



St Barbara completes sale of Gold Ridge Project in Solomon Islands

St Barbara Limited completed yesterday the unconditional sale of the Gold Ridge Project announced on 1 May 2015.

The Gold Ridge Project has been sold to a Solomon Islands company, Goldridge Community (sic) Investment Limited (GCIL), associated with local landowners for a nominal purchase price and on confidential terms.


The parties also signed a Deed of Indemnity and Release as part of the sale in favour of the remaining St Barbara Group companies in respect of the Gold Ridge Project. The terms of this Deed are confidential.

As a result of the sale of the five companies associated with the Gold Ridge Project (listed below), the St Barbara Group will reverse a number of balance sheet reserves and provisions that will be finalised as part of the 30 June 2015 year end reporting. The net result of the divestment is anticipated to result in a non-cash profit to the Group. Post completion, the St Barbara Group has no residual provisions for environmental or rehabilitation liabilities relating to the Gold Ridge Project.

As part of sale negotiations, St Barbara agreed to fund on behalf of GRML the manufacture, delivery and installation of a replacement water treatment plant at a cost of approximately A\$1 million. This is likely to take up to four months. St Barbara will also provide technical advice and assistance to GCIL for a period of six months following the sale.

Mr Bob Vassie, MD & CEO, said “The sale of the Gold Ridge mine to a locally owned company with strong landowner representation provides a fresh and realistic opportunity to successfully manage the critical security, local resourcing and environmental issues that Gold Ridge must resolve in the near term. Representatives of GCIL first approached us about buying Gold Ridge in February 2015, when the Solomon Islands Government advised it was no longer interested in buying the mine. Many of the shareholders and directors of GCIL have had personal associations with, and concerns for the success of, the Gold Ridge mine since it was first established in the mid 1990s, with the GCIL Chairman being a former Minister of Mines and Energy.”

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The five St Barbara Group subsidiaries divested as part of the Deed of Sale are associated with Gold Ridge Mining Limited (GRML), which owns the mine, and comprise:

- Australian Solomons Gold Pty Ltd (Aus)
- Solomon Islands International Pty Ltd (Aus)
- JV Mine (Australia) Pty Ltd (Aus)
- ASG Solomon Islands Ltd (S.I.)
- Gold Ridge Mining Ltd (S.I.)