



October 2015

A review of mining activity
across the continent



AFRICAN mining ROUNDUP

Sponsored by:



Exploration and feasibility studies

Botswana: A-Cap submits mining licence application for uranium mine

ASX-listed A-Cap Resources has announced the submission of a mining licence application for its flagship Letlhakane uranium project to the Botswana Department of Mines. This follows the company's May submission of the environmental- and social-impact assessment to the Botswana Department of Environmental Affairs. Technical studies on the \$351-million project have highlighted its potential economic viability in the context of a rising uranium price.

Botswana: Botswana Diamonds advances work at Orapa

Aim-listed Botswana Diamonds has started reconnaissance work on its PL 085 licence, as well as heavy concentrate sampling at its PL 206 licence, at its Orapa project, following the arrival of a seven-person Russian team of geologists and mineralogists. Heavy concentrate sampling to evaluate kimberlite indicator minerals and their proximity from potential primary sources, as well as drilling, is expected to start on anomaly AN210-1, on licence PL 210, which will follow the reconnaissance work.

Botswana: Pangolin closes oversubscribed private placement for exploration

Botswana-focused diamond explorer Pangolin Diamonds closed an oversubscribed private placement in early September, for gross proceeds of \$628 621, 25% over the original financing target. The proceeds of the offering will be used for drilling, geological-geophysical and sampling campaigns at the company's 100%-owned diamond projects in Botswana, and for general corporate purposes. Pangolin has a number of prospecting licence applications pending, with a pipeline of projects ranging from the brownfield Tsabong North project to the advanced exploration Malatswae project, as well as several grassroots-level targets.

Côte d'Ivoire: Newcrest eyes Ivorian earn-in

Gold major Newcrest Mining has inked a heads of agreement (HoA) with junior Taruga Gold over the

Dabakala project, in Côte d'Ivoire. The nonbinding HoA outlines the terms of a farm-in and joint venture (JV) agreement under which Newcrest can earn a 75% interest in a JV company by spending \$1.7-million over a three-year period. The Australian gold miner will have to spend a minimum of \$75 000 before being able to withdraw from the JV, with Taruga maintaining full ownership of the project until the full investment is incurred.

Democratic Republic of Congo: Minbos sells stake in Kanzi project

Phosphate rock explorer Minbos Resources has indicated that it will sell its 45% stake in the Kanzi project, in the Democratic Republic of Congo, to African Phosphate. The project comprises nine exploration permits and hosts a total inferred resource of about 58.5-million tonnes, grading 14.2% phosphorus pentoxide. Under the terms of the agreement, African Phosphate will acquire Minbos's rights in the project, along with all the historical technical data and study reports, for \$200 000.

Eritrea: Colluli gets rock salt resource

More than 300-million tonnes of Joint Ore Reserves Committee-compliant rock salt minerals have been identified at the Colluli potash project, in Eritrea, which could add potential revenues. Owner Danakali has noted that the rock salt is located directly above the potassium-bearing salts within the Colluli resource and will be extracted using surface miners. Mine planning work to date has indicated that between one-million and two-million tonnes a year of rock salt could be mined at Colluli, for a 425 000 t/y sulphate of potash production module.

Guinea: Bellzone not giving up on Kalia just yet

Aim-listed Bellzone Mining has indicated that its Kalia iron-ore project, in Guinea, remains a key asset; however, commodity pricing and a lack of available finance to develop greenfield iron-ore projects in the current challenging economic environment are "not conducive" to funding Kalia as defined in the independent bankable feasibility study, which was released in September 2013. Bellzone advised in September that a strategic review undertaken in the first half of this year revealed nickel potential at the project. As such, Kalia could be brought into production despite the challenges presented by the

Sponsored by:



current state of the financial markets, lower iron-ore prices and infrastructure limitations. The company contends that nickel pig iron, or ferronickel production will not require large-scale investment in infrastructure.

Liberia: Hummingbird considers hydropower options for Dugbe mine

Gold miner Hummingbird Resources is considering the development of a run-of-river hydroelectric facility to support the development and operation of its Dugbe mine, in south-west Liberia. A prefeasibility report on the proposed plant has been issued in draft form, as a preliminary assessment of the project's viability, and it will be updated in final form once additional hydrological studies and topographic mapping have been completed.

Malawi: Scoping study proves up at Sovereign's Duwi project

A scoping study into the Duwi flake graphite project, in Malawi, has confirmed that the project could support the production of 110 000 t/y of graphite concentrate over an initial mine life of 20 years. Owner Sovereign Metals has indicated that the scoping study estimates an initial capital investment of \$112-million and life-of-mine operating costs of \$498/t of concentrate.

Mali: Hummingbird sees bright future at Yanfolila

Following grade control and infill drilling, as well as various other technical studies at its 1.8-million-ounce Yanfolila gold project, in Mali, Aim-listed Hummingbird Resources believes it can further improve figures highlighted in an earlier optimisation study. The company will now finalise its final drawdown with West African gold exploration and mining company Taurus Gold for \$75-million to start full-scale construction ahead of its targeted first gold pour in 2016.

Namibia: First Quantum withdraws from Kaoko JV

Metals miner First Quantum Minerals has withdrawn from the Kaoko joint venture (JV), in Namibia. Under the terms of the JV, First Quantum had to spend at least \$2-million on the project by July this year, and could earn a 51% interest by spending an additional \$5-million by 2017. Although First Quantum exceeded its minimum obligations under the first

phase of the JV agreement, the Kaoko JV failed to deliver the company's minimum size threshold of contained copper, resulting in the company electing not to proceed with the JV.

South Africa: Bushveld declares maiden resource at Mokopane project

A maiden mineral resource estimate of 12.5-million tons at a grade of 0.7% vanadium pentoxide has been declared on the AB zone of Aim-listed Bushveld Minerals' Mokopane vanadium project, in Limpopo. The company contends that this confirms its expectations that the AB zone represents significant upside for the project. The concentrate grades are about 20% higher than the main magnetite layer (MML) concentrate grades on which the scoping study and the prefeasibility study (PFS) are based. The company has indicated that it will continue with the project's PFS based on the mineral resource defined in the MML.

South Africa: Ivanhoe awards DRA feasibility study contract for Platreef

Multidisciplinary engineering group DRA has been awarded the contract to undertake a feasibility study on TSX-listed Ivanplats' Platreef platinum group metals, gold, nickel and copper project, in the Bushveld Complex. The award of the feasibility study follows DRA's completion of the project's prefeasibility study in January, which it believes successfully demonstrates a sound business case for further investigation of the project.

Tanzania: Kibaran considers second graphite project in Tanzania

A resource upgrade at ASX-listed Kibaran Resources' Merelani East deposit, in Tanzania, has paved the way for the company to start a prefeasibility study (PFS) on its second project. The terms of reference for the PFS at the Merelani East deposit will evaluate replicating the Epanko plant and expansion plans, with offtake and sales interest received for Merelani graphite supporting the company's view that the graphite end-market is seeking diversity in supply.

