



Sumitomo makes surprise \$115m move on Mindax

■ Peter Klinger

Japanese trading giant Sumitomo has muscled its way into Yilgarn's iron ore sector through a \$115 million deal to acquire up to 70 per cent of Mindax's flagship project.

Shares in Mindax's lightly traded stock jumped 3¢, or almost 19 per cent, to 19¢ to value the Perth junior at \$32.5 million.

Sumitomo's surprise move marks the latest Japanese play in WA's iron ore scene.

Mitsubishi has just taken full ownership of the Jack Hills mine and Oakajee Port and Rail project after spending \$325 million to buy out partner Murchison Metals' interests while trading house Sojitz has a 30 per cent stake in the \$2.6 billion Southdown magnetite project being proposed by Grange Resources.

Under the Mindax deal, Sumitomo will be able to pick up a 45 per cent stake in the Mt Forrest project by funding up to \$15 million of feasibility work.

Sumitomo can pick up a further 25 per cent of Mt Forrest by spending up to \$100 million during the project's development phase. It will pay Mindax \$2 million while it carries out due diligence during a two-month exclusivity period.

"Our strategic relationship with Sumitomo is a key to unlocking the value of the Mt Forrest iron ore project for Mindax shareholders," managing director Greg Bromley said.

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

Mt Forrest has an indicated and inferred magnetite resource of 831 million tonnes, with an average grade of 32.5 per cent iron.

Mindax wants to begin mining by the end of next year and is targeting ore exports through Esperance's port.

