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RIO TINTO is suing Brazil's Vale over lost mineral rights in Guinea, saying it was involved in a $200m bribe to former mining minister, Mahmoud Thiam. Mr. Thiam has described the claim as "libelous" and "borderline comical."

WHITEHAVEN COAL is relying on police helicopters and a dog squad to continue construction at its $760m Maules Creek coal mine in New South Wales, due to sustained environmental protests.

ECHO RESOURCES has hit bonanza gold grades at its Julius project in Western Australia, including 20m at 9.8 gold grams per tonne.

Personalities Pervade Barrick Newmont Talks

Hopes of a mammoth paper merger between gold majors Barrick Gold and Newmont Mining, first leaked to the *Wall Street Journal* in April, publicly broke down this week after Barrick's ego-charged board appeared to let personality clashes override any possible cost savings.

Barrick, valued at C$23bn ($21bn) on gold production of 7m ounces last year, kicked off the battle on Monday, saying Newmont's board had "decided to terminate" discussions, adding that it still believed in the merger.

Newmont, valued at $12bn on production of 5m gold ounces last year, responded by releasing a private letter from its chairman to Barrick, saying that "our efforts to find consensus have been rejected out of hand repeatedly."

Barrick's co-chairman, the letter said, had twice told Newmont the deal was "dead". The comment is thought to have come from Barrick's John Thornton, rather than founder Peter Munk, over the Easter weekend.

If the leaking of merger talks was meant as a pawn in Barrick's efforts to realise talk of a Chinese investment into its aborted $8.5bn Pascua-Lama project, the strategy has backfired, with Barrick's rough-handling of Newmont instead showing it to be far from a face-saving deal with industry peers.

"As we contemplated further dialogue, we read in the continuing reporting of the transaction in the financial press a pointed characterization of our company as 'extremely bureaucratic and not shareholder-friendly,'" Newmont's letter read, this time quoting Munk, who retired from Barrick's board on Wednesday at the age of 87 amid a string of outspoken interviews.

Glencore's chief executive Ivan Glasenberg is who Munk admires most in the mining industry, he told one reporter. "He's taken Xstrata, he's now very close to the BHP Billiton's," Munk said. "He's going to eat them all."

Newmont's chief executive Gary Goldberg and Barrick's chief executive Jamie Sokalsky, who was due to lead a spin-out had a merger proceeded, emerged unsullied by the week's drama. "I'm an accountant," Sokalsky recently told the *Toronto Star*. "My wife is an accountant, my oldest daughter is an accountant and my youngest daughter is studying to be an accountant."

Shares in Barrick and Newmont are down by around two-thirds since 2011.

MARKET REPORT

Walter's Troubles Deepen as Prices Weigh on Debt Laden Groups

CANADA: Subdued commodity prices are beginning to take their toll on debt laden groups, as cost cuts, debt extensions and paired back operations prove untenable without an uptick in pricing.

US-based coal miner Walter Energy today reported a quarterly net loss of $92m, double that of a year ago, after an 18 per cent drop in prices for its top ranking coking coal to $127 per tonne.

Interest payments topped $79m, as doubts over its ability to service debt of $2.9bn drove up borrowing costs. In a sign of possible dilution to come, last week Walter converted $35m of 9.9 per cent debt into 3.2m shares, equal to 5 per cent of its total equity.

Indebted nickel juniors are likewise under the cosh. Anfield Nickel sold its flagship asset in Guatemala last week to pay down debt, whilst copper-nickel junior PolyMet has extended a debenture owed to trading giant Glencore.

The $25m debenture carries accrued interest of $7.2m.

LONDON: Gold miner Petropavlovsk dropped 14 per cent on Tuesday, after the company expressed doubts over its ability to refinance its borrowing.

According to its auditor, Petropavlovsk, which has $310m of convertible debt maturing in February, looks set to breach covenants on its loans this year. "There are a number of ways we could do the refinancing and we would need shareholder approval for some of them," said chairman Peter Hambro.

AUSTRALIA: Copper group Antofagasta has reshuffled its exploration joint-ventures, a hallmark of its exploration strategy outside of Chile. The company has struck an earn-in with ASX-listed Argonaut Resources over the Lumwana West project in Zambia and has taken a 51 per cent share in Monax Mining's Punt Hill prospect in South Australia.

"The implications of this agreement are considerable," said Argonaut's Lindsay Owler. Shares were unmoved.