Meanwhile, Kibaran has increased its production estimates for its flagship Tanzanian projects by an estimated 50%. An updated growth strategy has determined that the Epanko and Merelani-Arusha graphite projects could deliver a combined 150 000 t/y of concentrate by the sixth year of

Sponsored by:



mining and processing operations, up from the initial estimate of 100 000 t/y outlined in January this year.

Tanzania: Kibo advances uranium project

Work has started at Tanzania-focused mineral explorer Kibo Mining's Pinewood uranium project, with the immediate focus on updating a 2009 study and report on prospectivity and exploration potential in the region. Kibo and joint venture partner Metal Tiger will also continue to seek uranium acquisition opportunities in Tanzania and other jurisdictions. The Pinewood portfolio comprises 43 licences, offers, applications and tenders with a combined surface area of about 9 033 km².

Tanzania: Kibo says Tanzania power project will be competitive

Dual-listed Kibo Mining has indicated that it expects its Mbeya coal-to-power project (MCP), in Tanzania, to produce electricity at "well below" national electricity tariffs. A definitive feasibility study on the MCP will be completed in October. Kibo will appoint contractors to build and operate the MCP only once the company starts the process of obtaining funding for the construction of the project.

Tanzania: Magnis awarded special licence for Nachu project

ASX-listed junior Magnis Resources has been granted a special mining licence for its Nachu graphite project, in Tanzania, which will allow the company to proceed with the finalisation of funding arrangements for the project's development. A special licence is considered superior to a mining licence and is awarded to projects with an investment greater than \$100-million. The special licence allows for a larger area to be approved than under a regular mining licence. The special licence is also granted tenure for up to 25 years, while a mining licence only allows for a ten-year tenure.

Tanzania: OreCorp, Acacia sign deal to advance gold asset

London-listed Acacia Mining and ASX-listed OreCorp have entered into a joint venture (JV) agreement to advance Acacia's Nyanzaga exploration project, in Tanzania. Under the terms of the agreement, OreCorp will provide Acacia with a \$1-million upfront cash payment, followed

by staged earn-in expenditure of \$14-million and the completion of a definitive feasibility study to earn an initial 25% interest in the project. It will take over sole management of the project for a three-year period, with a technical committee, comprising Acacia and OreCorp representatives, overseeing all work on the project.

Zambia: Intrepid accelerates exploration at target

Minerals explorer Intrepid Mines has mobilised a fourth diamond drill rig to the high-priority Kakozhi satellite target, in Zambia, accelerating a drilling programme to better define the potential of the prospective Mumbwa copper project. Drilling at Kakozhi previously focused on testing a coincident soil geochemical and airborne gravity anomaly, with an estimated 10 000 m of diamond and reverse circulation drilling on 11 targets planned for this year. Priority has been placed on targets anomalous in multiple datasets and located within the Kitumba mining licence area.

Projects

Democratic Republic of Congo: Katanga to continue with \$880m investment plan

TSX-listed Katanga Mining, which has suspended copper and cobalt production for 18 months, is continuing with its planned investment of \$880-million into ongoing processing plant upgrades and the waste stripping of its KOV and Mashamba openpits, in the Democratic Republic of Congo. These process upgrades include the commissioning of the new leach plant, which will replace the existing oxide concentration process. The whole ore leach project is currently on schedule for completion within the first half of 2017. The project is expected to significantly improve both copper recoveries and operating unit costs, with the latter to decrease to \$1.65/lb.

Ethiopia: Kefi lifts Tulu Kapi production capacity to 100 000 oz/y

Aim-listed gold miner Kefi Minerals' Tulu Kapi project, in Ethiopia, is expected to produce about 100 000 oz/y over a ten-year period, up from the previously estimated 75 000 oz/y over a 13-year period, owing to a planned increase in process plant

Sponsored by:



capacity from 1.2-million tons a year to 1.5-million tons a year. The expanded plant capacity will not increase the assumed level of funding required to develop Tulu Kapi, and the company has noted that construction contractors shortlisted from the eleven candidates have been invited to submit fixed price bids for the larger plant.

Meanwhile, the board of Kefi Minerals has approved the development funding plan for the Tulu Kapi project. This will see the company raising equity capital for development at project level, rather than at the London-listed public limited company level. This strategy will reduce value dilution for shareholders, as well as the estimated peak funding requirement.

Ghana: AngloGold, Randgold team up to revive Obuasi

London-listed gold mining company Randgold Resources and AngloGold Ashanti have concluded an investment agreement to form a joint venture to redevelop and operate AngloGold Ashanti's Obuasi gold mine, in Ghana. Randgold has agreed to lead and fund a development plan designed to rebuild Obuasi as a viable long-life mining business with an attractive cost structure and returns. Obuasi is expected to be remodelled to survive on a gold price of \$1 000/oz.

Ghana: Asanko nearing completion at flagship project

Canadian project developer Asanko Gold is nearing completion of the first phase of its cornerstone Asanko gold mine, in Ghana, where it expects to produce an average of 190 000 oz/y of gold from 2016 onwards. The low-cost operation is on track to pour its first gold early in the first quarter of 2016. Concrete civils, steel erection, mechanical and plate work are nearing completion and piping and electrical and instrumentation are well under way.

Ghana: Resolute eyes big picture at Bibiani

ASX-listed gold miner Resolute Mining is hoping to turn its recently acquired Bibiani project, in Ghana, into a high-margin, long-life operation. Surface operations at Bibiani were suspended in May 2013, as owner Noble Mineral Resources revised its operational strategy. Resolute completed the acquisition of the Bibiani project from Noble, which went into administration at the end of 2013, in June

2014. A subsequent scoping study revealed an underground mining inventory of 4.3-million tonnes at 4.2 g/t of gold at a 3.25 g/t cutoff for 574 000 oz. Resolute will undertake more drilling to build the resource inventory at Bibiani, which will assist in justifying the scale of production planned for the project.

Liberia: Tawana boosts cash balance

Dual-listed Tawana Resources reduced the operational expenditure programme at its Mofe Creek iron-ore project, in Liberia, to reduce cash outflow, while maintaining key personnel and advancing the project's principal activities. Key corporate and senior executive officers of the company, both permanent and contract personnel, have all, in turn, accepted a 20% salary reduction in a bid to further reduce operating and governance expenditure while increasing the company's healthy cash position. Further, the company received \$379 004 from the Australian Taxation Office for research and development conducted last year. Tawana had a cash balance of about \$1.6-million at June 30 and no debt.

Mali: Hummingbird secures \$5m facility extension for Yanfolila development

Aim-listed gold production, development and exploration company Hummingbird Resources has secured a \$5-million facility extension to start moving its flagship 1.8-million-ounce Yanfolila gold project, in Mali, towards targeted production in 2016. With the completion of the initial earthworks, including the excavation, placement and compaction of more than 80 000 m³ of fill materials, Taurus Funds Management expanded its \$10-million bridge facility to \$15-million to kick off the full construction and ongoing development activities at the emerging mine.

