



August 2015

A review of mining activity
across the continent



AFRICAN mining ROUNDUP

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Exploration and feasibility studies

Benin: Premier African Minerals expands exploration

Aim-listed Premier African Minerals has been awarded new exploration tenements in central Benin, having concluded a convention with the West African country's Ministry of Mines. Obligations under the convention will result in Premier spending a minimum of \$125 000 in the first year. The rights will be held by Premier's 100%-owned subsidiary G&B African Resources Benin SARL.

Burkina Faso: Gryphon enhances gold project economics

Gryphon Minerals has reported that an updated scoping study into the Banfora gold project, in Burkina Faso, has significantly increased the project's economics. The optimised study has increased the project's after-tax net present value from a 2014 estimate of A\$90-million to A\$210-million, while the internal rate of return has increased from 20.5% to 42.2%.

Gryphon contends that, with the optimisation and additional capacity studies completed and a granted mining licence in place, the company can now move to completion of debt funding due diligence, which is one of the final hurdles to commencing development at Banfora.

Democratic Republic of Congo: Armadale to raise £400 000 for project

Aim-listed Armadale Capital has moved to raise £400 000 to expand the resource of its Mpokoto gold project, in the Katanga province of the Democratic Republic of Congo. The proceeds will be used to start a 2 500 m drilling programme with the aim of adding another 120 000 oz to 150 000 oz of gold at a grade of 1.25 g/t to 1.5 g/t to the project's current resource of 678 000 oz at 1.45 g/t. The funds will also help advance initial work on the ground at Mpokoto, which is on track to start production in the first half of 2016, as the definitive feasibility study is completed.

Ghana: Bibiani FS to be completed in mid-2016

ASX-listed Resolute Mining has indicated that it plans to complete a feasibility study (FS) on its Bibiani project, in Ghana, in mid-2016, after an underground scoping study delivered positive results. Resolute has noted that aspects of the FS work, including an underground geotechnical evaluation, process plant engineering studies and a metallurgical assessment, are under way. Further, the company will, over the next 12 months, assess a number of value-add scenarios to further optimise Bibiani and enhance the project's financial performance.

Guinea: Study shows 20-yr mine life potential at Sable's Nimba play

Detailed mine scheduling conducted as part of metallurgical testwork at the Plateau 2 area of Sable Mining Africa's 205.2-million-ton Nimba iron-ore project, in Guinea, has indicated a life-of-mine of more than 20 years and highlighted the operation's ability to sustain production of high-quality premium-grade lump and fines products over the initial ten years. The study points to the potential production of lump product grades of 63.33% iron and fines product grades of 62.11% iron, while a third medium-grade fines product is being considered, with grades of 58.58% iron returned.

Liberia: Tawana discovers high-grade shipping ore targets at Mofe Creek

Iron-ore miner Tawana Resources has identified four additional high-priority target areas at its Mofe Creek project, in Liberia, following the discovery of high-grade direct shipping ore hematite mineralisation, averaging 62.8% iron and reaching up to 66% iron. The company has indicated that it will continue to advance core negotiations with the government of Liberia for the mineral development agreement and is progressing strategic environmental- and social-impact assessment activities, including the terms of reference document and scoping report.

Madagascar: StratMin raises £625 000 through share placement

Graphite producer StratMin Global Resources has raised £625 000 through the placing of 15.6-million

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new ordinary shares at 4p each. The net proceeds of the placing will be used to further bankable feasibility studies at the company's Mahefedok project, in Madagascar, and for general working capital purposes.

Mali: Drilling delivers good results for Hummingbird's Yanfolila

Analysis of infill drilling at the Komana East pit of Aim-listed Hummingbird Resources' 1.8-million-ounce Yanfolila gold project, in Mali, has shown a consistent increase in grade. This confirms a high-grade zone of 12 200 t at 7.7 g/t, as well as a consistent mineralised host rock unit and mineralisation control throughout the southern mineable area of the Komana East pit.

Namibia: Namibia Rare Earths starts EIA for Lofdal project

Heavy rare earths project developer Namibia Rare Earths has started work on an environmental-impact assessment (EIA) for the Lofdal project, after selecting SLR Environmental Consulting to lead the study. The company is aiming to complete the EIA by the third quarter of 2016. Namibia Rare Earths is working on continued metallurgical studies to improve concentrate grades and recoveries, as well as modest geological field programmes to support future drilling to increase mineral resources.

Niger: GoviEx files mining permit for Madaouela uranium project

Canadian mineral resources company GoviEx Uranium has filed its mining permit application with the government of Niger for its Madaouela uranium project in the prolific Arlit uranium-mining district of northern Niger. GoviEx's principal objective is to become a significant uranium producer through the continued exploration and development of its Madaouela project and its other uranium properties in Niger.

Republic of Congo: Elemental raises cash for potash studies

Potash hopeful Elemental Minerals has completed a A\$4.98-million private placement to fund feasibility studies for its projects in the Republic of Congo. The funding will allow Elemental to undertake a

bankable feasibility study at its Kola project and a prefeasibility study at its Dougou project.

South Africa: Ferrum Crescent yet to receive R2m financing for BFS

Iron-ore developer Ferrum Crescent has not yet received the first R2-million payment by Principle Monarchy Investments (PMI) to advance work on a bankable feasibility study (BFS) for its Moonlight iron-ore project, in Limpopo. However, PMI has concluded a financing agreement which will enable it to fulfil all of its stated immediate commitments under the BFS financing agreement.

South Africa: PTM's Waterberg JV adds to project resources

Canadian project developer Platinum Group Metals (PTM) has increased the resource estimate for platinum, palladium and gold at its 58.62%-owned Waterberg Joint Venture (JV) project, expanding the inferred resource and improving confidence in previous results. Ten drill rigs are currently active at the Waterberg project. The deposit remains open for expansion. JV partner Japan Oil, Gas and Metals National Corporation is funding drilling and engineering work under a \$20-million firm commitment to the JV.

South Africa: White Rivers clinches deal with gas developer Windfall

South Africa-focused mineral explorer and developer White Rivers Exploration (WRE) has signed a memorandum of understanding (MoU) with Windfall Energy to facilitate the joint exploration and development of WRE's Heilbron and Kroonstad gas assets in the Witwatersrand basin. Under the terms of the MoU, Windfall will fund all costs associated with the exploration and development of the two gas resources to the point of the granting of a production right on each asset.

Tanzania: Cradle advances niobium studies

ASX-listed Cradle Resources has reported that the feasibility study into the Panda Hill niobium project, in Tanzania, is on track for completion by the fourth quarter of this year. The feasibility study is considering a processing plant throughput of 1.3-million tonnes a year, expanding to 2.6-million

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tonnes a year after five years. Meanwhile, Cradle is in offtake discussions with traders and end-users. All licence approvals have been submitted to the Tanzanian government for assessment.

Tanzania: Drill campaign ups resource, dents reserves at New Luika

East Africa-focused gold producer Shanta Gold has reported that a January infill drilling campaign at its New Luika gold mine, in Tanzania, has increased the resource at both the Bauhinia Creek (BC) and Luika targets, further improving the confidence in the potential for underground mining at each deposit. However, the drilling campaign decreased the proven and probable openpit reserves for the key asset, which Shanta has noted is largely accounted for in the depletion and displacement to underground of pit ounces. An underground feasibility study for BC and Luika is, meanwhile, on track for completion in the third quarter, with an accompanying drilling programme expected to result in an updated underground reserve statement.

