Hargreaves

Week in Mining

1 October 2011

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Send not to know for whom the bell tolls…. --John Donne

It is arguable, relatively speaking, as to who has the longer life span, a tropical mosquito or a developing-country politician. Also which does more harm than good. The only known benefit of a mozzie is in population control. A side effect of this is that Oxfam is prompted to send container loads of sleeping nets to Malawi. These are then requisitioned as impromptu fishing devices. Their fine mesh ensures that nothing escapes, thus damaging one of the world's great marine reservoirs, Lake Malawi, of its 200 or more unique species of fish. As a side issue this will exacerbate the world poverty and hunger problems. Long way to go has Oxfam.

So have some of those shaping the mineral policies of the developing world but time is not on their side. They leave their larvae to hatch next season but just like mosquitoes, do not generally inherit the lessons mummy and daddy so painfully learned. And inflicted. Thus new regimes from Guinea to Zambia via Peru are treading the old path as though it had been newly resurfaced. Squeeze the miners. Yet this time there is the novel twist of some of the developed countries doing likewise. Australia, with a minority government thrown in for good measure, is fighting a domestic battle between states and federal on who grabs what in the way of royalties. For good measure it has a carbon tax and a resources rental tax fighting it out for pole position. It hardly sets a good example to the children, does it?

The timing could not be worse. Most commodities of note have pulled back markedly of late. They have not yet bottomed, we think, so let us not speak of the upside. It is no time to appeal to the better nature of the heavyweight miners now, is it? Most have ambitious CAPEX spending plans for the next few years and the resources to carry them through. But the windfall dollars of the recent, short-lived boom, will not be spent universally. They will be selective in the extreme.

The Fraser Institute Survey tells us annually which regions are attractive to investment and which are not. But a year is a long time in mining investments. Right now Canada, Brazil, Botswana and Chile stand out. Previous front row candidates such as Peru, Namibia, Tanzania have skipped a few lessons. South Africa's current gyrations would frighten the harness off a nightmare, whilst Zimbabwe must soon decide if it joins Angola on the naughty step. Politicians across the planet could do worse than read John Donne again.

"Send not to know for whom the bell tolls," he warned them. "It tolls for thee."

The Markets

Share Price Movements, Majors **Mongolia and Rio Tinto: Battle Stations.** In the field of material combat, the game being played out between mining companies and host countries is beginning to define itself. Nothing gets an aspiring country more excited that a truly mega orebody. Such is the Oyu Tolgoi copper-gold deposit in Mongolia. Its size can be judged by the planned production estimate of 450,000 tpy copper and 330,000 oz gold. That would rank its operating company 8th in the world and propel Mongolia to No.11 in copper alone. It would employ 13,000 people and have a lifespan of 50 years. The company is owned 66% by Ivanhoe Mines of Canada (IVN.TO C$14.45; Hi-Lo C$29.98-12.97) in which Rio Tinto now has a 49% stake. They speak of $6 billion to develop which is 1.6x its copper equivalent value per year. Not bad. But Mongolia wants to re-negotiate terms. They do that sort of thing, don't they? The deal had been for the Mongolian State to increase from its present 34% to 50% after 30 years, facilitated by loans from Rio Tinto. The world's largest miner will not let this one go easily.

ENRC (FTSE 576.5p up 22p Hi-Lo 1276p – 5540) suffers self inflicted wounds. The Kazak miner owns copper mines there and in Africa, but has been run as a fiefdom by its 44% shareholders and billionaires, A. Mashkevich and P. Chodiev, who fired its senior independent directors in June, were castigated by the FSA and have been doing fire damage limitation since. It has shrunk its board to 11 from 13 and appointed as an independent director T. Wilkinson, a former CEO of Lonrho. Let's allow this one to settle down. There are more stable top-rankers. Major shareholders include Blackrock, Legal and General and AXA.

