

OMNI News Mandarin Weekend Edition

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Finance -

China: Mining and Exploration Opportunities

Interview excerpts -

Greg Crowe, President and CEO of Entrée Gold Inc.

On exploration activities in the South Gobi desert:

GREG CROWE: There are lots of resources in that area. Not only is there this rich copper-gold discovery but also there are quite a few coal deposits. What's happening right now is a lot of small Mongolian companies are shipping coal down to China, going right across the Gobi desert on a series of roadways, and the call for development in the South Gobi is strengthening as the project underway around our [Lookout Hill] property is getting further and further advanced.

There has been very little exploration done in the Gobi region or along that entire [mineralized] belt over the past several decades and that was mainly brought about by political problems. I mean there was the Second World War followed by a period of Soviet intervention in Mongolia and so very little exploration was done. Suddenly, it has been recognized with advanced models, advanced thinking geologically, that the entire southern portion of Mongolia — and that includes the northern portion of China, which is Inner Mongolia — is one massive belt of rocks that is very similar to the western coast of South America.

On China's economic growth in infrastructure:

CROWE: China certainly needs resources. In particular they need metals; they need coal for electrical infrastructure or for generation of electricity. They also have a need for coal metallurgical processes. ...And then these metals. Where are they going to get these metals from?

Currently, Chile, in South America, is the number one producer of copper today. Well, that belt in Mongolia is as an older version of the western coast of South America, and it is an untapped treasure chest, essentially, of hidden deposits that are just waiting to be discovered. With advanced exploration and with a lot of foreign investment that is going to finance this exploration, I think you're going to see the discovery of quite a few ore bodies which will be able to feed the growing Chinese economy.

On Chinese-Mongolian efforts to develop infrastructure in the South Gobi desert:

CROWE: The Chinese and the Mongolian governments have recently entered into an agreement, whereby they have agreed to spend approximately US\$350 million for development of infrastructure in the area around where we are working and that is going to include the construction of a rail line and a paved roadway system that goes right from the Chinese border up through our property and west to access some of the big coal deposits out in the west as well. Currently there is a smelting town in China called Baotou. It's about 200-250 kilometers to the southeast of our property and they already have the paved road right up to the Mongolia border.

On resource opportunities for Canadian companies in China:

CROWE:....The problem is the bureaucracy, the different levels of government, [and] the different levels of ownership. It needs to be clarified; it needs to be made simpler so when you want to do a deal and you want to explore you need to be given the green light without going through overly bureaucratic steps. Once China is able to, shall we say, make it a little easier for foreign companies to come in and explore, I think you will see a flood of foreign companies. I believe that right now is the time for Canadian companies to start looking at getting in there before that flood happens.