Tanzania: Edenville submits Rukwa mining licence application

Aim-listed coal mine and energy project developer Edenville Energy has submitted all elements of the mining licence application for its Rukwa coal project to the Tanzania Ministry of Energy and Minerals. The project has 171-million tons of coal in the measured and indicated categories, which the company believes will be sufficient to support a 120 MW power station. Edenville has reported being closer to securing a project partner for the Rukwa project, having showcased the logistics and costs associated with the venture to visiting senior representatives of China-headquartered Shandong Electric Power Construction No 2 Company.

Meanwhile, the Tanzanian Ministry of Energy and Minerals and power body Tanesco have started the review process of the Rukwa power plant's feasibility study.

Tanzania: Epanko mining lease granted

The Minister of Energy and Minerals in Tanzania has granted ASX-listed graphite developer Kibaran

Resources a mining licence for its Epanko project. The licence, which is the last remaining major milestone for the project in terms of government permitting, is valid for a period of ten years, and can be renewed for a further ten-year period. Further, a bankable feasibility study into the Epanko project has improved the project economics, but has also resulted in an increase in the required capital expenditure.

Tanzania: Kibo finds large nickel strike lengths at Haneti

Tanzania-focused Kibo Mining has indicated that it will implement a more focused drilling programme at its Haneti nickel project, following the completion of an independent airborne geophysical data interpretation. The company has noted that the final report confirmed the location, strike extent and internal structure of two newly interpreted composite mafic-ultramafic zones, significantly extending the previously known footprint of the Haneti-Itiso Ultramafic Complex, with strike lengths of about 30 km in the south-west zone and 10 km to 20 km in the north-west zone.

Tanzania: Kibo, Sepco3 to complete Mbeya BFS 'at pace'

All conditions precedent related to the agreement between Tanzania-focused mineral explorer Kibo Mining and the Shandong Electric Power Construction Corporation III to develop the Mbeya coal-to-power project, in Tanzania, have been met, allowing the parties to now advance development of the 109-million-ton resource and up to 300 MW thermal power station. The conclusion of the joint development agreement will allow the partners to conduct and complete the project's bankable feasibility study "at pace".

Tanzania: Peak Resources evaluating flowsheet options

ASX-listed Peak Resources, which is developing the Ngualla rare earths project, in Tanzania, is evaluating two main flowsheet options for the project to find the most optimal beneficiation strategy. The decision is likely to be made within the next three months, after which Peak will start construction on a pilot plant.

Projects

Botswana: Cupric to spend \$200m to bring copper mine to production

Private equity firm Cupric Canyon Capital is to spend \$200-million to bring a copper-silver mine, in Botswana, to production. Construction of the mine, which will be built by Cupric's Botswana unit Khoemacau, is set to start in 2016, with first copper expected to be shipped to the markets in 2018.

Botswana: Kimberley gives go-ahead for Lerala

The board of ASX-listed Kimberley Diamonds has approved the restart of mining activities at the Lerala mine, in Botswana, with about A\$14.6-million to be spent on bringing the project into operational readiness. A lump sum turnkey contract has been agreed with South Africa-based Consulmet for the modification of the Lerala plant to enable it to operate more effectively and to allow it to reliably treat an estimated 200 t/h of ore. If the recommissioning programme remains on schedule, Kimberley Diamonds expects first diamond sales to be held in March next year.

Burkina Faso: Construction on True Gold's Karma project progressing rapidly

Canadian project developer True Gold Mining has indicated that the Karma gold project, in Burkina Faso, is in full construction mode with site development rapidly progressing since its restart in May. Construction of the \$131.5-million project remains on schedule for early 2016, with the planned placing of ore on the heap leach pads and first gold pour by the end of the first quarter of next year.

Cameroon/Republic of Congo: Cameroon govt to fund Mbalam-Nabeba port, rail infrastructure

ASX-listed Sundance Resources has entered into a transition agreement with the Cameroon government that will result in government funding the port and rail infrastructure required for the Mbalam-Nabeba iron-ore project, situated on the

border of Cameroon and the Republic of Congo. Under the terms of the transition agreement, the Cameroon government has committed to funding the development of the port and rail infrastructure in Cameroon through a loan from China or other "friendly countries". Government has started a process to select an engineering, procurement and construction contractor to develop the rail and port infrastructure to support its application for a loan from financial institutions.

Democratic Republic of Congo: Tiger announces debt refinancing

ASX-listed Tiger Resources has agreed terms with Taurus Mining Finance Fund for the refinancing of its existing secured debt facilities and for arranging a new facility to fund the potential debottlenecking works at the Kipoi copper project, in the Democratic Republic of Congo. The terms agreed envisage two tranches of funding totalling up to \$162.5-million.

Meanwhile, a study on the debottlenecking of the Kipoi solvent extraction and electrowinning plant has revealed that copper production could be increased from the nameplate capacity of 25 000 t/y to 32 500 t/y.

Ethiopia: Kefi to select contractors for mine construction in August

Aim-listed Kefi Minerals has opened the final bidding for process plant and mine operation construction contracts at its 1.2-million-ton-a-year Tulu Kapi gold mine, in Ethiopia. The winning bidders are set to be selected by August. The opening of the final bidding follows the completion of preliminary reviews of the recently completed definitive feasibility study by the independent technical consultants for the secured financiers.

Lesotho: Paragon enters purchase agreement for diamond asset

Aim-listed diamond development company Paragon Diamonds has entered into a legally binding share purchase agreement with Canada's Lucara Diamond Corp for the \$8.5-million buyout of its interest in the Lesotho-based Mothae kimberlite resource. Paragon will acquire Lucara's 75% stake in the Mothae project, with the Lesotho government owning the other 25%.

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Liberia: New Liberty process plant reaches nameplate capacity

The process plant at Aureus Mining's New Liberty gold mine, in Liberia, has reached nameplate capacity, following a successful period of commissioning. The plant underwent a 24-hour performance test, during which it operated at a feed rate of 152 t/h of run-of-mine ore at plant availability of 96%, with all other equipment operating within or exceeding its design parameters over a continuous 12-hour period. The mine is now on track to reach full scale commercial production by the fourth quarter, to sustain production of 120 000 oz/y throughout 2016.

Madagascar: DNI Metals receives mining licence for graphite project

Project developer DNI Metals has been granted a full commercial mining licence over its Vohitsara graphite project, in Madagascar. Obtaining the licence marks a significant milestone for DNI in Madagascar, allowing it to move to full commercial production at its option, subject to the completion of the required environmental-impact and social responsibility studies and obligations.

Mauritania: Kinross mulls more job cuts at Tasiast

Gold miner Kinross has started discussions with the Mauritania government and employee representatives at its Tasiast gold mine on cost-saving measures, including a potential workforce reduction. The company has said the blighted project remains an attractive brownfield growth opportunity with a significant mineral resource base; however, to leverage Tasiast's future potential, Kinross will have to continue to look for ways to reduce costs and advance growth opportunities in a financially disciplined way.

South Africa: De Beers invites bids for aqua farm in Limpopo

Diamond company De Beers has called for expressions of interest from qualified parties for the construction and operation of an aquaculture farm in Limpopo, where it has the large Venetia diamond mine. The project will be situated at the spirulina plant in Musina, as part of Venetia's social and labour plan commitment.