Mozambique: Syrah targets 2017 start for Balama

ASX-listed Syrah Resources has reported that the Balama graphite project, in Mozambique, remains on track to produce its first product in the first quarter of 2017. Detailed engineering design work is progressing as planned and long-lead capital equipment items have been identified and will be ordered in the coming months. A construction licence has been approved and bulk earthworks at the processing plant and

Sponsored by:



access road are under way, while design for the civil works is well advanced.

South Africa: R267m greenfield project to kick off beneficiation agenda

Government has broken ground on a R267-million greenfield project that will see the development of a facility catering for mineral beneficiation, diamond cutting, polishing and trading, as well as light manufacturing for jewellery and other high-end products within the OR Tambo International Airport industrial development zone. The Jewellery Manufacturing Precinct, which will take between 15 and 18 months to build, aims to attract investors through a range of incentives, including dedicated customs support services, duty-free importation of production-related raw materials and inputs and reduced tax and exemption for certain beneficiation activities. The project has been described as a tangible example of government's reindustrialisation and mineral beneficiation agenda.

South Africa: Wescoal's Elandspruit on track to meet planned production rate by year-end; signs short-term deal with Eskom

JSE-listed Wescoal has indicated that its Elandspruit coal project, in Mpumalanga, is on track to reach its planned production rate of 170 000 t/m run-of-mine before the end of the year. Meanwhile, Wescoal has signed a short-term contract to supply State-owned Eskom with 221 000 t of coal from its Elandspruit mine. This follows on contracts signed in May for the supply of 190 000 t of coal from Wescoal's Khanyisa and Intibane mines to the power utility.

Tanzania: Edenville progresses discussions for Rukwa project

Aim-listed Edenville Energy has made "good progress" in discussions with potential development partners for its Rukwa coal-to-power project, in Tanzania. The company has received cost analyses from several engineering, procurement and construction (EPC) groups, with details of key modules including the boiler, turbine and generator and the balance-of-plant components. Edenville has also continued talks with banks for the provision of debt finance for the project, as financiers often work alongside EPC groups to ensure adequate project finance is available when needed throughout the project build. The company expected to provide the Tanzania Ministry of Energy and Minerals with

additional information related to the company's mining licence application by the end of September.

Tanzania: Gold tailings, mine rejig tender out

Tanzania's State-owned mining corporation Stamico is inviting sealed expressions of interest from technically and financially competent entities to partner it in developing and operating the Buhemba hard-rock resources, as well as processing old gold tailings and mineralised waste rock. October 15 is the deadline for expressions of interest.

Zimbabwe: Sable Mining looks to build power plant in Zim

Aim-listed Sable Mining has signed a memorandum of understanding with Chinese developer Citic Construction to develop a 600 MW coal-fired power plant at its 19 236 ha Lubu coal project, in Zimbabwe. Sable and Citic will explore opportunities to use their respective expertise to work together to develop a commercial coal-fired power station at the mine, which will supply coal to the power station.

Operations

African Potash signs second offtake deal in terms of landmark Comesa agreement

Aim-listed African Potash signed its second fertiliser offtake deal in early September, with a Malawi-based fertiliser supply company. This represents the second offtake deal following the signing, last month, of a landmark trading agreement with the Common Market for Eastern and Southern Africa (Comesa) and the Mask Africa Crowd Farm Fund. African Potash will source and fund the delivery of fertiliser through its proprietary network and methods, with first delivery of the 50 000 t/y deal anticipated in the third quarter. The Malawi deal was followed closely by a third deal, with the company signing a memorandum of understanding to supply 150 000 t of fertiliser to a Zimbabwe-based fertiliser supply company. A fourth deal, with a Congolese distributor, was signed in late September, and will see the company supplying in excess of 150 000 t of fertiliser to the Democratic Republic of Congo.

Meanwhile, African Potash has reached an agreement to establish a sale price of \$500/t for 50 000 t of fertiliser product.

Sponsored by:



Angola: Lucapa secures financing for expansion

ASX-listed diamond miner Lucapa Diamond Company has secured up to A\$12.5-million from investors to advance its mining operations in Angola. The company has signed an agreement with a group of high net worth investors who will provide financial support of up to A\$12.5-million, comprising A\$3.5-million in equity placements and up to A\$8.5-million in additional future funding. The proceeds from the placement will be used to source additional earthmoving equipment to scale up the alluvial diamond mining operations beyond the current 20 000 bulk cubic metres a month and for working capital.

Meanwhile, Lucapa has recovered additional special diamonds, bringing the total number of special diamonds recovered at Mining Block 8, at the Lulo project, in Angola, to 31 since mining started on the block in August.

Burkina Faso: Miners report 'business as usual' following military coup

Canadian gold miners reported in mid-September that their respective operations were, at that stage, unaffected by the latest wave of political unrest to hit the West African nation of Burkina Faso, after presidential guard officers seized power in a coup d'état.

Democratic Republic of Congo: Tiger hopes for 2016 restart to Kipoi mining

Copper cathode producer Tiger Resources is hoping to reactivate its Kipoi central openpit mine, in the Democratic Republic of Congo, during 2016. The planning process for the reactivation is being undertaken as the miner prepares for the end-life of its current floats and stockpiles, which are supporting copper cathode production through its solvent extraction and electrowinning plant. Limited work will be required to restart the openpit operation, with Tiger maintaining its mining team throughout the mining hiatus, which will allow for a quick restart.

Egypt: Centamin lifts Sukari mineral reserve

Dual-listed Centamin has indicated that lower mining and processing operating costs associated with lower international fuel prices and continued underground drilling have resulted in an increase in

the mineral reserve of the company's Sukari mine, in Egypt. The combined openpit and underground mineral reserve estimate stands at 8.8-million ounces, up from the 8.2-million-ounce estimate as at September 30, 2013. The mine has a measured and indicated mineral resource estimated of 13-million ounces of gold.

Kenya: Base starts the hunt for new assets

Mineral sands miner Base Resources has indicated that it is hunting for acquisition opportunities as it nears the completion of a production optimisation programme at its \$310-million Kwale mineral sands project, in Kenya. Base started exports from Kwale in 2014, and the mine is being ramped up to produce 80 000 t/y of rutile, 360 000 t/y of ilmenite and 30 000 t/y of zircon. Despite the challenging market conditions, Base is continuing with its optimisation push at Kwale, which is expected to increase the mine's combined ilmenite, rutile and zircon output to beyond 460 000 t/y.

Lesotho: Gem Diamonds finds buyer for 357ct Letšeng diamond

London-listed Gem Diamonds has sold an exceptional 357 ct white diamond that was recovered at its Letšeng mine, in Lesotho, for \$19.3-million. The Letšeng mine has produced two remarkable diamonds of more than 300 ct in the year to date. The 314 ct diamond recovered in May was sold into a partnership arrangement in June.

