



Fortescue in China talks on green iron

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Body

Fortescue says it has begun -negotiations with Chinese authorities for the supply of 100 million tonnes of green iron from its Pilbara operations, but has flagged the need for a huge amount of hydrogen to make the plan a reality.

Fortescue chairman Andrew Forrest flagged the plan in a presentation on Thursday to the Scottsdale Action Forum in Arizona that is hosted by JPMorgan CEO Jamie Dimon.

Dr Forrest's presentation to the forum, hosted on the **Fortescue** website, did not give details of whether the negotiations were with China Mineral Resources Group, established in 2022 as the country's central iron ore buyer, or with another Chinese government agency.

In June last year, **Fortescue** also announced an agreement with China's Baowu steel group over the development of green iron technology.

The presentation did not put a timeframe on the discussions, other than to say that they had begun this year.

Fortescue only ticked off on a \$50m pilot plant for its green iron production plant at its Christmas Creek mine late last year, saying the plant would be producing 1500 tonnes of iron ore a year by 2025.

The company did not give an update on its progress in building the plant in its March quarter production report, delivered last week.

But Thursday's presentation suggests **Fortescue** will need to produce enormous quantities of green hydrogen to make its -vision come true, reiterating Dr Forrest's previous ambition of producing 200 million tonnes a year of carbon-free iron ore for export to its customers.

Fortescue has said its pilot plant will use renewable energy and green hydrogen reduction technology, together with an electric smelting furnace, to produce high-grade iron for use in the steel industry.

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Dr Forrest's presentation suggests **Fortescue** will need about 8 million tonnes of hydrogen a year to reach its goal of producing 200 million tonnes a year of green iron, potentially eliminating 220 million tonnes a year of carbon emissions compared with current iron ore production.

Fortescue Energy CEO Mark Hutchinson confirmed in February that the company had held discussions with the BP-led Australian Renewable Energy Hub over potential power deals for the mining giant's Pilbara iron ore operations, which could also have the capacity to supply energy for hydrogen production.

The AREH consortium - 48 per cent-owned by fossil fuel giant BP, and with Macquarie, CWP Global and Intercontinental Energy as joint venture partners - plans to build 26GW combined solar and wind power plant on a 6500sq km site northeast of the Port Hedland iron ore export hub.

But **Fortescue** has otherwise outlined few options to build hydrogen production hubs close to its Pilbara iron ore operations.

The Scottsdale Action Forum is in its second year. It hosted more than 130 industry chief executives, directors, bankers and government officials, according to **Fortescue**. Dr Forrest was the keynote "how to" speaker at the forum, **Fortescue** said. **Fortescue** shares rose 1 per cent to \$25.57.

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