



\$300m Esperance port pledge big Yilgarn win

■ **Kate Emery**

The WA Government could start talks with miners within weeks on how to fund a long-awaited \$300 million expansion of Esperance port intended to transform the Yilgarn into the next iron ore province behind the Pilbara and the Mid West.

Transport Minister Troy Buswell last night called for discussions with the private sector and *WestBusiness* understands a number of possible funding models are on the table, which could include participation from miners and infrastructure providers.

Many of the Yilgarn's would-be miners have put their hand up to be involved, most recently Indian giant National Mineral Development Corporation, which took control of WA junior Legacy Iron Ore late last year and is understood to have held talks with Esperance Ports Sea and Land (EPSL).

The Government's commitment

to an initial expansion at Esperance from 11 million tonnes of iron ore a year to about 20mtpa is a major win for the Yilgarn region, which is estimated to contain more than 15 billion tonnes of magnetite and 1bt of hematite.

However, the Government's support to expand Esperance, which industry sources estimate could cost between \$240 million and \$300 million, comes at the expense of an alternative, albeit less popular, plan to expand Kwinana.

Industry has been calling for an expansion at Esperance for years but progress has been delayed by in-fighting.

Ms Buswell said the Government had opted to fast-track Esperance over Kwinana both because the industry favoured it and \$120 million was already being spent on upgrading the port's road and rail access.

He said the Yilgarn could deliver the State up to \$150 million a year in royalties at current prices.

"This is a very exciting time for Esperance, however, we need to act fast if WA is to reap the reward of current high iron ore prices," he said.

Yilgarn Iron Producers Association David Utting said the group, which is chaired by Mindax boss Greg Bromley and counts Golden West Resources and Cazaly Resources as members, had worked closely with Government and was pleased with the outcome.

"The Yilgarn Iron Province is now poised for significant growth with economic benefits flowing to Esperance, the Goldfields and WA," he said.

Chamber of Minerals and Energy of WA chief executive Reg Howard-Smith also welcomed the move, saying port capacity was "at breaking point". He called for a "fair and open process" for would-be exporters to get access to capacity and said existing operational issues at the port needed to be addressed.



Fast track: The promise to expand the port to almost double its capacity would allow the Yilgarn province to grow