



Barrick Gold will not cease operations at Lumwana copper mine in Zambia



24 April 2015



Canada-based Barrick Gold has cancelled plans to cease operations at its Lumwana copper mine after Zambia's Government announced a reduction in mining royalties.

Zambia has recommended royalty tax rates for open pit and underground mining to move to 9%, Reuters reported.

When the revised royalty-based tax system comes into effect on 1 July, the corporate income tax rate will be 30%. Based on this, the mineral processing tax rate will be 35%.

Last December, Barrick Gold announced plans to suspend operations at the Lumwana copper mine in Zambia's north-western province as the country proposed an increase in royalty rates on open pit mining from 6% to 20%.

Barrick Gold co-president Kelvin Dushnisky previously said: "The introduction of this royalty has left us with no choice but to initiate the process of suspending operations at Lumwana.

"Despite the progress we have made to reduce costs and improve efficiency at the mine, the economics of an operation such as Lumwana cannot support a 20% gross royalty, particularly in the current copper price environment."

With a net carrying value of \$1bn, Lumwana supports 4,000 direct jobs.

The mine produced 138 million pounds of copper at C3, with fully allocated costs of \$2.98 per pound in the first nine months of this year, and had 6.6 billion pounds of copper in reserves as of 31 December 2013.

"Economics of an operation such as Lumwana cannot support a 20% gross royalty, particularly in the current copper price environment."

Follow Us:



OODAMM
Critical Radio & Broadband Communication

Related News

Goldcorp and Teck Resources to combine Chilean projects to create new mine

Goldcorp and Teck Resources have agreed to form a joint venture (JV)...

Watpac to deliver mining services at Hanking Gold's Axehandle mine in Australia

Construction and mining contracting company Watpac is set to deliver...

Ausenco to provide EPC services for BMA's coal mine in Australia

Australia-based Ausenco is set to provide engineering, procurement...

Vale to sell Australia's Integra coal mine to Glencore and Bloomfield

Brazil-based mining company Vale has announced agreement to sell its...

Magellan to purchase Troy's Brazilian gold assets

Canadian company Magellan Minerals has signed an agreement to purchase...

[See all news](#)



Follow Us:



mining-technology.com

[Contact us](#)
[Advertise with us](#)

[Terms and conditions](#)
[Privacy](#)

[Links](#)

[Newsletter sign up](#)
[Online magazine sign up](#)

[Top of page](#)



www.mining-technology.com is a product of Kable. Copyright 2015 Kable, a trading division of Kable Intelligence Limited.