



**JACK HILLS  
IRON ORE MINE  
WESTERN  
AUSTRALIA'S  
MID-WEST  
REGION**



## Crosslands Operations Update November 2008

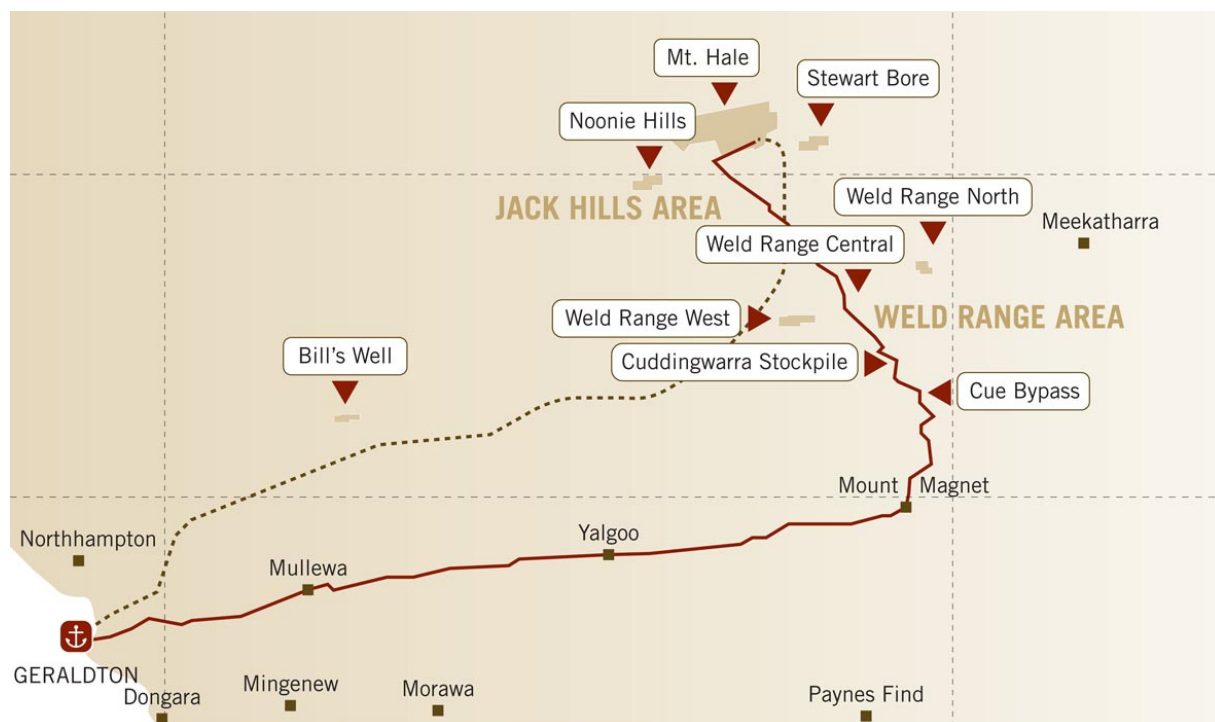
Crosslands Resources Ltd owns and operates the Jack Hills iron ore mine in Western Australia's mid-west region, 380 kilometres north-east of Geraldton. Jack Hills boasts a significant high grade iron ore resource, suitable for low cost, open pit mining.

Crosslands is the second largest exporter of iron ore from Western Australia's fast developing mid-west region.

Mining, logistics, road haulage and shipping operations are undertaken throughout the Shires of Cue and Murchison and the City of Geraldton-Greenough. Road haulage also takes place in the Shires of Yalgoo, Mullewa and Mount Magnet.

Crosslands is one of the largest tenement holders in the mid-west iron ore province, and an integral part of the local community.

The Jack Hills operation currently produces and ships in excess of 1.5 million tonnes per annum (mtpa) of high grade iron ore. This figure should increase to 1.8mtpa by early 2009, and will potentially reach 2mtpa as part of our Stage One operations.



*Ore is mined, crushed and screened at Jack Hills, then transported, via Cue, to the Port of Geraldton where it is loaded and shipped to customers in China and Korea.*

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**Mitsubishi Development Pty Ltd**

A 50/50 joint venture between Murchison Metals Ltd and Mitsubishi Development Pty Ltd.  
Crosslands Resources Ltd ABN 66 061 262 397

### **Milestones and Expansion**

Proposed new rail infrastructure and a new deep water port facility at Oakajee will provide Crosslands (and other miners), with a long-term transport solution for increased volumes of iron ore, in excess of 2 mtpa. This will eventually eliminate the need for trucking of ore on public roads.

The port facility at Oakajee and associated railway infrastructure will take an estimated five years to develop (2013). This includes engineering studies, government approvals, land access, native title, financing, design and construction.

The Jack Hills iron ore project has met scheduled milestones since operations commenced in November 2006. We are ready to achieve the next milestone; that is, an increase in production levels from 1.5 mtpa to 1.8mtpa. This target should be reached during February 2009, and means that an increase in truck movements from the mine to Geraldton is required until the new port and rail infrastructure are ready.

Road haulage will increase from one full truck every 33 minutes (at August 2008) to approximately one full truck movement every 20 minutes by February 2009 to support increased production levels. This equates to one full or one empty truck along the current route every 10 minutes.

As is the case now, truck movements will continue to be staggered to maintain safe operating distance between the trucks using the roads.

Crosslands utilises contract trucking and transport services selected for safe and reliable transport practices. Our fleet uses state-of-the-art trailers; custom designed for safety, stability and noise minimisation. They feature the Omni Star Tracking System; at any time the physical location and speed of trucks can be identified. All trucks have dust covers, signage to advise other road users of safe overtaking practices, and refrain from using engine brakes in built up areas in order to minimise noise. We will continue to apply new technology to ensure the safety of our operations and will work to reduce trucking movements by increasing payload.

### **Safety and Sustainability**

Crosslands is a safe, committed and active member of the community. We are focused on open, two-way communications, and mutually beneficial relationships.

Since our operations commenced in November 2006, Crosslands has contributed to community funds in the Shires of Murchison and Cue; and supported mid-west community initiatives in the areas of recreation, services and community development.

Crosslands actively supports the indigenous communities in the mid-west through our association with all registered Native Title Groups and associated working parties including the Yamatji Land and Sea Council. These groups are regularly briefed on our operations and expansion plans.

Since commencing operations in 2006, we have contributed more than \$40million to the upgrade of the Cue – Beringarra road. While our trucking contractor operates under a Bulk Commodities Loading Scheme, Crosslands pays an annual levy to Main Roads, Western Australia, which is calculated per tonne of material transported, and contributes to the road maintenance of the Cue to Geraldton road.

### **We've Got the Mid-West @Heart**

Crosslands introduced the @Heart community support program in 2008, and recently finalised funding allocations for five local projects, positively contributing to the mid-west community.

As we develop our operations, we remain committed to enhancing our community relationships and identifying further opportunities to work with and support the communities in which we operate.

For more information on Crosslands operations or our community support program, please visit [www.crosslands.com.au](http://www.crosslands.com.au).

### **For further information**

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