

SE Business
 HD Rhodes Ridge worth the fight
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The Pilbara's most profitable **iron ore** producer, Rio Tinto, has provided a rare insight into why Gina Rinehart and Peter Wright's heirs spent so much money fighting over a slice of the Rhodes Ridge project.

Rio used its annual report to disclose that Rhodes Ridge's total resource had increased 213 **million** tonnes to 5.3 **billion**, most of it with an average **iron** grade exceeding 62 per cent.

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The **iron ore** spot price, for 62 per cent cargoes to **China**'s Tianjin port, was yesterday at \$US110.10 a tonne, which means the incremental in-situ volume at Rhodes Ridge alone has a nominal value of more than \$23 **billion**.

Mrs Rinehart and the heirs of Mr Wright, the former business partner of her father Lang Hancock, spent a decade fighting over ownership of the 50 per cent of Rhodes Ridge not owned by Rio. Mrs Rinehart ultimately proved unsuccessful, though her Hancock Prospecting is yet to hand over title to 25 per cent of Rhodes Ridge to Wright Prospecting.

Rio is busy expanding some of its existing Pilbara mines, rather than focusing on new projects such as Rhodes Ridge, to achieve an annual production capacity of 360 **million** tonnes.

Rhodes Ridge's scale means a development will eventually transform Rio's footprint.

Rio's annual resource update also highlights the high grade of its **iron ore** portfolio at a time when most new discoveries in the Pilbara struggle to maintain **iron** content above 58 per cent.

Most of the extra Rhodes Ridge tonnes are relatively low-grade Brockman process **ore**, which have increased from 473 **million** tonnes at 56.6 per cent to 636 **million** tonnes at 56.8 per cent following more drilling and modelling work. But that is masked by two **million** tonnes, at 62.9 per cent, of Brockman **ore** and 2.3 **billion** tonnes, grading 62.1 per cent, of Marra Mamba **ore**.

•Andrew Forrest has again shown his faith in **iron ore**'s future, spending \$4.9 **million** acquiring one **million** Fortescue Metals Group shares.

His on-market buying, disclosed yesterday, came last week when nervousness in **iron ore** markets caused a big sell-off among **mining** stocks, including Fortescue. The latest **purchase** takes Mr Forrest's interest in Fortescue to 1.03 **billion** shares.

Fortescue yesterday closed down 7¢ at \$4.91.

CO hkpros : Hancock Prospecting Pty. Ltd. | rtz : Rio Tinto PLC | craaus : Rio Tinto Ltd

IN i211 : Metal Ore Mining | i2111 : Iron Ore Mining | i221 : Iron/Steel/Ferroalloys | i22 : Primary Metals | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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