Mali: Avnel to keep loss-making mine open until new project starts

Canada's Avnel Gold has indicated that it will continue production from its loss-making Kalana underground mine, in Mali, until the start of a new \$188-million opencast project at the site in the second half of 2016. The new mine has estimated gold reserves of 1.46-million ounces and is expected to produce 138 000 oz of gold a year in the first four years of operation. Production will then fall to 98 000 oz/y for the remainder of its 14-year life.

Namibia: Weatherly lifts Tschudi output guidance; to suspend Otjihase, Matchless production

Aim-listed copper miner Weatherly International has lifted the output guidance for its Tschudi mine, in Namibia, for the current quarter by 15% to about 1 150 t/m of copper. However, the company

Sponsored by:



has noted that, owing to the marked decline in global copper prices from January, it will suspend production at its Otjijase and Matchless mines, as copper production levels have been insufficient to support the ongoing costs of operating these mines.

South Africa: Amplats unveils first cogen clean energy power plant for Rustenburg smelter

Platinum producer Anglo American Platinum (Amplats) has unveiled a new R150-million “revolutionary” 5 MW cogeneration plant at its Waterval Smelting Complex, in Rustenburg. The Eternity Power Thermal Harvesting plant, which has a nominal 4.3 MW of generation capacity, is expected to revolutionise the metallurgical sector as its economical use of the waste heat of metallurgical and chemical processes could be replicated across other large industrial complexes emitting large amounts of waste thermal energy.

South Africa: Aureus achieves first gold sales from New Liberty mine

Aureus Mining has announced the start of gold sales and initial mining and processing operations from the 8.5-million-ton New Liberty gold mine, in Liberia, after achieving nameplate capacity at the gold plant in mid-July. The operation is on track to declare commercial production in the fourth quarter of the year, once the mill has operated at an average of 60% or more of the designed production capacity calculated over a 60-day period.

South Africa: Aveng Moolmans lands five-year Tshipi contract extension

Aveng Mining subsidiary Aveng Moolmans has extended its full service mining contract at Tshipi e Ntle Manganese Mining's Tshipi Borwa openpit manganese mine, in the Northern Cape, for five years. Three excavators, eighteen 100 t trucks and three drill rigs are on site to undertake topsoil stripping, drilling and blasting, loading and hauling of ore and waste mining and dewatering, besides others.

South Africa: Buffalo secures rights to continue operations

JSE- and TSX-listed Buffalo Coal was, in early September, granted immediate relief to allow mining operations to continue after the Department of Mineral Resources (DMR) withdrew its Avimore

anthracite mine's mining right. A South African court subsequently set aside the DMR's decision to withdraw the right. Pending a final determination of the application for the review and setting aside of the Ministerial decision, the court has granted an order stipulating that the Ministerial decision is of no force or effect, and the Minister was interdicted from awarding Mining Right 301 to any other party.

South Africa: Coal of Africa narrows losses

Coal exploration, development and mining company Coal of Africa Limited (CoAL) has reported a significant decrease in losses for the year ended June 30 of \$6.7-million, compared with \$84.1-million, in the previous financial year. The company is working towards a production target of 6.7-million tons of saleable coal product by 2018.

Meanwhile, CoAL has completed a 183-million share placement to Yishun Brightrise Investment, at 5.15 apiece, raising £9.4-million. This satisfied the remaining conditions in the loan agreement between Yishun and CoAL, pursuant to which Yishun has advanced a loan of \$10-million to CoAL. The subscription proceeds and loan amount will be used to finance preconstruction costs at CoAL's flagship Makhado coking and thermal coal project, in Limpopo, as well as for general working capital.

South Africa: Diamond prices down on market weakness – Rockwell

Rockwell Diamonds has reported that the average price received for a diamond carat mined in the three months to August 30 was well down. The alluvial diamond mining company averaged a 24%-lower \$1 791/ct on market weakness and a sub-threshold recovery of larger stones at the newly acquired Remhoogte-Holsloot Complex, where a below-par \$1 371/ct was averaged in the three months to August 30. Total sales were down 28% to \$9.6-million and a rough diamond inventory of 730 ct is being carried over into the next quarter.

South Africa: DiamondCorp to sell first Lace diamonds in October

Dual-listed miner DiamondCorp's first diamond sale from its Lace mine, in the Free State, has been scheduled for October, when tunnel and initial slot drive tonnage will have provided a sufficiently representative parcel of kimberlite diamonds. The result of initial diamond sales along with controlled

Sponsored by:



bulk test results from the kimberlite tunnel development will provide the required information for release of an updated resource statement.

Meanwhile, DiamondCorp has noted that underground tunnel development at the Lace mine is still proceeding slower than planned in fractured ground close to old workings.

South Africa: DRDGold dividend soars

Surface gold mining company DRDGold declared a final dividend of 10c a share in the year ended June 30, lifting its dividend payout fivefold. The company has described its results for the 2015 financial year as “very satisfactory”. A 13% increase in gold production to 150 145 oz increased operating profit for the year to a 48%-higher R384.3-million. Providing a tailwind was a 4% increase in the average realised gold price received. Revenue rose 16% to R2.1-billion, which was 13% up at R1.74-billion on total cash operating costs that included the last quarter’s negative impact of higher winter electricity tariffs.

South Africa: Goldplat capital projects yielding positive outcomes

Aim-listed gold producer Goldplat has indicated that the “significant progress” made on its capital projects has improved the production and efficiency of its South Africa-based subsidiary Goldplat Recovery. The company has installed and is commissioning a new electric boiler, which is expected to have a significant impact on the treatment of backlog material and capture more of the gold recovery value chain in-house. Further, the operation’s new R2.5-million woodchip wash plant, which was commissioned mid-August, allows for an additional 2 kg of gold production a month from the existing wood chip stockpiles, with payback expected in six to seven months. The company has commissioned a replacement mill in the low-grade circuit of Goldplat Recovery, enabling continuous operation by reducing the extensive and unplanned maintenance required to keep the original mill operational.

South Africa: Implats earnings down 58%, seeks to raise R4bn equity capital

Platinum mining major Impala Platinum (Implats) has reported 58% lower earnings a share for the 12 months to June 30, as well as an operational

plan premised on a lower-for-longer platinum price environment. The company reported that its performance for the 2015 financial year was impacted on by the ramp-up of its Rustenburg operations following last year’s five-month platinum strike. Other constraining factors were the precautionary closure of the Bimha mine, in Zimbabwe; power supply uncertainty in South Africa; safety stoppages; and depressed platinum group metals prices.

Meanwhile, the company has indicated that it intends raising up to R4-billion through the sale of new Implats ordinary shares using an accelerated bookbuild process.

South Africa: Pallinghurst ekes out \$3m profit in tough six months

Diversified mining company Pallinghurst has reported a net half-year profit of \$3-million in tough market conditions. The company has noted that the profit highlights the merit of holding three separate investment platforms in platinum, steel feed materials and coloured gemstones.

South Africa: Pan African earnings halve, debt up, dividend cut

Precious metals mining company Pan African Resources has declared a reduced dividend on halved headline earnings and higher net debt.

