



“Extractivism” in times of economic crisis: The case of gold industry in Greece



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Boom of “extractivism”

- Extractive activities have remained intact if not intensified under neoliberal capitalism
- A new “extractive - based development model” in Greece?



Figure1: Places of interest for extractive activities in Greece

- The current economic crises and the reduction of extraction costs
- The role of the state, transnational and domestic capital, global financial institutions.
- “Win- win” development model?
 - Resource limitations and the management of long-term use or peak usage of resources
 - The question of Local and Regional Development
 - Local communities and conflicts
- Global/local interactions e.g. global commodity chains
- **Glocal** political project

Gold Industry in North Greece

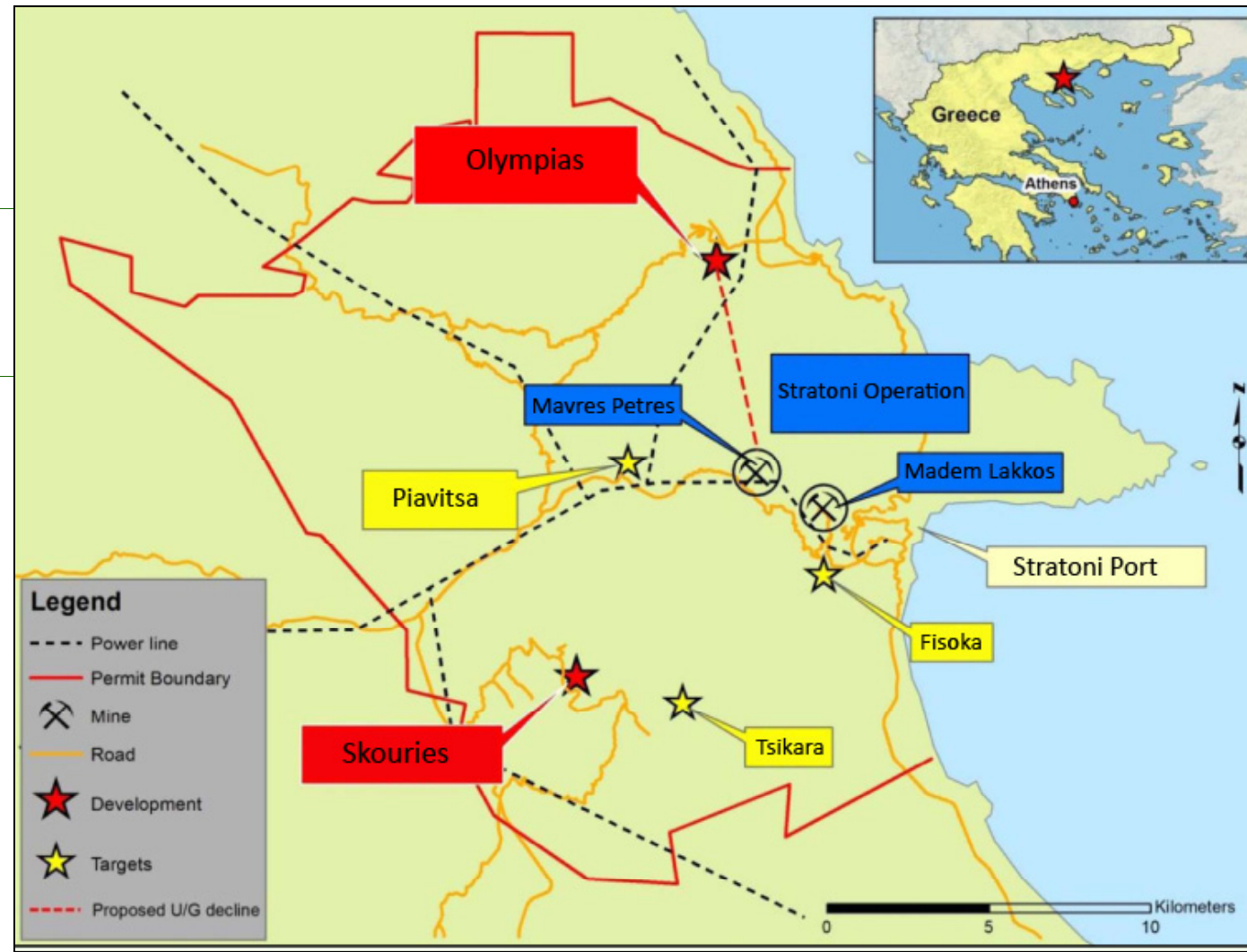


Figure2: Potential of Chalkidiki mining district according to the investors

Table 1: Gold mines in Chalkidiki (Source: El Dorado Gold)

	Olympias	Skouries	Perama Hill
Deposit Type	Replacement mixed sulphide	Gold-Copper Porphyry	Disseminated epithermal gold-silver vein deposit
