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NOTICES

## Mesco Gold soon to produce gold

Hor Kimsay | Publication date 28 January 2019 | 09:20 ICT

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Indian-owned mining firm Mesco Gold (Cambodia) Ltd has moved a step closer to producing gold in Cambodia with the installation of a processing plant at its Phum Syarung mine in Ratanakkiri province's Yatung commune, the firm's representative told The Post last week.

Mesco obtained Environmental and Social Impact Assessment (ESIA) approval from the Ministry of Environment covering a total of 12sq km, but its mining licence only allows production on a 1sq km tract.

Rita Singh, chairperson and managing director of Indian steelmaker Mesco Steel Ltd – the parent company of Mesco Gold – has been on a week-long mission to Cambodia overseeing the setting up of the processing facility.

*The Post's Hor Kimsay talked to Rita about her company's plans for the first gold production to take place in the Kingdom.*

**After purchasing the rights to develop and mine the Phum Syarung gold prospect in 2013, what has your company done to develop the project and what stage has it reached now?**

We have done a lot of work up to now, and we are just about to start mining. We have actually started already on a small scale. We will begin [full] mining [operations] in about seven months.

We have ordered the processing machines from China, and some from Europe, to build the processing plant. We hope to start gold production at the end of this year, let's say in November or December. We are going very cautiously because mining, underground mining, we have to be very careful with it.

**Why has it taken so long to reach the current stage for gold production?**

Mining comes across many hurdles. It took us a long time to get permission and even normal exploration processes are time consuming.

After obtaining exploration permission, we had to undergo an Environmental and Social Impact Assessment and after the ESIA licence was granted we needed to receive Council for the Development of Cambodia approval for our investment plans. We actually received the mining licence in 2016. Since 2016, we have been constructing the mine.

**What challenges do you face in running this project in Cambodia?**

The problems for us in operating a business here are twofold. One issue is that we need to train our staff. We have already sent Indian experts to conduct training here and we plan to send some people to India for specialised training. We now have 120 staff and 12 of them, who are mostly engineers, are Indian.

The second challenge is about acquiring finance. Right now when we talk to Indian banks, they say Cambodia is very high risk. So, getting funding is a big problem.

Obtaining funds from Cambodian banks is also difficult. They are not willing to finance this project, especially as it is a mining project. Therefore, all the funding we have is our own money. We have spent approximately \$25 million.

**What returns do you expect on your investment?**

It is very complex to give an estimate. We are conducting underground mining which is very difficult. You have to go 100m down.

You have to take many steps to ensure safety. It is difficult because you can't just go there and extract gold. It is in the rock. It needs processing to take the gold out. There are about two or three grams of gold in one tonne of rock.

Whether it is going to be a very successful mine or not, I don't know. But, I'm optimistic it will be. When we start refining gold, every day we will process 500 tonnes of gold ore. That is the permission we have been granted. How much gold we will produce will depend on the amount of gold contained in the ore.

**How will Cambodia benefit from your company's business?**

We pay royalties to the government, and the taxes we pay include export tax, VAT and a profit tax.

*This interview has been edited for length and clarity.*

Contact author: Hor Kimsay

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 Cambodia has apparently taken the final step towards full reopening of the country without Covid-19 restrictions by removing all requirements for inbound travellers, who until now had to show health certificates indicating that they have tested Covid-19 negative in the past 72 hours as well as



**Typhoon Noru brings flash floods – 16 dead**  
 An official warned that that the 16th typhoon of the season, Noru, had brought heavy rains to areas the Mekong River and flooded thousands of homes in the provinces bordering Thailand. As of September 27, the death toll from the flooding had risen to 16. National Committee



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Cambodia has not invited Senior General Min Aung Hlaing, chairman of Myanmar's ruling State Administration Council (SAC), to the 40th and 41st ASEAN Summit and related meetings scheduled for next month in Phnom Penh. The government will instead invite a non-political representative from Myanmar



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A spurt in housing developments is typically a sign of a growing economy but underneath all that might lay some anxiety of credit growth as developers offer financing to buyers at higher rates, an activity the central bank identifies as 'shadow banking' Earlier this year,



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A delegation from Thailand's Senate was in Phnom Penh on September 28 to meet their Cambodian counterparts to discuss strategies for fighting corruption and enhancing cooperation. The Thai delegates were from its Senate's Committee on Studying and Inspecting Corruption, Misconduct and Strengthening Good Governance. They



**Hun Sen's rare visit to Cuba: What's going on?**

Back on August 17, Prime Minister Hun Sen announced that he would deliver a speech at the 77th UN General Assembly (UNGA) at the UN headquarters in the US' New York City, visit Cuba and attend the state funeral of the slain Japanese Prime Minister Shinzo

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