

# MINING IN AFRICA

## THREE INTERESTING MINING EVENTS IN AFRICA



Senegal  
April 12-15, 2010



Mozambique  
April 22-23, 2010



Niger  
May 10-12, 2010

April 2010

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### AFRICA OF THE MONTH



(www.geoscafr.com)

### GOLD

Apr 9, 2010: US\$ 1161.40  
Dec 31, 2009: US\$ 1096.50  
Dec 31, 2008: US\$ 881.10


## NEWER GENERATION AFRICAN MINING COUNTRIES WANT YOUR ATTENTION

SENEGAL, MOZAMBIQUE, NIGER AND SOON  
BOTSWANA INVITE YOU  
TO THEIR MINING CONFERENCES

Like the Mining Indaba has become one of the major mining investment events, which attracted over 4,000 attendees and nearly 275 sponsors/exhibitors from all over the world to South Africa, also some of the 'new' African mining countries want your attention. Organizing a conference with an interesting program is an excellent way to do that.

In the next few weeks, you could go to **Senegal**, **Mozambique**, **Niger** and soon thereafter **Botswana**, countries that you probably don't visit too often but definitely are worth looking at. Not only from a tourist point of view but certainly also because these countries are really making an effort to see their mineral resources developed by foreign companies and international investors who recognize the opportunities.

**SENEGAL** is a politically and socially stable country with a quite good economic climate. Since 2003, a modern mining legislation is in place with stimulative stipulations for foreign investment. The Birimian greenstone gold belt, which has made the bordering countries Mali and Guinea into the 'newer' gold countries, runs through Senegal but is under-explored there. Companies like **Randgold Resources** (LSE, NASDAQ), **Mineral Deposits** (ASX, TSX), **Oromin Explorations** (TSX), **Bassari Resources** (ASX), and some others are on their way to tap the great potential.

Although **MOZAMBIQUE** is not immediately known as a mining country, it is rich in mineral resources including gold, iron ores, bauxite, titanium, uranium, coal, industrial minerals and precious stones. In 2002, a new Mining Code was introduced to encourage national and foreign investment. Quite many companies from Australia and the UK are active including the world's largest mining company, 



## EDITORIAL COMMENT

► **BHP Billiton** (ASX, LSE, NYSE, JSE, SWX, FFT) which is operating one of its primary aluminium smelters there. Other interesting companies include **Baobab Resources** (AIM), **Kenmare Resources** (LSE, ISE), **Noventa** (AIM), **North River Resources** (AIM) and **African Eagle Resources** (LSE, JSE).

Over the last few years, **NIGER** has developed into a significant and the world's 4<sup>th</sup> largest producer of uranium, with the operating mines of **AREVA** (Euronext Paris), the no. 1 uranium producing company of the world with mines in Canada and Niger. In the uranium sector, also **Niger Uranium** (AIM), highlighted in my November issue, deserves attention. But Niger also has gold, as **SEMAFO** (TSX) is showing with its successful production at the Samira Hill Mine.

I also mentioned **Botswana** as one of the countries that would like to welcome you to a mining event. That will be in the last days of June (see the EVENTS section) and I will certainly pay attention to this fascinating country in my May issue. Mining always has been important in Botswana, in particular the sector of diamonds, which now is still digesting the impact of the international crises. The worst however, is over and it is time to recuperate. In the meantime, other mining activities are developing well.

Of course, there are more countries that the four I mentioned so far here. The bulk of the investors' interest is going to the more conventional mining nations, like first of all **SOUTH AFRICA** which continues to be the most sophisticated and significant mining country of Africa. Also **GHANA** is one of the strong mining countries with great further potential.

But there are so **many good things going on in Africa** that it is not always easy to select what I choose to present to you. The widening of my scope from only Canadian companies to all companies with resource projects in Africa has only increased and intensified my enthusiasm. A fact remains that Africa in general has many pitfalls to cope with, it is fully alive and like in everybody's life, growing comes with some problems. But it is also fully alive in developing itself whereby the abundant presence of natural resources is one of its greatest assets. With the world still increasing its appetite for the metals and minerals (no, the emergence of the BRIC countries, Brazil, Russia, India and China, is not over, even far from it!), the circumstances and infrastructure in Africa will enable the resource industry to flourish over the next many years. Several mining and exploration companies, no matter where they come from, will be able to do very well and could be **great investment vehicles for you**. Those are the companies I write about..... ●●●



As the theme of my **EDITORIAL COMMENT**, indeed suggests, I am trying to get you away from behind your desk and take the opportunity to meet government mining officials, executives of international mining and exploration companies, finance and investment specialists and fellow investors who have taken or are contemplating an interest in shares of the companies with projects in Africa. Mining **EVENTS** are an ideal opportunity to widen your scope and make you familiar with Africa's resource developments. But if you will not be attending events like this, don't you worry, through **MINING IN AFRICA** I will give it my best to keep you informed of what I think you should be informed about.



In the **FEATURED ARTICLE**, **Magnus Ericsson**, who is a Senior Partner and co-founder of the Raw Materials Group of Sweden and was a speaker at the recent **MINING INDABA** in South Africa, sheds his light on why he thinks that *"African countries prepare for the continued mining boom"*. He elaborates on the aspects and consequences of the influx of investors from China, India and the Middle East into African resources and the influence that will have on the industry.



In this issue, an **UPDATE REPORT** on **NEW DAWN MINING CORP.**, the **SUPPORTING COMPANY** that continues to bring good news from **ZIMBABWE**, in itself a pleasant experience. The company shows that even in a country where the circumstances can be questionable at least, it is possible to (re-)build a successful gold mining operation. In my view, this company will be able to grow into a real success story with its **Turk and Angelus Mines** by further expanding its mining facilities and production capacity.



Furthermore, the **COMPANY NEWS** with the latest information from the **SUPPORTING COMPANIES** and several guest companies (like in Africa, the Australians are coming!) and of course **Africa Mining News** and **EVENTS**.



