

# PRESS CUTTINGS

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## Rare materials for industrial revolution

NOWADAYS, everyone seems to be talking about Industry 4.0 or the Fourth Industrial Revolution (II4.0). Even politicians are now harping on the need for the nation to seriously embrace Industry 4.0, which involves artificial intelligence (AI), Internet of Things and data science, just to name a few. I was in Munich recently to attend a forum on the current global interests in research and



supplied to enable Industry 4.0. Most of the companies which manufacture such items are in the developed West where the demand for Industry 4.0 practices is already high. As we and our neighbouring countries move into Industry 4.0, the demand for such items is also expected to grow. It is therefore timely for us to start planning to attract such investments to the country.

## Stringent SOPs proposed

New draft rules for bauxite mining emphasise stricter enforcement

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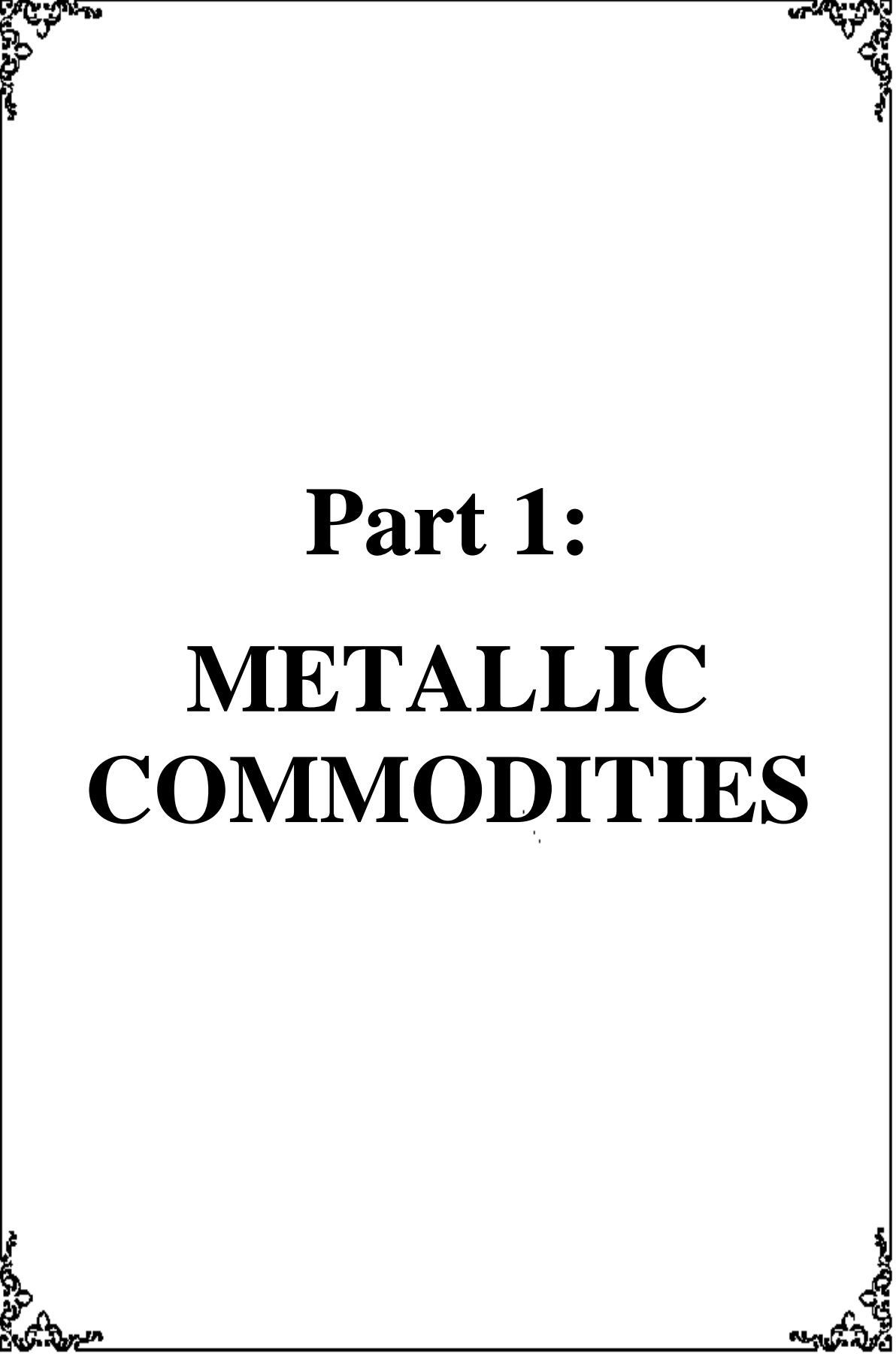
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**Part 1:**

