



**CENTREX METALS**  
L I M I T E D

# STAKEHOLDER RESPONSE REPORT

Centrex Metals Ltd is pleased to present feedback from Sheep Hill Port community information days which were held to introduce our proposed port project. Information days were held in the key Project communities of Port Neill and Tumby Bay on 11 and 12 April 2011 respectively. We also held an event for the community of Port Lincoln on 2 June 2011.

Project team members were pleased to meet more than 250 people at the open house style events where community members dropped into the venues to collect written information and ask questions of senior project staff. A 3D fly-over animation of the completed Port provided an opportunity for people to gain an understanding of the visual impact of the project at Centrex's preferred site.

People who attended the information days included:

- Retirees
- Farmers
- School students
- Local Councillors
- Business operators
- Parents
- Teachers
- Health workers
- Emergency services personnel

Centrex is committed to understanding and responding to community concerns regarding the proposed Port and hopes the release of this report illustrates this.

Lower Eyre Peninsula communities can expect to hear more from Centrex in the future, particularly when the results of our technical studies are available and we commence preparation of our full major project development application to the SA Government. The SA Development Assessment Commission has requested Centrex complete a Public Environmental Report (PER) in accordance with the technical guidelines issued for the project. Centrex is currently reviewing our timetable of studies, PER preparation and consultation.

A second quarter Project newsletter will be posted to Tumby Bay, Lipson and Port Neill residents.

Centrex would like to thank everyone who took the time to come and meet our team and find out more about the proposed Port. Please contact us at [reception@centrexmetals.com.au](mailto:reception@centrexmetals.com.au) or via our feedback form on the Company's website [www.centrexmetals.com.au](http://www.centrexmetals.com.au) if you have any further questions. We look forward to meeting you again soon.

Regards,

**Jim White**  
Managing Director  
Centrex Metals Ltd

# SITE SELECTION AND ALTERNATIVES

QUESTION	RESPONSE
Why are you going to build the Port at Sheep Hill?	<p>We looked at other sites but Sheep Hill was our first choice based on our review of environmental and heritage impacts, the length of the jetty required to reach deep water and available land for on-shore infrastructure.</p> <p>At this location, the proposed jetty will be 515 m with a 320 m L-section at the end of the jetty. Some other sites on Eyre Peninsula would require us to build a jetty up to 1 km longer than the proposed jetty for Sheep Hill. Other sites also had more sensitive environmental and heritage conditions.</p>
Is Cape Hardy a better location?	<p>There will be other locations where a port could be built, but we have looked at a range of sites and the Sheep Hill location has many benefits. Specifically, the environmental and heritage impacts are manageable and we have access to deep water just 515 m offshore. The land for on-shore infrastructure was also available for this purpose. We are committed to continuing with the Sheep Hill option due to the length of technical assessment undertaken at the site, and our ownership of the land required for the Port infrastructure.</p>
Why don't you use the Whyalla Port? Why don't you use Port Lincoln?	<p>The Whyalla and Port Lincoln Ports cannot receive Cape class size ships. There are currently no other ports in SA capable of receiving Cape class vessels at the wharf.</p>
Where is the observation hut?	<p>The weather station hut is south of the Port site on the beach. This hut monitors wind. A second hut has recently been installed at a nearby property owned by Centrex. This hut monitors air quality.</p>
Where is the shipwreck?	<p>The shipwreck, Three Sisters, is approximately 800 m south of the Port's southern boundary, close to the shore. The Three Sisters was wrecked against the old Lipson Cove Jetty in 1899. The wreck is sometimes visible after storms. We undertook a heritage survey in 2008, which identified the wreck's location. The wreck will not be impacted by the Port.</p>
How much has the decision been affected by the fact you have already bought the land?	<p>When we started to assess and consider possible sites for the Port, we had not purchased the land. We considered accessibility to deep water, environmental and heritage issues before deciding to purchase the land at Sheep Hill.</p>
Can I get a copy of the land title?	<p>A copy of the land title has been supplied to this stakeholder.</p>
The prettiest piece of coastline is between Tumby Bay and Port Neill, it is a shame to have a Port there. I would love to see it elsewhere - is anywhere on the west coast possible?	<p>We have not conducted any studies to look at the west coast, but we understand the lack of shelter for that open seas coastline would make it more difficult to operate a Port compared to the protected gulf waters of the east coast of the Peninsula.</p>
I chose to come and live here because it is a nice quiet little town, I didn't want to live in a mining town.	<p>The Sheep Hill Project relates to a Port development only.</p> <p>Workers for the Port will be able to choose to live in a number of places in the lower Peninsula. Workers for any prospective mines in the region will also have a number of choices about where to live. Some might also choose to fly-in and fly-out to work. We do not know how the other mining projects in the region will address accommodation, or which ones will progress to operational phases.</p>

# PORT OPERATING FACILITIES

QUESTION	RESPONSE
How long is the jetty?	515 metres long. The L-section across the front sea facing part will be 320 metres long.
What swell size are you expecting at the jetty? Will it be too rough for the grain ships?	We undertook wind and wave studies using in-water monitoring equipment at the Port site over winter and spring months. Our wave studies indicate the swell will likely be 3-4 m during the roughest of seas. We don't expect that will be a problem for any of the vessels using the Port.
Are you aware of the prevailing swell at the Port location? There is a 0.5 knot tide, which may put stress on the jetty and make it more difficult for ships to manoeuvre.	We have undertaken wind and wave studies at the Port site and we don't expect there will be a problem for the vessels using the Port. Note – our monitoring identifies a 1.2 knot current and design of the jetty will take this into consideration
How close will you be able to get to the jetty in a boat?	There is a 500 m jetty exclusion zone, regardless of whether there is a ship docked at the jetty. This exclusion zone is currently adopted by other Port operations.
How many hectares is the site?	48 hectares for Stage 1 of the Port development.
How much do the sheds hold?	At this stage, we are not sure of the numbers of sheds to be built. The likely volumes of the sheds are as follows: <b>STAGE 1:</b> one 50,000 tonne grain shed, one 150,000 tonne hematite shed <b>STAGE 2:</b> one 250,000 tonne magnetite shed.
Where will the administration building be?	The administration building will be constructed to the south of the Port site with light vehicle access from Lipson Cove Road. It is proposed Lipson Cove Road will be upgraded for light vehicle access.
Will there be silos at the Port?	No not at this time. The grain will not be stored on-site for extended periods. We plan to build sheds for storing the grain before it is loaded on to ships.
How much will it cost to build the Port?	The capital investment is estimated to be \$180 million for the jetty, shiploader, conveyors, site earthworks and services. Sheds for hematite, grain and de-watering facilities are still to be fully costed.
Is there any government money helping to pay for it?	No, there has been no government money granted for development and construction of the Port, it is a private investment.
How much bigger are the ships compared to the ones that come in at Port Lincoln?	The ships that come into Port Lincoln carry between 30,000 and 50,000 tonnes. Cape class ships proposed for this Project will carry up to 200,000 tonnes of ore. The ships will be at least 3-4 times the size of the ships at Port Lincoln.
How is Centrex going to control people getting off the boats? I am concerned about them getting to abalone stocks and other restricted fisheries stocks.	In compliance with Federal regulations the jetty will be fenced and access will be granted by a secure access card only. The Port will not be an emigration site. The actual security arrangements to be applied while ships are in berth and arrangements for ships' crews are unknown at this time. This will form part of operational planning.

# PORT SUPPORT INFRASTRUCTURE AND TRANSPORT

QUESTION	RESPONSE
Are they your traffic counters on Swaffers Road?	Yes, they were our traffic counters. We are conducting a Port traffic study and need to understand current traffic conditions in order to estimate the impacts on traffic if the Port goes ahead. Centrex will work with the District Council of Tumby Bay and other local governments close to potential mining operations to determine what upgrades are required and continue to liaise with the Department for Transport Energy and Infrastructure (DTEI) regarding overall traffic planning and limits.
What is going to be the extra traffic on roads?	At the very least, it is expected that a turning lane will be needed on Lincoln Highway into Swaffers Road and Lipson Cove Road. The actual requirements are dependent on the completion of traffic assessments, which are currently underway.
Will Centrex be able to assist with upgrades to the roads?	Final transport routes are still under review, and further information will be provided in the future.
How will Port trucks affect the traffic?	
What roads will you use?	
Will there be a trail of red dust all along the road?	No, the hematite (red ore) will be secured and covered in the truck trailer so that none can escape during transit.
Has the route from Lock been plotted? Would trucks use the Lincoln Highway?	The actual requirements are dependent on the completion of traffic assessments, which are currently underway.  We will continue to work with the District Council of Tumby Bay and other local governments to determine what upgrades are required and continue to liaise with the Department for Transport Energy and Infrastructure (DTEI) regarding overall traffic planning and limits.  Final transport routes are still under review, and further information will be provided in the future.
How are you going to get the ore to the Port?	Centrex's mine projects will use trucks to transport the hematite to Port by road and the magnetite will be sent to Port through an underground slurry pipeline.
Can you use the Dog Fence Road?	That road is one of the routes we had considered for the slurry pipeline. We will investigate whether it can be used for truck movements and communicate the results.
How many trucks will be on the roads during peak operations?	Trucks will transport hematite ore from Centrex's mine project to the operating Port. The actual number estimates are dependent on the completion of traffic assessments, which are currently underway. Further information will be provided in the future.
Will there be 24 hours 7 days a week trucks?	The Port will be staffed 24 hours a day and seven days a week but it will have its quiet times. We don't expect there will be trucks on the road every hour of the day. Final transport routes are still under review, and further information will be provided in the future.
What will it do to Lincoln Highway, during construction and operations from the mines?	There will be different traffic impacts during construction of the Port compared to operation. There will be more traffic on Lincoln Highway due to Port operation.  We will communicate the results of our traffic studies and route reviews when they are completed.
Will the main access be Swaffers Road or Lipson?	The main access for heavy vehicles and project infrastructure will be Swaffers Road and the main access for light vehicles will be Lipson Cove Road. We are still reviewing all transport options and the final heavy vehicle access routes are to be confirmed. We will communicate the results of our traffic studies and route reviews when they are completed.
Are you going to deny access to Roger's Beach?	It is our intention to maintain access to Roger's Beach. The site boundary for the Port is to the south of Roger's Beach. Roger's Beach will remain accessible to the public. We are considering providing road access from Lipson Cove Road to the beach along the western boundary of the Port site. The actual crossing details at Swaffers Road for this access route are still being reviewed at this time. Further information will be provided in the future.
How will we be able to access Roger's Beach?	