Vedanta (See below) nudged a new low (in good company) last week, despite moving closer to the purchase, at long last, of Cairn Energy's Indian business. The main asset is the onshore Mongola oil field, doing 125,000bb/day crude. Cairn, which has promised to return the bulk the $3.4bn proceeds to shareholders, closed down with the sector at 281p.

Table 1: Share Price Movements, Majors

Stocks	24 Sept 2011	1 Oct 2011	% Change	12 mo Hi-Lo	% Above Low
FTSE 100	5066.81	5128.48	1.22%	6,002-4,790	7.07%
Anglo American	2253.0	2229.0	-1.07%	3,335-2,210	0.86%
Antofagasta	971.0	826.5	-14.88%	1,556-756	9.33%
BHPB	1761.5	1738.0	-1.33%	2,585.5-1,678	3.58%
ENRC	554.0	576.5	4.06%	1,276-554	4.06%
Gem Diamonds	220.0	208.9	-5.05%	300-182	14.78%
Glencore International	412.4	402.9	-2.30%	550-348	15.78%
Hargreaves Services	1060.0	1010.0	-4.72%	1,072-550	83.64%
Kazahkmys	814.0	793.0	-2.58%	1,634-793	0.00%
Rio Tinto	2985.0	2888.5	-3.23%	4,592–2,751	5.00%
UK Coal	36.5	34.5	-5.48%	83-32	7.81%
Vedanta	1113.0	1101.0	-1.08%	2,958–1,101	0.00%
Xstrata	826.0	820.8	-0.63%	1,514-820	0.00%

Source: The London Times and the FT

Share Price Movements, Small and Medium Caps

Whilst the tiddlers fared tolerably well in the 2009-10 recovery, they have lost most of that ground and those coming back to the table for money in the next few months will battle. We have seen:

Table 2: Share Price Movements A.M.

Company	ACR	Cluff	Goldplat	Kalahari	Myota	SNR	Zimcor
2 Oct. 2010	9.25	108.0	13.75	148.0	18.25	10.25	37.0
10 Oct 2011	3.62	93.0	10.62	213.0	7.58	15.88	57.75
Sector	Gold	Gold	Gold	Uranium	Gold	Coal	Zinc

Source: The London Times and the Financial Times

These are survivors, others will not be so fortunate. The gemstone miners have had a mixed run:

Table 3: Gemstone Share Price Movements

Company	Cape	Firestone	Petra	Richland	Gem Diamonds (FTSE)	Gemfields
02 Oct 2010	3.75	25.75	76.75	9.5	197.5	15.0
01 Oct 2011	Delisted	13.5	112.00	8.25	208.9	20.88

Source: The London Times and the Financial Times

Sirius Minerals (See Below) the potash hopeful with drilling results due from its North Yorkshire, UK property shortly, has recovered well from a low of 1.25p to 11.0p and should react well to positive findings. See also bulk minerals.

African Eagle (AFE.L 7p; Hi-Lo 17-4.49p) is small, but long on ambition and has in Chairman Euan Worthington, a man who has served his apprenticeship. It also controls what could become one of the world's great nickel mines, in Tanzania, a country trying to remain economically attractive. The Dutwa laterite deposit has the unusual, if not unique feature, of being treatable by acid leaching at atmospheric, not high pressure. The plusses and minuses of this project include:

Plus:

- A strong Chairman and a soon-to-be-appointed new CFO.
- A mega-orebody of simple geology in an investment friendly regime.
- The likelihood of below-average-cost production.
- Big brothers Glencore and Vale being nickel friendly.
- China having a voracious appetite for the metal (see Exchange Traded).
- A pre-feasibility study to be completed by end 2012.
- A market cap of only £30M.

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- The Zambian copper assets to be separately listed.

Minus:

- Coming to market for money, $600M, for development, is a big bit all at once.
- Production in 2015.

Projection. This will be a four-year haul but if the development money can be raised in a one-er, following the company should be relatively simple. If it progresses as planned there will be a big brother out there rubbing his hands. This is one for the bottom drawer.

