
Cliffs upbeat on Freewest purchase

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Bloomberg reported that Cliffs Natural Resources Inc. may invest USD 800 million to develop world class chromite deposits if the company wins its takeover battle for Freewest Resources Canada Inc.

Ms Laurie Brlas CFO of Cliffs Natural Resources at the Bank of America Merrill Lynch Global Industries Conference in New York said that the Freewest purchase would make Cliffs the only producer and exporter of ferrochrome in North America.

She said that Cliffs may take a partner to help finance development of the Canadian chromite deposit.

Cliffs is in a takeover battle for Montreal based Freewest with Noront Resources Ltd. Cliffs announced a bid for Freewest on November 23 that Freewest said valued the company at about CAD 150.6 million. Cliffs raised its offer to about CAD 211 million on December 3, and Freewest's board recommended on December 8 that shareholders reject Noront's offer and backed the vastly superior offer from Cliffs.

If the Freewest purchase is completed, Cliffs projects mining 1 million tonnes to 2 million tonnes of high grade chromite ore to produce 400,000 tonnes to 800,000 tonnes of ferrochrome annually. The company anticipates production would begin about 2015.

(Sourced from Bloomberg)

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