Oxiana)

Commissioning Prominent Hill expected to be complete in January 2009. The mine will be open pit but exploration may result in developing a concurrent underground mine. The ore will be processed to create a copper-gold concentrate which will be railed to Darwin for shipment to Asia. The project is expected to cost \$1.15 billion and the mine will be a Fly in Fly out operation. About 500 permanent jobs are expected once the mine reaches full production.

Santos

Is a major oil and gas exploration and production company with global interests including significant operations in the Cooper Basin. Gas from the Cooper Basin is distributed widely across Australia. In addition a 659 Km underground pipeline connects Moomba to the Port Bonython processing plant (north of Whyalla). Products exported from Port Bonython include naphtha, crude oil, propane and butane.

POTENTIAL NEW RESOURCE PROJECTS IN THE REGION

Set out below is a list of some of the potential new projects for the Upper Spencer Gulf. This list is not intended to be a complete list but rather an indicative list to highlight the potential in the region:

AGL

Developing wind farms near Hallett. Stage One (45 turbines, 95 MW) has been completed. Stage Two (34 Turbines, 71 MW) is under construction. Stage Three in development (30 turbines, 90 MW estimated) Stage Four is being developed by Wind prospect for AGL (63 turbines, 189 MW estimated).

Altona Resources

The company is in the final stages of a bankable feasibility study to develop its Arckaringa Basin Coal Project (near Coober Pedy). The Project includes the development of an integrated Coal Mine, Coal-to-Liquids, and 560 MW Power Cogeneration Plant.

Arafura Resources

The company is progressing a Bankable Feasibility Study for its Nolan's Rare Earth deposit located 135 km from Alice Springs. The project will include construction of a rare earth processing plant which is likely to be co-located with a chemical plant to produce the reagents required for the process.

Acquasol Infrastructure Ltd

The company is planning to build a solar-gas hybrid power station and desalination facility at Point Paterson which is located south of Port Augusta.

Archer Exploration

Have a phosphate project south east of Burra. Searching for copper, gold and manganese near Wilmington plus copper, gold, manganese and iron ore on Eyre Peninsula and IOCG-U near Roxby Downs.

Argo Exploration

Exploring for copper, gold, uranium south and south-west of Olympic Dam

Argonaut Resources

Searching for copper/gold 75 km from Olympic Dam (Torrens Project).

Austin Exploration

The company has announced it expects to begin a new oil and gas drilling program on Yorke Peninsula in 2009.

BHP Billiton (Olympic Dam Expansion)

Currently produces 180,000 t.p.a of copper. A pre-feasibility study is currently underway looking at increasing production up to 730,000 t.p.a. Cost has been estimated at between \$6 Billion and \$15 Billion. Studies are also underway looking at electricity (690 MW) and water supply (desalination) along with a new haulage road from south of Port Augusta to transport plant and equipment to site.

Copper Range Limited

Exploring for iron oxide-copper-gold and uranium on various tenements stretching from Andamooka down to Kapunda. A potential significant iron ore body (Caltowie Project) has been identified 6 km from the town of Gladstone (40 km east of Port Pirie) and within 5 km of the Broken Hill to Port Pirie railway line.

Curnamona Energy Limited

A draft MARP for in situ recovery (of uranium) trial at its Oban prospect, 100 kilometres northwest of Broken Hill, has been lodged with PIRSA.

Dynamite Resources

The Lake Torrens IOCG(U) project adjoins BHP Billiton's Olympic Dam Mine. Initial drilling has shown significant IOCG(U) mineralization .

POTENTIAL NEW RESOURCE PROJECTS IN THE REGION (CONTINUED)Eden Energy Ltd

Assessing geothermal opportunities near Moomba, Olympic Dam and north of Renmark.

ElectraNet

Will be upgrading power transmission lines and substations in the region. New mining and wind farm developments will also have the effect of increasing load.

Exco Resources NL

Progressing development of White Dam Gold Project (near Olary) located 80 km west of Broken Hill. Joint venture with Polymetals. First gold production scheduled for mid 2009.

Flinders Diamonds

Looking at several sites in the Flinders Ranges and Gawler Craton for economic quantities of diamonds.

