

Rio backs Pilbara boom with \$3.6b spend

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An iron ore ship-loader at a Rio Tinto operation in the Pilbara.

Rio Tinto has committed \$US3.7 billion (\$A3.64 billion) to expanding its massive iron ore operations in WA's Pilbara region.

The world's second-largest iron ore producer said mining in the Pilbara presented long-term growth prospects.

That's despite recent comments from big mining companies about uncertainty created by falling commodity prices, slowing growth in China, and economic woes in Europe and the United States.

"We are directing investment to projects that will generate the most attractive returns for shareholders and are resilient under any probable macroeconomic scenario," Rio Tinto chief executive Tom Albanese said in a statement.

"Today's announcement is in line with our long-held strategy of investing in and operating long-life, low-cost, tier one assets, and consistent with our view of the economic outlook."



Rio Tinto's mining operations in Western Australia's Pilbara region.

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Rio will spend \$US2 billion (\$A1.97 billion) over the next four years on port-and-rail developments that will expand its production capacity in the Pilbara to 353 million tonnes a year from 2015.

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Rio's \$3b Pilbara expansion
revealed

A further \$US1.7 billion (\$A1.67 billion) will be spent to extend the life of the Yandicoogina mine in the Pilbara to 2021 and expand its capacity by six million tonnes a year.

Rio Tinto has already received conditional approval from the WA government to expand its Cape Lambert port, which when completed will see the state's iron ore exports surge to 133 million tonnes a year.

Premier Colin Barnett said the port construction workforce is set to peak at more than 1700 employees, with the finished facility to host around 100 full-time jobs.

The Cape Lambert port expansion will take three years to complete. Rio Tinto recently announced a \$300 million investment to expand the nearby town of Wickham in order to house the port workforce.

Rio has also committed \$US501 million (\$A493.28 million) to develop infrastructure at the Simandou iron ore project in Guinea.

Rio shares were up 86 cents, or 1.5 per cent, at \$57.63 at 1548 AEST.