Then, as always, the **GOLD PRICE** as I see it. It looks that my scenario is further unfolding. At a time that the gold bears were becoming more jubilant by the day, the market is ignoring those negative comments. It is an old saying but the present market movement is proving **"MONEY TALKS"** right in this case. In my observation it is quite simple: judging from the price, there are more buyers than sellers so the price of gold increases. This time they say it is situation in Greece that causes gold to go up, but in fact it is the whole situation in the world that, very unfortunately, is not getting any rosier which is being translated into money's interest for the scarce and valuable resource called **GOLD**. To me it looks that the price is slowly reaching for a new high, it is getting pretty close and I would not be surprised if **gold will go beyond the \$1,200 level some time soon. And once it does, there is more to come.** ●●●

**Henk J. Krasenberg**

UPDATE REPORTS

New Dawn Mining Corp. has joined the group of SUPPORTING COMPANIES of MINING IN AFRICA last year. You have been able to follow the developments of the companies through the coverage of the companies' news releases in the Company News section and some personal comments. It is the intention to include editorial Update Reports on the SUPPORTING COMPANIES from time to time when they record remarkable achievements and/or there are noteworthy developments in regard to the companies and/or their share price.



NEW DAWN MINING CORP.



STEADY PROGRESS IN PRODUCTION WHILE TARGETING EXPANSION POSSIBILITIES

TSX-ND: C\$1.07, FFT-3DM - shares outstanding 29.16 million, fully diluted 32.97 million



When I introduced New Dawn Mining Corp. as a new SUPPORTING COMPANY in September 2009, I labelled the company as an early stage situation. This month, it is a year ago that it poured its first two gold bars at the Turk Mine in ZIMBABWE and it has been pouring more gold since then. Like I said it would happen, modest but constant and growing, every month a little more. And also this month, New Dawn reported that the second shaft will become operational, another significant step forward on the way to higher gold production figures. A good time to update you on the developments.

New Dawn Mining has been delivering what it said it would. Stable and gradually increasing monthly production at the scheduled 14,000 ounces gold per year level. The just reported commissioning of the Armenian shaft is **expected to increase production capacity at the Turk mine by up to 5,000 tonnes per month, resulting in the production of an additional 6,000 to 7,000 ounces of gold per annum**, which represents a 40% increase to current production levels. In the few months ahead, production is expected to grow to the 22,000-23,000 ounces per year level.

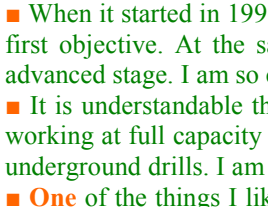


The Armenian shaft is the second of a total of three mine shafts at the Turk and Angelus mine complex. The next step will be to go to full production capacity, whereby three shafts will be delivering their ore to the 580 t/d processing plant. Once all 3 shafts are operational, production capacity is estimated to range from 35,000 to 50,000 ounces of annualized gold production.

It is noteworthy that all the expenditures that the company is making to continue its development to full production can be paid internally from the increased operating cash flows. Every month, New Dawn has sales of over US\$1 million from which it can pay for all the wages and bills, development and exploration. That situation will further improve as gold production will increase, assuming that the gold price will at least maintain the current levels. Selling gold with cash costs of US\$580 per ounce at above US\$1,000 per ounce, sounds good enough.

As the day to day operations since the first gold pour have been very satisfactory, **the intriguing part of this company is how it will develop in the future.** I would like to make the following observations:

- At first, the aspects of being located in Zimbabwe, not the easiest country of Africa to be in, to say the least. I am not so worried about the political threat from the government to pursue the 51% indigenization regulations that are being discussed; as, if and when requirements that a certain percentage of business should be owned by Zimbabweans will be implied, I assume that will eventually be done in a reasonable matter. Looking at how the BEE implementation was done in South Africa, Zimbabwe's big neighbour and 'brother', it was just something that had to be done. New Dawn's CEO Ian Saunders has grown up and always stayed in Zimbabwe, is a past president of the Chamber of Mines and a current member of the Chamber's Executive Committee. As such, I know that he has the finger of the pulse of any development and I trust he will know how to cope with it.



- When it started in 1996, it acquired 18 formerly producing gold mines. To date, bringing the Turk Mine into production was the first objective. At the same time, work is being done on the adjacent Angelus Mine which, as the company call is, is in an advanced stage. I am so curious what has been done on the other 16 mines and what the real potential of those holdings are.

- It is understandable that the main focus has been on the production operations. That probably will continue until the status of working at full capacity has been reached. In the meantime, exploration drilling is ongoing at the Turk and Angelus Mines with 4 underground drills. I am anxious to see when the company will come to a new calculation of the mineral reserves.

- **One** of the things I liked was the advantage of New Dawn Mining to be one of the forefront runners in the re-establishment of Zimbabwe gold production industry. With a history of over 300 operating gold mines in the country, which mostly have been mothballed or even abandoned, there must be enormous opportunities to acquire former gold mines where new capital and new exploration techniques could make the difference. I know that Ian Saunders is constantly looking at possible acquisitions but he has not made any yet. Expansion by acquisitions could bring New Dawn to a new dimension and level as a gold producer.

After I spotted the company in June last year, the shares moved up twice from the then C\$1.24 to the C\$1.50-1.60 level but they have backed off since then. At the present level, with the market cap at C\$31.2 or €22.8 million, there is quite a lot of upside potential for investors that have the nerve to participate in Zimbabwe's revival as a mining nation which is bound to happen. I am very pleased to have New Dawn Mining as a SUPPORTING COMPANY and will report to you as the next developments unfold. I am confident they will be quite positive.





