

Indonesian Iron Sand Project

Sep., 2010

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Iron Sand Mine Formation 铁矿砂资料

- Java Island is full of active volcanoes 爪哇岛为活火山区;
- Iron sand accumulates on the beach and coastal area for over 10 million years 千万年间堆积铁矿砂在环岛滨海区及海滩区;
- Iron sand is high at Titanium content. China able to process it for steel since 5 years ago 铁砂含高品位钛, 中国在五年前已开始使用;
- Form a cheap and stable alternative for traditional iron ore mine 形成廉价及稳定的代替传统铁矿石

China Iron Market 中国铁矿砂市场

- China consumed 500 Million MT in 2009 中国在2009年消费五亿吨铁矿砂;
- Main supplies from Brazil, India, Australia, together supply 300 Million MT 主要从巴西,印度,澳大利亚合共进口三亿吨;
- Iron price has risen enormously in last 8 years 在过去八年铁矿砂价不断攀升中;
- Indonesian iron sand as a cheaper and stable alternative to traditional iron as freight is shorter, digging and processing is simple 因为价廉,运输道近,易提炼,印尼铁矿砂已晋升为理想替代传统铁矿石

JV Corporate Structure 合资机构

- Company A acquire 60% of Company B in Indonesia which own two iron sand mines:
 - Location 1, 273 sq. hectare, Central Java
 - Location 2, 400 sq. hectare, Central Java

外资A公司获得印尼B公司的60%股权,拥有两个在印尼爪哇中部的铁矿:其一:占地1,273公顷及其二占地2,400公顷

Indonesian Partner – Company B Group 印尼合股方-B集团公司

- Company B Group is owned by Fujianese Indonesian B集团公司为印尼菲济人所控股;
- Base in Surabaya, Java Island其基地在爪哇;
- Business conglomerate with property development, commodities, paper factory从事房地产开发,一般商品业和造纸业;
- Close relationship with army, politicians and senior government officers与政府高层,政客,军队均有深交;
- Expanding into mining business in form of JV现以合资方式拓展入矿务生意

Location 1 Iron Mine in Operation

一号铁矿区已投产中

- 273 sq. hectare with over 12 Million MT reserve 占地273公顷及藏量为1200万吨;
- Existing operation 120,000MT/month production 现产量为每月120,000吨;
- Company A to install several new processing lines, to increase production to 5,000MT/day iron sand with 55% iron content 合资方A公司已安装多条生产线产能扩为每天5,000吨含55%铁品位矿砂;
- 2010 Yearly production: 600,000MT/year 年产量为60万吨;
- First shipment 50,000MT delivered in June 2010 第一船五万吨已在2010年六月发运

Company A in Full Control of the Supply Chain 合资A公司全控制产供销

- Machines and workers imported from PRC enable quality and reliability机械及技工均来自中国,能确保可靠品质可靠性;
- Contract managed an exclusive 75,000MT wharf in Location 1, only 30km away from mine site在一号矿区30公里处已独家营运可靠泊75,000吨货轮码头;
- Own 25x20MT trucks to transport processed products from mine to stockpile site自备25台20吨级运矿车送矿至码头堆场;
- Stockpile site with 150,000MT capacity, next to Location 1's wharf码头堆场可容纳15万吨;
- Conveyor belt is installed for loading products自备装运输送带系统;
- Sell to Steel Factory in China by CIF shipment
- 以CIF方式卖矿砂至中国

Location 1 Iron Sand Mine – 273 sq hectare

一号矿区占地273公顷



Location 1 Iron Mine in Operation

一号矿区工作图



Location 1 Wharf and Stockpile Site

一号矿区的堆场及码头



Location 1 Operation 一号矿区作业

- CIF Price to China 均报CIF中国大港口价
- Plan to double production in Q1 2011
- 计划在2011年第一季度扩产双倍

Location 2 Iron Sand Mine 二号铁矿

- Location 2 mine consist of 4000 sq. hectare, estimated to have 1.5 Billion MT of reserve 占地4000公顷,藏量为15亿吨;
- 100km from Location 1 wharf 离一号码头100公里;
- Company B 's IUP have approved in June, 2010 合资B公司的采矿权在2010年六月获批;
- Plan to set up processing line to produce higher grade product, 64.5% fine iron powder, as well as 55% iron product 计划生产含64.5%及55%铁品位铁精砂和铁矿砂

Location 2 Sand Mine – 4000 sq hectare 二号矿占地4000公顷



Location 2 Production Plan 二号矿生产计划

- Phase I - To produce 1.2 Million MT of 55% iron sand product and 3 Million MT of 64.5% fine iron sand product 第一期生产1200万吨含铁55%品位铁矿砂及300万吨可吨含64.5%精铁砂;
- Phase II – Separation of Titanium and Iron
- 第一期生产钛精粉及铁精粉