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A DAY WITH

MINEAFRICA

November 29, 2010,
London: Investing
in African Mining,
sponsored by
Standard Bank

On November 29, 2010, in the run-up to conference season where mining personnel flock in from all over the world, the London's transport system is chaos. Roads are packed, and overland trains are bursting. But despite the transport meltdown taking place city wide, MineAfrica's Investing in Africa event, held at the Andaz Hotel, just off the Square Mile financial hub, is teaming with over 140 guests.



THIS IS MINEAFRICA'S fourth annual event in London, hosting 16 wide ranging and interesting speakers aimed at discussing African mining investment. Kicking off proceedings, Greg Hawkins, CEO of African Barrick Gold (ABG), delivered a keynote address entitled, *Africa: Navi-*

gating the Challenges. His speech spotlighted the company's continuing and mutually beneficial relationship with the Tanzanian government—which presides over many of the company's projects, and spoke about the company's Nyanzaga project in the Victoria Goldfields which, coincidentally,



delivered new and encouraging drilling results to market that same day.

The day's events

Next to take the stage was David Glenister, International Sales Manager, Systems and Services Certification for SGS Group, with his presentation, *The Equator Principles—Investment Bank Project Finance Tool for Environmental and*

Social Risk Mitigation in Mining, Glenister identified different sources of risk and inter-finance relationships including various market, technical and political demands. He demonstrated how the Equator Principles help to give guidelines on “mining and metals project finance from the perspective of sponsors and borrowers in terms of their environmental and social contractual obligations.”



The next speaker, a familiar face here at *IRJ*, was Lindsay Reed, CEO for Aviva Corporation Limited, who spoke with the crowd about *West Kenya— an Unexplored Opportunity*. Reed introduced the Ndori greenstone belt and its similarities to that in Tanzania and Western Australia, and briefing onlookers about the company's projects underway, including its West Kenyan base metal joint venture with Lonmin Plc and its two coal-based energy as-

sets: the Coolimba Power and Coal project in Western Australia and the Mmamantswe project on the Botswana–South Africa border. Once again Aviva demonstrated its portfolio's strengths as being a Australia/Africa miner.

Undoubtedly one of the standout speakers of the day, the mid-morning saw His Excellency Ahmed, Haj Ali, Minister of Energy and Mines for the State of Eritrea, deliver a compelling and fascinating presentation on *Eritrea's Mineral Sector: Potential and Opportunities*. H.E. Ali spoke about the country's geological prospectivity for gold, base metals, various VMS deposits, potash and more, while also shedding light on how the Mines Ministry partners with offshore mining companies operating in-country. There is a national mining company that holds up to 40 per cent interest in mining operations, and foreign investment in mining exploration and production is encourages—which likely accounts for the 19 companies operating in the nation today. In providing examples of projects underway, H.E. Ali cited the Bisha, Zara and Asmara projects—proving an ideal introduction for speakers to come.

Following was Michael Hopley, President and CEO of Sunridge Gold Corporation, the owners of the Asmara mine and his presentation, *Developing Copper, Zinc and Gold Deposits in*

Eritrea, East Africa, and later Cliff Davis, President and CEO of Nevsun Resources Limited, owners of the world renowned Bisha project, delivering his presentation honing in on the project's future with High Grade, Low Cost—The Bisha Project – Eritrea.” Also in the Eritrea gathering was Wojtek Wodziki, President and CEO of Lundin Mining Group, an exploration arm NGEx Resources Inc. Each presentation aimed at Eritrea, succinctly following the words from the Minister on how relationships with international mining companies are forged, served to represent the individual successes of each of these well-reputed companies while simultaneously presenting a united front and face to what it is really like working within the country.

On the markets

Following lunch, the day took a more competitive, albeit good-humoured turn, when Greg Ferron, Senior Manager, Global Resources, Toronto Stock Exchange and TSX Venture Exchange, delivered his presentation, *TSX & TSXV - A Leader in Financing African Projects*, and in doing so pitted his native exchange against the returns and popularity of the London Stock Exchange's AIM listing, the JSE, NYSE and others. By the compere's own admission, it was regrettable that

nobody from London's own AIM listing could be present for a rebuttal, but nonetheless Ferron made a very attractive case for choosing the TSX. According to the presentation, 157 new mining companies listed on the TSX/TSXV in 2010, to just 16 on the LSE/AIM exchange. Breaking down some of the more high profile listings of interest to the mining industry, looking at the TSX/TSXV, Ferron explained that there are 25 international brokers, including JP Morgan, Goldman Sachs and Morgan Stanley, and 80 Canadian brokers. Honing in on the mining sector, figures showed that the TSX/TSXV have consistently captured over a third of the equity capital raised globally for mining and both have supported the mining sector through the past 10 years. Ferron also spoke about the exchanges and their attractiveness for dual listed companies, citing the many diversified recent additions. In keeping with the event proper, he also explained how this exchange is beneficial for those international miners operating in Africa.

As the day progressed, other areas of interest such as Ghana and Namibia were reviewed and companies presented their holdings and arguments expertly. The overall message developing appeared to be a glimpse of the varied and potentially highly prospective ground,



the attractive political situations and mining environments and the courting of foreign investment between a multitude of African nations. On one side, company executives explained the portfolio spread and why it was an attractive investment, and balancing the scales, while those from financial institutions discussed how projects of this nature might be approached, investment safeguarded and typical challenges overcome. MineAfrica's next events will be focused on South Africa's Mining Industry: The Perceptions and Reality on March 6, and Investing in

African Mining seminar on March 8. Both will take place during PDAC, Canada, and given the scope of subjects and attendees in this most recent London convention, the event organizers will once again bring together many interesting industry heads with a lot to talk about. **IRJ**

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EDITOR'S Note

THE NEW YEAR is upon us, and we're pleased to bring you the first issue for 2011. It's an old hack journalist adage— don't ask questions you don't already know the answers to. But this issue *IRJ* breaks this questionable saying and looks at some of the projects we will all be watching out for this coming year, whatever the outcome. From Afghanistan copper potential, to a perceived slowdown at the Horizon oilsands project in Alberta, Canada, we weigh up what will be on the agenda for the next 12 months.

Meanwhile, one event providing a lot of answers this past month, MineAfrica, gets the once-over as we recap the key messages coming from the many esteemed speakers that attended this year. As always, we hear from plenty of exciting companies, some familiar— such as Central Petroleum, Moly Mines and Copper Mountain Mining, and some new— including Westgold Resources, RES Energy in Australia and RSV.

We also assess BEE in the mining industry, and continue on from Africa to all over the globe

as we hear solutions to your typical mining operational gripes from The Cordev Group.

Tackling a new year in industry can be daunting, make no mistake, and *IRJ* is thrilled once again that we have so many exciting stories to share and discerning readers to enjoy them. As always, we can't put a price on your feedback, so feel free to drop us a line. Until next month,

Nuala Gallagher

“We will have an iron ore mine in production, which we do now, and we'll be shipping a significant amount of iron ore, and we'll have the world's first major greenfields molybdenum project in 25 years under construction,”

“I believe that Moly Mines will be a very different company by the end of 2011”

—Derek Fisher, Managing Director, Moly Mines.

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