COMPANY NEWS



**African Gold Group, Inc.**

TSXV-AGG: price Apr 9 - C\$0.52



\*African Gold Group reported the drill results of 22 reverse circulation holes and 2 diamond drill holes, part of the current working program at the **Kobada project** in **MALI**. Eleven of the 24 holes were drilled on 100m sections within Zone 1 of the area from which the 2008 initial resources estimate was based on. The best result was an intersect of 18m of 7.04 g/t gold in Zone 1 and 21m of 4.89 g/t gold on 400m step-out. The remaining 13 RC holes were drilled outside of the known resource with the specific intent of testing the "blue-sky" potential along strike to the north of "Zone 1". **Gravity and cyanide leach testing** were initiated on some 280 kg of RC drill chips and core rejects. Early results indicate that both processing routes give **good gold recovery**. The final metallurgical test report will be reported upon receipt.

\*In **GHANA**, African Gold Group has entered into a contractual agreement with New Resolution Geophysics of South Africa to conduct an airborne magnetic and radiometric survey of the company's 456km<sup>2</sup> **Asankrangwa Holdings**, located on strike and contiguous with **Keegan Resource's Esaase gold deposit**. In addition, AGG has also contracted NRG to fly an airborne survey of the company's 20 km<sup>2</sup> **Nyankumasi concession**, located approximately 30km south-southwest of **Newmont Mining's 6.3 million ounce Akyem project**. The objective of the program will be to identify structural targets, on a regional scale, that will be followed up with regional geochemistry, ultimately culminating in the identification of drill targets.

\*\*For all information on the company and its projects in **GHANA** and **MALI**: [www.africangoldgroup.com](http://www.africangoldgroup.com).

SUPPORTING COMPANY



**AMI Resources Inc.**

TSXV-AMU: price Apr 9 - C\$0.14



\*AMI Resources has completed its initial drill program towards **earning its 51% interest** in the **Sirba Gold Project** in **NIGER** from Golden Star Resources. The 25 hole drill program was designed to confirm and extend gold mineralization identified in five of the multiple targets located on both the **Tialkam and Deba concessions**. After the 24m of 3.08 g/t gold that was reported in the previous issue, the best result of the remaining holes came to 13m of 3.37 g/t gold. Management is highly encouraged with the latest drill results and is looking forward to the possibility of establishing a number of near surface gold deposits at the Sirba Gold Project.

\*\*For full information on the company and its projects in **GHANA** and **NIGER**: [www.amiresources.com](http://www.amiresources.com).



**Aviva Corporation Ltd.**

ASX-AVA, BSE-AVIVA: price Apr 9 - A\$0.076



\*Aviva Corporation has reached agreement with AfriOre International (Barbados) Limited, a wholly owned subsidiary of Lonmin Plc, to acquire an up to 75% interest in the development of its West **KENYA** gold and base metals project. The project comprises two contiguous licences covering 2,800km<sup>2</sup> of the highly prospective **Kakamega Greenstone belt** in Kenya, part of the Tanzanian Archaean Craton. Previous exploration has identified significant potential for gold, as well as copper, lead and zinc. Aviva can earn a 51% interest in the licenses by sole funding US\$3 million over three years and a 75% interest in the project by completing a Pre-Feasibility Study demonstrating a pre-tax NPV of not less than US\$50 million. Upon Aviva completing the PFS, Lonmin may elect to either participate at its 25% interest, or request Aviva to purchase its 25% interest for a cash consideration equal to 70% of the PFS value of its 25% interest. "Aviva is proposing an exploration program which will include airborne geophysics, regional mapping and structural modeling and a drilling program targeting both gold and base metals," Aviva's CEO **Lindsay Reed** said, "The project has significant gold potential, with more than 200 known gold occurrences within the license areas, and positive results from the limited drilling by AfriOre". Lonmin is the world's third largest producer of platinum.

\*\*For full information on the company and its projects in **BOTSWANA** and **KENYA**: [www.avivacorp.com.au](http://www.avivacorp.com.au).



**Blackthorn Resources Limited**

ASX-BTR: price Apr 9 - A\$0.885



\*Blackthorn Resources provides the following update on negotiations with Glencore International AG regarding the establishment of a JV for the completion of construction and operation of the Perkoa Zinc Mine Project in Burkina Faso, West Africa. On 12 January 2010, Blackthorn Resources announced that a Heads of Agreement had been signed with Glencore for a joint venture to develop and operate the Perkoa Zinc Mine Project. It was anticipated at the time of that announcement that subject to satisfactory completion of the due diligence process by Glencore and execution of documents, a Notice of Meeting would be issued by the end of March 2010 to schedule an EGM to vote on the proposed transaction. This timeframe has not been met as various processes involved have taken longer than anticipated. However, the due diligence process undertaken by Glencore continues and is nearing completion.

\*\*For full information on the company and its projects in **BURKINA FASO**, **SOUTH AFRICA** and **ZAMBIA**: [www.blackthornresources.com.au](http://www.blackthornresources.com.au).



**Cassidy Gold Corp.**

TSXV-CDX: price Apr 9- C\$0.165



\*Cassidy Gold has not reported any news in this period.

\*\*For full information on the company and its projects in **GUINEA**, **LIBERIA** and **NIGER**: [www.cassidygold.com](http://www.cassidygold.com).

SUPPORTING COMPANY



**El Niño Ventures Inc.**

TSXV-ELN: price Apr 9 - C\$0.07



\*El Niño's has not reported any news from the **Kasala Copper Project** in the **DRC**.

\*\*For full information on the company and its projects in the **DRC**: [www.elninoventures.com](http://www.elninoventures.com).

