



news

\$214M CHINESE BOOST FOR ALTONA MINE

BRAD THOMPSON

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CHINESE investment has sealed the deal for almost 300 jobs in the North West at one of the largest undeveloped **copper** projects in Australia.

Major **Chinese** construction **firm** Sichuan Railway Investment Group will contribute US\$214 **million** cash to transition Altona **Mining's** Cloncurry Project into production.

Altona **Mining** Ltd has signed off a binding framework agreement for SRIG to hold a 60 per cent **stake** and fund the project to production.

Altona will contribute the Cloncurry Project and pile in US\$38 **million** to hold the remaining 40 per cent for the joint venture to develop a mine at Little Eva, situated within the Cloncurry Project.

A definitive feasibility study announced by Altona last year for the Little Eva development anticipated the construction of a 7 **million** tonne-a-year open-pit mine and flotation plant capable of producing 39,000 tonnes a year of **copper** and 17,000 ounces of **gold**.

Altona **Mining** managing director Alistair Cowden said:

"Once the project is in production it will sustain about 280 new direct jobs and Altona's 40 per cent interest will equate to 17,000 tonnes of **copper** equivalent production.

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"The contribution to be made by SRIG is based on an agreed value for the project of US\$105 **million** which clearly exceeds that implied by the **company's** share price.

"On completion of the transaction, the project will be fully funded to production without recourse to **equity** or debt markets. The joint venture will have US\$252 **million** in cash plus the Cloncurry Project which is valued at US\$105 **million** by the proposed transaction.

Dr Cowden said the **company** preferred to source local workers for the open-pit **mining** project.

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SRIG is based in Chengdu in south-western **China** and is 100 per cent owned by the Sichuan provincial government. The group's principal businesses are in the road, bridge and rail construction and management sectors and had total assets of US\$26.8 **billion** in 2014.

There was speculation that **Chinese**-owned MMG would acquire Altona's Cloncurry Project to make its nearby Dugald River project more economically viable because of its existing infrastructure base. The deal would've likely shored up Dugald River, one of the world's largest and highest-grade known undeveloped deposits of zinc, **lead** and silver.

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