

# Aboriginal iron ore project a step closer

**MINING:** Australia's first Aboriginal-owned and operated iron ore mine is a step closer to reality after striking a key infrastructure access deal with Andrew Forrest's Fortescue Metals Group.

Private company Australian Aboriginal Mining Corp has signed a deal that would allow it to deliver up to 2 million tonnes of iron ore from its Extension and Breakaway iron ore deposits into Fortescue's Pilbara rail and port infrastructure over five years.

AAMC said the development of its projects would start "as soon as the prevailing commercial environment is supportive", suggesting that stronger iron ore prices were needed in order for the projects to go ahead.

But Fortescue chief executive Nev Power said he believed the project had momentum.

"They've been working on this project through this phase in the iron ore price so I don't think they're coming into this with any surprises and they'd be doing their numbers based on a range of scenarios," Mr Power said yesterday.

"They must be confident they can do it at low enough cost to be able to kick it off in this environment, and from our perspective we're very keen to see that happen."

While the tonnages involved in the deal are minor in the scheme of Fortescue's 155 million tonne per annum nameplate infrastructure capacity, Mr Power said it showed Fortescue's

commitment to allowing third-party access to its Pilbara infrastructure on appropriate terms.

The miner had previously struck infrastructure access deals over BC Iron's Nullagine iron ore project and the Iron Bridge joint venture, although Fortescue had significant interests in both those projects.

Mr Power said the miner remained open to more infrastructure deals with other parties.

"The fact we haven't had more third parties on our infrastructure is more to do with their economics rather than an inability to get a deal done with the infrastructure," Mr Power said.

Fortescue founder and chairman Mr Forrest has been a vocal advocate for improving conditions in Aboriginal communities through "full economic participation". About 13 per cent of Fortescue's direct workforce is Aboriginal, and the miner says it has awarded more than \$1.8 billion in contracts to Aboriginal businesses and joint ventures.

AAMC chairman Daniel Tucker said the agreement with Fortescue was a "great outcome" for the two companies and "an important step for the continued advancement of Aboriginal peoples in the Pilbara that will see them sharing in the wealth that is generated on their traditional lands".

AAMC is aiming to secure funding and move into development over the next year.

**PAUL GARVEY**