The company reported group headline earnings of R213.6-million in the 12 months to June 30, 53% down on the R452-million of last year, with the lower-grade mining cycle impacting negatively on gold production at the Evander gold mine. The group contends it is well positioned to deliver an improved performance in 2016.

South Africa: Petmin posts 62% increase in FY headline earnings

Disciplined management, cost control and a solid operating performance at the Somkhele anthracite mine have contributed to a 62% rise in JSE-listed Petmin’s headline earnings per share for the year ended June 30 to 24.28c from 14.95c in the previous year. The company reported a 30% increase in normalised earnings to R132.1-million and a 35% increase in net cash flow from operating activities to R901-million. Turnover increased by 25% year-on-year to R1.3-billion.

Sponsored by:



Donaldson
FILTRATION SOLUTIONS



South Africa: Petra declares maiden FY dividend

London-listed diamond mining group Petra Diamonds has declared its maiden dividend of 3c apiece for the year ended June 30, despite depressed markets and mature, diluted mining areas dragging down financial performance.

The diamond producer has posted basic earnings a share from continuing operations of 9.46c during the year to June, a decline on the 12.80c recorded in the prior year. Petra's profit for the year contracted from \$67.5-million in 2014 to \$59.6-million in 2015, while revenue for the period was impacted on by a 10% lower average diamond price, and the impact of mining heavily diluted areas on grade and product mix, as well as a weaker diamond market.

South Africa: Trans Hex diamond prices down in line with global slump

The average prices that Trans Hex has received for its rough diamonds at tender sales this year have been down, in line with a global slump in rough diamond prices. Average prices for production from current operations were 21% lower in dollar terms and 9% lower in rand terms than prices in the 12 months to March 31. Trading and rough diamond prices are expected to remain subdued for the remainder of 2015.

Tanzania: Acacia looks to reduce operating costs

Africa-focused gold miner Acacia Mining is targeting a group all-in sustaining cost (AISC) of less than \$900/oz within the next five years. In the last two years, AISC dropped 35%, from nearly \$1 600/oz to \$1 100/oz, and Acacia delivered cost efficiencies at two of its three operating mines in Tanzania, including by lowering the number of expatriates working at the operations, adapting mine plans to ensure high-grade production and renegotiating supply agreements.

Tanzania: Shanta Gold profits wane amid volatile gold price, mine redevelopment

The major redevelopment of Aim-listed Shanta Gold's New Luika mine, in Tanzania, between January and May, as well as the volatile gold price, resulted in a drop in the company's revenue to \$31.9-million in the six months ended June 30, compared with \$58.3-million in the first half of 2014.

The company recorded losses before and after tax of \$10.3-million and \$8.3-million respectively. While the redevelopment invariably impacted on production – output decreased to 28 180 oz from 42 194 oz in the comparative period in 2014 – and cash at hand, production was restored to budgeted levels from June.

Meanwhile, Shanta Gold has reported that a reverse circulation drilling programme at the New Luika project has resulted in a 46% increase in the Elizabeth Hill tenement's resource to 128 000 oz. Additional exploration is also ongoing in the tenements adjacent and close to the New Luika mining licence, offering the potential for additional medium-term resources. New Luika is expected to start its crossover into an underground high-grade mining operation, with smaller-scale lower-grade surface mining of resources fizzling out, with Shanta Gold aiming to start underground production in the second quarter of 2017.

Zambia: 400 000 t copper cathode removed in Katanga, Mopani review

Central African mining company Katanga Mining has begun a review of its business, including operations and expenses, in light of the challenging environment for commodities. The review will include the suspension of production at Katanga and Mopani for 18 months to until the completion of the expansion and upgrade of the ore leach at Katanga and the new shafts and concentrator at Mopani, which will provide a material reduction in overall operating costs at both operations. The suspension of operations will remove 400 000 t of copper cathode from the market.

Zambia: Gemfields delivers maiden mineral resource, ore reserve estimates for Kagem

Coloured gemstones miner Gemfields has produced the first measured mineral resource and proven ore reserve statement for its 75%-owned Kagem emerald mine, in Zambia. The Competent Persons Report, produced by consulting firm SRK Consulting, shows a Joint Ore Reserves Committee-compliant measured, indicated and inferred mineral resource of 1.8-billion carats of emerald and beryl at an in situ grade of 281 ct/t at Kagem. The report also shows proven and probable ore reserves of 1.1-billion carats of emerald and beryl at a diluted ore grade of 291 ct/t.

Sponsored by:



Zambia: KCM ordered to dispose of Chilean copper

Zambia's environmental management authority has ordered Vedanta Resources' Konkola Copper Mines (KCM) to dispose of copper concentrates it imported from Chile because they have high levels of arsenic. KCM was instructed to submit a full programme for sending the material back to Chile or to other smelting facilities outside Zambia.

Zimbabwe: Blanket development progressing – Caledonia

Dual-listed gold miner Caledonia Mining expects to fast-track development and increase production at its Blanket mine, in Zimbabwe, towards the end of the year, owing to having completed a tramming loop ahead of schedule in June.

The company has also completed the sinking of the No 6 Winze, with the shaft being equipped as part of the mine's revised investment plan. This will be followed by horizontal development towards the mine's two main resource bodies.

Zimbabwe: Vast Resources starts mining at Pickstone-Peerless

Aim-listed Vast Resources has started production at the 584 ha Pickstone-Peerless mine, in Zimbabwe, with the first gold smelt having produced 8.5 kg of gold bullion for delivery to the Fidelity refinery in Harare. Initial production is on track at a rate of 10 000 t/m from the opencast oxide gold cap, with an estimated life of six years.

During this period, Vast will evaluate the merits of expanding the plant to treat the opencast sulphides at a rate at least double the current monthly volume.

Corporate

Democratic Republic of Congo: Objections to Ivanhoe Mines deal dropped

The government of the Democratic Republic of Congo has dropped its objections to Ivanhoe Mines' \$400-million sale of its stake in the Kamoa copper project to China's Zijin Mining. The sale is a prerequisite for the development of Kamoa. A feasibility study on the project is expected at the end of 2016.

Ghana: Azumah seeks partner for Wa gold project

Gold developer Azumah Resources is seeking a project partner to assist with the development of its Wa gold project, in Ghana. While Azumah has not defined the size of the project equity it will be willing to divest, the company is expecting it to be "substantial". Azumah is in negotiations with six to eight companies regarding their possible involvement in the Wa project, with most of the negotiating parties based in the Middle East and Asia.

Madagascar: Bass gives green light for Madagascar investment

ASX-listed Bass Metals has received the green light to proceed with the acquisition of a stake in the Loharano mine, in Madagascar, from London-listed graphite producer StratMin Global Resources, following a positive due diligence. Bass will acquire a 25% stake for its initial investment of £2-million. Subject to the successful completion of the initial investment by November 30, Bass will have the right to acquire, at its sole discretion, a further 10% interest prior to December 31.

