
Mr Palmer to follow his foray into Queensland coal - Report

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News.com.au reported that Queensland's richest man Mr Clive Palmer, who built his fortune on Western Australian iron ore resources, is out to follow his foray into Queensland coal with a move into that commodity in the west.

But rather than pegging new coal exploration areas, or moving to take over an existing player as he did when he took control of Queensland based Galilee Basin hopeful Waratah Coal, Mr Palmer's Mineralogy has applied to have WA player Rey Resources relieved of some of its exploration licenses.

Rey, which is the subject of two separate takeover bids, said that it had received an application from Mineralogy for forfeiture of certain exploration licenses held by a subsidiary Blackfin.

Rey, which has a bid on the table from its largest shareholder, India's Gujarat NRE Minerals, and another in the wings from serial bidding Asian fund Crosby Capital, holds large exploration licenses in the Canning Basin, inland from Derby in WA, which it recently estimated had the potential to host 9 to 11 billion tonnes of open cuttable thermal coal. It is very early days yet but the company has been working to establish an export thermal coal industry in the area.

Rey, in which Mineralogy until recently held a stake of 1.7%, has just signed up for about 2 million tonnes a year of port capacity in Derby. Mineralogy's application will go before the WA Mining Warden, with the process due to kick off in December.

Mineralogy is alleging Rey has failed to meet its spending obligations under the licenses in question, which it says are not related to its most advanced project, Duchess Paradise. If Mineralogy could stand up its allegations Rey said that under the WA Mining Act the warden could forfeit or impose a penalty not exceeding USD 10,000.

Rey said it has pumped plenty of time and effort into its Canning Basin vision of a new coal province, and said it intended to protect its rights.

(Sourced from www.news.com.au)

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