Geodynamics Ltd

Investigating the potential to produce electricity from Hot Fractured Rock in the states far north. As part of its development strategy the company intends to provide electricity to Innaminka in early 2009.

Geothermal Resources Ltd

Currently drilling to 1800 m at the Frome project to determine whether a viable geothermal resource is likely to exist.

GreenRock Energy

Currently pursuing the development of base load power generation from Hot Dry Rocks (geothermal energy) near Olympic Dam. Large inferred resource of heat in ground. Target 400 MWe capacity.

Gunson Resources Limited

Shallow copper resource at Mount Gunson (east of Woomera). 200,000 tonnes copper metal in situ. Feasibility study in progress due for completion Mid 2009.

Havilah Resources

- Kalkaroo deposit located north of Olary contains approximately 100 Mt of copper-gold-molybdenum ore, Glencore is funding a \$14 m feasibility study.
- Progressing feasibility of the Mutooroo copper-cobalt deposit which is located some 60 kms west of Broken Hill in South Australia and 17 km south of the Barrier Highway and the intercontinental railway, which links directly to Port Pirie approximately 300 km to the west (the ore is also capable of producing significant quantities of Sulphuric Acid and Iron Ore as by-products).
- Prospect Hill (North West of Lake Frome) is SA's largest known tin deposit. Drilling is targeting 1 Mt of open pit ore
- The Benagerie Project (copper-gold-molybdenum) located north of the Kalkaroo deposit incorporates the Portia and North Portia deposits that will be developed as one project. Feasibility study in progress.

Hillgrove Resources

Exploring for copper at Alford (with JV partner Argonaut Resources). Hillgrove Resources has done extensive near surface drilling and reported some good results. Further exploration work is to be performed. Emphasis currently on developing Kanmantoo copper/gold project 55 km south-east of Adelaide.

IMX Resources

The Cairn Hill Magnetite/Copper-Gold deposit (15.2 Mt) is located 55 km south-east from Coober Pedy. Associated infrastructure works have commenced. Ore will be shipped via Darwin to a specifically built processing plant in China. Shipping likely to commence Q1 2009.

POTENTIAL NEW RESOURCE PROJECTS IN THE REGION (CONTINUED)Linc Energy

Linc Energy aims to develop its first commercial Underground Coal Gasification (UCG) to Gas to Liquids (GTL) operation in the Arckaringa Basin upon areas recently acquired from SAPEX. The Arckaringa Basin is one of the largest contiguous coal basins in Australia and indeed the world. Due to the size of the coal resource, Linc Energy believes that it can support a UCG to GTL (Coal to Liquids) business that would include several 100,000 barrel per day facilities.

Marathon Resources

The Mt Gee deposit in the north-east of the state is one of Australia's largest undeveloped uranium deposits. Activities have centred around resource analysis, raising funds and the preparation of material required for a pre-feasibility study and Environmental Impact Statement (EIS).

Monax Mining

Punt Hill is Monax's flagship project. The tenement is located 130km north of Port Augusta and is being explored for copper, uranium and gold. Another significant project is the Waddikee Manganese and Iron Ore prospect located in the east-central portion of Eyre Peninsula. The company is also exploring for a range of commodities at various other sites.

Pacific Hydro

The company is progressing the construction of a 57 MW wind farm at Clements Gap just south of Port Pirie and is assessing the construction of a 175 MW wind farm at Carmody's Hill south east of Port Pirie. In addition the company is pursuing the construction of a 400 MW power generation plant in the north east of South Australia utilising steam from water heated by radioactive granite beneath the Australian outback.

PacMag Metals – Giralia Resources

PacMag is currently evaluating the Blue Rose/Olary copper-gold-molybdenum project. A joint venture with Giralia Resources NL. The project is located south of Olary.

PepinNini Minerals

Sinosteel Corporation (Sinosteel) and PepinNini Minerals Limited (PepinNini) have signed a Memorandum of Understanding (MOU) to enter a strategic alliance for the joint the development and operation of the Crocker Well and Mt Victoria Uranium Deposits and other commodities in the Curnamona Province of South Australia (between Peterborough and Broken Hill). A Mining Lease Application for Crocker Well has been lodged with the SA Government. A Bankable Feasibility Study has also been commissioned.