QUESTION	RESPONSE
Will the Port affect access to Lipson Cove?	No, Lipson Cove and Lipson Cove Road will remain accessible for visitors and campers.
Can the coastal beach still be accessed from Tumby Bay to Port Neill?	The jetty will be constructed about six metres above sea level. The public will be able to walk under the jetty and continue any existing coastal walks.
Will you be able to go fishing off the wharf?	Fishing will not be possible. The jetty will be restricted access only because it will be an export facility and subject to Australian customs laws. Only people with security clearance will be allowed on the jetty.
How will you get adequate power to the site? The current power supply to this area is not always reliable. How will you meet power needs?	<p>Centrex is hopeful that, should the Port be approved, ElectraNet will accelerate its plans to upgrade the power infrastructure to the lower Eyre Peninsula. This will have the added benefit of improving security of power to all power-users. The anticipated draw on the network by the Port will be likely to warrant such an investment by ElectraNet.</p> <p>We will be accessing the publicly available power supply. We will be keeping the suppliers informed of our progress so that adequate planning and potential upgrades can be scheduled to accommodate our draw on power.</p>
Who pays for the (any) power line upgrades?	The power line upgrades will be paid for by the provider of the infrastructure (ElectraNet).
What will the impacts be for power and water supplies in the towns as well as housing?	The development of a Port will impact on the region's draw on power but we anticipate this will lead to an upgrade in power services for the lower Eyre Peninsula. Therefore it is not anticipated the Port will negatively impact other existing power users. Housing impacts are anticipated to be distributed between Tumby Bay, Port Neill and Port Lincoln.
Will you be using the groundwater?	No, we are not using groundwater at any stage of the project. Pre-packed water will be purchased for potable use. Surface water (rain water) will be used for office based requirements. A desalination plant will be built in Stage 2 when process water will be required for magnetite export.
How much water will you use and where will you source it from?	An estimate of water requirements will be provided in the future.
What size will the desalination plant be?	The final design and size of the desalination plant will depend on Centrex's other magnetite mines that are currently in early assessment phases. Based on early estimations across Centrex's mine options, the maximum size expected would produce about 10 gegalitres of water – this is a tenth of the size of the desalination plant being built for Adelaide.
What is the rain management plan for site?	Management plans for on-site stormwater and regular rainfall are currently being assessed and modelled as part of the ongoing studies. Further information will be provided in the future.
How many tonnes of iron ore can you fit on one boat?	About 200,000 tonnes on a Cape class ship.
What will the shipping route from the Port be?	There is no recommended route for vessels leaving the proposed Port. The likely route will be travelling south-east towards the east side of Winceby Island, continuing south towards Port Lincoln and then to the open ocean.

QUESTION	RESPONSE
What colour will you paint the sheds?	The final colour has not been determined, but we will provide modelling of the final development for interested persons to see before construction. We will aim to select a colour which is suitable to the general landscape and practical.
Is there potential to use rail to transport ore to the Port?	There is potential for rail access to the Port in the future, however, Centrex is not seeking approval to construct a rail facility at this time. Centrex is assessing whether a potential rail corridor will be retained on site so this option is possible should another party consider it feasible.
Will you have tug pens and where will they be?	This aspect of the final design is still to be decided. It will be possible for us to use tugs from Port Lincoln or we may have our own tugs based at the new Port. We will make this information available as soon as it is decided.
Is there a risk ships could hit Lipson Island?	Tug boats will be used to guide the ships into the jetty, so we are confident this is unlikely to happen.
Where will the construction equipment and materials be delivered to? Will they be unloaded at the new jetty?	Some jetty infrastructure may be imported to the site directly. Other materials will come through Port Adelaide or Port Lincoln and be transported to site by road.

# MINE OPERATIONS

QUESTION	RESPONSE
Where are you starting to mine?	<p>Centrex has prospective mining interests across Eyre Peninsula:</p> <ul style="list-style-type: none"> <li>• <b>Wilgerup Mine located near Lock</b> <ul style="list-style-type: none"> <li>- Wilgerup is wholly owned by Centrex and currently awaiting mine approval</li> </ul> </li> <li>• <b>Bungalow near Cowell</b> <ul style="list-style-type: none"> <li>- Bungalow deposit is a joint venture between Centrex and other investors</li> <li>- The project is only in pre-feasibility and is looking to commence environmental baseline studies in 2011</li> </ul> </li> <li>• <b>Carrow deposit is located near Port Neill</b> <ul style="list-style-type: none"> <li>- Carrow is a joint venture with Centrex and other investors.</li> <li>- The project is only in pre-feasibility and is looking to commence environmental baseline studies in 2011.</li> </ul> </li> </ul>
Will I see the slurry pipelines, like water pipelines?	No, the slurry pipelines from magnetite mine sites will be underground. One of the key benefits of using slurry pipelines is to avoid impacts on road and traffic. The pipelines have been used successfully in Whyalla for some years.
What is the diameter of the slurry pipelines?	It is estimated slurry pipeline diameter will be 200 mm
How will the heavy slurry particles not damage the pipeline?	The particle size of the slurry is between 40 micron and 75 micron (like talcum powder). This does not require the pipeline to be internally coated.
How does the slurry move through the pipelines?	The slurry is pumped through the pipeline, it is the consistency of very dirty water.
Where will the crushing plants be located, that is, will there be one at each mine or will mines share them?	At this stage, Centrex's mining projects would expect crushing plants to be located at each mine. Any mine development will be assessed by government separately to the Port.
Who will the ore be exported to?	Our joint venture partners are in China and we expect Chinese steel mills to be the major customer purchasing iron ore from Eyre Peninsula.
How much do you sell the ore for?	The iron ore price is determined by the market and contracts are agreed with customers. The current iron ore market price is about \$180 a tonne.
If the Port becomes operational how much money will it make?	The end profit will depend on the amount of ore and grain going through the Port and the cost of providing the infrastructure, including wages for employees and other expenses.
What is iron ore used for?	It is used for making steel, which is used in all kinds of manufacturing and construction.
Who and what are the Chinese doing buying land up in Port Neill, is this speculation about the Port?	Centrex is unaware of any attempts by a particular Chinese group to buy land in Port Neill. We would advise against speculating with investments as the Port and our mines need to gain approvals and should not be regarded as a sure thing at this time.
How long will the mines last, will we be left with a ghost town?	The mines are expected to have between a 20 and 30 year life of operations. We would anticipate that once the infrastructure is built at the Port, it will continue to operate for much longer than 30 years.
After the water is removed is the magnetite dusty?	The magnetite retains some moisture (approximately 9%) even after water is removed and it is transported to the ship. Dust is not expected to be a problem due to the moisture content. The magnetite becomes drier during transportation on the ship.
Where will the mines get their water from?	If viable, Centrex's magnetite mines would receive water treated at the Port's proposed future Stage 2 desalination plant. Water will be pumped from the Port to the mines using another underground pipeline.
Why won't the mine use seawater?	Current assessment of mine processing options suggest seawater is unsuitable for the mine's purposes.

# EMPLOYMENT AND TRAINING

QUESTION	RESPONSE
How many people are you looking at employing?	The Port is likely to have a construction workforce of up to 200 people and a permanent operational workforce of between 80 and 100 people. During operations staff will work on a 24 hour basis over three shifts.
What percentage of employees will be FIFO and local?	The majority of the Port's workforce will likely come from surrounding communities or new staff might move to local towns as new residents.
What are the employment opportunities for locals?	Centrex will be keen to employ as many local people as possible. Actual requirements will depend on the Project and the Port's operator.
Where will you get worker's food from?	We would expect that Port employees will bring their own food to work. There is not likely to be enough people there to warrant running a canteen to provide food. People will live in surrounding communities and therefore obtain their day to day requirements from within these areas.
What impacts will you have on local emergency services?	Centrex has commenced discussions with local emergency service providers and will continue to liaise with them about potential impacts and management measures for the construction and operation of the Port.
What impacts will the Port have on tourism?	It is not anticipated that the Port will directly impact tourism, except that it may encourage interested people to visit the area to see Cape Class vessels, which are not able to be viewed at any other SA port.

# PROJECT GOVERNMENT APPROVAL PROCESS

QUESTION	RESPONSE
When will the development start?	The development will be fully scheduled after final approvals but at this stage we anticipate the Port construction might start in the third quarter of 2013.
What is the timeframe for Port construction and operation?	The Port will take about 12-18 months to construct, so on the current schedule it would be operational in 2014.
What stage of the approval process are you at now?	We are currently at the stage of preparing our environmental approvals for the Development Assessment Commission (DAC). DAC released the formal Guidelines for Assessment on 1 June 2011. This determines the technical studies required for the overall development application.
Is it a done deal as far as approvals are concerned?	<p>The SA Government has declared the Port a major project. This does not mean the approvals are a formality, if anything it means there is a higher degree of scrutiny.</p> <p>The DAC can still reject the application and will do so if they are not satisfied the Project is acceptable.</p> <p>The DAC's formal Guidelines for Assessment indicate state that we need to prepare and submit a Public Environmental Report (PER) for assessment.</p>
When will the impact assessment be available?	<p>Centrex will provide updates on the process of the assessment through newsletters and posting information on our website. Centrex also plans to return to the Port Neill, Tumby Bay and Port Lincoln communities to provide the results of technical studies when they are further advanced and the community can again give us its feedback.</p> <p>A formal public exhibition and comment period will also be provided for the actual Development Application and PER that is submitted for government assessment.</p>



# ENVIRONMENTAL IMPACTS

QUESTION	RESPONSE
How will you keep dust down while loading the ships?	The ore and grain will be loaded onto the ships using closed conveyors, which will prevent wind blowing material around. The conveyors have chutes which drop into the ship's hold and dispense the product directly into the hold of the ship. This minimises the release of dust into the open air. Magnetite will have 9% water content when it is transported to the ship and is unlikely to be dry enough to produce dust.
If there is an accident there, is (the ore/grain) going to wash straight on to Port Neill beaches?	Centrex will be doing everything possible to avoid accidents. We don't anticipate ore or grain, if spilled, would reach Port Neill beaches.
What do the ships do with the ballast water?	<p>There is an international convention for the management of ballast water which has been constituted by the International Maritime Organisation (IMO). The Australian Government is currently progressing laws to support the enforcement of the convention. Under the international rules, ships should conduct ballast water exchange at least 200 nautical miles from land in water at least 200 m deep. In cases where circumstances do not allow for this, the convention states the exchange should happen at least 50 nautical miles from land in water at least 200 m deep.</p> <p>The intake and disposal of sea water is used to control the weight of ships, the water is carried while the ship is empty. Some of the ballast water is required to be in the ship to aid mooring. This will be discharged at the port before loading, however will be previously exchanged local seawater.</p>
Won't the ore turn the area around it red?	No. Many people are used to seeing the historic impact of red ore (hematite) in Whyalla. Our approach to loading ore in closed conveyors, and from negative pressure sealed sheds, will eliminate most of the risk of red dust escaping into the external environment. This process has been very successful in Whyalla in recent years.
What about pollution?	Centrex will have an environmental management plan with contingencies for dealing with any pollution and responsibilities to report our activities to the environmental regulators.
Do you need to do a five year environmental study?	No, many of the environmental studies were started in 2008 and have gathered data during different seasons of the year. We are working with that information and other relevant studies to make our projections about environmental impacts.
Will the beaches remain white?	Yes. We believe there will be minimal dust escaping from the conveyors during loading of ships, certainly not enough to turn the beaches a different colour.
Will the ships dump ballast water at the jetty?	Yes. A small amount required to safely manoeuvre the ship into the port. The IMO international convention requires ships to exchange ballast water at least 200 nautical miles from sea or in cases where that can't happen, the exchange should happen at least 50 nautical miles from land. The final ballast water, previously exchanged, will be dumped prior to loading.
What is contained in the ballast water – is it made up of marine organisms, chemicals or other pollutants?	<p>Seawater is commonly used as ballast water. It is used to control the weight of ships and taken in when a vessel is empty. It commonly contains planktons and other marine microorganisms from the source location. Approximately 12 billion tonnes of ballast water is moved around the globe each year.</p> <p>In 2004, the International Maritime Organization (IMO) constituted the International Convention for the Control and Management of Ships' Ballast Water and Sediments. The Australian Government is currently progressing legislative and administrative changes to enforce the convention at Australian Ports.</p>

