
Gindalbie may start AUD 1.8 billion mine construction next month

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Bloomberg reported that Gindalbie Metals Limited planning AUD 1.8 billion iron ore mine in Australia with Anshan Iron and Steel Group expects to start construction next month after winning state government environmental approval.

Mr Garret Dixon CEO of Gindalbie Metals said that “We aim certainly to start construction in October. Federal government environmental approval may be received in about 30 days and it’s expected to take 18 months to complete construction of the Karara mine and plant, 225 kilometers east of Geraldton in Western Australia state.

Mr Dixon said that Anshan have been looking at placing steel mills around the world, Australia is very stable and with more power coming on stream in a few years time and gas, I think there is a really good opportunity. A plant may have the capacity to produce as much as 5 million tonnes of steel a year.

Mr Dixon said that the Karara project has an initial annual capacity target of 8 million tonnes and may expand to as much as 30 million tonnes. Production of magnetite ore concentrate is scheduled to start by the end of 2011.

Analysts of UBS said that the mine is also scheduled to produce 2 million tonnes of hematite ore a year. A second stage expansion to 16 million tonnes per year may cost AUD 800 million. Magnetite ore has lower iron content than hematite and must be treated to make it suitable for steelmaking.

(Sourced from Bloomberg)

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