

NEW IRON ORE MINE

Steel giant clearing hurdles for project

STEEL producer ArcelorMittal expects to clear regulatory hurdles in Canada early next year, allowing it to begin building a new iron ore mine close to the Arctic.

The Mary River deposit in the Canadian Arctic, acquired through last year's C\$590 million deal to buy Baffinland Iron Mines, will help ArcelorMittal to reach its goal of nearly doubling its iron ore production, reducing dependence on Vale SA, Rio Tinto and BHP Billiton.

"We are hoping that those regulatory processes will be complete in early 2013, which would allow us to have the project approved and begin the planning for construction purposes," said Ron Hampton, the Mary River project director.

The mine and associated infrastructure, including a port, is expected to cost up to C\$5 billion (R40bn), with first production about five years after construction starts.

He said construction of the port would be undertaken in two phases – 18 months of off-site fabrication, then a two-year installation. – Reuters