



July 2015

A review of mining activity
across the continent



AFRICAN mining ROUNDUP

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Exploration and feasibility studies

Democratic Republic of Congo: Armadale appoints contract miner to help finance, develop project

Aim-listed miner Armadale has entered into a heads of terms agreement with contract miner Africa Mining Contracting Services (A-MCS) to fund, develop, build and operate the Mpokoto gold project, in the Democratic Republic of Congo. Under the terms of the agreement, which is subject to the execution of a final, definitive agreement between the parties, A-MCS will introduce investors to provide up to \$20-million in debt financing to fund the development of the 678 000 oz project, in the Katanga province, to production in 2016.

Eritrea: Nevsun reports massive sulphide discovery

Canadian base metals producer Nevsun Resources has made a new volcanogenic massive sulphide discovery at the grassroots Asheli prospect, 20 km south-west of the existing Bisha processing plant, in Eritrea. The Asheli drilling forms part of the 2015 Bisha regional exploration programme, which aims to build on the successful 2014 programme.

Ethiopia: Kefi could widen Tulu Kapi prospects

Gold and exploration development company Kefi Minerals has determined that there is potential to mine for gold at three prospects adjacent to its one-million-ounce Tulu Kapi openpit gold mine, in Ethiopia. The gold mineralisation could potentially provide satellite feed to the central processing plant at Tulu Kapi or be developed as standalone heap leach projects. Two parallel shear zones immediately west of Tulu Kapi, the Komto-Guji Shear and the Bila-Gulliso Shear, are host to a number of gold projects that have similar geology to Tulu Kapi.

Meanwhile, Kefi Minerals has completed the definitive feasibility study for Tulu Kapi, on time and within budget.

Ghana: Goldstone to raise stake in licence to 90%

Aim-listed Goldstone Resources has signed an addendum to its agreement with Homase mine joint venture partner Cherry Hill Mining Company to expedite the increase of its interest in the Homase licence. Under the terms of the addendum, Goldstone's current interest of 65% in the Ghana-based project will increase to 90%. The addendum will also allow Goldstone to remove contractual hurdles to earn the 90% interest, including the requirement of expenditure towards a feasibility study to earn an 85% interest and further development expenditure to earn an additional 5% interest.

Ghana: Hummingbird to sell exploration asset

Aim-listed Hummingbird Resources has agreed to sell its Ensign Resources subsidiary, which owns the Asheba licence, in Ghana, to private West African exploration business Taoudeni Resources. Hummingbird will receive 10% of the total share capital of Taoudeni and a discovery bonus of \$1/oz in 500 000 oz increments on discovery at the Asheba licence, which currently has a gold inventory of 176 000 oz at 1.8 g/t. Hummingbird has retained the right to buy back a 10% interest in the project for \$7-million upon publication of a feasibility study.

Liberia: Tawana given green light to start new exploration of Mofe Creek South

ASX- and JSE-listed iron-ore company Tawana Resources has announced that Liberia has granted it approval to start exploration work on its recently acquired, 100%-owned MEL 1223/14 Mofe Creek South licence. Tawana has indicated that this new licence is "highly prospective" for direct shipping ore mineralisation.

Mali: Hummingbird raises funds for prospective Yanfolila gold play

West African gold explorer Hummingbird Resources has raised £3.5-million, before expenses, through the placing of 10.6-million new ordinary shares at 33p apiece, with the funds destined to advance its 1.8-million-ounce Yanfolila gold project, in Mali, to near-term production and for working capital purposes. Hummingbird has outlined that recent technical studies have indicated "significant"

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potential for improved economics regarding the development of Yanfolila as an openpit mining operation.

Hummingbird has also entered into a subscription agreement to raise £500 000, before expenses, to advance Yanfolila and for working capital purposes. The funds come from a placement of shares with a long-term shareholder which is an affiliate of TSX-listed Sprott.

Mali: Syama life extended

An independent review of gold miner Resolute Mining's prefeasibility study to develop an underground operation at the Syama project, in Mali, has extended the project's mine life, while improving project economics. An update to the ore reserve has increased ore reserves to 25.5-million tonnes grading 2.8 g/t gold for 2.3-million ounces of gold, and could extend mining until at least 2028. Further, total production from the underground operation has been increased to 1.9-million ounces, while preproduction capital expenditure has dropped to \$74.1-million.

Mozambique: Fair Bride gold deposit showing promise

ASX-listed Auroch Minerals has reported that a preliminary economic assessment has revealed that the Fair Bride gold deposit, in Mozambique, could be developed at an initial \$28.4-million, to produce 46 700 oz/y for the next seven years. The study, which has confirmed the technical and economic viability of the deposit within the Manica gold project, shows total gold production of 331 000 oz from openpit and shallow underground mining over seven years, including a further year of treating low-grade stockpiles.

Meanwhile, Auroch is selling its Manica mining concession, in Mozambique, to Aim-listed gold and copper exploration company Xtract Resources for \$12.5-million. The purchase price includes \$6.5-million in Xtract shares and \$4.5-million in cash. Xtract will also provide funding to settle project-related creditors up to \$1.5-million.

Mozambique: Rio Tinto, Savannah combine assets

Diversified mining giant Rio Tinto International and Savannah Resources subsidiary AME East

Africa have announced plans to merge their Mozambique-based adjacent heavy mineral sands assets into an unincorporated joint venture (JV). Savannah will be the operator of AME's Mutamba, Dongane and Jangamo prospects, as well as Rio Tinto's Chilubane prospect, earning up to 51% of the combined Mutamba-Jangamo JV project by funding and completing the scoping, prefeasibility and feasibility studies.

Meanwhile, Savannah has raised £550 000 through the placing of 21.9-million new ordinary shares. The funds will be directed towards progressing the JV project in Mozambique.