WALTER's operations, Alabama. The company has idled its mines in Canada and plans to delist from the Toronto Stock Exchange. Goldman Sachs has downgraded the group to 'sell', saying it faces a "liquidity challenge."

Altius Pumps New Mega-Projects into Project Pipeline

Royalty group Altius Minerals has pumped two new mega-projects into its project pipeline, including 100 per cent of the CDP, a vast land bank in western Canada that was once part of the Canadian Pacific Railway's rambling land estate.

The news follows a $1bn asset sell-off last year by embattled nickel miner Sherritt, which saw Altius emerge as Canada's largest royalty group outside of precious metals.

In a sidecar agreement it bought 50 per cent of the CDP for $21m, covering over 13bn tonnes of coal and potash resources plus small scale producing royalties. Its co-owner, an Ontario-based pension fund manager, had the right to match the terms or exercise a put option, which Altius angled for and has now agreed, granting it the entire land package for $42m.

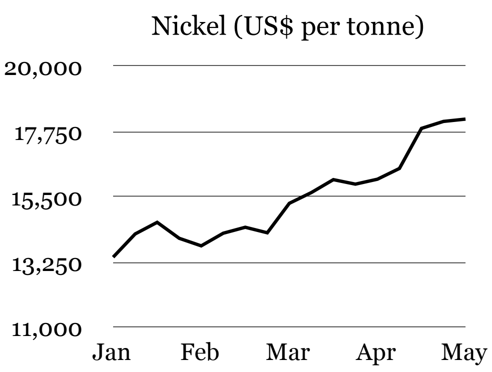
According to insiders, the company has already been approached by prospective partners looking to develop the resource, with talks "well advanced." Altius founder Brian Dalton has previously taken large land positions in northern Labrador and in the Labrador Trough, leading to the spin-out of uranium group Aurora Energy and iron ore junior Alderon, with combined capital gains of around $250m.

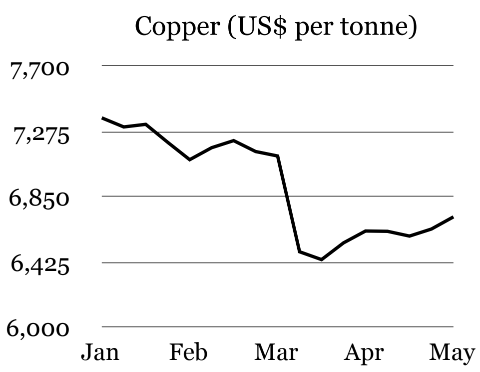
"Brian's ability over the next 5 or 6 years to make something of that investment needs to be considered in the context of his $100m-plus successes in both the uranium and iron businesses," one cornerstone investor says.

Altius, which holds 25 per cent of Alderon and 8 per cent of gold royalty group Virginia Mines, has also said it is in "final stage" talks with the Government of Newfoundland and Labrador over mineral rights to the monster Julienne Lake iron ore deposit.

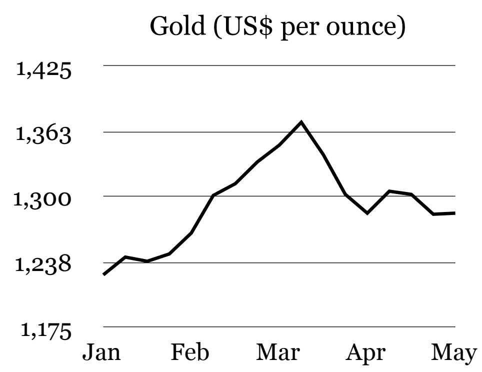
Julienne Lake has a 1.1bn tonne resource at grades of 34 per cent and is surrounded by land already owned by the company. Combining the tenements is expected to produce a project capable of 21m tonnes per annum, which Altius intends to spin-out, retaining a minority stake and a 3 per cent royalty on sales.

Its Sherritt deal, which closed Monday, is being funded by cash, a $140m credit facility and a $65m equity offering announced this week. Shares have risen 30 per cent since the deal was first announced to C$14.00, equal to the offer price.





COMMODITIES: Platinum prices are finding strong support from crippling strike action in South Africa, now in its 14th week. Talks between union AMCU and producers Anglo American, Impala and Lonmin collapsed late last week, holding prices above $1,400 per ounce. "No work, no pay" applies for the duration of the strike, producers warned. Strike action has so far cost employees $600m in lost earnings and producers over $1.4bn in lost revenue, betraying the labour intensity of South Africa's outdated platinum industry.



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