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Brief: MACMIN

## \$100m iron deal 'secure'

A QUEENSLAND company is confident of securing a new \$100 million deal to supply iron ore to China.

Brisbane-based Macarthur Minerals is seeking a joint venture partnership to continue developing a huge site at Lake Giles in Western Australia.

Chief executive officer David Barwick said the company hoped to confirm reserves of up to half-a-billion tonnes by September and believed the total resource could be as much as three billion tonnes. That would be worth up to \$500 million.

"We've only drilled on about 15 per cent of it so far. The results to date have certainly given us confidence that it's blinking big," Mr Barwick said.

Macarthur Minerals has entered into a heads of agreement with LPD Holdings (Aust) Pty Ltd — a firm associated with several Chinese metal-trading corporations and steel producers.

Iron ore samples have been sent to China for testing with results expected by April 18.

LPD then has the right to buy 30 per cent of Macarthur subsidiary Internickel Australia, which is running the Lake Giles project.

Once the 500 million-tonne target is reached, LPD has the option of taking their stake up to 80 per cent for a further \$100 million.

**Daryl Passmore**