

Cambodian gold mine attracts Vietnamese enterprises

May 31, 2010

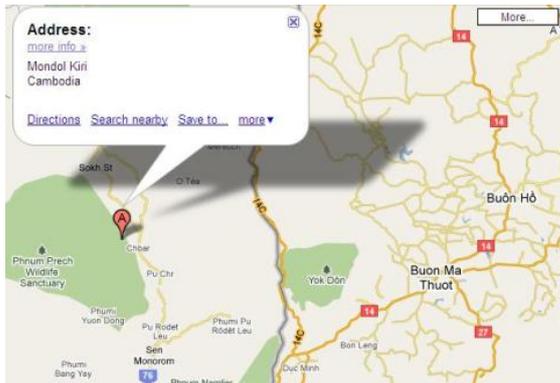
LookAtVietnam – Some Vietnamese companies plan to extract a recently discovered gold mine with ore reserves of 8.1 million tons in Cambodia

LookAtVietnam – Some Vietnamese companies plan to extract a recently discovered gold mine with ore reserves of 8.1 million tons in Cambodia, one of the biggest mines in Southeast Asia.

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Australian OZ Minerals Limited found a gold mine with huge reserves in Mondulkiri in northeastern Cambodia, capturing the interest of Vietnamese gold traders.

The *Sydney Morning Herald* quoted OZ Minerals as calculating the gold content to be as much as 2.3 grams per ton, or 605,000 ounces (17.1 tons). With the current market price (one ounce sells for \$1200), the Mondulkiri refined gold is valued at over \$720 million.

Mondulkiri is located near the Vietnamese border, some 100 kilometers from Buon Me Thuot.

Agribank Jewellery Company General Director AJC Nguyen Thanh Truc, who has extensive experience in extracting, producing and trading gold and precious stones, remarked that a content of 2.3 grams per ton is low, and that developers expect above three grams.

Truc added that this gold mine may have the largest reserves in Southeast Asia. He revealed that AJC may join the gold rush in Cambodia. In fact, many Vietnamese enterprises have had plans to extract and develop gold mines in Cambodia for a long while.

Nguyen The Hung, General Director of the Vietnam Gold Investment and Trade Corporation, mentioned that the Mondulkiri is the first big mine that Cambodia has ever located.

"It would be a good opportunity for Vietnamese businesses to extract gold in Cambodia, though the capacity and technology of Vietnamese contractors is not high," Hung mused.

According to Hung, Cambodia does not have a good mining industry and must rely on foreign technology.

To date, Vietnamese enterprises have focused on making investments in Laos, where there are many mines and the gold extraction technology has developed. Laos does not have any mines with such big reserves like Mondulkiri, but still 100-200 kilograms of gold are being extracted every month.

According to *VnExpress* newspaper, Vietnam's investment capital in Cambodia has reached one billion dollars. A lot of mining enterprises have been licensed to invest in Cambodia, but no gold mining project has been submitted to the Ministry of Planning and Investment.

"Mining is a good business and the investment procedures in Cambodia are simple. However, it is still necessary to consider the extraction costs and the characteristics of the mine, as well as corporate management capability and transportation costs," observed Deputy General Director of Phu Nhuan Jewellery Company, Nguyen Tuan Quynh.

In Vietnam, Bong Mieu is the biggest gold mine, managed by Quang Nam Mineral Company and a Cambodian partner. In 2006, the joint-venture began extracting Ho Gan mine, one of three in Bong Mieu area. The ore reserves are estimated at 521,600 tons, while the average gold content is 3.85 grams per ton. The mine produces 600 kilograms a year.

Some experts believe that the 8.1 million ton Cambodian mine will not have a big impact on regional supply and demand, nor on gold prices. The ore may be carried abroad for refining and the output will not be big enough to affect the market. Currently, Cambodian gold reserves are at a low level, therefore, it is likely that Cambodia will use the gold for reserve or domestic consumption.

Source: *VnExpress*

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