



Start Download - View PDF

Convert From Doc to PDF, PDF to Doc Simply With The Free On-line App! Go to fromdoctopdf.com



Labourers work at the construction site of a vertical shaft at MESCO Gold's Phum Syarung mine in Ratanakiri province late last year. © Ananth Baliga

First mine licensed to draw gold

Wed, 14 September 2016 Cam McGrath

In a milestone for Cambodia's nascent mining industry, the government has issued the first commercial mining licence to MESCO Gold, giving the Indian mining firm a green light to extract and process ore at its gold project in Ratanakiri province, industry sources said yesterday.

The landmark approval by the Ministry of Mines and Energy (MME) marks the first time for an extraction licence to be issued under a new regulatory framework, and the final step for MESCO Gold to bring its Phum Syarung mine into production.

"This is the first mining licence to be issued in the country, so it's a pretty big deal," said Richard Stanger, president of the Cambodian Association for Mining and Exploration Companies (CAMEC). "It's the first licence issued under the new [mining] legislation and covers mining and processing the ore."

He said some small-scale gold extraction had been carried out by companies operating under an opaque licensing regime that preceded a recent overhaul of the national mining law, but MESCO's licence was the first to include a full-scale environmental and social impact assessment (ESIA).

The 750-page study identifies and assesses the potential impacts of the proposed underground mine, and sets out a support and development plan for affected communities.

"The licence has taken three years and gone through the ESIA process," Stanger said.

"It's been done properly and has gone through every [necessary] step."

MESCO Gold, a subsidiary of Indian steelmaker MESCO Steel Ltd, purchased the rights to develop and mine the Phum Syarung prospect from Canadian mineral exploration firm Angkor Gold Corp in 2013. As part of the \$1.2 million sale agreement, Angkor Gold negotiated a net smelter royalty agreement that would see it receive a share of any gold extracted.

MESCO was due to make a final \$500,000 payment to Angkor Gold upon receiving the mining licence.

Meng Sakthea, secretary of state at the MME, who could not be reached for comment yesterday, had told the Post that while MESCO's ESIA covers a total of 12 square kilometres, the mining licence would only cover production on a 1-square-kilometre core area.

However, John-Paul Dau, vice president of operations at Angkor Gold, said yesterday that the licence covers the full 12 square kilometres.

"There is a starting area of 1 square kilometre," he said, "but MESCO won't have to reapply for a licence [to expand beyond this area], just update the plan."

Rajeev Moudgil, director of MESCO Gold (Cambodia) Ltd, said the company has invested over \$6.5 million to date into the acquisition, exploration and development of the Phum

Related articles

- MESCO closes in on gold licence
- MESCO set to draw first gold from Ratanakiri mine
- MESCO takes on search for gold
- Indian miner sets 2016 target for extraction of gold in R'kiri
- India's MESCO one step short of gold licence
- MESCO, Angkor to mine gold
- Mining sector buried in taxes
- Mining firms gear up for big season

Latest Video



Turkish Embassy calls for closure of Zaman schools

With an attempted coup against the government of President Recep Erdogan quashed only days ago and more than 7,000 alleged conspirators now under arrest, the Turkish ambassador to Cambodia yesterday pressed the govern

CNRP lawmakers beaten

Two opposition lawmakers, Nhay Chamroeun and Kong Sakphea were beaten unconscious during protests in Phnom Penh, as over a thousand protesters descended upon the National Assembly.



Student authors discuss "The Cambodian

Economy"

Students at Phnom Penh's Liger Learning Center have written and published a new book, "The Cambodian Economy".

Career opportunities are awaiting the qualified student.



ENROLL ONLINE AT: www.cam-ed.com
Deadline: January 5, 2017

PostWeekend

Planner 1 (W8.4cm x H12cm)
Ads Promotion!

\$ 275 PER MONTH

Complementary
- 3 months Subscription
- 5 lines Classified
and a logo for 3 months

To advertise please contact:
Email: puthy.keo@phnompenhpost.com
Tel: 012 966 605 / 015 449 242

Syarung project. It has already constructed two inclines and a vertical shaft at the underground mine site, as well as access roads, offices and storage facilities.

With the approval of the extraction licence, the firm will now proceed with the construction of site infrastructure and civil works, as well as a gold recovery plant, he said, adding the work is expected to be completed in about 18 months.

Mesco estimates the mine-life on the core block that is under development to be eight years, with each tonne of ore yielding about 3 grams of gold and other associated metals.

"The mine is being developed to give 150,000 tonnes per year, but actual annual production will depend on several factors and can vary considerably," Moudgil said.

Thom Calandra, a US-based mining investor and analyst, said Mesco was developing a solid gold prospect and the company's investment had the potential to drive economic development in this remote corner of the country.

"Mesco knows it has a high-grade gold mine with a long life, so this is the first bookmark for a new industrial age of Khmer gold and eventually copper, molybdenum and probably oil and gas," he said.

"Jobs will multiply in that part of Ratanakiri province, and so will legal bank accounts."

CAMEC's Stanger said while the licensing procedure for the mine was "a bit slower than we'd imagined", this was understandable given that it was the first time for Cambodian project to undergo a full ESIA. Mesco's licensing, however, should clear a path for other international mining outfits.

"When [Australian mining firm] Renaissance gets to applying for their licence – they're going through the ESIA process at the moment – the process will be more clearly defined," he said.

Contact author: Cam McGrath



All kinds Stone Crusher

Jaw/Impact/Cone/Roller/C...



0 Comments

Please, login or register to post a comment

2 days left

Business Class deals from USD312 Book from Phnom Penh by 25 Nov 2016 Go to malaysiaairlines.com



Post Media Co Ltd
888 Building H, 8th Floor, Phnom Penh Center
Corner Sothearos & Sihanouk Blvd
Sangkat Tonle Bassac
120101 Phnom Penh
Cambodia

Tel: +855(0) 23 214 3 11-17
Fax: +855(0) 23 214 318

Company

- About us
- Staff list
- Advertising
- Contact
- Privacy policy
- Refund Policy

Archives

- 7Days
- LIFT
- Siem Reap Insider

Sections

- Business
- Lifestyle
- National
- Sport

Facebook Twitter Google +

