



## Tasmanian Bauxite Mine Suspends Production After First Shipment Stalls

A new bauxite mine at Campbell Town in northern Tasmania has gone into care and maintenance after it failed to secure a buyer for its first shipment.

Australian Bauxite began mining at Bald Hill early last year, in what is understood to be the country's first new bauxite quarry in 35 years. The company started mining about 12 months ago, employing about 30 people. In November, the company announced a deal with Mumbai-based marketing company Rawmin Alliance to purchase 4.7 million tonnes over the next five years.

But Australian Bauxite CEO Ian Levy said it was still unclear when the first shipment would be locked in. "The customers in China are just unable to purchase the bauxite at this time," he said. "Expressions of interest we've got are from China, India, Middle East and even from Australia. The dates they're all talking about are after Chinese New Year. People are saying once the market stabilizes, we'll talk to you again."

A 40,000 tonne shipment of bauxite is



sitting at Bell Bay Port, ready for export. There is also another half shipment waiting at the mine.

Mr. Levy said the situation was out of the company's control. "There is a considerable amount of uncertainty in the bauxite market right now," he said. "The Malaysian Government has just shut down exports of their bauxite for three months." In my 40 years of mining, this is the only time something like this has happened. It is extremely frustrating. We may have short-

term hiccups, we may have some battles over the next few months but it's worth the effort."

Mr. Levy said, "The uncertainty had affected work at the mine. Production will naturally have to slow down," he said. "We will continue to do routine rehabilitation work, as and when it's needed. We will try to get back into production as quickly as we can once the market stabilizes and once we start getting contracts."

In a statement, the Tasmanian Government said, "It had been in talks about assistance and the suspension was regrettable." The Government has had ongoing discussions with Australian Bauxite in our attempts to assist but the market has proven too difficult for them to continue operations at this time," acting Resources Minister Rene Hidding said.

"The Government will continue to work with Australian Bauxite through the care and maintenance period to do what we can to assist the company and workers through this difficult period."

## Noranda Announces Cost-reduction for its Upstream Business



Noranda Aluminum Holding Corporation has announced actions principally designed to reduce costs in the company's integrated upstream aluminium business, which comprises its bauxite mining operation in Jamaica, its alumina refinery in Gramercy, Louisiana, and its primary aluminium smelter in New Madrid, Missouri. These actions are in response to continued low aluminium prices, the previously announced idling of two pot lines at the company's aluminium smelter in New Madrid, Missouri, and other business issues affecting the company's upstream operations. "These actions reflect our intense focus on managing cash and available liquidity in an especially challenging business environment for our integrated upstream business," said Layle K. "Kip" Smith, Noranda's President and Chief Executive Officer. "While managing through an extended aluminum price trough, our upstream business has recently faced additional operational and commercial challenges. These challenges include the idling of two pot lines at New Madrid, an unfavorable arbitration panel ruling regarding a bauxite production levy in Jamaica, and the bankruptcy filing by our principal third party bauxite customer. While the actions we've announced are difficult, they are a necessary response to our current challenges as we proactively pursue other measures to reduce our costs in the upstream business."

## METAL PUNCH

- Shrinivas Prabhudesai



"Sir, if there is no demand, why should we produce?"