Petratherm

Petratherm is continuing to examine the optimum short and long-term development path for its Paralana geothermal project which is in close proximity to the operating Beverley mine and has signed a MoU with Heathgate Resources to provide top-up power to the mine via an initial 7.5 MW plant. Also under consideration is the possibility of supplying large-scale, base-load power (520 MW) into Australia's national electricity market through entry points at Port Augusta and Olympic Dam.

Phoenix Copper

The Company's main focus will initially be an exploration program for copper and gold at its three Projects in the historically significant and highly prospective Burra region of South Australia.

Quasar Resources

The Four Mile Uranium Project is located near Heathgate Resource's Beverley Mine. An application for a mining lease has been lodged. Mining is planned to commence early 2010. The four mile project will use the *in situ* recovery method involving the construction of a satellite pre-processing plant close to the four mile deposits to recover the uranium and utilizing the existing Beverley uranium processing facility owned by Heathgate Resources for further processing, drying and packaging of uranium concentrate.

POTENTIAL NEW RESOURCE PROJECTS IN THE REGION (CONTINUED)Rex Minerals

Pursuing search for copper/gold on York Peninsula, in particular the region surrounding the former Hillside Mine south of Ardrossan. The company is also exploring for a large copper-gold deposit at Wandearah (just south of Port Pirie) and for iron ore near Cowell.

Suzlon Energy

Suzlon Energy will be establishing an operations and maintenance facility at Jamestown. Over \$2.5 Billion in wind farms has been constructed, or under construction, or planned for construction in the region around Hallett and in the ranges to the north and west of Hallett. Suzlon Energy has won many of the construction contracts and accordingly has chosen to set up a permanent base at Jamestown.

Teck Cominco

Exploration for copper and gold at their Carrapateena project is showing good promise. The site lies on the western shore of Lake Torrens, about 100km southeast of Olympic Dam.

TrustPower

Has completed stage one of its Snowtown Wind Farm. The \$220 Million Wind Farm comprises 47 turbines with a peak output of 98.7 MW. The Wind Farm was constructed by Suzlon Energy. The site may be expanded to 130 turbines.

U3O8

Primarily searching for uranium at various locations within Australia and have located over 7 km of copper mineralisation along Mutooroo Ridge (Olary Project) near Olary.

Uranium Exploration Australia

Aggressively exploring for uranium at its tenements on the Stuart Shelf near Roxby Downs.

Uranium One

Uranium One has established a joint venture with Mitsui & Co to develop the Honeymoon mine located 80 km north-west of Broken Hill. The mine should be in production by 2010.

