

# Greece to scrap controversial gold mine project: minister

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Demonstrators shout slogans during a protest against a gold mine project in Northern Greece on November 9, 2013

Greece's new leftist government will scrap a controversial gold mine project that has sparked protests in northern Greece, the environment minister said Tuesday.

"We are opposed to the gold investment in Skouries and will employ all

possible legal means to promote this position," Energy and Environment Minister Panagiotis Lafazanis told parliament, referring to the goldmine site.

Violent resistance has broken out since permission to break ground on the project was granted in 2011 to Hellenic Gold, a Greek subsidiary of Canadian mining firm Eldorado Gold.

Opponents of the venture in the tourist-friendly Halkidiki peninsula believe it could poison groundwater supplies in the area.

In 2013, militants threw Molotov cocktails at the mine site, wounding a guard and damaging equipment. A local police station was later ransacked.

Lafazanis, who has also scrapped the sale of the state power company, pledged to "re-evaluate" the country's top privatisation project, the redevelopment of the former Athens airport.

Situated eight kilometres (five miles) south of Athens, the former airport of Hellinikon and an adjoining 337-berth marina span nearly 620 hectares (1,530 acres) and include a waterfront of about 3.5 kilometres.

Last year, a consortium comprising Lamda, China's Fosun Group and Abu-Dhabi property firm Al Maabar landed a 99-year lease for Hellinikon at a price of 915 million euros (\$1.18 billion).

The Lamda consortium has pledged to invest 5.9 billion euros over the next 15 years to create parks, leisure, exhibition and concert facilities, hotels and luxury residences at the site.

Lafazanis on Tuesday said the lease was "extremely anti-environmental."

"We will re-examine this scandalous purchase with the aim of cancelling it," the minister said.

Under the terms of the deal, the Greek state has two years in which to complete deal or the investors are free to walk away from the project.

Hellinikon was turned into a sports complex for the 2004 Olympics, but most of the venues built for the Games have rarely been used since.

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