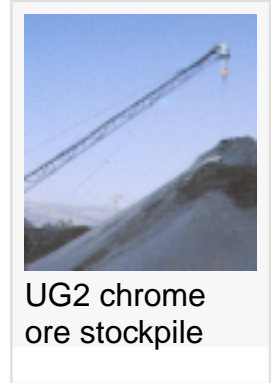


# Core Consultants Publishes White Paper on UG2 Ore

*UG2 capacity rose sharply from 2005-2012, displacing traditional chrome ore exports. Until now the volume of UG2 chrome ore has not been accurately measured.*

JOHANNESBURG, NOT APPLICABLE, SOUTH AFRICA, October 26, 2015 /EINPresswire.com/ -- A number of industry-specific and macroeconomic factors have influenced the rise in the availability of cheap chrome ore. These include:

- Declining ferrochrome prices
- Electricity shortages and outages in South Africa
- Increased smelting capacity in China
- Platinum producers mining from chrome-rich UG2 sources
- Rising platinum costs



These issues have driven South Africa's export of chrome ore grades, mainly to China. Consequently the availability of these ore sources has in turn fed into lower South African ferrochrome and LG/MG chrome ore prices. With respect to prices, South African chrome ore fines (44% Cr) have fallen by 10% CAGR over the last five years from \$267/tonne, CIF, China to \$160.5/tonne.

One such chrome ore group known as UG2 is mined by South African platinum producers from the UG2 seam. While UG2 chrome ore has been available on the market since the mid-nineties, from 2006 the volumes sold became significant as they began encroaching on South Africa's LG and MG chromite exports.

Whilst there have been many attempts by industry to quantify the volumes of UG2 chrome ore produced by platinum producers, since these volumes are often not disclosed, these reports have often grossly misdiagnosed the significance of this ore. Moreover as these reports have typically been authored by industry participants, their findings could not be classified as independent.

This paper bases its estimates on industry sources, public data and non-public data sources and quantifies the volumes of UG2 chrome ore as a percentage of China's overall chrome ore imports. As such we are able to accurately and independently analyse and assess the impact that UG2 chrome ore has on the future of South Africa's chrome and ferrochrome industry.

To enquire about this report or to order, please contact [info@coreconsultants.org](mailto:info@coreconsultants.org)

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