



Cremer Media's
MINING WEEKLY
Online

Latin America offers 'high exploration rewards, lower risk'

By: Francisca Pouiller

Published: 2nd October 2009

BUENOS AIRES (miningweekly.com) – Latin America continues to grow in importance as a mining and exploration destination, Thomas Mining Associates' **Dennis Thomas** said this week in a presentation at Argentina Mining's Latin Exploration 2009 conference.

The region has several key characteristics that continue to attract not just explorers, but also investors and financiers, he said.

Firstly, and crucially, Latin America "is blessed with superb geology," he said, with large, rich orebodies, and lots of areas yet to be explored.

"Latin America still offers those investors looking for exploration excitement - the opportunity to participate in projects that can fire the imagination and produce great reward at lower risks than many other 'competitive' parts of the world," Thomas commented.

Further, the tradition of mining in many of the countries has produced skilled and experienced industry workers.

Local geologists are "very high on investors' shopping lists...Latin American geologists are all over the place," Thomas said.

He also argued that there is generally a "certain pragmatism" from local governments towards the mining sector.

"Latin America remains the favoured location for exploration investment dollars and quite rightly so."

Earlier this year, Canada's Metals Economics Group reported that one quarter of the global nonferrous exploration spending budgeted in 2008 was for Latin America.

In fact, the region has been the most popular exploration destination since 1994, and its allocations rose by almost a third last year, extending its lead over number-two Canada.

GOOD NEWS FOR GOLD

In another presentation at the American Precious Metals Advisors MD **Jeffrey Nichols** discussed his bullish views on gold and silver prices.

The positive effects of the macroeconomic environment on gold investment demand, coupled with constrained gold-mine production and rising mine costs mean that the metal's price will rise over the long term, he said.

Nichols also emphasised the important role that emerging economies, including number-one producer China, will play in determining gold production and demand in the future.

Gold was trading at around \$1 002 on Friday afternoon.

Copyright Cremer Media (Pty) Ltd. All rights reserved.

Tel: +27(0)11 622 3744 | Fax +27(0)11 622 9350 |
newsdesk@miningweekly.com
<http://www.miningweekly.com>