

METALS DAILY

SE News Stories; Aluminum
 HD Study supports Australian Metro's bauxite development
 BY Winnie Lee
 WC 496 words
 PD 5 November 2015
 SN Platts Metals Daily
 SC METLSDLY
 VOL ISSN: 2325-0658, , Volume 4, Issue 218
 LA English
 CY © 2015 McGraw-Hill, Inc.

LP Australia's Metro Mining's feasibility study carried out at its Bauxite Hills project in Cape York, Queensland, supports development of a direct-shipping ore production operation, the company said on November 5.

The development is estimated to cost A\$33.9 million (\$24.2 million), the Brisbane-based resources miner and exploring company said.

TD The definitive feasibility study expects the project to produce 1.95 million mt/year of direct-shipping bauxite ore at a steady rate over a mining period of more than 25 years, with total life-of mine bauxite production at 49.1 million mt, Metro said in a statement. A total of 53.6 million mt of resources exists across two deposits at Bauxite Hills.

The study underpins a simple free-dig ore mining operation at Bauxite Hills with no drilling and blasting required. Bauxite ore would be transported by haul trucks to a barge loading facility to be built as part of the project development. Ore would be moved by tug and barge fleet down the Skardon River for transshipment to awaiting international freight carrier ships.

With the completion of the definitive feasibility study, "Metro will work towards obtaining all relevant regulatory approvals in order to move to a final investment decision for project development, while also undertaking feasibility studies with respect to a larger mining operation ..." of a total 4 million-5 million mt/year of ore production capacity, said company chief executive officer Simon Finnis.

Assuming that Metro manages to secure all regulatory approvals by late 2016 and funding prior to the start of project development, mining at Bauxite Hills could start in September 2017. The company is eyeing February 2017 to start project construction, and the whole project development is expected to take seven months to complete.

Metro had earlier lodged an environment approval for the development of a 2 million mt/year operation at Bauxite Hills but was advised in early October by the Queensland Department of Environment and Heritage Protections that the company would need to submit a full environment impact statement instead for the project.

Metro is discussing and lining up Chinese buyers for Bauxite Hills output. The company has already signed a non-binding memorandum of understanding with China's Xinfu Group in August, for the offtake of the project's bauxite output.

The MoU contemplates a minimum annual offtake of 1 million mt and up to a maximum of 1.2 million mt over an initial five-year term, based on a 2 million mt/year production assumption for Bauxite Hills.

It includes an option of extending the offtake arrangement through mutual agreement. Metro and Xinfu were aiming to reach a long-term offtake agreement by end of this year.

Xinfu, which holds a 6% stake in Metro, is an integrated aluminum company with refining and smelting operations in Shandong province, Guangxi Zhuang and Xinjiang Uygur autonomous regions.

Winnie Lee

IN ialomin : Aluminum Ore Mining | i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS c21 : Output/Production | ccat : Corporate/Industrial News

RE austr : Australia | queensl : Queensland | apacz : Asia Pacific | ausnz : Australia/Oceania

IPD Exploration | Projects | Shipping | Newsletter

PUB The McGraw-Hill Companies, Inc.

AN Document METLSDLY20151203ebb500006

© 2017 Factiva, Inc. All rights reserved.