QUESTION	RESPONSE
<p>What impact will the Port have on the environment?</p>	<p>A Public Environmental Report (PER) is being prepared to assess the possible environmental and social impacts that the Port may have. This document will be available publicly for review and comment.</p>
<p>Is Lipson Island Marine Park under Commonwealth jurisdiction?</p>	<p>The Sir Joseph Banks Marine Park is 1.7 km to the south of the proposed Port and is a declared marine park under State legislation. Similarly, Lipson Island is a State conservation park.</p>
<p>What happens if it (the ore) gets in the water? How will it affect the marine life?</p>	<p>It is unlikely that the ore will drop into the ocean as fully enclosed conveyer belts will be used to load ore from the storage shed to the vessel. Stage 1 proposes to export hematite, which is a dry rock ore. The ore is such that it would not be expected to dissolve out any harmful chemicals if it entered the water.</p> <p>Environmental studies are reviewing the risk and hazard posed from ore to marine waters and will provide more information in future impact assessment reporting.</p>
<p>Is there a risk of wombats coming from north of the site onto the Port?</p>	<p>We have conducted fauna studies and there was no evidence of wombat populations at all. There is currently limited native fauna habitat due to the degraded condition of the site.</p>
<p>What are the environmental impacts of dredging?</p>	<p>There is no dredging required for ships to access the jetty as we have planned the Port.</p>

# COMMUNITY CONSULTATIONS

QUESTION	RESPONSE
Is community consultation required for the Development Application?	<p>The DAC requires the Development Application to be available for public comment for 30 business days. It also requires Department of Planning and Local Government to hold a public meeting in the locality (most likely to be in Tumby Bay).</p> <p>It is also Centrex's intention to hold a stakeholder consultation session during this public comment period to receive comments, questions and address them accordingly in the Response Document.</p> <p>A formal public comment period is required for the Public Environmental Report (PER) written in support of the Development Application. This will be advertised by newspaper and internet.</p>
Is the company prepared to do anything for the local community?	Centrex is keen to become an active contributor to local communities, as an employer, contractor and customer of local goods and services. Centrex has already made some contributions to local schools and the hospital. We look forward to providing ongoing support and collaboration with the local community.
What social impacts will the development have on Tumby Bay?	A social impact assessment is part of the studies being completed for this development. The results will be publicly released. We anticipate there will be a range of impacts and potential benefits from the project.
Will there be any opportunities for sponsorship of community groups?	Centrex will consider sponsorship of local community groups as suitable.
What if the community does not want it and can show it is not a good idea?	<p>Centrex will consider the views of all stakeholders and, where feasible, make amendments to the Project plans. The views of community will also have a significant influence on the decision of government.</p> <p>Community members should not hesitate to put their views forward, directly to Centrex or to the SA Government.</p>
Will these Port information day sessions have an opportunity to influence Centrex?	Yes. Centrex has already made some adjustments to elements of the Project based on community feedback and will continue to consider community views.
What will you do about the people who oppose the development?	<p>Stakeholders opposed to the development will be invited into the same processes as all stakeholders. Centrex is keen to hear the views of all stakeholders, whether they are supporters or oppose the project.</p> <p>We welcome all questions and concerns and will do our best to address them.</p>
Can I get access to any information you have on projected population and demographics for Tumby Bay?	<p>We will be happy to supply this information when it is available in the overall development application.</p> <p>The Australian Bureau of Statistics (ABS) also maintains publicly available information on their website relating to demographics and population.</p>

**PLEASE CONTACT CENTREX METALS WITH YOUR QUESTIONS OR FEEDBACK**

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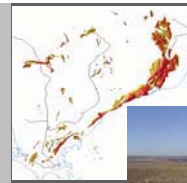
Email [reception@centrexmetals.com.au](mailto:reception@centrexmetals.com.au)

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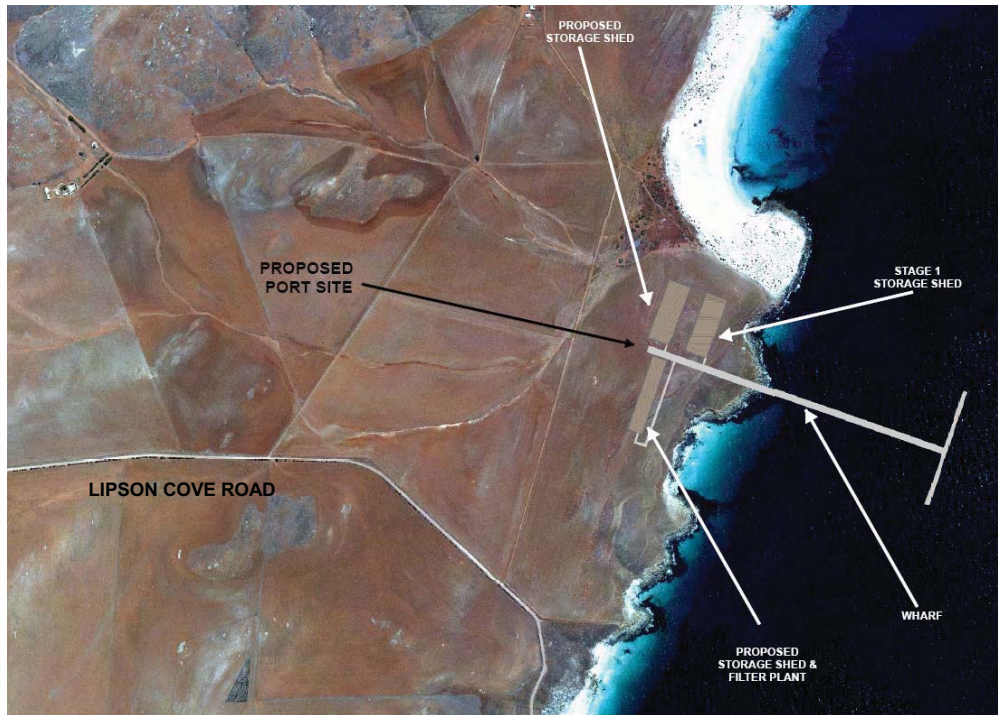
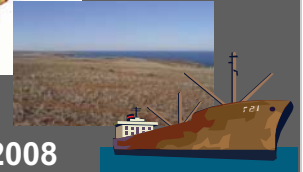
Website [www.centrexmetals.com.au](http://www.centrexmetals.com.au)

# SHEEP HILL PORT

## PROJECT UPDATE 1



Dec 2008



*Conceptual aerial view layout of port facilities and wharf at Sheep Hill Port site.*

export operations. These new industries could provide huge benefits to the local region and SA through the creation of jobs, increased local spending associated with development and operations as well as increased government royalties on exported products.

The proposed port would be a \$150-200 million project with an expected completion date of 2012. Before the construction can commence, Centrex requires

**The Sheep Hill Port** site comprises 260 acres of land located approximately 20km North of Tumbly Bay. Centrex Metals Limited ("Centrex") proposes to develop a multi-user deep water bulk commodities port facility at the site. The site was chosen due to the close proximity of deep water (18m) capable of loading Cape sized vessels. The distance from the shoreline at Sheep Hill to this depth is only 450m. This would allow loading of vessels of >160,000 tonnes capacity with bulk commodities. Currently SA has no ports capable of loading such volumes.

The development of the Sheep Hill Port site would open up the Eyre Peninsula to new mining developments by providing a cost effective port for the-

res government approval for the development. Part of this approval requires the demonstration that Centrex has considered all environment, technical and social aspects of the development and that it reviews these aspects in its development plans. For this reason Centrex has appointed Golder Associates to carry out baseline studies of the site and surrounding region in order to independently review all potential environmental and social implications of the project.

This brochure is the first of a series of project updates to explain the steps Centrex is taking in order to progress the development of a first class deep water port at Sheep Hill.

### Conceptual development schedule for Sheep Hill Port.

	2009	2010	2011
<b>BASELINE STUDIES</b>	[Bar chart showing activity in 2009]		
<b>APPROVALS PREPERATION</b>	[Bar chart showing activity from late 2009 to early 2010]		
<b>ENGINEERING DESIGN</b>	[Bar chart showing activity in early 2010]		
<b>GOVERNMENT REVIEW OF APPLICATION</b>	[Bar chart showing activity from late 2010 to early 2011]		
<b>CONSTRUCTION (IF APPROVED)</b>	[Bar chart showing activity from early 2011 to early 2012]		



### THE APPROVALS PROCESS

The proposed Sheep Hill Port facility will require development approval from the state development authority. The state Development Assessment Commission (DAC) will review the development application including managing public notification periods. Government will determine if the project is considered a major development in terms of social, economic or environmental impacts or classified as a standard development under section 33 of the Development Act 1993 and associated regulations. The likely level and process of project assessment is expected to be determined during 2009.

As part of preliminary scoping activities relating to development approval, Centrex has commenced discussions with local and state government stakeholder agencies. The aim of these meetings is to introduce the project, identify preliminary areas of government agency interest and consider potential challenges as raised by considerations and management aspects.

Prior to preparing a development application for the Sheep Hill Port, Centrex has commissioned a number of environmental and social baseline studies. The findings of these studies will provide information for the purposes of port design and engineering, as well as project impact assessment. Baseline study findings will form part of the final development application and provide a basis for government and Centrex decision making and enquiry. Baseline study areas have included the proposed port site and Swaffer Road transport corridor from Lincoln Highway. Studies include;

- Native Title and heritage
- Geotechnical and groundwater assessments
- Marine ecology
- Terrestrial flora and fauna
- Soil analysis
- Surface water management
- Noise and dust
- Visual amenity
- Socio-economic
- Wave and wind

Many of these studies are already well advanced and results are expected to be obtained by March.

In conjunction with these baseline studies, Centrex will look at detailed options for port facility layouts including jetty and berth designs. These studies will be completed by an experienced engineering consulting firm to be appointed in the near future by the Company.

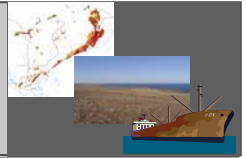
A development application will be prepared and submitted to government, based on baseline studies findings and preliminary engineering design. Once submitted, the government may request further information relating to the development. The government review period can vary and may take up to 12 months for a final approval decision. The actual time period for public consultation on the development application will vary dependant on the level of assessment determined by government.

Centrex are aiming to obtain development approval by 2010. If approved, the intent is to complete construction and commence operation by 2012.

The facility will initially be designed for up to 10 million tonnes shipping capacity per year. There is potential to increase capacity in the future, if other third parties express an interest in transporting goods at the port.



***Golder Associates' geotechnical engineer reviews drill core samples with a Sonic Rig Driller at the Sheep Hill Port site.***



### GEOTECHNICAL AND GROUNDWATER STUDIES

In October 2008 in conjunction with Golder Associates, a baseline geotechnical and groundwater observation study was carried out over the proposed Sheep Hill Port site.

Geotechnical observations are measurements of the physical characteristics of the land at the site to a shallow depth below ground level ( $\approx 20\text{m}$ ). At Sheep Hill a sonic drill rig was used to drill below the surface to recover samples of the soil and rock to look at how competent the material is.

Testing is being undertaken on samples to assess material characteristics such as particle size distribution, strength and moisture content for the purposes of assessing suitability as a foundation for the proposed port development.

A total of eight holes were drilled across the proposed port site and the drilling took around nine days to complete.

Preliminary findings of the study showed;

- Soil depths ranging from 1 to 11.5m of varying materials such as sand, clays and gravels
- Subsurface rock types of schists and granites
- Groundwater levels between 6.8 and 18.7m

A number of core, soil and water samples have been sent to Adelaide laboratories for analysis and results should be returned early in the new year.

Centrex is pleased with the results so far and is confident further results will be positive.



