Bellzone Mining ships first iron ore from Forecariah

Bellzone Mining (LON:BZM) has made its first shipment of iron ore from the Forecariah joint venture in the Republic of Guinea.

Bellzone’s chief executive officer (CEO) Glenn Baldwin said the shipment of 63,000 tonnes on December 26 was made before the company's self-imposed deadline.

"The operations had produced and moved enough ore to Konta to fill a large Cape sized vessel by the beginning of December 2012," said Baldwin.

"However, we have been informed that the transhipping system did not perform as expected."

The company said that in the short-term, the transhipping performance will be addressed by chartered geared ships capable of loading from the barges while work continues to redesign and re-engineer the loading and offloading configuration.

"We expect the re-engineering process to take at least six months. The use of geared ships is expected to increase the shipping costs," Baldwin added.

"The JV is fully funded and has the flexibility to adjust production and shipping to be self-sufficient from a cash perspective and optimise margins."

The Forecariah JORC statement, which was completed in December, is currently under review by the JV management and an announcement should be made within the next two weeks.

Shares lost 7% to 15.12p.

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