SUPPORTING COMPANY



## COMPANY NEWS



### Great Basin Gold Ltd.

TSX, NYSEAlt, JSE-GBG: price Apr 9 - C\$1.75



\*Great Basin Gold the international mining company developing a gold mine on the Witwatersrand, on Tuesday announced that it has obtained final credit approval for a \$47 million (R340 million) export finance facility, with the option to increase the facility through further syndication. The facility will be provided by Credit Suisse Ag and will have a maximum term of four years from date of draw down, with interest and capital repayment commencing nine months after draw down. It said the facility would bear interest at a margin of 4 percent over the USD LIBOR rate (currently 0.3 percent) and the company will have the option to retire the loan 12 months after draw down at no additional costs. *"The company received more than one financing offer and selected this facility which will provide us with flexibility in the delivery of the Burnstone project,"* said Great Basin President and CEO **Ferdi Dippenaar**. *"The project is at an exciting phase of its development with good progress being made in the construction of the metallurgical plant and the development of underground infrastructure."*

\*For the full news release and more information on the company and its projects: [www.greatbasingold.co.za](http://www.greatbasingold.co.za).

### SUPPORTING COMPANY



### Helio Resource Corp.

TSXV-HRC: price Apr 9 - C\$0.42



\*Helio Resource reported the first results from the 2010 reconnaissance reverse circulation drill program which is testing new targets within the **SMP Gold Project** in the **Lupa Goldfields, TANZANIA**. The company is currently conducting a three-rig (two diamond drills and one RC drill) drill program using the proceeds of a recently completed financing with the IFC. RC drilling was recently completed at the **Tumbili prospect**, located approximately 6km southeast of the **Kenge Target**. The program consisted of 16 holes for 1,531m. A number of zones of mineralization were intersected. Results have been returned for the first 12 holes; the best hole intersected **16m @ 1.9g/t gold from 36m**. On the eastern line, the best hole intersected **12m @ 1.4g/t gold from 10m**. These two holes are located over 1,000m apart. Mineralization at Tumbili is similar to that at **Porcupine** where drilling has intersected over 52m grading 3.3g/t gold. The company is very encouraged by the results from Tumbili, which clearly **demonstrate the potential for the discovery of further zones of extensive gold mineralization** at the SMP to add to those already defined at Kenge and Porcupine. Follow up drilling of the Tumbili prospect is planned in the near future.

\*For the full drill results and other information on the company and its projects in **TANZANIA**: [www.helioresource.com](http://www.helioresource.com).

### SUPPORTING COMPANY



### Kasbah Resources Limited

ASX-KAS: price Apr 9 - A\$0.074



\*Kasbah Resources announced the latest results from the **Meknes Resource** definition drilling program at the **Achmmach Tin Project** in **MOROCCO**. With respect to overall geometry and continuity, the diamond drilling continues to increase the confidence in the geological interpretation of the Meknes Zone. There are now two diamond drill rigs drilling in the Meknes Zone; significant high grade diamond drilling intersections continue including **22m @ 1.64% tin** (including **12m @ 2.5% tin** and **4m @ 4.6% Tin**); and **15m @ 1.14% tin**. Drill hole AD035 has extended this high grade mineralized zone to the east and hole AD034 confirms the mineralized zone identified along historical underground workings by the Bureau des Recherches et de Participations Minières. Both holes intersected potentially economic mineralization.

\*For full information on the company and its projects in **MOROCCO**: [www.kasbahresources.com](http://www.kasbahresources.com).



### Mantra Resources Limited

ASX-MRU, TSX-MRL: price Apr 9 - A\$5.89



Mantra Resources has commenced the Definitive Feasibility Study for the **Nyota Prospect**, part of the **Mkuju River Project** in **TANZANIA**. Following the successful completion of the Pre-Feasibility Study, the company has appointed DRA Mineral Projects as the Engineering, Procurement, Construction and Management Contractor. This appointment was completed following a comprehensive and competitive tender process. The feasibility study is scheduled for completion during the fourth quarter of 2010. A key component is a comprehensive integrated pilot metallurgical test program. This program will comprise building a laboratory scale plant that will process an approximate seventeen tonne bulk sample, representative of the first seven years of scheduled production from the project.

\*For full information on the company and its projects in **MOZAMBIQUE** and **TANZANIA**: [www.kasbahresources.com](http://www.kasbahresources.com).



### Mineral Deposits Limited

ASX-MDL, TSX-MDM: price Apr 9 - A\$1.025



Mineral Deposits announced that the Definite Feasibility Study for the **Grande Côte Mineral Sands Project** in **SENEGAL** is expected to be completed in May, although it was expected to be completed in the first quarter, due to additional in-fill drilling in the Lompoul region, where higher heavy mineral grades are being encountered. The results will be used as the basis for development of a dredge path for at least the first 15 years of operation.

\*For full information on the company and its projects in **SENEGAL**: [www.mineraldeposits.com.au](http://www.mineraldeposits.com.au).



### New Dawn Mining Corp.

TSX-ND: price Apr 9 - C\$1.07



\*New Dawn reported that gold production at its **Turk Mine** in **ZIMBABWE** for February 2010 increased to 1,234 ounces or 38.4 kg, as compared to a 6.3% increase over the January 2010 production. The **increase in production** was primarily attributable to increased tonnages treated at the 580tpd processing facility. Gold sales for February 2010 amounted to \$1,230,400 at an average sales price of \$1,094 per ounce. *"With our recently expanded mining and development program, we are now producing gold at the rate of approximately 1.5 kg's per day as gold production continues to ramp up at the Turk/Angelus mine complex,"* said **Ian R. Saunders**, President and CEO, *"We are continuing with our aggressive capital reinvestment campaign, which includes the purchase of new processing equipment that is being*

### SUPPORTING COMPANY



## COMPANY NEWS

*funded from the positive operating cash flow that we are generating from our current and expanding gold mining operations in Zimbabwe. We are focused on meeting our next production target of 22,000 to 23,000 ounces of gold on an annualized basis within the next 12 to 18 months."*

\*New Dawn has completed the **commissioning of the Armenian shaft** at the Company's Turk and Angelus mine complex in Zimbabwe, which has deepened hoisting capability from the 5th level to the 9th level. The Armenian shaft is the second of a total of three mine shafts at the Turk and Angelus mine complex. **NOTE HJK: For more about what this will lead to, see the Update Report on page 3.**

\*\*The full news releases and all other information on the company and its projects can be found at [www.newdawnmining.com](http://www.newdawnmining.com).



