



NORTH WEST IRON ORE ALLIANCE

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SUBMISSION

NCC Draft Recommendations relating to the Applications for
Declaration of:

- a Service Provided by the Goldsworthy Railway;
- a Service Provided by the Hamersley Railway;
- a Service Provided by the Robe Railway.

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EXECUTIVE SUMMARY

This is the NWIOA (North West Iron Ore Alliance) members' submission to the NCC in response to its recently released draft recommendations on the declaration of three railways:

- ▶ a service provided by the Goldsworthy Railway;
- ▶ a service provided by the Hamersley Railway; and
- ▶ a service provided by the Robe Railway.

The NWIOA is a group of four iron ore companies operating in the Pilbara region. All are listed on the Australian Stock Exchange. The members of the NWIOA have a number of iron ore projects which are nearing production stage. Production is estimated to begin in 2008, for Atlas Iron and combined projected production volumes from sites of NWIOA members is currently about 52 million tonnes per annum by 2014. The NWIOA draws attention to the fact that although the respective applications for declaration on the three railway lines were submitted by The Pilbara Infrastructure Pty Ltd (TPI) which is wholly owned by Fortescue Metals Group(FMG), third party access will benefit many existing and potential iron ore miners including our NWIOA members that would individually be unable to build the infrastructure required to enable the transport of iron ore to port for export. Exploration activity would also be likely to increase.

Access to these three Railways is essential as companies with sites near the respective Railways would seek to use them as long haul routes. In addition, access to the Goldsworthy Railway is also key to companies who have sites close to the Mount Newman line due to the 17km section of the Goldsworthy Railway which runs from the Goldsworthy/Mount Newman Railways junction to Finucane Island. It would provide an important link between the Mount Newman Railway and most of the proposed common access facilities within the Port of Port Hedland on the Finucane Island side of the harbour.

The NWIOA has stated in its previous submissions and again emphasises that if railway access is not granted, some mine sites would be financially unviable, or production at some sites would be severely limited owing to the environmental, social, financial and potential licensing restrictions relative to the trucking of iron ore. Dependent on the distance between the mine and the port, the road transport option may be uneconomical due to iron ore being a relatively low value product per unit volume and mass. Another factor for consideration is the current West Australian State Government's clear preference for rail rather than road haulage. It is unclear whether the necessary Government approvals would be forthcoming for hauling large tonnages of ore by road, or sustained growth in iron ore road haulage. In addition, there are qualitative impacts to be considered if access to the Railways is denied and building and operating a new dedicated railway or hauling by road are considered the only options. These impacts include land availability, environmental issues and under utilisation of rail capacity in the booming

Pilbara region. The NWIOA maintains that access to an existing railway and an efficient above rail operator is essential to enable many tenements in the Pilbara region to progress through to production stage.

The NWIOA applauds the draft recommendation of the NCC. The NWIOA, being a firm supporter for the declaration of these Railways, would also welcome a final declaration providing third party users with the legally enforceable right to negotiate access to the Pilbara Railway lines. The NWIOA submits that such a declaration would increase the number of suppliers of iron ore and thus improve the long term viability of competition between the iron ore miners within the Pilbara.

1. INTRODUCTION

Earlier this year, the North West Iron Ore Alliance (NWIOA) responded to the National Competition Council (NCC) call for submissions in regards to the applications by The Pilbara Infrastructure Pty Ltd (TPI) for declaration of:

- ▶ a service provided by the Goldsworthy Railway;
- ▶ a service provided by the Hamersley Railway; and
- ▶ a service provided by the Robe Railway.

Recently, the NCC has released draft recommendations on the declaration of these three railways and invited interested parties to make submissions pertaining to these draft recommendations. This is the NWIOA members' submission on the NCC draft recommendations regarding the declaration of the three railways.

The North West Iron Ore Alliance was formed in 2007 to represent the interests of a group of dynamic iron ore companies operating in the world-class Pilbara region of Western Australia. The Alliance's core objective is to work with communities in the region, government, infrastructure providers, existing producers and other stakeholders to promote the development of a vibrant junior iron ore industry. The NWIOA is currently comprised of 4 members:

- ▶ Atlas Iron;
- ▶ BC Iron;
- ▶ Brockman Resources; and
- ▶ FerrAus.

More information on the NWIOA can be found at its website at www.nwioa.com.au. Also Appendix A contains further details on the NWIOA and its members.

As stated in the previous submission to the NCC, members of the NWIOA have various development and exploration projects in the vicinity of all the three railways which are the subject of application for declaration. Access to existing railway infrastructure is imperative if these projects are to be financially and operationally viable.

In this submission, the NWIOA has provided responses to the declaration criteria. It should be noted that in previous submissions to the NCC, the NWIOA addressed specific questions asked by the NCC and provided data supporting the case for declaration. In addition to information

contained within this submission, the previously provided information included the location of less advanced tenements and indicative transport cost estimates for three options. The first and preferred option modelled access to the existing railway using an efficient above rail operator. The other two options modelled road haulage and building a dedicated railway and operating a dedicated rolling stock fleet.

Any queries on this submission by the NWIOA should be directed to:

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2. DISCUSSION OF FACTORS RELEVANT TO THE DECLARATION CRITERIA

The NCC can only recommend that a service be declared if it is satisfied that all the following criteria are met:

- (a) That access (or increased access) to the service would promote a material increase in competition in at least one market (whether or not in Australia) other than the market for the service
- (b) That it would be uneconomical for anyone to develop another facility to provide the service
- (c) That the facility is of national significance, having regard to:
 - (i) The size of the facility or
 - (ii) The importance of the facility to constitutional trade or commerce or
 - (iii) The importance of the facility to the national economy
- (d) That access to the service can be provided without undue risk to human health or safety
- (e) that access to the service is not already the subject of an effective access regime, and
- (f) that access (or increased access) to the service would not be contrary to the public interest.

In addition, Section 44H(2) of the Trade Practices Act requires that the NCC also consider whether it would be economical for anyone to develop another facility that could provide part of the service and Section 44H(8) of the TPA requires that if the designated Minister declares the service, the declaration must specify the expiry date of the declaration.