Mine Life	25 years	27 years	8 years
Initial Capex	~US \$165 million to Phase II UG Production	~US \$340 million to plant production from Open Pit	~US \$220 million
Mining Rate	Phase I (2012 - 2015) – Tailings 2013: 815 ktpa Phase II (2016 - 2017) – Underground: 400 ktpa Phase III (2018 - On) – Underground Expansion: 800 ktpa	8 Mtpa Open Pit 4.4 Mtpa Underground	1.25 Mtpa Open Pit
Strip ratio		0.7 : 1	0.35 : 1
Gold Production	Phase I – 2013 Tailings: 35,000-40,000 oz payable/year Phase II – UG 400 ktpa: 95,000 oz payable/year Phase III – 800 ktpa + Au Plant: 190,000 oz payable/year	~140,000 oz Au, ~30,000 t Cu/year Open Pit ~100,000 oz Au, ~22,000 t Cu/year Underground	110,000 oz/year 85,000 oz/year
Cash Costs (by product)	Phase I – 2013 Tailings: \$780-800/oz Phase II – UG 400 ktpa: \$-130/oz Phase III – 800 ktpa + Au Plant: \$-350/oz	\$-500/oz Open Pit \$190/oz Underground	\$288/oz
Processing	Phase I & II – Flotation (AsPy, Pb/Ag, Zn conc.) Phase III – Flotation + Flash smelting	Flotation (Cu/Au concentrate) & Gravity circuit (Au doré)	Conventional CIL
Recoveries	Pb/Zn/Ag/Au in concs: ~90%; Met plant: +/- 90%	LOM average ~84% Au and ~91% Cu	90% gold, 60% silver