**METALLIC  
COMMODITIES**

# Stringent SOPs proposed

New draft rules for bauxite mining emphasise stricter enforcement

By ONG HAN SEAN  
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**KUANTAN:** A stringent set of standard operating procedures (SOPs) have been proposed for the resumption of bauxite mining in Pahang following the end of a moratorium spanning three years on the activity.

Under the new draft regulations, the minimum condition for a mining lease or proprietary mining lease application must cover an area of at least 20ha, irrespective of it being an individual lot or combination of adjacent lots.

Only applicants competent in technical and financial capabilities would be considered, and there must be a permanent mining engineer and safety, occupational health and environment officer on site.

"Financially, they must be able to prepare the capital and equipment suitable for the proposed mining method, and provide public liability insurance of up to RM1mil," the draft SOP uploaded on the Water, Land and Natural Resources Ministry website stated.

The comprehensive draft SOP covers mining rights application planning, bauxite mining site management, stockpile and port management, transportation and enforcement methods, and exportation procedures.

It also stated that all new and existing mining and stockpile sites must obtain approved environmental impact assessment, which must contain health, social and traffic impact assessments.

A rehabilitation plan must also be submitted for approval by the



**Subject to changes:**  
A former bauxite mining site in Bukit Goh, Kuantan.

state mineral resources committee before any activity can begin.

The federal government ordered a halt to all bauxite mining on Jan 15, 2016, to address concerns about pollution, lack of regulation and excessive extraction by the operators.

Indiscriminate and largely unregulated bauxite mining activities caused rivers and sea water near Pantai Bulok and Pantai Batu Hitam to turn "red" during heavy rainfall.

After months of public outcry, the then Natural Resources and Environment Ministry announced what was first a three-month moratorium on bauxite mining to get things under control and clean up the state.

The temporary ban was then extended a few times to enable all bauxite that had been extracted to

be exported and for the clean-up of all the stockpiling areas.

At the time, it was revealed that there were still about 5.4 million tonnes of bauxite stockpiled outside of Kuantan Port, with about 2.3 million tonnes at mining sites, 1.8 million tonnes in Felda areas and 1.3 million tonnes in Gebeng.

On pollution control, the draft SOP stated that operators would be required to implement environmental pollution mitigation measures at mining sites.

After mining, bauxite ore from mines located 5km from Kuantan Port must be stored in a centralised stockpile before it can be sent to the port for export.

There will be no stockpiles within the port area except for

transit purposes.

The operations procedure at centralised stockpile sites was to ensure that the bauxite was received from legitimate mines and to identify transport lorries that had registered with the Pahang Lands and Mines Office.

Strict environmental pollution control measures such as netting, silt traps and washing bays must be installed at the stockpile sites.

On bauxite export, the draft SOP stated that the monthly capacity of bauxite to be handled by the Kuantan Port would be set at 600,000 tonnes.

A public hearing on the draft SOP is scheduled to be held at Dewan Juhli Perak Sultan Haji Ahmad Shah here on April 14.

