

Arcelor banks on Arctic mine green light

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ARCELORMITTAL expected to clear regulatory hurdles in Canada next year, allowing the largest steel producer to begin construction on a new iron ore mine close to the Arctic, an official said yesterday.

The Mary River deposit in the Canadian Arctic, acquired through last year's C\$590 million (R4.8 billion) deal to purchase Baffinland Iron Mines, will help ArcelorMittal in its efforts to reach its long-term goal of nearly doubling its iron ore production, reducing dependence on producers such as Vale, Rio Tinto and BHP Billiton.

"We are hoping that those regulatory processes would be complete in early 2013, which would allow us to have the project approved and begin the planning out for construction purposes," said Ron Hampton, the Mary River project director. "We don't have a specific (construction) date right now, but it will not be before 2013."

The mine and associated infrastructure, including a port and railway, is expected to cost about C\$5bn, with first production about five years after construction starts. – Reuters