*Sonic drilling rig (left) and support truck at Sheep Hill Port site in October 2008.*

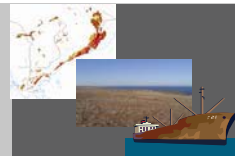
### MEET THE TEAM



#### **KEVIN MALAXOS** Chief Operating Officer

Kevin is a Mining Engineer with 23 years of experience in both underground and open pit mining. He has vast experience in Iron Ore mining from his previous role as General Manager and Chief Executive Officer with Mt Gibson Iron. Throughout his career Kevin has held numerous high level operations and contract management roles.

Kevin is the senior company officer overseeing the Sheep Hill Port project. To this role he brings his strong experience in developing similar bulk commodity port facilities in Western Australia.



### NATIVE TITLE AND HERITAGE



*Native heritage survey party as Sheep Hill Port site in September 2008.*

Native Title is a set of rights and interests in lands and waters of Australia that are held by indigenous people and groups. This right is recognised and protected in accordance with the *Native Title Act 1993*. While Native Title claims are extinguished over freehold land, any crown land to be developed such as the 50m coastal strip, requires a Indigenous Land Use Agreement (ILUA).

As well as Native Title, the law also recognises the importance of protecting any sites or objects that are of cultural significance under both the *Aboriginal Heritage Act 1988* and the *South Australian Heritage Act 1993*.

Centrex is working actively with the Native Title Claimants for Sheep Hill to develop an ILUA and to complete heritage clearances of the area. On the 11th of September representatives from the Barnjarla and Naou Claimants completed a heritage survey along the coastal strip of the port site. The report and findings of this survey are expected soon.

An independent archaeologist was commissioned by Centrex to complete a European heritage survey over the port site which was completed on the 20th of November. Initial results from the survey showed no significant European heritage sites in the proposed development area.

### COMMUNITY CONSULTATION

On the 9th of October 2008 Centrex held a community consultation session in Tumby Bay at the Tumby Bay Memorial Hall. The session was attended by over 80 residents.

The presentation was divided into two segments with the first focusing on the Company's Wilgerup Mine Development. The second section of the presentation discussed the potential development of a deep water port at Sheep Hill. The feedback from the meeting was positive with strong support from the Tumby Bay Council for the port to be built in the district. There was also strong support from the Community for the project.

Significant questions raised by the community that were answered during the session included:

Would the project have open storage? - No the port would have enclosed storage sheds to negate the effects of dust.

Would there be employment opportunities? - Yes and the Company would seek to hire local residents or prior residents looking to return to the area.

Where would power come from? - A small diesel power plant would be built until the mains transmission lines are upgraded.

### WE APPRECIATE YOUR FEEDBACK

If you have any comments or feedback regarding the project please send written responses to "Sheep Hill Port Project" either by mail or online to:

**Level 3, 100 Pirie Street, Adelaide SA  
5000**

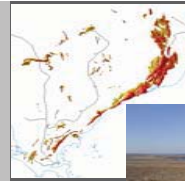
or

**[reception@centrexmetals.com.au](mailto:reception@centrexmetals.com.au)**



# SHEEP HILL PORT

## PROJECT UPDATE 2



Apr 2009

## CENTREX SIGNS \$180M HOA WITH CHINESE STEEL COMPANY FOR MINE AND PORT

A **Heads of Agreement (HOA)** was signed between Centrex and Wuhan Iron & Steel Company (WISCO) in December 2008 to explore and develop five exploration tenements and the Sheep Hill Port on the Southern Eyre Peninsula. WISCO is the 3rd largest steel producer in China and the agreement reached means WISCO will gain a 50% interest in the iron ore rights across five of Centrex's tenements for a price of up to \$180 million, with \$90 million paid upfront and another \$90 million in staged payments as resource targets are met. As part of this agreement Centrex and WISCO will establish an unincorporated joint venture and an incorporated management company to run the project. This will include the joint development of the Sheep Hill Port site to provide an export hub for projects across the five tenements. WISCO paid a \$500,000 non-refundable deposit to Centrex in December to secure exclusive rights to the joint venture.

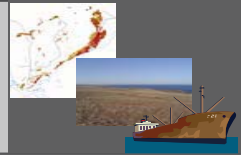
Centrex visited WISCO in China during March 2009 to discuss the detail of the joint venture transaction documents. The joint venture still requires approval from both the Australian Federal Government (Foreign Investment Review Board) and the Chinese Government (National Development Review Committee). Centrex and WISCO hope to finalise the transaction documents and gain the necessary approvals in May 2009.



**LEFT & TOP RIGHT: Centrex Managing Director Gerard Anderson (right) signs the HOA with WISCO Vice President & Chief Accountant Mr. Peng Cheng (left) in Beijing; MIDDLE & BOTTOM RIGHT: Gerard agrees the details of the HOA with WISCO Minister of Resources and Development, Mr. Kuang Zhongxiang**



**CENTREX METALS**  
LIMITED



### FLORA AND FAUNA STUDIES



*Environmental scientist from Golder Associates surveying the dunes near Sheep Hill (The dunes are to be sectioned off and protected from the port development site).*

Golder Associates carried out a desktop review and five day spring biological survey to assess terrestrial ecology (flora and fauna) conditions and consider potential project related impacts at the proposed port site and transport corridors. The survey identified three main-types of native vegetation at the site, which were all degraded to varying degrees;

- Low shrubland/open hummock grassland dominated by Ruby Saltbush
- Tall open shrubland dominated by Dillon
- Tall open shrubland

A significant proportion of the site is occupied by fallow paddocks and cereal crops.

All remnant native vegetation that occurs on the site is disturbed or degraded. Weeds and invasive species made up approximately a third of plant species found at the site. No significant native vegetation species or trees were identified on the site. The development will not result in any significant loss of native vegetation.

Fauna habitats were highly degraded with poor species diversity. Rabbits are abundant in the area and are further degrading habitats with over-browsing, over-grazing and soil disturbance.

Study outcomes indicated the site does not contain any habitats considered critical or limiting to any listed fauna species. The development is unlikely to have significant impacts to any of the listed fauna species.

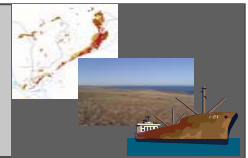
### MEET THE TEAM



**BEN HAMMOND**  
**Senior Project Geologist/Project Manager**

Ben is a Geologist by profession however he has spent much of his career in business improvement and project management across all aspects of mining including maintenance, rail and shipping. His previous Iron Ore experience includes roles at both BHP Billiton's Newman mines and Port Hedland shipping facilities.

Ben is the Project Manager for the Sheep Hill Port studies. He brings hands on experience from existing iron ore port operations to the project as well as knowledge from right across the iron ore supply chain.



### MARINE STUDIES

Golder Associates conducted a three phase investigation of the marine environment in and around the proposed port location during late spring 2008. This included a targeted field survey and an assessment of potential port affects.

The coastline in the proposed port region consists of sandy beaches with rock outcrops and patches of seagrass and other algal habitats.

Field investigations revealed the local marine environment is typical of the Spencer Gulf with no endangered or significant habitat identified.

Seagrass present in the proposed port location consisted of a patchy and variably dense mosaic of several different species. This was located in subtidal areas to a depth of 12-13m. Beyond this depth the sea floor was composed of sand with a variety of taxa including bivalves. Epifauna within the sea grass included a variety of fish, sea squirts, sea starts and sea cucumbers, crabs, snails and bryozoans. The salinity of the water varied between 40-45ppt which is higher than oceanic waters due to high evaporation in the Spencer Gulf.

The study suggests construction of a port facility will have minimal impact on the marine environment in the broader context of the Spencer Gulf,



*Golder Associates Marine Ecologists collect samples from the waters off the coast of Sheep Hill.*

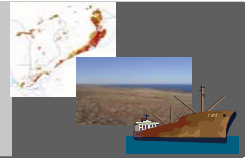
and will be limited and restricted in timing and duration. The port facility may have positive and negative impacts on marine habitats in the intertidal zone, with port structures acting as new habitats. The potential affects of the port structures in the intertidal zone are considered to be minor with no marked affect on the overall ecosystem function.

Moderate changes (eg. Potential habitat loss, local hydrodynamics) to the local subtidal zone could occur, but these would be minor in the context of the Spencer Gulf. The development of a port at the site would not completely remove ecosystem components from the subtidal zone and therefore no loss of overall ecosystem function would occur.

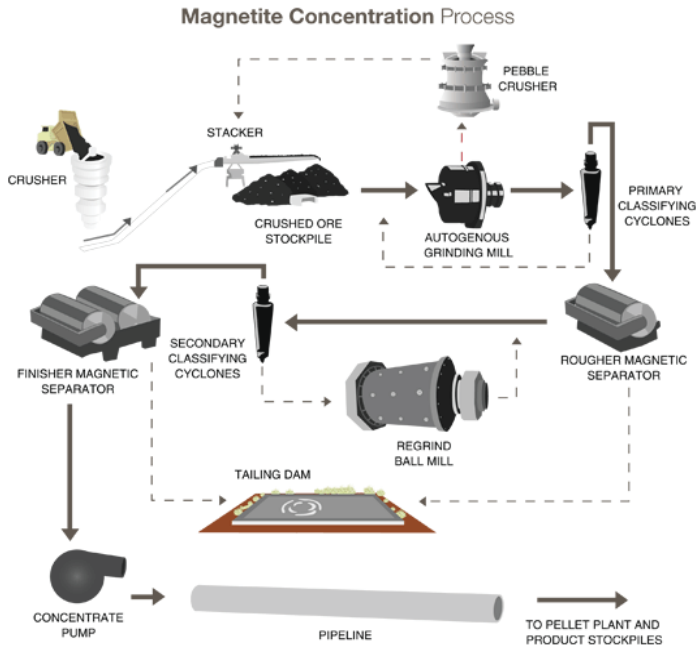
Further studies will be undertaken once detailed wharf designs are complete to better define the potential affects on local hydrodynamics and sedimentation patterns.



*A Golder Associates Environmental Scientist surveys rocky-outcrops along the Sheep Hill coastline.*



## MAGNETITE PROCESSING AND LOGISTICS



\*Source: Citic Pacific Mining

The Sheep Hill Port facility is proposed by Centrex as an export facility for its magnetite iron ore projects on the Eyre Peninsula. Magnetite iron ores in Australia generally differ from the traditional hematite sources in that the primary rock is of lower grade ( $\approx 30\%$  Fe) and must be processed to produce an iron ore concentrate. Although more costly to mine than direct shipping ore (DSO) hematite ( $\approx 62\%$  Fe), the resulting magnetite concentrate produced is of a higher quality ( $\approx 70\%$  Fe) and the iron ore pellets produced from the concentrate are more energy efficient in the iron making process than hematite lump and fines products. Traditionally magnetite pellets sell at a significant premium to hematite products.

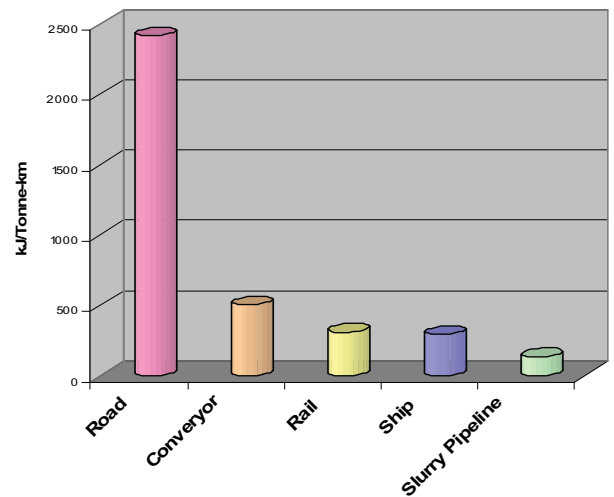
Magnetite ore consists of alternating layers of magnetite and quartz with carbonate as well in some cases. To process the magnetite ore the material is firstly crushed and then ground (wet) to form a fine material. This grinding separates the magnetite from the waste rock. The ground material is passed over a magnetic separator which picks the magnetic magnetite out of the ore.