## Activist: Draft a step in the right direction

**KUANTAN:** The proposed standard operating procedures (SOP) for bauxite mining have been lauded by an activist who has been waging a long campaign against its side effects.

Gerakan Rakyat Hentikan Pencemaran Bauxit (Geram) chairman Ali Akbar عثمان said from what he had read of the draft, there appeared to be improvements.

"It covers everything related to bauxite mining, from licensing to export. I will say it is positive."

"It is a good move on the part of the government and it shows that our complaints have at least been heard. After so long, an SOP has been published," he said.

Ali Akbar said he would scrutinise the 174-page SOP in detail in order to raise questions at the public hearing scheduled here on April 14, and urged Kuantan residents to register for the event.

The Water, Land and Natural Resources Ministry explained in the draft SOP that engagements were held with related ministries, departments and agencies, including workshops in 2015 and 2016.

Another workshop was held from Oct 24 to 25 last year, which helped come up with improvements to be implemented in the chain of bauxite mining activities.

Felda Bukit Goh Village Community Management Council chief Jefri Sulim said he would reserve his comments until after he has gone through the SOP.

Details on the SOP and public hearing registration are available at [tinyurl.com/bnksit](http://tinyurl.com/bnksit)

## Bauxite miners urged to wait a bit longer to ensure smooth operations

By JO TIMBUONG  
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**PETALING JAYA:** Bauxite mining companies can afford to wait "a little longer" for the final list of standard operating procedures (SOPs) if they do not want their operations to be affected again, according to a senior official.

Pahang Mineral Operators Association vice-president Datuk Yap Soon Huat said it would be in the best interest of all to agree on the SOP rather than have public complaints resulting in disruptions.

"It's better to take the time and

properly agree on the SOP. The moratorium was implemented for three years, so what is another one or two-month wait?" he said.

Although the operators risked incurring losses due to delays, Yap described such risks as part and parcel of the business.

"You win some, you lose some," he said, urging all stakeholders to give their views at the public hearing on the draft SOP scheduled for April 14.

Yap said the public hearing was the right thing to do as it would allow everyone to agree on fair terms.

"We support what the government is doing, especially when it concerns the environment, so we want to take this chance to get the SOP right," he said.

Malaysian Nature Society president Prof Dr Ahmad Ismail hoped the operators would have enough expertise, facilities and monitoring systems to follow the SOP and conduct environmental impact assessments at their sites.

"Monitoring and enforcement by the authorities are also important and enforcement personnel must ensure that they are equipped with the right knowledge, skills and

integrity to handle the job," he said.

Ahmad said the onus was also on the public to educate themselves on the mining processes and toxic effects they might have in order to take precautions.

"The government should reveal past experiences when it comes to bauxite mining, not to scare the public but to encourage them to help the authorities to monitor the situation.

"We cannot wait for another disaster to happen," he said.

Bauxite is a sedimentary rock that is high in aluminium content and is the world's main source

of aluminium.

Bauxite deposits found closer to the surface are extracted using shallow, open-cut mining through open-pit methods, while those found deeper underground require underground mining methods.

However, unscrupulous mining methods can have a detrimental effect on the environment.

Neglectful acts can cause air pollution due to the dust from the mines, which can also affect drinking water sources if such methods cause harmful elements such as arsenic and mercury to leach into them.

Source : StarBiz  
Date : 29 April 2019 (Monday)

## MSC unit's daily tin mining output exceeds 9 tonnes per day

> FROM PAGE 1

Since July 2018, RHT has successfully increased its daily mining output of tin to exceed 9 tonnes per day, from an average of 8.4 tonnes per day previously.

This was achieved with minimal capex and by improving the efficiencies of its mining processes. As a result, total production in FY18 from MSC's mine increased by 6% to 2,355 tonnes from 2,226 tonnes previously.

Yong noted that MSC's main aim is to increase RHT's daily production as well as explore new tin sources in Malaysia.