The NWIOA has addressed relevant individual criteria in sections 2.1 to 2.8.

2.1. Criterion (a) - that access (or increased access) to the service would promote a material increase in competition in at least one market (whether or not in Australia) other than the market for the service

The market for iron ore tenements

As indicated in earlier submissions by the NWIOA and other parties submitting to the initial request for submissions, there are various iron ore tenements in the vicinity of these three Railways which have the potential to be developed into operating mines. If there is no access to an existing Railway many are unlikely to be developed. However, if there is access to an existing Railway the development of most of these tenements may be financially feasible. This will inherently lead to more competition in the market for iron ore tenements.

The haulage service market

As shown in Table 2.1 below, by 2011, the forecast tonnage produced by NWIOA companies that will be exported through Port Hedland, will reach 28 million tonnes. This will increase to 67 million tonnes by 2016.

Year	Company (Mtpa)				Total
	Brockman Resources ¹	Atlas Iron	BC Iron	FerrAus	
2009	1	1	0	1	3
2010	2	6	2	2	12
2011	8	9	5	6	28
2012	10	12	5	10	37
2013	15	17	5	10	47
2014	15	22	5	10	52
2015	20	22	5	15	62
2016	25	22	5	15	67
2017	25	22	5	15	67
2018	25	22	5	15	67
2019	25	22	5	15	67
2020	25	22	5	15	67

Table 2.1 Updated NWIOA annual tonnes for the next twelve years on the Mt Newman and/or Goldsworthy Railway System

It is possible that one of the NWIOA members may also require access to the Hamersley Railway and/or a section of the Robe Railway. Table 2.2 below shows the forecast production volumes in tonnes that Brockman Resources may seek to exported through

¹All tonnes from Marillana operations

Ports at Dampier or Cape Lambert. Brockman Resources production volumes are projected to reach 10 million tonnes in 2012 and are forecast to further increase to 35 million tonnes by 2017, these figures represents tonnes from Brockman's Marillana operations plus tonnes either from Duck Creek, Mt Stuart, West Hamersley or Mt Florance.

Year	Brockman Resources	Total
2009	1	1
2010	2	2
2011	8	8
2012	10	10
2013	15	15
2014	15	15
2015	20	20
2016	30	30
2017	35	35
2018	35	35
2019	35	35
2020	35	35

Table 2.2 Updated NWIOA annual tonnes for next twelve years on the Hamersley Railway

Based on these tonnages alone, it is feasible that if third party access was granted, a third party operator could enter the haulage market in this region. In addition, should the market for iron ore tenements increase with the option of access to the Railways, there could be a further increase in the requirement for iron ore haulage services, thus increasing the likelihood of additional third party haulage operators entering the market.

2.2. Criterion (b) - that it would be uneconomical for anyone to develop another facility to provide the service

The NWIOA understands that the NCC is seeking estimates of the replacement cost of these Railways. The NWIOA, however, is unable to provide any detailed estimates as this information is retained by the companies currently operating the Railways and is not publicly available. However, in the original NWIOA submission to the NCC, a model was developed to estimate the costs associated with different modes of transport for transporting iron ore from a mining site to port for export. Two versions of the model were developed using parameters based on the Goldsworthy and Hamersley Railway lines respectively. For each version of the model, three scenarios were considered.

Goldsworthy Railway Model

The results of the model based on the Goldsworthy Railway parameters are discussed below.

- ▶ Goldsworthy Scenario 1: Transporting iron ore by road with road trains. Indicative rates are \$9.75 per net tonne for a mine 75 kms from port (e.g. Port Hedland) and \$19.50 per net tonne for a mine 150 kilometres away from port.
- ▶ Goldsworthy Scenario 2: Transporting iron ore by a dedicated train fleet running on a dedicated railway line built and operated exclusively for the particular mine. The indicative rate (including above² and below³ rail costs and shared port facilities⁴) for a mining operation 75 kms from the port would be \$19.01⁵ per net tonne. The comparative indicative rate for a mine 150 kilometres away from the port would be \$37.76⁶ per net tonne.
- ▶ Goldsworthy Scenario 3: Transport of iron ore by an efficient above rail operator. The indicative rates for a mine 75 kms from the port (including below and above rail and shared port facilities) is \$3.41 per net tonne. The equivalent rate figure for a mine 150 kilometres away is approximately \$6.56 per net tonne.

The cost estimates for scenarios 1 to 3 strongly suggest that it is not financially feasible for an individual company to build a new track and operate its own trains. It is clear that the only cost efficient method for transporting bulk commodities such as iron ore is by gaining access to an existing railway and using an efficient above rail operator.

Hamersley Railway Model

The Hamersley Railway version of the model compared the costs of different modes of transport for transporting iron ore from a mining operation which is approximately 400 kilometres away from port (e.g. Dampier). The results of the model based on the Hamersley Railway parameters are discussed below.

- ▶ Hamersley Scenario 1: Indicative rates for transporting iron ore by road with road trains would be \$52.00 per net tonne for a mine 420kms from port.

² Above rail refers to rolling stock

³ Below rail refers to rail track access

⁴ Shared port facilities only include rotary car dumper and siding

⁵ Capital Costs were based on the mine life of only 10 years

⁶ Capital Costs were based on the mine life of only 10 years

- ▶ Hamersley Scenario 2: Transport of iron ore via a dedicated train fleet running on a dedicated railway line built and operated exclusively for the particular mine. The indicative rates (including above and below rail costs and shared port facilities) for a mining operation 400 kms from port would be \$20.76 per net tonne.
- ▶ Hamersley Scenario 3: Transport of iron ore on an existing railway by an efficient above rail operator. The indicative rates for a mine 400 kms from the port (including below and above rail and shared port facilities) is \$11.06 per net tonne

Again, cost estimates for scenarios 1 to 3 strongly suggest that it is not financially viable for an individual company to build a new track and operating its own trains. It is clear that the only cost efficient method for transporting bulk commodities such as iron ore, where distances from the port are excessive, is by gaining access to an existing railway and using an efficient above rail operator.