Western Plains Resources

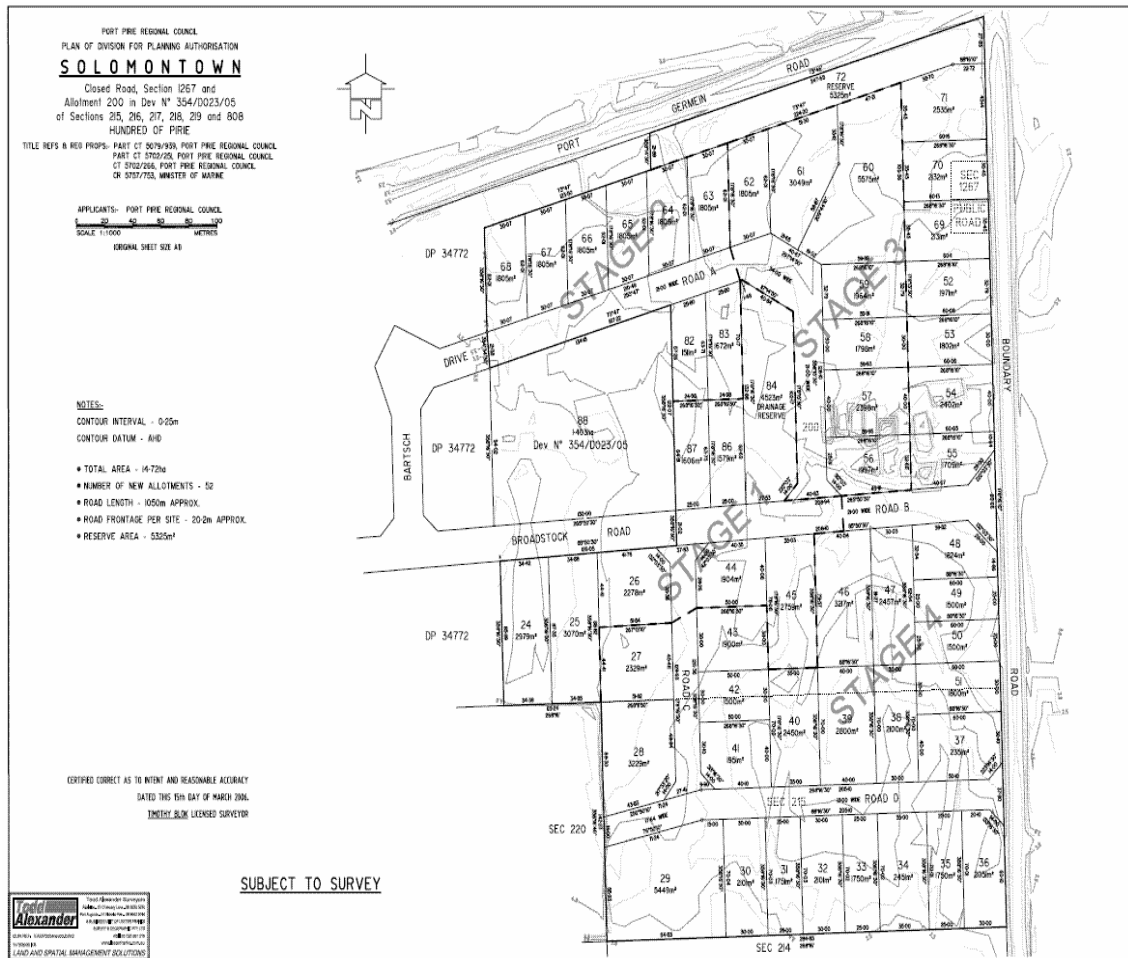
Has several iron ore projects near Coober Pedy. Aim is to develop Peculiar Knob first. Stripping to commence mid 2009 and export early 2010. Shipping will initially be through Port Adelaide until Port Bonython developed.

PORT PIRIE INDUSTRIAL LAND

New resource projects will bring economic prosperity to South Australia. These new projects will require a wide range of goods and services for both construction and day to day operations accordingly those businesses that take the steps to locate and position themselves for the growth opportunities will be able to reap the benefits

Port Pirie has land suitably zoned for residential, commercial and a range of industrial development. The Port Pirie Regional Council has recently constructed Stage Two of an Industrial Park on the north-east outskirts of Port Pirie with serviced blocks now available for sale. The Industrial Park has been developed by the Port Pirie Regional Council particularly with the aim of providing facilities to those companies wishing to establish in the region in readiness for the mining boom ahead.

A large allotment of land has also been zoned for a proposed industrial park (initially to be 300 hectares core with a 1200 hectare buffer zone) to the north of Port Pirie. The site would be suitable for power generation or a major resource processing industry. The land is adjacent the supply of electricity, natural gas, potable water and is bordered by the national rail line and national Highway One.



