



## First Quantum to buy stake in copper mine



First Quantum Minerals Ltd. are set to take over the biggest mine and to take control in the African continent. The mining company has offered to buy the Zambian government's 20 per cent stake in Africa's biggest copper mine for as much as \$700 million, according to the two people familiar with the transaction.

Vancouver-based First Quantum already owns 80 per cent of the Kansanshi mine in Zambia's North-Western Province, while state-owned ZCCM Investments Holdings holds the rest.

The proposal, which was submitted last year, includes \$300 million to \$400 million in cash, and an equal amount in special royalties, over more than 10 years, said the people, who asked not to be

identified because they're not authorized to comment.

The deal would also include ZCCM-IH dropping a \$1.4 billion legal claim against First Quantum over a loan the company received from Kansanshi. The government is still considering the proposal, according to sources.

"There are multiple unsolicited offers on the table, including from FQM, which are based on preferential share conversions," a Ministry of Finance spokesman said. The offers relate to the ministry's 17 per cent holding in ZCCM-IH and a sale would be subject to cabinet approval, it said.

First Quantum and the government have been at loggerheads over other issues too. The country's revenue authority handed it a \$7.9 billion tax bill last year, while an increase in royalties this year prompted First Quantum to announce plans to fire 2,500 workers. The company has since backtracked on the proposal.

Kansanshi is First Quantum's biggest mine and accounted for more than half the company's revenue in 2017. ■

## Matalco announces new aluminum recycling plant for Wisconsin Rapids



Scrap Aluminium manufacturer Matalco has announced their plans to build a new \$80 million (USD) plant in central Wisconsin for the production of aluminium billet. The company, which currently operates plants in Indiana, Ohio, and Ontario, Canada, said the proposed site in Wisconsin Rapids offered convenient access to its customers as well as a strong local labor force and quality of life. The facility expects to produce about 230 million pounds of billet, or aluminium logs, from mostly recycled scrap aluminium each year. Those pieces would then be sold to extrusion companies for cutting or pressing.

Matalco executives also credited a package of state and local incentives for helping to bring the project to the region. The local incentives are yet to be approved by the city officials. Matalco expects to employ 80 full-time workers at the 110,000-square-foot plant. Officials reportedly expressed interest in training new employees in partnership with nearby Mid-State Technical College.

If approved, construction would begin this spring and the facility would open in mid-2020.

## Increased Coal Rates Affects Aluminium Markets

As per a report, consistent increase in coal prices is affecting Indian aluminium producers, as cost of coal accounts for a major cost of aluminium smelting. Coal is crucial for fueling the power plants and for the smelter. They account for up to 45 per cent of aluminium production cost. Hence, increasing cost of coal results in increased metal production cost for the producers considerably.

Currently, aluminium production costs for all three major domestic producers – Vedanta, Hindalco and NALCO are currently around \$2000 per tonne, which is a concern as aluminium prices on LME has been decreasing and went below USD 1900 per tonne.