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Mine's bid for cash flow Silica reserves to fund iron ore plan

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A TASMANIAN mining company plans to embark on a multi-million-dollar drilling program on the state's West Coast.

Macquarie Harbour Mining has applied to begin a drilling program at its Sorell silica prospect, on the southern side of Macquarie Harbour, in November.

The company hopes to begin mining silica in a couple of years to generate cash flow for its bigger mining proposal, the Double Cove iron ore project, on a mining area next to the Sorell prospect.

A crew of six workers will live on a 18m ketch moored in the harbour during drilling.

The company acknowledged the area was sensitive and already the Wilderness Society has expressed concerns.

"This is a beautiful part of the world and we have a custodial responsibility to look after it," Macquarie Harbour Mining managing director Frank Rogers said yesterday.

"But mining has been deemed a legitimate industry in the area."

The company advertised its exploration plans in Tasmanian newspapers this year and received two objections — one from a tourist operator and another from an individual with environmental concerns.

The company met both parties and resolved the concerns.

The region has attracted other mineral explorers in the past.

BHP and Comalco have been active in the area and copper was mined there in the 1900s.

Mr Rogers said the company had received serious interest in the silica it wants to mine from Asian and European customers.

Silica is used in the manufacture of LCD appliances and solar panels and one potential customer has already put up its hand for 25,000 tonnes a year.

Macquarie Harbour Mining says there is at least 800,000 tonnes of high-grade silica on its tenements which would fetch at least \$1000 a tonne.

It would not be a big opera-

tion by mining standards but would give the company the cash flow it needed for its bigger-picture mining plans — the shipment of high-grade iron ore from Double Cove.

Last month the company announced surface sampling results from Double Cove with an iron ore content of 69 per cent and Mr Rogers said a \$1 million drilling program was planned for this financial year.

The company's long-term plan is to build a port at Pilot Bay to ship iron ore directly out of the region.

The company has been in negotiations with Tasports, local fisherman and the Strahan community about its plans.