Sierra Leone: Dry mining at Sierra Rutile's Sembehun viable

Aim-listed Sierra Rutile has reported that a study has confirmed that dry mining could be considered at the Sembehun project, in Sierra Leone. The proposed project comprises an openpit dry mining operation with two 500 t/h concentrator units, which have near identical configurations to the company's Gangama dry mine. As Sembehun is a long-term project, no decision on the start of the project will be required until at least 2017; however, it represents the next stage in production after Gangama, contributing 74 000 t/y of rutile over a mine life of 19 years. Operations are estimated to start in 2019.

Sierra Leone: Sula looks to expand tenements

Sierra Leone-focused exploration and development company Sula Iron & Gold has made an application, through its wholly owned subsidiary Blue Horizon, for a new exploration licence adjacent to its Ferensola licence. The new exploration licence area covers an area of 19 km² and is believed to be highly prospective for coltan and gold.

South Africa: Antifracking group slams DMR for shale gas regulations

Despite an ongoing two-year strategic environmental assessment (SEA) into domestic hydraulic fracturing (fracking) by the Department of Environmental Affairs and claims from the environmental community that the consultation process regarding the formulation of fracking legislation is inadequate, the Department of Mineral Resources (DMR) has released the final Regulations

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for Petroleum Exploration and Production. The regulations encompass shale gas exploration and fracking. Antifracking lobby group, the Treasure the Karoo Action Group has, however, taken the DMR to task for advancing its plan to issue exploration licences prior to the results of the SEA.

South Africa: Ferrum extends payment date for Moonlight stake sale

Triple-listed Ferrum Crescent has granted a deadline extension for the first payment of R2-million, owed by Principle Monarchy Investments (PMI) as part of a bankable feasibility study financing agreement. The first payment was due on June 1, but PMI requested an extension to complete its internal restructuring. The payment deadline has been extended to July 14 and upon payment, a memorandum of understanding, in terms of which PMI will acquire 39% of the Moonlight project, will become legally binding.

South Africa: Sylvania to submit amended EIA for Volspruit

Aim-listed Sylvania Platinum has clarified that the Limpopo Department of Economic Development, Environment and Tourism has asked it to provide additional information in its final environmental-impact assessment (EIA) for the Volspruit project, in Limpopo. The company has until July 19 to submit an amended EIA.

Tanzania: Edenville prepares to submit Rukwa mining licence application

Aim-listed coal mine and energy project developer Edenville Energy expected the submission process for a mining licence application for its Tanzania-based Rukwa coal project to be completed by the end of June. The company has noted that securing the mining licence well ahead of any power plant development will allow it to present a significantly advanced and rerisked project to its investors and potential partners.

Tanzania: Kibo finds more potential

Mineral exploration and development company Kibo Mining has identified a new zone of ultramafic rocks over a strike length of about 30 km, similar to the Haneti-Itiso Ultramafic Complex (HIUC), in Tanzania. This will be a new target zone for follow-up exploration. A number of other areas are also being identified within the HIUC showing similar

magnetic and gravity signatures as the known ultramafic outcrops, such as Mihanza and Mwaka Hills, and could be confidently interpreted as new areas of subcropping ultramafic rocks and targets for follow-up exploration.

Tanzania: Kibo Mining coal-to-power plant feasibility study to be accelerated

Tanzania-focused mineral exploration company Kibo Mining has indicated that it can “significantly increase” the pace at which feasibility work at its \$760-million Mbeya coal-to-power project (MCP) can be concluded, as construction and engineering company Chinese Shandong Electric Power Construction Corporation III's board has approved a joint development agreement. Kibo has noted that the agreement will also increase its ability to secure more investors and finance for MCP.

Tanzania: Kibo starts exploration work at gold project

Exploration has started at Aim- and AltX-listed Kibo Mining's joint venture Morogoro gold project, in eastern Tanzania, building on a 2012 work programme to investigate previously identified gold mineralisation anomalies. Kibo and its new partner Metal Tiger aim to assess the project's viability and define a project pathway, if positive.

Zambia: Excalibur hopes for manganese luck

Junior explorer Excalibur Mining has its eye on a manganese deposit in Zambia. The company will partner with Pinto Minerals to acquire a 75% shareholding in Maybach Mining Services, which holds the early stage production assets.

Projects

Burkina Faso: True Gold's Karma project construction back on track

Canadian project developer True Gold Mining, which is building the \$131.5-million Karma gold project, in Burkina Faso, has ramped up construction at the mine and is on schedule for first gold pour by March 2016. The Burkina Faso government and representatives of the community of Ramatoulaye recently struck an accord in support of the mine.

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The tripartite agreement is expected to ensure that the mine operation proceeds within a peaceful climate and benefits all stakeholders.

Ghana: Asanko Gold strikes power purchase accord with energy firm

West Africa-focused aspirant midtier gold producer Asanko Gold has inked a binding power purchase agreement with independent power producer Genser Energy Ghana to supply all the power required for Phase 1 of the \$295-million Asanko gold mine, which is scheduled for first production in the first quarter of 2016. Under the agreement, Genser will build and operate a 19.2 MW liquid fuel power plant next to the Asanko mine site and supply 17 MW of nominal power to Phase 1 on a fixed-price, life-of-mine contract.

Guinea: Bauxite miner CNG plans \$1bn expansion to meet demand

Guinea bauxite miner Compagnie des Bauxites de Guinée (CBG) has indicated that it intends to invest \$1-billion to increase its production capacity to 23.5-million tonnes a year by 2018 to respond to an increase in demand. CBG is 51% owned by Halco Mining consortium, controlled by aluminium producer Alcoa, global miner Rio Tinto and Dadco Investments.

Lesotho: First production at Lihobong to be delayed

Aim-listed developer Firestone Diamonds has reported that adverse weather conditions and increased overburden at the Lihobong mine development project, in Lesotho, have led to a R156-million increase in costs. Further, production at the project will now only start in the fourth quarter of 2016 rather than in the first half of 2016 as previously anticipated.

Liberia: Aureus achieves first gold pour at New Liberty project

West African gold producer Aureus Mining has successfully completed the first gold pour at its New Liberty gold project, in Liberia, moving the project into the advanced commissioning phase and rendering it on track to reach full-scale commercial production in the third quarter of the year. All civil works and steel erection at the New Liberty plant site have been completed, with Phase 1 of the tailings storage facility penstock line having been

completed, which will provide sufficient storage for 18 months of operations. Production for the first six years is expected to average 119 000 oz/y.

