

Öksüt Madencilik (OMAS), the wholly-owned subsidiary of Centerra Gold, has secured up to \$150m financing for its Öksüt project in Turkey.

The 5.75-year term facility is completely underwritten by UniCredit Bank as sole mandated lead arranger.

OMAS will use the loan amount to finance a portion of the construction, development and operation of the Öksüt gold mine, as well as its related infrastructure in the Kayseri region.

“The Öksüt feasibility study and life-of-mine plan highlighted average annual gold production of 155,000oz in the first four years.”

Centerra Gold CEO Scott Perry said: “We are pleased to have been able to arrange this attractive non-recourse project financing to fund a substantial portion of the development and construction of the Öksüt Project.

“This facility will provide us with continued financial flexibility and help maintain our balance sheet strength to enable us to deliver on our growth pipeline.”

The Öksüt feasibility study and life-of-mine plan highlighted average annual gold production of 155,000oz in the first four years.

Life-of-mine gold production will be 895,000oz.

The feasibility study and life-of-mine plan are subject to various key assumptions, parameters and methods that are used to estimate mineral resources and reserves.

Originally, the project was an exploration joint venture (JV) between Centerra and Stratex International, which were parties to a JV arrangement, formed in 2009, to explore it.

Centerra advanced \$3m to the joint venture through October 2011 and acquired an additional 20% interest in the project in October 2012 with an additional contribution of \$3m.

In January 2013, the company acquired Stratex’s remaining 30% interest in the Öksüt for \$20m and a 1% net smelter return royalty on the project.

At present, Centerra owns 100% of the project.

source: mining-technology.com