

Phosphate deal

By LIZ CORBETT

liz@starnews.com.au

PHOSPHATE group Legend International Holdings and a major Chinese company will develop a multi-million dollar phosphate operation on Mount Isa's doorstep.

Legend, operated by mining industry entrepreneur Joseph Gutnick, already has an agreement with India to export phosphate rock from its massive Georgina Basin deposits.

However, Mr Gutnick has just returned from China where he signed a "strategic alliance" with Chinese company Wengfu which exports fertiliser product to more than 20 countries.

He said the two groups had formed a strategic alliance for the development of a phosphate mine, a beneficiation plant on site

and a phosphoric acid plant.

"It is a major step forward for us to have associations with two of the most populated countries in the world," Mr Gutnick said.

"We sell rock to India and will produce fertiliser with a company with the expertise and funds of Wengfu."

For Mount Isa, Mr Gutnick said the new project would create jobs, generate support for the community, create more Indigenous partnerships and enhance infrastructure in terms of rail, ports, power and water.

Mr Gutnick said it had not been finalised where the acid plant would be built but he was hopeful it would be the Mount Isa region.

Legend and Wengfu, which is one of the largest fertiliser producers in China, have agreed to work together on the feasibility study which will start immediately.

The study will focus on Paradise, former-

ly known as Lady Annie and Lady Jane. Both sites have been well drilled in the past.

Pending a positive result, Mr Gutnick said Wengfu and Legend would also investigate the production of speciality phosphate products derived from phosphoric acid manufacture.

Mr Gutnick said after the study, Wengfu, which was government-owned, would become an equity partner to strengthen the alliance and share in the benefits of the successful development of all stages of the project.

"Legend strongly believes that Wengfu's experience in all aspects of phosphate rock mining, beneficiation, phosphoric acid production, speciality phosphate chemical production, global marketing strategy and financial capability, combined with Legend's quality phosphate rock assets and manage-

ment team, makes an excellent partnership to ensure the successful development of the project.

"The strategic alliance with Wengfu will further advance the phosphate project beyond its initial phase of mining and shipping unbeneficiated phosphate rock to our existing alliance with IFFCO (in India)."

Mr Gutnick noted that the world would be facing a shortage of food as the "carbon problem" has an affect on oil and there would be a need to produce biofuels.

This means more fertiliser will be needed.

Legend will list on the Australian Stock Exchange next March. It was listed on the American exchange initially as Mr Gutnick had planned it as a diamond group.

■ Positive sign for industry, Page 5. Mine conference pictures, Page 13.