Madagascar: Nickel project suffers another setback

Diversified Canadian resource company Sherritt International has suffered another setback at its Ambatovy nickel/cobalt project, in Madagascar. A high-voltage transformer failure has caused overload damage to the two ore thickeners. This resulted in unthickened ore being processed directly through the pressure acid leach circuit, affecting ore throughput rates by about 15%. Sherritt expects one ore thickener to return to service in July and the other in the third quarter. Meanwhile, workers at the mine are seeking dialogue regarding layoffs at the operation.

Mozambique: Syrah secures final approval for graphite project

ASX-listed Syrah Resources has reported that all the key approvals for the Balama graphite project, in Mozambique, have been received, with the company having, in June, been granted the land access licence for the high-grade openpit project. Project development activities for the 380 000 t/y operation are in progress to facilitate construction and the ramp-up of production, which is expected to start about 18 months after the completion of financing, preconstruction work and early engineering activities.

South Africa: Afarak to start Vlakpoort production in 2016

Chromite miner Afarak Group has started bulk sampling at its Vlakpoort mine, in South Africa. The company expects the project to ramp up to full production in 2016, with measured, indicated and inferred resources estimated at 1.9-million tonnes of chromite. The mine will have a five-year life span.

South Africa: Boikarabelo funding negotiations continue

Negotiations between South Africa-focused Resource Generation (Resgen) and a club of potential financiers regarding project finance to develop the Boikarabelo mine are continuing. Resgen has indicated that the process to reach an agreed term sheet has been protracted owing to several factors, including the variable nature

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of the envisaged loan structure and maintaining deliverable outcomes within prevailing debt and coal markets. The company is also continuing to explore alternative funding arrangements.

South Africa: M&R Cementation bags R4.8bn Kalagadi Manganese mining contract

Mining contractor Murray & Roberts Cementation has been awarded a R4.8-billion, five-year mining contract for the Kalagadi Manganese operation, in the Kalahari basin. The three farms on which the mineral explorer holds new-order mining rights are believed to hold an estimated 960-million tons of manganese ore. The project involves the construction of a manganese mine and a 2.4-million-ton-a-year high-grade sinter plant.

South Africa: Universal secures R525m to progress Witbank coal project

ASX-listed Universal Coal has secured the funds needed to complete the development of its New Clydesdale colliery (NCC), in Witbank, Mpumalanga. A R525-million senior secured debt finance facility has been sourced from Investec Bank, enabling the South Africa-focused miner to progress the mine development programme of its second mining operation. The first phase of the NCC project, which will produce two-million tons of coal a year for high-end domestic markets over an initial ten-year period, is scheduled to be fully commissioned later this year.

Zambia: \$500m secured for copper export rail line

Zambia's Northwest Rail has secured \$500-million for the first phase of a railway linking the country's Copperbelt with the Angolan border. South Africa's Grindrod and other shareholders will put up the equity, and several banks will provide the larger debt portion. The first phase of the project will connect Zambia's old Chingola copper fields to the newer mines at Kansanshi, Lumwana and Kalumbila. The second phase of the project, expected to cost a further \$500-million, will open a direct corridor to the Angolan port of Lobito.

Zimbabwe: Caledonia reaches development milestones for Blanket mine

Zimbabwe-focused Caledonia Mining has reached certain important milestones as part of efforts to increase production at its 49%-owned Blanket mine

to 80 000 oz/y of gold by 2021. The company has completed the development of a tramming loop 750 m below surface, as well as the sinking of the No 6 Winze shaft. Preparations for equipping the No 6 Winze shaft have also begun, with the shaft to be fully equipped by the end of July, after which horizontal development towards the two main resource bodies will start. First production from the shaft is scheduled for January 2016.

Zimbabwe: Premier delivers first wolframite from RHA project

Multicommodity development company Premier African Minerals has produced the first coarse-grade wolframite concentrate at its flagship RHA tungsten project, in Zimbabwe. Fine-tuning and optimisation is ongoing. Meanwhile, the mine's process plant and equipment has been delivered to site, assembled and commissioned, activating the release of the final £450 000 tranche of its loan agreement with Darwin Strategic.

Operations

Angola: New fleet arrives to scale up Lucapa's diamond operations

The first new earthmoving equipment has arrived at Lucapa Diamond Company's Lulo concession, in Angola. The new fleet will enable Lucapa and its partners to double alluvial diamond mining operations at Lulo to 20 000 bulk cubic metres a month. Diamond mining operations will be fully operational at the increased monthly rate by the end of the September quarter, which will result in a significant increase in operational cash flow earlier than originally scheduled.

Botswana: Kimberley Diamonds secures debt finance for Lerala mine

Junior diamond firm Kimberley Diamonds has secured a A\$10-million loan from China-based auction house Zhejiang Huitong Auction, which it intends to use to recommission its Lerala diamond mine, in Botswana.

Kimberley Diamonds is in discussions with third parties to raise another A\$5-million, which it will need to complete the recommissioning of the mine.

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Democratic Republic of Congo: Banro lifts Twangiza reserves 59%, extends mine life to 14 years

Canadian gold producer Banro has lifted the compliant reserve base at its flagship Twangiza mine, in the Democratic Republic of Congo, by 59% and has extended the mine life to 14 years. The proven and probable reserves at the mine are now 1.64-million ounces of gold, contained in 22.38-million tonnes of ore, grading 2.28 g/t gold, and including nonoxide materials in the reserve pit shell, which has been proven economically treatable with the existing plant.

Democratic Republic of Congo: Tiger mulls Kipoi debottlenecking after hitting output high

Copper miner Tiger Resources has reported record production of 2 306 t of copper cathode at its Kipoi project in May. A solvent extraction electrowinning plant was commissioned at the project in May 2014 and reached its nameplate capacity of 25 000 t/y of copper cathode in August 2014. The company has identified areas where the plant can be debottlenecked to increase production and reduce operating costs.

