



Australia's Crusader eyes raising Brazilian iron ore output to 1.5 mil mt/year

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Australian emerging iron ore producer Crusader Resources is considering ramping up production at its Posse iron ore mine in Brazil to 1.5 million mt/year within a year, days after being granted a full mining license, a company official said Monday.

Posse had been producing at 65,000/month on a trial license basis and will immediately ramp up to 80,000 mt/month after being granted a full license last Friday, with a view to producing at up to 1.5 million mt/year, or 125,000 mt/month, within the next 12 months, company's executive director Paul Stephen said at an investor seminar in Melbourne.

Crusader trucks all its product to the mine gate where it is sold to 19 domestic customers, including pig iron producer Siderurgica Alterosa, long steel producer Gerdau and global steelmaker AreclorMittal, Stephen said.

The company last week averaged 205 truck deliveries of ore a day to the mine gate, up from around 150 a day in November 2013, he said.

Stephen added that demand for Crusader's iron ore was growing due in part to a series of construction projects for Brazil's hosting of the World Cup mid-year and the Olympics in 2016.

Posse, located around 30 km from the city of Belo Horizonte, produces iron ore at a cost of \$12/mt, paying 7 cents kilowatt/hour for power and salaries of around \$20,000/year for truck drivers, who would receive around A\$120,000/year (\$104,000/year) in Australia, Stephen said.

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