



CASHMERE IRON

Media Release
2 February 2012

Cashmere enters into agreement to secure access at expanded Esperance Port

Western Australian unlisted public company Cashmere Iron Ltd (“Cashmere” or “the Company”) is pleased to advise that it has entered into an agreement with Esperance Port Sea and Land (EPSL) for access to the expanded Esperance Port, located in the Great Southern Region of Western Australia.

The agreement, a Capacity Reservation Deed, provides Cashmere with a five (5) million tonne allocation at the Esperance Port, subject to the expansion occurring and commercial terms being entered into between Cashmere and the operator of the proposed facility.

Commenting on the agreement with Esperance Port Sea and Land, Cashmere Iron Chairman, Mr Derek La Ferla said, “The agreement with EPSL is very important to Cashmere Iron and development of its namesake project, the Cashmere Iron Project located in the Yilgarn region of Western Australia.

“We have been rapidly progressing development activities at the project and with access to a key piece of infrastructure secured can now plan for production to commence in line with the completion of the port expansion.

Subject to the completion of all relevant studies, receipt of key environmental and governmental approvals and the expansion of the Esperance and Oakajee Port’s as planned; Cashmere is targeting a production profile as follows:

- Hematite DSO of 5Mtpa from Esperance
- Hematite BFO of 5Mtpa from Esperance
- Magnetite of 10-20Mtpa from Oakajee

The mining and export of Hematite DSO product from the port of Esperance is planned to coincide with the completion of the infrastructure corridor to the port of Esperance, being managed by the western Australian Government, and the expansion of the Port itself.

On 19 January 2012 Western Australian Minister for Transport, Hon Troy Buswell BEc MLA, confirmed that export capacity at Esperance Port will potentially increase by up to 20 million tonnes per annum (mtpa) in a staged plan, with the State Government formally committing to expansion of the port.

Mr Buswell said at the time the Government would embark on a market sounding exercise to identify private sector interest in expanding the port’s capacity for iron ore exports.

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For further information please contact:

David Tasker
Professional Public Relations
T: 08 9388 0944/ 0433 112 936
E: david.tasker@ppr.com.au