



# Jupiter hoping to strike while iron's hot



**PETER KLINGER**

A decade since he helped orchestrate the merger of BHP and Billiton to form the world's biggest mining company, Brian Gilbertson has set his sights on becoming one of the Goldfields region's biggest iron ore producers.

Having recruited Richard Mehan from Cliffs Natural Resources, the US group that mines iron ore at Koolyanobbing near Southern Cross, former BHP Billiton chief executive Mr Gilbertson and his deep-pocketed supporters are working feverishly to get their \$1.6 billion Mt Ida magnetite project north-west of Menzies into production by 2013.

Already Jupiter Mines has an inferred JORC-compliant resource of 530 million tonnes, grading 31.9 per cent iron and sufficient for the Perth company to begin a feasibility study into a 10 million tonne a year operation producing magnetite concentrate grading at least 68 per cent.

And the team at Jupiter is not alone in trying to make iron ore one of the Goldfields region's biggest businesses, eclipsing the traditional focus on gold and nickel.

Aggressive exploration programs in the region west of

Menzies towards the Southern Cross district and heading as far north as Wiluna have unearthed billions of tonnes of iron ore. Most of it is magnetite or low-grade hematite but, with iron ore prices at record highs and the consensus outlook for the steel-making commodity rosy, interest in the 10 members of the fledgling Yilgarn Iron Producers Association is rising fast.

The members include Nathan McMahon's Cazaly Resources, which is likely to be the first of the players outside of Cliffs to enter production, and Mindax, whose managing director Greg Bromley is also YIPA's inaugural chairman.

Mindax boasts the biggest resource in the Yilgarn, with inferred and indicated levels at 1.4 billion tonnes grading 31.5 per cent. More drilling is under way, particularly focusing on direct-shipping hematite deposits that can be easily developed early and provide cash flow for the bigger, more expensive magnetite projects.

The purpose of setting up YIPA was to formulate an infrastructure policy for the region that would benefit all iron ore players.

WA is blessed with an

abundance of iron ore but most of it is far from existing infrastructure and therefore difficult to monetise.

It is a different story in the Yilgarn area, where the iron ore proponents mainly focusing on the existing railway link from BHP's nickel mines around Leinster and the port at Esperance, which already exports Cliffs' iron ore as well as nickel concentrate from Western Areas' Forrestania mines.

Studies are under way to work out how much work needs to be done to upgrade the railway lines to handle more and heavier freight, and run links from Menzies or Leinster to the proposed mine site.

Expansion of the Esperance port is shaping as trickier, with an expectation that any increase in capacity needs to be funded by the private sector. How additional export tonnages are to be allocated remains unclear although YIPA is likely to take a leaf out of the North West Iron Ore Alliance in perhaps pursuing a single, multi-user berth strategy.

✉ [peter.klinger@wanews.com.au](mailto:peter.klinger@wanews.com.au)



Work at hand: Richard Mehan, left, and Brian Gilbertson are leading the team seeking to become one of the Goldfields' biggest iron ore producers. Picture: Ian Munro