2.3. Criterion (c) - that the facility is of national significance, having regard to: (i) the size of the facility or (ii) the importance of the facility to constitutional trade or commerce or (iii) the importance of the facility to the national economy

The NWIOA understands that there is no dispute with respect to this criterion. The NWIOA confirms that it supports the affirmative view that the railways which are the subject of application for declaration are of national significance. This is highlighted by the fact that the combined NWIOA's growth Plans of 67 Mtpa by 2016 could generate an additional \$180 million per annum in State Royalties.

2.4. Criterion (d) - that access to the service can be provided without undue risk to human health or safety

The NWIOA understands that should these Railways be declared, access terms and conditions will be regulated under the Rail Safety Act 1998 (WA)⁷ and that all third party operators would need to be fully accredited operators. The NWIOA supports the view of the Council that criterion (d) is satisfied.

⁷ In Section 5.1 of the Government of Western Australia's Goldsworthy submission, it was confirmed that whoever operates on the applicable Pilbara railway lines as third party operators, will have to comply with the Rail Safety Act 1998 (WA).

2.5. Criterion (e) - that access to the service is not already the subject of an effective access regime

The NWIOA agrees with the NCC that with respect to the services for which declaration is being sought, there is currently no effective or operating access regime in place.

The NWIOA acknowledges that a Pilbara Rail Access Interdepartmental Committee (PRAIC) has been formed with the purpose of developing a Western Australian State based access regime (for haulage only). The PRAIC is chaired by the Department of Treasury and Finance. It is envisaged that once developed, the access regime would be used to regulate access to the Pilbara iron ore railways in WA. Recently, the PRAIC has released a draft Pilbara Railways Regime for third party haulage and has invited public comment by the close of business on Friday 25 July.

The NWIOA welcomes the potential introduction of a state based access regime but also acknowledges that the draft regime is only in the early stages of development and that there are a number of potentially major issues that are yet to be addressed before an adequate regime can be implemented. As stated by the NCC, there is also no confirmation on when such a regime may be approved. Even if the regime is approved extensive new legislation and variations to several existing State Agreements will be required. The regime cannot be implemented unless there are negotiations in good faith between existing rail owners and potential new rail haulage users.

Another issue is that the proposed state regime only covers third party haulage of iron ore and specifically excludes full third party access. Although the NWIOA agrees that there is merit in having such a regime as a minimum, it supports the view that a complete third party access regime would provide competition in the market for rail haulage services and hence would give mining companies the additional options of either running their own trains or using an alternative third party operator to supply rolling stock. The availability of alternative rail haulage operators would encourage competitive pricing for rail haulage hence offering individual mining companies the best opportunity to minimise their transport costs. It is the NWIOA's view that the mining companies in the Pilbara region would be best served by the introduction of a complete third party access regime which would give individual companies the option of choosing their haulage operator.

2.6. Criterion (f) - that access (or increased access) to the service would not be contrary to the public interest

The NWIOA does not believe that access would be contrary to the public interest. In fact, the NWIOA submits that it is in the public interest to increase the number of iron ore mining companies operating out of the Pilbara.

Arguments that it would be contrary to the public interest because there would be losses in efficiency if third party operators were allowed on the Railways are largely unsubstantiated. The plans by current owners to massively expand operations are testament to the latent capacity of the existing Rail Lines.

It is understood that the Railways will be regulated under the Rail Safety Act if they are declared. The NWIOA believes that currently two of the three Railways that are subject to declaration are currently already operating under the Rail Safety Act⁸. In addition, any third party operator seeking access to a declared line would have to be accredited and operate under the Rail Safety Act. It is also most likely that should these Railways be declared, access would be regulated by a national or state regulatory body and subject to the relevant rail access regime. All rail access regimes are underpinned by a number of legally enforceable documents, guidelines and policies that would ensure that the Railways were operated properly. Examples of typical functions and access arrangements for which rules would apply include:

- ▶ train management;
- ▶ train path allocation;
- ▶ safety management;
- ▶ access pricing;
- ▶ accounting/financial management;
- ▶ dispute arbitration; and
- ▶ a provision for periodic reviews of defined aspects of the regime.

Should these Railways be declared, access will be subject to the appropriate regulatory regime which is generally developed with input from all interested parties. Mature rail access regimes have been in existence and are successfully in operation throughout

Australia. It is therefore reasonable to expect that any access regime developed for these Railways would incorporate supporting guidelines and that the Railway could operate safely and efficiently. It could further be expected that any access regime for these Railways would incorporate reasonable provisions which ensure that access by third party operators would not be contrary to the public interest.

2.7. The NCC must also consider whether it would be economical for anyone to develop another facility that could provide part of the service

The NWIOA understands that this criteria requires further consideration in the event where there is a part of the service which is subject to a restriction or constraint. Further consideration is particularly relevant where expansion of the infrastructure in order to relieve such a restriction or constraint is less financially feasible when compared with the option of developing another part of the service.

The NWIOA understands that currently there is still available capacity on most if not all sections of these Railways which are subject to applications for declaration. The NWIOA notes that there have been suggestions that there is a 17 km section of the Goldsworthy Railway between the Goldsworthy Junction and Finucane Island that is approaching capacity. The NWIOA would contend that the Finucane Island side of the Goldsworthy railway is operating inefficiently at this point in time, with loaded trains left standing on the main line in preparation for discharge. Track duplication or sidings to remove trains from the main line will provide for significant increases in the volume of traffic capable of accessing facilities on the Finucane Island side of Port Hedland harbour.

The NCC has requested NWIOA tonnage figures for product to be transported over this section of line. Figure 2.1 shows the total NWIOA tonnages projected to be transported over this section of line by the year 2016.

⁸ The Goldsworthy line is still regulated under the Mines Safety and Inspection Act 1994 (WA).