As the material is very fine the wet magnetite product is then able to be piped as a slurry to the port where the water is removed via filtration and returned back to the mine for further use.

The dewatered product is then ready for export. There are many advantages to using a pipeline to pump the refined ore from the mine to the port including;

- The cost of building and operating a pipeline is far less than using either road or rail
- As the product is transported in a closed system there are no issues of dust
- Since the pipeline is generally buried underground then there is no additional traffic movements

Transport Mode Energy Efficiency



**Comparison of transport mode by energy efficiency showing energy required to move 1 tonne a kilometre (\*Source: rail & ship Komor 1995, slurry pipeline PSI 2009, conveyor & road, Helix 2009)**

### WE APPRECIATE YOUR FEEDBACK

If you have any comments or feedback regarding the project please send written responses to "Sheep Hill Port Project" either by mail or online to:

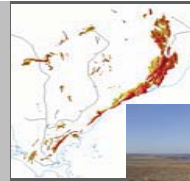
Level 3, 100 Pirie Street, Adelaide SA 5000

or

[reception@centrexmetals.com.au](mailto:reception@centrexmetals.com.au)

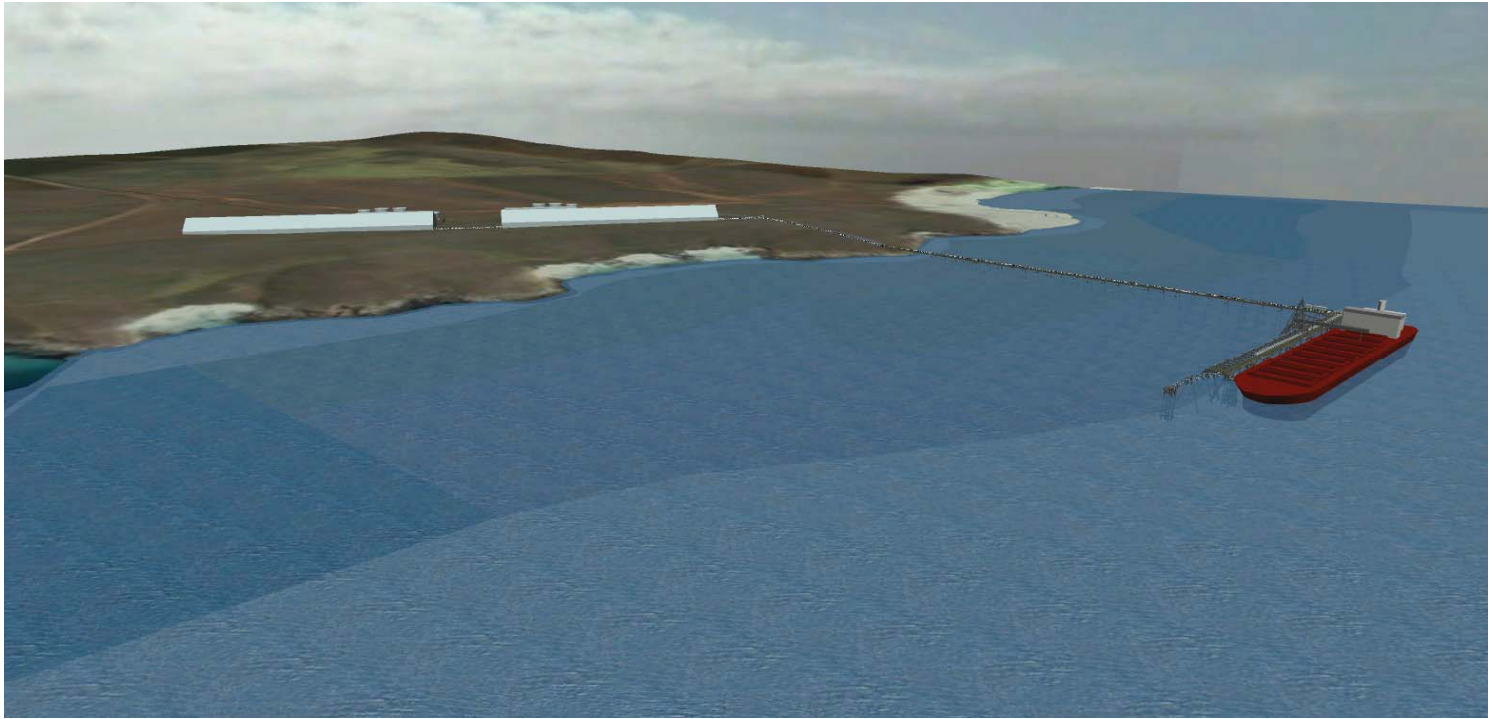
# SHEEP HILL PORT

## PROJECT UPDATE 3



Sep 2009

## A NEW EXPORT HUB, A NEW OPPORTUNITY FOR INDUSTRY GROWTH ON THE EP

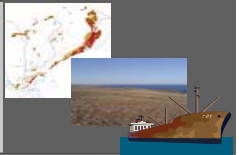


*Off-shore view of the concept design of the Sheep Hill Export Facility on the Eyre Peninsula. A deep water loading facility capable of loading >200,000t ships (foreground) and initial storage capacity for 10 million tonnes per annum of bulk commodities (background).*

**Concept engineering design** studies were completed for the proposed Sheep Hill Export Facility north of Tumby Bay by Centrex in June 2009. URS and GRD Minproc, two leading engineering groups were contracted by Centrex to design optimal off-shore and on-shore (respectively) infrastructure to export bulk commodities in Capesize ( $\approx 200,000\text{t}$ ) vessels from the facility, given the wave, wind, environmental and geotechnical data already collected for the project.

The initial concept design recommended the construction of a 500m jetty out to 20m depth of water with a shiploader capable of up achieving loading rates of 4,500 tonnes per hour. This design allows for up to 20 million tonnes a year of bulk exports. Initial on-shore storage sheds for ore were designed to handle Centrex's Carrow and Bungalow Magnetite Projects with a combined annual output of 10 million tonnes of iron ore concentrate. The proposed storage sheds would be able to hold around 500,000t of iron ore. This ore would be piped from the mines as a slurry and then dewatered at the port with the water returned to the mines via a return pipeline.

Cost estimates for the jetty, wharf, conveyors and shiploader were estimated to be around \$95 million to construct making the facility a very cost effective option for bulk commodity exports on the Southern Eyre Peninsula.



### THE NEXT STEPS... FURTHER ANALYSIS OF SITE CONDITIONS



*(left) Acoustic doppler current profiler used to measure wave and current patterns, (right) weather station at Wilgerup Project near Lock.*

The next stage in the design of the Sheep Hill Port will be to undertake a Pre-Feasibility Engineering Study to refine the best options for items such as jetty and wharf alignment.

To commence this study a number of further data inputs are required to be able to make an informed decision as to the best way to construct the port. For this reason Centrex will be undertaking three activities over the remainder of 2009 to provide detailed data of the Sheep Hill site off-shore conditions. These activities are;

- The installation of a weather station at the port site to collect local climate data that will in particular provide a good idea of the prevailing wind conditions in the area
- Deployment of a wave and current monitoring device off-shore to identify extreme wave and current conditions to help decide the best alignment for the jetty
- An off-shore seismic survey to determine the depth of sand cover of the sea floor around the port site to help design pylon construction

These activities will provide a very clear picture of just what conditions at the port and outline conditions that ships will face during operations so that the design incorporates these site specific factors.

The studies will take approximately 6 months to complete. Centrex plans to use this information, the resultant Pre-Feasibility Engineering Study and the baseline studies completed to date to allow the completion of a development application for the project to be submitted in mid-2010.

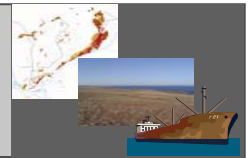
### MEET THE TEAM



**GERARD ANDERSON**  
Managing Director

Gerard is a geologist with over 35 years experience in exploration and mine geology. Gerard also has business qualifications including a Masters of Mineral Economics and a Graduate Diploma of Business. He has held senior mine management positions including the General Manager of the Golden Grove Mine in Western Australia and the Managing Director of Croesus Mining.

Gerard will hold a seat on the Board of the proposed new port facility and he brings a wealth of management experience and guidance to the Sheep Hill Project with his current and previous experience on corporate boards.



# CENTREX AND BAOTOU IRON SIGN BUNGALOW JOINT VENTURE AGREEMENTS

**Centrex and Baotou Iron & Steel (Baotou)** signed the formal transaction documents for the Bungalow Joint Venture on the 27th of August 2009. The Joint Venture covers EL3610 approximately 8km NW of Cowell on the Eyre Peninsula. In the documents Baotou have agreed to staged exploration expenditure up to \$40 million on the tenement to complete a Bankable Feasibility Study for a new magnetite iron ore project.

Centrex recently completed a 5,196m drilling program at Bungalow in 2009 with results further reinforcing the Company's current exploration target of 127-417 million tonnes of iron ore for the project. Preliminary metallurgical test work for the ore completed by GRD Minproc, showed favourable grinding properties (12.7 BBWI) compared to many Western Australian magnetite projects meaning Bungalow will require less power to grind the ore for processing.

Davis tube recovery (DTR) work for the drilling to date has shown very high concentrate grades of;

- 70.2% Fe, 2.7% SiO<sub>2</sub>, 34.6% recovery (@ >20% DTR cut-off)



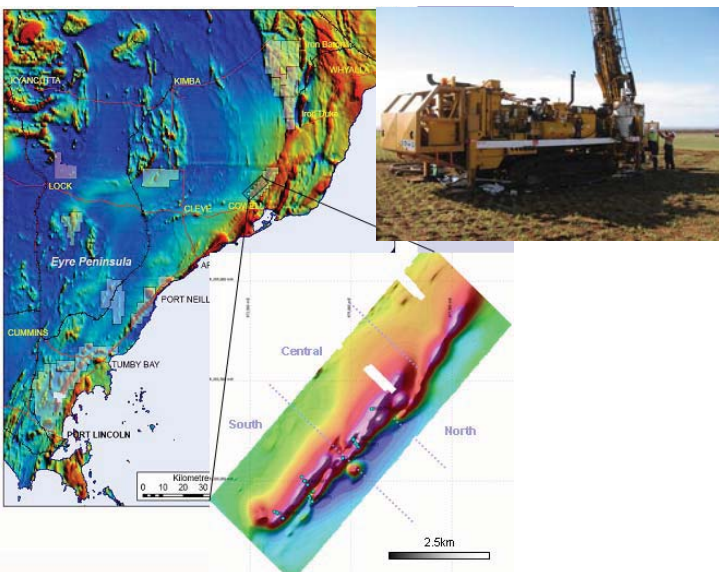
**Centrex Metals Chairman David Lindh (right) shakes hands with Baotou Iron & Steel Chairman Si Yongtao in Baotou City, China**

The Bungalow Magnetite Project is nearing completion of a Scoping Study and has already finished a concept environmental study that was completed by Golder Associates, to determine the major environmental factors to consider and evaluate for the project going forward. The results indicated that the main considerations would be around;

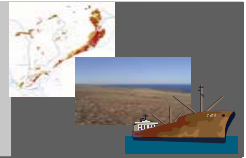
- Minimisation of dust during construction and mining
- Noise management from construction and operations
- Surface water run-off management during flash floods in the area
- Mine waste rock disposal

Next steps to close out the Scoping Study will be further diamond drilling and metallurgical test work followed by preliminary processing plant and mine designs. Baotou will contribute \$8 million towards this work. If the Scoping Study is successful then a Pre-Feasibility Study will commence with a further \$8 million to be contributed by Baotou.