Mauritania: Sphere to sell 80% stake in Askaf project

ASX-listed subsidiary of Glencore Sphere Minerals has executed an exclusive option to Al Rawda Resources to buy an 80% interest in its Askaf project, in Mauritania. The agreement will see Al Rawda pay \$10-million in cash, along with a life-of-mine royalty of 2.5% on the revenue generated at the project. The cash consideration will be payable in three tranches, with the first tranche due on the completion of transaction documents, the second on the decision to mine and the last payment on the start of production.

Mozambique: Auroch amends Manica sale terms

ASX-listed Auroch Minerals has amended the terms of its sales agreement with Aim-listed Xtract Resources over its Manica gold project, in Mozambique. Under the revised terms, Xtract will pay \$10-million to buy the project, instead of the initially agreed-upon \$12.5-million. Auroch and Xtract have agreed that the consideration will be paid in three tranches, with the first \$5.8-million payable for the acquisition of the Manica mining

concession. The second \$4-million payment will be made in respect of all mining information relating to the concession.

South Africa: Amplats restarts process to dispose of Union, receives offer for Pandora

Platinum miner Anglo American Platinum (Amplats) has indicated that it has recommenced the process to dispose of its Union mine. The company was unable to finalise a sale with the parties it was talking to, but has restarted some discussions with other parties.

Further, the company has received an offer for its interest in the Pandora Platinum joint venture. It is discussing this offer with co-owner Lonmin Platinum and the Department of Mineral Resources.

South Africa: Amplats sells Rustenburg platinum mines to Sibanye for R4.5bn

South African platinum-mining company Anglo American Platinum (Amplats) has announced that it will be selling its Rustenburg Platinum mining and concentrating operations to Sibanye Gold for at least R4.5-billion. Sibanye will make an upfront cash or shares payment of R1.5-billion and deferred consideration calculated as being equal to 35% of the distributable free cash flow generated by the Rustenburg Operations over a defined period with a minimum amount of R3-billion. No job losses are expected, a broad-based black economic-empowerment transaction is being arranged and the deal is structured in a way that protects Sibanye from downside risk and allows both companies to benefit from upside potential.

South Africa: AMSA to move ahead with BEE equity transaction

Steel producer ArcelorMittal South Africa (AMSA) has confirmed that it will be initiating a broad-based black economic-empowerment ownership transaction and that KPMG has been retained to advise its board on the proposed transaction.

KPMG will engage with “a number of black investors with a view to successfully concluding a transaction”. AMSA’s announcement to pursue an equity transaction follows the unveiling in August of the Ikageng employee share ownership plan, relating to 4.7% of the issued share capital of the company.

South Africa: AngloGold Ashanti concludes securities buyout

JSE-listed gold miner AngloGold Ashanti has agreed to buy a principal amount of securities worth \$779-million, validly tendered and not validly withdrawn by the expiration date for outstanding notes due in 2020. AngloGold initially offered \$810-million for 8 500% in outstanding notes on August 24.

South Africa: Aquila starts legal action against Mineral Resources Minister

South African exploration company Aquila Steel has started legal proceedings in the Pretoria High Court against former Mineral Resources Minister Ngoako Ramatlhodi to protect its security of tenure. The company is seeking a judicial review of the Minister’s decisions to set aside Aquila’s Avontuur prospecting right, in the Northern Cape, as well as not to award the company a mining right for the Gravenhage manganese project.

South Africa: ARM declares dividend despite copper price blow

Despite the unfavourable copper price faced by diversified miner African Rainbow Minerals, the company declared a dividend for the year ended June 30, albeit a drop to 350c a share from the 600c a share reported in 2014. The group financial results were “robust”, with cash generated from operations increasing to R2.5-billion from R2.07-billion in 2014. However, the company’s basic earnings dropped significantly, down 97% to R104-million from the R3.28-billion reported in the previous year. The company’s capital expenditure guidance for 2016 was reduced by R500-million to R2.4-billion.

South Africa: Aurora directors lose High Court appeal, to pay R1.7bn

In mid-September, the North Gauteng High Court denied the application of five former directors of the controversial Aurora Empowerment Systems for leave to appeal an earlier judgment that held them liable for damages of R1.7-billion. Aurora Empowerment Systems had been appointed by the liquidators of Pamodzi Gold to manage the Pamodzi mines. The former directors were found personally liable for the collapse and asset-stripping of the Pamodzi gold mines, in Springs and Orkney, which saw 5 300 workers losing their jobs.

Sponsored by:



South Africa: Competition authorities approve Eastplats PGM asset sale

South Africa's competition authorities have approved the sale of dual-listed Eastern Platinum's (Eastplats') platinum group metals (PGM) business to Hebei Zhongbo Platinum (HZP) for \$225-million. The companies in June restructured the deal, which will see HZP pay \$85-million in cash to buy the Crocodile River mine and associated intercorporate loans. It will acquire Eastplats' remaining PGM assets – the Spitzkop, Kennedy's Vale and Mareesburg projects – along with intercorporate loans, for a further \$140-million.

South Africa: CRG continues talks with Asian suitors

Negotiations for the sale of dual-listed Central Rand Gold's (CRG's) Netherlands Antilles subsidiary and a possible investment in CRG itself are expected to be concluded soon. Talks with the two remaining Asian suitors Hiria Group and Huili Resources are ongoing, with the focus on concluding the talks within the next few months. The two suitors completed a due diligence process by June. Meanwhile, for the six months to June, CRG posted a loss before interest, taxes and depreciation of \$700 000, an improvement on the prior corresponding period's reported loss of \$2.6-million.

South Africa: Gold One makes offer for remaining 28% stake in Goliath

JSE-listed Gold One Africa has made a firm offer to acquire the remaining 41.2-million shares it does not own in Goliath Gold for up to R66-million. The deal remains subject to the conclusion of conditions precedent by December 31, including the approval of shareholders, governmental and regulatory bodies, the JSE and South African Reserve Bank, besides others.

South Africa: Hong Kong resources group named as winning Highveld bidder

Little-known Hong Kong-based company International Resources Limited, which has metals and mining interests globally, has been named as the successful bidder for embattled South African steel producer Evraz Highveld Steel and Vanadium, following a sale process initiated as part of a business rescue process that was initiated in April. The final offer, which was submitted on August 28 and revised on September 15, is valued

at R405-million, including an interlinked offer for the Mapochs mine, which supplies iron-ore to the Mpumalanga steel mill.

However, in late September, creditors agreed unanimously to postpone, for two weeks, a vote on the business rescue plan developed for Evraz Highveld Steel and Vanadium, while raising questions about the preferred bidder's commitment to South African suppliers and whether an alternative bid, which has been rejected, should not also be considered.