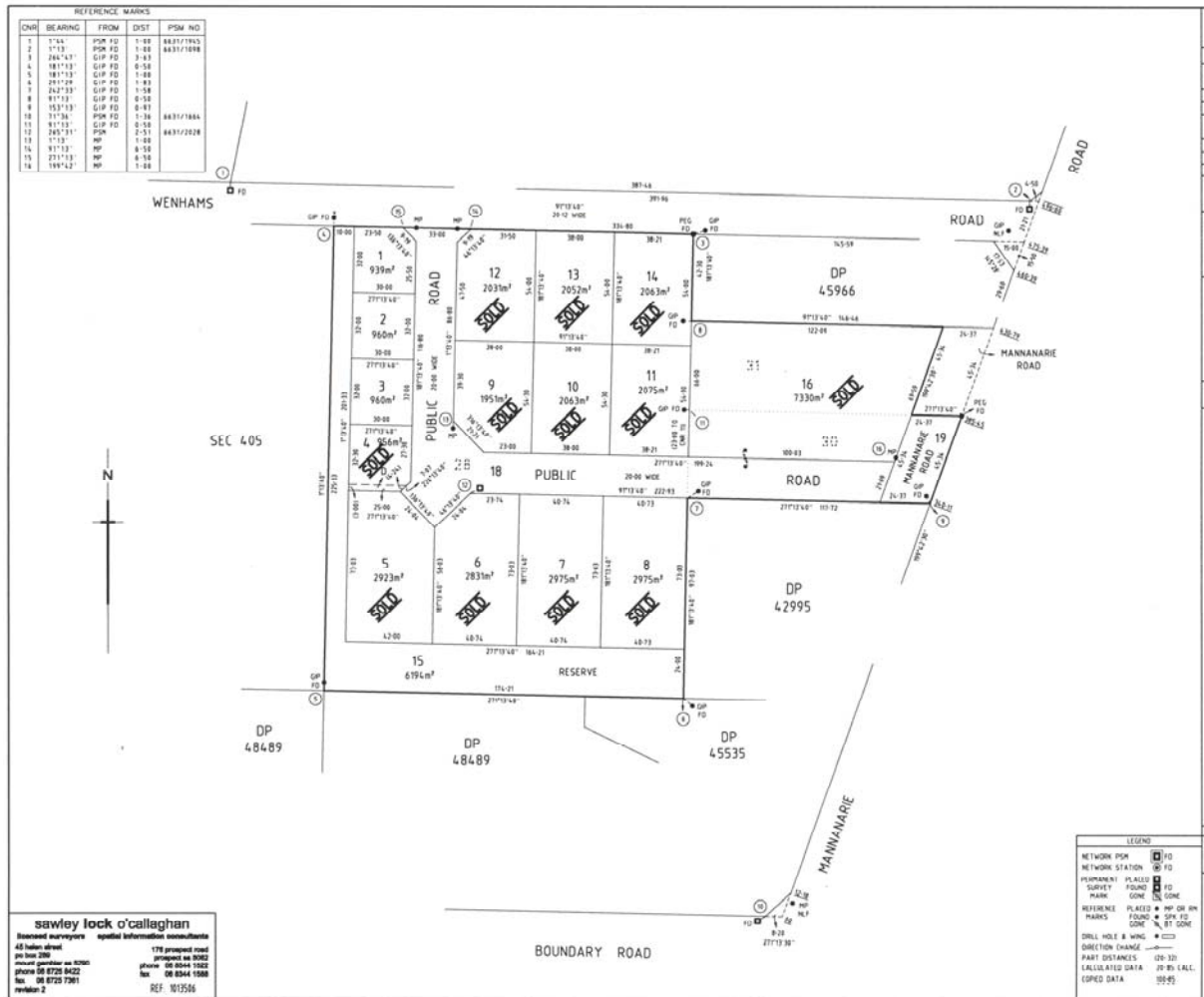
If you are interested in making an enquiry about land at the Industrial Park please contact the Port Pirie Regional Council on (08) 8633 9777 or the Selling Agents:

Raine & Horne
 120 Florence Street
 Port Pirie SA 5540
 Phone: 08 8633 1633
 Fax: 08 8633 1630



Contributing to an improving quality of life in our community through wealth creation and employment growth

JAMESTOWN INDUSTRIAL LAND



Jamestown is a thriving community of 1500 residents located 200km north of Adelaide (64 Km east of Port Pirie) and offers strong retail & business services, hospital and health care services, education (to year 12) and a comprehensive range of sport, recreation and cultural opportunities.

