
Rio bullish on potential at Bingham Canyon

Thursday, 15 Oct, 2009

Reuters reported that Miner Rio Tinto is keeping a lid on exploration spending in the near term but will press on with prospecting at its century old Bingham Canyon mine that is uncovering new deep level deposits.

Mr Eric Finlayson head of exploration said that the group had only recently began to appreciate the huge potential that lies underneath its huge US open pit copper mine in Utah.

He said that "That is really an exciting program. It is remarkable that even after 100 years you can come up with enormous new targets in such a mature environment."

Mr Finlayson while speaking at the Objective Capital Mining Conference said that "We believe this may be the world's largest molybdenum discovery since Climax and Henderson and there may be more to come."

He said that Rio currently produces the metal as a byproduct of copper but the discovery means Rio could launch molybdenum as a new primary product and may lead to more copper discoveries.

Mr Finlayson said that "Recognition of the Bingham Canyon district as a potential cluster of porphyry targets only one of which is exposed at surface has rejuvenated our exploration effort there."

He said that Rio remains wary about sustainable global recovery and so plans to keep exploration spending flat in 2010 after slashing it by half this year. The company is being cautious and so my expectation would be that from an exploration expenditure perspective we will remain prudent and maintain the current level of spend in 2010.

He added that Rio cut its exploration budget on both green field and brown field projects to USD 115 million this year from USD 235 million in 2008. The group had recently sealed some deals with black owned South African firms regarding nickel exploration in South Africa but declined to provide details. Initial prospecting for iron ore in the Democratic Republic of Congo had gone really well.

(Sourced from Reuters)

For more news visit at www.steelguru.com