



MAP: A map showing the proposed graphite mine area.

Ore price drop could affect Gum Flat

THE iron ore price drop is a concern for Lincoln Minerals, which may have to consider making its proposed Gum Flat open-cut mine near Coomunga larger and more long-term to boost its economic viability.

Managing director John Parker said the company had not discussed the price issue, but if price drops continued it could have to look at modifying its plans.

“It’s still profitable, but because it’s a small project, it needs a bigger margin to cover the capital costs,” Dr Parker said.

“We might look at a slightly bigger operation, but at this time we would be looking to make it a longer-term operation.”

Changing plans could delay plans, with a groundwater licence to be sought this year, followed by a mining lease within about six to nine months, and mining to start at the end of next year.

Dr Parker said the company was still working through groundwater issues, after the state government refused its application for a water licence to take water from the Southern Basins Prescribed Wells Area to dewater its proposed mine.

“I’m confident we’ll come to a resolution.”