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King Island mine to be revived next year

BY MATT MALONEY

KING Island's scheelite mine will restart operations early next year after having been closed for more than three decades.

While the mine was closed in 1990 due to low global tungsten prices, Group 6 Metals chairman Johann Jacobs said the metal was now valued at seven times the price than it was back then.

Mr Jacobs said the price of tungsten was US\$50 per metric ton when the mine closed.

"Today, that's \$US350 US dollars per metric ton unit," he said.

Mr Jacobs said about 90 people on King Island would be employed once the mine's full construction program started.

There would be 65 people employed when the mine started production in 12 months' time, he said.

"And we certainly hoping that more than 75 per cent of that workforce will be housed and permanently resident on the island," Mr Jacobs said.

The Dolphin deposit was discovered in 1911. The mine

opened six years later to produce tungsten and operated intermittently until 1990.

Mr Jacobs said the company would mine 400,000 tonnes of ore per year from the deposit to produce 3500 of concentrate to export from the island.

"We've got about 50 per cent of the resource left in the ground, compared to prior to the mine started," he said.

He said the ground where open-cut mining would occur was acid-free and non-toxic.

Mr Jacobs said tungsten was recognised as a critical

mineral with 20 per cent of the metal consumed worldwide in the manufacture of passenger vehicles and another 20 per cent used in roads and tunnels.

The company has attracted \$90 million in investment for the mine which was assisted through a \$10 million loan from the state government.

State Growth Minister Roger Jaensch said the King Island economy was expected to benefit by \$5 million by salaries alone and the state would benefit from \$30 million in royalties paid over the life of the project.



REVIVAL: King Island's scheelite mine will be reopened 32 years after it closed due to low tungsten prices.