

Arrow eyes off infrastructure

While infrastructure in Guinea was once problematic, Arrow Minerals Ltd believes the landscape is changing, giving its Simandou North iron project the chance to shine.

The massive Simandou area – renowned as one of the world’s largest undeveloped iron ore provinces – is split into four mineable blocks, with Winning Consortium Simandou holding Blocks 1 and 2 and Rio Tinto Ltd holding Blocks 3 and 4. In March last year, the two companies along with the Guinean Government struck a deal to co-develop high-capacity multi-user rail and port infrastructure to support ore extraction from the Simandou Range.

Arrow managing director Hugh Bresser said the 670km rail line would transform the fortunes of companies across Simandou, including his own company.

“The discoveries made by Rio were made back in the late 90s and so the project itself has sat there for quite some time because it is infrastructurally challenged, but that’s changed in the last couple of years,” he told **Paydirt**.

“It’s a multi-user rail line so it’s planned not only to service mining operations but also other infrastructure components such as agriculture, and forestry, there are even some plans to have it as a commuter line.

“The infrastructure is coming and it’s a question of how quickly that can be put in place, the forecast from the Government is to see it in operation by 2025.”

Arrow’s project sits at the northern end of the Simandou Range with Rio Tinto’s Simandou project immediately south.

Rio Tinto has built up a resource of 2.8bt @ 65.5% iron while the Winning Consortium has established 1.8bt @ 65.4% iron.

“We’re expecting to see more news flow from the infrastructure developments as they’re coming forward and we should see a lot of information coming on around what the opportunity actually represents globally for the iron ore industry,” Bresser said.

In the most recent Fraser Institute Annual Survey of Mining Companies, Guinea was ranked 8th on the Investment Attractiveness Index for Africa. Investors cited concerns over environmental regulation and the availability of labour. Respondents also indicated uncertainty regarding the administration, interpretation or enforcement of existing regulations, infrastructure and the legal system were major concerns that discouraged investment in the country.



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However, Bresser believes Guinea is a relatively stable mining jurisdiction.

“I haven’t seen any issues that would prevent funding coming into the country,” he said.

“It’s a unique opportunity that you have a virtually undeveloped high-grade iron ore deposit within the Simandou Range that’s going to change the dynamics. It’s a very high-grade system that we’re looking for.”

Arrow recently launched a 3,000m maiden diamond drill programme, which will target four areas of interest in the southern part of its tenements.

“At this stage, we’re really looking at what size resource we can discover there first,” Bresser said.

“The questions around production and development will really come from the scale of the operation, that’s more what we need to resolve first.”

The first five holes in the drill programme will test the Dalabatini target with initial assays due imminently. Dalabatini was identified as a priority target following geochemical sampling and geologi-

cal mapping, which outlined an extensive ironstone formation extending for 3km in a north-south direction with a width of 500m. Geochemical assay results from rock chip samples collected from the target returned 64.9%, 58.7% and 57.8% iron.

The other three priority target areas – Diassa, Kowouleni and Kalajo will also be tested with 20 to 30 drill holes.

“Our work with Simandou North has been really focused on taking the project from an early-stage geophysical anomaly and geological anomalies to drill-ready targets,” Bresser said.

“At the moment our scout drilling is underway and we’re targeting the high-grade rock chip targets, so we’ve got 64% or 58% iron and we’re drilling underneath those to test for subsurface high-grade hematite zones, particularly at Dellabatini and Kowouleni and as the project advances, we’ll be moving on to the other two main target areas as well.”

– Yvette Ogilvie