Eritrea: Internal audit under way at Nevsun as report alleges forced labour

A United Nations report has implicated Canadian base metals producer Nevsun Mining in using forced labour at its high-grade Bisha copper mine, even as an internal company audit is under way. Nevsun is awaiting the results of a follow-up audit on its human rights programmes at the Bisha mine. The company is busy implementing the recommendations of an independent human rights impact assessment it commissioned in 2013 and published in April last year.

Mozambique: Gemfields finds two rare rubies at Montepuez mine

Coloured gemstones miner Gemfields has recovered an "exceptionally rare" pair of matching rubies, with a combined weight of 45 ct, at its Montepuez mine, in Mozambique. The find follows the discovery of the 40 ct Rhino Ruby at the mine last year. The Montepuez deposit is thought to be one of the most significant ruby mining concessions in the world.

Meanwhile, an auction of rough rubies mined at Montepuez, held in mid-June, has earned \$29.3-million. About 46 companies placed bids, and the auction realised an average price of \$617/ct.

South Africa: Exxaro maintains steady overall coal production in H1

JSE-listed Exxaro has reported that it maintained steady overall coal production during the first half of 2015; however, the diversified miner's exposure to State-owned power utility Eskom, as a supplier of steam coal and as an electricity consumer, has emerged as a material risk. In a first-half preclosing statement, the company said the ramp-up of the Medupi power station had pushed coal production and sales volumes for the first six months of the year slightly higher than those recorded in the corresponding period in the previous year.

South Africa: Ichor to acquire troubled Continental Coal's mines for R128m

Coal producer IchorCoal has inked a deal to acquire stricken Continental Coal's key 1.2-million-ton-a-year Vlakvarkfontein and stalled Penumbra mines, in Mpumalanga, for R128-million. Under the terms of the deal, IchorCoal will pay R55-million for Continental Coal South Africa's 100% interest in Penumbra, which has a resource of 14-million tons in situ and has produced 500 000 t/y of coal since 2012. In addition, IchorCoal will pay R73-million for Continental Coal South Africa's 50% shareholding – 60% economic interest – in Ntshovelo Mining Resources, which owns the opencast Vlakvarkfontein mine. IchorCoal intends to fund the acquisitions through a combination of internal funds and third-party funding.

South Africa: Keaton reports 'disastrous' performance

Coal mining company Keaton Energy has described its performance in the three months to March 31 as "disastrous".

The company has reported a net after-tax loss for the year to March 31 of R71.9-million. Meanwhile, Keaton has laid one criminal charge and several others are pending over the alleged theft of R24.7-million worth of coal from its troubled Vaalkrantz colliery, in KwaZulu-Natal.

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South Africa: Pan African looks forward to improved 2016 performance, buys coal mine

Following an “extremely challenging” 2015 financial year, precious metals miner Pan African Resources expects to deliver an improved performance in the 2016 financial year.

The company expects its earnings per share and headline earnings per share for the financial year to June 30 to be between 40% and 60% lower than what was reported for the 2014 financial year.

Meanwhile, Pan African has entered into an agreement to acquire the Uitkomst high-grade thermal coal project, in KwaZulu-Natal, from Oakleaf Investments Holding 109 and Shanduka Resources for R200-million.

South Africa: Rockwell to focus on production profile as Saxendrift output decreases

As dual-listed Rockwell Diamonds’ Saxendrift mine nears the end of its economic life, the miner will focus on rebuilding the production profile at its existing Middle Orange River operations, redeploying assets to newly acquired operations and expediting work on development projects.

South Africa: South32 delays restart of some S African ferromanganese furnaces

Triple-listed South32 has indicated that it will delay the restart of three of its four high-carbon ferromanganese furnaces at its Metalloys manganese alloy operation in South Africa, owing to a 20% decline in alloy prices.

No permanent employees will be retrenched as a result of the temporary suspension. South32, in its capacity as manager of the 60:40 Samancor Manganese joint venture with Anglo American, is also engaging with freight logistics group Transnet to secure access to the rail and port capacity required to export additional manganese ore from its South African mining operations; however, export volumes will remain dependent on market conditions.

South Africa: Tharisa reports profitability turnaround

Platinum-group metals (PGMs) and chromium concentrates producer Tharisa has reported a turnaround in profitability.

The company increased PGMs production by 49.5% to 57 400 oz in the six months to March 31, and generated a profit before tax of \$7.1-million, compared with the \$31.1-million loss in the corresponding six months of 2014. Milestone records set in March included the pushing down of costs to a level of \$458/oz, contributing to a gross PGM margin of 39.1% and record chromite concentrate shipments of 135 000 t at stable prices.

South Africa: Trans Hex widens full-year profit as SA ops recover

JSE-listed Trans Hex has posted a surge in earnings for the financial year ended March 31. The group recorded a R190.5-million profit for the year, marking a significant increase from the R22.7-million recorded in 2014. In the financial year under review, group profit after tax from continuing operations bounded back into the black at R169.1-million from a loss of R5.1-million in 2014. The South African operations swung from a R8.9-million pre-tax loss in 2014 to a R173.2-million pretax profit, with gross profit surging from R42-million last year to R150.8-million for the 2015 financial year.

Tanzania: Stopping ops get under way at Gokona underground mine

Stopping operations have started ahead of schedule at LSE-listed Acacia Mining’s Gokona Underground gold project, in Tanzania, with the first ore having been delivered to the process plant.

The first stope has, to date, demonstrated the expected geotechnical characteristics and delivered both grade and ore tonnes in line with the mine plan. Gokona Underground, which forms part of Acacia’s larger North Mara mine, is expected to produce 450 000 oz of gold over a five-year life span, with all-in sustaining costs of below \$750/oz.

Zambia: KCM imports semiprocessed copper from Chile

Vedanta Resources’ Konkola Copper Mines (KCM) business in Zambia has imported 5 000 t of copper concentrates from Chilean State-run firm Codelco to ensure its Nchanga smelter operates at full capacity. However, the Zambian government has asked Vedanta Resources to delay the processing of the copper from Chile until it puts in place safety measures to avoid pollution.

