Brancote withdraws its approval or announces an alternative proposal, it must pay Meridian a break fee of US$1.5 million. Meridian will reimburse Brancote up to US$400,000 in expenses if it should terminate the offer. □

Omani copper-gold discovery

Oman-based National Mining Co. (NMC), a subsidiary of Muscat-based MB Petroleum, has discovered a group of copper-gold-mineralised volcanogenic massive-sulphide zones in northern Oman, near the border with the United Arab Emirates. The main zones are at the Shinas and Hatta prospects, part of the Block 1 concession north of Sohar.

An exploration programme began in late 2000, with regional geochemical and airborne geophysical surveys, followed up by ground geophysics. The first phase of drilling commenced about a year ago, targeting coincident geophysical anomalies downdip from outcropping gossans, and intersected the following better results:

Prospect	Hole	Interval (m)	Au (g/t)	Cu (%)
Shinas	SH-01	34.3-75.0	1.04	1.51
	incl.	34.3-45.0	2.15	0.54
	also	45.0-60.0	0.78	2.71
	SH-03	41.0-83.5	0.20	2.35
Hatta	HA-01	9.0-26.0	0.14	3.00
	HA-02	29.0-48.0	0.31	3.23
	incl.	36.0-43.0	0.29	5.00

Zinc and silver mineralisation is also present in the core. The results were encouraging enough for NMC to conduct further detailed geophysical surveys, which outlined targets at other prospects within the Shinas and Hatta areas. The most promising of these were targeted in a second phase of drilling, which intersected the following better assays:

Prospect	Hole	Interval (m)	Au (g/t)	Cu (%)
Shinas	SH-13	30.5-82.0	0.40	1.83
Hatta	HA-08	17.0-27.0	0.24	8.29
	HA-10	50.0-60.0	0.22	3.17
Hatta South	HS-01	26.6-38.6	0.06	2.36
Hatta West	HW-04	11.0-21.0	0.07	4.65
	incl.	15.0-20.0	0.07	7.08

NMC now proposes to conduct a prefeasibility study of the development of these mineralised zones, and is concentrating on gathering enough data for the estimation of an indicated resource. The prefeasibility study is expected to be completed in the September quarter this year.

Mineralogical studies have found that the zones contain a simple sulphide mineralogy of pyrite and chalcopyrite, with some sphalerite and chalcocite, within an alteration mineralogy of silica-sericite-chlorite, with some haematite, calcite and gypsum. NCM classifies the mineralisation as basalt-hosted Cyprus-style volcanogenic massive sulphide, typical of historically-mined deposits in the region. □

Letter to the Editor

Dear Sir,

As you noted recently (*MJ*, March 8, p.178), the MMSD Draft Report is a formidably long document. Given its length, the short time (six weeks) allowed for comments, and the even shorter time (two weeks) for final revisions, it is probable that the published report will not differ greatly from the text that was issued last month. There seems to be little, if any, scope for suggesting radical changes, nor for questioning the basis and presuppositions of the report.

This is unfortunate, since the Draft Report is seriously flawed in many respects. Its treatment of the issues is inadequate, and the assumptions on which it rests are questionable or mistaken. As a result, its principal recommendations for change are not well judged.

In the quality of its analysis, and in particular in its handling of economic issues, the report does not show up well. This becomes apparent from the start. In its opening chapter the draft purports to offer "a proposed sustainable development framework for the minerals sector", a basis for thinking and action. But the 20 pages that follow provide no more than a recycling of currently fashionable ideas and phrases, preceded by an alarmist sketch of the world today and then laced with some crudely misleading summary economic history. In later chapters, arguments concerning the 'need' for minerals, the impact of the industry on economic development, and the problems posed by 'mineral wealth' (a concept that goes undefined), likewise show a lack of clarity and even of basic understanding

The report takes as its point of departure the idea that mining and metals companies must now pursue the goal of sustainable development in close conjunction with a range of other 'actors'. These latter include governments at different levels, employees in general and trade unions in particular, local communities, international agencies, and NGOs which are dignified with the title of 'civil society': at one point the 'minerals sector' is actually defined as including all these. The working assumption of the report, which is neither argued nor examined, is that the industry now has to earn its 'licence to operate' through ensuring 'multi-stakeholder engagement' in a range of collectively devised procedures and programmes designed to further sustainable development.

This collectivist orientation is reflected in the recommendations which are in large part procedural. As noted in your summary of March 8, a variety of new mechanisms are proposed - for individual companies, for the industry as a whole, for governments, and for all the 'actors' working in concert. The emphasis is placed on improvements in 'governance'. In this collectivist perspective, disproportionate weight is given to participants other than national governments, while the problems that may arise from accommodating interest groups such as NGOs and local communities are not squarely faced.

While the quality of individual chapters varies, the draft as a whole does not measure up to professional standards. The project team established by the International Institute for Environment and Development, and presumably also the 'Assurance Group' that supervised it, have proved unequal to the task that was set. This is not a 'rigorous study' of the kind that the Global Mining Initiative decided to commission at the time when it was set up.

The defects of the draft are the more to be regretted because, as you have noted, the mining industry does face serious problems of its own. Clearly, its member firms have to pay full heed to the impact of their investments and operating procedures, and to how this impact is viewed and judged. More than most others, the industry today is on the defensive. It could benefit greatly from an independent report that was pertinent, informed, judicious and well argued. But this draft focuses on the preoccupations of the industry's critics, rather than the main issues of substance. It represents a badly missed opportunity.

To sum up: the draft MMSD Report is the flawed outcome of a flawed process. Its approach is not well judged, its analysis is defective in some critical respects, and its recommendations point the way to a mining industry that would be less effective, not more, in contributing to the general welfare. It is surprising, and perplexing, that the industry has gone out of its way to sponsor a venture so deficient in its conception and its execution.

Yours faithfully,

Phillip Crowson
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David Henderson
Westminster Business School