



The force behind Constance Range

A quartet of iron hopefuls have banded together in the Constance Range iron ore region in north-west Queensland.

The conglomeration – comprising Austral-ian Minerals and Mining Group Ltd (AMMG), Viento Group Ltd, Icon Resources Ltd and private company Resolve Geo Pty Ltd – have joined forces to form the Constance Range Iron Ore Alliance.

The primary purpose of the alliance is to showcase the potential of the Constance Range area, on the Queensland/Northern Territory border, and create an easier pathway for the membership group to approach potential end-users and government departments.

AMMG managing director Ric Dawson told **Paydirt** discussions relating to the Alliance had started well before the end of last year and a trip to China in March had confirmed the initiative was a good idea.

“It was conceptualised after speaking with the Chinese, who expressed an overall interest in the Constance Range area, but indicated dealing with separate companies was a little more difficult for them to grasp.

“They asked if it was possible to amalgamate or ally with other tenement holders in the area which would make it a lot easier for them to grasp and explain to the central bureaus they have to speak with,” Dawson said.

“Generally you find the bigger the voice you

have, the more say you’re able to have in government approval processes and the like. You tend to have a lot of issues trying to deal with government departments as a single entity which don’t seem to carry as much weight as when you are representing a group of companies,” Dawson said.

In terms of dealing with Chinese investors, Dawson said if the Alliance was successful in attracting their business the more advanced projects would probably be the target of funding.

The Alliance boasts a ground holding of about 1,186sq km in the Constance Range, which contains a strike length of 92km.

BHP Billiton Ltd pioneered the region in the mid-1950s and spent almost a decade exploring there.

BHP Billiton delineated 15 outcropping ironstone deposits over a strike of 100km, the two largest being Deposits A and P, which are now predominantly owned by Viento.

Currently, members of the Alliance have three granted EPMs and seven pending applications plus a historical database of BHP Billiton’s previous exploration work.

The Alliance members are targeting DSO hematite and magnetite with the potential of any DSO ore from Deposit A, 310km from Port Karumba, to be transported by train to Burketown (160km away) for trans-shipping while magnetite slurry could possibly be piped

to existing facilities at Port Karumba.

Those theories remain hypothetical with the Alliance in its current form more concerned with marketing the Constance Range iron ore product and creating a platform of solidarity for its members to approach government departments and potential international end-users.

However, there is the potential for a single entity to emerge from the Alliance, Dawson said.

“In the Alliance each party has its own particular interest but there is something that we may formulate going forward where everyone puts everything into the one company.

“It’s not a definite but it’s something that makes more sense for people to do. Not only do you get access to capital but, given these projects are remote, there is the ability to create a dedicated team, allowing the companies to streamline management. It is something that we will talk about.”

Dawson suggested public companies in Viento, Icon and AMMG would probably be interested in such a concept and was confident private sector entity Resolve Geo could be swayed into adopting the same agenda.

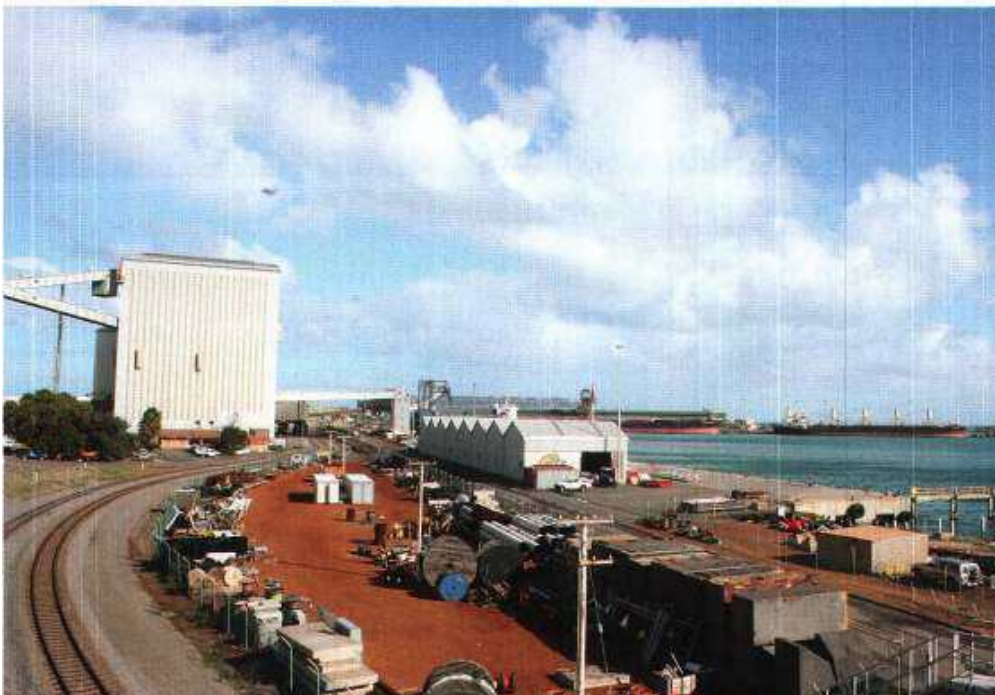
The four companies that currently make up the Alliance are considered to have major projects in the Constance Range area, according to Dawson, however the door was open for discussions with companies with smaller projects in the region.

In light of the Constance Range Iron Ore Alliance being announced, iron ore players in the much hyped Braemar Iron Formation across the South Australia/New South Wales border have made a similar pact.

The likes of Carpentaria Exploration Ltd, Havilah Resources NL, Minotaur Exploration Ltd, Royal Resources Ltd and U3O8 Ltd and private companies, SinoSteel PepinNini Curnamona Management, Bonython Metals Group and Wentworth Metal Group have formed the Braemar Iron Alliance.

With the Braemar formation stretching 250km from Peterborough (SA) to Broken Hill (NSW) and potentially containing 20-40bt of mineable magnetite, forming a unified group in the region to promote common infrastructure development for mining and advancing common interests appears to be a sensible initiative.

“The excellent regional poten-



Geraldton Port is currently the backbone of the West Australia’s Mid West iron ore industry



tial has encouraged the Alliance members to look towards their future infrastructure needs, both individually and as a group," spokesperson and Minotaur managing director Andrew Woskett said.

"The Alliance has a common interest in the need for a major deep water port facility on SA's Spencer Gulf, approximately 150km immediately west of the Alliance area, plus power, water and transport infrastructure throughout the entire Braemar iron province."

Woskett was confident that if all the projects in the formation reached their potential, an estimated \$6 billion or more could be invested in the region in the next decade.

Until the corporate structure is finalised, the Braemar Iron Alliance will work under SACOME's banner to ensure a consistent message is delivered to the respective governments.

The recent spate of iron ore alliances follows the trends of key iron ore explorers and miners in Western Australia which has seen the highly effective Geraldton Iron Ore Alliance (GIOA, est. 2005) and North West Iron Ore Alliance (2008) functioning in the State.

GIOA chief executive Rob Jefferies said having good feedback mechanisms in place was critical in making an alliance effective.

"It makes sense for smaller companies to

have a look around in their area and share the challenges they face. With the iron ore industry generally being dominated by the big players and the various infrastructure challenges, the major driver behind the GIOA was that some of the members knew they couldn't afford to meet some of the issues alone and ultimately the success of one mine depends on the success of others. That's why it is important there are good communication mechanisms in place so the alliances know what role they can play," Jefferies said.

- Mark Andrews

A snapshot of Australia's iron ore alliances

