

Canada's mining executives shedding 2009's pessimism

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Canadian mining executives are rapidly shedding anxiety about the economy in favour of bullish sentiments about the industry's immediate and long-term prospects, according to a new survey.

Mining Recruitment Group surveyed executives with 74 companies and found that 70 per cent expect the industry will perform better this year compared with 2009.

Even more, 78 per cent, have a strongly positive outlook on the industry over the long term, the group reported in its annual mining executive survey.

Gold, copper and uranium were the metals perceived to have the greatest upside for price in the coming year, although 71 per cent expressed either caution or extreme concern over the volatility of commodity prices.

"Sentiment is as high as I've ever seen it," said Mining Recruitment Group president Andrew Pollard.

"This time last year, we did the same report and ... at that point 85 per cent of them were bearish. Now, only nine per cent are bearish to any degree over what's going to happen over the next year. ... There is less fear out there."

Respondents expect easier access to capital compared to last year, when many companies had to shed employees, and curtail or cancel drill programs that are integral to new mine development.

Eighty-seven per cent anticipate that mineral-exploration and project-development activities will expand in 2010, and 68 per cent anticipate spending more on exploration and development.

Thirty-eight per cent indicated they will spend more on staffing, including new hires and salary-cut reversals. "People have more of a focus on tomorrow as opposed to just getting through today," Pollard said.

"The first place they want to spend money is putting it in the ground, in exploration and development, and getting some of their capital projects underway again."

The survey also found that 39 per cent of companies are actively seeking acquisitions.

"Some companies are still in a bit of a bind, still looking to shed some assets and get cash in that way - so acquisitions will be also be a key part [of activity in 2010]," Pollard said.

"There is a lack of good projects available and a lot of companies after the same sorts of things, so there is going to be a war to see who can complete the deals," Pollard said.