### **Pelangio Exploration Inc.**

TSX-PX: price Apr 9- C\$0.235



\*Pelangio Exploration has significantly strengthened its technical team by appointing Sam Torkornoo to the position of Exploration Manager for the company's exploration operations at its **Obuasi property** in **GHANA** and the engagement of Dr. Robert J. Griffis as a geological consultant. Together, Mr. Torkornoo and Mr. Griffis bring a combined 57 years of exploration experience to Pelangio and its exploration projects in Ghana.

\*\*The company website contains all the information on the company and its projects: [www.pelangio.com](http://www.pelangio.com).

### SUPPORTING COMPANY



### **PMI Gold Corporation**

TSXV-PMV: price Apr 9- C\$0.23



\*Following to earlier announcements and what you could read in the Update Report in the March issue, PMI Gold has now received TSX Venture Exchange approval for and closed its private placements of 17,336,398 common shares, at a price of \$0.15 per share, and 33,333,333 common shares, at a price of \$0.14 per share, to raise **aggregate proceeds of \$7,267,127**. All of the shares are subject to a hold period and may not be traded in Canada until August 6, 2010, except as permitted by applicable Canadian securities laws and the TSX Venture Exchange. The company has been advised that **Macquarie Bank Limited**, of Level 1, No. 1 Martin Place, Sydney, New South Wales, 2000, Australia, has acquired 33,333,333 common shares of the Company. The shares were purchased for investment purposes. After giving effect to the acquisition referred to above, Macquarie Bank Limited beneficially owns 33,333,333 common shares, representing 13.4% of the issued and outstanding common shares of the company on a partially diluted basis.

**NOTE HJK: As said in the recent Update Report, this financing has brought PMI Gold a lot closer to their clear objective to become a solid gold producer in the near future, bringing their Kubi and Obotan gold mines back into production and the market has noticed!.**

\*\*For full information on the company and its projects in **GHANA**, visit the company website at [www.pmigoldcorp.com](http://www.pmigoldcorp.com).

### SUPPORTING COMPANY



### **SEMAFO**

TSX-SMF: price Apr 9- C\$5.38



\*In 2009, SEMAFO **produced a record 242,400 ounces of gold** and achieved record gold sales of \$240,788,000, compared to gold production of 195,400 ounces and sales of \$169,911,000 in 2008. Cash flow from operating activities increased to a record \$92,147,000, compared to \$56,339,000 in 2008. Highlights for the year ended December 31, 2009 include: ▪ record gold production of 242,400 ounces, a 24% increase over 2008, ▪ record gold sales of \$240.7 million, an increase of 42% year over year, ▪ cash operating cost of \$463 per ounce compared to \$461 in 2008, ▪ record net income of \$43.5 million compared to \$39.5 million in 2008.

\*This month, SEMAFO produced its one millionth ounce of gold. The milestone pour took place at its **Samira Hill Mine** in **NIGER**. At this memorable occasion, President and Chief Executive Officer **Benoit La Salle** said *"We look forward to continuing our successful record of discovery, development and operations. Twelve years ago, SEMAFO was a small grassroots exploration company with great aspirations. Today we celebrate the production of our one millionth ounce of gold, a goal that very few peer companies have achieved, particularly in developing countries. Our team has grown from our humble beginnings of four persons to a workforce of more than 1,800 individuals. Our exploration programs are returning excellent results and we look forward to realizing SEMAFO's true potential in the not-so-distant future. We remain confident that our aggressive exploration programs are a fundamental part of our longer-term objective to become a 500,000 ounce-per-year gold producer."*

\*During the first quarter of 2010, SEMAFO announced record gold production of 65,800 ounces, an increase of 13% over the first quarter of 2009. The Mana Mine produced 41,400 ounces of gold during the quarter, accounting for 63% of total production. The average selling price for the quarter was \$1,111 per ounce. For the balance of 2010, Mana's quarterly production is expected to be approximately 46,000 ounces of gold. Mana's production represents the majority of SEMAFO's estimated annual production of between 235,000 and 260,000 ounces of gold.

\*\*For full information on the company and its projects in **GUINEA, BURKINA FASO** and **NIGER**: [www.semafo.com](http://www.semafo.com).



### PERSONAL NOTE:

Since I have shifted my focus from only Canadian companies to a look at ALL companies with resource activities in Africa, I discover companies that I have not heard before or did not pay attention to. This widening of my scope has only increased and intensified my enthusiasm for the resource developments in Africa. The coverage and presenting information of companies from Australia, Europe, Africa, Asia and other regions make **MINING IN AFRICA** more complete and more interesting. Therefore, I have set my target to get more international resource companies involved in my writing and publishing, which is not an easy task, I assure you. My quality audience has been expanding nicely and is really spreading around the world now. However, **the European institutional investors will remain the core target group**. They are very sophisticated and not afraid to branch out their portfolios into far away markets.

**I invite interesting mining and exploration companies to join me in my ongoing efforts to stimulate investors to become part of this fascinating world of resources.**



FEATURED ARTICLE

African Countries Prepare for the Continued Mining Boom

by Magnus Ericsson

The struggle for African resources has intensified. New investors from China, India and the Middle East have aggressively entered Africa competing for attractive deposits with the global mining TNCs traditionally operating in the region. This is a new situation for Africa where mining has been in decline over the past 25 years. The entry of new mining companies with different experiences and operating traditions could certainly create new problems in many areas but also opens new opportunities for mineral rich African countries.



