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Region joins forces on iron ore

11 miners in WA's Yilgarn hope to form a new powerhouse

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RESOURCES

IRON ore miners in Western Australia's central Yilgarn region are aiming to upstage their higher-profile Mid-West rivals, with plans to jointly fund port and rail infrastructure and bring about a boom in exports through the southern port of Esperance.

The 11 companies, seven of which are publicly listed, have formed the Yilgarn Iron Producers Association with the objective of avoiding the squabbling over infrastructure-sharing that has hindered development in the Pilbara.

The association says the central Yilgarn, centred about 150km northeast of Kalgoorlie, has estimated potential reserves of 10 billion tonnes of magnetite and a billion tonnes of hematite. It believes greater co-operation among the region's producers and explorers could fast-track the development of several mines.

This could lead to the Yilgarn being established as a major iron ore province more rapidly than the nearby Mid-West, which is relying on the highly complex \$4.4 billion Oakajee port and rail project near Geraldton to meet its potential. The Oakajee project is experiencing delays and has been subject to market speculation over the willingness of Japan's Mitsubishi to remain involved as a key partner in the company building the port and railway.

However, Mitsubishi has publicly committed to the project.

YIPA chairman Greg Bromley, who runs mining company Mindax, said yesterday the provision of infrastructure could turn the central Yilgarn into Australia's next big iron ore powerhouse, behind the Pilbara.

"For example, about half a dozen new mines could be serviced by about 160km of new track plus spurs, and we would be working towards upgrading the existing link to Esperance port and co-operating in the planning issues at the port," he said.

Mr Bromley said the Port of Esperance had a capacity of 12 million tonnes a year, but this could be expanded to 30 million tonnes.

He said Chinese investors might be willing to finance some of the infrastructure and he was encouraged by the interest shown by rail provider WestNet Rail and the Esperance Port Authority.

"We have been left out of the world while all the focus has been on the Mid-West," Mr Bromley said. "But the infrastructure situation is different in our part of the world and the infrastructure will be ready to ship ore, unlike in the Mid-West."

The inaugural members of the YIPA are Cashmere Iron, Cliffs Natural Resources, Fairstar Resources, Golden West Resources, Hawthorn Resources, Legacy Iron Ore, Macarthur Minerals, Mindax, Mineral Resources, Polaris Metals and Transit Holdings.

Perth-based Cashmere Iron, a private company that has a JORC-compliant deposit of more than 1 billion tonnes, is also considering exporting through Oakajee for its longer-term needs.

The company's Cashmere Downs project is about 700km northeast of Perth, which is roughly equidistant from Esperance and Oakajee.