Eurasia Mining (EUA.L 0.98p; Hi-Lo 1.94-0.80p) has plugged away patiently at its Urals platinum project which continues with a £0.5M placing for ongoing exploration. If it comes to fruition, the alluvial will be a welcome addition to non-RSA or Zimbabwe sources of PGMs, run by hands-on Chris Schaffilitzky.

Table 4: Share Price Movements, Small and Medium Caps

	Company	24 Sept 2011	1 Oct 2011	% Change	1 year Hi-Lo	% above low
AAU	Ariana Resources Plc	4.5	4.5	0.00%	5.25-2.25	100.00%
AFCR	African Consolidated Resources	3.62	3.62	0.00%	11.75-3.88	0.00%
AGQ	Arian Silver Corporation	20.75	18.38	-11.42%	54.25-6.5	182.77%
AXM	Alexander Mining Plc	5.75	5.62	-2.26%	17.0-5.62	0.00%
BEM	Beowulf Mining Plc	24.0	24.5	2.08%	74.25-3.5	600.00%
CGNR	Conroy Gold and Natural Resources	3.12	3.0	-3.85%	12.9-3.98	-24.62%
CLF	Cluff Gold	95.0	93.0	-2.11%	125.75-64.5	44.19%
DCP	Diamondcorp	8.88	8.88	0.00%	16.9-8.25	7.64%
DME	Discovery Metals Ltd	81.5	81.0	-0.61%	96.0-37.25	117.45%
EUA	Eurasia Mining	0.95	0.97	2.11%	1.75-0.75	29.33%
FDI	Firestone Diamonds	15.12	13.5	-10.71%	36.5-22.25	-39.33%
FML	Frontier Mining Limited	2.85	2.98	4.56%	8.5-3.05	-2.30%
GDP	Goldplat	11.5	10.62	-7.65%	13.25-8.0	32.75%
GEM	Gemfields	19.0	20.88	9.89%	24.75-3.75	456.80%
HER	Herencia[3]	1.8	1.68	-6.67%	4.0-0.5	236.00%
HMB	Hambledon Mining	4.12	3.25	-21.12%	8.25-3.25	0.00%
KAH	Kalahari	230.5	213.5	-7.38%	301-142	50.35%
KDR	Karelian Diamond Resources	2.5	2.25	-10.00%	5.25-1.0	-98.42%
KEFI	Kefi Minerals	3.62	3.3	-8.84%	9.5-0.5	560.00%
KYS	Kryso Resources	17.75	17.62	-0.73%	19.5-12.5	40.96%
MWA	Mwana Africa	4.3	4.37	1.63%	14-4.0	9.25%
NYO	Nyota Minerals	8.75	7.58	-13.37%	30-8.5	-10.82%
ORE	Orogen Gold Plc	0.98	1.03	5.10%	1.62-0.2	415.00%
PDL	Petra Diamonds	115.75	112.0	-3.24%	189-60	86.67%
RLD	Richland Resources	8.5	8.25	-2.94%	16.0-6.5	26.92%
SNRP	Strategic Natural Resources	16.0	15.88	-0.75%	27.75-8.25	92.48%
SXX	Sirius Minerals Plc	11.5	11.0	-4.35%	20.75-1.25	780.00%
TMC	Toledo Mining	22.25	23.5	5.62%	34.25-20.25	16.05%
VGM	Vatukoula Gold	82.0	76.75	-6.40%	227-82.0	-6.40%
ZOX	Zincox	58.25	55.75	-4.29%	77-32.25	72.87%

Source: The London Times and the FT

Metals and Minerals

Exchange Traded Metals

The Copper Price. The fall of recent weeks has brought forth the pragmatists as well as the circus performers. Standard Bank says the fundaments remain firm and sees $8,000-8,500 per tonne as a sustainable level. It closed Friday night at $7,131 so there is all to play for.