**African decline**

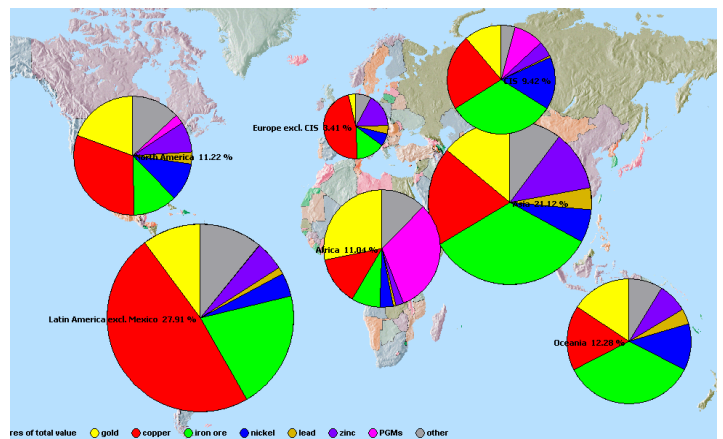
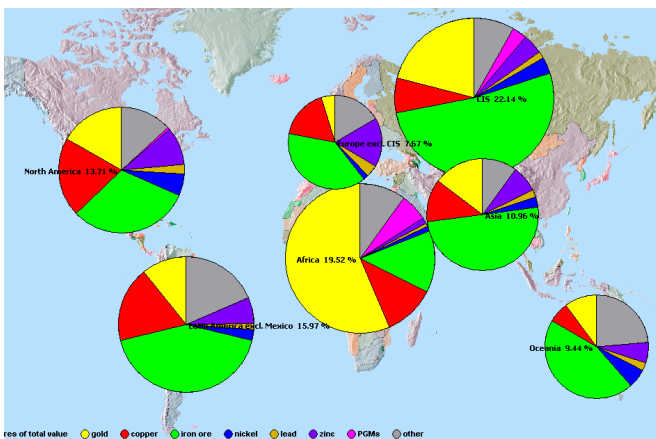
Africa has not been seen as attractive by the transnational mining industry as other regions of the world. Without being comprehensive a few major factors could be highlighted that have contributed to this development:

- The South African mining industry, which is by far the most important part of African mining, has been diversifying out of Africa following a long period during which most of its investments were confined mainly to South Africa and some Southern African countries.
- Latin America and Australia has been seen as highly attractive and offering comparative advantages as conceived by the same transnational companies.
- Political strife and civil wars has increased political risks in some geologically highly prospective African countries.

In 1984 Africa accounted for 20 % of the total value of all metals produced at the mining stage and in 2007 this percentage had decreased to 11 %. In the same period the Latin American industry increased its share from 16 to 28 %. Please see figures 1 and 2.

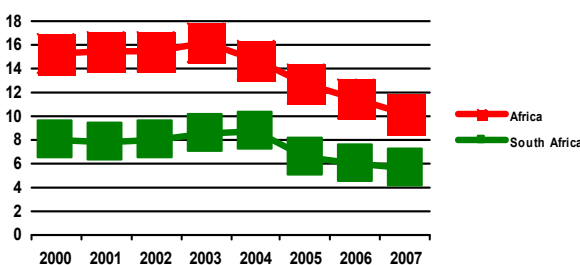
Figure 1. Global mining 1984.

Figure 2. Global mining 2007.



Source all graphics: Raw Materials Data, 2009.

Figure 3. African mining 2000-2007 (% of total value of global mining)



During the first years of the 2000s the pace of the decline increased as a result of the very high investment activity in other parts of the world. See Figure 3. In the same period the dominance of South Africa in African mining has increased.

While there has been a relative decline there has been a growth in the value created by African mining in absolute terms particularly during the recent boom. There has also been a shift in which metals are the most important. For example gold accounted for more than 50 % in 1984 while it only some 25 % in 2006, the PGMs have become the most important metals accounting for almost a third of the total while copper has kept its share more or less constant.

## FEATURED ARTICLE

### African Countries Prepare for the Continued Mining Boom

by Magnus Ericsson

#### **But some positive things are visible ...**

In the most recent years there are however some indicators pointing to an improving situation: The share of global exploration going into Africa is increasing and the share of Africa in the total project pipeline has been constant for a number of years. But there are still no clear indications of a growth of African mining and it remains to be seen what will happen during the present global economic decline.

#### **Reform possibilities in Africa**

The possibility to support the establishment of a healthy competition between the new Asian investors and the mining companies from Europe and North America, which traditionally ruled has emerged. Provided the African countries can reform their mineral regimes and strengthen their institutions they could benefit from this race for resources. Against this background the African Union (AU) and the UN Economic Commission for Africa (UNECA) is pushing ahead with its initiative to review mining regimes of the region. Africa must secure more benefits from the predicted future expansion of its mining sector than it has done so far. The increasing demand for mineral resources will mean that prices will remain at high levels for at least another decade. The economic foundations for a resource based development are sound. In addition there is strong newborn, political interest from the EU, the USA and Japan to secure a stable supply of metals. All these factors have sparked renewed hope to use mining, minerals and metals for economic and social developments in a way which has not been possible so far.

During two regional workshops held in Kigali, Rwanda and XYZ in late 2009 the prerequisites for such a development were reviewed. A report, which will be presented to the mining ministers of the AU in 2010, was scrutinised by stakeholders from all over East Africa. The report is the result of a two year effort headed by the UNECA secretariat in Addis Ababa, Ethiopia.

A number of areas are highlighted for action by mining ministers together with their ministries and other stakeholders all over Africa in cooperation with mining companies and metal consuming countries. The conventional approach limits mineral policy to the extraction of minerals and sharing of revenue from it. But the fundamental objective of harnessing Africa's mineral resources to promote its economic and social development calls for a much broader framework. This includes a cross-sectoral approach integrating the primary sector into the broader economy, mineral beneficiation, integrating mining and processing into local supply chains via side stream linkages, new models for local participation and empowerment, how to channel mineral rents into capital accumulation, the role of development corridors and improved infrastructure, appropriate levels of technology and how to foster innovation and many other models and processes. Most of them are not new but are for the first time packaged together in Africa by Africans in a cooperative manner including all real, potential cooperative partners in the process.

