



Exclusive

Glencore to declare force majeure on some aluminum amid US sanctions

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TOP NEWS

Glencore to declare force majeure on some aluminum amid US sanctions

Glencore PLC will declare force majeure on some aluminum supply in the wake of U.S. sanctions on Russian entities, including United Co. Rusal PLC, Reuters reported, citing a source familiar with the matter. The move covers more than 50,000 tonnes of Russian metal destined for one of Glencore's customers, according to the Financial Times.

Mongolia arrests 2 former prime ministers amid Oyu Tolgoi probe

Mongolia's Independent Authority Against Corruption detained two former prime ministers amid an investigation of government officials suspected of misusing their mandates during two rounds of talks over the development of the Oyu Tolgoi copper-gold mine, Reuters reported. The agency arrested Bayar Sanj, who served as prime minister when the original 2009 investment deal was signed with Ivanhoe Mines and Rio Tinto, and Chimed Saikhanbileg, prime minister when an expansion agreement for Oyu Tolgoi was signed in 2015.

Japanese researchers map major rare earth elements deposit

Researchers in Japan mapped vast reserves of rare earth elements in deep-sea mud, which are enough to cater to global demand on a "semi-infinite basis," Agence France-Presse reported. According to the study, the deposit, found within Japan's exclusive economic waters, hosted over 16 million tons of the rare earth elements.

DIVERSIFIED

* Rio Tinto defended its executive payout policy after proxy adviser Glass Lewis urged shareholders to vote against it and lashed out at the company for giving out bonuses in 2017, a year when two workers died, Reuters reported. Rio Tinto did cut the payout component of its 2017 executive bonus relating to safety and proposed a new measure from 2018 onward that would prioritize rewarding zero fatalities.

*Vedanta Resources Plc Chairman Anil Agarwal offered to help Anglo American PLC, in which he owns a 21% stake, to expand into India, Bloomberg News reported. The executive, however, was not explicit about whether he wanted to assist Anglo with increasing sales to the country or to start operating mines there.

BASE METALS

* Vedanta Resources said expansion plans for the Thootukudi copper smelting plant in India's Tamil Nadu state, operated through its Vedanta Ltd. unit, remain on track even though the state pollution regulator recently rejected the application for the plant to resume operations, Reuters reported.

* Vedanta booked highest-ever silver and lead production in the fourth quarter of its fiscal 2018 at its Zinc India operations. Zinc India recorded a 22% jump in silver output to 5.5 million ounces and refined lead production rose 11% to 50,000 tonnes on a yearly basis for the quarter ended March 31.

* Atalaya Mining plc's copper production from Proyecto Riotinto in the first quarter increased to 9,441 tonnes, compared to 8,805 tonnes in the year-ago quarter. The increase was mainly attributable to a record average recovery of 88.47%.

* Indonesian tin miner PT Timah Tbk. signed a shareholder agreement worth US\$26 million with Topwide Venture Ltd. to set up a joint venture company in Nigeria, Bisnis Indonesia reported, citing Timah CEO Riza Pahlevi Tabrani.

* A high court in Botswana took the Tati nickel mine, a subsidiary of the liquidated BCL mine group, out of provisional liquidation, while dismissing a request for more time to negotiate with potential buyers, Reuters reported. The asset has been under provisional liquidation since October 2016, which was twice extended after the liquidator sought more time to secure a deal with potential investors.

PRECIOUS METALS

* As B2Gold Corp. production surged in the first quarter, company President and CEO Clive Johnson told S&P Global Market Intelligence that B2Gold will focus on cash flow, debt payback and exploration rather than mergers and acquisitions. In the first quarter, B2Gold's gold production jumped 81% year over year to 239,684 ounces on the back of output from the Fekola mine in Mali, which achieved commercial production in late November 2017.

* Barrick Gold Corp. produced 1.0 million ounces of gold and 85 million pounds of copper in the first quarter, according to preliminary figures. Gold and copper sales, meanwhile, came in at 1.1 million ounces and 85 million pounds, respectively.

* Cia. de Minas Buenaventura SAA produced 232,579 ounces of gold and 6.83 million ounces of silver in the first quarter.

* SSR Mining Inc. produced 42,960 ounces of gold at its Marigold mine in Nevada, reflecting an 18.6% decline over the fourth quarter of 2017, while gold output at its Seabee operation in Saskatchewan also slipped 2.1% on a quarterly basis to 23,717 ounces.

