

SE Business
HD Juniors get strangely optimistic
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It's shaping up to be a very strange year in WA **iron ore**. Even as doubts about long-term commodity prices batter producers, there's an emerging sense of optimism among some juniors.

Three weeks ago, Nick Curtis announced plans to become a rail baron through Rutila Resources, opening a \$1.5 **billion** search to build a West Pilbara rail and port project with Flinders Mines.

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Now comes talk that former Murchison Metals boss Paul Kopejtka wants to get back into the **iron ore** game, this time in the Pilbara.

Kopejtka's Ascot Resources — until now targeting Columbian **coal** exports — called a trading halt last Tuesday, at the same time as the Nathan Fearntherby-chaired Ochre Group Holdings.

Ochre Group's major asset is the Wonmunna **iron ore** project, 80km west of Newman. It's not huge — 84.3 **million** tonnes at an average **iron** grade of 56.5 per cent — and it's 370km from Port Hedland. But it is Marra Mamba **ore**, with 13.5mt of the resource grading 61 per cent, and is high in the lump content currently fetching big premiums in **China**.

And it sits in the State's most pedigreed **iron ore** country, sandwiched between Rio Tinto's West Angelas hub and Rhodes Ridge, and only 30km south of Hope Downs and **Mining** Area C.

The chatter at an **iron ore** conference in Perth last week was that Kopejtka had stitched up a deal to buy the project, hoping to turn it into a 3mt to 5mt exporter within 18 months.

If correct, Wonmunna could mirror Murchison's direct shipping program at Jack Hills, if you can ignore the high drama surrounding Oakajee. Small but high grade, Jack Hills DSO was a great earner for Murchison, shipping about 7.5mt at margins of \$20 to \$30 a tonne.

Talk is that Kopejtka has been tapping members of the Jack Hills team ahead of the **acquisition** and that Murchison-backer Resource Capital Funds — already holding 19.9 per cent of Ascot — will again be a major funder.

Logistics are always the question in the deep Pilbara but mine gate sales to a major are a possibility. Alternatively, Wonmunna sits smack on the highway, and Mineral Resources has proved that a trucking operation can turn a dime across long distances.

Port Hedland remains the big bottleneck. But even there options could open up, with the Port Hedland Port Authority strongly rumoured to have spent the past six months quietly re-jigging plans for the moribund Lumsden Point fabrication and services facility to include a trans-shipping terminal to ship an extra 15mt a year for the juniors.

Correction

On Saturday WestBusiness reported Doray Minerals had hedged 450,000oz of **gold** at \$1620/oz. No doubt Doray boss Allan Kelly would love to have that much **gold** to sell, but the correct figure was 45,000oz.

CO frgeau : Rutila Resources Ltd | weboza : Murchison Metals Ltd

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