

MINING IN AFRICA

EXPLORATION, INVESTMENT AND DEVELOPMENT FOR MINERS, FINANCIERS AND INVESTORS

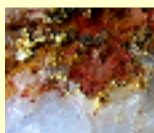
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AFRICA OF THE MONTH



GOLD

Jun 29, 2009: US\$ 937.30
Dec 31, 2008: US\$ 881.10

\$ 1,000+ GOLD: A NEW ERA WILL ATTRACT NEW INVESTORS AFRICAN GOLD MINES TO BENEFIT OPPORTUNITY KNOCKS FOR MINING COMPANIES AND INVESTORS: SEVERAL AFRICAN COUNTRIES HAVE GOLD MINES THAT HAVE NEVER BEEN EXPLORED WITH THE TECHNOLOGY OF TODAY

Gold has been testing the \$ 1,000 per ounce level again and seemingly failed. That this happens is not for the first time but believe me, it will not be for the last time either. In my last editorial for my other publication **GOLDVIEW** I mentioned my one-liner "Those who have no doubts, have nothing to think about" but actually, I have very little doubt about the gold price breaking through that magical \$ 1000 level sooner or later, and when I say breaking through, I mean breaking through significantly.



When that happens, you will see something funny happening. More and more people will be coming to the gold markets, willing to buy some and thus following those smart investors who have been accumulating the yellow metal over the recent months. The price has been pretty solid and sometimes even strong but the higher prices also are bringing supply to the markets from those central banks and others who have no faith in the future of gold. Or is it rather no understanding? We will probably never find out. I only know that many investment professionals have no interest in gold whatsoever, they much more seem to like pieces of paper which are converted in papers of value but often turn out to be nothing more than just paper.

In the scenario that I see, there will be a (using a mining term) 'proven and probable' increase in the demand for gold coming. And the question that Brent Cooke asked in the April issue, "Where have all the gold mines gone?", may become very timely. In my view, **Africa will have a great chance to contribute to the answer to that question,**

continued-

EDITORIAL COMMENT –continued

it will have another turn to remind the world that it is the continent of resources, demonstrating that it is one of the main places to find new gold mines. And now you wonder about what I mean by that.....

There is an old saying in the mining community, “the best place to find gold is where there is gold”. That came to my mind during the research I am currently doing (between my writing) on the mining situation in **Zimbabwe**, when I read that there used to be over 300 producing gold mines when Zimbabwe was still flourishing as Rhodesia. I know that there are many formerly gold producing mines in **South Africa**. And also in **Ghana**, there are many to find.

Of course, all those mines have been idle during a long time and were mostly stopped because they were depleted. But were they really? Did the former operators look beyond and under the known zones of mineralization? Most probably not and more important, they had no idea that mining technology would ever see the progress that it has shown over the last 50 years! Therefore, I am convinced that in a scenario of substantially higher gold prices, **there could be a new gold rush in Africa with opportunities for mining companies and investors**. And, above all, **also for the African people**; mining and exploration should never be done in a rush anymore, only in conjunction with contemporary rules and ethics of sustainable development and, not less important, hand in hand with responsible government (see the article of George Ayittey last month), they can be turned into a successful industry, to the benefit of all.



In this issue, I introduce an item **HIGHLIGHTED COMPANIES**. The idea behind it is to also bring companies to your attention that I have known, come across, discovered and find interesting enough to signal. I have chosen the format to just reflect in a nutshell what the particular company is about. I stress, it is not an analysis, not a recommendation, not a presentation, but merely a strictly personal impression of companies that I find worthwhile to mention. This first time, I highlight three companies that each is active with interesting projects in countries that you don't hear too much about when it comes to mining and exploration, i.e. **ALGERIA, BURUNDI, ETHIOPIA, SWAZILAND** and **ZIMBABWE**. I think you will find my comments on companies like this useful and hope you may make your own discoveries after you have studied all the available information on their websites.



The news flow of the **SUPPORTING COMPANIES** is still not overwhelming in quantity because some of them have laid their activities a little low because of the money situation. Nevertheless, the news that is there, reflects that some of the companies are making good progress with their projects and are reporting encouraging successes in their development. And, looking at the share prices of for instance **Helio, Pelangio** and **PMV**, the market seems ready to notice and reward that progress.



As Contributed Article, this issue features a veteran writer who has a long record of intelligent writing on mining and related subjects as an analyst, an author, a journalist and as a highly experienced and knowledgeable person. I am talking about **Barry Sergeant** and I am both proud, honoured and glad that I could include his timely article “**Bottom Fishing Global Mining Stocks**” which reviews **100 of the world's most beaten up mining stocks**. An interesting list which gave me reason to visit the websites of many of those companies and search for the worthwhile ones. Well, I can say that in many cases, there is reasonable ground for the decimated share prices. But there are also situations where prices have gone down to ridiculous levels and where the usually involved risks are just minimal. Those ones offer great potential for recovery and capital gains over a longer timeframe. Take your pick!