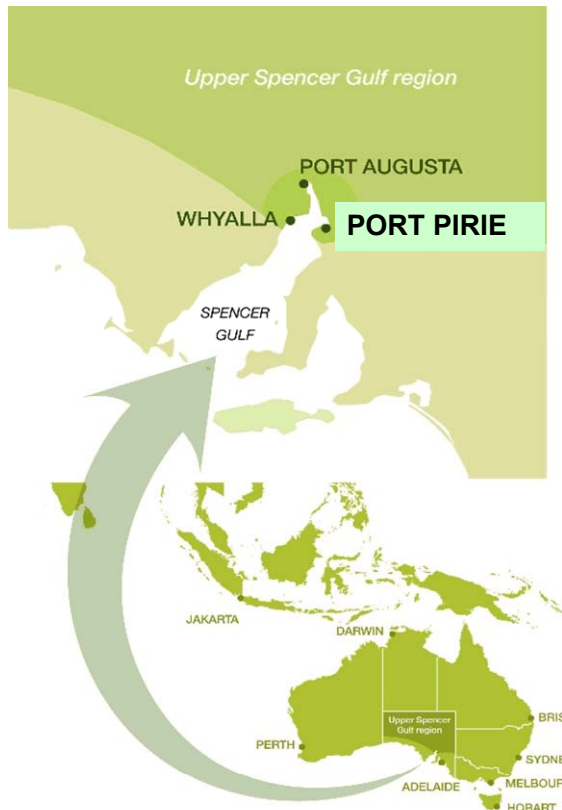
Jamestown’s commercial and industrial zone includes a range of established companies including: light engineering, industrial facility constructor, stock agents & supplies, cold storage, cabinet making, concrete batching, fuel distribution, transport depot, wool storage and mini storage. In addition a major wind farm maintenance and service centre is to be constructed. Wind farms established or proposed for the mid north region will see upwards of 400 turbines constructed - generating in the order of 900 MW of power to be added to the national (power) grid.

The existing developed Industrial Estate comprises 14 fully serviced allotments of which 3 remain for sale. To cater for the expected interest in supporting district growth and the emerging alternative energy industry the Northern Areas Council has updated facilities at its Jamestown Industrial Estate and has advanced its plans for an extension of the Estate to offer a further 20 allotments for investors.

The Jamestown Industrial Estate is adjacent to an approved road-train and B-double freight route while the town is serviced by an airstrip and connecting roads to all key regional centres.

Enquires can be pursued with the Northern Areas Council, Ayr Street, Jamestown - phone 08 8664 1139, email ceo@nacouncil.sa.gov.au or fax 08 8664 1085.

WHERE IS PORT PIRIE?



Port Pirie is located on the east coast of the fabulous waters of Spencer Gulf approximately 220 km north of South Australia's capital city of Adelaide. Just to the east is the scenic Flinders Ranges, renowned for their natural beauty.

The Southern Flinders Ranges Development Board covers three council areas all of which are very welcoming of new businesses and would be pleased to hear expressions of interest from those who may be interested in establishing new businesses in the region or from skilled people interested in moving to the region.

To find out more about the region please take a look at:

www.southernflindersranges.com

LIFESTYLE



A business needs a happy workforce. Port Pirie and region offers a great environment for families with plenty of education, sporting and recreational activities plus affordable land and housing. Several new residential estates are being developed.

Spencer Gulf offers great fishing and other water activities and the scenic Southern Flinders Ranges are great for touring, bush walking and bike riding.

Port Pirie is also the retail shopping hub for the region.

HOW CAN THE SOUTHERN FLINDERS RANGES DEVELOPMENT BOARD ASSIST YOU?

- Assistance in finding a suitable location
- Provide links to local contractors and service providers
- Provide links to Local Government and other agencies
- Assistance in workforce development
- Business Planning
- Supply Chain
- General Business Assistance
- Export Development

All services are provided free of charge

Contributing to an improving quality of life in our community through wealth creation and employment growth

SUMMARY

The Southern Flinders Ranges Region with Port Pirie as its major regional centre has a strong history of supporting industry. Energy is available in the form of electricity and natural gas. Transport for freight is available by sea, rail and road. Support industries already exist along with a skilled workforce. Facilities exist for education, training and health. Further, Port Pirie provides employees with a great lifestyle associated with the available recreational facilities, low housing costs and Mediterranean climate. The community generally welcomes and provides a high level of support to industry.

The Southern Flinders Ranges Development Board is keen to work with and support businesses interested in establishing in the region. The Board has a team of highly skilled professionals who are able to provide advice and assistance to ensure that new enterprises are given the support that they require.

FURTHER INFORMATION

If you would like further information please contact any of the following staff at the Southern Flinders Ranges Development Board:

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