During the workshops examples of recent African mining progress on various scales were presented from the gold rush in Tanzania and the attempts in Rwanda to reform the wild tin, coltan and tungsten operations as well as several other countries.

Based on the findings of the report the second phase of the review project will start and its aim is to develop toolkits, templates, guidelines, briefing notes and other instruments with regard to specific matters of significance and concern in the formulation or revision of mineral regimes of Africa.

#### **Changing attitudes in industrialised countries**

Governments from the industrialised countries, whether in North America, Japan or the EU have also suddenly realised that it is going to be important to secure access to mineral raw materials in this global race. The EU's new Raw Material Policy initiative, which is being formulated during 2010 and 2011 is but one example. The free availability of resources cannot any more be taken for granted.

Gradually an understanding of the importance of minerals for their own historical economic and social development has dawned upon policy makers in the industrialised countries. It has been understood that negative effects of mineral resource exploitation can be effectively mitigated. One of the more ambitious initiatives has been taken by the Nordic countries Finland, Sweden and Norway where the *Mining for Development* (M4D) idea has been launched and developed in close cooperation with mainly African countries. It is a major, long term project to focus on the minerals industry as a lever for social and economic development in developing countries all around the world. Sweden and Finland have historically - and Norway more recently - succeeded in basing much of their economic growth and wealth on mineral raw materials and related downstream and up-stream diversification. The M4D initiative envisages transfer of Nordic knowledge and skills from wide ranging areas such as for example:

- Devising and implementing tax systems and tax revenue management schemes.
- Effectively regulating and promoting exploration and mining.
- Operating mines environmentally friendly and safe.
- Developing new more productive mining technologies both individual pieces of equipment and integrated mining systems.
- Training people to fill vacant posts in government authorities.



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Systematic transfer of these and other experiences could help mineral rich countries to properly manage their natural resources to create sustainable economic growth and thereby promote the welfare of their populations and do this with minimum negative environmental and social impact.

The optimism in the African mining community is tangible and the hopes for mining to be able to kick start social and economic developments have not been so high since the 1970s when Algeria and the Non-Aligned movement presented its New International Order. Hopefully this time around, 35 years later, expectations will be better founded in a long term super cycle of minerals and metals demand?!

**Magnus Ericsson**

Magnus Ericsson is Senior Partner of RMG and was a co-founder of the company. Responsible for advisory services including the development of government mineral policy, and corporate marketing and expansion strategies. Travels widely and has spent extended periods of time in southern Africa. Holds a Master of Science degree from the Royal Institute of Technology in Stockholm. Magnus had almost 20 years of industrial management experience prior to joining RMG full-time in 1991.

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## EVENTS ON AFRICA

April 12-15, 2010

**Senegal International Mining Conference**

Dakar, Senegal

[www.simsenegal.com](http://www.simsenegal.com)

April 22-23, 2010

**Mozambique Mining and Energy Conference**

Maputo, Mozambique

[www.mozmec.com](http://www.mozmec.com)

May 10-12, 2010

**Minepec Niger Conference**

Niamey, Niger

[www.minepec.com](http://www.minepec.com)

June 29-30, 2010

**Botswana Resource Conference**

Gaborone, Botswana

[www.capital.bw/resources/index](http://www.capital.bw/resources/index)

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## AFRICA MINING NEWS

**BOTSWANA:** \*Discovery Metals Limited announces a significant upgrade of the Mineral Resource Estimate for the Plutus and Petra Prospects and the estimate of new Mineral Resources at South West Petra and North East Plutus at its Boseto Copper Project, following re-estimation by Snowden Mining Industry Consultants Pty Ltd. The revised Mineral Resource Estimate incorporates all drilling results as released to the market since the last Mineral Resource estimate in October 2009. These drilling results represent the end of the infill and strike extensional drilling campaign at Boseto, planned as part of the Bankable Feasibility Study for the Boseto Copper Project. This drilling campaign specifically targeted the near surface portion of the prospects at Boseto, in areas considered to be amenable to open pit mining. Discovery Metals' Managing Director, Brad Sampson stated: "the abundance of Mineral Resources with open pit and underground potential in the vicinity of the Boseto concentrator location, creates new options to optimise the value of the Mineral Resource and the Boseto Copper Project for shareholders. The evaluation of these exciting options will not impede our expectation of production from Boseto in late 2011."

**BURKINA FASO:** \*Volta Resources Inc. (TSX-VTR) has closed its earlier announced investment transaction by the International Finance Corporation. The IFC invested C\$4 million to acquire 5,405,404 Volta units at a price of C\$0.74 per Unit. The IFC has the right to make further equity investments in Volta of up to C\$4 million in minimum individual amounts of C\$1 million for a period of twelve calendar months following March 22, 2010. The proceeds from the IFC investments will be used to finance further exploration activities at Volta's flagship Kiaka Gold Project in BURKINA FASO and for working capital.

**BURUNDI:** \*The government of Burundi is said to be preparing to sign a convention with Flemish Investments Ltd for a gold research permit on the Muhwazi concession in Muyinga province, which was earlier held by International Gold Exploration IGE from SWEDEN.

**CENTRAL AFRICAN REPUBLIC:** \*AIM-listed Pangea DiamondFields Plc has decided to close its operations in the CAR. The company gives preference to its activities in ANGOLA, DRC and SOUTH AFRICA. The decision follows the announcement in February that Pangea was merging its diamond business with the Swedish company International Gold Exploration IGE in a transaction worth US\$ 48 million.

