

**PRESS RELEASE**

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**Acquisition will see rebirth of power station site**

**Jobs boon forecast for $250m port facility**

Jobs and investment are set to flow into Port Augusta following an agreement by Flinders Power Partnership (Flinders Power) to sell CU-River Mining Pty Ltd (CU-River) the former power station site.

The company plans to turn the huge site into a bulk commodity, transhipment port facility, with the acquisition expected to provide a substantial jobs boon for the Upper Spencer Gulf town.

Construction will start once feasibility and approvals are complete. More than 150 people will be employed at peak and up to 100 permanent positions will be created once the facility is in operation.

CU-River, established in 2014, is a significant South Australian iron ore magnetite producer with a mine and several highly prospective exploration leases in the far north of the State.

It is expected the facility will have an initial capacity up to 15 million tonnes per annum. However, future export potential, via a multi-stage development approach, is in excess of 50 million tonnes per annum.

It is proposed the $250 million port facility will be capable of handling iron ore, grain and other commodities. Barges will be loaded at the port then sail into Spencer Gulf’s deeper water to unload onto larger, Cape-sized vessels. which have a capacity of approximately 175,000 tonnes.

The company expects to begin operations within two years.   This will see the return of commercial shipping to Port Augusta for the first time in almost half a century.

The retention of key infrastructure at the site, including a 5km rail loop and unloading systems, made the site an attractive proposition for CU-River.

CU-River’s External Affairs Manager, Shelaye Boothey, said the 1,068-hectare site – approximately the size of the Adelaide CBD - was an important acquisition for the company.

“CU-River has a strong project pipeline and an ambitious growth strategy that will see it headquartered in South Australia for decades to come,” Ms Boothey said.

 “The purchase of the site is a significant, strategic decision that allows CU-River to secure a direct export pathway for the 15 million tonnes of high-grade iron ore magnetite it plans to mine each year from 2026.

“However, it is our intention to develop the port as a multi-user facility, providing Spencer Gulf and far-north industry with further export opportunities.

Ms Boothey said that due to the significant size of the site there is considerable scope for the land to be further developed for a number of commercial uses.

“We will be examining the feasibility of constructing a large-scale solar farm,” she said.

“However, we will be exploring every option to ensure the site’s commercial potential is maximised.

“Further development of the site will result in more jobs for Port Augusta, making this an exciting prospect.”

The power station ceased generation in May 2016. Since that time Flinders Power has been responsible for the decommissioning and demolition of the power station and rehabilitation of the site.

It’s expected the sale of the site will be finalised in early April 2019, once remediation is complete.

CU-River acknowledges both the community’s keen interest in the future success of the site and the company’s obligation and commitment to ongoing rehabilitation.

CU-River plans to continue with the successful Community Reference Group (CRG) established by Flinders Power.  This will provide key stakeholders the opportunity to work collaboratively with CU-River and provide an opportunity to contribute to the future planning of the site.

Flinders Power Chief Executive Officer, Peter Georgaris, said the company is committed to meeting its closure and rehabilitation obligations.

“Rehabilitation and remediation are core to our agreed plan,” Mr Georgaris said.

“We are focused on a successful transition to a new and exciting future for this significant infrastructure site.  I believe the transition of the site into a port facility is an outstanding opportunity for Port Augusta and the region.”

”CU-River is a well credentialled organisation with an existing presence in the State and exciting plans for the future that involve jobs creation and economic benefit. CU-River is well positioned to develop and responsibly manage the site into the future,” he said.

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**For further information or request for interview:**

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**CU River - fact sheet**

Cu-River is a privately-owned South Australian company with a focus on producing low impurity; high grade magnetite concentrates for the local and global steel industry.

Established in 2014, CU-River purchased the existing Cairn Hill iron ore mine, 55 km south-east of Coober Pedy. CU-River also holds four exploration licences covering approximately 3,000 km2 in broadly the same vicinity as Cairn Hill.

After an extensive $20 million upgrade to Cairn Hill, CU-River started mining in 2016. Significantly it produced and exported one million tonnes of magnetite ore in its first 12 months of operation. Production ceased in late 2017.

CU-River plans to bring Cairn Hill back into production in mid-2019, employing approximately 80 people.

Meanwhile, plans are well underway for a substantial expansion of Cairn Hill. Final regulatory approval for the expansion is expected soon from State Government. However, as the mine is within the Woomera Prohibited Area (WPA) the expansion remains dependent on Department of Defence approval.

The expanded Cairn Hill mine is expected to create employment for 350 people.

In addition, CU River has a has a strong project pipeline and an ambitious growth strategy that will see it headquartered in South Australia for decades to come, including plans for mines at Snaefell and Tomahawk.

Both are located to the south of Cairn Hill and expect to employ up to 750 each once production comes online.

Once all resources are brought into production by 2026 our goal is to produce 15 million tonnes of magnetite concentrate annually.

This will make CU-River the largest iron ore producer in South Australia and create hundreds of employment opportunities.

These current and future projects represent substantial economic and social benefits and opportunities for South Australia.

Cu-River aims to be an important partner to the South Australian Government by helping achieve its Magnetite Strategy goal of producing 50 million tonnes of magnetite annually by 2030.

Iron ore magnetite will be processed on site and hauled on the Darwin-Adelaide rail line directly to CU-River’s port facility for export.