South Africa: First blast at Vedanta's new \$630m Gamsberg zinc mine

Vedanta Resources has broken ground at its \$630-million Gamsberg zinc project, in the Northern Cape. The company is developing the 250 000 t/y opencast operation, concentrator plant and associated infrastructure as part of its overall three-year \$782-million Southern African Gamsberg-Skorpion integrated zinc project, which includes the development of an integrated roaster at the Skorpion Zinc refinery, in Namibia, to enable it to treat zinc sulphide deposits from Gamsberg to produce high-grade zinc, and also extend the life of the Skorpion operation.

South Africa: Lace underground tunnel development slower than planned

Diamond developer DiamondCorp has indicated that underground tunnel development at its Lace diamond mine, in the Free State, is proceeding slower than planned, owing to fractured ground close to old workings. However, the company has noted that the development work in the Upper K4 block remains close to schedule and mining operations are on track to start in the coming months.

South Africa: Mintek issues tender for construction, commissioning of coal sorting plant

Mintek has invited proposals from qualifying bidders to design, engineer, procure, build and supply a modular coal X-ray transmission (XRT) sorting demonstration plant on a lump sum turnkey basis. The standalone plant, which should comprise two XRT sorters, will be used by Mintek's Minerals Processing Division to test the ore-sorting capabilities of coal using XRT technology and will be required to be complete and ready for commissioning by December and remain available until March 27, 2016.

South Africa: PTM on track for planned production from WBJV Project 1 in 2015

Project developer Platinum Group Metals (PTM) has reported that its 82.9%-owned Western Bushveld joint venture (WBJV) Project 1 is about 90% complete and on track for planned production this year. Cold commissioning of processing plant

equipment is planned to start in August, with initial concentrate production on track, as planned, for the fourth quarter. The company recently updated the mineral resources and mineral reserves for Project 1 to account for the planned increased use of mechanised mining methods, where the deposit is estimated to be thicker and accessible from nearby completed underground development.

Zimbabwe: Gold mine on track for August production start

Aim-listed gold miner Vast Resources has indicated that its Pickstone-Peerless gold mine, in Zimbabwe, has moved into the commissioning phase and is on track to start production in August. The mine will have an estimated output of 10 000 oz/y of gold from the targeted initial mining rate of 10 000 t/m of ore from an opencast oxide gold cap.

Zimbabwe: Premier starts RHA shipping

Multicommodity miner Premier African Minerals expected the first commercial shipment from its flagship RHA tungsten project, in Zimbabwe, to start in mid-July. The company noted that, despite the challenges of the fast-track approach taken with RHA, initial fines concentrates from the plant were running as high as 70%.

Operations

Botswana: Inventory, liquidity headwinds dent Gem Diamonds' H1 pricing

High inventory levels and continued liquidity concerns, paired with global macroeconomic uncertainties, have continued to place pressure on rough and polished diamond prices, denting the realised price of commercial stones recovered at Gem Diamonds' Ghaghoo mine, in Botswana, for the first half of the year. Recovered grades from Ghaghoo in the six months ended June 30 fluctuated between 28 carats per hundred tons (cpht) and 30 cpht in May and June, while a second parcel of 29 891 ct of commissioning-phase production sold for \$4.9-million, or \$165/ct, in July in a "difficult market".

Botswana: Lucara Diamond sale yields \$69-million

Lucara Diamond has sold 1 674 ct valued at \$68.71-million in its first exceptional stone tender of the year. The special tender of diamonds from its Karowe mine, in Botswana, consisted of 14 single-stone lots. Twelve diamonds sold for more than \$1-million each, including five stones which sold for more than \$4-million each.

Botswana/Lesotho: Firestone offloads assets to diamond newcomer

Aim-listed Firestone Diamonds has signed a deal that will result in it offloading its Botswana operations, including its interest in the BK11 mine, in the Orapa kimberlite field, to Toronto-listed Tango Mining – a new entrant in the Southern African diamond mining market – for \$8-million. The proceeds of the disposal will be used by Firestone to provide general working capital as the company continues with the construction and development of its Lqhobong mine, in Lesotho.

Botswana/South Africa/Namibia: De Beers has weak first half

Diamond mining giant De Beers has reported that, despite a challenging first half, it still achieved a solid operating performance. However, its underlying earnings before interest and taxes decreased by 25% to \$576-million for the six months ended June, compared with \$765-million in the first half of the prior year. Total sales decreased by 21% to \$3-billion, with rough diamond sales decreasing by 21% to \$2.7-billion.

Côte d'Ivoire/Ghana/Mali/Burkina Faso: Lower costs, higher sales lift Endeavour's Q2 profit

West Africa-focused gold producer Endeavour Mining has increased its second-quarter profit on the back of sharply lower costs and record output, despite a lower average realised price for the yellow metal. The company, with operating mines in Côte d'Ivoire, Ghana, Mali and Burkina Faso, has reported net earnings of \$33-million, resulting in earnings attributable to shareholders of \$26.7-million, or \$0.06 a share, compared with earnings of \$40 000 for the comparable period

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in 2014. Excluding special items, the company reported adjusted after-tax net earnings of \$25.5-million, or \$0.05 a share, up from \$8.3-million a year earlier.

Egypt: Centamin's Sukari mine lifts Q2 gold output

Dual-listed Centamin has reported that it lifted production at its Egypt-based Sukari gold mine by 33% year-on-year to 107 781 oz in the quarter ended June 30. The company has noted that full-year production is likely to be between 430 000 oz and 440 000 oz.

Eritrea: Nevsun lowers 2015 guidance

TSX- and NYSE-listed Nevsun Resources has revised its 2015 production guidance downwards to between 140-million and 150-million pounds of copper, owing to unplanned plant stoppages during the first half of the year.

Output from the company's Bisha mine, in Eritrea, has been hit by multiple unplanned shutdowns as the mill broke down in the first quarter and experienced fuel shortages in the second quarter. Prior to the shutdowns to undertake repairs to the mill's gearbox and thickener in the first quarter of the year, Nevsun had initially outlined a guidance of between 160-million and 175-million pounds of copper output for the full year.

Kenya: Base reports record sales, lower costs in Q4

Kenya-focused mineral sands miner Base Resources has reported record sales volumes across all of its products for the three months to June, while operating costs declined. During the quarter, about 121 727 t of ilmenite, 25 382 t of rutile and 7 621 t of zircon were sold.

The record sales volumes were achieved on the back of consistent production from the Kwale operation. For the financial year ended June, base produced 751 285 t of heavy minerals concentrate, containing 427 655 t of ilmenite, 71 537 t of rutile and 22 416 t of zircon.

Mali: Randgold commits to continued investment at Loulo

Gold miner Randgold Resources has indicated that, as it gears up to transition to full owner-miner status at the underground mining operations at the Yalea and Gara mines, in Mali, it will continue to invest in the 4.9-million-ounce Loulo complex, which now ranks as one of the largest of its kind in the world.

Randgold is continuing to fund the investment of the substantial capital programme at Loulo, not only in the development of Yalea and Gara, but in a range of projects designed to upgrade and enhance the operation and extend the life of the mines.

Mali: Syama delivers for Resolute

Gold miner Resolute Mining has surpassed its production and cost guidance for the 2015 financial year, as its Syama mine, in Mali, continued to deliver above expectations. Gold production for the year reached 328 685 oz, which was above the 315 000 oz expected. Cash costs for the year were \$857/oz, compared with the expected \$890/oz.

