

Placer Dome coming back

SIX years after it pulled out of the search for gold at Omai, the huge Canadian mining firm Placer Dome has signalled renewed interest in mineral deposits here.

This was announced yesterday by President Cheddi Jagan at a press conference in Toronto, Canada which he shared with top officials of Placer Dome and another major exploration and investment firm, International Business Investments (IBI).

A statement from the Guyana Information Services (GIS) yesterday said that Placer Dome expressed "strong interest in major investments in Guyana" following a meeting between Dr Jagan and the company's Chairman Robert Franklin.

President Jagan was quoted as telling the press conference

"we welcome Placer Dome whose wide experience and knowledge of the gold industry should help to develop one of the country's main resources".

Franklin was quoted as saying "we believe that there is potential for large scale deposits in Guyana".

IBI Chief Executive Officer Edward Lai told the press conference that Guyana offers "excellent proposals" for mining and his company is "very excited by this opportunity which gives us great access to Guyana's considerable gold reserves".

The GIS statement said that Placer Dome is interested in 50% equity in suitable properties and will finance and develop sites identified by the government and found to be viable commercially.

Placer Dome officially

pulled out of Guyana in May 1990 citing what it termed an unattractive profit of margin at the Omai mine it was surveying in a joint venture with Golden Star Resources Limited (GSR). Placer Dome had just completed a pre-feasibility study on the Omai property and had told Stabroek News then that the US\$20M the company had planned to sink into Omai could be profitably deposited in a bank earning interest. The company also cited the price of gold on the international market at that time and the size of the deposit at Omai. Placer Dome had invested CDN\$8M in Omai.

GSR disagreed with Placer Dome's prognosis for Omai and hired another company, Fluor, to undertake a feasibility study. On completion, GSR and another large Canadian mining firm,

Cambior Inc established Omai Gold Mines Limited which began commercial operations in 1993.

The GIS statement also said that the President yesterday met with L'Association Miniere du Canada which included representatives of Cambior, GSR, Price Waterhouse and other large mining companies.

The President - who was on a 12-day visit to Canada - reiterated at the meeting his government's commitment to foreign private investment, GIS said. That statement added that Dr Jagan repeated the government's pledge not to nationalise foreign entities and his commitment to create a level playing field.

GIS said that there was also

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support for the government's efforts to put in place a comprehensive mining policy and a request for investors to be involved. Dr Jagan assured the gathering that such consultations will take place. Overseas mining companies have urged the Guyana Government to put

together an overall mining policy.

While in Toronto, the President also met with head of the Malaysian firm, UNAMCO, Dato V Kanagalingam, and discussed forestry-related issues. The release said that UNAMCO's plans to set up a medium size sawmill, plywood plant and housing complex were

welcomed by the President who promised to speed up the applications. UNAMCO has a forestry concession here.

The President was scheduled to end his visit to Canada last evening at a meeting with Guyanese in Kitchener, a city west of Toronto. He is due back home today.