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## Japanese eye Mindax

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Kristie Batten

**SHARES in Mindax have taken off after the company said it signed a deal with Japan's Sumitomo Corporation over the Mt Forrest iron project in the Yilgarn region of Western Australia which could be worth up to \$A115 million.**

The non-binding heads of agreement gives Sumitomo two months to complete exclusive due diligence on the project for a non-refundable fee of \$1 million.



The two parties then plan to move to a binding framework and joint venture agreement, whereby Sumitomo can earn into the project in stages.

During the prefeasibility and feasibility stages, Sumitomo will have the right to acquire a 45% interest in the project, through incurring or guaranteeing certain expenditure of up to \$15 million.

Sumitomo can gain 70% of the project during development through incurring or guaranteeing further expenditure of up to \$100 million to develop the project.

Mindax managing director Greg Bromley said the relationship with Sumitomo was a key to unlocking the value of the project.

"It allows the incremental development of a major iron ore project in the Yilgarn iron ore province with a long life," he said.

"We expect Mt Forrest to form a significant component of the mining economy of the area and the involvement of a company with Sumitomo's stature sends a very strong signal concerning prospects for the urgency of development and upgrading infrastructure in the Goldfields-Esperance region."

A scoping study on Mt Forrest was due to be completed during the current quarter.

The project has a magnetite resource of 831.7 million tonnes at 32.5% iron and a higher-grade regolith resource of 14.7Mt at 45.4% iron.

Shares in Mindax jumped as much as 18% on the news but were last trading 9% or 1.5c up to 17.5c.



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Street Address 613-619 Wellington Street, Perth WA Australia 6000

Postal Address PO Box 78, Leederville, WA Australia 6902

Head Office Tel +61 8 6263 9100 Head Office Fax +61 8 6263 9148

e-mail contact@aspermont.com website www.aspermont.com ABN 66 000 375 048