

# Arctic country touts for business in Perth

It is a long way from Perth to Greenland - and you couldn't get more diverse climates - but more than 150 Western Australians made sure they were on hand to hear the latest news on Greenland's world class prospectivity at an event in Perth this week.

Hosted by Greenland's Bureau of Minerals and Petroleum (BMP), the second annual Perth Greenland Day attracted an audience of potential and current investors in the country.

Leading the presentations off was Henrik Stendal, BMP's chief geologist, who provided a unique overview of the resource riches available from the country that sits on the edge of the Arctic Circle.

With Greenland's story being closely followed by the global resources sector on the back of some world class rare earths, base metals and oil and gas discoveries, there was a great deal of interest in Mr Stendal's remarks and other presentations from Greenland's BMP on the country's prospectivity.

Attendees also heard updates from leading Australian and international resource companies with Greenlandic projects as the



**Icy wastes:** Resources-rich Greenland's Bureau of Minerals and Petroleum visited Perth for the second annual Perth Greenland Day in December.

conference program covered a range of topics from operating conditions in Greenland and how to apply for mining licenses, right through to a review of the geological environment and the potential for mineral deposits.

Presentations during day were divided into two main themes comprising base metals and rare earth elements (REE).

Companies presenting at this year's conference included: GEUS (Geological Survey of Denmark and Greenland); Hudson Resources Inc (Canada); NunaMinerals A/S (Greenland); North American Nickel Inc (America); Greenland Minerals and Energy Ltd; Ironbark Zinc; Platina Resources; Ram Resources and Tanbreez/Rimbal.

Greenland Minerals & Energy's presentation on its proposed development of the Kvanefield project was a major highlight of the day's presentations following the announcement that the Greenland Government has amended the exploration licence for the world-class Kvanefield project to include uranium earlier in the month.

## India deal is 'dead wrong'

Former prime minister Malcolm Fraser believes that Julia Gillard is "dead wrong" to allow the sale of Australian uranium to India.

Labor's national conference overturned the party's long-standing ban on exports of uranium to India.

Members from both the Left and Right factions, including a number of cabinet ministers, unsuccessfully argued the ban should stand so long as India had not signed the nuclear non-proliferation treaty.

They also said disasters such as that which occurred at Fukushima nine months ago showed the folly of encouraging nuclear energy.

Mr Fraser said in an open letter to the government that the move was a "failure of leadership" by Ms Gillard.

"The unequivocal longer-term consequences of this policy backflip are aggravating India's nuclear arms race with Pakistan and eroding the already failing brakes on proliferation of nuclear weapons," Mr Fraser wrote in *The Age* newspaper.

"A nuclear war between India and Pakistan is not some theoretical possibility, but a real and growing danger."

## BHP ponders future of diamond assets

### CANADA

BHP Billiton is reviewing the sale of its Canadian diamond assets, two days after the resources giant promoted the president of the Vancouver-based division as its chief financial officer.

Graham Kerr's move was announced in December.

The review comes about six months after BHP Billiton committed to spend about \$260 million (\$259.99 million) extending its sole diamond mine, EKATI, about 200km south of the Arctic Circle in the Northwest Territories.

Under the extension plan, which will involve a "push back" of the existing Misery open pit, ore production will begin in late 2015 and end in mid-2017.

BHP Billiton last month reported a 35 per cent fall in production at EKATI for the September quarter compared to the same period in 2010 due to lower grades, as expected, and unseasonably high rainfall.

The mine, which is 80 per cent held by BHP Billiton, is in a province of continuous permafrost and is accessible only by air, except for about 10 weeks each year in mid-winter when major freight can be trucked over ice roads.

Rio Tinto is seen as a natural buyer of EKATI, given its 60 per cent held Diavik diamond mine

is about 20km south of BHP Billiton's operation.

South African diamond giant De Beers, which operates the Snap Lake diamond mine in the same area, may not be interested in EKATI, which only has a few years of production remaining, a report in London's *Financial Times* said.

In announcing the review, BHP Billiton said its strategy was to invest in large, long-life and expandable assets.

"Many years of extensive exploration suggest there are few options to develop new diamond mines that are consistent with this approach," the miner said in a statement on Wednesday.

"This review will, therefore, examine whether a continued presence in the diamonds industry is consistent with BHP Billiton's strategy and evaluate the potential sale of all or part of the diamonds business."

BHP Billiton said it would continue to operate its diamonds business if bids it received were assessed as not preserving the mine's safety and environmental standards, and protecting benefits for local communities.

The *Financial Times* report said Anglo American, which recently took control of De Beers by buying out the Oppenheimer family's stake, could be a potential buyer.

The report also said Russian



**Review:** BHP Billiton may sell its Canadian diamond assets, investing instead in long-life projects.

diamond miner Alrosa had already shown interest in EKATI.

BHP Billiton is also reviewing the potential sale of its Chidliak exploration project on Canada's Baffin Island, a joint venture with Peregrine Diamonds.

Peregrine chief executive Eric Friedland - the brother of Canadian mining billionaire Robert Friedland - touted discoveries at Chidliak in 2008 as being the start of a new diamond mining district, prompting observers to speculate whether it could be the next EKATI.

Diamonds were first discovered in the Northwest Territories in the early 1990s, triggering a staking rush that culminated in EKATI, Canada's first diamond mine, starting production in 1998.

Global production of diamonds is relatively stagnant while demand is rising.

## Storm brewing as Smith goes to India

Defence Minister Stephen Smith has denied uranium exports to India will lead to instability in the region and alienate Pakistan.

At the beginning of December on the eve of his first visit to India as defence minister - and the first ministerial visit since the Labor government reversed its ban on uranium exports there - Mr Smith said he did not support uranium exports to Pakistan.

Mr Smith said he was a strong supporter of the decision - despite India not being a signatory to the United Nations Nuclear Non-Proliferation Treaty, and subject to a bilateral safeguard agreement - saying it was an exceptional case.

"India brought itself under the governance of the international nuclear regulators, the International Atomic Energy Agency and the Nuclear Suppliers Group," Mr Smith said.

"That has not occurred with Pakistan."

"There has never been a suggestion of (nuclear) proliferation from India."

"Regrettably, over preceding years, there have been serious concerns about proliferation from Pakistan."

Despite the apparent snub, Mr Smith said Pakistan would understand the decision and that it would not affect military ties between the two nations,

especially in their cooperation in the war in Afghanistan.

"I don't see this decision as having an adverse outcome, so far as the Australia-Pakistan relationship is concerned," Mr Smith said.

"Nor do I see it in any way as being relevant to suitability in South Asia."

"We have a very good military-to-military and defence-to-defence relationship with Pakistan."

Mr Smith said Australia had doubled the number of Pakistani military officers being trained here for counter-terrorism and had doubled its development assistance to the country.

Mr Smith said the uranium export decision reflected India's global standing, and predicted it would become "one of the world's three great powers", along with the United States and China.

Australia would increase military cooperation, including greater contact with the Indian navy, Mr Smith said.

Despite Australia's close US alliance and the decision to allow more US troops to train in Darwin, Australia would not be drawn into becoming part of any missile defence shield, according to Mr Smith.

"We've made it clear over a long period of time that we're not proposing to engage in missile defence," he said.