As usual, some words about **the gold price**. Gold has been kind of teasing us the last few weeks. It is like it is pointing the finger at those of us who believe that higher gold prices are coming. Our patience is really tested. But as I said in my Editorial Comment in the June issue of **GOLDVIEW**, who is in a hurry? Don't let the gold price fool you and certainly don't let it scare you away. I am convinced that gold will develop into one of the main topics in the world of finance and investment. Inflation, deflation, stagflation, it does not matter on the longer term. We should get used to the idea that gold and gold-related vehicles should be in every investors holdings as a standard beacon of value. **Gold, you can't do without it.....**

AFRICA OF THE MONTH

In every issue we display a different map of Africa as it is used in a logo or illustration by an institution, publication or company. This month's Africa is a detail of the graphics of a recent **IMF REPORT**



Henk J. Krasenberg

HIGHLIGHTED COMPANIES



ASX, AIM-DWY: price June 26 – 5.62p - shares outstanding 188.6 million

Gold in Swaziland, nickel in Burundi and soon gold/platinum in Ethiopia

Dwyka Resources Limited offers an interesting diversification package to its shareholders. Gold with its Swazigold Project in **SWAZILAND**, nickel with its Muremera Project in **BURUNDI** and soon, most probably, gold and platinum in **ETHIOPIA** with the Tulu Kapi and Guji gold prospects and the small Yubdo Platinum Mine. Countries that are not usually associated with mining and exploration but therefore not less attractive.

Dwyka's background is diamonds. However, in early 2007, the company decided to shift gears. CEO and since recently also Chairman Melissa Sturgess and her team have steered Dwyka through a series of corporate transactions which have changed the company entirely. The diamond activities were sold and now restricted to an equity and royalty interest and the above mentioned projects were acquired and developed to the status they have now. The full focus is on the mining projects now.



The main focus is on the **Muremera Nickel Project** in **BURUNDI** which was acquired in January 2007. The project is located within one of the world's principal nickel provinces, only 2km from and almost adjacent to and in the same geological sequence as the giant Kabanga deposit in Tanzania. The Kabanga, controlled by **Xstrata** and **Barrick**, is thought to be the world's largest undeveloped nickel sulphide deposit.

Shortly after the acquisition was made by Dwyka, it negotiated a joint-venture with **BHP Billiton** through which the mining giant could earn a 50% interest in the Muremera. Despite the encouraging results of the working program and having spent over \$7.3 million on it, BHP Billiton decided to give up its interest in the project as a part of their overall policy decision to concentrate their worldwide mining activities. Dwyka management succeeded in an extremely successful renegotiation and is now the 100% owner of this project with great potential. **24 priority drill targets have been identified**, 7 of the targets have been drilled to date of which two returned encouraging results and the second phase of the diamond drilling program is now underway.



The **Swazigold Project** in **SWAZILAND** is situated in the Barberton Gold Belt, historically a producer of 11.5 million ounces of gold, but largely unexplored with modern exploration techniques. Previous owners drilled some 13,600 meters of the project area, leaving Dwyka, which acquired the rights to a 90% interest in early 2007, with a drill database that includes numerous gold intersections. After immediate targets for both infill drilling and extensions to the known zones of mineralization were established, Dwyka's gold exploration activities have been accelerated. The project has the **potential for proving more than 2 million ounces of high-grade gold mineralization**.



Dwyka is likely to expand its scope to **ETHIOPIA**; earlier this month, it has made an offer to acquire all the outstanding shares of **Minerva Resources plc**, a UK and AIM-listed company working on **Tulu Kapi and Guji gold prospects and the small Yubdo Platinum Mine**. The Tulu Kapi was mined in the 1930s and in a second drilling phase of drilling, the Guji has been discovered by Minerva and considered to be the standout prospect in the area; the Yubdo Mine is **the sole platinum producing company in Ethiopia**, albeit small but with a significant open-pit-platinum potential.

When I read about the initiative of the offer, I was quite content because three months ago, I spotted Minerva as an intriguing company, possibly worthwhile to pay attention to. The presence of the platinum mine I find intriguing and could be an interesting addition to the Dwyka projects base. Dwyka apparently has a kind of taste in their selection criteria and vision to further expand the company. I have gone through the development of the last two years and what I saw, gave me reasons to believe that the further building and expansion of the company is in good hands.

www.dwykadiamonds.com



On the next page you will find two more companies highlighted in brief.

Again, companies that are active in countries that are not usually associated with mining and exploration and maybe even to a lesser extent with being qualified as investment targets.

Yet, the world is on the move and globalization is here to stay. So why not read about what is going on in **ALGERIA** and **ZIMBABWE**.

As I said in the May issue, it may pay to be an early bird.

