

## Dome posts Sigatoka study

Tuesday, 24 March 2015  
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**DOME Gold Mines has posted a prefeasibility study for the Sigatoka iron sands project in Fiji, outlining a total capital cost of \$US83.2 million (\$A105 million).**

The new study pegged the net present value at \$236.9 million and internal rate of return at 55%.

The payback period was estimated at less than two years from the start of full production.

"We are very much encouraged by the emergence of such a robust project from the PFS," Dome CEO Jack McCarthy said.

"The key to the economics is the generation and sale of multiple product lines, making the currently weak iron ore prices much less of a concern."

Mining at Sigatoka will be conducted by conventional dredging with standard gravity and magnetic processing.

Products from the dredge mining will be magnetite concentrate, non-magnetic bulk heavy mineral concentrate, industrial sand and gravel.

At forecast production the project will generate 351,000 tonnes per annum magnetite concentrate, while non-magnetic bulk heavy mineral concentrates will amount to 260,000tpa.

Industrial sand production will hit about 1.96 million tonnes per annum and gravel will land at 684,000tpa.

River dredging at the project is set to start a year earlier than dunal mining, and once the full ramp-up is completed both operations will occur simultaneously.

Industrial sand and gravel will be generated as a result of deepening the Sigatoka river bed and Dome said that production represented important co-products.

"It is important to emphasise that the total capex of \$83 million is not all needed up front – development would be staged, with river dredging generating significant income in year three while capital is still being spent developing the on-shore dunal mining," McCarthy said.

"Deepening the river for flood mitigation purposes is a high priority for the Fijian government and represents a rapid development path for us, with low entry barriers and the generation of multiple products for sale."

The project has an initial operating life of over 10 years and Dome said there was potential for extensions.

Moving ahead, the company is working to secure a mining lease to allow completion of a definitive feasibility study.

Dome shares were unchanged at A30c this morning.



Dome's sonic drill being mounted on a barge for drilling in the Sigatoka River bed.

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