Searching for copper, zinc and international cooperation
50 YEARS OF JOGMEC IN PERU

As a state entity, JOGMEC carries out various activities, among which is to provide support to Japanese private companies that invest in the mining-energy and oil and gas sectors; carry out explorations and collect information on these sectors. They also carry out international cooperation in said sectors.

In their country they also develop other activities among which is the prevention of mining pollution - Japan had mining in the past -, storage of hydrocarbon resources (oil, gas), rare metals and exploration for marine resources.

The Japan Oil, Gas and Metals National Corporation (JOGMEC), Japanese state entity focused on ensuring a stable supply of oil and mineral resources that the country doesn't produce, plans to continue exploring this year and next year the San Martin copper-silver project in Peru, which holder is the junior miner Hannan Metals, Kazunori Hatsuya, general manager of the company’s local office, told MinerAndina.

This is one of more than two projects where JOGMEC is active in the country, and although it could not provide more details due to confidentiality, it said that the agency plans to continue looking for other projects in Peru.

The exploration in San Martin responds to the Japanese government's goal of becoming carbon neutral by 2050, for which it is essential to have metals such as copper, zinc and other “rare” metals like nickel, cobalt or lithium, the senior official added.

Therefore, it will continue to develop and/or generate projects of those metals. “To satisfy the demands of Japanese lives and also Japanese industries, we need to continue to invest in the countries that have these types of resources, and for this reason, investment in Peru will continue”, he explained. The budget allocated to exploration is confidential.

JOGMEC entered into the JV agreement with Hannan in 2020 and they are currently conducting prospecting and geochemical studies. Under the agreement, the Japanese entity has the option of obtaining up to 75% interest in San Martin by spending up to US$35 million, delivering a feasibility study for 815km2.
On the other hand, JOGMEC had an agreement with the junior miner, Panoro Minerals, for the Humamantata project, but decided to drop its option. It avoided explaining the reasons.

If there are good results in the exploration projects, the Japanese agency organizes a bidding process where Japanese companies from the private sector participate. Depending on each case, it will transfer all of its share (or part of it) to the winning company if it so wishes.

“It heavily depends on the result. If its optimal, the company obtains all or a percentage of the stake. JOGMEC keeps a share depending on the case”, said Hatsuya.

From Peru, Japan mainly imports copper and zinc, being its second most important provider. The first ones are Chile and Bolivia respectively.

Waiting time….

The Pandemic hit JOGMEC hard, as its geologists couldn't travel to Peru. “On the recommendation of the Japanese Ministry of Foreign Affairs, JOGMEC’s geologists are still unable to travel, not only to Peru, but to several countries […] so we cannot discuss in the field with the counterpart geologists and that is the real difficulty that we are still having”, said Hatsuya.

Hence, JOGMEC’s most important activity at the moment is to gather information on the sector. Particularly with the new government of President Castillo, the Japanese entity wants to know what will be the general policy and particularly its mining and fiscal policies.

“We need information on fiscal policy changes, if we are going to have an additional tax, and also the issues regarding social conflicts, which are also important for us. On the other hand, on information about infrastructure, the Minister talked about the railway that goes from the Southern part to Marcona. We are picking up all this information and we share it with Japanese companies, with the Ministry, because it is essential for decision making regarding investment for companies, and also for the Ministry in Japan”, he explained.

JOGMEC, thus, is waiting for clear political signs. The Japanese official talked about the case of Chile, where the discussion is a bit more advanced regarding how it will continue to develop activities in that country, especially because of the change in fiscal politics, which is significantly increasing taxes.

He believes that the same discussion could also occur here if the government tries to raise the tax rate in a very exaggerated manner. “But at the moment we still do not see it, in fact, there is no concrete proposal from the government”, he said.
Half a century ago

The Lima office was opened in 1971 and from this office it deals with Bolivia, Colombia and Ecuador. In the former two, as well as in Peru, the countries have an important presence of Japanese companies that invest in the mining-energy sectors, according to Mr. Hatsuya. In the case of Ecuador, Japanese companies still do not invest in the sector, but are interested.

JOGMEC collects daily information on the sector for each one of these countries [Peru, Bolivia, Colombia, Ecuador] and conducts basic initial exploration. It also has an office in Santiago de Chile.

Between 1973 and 1975, the Peruvian government from that time requested the Mining Metallic Organization of Japan –which was JOGMEC’s name at the time-, to conduct an exploration study of the Michiquillay copper deposit (Cajamarca). The Japanese entity made a resources calculation and generated the basic development plan, delivering the results to the Government.