HIGHLIGHTED COMPANIES - 2



AIM-GMA: price June 26 – 4.00p - shares outstanding 426.4 million

Producing gold in Algeria



Producing gold in **ALGERIA** is not something that you read about every day. Whereas the country is well-known for its oil and gas fields, it has virtually no reputation for other minerals. The reforms that started in 2000, brought a new mining law and regulations to attract foreign companies and capital to develop its virtually unexplored mineral resources. One of the first to come at bat was GMA Resources which became the successful bidder for the acquisition of a 52% controlling interest in ENOR, an Algerian company and the beneficiary of the Tirek-Amesmessia gold project in the Sahara of southern Algeria; the remaining shares are held by the Algerian government. GMA started its activities in 2002 and after years of studies, assessments, exploration, development and construction, the leaching process at the Amesmessia Project commenced in January 2008. In all of 2008, a total of 21,156 ounces of gold were produced; in 2009 production is rising with 16,134 ounces of gold produced in the first 5 months, it looks that total production for 2009 could come to **35,000+ ounces of gold. But there is more to come.**



Both the Tirek Gold Mine, located some 60km north of Amesmessia in the northern third of the exploitation permit area, and the Zita Zone, which lies between Tirek and Amesmessia, offer considerable potential for the development of additional prospects amenable to open-pit mining. **It is GMA's intention to increase the production capacity of the Amesmessia to over 100,000 ounces per year.** The management team, headed by Chairman David Netherway (Australian) and Douglas Perkins (Canadian), both with an impressive background in international mining, will make it happen and more than that, by expanding the resources over time.

www.gmaresources.co.uk



TSX-ND: price June 26 – \$1.24 - shares outstanding 29.0 million – fully diluted 31.68 million

Re-emerging gold production in Zimbabwe



In the research I am currently conducting on the recovery of mining in Zimbabwe, I came across New Dawn Mining Corp., one of the first companies that have re-commenced gold production in this complicated country. Zimbabwe is known to have been the main supplier of grains to all of southern Africa in the past. Zimbabwe also used to be a very active mining country with over 300 operating gold mines contributing significantly to the national income. It all (and many more things) came to a virtual standstill. Most international companies left the country, only some mines (gold, diamonds, nickel, iron) mines continued to operate, most others were mothballed or fell prey to illegal mining and/or ownership.

In 1996, New Dawn Mining, through its subsidiary Casmyn Zim, acquired 18 past and then producing mines in Zimbabwe of which the Turk Mine was operating on a reduced basis with almost no underground operations. Since the acquisition around US\$25 million was invested in new infrastructure and the refurbishment of the old plant and equipment, after which commercial production started. Operations continued off and on, depending on the circumstances. As late as October 28, the mining operations had to be suspended. But after the change of attitude of the new coalition government, **operations were restarted in February of this year, resulting in the pouring of the first two gold bars in April. Production is modest (28.5kg or 916 ounces of gold in May and good for US\$780,000) but encouraging and ready to further increase gold production and output at the 400 tpd Turk Mine.** This production will be the base to build the company and strengthen the company's position in the region through development of its existing portfolio of exploration and formerly producing properties.



I am intrigued by the recovery of Zimbabwe and its mining industry. New Dawn is well-positioned and its management, led by CEO Ian Saunders knows how to guide the company through the process. **A company to keep watching.**

www.newdawnmining.com

SUPPORTING COMPANIES

June 2009

African Gold Group, Inc. TSXV-AGG	Cassidy Gold Corp. TSXV-CDY
El Niño Ventures Inc. TSXV-ELN	Etruscan Resources Inc. TSXV-ELN
Goldrush Resources Ltd. TSX-GOD	Great Basin Gold Ltd. TSX-GBG, NYALT-GBG, JSE-GBG
Helio Resource Corp. TSXV-HRC	Pelangio Exploration Inc. TSXV-PX
PMI Gold Corporation TSXV-PMV	



African Gold Group, Inc.

TSXV-AGG: price June 26 - C\$0.16



African Gold Group has not reported any news since the last issue. For information on the company and its gold exploration projects in **GHANA** and **MALI**: www.africangoldgroup.com.



Cassidy Gold Corp.

TSXV-CDY: price June 26 - C\$0.05



Cassidy Gold Corp has arranged a non-brokered private placement of up to 20,000,000 units at a price of \$0.05 per unit for aggregate proceeds of up to \$1,000,000. Proceeds will be used for working capital, as well as an induced polarization geophysical survey and further drilling upon the **Kouroussa Gold Project** in **GUINEA**. Upon completion of the financing, a consolidation of its issued common shares on the basis of 3 old shares for 1 new share will be effected.

As disclosed in February 2009, Coffey Mining recommended further work focused on the discovery of additional "new" resources. The scoping study has concluded that **Kouroussa could produce an average of 79,000 ounces of gold annually** at a cash operating cost of \$484 per ounce over a six-year mine life. The study proposes open-pit mining of a series of pits utilizing contract miners. Ore would be processed through a conventional gravity-CIP (carbon-in-pulp) plant with a design capacity of one million tonnes per annum. The average gold recovery is 94.5 per cent and the strip ratio is 6.7:1. Initial capital costs for the Kouroussa project are estimated to be \$97-million, with a further \$11-million estimated for sustaining capital. At gold prices of greater than \$ 900, project economics are favourable.

