

ASX Announcement

Expansion of Export Facility at Esperance Port to Accelerate Development

The State Government has given the go-ahead for the next stage of developing a new iron ore export facility at the Port of Esperance, Golden West Resources Limited (GWR) is pleased to report.

"The planned scale of the Port's expansion and the time-frame to deliver a multi-user iron ore facility (MUIOF) by early 2015 gives us the confidence to now accelerate the development of the Wiluna West Iron Ore project," according to GWR Executive General Manager Craig Ferrier.

Transport Minister Troy Buswell announced that the State Government has accepted an Esperance Port Authority (EPSL) board recommendation to start a procurement process to identify a private sector consortium to design, finance, construct and operate the planned MUIOF.

The private sector has been invited to participate in a Registration of Interest and Pre-qualification (ROIP) process. This follows on from a recent market sounding exercise conducted for the EPSL which indicated that it may be commercially viable to develop a facility for an additional 10 to 12 million tonnes per year. Esperance Port currently has an operating licence to handle 11.5 million tonnes a year.

In July 2012, GWR announced that it had entered into a Capacity Reservation Deed with EPSL for the reservation of 3 million tonnes per annum capacity as part of the facilities to be constructed for this proposed increase in export capacity at the Port of Esperance (New Facilities).

Engineering firm AECOM have recently completed a GWR-specific supply chain model, focused on the movement of ore from the Wiluna West mine site to potential rail hub(s) between Leonora and Menzies, and transport by rail to Esperance. This work will be used to further define the project development options and assist in ongoing commercial discussions related to the export of GWR's high grade hematite iron ore through the Esperance MUIOF.

The market sounding exercise carried out by EPSL also confirmed previous industry studies that iron ore production in the Yilgarn region could significantly grow in the next 10-15 years.

"Investors interviewed during the market sounding considered the Yilgarn region to have reasonable prospects of generating additional financially viable iron ore projects which are required to support investment in the new MUIOF," Mr Buswell said.

EPSL has outlined a process and timeline for the registration and pre-qualification of potential proponents interested in participating in the Request for Proposal (RFP) process. EPSL anticipates short-listing qualified entities by the end of April with a preferred proponent to be appointed by the third quarter of 2013. Construction of the MUIOF will begin in early 2014 and be completed by early 2015.

GWR's right to access the Port or utilise any reserved capacity is dependent on the Company entering into a New Facilities Agreement on terms that are acceptable to the respective parties, including a future operator of the proposed New Facilities.

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