



Fortescue 'remains fully committed' to Africa mine

The Australian

January 1, 2025 Wednesday

Australian Edition

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Length: 695 words

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Body

Fortescue has moved to allay fears its iron ore project in Gabon is in trouble despite appearing to have made little progress since celebrating a first shipment from the African nation more than a year ago.

Hailed as a project that would "open growth opportunities" for Andrew Forrest-led **Fortescue** throughout Africa, sources close to the project suggest the mine has a strained relationship with Gabon's military rulers and stood down contractors and slowed exploration activity in the lead-up to Christmas.

Fortescue said in response that there would be fluctuations in job numbers as it looked to advance the project in Gabon, where General Brice Oligui Nguema seized power in August 2023.

General Nguema led a coup against then president Ali Bongo Ondimba, whose family had ruled for 55 years and shown a willingness to work with **Fortescue**.

"**Fortescue** remains fully committed to the Belinga iron ore project and the long-term benefits a large-scale development will bring to Gabon," **Fortescue** said.

"Our discussions with the Gabon government remain positive and we continue to work together to advance a potential large-scale development.

"The project is still in an early stage of development, with an immediate focus on exploration and studies. As a result, in the short term there will be an ebb and flow in job numbers as we move through various stages, finish our initial main camp construction, and allow time for studies to be completed.

"We remain focused on prioritising the employment of a local workforce and will explore ways to upskill and redeploy staff to other areas of the business where possible.

"In line with **Fortescue's** commitment to create a positive impact in the areas in which we operate, we will continue to engage with, and support, local communities." **Fortescue** did not respond to questions about whether exploration work had come to halt, or how many employees it had on the ground in Gabon.

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More than 600 Gabonese, including contractors, have been employed on the project at various times, including 200 from local villages. **Fortescue** had also purchased more than \$US30m (\$48m) in goods and services from businesses in Gabon.

Fortescue owns a 72 per cent stake in Ivindo Iron, the entity that operates the Belinga project. The remainder of Ivindo is held by Abu Dhabi's Africa Transformation and Industrialisation Fund and the Gabon government.

Perth-headquartered **Fortescue** earmarked \$US200m for early-stage mining development at Belinga in 2023-24.

It has not provided guidance on capital expenditure at Belinga in 2024-25 after shifting focus to exploration and study work.

Fortescue has flagged expenditure of \$US300m-\$US400m across the group on various exploration projects and studies in 2024-25, with any spending on Belinga likely to come from this pool.

Julie Shuttleworth, one of Dr Forrest's most trusted lieutenants at **Fortescue** for more than a decade, was running the project before she left the company in June 2024.

In an update provided at the end of September, **Fortescue** said exploration work continued and to that point more than 70,000 metres of reverse circulation drilling and 10,000 metres of diamond core drilling had been completed.

Sources said **Fortescue** was finding the going tougher in Gabon under military rule after making rapid progress with Belinga under the former president.

The December 2023 shipment came just 10 months after **Fortescue** signed a mining convention with the then Gabonese government.

The immaterial volume of iron ore on board was sourced from a small operation at Belinga, a potential high-grade deposit in Gabon's northeast that has been subject to extensive studies and was once on BHP's radar.

Fortescue metals division chief executive Dino Otranto hailed the shipment as a remarkable achievement at the time.

"This project has the potential to revolutionise our portfolio and ultimately create a product that will be the envy of our peers," he said. "It will also open growth opportunities for **Fortescue** throughout Africa." Gabon handed an operating permit covering Belinga to the China Machinery Engineering Corporation as far back as 2006, but suspended the permit after a falling-out between the parties.

Load-Date: December 31, 2024