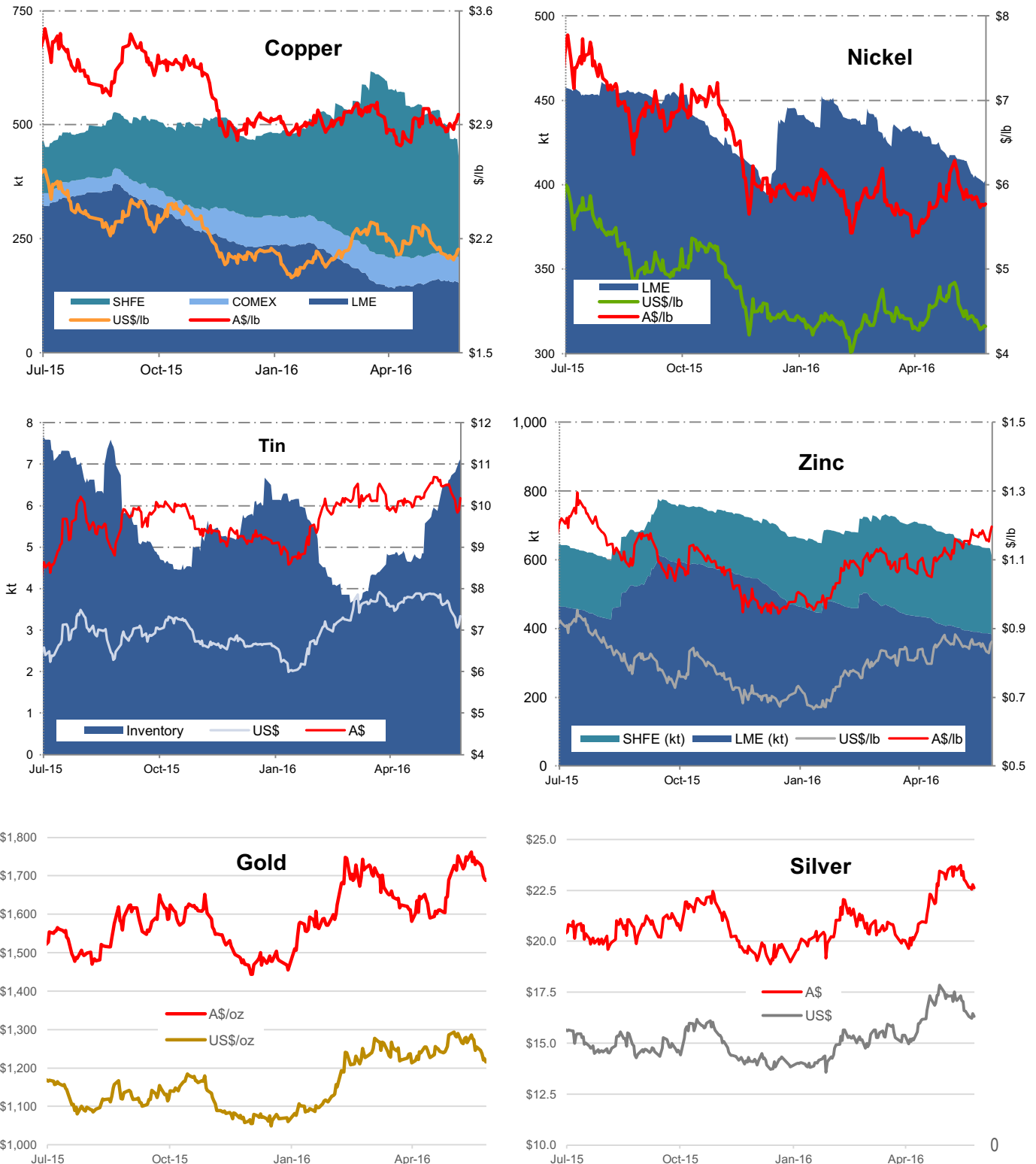


LITHIUM-ION BATTERY MARKET BOOMING IN CHINA

Base Metals & Precious Metals Charts



Source: COMEX, LME, Metal Prices, RBA, SHFE, Terra Studio

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Markets & Majors

Thomson Reuters - The global world refined **copper** market showed a 24,000 tonnes surplus in February, compared with a 51,000 tonnes surplus in January, the International Copper Study Group (ICSG) said in its latest monthly bulletin. For the first two months of the year, the market was in a 76,000 tonnes surplus compared with a 134,000 tonnes surplus in the same period a year earlier, the ICSG said.

Newmont Mining has been permitted for a further six months to export copper concentrate from its mine in Indonesia, *Reuters* reported. The company can export about 400,000 tonnes of copper. The previous six-month permit was issued to the company's unit Newmont Nusa Tenggara Holdings BV on Nov. 20, 2015, allowing it to export copper concentrate from the Batu Hijau joint venture.

Thomson Reuters - **Lead**, the worst performing industrial metal on the London Metal Exchange this year, is set to stay under pressure due to weak demand in China, where a new tax has been slapped on lead-acid batteries and authorities are cracking down on electric-bikes. Lead depends on lead-acid batteries for about 80% of demand in top consumer China.

Thomson Reuters - China is importing more **nickel** than ever before. Headline imports of refined metal hit a new all-time record high of 49,012 tonnes in April. The cumulative tally of 157,600 tonnes over the first four months of the year represents a 115,000-tonne increase over the same period of last year.

China's **lithium-ion** battery market is booming thanks to government support for electric vehicles, according to a new report from CCM (a major market analysis firm for the country's chemicals, agriculture, food, and life sciences, markets). The report revealed that in May 2016 alone, around RMB2.6 billion (~\$400 million) was put into the country's lithium-ion battery sector — most of the funds originating from Tianqi Lithium, Ganfeng Lithium, and GEM CO. The growth of the Chinese electrochemical energy storage market over the past

