



Exclusive  
**BHP cuts FY'18 iron ore output forecast**

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TOP NEWS

**BHP cuts FY'18 iron ore output forecast**

BHP Billiton Group's iron ore output increased 8% year-over-year to 57.7 million tonnes during the third quarter of its fiscal 2018, but it narrowed its full-year production guidance to between 272 million tonnes and 274 million tonnes, due to car dumper reliability issues. The increase in output was attributed to record production at Jimblebar and Area C mines in Western Australia, but partially offset by the impact of Cyclone Joyce in January and the unplanned car dumper maintenance.

**Tanzania commission naming stirs hopes industry dialogue has 'hit home'**

Australian companies believe their dialogue with Tanzania's government following recent changes to the mining code has "hit home" after President John Magufuli announced the make-up of a long-awaited mining commission which S&P Global Market Intelligence has learned will have a massive backlog of work. On April 18, the president named University of Dodoma's founding vice chancellor, Idris Kikula, to chair the new mining commission with eight commissioners.

**South32's aluminum, metallurgical coal output in Q3'18 slips YOY**

South32 Ltd.'s alumina and aluminum production fell to 1.23 million tonnes and 242,000 tonnes, respectively, in the third quarter of fiscal 2018, from 1.29 million tonnes and 245,000 tonnes in the same year-ago period. Metallurgical coal output, on the other hand, slumped to 794,000 tonnes from 1.43 million tonnes in the year-ago period, while energy coal production rose to 7.10 million tonnes from 6.86 million tonnes. The BHP spinoff lowered its fiscal 2018 guidance at the Illawarra metallurgical coal mine to 4.1 million tonnes, from 4.5 million tonnes.

**BASE METALS**

\* Phoenix Global Mining Ltd.'s preliminary economic assessment for the Empire copper project in Idaho estimated a posttax net present value, discounted at 7.5%, of US\$53.7 million and an internal rate of return of 23.5% over an eight-year mine life.

\* Eduard Haegel, president of BHP's Nickel West refinery in Western Australia, said the mining giant plans to start producing nickel sulfate at the refinery in 2019 as part of its "transition to becoming a global supplier of battery materials," Reuters reported. BHP is already considering doubling the planned nickel sulfate production and could also raise cobalt output to sell cobalt sulfate, which is a battery-ready form of the metal, Haegel added.

\* Glencore Plc reportedly paid less income tax to Peru from the sale of the Las Bambas copper mine for US\$7 billion in 2014, La República reported, citing a report by online investigative journalism website Convoca.pe. The report, citing the Paradise Papers, said sales proceeds of about US\$2.4 billion were transferred within 24 hours in an elaborate tax scheme that included "loans" between Glencore-related companies in Australia and Chile, through its offshore unit in Bermuda Islands, to evade tax obligations in Peru and these countries.

\* Union workers filed an application to acquire Doe Run Peru S.R.L.'s Cobriza copper mine in Peru's Huacavelica region in an ongoing tender offer process, with the workers also considering purchasing the La Oroya smelter, La República reported. The company's board of creditors will review the proposal at meetings scheduled for April 26 and May 2.

\* PJSC Norilsk Nickel Co. executive Anton Berlin told Reuters that the company is in early stage talks with battery makers over potential investments in its mining assets and possible downstream joint ventures.

\* The Chilean government appointed André Sougarret, the general manager of Codelco's El Teniente mine, as new vice president of state mining company Empresa Nacional de Minera, or Enami, replacing Jaime Pérez de Arce. Sougarret will leave Codelco April 27, with Nicolás Rivera, current operations manager, taking over as El Teniente's interim general manager, Diario Financiero reported.

## PRECIOUS METALS

\* Acacia Mining Plc's first-quarter gold production fell 45% year over year to 120,981 ounces, with gold sales reducing by 37% yearly to 116,955 ounces. The drop in production was attributed to the Bulyanhulu project reducing its operations in September 2017 and the Buzwagi mine output being sourced from lower grade ore stockpiles.

\* Evolution Mining Ltd. raised the floor for its full year gold production guidance for fiscal 2018, increasing it to 790,000 ounces, from 750,000 ounces previously, to a cap of 805,000 ounces. The miner's gold production in the quarter ending March 31, the third quarter of fiscal 2018, rose to 191,474 ounces, compared to 186,488 ounces produced in the prior quarter.

\* Mid-cap gold miners are expected to become attractive takeover targets over the next five years, as larger gold companies eye acquisitions to replenish depleting reserves, said Ned Naylor-Leyland, manager of a gold and silver fund valued at over US\$260 million at asset management firm Old Mutual Global Investors.

\* Gold Fields Ltd. CEO Nick Holland said exploration in Western Australia is seen to rise as inventories in current gold mines are depleting, The West Australian reported.

\* Shanta Gold Ltd. produced 17,663 ounces of gold at an operating cost of US\$599 per ounce at its New Luika mine in Tanzania during the first quarter, compared to 21,288 ounces at US\$591 per ounce in the fourth quarter of 2017, and in line with its revised mine plan and full-year gold production guidance of between 82,000 ounces and 88,000 ounces.

