

KOOLANOOKA 1961 TO TODAY

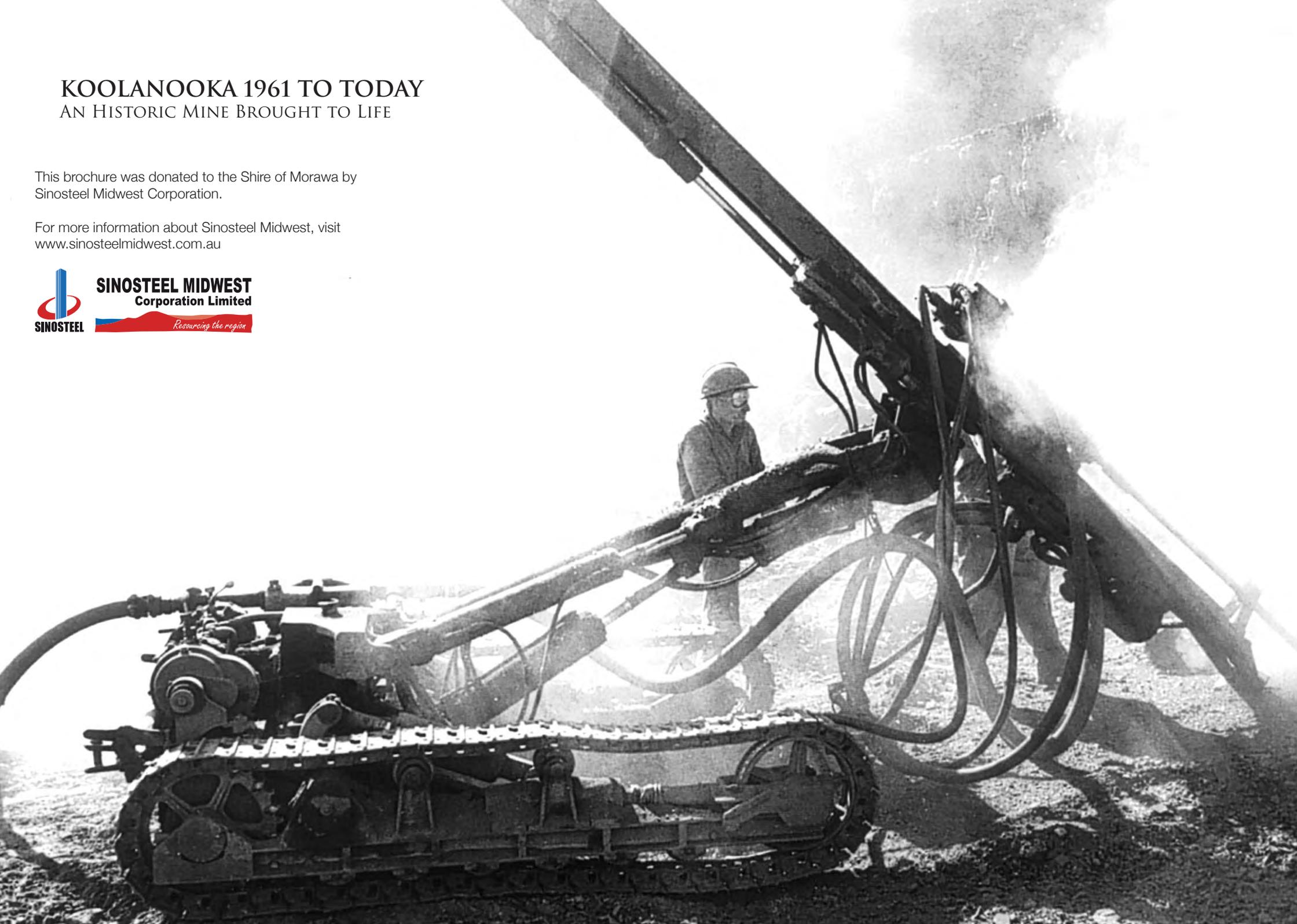
AN HISTORIC MINE BROUGHT TO LIFE

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This brochure was donated to the Shire of Morawa by Sinosteel Midwest Corporation.

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THE IRON ORE STORY

Western Australia is home to some of the world's largest iron ore mines and mining companies. These operations have seen Australia ranked as the largest iron ore exporter in the world in 2008, with more than 300 million tonnes of ore sailing from its shores. WA accounts for more than 95% of Australian iron ore exports.

However, this wasn't always the case. For many years, it was thought that Australia's commercial iron ore industry was limited. So much so that prior to 1960, the Federal Government had an embargo on iron ore exports in order to retain iron ore production for local industry use. The embargo was lifted in 1960 when approval was granted to allow companies to export up to 50% of their tonnages to Japan.

The WA Government Geologist stated that WA had enough iron ore to supply the whole world "but iron ore has no value" — hence the observation was not followed up (1890).

Source: Chamber of Minerals and Energy





THE KOOLANOOKA STORY

The Koolanooka mine is approximately 20km east of Morawa, and the associated Mungada East and West mine sites are located 60km to the east of Koolanooka. The iron ore history in the Koolanooka Hills commenced in 1961, when Western Mining Corporation discovered the first deposit in the Archaean banded iron formation. A program of exploration commenced that year, which proved the deposits had a large amount of high grade ore, suitable for direct shipping. In 1962, a small 132 tonne sample was recovered and then transported to Bullfinch (a mining town south east of Morawa) for crushing and testing. This was technically the first iron ore to leave Morawa – the first of millions of tonnes to follow.