Full information on the company: www.cassidygold.com.



El Niño Ventures Inc.

TSXV-ELN: price June 26 - C\$0.08



El Niño Ventures has been the subject of a Research Report by **Fundamental Research Corp.** of Vancouver, B.C.. The company's activities are analysed and valued on base of the projects with resource estimates (the Bathurst Zinc Project and the Bancroft Uranium project) and the book value of the DRC projects. The outcome is that they value the shares to be worth \$0.30. Based on this share valuation and also on the good progress that has been made on the DRC projects, the primary focus of the company, and its revised valuation models, they reiterate their BUY rating.

The earlier announced private placement of up to 22,500,000 units at a price of C\$0.10 per unit for gross proceeds of up to \$2,250,000 is in progress and will assure the company's exploration program for the **DRC** project and for general working capital for the remainder of 2009. For more information, visit the website at: www.elninoventures.com.



NEWS SUPPORTING COMPANIES - 2



Etruscan Resources Inc.

TSX-EET: price June 26 - C\$0.22



Etruscan Resources reported that its **Youga Gold Mine** in **BURKINA FASO** poured **13,024 ounces of gold during the second quarter ending May 31, 2009**. Mill throughput for the period was 206,283 tonnes at an average grade of 2.35 grams per tonne. Gold production for the first six months of fiscal 2009 aggregated 28,205 ounces from the processing of 415,050 tonnes at an average grade of 2.48 grams per tonne. During the first six months of fiscal 2009 Etruscan sold 30,680 ounces of gold realizing gross revenues of US\$21.9 million.

Mill throughput and gold production for the second quarter were lower than projected as a result of a combination of reduced availability of the on-site power generators and lower than forecast drill rig availability for blasting. The near term focus for Etruscan is to address these issues and bring the Youga project to steady state production. Etruscan's newly appointed Chief Operating Officer, Stephen Stine, is presently based at the Youga Gold Mine and is now directly overseeing operations to **ensure that Youga reaches projected production targets of 7,000 ounces per month, mill throughput of 83,000 tonnes per month and material movement of 340,000 bench cubic meters per month**.

There is much more news to mention, about the disruptions and connection of the grid power, the drill rig availability, the support of the lending syndicate, the Youga gold hedge book, the continuing input of the new large shareholder and the plans to move forward with the **Agbaou Project** in **Côte d'Ivoire**. Read the complete news release at www.etruscan.com.



Goldrush Resources Ltd.

TSX-GOD: price June 26 - C\$0.05



Goldrush Resources did not report any news since the last issue. For information on the company and projects in **BURKINA FASO**: www.goldrushresources.ca.



Great Basin Gold Ltd.

TSX-GBG, NYSEAltX-GBG, JSE-GBG: price June 26 - C\$1.64



Since the previous issue, Great Basin Gold has posted five different news releases with extensive information. Too much to cover here; below you find the posting dates and the subjects of the news releases.

June 22, 2009 - Standard and Poor's has added Great Basin Gold to its S&P/TSX Composite Index within its "Materials" GICS sector index, effective before market open today Monday, June 22, 2009.

June 17, 2009 - Great Basin Gold announced today that a revised mineral resource estimate had been completed for the Company's Hollister Project on the Carlin Trend in Nevada, USA. The overall contained gold equivalent ounces at Hollister have increased by 27% from 2.3 million in June 2008 to 2.9 million.

June 15, 2009 - Great Basin Gold has created the Rock Creek Conservancy, LLC for the purpose of holding lands recently purchased by it, and the establishment of the Rock Creek Conservancy Fund.

June 10, 2009 - Great Basin Gold has granted a mandate to **Investec Bank Limited** for the arranging of project funding for the company's **Burnstone project** in **SOUTH AFRICA**. The facility consists of a ZAR850 million (US\$106 million) senior debt facility and a ZAR180 million (US\$23 million) standby debt facility to cover potential cost overruns. Significant progress has been made in the finalization of a syndicate of banks for this purpose, with final credit approvals already obtained by some of the envisaged participants and in-principle approvals by the other potential syndicate members.

The facility will have a maximum term of 7 years with capital and interest repayment commencing June 30, 2011. Interest rates are linked to the Johannesburg inter banking borrowing rate ("JIBAR") with a premium of 4.5% above JIBAR post completion and a 5% premium prior to completion.

Ferdie Dippenaar, President and CEO, commented: "Although the current financial market volatility has had a significant impact on the process to obtain approval for the project funding facility, the returns from the Burnstone project remains extremely positive under the current market conditions. The Burnstone project has been subjected to significant scrutiny by the lenders during their approval process and the Project came out strong on every occasion. This is also testament to the economic robustness of the Project."