Mozambique: Kenmare expects improved H2 output

Multicommodity miner Kenmare Resources expects its production for the second half of the year to improve, as power utility Electricidade de Moçambique commissions equipment to increase grid power capacity and stability.

Output at Kenmare's Moma mine was "severely impacted" by 57 days of storm-related power outages in the first quarter of the year, followed by further power supply problems in the second quarter as remedial work was undertaken on the power line. Heavy minerals concentrate production fell by 25% year-on-year to 454 000 t in the six months to June 30, compared with 604 200 t in the first half of 2014.

Ilmenite production fell by 27% year-on-year to 324 100 t for the six months under review, while zircon production increased by 11% year-on-year to 23 800 t.

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Mozambique: Operations resume at Kenmare's Moma mine

Mineral sands miner Kenmare Resources reported in early July that operations at its Moma mine, in Mozambique, had restarted, following a temporary suspension owing to extralegal industrial action. The industrial action was in response to cost-cutting measures, including retrenchments, implemented by the company.

Namibia: De Beers, Namibia strike 10-yr diamond sorting deal

The Namibian government and diamond miner De Beers have announced the agreement, in principle, of the terms of a new ten-year sales agreement for the sorting, valuing and sale of all diamonds produced at the Namdeb and Debmarine operations, in Namibia. Once finalised, the agreement will become the longest sales contract ever agreed between the two partners.

Namibia: Paladin plans \$33m cost cuts for 2016 FY

Uranium miner Paladin Energy plans to save about \$33-million in capital costs during the 2016 financial year, as it awaits a turnaround in the uranium price. The company has given a revised forecast for the C1 cash costs at its Langer Heinrich mine, in Namibia, which are expected to decline to \$26/lb in 2016, based on production of 5.2-million pounds of uranium, down from the C1 cash costs of \$29/lb reported in 2015.

Namibia: Tschudi mine produces 2 257 t of copper in Q2

Aim-listed copper miner Weatherly International's Tschudi mine, in Namibia, produced 2 257 t of LME Grade A copper cathode in the quarter ended June 30. Production for the first full quarter of operations was more than 50% of design capacity. The mine's production guidance has been reaffirmed at 1 000 t/m, or 70% of design capacity, for the September quarter, but output is expected to increase to 1 400 t/m in December. The company's production guidance for the full year is 10 000 t.

Senegal: Teranga sees gold production increase

Gold miner Teranga Gold Corporation has reported a 24% increase in production from its Sabadola gold mine, in Senegal, for the three months to June.

Gold production reached 49 392 oz, compared with the 48 643 oz produced in the March quarter. Teranga has also reported a 13% reduction in mine production costs, which reached \$35.5-million during the quarter, owing to a reduction in mining and processing costs. Total cash costs reduced by 26% quarter-on-quarter to \$602/oz.

Sierra Leone: Sierra Rutile lifts Q2 output, reduces costs

Mineral sands miner Sierra Rutile achieved a strong second-quarter performance, lifting its output by 28% quarter-on-quarter and reducing its direct operating cash costs by 16% quarter-on-quarter. The company produced 29 933 t of rutile in the three months to June 30, compared with the 23 342 t produced in the three months to March 31. Direct operating cash costs decreased from \$630/t in the first quarter of the year to \$527/t in the quarter under review. Sierra Rutile remains confident of meeting its full-year rutile production target of between 120 000 t and 130 000 t.

South Africa: Amplats Q2 output rises 60% y/y, delivers strong results for H1

JSE-listed Anglo American Platinum's (Amplats') output for the second quarter of the current financial year bounced back from the strike-hit performance in the comparative period last year. In the three months to June 30, the group's attributable equivalent refined platinum production increased by 60% year-on-year to 572 000 oz. Output also compared favourably with 536 000 oz produced in the first quarter of this year.

Meanwhile, Amplats has delivered a strong set of results for the six months ended June 30, reporting a 704% increase in profit to R2.427-billion, while headline earnings rose to R2.471-billion, compared with R157-million in the corresponding prior period. Total equivalent refined platinum production from the mines managed directly by Amplats and joint venture operations for the half-year was 1 108 000 oz, a 55% increase on the first half of 2014.

Amplats has indicated that it will continue to manage its operations for the low platinum price environment caused by global macroeconomic factors out of its control. Further, the company is continuing to work on either a separate listing or

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sale of its Rustenburg and Union mines. It has been reported that a group of South African investors known as Union Resources is among the bidders for the Union mine.

South Africa: Coal terminal in R1.34bn equipment replacement drive

The private-sector-owned Richards Bay Coal Terminal has announced a R1.34-billion equipment replacement project to boost South Africa's coal supply chain and replace ageing equipment with minimal impact on the business of the coal terminal. A local content of 57% is being targeted.

South Africa: CRG plant upgrades to be completed this year

A final upgrade to the high-density sludge water treatment plant at Central Rand Gold's (CRG's) operations will be completed this year. In a statement outlining its results for the year ended December 2014, the company noted that its transition from underground mining to surface mining, in 2014, was "undoubtedly a painful process". CRG has stated that the exploration work undertaken in the year under review put it on a steady footing while it waits to restart underground mining in 2016. With just under 400 000 t of opencast potential and other surface mining opportunities outside its mining right area, CRG believes that, based on its smaller organisational structure, it could remain operationally sustainable during this time.

Meanwhile, CRG has still not reached an agreement with potential Chinese investors Huili Resources and Hiria Group regarding the sale of its CRG Netherlands Antilles subsidiary, despite having previously extended the completion date of July 15.

South Africa: Diamcor sells 1 856 ct of incidentally found rough diamonds

TSX-listed Diamcor Mining sold 2 856 ct of rough diamonds, generating \$455 227 in revenue in the quarter ended June 30. The recovery of these rough diamonds was incidental to the ongoing commissioning and testing exercises performed at the company's Krone-Endora at Venetia project, in Limpopo, and yielded an average price of \$159.38/ct. An additional 2 050 ct were recovered during the period and are being prepared for sale at upcoming tenders, along with rough diamonds expected to be recovered in the current quarter.

South Africa: Glencore subsidiary Optimum to shut mines, shed 600 jobs

Glencore subsidiary Optimum Coal Mines has announced that it will proceed with the placing of some of its operations on care and maintenance, resulting in the retrenchment of between 600 and 700 employees. This follows an "extensive" Commission for Conciliation, Mediation and Arbitration-facilitated Section 189 consultation process with organised labour and the Department of Mineral Resources to determine whether measures are available to avoid the closure of the operations and the resultant job losses. The company contends that it was demonstrated during these sessions that these operations are not financially viable in the current market conditions and that "no measures" are available to avoid the retrenchments.

Glencore has rejected allegations by the National Union of Mineworkers (NUM) that the company failed to comply with its social and labour plan regarding severance packages. The NUM is considering taking legal action against government if Glencore cuts the jobs at Optimum.

South Africa: Keaton's mines deliver as expected in June quarter

Embattled coal miner Keaton Energy has indicated that it is "back on track", with production at its Vangatfontein colliery, near Delmas, having delivered 617 413 t of washed 2- and 4-seam thermal coal to power utility Eskom in the quarter to June 30, in line with its expectations. Five-seam metallurgical coal sales into the domestic market decreased by 28% to 26 548 t in the quarter under review, while 25 951 t of B-grade coal was sold during the quarter. Meanwhile, the miner's Vaalkrantz colliery, in KwaZulu-Natal, saw local anthracite sales falling to 16 306 t, down 69% from the 52 578 t sold in the first quarter of the year, while export sales dropped by 73% to 11 000 t, from 41 000 t. However, 34 999 t of the new 32% ash product was sold.

