

Bauxite Resources Limited Open Briefing with Scott Donaldson CEO on Strategy and Outlook

16.07.2012 | [ABN Newswire](#)

10:18 AEST July 16, 2012 ABN Newswire (C) 2004-2012 Asia Business News PL. All Rights Reserved.

Melbourne, Australia (ABN Newswire) - [Bauxite Resources Limited](#) (ASX: BAU) is a minerals explorer with two joint venture bauxite projects in the Darling Range in Western Australia. Bauxite Resources is the largest exploration licence holder in the Darling Range covering approximately 24,000 km². With its Chinese joint venture partners, Bauxite Resources is focused on defining sufficient bauxite resources to support the construction of an alumina refinery and also on developing a separate bauxite mining project north of Bindoon, Western Australia.

In this Open Briefing, CEO Scott Donaldson discusses:

- Yankuang and HD Mining joint venture progress
- Resource upgrade
- Future project

open briefing

Bauxite Resources Limited (ASX: BAU) (BRL) has joint venture projects with two large Chinese organisations: the Bauxite Alumina Joint Venture (BAJV) with Yankuang Resources Limited which aims to develop an alumina refinery in Western Australia; and the exploration joint venture with HD Mining and Investments, a subsidiary of Shandong #1 Institute of Geology and Minerals Exploration, which aims to develop bauxite resources for mining. What do these joint ventures bring to BRL and its future growth?

CEO Scott Donaldson

The joint ventures have de-risked the long term financing requirements for BRL and support the programs of work designed to discover and exploit bauxite resources on our tenements in the southwest of Western Australia. We consider ourselves fortunate to be in joint ventures with such reputable international organisations.

The Yankuang Group is a Chinese conglomerate with assets of approximately US\$18 billion, employing 94,000 people. The group operates a smelter producing 140,000 tpa of aluminium, operates mines producing 60 million tonnes per annum (Mtpa) of coal and power stations with generating capacity of 527 MW. Yankuang is a leader in clean energy research having developed the use of coal tailings for reuse in power generation; it has recently bought into the Western Australian Collie coalfield by purchasing Wesfarmers' Collie coal assets. Our joint venture with Yankuang, the BAJV, aims to develop a 1.1 Mtpa alumina refinery, which would not normally be possible for a company of our size.

Our joint venture with HD Mining covers bauxite exploration over a tenement area of around 1,000 km² of which 78% is granted. HD Mining is funding all exploration and mining feasibility costs. On completion of feasibility studies and a decision to develop a mine, HD Mining will have earned 60% ownership of the bauxite rights (BRL 40%).

open briefing

BRL recently announced a 143% increase to its JORC classified bauxite resources to 124.5 million tonnes (Mt) at 40% Al₂O₃ (total), 30.2% Al₂O₃ (available). What implications does this have for your two joint ventures?

CEO Scott Donaldson

One of the BAJV objectives was to delineate a resource of more than 90 Mt of refinery grade bauxite. Following the recent release of the new resource at Felicitas, the BAJV bauxite resources now exceed 110 Mt. BAJV now needs to confirm that it meets the quality criteria.

Since early 2011 our overall JORC classified bauxite resources have increased by around 700% and that's

certainly a good effort by any measure. The latest increase was due to a maiden resource at the BAJV Felicitas project about 10 km north east of Wundowie in Western Australia. We consider this a very strong and successful first year for the BAJV.

We have also recently announced that we expect a maiden bauxite resource from the Ceres deposit located near Williams, Western Australia. This deposit is part of the HD Mining JV and will be the third bauxite resource to be defined by that joint venture. Once we have fully modelled and classified that resource, we will be in a position to decide on the next steps with HD Mining.

It is significant that 23% of the world's alumina production comes from this region where BRL is the largest tenement holder. Over half of our tenements are now granted and through our joint ventures this provides us with a number of development opportunities within an attractive portfolio. Whether we decide with our joint venture partners to develop bauxite mining operations on all or only some of these resources or whether we build beneficiation plants and then supply to a local refinery or export is yet to be determined. However, what we now have is a number of development options that can provide a degree of flexibility and confidence to our planning.

open briefing

How does your Darling Range bauxite compare with bauxite found in Queensland or Indonesia? What gives you confidence that the proposed alumina refinery can be viable? Do any of your bauxite resource assets have potential to be developed as direct shipping ore (DSO) projects?

CEO Scott Donaldson

Western Australia is home to four of the seven alumina refineries in Australia and four major bauxite mines including the Huntly mine - the largest bauxite mine in the world. The state has a long association with low cost bauxite which has been mined here since 1963, and Western Australia currently produces 23% of world alumina, making it the world's premier alumina region.

Darling Range bauxite is predominantly gibbsite, a mineral form of bauxite requiring lower temperatures (i.e. less energy) and pressures in the refining process, resulting in lower treatment costs than is possible with other bauxite mineral forms. A further advantage of Darling Range bauxite is the shallow nature of its deposition. The bauxite in this region is often at or close to surface meaning that mining is simple and efficient with very little waste material requiring movement to access the bauxite. This contributes to lower mining costs and lower environmental impacts compared with some other bauxite producing regions.