To fund and develop the project, Western Mining formed a joint venture with US mining organisations Homestake Mining Company (which was later to merge with Barrick Gold) and Hanna Mining Company. This was known as the Geraldton Operations Joint Venture (GOJV).

Construction of mining operations commenced in 1964, and first crushing took place in 1965. The Koolanooka Mine was officially opened by West Australian Premier David Brand on 5th February 1966.

The first contracts for sales were signed with a consortium of ten Japanese steel mills in 1962. These contracts were based on a 59% grade ore, with a delivery timeframe over eight years. During the contract period from 1966 to 1974, more than 5.1 million tonnes were exported to Japan. The highest weekly tonnage mined from the pit during the period was 33,500 tonnes. The total contract was worth about \$58 million, which delivered a profit to the company of \$3.1 million. Based on recent iron ore values, this production would have been worth around \$450 million.

1966: 5.1 million tonnes iron ore = \$58 million
2009: 5.1 million tonnes iron ore = \$450 million





During the original period of operations, the Koolanooka mine was the major employer in the area, and by 1973 it was employing 125 people. To support the mine's workforce, new accommodation was required in Morawa. In addition to building 16 new staff houses, 34 houses were also transported from the old mining town of Bullfinch. This required the houses to be transported 450km via truck.



“ The Koolanooka mine was probably the first iron ore mine to open in the south of the State ahead of the Pilbara operations.

My father was the purchasing officer-store keeper for the mine and it was while I was a student at the University of Western Australia that I worked alongside him to supplement my income during the university holidays over the summer of 1965-66.

It wasn't a big mine by today's standards, but I remember the excitement surrounding its development and the associated issues related to meeting deadlines and developing a project that far away from the city.

The mine did not have a long life and eventually closed but it is good to see it reopen under the new owners, Sinosteel Midwest.

– Minister for Mining Hon Norman Moore, 2010



“ The Koolanooka mine brought great benefits to the town of Morawa. Until 1964, the Morawa community had to rely on a local dam for their water supply. In order to service the needs of both the mine and the town, the government built a pipeline to source new water supplies from bore holes in the Arrowsmith River area, 60km west of Morawa. A new power station was also built for the mine, which was able to supply power to many farms in the district.

With the mine in operation, the town really began to thrive, with our population almost doubling in size. This growth prompted the Shire Council to approve a loan for a new golf and bowling club house, which proved to be very popular with the community.

I believe the reopening of the mine will be a really positive thing for the district – both for Morawa and for the neighbouring towns. It is hoped that it will bring more families to the town and boost the number of students at the local school.

– Stan Glassford OAM – Shire Councillor 1962–1988



RAIL AND SHIPPING

A 20km rail spur was established for the mine, and a new siding named Tilley was built to rail the ore about 160km to the Port of Geraldton. Ore was transported by two diesel electric locomotives with 42 wagons, each of which had a capacity of 45 tonnes. The round trip to port took about 15.5 hours, and was made about eight times per week.

The first load of 28,100 tonnes of Koolanooka ore set sail on the 16 March 1966, aboard the specially designed vessel “Margaret Maru”. The last ship of Koolanooka ore produced by the GOJV sailed in August 1974. The vessels used to transport the ore were small by current iron ore shipping standards, with an average vessel today carrying between 190,000 and 230,000 tonnes from deeper water ports.

The re-opened Koolanooka mine will see iron ore shipped from Geraldton Port in cape-size vessels, which commonly carry about 60,000 tonnes.



THE REBIRTH OF THE KOOLANOOKA MINE

The Koolanooka project is now owned by Sinosteel Midwest Corporation, which resumed mining iron ore the three established pits in the Koolanooka and Blue Hills region in early 2010.

Mining, crushing, haulage and shipment of ore is planned over five years. A total of 4.33Mt of ore will be produced at Koolanooka and 3.18Mt at Mungada East and West open pits. The planned mining activities will concentrate on the existing open pits, and be carried out in previously disturbed mining areas.



Just as it did in the 1960's, the recommencement of mining in the region is creating new jobs in the region, with about 100 people currently directly employed by Sinosteel Midwest, with a further 70 jobs expected to be created in the Mid West region on the Koolanooka project. This, combined with Sinosteel Midwest's 'buy local' policy which ensures local sub-contractors and suppliers are given preference wherever possible, is seeing significant economic support flow into the vibrant and friendly town of Morawa.

“The Koolanooka iron ore project was one of the first iron ore projects in the Mid West region, which has become increasingly recognised as a new and exciting iron ore province. We are pleased to have brought this historic project back to life.”

– Sinosteel Midwest
Chief Operating Officer Giulio Casello, 2010





This brochure was donated to the Shire of Morawa by Sinosteel Midwest Corporation.

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The History of the Morawa area since the 1850s. Published by the Shire of Morawa (2008)

Chamber of Minerals & Energy website: www.cmewa.com.au

Austrade website: www.austrade.gov.au



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