South Africa: Kumba earnings plunge, dividend dumped

The earnings of South African iron-ore major Kumba Iron Ore plummeted in the six months to June 30, accompanied by a shattering of the iron-ore price, the closing of the Thabazimbi mine, a

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rejigging of the remaining mines and a decision not to declare an interim dividend in a company that has been a long-standing dividend play. Headline earnings were 61% lower at R2.5-billion, compared with R6.5-billion in the corresponding six months of 2014.

South Africa: Kumba starts Thabazimbi closure procedures, restructures Sishen and Kolomela

Kumba Iron Ore has started a Section 189 consultation process with unions regarding the closure of its Thabazimbi mine, in Limpopo, which will affect about 800 employees and 360 contractors. The mine is more than 80 years old, and a combination of factors have affected its economic viability, leading to the decision to close the operation.

Meanwhile, Kumba is embarking on a large-scale restructuring process at its Sishen and Kolomela mines, owing to challenging market conditions within the iron-ore industry, combined with a tough operating environment and high input costs. About 21% of employees could be retrenched. The National Union of Mineworkers has indicated that its members will stop work at Kumba if the company goes ahead with its plans for job cuts.

South Africa: Lonmin to shut, idle high-cost operations

Platinum miner Lonmin has initiated formal Section 189 consultation processes with trade unions as it moves to close and idle some of its loss-making shafts to reduce high-cost production in an oversupplied market. The planned closure of the Hossy and Newman shafts and the placement of the W1, E1 and 1B shafts on care and maintenance will cut Lonmin's normalised yearly platinum output by about 100 000 oz over the next two financial years. The consultation process will consider redeployment, reskilling, alternative working arrangements and further cost reduction opportunities before embarking on last-resort forced retrenchments for the 6 000 employees and contractors that are expected to be affected.

In the quarter ended June 30, Lonmin's platinum sales increased to 231 778 oz – a 206 039 oz increase on the 25 740 oz delivered in the comparative, strike-affected period the year before.

Total platinum-group metals sales for the three months to June 30 reached 437 160 oz, compared with the 79 691 oz sold in the three months to June 2014.

South Africa: NUM opposes sale of Kimberley Mines

The National Union of Mineworkers (NUM) has indicated its opposition to the sale of Kimberley Mines by De Beers Consolidated Mines (DBCM). The NUM contends that the company failed to consult the NUM branch before announcing the sale of the mine. It also contends that DBCM failed to explore and exhaust all avenues that might have proved that the mine was profitable beyond 2018.

South Africa: Platinum prices hit Sylvania's earnings

Despite record levels of platinum-ounce production and contained unit costs, low-cost platinum group metals processor and developer Sylvania Platinum has indicated that falling metal prices have battered its earnings in the fourth quarter of the year. Group earnings before interest, taxes, depreciation and amortisation (Ebitda) plunged 61% quarter-on-quarter to \$531 000 for the three months to June 30; however, the full-year Ebitda edged up to \$12.5-million, from the \$11.9-million recorded in the prior year.

South Africa: Rockwell looks to future after tough first quarter

South Africa-focused Rockwell Diamonds experienced a tough quarter in the three months ended May 31, recording a net loss of C\$5.18-million. The results for this period reflect the transition of the business, with the company having taken the decision to suspend operations at Niewejaarskraal pending a review of the geological model and plant, sell its interest in Tirisano and buy the Remhoogte project, all of which has been completed. Rockwell contends it is ready to deliver on its medium-term goals of building a sustainably profitable and integrated diamond business.

South Africa: Universal cleared to recommission New Clydesdale

South Africa-focused coal miner Universal Coal has been given clearance to start recommissioning work of its New Clydesdale colliery (NCC) after the

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transfer of ownership for the project was approved. Last year, Universal Coal acquired NCC from coal major Exxaro Resources, which had placed the operation on care and maintenance at the end of 2013.

Meanwhile, Universal Coal has set its sights on doubling its projected half-yearly earnings before interest, taxes, depreciation and amortisation, as well as doubling coal output by the end of next year, as its flagship Mpumalanga-based coal asset achieved record first-quarter production and sales and its second operation is on track for commissioning at the end of the year.

South Africa: Wescoal appoints mining contractor for Elandspruit

JSE-listed coal miner Wescoal has appointed Diesel Power Open Cast Mining as the mining contractor for its new Elandspruit mine, in Mpumalanga, and the mine has delivered its first batch of coal to customers after it was processed at Wescoal's nearby beneficiation plant.

South Africa/Tanzania: Petra hikes FY output, pricing drags revenue 10%

Despite "challenging operating conditions", London-listed Petra Diamonds has reported achieving record production for the year to June 30, as output edged up 2% year-on-year to 3.2-million carats. However, flat diamond pricing and static sales weighed on the company's revenue for the year under review, while reduced output from its Cullinan and Koffiefontein operations and the idled Helam mine partially offset the gains made by higher production at Finsch, Kimberley Underground and the Tanzania-based Williamson mine. Petra sold 3.16-million carats in the 12 months to June, a 1% increase on the 3.13-million carats sold in the prior year. Revenue for the year contracted 10% to \$425-million on the back of a 10% lower average diamond price and the impact of mining heavily diluted areas on both grade and product mix.

South Africa/Zimbabwe: Aquarius delivers Q4 production record

Despite facing significant headwinds and a quarter that ended with weak commodity prices, both of platinum producer Aquarius Platinum's operating mines achieved record fourth-quarter production levels, as well as lower costs. The group's overall

attributable production from its operating Kroondal and Mimosa mines edged up 5% quarter-on-quarter and 6% year-on-year during the three months to June. Aquarius closed the fourth quarter of the year with \$201-million in cash.

Tanzania: Acacia lifts H1 gold output 6% as North Mara ramps up

After the successful start-up of mining at the Gokona underground project, at London-headquartered Acacia Mining's developing North Mara mine, in Tanzania, the group lifted gold output for the six months ended June 30 by 6%, producing 367 301 oz and selling 355 470 oz of gold in the first half of the year. All-in sustaining costs for the half-year of \$1 133/oz remained largely flat on the prior comparative period as a result of "structural changes" to operations implemented over the past year, while cash costs rose 4% over the six months to \$780/oz. Acacia has noted that it is continuing to progress with the development of its North Mara and Bulyanhulu mines, with a particular focus on laying the foundations to enable the operations to generate strong cash flow below the current gold price by the end of the year.

Tanzania: Shanta maintains FY output guidance, produces 14 664 oz in Q2

East Africa-focused Shanta Gold produced 14 664 oz of gold in the quarter ended June 30, selling 11 590 oz at an average price of \$1 222/oz. Output was up 49% on the 13 516 oz produced in the first quarter of the year, but was lower than the 19 114 oz and 22 720 oz produced in the third and fourth quarters of 2014 respectively.

Zambia: First Quantum idles Sentinel to operate Kansanshi at capacity amid power reductions

Aim- and TSX-listed First Quantum Minerals has idled its Sentinel processing plant and redirected its power supply to enable its Kansanshi mine to operate as close to capacity as possible and maintain its development momentum, as Zambia's power utility imposes power restrictions on mines in the country.

