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Midlands Minerals Sets New Standards For Canadian-Listed Companies Operating In Africa

By Charles Wyatt

If you had a debate about which African countries are the safest and best in which to operate, Ghana and Tanzania would come near the top of the list. South Africa is sliding down towards Zimbabwe at the other end of the scale thanks to its political outlook and power problems. The Democratic Republic of Congo must be right down at the bottom of the pile, dragged down by civil unrest and corruption. It was deliberate policy by Kim Harris, therefore, when she set up Canadian-listed [Midlands Minerals](#) at the end of the 1990s, to kick off in Ghana, with the Kwahu Praso property. Kwahu Praso is on the north-eastern end of the well known Ashanti gold belt. She took her time in choosing the a follow up project, and it wasn't until 2006 that she acquired the Sian gold mine bang next door to Praso.

She had to take her time on Sian for the obvious reason that it was not for sale when she acquired Kwahu Praso back in 2001. At that time it was owned by a private company, Sian Goldfields, which had Chinese and Ghanaian partners but had been originally set up by the Lanzhou Engineering and Research Institute with funds from the Chinese government. With backing like that it's something of a surprise to discover that the company failed in 2004. Usual old problems. Sian Goldfields poured money into the project to fund feasibility, relocate a village, and build the necessary plant and infrastructure. But it just did not produce enough gold to keep going. Kim Harris reckons that it also had local problems as the company bought in all its equipment and management from China, which was hardly likely to endear it to its neighbours.

From a practical point of view the previous owners also made a nonsense of the open pit as it was not designed properly and insufficient stripping was carried out prior to mining. As a result they ran low on ore and this contributed to the project's eventual demise. One man's misfortune is another's luck and Ms Harris now has Sian Goldfields as a 35 per cent joint venture partner. No bad thing to have a Chinese partner in Africa, particularly one which has been funded by the Chinese government, and it's certainly not going to make the same mistakes again. It also mean that [Midlands Minerals](#) carries no residual bad feeling with it for the village which had to be moved to accommodate the Esaase open pit, while it gets all the advantages of a fully permitted project with infrastructure and a complete CIL plant.

Mine news made the point about moving the village to Kim and she replied that most of the villagers were overjoyed as they had been moved into vastly better accommodation by the Chinese. She certainly knows what she is talking about, as she is very much a hands-on manager - in Africa most of the time unlike a lot of her peers running Canadian quoted companies with African assets. In fact she is "an African African" having been born in Zimbabwe, "and a woman as well" - as she points out. Minesite is run by women so we know exactly how meticulous and hard working they are. The scandal is that so few "African Africans" run junior mining companies. Kalaa Mpinga at [Mwana Africa](#), Douglas Chikohora at [Cluff Gold](#), and Kim, in fact, are the only three that come to mind.

Kim Harris is now expecting to complete a feasibility study on Sian by the end of this year and expects to get into production by 2010. Her only problem seems to be that the Sian project currently has a rather skinny resource of 200,000 ounces comprising of 1.3 million tonnes grading 2.3 grammes per tonne in the indicated category and 500,000 inferred tonnes at a higher grade of 5.7 grammes per tonne. She has set herself an immediate target of boosting the resource/reserve to at least 500,000 ounces and then onwards and upwards. No reason to think that this is too hard a target as drilling last year came up with some good high grade intersections in an area 4 kilometres by 3 kilometres around Esaase, but the actual soil anomaly extends for 16 kilometres.

Adding in the Praso project the company has a 160 square kilometres on this prolific gold belt and it is on trend with, and only 30 kilometres from, Newmont's 8.7 million ounce Akyem gold deposit. Five new gold zones have been discovered and there are plenty of gold soil anomalies yet to be drilled. In January Kim Harris announced that two significant gold structures had been identified only 1.5 kilometres to the south east of Esaase and in February Geostat Systems International was formally retained to carry out a new resource estimate. Speed will now be everything, as companies balanced at this stage of development - especially when their share prices do not seem to be reflecting the performance of the gold price - often fall prey to larger companies. It should not escape the attention of investors that the Australian gold producer [Resolute Mining](#), whose managing director Peter Sullivan could well be described as predatory, has the Akaose property just to the south.

Also in Ghana, [Midlands Minerals](#) has the Kaniago project on the Asakrangwa gold belt which is contiguous with the Obotan open pit mine owned - and now operated by - [PMI Gold](#). PMI bought it from the said [Resolute Mining](#) a couple of years ago. The latest news is that the Phase 2 infill soil survey at the Kaniago project has confirmed that 5 gold soil anomalies are on direct strike with important gold deposits surrounding the property, including Obotan. Kim Harris clearly knows how to pick her projects – it's the same in Tanzania where the 75 per cent owned Itilima property is on the Bulyanhulu-Geita gold trend. Together these two famous mines host around 27 million ounces. She also has some diamonds up her sleeve - as any wise woman should - at Itilima, just 25 kilometres south of the Williamson open pit mine which produces 300,000 carats/year.

Nothing you can teach Kim Harris about nearology for her projects, nor about Africa. In fact she has been working there for most of her life, and it was only after she had consulted to mining companies on deals in a number of countries that she decided to set up Midland Minerals. Midland matches the best criteria exhibited by the companies she advised in terms of geology, political risk, nearology and potential. We will look forward to the feasibility study later this year when, hopefully, she will also be in London to talk about it at one of our Forums.