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TORONTO (Globe and Mail)--For **mining** companies, it really was the worst of times.

2013 was a bad year for the industry in Canada and around the world. Metals prices fell, companies slashed costs, projects were suspended and senior executives continued to lose their jobs. A slowdown in **China's** economy cast a pall over the sector. Here were some of the pivotal moments.

Potash Alliance Breakup

Russian potash producer OAO Uralkali (URKA.RS) sent the crop nutrient industry into a tailspin when it broke up one of the two marketing alliances that sells potash to global markets. Before the breakup, the alliance of Uralkali and its Belarus potash rival, along with the rival Canpotex Ltd. group in North America, controlled 70% of the potash market and had enormous sway over prices.

Now fertilizer prices are depressed and buyers have delayed making potash purchases as they wait for prices to fall further. That's having a serious impact on Canada's largest producer, Potash Corp. of Saskatchewan Inc. (POT, POT.T), whose stock has fallen more than 20% since mid-May.

Nickel Prices Fell

Too much nickel in the market and not enough demand sent prices of the silvery-white metal down about 20% in 2013.

Now, Indonesia's coming ban on raw mineral exports has the potential to be a game changer. The Southeast Asian country is a major nickel producer and wants to process more of the raw material to boost the value of its exports. But Indonesia does not have the infrastructure needed to process all the **ore** it produces, and how it will implement its ban, due to start in 2014, remains unclear.

"There will be a cutback in **ore** exports. But the question is by how much," said Andrew Mitchell, nickel analyst with the Britain-based Wood Mackenzie, an **energy** and **mining** research **firm**.

**Gold** Prices Plunged

**Gold** plummeted nearly 30%, reinforcing a new-found religion at **gold** companies--financial discipline. It's a stark contrast to the motto of earlier years of growth, growth, growth. Canada's three largest **gold** producers, Barrick **Gold** Corp. (ABX, ABX.T), Kinross **Gold** Corp. (KGC, K.T) and Goldcorp Inc. (GG, G.T), overhauled **operations** to preserve cash.

But the bad news is not over yet. The substantially weaker **gold** price will likely spur companies to reduce the value of reserves that were calculated using a higher bullion price. "The swamp is still draining," said Maison Placements Canada president John Ing.

Munk Resigned

After a difficult year, Barrick announced that its 86-year-old founder and chairman, Peter Munk, will resign and hand over the job to former Goldman Sachs (GS) president John Thornton at the **company's** 2014 annual meeting of shareholders.

Mr. Munk, a philanthropist and Canadian business icon, started Barrick in 1983 and built it into the largest **gold** producer in the world.

In Mr. Thornton's first public comments, he shocked the **gold** industry by saying he was open to hedging, or selling **gold** at a fixed price to mitigate fluctuations in bullion prices. Hedging helped underpin Barrick's profits in the 1990s, but became a losing strategy during the 11-year bull market in **gold**.

#### Ring of Fire Stalled

The Ring of Fire mineral deposit was the most exciting **mining** project to hit Northern Ontario--but became a story of unfulfilled promise.

The deposit of chromite, nickel, **gold** and other minerals was supposed to create jobs as well as **billions** of dollars in revenue. But a lack of infrastructure, regulatory delays, bickering among junior miners as well as weak commodity prices have brought development to a near-halt.

One of the companies trying to build a chromite mine, U.S.-based Cliffs Natural Resources Inc. (CLF), stopped work on its project due to delays and stalled talks with the government.

#### Heads Continued to Roll

Rio Tinto PLC's (RIO, RIO.LN) chief executive Tom Albanese left abruptly as the Anglo-Australian **company** recorded a staggering \$14 **billion** writedown, most of which was related to its \$38 **billion** **acquisition** of Canada's Alcan Inc. in 2007.

BHP Billiton Ltd. (BHP, BHP.AU) CEO Marius Kloppers stepped down after facing criticism for asset writedowns and failed acquisitions (including a bid for Potash Corp. in 2010 that was rejected by Ottawa). The day his resignation was announced, the major Australian-based miner reported a sharp drop in profit.

In Canada, Detour **Gold** Corp. (DRGDF, DGC.T) CEO Gerald Panneton resigned suddenly as the stock slumped amid concerns about the **company's** cash flow.

#### **Uranium** May Get a Break in 2014

Japan is expected to restart some of the nuclear reactors it shut down after a 2011 earthquake and tsunami devastated its Fukushima nuclear plant.

As well, the U.S.-Russian Highly Enriched **Uranium** agreement, which allows Russia to recycle **uranium** from Soviet-era nuclear warheads, will expire at the end of the year. That is expected to cut about 24 **million** pounds of **uranium** from Western markets.

The cut in supply combined with increased demand for nuclear fuel should help boost **uranium** prices, which are down 40% to about C\$34.40 a pound.

#### Financiers Struggled

It wasn't just a hard year for senior **mining** producers. Explorers, **mining** bankers and lawyers also felt the pain.

Aside from Barrick's C\$3 **billion** stock offering, junior **mining** companies were starved for cash and there were few mergers or acquisitions.

The biggest **mining** transaction of the year in Canada was JSC Atomredmetzoloto and an affiliate's C\$1.35 **billion** deal to privatize Canada's **Uranium** One Inc. The second-largest deal was Sherritt International Corp.'s (SHERF, S.T) C\$946 **million sale** of its thermal **coal** business.

#### Canadian **Mining** Companies Cleaned House

Barrick nominated four new independent directors after shareholders criticized the existing board for being too close to Mr. Munk.

Then Robert Franklin and Donald Carty, two independent directors charged with listening to shareholders' concerns and recruiting new directors, resigned abruptly on Dec. 17, less than two weeks after the first wave of boardroom changes was announced.

Kinross also appointed new directors.

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