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Kalgoorlie Miner

SE News
HD 'Alarm bells' for Super Pit

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LP **Kalgoorlie-Boulder Mayor John Bowler** said people in the Goldfields should have no concerns about Chinese investment in the wake of Minjar Gold's reported \$US1 billion bid for Barrick's half-stake in the Super Pit, but is concerned about the firm's ability to meet the mine's long-term financial obligations.

He warned that whoever took control of Kalgoorlie Consolidated Gold Mines, which employs about 1200 people in the heart of Kalgoorlie-Boulder, had to be able to fund the project for years to come.

TD "There's Chinese investments all through the Goldfields now, and I have no trouble with Chinese investments," he said.

"However, I do have a problem with the capacity of that company to meet their demands, particularly with the rehabilitation that will come with the closure in 30 or 40 years time."

Minjar — which counts a \$52 million purchase of Evolution's Pajingo Mine in Queensland as its largest Australian acquisition — is a subsidiary of real estate firm Shandong Tianye Group, a fact Mr Bowler said sent alarms bells ringing.

"They've got to be looking long-term, big amounts of money," he said. "And that's my big worry, that they can meet their commitments whenever it may be.

"I understand they're a subsidiary of a real estate company. That has my alarm bells ringing, but if they can convince government and make sure they have the funds set aside, then they should be OK."

The process looms as another test for Australia's Foreign Investment Review Board, after Treasurer Scott Morrison put the skids on a \$370 million bid from a Chinese consortium for the [S. Kidman and Co cattle empire](#) in April.

But mining companies have not proven as much of a hot potato as agricultural land in recent years.

Chinese operators have found success in the Goldfields in recent years. Zijin have taken full control of Norton Goldfields, moving its headquarters to Kalgoorlie-Boulder last year, while Hanking recently put the Southern Cross Gold Mine, purchased from St Barbara during the downturn for \$22.5 million in 2013, up for sale for a reported \$300-\$400 million.

Federal member for O'Connor Rick Wilson said it was evidence foreign investment was essential for the region's fortunes.

"The benefits of foreign investment to Australian employment are almost incalculable and there wouldn't be many people working in the mining industry if it weren't for foreign investors coming in," he said.

State leader of the Opposition Mark McGowan said in Kalgoorlie-Boulder yesterday that he welcomed foreign investment and would place his faith in the review system.

"(But) we need to make sure that whoever owns the Super Pit has a strong enough balance sheet to ensure that the pit operates for the long-term future," he said.

KCGM Community Reference Group chairman [Morrie Goodz](#) said Kalgoorlie-Boulder residents expected Minjar to bring the level of professionalism Newmont and Barrick have brought to the operation, and "the technical and financial capacity to invest in the project's future".

CO kcgmpl : Kalgoorlie Consolidated Gold Mines Pty. Ltd. | bari : Barrick Gold Corp | newmnt : Newmont Mining Corp
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