"We will start small-scale tin mining activities at Sungai Lembing, Pahang, via our 80%-owned subsidiary SL Tin Sdn Bhd.

"Mining and first commercial production are expected to be carried out this year. This will contribute to additional tin production,"

said Yong.

In September last year, RHT entered into a memorandum of understanding (MoU) with Menteri Besar Inc Perak (MB Inc) to lease two parcels of land measuring about 100 acres and 323 acres, respectively.

In the near term, this will be used for waste dumping and further tin ore extraction from discards.

The move would also free up space within the existing mining leases, allowing the company to increase mining productivity.

The MoU will pave the way for both parties to commence strategic alliances and other joint ventures.

According to Yong, tin mining has always been the key profit contributor to MSC.

In FY18, it contributed a net profit of RM25.3mil, representing more than 70% of the group's net profit.

However, net profit from the tin mining division during the period

under review was 27% lower than in 2017. This was partly due to the appreciation of ringgit against the US dollar, which led to lower tin prices in ringgit terms.

In 2018, the average tin price was traded marginally higher at US\$20,067 per tonne versus US\$20,036 in 2017.

On the status of MSC's new smelting plant in Pulau Indah, Klang, Yong said the initial testing and refinery works are being carried out and is expected to be completed by year-end.

"At the moment, our smelting division continues to incur higher expenses due to duplication of overhead costs, as we operate two plants concurrently, with only one generating revenue.

"Upon completion of our testing works, we aim to commence commercial production in early 2020, but this is subject to us obtaining

the necessary licences from the relevant authorities," he added.

Yong noted that with the new plant coming on stream, the group's production and cost efficiencies would significantly improve.

With the new smelting technology, MSC's maximum production capacity would be boosted by 50%, up to 60,000 tonnes per annum.

The furnace would also be able to treat a larger volume of feed materials, with higher reaction rates apart from lowering labour costs.

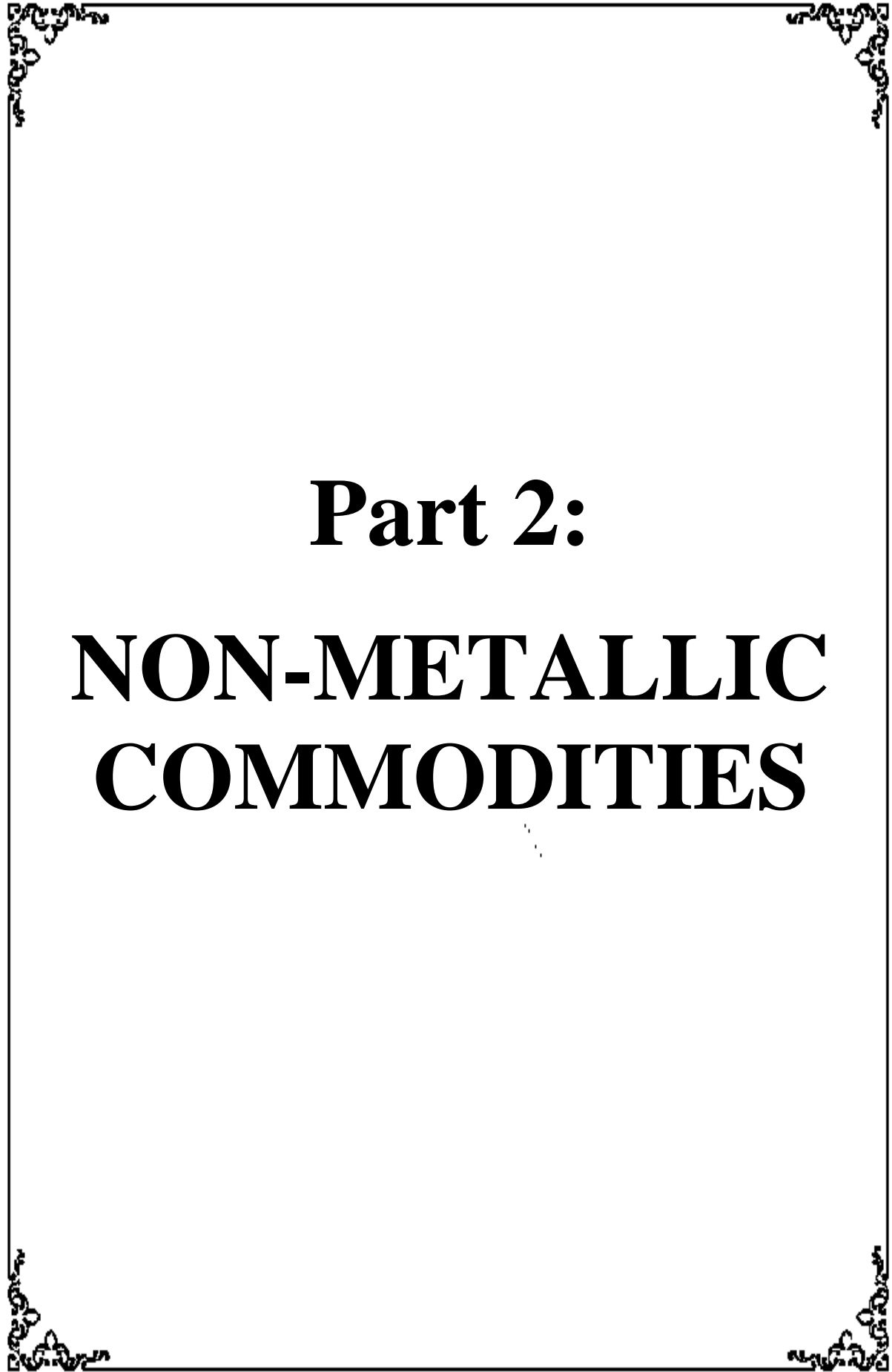
As for the prospects of the tin industry, Yong said while solder remains the major application of tin today, one key area of opportunity would be in emerging lithium-ion batteries for electric vehicles.

