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# Japan dips toe into Yilgarn with pellet plant proposal



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A hum of activity has been emanating from WA's Yilgarn region lately, despite market doldrums.

Last week, India's National Mineral Development Corp signed a \$19 million deal to take control of iron ore hopeful Legacy Iron Ore in a deal that will likely see it spin-off non-core assets to focus on the likes of its Mt Bevan project in the Central Yilgarn.

Now it appears Japan may be dipping a toe in to the sector, with representatives from Kobe Steel flying into Perth this month to meet several local players — thought to include Cliffs Natural Resources, Mindax, Radar Iron and Legacy — and discuss the

possibility of building a pellet plant to be fed by the region's surrounding mines.

Kobe would likely finance, build and operate the plant in return for guarantee of supply and a price discount.

Plenty of similar value-adding plans have been spruiked up and down WA's resources sector over the years but to date there's been very little action and it's fair to say discussions are at a very early stage (translation: don't hold your breath).

Still, it's another reminder that attempts by those in the Yilgarn to establish it as the next iron ore region after the Pilbara and the Mid-West are making some

progress. There are also unconfirmed market whispers that Brazil's Vale may be sniffing around the area.

Meanwhile, the Esperance Port Users Group will hold a meeting today (the first held under a new re-jigged regime) to discuss options for an expansion of the port. All of the region's would-be players — from members of the Yilgarn Iron Producers Association to Cashmere Iron and Brian Gilbertson's Jupiter Mines — want to see the port expanded but they disagree about how it should happen and who should be in charge.

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