



Gold



Lead



Copper



Platinum



Nickel



Iron



Aluminium



Zinc



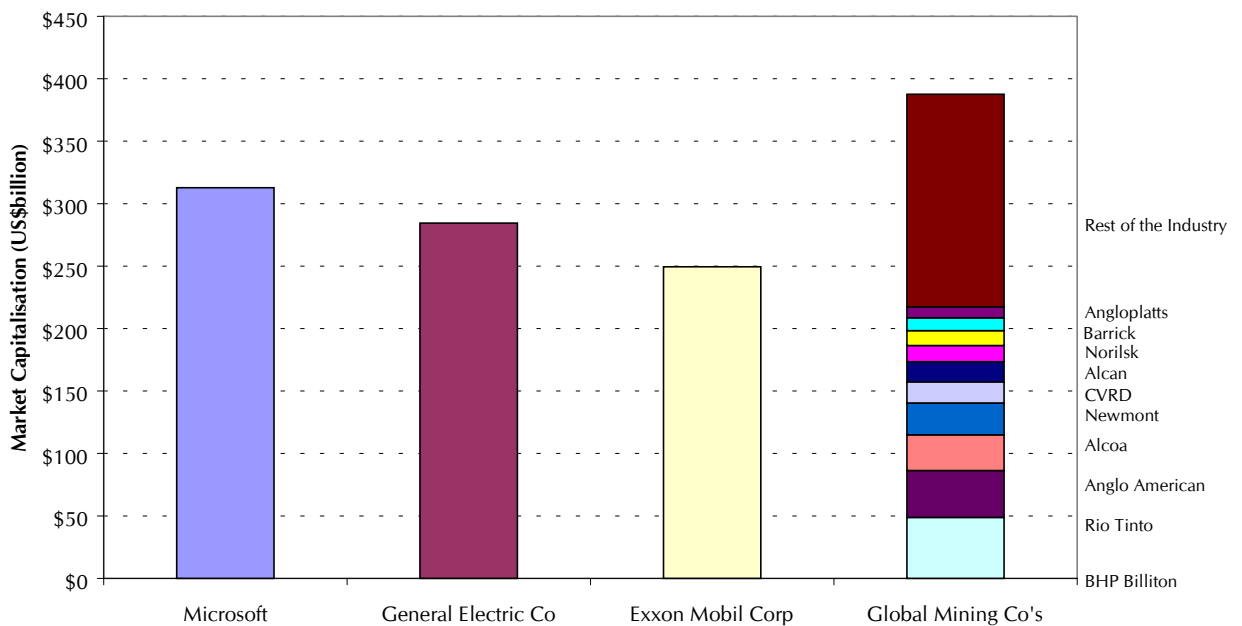
Silver

MINING INDUSTRY CAPITALISATION COMPARED

The value of the global mining industry is tiny in comparison to the total market capitalisation of the US and world stockmarkets. A small shift in global money flow into the mining sector would have a significant positive impact on the market capitalisation of the mining industry if weight of money chases a limited number of relatively modestly capitalised mining stocks.

The chart below compares the market capitalisation of the mining industry as represented on the ASX, TSE, US, London and SA stock exchanges with leading US companies Microsoft, General Electric and Exxon Mobil (data sourced from Bloomberg).

Comparison of Global Mining Industry Market Capitalisation with US Major Companies (US\$bn)



We have calculated that the total market capitalisation of the world mining industry is just US\$388bn. This is only marginally greater than Microsoft's US\$313bn market value. BHP Billiton, the world's largest mining company, is just US\$49bn by comparison.

Compared with the capitalisation of the massive US stockmarket which totals US\$12,450bn, the global mining industry represents just 3.1% of its value and against the value of the global stock markets (US\$28,030bn) the mining industry makes up a paltry 1.4% of total capitalisation.

The value of the top 5 mining companies in the world combined (BHP Billiton, Rio Tinto, Anglo American, Alcoa and Newmont) represents only half (50.3%) of Microsoft's US\$313bn market capitalisation.

Global Mining Company Ranking Against US Major Companies and World Stockmarkets

Company or Sector	Capitalisation US\$bn *	% World Market Capitalisation
BHP Billiton	49	0.17
Rio Tinto	38	0.13
Anglo American	28	0.10
Alcoa	26	0.09
Newmont	17	0.06
Microsoft	313	1.12
General Electric	284	1.01
Exxon Mobil Corp	250	0.89
Global Mining Sector	387	1.38
Australian Stockmarket	497	1.77
US Stockmarket	12,449	44.40
World Stockmarket	28,030	100.00

* As at 23/10/03. Source Bloomberg

Commodity prices in US\$ as measured by the CRB index bottomed out in October 2001 and have been steadily rising since. As world economies move into a phase of economic recovery and stronger growth, increased demand for commodities should drive commodity prices higher still. Increased money flows into the global mining sector could result.

The Alchemist

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