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### Indaba Diary: Day Three

By Our Man in Africa

***A very African affair. That's the final thought from Minesite's Man in Africa as the annual Indaba mining conference in Cape Town draws to a close. Chaotic at times, and charming at others - but isn't that just Africa? Politics and the ever-present "big men" of the assorted tribes which make up this troubled continent played too big a role. Speaking openly when things go wrong not actively encouraged. Learn to endure - but isn't that also Africa? First-time visitors were overwhelmed - there's that word again - by the cramped conditions at the conference and the quixotic and over-loaded speakers' schedule. More seasoned observers found this Indaba better than others because they have learned that it's not in the detail that you look for the central message, it's in the atmosphere. Indaba is a pulse-taking exercise and on that score it can confidently be reported that the world mining industry, as seen through African-filtered glasses, is in fine health. That's the good news.***

The less good news is that so much was "unsaid" at Indaba - that, as the 5000 delegates pack to leave, there is almost a discernible smell in the air, like tobacco and booze in a room the morning after a good party. In Cape Town the smell was left by the feeling that no-one was really telling the truth about South Africa's chronic electricity shortage, and that no-one was really speaking too openly about yet more changes proposed for the country's mining laws. When these difficult matters came up, everyone took the African option and changed subjects. The problem with that approach is that it's no different to the nonsense spouted by assorted political leaders in this country over how to treat HIV-AIDS - some senior South African leaders still recommend lemon juice as a suitable cure and/or preventive measure. Perhaps lemon juice could be used as a fuel in a few power stations?

In the same vein as the theme of let's-not-say-too-much-lest-the-truth-get-out, was "the guest who wasn't there". In a curious recreation of that delightful nursery rhyme about the man on the stairs who wasn't there, there was someone at Indaba who featured in just about every conversation, and who also wasn't there. Who was this mystery man? He was the man from Beijing. Look high, and look low, and Minesite's Man in Africa is sad to report that not a Chinaman could be spotted in the milling throng. Perhaps he was hiding in a private suite somewhere holding a private audience with a private big man from the tribe? Perhaps he stayed away because there were stories circulating that journalists had been sighted nearby and those cheeky creatures are known to break all the rules by asking questions. Silly Chinaman, doesn't he know that South African reporters don't ask real questions - they were tamed years ago to obey authority, however corrupt.

If asked, Minesite's Man in Africa had a thoroughly enjoyable Indaba (and thanks for inquiring). Most of the delegates were in an ebullient mood. Confidence oozed. Deals were done. Men with files dashed from meeting to meeting. Bankers scurried about, desperate to pile up the corporate activity that earns them their bonuses. Absorbing the detail of what everyone was doing, of who said what in the auditoriums, was impossible. One reason was that the organisers effectively ran parallel speaking events. Clever as he is, Minesite's Man is yet to master the art of being in different places at the same time. The solution to this challenge was to set up shop in the now famous cigar lounge at the adjoining Westin Hotel, which is where the final two interviews for this report from Cape Town were conducted yesterday.

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The lucky men confronting Minesite's loaded biro were Patrick Harford, the Aussie managing director of London-listed [Mercator Gold](#), and Stephen Stone, an old mining hand making a return via Ghana-focused Azumah Resources. Other reporters might think they can listen to 50 people a day. But Minesite's Man prefers to focus on a few, get the story right, and to do it in comfortable surroundings. (Another croissant, old boy?)

Of the two chaps under the microscope Harford spoke fastest and loudest, forcing Minesite at one stage to press a hypothetical "pause" button so note-taking could catch up. The central message from Harford is that Mercator, after a year or so wrapping its corporate and technical brains around the old Bluebird gold mine and associated pits at Meekatharra in central Western Australia, was about to start moving at a much faster pace. "The project isn't old and tired as some people claim," Harford said. "It just needed a rest." Time-off is over. Exploration has been successful. Production is about to expand, and with the gold price still heading north so is Mercator. Harford, in a humorous aside, said he was trying out this marketing pitch on Minesite before embarking on a wider tour and wondered what Minesite thought. The answer, a scribbled score of 8.5 on the back of a piece of note paper, and a big grin from the man from Mercator.

Stone had a less advanced story to tell, but a good one nevertheless. Azumah, while not a name well known to mining investors, does appear destined to become a spot on their radar screens. Key asset in the company is the We Lawra gold project in the far north of Ghana, bumping into the border with Burkina Faso, and featuring more than 100 kilometres of highly prospective Birman greenstone, the rock type which hosts some of the world's richest gold mines. Until now most interest in Azumah has been in a series of convoluted corporate manoeuvres. The roots of Azumah can be traced back to that one-time high-flying - and since crashed - Croesus Mining. Needless to say that with such a pedigree Azumah has spent a lot of time re-organizing its affairs. Stone told Minesite that the new shape has settled, and the real work of exploring is yielding excellent results. Late last year Azumah reported an initial resource at the Kunche project within We Lawra of 516,000 ounces of gold, and is now hot on the heels of proving up a resource of one-to-two million ounces. That target might not prove too ambitious if the latest drill result of 20 metres assaying 4.1 grams a tonne from a depth of 52 metres, and including eight metres at 9.35 grams a tonne from surface) is repeated.

With those final thoughts for the black books of readers, Minesite's Man in Africa is now heading off on two final assignments. One is a side trip into Mozambique with the rapidly-growing coal explorer, Riversdale, and the other is a couple of hours at the Boschendal winery at Stellenbosch, once the pride and joy of the Oppenheimer family. Some people do it rough – but that's Africa.