* Pretium Resources Inc. produced 75,689 ounces of gold from its Brucejack mine in British Columbia in the first quarter, with an average gold grade of 9.1 g/t and a 96.8% recovery rate. The company is targeting to produce 150,000 to 200,000 ounces of gold, with all-in sustaining costs of US\$700/oz to US\$900/oz sold, during the half.

* Harmony Gold Mining Co. Ltd. lost 12 kilograms of gold, or about 386 ounces, from its Kalgold operations in South Africa after thieves broke into the mine's guarded storage facilities the morning of April 10, Bloomberg News reported.

* Kin Mining NL will curb construction works on the Leonora gold project in Western Australia pending a full review of the capital cost and schedule for completion. The company's shares were down over 40% at market close on April 11.

* Torex Gold Resources Inc. was notified of the Los Mineros union withdrawing a challenge to be the legally constituted union at the company's El Limon-Guajes gold operations in Mexico. The move will result in the termination of the government-sanctioned union selection process.

* Hecla Mining Co.'s silver production in the first quarter slipped to 2.5 million ounces from 3.4 million ounces produced a year ago, while gold output increased to 57,808 ounces from 56,113 ounces in the first quarter of 2017.

BULK COMMODITIES

* Russia is ready to provide Rusal temporary liquidity as the company warned of credit defaults and told its customers to stop paying due to the U.S. sanctions, which barred it from conducting any trades in US dollars or doing business with US citizens, the Financial Times reported. "Companies that have been subject to sanctions, we will certainly support them, be it short-term liquidity, be it other support measures that are currently being worked on," Russian Finance Minister Anton Siluanov said.

* Nonexecutive directors Maksim Goldman and Daniel Lesin Wolfe resigned from Rusal's board after the Russian company was named on a U.S. sanctions list along with En+ Group PLC. Meanwhile, Moody's and Fitch Ratings both withdrew their ratings for Rusal.

* According to Bloomberg News, aluminum prices are rising to the highest levels seen since 1988 after the U.S. government imposed sanctions on Rusal, causing top exchanges to stop accepting metal from the

Russian company. Apart from the London Metal Exchange, CME Group Inc.'s Comex said it will not allow new deliveries of metal from Rusal.

* Brazilian antitrust regulator overturned an earlier approval of Vale SA's sale of the Fertilizantes complex in the country to Norway's Yara International ASA for about US\$255 million, as it decided to reassess the transaction, Reuters reported.

* Aperam SA agreed to acquire VDM Metals for €438 million in a move to expand into high-end alloys, Reuters reported. The transaction will unlock about €20 million euros of synergies by 2020, and boost EPS and free cash flow from the first year.

* Aurubis AG is in talks with miners South America, the U.S. and Australia, to explore potential smelting partnerships, as it pushes ahead with ambitious growth plans, Reuters reported. The company has about €1.2 billion for potential acquisitions, CEO Juergen Schachler said.

* Fortescue Metals Group Ltd. said its Chichester Hub project in Western Australia will be the world's first iron ore operation to have a fully autonomous fleet after converting about 100 haul trucks.

* Maxtech Ventures Inc. entered into a joint venture agreement with Fabio Cardoso Carneiro and Daniel Geyerhahn of Goldman Resources Brazil for the exploration, evaluation and potential acquisition of manganese mineral deposits in Goiás, Brazil.

SPECIALTY

* Mineral Resources Ltd. expects a 10% cut in its previous lithium export guidance of 4.5 million tonnes in 2018 from its Wodgina project in Western Australia. The company said that adverse weather events, some mechanical failures and port congestion during the first quarter will affect exports at Wodgina.

* Kenmare Resources Plc's heavy mineral concentrate production in the first quarter decreased 12% year over year to 311,000 tonnes. Total shipments of finished products were up 4% to 267,200 tonnes.

* MRG Metals Ltd. signed a binding heads of agreement to acquire Sofala Resources Pty. Ltd. and Trophosys Pty. Ltd., which own the Corridor, Linhuane and Marao/Marruca mineral sands projects in Mozambique.

INDUSTRY NEWS

* Of the largest 25 mining companies in the world, 19 saw a decrease in valuation in March, leading to an aggregated market capitalization of US\$776 billion. Despite an overall decline of the 25 largest companies from the previous month, these companies were worth more than the top 25 companies on the same date a year ago, when their combined worth was US\$666 billion.

* Ecuador may remove a windfall tax on the mining sector this year as the country seeks to attract investment and diversify away from oil, Reuters reported, citing Mining Minister Rebeca Illescas.

* Indonesian Energy Minister Ignasius Jonan said the department is trying to simplify the process of securing export recommendations for coal and minerals, Bisnis Indonesia wrote.

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