In 2008, JOGMEC signed an agreement with the Ministry of Energy and Mines to send Japanese expert advisors on the prevention of mining environmental liabilities (PAM). Under said agreement, since 2008 until March 2020, they conducted different activities such as training in places where there are PAM and also sent Peruvian officials to Japan for training in prevention and mining pollution, as well as transfer of knowledge, among other things. As a result, MINEM has a team of officials dedicated to PAM prevention.

In the year 2000, MINEM awarded JOGMEC with a plaque of recognition and acknowledgement for its cooperation activities.

Markets

LIMA STOCK EXCHANGE

Ir a:
http://www.bvl.com.pe/mercempresasporsector.html#

To see stocks table of mining and junior companies at the Lima Stock Exchange
Tier One Silver starts surface exploration at Hurricane Silver project

**Tier One Silver** (TSX-V: TSLV; OTCQB: TSLVF), Vancouver, junior miner focused on gold, silver, and base metals exploration with projects only in Peru, announced that it has started Surface exploration at the **Magdalena** and **Pampayeoc** silver prospects, at its **Hurricane Silver** project (31,503 hectares), located about 66km north of the city of Cusco.

The company plans to conduct geological mapping and rock sampling focused on the 1.5km long Magdalena veins system. Subsequently they will carry out land geophysical surveys to define the drilling targets and request a drilling permit for Q1’22.

The junior miner signed a community agreement for two years for the surface access to the Magdalena prospect and to half of the Pampayeoc prospect.

Both prospects are characterized by historic mining workings and numerous high-grade silver exposures.

Inca One reports record deliveries and production in August

**Inca One Gold Corp.** (TSXV: INCA; OTCQB: INCAF; FSE: SU92), Vancouver, gold producer that operates two ore processing plants in Arequipa, announced a new record production last August, after record months of processing in May and July.

Inca One had its best month of August in the company’s history for each one of the ore deliveries, processing and daily throughput.

Deliveries totaled 6,982 MT of gold, surpassing its previous record of 6,111 MT, equivalent to a 14% increase compared to the previous high and 75% superior compared to July 2021.

Additionally, it processed 6,838 tons of material, also above its previous record of 6,581 tons. Both plants processed 221tpd last August, increasing 4% compared to the highest average daily production of the previous month (212tpd), and a 97% increase compared to the previous month.
Silver X acquires Tangana Oeste and expands into the Nueva Recuperada district

Silver X Mining Corp. (TSX-V: AGX; OTC Pink: WRPSF), Vancouver, young mining company mainly settled in the Huachocolpa mining district, acquired the 250 hectares Tangana Oeste silver project, adjacent to its Tangana Mining Unit.

Tangana Oeste hosts polymetallic veins with high silver grades with surface channel samples yielding grades of up to 9,379 gr/t Ag, 2.7% Pb and 1% Zn in 1.5 meters. Its mineralized structure extends 1.3km along the strike and, according to field observations, it is interpreted that it is vertically continuous for over 500m.

Thus, Silver X continues to consolidate in the Nueva Recuperada district and now has over 3km of the Tangana silver polymetallic mineralized system (Tangana and Tangana Oeste), which vein thickness is an average of 1.05 meters.

“This extension of Tangana, with an initial surface channel sampling, with results of up to 9kg/Ag over a 1.5m thick vein, gives the company great potential to expand its high-grade production. We are continually evaluating opportunities throughout Peru and Latin America as we expand our resources base”, said Jose Maria Garcia, CEO of Silver X.

Dynacor forecasts to produce +100,000 ounces of equivalent gold for the first time.

Dynacor Gold Mines Inc. (TSX: DNG), Montreal, international industrial company of gold ore purchased from small-scale and artisanal miners (MAPE), announced the increase of its projections of sales, proceeds and production for 2021.

- Total sales: from US$185 to US$190 million, a 23% to 27% increase compared to the sales target previously announced (US$150 million) and a year-on-year increase of 82% to 87%.
- Net proceeds: of US$9 to US$9.5 million, a 30% to 38% increase compared to the previously announced target (US$6.9 million).
- Dynacor forecasts to produce over 100,000 equivalent ounces of gold in 2021 for the first time in its history.

Copper – Copper/Silver

Hannan channel simples yield 1.6m @ 5.3% Cu in Tabalosos

Hannan Metals Limited (TSX-V: HAN; OTCPK: HANNF), Vancouver, junior miner exploring the copper-silver sediment-hosted San Martin project, in the region of San
Martin, announced that the surface outcrop channel sampling at its Cu-Ag Tabalosos Este prospect, yielded significant results in three new outcrops. The prospect is in JV with the Japanese state agency, JOGMEC.

