

## THE COMPANY

### GLADSTONE PACIFIC NICKEL LTD

An Australian Company Listed on the London Stock Exchange Alternative Investment Market (AIM) on 17 March 2005. AIM Ticker Code: GPN.

Marlborough Nickel Pty Ltd is a wholly owned subsidiary of Gladstone Pacific Nickel Ltd.

## THE PROJECT

Gladstone Pacific Nickel Ltd proposes to produce nickel and cobalt metal using ore from the mining leases at Marlborough supplemented by imported ore from ore-bodies in the south west Pacific.

Stage 1 will produce up to 64,400 tonnes per year of nickel and 5,300 tonnes a year of cobalt sourced from Marlborough and offshore. First production is planned by mid 2009. Ore will be mined and upgraded at the mine by a wet process. This beneficiated slurry will be pumped via the pipeline to the refinery where it will be blended with imported ore and refined.

## PIPELINE FACTS

Length: 2 X 175Km  
Diameter: 350 to 500mm pipelines  
Construction period: 9 Months  
Employment: ~400 employees

The pipeline consists of coated, high tensile steel with an HDPE inner layer for wear and corrosion resistance. A single pump station is proposed at the mine (slurry) and refinery site (seawater).

## CONTACTS

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## SUMMARY

Gladstone Pacific Nickel Ltd (GPNL) intends to build the 175km Marlborough Pipeline Project. This includes twin pipelines extending from the nickel mine at the junction of Develin and Marlborough Creeks, 25km south of Marlborough, to the refinery site at Yarwun within the Gladstone State Development Area. One pipeline will take seawater from Gladstone to the mine site to minimize the requirement for freshwater from the Fitzroy River catchment for ore slurring. The second pipeline will take beneficiated ore as slurry to the refinery site. Neither pipeline will be used to transport any harsh chemicals from the mine site. The pipeline corridor will be in close proximity to the Bouldercombe to Broadsound 275kV transmission line before passing west of Gracemere. The corridor then deviates to the eastern side of the Rockhampton to Gladstone transport corridor. East of Mt Larcom, upon entering the Gladstone State Development Area, it will use existing services and infrastructure corridors.

## LAND ACQUISITION

GPNL and RLMS Pty Ltd (Infrastructure and Land Agency Consultants) will work with the landowners, State and local government to identify a 30 meter wide easement. Every effort has been made to select a route to minimize impacts to landholders and to the environment.

The construction cycle is represented in the schematic diagram. From the time the trench is dug, the pipeline will be laid and backfilled typically within weeks, interruption to rural land is brief.

Where appropriate, for example at major road and rail crossings, under boring will be used to avoid interference. Some minor roads may be open cut, however control measures will be implemented to minimize local impacts.

## SAFETY

Various procedures and precautions will be applied to ensure public and work crew safety come first, including:

- Warning and traffic signs
- Assistance in livestock movement
- Temporary fencing
- Bushfire prevention
- Ongoing safety audits

Pipelines are constructed to the highest standards and are the safest mode of mineral transportation in the world today. Once completed the pipeline is remotely monitored 24 hours a day. The easements are inspected by air and ground patrols on a regular basis.

## BENEFITS

The GPNL project has been declared to be of State significance. The investment in Stage 1 alone is ~USD \$1,565M (Aug 2003 est)

### Direct Employment Estimates

Equivalent F/T jobs	Construction	Operations
Marlborough Mine Pipeline	500	50
Gladstone Refinery	1,000	350
Related Jobs	2,100	900

Export Value up to AUD \$1,100 M/yr

The refinery represents an important value adding development opportunity for the natural resources of Australia, with the potential to inject billions of dollars to the regional, state and national economy through direct employment, royalties and taxes, over the projects lifetime.

## ENVIRONMENT/CULTURE

GPNL complies with all regulatory reporting bodies to ensure the protection for environmental and cultural values. Full ecological, archeological and cultural surveys will be completed before the final route is selected. When construction is complete, impacted land will be returned to the appropriate natural state. GPNL will continue to maintain the easement after construction is complete.

## REGULATION & APPROVALS

### INITIAL ADVICE STATEMENT (STATE)

EPBC REFERRAL (FEDERAL)  
- Controlled Action - EIS Required

### TERMS OF REFERENCE (FEDERAL & STATE)

### LANDHOLDER CONSULTATION

### FIELD STUDIES - CORRIDOR REFINEMENT

DRAFT EIS SUBMISSION

PUBLIC CONSULTATION

REVISED EIS SUBMISSION

MINISTERIAL DECISION

CONSTRUCTION BEGINS