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Botswana: Creditors accept offer for liquidated Boseto mine

The offer of compromise to acquire the provisionally liquidated Boseto copper operation, in Botswana, has been accepted by its creditors. The offer for Discovery Copper Botswana, the owner of Boseto, was made by Botswana's Cupric Canyon Capital, whose subsidiary Khoemacau Copper Mining has been in dialogue with its stricken neighbour as a potential acquirer for the past two years. The cash-strapped Discovery Copper is part of Discovery Metals Limited, the shares of which were suspended on the Australian Stock Exchange in February.

Democratic Republic of Congo: Talks between Ivanhoe and govt on sale of Kamoa stake

Project developer Ivanhoe Mines is engaging in discussions with the government of the Democratic Republic of Congo (DRC) after the company sent a high-level delegation to the country to address any "misunderstandings" that might exist between itself and government following the company's announcement to sell nearly half of the Kamoa copper project to Chinese miner Zijin Group. Ivanhoe has also revealed "no material changes" in the negotiation process between itself and the DRC government about the State buying a further 15% stake in the project. While Ivanhoe remains optimistic about striking a deal as soon as practicable, the DRC has indicated that the sale of the stake to Zijin Mining should be suspended until concerns raised by government can be resolved.

Democratic Republic of Congo: Transparency rules broken in mine sale to Glencore unit

Glencore announced in late June that its Democratic Republic of Congo (DRC) joint venture with the Fleurette Group, Mutanda Mining, had bought a new concession in February to expand its copper and cobalt mining in the area. The Kawama concession was acquired from local mining operator Dino Steel International, which owned a 70% stake, and Congolese State miner Gecamines, which held the balance. The International Monetary Fund has

since stated that, as a result of the deal, the DRC government breached its own regulations and the terms of an agreement with the World Bank, as it failed to disclose the sale of State shares in a joint mining venture.

Ethiopia: ICL completes Allana Potash acquisition

Israel-based agriculture, processed food and engineered materials markets orientated firm ICL has completed its C\$137-million acquisition of Canadian explorer Allana Potash. Allana holds a concession to mine potash at the Danakil mine, in Ethiopia's Afar National Regional State. The project is estimated to yield up to one-million tonnes of muriate of potash a year for 25 years, based on a feasibility study conducted by Allana and completed in February 2013.

Ghana: Chinese firm buys Viking Mines' gold mine

ASX-listed Viking Mines has sold its Akoase gold project in Ghana for \$10-million. The purchaser is the Chinese party that controls Akroma Gold, the owner of the Sian gold project, located 12 km from Akoase. The sale follows a selective tender process, conducted over several months, by Viking's corporate adviser, Emerald Partners, to secure an appropriate purchaser of the 790 000 oz project. The acquisition of Akoase will consolidate the ownership of the Sian and Akoase gold resources providing critical mass for the ultimate development of a producing mine.

Lesotho: Paragon raises £500 000, may initiate share buyback

Aim-listed Paragon Diamonds has raised £500 000 of unsecured debt financing from an investment company that may be used for a share buyback programme. The funding will also be used for short-term working capital requirements, while Paragon progresses the acquisition of the Mothae diamond project, in Lesotho, from TSX-listed Lucara Diamond Corporation.

South Africa: Aquarius secures first tranche in Everest mine sale

Platinum miner Aquarius Platinum has received the R400-million first payment from the sale of its Everest mine to Northam Platinum. The payment covers the concentrator and other mining assets.

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The R50-million balance, securing the Everest mining right, will be paid on Section 11 Ministerial approval.

South Africa: Assore, ARM enter agreements for R450m Dwarsrivier sale

Definitive agreements have been inked for Assore's R450-million buyout of African Rainbow Minerals' (ARM's) 50% indirect interest in the Dwarsrivier chrome mine, in Mpumalanga. The deal will see Assore gain full ownership of the mine, which is owned and operated by Assore and ARM's joint venture, Assmang, through a special purpose vehicle (SPV). Assmang will sell Dwarsrivier to the SPV, in which Assore will, upon completion of the deal, own the entire issued share capital.

South Africa: CoAL raises another £7.92m

Embattled Coal of Africa Limited (CoAL) has completed the third stage of its share placement scheme, which raised £38.22-million across the three stages. The third tranche of the placement resulted in the issue of 144-million ordinary shares at 5.5p a share, raising £7.92-million.

South Africa: Community members accelerate bid against R564m Lonmin BEE deal

A rival grouping within the Bapo Ba Mogale Traditional Community, in the North West, is advancing its bid to have a landmark 2014 empowerment agreement negotiated between the community's traditional leadership and platinum miner Lonmin declared null, having filed an application in the High Court to have the R564-million equity deal reviewed and, ultimately, set aside. This comes only nine months after the inking of the black economic-empowerment deal which saw the platinum-belt community gaining a 3.6% stake in Lonmin and additional cash flows of R100-million payable over five years.

South Africa: CRG extends conclusion date for sale of subsidiary

JSE-listed Central Rand Gold (CRG) has extended the targeted completion date for the sale of its wholly owned subsidiary CRG Netherlands Antilles to July 15. The extension follows a request by China-based companies Huili Resources and Hiria Group, as both companies are in the final phase of their respective internal processes.

Both companies previously offered to pay \$150-million to acquire the CRG subsidiary. Meanwhile, CRG has terminated further talks with fellow Chinese suitors Beijing Ankong Investment and Shengbang Jiabo Consulting Company.

Meanwhile, CRG has raised £200 000 to strengthen its balance sheet and to provide working capital to enable it to continue with surface mining operations, as well as planned plant upgrades and efficiency process improvements.

South Africa: DiamondCorp raises £3.18m through share placement

Southern Africa-focused diamond company DiamondCorp has placed new ordinary shares to raise £3.18-million to fund its working capital shortfall. In addition, the board intends to offer up to 20-million new ordinary shares by way of a non-underwritten open offer to eligible existing shareholders to raise a further £2-million.