Nickel has had a topsy turvey press of late, with its adherents and dis-adherents. It is beloved of Vale and latterly Glencore, which is active in the Philippines. AIM-listed **African Eagle** (AFE.L 7p; Hi-Lo 17-4.49p) sits on the massive, potentially low cost Dutwa deposit in Tanzania. Nickel has fallen sharply this year from $24,000 to $17,900 per tonne as its major end use stainless steel (65%) sits as the posh end of the market. It is beloved of the Chinese, who consume 37% of the refined metal, produce only 5% of it and export but 9%. Thus China's internal demand is the key and that looks set firm.

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One to watch is **Toledo Mining** (AIM 23.5p, up 5.6%; Hi-Lo 34.25-202.5p). Now well into production of nickel concentrate in the Philippines and making the most of the season's shipping window. It brushed aside, rightly in our view, the attack from some quarters on the metal's price and demand and is well set to make further progress.

Table 5: Metal Stocks in LME Warehouses

Metal	24 Sept 2011	1 Oct 2011	% Change
Aluminium	4,592,625	4,569,075	-0.51%
Copper	466,075	470,700	0.99%
Lead	374,450	373,425	-0.27%
Nickel	97,818	97,164	-0.67%
Tin	21,165	21,165	0.00%
Zinc	831,250	824,125	-0.86%

Source: Mining Journal

Table 6: Commodity Price Movements

Commodity		24 Sept 2011	1 Oct 2011	% Change
Aluminium	$/tonne	2,170	2206	1.66%
Copper	$/tonne	7,280	7131	-2.05%
Lead	$/tonne	2,045	2060	0.73%
Nickel	$/tonne	17,920	18300	2.12%
Tin	$/tonne	19,095	20845	9.16%
Zinc	$/tonne	1,941	1905	-1.85%
Gold	$/ounce	1,660	1629	-1.87%
Silver	$/ounce	32.36	30.46	-5.87%
Platinum	$/ounce	1,621	1526	-5.86%
Brent Crude Oil	$/bbl	107.70	104.85	-2.65%
Platinum/Gold	Ratio	0.98	0.94	-4.08%

Source: The Times of London

Bulk Minerals

South Africa's National Union of Mineworkers, NUM, is reaching beyond pay and conditions for its members. It wants to restrict the flow of chrome ore to China, as it fears that county is building up a stockpile to deflate the price. It has a point, but let's see if it is a valid one.

Table 6: Supply and Demand for Ferro Chrome 2010

	Supply	Demand
South Africa	41.2%	--
China	23.4%	43.2%
Kazakhstan	12.7%	10.4%
Europe	--	19.5%
Japan	--	--
Others	22.7%	26.9%

Source: Deutsche Bank

We doubt this is one which will stick. The NUM might be better advised staying with pay, health and safety.

Potash moves on. Russia's Uralkay is the world's No.2 producer of the fertilizer Mineral, behind **Potash Corp of Canada** and plans to add to its c.11mtpy output by two moves: an increase in capacity by 2mtpy and a new mine of 2.5mtpy to be in operation by 2018. So 15.5mtpy of a world output of 55.60 mtpy. But that is 7 years away even as the world market heads into a tightening demand position. They speak generally of one million tonnes of potash capacity costing $1 billion, or twice the going rate per tonne of production.

That Potash is favoured amongst the majors is not in doubt. BHPB brushed aside its fail to secure Potash Corp of Canada by ploughing into an ambitious greenfield project next door, Uralkali is jogging along as noted above and Vale the world's No.2 miner is also strengthening its hand. It will invest $20 billion in the fertilizer mineral through 2020 to boost its output on its home patch, Brazil. The target is the Camalitas Mine on a block the company already owns in the Sergipe State. Vale is already the largest producer in a country whose appetite for agriculture is world leading and imports 80% of its fertilizer needs.