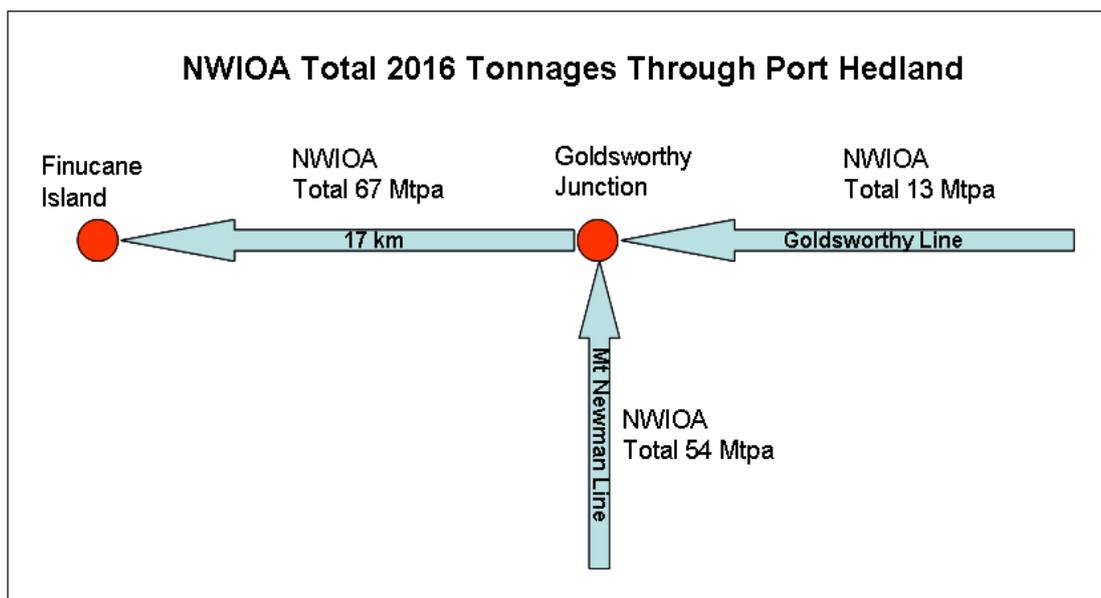


Figure 2.1 NWIOA 2016 Tonnes

In 2016, 67 million tonnes are projected to be transported over this 17 km section of line. Of this total volume of 67 million tonnes, 19% is projected to be transported from the East on the Goldsworthy Line west from the Goldsworthy Junction and 81% from the South on the Mount Newman Railway.

It must be noted that the NWIOA is currently progressing various options with the Port Hedland Port Authority to secure land to develop a NWIOA joint facility.

The precise location for the infrastructure required is yet to be agreed. NWIOA potentially requires access to the entire 17 kilometre section. Depending on the final location of the shared facility it is possible that access to less than the entire 17 kilometre section of line may be required.

As stated in NWIOA's previous submission, although the NWIOA has not completed any capacity modelling on sections of the Goldsworthy Railway, it is not aware of any capacity constraints on this section of line. However, should capacity constraints exist on this section of line, it would still be more efficient to expand or duplicate the relevant sections of line within the existing corridor from the Goldsworthy Junction to the proposed unloading facilities.

There are also qualitative restrictions on facilities construction and operations within the port. These constraints include the lack of availability of land and the social and

environmental issues that would be created by the construction and operation of a completely new railway line. Environmental issues that are likely to arise include impacts on coastal habitat values, waste management, soil and groundwater, dust, noise and light emissions. Should expansion or duplication be required in the future it would be preferable for the existing track owner to do it and integrate it with the existing rail section to maximise efficiency for the owner and other users.

2.8. Duration of declaration

The NCC considers that 20 years would be a sufficient period for which declaration should apply. The NWIOA believes that the 20 year period is inadequate and that a 25 year declaration duration would be more appropriate and provide its members with a sufficient timeframe to develop their mines and “bank” their Projects.

The estimated life of a mine asset is dependent on the amount of available resources and the depletion rate of these resources. These estimates are key in the calculation of the financial viability of the development and operation of a mine. The estimated average mine life of the iron ore companies seeking access to the Pilbara Railways applicable in these applications for declaration is approximately 20 years once full production levels are attained⁹.

As can be seen in Table 2.1 above, the combined NWIOA projected volume is 12 million tonnes in 2010 and full scale production tonnes of 67 million is expected by 2016. On average, it takes a mining operation 2-5 years to ramp up to full production. In this context, the period applying to any declaration is very important. The NWIOA also notes that if these Railways are declared, it will be the first true legislative opportunity to negotiate for third party access. It is not clear how long it may take before third party access is granted and terms can be agreed following declaration of a Railway. However, it is important that this negotiating time be taken into consideration when choosing the period for which declaration is to be applied.

In addition, a proponent third party operator will only be able to start commercial negotiations with the track owner/operator after the lines are declared. It is not until that time that proponent third party operators will be in a position to start negotiations with individual mining companies seeking haulage. The duration of this process is also variable but again it is important that time allowances are made for negotiations between proponent operators and track owners and are taken into account when determining the period of declaration.