The company has noted that, in light of the placing and the potential value implications for the company's key Lace diamond mine, the board has concluded that it is not in the company's best interest to proceed with the royalty financing facility from Acrux Resources, of which the signing of a term sheet was announced on March 17. The agreement has since been terminated at no additional expense.

South Africa: Eastplats, Hebei Zhongbo agree on reworked PGM deal

Eastern Platinum (Eastplats) has reached an in-principle agreement with Hebei Zhongbo Platinum to restructure a transaction that will see Hebei Zhongbo acquiring the company's entire platinum group metals (PGM) business and all investments, as well as all loan agreements between Eastplats and its subsidiaries.

The parties will now complete the sale and acquisition of the North West-based Crocodile River mine and associated intercorporate loans for \$85-million, payable in cash on closing, which is estimated to occur on or before August 7. The sale of the balance of the company's remaining PGM business as well as intercorporate loans will continue as previously disclosed for a total consideration of \$140-million.

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South Africa: Jubilee concludes second tranche payment for DCM rights

Mine-to-metals specialist Jubilee Platinum has announced the receipt of funding offers for two of its surface projects and firm offers for its noncore nonplatinum asset. Further, the company has concluded the second of three share-payment tranches to acquire Pollux Investment. The acquisition will bring Jubilee's interest in the owner of the exclusive rights to beneficiate the platinum-group metals from the platinum-containing chrome tailings from ASA Metals' Dilokong chromite mine, in Middelburg, to 100%. The payment of the final tranche will be announced in due course.

South Africa: Glencore transfers Lonmin stake to shareholders

Mining and commodity trading house Glencore has transferred its 23.9% stake in platinum miner Lonmin to its shareholders. The company inherited the stake through the purchase of Xstrata in 2013, but has indicated that platinum is not one of its core commodities.

South Africa: Ibhuesi gas supply deal with Eskom expected before year-end

ASX-listed Sunbird Energy, which is developing the Ibhuesi natural gas project offshore of the Western Cape, expects to sign a gas supply agreement with State power utility Eskom before the end of this year and to bring on a volume of gas earlier than originally planned. Sunbird has also assured that the price to Eskom of using Ibhuesi gas will be significantly lower than what the utility is currently paying for diesel for its Ankerlig power plant.

South Africa: Northam terminates ADR programme

A lack of interest has prompted South African platinum producer Northam Platinum to terminate its sponsored American Depositary Receipt (ADR) Level 1 programme through the Bank of New York Mellon. The ADR, which was established in June 2011, was terminated with effect from June 15.

South Africa: Pembani, Shanduka merger nears close

Shareholders of Pembani and empowerment group Shanduka have signed the transaction agreements and submitted the requisite regulatory filings related to the merger of the two companies to form

a black-controlled natural resources and industrial group. The completion of the transaction remains subject to the required regulatory approvals and consents being obtained and the finalisation of ancillary transaction documents. The newly formed group will have a portfolio valued in excess of R9-billion. Its assets will include interests in petrochemical group Engen, concrete manufacturer AfriSam, minerals company Shanduka Resources and banking groups Standard Bank and Liberty Group.

South Africa: Petmin hands over 20% of Somkhele mine to employees, community in R350m deal

Coal and iron-ore company Petmin has finalised a R350-million broad-based black economic-empowerment (BBBEE) deal that sees its employees and the local mining community awarded a 20% stake in the miner's Somkhele anthracite operation, in KwaZulu-Natal. Negotiated with a traditional council representing the 175 000-strong Mpukunyoni community, as well as with trade unions representing Tendele employees, the landmark BBBEE deal will initially see the workers and local community owning 20% of the mine through community trusts and a special purpose vehicle and, subsequently, through direct share ownership in Tendele.

South Africa: SEC unit recommends no action on South Deep BEE transaction

Gold miner Gold Fields has been informed that the Foreign Corrupt Practices Act Unit of the US Securities Exchange Commission (SEC) will not recommend to the SEC that enforcement action be taken against the company in relation to a 2010 black economic-empowerment (BEE) transaction associated with the granting of a mining licence for its South Deep operation. Gold Fields confirmed in September 2013 that the SEC was investigating the BEE transaction. This followed news reports alleging that the company had bribed an African National Congress official to get a licence for South Deep.

South Africa: Wescoal re-enters acquisition deal with Mintirho

JSE-listed Wescoal Mining has entered into a new agreement with Mintirho Mining, following the lapse of the first, on the acquisition of a

coal mining right, comprising Portion 2 of the 171 362 ha Vlakvarkfontein farm, near Delmas, in Mpumalanga. In August, Wescoal Mining agreed to buy the mining right, various capital items and access to the resource from Mintirho Mining for R69.39-million, payable in a combination of cash and royalty payments.

Meanwhile, Wescoal, which suffered lower profitability in the three months to March 31 on the drying up of long-term Eskom contracts, has committed to being more than 50% owned by black shareholders before December 2016 to qualify for long-term coal business from the State power utility, which its resources suit. Wescoal reported fallen mining sales and production in the 12 months to March 31, when higher revenue, buoyed by the trading business, failed to lift profitability owing to the absence of long-term Eskom business.

South Africa/Madagascar: Lemur accepts off-market Bushveld takeover

ASX-listed Lemur Resources has accepted an off-market takeover offer by majority shareholder Bushveld Minerals that sees the Africa-focused group paying A\$0.06 for each ordinary Lemur share, valuing the company at A\$10.87-million. Lemur accepted the offer “in the absence of a superior proposal”, noting that an independent expert has described the offer as “not fair but reasonable”, notwithstanding that the offer price is below the expert’s preferred valuation of A\$0.17 apiece. Lemur, through its subsidiary Coal Mining Madagascar, holds 11 concession blocks in south-west Madagascar, and is in the process of acquiring two additional blocks contiguous to its existing holdings. Bushveld Minerals holds a number of vanadium- and titanium-bearing magnetite and tin assets in Southern Africa, including the Bushveld vanadium project and the Mokopane tin project, in Limpopo. The closing date for the offer is July 17.

