



Australian Government
Australian Trade and Investment Commission



RUSSIAN COPPER COMPANY

CUSTOMER PROFILE – RUSSIA

June 2019

COMPANY BACKGROUND

Russian Copper Company (RCC) was founded in 2004 and is now one of the biggest copper producer in Russia, a vertically integrated company with operational assets in Chelyabinsk Region, Sverdlovsk Region, Orenburg Region, Novgorod Region, and Kazakhstan. RCC manages eight mining enterprises, a hydrometallurgical plant, three metallurgical plants, and a trading company. RCC group operates across the complete production cycle and is engaged in exploration, extraction, refining and metallurgical processing of copper.

In 2017 RCC produced over 183 kt copper cathodes and 104 kt copper rods. The year-on-year growth was 3% and 4% respectively. The company manufactured 146.9 kt copper concentrate and 68.7 kt zinc concentrate. It also produced 4 t refined gold and 76 t silver.

RCC holds 22 mining and production licenses in Russia and Kazakhstan. As of January 1, 2018, JORC proved copper reserves amounted to 3.423 million tonnes (2P reserves totaled 6.797 million tonnes) (rmk-group.ru).

RCC is focused on cost efficient, environment friendly copper production in Russia and Kazakhstan based on the best available technology solutions.

www.rmkgroup.ru

OPERATING DIVISIONS

AKTYUBINSK COPPER COMPANY

Located in the Aktobe region, Kazakhstan. The company operates two mines, 50 Let Oktyabrya and Priorskoye and two processing plants with overall annual capacity of 5 mt copper ore.

- › **50 Let Oktyabrya mine** is a mature copper pyrite asset with the estimated reserves of 36.6 mt for open pit and 8 mt for underground mining. The ore contains about 823 kt copper and more than 250 t silver. The average copper grade is 1.81%,
- › **Priorskoye mine** is a mature copper zinc asset with the estimated reserves of 38.7 mt ore containing 377 kt copper, 1.4 mt zinc, 4 t gold and 604 t silver. The average copper grade is 1.02%, zinc – 3.88%.

Development Projects:

As part of RCC's mineral resource base development program the Aktyubinsk Copper Company is planning the following mine development projects:

- › Vesenne-Aralchinskoe – build an underground mine with an estimated production capacity of up to 500,000 tons of copper ore per year. Estimated mine life is 23 years.
- › Limannoe deposit – an open pit and underground mine with overall capacity of 2 mt per year. Planned for production to start in 2022.
- › Kundyzy – develop up to a 360 m deep open pit mine with 2 mt copper/zinc ore capacity per year.

MIKHEEVSKIY MINING AND PROCESSING PLANT

Located in Cheliabinsk region, Mikheevskiy Mining and Processing plant is RCC Group's flagship project. The mine has estimated reserves of 629 mt and a processing capacity of 18 mtpa. A second line is planned and will increase production capacity to 27 mtpa.

Global companies and equipment suppliers to the project include Metso, Outotec, Komatsu, AtlasCopco.

Development Projects:

- › Implementing digitalisation to provide remote management of production cycle.

TOMINSKIY MINING AND PROCESSING PLANT

Tominskiy mining and processing plant is RCC's biggest investment project. The commissioning of the plant is scheduled for 2020.

The scope of the project includes Tominskiy and Kalinovskiy open pit mines and a processing plant with a capacity of 28 mtpy copper ore, producing up to 500 ktpy copper concentrate with an average 0.4% copper content. As the plant is located in close proximity to Chelyabinsk's water reservoir RCC Group plans to use the best available environment and water protection technology.

ALEXANDRINSKAYA MINING COMPANY

Located in Chelyabinsk region, Russia. Alexandrinskaya Mining Company holds geological survey, exploration and production licenses on Salavatskiy and Katabuiski areas. The indicated resources of the first area is 208.7 mt copper ore and 992.6 kt copper with average copper grade 0.48%. It operates two mines and a floating facility.

- › Aleksandrinskiy Mine – Underground since 2004. A mature copper/zinc mine developed since 1997 with 100 kt capacity per year
- › Chebachiy Mine – Underground since 2010. Copper pyrite ore. with 800 kt capacity per year
- › Processing Plant in Nagaybakiy District of, Chelyabinsk Region. Commissioned in 2001. In 2011–2014, the plant was fully refurbished, boosting its processing capacity to 800,000 tons of ore per year

JSC ORMET

Located in the Orenburg region. JSC Ormet controls a processing plant and two mines.

- › Dzhusinskiy mine has been developed since 2004 as an open pit and went underground in 2015. The mine's annual capacity is 200 kt. It has an estimated life to 2025.
- › Vesenny mine develops the Russian part of Vesenne-Aralchinskoe deposit on the border with Kazakhstan. Open pit with annual capacity of 800 kt. It has an estimated life to 2024
- › Ormet processing plant produces copper and zinc concentrates. The annual capacity is 820 kt.

PROCUREMENT OPPORTUNITIES

RCC's priority is to optimise existing mining and metallurgical operations, exercise innovative approaches to production development and achieve the highest standards of environment protection. RCC "strongly believes in smart production as the only economically viable model of business organization that can help Russia be internationally competitive".

"Smart Copper" is a production standard RCC has adopted across all facilities that provides for:

- › the utilisation of the latest technologies,
- › contribution to the development of the territories where the company operates and
- › an environmentally sensitive approach to all projects.

RCC established Tender Procedure Standard for purchasing goods, works and services. The standard outlines procurement requirements and sets out conditions for achieving timely and full coverage of the RCC's needs of high-quality products on advantageous terms. According to the Tender Procedure Standard, RCC holds tenders, online auctions and requests for quotes to choose the best products and services available.

The main opportunities areas across the RCC group are:

- › copper extraction and processing equipment
- › mine design and construction
- › mine automation and control systems
- › remote control systems
- › environment and safety solutions

Please note – due to Austrade's ongoing involvement with RCC, Austrade seeks to maintain a unified 'Australia METS' brand and approach in dealing with this company. We encourage companies with relevant products and services to contact Austrade's METS Manager directly for further information and to discuss the process to be included in a response to RCC. Refer contact details below.

Local Presence – establishing a local presence by partnering with established Russian companies or directly engaging dedicated representation is highly regarded in the procurement decision making process. A local presence delivers the ability for regular engagement and ongoing follow-up. Where service and/or training are critical, a local presence is considered essential. Service, repair and maintenance capability is mandatory for non-standard and sophisticated plant and equipment.

AUSTRADE

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- develop international markets
- win productive foreign direct investment
- promote international education
- strengthen Australia's tourism industry
- seek consular and passport services.

Austrade provides information and advice that can help Australian companies reduce the time, cost and risk of exporting. We also provide a range of services to Australian exporters looking to expand their business in growth and emerging markets, including:

- information and advice on doing business in international markets
- help with overseas market selection

- identification of relevant overseas contacts
- assistance with market entry and expansion
- identification and follow-up of specific international business opportunities.

We also administer the Export Market Development Grants scheme – the Australian Government's financial assistance program for aspiring and current exporters.

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