
FMG to decide on new iron ore mining area in Pilbara

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Mineweb.com reported that Fortescue Metals Group Limited will decide whether it will open up a new iron ore mining area in the Pilbara of Western Australia within the next 2 years.

The project known as Solomon was detailed at the Sydney Mining Club and was said to have a development cost of AUD 3.6 billion.

Fortescue launched its operations through the Cloudbreak mine in the Chichester Range to export to China through a port developed by the company at Anderson Point in Port Hedland. The company has started development on its second mine, Christmas Creek, also in the Chichester Range.

Solomon is well west of Cloudbreak. It was indicated the company's capacity out of Port Hedland may cater only for ore from the Chichester hub, so a second port and new rail link would be required to a Pilbara port at Anketell Point, particularly if Fortescue ramps up beyond 155 million tonnes per annum of export ore.

The cost of developing Solomon would take in AUD 850 million for the mine, a similar amount for the railway, and AUD 700 million for processing plant

While Cloudbreak and Christmas Creek are bedded iron formations, not mined elsewhere in the Pilbara at this stage, Solomon has a mix in its iron ore geology and includes what is known as channel iron deposits.

Sydney Mining Club delegates were told that exploration in the Pilbara in the past five years has yielded reserves and resources for Fortescue of 6.3 billion tonnes, including reserves of 1.6 billion tonnes. The discovery cost was put at A2cents a tonne.

Fortescue dominates the landholdings for iron ore in the Pilbara with 17,400 square kilometres, compared to Rio Tinto with 11,000 square kilometres and BHP Billiton 6,500 square kilometres. Fortescue's holdings include a large number of coastal and offshore tenements, assumedly for iron sands shed over the eons. The company also holds coastal and offshore tenements in New Zealand for iron sands.

(Sourced from www.mineweb.com)

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