5 years has notably eclipsed the global average, the report also notes, with a CAGR (2010–2015) of 110%. That's roughly 6 times higher than the global figure. The lithium-ion battery market accounted for about 66% of that market.

Base Metals

Proved and probable reserves at Aditya Birla Minerals' Nifty **copper** mine in Western Australia dropped to 5.24 million tonnes grading 1.85% copper for 97,000 tonnes of copper from last year's estimate of 8.7 million tonnes grading 1.94% copper for a total of 169,000 tonnes of copper.

Thomson Reuters - The Finnish government will start preparations for closing down Talvivaara's former **nickel** mine in northern Finland, economy minister Olli Rehn said. The final decision on closing the loss-making mine will be made later this year, if no private investor is found to keep it running by then, Rehn said. He said the cost of closing the mine alone was estimated at about 300 million euros (\$334 million), while running the operation was costing some 24 million euros a month. "We can't run this operation forever at the taxpayers' expense," Rehn told a news conference.

Nine leading **molybdenum** producers in China have proposed cutting national production of molybdenum concentrates by 10% in 2016 on top of a 9.18% reduction last year. As a result, molybdenum concentrate and ferromolybdenum prices have soared 15% to 25% within last month, and large miners have returned to the breakeven point, *Shanghai Securities News* wrote. Market supply remains tight as producers are keen to support prices.

Precious Metals

A Kyrgyz court ordered Centerra Gold local unit Kumtor Gold Co. to pay about US\$98 million for environmental damages on top of the US\$10,000 fine the court imposed against the subsidiary two days ago, *Reuters* reported. Lawyers of the Kumtor unit have vowed to appeal the ruling.

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Norton Gold Fields entered into a prepayment agreement that will expedite 80% of the payment to Keras Resources Plc on all gold ore delivered to the Paddington mill in Australia.