At the same time as signing of the Bungalow Joint Venture Centrex and Baotou also signed an off-take sales contract for 600,000 tonnes of hematite ore per year for 5 years from the Wilgerup Mine Project near Lock.

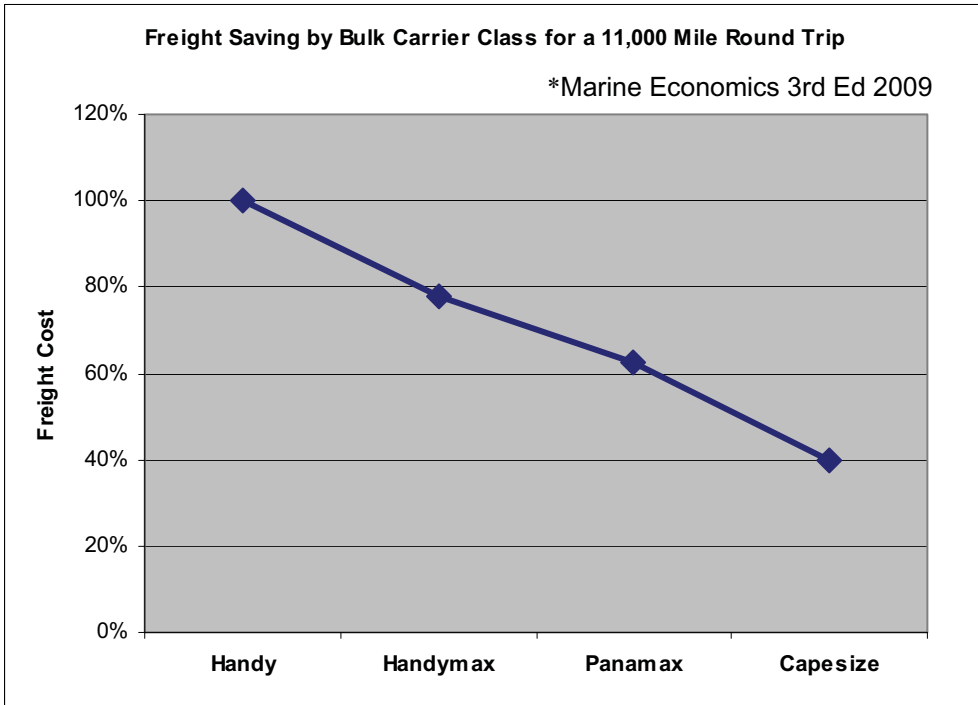


**Magnetic map of the Eyre Peninsula, with enlarged magnetic image of Bungalow. Drill rig in operation at Bungalow also shown.**

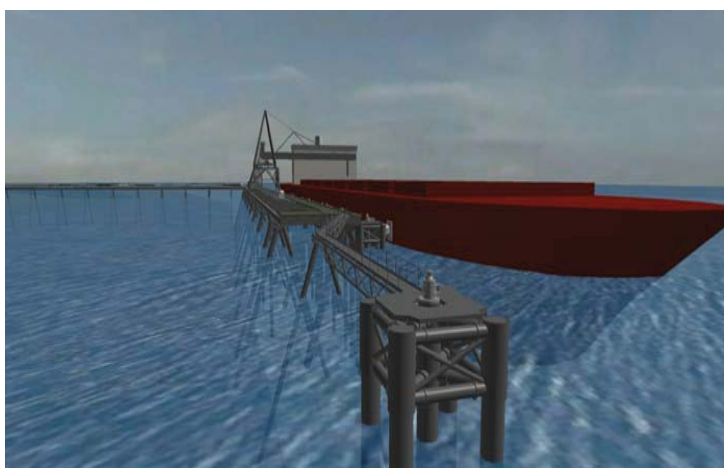


### GLOBAL SHIPPING TERMINOLOGY

<b>Ballast</b>	Sea water pumped into carefully located tanks when the ship is not carrying cargo to lower the ship in the water so make sure the propeller is submerged
<b>Berth</b>	Designated area of the quay where the ship arrives alongside to be loaded or unloaded
<b>Bulk Carrier</b>	Single-deck ship that carries dry cargoes such as ore
<b>Capesize</b>	Bulk carrier too wide for the Panama Canal usually 100,000dwt to 220,000dwt
<b>Draft</b>	Vertical distance between waterline and bottom of ships hull
<b>Deadweight (dwt)</b>	The weight a ship can carry when loaded to its marks
<b>Handy</b>	Bulk carrier less than 40,000dwt
<b>Handymax</b>	Bulk carrier typically up to 40,000dwt to 60,000dwt
<b>Panamax</b>	Bulk carrier which can pass through the Panama Canal usually 60,000dwt to 100,000dwt



*(left) Graph showing cost savings by using larger vessels, (above) Picture of drafts marks on vessel*



*3D model view of the concept wharf design at Sheep Hill with a Cape class ship at berth being loaded.*

**WE APPRECIATE YOUR FEEDBACK**  
 If you have any comments or feedback regarding the project please send written responses to "Sheep Hill Port Project" either by mail or online to:

**Level 3, 100 Pirie Street, Adelaide SA 5000**

or

**reception@centrexmetals.com.au**





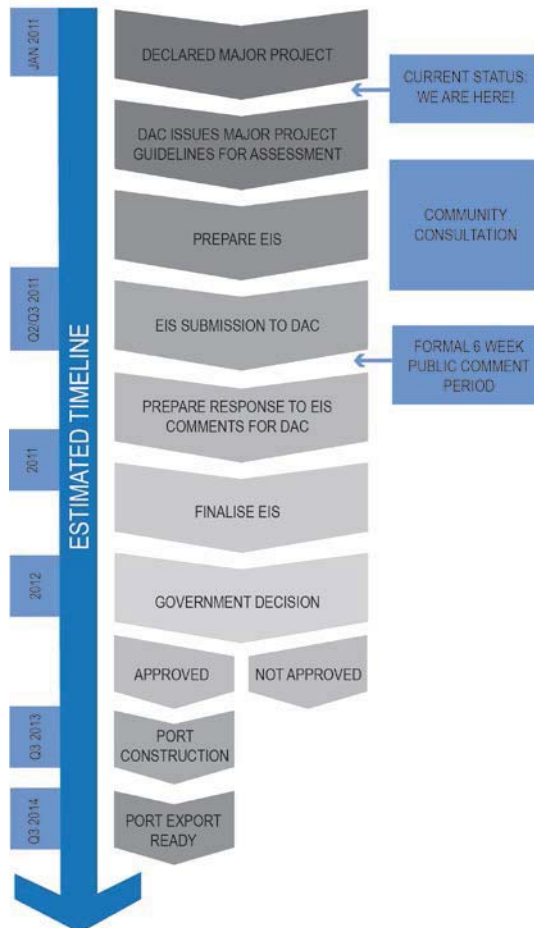
## SHEEP HILL PORT PROJECT PROJECT UPDATE 4 MARCH 2011

### SHEEP HILL PORT DECLARED MAJOR PROJECT

Centrex submitted a Sheep Hill Port Project referral to the Department of Planning and Local Government (DPLG) in December 2010. On 6 January 2011, the proposed Sheep Hill Port Project was declared a Major Project by the Minister for Urban Development and Planning. The Development Assessment Commission (DAC) will be the lead agency for the process of Project development approval assessment.

### DEVELOPMENT APPROVAL PROCESS

The Project's next steps include community consultation and the submission of an Environmental Impact Statement (EIS) (or equivalent).



## COMMUNITY CONSULTATION SESSIONS YOUR PARTICIPATION AND FEEDBACK IS VALUABLE!

Community information sessions are planned for April 2011 in Tumbly Bay and Port Neill.

An open house forum will be provided for any interested community members to attend. Information about the Project will be provided and Centrex and support staff will be present to answer questions.

Further details on venue and time will be available from Tumbly Bay District Council office, newspapers and the Centrex Website closer to the information session dates.

[www.centrexmetals.com.au](http://www.centrexmetals.com.au)

We value your input and feedback regarding the Project, anytime.

If you have any comments or feedback, please send written responses to "Sheep Hill Port Project" either by mail or online to:

UNIT 1102, 147 PIRIE ST, ADELAIDE SA 5000  
[reception@centrexmetals.com.au](mailto:reception@centrexmetals.com.au)

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## NAME THE PORT AND WIN \$3,000!

CENTREX INVITES PRIMARY SCHOOL STUDENTS IN THE TUMBY BAY AND PORT NEILL AREAS TO ENTER OUR COMPETITION TO NAME THE PROPOSED DEEPWATER PORT. NOMINATE A PORT NAME AND BE ELIGIBLE IF SELECTED AS WINNER, FOR A MAJOR PRIZE OF \$3,000 FOR THEIR SCHOOL, AND A CERTIFICATE OF RECOGNITION. THE COMPETITION LODGEMENT FORM CAN BE DOWNLOADED AT THE CENTREX WEBSITE

[www.centrexmetals.com.au/competition/comp\\_entry\\_form.html](http://www.centrexmetals.com.au/competition/comp_entry_form.html)

## MEET THE TEAM MR JIM WHITE CEO



Jim White is a metallurgist who before starting with Centrex in August 2010, has spent his career with BHP and OneSteel, with a focus on steelmaking, exploration and major project development. His involvement in the successful OneSteel Project Magnet iron ore export development and in government and community liaison is particularly relevant to Centrex's plans for the Eyre Peninsula.

## PROPOSED PORT DEVELOPMENT STAGES

The Sheep Hill Port site comprises 260 acres of land located approximately 21 km north east of Tumbly Bay. Centrex proposes to develop a multi-user deep water bulk commodities port facility at the site. The site was chosen due to the close proximity of deep water (20 m) capable of loading Cape sized vessels. The distance from the shoreline to this depth is only 500 m. This would allow loading of vessels of > 160,000 tonnes capacity with bulk commodities. Currently, South Australia has no ports capable of loading such volumes.

The proposed port is estimated to be a \$150-200 million project with an expected construction completion date of 2014.

The Port will be developed in four stages: Stage 1 is the subject of the current Major Project. Stage 1 will include the following infrastructure:

- The Port, including jetty and storage areas for hematite, magnetite and grain;
- Redevelopment of ungazetted Swaffers Road from Lincoln Highway:
  - Haul truck and infrastructure access corridor.
  - Swaffers Road is located north of the Port
- Light vehicle access via Lipson Cove Road to the south of the Port.

It is proposed Stage 2 of the Project will involve magnetite ore export and Stages 3 and 4 the expansion of magnetite storage sheds as export needs increase. Each additional stage will be the subject of separate development applications and approvals processes as the Project progresses.