In 2011, we continued preliminary test work programs aimed at enhancing the quality of the bauxite through a simple, low cost process of beneficiation. This technique has been used by some of the world's most successful producers of bauxite including the Tombetas and Weipa projects. Our results to date encourage us that the level of deleterious elements such as clays and quartz can be removed with a simple process and further scoping study level test work is planned for 2012 on existing and new bauxite resources.

Our joint ventures contain a number of other bauxite deposits that may have the potential to be developed and we are currently reviewing the options. The most advanced bauxite mining option is the BAJV mining proposal at our Aurora resource north of Bindoon, Western Australia.

The project has been referred to the Environmental Protection Authority of Western Australian (EPA) which has determined that a Public Environmental Review (PER) is the appropriate level of assessment. We believe that BAJV should complete the studies required by the EPA process later this year.

open briefing

Apart from the joint ventures, BRL holds a 100% interest in any other mineral discoveries within the exploration licence package. What indication have you had to date that there are more potential targets within the exploration licences currently held?

CEO Scott Donaldson

Following a preliminary review of mineral prospectivity across our tenements in 2011 we recognised the potential for new mineral discoveries in Western Australia's southwest region. In late 2011, we initiated a high level review applying modern exploration technology to identify areas with the greatest potential to host mineralisation not previously recognised.

Earlier this year the state government released some results from a major aero-magnetic survey of the southwest region. Unfortunately the release of further data from the government has been delayed by a

couple of months but, once it is available our team is ready to combine it with the latest geological mapping to generate what we anticipate could be a list of high potential mineralisation targets. At that point we will prioritise these and report back to the market how we intend to progress. We are aiming for this to occur within the next three months subject to the data being released from the government body.

Our exploration team is experienced across a wide range of minerals and geology types both in Australia and overseas. We've also taken steps to improve the capacity of the team and have made a number of new appointments over the last few months.

We have also recently announced the appointment of Mr Bill Moss as the new General Manager of the BAJV. His appointment is significant in that it adds another experienced level of management to the BAJV which will support its progress toward the joint venture goals. Bill has for the past six years been Project Director of the US\$10.5 billion Ma'aden Bauxite Alumina Project in Saudi Arabia. In this role he was also responsible for the commissioning of the alumina refinery which is expected to produce 1.8 Mtpa alumina and 750,000 tpa of aluminium.

Bill's previous experience in the Darling Range is extensive, with 15 years operating bauxite mines and refineries in Western Australia for Alcoa.

open briefing

The Western Australian Mining Warden recently recommended to the Minister of Mines and Petroleum that Bauxite Resources' application for three additional exploration licences south of Bridgetown be refused. What does this mean for your development plans?

CEO Scott Donaldson

We have had 59 exploration licences granted in the southwest of Western Australia to date. Of these, 42 have been granted in the last 18 months. These cover an area in excess of 13,000 km² and have been granted in accordance with the approved application process, representing a very positive step forward in our plans to provide growth and opportunity in the southwest of the state by, in the first instance, defining exploitable bauxite resources.

We routinely engage in a process of community consultation for all of our activities and it is important to us that members of the communities where we operate have the opportunity for input into our activities. We are very diligent in ensuring that this occurs. In order to explore for bauxite on private farmland in Western Australia it is necessary first to gain the permission of the landowner. Our approach is generally well received by farmers and we now have signed agreements on 566 properties.

The three additional applications will go to the Minister for a final decision and BRL will make submissions on these in accordance with the established application process.

open briefing

What milestones do you expect to achieve in the coming months and what is the immediate outlook for Bauxite Resources?

CEO Scott Donaldson

We've achieved some significant milestones so far this year with the progression of our joint ventures with Yankuang and HD Mining. We are also very pleased with our recent increase in bauxite resource to 123 Mt. As I mentioned earlier, we expect to increase our bauxite resources further with the addition of a JORC resource at our Ceres deposit in the next three to four weeks.

I am looking forward to the final report from our geologists into the potential for other minerals on our southwest tenements. The preliminary review was positive and this is potentially an area where we can add some more value. This report is expected in the next few months.

As at the end of March 2012, we had a cash balance of \$48.5 million, which means we have sufficient cash to be able to progress development opportunities as and when they arise. This sets us apart from many other explorers/developers that don't have that level of certainty.

Overall, I think we are well positioned to continue our progress towards all of our strategic targets and I think that the next six to 12 months will be an exciting and rewarding period for us.

open briefing

Thank you Scott.

For the full announcement with transcript, please visit:
<http://media.abnnewswire.net/media/en/docs/ASX-BAU-596375.pdf>

About Bauxite Resources Limited:

[Bauxite Resources Limited](#) (ASX:BAU) was established in May 2006 to become a part of the bauxite and alumina industries in Western Australia where four of the seven Australian alumina refineries and four of Australia's bauxite mines are located. The Company listed on the Australian Securities Exchange (ASX) in October 2007.

Bauxite Resources is the largest tenement holder in the Darling Range with approximately 24,000 km² of ground. This area in south-west Western Australia is acknowledged as the largest producing alumina region in the world supplying approximately 23% of global production.

Contact:

Bauxite Resources Limited
T: +61-8-9200-8200
F: +61-8-9200-8299
WWW: www.bauxiteresources.com.au

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/129432--Bauxite-Resources-Limited-Open-Briefing-with-Scott-Donaldson-CEO-on-Strategy-and-Outlook.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).