Tanzania: Deferred consideration for Richland’s assets finalised

Aim-listed Richland Resources has signed a settlement agreement with Sky Associates, finalising the sale of Richland’s Tanzanian assets. Sky will not be liable for the final deferred consideration of \$510 000, expected on June 8, to conclude the \$5.1-million sale of the tanzanite mining, beneficiation and tsavorite licence

interests, for which Richland received \$4.59-million in tranches since the end of last year.

Zimbabwe: Rio Tinto sells stakes in diamond, coal assets

Diversified mining major Rio Tinto has sold a 78% stake in Murowa Diamonds and a 50% stake in Sengwa Colliery, to RZ Murowa Holdings. Mining company RioZim, which owns the balance of the two assets, will assume overall management of both assets.

Labour

Botswana: Kimberley Diamonds reports fatality at Lerala mine

ASX-listed diamond miner Kimberley Diamonds reported in mid-June that an employee, who was engaged as part of the care-and-maintenance team at its Lerala mine, had been involved in a fatal accident. A full investigation into the incident is being undertaken. Kimberley is aiming to restart mining at its Lerala operation during the fourth quarter of this year.

Ghana: Mining contractor dies at Asanko Gold project

A mining contractor has died at Canadian project developer Asanko Gold’s eponymous project, in Ghana. A full internal investigation into this incident is under way and a comprehensive review of both the mine and the contractor’s operating and health and safety procedures is also being conducted.

Mozambique: Moma ops halted amid strike

Mineral sands miner Kenmare Resources temporarily suspended operations at its Moma mine, in Mozambique, in late June, after a group of employees embarked on industrial action. The industrial action was in response to cost-cutting measures, including retrenchments, being implemented by the company.

South Africa: Amplats’ Rustenburg subsidiary to trim workforce

Platinum miner Anglo American Platinum’s Rustenburg subsidiary has indicated its intention to shed up to 420 jobs as it redesigns the

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organisational support structure and consolidates its operations to improve its financial sustainability. Rustenburg Platinum Mines has issued Section 189 notices for mostly managerial and supervisory positions.

South Africa: Glencore calls on NUM to cooperate in Optimum retrenchment talks

Diversified miner Glencore has indicated that, despite continued challenges caused by the current low coal price and negative economic climate, the Optimum coal mine, in Mpumalanga, has been kept running to allow talks on the proposed retrenchment of employees to continue. Glencore has called on the National Union of Mineworkers to “desist from issuing negative statements that do not contribute to the resolution of this matter”.

South Africa: Gold wage negotiations

Negotiations on wages and other conditions of service in the gold industry started on June 22. The talks included five gold mining companies – AngloGold Ashanti, Evander Gold Mines, Harmony Gold, Sibanye Gold and Village Main Reef – and four unions – the Association of Mineworkers and Construction Union, the National Union of Mineworkers, Solidarity and Uasa. The companies and the unions met over a period of three days. During this time, the unions tabled their demands while the producers tabled the principles of an economic and social sustainability compact.

The gold mining companies subsequently tabled a five-year offer that will see their employees benefiting from an upside in the industry, with some fringe benefits to alleviate employee indebtedness and improve housing. In terms of the offer, the employees will gain from automatic profit sharing during a lift in the industry. During an improved performance, the companies will equally share between 3% and 5% of profits earned on average over the preceding six months with all employees. This will be in addition to any production or safety allowances or bonuses earned and paid to employees quarterly in arrears. However, should the profit margin at a business unit fall below 6%, this will trigger an automatic review of the operating unit.

South Africa: Farlam findings released

An application for President Jacob Zuma to immediately release the Farlam Commission's

report on the Marikana killings was dismissed in mid-June. Zuma subsequently released the report ahead of the June 30 deadline.

The Commission of Inquiry found against platinum-mining company Lonmin on five counts and urged the Department of Mineral Resources to compel the London-listed company to provide housing for mineworkers. The commission also set new benchmarks for public order policing, put new obligations on labour unions and drew attention to the need to curb loose groupings and individuals during strikes.

South Africa: Lonmin launches youth training programme

Platinum miner Lonmin has launched a youth cadet programme to train 500 young people from the Bapo ba Mogale traditional community in mining skills. The programme will span three months, preparing the trainees for employment at local mines in Rustenburg, Marikana and Brits.

South Africa: Mine accidents

During June, several accidents were reported at South African mines, including:

- Harmony Gold's Bambanani mine, where an employee was fatally injured in a fall-of-ground accident; and
- AngloGold Ashanti's Kopanang mine, where a rock-drill operator was killed in a fall-of-ground incident.
- In addition, a shift supervisor at Anglo American Platinum's Union mine was killed in early June when an office building at the mine's Spud shaft burnt down.

South Africa: NUM to fight proposed retrenchment of 3 040 Harmony Gold miners

The National Union of Mineworkers has indicated that it will fight the proposed retrenchment of 3 040 workers at Harmony Gold's Doornkop operation. According to the union, Harmony has cited the proposed placement of the Doornkop mine and metallurgical plant on care and maintenance following continued losses as the driver of the intended job shedding. Harmony has indicated that it will continue to consult stakeholders in an effort to limit job losses as it moves to restructure the Doornkop shaft. The company has reiterated that the current gold price environment and the

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significant capital investment required to sustain operations at the shaft will result in Doornkop continuing to make a loss in the foreseeable future unless it is restructured.

South Africa: Sibanye boosts financial assistance programmes for employees

Gold miner Sibanye has increased the level of its debt management and financial awareness assistance to debt-burdened employees. Since the end of June, the company has provided employees with individualised financial coaching and an option to consolidate their debt at affordable rates and repayment terms.

General

AfDB resources centre seeks comment on 2015-2020 strategy

The African Development Bank's (AfDB's) newly established African Natural Resources Centre has launched an online consultation to seek comments from stakeholders on its draft strategy for 2015 to 2020, which will outline ways in which it can support effective natural resources management by governments in Africa. The centre has indicated that the recommendations and comments received will aid it in assisting African countries to maximise development outcomes derived from Africa's natural resources by boosting their capacity to achieve inclusive and sustained growth from natural resources.