Zimbabwe: BNC's Trojan lifts nickel output to record highs

Aim-listed Mwana Africa's 74.73%-owned subsidiary Bindura Nickel Corporation (BNC) has achieved

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record production for the second consecutive year as it ramps up to steady-state output. The Zimbabwe-based group's Trojan mine delivered 7 306 t of nickel for the 12 months to March 31, compared with 7 027 oz in the prior year. For the year under review, BNC posted an operating profit of \$15.9-million, a contraction on the \$17.3-million recorded in the year before, while profit after tax dropped to \$11.2-million in 2015, from \$23.67-million in the prior year.

Zimbabwe: Caledonia's Blanket mine on track to meet 2015 guidance

Aim- and TSX-listed Caledonia Mining has reported that gold production at the Blanket mine, in Zimbabwe, in which it holds a 49% stake, increased by 4.7% quarter-on-quarter to 10 424 oz in the second quarter of 2015. This was, however, a 7.1% contraction on the mine's production in the three months to June 2014. Nevertheless, Caledonia contends that it is on track to deliver its target of 42 000 oz of gold for the 2015 calendar year. Further, Caledonia has indicated that its \$70-million development plan for Blanket, which will be executed over the next five years, will double production at the mine to about 80 000 oz/y by 2021.

Zimbabwe: Metallon H1 gold production up 6% y/y

Africa-focused Metallon Corporation produced 23 759 oz of gold in the second quarter, bringing its production for the first half of the year to 48 143 oz. This was 6% higher than the 45 524 oz produced in the first half of 2014, despite a loss of nine production days in January, owing to a hoist motor failure at its Zimbabwe-based How mine's North shaft and a planned 12-day shutdown of underground ore hoisting in April to replace the 25 Level loading station infrastructure. The company also faced a shortfall at its Mazowe mine, near Harare, owing to equipment challenges in the crushing and milling plants, while it lost 21 days in April at its Arcturus mine as a result of a breakdown of the Chikomo hoist.

Zimbabwe: Weakened nickel, gold prices weigh on Mwana's FY earnings

Weakened gold and nickel prices paired with lower-than-planned production figures for the two metals have driven a decrease in the earnings of

multicommodity miner Mwana Africa, narrowing group earnings before interest, taxes, depreciation and amortisation from \$25-million in the 2014 financial year to \$18.8-million in the 12 months to March 2015. This was reported despite group revenue lifting 6.9% year-on-year to \$152.3-million and net cash from operating activities swelling 81.3% to \$11.6-million.

Corporate

Democratic Republic of Congo: State miner sells copper concession to Chinese investors

Democratic Republic of Congo's State-owned miner Gecamines has sold an exploitation permit for a copper and cobalt concession in Katanga province to Chinese investors Congo Dongfang International Mining for \$52-million. The concession contains reserves of 354 619 t of copper and 62 903 t of cobalt.

South Africa: AMSA flags iron-ore import plan as it seeks new pricing deal with Kumba

Steel producer ArcelorMittal South Africa (AMSA) has signalled that it is aiming to reopen historically fraught iron-ore pricing negotiations with Kumba Iron Ore, describing the current cost-plus arrangement as unsustainable in light of dramatic declines in iron-ore and steel prices. The company has noted that it is seriously investigating iron-ore importation options, which could be introduced as early as this year, starting with its Saldanha Steel mill, in the Western Cape. However, AMSA has stressed that importation is not its preferred option.

South Africa: Anglo maintains half-year dividend

Despite warning of a tough 12 months ahead and charting its intention to cut over 6 000 jobs across its international asset portfolio, global miner Anglo American has maintained an interim dividend of \$0.32 a share for the six months ended June 30. The diversified miner has noted that the first six months of the year saw "considerable" further price decreases for its products amid a volatile market environment and economic uncertainty in certain key markets, such as China, which it expects is likely to continue well into next year.

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South Africa: Atlatsa in talks with Amplats over Bokoni mine, financial support

Platinum miner Atlatsa Resources is in talks with platinum major Anglo American Platinum regarding the future sustainability of the Bokoni mine, in Polokwane, as well as potential alternative financial support for the company. This follows after some terms and conditions in a letter of support were not met.

Meanwhile, Atlatsa has indicated its intention to voluntarily withdraw its common shares from listing on the small-cap NYSE MKT, and expects the delisting to take place in August.

South Africa: DiamondCorp raises £5m in oversubscribed offer

Dual-listed DiamondCorp has reported that its oversubscribed open offer raised £5.27-million. In June, the Southern Africa-focused diamond development, exploration and mining company issued an open offer for nearly 21-million new ordinary shares to eligible shareholders at 10p apiece.

South Africa: Exxaro to loan majority BEE shareholder R400m

Diversified miner Exxaro has indicated that it will provide its majority black economic-empowerment shareholder consortium Mainstreet 333 (MS333) with a R400-million loan to repay a portion of a refinanced preference share facility. On the back of the commodity price slump and its impact on Exxaro's share price, MS333 requested the interim loan to comply with a 2013 refinanced R3.8-billion preference share facility that was initially raised in 2006 to buy MS333's 52.09% interest in Exxaro. Exxaro is of the opinion that it is in the best interests of the company and its shareholders to provide the loan to MS333.

South Africa: Gold One eyes Goliath Gold buyout

JSE-listed Gold One Africa has made a nonbinding expression of interest to acquire the remaining shares it does not own in Goliath Gold for up to R66-million. Gold One, which currently holds 72% of the issued share capital of Goliath Gold, plans to table a firm intention to proceed once the requisite Chinese regulatory approvals have been obtained in August.

South Africa: JSW sells off 26% of SACMH to black-owned company

Controlling shareholder JSW Energy Natural Resources South Africa has sold 26% of its holdings in South African Coal Mining Holdings (SACMH) to black-owned and –controlled Comogen. JSW now has a direct beneficial interest in SACMH of 8.79% and an indirect beneficial interest of 67.25%.

South Africa: Jubilee sells non-platinum assets for R110m

Mines-to-metals company Jubilee Platinum will sell its Jubilee Smelting and Refining (JSR) subsidiary and a 70% interest in its Power Alt subsidiary to special purpose vehicle (SPV) Main Street 1347 for R110-million. The SPV, a nominee company of Siganda Resources, was established for the purposes of the disposal. It will buy JSR, which owns the Middelburg Smelter Complex, for R72-million, and the 70% stake in Power Alt for R38.5-million.

South Africa: Metmar, Traxys deal gets Competition Commission nod

The Competition Commission has given its approval for physical commodity trader and metals and natural resources merchant Traxys to buy 100% of African diversified commodities trader Metmar for R294-million. The commission has recommended to the Competition Tribunal that the merger be approved without conditions.

South Africa: Mooiplaats sale agreement lapses

The sale and purchase agreement (SPA) for triple-listed Coal of Africa Limited's (CoAL's) sale of the Mooiplaats colliery to Blackspear Capital for R250-million has lapsed. In May, the parties extended the finalisation date for the SPA to June 30 to allow Blackspear to provide proof of funding for the acquisition. With the deadline having passed, CoAL is continuing discussions with various parties, including Blackspear, regarding the sale of Mooiplaats.

