
Flinders Mines in talks with Rio on Pilbara project

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AAP reported that iron ore explorer Flinders Mines is in early stage talks with Rio Tinto about potential mine gates sales from its Pilbara project in a remote and rugged part of Western Australia.

Dr Kevin Wills MD of Flinders Mines said that access to infrastructure is a key challenge for the project, near Rio Tinto's Tom Price iron ore mine in the Hamersley Ranges. But selling iron ore to Rio Tinto for blending purposes is just one solution being investigated by Flinders.

Dr Wills said that mine gate sales provided the best opportunity for early income.

Dr Wills said that this ore was not part of the pre-feasibility study, but if more was discovered it could change the nature of the project. He added that Chinese steel mills had already expressed interest in off take deals, but Flinders would only enter detailed negotiations once the study was complete.

Mr Bob Kennedy chairman of Flinders said that the company was also in talks with Fortescue Metals Group about using a proposed spur line connecting Fortescue's Solomon deposit, which adjoins Flinders' project, to its existing rail line to Port Hedland.

Flinders is confident it can strike a deal once it proves up sufficiently high grades and tonnes at its Pilbara project, where it has defined a 511 million tonnes resource grading 55.4% iron in the inferred category of Australia's mineral reporting code. About eight different iron ore mineralization types have been encountered on the tenements, including some evidence of hypogene hematite, a highly sought after variety of iron ore that can reach grades of 75%.

It may be noted that any deal could be similar to the one Rio Tinto struck in July 2008 with Iron Ore Holdings Limited, under which the Mr Kerry Stokes controlled junior miner will sell product from its remote Phil's Creek mine north west of Newman to the mining giant in 2010.

(Sourced from AAP)

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