Burkina Faso: New mining code adopted

The transitional Parliament of Burkina Faso has passed a new mining code that abolishes a previous 10% tax break on mining company profits and obliges firms to pay into a local development fund. The adoption of the new code was among requirements set by the World Bank for the release of \$100-million in budget support for the country.

Guinea: Infrastructure sharing agreements signed with two miners

The government of Guinea and State-owned mining company Compagnie des Bauxites de Guinée have signed infrastructure sharing agreements with a

local unit of Russia's Rusal, known as COBAD, and GAC, owned by Emirates Global Aluminium. The agreements detail how key infrastructure, including a railway and port in the Boké region, will be shared. The agreements are intended to accelerate the development of large-scale bauxite projects in the country.

South Africa: Blyvoor community's water supply to be restored

The Merafong municipality has been ordered to restore water supply to the Blyvooruitzicht mining community, following an emergency meeting called by Mineral Resources Minister Advocate Ngoako Ramatlhodi to deal with the humanitarian challenges facing the community. Water supply, which was disconnected in May, will be reconnected for a period of one month. The mine's liquidators have agreed to pay the municipality R600 000 to provide water to the community and to repair leakages.

South Africa: CoM approaches High Court for clarity on Mining Charter

The Chamber of Mines (CoM) has approached the High Court for a declaratory order to provide guidance on the principles applicable to the assessment of the ownership element of the Mining Charter, particularly in respect of the continuous consequences of previous black economic-empowerment deals.

South Africa: DTI invites mining companies to participate in Aus trade visit

The Department of Trade and Industry (DTI) has called on businesses in the mining and capital equipment, mineral beneficiation, electrotechnical and mining service sectors, as well as other companies with mining rights that are seeking investors, to participate in an outward selling and investment mission to Australia in September. The mission will take place on the sidelines of the Africa Down Under mining conference. The closing date for entries was July 3.

South Africa: Mintek unveils pilot rare earths solvent extraction plant

State-owned mineral and metallurgical innovation company Mintek has officially opened a rare earth solvent extraction pilot plant at its head office.

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Research and development of the technology for the plant cost about R50-million, while the value of the plant itself is about R10-million. The plant has the potential to assist South Africa in growing its rare-earth element sector, as, unlike conventional refineries, it can process ore and chemical concentrates from multiple mines. This will enable mines, particularly those owned by junior miners, to combine their resources to establish one processing facility to be shared among them.

South Africa: Nersa rejects further 2015 electricity tariff hike application

The National Energy Regulator of South Africa has rejected Eskom's application for a further 2015/16 tariff hike in addition to the 12.69% granted for the year, citing major information gaps in the State-owned utility's submission as a key reason for the decision. However, the regulator remains open to Eskom submitting either an application for adjustments allowed for in the multiyear price determination methodology, using the regulatory clearing account instrument, or, alternatively, to a new application for the period April 1, 2016 to March 31, 2019. The Chamber of Mines had warned that an additional tariff increase for the current period would severely jeopardise the sustainability of the South African mining industry.

South Africa: Ramatlhodi describes 2014 as 'safest year' for mining

Mineral Resources Minister Ngoako Ramatlhodi has described 2014 as the "safest year" in the history of the mining industry. Mining fatalities have fallen from 615 in 1993 to 84 in 2014.

South Africa: Strong calls for incentives for juniors

A Junior Indaba, held in early June, saw strong calls for South Africa to come into line with countries such as Canada and Australia by introducing effective incentives for its junior miners as a way of spurring mineral exploration. Further, speaking at the indaba, Chamber of Mines of South Africa president Mike Teke urged that the fragmentation of junior mining in South Africa should be brought to an end through consolidation.

Zambia: MCM delays copper project pending \$300m tax refund

Mopani Copper Mines has indicated that it intends to delay the construction of a planned copper processing plant until government pays it \$300-million the firm says it is owed in value-added tax (VAT) refunds.

In February, Zambia relaxed rules that had prevented it from paying \$600-million in tax refunds to mining companies. However, the changes only apply to future payments and not money owed.

In subsequent news, it was reported that Zambia has started paying VAT refunds to mining companies, in an effort to put an end to the long-running dispute.

Zambia: Power rationing to limit electricity supply to mines

Zambia has started rationing power supply to mines, as the country is struggling to meet electricity demand. The mines have a schedule indicating how much electricity they will receive at different times of the day.

Zambia: Underground mining royalties to be further reduced

Zambia's government is to cut mineral royalties for underground mines to 6%, lower than the 9% previously proposed. Royalties will remain at 9% for openpit mines. Mines Minister Christopher Yaluma has said that reducing royalties will make underground mining more cost effective. Further, Zambia's central bank governor Denny Kalyalya has indicated that he hopes the reduction in royalties for underground mines will boost the kwacha currency, which has weakened, partly over mining tax rows.

However, Zambia's Chamber of Mines has called for the introduction of a single royalty rate for all mining operations. The chamber contends, "A two-tiered rate, differentiated by mining method, is not conducive to the long-term health of the industry and government revenues." Meanwhile, Zambia is planning to introduce a law prohibiting the export

of unfinished mineral products, having noted that a lot of copper is being exported without being fully processed.

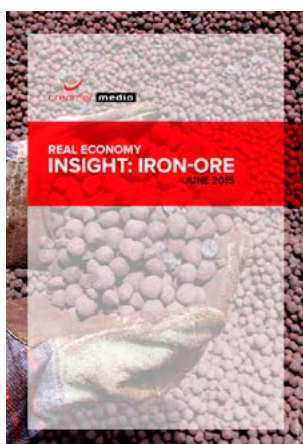
Zimbabwe: Chrome export ban lifted

Zimbabwe has lifted a four-year ban on chrome ore exports, in the hope of creating employment

and enabling companies to contribute more to State revenues through increased productivity.

The country has also licensed 12 private companies and a State-owned firm to ship excess ore for smelting outside the country, and has lowered electricity tariffs for chrome miners.

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