

THE operators of a gold mining project near Chillagoe have started talks with Far Northern recruitment firms to fill its 500-strong workforce.

Mungana Goldmining is set to start production in 2013 but is in the process of raising the \$250 million it needs to start the venture.

The company, a spin-off of Kagara Ltd, is this week hosting a three-day site tour, showing more than 100 investment bank representatives, analysts and journalists around its mine sites near Chillagoe.

The area includes the Mungana site and the existing Red Dome mine.

Combined, gold deposits at the sites have measured, indicated and inferred resources totalling 2.5 million ounces of gold, 32 million ounces of silver and 255,000 tonnes of copper.

The company predicted the project would have a life span of at least 10 years.

Mungana's executive director Mark McConnell (pictured) said the project would provide jobs ranging from administration clerks, cleaners, cooks to drillers, truck drivers and maintenance staff.

"It's exciting for the Cairns region," he said.

"We're going to be one of the largest employers.

DAMON GUPPY



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"Once the project is up and running in the next few years, we'll have over 500 people."

Mr McConnell said the company expected to produce gold at \$600 an ounce and reap massive returns on soaring world prices.

Gold is tipped to reach \$2200 an ounce over the next two or three years, he said.

The Red Dome mine already had mining licences and had existing infrastructure, including a village, sealed roads, a water supply and an airstrip.

One million ounces of gold, 4.3 million ounces of silver and 35,000 tonnes of copper were extracted from Red Dome in the 1980s.

In the Far North, Mungana Goldmining has 25 other target zones with mining potential.

Mr McConnell said the company would start raising the \$250 million capital expenditure needed for the Mungana/Red Dome project and was confident high gold prices would attract investors.

"It's not hard to raise money for gold at the moment," Mr McConnell said.