Kingsgate Consolidated has requested an extension to its trading suspension on the ASX on the back of continued uncertainty over its Chatree gold mine in Thailand. The Thai government ordered the closure of the Chatree mine, along with the country's entire gold mining and exploration industry, earlier this month due to public uproar over environmental and health issues. As part of the move, all mining is set to cease by the end of the year and government agencies will stop issuing and renewing licenses.

Specialty Metals & Minerals

Auroch Mineral has agreed to acquire the Hombolo lithium project in Tanzania, comprising a ground package of 21 licenses and applications covering over 1,700km². The project includes two approved prospecting licenses, eight regional prospecting licenses under application, three granted primary mining licenses and eight applications for primary mining licenses.

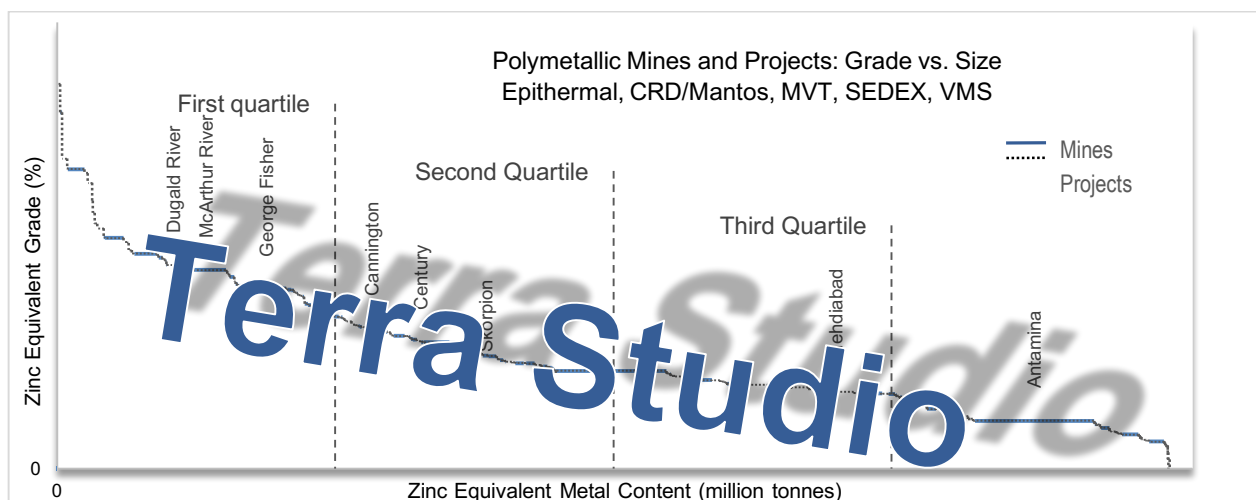
Bauxite Resources has secured the Lort River lithium project in WA as part of its revised strategy. Wholly owned subsidiary Braeburn Resources Pty. Ltd applied for tenement E74/595, which comprises an exploration license application covering 68 graticular blocks.

Funding, JV, Mergers & Acquisitions

Merger and acquisition activity in the gold sector is expected to increase in the coming months as producers convert their enlarged cash balances to growth opportunities, *The Australian* reported.

Alchemy Resources secured 100% of the Karonie gold-base metals project in Western Australia, comprising three exploration license applications totaling over 230km². The Karonie project contains more than 40 kilometers of strike extent of Archean greenstone belt in the Eastern Goldfields superterrane, and is prospective for high-grade orogenic gold and volcanic massive-sulfide-style base metal deposits.

Castle Minerals has terminated the sale of subsidiary Topago Mining Akoko gold project in Ghana to U.K.-based Goldcrest Resources PLC. The nearly US\$2.5 million deal was first announced in May 2015. Castle cited Goldcrest's failure to fulfill its obligations under the deal, particularly the listing of its shares on the LSE's Alternative Investment Market within a 12-month frame. The company said it continues to discuss with Goldcrest a possible restructuring of the agreement and added that several other parties have also expressed an interest in Akoko.



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