

Venmyn's management and staff wish you a prosperous and joyous 2011.

We expect this year to be a memorable one for the international mining industry, with continued strength in many of the metal markets and a host of new flotations and spin-offs. We also expect large mining companies to become more focused and possibly reassess their mineral portfolios, while juniors continue to develop their businesses to more effectively compete with larger companies.

The mining industry this year is also expected to be dominated, as it has been for some time, by Asia, and particularly by China and India, which show no abatement in their demand for various commodities. This may mean that companies will be expanding their geographical footprint in search of new resources, many of which will be found in Africa.

At mine level, a whole host of social and environmental issues will come to play a more important role. Mines are likely to become more health and safety conscious, and hopefully lives will be saved in the process. Land, water and other environmental issues will also become increasingly important.

On the technology front, meanwhile, increased automation is likely to become a feature of this new mining era, bringing costs down considerably in the new cost-conscious post-recession period.

All this bodes well for the mining sector both in South Africa and abroad and, provided that new regulations and taxes do not overburden the industry, Venmyn expects 2011 to be one in which the mining sector will develop and grow.