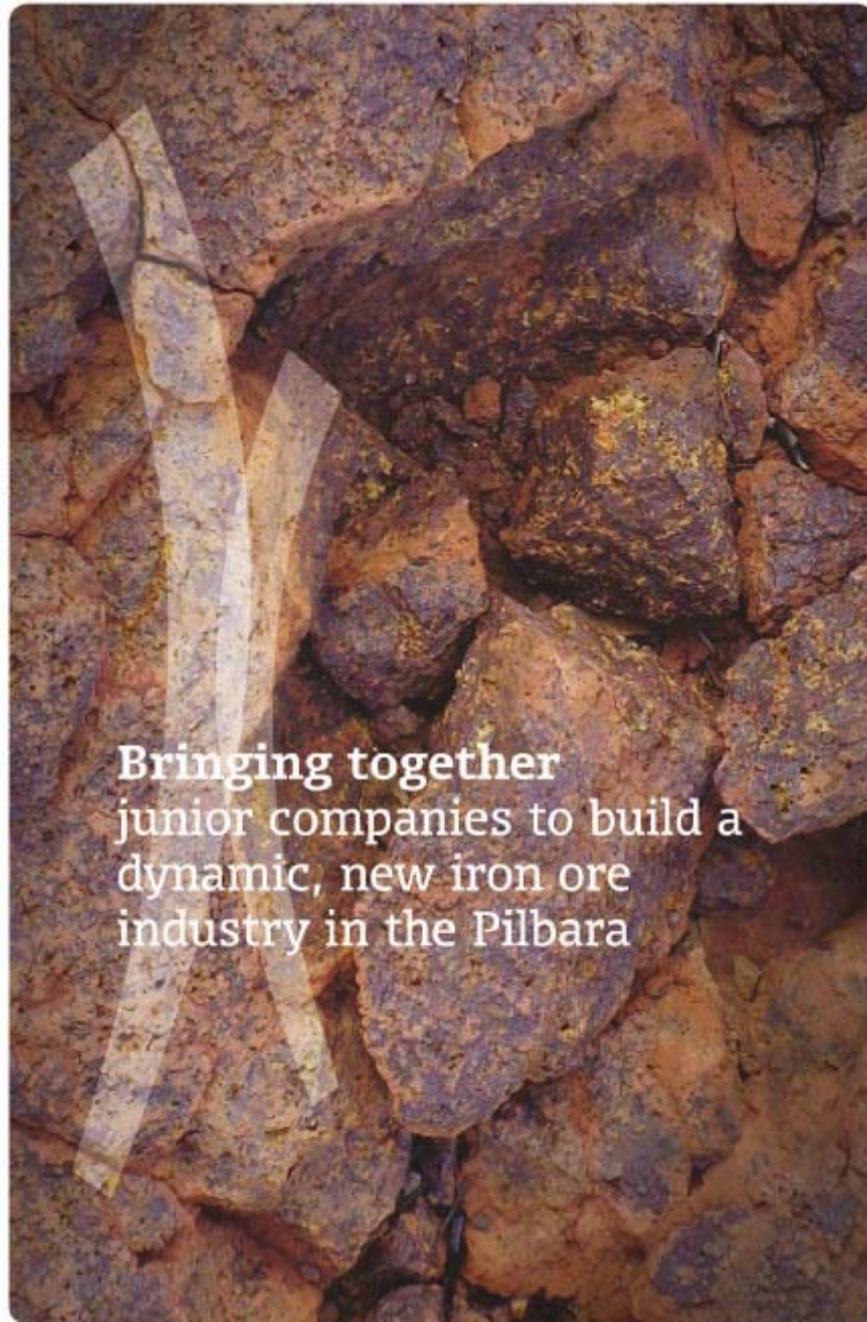
⁹ 20 years is the average number of years used for mining companies in bankable feasibility studies.

Furthermore, following formal negotiations, new rolling stock will need to be ordered. Currently, the estimated lead time for rolling stock is approximately two years which may lead to further delays to mines commencing operations.

Considering the timeframes of each stage of negotiations outlined in this section, the NWIOA seeks a minimum 25 year declaration duration to accommodate production ramp up time, negotiations covering access and haulage terms and conditions, lead time on procuring rolling stock and the assumption of an average mine life of 20 years once maximum ore extraction is achieved.

APPENDIX A

BACKGROUND INFORMATION ON MEMBERS OF THE NWIOA





“Collectively, these companies have the potential to develop long-term iron ore production and export businesses capable of delivering up to 52 million tonnes of iron ore per annum by 2014...generating more than A\$165 million per annum in royalties and significant new employment, growth and economic opportunities...”



About the North West Iron Ore Alliance

The North West Iron Ore Alliance (NWIOA) was formed in 2007, bringing together a group of emerging iron ore companies with a shared interest in promoting the development of a vibrant and successful new iron ore mining and export industry in the world-class Pilbara region of Western Australia.

The members of the NWIOA are:

- Atlas Iron Limited
- BC Iron Limited
- Brockman Resources Limited
- FerrAus Limited

Collectively, these companies have the potential to develop long-term iron ore production and export businesses capable of delivering up to 52 million tonnes of iron ore per annum by 2014. Alliance members have delineated combined high-grade hematite, Channel Iron Deposit and detrital resources totalling approximately 1.6 billion tonnes and magnetite resources totalling some 1.5 billion tonnes.

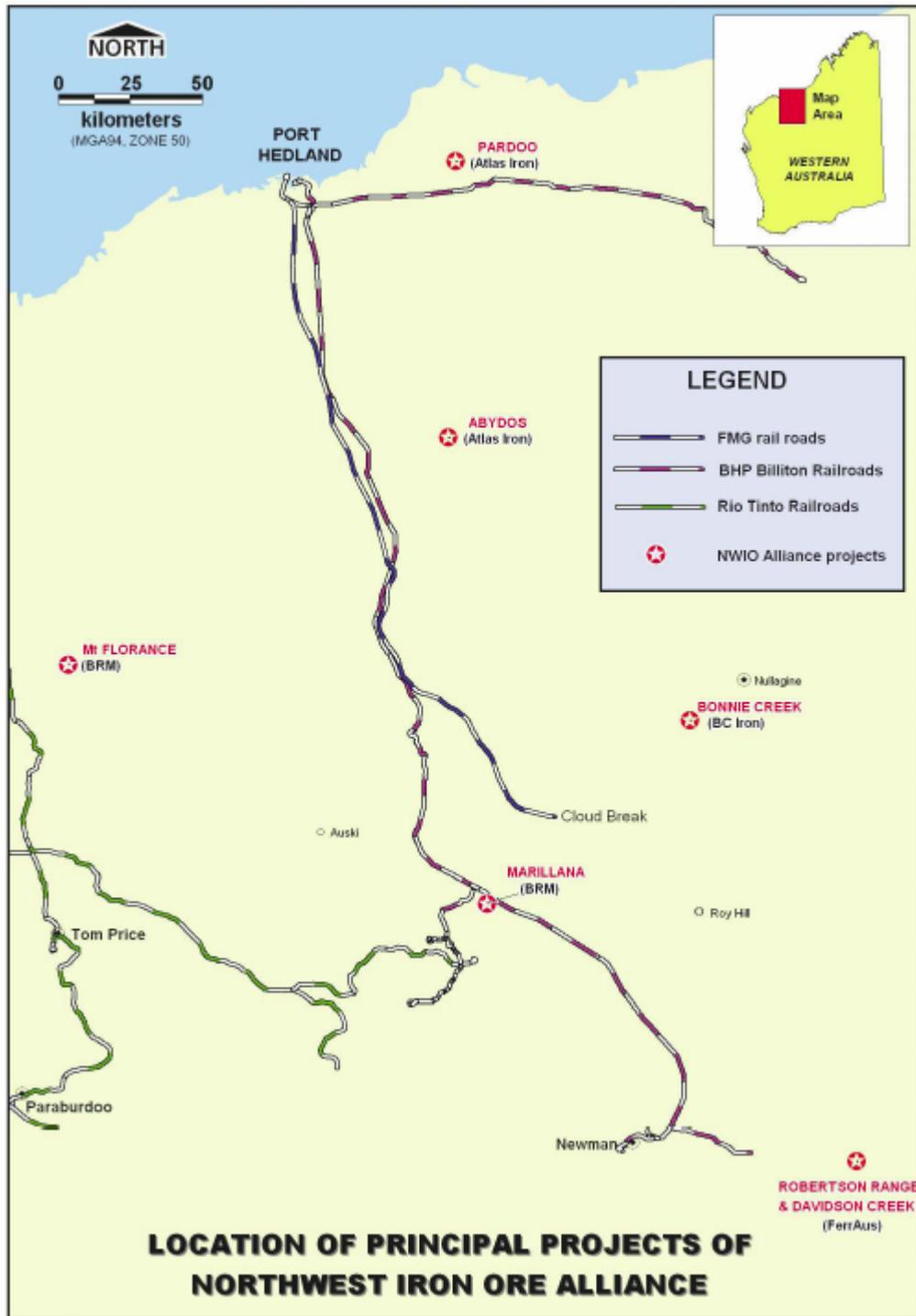
The Alliance companies are majority owned by Australian shareholders, and have already made a substantial contribution to the Pilbara regional economy, having raised almost A\$260 million in capital since 2004 to underpin aggressive iron ore exploration, evaluation and feasibility programs.