June 8, 2009 - ESKOM, South Africa's National Electricity Utility has undertaken to supply power to the Burnstone Mine project. For the full news release, you are referred to the company website at www.greatbasingold.co.za.



NEWS SUPPORTING COMPANIES - 3



Helio Resource Corp.

TSXV-HRC: price June 26 - C\$0.75



Helio Resource Corp. announced the results of a soil sampling program undertaken on the recently acquired **Saza West Licence** at the **SMP Gold Project** in TANZANIA. A total of 576 samples were taken on a 250m x 250m offset soil sampling grid covering the entire 34km² licence area. The main anomaly discovered (named "Cheche West"), which is defined by a 25ppb threshold, has a footprint of over 4.2km x 1.2km, is open to the east, and is associated with the main structure (the Saza Shear Zone) that hosts the Saza Mine Number 1 shaft, which operated between 1939 and 1956. The company is very encouraged by these new results which continue to confirm the potential of Helio to keep generating numerous high-quality drill targets on the SMP project area. **The presence of robust, untested geochemical anomalies adjacent to the old mine shafts is particularly encouraging.**

Helio Resource also reported the results of the late 2008 program of RC drilling completed on the **Porcupine Target**. The program resulted in the intersection of **three additional zones of gold mineralization** (including 72m @ 0.6g/t gold, 46m @ 0.4g/t gold and 54m @ 0.3g/t gold). These results confirm that thick zones of gold mineralization occur over an 850m+ strike length and that mineralization is still open in both directions along strike and at depth.

Helio further announced the results of initial heap-leach amenability testwork. Previous metallurgical testwork on mineralized material from the **Kenge Target** indicated that gold recoveries of up to 96% were achievable by conventional processes. Following these highly encouraging results, further testwork was undertaken to assess the likely response of the mineralization to heap-leaching. Testwork was undertaken by SGS Lakefield Research Limited in Ontario, Canada on material retained from previous work, which ranged in size from 1.7mm to 3.35mm. Results from this phase of testwork indicates that gold recoveries in the order of 70% gold are possible, coupled with low reagent consumptions. **The company is very encouraged by these initial heap-leach tests** and intends to conduct further metallurgical testwork on other mineralization from the SMP gold project, specifically from the **Porcupine target**, during the course of the year. **The discovery of these new zones clearly continues to demonstrate the excellent exploration potential of the SMP Gold Project to host a significant resource. To date, systematic drilling by the company has only tested less than 5% of the prospective structures within the project area.**

For all relevant information on the company and its projects, visit Helio's website at www.helioresource.com.



Pelangio Exploration Inc.

TSX-PX: price June 26 - C\$0.35



Pelangio Exploration announced that the optionor in respect of its **Kyereboso #2 and #3 concessions in Obuasi** in GHANA has agreed to the postponement until December 19, 2009 of the first payment and share issuance to acquire the 49% of the Kyereboso Concessions that the company does not already own. The Kyereboso Concessions compose approximately 80% of Pelangio's exploration property in Obuasi. The applicable option agreements had required aggregate payments and share issuances of US\$600,000 and 4.8 million common shares of the company on June 19, 2009. The postponement does not affect the payment date in respect of the second and third payments, which are scheduled to be made on or before June 19, 2010 and June 19, 2011, respectively.

"This postponement is a positive development for the company, and will give us greater flexibility to conduct exploration on the Kyereboso Concessions during the summer and fall," stated Ingrid Hibbard, President and Chief Executive Officer. *"The postponement is also emblematic of our excellent working relationship with the optionor of the Kyereboso Concessions and, more generally, the business environment in Ghana. We commend, in particular, Joseph Kwaku Oduro-Yeboah, the Chief Executive Officer of Adansi Asaasi Mining Company Limited, for his continued foresight and cooperation regarding our exploration of the Kyereboso Concessions."*

Pelangio's primary exploration focus has consistently been the 10 km portion of the **Main Obuasi Trend** that extends through the Kyereboso #2 concession, which to date has shown the best exploration potential. The company has planned drill targets for later this year along the Main Obuasi Trend in the Kyereboso #2 concession and in the northwest of the Kyereboso #3 concession. For information on the company and its **Obuasi property** in GHANA, visit www.pelangio.com.



PMI Gold Corporation

TSXV-PMV: price June 26 - C\$0.10



There was no corporate news since the last issue. For further information, visit the company website at www.pmigoldcorp.com.



Bottom Fishing Global Mining Stocks

by

Barry Sergeant

A glance at a selected 100 of the world's most beaten up mining stocks, including a focus on misadventures and bad luck in the gold space.

