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- The Redstone ore is to be custom milled at Cobalt Ontario. The nickel in concentrate will then be shipped to Panshi City, Jilin Province, China in accordance with the Off-Take Agreement signed with Liberty's strategic partner, Jilin Jien Nickel Industry Company Ltd.

Analysis

- Visible exchange stocks of copper may have to rebuild to between 750,000t and 1 million tonnes before copper prices return to anywhere close to "normality" below \$1.36 per pound according to Bloomsbury Minerals Economics (BME). That's a direct function of the new influence of the commodities index funds on the market. The cumulative buying of copper by these entities has created an extra call on exchange stocks of around 465,000t, even if this "call" is a notional one and unlikely ever to result in physical delivery. Factoring this "exchange stock offset" theory into BME's price models leads to the possibility of a copper price spike above \$4.08 per pound.
- The theory also explains why the usual seasonal build in exchange stocks seen over the northern hemisphere winter months failed to make any impact on prices. Not only was the metal perceived to be stock relocation (from China) but the tonnage was less than required to cover the new demand from index funds for copper futures. A subsequent decline in exchange stocks combined with increasing index fund buying has "doubled up the bullish forces behind copper," according to BME.
- BME expects the underlying physical market to record a supply-demand deficit of 185,000 tonnes in 2006 and 108,000 tonnes in 2007.
- Since the beginning of 2006, visible exchange stocks have increase 3,379 tonnes, despite deliveries by the Chinese from their strategic stock pile.

Other Companies

- Aur Resources' Duck Pond copper-zinc mine in Newfoundland is on schedule to start production in Q406. Initial access to the ore is expected in July with work on the concentrator advancing on schedule. However, pre-commercial production costs are now expected to be \$94m, some \$15m higher than envisaged in the feasibility study due to a decision to buy not lease the mining fleet and higher construction costs of the concentrator and other facilities. The mine is budgeted to produce around 34,500tpy of contained zinc and 18,600tpy of contained copper in concentrates.
- Barrick Gold Corp. [ABX] is open to further expansion in Pakistan - which it considers more politically stable than some countries in South America. "Pakistan ... from a mining point of view, from a business point of view, is among the better countries (to invest in)," Peter Munk told shareholders during the annual meeting Thursday. "If I had the choice to put my money in one of the Latin American countries run by Evo Morales (Bolivia's president) or (Venezuelan President Hugo) Chavez - I know where I'd put my buck," he said, referring to moves to nationalize resources in those two countries, to the detriment of foreign investors. Barrick bought a stake in the Reko Dig copper-gold project in Pakistan for \$100 million in February from Antofagasta PLC, a Chilean mining group.
- Inco (N) has given the green light to the construction of a \$US63 million (\$A81.5 million) plant in China to produce refined nickel products for the stainless steel industry in the "fast-growing" Chinese market. The plant will have a capacity of 32,000 tonnes per year, with construction scheduled to start in the third quarter of 2006 and commissioning expected to take place in the first half of 2008. The new plant will be Inco's fifth processing plant in China.
- Aur Resources (AUR) reported net earnings of \$46.8 million for the first quarter ended March 31, a 41% increase over earnings of \$33.3 million for the comparable period of 2005. Cash flow from operations rose 74% to \$76 million, and cash and working capital increased to \$402.3 million and \$345.3 million during the same periods, respectively.
- Canadian miner Barrick Gold estimates that it will cost more than US\$70mn to bring about a 2009 closure of its Pierina gold mine in Peru. Formerly a 900,000oz/y producer, Pierina churned out 628,000oz in 2005 at a cash cost of US\$139/oz compared to 646,000oz at US\$111/oz in 2004 as the mine gradually wound down.
- Barrack Gold has applied for permitting for the Pascua Lama project, which straddles the Chilean-Argentina border high up in the Andean mountains, is in the final stages, said Gonzales. In Argentina, the public hearing stage has closed and San Juan authorities are compiling reports on Barrick's environmental impact study for the project. In Chile, a final appeals process is underway following approval of the EIS by local authorities. "The production is forecast to start with more than 500,000oz of gold at the end of 2009 if we receive the permits in time," said Gonzales. Pascua Lama contains 17.6Moz of gold reserves and is designed to produce 750,000-775,000oz/y of gold and 32M-34Moz/y of silver during the first 10 years of operation.
- Largo Resources Ltd. (LGO) announces that the first hole of a 4,800m diamond drill program has begun on the Company's newly optioned 1,500 hectare Northern Dancer Tungsten-Molybdenum property which straddles the Yukon-British Columbia border 290 kilometres east of Whitehorse. Northern Dancer (formerly known as Logtung), hosts widespread tungsten-molybdenum porphyry style mineralization, the core of which was partially delineated by 51 diamond drill holes and 496 metres of underground workings completed by AMAX Minerals Exploration between

1977+1980. ... historical resource of 162Mt @ 0.13% WO₃
and 0.052% MoS₂.

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