## AFRICA MINING NEWS

**DRC:** \***Katanga Mining Ltd**, which holds rights to the Kamoto, Dikuluwe and Mashamba deposits and counts Glencore International as its main shareholder, is aiming to **double cobalt production in 2010** to reach 5,500 tonnes against 2,534 t in 2009. \*The Australian company **Anvil Mining** decided to **dispose of the Dikulushi mine**, where copper and silver production, which began in 2002, had been suspended at the end of 2008 after the collapse in metal prices, and the mine was put into care and maintenance. Mawson West, another Australian company, will be the buyer. \***Freeport McMoRan** is preparing to **launch the second development phase** at the Tenke-Fungurume project, in which it is the majority shareholder with 57,75%, in partnership with **Lundin Mining**.

**GHANA:** \***Azumah Resources** is on track to establish **another maiden resource** after it recently announced a West African gold resource of more than 1.1 million ounces. Drilling results from Azumah's Collette deposit in Ghana include 20 m grading at 7.43 g/t from 76 m. It is four kilometres west of Azumah's Julie deposit from which it last month announced a maiden interim resource of 350,100 ounces. Azumah managing director Stephen Stone said the Ghana gold project had the potential to become a multimillion-ounce gold area that would support 100,000-ounce-a-year production.

**MOZAMBIQUE:** \*The Irish company **Kenmare Resources Plc** is **seeking to raise USD 270 million** to finance expansion at the Moma titanium mine in Mozambique. \***Vale** of Brazil awarded a **contract worth USD 69 million** to build a processing plant for the **Moatize coal mine** to Kentz Corporation Ltd from IRELAND.

**NAMIBIA:** \***Kalahari Minerals plc**, the AIM listed resource company, was notified that **ITOCHU Corporation**, a major Japanese trading house, has agreed to acquire a **15% interest in the issued share capital** of the company through its wholly owned subsidiary Nippon Uranium Resources (Australia) Pty Ltd. ITOCHU is a 150 year old major Japanese trading house with a long history in the uranium market as well as operating in Namibia. It has been actively involved in the trading of uranium since 1998 and has delivered over 4,000 tonnes of uranium to the market in 2009, as one of the biggest uranium traders in the world. It has invested in various uranium projects worldwide and has also arranged finance and off-take agreements. \*Namibia produced **929,006 carats of diamonds in 2009**, less than half its production in 2008 when the country produced 2.2 million carats. The country's central bank said **diamond production will rise 18.8% in 2010**.

**SIERRA LEONE:** \***Titanium Resources Group** (AIM-TRG) has reported its preliminary results for 2009. Sales at US\$36.8 million were a bit below last year but **cash costs were reduced by 56%** in the year to US\$28.7 million. The Versi Dredge at the **Sierra Rutile Mine** was very successfully commissioned and is now fully operational. The construction of Dredge D3 is progressing on budget and expected to be commissioned in Q1 2011. CEO John Sisay said: "Following a busy year, TRG has made **significant progress** on a number of fronts in 2009 and is now in a **strong position to grow** and deliver value to shareholders. The successful capital raise, significant reductions in operating costs, achievement of operating profitability, a positive EBITDA before exceptionals and a robust operating performance should provide the basis for a sustainable improvement in the Company's performance. Furthermore, **titanium feedstock market fundamentals suggest pricing will further improve significantly in 2011**, at the same time as the Company's sales contracts expire."

**SOUTH AFRICA:** \***De Beers Group**, the world's largest diamond producer, has reportedly **sold 1 million shares in African Diamonds Ltd.**, thus reducing its stake in the company from 5.8% to 4.49%. Management of African Diamond was not pleased because, according to Chairman John Teeling De Beers did not notify the company of this sale as the rules of the Financial Services Authority require. \***Platinum Australia Limited** (ASX-PLA, AIM-PLAA) **recommenced underground mining** at its **Smokey Hills Mine**. The crushing plant is now operating at full capacity and the milling and flotation plant has restarted. The company further released the latest results from the **resource definition drilling program on the Rooderand Platinum Project**. Results to date have intersected the Merensky and UG2 reef packages as well as the Lower and Upper Psuedo reef and Tarentaal over a strike length of almost 1,500 metres. The reefs have been intersected at depths from 10 metres to 225 metres down hole. The results are posted on the company website. PLA Managing Director **John Lewins** said: "These initial results are **extremely encouraging** and confirm our early interpretation that the project area contains substantial UG2, Merensky and Psuedo/Tarentaal Reef mineralisation from surface, consistent with known deposits adjacent to Rooderand."

**TANZANIA:** \***African Eagle Resources** (AIM-AFE) will be **divesting its 75% stake in the Igurubi Gold** exploration project in Tanzania to Australian mining junior **Peak Resources** (ASX-PEK). The **Igurubi Gold exploration project** includes three prospecting licences totalling 111 km<sup>2</sup> in the eastern part of the Nzega Greenstone Belt of the Lake Victoria Goldfields. In 2009, African Eagle made an 'in house' estimate for Igurubi of 7.9 million tonnes @ 2.9 g/t (approximately 700,000 ounces of gold).

**ZAMBIA:** \*With the objective to **increase its exposure to copper and cobalt**, metals that they consider to have attractive longer-term fundamentals, **Eurasian Natural Resources Corporation PLC** (LSE-ENRC), from Kazakhstan, has **acquired 100% of Enya Holdings BV** which holds a 90% interest in **Chambishi Metals PLC**, a copper and cobalt producer in ZAMBIA, together with a 100% interest in Comit Resources FZE, a Dubai-based marketing and sales company that historically has handled Chambishi's copper and cobalt sales. The aggregate consideration for the transaction amounts to US\$300 million, which will be wholly funded from ENRC's existing cash resources. It is the intention of ENRC to **combine Chambishi with the Group's existing operations in the DRC**. ENRC currently plans to **invest approximately US\$80 million** into Chambishi by the end of 2011, in new and upgraded production facilities. The investment should increase Chambishi's copper production capacity to 55 kt per annum of London Metal Exchange Grade A copper cathode. ●●●



## MINING IN AFRICA

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