Barry Sergeant

advocate, journalism, investment banking on five continents, mining and exploration, investment analysis, corporate finance, unanimous-choice winner of The Valley Trust Award for Courageous Journalism in 2004, author of the book *The Inside Story* on the Brett Kebble case, investigations editor Moneyweb, contributing editor Mineweb and as such writer of an impressive number of in-depth and actual quality articles: glad to have this one in this issue

Over the past seven or so months, stock prices for the world's top 100 mining companies, ranked by value, have risen by 142%, on a weighed average basis, ranging from 900% for Bumi Resources, an Indonesian coal miner, to a mere 22% for Australia's Coal & Allied. Beyond this super league, there are smaller companies that have recorded truly astonishing performances, such as a price gain of more than 10,000% for Ventana Gold; this is no penny stock, either, with a current market value of more than USD 300m.

At the other end of the scale (where the vulture funds sometimes like to meet) may be found stocks that, even at this stage, are 80% below highs seen over the past 12 months, or even more than 90% down. This compares to a benchmark average of 44% down for the world's top 100 miners. On a note of optimism, however, the world's 100 most beaten up mining stocks are worth an aggregate of USD 13.5bn, a definite clue that value is around, and have risen from lows by an average of 244%. No question, there are buyers in town.

Stock prices are down by 95% and more for London-listed Condor Resources (engaged in exploration of gold and silver in El Salvador and Nicaragua); for Redcorp Ventures (a Canada-based exploration and development company, including the north-western British Colombia Tulsequah re-development, for zinc, copper, lead, silver and gold production); for Cons Puma (with a license for exploration of a platinum group property in the Kola Peninsula, Western Russia); for Norway's Wega Mining, which advertised itself as "focused on exploring, developing and operating gold, copper and zinc deposits in Africa" and has achieved the first steps in its goal to produce 500,000 ounces of gold per year". Wega has instead been trying to push itself across the butcher's block; it recently announced plans to auction itself off, and may be bought by London-listed Avocet Mining.

While gold stocks in general have performed well for months, if not years, there is no real shortage of truly beaten up names in the space, beyond the likes of Condor Resources and Wega. Further samples include Crew Gold ("an international mining company focused on restructuring and maximising the performance of its two operating gold mines in Guinea and the Philippines. Its Greenlandic gold mine is currently on care and maintenance"), which has registered a cataclysmic decline in its market value from USD 1.1bn to USD 39m, now recovered to around USD 87m.

Further gold names where there has been one or all of feature elements such as bad luck, interesting management and liquidity issues, include Buffalo Gold, Mercator Gold, Geologix Exploration, Colombia Goldfields, Mengold Resources, Freegold Venture, High River Gold, Yukon-Nevada Gold, Etruscan Resources, Central African Gold, and Johannesburg-listed Pamodzi Gold, now suspended. Among these, High River Gold may rank as the most interesting for current and ongoing events.

Then there are the diamond companies, representing the world's least wanted mining subsector. Names are literally too numerous to mention, but those trudging along with stock prices down 90% and more include BRC Diamondcore, Pangea Diamondfields, Archangel Diamonds, Nordic Diamonds, Lonrho Mining, and Kimberley Consolidated. Another clear theme amongst most beaten up mining stocks includes coal names, some of them very big indeed, and including the likes of SA Coal, Patriot Coal, Homeland Energy, Coalcorp, National Coal, Western Canadian, and Grande Cache, the latter of which notched up some truly spectacular stock price performances back in 2008, and has ranged between nearly CAD 11.00 a share, and half a dollar, over the past twelve months.

The most bloodied representatives for aluminium, the most troubled of the base metals, include Century Aluminium, and Aluminium du Maroc; among precious metals, platinum stocks rank as the least wanted, and, indeed, among the least wanted of all mining stocks. Loss leaders here include Platmin, despite huge infusions of capital (and a change of control) in the past while, as it nears first production of platinum group metals (PGMs) in South Africa, and also Starfield.

Base metal miners have moved up strongly in for the past few months, but a special grouping of most beaten up stocks deserves mention in the form of companies that hit big walls trying to mine copper and cobalt in Katanga Province, Democratic Republic of the Congo. This possibly starts with Katanga Mining, which, however, has recently made some decent progress in recapitalising itself, including a USD 265m debt-for-equity swap, and a USD 172m early liquidity closing, announced overnight, as part of its USD 250m rights issue.

Other names in the DRC pea soup include Int'l Barytex, Anvil, Metorex, and Mwana Africa. The lesson from the central African copperbelt that straddles the DRC and Zambia may be that big projects, even with very high grades, which are the order of the day, need big balance sheets, along with unfettered access to deep and liquid capital markets. Established copper-gold miner First Quantum, now building the Kolwezi operation in Katanga Province, was recently seen raising USD 500m in a convertible bond issue. Freeport-McMoRan, which recently commissioned the USD 1.8bn Tenke Fungurume Phase I, ranks as the world's biggest publicly traded copper miner, and was seen earlier this year in a USD 750m rights issue.