Tabalosos Este is 1.9km north of the mineralization found previously and is interpreted as hosted in the same mineralized horizon.

The results are considered as new critical geological information. It is the first time that large-scale detailed mapping has defined a map of organic shales previously only mapped between sporadic boulders and poorly exposed outcrops.

Currently Hannan Metals is preparing an EIS that includes diamond drilling in up to 40 pads covering an area of 9 x 3km². Subject to the permits, it is expected that drilling takes place in Q2’22.

Chinalco denies having bribed or given money to Vladimir Cerrón

Minera Chinalco, operator of the Toromocho copper mine, denied having given any amount of money to Vladimir Cerron, President of Peru Libre and former regional governor of Junin, in a press release.

“Minera Chinalco Peru has never given Mr. Cerron Rojas (or any other person directly or indirectly linked to him) any money, securities or goods (of any kind or nature), for any purpose or circumstance”, the company said.

According to La Republica newspaper, Vladimir Cerron allegedly negotiated with the Chinese company an illicit payment in exchange for facilitating the transfer of the population of Antigua Morococha to its current location.

At least one of the witnesses, the newspaper says, ratified that Vladimir Cerron, alongside his brothers, Waldemar Cerron and Fritz Cerron, received US$15 million to obtain the resettlement of around 5,000 people from Morococha, and thus facilitate the execution of Toromocho.

Said at Rumbo a PERUMIN

MMG will invest US$2 billion in Las Bambas expansion

Ross Carroll, finance manager of MMG, parent of Las Bambas, said at Rumbo a PERUMIN, that his priority for the rest of the year will be to work with the new government to progress...
the development of the Chalcobamba project, and discuss potential changes to the tax framework.

Regarding the former, he said that MMG plans to invest US$2 billion in the medium term, amount that will be used to develop not only Chalcobamba, but also the Ferrobamba and Sulfobamba deposits.

“This spending will allow for the generation of more jobs, development for neighboring communities and royalties and taxes that will flow back to local economies”, Carroll said. He said that MMG has only explored 10% of the concessions at Las Bambas, so there is still a “lot of potential for growth”.

**MEF: The Government will not create new taxes or royalties for mining**

The minister of Economy and Finances, Pedro Francke, announced that the Peruvian government will not change the mining tax system nor will it create new taxes, but will only raise tax rates in the highest profit and operating margin brackets.

The purpose of this is for the government to collect more mining income but without the mining companies losing competitiveness, as they feared.

To this end it said they will have support from the FMI’s department of Fiscal Affairs, and from the World Bank, which has offered to develop a good system that places us within the “range of how taxation levels are worldwide”.

**Anglo American will start operations in Quellaveco in 2022**

Mark Cutifani, CEO of Anglo American, reaffirmed at Rumbo a PERUMIN that the US$5.3 billion Quellaveco copper project (Moquegua) will definitely start operations in 2022.

He said that to achieve this milestone, the company had to listen and respond to the needs of the people, which forced them to modify certain aspects of the project.
The result, he said, is one of the world’s largest copper projects, which “will serve as a testament to Peru’s long-standing ability to successfully attract large-scale investment for very long-live mega-projects”

He added that they expect to hire 2,500 people in 2022, most of which will be local labor.

MI NEM launches two mining railway projects in the north and the south of the country

The minister of Energy and Mines, Ivan Merino, announced at Rumbo a PERUMIN that its portfolio will prioritize the development of two mining railways: the Marcona-Andahuaylas Railway and the Cajamarca-Bayovar Railway.

In that regard, it said that there are several interested in the execution of the former of them.

“We are now seeing how the business idea will be, which is very different from those who make the studies, those who build it, those who are the owners and those who manage it”, he said.

To date, the following have shown interest in the project: the Chinese-Australian, MMG, operator of Las Bambas; Southern Copper, operator of the Los Chancas megaproject, in Apurimac; Jinzhao Mining, owner of the Pampa de Pongo iron project; and Strike Resources, operator of the Apurimac Ferrum iron project.
Newmont committed to the project

YANACOCHA SULFIDES WILL EXPAND YANACOCHA’S LIFESPAN TO 2040

Newmont Gold Corp. (NYSE: NEM; TSX: NGT), Denver, knew that after the exploitation of the oxides, mainly in the area that was then called Kupfertal (copper valley in German), there were the secondary sulfides of one of several mineralized zones from the impressive Yanacocha gold district, located in Cajamarca.

