



Strategy designed to bring in Dragon's cash

Australia Minerals and Mining Group Ltd (AMMG) confirmed in mid May that four initial companies – Viento Group Ltd, Icon Resources Ltd, Resolve Geo Pty Ltd and AMMG – had agreed to co-operate under the banner of the Constance Range Iron Ore Alliance in order to attract some substantial Chinese investments into the region.

The Constance Range historical iron ore deposits are located in the north west of Queensland close to the Northern Territory border.

They form part of a regional iron formation within the South Nicholson Basin and have the potential to underpin a significant iron ore province.

AMMG's managing director Ric Dawson said the alliance allowed the company to confidently approach international end users about the potential size of the tenement holding.

"The company now has the critical mass to advance the project to potentially attractive overseas markets – particularly China," he explained.

"Following the recent visit to China, AMMG will continue to pursue interested overseas parties and potential investors.

"Now that the tenements have been brought into the alliance, the company can pursue



China Inc is looking for investment opportunities in Australia.

potential larger marketing opportunities.

"Historically, the Constance Range was reportedly (the former) BHP's flagship iron ore project before it went to the Pilbara.

"This memorandum of understanding is an important first step to endeavour to bring the Constance Range project areas together. Whilst the MOU is totally non-binding, it allows the parties as alliance members to work together as a collective force."

Exploration carried out by BHP in the 1960s identified an exciting iron ore deposit that could produce a highly beneficiated (via magnetic separation) product of up to 66.4% iron and 6.5% silica from outcropping and shallow ironstone.

The deep ironstone horizon is still to be tested in light of the now higher demand for iron ore, coupled with higher prices and

advancements in mining and beneficiation technologies compared to that existing at the time.

The alliance members are targeting hematite direct shipping ore and magnetite. They have three granted exploration licences and seven pending applications comprising a tenement area of 1,186 square kilometres, with the substantial historical data base of the erstwhile Big Australian's previous historical work also available.

BHP first explored the area from 1956-1963 and delineated 15 outcropping ironstone deposits over a strike length of 100 km.

The two largest ore bodies outlined by the company's drilling were deposits A (currently owned 70% by Viento) and deposit P.

The catalyst for the amalgamation of the companies in North Queensland was the need for substantial Chinese investors to gain a solid foothold in the area.

"I was in China in March, and we were talking to them about a possible investment in our holdings in North Queensland, and what they alluded to was that for a large Chinese investor it makes more sense for them if there is a collective in that area for them to really get a good foothold," Dawson added.

Sam Burns