South Africa has long done a Rip van Winkle on its dominance – and thus marketing position – of some of the world's key minerals. Now it is stirring and it is comic-tragic that its key union, the NUM has to kick government to raise its awareness. The union has stated its opposition to nationalisation, which will make the 2012 ANC Congress and all-ticket affair. Meanwhile real progress is reported on the development of its new 3Mtpy manganese mine, the Kalage, near

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Hotezel in the Northern Cape. The company has an interesting mix of shareholders: Kalahari Resources 40%, State-owned ISDC 10% and Arcelor Mittal 50%. Mittal has on offtake agreement for 850,000tpy.

Iron Ore treads a little water as the Chinese go quiet, but immediate demand cannot dictate to development. Arcelor Mittal has started production at its 4Mtpy mine at Buchanan in Liberia, where planned output should be reached in 2012. Facilities include port, school and hospital facilities as well as a 240 Km railroad. They have not done anarchy in Liberia for a couple of years, so fingers crossed.

Table 7: Iron Ore CFR Tianjin Port 2011. 62% Fe fines US$/dmt

2 September 2011	9 September 2011	23 Sept 2011	30 Sept 2011
$180.8	$179.5	$174.1	$171.3

Source: The Steel Index

Precious Metals

The 2012 Olympics Preview of a New Sporting Event. As already suffering Londoners know the Olympics are coming to town next year and we are ripping up roads in readiness. Our incumbent Royal Family does not know it yet, but it is about to be deposed for the event. Chaos will reign. On a more serious note, a new, late-entrant event has been announced; back peddling. Hot favourites are the precious metals analysts. Gone are $10,000 gold and $200 silver forecasts. Sorry lads. Haywood Securities now opts for $20 silver "longterm" whatever that means, with investment demand being the driver. One feels the SOTBO* award coming on. Our view remains that the pullback in gold is a buying opportunity. Our "longterm" forecast remains at $40,000/oz as paper currencies self-combust and a precious metals standard returns.

Anglo Gold Ashanti, the world No.3 producer (140 tpy) is to spend $250 million upping its Brazilian output from 420,000 to 700,000 oz per year. A modest sum in adult speak but at less than $900 per ounce of annual capacity it sounds like a bargain. That is a ratio of 0.56:1.00. The most recent potash quote (see Bulk Minerals) is 2.0:1.0 whilst copper has been running at 3.0:1.0.

Selling Silver Coins. The US Mint wants it both ways. It has been bucketing out commemorative coins and medallions, feeding on the insatiable public appetite. The production and sales margin is large but now it plans to slow down because the price of the metal is falling. This says it all about the commemorative trade in the USA.

*=Statement of the blinding obvious.

Exchange Rates

As table shows, the dollar consolidated most of its gain against the major currencies as the Europeans (well, Germany, really) just about agreed a Greek bail-out. The Euro hit an 8 month low against the dollar before a rally to 1.3430 but this remains unresolved business. The SA Rand, which never ceases to surprise us, gained on both the dollar and the pound. Gold is telling us that the banks will buy time but this is not a block on which to build.

Table 8: Exchange Rate Movements

Currency	24 September 2011	1 October 2011	% Change
£:US$	1.54	1.56	1.30%
£:€	1.14	1.16	1.75%
£:SA Rand	12.77	12.52	-1.96%
US$:Aus$	1.02	1.03	0.98%
£:Aus$	1.58	1.60	1.27%
US$:Br Reale	1.87	1.86	-0.53%
US$:C$	1.03	1.04	0.97%
US$:€	0.74	0.75	1.35%
US$:SA Rand	8.27	8.04	-2.78%
US$:Rupee	49.44	49.98	1.09%
US$:HK$	7.81	7.85	0.51%
US$:UAE Dirhams	3.67	3.67	0.00%
US$:Israeli Shekel	3.69	3.75	1.63%
US$:Japanese Yen	76.26	77.08	1.08%
US$:Thai Bhatt	30.89	31.09	0.65%
US$:Yuan	6.38	6.39	1.30%

Source: Financial Times

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Energy

Spot Uranium Retreated to $52.5/oz with shares weakening across the board. Kalahari (Uranium, Namibia) fell back 7% to 213.5p whilst other followers were UK Coal (5.5%), Hargreaves Services (4.7%), Cameco (Canada, +1.8% to $6.06), Coal India (6.6%) and Uranium One (2.2%). China's lower overall growth estimates are overshadowing this market.