Between them, the four Alliance members already employ approximately 180 people, both directly and indirectly, and this figure is expected to increase rapidly in the months ahead as they progress from

Scoping Studies through Feasibility Studies to production. First iron ore production from a North West Iron Ore Alliance company is scheduled to commence in October 2008.

The Alliance members have agreed to work together to enhance and accelerate the development of a brand new junior iron ore sector to take advantage of the current strong growth cycle in the global iron ore industry. Key areas of focus for the Alliance include infrastructure access, economic and social development, statutory approvals, stakeholder relations and building strong partnerships with communities in the Pilbara.

By working together, North West Iron Ore Alliance members have the potential to generate significant employment and business opportunities in the Pilbara and Perth, while increasing the diversity, depth and sustainability of the multi-billion dollar iron ore sector.



A New Iron Ore Generation in the Pilbara

The North West Iron Ore Alliance companies are set to make a significant and dynamic contribution to the Pilbara iron ore industry, which has played a vital role in the region's development since the 1960s and accounts for over 95% of Australia's iron ore exports.

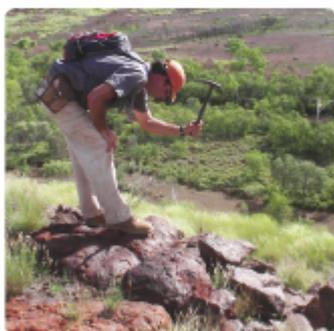
Current development and production plans could see the four existing NWIOA members produce up to 52 million tonnes per annum of iron ore by 2014 – a level of production that would generate more than A\$165 million in royalties annually and significant new employment, growth and economic opportunities.

This level of production is equivalent to approximately 15% of Australia's forecast iron ore production of 322 million tonnes

in 2007/08 and collectively would rank alongside some of the more significant recent and new iron ore developments currently planned in Australia.

These include BHP Billiton's Rapid Growth 3 Project, Rio Tinto's Hamersley expansion, Fortescue Metal Group's Chichester Project and several new projects planned for the Mid West region of Western Australia.

The growth of the Chinese economy over the past decade and the surging demand from its steel industry for additional supplies of high-quality iron ore has fuelled increased investment in exploration for new iron ore deposits in the Pilbara region, both amongst the majors and a group of dynamic junior iron ore companies.



The Alliance's Objectives

The key objective of the North West Iron Ore Alliance is to bring junior companies together to fast-track and streamline the development of a successful and dynamic new iron ore industry in the Pilbara region of Western Australia.

Our key initial focal points are:

- To secure commitment from the Western Australian State Government for a new junior iron ore industry within the Pilbara region
- To help find new solutions to approvals issues
- To be employers of choice in the iron ore industry
- To provide diversity to the State's iron ore industry.
- To help find new solutions to approvals issues
- To be employers of choice in the iron ore industry
- To simplify and enhance the way our member companies contribute to education and employment opportunities for our workers and their families
- To foster partnerships and training and employment opportunities with Indigenous Australians.
- To advocate for public policy settings that:
 - » Consider the needs of junior iron ore companies in regards to the planned expansion of social and economic infrastructure at Port Hedland
 - » Consider the needs of junior iron ore companies when determining access to rail and other transport infrastructure
 - » Assist Federal and State Governments to provide sustainable social and economic infrastructure for the Pilbara that will mean true regional development



Our Members

Atlas Iron Limited www.atlasiron.com.au

Atlas Iron (ASX: AGO) has one of the largest land holdings in the Pilbara region covering over 6000km². The Company is preparing to commence production of direct shipping grade iron ore (DSO) resources from Pardoo Project, 75km from the public access port at Port Hedland, in the second half of 2008. Targeting production of 1 million tonnes per annum in its first year of operation, Atlas is forecasting its production at Pardoo will grow to 3 million tonnes per annum by 2010 with further substantial growth expected on the basis of its aggressive ongoing exploration effort. Atlas has recently upgraded its exploration target to 120-180 million tonnes.

