



Caterpillar to take on joint mine venture

By SEAN FORD

BIG North-West employer Caterpillar is making a major new contribution to the state economy.

The global mining equipment giant will become equipment supplier and a key debt financier of the Barnes Hill nickel-cobalt-iron-magnesium joint venture mine project near Beaconsfield.

It is not expected to lead to direct sales of equipment made at Caterpillar Underground Mining's big Burnie operations, as the equipment to be used will be for surface work, rather than underground.

However, Cat's financing arm — Caterpillar Financial SARM — has signed an indicative term

sheet with Proto Resources and Investments Ltd, which is part of a 50-50 joint venture to develop Barnes Hill.

The arrangement with Caterpillar Financial involves Caterpillar Financial delivering an underwritten letter of offer and loan facility by April 31 delivering up to \$US36 million, covering more than half of the project cost.

Cat will be expected to secure a second senior lender.

Proto is targeting its first shipment by June 2013 and is looking at a 26-year mine life.

The financing agreement was welcome good news for the state's mining industry, shadow mining minister Adam Brooks said. He said it would provide welcome investment and create

more Tasmanian jobs.

However, he said Labor was failing to attract enough investment in mining and "actively deterring investors by selling out our forestry and mining industries to buy support from the Greens".

Resources Minister Bryan Green said Mr Brooks' comments were "completely wrong and typically negative".

"I have great confidence in the manner in which mining is operating in Tasmania and the Proto Resources project is a further vote of confidence in the industry. Tasmania's resurgent mineral exploration sector is also attracting significant investment and continuing to contribute strongly to the state's economic recovery."