\* Endomines AB is considering delaying the investment to continue production at its Pampalo gold mine in Finland beyond September and temporarily suspending the mine's operations. The company also initiated talks with Pampalo's employees over potential layoffs at the mine.

\* Goldplay Exploration Ltd. agreed to acquire the San Marcial silver-zinc-lead prospective project in Mexico's Sinaloa state from an SSR Mining Inc. unit.

\* Sixty North Gold Mining Ltd. raised about C\$1.3 million in an IPO and is set to begin trading April 19 on the Canadian Securities Exchange.

\* Sixteen miners were trapped inside a gold mine in Colombia after the quarry's entrance collapsed, Mining.com reported.

## BULK COMMODITIES

\* Goldman Sachs warned that the U.S. sanctions against United Co. Rusal Plc could propel aluminum prices to US\$3,000 per tonne in the near term, saying the sanctions against the Russian company have "dramatically affected the aluminum market," Bloomberg News reported.

\* Alcoa Corp.'s net profit in the first quarter fell to US\$150 million from US\$225 million reported in the year-ago period. Revenue in the period rose to US\$3.09 billion from US\$2.66 billion a year earlier, driven mainly by increased shipments and a favorable mix in alumina and higher aluminum prices.

\* Russia can buy aluminum for export from Rusal amid fears of social unrest in the regions of the company's production, Vedomosti reported.

\* Steel Dynamics Inc.'s first-quarter net income attributable to the company rose to US\$227.6 million from US\$200.8 million in the same year-ago quarter. The company's net sales reached US\$2.60 billion, up year over year from US\$2.37 billion.

\* Jupiter Mines Ltd. CEO Priyank Thapliyal criticized the Western Australia government for not supporting its efforts to gain access to infrastructure crucial for the development of the A\$1.6 billion Central Yilgarn iron ore project in the state, The West Australian reported.

\* A strike at the IOC iron ore mining operations in Newfoundland and Labrador is now in its fourth week as unionized strikers rejected a new offer from Iron Ore Co. of Canada Inc. in a vote held late April 17. "We're going to stay out here as long as it takes now, until we actually get something we're going to be able to accept," the newswire quoted Ron Thomas, president of United Steelworkers Local 5795.

\* Rio Tinto's 40%-owned Alouette aluminum smelter in Canada does not plan to declare force majeure, Reuters reported, citing a spokesperson. The clarification came after speculation that Alouette may have to take the measure due to a shortage of alumina.

\* Brazilian federal prosecutors and BHP and Vale SA joint venture Samarco Mineração SA will seek 30 additional days from a local court to conclude a compensation plan for the 2015 Samarco dam disaster in Brazil's Minas Gerais state, Reuters reported, citing the prosecutor's office.

\* A 30-year concession agreement to construct a 410-kilometer Kyzyl-Kuragino railway linking the Elegest coal field with Transsib, worth 192.4 billion Russian rubles, was launched, Kommersant reported.

## SPECIALTY

\* Xiamen Tungsten Co. Ltd.'s net profit attributable to shareholders dropped 77% year over year to 30.1 million Chinese yuan, or 2.78 fen per share, in the first quarter. Operating revenues rose 43% to 3.41 billion yuan on increased sales volumes of tungsten products and lithium battery materials.

\* Iluka Resources Ltd.'s mineral sands production in the first quarter fell 16.7% year over year to 280,500 tonnes. Mineral sands revenue, meanwhile, rose to A\$264.1 million from A\$218.5 million a year ago.

\* Firestone Diamonds Plc's Lihobong diamond mine in Lesotho sold 217,380 carats in the third quarter of its fiscal 2018, generating revenue of US\$17.6 million at an average value of US\$81 per carat, up from 156,942 carats for US\$12.5 million in the second quarter.

\* Millennial Lithium Corp. will begin exploration over properties awarded by Salta Provincial Energy and Mining Co., which form part of its Pastos Grandes lithium brine project in Argentina, after it received its environmental permit.

\* Triton Minerals Ltd. entered a binding off-take agreement with Qingdao Tianshengda Graphite Co. Ltd. to sell up to 16,000 tonnes per annum of graphite concentrate from its Ancuabe project in Mozambique for an initial period of five years, with an option to extend the deal for another five years.

\* Sociedad Quimica y Minera de Chile SA sees the global lithium sector needing investments of US\$10 billion to US\$12 billion over the next decade to meet increasing demand from the electric vehicle boom, Reuters wrote. The Chilean company estimates the demand for lithium carbonate equivalent growing by up to 800,000 tonnes in the next 10 years.

\* Denis Manturov, Russia's trade and industry minister, said the country will not ban titanium exports to the U.S. in retaliation to the recent sanctions on Moscow as the move will affect shipments of state-owned Rosted' VSMPO-Avisma subsidiary and of its Russian-American joint-venture, the Financial Times reported.

## INDUSTRY NEWS

\* Newly elected Peruvian President Martin Vizcarra will not impose mining projects on communities that oppose them, but will seek to promote mining investments to take advantage of improved commodity prices, Reuters reported.

\* The U.K. government is looking to finance more mining projects in Kazakhstan, Andrew McAllister, deputy head of mission at the British Embassy in Kazakhstan, said during the MINEX Central Asia Forum in Astana, Kazakhstan.

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