South Africa: RBPlat reaches R110m tax settlement with Sars

JSE-listed Royal Bafokeng Platinum (RBPlat) has reached a settlement agreement with the South African Revenue Services (Sars) over a R437.5-million revised tax assessment. Following

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a dispute with Sars over the 2008, 2009 and 2010 tax assessments for wholly owned subsidiary Royal Bafokeng Resources, RBPlat has agreed to hand over a R50-million upfront cash payment to Sars. A further R60-million tax payment will be made when the subsidiary shifts into a net mining tax paying position by about 2019.

South Africa: Sunbird gets buyout offer from power infrastructure firm

South Africa-focused Sunbird Energy has received a takeover offer from South African power infrastructure company Glendal Power. The proposal is subject to a number of conditions, including due diligence, third-party financing arrangements and Glendal achieving a minimum acceptance of 51% of all Sunbird shares on issue. Sunbird has noted that, while there is no guarantee that a firm takeover bid will be made by Glendal, the company's board is considering the proposal and is engaging with Glendal to clarify the terms of the indicative offer, assist the suitor in completing its due diligence investigations and to determine whether to enter into and negotiate terms for a binding implementation agreement.

South Africa: TSX grants extension of Eastplats AGM

The TSX has agreed to the extension of listed miner Eastern Platinum's (Eastplats') annual general meeting, provided the meeting is held on or before September 11. In requesting the extension, Eastplats noted that it would be in the best interests of its shareholders to postpone the meeting until an initial transaction has been completed with Hebei Zhongbo Platinum. Hebei Zhongbo is in the midst of acquiring the company's entire platinum group metal business and all investments, as well as all loan agreements between Eastplats and its subsidiaries.

South Africa: WCC seeks voluntary suspension extension

JSE-listed Firestone Energy and its parent company ASX-listed Waterberg Coal Company (WCC) have requested an extension to the voluntary suspensions in the trading of their securities to allow time for WCC to finalise a proposed third-party funding arrangement to replace an existing funding facility with Standard Bank, which was due

for repayment on April 9. The voluntary suspension has been in effect since March 19, and WCC expects it to remain in place until about August 10.

South Africa/Botswana: African Energy to sell coal and power project

ASX-listed African Energy has signed a term sheet with a South African project developer to divest of its Mmamantse coal and power project, in Botswana. Subject to certain conditions precedent, African Energy will sell the Mmamantse project for an initial sum of \$10-million to the developer, which will form a bid consortium to sole fund the preparation and submission of a bid into South Africa's upcoming Coal Baseload Independent Power Producer Procurement Programme, using the Mmamantse project. African Energy will be paid this initial fee if the project is shortlisted by the South African Department of Energy.

South Africa/Madagascar: Bushveld declares Lemur takeover unconditional

London-listed Bushveld Minerals has declared its off-market takeover offer for ASX-listed Lemur Resources unconditional. Bushveld, which also extended the closing date of the offer by one month to August 17, has waived the minimum acceptance condition requiring it to receive sufficient acceptances, resulting in the Africa-focused group becoming entitled to proceed with the compulsory acquisition of the remaining shares in Lemur.

Tanzania: IMX welcomes cornerstone investor

ASX-listed IMX Resources has secured a A\$3-million investment to fund work on the Chilalo graphite project, in Tanzania. A private Chinese investor will subscribe for nearly half of the 250-million IMX shares on offer. The placement will be subject to shareholder approval. IMX has further announced that it will undertake a share purchase plan to raise a further A\$1-million.

Zambia: ZCI opens another \$2m loan for ailing African Copper

Cash-strapped African Copper has signed another \$2-million unsecured loan facility from parent company ZCI's controlling party, the Copperbelt Development Foundation. This brings

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the subsidiary's interest-bearing loans with ZCI to \$102.3-million, excluding an existing \$7.3-million convertible loan. The new loan facility will provide the subsidiary with short-term working capital.

Labour

South Africa: ANC calls on mining companies to review job cut plans

The African National Congress (ANC) has called on mining companies to review their plans to cut thousands of jobs as it will worsen the struggling South African economy. When asked what government will do if the companies do not comply with the ANC's call, secretary general Gwede Mantashe indicated that the ruling party is set to meet with the companies' management to "show them our views".

South Africa: EFF to lay criminal charges against deputy president Ramaphosa, Ministers

Firebrand faux revolutionary minority opposition party Economic Freedom Fighters (EFF) announced in early July that it would lay charges against Deputy President Cyril Ramaphosa, former Police Minister Nathi Mthethwa and top police management for the deaths of 44 people in Marikana in 2012, during a strike at platinum miner Lonmin. The EFF contends that the Farlam Commission of Inquiry into the incident relied on information presented voluntarily, but that a police investigation would unearth additional information.

South Africa: Gold wage negotiations

In early July, the National Union of Mineworkers (NUM) rejected a wage offer from gold producers, and continued to press for pay increases of up to about 80%. The gold producers were offering increases of up to 13%. Gold producers indicated that union wage demands were "unaffordable" and could add R16.5-billion to the sector's wage bill.

Meanwhile, a review of union representation at gold producers AngloGold Ashanti, Harmony Gold and Sibanye Gold revealed that the NUM remains the dominant union in the gold-mining sector, despite contrary claims by the Association of Mineworkers and Construction Union (AMCU). AMCU took issue with the producer-sanctioned audit of membership,

and abruptly quit the wage talks. It subsequently indicated it would return to the talks, and AngloGold Ashanti, Harmony Gold and Sibanye met with the union in a further effort to resolve the differences of opinion on representation.

Towards the end of July, it was announced that a series of bilateral meetings would be held between AngloGold Ashanti, Evander Gold Mines, Harmony Gold, Sibanye Gold and Village Main Reef and each of the trade unions. Once the bilateral meetings were concluded, collective meetings were scheduled between the gold producers and the trade unions. A final offer was made by the gold producers, and it was expected the representative unions would revert back to the Chamber of Mines (CoM) on the offer in the first week of August. Meanwhile, by the end of July, the CoM had concluded a wage agreement with the representative unions at Village Main Reef's gold mining operations. The two-year agreement allows for increases of R1 000 and R800 for Category 4 to 8 underground and surface employees respectively, and increases of 5.5% and 6.5% for miners, artisans and officials.

South Africa: Mine accidents

A number of accidents took place at South African mines in July, including:

- Royal Bafokeng Holdings' Bafokeng Rasimone platinum mine, where a winch operator died after being struck by a scraper rope during scraping operations;
- AngloGold Ashanti's Moab Khotsoeng mine, where a scraper winch operator was fatally injured in a winch incident; and
- Lonmin Platinum's Marikana mine, where a contractor died as a result of injuries sustained in an accident that occurred during the maintenance of a load-haul dumper.

South Africa: New trade union emerges in North West platinum belt

A new trade union has been formed in the Rustenburg platinum belt in the North West, and plans on launching before the end of the year. Founding member Tshepo Mekgoe contends that the newly formed Badirammogo Workers Union, which has a broad scope to operate with a focus on mining, has indicated that disgruntled members of the National Union of Mineworkers and the Association of Mineworkers and Construction Union have shown interest in joining the new union.

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South Africa: Northam, NUM reach wage settlement

Platinum producer Northam Platinum has inked a three-year wage agreement with the National Union of Mineworkers for workers at the Zondereinde mine, in Limpopo. Entry-level underground employees will be provided a 13% basic wage and allowance increase in the first year, followed by increases of 11.6% in year two and 10.5% in year three. Supervisory employees will receive a 7.5% basic increase each year over the three-year period.