South Africa: Keaton, Rutendo announce R150m flip transaction

Coal producer Keaton Energy has signed a deal that will see Rutendo Mining exchanging its 26% shareholding in subsidiary Keaton Mining for 21.83% of the issued shares in Keaton Energy. Keaton has indicated that the flip transaction is to give effect to an exchange agreement, that arose on the exercise of an exchange option by Rutendo Mining in terms of the original shareholders agreement between Keaton Energy, Rutendo and Keaton Mining, and to ensure that a certain number of Keaton Energy shares remain in the hands of black economic-empowerment shareholders.

South Africa: Northam credit rating upgraded

South African platinum miner Northam Platinum's short-term credit rating has been upgraded from A2 to A1- by credit ratings agency Global Credit Rating. The agency also reaffirmed the company's long-term rating of BBB+ with a stable outlook. The basis of the rating was formed on the basis of Northam's fully funded R6.6-billion black economic-empowerment transaction, which raised the company's empowerment level to 35.4%, on a secured basis for ten years, and incorporates a cash injection of R4.6-billion, notably enhancing Northam's liquidity and flexibility.

South Africa: Optimum resumes coal supply to Hendrina after Eskom agrees to talks

The business rescue practitioners at the Optimum coal mine, in Mpumalanga, announced in early September that coal supply to Eskom's Hendrina power station had resumed after an agreement was reached with the State-owned power utility that negotiations would recommence on the coal supply agreement. During the negotiations, coal

Sponsored by:



Donaldson
FILTRATION SOLUTIONS



will be supplied at a base price of about R150/t and financial support has been secured from Glencore, Optimum's owner, for this purpose. The interim agreement will endure for 60 days, during which time Eskom hopes that progress will be made on securing a long-term agreement with the mine. However, speaking in Parliament, Eskom CEO Brian Molefe also indicated that the utility will push ahead with its R2-billion penalty claim against the mine. Glencore previously stated that the penalties will translate into Optimum supplying coal to Eskom for an effective price of R1/t.

South Africa: Platfields in talks to sell assets

South Africa-based precious metals explorer Platfields is considering the potential reverse listing of assets unrelated to its mining interests, as well as the unbundling of its mining assets to shareholders. The potential unbundling of the mining assets will result in those assets no longer being listed on the JSE. The potential disposal of a subsidiary is also under discussion. Cash flow constraints remain a problem for the company and are negatively impacting on its ability to finalise and publish its results.

South Africa: Resgen receives requests for board changes, secures finance amid reshuffle attempts

JSE- and ASX-listed Resource Generation (Resgen) has turned down a request by funding partner the Noble Group to appoint additional directors to the boards of the company and its black economic-empowerment subsidiary Ledjadja Coal, citing Noble's inability to elucidate how the board additions will benefit shareholders or the operations of the company.

Resgen has also confirmed requests by major shareholder South Africa-based investment fund Altius Investment Holdings for the removal and replacement of the company's board of directors. Altius subsidiary Shinto Torii, which holds a 10.7% stake in the Boikarabelo coal mine project, has requested a shareholder meeting to have the four current directors sidelined owing to a perceived risk of the project stalling or being delayed.

Meanwhile, Resgen has signed a memorandum of understanding with Swiss private company HAB & JPR Privee to provide €480-million to enable the

construction of the Boikarabelo mine. The company has explained that the cost of the HAB & JPR Privee funding was the most attractive of the various sources that it considered and materially more favourable than the incomplete proposals of the debt club involving Noble Group and Altius.

South Africa: Sibanye Gold moves to secure coal for own power

JSE-listed mining company Sibanye Gold has signed a term sheet with the Waterberg Coal Company (WCC), opening the way for the company to organise the generation of its own power in electricity-short South Africa. Sibanye is to inject A\$8.5-million of working capital into the cash-constrained WCC to develop its multiproduct Waterberg coal project, that will provide coal to advance Sibanye's independent power producer (IPP) plans. The deal gives Sibanye the right to achieve a 51% shareholding in the group within 18 months of the deal closing and to enter into a coal offtake agreement to secure low-cost discard for its proposed IPP platform.

Meanwhile, Firestone Energy has requested a month-long extension to its voluntary suspension to allow Sibanye Gold more time to undertake its due diligence and provide formal transaction documentation for the refinancing of WCC. The voluntary suspension, which has been in effect since March 19, was due to expire on September 21, with the parties requesting an extension until October 21, following Firestone and WCC's nonbinding term sheet with Sibanye for the sale of WCC's existing funding facility.

South Africa: Still no financial filings from Atlatsa

There are still no indications of when JSE- and TSX-listed Atlatsa Resources will be able to file its interim financial results, after having missed the System for Electronic Document Analysis and Retrieval and Electronic Data Gathering, Analysis and Retrieval filings deadline in August. Atlatsa has reiterated that there are several uncertainties surrounding its operations, its financial condition and the state of commodity markets and there are no assurances that the issues will be resolved.

Meanwhile, a new financial and operational restructuring plan has been announced for the Bokoni platinum mine, in Polokwane. The operation,

Sponsored by:



a joint venture between Atlatsa and Anglo American Platinum, has issued a Section 189 notice to start retrenchments based on operational requirements and will propose offering voluntary severance and early retirement packages to minimise the impact of the restructure. The 60-day consultation process is expected to end on November 16.

South Africa: Universal says to take no action on IchorCoal offer, considers rival bid

In early September, South Africa-focused coal miner Universal Coal reiterated its sentiments regarding the proposed takeover offer from shareholder IchorCoal, advising its other shareholders to take no action on the proposed offer and stating that the offer will be at the expense of Universal's shareholders while being highly accretive to IchorCoal's shareholders. In August, IchorCoal announced its intention to make an all-cash offer of A\$80-million to acquire all the outstanding shares in Universal. In late September, IchorCoal officially launched its takeover offer, stating that its offer allows the remaining Universal shareholders an opportunity to realise their investment at an attractive premium.

Meanwhile, Universal has been approached by another potential suitor, which has made a cash offer at a "significant premium" to the IchorCoal offer. The unnamed third party has existing exposure in the South African coal mining industry.

Labour

South Africa: About 22 000 mining jobs under threat – NUM

The National Union of Mineworkers (NUM) has indicated that about 22 000 jobs are under threat in South Africa's mining industry, and has accused mining companies of attacking the government politically through the layoffs. Companies, however, have warned that they have to cut costs and close struggling mines to cope with sinking commodity prices, rising costs and labour unrest.

South Africa: Coal wage negotiations

In mid-September, South African unions in the coal sector rejected revised wage offers in pay talks. All the unions rejected the offer. In late September,

a spokesperson for the Chamber of Mines, which represents Glencore, Anglo American Coal and Exxaro, indicated that the coal producers had raised their offer to up to 8.5% for the lowest-paid workers, from 8% previously. Two smaller unions, which represent mostly skilled workers and supervisors accepted the offer, but the National Union of Mineworkers said it would give coal companies a 48-hour strike notice.