"There is a research which suggests that using tin can increase the energy storage capacity significantly while improving the charging rate of the battery.



Yong: We will start small-scale tin mining activities at Sungai Lembing, Pahang.





**Part 2:**

**NON-METALLIC  
COMMODITIES**

Source : The Star  
Date : 08 April 2019 (Monday)

# Rare materials for industrial revolution

NOWADAYS, everyone seems to be talking about Industry 4.0 or the Fourth Industrial Revolution (IR4.0). Even politicians are now harping on the need for the nation to seriously embrace Industry 4.0, which involves artificial intelligence (AI), Internet of Things and data science, just to name a few.

I was in Munich recently to attend a forum on the current global interests in research and development (R&D). As expected, the deliberations were focused on the growing research investments in Industry 4.0, specifically applied research that are nearest to the market place.

The forum was hosted by the Fraunhofer Research Network of Germany, also known as the Fraunhofer Gesellschaft, which many in the applied research circle recognise as the leading applied research network in Germany, if not the world. There are now 70 institutes under the grouping, and the recent event also celebrated the group's 70 years of establishment.

Their model of industry-centred R&D has been hailed as the most effective in translating the findings of R&D for deployment in business. No wonder Germany is often recognised as a country which leads in many areas of tech-



nology. In fact, industry 4.0 was coined in Germany.

In Malaysia, we have also taken the first steps in embracing Industry 4.0. There is now a blueprint on it for the nation. Hosted by the International Trade and Industry Ministry (Miti), the blueprint aims to motivate the business community to incorporate the relevant Industry 4.0 elements in their operations.

But contrary to popular belief, Industry 4.0 is not just about automation and robotics. Essentially, it is about integrating all the elements in business, allowing for a seamless flow of information and data.

It is this integration which effectively empowers the introduction

of process automation and the consequent deployment of robotics and AI technologies into the system. The end game is more efficient business operation and improvement in productivity, which many businesses crave.

