

## WESTECH GOLD LIMITED VATUKOULA FIJI



This week marks the 75<sup>th</sup> anniversary of the discovery of gold in the Tavua Goldfields. On 05 November 1932, a tenacious Scotsman by the name of William (Bill) Borthwick finally found gold-bearing rock of sufficient quantity to mine beside the Lololevu Creek, a tributary of the Nasivi River.

“Old” Bill Borthwick (records indicate he was 72 years old at the time of the “strike”) had spent the previous couple of years conducting a systematic search along the rivers of northern Viti Levu before discovering traces of gold in the deltaic gravels of the Nasivi River. Although he was financed in these efforts by Suva businessman, Mr Pat Costello, it is Bill Borthwick’s prospecting ability and sheer tenacity and perseverance which is credited with the discovery and the starting point for Fiji’s gold mining industry. Sadly, he is said to have died a poor and lonely old gentleman. His untended grave can be found at the CSR Cemetery in Lautoka.



And so began the life of a remarkable mine which has been such a crucial generator of overseas income for Fiji having produced 7 million ounces of gold and has a known 5.1 million ounces still in the ground and a large exploration potential. The mine and its power station has a huge impact on Fiji as the company provided power and fuel to the western division as the Vatukoula Power company was the only source of power and the Vatia fuel farm provided fuel to the western side of the island. Most importantly the mine supplied a lively

hood for more people of this country than any other private sector employer at the time and right up until December last year .

Seventy one years of hard work and entrepreneurship came to a crashing halt on 05 December 2006 when the board of Emperor Mines Limited Australia announced the closure of their operations at Vatukoula, the company had reduced labour numbers by 500 earlier in the year and put 1700 people directly employed at the mine plus many others in associated employment, out of work. This impacted the who western division as only 30% of the workers were housed on mine property all the rest live from Raki Raki to Lautoka.

There followed many months of uncertainty, despair and desperation till March when Emperor decided to withdraw entirely from its Fiji operations which had been the only asset in the company from 1936 when the company was setup in Melbourne till the Durban Roodepoort Deep take over in 2004.

Hearing of this situation, Mr Brian Wesson and Amelia stepped in with Government support took over the company on 28<sup>th</sup> March 2007 clutching from the brink of liquidation. With an intimate knowledge of the mine having spent seven years in Fiji with Emperor as the Group Engineer, Brian Wesson was convinced that the people at the mine were the key to unlocking the potential of the mine.

The Chairman of Red Lion Management out of Canada, Wally Berukoff found the Vatukoula story very interesting and took the initiative to come to Fiji to see for himself. Red Lion shared the belief that the mine could be saved and they took a significant portion in the operation and setup the capital required to firstly keep the mine on care and maintenance and finance the rehabilitation and cost of bringing the company back to production. Through Hitchins stock brokers in London Red Lion setup the future financing of the company through a London AIM listed company River Diamonds. River diamonds currently have 20% of the Vatukoula operation which is now Westech Gold Limited.

Today, having overcome many obstacles with a tenacity not unlike that of "old" Bill Borthwick, the new management have convinced the Fiji authorities, investors and the community that a truly exceptional mine is coming back to life.

Already, 237 employees are back at work with a new commitment attending to the rehabilitation work in underground mining areas and the plant maintenance essential to an efficient start-up of mining operations.

Mining of ore is scheduled to start during the month in the Main Decline Shaft, followed by the Cayzer/R1 and Smith Shafts, Philip Shaft in February. Ground work to prepare for exploratory drilling to commence shortly is on track. More employees will be hired as these plans progress.

“We are fortunate to have been able to attract investors of the caliber of Mr Walter Berukoff of Canada who personally took an interest in the company and kept the mine financed while it goes through due process to move into the new company River Diamonds PLC in the UK”, Mr Wesson says. “We also thank the Fijian authorities for supporting our vision and all the creditors that have been accommodating as we stabilize the mine”.

In the communities of Vatukoula and Tavua there is renewed lease of life and hope they will again have the opportunity to share in the wealth of the company as it regains its place amongst the major contributors to Fiji’s economy. “We all acknowledge the debt that we owe to Brian and Amelia Wesson for their immense faith in the mine and in us, the local workers”, said Mr Semesa Lewai, Community Relations Officer. “Without their confidence in us, it would have been very difficult to attract serious and responsible investors such as Red Lion Management to bring Vatukoula back to life”.

Now Dinny Laufenboeck General Manager and her team of executives - John Pene Engineering manager, Imtaz Ali Finance, Munivai Sokoraa Mining , Akesh Sharma, Human resources, Alind Nand Technical services accounts, Alisi Stark Procurement and Sanjeev Kumar Metallurgical plant are managing the mine back to profitability

**“Old” Bill Borthwick would surely approve of this perseverance.**