Table 9: Spot Uranium Price, $/lb U_3O_8

31 Dec 09	31 Dec 2010	2 Sept 2011	9 Sept 2011	23 Sept 2011	30 Sept 2011
$44.0	$66.0	$49.0	$50.5	$54.0	$52.5

Source: Mining Journal

Gemstones

Diamonds. A worrying overhang of polished stones affects the Antwerp market, almost $0.5M in August where imports were up 45.8% year-on-year to $987.7 millions.

DeBeers 'Forever Mark' is due to hit the US this month, with sales of $300M predicted for 2011.

Rockwell Diamonds (RDI.TO C$0.45; Hi-Lo C$ 1.05-0.38) continues to find big stones in South Africa. In the most recent quarter, it reports the recovery of 46, +10 carat stones.

The share price of **Harry Winston,** the integrated miner-to-retailer, dropped almost 29% from $15.01 to $10.67 since early September.

India's net polished diamond exports were $802M in August, a fall of 14% in the past month.

Countries

Peru won't let us down will it? We just get warm to a country and it does a lurch to the left. Peru has no excuse for finding mining a novelty; it is a front runner in silver, copper and much else. But the natives are restless and the newly elected president is there on an equity for all ticket. He will siphon an extra $1 billion/year from mining companies in higher sales royalties, operating profits, export royalties and – dear oh dear – windfall profits taxes. With copper having slid over $3000/t, 33% from its recent high and silver likewise there won't be too many windfalls around. Nor will those companies protected by the tax stability arrangements of the 1990's be exempt. They will be charged a "special contribution", or 13% of operating profits. That really is quite special. Still, it is better than going back on your word.

Zambia, too, another country long on our wish list, has swung left. Its new President Mr. Sata, has appointed a similar leaning Mines Minister, one Wilbur Simusa whose opening shot is that the take from mining taxation is not enough. No surprise there then. Yet with no return to windfall profits taxes promised in the election manifesto and copper down by a third from its recent high, what will give? Copper is 65-70% of Zambia's export earnings, keeping it at No.3 slot in the world. Companies affected include First Quantum, Vedanta, Glencore and Vale.

South Africa is worried by Barclays, RSA saying that any continuation of the commodities downside price correction will seriously undermine growth prospects. It would also negate the weakening Rand/US$ ratio, which helps Rand receipts of commodity exports.

Reason Rules in Namibia. The state-owned mining company, **Empangelo,** has signed its first partnership agreement with a foreign-owned mining sector investor. **Namibian Rare Earths** (NRE) has signed a memorandum of understanding to explore for and mine uranium at NRE's Lofdal deposit in Kunene region, in the northwest. Empangelo will have a 10% free carry. If it stays that way, it is liveable. Interestingly, if commercial mining starts, it would have to pay 10% of all exploration and development costs for a further 10% stake. After a hiccup, it looks like Namibia is playing a straight bat.

Zimwatch

Shall I compare thee to a dodo? The latest from the Zim Empowerment Minister is that most mining firms have met the September deadline by which they are to submit plans for 51% indigenisation of their assets. He goes on to say Chinese firms are not exempt. Only last week Prime Minister Tsvangirai said the law was hurting investor confidence. Yet there is a deafening silence, from both companies and government as to what the terms actually are. Fact is, the State has no money so it can only be an effective free carry and 51% puts it to Angola territory. Now the dodo was short, fat and for a bird had the marked disadvantage of not being able to fly. All this whilst living in a predatory jungle. The wonder was not that it became extinct, but that it survived as long as it did. But at least the threat of confiscation and throwing directors in gaol has not been ventilated for a while. This will be a triumph for Uncle Bob eh?