Investor: El Dorado Gold

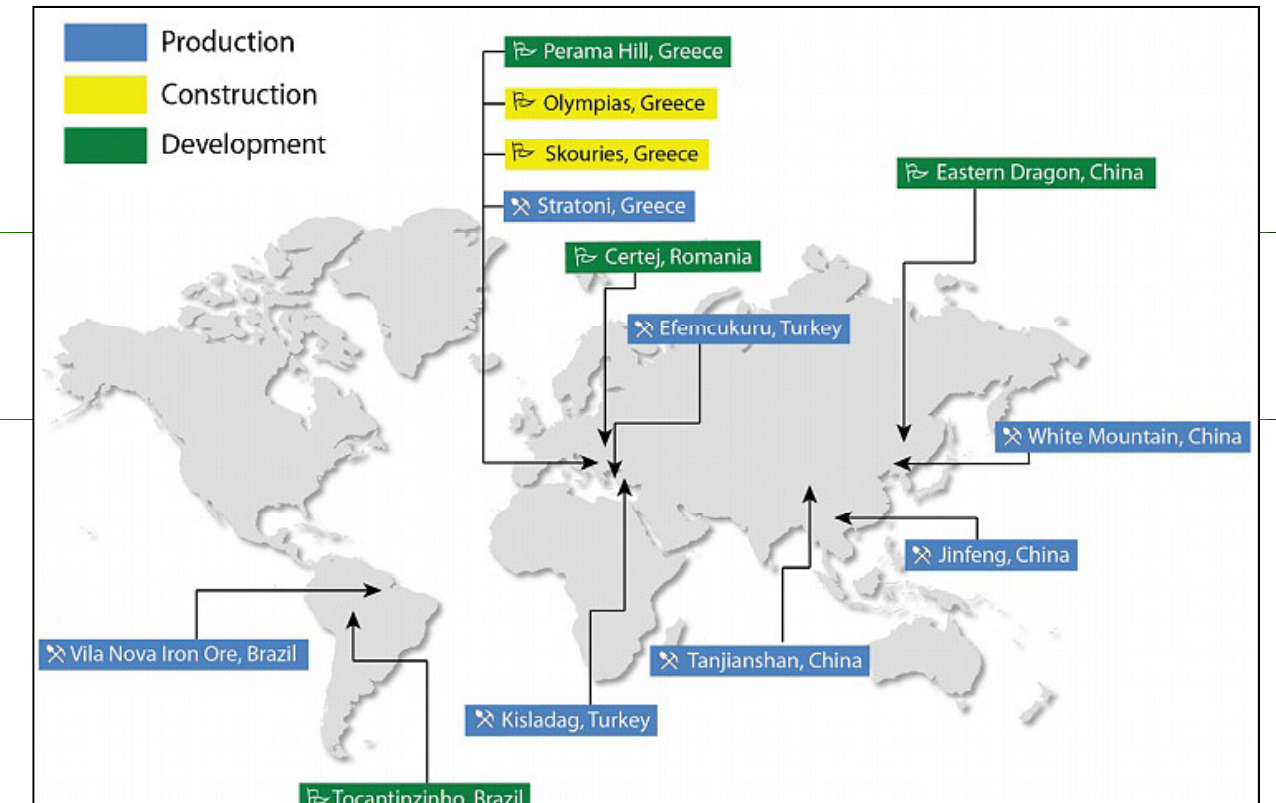


Figure 3: El Dorado's global assets

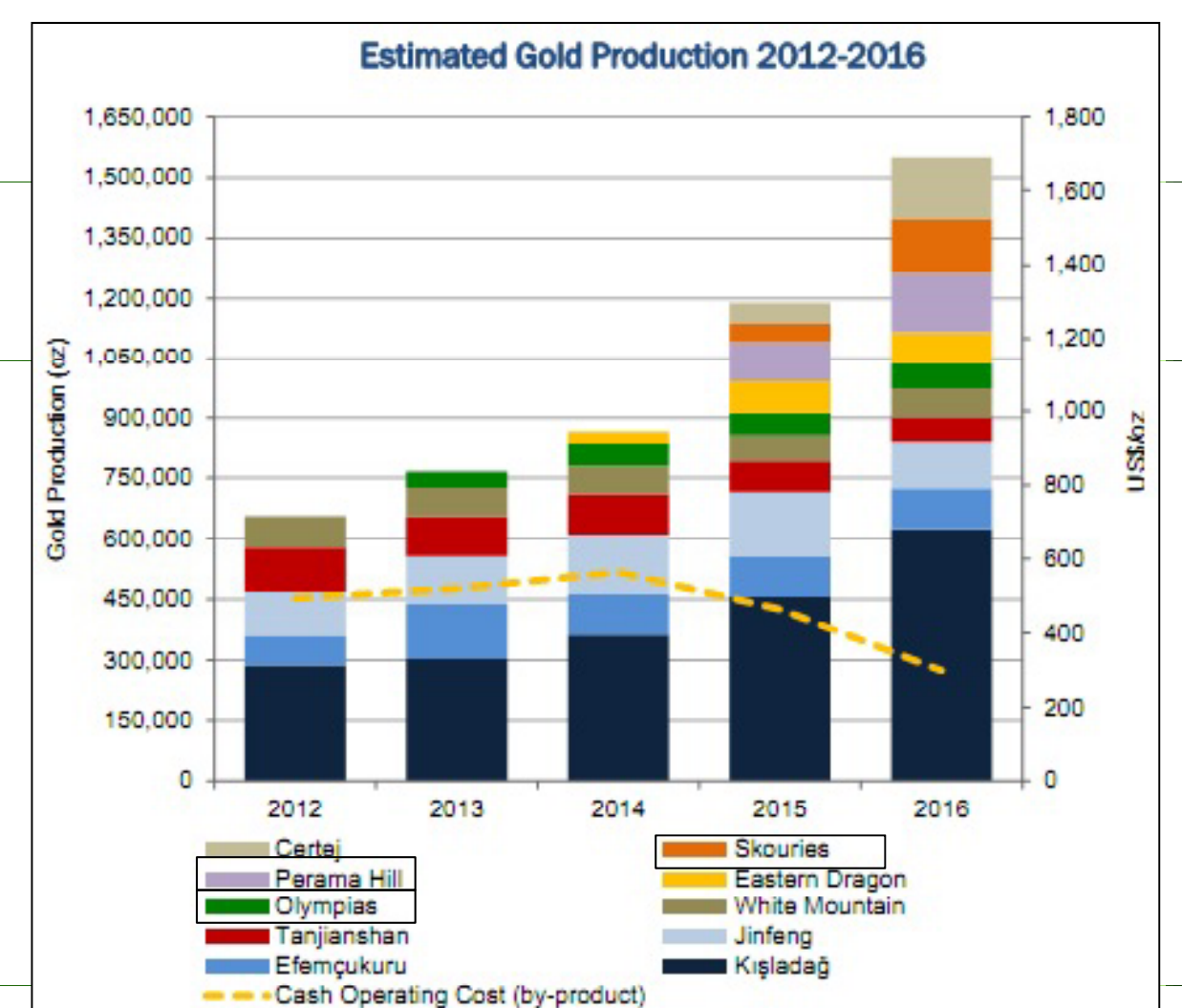


Figure 4: El Dorado's estimated gold production

Gold production of 705,000–760,000 oz

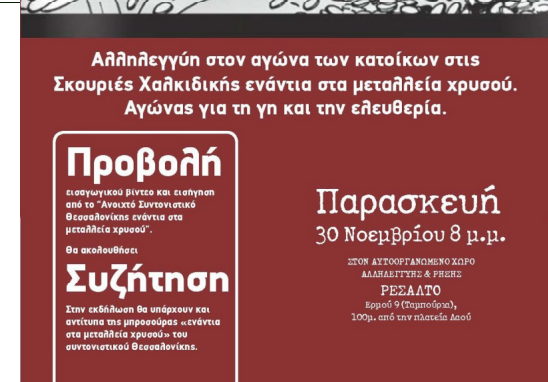
Cash operating costs of \$515–\$530/oz; estimated total cash costs of ~\$585/oz

Capital expenditure of \$648m (\$410 operations; \$238 projects)

Cash and cash equivalents of ~\$810m at year end 2012*

* Includes cash raised through issuance of US\$600m in notes in December 2012

Social Movements



Objectives /Research questions

The research project targets at providing with an in-depth study of *extractivism* and in particular gold industry activities nowadays within the field of Political Ecology and critical Local/Regional Development Theory. In this framework the main research questions are:

- How do we establish a critical engagement with this *extractive-based development model* from the perspective of radical Geographical Theory and Local/Regional Development Theory?
- Shall we study extractive activities as merely local and temporary trends of current national development models?
(Or in contrast)
- Insisting on exploring the relationship between the rise of *extractivism* and neoliberalism, understood as a *glocal* political project?
- Which are the aspects of the implementation of this project in different geographical scales?
- How is it implemented in the cases of Greece, Turkey and Romania under the conditions of the current capitalist crisis?
- What are the impacts on local/regional/national/global scale?
- What are the possible articulations of alternatives opposed to the *extractive based development model*?

Study Process

The study refers to gold mining industry in Greece in comparison with the cases of Turkey and Romania and includes the following steps

