



# WINMAR

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Mr Jeremy Threlfall  
Assistant Director Rail  
Economic Regulatory Authority  
PO Box 8469  
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4 July 2013

Dear Jeremy,

## **Brockman Iron PL: Proposal for Access – The Pilbara Infrastructure PL**

### 1. Introduction

Winmar Resources Ltd (“Winmar”) welcomes the opportunity to make this public submission regarding the Economic Regulatory Authority’s (ERA) determination relating to the access proposal made by Brockman Iron PL (Brockman) for access to a part of the railway infrastructure owned by The Pilbara Infrastructure(TPI).

Winmar is an emerging, ASX-listed junior mineral resources company focusing on developing a major iron ore project in the Pilbara Region of Western Australia. Winmar’s core asset is the Hamersley Iron Project which is an advanced exploration target with excellent development potential.

Winmar continues to advance the exploration and development of the Project, and has recently announced (ASX Announcement 22 May 2013) a maiden Indicated Resource at the project - upgrading the mineral resource and increasing Winmar’s confidence in its asset. Winmar is currently conducting Mine Pit studies, road and rail studies and associated environmental studies to refine various infrastructure options which may be capable of meeting its logistical requirements. These options include both rail haulage and rail access agreements with infrastructure providers such as TPI.

Winmar notes that under section 10(1) of the *Railways (Access) Code 2000* (Code), the Authority's approval is required in order for negotiations to proceed if the railway owner considers that an access proposal would involve the provision of access to railway infrastructure to an extent that may in effect preclude other entities from access to that infrastructure.

## 2. Proposal for Access – The Pilbara Infrastructure PL

Winmar understands that Brockman's proposal seeks access to below rail infrastructure along the TPI Railway between Christmas Creek mine and Port Hedland, starting at the 219.5km mark from Port Hedland and ending at the 23km mark from Port Hedland. This submission specifically relates to the following defined sections relevant to Brockman's proposal: the route section from chainage 174.875km to chainage 23km, measured from Port Hedland.

Winmar understands that FMG's expansion program in the Pilbara will be completed in CY 2013, and will facilitate an annual iron ore handling capacity of 155Mtpa. Construction work for the rail expansion includes:

- Duplicating 120kms of the mainline from Port Hedland;
- Constructing a new 130km rail spur to the Solomon hub;
- Constructing four new bridges; and,
- Two new rail loops to deliver iron ore to Herb Elliot Port.

This construction enables FMG to increase production capacity to from 95Mtpa to 155Mtpa by 2014, with the Firetrail mine adding 20Mtpa from H2 CY13 and the Kings mine adding 40Mtpa from H1 CY14. Both of these expansion projects reside within the Solomon hub and require access to port via the Solomon Spur joining up with FMG's mainline at chainage 174.875km.

As part of Pre-Feasibility studies, Winmar has commenced discussions with FMG regarding access to the TPI network from the Solomon Hub through to FMG's Herb Elliot port facilities at Port Hedland, through either a rail haulage agreement or a below rail access agreement. If Brockman were successful in "reserving" 20Mtpa capacity as per their Proposal, Winmar would be severely constrained in accessing any spare capacity that FMG may have planned on offering to juniors in the Pilbara region.

Whilst Winmar believes TPI is able to further expand the rail network in the future, this expansion is commercially limited to external economic factors that drive FMGL growth strategies, which FMG have

previously stated could cater for rail haulage agreements with juniors such as Winmar. If the current rail network expansion provides Brockman with exclusive and reserved access to the network until 2016, Winmar believes that access for juniors is likely to be adversely impacted and therefore not in the public interest.

### 3. Recommendation

Winmar believes that Brockman's proposal for access to TPI below rail infrastructure may preclude junior entities such as Winmar from accessing either rail haulage or rail network access through TPI, and requests that the ERA consider Winmar's position when deliberating on a determination.

Yours faithfully,

Luke Humphreys  
Operations Manager