In other words, it knew that once the open pit mining of the oxides was over, with heap leach treatment and Merril Crowe processing without the need of crushing or milling, they would have to move to a more traditional and underground operation.

Yanacocha is a JV between Newmont (51.35%), who is the operator, the Buenaventura national mining group (43.65%) and the International Finance Corp. (5%).

“Since 1993, Yanacocha has produced more than 38 million ounces of gold and has been “a cornerstone as an asset”, said Tom Palmer, CEO of Newmont, during his conference at Rumbo a PERUMIN, highlighting that the Sulfides Project will be a great investment opportunity and benefits for all stakeholders.

Yanacocha's production has been declining and this year it projects 160,000 ounces of equivalent gold, when in 2005, its peak year, it produced 3.3 million ounces.

But once the Yanacocha Sulfides Project receives the final funding approval, it will expand Yanacocha's lifespan to at least the year 2040. The company estimates 3 years for the development and will add, on average, a production of 500,000 ounces of equivalent gold annually for the first five years.

The Covid-19 pandemic and its challenges led the foreign company to postpone the decision to start the project for the 2nd half of 2022. Still depending on the management of the pandemic and as Newmont already announced, it will invest in 2022, US$500 million out of the US$2,100 million, to progress critical activities, including detailed engineering, long-term procurement, earthworks in the mine area and construction of facilities, according to Palmer.

The Sulfides Project includes an oxygen plant, an oxidation plant and extraction facilities. “In 2021 we’ve been moving forward working on a transition based on a sulfide leach-only operation as we continue to work on the sulfides project”, the senior executive said.
In 2020, the feasibility work continued, including advanced engineering, definition of geological models, installation of infrastructure, as well as additional camp facilities, among others.

The 1st phase of the project is focused on the Yanacocha Verde open pit (former Kufertal) to have access to the sulfides, and the development of the Chaquicocha underground mine, which will be Yanacocha's first underground mine.

Phases 2 and 3 correspond to the feeding of the processing plant which will extend the mine’s life by several decades.

In addition to extending the life of its operations, the sulfides project gives Newmont the opportunity to diversify its metals profile with the combination of 50% gold, 40% copper and 10% silver. “Moving forward, Yanacocha will be known as a copper mine as much as it has been known as a gold mine in the past”.

This gradual shift is also significant, as copper is already a critical metal as the world moves to a low-energy, renewable energy economy.

“We remain committed with Yanacocha Sulfides and we believe there is potential to extend Yanacocha’s world-class operation to deliver some of South America’s most profitable gold production for many decades to come”.

According to Palmer, Yanacocha Sulfides will also generate value inside the region. This sharing of value is important in our CRS practices and to achieve the purpose of generating value and improving the lives of people through sustainable and responsible mining, delivered under our purpose and strategy. It helps us build long-term robust relationships with everyone involved”.

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INVESTMENT OF US$850 MILLION FOR LATIN AMERICA’S LARGEST WIND ENERGY PROJECT

The Colbun company will build the largest field of wind energy of Latin America in the region of Antofagasta, Chile. The Horizonte Wind Farm will have an investment of US$850 million and a capacity of 778 megawatts (MW).

Construction will begin in December 2021 and is expected to start operations in 2024. It will have 140 auto generators to achieve an average annual generation that can meet the demand of 700,000 homes (See more from International).

“The Horizonte project is a relevant milestone for Colbun, but we think it also is one for the Antofagasta region and the country. It will be a significant contribution to the decarbonization of Chile’s electricity matrix”, said Hernan Rodriguez, President of the company.

Colbun is betting on improving the diversification of its energy matrix through the Horizonte Wind Farm and another solar energy project named Diego de Almagro Sur.

With the wind farm, the capacity of the Antofagasta region increases 70%, this is where important copper mining projects are also located, which are essential for Chilean economy.

The Government set up a strategic zone for the generation of renewable energies in this region of the country, in the Taltal commune, seeking to take advantage of the strong winds in said lands, a sector with wind potential.

The currents will be harnessed with wind tubes supplied by the German company, Enercon, which will be installed in the 8,000 hectares making up the Horizonte Wind farm.

The company calculates that the wind farm avoids the emission of 1.2 Mt of carbon oxide (CO2) per year, which is equivalent to the contamination generated by 300,000 cars in a year (Valora Analitik).