PROPOSED PORT SITE, AND SWAFFERS ROAD

## TECHNICAL STUDIES UPDATE

The last Sheep Hill Marine Port Project update was issued in September 2009. Past Project updates can be downloaded from the Centrex Website [www.centrexmetals.com.au/communityrelations/comm\\_factsheets.html](http://www.centrexmetals.com.au/communityrelations/comm_factsheets.html)

Technical Studies undertaken since the last project update include;

- Additional Marine Ecology Survey
- Marine Geophysical Study
- Wind and Wave Monitoring
- Surface Water Study
- Noise Assessment
- Air Quality Assessment
- Coastal Processes Assessment



THE PROPOSED PORT SITE

## MARINE GEOPHYSICAL STUDY

In September 2010, marine geophysical work was undertaken in conjunction with Centrex's consultants, Golder Associates. The study provides details about the sea floor profiles to confirm jetty design. The study included mapping of the vertical and lateral distribution of marine sediments and the depth to the top of bedrock along the proposed jetty and berth.

A sub-bottom profiler system was used to determine the thickness of fine to medium-grained, loose sediment on the sea floor. A low frequency acoustic system was used to identify deeper subsurface conditions of the sea floor.

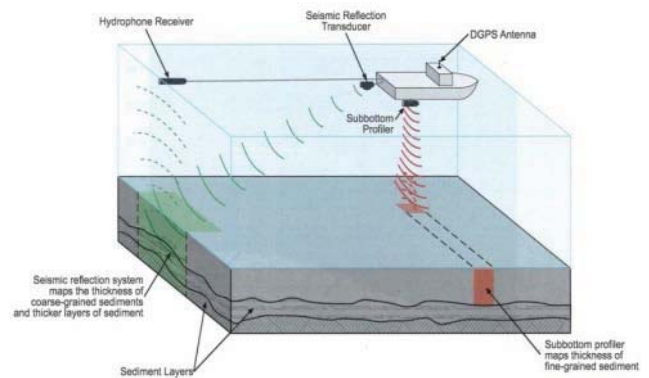


DIAGRAM OF SEISMIC DATA COLLECTION METHOD

The loose sediment thickness along the proposed jetty ranged between 0 -1 m. No irregularities in the top of bedrock were observed. This is considered ideal for jetty and berth construction.

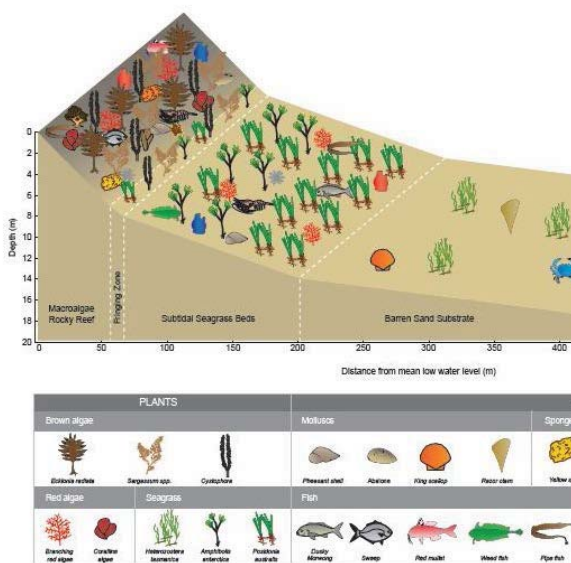


SEISMIC STUDY VESSEL LEAVING TUMBY BAY

## 2010 MARINE ECOLOGY SURVEY

During Spring 2008 preliminary marine ecology surveys were undertaken at the proposed port site. These field investigations did not identify endangered or significant habitat in the Project area. In July 2010 an additional marine ecological survey was undertaken based on preliminary jetty design to facilitate a more detailed survey corridor.

The 2010 survey confirmed 2008 observations: overall subtidal ecosystems occurring within the proposed jetty footprint are typical of rocky reef and seagrass habitats found throughout Australian temperate marine environments. No sites of marine ecological, scientific, or economic significance were identified within close proximity to the Project area.



MARINE HABITATS AT THE PROPOSED PORT SITE

## WE APPRECIATE YOUR FEEDBACK

If you have any comments or feedback regarding the project please send written responses to "Sheep Hill Port Project" either by mail or email to:

Unit 1102, 147 Pirie Street, Adelaide SA 5000  
 reception@centrexmetals.com.au  
 www.centrexmetals.com.au

## WAVE AND CURRENT STUDY 2009 - 2010

Between October 2009 and March 2010 a site specific summer wave and current study was undertaken at Sheep Hill. Temperature, waves, currents, sea level variation and salinity were measured for the summer months. During August – September 2010 further work was undertaken to collect additional seasonal data.

The study has identified that during the summer months, the predominant onshore south-easterlies result in wind-driven, short period waves. Alternatively, during winter the winds are predominantly offshore and a more active open-ocean wave increases the occurrence of long period swell penetration in the Gulf. The mean current speeds from the winter period to the summer period were almost identical.

Centrex is currently reviewing port mitigation and monitoring measures with respect to the marine environment. Further detail will be provided in the proposed EIS planned for submission to Development Assessment Commission in Q2/Q3, including a 6 week public comment period.

## MEET THE TEAM MR. STEVE BROWN, MS ALISON EVANS



Steve Brown is an electrical engineer with 28 years experience in the iron ore, steel, water and construction industries. He started at Centrex Metals as General Manager Engineering in January 2011. Previous roles include Manager Engineering for all capital works at Onesteel Whyalla and Client Construction Manager for Project Magnet. Alison Evans is Centrex's Company Secretary and Legal Counsel. She started with the company in February 2011 and has held in-house roles at AGL and GTL Energy Ltd.



**CENTREX METALS**  
L I M I T E D

# PORT PROJECT PROJECT UPDATE 5

AUGUST 2011

## UPDATE ON PORT DEVELOPMENT INFORMATION DAYS, APRIL AND JUNE 2011

Centrex Metals Ltd says a big thank you to residents of Port Neill, Tumby Bay and Port Lincoln who took time out at our 2011 April and June Information Days and Evenings to meet members of our project team and learn more about the proposed Port development at Sheep Hill.

More than 250 people attended the sessions, including a school group from Tumby Bay Area School. Students came prepared with dozens of questions for Centrex's General Manager Engineering, Steve Brown.

Your questions are important to us. Enclosed with this newsletter is a Stakeholder Response Report collating all the questions raised during the Information Days and providing responses from Centrex. The Stakeholder Response Report groups your questions into categories and, where new information has become available, we have provided the latest information. Some answers have been updated from the responses given at our Information Days – this reflects new information that has become available since then.

Centrex will conduct a second round of consultation when the Public Environmental Report (PER) (environmental impact assessment) document nears completion. These sessions will update you on the results of environmental and other studies and seek further feedback from community.

We will let you know the details closer to the time. In the meantime, community members are welcome at any time to contact Centrex with questions or enquiries.



MR STEVE BROWN, CENTREX GENERAL  
MANAGER ENGINEERING, PRESENTS A 3D  
VISUALISATION OF THE PROPOSED PORT TO  
STUDENTS FROM TUMBY BAY AREA SCHOOL

## DEVELOPMENT GUIDELINES RELEASED

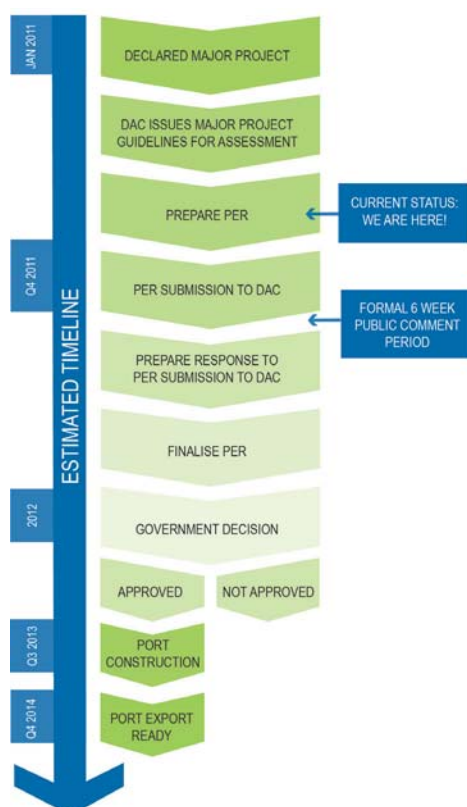
The South Australian Government's Development Assessment Commission (DAC) has released guidelines for assessment of the Centrex Metals Port development. The project will be assessed under the terms of a Public Environmental Report (PER). The PER will be the environmental and social impact assessment of the project. This level of assessment was considered appropriate by government given consideration of the unique project features, including:

- The establishment of a large shipping terminal in a rural coastal location.
- Potential economic benefits to the region.
- Potential impacts on the surrounding coastal and marine environment (including from shipping activities in the Spencer Gulf).
- Construction impacts (including noise, dust, odour and vibration).
- Infrastructure requirements on Eyre Peninsula.

The Development Act 1993 requires a PER to be exhibited for at least 30 business days and for a public meeting to be held during this period. Centrex plans to present the results of all studies being prepared for the PER to Port Neill and Tumbly Bay communities before the public exhibition period. We will provide more information about this in our next Community Consultation Update.

We aim to submit the PER to the Government in December 2011. An updated flowchart with our project schedule is provided here.

A copy of the project guidelines can be found on the DAC website (<http://dataserver.planning.sa.gov.au/publications/1417p.pdf>).



## FACTS ABOUT PORT OPERATION

### MARITIME SECURITY

Established in 2001, all export ports are subject to the International Maritime Organization's International Ship and Port Facility Security Code. The Australian Government has since developed the Maritime Transportation and Offshore Facility Security Act 2003 to protect Australia's maritime transport system.

Centrex intends to appoint a port operator to operate the proposed port. The port operator will comply with all the relevant customs and export legislations to ensure required security measures are in place to prevent unlawful interference. All port users will be required to hold a Maritime Security Identification Card, specified by the Australian Government.

Crew members visiting the port on Cape class or Panamax ships will be subject to the same legislation and controls as other export ports around Australia.

### BALLAST WATER DISCHARGE

There is an international convention for the exchange of ballast water which has been constituted by the International Maritime Organization. The Australian Government is currently progressing laws to support the enforcement of the convention for Australian waters. Under the convention, ships should exchange ballast water at least 200 nautical miles from land in water at least 200 metres deep.

The intake and disposal of sea water is used to control the weight of ships. Ships need to carry some ballast water in order to moor at port. Therefore, some ballast water will be discharged at the port before loading. However, this water will be local seawater since the ship will have previously exchanged its ballast water out to sea prior to entering the port.

### SLURRY PIPELINE

It is proposed that a magnetite slurry pipeline and a return water pipeline will connect proposed magnetite mines in east Eyre Peninsula to the port. The diameter of the pipelines is estimated to be 200 mm. Most of the pipeline route will be underground between the mines and the port.

Magnetite slurry is black and has a particle size of 40 to 75 microns (similar to talcum powder). It has the consistency of very dirty water and will be pumped through the pipeline, just like water. The slurry will go through some processing at the port to remove water. Excess water will be returned to mine sites by return pipeline.

Magnetite slurry pipelines are used widely in the mining industry. In fact, the world's first iron ore slurry pipeline was constructed in Tasmania in 1967 and is still operating today. Other magnetite slurry pipelines include Project Magnet at Whyalla, Balla Balla Magnetite Project in Western Australia and Southdown Magnetite Project, also in Western Australia.

Slurry pipeline construction and operation is not expected until the second stage of the port development. Any pipelines will also be subject to State Government development approval processes. They do not form part of the current Stage 1 of the port. Stage 1 of the Development Application contemplates the export of hematite (higher grade iron ore) and grain only, which will both be trucked to the port.