continued-

Bottom Fishing Global Stocks-2

1 - 50 of the world's most beaten up mining stocks

	Stock price	From high*	From low*	Value USD bn
<u>Condor Resources</u>	GBP 0.01	-98.5%	300.0%	0.004
<u>Redcorp Ventures</u>	CAD 0.01	-98.0%	0.0%	0.002
<u>BRC Diamondcore</u>	CAD 0.07	-96.4%	30.0%	0.002
<u>Pangea Diamondfields</u>	GBP 0.02	-96.0%	433.3%	0.059
<u>Cons Puma</u>	CAD 0.06	-95.9%	71.4%	0.003
<u>Wega Mining</u>	NOK 2.05	-95.9%	210.6%	0.106
<u>Central African Gold</u>	GBP 0.01	-94.8%	65.7%	0.024
<u>Blue Note Mining</u>	CAD 0.01	-94.3%	100.0%	0.003
<u>Katanga Mining</u>	CAD 0.68	-94.3%	288.6%	0.127
<u>Union Resources</u>	AUD 0.01	-93.3%	100.0%	0.005
<u>Mercator Gold</u>	GBP 0.04	-93.1%	42.9%	0.004
<u>Largo Resources</u>	CAD 0.11	-93.0%	144.4%	0.019
<u>Renison Consolidated</u>	AUD 0.00	-92.7%	200.0%	0.003
<u>Geologix Exploration</u>	CAD 0.00	-92.3%	75.0%	0.008
<u>Colombia Goldfields</u>	CAD 0.06	-92.3%	500.0%	0.006
<u>Rio Crystal Zinc</u>	CAD 0.04	-92.0%	133.3%	0.001
<u>Crew Gold</u>	CAD 0.90	-91.8%	125.0%	0.087
<u>Archangel Diamonds</u>	CAD 0.12	-91.8%	283.3%	0.009
<u>Vimetco</u>	USD 0.74	-91.7%	469.2%	0.162
<u>Nordic Diamonds</u>	CAD 0.01	-91.7%	100.0%	0.000
<u>Buffalo Gold</u>	CAD 0.02	-91.7%	300.0%	0.002
<u>Lonrho Mining</u>	AUD 0.02	-91.3%	29.4%	0.005
<u>Kimberley Consolidated</u>	ZAR 0.07	-91.1%	40.0%	0.004
<u>SA Coal</u>	ZAR 0.41	-91.1%	105.0%	0.022
<u>Mengold Resources</u>	CAD 0.02	-90.9%	33.3%	0.001
<u>Int'l Barytex</u>	CAD 0.08	-90.9%	87.5%	0.004
<u>Andulela</u>	ZAR 0.09	-90.5%	125.0%	0.005
<u>Century Aluminium</u>	USD 6.97	-90.4%	570.2%	0.517
<u>Coro</u>	CAD 0.21	-90.0%	200.0%	0.015
<u>Genco Resources</u>	CAD 0.23	-89.3%	21.1%	0.009
<u>Admiralty Resources</u>	AUD 0.03	-89.2%	300.0%	0.034
<u>Moly Mines</u>	CAD 0.36	-89.0%	200.0%	0.031
<u>Patriot Coal</u>	USD 9.12	-88.9%	230.4%	0.712
<u>Platmin</u>	CAD 0.86	-88.5%	168.8%	0.348
<u>North American Gem</u>	CAD 0.08	-88.5%	50.0%	0.007
<u>Vital Metals</u>	AUD 0.07	-88.4%	71.1%	0.007
<u>Homeland Energy</u>	CAD 0.24	-88.3%	500.0%	0.060
<u>Sanatana Diamonds</u>	CAD 0.10	-88.2%	150.0%	0.006
<u>Prairie Downs</u>	AUD 0.11	-88.2%	161.9%	0.007
<u>Freegold Venture</u>	CAD 0.14	-88.2%	28.6%	0.008
<u>Zinccorp</u>	CAD 0.05	-88.1%	100.0%	0.002
<u>High River</u>	CAD 0.21	-88.1%	425.0%	0.113
<u>Diamonds North</u>	CAD 0.17	-88.0%	70.0%	0.012
<u>Mwana Africa</u>	GBP 0.06	-87.9%	142.0%	0.040
<u>Cons Global Diamonds</u>	CAD 0.03	-87.8%	66.7%	0.002
<u>Yukon-Nevada Gold</u>	CAD 0.16	-87.5%	675.0%	0.044
<u>Mintails</u>	AUD 0.05	-87.4%	157.1%	0.031
<u>Avanco Resources</u>	AUD 0.02	-87.3%	150.0%	0.004
<u>Target Resources</u>	GBP 0.02	-87.3%	16.7%	0.004
<u>Fox Resources</u>	AUD 0.14	-87.2%	57.3%	0.023
<u>Rockwell Diamonds</u>	ZAR 0.50	-87.2%	117.4%	0.015

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Bottom Fishing Global Stocks-3

