



Media Monitoring

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<http://www.news.com.au/perthnow/story/0,21598,23932301-951,00.html>

No more Pilbara mining tenements left

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Mining tenements in the iron ore rich Pilbara region have all been snapped up after Fortescue Metals Group Ltd triggered a goldrush-style land grab.

All ground in the Pilbara that was prospective for minerals had either been granted or was under application, a spokeswoman for Western Australia's Department of Industry and Resources (DoIR) said.

"This is typical of boom times."

Fortescue chief financial officer Chris Catlow told AAP that junior and mid-tier iron ore companies had scrambled to secure Pilbara landholdings.

He said this had happened since Fortescue started publicly challenging Rio Tinto Ltd and BHP Billiton Ltd to open up their railways in the region to third parties.

The prospect of more options for getting ore to port and record benchmark iron ore prices had made Pilbara iron ore tenements highly sought after.

"It's hard to get hold of ground," Mr Catlow said.

"It's only come about since Fortescue initiated its activities.

"Clearly, people are now only interested in looking for iron ore in the Pilbara because there is a prospect of being able to ship it out on open-access infrastructure."

Fortescue's 40,000-square-kilometre tenements are about the same size as Texas, eclipsing those of mining giants BHP Billiton and Rio Tinto, it says.

A Rio spokesman would not confirm or deny whether Fortescue's landholdings were greater than Rio's.

"We have an unrivalled resource position in the Pilbara and are not in the business of commenting on other people's real estate holdings," he said.

Murchison Metals Ltd, which has a modest iron ore mining operation in WA's mid-west, was recently caught up in the Pilbara fever, securing 400 square kilometres of tenements between Tom Price and Paraburdoo.

Murchison managing director Trevor Matthews said the company was seeking more landholdings in the Pilbara.

Mr Matthews said the company would approach private holders of tenements in the region.

"It doesn't mean we're taking our eye off the ball in the mid-west," he said.

"It's good to have geographic diversification ... for risk mitigation.

"It could be complementary in the long run.

"The Pilbara land is prospective for channel iron deposits and we can see it outcropping."

Murchison, which proposes to merge with its mid-west neighbour Midwest Corporation Ltd, is competing with its target in a limited tender to build and operate new port and rail infrastructure in the mid-west to support its iron ore mines.

A new deepwater port and Oakajee near Geraldton has been mooted for well over a decade, with a high-profile proposal falling over in 2001.

The WA government recently extended its deadline for a key decision as part of the tender process until the end of July, fuelling expectations by industry observers that a long wait is still on the cards for the mid-west's iron ore renaissance - and adding to the Pilbara's appeal.

Budding iron ore producer Atlas Iron Ltd has amassed a sizeable chunk of the Pilbara, with 9,000 square kilometres of tenements containing direct shipping hematite ore and magnetite ore.

The \$1 billion company, which joins the S&P200 on July 1, aims to commence mining in August, with exports to follow in October.

At the smaller end of the mining spectrum, Warwick Resources Ltd has secured

1,700 square kilometres of Pilbara tenure for iron ore.

AAP rlm/jmc

* The writer of this article holds shares in Atlas Iron.