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Siobhan Coady joins Alderon CEO in China to lobby for 'rebounding' iron-ore projects

Coady says \$10 thousand trip worth it for potential returns

The provincial minister of natural resources spent some time in China last week with the CEO of Alderon Iron Ore Corp., trying to ensure Chinese investment in mining in Labrador west.

Siobhan Coady, along with Alderon's Tayfun Eldem, met with senior officials at HBIS Group — the second largest steel company in China.

"We met with them to encourage their continued development of the Alderon Project," Coady told CBC's Labrador Morning.

The group, which included John McCallum, the Canadian ambassador to China, also met with representatives of several Chinese financial institutions.

Alderon has passed environmental assessments and received mining permits to kick-start the Kami Project in the Labrador Trough — an area Coady touted as having some of the best iron ore in the world.

HBIS Group is a big investor in Alderon, having purchased \$62 million in shares and put up \$120 million in capital for a 25 per cent stake in the company.

In a press release, Alderon called the China trip a success.

Coady estimated the cost of the trip at around C\$10,000, but said it was worth it to promote investment in Labrador.

"What you have to look at is really what the return on that investment is," she said. "We have to make sure we are marketing and promoting the opportunities in Labrador, to increase employment, to increase economic opportunity."

Resurgence of Lab west mining

Alderon is now searching for additional financing to kick-start the project, which they say will create 100,000 direct and indirect jobs over the lifespan of the mine.

Not far from the Kami site, Wabush Mines is looking for a reboot after being purchased by Tacora Resources. The Minnesota-based company is also searching for funding after filing for an initial public offering in February.

With a renewed interest in Labrador west mining, Coady said she expects Alderon's search for money will work in its favour.

"What you're seeing really is the rebounding of the iron ore industry and great opportunity, so I would think Alderon will be able to convince investors to start that project."