We are now just talking about the application of Industry 4.0 in business and manufacturing. We must not forget that there are many other business opportunities associated with the global expansion in the use of Industry 4.0 technologies.

I am talking here about the key components driving those technologies. These include highly sensitive sensors, super magnets, new generation software and advanced microelectronics that need to be

supplied to enable Industry 4.0.

Most of the companies which manufacture such items are in the developed West where the demand for Industry 4.0 practices is already high. As we and our neighbouring countries move into Industry 4.0, the demand for such items is also expected to grow.

It is therefore timely for us to start planning to attract such investments to the country.

One common input material is the rare earths group (*pic*), which is a critical material in super magnets and sensitive sensors. This explains why China, the world's leading producer of rare earths, is very excited about the prospect that rare earths will soon replace oil as the most coveted resource in industry.

We are fortunate that we have Lynas, which produces rare earths at our doorstep. Instead of harassing Lynas, we would be better advised to use them as our trump card to attract such Industry 4.0 businesses to our country. Think about that!

**PROFESSOR DATUK DR  
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## Lynas mulls processing in Australia as M'sia ups pressure

MELBOURNE: Rare earths miner Lynas Corp said it is considering initial ore processing near its Australian mine as Malaysia stepped up pressure on the company already in the midst of a takeover struggle.

Lynas, the world's only major producer of rare earths outside China, has been locked in a dispute with Malaysia, which has told it to remove years of accumulated waste at its Malaysian processing plant in order to have its licence renewed.

Malaysian Prime Minister Tun Dr Mahathir Mohamad said on Friday that companies interested in acquiring Lynas had pledged to decontaminate low-level radioactivity from mined ore before shipping it to the country.

Dr Mahathir did not identify any company. Lynas last month rejected a US\$1.1bil takeover approach by Australian retail-to-chemicals conglomerate Wesfarmers.

Lynas chief executive Amanda Lacaze said yesterday that Lynas had been considering building new processing facilities for months in addition to its Malaysian operations as part of expansion plans and as a way to mitigate

risk from any regulatory changes in Malaysia.

Initial ore processing to reduce levels of radioactivity would mean building a cracking and leaching plant at a cost of about A\$100mil over three years, according to a research report by brokerage CLSA. Lynas was considering five locations, Lacaze said, but gave no details on cost or timing.

"We have been giving great consideration to... our future industrial footprint," she told an analyst and investor call.

"We remain confident that we can agree a path forward with the Malaysian government which is good for Malaysia and good for our business."

Lynas mines rare earths at Mount Weld in Western Australia and currently ships the concentrated material to a US\$800mil processing plant in Kuantan where it stores thousands of tonnes of waste.

Dr Mahathir said even Lynas could operate in the country as long as raw materials coming to Malaysia were cleaned.

His comments come after Malaysia's Atomic Energy Licensing Board told Lynas in December that it must export stockpiles of a

type of residue from its processing plant by Sept 2, when its full operating stage licence is due for renewal.

In February, Lynas said that exporting the residue within the mandated timeline was "unachievable".

