



~ 4, 5 and 6 November 2014, to be hosted at The Forum, The Campus, Bryanston, Johannesburg

Now in its third year, the Junior Mining & Exploration Conference & Exhibition has firmly established itself as an important industry-gathering for junior miners in South Africa.

The theme of this year's event, shaping the future of the industry, can be facilitated by an understanding of the opportunities available to junior miners who face numerous and often harsh challenges when operating within this diverse landscape.

Ted Blom, Partner at Mining & Energy Advisors International, is one of the top industry speakers, not-to-be-missed. A well-respected advisor, consultant and lecturer in Mining & Energy worldwide, Blom consults to governments, investors, banks and other Stakeholders from North America to Japan. We asked him to share his thoughts on whether government should be making mining attractive for foreign investors.

Blom sets the scene, "More than 80 percent of foreign investments are threatened by mismatch investor and regulator expectations, coupled with a lack of a code of Governance."

"The list of foreign investor casualties is long and will continue to grow unless attention is paid to the mismatch between investor and regulator expectations. Although many African Governments wish to attract foreign investment, they find it difficult to distinguish between investments and hand-outs."

"Investors expect and demand a quid pro quo. All too often, African Governments, after attracting investors, attempt to change the landscape in order to grab a larger portion of the pie ~ especially if the project is seen to be successful. This can take many forms: some subtle, others more blatant. The temptation for a revolution in the mining landscape is always higher

during a perceived 'resources boom' when investors are accused of 'raping the mineral ores' of the people. Very few government officials understand, or want to understand, the concepts of risk vs. return. Hence their poor populations inevitably become the losers because investors simply take their money (or what is left of it) elsewhere."

According to Blom, hundreds of examples abound, many revived by the recent 'resources boom' ~ with the following countries tampering or threatening to tamper with the investment landscape: Australia, South Africa, Zimbabwe, DRC and Mozambique. Interestingly, Zambia, Ivory Coast, Mauretania and Ghana now tread more carefully, after having learnt the painful lessons associated with premature mine closure, due to government greed.

"The sooner a code of best practice or Governance is formulated for the resources sector, the sooner we can expect a more stable investment climate for mining projects. Until then, we can expect a rocky ride with dog-eat-dog relationships," warns Blom.

"Now that the boom has receded, many governments have been caught with their pants down and face massive job losses, premature closures and dis-investment, because of their earlier greediness."

"Presidents and Prime Ministers should prioritise creating a favourable Foreign Investment Climate", Blom urges. "Failing which, their countries will remain underperformers on the Commodity rollercoaster."

The Junior Mining & Exploration Conference & Exhibition endeavours to assist with supporting the future stability and profitability of the industry. In addition to this, Blom will be workshopping the roles of all stakeholder parties and highlighting tips to prevent investors falling victim in these relationships.

Register today!

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