
Centrex inks long term iron ore supply pact with Shenyang Orient

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The Advertiser reported that Centrex Metals has sold all of the iron ore from its Wilgerup project on the Eyre Peninsula, ensuring the company has early stage cash flow.

Centrex has finalized an existing agreement with Shenyang Orient Iron and Steel to supply 1 million tonnes of iron ore per year for five years, with a one year extension option.

It said “Concluding the Shenyang hematite ore sales agreement ensures that 100 per cent of Wilgerup hematite ore is sold under long term sales agreements for a minimum of five years with the ore price determined by the existing Hamersley benchmark pricing system, but with flexibility should that pricing mechanism be replaced,.”

Last month the State Government approved Centrex Metals' plan to export 1.6 million tonnes of Wilgerup iron ore through Port Lincoln for a period of 10 years. It is expected to start production next year, after the company receives approval for its Mining and Rehabilitation Plan.

Earlier this month Centrex received Foreign Investment Review Board approval for a AUD 271 million investment from Chinese company Wuhan Iron and Steel Group, under which Wuhan will acquire up to 60% of five Eyre Peninsula iron ore tenements, leading to the possible development of two iron ore mines.

(Sourced form www.news.com.au)

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