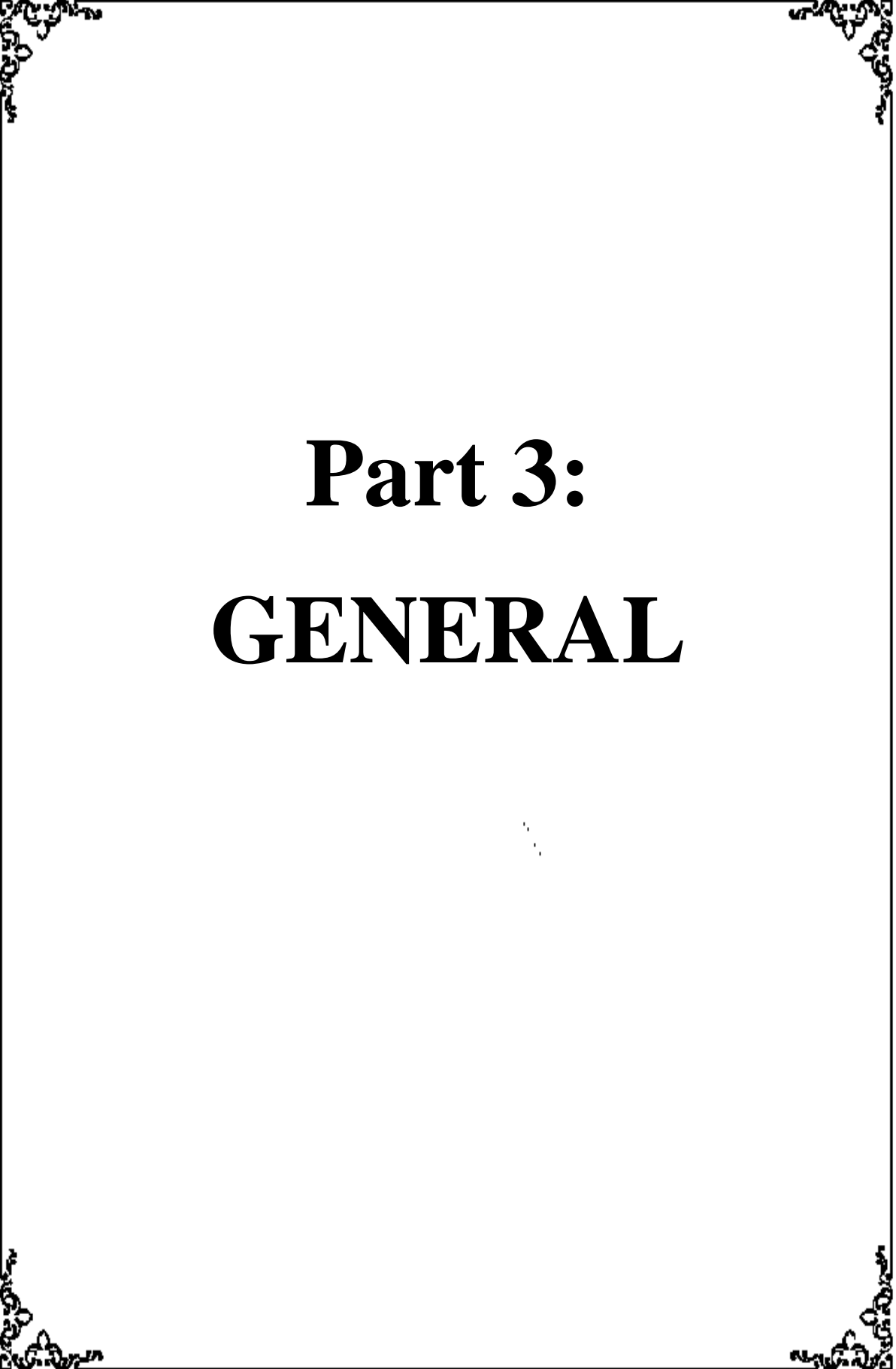
Lynas shareholders played down the likelihood of Lynas being forced to close its plant in Malaysia.

"The prime minister has said he wants the plant to keep operating and stay open in Malaysia. My expectation then would be that the plant's licence must be maintained," said Matthew Ryland of Greencape Capital, the company's second-biggest shareholder.

Lynas said it was seeking clarification from the Malaysian government on its latest comments, but had not yet heard back.

Wesfarmers said it welcomed the Malaysian comments which were consistent with talks it had had with senior government officials.

"We look forward to more detail from the government about Lynas' operating licence certainty, to assess the conditionality of our proposal," it said in a statement. — Reuters



# Part 3:

# GENERAL

## Global gold demand seen rising to four-year high

LONDON: Global demand for gold in 2019 will rise to the highest in four years as higher consumption by jewellers offsets a fall in purchases by central banks, an industry report said on Monday.