<i>53 – 100 of the world's most beaten up mining stocks</i>				
	Stock price	From high*	From low*	Value USD bn
<u>Geoinformatics</u>	CAD 0.18	-87.1%	260.0%	0.012
<u>Blina Diamonds</u>	AUD 0.02	-86.9%	88.9%	0.003
<u>Baffinland</u>	CAD 0.45	-86.8%	323.8%	0.103
<u>Opti Canada</u>	CAD 3.37	-86.7%	452.5%	0.600
<u>NA Tungsten</u>	CAD 0.17	-86.3%	70.0%	0.020
<u>Roca Mines</u>	CAD 0.36	-86.2%	163.0%	0.029
<u>Maximus</u>	AUD 0.03	-86.1%	3.6%	0.004
<u>Etruscan Resources</u>	CAD 0.27	-86.1%	51.4%	0.038
<u>Coalcorp</u>	CAD 0.27	-85.7%	165.0%	0.042
<u>Beadell</u>	AUD 0.06	-85.5%	48.8%	0.005
<u>Uruguay Minerals</u>	CAD 0.42	-85.4%	107.5%	0.018
<u>Bitterroot Resources</u>	CAD 0.16	-85.2%	77.8%	0.009
<u>Starfield</u>	CAD 0.21	-85.1%	192.9%	0.062
<u>Anvil</u>	CAD 1.67	-85.1%	271.1%	0.154
<u>Mercator</u>	CAD 1.84	-85.0%	534.5%	0.239
<u>Universal Uranium</u>	CAD 0.07	-84.9%	250.0%	0.003
<u>National Coal</u>	USD 1.64	-84.9%	192.9%	0.056
<u>Western Canadian</u>	CAD 1.68	-84.7%	366.7%	0.320
<u>Gold Wheaton</u>	CAD 0.29	-84.3%	81.3%	0.372
<u>Gem Diamonds</u>	GBP 1.77	-84.3%	51.8%	0.401
<u>Cassidy Gold</u>	CAD 0.05	-84.2%	28.6%	0.003
<u>Zeehan Zinc</u>	GBP 0.01	-84.2%	308.3%	0.009
<u>Inca Pacific</u>	CAD 0.28	-84.0%	133.3%	0.014
<u>Bearclaw Capital</u>	CAD 0.04	-84.0%	60.0%	0.001
<u>Gemfields Resources</u>	GBP 0.07	-83.9%	307.7%	0.035
<u>Grande Cache</u>	CAD 1.74	-83.9%	255.1%	0.152
<u>Metorex</u>	ZAR 3.80	-83.7%	230.4%	0.351
<u>Indo Mines</u>	AUD 0.19	-83.6%	5.6%	0.012
<u>Vaaldiam Resources</u>	CAD 0.06	-83.3%	500.0%	0.013
<u>Apogee Minerals</u>	CAD 0.06	-83.3%	100.0%	0.005
<u>Noront Resources</u>	CAD 0.64	-83.2%	47.1%	0.090
<u>Overland</u>	AUD 0.09	-83.0%	80.0%	0.005
<u>Herald Resources</u>	AUD 0.51	-82.9%	410.0%	0.084
<u>Azimut Exploration</u>	CAD 0.57	-82.7%	200.0%	0.009
<u>Arctic Star Diamonds</u>	CAD 0.03	-82.1%	66.7%	0.004
<u>Monaro Mining</u>	AUD 0.10	-82.1%	53.8%	0.008
<u>East Energy Resources</u>	AUD 0.10	-82.1%	11.1%	0.010
<u>MetalCORP</u>	CAD 0.17	-82.1%	183.3%	0.008
<u>Aluminium du Maroc</u>	MAD 201.00	-82.0%	-66.8%	0.012
<u>Cline Mining</u>	CAD 0.50	-81.9%	395.0%	0.038
<u>Nuinsco Resources</u>	CAD 0.06	-81.8%	300.0%	0.011
<u>Shore Gold</u>	CAD 0.58	-81.7%	190.0%	0.105
<u>Amur Minerals</u>	GBP 0.03	-81.6%	1657.1%	0.006
<u>Brazilian Diamonds</u>	CAD 0.02	-81.3%	200.0%	0.003
<u>Crystallex</u>	CAD 0.28	-81.2%	180.0%	0.075
<u>Cambrian Mining</u>	GBP 0.66	-81.0%	509.3%	0.128
<u>Axmin</u>	CAD 0.10	-81.0%	216.7%	0.021
<u>Mongolia Energy</u>	HKD 3.34	-80.8%	234.0%	2.606
	USD 10.81	-80.2%	322.3%	4.500
<i>Averages/total</i>		-87.4%	198.9%	13.537
<i>Weighted averages</i>		-85.1%	243.5%	

source: market data; table compiled by Barry Sergeant;
bolds for Africa companies by EGC

The article "Bottom Fishing Global Stocks" by Barry Sergeant could be included in this issue through the kind permission of the author and our friends at Mineweb where the article appeared earlier this month.



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