Mining Layoffs In NV

Associated Press

WINNEMUCCA, Nev. (AP) — A Toronto-based mining company announced Tuesday it is pausing operations at two northern Nevada properties and laying off 182 workers.

More than 150 employees at the Hollister Mine operated by Waterton Global Mining Co. in Elko County received word of the layoffs Monday. The gold mine is about 50 miles northwest of Elko and 60 miles northeast of Winnemucca.

Waterton acquired the mine and the Esmeralda Mill site near Hawthorne in May from Great Basin Gold during a bankruptcy auction. About 25 mill workers also received notices, though officials some employees will remain until stockpiles of ore at the site are processed.

Affected workers will receive 60 days of salary and benefits, the company said.

The company also said while active mining is being suspended, its immediate focus will be on drilling and exploration to extend the life of the mine.

"Although reducing workforce levels is never easy, we believe that at this point focusing on resource definition drilling provides the best opportunity for extending mine life and creating future opportunities for production and employment," Jack McMahon, Waterton's head of mining operations, said in a statement.

Since acquiring Hollister and Esmeralda, Waterton has focused on turning around the assets, "with an eye to maximizing the long-term value of our world-class land package and existing infrastructure," McMahon said.

Waterton Global Mining Co. is a portfolio company of Waterton Precious Metals Fund II, which is a private equity fund that does not disclose its assets.

In June, Toronto-based Barrick Gold Corp., the world's largest gold mining company, cut its workforce by 55 positions in Nevada and Utah because of falling gold prices, rising costs and sagging stock prices.

Gold is an attractive haven for investors during times of economic uncertainty. Prices skyrocketed at the height of the recession to around $1,800 per ounce in 2011, but have since dropped $600 to around $1,200.

Source URL (retrieved on *09/16/2014 - 9:36am*):
http://www.chem.info/news/2013/11/mining-layoffs-nv