BC Iron Limited www.bciron.com.au

BC Iron (ASX: BCI) is focused on the exploration and development of channel iron deposits within its Nullagine Project in the Pilbara. A major exploration program commenced in April 2007 over the Bonnie Creek and Nullagine River CIDs, and, in March 2008, BC Iron announced a Channel Iron Deposit resource of 47.2Mt at 53.6% Fe (61.5% CaFe) at Nullagine, including a high-grade DSO resource of 28.0Mt grading 57.4% Fe (65.1% CaFe). The Company is conducting a Scoping Study on an initial 3Mtpa DSO operation at the Bonnie Creek CID Project.

Brockman Resources www.brockmanresources.com.au

Brockman Resources Limited (formerly Yilgarn Mining Limited) is focused on the exploration and development of its 100%-owned Marillana Project, located 100km north of Newman in the Pilbara, where the total Mineral Resource now exceeds 1.1 billion tonnes of iron ore, and the Company is aggressively targeting iron ore production by 2009. Brockman has recently completed a Scoping Study on a proposed 1.0Mtpa iron ore project and is conducting a Feasibility Study based on its expanded resource base which is due for completion in early 2009.

FerrAus Limited www.ferraus.com

FerrAus is an emerging developer of iron ore and other ferrous raw materials. Its wholly owned, strategic foothold in the under-explored, highly prospective new iron ore sub-province in the East Pilbara region encompasses over 550km² with a potential strike length of 30-40km. The priority project is Robertson Range where continuous drilling and evaluation campaigns since late 2005 have yielded a significant resource with the expectation of continued expansion as a result of further planned drilling programmes.



Representatives of the North West Iron Ore Alliance

Megan Anwyl

Chair – North West Iron Ore Alliance

Megan Anwyl was appointed Chair of the North West Iron Ore Alliance in December 2007. She is the former Member for Kalgoorlie (1996-2001) and was a Shadow Minister on Geoff Gallop's front bench, giving her a unique insight and special expertise in the political and bureaucratic processes of the Western Australian Government. After leaving Parliament, Megan was appointed as Director of lobbying firm, Hawker Britton, where she acted as a government relations consultant focusing particularly on major infrastructure projects.

For ten years before entering Parliament, Megan practised as a lawyer and maintains strong links to the justice, indigenous and community sectors. She holds a Bachelor of Laws and Bachelor of Arts in Criminology and is a Justice of the Peace.

David Flanagan

Managing Director of Atlas Iron Limited

David Flanagan is a geologist with extensive experience in mining operations, exploration and project development in Western Australia, Indonesia and West Africa. He has held senior management roles with Resource Service Group and Gindalbie Gold NL. Whilst with RSG he was seconded to Glencor's Bogosu operation as Chief Exploration Geologist, and under his leadership the Bogosu exploration team discovered and developed the Chujah deposits totalling 500,000 ounces of gold.

Mike Young

Managing Director of BC Iron Limited

Mike Young graduated from Queens University, Canada and after two years of uranium and gold exploration and mining in Canada, he immigrated to Australia in 1987. Since then Mike has worked for Dominion Mining Limited, Mining and Resource Technology, which became part of Golder Associates, and Cazaly Resources. Mr Young's experience has a strong focus on exploration, resource definition and development.



Wayne Richards

Managing Director of Brockman Resources Limited

Wayne Richards has over 20 years experience in the mining and mineral processing industry, with extensive experience in the development and operation of nickel/cobalt and iron ore businesses. He commenced his career at Queensland Nickel Pty Ltd in 1985 and moved to Western Australia in 1997 as the Refinery Manager of the Murrin Murrin Nickel-Cobalt Project. He has been involved in the design, construction, commissioning and ramp-up of several significant brownfield and greenfield projects within Australia. Mr Richards recently fulfilled senior executive roles within BHP Billiton Iron Ore, and joined Brockman Resources in August 2007.

David Turvey

Managing Director of FerrAus Limited

David Turvey is a geologist and founding director of Equant Resources Pty Ltd, a resource consulting company that provides technical evaluation and business development studies of global mineral projects. Prior to 1998, Mr Turvey worked with companies including Normandy Mining Ltd, Chevron Corporation, and CSR Ltd managing successful mineral exploration programs and business development teams. His 24 years experience in the mineral industry has included seven years in expatriate management roles in South East Asia.

**Media Announcement****Friday 20 June 2008**

NORTH WEST IRON ORE ALLIANCE APPLAUDS NCC'S RECOMMENDATION TO DECLARE PILBARA RAIL LINES

The North West Iron Ore Alliance has today welcomed the draft recommendation from the National Competition Council ("NCC"), that the services provided by BHP Billiton's Goldsworthy railway line, and Rio Tinto's Hamersley and Robe railway lines, be declared under Part IIIA of the *Trade Practices Act 1974* for a period of 20 years.

The Alliance said today (**Friday**) that the NCC's draft recommendation was an important initial step, potentially laying the foundations for third party iron ore producers - including the members of the North West Iron Ore Alliance - to negotiate access to the Pilbara's rail infrastructure.

The draft recommendation will now be subject to a public submissions period, after which the NCC will make its final recommendations to the designated Minister, the Hon. Wayne Swan, MP, Treasurer. The Minister then has 60 days to decide whether or not he will implement the NCC's recommendation.

A final declaration from the Minister would provide third party iron ore producers in the Pilbara with a legally enforceable right to negotiate access to the railway lines.

Independent Chair of the North West Alliance, Ms Megan Anwyl, said the ability to negotiate access to existing railway lines and efficient above rail operators would significantly enhance the ability of junior companies in the Pilbara to progress their projects through to production stage.

"The North West Iron Ore Alliance made a submission to the NCC strongly advocating the case for declaration, and we are very pleased that the NCC has today supported our submission through their draft recommendation," she said.

"The right to negotiate access to existing rail infrastructure is essential for the long-term viability of iron ore mining in the Pilbara region," Ms Anwyl continued. "Increased diversity of supply would bring major benefits to the iron ore mining industry, and would also serve to stimulate the current level of iron ore exploration in the Pilbara."

"This is also good news for communities in the Pilbara, as increased diversity in the iron ore industry would also bring real benefits to improve the lifestyles of Pilbara residents," she commented.

The North West Iron Ore Alliance was formed in 2007 to support the development of a junior iron ore sector in the Pilbara. The member companies – Atlas Iron, BC Iron, Brockman Resources and FerrAus – have agreed to cooperate on issues such as infrastructure development and access, statutory approvals and community development.

