

Kagara assets sold off

Kristie Batten
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ADMINISTRATORS of collapsed base metal miner Kagara have announced the sale of part of its North Queensland assets to China's Snow Peak Mining for \$A40 million.

The amount includes the assumption of \$10.7 million for environmental bonds.

Snow Peak has paid a \$4 million deposit for the assets, which include the Central operations comprising the Mt Garnet plant and resources, the Balcooma and Baal Gammon mining areas and the Einasleigh and Maitland exploration assets.



Mt Garnet

Hong Kong-based Snow Peak is no stranger to the region, through its cornerstone investment in Consolidated Tin Mines and partnership at the Mt Garnet tin project.

Consolidated Tin Mines entered a trading halt following this morning's announcement.

The deal comes after a sale process run by PCF Capital, which offered the assets for sale as a whole, or split up into region, project or commodity type.

Kagara's other North Queensland assets are the Southern operations, comprising the Thalanga mine, and the Northern operations at Chillagoe, covering the Mungana plant and assets.

Administrators from Taylor Woodings said the deal allowed them to continue to review restructuring options and proceeds would be used to repay debt, trading costs and administration expenses.

Other offers were still being considered.

"The administrators are pleased to formally agree the sale of the group's Central region projects and wish to thank the Kagara staff, a number of whom are expected to be offered employment by the purchaser, for their assistance through this part of the process," Taylor Wooding's Michael Ryan said.

He said the recent deal with Mungana Goldmines, which terminated its gold rights over Kagara's Chillagoe ground, was another positive step which could lead to a restructuring of Kagara.

A second meeting of creditors is due to be held by February 28, 2013.

Kagara went into administration on April 30 after it was unable to secure extra funding to keep its Queensland operations afloat in the wake of falling base metal prices.

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