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# Partners help weather the storm

# MW producers in strong position

**MEGAN BAILEY**

MOST Mid West mining developments are not in danger of missing out on funding, according to those in the industry.

While all the players in the Geraldton Iron Ore Alliance are junior to mid-size producers, many of them have good relationships with their overseas partners that will help them weather the stock market storm, according to Rob Jefferies of the GIOA.

"We're not saying we won't be affected by this but it will be a few months until we know how much it will affect us," said Mr Jefferies.

"It varies from company to company but most of the major projects going on in the Mid West have arrangements in



Rob Jefferies

place and some companies have good financial reserves in place.

"However, most of the companies in the Mid West have strategic arrangements with their overseas partners which puts them in a reasonable position," he said.

At the weekend, one of Australia's most experienced figures in the resources industry, Andrew Forrest of Fortescue Metals Group, said that while he believed there was still a lot of interest in WA resources coming from China, many junior mining companies looking for funding could face

tough times over the next few years because many Asian countries were looking for companies with proven operations.

"If junior mining companies haven't secured financing it will be a long road ahead to achieve it and it may take some time. There are eight companies in the Geraldton Iron Ore Alliance and many projects are not planned for some years. Many of the companies are not about to ramp up the quantities of exports until Oakajee is available (2012) and we expect there will be highs and lows in that time," said Mr Jefferies.

"Everyone should be cautious but it won't be the events of a few days in the stock market that will make a huge difference, we will need to look and see how this is going over the next few months," he said.

Philip Maxwell, from the WA School of Mines, said he was sure the comments from Mr Forrest came from a genuine place, but if a mining company with a good project was seeking funding there was still hope.

"In general terms Mr Forrest's statement has something to it. The feedback I've been getting from some of the smaller mining companies is that it has been more difficult to get funding in the past few months and the financial turmoil won't help," said Mr Maxwell.

"However, I think there will be opportunities in the future for junior companies with good projects to attract funding," he said.