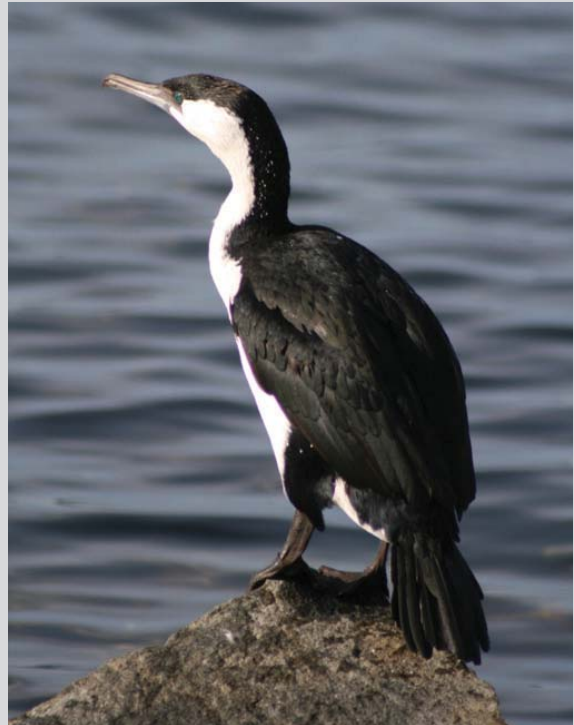
## TECHNICAL STUDIES UPDATE

Further technical studies are being undertaken to complete the Public Environmental Report (PER) to be submitted to the State Government. Recent studies have included further marine ecology, Lipson Cove ecology and sand dune studies. Summaries about the progress of each of these studies are provided below.

The full results of all studies will be presented as part of future community consultations. In the meantime, anyone wanting more information about any of the work underway can contact Centrex directly.



LONGNOSE WEEDFISH, JULY 2011



BLACK-FACED CORMORANT

### FURTHER MARINE ECOLOGY SURVEY

Additional marine ecology surveys were undertaken in July 2011. The survey included biological sampling from sub-tidal habitats. Different habitats include rocky reefs, seagrass beds and mid to deep seabed areas. Sediment sampling was also conducted.

This survey is part of baseline works to examine the marine ecology inhabiting the proposed site to determine potential impacts the proposed development may have on it.

### LIPSON ISLAND ECOLOGY SURVEY

The Lipson Island Ecology Study was conducted during May and June 2011. The objectives of the study were to:

- Characterise existing land and marine flora and fauna species and habitat;
- Identify potential project constraints; and
- Identify interpret and mitigate the potential impacts.

Results showed there were 19 native and 2 introduced bird species on the Island, with the Silver Gull being the most common seabird.

Imagery captured from the infrared cameras identified Lipson Island as a significant roost. Two species of cormorant were found to be nesting, roosting and breeding on the most northern point of Lipson Island.

The study identified some potential impacts that port construction and operation may have on the Lipson Island Conservation Park including potential noise and light disturbance. By ensuring the appropriate management plans are in place during construction and operation, the potential impact of the proposed development on Lipson Island is not likely to be significant.

### SAND DUNE STUDY

The sand dunes of Rogers Beach, directly north of the port site, were the focus of an ecological study in May and June 2011. These areas are outside the Project boundary. Centrex undertook the study to establish any possible impacts the port may have on this environment.

The condition of vegetation in the dune area is natural but has been disturbed by previous activities. Centrex will not disturb this land and will maintain public access to Rogers Beach. Wave and current studies suggest there will be minimal impact upon the formation and structure of the beach due to the port's construction and operation. This will be further discussed in the PER.





# CENTREX METALS

L I M I T E D

## MEET THE TEAM

### MR GAVIN BOSCH

Gavin Bosch was appointed as Company Secretary of Centrex Metals Limited in May 2008. In February 2011, he became Centrex's General Manager Finance.

Mr Bosch is a member of CPA Australia and Chartered Secretaries Australia. He has over 14 years experience in the mining industry. Beginning as a graduate accountant for the Normandy Group (which later became Newmont Australia, after a takeover in 2002) in Tennant Creek, he moved to more senior roles in Western Australia and then in the Adelaide head office. Along with his roles in management and financial accounting, he held positions in both taxation and systems implementation. Gavin was part of community consultation meetings in Tumby Bay.



MR GAVIN BOSCH, CENTREX GENERAL MANAGER, FINANCE

## WE APPRECIATE YOUR FEEDBACK

**THE LAST CENTREX PORT NEWSLETTER WAS ISSUED IN MARCH 2011 AND CAN BE DOWNLOADED FROM THE CENTREX WEBSITE**

[www.centrexmetals.com.au/communityrelations/comm\\_factsheets.html](http://www.centrexmetals.com.au/communityrelations/comm_factsheets.html)

**OTHER DOCUMENTS AVAILABLE ON THE WEBSITE INCLUDE POSTERS PREPARED FOR THE INFORMATION DAYS AND INFORMATION ABOUT OTHER CENTREX PROJECTS ON THE EYRE PENINSULA.**





**CENTREX METALS**  
L I M I T E D

# PORT SPENCER PROJECT UPDATE 6

DECEMBER 2011

## GULF LENDS NAME TO PORT

The permanent name of the proposed port for the Lower Eyre Peninsula has been drawn from the name of the deep water inlet which will carry the vessels into berth.

Port Spencer, drawn from Spencer Gulf, has replaced the interim name, Sheep Hill, which had been used as a reference to the closest land mark identified on marine charts. The announcement of the new name has been well received by stakeholders.

In Centrex' view the new name more appropriately represents the proposed development's significance to the region and the State.

## PUBLIC ENVIRONMENTAL REPORT

Final environmental and social studies prepared for the Public Environmental Report (PER) are nearing completion and the documents are being prepared according to the South Australian Government's Development Assessment Commission (DAC) guidelines.

Following submission, the full PER will be available for public comment for a period of 30 working days and public meetings will be held in Port Neill and Tumby Bay to address any outstanding community concerns.

As always, members of the community and any interested stakeholders are welcome to contact Centrex with questions or inquiries outside of any official consultations.

Information about the venues and times for the public meetings will be available in the New Year. A copy of the project guidelines can be found on the DAC website (<http://dataserver.planning.sa.gov.au/publications/1417p.pdf>).

A comprehensive record of community questions, with responses from Centrex, is published on the Centrex website in the form of a Stakeholder Response Report. Go to [www.centrexmetals.com.au](http://www.centrexmetals.com.au)



DID YOU KNOW? SPENCER GULF WAS NAMED IN 1802 BY EXPLORER MATTHEW FLINDERS AFTER GEORGE JOHN SPENCER, THE 2ND EARL SPENCER AND ANCESTOR OF DIANA PRINCESS OF WALES. FRENCH EXPLORER NICHOLAS BAUDIN ALSO NAMED THE INLET GOLFE BONAPARTE AT A SIMILAR TIME, BUT THE NAME DID NOT CATCH ON.



VIEW FROM ROGER'S BEACH



VIEW FROM 1 KM OFFSHORE



VIEW FROM LIPSON BEACH



VIEW FROM CORNER OF LIPSON & COAST ROAD



VIEW FROM SWAFFERS ROAD

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## DESIGN VISUALS

Design and feasibility studies are currently being finalised for all aspects of the proposed port's infrastructure. The proposed layout of the port will be explained in detail in the PER documents. Some images of how the port may look are provided to the right.

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## TECHNICAL STUDIES UPDATE

Technical studies are being finalised to complete the PER documents in time for submission to the SA Government. Studies recently completed include Marine Ecology, Sediment Transport Modelling, Surface Water and Traffic.

Some summary information about each of the studies is provided below and full results will be presented in the PER and as part of future community consultations. In the meantime, anyone wanting more information about any of the work can contact Centrex (see details on back).

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## SEDIMENT TRANSPORT MODELLING

This study assessed changes in the movement of sediment as a result of the construction of the jetty as well as any changes that might occur when a vessel berths at the proposed port.

This was completed by looking at how water levels, tidal conditions and current speeds may change if a vessel was at the jetty, and how that might affect local beaches and the sea bed.

The modelling predicted there would be an increase in sediment immediately inshore of the jetty, and a decrease in erosion north of the jetty. It also showed that the jetty construction and operation would only impact on the immediate local area. For example, Lipson Island, approximately 1.5km from the site, would not experience any significant change.

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## SURFACE WATER

The movement of surface water over the site has been studied and a conceptual design developed to allow for the capture, use and safe release of stormwater.

The studies analysed site specific conditions and reviewed 100 years of rain events to understand the movement of water for existing and proposed conditions.

All stormwater falling onto the site will be captured, retained and used for operational activities such as irrigation. Stormwater falling outside the area of the proposed port will be diverted through drainage channels to Roger's Beach which will include sediment and control measures.

Importantly, the conceptual design has considered and promoted the drainage of stormwater runoff to Roger's Beach in a similar manner to existing conditions.

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## TRAFFIC STUDY

The main vehicle movements to and from the proposed port will be from construction traffic and the transportation of hematite and grain product to storage sheds on-shore.

The vehicles travelling to and from the site will be a mixture of semi-trailer, truck or trailer combinations, road trains, buses transporting construction crews and some light vehicles.

The traffic study has forecast expected road usage, during both construction and operation, and put forward recommendations for upgrading existing roads and improving junctions.

Upgrades will include the following:

- restricting heavy vehicle movements to Swaffers Road and light vehicle movements to Lipson Cove Road

- widening and sealing Swaffers Road and Lipson Cove Road from Lincoln Highway to the proposed port site

- creating right hand turning lanes into Swaffers Road and Lipson Cove Road from Lincoln Highway.

Images of the proposed upgrades are provided to the right.



PROPOSED UPGRADE FOR LINCOLN HIGHWAY AND SWAFFERS ROAD JUNCTION



PROPOSED UPGRADE FOR LIPSON COVE ROAD AND LINCOLN HIGHWAY JUNCTION

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## FURTHER MARINE ECOLOGY SURVEY

Surveys of the marine environment at the proposed site were undertaken in August and September as part of baseline work to understand the potential impacts from the construction of the jetty and operation of the proposed port.

The results of the surveys showed that species and habitats were similar to those found in the Spencer Gulf and further afield in South Australia.

The survey also revealed a population of an invasive species, the Asian mussel *Musculista senhousia* in the seagrass beds around the location of the proposed jetty. Since the Asian mussel is classified as a marine pest by the Australian government, our team advised Biosecurity SA, who is now investigating to establish the extent of the mussel and will devise a suitable management plan. Centrex will liaise with Biosecurity SA to establish appropriate procedures to be implemented during construction and operation of the proposed port to account for the presence of the Asian mussel.



MARINE SPECIES IDENTIFIED DURING RECENT STUDIES INCLUDED A WARATAH ANEMONE (*ACTINIA TENEBROSA*)



MARINE SPECIES IDENTIFIED DURING RECENT STUDIES INCLUDED A BISCUIT STAR (*TOSIA AUSTRALIS*)

## WE APPRECIATE YOUR FEEDBACK

The last Centrex Port Newsletter was issued in March 2011 and can be downloaded from the Centrex Website: [www.centrexmetals.com.au/communityrelations/comm\\_factsheets.html](http://www.centrexmetals.com.au/communityrelations/comm_factsheets.html)

Other documents available on the website include information posters and the Stakeholder Response Report published following the last round of consultations.

As 2011 draws to a close, the Port Spencer team would like to extend their warmest wishes to all stakeholders for a safe and happy Christmas and prosperous New Year.

### CONTACT US AT ANY TIME BY:

Telephone: (08) 8100 2200

Email: [reception@centrexmetals.com.au](mailto:reception@centrexmetals.com.au)

Post: Unit 1102, 147 Pirie Street, Adelaide, South Australia 5000