South Africa: Gold wage negotiations

In early September, in a move that ultimately recognises labour unions with representation of less than 1% in the gold sector, the Commission for Conciliation, Mediation and Arbitration approved the consolidation of referrals of disputes between the Chamber of Mines (CoM) and four labour unions. The CoM, representing gold producers AngloGold Ashanti, Harmony Gold and Sibanye Gold motivated its application on the grounds that the demands made by all unions were made on behalf of the same employees in the same recognition units, while the producers had made the same proposals to all the respective unions. It argued further that the disputes arose from the same collective bargaining process, in the same forum and involved similar issues and that consolidation could circumvent long delays and additional costs.

In mid-September, unions were divided on whether to accept the latest wage increase offer from the gold producers, raising the risk of strikes in a sector suffering from low prices and rising costs. The National Union of Mineworkers recommended its members accept the wage increase offer of about 14%, or up to R800 a month, for the lowest paid workers, plus benefits like medical care and pension contributions. However, the Association of Mineworkers and Construction Union rejected the offer.

South Africa: Mine accidents

During September, an accident at AngloGold Ashanti's TauTona mine, in Gauteng, saw an employee being fatally injured in a seismic-related fall-of-ground incident.

Also in September, the bodies of five men believed to be illegal miners were found at the Grootvlei mine, in Springs, in late September. Several illegal miners have been killed at the mine in recent weeks.

Sponsored by:



South Africa: Protests near Amplats mine not affecting output

Anglo American Platinum (Amplats) noted in early September that community protests near its Mogalakwena mine were not affecting production, despite the fact that most employees had been prevented from getting to work. Amplats indicated that the protestors were demanding jobs and that it was “engaging with the communities to try and reach a solution”.

South Africa: Sibanye workers undertake underground sit-in

More than 1 000 workers at a Sibanye Gold mine undertook a two-day sit-in at the beginning of September to protest against the deaths of colleagues. The sit-in was a wildcat strike, and the company indicated its intention to take disciplinary steps against the workers involved.

South Africa: Zuma fast-tracks compensation for Marikana families

President Jacob Zuma has announced that he supports “swift compensation for bona fide claims” against government arising from the 2012 Marikana shootings. Government is exploring initiating an alternative dispute resolution process to expedite the processing of all claims.

Zambia: Glencore unit plans to cut more than 3 800 jobs

Glencore's Zambian unit Mopani Copper Mines plans to lay off more than 3 800 workers due to lower metal prices and high production costs. Mopani initially planned to cut 4 300 jobs. The company has informed the government of its plans, and is awaiting the labour commissioner's consent.

General

Democratic Republic of Congo: Chinalco eyes DRC partnerships with shareholder

ASX-listed Chinalco Yunnan Copper Resources is being tempted to participate in the African resources sector by shareholder Yunnan Copper Industry, which is seeking copper processing and mining opportunities in the Democratic Republic of Congo (DRC). Chinalco has dedicated significant resources to identify various copper mining and processing opportunities in the DRC. The Chinese firm has

identified a smaller-scale operation that could form an initial cash-flow-bearing foundation for future expansions into other activities and an agreed transaction is expected in the coming weeks.

South Africa: Cabinet reshuffle brings in new Mineral Resources Minister

A Cabinet reshuffle has resulted in Ngoako Ramatlhodi's 16-month spell as Mineral Resources Minister come to an abrupt end. He has been replaced by Mosebenzi Zwane. Zwane is an African National Congress MP, and a former Free State Agriculture MEC.

South Africa: EFF seeks 60% State ownership of mines

Economic Freedom Fighters (EFF) leader Julius Malema has indicated that, when the party speaks of nationalising South Africa's mines, it means that the State will own 60% of the operation. Malema contends that this move will not chase away investors. However, he has also noted that the EFF will want to control, and not only own the asset.

South Africa: Gas represents a R250bn opportunity for SA

Global management consultancy McKinsey & Company has argued that South Africa should urgently pursue a ‘big gas’ energy option to bridge an electricity supply gap of between 6 GW and 10 GW that could arise by 2025 as older coal-fired power stations are decommissioned. The recommendation is contained in a country-level report titled ‘South Africa's Big Five: Bold Priorities for Inclusive Growth’, released as part of McKinsey's twentieth anniversary in South Africa and the twenty-fifth anniversary of the McKinsey Global Institute.

South Africa: Mining's bottoming presents opportunity to write new script – KPMG

KPMG corporate tax head Muhammad Saloojee has indicated that the bottoming of the resources market is presenting South Africa with a valuable opportunity to write a new exploration script that encourages investment ahead of all other mining jurisdictions.

South Africa: Prevost says coal exporters should turn inwards

XMP Consulting coal analyst Xavier Prevost has called on the country to begin reversing out of low-priced coal export markets and turn inwards towards

Sponsored by:



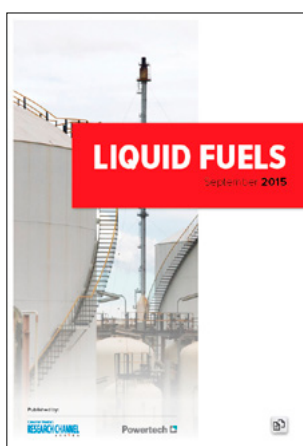
the domestic market through a grouping of inland terminals, which could provide economic logistics to the high-grade South African coal that the global market is currently spurning. Prevost has never in the past had any problem with the exportation of coal; on the contrary, he has traditionally encouraged the export of as much coal as possible. However, he has pointed out that, right now, South Africa is finding it impossible to sell its highest grades of coal on global markets.

South Africa: Sasol 'excited' by South Africa's gas-to-power prospects

Energy and chemicals group Sasol has again indicated a desire to participate in South Africa's

upcoming gas-to-power programme, confirming that it has responded to the Department of Energy's recent request for information and that it is also considering investment options along the entire gas-to-power "value chain". Sasol already produces electricity using gas as a feedstock in Mozambique and at its Secunda and Sasolburg energy and chemical complexes in South Africa. Meanwhile, Sasol reported a 17% fall in headline earnings to R49.76 a share in the year to June 30, 2015, with a strong operational performance offset by a sharp weakening in market conditions, including a year-on-year oil price decline of 33%. The group expects oil prices to remain between \$50/bl and \$60/bl in the 2016 financial year.

**For other mining reports from Creamer Media,
click on cover images below**



Protect Your Equipment. Period.

When mine dust finds a pathway into today's diesel engines the effect on engine service life is deadly. That's why Donaldson has developed – and keeps innovating – two-stage engine intake air cleaners for dusty off-road environments such as mining sites. Our proven technology and experience in some of the world's most extreme working conditions means less service time and more uptime.

www.donaldson.co.za
Phone: 0860 FILTER



This report has been compiled by Creamer Media's Research Unit, based in Johannesburg, South Africa. It forms part of a monthly series that is available exclusively to subscribers to Creamer Media's *Research Channel Africa* and *Mining Weekly Research*. The information has been drawn from sources believed to be reliable, but no warranty is made as to the accuracy of such information. The report covers activities across the continent for the month of September 2015.

Publication date: October 2015

© Copyright Creamer Media (Pty) Ltd