The world would consume 4,370 tonnes of gold this year, the most since 2015 and up slightly from 4,364 tonnes in 2018, consultancy Metals Focus said.

Its Gold Focus 2019 report also predicted gold prices would aver-

age US\$1,310 an ounce this year, up from US\$1,268 in 2018 and the highest since 2013. Gold currently trades around US\$1,300 an ounce.

Gold consumption for jewellery would rise 3% this year to 2,351 tonnes, driven by increases of 7% in India and 3% in China - the two largest markets - which would counter lower demand in the Middle East, Metals Focus said.

Purchases by the official sector, which surged almost 75% in 2018 as

central banks added gold to diversify their reserves, would slip 9% this year to 600 tonnes, the report predicted. Physical investment demand will remain largely unchanged from 2018 at 1,082 tonnes. Metals Focus said gold supply would rise by 1% to 4,707 tonnes thanks to higher mine production and recycling and some producer hedging.

Helping gold prices to rise would be the end of interest rate rises by the US Federal Reserve, along with

political and economic uncertainty around the world, Metals Focus said, but it added that a strong dollar would limit gains.

Gold is traditionally seen as a safe place to invest during periods of uncertainty. Higher interest rates hurt gold because they make bullion, which pays no yield, less attractive to investors, while a stronger dollar can depress demand by making gold more expensive for buyers with other currencies. — Reuters

## China is on a big gold-buying spree

SINGAPORE: China's on a bullion-buying spree as Asia's top economy expanded its gold reserves for a fourth straight month, adding to investors' optimism that central banks from around the world will press on with a drive to build up holdings. Prices advanced back toward US\$1,300 an ounce.

The People's Bank of China raised reserves to 60.62 million ounces in March from 60.26 million a month earlier, according to data on its website on Sunday.

In tonnage terms, last month's inflow was 11.2 tonnes, following the addition of 9.95 tonnes in February, 11.8 tonnes in January and 9.95 tonnes in December.

China, the world's top gold producer and consumer, is facing signs of a slowing economy, even as progress is being made in trade negotiations with the US.

The latest data from the PBoC indicate that the country has resumed adding gold to its reserves at a steady pace, much like the period from mid-2015 to October 2016, when the country boosted holdings almost every month. Should China continue to accumulate bullion at the current rate over 2019, it may end the year as the top buyer after Russia, which added 274 tonnes in 2018.

Last year's bullion buying by emerging-market central banks was the most robust in a long time as countries diversified reserves, Ed Morse, Citigroup Inc's global head of commodities research, said in a Bloomberg TV interview.

The bank's positive on gold, targeting US\$1,400 by year-end.

Spot gold fell for a second month in March even after the Federal Reserve signalled it would pause rate hikes, which led to a surge in equities instead.



**From China with gold:** China's on a bullion-buying spree as Asia's top economy expanded its gold reserves for a fourth straight month, adding to investors' optimism that central banks from around the world will press on with a drive to build up holdings. - Bloomberg

Still, the longer-term outlook is more bullish as central-bank demand should help support prices, with inflows running as high as last year, according to Goldman Sachs Group Inc, which expects a rally to US\$1,450 an ounce over 12 months.

Bullion for immediate delivery was at US\$1,296 yesterday.

Governments worldwide added 651.5 tonnes of bullion in 2018, the second-highest total on record, according to the World Gold Council. Russia has quadrupled its reserves

within the span of a decade amid President Vladimir Putin's quest to break the country's reliance on the dollar, and data from the central bank show holdings rose one million ounces in February, the most since November.

China has previously gone long periods without revealing increases in gold holdings.

When the central bank announced a 57% jump in reserves to 53.3 million ounces in mid-2015, it was the first update in six years.

The latest pause was from October 2016 until December last year. — Bloomberg

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