

Islamic bank increases diamond investment

THE European Islamic Investment Bank plc (EIIB) has increased its shareholding in Johannesburg- and AIM-listed DiamondCorp plc from 9.37% to 26.09% through the acquisition of shares.

The 6.72 million shares were purchased on-market, at £0.45 each, from institutions and shareholders. This purchase follows EIIB's initial investment in DiamondCorp on November 5, through a private placement of 4 million shares.

DiamondCorp chief executive Paul Loudon said: "DiamondCorp's plan to grow as a mid-tier diamond producer in the years ahead has the potential to benefit from EIIB's access to capital and backing by very large Middle Eastern investors."

Robin Henshall, head of private equity and corporate advisory at EIIB, said the investment was made in light of development at DiamondCorp's Lace diamond project in South Africa, which is expected to commence underground operations by 2009.

Central Asia in the black

KAZAKHSTAN gold explorer Central Asia Resources Ltd said its A\$11 million (US\$7.2 million) in the bank will see it through the global financial crisis. Managing director Jason Stirbinskis said that, with a revised operating plan, the cash could sustain the company until 2011.

He said: "The company is acutely aware of the impact of the global financial markets downturn and credit crisis. These events and the prognosis for market conditions over the short to medium term have prompted a revision of the company's strategic plan."

"We have narrowed our focus to the most prospective areas but we have not significantly reduced our planned pace of activity over the next few years."

The revised plan, which was unveiled at the company's annual general meeting on Wednesday, includes completion of a bankable feasibility study for its Altyntas project in 2010, with fundraising for development in 2011.

Central Asia said: "We have timed this for completion in late 2010 when we expect the market will have an appetite for funding a project of this size. We continue to achieve exciting results from Altyntas and this site will receive substantial attention over the next two years."

The company also recently acquired a 90% interest in the Dalabai project, which could be commissioned as early as 2010.

"Current investigations into this prospect indicate a low capital, quick to production and early cash flow opportunity. In the current market, a project with this sort of profile will appeal to potential investors," Mr Stirbinskis said.

Kazakh gold (May 30)
@ <http://tinyurl.com/492arw>

Exploration work in Kazakhstan



■ METOREX NEGOTIATIONS

Johannesburg-listed Metorex Ltd has advised shareholders that it has entered into negotiations that may have an effect on the price of the company's share price. The company said: "Accordingly, shareholders are advised to exercise caution when dealing in the company's shares until a further announcement is made." Metorex's focus is on base metals, gold and industrial minerals in southern and central Africa.

■ VICARIA RAISING

Avalon Minerals Ltd intends to raise A\$2 million (US\$1.32 million) through the placement of shares to progress drilling and feasibility studies at its flagship Viscaria copper project, located in northern Sweden. The company plans to extend known resources at Viscaria through extensional drilling, and to increase the current JORC-compliant inferred resource of 39.9Mt at 1.3% Cu. The Viscaria project was shut down by former owner Outokumpu ten years ago after producing the equivalent of A\$1 billion in copper metal at today's copper price.

Mining Unearthed

The definitive book on how economic and political influences shape the global mining industry

"Brilliant – nothing else remotely as comprehensive; a tour de force of the factors that make the international mining industry tick"

	Standard Book price	Mining Journal Subscriber Offer	Postage & Packaging
UK	£70.00	£50.00	£3.50
EuroZone	€89.00	€57.00	€10.00
Rest of World	US\$115.00	US\$75.00	US\$24.50

To request an order form, contact:
rebecca.parfitt@mining-journal.com

Published by

Minjng Journal



Written by PHILLIP CROWSON