

Canadian firm Eldorado Gold has signed a mandate letter for a credit-committee-sanctioned €680m finance facility from Greek banks to develop the Skouries project in northern Greece. The mandate letter, which is subject to negotiation of definitive loan documentation and other conditions, includes a long-form term sheet comprising customary terms and conditions.

According to the feasibility study, the project is expected to cost \$845m for development. Eldorado president and CEO George Burns said: “We believe that Skouries is a world-class project that will have a lasting positive economic and social impact for Greece, the communities we work in, and other stakeholders.

“We remain confident in the feasibility study capital cost estimate of \$845m, and with the project finance facility in place, the company has the balance sheet capacity to fund the remaining capital cost for completion of the project.

“We also continue to evaluate opportunities for complementary sources of financing. A final decision to re-start construction remains subject to board approval, which we expect to seek in the second half of 2022.”

Part of the Kassandra Mines Complex, the Skouries project is a gold-copper porphyry deposit located within the Halkidiki Peninsula of Northern Greece.

With an anticipated operational life of 20 years, the project is expected to produce an aggregate of 140,000oz of gold and 67 million pounds of copper per annum.

The deposit is planned to be mined using a combination of conventional open pit and underground mining techniques, Eldorado said.

Through its first production, the project is expected to pay back the costs within less than four years and generate an average free cash flow of \$215m per year in the first five years, Mining Technology reports.