

Iron ore mining has resumed at Whyalla while rail haulage is still offline

By CAMERON ENGLAND

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Mining operations at GFG Alliance's iron ore mines in the Middleback Ranges have restarted, while rail haulage for both iron ore and steel products remains offline, and the blast furnace is also yet to come back online.

The company's mining operator Golding Contractors, which is owned by ASX-listed company NRW Holdings, is understood to have resumed some operations on Monday after halting mining recently.

GFG's rail operators, Aurizon and Pacific Rail, which haul iron ore and steel products respectively, have not returned to work for GFG as yet however, with both companies understood to be working through late payment issues with Sanjeev Gupta's Liberty Primary Metals Australia, which is owned by his global company GFG Alliance.

While NRW Holdings did not respond to queries about its dealings with GFG, the Australian has confirmed from a number of course that mining operations have resumed in at least a limited form.

Both Aurizon and Pacific National said talks were ongoing.

"Pacific National has temporarily suspended all services for Liberty Steel while we work with them to come to a positive resolution to continue our longstanding partnership," the rail operator said on Tuesday.

"As a major supporter of Australia's domestic steel production industry, we are doing everything we can to start railing again."

Aurizon referred back to a previous statement which reads: "Aurizon is in discussions with one of our customers regarding unresolved contractual issues".

“We have endeavoured to find a suitable way forward; however, Aurizon has suspended some rail haulage services to the customer until these issues are resolved.”

Aurizon [suspended its haulage operations in October](#).

Liberty is still attempting to restart its blast furnace at the Whyalla steelworks, after it went cold for a second time this year in September, after an extended outage earlier in the year.

GFG said late last month it had [negotiated \\$US100m in new debt to provide capital for the Whyalla steelworks](#), with the money to fund ongoing maintenance work and payments to suppliers.

The company said it had signed a term sheet with an unnamed “major global credit fund”, with the funding expected to be locked in by the end of the calendar year.

Mr Gupta told The Australian earlier this year that his broader GFG group had been [propping up the Whyalla operations to the tune of about \\$1m per day](#), and more than \$400m had been contributed over the previous two years.

GFG on Tuesday said it did not comment on individual contracts.



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Cameron England has been reporting on business for more than 18 years with a focus on corporate wrongdoing, the wine sector, oil and gas, mining and technology. He is a graduate of the Australian Institute of Company Directors' Company Directors Course and has a keen interest in corporate governance. When he's not writing about business, he's likely to be found trail running in the Adelaide Hills and further afield.

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