

# Cashmere appoints Morgan Stanley

27-July-10 by Staff Reporters

Unlisted public company Cashmere Iron has appointed Morgan Stanley as an exclusive financial advisor to facilitate financing for its 1 billion tonne iron ore development in the Mid West.

Morgan Stanley will also assist with the development of supporting road, rail and port infrastructure around the hematite operation, which is expected to start in 2012.

In a statement Cashmere said work is also expected to begin on the funding and development of the second phase of the project, being the commercialisation of its magnetite resource.

The appointment of an international investment bank like Morgan Stanley is unusual for an unlisted mineral explorer; in this case it reflects the potential scale and quality of Cashmere's project.

The chairman of Cashmere Iron David Hendrie, said the company was delighted with its rapid progress after announcing a maiden 1 billion tonne JORC compliant resource in March.

"The appointment of Morgan Stanley is a key milestone for our company," he said.

"For Cashmere to reach its potential as a world-class producer, a unique combination of expertise and resources was needed. Morgan Stanley, as a leading international investment bank, meets all of these requirements," said Mr Hendrie.

When Cashmere announced its initial resource in March, it indicated it was considering a possible public float in the third quarter of this year.

While a float is still understood to be one of the options under consideration, Morgan Stanley's appointment suggests the company is more likely to seek a major international partner with established access to development funding.

Chinese and Indian steel groups have been especially active in scouting for WA opportunities in recent years, with Chinese groups paying hundreds of millions of dollars to secure magnetite development opportunities in the Pilbara and Mid-West.

Full statement below:

Cashmere Iron Ltd ("Cashmere" or "the Company"), an unlisted public company based in Western Australia, has appointed Morgan Stanley Australia Limited ("Morgan Stanley") as its exclusive financial advisor. Morgan Stanley will facilitate project financing for the initial Hematite mining operations and the development of supporting road, rail and port infrastructure, which is expected to commence in 2012. Work will

also begin on the funding and development of the second phase of the project, with the commercialisation of its magnetite resource.

The Chairman of Cashmere Iron, Mr David Hendrie, said the Company was delighted with its rapid progress after announcing a maiden 1Bt JORC compliant resource in March 2010. "The appointment of Morgan Stanley is a key milestone for our company. For Cashmere to reach its potential as a world-class producer, a unique combination of expertise and resources was needed. Morgan Stanley, as a leading international investment bank, meets all of these requirements. Their global experience and strong presence in the Asia Pacific markets will be a major catalyst to assist Cashmere's Board in driving the company forward."