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Politically Stable, Democratic Ghana Seen As A Good Place For Junior Miners

Presented by



Jonathan Ratner, Financial Post

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With mining investments in Africa expected to climb from \$7-billion in 2006 to \$14-billion by 2010, the political stability offered by countries like Ghana make West Africa one of the more mining-friendly regions and should continue to encourage activity there. Ghana is Africa's second-largest gold producer after South Africa and has an established democracy.

Much of West Africa's gold comes from the Birimian greenstone belt on the West African Shield, home to the famous Ashanti gold belt. Big industry players like Newmont Mining Corp. (NEM/TSX) and AngloGold

Ashanti Ltd. (ANG/JNB), have been joined by juniors such as: Randgold Resources Ltd. (RRS/LSE) in Mali and Cote d'Ivoire; Keegan Resources Inc. (KGN/AMEX) in Ghana; Red Back Mining Inc. (RBI/TSX) in Ghana, Mauritania and Cote D' Ivoire; Golden Star Resources Ltd. (GSE/TSX) in Ghana); and African Gold Group Inc. (AGG/TSX-V) in Ghana and Mali.

African Gold and Keegan appear to be the most undervalued, according to Sam Kiri of Proactive Investors, which provides information on small-cap companies.

Keegan is "well-financed and is fast becoming a force to reckon with in the Ghana mining space," while African Gold has seen healthy levels of mined resources at its neighbour's projects in Ghana. The company now control's one of those companies, Bonte Gold Mines.

However, with many in the industry seeing plenty of potential for more deposits and countries like Ghana still considered under-explored, the region should continue to garner attention.

"Successful discoveries or advanced stage projects by these companies may well become acquisition or joint venture targets by larger companies leading to capital gain opportunities," Mr. Kiri said in a report.

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