

20 August 2020

## **RLC sees green potential for Burracoppin iron in WA.**

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Production and sale of high quality pig iron from Burracoppin magnetite is economically more favourable than selling magnetite concentrate according to a report by Dinsdale Consultants. The finding adds weight to an earlier report of Dinsdale Consultants received late last year ([refer ASX release 10 Sep 2019](#)).

Processing the Burracoppin magnetite concentrate into pig iron better captures the value of the concentrate than selling the unprocessed concentrate into the iron ore market. This is a function of the coarse grained nature of the Burracoppin mineralisation, its amenity to the HIs melt process and the higher sale price achievable for pig iron than for magnetite concentrate.

Project economics are enhanced by using Burracoppin magnetite concentrate for feed to a HIs melt smelter to produce high quality pig iron for sale into the steel making market. The alternative of selling magnetite concentrate (an iron ore) into the iron ore market carries greater risk because of the concentration of the iron ore market. The iron ore market is dominated by a single buyer, China, with over 80% of the seaborne trade. This market dominance exposes the market to large price swings as is evidenced by price movements over the last two years ranging from around US\$60 to US\$120 per tonne. In contrast, the market for solid pig iron is more diverse being spread across USA (60%), EU (30%) and others (10%) creating greater price stability with prices over the last two years in the range US\$290 to US\$410.

The Dinsdale Consultants report also identifies potential for achieving net zero CO<sub>2</sub> emissions under the proposed HIs melt process without cost penalty.

Net zero CO<sub>2</sub> emissions could be achieved by using biomass as the source of carbon used in the smelt reaction rather than coal. The smelt reaction involves the conversion of magnetite concentrate to pig iron using carbon as the reductant. Using biomass as the source of carbon for the smelt reaction rather than coal means that all the CO<sub>2</sub> produced in the smelt reaction will have come from the CO<sub>2</sub> extracted from the air in growing the biomass. Hence pig iron produced using biomass instead of coal would be net CO<sub>2</sub> emissions neutral.

The report also considers that the cost of using biomass should be similar to the cost of coal (but in the absence of an existing biomass industry it is not possible to be definitive on biomass costs). The potential for the project to neutralise its emissions by substituting biomass for coal without cost penalty holds significant importance in a world increasingly adopting ways to mitigate CO<sub>2</sub> emissions. Such “green” pig iron may also attract a price premium.

The next steps for RLC include further investigations into the potential identified for biomass to support the proposed HIs melt operation and establishing local magnetite resources including by additional drilling at Burracoppin.

Geof Fethers, Managing Director  
Telephone: (03) 8420 6280  
[reedylagoon.com.au](http://reedylagoon.com.au)

Reedy Lagoon Corporation Limited  
P O Box 2236, Richmond VIC 3121