

Atlas, Aquila eyes BHP, Rio rail

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Atlas Iron Ltd and Aquila Resources Ltd say a decision to open up rail lines in Western Australia owned by the mining giants could save the smaller iron miners money and underpin the development of new projects.

The Australian Competition Tribunal on Wednesday allowed third parties to use the Goldsworthy and Robe rail lines, which are owned by BHP Billiton and Rio Tinto Ltd respectively, in the Pilbara region of WA.

Atlas says the Goldsworthy railway could be used to transport ore from its projects, while Aquila Resources says the Robe railway, which runs to Rio Tinto's wholly owned port at Cape Lambert, could benefit Aquila's West Pilbara iron ore project.

Aquila, Fortescue Metals Group Ltd and Metallurgical Corporation of China Ltd have considered constructing their own rail line and a new port at Anketell Point so they don't have to rely on Rio Tinto granting access to its infrastructure for their Pilbara projects.

However, this may not be necessary if smaller miners can negotiate terms of access with the mining giants, but it could still be a challenging process.

"The decision by the tribunal may provide an opportunity for the West Pilbara iron ore project to defer capital expenditure on rail, if ... the terms of an arrangement for access (including as to costs) can be agreed with Rio Tinto," Aquila said in a statement.

The Goldsworthy railway is close to some of Atlas's main iron ore deposits including its first mine, Pardoo, about 100km from Port Hedland.

"It will now be seriously considered as a means for transporting ore to Port Hedland," Atlas said in a statement.

The Goldsworthy line runs directly to Port Hedland and is adjacent to existing and planned multi-user port infrastructure at Utah Point, where Atlas has space for its ore.