

# BHP to spend \$US698m on WA iron ore mine

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BHP Billiton has approved a \$US698 million (\$A687.72 million) investment to develop its share of an iron ore mine near Newman in Western Australia.

The proposed new mine will have an expected capacity of 17 million tonnes per annum.

The development will include the construction of an ore crushing plant, train loadout facility, rail spur to an existing rail network and other associated support facilities.

Production is expected to start in the second half of calendar 2012.

The mining giant also gave the green light for development of the \$US597 million Yarnima Power Station to secure future power supply for its Pilbara iron ore mines.

BHP Billiton's share of the cost for the new power station is \$US507 million.

The company will process ore from the new mine - Orebody 24, at the Newman Hub, which is currently fed by the Mt Whaleback, Orebody 18, Orebody 23/25, and Jimblebar Wheelarra 4 operations.

"Orebody 24 is a sustaining mine to maintain iron ore production output from the Newman Joint Venture operations," BHP Billiton said in a statement on Wednesday.

The joint venture partners are Itochu Minerals & Energy, Mitsui-Itochu Iron and Mitsui Iron Ore.

BHP Billiton's share of the development cost for Orebody 24 is \$US698 million.

BHP Billiton Iron Ore president Ian Ashby said the development highlighted the mining giant's ability to leverage existing infrastructure to sustain current production.

The Mt Whaleback mine was established in 1968 and is the biggest single-pit open-cut iron ore mine in the world at more than 5km long and nearly 1.5km wide.

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