



Chinese need for bauxite heartens

THE developers of a Cape York bauxite mine say China is desperate for new low-temperature supplies over the next five years.

Metallica Minerals chief executive Simon Slesarewich said testing of its Urquhart Point bauxite project on Cape York had confirmed low-temperature bauxite production.

“The low-temperature global bauxite market is under-supplied in the medium to long term,” he told investors.

“China’s largest refineries are designed to accept low-temperature bauxite but China predominantly produces high-temperature bauxite.”

Mr Slesarewich said that in 2014–15 China imported only 39 million tonnes but needed more than 65 million tonnes of imported bauxite per year, rising to more than 75 million tonnes in the next five years “to feed its rapidly growing aluminium industry”.

He said the company was aiming to start production of the Urquhart direct-shipping

bauxite project early next year with minimal capital expenditure.

Mr Slesarewich said it would ramp up to 1.5-2 million tonnes per year to deliver “sustainable-free cash flow”.

Metallica has struck a deal to use existing facilities to ship out bauxite with a heads-of-agreement with the operator of the nearby Hey Point bauxite mine to provide shipping access and logistics services.

Hey Point was chosen because of the value, early production starts and its low-risk profile, he said.

“As a bulk commodity operation, the economics of the Urquhart bauxite project are closely tied to the logistics of delivering product to port and onwards to customers.

“This agreement locks in our preferred logistics solution, which significantly de-risks the project and assure a quick ramp-up to sustainable production in the first half of 2017 for a very low capital investment.”

— NICK DALTON