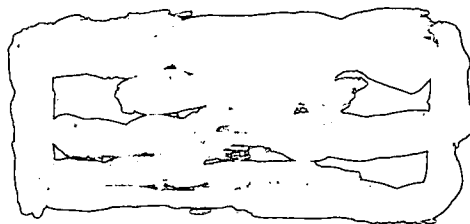


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DEPARTMENT OF SUPPLY AND DEVELOPMENT

COMMONWEALTH COPPER & BAUXITE COMMITTEE

FOURTH REPORT

Copper ~ Cloncurry Field

COMMONWEALTH OF AUSTRALIA

DEPARTMENT OF SUPPLY AND DEVELOPMENT

Copper and Bauxite Committee

Century Building,

129 Swanston Street,

MELBOURNE C.1.

(Written in Brisbane)

22nd August, 1941.

Senator the Hon. George McLeay,
Minister for Supply and Development,
Century Building,
129 Swanston Street,
MELBOURNE C.1.

Dear Sir,

FOURTH REPORT

COPPER - CLONCURRY FIELD

1. The Committee has given consideration to the desire of the Government to put into production any property that can materially add to Australia's copper output within two years.
2. As pointed out in another submission of even date, it seems probable that 5,000 tons of new copper p.a. can be obtained from a recently discovered ore body in the Mt. Isa Mines, production commencing in January, 1942, if the necessary capital loan is made as recommended.
3. In addition, it seems likely that a worth while production could be obtained from other mines in the Cloncurry district. The principal potential sources of increased supply are Hampden Consols, Mt. Oxide and Trekelano, but many other smaller properties can also be looked to, provided some central treatment facilities are available.
4. Discussion with officials of the Queensland Mines Department, Mr. A. A. Staines, Under Secretary, Mr. I. W. Morley, State Mining Engineer and Mr. E. N. Goode, Manager, Chillagoe Smelter, has revealed that the establishment of another central smelting and treatment unit (as proposed at Mt. Isa) would supplement and actually not compete with the present operations at Chillagoe.
5. The properties mentioned above are listed in order of their importance:-
 - (i) Hampden Consols - no surface plant. Workings under water but reported to be a relatively dry mine; reserves 450,000 tons, 4% copper. These reserves are all above the 400 ft. level and possibilities below this level have not been explored.
 - (ii) Mt. Oxide - being worked by tributaries for weekly output 50 tons of 16% copper. Reserves estimated by R. Blanchard (Geologist, Mt. Isa Mines) 170,000 tons of 7.7% copper, above the 300 ft. level.
 - (iii) Trekelano - being worked in a very small way for a weekly production of 90 tons of 12% grade. Reserves estimated at about 4,000

tons similar grade. While the reserve is small it must be borne in mind that it has produced about 175,000 tons with a similar continuously small reserve.

6. With these and other potential sources of large tonnages of copper in the vicinity of Mt. Isa, it is very desirable, if it is possible to obtain it, to have Mt. Isa Mines with its organisation and smelters in the role of examiners, advisers and managers of these major properties.

7. Assuming that this can be arranged, the following procedure is recommended:-

(i) Hampden Consols.

- (a) Mt. Isa Mines to estimate the cost of dewatering, and report to this Committee.
- (b) Provided the Committee considers this estimate reasonable, Mt. Isa Mines to dewater and obtain a parcel of ore and make a flotation test thereon.
- (c) Mt. Isa Mines to then report on the cost of putting the Mine into production and of operating it.
- (d) Assuming these estimates are considered satisfactory to this Committee, the Government and Mt. Isa Mines to make an agreement as to the alternative methods of operating the property as follows:-

Case 1: Mt. Isa to operate on behalf of the Government with a managing fee.

Case 2: Mt. Isa to take over the operation and ownership of the property if desired on a basis in which capital costs would be met by Government loans and a price of copper to be fixed by agreement or alternatively a bonus to be paid permitting Mt. Isa to operate at a reasonable profit and allowing for the Government to be recouped its advances.

In Case 2 the Government should firstly take the necessary steps to secure the title.

- (c) To expedite this the Committee is now approaching the owners with a view to ascertaining possible terms.

(ii) Mt. Oxide.

Mt. Isa Mines to be asked for a report on the capital necessary to operate and produce copper from this property. This report to be considered by the Committee and if regarded favourably by them, a procedure similar to that adopted by Hampden Consols to be followed.

(iii) Trekelano.

Mt. Isa Mines to be asked to give their views as to what they could do to increase production from

this property and at what cost. If this report is satisfactory the Committee is to make recommendation for the outright purchase of the property, for operation by Mt. Isa on similar basis to Hampden Consols.

The present position at the property is that it is owned by a Syndicate which prefers to operate at the present rate, but which may be prevailed upon to sell out at a moderate price.

The Manager of the State Smelter at Chillagoe, has stressed the fact that a regular supply of the Trekelano type ore, to the extent of about 250 tons per week, is vital to the carrying on of continuous operations at this plant. At the present time, because of a shortage of this ore, there is much delay in smelting the considerable quantities of carbonate ore now in hand.

For this reason the Committee deem it essential that consideration be given to accelerated production from this Mine.

Customs Plant and Gougers' Ore.

8. It is necessary also to consider at this time the desirability of Mt. Isa being established as a Customs treatment plant for Chillagoe surpluses. Discussions have taken place with Mr. Kruttschnitt on this matter, and the bases of this proposal will be the subject of a later report.

9. These surpluses would, of course, include gougers' ore that could more suitably be treated at Mt. Isa.

Yours faithfully,

(Sgd.)	H. G. Raggatt	- Deputy Chairman
	A. J. Keast	} Members
	J. M. Newman	
	J. Horsburgh	
	M. J. Martin	

COPPER AND BAUXITE COMMITTEE