The Watchtower

Kyrgyzstan. A novel twist in the government ownership stakes. The K. authorities are trying to sell their share in Centerra Gold, which accounts for one tenth of the country's G.D.P. Then what you need is a change of government to grab it back as a free carry and repeat the process every five years. Like any good democracy.

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Building a House Extension. When times is tough you abandon that notion of moving to a bigger house in favour of sticking a conservatory on the old one, do you not? It is catching on in mining for a variety of reasons. Extending an existing mine in a safe location ensures continuity, planning permission, a grateful locality and lower capital costs. It also should – if they are listening – send out a message to avaricious countries elsewhere to keep on their toes. Thus Anglo Gold, as we report in Precious Metals, is expanding in Brazil. Rio Tinto has announced a major increase in its gold and copper reserve at Bingham Canyon, Utah. Shall we hear if for upping the ante there? Both BHPB and Rio are cultivating their home bases. Yet Xstrata and Glencore remain peripherally minded. Variety is the spice of life.

Blast Furnaces to Become Redundant? It sounds fanciful that a technology to revolutionise iron ore production and produce pig iron without a blast furnace has reached the test plant stage. But gains credence when it is sponsored by Vale, the world's No.2 miner and biggest in iron ore. Based in Brazil, it first saw life 35 years ago and was picked up by Vale in 2009. Oldies scoffed at the potential of the Witwatersrand gold field because the gold was too disseminated in the ore. Then along came cyanide and the rest is history. It might happen here and coke could be yesterday's story.

And Now Some Things You (Might) Need to Know….

Collateral damage. We had a newish word thrust down the gizzard by Mineweb this week. You know the chaps and chapesses who brought us "chairperson". This one is DESERTIFICATION. It sounds like mixing sugar with the Sahara and turning it into blancmange. What they mean to tell us is that the people of the Tacna region of Peru are tired of Southern Peru Copper Corp causing widespread pollution. Quite right. A rehabilitation fund should be mandatory for every mining operation, for both ongoing and final restoration. South Africa is finding this out to its detriment over acid mine water drainage. Rehab should be the cost of doing business, as should health and safety.

Crabs Not for Catching. When you think 'Weipa' you think 16.3Mtpy of bauxite, which is 53% of Rio Tinto's output, which is 45% of Australia's output, which is 33% of the whole world. Could it be jeopardised by crabs? We don't think so, says Federal Environment Minister Tony Burke. This is a new species, discovered near the Weipa Mine in Cape York and could have threatened the planned expansion to 50Mtpy. Interestingly – for those who do crabs-the new species is the size of a 10c piece. Now that is either large or small depending on which type of crab grabs you. It is not the only problem. Environmentalists point out that the proposed expansion would wipe out 30,000Ha of bush. We make that 0.005% of the landmass of Australia and which will presumably, one day, become bush again. These things matter (No they don't -- Ed).

Forward Diary

3 October 2011:	German Bank Holiday
5 October 2011:	Petropavlovsk Ex-Dividend (5p)
7 October 2011:	Vedanta Resources Interim Results
14 October 2011:	Mining Journal Copper Day
1 November 2011:	Mining Journal Silver Day
3 November 2011:	Objective Capital Industrial Metals, Minerals & Mineable Energy Investment Summit
4 & 5 December 2011:	Mining Journal Canada and Australia Days, respectively
6-7 December 2011:	Mines & Money, London

David Hargreaves
1 October 2011

Please note, David Hargreaves delivered the closing speech to the Objective Capital Global Mining Conference in London last week on the subject of Resource Nationalism. Copies are available on request.

Would you or any of your colleagues like to receive a trial copy of "The Week in Mining"? It is beamed into your home each Sunday evening updating you on the mining markets with a mixture of mischief, humour and interpretation that is its established hallmark.

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NB: The Week in Mining reflects the views and opinions of David Hargreaves. He is not responsible for any actions based on this information.