

BUSINESS

Print | E-Mail | Digg this | Share on Facebook | Report a Problem | Text + -

Search: Today 7 Days Web

Xstrata to make announcement on Donkin mine

By The Canadian Press
Tue. Feb 9 - 4:54 AM

SYDNEY — Speculation is rampant on the future of the Donkin coal mine but the answer should finally be known this week.

Xstrata Donkin Coal Management will hold a community meeting at the Donkin firehall on Wednesday night to update residents on whether or not it will follow through with plans to reopen the undeveloped colliery.

"There's a lot of speculation floating around," said Hugh Kennedy, chairman of the Donkin-Port Caledonia Rural Development Association and chair of the Donkin Xstrata community liaison committee.




"I've heard it both sides — that they're going ahead and they're going to cancel it. I can tell you Xstrata has not told me anything."

Kennedy said the development of the Donkin mine could create hundreds of jobs and spark economic spinoffs.

"I'm hopeful, yes, but I'm in the dark as much as anyone else."

Ken MacDonald, vice-president of business strategy and chief financial officer for Erdene Resource Development of Dartmouth, said he and company president Peter Akerley will

MULTIMEDIA CENTRE

<p>TOP VIDEO</p>  <p>PLAY VIDEO > Protest breaks out at Olympics</p>	<p>TOP VIDEO</p>  <p>PLAY VIDEO > Lawyers comment on Naugle sentencing</p>	<p>TOP SLIDESHOW</p>  <p>PLAY SLIDE > Pictures of the Week February 7-13</p>
--	--	--

ANNOUNCEMENTS: Obituaries | Births | Cards | InMemoriams | Milestones

be at the meeting.

He said any announcement on the project would have to come from Xstrata.

Erdene holds a 25 per cent stake in the Donkin mine development.

MacDonald said the outlook is good for thermal coal prices. Two years ago, coal peaked at an average of \$129 a tonne, but fell back last year to an average of \$72 a tonne. The Donkin business case is predicated on a price of \$52 a tonne.

"As much as there's a lot of controversy over the burning of coal . . . it makes up the most abundant resource of fossil fuels in the world," said MacDonald, adding it's also the least expensive to produce.

Xstrata and Erdene plan to extract 350,000 tonnes of coal a year from the Donkin mine in a \$110-million exploratory phase to determine the quality and quantity of the resource before committing to a full-scale mine development.

At a community meeting in December, Xstrata project manager Val Istomin said the company would not approve an exploratory stage until a buyer for the coal is found, which he predicted at the time wouldn't be likely within the next three months.

Istomin said in an email Monday that Xstrata has been investigating its development options and is ready to make an announcement.

TODAY'S BUSINESS STORIES

[Learn from the experts](#)

[Inheritance hopes dashed so it's cutback time](#)

[Not a one-industry town](#)

[Markets may be sluggish this week](#)

[Borderline security](#)

[RRSPs key part of long-term retirement plan](#)

[Back to Business Section](#)



RECOMMEND THIS STORY?

5 votes

The ChronicleHerald.ca

NEWS

- Front Page
- Metro
- Nova Scotia
- Canada
- World
- Business
- Sports
- Arts & Life
- Travel
- Books
- Religion
- Science
- The Nova Scotian

COMMUNITY

- Community News
- NS Communities

OPINIONS

- Editorials
- Columnists
- News Columns
- Business Columns
- Sports Columns
- Arts & Life Columns
- Community Blogs
- Community Reviews
- Posting Up Blog
- MacKinnon Cartoon

ANNOUNCEMENTS

- Obituaries
- Births
- Cards
- InMemoriams
- Milestones
- Contact us to place an Announcement

MULTIMEDIA

- Photos
- Videos
- Community Photos

JOBSPRESS

- JobsPress
- News & Resources
- Advertising
- Post a Job

WHEELSPRESS

- WheelsPress
- Search
- Sell Your Vehicle
- Dealers
- Advertising

NEWSPAPER

- Today's E-Paper
- Classifieds
- Place a Classified Ad
- Subscribe
- NiE
- Professional Directory
- South Shore Calendar

ABOUT THE HERALD

- About Us
- Contact Us
- Work @ The Herald
- F.A.Q
- Library Services
- Privacy Policy
- Terms of Use

ADVERTISING

- Web Advertising
- Sales Executives
- Media Kits, Rates, Etc.
- Place a Classified Ad
- Pay Your Account

CLIENTS

- Print Upload
- Web Upload
- Real Estate Portal
- Media Kits, Rates, Etc.

FUN & GAMES

- Lotteries
- Sudoku
- Crossword
- Comics
- Contests

CHARITIES

- Chronicle Herald Charities
- Bill Lynch Memorial Fund
- Rainbow Haven Opportunities Fund
- The Goodfellows' Club

USEFUL INFORMATION

- E-Flyers
- Eye on Nova Scotia
- N.S. Highway Cams
- Horoscope
- Lotteries
- Tides
- Weather
- Movie Times
- What's Happening
- Mayflower TV Guide
- Herald Archive