South Africa: NUM members down tools at Amplats' Twickenham mine

Members of the National Union of Mineworkers (NUM) downed tools at Anglo American Platinum's (Amplats') Twickenham mine in early July, after the union was served with a Section 189A notice, as required by the Labour Relations Act as part of a retrenchment process. The striking NUM members were demanding that all employees affected be reinstated.

South Africa: Samancor, unions conclude three-year wage deal

Chrome miner Samancor Chrome has concluded a three-year wage agreement with the National Union of Metalworkers of South Africa, the National Union of Mineworkers (NUM) and Solidarity at its Ferrometals Middelburg ferrochrome and Tubatse ferrochrome smelters, as well with the NUM and UASA at its Samancor Western chrome and Samancor Eastern chrome mines in Rustenburg. Employees at the mines will receive a 12% average increase in the first year, while smelter employees will receive an average increase of 10.5%. The guaranteed increase for the second and third years of the agreement is 6% respectively; however, based on a productivity improvement model, a potential increase of 10% for each year could be granted.

South Africa: Solidarity calls for miners' retirement age to be raised to 63

Trade union Solidarity has called for the retirement age of underground miners to be raised to 63, telling the Chamber of Mines that the move will retain skills critical to the South African mining industry, thus promoting its sustainability. Solidarity general secretary Gideon du Plessis

stated, "It seems that the chamber is doing its utmost to prevent a raise in the retirement age of underground workers. Its feeble argument that legislation on occupational health and safety first has to be investigated holds no water."

South Africa: Solidarity rejects 4.6% salary increase for coal workers

In mid-July, trade union Solidarity rejected the Chamber of Mines' (CoM's) offer of a 4.6% salary increase for its members who are employed in the coal sector. The union has expressed discontent with what it says is the CoM's delay in making an initial offer, as this will prolong the negotiation process, which has been delayed several times.

South Africa: Steelpoort protests affect Booyseendal mine

Civil unrest in Steelpoort affected operations at Northam Platinum's Booyseendal mine towards the end of July. The protests by community members in the Steelpoort valley affected the company's production as protestors blocked roads and disrupted transport, preventing employees from getting to work. Operations at the mine subsequently returned to normal, after Mineral Resources Minister Advocate Ngoako Ramatlhodi intervened to resolve the discontent.

South Africa: Wescoal seals wage deal, introduces medical benefits

Coal junior Wescoal and the National Union of Metalworkers of South Africa have agreed to a 7% increase in the basic salaries of employees from April 1 this year. The agreement also includes the introduction of medical benefits for all employees from July 1 and a taxi transport allowance retrospective to April 1.

General

Botswana: Govt launches bidding process for solar plants for mines

Botswana's government has called for expressions of interest to construct, operate, maintain and decommission at the end of its economic life, a scalable solar power plant. Studies have identified a site near De Beers' Jwaneng diamond mine as the most suitable place for the plant.

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Madagascar: Govt to pass mining, petroleum bills in October

Madagascar has indicated its intention to pass long-delayed mining and petroleum bills in October, when the country's national assembly returns from a recess. This move will be a significant boost to flagging exploration in the mineral-rich island.

South Africa: BBK tribal authority, Sedibelo renew ties for large-scale community projects

The Bakgatla-Ba-Kgafela Tribal Authority (BBKTA) and Sedibelo Platinum Mines (SPM), in the North West, have announced plans to merge projects and community initiatives to ensure greater socioeconomic impact for the residents of the region. SPM, which owns and operates the Pilanesberg platinum mine, and BBKTA will renew their seven-year partnership by implementing a number of joint large-scale initiatives for the area. The targeted initiatives include a water project in Pilanesberg West; a housing development project in Lekutung; a sewer pipeline project to connect the mine and the Sedibelo Corridor villages to the Moruleng water treatment plant; and a road infrastructure project focusing on the Legkraal-Motlhaba road.

South Africa: DA calls on government to promote certainty for distressed mining industry

The Democratic Alliance (DA) has called on government to take certain actions to resolve issues weighing on mining in South Africa and save the industry. DA Mineral Resources Shadow Minister James Lorimer has noted that, amid extensive job cuts in the industry and major commodities prices being at multiyear lows, government needs to assure mining companies that they will be allowed to operate without "overly intrusive" regulation. He has suggested that government review its current black economic-empowerment (BEE) framework to cement the principle of once empowered, always empowered, while freezing the minimum required BEE ownership level at 26% in the future.

South Africa: Mining towns get R18bn facelift

President Jacob Zuma has indicated that R18-billion has been allocated to improve the socioeconomic

conditions of distressed mining communities across the country. About a third of this funding is from mining companies. Projects include housing and wellness projects.

South Africa: New oil, gas code globally aligned

The recently published South African Code for the Reporting of Oil and Gas is fully aligned to the oil and gas reporting standards used globally. Ensuring that all oil and gas companies list according to the same reporting standards no matter the stock exchange, the code is based on the Canadian oil and gas reporting code in respect of general disclosure. For reserves and resources classification, the code is based on the Petroleum Resources Management System, a classification developed by organisations including the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers and the World Petroleum Council.

South Africa: Transnet budgeting for continued growth in coal and iron-ore export volumes

State-owned freight logistics group Transnet is budgeting for continued growth in coal and iron-ore export volumes in 2015/16, despite weak commodity market conditions. The group railed 76.3-million tons of export coal last year, a material 12% increase on the 68.2-million tons achieved in 2013/14. It also reported a 10% rise in iron-ore export volumes to 54.3-million tons.

South Africa: Weak commodity prices negative for outlook of the rand

New bank research has shown that the sharp decline in commodity prices is, on balance, negative for the outlook for the South African rand, with lower oil prices being more than offset by lower mineral and metals prices. Standard Bank head of South African research Walter de Wet highlights that crude oil and petroleum imports comprise about 20% of total physical-goods imports, which is far less than the proportion of commodity exports in South Africa's total export basket. Metals and mineral commodity exports, such as coal, gold, iron-ore and platinum, account for about 53% of the country's physical-goods exports.

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Zambia: Mining industry says new tax rules will scare away investors

Zambia's Chamber of Mines has indicated, in a presentation to Parliament, that an increase in corporate tax to 35% and other new tax rules will damage investor confidence, and that it should, therefore, be maintained at 30%. The chamber has also indicated that the provision for royalties based on different mining methods does not take into account the peculiar challenges that each of the methods face.

Zambia: Power cuts to mines necessary but delayed

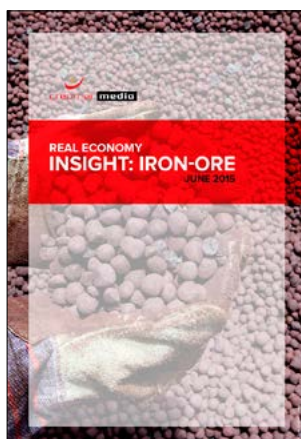
Zambia indicated in early July that it intended to cut power supplies to customers, including mining

companies, by up to 30%, after water levels at its hydroelectric projects dropped owing to drought. However, in late July it was reported that the Copperbelt Energy Corp had delayed its plan to reduce electricity to mines after mining companies warned that they would have to close processing plants and shed jobs.

Zimbabwe: Royalty fees levied on small gold mines to be cut

Zimbabwe has indicated that it will reduce the royalties levied on small-scale gold producers to 1% from 3%, in an effort to boost output from the sector. Small-scale producers delivered 3 117 kg of gold between January and June, compared with 993 kg in the same period in 2014.

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