Collectively the members of the North West Iron Ore Alliance have the potential to deliver over 50 million tonnes of iron ore per annum by 2014, generating approximately \$165 million in State royalties per annum.

—ENDS—

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On behalf of:
Megan Anwyl
Chair – North West Iron Ore Alliance
Mobile: 0417 949 900

Background on members of the North West Iron Ore Alliance:**Atlas Iron Limited - www.atlasiron.com.au**

Atlas Iron (ASX: AGO) has one of the largest land holdings in the Pilbara region covering over 6,000km². The Company is preparing to commence production of direct shipping grade iron ore (DSO) resources from Pardoo Project, 75km from the public access port at Port Hedland, in the second half of 2008. Targeting production of 1 million tonnes per annum in its first year of operation, Atlas is forecasting its production at Pardoo will grow to 3 million tonnes per annum by 2010 with further substantial growth expected on the basis of its aggressive ongoing exploration effort. Atlas has recently upgraded its exploration target to 120-180 million tonnes.

BC Iron Limited - www.bcion.com.au

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Brockman Resources - www.brockmanresources.com.au

Brockman Resources Limited (formerly Yilgarn Mining Limited) is focused on the exploration and development of its 100%-owned Marillana Project, located 100km north of Newman in the Pilbara, where the total Mineral Resource now exceeds 1.1 billion tonnes of iron ore, and the Company is aggressively targeting iron ore production by 2009. Brockman has recently completed a Scoping Study on a proposed 10Mtpa iron ore project and is conducting a Feasibility Study based on its expanded resource base which is due for completion in early 2009.

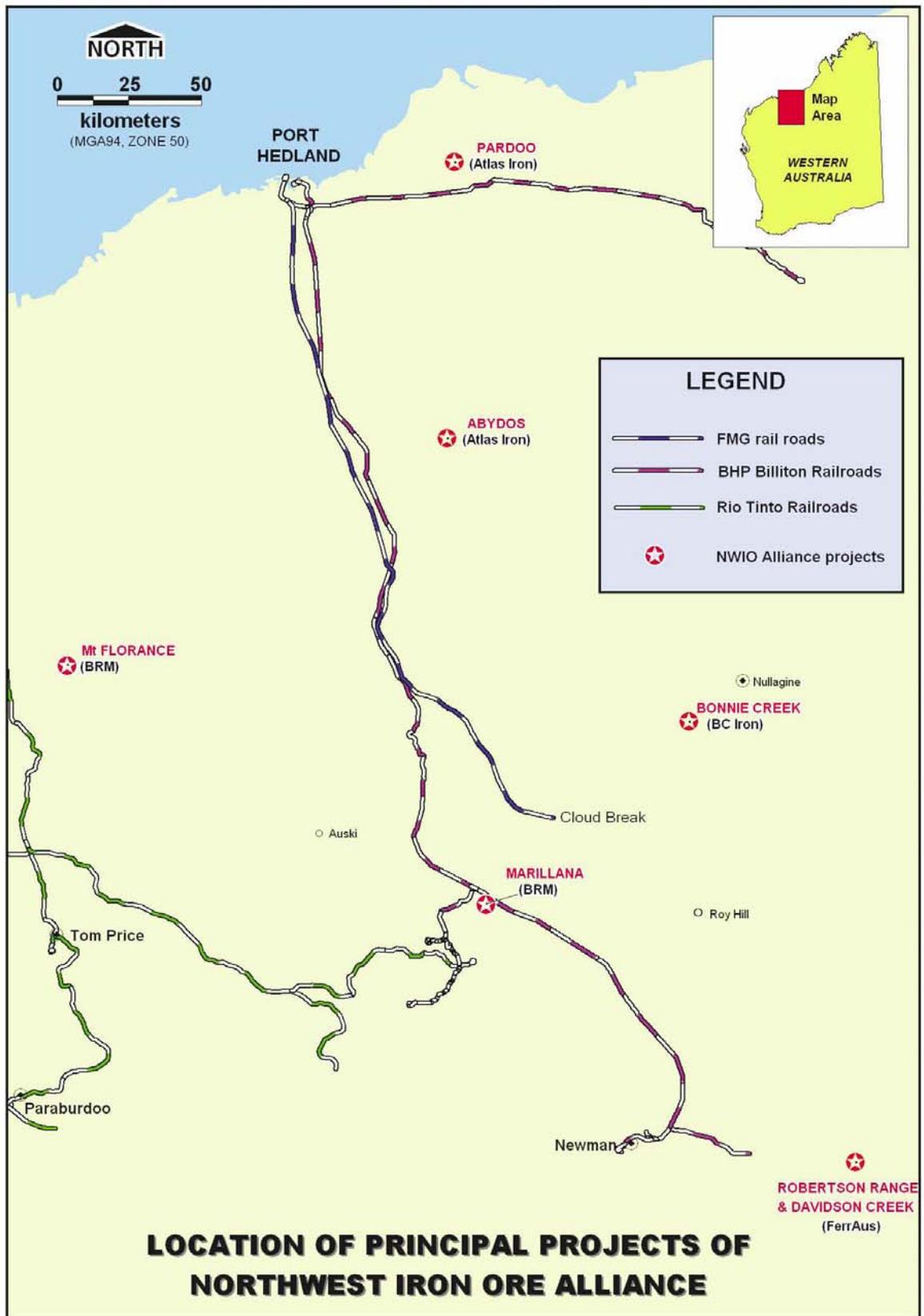
FerrAus Limited - www.ferraus.com

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APPENDIX B

MAP OF GOLDSWORTHY RAILWAY AND MOUNT NEWMAN RAILWAY & NWIOA Projects

APPENDIX B – MAP OF GOLDSWORTHY RAILWAY AND MOUNT NEWMAN RAILWAY & NWIOA Projects



APPENDIX C

MAP OF HAMERSLEY RAILWAY AND ROBE RAILWAY & NWIOA PROJECTS

Appendix C – Map of Hamersley Railway and Robe Railway & NWIOA Projects

